UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 87th CONGRESS
FIRST SESSION

VOLUME 107—PART 12

AUGUST 11, 1961, TO AUGUST 23, 1961
(PAGES 15503 TO 16896)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1961

J
11
.R
v. 107
pt. 12

DEPOSITED BY THE
UNITED STATES OF AMERICA

United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 87th CONGRESS, FIRST SESSION

SENATE

FRIDAY, AUGUST 11, 1961

The Senate met at 11 o'clock a.m., and was called to order by the President pro tempore.

Rev. Raymond Shaheen, pastor, St. Luke Evangelical Lutheran Church, Silver Spring, Md., offered the following prayer:

Eternal God, keeper of all yesterdays and Lord of all tomorrows, as our fathers turned to Thee, so do we in this present hour. But it is not custom alone that prompts us to approach Thy throne. We are driven by the compelling pressures of every single second of each new day.

Wilt Thou be pleased to hear our prayer, O God, in behalf of these Thy servants whose voices heard within the walls of this Senate Chamber are echoed and reechoed the world over.

We pray to Thee, the Father of all mankind, whose paternal goodness claims each of us a member of Thy family and who would have every man look upon another as his brother, enable Thy servants to fashion their hearts and minds according to Thy good pleasure. May it be their intention to please Thee, for we know that only those things which are acceptable in Thy sight can be for the people's good.

Bend them, therefore, by Thy Holy Spirit and suit them according to Thy will that they may discharge their obligations to the family of man with wisdom far greater than their own. Through Jesus Christ, our Lord. Amen.

THE JOURNAL

On request of Mr. SMATHERS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 10, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on today, August 11, 1961, the President had approved and signed the act (S. 1815) to provide for one additional Assistant Secretary of Labor in the Department of Labor.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 2732. An act to amend section 303 of the Career Compensation Act of 1949 to provide that the Secretaries of the uniformed services shall prescribe a reasonable monetary allowance for transportation of house trailers or mobile dwellings upon permanent change of station of members of the uniformed services; and

H.R. 7651. An act to amend the Career Compensation Act of 1949 to authorize the payment of an accrued portion of incentive pay to certain aeronautically rated or designated officers who have been eligible to such pay for a minimum of at least 10 years and who subsequently are removed from the status to such eligibility due to the fact that a determination has been made that the requirement for them in this capacity is no longer necessary in the interest of national security.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred to the Committee on Armed Services:

H.R. 2732. An act to amend section 303 of the Career Compensation Act of 1949 to provide that the Secretaries of the uniformed services shall prescribe a reasonable monetary allowance for transportation of house trailers or mobile dwellings upon permanent change of station of members of the uniformed services; and

H.R. 7651. An act to amend the Career Compensation Act of 1949 to authorize the payment of an accrued portion of incentive pay to certain aeronautically rated or designated officers who have been eligible to such pay for a minimum of at least 10 years and who subsequently are removed from the status to such eligibility due to the fact that a determination has been made that the requirement for them in this capacity is no longer necessary in the interest of national security.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. SMATHERS. Mr. President, I ask that the Senate now proceed to the morning hour, and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MENOMINEE INDIAN LEGISLATION—JOINT RESOLUTION OF WISCONSIN LEGISLATURE

Mr. WILEY. Mr. President, currently the bill, H.R. 4130, relating to termination of Federal control over the Menominee Indian Tribe, of Wisconsin, is pending before a conference committee.

On May 9, the House of Representatives passed its version of this legislation. The Senate acted on June 12.

In my judgment, the House bill, as I stressed at the time, represents a far more adequate effort to meet the complex needs of the tribe during its efforts to resolve problems of termination.

Today I was privileged to receive a joint resolution from the State Legislature of Wisconsin, urging the Congress to adopt the House version of this legislation.

Mr. President, the State government in Wisconsin, as well as many other wide interests, has exerted great efforts in trying to find a workable program for the tribe, to protect its assets, as well as the rights and futures of the members of the tribe.

The resolution, I believe, reflects a realistic assessment of the needs of the tribe. Believing this resolution deserves the attention of Congress, and, particularly, of the members of the conference committee, I request unanimous consent to have it printed at this point in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

JOINT RESOLUTION 93

Joint resolution urging the congressional conference committee on H.R. 4130 to adopt the provisions of the House bill

Whereas the U.S. Congress has under consideration H.R. 4130, which provides for a loan fund for Menominee Enterprises, Inc., to assist the Menominee people in developing and diversifying industry in Menominee County; and

Whereas the House bill contains further provisions for $540,000 in aid for health, education, and welfare programs in Menominee County for the first year, and to continue such aids on a declining basis over the ensuing 5 years; and

Whereas the present tax base in Menominee County is inadequate to properly finance the basic and essential health, education, and welfare programs; and

Whereas the U.S. Senate has not concurred in the allowances made in H.R. 4120 for health, education, and welfare aids; and

Whereas the bill is now in joint conference committee: Now, therefore, be it

Resolved by the senate (the assembly concurring), That the congressional conference committee be urged to adopt the provisions in the House bill; and be it further

Resolved, That copies of this resolution be sent to the members of the conference committee and the members of the Wisconsin delegation in Congress.

W. D. KNOWLES,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
D. J. BLANCHARD,
Speaker of the Assembly.
ROBERT G. MAROTZ,
Chief Clerk of the Assembly.

RESOLUTIONS OF COUNCIL OF POLISH SOCIETIES AND CLUBS, WILMINGTON, DEL.

Mr. WILLIAMS of Delaware. Mr. President, I present, for reference to the appropriate committee, three resolutions adopted by the Council of Polish Societies and Clubs of Wilmington, Del.

The first resolution expresses their opposition to the admission of Red China to the United Nations. The second expresses their opposition to the administration's Federal aid to education bill, and the third resolution expresses their support of the House Un-American Activities Committee.

The PRESIDENT pro tempore. The resolutions will be received and appropriately referred.

The resolutions were referred to the Committees on Foreign Relations, Labor and Public Welfare, and the Judiciary, respectively.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. STENNIS, from the Committee on Armed Services, with amendments:

H.R. 4785. An act relating to withholding for State employee retirement, disability, and death benefit system purposes on the compensation of certain civilian employees of the National Guard (Rept. No. 709).

By Mr. BARTLETT, from the Committee on Armed Services, without amendment:

H.R. 7724. An act to provide for advances of pay to members of the armed services in cases of emergency evacuation of military dependents from oversea areas and for other purposes (Rept. No. 707).

By Mr. BUSH, from the Committee on Armed Services, with an amendment:

H.R. 7934. An act to authorize the Secretaries of the military departments to make emergency payments to persons who are injured or whose property is damaged as a result of aircraft or missile accidents, and for other purposes (Rept. No. 708).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. STENNIS (for himself and Mr. EASTLAND):

S. 2403. A bill to authorize the Secretary of Agriculture to encourage and assist the several States in carrying on a program of forestry research, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. STENNIS when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON (by request):

S. 2404. A bill to amend section 510(1) of the Merchant Marine Act, 1936, relating to the exchange of vessels; to the Committee on Commerce.

By Mr. GORE (for himself and Mr. KEFAUVER):

S. 2405. A bill to provide for flood control on Stones River, Cumberland River Basin, Tenn., and for other purposes; to the Committee on Public Works.

By Mr. ERVIN (for himself and Mr. JORDAN):

S. 2406. A bill for the relief of Balkrishna Govind Gokhale and his wife, Beena Gokhale, and their two daughters, Javashree Gokhale and Maya Gokhale; to the Committee on the Judiciary.

By Mr. HILL:

S. 2407. A bill to amend section 510(1) of the Merchant Marine Act, 1936, relating to the exchange of vessels; to the Committee on Commerce.

By Mr. ALLOTT:

S. 2408. A bill for the relief of Mrs. Jessie M. Smith; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 2409. A bill to amend section 203(j) of the Federal Property and Administrative Services Act of 1949 so as to provide that certain surplus property of the United States shall be offered for sale to the States; to the Committee on Government Operations.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. BURDICK:

S. 2410. A bill to permit the State of North Dakota to modify its agreement entered into under section 218 of the Social Security Act so as to exclude from social security coverage thereunder services performed by student employees of such State; to the Committee on Finance.

S. 2411. A bill to authorize the alteration of the Federal building at Minot, N. Dak., to provide additional office space for the use of Federal agencies and an additional courtroom for the district court of the United States, and for other purposes; and

S. 2412. A bill to change the name of the reservoir above Garrison Dam, known as Garrison Reservoir or Garrison Lake, to Lake Garrison; to the Committee on Public Works.

ASSISTANCE TO STATES IN A PROGRAM OF FORESTRY RESEARCH

Mr. STENNIS. Mr. President, on behalf of myself and my colleague, the senior Senator from Mississippi [Mr. EASTLAND], I introduce, for appropriate reference, a bill to authorize the Secretary of Agriculture to encourage and assist the several States in carrying on a program of forestry research, and for other purposes.

I expect later in the day to make some remarks, if I can obtain the floor, with reference to the purposes of this bill.

I ask unanimous consent that the bill may be printed in the RECORD at this point in my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred, and, without objection, the bill will be printed in the RECORD.

The bill (S. 2403) to authorize the Secretary of Agriculture to encourage and assist the several States in carrying on a program of forestry research, and for other purposes, introduced by Mr. STENNIS (for himself and Mr. EASTLAND), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is hereby recognized that research in forestry is the driving force behind progress in developing and utilizing the resources of the Nation's forest and related range lands. The production, protection, and utilization of the forest resources depend on strong technological advances and continuing development of the knowledge necessary to increase the efficiency of forestry practices and to extend the benefits that flow from forest and related rangelands. It is recognized that the total forestry research efforts of the several State colleges and universities and of the Federal Government through the Forest Service of the Department of Agriculture are more fully effective if there is close coordination between such programs.

SEC. 2. In order to promote research in forestry, the Secretary of Agriculture is hereby authorized to cooperate with the several States for the purpose of encouraging and assisting them in carrying out programs of forestry research. Such assistance shall be in accordance with plans to be agreed upon in advance by the Secretary and land-grant colleges and other State-supported colleges and universities offering graduate training in the sciences basic to forestry and having a forestry school. The plan shall provide for the allotment of Federal funds to the cooperating college or university to carry out the forestry research provided for by this Act.

SEC. 3. To enable the Secretary to carry out the provisions of this Act there are hereby authorized to be appropriated such sums as the Congress may from time to time determine to be necessary. Funds appropriated and made available to the States under this Act shall be in addition to allotments or grants that may be made under other authorizations.

SEC. 4. The amount paid by the Federal Government to any State college or university under this Act shall not exceed during any fiscal year the amount available to such college or university during the same fiscal year for forestry research from State funds or private grants. The Secretary is authorized to make such expenditures on the certificate of the appropriate official of the State college or university having charge of the forestry research for which the expenditures as herein provided are to be made. If any or all of the colleges or universities of any State eligible to receive funds under this Act fails to make available for forestry research in any fiscal year sums at least as much as the amount for which it would be eligible for such year under this Act, the difference between the Federal funds available and the funds made available by the college or university shall be reapportioned by the Secretary to other eligible colleges or universities of the same State if there be any which qualify therefor and, if there be none, the Secretary shall reapportion such difference to the colleges and universities of other States participating in the forestry research program.

SEC. 5. Apportionments among participating colleges and universities of the States and administrative expenses in connection with the program shall be determined by the Secretary after consultation with a national advisory board of not less than five officials of eligible State institutions chosen by a majority of such institutions. In making such apportionments consideration shall be given to pertinent factors including, but not limited to, areas of non-Federal commercial forest land and volume of timber cut annually from growing stock.

SEC. 6. The Secretary is hereby authorized and directed to prescribe such rules and regulations as may be necessary to carry out the provisions of this Act. It shall be the duty of the Secretary to furnish such advice and assistance as will best promote the purposes of this Act.

SEC. 7. The term "forestry research" as used in this Act shall include investigations relating to: (1) Reforestation and management of land for the production of crops of timber and other related products of the forest; (2) management of forest and related watershed lands to improve conditions of waterflow and to protect resources against floods and erosion; (3) management of forest and related range lands for production of forage for domestic livestock and big game and improvement of food and habitat for

wildlife; (4) management of forest lands for outdoor recreation; (5) protection of forest lands and resources against fire, insects, diseases, or other destructive agents; (6) utilization of wood and other forest products for expanded forest industries and new and more effective uses of forest products; (7) economic and social considerations underlying establishment of sound policies for the management of forest lands and the harvesting and marketing of forest products; and (8) such other studies as may be necessary to obtain the fullest and most effective use of forest resources.

SEC. 8. The term "State" as used in this Act shall include Puerto Rico.

Mr. STENNIS subsequently said: Mr. President, for many years I have been a strong supporter of forestry programs—programs that provide for a rich and varied flow of products, services, and opportunities that benefit all people in our country. Nowhere in the world does a people have the bounteous production and use of timber crops, forest recreation, wildlife and fish, water, and range forage that we enjoy in the United States.

Today, I want to describe legislation I am proposing that will move forestry ahead faster through a strengthened research program to be shared by the Federal Government and the States. I am happy to join with Representative MCINTIRE who has introduced a companion measure in the House of Representatives. Representative MCINTIRE is a leader in forestry. His efforts to advance progress on forestry problems are well recognized not only in his own home State of Maine where forests are the backbone of the economy, but in all parts of our country.

Keeping the development and wise use of all forest resources moving ahead as our economy grows is a difficult task. The responsibility of the Federal Government, working in cooperation with the States and with private industry, continues as an important feature of the whole dynamic forestry program. I have often pointed out to the Members of the Senate, as well as to many interested groups nationwide, the significance of a strong research program to future progress in forestry. The Forest Service has a productive research program that is being developed along carefully planned lines with the endorsement and support of the Congress. This research program must continue to grow. However, along with the Forest Service research program there must also be a growing forestry research program at our State agricultural experiment stations and forestry schools.

To accomplish this, legislation is currently needed to facilitate a stronger cooperative research between the Forest Service and the States on troublesome forestry problems and to insure the steady progress that will keep our resources contributing what they can and should. I am proposing this bill because it represents the next needed legislative step in strengthening research on forest resource problems.

The forestry schools of the Nation have contributed significantly to progress through their fine academic programs of training professional people in resource management. They have stimulated research and in their graduate student training programs have advanced technical knowledge. Their competence in the forestry research field has been well demonstrated. The State agricultural experiment stations have also completed excellent research in forestry or in forestry-oriented fields.

The legislation I am proposing would stimulate even greater competence and greater forestry research effort in the universities. It would authorize such sums as the Congress may wish to appropriate to assist each land grant college and to assist other State-supported institutions that have a forestry school and a graduate training program. Training of graduate students as forestry-oriented scientists by having them do research is one of the objectives of this legislation. Thus, every State and Puerto Rico would be able to participate in the program inasmuch as each has a land grant college with graduate training in subjects basic to forestry. The Federal funds, which would be matched on an equal basis, would be administered by the Secretary of Agriculture. It is desirable that administration of the program would be through the Forest Service, the Federal agency with responsibility for forestry research. Apportionment of funds would be determined by the Secretary after consultation with a national advisory board representing eligible State institutions. Pertinent factors considered in the apportionment would include, but not be limited to, non-Federal commercial forest acreage and volume of timber cut. Research authorized would include investigations of all problems relating to the production, protection, and utilization of timber, water, recreation, wildlife and fish habitat, and range forage.

This legislation represents an essential next step in orderly progress to an adequate national forestry research program. The skills and professional scientific resources of the States must be enlisted if we are to move ahead in keeping forestry strong. The greatest strength lies in a foundation of scientific research carried on by the best qualified men of the Nation. We will reap additional benefits from broader and more effective training of scientists in forestry fields. Future forest resource supplies and usefulness will be assured.

SALE OF SURPLUS PROPERTY TO STATE AND LOCAL GOVERNMENTS

Mr. HUMPHREY. Mr. President, I introduce for appropriate reference, a bill to enable States, counties, cities, and towns to purchase Federal surplus property which is not donated for purposes of education, public health, or civil defense.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2409) to amend section 203(j) of the Federal Property and Administrative Services Act of 1949 so as to provide that certain surplus property of the United States shall be offered for sale to the States, introduced by Mr. HUMPHREY was received, read twice by its title, and referred to the Committee on Government Operations.

Mr. HUMPHREY. The object of the proposed legislation is to allow State and local governmental units to purchase property which has been declared surplus by the Federal Government and thereby acquire a clear title to such property. An outright purchase on these terms would avoid the artificial restrictions that now hamper both the local and the Federal Governments.

Administration of this proposal would not change nor interfere with the present program of donating Federal surplus property for purposes of education, public health, or civil defense. Instead, the General Services Administrator would be required to sell surplus property, which is not claimed for these purposes, to local and State governments at 5 percent of its original acquisition cost. These sales would occur within the framework of the existing donation program.

In order to avoid any possibility of any State or local governmental unit taking advantage of this legislation by purchasing equipment with the intent of reselling at a profit, the Administrator of GSA is authorized under this bill to issue the appropriate regulations to assure against such action.

This amendment would not result in a delay of the final disposal of unneeded Government property, nor materially increase the cost to the Federal Government. The establishment of a priority system would not be required since the sale would be administered through an agency designated by the State, in the same manner as the donation program.

This legislation has been carefully studied and represents many months of consultation between representatives of local governments and the Federal agencies which are connected with the administration of this program.

The National Association of County Officials, American Municipal Association, U.S. Conference of Mayors, and the Council of State Governments strongly endorse this proposed legislation. A companion measure is being offered in the House by Representative ZABLOCKI, of Wisconsin.

I ask unanimous consent to have printed at this point in the RECORD the accompanying letters of support.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION OF
COUNTY OFFICIALS,
Washington, D.C., August 8, 1961.

Hon. HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: The National Association of County Officials strongly supports your proposed legislation which would authorize States, counties, cities, and other State instrumentalities to purchase Federal surplus property at 5 percent of its original acquisition cost.

We much prefer outright purchase of these items, rather than a donation, because we can then avoid the artificial restrictions on use that now hamstring both our counties and the Federal Government.

Our support of this type of legislation was editorially expressed in the March 1961 issue of the County Officer. A copy of this editorial is enclosed.

We commend you for your interest in the problems of local government and we offer our complete support for this proposed legislation.

Sincerely yours,

BERNARD F. HILLENBRAND,
Executive Director.

SURPLUS PROPERTY AND THE TAXPAYER

(By Bernard F. Hillenbrand)

We've got nothing against hard-working junkmen, but we do think it is time for the Federal Government to recognize that tax-supported local governments should have a higher priority in acquiring Federal surplus property than do junkmen.

The present archaic Federal disposal policies which are costing taxpayers millions of dollars in double taxation work this way. Mr. Federal Taxpayer buys a bulldozer and the Federal using agency, for one of a variety of sound reasons, no longer needs the machine. It is declared excess to the Federal agency's need and is offered for sale to other Federal agencies. If there are no takers the bulldozer is then declared surplus and offered as a donation to State and local health, education, and civil defense agencies. If it is still not claimed it is then offered at competitive bid at public sale. Counties and other local government units are, of course, precluded by law from bidding at public auction and so a county that needs a bulldozer must buy a new one. Mr. Local Taxpayer, who is also our Federal taxpayer, must therefore pay for a second machine when his original purchase would have done just as well.

NACO strongly supports a revision of the procedures which require the General Services Administrator, who has charge of the surplus property program, to offer our bulldozer for sale to counties and other local units after it has been offered as a donation to health, education, and civil defense agencies, but before it is offered for public sale.

We favor sale to counties and local government units at the same price as the item was offered for sale as excess to other Federal agencies—usually about 5 percent to 10 percent of the original acquisition cost. We much prefer outright purchase on these terms rather than donation because we then avoid the artificial restrictions on use that now hamstring both our counties and the Federal Government.

A revision of this nature would require some additional effort on the part of the Federal Government. It may meet opposition by the junk dealers and possibly by some businessmen.

The stakes are high. Some $2 billion of Federal surplus is generated each year. Our position is right and fair. It will be strongly supported by county officials and by taxpayers alike.

We have an energetic new Congress and administration and it is time to take some constructive action on this fresh new idea.

THE COUNCIL
OF STATE GOVERNMENTS,
Washington D.C., August 8, 1961.

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: We are pleased to know that you are considering the introduction of a bill to permit State and local governments to purchase Federal surplus personal property at a price not to exceed 5 percent of the cost to the United States of acquiring such property.

This is a project in which the Council of State Governments as secretariat to the Governors' conference and the National Association of State Purchasing Officials, has been interested for many years. Repeated efforts have been made to devise a program satisfactory to all concerned whereby clear title to Federal surplus personal property could be obtained through purchase of such property by State and local governments. We are delighted that such now appears to be the case.

If we can be of assistance to you in any way in this matter, please call on us.

Yours very truly,

CHARLES F. SCHWAN, Jr.,
Washington Representative.

U.S. CONFERENCE OF MAYORS,
Washington, D.C., August 8, 1961.

Hon. HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: On behalf of the U.S. Conference of Mayors, may I express our support for the legislation you propose to introduce to permit State and local governmental units to purchase personal property surplus to the Federal Government before it is offered for sale to the general public.

We have reviewed this proposal and believe that it offers a step toward improved intergovernmental relations. While in many instances the present donor program has proven satisfactory, there is good reason why States and cities would prefer to purchase surplus property. Once the property were purchased outright and title passed, the State or city could use this property in a manner consistent with other property that it owns and would be relieved of the burden of keeping separate, and often cumbersome, maintenance and care records for the Federal agency. Under the terms of the proposed legislation, outright purchase could be had and, at the same time, regulations could be drawn which would guard against abuses of this program.

We sincerely hope the appropriate committees of the Congress will give this matter early consideration.

Sincerely yours,

HARRY R. BETTERS,
Executive Director.

AMERICAN MUNICIPAL ASSOCIATION,
Washington, D.C., August 8, 1961.

The Honorable HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: We are pleased to learn that you are considering the introduction of legislation pertaining to the amendment of the Federal Property and Administrative Services Act of 1949. This proposed amendment would permit certain surplus property not needed for the purposes of education, public health, or civil defense to be offered for sale to local and State governments at a price not to exceed 5 percent of the cost of acquisition of said property.

The American Municipal Association would support such legislation since it would be consistent with its national municipal policy on surplus Federal property.

Personal property, once purchased from taxpayers' money by the Federal Government, and subsequently declared to be surplus and no longer needed for Federal, local health, educational, or civil defense purposes, should continue to be made available for taxpayers' benefit so long as a usable and needed Government purpose remains. In accordance with the provisions of the proposed bill which you are considering introducing, the Administrator would be given the authority to determine whether or not such equipment is usable and necessary for State or local government purposes and what regulations should govern its use.

With the burdensome cost of government continuing to mount and with the continued straining of local government resources, maximum use needs to be made of all facilities and resources under whatever intergovernmental cooperative mechanisms can be found. We believe the proposed legislation under consideration by you to be fair and equitable and with due regard for intergovernmental cooperation.

The American Municipal Association supports the proposed legislation which you are now considering, for it feels that State and local governments should be given the opportunity of purchasing such surplus properties at a negotiated sale before these properties are disposed of at public auction.

Sincerely yours,

PATRICK HEALY, Jr.,
Executive Director.

ACT FOR INTERNATIONAL DEVELOPMENT OF 1961—AMENDMENTS

Mr. YARBOROUGH submitted an amendment, intended to be proposed by him, to the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. JAVITS (for himself, Mr. BUSH, Mr. BEALL, Mr. BOGGS, Mr. COOPER, Mr. KEATING, Mr. KUCHEL, Mr. MILLER, Mrs. SMITH, Mr. SCOTT, and Mr. TOWER) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 1983, supra, which was ordered to lie on the table and be printed.

NOTICE OF HEARING ON NOMINATION OF GEORGE W. MITCHELL TO BE A MEMBER OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Mr. ROBERTSON. Mr. President, as chairman of the Committee on Banking and Currency, I desire to give notice that a public hearing has been scheduled for Tuesday, August 15, 1961, at 10 a.m., in room 5302 New Senate Office Building, on the nomination of George W. Mitchell, of Illinois, to be a member of the Board of Governors of the Federal Reserve System for the remainder of the term of 14 years from February 1, 1948, vice M. S. Szymczak, resigned.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been received and is now pending before the Committee on the Judiciary:

William H. Terrill, to be U.S. marshal for the district of Colorado, for a term of 4 years, vice Tom O. Kimball.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Friday, August 18, 1961, any representations or objections they may

wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. METCALF:

Article by him on Youth Conservation Corps, published in the American Legion magazine of August 1961; letter to him from William J. Lederer, chairman, Veterans' Advisory Commission, city of Philadelphia, on same subject.

THE NATURE OF COMMUNISM

Mr. THURMOND. Mr. President, on Sunday, August 6, there appeared in the Washington Post an editorial entitled "What's in a Label?" The editorial is very significant, in that it is a treatment or comparison of socialism and communism. As is pointed out in the editorial, this discussion of the relationship of socialism and communism was occasioned by remarks of mine directed to that subject in a discussion concerning the insidious campaign to censor and gag the military. I have discussed this subject on the floor of the Senate on July 26, 29, and 31, and on August 2, 4, and 10.

Mr. President, I consider it an urgent need that the people of the United States understand the total nature of communism; and this entails a clear understanding of the many points of similarity between communism and Marxist socialism. Without such a complete understanding, the American people will not be able to anticipate and judge the attitude of Marxist Socialists toward Sino-Soviet communism.

Because this matter is one that bears strongly on the need for public information on the total nature of communism and the menace of the cold war, I replied by letter to the editor of the Washington Post, in order to clarify and further discuss this subject. I ask unanimous consent that my letter of reply to the editor of the Washington Post be printed in the RECORD following my remarks; and I also ask that following my reply, the Washington Post editorial of August 6, 1961, entitled "What's in a Label?" be also printed in the CONGRESSIONAL RECORD. The Washington Post has not yet printed my letter to the editor, but I hope it will do so.

There being no objection, the letter and the editorial were ordered to be printed in the RECORD, as follows:

AUGUST 8, 1961.

Mr. J. R. WIGGINS,
Editor, the Washington Post,
Washington, D.C.

DEAR MR. WIGGINS: Your interest in informing the public about the specific nature of communism, and, as you conclude, its point of difference with socialism, as evidenced by your editorial of August 6, 1961, "What's in a Label?" is of great import, and I request that you print this letter in which I shall attempt to demonstrate the relationship of communism and socialism as I understand it.

As you so candidly admitted in your editorial, both socialism and communism derive from the teachings of Marx and Engels. In fact, the movements were one until the split over methods of approach, which resulted after the Russian revolution in 1905. The course of what we now call Communists was called revolutionary, and the course of what you labeled "Socialist Democrats" was called reformist. The aim and purpose of both was then and is now world socialism, which communism seeks to achieve through revolution and which Socialists seek to achieve through evolution.

The industrial achievements of the United States are the result of an economic system which is the antithesis of socialism. Our economic system is called capitalism or private enterprise and is based on private property rights, the profit motive and competition. The advantages of the system are not confined to economic benefits, however, for it embodies the economic freedom essential to the preservation and maintenance of political liberty, which you choose to call civil liberites. In practice, liberty is indivisible. The economic aspects of liberty provide the means for the exercise and enjoyment of the political aspects of liberty.

Both communism and socialism seek to destroy our economic system and replace it with socialism; and their success, whether through evolution by socialism or through revolution by communism, or a combination, will destroy not only our economic system, but our liberty, including the civil aspects, as well. As you pointed out in your editorial, but skirted in attempting to illustrate, our economic system has now become diluted with portions of socialism.

It is impossible to escape the conclusion that there are those among our society, even in the Government and the press, who are Marxist Socialists. The Socialists here, as in many European countries, have given up hope of destroying private property by means of nationalization, but seek the same direct end by the process of governmental regulation and control. In an article published in Masses and Mainstream in July of 1956, a Socialist writer, G. D. H. Cole, reviews the common ground of socialism and communism, and the first point made is that all Socialists and Communists "are all against capitalism—that is against private exploitation of the world's resources, and all those who work upon them for the pursuit of private profit."

Since Marxist Socialists share the ultimate goal of the Communists, their opposition to communism is limited. They oppose the use of armed forces by Communist nations to promote world socialism, for they consider it an unnecessary waste: they believe world socialism can be achieved through evolution. The Socialists do not oppose subversion, however, for it can promote the evolutionary process. The Socialists also oppose any step by the free world which could lead to war, for again they consider it a waste. In their estimation, world socialism is inevitable. This they share with the Communists.

Within our own country, the Socialists support anticommunism only so long as it is aimed exclusively at the Communist armed threat. They want world socialism controlled by themselves, not Russians or Chinese.

The biggest stumbling block to world socialism, from either revolutionary or evolutionary methods, is the political and economic structure of the United States, diluted to some extent with socialism as it is. It serves the Socialist as well as the Communist cause, and their common purpose, to weaken this structure. This is the reason why Socialists in this country attempt without cessation, all too often successfully, to frustrate policies designed to strengthen our system and our country.

Nationalism is as much an anathema to socialism as it is to communism, for both communism and socialism seek a world order rather than a national order. Domesticated Socialists are therefore always found in the ranks of the one-worlders.

Socialism joins with communism in discouraging the inculcation of patriotism, for patriotism is a form of nationalism which impedes the establishment of world, or international, socialism.

It should be apparent then, that the common ground of socialism and communism is a factor to which the American people should be alerted. Without a clear understanding that communism is socialism, with but a revolutionary rather than an evolutionary approach, the total threat and menace of the cold war, which is psychological, as well as subversive, political, economic, diplomatic, and military in nature, can never be comprehended and fought to victory.

Sincerely,

STROM THURMOND.

[From the Washington Post, Aug. 6, 1961]

WHAT'S IN A LABEL?

In his championship of the teaching of truth in the military services, Senator STROM THURMOND has made the point that socialism and communism are synonymous. If this were indeed true—if the millions of people around the world who call themselves Socialists were indistinguishable from the Communists—then the United States would have an incredibly more difficult task in the defense of freedom. Fortunately for this country in the struggle it faces, any such simple definition betrays a gross misunderstanding of reality.

It is true that both socialism and communism are thought to owe their modern-day incarnations to the same prophets, Karl Marx and Friedrich Engels. It is true that until the time of Lenin the world Socialist movement was more or less united, with various prickly offshoots. But at the time of the Bolshevik revolution the movement was split irreparably asunder. Although the Communist countries call themselves Socialist, and although some democratic Socialists elsewhere still pay obeisance to Marx and still advocate governmental ownership of the means of heavy production, there the similarities cease.

The most meaningful difference between present-day Social Democrats and the Communists is of course over civil liberties. Democratic Socialists uphold democratic methods and the rights of the individual. The Communists proceed by conspiracy, violence and the knock on the door. This distinction is fundamental.

Individual Socialist Parties vary in their ideologies. Some, particularly in Western Europe, have divested themselves of their Marxist class-warfare trappings and of their belief in nationalization as a panacea. Others, as in the case of the majority Socialist movements in Japan and Italy, have rather woolly fringes.

But in the main, the democratic Socialist Parties are today among the strongest and most effective opponents of communism—a fact that Mr. Khrushchev has recognized with the special ire he reserves for the Social Democrats. Communism has no fiercer foe, for example, than Norman Thomas, the longtime American Socialist presidential candidate and a dedicated democrat and civil libertarian. West Berlin Mayor Willy Brandt has proved his credentials in the defense of freedom.

In economic philosophy most of us in the United States prefer the private enterprise system, for we believe that it provides the

greatest stimulus to expansion and improvement of the general standard of living. But even here, our labels and slogans sometimes depart from the facts. What we have is a far reach from the laissez-faire of Adam Smith; it is a thoroughly mixed and regulated system in which private and public enterprise are functional and complementary.

In the process we have acquired some facets of what Mr. THURMOND might call socialism, because the Government undertakes to provide for the general benefit. Conspicuous examples are the Post Office and the Atomic Energy Commission—and the Armed Forces, in which both Senator THURMOND and his like-minded companion, Senator GOLDWATER, hold Reserve commissions as general officers. Few persons would think that these functions should be turned over to private enterprise, whatever the criticisms of governmental efficiency.

Much the same pattern prevails in other developed non-Communist countries. In such an indubitably free enterprise nation as West Germany, for example, the railroads, telephone and telegraph long have been government-owned. In nominally Socialist Scandinavia, the private businessman is altogether at home and finds substantially the same encouragements as in the United States.

In underdeveloped countries, too, the patterns are very mixed. Many of the new governments proclaim themselves Socialist, for sentimental as well as practical reasons. Socialism has an egalitarian and anticolonial connotation. More than this, in poor countries which are not yet attractive to foreign private investment, government is often the only substantial source of capital. Yet in Socialist India the public sector is still much smaller, proportionately, than in the free enterprise United States; and the private sector in India has been growing with encouraging vigor.

There is a truly enormous distinction between such system and the system found in the Communist bloc—a system that amounts to tyranny, whatever it is called. Civil liberties, free elections, responsive constitutional government—these, rather than economic labels, are the really essential elements in the battle.

The danger in the sort of labeling in which Mr. THURMOND has engaged is that it confuses understanding of the nature of the real foe. By lumping together not merely the democratic Socialists, but also social welfare legislation as extensions of communism, Mr. THURMOND insults millions of freedom-loving individuals and confers on the Communists allies which they in no sense possess.

FOREIGN ASSISTANCE ACT OF 1961

Mr. McNAMARA. Mr. President, several days ago I offered an amendment to the pending bill. This proposed amendment has received some publicity in the newspapers of my home State, and elsewhere.

Various newspaper editors, who in the past have had an uncanny knack for being wrong, have imputed various motives to my action.

I am not unduly disturbed by their unfavorable comments, since their editorial "advice" has usually been a pretty good indication of what not to do. In fact, whenever they comment favorably upon some action of mine, my suspicions are aroused and I carefully reexamine my position for possible error.

However, for the RECORD of this body, I feel obligated to state my position on this matter more fully.

The amendment I proposed would eliminate all economic assistance from the pending measure, S. 1983.

I offered this amendment to call attention as forcibly as I can to some recent developments that have greatly disturbed me.

Two weeks ago President Kennedy went before the people of this country with a stepped-up program of military preparedness to meet the increasing Communist challenge to our liberties in Berlin and elsewhere.

The response of the Congress to his request has been swift and overwhelming.

However, hardly had the President finished his televised address to the Nation than demands began to arise from members of the opposition party and others for a cutback in our program to develop and strengthen the domestic economy.

These demands were made on the specious grounds that the United States of America, the richest nation on earth, could not afford both the military buildup needed to protect us against our enemies abroad and the social and economic programs necessary to make us strong at home.

These demands for domestic cutbacks, incidentally, occurred at a time when major portions of the administration's domestic program remain to be acted upon by the Congress.

It should be noted that we have made some substantial progress with this domestic program. We have enacted a new minimum wage law, extending coverage to 3.6 million additional workers. We have enacted an important new housing law. We have enacted legislation designed to aid economically depressed areas through an area redevelopment program. We have made some progress in liberalizing the social security program. We have enacted a water pollution control law. We have extended the temporary unemployment compensation program.

However, we still have much important, unfinished legislative business relating to the domestic economy. We have done nothing about providing a realistic program of medical care for our elderly citizens through the social security system.

Federal aid to education has bogged down in the parliamentary process and its prospects for passage have diminished. The importance of Federal aid for school construction and teachers salaries cannot be overemphasized.

I do not believe that we have made sufficient progress in meeting head on the problem of unemployment.

In his most recent report, the Secretary of Labor notes that unemployment in the United States has increased by 1,123,000 over the month of July one year ago.

The problem of the hard-core chronic unemployed remains with us. According to the Secretary of Labor, the number of workers unemployed for 6 months or longer increased during the month of July 1961, by nearly 100,000 over the previous month to a total of 1,026,000.

Secretary Goldberg also reported a small increase rate of unemployment to the total work force from 6.8 percent in June of this year to 6.9 percent in July.

He further noted that the number of major population areas, rated as having substantial unemployment with 6 percent or more of the available labor force out of work, remains at 88, which is unchanged from last month.

Further, when I offered my amendment, I felt that the administration had not made the case it should have made for foreign economic aid.

Happily, the great address by the distinguished junior Senator from Arkansas [Mr. FULBRIGHT] in support of S. 1963 on August 4 has resolved many of my doubts on this score.

It was a forceful and eloquent presentation, and I listened to it with keen appreciation and great admiration.

However, in rereading the RECORD certain questions occur to me that I should like to address to the distinguished chairman of the Foreign Relations Committee.

The Senator, in his presentation, stated that under this bill it will be our aim—and I quote—"to provide succor for the needy, the materially and spiritually deprived majority of mankind."

He speaks of "a pulse of sympathy" and "an instinct of compassion" that has figured prominently in the foreign relations of our country since the founding of the Republic.

It is often said that half the people in this world go to bed hungry every night. I sympathize with this situation, but I submit that too many of these hungry people live in the United States.

Would not the Senator agree that this same "instinct for compassion," this same "pulse of sympathy" should be directed toward the underfed, toward the millions of unemployed workers and their families—the elderly who cannot afford the medical care they so desperately need—the children who are being short-changed on their education—all of whom are citizens and residents of the United States?

In his fine address, the Senator from Arkansas referred to section 201A of the bill which states in part:

> Loans shall be made only upon a finding of reasonable prospects of repayment.

The Senator notes that all loans extended under the new authority must be repaid in dollars over terms of up to 50 years.

I wonder how these countries will obtain these American dollars, and how this process will affect unemployment in this country?

It is my understanding that the economic assistance funds will be directed largely to the underdeveloped nations of Asia, Africa, and South America. I know that our foreign aid funds in the past have been used to rebuild the war-ravaged economies of Europe, to the point that in most cases of these countries today the economies are flourishing, the unemployment rate is extremely low, and, indeed, in most cases these countries are experiencing labor shortages.

I wonder if the Senator could tell me whether economic assistance under this bill will be directed to any European countries and, if so, which ones?

It is my understanding that we are now sending assistance, either economic

or military, or a combination of both, to some 97 nations out of 110 and the question naturally arises, when will it end? And where?

I should like to ask the distinguished Senator from Arkansas one final question.

It has been stated that we now have in the "foreign aid pipeline" some $5 billion that has not been expended.

If this indeed is the case, if this $5 billion is uncommitted, would it not be reasonable to declare a 1-year moratorium on foreign economic asistance and use the money to strengthen our own economy—for Federal aid to education, for medical care for the aged, and for measures designed to stimulate the American economy and increase employment opportunities for our own people?

I should like to say that in the remaining period of this session we must demonstrate to the American people and to the world that we can and must afford both the necessary military buildup the President has requested, and the strengthening of the domestic economy he has, with equal urgency, demanded.

We must demonstrate to the people that not only can we afford both military strength and domestic welfare, but also that the strength of the domestic economy is an indispensable basis of any strength—military, diplomatic, or other.

In conclusion, I should like to summarize the reasons I offered the amendment that is now lying on the desk.

First, I wish to express my dissatisfaction with the progress, or lack of it, in the important area of domestic legislation.

Second, I wished to emphasize that foreign aid, whether it be military or domestic, will do us no good unless we are strong at home.

Third, I wish to serve notice that I do not buy the specious argument that necessary progress on the domestic front must be sacrificed to the military buildup.

I believe most strongly that we can and must do both. With our great productive capacity, our technical know-how, our enormous natural resources, and the basic strength and devotion of our people, there is no question as to our ability to handle both jobs.

On this point I am in complete agreement with the President and with the distinguished chairman of the Foreign Relations Committee.

I hope that by pointing up the possibility of eliminating economic assistance completely I have demonstrated the absolute necessity for making America strong at home.

Because if we cannot take care of our people here at home, we will never be successful abroad. If we really want to protect our freedom and extend the concepts of democracy throughout the world—as I know we do—then we must take the necessary steps to strengthen our economy at home, too.

Believing that we can and will do both of these two important jobs—strengthen our own economy and help our friends throughout the world—I now state for the RECORD that my amendment will in all probability not be called up.

THE DRUG INDUSTRY

Mr. DIRKSEN. Mr. President, Senate bill 1552, known as the Drug Industry Antitrust Act, is pending before the U.S. Senate Antitrust and Monopoly Subcommittee, of which I am the ranking Republican member. Thus far, we have had some hearings. Additional hearings will be held in the future.

From the many letters I have received, there is one in particular that tells a significant story. The letter was written by Dr. Melville Sahyun, president of Sahyun Laboratories, Santa Barbara, Calif. This company is not one of the major drug manufacturers, and to me that fact makes his letter the more important. I ask unanimous consent that the letter and also a statement by Dr. Sahyun be printed in the RECORD in connection with my remarks. I also ask unanimous consent to have printed at this point in the RECORD a speech by John T. Connor, president of Merck & Co., before the National Academy of Sciences, National Research Council, Patent Symposium. The speech is entitled "Patents and the Conquest of Disease," and it was delivered on June 14, 1961, at Washington, D.C. I also ask unanimous consent to have printed at this point in the RECORD a letter to me from Mr. W. B. Reynolds, vice president of General Mills, Inc. commenting on the patent aspects of the Senate bill 1552.

There being no objection, the letters and the statement were ordered to be printed in the RECORD, as follows:

SAHYUN LABORATORIES,
Santa Barbara, Calif., August 1, 1961.

Hon. EVERETT M. DIRKSEN,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR DIRKSEN: This is with reference to bill S. 1552 introduced by Senator KEFAUVER, which was read twice and referred to the Committee on the Judiciary. It may be cited as the Drug Industry Act.

I am enclosing for your consideration my comments on bill S. 1552. Therein I present my reasons why the bill must be defeated.

Herein, I wish to submit my opinion as a scientist, with a Ph. D. from Stanford University, and as an inventor with 38 years of experience in research and development of new drugs.

As a scientist, I have to my credit some 80 scientific publications in such journals as the Journal of Biological Chemistry, Journal of the American Chemical Society, Journal of the American Medical Association, Journal of Pharmacology & Experimental Therapeutics, Archives of Medicine, American Journal of Physiology, Journal of Infectious Diseases, etc. I have also authored and edited two books, one of which was selected by the American Society of Librarians as one of the best 100 books of 1948.

As an inventor, I have been granted some 40 U.S. patents, 25 of which were obtained during the past 10 years.

I have introduced several outstanding ethical drugs, many of which are widely used throughout the world. Some of these are:

Crystalline insulin (first). Trade name, Zinc Insulin Crystals. Research and development of this product, 1923–38.

Amino acids (first). Trade name, Parenamine. Research and development, 1933–41.

Protein preparation (first). Trade name, Essenamine. Research and development, 1937–44.

Ferrous gluconate (treatment of iron deficiency anemia). Trade name, Fergon. Research and development, 1936–40.

Isuprel (treatment of asthma). Research and development, 1943–47.

Tyzine (nasal preparation for treatment of colds and allergies). Research and development, 1952–55.

Visine (ophthalmic preparation). Research and development, 1952–55.

Daricon (treatment of ulcers and intestinal pain). Research and development, 1953–58.

In 1950, I established my own research institution, Sahyun Laboratories, in Santa Barbara, Calif., which I devote entirely to creative research and development in medicinal chemistry and nutrition. I have 10 individuals on my staff, with some 30 dependents. Sahyun Laboratories is an independent institution supported financially entirely from earned and advanced royalties.

Needless to state, in the research and development of a new drug, or, as a matter of fact, of any new and useful article, there is considerable investment in capital, effort, time, and equipment. There is also considerable risk. Ideas for a new product are worthless unless they can be translated into useful commodities that are better and have decided advantages over existing similar commodities. In research and development, my staff and I are in friendly competition with research institutions that outnumber us in personnel, and who have tremendous financial backing at their disposal. Nevertheless, realizing all the obvious and numerous disadvantages, I was willing to take the risk for the following reasons:

1. Attain the realization of a dream that I could do outstanding independent work in my selected profession.

2. Work in a pleasant environment.

3. Contribute to my welfare, the welfare of my associates, and the welfare of society.

4. Succeed in my venture despite competition.

5. Enjoy freedom of choice in my work.

I am guaranteed this freedom of work and free enterprise by the Constitution, article 1, section 8. My philosophy of life is:

To gain my livelihood and that of my family in a free society by making use of God's gifts; thus benefiting myself, my neighbor, and my country.

In order to remain solvent and continue the operation of my research institution, it is mandatory that I find a market for my inventions, either by marketing my own inventions, or by granting an exclusive license to a second party to manufacture and market them.

Briefly, to market my own invention, or any patentable new drug, requires a large investment in property, equipment, technical staff, professional help, legal staff, sales force, labor force, etc. All this is beyond my financial ability.

Hence, the other alternative is to grant an exclusive license on a royalty basis. To expedite matters, I find it advantageous to grant an option for an exclusive license, provided the optionee will undertake, at his own expense, the cost of the required pharmacologic, toxicologic, and clinical studies for an effective new drug application. As a rule, the optionee is agreeable to such an arrangement provided I will grant him an exclusive license for the life of the patent—in other words, for 17 years.

If unbiased investigations disclose unfair practices within the drug industry which lead to excessive high costs for drugs, there are adequate laws which provide for corrective measures. Punitive measures directed toward the entire industry and inventors of new drugs should not be the answer.

Only with an increase in the number of firms and individuals engaged in research

and development, with the concomitant increase in competition, can better and less expensive drugs be provided for the public.

I might further add that I feel the enactment of this bill would stifle incentive in our youth to major in chemistry, medicinal chemistry, or allied sciences. There would be no freedom of enterprise as far as the drug industry and its allied fields are concerned.

In the event bill S. 1552 is enacted, I am strongly of the opinion that our freedom of enterprise, yours and mine, will be curtailed, and that article 1, section 8 of the Constitution will be erased forever.

Thus, I, for one, will have no other choice but to close the doors of my research institution and, along with my associates, join the army of the unemployed.

Therefore, I request your thoughtful and serious consideration of this proposed Drug Act. The welfare of the Nation's physically ill and afflicted, especially those unable to provide for themselves the proper medical care, should not be used to make a scape goat of an industry that has contributed more to the general well-being of the people of this Nation, and responded most generously to all appeals for medical aid from distressed nations, than any other industry.

I would like to borrow from Abraham Lincoln's "Fragments on the Constitution and the Union," written about 1860:

"Without the Constitution and the Union, we could not have attained the result; but even these are not the primary cause of our greater prosperity. There is something back of these, entwining itself more closely about the human heart. That something is the principle of "Liberty to all"—the principle that clears the path for all—gives hope to all—and, by consequence, enterprise, and industry to all."

In conclusion, let us not fence with barbed wire the meadows of creative research in medicine and chemistry and set up costly tollgate fees to the paths that lead therein. These paths are already steep and tedious, but they are free to all. They are free to anyone who aspires to undertake the precipitous climb in order to roam in these meadows and bring back whatever fruit he can gather—to enjoy and distribute among his fellowmen—the fruit of prosperity, good health, goodwill, and industry.

Sincerely yours,

MELVIN SAHYUN, Ph. D.

COMMENTS ON CERTAIN ASPECTS OF KEFAUVER-CELLER BILL (S. 1552; H.R. 6245)

(By Melville Sahyun, Ph. D.)

COMMENTS ON BILL S. 1552

(A bill to amend and supplement the antitrust laws with respect to the manufacture and distribution of drugs, and for other purposes, and which may be cited as the Drug Industry Antitrust Act, hereafter referred to as the Drug Act.)

Scope of Drug Act

Section 201 of the food, drug, and cosmetic law defines the term "drug" as (1) articles recognized in the official U.S. Pharmacopoeia, official Homeopathic Pharmacopoeia of the United States, or official National Formulary, or any supplement to any of them; and (2) articles intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in man or other animals; and (3) articles (other than food) intended to affect the structure or any function of the body of man or other animals; and (4) articles intended for use as a component of any articles specified in clause (1), (2), or (3); but does not include devices or their components, parts, or accessories.

Thus, it becomes apparent that the Drug Act is far reaching in scope as it embraces any chemical compound of utility to man or to animals. No chemical industry will be immune from the punitive measures provided by the Drug Act.

The Drug Act gives unlimited power to the Secretary of Health, Education, and Welfare, and to the Commissioner of Patents.

By the power given to the Secretary of Health, Education, and Welfare, he is the sole arbiter of the efficacy and safety of any drug or chemical compound of utility to man. Further, said "Secretary's determination or decision shall be accepted as conclusive and shall be sustained in any court if based upon a fair evaluation of the entire record before the Secretary."

Under certain conditions, the Drug Act authorizes the Commissioner of Patents, if he so desires, to confiscate the property of an inventor of a new drug, and virtually of any chemical industry in the United States, irrespective of constitutional rights.

Dictatorial powers, such as the Drug Act would grant to the Secretary of Health, Education, and Welfare, and to the Commissioner of Patents, are indeed contrary to our principles of democracy. It would give them almost complete jurisdiction over an entire industry.

Drug Act is discriminatory

Article 1, section 8 of the Constitution gives Congress the power:

"To promote the progress of science and useful arts, by securing for limited times to authors and inventors, the exclusive right to their respective writings and discoveries."

The Constitution makes no distinction among inventors. To the best of my knowledge, patent laws governing inventions of all kinds are fair and equitable, and, irrespective of race, color, or creed, a citizen of the United States is entitled to obtain a patent to protect his invention whether his invention relates to drugs, chemistry, physics, engineering, processing, or any other new and useful device.

The Drug Act is designed specifically to stifle inventions of new drugs, and, for the time being, to exempt all other inventions from the harsh and costly requirements it imposes.

Further, it is to be noted that it specifies in the case of a new drug that the term "effective date" means (a) the effective date of the application with respect thereto under section 505 of the act, and (b) in the case of any other drug, the date on which application was made for that patent.

Patent law clearly states that the duration of a patent is 17 years from the date on which the patent is issued, and not the date on which application is made for the patent, nor the date on which the new drug application becomes effective.

During the past 10 years, I have filed, through my patent attorney, more than 50 U.S. patent applications, and of these, some 25 patents have been granted. As a rule, it has been my experience that a patent application remains pending in the Patent Office for a period of not less than 3 years, i.e., from the date a patent application is officially filed to the official date of issuance.

Now then, the proposed Drug Act provides that:

"A patent (only for a new drug) shall be issued effective as of the date upon which the patent application therefore was duly filed by the prevailing party."

On page 6 of said Drug Act it states further:

"Every patent for a drug issued after the effective date of this paragraph shall contain a grant to the patentee, his heirs, or assigns, of the right to exclude others from making, using, or selling that drug for the term of 3 years from its effective date."

Therefore, either by design or misunderstanding of patent prosecution, only inventors of new drugs are to be deprived of their constitutional rights, as the 3-year period would probably have expired before the patent issues.

The Drug Act will discourage inventions of new drugs

Scientists and inventors of medicinal and useful chemical products need to be encouraged, and not discouraged, in their efforts to invent new drugs, irrespective of the magnitude or utility of their inventions.

All inventions per se, whether medicinal or chemical involving synthesis, are based on molecular modifications or manipulations. But, on page 3 of the Drug Act, it is stated: "No patent may be granted for any molecular modification, etc." Molecular modification is indeed a vague term. If by molecular modification is meant substitution of a certain chemical group by another group, or by addition of a certain chemical group to a compound, etc. then it would become almost impossible under the proposed Drug Act to obtain any kind of a new drug, or, as a matter of fact any kind of patent covering a chemical compound.

Once the chemical structure of a new drug or of a new chemical compound is disclosed, anyone skilled in the art could claim that such molecular modification was obvious to him. The elimination or limitation of molecular modification means the cessation of progress in chemistry and the chemistry of medicinal products.

Thus, in order to protect an invention, the inventor would have to resort to secrecy in preference to the filing of a patent application, and dissemination of knowledge.

The Drug Act is a deterrent to medical progress

Medical reports show that the span of life of the average U.S. citizen is now 65 years, in contrast to 40 or 45 years two decades ago. The creation of new drugs to conquer and control diseases has been one of the main factors in increased longevity. By reducing the number of inventions of new drugs, the health and welfare of the people of the United States, if not of the world, could be directly affected. The greatness and wealth of this country depend on the health and welfare of its citizens.

The secret of the U.S. economic success lies in the creativity of the American people. This creativity could not have been attained had it not been for the "incentive" guaranteed them by the Constitution.

Increased costs will eventually limit inventions to large corporations

The enactment of this Drug Act will eventually limit research and development of medicinal products to large corporations at the expense of the small research organizations and independent inventors with limited funds.

Under the present laws, the cost of obtaining a patent on a new drug is indeed expensive. In my experience during the past 10 years, I have found that it requires from 2 to 5 years of intensive research to reduce my invention from its conception, to practice, to the filing of the patent application.

The undertaking of additional research consisting of pharmacology, toxicology, and clinical evaluation as provided by the proposed Drug Act would be financially ruinous for the small research institution and independent inventor.

Patents are commodities—by increasing the cost of patents, a decrease in their number is bound to ensue. If the cost of a Chevrolet increased to that of a Cadillac, there would be far fewer owners of Chevrolets. Thus, if the cost of patents is increased, fewer patents will result, and new drugs will be even more expensive.

In brief, the proposed Drug Act is a destructive instrument designed to destroy the spirit and initiative of the independent in-

ventor, and will increase and not decrease the cost of new lifesaving drugs.

PATENTS AND THE CONQUEST OF DISEASE

(By John T. Connor, president, Merck & Co., Inc.)

It has been apparent for some years now that the ability of a free society to maintain a high rate of discovery in relation to that of the Soviet Union will largely determine the future complexion of history. It is therefore appropriate, it seems to me, that the National Research Council of the National Academy of Sciences should make a fresh examination of the contribution being made to our rate of discovery by the American patent system. It is a privilege to be asked to contribute to this examination.

Since the days when Robert Fulton got a patent on his steamboat, the environment of invention has shifted radically. Its modern home is the U.S. corporation, in whose laboratories roughly $10 billion will be spent this year. This is about 70 percent of the Nation's total outlay for research and development. Pharmaceutical companies are spending well over $200 million of this, or better than 9 cents out of every dollar they take in. This is a higher percentage of its own money devoted to R. & D. than you will find in any other industry. The relation of patents to the rate of discovery of new drugs is therefore most pertinent to the subject you are examining.

First, let me say that no drugs were ever discovered in our laboratories just because they could be patented. Businessmen do not find them; the search is conducted by scientists who are motivated by a desire to penetrate the unknown and to conquer disease. The businessman's job is the organization of this search; our incentive is the reward the American people give to those who make significant contributions to progress.

The partnership between the quest for scientific knowledge on the one hand and the drive for financial success on the other is one of the most powerful combinations developed by our free society. It has not only brought about the chemical revolution in medicine, it has transferred the work of our world from man to machine, powered our economic growth and built a mighty shield for the Republic.

To show how this partnership works in my industry, I shall use the case history of the most important compound our company has discovered since we introduced vitamin B–12 and cortisone. After telling the story of its development briefly, I shall then attempt to isolate the role that patents played.

The drug I have chosen is chlorothiazide, which I shall refer to by our trademark, Diuril. Diuril was chemistry's major contribution to medicine in 1958. It has saved countless lives. It is the first really safe and effective drug physicians have had for the treatment of edema, an often fatal condition associated with heart failure and other diseases. The victims of edema are unable to excrete fluids efficiently through the kidneys and literally become waterlogged. Diuril has also revolutionized the treatment of high blood pressure. Three or four million Americans are benefiting today from this discovery and from the new class of compounds that followed on its heels.

The Diuril story goes back to 1943 when our laboratory people, concerned because the treatment of certain diseases was being held back for lack of fundamental knowledge about the human kidney, launched a basic research project known as the Renal program. During the following 15 years, the Renal program discovered two medically significant drugs and added several striking new concepts to the theory and teaching of kidney physiology.

To direct the program, our research directors chose Dr. Karl H. Beyer, a young physiologist, and Dr. James M. Sprague, an organic chemist renowned for his discoveries in the field of sulfa drugs. Beyer and Sprague first tackled the problem of the excess excretion of penicillin, which went out through the kidneys so fast that four-fifths of it never reached the site of infection. In 1943 penicillin was so scarce that its waste could be counted in human lives.

Within a year, the Renal program had proved for the first time in medical history that a chemical compound could prevent the excretion of a single substance without blocking the excretion of everything else. Unfortunately, the compound, PAH, was too inefficient to be useful in blocking penicillin.

It took 3 more years to find a better one—carinamide—but this turned out to be the second big failure. In the process of discovering it, though, the Renal team developed an unorthodox theory which is too lengthy to explain here, even if I had the technical competence, but it opened up new horizons for renal physiology and therapeutics.

Finally, in 1951—almost 8 years after the Renal program began—we reached a drug that would do the job, our compound Benemid. But Benemid was born too late. Penicillin, by then, was both plentiful and cheap and medicine could easily afford to waste it. So Benemid became a remedy in search of a condition to relieve. One of the conditions that needed relief, I might add, was the company exchequer out of which the 8 years of commercially fruitless research had been paid.

Fortunately for both medicine and the exchequer, a chance observation led to the discovery that Benemid increased the excretion of uric acid, the principal villain in gout. As a result, for the past 10 years thousands of victims of this chronic, incurable disease have been beholden to this drug for saving them from the most severe effects of gout, including excrutiating pain. Benemid, which was patented, helped finance the Renal program through to its final achievement.

When the passage of time killed the usefulness of the penicillin project, the Renal program chose as its next objective the discovery of a diuretic that would remove sodium chloride from the body and draw out with it the excess water associated with edema. This was considered at the time to be theoretically impossible, but by then the Renal team felt they had accumulated enough fundamental knowledge about the kidney to find a way. It took them 4 more years and one more spectacular and costly failure to do it plus 2 more years of animal and human testing to be sure they had reached their objective. When they reached it, it was Diuril, which not only proved to be the first safe and effective diuretic in medical history, but it bore out the Renal team's theory that a compound that would increase the excretion of salt would also lower blood pressure.

Now, let us try to isolate the role that patents played in this research. We can do this by seeing whether the major decisions made during the course of the Renal program would have been different had the patent system not been in existence when these decisions were made.

Major decision No. 1 was to launch the Renal program in the first place. In the absence of the patent system, such a basic research program on the human kidney would have been economically unsupportable. Let me explain why. The normal function of an industrial laboratory is applied research and development. The amount of the financial commitment is within predictable limits. Basic research, on the other hand, is a corporate luxury.

When you are searching for the unknown, you are—by definition—paying an unknown price for an unknown result. About 99 times out of 100 the cost turns out to be high and the result turns out to be zero. During World War II, for instance, Merck dumped the equivalent of $2 million in 1961 dollars into an effort to synthesize penicillin. We won praise from the scientific community for our contributions to knowledge. But we ended up with nothing we could sell. As a double punishment for failure we also lost our once-commanding position in the penicillin market to competitors who had followed the more predictable applied research route of large-scale fermentation.

The kind of basic research that produced such historic contributions to medicine as cortisone, Diuril and the vitamins, B–6 and B–12—all of which were born in Merck laboratory—is possible only if the potential reward is commensurate with the risk. The patent system was established to provide just such a reward and encourage just such a risk. In the absence of the patent system, physicians would still be helpless in the face of many—if not most—of the disease conditions these drugs alleviate. The basic research that brought them into being would not have been undertaken.

Let us now return to the Renal program. Without the protection of the patent system, our laboratories might still have tackled the immediate research problem of finding a substance that would inhibit the excretion of penicillin. But for how long? Perhaps the project might have survived failure No. 1—PAH, which took a year. But it is clear that the Renal team would not have been supported for 4 years through failure No. 2—carinamide. Well before then they would have folded their tent and moved on to a more commercially promising line of inquiry.

What would have been lost? First, Benemid would not have been discovered in 1951. Since nothing comparable has turned up in the past 10 years, we can assume that scores of thousands of sufferers from gout would have paid for this slowdown in the rate of discovery with a decade of frequent physical torture.

Second, Diuril would not have been born in 1958. No one knows how long the 3 or 4 million victims of edema and hypertension who have benefited from its discovery would still have to wait for the new lease on life brought them by this drug and its analogues.

Third, renal physiology and therapeutics would have lost the significant scientific papers contributed by Beyer, Sprague and others throughout the whole 15 years of the Renal program. Without the protection of patents, corporate research would have to be conducted in secrecy.

One of the most valuable effects of the patent system is that it protects disclosure and encourages the sharing of newly discovered knowledge. This has been very evident in our industry. Merck scientists in one recent year published more basic research papers than those working for any but four of the largest corporations in the country—General Electric, Bell Telephone, Du Pont, and American Cyanamid.

Fourth, the Merck, Sharpe & Dohme Research Laboratories would have lost the nourishing income produced by Benemid & Diuril since past discoveries pay for future research. How many of the 1,000-plus employees in our research laboratories would still be there if the patent system were abolished, and what they would be doing with whatever was left of their $20-odd million budget, I am not prepared to speculate.

By using the same case history approach I have with Diuril, I could cite chapter and verse from the development sagas of several sulfa drugs, streptomycin, cortisone, and the B vitamins. The facts—all taken from

Merck's records—speak the same conclusion: without patents, the rate of significant drug discovery would eventually slow down to its pace in the Soviet Union, where it is only slightly ahead of the snail.

It is not just an academic exercise I have been taking you through in the past few minutes. It is on the verge of becoming a reality. Senator KEFAUVER right now is trying to drive a bill through Congress that is designed to remove both the encouragement and the protection of patents from the search for new drugs.

The Senator's bill would do this through three major provisions. First, it would cut the exclusive right to a patent down from 17 years to 3. Second, the 3 years would start running not from the date the patent is issued but from the date the new drug is permitted to be marketed by the Food and Drug Administration.

Third, after 3 years, compulsory licensing would force the inventor to share not only his patent but also all his know-how with any competitor willing to pay a maximum royalty of 8 percent. Let us examine these provisions.

The 3-year limitation would reduce by 80 percent the period when a patent is protected. It would be the first reduction in the term of a patent since 1790, when Congress, following the mandate written into the Constitution, passed the original patent statute. It would also be the first time a particular industry had been singled out for such discrimination.

The provision for starting the 3-year term as of the date the new drug is marketed would, for all practical purposes, complete the process of wiping out the protection of patents. This is because, in the case of a high percentage of new drugs, patents do not issue until at least 3 years after the product is put on the market. Patent interference suits account for most of this delay. The overburdened machinery of the Patent Office accounts for the remainder.

To get a complete understanding of what the patent provisions of the Kefauver bill would do to the search for new drugs, we have to examine the effects of the third major proposal—the one for compulsory licensing, which requires the concurrent surrender of all know-how. A clear picture of this will emerge from another look at the case history of Diuril.

After more than 15 years of research by Merck men and women trained in 25 different specialties, including a year of testing the new compound on animals, 14 more months of testing it on patients by 1,000 clinical physicians in this and 18 foreign countries and extensive chemical engineering development to learn how to manufacture a safe and effective product on a mass production basis—after all this, we launched Diuril on the market. We then spent several million dollars to inform physicians about the drug's medicinal properties—good and bad—perfected our method of manufacture, and invested nearly $10 million in manufacturing facilities here and abroad to satisfy the worldwide demand.

Three years after we had introduced Diuril on the market Senator KEFAUVER would have the Government step in and order us to turn over everything we had learned to any number of our 1,300 competitors in this country and—even more serious—to any foreign producer who can get a license to sell in the United States.

The result would be to reward us for our 18 years of work and a magnificent contribution to the health of the American people by literally forcing us to subsidize our competitors here and abroad. These "freeloaders" could get into the business by merely writing a letter. They would have contributed nothing to the research, shared none of the risks and paid for none of the original costs. Their maximum investment, if any, would be the cost of duplicating our plant after we turned over our blueprints and technical data to them. But most of those "coattail riders" would not make any investment at all but would merely buy the drug—probably from a low-cost foreign licensee—in bulk for repackaging and sale to an already established market.

This is a most unusual way to promote progress. The Senator's proposal is that those companies that do research subsidize those that do none so that the imitators can sell below the costs of the creators.

It reminds one of what Voltaire had Candide say while observing the incentive system of 18th century England. The British had just hanged an admiral. "In this country," Candide explained, "it is found good, from time to time, to kill one admiral in order to encourage the others."

The author of the Kefauver bill explains the purpose of its patent provisions rather differently. They are designed, he says, to lower prices by increasing competition. He ignores the fact that prices have been steadily falling for years even in the face of rising costs. The composite index for all drugs sold by Merck's ethical pharmaceutical division, dropped 17 percent from 1953 to 1960. The record of the entire industry shows a decline of over 7 percent in prices charged by pharmaceutical manufacturers to their customers from 1949 to 1959—a time when nearly all other prices went up.

If in the face of this record, he still thinks that prices are too high—a conclusion he is fond of stating but was never proven—why does he not ask Congress directly for price control? He is smart enough to realize, of course, that to be effective price control would have to cover, not just the manufacturers, but the thousands of local retail and wholesale pharmacies, hospitals, and even fees charged by doctors for drug therapy. Instead of that politically unattractive alternative, he has selected the route of tinkering with patent incentives, thereby risking the destruction of the fiercest and most socially useful competition in the industry, which is the competition between laboratories. By robbing research of the rewards for medically significant discoveries, the Kefauver bill would not increase this kind of competition.

It would strangle it and divert the creative energies of the industry into the advertising and sale of the status quo.

It is clear from the record that the effect of patents in our industry has been to foster research competition and thus increase the rate of discovery of new and effective drugs. Since the late 1930's when our then infant industry, with the aid of patents, started to organize research for the war against disease, we have been able to make a contribution to the health of the American people that is comparable to what technology has done for their wealth. In those two short decades the life expectancy of our population has risen by 10 percent and the last of major terror diseases has been reduced, mainly through the invention of new medicines, to a handful.

Most of the important new medicines have not come, as is popularly supposed, from the scientists of our universities or Government, or, as Senator KEFAUVER would have the public believe, from abroad. Of the top 25 therapeutically most useful drugs—that is, those most frequently prescribed by today's physicians—six were combinations and therefore of mixed parentage. Of the remaining 19, 12 were born in the laboratories of the U.S. pharmaceutical industry. One was discovered at Yale by a researcher working under a grant from an American company. The remaining six came from abroad—one of them from Oxford and the rest from our competitors in Germany, France, and Austria.

Aside from the adverse effects on the pharmaceutical industry, the patent provisions of the Kefauver bill are contrary to the public interest. By destroying the patent incentive for research, this bill could well destroy pharmaceutical research itself. It would reduce the great creative companies in the U.S. pharmaceutical industry to the level of their counterparts in the Soviet Union, which merely copy what others have invented. It would stop in midstream many of the most promising inquiries into the nature and control of illness. It would slow down the rate of new drug discovery and defer our ultimate victory over heart disease, cancer, and mental illness. By doing so, it would cost countless American lives.

The Nation is on the road toward the conquest of disease through research. Our hopes and our hearts are in this battle. And hope deferred, as Solomon said, maketh the heart sick.

GENERAL MILLS, INC.,
Minneapolis, Minn., July 5, 1961.

Hon. EVERETT MCKINLEY DIRKSEN,
Senate Office Building,
Washington, D.C.

DEAR SENATOR DIRKSEN: Although I rarely find myself qualified to comment upon legislation introduced into the Senate I feel that S. 1552, introduced by Senator KEFAUVER and entitled "Drug Industry Antitrust Act," is a notable exception. As a research scientist with 25 years experience in research and research administration and a holder of over 50 U.S. patents in widely divergent fields, I feel that I may comment upon the most unfortunate patent aspects of S. 1552.

This bill, in an apparent vengeful spirit against alleged violators of fair merchandising practices, strikes a body blow at drug research itself and to the American patent system which has long been a bulwark of free enterprise. It is quite misleading for Mr. KEFAUVER to state as he did in his speech to the Senate (CONGRESSIONAL RECORD, p. 5638), that the United States alone, among the industrialized nations of the world, grants product patents on drugs—with no protection to the public interest. This emphasizes the technicality of product claims versus process and use claims and neglects the fact that most European countries do permit inventors a high degree of protection for drug developments. This protection is rightly deemed essential if research on new drugs is to continue at private expense.

General Mills is quite small in the drug business. We operate a plant in Mexico which extracts steroids from wild yams and we have a small unit in Kankakee which extracts stigmasterol from soybean residues. After a number of years of these operations we are only now beginning to recover the extensive investment made in reserach.

One way we hope we can make our drug venture profitable is through continuing research. Last crop year we spent over $200,000 on steroid research, which was more than the profit from the plant operations. It is our hope that we can discover patentable new steroids which we can sell at a profit in competition with the majors in the industry. Thus we depend upon the patent system for the security necessary to grow in this business. Without patent protection we could not continue our present scale of research since we would simply be developing products at great expense for more powerful pharmaceutical interests to exploit.

There must be many small companies in our position who depend upon patents to secure the fruits of their research. I do not say that these companies would be run out of business but I do wish to emphasize that, without patents, they could not afford to do extensive research.

Research is one area where small companies can compete quite well, since discovery is primarily a matter of individual genius and need not be backed by a huge

organization. In spite of allegations to the contrary our patent system is democratic and individualistic. Any inventor can patent the results of his discoveries and qualified individuals can compete with large organizations. Many useful drug developments come from university professors working alone or with a few students.

The provisions of S. 1552 which require transfer of know-how are particularly obnoxious and, in my opinion, un-American. Whenever the Government assumes this power to confiscate the assets of private industry we have, indeed, moved a long way toward totalitarian government.

The point I chiefly wish to make is that the American patent system protects the small inventor and the small company as well as the large. Surely, if problems exist in the area of drug merchandising they can be solved without this vindictive attack on one of the cornerstones of our free enterprise system.

Yours very truly,

W. B. REYNOLDS.

Mr. DIRKSEN. Mr. President, the U.S. Senate Antitrust and Monopoly Subcommittee is currently conducting hearings on Senate bill 1552, to amend the antitrust laws in relation to the manufacture of drugs, and also to amend the patent laws and Food and Drug Administration Act pertaining to certain aspects of the manufacture, distribution, and sale of prescription drugs.

Good Housekeeping magazine, a magazine with direct emphasis on the housewife and her needs about the home, has published an article entitled "The Price of Drugs"; and in preparing the article, the editors spent several months interviewing representatives of a wide variety of organizations—governmental, public health and welfare, medical, pharmaceutical, and pharmacist—to get answers to these questions: "Do trade-name drugs cost extra?" "Could you save money if your physician did not use trade names in prescriptions?" "Would this involve health risks to you and your family?"

It is interesting to note that their editorial on this subject presents a much different conclusion from the one reached in the so-called findings of the subcommittee report. I direct the attention of all the Members of Congress to this editorial, because it raises several significant questions that must be resolved fully and objectively in the consideration of S. 1552. I ask unanimous consent that the editorial be printed in the RECORD at the conclusion of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DIRKSEN. Mr. President, during the past week the witnesses before the subcommittee were representatives of the American Medical Association; namely, Dr. Hugh H. Hussey, Jr., dean of the Georgetown University School of Medicine, and who is chairman of the board of trustees of the AMA, and several of his associates. The Evening Star of Saturday, July 8, published an editorial entitled "Useful Drugs," wherein Dr. Hussey was quoted, as follows:

A drug which is, on the average, less efficacious than another, must still be available to every physician since it may be completely efficacious in treating the medical problems of one of his patients. We do not practice medicine on the average—we seek to solve or alleviate the problems of each and every patient. The point I am making is this: A drug's efficacy varies from patient to patient. Hence any judgment concerning this factor can only be made by the individual physician who is using the drug to treat an individual patient.

The editorial concludes with this statement:

It seems to us there is considerable merit to this view. Certainly there is merit enough to raise a serious question as to whether this provision of the bill might not disrupt the doctor-patient relationship by barring the private physician from access to a new drug which under certain circumstances might be useful to one of his patients.

Mr. President, of course these editorials deal with only two aspects of the issue on drugs, and are intended to cover only those two aspects, and not to cover the other pertinent issues involved in S. 1552.

Mr. President, I have noted that the minority views in the drug report, as expressed by the Senator from Nebraska [Mr. HRUSKA] and myself, have been misconstrued by some persons. The minority views vividly show that the majority used erroneous exhibits to show an extreme markup in the price of drugs, whereas the transcript of record shows exhibits which indicated that the earnings were approximately 11 percent of sales, or 7½ percent of adjusted sales, as shown by Dr. Frederick L. Thomsen, consulting economist, Pharmaceutical Manufacturers Association.

In connection with adjusted sales, these four factors should be considered: turnover; overall risk; circumstances such as growth and rate and position of industry cycle, if any; and external conditions, such as position cycle. One of the most important is turnover of both inventory and capital. Contrary to what might be expected without more thorough examination of the industry, ethical drug firms have a relatively slow annual turnover or capital—1.30 percent—whereas for other industries the lowest is 0.72 percent and the highest is 8.54 percent, according to the testimony of Dr. Thomsen.

We still maintain that unless people want Congress to pass price-control and wage-control legislation, Congress has no right under our American way of life to tell the corner grocer, the baker, the shoemaker, the candlemaker, or any industry—including the drug industry—whether big or small, what prices it shall charge for its products, what wages it shall pay to its employees, or how it shall advertise and distribute its products. Thank God, Mr. President, that in America we still have freedoms—although some of them are being whittled away, one by one—and that we are not like the wonderful people of Cuba, 90 miles south of the tip of Florida, who overnight found themselves under a communistic regime which ordered them by Government decrees to do the will of the Government, rather than live in a country "of the people, by the people, and for the people," as was the United States of America in 1776, endowed with its great blessings by brave pilgrims and colonists and their successors.

EXHIBIT 1

DO TRADE-NAME DRUGS COST EXTRA? COULD YOU SAVE MONEY IF YOUR PHYSICIAN DID NOT USE TRADE NAMES IN PRESCRIPTIONS? WOULD THIS INVOLVE HEALTH RISKS TO YOU AND YOUR FAMILY?

In the past year, welfare departments in several States have adopted rules designed to save money on prescription drugs bought for welfare cases. Other State welfare departments are considering similar action. These savings are sought by requiring that drugs be purchased by generic instead of trade names. This means that a prescription can be filled with a number of products which are considered to be essentially the same drug bearing a common—or generic—name. In many cases, these generic—or unbranded—products cost less than the trade-name drugs of that type.

THE PRICE OF DRUGS

In the wake of congressional investigations into the cost of drugs and of the various State actions, you may wonder whether generic prescribing would not be a way to reduce your own drug bills. At first glance, and based on a superficial knowledge of the pertinent facts, the answer to some people, appears to be yes. However, the matter of generic versus trade-name prescribing is a complex one that goes beyond any real or imagined price saving. To understand the key elements in this issue, it is first necessary to know that there can be three types of names applied to every drug—scientific chemical, generic, and trade name.

The chemical name of a drug, because of its complexity, is rarely used in medicine. Prescriptions are written in either the generic or trade name. All drugs have a generic name, which may be utilized by any manufacturer. A brand, or trade name, though, is copyrighted and is the property of the manufacturer owning the copyright. For example, one of the new blood-pressure-reducing drugs has the chemical name 3,4,5-trimethoxybenzoyl reserpate. Its generic name is reserpine. Its trade names include Rau-Sed, Reserpoid, and Sandril.

The pharmacist, presented with a prescription for a trade-name drug, will dispense only that product. Given a prescription for a generic drug, he can supply a brand product, or any equivalent product, depending on his stock.

Senator ESTES KEFAUVER, chairman of the Senate subcommittee which investigated drug prices, has introduced a bill in Congress that would require every drug label to carry a generic name in as large letters as the brand name. It also provides that the Food and Drug Administration establish an official list of generic names for drugs. The bill sets up a licensing and inspection plan for all drug manufacturing plants so that doctors can be sure all drugs meet Federal quality standards. The FDA and other members of Congress who have considered the problem believe that consumers should be able to buy any drug with confidence, regardless of its name or price.

Those who favor generic-name prescribing argue:

Many State and local welfare agencies and various Federal Government departments—military hospitals, the Veterans' Administration, the U.S. Public Health Service—buy drugs by generic names. If it is right and safe enough for them to do so, it is argued, why should it not be equally right and safe for the individual?

All drugs are legally required to meet certain standards, so quality should be uniform. Therefore, generic proponents say, individual physicians have no reason to hesitate to prescribe generically.

Generic prescribing will mean big savings on drug costs and will lower drug prices generally.

To such arguments, those who oppose generic prescribing for all drugs reply:

It is one thing for large hospitals and government agencies to buy by generic names, but it is an entirely different matter for the individual to get prescriptions on this basis. Institutions and agencies have the means to check quality and potency.

The fact that standards are set by law and are supposed to be met does not mean they are being met. The Food and Drug Administration has stated it cannot check all drugs produced, and admits that the amount of checking it is able to do is far from adequate to assure reliability of all drugs.

Generic prescribing does not necessarily mean lower prices. In a significant number of instances, it may mean no price difference at all if the drug is patented, and therefore available from only one source. In others, the difference may only be a few cents on a dollar. Manufacturers believe their costs of research and quality-control procedures—costs they say are not borne by manufacturers who produce only generic drugs—necessitates a price difference between some generic and trade-name products.

Generic drugs are not always available, and, then, the prescription probably would be filled with a trade-name product. Even when generic drugs are available, the quality, it is claimed, is not always guaranteed.

It would be wrong to deprive the individual physician of the free choice to prescribe drugs that he feels are best suited to his patient.

Trade-name manufacturers stand behind any product carrying their brand. Pharmacists know that in instances where there has been any question about a brand-name product, the manufacturer steps forward to take responsibility.

What do physicians think about generic prescribing? The American Medical Association and the American Public Welfare Association have adopted a joint set of guiding principles for doctors treating welfare patients. Included is a suggestion that welfare patients be given prescriptions for lower cost drugs "of equal therapeutic effectiveness when available (and) when the quality of the product is assured." However, it should be noted that this statement hinges on the assurance of quality. The New York County Medical Society has gone beyond the AMA position by urging that all prescriptions be written in generic terms. In a resolution, it urged that, "where the prescribing physician or the licensed pharmacist can be assured of the quality of the drugs * * * members use generic names rather than * * * brand names in prescribing." But, perhaps, significantly, the society left the question of assuring the quality primarily to the pharmacist. This means that physicians writing generic prescriptions would depend upon the druggist to make sure the drugs meet legal standards.

In a time, though, when there are thousands of drugs available, is it reasonable to assume that the individual pharmacist can actually test each and every generic drug to ascertain or guarantee the quality—something even the FDA says it cannot do? As a matter of practical fact, regardless of how conscientious the druggist may be, this is just not possible. Instead, the pharmacist, even as the physician, has come to rely on the reputation and integrity of manufacturers. Trade names, in many instances, are their main guides to quality. For most drugs already on the market, the FDA says it can only detect errors after they occur. Consequently, the burden of maintaining quality standards falls on the drug manufacturers.

The problem created by having drugs listed by so many different names is being met in some Government and private hospital pharmacies by establishing drug formularies. A formulary is a list of generally used drugs stocked in a pharmacy. Under a hospital formulary system, usually only one drug of a kind is stocked. The American Hospital Association and the American Society of Hospital Pharmacists have both said that a valid hospital formulary is based on use of generic terms. One private hospital, for example, has about 400 drugs in its formulary. If it stocked these drugs under all their various names, it estimated it would have to keep 10,000 items. But in some hospitals, however, a physician can prescribe by brand name outside the formulary list if he considers that best for his patient.

Money can be saved by generic prescribing under a formulary system where drugs are ordered in large quantities. But just how much is saved on the individual prescriptions outside of hospitals is open to question. A study made by one manufacturer, Smith Kline & French Laboratories, showed the cost of 15 drugs by brand-name prescriptions averaged about 12 percent more than generic (unbranded) prescriptions. Some State welfare agencies estimate that generic prescribing has saved 5 percent of drug costs. (To encourge use of brand-name drugs by welfare departments, two large manufacturers, Merck-Sharpe & Dohme and E. R. Squibb & Sons, provide a 10 percent rebate on drugs bought for welfare purposes in certain States.) When a State like New York spends $5 million annually on welfare drugs, an overall saving of, say, 5 percent adds up to many thousands of dollars.

But to an individual taking a prescription to his local drugstore, such percentage savings would amount to from 5 to 12 cents on each dollar spent, and that saving might not seem enough to warrant taking any chances at all on quality. Some manufacturers say in certain instances they produce brand drugs that are lower priced than the same generic drug.

To prepare this article, Good Housekeeping editors spent several months interviewing representatives of a wide variety of organizations—governmental, public health and welfare, medical, pharmaceutical and pharmacist. A broad range of opinion was obtained. From almost the start, it became obvious that the central issues are complex. Despite the widespread press attention to the overall subject of the cost of drugs it became equally obvious that the specific point of whether drugs should be prescribed by generic instead of trade name is not simply a matter of price. To the editors, there is a more basic consideration:

Can the individual physician now prescribe drugs by generic names with assurance that their quality, in all instances, is equivalent to the trade-name products he has prescribed and is familiar with?

Until that can be answered with an unequivocal "yes," you can only rely on the judgment of your own physician as to how he will write your prescription—by trade or generic name.

CONDITIONS AND PROSPECTS IN EAST GERMANY

Mr. SALTONSTALL. Mr. President, about the middle of July, I received a most interesting and informative letter from a respectable Massachusetts citizen who presently is doing business in East Germany. He asked not to have his name disclosed—for obvious reasons. But his comments are so pertinent to the present crisis which we face in Germany that I wish to have them printed in the body of the RECORD.

At this time I shall read part of them:

A number of the very clever people in whom I have a great confidence told me that Walter Ulbricht, the East German boss, has long wanted a Budapest type of showdown in East Germany. The East Germans have not been good subjects—enjoyed too much freedom and to restive. It is believed by these people that a revolution or uprising is being planned by the Government to take place this summer or early autumn. This would of course be a controlled revolution such as the one in Hungary in 1956.

The Hungarian revolution has long since become a classic example of how to tame an unruly populace. A certain amount of bloodshed and a glaring failure is just what many Communists have been recommending for the East Germans.

Mr. President, I ask unanimous consent to have the entire letter printed in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

I have just returned from 2 weeks traveling about East Germany on business.

The numerous people with whom I spoke on this trip and my intimate knowledge of this area from several years of visiting there, I am convinced that we are in for some very serious developments within the not too distant future unless the West takes very strong steps to assure the East Germans that it is ready to defend them against intimidation. I hope that you will see that these observations are brought to the attention of the proper people.

Everywhere I went, Leipzig, Dresden, Karl Marxstadt, Erfurt, Plauen, Bitterfeld, Halle, and Magdeburg, I have never found the inhabitants at such a high pitch of tension and determination to move once they have been "sold out." Somehow they are convinced that the West is ready to make a deal which will seal forever their fate.

These people have known chronic food shortages ever since 1938 thus this is of little importance to them at the moment. More important is that the leadership in Washington and London has convinced them that they are ready to recognize once and for all the principal of a Communist East Germany.

Never have these people taken their present government seriously. It has hardly been more than a joke. They have endured it because they were certain some day it would fall, for they are sensible people who know that such uneconomic bungling cannot go on forever. Those who have remained have too much property, too much to lose, to get up and move.

Now, however, the situation is greatly changed. I found valuable family heirlooms being offered at the lowest prices that have existed since the war. I found West German bank notes in 100 mark denominations and gold bars commanding prices 20 to 30 percent above West German prices. An unusual condition.

These people are getting ready for a mass exodus. This exodus will most certainly take place as soon as Khrushchev has a deal.

Everyone I spoke to, with exception of the hard-boiled party members, told me they just would not stay. When I asked them what they would do if the Volkspolizei resisted their movements, the invariable answer was we will go anyway.

A number of the very clever people in whom I have a great confidence told me that Walter Ulbricht, the East German boss, has long wanted a Budapest type of showdown in East Germany. The East Germans have not been good subjects. Enjoyed too much freedom and too restive. It is believed by these people that a revolution or uprising is being planned by the Government to take place this summer or early autumn. This would of course be a controlled revolution such as the one in Hungary in 1956.

The Hungarian revolution has long since become a classic example of how to tame an unruly populous. A certain amount of bloodshed and a glaring failure is just what

many Communists have been recommending for the East Germans.

To put over such a controlled revolution, according to the East Germans, they must build up a fear among the Western Powers that will keep them from intervening.

You will recall that during the Hungarian uprising Dr. Adenauer warned the West that he could not be expected to remain aloof if the Germans in the Soviet Zone of Germany were treated as the Hungarians were.

I fear greatly that the American people are too conscious of Berlin. Berlin is given far too much importance. It is merely a smokescreen to coverup what is going to happen in East Germany once the issue of Berlin is settled.

A mass exodus of the East Germans will be resisted by the Ulbricht regime. I cannot see then but intervention by the West Germans. The consequences are obvious.

FISH FLOUR

Mr. SALTONSTALL. Mr. President, since the earliest times, the fishing industry has been vital to the economy of Massachusetts and to the economy of many other States along our sea coasts.

But today the industry faces difficult times, partly because U.S. consumers eat much less fish than nutritionists believe their bodies need.

One dramatic answer, both to this nutritional need and to the problems of the ailing industry, is a new product called "fish flour." This is processed from whole fish. It can be made from any kind of fish, and from fish of any sizes. It emerges from the process as a fine, white powder.

All of our studies to date indicate that this powder is the cheapest source of animal protein in the world. It is an immediate answer to the protein hunger which is such a serious problem in so many parts of the world.

My colleague, Senator BENJAMIN A. SMITH III, and Representative HASTING KEITH, of Cape Cod, and many other Members of the Congress have been working for several months to make this new product more widely understood and available. The Bureau of Commercial Fisheries in the Department of the Interior is an enthusiastic supporter of the product, and is engaged in vital research with funds which we have appropriated recently.

But we have just received the finest scientific endorsement to date in the form of a report from three food scientists at the University of Illinois—Drs. B. Connor Johnson, V. Chalam Metta, and Harold E. Schendel, of the division of animal nutrition at that university.

They have found that fish flour has a higher protein efficiency rating than skim milk or beef; that it has no harmful effect, even when fed as the sole source of protein; that standard East Indian diets showed growth improvements of from 50 to 100 percent when supplemented with fish flour; and that 3 percent fish flour can be added to standard diets without detection by the consumer.

Because of the enormous significance of this report to our fishing industry and to the solution of the world food problem, I ask, Mr. President, that the summary and conclusions of these scientists be printed in the RECORD at the conclusion of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SUMMARY AND CONCLUSIONS

An odorless, defatted fish flour, evaluated for its protein quality by the Mitchell method, was found to have a biological value of 8 percent. At the 10 percent protein level in diet, its protein efficiency ratio (gram gain per gram protein consumed) was 3.24 as compared to 2.85 for skim milk and 3.15 for beef.

When fed as the sole source of protein, fish flour proved as adequate as casein for the reproduction and general performance of rats through four generations. Examinations of 11 organs and tissues from animals of the first through third generations revealed no differences between the groups.

The supplementing value of fish flour added to four East Indian diets was studied with growing rats using Mitchell's pair-feeding method. At 1- and 3-percent supplementation, growth improvements were 13 to 76 percent and 43 to 145 percent, respectively, over the controls. The protein efficiency ratios of all but one of the cereal diets were also improved significantly ($P<0.01$) by 1 and 3 percent fish flour supplementation, indicating a better amino acid mixture of the supplemented diets.

Fish flour supplementation was also shown to improve the protein efficiency ratio of experimental East Indian diets containing both a low-protein corn (from 0.172 to 0.242) and of a high-protein corn (from 0.245 to 0.320), indicating again that an improved amino acid pattern had been achieved.

An organoleptic test indicated that a panel of 26 Indian students was unable to detect the presence of 3 percent fish flour in 3 Indian diets.

All these data support the view that a good fish flour could be a real significance in helping to supply the protein needs of the world.

DEALINGS WITH CUBA

Mr. BENNETT. Mr. President, I am very much concerned about the rising belligerence in the United States. My mail is showing increasing impatience with our handling of the Cuban situation; and I have been interested in the appearance in this morning's Washington Post of an article, written by Chalmers M. Roberts, under the headline "Impatient Nation Taking On Belligerent Mood." After I read the article this morning, I read a letter from a constituent in Utah—a letter so belligerent that I did not dare bring it to the Chamber and read it in the CONGRESSIONAL RECORD.

Many suggestions have been made for military action. I, myself, have suggested the wisdom of a blockade, both by air and by sea, of Cuba; and some of these suggestions are more belligerent than that.

But, Mr. President, in view of all these suggestions, I think perhaps there is an intermediate step which we can take, which is to invoke the Trading With the Enemy Act, and break off all trade with Cuba.

Last year, after many months of pleading by President Eisenhower, Congress finally gave permission to cut off sugar trade with Cuba, and President Kennedy has continued that. But today there is still a substantial amount of trade in tobacco, molasses, and fruit; and the State Department, which for 5 months has been "studying" the question of cutting off trade, still has not reached a decision.

Mr. President, I ask unanimous consent to have the article from today's Washington Post printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of Aug. 11, 1961]

PRESIDENT PLEADS FOR PRUDENCE—IMPATIENT NATION TAKING ON BELLIGERENT MOOD

(By Chalmers M. Roberts)

President Kennedy's words of caution yesterday to impatient and frustrated Americans who would like to work off their feeling by taking a military swat at Fidel Castro seemed to reflect a concern over the mood of the Nation.

In the past several weeks this reporter has traveled to and fro across the Nation trying to sample the public mood as well as enjoy a vacation. The mood is not totally attractive.

Mr. Kennedy cited the importance of the United States acting "with the prudence which is worthy of a great power * * *." But Americans are increasingly in a to-heck-with-prudence mood.

The President's call for restraint was linked to the off-the-cuff congressional demands a day earlier for an ultimatum to Castro over the latest hijacked aircraft. But what he said deserves some broader consideration both in Washington and around the country.

One feels that the succession of Soviet triumphs in space plus the humiliation of the Cuban disaster and the threat of nuclear war over Berlin has altered the national mood in the 9 months since the presidential election. Last fall there seemed to be a lot of public doubt but still a good deal of complacency.

Today there is not much complacency and a lot of doubt about the Nation's future. Nobody wants to go to war over Berlin but more and more people seem to think the time has come to draw a line—and if it comes to war, well, we'll have to face it.

CUBAN DEBACLE IS KEY

But what is most evident is the increasing number of Americans who are in a "let's do something" mood, and damn the consequences. The April fiasco in Cuba has been the key factor here, added to by the plane hijackings.

A lot of people seem to figure that while it may be too dangerous to take a military swat at Nikita Khrushchev, it would not be very risky to take a poke at Castro. The plane incidents seem to provide an occasion and it is remarkable how easily people can forget that so far no complicity in the hijackings by the Cuban Government has been proven. The fact that the Cubans are holding one plane seems enough.

Just how many people feel this way can, perhaps, be measured by Dr. Gallup. At any rate, it is sizable. And it has certain important perils for President Kennedy.

CHANNELING THE ANGER

The Florida Congressman who made the crack on Wednesday about the Cubans having to hijack one of Mr. Kennedy's helicopters off the White House lawn before he would act, was indeed intemperate, at the least. But he also was indicative of a growing segment of public feeling.

This rising ire at Castro, Khrushchev, and communism had better be channeled and directed by the President before it gets out of hand. A nation that thinks its Chief Executive is too timid or lacks guts can tear itself apart. Mr. Kennedy is no James Buchanan but there could be some tragic modern equivalents of the United States in the pre-Civil War years.

What Mr. Kennedy said yesterday, his prepared remark about "prudence worthy of a great power," was well said. His effort to

put the spotlight on his Alliance for Progress program and its positive features likewise was useful. But this sort of thing will have to be a continuing effort.

For a complex of reasons, Mr. Kennedy won his high office by the narrowest of margins. One of those reasons was that too few people accepted his theme that American power and prestige was declining alarmingly and vigorous steps must be taken to reverse the trend.

PERIL AND OPPORTUNITY

Today one feels about the Nation a mood almost of belligerence. There is a willingness, even a desire, to see the United States negotiate with Khrushchev over Berlin but there is a diminishing willingness to see the Soviet boss bought off by American concessions.

Every indication today is that the President has the confidence of the bulk of the Nation and that the Nation is willing to respond when asked in definite terms, as in his last television address. But this is beginning to be an aroused Nation, something which provides both peril and opportunity for Mr. Kennedy.

Mr. BENNETT. Mr. President, the current volume of our imports from Cuba has been variously estimated at from $25 million to $60 million a year. The largest item is tobacco for cigars. We also import millions of pounds of pineapples, oranges, tomatoes, and cucumbers, as well as lesser amounts of other fruits and vegetables. Our exports to Cuba, I understand, are in the vicinity of $25 million a year.

There is no question that this trade is of far more value to Fidel Castro than it is to us. The food he imports from us plays an important part in keeping the people of Cuba satisfied with their new way of life; and the money he gets from us for tobacco and for fruit helps him to pay for the guns and ammunition he needs to strengthen the security of his police state.

President Kennedy has told the world that we intend to stand firm on the Berlin issue, and I am sure the American people are behind him 100 percent. Certainly, the Senator from Utah is. But I feel that an equally strong policy on Cuba would strengthen our hand in dealing with the Soviet Union over Berlin, and I think the first step in establishing such a policy should be to break off economic relations with Cuba, just as we have broken off diplomatic relations.

So long as we continue buying Cuban imports, we are contributing to the cause of international communism, and aiding those who would destroy us. When we accept this fact, I think we can reach only one conclusion, and that is that this trade must stop.

If we do not begin to find some intermediate step, I think the rising demand for belligerent action, including military action, may force us into a position that may be even more dangerous and damaging than the action I have suggested.

PROPER ROLE OF MILITARY OFFICERS

Mr. CLARK. Mr. President, in recent days, certain Members of the Senate have undertaken to criticize publicly the chairman of the Senate Committee on Foreign Relations for a memorandum he caused to be prepared and sent to the Department of Defense, dealing with the intervention of the military in partisan politics.

I have risen in the past in defense of one of the ablest and most beloved Members of this body, the distinguished Senator from Arkansas [Mr. FULBRIGHT]. I regret that some of his colleagues have undertaken to criticize him.

The memorandum which he sent to the Department of Defense, in my judgment, is a State paper worthy of careful study by all Americans determined to keep elected civilian leaders in charge of our policy, rather than turning it over to the military.

I am most happy that the President of the United States undertook, at his press conference yesterday, to support the Senator from Arkansas [Mr. FULBRIGHT]. The President pointed out that the U.S. military, due to one of the wisest actions of our constitutional founders, have been kept out of politics, and that they should stay out. He points out what I am sure we all agree with, that nobody desires to restrain or prevent any military man from speaking his mind, but what we are concerned about is that they should not be exploited for partisan purposes.

I would say, further than that, that we should keep the military, like all other experts, on tap, and not on top.

I concur with the President in the view that Senator FULBRIGHT performed a service in letting his views be made known to the Department of Defense.

I concur with the President's wish that every Member of the Senate, on this and every other matter, will continue to give the administration the benefit of his judgment and his support.

I strongly hope that the Committee on Armed Services will not engage in an investigation of this matter, despite the resolution which has been submitted to it. I think we can well leave this matter to the President of the United States.

Again, I reaffirm my strong support for that great American, the junior Senator from Arkansas, WILLIAM FULBRIGHT.

I ask unanimous consent that an excerpt of a press report of the President's press conference on this matter be printed at this point in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Question. Mr. President, there has been considerable argument in Congress in recent weeks about the proper role of military officers in educating the public on the dangers of communism. Senator J. W. FULBRIGHT, Democrat, of Arkansas, wrote a memorandum on it. There have been some orders issued in the Defense Department on the subject of the proper conduct of military officers in this matter. I wonder if you could give us your views on this subject?

Answer. Well, Senator FULBRIGHT sent a memorandum to the Secretary of Defense at the request of the Secretary of Defense, and expressed his views about a matter which is, of course, of concern to the Department of Defense.

The U.S. military, due to one of the wisest actions of our constitutional founders, have been kept out of politics, and they continue their responsibilities, regardless of the changes of administration.

I have no idea what the politics are of the members of the Joint Chiefs of Staff. I have appointed two of them since I have been President, and I have no idea what their views of politics are. This is a most important protection for our country, and it is equally important protection for the military. It prevents them from being exploited or discriminated by political people in either party.

So, therefore, the problem always is, how can the military remain removed from political life, how can civilian control of the military be effectively maintained, and at the same time the military have the right and the necessity to express their educated views on some of the great problems that face us around the world.

So I think this is a continuing matter which the Secretary of Defense is giving attention to. There is no desire to restrain or prevent any military man from speaking; what we are concerned about, however, always is that they not be exploited for any partisan purpose. And I think, basically, it is for their own protection as well as the protection of the country.

So, in answer to your question, some of this arose because of an NSC (National Security Council) decision in 1958 which placed special responsibilities upon them and I think that it is therefore an obligation upon those who place those responsibilities upon them to clarify it in such a way that the common interest is protected.

So in my judgment, Senator FULBRIGHT performed a service in sending his viewpoint to the Department of Defense and I am hopeful that every Member of the Senate on this and every other matter will continue to give the administration the benefit of their judgment. That is why we are all up here.

RAILROAD MERGERS

Mr. METCALF. Mr. President, on August 7, the distinguished junior Senator from Minnesota [Mr. MCCARTHY] spoke on the subject of railroad mergers. He referred to studies by Professor Healy, of Yale University, which show that, as a railroad increases in size beyond 10,000 employees, its efficiency goes down.

Some of the proposed mergers now before the Interstate Commerce Commission would create new rail companies with far in excess of 10,000 employees. The proposed merger of the Great Northern; Northern Pacific; Chicago, Burlington & Quincy; and the Spokane, Portland & Seattle Railroads would combine roads with 24,597 miles of track and present employment of more than 65,000 persons.

I am concerned by many aspects of the proposed mergers. I am concerned by the possibility of substantial reductions in service, by deterioration of the communities where service will be abandoned or curtailed, by loss of jobs, by loss of efficiency, by the monopolistic aspects of proposed mergers.

Some of the proposed mergers might or might not be good for the railroad company stockholders on a short-term basis, but they definitely will not be good for the public because, from its standpoint, the wrong railroads propose to consolidate. President W. P. Kennedy, of the Brotherhood of Railroad Trainmen, summed it up succinctly in one of his fact-filled series of articles appearing in the Trainman News. He said:

The strong railroads have never been known as their weak brothers' keepers. Tra-

dition and hard-boiled profit requirements call for alliance of the strong with the strong and rejections of the weak to fend for themselves on any traffic which the combine leaves for them. In the merger struggle the strong spend huge amounts of their revenues, and if they do not have the cash on hand they mortgage the future.

I believe, Mr. President, the public interest requires that the Congress take greater interest in these merger proposals, and, perhaps, lay out further guidelines in this field.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the excellent articles by President Kennedy, of the Brotherhood of Railroad Trainmen, to which I referred, and an article, "The Merger Mania and You," which appeared in the April 1961 issue of the Brotherhood of Locomotive, Firemen & Enginemen's magazine.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

MERGER MOVEMENT OF 1960'S—SHALL RAIL CONSOLIDATIONS BE LEFT TO THE BANKERS?

(By W. P. Kennedy, president)

The current railroad merger movement involves, directly or indirectly, every major railroad system in the United States. Literally hundreds of American communities, scores of industries, vast economic regions will feel the impact now and for the indefinite future if the drastic plans made by the representatives of these transportation companies finally are approved by the Government.

Because of the importance of such comprehensive schemes not only to millions of Americans as individuals but to the American economy as a whole, it is pertinent to set forth the basic principles of the railroad merger movement of the 1960's.

Two basic principles or assumptions appear to be the guidelines for the current merger activity. The most important is the assumption by the financial managers of the movement that they are free to disregard the public utility status of the railroad properties under their control.

A second principle, derived from the first, is that the railroad properties in the United States are to be regrouped in such a way as to bring greater immediate profits to the stockholders of a few giant regional systems. Before considering the full implications of these two principles, a look at the managers and some of the decisions being made is in order.

The nominal managers of the present-day mergers are the directors of the respective companies; the real managers are some of the Nation's largest banks. On the basis of a study which I prepared in the late thirties—"Main Street, Not Wall Street" (1938)—I know that over a long period the banks have resorted to every possible financial device to use the railroads to their own advantage.

Furthermore, a flashback to the last wave of mergers and acquisitions of control through the holding company and other devices reveals that the banks and bankers were the prime movers in that movement. Reference to an instance in the merger movement of the thirties provides interesting background to the present wave of merger schemes.

In 1930 Alleghany Corp., the superholding company of the Van Sweringen brothers, stock manipulators backed by the House of Morgan, sold $100 million worth of securities to the public and used the proceeds to purchase control of the Missouri Pacific Railroad.

The Van Sweringens wanted a connection for their St. Louis-based railroad and sought the Chicago & Eastern Illinois. But there was one obstacle before control could be assured. The Interstate Commerce Commission's master plan of 1929 for consolidation of all carriers into 21 great systems had allocated the C. & E.I. to the Chicago & Northwestern. This made it necessary for the Vans (as the two Van Sweringen brothers were called) to hide their deal for control of the C. & E.I. from the public.

Accordingly, the Guaranty Trust Co. of New York—one of the Morgan banks—purchased a majority of the stock of the C. & E.I. for an "unknown principal" who turned out to be Paine, Weber & Co., brokers for the Vans.

Next, the Chesapeake & Ohio, a rich railroad controlled by the Van Sweringens, deposited $5 million with the brokerage house to cover an "option," the remainder of the value of the C. & E.I. stock to be paid for after the ICC approved the acquisition of the Chicago-based railroad by the Missouri Pacific.

The deals were secret, unknown to the Commission and public, and even to the president of the Chicago & Eastern Illinois. Only in 1937, when Senator Wheeler was investigating the abuse of the holding company device in railroad finance, did these operations come to light.

The final result of the grandiose schemes of the brothers Van Sweringen and the manipulations of the New York banks was the bankruptcy of the Missouri Pacific and the Chicago & Eastern Illinois. Also, despite a last-minute $40 million loan from J. P. Morgan & Co., Allegheny Corp., the superholding company of the Vans, had to go through the bankruptcy wringer.

The failure of these railroads was all too representative of what happened to many important carriers. Then, as now, the financial managers of the consolidation movement were scrambling to obtain control of railroad properties. Because of the enormous expenditure of railroad funds to obtain control of strategic roads, bankruptcy resulted for many carriers while the Baltimore & Ohio and other railroads came near bankruptcy for similar reasons.

The aforementioned railroad manipulations are not so long ago that some people might again be asking questions about the ways and means used by dominant carriers of acquiring control of other railroad companies. The banks are again involved.

Indeed, the Morgan Guaranty group is heavily involved in the proposal to merge the northwest roads: Great Northern, Northern Pacific, and Burlington; while the board chairman and another director of the Pennsylvania Railroad are directors of the Morgan Guaranty Trust Co., a lineal descendant of J. P. Morgan & Co.

Furthermore, in still another section of the country, the Southeast, a merger has been proposed that will place a metropolitan bank in control of a regionally dominant carrier. The control of the now sharply competitive Atlantic Coast Line and the Seaboard will be vested in the Mercantile Safe Deposit & Trust Co. of Baltimore. To make this concentration of economic power more complete, this same institution will control, through the Atlantic Coast Line, the Louisville & Nashville.

In other words, the Baltimore banking group is asking the Interstate Commerce Commission to approve their proposal for one giant railroad that will dominate the entire southeast region of the United States.

These few instances indicate the pattern behind the nominal moves by boards of directors of the respective railroads. Must the regulatory officials sit idly by while banking institutions long prominent in railroad affairs regroup and cut down to their requirements of immediate profit the greatest of our public utilities?

Merger decisions will be made that are vital to agriculture and industry, decisions on which the future of vast economic regions depend and which are indissolubly linked to the needs of the economy of the next and succeeding generations.

Are we content to leave these decisions to the huge metropolitan banking groups?

[From the Trainman News, Apr. 24, 1961]

SAME OLD MERRY-GO-ROUND—HOW MERGERS DEVELOP IN 1961

(By W. P. Kennedy, president)

In the current railroad merger movement at least $100 million has been spent in a scramble for strategic and profitable railroad properties. This is an old story.

I thought in 1938 when we published "Main Street—Not Wall Street" that so much had been said and written about the waste and dissipation of railroad revenues and the other evils of these extravagant manipulations that the regulatory authorities would not permit this to happen again.

But the tactics used in two recent merger efforts show that in the merger movement of the sixties we are on the same old merry-go-round. Let's look at the record:

1. Proposed merger of Chesapeake & Ohio with Baltimore & Ohio. Over a 3-year period discussions have been held among officials of the C. & O., New York Central, and B. & O. with the objective of consolidating these properties into one railroad system.

Recently New York Central President Alfred E. Perlman declared that merger of these carriers was necessary to offset the huge rail combination being put together by Pennsylvania Railroad, a competitor. Perlman said the Central wanted an arrangement with the C. & O. and the B. & O. "which would assure our continued participation in the competitive structure of eastern railroads."

Talks for a three-way merger having failed to produce agreement, both the C. & O. and the Central (and the Alleghany Corp. for Central) began bidding in mid-1960, first with offers of exchange of stock and then with cash, for the common stock of the B. & O. The contest for the stock pushed up prices, and finally in January 1961 trading in B. & O. common was suspended and the Interstate Commerce Commission investigated trading in the B. & O. shares. A trade publication, Railway Age, summarized this situation, saying that "eastern railroads, playing for big stakes, kept their merger pot boiling * * *."

Except for today's stock exchange regulations, there is little to differentiate this struggle from the titanic battles of Harriman, Morgan, and Hill.

The C. & O. now claims control of about 60 percent of the B. & O. stock. In addition the C. & O. purchased a 7-percent interest in the Western Maryland which, with the stock owned by the B. & O. is sufficient to control this profitable B. &. O. subsidiary.

The driving force for merger of the three eastern roads was the necessity of sufficient strength to compete with an expanded Pennsylvania system. The decision by C. & O. financial advisers to merge only with the B. & O. was taken because that two-way merger promised greater profits than a three-way merger with the Central, however great may be that carrier's competitive needs.

The New York Central wanted to be included in a new system with the Baltimore & Ohio and the Chesapeake & Ohio because of the competitive disadvantages which confronted it standing alone. For financial reasons it was left out.

The Chicago & Eastern Illinois, a small midwestern carrier, also requested inclusion because of the competitive situation which would confront it as a result of the expanding Pennsylvania system and the C. & O. and B. & O. merger. It was also left out.

The Chesapeake & Ohio was careful to take control of the profitable B. & O. subsidiary,

the Western Maryland. It was equally careful, however, to omit from its grab bag the relatively weak B. & O. subsidiaries, the Reading and the Jersey Central.

It should surprise no one that the weaker systems, including the New York Central, are not wanted in the proposed C. & O. and B. & O. combination. The strong railroads have never been known as their weak brothers' keepers. Tradition and hard-boiled profit requirements call for alliance of the strong with the strong and rejection of the weak to fend for themselves on any traffic which the combine leaves for them.

In the merger struggle the strong spend huge amounts of their revenues, and if they do not have the cash on hand they mortgage the future. In this case the two great carriers, the C. & O. and the Central, appear to have spent about $40 million in their fight to gain control of the Baltimore & Ohio.

There exists the parallel struggle to control Alleghany Corp., which in turn controls the New York Central and holds multimillion-dollar investments in the Baltimore & Ohio and the Missouri Pacific. It seems likely now that as much as $50 million will be expended in the purchase of Alleghany stock by Texas oil and cattle barons on the one side, and Philadelphia and New York banking interests on the other, before control of the holding company is resolved.

Foreign (Swiss) bankers made the decision to accept an offer by C. & O. for an important block of B. & O. shares held in Europe. Although not a transaction with a private, commercial bank, the Wall Street Journal notes that the New York Central got a Government loan guarantee for $40 million from the Interstate Commerce Commission late in 1959. A New York Times story (June 29, 1960) comments that:

"One factor that no one in the industry or in Wall Street was able to weigh was the contrast between the Central's successful plea last year to the ICC for a $40 million Government-guaranteed loan because it couldn't get the money anywhere else and its proposal now to invest as much as $13,500,000 of cash in another railroad's stock."

An ICC spokesman, according to a Wall Street Journal account, said their investigation at that time (January 20, 1961) did not involve the loan guarantee but added that the $40 million loan "certainly would strengthen Central's position to buy (B. & O.) stock."

2. Effort of Southern Pacific to acquire control of Western Pacific. This is a clear case where one of the wealthiest railroads has moved to gain still more financial strength by the purchase of a controlling stock interest in a small and very profitable carrier. Since its reorganization in 1944, the Western Pacific has been one of the strongest small railroads. There has been no demonstration of need, either by the Southern Pacific, the Western Pacific, or the public for such an alliance or merger.

Southern Pacific started the ball rolling with the purchase of a 10-percent stock interest in Western Pacific and an application to the Interstate Commerce Commission for permission to control the small carrier. At this point the Santa Fe entered the fight with approval of the Western Pacific directors and purchased a 20-percent block of Western Pacific stock.

Santa Fe is supported by the Great Northern which purchased another 10 percent of Western Pacific stock. The Great Northern bases its support of the Santa Fe on the necessity of preserving the Inside Gateway, a Great Northern-Western Pacific route between northern California and Portland competitive with the Southern Pacific route between the same points. The Santa Fe cooperates with Western Pacific and Great Northern in traffic moving from its territory to the Inside Gateway.

Southern Pacific, on the other hand, is supported by its traditional ally, Union Pacific, which owns 10 percent of Western Pacific stock. Also reported lined up with Southern Pacific is the Rock Island and the Denver & Rio Grande. The Rock Island fears diversion of traffic from its southern route if Santa Fe, a competitor, gains control of Western Pacific.

Also, it is reported that Union Pacific and the Burlington have purchased large blocks of Denver & Rio Grande stock, fearing that Santa Fe, once in control of Western Pacific, would try to gain a through route, San Francisco to Chicago, by taking over the Rio Grande and hauling traffic now carried by these other carriers.

The Union Pacific and the Burlington justify their purchase of Denver & Rio Grande stock as a purely defensive measure in the face of "merger turmoil in the West," and to strengthen their hands in case another railroad—the Santa Fe—should threaten their share of traffic from the Rio Grande.

Southern Pacific and Santa Fe are interested in Western Pacific's so-called local "gathering lines" in the Oakland-San Francisco area. Santa Fe and Western Pacific serve San Francisco and Oakland and both share ownership of Alameda Belt Line and the Oakland Terminal Railway. These lines are of great value to the operations of either line in northern California.

A look at the headlines describing these deals give the flavor of earlier times. One headline (New York Times, Feb. 8, 1961) says "Bid for Railroad Turning Into War." A later headline (March 5, 1961) reads that "Western Pacific Railroad, Born Amid Gunfire, Engages in Modern Battle," and another that "Duel Over Rails Wild in West." The Times comments that the struggle between the Southern Pacific and the Santa Fe for control of the Western Pacific "is fast becoming a real railroad war."

Once the first move to gain control of Western Pacific was made by Southern Pacific, it was seen as an effort to grab the profitable traffic hauled by Western Pacific with disruption of the competitive traffic pattern. The Santa Fe intervened and third, fourth, fifth, etc., parties became involved, railroad earnings were committed to a stock-buying spree, and the war was on in earnest.

Is it worth while to maintain competition? The Antitrust Division of the Department of Justice has intervened both in the proposal to merge C. & O. and the B. & O. as well as the attempt by Southern Pacific to take over control of the Western Pacific to do just that.

What public benefit can be derived from the disappearance of the small carriers—Western Pacific and Denver & Rio Grande? Why should they cease to exist as separate, profitable business enterprises?

These cases show clearly that any new alinement of properties will be along the lines of the greatest profit to the strongest railroads. Millions of dollars are being poured into these contests to achieve control, to gain a dominant role or to maintain a competitive position because the railroads have little confidence in the effectiveness of the "standard conditions" imposed by the Commission in mergers with the object of keeping open existing routes, channels of trade, and gateways. In other words, the railroad map is being redrawn by the railroads having the greatest financial resources, as they see fit.

There does not seem to be now, nor does there ever seem to have been, a shortage of railroad funds for such power struggles.

RR MONOPOLY IN SOUTHEAST

[From the Trainman News, May 22, 1961]

(By W. P. Kennedy, president)

The efforts by private banking groups to realine railroads with the objective of securing the most profitable possible arrangements have resulted in numerous struggles for control of strategic and profitable railroad properties.

In one such contest—that of the struggle to control the Baltimore & Ohio—the final decision is not yet known. Because of a contest in which bankers are heavily involved, control of one of the contestants itself—the New York Central—is in question. Any way they are seen, these contests for control are fights for big stakes in traffic and profits.

No one can seriously question that the banks are engaged in an all-out effort to pick off the most profitable railroad properties and add them to the systems in which they have a controlling financial interest.

COMBINATION IN SOUTHEAST

Although Baltimore has been most publicized by the struggle of various financial groups for control of the Baltimore & Ohio, another consolidation effort by a banking group with headquarters in Baltimore is underway.

The Mercantile Safe Deposit & Trust Co. of Baltimore is the prime mover in the proposed unification of two major railroads in southeastern United States: the Atlantic Coast Line and Seaboard Railroads; two railroads whose competitive efforts have had much to do with the industrial development of this section of the United States.

It is said that this proposed new combination would dominate railroad transportation in this vast economic region. A spokesman for the Southern Railroad is quoted (Richmond News-Leader, November 28, 1960) as saying that "merger of these two railroads would create an unprecedented concentration of railroad economic power in the South." In view of the vast economic power to be wielded by this proposed new rail system it is essential to describe the lines of control held by the Baltimore bank.

BALTIMORE BANK PYRAMID

The record of the ICC hearings in Richmond is clear evidence that control of the proposed new railroad to be formed by merger of the Atlantic Coast Line with the Seaboard would be in the hands of Mercantile Safe Deposit & Trust Co. of Baltimore. The bank's president, Thomas B. Butler, is vice president and director of Atlantic Coast Line Co. and director and chairman of the executive committee of Atlantic Coast Line Railroad.

The Atlantic Coast Line Co. is a holding company in which the Mercantile Safe Deposit & Trust Co. owns 56 percent of the stock. The Atlantic Coast Line Co. has five directors, four of them, including Butler, also are directors of Atlantic Coast Line Railroad, and two of the four, including Butler, are directors of Mercantile Safe Deposit & Trust Co. The holding company is the corporate entity maintained by the Baltimore bank to control Atlantic Coast Line Railroad.

In all of the corporations and committees—the Mercantile Safe Deposit & Trust Co., the board of the holding company, and the boards and executive committees of two railroads—the bank president, Butler, has an associate, Alexander E. Duncan as a fellow officer.

HERE'S NEXT STEP

The next step in the financial pyramid is control of Atlantic Coast Line Railroad by Mercantile Safe Deposit & Trust Co. through the holding company, the Atlantic Coast Line Co. This holding company owns 31 percent of the stock of Atlantic Coast Line Railroad which, added to another 9 percent of the railroad's stock held by the Baltimore bank, gives the bank a 40-percent interest in the railroad. The president of the Baltimore bank and three additional members of a five-man executive committee of the railroad are also directors of the bank-controlled

Atlantic Coast Line Co., giving the bank undisputed control of Atlantic Coast Line Railroad.

Yet another step in the pyramid, according to the Richmond hearings, is control of the Louisville & Nashville Railroad. The Atlantic Coast Line Railroad has owned about 36 percent of the stock of the Louisville & Nashville since 1902. As in the case for the Atlantic Coast Line Railroad, the chairman of the executive committee of the Louisville & Nashville is Thomas B. Butler, president of Mercantile Safe Deposit & Trust Co. of Baltimore.

Two additional members of the Louisville & Nashville five-man executive committee are also members of the board of the bank-controlled Atlantic Coast Line. With three of the five members on the executive committee of the railroad also directors of the Atlantic Coast Line, the Mercantile Safe & Deposit & Trust Co. of Baltimore has undisputed control of the Louisville & Nashville.

To summarize the control pyramid: the Mercantile Safe Deposit & Trust Co., a Baltimore banking institution, controls the Atlantic Coast Line through its ownership of a majority of the stock of a holding company, known as the Atlantic Coast Line Co., which in turn holds a controlling interest in the Atlantic Coast Line Railroad. Since the Atlantic Coast Line owns a controlling interest in the Louisville & Nashville, the Mercantile Safe Deposit & Trust Co. of Baltimore controls both Atlantic Coast Line and Louisville & Nashville.

TO DOMINATE SOUTHEAST

It was testified at the Richmond hearings that Butler, or whoever is president of Mercantile Safe Deposit & Trust Co. of Baltimore at the time of merger, will become chairman of the executive committee of the consolidated railroad. There was uncontradicted testimony at the hearings that the next step after formal consolidation of the Seaboard and Coast Line would be the formal consolidation of the new carrier with the Louisville & Nashville, and the Richmond, Fredericksburg & Potomac, a connecting railroad between Washington and Richmond.

The principal railroad systems in the Southeast, after the merger of the Atlantic Coast Line-Louisville & Nashville systems with the Seaboard, would compare as follows:

[Dollars in millions]

	Miles of road	Employment	Operating revenues	Assets
Atlantic Coast Line-Louisville & Nashville-Seaboard	15,137	45,500	$547	$1,629
Southern	6,269	21,362	272	831
Central of Georgia	1,745	3,529	44	127
Florida East Coast	572	3,173	33	106
Illinois Central [1]	6,464	25,109	272	724
Gulf, Mobile & Ohio [1]	2,752	6,873	82	171

[1] The lines of Illinois Central and Gulf, Mobile & Ohio are only partly in the South. Neither road serves the southeastern seaboard.

It should be clear that in event the proposal to merge the Atlantic Coast Line and Seaboard Railroads is approved, the Mercantile Safe Deposit & Trust Co. of Baltimore will control the dominant railroad combination in southeastern United States.

RAILROAD MONOPOLY IN SOUTHEAST

(By W. P. Kennedy, president)

I. BENEFITS OF COMPETITION

I believe it is advisable to examine the benefits of competition both to the railroads of the Southeast and the public as well as the costs of monopoly to the shipping public, the small railroads, and the future economic development of this region.

1. Benefits to the railroads

Competition has brought profits to the railroads and benefits to the people of the Southeast in direct refutation of the railroad propaganda that the wastes of competition have brought the carriers near bankruptcy.

In the Atlantic Coast Line-Seaboard consolidation proceedings, President W. T. Rice of the Coast Line said that one of the most compelling reasons for "this merger" is to restore these railroads to adequate financial stability. The Coast Line president referred to the AAR statements on the "deteriorating financial situation" of the railroads but admitted that the Seaboard and Coast Line "are not deteriorating."

The record shows that President Rice is correct; that the two railroads have done very well indeed from their competitive efforts. In the 5-year period, 1955–59, the ACL averaged $11,580,000 net income per year, while the Seaboard averaged $18,445,000 net income per year.

In the period 1947–59, the ACL invested $262 million and the Seaboard $318 million in road, structures, and equipment. It is no wonder the Coast Line president conceded the two roads are "not deteriorating."

2. Benefits to people of Southeast

The Atlantic Coast Line and the Seaboard have not been backward in proclaiming the profitable results to themselves and the people of southeastern United States arising from competition between the two carriers. The Coast Line 1959 annual report, for example, announces that:

"Significant progress was made during the year 1959 in the industrial and commercial expansion of the six-State area of the Southeast served by the Coast Line."

The Coast Line reported that 218 new industries located along their lines in 1959 compared with 139 in 1958, while the Seaboard reported 164 new industries in 1959 compared with 138 in 1958. These totals add up to a success story for southeastern industry from the spur of competition between these two carriers.

In passenger service the Coast Line annual report says that special parties such as group theater tours to New York, all-expense educational trips for school students, special trains for athletic events and special round trip fares increased this class of passenger revenues by 25 percent in 1959. The Seaboard, long known for its aggressive passenger promotions, also advised its stockholders in its 1959 annual report that passenger revenues had increased.

Competition between these two carriers undoubtedly has stepped up the rate of industrialization with resultant higher living standards for the Southeast. The competition for passenger patronage has made railroad passenger transportation available to low-income groups and provided great benefits to the vacation industries of the region.

II. COSTS OF MONOPOLY IN SOUTHEAST

1. Cost to shipping public

The ACL and Seaboard are in direct competition in at least 90 percent of the territory they serve and have many common points where each of the two railroads has such facilities as freight and passenger stations with staffs of employees for each. The opponents of merger point out that economies from such matters as consolidations of stations and ticket services could be obtained without consolidation of the respective systems requiring elimination of competition and abandonment of track.

A spokesman for Southern Railway opposed the merger "so that the shippers do have a choice—and the opportunity to route the traffic." One public service commission (Georgia) in opposing the merger said "service is far better to an industry located on two or more railroads than it is to one 'captive' upon the line of a single carrier."

In a classic exposition of the advantages of competition in the railroad industry directed to the current merger movement, Starr Thomas, Santa Fe general solicitor, recently declared:

"* * * in spite of the present emphasis on the elimination of waste and inefficiency, we must not overlook the influence of competition as a means of insuring adequate transportation service to the public. Ours is still a free enterprise economy and I think we are all agreed that reliance on the forces of competition has made our country great. If elimination of duplication and waste were the sole concern, monopoly might well be the answer in all areas of business activity.

"But our country's history has shown that the short-run economies resulting from the elimination of competition are too great a price to pay for the loss of freedom, aggressiveness, innovation, progress, and productivity that come from a competitive system."

I consider the conclusions of this statement apply with particular force to the proposal by Baltimore banking interests to eliminate railroad competition in the Southeast.

Consolidation of the Coast Line and Seaboard would mean the elimination of competitive freight and passenger service for the areas around Norfolk, Charleston, Savannah, Jacksonville and all of northern Florida. The Southern Railway urged the opening of these territories to competition by means of unrestricted trackage agreements. The Coast Line and Seaboard say that granting the Southern the right to compete for traffic in these areas would cause them to look at the entire consolidation matter again.

The Coast Line and Seaboard obviously want not only the savings from consolidation (many of which can be achieved without merger) but the wide range of unrestricted power in the establishment of major railroad policies that is the hallmark of monopoly.

2. Cost to small railroads

The Central of Georgia, Georgia Railroad, Georgia & Florida, and Florida East Coast Railroads would sustain serious reductions in revenues from consolidation of the two large carriers. The Georgia Public Service Commission says that the small Georgia-Florida Railroad would be ruined, the Georgia Railroad would lose at least $1,400,000 or about 20 percent of its annual revenue, and the Central of Georgia would lose about $2,500,000 in traffic annually. The Georgia Commission states that Georgia Railroad probably would lose more than the estimated amount, its service would be curtailed, and this would halt efforts to locate industry in this section of Georgia.

The Georgia commission, emphasizing the role played by Central of Georgia in development of the State, says, "We cannot sit idly by and see this valuable asset destroyed by this unfeeling, banker-promoted merger."

Counsel for Florida East Coast Railroad told the consolidation hearing that this carrier would be thrown back into bankruptcy because the interchange traffic with two of its trunkline connections would be eliminated.

3. Cost to future economic development

The two railroads plan to tear up 1,100 miles of track in event of consolidation. That the extent of track abandonment depends upon economic conditions was emphasized by proponents of consolidation. Rice, Coast Line president said:

"We realize that, as Mr. John W. Smith (Seaboard president) said yesterday, there probably will be a few months before this merger is authorized, and naturally any abandonment that would be proper today in

light of economic conditions could change tomorrow."

Consolidation then is a plan to fit the facilities of the railroads to the needs of a stagnating, ever-declining economy. The promoters themselves indicate it has no place in a Southeast that looks forward to economic expansion.

The economy of the southeastern States has been built around the independent operations of the Seaboard and Coast Line Railroads. Were these carriers not to consolidate there would be no abandonment of track and other facilities. Abandonment of entire areas reduces the ability of a competitive railroad to obtain the location of industries. Moreover, in event of consolidation, the competitive drive for new plants would be lacking and plant location would be guided in large degree by the advantages such locations offered to the other investments of the Mercantile Safe Deposit & Trust Co. of Baltimore.

I say to the people of the Southeast there is a great question presented by this proposed merger. Is a small group of bankers with no faith in the future to be permitted to take action that will cripple if not ruin small railroads, set back the economic development of the southeastern region and weaken the ability of the southeastern railroad network to serve the public in more prosperous times?

THE MERGER MANIA AND YOU

Railroad service to a community is of paramount importance if economic growth and stability are to be maintained. That service, the most efficient and cheapest mass transportation, contributes enormously to the development of towns, cities, and States all over the Nation. The effect of good railroad service is almost incalculable and is felt in every field of activity: industry, small business, municipal income, school operations and, of course, the labor force.

Have you ever thought of what the sudden abandonment of rail service in your community would do to its economic life? Rail mergers most assuredly do cause abandonments. In fact, they are one of the major reasons for consolidations, and if you stop and think for a moment you can realize how these mergers and their ramifications adversely affect nearly everyone in many ways.

Today many persons in every walk of life are becoming increasingly alarmed at the steady deterioration of the railroad industry, of its utter disregard for the traveling public—of its poor service—and of its unchecked efforts to destroy much of the Nation's railroad plant and nearly all competition.

In the delirium of the "merger mania," rail management no longer thinks of service and progress—it thinks instead of planned disservice, consolidation, and abandonment.

The spirit of competition which built the independent rail corporations into a transportation network unequaled in history has been lost. In its place has arisen a monster which sees nothing but $$$$ in rail operation. The motivating factor behind railroad activities unfortunately has become "profits—and the public be damned."

Of course, when the public takes it on the chin, so also do the hundreds of thousands of dedicated rail employees. Those employees have suffered untold loss through the last 10 years as the result of rail mismanagement; and, with the unchecked merger mania, countless thousands will suffer even more in the future.

Rail mergers affect you directly or indirectly, depending upon whether you work on a road that is contemplating merger or on one that has no merger plans—there are few of the latter remaining. On the roads where mergers are contemplated, the effects are obvious. On those roads not planning mergers the effects are not so obvious but nonetheless very real. For instance, if through a specific merger, poorer service results, it necessarily follows that fewer cars will eventually be shipped. Then, when those fewer cars are shipped, connecting roads which had no part in the merger receive fewer shipments; in the end all rail business suffers, even though management is able to show a higher percentage return on investment.

Fortunately, some action has now been taken and more is in the offing as disturbed legislators, citizens, and rail employees are taking action to halt the growing consolidation of roads and the elimination of competition.

Rail mergers in the past year have come in for extensive news coverage as four large carriers consolidated and more than two dozen others report from time to time on negotiations that are aimed at unifying two or more properties. A rundown on some of the proposed mergers shows the following:

NORTHWEST

Five years of merger studies by four prosperous northwest railroads—the Great Northern; Northern Pacific; Chicago, Burlington & Quincy; and the Spokane, Portland & Seattle Railroads—resulted in the recent application to the Interstate Commerce Commission for authority to consolidate these properties into one company, the Great Northern Pacific & Burlington Lines.

This is by far the largest proposed merger to be placed before the ICC to date. The combined roads, with total mileage of 24,597 miles, presently employ more than 65,000 employees. Should the four-road merger become effective, four subsidiary lines presently owned by the S.P. & S. and C.B. & Q. would likewise become a part of the integrated line which would operate in 17 States and two provinces of Canada.

In making public the petition to the ICC, spokesmen for the four roads indicated that annual savings of about $43 million would accrue following consolidation.

The railroads said that savings would result from unification of terminal operations, abandonment of some lines, consolidation of some train operations, reduction in the length of haul through use of shorter routes—eliminating some routes—reduction in the number of locomotives—fewer employees and cars that the new company will need—and consolidation of office departments.

Of course, from the foregoing it is apparent that much of the savings would come as a direct result of a drastic reduction of employees resulting from the fewer number required to man the huge new system. Part of the savings would also come from the sacrifices that would be made by the general public—sacrifices resulting from poorer service rendered by the combined road.

Not to be outdone in this region are the Chicago & North Western and the Milwaukee roads with a combined mileage of about 20,000 miles. A recent study of the projected annual savings resulting from a merger of these two roads indicated that around $40 million would accrue. Here, again, service would be sacrificed for profits and the savings would come from the traveling and shipping public and the employees.

Not to be overlooked, either, is the Chicago, Rock Island & Pacific Railroad which, until recently, was holding separate talks with the Milwaukee road. This company, with its 7,500-plus miles of track, definitely plans a merger with other rail property, possibly even joining in a three-way move with the C. & N.W. and Milwaukee roads. Here, with so much parallel track and facilities, it would appear that the shipping and traveling public, together with employees, would suffer extensive and irreparable economic damage—all at the expense of securing even larger percentage returns for the indifferent railroad managements.

SOUTHEAST

In the Southeastern States a real donnybrook is in the making as the Atlantic Coast Line; Seaboard Air Line; Louisville & Nashville; Illinois Central; Gulf, Mobile & Ohio; Southern; and the Central of Georgia railroads figure in perhaps as many as three major rail consolidations.

Dividing the spoils seems to be about the only thing standing in the way of extensive proposals by some of these roads. In fact, one major consolidation has already been proposed, that of the Atlantic Coast Line and the Seaboard Air Line. These two roads extending through eight States have a combined mileage of 9,500 miles. Because of their relative geographical positions it is reasonable to assume that such a merger would drastically reduce job opportunities and likewise much service for the traveling and shipping public. The ICC now has before it the proposed merger of the A.C.L. and S.A.L. roads.

But there are complications involving another of the major roads in the Southeast—the Southern.

Of course, the Southern Railroad does not object to the merger of these two roads—far from it. As a matter of fact, the Southern is looking for a partner itself. The problem arises over the ever-wealthy Louisville & Nashville Railroad, which is controlled by the A.C.L. The Southern has requested the ICC to condition the consolidation on the A.C.L.'s agreement to divest itself of the L. & N. holdings. It is presumed, then, that the Southern would make an effort to seize control of the L. & N. and thus, in effect, figure in the second huge consolidation here.

Rumors of another possible merger of two trunklines are becoming more prevalent. These two lines are the Illinois Central, 6,500 miles in length; and the Gulf, Mobile & Ohio, extending for 2,775 miles. These two roads, which parallel each other north and south through the agricultural and industrial Mississippi Valley region of the Nation, would cease their strong competition, and here, again, the shipping and traveling public and the employees would be taking it on the chin.

A major merger that has already taken place is the consolidation of the Virginian and the Norfolk & Western properties. Here, again, two financially independent roads joined in an effort to enhance further their own position without respect for the rights of others. Now, there is a move on to merge this combination with the Nickel Plate, thus creating one road from three, another step toward monopoly control of rail transportation.

EAST

Perhaps the most highly publicized of all proposed rail mergers has been the three-way battle between the Chesapeake & Ohio, Baltimore & Ohio, and the New York Central systems.

At the present time it appears that the C. & O. has been successful in the fight with the New York Central to gain control and therefore to merge with the B. & O. Railroad. However, President A. E. Perlman of the New York Central petitioned the ICC recently to "study mergers and withhold merger approvals until that study was completed." That petition was ignored by the ICC which continues to give full support to consolidations with but few reservations.

Obviously, Perlman chose this manner in which to block the B. & O. and C. & O. merger. There are many serious and objective reasons for blocking mergers but, of course, the Perlman suggestion can be considered as having been motivated by reasons other than those of protecting the interest of the public and the employees. Perlman was looking for a way to grab the B. & O.; and since the C. & O. had the inside track, he must have thought that this was one way of throwing a monkey wrench into the B. & O. and C. & O. unison.

But what about the B. & O. and C. & O. merger? We know that the B. & O. and

C. & O. join in one way or another in nearly 100 points along the right-of-way and have better than 1,000 miles of parallel lines. Such a relationship of necessity requires competition; competition breeds good service for the public. Now, join the two entities and what do you have? Again, profits at the expense of the traveling and shipping public and the employees.

And what about the "Standard Railroad of the World," the Pennsylvania? Merger plans, yes, but secrecy seems to be the keyword here. That the Pennsylvania has merger plans is ominous. Especially so when, by its own refusal to block mergers, it permits roads that hem it in to merge around it and cut its ties with lucrative shipping segments of the industrial East.

But a look into the background of the Pennsylvania, at its holdings, at its varied interests, indicates that adroitly and subtly it is building an empire around itself—an empire which it controls—and at the opportune time will move in to form, perhaps, the largest privately owned railroad empire in the world.

With extensive holdings in the lucrative Norfolk & Western, the Pennsylvania gained valuable holdings when the N. & W. merged with the Virginian. Now, with negotiations on between these roads and the Nickel Plate, it would appear that if mergers go unchecked, the Nickel Plate system will sooner or later become related to the Pennsylvania, through the Norfolk and Western.

Then, consider that the Pennsylvania Railroad owns the Detroit, Toledo & Ironton Railroad and a large percentage of the Wabash Railroad, and further that it controls the Lehigh Valley Railroad, and you realize how extensive the Pennsylvania Railroad holdings really are. You also realize that it becomes just a matter of time under present conditions until competition in the East will give way to monopoly control of railroad operations by the giant Pennsylvania Railroad.

Then there is the Erie-Lackawanna merger that became effective some months ago and which is now the subject of consideration by the U.S. Supreme Court. The litigation before the Court pertains to employee protection in mergers. The high tribunal will rule on the so-called 4-year employee protection clause in the ICC Act which says: "* * * that railroad mergers shall not result in employees being in worse condition with respect to their employment for 4 years after merger."

Meanwhile, a more recent merger move has the Erie-Lackawanna choosing up sides in a possible consolidation of eastern railroads into two giant systems. The Erie proposed at an ICC hearing recently that it be a principal in a merger that would create one consolidated road of the present Pennsylvania, Norfolk and Western, Nickel Plate, Wabash, and Lehigh Valley Lines.

SOUTHWEST

In the Southwest the battle is one that centers about three roads, two of which are trying, each in their own way, to gain control of the third. Of course, we speak of the Santa Fe, the Southern Pacific, and the Western Pacific which finds itself in the position of the pretty young maid being fought over by two of the town's bigger bullies. Regardless of the outcome, should mergers continue, the public and employees will lose—one or the other of the S.P. or Santa Fe will gain. And this nation is one step closer to giant rail monopoly.

WHAT'S BEING DONE ABOUT MERGERS

For quite some time there has been a growing interest and concern by employee groups, shippers, passengers, legislators, labor unions, and yes, even some stockholders, as the merger mania has seemed to grow in momentum.

An example of the concern of these persons is best illustrated by the reactions of representative groups along the routes of the four railroads that propose the giant northwest merger.

Here are some of the things that are being done to thwart this effort to destroy competitive trail transportation and replace it with monopoly control that breeds poor service, inefficient operation, and arrogance and apathy.

Washington

In Auburn, the city council, the chamber of commerce, the Auburn Industrial Committee, and the State legislative representatives are all vigorously opposing the merger of the G.N., N.P., SP. & S. and C.B. & Q.

The city councils in Kennewick and Pasco are likewise opposing the consolidation. In Spokane, civic committees have been formed and are taking an active interest in opposing the rail merger. Governor Rosellini has expressed concern and, as a matter of fact, has instructed both the public service commission and the department of commerce in economic development to investigate.

Montana

In Great Falls and Billings, the city councils are vigorously opposing the merger and, in addition, the county commissioners in Cascade County where Great Falls is located are likewise opposed to the consolidation. The same applies to the chamber of commerce in Laurel.

And from Missoula comes every indication that few, if any, persons in that city favor the Big Four merger. Those active on a committee to work against the consolidation are members of city council, county commissions, Lions, Rotary, and Kiwanis Clubs, and other groups who feel that Missoula would, in part, become a ghost town should the merger become a reality. Persons in every walk of life from the banker and college professor to the service station owner and rail employee seem to have one thought in common. That is, "Let's not permit further deterioration of our railroads."

And in Butte, Livingston, and Forsythe the same applies. Groups of townspeople are vigorously opposing the proposed rail merger.

North Dakota

Again it's the same story. In Mandan, city council and the chamber of commerce are concerned. City council has already opposed the merger. In Jamestown, a committee of citizens are actively participating in meetings to inform the citizens of the results of the merger and how it would affect their city. The same applies to Fargo.

Minnesota

Citizens' committees in the Twin Cities area—Minneapolis and St. Paul—are busily studying the effects of the merger as city council in Willmar comes out in unquestioned opposition of the consolidation. The same applies in Superior, Wisconsin, and Duluth, Minn., where the effects of the merger have the city councils and citizens' groups highly concerned.

On and on it goes throughout the cities and communities where the railroads maintain terminals or service industries. Persons both directly and indirectly connected with the railroads are highly concerned at the deterioration of the industry that consolidations foster.

Senate concern

Meanwhile, Congressmen are becoming increasingly alarmed and are being deluged with "unprecedented volumes of mail and petitions concerning proposed mergers." Recently, Senators MAGNUSON and JACKSON, of the State of Washington, in a joint letter to Everett Hutchison, ICC Chairman, expressed concern about the railroad merger problem.

"A comprehensive national railroad plan predicated upon broad public interest is needed before projected combinations can be fairly judged," the two Senators told Hutchison. Continuing, they said, "What must be determined—in railroad mergers—is what will best serve the long-range public interest. The resultant loss of employment or disruption of the same is, of course, an important factor in your determination of the public interest."

The Magnuson-Jackson letter reviewed the fierce competitive battle in building the railroads that figure prominently in the northwest merger. It further pointed out that active competition has been maintained to date in that area. "The results of the elimination of rivalry here may also be the subject of inquiry," the letter cautioned.

Rail labor activity

What have rail labor organizations done to protect the public and employees in merger onslaughts? The best answer to that question is to be found in the Railway Labor Executives Association paper on railroad consolidations issued in December of 1960 and in their letter to President Kennedy in February of this year.

The RLEA said that the proposed rail mergers would hold back the effort to expand the economy. At the very time that the new administration in Washington is preparing a program to check the recession and wipe out economically depressed areas, the railroad industry is engaged in the most intensive drive since the turn of the century to curtail its plant through mergers and consolidations. The RLEA warned that if the railroads were successful in their effort, the adverse effects upon the economy might be great enough to nullify those measures that are being undertaken by the administration to return the country to prosperity.

High rates and poor service: Further, they charged that the only people who benefit from railroad consolidations are the financiers and stockholders who control the roads. "While the railroads' propaganda claims that greater efficiency resulting from mergers will mean better service and lower rates to the shippers, the past history of mergers shows that just the opposite is the usual result," the RLEA paper stated. "Once monopoly control has been established in any industry and the check of competition has been removed, service deteriorates and rates tend to be set as high as the traffic will bear," the rail labor executives warned.

Economic expansion stymied: The fear of weakening the base for economic expansion was also expressed by the RLEA paper. "If the current consolidation movement succeeds, the railroads will have impaired their ability to handle the greater traffic of an expanding economy that has been promised by the incoming administration," the paper continued. "The present period might be compared to that of the thirties. Had the railroads been able to overcome the opposition of railroad labor and effect the then proposed consolidations, American railroads would have failed to meet the enormous demands for mass transportation in World War II."

Regional stagnation: The RLEA paper further questioned the wisdom of scrapping the lines of railroad that are so necessary for the economic development of regions such as the southwest and the southeast. "Many communities, the homes of literally millions of people and thousands of industries, have been established on the availability of railroad service. To reduce or eliminate this service over thousands of miles of railroads inevitably is to create depressed communities, disrupt established homes and ways of life, and place obstacles in the way of industrial development," the labor executives said.

Railroad unemployment: "The economies of rail consolidation in the main," the paper said, "are founded on widespread reductions in railroad employment through the curtailment of service. If the consolidations now planned are effected, tens of thousands of railroad workers will be separated from their employment at a time when hundreds of

thousands of railroad employees already have lost their jobs for other reasons. From 1951 to 1960 employment on class I carriers has fallen by about 500,000, a decline of about 40 percent. In the 5 years since 1955, employment has declined by 26 percent. In 1960, employment on class I railroads is estimated to average between 780,000 and 785,000 compared to 1,276,000 in 1951."

Economies lost: Then, too, there's the loss of economies of rail transport, recognized as the most efficient means of cartage. The loss of railroad transportation would, in the end, mean increased transportation cost, resulting in a lowered standard of living because of those increased costs, the paper warned.

Concerning the loss to railroad labor, the paper said, "The most drastic loss to railroad labor from consolidation is, of course, the loss of employment by thousands of workers who have spent most of their lives in railroad service." In addition to the direct loss of jobs, many more thousands of railroad employees must leave their homes and become established in other centers. This so-called change in location of employment usually means the loss of jobs because of the inability of workers to move from long-established residences.

"These losses to railroad labor are great but not so great as the Nation's loss from discarding a skilled labor force from our most economic transportation agency," the rail labor executives warned.

In February of this year the Rail Labor Executives' Association summed up the problem of rail mergers and the resulting economic effects as follows:

"The unemployment situation is growing worse. Figures just released indicate that 5.5 millions of our citizens are now without jobs. Such a situation reflects economic waste of a magnitude that seriously requires all efforts to spur the national economy as a whole. Even more important from our viewpoint, it indicates an extent of human want and suffering which cannot long be tolerated in today's world.

"Railroad workers and their families have felt the brunt of unemployment in recent years. Railroad employment today stands at the lowest level since 1890. Over 400,000 railroad jobs have disappeared since December 1955. Average employment on the railroads has been lower each year and there have been three particularly sharp drops which have meant unusually severe suffering and economic dislocation for railroad workers and their families.

"In the 1957–58 recession, railroad employment dropped 210,000 in 10 months. In 1959 there was another loss of 80,000 jobs and in 1960 another drop of 75,000. We point out that unemployed status of at least 1 out of every 15 jobless workers today can be attributed to the 400,000 lost job opportunities which have been eliminated in the railroad industry over the last 5 years.

"An estimated 200,000 of the 700,000 employees now remaining in railroading are threatened with unemployment in the near future as the result of pending proposals for mergers and consolidations of railroad properties. To allow this to proceed would transform many railroad communities throughout the Nation into new depressed areas and further stem the national program for economic recovery.

"The railroad unions pledge their full support to President Kennedy and his administration in working to attain measures to halt the recession and to turn the tide toward a New Frontier of renewed prosperity and progress. We urge the Members of Congress to enact legislation necessary to attain this goal.

"Because we believe that the long-range national interest as well as the self-interest of the workers in the railroad industry clearly demands a halt to the approval of additional railroad mergers at the present time, the railroad labor unions urge the President and the Congress jointly to take immediate actions directing the Interstate Commerce Commission to hold up approval of all pending proposals for railroad mergers or consolidations until their effect upon the national economy has been fully examined. To permit an additional 200,000 railroad workers to be dumped on the unemployment rolls is indefensible."

And so in viewing the entire present-day railroad problem with all of its ramifications we can see that the mismanagement of the last 15 years has returned to haunt us today as never before. As a result, management now looks to the merger as the answer—the way out. Yet, true to form, the answer which they covet is not in reality an answer—it is but an extension of the negative thinking that precipitated the present situation.

What is even more alarming is the fact that rail deterioration with its accompanying economic effects plays an even greater role today in the overall economic instability of the country.

As the RLEA pointed out, 1 out of every 15 jobless workers today is unemployed as a direct result of the 400,000 job opportunities that have disappeared in the railroad industry over the last 5 years. Will this trend continue? Will the estimated 200,000 persons who would be directly and adversely affected by proposed rail mergers eventually join the ranks of the unemployed? Time alone will tell.

At the present time, it would appear that strong public opinion is being mustered to ward off further rail deterioration through the merger mania, but much needs to be done. Rail employee groups, community groups, business associations, legislative groups, and rail unions must continue and increase their efforts to save the American railroad transportation system.

It is not too late, but unless the tide is turned the efficient and competitive rail system of the country will soon be replaced by one characterized by indifference and controlled by monopoly.

HIRING OF PERSONNEL IN EDUCATION

Mr. GOLDWATER. Mr. President, the July 1961 issue of the Survey of Current Business, just off the press, publishes the national economic statistics of the Department of Commerce for 1960, with comparisons back to 1956. They show some interesting comparisons regarding public education which may be of value when the claim will be heard again that the schools are falling behind private industry in the hiring of the staff.

The number of working persons in the United States—number of persons engaged in production, table 53, page 17, of the mentioned issue equals full-time equivalent of all employees and self-employed persons—increased between 1956 and 1960 by about 1 million as follows:

All private industries	455,000
Public education	473,000
All other government	87,000
Total	1,015,000

This means that over the past 4 years public schools and colleges hired more additional people than all private industries combined, and that they accounted for about half of the increase in all working persons.

The same publication also shows—table 52, page 17, average annual earnings per full-time employees—that in 1960, for the first time, the average earnings in public education exceeded those in private industries $4,752 versus $4,710. Public education had passed the average of all Government employees in 1958. The 4-year increases were:

Public education	+$925
Private industries	+644

This suggests that public education continues to gain on other occupations—from State and local support.

The July issue of Construction Review, also published by the Department of Commerce, shows that public educational construction in the first 6 months of 1961 increased 14 percent over the same period in 1960, while simultaneously all construction had risen only 1 percent. Private construction had declined by 3 percent. Construction prices have risen only 1 percent so that almost all of the dollar increase is growth in physical volume. According to the Department's projection, the volume of public educational construction will, during 1961, exceed $3 billion for the first time in history. This does not suggest that States and localities cannot take care of this responsibility without a new program of Federal aid. It should be remembered that, according to President Kennedy, the schools need to build 60,000 classrooms annually over the next 10 years, and are already building 70,000.

THE AMERICAN TAX SYSTEM

Mr. GOLDWATER. Mr. President, of late, loopholes in the Federal tax have been prominently featured. Particularly Messrs. Surrey, Heller & Co. have mentioned time and again that these loopholes have caused an erosion of the tax base and that large amounts of revenue could be gained by closing the loopholes. The President has made some recommendations and promised far-reaching proposals for next year. The purpose of this drive is to create the impression that vast governmental programs can be financed without raising taxes on the general taxpayer. It is suggested that cost of the new or expanded programs could be obtained by taxing somebody else who is now getting away without paying his fair share.

This drive is merely a maneuver to sell more welfare programs. This subject was covered at a national tax seminar which we held at Claremont Men's College in June, in which 32 tax experts participated.

Dr. Roger A. Freeman gave the opening talk in which he pointed out that "a reduction in tax rates or a substantial increase in collections through the closing of 'loopholes' is not a hope but a mirage." He suggested that proposals to revise the tax system should be judged in the light of the effect they would have in three respects:

First. More government, or less?

Second. More redistribution of income, or less?

Third. More centralization of government, or less?

The talk is in restrained tone, because of the academic context, but debunks some oft-repeated and widely believed myths about taxes.

Mr. President, so that my colleagues may have the benefit of the thinking of Dr. Roger A. Freeman in this field—incidentally, he is one of the eminent authorities in the field of taxation in this country—I ask unanimous consent that the address he gave at Claremont Men's College entitled "The American Tax System (National, State, Local): Does It Need Revision, Reform, or Reconstruction?" be printed in the RECORD at this point.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE AMERICAN TAX SYSTEM (NATIONAL, STATE, LOCAL): DOES IT NEED REVISION, REFORM, OR RECONSTRUCTION?

(By Roger A. Freeman, research director, Institute for Studies in Federalism, Claremont Men's College)

Americans are wont to feel and freely express pride in their system of government and its institutions. They have ample reason to do so. But their admiration does not always extend to the institution which provides the material support for their government: the multifarious taxes, which for reasons not immediately apparent to the untrained eye are called our tax system.

The cry for tax reform is old, perennial, and bears an endearing sound: most people tend to regard themselves as the victims of unduly heavy and discriminatory taxation foisted upon them by self-seeking groups which manage, by nefarious techniques to pay less than their fair share. Tax reform means to the average man that he will be paying less and somebody else more.

The NAM or the AFL–CIO, or organizations representing farmers, retailers, entertainment industries, veterans, or pensioners aim to prevent the enactment of measures which would place heavier burdens on their members than they feel they can or ought to bear, and demand changes which would lighten their load. There is nothing mysterious about this legitimate struggle of competing self-interests which often turns into a test of persuasiveness and relative political strength. Most of us have participated in, attended, or read the transcripts of legislative tax hearings. We have sympathized with some groups, but occasionally felt like Mr. J. P. Morgan who one day, when he was besieged by a mendicant, rang for his butler and ordered him: "John, throw him out, he is breaking my heart."

The position which economic interest groups take in regard to desired tax changes is usually plain and their motivation easy to understand. But most of us who are assembled here this morning are salary earners and in approximately the same economic bracket. I doubt whether there are many millionaires among us or whether many would classify themselves as paupers. But this does not keep us from holding widely divergent views on tax policy.

As we proceed to discuss dozens or hundreds of proposed changes, it will soon become apparent that our beliefs on what ought to be done differ sharply, in a manner which cannot be explained by a difference in our respective economic status.

Divergence of views might at first appear to be haphazard, but gradually a pattern is likely to emerge which will identify the members of this seminar along ideological lines. Taxes, after all, are not an end in themselves and cannot be considered in isolation. They are a technical instrument to carry out a personal conviction of what government is or ought to be and ought to do. Thus it seems desirable that we define some of the guiding principles and underlying basic beliefs before we proceed to apply them to specific problems.

The traditional guiding principles of equity, adequacy, stability, enforcibility, conduciveness to economic growth, etc., are only moderately helpful in shaping opinions on specific policy issues. We all are for justice, prosperity, and the good things in life, but we are not necessarily agreed on what they are nor how to achieve them. Concepts differ on what constitutes tax equity. Does it mean neutrality which leaves relative positions unchanged or neutrality which corrects existing economic injustices? Do we achieve faster growth by promoting investment or by augmenting purchasing power? One goal may conflict with another, and there is no tax system which maximizes progress simultaneously in every direction.

There is a wide range of views on the extent of the corrections which our tax system needs. Some feel that the present structure is basically sound and can be made satisfactory by certain revisions. Others believe that the time has come for a more drastic broadening of the tax base which is in the nature of tax reform. Still others deem the existing rate structure and relative emphasis among types of taxes to be inequitable, unbalanced, and detrimental to economic growth; they demand more fundamental changes which amount to a reconstruction.

The most comprehensive surveys of proposed changes in recent years were the studies of tax and expenditure policy by the Joint Economic Committee in 1955 and 1957 and the hearings of the House Ways and Means Committee in 1959. Several members of this seminar participated in those projects. All three studies were conducted under the chairmanship of Representative WILBUR D. MILLS.

Analysis of the 375 papers which were prepared for the two committees, and of the subsequent panel discussions, suggests that the attitude of the informed observer toward a specific policy problem, such as relative emphasis on different types of taxes, rates, coverage, deductions, exemptions, etc., is guided by his belief in regard to the fundamental issues which may be expressed in three major antitheses:

1. More government, or less?
2. More redistribution of income, or less?
3. More centralization of government, or less?

When we know a person's views on these three issues, we can more often than not predict which side he will choose in the controversy over proposed changes. Those who believe in more—government, redistribution, or centralization—tend to favor absolutely or relatively higher taxes, prefer steeply graduated to proportionate taxes, and are inclined to use the national rather than the State or local tax machinery to achieve their ends. Those who want less, aim for tax cuts, support proportionate rather than progressive taxes, and lean toward State and local action.

The lines are, of course, not always cleanly drawn, there is some crossing of fences, depending on the relative emphasis on a specific goal. For example, John Kenneth Galbraith, a most eloquent advocate of bigger government, has recommended higher sales taxes, not because he prefers them over income taxes, but because he believes that they are the most practicable way to achieve his paramount objective, a further shift from the private to the public sector. On the other hand, there are those who stand up for boosts in State and local taxes, not because they cherish higher taxes or more government, but because they regard this policy in the prevailing political climate as the only alternative to heavier Federal taxes, and thus the lesser of two evils.

Let us now consider the outlook for taxation and some of the major policy issues, in terms of our three antitheses.

1. MORE GOVERNMENT, OR LESS?

In discussing the virtues and vices of our present tax system and considering desirable modifications we shall have to keep in mind whether suggested changes will or should aim to increase or to reduce prospective yields, to boost or to lower government's share in the Nation's economy. A proposition which will result in raising the level of taxation is commonly not posed in terms of the need for more government, or even for higher taxes. As a rule, it is advanced as the need for more, bigger and better facilities and services of the type commonly provided by government, or which can be supplied by government better than by voluntary groups, or by individuals and families themselves. Taxes follow the expansion of public services, if sometimes at a respectful distance. On occasion it may also be, as Northcote Parkinson suggested, that government expenditures rise to meet revenues.

Government has proven to be this country's outstanding growth industry, and taxes have demonstrated an innate secular tendency to expand faster than our economy. All public revenues in the United States combined, equaled less than 10 percent of the national income in the early part of the 20th century, climbed to 15 percent in the 1920's, exceeded 20 percent in the 1930's, jumped to 37 percent during World War II, and dropped back to 29 percent by 1950. Preliminary estimates for 1960 place them at 37 percent of national income, which equals their World War II record.

Where do we go from here? What share of the Nation's income will be channeled through government by 1970?

Competent research studies in 1958 and 1959 estimated future growth of public finances over a 10-year period as follows:

Otto Eckstein (CED), 50 percent; Gerhard Colm-Manuel Helzner (NBER), 55–60 percent; Rockefeller Panel, 50 to 78 percent (average 64 percent).

National income and product are widely expected to rise between 40 percent and 50 percent over the next 10 years, though opinions differ on whether the final result will be closer to the lower or upper end of the range. So, if the Eckstein or Colm-Helzner projections materialize, taxes will not need to rise much faster, if any, than the Nation's economy.

But developments in recent years suggest that public budgets could outrun earlier estimates. Between 1950 and 1960 governmental revenues jumped from $67 billion to about $150 billion. That is an increase of 125 percent in actual dollars and of 83 percent in constant dollars. To repeat such a feat in the 1960's would call for some hefty tax boosts.

Of course, the early 1950's witnessed the Korean conflict and a military buildup of a magnitude which is not likely to recur, barring another shooting war. But since 1952 military costs have been relatively stable and inflation has slowed to a crawl. Here is what happened between 1952 and 1959, the latest year for which we have comprehensive fiscal statistics:

War-connected outlays rose only from $58.3 to $59.8 billion.

All other governmental expenditures—for civilian services—more than doubled, from $41.5 to $85.9 billion.

This means that during this 7-year period governmental outlays for domestic public services increased, 107 percent; national income, meanwhile increased, 35 percent; population, 13 percent.

What does this bode for the future? The period of stability in war-connected outlays seems to have come to an end, and funds for the military, foreign aid and space exploration will, to all appearances, climb steeply.

Just the proposed expedition to the moon may, by some estimates, run as high as $40 billion. Nor will rocketry, mach 3 planes, long-range oversea development plans and alliance for progress come at a cheap price.

Will civilian outlays grow more slowly in the 1960's? They doubled in the past 7 years, rising from 14.5 percent to 22.2 percent of the national income. That, as all of us well remember, has been called a period of stagnation and starvation of governmental services. It has been proposed to offset this lag by a more rapid expansion in the years ahead.

John Kenneth Galbraith expressed this view succinctly:

"The community is affluent in privately produced goods. It is poor in public services. The obvious solution is to tax the former to provide the latter—by making private goods more expensive, public goods are made more abundant."

We cannot know at this time whether National, State, and local governments will follow this advice and raise their appropriations at a more rapid pace in the 1960's than they did in the 1950's. Legislative proposals and action in recent months suggest that they might. The prospects appear to be that public budgets will, in the decade ahead, rise at a faster rate than national income, as they have done in every decade during the 20th century. They could, by 1970, be close to 40 percent of the national income.

Will governments be able to raise funds of this magnitude by taxation and other means? There have been many suggestions that we are already at, or possibly beyond, the limit of taxation which the country's economy can stand without grave damage to its ability to grow. Repeated discussions of the limits of taxable capacity have been intense, but, by and large, produced few tangible results. The proposition that heavy taxes repress economic growth by absorbing funds which ought to go for industrial expansion and personal consumption has much plausibility and appeal. But there has been no empirical proof of it. Some observers have suggested that faster growth might result from channeling a larger share of the Nation's income and product into governmental development of human and natural resources than into private investment and consumption.

The fact is that such countries as Germany, France, Italy, Japan, and the Soviet Union which bear a tax burden that may possibly be higher than ours, are experiencing a faster rate of economic growth than the United States. Also there are many countries with lower taxes whose income and productivity advance is unsatisfactory. So, at this stage of our economic knowledge it is impossible to demonstrate that the level of taxation has a direct bearing on the rate of economic progress. It could well be that the structure rather than the magnitude of the tax burden exerts such influence. Of course, tax boosts which produce big surpluses, or cuts which result in large deficits, can affect economic trends. Much has been said and written about the use of tax policy as a stabilizing device, particularly since the passage of the Employment Act 15 years ago. But the successful operation of this stabilizing device—against inflation as well as deflation—in our political climate has yet to be demonstrated.

The decision on the maximum level of taxation may not turn on the desired rate of economic growth but on the issue of the freedom of the individual. How large a share of the citizens' incomes can public treasuries absorb and spend without making the individual so dependent upon government that his personal freedom to spend, to save, to invest, to make decisions, becomes so limited as to be mere fiction?

Groups which are concerned over the steady growth of the area of coercion in our society have advanced proposals which may be called negative taxation: they would, through the grant of tax concessions, stimulate expanded private or voluntary activity in certain fields as an alternative to enlarged government programs. The present deductibility of donations for charitable and educational purposes is an example of such negative taxation. Far stronger incentives for private educational expenditures or for individual retirement arrangements could be provided by broader tax credits. Such suggestions, and the existing benefits, are objected to because they enable individuals to spend public money, that is, to control the spending of funds which otherwise would go to government and be expended under its power. The issue is not so much over how much should be expended for a purpose such as higher education, but whether we should enlarge or restrict the area of individual decisionmaking power.

It seems that the question of "More government, or less?" or higher or lower taxes, cannot be answered on economic grounds alone but rests in political philosophy: the old problem of the relative roles of government and the individual in a free society.

2. MORE REDISTRIBUTION OF INCOME, OR LESS?

Most of our discussion in the next 2 weeks will focus on desirable changes in the composition of our tax system. We shall argue the merits and demerits of income versus sales taxes, of certain exemptions and deductions, of capital gains, dividend credits, income splitting, averaging, rate structure, allowable and necessary expenses, accelerated depreciation, and dozens of similar issues which have long been the subject of heated controversy whenever taxmen gather.

Often, though not always, our position on a proposed change will hinge on whether it will make our tax system more progressive or less progressive than it now is. The combined effect of all American taxes is progressive: they take a larger percentage of the income of persons in the higher than in the lower brackets. But how progressive should our tax structure be? What is an equitable relationship between a person's economic resources and his fair share of the tax burden?

Since so much of the tax controversy depends on our attitude toward progression, we may profitably consider the principle and rationale of progressive taxation.

Added revenue is one but not necessarily the main consideration in constructing a graduated tax structure. The basic Federal income tax rate of 20 percent applied to all taxable income would produce about 87 percent of the actual yield. A flat rate of 23 percent would bring in the same amount as our graduated schedule. Very high rates of 40 percent, 50 percent and up, do not return big sums though they appear punitive to the affected taxpayers.

Various theories have been developed to present an economic justification of progression. Some relate to the greater satisfaction which the addition of a certain percentage of the income confers in the lower brackets, and to the lesser sacrifice which a flat percentage levy imposes in the higher brackets. On close analysis they appear to be tenuous and ex post facto rationalizations.

The late Henry C. Simons, one of the protagonists of progression, offered a better case 25 years ago:

"The case for drastic progression in taxation must be rested on the case against inequality—on the ethical or aesthetic judgment that the prevailing distribution of wealth and income reveals a degree (and/or kind) of inequality which is distinctly evil or unlovely."

The idea of government acting as a Robin Hood, taking from the rich and giving to the poor, has an emotional appeal and a touching flavor. To view redistribution of income as a matter of social justice implies that the present distribution is purely fortuitous, fundamentally unjust, and unrelated to personal desert. Thus equity can be achieved only by equality, or an approach to it.

Harold M. Groves said that "Many people regard inequalities of income as a clear case of the tyranny of the strong and fortunate over the weak and poorly endowed." This philosophy aims not only to justify material relief to the unsuccessful, but also to give them the mental comfort of absolving them of personal responsibility for their economic failure.

Tax progression is a technical device to overrule, through the political process, the rewards and punishments of a free market system. The United States has come a long way in its effort to narrow the range between rich and poor. It now harbors less contrast than most other countries in the world. The questions we must ask ourselves are: How far shall we—or can we—go in the process of leveling out incomes? What can or will replace the driving force of economic self-interest? How far can we go in weakening the dynamism in our economic system?

In the final analysis, tax policy is shaped by political considerations. "You can always get a lot of votes by telling people that their troubles are not their own fault," commented Calvin Coolidge dryly. Many have discovered the vote-getting appeal of equating equity with equality.

Federal income tax returns with an adjusted gross income under $4,000 now account for a bare majority (50.4 percent) of all individual returns. Returns of $15,000 and over account for only 2.3 percent. The first group pays an aggregate effective rate of 6.1 percent, the latter of 26 percent, which, considering exemptions and deductions means marginal rates from over 30 to 91 percent. With whom will the legislator or candidate seeking votes place his bet? With the 50 percent or with the 2 percent? So, for political reasons, if for no other, steep progression is certain to stay with us. Only, we must consider just how much of a good thing we can afford to enjoy.

In the next few days we shall be discussing proposed changes in the rate structure. The Herlong-Baker bills would reduce individual income rates over a 5-year period, particularly in the upper brackets. Others want to split the lowest bracket. Still others would like to see a graduated schedule for the corporation tax.

I surmise, however, that controversy over the tax base will consume more of our time and attention than the rate structure. The last 5 years have seen many references to an erosion of the tax base and to so-called loopholes in the Federal income tax. Even some of the popular magazines featured this issue, promising the average reader relief for himself with the load shifted to somebody else.

It is well known that less than half of all personal income is now federally taxable. The percentage was: 30.8 percent in 1945, 37.2 percent in 1950, 41.5 percent in 1955, and 43.9 percent in 1959. So the trend in the taxable share has been up, but more than $200 billion of personal income, as defined by the Department of Commerce, are not subject to the Federal income tax rates. Approximately half of the difference is accounted for by personal exemptions, close to one-fourth by tax-free income from social benefits, one-eighth to itemized deductions.

Opinions differ on whether a cut in deductions would provide greater equity. Would such action broaden the tax base sufficiently to permit a cut in rates without reducing revenue? A tightening or repeal of provisions which now benefit large numbers of taxpayers, such as income splitting, deduction of interest and State and local taxes, nontaxability of social benefits, and of im-

puted income from owner-occupied homes, would be tantamount to a rate boost for many or most taxpayers.

A cutback in provisions which now directly benefit only a smaller number of taxpayers, such as dividend credits, capital gains, etc., would increase yields only slightly, but might produce undesirable results or hardships.

It is certainly advisable to subject all of these clauses to a close scrutiny. But I suspect that a reduction in tax rates or a substantial increase in collections through the closing of "loopholes" is not a hope but a mirage. We shall hear more about these issues from Professors Smith and Eckstein and Congressman Boggs later today and during the rest of this week.

It may be well for us at this point to view the American tax structure on a comparative basis. Most international comparisons are possible only among central governments because few local finance statistics are available from foreign countries. Their inclusion would not alter the picture significantly.

The American tax structure is like no other in the world. The national governments of other industrial countries typically obtain between 25 and 45 percent of their budget receipts from income taxes. The U.S. Government derives 80 percent from that source. If we include State and local governments, we still find that income taxes account for 57 percent of all tax collections in the United States, which is far ahead of the corresponding figure in countries from which comprehensive financial statistics are available.

Major countries which lean most heavily on consumption taxes, such as France, Germany, Italy, Austria, and the Soviet Union, impose an aggregate tax burden which is at least as heavy as in the United States, if not heavier. Those countries happen to show much faster rates of economic growth than we do. Conversely, some of the countries which rely more on income taxes—though much less than the United States—such as Great Britain or Sweden, are reporting low rates of annual growth.

This does not mean that there is necessarily a causal relationship between heavy income taxation and slow economic growth. But income tax rates do run higher here than in any other country in the world, and our economy is not expanding as fast as many of us would like to see it grow. So it might behoove us to give serious thought to what the best methods are of raising large sums for government at the least interference with the operation of the market system.

The meteoric rise of the income tax to a predominant position in the American tax structure was a war phenomenon. Between 1916 and 1920 income tax collections multiplied 32 times, between 1940 and 1944, 13 times. But during peace periods, other types of taxes—as well as national income—invariably increased faster. After having been levied for 30 years, income taxes accounted in 1940 for only 19 percent of all tax collections in the country. Four years later they equaled 72 percent. Since then, their share has declined to 57 percent.

Between 1920 and 1940 income taxes fell to almost half while other taxes doubled. This happened between 1944 and 1959:

	Percent
Income tax collections increased	62
All other tax collections increased	207
National income increased	118

Collections of the graduated individual income tax tend to rise faster than national income, as a larger share of the personal income moves above exemptions levels. But this means, particularly in periods of inflation, that the tax grows heavier although the rate schedule may not have been changed. Demands arise then for relief, particularly when rates are at a level that seemed acceptable temporarily in wartime but is deemed overly burdensome in the long run and in peace periods. Income tax rates were cut sharply after World War I and slightly after World War II. The question now is whether they should be reduced further in the next few years or whether they should, in effect, be raised by the elimination of certain provisions which aim to mitigate the impact of the tax.

The exact role of the corporate tax in our tax system is uncertain. "Perhaps the most commonly accepted rationale of corporate income taxation is that it is a method of taxing stockholders at the source," commented Roy Blough. Its apparent effectiveness in inexpensively gathering vast sums from obviously wealthy institutions which have but few votes accounts for its immense popularity. It has become very difficult indeed to translate a dispassionate evaluation of the tax into public policy. Though the Korean war rate increase of 1951 was scheduled to expire in 1954, and though the remainder of that tax program was carried out, Congress each year finds it necessary to go through the ritual of deferring the scheduled reduction, no later than June 30. It has become almost impossible for men who must run for public office to advocate cutting a tax which ostensibly raises so much from so few.

Business gradually recognized the political facts of life and found that there is more mileage in learning how to live with the tax than in fighting it. When corporations failed in their drive to integrate the corporate with the personal income tax, they proceeded, with deliberate speed, to integrate it into their cost structure.

Net after-tax income of leading manufacturing corporations averaged 11 percent of net worth between 1925 and 1929 when the tax rate ran between 11 and 13.5 percent; it equaled 11.8 percent between 1956 and 1960, when the tax rate was 52 percent. Similar results obtain from nonmanufacturing corporations and in a comparison of after-tax returns on capital invested.

Few economists believe any longer that the corporation tax comes out of the hide of the stockholder. Nor would many contend that all of it is passed on to the consumer. The truth probably lies somewhere in between, with the size of the shift depending on the type of industry, a company's competitive standing, etc.

The corporate tax places a heavier burden upon the goods of the efficient than of the inefficient producer. Thus it holds a protective umbrella over the inefficient one, and pushes prices up more than would a gross receipts tax. It tends to restrict industrial expansion because it requires eligible projects to yield twice as high a profit as would be required without the tax. But the tax does strengthen the position of the newcomer and the small producer as against the well-entrenched and established big company.

Major changes in the corporate tax do not seem to be in the cards. It is a tossup whether Congress will someday make the 52-percent rate permanent, to save itself an annual struggle, or, some year, pass June 30 without its traditional ceremony of deferring for another year the effectiveness of section 11(b)(2), Internal Revenue Code of 1954.

I mentioned earlier the heavy reliance of foreign countries upon consumption taxation. Most of them derive between 50 and 70 percent of their revenues from sales, excise, or turnover taxes and very few less than 40 percent. Only 13 percent of U.S. budget receipts comes from consumption taxation, 17 percent of all Federal tax receipts. If we combine Federal, State, and local taxes, the sales and excise share is 22 percent.

The United States is the only major country whose national government does not levy a general or broad-based sales or excise tax. Alcohol, tobacco, and gasoline levies are at a respectable level and there is a somewhat haphazard assortment of various other excises. But these miscellaneous levies plus State and local sales and excise taxes appear modest when compared with the sales, turnover, or excise taxes imposed by European countries. No industrial country besides the United States levies consumption taxes at as low a level as the equivalent of 6 percent of the national income. Sales taxation truly is America's underdeveloped area of taxation.

The main argument against sales taxes is that they bear more heavily on poor people than on rich. Incidence studies in California and several other States have shown that a retail sales tax is moderately regressive if it includes food, and substantially proportional through most of the range if it exempts food. The tax undoubtedly is regressive at both ends of the income scale.

The case against the sales tax may have validity in countries with large masses of impoverished people and a small group of wealthy families at the top. But well-being is widely distributed in the United States. Family personal income averaged $7,430 per family in 1959 and was probably close to $7,700 in 1960. About 70 percent of all families now have an annual income between $4,000 and $15,000. They receive the bulk of all personal income in the country and pay the bulk of all taxes, no matter how levied. Significant differences in tax impact are concentrated at the top and bottom end of the income range, and the regressive effect of sales taxes in those brackets is more than offset by the personal income tax.

The case for greater emphasis on sales taxation has been strengthened by changes in the American income structure in recent decades. Wages, salaries, and pensions accounted for 61 percent of all personal income in the country 30 years ago; they now account for 75 percent. The share of dividends, interest, and rentals meanwhile fell from 22 to 13 percent.

Also, in a country in which all have the right to vote, all should contribute toward the cost of government, lest fiscal irresponsibility be encouraged. Lavish public benefits seem particularly attractive if somebody else foots the bill.

Simplification of the Federal excise tax structure has repeatedly been suggested. The numerous uncoordinated levies—save those on alcohol, tobacco and highway products—could be consolidated into a general manufacturers or wholesalers excise tax. A rate of 2 percent could maintain the current level of revenue. This would also provide a ready administrative machinery for quickly increasing revenues if an emergency calls for a substantial boost in national finances.

Most States and many local governments are now levying general sales, gross receipts, or special excise taxes at modest rates. I intend to talk about them in greater detail next week when we shall be considering State and local revenues.

A major part of next week will be devoted to the property tax, the mainstay of local governments. No tax has been as bitterly maligned and assailed as the property tax: by the taxpayers because it is too big and rises too fast and by the local officials because it is too little and rises too slowly; by some because it is restricted and by others because the restrictions are not tight enough; by some because assessments are too low and by others because they are too high. The real curse of the property tax which primarily accounts for its unpopularity is that, in contrast to almost all other taxes, it is not hidden but out in the open, clearly labeled by purpose. What is more, it identifies the official who is doing the taxing. Such relationships are veiled or obscured for sales and income taxes, particularly at

the Federal level. The trouble with the property tax is that the taxpayer knows that he is paying it, what he is paying for, and who is taxing him.

The property tax still is the most important revenue source of States and local governments, providing them with almost half their tax collections. It has been asserted that property tax yields do not rise with the economy, that the tax is stagnant and its relative position steadily declining.

Nothing could be further from the truth. Both, between 1902 and 1932 and between 1944 and 1959, property tax collections grew faster than national income and expanded at a more rapid rate than the combined total of income, sales, and other taxes. Only during the great depression and World War II did the property tax stagnate.

Between 1944 and 1959 property tax collections increased 225 percent, all other tax collections increased 90 percent, national income increased 118 percent.

How was this possible in the face of such often-cited obstacles as constitutional and statutory rate restrictions, underassessment, the need for obtaining voter approval of tax boosts, and the unpopularity of the tax? For one, national wealth tripled in the postwar period, while national income only doubled (1945 to 1958, current dollars), contrary to the claim that income rises faster than property. Also, American taxpayers have displayed a far better understanding of the financial needs of schools and other local services than they are commonly being credited for. There has been no taxpayers' revolt. Rather, most tax and debt ballot proposals have been adopted.

The property tax burden is allocated among income classes in approximately the same way as consumption taxes: proportional through most of the range, somewhat regressive at both ends. Supporters and opponents of property and consumption taxes split along ideological lines because neither of the two types of taxes helps to redistribute income from the higher to the lower brackets. They just bring in revenue which aids States and communities in maintaining independence and home rule.

The property tax base will, to all appearances, keep expanding: construction volume is rising, and usable land, a nonreproducible commodity, is getting scarcer and more costly. Better assessment practices and greater emphasis on land values could improve the revenue potential of the property tax and also help stem the growth of urban slums and leapfrog development.

Are the prospects for the coming decade more redistribution or less? Will the income tax gain in relative importance or sales and property taxes? The strength of the trend between the two World Wars and particularly since the end of World War II suggests that the shift away from income taxation may continue. But there is a powerful movement underway to combat the growing sales tax menace, which attempts to make the income tax more progressive and more productive. I am hesitant to predict which of the two forces will prevail.

3. MORE CENTRALIZATION OF GOVERNMENT, OR LESS?

Historically, and until about a quarter century ago, the National Government claimed about one-third of all public revenues in the United States, State and local governments two-thirds. In recent years their relative positions have been reversed, and about two-thirds of all revenues now flow into the National Treasury. Between 1902 and 1959 Federal receipts multiplied 132 times, State-local receipts only 46 times.

It would be easy to conclude—and some observers do—that we are experiencing a long-range trend of gradual fiscal centralization. States and localities, it has been said, lack adequate powers and sources of taxation, and their revenues grow more slowly than the national income, while Federal revenues soar ahead.

The historical record does not bear this out. To be sure, during shooting wars Federal revenues skyrocketed, outdistancing national income and State-local revenues. Between 1916 and 1920, Federal receipts multiplied 8.5 times; they did likewise between 1940 and 1945. But in peacetime State-local revenues have always expanded at a faster rate than either national revenues or national income. This was true before World War I, between the two wars, and again since World War II. This happened between 1944 and 1959: National income increased 118 percent, National Government revenues increased 68 percent, State-local revenues increased 255 percent (State revenues 241 percent; local revenues 270 percent).

The State-local share of the public revenue dollar meanwhile climbed from 21 to 36 cents. This is the result of continuous rounds of tax boosts at State and local levels. Two-thirds of the States raised taxes in 1955, and again in 1959. Localities have been increasing theirs year after year.

The reason for the reversal of trends between peace and war periods is plain: national defense is a responsibility of the National Government; most domestic public services are in the domain of States and communities.

Some 15 years ago many fiscal experts declared that State and local governments would be unable to expand their revenues substantially—certainly not as fast as the National Government—and would have to depend increasingly upon the superior tax mechanism of the Central Government. If State-local tax collections had subsequently risen more slowly than Federal revenues, this certainly would have been taken as proof that the predictions had been correct.

Should we then take the spectacular postwar growth of State-local revenues as proof that the expandability of State-local taxes and the fiscal capacity of State-local governments have been underrated?

Three weeks ago, in the U.S. Senate, Senator PAUL DOUGLAS cited the amazing rate of increase of State-local revenues in the postwar period and the modest growth in Federal receipts. He drew the conclusion that States and communities have, by their remarkable effort, exhausted their fiscal capacity and, henceforth, will have to rely increasingly on the National Treasury.

It seems that no set of facts can change views on relative fiscal capacity or convictions on the direction in which fiscal responsibility ought to be shifted. In the final analysis, this is not a question of whether States and localities have the capacity to boost their own revenues sufficiently for their budgetary needs but whether it is desirable that they do so. The choice depends on whether we favor or oppose centralization of government.

Looking toward the future, the point has been made that the National Government has preempted the most lucrative sources of taxation and left States and localities with less productive types of taxes. It is undoubtedly true that the inordinate weight of Federal taxes makes it more difficult for other governments to finance their budgetary needs. States and localities could boost their taxes more rapidly if, as Harold Groves well expressed it: "the Federal Government did not descend annually upon their taxpayers like a ton of bricks."

It is probably also true that the National Government has largely preempted the field of income taxation. It has driven its rates to such extreme levels as to make it difficult if not impossible for States and localities to raise their own rates much higher. Income taxes have, for some years, contributed about 10 percent of State and local tax collections, a percentage which is not likely to be much increased without Federal tax concessions. Is it then necessary or desirable to reallocate sources of taxation as between the National, State and local governments?

There is no more appealing idea in the field of intergovernmental tax relations than that of a clean separation of sources, with each government being assigned certain taxes for its exclusive use. This has been tried time and again—but it never lasted. Germany, Switzerland, Canada and several other countries allocated indirect taxes to the central government, direct taxes to States, cantons or provinces. So incidentally, did for all practical purposes the United States for the first 120 years of its existence. But to public officials, as to human beings in general, the other fellow's grass always appears to be greener. So, gradually, in the United States and in other federal countries, central governments ventured into direct taxes while State or local governments adopted a widening range of excise and sales taxes. Eventually everybody was working both sides of almost every street.

Recommendations and attempts to reduce or eliminate tax overlapping have consistently failed. Governments are always on the prowl for more rather than fewer sources, and unwilling to give up what they have. The chance for tax separation or even a significant cutback in tax overlapping is slim indeed.

Present tax arrangements in the United States appear to be working to the disadvantage of local governments. Ninety-five percent of all income tax collections goes to the Federal Government, 96 percent of all property tax collections to local governments. Income taxes, of course, are the big moneymaker, and total more than all other taxes in the country combined. Property taxes have long been the whipping boy for popular resentment of taxes in general, and are said to be inflexible, stagnant, undesirable. This has lead to demands that part of the Federal abundance, originating in the income tax, should be made available to localities and States for the financing of essential services.

The suggestion has an undeniable appeal but runs up against a few stubborn facts: A government can hardly be claimed to enjoy fiscal abundance if its income fell short of outgo 80 percent of the time over the past 30 years, with a resulting vast deficit, if its budget is heavily in the red, and if its prospects for achieving a balance in the visible future are dim. The yield of Federal income taxes, individual and corporate, now barely equals the total of war-connected expenditures and is not available for the financing of added domestic public services or other commitments.

The record shows, however, that the National Government has been consistently increasing the number and amount of its grants-in-aid to States, regardless of its own fiscal position,[1] and State governments have been boosting their payments to localities. This has been proven popular and politically rewarding, and the trend, by all appearances, is likely to continue. The question is largely by which method the central tax machinery—National or State—can best be made available for the benefit of smaller jurisdictions. The devices most widely used or discussed are tax sharing and joint collection, tax credits, and functional grants-in-aid.

Tax sharing, joint collection and similar devices

All States now distribute funds to local governments for a national total of almost $10 billion annually. Close to $6 billion goes to the schools, $1.3 billion for welfare in States in which public assistance is legally

[1] National grants to States and localities, totaled $30.2 billion between 1950 and 1959, simultaneous U.S. budgets deficit $32.4 billion.

a local responsibility, and $1.5 billion for roads, mostly as a statutory share of State gasoline taxes. Barely $800 million is being distributed to counties, cities, towns, etc., without strings, and usable at their discretion. This suggests that school districts have been far more effective in making their voices heard and influence felt in legislatures than cities and counties.

A majority of the States distribute a small share of the proceeds from collections of income, sales or other taxes to local governments, either according to place of origin, or by population, area, or some other measure.

A most promising development in the postwar period has been the practice of joint collection, whereby the State adds a local levy to its own sales or excise tax and transmits the proceeds to counties and cities. This method is used very satisfactorily in California, Illinois, Mississippi, and a few other States, and ought to be employed far more broadly than it presently is. There is no reason why a similar arrangement in regard to alcohol, tobacco, and gasoline taxes could not be worked out between the Federal and State Governments.

It has repeatedly been suggested that the Federal Government should channel a modest percentage of its income or excise tax collections back to the States. Gov. Mike DiSalle, of Ohio, recently proposed that 5 percent of the Federal income tax collections be returned to the States. Others have asked for the sharing of tobacco or liquor taxes. The U.S. House of Representatives twice in recent years approved—but later rescinded—such plans, once in regard to 1 percent of income taxes and once in regard to 25 percent of cigarette taxes. The Federal funds could be distributed either by State of origin, in proportion to population, or according to an equalizing formula, favoring low-income areas.

A share of Federal tax collections could also be distributed in the form of unconditional fiscal grants (block grants) to States and municipalities. Australia and Canada have employed such grants for many years, and Great Britain in 1959 combined a dozen functional grants to local authorities into one nonearmarked block grant.

I have never been able to understand why Governors and mayors who believe that their budget headaches ought to be solved by Washington have not been pressing Congress for such a plan. It would make centrally collected funds available but leave decisions on their use with State and local officials.

Tax credits

The Federal Government now allows a credit for State taxes on its unemployment taxes and estate taxes. The estate tax credit originally permitted an offset up to 80 percent of the Federal tax but has shrunk to about 20 percent, which has caused much unhappiness among the States. The Advisory Commission on Intergovernmental Relations earlier this year submitted a plan for a modest increase in the Federal estate tax credit.

State and local taxes are a deductible item for Federal income tax purposes which eases their impact on the taxpayer. If, as is sometimes claimed, the burden of property or other State and local taxes is too high, then there is no reason why a more liberal Federal credit could not be allowed. For example, one bill presently before the Senate would permit each property owner to apply up to $100 of his school real estate taxes against his Federal income tax.

Numerous bills are pending before both Houses which would permit a tax credit for tuition payments. They would enable public (and private) educational institutions to raise their fees and thus lessen their demands on State and local treasuries.

Federal tax sharing with State and local governments, or more liberal tax credits for State and local taxes have been objected to because of the cost of such plans to the U.S. Treasury. It is, however, significant to note that most of those who voice this argument find little fault with rapid expansion of functional grants-in-aid. This suggests that the opposition is not directed at the cost of the plans but at the fact that the spending of the funds would be directed by State and local officials rather than the National Government.

Functional grants-in-aid

Functional or programmatic grants-in-aid from the Federal Government to States and localities were insignificant prior to 1930, rose to about $1 billion a year during the great depression, and jumped to $8 billion in the postwar period. Their amount tripled in each of the last two decades and shows all signs of continuing its meteoric rise.

About a hundred State and local activities are now federally aided and proposals to add many more are being considered by Congress. Each of these programs has its own set of Federal requirements and standards, and a bureaucracy to supervise and enforce their rules. Experiences in such programs as urban renewal, public assistance, roads, and many others suggest that a continuation of this trend will, within a measurable time, subject virtually all State and local activities to Federal control, and turn States, counties and cities into local subdivisions of Federal administrative departments. The choice between the several avenues to National-State-local tax coordination lies between roads that lead to a strengthening of the central powers and those that would help to preserve State and local autonomy.

Opinions differ on whether it is necessary or desirable to use the national tax machinery increasingly for the support of State and local budgets. States and communities could venture far more deeply into the field of sales and consumption taxes which, as I mentioned earlier, is a comparatively underdeveloped area of taxation in the United States. They could also make the property tax more productive than it presently is.

But the very fact that sales and property taxes offer States and communities a large independent revenue potential in fields which certainly have not been preempted by the National Government, causes the supporters of centralization to oppose extended use of those taxes. Whether State and local governments actually will continue to boost sales and property taxes at the rate of the past 15 years, depends to a large degree on the eagerness of the President and Congress to expand grants-in-aid to States and localities. Easy availability of Federal funds is not apt to enhance the ambition of State and local officials for boosting taxes under their own political responsibility. Action at the national level may largely determine the future division of the tax dollar.

In summary then, it appears to me that the general level of taxation is more likely to rise than to fall. The decision between greater emphasis on income taxation or sales and property taxation, and between more National or State-local financing will depend on prevailing attitudes whether there ought to be more or less redistribution of income, and more or less centralization of government.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. GOLDWATER. I am happy to yield.

The PRESIDING OFFICER (Mr. HICKEY in the chair.) The time of the Senator from Arizona has expired.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that I may proceed for an additional 3 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona? The Chair hears none, and it is so ordered.

Mr. BUSH. The Senator spoke of tax "loopholes." I know the word "loophole" is not the Senator's word, and certainly it is not my word. This is a word which is frequently used by our friends across the aisle to describe provisions in the tax laws put there by the Congress of the United States, signed into law by the President of the United States.

I object to the use of the word "loophole" in connection with these things which are described as "loopholes." The 4 percent exemption and the $50 exclusion on dividends, for instance, are not tax "loopholes" at all. They were put in the law by the Congress, signed into law by the President of the United States.

The same applies to most of the other things which are called loopholes. I hope the Senator will agree with me that these are not "loopholes" but are provisions of the tax law put in the law after most thoughtful and careful consideration by both Houses of the Congress and the President of the United States.

Mr. GOLDWATER. I am glad my friend from Connecticut has brought this into focus, because what he has said is absolutely correct. "Loophole" has come to be looked on as some kind of evil word.

Mr. BUSH. It is a deprecatory word applied by those who wish to change the tax laws.

Mr. GOLDWATER. That is correct. If "loophole" be the word used, these things do exist in the present tax structure, and they have been put there by acts of Congress, signed by the President. If a desire exists to do away with these things, I think an honest effort can be made in that direction, but I do not agree for one instant that if these so-called loopholes were all plugged up it would provide one-tenth of the money needed to finance the New Frontier.

I shall state for my friend from Connecticut one concrete example. With respect to all the so-called loopholes of which we have heard the President talk, I have never heard the President suggest a complete taxation of the cooperative movement which, in itself, would provide amounts of money ranging up to $3 billion, merely by provision that the cooperatives pay the same taxes as any other group.

I am happy that the Senator from Connecticut has made this clear. I think we ought to make it abundantly clear that people who use the devices which are provided by law are not violating the law, are not acting illegally, but are merely acting in accordance with what the tax laws provide they can do. If our opposition wishes to call these things loopholes, and to attach some stigma to them, that is their own choice, but I think it is a mistake.

Mr. BUSH. Mr. President, will the Senator yield further?

Mr. GOLDWATER. I yield.

Mr. BUSH. The word "loophole" has been developed as a word expressing opprobrium.

The PRESIDING OFFICER. The time of the Senator has again expired.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that we may have 1 more minute.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona? The Chair hears none, and it is so ordered.

Mr. BUSH. The word "loophole" has been devised as a word expressing opprobrium, as a bad word, as though it describes some elements of the tax law which crept in unnoticed. Therefore, people give these elements the name "loopholes."

The point I wished to make—and I am glad the Senator agrees—is that these things are not that type of tax legislation. They were deliberately put into the law after careful hearings and consideration, after votes by the Senate and the House of Representatives, and after the signature on the law by the President of the United States.

Mr. GOLDWATER. I suggest that my good friend from Connecticut, and all my other friends in this body, should read the address by Dr. Freeman. I think it will throw a great deal of light on this subject about which so little is known.

PRESIDENTIAL INABILITY

Mr. KEATING. Mr. President, I was interested to hear of the arrangement which the President and the Vice President made relating to Presidential inability. It parallels an arrangement made by former President Eisenhower and former Vice President Nixon.

I invite the attention of the Senate to the fact that the agreement, which was announced yesterday on Presidential inability does not put an end to this constitutional problem. The agreement at best provides only a minimum safeguard against utter chaos in the event of Presidential incapacity. In the event a disagreement ever arose between a President and a Vice President as to whether the President's inability had ended, the agreement would not even provide such a minimum safeguard.

I have been urging for many years a constitutional amendment which would establish permanent and unambiguous procedures in the event of a Presidential inability. Under this proposal a Commission would be established which would make all of the critical decisions whenever an issue as to the President's capacity arose. Other proposals have been made, notably the plan advanced by the distinguished senior Senator from Tennessee [Mr. KEFAUVER], which would vest similar authority in the President's Cabinet. The Subcommittee on Constitutional Amendments has been attempting for months to obtain the views of the Department of Justice on this question, but has not yet received a reply to its request for a report.

The President's agreement may serve as a stopgap, as did the agreement between President Eisenhower and Vice President Nixon, but it must not deter early consideration of a suitable constitutional amendment covering all possible contingencies. I intend on Monday to reintroduce the amendment I have sponsored for many years on this subject. I hope that the Constitutional Amendments Subcommittee will move promptly to initiate congressional action on the measures pending in this field. We cannot amend the Constitution by private agreement—not even a private agreement between the President and his Vice President. Congress has failed for too long to close this gap in our Constitution. It should act now without further delay.

Mr. President, I ask unanimous consent to include at this point in the RECORD the text of the President's pact on incapacity, an article on this subject by Arthur Krock, and a news story by Joseph A. Loftus, all of which appeared in today's edition of the New York Times.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

TEXTS ON PRESIDENT'S PACT ON INCAPACITY

WHITE HOUSE STATEMENT

The President and the Vice President have agreed to adhere to procedures identical to those which former President Eisenhower and Vice President Nixon adopted with regard to any questions of Presidential inability. Those procedures are as follows:

(1) In the event of inability the President would—if possible—so inform the Vice President, and the Vice President would serve as acting President, exercising the powers and duties of the office until the inability had ended.

(2) In the event of an inability which would prevent the President from so communicating with the Vice President, the Vice President, after such consultation as seems to him appropriate under the circumstances, would decide upon the devolution of the powers and duties of the Office and would serve as acting President until the inability had ended.

(3) The President, in either event, would determine when the inability had ended and at that time would resume the full exercise of the powers and duties of the Office.

Constitution interpreted

After consultation with the Attorney General, it is the understanding of the President and the Vice President that these procedures reflect the correct interpretation to be given to article II, section 1, clause 5 of the Constitution. This was also the view of the prior administration and is supported by the great majority of constitutional scholars.

The relevant constitutional provision is:

"In case of the removal of the President from office, or of his death, resignation, or inability to discharge the powers and duties of the said Office, the same shall devolve on the Vice President, and the Congress may by law provide for the case of removal, death, resignation, or inability, both of the President and Vice President, declaring what officer shall then act as President, and such officer shall act accordingly, until the disability be removed, or a President shall be elected."

Under this provision, upon a proper determination of presidential inability, the Vice President succeeds temporarily to the powers and duties of the Presidency until such time as the President is enabled to act again. Unlike the case of removal, death, or resignation, the Vice President does not permanently become President.

Under the arrangement quoted above, the Vice President agrees to serve as acting President "after such consultation as seems to him appropriate under the circumstances." There is no provision of the Constitution or of law prescribing any procedure of consultation, but the President and Vice President felt, as a matter of wisdom and sound judgment, that the Vice President would wish to have the support of the Cabinet as to the necessity and desirability of discharging the powers and duties of the Presidency as acting President as well as legal advice from the Attorney General and the circumstances would, under the Constitution, justify his doing so. The understanding between the President and the Vice President authorizes the Vice President to consult with these officials with a free mind that this is what the President intended in the event of a crisis.

Prior to the Eisenhower-Nixon arrangement, there were no similar understandings of a public nature. For this reason, prior Vice Presidents have hesitated to take any initiative during the period when the President was disabled. Obviously, this is a risk which cannot be taken in these times, and it is for that reason that President Kennedy and Vice President JOHNSON have agreed to follow the precedent established by the past administration.

ATTORNEY GENERAL'S OPINION

In my judgment, there is no question that the Vice President acts as President in the event of the President's inability to and acts in that capacity "until the disability be removed." I do not believe that the practice which has grown up to the effect that the Vice President becomes President in the event of death of the President creates any substantial doubt.

I believe also that there is no substantial question that it is the Vice President, if the President is unable to do so, who determines the President's inability and that it is the President who asserts when the inability has ceased. These conclusions are supported by the great majority of reputable scholars who have examined the problem, as well as by my predecessors.

In this connection, it is important to note the development of the Vice Presidency in recent years, and the important changes in that office which have come about, particularly in the past two decades. During this time the Vice Presidency has moved substantially from its anomalous status under the Constitution in both the executive and legislative branches toward the former. Recent Vice Presidents have been given significant executive responsibility and an important voice in the highest affairs of state. The working relationship between the President and Vice President has become increasingly close, and during the past administration as well as the present one the President has been concerned to keep the Vice President current and informed with regard to presidential policies.

Continuation expected

While one cannot predict with certainty that this trend will continue in future administrations, I regard it as altogether likely because, in an age marked by crisis, this course seems to be dictated by the necessities of our times. It is significant with regard to the problems discussed in this opinion because, in my judgment, it greatly reduces the possibility of an impasse between the President and Vice President, and thoughts in the public mind that the Vice President should be regarded as a potential usurper of office. It also is relevant because it greatly increases the practical capacity of the Vice President to act as President in the event of Presidential inability, whatever the cause.

I am of the opinion that the understanding between the President and the Vice President which I have approved above, is clearly constitutional and as close to spelling out a practical solution to the problem as is possible.

IN THE NATION—AN EXPEDIENT FORCED BY THE INACTION OF CONGRESS

(By Arthur Krock)

There are two reasons why President Kennedy, like his immediate predecessor, has been obliged to assure continuous government in the United States by a personal contract with his Vice President. One is that the Constitution, in providing for this continuity, supplied no procedure for the Vice President to assume the "powers and duties" of the President when his superior was unable for any reason to perform them. The second reason is that, despite at least two critical instances of Presidential inability—Garfield's and Wilson's—Congress has never exercised its power to fill this dangerous gap.

That is not because of the lack of practical and orderly suggestions to Congress how this power can be exercised. The last one was made by Attorney General William P. Rogers after the illness of his chief, President Eisenhower, again had brought the issue of Government continuity to the fore. But General Eisenhower had drawn up a written arrangement with Vice President Nixon (as Mr. Kennedy has now done with Vice President Johnson) that disposed of several of the grave aspects of the problem for the duration of the term to which Eisenhower and Nixon were elected in 1956. And Congress once again decided to trust to luck that this high duty would be performed by future administrations.

The perils inherent in this careless attitude do not appear, however, to have been entirely safeguarded against by either the Eisenhower-Nixon or the Kennedy-Johnson contract. What still is urgently required is a constitutional amendment empowering Congress to prescribe statutory procedures for the transfer of "powers and duties" from an incapacitated President who could but would not certify his incapacity, and for maintaining the interregnum in another highly conceivable situation. This would arise if and when an incapacitated President, who had duly certified his condition and whose powers and duties the Vice President had taken over, sought to reassume them while still in a state of inability.

TRANSFER OF FUNCTIONS

Both the Eisenhower-Nixon and the Kennedy-Johnson personal contracts provide, as satisfactorily as such arrangements can, for the transfer of functions in the event the President is unable, through capture, loss of physical faculties, etc., to communicate to the Vice President his incapacity to administer the office. But neither contract could, nor apparently did, put beyond constitutional question the refusal of a disabled President to concede his incapacity, or the refusal of an Acting President to return the official functions to a disabled President who announced his ability to resume these "powers."

This is why Rogers proposed a constitutional amendment, by authority of which Congress could provide by statute for these and other contingencies.

When President Eisenhower's illnesses stirred Congress into at least some desultory discussion of the problem, several lawyers of repute advised this department that Congress already had the power to devise such a statute without amendment of the Constitution. They proposed this as having the virtue of immediate action in a time of great anxiety over President Eisenhower's health, as contrasted with the length of time required for the addition of an amendment to the Constitution. But General Eisenhower removed the second consideration by the personal arrangement with Vice President Nixon he made and announced. And that allowed all the time required for the submission and ratification of an amendment—a convenience now restored by President Kennedy's revelation in answer to a news conference question today from W. H. Lawrence from ABC.

The Kennedy-Johnson arrangement provides in more detail than the preceding one for the counsel which should be held prior to an assumption by the Vice President of the status of Acting President. "Appropriate consultation" in this event is defined as with a Cabinet majority and the Attorney General. The view of the first that the President would, if he could so announce, want the Vice President to take over, would amount to a sanction from his administration. The view of the Attorney General that the takeover was within the contemplation of the Constitution would add an essential legal sanction in the absence of the congressional action urged by Rogers and just as much needed now. This need is emphasized by the fact that a future Attorney General from whom a future Vice President would seek assurance that their Chief would want the transfer to be made if he knew the circumstances and could say so, will probably not be the brother and most intimate confidant of the incapacitated President.

But, though the Kennedy-Johnson agreement in some respects puts a tighter patch than before over the constitutional loophole, there remain spaces real and conceivable that such a document cannot fill. In this period of its early vigor, and the growing menace to persons official and private of nuclear war, the administration might be able to induce Congress at last to provide the only all-purpose filling that also will be durable.

KENNEDY PROVIDES THAT JOHNSON WILL ACT IF HE IS INCAPACITATED

(By Joseph A. Loftus)

WASHINGTON, August 10.—President Kennedy disclosed today that he had made an agreement that Vice President JOHNSON would exercise the rights and duties of the President in the event of any period of Presidential incapacity.

The agreement follows the example set by President Eisenhower and Vice President Nixon in 1958. Their agreement was a product of concern generated by General Eisenhower's several illnesses.

President Kennedy made his disclosure in response to a question at his news conference today (question 4, p. 6).

AGREED BEFORE INAUGURATION

Pierre Salinger, the President's press secretary, said later that Mr. Kennedy and Mr. Johnson had reached their agreement, similar to the Eisenhower-Nixon accord, prior to Inauguration Day last January 20.

The agreement was subjected to a full study of constitutional questions by the Attorney General. No specific event or ailment led to the agreement, Mr. Salinger said.

A 43-page opinion by Attorney General Robert F. Kennedy, also released today, endorsed the agreement.

The procedures, identical in language to those of the Eisenhower-Nixon agreement, are as follows:

"(1) In the event of inability the President would—if possible—so inform the Vice President, and the Vice President would serve as Acting President, exercising the powers and duties of the Office until the inability had ended.

"(2) In the event of an inability which would prevent the President from so communicating with the Vice President, the Vice President, after such consultation as seems to him appropriate under the circumstances, would decide upon the devolution of the powers and duties of the Office and would serve as Acting President until the inability had ended.

"(3) The President, in either event, would determine when the inability had ended and at that time would resume the full exercise of the powers and duties of the Office."

This agreement was extended informally to one additional point in the White House press statement. Referring to consultation in point 2, the statement said:

"There is no provision of the Constitution or of law prescribing any procedure of consultation, but the President and Vice President felt, as a matter of wisdom and sound judgment, that the Vice President would wish to have the support of the Cabinet as to the necessity and desirability of discharging the powers and duties of the Presidency as Acting President as well as legal advice from the Attorney General that the circumstances would, under the Constitution, justify his doing so.

"The understanding between the President and the Vice President authorizes the Vice President to consult with these officials with a free mind that this is what the President intended in the event of a crisis."

CONSTITUTION NOT CLEAR

The question of an Acting President occurs because the Constitution is not clear about the rights and duties of the Vice President if the President, though living, is unable to function.

Article II of the Constitution raises such questions as:

Does the Office of President, or only the rights and duties of the Office, devolve on the Vice President?

Also, if the Office itself devolved on the Vice President, does that mean he would be President, and continue to be President, even if the elected President fully recovered?

Further, who shall decide when a President is disabled, or what constitutes disability?

Or, who shall decide when a President's disability has ended and how he shall reclaim his power?

The Constitution, contrary to popular notion, does not provide beyond question that upon the death of a President the Vice President becomes President. However, succession to the Presidency, in case of death, resignation, or removal, has been established by what scholars call constitutional custom.

John Tyler established this precedent when William Henry Harrison died in 1841. The principle laid down by him was followed by six other Vice Presidents upon the death of the President in office.

Edward S. Corwin, a recognized authority, says in his book, "The President: Office and Powers":

"That Tyler was wrong in his reading of the original intention of the Constitution is certain."

It was clearly the intention of the framers, Mr. Corwin wrote, that the Vice President should remain Vice President unless he was elected President.

SOME DOUBTS LINGER

While custom has removed any real doubt about succession in the event of death, resignation, or removal, doubt remains about rights and duties in the event of a President's inability and his subsequent recovery.

President Garfield lingered for 80 days after he was shot in 1881. He was able to perform only one official act, the signing of an extradition paper. The Cabinet wanted Vice President Chester A. Arthur to act in Garfield's place. But there was scorn, lest the President, should he recover, would have no way of regaining the powers that the Vice President might have exercised in place of the President.

The most serious period of Presidential disability followed the stroke suffered by President Wilson in 1919. For 6 weeks he was unable to act on legislation that Congress sent to him. Effective power devolved on his wife and his physician.

The Eisenhower-Nixon agreement and the Kennedy-Johnson agreement appeared to clear up most constitutional ambiguities.

However, a problem might arise in the event of a President's mental incompetence.

Such a President of his incapacity or, having done so, might reclaim his powers before he had recovered.

On this matter, a highly placed lawyer in the Justice Department said:

"Nobody has come up with the ingenuity to answer that one. Obviously there is a possibility of conflict."

There is a legal question whether the President has the right to make an agreement as to who shall act for him if he is unable to function.

In 1958, when the Eisenhower-Nixon agreement was announced, Speaker SAM RAYBURN was reported to be opposed. He contended that there was no constitutional provision for an acting President and that a Vice President could not exercise Presidential powers without taking the Presidential oath. Mr. RAYBURN was not available for comment today.

The Attorney General's opinion did not deal directly with the legality of such an agreement. It dealt with the desirability of an agreement, with the Vice President's powers in certain circumstances, and who should decide when inability began and ended.

RETIREMENT OF NATIONAL GUARD TECHNICIANS

Mr. KEATING. Mr. President, I am very much disappointed by the action of the conference committee and the Congress in eliminating any funds for Federal contributions to the retirement pay of National Guard technicians who are State employees. Although the pay of these employees has been determined to be within the responsibilities of the Federal Government, so far the Federal Government has made no contribution and these employees have only social security benefits for their retirement. This is manifestly unfair, as their counterparts within the State governments also enjoy State retirement benefits financed through joint contributions of the employee and the State.

There is clearly a need for legislation to provide for equitable retirement benefits for Army and Air National Guard technicians. It should include language assuring that the contribution made by the Federal Government will be at least equal to the amount contributed by State governments for their employees. So far, when these funds have been discussed, the Budget Bureau has insisted on a limit for the Federal contribution of 6½ percent. The necessary legislation should not carry such a limit because in some States the State retirement system provides for higher payments, as in New York where the employer contributes nearly 13 percent including social security. Although there is a limit on Federal contributions for civil service workers, in fact, this limit is not realistic because, in order to provide all the benefits authorized by law, additional appropriations will almost certainly be required at some point in the future.

Therefore, Mr. President, although I am very much disappointed that, in this hour of national crisis, these important defense workers will not receive any Federal contribution to retirement benefits this year, I am hopeful that legislation to right this wrong will be promptly approved by the Congress and I am myself having a bill drafted which would insure that the contribution paid by the Federal Government would be at least equal to the contribution of the State government for similar employees.

IMMIGRATION POLICY

AMERICAN COMMITTEE ON ITALIAN MIGRATION

Mr. JAVITS. Mr. President, the figures of 1920 which are the basis for wealth of a nation not only lies in its natural resources but upon the talents of its people. Our greatness as a nation has been founded on the abilities of the world's homeless and oppressed who came to our shores seeking refuge. Today, our immigration laws stand in opposition to the rich tradition of opportunity for all which gave our country strength.

Because we have failed to reconstruct our discriminatory and outdated laws, we are denying our responsibility as the leader in the world's struggle for peace. The immigration proposals which I have sponsored with Senator KEATING recognize the fact of life that we are living under a 1960 census, not the outdated quota system. This provision and that providing for the reallocation of unused quotas to oversubscribed countries would certainly help to improve the unjust, inequitable, and hopelessly archaic national origins quota system. Progress in this area is the most urgently needed revision. If we continue to fail to modernize our immigration policy we will negate our own best interests in foreign affairs as well as our own domestic, economic, and social well-being. The homeless cry out to us in the name of justice and humanity. We cannot turn a deaf ear to their pleas.

The American Committee on Italian Migration, now celebrating its 10th anniversary, has prepared a statement illustrating many of the inadequacies in the present immigration structure. I ask unanimous consent that this statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

At the present time at American consulates abroad there are petitions for (1) thousands of husbands, wives, and children of aliens legally residing in the United States and for (2) sons and daughters, brothers, and sisters of American citizens. They all face the dim prospect of a prolonged separation of many years before they can expect to be reunited with their loved ones.

These are the unfortunate victims of circumstances whose hopes of reunion with their kin were raised with the filing of immigration petitions, only to be shattered at the offices of our consuls abroad who have the unwelcome duty of informing them that years will elapse before they can expect to receive a visa to enter the United States.

This situation is especially grave in Italy and in other countries where the annual allotment of immigration visas is small (see p. 3).

In September of 1959, with the passage of Public Law 86-363, the 86th Congress took a step forward in alleviating the situation by permitting the entry, on a nonquota basis, of second, third, and fourth preference applicants for visas who had been registered on a consular waiting list prior to December 31, 1953.

We express our deep concern over the many problems—psychological, moral, and economic—created by a situation which can easily be remedied.

It appears that H.R. 6300, introduced by Representative FRANCIS E. WALTER on April 13, 1961, and a similar bill, S. 1809, introduced by Senator EVERETT MCKINLEY DIRKSEN on May 4, 1961, whose intent was to facilitate, among other provisions, the reunion of aliens with their close relatives here by reallocating unused quotas, requires further study and consideration and will not be enacted into law in the current session of Congress. Should, however, H.R. 6300 and S. 1809 be taken up soon, we strongly endorse the recommendation made by the U.S. Department of Justice that unused visas be issued on a first come, first served basis.

Unless and until permanent provisions such as those contemplated in H.R. 6300 and S. 1809 are made, it is urgent that immediate emergency measures be taken before the adjournment of this session of Congress to reunite families that have been separated for years.

Consideration and quick action are requested on the following proposals:

1. Nonquota status for spouses and unmarried children of aliens legally residing in the United States who are presently registered in the third preference category.

2. Nonquota status for close relatives (sons, daughters, brothers, and sisters) of U.S. citizens who have been registered in the fourth preference category for the period from January 1 to December 31, 1954.

Incidentally, it is to be noted that the persons for whom relief is requested are dependents, for the most part (spouses and unmarried children of aliens legally residing in the United States), and they can, as consumers, indeed serve as a stimulant to the economy. Visa Office Bulletin No. 79 issued by the U.S. Department of State on May 1, 1961, listed the following countries with their respective registrations of second-, third-, and fourth-preference cases (parents and unmarried adult children of U.S. citizens; spouses and children of aliens legally residing in the United States; sons and daughters, brothers and sisters of U.S. citizens).

Quota and subquota areas:	*Registered demand*
Australia	134
China	114
Chinese persons	2,327
Cyprus	258
Barbados	362
British Guinea	251
British Virgin Islands	227
Jamaica	902
Malta	294
Trinidad	238
Greece	6,999
Hungary	1,706
India	177
Iran	156
Iraq	163
Israel	234
Italy	138,378
Japan	733
Lebanon	193
Morocco	302
Palestine	337
Philippines	1,636
Portugal	3,888
Rumania	790
Spain	756
Tunisia	217
Turkey	826
United Arab Republic	580
Yugoslavia	2,135
Others	5,897
Total	171,210

SCALLOP FESTIVAL, AUGUST 11, 1961

Mr. SALTONSTALL. Mr. President, I wish today to take note that the second

largest fishing port in the United States and the scallop capital of the world opens its scallop festival today. More sea scallops are landed at the city of New Bedford than at any other place in the Nation. Last year this figure amounted to 73 percent of the U.S. production, and was valued at $6,731,000.

A plateful of sea scallops is one of the most pleasant meals a man can enjoy, and within the next few days thousands of people will be flocking to New Bedford to sit in the Marine Park eating them. Truly a community project, the festival is sponsored by the Exchange Club, the Seafood Producers Association, the unions—in fact, all New Bedford.

I hope that my colleagues have the opportunity to enjoy New Bedford sea scallops in the near future, as we enjoyed them last year at lunch in the Senate.

CONGRESSIONAL FELLOWSHIP PROGRAM

Mr. KEATING. Mr. President, I should like to join my friend, the senior Senator from Minnesota, and other colleagues who yesterday paid tribute to the congressional fellowship program sponsored by the American Political Science Association.

During the years that I have been in Washington, I have had many beneficial contacts with the American Political Science Association, and have become aware of the many excellent programs that the association sponsors. One of the most commendable things about these programs is that the association has had the wisdom not to limit them to professional political scientists.

It is my understanding that about half of each year's congressional fellows are lawyers and journalists. The association also sponsors a series of regional conferences each year for reporters on government. An outstanding journalist from the Rochester Democrat and Chronicle participated along with reporters from all over the eastern United States in one of these conferences this year at Buck Hill Falls. He has told me that it was a most valuable experience, and that he returned to Rochester with a broader understanding of government.

The congressional fellowship program not only enlarges the knowledge of the journalists, lawyers, and political scientists who participate in it, it also makes a most definite contribution to the offices in which the fellows are stationed.

The fellowship program pioneered the way for a number of college intern programs which by now have become indispensable aids to many offices in the Senate and the House of Representatives.

This summer I have no congressional fellow in my office, but I have received the valuable assistance of four young students who are sponsored by other college intern programs. I am sure that these interns have learned much during their summer on Capitol Hill, but I feel that I have gained even more from them than they have gained from their experience here. They have made it possible for my office to undertake several legislative projects that otherwise might not have been possible. Their bright suggestions and their untiring scholarship will be greatly missed when they return to their formal studies in a few weeks. These students are: Donald Robinson, Buffalo, N.Y., a senior at Union Theological Seminary; Lydia Vecchi, Canandaigua, N.Y., a senior at Vassar College; Kenneth Campbell, Dobbs Ferry, N.Y., a senior at Yale University; and Elizabeth Hutchins, New York City, who this fall will begin her freshman year at Wellesley College.

I therefore join in saluting the congressional fellowship program of the American Political Science Association and all of the other intern programs that have followed in its footsteps.

WORLD'S FAIR BILL MAKES PROGRESS

Mr. KEATING. Mr. President, I am delighted today to call attention to the fact that the other body is making progress on the legislation to provide for a study of Federal participation in the 1964–65 World's Fair. Yesterday afternoon, the Subcommittee on International Movements and Organizations of the Committee on Foreign Affairs cleared for full committee action legislation similar to the World's Fair bill which my colleague [Mr. JAVITS] and I have introduced in the Senate.

Mr. President, world fairs require a great deal of preparation and planning. To us in Congress, 1964 is a long way off but it is just around the corner for the men who will build and administer the 1964 World's Fair.

With the clock beginning to run out on the 1st session of the 87th Congress, I am very anxious for both bodies to get down to work on needed World's Fair legislation. We want to make this the greatest and most successful World's Fair ever. Twenty States and many more foreign countries are already making plans to participate. I am happy to report our progress in the other body, and I express the hope today that we shall in the very near future be able to celebrate the final passage of this legislation, which is just one of the many significant hurdles to be cleared in preparation for the New York World's Fair.

ACTION OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE ON THE YOUTH CONSERVATION CORPS BILL AND THE COLD WAR GI BILL

Mr. CLARK. Mr. President, at page 15067 of the RECORD my very good friend, the junior Senator from Arizona [Mr. GOLDWATER], with that good humor for which he is so famous in this body, undertook to rib some of us New Frontiersmen about our method of operation within the Committee on Labor and Public Welfare.

We can, and do, take his comments in good part. But unfortunately my friend from Arizona was incorrect in his recollection of the facts on which his humorous comments were based. He accused our committee of "rather sneaking one over" in certain action that we took at a committee meeting last week. He also suggested that the Democratic members of the committee more or less hid out in the antechamber until a quorum was assembled, and then proceeded to come into the committee room, declare a quorum present and report some legislation from the committee to the calendar before the startled Republicans were able to recover their wits and come in to join us.

While the account is an amusing one, actually it is not very accurate. What actually happened was that two bills which had been carefully considered by subcommittees and the full committee at previous sessions—the GI bill of rights, the post-Korean war bill, sponsored by the Senator from Texas [Mr. YARBOROUGH], which had been debated within the committee at great length during the consideration of the NDEA, and the Youth Conservation Corps bill, which had been passed by the Senate during the 86th Congress and fully discussed in the subcommittee and rather elaborately discussed in the full committee at a meeting previous to the one to which the Senator from Arizona took objection—were ordered reported in relatively short order by the committee at a meeting which the Senator from Arizona was unfortunately unable to attend.

Having notified all members of the committee that these two bills would be on the agenda, the committee waited from 10 a.m. until about 10:35 a.m. for somewhat dilatory Members to arrive to make a quorum.

Many of us on the majority side were engaged in drinking a friendly cup of coffee in the anteroom, the door of which was open, until we did get a quorum. Needless to say, we would have been glad to have had the minority members of the committee join us, but apparently they had engagements elsewhere. At 10:35 we finally had a quorum. The minority staff members were present in the committee room at all times. We came into that room and the chairman declared that a quorum was present. In relatively short order we did pass out these bills to the calendar—bills which had been considered by two subcommittees, after elaborate hearings during which proceedings minority members had participated in the debate, bills which had been previously considered in executive session by the full committee.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CLARK. I ask unanimous consent that I may proceed for not more than 2 additional minutes.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. CLARK. Mr. President, after these bills were voted upon in the committee the senior Senator from New York [Mr. JAVITS] appeared, at about 10:45, and expressed some concern that we had acted as we had, and moved to reconsider the votes by which the bills had been approved. There was substantial discussion on the motions to reconsider, during which the merits of both

bills were again considered. The Senator from New York indicated his dissent with some of their provisions. After quite a full discussion, those motions were voted down, and the bills were referred to the calendar.

Mr. President, I make this explanation because I think it should be clear that the last thing in the world the committee did was to sneak one over on the regular corps. We too believe in the rights of minorities. We too believe in adequate debate; but in the Committee on Labor and Public Welfare the overwhelming majority of us are opposed to filibusters. We are hopeful that our good friend from Arizona will, sometime before we adjourn, permit us to hold hearings on the higher education bill, which today, for reasons quite within his rights under the rules, he has been unwilling to do. I see on the floor the Senator from Arizona, and I am glad to yield to him.

Mr. GOLDWATER. Mr. President, I merely bring to the attention of the Senate the activity of this committee, which acts in very peculiar ways. I had been present the day before, 25 minutes before even one Democrat had showed up for the hearing. I try to be punctual. I have other committee work to attend to also. However, in this particular instance it was my understanding that the entire Democratic side of the committee met in the outer office, and when there was a sufficient number of them present—eight of them—they marched into the big room, which I call the igloo—and there they immediately voted out these two bills.

It is true that we had had some prior debate on the conservation bill and we had had some remarks about the Korean GI bill of rights. However, to my certain knowledge there was not one Republican in that room who was allowed to register his vote either for or against those bills.

I know that there are Republicans who would have wanted to vote with the majority. I know that the majority is perfectly within its rights in doing this sort of thing, and that the junior Senator from Arizona, as the distinguished Senator from Pennsylvania has recognized, is perfectly within his rights in using all the parliamentary tricks in the book.

After all, if it were a minority of only one Senator making the difference, it might be something else, but in this case the odds against us are two to one. There are 10 Democrats and only 5 Republicans. This is a rather substantial minority.

Knowing the Senator from Pennsylvania and knowing of his lifelong interest in the protection of minorities, and knowing of his great interest in protecting the minority people of this country, I hope that his interest will extend to the rights of the Senator from Arizona and others, who are in the minority. That is why I believe it is so important that we do not tamper with the rules of the Senate, which make it possible to protect a minority, just as the other day the Senator from Wisconsin [Mr. PROXMIRE], one of the strongest advocates of the rule change in this body, exercised his right for 36 hours to talk to the Senate on a subject that he felt was of great importance.

I believe that the greatest single function we perform, and the greatest single responsibility that we have in this body is to protect the rights of minorities. Once we become a legislative body in which a simple majority rules, I suggest to my friend from Pennsylvania we will cease to be a republic and will have become an enslaved people with a central government able to do whatever it wants to do.

My remarks the other day were said mostly in jest, but I must say there was a great deal of truth in them also.

This morning's meeting is an example. I learned of the meeting by reading the Washington Post, which is an exercise in which I do not engage very often. I do it because the Post has the best funny paper section of any paper in town. Right near the funny paper section there appeared the announcement that the committee would meet this morning. So I jumped out of bed, took my bath, shaved, and came down to the meeting, and assisted my friend from Pennsylvania in passing a bill out of the committee. Had I not read the Post—and I am not given to reading that paper, because I prefer to read the truth rather than fiction—I would not have known about the meeting.

I am not blaming anyone, Mr. President. I do sincerely hope, though, that the time is not far off when the Senator from Pennsylvania will be on the minority side, and then he will know whereof I speak.

A SECOND LOOK AT THE EMERGENCY FEED GRAIN PROGRAM

Mr. KEATING. Mr. President, this morning there are reports on the change in the Agricultural Department's estimate for the 1961 corn crop, which strike me as most interesting. This week's figures cast a shadow as big as an aircraft carrier over the long-boasted success of the administration's emergency feed grain program for 1961.

On July 1, the Department estimated that the feed grain program would result in a cut of 716 million bushels in the 1961 corn crop. These figures were quoted as being highly reliable in the Senate report on the 1961 farm bill. Today, the August 1 estimates are available, and lo and behold, a slipperly critter has been nibbling away at our corn statistics.

The Department estimates in August that the still unharvested crop of corn will be 3,352,037,000 bushels. This is an increase of 176,860,000 bushels over the July figure; and that is a lot of corn. To put it all together, the 716-million-bushel cut estimated in July is now a 539-million cut as estimated in August. The widely heralded cut in feed grains is sliding down hill at a very significant rate.

When the farm bill was debated, I and a good many of my colleagues voted against including in it an extension of the feed grain bill. We said, "Let's wait until the final 1961 crop figures are available and we can determine whether this program has worked or whether, like so many other of our farm programs, it has simply added costs to the taxpayer and crops to the storehouse."

The feed grain program has already cost us about $780 million. It will cost a lot more before the 1961 program ends. What do we have to show for it? Accepting the present estimates, despite their jack-in-the-box behavior, we may cut around 900 million bushels of feed grains. We have no grain to show for it, and it has already cost almost as much as it would have cost had we actually grown the crops and put them in storage. It may cost a lot more.

Mr. President, before we rush to pass any more stopgap emergency farm programs, let us take a good hard look at the whole farm situation. Let us remember that when this feed grain program was enacted, many of us felt it would not cut production as markedly as suggested, because farmers can, and I don't blame them, retire bad acreage and then work hard to increase production per acre on their best cropland.

Mr. President, I remind the Senate that I have recommended the establishment of a joint congressional Study Commission on Agriculture in light of the fact that the Congress so emphatically and, I believe, right turned down the President's request that this long-range planning responsibility be given to Secretary Freeman and the farmers of America. One national news magazine compared this to turning the responsibility for writing our customs laws over to smugglers.

I have great faith in our farmers, and I think they should be heard, but I think farmers themselves would agree that we need a new approach to some of our chronic and knottiest farm problems. The farmer is hamstrung by the Government, and I think he should have a chance to stand up for himself. At the same time, the consuming taxpayers of America are on a subsidy flight to the moon, and nobody—farmers or taxpayers—is the better for it.

Mr. President, today's figures point up the need, even better than Smith's Cadillac, for a long-range, basic reevaluation of our Nation's farm policies.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. AIKEN. In reading the crop estimates, as the Senator has done, I believe he has pointed out the very reason why there was such a rush to enact legislation restricting corn production before these estimates came out. I am willing to say: "You have not seen anything yet. Wait until you get the October and November estimates. Then you will realize how futile this program is."

Mr. KEATING. It shows the merit of the position taken by the distinguished Senator from Vermont, who is a leader in this field, that if we are going to legislate at all in this field, we should wait to see what the figures show for this crop year.

Mr. AIKEN. I repeat, "You have not seen anything yet."

INTRODUCTION AND ANALYSIS OF THE NEW PROGRAM OF THE SOVIET COMMUNIST PARTY

Mr. DODD. Mr. President, more than a week ago, the Soviet Communist Party published the text of a new program.

This program is of vital significance to the whole free world. It is important that we understand it, because, properly understood, it tells us what the Communists have in store for us.

The program was long, and full of Marxist verbiage, and its major implications were bound to escape the average reader. For the most part, the interpretations that have appeared in the press tended to becloud the issue rather than to clarify it. These interpretations have been characterized by both ignorance and wishful thinking.

On the one hand, some of these interpretations assumed that Khrushchev really meant what he said about outproducing the capitalist world in consumer goods, and that he would therefore attempt to avoid any military showdown over Berlin. On the other hand, they present Khrushchev's call for collaboration with Socialist parties and other non-Communist parties as a hopeful innovation, which suggested the possibility of a general moderation of Soviet policy.

These analyses simply ignored the fact that the Soviet regime under Stalin passed through several distinct periods of so-called collaboration with Socialist and other non-Communist parties. This collaboration was invariably used to advance the interests of the Communist conspiracy.

The recently published draft of a program of the U.S.S.R. Communist Party constitutes an open declaration of war on the free world in general and the United States in particular.

This draft, which will become the law of the Soviet land after its rubberstamping by the forthcoming XXII Congress of the U.S.S.R. Communist Party scheduled to convene in October, enunciates with brazen candor the goals proposed for the international policies of the Soviet Union. It calls for the establishment of Communist regimes in the still free countries, to be achieved primarily by internal subversion directed by the Soviets, but also, if necessary, by Soviet military intervention against those countries bold enough to resist internal subversion.

The message of the program to the free world can be summed up as follows:

> Communism must triumph in your countries sooner or later through social revolutions. You can have your choice. Either the revolutions will be peacefully accepted by you, in which case the U.S.S.R. will not interfere in them; or else you will foolishly oppose the course of history by fighting these revolutions, in which case the Soviet Union will crush your reactionary resistance.

"Peaceful coexistence," which is offered to us as a bait, or an anesthetic, is defined in the program as another, efficient method of class warfare, which provides special opportunities for subversion to the "proletariat"—a cover word for the Communist Parties—of the capitalist countries.

On the other hand, the program specifically states that the renunciation of war as a method of settling international conflicts does not apply to the wars of liberation undertaken by enslaved nations against their imperialist oppressors. It will not only be the right, but the international proletarian duty of the Soviet Union to interfere in such wars against the capitalist imperialists.

What is meant in the first place by "capitalist imperialist nations" is also made abundantly clear in the program. It repeatedly equates world capitalist and imperialist oppression with the United States of America, to whom it attributes the darkest plans and the vilest motives. It calls for an international campaign of hatred against the United States and makes it the number one target for subversion and aggression on the part of world communism.

The new program of the Soviet Communist Party thus heralds the systematization of the Communist aggression against the free world, by revolutionary subversion at any time and all the time, and by armed intervention when subversion fails.

This is the grim reality of the new Soviet program. Every American should understand this. But understanding this unwieldy Soviet document is not easy. Its esoteric dialectical language is calculated to deceive and befuddle the noninitiated. In order to be understood, it needs deciphering into plain language.

Mr. President, I ask the unanimous consent of the Senate to introduce into the RECORD at this point an analysis of the new draft program of the U.S.S.R. Communist Party, submitted to me by Walter Darnell Jacobs and Nicolas de Rochefort, two scholars who have made a lifelong study of Soviet, and who are outstanding experts in this field.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

AN ANALYSIS OF THE NEW PROGRAM OF THE COMMUNIST PARTY OF THE SOVIET UNION

Khrushchev's new program for the Communist Party of the Soviet Union is an open declaration of war on the free world and the United States.

The menacing nature of this draft, which is to be submitted in October to the rubberstamp XXII congress of the party, is such that the authors of this memorandum deem it urgent to submit without delay a preliminary analysis of this document, especially of those of its provisions which are openly and bluntly directed against the peace and survival of the free world and singularly against the United States.

The draft program can be compared to Hitler's "Mein Kampf" in that it enunciates most clearly and without inhibition the aggressive purposes of its authors. The West largely ignored "Mein Kampf." It can ignore the draft program only at greater peril, for the draft is considerably more direct and more threatening than was Hitler's work.

In quite forcefully and outspokenly declaring war on the capitalist countries, the draft program makes a special point of stressing American leadership of world anti-Communist forces. It charges repeatedly and persistently that the United States of America has the main responsibility for what it calls "neo colonialism" and "warmongering."

In the light of these accusations and the candidly announced pursuit of the goal of world revolution, the lengthy and elaborate passages on peaceful coexistence make clear just what "peaceful coexistence" is, indeed, to the Communists. "Peaceful coexistence," the draft states, "constitutes a specific form of class struggle," and it adds that "peaceful coexistence affords more favorable opportunities for the struggle of the working class in the capitalist countries and facilitates the struggle of the peoples of the colonial and dependent countries for their liberation."

Indeed, the draft takes some pains to explain that revolution does not necessarily mean the violent overthrow of the still-existing capitalist regimes. This violent phase of the revolution will be necessary only if the bourgeoisie of the countries confronted with such a revolution has the foolishness to fight for its survival and to oppose the revolution rather than submitting to it. Of course, whenever such resistance materializes, violent action will become a desirable necessity and in that case it will be the international duty of the proletarian Soviet state toward the entity of the world proletariat to prevent the bourgeoisie of the given nation from thwarting the Communist revolution.

The draft also makes it quite clear, with an astounding brazenness, that while the Soviet Union and its guide and leader—the Communist Party—are pledged to seek to avoid war, this pledge must be understood in terms of placing the imperialist camp in such a position that it cannot wage a war of aggression against the peaceful part of mankind. The new draft program asserts that "imperialism is the only source of the war danger" and that imperialism is now busy making preparations "for the worst crime against mankind—a world thermonuclear war." This charge takes on greater moment when it is remembered that in the Communist lexicon the United States and imperialism are synonyms.

The draft specifically excludes from those wars that are to be avoided or prevented "wars of liberation." These comprise not only wars whose purpose is to liberate the colonial nations from political domination by other countries but also those wars allegedly necessitated for further "liberating" the politically independent but economically still enslaved nations from the imperialism of the capitalistic countries whose warmongering, aggressive, greedy coalition is headed and manipulated by the United States of America.

The draft contains the following postulates:

1. The triumph of communism throughout the world over the decaying capitalist system is inevitable. It is but a consequence of a historical law. Capitalism will receive its defeat at the hands of the world proletariat, of which the Soviet working class is the vanguard while, in turn, the Communist Party of the Soviet Union is the vanguard of the latter. Since, on the other hand, the Soviet state is the personification of the Soviet working class, it becomes but a logical and inescapable development in the draft that the Soviet Union itself is pledged to give assistance to the proletariat of any capitalist country in such a revolution, be it peaceful or be it violent.

The next step in this inexorable sequence follows quite logically: When a revolution starts in any given capitalist country, since it is the signal for the accession of that country to a superior form of organization of human society, no opposition on the part of the reactionary elements of that country will be tolerated by the Soviet Union. Still less, of course, will be tolerated an interference from the outside.

On the other hand, since the countries which live now under Communist regimes are alleged by the Communist movement already

to have reached a superior stage of civilization and to have done so of their own free will, any attempt to overthrow that Communist regime will be considered as an unwarranted attempt to revert it to a lower form of civilization, initiated by other capitalist nations, i.e., the United States of America. The Communists believe that the flow of history is irreversible and that a stage once reached cannot be lost.

This thesis of the draft results in the following brutal proposition: No anti-Communist movement will be tolerated by the Soviets in any country belonging to the so-called Socialist camp. Any interference on the part of the capitalist countries in assisting such a movement will be considered literally as an act of war. On the other hand, any Communist revolutionary movement (to be read: Communist military coup) in a capitalist country will be the expression of a historical process and any opposition to it either inside the country or from outside will be considered, again, literally as an act of war against the U.S.S.R This is indeed a forceful illustration of the lucid statement made by President Kennedy that "what is theirs [the Communists] is theirs and what is ours is negotiable."

In the light of the provisions of the draft, the formula should indeed be somewhat sharpened: "What is conquered by communism is untouchable, what is still unconquered must remain at its mercy."

2. The Communist Party of the Soviet Union opposes armed conflicts between capitalist and Socialist rtates and is convinced that such conflicts can be avoided so long as the Socialist camp is united and is stronger than the capitalist world. (This does not apply, of course, to so-called wars of liberation which are quite desirable from the Communist viewpoint.)

The draft is quite explicit in stating that wars can be avoided, not that they will be avoided. And the draft shares none of the journalistic theories, so prevalent in the West, that war is now so horrible that it has become unthinkable. The draft states quite openly that war can be avoided because the Socialist camp is so strong that the capitalists may be frightened into surrender—but if there is, nevertheless, a war then "the peoples will no longer tolerate a system which drags them into devastating wars. They will sweep imperialism away and bury it." This is to say that communism will be victorious in a nuclear war.

3. The draft elaborates at length on the great desire and sincere wish of the Soviet Union to live on terms of peaceful coexistence with the capitalist world, including notably, extended commercial relations with the latter. It is made abundantly clear, however, that peaceful coexistence is meant to be a new, more evolved form of class struggle on the international scale in two forms:

(a) internal struggle between the progressive and democratic (to be read: Communist organized and conducted) elements, and the reactionary elements within any given nation; and

(b) between the Socialist bloc of nations and the capitalist world as a whole.

It is averred in the draft that this latter struggle is going on at this time and will go on relentlessly in the ideological domain, to which other forms may and will be added if and when necessary.

As a direct consequence of this avowed state of ideological war, the importance of Communist ideology in the development of the Soviet state and its colonial empire (or the so-called Socialist bloc) is stressed with emphasis. It is stated, indeed, that without a complete impregnation of the Soviet people with Communist ideology, the Communist society cannot be built and the victory over world capitalism cannot be achieved.

The theme of peaceful coexistence as a method of Communist conquest is repeated with regard to the mechanism of revolutions (or wars) of liberation of colonial or semi-colonial states from foreign capitalist imperialism. It is a thesis of the draft that, in the first period of such a struggle against foreign imperialism, the local vanguard of the proletariat, that is, the Communist Party, can and must utilize the local capitalist elements inasmuch as they may have interest and desire to expel foreign capitalism from their country. It must be kept in mind, however—and the draft says this quite frankly—that once the liberation is achieved, the struggle against the local bourgeoisie and other reactionary elements must be undertaken. The true, complete liberation of any such country can only be achieved by complete reorganization of its social and economic structure through the stages of (1) nationalization of means of production and redistribution of land, (2) socialism, and (3) communism.

4. As if in order to illustrate even more clearly what communism understands by peaceful coexistence with the United States, the draft endeavors to establish the following simple equation: some countries still have to struggle against foreign capitalist imperialism; reactionary elements in various capitalist countries still dream of reestablishing their exploitation over other countries; the United States of America is the headquarters of this conspiracy of world reaction; the United States is responsible for every wrong still being done to colonial nations and is ceaselessly planning for and conducting operations of economic and even, whenever possible, direct physical aggression against the past and present victim nations of colonialism.

QED—The United States is the chief enemy not only of Communist and Socialist, but also of the emerging nations.

5. The draft makes a clear-cut distinction between "bourgeois" nationalism which is a means for the world villain, the United States of America, to provoke dissensions among the nations, rivalries, jealousies, hatred, etc., to be exploited by capitalist imperialism, and the Communist concept of nationalities, in which one element only is entitled to speak up—the proletariat. Since the proletariat is international in essence, this form of nationalism is to be encouraged as leading to the progressive merger of all nations into the world Communist brotherhood in which each member nation will enjoy its own civilization according to the Communist formula, "national in form, Socialist in content." Of course, the socialism of the content will be the reality, the national form will be the fiction.

The total hypocrisy of the assertion of the draft that the member states of the Soviet Union are sovereign states enjoying so complete a right of self-determination that the constitution of the union provides for a right of secession of any of them, is self-evident. Not only do the member states of the union have no practical mechanism available for the exercise of this right but even the other nations, members of the so-called Socialist bloc, are not permitted to choose their associations, let alone to tear away completely from that bloc. If there is any doubt about this situation, it was demonstrated in blood in the Soviet Zone of Germany in 1953 and in Hungary in 1956.

To sum up, these are the main provisions of the Soviet draft program:

1. The U.S.S.R. will not engage in any war against any capitalist countries as long as the latter will submit gracefully to peaceful revolutions transforming them into Communist states. However, if any force is opposed to such at attempt of peaceful transition to communism, the Soviet Union will lend its all-out support to the revolutionists. In simpler terms, the Soviets will first, through their local agency, the Communist Party of the given country, bring about a revolutionary movement in that country, directed at the overthrow of its democratic institutions; then, they will give that subversive movement their full assistance, by virtue of their proclaimed doctrine of international solidarity of the proletariat.

2. Contrariwise, any support given by the countries of the free world to liberation movements in Communist-enslaved countries attempting to free themselves from the Communist tyranny will be considered by the Soviets as a reactionary undertaking, whose support by the free world would be considered by them as an act of war.

3. The draft pledges Soviet Union not to have recourse of war against the capitalist nations and not to interfere in the internal affairs of other countries. But it excludes from this pledge the so-called wars of liberation from capitalist enslavement (political or economic). The U.S.S.R. considers itself free, indeed, it considers itself obligated to interfere in such wars of liberation against the capitalist countries, directly or indirectly (Laos, South Vietnam are illustrations of this). Thus, the Soviet Union assumes the right to decide at any time whether there will be war or peace in the world, since the Soviet Government will determine which local conflict anywhere in the world is a war of liberation.

4. Peaceful coexistence offered to the free world nations is meant to be a transitory period during which the overthrow of their democratic institutions will be methodically prepared through internal subversion directed from Moscow.

5. The United States is specifically singled out as the target number one for this overall, total Communist aggression against peace and the freedom of mankind.

SAMUEL F. PRYOR

Mr. DODD. Mr. President, it has come to my attention that the U.S. Treasury Department Narcotics Training School has issued the following proclamation:

This is to witness that through the authority in us vested by the Secretary of the Treasury of the United States of America, we make known and attest that Samuel F. Pryor has so well merited as to be proclaimed publicly as having completed the advanced course of instruction in the investigation and enforcement of narcotic laws. Dated 28th day of July, 1961.

This proclamation is signed Harry J. Anslinger, Commissioner of Narcotics.

The Mr. Pryor about whom that proclamation was made is well known to many of us. He is a resident of Connecticut and is one of America's busiest executives. Samuel F. Pryor, Jr., is vice president, director, and member of the executive committee of Pan American World Airways. He is a member of the board of directors and chairman of the executive committee of the Vanadium Corp. of America, a director and member of the standing committee of the Hertz Corp., and a director of the National Bank & Trust Co., of Fairfield County, Conn.

In addition to his business responsibilities, his wide range of civic and charitable activities places a heavy burden on his time and energy. Therefore, I think it is significant enough to bring to public notice the fact that a man with so many duties and responsibilities could still find the time to take the 2-week course at the Narcotics Training School of the U.S. Treasury Department. In order to do this, Mr. Pryor gave up his entire vacation for the year.

At my request, Mr. Pryor has submitted a report on the training course which he completed, a report which contains some interesting legislative recommendations. I again commend Sam Pryor for the high sense of public duty which influenced him to set aside for a time many important pursuits in order to study and take action upon this grave, national problem of narcotics addiction.

I ask unanimous consent that Mr. Pryor's report on the training course which he completed be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

DEAR SENATOR DODD: As you know, I have been an adviser to the Commissioner of Narcotics, the Honorable Harry J. Anslinger. In this capacity, I have had opportunities to give some assistance to the splendid Federal narcotic law-enforcement program. More importantly, however, it has afforded me the opportunity to be associated with the narcotics problem, in which I have always been vitally concerned.

It was only recently that my duties as vice president of the Pan American World Airways have permitted me to matriculate in the 2-week intensive training given at the Federal Bureau of Narcotics Training School in Washington, D.C. Any slight inconvenience to my private commercial responsibilities has been insignificant compared to the knowledge which I acquired and which will, I hope, make me a more effective adviser to Commissioner Anslinger, in addition to broadening my knowledge in relation to the complex problem of narcotics.

The training covered in some detail just about every facet of the the narcotics problem, not only in the United States but also with regard to the world. The presentations were made by dedicated lecturers who spoke from a wealth of knowledge based principally upon actual experience.

It would be difficult to enumerate the many tangible observations and impressions I received as a consequence of my attendance at the Federal Bureau of Narcotics Training School. However, I should like to make some comments regarding areas of the narcotics problem which I believe to be of paramount importance.

To begin with, there is no doubt that the Congress of the United States acted wisely in the passage of the Narcotics Control Act of 1956, by unanimous vote. The impact of this excellent piece of legislation has been dramatically demonstrated in the 5 years since its passage. The minimum mandatory sentences for the convicted illicit narcotic trafficker have certainly deterred not only these vicious criminals, but have also deterred others from entering this gangster activity. Narcotic addiction in the United States has declined to the point where incidence of addiction is now only 1 out of 4,000 of the population, as compared to 1 out of every 400 persons of our population prior to the passage of the basic Federal narcotic law, the Harrison Act.

It is to be hoped that the Narcotic Control Act of 1956 will never be weakened as the result of a few well-meaning but misinformed individuals who criticize what they believe to be the severity of this Act but who ignore the welfare of our society, which has been protected, through the provisions of this Act, from the purveyor of the narcotic poison.

The second point I should like to make is that much remains to be accomplished in the field of State narcotic legislation. There are some States, particularly those having a most serious narcotic problem, which still lack appropriate laws to match the severity of the punitive provisions of the Federal Narcotic Control Act of 1956, as it relates to convicted sales violators. The street dope peddlers are of necessity much more numerous than the interstate and international traffickers. Local, county, and State law enforcement has been most effective but weak legislation has created the "revolving door" system, whereby convicted traffickers return to their nefarious trade after short interruptions in State jails. This can be and should be corrected.

Finally, I am sure you are aware of the efforts during these past few years of Commissioner Anslinger's staff in the field of treatment of narcotic addiction. This is an integral facet of the entire national program with regard to the narcotics problem. We cannot ignore the narcotic addict and concentrate all our guns just on the dope peddler. In this regard, I join the Federal Bureau of Narcotics in stating that pressure must be applied toward the compulsory civil commitment of addicts to closed institutions where they can be treated for their addiction under skilled care and facilities. You will note that I underscore the word "civil." The obvious implication is that it is totally unnecessary to attach a criminal stigma to the addict in order to cure him. As a component of this compulsory civil commitment, this program must be followed up with a sufficient period of rehabilitation in order that the addict can return to his home and to his proper place in the community and in our society. I believe it is the responsibility of State governments to launch this program of treatment and rehabilitation of the addicts. The Federal Government, to my knowledge, is desirous of participating in this program. There is now pending in Congress a law proposing the furnishing of grants-in-aid to those State governments wishing to implement this program. It would appear that those States which have the greater narcotic addiction populations should be in the forefront with regard to licking this addiction problem.

In closing, my dear Senator, my only regret with regard to the Federal Bureau of Narcotics Training School is that I did not attend it sooner.

With warmest personal regards, I remain,

Sincerely yours,

SAMUEL F. PRYOR.

EVALUATION OF INTELLIGENCE CONCERNING THE SOVIET UNION AND WORLD COMMUNISM

Mr. SMATHERS. Mr. President, one of the most serious challenges confronting our Nation involves the collection, evaluation, and utilization of information—more technically referred to as intelligence—concerning the Soviet Union and world communism.

It is very understandable why we hear of frequent schemes relative to the organization and direction of our intelligence activities. I believe that all Members of Congress who have devoted attention to this matter share a common desire to assure that our intelligence activities are as effective as it is practicable to make them. However, in our desire to achieve increased effectiveness we must move with due prudence in this very delicate and vital area of national security endeavors. We must not take a precipitous course which would jeopardize the good features of our intelligence organizations and procedures.

This problem of centralization and "conformity" in intelligence matters is receiving increasing attention in the press. Two articles are of particular pertinency to this issue.

The New York Times of Wednesday, August 9, 19651, carried the editorial, "Intelligence Conformity." This editorial is a well-reasoned discussion of the dangers inherent in problems that would encourage conformity and discourage, directly or indirectly, disagreement in this vitally important type of activity. Also, this New York Times editorial raises a warning that intelligence evaluations, subject to the kind of top-level coordination and control as is being discussed in some quarters, could result in the subordination of intelligence in order to make it conform to a predetermined policy. This, of course, as the editorial points out, could result in the dangers that are always inherent in "wishful thinking."

Also, I invite attention to the principal article "Unification of Intelligence," appearing in the June 1961 issue of the VFW American Security Reporter. This publication, devoted to national security matters, is published monthly by the Veterans of Foreign Wars of the United States, under the supervision of the VFW commander in chief, Ted C. Connell, of Texas. This article by Brig. Gen. J. D. Hittle, U.S. Marine Corps, retired, director of national security and foreign affairs of the VFW, discusses the dangers of arbitrary overcontrol of intelligence activities which could result from the establishment of an intelligence "czar."

Not only is this article in the VFW American Security Reporter important to the overall problem of intelligence, but it is of particular interest, as General Hittle points out the relationship of intelligence matters to the increasing—and in some respects dubious—reliance being placed upon electronic computers in attempting to prophesy the course of future warfare.

I am deeply impressed by the reasoning in this article, which reflects an unusually clear understanding of the intelligence functions and their relationship to the ultimate formulation of our national strategic policies. This article is another example of how the Veterans of Foreign Wars, whose membership consists entirely of oversea veterans, continues to make important contributions to our national security thinking and thus to our defense posture itself. The VFW American Security Reporter exerts an important and constructive influence on defense thinking. I hope that all Members of this body will read these highly important articles, the editorial from the New York Times, " 'Intelligence' Conformity," and "The Unification of Intelligence," from the Veterans of Foreign Wars American Security Reporter.

I ask unanimous consent that these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 9, 1961]

INTELLIGENCE CONFORMITY

The tendency of bureaucracy to "solve" problems by superimposing a new echelon over lower ones has been repeatedly emphasized in various organizational changes in Washington since World War II.

Once again, in a new field, changes ordered or proposed in the Nation's intelligence

structure will add additional high-level echelons to a structure already tending toward topheaviness. The Pentagon has ordered the formation of a new Defense Intelligence Agency, headed by a three-star officer, which will take over some—but as yet unspecified—operations and functions of intelligence of the three services.

Studies of the Central Intelligence Agency, which has been under fire because of the Cuban fiasco, have apparently led to suggestions that another top-level evaluation group be established somewhere at the National Security Council-White House level.

Such "curatives" obviously add to manpower demands and to costs. They are additions to the organizational pyramid. But as to intelligence the trend presents potential dangers of far greater importance. The Defense Department directive specifically permits estimates of the new Agency to indicate "differences in analysis and evaluation." Nevertheless, the establishment of the Agency is, in itself, a tacit acknowledgment of a desire for an "agreed-upon" intelligence estimate and the elimination of the differing service points of view.

In the past the services have too often emphasized in their estimates of Soviet strength elements that would support their budget requests. Nevertheless, these differences are far less dangerous than an enforced agreement. An attempt to force an agreed-upon "Defense Department" viewpoint, or an "intelligence community viewpoint," would represent danger in capital letters, for it can result in the subordination or elimination of estimates vital to our national safety.

There is a corollary danger. It is the danger of "wishful thinking," the danger that intelligence evaluation and analysis "coordinated" or "controlled" by top-level agencies might be subordinated or made to conform to policy. Intelligence evaluation must be free of politics, or it is valueless.

THE UNIFICATION OF MILITARY INTELLIGENCE

(By Brig. Gen. J. D. Hittle, U.S. Marine Corps, retired, director, national security and foreign affairs, VFW.)

According to persistent reports out of the Pentagon, the next major target for centralized control is military intelligence. If serious consideration actually is being given to setting up a "czar" over intelligence functions of the Army, Navy, and Air Force, then there is genuine cause for concern.

There can be no question but what many financial and administrative aspects of defense are proper subjects for overall coordination and direction. Such has been demonstrated persuasively through the single manager system in overall Department of Defense supervision of procurement and distribution of common items. Also, centralized coordination of research and development is required to prevent unnecessary and wasteful types of duplication. Yet even in this field an arbitrary overall direction could lead to throttling original and bold thinking.

Centralized direction of military intelligence, however, must be approached with the greatest of caution. Such caution must be based upon an appreciation that the collection, evaluation and utilization of intelligence is not a precise science. Intelligence, relating to all aspects of actual or potential enemies, is probably the most abstract feature of the art of war. Such things as military morale, national determination, the mental power, the physical stamina, and the will of leadership are certainly not subject to precise calculation.

Also, it must be realized that intelligence functions of the Army, Navy, and Air Force are highly specialized and involve complicated procedures within the services themselves at the present time. Whatever kind of overall "intelligence czar" may be contemplated, it is inconceivable that the specialized intelligence functions of the Army, Navy, and Air Force could be merged into one sprawling system under a new authority. The service intelligence functions must of necessity be continued regardless of what labels are applied to the organization. If they are bundled up into one big ball, confusion in the intelligence field will be unavoidable. Confusion in intelligence activities inevitably leads to mistakes that snowball into disasters.

Yet, in approaching any proposal for unification of intelligence functions there is one fundamental fact that should be kept in mind: the intelligence process in the Defense Establishment is today certainly far from being a willy-nilly, freewheeling operation as might be inferred from those who are pushing for an even tighter type of control. The intelligence organization within each military service involves a carefully established organization based upon highly specialized experience. The joint staff under the Joint Chiefs of Staff includes a highly organized J–2 (intelligence) directorate. Above the Defense level the blending of military and other intelligence is effected through the National Intelligence Board which produces the overall national intelligence estimates for the National Security Council and, of course, the President.

Of all the various types of military endeavors, intelligence lends itself least readily to the neat package approach. If our national strategy is to be sound, it must be thoroughly objective. Objectivity depends in large measure upon intelligence as to the actual or potential enemy. The history of warfare demonstrates repeatedly and conclusively that there is no quicker way to have a military disaster than to lose objectivity in war planning. The loss of objectivity invariably results from wishful thinking in the intelligence process. Consequently, if there is any place for arbitrary direction as to what is to be searched for, what is to be done with such information, and what that information means, it is not in the intelligence field.

Any person who possessed power to direct all military intelligence would have the power to shape the nature of the intelligence that would be produced. By so shaping the nature of the intelligence produced, that individual would be, in turn, actually shaping the nature of our national strategy. There would be no guarantee that the enemy would be so cooperative as to make his war plans conform to our preshaped conclusions.

Total objectivity in the intelligence field is even more important today in view of the increasing use being made of electronic computers in war planning. As smart as a computer may be, it is still dependent in reaching its conclusions upon what is "cranked" into it in the way of initial data. Thus, what comes out of the electronic brain depends upon what goes into it. A czar who decided what intelligence goes into the computer, could pretty well determine in advance what kind of decisions would come out of it. This, of course, underlines the pitfalls of lack of objectivity in the overcentralized control of intelligence; and it also points up the dangers inherent in overdependence upon electronics rather than human brains.

This is not to say that technological devices should not be used. But it does mean that when the fate of the Nation and our civilization are at stake, wisdom, insight, and the rare attributes of inspired leadership will be found in the human brain and never in manmade electrical circuits.

If there is any place in the governmental process where a "clash of opinion" is appropriate in presentation of information to the responsible officials, it is in the matter of intelligence. Only those responsible for the decision and its results should have the power to judge major intelligence matters. By the same token such judgment must not be undermined by a subordinate having the authority to shape through administrative control the nature of intelligence that reaches his superiors.

The proper place for such clash of opinion to occur and for the judgments to be made is in the Joint Chiefs of Staff, the National Security Council, and the White House.

As a postscript, it seems appropriate to observe that we are indeed, through increasing reliance on electronic computers in attempting to predict the course of warfare, approaching a questionable situation. It has long been axiomatic in the field of military history that one of the most difficult tasks is trying to ascertain for sure what actually happened in war. Are we, in fact, unwittingly seeking escape from crucial decisions by delegating that responsibility to electronic computers; and are we thus trying to write history in advance? Are we succumbing to the same frailties as those ancients who before the battle consulted the oracles who were the then acknowledged experts in reading the future in tea leaves? If so, we have permitted electronics to bypass intellect and carry us full cycle into man's past, and man's mistakes.

WHAT DO YOU WANT FROM TV?

Mr. WILEY. Mr. President, television, in the modern world creates a most dramatic, indelible and far-reaching impression upon the minds of the American people.

At no previous time in history have so many individuals had the opportunity to see and hear such a great variety and quality of informational, educational, entertaining programs as are now presented by television.

As a youthful industry, attempting to meet the widely varied needs of the public in complex times, TV naturally faces intricate, difficult problems, as well as shoulders a great responsibility.

From time to time, in fact, quite often, we hear criticisms raised on the kind and quality of programing.

As a foundation upon which to build improvement, of course, constructive criticism has unique value.

At the same time, such criticism, if it is to be fair, needs to be broadly based on the real, hard facts of life in the industry.

For this reason, I believe it is also extremely important that we, as legislators, as well as the American public, attempt to obtain a balanced perspective of the problems and difficulties, as well as the obligations and responsibilities of television.

Recently, the Saturday Evening Post published an informative, thought-provoking article entitled "What Do You Want From TV?" by Robert W. Sarnoff, chairman of the board of the National Broadcasting Co.

Reflecting upon the way in which TV is attempting to fulfill its responsibility to the public, as well as upon the real problems facing the industry, I ask unanimous consent to have the article published at this point following my remarks in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT DO YOU WANT FROM TV?—A TOP EXECUTIVE VIGOROUSLY ARGUES THE RIGHT OF THE NETWORKS TO BROADCAST WHATEVER THE PUBLIC WANTS

(By Robert W. Sarnoff as told to Stanley Frank)

Television constantly is accused of debasing the Republic's cultural standards, and sometimes I wish one charge in the indictment were true. The absurd notion that the black box has seduced people from reading and writing is refuted by 3 million letters sent annually to the National Broadcasting Co., and its affiliated stations in 182 cities. Indignant viewers daily criticize our intelligence and artistic taste in selecting shows, and some blasts are little gems of invective. I remember two particular complaints, because they point up the dilemma confronting TV—the problem of mass appeal versus specialized programing.

In July 1958, this country probably was closer to a shooting war than at any time since Korea. U.S. Marines were sent to Lebanon at the urgent request of that government to thwart a military coup engineered by the United Arab Republic, and England answered a similar alarm from Jordan. During 4 tense days, NBC and the two other major networks, CBS and ABC, canceled dozens of scheduled programs for on-the-spot coverage of the deliberations in the United Nations. The rush of events knocked 29 NBC shows off the air, among them the enormously popular "Dragnet."

We braced for the barrage of protests which invariably comes when a regular show is preempted for a special program. A Brooklyn woman immediately dashed off a scorcher. "In the name of God, whose idea is it to cut in on 'Dragnet' with a U.N. session?" she demanded. "Of all the ridiculous things, that boob wins the extra-large portion of fried cockroaches."

A more formal, but equally vehement, objection came from a retired four-star general, a famous combat officer in World War II. He chewed us out in 1957 for preempting "Twenty-One" to present "Romeo and Juliet" with the Old Vic Company of London, the world's foremost Shakespearean troupe. It seemed the general had invited guests to watch the quiz and was miffed when the Bard intruded on the party. "I like to choose my own programs," he groused. "I resent having your idea of entertainment forced on me."

You can decry the Brooklyn woman's indifference to an international crisis, and you can deplore the general's dim view of an esthetic treat, but you cannot ignore their attitudes. Not when you operate a huge communications system that serves the public interest and must reflect to a fair degree the mass audience's preferences. TV's programing headache is similar to the parking problem. Everyone would like to find curb space at his destination, a convenience that obviously is impossible to get all the time. Drivers don't agitate for the elimination of other cars from the streets as a solution. They make concessions for a difficult situation and walk a few blocks.

Viewers likewise must recognize the necessity for exercising selectivity when flipping the dial, because TV cannot cater to eggheads and Western fans in equal measure. The best a network can do is to produce a balanced blend of light and highbrow entertainment, public affairs and news that gives reasonable satisfaction to all elements of the audience. Shows with mass appeal cannot be permitted to monopolize the schedule and override minority tastes—but intellectuals, however well intentioned, should not expect to impose their special interests on the general public and turn TV into an esoteric medium.

Before showing how NBC implements this concept of a balanced blend, I should state a few hard facts we must consider. The great majority unquestionably wants diversion—Westerns, mysteries, and adventure yarns. Although audiences are more sophisticated than they were several years ago, action shows still are the biggest attractions. All surveys reveal that average viewing time is increasing slightly, an indication that the customers are satisfied with the general run of programs today.

Speaking for myself, I can't give a blanket endorsement to everything on TV. I don't believe any individual can give unqualified approval to a medium which must be geared to a wide range of interests. I try to watch it every evening, and I'm hardly enchanted by all I see. Taken indiscriminately, programing on various stations can add up to too much violence. Conflict is a basic ingredient of drama, but sometimes it seems that blood and brutality are laid on with a trowel, after the fashion of Mickey Spillane, just for the shock effect.

Phony social philosophy in plays about beatniks and characters full of self-pity annoys me, especially when issues are not resolved realistically. Many situation comedies leave me cold, and I don't care for most audience-participation shows—an opinion, I might add, that predated the quiz scandals of 1959. My pet personal peeve is the exaggerated emphasis put on the Top Ten rated shows by the trade press, advertising agencies, and sponsors, a practice that spawns a rash of bad imitations patterned on a few formats and themes which happen to be popular at the moment.

Certainly TV can stand a lot of improvement, but I contend it is better in terms of quality and professional competence than critical observers acknowledge. They assume that anything labeled esthetic is superior to mass-appeal entertainment. I like Westerns because they are relaxing—and because top-grade shows such as "Wagon Train" and "Maverick" have better motivation, plot construction, and production values than serious dramas that are arty and pretentious.

People who harp on TV's mediocrity refuse to make moderate allowances for its insatiable drain on creativity. The NBC network furnishes 92½ hours of programing a week, embracing 143 shows. Every 10 days the actual playing time of original material we produce exceeds Broadway's output for an entire year. During the same period we use more dramatic scripts than the three biggest movie studios complete in a year. Inevitably some of our stuff is trivial, just as Broadway and Hollywood have their share of flops despite the high-powered talent lavished on their productions.

A more serious complication is unique to TV among mass media—the problem of serving the total public. The Saturday Evening Post, for example, is edited for readers whose interests differ distinctly from subscribers to Playboy and Horizon. The New York Time's extensive coverage of news is not designed to attract readers who are content with a tabloid's once-over-lightly treatment. A local movie theater and a downtown art house that shows avantgarde films by Ingmar Bergman do not draw the same type of patrons.

Such distinctions go by the board when a viewer clicks on TV with a proprietary flourish. He wouldn't dream of reading a book taken at random off a library shelf or going to the movies without checking first to see what is playing, but he expects the set to do his bidding like an all-purpose genie because it is in the intimacy of his home. He wants a program tailored to his mood at the moment, and if it is not available he dismisses TV as a bore.

What do you want from TV? No matter how elevated your tastes are, I guarantee that it offers more than you have time to watch, as I will demonstrate. It merely involves consulting the schedule in a newspaper; that is less effort than is customarily made for any other medium of entertainment or information. I think occasional viewers who constantly sound off about TV's responsibility for raising the country's cultural level have an equal obligation to watch programs put on for the discriminating minority. Music lovers have had the gall to tell me they don't listen to the NBC Opera Co. because Sunday afternoon is not a convenient time. Yet they will go to the trouble of buying tickets weeks in advance and traipsing to the Metropolitan Opera to hear some of the same stars TV brings into their living rooms.

Another glaring inconsistency continually pops up in caustic comments on TV's mediocrity. The legal standard for broadcasting is programing in the public interest. But how do you interpret "interest"? Does the word denote that which holds the attention of the vast majority, or does it carry the connotation of promoting the welfare of society?

The answer, of course, is a combination of both definitions. It is illogical to say the air belongs to the public, then argue that we ought to ignore the preferences of the majority. It would be just as wrong to brush off more cultivated viewers and neglect the broadcaster's moral obligation to raise popular tastes. Since nobody wants a Federal agency to infringe on the audience's freedom of choice by setting arbitrary criteria for programing, the only alternative is to continue under the present system and patiently inculcate an appreciation of higher artistic values.

A network, therefore, has the dual responsibility to reflect and influence public tastes. If critics understood the dynamics of a mass medium, they would realize these objectives do not conflict. The primary function of a network is to attract the mass audience. It establishes the economic base for sponsors' tremendous costs—and supports programs with limited appeal.

"Wagon Train," Perry Como, and Dinah Shore carry the NBC Opera, which has been sponsored for only 11 of 60 performances since 1950 and has cost us nearly $6 million. The profits from mass-appeal shows enabled us to absorb a loss of $11 million in 1960 on informational programs, an area in which our commitments will be even greater this year. When an hour in prime time (from 7:30 to 10:30 p.m.) is preempted for an unsponsored news special, we lose more than $100,000 in charges to an advertiser for air time, plus as much again for production costs if the canceled show cannot be put on at a later date.

Permit me to clarify one point. A network is not under any legal compulsion to meet FCC requirements for a balanced program. NBC last year presented 288 hours of news, 30 percent of it in prime time, to keep the public informed on important domestic and foreign developments. CBS has the identical policy, and I hope I don't sound patronizing in saying that ABC is trying to make a more respectable showing in this field.

The payoff on the range of culture and information a network gives viewers is an analysis of its ratio of programs in 11 categories. I have chosen February 1961 as a yardstick for NBC because it was about as routine a month as we ever have. There was not an unusual run of major news breaks or public affairs specials to load the figures in our favor. Following is a proportionate

breakdown of our programs during the month:

	Percent
News, public affairs, education	23.9
Games, quizzes	17.9
Variety shows	14.9
Drama	12.7
Westerns	6.0
Situation comedy	5.4
Audience participation	5.4
Sports	5.4
Action adventure	5.1
Children's	2.8
Opera	.5

As you can see, the schedule was weighted heavily with cerebral programs. Information consumed more than double the combined time given to westerns, cops-and-robbers, and adventure. This stress on news hurt us competitively—only 13 percent of the audience was tuned in to 23.9 percent of our schedule—but it represented an effort to stimulate an awareness of current events. Further, this was—and it still is—the category with the most shows in prime evening time and on Sunday afternoon. During the 25 hours a week included in those periods, we devote an average of 6 hours to news, public affairs, and culture.

I know I'll be rapped for suggesting that Sunday afternoon is a choice spot for highbrow TV. The networks always are accused of throwing culture a few, grudging crumbs by dumping superior shows into the so-called intellectual ghetto. The gesture costs nothing, the story goes, because there is no demand from advertisers for the time. Rubbish. Experience has proved that such programs draw better on Sunday afternoon, when people have the leisure to reflect on weighty issues. In prime time, competition from light entertainment cuts deeply into the available audience.

The rocky history of "Omnibus" is clear evidence that culture best survives, if somewhat fitfully, on Sunday afternoon. No show ever has been coddled more by the networks. CBS first gave it liberal transfusions of money and talent on Sunday afternoon, but after 4 years of disappointing audience reaction the show moved in 1956 to ABC on Sunday night with the help of a subsidy from the Ford Foundation.

The rating dropped 45 percent. The next year "Omnibus" completed the circuit of networks by coming to NBC on Sunday afternoon. It promptly regained all the former viewers, plus a slight increase. ABC, incidentally, put a western into "Omnibus'" slot and tripled its share of the audience.

Despite these hard realities, we have been adding egghead-type shows to the schedule in prime time and have made encouraging progress in attracting audiences. This season, "The Coming of Christ," a Project 20 on "The Real West" and a "White Paper" on the U–2 affair pulled ratings that compared most favorably with popular entertainment.

I'd like to see more controversial questions debated on TV, more experimental drama, more classical music, fewer action shows that are carbon copies of a handful of prototypes. However, the limitations inherent in a mass medium restrain the rapid adoption of such policies. A broadcaster who is too far ahead of the public's tastes drives away viewers, thereby defeating the purpose of his leadership and destroying the nature of the mass medium.

NBC's efforts to assemble a diversified schedule are not always seen by the viewer on the station carrying our service. Our network is comprised of 5 stations, the maximum we are permitted to own under FCC regulations, and 177 independently owned affiliates. These affiliates determine which elements of our schedule are carried, depending on the shows they elect to use from other sources. As a consequence the general public rarely gets the full impact of our integrated programing.

An indication of the obstacles blocking nationwide projection of information and culture is given by a sample lineup of NBC affiliates for such programs. "Wagon Train," the No. 1 attraction, was carried by 193 stations this season. (Eleven so-called "satellites" joined the network for the show.) There was a sharp drop to 127 for a "White Paper," on the southern sit-in strikes, 123 for "Boris Godunov" (opera), 118 for "Meet the Press," 98 for "The Nation's Future," and 95 for "Omnibus."

The situation is particularly acute in a town where there are only one or two channels. There a station manager can choose shows from two or three networks. He may take "The Untouchables" instead of "CBS Reports," or substitute Garry Moore for a Project 20 documentary.

We could eliminate a lot of headaches—and terrific expense—if we got out of the programing business and used our facilities merely to transmit shows supplied by advertisers and talent agencies. It would end frantic competition for sponsors to defray annual investments of $140 million on program production and development. We could discharge huge creative and administrative staffs and just sell time on the network—but we would not have a diversified schedule. We would be peddling a communication service as sterile as the old-time nickelodeon.

Well, there are buffs who say old silent movies were wonderful, just as there are dilettantes who bemoan the deterioration of TV since the early days. Such talk is nostalgic nonsense. There was, to be sure, a heady excitement in the industry and among viewers that is missing now for a perfectly obvious reason. TV then was like writing on a new blackboard; everything made a vivid, arresting impression. When the NBC "network" linking New York and Philadelphia was extended all the way to Chicago, we felt like the pioneers who drove the gold spike in the transcontinental railroad. Every day was an adventure—but the shows were dreadful compared with TV now.

Critics unconsciously are funnier than Goodman Ace, the top comedy writer, when they mourn for dramas with the "artistic integrity" of "Philco Playhouse" and "Robert Montgomery Presents." Most of them were pure soap operas in content and technique. Network programs had about as much scope as a shoe catalog. In 1950, 42 percent of NBC's schedule consisted of variety shows, which were nothing more than transplanted vaudeville acts. The remainder was padded out with boxing, panel shows, and anything that moved.

Every facet of TV is vastly superior now, with the exception of comedy. The kings of the air in the early 1950's were the comedians—Milton Berle, Jackie Gleason, Sid Caesar. In those free-and-easy days, Berle could drop into Lindy's for a cup of coffee and come out with enough gags to hold the stage for an hour. The funniest bit I ever saw was on a show that cost $3,500 and couldn't be duplicated today for $135,000. Jerry Lewis, miming the words of a Mario Lanza record, pretended to bust a gut when he hit the high notes. It was inspired clowning, the kind you don't hardly get any more, as George Gobel, another casualty, used to say.

The decline of the funnymen can be traced to two pitfalls which never will be eradicated. First of all, good comedy material always has been the scarcest commodity in show business. A performer cannot possibly top himself every week. Then, many comics are poor script editors and need the discipline of tough directors to tighten up their routines. I believe Gleason lost spontaneity when put his show on film. That's just a guess. I'm more familiar with Caesar's case, because I was involved in it.

Caesar compounded the danger of overexposure by deciding to produce his own show in 1957. He still had 7 years to go on a contract with NBC guaranteeing him $100,000 a year, but his audience had been slipping for some time. I thought he was milking his laughs with sketches that ran too long and advised him to switch from a weekly show to six specials a year built around crisp, carefully screened situations. He would wind up with as much money and a more solid rating, but he couldn't see it my way.

"Give me back my paper," he said after a long discussion. I returned his contract, we parted amicably, and he went to ABC with a weekly format. The show was dropped after the first 13-week cycle. The next season Sid was doing specials.

Comedians and the Aga Khan are worth their weight in precious metals, but polished pros like Bob Hope and Jack Benny are products of long training in the nuances of a tricky craft. Next season NBC is introducing a series written by Nat Hiken, the creator of Sergeant Bilko, and two shows featuring Bob Newhart and Joey Bishop. If they click, a serious weakness in the schedule will be corrected.

The most striking progress made by TV recently has been in the fast handling of spot news and documentaries in depth. This is, by all odds, the most significant trend in the industry, for it exploits TV's unique ability to give the viewer a sense of immediacy by transporting him to the scene of important events. The latest technique, called "instant news specials," is geared to a deadline as fast as a newspaper's. A few hours after a big story breaks, TV is on the air with a wrap-up of bulletins, background material, and pertinent pictures.

On January 3, 1961, the White House announced at 8:30 p.m. that the United States had severed diplomatic relations with Cuba. At 11:15 p.m., NBC presented a digest of the situation and a review of Castro's provocations leading up to it. Since the first special on December 16, 1960—on the crash of an airliner in Brooklyn after colliding with another plane in midair—we have been averaging one report a week.

Instant news demands instant decisions. If Bob Kintner, president of NBC, or I am not available to clear a story, Bill McAndrew, head of the news department, has authority to preempt a sponsored show, regardless of the cost. The Gulf Oil Co., sponsor of news specials, has given us a blank check for any story we consider hot enough for treatment. On many occasions, when an event pops spontaneously, we carry it on a sustaining basis.

Network competition once was focused primarily on bidding for performers and properties rated good bets for the top 10. Now priority is on initiative in digging behind the headlines for magazine-type themes suitable for comprehensive analysis. Next season 40 extra, full-hour documentaries will supplant entertainment on our schedule, and it's a cinch CBS and ABC will mine the same sources diligently. Professionally and personally I'm delighted we will vie in putting TV's best foot forward, for public-affairs projects have given me my greatest satisfaction as a broadcaster.

A very junior officer's sentimental attachment for the Navy sparked my support of "Victory at Sea," the first, and still the best, documentary series ever made. The late Henry Salomon, whom I had known at Harvard, proposed the pictorial history of the Navy's role in World War II for an estimated $125,000. By the time 60 million feet of Allied and captured enemy film had been edited and synchronized with an original musical score written by Richard Rodgers, the cost of the 26 half-hour installments added up to the then-astronomical figure of $600,000, but it was worth every cent. Since "Victory at Sea" was completed in 1950, it

has been showing continuously somewhere in the world.

Nothing ever will top the thrill I derived from acceptances of two identical telegrams sent from Chicago on the evening of July 27, 1960. The wires went to Vice President Richard M. Nixon, who had just been nominated for the Presidency by the Republicans, and to Senator John F. Kennedy, chosen by the Democrats 2 weeks earlier. They were offered NBC's facilities for face-to-face discussions of vital issues in the forthcoming campaign.

The invitations triggered the Great Debates on the three networks. Unquestionably the highlight of the campaign, the confrontations reached 9 out of 10 TV homes, further accelerating a most significant trend. Since 1952, when aerials began mushrooming throughout the country, a greater percentage of eligible voters has cast ballots in presidential elections than ever before in American history.

Commercial TV's incisive impact on the public makes fanciful claims for pay TV as feeble as a whisper in a tornado. The white hope of visionaries for good programs since the late 1940's, pay TV has been a white elephant in four tests. In my opinion, it is failing right now in Etobicoke, a suburb of Toronto, and it died for lack of customers in Bartlesville, Okla. (1957), Palm Springs, Calif. (1953) and Chicago (1950).

The operation in Etobicoke, a high-income area with a population of 40,000, was launched on February 26, 1960, with a loud fanfare in the newspapers. Telemeter system began with 500 subscribers, later increased to about 6,000, but it promptly developed a bad case of anemia at the box office. Its break-even point was estimated at an average expenditure of $120 to $150 a year per subscriber. During the first 3 months, when the novelty was at a peak, Telemeter intimated families were spending at the rate of $130 a year. Our information put the figure closer to $75.

Receipts dropped so sharply thereafter that subscribers were believed to be spending an average of $20 a year. Telemeter hoisted distress signals by cutting the price for movies from $1 to 75 cents and applied to the telephone company transmitting the programs for a reduction in rates on the grounds of "economic necessity."

Pay TV has failed to date because it cannot deliver better programs than the free service already available. It is utterly naive to think the promoters can avoid the same economic realities that govern free TV. They also need the mass audience to stay in business, and that means Westerns, private eyes, and adventure shows—the meat and potatoes of free TV. They may survive by usurping our popular shows, but thus far they have offered only a handful of creative contributions to quality entertainment.

Last winter newspapers went into raptures reporting Telemeter had shown Gian Carlo Menotti's "The Consul" in Etobicoke. They forgot that in 1951 NBC commissioned Menotti to compose an original opera. The result was "Amahl and the Night Visitors," considered his masterpiece by most critics. Six other original operas have been underwritten and presented in world premieres by NBC. Leonard Bernstein's concerts have been subsidized for years by CBS. Does anyone in his right mind think the backers of pay TV will take comparable risks on classical music?

What about the theater? The pay-as-you-see boys no longer are talking expansively of making Broadway a whistle stop after Main Street by introducing elaborate musicals and dramas with top stars. Small wonder. An untried venture entails an investment running as high as $350,000, and the chances are it will be a flop. They're not going out on a limb—but scores of companies such as Hallmark, Du Pont, Bell Telephone, General Motors, and Ford regularly sponsor programs for the minority audience. And the networks assume part of the cost by offering all affiliates the programs when sponsors contract for a limited number of stations.

It is barely possible that pay TV can be moderately successful in scattered areas with first-run movies and sports. Movies, however, affect only theater attendance, and the networks have contracts for all the major sporting events except the heavyweight-championship fights. I don't believe pay TV will ever have enough exclusive attractions to make serious inroads on the mass audience. If my prognosis is wrong, NBC will have no choice but to join the opposition. To paraphrase Abraham Lincoln—on an infinitely more important proposition—TV cannot exist half fee and half free.

I'd like to see a showdown between commercial and pay TV, to settle, once and for all, the battle for the mass audience. This challenge hardly stamps me as a brave fellow, because the outcome is as predictable as a fight between an amateur armed with a feather and a seasoned pro pitching blockbusters. The public is too smart to trade the solid benefits it gets at no cost from sponsored programs for an expensive service that cannot begin to provide comparable entertainment.

Commercial TV admittedly is not all it should be, but consider the cultural advances it has helped to stimulate in a dozen short years. In 1949 less than 2 percent of the population was exposed to the legitimate theater, concerts, and ballet. Now, 16 million to 20 million people watch such performances on TV—bigger audiences than Shakespeare, Beethoven, and Nijinsky drew in their lifetimes.

In the last decade the publication of juvenile books has increased 200 percent; library circulation has gone up 50 percent; the number of symphony orchestras and museums has nearly doubled; the sales of classical records have climbed 50 percent. I do not suggest that TV has been responsible for this cultural surge. The country's rising level of education is the prime mover behind it, of course. The point I would like to make is that TV has not damaged our aesthetic appreciation, as critics charge.

The lamentations of handwringers are flatly refuted by more competent observers. Leonard Bernstein concluded a record-breaking tour of 11 cities with the New York Philharmonic by playing to a standing-room-only audience in the Hollywood Bowl last September. He attributed the unprecedented crowds to the cultivation of good music on TV.

James B. Reston, the New York Times' Washington bureau chief, toured the Middle West in March and reported that the press and politicians of the section were generally lagging behind the public in acceptance of momentous changes. "Television is clearly a large factor in this contrast," Reston commented. "For while many of the most powerful organs of the press continue longing wistfully for a past they know will never come again, television is showing the revolution in Africa, the revolution in the cities and races of America, the revolution of automation in the big industries."

On balance, I think TV can be faulted now on only one serious count—excessive violence, especially in action shows watched by children. Many studies in this area have returned conflicting verdicts. Some psychologists, noting that fairy tales abound with cruel witches and ogres, say TV brutality has no adverse effect on children. They find that kids who are heavy viewers often read more, have better vocabularies and participate in more creative activities, because their imaginations are stimulated.

Parents who are skeptical of such opinions can resort to a simple expedient: Monitor the set. It never was intended to be an easy substitute for their guidance. My 4-year-old daughter is an avid viewer, but her mother and I keep close tabs on what she watches. When a program comes on that we consider unsuitable for her, the set goes off.

It may be necessary to exercise such control during the coming season. Apart from increasing attention to informational shows, there will be no radical changes in programing. After all, the public's tastes do not change overnight either. There are, however, several straws in the wind which may be improvements in light entertainment.

Hour-long drama pulled better than half-hour shows last season, an indication that viewers want fuller development of characterizations and plots. Several short westerns are going to the hour format—but don't be alarmed. The quota of varments biting the dust will not be doubled. The extra time will be devoted to better story construction—we hope.

The public definitely likes action shows and will get them, with mystery getting a heavy play. Costume pieces are on the way out; with the exception of westerns, they rarely catch on. The audience prefers contemporary settings. More foreign locales will be used as background for adventure series, imparting an educational touch to the perils encountered by red-blooded Government agents jousting with exotic female spies. Social drama has had a rough time—maybe because it hasn't been good—but NBC will try to pump vitality into it. And, as always, culture will be nurtured with whopping budgets.

The schedule offers something for everyone. If you disagree, I respectfully suggest you employ the best little program regulator ever invented, the forefinger and thumb. Grasp the switch of your set firmly, snap it off, and your message will come through loud and clear. Sponsors, like nature, abhor a vacuum.

UNCLE SAM WILSON OF TROY, N.Y.

Mr. JAVITS. Mr. President, on August 8, the Senate Judiciary Committee approved Senate Concurrent Resolution 14 which I am sponsoring with my colleague Senator KEATING, saluting Uncle Sam Wilson of Troy, N.Y., as the progenitor of America's national symbol.

During the past years, some persons have contended that this national symbol of the United States is archaic and should be disavowed. To accept these arguments would mean acquiesence in unfounded cynicism toward our Nation's traditions. Sam Wilson's life spanned the era in which our Nation was born and came to maturity. It is the embodiment of the values which have girded our Nation in all times of crisis. If we are to maintain our rich traditions of individual liberty and common strength, we should appreciate the symbol which is the emblem of those traditions. We must continue to make it clear that Uncle Sam stands as a symbol of freedom for all the peoples of the world.

The State of New York has already recognized the importance of the Sam Wilson legend. Governor Rockefeller has designated September 13 as Uncle Sam Day by proclamation. I ask unanimous consent that this proclamation be printed in the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

PROCLAMATION

For upward of a century the figure of Uncle Sam has stood throughout the world

as a symbol of our country, of the best in Americanism.

Uncle Sam was a New Yorker. His name was Samuel Wilson and he was one of the foremost merchants of Troy, and a supplier to our military forces. According to legend, his integrity was such that the initials "U.S." stamped on containers represent "Uncle Sam" or "United States."

In 1959 a joint resolution of the New York Legislature requested me to issue a proclamation in honor of Uncle Sam, which I was happy to do.

Now a subcommittee of the U.S. Senate Judiciary Committee has approved a bill in the Congress officially recognizing Samuel Wilson of Troy as our country's "Uncle Sam." Favorable action on this measure by the Congress would be a fitting affirmation of the principles of Americanism which Samuel Wilson personified.

Now, therefore, I, Nelson A. Rockefeller, Governor of the State of New York, do hereby proclaim September 13, 1961, as Uncle Sam Day in New York State in honor of the memory of Samuel Wilson Troy.

Given under my hand and the privy seal of the State at the capitol in the city of Albany this 1st day of August in the year of our Lord 1961.

NELSON A. ROCKEFELLER.

By the Governor:

WILLIAM J. ROAN,
Secretary to the Governor.

INTER-AMERICAN ALLIANCE-FOR-PROGRESS CONFERENCE

Mr. SYMINGTON. Mr. President, the Inter-American Alliance-for-Progress Conference now going on in Punta del Este, Uruguay, has focused attention on the efforts being made by this country to bring economic progress and development to our friends in Latin America.

The present debate in the Congress also underscores the efforts being made by the American people to bring a better life to people in all parts of the world; but while discussion of our foreign assistance program largely centers on expenditures, an increasingly important part of our assistance to underdeveloped nations is in the form of surplus food.

Since the beginning of the year, we have seen a great increase in the food-for-peace program and a demonstration of imaginative use of commodities which are in oversupply here in our own country but greatly needed many places abroad.

One of the techniques is the food-for-wages system which has already met with great success in several countries.

Mr. President, I ask unanimous consent that an article from the St. Louis Post-Dispatch, dated July 17, 1961, entitled "Surplus U.S. Food Creates Jobs in Underdeveloped Countries, Important Foreign Policy Tool," by Thomas W. Ottenad, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SURPLUS U.S. FOOD CREATES JOBS IN UNDERDEVELOPED COUNTRIES, IMPORTANT FOREIGN POLICY TOOL—COMMODITIES BEING USED FOR WAGES IN BOOTSTRAP OPERATIONS IN SEVEN NATIONS—SHIPMENTS STEPPED UP SIXFOLD IN FIRST 6 MONTHS OF THIS YEAR

(By Thomas W. Ottenad)

WASHINGTON, July 17.—Surplus American food, by helping to create jobs in underdeveloped nations is becoming an increasingly important tool in U.S. foreign policy.

Employed in a kind of bootstrap technique, excess commodities are being donated by the United States to pay part of the wages of foreign workers employed on economic development projects in their native country.

The objective is to enable these nations to help themselves by putting a greater number of their unemployed to work on public improvement works aimed at broadening the country's economic base and raising its living standards.

American food has been donated for this purpose for the past 4 years but only on a limited pilot basis. The program has been stepped up sharply by George McGovern, special assistant to the President and director of the food-for-peace program, since he took office last January. As a result, in the first 6 months of this year more than six times as much food was provided for partial wage payments on self-help economic development projects as was furnished in all of 1960.

The United States now has agreements to furnish food-for-wages to seven countries in Africa, the Middle and Far East. A multimillion-dollar pact is expected to be worked out soon with Brazil. Officials here say the program can be an important aid to President Kennedy's alliance-for-progress plan for aiding the development of Latin America.

The benefits that can stem from the food-for-wages technique were described graphically here by Howell V. Williams, a former Missourian. For the last 4 years he has been an economic adviser on the staff of the American foreign aid mission in Tunisia where the program originated.

"There has been a great change in Tunisia since this effort was undertaken," he related. "Before it started, people lacked jobs and the food they needed for subsistence. There was apathy and lack of interest.

"Now there is a veritable beehive of activity in the country. It has brought new spirit and hope to the people. It has had important, immediate social consequences as well as long-range economic results."

Unemployment in Tunisia, which in the past amounted to 30 percent of a labor force of about 1 million, has been cut by half. A total of 160,000 Tunisians now are working on undertakings where they receive part of their wages in American food. Since the program started in 1957, 6,000 projects, including reforestation, the clearing of land for farming, the building of farm ponds, small dams, irrigation canals, roads, bridges, schools, houses and medical dispensaries, have been undertaken. The United States has donated 400,000 tons of American wheat with a market value of $30 million to the program.

This is how American food is translated into wages: Wheat from the United States is processed by the Tunisian Government into semolina, a coarse wheat product that is a standard dish in north Africa. For 8 hours of work a laborer receives the equivalent of 50 cents in cash from the Tunisian Government plus about 3½ pounds of semolina. The food allotment is computed to be 30 percent of the worker's total pay. It is thus slightly less than the average daily wage of 90 cents earned by unskilled agricultural workers in Tunisia.

Williams, who was called here for discussions by American and Brazilian officials last week of plans for aiding the poverty-stricken and hunger-ridden northeastern section of Brazil, was enthusiastic about applying the food-for-wages approach in Latin America.

"From our preliminary discussions it appears that it could be extremely useful in Brazil," he remarked. "It should be especially adaptable to resettlement projects that the Brazilian Government is planning. It could provide part of the wages for workers employed in building the new communities that will be needed for persons being moved to new areas. It would have an immediate social impact."

Other advantages claimed for the program include the following: It is noninflationary since food payments do not create buying power, and it does not seriously affect normal food sales since it is designed principally for those who have been unemployed and unable to purchase through regular channels. From the U.S. point of view it provides a way of disposing of large quantities of unneeded surplus food stocks.

Based on his experience in Tunisia, Williams has a few words of caution about the program. To work well, he said, it must be aimed at countries where there is a labor surplus, where there is adequate storage for food shipments, where available American commodities are adaptable to local diets, and "most importantly, where the government involved sees the program as a major way of promoting its economic growth."

At last week's discussions with Brazilian representatives American officials offered surplus food for wage payments on migration, resettlement and development projects planned for Brazil's northeastern section. The volume of commodities to be donated will be determined later and will depend on the size of the undertakings worked out by Brazilian officials.

The final agreement is expected to be completed before the end of the year. Some American officials expect it to equal a similar program set up recently in Morocco, calling for more than $14 million worth of surplus American wheat.

This would be in addition to $14,474,000 worth of powdered milk, corn, beans, wheat flour, and lard which McGovern, announced Saturday would be furnished to Brazil in the next 12 months to feed mothers and children and to provide a reserve for emergencies.

President Kennedy indicated Friday that American food shipments to the Latin American nation may reach $137 million over the next 5 years. The food contributions would aid in meeting the cost of a $900 million economic development program planned by the Brazilian Government for the northeastern section of the country. Brazil itself will bear $500 million of the cost.

In addition to Tunisia, countries that have signed agreements to receive surplus American food for partial wage payments include Morocco, Afghanistan, Korea, Ethiopia, Tanganyika, and Iran.

Largest so far is with Morocco. The pact, concluded in May, calls for shipments of wheat valued at $14,300,000 to be used for partial wage payments to 200,000 workers to be employed on a variety of development programs similar to those underway in Tunisia.

The amount of food furnished by the United States for use as partial wage payments in foreign countries totaled 264,173 tons in the first 6 months of this year. This compared with only 43,763 tons shipped for such use in all of 1960, it was reported.

McGovern predicted a continued increase in coming months, noting that negotiations are underway with 26 additional countries to set up food-for-wage programs using American surpluses. He forecast that at least 1 million tons of surplus agricultural commodities will be donated to needy nations this year, compared with only 388,000 tons in 1959–60. Most of the increase, he added, will be accounted for by the expanded food-for-wages program.

CONGRESSIONAL FELLOWSHIP PROGRAM

Mr. SYMINGTON. Mr. President, I was absent from the city yesterday when the distinguished assistant majority leader and several other Members of the Senate paid tribute to the congres-

sional fellowship program, sponsored by the American Political Science Association, but should like to add to the remarks made at that time.

The program, which is now in its ninth year, has been a great success, due in large measure to the care with which the fellows are selected and the outstanding job done by the administrators of the program.

I am particularly proud that a young man who served as a congressional fellow in my office 2 years ago, Mark Ferber, has since that time served as director of the program. He has done an outstanding job, and I know I speak the feelings of many here in Washington in expressing regret at his departure, and our best wishes for a successful career in teaching.

I concur wholeheartedly in the comments made yesterday about the effective contribution which these men make to the operation of congressional offices.

The year spent in Washington under the program adds immeasurably to the knowledge and experience of these teachers and reporters of American Government. It enables them to be more effective interpreters of what actually happens here in the Congress.

It is my hope that the work of the congressional fellowship program will continue and that an increasing number of fine young men will be able to acquire detailed knowledge of legislative process while providing valuable assistance to the Members of the Congress.

DEATH OF GEN. WALTER BEDELL SMITH

Mr. HARTKE. Mr. President, on August 9, 1961, Americans lost a great, dedicated person to the causes of freedom. A Hoosier, the late Gen. Walter Bedell Smith, born at Indianapolis, Ind., devoted his life as soldier, statesman, and during World War II as an aide to the then Gen. Dwight D. Eisenhower.

The services of General Smith will be sorely missed, and in view of his death, so that all who read it may know of his accomplishments, I ask unanimous consent to have the obituary of General Smith printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOLDIER, STATESMAN, WAR AIDE TO EISENHOWER—W. BEDELL SMITH DIES EN ROUTE TO HOSPITAL

Gen. Walter Bedell Smith, tough-talking soldier-diplomat who was former President Eisenhower's top aide in World War II, died of a heart attack last night in an ambulance rushing him to a hospital. He was 65.

General Smith, who rose from a private to a four-star general and was later head of the Central Intelligence Agency and Ambassador to Moscow, had been in and out of the hospital for years.

A spokesman at Walter Reed Army Medical Center said General Smith's wife called late last night and asked for an ambulance. He said General Smith had suffered a heart attack at home. The general died en route to the hospital.

The spokesman said General Smith had been in the hospital only last July 30, when he spent the night there.

KEY ROLE

During World War II, General Smith played a key role in the Allied victory as General Eisenhower's Chief of Staff. It was General Smith who accepted the military surrenders of both the Italian and the German armies on General Eisenhower's behalf.

In the cold war, General Smith served successively as U.S. Ambassador to Moscow during the tense time of the Berlin blockade, as Chief of the Central Intelligence Agency, and as Under Secretary of State under the late John Foster Dulles.

On retiring from the latter post in 1954, the onetime Indiana National Guardsman became vice president of American Machine Foundry and later president and chairman of the board of AMF Atomics, Inc.

PRAISED BY IKE

Of Smith's wartime services, General Eisenhower once said: "He was a godsend—a master of detail with clear comprehension of main issues."

Mr. Eisenhower also said of General Smith: "Strong in character and abrupt by instinct, he could achieve harmony without appeasement and earned for himself an enviable standing throughout the armies and governments of Europe.

One army colleague once described him as "tougher than a 15-minute egg or a 25-cent steak" but then added: "He's a son-of-a-gun who gets things done."

Much of his reputation for short-temper was attributed to the fact he suffered for years from a gastric ulcer.

His toughness stood him in good stead as Ambassador to Russia. He took the post in 1946 when the Kremlin began turning fiercely against the free world.

CABLED MARSHALL

It was General Smith who had to negotiate with the Russians in an effort to end the Berlin blockade in 1948. At one point he cabled then Secretary of State George Marshall: "For God's sake, can't we get selective service going again. Something these guys can understand."

Congress later passed a draft law.

General Smith summarized his feelings about the Russian threat in his book "My Three Years in Moscow."

He wrote: "We are forced to a continuing struggle for a free way of life that may extend over a period of many years. We dare not allow ourselves any false sense of security. We must anticipate that the Soviet tactic will be to attempt to wear us down, to exasperate us, to keep probing for weak spots. And we must cultivate firmness and patience to a degree we have never before required."

General Smith lived at 4400 Garfield Street NW. His only survivor in his wife, Mary E.

PAUL C. JOHNSON

Mr. CURTIS. Mr. President, on August 6 a distinguished public servant has departed this life for a greater service in the life eternal. I join with all my colleagues in mourning the death and extolling the virtues of Mr. Paul C. Johnson, who for 61 years was employed by the Senate restaurant.

He was affectionately known as Paul to everyone. Paul was kind and he was gentle. He exemplified those Christian attributes of humility, kindness, gentleness, thoughtfulness, and a desire to serve.

Paul often worked under trying circumstances, amid rush and bustle for long hours, yet he retained his poise and his courtesy. He could not have done this had he not possessed such a noble disposition.

Paul was a friend of the individual who occupied an obscure position as well as a friend of the great and near great. He was a friend of the old, the young, and the middle aged. Yes, he was a friend of little children. No greater tribute can be paid to anyone in regard to his human relations than that he is a friend of little children. Those little ones will miss Paul.

I wish to extend to his family and loved ones my most sincere sympathy and commend them to the Divine Author of our creation in their hour of grief.

HEALTH SERVICES FOR MIGRATORY FARM FAMILIES

Mr. WILLIAMS of New Jersey. Mr. President, for many years now religious, charitable, and social organizations have been truly concerned about the plight of our migratory farmworkers and their families. The sincerity and determination with which they have met tremendous obstacles in attempting to improve the living and working conditions of these citizens make their accomplishments all the more impressive and commendable.

The constructive thinking and planning of a New Jersey voluntary health agency in ways to improve health services for and health conditions of migratory farm families have just resulted in another of these accomplishments.

An article in the Asbury Park (N.J.) Evening Times on August 1 gives an excellent account of a mobile family health unit recently purchased and equipped by the Monmouth County Organization for Social Service, which will extend health services to migratory farmworkers employed on Monmouth County farms beginning on August 14. This health unit, which has been made possible through a memorial fund donated to the organization, is the first of its kind in New Jersey. It was, therefore, with no little interest and pride that I noted the splendid progress which is being made in my home State.

The mobile family health unit's services will be available during the evening so that workers will not lose valuable working time in the fields. The article points out:

Physicians will be assigned by the State health department, which will also provide funds for additional nursing services required by the evening clinics.

Within the near future, a bill, S. 1130, which would improve the health conditions of and health services for migratory farm families will be brought before the Senate for consideration. One of the provisions of S. 1130 would authorize Federal grants to public or other nonprofit agencies, institutions, and organizations for conducting special health projects for migratory farmworkers and their families. This bill would aid organizations, such as the Monmouth County Organization for Social Service, immeasurably in providing the types of health services so urgently needed by migratory farm families, but so frequently unavailable to them.

Because the mobile family health unit established by the Monmouth County Organization for Social Service affords

an excellent example of one of the many programs which could be initiated under S. 1130, and because the health unit is a type of health service heretofore unavailable to migratory farm families, I ask unanimous consent that this informative article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MCOSS HEALTH UNIT WILL VISIT FARMS TO AID MIGRANT WORKERS

Monmouth County Organization for Social Service will extend its health services to migrant farmworkers by means of a mobile family health unit, which will go into operation on Monmouth County farms beginning August 14, Miss Winona E. Darrah, executive director of MCOSS has announced.

The organization, a voluntary health agency, has served migratory agricultural workers for years and the health clinics conducted by MCOSS have been open to these farmworkers. But taking the services to the camps where the migrants live and scheduling evening hours, Miss Darrah explained, will make it possible for the preventive health services to be more readily available to migrant families.

MCOSS has purchased and equipped a trailer—using a memorial fund donated to the organization. Physicians will be assigned by the State health department, which will also provide funds for additional nursing services required by the evening clinics. Dr. William J. Dougherty, director of the State health department's division of preventable diseases, has been working with Miss Darrah on plans for the mobile unit, the first of its kind in New Jersey.

Included in the services which will be made available will be Salk inoculations, tuberculin tests, diphtheria, tetanus and whooping cough shots. In addition, the regular services available to low income families at regularly scheduled MCOSS infant and preschool clinics in 20 locations throughout Monmouth County, also will be provided. The well baby clinics will be open to the migrant children for physical examinations and immunizations and will supplement the regularly established county clinics.

Where physical defects require other clinic facilities, the public health nurses will assist the families in obtaining the needed care.

Miss Darrah and Dr. Dougherty are working out a schedule for a 2-week period from August 14 to August 25, with the trailer and its medical and nursing crew spotted at strategic areas in the larger migrant camps throughout the county during the 2-week period. Hours of the clinics have been set for 7 to 9 p.m.

Farmers, crew leaders and other persons concerned with agriculture are being contacted to assure maximum use of the new health facilities, Miss Darrah said.

"We are happy to be able to take these services to the people who work on the Monmouth County farms and are unable, because of their working hours and travel difficulties, to take advantage of our regularly established services. We are counting on the cooperation of the workers themselves, the farmers, officials and others in the rural areas, to make this venture a success. This represents a broad concept of preventive health services."

AMERICAN JEWISH COMMITTEE COMMENDS POPE JOHN'S SOCIAL ENCYCLICAL

Mr. HUMPHREY. Mr. President, I ask unanimous consent that an excellent statement by the American Jewish Committee supporting the recent social encyclical issued by Pope John XXIII be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY DR. JOHN SLAWSON, EXECUTIVE VICE PRESIDENT, AMERICAN JEWISH COMMITTEE ON POPE JOHN'S ENCYCLICAL

The American Jewish Committee, together with people everywhere who are deeply concerned with the future of Western, and indeed, all human civilization in this nuclear-missile age, joins in applauding the great encyclical just proclaimed by His Holiness Pope John XXIII.

At a time of rapid and global social, political, and technological change which increasingly appears to reduce the significance of the individual human being in the scheme of life, the repeatedly vigorous reaffirmations by Pope John of the "sacred dignity of the individual" and of "human solidarity and brotherhood" constitute a resounding moral injunction to which every man, whatever his creed or tradition, can unhesitatingly respond.

To members of the Jewish community and religion, there are many teachings in this courageous and far-visioned encyclical regarding the social and economic order which evoke a particular sympathy because their spirit and expression are so profoundly imbued with the ancient biblical and prophetic zeal for social justice.

As Americans, as Jews, and as an organization dedicated to helping improve human relations between people of all faiths and races throughout the world, it is our sincere hope that the high moral principles and practical recommendations embodied in this historic declaration will find their way into the hearts and practices of all the members of the human family.

JULY 20, 1961.

IMPACTED SCHOOL AID PROGRAMS

Mr. ENGLE. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I have prepared with respect to the extension of the so-called impacted-areas school legislation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ENGLE

The Senate Committee on Labor and Public Welfare has today ordered reported S. 2393, a bill introduced on Wednesday by Chairman LISTER HILL and Education Subcommittee Chairman WAYNE MORSE to extend for 1 year the expired provisions of programs of Federal assistance to impacted school districts.

California has an enormous stake in these programs. Over 600 of our school districts have been receiving payments for operating expenses and school construction under Public Laws 874 and 815. These funds have been made available in recognition of the Federal Government's obligation to help meet the expense of educating boys and girls whose parents live or work on tax-free Federal property. State and local resources simply cannot meet the heavy additional costs of these swollen enrollments.

Earlier this year I introduced S. 1078, a bill to make these programs permanent. In passing S. 1021, the School Assistance Act of 1961, the Senate provided for their extension for 3 years beyond their June 30, 1961, expiration date. I have taken the position that Congress should enact general school aid legislation, as well as legislation to meet our responsibilities to the impacted school districts. I have many times stated that education is a national problem, that the effects of substandard education go beyond the limits of any State or locality. Control of education, of course, should remain in local hands.

I would like to see general school aid, impacted aid, and the National Defense Education Act extension passed at the present session of Congress. Unfortunately, the difficulties surrounding school legislation in the House of Representatives are such that prospects are dim for final action this year.

Accordingly, I am lending my vigorous support to and ask unaimous consent to sponsor S. 2393, the urgent measure to renew the expired provisions of Public Laws 874 and 815. Its passage will enable our school districts to go ahead with planning for the school year opening next month. They have been hampered in hiring teachers and overall budget preparations by the lamentable lapse of these laws.

The American people can make no sounder investment in the future than the investment in education. I will continue in the years ahead, as I have in the past, to give my wholehearted support to proposals for the betterment of our schools.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

FOREIGN ASSISTANCE ACT OF 1961

The PRESIDING OFFICER (Mr. HICKEY in the chair). Without objection, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward social development and internal and external security, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia [Mr. BYRD].

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. Do I correctly understand that last night unanimous consent was obtained to consider all the Byrd amendments en bloc?

The PRESIDING OFFICER. The Senator is correct.

EXECUTIVE SESSION

Mr. SMATHERS. Mr. President, I move that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDING OFFICER. If there be no reports of committees, the nominations on the Executive Calendar will be stated.

U.S. MARSHAL

The Chief Clerk read the nomination of George A. Bukovatz, of Montana, to be U.S. marshal for the district of Montana.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

ASSISTANT SECRETARY OF THE ARMY

The Chief Clerk read the nomination of Finn J. Larsen, of Minnesota, to be Assistant Secretary of the Army.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

ARMY NATIONAL GUARD

The Chief Clerk proceeded to read sundry nominations in the Army National Guard.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the nominations down to and including Lt. Col. Chester James Moeglein be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered; and the nominations down to and including Lt. Col. Chester James Moeglein are confirmed en bloc.

U.S. AIR FORCE

The Chief Clerk proceeded to read sundry nominations in the Air Force lying on the Vice President's desk.

Mr. SMATHERS. Mr. President, I ask that the nominations in the Air Force lying on the Vice President's desk be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered; and without objection, the nominations in the Air Force are confirmed en bloc.

Mr. SMATHERS. Mr. President, I ask that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. The President will be notified forthwith of the confirmation of the nominations.

LEGISLATIVE SESSION

Mr. SMATHERS. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

ANTI-COMMUNIST SEMINAR IN PANAMA CANAL ZONE

Mr. THURMOND. Mr. President, I ask unanimous consent that these remarks may be printed in the RECORD prior to debate on the Foreign Assistance Act of 1961.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina? The Chair hears none, and it is so ordered.

Mr. THURMOND. Mr. President, on July 26, 1961, I outlined and documented the facts of a concerted campaign to discredit, intimidate, and muzzle the military leaders of our Nation. As I pointed out at that time, this campaign apparently began in this country with the Communist Party U.S.A. and its publication, the Worker. Among the articles I have placed in the CONGRESSIONAL RECORD on July 26 from the Worker was one dated June 4, 1961, entitled "Military Discusses New Move." This article constitutes a flagrant attack on the top military leadership of our country. Among those named are Lt. Gen. Arthur G. Trudeau, Chief of Research and Development of the Army; Adm. Arleigh Burke, recently retired Chief of Naval Operations; and Gen. Maxwell D. Taylor, military adviser to the President. Included in the attack were also Mr. William C. Sullivan, chief inspector in the Federal Bureau of Investigation, and Mr. Lyman B. Kirkpatrick, Jr., inspector general of the Central Intelligence Agency.

Subsequent to the Worker articles, the campaign was continued in an article by Cabell Phillips in the New York Times of June 17 and in such publications as the Washington Post and Times Herald, the Reporter, and the Bulletin of the Atomic Scientists. It also has taken the form of pamphlets and, in one instance, a memorandum which originated on Capitol Hill, according to the press. This campaign continues to give this smear campaign priority, first-page treatment. I ask unanimous consent that one of the articles appearing in the August 6, 1961, issue of the Midwest edition of the Worker entitled "Strategy Seminar Violates Ban on Propaganda Generals" be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina? The Chair hears none, and it is so ordered.

(See exhibit I.)

Mr. THURMOND. Mr. President, I am convinced from the facts which have come to my attention that this campaign to intimidate our military leaders and to prevent them from participating in patriotic efforts to alert the American people to the total menace of communism is a part of an overall anti-anti-Communist effort originating with the Communist Party, U.S.A., in which they have the enthusiastic cooperation of the Marxist Socialists in our country and many others who, wittingly, cooperate and advance the purpose and goals of the Marxist-Socialists-Communists.

The very existence of such a campaign is alarming, but the evidences of success of the campaign, particularly as it applies to the intimidation of military officers in their attempts to combat the menace of communism and the cold war creates a clear and present danger to our national security which cannot and must not be allowed to continue.

Indications that the campaign to muzzle military personnel and to encumber their effectiveness against communism increase daily. As far back as March 10, 1961, a memorandum was issued by the Office of the Secretary of Defense prohibiting the use of the film "Operation Abolition," by the services for training of military personnel.

As I pointed out in a Senate floor speech on July 31, both the Army and the Navy had been using many copies of the film "Operation Abolition" as a prescribed official training film. Subsequent to the memorandum of March 10, 1961, the film was withdrawn as an officially prescribed training film by the Army and the Navy and put on the shelf. There is no question but that "Operation Abolition" was officially and effectively barred as a training film for military personnel by this memorandum of March 10, 1961.

This memorandum professed to ban only official use of the film of which the services had procured and previously used a number of prints, both officially and unofficially. The effect of the memorandum, however, and the manner of its implementation by the Department of Defense, has effectively curtailed, if not altogether discontinued, the use of the film by or for military personnel, either on an on-call basis or—for that matter—any purpose.

Subsequently, on April 21, 1961, another memorandum was issued by the Office of the Secretary of Defense banning the use or procurement by the services of a narrated film strip, "Communism on the Map."

The film "Operation Abolition," is a documentary account of the riots against the House Un-American Activities Committee in San Francisco, Calif., in the spring of 1960. The film strip, "Communism on the Map," is a documentary appraisal of the worldwide progress of the Communists since 1917. Both are hard hitting and revealing concerning the tactics and nature of communism. I am advised that the Department of Defense is in the process of preparing its own films to replace those it has banned.

One of these films prepared for use by the Department of Defense is completed. It is entitled "Challenge of Ideas." As I previously stated, I have viewed that film and regard it as "gutless" and without punch, and certainly no substitute for such films as "Operation Abolition," "Communism on the Map," and "Communist Encirclements—1961." This latter film is an updated version of "Communism on the Map."

More evidence of success for the campaign to gag our military leaders is embodied in the Department of Defense Directive No. 5122.5 dated July 10, 1961, which defines the scope of duties and authority of the Assistant Secretary of Defense for Public Affairs. The change in duties of this Assistant Secretary of Defense is subtly worded, but pregnant with powers of censorship. I have had this directive and the one it superseded printed in the July 26 RECORD on pages 13605–13606. It constitutes the means for a tight gag on statements of military personnel. Even before the directive was issued, strict censorship had crept into the Department of Defense, as it has into other branches of our Government.

In the U.S. News & World Report dated August 14, 1961, in an article entitled "A Furor Over Muzzling the Military," it is reported that officials in the Pentagon are writing more directives to limit discussions by military officers. These concrete steps by the military are

subtle in themselves, but the effectiveness of their subtlety is greatly reinforced by such news reports as the statement by Cabell Phillips in his June 18 article in the New York Times, which stated, after alluding to the official "admonishment" of Maj. Gen. Edwin A. Walker, the following:

> High officials at the Pentagon have said that they hope this example will have a restraining effect on other military men whose zeal in the same cause has been creating mounting embarrassment for them.

In practical effect, such hints are about as subtle as the blunt side of an ax when measured as to impact on an officer whose whole professional career is at stake. Our military leaders are courageous and patriotic, and undoubtedly there are many who will without hesitation place the welfare of the Nation first, even at the risk of their careers of service. Many of these officers have proved time and again their willingness to sacrifice, not just their careers, but their lives if necessary. In this instance, however, only the vilest of the vile would put our military leaders to such a choice.

Mr. President, the successes of the gag-the-military campaign, which I have described, are of general and broad application, for the most part. Unfortunately, the successes of the campaign are evidenced by specific instances of absolute frustration of the efforts of our military personnel to combat the Communist aggression.

It would be difficult in this period to single out one area of the world in which the immediate threat of the Communist menace is preeminent. The situation in Berlin is crucial. We are in the midst of a vital struggle to prevent the overrunning of southeast Asia by communism. The danger in these areas cannot be relegated to a secondary position.

Neither, however, can the threat of communism in Central and South America, right in our own backyard, be relegated to a secondary place. Communism has gained a foothold in this hemisphere in the form of a satellite ruled by the Sino-Soviet Communist dictator, Castro. In the struggle that continues in Central and South America, the freedom or subjugation of many countries hangs in the balance.

The seriousness which we attach to the threat of communism is illustrated by the President's proposed alliance for progress, which was presented to a conference with Central and South American Governments in Montevideo this week and which is still in progress. Our Government has announced a plan to finance the alliance for progress for the benefit of Central and South American countries at up to $20 billion in credits. This illustrates to some extent, although not to the extent it deserves, the importance of combating and defeating the Communist aggression in Central and South America. It is no secret that the Communists have made great inroads through subversion and propaganda in many Latin American countries. We face a difficult task in meeting this challenge, and no weapon or device which promises a good chance of repelling or rolling back the Communist assaults in the Western Hemisphere should remain unused.

Mr. President, our military leaders are not blind to the threat and assaults of communism in South and Central America, nor are they insensitive to their obligation to support and defend the Constitution of the United States and their country.

There are now and have been for some years a number of Americans citizens who are employed and reside in South and Central American countries. These individuals possess unique knowledge of the countries in which they live and are in daily contact with the business leaders and press, and government officials of the Latin American countries in which they live and work. They speak the language and know and understand the people.

Many of these Americans living abroad within our hemisphere are Reserve officers in our military services, a great number of them having served on active duty in wartime. Their residence and employment outside the United States have not dimmed nor diminished their desire and willingness to serve their country in any way that they can be of service.

In 1960, military officers conceived an idea to call some of these Reserve officers to active duty in the Panama Canal Zone for a 2-week period of intensive briefing concerning the Communist threat, in order to make these Reserve officers more aware of Communist tactics and methods so that they might recognize them. The unique potential for service to the United States of these Reserve officers is obvious. Once alerted and trained to recognize Communist tactics and moves, these Reserve officers would be in an excellent position both to offset Communist propaganda and keep our country informed as to the moves of the Communists and the reactions of officials and citizens in the particular Central or South American country in which they reside.

Approximately 100 officers were therefore called to active duty in the Panama Canal Zone for 2 weeks in 1960 and given an intensive course of instruction. Mr. President, this program, although limited in size, and in the nature of a pilot program, was tremendously successful.

In 1961, the military services of the United States proposed to repeat the 2-week seminars for Reserve officers residing in South and Central American countries on an expanded basis. It had great promise of success and, heaven knows, we needed it.

Mr. President, we hear much about the necessity for new ideas in meeting the Communist threat. We spend millions to obtain intelligence information concerning the efforts of our enemies—the Communists—going on in every country on the globe. We also spend a fortune through the U.S. Information Agency in an effort to present an unbiased and factual picture to the nations of South and Central America on the conflicts between our system and communism. Our military services, through their idea for seminars for these Reserve officers living in South and Central America, provide a refreshingly new approach, at once both uniquely effective and inexpensive. It is beyond my comprehension that there could be objections to such an endeavor. Mr. President, I regret to report that the planned and scheduled seminar in Panama for 1961, to alert Reserve officers living in South and Central America to the menace and tactics of communism, and to their peculiar opportunities for service, was frustrated by virtue of a subtle modification of a Defense Department directive. This was done after the so-called Fulbright memorandum was presented to the President and the Secretary of Defense. This planned seminar could not be repeated on any basis in 1961. The military directives to which I refer are classified but can be easily checked by a duly authorized investigation directed by this body. Mr. President, this is one example of what gagging the military is doing to frustrate our efforts to combat the Communist menace, not only internally, but externally—in our own backyard—in an area of the world particularly sensitive today to the threat of world communism.

Mr. President, this is but one instance of the success of the conspiracy to gag the military, which itself is a part of an overall anti-anti-Communist campaign. There are many other instances, equally or more frustrating, to our efforts to thwart communism. I shall continue to discuss this matter and point out such instances in the days to follow.

Mr. President, this campaign to intimidate, discredit, and frustrate our military officers in their efforts to combat communism must be reversed and defeated. If it is allowed to continue, our security will be just as seriously impaired as it would be were the weapons of our Armed Forces to be taken from them, bit by bit, and locked in warehouses. We cannot win the war against the Marxists with one hand tied behind our backs. When we succumb to this insidious campaign to muzzle our military leaders, we are weaving the thongs for our own bondage. The efforts of the anti-anti-Communist conspiracy must be nullified; and the primary weapon with which we have to fight is information concerning the total nature of the Communist menace. Now is the time to increase, not diminish or impair existing programs to alert the American people, in uniform and out.

EXHIBIT I

STRATEGY SEMINAR VIOLATES BAN ON PROPAGANDA GENERALS

(By Sam Kushner)

KANSAS CITY, MO.—Are the Armed Forces whipping up support for a war policy in spite of the July 20 directive of the Defense Department which orders military personnel to get out of the propaganda business?

And is the Institute for American Strategy, an amalgam of military leaders, major industrialists and right-wing reactionaries, still a major vehicle for this poisonous propaganda as it has been since 1955?

The answer to both of these questions is yes, as one views the strategy seminar going on at Fort Leavenworth, 30 miles from Kansas City.

At the Command and General Staff College at Fort Leavenworth, 300 military men attended a 3-day seminar where they heard Dr. Paul Lineberger of Johns Hopkins University recall the intervention of the Marines in Mexico, Haiti, and the Dominican Republic and suggest that the time is ripe for similar action against Cuba.

The seminar, under the auspices of the Institute for American Strategy and the Freedom Foundation of Valley Forge, is the first being held since the Defense Department directive was issued, and some new trimmings have been added to get around the military order.

The Freedom Foundation, closely linked with rightwingers, is now trotted out as a cosponsor for the seminar.

Maj. Gen. Harold K. Johnson, commandant of the staff college, in welcoming the seminar, took verbal cognizance of the Defense Department order, but said he had received clearance from higher authorities to hold the seminar under sponsorship of the two organizations. He stressed that "no one of us on the administrative side of this seminar is running for office."

To further circumvent the military directive, Col. William R. Kintner, from the office of the Army's Deputy Chief of Staff for Operations, wore civilian clothes when he made his speech on July 28, the first day of the 3-day seminar.

Tipping his hat to the direction of the military directive, the colonel criticized the Birch Society.

But his main fire was aimed at "the extreme liberals who say that if we could just solve our internal problems the threat of communism would go away."

But all were not as temperate as the colonel. Dr. Lev E. Dobriansky, of Georgetown University, a favorite of refugee groups from Socialist countries, did not hide his war sentiments. He called for concentrating against the Soviet Union.

Another speaker, Eugene Lyons, senior editor of the Reader's Digest, called for intervention in the internal affairs of the Socialist countries.

"Instead of waiting passively for them to harass us we should begin to harass them," Lyons declared.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. SMATHERS. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, the time for the quorum call not to be deducted from the time allotted to either side.

Mr. PASTORE. Mr. President, reserving the right to object, may I ask the distinguished acting majority leader if this will be a live quorum?

Mr. SMATHERS. It is not the intention of the acting majority leader to ask for a live quorum.

Mr. PASTORE. I withdraw my reservation of objection.

Mr. COTTON. Mr. President, reserving the right to object—and I shall not object—I expect to be in the Chamber during the day. If the 7 hours allocated for debate on the Byrd amendment is to be doled out, and there is to be a repetition of this practice, I certainly shall object, because I shall have to travel all night in order to fulfill an engagement tomorrow.

Mr. SMATHERS. I assure the Senator from New Hampshire that everyone desires to finish action on the amendment of the Senator from Virginia as soon as possible. The purpose of suggesting the absence of a quorum is merely to alert Senators that the Senate is about to proceed to the consideration of the Byrd amendment.

Mr. President, I renew my request that there be a quorum call, the time for the quorum call not to be deducted from the time of either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of Virginia. Mr. President, I yield myself 15 minutes.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 15 minutes.

Mr BYRD of Virginia. Mr. President, the foreign-aid bill has been before the Senate since Friday of last week. The pending question is on agreeing to the amendment designated as "7-28-61—A." The text of the amendment has been available since July 28, when, with a statement of explanation, it was published in the CONGRESSIONAL RECORD, beginning on page 13905.

The amendment is in four parts; but, by action of the Senate on yesterday, they will be considered as one. The last three parts may be considered as technical, and incidental to the first. The amendment as a whole applies only to the Development Loan Fund; and, with respect to the Fund, it would change the provisions for capitalization.

When the Marshall plan for foreign aid was proposed in 1946, the country was told it would be for 4 years and about $16 billion. Through June 30, 1961, U.S. foreign-aid expenditures had reached a gross total of $90.8 billion.

Now, after more than 15 years of passing out money around the world, the Senate Foreign Relations Committee report on S. 1983 says the main purpose of the pending legislation is to give "a new direction" to foreign aid which is entering a "new phase."

For this "new phase" the committee bill would promote long-term, poor-risk loans to assist peoples of the world in social and economic development. The original 4-year $16 billion program has now run to 15 years and $91 billion. How long will this "new phase" run?

As a starter for this new program of so-called development loans, the present bill would set up an $6.8 billion, 5-year plan. This would be in addition to billions more contemplated for the continuation of grants programs, which have been most largely used in the past.

All of the money for the new 5-year plan would come through the back door, outside of effective annual appropriation control; and full cost would be charged directly and indefinitely into the public debt of the United States.

Under the terms of the bill, every dollar to be loaned under the new program must be raised from the sale of bonds or the issuance of some other form of interest-bearing debt. Appropriations would not be used. If there were a revenue balance in the general fund, it could not be used for this purpose.

These billions of dollars derived from increasing the debt of the United States would be used to make so-called loans to "less developed countries and areas"; and the committee report on page 8 states:

> Interest rates as low as 1 percent are contemplated, and some loans will probably be interest free. Terms of repayment up to 50 years will be permitted, in some cases with no repayment of principal for initial periods up to 10 years.

Interest on Federal debt, as it would be created by this bill for the loan program alone, computed at 3 percent, compounded annually for 50 years would total $29.7 billion. This would be nearly three and a half times the principal. That is to say, Mr. President, inasmuch as all of the $8.8 billion, which would not be appropriated in the regular course, must be borrowed at about 3 percent interest, if no interest is received from the countries to whom the loans are granted, the compounded interest on the loans made by our Government will be $29.7 billion.

Mr. DIRKSEN. Mr. President, will the Senator from Virginia yield?

Mr. BYRD of Virginia. I yield.

Mr. DIRKSEN. I wish to be sure I correctly understand the Senator from Virginia. Does he say that if we made the loans at zero interest, and inasmuch as the $8.8 billion would be a public-debt transaction, and the interest on the $8.8 billion would be compounded, and the loan would run over a 50-year period—assuming that the bonds to be issued would run that long—the interest would be $29.7 billion, or substantially three and one-half times the amount of the original loans?

Mr. BYRD of Virginia. The Senator from Illinois is exactly correct. The interest will be 3½ times the principal. I wish to make clear that under the provisions of the bill, even though there might be a revenue balance in the Treasury, it could not be used for this purpose, because the bill specifically directs that the President shall borrow the money. Appropriations would not be authorized under the bill.

This calculation admittedly does not take into account any repayments, and the reason for this is obvious. There is no estimate as to the rate or time the Treasury would receive repayments for use in retirement of the debt to be created.

The bill provides that, in receipt for the funds he supplies for these loans, the Secretary of the Treasury would be given notes of "such maturity" and such "other terms and conditions" as the President may determine.

This is intended to be a loose and flexible program of long-term, poor-risk loans, financed by interest-bearing indebtedness. The committee report says there will be flexibility reflecting capacity of the recipient country to service its debts.

We all know that too much of the debts are not going to be repaid, because the committee report states that probably no interest will be charged—as is intended—or that if any interest at all is charged, it will be only 1 percent, and that the loans will run for 50 years.

Using the full amount of interest-bearing indebtedness authorized for the loan program as the basis, 3 percent interest compounded annually would range from $35.5 million in the current fiscal year to more than $1 billion in the year 2011—that is, on a 50-year basis.

On the same basis, interest costs would equal the $8.8 billion principal in about 25 years, and the interest would average nearly $600 million a year for the 50 years between now and the fiscal year 2015.

The committee bill would apply provisions of the Government Corporation Control Act to the program and would treat it as a business-type activity. Actually, it is difficult to stretch the description of either a corporation or a business-type activity to it.

The bill would repeal existing language designating the Development Loan Fund as a corporate entity. The only resemblance to a business-type agency would be the authority to make loans, and these would be to "less-developed countries and areas."

The nature of these loans has been described not only by the Foreign Relations Committee in its report on the bill, but also by "representatives of the executive branch," who, on page 14916 of the CONGRESSIONAL RECORD of August 7, are quoted as saying:

> The recipients may have some difficulty in repaying in dollars, unless the terms of the loans are adjusted to meet their requirements. Because of the foreign exchange positions of the recipients, it may be considerable time until dollar repayment can be made.

If this development loan program is treated as a business-type activity and is financed with the proceeds from the sale of bonds and other forms of interest-bearing public debt, it will avoid the practical and unobstructed fiscal controls provided by the regular annual appropriation procedure.

This is a primary objective of those advocating the new development loan program. But provisions in the bill for the organization, status and lending operations of the Fund give it the appearance of something far removed from a sound business-type agency.

Actually, the Fund would have all of the characteristics of another Federal bureau, but authorized to increase the debt of the American people up to $8.8 billion for the purpose of making grants in the form of loans, with few, if any, strings attached.

Effort has been made to compare this activity with past and present Government corporations and business-type agencies. This cannot be justified. Generally, the loans by the other agencies have been made in the United States, framed in some measure by U.S. standards, and secured by relatively good collateral.

If the loans by this Fund are going to be for up to 50 years, with no payment on the principal for 10 years, if at all, and interest at 1 percent, or no interest at all, they may as well be regarded as grants from the outset, and provided for accordingly with regular appropriations.

The pending bill itself would authorize nearly $5 billion in new dollar appropriations for grants—including the 2-year authorization for military assistance—in addition to the $8.8 billion for the Development Loan Fund.

Since the beginning of U.S. foreign aid, following World War II, the Congress as a general rule has taken the sound position that these programs involve tremendous sums of money and broad foreign and domestic implications which require the annual fiscal control inherent in the appropriation process. But with respect to development loans that are set aside in this bill.

I find no reason sufficient to justify funding these development loans in a manner which would place them in a preferred position where appropriation control could and would be obstructed and impracticable. I am inclined to think this activity may require exceptional control and exceptional investigation by the Congress, as the program progresses. Under this bill, these expenditures are authorized for 5 years, without an appropriation by Congress.

Vital military procurement, including missile, aircraft, and ship construction, is financed through the appropriation process. Military departments are willing to justify their expenditures annually. Public works and social programs at home are financed with annual appropriations.

Looking to the future, the Foreign Relations Committee report on the pending bill makes these statements:

Foreign aid has entered a "new phase."

The main purpose of this bill is to give new direction to the foreign-aid program after we have already spent $91 billion on this program.

The stress of the program is shifted to development loans.

Long-term financing becomes available to the new AID agency.

Less emphasis is placed on and fewer funds are granted to direct support programs.

These are statements made by the committee.

The Foreign Relations Committee is serving notice that the present effort to fund foreign aid outside of the regular appropriation procedures, and to finance it directly and indefinitely with proceeds from the sale of bonds and other forms of interest bearing debt, is only the beginning.

These quotations from the committee report indicate clearly that if the door is opened to such loose fiscal control with respect to the new Development Loan Fund, the efforts will be continued and redoubled to remove the restraints of the appropriation procedure from all foreign aid.

Foreign aid spending availability provided and continued in the pending bill for fiscal year 1962 totals $11.6 billion. Assuming the loan fund authorizations in the bill, appropriations at the level proposed for the current year, and other funds available, foreign aid over the next 5 years is certain to cost at least $35 billion.

Combine expenditures of such magnitude with exemption from the discipline of appropriation restraint, and the tremendous delegations of authority and authorizations to disregard existing laws which are contained in the pending bill—and the implications of Foreign Relations Committee's warning can be seen.

The bill contains 51 delegations of discretionary powers to the President with respect to foreign aid, and 18 authorizations to disregard existing law. They are set forth, with citations to page and line in the bill, in the CONGRESSIONAL RECORD of Friday, July 28, beginning on page 13906, as inserted by the Senator from Virginia.

I shall repeat only one of them at this point. I quote directly from the bill, beginning on line 24 of page 4:

> The President is authorized to make loans payable as to principal and interest in U.S. dollars on such terms and conditions as he may determine.

It is true that most of the discretionary powers given to the President and his foreign-aid appointees in this bill—like most of the authority to disregard existing laws—have been granted, in some form or another, in previous foreign-aid bills. But this bill is different.

The PRESIDING OFFICER. The time the Senator has allotted himself has expired.

Mr. BYRD of Virginia. Mr. President, I yield myself 5 additional minutes.

Previous foreign-aid bills have been on a year-to-year basis. The heart of this bill is a 5-year plan which could only increase the Federal debt while avoiding effective appropriation control; and there is clear indication that this is the intended direction of a new phase in foreign aid.

I submit, the Congress of the United States has an overriding responsibility to maintain continuing and effective control over such a combination of money and power as this bill would establish and lead to. The people of this Nation are entitled to the full measure of this protection.

The Federal debt now exceeds $290 billion. We have recently raised the statutory debt ceiling to $298 billion. Interest on the Federal debt is costing around $9 billion a year. Total debt—public and private—in the United States is in excess of $1 trillion.

The Federal Government ended the past fiscal year on June 30 with a deficit of nearly $4 billion.

I make the confident prediction that the deficit in the current fiscal year will be not less than $8 billion, and perhaps more.

Proposals passed and pending in the present Congress, on top of existing pro-

grams, within a relatively few years could raise Federal expenditures to nearly $100 billion a year.

We are in a situation which demands tremendous increase in expenditure for military preparedness. This is no time to relax control over any public spending, or to increase the public debt unnecessarily for any purpose; and I do not except foreign aid.

Military preparedness has no power in insolvency. Foreign aid has little value as an instrument of foreign policy if it contributes to the impairment of the Nation's fiscal integrity. The hope of free nations in the world today depends mainly on the financial soundness of the United States.

The cost of foreign aid has already been tremendous. It is almost certain to increase in the future. Under present volatile conditions there is every reason to keep it under the strictest surveillance and control of the best combined judgment available in the Government.

This purpose would not be served by the committee proposal to finance development loans through the back door. Congress wisely has rejected this proposal on two previous occasions. It was killed by the House of Representatives in 1957, and by the Senate in 1959.

The validity of this technique, while it has been used in some instances, has always been questionable, and under the shadow of article I, section 9 of the Constitution, which says:

> No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

Representative CLARENCE CANNON, chairman of the Appropriations Committee in the House of Representatives, has described the practice of evading appropriation control by use of authority to spend from the debt as "reprehensible." I agree with him.

I have opposed the practice in the past, I oppose it here, and I am offering the pending amendment which would substitute the unquestionable and time-tested appropriation procedure.

All my amendment does, while permitting an authorization for 5 years, is to require annual appropriations, as has been the general practice for foreign-aid expenditures made in the past, and as has been the general practice in all expenditures of the Government.

The amendment would not disturb the establishment of the new Development Loan Fund or its purposes; it would simply change the method of financing it. It would give Congress the right to look over the program every year. It would eliminate the provisions for expenditure from public debt receipts, generally referred to a back-door spending, and substitute orderly authorizations for annual appropriations.

The amendment would authorize annual appropriations over the same 5 fiscal years, 1962–66; and the authorizations for appropriated funds in each year would be in precisely the same amounts as the bill would authorize annually in expenditures out of the debt. Annual appropriations, of course, could be lower than the annual authorizations.

By its nature, the amendment provides a continuity of authorization which, with reasonable assurance, could be used for advance planning; there would be sufficient flexibility for use of the program as an instrument of foreign relations; and orthodox practices in our system would be met.

I hope the amendment will be agreed to.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement entitled "Discretionary Powers," and one entitled "Disregard of Other Laws," and two tables, one entitled "Interest on Development Loan Fund," and the other entitled "Spending Authority for U.S. Foreign Aid Programs Provided in S. 1983."

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

DISCRETIONARY POWERS

Granting the President broad discretionary powers, the bill would authorize him to:

1. Page 5, line 1: Make development assistance loans "on such terms and conditions as he may determine."

2. Page 6, line 20: Borrow money from the Treasury through public debt transactions with such maturities and other terms and conditions as he may determine.

3. Page 9, line 10: Establish a Development Loan Committee consisting of officers from such Federal agencies as he may determine.

4. Page 10, line 7: Make development assistance grants on "such terms and conditions as he may determine."

5. Page 11, line 16: Use development assistance grant funds for Atoms for Peace program on "such terms and conditions as he may determine."

6. Page 12, line 1: Use development assistance grant funds and foreign currencies for schools and libraries abroad founded or sponsored by U.S. citizens, "on such terms and conditions as he may specify."

7. Page 12, line 10: Use foreign currencies for grants to hospitals abroad founded or sponsored by U.S. citizens "on such terms and conditions as he may specify."

Issue "all risk" guarantees for U.S. investments abroad, and to determine:

8. Page 15, line 1: (a) where such action is important;

9. Page 15, line 9: (b) the nature of the risks;

10. Page 15, line 10: (c) terms and conditions of the guarantees.

11. Page 16, line 13: Charge fees for guarantee of U.S. investments abroad in amounts to be determined by him.

12. Page 23, line 13: Conduct research into development assistance including such aspects as he may determine.

13. Page 23, line 25: Make grants to international organizations and their programs on such terms and conditions as he may determine.

14. Page 26, line 23: Waive provisions of law requiring use of U.S. vessels in making shipments to Indus Basin development program if he determines it to be necessary.

15. Page 27, line 7: Make grants to support or promote economic or political stability "on such terms and conditions as he may determine."

16. Page 27, line 21: Use his contingency funds when he determines such use "to be important to the national interest."

17. Page 30, line 19: Furnish military assistance "on such terms and conditions as he may determine."

18. Page 30, line 21: Furnish military assistance to any country or international organization when he finds it to be "in the national interest."

19. Page 32, line 18: Consent to exceptions to the conditions of eligibility established for recipients of military assistance.

20. Page 35, line 1: Sell Department of Defense military stocks directly to foreign governments and allow delayed payments as he determines up to 3 years.

21. Page 36, line 24: Use up to $200 million a year in Department of Defense military stocks in advance of military assistance appropriations if he determines it "to be vital to the security of the United States."

22. Page 38, line 3: Determine when internal security requirements are not to be the basis for Latin American military aid.

23. Page 41, line 18: Procure materials outside the United States for purposes of the act unless he determines it would adversely affect the U.S. economy.

24. Page 42, line 25: If he judges it to be in the best interest of the United States, retain any foreign-aid article or make it available to any U.S. Government agency he may determine.

25. Page 45, line 4: Allow any U.S. agency to provide goods and services for foreign governments, etc., on an advance or reimbursement basis, when he determines it to be in furtherance of economic development purposes.

26. Page 49, line 4: Determine amount of foreign currency to be made available for U.S. uses from "special accounts" of counterpart funds in foreign countries.

27. Page 50, line 4: Allow transfer of grant funds among programs up to 10 percent whenever he determines it to be necessary.

28. Page 52, line 17: Determine the amounts of foreign currencies excess to regular U.S. Government requirements which are available for economic and social development purposes.

29. Page 54, line 8: Use up to $250 million a year in military assistance funds and Department of Defense stocks in advance of appropriations, all other laws and requirements to the contrary notwithstanding, if he determines it to be required by the national interest.

30. Page 54, line 11: Use so-called support assistance (economic or political) funds in order to meet responsibilities or objectives of the United States in Germany and West Berlin, when important to national interest.

31. Page 54, line 15: Use "support assistance" funds in Germany and West Berlin without regard to any law he determines should be disregarded.

32. Page 54, line 20: Use amounts not exceeding $50 million upon his certification that it is inadvisable to specify the nature of the use of such funds.

Suspend assistance to any country which has nationalized or expropriated property of a U.S. citizen, and make determinations as to:

33. Page 55, line 17: (a) when such is the case:

34. Page 55, line 24: (b) what steps a country shall take to discharge its obligation;

35. Page 56, line 2: (c) whether it is in the national interest to suspend the aid.

36. Page 56, line 23: Execute foreign aid programs through any agency or officer of U.S. Government he may designate.

37. Page 63, line 8: Employ such personnel as he deems necessary.

38. Page 65, line 23: Appoint and assign personnel under such provisions of the Foreign Service Act of 1946 as he deems appropriate.

39. Page 70, line 5: Allow detail or assignment of officer or employee to a foreign Government if he determines it to be in furtherance of the purposes of the act, where no oath of foreign allegiance or compensation are involved.

40. Page 70, line 16: Allow detail or assignment of U.S. officers or employees to international organizations if he determines it to be in furtherance of the purposes of the act.

41. Page 73, line 18: Appoint and remove at his discretion the chief and deputy chief of special missions or staffs established to carry out economic development programs.

42. Page 73, line 24: Fix salaries of mission chiefs and deputies in accordance with such provisions of Foreign Service Act of 1946 as he deems proper.

43. Page 78, line 9: Disregard, if he determines it to be in furtherance of the purposes of the act, any law he may specify regulating government contracting (except renegotiation act).

44. Page 78, line 18: Disregard such provisions of the Neutrality Act as he may specify in connection with the military assistance programs.

45. Page 79, line 8: Determine information to be made available with respect to operations under the act which he does not deem to be incompatible with the public interest.

46. Page 80, line 9: Certify that he has forbidden the furnishing of information to the Congress and GAO.

47. Page 82, line 20: Compromise or collect obligations, etc., accruing to him, as he may determine.

48. Page 83, line 7: Determine character of, and necessity for, obligations and expenditures of funds used in making loans under the act, and the manner in which they shall be incurred, allowed, paid, etc.

49. Page 84, line 3: Direct terms and conditions of settlement or arbitration of claims and disputes arising from operations under the act in connection with investment guarantees.

50. Page 95, line 13: Pending enactment of Peace Corps legislation, apply such provisions of the act to the Peace Corps as he may determine.

51. Page 101, line 8: Designate an agency to service Public Law 480 loans in place of the Export-Import Bank.

DISREGARD OF OTHER LAWS

Disregarding provisions of existing law, the bill would authorize the President to:

1. Page 12, line 5: Use foreign currencies to assist schools, libraries and hospitals founded by U.S. citizens abroad, notwithstanding provisions of existing law relating to embargo and control of shipments to unfriendly countries, etc.

2. Page 26, line 20: Disregard provisions of existing law requiring use of U.S.-flag vessels in making shipments for Indus Basin development.

3. Page 41, line 12: Disregard provisions of existing law requiring use of U.S.-flag vessels in shipment of commodities purchased with foreign currencies.

4. Page 43, line 5: Disregard provisions of existing law regarding disposal of surplus property when necessary to prevent spoilage and wastage of certain commodities and articles acquired for use under the act.

5. Page 45, line 21: Establish a revolving fund to deal in excess property financed by transfers from other accounts, notwithstanding existing provisions of law prohibiting such transfers without specific authority.

6. Page 52, line 18: Use foreign currency receipts, notwithstanding provisions of other laws governing the collection and use of such currencies, when he determines them to be available.

7. Page 54, line 4: Furnish up to $250 million in military assistance funds and Department of Defense stocks in advance of appropriations, each year when he determines it to be in the national interest, without regard to any other requirements of the act, future appropriation acts, and the provisions of existing law relating to embargo and control of shipments to unfriendly countries, etc.

8. Page 54, line 15: Use economic and political support funds to meet U.S. objectives in Germany and West Berlin, "without regard to such provisions of law as he determines should be disregarded."

9. Page 63, line 13: Hire, compensate and remove persons in 85 positions within the United States, without regard to civil service or any other laws; supergrades and others with salaries up to $19,000.

10. Page 66, line 19: Separate employees failing to meet his standards without regard to civil service or other laws.

11. Page 67, line 16: Make arrangements for reimbursement from foreign countries for performance of functions, but officers and employees under the act may not accept any benefits from foreign governments, notwithstanding any other provision of law.

12. Page 69, line 15: Hire retired military officers, notwithstanding section 2, act of July 31, 1894.

13. Page 73, line 17: Remove chief and deputy chief of special missions abroad from office at his discretion, notwithstanding provisions of any other law.

14. Page 78, line 9: Disregard provisions of law governing Federal contracting in purchasing under the act.

15. Page 78, line 16: Disregard such provisions of the Neutrality Act as he may specify.

16. Page 78, line 20: Assign military personnel to civil offices notwithstanding provisions of existing law.

17. Page 84, line 15: Subsections 636 (b) and (c) contain four authorizations; to waive existing law with respect to certain operating expenses abroad, including printing, binding, office space, housing, schools, hospitals, etc.

18. Page 92, line 18: Use and maintain, alter, etc., U.S.-owned facilities to train foreign military personnel without specific appropriation as required in existing law for such activities.

This is not the first effort to bypass the control of the appropriation process in obtaining money for this Development Loan Fund. It has been tried twice before, and Congress has rejected it both times.

The provision for financing the Fund out of debt receipts was first killed by floor amendment in the House of Representatives in 1957. The Senate killed the second attempt in 1959, when the validity of the authorization was challenged in a point of order.

The validity of authorizations to spend from public debt receipts, outside of the orthodox appropriation process has always been questionable and under the shadow of the provision in article I, section 9, of the Constitution which provides:

"No money shall be drawn from the Treasury, but in consequence of appropriations made by law."

Representative CLARENCE CANNON, chairman of the Appropriations Committee in the House of Representatives, has described the practice of evading appropriation control by use of authority to spend from the debt as "reprehensible." I agree with him.

I have opposed the practice in the past. I oppose it here. I am proposing now that the authorization for the Development Loan Fund to evade effective annual appropriation control be deleted from the pending bill.

And I am offering an amendment which would substitute tested and unquestionable appropriation authorization for the same period and in the same amounts. The text of the amendment follows:

"On page 6, strike out lines 4 to 24, inclusive, and insert the following:

"'SEC. 202. (a) AUTHORIZATION.—There is hereby authorized to be appropriated to the President for use in carrying out the provisions of this title such sums, not to exceed $1,187,000,000 for use beginning in the fiscal year 1962 and not to exceed $1,900,000,000 for use beginning in each of the fiscal years 1963 through 1966, as the Congress shall hereafter determine to be necessary, which amounts shall remain available until expended.'

"On page 8, line 13, beginning with '(1)' strike out down to the comma in line 16, and insert the following: '(1) all funds appropriated pursuant to the authorization contained in section 202(a)'.

"On page 8, strike out lines 19 to 23, inclusive.

"On page 9, lines 6 and 7, strike out 'and notes issued under section 202(a),'."

INTEREST ON DEVELOPMENT LOAN FUND

S. 1983 would capitalize the Development Loan Fund from the proceeds of the sale of public debt as follows: $1,187 million in fiscal year 1962, and $1.9 billion in each of the fiscal years 1963 through 1966; a 5-year total of $8.8 billion.

Interest on the Federal debt created for this purpose would total $29.7 billion, if computed at 3 percent compounded annually for 50 years, beginning with the respective dates upon which the authorizations would become available.

A calculation of the interest on this basis follows:

[Fiscal years. In millions]

	Interest on 1962 authorization of $1,187	Interest on 1963 authorization of $1,900	Interest on 1964 authorization of $1,900	Interest on 1965 authorization of $1,900	Interest on 1966 authorization of $1,900	Total interest
1962	$35.6					$35.6
1963	36.7	$57.0				93.7
1964	37.8	58.7	$57.0			153.5
1965	38.9	60.5	58.7	$57.0		215.1
1966	40.1	62.3	60.5	58.7	$57.0	278.6
1967	41.3	64.2	62.3	60.5	58.7	286.9
1968	42.5	66.1	64.2	62.3	60.5	295.5
1969	43.8	68.1	66.1	64.2	62.3	304.4
1970	45.1	70.1	68.1	66.1	64.2	313.5
1971	46.5	72.2	70.1	68.1	66.1	322.9
1972	47.9	74.4	72.2	70.1	68.1	332.6
1973	49.3	76.6	74.4	72.2	70.1	342.6
1974	50.8	78.9	76.6	74.4	72.2	352.9
1975	52.3	81.3	78.9	76.6	74.4	363.4
1976	53.9	83.7	81.3	78.9	76.6	374.3
1977	55.5	86.2	83.7	81.3	78.9	385.6
1978	57.1	88.8	86.2	83.7	81.3	397.1
1979	58.9	91.5	88.8	86.2	83.7	409.1
1980	60.6	94.2	91.5	88.8	86.2	421.3
1981	62.4	97.0	94.2	91.5	88.8	434.0
1982	64.3	99.9	97.0	94.2	91.5	447.0
1983	66.2	102.9	99.9	97.0	94.2	460.4
1984	68.2	106.0	102.9	99.9	97.0	474.2
1985	70.3	109.2	106.0	102.9	99.9	488.4
1986	72.4	112.5	109.2	106.0	102.9	503.1
1987	74.6	115.9	112.5	109.2	106.0	518.2
1988	76.8	119.3	115.9	112.5	109.2	533.7
1989	79.1	122.9	119.3	115.9	112.5	549.7
1990	81.5	126.6	122.9	119.3	115.9	566.2
1991	83.9	130.4	126.6	122.9	119.3	583.2
1992	86.4	134.3	130.4	126.6	122.9	600.7
1993	89.0	138.4	134.3	130.4	126.6	618.7
1994	91.7	142.5	138.4	134.3	130.4	637.3
1995	94.5	146.8	142.5	138.4	134.3	656.4
1996	97.3	151.2	146.8	142.5	138.4	676.1
1997	100.2	155.7	151.2	146.8	142.5	696.4
1998	103.2	160.4	155.7	151.2	146.8	717.3
1999	106.3	165.2	160.4	155.7	151.2	738.8
2000	109.5	170.2	165.2	160.4	155.7	761.0
2001	112.8	175.3	170.2	165.2	160.4	783.8
2002	116.2	180.5	175.3	170.2	165.2	807.3
2003	119.6	185.9	180.5	175.3	170.2	831.5
2004	123.2	191.5	185.9	180.5	175.3	856.5
2005	126.9	197.3	191.5	185.9	180.5	882.2
2006	130.7	203.2	197.3	191.5	185.9	908.6
2007	134.7	209.3	203.2	197.3	191.5	935.9
2008	138.7	215.5	209.3	203.2	197.3	963.9
2009	142.9	222.0	215.5	209.3	203.2	992.8
2010	147.2	228.7	222.0	215.5	209.3	1,022.6
2011	151.6	235.5	228.7	222.0	215.5	1,053.3
2012		242.6	235.5	228.7	222.0	928.8
2013			242.6	235.5	228.7	706.8
2014				242.6	235.5	478.1
2015					242.6	242.6
	4,016.8	6,429.3	6,429.3	6,429.3	6,429.3	29,734.1

NOTE.—Figures are rounded and may not add to totals.

Spending authority for U.S. foreign aid programs provided in S. 1983, as reported to the Senate, July 24, 1961 (with 5-year projection fiscal years 1962–66)[1]

[In millions of dollars]

Page	Line	Authorization and program	Amounts authorized specifically		Amounts authorized generally		Amounts provided from other sources		Total		
			Fiscal year 1962	Fiscal years 1963–66	Fiscal year 1962	Fiscal years 1963–66	Fiscal year 1962	Fiscal years 1963–66	Fiscal year 1962	Fiscal years 1963–66	Total
		Development assistance:									
6	9 and 12	Loans: authority to spend from public debt receipts	1,187	7,600					1,187	7,600	8,787
		Grants, etc.:									
11	11	Development grants	380			[1] 1,520			380	[1] 1,520	1,900
13	21	Authority to guarantee investments abroad	(1,100)						(1,100)		(1,100)
22	9	Survey of investment opportunities	5			[1] 20			5	[1] 20	25
24	23	Contributions to international organizations and programs	154			[1] 614			154	[1] 614	768
27	13	Supporting assistance	450			[1] 1,800			450	[1] 1,800	2,250
27	18	Contingency fund	300			[1] 1,200			300	[1] 1,200	1,500
		Subtotal, grants	1,289			5,154			1,289	5,154	6,443
92	25	Administrative expenses	51			[1] 204			51	[1] 204	255
		Unexpended balances continued available:									
99	1	Appropriations and other authorizations			3,108				3,108		3,108
51	21	Foreign currencies			631				631		631
45	3	Authority for Federal agencies to furnish services and commodities									
81	21	Authority to use foreign currency receipts from loans, Public Law 480 activities, etc., estimated					1,000	4,000	1,000	4,000	5,000
		Total, development assistance	2,527	7,600	3,739	5,358	1,000	4,000	7,266	16,958	24,224
		Military assistance:									
31	20	Grants, etc	1,800	1,800		[1] 5,400			1,800	[1] 7,200	9,000
99	1	Unexpended balances of appropriations continued available			2,370				2,370		2,370
34	20	Authority to sell military stocks to foreign countries, etc									
35	10	Authority to contract for procurement of military stocks for sale to foreign countries, etc									
37	5	Authority to use Department of Defense military stocks	200	800					200	800	1,000
		Total, military assistance	2,000	2,600	2,370	5,400			4,370	8,000	12,370
		Grand total	4,527	10,200	6,109	10,758	1,000	4,000	11,636	24,958	36,594

[1] Assuming 1962 level of appropriations.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. The time of the Senator from Virginia has expired. Does the Senator yield additional time?

Mr. BYRD of Virginia. I yield myself 2 more minutes, Mr. President, and I yield to the Senator from Ohio.

Mr. LAUSCHE. What is the understanding of the Senator from Virginia of the change which would be effected by including in the bill the language which requires that the Appropriations Committee review the situation each year? I refer to the discussion which took place last week, in which it was argued that under the language of the bill the objective sought by the Senator from Virginia would be achieved.

Mr. BYRD of Virginia. I do not agree with that at all. Effective appropriation control would still be bypassed. The bill specifically provides that funds for development loans must be obtained by selling Federal bonds. Appropriations are not required.

All my amendment would do is to provide for annual appropriations, as are required for most of the other funds for use by the Government.

Mr. LAUSCHE. There is no provision which says that unless the Appropriations Committee appropriates the money and the Senate approves it, there shall be no funds available?

Mr. BYRD of Virginia. My amendment makes that provision.

Mr. LAUSCHE. The amendment makes that provision.

Mr. BYRD of Virginia. The bill itself does not.

Mr. LAUSCHE. What would be the situation, in the opinion of the Senator from Virginia, if no action at all were taken by the Appropriations Committee, if the bill is passed as it is written?

Mr. BYRD of Virginia. I assume the money would be available. In the event the bill is passed as it is now written, there would be a blanket approval.

The PRESIDING OFFICER. The time of the Senator from Virginia has expired.

Mr. BYRD of Virginia. Mr. President, I yield myself 3 additional minutes.

Mr. LAUSCHE. It is my understanding that if the Appropriations Committee annually took no action, under the general language of the bill the $1.7 billion per year would still be available for expenditure. Only in the event the Appropriations Committee actually recommended a veto and the Congress approved the veto would the money be denied.

Mr. BYRD of Virginia. That is correct. And such a veto is difficult to attain under the rules. In this case, $8.8 billion is involved over 5 years.

Mr. LAUSCHE. One billion nine hundred million dollars a year.

Mr. BYRD of Virginia. Yes, after the first year. What the Senator from Virginia objects to is having the Congress give up control over annual appropriations. The amendment offered by the Senator from Virginia provides for appropriations which, as the Senator from Ohio knows, can be up to the authorization or below the authorization. The amendment of the Senator from Virginia provides for annual appropriations, so that the program can be reviewed and the Congress can take such action as it chooses. In other words, the amendment would provide for what generally has been done ever since foreign aid was established, since 1947.

Mr. LAUSCHE. Will the Senator yield to me further so that I may ask a question of the chairman of the Committee on Foreign Relations?

Mr. BYRD of Virginia. If the Senator will use the time of the Senator from Arkansas.

Mr. LAUSCHE. What would be the legal situation, in the opinion of the Senator from Arkansas, if in a given year the Appropriations Committee took no action whatsoever with regard to the item, if the language of the bill as it has been submitted by our committee is adopted.

Mr. FULBRIGHT. If the committee approved the administrative expenses and the budget generally, but did not take direct action to repeal or to affirm the borrowing authority, the money would be available.

Mr. LAUSCHE. Very well.

Mr. FULBRIGHT. That would be dependent, however, upon the approval of the administrative expenses and the budget as presented to the committee. I would say it would be almost unthinkable that the committee would not take some action, either approving or disapproving.

Mr. LAUSCHE. It is on the basis of the actual legal situation I am inquiring. Even though the committee did not approve, the money would be available unless there were a veto or affirmative action as to the granting of the sums.

Mr. FULBRIGHT. Under the borrowing authority, the money could be borrowed, but I do not see how it could be spent, for example, if the committee disapproved the administrative expenses. It would be an empty authority. If the committee disapproved the borrowing authority, in the nature of a limitation, and the Congress supported the committee—it would not simply be the committee action, though that is where the action would be initiated—the authority could be rescinded or limited.

Mr. LAUSCHE. I read with interest the discussion in which the Senator from Arkansas was engaged. In effect, the Senator from Arkansas made the statement that it would be anticipated the Congress and the committee would not veto unless there were affirmative grounds established to justify the veto. What would those affirmative grounds be, if I may ask the Senator from Arkansas that question?

Mr. FULBRIGHT. I cannot anticipate the developments in the world. For example, a war could break out. I think this program would probably be suspended or limited, or changed very substantially, in that event. I can imagine that if some serious upheaval took place, as a result of which most of the countries with which we were dealing did things which offended us greatly, we would suspend the program or discontinue it. It is hard to anticipate the nature of those things. I would say it would have to be a serious change in the situation in the world.

Mr. LAUSCHE. In the opinion of the Senator from Arkansas what would be the situation if the committee recommended a veto without the existence of affirmative grounds to justify it?

Mr. FULBRIGHT. In effect, I think the Senator is saying, if the committee and the Congress did so.

Mr. LAUSCHE. Yes.

Mr. FULBRIGHT. When the Senator says "committee," I wish to have it understood that the committee action would not do these things. This would be up to the Congress. That would be a matter of judgment. If the Congress took action irresponsibly, the action of the Congress would still stand.

Mr. LAUSCHE. It would stand.

Mr. FULBRIGHT. Of course it would, but it would be the action of the whole Congress.

Mr. LAUSCHE. Mr. President, will the Senator from Virginia yield some time to me?

Mr. BYRD of Virginia. Mr. President, I yield 3 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 3 minutes.

Mr. LAUSCHE. Mr. President, I am a member of the Committee on Foreign Relations. For the purpose of the record I wish to make clear that I voted to report the bill to the Senate, although I did not concur with a number of the conditions which exist in the bill.

First, I did not concur with the removal from the existing law of the conditions and limitations which were frequently imposed upon the discretionary power of the administration as to expending the money. The record will show that the principle dominating the drafting of the bill was to remove all conditions and limitations against the use of money. The bill as now drafted practically gives unconditional, unlimited power as to the expenditure of moneys designated in the bill.

Second, I did not concur with the provisions of the bill in the respect that it gave a 5-year authorization to borrow money from the Treasury. I did not feel that the Congress for 5 years ought to abdicate its power to supervise and control the program. The reason underlying that conclusion is that conditions change. In these times, conditions change frequently and rapidly. I did not feel that I wished to abdicate the responsibility which the voters of Ohio placed in me to exercise my powers in the Senate and not surrender them.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. LAUSCHE. Mr. President, will the Senator yield me two more minutes?

Mr. BYRD of Virginia. I yield 2 more minutes to the Senator from Ohio.

Mr. LAUSCHE. Third, in the bill there was an authorization for an annual expenditure of not more than $300 million, representing collections made on moneys loaned to foreign countries and interest received on such loans. Each year for 5 years there was an authorization to use up to $300 million of that money. The committee initially struck that provision from the bill, and subsequently reinserted it by adding $300 million to the borrowing authority thus bringing it from a level of $1,600 million per year to $1,900 million.

It was for those reasons that I did not concur with the general provisions of the bill, although I believe that we must help the undeveloped countries.

My position with regard to the bill will be, first, that the authorization should not be granted for more than 2 years; second, $1.9 billion per year should be reduced to $1.6 billion; and third, although I am not as adamant on the proposition, I do not feel satisfied with the removal of the conditions and limitations that were imposed upon the discretionary power of the administration to expend the money. I thank the Senator from Virginia.

Mr. GOLDWATER. Mr. President, will the Senator from Virginia yield 30 minutes to me?

Mr. BYRD of Virginia. I yield 30 minutes to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, the question that faces us today is a very large and complex one. It is not one that I feel at all competent to discuss in its entirety. I doubt that there are many Senators who can cover the entire field. But I am concerned about 2 aspects of the proposed legislation that I think hold a danger to this country of a similar stature that our enemies in the Soviet area pose, namely, What will the proposed legislation do to our dollar? I believe that this is a question which the average American can understand.

The average American is watching us spend $22 million a day more than we should be spending. The average American knows that if we started to pay off our debt today, it would be nearly 295 years, at the rate of $1 billion a year, before the debt would be paid off.

The average American knows that this money would come out of his pocket. We are not fooling anyone in this country when we ask that authority be given to the executive branch to extend the program for 5 years, giving it almost carte blanche demand upon Treasury moneys. We are not fooling anyone when we say we are going to spend $4 million, $5 billion, of $8 billion. The American people know that the money will come out of their pockets either in the form of direct taxation or, more insidiously—and I think this is the point that we should be concerned with—through inflation or, to put the question another way, through an increased cost of living.

The question today is not merely one of whether we shall give the Executive the requested authority to extend programs for 5 years, but it also revolves around the soundness of our dollar.

I remind Senators that most of the currencies in the world depend upon the soundness of the U.S. dollar for the soundness of their own currency. It has often been said by the Soviets in different writings that they could destroy the Western Powers through destroying their economy. Frankly, if I were in Khrushchev's shoes, I would not be too concerned about going to a physical war. I would be concerned with ways of keeping the Western Powers, particularly the United States, spending money which they do not have, thus forcing the United States deeper and deeper into debt, which could have two results. It could eventually bankrupt the United States. It could eventually bankrupt the currencies of the countries that depend upon the solvency of our own currency for the solvency of theirs.

I have read many fine treatises on back-door spending. I believe that the best one I came across was written by a relatively young man, who is president of one of the largest banks in the United States, the Valley National Bank in Phoenix, Ariz. He also happens to be president of the American Bankers Association. His name is Carl A. Bimson. It is not a long article, and I wish to read it. I wish to make sure that Mr. Bimson gets credit for the article, because it is his writing and expresses my opinion exactly in this entire field. He said:

BACK-DOOR SPENDING CALLED FISCAL INSANITY

(By Carl A. Bimson)

The control of the national purse strings by Congress has always been accepted as a

check on irresponsible Federal spending. In hundreds of instances, Congress has refused to appropriate money for unnecessary programs. At other times it has pared down requests when it was felt the amount requested was excessive.

More recently, however, it was been possible for Federal agencies to circumvent this control by the device of asking for a small initial appropriation which, when spent, carries with it an obligation of support in future years. The proposed foreign aid program is a case in point, although it goes much further than requests of this type which have been made previously.

In his message transmitting the foreign aid bill to Congress, President Kennedy requested spending authority totaling $4.75 billion for the fiscal year 1962. In addition, the President requested long-term authority to make loans to less-developed countries, the funds for which would be obtained by borrowing, and so would not necessitate congressional appropriations.

This borrowing authority, as requested, amounts to $900 million in fiscal year 1962 and $1.6 billion in each of the following years.

Furthermore, he asked that all repayments of previous foreign loans, amounting to about $300 million annually, be made available for development lending.

This latter request is a new twist in the back-door lending technique and would not only deprive the Treasury of $1.5 billion in the next 5 years, which might otherwise be used to meet other expenses, but would also completely remove these funds from the annual review by Congress.

The foreign aid bill is only one of several containing such "back-door" proposals. Once approved, the revision or curtailment of such a program of spending is almost impossible, regardless of public opinion. These activities are not subject to periodic review, which is the responsibility of Congress.

This type of financing of Federal programs has been referred to by Representative CLARENCE CANNON, chairman of the House Appropriations Committee, as "fiscal insanity."

In spite of this feeling by some, the practice is becoming increasingly popular and, according to the Treasury's last report, $40 billion of back-door spending authorization has been placed on the books. To date, $65 billion has been repaid, but in the same period Congress has canceled or forgiven another $16 billion of such obligations.

The picture is much the same with numerous domestic programs. In the housing bill we find the ceiling on grants for public housing is increased by over $75 million a year. This bill would commit future Congresses to appropriate up to a total of $3.1 billion in subsidies through the year 2001.

The advisability or soundness of some of the Government proposals is a separate question, but many of us can agree that no program should be adopted unless there is future opportunity for the elected representatives of the people to modify or even discontinue it.

We all know that spending plans at the Federal level are continuing to expand. When confronted with unemployment and a business slowdown, it is easy for public officials to vote for increased spending to show that they are doing something to boost the economy.

Resistance to spending is always difficult to face up to, even when the point is conceded that more spending may mean higher costs to consumers.

In spite of legislative proposals involving huge increases in spending and predictions of an increased deficit, very little mail resisting the proposals was received by Appropriations Committee members of either the House or Senate.

Congress is not likely to oppose spending measures without evidence of strong support from the folks back home. It is easier to vote for an appropriation than against it. Unfortunately it is not easy to get the man in the street sufficiently aroused to take steps to protect his own interests. Nor have we done an adequate job of informing the public on the importance of private investment in creating jobs. This is the foundation of the free enterprise profit system, and businessmen have done a poor job in selling the idea.

There is a too general feeling that profit is somehow evil and made only by a few for their own benefit at the expense of others.

Too many people lose sight of, or have never been told that it is out of the incentive to make a profit that we are able to provide over 65 million jobs. It is out of the hope of making a profit that we had a 17-percent increase in the total number of retail establishments between the years 1954 to 1958. Out of profits came our plant construction and expansion, our new tools and modern equipment, the taxes we pay to the Government, which enables them to carry out their huge spending programs for defense, foreign aid, welfare, and the innumerable other functions of government.

The point we need to continually stress is that no one needs profits in business as much as the worker who needs a job, or wants to keep the one he already has.

What we really need is a completely revised tax structure coupled with a more sensible approach to government spending. Excessive Federal budgets drain off funds which might otherwise have been used by private industry to create jobs of a more productive and permanent nature.

Both our tax and spending programs are a mishmash developed on the spur of the moment to meet an immediate need or crisis.

In our attempts to solve these problems, we are drifting further and further away from the principles which made our country great, and into the socialistic philosophy of a paternalistic Federal Government to which we look to cure all our problems through the management of our financial affairs, with the resultant loss of our freedom of decision and action. Too frequently, both individuals and legislators lose sight of the fact that fiscal policies can either help or retard growth through the removal of existing roadblocks in the path of progress and growth, or by placing new ones in its path.

In the final analysis, we need to ask ourselves: Will a legislative proposal, in our considered opinion, help or hinder our economic growth? Even if the answer to this question is "Yes", we need to ask: Can we afford it?

It is a sad commentary that businessmen whose opinions carry considerable weight with the public on issues connected with business, have for years been hesitant to even declare their position on legislative issues vitally affecting their own business.

Recently, however, more and more businessmen are awakening to the fact that we need to "stand up and be counted" when important issues are being considered, which could or would adversely affect us in the years ahead.

They can be a potent force if they will only make their opinions known.

Today, it is more important what a congressional representative or candidate for public office actually believes and will fight for than what political party he belongs to.

In this interim period between elections, when we will once again have the opportunity to take a close look at those running for public office, there is much we can do to help assure sound legislative progress, by keeping informed on legislative proposals. By making our interest known to our congressional representatives, we will have made an important first step.

Mr. President, I have read the whole article even though I know that all of it does not bear directly on the problem we are discussing today. However, I wanted to use the words of a man in whom the bankers of America, small and large, have placed their trust, and who has tried in his own way to point out to the American people that this is their problem.

It is very easy to stand on the floor of the Senate and express a great humane feeling for the people of the Congo or for the people of southeast Asia, or for the people of undeveloped countries in South America and Latin America. I know about those troubles. I have seen them. It is not easy for me to advocate cutting back or discontinuing foreign economic aid. However, I believe that we in America must first look to America. If we are taking steps in these legislative halls which will react to the detriment of the American people, the only answer can be "No."

When we are faced with a deficit this year of at least $4 billion, when we are faced with a deficit in the current fiscal year of something between $8 billion and $10 billion, or even more, we are tampering very dangerously with the value of the American dollar.

I do not have to remind the older people of this country what has happened to the money they put aside on which to retire. I do not have to remind the housewife who goes to the supermarket every day to buy food, and I do not have to remind a young man starting in business what inflation has done and is doing to our country.

I pose this simple question to my colleagues in the Senate: What does it matter that we make the entire world a better place to live in if we destroy the very hope and source of that betterment, the Republic of the United States?

The question of the dollar, then, is the overriding question here. It is not whether we will give away the historic prerogatives and rights of Congress to the President in allowing him to write blank checks for foreign economic aid. It is not that we are establishing a firmer precedent whereby the Department of the Interior, for example, could ask for a 5-year program of building in its national parks and allocating the money to contracts and take away from Congress any chance of having any control over the money in the future. I know that in the argument we will hear, we will hear presented time and time again that we do have the right to check this thing each year, and that we do have the right to say "No." In fact, when Secretary Dillon was before the congressional committees, he made five points which I should like to go through quickly, in trying to prove my point that once we do this it will never be stopped, that once we do it for foreign economic aid, I prophesy we will do it eventually for

every program that we are engaged in financing in this Government.

Mr. Dillon makes five points. He says first:

> The basic law would determine the availability of the funds year by year—

This statement is probably correct with respect to funds for operating and administrative expenses. However, with respect to loan activities, there is serious question as to the legislative prerogatives in this area—

> Provisions of the Government Corporations Control Act appear to specifically exempt this area from fiscal control, other than that prescribed in the original authorizing legislation.

The second point the Secretary makes is:

> Quarterly reports on lending operations would be submitted to the Congress.

What good would that do? Congress would have a report on lending operations after the money had been loaned. We would have no control of that. It would be like trying to stop Mickey Mantle's latest home run after the ball had left the ballpark.

Secretary Dillon's third point is:

> An annual presentation would be made to the authorizing committees of the Congress covering all development lending operations.

What effect, if any, this action could have on the jurisdictional authority is highly problematical. While it is true that the authorizing committees could recommend repeal or amendment of the original authority, we have it on the word of the Secretary of the Treasury that Congress would be hard pressed to renege on administration commitments. I shall come back to that point in a moment, because it, to me, is the great problem we face.

The Secretary's fourth point—a rather long one—is:

> An annual presentation would be made to the Appropriations Committees of the Congress in accordance with the provisions of the Government Corporations Control Act. Under that act the aid agency would be required to submit to the Appropriations Committee an annual budget setting forth its proposed lending operations for the coming year and to obtain from Congress authority to expend funds in accordance with this budget.

The entire question of congressional control over the agency's lending operations was discussed under Mr. Dillon's first point, which I stated at the outset of this part of my dissertation. However, there is some doubt whether the Committees on Appropriations could reduce or limit the aid agency's administrative cost to the point where it might be deemed to prevent the aid agency from fulfilling its functions authorized by existing law.

Finally, Secretary Dillon made this fifth point:

> Finally, the amounts to be borrowed under the proposed legislation would be included each year in the budget as new obligational authority in the same manner as other appropriations. Similarly, expenditures would appear in the regular expenditures budget. As far as the budget is concerned there is not the slightest difference between this method of funding and the appropriation process heretofore used for this program.

Mr. Dillon is technically correct when he asserts that the amount to be borrowed would be shown each year in the budget documents. Nevertheless, in my mind, that the Committees on Appropriations could pass specifically upon any portion of the $8.8 billion lending program is open to serious doubt.

However, what I wish to discuss specifically is this—and I think we must recognize it: The United States may have many faults. Certainly we have shown faults lately. But one thing we can say: The United States has never been dishonorable. When we make a treaty, we stay with it. When we make a promise, we adhere to it. Mr. President, can you or any other Member of the Senate imagine any subsequent Congress reneging on a promise which this administration has made to, let us say, country X to lend, let us say, $1 billion over a 5-year period, after country X has proceeded with its plans to build roads, dams, and this, that, and the other thing? No subsequent Congress could in decency renege on the word of the United States.

This, to me, presents the great problem we face. It is not the fact that there will be the review authority; that each Appropriations Committee in each Congress can stop the program or keep it going. It is not the fact that the President has 5-year authority to spend the money as he wishes, $8.8 billion in 1 year or the entire amount spread over 5 years. The question is, What will Congress do when the day comes when some Congress has the wisdom and courage to say that foreign economic aid has not bought us any friends in the world, has not brought us any closer to peace, has wasted our money all over the globe, and says, "We are going to stop it"?

Ah, but the President may then say, "You cannot stop it, gentlemen. We have promised country X a billion dollars and have given them only $500 million so far."

We, as a decent, God-fearing people, who believe in keeping our promises, would not renege on this promise. Argue as much as we will, offer proof after proof on the floor of the Senate, the simple fact remains that, once the United States commits itself to an expenditure, the expenditure will be made.

I believe Congress at this session will take a very dangerous step in advocating that we yield to the wishes of the executive branch to the effect that the administration be given a 5-year carte blanche, one might say—a 5-year Diners' Club credit card—on the people of the United States. I think we shall be overlooking our obligations to the people whom we first ought to be concerned with; the people who live in the United States; the people who work and pay their taxes; the people who pray and send their children to school. I call them the forgotten Americans. We spend 95 percent of our time worrying about 5 percent of the people; and 95 percent of the people over the rest of the globe say: "The devil with the people in the United States, who are looking for employment, who are trying to create more employment, who realize that our own capital is the only means by which we can promote the well-being of our free economic system."

Mr. HICKENLOOPER. Mr. President, will the Senator from Arizona yield?

Mr. GOLDWATER. I yield.

Mr. HICKENLOOPER. I wished to explore the statement the Senator made about the United States keeping its commitments once they have been made. We know of many instances in which the President has made tentative commitments before Congress has acted, and those commitments have been, in the main—that is, substantially—kept. However, does not the Senator believe that when the Committees on Appropriations look over, authorize, and submit to Congress the money involved in those commitments, the Executive is much more careful about making commitments than if he were uninhibited and under such borrowing authority as is here proposed, could go out and make commitments, knowing that the money would be available?

In other words, under our present system, when the President makes a commitment, he has probably canvassed the situation to see how Congress would feel about it, before he makes the commitment. But under an uninhibited borrowing authority of the kind here proposed, he could make a commitment and then say, "I have made a commitment under the authority of the borrowing power, and I shall proceed to fulfill it."

Mr. GOLDWATER. The Senator from Iowa is absolutely correct. I am not one of those who happen to believe that the Constitution is outmoded simply because it happens to be 174 years old, and under our present system, which was established by the Constitution, the House of Representatives has the responsibility for the handling of fiscal affairs, and the Senate has the responsibility to assist.

Under the present system of review, of presentation, of careful study, the Appropriations Committees of both Houses do as good a job as can be expected of them, considering human weaknesses. But when the President of the United States commits the United States to the expenditure of money, I do not care whether it be 5 cents or $5 billion, a Representative or a Senator will think a long, long time before he involves this country in a dishonest act. Members of Congress may have to act against their own better judgment; they may be forced by the desire to uphold our honor to authorize and to appropriate moneys that the country cannot afford to so authorize or appropriate. This will place the Committees on Appropriations in a peculiar position, because once such a program as is here proposed is begun, we must realize that the State Department is not the only department which likes to spend money. Other agencies of the

Government would like nothing better than to come to Congress and argue for a 5-year plan, under which the executive branch would be given the power to get money at any time either from the general fund or through the sale of bonds to finance any program it favored. If Congress allows that to happen, it will be doing as it is doing now, then we shall have to take away from Congress the right to express the judgment of the American people.

But, after all, what is our Government, Mr. President? Our Constitution begins with the words "We the people." We are not assembled here to do the whim of the President. We are assembeld here to help the President; but I suggest to my colleagues that we are assembled here to protect the American people and to look out for their interests; and that protection and that looking out for their interests include proper action in regard to the material thing called money, for which the American people work hard. They are not stingy. They are not fearful of lending money to other countries, for their development. They are not fearful of doing what we have been doing, to help countries that cannot help themselves.

But when we come to the point where we are spending billions of dollars that we do not have, when matters reach the point where our great-great-great-grandchildren will be saddled with this yoke of debt, I think this body should stop and should think twice.

I have not heard advanced any sound argument as to why we should give money that we do not have to countries that can get along without it.

We are told that the arrangement now proposed should be adopted by us because, so it is alleged, it will be a more businesslike way of proceeding. But Mr. President, a business is a little different from a government. A businessman has to earn the money he spends. The money he has on hand, available for expenditure, is money he has earned over a considerable period—perhaps a period of 5 or 10 years. On the other hand, Mr. President, what we who serve in government have to spend is money which we have taken away from the people, without their consent.

Now it is proposed that we provide that this money may be spent around the world, helter-skelter, under a program of spreading it too thin, over too great an area—continuing to spend, Mr. President, under a disproved theory, for I defy any member of the Foreign Relations Committee to point out to me one country that has become our friend since 1950 through the giving by us of money. Instead, we have lost friends. But communism has gained friends, although communism has not been engaged in giving away the money of its people. But we have.

I suggest that it is time for us to take another long, hard look at how we are going about "winning the peace in the world." Mr. President, we are not winning it by the methods we are following, and we are not going to win it by following the methods proposed in this case.

Mr. President, I know that the time yielded to me has expired. I now ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, a paper on the subject "U.S. Per Capita Foreign Aid," which has been prepared by Hermann Ficker, an analyst in international finance and trade, in the Economics Division of the Legislative Reference Service of the Library of Congress.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

U.S. PER CAPITA FOREIGN AID

Each year, for the last 21 years, the U.S. Government has paid out an average of about $40 for every man, woman, and child in aid to foreign governments and international organizations. These are tax dollars paid in as Federal revenue by the American individual and corporate taxpayer. Out of each $40, $32 were given either as gift or military and economic grants. The other $8 were in the form of loans to be repaid with interest over a specified period. A sizable share of these loans, however, is on a long-term basis and repayments need not be in dollars—foreign currencies are acceptable. What percentage of these long-term loans will eventually turn out in fact to be gifts cannot now be foreseen. During the period July 1, 1940, through June 30, 1960, the net aid disbursed amounted to $130,240,313,000. This total represents gross aid minus amount of reverse grants received by the United States and loans repaid during the period. At least 66 percent of this net aid was spent in the United States for machinery, food, and raw materials resulting in income to our industries and agriculture.

The 20-year period is divided into the war and postwar eras. During the war period July 1, 1940, through June 30, 1945, the United States rendered aid to its Allies of $49,223,859,000. During the postwar period, aid, comprising military, economic, and technical assistance, as well as credits and loans, amounted to $81,016,454,000.

During this last fiscal year—July 1, 1960, through June 30, 1961—a total of $12,473,967,000 was available for disbursement. These funds stemmed partly from an undistributed carryover of $7,636,417,000, newly appropriated availabilities, and foreign currencies generated by the sale of our surplus farm products. Most of the carryover funds were substantially committed in continuing programs or in tentative agreements not yet fully finalized. It was estimated that during this last fiscal year about $5.2 billion would be distributed.

In addition to the funds mentioned, the United States has also made payments totaling $4,949,168,000 to the five major international monetary institutions. Such are the International Monetary Fund, the International Bank for Reconstruction and Development, the International Finance Corporation, the Inter-American Development Bank, and the International Development Association.

A related factor of concern to the American taxpayer is the amount of interest paid out annually on that portion of the national debt attributable to our foreign assistance programs. No attempt is made here to assess the total of such interest as the amount depends on too many imponderables. Conceivably, if no aid were given, other projects for which the Treasury has to borrow funds, could be financed out of current income. It is, however, impossible to cast up a final balance of aid versus national security, international preparedness against Communist subversion, raising living standards in underdeveloped areas and fulfilling our world leadership obligations.

The tabulations in this statement, to be used in compiling per capita totals by State and congressional districts, have been developed in response to many congressional requests for some approximate totals to indicate the approximate magnitude of our foreign aid borne by counties or by States as part of our national contributions.

It must be noted that the per capita estimates are derived solely by apportioning the aid on the basis of population only and do not take into account variations in income or in foreign-aid expenditures in particular States, counties or districts.

All population figures for States, counties, and towns are in accordance with the census of April 1, 1960—national total, 179,323,175. This total does not include members of our Armed Forces and dependents overseas, crews of American vessels at sea or overseas, American citizens in foreign countries or inhabitants of Puerto Rico, the Virgin Islands, and other outlying areas under the American flag.

The five per capita figures used in the five tabulations for each State, congressional district, county, county seat, or city over 10,000 inhabitants are as follows:

1. War and postwar total, period July 1, 1940, to June 30, 1960: $130,240,313,000.

Per capita figure: $726.2882.

2. War total, period July 1, 1940, to June 30, 1945: $49,223,859,000.

Per capita figure: $274.4980.

3. Postwar total, period July 1, 1945, to June 30, 1960: $81,016,454,000.

Per capita figure: $451.7902.

4. Total to international banking institutions: $4,949,168,000.

Per capita figure: $27.5991.

5. Aid available—carryover and new funds for fiscal year beginning July 1, 1960: $12,473,967,000.

Per capita figure: $69.5613.

Sources:

"Twenty Years of U.S. Foreign Aid," 1940–60, by Hermann Ficker, Legislative Reference Service, Library of Congress, Washington 25, D.C., March 21, 1961.

"Foreign Grants and Credits by the U.S. Government," Office of Business Economics, U.S. Department of Commerce, Washington 25, D.C., November 1960 and June 1961.

Mr. BYRD of Virginia. Mr. President, I yield 20 minutes to the Senator from Louisiana [Mr. ELLENDER].

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 20 minutes.

Mr. ELLENDER. Mr. President, before I proceed to discuss the pending amendment, I should like to refer to a colloquy I had with the distinguished chairman of the Foreign Relations Committee [Mr. FULBRIGHT], who is not now on the floor, although I wish he were. The colloquy was in regard to the difference between the two methods of financing the Development Loan Fund. The colloquy appears on page 14700 of the CONGRESSIONAL RECORD for August 4. It might be inferred that at the time our colloquy was interrupted I felt there was no difference between the two methods of financing the Development Loan Fund, namely, by appropriation or by borrowing authority. It was unfortunate that while I was engaged in that discussion with the distinguished Senator from Arkansas, he yielded the floor to the distinguished senior Senator from

Florida [Mr. HOLLAND], and at approximately the same time I was called from the floor of the Senate.

When I subsequently returned to the floor, the distinguished chairman of the Foreign Relations Committee had concluded his presentation and had left the Chamber.

Mr. President, at this time I should like to clear up any erroneous impression which may have been left on last Friday, when that colloquy abruptly ended. I contend that once a no-year appropriation is made by Congress—that is to say, an appropriation which provides that the funds shall be available until expended—as is the case in the pending bill, as well as under the pending amendment—an appropriation providing that the funds shall be available until expended—it differs in no way from the authority to borrow funds from the Treasury. Thus, if Congress appropriated $1,187 million on an "available until expended" basis, for the fiscal year 1962, that would be no different from granting the President authority to borrow $1,187 million, to finance the Development Loan Fund operations.

In each instance the administrators of the fund would have available $1,187 million for an indefinite time in the future, and they would have all the time necessary to obligate those funds. Consequently, Mr. President, regardless of whether dollars are made available on a no-year appropriation basis or on a borrowing authority basis, they will ultimately be spent for the same purposes and in the same manner.

Now, Mr. President, I repeat there is no difference in how the dollar is handled once it is appropriated by Congress or borrowed from the Treasury under authority granted by Congress. However, and this I wish to emphasize, there is a vast difference between annual appropriations on a no-year basis and the granting of a 5-year borrowing authority. In effect, the granting of borrowing authority for 5 years is the same as an advance appropriating on a no-year basis for 5 years. Thus, in one fell swoop, the adoption of the committee bill would mean that the 87th Congress will be, in effect, appropriating as follows:

For fiscal year 1962: $1,187 million to be available until expended.

For fiscal year 1963: $1.9 billion to be available until expended.

For fiscal year 1964: $1.9 billion to be available until expended.

For fiscal year 1965: $1.9 billion to be available until expended.

For fiscal year 1966: $1.9 billion to be available until expended.

This would mean, Mr. President, that the 87th Congress is, in effect, making appropriations on a no-year basis on behalf of the 88th and 89th Congresses which, needless to say, are Congresses not yet in existence.

It is argued by those who endorse this scheme that by giving the administrators more time in which to study such proposals and in which to present them to the countries concerned, there will be less waste. Superficially this may seem so, but whether the method employed is the one proposed in the bill or whether the appropriation method is used, the same amount of time will be available to the administrators for the purpose of committing the funds. In either case the administrators will have the necessary time to make studies of proposals advanced by the borrowing country. The fact remains that after the money becomes available—whether through borrowing authority, as is proposed in the pending measure, or through an appropriation—the administrators of the program will have unlimited time to plan a program before a single dime is spent.

Mr. President, this is the 15th year in which Congress is being asked to appropriate funds to assist our friends across the seas.

Instead of this program tapering off, it is increasing. I contend that the program advanced for this year is the largest that has been offered by any administration.

The committee report indicates that the amount to be spent is $4.3 billion, which would include the Development Loan Fund, military grant assistance, economic grant assistance, and other miscellaneous programs. But the fact remains that we will be obligating the United States, for the next 5 years, to spend as much as $8.8 billion by way of loans, as I indicated earlier.

As a matter of fact, I read the testimony of Mr. Dillon when he testified some time ago before the House Appropriations Committee. He testified that it would be possible—and I agree with him—for the administrators of the program to morally bind our country during fiscal year 1962 for the full $8.8 billion amount. Of course, this would have to be done on a provisional basis, but it could be done. But, as the junior Senator from Arizona has just stated, we have never reneged on any of the obligations or promises entered into by our representatives abroad.

Mr. President, I can just picture our eager beavers from the State Department stationed around the world—and we have many of them—running out as soon as this bill is signed to peddle the moneys that will be made available by the President in the 5-year loan program. I have seen it happen in the past.

I have stood on this floor and objected many times in the past to appropriations that had to be made by Congress because some State Department official had already promised certain officials of a foreign country that specific amounts of money would be made available to them.

Let me give you one concrete example of recent vintage. During the last session of Congress, I myself had written into the report of a supplemental appropriation bill that the U.S. Government should not pay more than 40 percent of the total U.N. cost incurred in the Congo. This percentage figure was agreed to by the Congress. What happened? We ended up by paying over 50 percent of the cost. Why? Because a promise had been made by a representative of our Government that we would contribute a certain fixed amount, which was far in excess of 40 percent of the total cost.

As I have said, I can picture these administrators of ours abroad. They are the same people who have handled the program in the past, a program which has been labeled by the committee itself as being wasteful in many instances. But the people who will handle this huge program in the future are to be the same people who are now in the field. Oh, there may be a few new faces on the Washington level, but they will still depend on the administrators abroad in the same manner as has been the case in the past.

These people, in too many instances, are primarily concerned with maintaining their own jobs. Thus it is to their personal benefit that more and more programs be entered into. And let me also point out that it is also these same people who supply the State Department officials here in Washington with the evidence of the value of these programs and this is the basis of State Department endorsement of these programs.

Mr. President, on previous occasions I have brought to the attention of the Senate many, many cases of waste which I have discovered in the course of my personal investigations. However, little or nothing was done about it. I predicted what would happen in Korea and in Laos because of the waste and maladministration that took place there in our foreign aid programs. Somehow, I regret to say, my advice was not heeded.

To justify borrowing authority for the new Development Loan Fund, the committee points out, on page 10 of its report:

> And the best recommendation for the borrowing procedure is the excellent record compiled by the agencies and programs that have been financed, in part or in whole, by this method.

This list includes an array of various domestic U.S. Government corporations and the Informational Media Guaranty Fund, which has been administered by the U.S. Information Agency since 1956.

As a matter of fact, of the 23 or more agencies that have been named in the committee's report, the only one dealing with foreign operations was the Informational Media Guaranty Fund. And what happened there? It was given back-door financing authority in the Mutual Security Act, of 1954, as amended.

When the U.S. Information Agency took over the administration of the Informational Media Guaranty Fund in 1956, there was made available $28 million of borrowing authority from the Treasury. The record clearly indicates that when this Fund was established it was supposed to revolve indefinitely, but, on the contrary, it was not in operation but a little over a year when the $28 million was almost entirely depleted. This unconscionable waste of money convinced Congress that borrowing author-

ity could not be entrusted to the administrators of this Fund and since fiscal year 1958, Congress has made funds available to the informational media guarantee program by annual appropriation only.

Therefore, Mr. President, if the Informational Media Guaranty Fund is one of the best recommendations for the use of the borrowing procedure, then I submit that the Senate should give overwhelming support to the amendment offered by the senior Senator from Virginia. If there is one program where the taxpayer's dollars have been utterly squandered, it is the Informational Media Guaranty Fund.

If we make the mistake of giving the President of the United States the right to borrow $1.9 billion per year over the next 4 years for this program, it will simply mean that, no matter what the condition of our Treasury, we will be compelled to honor any promises made by the administrators of the program.

Borrowing authority of the magnitude contained in this bill cannot be entrusted to the administrators of our foreign aid program. With the exception of some high-level policy positions, the people engaged in the execution of our foreign aid program, including the Development Loan Fund, I repeat, are the same individuals who have made such a mess of our aid program in the past. They have been responsible for the "decade of waste" in the fifties. Do Senators really believe that these very same individuals will now change and make the sixties a decade of development? I fear not and I, for one, believe not.

Mr. President, let me now address my remarks to certain loans made in past years by the Development Loan Fund which I believe are not in the proper province of this program.

I refer specifically to the so-called resettlement loan. The first was in the amount of $3 million to the Government of the Netherlands to resettle Dutch immigrants in Australia.

The second was for $240,000 to Brazil to create some 100 farming units near the existing settlements of Carambei and Castrolanda for the settling of some 60 Dutch families and providing farms for 40 Brazilian families, of Dutch origin.

These two loans were approved during the first year of the DLF's operation. When DLF came back the following year for its appropriation, Congress learned of the two loans and announced its displeasure with such activities.

Mr. President, I submit that this shows the value of annual congressional review. As a result of this congressional expression of disapproval, a third resettlement project of $300,000 scheduled for Brazil, was canceled by our chastised administrators,

I believe this example very clearly shows the need of annual congressional review.

Mr. President, it will be recalled that Congress appropriated $2 billion for the Development Loan Fund. Of that amount we have obligated $1,675 million, and there was still unobligated as of June 30, 1961, $325 million. The record shows that these loans were made to countries like Ethiopia, where we have given until it hurts. We have made six loans to that country; one for $500,000, one for $2 million, one for $3,100,000, one for $20,250,000, one for $180,000, and one for $3,600,000.

We have made available to India many millions of dollars, yet it has availed us no concrete support from the Indian people or from the Government. They take our money but continue to drift in the currents of neutralism while foundering in a sea of socialism.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. BYRD of Virginia. Mr. President, I yield 2 minutes more to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 2 additional minutes.

Mr. ELLENDER. Mr. President, I am sorry I do not have sufficient time to discuss these loans at length. Therefore, I ask unanimous consent that the tables from which I have been reading be printed in the RECORD at this point.

It will be noticed from these charts that the countries we have helped the most, particularly in the Middle and Far East, were able to borrow the most money.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

U.S. foreign assistance, by region and country, cumulative, fiscal year 1946 through fiscal year 1960

[Millions of dollars]

Region and country	Grand total	Total military	Economic assistance										
			Total economic	Mutual Security program				Non-Mutual Security program					
				Total	ICA	DLF	Other non-MSP economic	Total	Public Law 480			Export-Import Bank	Other non-MSP economic
									Title I		Title II	Title III	
									Total, sales agreements	Planned for loans and grants			
Total, all countries	84,090.8	27,105.7	56,985.1	29,057.0	26,642.9	1,359.5	1,054.7	27,928.0	(4,774.5)	3,428.9	497.6	1,599.3	5,992.2	16,410.0
Europe	43,135.6	14,830.8	28,304.8	15,136.2	14,935.6	119.2	81.4	13,168.6	(1,417.4)	725.7	158.6	690.8	2,273.2	9,320.3
Austria	1,170.1		1,170.1	723.5	723.5			446.6	(40.9)	26.3	24.6	26.5	41.1	328.1
Belgium-Luxembourg	1,935.2	1,194.1	741.1	558.7	558.7			182.4				.2	150.0	32.2
Denmark	822.2	521.9	300.3	279.3	279.3			21.0					20.0	1.0
France	9,423.6	4,242.8	5,180.8	3,183.8	3,183.8			1,997.0	(57.9)	14.0		11.9	1,262.0	709.1
Germany (Federal Republic)	4,993.9	947.7	4,046.2	1,470.0	1,470.0			2,576.2	(1.2)		3.4	134.5	10.0	2,428.3
Berlin	127.0		127.0	114.1	110.4		3.7	12.9						12.9
Iceland	62.6		62.6	54.0	54.0			8.6	(10.3)	8.2				.4
Ireland	146.2		146.2	146.2	146.2									
Italy (including Trieste)	5,517.0	2,102.9	3,414.1	1,645.1	1,645.1			1,769.0	(152.9)	106.7	79.3	206.2	205.8	1,171.0
Netherlands	2,416.0	1,187.5	1,228.5	990.2	987.2	3.0		238.3	(.3)			.2	202.2	36.0
Norway	1,024.5	674.7	349.8	274.8	274.8			75.0				(*)	50.0	25.0
Poland	509.4		509.4	61.0			61.0	448.4	(235.3)			6.7	40.0	401.7
Portugal	370.6	298.0	72.6	49.8	49.8			22.8	(7.1)	3.4		19.4		
Spain	1,470.3	456.6	1,013.7	539.4	512.5	26.9		474.3	(456.6)	238.2	4.2	131.9	100.0	
Sweden	108.9		108.9	106.8	106.8			2.1						2.1
United Kingdom	8,668.3	1,000.1	7,668.2	3,828.9	3,828.9			3,839.3	(48.4)			.3	2.1	3,836.9
Yugoslavia	2,132.4	693.9	1,438.5	519.6	415.3	89.3	15.0	918.9	(406.6)	328.0	47.1	153.1	55.0	335.7
Regional	2,237.3	1,510.6	726.7	590.9	589.2		1.7	135.8		.8			135.0	
Far East	18,956.9	6,775.3	12,181.6	6,508.2	6,031.1	230.5	246.6	5,673.4	(572.2)	455.7	48.7	263.8	488.5	4,416.7
Burma	93.9		93.9	49.4	49.4			44.5	(40.7)	37.6		1.9		5.0
Cambodia	263.6	67.3	196.3	194.0	194.0			2.3			2.3	(*)		
China, Republic of	3,894.5	2,034.6	1,859.9	1,248.7	1,050.6	78.4	119.7	611.2	(40.8)	29.5	2.9	43.3	33.2	502.3

See footnote at end of table.

U.S. foreign assistance, by region and country, cumulative, fiscal year 1946 through fiscal year 1960—Continued

[Millions of dollars]

Region and country	Grand total	Total military	Economic assistance										
			Total economic	Mutual Security program				Non-Mutual Security program					
				Total	ICA	DLF	Other non-MSP economic	Total	Public Law 480			Export-Import Bank	Other non-MSP economic
									Title I		Title II	Title III	
									Total, sales agreements	Planned for loans and grants			
Far East—Continued													
Indochina (undistributed)	1,535.0	709.4	825.6	825.6	825.6								
Indonesia	558.0		558.0	198.2	186.6	11.6		359.8	(148.3)	123.4		5.3	163.4	67.7
Japan	3,462.5	916.5	2,546.0	21.1	21.1			2,524.9	(146.3)	106.2	73.0	23.4	159.5	2,198.8
Korea	4,486.6	1,514.8	2,971.8	1,866.3	1,725.9	18.8	121.6	1,105.5	(164.7)	136.3	4.8	105.0		859.4
Laos	301.2	68.7	232.5	231.7	231.7			.8			.8	(*)		
Malaya	21.8		21.8	20.0		20.0		1.8				1.8		
Philippines	1,555.7	353.5	1,202.2	273.8	223.8	50.0		928.4	(13.8)	9.1		26.1	115.9	777.3
Thailand	571.8	305.7	266.1	239.2	216.7	22.5		26.9	(4.6)	3.9		.4	16.5	6.2
Vietnam	1,895.9	497.7	1,398.2	1,331.2	1,302.0	29.2		67.0	(13.0)	9.7	.7	56.6		
Regional	316.1	307.1	9.0	9.0	3.7		5.3							
Near East and south Asia	13,392.5	4,410.2	8,982.3	5,090.6	4,042.5	825.1	223.0	3,891.7	(2,317.7)	1,886.6	144.6	401.7	564.4	894.4
Near East	8,648.4	3,834.5	4,813.9	3,139.1	2,892.0	246.5	.4	1,675.0	(623.7)	443.7	57.9	225.6	352.1	595.7
Greece	3,073.5	1,378.9	1,694.6	999.8	956.4	43.0	.4	694.8	(72.2)	51.8		91.6	14.7	536.7
Iran	1,012.5	457.5	555.0	453.1	375.4	77.7		101.9	(12.4)	8.3	3.4	5.2	57.7	27.3
Iraq	65.3	46.1	19.2	16.6	16.6			2.6				1.7		.9
Israel	709.1	1.0	708.1	349.9	309.9	40.0		358.2	(167.8)	143.3		52.1	102.7	.1
Jordan	230.9	17.6	213.3	183.1	180.4	2.7		30.2			19.5	9.4		1.3
Lebanon	86.1	8.7	77.4	57.7	51.8	5.9		19.7			14.8		3.2	1.7
Saudi Arabia	46.6	(1)	46.6	27.4	27.4			19.2					14.8	4.4
Turkey	3,094.9	1,924.7	1,170.2	934.2	880.5	53.5		236.2	(221.6)	129.2	12.2	3.5	79.1	12.2
United Arab Republic	295.0		295.0	90.8	67.1	23.7		204.2	(149.8)	111.1		62.1	19.9	11.1
Yemen	11.3		11.3	3.3	3.3			8.0			8.0			
CENTO	23.2		23.2	23.2	23.2									
South Asia	3,900.0	1.5	3,888.5	1,675.1	1,129.5	545.6		2,213.4	(1,694.1)	1,443.0	86.8	172.6	212.3	298.7
Afghanistan	145.7	1.5	144.2	84.0	83.3	.7		60.2			20.3	.3	39.5	.1
Ceylon	65.3		65.3	23.4	15.6	7.8		41.9	(21.0)	16.5	9.3	16.1		
India	2,383.9		2,383.9	753.6	420.3	333.3		1,630.3	(1,286.5)	1,103.9	4.9	125.3	165.5	230.7
Nepal	39.4		39.4	18.9	18.9			20.5		16.8	3.7			
Pakistan	1,255.7	(1)	1,255.7	795.2	591.4	203.8		460.5	(386.6)	305.8	48.6	30.9	7.3	67.9
Regional	854.2	574.2	280.0	276.7	21.0	33.0	222.7	3.3				3.3		
Latin America	4,447.1	389.8	4,057.3	561.1	443.9	94.4	22.8	3,496.2	(467.2)	359.2	39.0	120.3	2,586.1	391.6
Argentina	460.5	6.2	454.3	26.5	1.7	24.8		427.8	(62.3)	42.9			384.8	.1
Bolivia	191.7	.5	191.2	130.6	126.4	4.0		60.6			17.4	6.2	26.4	10.6
Brazil	1,376.5	152.5	1,224.0	38.4	38.2	.2		1,185.6	(178.4)	148.1		18.2	973.8	45.5
Chile	364.6	39.7	324.9	45.2	23.9	10.8	10.5	279.7	(42.0)	33.3		35.4	205.9	5.1
Colombia	249.5	25.7	223.8	11.3	11.3			212.5	(69.9)	51.4		21.2	137.3	2.6
Costa Rica	68.7	(*)	68.7	10.9	10.6	.3		57.8			.2	.8	21.0	35.8
Cuba	52.0	10.6	41.4	2.8	2.8			38.6				.6	37.5	.5
Dominican Republic	8.8	6.1	2.7	2.1	2.1			.6						.6
Ecuador	84.3	17.5	66.8	29.1	19.1	10.0		37.7	(9.3)	7.1		2.2	24.7	3.7
El Salvador	10.0	.1	9.9	7.1	7.1			2.8				1.0		1.8
Guatemala	117.4	1.5	115.9	60.2	53.8	5.4		46.7			3.2	1.5	6.2	35.8
Haiti	80.4	5.5	74.9	39.1	31.5	7.6		35.8			3.5	4.3	25.0	3.0
Honduras	34.9	1.1	33.8	21.3	13.5	7.8		12.5			.2	2.4	3.5	6.4
Mexico	600.0	4.8	595.2	6.8	6.8			588.4	(25.2)	17.7	.2	4.4	466.5	99.6
Nicaragua	42.5	1.6	40.9	9.5	6.4	3.1		31.4					12.1	19.3
Panama	58.6		58.6	12.9	12.9			45.7				5.3	17.2	23.2
Paraguay	39.5	.5	39.0	22.0	14.9	7.1		17.0	(2.9)	2.1		1.6	10.4	2.9
Peru	334.3	51.2	283.1	28.1	23.6	4.5		255.0	(34.0)	24.1	13.9	7.8	198.6	10.6
Uruguay	72.3	23.2	49.1	10.6	1.8	8.8		38.5	(43.2)	32.5	(*)	.2	2.6	3.2
Venezuela	73.3	38.0	35.3	1.2	1.2			34.1					32.6	1.5
West Indies Federation	11.5		11.5	5.5	5.5			6.0				6.0		
Oversea Territories	4.8		4.8	3.1	3.1			1.7			.3	1.4		
Regional	111.1	3.5	107.6	27.6	15.5		12.1	80.0						80.0
Africa	822.1	57.2	764.9	525.4	437.9	87.5		239.5			79.8	22.9	80.0	56.8
Ethiopia	115.0	42.5	72.5	37.8	37.3	.5		34.7			5.9	.5	27.4	.9
Ghana	4.0		4.0	2.7	2.7			1.3			.6	.7		
Guinea	3.8		3.8	2.1	2.1			1.7			1.7			
Liberia	73.3	1.5	71.8	23.2	19.8	3.4		48.6				.6	40.1	7.9
Libya	154.0	2.9	151.1	94.4	89.4	5.0		56.7			26.2	5.1		25.4
Morocco	194.7		194.7	170.4	147.4	23.0		24.3			11.9	12.4		
Nigeria	6.2		6.2	5.8	5.0	.8		.4				.2		.2
Somali Republic	9.1		9.1	8.8	6.8	2.0		.3			.3	(*)		
Sudan	44.1	(*)	44.1	44.1	34.1	10.0		(*)			(*)	(*)		
Tunisia	135.2		135.2	100.6	68.5	32.1		34.6			33.1	1.5		
Oversea Territories	60.9		60.9	24.2	24.2			36.7				1.8	12.5	22.4
Regional	21.6	10.3	11.3	11.3	.6	10.7								
Nonregional	5,336.2	642.4	2,693.8	1,235.6	751.9	2.9		1,458.2		1.5	26.8	99.8		1,330.2

[1] Military data classified and included in NEA regional total.

Development Loan Fund—Cumulative status of credit authorizations, as of June 30, 1961

No.	Region, country, and borrower	Project	Authorizations and obligations			Date agreement signed (obligations)	Terms			Disbursement	Repayments		Loans outstanding	Interest collected	
			Amount authorized or obligated	Cancellations or adjustments	Net		Interest rate	Duration	Currency of repayment		U.S. dollars	Local currency		U.S. dollars	Local currency
	A. DIRECT LOANS														
	AFRICA														
	Ethiopia:														
88	Sviluppo Agricolo Industriale Del'Eritrea, S.A. (P).	Cotton textile mill	500,000		500,000	Aug. 6, 1959	5¾	10	Ethiopian dollars.	475,912			475,912		7,668
165	Development Bank of Ethiopia	Development bank	2,000,000		2,000,000	June 20, 1961	4	15	do						
179	Imperial Ethiopian Government.	Jet aviation facilities	3,100,000		3,100,000		3½	20	do						
180	Do	Airport facilities	20,250,000		20,250,000		3½	12	do						
184	Atlas Engineering & Contracting Co., S.A. (P).	Sawmill	180,000		180,000	June 30, 1961	5¾	8	do						
193	Imperial Ethiopian Government.	Road maintenance	3,600,000		3,600,000		3½	20	do						
	Liberia:														
27	Liberian-American Agricultural & Industrial Corp. (P).	Sawmill	190,000		190,000	Dec. 16, 1958	5¾	8	U.S. dollars.	164,040	6,000		158,040	8,621	
43	Republic of Liberia	Telecommunications	3,000,000		3,000,000	Jan. 30, 1959	3½	25	do	150,000	60,000		90,000	1,247	
24	Libya: Government of Libya	Electric powerplant	5,000,000		5,000,000	June 25, 1959	3½	25	Libyan pounds.	3,365,148		25,000	3,340,148		75,260
106	Morocco: Kingdom of Morocco	Irrigation	23,000,000		23,000,000	Mar. 16, 1960	3½	28	Dirhams						
73	Nigeria:														
	Nigerian Ports Authority	Construction of warehouse	800,000	−136,400	663,600	Dec. 30, 1959	5¾	12	U.S. dollars.	663,600			663,600	12,858	
161	Nigerian Railway Corporation	Track relaying	3,100,000		3,100,000		3½	20	(1)						
35	Somalia: Credito Somalo	Development bank	2,000,000		2,000,000	Mar. 31, 1959	4	15	Somalos	80,726		500	80,226		2,917
37	Sudan: Sudan-American Textile Industry (P).	Textile mill	10,000,000		10,000,000	May 21, 1959	5½	15	U.S. dollars.	6,804,361			6,804,361		
158	Tanganyika: Government of the Trust Territory of Tanganyika.	Road construction	1,900,000		1,900,000	Jan. 18, 1961	3½	20	do						
	Tunisia:														
33	Societe Nationale des Chemins de fer Tunisiens.	National railways	2,400,000			May 27, 1959	3½	20	Dinars	935,204		20,000	915,204		19,926
			350,000		2,750,000	Dec. 29, 1960									
36	Societe Nationale Tunisienne de Cellulose (P).	Pulp factory	6,250,000		6,250,000	May 13, 1959	5¾	14	(2)	3,905,671		10,000	3,895,671		
136	Government of Tunisia	Irrigation	18,000,000		18,000,000	Oct. 11, 1960	3½	30	Dinars						
147	Do	Airport construction	5,100,000		5,100,000	Jan. 27, 1961	3½	20	do						
167	Banque Nationale Agricole	Development bank	5,000,000		5,000,000	June 27, 1961	4	15	do						
196	Societe Tunisienne de Banque	do	5,000,000		5,000,000	do	4	15	do						
	Other approvals		30,700,000	−10,700,000	20,000,000										
	Subtotal, Africa		151,420,000	−10,836,400	140,583,600	[3] (90,533,600)				16,544,662	66,000	55,500	16,423,162	22,726	105,771
	EUROPE														
28	Netherlands: Government of Netherlands.	Emigrant resettlement	3,000,000		3,000,000	Jan. 21, 1959	4¼	21	U.S. dollars.	3,000,000	3,000,000			141,767	
80	Spain:														
	Instituto Nacionale de Colonizacion.	Irrigation (equipment)	7,700,000	−7,700,000											
51	Spanish National Railways	Railway rehabilitation	14,900,000		14,900,000	June 5, 1959	3½	20	Pesetas	5,954,721		794,750	5,159,971		94,434
112	Union Electrica Madrilena (P)	Hydroelectric plant	3,900,000	−2,121,087	1,778,913	Mar. 23, 1960	5¾	5	do	1,255,849			1,255,849		26,330
128	Isodel Sprecher, S.A. (P)	Electric switchgear	350,000		350,000	June 14, 1960	5¾	8	do	302,218			302,218		264
	General Electric Espanola (P)	Power generation	1,200,000	−1,200,000											
	Yugoslavia:														
31	Government of Yugoslavia	Fertilizer plant	22,500,000		22,500,000	Jan. 8, 1959	5½	20	(4)	13,292,138	30,000	90,000	13,172,138	129,694	389,063
65	Do	Diesel locomotives	5,000,000		5,000,000	June 12, 1959	3½	12	Dinars	4,969,946		150,000	4,819,946		203,939
84	Do	Electric power	9,000,000		9,000,000	Nov. 25, 1959	3½	20	do	5,021,163		100,000	4,921,163		31,280
85	Do	Hydroelectric plant	15,000,000		15,000,000	Dec. 17, 1959	3½	25	(5)	1,234,243			1,234,243		
117	Do	Diesel locomotives (2d)	14,800,000		14,800,000	June 23, 1960	3½	15½	(6)	14,416,926	12,500	37,500	14,366,926	42,813	128,439
135	Do	Zagreb plastics	23,000,000		23,000,000	Sept. 16, 1960	5¾	15	(7)	1,592,555			1,592,555		
164	Do	Sisak ironworks	8,500,000		8,500,000	Mar. 27, 1961	5¾	15	Dinars						
168	Do	Diesel locomotives (3d)	5,200,000		5,200,000	Mar. 21, 1961	3½	15	do						
173	Do	Electric power (2d Kosovo)	14,000,000		14,000,000	do	3½	20	do						
	Subtotal, Europe		148,050,000	−11,021,087	137,028,913	[3] (137,028,913)				51,039,759	3,042,500	1,172,250	46,825,009	314,274	873,778

See footnotes at end of table.

Development Loan Fund—Cumulative status of credit authorizations, as of June 30, 1961—Continued

No.	Region, country, and borrower	Project	Authorizations and obligations			Date agreement signed (obligations)	Terms			Disbursement	Repayments		Loans outstanding	Interest collected	
			Amount authorized or obligated	Cancellations or adjustments	Net		Interest rate	Duration	Currency of repayment		U.S. dollars	Local currency		U.S. dollars	Local currency
	A. DIRECT LOANS—Continued														
	FAR EAST														
	Indonesia:														
42	Republic of Indonesia	Railway rehabilitation	3,000,000		3,000,000	June 26, 1959	3½	15	Rupiahs	1,388,399		20,000	1,368,399		3,033
80	Do	Harbor development	6,000,000		6,000,000	do	3½	20	do	162,146		25,000	137,146		846
109	N.V. Indonesian Service Co. (P).	Automotive parts plant	2,600,000		2,600,000	May 31, 1960	5¾	10	do	609,221			609,221		
	Korea:														
22	Tongyang Cement Manufacturing Co. (P).	Cement plant	2,140,000		2,140,000	Jan. 20, 1959	5¼	8	Hwan	2,130,382		147,261	1,983,121		86,444
32	Republic of Korea	Telecommunications	3,500,000		3,500,000	Apr. 8, 1959	3½	20	do	490,492		45,000	445,492		3,827
61	Korea Electric Power Co	Chung Ju hydroelectric	1,500,000		1,500,000	May 26, 1959	3½	10	do	1,097,460		30,000	1,067,460		25,056
93	Oriental Chemical Industry (P).	Soda ash plant	5,600,000		5,600,000	Dec. 11, 1959	5¾	15	do						
94	Korea Reconstruction Bank	Development bank	5,000,000		5,000,000	Apr. 12, 1960	5	10	do						
95	Tec Pan Industrial Corp. (P)	Building materials	1,100,000		1,100,000	June 13, 1960	5¾	15	do						
153	Korea Nylon Co., Ltd. (P)	Nylon plant	3,200,000		3,200,000	Feb. 6, 1961	5¾	10	do						
182	Puk Sam Chemical Industrial Co. (P).	Chemical plant	3,300,000		3,300,000		5¾	14	do						
	Malaya:														
46	Federation of Malaya	Wharfage accommodations	10,000,000		10,000,000	Mar. 18, 1959	3½	30	U.S. dollars	976,438	50,000		926,438	2,668	
54	Do	Roads and bridges	10,000,000		10,000,000	do	3½	10	do	572,220	200,000		372,220	6,700	
	Philippines:														
59	Central Bank of Philippines	Small industry fund	5,000,000		5,000,000	May 6, 1959	5¼	7	do	345,668	177,000		168,668	2,147	
67	Republic of the Philippines	Roads and bridges rehabilitation.	18,750,000		18,750,000	June 29, 1959	3½	12	do	597,781			597,781		
81	Bataan Pulp & Paper Mill (P)	Pulp and paper mill	5,300,000		5,300,000	July 10, 1959	5¾	10	do	4,467,208	10,000		4,457,208	36,141	
92	Mindanao Portland Cement Co. (P).	Cement plant	3,700,000		3,700,000	Oct. 26, 1959	5¾	9	do	2,553,106			2,553,106	13,497	
101	Bago Pulp & Paper Co. (P)	Pulp and paper mill	5,300,000		5,300,000	Dec. 29, 1959	5¾	9	do						
154	Orval Chemical Co., Inc. (P)	Industrial explosive plant	2,100,000		2,100,000	Feb. 15, 1961	5¾	11	do						
	China (Taiwan):														
7	Asia Cement Corp. (P)	Cement plant	2,750,000 250,000		3,000,000	July 25, 1958 Feb. 18, 1960	5½	10	N.T. dollar	2,992,221		20,000	2,972,221		175,297
17	Republic of China	Multipurpose dam	21,500,000		21,500,000	Nov. 10, 1958	3½	35	do	10,640,807		100,000	10,540,807		324,983
18	Do	Railways	3,200,000		3,200,000	Nov. 12, 1958	3½	11	do	1,937,057		318,130	1,618,927		59,170
26	Land bank	Improvement of fishing	686,000		686,000	Mar. 18, 1959	5	5	do	622,607		125,593	497,015		19,075
47	First Commercial Bank of Taiwan, Chang Hwa Commercial Bank, Huan Nan Commercial Bank, Ltd., & Central Trust of China.	Small industry fund	2,500,000		2,500,000	Dec. 15, 1959	5½	5	do	798,011		45,000	753,011		5,91[illegible]
48	Ingalls-Taiwan Shipbuilding Co. (P).	Expansion of shipyard	2,000,000	−1,100,000	900,000	Jan. 22, 1959	5½	9	U.S. dollars	86,068			86,068	1,618	
49	Pioneer Chemical Corp. (P)	Coke oven	1,000,000		1,000,000	Feb. 19, 1959	5½	9	N.T. dollars	1,000,000		15,000	985,000		103,554
55	Taiwan Aluminum Corp	Production of aluminum	1,350,000		1,350,000	June 25, 1959	5½	5	do	1,048,988		10,000	1,038,988		17,767
110	Republic of China	2d railways	5,900,000		5,900,000	Feb. 18, 1960	3½	11	do	5,844,170			5,844,170		
113	China Development Corp. (P)	Development bank	10,000,000		10,000,000	Mar. 24, 1960	5¾	10	do	121,099			121,099		
114	Taiwan Telecommunications Administration.	Telecommunications	2,000,000		2,000,000	June 16, 1960	3½	10½	do						
133	Taiwan Power Co	Nanpu thermal power	20,500,000		20,500,000	Sept. 30, 1960	3½	20	do	172,793			172,793		
148	Hsinchu Window Glass Works (P).	Glass factory	1,600,000		1,600,000	May 12, 1961	5¾	12	do						
178	Taiwan Power Co	Tachien reservoir	40,000,000		40,000,000	June 21, 1961	3½	30	do						
19	Thailand:														
	Metropolitan Electricity Authority.	Electric power expansion	20,000,000		20,000,000	Mar. 6, 1959	5½	20	Baht	7,123,134		20,000	7,103,134		219,468
30	Government of Thailand	Dredge facilities	1,750,000		1,750,000	Feb. 10, 1959	5	15	do	1,232,344			1,232,344		23,746
77	Livestock Trading Corp. (P)	Meat processing plant	750,000		750,000	July 16, 1959	5¾	10	U.S. dollars	750,000			750,000	10,316	
	Vietnam:														
62	Saigon-Cholon Water Distribution System.	Water distribution system	19,500,000	−2,000,000	17,500,000	Oct. 21, 1960	3½	30	Piasters						
129	Vietnam Railway System	Railways	9,700,000		9,700,000	Aug. 10, 1960	3½	15	do	30,256			30,256		
163	Government of Vietnam	Electric power	12,700,000		12,700,000	Jan. 6, 1961	3½	20	do						
	Other approvals		12,850,000	−12,850,000	0										
	Subtotal, Far East		289,576,000	−15,950,000	273,626,000	[1] (270,326,000)				49,790,076	437,000	920,984	48,432,093	73,087	1,068,180

	LATIN AMERICA														
	Argentina:														
60	Government of Argentina	Economic development	24,750,000		24,750,000	Mar. 18, 1959	5½	9	U.S. dollars	24,612,828	300,000		24,312,828	1,314,682	
192	do	Routes 18 and 126	6,000,000		6,000,000	May 26, 1961	3½	20	(9)						
	Bolivia:														
39	Gasser y Cia Industries La Belgica (P).	Sugar mill	2,500,000		2,500,000	Feb. 5, 1959	5½	10½	Bolivianos	2,497,649		10,000	2,487,649		43,909
82	Government of Bolivia	Construction of runway	1,500,000		1,500,000	Oct. 22, 1959	3½	15	do	48,760			48,760		
185	Sociedad Industrial Azucorera La Esperanza, S.A. (P).	Sugar mill	1,750,000		1,750,000	June 12, 1961	5¾	8	do						
	Government of Bolivia	Highway maintenance	2,000,000		[17] 2,000,000										
	Brazil:														
45	Cooperativa Agro-Pecuaria Batavo Limitata & Societade Cooperativa Castrolanda Ltd. (P).	Resettlement project	240,000		240,000	Mar. 4, 1959	8	14	Cruzeiros	210,266		1,503	208,764		
52	Companhia Brasileira de Colonizacao E Imigracao Italiana.	do	300,000	−300,000											
	Chile:														
57	Government of Chile	Airport design	300,000		300,000	May 20, 1959	3½	3	Escudos						
134	Do	Airport construction (Pudahuel).	[10] 10,500,000		10,500,000	Dec. 7, 1960	3½	20	Escudos or U.S. dollars.						
188	Do	Airport construction (Concepcion).	3,200,000		3,200,000	June 21, 1961	3½	20	(11)						
199	Caja Central de Ahorros y Piestamos.	Central housing	5,000,000		5,000,000	June 14, 1961	4	25	(11)						
	Colombia: Government of Colombia.	Housing, resettlement, and penetration roads.	25,000,000		[17] 25,000,000										
38	Costa Rica: [12] Societa Italiana de Colizzazione Agricola (P).	Resettlement project	300,000		300,000	Jan. 13, 1959	5½	16	U.S. dollars	299,883	3,000		296,883	21,336	
	Ecuador:														
44	Government of Ecuador	Highway construction	4,700,000	[13] 64,108	4,635,892	Mar. 23, 1959	3½	20	(14)	1,765,408		75,000	1,690,408		37,178
102	Do	do	[11] 5,300,000		5,300,000	Nov. 6, 1959	3½	18	Sucres [15]	3,727,230	20,000		3,707,230	56,222	27,735
195	Do	Aerial photogrammetric mapping.	1,800,000		1,800,000		3½	20	(16)						
213	Ecuadoran Housing Bank	Central housing bank	5,000,000		5,000,000		4	25	U.S. dollars						
202	El Salvador: Republic of El Salvador.	Airport construction	1,600,000		1,600,000		3½	20	Centavos						
	Guatemala:														
63	Banco de Guatemala	Rubber production	5,000,000		5,000,000	Aug. 17, 1959	5¾	12	U.S. dollars						
73	Productos de Kenaf (P)	Kenaf bag factory	400,000	−782	399,218	June 3, 1959	5¾	5	do	399,217			399,217	19,899	
150	Government of Guatemala	Highway construction	2,100,000		2,100,000	Jan. 24, 1961	3½	15½	do						
174	do	do	5,400,000		5,400,000	do	3½	15	Quetzals						
	Haiti:														
58	Government of Haiti	Irrigation	4,300,000		4,300,000	May 28, 1959	3½	30	Gourdes	2,005,308	2,000	1,000	2,002,308	9,938	11,935
104	do	Highway engineering	300,000		300,000	Jan. 21, 1960	3½	3	do	168,027			168,027		
108	Centrale Sucriere, S.M.(P)	Sugar mill	3,000,000	−3,000,000					do						
	Haitian Agricultural Corp., SA(P).	Sisal plantation	250,000		250,000		5¾	9	Gourdes or U.S. dollars.						
	Honduras:														
1	Government of Honduras	Highway development	5,000,000		5,000,000	May 10, 1958	3½	20	Lempiras	2,248,885		100,000	2,148,885		61,099
137	Empresa Nacional de Energia Electrica.	Canaveral hydroelectric	2,800,000		2,800,000	Sept. 9, 1960	3½	25	do						
	Nicaragua:														
64	Municipality of Matagalpa	Public utilities	600,000		600,000	May 7, 1959	3½	15	U.S. dollars	460,064	15,378		444,686	1,416	
132	Empresa Nacional de Luz & Fuerza.	Rio Tuma hydroelectric	2,500,000		2,500,000	June 30, 1960	3½	25	Cordobas	40,121			40,121		
209	Government of Nicaragua	Highway construction	4,300,000		4,300,000		3½	15	do						
	Do	do	2,800,000		[17] 2,800,000										
	Panama:														
149	Republic of Panama	Feeder roads	5,300,000		5,300,000	Nov. 10, 1960	3½	15	U.S. dollars						
198	Caja de Aborros	Housing project	2,500,000		2,500,000		4	22	do						
	Paraguay:														
10	Corporacion de Obras Sanitarias de Asuncion.	Water supply system	1,000,000		1,000,000	Sept. 5, 1958	3½	20	Guaranies	1,000,000		40,000	960,000		67,794
14	Government of Paraguay	Road improvement	2,500,000	[13] −40,426	2,459,574	Oct. 29, 1958	3½	15	(18)	2,279,364		50,000	2,229,364		54,825
16	International Products Corp. (P)	Modernization of operations	2,600,000		2,600,000	Nov. 6, 1958	5¼	5	U.S. dollars	2,574,410	100,000		2,474,410	210,120	
91	Government of Paraguay	Telecommunications	1,000,000		1,000,000	May 25, 1961	3½	10	(19)						
	Peru:														
111	Government of Peru	Highway construction	4,500,000		4,500,000	Dec. 19, 1960	3¼	15	Soles [15]						
119	Mutual Savings & Loan Association (P).	Savings and loan association	1,000,000		1,000,000	July 13, 1960	5¾	20	U.S. dollars						
201	Government of Peru	Home savings program	7,500,000		7,500,000		4	20	(20)						
	Do	Agricultural settlement and roads.	17,500,000		[17] 17,500,000										

See footnotes at end of table.

Development Loan Fund—Cumulative status of credit authorizations, as of June 30, 1961—Continued

No.	Region, country, and borrower	Project	Authorizations and obligations: Amount authorized or obligated	Authorizations and obligations: Cancellations or adjustments	Authorizations and obligations: Net	Date agreement signed (obligations)	Terms: Interest rate	Terms: Duration	Terms: Currency of repayment	Disbursement	Repayments: U.S. dollars	Repayments: Local currency	Loans outstanding	Interest collected: U.S. dollars	Interest collected: Local currency
	A. DIRECT LOANS—Continued														
	LATIN AMERICA—continued														
72	Uruguay: Administration General de las Unimas Electricas y los Telefonos de Estado (UTE).	Telephone system	8,800,000		8,800,000	Sept. 3,1959	3½	20	(21)	2,475,163			2,475,163		15,152
	Venezuela:														
175	Fundacion de la Viviends Popular.	Housing project (P)	5,000,000		5,000,000	Mar. 15,1961	5	15	U.S. dollars						
212	Banco Obrero	Central home savings	10,000,000		10,000,000		4	20	do						
	Central American Bank for Economic Integration.	Development Bank	5,000,000		5,000,000		4	15	do						
	Other approvals		22 16,375,000		16,375,000										
	Subtotal, Latin America		231,065,000	−3,405,316	227,659,684	1($126,034,684)				46,812,583	420,378	297,503	46,094,703	1,623,675	329,062
	NEAR EAST														
	Greece:														
41	Government of Greece	Fertilizer plant	12,000,000		12,000,000	Jan. 28,1959	5¼	12	Drachmas	10,812,105		120,000	10,692,105		777,087
107	Public Power Corp.	Hydroelectric plant	31,000,000		31,000,000	Jan. 29,1960	3½	25	do	467,500			467,500		4,827
	Iran:														
34	Plan Organization	Economic development	47,500,000	−1,045,000	46,455,000	Jan. 7,1959	3½/5¼	12	U.S. dollars	46,110,194	300,000		45,810,194	2,381,743	
89	Industrial & Mining Development Bank of Iran (P).	Development bank	5,200,000		5,200,000	Nov. 19,1959	5¾	15	do	241,756			241,756	2,554	
97	Plan Organization	Highway construction	25,000,000		25,000,000	Oct. 7,1959	3½	17	do						
97A	Do	do	26,200,000		26,200,000	Dec. 20,1960	3½	17	do	34,538,891	100,000		34,438,891	265,622	
97B	Do	do	12,000,000		12,000,000		3½	17	do						
181	Government of Iran	Port and port facilities	12,000,000	−12,000,000											
	Israel:														
5	Government of Israel	Economic development	15,000,000		15,000,000	June 25,1958	5¼	15	Pounds	15,000,000		929,750	14,070,250		1,752,895
66	Industrial Development Bank of Israel (P).	Development bank	5,000,000		5,000,000	May 12,1959	5	10	do	4,452,235		100,000	4,352,235		93,778
66A			5,000,000		5,000,000	May 8,1960									
183	Industrial Development Bank (P).	do	10,000,000		10,000,000		5	10	do						
126	Government of Israel	Irrigation and agriculture	15,000,000		15,000,000	June 30,1960	3½	20	do	8,235,750			8,235,750		66,132
166	Do	Telephone development	6,000,000		6,000,000	Feb. 20,1961	3½	10	do						
	Jordan:														
56	Transjordan Electric Power Co. (P)	Electric power	1,200,000		1,200,000	June 25,1959	5¾	10	Dinars	314,751			314,751		3,284
76	Jordan Phosphate Mines (P)	Phosphate mines expansion	2,500,000	−1,000,000	1,500,000	Oct. 26,1959	5¾	13	UK pounds	892,164			892,164		13,615
160	Arab Land Bank	Development bank	1,000,000		1,000,000		4¼	15	Dinars						
	Lebanon:														
96	Societe de'Electricite de El Bared, S.A.L. (P).	Powerplant	500,000		500,000	Feb. 9,1960	5¾	12	U.S. dollars						
99	Banque de Credit Agricole, Industriel et Foncier (P).	Development bank	5,000,000		5,000,000	May 4,1960	4½	15	do	434,580			434,580	3,827	
138	Societe Pour L'Industrie des Metaux, S.A. (P)	Aluminum plant	400,000		400,000	Nov. 8,1960	5¾	10	do	229,752			229,752	587	
	Turkey:														
11	Industrial Development Bank (P).	Development bank	10,000,000		10,000,000	Sept. 12,1958	5	10	Lira	1,915,836		214,064	1,701,772		78,564
53	Maden Tetkik ve Arma Enstitud.	Aerial mineral survey	900,000		900,000	Apr. 30,1959	3½	5	do	467,302		200,000	267,302		6,174
70	Turkiye Komur Islemeliri Korumu.	Coal mining facilities	14,500,000		14,500,000	do	5¾	12	do	37,226			37,226		
71	Vinyles Plastics, Ltd. (P)	Plastics, carbide plant	6,100,000	−6,100,000											
87	Koruma Tarim Ilaclari (P)	Production of chemicals	2,800,000		2,800,000	Jan. 19,1961	5¼	10	do						
98	ETIBANK	Electric power distribution	7,000,000		7,000,000	Jan. 21,1960	3½	12	do	14,020			14,020		
139	Government of Turkey	Railway construction	6,000,000		6,000,000	Dec. 19,1960	3½	20	do						
169	Eregli Iron & Steel Works (P)	Steel mill	98,600,000		98,600,000	Jan. 9,1961	5¼	20	do						
			31,000,000		31,000,000	do	5¼	20	U.S. dollars						
	UAR-Egypt:														
115	Adfina Por L'Exportation de la Fabrication des Produits (P).	Canning and freezing plant	450,000	−250,000	200,000	Oct. 7,1960	5¾	10	Pounds						
116	General organization for executing the 5-year industrial plan.	Bagasse pulp mill	6,700,000		6,700,000	Nov. 23,1960	5¾	13	do						
122	Industrial Development Bank	Development Bank	7,000,000		7,000,000	Aug. 31,1960	5	10	do						

142	Telecommunications Organization.	Telecommunications	1,300,000		1,300,000	Jan. 19, 1961	3½	15	do							
	UAR-Syria:															
90	Modern Industries Corporation (P).	Textile mill	1,000,000	−300,000	700,000	Nov. 5, 1959	5¾	10	U.S. dollars	687,712			687,712	19,293		
124	Industrial Development Bank	Development bank	5,000,000		5,000,000	Aug. 15, 1960	5	10	Pounds							
143	Posts, Telegraphs and Telephones Administration.	Telecommunications	2,500,000		2,500,000	Oct. 3, 1960	3½	13	do							
	Other approvals		25,000,000	−25,000,000												
	Subtotal, Near East		463,350,000	−45,695,000	417,655,000	[8] (394,655,000)				124,851,774	400,000	1,563,814	122,887,960	2,673,627	2,796,356	
	SOUTH ASIA															
146	Afghanistan: Ariana Afghan Airlines.	Aircraft acquisition	700,000		700,000		5¾	5	Afghanis							
	Ceylon:															
4	Government of Ceylon	Irrigation and land development.	1,600,000	−124,057	1,475,943	June 24, 1958	3½	20	Rupees	1,475,942		125,000	1,350,942		76,001	
8	Do	Highway development	900,000		900,000	July 28, 1958	3½	10	do	685,770		75,000	610,770		16,813	
9	Do	Rehabilitation of railways	750,000		750,000	Sept. 3, 1958	3½	20	do							
103	Ceylon Cement Corp	Cement plant	4,500,000	−4,500,000			5¾	12½	do							
156	Government of Ceylon	Airport construction	3,200,000		3,200,000	Jan. 30, 1961	3½	20	do							
	India:															
2	Government of India	Railway modernization	40,000,000	−10,000,000	30,000,000	June 23, 1958	3½	20	do	28,966,995		4,000,000	24,966,995		476,145	
3	Do	Roads, cement, jute, and refractories.	35,000,000		35,000,000	do	5¼	15	do	32,012,695		4,666,667	27,346,028		1,285,360	
12	Do	Railway modernization	35,000,000		35,000,000	Dec. 24, 1958	3½	20	do	35,000,000		400,000	34,600,000		2,041,792	
13A	Do	Steel imports (public)	18,000,000		18,000,000	do	3½	15	do	17,158,571		600,869	16,557,702		293,326	
13B	Do	Steel imports (private)	22,000,000		22,000,000	do	5½	15	do	21,460,154		629,485	20,830,669		752,835	
21	Do	Public power development	10,000,000		10,000,000	do	3½	20	do	10,000,000		400,000	9,600,000		263,512	
40	Do	Capital equipment (private)	15,000,000		15,000,000	do	5¾	10	do	12,019,573		300,000	11,719,573		850,245	
78	Do	Steel imports	20,000,000		20,000,000	July 27, 1959	5¾	10	do	14,607,963			14,607,963		52,275	
118	Industrial Finance Corporation.	Development bank	10,000,000		10,000,000	Dec. 7, 1960	5	15	do							
120	Government of India	Sharavathi hydroelectric	8,400,000		8,400,000	June 30, 1960	3½	20	do	5,142			5,142			
121	Ahmedabad Electricity Co. (P).	Thermal power	3,900,000		3,900,000	do	3½	14	do							
122	Government of India	Barauni thermal power	3,800,000		3,800,000	do	3½	20	do							
125	Do	Chandrapura thermal power	30,000,000		30,000,000	do	3½	20	do							
130	Do	Durgapur thermal power	20,000,000		20,000,000	do	3½	20								
131	Do	Road transport	13,100,000		13,100,000	do	5¾	5	do	953,024			953,024			
140	Do	Kanpur thermal power	1,600,000		1,600,000	Dec. 5, 1960	3½	15	do							
141	Do	Barapani hydroelectric	2,500,000		2,500,000	do	3½	20	do							
144	National Small Industrial Corporation.	Development bank	10,000,000		10,000,000	Apr. 10, 1961	5	10	do							
151	Government of India	Third railways	50,000,000		50,000,000	Dec. 5, 1960	3½	20	do							
155	Industrial Credit & Investment Corporation of India (P).	Development bank	5,000,000		5,000,000	Mar. 23, 1961	5	15	do							
157	Government of India	Capital equipment	25,000,000		25,000,000	Dec. 5, 1960	5¾	10	do							
159	Do	Steel imports	25,000,000		25,000,000	do	5¾	15	do	666,985			666,985			
162	Hindustan Chemicals and Fertilizers.	Fertilizer plant	30,000,000		30,000,000	Dec. 29, 1960	5¾	15	do	1,484,250			1,484,250			
176	Premier Automobiles, Ltd. (P)	Automotive parts plant	7,200,000		7,200,000		5¾	15	do							
190	Government of India	Talcher power	33,000,000		33,000,000		3½	20	do							
191	Do	Birsinghpur power	8,400,000		8,400,000		3½	20	do							
197	Do	Second Sharavathi	21,500,000		21,500,000		3½	20	do							
206	Do	Nonferrous metals	20,000,000		20,000,000		3½	15	do							
	Do	Beas Dam	33,000,000		[17] 33,000,000											
152	Nepal: Nepal Industrial Development Corporation.	Development bank	400,000		400,000	June 20, 1961	5	15	Rupees							
	Pakistan:															
6	Government of Pakistan	Water sewage disposal	5,500,000		5,500,000	June 30, 1958	3½	30	do	2,097,349		75,000	2,022,349		58,470	
15	Pakistan Industrial Credit & Investment Corporation (PICIC) (P).	Development bank	4,200,000		4,200,000	Dec. 4, 1958	5	5	do	4,013,810		1,680,000	2,333,810		109,718	
20	Government of Pakistan	Railway rehabilitation	9,100,000		9,100,000	Feb. 18, 1959	3½	20	do	5,184,893		268,749	4,916,144		199,895	
23	Do	Multipurpose dam	17,500,000		17,500,000	do	3½	30	do	14,879,714		551,995	14,327,719		534,279	
			2,750,000		2,750,000	Jan. 28, 1961										
25	West Pakistan Water and Power Development Authority.	Land reclamation	15,200,000		15,200,000	Feb. 18, 1959	3½	20	do	11,321,480		767,419	10,554,061		190,759	
29	Do	Power transmission lines	14,700,000		14,700,000	do	3½	25	do	7,104,440		400,000	6,704,440		176,526	
68	Government of Pakistan	Port facilities	2,000,000		2,000,000	July 10, 1959	3½	20	do							
69	Do	do	2,000,000	−2,000,000												

See footnotes at end of table.

Development Loan Fund—Cumulative status of credit authorizations, as of June 30, 1961—Continued

No.	Region, country, and borrower	Project	Authorizations and obligations: Amount authorized or obligated	Authorizations and obligations: Cancellations or adjustments	Authorizations and obligations: Net	Date agreement signed (obligations)	Terms: Interest rate	Terms: Duration	Terms: Currency of repayment	Disbursement	Repayments: U.S. dollars	Repayments: Local currency	Loans outstanding	Interest collected: U.S. dollars	Interest collected: Local currency
	A. DIRECT LOANS—Continued														
	SOUTH ASIA—continued														
74	Sui Gas Transmission Co. (P)	Expansion gas treating plant	2,000,000	−6,306	1,993,694	Feb. 19, 1960	5¾	12	Pounds	1,993,694		80,000	1,913,694		121,392
79	Government of Pakistan	Secondary transmission grid	23,000,000		23,000,000	June 29, 1959	3½	25	do	1,364,825		200,000	1,164,825		17,661
83	do	Inland waterways	1,750,000		1,750,000	Sept. 12, 1959	3½	12	do						
86	do	Jet runway	4,800,000	−1,000,000	3,800,000	Nov. 3, 1959	3½	15	do	2,903,533		10,000	2,893,533		5,993
100	PICIC (Second) (P)	Development bank	10,000,000		10,000,000	Jan. 15, 1960	5½	5	do	2,969,322		525,000	2,444,322		21,954
105	Government of Pakistan	Railroad rehabilitation	22,000,000		22,000,000	Jan. 16, 1960	3½	20	do	14,603,225			14,603,225		108,644
127	do	Indus water system	70,000,000		70,000,000	Sept. 19, 1960	3½	30	do	3,675,000			3,675,000		
170	do	WAH factories	5,200,000		5,200,000		5¾	15	do						
171	do	Dredger fleet	2,300,000		2,300,000	June 14, 1961	3½	15	do						
177	do	Quetta thermal power	6,000,000		6,000,000	do	3½	15	do						
186	do	Third railways	6,500,000		6,500,000	do	3½	15	do						
194	PICIC (Third) (P)	Development bank	7,500,000		7,500,000	May 12, 1961	5	7	do						
	Other approvals		2,500,000	−2,500,000											
	Subtotal, south Asia		804,950,000	−20,130,363	784,819,637	[1] (655,819,637)				248,608,349		15,755,184	232,853,165		7,653,595
	Total, direct loans		2,068,411,000	−107,038,166	1,981,372,834					537,647,211	4,365,877	19,765,234	513,516,100	4,707,390	12,826,743
	Total, obligations					1,674,397,834									

[1] 1st ½ in pounds sterling; 2d ½ in U.S. dollars.
[2] Repayable in either pounds sterling or French francs.
[3] Total obligations.
[4] ¾ ($16,875,000) in dinars; ¼ ($5,625,000) in U.S. dollars.
[5] ¾ ($11,250,000) in dinars; ¼ ($3,750,000) in U.S. dollars.
[6] ¾ ($11,100,000) in dinars; ¼ ($3,700,000) in U.S. dollars.
[7] ¾ ($17,250,000) in dinars; ¼ ($5,750,000) in U.S. dollars.
(P) Private borrower.
[8] Total obligations.
[9] 1st 5 years in pesos (639,613); remaining in U.S. dollars ($5,360,387).
[10] Loan will be supplemented with Public Law 480 funds.
[11] ½ escudos; ½ U.S. dollars.
[12] ¾ in sucres ($1,350,000); ¼ in U.S. dollars ($450,000).
[13] Represents local currency disbursements under this loan—(see below local currency loan).
[14] ½ in sucres; ½ in U.S. dollars.
[15] DLF may at its option request repayment in U.S. dollars for the last ½ of that portion of the loan which may be disbursed in dollars.
[16] On July 26, 1961, the following 3 loans to Costa Rica, included in the amount of $16,375,000 for "Other approvals", were made public: (1) Banco National de Costa Rica—$5,000,000 for agricultural development (repayable in Costa Rican colones; 20 years; 3½ percent). (2) National Water Supply & Sewerage Authority—$3,500,000 for a metropolitan water supply (repayable in Costa Rican colones; 20 years; 3½ percent). (3) Government of Costa Rica—$125,000 for road construction (repayable in Costa Rican colones; 3 years; 3½ percent).
[17] Allocation.
[18] 1st 18 installments ($1,204,000) in guaranies; remaining 12 ($1,296,000) in U.S. dollars.
[19] 1st ½ in guaranies; 2d ½ in U.S. dollars.
[20] 1st ½ pesos; last ½ U.S. dollars.
[21] 1st 13 installments ($1,545,000) in pesos; remaining loan ($7,255,000) in U.S. dollars.
[22] Includes $8,625,000 in loans to Costa Rica made public on July 26, 1961. See footnote 16.

No.	Region, country, and borrower	Project	Maximum amount of loans subject to guarantee	Maximum liability of DLF under guarantee	Net amount authorized or obligated	Loan in currency of country [1]	Date agreement signed (obligations)	Terms: Interest rate	Terms: Duration	Terms: Currency of repayment	Disbursements	Repayments: U.S. dollars	Repayments: Local currency	Loans outstanding	Interest collected: U.S. dollars	Interest collected: Local currency
	Total direct loans				$1,981,372,834		$1,674,397,834				$537,647,211	$4,365,877	19,765,234	$513,516,100	$4,707,390	12,826,743
	B. GUARANTEED LOANS															
G-2	Liberia: Bank of Monrovia (P)	Development bank	$1,000,000	$500,000	250,000		Oct. 9, 1959	(2)		U.S. dollars					62	
G-3	Taiwan: Ingalls Taiwan Shipbuilding Co. (P).	Expansion of shipyard	995,727	497,864	497,864		Sept. 18, 1958	(2)		do					108,406	
	Other guaranteed loans		54,000,000	54,000,000	27,000,000											
	Total guaranteed loans		55,995,727	54,997,864	27,747,864		$747,864								108,468	
	Charges against DLF dollar lending authority.				2,009,120,698		$1,675,145,698				537,647,211	4,365,877	19,765,234	513,516,100	4,718,298	12,826,743
	C. LOCAL CURRENCY LOANS															
172	Israel: Government of Israel	Airport construction				[3] 925,926		3½	20	Israel pounds						
44-LC	Ecuador: Government of Ecuador.	Highway construction				[4] 64,108	Mar. 23, 1959	3½	20	Sucres	64,108			64,108		
14-LC	Paraguay: Government of Paraguay.	Road improvement				[5] 40,426	June 1, 1961	3½	15	Guaranies	40,426			40,426		
	Grand total										537,751,745	4,365,877	19,765,234	513,620,634	4,718,298	12,826,743

[1] In U.S. dollar equivalents.
[2] 2 percent fee.
[3] Israeli pounds.
[4] Sucres.
[5] Guaranies.
(P) Private borrower.

NOTE.—Totals do not add due to rounding.

DEVELOPMENT LOAN FUND

Recapitulation of budget estimates, authorizations, and appropriations for fiscal years 1958 through 1961

Fiscal years	Budget estimate	Authorization	Appropriation
1958	$2,000,000,000	$500,000,000	$300,000,000
1959	625,000,000	625,000,000	550,000,000
1960	700,000,000	700,000,000	550,000,000
1961	700,000,000	1,100,000,000	600,000,000
Total	4,025,000,000	2,925,000,000	2,000,000,000

DEVELOPMENT LOAN FUND

Fiscal year 1958: Budget estimate was $2 billion, comprised of the following: (1) $500 million to be appropriated for fiscal year 1958, and (2) $1.5 billion of borrowing for fiscal years 1959 and 1960. (Seven hundred and fifty million dollars in fiscal year 1959 and $750 million in fiscal year 1960.) Congress authorized $1,125 million for the fiscal years 1958 and 1959, as follows: (1) For fiscal year 1958, $500 million; (2) for fiscal year 1959, $625 million. Congress appropriated for fiscal year 1958, a total of $300 million.

Fiscal year 1959: Budget estimate presented to Congress was $625 million. This amount was authorized in previous year by Congress. Congress appropriated $550 million.

Fiscal year 1960: Budget estimate submitted to Congress was $700 million. Congress authorized $700 million for fiscal year 1960 and $1.1 billion for fiscal year 1961, thus granting a 2-year authorization, as was done in fiscal year 1958. Congress finally appropriated $550 million for fiscal year 1960.

Fiscal year 1961: Budget estimate submitted to Congress was $700 million. In previous year, Congress had authorized $1.1 billion for fiscal year 1961. Congress appropriated $600 million for fiscal year 1961.

Status of DLF loans by region, as of June 30, 1961

[In thousands]

Region and fiscal year	Number of loans		Amount		Disbursed	Repaid	Interest and fees collected
	Approved	Obligated	Approved [1]	Obligated			
Africa:							
1958	1		$9,300.0				
1959	9	7	31,540.0	$28,840.0	$50		
1960	4	4	46,700.0	24,550.0	7,780	$36	$2
1961	10	7	80,293.6	37,393.6	8,715	86	126
Total	24	18	167,833.6	90,783.6	16,545	122	128
Europe:							
1958	1		3,000.0				
1959	7	5	75,300.0	53,100.0	561		
1960	3	5	40,850.0	43,050.0	12,556	370	111
1961	2	3	17,878.9	40,878.9	37,923	3,845	1,077
Total	13	13	137,028.9	137,028.9	51,040	4,215	1,188
Far East:							
1958	7		38,236.0				
1959	19	19	139,990.0	118,626.0	2,513		40
1960	9	12	52,300.0	48,650.0	13,045	125	233
1961	5	8	43,597.8	103,547.8	34,232	1,233	868
Total	40	39	274,123.8	270,823.8	49,790	1,358	1,141
Latin America:							
1958	3	1	8,500.0	5,000.0			
1959	15	12	57,290.0	44,190.0	3,073		9
1960	7	6	28,600.0	23,400.0	25,430	274	450
Latin America —Continued							
1961	24	13	$133,269.7	$53,444.7	$18,414	$444	$1,494
Total	49	32	227,659.7	126,034.7	46,917	718	1,953
Near East:							
1958	4	1	89,000.0	15,000.0	1,500		
1959	14	7	83,400.0	91,100.0	35,098	50	210
1960	10	10	74,050.0	95,900.0	37,672	291	1,555
1961	[2] 6	12	171,205.0	192,655.0	50,582	1,623	5,328
Total	34	30	417,655.0	394,655.0	124,852	1,964	7,093
South Asia:							
1958	10	4	119,350.0	82,100.0			
1959	12	13	180,650.0	185,350.0	24,269	25	33
1960	16	13	278,500.0	141,750.0	106,374	6,373	1,490
1961	15	17	206,319.6	246,619.6	117,965	9,357	6,131
Total	53	47	784,819.6	655,819.6	248,608	15,755	7,654
All regions:							
1958	26	6	267,386.0	102,100.0	1,500		
1959	76	63	568,170.0	521,206.0	65,564	75	292
1960	49	50	521,000.0	377,300.0	202,857	7,469	3,841
1961	62	60	652,564.6	674,539.6	267,831	16,588	15,024
Total	[3] 213	[3] 179	[3] 2,009,120.6	[3] 1,675,145.6	537,752	24,132	19,157

[1] Includes allocations.
[2] Includes 1 local currency loan.
[3] Includes 2 guarantees.

Mr. ELLENDER. Mr. President, we cannot afford another decade of waste in the sixties.

We cannot continue to reward mediocrity if not outright failure but that is what we will be doing if we permit the new development loan program to be financed by borrowing authority instead of by annual no-year appropriations.

Mr. President, if Congress were to grant borrowing authority to finance the new Development Loan Fund, in effect, it would be shifting the burden of proof from the executive department to the Congress. If Congress at some subsequent date wished to curtail or eliminate the Development Loan Fund, it would have the burden of proving that it should be done. Then, too, Mr. President, it must also be taken into consideration that if the Congress were to grant this authority it, of course, would be granted by a mere majority vote. If, however, on a subsequent date Congress wished to reverse itself, it would be necessary for the then-existing Congress to obtain a two-thirds vote because there is little doubt that the President would veto any vote by a mere majority which endeavored to kill the borrowing authority that would be granted by this Congress should the position of the Senate Foreign Relations Committee prevail.

Has the Development Loan Fund that we created in 1957 functioned so well and performed so outstanding a job that Congress feels that it should no longer have the burden of proving or of justifying its request for funds? Certainly not, Mr. President, and I hope that the Senate will not permit this to happen.

Let us sustain fiscal integrity in our foreign aid operations.

Let us adopt the amendment of the senior Senator from Virginia and affirm the decisions we made in 1957 and 1959. This is no time to strip the gears by reversing ourselves.

Mr. BYRD of Virginia. Mr. President, I yield 20 minutes to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina [Mr. THURMOND] is recognized for 20 minutes.

Mr. THURMOND. Mr. President, I rise to oppose the foreign aid program and to support the Byrd amendments. In my judgment, the great Senator from Virginia is one of the most able financiers this country has ever produced, and I am proud to support the amendments he has offered to eliminate the backdoor financing provision of the proposed foreign aid program.

Representative OTTO PASSMAN, from the Fifth District of Louisiana, is to be highly commended for the great study he has made of this particular provision of the proposed foreign aid bill and the information he has made available to all Members of Congress concerning it. Probably no Member of Congress is more knowledgeable on this subject than is this able Representative from Louisiana.

Once a program is approved, it would require an act of Congress to reduce the amount of borrowing authorization, and the burden of proving the project unsound would be on Congress. The testimony given at the hearings before the subcommittee of the Committee on Appropriations of the House of Representatives bears out that statement. I refer to page 143 of the House hearings. I read from the testimony:

Mr. PASSMAN. The burden of proof will be on the Congress, to make out a case that the projects are unsound and that you do not need the money, rather than on the part of the executive that they are good and that you do need the money; is that correct?

Secretary DILLON. I think there will be a shift in the burden of proof. That is right.

Secretary Dillon admits that, once given this authority, he would not expect the Congress to attempt to take it back. On that point I read a brief excerpt from the testimony on page 125 of the House hearings:

Mr. PASSMAN. If the borrowing authority has been granted, the executive branch would enter into commitments and obligations. It would not be expected that the Congress, in subsequent years, would pass legislation that would cancel those commitments. Is that not about the position we would be in?

Secretary DILLON. I think there would be a very strong presumption against canceling even these conditional commitments, but if one of them should be very bad and you should find this was a complete waste of money, there would be no reason not to take action to limit either that specific one or the overall total.

There is nothing in the bill to prevent the administration from committing the entire $8.8 billion during the first fiscal year of the authorization. On that point I read from the hearings of the House committee, page 153:

Mr. PASSMAN. In effect, the executive branch could, if it should so determine, commit the entire $8.8 billion during fiscal year 1962 on a conditional basis?

Secretary DILLON. They could commit $1,187 million of it firmly, and they could commit the rest of it, which I think comes to about $7.6 billion, conditionally, if——

Mr. PASSMAN. It could be committed, nevertheless?

Secretary DILLON. Conditionally, it could be.

The program is not a loan program, as the public has been led to believe. It is a development financing program, and most of the funds would be advanced on a 50-year term basis, without interest, and with a 10-year grace period before any repayments are required.

I read from page 140 of the hearings before the House subcommittee on that point:

Mr. PASSMAN. In your professional position as a banker, Mr. Secretary, would you actually call these things loans, if there is no interest? Would they come under the category of hard loans?

Secretary DILLON. No. They call them development credits, and I think that is a good name for them.

Secretary Dillon is frank in stating that he expects that other portions of the program would be shifted to the new back-door spending approach, and this means that as each year passed, Congress would lose control over more and more phases of the program. On this point I read from page 208 of the House hearings:

Mr. PASSMAN. So, it could be that under the new proposal, the major portion of the financing would switch over to the back-door approach, and the economic request for appropriation would be less.

Secretary DILLON. I think the economic request would be less.

Secretary Dillon admits that he does not anticipate better programs or better projects, but demands long-term financing. On this point I read from page 146 of the House hearings:

Mr. PASSMAN. Mr. Secretary, when you are talking about better planning you are not talking about better planning of the projects and programs. You are talking about better financial planning. Have I stated that accurately?

Secretary DILLON. I think it is better finance planning in the recipient countries.

Mr. PASSMAN. It does not make for a better project?

Secretary DILLON. It has not to do with the technical part of the project.

Mr. PASSMAN. Essentially, it is for better financial planning, and not for better planning for the project?

Secretary DILLON. It carries with it such things as land reform, et cetera.

Mr. PASSMAN. But you would not change the program or the planning or the project. We are discussing financial planning, are we not?

Secretary DILLON. I think that is the basis of it.

It seems to me that anyone can read the testimony that was taken at the House hearings and the testimony taken at the Senate hearings, and they will be convinced that the program is a dangerous one. I would like to remind the Senate that the Congress is entrusted with the authority and duty of appropriating money. That is the lawful way, and the authority that is requested in the bill for a 5-year program through back-door financing, in my judgment is an unconstitutional procedure which would vest in the executive branch of the Government the authority to raid the Treasury for a period of 5 years of up to $8.8 billion. Congress, in my opinion, cannot divest itself of a function which is entrusted in it by the Constitution.

Mr. President, I am under no illusion that the administration has not done a great deal of work on this program in trying to put over the back-door financing provision of this bill. It would certainly be much easier for them this way, inasmuch as they would not have to come before Congress year after year and attempt to justify their expenditures. They will have a 5-year authorization with hardly any strings attached. It will deprive Congress from performing its duty to the people and to the Nation of guarding against wasteful spending and providing for efficient governmental programs.

In my opinion there has been a great deal of waste in the foreign aid program. If this bill is enacted by Congress, and if it includes the 5-year back-door financing provision, there will be even greater waste in the future.

I am proud of the fact that the Senator from Virginia [Mr. BYRD] has offered his amendment. I wholeheartedly support it, and I urge the Senate to adopt it.

Mr. BYRD of Virginia. Mr. President, I yield 35 minutes to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, I rise to support the Byrd amendment to the foreign aid bill, S. 1983. This amendment would require yearly action by Congress, through its regular appropriation processes, to finance foreign aid.

Adoption of this amendment would amount to a rejection of the back-door financing proposal of President Kennedy, embracing some $9 billion over a 5-year period without any further action by Congress.

Senator BYRD, when he submitted and commented on his amendment on July 28, inserted in the CONGRESSIONAL RECORD at page 13906 a 5-year projection—fiscal years 1962 to 1966—of spending authority for U.S. foreign aid programs, on the assumption that 1962 level of appropriations would be continued in succeeding years, and on the further assumption that S. 1983 would be enacted into law.

He came out with the astounding total of $36.6 billion.

This is a tremendous amount of money, especially when added to the many other financial commitments of our Nation.

If we expect to retain our economic strength and fiscal soundness as a basis for survival and freedom, the American people are entitled to a continual review of such huge expenditures. It should be an affirmative control. It should be by the procedures and precedents established in our Government, not by method which is more expedient, or easier or more efficient to administer.

Long-term back-door financing does not furnish the type of review and control which we should have. It shifts the burden of changing the foreign-aid program to the Congress. Should the President disagree with the initial judgment of Congress and use his veto power, it would require a two-thirds vote to override his action.

This means that Congress would be abandoning its legislative role and in the initial instance be assuming the veto function.

We should always remember that Congress was intended to legislate. It should pass the laws. It is for the President to exercise the veto.

The proposed back-door financing amounts to a request that Congress abdicate duties and responsibilities placed upon it by the Constitution and followed in a history of almost 175 years.

Under such a burden, Members of Congress will not be able to render to their constituents the accounting and service which they pledged, and to which they are bound in conscience to exercise.

During the course of the debate it has been repeatedly brought out that the back-door financing feature of this bill applies to only $8.8 billion, which is only about 25 percent of the total foreign-aid program.

Percentages mean little when we deal in multibillion dollar sums. It is still almost $9 billion of money which must be taken out of the taxpayers' pockets.

It should be noted that the remainder of the foreign-aid program is subject to control and review.

Also let us be aware of the happenings in South America at the Conference of Ministers of the Western Hemisphere, where the United States proposed a $20 billion for Latin American aid. In the judgment of the Senator from Nebraska, we will be faced with similar requests for back-door financing on this vast sum in very short order.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HRUSKA. I am happy to yield.

Mr. AIKEN. The Senator from Nebraska might add that the commitment

or promise being made in Uruguay today is being made without any congressional approval whatever, in contrast to the commitment that was made at the Bogotá conference last fall. Mr. Dillon has no authorization from Congress to promise a 10-year, $20 billion program, as he is reported to have done in Uruguay.

Mr. HRUSKA. It is my recollection—and if I am in error I hope the Senator from Vermont will correct me—that in the instance of the Inter-American Development Bank, there was authorization by Congress and eventually a regular appropriation. That was after that Bogotá conference, where the proposal was made, that we appropriated funds to implement the program. Is that correct?

Mr. AIKEN. Yes. Before making the commitment at Bogotá, President Eisenhower had asked for congressional approval of that commitment. The money had not been appropriated, and was not appropriated until after President Kennedy assumed office. That is in sharp contrast to the commitments being made by Secretary Dillon in Uruguay today. So far as I know, the administration has not requested congressional approval for the Secretary of the Treasury to commit this country to a 10-year program. He is going ahead without its consideration by Congress.

Mr. HRUSKA. I thank the Senator from Vermont for his contribution. A little later in my remarks I shall refer more particularly to the conference in Punta del Este, Uruguay.

Some aspects of the foreign aid program in these last 15 years have served well as an instrument of our defense and of our foreign policy. However, as matters now stand, and particularly in the grant and loan provisions for economic development, there has been a virtual breakdown of the program.

While this is commonly and generally recognized, I shall develop this thought in greater detail later in my remarks.

Advocates of the bill argue that such failure is no reason for total elimination of the program. But that is begging the question, because having said that the program should not be abandoned, they assume that their plan should continue and proceed on that premise.

The fact is that there is no convincing or persuasive showing that the plan will change and correct the defects and deficiencies effectively and sufficiently warranting enactment of such bill into law.

It would be far better not to expand and increase the scope of the activities and funding of foreign aid in the way proposed, and thus compound the present situation.

The better course would be to reduce the entire effort to manageable proportions, so as to assure the attainment of the declared goals of the program. These goals are to strengthen the economic, military, and international position of the United States and to assure not only our survival, but our true independence and full freedoms.

LONG AND COMPLEX HISTORY OF FOREIGN AID

Foreign aid has been going on for about 15 years since World War II. In that time some $90 billion has been expended toward a great variety of projects and activities, in an area virtually covering the globe. In fact, 97 out of the 110 nations of the world have been recipients of some funds or other assistance.

Its labels and names have changed through the years. The following tabulation gives one some idea:

LLA: Lend Lease Administration.
FEA: Foreign Economic Administration.
ECA: Economic Cooperation Administration, the first postwar label.
TCA: Technical Cooperation Administration.
MSA: Mutual Security Administration.
FCA: Foreign Cooperation Administration.
ICA: International Cooperation Administration.
AID: Agency for International Development.

The several categories of foreign aid have also been defined, redefined, and changed many times.

But they have not changed in essence. Basically they are defense, armament, defense support, economic development, and technical assistance.

Some of them have achieved a great deal of benefit and of these the American people have no complaint.

For example, the relief and rehabilitation efforts immediately after World War II brought food, clothing, and housing to millions in war-torn areas. They brought jobs and hope with the industrial rebuilding of Western Europe and other areas.

There have been famines and disasters which necessitated help no one begrudged.

The military assistance and rearmament which followed the outbreak of the Korean war were considered vital because of Communist activity and threats. In the formation of NATO and other defense treaties, there was a unification and strengthening of the free world position which was entirely in order.

Defense support is a splendid example of proper expenditure of effort and funds. When money and equipment were sent to South Korea in support of its troops used to implement the Korean truce, we did two things: First, we brought our boys home where they belonged; second, we effected the necessary patrolling and holding action at much less cost than we could have done it ourselves.

In another area of the world it has been estimated that it costs about $400 per year to maintain a Turkish soldier in the field. To maintain an American would cost some $4,000 per year.

Many beneficial programs have been accomplished by the offer of technical assistance, in spite of some bad blunders. It is still a plan with considerable capabilities.

But in the field of economic development the story in recent years has been sad, sorry, and sordid. It did not start out this way.

FOREIGN AID IN WESTERN EUROPE

A tremendous change has occurred in the nature and in the location of foreign aid in the past 15 years. There is a vast difference between nations and peoples to whom aid was given during the early years of the program and that given later.

The Marshall plan type of aid of early postwar years was extended mainly to European nations with a prewar history of high industrialization and scientific advancement of a literate population well schooled in orderly government and social procedures.

They had something to rebuild on, with records, experience, and personal recollections. They had something to restore.

Increased productivity and regained stability and prosperity justified the program.

To the extent that the 4-year Marshall plan contributed to this result, and to the alinement of these nations on the side of the free world, we rejoice at the outcome. There now remain only some traces of aid in this area, principally through NATO and the military assistance and support which we furnish for the common defense.

During the course of this debate the success of the Marshall plan has been referred to in support of the pending bill.

It is sought to draw a parallel between the Marshall plan situation and the one which now faces us. It has been stated that in 1948 when the the Marshall plan was enacted, there was made available a massive amount of money—$12 billion—for a certain period of time—4 years—directed at a particular target—chiefly Western Europe. It was for these reasons, it is argued, the Marshall plan was a success. Hence, to oppose the pending bill is to reject a successful concept, which we should seek to emulate and not reject.

THE MARSHALL PLAN IS NO PRECEDENT

But those arguments are fallacious for a number of reasons.

First, Congress, in 1948, retained the powers of annual appropriation, even though the authorization was for a 4-year plan. This is precisely what the Byrd amendment would accomplish. Its opponents desire to do away with the annual appropriation procedures of Congress.

But there is another and more cogent reason why the Marshall plan cannot be cited as precedent for 1961.

This lies in the fact that the economic development to which the $8.8 billion will be devoted is for areas and under conditions totally different than Western Europe where the Marshall plan had its success.

BRANDNEW NATIONS

What a vast difference in the case of less developed and more backward nations which have only now or very recently gained their independence and identities as members of the family of nations.

Foreign aid has been extended to some nations of this type. It is proposed now to go into this activity with even greater intensity and much larger sums. In fact, the bulk of development loans will go to such countries.

COLONIALISM IS DEAD: LONG LIVE COLONIALISM

In still other countries, colonialism has been, ostensibly done away with, at

least to the extent of removing the direct presence and influence of a foreign or outside power. From this there follows the natural thought that since the people of such a nation are no longer exploited and oppressed by foreigners, they are self-governed and have equality before the law; that they have liberty, and that they enjoy economic, personal, and political freedom, the universal aspiration of all mankind.

But sadly and realistically, we note that in many such countries where the yoke of the foreigner has been thrown off, new and even more cruel yokes have been fastened upon the necks of the population.

They are more cruel because they are placed and maintained there by fellow countrymen, who appropriated for themselves the feudal system which the foreigners had developed through centuries of oppression and exploitation.

Liberties in such countries are still suppressed; slavelike drudgery at subsistence levels is still exacted from the greater part of the nation's people; and there is little or no education, housing, sanitation, or opportunity even to learn about them, let alone to acquire and enjoy them.

Land ownership is still confined to a small percentage of the population. Really free elections do not exist. The rich refuse to be taxed. They maintain their feudal, baronial, overlord position with arrogance and persistence.

The picture is a dismal one, indeed, and furnishes opportunity for the inciting of unrest and revolt.

ADMINISTRATION OF FOREIGN AID

Obviously it is one thing to lend or even grant money to a government or its citizens to rebuild bomb-destroyed factories, wharves, rail lines, highways, bridges, and dams. A banker-accountant type of administrator is reasonably sufficient in such a situation. It is relatively easy, as the work progresses, to check out the results attained with the funds advanced.

But it is a totally different thing to advance money to a government which will for the first time embark upon the planning, location, designing, and construction of such projects.

The work of the banker-type administrator is only the start of the many trials and tribulations. The administrator must start with government negotiations through treaties or working agreements. During this time he must sell not only the feasibility and the benefits of the project, but on occasion he must also overcome the prejudices and the objections interposed by either obstructionists, traditionalists, or even bribetakers.

But such a treaty or working agreement only starts the foreign aid administrator's problems, because then follow the difficulties of educating and training public opinion, the worker, the builder, and finally the user of the project in question.

Throughout this process, human frailties and weaknesses must be contended with. Incompetence, indolence, lack of purpose, and even outright dishonesty, corruption, and greed have shown up far too often in far too many places in the effort to carry out such a program.

The records are replete with expensive, disastrous, and extravagant breakdowns of project after project in the field of economic development.

Mr. President, when reference is made to the breakdown of economic development plans, because of waste, extravagance, blunders, corruption, and the like, one's mind can visualize the billions of dollars which are thus dissipated.

Tragic and distressing as such financial loss may be, however, there is a more grave, irreparable damage involved—one which can hardly be recovered.

This damage consists of the harm done to the declared goals of the program—the lost opportunity to make the progress all of us would like to see and to which we are entitled. Thus we fail not only to do good, but affirmatively and viciously alienate those nations and peoples with whom we seek to work.

Such a result and trend make the loss of dollars pale into insignificance—however grievous and disheartening such loss may be.

A recital of details of specific transgressions and stupidities would be dreary indeed. It would be repetitious, too, because of the frequent treatment that subject gets, not only on the floor of Congress and its committees but in newspapers, magazines and books. For this reason, I shall not indulge in illustrations or accounts of specific situations.

I shall, however, cite the testimony and conclusion of one who has traveled widely and devoted much observation to this subject.

Mr. Justice William O. Douglas, of the U.S. Supreme Court, spoke at the commencement exercises of Mount Holyoke College in South Hadley, Mass., on June 4 of this year:

> The billions we sent abroad to Asia, the Middle East, and Africa did not build schools or hospitals but only military bases, army barracks, and a few factories. The underdeveloped nations that received our aid are mostly worse off for it. It launched them on military projects that gave them such an amount of armament that they crushed all dissident elements. The result was the liquidation of democratic influences and the entrenchment of feudal overlords. Even point 4 helped largely the landlords, not the sharecroppers. The latter are as miserable today as they were when we started our lavish aid programs; only the upper strata has prospered. They became rich on American aid, while the people at the bottom starved. There have been exceptions; but they are unusual. The main impact of American foreign aid was to widen the gulf between rich and poor helping to create the vacuum into which the Communists easily move.

BUT REFORM IS ON THE WAY

The advocates of the bill say that all of this will be changed. A reform administration in foreign aid has come to the rescue.

According to the present gospel, the United States does not propose to give aid to countries except when they set for themselves sensible targets, based on balanced programs for their own economic, educational, and social growth.

In the words of President Kennedy, in his speech of March 22:

> Thus, the first requirement is that each recipient government seriously undertake to the best of its ability on its own those efforts of resource mobilization, self-help, and internal reform—including land reform, tax reform, and improved education and social justice—which its own development requires and which would increase its capacity to absorb external capital productively.

A little later he stated:

> The instrument of primary emphasis—the single most important tool—will be long-term development loans at low or no rates of interest.

The same theme was renewed on August 9 in Punta del Este, Uruguay, by Secretary Dillon who said that the Alliance for Progress would require the following:

> Tax reforms so that evaders would know they faced strict penalties; assessment of taxes in accordance with ability to pay; land reform to put underutilized big lands to full use and to permit small farmers to own their plots.

Then comes the final sentence, which I should like to emphasize:

First. Lower interest rates on loans to small farmers and small business.

In view of the history of similar previous declarations and resolutions, one can be very skeptical about the success which will attend such handsome, glowing, and noble sentiments. One can be fully in accord with them. They are overdue, by many years, in many of the Latin American countries. It is certainly the earnest hope of the Senator from Nebraska that the changes and reforms will be attained, and soon. But he has his serious doubts.

These doubts are based first of all upon the deeply entrenched feudalistic system which prevails and the great difficulty attending any effort to change it. An entire social order is at stake—a way of life, one deeply ingrained into the people as a result of generations and generations of living.

It is doubted that all of this will be changed merely by the United States coming along and telling the people of Latin America, "We do not like your ways of doing business. We do not like your housing or your schools. We do not like your ways. We do not think your tax systems are fair, they should be changed and each of you should pay your share of taxes. We will give you financial help if you change all this in a way of which we approve."

To suggest that results will flow from such an approach is to ask a great deal of anyone who has some regard for history and human nature.

Mr. President, there is another reason: There is serious doubt that our own administrators of foreign aid will tie into the problem with such determination and persistence as will be needed to accomplish the statements made by President Kennedy and Secretary Dillon. The administration earlier this session had a splendid opportunity to demonstate that it is sincere and in earnest. It had to do with the interest rate on moneys which would be loaned

or reloaned under the Inter-American Development Bank operations in Latin America. Congress appropriated $500 million for this bank.

During the debate in the Senate, the senior Senator from Delaware [Mr. WILLIAMS], proposed an amendment, which the Senate adopted, providing that none of the moneys of that Bank would be loaned or reloaned at an interest rate higher than 8 percent.

He was caused to do this by the unpleasant knowledge that in Latin America the interest rates to the ultimate user of borrowed money runs as high as 15 to 20 percent, and there was no denial of this fact when the Senator from Delaware asserted it in this Chamber.

Mr. President, low interest rates are important. They are important even in this country and all of us recall the political capital made in last year's presidential campaign about the necessity of low rates so that America could forge ahead. This, in a country which has the blessings of much venture capital.

How much more important it would be in an area where there is very little investment money and where the need is great if any of the reforms will have a chance of seeing the light of day. I recall the words of Secretary Dillon the day before yesterday, when he said that the Alliance for Progress would require "lower interest rates on loans to small farmers and small business."

So the need is recognized.

Reverting to the debate on the Inter-American Development Bank appropriation, it was brought out that in many instances the funds of the Bank would be loaned at low rates to the lending agency, perhaps as little as 3 to 4 percent interest, and then be reloaned within the Latin American countries for as much as 4 and 5 times as much, namely, 15 to 20 percent.

This would not be reform. This would license profiteering with American money in those economies which need expansion capital the most.

It would fasten upon them the same oppressive economic system under which they have been struggling for a long time. There would be every justification in the declarations by those oppressed and exploited people that America is responsible for the exploitation.

The Williams amendment was adopted by the Senate, but at the insistence of the administration it was stricken in conference negotiations.

Somehow or other the importance of low interest was lost sight of in the desire to fund the Inter-American Development Bank at American taxpayers' expense. All of this in spite of the highest declaration of the President that "The instrument of primary emphasis—the single most important tool—will be long-term development loans at low or no rates of interest."

All this notwithstanding, we had the bold and enobling words of Secretary Dillon, in which he stated in unqualified language that it would be required, in the interest of the Alliance for Progress, that there be "lower interest rates on loans to small farmers and small business."

LATIN AMERICAN REFORM PLANS

In recent days, a basis for further cynicism is found in reports reaching us from Punta del Este.

The plans discussed there are very specific as to amount. However, when land and tax reform are reached, the draft of the agreement becomes quite vague. A report to the New York Times, written by Edward C. Burks, under August 9 dateline, indicates that the U.S. plan for processing applications for approval of development plans was defeated. A substitute plan more to the liking of the Latin American countries themselves was adopted. It provided, among other things, that such plans might be submitted to designated experts but not necessarily submitted. This group, instead of being a special multinational committee, would be composed of experts appointed by the Inter-American Development Bank.

The seven-man committee proposed by the United States would have operated between the countries applying for aid and the lending agencies. But the larger Latin American countries saw in it an infringment on their sovereignty and a hindrance to their development plans.

So what did our diplomats do? They wanted to be agreeable. They wanted to get along with our southern neighbors. Although the change in the draft was a defeat for the United States, Mr. Burks wrote:

Top U.S. delegates were making it clear that their main interest was getting the Alliance for Progress program off the ground.

At another point in his story, Mr. Burks stated:

U.S. officials conceded that various reform measures were not specific in the charter draft and that "it is not going to be easy" to push them through reluctant national congresses.

Mr. President, I ask unanimous consent that the full text of Mr. Burks' dispatch be printed at this point in the RECORD, in connection with my remarks.

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LATIN PLAN LACKS REFORM DETAILS—BUT AID NEEDS ARE SPECIFIED IN URUGUAY PARLEY DRAFT

(By Edward C. Burks)

PUNTA DEL ESTE, URUGUAY, August 9.—The draft of an Alliance for Progress charter offered by Latin American nations today was specific on the foreign aid needed, but somewhat general as to social reform measures planned.

The draft, prepared by Argentina, Brazil, Chile, Mexico, and Peru states that at least $20 billion in foreign aid is to be invested in Latin America during the next 10 years. The United States participated actively in preparation of the draft but has decided to remain in the background and allow what purports to be an all-Latin document to be adopted by the Inter-American Economic and Social Conference of Finance Ministers here.

While calling for land and tax reform in participating Latin countries to insure that benefits of the 10-year program are enjoyed by persons at all social levels, the draft does not list specific goals in those areas.

U.S. sources gave this rough breakdown on how they expected the $20 billion economic and social development program to be financed annually at the rate of $2 billion a year: From U.S. Government lending agencies, about $1,100 million; from the International Bank for Reconstruction and Development, the Inter-American Development Bank and other international lending agencies, about $300 million; from U.S. private capital sources, about $300 million, and from European public and private sources about $300 million.

The five-nation charter draft eliminates entirely an earlier recommendation for a seven-man special multinational committee of experts, which was to evaluate development plans submitted by participating nations. The United States had favored the seven-man committee, but in the interest of maintaining harmony with the participating nations abandoned the idea without a real struggle.

The substitute plan agreed to by the United States calls for development plans and projects to be submitted to Inter-American Development Bank, which would appoint experts to evaluate them. Under the substitute plan, participating nations may submit plans to these experts but are not forced to do so.

Some sources were describing the change in the draft as a defeat for the United States. On the other hand, top U.S. delegates were making it clear that their main interest was in getting the Alliance for Progress program off the ground.

The seven-man committee would have operated between the countries applying for aid and the lending agencies. But the larger Latin American countries saw in it an infringement on their sovereignty and a hindrance to their developmental plans.

Although Secretary of the Treasury Douglas Dillon had described such a supranational screening committee as helpful and influential, the official U.S. stand today was that the killing of the committee plan was perfectly acceptable.

AID IS AVAILABLE

Under the loosely worded substitute plan, a nation applying for aid could, at its own request, submit its plan to experts who would be selected by the Inter-American Development Bank with the help of other Inter-American agencies.

The ad hoc committee of specialists could then lend its services in studying the development plan. This is far short of the original conception of a body of seven wise men that would screen projects before passing them on to the Bank or to other lending agencies.

Even with the watered-down substitute, U.S. officials expressed hope that the Latin nations would find it more fruitful and speedy to use the services of the Bank's expert committees.

U.S. officials conceded that various reform measures were not specific in the charter draft and that "it is not going to be easy" to push them through reluctant national congresses. But pressure is mounting in all countries for the needed economic and social reforms, the U.S. sources added.

In his major address to the conference, Secretary Dillion said the alliance for progress would require the following: Tax reforms so that evaders would know they faced strict penalties; assessment of taxes in accordance with ability to pay; land reform to put underutilized big lands to full use and to permit small farmers to own their plots; and lower interest rates on loans to small farmers and small business.

The draft charter presented today says on the subject of land reform that "frequently" fundamental reforms of land tenancy will be required. One difficulty in Latin America today is lack of agreement on what constitutes agrarian and land reform in the various countries, where there are many tenants farmer.

STRICT MEASURES ASKED

On the subject of tax reform, the charter draft calls for applications of strict measures and provision for collecting adequate and equitable taxes on high incomes and on land.

On agrarian reform, the draft says that "where necessary" reforms in agricultural structures and systems of land tenancy will be carried out so that every farm family can live on a decent level.

U.S. sources say that the charter must of necessity be relatively general but that in cases of poor performance on reforms aid can simply be withheld on the grounds that the applicant did not comply with the charter.

Among the aims of the alliance outlined in the draft are the following: The spread of benefits to all sectors of the population; reduction of dependence on one or two primary export products; industrialization; low-cost housing; minimum of 4 years of education for all children by 1970; the ending of adult illiteracy; better access of Latin exports to U.S. and world markets; the end of price fluctuations of Latin export products.

The draft charter calls for participating nations to prepare comprehensive development programs in the next 18 months—in the meantime, they are to push short-range development plans.

Mr. HRUSKA. Mr. President, another dispatch from Uruguay was written by Bernard D. Nossiter, and was published today in the Washington Post. The article is appropriately entitled "Latins May Give Only Lipservice to Reform." I shall read only one or two excerpts from the article, as follows:

The best-conceived body won't be effective unless there is a will by the Latins to reform in order to preserve. It also won't be effective unless there is a will by the United States to supply the needed foreign aid and to demand that reform go hand in hand with dollars.

And a little later in the article he writes:

But even if key leaders here mean to do the right thing, the question still remains whether governments and oligarchies back home will let them do it.

Mr. President, I ask unanimous consent that the entire article be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LATINS MAY GIVE ONLY LIPSERVICE TO REFORM

(By Bernard D. Nossiter)

PUNTA DEL ESTE, URUGUAY, August 10.—Sometime next week last words will have been spoken at the Inter-American Economic Conference here. Delegates will leave with a spirited accord in their pockets and roulette wheels will return to the Conference hall.

These predictable events are a microcosm of hopes and fears in the minds of thoughtful officials here. The hope is that the accord will be translated into the sweeping social reforms needed in Latin America to better the lot of the impoverished tens of millions. The fear is that too many nations will pay lipservice to reform and hold out their hands for the generous $20 billion aid money which the United States has pledged.

Indeed, the last open question of any consequence before the delegates here concerns a key mechanism for turning words into deeds. This mechanism involves a group of inter-American experts who will pass on each nation's plan for development and so ease or impede that nation's ability to draw capital from the United States and its allies.

The big Latin nations, led by Argentina, want a veto over the selection of the experts and want them closely tied to the Inter-American Development Bank. The little nations, led by Venezuela, want to return to the original proposal before the Conference of a continuing body of seven independent experts.

The difference may not appear important and perhaps may not be important, but some well-posted figures here fear that the Argentine approach really changes nothing—that is, as in the past, each nation will deal directly with the United States rather than a permanent hemispheric group. The fear is that in such bilateral dealings the United States may again parcel out aid on a crude basis to shore up a sinking government without seeing to it that needed reforms are actually carried out.

U.S. officials have no fixed position on this question and would welcome a compromise. Secretary of the Treasury C. Douglas Dillon is known to believe that the planned evaluation body should be strong but that the strength or weakness of the new institution can't be determined until it has been put to work.

Perhaps the real point is that mechanisms are important but even the best political machine won't work well unless there is political will to carry out its stated objectives. The best conceived body won't be effective unless there is a will by the Latins to reform in order to preserve. It also won't be effective unless there is a will by the United States to supply the needed foreign aid and to demand that reform go hand in hand with dollars.

At Punta del Este, the necessary will is clearly evident among the leading men of key delegations. Dillon is a sophisticated realist who began reshaping the U.S. posture toward Latin America during the Eisenhower administration.

Roberto Aleman, Argentine Minister of Economy, is a quick-witted conservative determined to press tougher tax collection on wealthy evaders—tougher collection that has doubled Argentina's revenue in the past 2 years without increasing rates.

Roberto Campos, leader in the Brazilian delegation and Ambassador-designate to Washington, is of the same high caliber and determination.

On the other hand, at least one finance minister here recently invented his nation's first income tax law, but this "reform" as a substantial businessman in that country explained, actually takes less in taxes from the wealthy than the previously existing excess profits law, assuming of course that the wealthy taxpayer didn't duck most of the past, and will duck most of the future, tax.

But even if key leaders here mean to do the right thing, the question still remains whether governments and oligarchies back home will let them do it.

With few exceptions the agreement being shaped here expresses and in remarkably concrete terms, most of the remedies that experts have long prescribed to bring stable, growing economies to the Latin nations.

From the standpoint of words the Conference is a success, but whether actions to follow are coming too slowly, too late or not at all, can't be determined here.

LONG-TERM FUNDING IS NO PANACEA

Mr. HRUSKA. Mr. President, another sector of the reformists' program is the back-door financing, for which is claimed the virtue and merit of correcting many of the defects and shortcomings of the foreign aid economic development program. In brief back-door financing authorizes the President to issue notes and direct their purchase by the Treasury of the United States. This transaction is considered a public-debt transaction by legislative definition.

There is grave doubt as to the constitutionality and legality of such a method of financing. It is not my purpose to discuss these features, however, at this time. For those who are interested in a very splendid analysis of the arguments on this subject, I call attention to the very learned and competent speech by the junior Senator from Virginia [Mr. ROBERTSON] which appears in the March 14 CONGRESSIONAL RECORD of this year, commencing at page 3874.

The point to which I would address my remarks has to do with the dangerous precedent and the disastrous policy which would be advanced even further by back-door financing concepts if the Byrd amendment is not adopted.

The further inroads upon control of the public purse through congressional appropriations would never be repaired.

The appropriation process, used in its regular and constitutional fashion, is the only affirmative control and means of review which Congress possesses. Every effort should be made to preserve it.

Unfortunately the trend has been heavily the other way. The $8.8 billion of this bill is bad enough. But already the foundation is being laid for an early submission to Congress of similar back-door provisions to finance the $20 billion Latin American aid proposal.

From Uruguay there came a telegram to various Members of this body. It was reported and read during the debate on this floor only a few days ago. Mr. President, I ask unanimous consent that the text of the telegram be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

Three days here have heavily underlined overriding importance of our having authority make long-term commitments to match major effort which Latin American countries now prepared to make on their own behalf. Lack of this authority will seriously prejudice our ability to carry out concepts of Alliance for Progress which have now become basic to our relations throughout the hemisphere. Hope these considerations will be borne in mind during Senate consideration foreign aid legislation as well as serious effect which rejection of request for authority to make long-term commitments would have on present conference.

DOUGLAS DILLON.

Mr. HRUSKA. Mr. President, the punchline in that telegram is found after the reference to the "importance of our having authority to make long-term commitments." The punchline reads as follows:

Lack of this authority—

That is to say, authority to make long-term commitments—

will seriously prejudice our ability to carry out concepts of Alliance for Progress which

have now become basic to our relations throughout the hemisphere.

Thus the opening gun has been fired, the signal has been given, that a campaign has already started for further back-door financing in the form of foreign aid; and this time not for merely $8.8 billion. This one is for $20 billion; and I predict that requests in that amount will shortly be before this body.

The junior Senator from Virginia in his March 14 speech stated at one point:

> I would not be at all surprised if an attempt is made in the near future to finance the entire foreign aid program by direct borrowing from the Treasury thus avoiding the risk of having these funds cut by the Appropriations Committee.

How prophetic he was, or will shortly be proved to be.

Mr. President, this proposal is made in the name of expediency. The administration feels that it would be easier and more convenient to get large sums over a long time without the embarrassment and hindrance of submitting the plans to the elected Representatives of American citizens and taxpayers. But the road of expediency leads in the long run only to disaster.

Somehow or other, Mr. President, this entire proposal has a very familiar ring. In essence, it is a request for the suspension of legislative order of business, in favor of granting and placing into the hands of one man the powers and the responsibilities which heretofore have been quite diffused, and properly so. This one man would not exercise the powers himself. He would delegate them. But there would be a bypassing and a nullifying of the system of Government procedures whereby wholesome, stable, composite judgments and decisions are normally arrived at.

The same approach and the same demands, demands for greater efficiency and dispatch, were urged in connection with the so-called omnibus farm bill and the reorganization plans for the various governmental regulatory and other agencies. Always there is the request that we forget about the system of checks and balances, that we discard the tried and true ways of making progress, and that we place the powers and responsibilities into the hands of one man.

Mr. AIKEN. Mr. President, does the Senator from Nebraska have time to yield for a question?

Mr. HRUSKA. I am glad to yield.

Mr. AIKEN. Do we not also see indications of that drive and attempt in the report of a committee of supposedly responsible citizens of the United States who advocate that we give the President the right to raise or to lower income taxes 5 percent?

Mr. HRUSKA. Yes. Furthermore, it is to be noted that that request relates to two matters which the Constitution states are solely within the power of the Congress, namely, the right to levy taxes and the right to make expenditures of tax funds. So we find that that proposal is to alter two of the most essential parts of the Constitution of the United States.

Mr. AIKEN. Yes, two of the basics of our democracy—the power to tax and the power to spend—are now under attack.

Mr. HRUSKA. I thank the Senator from Vermont for his contribution.

I recall with much appreciation the splendid speech he made in opposition to back-door financing, for the purpose of foreign aid or for any other purpose. Certainly, in a situation in which the Secretary of Agriculture claimed he was not getting any additional powers, it was important to note that he was actually getting a great many additional powers. In the farm bill, notwithstanding the representations to the effect that the Secretary of Agriculture would have less power, not more, actual tabulation showed a list of 23 new grants of power not heretofore possessed by him.

Mr. AIKEN. And he received those powers under only title I of that bill.

Mr. HRUSKA. That is correct.

And in the pending foreign aid bill there are 51 grants of discretionary power and 18 authorizations to disregard other laws applicable to foreign-aid activities—this time for an indefinite period, not for only a year.

Theoretically the recapture of such powers, once granted, could be done by suitable action of Congress. But that road is a difficult one indeed, once the powers are put into use. Seldom is such a recapture possible. To effect it would require passage of a law by Congress. If it were vetoed—and it more than likely would be—there would be required in each House a two-thirds majority.

Thus each House of Congress is put in the position of being required to assemble a two-thirds vote in order to change something which is being done or a situation which exists.

This trend has gone much too far. It should be stopped. The Byrd amendment should be approved.

In short, Mr. President, instead of permitting the proposed operations "through the back door," by supporting the Byrd amendment, it is proposed that we put a screen on the back door.

If this is done, the long-range program will be authorized, but there will be an annual appropriation, as required by our conventional appropriations process, in order to fund that authorization.

It would seem, Mr. President, that the more vigorous the protest against congressional action, the more evident is the lack of faith in the merit and desirability of the proposed program. The greater the reluctance of the foreign-aid director to submit his plans and progress to Congress, the more insistent we should be that this be done.

Mr. President, there have been grandiose errors and blunders in foreign aid, so far. Many have been stopped and a few corrected by constant and vigorous scrutiny and surveillance by Congress, its committees, and its Members.

We know that many more erroneous, mistaken, improper, and wasteful episodes escape our detection, due to the farflung, complex, and vast operation which for years has defied effective control and supervision by either Congress or the Executive.

Yet the existence of the interest and action of Congress has had a salutary effect. We should not only retain it; we should sharpen and strengthen it.

The Byrd amendment is one way to achieve this.

Mr. President, if further time remains available to me, I now yield it back.

Mr. MUSKIE. Mr. President, I yield 15 minutes to the distinguished Senator from Ohio [Mr. YOUNG].

The PRESIDING OFFICER. The Senator from Ohio is recognized for 15 minutes.

Mr. YOUNG of Ohio. Mr. President, our foreign-aid program, both military and economic, is a necessary and vital expense we must bear in our role as leader of the free world. We cannot shirk from this role or the responsibilities it thrusts upon us. We can, however, minimize the burden through intelligent programs efficiently managed.

This year Congress and the American people are taking a new look at our foreign assistance programs. Under the leadership of President Kennedy, a revitalized program has been submitted tailored to eliminate past abuses and to meet the needs of the 1960's.

Many Americans, including thousands of my constituents, are wondering why we must continue to spend taxpayers' money to assist the economies of other countries. As with most projects which humans undertake, there are mixed motives behind our economic assistance to underdeveloped nations. A leading motive is the moral one. It is the simple concept that over two-thirds of the people of the world are desperately poor and go to sleep hungry every night, while the leading nations of the free world have achieved the highest standard of living in human history.

Another obvious motive is the political fact that the West, by example, has shown backward nations the world over that the average man can have comfort, education, and opportunity without imposing a system of economic slavery on an entire nation. The masses of the poor in this world are beginning to awaken to the possibilities of life, are surging forward with new ideas and aspirations. These forces must be channeled in democratic directions. We cannot afford to allow the Communists to capture them by default. The underdeveloped nations have seen the rapid rise of the Soviet Union and tend to forget the human misery—almost slavery in present-day Red China—that accompanies these gains.

Finally, it is fact that a high average prosperity in all nations helps increase prosperity in each of them. With Marshall plan funds we helped rebuild the economy of Europe after World War II and prevented a Communist takeover. As a result, today we are trading with Western Europe at an unprecedented rate. It makes economic sense to help establish healthy economies in presently underdeveloped areas. In the long run the new horizons of trade and commerce will more than repay the cost of these programs.

Mr. President, it is a monument to former President Harry S. Truman that,

under the Truman doctrine and the Marshall plan, money paid out by American taxpayers for Turkey and Greece saved those important nations from falling behind the Iron Curtain. They are now bulwarks of strength for the free world against the threat of Communist aggression.

The average American spends $27 a year on foreign aid. That is the amount of money taken from him by our foreign assistance program. The same hypothetical American spends $58 a year on alcoholic beverages. That is hard to believe, but the statistics show it.

In the pending bill the Committee on Foreign Relations has recommended $4,326 million for foreign assistance. This represents less than 1 percent of our gross national product and less than 5 percent of the entire budget for fiscal year 1962.

Perhaps Walter Lippmann, one of the most perceptive journalists of the day, summarized the need for foreign assistance when he said:

> The United States can no more refuse to contribute to foreign aid in the world than the richest man in town can refuse to contribute to the community chest.

Mr. President, the world has changed since U.S. funds rebuilt Europe in the postwar era. Now there are new nations with new needs, stiffer economic competition by the Soviet Union, and the necessity for balancing the flow of American dollars abroad. It is time for a revaluation of foreign aid, both as to means and as to goals.

For the past 13 years our economic assistance programs have been largely uncoordinated and operated on a year-to-year basis. This has made consistent planning difficult or impossible. President Kennedy has recommended a new concept of development assistance in the legislation before us.

It will provide long-term financing for a long-range approach to long-range problems. There will be improved, more efficient, and simplified management. Recipient countries will be encouraged to mobilize their resources and make necessary internal reforms before receiving this assistance. This will be a partnership effort, not solely an American one, as other industrial nations—West Germany, England, France, and Japan—will be urged to participate and shoulder their share of the burden.

Far too often our continuing foreign aid programs have been a disappointment. In far too many instances—Laos being a prime example—they have been poorly administered and have resulted in outright waste. As a result, rather than win us friends, they have created enemies.

For too long a time foreign aid has been covered up by the fancy phraseology "mutual security" and rushed through Congress as a military necessity. Overpaid officials and employees of the International Cooperation Administration have lived in opulence in foreign countries, without effective supervision of their work.

Unfortunately for American taxpayers, the ICA is the haven of many ineffective officials who never had it so good. The entire ICA should be overhauled and probably one-third of its personnel should be eliminated forthwith, as this is a proven extravagant, boondoggling, mishandled outfit.

Economic assistance will be separated from military assistance and no longer hidden under the ill-defined "mutual security" label.

Administration and operation will be placed under a single agency, in place of several competing and confusing units.

Only the most competent and dedicated career aid officials will be retained and new recruitment will attract highly qualified talent now in private industry.

Emphasis will be given to loans at low interest rates repayable in dollars, instead of outright grants of taxpayers' money. The development loan program will not be a giveaway. It will protect the interests of American taxpayers as well as the dignity of officials and citizens of nation's receiving these loans.

Carefully planned programs for each country receiving aid will take the place of a series of individual, unrelated projects. The large constructive economic projects which really develop a backward country have to be planned, administered, carried out, and financed over a period of years. It takes more than 1 year to construct roads, develop ports, open mines, build factories, and to modernize agriculture.

Too often these projects, now financed by annual appropriations, are likely to be unimportant and actually wasteful. We must encourage these nations to draw up long-term plans for projects that will help to create new wealth rather than to continue with haphazard planning based on the theory of "get it while the getting is good."

Mr. President, the authority for long-range financing is the very heart of this new concept of foreign aid. If this is not included, the success of the entire program will be in jeopardy.

Such relatively long-term economic aid planning makes sense in aiming at more efficient use of taxpayers' dollars, and it strengthens our diplomacy in the cold war. Up to now, our aid administrators have been handicapped in trying to induce long-range coordinated planning because they could not predict what amounts Congress would approve from year to year.

By approving long-range financing the Congress will not be losing its control of foreign aid funds. Under the new 5-year program the Congress will still retain the power to review, to investigate, to criticize, to reduce, or to abolish this program. The whole operation will be periodically reviewed. While there is every reason to believe that this program will be efficiently managed in the future, should there be any evidence of mismanagement of taxpayers' money or any skulduggery whatsoever, the Congress can at any time repeal the entire program at the end of any fiscal year.

The development loan program will convince many of the now uncommitted and newly developed nations that American assistance is not a year-to-year thing depending on diplomatic developments in the cold war. It will encourage them to undertake necessary and constructive internal reforms such as equitable land reform and establishment of just systems of taxation.

This improved and more stable political climate will benefit those businessmen who have so far hesitated to commit themselves to private capital investment in those areas where it is so urgently needed.

We cannot correct or recover the waste, the inefficiency and the ineptness in the management of this program in the past. However, by approving this bill we can assure American taxpayers that these same mistakes will not be permitted to continue. With wise planning and selfless administrators we can establish a positive program which will fulfill our long-range goals as leader of the free world.

Mr. GRUENING. Mr. President, will the Senator yield for a question?

Mr. YOUNG of Ohio. I yield to my distinguished colleague from Alaska.

Mr. GRUENING. I noticed with interest that in the early portion of my colleague's eloquent address, in describing the new program, he referred to it as being tailored to eliminate past abuses. I should like to ask the Senator, apart from the declaration of purpose to eliminate past abuses, where is there any evidence that the new program will be substantially different from the old?

Mr. YOUNG of Ohio. I believe the entire long-range concept of this program, from the choice of the title of "Assistance" rather than "Mutual Security," shows a new outlook. It is difficult to be optimistic in this grim, cold war period, but I feel the foreign assistance program as brought forth by the Foreign Relations Committee will be an improvement. We are all hopeful that we shall profit by the mistakes and the experience of the past and that we can eliminate the waste which has heretofore too often been the case.

The PRESIDING OFFICER. The 15 minutes yielded to the Senator from Ohio have expired.

Mr. YOUNG of Ohio. My time has expired, or I should be happy to yield further to my friend.

Mr. BYRD of Virginia. Mr. President, I yield 20 minutes to the Senator from California [Mr. KUCHEL].

The PRESIDING OFFICER. The Senator from California [Mr. KUCHEL] is recognized for 20 minutes.

Mr. KUCHEL. Mr. President, once again, a storm is gathering over the world. Dark and ominous clouds begin to appear. The people of the United States and our Government are now increasing their exertions to preserve our Republic and to seek to assure freedom for mankind. A few days ago Congress enacted a $47 billion defense budget, by far the largest appropriation bill enacted by Congress at any one time.

But the struggle against communism is not to be waged solely by increasing the military strength of our country and

of the free world. Communism plies its trade not alone by threats of nuclear annihilation; but also by subversion and intrigue, by propaganda and by money.

What do we do to meet the problems of the weak and of the small and of the new states whose legitimate needs are not being met and who are ready prey to Communist enslavement? Our answer over the years has been a bipartisan policy of mutual security. We seek to help weaker nations, militarily and economically, so that they may remain free. America's foreign policy must always be based on the single question of what is in the best interests of our country and of her security. Where weak or small or new nations want to remain free, want to be our friends, why should we not attempt to assist them, rather than push them into Communist arms?

I have listened to the Prime Minister of Greece. I listened to him as he solemnly declared his people and his country would have gone down the Communist drain had it not been for American assistance under mutual security. Greece would not be an independent nation today were it not for the help which the Government and the people of the United States gave to her.

I have spoken with the leaders of the gallant Turkish people. The Turks could not maintain their capacity to defend their own land were it not for mutual security.

And what of the great people in Western Germany, or indeed in France or in England?

Premier Fanfani of Italy was here a few weeks ago. He, too, indicated his people's eternal thanks, for what this country, under mutual security, has done in the past for the cause of the peoples who wish to be free. Italy is our ally in the cause of liberty. And Fanfani looms as one of the world's great advocates of that cause.

Indeed, from the very beginning in post-World War II days, this country took a prostrate Europe—bleeding—and resuscitated it and strengthened it so that today, standing shoulder to shoulder in this seemingly never-ending struggle against communism, the free peoples of Western Europe are invigorated and strong, because of the policy of and the wisdom of the policy of the Government of the United States.

Across the seas in the far Pacific stands Japan, feared by communism, and given the strength which she displays today because of a policy of our Government which we are now asked to continue, and which we should continue.

With my vote I shall continue that policy. But I wish to say I bitterly regret that the Senate Foreign Relations Committee has sent to the Senate a bill providing for the abandonment by the Congress for a 5-year period of any responsible right or duty to sit in judgment about how much each year the Development Loan Fund should receive in the way of moneys to expend.

This is not the first time that problem has been before the Senate. In 1959 the Senate Committee on Foreign Relations sent to the Senate precisely the same recommendations. I wish to make it clear that I believe in a reasonably long-term authority for our country to engage in repayable development loans. From the first I have supported the Development Loan Fund, as President Eisenhower first recommended it.

I continue to support that theory. But the original bill in 1959 provided, and the one before the Senate now provides, that Congress shall abandon its right, indeed, its Constitutional duty, to appropriate. The President of the United States would be given authority by the bill before us to "borrow money from the Treasury to issue, during the fiscal years 1962 through 1966, notes for purchase by the Secretary of the Treasury in order to carry out the purpose of the title," to quote the precise language, by the procedure which is once again, regrettably, written into the bill.

It is wrong for Congress to abandon its prerogative in this field. For us to do so would be a grave disservice to our country. Everything that the Government of our country has asked for with respect to the right to make long-term—5 year—commitments can be given by this Congress simply by authorizing a Development Loan program for 5 years. But in the process Congress ought not to relinquish its constitutional responsibility to pass judgment on annual requests of the executive branch of the Government for appropriations.

It is said by those who sponsor the proposed legislation that each year under the Government Corporation Control Act, it will still be necessary to have the Congress sit in judgment on annual appropriations. In some perplexity, the ordinary Senator asks, "If there is no difference, then why advocate change?"

Both the Secretary of State and the Secretary of the Treasury join in saying—and I quote from the CONGRESSIONAL RECORD of August 9, 1961, page 15229:

> Such an authorization would not provide Congress authority for advance commitments. The future availability of U.S. funds would still be subject to annual appropriations in amounts which could be known for only 1 year at a time.

If that is true, why have the dispute? If the joint statement I have just read constitutes the law and the fact, why not continue authorizing 5-year development loans and continue annual appropriations by the Congress, under the Constitution, as has been done every year? But I do not believe that that is the law nor the fact. I do not believe that in one breath the proponents of the bill before the Senate can state that "the President is authorized to issue during the fiscal years 1962 through 1966 notes for purchase by the Secretary of the Treasury in order to carry out the purposes of this title," and then, in the next breath contend that, really, nothing is changed because Congress will continue to appropriate annually anyway. That is simply a non sequitur. And, I repeat, under such a contention, why fight for a change from the historic, constitutional pattern?

I notice that the Department of State has sent perhaps to all Senators a statement entitled "Analysis of Controls of Development Lending Program by Appropriations Committees." On page 3 of that memorandum are five points of procedure which, it is contended, will apply to the proposed legislation if it passes in the form in which it is before the Senate. I ask unanimous consent that the text of those five points be printed at this point in the RECORD.

There being no objection, the points were ordered to be printed in the RECORD, as follows:

> As applied to the proposed development lending program, it is understood by the executive branch that the following procedure would prevail:
>
> 1. The President would annually submit a budget showing both obligations and expenditures for the contemplated program, in accordance with law.
>
> 2. The Congress would have the responsibility of reviewing the program and acting to authorize the use of the borrowing authority year by year. In accordance with past practice, from which there has been no deviation, this review would take place in the first instance in the Appropriations Committees of the respective Houses in the same manner as all other budget proposals. The authorization for the use of funds would appear in an appropriation bill.
>
> 3. Congress could limit the use of funds in accordance with its judgment. Limitations could be proposed by the Appropriations Committees or by amendment to the bill on the floor of either House in the same manner as Congress acts with respect to all other items in an appropriation bill.
>
> 4. The executive branch would be limited, both as to obligations and expenditures, by the amounts made available in the aid act or in the appropriation act, whichever is the more limiting.
>
> 5. The President has already transmitted to the Congress his amendments to the 1962 budget for foreign assistance, including proposed language for development loans. Until Congress enacts the necessary language approving the budget program, neither obligations nor expenditures can be incurred. If in some subsequent year Congress failed to enact the necessary language approving the budget program and making the funds available for that fiscal year, the development lending program could not enter into further obligations or make expenditures other than those necessary to liquidate obligations entered into under previously authorized programs.

Mr. KUCHEL. I refuse to follow the argument that we should vote for a change since it really will be no change at all. That is simply running in circles.

Mr. President, it is rather interesting to me that in 1960, when hearings were being conducted on the Mutual Security Act in the Committee on Foreign Relations, the distinguished junior Senator from Idaho [Mr. CHURCH], while examining Secretary Dillon, who was then serving in the Eisenhower administration, said, at page 64 of the hearings:

> Senator CHURCH. Mr. Secretary, you recall last year the committee bravely undertook to write into the mutual security bill a 5-year authorization for funds for the Development Loan Fund, and we took that revised bill upstairs and went into battle expecting reinforcements from downtown which never arrived and so the effort failed.
>
> This year the administration makes no recommendation to place the Development

Loan Fund on any other than an annual basis, so I take it that decision that was made last year continues in effect so far as the administration's position is concerned.

Mr. DILLON. I think a fair statement of the President's position would be as he has always said that he favors a long-term basis for the operation of the Development Loan Fund. However, he did not favor the particular method that was chosen last year, but favored a different approach whereby we asked for appropriations which would extend over a number of years.

That was requested last year. You recall the Congress authorized funds for this year as well as last year. As soon as that law was passed, we requested funds for both years so as to give a 2-year basis but Congress did not see fit to give us any funds for the second year.

They denied all appropriations for the development loan fund for the second year. We do have that continuing authorization. We felt that as long as we had that authorization, and in the light of the congressional action last year, that we should just submit a request for funds under the existing authorization.

That does not by any means foreclose a new request for long-term authority next year which may well come.

My friend, the able Senator from Idaho [Mr. CHURCH], was correct when he said that the Committee on Foreign Relations abandoned a long-term procedure. It wanted to do precisely that. I remember the debate on this floor on the committee's proposal. The Senate in the yea and nay vote rejected the provision for long-term loans, by sustaining a point of order by Senator CASE of South Dakota. The next day, the distinguished Vice President of the United States, then serving in his capacity as Democratic Senate leader, offered an amendment to provide for a continuation of annual appropriations. We approved it. That is the way the committee action was disposed of in this Chamber in 1959, and that is the way it should have been disposed of, and that is the way we should dispose of it today.

This year we are again faced with precisely the same situation. I am one of those who believe that we ought to authorize this kind of program for 5 years. But I am also one of those who believe that Congress should discharge its own responsibility under the Constitution and listen each year to what the executive branch of the Government desires and, having listened, make its own determination as the legislative branch of Government, on how much money ought to be appropriated. It can be done without regard to fiscal year. That is why I salute the distinguished chairman of the Senate Committee on Finance, the Senator from Virginia [Mr. BYRD], because that is precisely what he proposes to do by his amendment which is now before the Senate.

I ask unanimous consent that the text of the amendments be printed at this point in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

On page 6, strike out lines 4 to 24, inclusive, and insert the following:

"SEC. 202. AUTHORIZATION.—(a) There is hereby authorized to be appropriated to the President for use in carrying out the provisions of this title such sums, not to exceed $1,187,000,000 for use beginning in the fiscal year 1962 and not to exceed $1,900,000,000 for use beginning in each of the fiscal years 1963 through 1966, as the Congress shall hereafter determine to be necessary, which amounts shall remain available until expended."

On page 8, line 13, beginning with "(1)" strike out down to the comma in line 16, and insert the following: "(1) all funds appropriated pursuant to the authorization contained in section 202(a)".

On page 8, strike out lines 19 to 23, inclusive.

On page 9, lines 6 and 7, strike out "and notes issued under section 202(a),".

Mr. KUCHEL. Mr. President, if Congress relinquishes its obligation to the American people to determine how much money ought to be appropriated each year, it will have relinquished the obligation not merely for one Congress, not merely for two Congresses, not merely for one presidential term, but for 5 years, into the third new Congress from the time we are asked originally to abdicate our responsibility.

In my judgment, that procedure does not make sense. We are elected as representatives of the people. We sit here in judgment on the spending policies of the executive branch of our Government. We would not serve the Republic, we would not serve constitutional government in the United States if we were to say, "Let us back away from our responsibilities. Let us relinquish our share of the burden. Let us give to the executive branch—any executive branch—our duty to determine its needs for the next 5 years how American money ought to be loaned overseas." Yet that is precisely what we are asked to do.

I repeat what I said at the beginning. I believe in mutual security. Every year that I have been honored to be in the U.S. Senate, I have supported the theory of mutual security. I have done so not as a Republican; I have done so as an American. I have supported the program under Eisenhower, and I shall also support it under Kennedy. But what I opposed during the years of President Eisenhower in 1959, I also oppose today under the administration of President Kennedy. To the great credit of General Eisenhower, in 1959 as President, he stated that he did not want responsibility which was not his, that he objected to back-door spending, that he wanted Congress honorably to discharge its duty to appropriate. On that basis, I hope the Senate will fulfill its constitutional responsibility, will refuse to abdicate its constitutional duties, and will approve the amendment offered by the Senator from Virginia [Mr. BYRD]. Thus, we may go forward with an excellent program, but we will do so under the terms of our Constitution.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. MUNDT. I congratulate the distinguished Senator from California on his most convincing and constructive presentation. I can subscribe to every word that he has said. His views certainly represent the viewpoint of the Senator from South Dakota. The Senate should be on notice now that if we approve this back-door spending procedure, this buckpassing procedure, whereby we try to absolve ourselves from further responsibility, and turn it all over to the executive branch, we are opening up a chain of procedure—we already hear rumors that in connection with the Latin American Development Fund, there is talk about a $20 billion development program financed through the back-door procedure—which will be of almost no end, a type of spending over which Congress will have relinquished all control.

If we do that, we can well be accused of being Pontius Pilates, washing our hands of our responsibility. That is what we may well be accused of if we fail to approve the Byrd amendment, which continues a permanent program of planning, which is desirable, but which retains the constitutional authority of Congress to regulate the appropriation of taxpayers' money.

The Senator from California has rendered an outstanding service by pinpointing the issue as clearly as he has.

Mr. KUCHEL. I thank the Senator from South Dakota very much for his kind words. I agree completely that if we do not approve the Byrd amendment, we will be washing our hands of all responsibility in this regard.

Mr. BYRD of Virginia. I yield 10 minutes to the Senator from Iowa.

Mr. MILLER. Mr. President, I wish to preface my remarks in support of the pending amendment by making it perfectly clear that I am in favor of a reasonable appropriation for foreign aid upon the assurance that this money of our American taxpayers will be judiciously spent. I fully recognize that we have a moral obligation to help others who are in need. I fully recognize that it is to the interest of the United States in the cold war with the Communist world to take action which will assist the developing nations to develop as free and independent countries rather than as Communist bloc puppets.

All of us know of abuses which have occurred in our foreign-aid programs. Some of these have been so flagrant as to overshadow the good that has come from these programs. The abuses have not been isolated and they have been inexcusable. Taxpayers back home are not satisfied by the excuse that "waste and inefficiency are bound to occur in any large program." They feel that public trust has been violated in the name of humanitarianism. It is understandable how they may tend to overlook the reasons for and the benefits that have resulted from our foreign-aid programs. In this connection, Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a statement entitled "Some Accomplishments of U.S. Foreign-Aid Programs," which I have received from the International Cooperation Administration by letter under date of July 20.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SOME ACCOMPLISHMENTS OF U.S. FOREIGN-AID PROGRAMS

Achievements and accomplishments can only be stated meaningfully when there are yardsticks against which they can be measured. The avoidance of nuclear war and the maintenance of the independence of a threatened country is one type of accomplishment. The successful completion of a factory or a medical school is at another level of accomplishment. Improved administration of our oversea programs is yet another form of accomplishment. Assessments of the accomplishments and failures of our oversea assistance programs frequently tend to confuse these different types of accomplishments—and failures—without differentiating between the different weights which should be attributed to each type.

Easily the most important and most fundamental of U.S. objectives under these programs is the attainment of U.S. foreign policy objectives. Stated simply, the national interest which U.S. foreign policy seeks to advance is to assure that our people will be able, within our own boundaries, to maintain and develop our institutions, our values and our well-being free from coercion by external powers. Fulfillment of this interest presupposes three basic conditions: peace, or at least the absence of a major nuclear war; a friendly, or at least not hostile, attitude toward our country on the part of a sizable portion of the rest of the world; and a better world in which to live, raise our families, and do business.

Foreign assistance is an integral and major part of the response of the United States to the challenges to this national interest which arise out of three great interrelated currents of change—Communist imperialism, the revolution of rising expectations in the less-developed nations, and the greatly increased interdependence of nations resulting from the forward rush of modern science and technology. In this contest the program, in association with other instruments, has had many successes, some failures, and some activities whose success is still in doubt—with many of the acts of this great drama of the mid-20th century yet to come.

Foreign aid has contributed to these national objectives in several ways:

1. It has helped free countries to maintain a military posture which contributes to deterring or preventing Communist expansion by force of arms. The externally inspired Communist rebellion in Greece, aggression against Korea in 1950, followed closely by Chinese Communist military aid to the Vietminh in Indochina, showed the Communists would use military means to expand their power whenever they thought they could do so successfully. Military and economic assistance has helped deter military aggression, or renewal of military aggression, along much of the periphery of the Sino-Soviet bloc. Korea, Taiwan, Vietnam, Laos, Iran, Turkey, and Greece are examples.

Assistance has also contributed greatly to the establishment of a critically important complex of oversea bases. Without it we probably would not have today the bases in Morocco, Libya, and Spain.

While military strength can help to prevent Communist expansion by force of arms, it cannot insure that other methods will not be used by Communists to good advantage. In other words, it is a necessary, rather than a sufficient, condition to arresting the growth of Communist power. Nor do the successes add up to maintaining that U.S. programs of assistance to foreign military efforts have been without flaw—in either formulation or execution. We have probably agreed to some force goals that are too high, for example. Without these aid programs, however, the United States might now be worrying not about whether these local armies could in some cases be reduced, but about how to construct a viable garrison state out of Canada and Latin America.

2. It has helped free countries to meet an imminent internal threat to their independence. Foreign aid has, on occasion, scored as dramatic successes in meeting or averting an imminent threat as in deterring armed aggression. A most convincing demonstration along these lines occurred when aid was used on the largest scale to meet the imminent threat in Western Europe shortly after World War II.

Western Europe's economic future in the winter of 1947 seemed bleak. The war and the accompanying destruction and disruption had twisted the economies of Western Europe out of shape and balance. Agricultural and industrial production was well below prewar, bankruptcy was around the corner for many of these countries, and inflation characterized the internal financial situation of most European countries. These factors induced a climate of hopelessness and helplessness that laid the countries of Western Europe open to a degree of Communist influence and infiltration that we now tend to forget since the success of the Marshall plan.

Many observers were prepared to write off the Far East 10 years ago, after mainland China had fallen, when Korea was under attack and when guerrillas were menacing the Philippines, Malaya, and Burma. But in these 10 short years, there has been remarkable achievement for which timely foreign assistance can take some of the credit. Taiwan, war shattered and crowded with refugees in 1950, has burgeoned into a dynamic, diversified economy. Korea has far exceeded prewar production and living standards, despite the large influx of refugees from the Communist north. The Philippines suppressed the Hukbalahaps who had terrorized much of the country and at the same time made notable economic progress, particularly in the industrial sector. Malaya won a decade-long guerrilla jungle war with the Communists, enjoys political prestige and stability, and holds much economic promise.

Other more recent internal crises which probably would have brought Communist or other disruptive influences to power in the absence of U.S. assistance include Guatemala, Iran, Bolivia, and Jordan.

3. Economic assistance has helped free countries both to develop and to meet a long-term internal threat to their stability. The role of foreign aid in meeting imminent internal crises has been fairly clear. That role has been somewhat less dramatic where economic development and a long-term threat to stability are involved. But it may not need to be any less significant on that account. For if we only allowed ourselves to become preoccupied with internal dangers when they are clear and present, as in Laos and Jordan, we are likely to find they are by that time extremely expensive and dangerous to deal with—if indeed they have not passed the point of no return as was the case with mainland China. In trying to meet this challenge, the United States has found that foreign aid is one of the most useful tools available to us.

The point 4 program, the Development Loan Fund, and before it development assistance, and some of the defense support and special assistance help toward meeting this challenge. The Philippines, Thailand, India, and many other countries might be in quite different circumstances in the absence of such assistance. A major question that remains today is the adequacy of our response to the long-term threat, and challenge, when taken in the context of the next 10 to 20 years.

4. Economic assistance has helped a number of countries to avoid undue dependence on bloc aid which would tend to bring them into the international Communist orbit. Cambodia, Afghanistan, Burma, and Indonesia are examples where this threat has existed or continues to exist but is being met with some success by the United States. Egypt, Syria, and Iraq, which in the mid-1950's appeared to be falling into the Soviet orbit, have maintained some independence.

Accomplishments also can be—and frequently are—measured in terms of concrete projects in particular fields of activity such as agriculture, health, community development, and industry. For many, this is the most satisfying form of measurement—the reduction of the number of malaria cases in Taiwan from 1,200,000 in 1950 to under 100 a year, the almost unbelievable progress and success of the community development programs in India and the Philippines, the placing of millions of acres under cultivation through irrigation—these facts, and hundreds more accomplishments like them, cannot help but stir the hearts of most Americans. In many ways these are more satisfying indicia of accomplishment than the statement that the maps of the world have remained the same for another year as a result of what the United States has done abroad. A wide variety of such accomplishments is given in "Aid in Action" (Department of State Publication No. 7221, July 1961).

Accomplishments can be measured in yet another way—how effectively has the United States made use of the resources available to it for the oversea programs. It is possibly in this area that our foreign-aid programs have received their greatest criticism in recent years. In part, this criticism has been unjustified and results from failure to recognize that where a major program is carried out in a seriously underdeveloped country, the problems of administration are infinitely more difficult than those faced in Europe. Circumstances may require—or, if you will, foreign policy reasons may require—that we administer an assistance program in a country whose economy is disrupted—or whose political system is weak—or whose finances are chaotic—or whose public ethical standards differ from those we are accustomed to. There have been difficult problems in inducing American personnel to take up service in some of these countries, for reasons which are fairly apparent in view of recent and present circumstances. In Korea, for some time, American technicians were not allowed to bring their wives and families because of inadequate housing and living conditions; in Vietnam assassinations and terrorist activities are prominent even in Saigon today and U.S.-aided malaria teams are a special target for Viet Cong attack; Afghanistan and Laos are extremely isolated countries with very difficult living conditions. The major programs in such countries cannot be accomplished overnight and are fraught with many problems and many dangers. The numbers of Americans whose health has been permanently impaired as a result of their service in the work of assisting foreign countries to realize their potential is large, and it grows almost daily.

However, with the benefit of hindsight, it is now apparent that the United States could have coped with some of these administrative problems more effectively than it did. Recent accomplishments in the field of administration include step-up in language training, personnel recruitment and

inservice training, and internal audits. Centralization of aid administration and focusing of responsibility is planned as is further efforts on personnel and administrative improvements.

CONCLUSION

Without any question, the accomplishments of the program and its predecessors have been numerous and substantial—and without them the map of the world would be very, very different today. However, the problems toward which the program is now directed in the underdeveloped countries are not soluble in a stated limited period of years for a given amount of money. A difficulty which is already present but which will become increasingly severe in the future will be that of distinguishing between those criticisms of the program which are constructive and those which arise primarily as a result of a desire—particularly understandable given our American impatience—to find an easy, cheap, and short-term solution—when there is none—to the problems arising out of the cold war and the "revolution of rising expectations" in the lesser developed nations of the world.

Mr. MILLER. Mr. President, our foreign-aid programs have cost the American taxpayers an almost unbelievable sum of money. Compared to the cost of human misery which some of the projects have undoubtedly relieved and to the cost of a hot war—either limited or general—which might have developed absent our efforts in the foreign-aid field the cost is not prohibitive. Nevertheless, anyone who would suggest that the U.S. taxpayers have not been cooperative simply is being ungrateful and manifesting abysmal ignorance of the facts. I ask unanimous consent that a table showing the net foreign-aid expenditures totaling $84 billion from July 1, 1945 to June 30, 1961 made by our Government be inserted in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Net foreign-aid expenditures July 1, 1945, to June 30, 1961

[In millions of dollars]

Actual July 1, 1945, to June 30, 1960:	
Military aid grants	26,468
Economic aid:	
Grants	34,024
Credits	12,066
Other	2,546
Payments to international financial institutions	4,875
Total	79,979
Estimated July 1, 1960, to June 30, 1961:	
Military aid grants	1,500
Economic aid grants, credits and other	2,600
Total	4,100
Total	84,079
Estimated unexpended balance as of June 30, 1961 [1]	6,752
Requested for fiscal 1962	4,805

[1] Includes $5.4 billion mutual security, $0.9 billion foreign currencies, $0.5 billion inter-American development; excludes development funds of Export-Import Bank and international financial institutions.

Source: Office of Business Economics, U.S. Department of Commerce.

Mr. MILLER. Mr. President, in the light of these tremendous sums of money, it is understandable why the American taxpayer has become alarmed over reports showing that efforts of the Communist world, at only a fraction of this cost, have been so effective. It is further understandable why the American taxpayer has taken a very suspicious view of the request by this administration to spend even more money than that recommended by President Eisenhower. I ask unanimous consent that a table showing the differences between the Eisenhower and Kennedy budgets be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The following table compares the Kennedy requests with the Eisenhower budget proposals:

[In millions of dollars]

	Eisenhower budget	Kennedy requests	Difference
Military assistance	1,800	1,885	+85
Economic assistance	1,250	1,190	−60
Development loans	700	900	+200
Contingencies	250	500	+250
Reuse of loan repayments		287	+287
Carryover of unobligated funds		43	+43
Total	4,000	4,805	+805

Mr. MILLER. Mr. President, the suspicion of the American taxpayers has been further confirmed by the recent report of the rather presumptious offer, reportedly made by Secretary of State Dillon, of a $20 billion aid program, at American taxpayers' expense, in Latin America.

All of what I have said, Mr. President, provides a background from which I, as a representative of the people of my State, must now view this administration's request for not only increased expenditures of our people's moneys for foreign-aid activities but for the financing of the almost $9 billion of development loans in a manner which relaxes the control by Congress over this important and expensive activity of our Government. And in this connection, Mr. President, I do not want the taxpayers of my State to be fooled into thinking that this development-loan program is not going to cost them anything because it will, we hope, all be paid back in hard currency or American dollars. It is going to cost them plenty. It is contemplated that interest rates as low as 1 percent will be charged, and some loans will be interest free, with terms up to 50 years for repayment. The distinguished Senator from Virginia [Mr. BYRD] has had prepared a calculation of interest cost to the American taxpayers—whose taxes will be used to make up the difference between the interest paid by recipient countries and what the Treasury has to pay the holders of Treasury notes—showing over $29 billion on the basis of 3 percent differential compounded annually for 50 years. I ask unanimous consent that this calculation be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

A calculation of interest on Development Loan Fund

[Fiscal years. In millions]

	Interest on 1962 authorization of $1,187	Interest on 1963 authorization of $1,900	Interest on 1964 authorization of $1,900	Interest on 1965 authorization of $1,900	Interest on 1966 authorization of $1,900	Total interest
1962	$35.6					$35.6
1963	36.7	$57.0				93.7
1964	37.8	58.7	$57.0			153.5
1965	38.9	60.5	58.7	$57.0		215.1
1966	40.1	62.3	60.5	58.7	$57.0	278.6
1967	41.3	64.2	62.3	60.5	58.7	286.9
1968	42.5	66.1	64.2	62.3	60.5	295.5
1969	43.8	68.1	66.1	64.2	62.3	304.4
1970	45.1	70.1	68.1	66.1	64.2	313.5
1971	46.5	72.2	70.1	68.1	66.1	322.9
1972	47.9	74.4	72.2	70.1	68.1	332.6
1973	49.3	76.6	74.4	72.2	70.1	342.6
1974	50.8	78.9	76.6	74.4	72.2	352.9
1975	52.3	81.3	78.9	76.6	74.4	363.4
1976	53.9	83.7	81.3	78.9	76.6	374.3
1977	55.5	86.2	83.7	81.3	78.9	385.6
1978	57.1	88.8	86.2	83.7	81.3	397.1
1979	58.9	91.5	88.8	86.2	83.7	409.1
1980	60.6	94.2	91.5	88.8	86.2	421.3
1981	62.4	97.0	94.2	91.5	88.8	434.0
1982	64.3	99.9	97.0	94.2	91.5	447.0
1983	66.2	102.9	99.9	97.0	94.2	460.4
1984	68.2	106.0	102.9	99.9	97.0	474.2
1985	70.3	109.2	106.0	102.9	99.9	488.4
1986	72.4	112.5	109.2	106.0	102.9	503.1
1987	74.6	115.9	112.5	109.2	106.0	518.2
1988	76.8	119.3	115.9	112.5	109.2	533.7
1989	79.1	122.9	119.3	115.9	112.5	549.7
1990	81.5	126.6	122.9	119.3	115.9	566.2
1991	83.9	130.4	126.6	122.9	119.3	583.2
1992	86.4	134.3	130.4	126.6	122.9	600.7
1993	89.0	138.4	134.3	130.4	126.6	618.7
1994	91.7	142.5	138.4	134.3	130.4	637.3
1995	94.5	146.8	142.5	138.4	134.3	656.4
1996	97.3	151.2	146.8	142.5	138.4	676.1
1997	100.2	155.7	151.2	146.8	142.5	696.4
1998	103.2	160.4	155.7	151.2	146.8	717.3
1999	106.3	165.2	160.4	155.7	151.2	738.8
2000	109.5	170.2	165.2	160.4	155.7	761.0
2001	112.8	175.3	170.2	165.2	160.4	783.8
2002	116.2	180.5	175.3	170.2	165.2	807.3
2003	119.6	185.9	180.5	175.3	170.2	831.5
2004	123.2	191.5	185.9	180.5	175.3	856.5
2005	126.9	197.3	191.5	185.9	180.5	882.2
2006	130.7	203.2	197.3	191.5	185.9	908.6
2007	134.7	209.3	203.2	197.3	191.5	935.9
2008	138.7	215.5	209.3	203.2	197.3	963.9
2009	142.9	222.0	215.5	209.3	203.2	992.8
2010	147.2	228.7	222.0	215.5	209.3	1,022.6
2011	151.6	235.5	228.7	222.0	215.5	1,053.3
2012		242.6	235.5	228.7	222.0	928.8
2013			242.6	235.5	228.7	706.8
2014				242.6	235.5	478.1
2015					242.6	242.6
	4,016.8	6,429.3	6,429.3	6,429.3	6,429.3	29,734.1

NOTE.—Figures are rounded and may not add to totals.

Mr. MILLER. Mr. President, I do not know whether I will vote for the pending bill. There are many unanswered questions about it which I trust will be satisfactorily answered before the debate is concluded. I do feel, however, that adoption of the Byrd amendment will help considerably in enabling me to support the bill. There is a point, Mr. President, to which the taxpayers of my State cannot be pushed. And they are not likely to react favorably when presented with specious arguments in support of some of the provisions contained in this bill.

When one cuts through all of the smoke that has been thrown up on both sides of the argument over the Byrd amendment and gets down to the kernel, the issue is this: The proponents of the administration's request to have both a 5-year authorization and Treasury Department financing—back-door financing—say that this will provide a greater

lever on officials of recipient countries to make basic changes in their tax, governmental, and landownership systems, because our Development Loan administrators will be able to make loan commitments without any reservation. The opponents of this request—and the supporters of the Byrd amendment—believe that a 5-year authorization will provide ample support for long-range program planning and that the requirement for Development Loan administrators to come before Congress each year to justify appropriations to continue their programs, on the basis of performance and/or assurances of officials of recipient countries, will provide a greater lever on these officials to make basic changes in their tax, governmental, and landownership systems.

I happen to be persuaded to the latter view, Mr. President. I might add that I have been very unimpressed by arguments of the proponents of the back-door financing provision that this is necessary to permit long-range program planning. It is not necessary at all. We have been carrying out long-range planning for years under our present foreign-aid programs without back-door financing. In the case of Greece, for example, 21 of 47 projects were for 2 to 5 years; in the case of Ethiopia, 42 of 45 projects were from 2 to 15 years. I ask unanimous consent that these projects and their source be printed in the RECORD immediately following my remarks. Moreover, Mr. President, no foreign-aid project has ever been discontinued because of failure of Congress to appropriate the money needed.

In conclusion, I am well satisfied that Development Loan administrators and the officials of recipient countries need have no fear of the Appropriations Committees of Congress if they are doing a good job.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

GREECE [1]

Project No.	Started fiscal year	Completion date
240-19-137	1958	1960 [2]
240-14-010	1958	1962 [3]
240-14-133	1959	1959
240-11-009	1958	1958
240-11-008	1958	1959
240-29-138	1959	1961 [4]
240-23-063	1956	1959
240-29-153	1961	1963 [3]
240-37-131	1957	1962 [3]
240-41-139	1958	1961 [3]
240-41-053	1958	1961 [4]
240-41-153	1961	1961 [3]
240-42-090	1958	1961 [3]
240-49-051	1958	1958
240-61-054	1958	1963 [3]
240-71-089	1959	1962 [3]
240-83-052	1956	1959
240-98-064	1956	1960
240-93-162	1960	1961 [3]
240-99-154	1958	1963 [3]
240-71-089	1958	1959 [3]
240-32-126	1959	1962 [3]
240-69-146	1959	1959 [3]
240-61-157	1960	1963 [3]
Industrial safety exhibit ($7,300)	1958	1958
240-93-148	1959	1961
Greek productivity center ($200,000)	1961	(5)
240-82-164	1961	1961
Retirement of Greek Government debt ($114,512,000)	1958	1958
Volos earthquake rehabilitation	1956	1957
240-31-106	1957	1959
240-12-108	1957	1958 [5]
240-61-110	1957	1959 [5]

See footnotes at end of table.

GREECE—continued

Project No.	Started fiscal year	Completion date
240-85-111	1957	1958 [3]
240-85-112	1957	1958 [3]
240-22-116	1957	1960 [3]
240-31-118	1957	1957 [3]
240-31-120	1957	1957 [3]
240-94-124	1958	1959 [3]
240-31-121	1957	1958 [3]
240-31-117	1958	1958 [3]
Greek Government state investment program ($23,666,000)	1958	1959 [3]
240-32-126	1959	1962 [3]
240-69-161	1960	1961 [3]
240-69-159	1960	1961 [3]
240-69-160	1960	1961 [3]

ETHIOPIA

Project No.	Started fiscal year	Completion date
663-87-911	1954	1969 [3]
663-54-914	1954	1967 [3]
663-53-055	1960	1965 [3]
663-69-900	1954	1961 [3]
663-69-906	1958	1972 [3]
663-69-908	1953	1958
663-66-053	1959	1960 [3]
663-66-060	1960	1970 [3]
663-67-924	1957	1962 [3]
663-68-927	1939	1970 [3]
663-69-926	1953	1961 [3]
663-79-013	1953	1960
663-71-012	1958	1960
663-81-040	1957	1963 [3]
663-83-041	1957	1964
663-99-901	1955	1961 [3]
663-99-908	1955	1966 [3]
663-96-900	1958	1961 [3]
663-96-907	1958	1970 [3]
663-96-042	1957	1965 [3]
663-91-054	1960	1967 [3]
663-99-000	1952	1972 [3]
663-19-900	1953	1961 [3]
663-19-906	1958	1970 [3]
663-11-917	1953	1970 [3]
663-13-056	1960	1962 [3]
663-13-062	1960	1960 [4]
663-13-916	1956	1965 [3]
663-13-918	1958	1967 [3]
663-19-031	1957	1963 [3]
663-19-052	1959	1968 [3]
663-19-907	1956	1962 [3]
663-25-900	1956	1961 [3]
663-25-901	1953	1961 [3]
663-29-906	1958	1970 [3]
663-25-910	1953	1963 [3]
663-25-907	1956	1965 [3]
663-25-063	1960	1962 [3]
663-37-900	1957	1961 [3]
663-37-907	1957	1963 [3]
663-59-900	1953	1961 [3]
663-59-906	1958	1969 [3]
663-51-901	1958	1970 [3]
663-51-915	1958	1970 [3]
663-51-061	1960	1961 [3]

[1] 6 miscellaneous projects of less than $10,000 each were omitted.
[2] June 30.
[3] Estimated.
[4] Merged.
[5] Completed.

Source: A report on U.S. foreign operations to Senate Committee on Appropriations by Hon. Allen J. Ellender, 87th Cong., 1st sess.

Mr. BYRD of Virginia. Mr. President, I yield 10 minutes to the distinguished junior Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, I wish to direct attention to the background of the phrase "back-door financing" and the points of order which have been made in the past relative thereto. The first challenge to the device of drawing money from the Treasury without an appropriation, and in a bill reported by a committee other than the Committee on Appropriations, was made in the House of Representatives on June 28, 1949, by the junior Senator from South Dakota, who then was a Member of the House. I made the point of order in the following words:

Mr. Chairman, the point of order I make is that subparagraphs (e) and (f) of section 102 in title I constitute the appropriation of funds from the Federal Treasury, and that the Committee on Banking and Currency is without jurisdiction to report a bill carrying appropriations under clause 4, rule 21, which says that no bill or joint resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations.

I then said:

The Constitution has said that no money shall be drawn from the Treasury but in consequence of appropriations made by law. It must follow that the mechanism which gets the money out of the Treasury is an appropriation.

I shall not read the entire argument at this time, but I wish to invite attention to the position of the Chair in the House of Representatives, because it is that decision which has been controlling and which has been relied upon ever since. Mr. Boggs of Louisiana was in the chair. He said:

The Chair is prepared to rule.

The Chair agrees with the gentleman from South Dakota that the point which has been raised is not a casual point of order. As a matter of fact, as far as the Chair has been able to ascertain, this is the first time a point of order has been raised on this issue as violative of clause 4 of rule XXI.

Here follows the nub of the Chair's ruling that the so-called back-door financing did not constitute an appropriation:

As the Chair sees the point of order, the issue involved turns on the meaning of the word "appropriation." "Appropriation," in its usual and customary intrepretation, means taking money out of the Treasury by appropriate legislative language for the support of the general functions of Government. The language before us does not do that. This language authorizes the Secretary of the Treasury to use proceeds of public-debt issues for the purpose of making loans. Under the language, the Treasury of the United States makes advances which will be repaid in full with interest over a period of years without cost to the taxpayers.

I shall repeat that sentence, Mr. President, because this sentence is the foundation sentence on which, from 1949 on, this type of back-door financing has rested:

Under the language, the Treasury of the United States makes advances which will be repaid in full with interest over a period of years without cost to the taxpayers.

Therefore, the Chair rules that the language does not constitute an appropriation, and overrules the point of order.

Following that ruling by the Chair, I made this parliamentary inquiry:

Mr. CASE of South Dakota. Would the Chair hold then that that language restricts the Secretary of the Treasury to using the proceeds of the securities issued under the Second Liberty Bond Act and prevents him from using the proceeds from miscellaneous receipts or tax revenues?

The CHAIRMAN. The Chair does not have authority to draw that distinction. The Chair is passing on the particular point which has been raised.

Mr. CASE of South Dakota. However, Mr. Chairman, it would seem implicit in the

ruling of the Chair and I thought perhaps it could be decided as a part of the parliamentary history. It might help some courts later on.

Mr. President, we have moved to a new era in back-door financing. The bill before the Senate today does not presume to say, as similar bills have in the past, that the Secretary of the Treasury is authorized and directed to purchase bonds that were offered to him, and that the proceeds of the Second Liberty Bond Act should be available for that purpose. In the bill before the Senate, for the first time, so far as I know, that procedure is not resorted to. The bill merely provides that the President shall be authorized to issue these notes for purchase by the Secretary of the Treasury, in order to carry out the purposes of this title. Here, for the first time, it is proposed that the general revenues may be used, without even the gesture of making the provision applicable to the proceeds of Liberty bonds, or anything of that sort. The Secretary of the Treasury is expected to use whatever money may be in the Treasury, and to withdraw it to purchase the bonds.

As I have stated, the ruling of the Chair in the House of Representatives, in 1949, cited the fact that the ruling was based upon the prospective payment in full of the money taken, with interest. In the bill before the Senate, the pertinent language is included in section 202, on page 6, as follows:

> Payment under this subsection of the purchase price of such notes and repayments thereof by the President shall be treated as public-debt transactions of the U.S. Government.

In the committee's report on the bill, the committee has not pretended to say that the loans from the Development Loan Fund would all be repaid in full or with interest; in fact, at page 8 of the committee report, under the heading "Title I—Development Loan Fund," the report reads:

> Interest rates as low as 1 percent are contemplated, and some loans will probably be interest free.

The significance of that statement is indicated, I think, in the reports which were made from the Conference in Uruguay the other day. I quote from an Associated Press report published in the Idaho Falls, Idaho, Post Register of August 7, under the byline of William L. Ryan:

> PUNTA DEL ESTE, URUGUAY.—* * * Secretary of the Treasury Douglas Dillon told the Inter-American Economic and Social Conference here Monday that Kennedy's alliance-for-progress program envisions a new aid agency.
>
> "It is our intention that future development loans made by our new aid agency will be on a long-term basis, running where appropriate up to 50 years," he said.

In that connection, it should be noted that the committee report, referring to the Development Loan Fund provision in the bill, contains the following statement:

> Terms of repayment up to 50 years will be permitted, in some cases with no repayment of principal for initial periods of up to 10 years.

In other words, the loan fund which is proposed to be created by the bill will be available for the making of 50-year loans, and during the first 10 years no repayment of principal will be required.

I quote further from the Associated Press dispatch from Uruguay, under a dateline of August 7:

> The bulk of the 50-year loans proposed by Dillon would be "at very low or zero rates of interest." Informed sources pointed out such loans, if interest free, would amount in substance to an 80-percent grant.

That, I say, is similar to the point which the Senator from Iowa [Mr. MILLER] made a few moments ago, when he computed the cost to the Treasury of the interest-free loans.

In 1959, when the same type of financing was proposed in the mutual security bill, which was then pending before the Senate, I made the same point of order with respect to the question.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. CASE of South Dakota. Mr. President, may I have an additional 3 to 5 minutes?

Mr. BYRD of Virginia. Mr. President, I yield 5 minutes to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, in 1949, when the foreign-aid bill was before the Senate, I made a similar point of order, challenging the jurisdiction of the Committee on Foreign Relations to report an appropriation, basing it upon the fact that the Senate, too, has its rules with regard to general appropriations.

In that instance, the ruling of the Chair, advised by the parliamentarian, turned on a somewhat different point—namely, whether that measure proposed a general appropriation.

I questioned the ruling on that occasion, and respectfully appealed from the decision of the Chair. A motion to lay the appeal on the table was made. The motion to lay on the table was rejected by a margin of 11 or 12 votes, as I recall. With the tabling of the motion to lay the appeal on the table, it was apparent that the Senate would have sustained the appeal from the Chair's ruling on the point of order. Thereupon, the majority leader, now the Vice President of the United States, moved an adjournment of the Senate; and the matter went over until the next morning. The next morning, half an hour before the session of the Senate convened, the then Senator from Texas, the majority leader, conferred with the Senator from Illinois, the minority leader and me, and proposed that the provision in question be withdrawn from the bill, that the amount of money involved be made smaller, and that it be made subject to annual appropriations.

Mr. President, that matter is now before us again—although now in somewhat different form, but still based on the idea that an appropriation is not needed, because the term "loan" is used and it is said that the money might be repaid.

Mr. President, if it is held that the transactions would be actual loans, subject to being repaid in full, then they might properly be regarded as loans, not appropriations. However, in view of the provisions of the bill itself, and also the statement made by Secretary Dillon, to the effect that the "loans" can be made for as long a period as 50 years, that during a 10-year period no repayments of the principal might be required, and that the rate of interest might be as low as 1 percent, or that no interest at all might be charged, certainly it is apparent that the proposal is not a good faith one in compliance with the Constitution, which requires that appropriations be made only by law, and contains an absolute interdiction against expenditure of the funds of the taxpayers of the United States by any other method.

Therefore, Mr. President, I believe that the only course now open to the Senate is to agree to the Byrd amendment, strike this provision from the bill, and then require the committee to bring to the Senate appropriate provisions in compliance with the provision of the Constitution that the funds of the people of the United States may be expended only by means of use by Congress of the appropriation procedure.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD relevant portions of the debate which occurred in 1949 in the House of Representatives and in 1959 in the Senate.

There being no objection, the excerpts from the CONGRESSIONAL RECORD were ordered to be printed in the RECORD, as follows:

[From the House of Representatives proceedings, CONGRESSIONAL RECORD, vol. 95, pt. 7, pp. 8536–8538]

The CHAIRMAN. The gentleman from South Dakota will proceed to state his point of order.

Mr. CASE of South Dakota. Mr. Chairman, the point of order I make is that subparagraphs (e) and (f) of section 102 in title I constitute the appropriation of funds from the Federal Treasury, and that the Committee on Banking and Currency is without jurisdiction to report a bill carrying appropriations under clause 4, rule 21, which says that no bill or joint resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations.

This is no casual point of order made as a tactical maneuver in consideration of the bill. I make this point of order because this proposes to expand and develop a device or mechanism for getting funds out of the Federal Treasury in an unprecedented degree.

The Constitution has said that no money shall be drawn from the Treasury but in consequence of appropriations made by law. It must follow that the mechanism which gets the money out of the Treasury is an appropriation.

I invite the attention of the Chairman to the fact that subparagraph (e) states: "To obtain funds for loans under this title, the Administrator may issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed $25 million, which limit on such outstanding amount shall be increased by $225 million on July 1, 1950, and by further amounts of $250 million on July 1 in each of the years 1951, 1952, and 1953, respectively" within the total authorization of $1 billion.

Further that subparagraph (f) provides that "The Secretary of the Treasury is authorized and directed"—and I call particular attention to the use of the words "and di-

rected"—"to purchase any notes and other obligations of the Administrator issued under this title and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended"—

And so forth. The way in which this particular language extends this device of giving the Secretary authority to subscribe for notes by some authority is this: It includes the words "and directed."

In other words, the Secretary of the Treasury has no alternative, when the Administrator presents to him some of these securities for purchase, but to purchase them. The Secretary of the Treasury is not limited to purchasing them by proceeds from the sale of bonds or securities. He is directed to purchase these notes and obligations issued by the Administrator. That means he might use funds obtained from taxes, that he might use funds obtained through the assignment of miscellaneous receipts to the Treasury, that he might use funds obtained through the proceeds of bonds.

This proposal will give to the Committee on Banking and Currency, if it should be permitted, authority which the Committee on Appropriations does not have, for in the reporting of an appropriation bill for a fiscal year, any appropriation beyond the fiscal year would be held out of order. Here this committee is reporting a bill which proposes to make mandatory extractions from the Treasury during a period of 4 years.

In considering this matter I have looked up other uses of this device of having the Secretary subscribe to issues of securities, but in no instance have I been able to find where we have directed a Secretary to do so. We have authorized him, but we have never directed him. I have in my hand here supplement 1 of the 1946 edition of the United States Code which in title XV, paragraph 606, sets forth the provision in the Reconstruction Finance Corporation Act of June 30, 1947. In that act the Reconstruction Finance Corporation was authorized to issue to the Secretary of the Treasury its notes, debentures, bonds, and so forth; but when it comes to what the Secretary of the Treasury may do it states:

"The Secretary of the Treasury is authorized to purchase any obligations"—

But it does not say that he is directed to do so; in other words, the Secretary has some discretion on RFC securities; it is not mandatory that money be extracted from the Treasury.

I also have here title 42 of the Code which gives the Housing Act of 1937, as amended, and I invite the Chair's attention to that particularly because we are dealing here with a proposed extension of the housing program. In subparagraph (c) of paragraph 1420, title XLII, United States Code, the following language is carried:

"The Authority is authorized to issue obligations in the form of notes, bonds, or otherwise which it may sell to obtain funds for the purposes of this Act."

It then states that the obligations shall be unconditionally guaranteed but provides for congressional review through specific appropriations in these words:

"In the event that the Authority shall be unable to make such payment upon demand when due, payment shall be made by the Secretary of the Treasury on money authorized to be appropriated for such purpose out of any money in the Treasury not otherwise appropriated."

It does not direct the Secretary of the Treasury to procure them. Now, going further, in subparagraph (d) the language of the Housing Act, as amended, reads:

"The Secretary of the Treasury is likewise authorized to purchase any such obligations."

But it does not contain the words that are included here in subparagraph (f) where the pending bill states:

"The Secretary of the Treasury is authorized and directed to purchase any such notes."

Mr. Chairman, this is not, as I said earlier, a casual point of order; we are here dealing with the fundamental power of the Congress to control appropriations. No such device has ever before, so far as I can find out, been presented to the Congress for getting money in the guise of a legislative bill without its having been considered by the Committee on Appropriations. It is a mandatory extraction of funds from the Public Treasury, and, consequently, constitutes an appropriation and is beyond the authority or the jurisdiction of the Committee on Banking and Currency to report in this bill.

The CHAIRMAN. Does the gentleman from Kentucky desire to be heard on the point of order?

Mr. SPENCE. I do, if the Chair please.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. SPENCE. Mr. Chairman, the raising of funds by public debt transaction has been frequently authorized by the Congress: The Export-Import Bank raises funds by that method; the Bretton Woods Agreement, in my recollection, is carried out by that method; the British loan was financed by that method, and the Federal Deposit Insurance Corporation was also financed by that method. It does not seem to me that this is a seasonable objection. This has been the policy of the Congress for years.

Mr. Chairman, this is not raising money to be appropriated for the purposes that ordinary appropriation bills carry. All of this money is to be used as loans.

* * * * *

Mr. MCCORMACK. Mr. Chairman, I agree with my friend who has raised the point of order that this is not a casual one, but, on the contrary, is a very sincere one. It presents a new question from a legislative angle to be passed upon in the direct question raised by the point of order.

The gentleman from South Dakota has referred to the Constitution. The Constitution says:

"No money shall be drawn from the Treasury but in consequence of appropriations made by law."

The word "appropriations" is used.

The rule referred to, clause 4, rule 21, says:

"No bill or resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations."

You will note the word "appropriations" is used. Now, let us see what "appropriations" means.

I have before me Funk & Wagnalls Standard Dictionary and "appropriations" is defined as follows:

"To set apart for a particular use. To take for one's own use."

The provisions of this bill are not taking for one's own use, because this is a loan designed purely for loan purposes. It is not a definite appropriation. It is giving authority to utilize for loan purposes and the money comes back into the Treasury of the United States with interest.

Again, the word "appropriations" is defined: "Something, as money, appropriated"—

I call particular attention to those words "something, as money, appropriated"—"or set apart, as by a legislature, for a special use."

I repeat "something, as money."

The provision in paragraph (f) that my friend has raised a point of order against relates entirely to loans. As we read section 102 of title I it starts out with loans. Throughout the bill, a number of times, there is reference to loans.

Paragraph (e) says:

"To obtain funds for loans under this title."

It is a loan.

The meat of the two paragraphs, as I see it, is this:

Paragraph (f), line 23, page 8, says:

"The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator issued under this title and for such purpose is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of such notes and other obligations."

It seems to me that that is the meat. Certainly, the language there does not amount to an appropriation. It is entirely for loan purposes.

I think it is reasonable to submit to the chairman that in order for the House to carry out its will that the rules should be construed from a liberal angle, a broad angle, rather than from a narrow angle. Certainly, the word "appropriations" is used in the Constitution. And, I think it is the rule of the House that must govern, and that is what the Chair has to pass upon, because the Congress could determine by proper legislation what the word "appropriation" means as contained in the Constitution itself. So, it is a rule that I respectfully submit the chairman has got to construe in relation to the provisions of the bill to which the point of order has been addressed, and that specifically says, as I have referred to before, "that no appropriations," and so forth, which refers to appropriations entirely. There is nothing said about loans. Now, if the House intended that it should apply to provisions of this kind, instead of saying, "No bill or joint resolution carrying appropriations shall be reported" the House might have said, "No bill or joint resolution carrying appropriations or having directly or indirectly the effect." There is a difference between cause and effect. Certainly, it applies to this case. The House, in its wisdom, in adopting this rule, confined it to appropriations made to an agency of Government for use by that agency in carrying out what the Congress considered to be essentially the function of the Government during the coming fiscal year or during the period for which the appropriation has been made.

I respectfully submit that it must call for an appropriation out of the general funds of the Treasury in order to violate the rules of the House. This permits the use of money raised by the sale of bonds under the Second Liberty Bond Act for loans to these public agencies, such loans to be repaid with interest.

I respectfully submit, complimenting my friend for having raised the point of order—and certainly, it is not a dilatory one, nor a casual one, one that demands respect—that the point of order does not lie against the language contained in the pending bill.

* * * * *

The CHAIRMAN (Mr. BOGGS of Louisiana). The Chair is prepared to rule.

The Chair agrees with the gentleman from South Dakota that the point which has been raised is not a casual point of order. As a matter of fact, as far as the Chair has been able to ascertain, this is the first time a point of order has been raised on this issue as violative of clause 4 of rule XXI.

As the Chair sees the point of order, the issue involved turns on the meaning of the word "appropriation." "Appropriation," in its usual and customary interpretation, means taking money out of the Treasury by

appropriate legislative language for the support of the general functions of Government. The language before us does not do that. This language authorizes the Secretary of the Treasury to use proceeds of public-debt issues for the purpose of making loans. Under the language, the Treasury of the United States makes advances which will be repaid in full with interest over a period of years without cost to the taxpayers.

Therefore, the Chair rules that this language does not constitute an appropriation, and overrules the point of order.

Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CASE of South Dakota. Would the Chair hold then that that language restricts the Secretary of the Treasury to using the proceeds of the securities issued under the Second Liberty Bond Act and prevents him from using the proceeds from miscellaneous receipts or tax revenues?

The CHAIRMAN. The Chair does not have authority to draw that distinction. The Chair is passing on the particular point which has been raised.

Mr. CASE of South Dakota. However, Mr. Chairman, it would seem implicit in the ruling of the Chair and I thought perhaps it could be decided as a part of the parliamentary history. It might help some courts later on.

The CHAIRMAN. The Chair can make a distinction between the general funds of the Treasury and money raised for a specific purpose by the issuance of securities. That is the point involved here.

[From the Senate proceedings, CONGRESSIONAL RECORD, vol. 105, pt. 10, pp. 12435–12445.]

Mr. CASE of South Dakota. Mr. President, I desire to make a point of order regarding the language which appears on page 16, beginning in line 13, and through line 13 on page 17. That part of the bill is section 203; and I make the point of order against it. That is the language which is proposed to be stricken out by the amendment of the Senator from Illinois, Mr. DIRKSEN.

The point of order is that that provision constitutes an appropriation, and that an appropriation cannot be made in a legislative bill reported by the Foreign Relations Committee.

My reason for believing that provision is an appropriation is that the Constitution of the United States provides that "no money shall be drawn from the Treasury, but in consequence of appropriations made by law."

The language of the bill to which I make my point of order provides for drawing money from the Treasury. If it results in the drawing of money from the Treasury, then, according to the definition contained in the Constitution, that provision of the bill must be an appropriation.

I invite the attention of the Chair to the constitutional provision that "no money shall be drawn from the Treasury, but in consequence of appropriations made by law."

So the question as to the validity of the point of order is whether the language which I seek to have stricken out draws money from the Treasury.

I invite the attention of the Chair to the language of the provision itself:

"(b) For purposes of the loans provided for in this section, the Secretary of the Treasury is authorized to use the proceeds of the sale of any securities issued under the Second Liberty Bond Act as now in force or as hereafter amended, and the purposes for which securities may be issued under the Second Liberty Bond Act are hereby extended to include this purpose. The President shall determine the terms and conditions of any advances or loans made to the Fund pursuant to this section."

Obviously that draws money from the Treasury; it draws from the Treasury money which the Treasury may have received as a result of the sale of securities issued under the Second Liberty Bond Act.

In the following paragraph the bill provides:

"The amount of such obligations also may not exceed the limitations specified in section 203(a) of this act except that, to the extent that assets of the Fund other than capitalization provided pursuant to section 203(a) are available, obligations may be incurred beyond such limitations."

Without knowing just what those other assets are, one would assume that those other assets also are funds resting in the Treasury, and that if they are to be made available, they will be drawn from the Treasury.

So the point of order is that this provision of the bill must constitute an appropriation, since it proposes that money be drawn from the Treasury. If it is an appropriation, it may not be reported by the Foreign Relations Committee, because it would constitute an appropriation, and appropriations may be reported only from the Appropriations Committee.

The PRESIDING OFFICER (Mr. MOSS in the chair). Is the Senator's point of order that this provision is in violation of the Constitution?

Mr. CASE of South Dakota. No; I merely used the Constitution to define what constitutes an appropriation.

Under the Senate rule, appropriations must be reported from the Appropriations Committee, and may not be contained in a legislative bill.

I used the Constitution merely to define an appropriation.

The Constitution provides:

"No money shall be drawn from the Treasury, but in consequence of appropriations made by law."

If this provision is an appropriation, it provides for the drawing of money from the Treasury, and therefore the provision is in violation of that Senate rule.

Furthermore, I invite the attention of the Chair to the fact that this question came up before, when the Development Loan Fund was first authorized. At that time the Congress decided to make an authorization, and later to make an appropriation.

The amendment submitted by the distinguished Senator from Illinois [Mr. DIRKSEN] does not propose that the money be taken out of the Treasury by simply providing that the Secretary may take it out; but the amendment of the Senator from Illinois maintains recognition of the fact that this provision of the bill is an appropriation, and it merely authorizes an appropriation. In that event, the appropriation would fall under the annual review of the Appropriations Committee, of course.

The PRESIDING OFFICER. The Chair has not had an opportunity to study the point of order. After discussion with the Parliamentarian, the Chair believes it may be neceessary to examine the precedents in connection with this matter.

The Chair wonders whether the chairman of the Foreign Relations Committee has any comments to make in connection with this matter.

Mr. FULBRIGHT. Mr. President, I think the precedents are so clear that the Chair would not need to study the matter. There have been many precedents. The form of this provision is precisely the same as the language used 2 years ago when the Senate voted to approve this very operation of borrowing through the public debt transactions.

The distinguished Senator from Virginia is an authority on this subject; and some time ago he was advised that the precedents are very clear against the point of order now made by the Senator from South Dakota. I did not know there was the slightest doubt about that, or I would have had a memorandum on it prepared.

The instances in which the Congress has authorized precisely the same operations were stated a few minutes ago, at great length, by the Senator from Vermont.

There are many precedents which authorize this procedure; and I have no doubt that the Parliamentarian will advise the Chair that the point of order is not well taken.

Mr. ROBERTSON. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. ROBERTSON. I raised this point in connection with a housing bill, 2 years ago. I was convinced that the Senate did not have authority, under the Senate rule which requires authorization and appropriation, to bypass the Appropriations Committee and go directly to the Treasury, by calling the transaction a debt transaction, because a number of those items would never be paid off, although some of them were revolving funds which would be paid off.

But after I indicated that I intended to make the point of order, I was confidentially informed by the Parliamentarian that the Chair would rule against my point of order.

There has never been a decision that such a provision was in violation of the Senate rule. But the information which came to me from the Parliamentarian was that in some previous year there had been a ruling in the House of Representatives against a position similar to the one I had taken, and that the Parliamentarian would be inclined to follow that.

Then I checked among my colleagues; but I could not find among them support which would justify bringing the matter to a showdown on the floor of the Senate.

So I did not make the point of order, because I understood that if I did make it, the Chair would rule against the point of order, and then I would be obliged to appeal from the ruling of the Chair.

At that time certain items in the housing bill were so very popular that whether it was within the rules of the Senate or not made no great difference.

The situation has become so extreme now, with all the demands on the Treasury for gold from abroad, with $13 billion of deficit spending, when long-range Government bonds cannot be sold, as to raise the question whether we should continue this practice. That is my first point.

The second point is whether the Senate would like to have a definite solution of this point of order. We can have it. I could not say how the Parliamentarian would rule. All I received was the information that 2 years ago he was going to rule against the point of order. So I did not make the point of order, because I could not follow through successfully. Tonight it may be different.

Mr. CASE of South Dakota. Mr. President, if the Chair will hear me a moment further, it is true, as the distinguished chairman of the Foreign Relations Committee has said, that the same financing device was approved by the Senate by passage of the bill 2 years ago; but the point of order was not made. I invite attention to the report of the Foreign Relations Committee itself this time, on the pending bill, which reads in part, on page 15:

"It will be recalled that this is the same financing device which was proposed by the administration and approved by the Senate when the Fund was first established in 1957. As finally enacted that year, however, the law creating the Fund authorized appropriations totaling $1,125 million for 2 fiscal years."

In other words, Congress, on reflection of what the Senate had done in approving this matter as a public debt transaction, made a change before it finally enacted the authorization for the appropriation. It did not pursue this method.

It is true that the distinguished junior Senator from Virginia raised the question on the housing bill. I think I took part somewhat in the discussion at that time. It was deemed the better part of parliamentary discretion at that time, because of the popularity of the housing bill, perhaps, to avoid pressing for a decision. But here we are proposing to do something Congress has never done before, to say that for 5 years the Secretary can dip into the Treasury and draw out money to the extent of $1 billion a year. If it can be done for 5 years, if we are to say this will take place for 5 years, what is to prevent, the next time a bill comes before Congress, our saying it can be done for 10 years or 15 years or 20 years or 25 years? If money can be drawn from the Treasury by this kind of device, are we not appropriating money? Are we not drawing money from the Treasury? And the Constitution says no money shall be drawn from the Treasury but in consequence of appropriations made by law. If this is drawing money from the Treasury, it must, it seems to me, be regarded as an appropriation, and it would then fall under the rules of the Senate relating to appropriations.

Mr. FULBRIGHT. Mr. President, I do not think I need say any more about the question. The Export-Import Bank is a good example. It has been operating under the arrangement provided for in the bill for I do not know how many years. It is limited only by the loans it can reasonably approve, which now total some $9 billion. This is done time and again.

I do not know why the Senator would suddenly choose this particular occasion to raise the point of order. I am perfectly willing to let the Parliamentarian rule on the point. If this procedure had not been followed by Congress, many of the most important programs, as mentioned by the Senator from Vermont a few moments ago, could never have been carried out. I agree with the Parliamentarian and the position of the Senator from Virginia that he was convinced by the Parliamentarian there was no validity to this point of order.

The PRESIDING OFFICER. In view of the precedents of other legislation which has passed this body, including revolving funds created thereunder, even though the point of order was not squarely raised before, the Chair feels disposed to follow the precedents, and overrules the point of order.

The question is on agreeing to the amendment of the Senator from Illinois, Mr. DIRKSEN, to the committee amendment.

Mr. CASE of South Dakota. Mr. President, temporarily I appeal from the decision of the Chair, but I shall withdraw the appeal in a moment, after I make a statement. It is true that what is proposed has been done before, and has been done on other bills. Never, so far as I know, has it been done to the extent and in the direction here proposed, for authority to take as much as $1 billion a year out of the Treasury for 5 years.

I think this is an issue the Congress should face. In view of the fact that the point has just been raised, I am not sure we are prepared with the material I should like to present to the Senate, if the issue is to be voted upon in the nature of an appeal; nor do I think that the time this evening lends itself to the presentation of this issue. However, I want to say this is an issue which ought to be squarely faced by the Congress. Are we going to surrender the prerogatives that have been prescribed for the Appropriations Committee? Are we going to sacrifice the review procedures provided by annual appropriations and accept the kind of device which, by going around the Appropriations Committee, permits an expenditure to become a public debt transaction and permits the drawing of money out of the Treasury?

If it can be done for a $5 billion program, it can be done for more than that. If it can be done for 5 years, it can be done for 25 years.

In terms of amount and in terms of years, this is the most flagrant abuse of the idea that has come to my attention. If there were enough support and if enough Senators had listened to the debate on the point, I would not object to going to a vote on the appeal.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. AIKEN. If it appears that the borrowing authority of the Commodity Credit Corporation would be restricted, would the Senator go along with requiring the Commodity Credit Corporation to get an appropriation?

Mr. CASE of South Dakota. The Senator from South Dakota certainly would, in connection with the Commodity Credit Corporation, as well as the Housing Administration. The Senator from South Dakota has always thought they ought to be made subject to appropriations, and not have this kind of back-door appropriation.

Mr. AIKEN. If it is required in this instance, then I think we should at least from now on require that the borrowing authority should be transferred to appropriations. That goes for small business, big business, the Maritime Commission, stockpiling. To be consistent, the Senator would have to insist on that.

Mr. CASE of South Dakota. The Senator from South Dakota believes that is exactly the way it should be done. The Senator from South Dakota raised this issue in the House years ago. He is consistent in his position.

Mr. WILLIAMS of Delaware. Mr. President, if the Senator will yield, the Commodity Credit Corporation does get an appropriation. It has borrowing authority only, and it gets direct appropriations from the Treasury. Ultimately, we pay that which was borrowed.

Mr. AIKEN. To make up the losses; but it gets the money out of the Treasury.

Mr. WILLIAMS of Delaware. That is correct. To make up its losses it must get money from appropriations. It must be repaid. In this instance, there is no way to repay the money.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is, Shall the ruling of the Chair stand as the judgment of the Senate?

Mr. CASE of South Dakota. Mr. President, I said that I would withdraw the appeal. On further reflection, I think I shall not withdraw it. I ask for the yeas and nays on my appeal.

The yeas and nays were ordered.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. RUSSELL. I think the Senator from South Dakota is completely correct on the point of order he has made.

Mr. LAUSCHE. Mr. President, will the Senator speak louder?

Mr. CASE of South Dakota. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Georgia may proceed.

Mr. RUSSELL. I shall vote to overrule the ruling of the Chair, with all deference to the Chair, because, in my opinion, the policy which is embraced in this amendment can lead to a serious impairment of the power of the purse and control of the purse that has resided in parliamentary bodies since the dawn of at least English parliamentary history.

If we delegate for 5 years the power to take a billion dollars from the Treasury without coming to the Congress, we will surrender some, at least, of the power of the purse, because a simple majority of the Congress could not alter what was done unless the President approved. It would require a two-thirds vote to override a veto to recapture the power of the purse.

This is an entirely different thing from an authorization. If the language of the bill as reported provided for an authorization for an appropriation of a billion dollars each year, of course it would be entirely consonant with the rules of the Senate and with the maintenance of the power of Congress over expenditures on an annual basis. This is going a long way from the original concept of Congress on matters which have to do with fiscal policies of the Government.

The Founding Fathers did everything they could to provide that each Congress would have a right by a simple majority to determine fiscal policies. The Founding Fathers even wrote into the Constitution a provision that no appropriation for the maintenance of the Army should be for a longer period than 2 years. If the Congress wants to authorize a billion dollars a year for loans it ought to authorize it and not appropriate for 5 years a billion dollars a year. It would take a two-thirds vote of the Congress, of each House, ever to recapture the power. It would matter not how strongly we felt it necessary, because the President could veto any bill which might interfere with this arrangement.

Mr. CASE of South Dakota. Before the distinguished Senator takes his seat, I wonder if I might ask his opinion with respect to an interpretation of a phrase in the Constitution which I have been using in connection with my point of view as to the defining of what is an appropriation. The Constitution, in article I, section 9, says, "No money shall be drawn from the Treasury, but in consequence of appropriations made by law."

Is it not the opinion of the distinguished Senator from Georgia that since the Secretary of the Treasury is authorized to use the proceeds of the sale of any securities issued under the Second Liberty Bond Act, and so forth, as set forth in the bill, he would be drawing money from the Treasury?

Mr. RUSSELL. This is not the first time we have done violence to my concept of the Constitution. This has happened in respect to a great many other bills, more particularly with respect to some of the housing bills. In my opinion, the Constitution provided that Congress should take two looks at these large expenditures of funds; one at the time of the authorization, and one when the appropriation was made according to law to meet the authorization. Under what is now proposed, the Congress would not get the two looks at the matter.

Mr. CASE of South Dakota. Mr. President, for the purpose of getting the point clearly before those who have come into the Chamber since this discussion started, my point of order is not that the bill may be unconstitutional. I am not arguing that the bill may be unconstitutional. I am saying that by the provisions of the Constitution the language in the bill constitutes an appropriation, for the Constitution says, "No money shall be drawn from the Treasury, but in consequence of appropriations made by law."

The language of the bill provides for drawing money from the Treasury, to the amount of a billion dollars a year for 5 years. The language even provides that if the money is not used in 1 year any unused portion can be used in the next year. The language is "any unused portion of the maximum applicable to any period shall be added to the maximum applicable to the succeeding period." This represents a drawing of $5 billion out of the Treasury in 5 years.

Mr. RUSSELL. It is a reappropriation which is something always considered to be in the power of the Appropriations Committee. It is a reappropriation of funds not expended each year.

Mr. CASE of South Dakota. If the language draws money from the Treasury, that constitutes an appropriation under the definition in the Constitution.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. If it is an appropriation it must come, under the rules of the Senate pertaining to appropriations, only from the Appropriations Committee. It can be reported only from the Appropriations Committee.

I yield to the Senator from Illinois.

Mr. DIRKSEN. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. Will the Presiding Officer refresh the memories of Senators as to the basis for the ruling?

The PRESIDING OFFICER. The ruling of the Chair on the point of order?

Mr. DIRKSEN. Yes. If I correctly heard the Presiding Officer, the point of order was overruled on the ground that there was precedent for the language which is carried in the bill. I am not sure I correctly understand whether by "precedent" the Chair meant this was a practice which had not been successfully challenged heretofore, or whether it represented a careful analysis of the rule and of the language involved.

The PRESIDING OFFICER. The basis for the ruling of the Chair was that this practice has been followed on many previous occasions and has been acquiesced in by the Senate. On that basis the Chair found that at no time had the question been squarely presented, as it is now. Based on that history, on the basis of the action of the Senate the Chair overruled the point of order. There is now before the Senate an appeal from the ruling of the Chair.

Mr. CASE of South Dakota. Mr. President, of course, I doubt that anybody would maintain that simply because some law or rule was not enforced. It was repealed because it had not been used. If the issue has never been squarely presented to the Senate before for a definite ruling, perhaps it is because the issue was never so large or never seemed to be so flagrant an abuse of the rule as is the case now before us.

Again I state for the benefit of those Senators who have come into the Chamber during the debate, although the Senate did sanction this practice, so to speak, by passing the bill 2 years ago, the bill was changed before it became law. The authority for that statement is the report of the committee itself, where it says, at page 15, "this is the same financing device which was proposed by the administration and approved by the Senate when the Fund was first established in 1957. As finally enacted that year, however, the law creating the Fund authorized appropriations." So the language was changed before it became law.

Mr. KEATING. Mr. President, will the distinguished Senator yield?

Mr. CASE of South Dakota. I yield to the Senator from New York.

Mr. KEATING. Mr. President, with the utmost deference to the ruling of the Chair, I respectfully suggest that the mere fact that this question has not been raised before and that this method of financing has been contained in previous legislation could scarcely be construed to be a precedent dealing with the precise situation before us today. I have not completely made up my mind on the merits whether to support the committee amendment or the amendment offered by the distinguished Senator from Illinois. However I stress the fact that this point of order raises a fundamental issue. I agree entirely with the reasoning of the Senator from South Dakota that the language objected to constitutes a taking of funds out of the U.S. Treasury and is a matter therefore which under Senate rules should be handled by and should come to us from the Appropriations Committee. I, therefore, shall support the appeal from the ruling of the Chair, although I have great respect for the present occupant of the Chair and for his ruling. This back-door approach to the Treasury raises problems very much deeper than anything relating to this specific bill.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield to the Senator from North Carolina.

Mr. ERVIN. I should like to ask the Senator from South Dakota if the ruling of the Chair, in effect, is: Since there is no precedent on this subject, the absence of a precedent shall constitute a precedent adverse to the position of the Senator from South Dakota.

Mr. CASE of South Dakota. Apparently, whatever is the indicated ruling, it is adverse to the position of the Senator from South Dakota. [Laughter.]

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield to the Senator from Colorado.

Mr. CARROLL. Will the distinguished Senator from South Dakota give his opinion on this matter: If we overrule the ruling of the Chair, what would be the effect upon the Dirksen amendment, which is now pending?

Mr. CASE of South Dakota. If the point of order were sustained and made to apply to the entire paragraph, the paragraph would come out of the bill. Actually, the point of order is primarily directed to the language beginning at line 23 dealing with the withdrawal of the money. If the point of order is sustained as made, all the language would come out and there would not be anything for the Dirksen amendment to amend. The remedy to the situation, of course, would be to reinstate the first part of the language and then simply make it an authorization for an appropriation.

Mr. CARROLL. Mr. President, will the Senator yield further?

Mr. CASE of South Dakota. I yield.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CARROLL. I understood the Senator yielded to me.

Mr. CASE of South Dakota. Yes, I yield to the Senator from Colorado.

Mr. CARROLL. My reason for asking the question is that it seems to me that if the point of order applies, as the distinguished Senator from South Dakota says, to the so-called Fulbright concept in the bill itself, it must necesarily apply to the Dirksen amendment. If the point of order applies to the Dirksen amendment, it would destroy the President's own program, because, by the words of the minority leader, this is the President's program.

Mr. CASE of South Dakota. Perhaps I should advise the Senator from Colorado that the language of the Dirksen amendment uses the words "authorization for an appropriation" and does not propose to draw money from the Treasury.

Mr. LAUSCHE. Mr. President, will the Senator from South Dakota yield to me so that I may supplement what he has said?

Mr. CARROLL. May I continue? Is it not true that the Dirksen amendment provides authorizations for successive years, with appropriations of $700 million for 1 year, $500 million for another year, and $300 million for another year?

Mr. CASE of South Dakota. It merely provides for authorizing an appropriation.

Mr. CARROLL. May I ask another question? The Senator from Colorado has not been present in the Chamber the entire time, nor has he been a Member of this body long. What would be the effect over a long period of time, if we legislated in this fashion? What would be the effect upon housing legislation? What would be the effect upon numerous other types of legislation if the Senate adopts the position advocated by the Senator from South Dakota, in view of the funds already provided and obligated? What would be the effect if the Senate should now sustain the point of order made by the distinguished Senator from South Dakota?

Mr. CASE of South Dakota. Of course, if action were taken now, it would not repeal legislation which is on the statute books authorizing certain things to be done. It would, however, create a precedent, so that hereafter, instead of taking money out of the Treasury without an appropriation bill, the form would be followed which we follow in connection with most domestic legislation, in which we authorize appropriations to be made.

Mr. CARROLL. I suggest to the Senator that if his concept of the Constitution is accurate, there will be a shutoff immediately.

Mr. CASE of South Dakota. No.

Mr. CARROLL. I think we should be very careful how we handle the situation.

Mr. CASE of South Dakota. The Senator from South Dakota has not said that the point of order rests upon constitutional grounds. He is not saying that the bill is unconstitutional, or that past legislation which used this device is unconstitutional. He has merely cited the Constitution to define what an appropriation is; and if this constitutes an appropriation, then it comes under the rules of the Senate relating to the reporting of appropriations.

Let me read the constitutional provision again, because I think there is an important distinction. The issue has never been presented quite so clearly. I am using the Constitution merely to define an appropriation:

"No money shall be drawn from the Treasury, but in consequence of appropriations made by law."

The question is: Does the language in the bill propose to draw money from the Treasury? If it draws money from the Treasury, it must be an appropriation. If it is an appropriation, then it comes under the rules of the Senate pertaining to the reporting of appropriations.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. LAUSCHE. I wished to touch upon the question raised by the Senator from Colorado, with reference to the application of the rule urged by the Senator from South Dakota, with respect to the Dirksen amendment.

Let us remember that the Dirksen amendment does not direct the Treasury to pay out the amounts identified by the Senator from Colorado. The Dirksen amendment specifically provides that each year an appropriation shall be made.

Mr. CASE of South Dakota. May be made. It authorizes an appropriation to be made.

Mr. LAUSCHE. It may be made.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. FULBRIGHT. As I understand, the Senator is not basing his point of order on the ground of unconstitutionality, but on the rules of the Senate. Is that correct?

Mr. CASE of South Dakota. That is correct.

Mr. FULBRIGHT. I invite the Senator's attention to the text beginning on page 70 of the volume on Senate procedure, in which the following language is found:

"DEFINITION OF GENERAL APPROPRIATION BILLS

" 'There is a distinction between what is commonly called a general appropriation bill and a bill providing for a special appropriation.' The 'rule itself was intended to include only the general appropriation bills, which are well defined, carrying general appropriations for the various departments.'

"In specific cases, the following have been held to be general appropriation bills within the meaning of rule XVI: Urgent deficiency appropriation bills, deficiency appropriation bills, river and harbor appropriation bills, all chapters of an omnibus or consolidated general appropriation as the one of 1950.

"In the 84th Congress, the bills considered to be general appropriation bills follow: Urgent deficiency, 1955; Treasury and Post Office, 1956; second supplemental, 1955; Labor and Health and Welfare, 1956; Interior, related agencies, 1956; Agriculture, 1956; independent offices, 1956; State, Justice, and Judiciary, 1956; Defense Department, 1956; District of Columbia, 1956; Commerce and related agencies, 1956; general Government matters, 1956; public works, 1956; legislative, 1956; mutual security, 1956; supplemental, 1956.

"DEFINITION OF SPECIAL APPROPRIATION BILLS

"All bills appropriating money which are not general in nature are considered as special appropriation bills and therefore not subject to the restrictions found in rule XVI. Examples of bills held by the Senate to be special appropriation bills follow:

"Relief appropriation bill of 1939 and 1940, work relief bill for 1943 (in the House), a joint resolution making appropriations for relief purposes; a joint resolution making appropriations for emergency relief purposes; a joint resolution providing additional appropriations for the Civilian Conservation Corps; a bill making appropriations to enable the Secretary of Agriculture to carry out the purposes of 'An act to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products'; a bill making an appropriation for farm relief in drought and storm-stricken areas; and a bill making an appropriation to enable the United States to make payments upon subscriptions to the capital stock of the Reconstruction Finance Corporation."

Is it not a fact that under the rule this is a special appropriation bill, and is not covered by the rule which the Senator cites as his reason for challenging this particular provision?

Mr. CASE of South Dakota. Responding to the Senator from Arkansas, I have two observations—first, if a proposal to appropriate $1 billion a year for 5 years is not an appropriation which comes under the rules which would place it under the jurisdiction of the Committee on Appropriations, we ought to redefine "appropriations."

Second——

Mr. FULBRIGHT. I did not say that this was an appropriation bill. The Senator said it was. I deny that it is an appropriation bill.

Mr. CASE of South Dakota. Does the Senator from Arkansas think this is an appropriation bill?

Mr. FULBRIGHT. This is an authorization to borrow money, which would be repaid to the Treasury. Most of the precedents already cited are in connection with programs to borrow money, to be repaid to the Treasury; but such a provision is not considered an appropriation, within the constitutional meaning.

Mr. CASE of South Dakota. Does the Senator understand that this is not a provision to draw money from the Treasury?

Mr. FULBRIGHT. Not in the sense in which that term is used in the Constitution. The money is borrowed. That is the language of the bill. That is the reason why, in the past, practically all such programs have involved authority to borrow money from the Treasury, which, it is contemplated, will be repaid to the Treasury.

This is an extremely far-reaching proposal. I had no notice that the Senator intended to raise any such point of order. It would seem to me to be dangerous and improvident to decide at this point a question which would affect the housing program, the seaway, to which reference has already been made, the Export-Import Bank, the International Bank, and other programs which are of the utmost importance to this Government. Such programs would be affected by the ruling. If the Senate is to decide a question of this importance, it should be submitted to the Committee on Rules and Administration for serious study. I would call it an extremely improvident act to decide an issue as important as this without any preparation, without any hearings, without even the benefit of the exhaustive study the Senator from Virginia prepared in a previous case, which I remember discussing with him. He had done a great amount of research, and we had the benefit of it.

I submit that on the narrow ground proposed by the Senator from South Dakota, relying on the rules of the Senate itself, the point of order does not apply.

Mr. CASE of South Dakota. Will the Senator from Arkansas advise the Senate why it was that 2 years ago, when the bill was finally enacted—I assume as the result of a conference—instead of following this plan, the bill was changed so as to authorize appropriations?

Mr. FULBRIGHT. I shall be very glad to tell the Senator; and I think that is at the root of the necessity for the procedure followed in the present bill.

For a long time the Senate Committee on Appropriations has had under consideration a move to outlaw or forbid any kind of procedure other than appropriations. The Senate had gone along, but in conference the House insisted upon a different procedure. As often happens, Senators having many pressing duties, and being members of various committees, gave way in this instance, for those and various other reasons.

Later the House, by its action, refused to allow anything. It was understood in the conference that if we would not insist upon our position the House conferees would be very lenient and considerate in recommending the appropriation of the necessary amounts, following the authorization of more than $1 billion.

As events proved, the House refused to appropriate anything this year in connection with the supplemental bill or rather, it did not appropriate the full amount authorized.

This only emphasizes the necessity for the procedure which the committee recommended. The House Committee on Appropriations does not confine itself to recommending appropriations. It has assumed the authority to make policy. When the House refuses to appropriate for a program such as this, for all practical purposes it denies the policy.

When it is asserted that this procedure takes away the control of Congress over these programs, that is a mistake. It does not take away the control of the Congress at all. The Committee on Foreign Relations is as much a part of the Congress as is the Committee on Appropriations. It is only human nature that members of the Appropriations Committee, like all other human beings, like to get all the power they can. This is especially true of the House committee. The record shows that the Senate committee has been extremely cooperative in carrying out the policy determined by the Congress as a whole; but in several instances the House has not been—specifically, in the case I have just mentioned, at the beginning of this year. The administration requested $250 million, and the House Appropriations Committee allowed nothing.

After a very long struggle on the part of the Senate, and insistence on the part of the Senate, together with the exertion of great efforts by the administration, the final result was an appropriation of $150 million.

The issue is within the Congress. Congress is not denied control. Congress will continue to have control over the programs through its legislative committees.

If the ruling of the Chair is overruled, complete authority over these programs will have been delegated to the Committee on Appropriations.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I shall be glad to yield in a moment. First, let me respond to the observations of the Senator from Arkansas.

First, I assure the Senator from Arkansas that had I known this provision was in the bill and had I known this question would arise, I would have conferred with him.

Mr. FULBRIGHT. It has been no secret. It has been well advertised.

Mr. CASE of South Dakota. There has been no secret about it. However, the Senator from South Dakota—and that is true of every other Senator—is busy with other duties, and does not always read bills before they reach the floor of the Senate. I had assumed, with respect to the Loan Fund, that inasmuch as 2 years ago the committee apparently acquiesced in the idea that there should be an authorization for an appropriation, the increase for the Development Loan Fund would also follow the same device as was used 2 years ago.

It was only as I went to the news ticker, after I came from a committee meeting this afternoon, that I read about the Dirksen amendment, and then compared it with the language which was proposed to be stricken, that it dawned on me that what was proposed was a change in the handling of the Development Fund.

Second, if 2 years ago it seemed to be the better part of discretion to make it an authorization for appropriation, when only $1,250 million was involved for 2 fiscal years, it might be the better part of discretion, in dealing with the House this time, to have an authorization for appropriation, unless it is planned to make an authorization for $5 billion covering 5 years.

I now yield to the Senator from Georgia.

Mr. RUSSELL. Mr. President, in a sense, I regret that this issue has arisen in this way, in this fashion, and at this time. But there cannot be any question, since the issue is here, that this provision of the bill collides squarely with rule XVI of the Senate, which provides that appropriations shall be considered by the Committee on Appropriations.

There cannot be any question that if the Senate adopts this provision and bypasses rule XVI, we are not only surrendering power now, but are binding the next two Congresses and handicapping them with amendments in dealing with this program.

If the Members of future Congresses, not yet elected, thought it wise to reduce the amount, a two-thirds vote would be required to undo something which we are asked to provide by a majority vote.

With respect to the argument as to the special appropriation, I invite attention to the last paragraph of the report of the committee, page 1, which reads as follows:

"In all, the bill authorizes appropriations for the coming fiscal year of $3,164,820,000. This is in addition to authority provided the Development Loan Fund to borrow up to $1 billion a year from the Treasury for each of the next 5 years for its lending operations."

In other words, under this peculiar arrangement, it will be necessary to give a general appropriation bill to deal with every item of the bill, which the committee report says is $3,164 million, except the $1 billion which goes into the Loan Fund. That is appropriated out of hand in this bill in violation of the terms of rule XVI. It is not

only violated out of hand under this provision for 1959; it is violated also for 1960, 1961, 1962, 1963, and 1964, because there is a general violation of the authority of rule XVI relating to the Committee on Appropriations.

The greater part of the money to be appropriated is handled under the rules of the Senate. But the billion-dollar Loan Fund receives special handling in violation of rule XVI, not only for this year, but also for the 4 ensuing years.

It would be a very simple matter to rewrite the provision and authorize an appropriation of $1 billion a year for each of 5 years. If that were done, it would be consistent with the rules of the Senate and with the policies which pertain to practically all the other spending operations of the Government.

It is quite true that there have been some provisions in housing bills which have been handled in this way. In my opinion, they are violative of rule XVI. I think there ought to be an authorization to provide a special appropriation. This is simply a general authorization with an attempt made to exclude $1 billion of it from having to follow the course of other appropriations by going before the Committee on Appropriations.

Mr. CAPEHART. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield to the Senator from Indiana.

Mr. AIKEN. Mr. President, may we have the regular order? I do not think one Senator ought to hold the floor indefinitely and yield to others to make speeches.

Mr. CASE of South Dakota. I yield the floor.

Mr. CAPEHART. I want to talk about the practical aspects of the matter, not whether the Federal Government should or should not lend money. The practice of authorizing the Treasury to lend money has developed as a result of Congress authorizing or passing laws to enable the Federal Government to lend money to many different kinds of projects.

For example, there are two kinds of expenditures at the moment in the Federal Government. One is expenditures for business purposes, expenditures which we would call expenses. In other words, the money is spent 100 percent as expenses. The Government never expects to get it back.

In the case of a bank, a bank lends money and expects to get the money back. It lends the money out of its treasury, and the loans are repaid to the treasury. It seems to me that we ought to set aside this request for a ruling tonight and that the Senate ought to give a little thought, possibly, to going before the Committee on Rules and Administration to establish a policy or adopt a rule whereby all moneys which it is intended to lend, and as to which it is expected it will be returned to the Treasury, could be handled on an authorization basis, such as the bill provides.

When we authorize the Treasury to lend money for a specific purpose, such as the Export-Import Bank, the Commodity Credit Corporation, the International Bank, and a half a dozen housing projects, we do not know whether the money will be lent in 1 year or over a longer period of time.

Therefore, if we appropriate $1 billion, and there is a request for only $500 million to be loaned, then there is $500 million in an appropriation bill which will not be used.

It seems to me that we ought to set this matter aside. The Senator from South Dakota could submit a resolution to be referred to the Committee on Rules and Administration, to enable a study to be made of the advisability of setting up a system to handle loans which we know will be loans, as compared with what might be termed expense matters.

I think we would be much better off to authorize the Treasury to lend money, in instances when the money will be repaid to the Treasury, than we would be to go the appropriation route. I think we ought to have all the safeguards that we can possibly get with reference to authorizations for the Treasury to lend money for specific purposes.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. SPARKMAN. I think the Senator from Indiana has made a very fine point; namely, that instead of considering this proposal as a single-shot method, there ought to be a determination, once and for all, across the board. The Senator has suggested that a resolution be offered in order to arrive at that determination. I am certain the Senator is aware of the fact that in the House a resolution has been offered. I believe it is still pending in the Committee on Rules. If adopted, it would touch on these various programs. A movement such as is being considered here would affect only one individual program.

What is difficult for me to understand is how only a few weeks ago the administration itself asked for this very kind of program in connection with the International Monetary Fund. That program was advocated, I am sure, by the majority leader. I imagine the Senator from South Dakota and probably all other Senators on the other side of the aisle, as well as on this side of the aisle, favored it. Why we should now, in one particular program, seek to strike it, I fail to understand.

Mr. CAPEHART. As a practical business matter, there would be better control over the funds and over the money if the Treasury were authorized to lend money to the corporations or the institutions to which the loans are to be made, than by the appropriation route, in my opinion.

If we appropriate the money, the attitude will be taken that it is appropriated and will be gone. But since we are going to lend money which will be repaid and are going to have collateral—a note or some other sort of instrument—it seems to me, purely from a business standpoint and a practical standpoint that it would be better to go that route than the appropriation route.

If it is the will and the judgment of the Senate, after studying the program and after referring it to the Committee on Rules and Administration, that we ought to do this, then we ought to treat all similar projects alike. We ought to treat the Commodity Credit Corporation, the Housing Authority, the International Bank, the Export-Import Bank, and others, alike. We ought to say, "From now on we will appropriate money rather than to go the route we have been going."

I, myself, would favor a rule which provided that when the money has been expended and the Government never expects it to be returned, such funds be considered by the appropriation route.

When the money is to be lent, and we expect it to be returned when the loans are repaid to the Treasury, I think it would be wiser to go the other route.

For example, let us consider the amount of money which the Commodity Credit Corporation will lend this year. Let us consider the amount the Export-Import Bank will lend. Let us consider what the International Bank and the Housing Authorities will spend. When we consider all these projects, the amount runs into a large sum. It runs up the appropriation bill. No particular amount of money is saved for the Government, but a great deal of money is appropriated, without knowing how much of it will be loaned.

I prefer to make certain that we authorize the Treasury to loan the money, and put the Treasury in a position to be certain that the money will be paid back, and have the money paid back to the Treasury; and in the case of the 100 percent expenditure items—items which we do not expect will result in the repayment of any of the money—handle them by means of appropriations.

Therefore, I believe we should study this problem. I am generally in favor of tightening up on the procedure. But I do not think that should be done in connection with the pending bill.

Mr. CASE of South Dakota. But first an appropriation to the loan fund should be authorized.

Mr. CAPEHART. But the $1 billion will stand as an appropriation. It may well be that the loans will amount to $200 million; but $800 million more will then have been appropriated.

Mr. CASE of South Dakota. No; we could merely have authorized the appropriation of $1 billion, and then what was actually needed would be appropriated.

Mr. CAPEHART. But what is the difference between appropriating the money and saying, "Pick up the money whenever you need it," and saying to the Treasury, "Advance the money when it is needed"?

Mr. CASE of South Dakota. Because then the Appropriations Committee will have an opportunity to make its annual review.

Mr. CAPEHART. I have great respect for the Appropriations Committee, but I do not believe it is wiser than any of the other committees.

If, under the House of Representatives rules, control of all the money were to be placed in the hands of the chairman of the Appropriations Committee, a great deal of trouble might develop.

Mr. ALLOTT. Mr. President, in my opinion there are very many basic and philosophical reasons why it is wise to pursue the course of tightening up and of returning the appropriations to the hands of the Appropriations Committee.

The legalities of this matter have been discussed at some length.

In my opinion, this matter comes under rule XVI of the Senate rules. In fact, I should like to use the citation the Senator from Arkansas himself used; I refer to the volume entitled "Senate Procedures." The Senator from Arkansas referred to page 70 of that volume. Thereafter, on page 71, we find the following:

"In the 84th Congress, the bills considered to be general appropriation bills follow:"

And in the following list, the next to the last item is:

"Mutual security, 1956."

So there is no question that under the Senate rules this is an appropriation matter, and falls within rule XVI.

I should like to address myself to one or two points. I see on the floor the Senator from Louisiana, and I am sure he will recall what I am about to say.

It is said that this provision will simply constitute borrowing, and that all of the money is to be repaid.

The Senate has the intention of getting away from the old idea of making grants and gifts to the various nations; and, instead, the Senate wishes to loan them money by means of the Development Loan Fund.

This year in the Appropriations Committee the officers of the Development Loan Fund testified. If I recall correctly—and I believe I do, although I do not have the hearings before me at the moment—they testified that one-third of these funds will be loaned in soft currencies or will be repayable in soft currencies. That means that there would be a long, long time before the money which they would loan from the Treasury would be repaid.

Knowing that, and knowing that a considerable portion of this money would, in the long run, be an actual appropriation—and I think the Senator from Indiana is mistaken in his concept of the nature and the kind of

these loans—at that time I questioned the officers as to the nature of the security. They take the notes or bonds of these people; but very rarely do they take mortgages. So we depend on the credit of these countries, and do not usually hold mortgages for the amounts loaned.

I think the Senate should look into this area, with the idea of tightening up on the law.

So I conclude my comments by stating that the authorities cited by the Senator from Arkansas say that this is a general appropriation.

Furthermore, Mr. President, I point out that when we engage in this procedure, we know that a considerable portion of the money, at least, is an actual appropriation.

Mr. ROBERTSON. Mr. President, will the Senator from Colorado yield?

Mr. ALLOTT. I yield.

Mr. ROBERTSON. Is it not a fact that the purpose of this trust fund is to make loans to underprivileged nations that do not have sufficient bankable security to obtain loans either from the International Bank or from the Export-Import Bank?

Mr. ALLOTT. That is correct.

Mr. ROBERTSON. Consequently, it is not realistic for us to fail to face up to the fact that much of the money will never be repaid. The recipient countries will not be able to repay it.

Mr. ALLOTT. By the terms of the loans themselves, some will be repayable in the soft currencies of the countries to which the loans are made.

Mr. ROBERTSON. Absolutely.

Mr. HOLLAND. Mr. President, I have supported the Development Loan Fund, both when it was created and when it had to be supplemented by additional appropriations, approximately 2 or 3 months ago. I did so because I believe in loans as a better method of extending the help of our strong financial arm, rather than to proceed by way of grants or gifts. It is as a friend of this particular type of activity, as contrasted with grants and gifts, that I make these remarks.

First, I should like to call attention to the fact that the question is not—as stated by the Senator from Indiana—whether the funds will be expended and gone from the Treasury or whether they will be invested and later may be returned.

The Constitution provides:

"No money shall be drawn from the Treasury, but in consequence of appropriations made by law."

There is no question that money will be drawn from the Treasury, under this measure. Money may be lawfully drawn from the Treasury, under this measure, if it be passed and enacted into law, up to the amount of $1 billion a year, for 5 years, and up to the amount of the accumulated balances during the 5 years, and up to the amount of the repayments made during those 5 years, because a revolving fund is set up.

So it is completely idle for anyone to say that this is not an appropriation bill—and a very large appropriation bill—or to say that it does not come within the purview of the Senate rules which relate to appropriation bills.

Mr. President, some of my friends in their earlier remarks indicated that they were fearful that if the ruling of the Chair were not sustained in this case, difficulties would be created in the case of existing housing programs, the seaway appropriations, and other programs which have been handled in this manner. But such a conclusion would be completely erroneous, because here the only question is whether, under the rules of the Senate, the procedure in the case of the pending bill is sound.

Many measures which are passed by the Senate could be attacked by the making of a point of order at the proper time. But often at the time the Senate is so united in its view that the objective of the measure is sound and salutary, that no point of order is raised.

Having served for some years on the Appropriations Committee, I know it is hardly ever that an appropriation bill comes here from the other body without containing numerous items of legislation which could have been stricken out if points of order were made appropriately in the other body.

I also know that as our Appropriations Committee has reported such measures to the Senate, and as they have been passed, there have been frequent additions to the bills by way of affirmative legislation to which no point of order has been raised; and such provisions are perfectly legal when passed in that way.

I remember that last year, when I was handling, here on the floor, the appropriation bill for the Department of Commerce and related agencies—a bill in which our committee had included a provision to allow more high-rated positions in the CAA, which at that time was being very much enlarged—there was a colloquy and debate with my distinguished friend, the Senator from Kansas, and with my distinguished friend, the Senator from South Carolina. But when they realized the salutary nature of the provision which was included, they graciously consented not to raise the point of order; and the bill was passed and was enacted into law with that provision in it; and it was enacted in such a way as to redound to the better serving of the objectives which the CAA carried out.

Scarcely an appropriation bill which the Senate passes fails to contain one or more—sometimes many more—provisions of that sort.

So my friends do not need to worry about how legislation already enacted or already passed may be affected if the ruling of the Chair is not sustained. In that event, such legislation will not be affected in any way, because no point of order was raised at the time of its consideration.

I am sure that in the future there will be times when the Senate will decide that it is wise legislative procedure to overlook the raising of a point of order, when it is proposed to do something very necessary in a certain field, and when the actual cost, at the time when the Senate acts, cannot be assessed.

Mr. President, in this proposed legislation we are asked to appropriate $5 billion, to be spent once, twice, or as many times at it may be paid back, without further control by the Appropriations Committee, which in itself is a minor matter, without the power on the part of Congress to revert to the other system in the event it cannot override the veto of a President who is anxious that this system prevail.

I can understand why this provision was written into the bill. It was because the Executive thought the Congress should have been more generous than it saw fit to be, in the supplemental bill of 2 or 3 months ago, in the granting of additional funds for the Development Loan Fund.

In the expenditure of funds so large as these are, and on an objective which is as subject to question as this is, in which the Congress has insisted on having first an authorization bill and then an appropriation bill in each year in which the foreign-aid program has been operating, it seems to me we have a question which is so very vital and one in connection with which the discretion of the Congress should be kept in the picture, in behalf of the taxpayers and the protection of the Treasury, that the Senator from South Dakota was completely justified in raising his point of order, and the Senator is completely justified in standing back of it.

One more remark and I shall be through. No one attaches any criticism at all to the Presiding Officer for his ruling. He very properly referred the matter to the Parliamentarian, and ruled in accordance with what the Parliamentarian advised him, which was the proper course for him to follow. The Parliamentarian has in effect advised that, since the Congress has seen fit not to raise points of order in previous legislation which was highly beneficial to our country, and which was desired to be passed, therefore the point of order could not be raised at this time and on this particular item.

I do not think that reasoning is logical. I do not think that conclusion follows at all. Just as the Senate exercises its judgment from time to time on matters of legislation in appropriation bills, refusing to raise the point of order on some and raising it on others, so may we always—and I hope we shall always—have the right to raise a point of order when a vital matter to our people is involved; and certainly this is such a matter.

Mr. President, may I say, before I take my seat, certainly the Senator from Arkansas and his committee are not to be criticized in any way for what they have done, because they have made so clear what they intend to do. The Senator from Georgia, or perhaps it was one of the other Senators, has already read the language on page 1 of the report, making it very clear that, in addition to the appropriation which is to be made under this authorization, there is authority granted for the Development Loan Fund to borrow $1 billion a year for the next 5 years. The report could have gone ahead to make it clear that moneys paid back could be reloaned, but that was not necessary.

If Senators will read pages 15 and 16 of the report they will find the committee laid this matter straight on the line, so there could be no question as to what was intended. Speaking of these particular subsections, the report states:

"These subsections effect a major change in the method of financing the Development Loan Fund. Instead of an authorization of appropriations of $700 million for fiscal 1960, as proposed by the administration, the committee bill gives the Fund authority to borrow from the Treasury up to $1 billion a year in each of 5 fiscal years beginning in 1960. Any unused portion of this borrowing authority in 1 year is to be added to authority available in succeeding years. The Secretary of the Treasury is authorized to meet the Fund's needs by a public debt transaction."

That does not mean the funds are not going to be spent from the Treasury. Whether they are spent at the time they are turned over to the Development Loan Fund or at the time they are turned over to our neighbors all over the earth, they are certainly going to be drawn from the Treasury; and that is the wording of the report.

While I compliment the committee for being frank—and I hope Senators will read the rest of the statement, because it makes clear what is intended to be done—I hope Senators will also be equally firm in their insistence that in a far-reaching, longtime, huge money matter, so contentious as this has been from year to year, the Congress shall retain from year to year the power to pass upon this program and the power to say whether we shall continue it and in what amount.

I hope the ruling of the Chair will be overruled.

Mr. CARROLL. Mr. President——

The PRESIDING OFFICER. The Senator from Colorado.

Mr. AIKEN. Mr. President——

Mr. CARROLL. I yield to the Senator from Vermont, who has been seeking to be recognized.

Mr. AIKEN. I have some pertinent information to put in the record.

Mr. CARROLL. Would the Senator mind if I first made a short statement?

Mr. AIKEN. No.

Mr. CARROLL. Mr. President, I have had real qualms about the present bill and the 5-year, $5 billion program proposed by the committee. I am not at all averse to having an appropriation made from year to year. I want that distinctly understood. What I am concerned about is that programs that have existed for 25 to 30 years are jeopardized and within a relatively short debate we will have very able Senators making a hasty argument on a point of order which could affect billions of dollars of such programs. I do not think that is legislating responsibility.

This is why I make a suggestion. It has been made before by the distinguished Senator from Alabama, by the distinguished Senator from Arkansas, and by the distinguished Senator from Indiana. Let the resolution of the matter before us go to the Committee on Rules and Administration. Does anyone doubt, if the point of order is sustained this evening, it will affect housing and other legislation which has been enacted in the past 20 or 25 years? If the point of order is to be sustained, it should be made to apply across the board, and it should be done intelligently.

I make this as a last suggestion: If the Senate sustains the ruling of the Chair, there is nothing to prevent the Senate from later moving to protect the principle involved, if the Senate so desires.

Mr. President, may we have order? It is disconcerting to have so much conversation going on. I would like at least to be able to reflect on my own thoughts.

The PRESIDING OFFICER. The Senate will be in order.

Mr. CARROLL. The point I want to make is that it will be highly unwise for the Senate to take hasty and ill-advised action on a totally new subject which might have an injurious effect on legislation which has been in existence for 25 years. There have been two or three legal opinions expressed, and I respect the opinions, but they are impromptu opinions. No precedents have been cited. Nobody knows how deeply such action would affect other appropriations.

With all due deference to the distinguished Senators who have spoken on the matter, I think they do not know fully at this hour the extent to which other appropriations would be affected. I think I can make that statement with some confidence of accuracy no matter how persuasive their arguments may sound.

Let us assume the Senate sustains the Chair and proceeds from that point. Presumably the Dirksen amendment will then be considered. If it is not, the Senate will proceed with the bill. In the meantime, a proper resolution on this subject could be considered by the Rules and Administration Committee. No harm would be done, because the program does not really become effective for a year. What we are talking about is a loan program, which is completely controllable. In the argument of the Senator from South Dakota, it is true he was not interpreting the Constitution, but he was interpreting the constitutional definition of what is meant by an appropriation. The senior Senator from Colorado, Mr. ALLOTT, stated that the mutual security program is within rule XVI. What is there to worry about? Let us not have any hasty action at this time.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. CARROLL. I yield.

Mr. HOLLAND. Having in mind the constitutional words that no money shall be drawn from the Treasury but in consequence of appropriations made by law, does the Senator contend the $5 billion which could be taken out of the Treasury and loaned under this measure would not be drawn from the Treasury?

Mr. CARROLL. The junior Senator from Colorado contends this is an issue which should be discussed in the Committee on Rules and Administration, and not tried to be passed on in the Senate in a few minutes, in an atmosphere of first impression. I could very easily agree that if I were rendering a quick interpretation, an off-the-cuff opinion, I might agree that the distinguished Senator from Florida is correct; but this is not the way to legislate, in my opinion, on so serious a question with such far-reaching, historical implications.

Mr. President, I yield the floor.

Mr. AIKEN. Mr. President, it is my understanding that if the decision of the Chair is overruled by the Senate, in effect we shall have decided that borrowings from the Treasury which are made without authorization in an appropriation bill are not legal, or at least we shall have cast serious doubt upon their legality.

Mr. President, I should like to read into the RECORD a list of borrowings from the Treasury which have been made by various agencies, and then comment very briefly.

The Commodity Credit Corporation owes the Treasury $13,730 million.

The Rural Electrification Administration owes $2,962 million.

The Farmers Home Administration owes $403 million.

The Export-Import Bank of Washington owes $1,888 million.

The Housing and Home Finance Agency owes $2,819 million

The International Cooperation Administration owes $1,172 million.

The Reconstruction Finance Corporation, of course, is liquidated now, but it borrowed untold billions of dollars.

The St. Lawrence Seaway Development Corporation owes the Treasury $112 million.

The Veterans' Administration, direct loan program, owes $930 million.

The Defense Material Service of the GSA, for strategic materials stockpiling, owes $1,937 million.

The U.S. Information Agency, for Informational Media Guarantees; the Department of the Army, for the Natural Fibers Revolving Fund; the Small Business Administration; and the Department of Commerce, Maritime Administration, for the Federal Ship Mortgage Insurance Fund owe approximately $21 million.

The Tennessee Valley Authority has been financed through borrowings from the Treasury, although the bond-issuing authority has now been withdrawn except as it relates to retiring old bonds.

Besides those investments by the Treasury, the Treasury now holds securities amounting to $258 million in the Bank for Cooperatives; $699 million in the Federal Home Loan Bank; $1,206 million in the Federal Intermediate Credit Bank; $1,792 million in Federal land banks; $1,947 million in the Federal National Mortgage Association.

That makes in all, for notes and other securities held, about $31,800 million. Some of these borrowings were authorized through the Appropriations Committee and others were not.

It is my understanding that the Housing and Home Finance Agency, which owes the Treasury $2,819 million, did not have its borrowings authorized by the Appropriations Committee; that the Veterans' Administration direct loan program, $930 million, was not authorized by the Appropriations Committee; and, furthermore, that by this very law on which we are working there have already been guaranteed private investments abroad amounting to $500 million, almost the last dollar of which has been committed, and that there is authorization for $500 million more in the bill which we are considering.

If there are losses on those private investments abroad, the insurance must be paid first through the premiums on hand, which amount to the grand sum of $4 million, and beyond that they will be paid by notes given by the Director of the ICA to the Treasury.

Those are three items—the Housing and Home Finance Agency, the Veterans' Administration direct loan program, and the guarantee of private investments abroad—which I feel would be seriously jeopardized by overruling the decision of the Chair at this time.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. CASE of South Dakota. I think the Senator overlooks the fact that all of those things have been done by law. I do not think we would impair the validity of any law which has been passed.

Mr. AIKEN. No.

Mr. CASE of South Dakota. Even though the money has been taken from the Treasury by this device, if it was done as the result of a law, it conforms to the constitutional provisions.

Mr. AIKEN. I believe two of our colleagues on the floor have been quoting from the rules of the Senate to the effect that unless the authorizations went through the Appropriations Committee they would not be legal.

Mr. CASE of South Dakota.. No.

Mr. AIKEN. That is my understanding.

Mr. CASE of South Dakota. The Senator misses the point. We have not contended those actions were not legal. This would be legal if Congress did it, and the bill became a law.

Mr. AIKEN. And we made the appropriation. Yes, indeed; I agree.

Mr. CASE of South Dakota. Either way. If Congress passes the law, it will be drawing the money from the Treasury by law. It is the contention of the Senator from South Dakota that since it is an appropriation it should be handled under the rules of the Senate pertaining to appropriations.

Mr. AIKEN. If the contention of those who are opposed to the provisions of the bill is correct, then the Housing and Home Finance Agency, the Veterans' Administration, and the program of guarantees for private investments abroad have all been illegal programs up to this point.

Mr. CASE of South Dakota. Those are not illegal. They have been authorized by law.

Mr. AIKEN. They did not go through the Appropriations Committee.

Mr. CASE of South Dakota. But that is not the point. It is not a question of whether these things are legal. If the point of order was not made when the law was passed, then they are legal.

Mr. AIKEN. Let us consider the REA. The Comptroller General has already driven one spike into the coffin of the REA. Do we want to drive another one? I expect some do, but I do not.

Mr. CASE of South Dakota. No. As a matter of fact, most REA funds have come as a result of appropriations, and there has been an authorization to make appropriations.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. KEATING. It seems to me that perhaps there is confusion over the fact that this would not have any effect on legislation already on the statute books.

Mr. LAUSCHE. Mr. President, will the Senator please speak a little louder.

Mr. KEATING. Clearly, if we were to overrule the decision of the Chair it would have no effect whatsoever on legislation now on the statute books. I think it would mean, as for the future, that such a method of what one perhaps might call back-door fi-

nancing would not be permitted, and that hereafter such appropriations would have to go through the Appropriations Committee. This certainly would not have an effect on anything already in the law.

Mr. AIKEN. Mr. President, I will say that the Comptroller General has questioned the legality of loans to the REA cooperatives 18 years after the bill which purported to authorize such loans was passed. If the Comptroller General can do that with regard to the REA, certainly it would put other agencies in equal jeopardy if we take this action and overrule the decision of the Chair.

There may be more opposition to the REA in some quarters than there is to some of the other agencies, but I do not see how we can question the legality with respect to one agency and not with respect to the others.

I think we should really know what we are doing. I do not know how many agencies, in addition to the three I have mentioned, have obtained their borrowing authority outside the Appropriations Committee. There may be others. These three have been called to my attention while I have been on the floor.

Mr. President, if there is no more discussion on this matter, in order to simplify the vote, I move to lay on the table the appeal of the Senator from South Dakota from the ruling of the Chair.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Vermont to lay on the table the appeal of the Senator from South Dakota from the ruling of the Chair.

Several Senators addressed the Chair.

Mr. CASE of South Dakota. Mr. President, a point of order.

Is an appeal from the ruling of the Chair subject to a motion to lay on the table?

The PRESIDING OFFICER. An appeal from the ruling of the Chair is subject to a motion to lay on the table; and, therefore, the motion of the Senator from Vermont is in order.

Mr. LAUSCHE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The motion to table is not debatable. The Chair will entertain a parliamentary inquiry. The Senator will state it.

Mr. LAUSCHE. Does the order for the yea-and-nay vote applying to the appeal of the Senator from South Dakota apply to the motion of the Senator from Vermont?

Mr. AIKEN. Mr. President, in case it does not, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Vermont to lay on the table the appeal of the Senator from South Dakota from the ruling of the Chair. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll, and Mr. AIKEN voted in the affirmative and Mr. ALLOTT voted in the negative when their names were called.

Mr. THURMOND. Mr. President, I wonder if the Presiding Officer will clearly state the question. As I understand the situation, a vote "yea" is a vote to sustain the ruling made by the Presiding Officer; and a vote "nay" is a vote to sustain the position of the Senator from Georgia, Mr. RUSSELL, and the Senator from South Dakota, Mr. CASE, to overrule the decision of the Chair. Is that correct?

The PRESIDING OFFICER. Essentially it is correct. The Senator from South Carolina makes inquiry as to the effect of a vote on the motion to table. If the vote is "yea" and the motion to table is agreed to, then the whole question of appealing from the ruling of the Chair will be laid on the table, and the Senate will proceed to consideration of the amendment to the bill.

Mr. LAUSCHE. Mr. President——

The PRESIDING OFFICER. The Senator from Ohio.

Mr. LAUSCHE. This may be repetitious, but do I correctly understand we are not now voting on the appeal from the ruling of the Chair, but are voting on a motion to table?

The PRESIDING OFFICER. The Senator is correct. The vote is on the motion to table the appeal from the ruling of the Chair.

Mr. CLARK. A parliamentary inquiry, Mr. President.

Mr. FULBRIGHT. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. The Senator from Pennsylvania will state his parliamentary inquiry.

Mr. CLARK. A vote "yea" on the motion to table is a vote in opposition to the point of order; is it not?

The PRESIDING OFFICER In effect that is correct.

The clerk will resume the call of the roll.

The Chief Clerk resumed and concluded the call of the roll.

Mr. MANSFIELD. I announce that the Sentor from New Mexico, Mr. CHAVEZ, the Senator from Rhode Island, Mr. GREEN, and the Senator from Montana, Mr. MURRAY, are absent on official business.

I also announce that the Senator from Wyoming, Mr. O'MAHONEY, is absent because of illness.

The Senator from Tennessee, Mr. GORE, is absent on official business attending the nuclear test suspension conference in Geneva, Switzerland.

On this vote, the Senator from New Mexico, Mr. CHAVEZ, is paired with the Senator from Rhode Island, Mr. GREEN. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Rhode Island would vote "yea."

On this vote, the Senator from Connecticut, Mr. BUSH, is paired with the Senator from Montana, Mr. MURRAY. If present and voting, the Senator from Connecticut would vote "nay," and the Senator from Montana would vote "yea."

Mr. KUCHEL. I announce that the Senator from Utah, Mr. BENNETT, and the Senator from Iowa, Mr. HICKENLOOPER, are absent on official business of the Joint Committee on Atomic Energy.

The Senator from Connecticut, Mr. BUSH, is necessarily absent.

If present and voting, the Senator from Utah, Mr. BENNETT, would vote "nay."

On this vote, the Senator from Connecticut, Mr. BUSH, is paired with the Senator from Montana, Mr. MURRAY. If present and voting, the Senator from Connecticut would vote "nay," and the Senator from Montana would vote "yea."

The results was announced—yeas 42, nays 48, as follows:

Yeas, 42: Aiken, Anderson, Bartlett, Cannon, Capehart, Carlson, Carroll, Case of New Jersey, Church, Clark, Cooper, Dodd, Douglas, Engle, Fulbright, Hart, Hartke, Hennings, Humphrey, Jackson, Javits, Johnson of Texas, Kefauver, Kennedy, Kerr, McCarthy, McGee, McNamara, Magnuson, Mansfield, Morse, Moss, Muskie, Neuberger, Prouty, Proxmire, Randolph, Sparkman, Symington, Williams of New Jersey, Yarborough, Young of Ohio.

Nays, 48: Allott, Beall, Bible, Bridges, Butler, Byrd of Virginia, Byrd of West Virginia, Case of South Dakota, Cotton, Curtis, Dirksen, Dworshak, Eastland, Ellender, Ervin, Frear, Goldwater, Gruening, Hayden, Hill, Holland, Hruska, Johnston of South Carolina, Jordan, Keating, Kuchel, Langer, Lausche, Long, McClellan, Martin, Monroney, Morton, Mundt, Pastore, Robertson, Russell, Saltonstall, Schoeppel, Scott, Smathers, Smith, Stennis, Talmadge, Thurmond, Wiley, Williams of Delaware, Young of North Dakota.

Not voting, 8: Bennett, Bush, Chavez, Gore, Green, Hickenlooper, Murray, O'Mahoney.

So Mr. AIKEN's motion to lay on the table the appeal by Mr. CASE of South Dakota from the ruling of the Chair was rejected.

The PRESIDING OFFICER. The question is, Shall the decision of the Chair stand as the judgment of the Senate? On this question the yeas and nays have been ordered.

Mr. COTTON. Mr. President——

Mr. BYRD of Virginia. Mr. President, I yield 1 minute to the Senator from New Hampshire.

Mr. COTTON. Mr. President, on August 3—a little more than 1 week ago—as part of a regular report which I wrote to my constituents, I stated, in brief form, my reasons for supporting the Byrd amendment.

Because of the shortness of the time available, I ask unanimous consent that an excerpt from that report be printed at this point in the RECORD, as a statement by me.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR COTTON, OF NEW HAMPSHIRE

Now comes the last of the major requests of the President—foreign aid. Resistance to this program has been building up, but the impact of the Berlin crisis may break it down and give the President what he wants. The main point in controversy is not the amount the President is requesting for the coming year but the authority he seeks to take billions direct from the Treasury over the next 5 years without any control by the Congress—a long-term $9 billion blank check. Twice during the Eisenhower administration similar carte blanche authority was proposed, but Congress refused. I have just reread the report I wrote you 2 years ago (July 1959). This is what I said:

"Now, for the 13th successive year I must touch on foreign aid. (It started as the Marshall plan my first year in Congress.) Almost anything you might say about foreign aid is true. It has done sensible things and it has done foolish things. It has spent money wisely and it has spent it wastefully. It has made us friends abroad and it has lost us friends abroad. Reasonable men may argue that no price is too high for peace and security and the program must continue in full force, or even be expanded. Others can advance logical reasons why it is sheer waste and should be ended. Neither view is correct. The truth lies in between.

"Certainly we can't abandon South Korea or forsake Formosa. The Chinese Reds would spill into the Pacific, engulf Japan and the Philippines, and be at our very doors. Should we cancel aid to Turkey and Iran, the Soviets could grab the oil pool of the Middle East. Up would go the cost of the oil that heats your home, operates your factory, or runs your automobile.

"These are old and oft-repeated points, but this year we found ourselves up against a brandnew issue in foreign aid. That was the question of a built-in program. For 13 years I have been a stanch supporter of mutual security, although I have helped to prune its more lavish expenditures, but this year I was among those who took the floor, spoke and fought against this new concept of a permanent program. It would authorize billions of dollars, years in advance, wholly in the hands of the executive, without the need of coming back to Congress each year. The supreme function of your Congress is to watch expenditures year by year, to weigh them, to pare them, to eliminate them when possible. Once we surrender that function, there is no longer need of a Congress. We would have an American version of totalitarianism."

This year I support a reasonable foreign aid program now just as I did in 1959. Indeed, in this time of stress the moral effect alone would be disastrous if Congress rebuffed the President and destroyed the program. But I shall fight against this blanket authority now as I did then. Foreign aid should not be allowed to run uncontrolled, and Congress should not abdicate its duty to scrutinize and appropriate every dollar every year. That is why I shall vote for the Byrd amendment.

Mr. FULBRIGHT. Mr. President, I yield 10 minutes to the Senator from Missouri [Mr. LONG].

The PRESIDING OFFICER. The Senator from Missouri is recognized for 10 minutes.

Mr. LONG of Missouri. Mr. President, during the past few months I have received considerable mail from the people of Missouri concerning the bill which is presently before the Senate. Many of these letters have in effect said, "Stop this ridiculous foreign aid—stop this give-away—stop pouring our tax dollars down foreign ratholes." In fact, some have even included more descriptive language.

On the other hand, I have received many letters urging that I give wholehearted support to the President's recommendations.

Before I came to the Senate, I followed our foreign aid programs, keeping reasonably informed as to how much we were spending, and where. In general, I always believed that such programs were wise and necessary. But now, the responsibility is on me, as a representative of the people, to reach a decision and cast my vote on a program which will cost billions of dollars.

Needless to say, I have spent considerable time during the past few weeks reappraising my views. I have asked myself why some people so violently oppose these expenditures, and, even more so, why some urge that billions of dollars be spent to help those overseas. I have asked myself whether it is necessary to spend these billions, and, if it is, how we should do it.

When we look around us at the world of the sixties, we find a vastly different one than we knew even 15 or 20 years ago. Hundreds of millions of people in Asia, Africa, and Latin America are actively seeking a better life. They are intent on throwing off the yoke of oppression, whether it be political or economic. The people of the underdeveloped nations of the world are conscious of the standard of living enjoyed by the people of the industrialized nations. They desire an opportunity to establish for themselves a life free from disease, ignorance, hunger, and the other miseries of the very poor. They are determined to progress. How their energy and determination are channeled depends greatly on our action here, in the Congress.

Certainly, we cannot turn our backs on these people, for if we do this energy and determination may bring chaos to the underdeveloped nations, paving the way for Communist demagogs to take control.

However, we do have alternatives before us. The first is to continue a foreign-aid program such as we have conducted to help underdeveloped nations in the past—a program based on annual authorizations and appropriations. Under such a development program, we would continue to be limited to the fiscal year in committing ourselves to provide aid. Emphasis could not effectively be put on the overall, long-term development of the recipient nation. We would continue to proceed on a project-by-project basis. We would continue to rush approval of projects toward the end of the year, so the appropriated funds would be committed, thus preventing their loss.

As another alternative, we can adopt a development program of long-term authorization accompanied by annual appropriations and carryover. Under such a program we could place more emphasis on long-term development, but we would still be limited to a project-by-project determination, because there would always be the question: If we commit ourselves beyond the fiscal year, will the funds be there? We would still be severely limited in our ability to plan effectively beyond the fiscal year.

The third alternative is a development program such as recommended by the President and reported by the committee, a program providing long-term authorization financed by Treasury borrowing. Under this program, we could commit ourselves to a program of projects within a long-term development program to be undertaken by the recipient nation. We could say without hesitation to the underdeveloped nation, "If you carry out your responsibilities under this program, we can give you the following assistance over the next few years."

To me, the last alternative is by far the best. It would allow us to make the most effective and efficient use of our foreign-aid dollars. It would tend to eliminate many of the present shortcomings of our foreign-aid program. The removal of the rigid annual appropriation financing method would allow us to proceed in a more businesslike manner. We should see the end of the highways that run from A to B, then on to nowhere—highways that benefit the country, but for which it is not ready. We should see the end of the hastily approved project which really is not worth the expenditure, for there would no longer be any need to race the clock so as to give approval before the end of the fiscal year.

Certainly, the second alternative would accomplish many of the above results. It would allow long-term commitments, subject of course to future appropriations, and would allow a far better coordination of aid with the progress of development, but there is one serious drawback to this alternative.

The job which lies ahead of us will not be easy. The demands we will make on the underdeveloped nations will be many. Our approach will be, if the recipient nation is serious in its desire to move forward, we stand ready to help. If the recipient nation is ready to take the steps necessary to be a real participant in the 20th century, we will give them a helping hand.

However, the overriding burden is theirs. We will demand that they make the necessary social and economic reforms to insure that the poor and the miserable share in the development. We will insist that our aid benefit those who have suffered so long from a lack of adequate food, housing, medical care, and education. We will demand that tax reforms be made so that those people of the recipient nation who can afford it will carry their burden of the development.

If we are to demand these things, if we are to expect these nations to undertake the peaceful revolution which is necessary to accomplish the job, we must be able to lay out cold, without reservation, where we can and will be of assistance. We must be able to commit ourselves to loans at this point, and at that point throughout their long term development program.

The underdeveloped nations are financially unable to carry out these programs alone, and for them to begin a program with the possibility of no capital to complete it at some point along the way would be impossible.

Therefore, I am firmly convinced that the Treasury borrowing method is necessary. With such a program, we can certainly go a long way in making the sixties truly a decade of progress.

Mr. President, some opponents of foreign aid have continuously proclaimed we should put a stop to this program because you cannot buy friends.

Certainly a truer word was never spoken, than you cannot buy friends. If this were the purpose of this legislation, it would not be worth the money we spend. If we were attempting to buy friends, I would oppose this bill as strongly as I now support it.

However, this is not the purpose. The purpose of this legislation is to help attain a better way of life for many millions of people. The purpose is to help other nations develop into full partners in the family of nations. We want these things to be accomplished in an open society. We believe that the underdeveloped nations can accomplish these goals as open societies, and we further believe that they desire to do so. If we are correct in our belief, and if we do what is necessary to be of help, then these nations and their people will be our friends, not because we provided assistance, but because we all share common goals and common aims. We shall have their friendship because we are working together for a better world.

Our friendship with our European allies is certainly not based on the financial assistance we gave them under the Marshall plan. Rather, it is based on the common goals that we share. What the Marshall plan accomplished was to help put our allies on their feet so they now can participate as full partners in the efforts of the Western World.

The bill before the Senate recognizes the danger of interpreting our program as an attempt to buy friends. To offset any such inference, the bill places the greatest emphasis on loans—hard loans which will require dollar repayment. The terms may be soft but there must

be returned at least $1 for every dollar borrowed.

True, the bill does provide for some grants, but they are only for those instances where special circumstances exist, circumstances where development loans would not or could not do the job.

Mr. President at this time we cannot foresee what lies ahead. But this we do know: Our Nation will do all in its power to prevent war while strictly adhering to our principles of freedom. If war comes, it will probably be because some nation has underestimated the determination of the free world.

However, I do not believe that, in the final analysis, this will happen, for under the leadership of our President our course has been made clear.

Therefore, the world picture in the years ahead will probably be determined by political ideas and economic weapons. If the nations of Latin America, Africa, and Asia find that their futures can be realized as free societies, this will undoubtedly be their course. However, unless development is obtained as a free society, they may turn to the closed society of communism and the leadership of the Soviet Union as the only method.

Again, I would say there is no question in my mind but that these nations can accomplish their goals in an open society, regardless of their history, traditions, political and social institutions, and culture.

Mr. President, the point has often been raised that our problems in assisting the underdeveloped nations have been caused because we did not know enough about these countries, their people, and their institutions. However, I would join forces with those who take exception to this point. It is not that we do not know enough, for we have stacks and stacks of information and facts. What has been missing is understanding. We tend to analyze our facts on the basis of Western concepts and thinking. We fail to consider that the approach of the African, Asian, and South American and his thinking may be considerably different from our own. We too often fail to comprehend the effect of their religion, culture, traditions, and history on their attitudes and desires. Because of our concentration on the struggle with the Soviet Union, we often cannot understand why many of these nations desire to remain neutral, expressing the position that neither of the two world camps is always right or always wrong.

That one of these nations may accept aid from the Soviet Union, and that it may side with Russia in the U.N. does not necessarily mean it is anti-West. What it often means is that the nation is struggling to exist as a nation and acts in accordance with what it believes best protects its own independence. Maybe they are wrong, maybe we are sometimes wrong, but we vote according to what we believe is in the best interest of our Nation. The underdeveloped nations are struggling to retain their independence and right to self-determination. It is definitely in the interest of our Nation to put forth every effort to see these nations develop as open societies, and not closed ones. When the showdown comes, friendship will be determined by common goals and common experiences. The torch of freedom was lifted high up by the Thirteen American Colonies. We cannot afford not to give the necessary assistance to those nations who have only recently taken hold of that torch. Also, we can no longer afford not to help those who have been held down by economic as well as political dominance.

Mr. President, the pending bill, in my opinion, is necessary to the future of our Nation and the world we all hope for. While failure to approve this bill as reported may not preclude the realization of this goal, it certainly will postpone its accomplishment.

Mr. FULBRIGHT. Mr. President, I yield 15 minutes to the Senator from New York [Mr. JAVITS].

Mr. JAVITS. Mr. President, one thing I think this debate has shown—and I think it is very well known—that I am against the Byrd amendment. Much as I love HARRY BYRD—which is a fact, as he knows—my opinion is that the appellation "back-door financing" is a fiction. It seems to me that, if anything, what is proposed is business financing. I ask any businessman, or banker, or lawyer in this Chamber who has represented businessmen or bankers, what he would say if he were an official or attorney of a corporation or director of a bank if the company he represented were getting only a 1-year lending authority. He would say it was a restriction which doomed the enterprise to defeat, and he would immediately try to overturn that decision. I think the appellation "back-door financing" which gives an impression that, in the dark of night, after the bank is closed, we are going to try to go through the back door in order to help ourselves to money illegally, has certainly been exploded by the debate, because, in open daylight, after hours and days of debate, the Senate will soon vote yes or no on this issue.

The Senate having voted with its eyes open, and with such outstanding experts and distinguished and learned men having taken part in the debate, I think the word "backdoor" ought to be relegated to the ashcan. It will no longer be deserving of being a part of this question, after the Senate has debated and thoroughly faced every facet of the issue, as I think we have.

A big issue is also made here of congressional control. I respectfully submit that is the weakest issue with which to oppose what is here sought, because if there is anything wrong with this proposal, it is certainly not the deprivation of congressional control.

I hasten to say that what is meant by congressional control is not control by the House or the Senate. What is meant is control by the Appropriations Committees. Let us get it perfectly straight and clear. That is what we are talking about. The House and the Senate, not in one, but in six ways—and I have detailed them before, and I will do so again—have complete control over the authority, and, at any stage, at any time, can shut it down.

What is happening is that the control is being transferred to a majority of the Senate and of the House, and is being taken away from a majority of the Appropriations Committee of each House. It seems to me that is a very small price to pay for making the program successful.

It is unique that not all, but almost all, of the Senators who are opposing this provision of the bill are the very same Senators who are saying the foreign aid program is a failure, is wasteful, has not worked out, and is not getting anywhere. If it is not working out—which I think is not an accurate statement—that fact would be attributable to the very inadequacies which this 5-year effort points at.

Let us not forget that President Eisenhower made this proposal, just as President Kennedy is making it now. Why? There are three reasons we must do this, even if we have not done it before.

First, the program is inadequate. It is inadequate in amount. Every student of the subject, from the United Nations up and down, has said that there is not enough capital being devoted to the underdeveloped areas rapidly enough to meet the challenge of communism. Mark the word "rapidly," because the people in the underdeveloped areas want to get abreast of the civilized world. If an iron collar is put on those people, if their subsistence level is reduced, and as is being done in Red China, they are driven by the whip and the sword, there may be enough taken out of their backs to bring their level up. But there is no need to do that. We want to see them get credit and advance by retaining their human dignity, rather than by fastening the ways of communism around their neck.

But, Mr. President, we are in a race in time. What is called the revolution, the explosion, going on in the world is attributable to competition in time.

So that is the first reason why we have to do what we can, even though it is inadequate. We have to try to mobilize our resources so that our impact may be concentrated, as we did in wartime, and concentrate in several points what we lack in sums of money.

Second, we are meeting the competition of the Russians in time. The Russians have an aid program comparable to ours.

They are putting out now something over $1 billion a year. Adding to that Chinese Communist money and the money of their satellites, they come close, in amounts of aid, to what we are doing, except they are not tied to any inhibitions. They can make their commitments, over a period, not only of 5 years, but 10 and 20 years, and even longer.

Third, the progress in the underdeveloped countries—and India is the most remarkable example of them—has now brought them abreast of the capability of absorbing a commitment over a long term.

I wish to repeat that, because it is very important. The progress in the newly developing countries has now come

abreast of receiving and usefully employing a commitment over a long term.

These countries had great difficulty in planning their own development. They lacked technical people. They lacked accessibility to their own populations, with the ideas. They lacked some of the most basic developments needed for any program.

Think of the hundreds and thousands of villages in India alone which had no outlet to any road. I have been in some of those myself. Many Senators have been in some of those. Those villages had no outlets to roads for centuries. Many are only now getting them.

Many countries at long last are now reaching the point where they can plan. This is the third 5-year plan for India. India can now plan, in order to absorb money committed over a substantial period of time. Indeed, many countries are reaching the point of progress in their own development where this is all they need.

For those three reasons this program should be adopted.

First, there is the inadequacy of the program, because we have been unable to mass our means, and we now know we cannot get more means in the United States than, roughly, $4 billion, so we must mass those means over the 5-year program.

Second, there is the competition of the Communist bloc, which has now reached its apogee, which is now strong, and almost equals our own.

Third, there is the progress and the development for the planning in the developing countries.

All of these together create a new exigency which we did not face before—and it is a new exigency.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. JAVITS. I am glad to yield.

Mr. DWORSHAK. The Senator from New York referred to the explosion which is taking place in some of the underdeveloped countries of the globe, countries which the Senator says are entitled to more adequate foreign aid than we have been giving them in the past. I am sure, since the Senator comes from New York, that he has read the Wall Street Journal of yesterday, which carried an article headed "Copper Industry Nationalization Is Asked in Chile." The industry, 90 percent of which is American owned, may be expropriated.

The question I ask my good friend from New York is whether this is an evidence of gratitude and appreciation on the part of Chile, which received within the past year $100 million of foreign aid for the rehabilitation of that country following the earthquakes.

Mr. JAVITS. To digress from my main argument for a minute—and I hope my friend will permit me to continue with it, because our time is limited—I do not expect that the foreign aid program will result in having all nations on earth grateful to us or having all nations on earth adopt policies agreeable to me, nor shall we, by voting for a foreign-aid program, deprive ourselves of the right and the opportunity to proceed in every way open to us, as before—diplomatically and propogandawise—in our relationships with all of these countries, in fighting for the things we think are right.

I should rather have Chile free and rebellious, using that term in the same sense as the Senator spoke of Chile, rather than to have Chile in Communist hands and docile so far as communism is concerned. That is really the issue, as I see it.

Mr. President, I now come to my next point, which is in terms of the control of the Congress. I refer to the list of controls we have.

We have the control of the Government Corporation Control Act, which gives to the Appropriations Committee the power, at least on an annual basis, to control the program. At the worst we can get stuck, on that basis, for 1 year, for $1.8 billion which we are to appropriate on a yearly basis now.

Second, there are reports which are made to the Congress, and under the power of the Congress we can stop the program if there is any paper or any documents which the Executive refuses to give us. We can completely investigate anything we wish to investigate.

Third, there is the Comptroller General, who is operating. There is the Inspector General, who is operating. The General Accounting Office makes most detailed audits.

Finally, and even more important than any of the others, in the concurrent resolution technique. We certainly do not wish to use that technique. We hope we shall not have to use it. We do not wish to make a monkey out of the administration, but we are now talking about power and talking about control. Under the concurrent resolution technique, contained in section 617, we have power and we have control. We can actually vote to do what we wish, with a majority vote of the House and the Senate, and it does not require Presidential concurrence.

Some people have argued the constitutionality of that technique. I put a brief in the RECORD to demonstrate its constitutionality. Quite apart from that, who will contest it? The administration agrees we have that power. It has been put into the bill, and the administration has asked us to pass the bill on that basis. The administration certainly cannot question the fact that we have the power, if we choose to exercise it.

I do not think there is any real question, Mr. President, as to congressional control. The argument with respect to congressional control is employed in order to make us feel squeamish, to make us feel that we are really doing something wrong or really giving up one of the great, fundamental constitutional authorities of the Congress, by not doing what we have done before, which is to keep our hands on the thing every year.

The people who favor the Byrd amendment point out that Congress recently appropriated $500 million in redemption of a promise made at Bogotá. They point out that Congress, in respect to the Marshall plan, appropriated annually what it promised in the bill it was going to appropriate. Therefore, it is said, Is not the provision in the Byrd amendment—that we are authorizing, though not appropriating—adequate to do all of the things which the administration wishes to do?

The trouble with that approach, Mr. President, is that history has taught us it is completely inadequate. History has not only taught us that, but has also taught every country with which we do business the same.

This is the point. Mr. President, when we made a promise at Bogotá, we passed a resolution making it a specific promise. We promised certain Latin American aid of $500 million for a certain purpose. We authorized the appropriations for that. We are men of honor. We redeemed that promise.

I have no doubt that if we passed a resolution with respect to what is going on at Montevideo today we would honor that promise as well. However, that is not what the bill is concerned with. The bill relates to agreements to be made with some 60 or more nations all over the world. No one nation is being made any commitment to itself.

Our record shows there is a difference between the lump-sum authorization and the lump sum appropriation, and this is not very encouraging to those who may wish to depend on our promises. In the years from 1958 to 1961, in response to authorizations—not requests of the administration but authorizations passed by the Congress—of $2,925 million for the Development Loan Fund, the very thing about which we are talking, we appropriated exactly $2 billion.

Mr. President, in the fiscal year 1961, which is our latest history, the figures show that on July 24, 1959, we authorized $1.1 billion. Mr. President, it did not take us very long to cut that figure in half, because on September 2, 1960, we proceeded to cut it right in half. We cut the $1.1 billion to $550 million.

I ask Senators, What if you were a country which, for your development plan, was depending upon the fact that the United States was going to appropriate $1.1 billion?

I ask Senators to suppose that they were the administrator, downtown. Would they dare to parcel out that money in solemn agreements committing the United States on the basis of that authorization, when the record shows that we have cut the authorizations 30 percent, and that we never have waited very long in order to do it? In one case, in 1958, we did that a very short time after we had actually made the authorization.

Mr. President, we come down to the nubbin of the problem, which is this: If we are going to do the business of helping in respect to the development plans of other countries, at the stage in which this whole matter is now, considering the competition of the Communists and considering the progress these countries have made in their planning, we have to be prepared to make long-term commitments, and we cannot—I say this advisedly—we cannot make these long-term commitments on the basis of the authorization and appro-

priation technique, because our own record—it is our own record, and we made it—demonstrates that these countries cannot depend upon that, unless they have been made specific promises, in which case we do keep our promises. These are promises made by the Congress and not promises made by some administrator in the State Department. That is all these countries have to depend upon. Unless we in the Congress wish to put the Congress in the position of negotiating all of these deals and committing ourselves to every country or group of countries on the globe with whom we deal, we cannot make the authorization technique good.

Mr. President, we are all on the same side of trying to win the cold war and trying to win it decisively. We know that we cannot play the Russian game in terms of subversion and infiltration and aggression and rocket rattling.

This is not our business. We cannot operate that way. We have a great weapon.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. Mr. President, may I have 1 more minute?

Mr. FULBRIGHT. I yield one additional minute to the Senator from New York.

Mr. JAVITS. We know that we have a great weapon, and that is the power of credit. There is no such thing in the Communist world. They do not know what it means and do not want it. But we have the power of credit. The power of credit can win the cold war if we use it. The whole design of the provision is at long last to mobilize the credit of our country.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. JAVITS. Will the Senator yield me an additional minute?

Mr. FULBRIGHT. When the Senator finishes, I will yield another minute.

Mr. JAVITS. I so deeply believe that even what we are doing here is still not enough, considering what needs to be done in order to win the cold war decisively, that with a whole group of my associates—and I am proud that the Senator from Connecticut [Mr. BUSH] has been especially helpful, with his banking experience, in working with me in drafting the amendment—we have drafted an amendment which would——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. Mr. President, will the Senator yield an additional minute?

Mr. FULBRIGHT. I yield an additional minute.

Mr. JAVITS. Which would give private enterprise participation in an effective way in what is sought to be done under the bill, including the very funds about which we are talking today, on a long-term commitment basis. I send the amendment to the desk for printing under the rule, and call attention to the fact that in addition to the Senator from Connecticut [Mr. BUSH], I am very honored to have as cosponsors the Senator from Kentucky [Mr. COOPER], the Senator from Maine [Mrs. SMITH], the Senator from Delaware [Mr. BOGGS], the Senator from California [Mr. KUCHEL], the Senator from Texas [Mr. TOWER], the Senator from Maryland [Mr. BEALL], the Senator from Iowa [Mr. MILLER], the Senator from New York [Mr. KEATING], and the Senator from Pennsylvania [Mr. SCOTT].

Mr. FULBRIGHT. Mr. President, I yield myself 2 minutes.

I congratulate the Senator from New York on a very incisive speech. I wish to emphasize one point that he made which cannot be made too strongly. If there is any change in the power situation proposed, it is not with regard to the Congress as a whole, but only with regard to the Committee on Appropriations. Theoretically, the committees of the two Houses of Congress are only the agents or servants of each House. But as a practical matter, under the distribution of labor in such large bodies, it has come to be almost an accepted fact, I think, that the committees in the appropriating process have a very unusual power, as demonstrated by the figures the Senator has mentioned.

In 1958, within less than 1 month after the Congress had authorized an appropriation of $500 million, the appropriation was reduced to $300 million, indicating the unusual influence of the Committee on Appropriations on the program. There would be no real serious diminution or any diminution in the power of Congress, which Congress always has in connection with such programs, if any, but it is only with regard to the rather unusual situation as related to Appropriations Committees. I believe the point of the Senator from New York is absolutely sound.

Mr. JAVITS. I thank my colleague.

Mr. FULBRIGHT. I think the point is very little appreciated by Senators.

Mr. JAVITS. Mr. President, will the Senator from Arkansas yield to me so that I may introduce a chart?

Mr. FULBRIGHT. I yield.

Mr. JAVITS. I ask unanimous consent to have printed at this point in the RECORD a table showing a comparison of appropriations made pursuant to Marshall plan authorizations and Development Loan Fund authorizations.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparison of appropriations made pursuant to Marshall plan authorizations and Development Loan Fund authorizations

[In millions]

MARSHALL PLAN [1]

Fiscal year	Amount authorized	Date and public law	Amount appropriated	Date and public law
1948	[2] $4,300	Apr. 3, 1948; 80-472	$4,000	June 28, 1948; 80-793.
1949-50	5,430	Apr. 19, 1949; 81-47	4,702	Oct. 6, 1949; 81-327.
1951	2,700	June 5, 1950; 81-535	2,200	Sept. 6, 1950; 81-759.
Total	12,430		10,902	

DEVELOPMENT LOAN FUND [3]

1958	$500	Aug. 14, 1957; 85-141	$300	Sept. 3, 1957; 85-279.
1959	625	Aug. 14, 1957; 85-141	400	Aug. 28, 1958; 85-853.
			150	May 20, 1959; 86-30.
1960	700	July 24, 1959; 86-108	550	Sept. 28, 1959; 86-383.
1961	1,100	July 24, 1959; 86-108	550	Sept. 2, 1960; 86-704.
			50	Mar. 31, 1961; 87-14.
Total	2,925		2,000	

[1] Percentage cut: Approximately 12.
[2] Plus $1,000 borrowing authority.
[3] Percentage cut: Approximately 30.

Mr. JAVITS. Mr. President, I thank the Senator.

Mr. FULBRIGHT. Does the chart which the Senator has asked to be printed in the RECORD include the figures on the Marshall plan?

Mr. JAVITS. Yes.

Mr. FULBRIGHT. Even under the plan the appropriations were cut 12 percent, though it was more of a specific nature, comparable to the $500 million Bogotá matter. So even under that plan there was a 12-percent decrease.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield 10 minutes to the Senator from Colorado.

The PRESIDING OFFICER. The Chair recognizes the Senator from Colorado.

Mr. ELLENDER. Mr. President, will the Senator yield me 1 minute?

Mr. FULBRIGHT. I will yield the Senator from Louisiana 1 minute.

Mr. ELLENDER. I wish to say that when I spoke earlier today, I asked to have printed in the RECORD tables which show that Congress has already appropriated $2 billion for the Development Loan Fund, but as of June 30, 1961, $325 million had not yet been obligated. Why is that? I would like to get an answer to that question.

Mr. JAVITS. Mr. President, does the Senator wish to yield to me so that I may answer the question?

Mr. FULBRIGHT. I do not know the point that the Senator has made.

Mr. ALLOTT. Mr. President, I will yield the floor for 1 minute, if I may have the floor at the end of that time.

Mr. ALLOTT. Mr. President, the bill presently under consideration, the Act for International Development of 1961, more commonly referred to as the foreign-aid bill, represents a continuation of a tradition heretofore established by this country.

I wish at the outset to address myself to this point, and then I shall comment on the remarks of the senior Senator from New York [Mr. JAVITS], whose arguments, in my opinion, have holes in them wide enough to drive a new tank through.

Foreign aid traces its origins back 15 years and more to the early 1940's when countries of the world found themselves facing the challenge of post-war reconstruction. The nature and form of our assistance program has varied from time to time as we developed through UNRRA, the Marshall plan, the Truman doctrine, and the Eisenhower doctrine and now AID. But, the constant factor in all of these programs is the $90 billion this country has made available to the free and underdeveloped countries of the world, either in the form of loans or grants to date. In return the benefits derived from this largesse are perhaps more often measured in terms of intangibles but the benefits are there nonetheless. I subscribe to the view that foreign aid is, and has been a necessary and vital contribution to the history of freedom. On the other hand, it has caused me grave concern to learn of the abuses in our foreign-aid programs over the years.

I am only too well aware of the fact that in isolated instances unfeasible irrigation projects, costing millions of dollars, are completed only to be abandoned for lack of water; that roads are built only to terminate abruptly halfway to their destination and then abandoned; that roads are built only to be washed out by the first substantial rainfall. It is common knowledge that foreign aid has been a vehicle for delivering a tractor to a farmer too unskilled and untrained for a plow. We have made mistakes, and perhaps unwittingly provided fodder to those who would label us "Ugly Americans." But, if we have erred, if we have miscalculated or overreached ourselves in an effort to help people, perhaps the fault lies with our being overly zealous. We, in America, enjoy the highest standard of living in the world, reached in a free and democratic society, and these same standards, these same principles are the ones we have tried and will continue striving to attain for the free people of the world, who, in the exercise of their own volition, willingly embrace such concepts.

Abuses must not be tolerated, mistakes must be minimized, and it is imperative that our abundant generosity be curbed. We must gear our aid to the capacity of the recipients, rather than our hopes for them. If this program is to merit continuance, it must continue to reflect mounting progress along with diminishing waste. Our aid ambitions have been lofty and this bill is in that tradition.

I have reservations with regard to certain aspects of this bill and they are, in the main, a result of certain excesses which appear unwarranted. But, at this time, I wish to limit myself to a consideration of section 202(a). In brief, it contains a provision authorizing the President to borrow $8.787 billion during the course of fiscal 1962 through 1966 for use in the Development Loan Fund. The proposal carries a maximum of $1.187 billion for fiscal 1962 and $1.9 billion in each of the four succeeding fiscal years. This procedure represents a continuing departure from established fiscal policy. As a member of the Senate, and as a member of the Appropriations Committee, I cannot permit this "borrowing authority" provision to be considered without addressing myself to it.

I read from article I, section 9, clause 7 of the Constitution of the United States:

> No money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.

The Honorable Frank Coffin, Managing Director of the Development Loan Fund, was one of the principal administration spokesmen during the committee hearings on the bill. He testified in part on the issue of borrowing authority, on page 200 of the hearings, as follows:

> The key log in the whole development lending structure is our request for permission to borrow from the Treasury and to use loan repayments in the total amount of $8.8 billion over the next half decade. Let me state with some precision what it is we are asking and why. We are asking for a presumptive or prima facie authority, not an absolute authority, because this authority is subject to revocation or modification.

Here is the significant part:

> It will be a shifting of the burden of proof from the yearly proving of needs, which can never be precisely identified, to putting up to those who would limit or, cancel access to our funds, the burden of proving that the funds are being badly used or not wisely used. * * * This has been called many times back-door financing.

In other words, what he has said is that the burden will be shifted to Congress to prove then that the funds are not being used wisely. I was not elected to the U.S. Senate, and I am not a member of the Committee on Appropriations, to come here and preside over the interment of the responsibilities and duties devolved upon that committee and upon the Congress by the Constitution of the United States. Let us have that point clear.

I have spoken, and described earlier, the abuses practised upon our foreign aid programs in the past. Congress must seize the reins, exercising its function to control the outlay of the vast funds this foreign aid program envisions. This can most suitably be accomplished by an annual review of the projects, both accomplished and contemplated; our role in government must not be abdicated in such an important sphere. Mr. Coffin, enlarging upon the merits of the borrowing authority, states on page 201 of the hearings:

> The Congress will have two kinds of control. They will have, first of all, control of knowledge, of assurance that their license is not being abused; and, secondly, they will have a control in the nature of several kinds of actions that can be taken. * * * In terms of the assurance that the license will not be used, we have written into the law some of the criteria which have been in before, and have added some new emphasis, criteria which will govern lending.

I am not persuaded, at least judging by past performance, that we can take much comfort in, or gain great assurance, that this license is not being abused. Unfortunately, many facts suggest the contrary.

Here is the crux of the matter: those administering the program conceive of the funds as their money to spend as they see fit.

Mr. Coffin makes a further point in support of the back-door financing approach to foreign aid; namely, we are not dealing with governments geared to an annual appropriations system, and, that reforms we are trying to encourage call for long-range approach. To that, I would simply say that the annual appropriations system has been the mainstay of this Government since its inception and I would encourage others to look with favor upon the idea of adopting it, together with all the other attractive features of our democratic process. Long-range planning is, of course, efficient and effective modus operandi, but it should not be implemented with shortsighted financing. As Mr. Coffin indicated in his testimony, the back-door approach would put Members of Congress in an entirely different position. In lieu of the agencies coming before the Appropriations Committees to justify their plans in the traditional sense, plans would be made and adopted, leaving to us the burden of proof—proof that the plans are inadequate or otherwise unpalpable. I oppose this approach and consider it shortsighted from the legislative viewpoint. I prefer the concept contained in the Byrd amendment. Not only do I support the amendment, but urge my colleagues to do likewise. The Byrd amendment accomplishes the objectives sought by the administration by setting forth an authorization over the next 5 years in the amount requested. This is in keeping with sound fiscal policy but at the same time permits the necessary planning to be undertaken. The President can be secure in the knowledge that the amount he deems obligatory for the Development Loan Fund will be available, assuming the proper justification can be shown. Under this amendment an annual review of the program would be made and funds appropriated in accordance with the needs as they are shown. In my judgment, this amendment contains the vital qualification which needs to be applied to the bill.

The Byrd amendment is but one of several which are pending and aimed toward curing the patent defect in the bill as it now stands. In my opinion and with all due respect to the distinguished chairman of the Foreign Relations Committee, the least effective of all is the compromise offered by the Senator from Arkansas. Here is the text of that proposal:

> On page 10, after line 3, insert the following:
>
> "SEC. 206. CONGRESSIONAL OVERSIGHT OF LENDING ACTIVITIES.—In any case in which the amount of a proposed loan under this

title exceeds $10,000,000, such loans shall not be made and no agreement obligating the United States to make such loan shall be entered into unless thirty days earlier a full and complete report with respect to the purposes and terms of the proposed loan shall have been made to the Committees on Appropriations and Foreign Relations of the Senate and to the Committees on Appropriations and Foreign Affairs of the House of Representatives.

The language seems quite clear; and unless I misconstrue it, the proposal fails short of the objective which should be achieved. Before any loan in excess of $10 million could be made, a report thereof would be made to the respective committees of the House and Senate 30 days in advance. Agreed, the Congress is put on notice of the pending loan and the respective committees are at liberty to inquire into the merits of it. Agreed further, that in the event the respective committees consider the loan unsound, unwise or unwarranted, they are at liberty to make these sentiments known, but to what avail? I dare say the lending agency will likely regard its own judgment in the particular case as controlling and proceed with the loan nevertheless. My point is that we are offered the privilege of protesting without being afforded a remedy.

I therefore urge my colleagues to adopt the Byrd amendment. It affords the necessary restraints without preventing the requisite advance planning.

I do not conceive of the borrowing authority, which virtually assures the President unlimited control over $8.8 billion, as being necessary to the successful implementation of long-range planning.

Did we come to the Senate to abrogate all of the responsibility with which the Constitution and the people have charged us, and say to the President and the executive branch, "You do it, and perhaps some day we will reclaim the power"? Or did we come here to do our duty? I believe we came here to do our duty.

The Congress is charged with the responsibility for this Nation's purse, and in carrying out this responsibility must adhere to the traditional principles. This administration has sought to diminish the power of Congress; and the bill, in its present form, is just such an example. Earlier this session the administration's farm bill would have given unprecedented power to the Secretary of Agriculture had title I not been severely amended. The wilderness bill, which will undoubtedly be coming up for consideration on this floor in the near future, will serve as another illustration. I urge a sense of caution and serious consideration. Foreign aid is important to the United States and to the world, but section 202(a) must be modified and the Byrd amendment offers just that opportunity. I trust it will be adopted.

Mr. President, I should now like to turn briefly to the arguments advanced by the senior Senator from New York [Mr. JAVITS], a few moments ago.

He said that we cannot engage in a 1-year lending business. Mr. President, foreign aid is not a business. If it were a business there are a number of loans we would never have made. We would not make two-thirds of them repayable in local currency, all over the world.

The Senator argues that those who favor the Byrd amendment generally oppose foreign aid. That is not correct. No man has been a more consistent supporter of foreign aid, or has been more strongly in favor of it, than I have. However, I will not surrender one iota of the responsibilities that we Members of the Senate have and accept this new direction.

The senior Senator from New York says that our rate program is inadequate. He cannot point to an instance in the last 10 years in which Congress has not appropriated substantially all the money asked for in the foreign aid bill or authorized by the foreign aid bill.

He urges and would have us say to the executive department, "You run the entire show, and if we don't like it, we will recall the power."

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BYRD of Virginia. I yield 1 more minute to the Senator from Colorado.

Mr. ALLOTT. Mr. President, I would now like to refer to the recent remarks of the junior Senator from Arkansas [Mr. FULBRIGHT], chairman of the Foreign Relations Committee. He said, in effect, that the Appropriations Committees are separate from Congress. The Appropriations Committee of the Senate or the Appropriations Committee of the House has no power or right that the Senate or the House itself does not confer on the committee. We are not taking anything away from the Appropriations Committee, any more than we are taking it away from any other committee, because that committee exists only as an integral part of the Senate.

I hope that the Members of the Senate will not surrender more and more and more to the executive branch of the Government. If we do so, soon we shall have very little power left to surrender.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. HICKENLOOPER. The Senator said that he has supported foreign aid.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BYRD of Virginia. I yield 1 more minute.

Mr. HICKENLOOPER. The Senator has said that he has supported foreign aid. I take it that the Senator has supported foreign aid; but first, last, and always he wants to support the American constitutional system, ahead of everything else. Is that correct?

Mr. ALLOTT. The Senator has stated the situation in very plain words.

Mr. BYRD of Virginia. Mr. President, I yield 15 minutes to the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, I shall not take much of the time of the Senate this afternoon. This subject has been canvassed on both sides.

I believe it is safe to say that the sum total of the proposal of the amendments of the Senator from Virginia is the question, Does Congress now want to turn over to a board or bureau in the administrative department of the Government its constitutional right of appropriating money from the Treasury, or does it wish to retain that power in the Congress?

We hear a great deal about inefficiency. We hear that the proposed program would make for greater efficiency in the administration of foreign aid. I ask this question: What is the cause of the inefficiency that has been pointed out in our foreign aid program in the past? Is it in the Appropriations Committee of the Senate and the Appropriations Committee of the House? Is it in the appropriating process in Congress, or is the inefficiency in the administration of the program, and things the administrators do? Of course, the inefficiency arises in the administration of the program.

Notwithstanding the fact that Congress has attempted to pay meticulous attention to this program by way of annual appropriations, inefficiency still creeps into the administrative process.

Now it is proposed to take away the checks and balances which the Appropriations Committees and the appropriating function of Congress keep on these programs and turn the operation all over to the administration, not for 1 year, but for 5 years; and instead of appropriating this money as the Constitution provides it must be done, the proponents want to adopt the device which has been used for Government corporations of various kinds operating internally, and adopt the so-called backdoor method of getting money out of the Treasury without the burdens and restraints of going before the Appropriations Committee and having to account meticulously for what they proposed to do and what they have done before they can get the money.

This proposal is a part and parcel of the programs which have been growing with tremendous speed this year. Every major piece of proposed legislation which has come to Congress for passage this year has contained two major propositions: First, increased centralized control in the administrative branch of the Government; second, the expenditure of larger amounts of money at the discretion of the administrator. We have moved with such speed in the last few months along that line that it is frightening. This proposal is a part and parcel, in my judgment, of a system of planned economy for the United States, a system in which the planning will not be done by the representatives of the people, but will be done by some self-styled experts who are not answerable to the electorate, but who are appointive officials, who are administrators, who desire nothing more than to avoid the restraints of having to come before the congressional committees, propose their programs, justify their actions, and get the money for them as a result of such justifications.

We hear much said about the Marshall plan and how successful it was. I was a member of the Committee on Foreign Relations at the time the Marshall plan was adopted. I have been a member of that committee ever since. The Marshall plan worked very successfully.

However, it was not a back-door spending program at all; it was a plan under which the appropriations were made annually as the program progressed successfully abroad.

There is no reason why such a program as the development loan program cannot progress along the same line. There is no reason why the amendment of the Senator from Virginia [Mr. BYRD] would not offer ample opportunity for planning, ample opportunity for justification of the programs, but still keep the appropriating power within the hands of Congress.

Mr. DWORSHAK. Mr. President, will the Senator from Iowa yield for a question?

Mr. HICKENLOOPER. I yield.

Mr. DWORSHAK. The Senator from Iowa is forcefully stating the undesirability of diluting and destroying the constitutional powers of the Committees on Appropriations. The Senator from Iowa has served for many years with distinction as a member of the Committee on Foreign Relations. Would it not be just as logical to propose that when the Committee on Foreign Relations takes action on a bill, then for the succeeding 5 years the committee should abdicate its powers and let the executive department take over completely?

Mr. HICKENLOOPER. That is the trend and general pattern of this type of request.

There is no more reason for granting this request than to permit the Department of the Interior to go to the Treasury for the next 10 years to borrow all the money it wants, within certain authorization limits—to borrow hundreds of millions or a billion or two billion dollars a year for the next 10 years, to do whatever it wishes with it, by way of public works, and come to Congress only once in a while to say, "We have decided to do this, that, and the other; what are you going to do about it?"

Mr. DWORSHAK. Mr. President, will the Senator from Iowa further yield?

Mr. HICKENLOOPER. I yield.

Mr. DWORSHAK. I was about to ask another question, this one concerning the annual appropriation for the public works projects which are under the direction of the Corps of Engineers of the Army. As a member of the Committee on Appropriations, I am familiar with the proposals which are made annually for this purpose. If the precedent which is sought to be established in the bill is set, would it not be logical for the Corps of Engineers, under the present administration, to come to Congress and ask, "Would it not be feasible for the Committees on Appropriations to appropriate money for 5 years, and then take a 4-year recess, go home, and forget worrying about it?"

Mr. HICKENLOOPER. It would be just as logical for the Corps of Engineers to have the right and power to draw from the Treasury for the next 5 years a limited or an unlimited amount of money, to do whatever they pleased by way of construction, to make whatever contracts they wished to make, within their judgment. Then the Committees on Appropriations would have nothing to say about it, and neither would the legislative committees which have charge of the authorizations have anything to say about it.

Mr. President, I will make a prediction. We have learned during the past week of the offer made in Montevideo to join in the providing of $20 billion for the Inter-American Development Bank over the next 10 years. The United States is not to provide all of that sum; we are to provide more than half of it. The offer has been made. I predict that the administration will come to Congress and ask for borrowing authority, not for 5 years, but for 10 years, on the theory that the program cannot be efficiently operated unless there is unlimited and unhampered jurisdiction over the money; and the Committees on Appropriations will be completely bypassed.

It is proposed in the bill to take $8.8 billion from the Treasury without meeting the constitutional requirement that no money can be spent from the Treasury except as a result of appropriations. In this proposal, there is to be no appropriation. It is back-door financing. It is a subterfuge. It is usurpation by the administration branch of the constitutional functions of Congress. If we begin to establish such a precedent in connection with international financial operations, I believe it will haunt us from this time forward.

Much has been said to the effect that there has been back-door financing before, in the RFC and the Export-Import Bank. That has been argued on the floor of the Senate. I shall not repeat the arguments. However, there is a vast difference. Those operations are not at all comparable with what is here proposed. A Government corporation operating solely within the United States for ascertainable purposes, under programs which are clear and defined, on a real banking basis, is far different from a farflung WPA operation, operating worldwide, with proposed loans the terms of which we do not know, with the terms of refund undefined, with the power to lend money on practically a giveaway basis, if the Administrator wishes to do so; without his being supervised by Congress; at no interest cost at all, if the Administrator does not wish to charge interest; and on such terms of repayment as may mean that the loan many never be repaid.

Mr. President, this proposal is a precedent which will haunt us if it is adopted. It is only the beginning. If Congress cannot or will not defend its own prerogatives, as they are set forth in the Constitution, then someone else will have to have mercy on the people, because the rights of the people are being given away. Those who have been elected to Congress to preserve those rights under the Constitution will be, in my judgment, abrogating a substantial portion of their responsibility if they give up the appropriating process and the appropriating rights through such a subterfuge as this.

I know of no program that has been substantially handicapped because it has been necessary to account for its expenditures before the Committees on Appropriation each year. I know of programs in which money has been saved because of the careful check which is made each year when appropriations are requested. I say again that the waste in the international program has not resulted from the action of the Committees on Appropriation. The waste in the program, where it has occurred, has resulted because the administrators have had poor judgment and have sponsored bad programs, and the administration of the programs has suffered. That is where the waste has occurred.

Now it is proposed to extend from 1 year to 5 years the opportunity to make mistakes. During that period the administrative mistakes can be amplified and exaggerated. Congress should be careful to preserve its responsibility for the disposition of the public money. We should be careful, in fulfilling the constitutional mandate, to make certain that the money shall not be spent from the Treasury except upon appropriations.

We should beware of subterfuges which nibble away and erode the rights of the representative body of this Government. We should beware of measures which increase the centralization of power of administrators, even under the guise of so-called efficiency.

But, Mr. President, I maintain that it would not increase the efficiency of this program, it would not increase the efficiency of the operations in various countries of the world. Instead, by extending and by lengthening the period of time in which a check can be made on these operations, an opportunity would be afforded to increase the errors and to exaggerate the mistakes.

But even in addition to that, again I point out that the most ominous feature of this proposal is the provision to bypass the appropriation procedure of the Congress. Some may talk about efficiency if they will. Perhaps on occasion a dictatorship is more efficient, from a certain point of view, for a particular period of time, than a democracy or a republic, which has to have things threshed out by the regular representatives of the people. But the greater the concentration of governmental power in administrative hands, the less the liberty and the freedom of the people.

So, Mr. President——

The PRESIDING OFFICER (Mr. HICKEY in the chair). The time yielded to the Senator from Iowa has expired.

Mr. HICKENLOOPER. I should like to have 1 or 2 minutes more, if I may.

Mr. MANSFIELD. Mr. President, on behalf of the opponents of the amendment, I yield 2 more minutes to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa may proceed for 2 additional minutes.

Mr. HICKENLOOPER. Mr. President, if I have to choose between efficiency, on the one hand, and preservation of the rights and the responsibilities of the Congress to the people, on the other, I choose to maintain the responsibilities of the Congress to the people, even at the cost of a little efficiency.

Only in that way can we serve representative government. Only in that way can we keep hold of the responsibility of Congress to make appropriations of the public funds.

Furthermore, Mr. President, the attempt now being made is only the opening gun in a program to bypass the Congress and to increase the centralization of power in the administrative branch of government and to increase the erosion of the power of the legislative branch.

The PRESIDING OFFICER. The additional time yielded to the Senator from Iowa has expired.

Mr. MANSFIELD. Mr. President, I yield 15 minutes to the Senator from Kentucky [Mr. COOPER].

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 15 minutes.

Mr. COOPER. Mr. President, last Friday, at the beginning of the debate on the foreign-aid bill, I spoke for a short time in support of the bill, and particularly in support of the provisions which would assure a 5-year program, aided by Treasury borrowing, designed to give continuity and maximum effectiveness to our foreign-aid program.

I do not know that there is a great deal more that I can say; but for a number of years I have felt so strongly that these provisions must be adopted by the Congress if our foreign-aid program is to have the chance to succeed, in the attainment of its objective. I shall speak today again, for a short time.

Since 1955, I have been convinced that the system of annual appropriations inhibits the development of a successful foreign-aid program, and if it is continued that it will doom any chance of our foreign-aid program to have maximum effectiveness.

I may say that my position on this matter is not new, nor is it based on some abstract or doctrinaire theory.

I would prefer not to speak on the basis of personal experience; yet, I must say that my views and convictions on these issues began to develop in 1955 and 1956, when I served as the Ambassador of this country to India, and when I had opportunity to see the operation of our foreign-aid program, in a country receiving our aid.

I believe that all of us will agree that if there is any developing country in which our foreign-aid program can succeed, it is a country such as India. That is true, first of all, because India has reached a rather advanced stage of industrial development; India is, after Japan, the most advanced country in Asia in point of industrial development. Further, India has an able corps of civil servants, and a leader. Prime Minister Nehru, who holds the confidence of the people of India; and India's program is designed to help the people of that country advance their standard of living, by providing advances in education, health, community development, and agriculture.

We have granted large sums of money to India, and our aid has been helpful to her. Yet I found that even in that favorable environment our aid—large in amount as it was—was not as effective as it should have been. Why was that true, Mr. President? It was because it could not be fitted in the most effective way into her 5-year plan or any long-term plan, because it could not be counted on beyond any current year. India, like all the other developing countries, is determined to have her industrial revolution, and, just as our country and the countries of Western Europe had their industrial revolutions, over a long period of time. This means that these countries must build transportation systems, develop their resources—such as coal and iron ore—build steel plants and chemical plants, and develop machine tools, for, without these, there is no possibility for the the production of capital and consumer goods, upon which economic growth, employment, and advancement in living standards depend.

We know that it is impossible to develop and create such industries in our own country in 1 year or 2 years or 3 years. Years and years are required in order to achieve industrial development—and capital must be assured. And yet we expect underdeveloped countries to plan and build on a 1-year basis.

I saw that a country as advanced—as compared to other countries in Asia—as India—when it could not be assured that aid would be forthcoming over the time necessary to develop its industrial projects—then it could not use our aid effectively. When I was there, I saw that our aid was siphoned off and drifted into secondary projects, which people in our foreign-aid agency would develop. Those projects were good, in themselves; but they were not the most important ones. And with the proliferation of projects which ensued, there was—and there will always be—an increase in the number of the personnel required to run secondary projects. I thought then that the number of U.S. personnel engaged in our foreign-aid program in that country was entirely too large—and I am sure there are too many in other countries.

If such a situation—and I saw it—exists in a country such as India, where there are comparatively favorable circumstances for development, a situation that inhibits the most effective use of our aid, of course it exists in less developed countries. And this inhibition, against effective use, is inherent—due to the method of yearly appropriations—when applied to foreign-aid programs, which are long term in their very nature.

The countries of Africa, the Mideast, and even some in Latin America, do not enjoy the most favorable circumstances for economic and industrial development.

I think we forget the overwhelming problems that these countries face. We tend to look at their problems in terms of our own experience. We forget that we experienced our industrial revolution, just as Great Britain and the countries of Western Europe experienced theirs, over a period of 100 years. In this country we had great potential for advancement because of our resources, and land. We have had the increasing savings of our people, without which capital for investment cannot be formed. We had increasing governmental revenues. Even then, we had to secure loans from Great Britain and other European countries for industrial development.

When we look at the problems of these countries in the light of our own experience, we ought to know there is absolutely no basis for comparison. The average per capita income in many of these countries is less than $100 a year. The people have no savings, and there is no opportunity for savings—for the formation of capital. The only method for capital formation is through taxes. That is the reason why governmental development is emphasized in these countries, rather than development by private enterprise for it is the only way. But even when these countries levy taxes for capital formation and industrial development, capital tools are still required, which they cannot produce, and which must be secured from other countries. The only way these countries can secure capital goods they do not produce, is through a favorable trade balance, or through loans or grants from other countries. That is why our foreign aid program is so important. Development in many of these countries cannot go forward—unless we can help supply goods that cannot be produced in the countries we help. And unless we assist in supplying technical aid in education, agriculture, health, and public administration.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. DWORSHAK. The Senator from Kentucky has been an ardent supporter of foreign aid programs every year. I know he has closely followed the programs to see whether or not they have achieved success or failure. My question is, in the light of developments in South Korea, where we have spent huge sums of money, and in Laos and in other areas where foreign aid has been lavishly expended, does the Senator feel that the apparent failure of such programs is in any way related to the lack of long-range planning?

Mr. COOPER. To be frank, I must say that in the countries where there has been such great waste and failure of the programs, it was the result chiefly of poor administration by the executive branch of the Government.

But I believe there would have been less opportunity for waste and failure even in those countries if we had had a system which would have encouraged continuity, where the availability of funds could have been assured, where reasonable plans could have been developed. I think there would have been less opportunity for waste even in those countries than has taken place.

But let us not be carried away from the main point by these examples of waste, important as they are. There are other countries in the world where the people and governments are struggling with all their might and main to advance. This is a primary political fact in the world today. I believe our program would have been more effective

and will be more effective and will enable the countries to advance if we provide continuity and adequate financing over a period of 5 years.

These countries including many in Latin America—have meager resources. All of them must develop two types of programs. One is the program for the development of agriculture, educational opportunities, community development, and, I think very important, public administration. Few of those countries have enough people trained in governmental administration. We need more trained people in the United States. But there is a crying need for trained civil servants in the developing countries.

Even the development of those basic plans of training require time, continuity, and assured financing. Beginning these programs to assure the most basic needs for food, health, clothing, every country is determined to have its industrial revolution—the same type of revolution we had, which has lifted the living standards of our people. It is a political fact in Asia, Africa, the Near East, and it is a political fact in Latin America. These countries cannot have their industrial revolution in the time their people demand except with long-term plans and with the assurance of aid over a period of years. Those countries must manage their meager resources and their limited foreign exchanges over a period of years—at least 5 years. They need the assurance that our aid will be available at least for a period of 5 years. Our program today does not give that assurance.

I was interested, when reading the accounts of the economic conference in Uruguay, that after Mr. Douglas Dillon had presented so ably to the Latin American countries the program for long-term development, Che Guevara, of Cuba, said, "Yes, the Americans promise Latin America again and again, but there is no assurance that the Congress will make good on their promise."

At this point I should like to say to my friend the Senator from Iowa [Mr. HICKENLOOPER] that I do not believe the Marshall plan—which did work well without long-term Treasury borrowing—is analagous to foreign aid programs for the newly independent countries. The Marshall plan dealt with countries that had been our allies and friends—countries that knew us well enough to know when the United States makes a moral commitment to provide funds over a period of 4 years, we would do it. Further, we were dealing with countries whose problem was not that of creating industry, but the problem of restoring and redeveloping industry. Those countries had passed through their industrial revolution, and had reached a high level of industrial development before World War II. To compare the Marshall plan with the programs here proposed for countries in Latin America, Asia, and Africa has no real value. When we deal with Asian and African countries we are dealing with people who do not know us, who have very little knowledge of us, who have some regard for us, but who cannot undertake long-term programs of industrial development, and base their development plans on our aid unless it is actually made available. The only way it can be made available, in my judgment, is through the method of Treasury borrowing, proposed by the committee bill.

Mr. President, I am not on the Appropriations Committee. I do not claim to be an expert upon methods of financing. But I will say, there is no constitutional question involved. If Congress wants to appropriate money by the method of Treasury borrowing, there is nothing unconstitutional or illegal about it, and there is nothing to prevent it from doing so. This is borne out by the fact that since 1933 the Congress has been making money available for various programs by means of Treasury borrowing. Congress has made money available for various programs, such as Public Law 480, to support farm prices and for the transfer of surplus commodities to foreign countries, the export-import program, and other programs, because the Congress liked the programs and because the Congress believed Treasury borrowing was the best way to make them effective. It may be that a point of the opposition to Treasury financing for the foreign aid program, derives from the simple fact that some Members do not like, and oppose any foreign aid program.

The PRESIDING OFFICER. The time of the Senator from Kentucky has expired.

Mr. COOPER. Mr. President, will the Senator yield me 5 more minutes?

Mr. FULBRIGHT. Mr. President, I yield 5 more minutes to the Senator from Kentucky.

Mr. COOPER. Mr. President, I submit that the only test which should be applied to the relevancy of Treasury borrowing for the foreign aid program, is whether it will be more effective than the method of year-by-year appropriation. Experience dictates that it will be more effective.

I learned something else in my short experience in India. I had an opportunity to compare our program with the Russian program. I do not say that the Russian program is superior to ours in all respects. Many of our point 4 programs are humane and go to basic needs. But, at present, the Soviet Union's program is superior to ours in the respect that it provides long-term loans of from 12 to 15 years at low interest rates. For this reason the countries take the aid of the Soviet Union because the aid is available at once for their industrial development and is available "now."

We shall not be able to match the Russian program so far as heavy industrial development is concerned unless long-term financing—such as Treasury borrowing—is passed.

Mr. President, I know there is wide opposition to the foreign aid program. It comes from people who believe the program is too costly—and it is costly. It comes from those who believe the program is wasteful—and it has been wasteful in certain countries. It arises from the remnants of isolationism—for some people believe we ought not to be involved in the affairs of other countries even though we are world leaders and cannot avoid it. And the argument is made, "This money could be spent for our internal development."

I do not consider the last argument a valid argument, because our foreign aid program stands upon its own merits. It is a program to give assistance to countries so they may develop strong economies to help them remain free and independent. As I view it, that is the main foreign policy objective of our foreign aid program, for strong, independent countries are indispensable to a world of security, justice—and I believe—democratic values.

I am not one of those who believe our foreign aid program will save every country from going Communist. Whether a country goes Communist or not will depend on other factors as well as foreign aid. I do know, however, that unless we have an effective foreign aid program for these newly developing countries we will be more likely to lose our association with them.

Our foreign aid program has continued since World War II against all opposition. President Truman, President Eisenhower, and President Kennedy have strongly supported it. I say to my fellow Republicans, we have known no stronger supporter of foreign aid than President Eisenhower.

The PRESIDING OFFICER. The time of the Senator from Kentucky has again expired.

Mr. MANSFIELD. Mr. President, I yield 3 additional minutes to the Senator from Kentucky.

Mr. COOPER. Mr. President, we will have a foreign aid program for many years. This being true, I believe we will be derelict to our responsibility if we do not take steps to make it the most effective program possible.

A few minutes ago my good friend from Iowa talked about our obligation to the people. If we wish to save the money of our people, and to achieve our national purpose, we ought to have a system and a program which can be effective. We will not have it under a yearly appropriations approach.

If we are trying to help other countries—and we are—we ought to have a program to suit their needs, one which can be effective and which will give them the best help.

Again, from the standpoint of the objective of our foreign aid policy the objective of helping these countries raise the standards of living of their people, achieve economic stability and remain independent, whether they are neutrals, or whether we are popular with them, then we must have a program which can achieve our objective.

Mr. President, I have felt strongly about this for 6 years. I recommended the program to the Department of State and Secretary of State Dulles in 1956. It is incomprehensible that the United States, with all its experience in private enterprise where this kind of planning and use of capital, proposed in this bill, is applied, should hang on to the slogan of "back-door financing" and deny the same opportunity for growth and development to other countries, under our

foreign aid program. I close by paying my tribute to the chairman of the Foreign Relations Committee for his leadership and statesmanship. And I pay tribute also to the ranking Republican member, Senator WILEY for his courage and leadership.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. COOPER. I yield to my colleague.

Mr. MORTON. I am sure the Senator, with his great experience, recognizes the fact that we must have long-range implementation as well as long-range authorization.

Mr. COOPER. Absolutely, and this is what the Senator said in a fine speech 2 days ago.

Mr. MORTON. No one would run a business on any other basis.

Mr. COOPER. The Senator has been a businessman. The Senator knows that our people do not run their businesses on a 1-year basis, yet we expect other countries, with little wealth and little experience, to run their development programs on a yearly basis.

Mr. MORTON. If the Senator will yield further, I should like to depart from the subject a bit to bring something to his attention which I think will be very dear to his heart, because it concerns one of the neighboring counties to his.

I have learned from the research division of the Republican National Committee that Jackson County, Ky., cast the largest Republican vote of any county in the United States, 90.4 percent. Three thousand nine hundred and twenty-three of the very intelligent people in Jackson County, out of the 4,342 who voted, voted for the Republican candidate. I am sure that pleases the Senator.

Mr. COOPER. It pleases me very much. Jackson County is in my own congressional district—I live only two counties away—and Jackson County is a great Republican county. My district is a mountain district, long isolated, but its people are brave and intelligent people and they have enough sense to know that we do not have a foreign aid program which works effectively. I believe they support the committee amendments.

The PRESIDING OFFICER. The time of the Senator from Kentucky has again expired.

Mr. BYRD of Virginia. Mr. President, I yield 5 minutes to the Senator from Nebraska [Mr. CURTIS].

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 5 minutes.

Mr. CURTIS. Mr. President, within the last few moments it has been said that one cannot run a business without financing of the type provided in section 202. I submit that the business of the U.S. Government has been run for 174 years without the necessity for any such back-door financing.

The issue is not whether one is for or against foreign aid. We are faced with an issue of whether one is for or against orderly constitutional procedure.

Mr. President, even though it has been printed before, I ask unanimous consent that section 202(a) of the bill before us be printed in the RECORD at this point.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

SEC. 202. CAPITALIZATION.—(a) The President is authorized to issue, during the fiscal years 1962 through 1966, notes for purchase by the Secretary of the Treasury in order to carry out the purposes of this title. The maximum aggregate amount of such notes issued during the fiscal year 1962 shall be $1,187,000,000, and the maximum aggregate amount of such notes issued during each of the fiscal years 1963 through 1966 shall be $1,900,000,000: *Provided*, That any unissued portion of the maximum amount of notes authorized for any such fiscal year may be issued in any subsequent fiscal year during the note issuing period in addition to the maximum aggregate amount of notes otherwise authorized for such subsequent fiscal year. Such notes shall be redeemable at the option of the President before maturity in such manner as may be stipulated in such notes, and shall have such maturity and other terms and conditions as may be determined by the President. Payment under this subsection of the purchase price of such notes and repayments thereof by the President shall be treated as public-debt transactions of the United States Government.

Mr. CURTIS. Mr. President, the Constitution provides:

> No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

True, that has been broadly interpreted, but the fact remains that the spirit of the Constitution calls for the system and procedure of appropriations as we know them through the Appropriations Committees.

Why is it that this system of back-door financing is proposed? Why is it that we are asked to bypass the Congress for 5 long years? Is it because of the necessity for long-range planning? Not at all.

The distinguished Senator from Kentucky pointed out that we had a foreign aid program all of these years in spite of vigorous opposition. That point refutes all the argument that it is necessary that Congress be bypassed if there is to be porgram of continuity.

Let us look at our domestic programs. Congress keeps faith with the people on long-range flood control programs through the appropriation system. The same may be said of the agriculture program, which affects a great segment of our population.

One may say, "Oh, yes, but those programs are prompted by a domestic group that might apply pressure."

I reply, "How about the defense program? Year after year we provide for the defense of this Republic through the appropriation procedure." Someone might argue that the Constitution should be changed because we might come into a period in which pacifism would prevent the protection of our country, and therefore we could not trust the people or the Congress to provide for the defense. Our entire atomic energy program, military and civilian, has moved forward through the appropriating process. The fact that this claimed bypassing of Congress is necessary for a long-range program is without one scintilla of support so far as any credible evidence is concerned.

Mr. President, why do the proponents want the proposed legislation? Whom do they fear? Do they fear the Appropriations Committee of this body? Do they fear the Appropriations Committee of the House of Representatives?

I submit that they are individuals of intelligence, character, and patriotism, and that they carry out the mandates of Congress and let the public good prevail, even over their personal preferences. Whom do they fear? Are they afraid of the Congress? I think some people are. I do not believe any of my colleagues or Members of the other body are afraid of Congress. But why do the proponents of the plan want a system of obtaining money from the Treasury without going to Congress? Do they fear Congress? Are they afraid of a self-governing constitutional government such as we have? Why can we not trust this precious system of government that we have? Whom do the proponents fear? Do they fear the people? Do they fear that the people will rise up and oppose foreign aid?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CURTIS. Mr. President, will the Senator yield me an additional 3 minutes?

Mr. MANSFIELD. I yield the Senator from Nebraska an additional 3 minutes.

Mr. CURTIS. Even though I have disagreed on foreign aid, I do not think that such an eventuality will occur. After all, are the people sovereign or are they not? If the people of the United States wish to elect a Congress that does not appropriate money for flood control, they have the right to do so.

If the people want to stop appropriations for agriculture or atomic development, they have the right to do so. In America the people are sovereign.

Whom do the proponents of the provision fear? Why do they want to go into back-door financing under the cover of night? Do the proponents of the scheme fear the light of day upon their requests? I say that many of those outside the Government who are pressuring for a bypassing of Congress are some of those, but not all, who are not friends of Congress as an institution. Some of those people, though not all, are not the friends of constitutional government or constitutional liberty, and the self-governing system of the Constitution provided for people.

The Byrd amendment ought to pass. It may not pass, but in any event the rollcall on the Byrd amendment will forever stand as a milestone in the struggle for constitutional government and constitutional liberty. Why desert it? Whom do we fear?

I yield back the remainder of my time.

Mr. MANSFIELD. Mr. President, I yield 10 minutes to the Senator from Mississippi [Mr. STENNIS].

Mr. STENNIS. Mr. President, if the years of Senate experience with proposals for legislation have taught us anything it is that authority is often

surrendered for practical purposes although there are assurances that the congressional control remains. The immediate case in point is the Foreign Assistance Act of 1961 with the special Development Loan Fund provisions.

My distinguished colleague from Virginia [Senator BYRD] has offered an amendment to the foreign aid bill (S. 1983) to eliminate provisions for employing back-door financing of the new Development Loan Fund with expenditures from public debt receipts and to substitute instead an "authorization for orderly and unquestionable annual appropriations."

I use the term "back-door financing" advisedly. It is a device all too frequently used to evade the appropriation process.

The amendment would authorize annual appropriations over the span of 5 fiscal years 1962–66; the authorization for appropriated funds in each fiscal year would be in precisely the same amounts as the bill now allows through loans from the Treasury without appropriations.

I support this amendment which would substitute tested and unquestionable appropriation authorization for the same period and in the same amount.

Like the Senator from Virginia [Mr. BYRD], I am unimpressed that review and control would be provided through routine reports to the Congress and application of the Corporation Control Act. In practice, the operation of this act is to provide for theoretical power of the Congress to end or modify a program but the essential and vital annual review provided by Congress in the annual appropriation procedure is not provided.

Simply to set up new processes of borrowing from the Treasury and to enter into long-term programs with foreign countries shows the futility of expecting any real congressional control over the program. The language of the Senate report—page 11—shows this futility. It states in pertinent part:

> We can scarcely expect the poorer countries to commit themselves to comprehensive development plans in the absence of reasonable assurances that foreign exchange requirements will be met and that programs undertaken will be supported through completion. The element of continuity is essential to all growth, including economics.

In the face of such language it is idle for the Congress to be assured—as it has been assured—that the legislative control remains as it has in accordance with the provisions of the Government Corporation Control Act. Under this act, long-time operations result in the situation where the only purpose served by coming to the Congress each year is to receive appropriations for administration and not for the substantive part of the program.

Foreign aid is not in the same class as programs in which Congress has, in some cases, given long-term authority for the raising of funds—as in some cases of the operation of the Corporation Control Act. The situations change too rapidly to put foreign aid in that class.

Theoretically, we could cut off aid at any time even under a long-term program, but the very fact of a long-term commitment might well result in greater aid than would be possible or needed if the program were looked at each year.

For example, materials might be stockpiled early in anticipation of a long-term program and we might find ourselves having supplied the materials with which another Castro could build.

Who can predict that the aid given to one government will not shortly thereafter turn up in the hands of a less friendly or a hostile government—or that the government we support will become unpopular or be overthrown, as has happened in Korea and other nations.

In the New York Times of July 16, 1961, there is an article entitled "In Iran, a New Group Challenges Us." The gist of the article is that although the United States has poured three-quarters of a billion dollars in economic aid into Iran plus untold military aid, that the middle class we helped create now fights the government we support and wants us to go home.

We could multiply examples of this worldwide, but it all adds up to the lesson that there is no basis for giving blank-check support to long-term programs than there is to believe that the friends of today will be in our corner tomorrow.

Why are we urged to give blanket commitments for long-term spending through the back door—as it has been called and which I will continue to call it. Has there been some laggard, unwillingness on the part of the Congress to finance proposals for economic and military assistance? I think not.

I learned only yesterday that as of June 30, 1961, the United States has furnished $90.5 billion in economic and military assistance since July 1, 1945. A breakdown shows that $61.5 billion has gone for economic assistance, $27.7 billion for military assistance, and $1.4 billion for technical aid.

Are we to be advised now that $90.5 billion was spent during this 15-year period, and that those who spent it were unable to get "continuity" out of the programs so that now a long-term blank check must be provided?

It appears to me that blanket authority for anything past 1 year at a time would create a long-term program that would stack bureaucracy on top of bureaucracy and the perpetuation of jobs for those people administering the program.

I cannot see where any substantial benefit will flow from this new method of foreign aid financing. But assuming there will be some benefit, the harm done would far outweigh the benefits. It will be another substantial, continued far-reaching program of unorthodox spending. The combined effect of all these departures will be virtually to destroy the legislative processes.

Further, if we add this method of financing to the vast aid program, how can we hold the other programs of like financing to reasonable proportions?

Many new programs are being proposed by the administration, many of which are of great importance but all of which will cost many millions of dollars from the taxpayer.

There is another aspect of this bill which I have not heard discussed but which I should like to mention only briefly in passing.

It has occurred to me in reading the legislation before us that we are turning over some functions to the executive branch of the Government which are the primary responsibility of Congress as provided by the Constitution of the United States.

I refer specifically to the interagency Development Loan Committee to be established by the President according to this bill. A provision of the bill provides that this committee shall establish its own rules, standards, and criteria for the loans it will provide in the years ahead.

To allow this committee to establish such rules, standards, and criteria for lending operations is, in my opinion, diametrically opposed to the principle responsibilities given the Congress itself. The rules, the standards, and the criteria must be established by Congress. It is then the responsibility of the executive department involved and that departments administrators to carry out the programs as set forth by the Congress. To do otherwise, in my opinion would be a derogation of the constitutional principles under which we operate.

Can any statement of purpose in legislation escape the force of these words, shifting responsibility from the Congress? I am inclined to think not.

Under basic principles of constitutional law, the province of court is to establish the guidelines and the broad provisions under which the administrative agencies can work. The Congress charts with broad strokes and the administrative agencies then fill in the details in accordance with the overall plan established by the Congress. But if, as in this case, Congress leaves it to the agencies to chart the course and to establish the principles, then Congress has abandoned its prime function of lawmaking.

No administrator of any Federal agency can constitutionally make the law. The administrator promulgates orders, regulations, and directives which are in pursuance of ordained authority but he must adhere to the broad scheme established by the Congress. In this case, however, the Administrator of the Interagency Development Loan Committee would establish that broad scheme himself.

While congressional power to change the program and rescind the entire action of the committee allegedly remains, morally it would be indefensibly and politically unacceptable to change that which has already been promised another country. Also, Congress would have to take the initiative to change or reverse the actions of the Committee.

All of this adds to the conclusion that, as admitted, congressional power to control programs exists in theory and on paper as in the case of other programs under the Corporation Control Act.

I support the Byrd amendment.

If we loosely handle and expand this program of aid for others, how can Congress ever refuse the ever-increasing re-

quests for expanding the aid programs at home? I consider the assistance programs to other countries, even though some are meritorious, the chief roadblock to exercising economy in our domestic programs.

Our people are willing to be taxed for the necessary expenditures of the Government but they want and should hold their representatives in the Congress responsible for seeing that sound methods of financing and appropriating of funds are followed. To place this foreign aid program on the all too large list of those which can borrow money rather than come for appropriations each year is to open the door to an expanding era of this costly item without proper accountability to the Congress and without proper accountability of the Congress to the people.

I fully realize that our foreign policy makes necessary a certain amount of military aid and technical assistance. But the amount requested for foreign aid is much too large, especially when there has been no real assurance that the poor management existing in many areas in the past will be corrected. For years I have thought that we are spending far too recklessly and far too much on this program.

Therefore, I am opposing the bill.

I strongly support the Byrd amendment, which would eliminate back-door financing, thus retaining annual congressional control and annual appropriations, which I consider absolutely essential.

Mr. BYRD of Virginia. I yield myself 5 minutes.

Mr. President, there has never been a time in our history when it was more vital to preserve the fiscal integrity and responsibility of this Nation.

For 15 years, at tremendous expense, we have been serving as the policeman, the banker, and the Santa Claus for the free world. Our burdens, worldwide, are increasing.

At home we are steadily increasing the cost of nonessential spending programs—some of them perhaps desirable, but many of them not necessary under the circumstances.

As a result of these dual spending programs—at home and around the world—we are running dangerous deficits on two fronts. There is a budgetary deficit at home, and a deficit in our balance of payments with foreign countries.

The balance of payments deficit has been chronic for 5 years and as a result foreign nations have siphoned off our gold supply at an alarming rate. We have less gold now than we had at the beginning of World War II.

At the same time the direct Federal debt is approaching $300 billion. And in addition, the Government has underwritten contingent liabilities totaling another $300 billion in insured and guaranteed obligations.

There was a deficit in the Federal budget of $4 billion in the year just ended. The deficit in the current year is certain to be $7 to $8 billion, and it may run as high as $10 billion. We are approaching annual budgets of $100 billion.

Tax rates are close to their alltime high, and the point of diminishing returns has been reached in some areas. Inflation has already driven the value of the dollar down to 46 cents, on the basis of 100-cent dollars on the 1939 index.

Under this bill Congress would abdicate its authority to exercise effective appropriation control over $8.8 billion, and I submit this would be an act of irresponsibility. This would be an act of irresponsibility.

The principle involved is even more important than the money. In their unchallenged wisdom our forefathers foresaw the necessity of keeping the public purse strings close to the people for the preservation of their freedom.

This is fundamental. The Constitution provides that only Congress has the power to appropriate funds, lay taxes, contract debt, and coin money and regulate its value.

No money can be withdrawn from the Treasury, but in consequence of appropriations made by law. And revenue measures must originate in the House of Representatives where Members must submit themselves for reelection by the people every 2 years.

Revenue measures, required to originate in the House, are interpreted to include appropriation bills. Here is a bill for $8.8 billion in expenditures, all outside the country, and all provided outside of the appropriation process.

This procedure does not keep faith with the fundamental of holding the public purse strings as close as possible to control by the people, and there is no adequate justification for the proposal.

There never has been a time when we need more strictly to adhere to the principles of our form of government which was designed to keep us free, and this applies to all three of the separate, independent, coordinate, branches of the Government at Washington.

We are faced with a long struggle, and it is the United States which is, and has been, holding up the free world. Our cause is not served by sacrifice of freedom at home, and the struggle can not be won in insolvency.

If the American dollar goes down there will be no international currency worthy of confidence. Money is no problem to Russia. All she has to do is print it. It is not acceptable in foreign trade.

It has been my conviction for some time that Khrushchev plans to weaken and destroy us from within. In doing so his objective of world domination would be achieved.

The amendment now pending simply would require annual appropriations under a 5-year authorization, but the vote on it will be vital. It involves more than the $8.8 billion immediately under consideration. If the provisions in the bill are not changed, they will set an irresponsible precedent for financing foreign aid through the back door in the future.

I have an intense desire to preserve the integrity of the appropriations procedure as a keystone in fiscal responsibility. I hope the amendment will be adopted.

Mr. President, do I have any time remaining?

The PRESIDING OFFICER. The Senator from Virginia has 2 minutes remaining.

Mr. BYRD of Virginia. I yield 1 minute to the Senator from Vermont.

Mr. AIKEN. Mr. President, if the time has come when it seems desirable to transfer part of the power of the Congress to the Presidency, then let us make this transfer openly and on its merits.

Congress has the right to cede its responsibility, but we should not do so in the name of foreign-aid legislation. Back-door financing is bad enough, but back-door legislation is inexcusable.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time for it be not taken out of the time for debate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FULBRIGHT. I yield 10 minutes to the senior Senator from Oklahoma.

Mr. KERR. Mr. President, I will vote against the pending amendment. I do so only after long and serious consideration.

Although I generally supported the previous administration in all foreign relations matters, I have for many years voted against the foreign-aid economic program operated by this Government. I have done so for a number of reasons, among which are these:

First, I have felt that these programs have not been administered economically, effectively or wisely.

Second, I have voted against them because they were being advocated by an administration which favored the providing of economic aid to foreign countries for programs to develop their economy, the operation of which was not adequately controlled by the Congress.

At the same time, that administration opposed effective programs of resource conservation and economic development for our own States, even though they have always been handled under a system of effective congressional controls.

Third, I did not support the foreign-aid program because the dollars spent in the administration of this program could and usually did become claims against our gold reserves.

Mr. President, the environment today is vastly different. We have an administration which is cooperating effectively in providing the necessary funds to speed up existing programs, and initiate new ones to accelerate the resource development and conservation programs so necessary for the economic progress and growth within our own States.

The bill before us contains a provision which will to a great extent, perhaps entirely, prevent dollars provided for foreign economic aid from becoming claims against our gold reserve.

Then, too, of equal importance, we have the most explicit assurances from the President of the United States that the foreign-aid program recommended by him would be reorganized, more efficiently operated and more carefully geared to increasing the strength of nations which with their citizens are most likely to effectively cooperate in a stronger common stand against the encroachment of communism.

Even now, a great conference is taking place at Punta Del Este where our representatives may be taking advantage of the last clear chance available to this Government to do all within our power to help prevent the spread of Castroism in Central and South America; to halt the insidious spawning of new Communist beachheads in this hemisphere. Our President tells us that this foreign-aid program will help him to take advantage of this last clear chance.

Therefore, because of my deep conviction that the most important responsibility of our President in the field of foreign affairs is to do all possible, and in a manner which I believe can be successful, to stop the spread of communism, especially in the Western Hemisphere, I shall vote for the foreign-aid bill.

In that regard the Chief Executive has advised Congress that his ability to make this program the most effective will depend upon keeping in the bill the authority which would be stripped from it by the pending amendment.

There is no Member of the Senate for whom I have higher respect or deeper affection than the great senior Senator from Virginia [Mr. BYRD], the chairman of the Committee on Finance, on which committee I have had the honor to serve for 11 years. Because of my profound respect for him, I follow his leadership much of the time. His advocacy of the pending amendment has caused me to give it the most searching consideration of which I am capable.

This study and analysis on my part leads me to the conclusion, however, that the long-term borrowing authority in the bill is not only necessary to make this program efficient, but the language of the bill, at the same time, includes provisions and safeguards which fix it so that the executive, even if it wishes to do so, could not infringe upon the appropriations powers of the Congress.

It must first be pointed out that no provision of this legislation is irrevocable. Congress can, at any time, according to its judgment, modify or even repeal the long-term lending authority.

Uninterrupted legislative control is guaranteed by inclusion in the bill of a provision making certain features of the Government Corporation Control Act applicable to development lending. The amounts to be borrowed by the aid agency will be included each year in the Federal budget and submitted therewith for annual review by the Appropriations Committees of both Houses and by the whole Congress. It is clearly indicated in section 104 of the Government Corporation Control Act that the use of funds may be limited by Congress. This means in any year and in any amount.

Under this procedure, the President would submit an annual presentation of projected obligations and expenditures for the lending authority as part of the Federal budget. These, like other budgetary items, would be reviewed by the Appropriations Committees of both Houses and by the Congress. Limitations on expenditures could be proposed either by the Appropriations Committees or on the floor of either House. It is perfectly clear that no further expenditures could be made under the lending authority in the absence of express approval by Congress.

In the light of these considerations, it may well be asked: What then is the difference between the proposed borrowing authority and the present system of annual appropriations?

The difference is large and significant. While it is clear that Congress can impose such limitations as it judges necessary, it is also clear that it was the intent of Congress, in enacting section 104 of the Government Corporation Control Act, that budgetary limitations would be imposed only for compelling reasons; that is, only for the purpose of assuring that the will of Congress as expressed in the aid bill is effectively executed.

The Appropriations Committees have in the past rarely exercised their power to restrict the operations expenditures of the agencies which have been financed by authority to borrow from the Treasury. They have not done so because of the clear legislative intent of Congress regarding the operations of these agencies. The important point, however, is that such limitations can be imposed if they are deemed necessary by Congress.

The basic departure is that the burden of initiative is switched from the executive to Congress. Instead of the traditional presumption that no funds can be counted on until they are appropriated by Congress, under the new legislation, the presumption will be that funds will be forthcoming unless Congress acts to restrict or eliminate them. While this procedure does indeed provide for restraints on the normal appropriations process, it is essentially voluntary restraint accepted by the Congress itself. It is both voluntary and subject to revocation.

While the basic authority of Congress will thus be safeguarded, the new procedure will make it possible for nations receiving development loans to work out long-range programs with a fair assumption that these projects can be completed. This approach will make for effective economic development according to sound business principles. The procedure is new, but the basic authority of Congress will remain unimpaired.

For the reasons I have stated, I shall vote against the amendment and for the bill.

Mr. FULBRIGHT. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. FULBRIGHT. I compliment the Senator from Oklahoma on an excellent statement. I especially compliment him on the attitude he has taken toward the pending bill. I believe he is completely sound in recognizing that if there is to be a program, it should be made as efficient as possible. There is no sense in continuing a program containing limitations which almost insure its inefficiency, as has been the case in the past. What disturbs me is that Senators who have been most critical of inefficiency are unwilling to take a step as important as this to bring about efficiency. The Senator from Oklahoma has made an important contribution in making that clear.

The Senator's comments about the retention by Congress of its control over the program are well taken. The idea that Congress will be relinquishing any substantial powers is completely erroneous. I compliment the Senator for making that point clear.

Mr. KERR. I thank the Senator from Arkansas for his remarks and most especially for the contribution he has made to reporting the bill to the Senate. Not only is it a bill which I can support, but it is a bill which, in my judgment, makes the program more effective.

I congratulate the Senator from Arkansas on the guarantee which he and his committee wrote into the bill to preserve the integrity of congressional control of appropriations, of the program, and of the money. I should like to have the Senator state the exact place in the bill where it is provided that even a concurrent resolution of Congress, without the approval of the Executive, provides the necessary retention of congressional control of the money available for the program.

Mr. FULBRIGHT. I shall be glad to do so. That section is often overlooked. It is section 617, on page 55 of the bill. It provides:

> Assistance under any provision of this act may, unless sooner terminated by the President, be terminated by concurrent resolution.

Mr. KERR. Of Congress.

Mr. FULBRIGHT. Yes; of Congress.

Mr. KERR. That is but another added guarantee written into the bill itself. It provides that Congress will preserve its inherent, traditional constitutional control of the appropriation of public funds.

I thank the great Senator from Arkansas for his patriotic, unselfish, devoted, effective leadership in the development of this program, in the writing of the bill, and in the presenting of it to Congress and the country.

Mr. FULBRIGHT. I thank the Senator from Oklahoma.

Mr. President, let me ask whether the Senator from Massachusetts wishes to have time yielded to him.

Mr. SALTONSTALL. I should like to ask the chairman of the committee certain questions.

Mr. FULBRIGHT. Then, Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER (Mr. BURDICK in the chair). The Senator from Arkansas is recognized for 10 minutes.

Mr. SALTONSTALL. Mr. President, I should like to ask the Senator from Arkansas about a suggestion made last Wednesday, in the course of colloquy with the Senator from Vermont, Al-

though he did not propose these words as an amendment, he suggested them as a possibility, if they were offered. I now read them:

SEC. 206. CONGRESSIONAL OVERSIGHT OF LENDING ACTIVITIES.—In any case in which the amount of a proposed loan under this title exceeds $10,000,000, such loan shall not be made and no agreement obligating the United States to make such loan shall be entered into unless thirty days earlier a full and complete report with respect to the purposes and terms of the proposed loan shall have been made to the Committees on Appropriations and Foreign Relations of the Senate and to the Committees on Appropriations and Foreign Affairs of the House of Representatives.

I should like to ask the Senator from Arkansas whether that amendment would be acceptable, if it were proposed either by himself or by some other Member of the Senate.

Mr. FULBRIGHT. In explanation of the colloquy of the other day, I will say to the Senator from Massachusetts that I do not personally think the bill needs or requires that amendment. I think that in the existing provisions of the bill there is ample protection of the rights of Congress.

But in acknowledging the interest of several Members of the Senate in this type of further check, let us say, upon the executive, this amendment was prepared by the staff of the committee, at my request—not by the administration—merely in an effort to see whether some common ground could be arrived at. I do not see that it is necessary for me to propose such an amendment, because I am not conscious of a need for it.

However, in view of the amendment which the Senator from New York, the Senator from New Hampshire, and the Senator from Vermont had offered—I believe he had two or three amendments—I have indicated that I believe this kind of substitute would have some merit, and personally I would be willing to accept it.

Subsequent to that colloquy, I have learned that other Members, including the minority leader, have been thinking of a similar amendment.

I am only desirous of working out something acceptable to as many Members as possible. Perhaps we cannot obtain a unanimous-consent agreement; but this amendment would be acceptable to me, personally. If we can refine it, or if the Senator from Illinois wishes to have a slightly different version, I would not be arbitrary about that.

Mr. SALTONSTALL. The Senator from Arkansas has spoken of his personal views. Can he go further than that? Would the administration object to an amendment of this character?

Mr. FULBRIGHT. I have consulted the administration about this amendment and some variations of it. The administration is not disposed to be difficult about it. The administration has some criticism of it. For example, the administration would prefer to have a somewhat shorter period of time; it would prefer 15 days to 30 days, as a matter of efficiency of operation.

I suggest that we propose to provide for 15 days while Congress is in session—I think that would be ample time—and 30 days when Congress is not in session. That is a slight change, not a material one.

I should also like to suggest $15 million, instead of $10 million—so as not to burden our committee staff with excessive paperwork. Such a provision would still cover what we call the important loans.

I hope something of the kind can be drafted, if that would be agreeable to the Senator. I wish to get as much enthusiastic support for this legislation as possible from Senators on the other side of the aisle, because I do not think such legislation should be considered by the country as partisan in nature. It is not partisan; this is not a Democratic program. It is a national program.

Therefore, I have gone as far as I possibly can, on every occasion, to accommodate the views of the Republican members of the committee, and likewise the views of the other Republican Members of this body. So I do not wish to be arbitrary. I hope we can get something that is workable.

Mr. SALTONSTALL. I think it would be very helpful if the chairman of the committee could tell us that he felt that if, let us say, the amendment of the distinguished Senator from Virginia [Mr. BYRD] were not adopted, something of this kind would be acceptable, not only to him personally, but also to the administration, so we would have support for this amendment.

Mr. FULBRIGHT. I believe I can say that. The administration has indicated to me its preferences, but has said, "Whatever you finally agree upon will, of course, be acceptable to us." That is about as far as they can go. I think they would not oppose a proposal like this in either body. But they would like the provision to be manageable and as workable as possible, because, of course, this is a very important activity; and with the larger amounts of money, there would be greater difficulty than was the case with the Middle East situation, where only $200 million was involved.

I have no objection, insofar as the Middle East situation is concerned; but I think this would cause a greater amount of paperwork, even with relatively small loans.

Mr. SALTONSTALL. Of course, I cannot say it is accurate, but I was informed by reasonably responsible sources that in the last 3 years there were 60 loans of more than $10 million. That would mean an average of 20 of them a year. That is not a great number of such loans.

Mr. FULBRIGHT. That is correct. But this program, if adopted by the Congress, will be considerably expanded, and it is anticipated that there will be a far greater number of larger loans—partly because there will be long-term planning authority, which I certainly hope will tend to put the program into projects which will really contribute to the economic base of a country, as opposed to short-term, rather showy projects, which often contribute little to the country's economic base. That has been one of the criticisms of the program.

So I anticipate that there would be larger loans.

Mr. SALTONSTALL. I should like to ask another question, if I may.

Mr. FULBRIGHT. First, I wish it clearly understood that this program and this provision apply only to the loans of the Development Loan Fund.

Mr. SALTONSTALL. That is correct.

Mr. FULBRIGHT. It does not apply, and cannot apply, to the other programs—the military assistance, the support assistance, the technical assistance, or the contingency fund. It is limited to the DLF—the Development Loan Fund.

Mr. SALTONSTALL. I understand.

Mr. FULBRIGHT. I want that clearly understood.

Mr. SALTONSTALL. This amendment, if adopted, would not provide Congress with any power to stop the making of the loan, unless section 617, on page 55 of the act, which I shall read——

Mr. FULBRIGHT. I read it into the RECORD a few minutes ago, during the remarks of the Senator from Oklahoma [Mr. KERR].

Mr. SALTONSTALL. Very well; I was unable to hear what was said at that point.

It is my understanding and interpretation of that act that it would apply to any single loan, if Congress wished to make it apply.

Mr. FULBRIGHT. I do not think it would not apply retroactively.

Mr. SALTONSTALL. I invite attention to this language:

Assistance under any provision of this Act may, unless sooner terminated by the President, be terminated by concurrent resolution.

I have in mind that if the language the Senator suggested the other day were inserted in the act, a majority of any of the four committees could file a concurrent resolution.

That concurrent resolution would go to the Foreign Relations Committee of the House or the Foreign Relations Committee of the Senate. But if such resolution were to go to one of those committees, and hearings were held on it, and so forth, certainly, in my opinion, the administration would be very unwise to make a loan until that resolution was accomplished.

Mr. FULBRIGHT. I certainly think so.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. FULBRIGHT. I yield myself 10 more minutes.

The provision clearly provides that assistance under any title may be terminated. I think it is intended to cover any functional activity. I doubt that they had in mind specific loans. Technically, however, it might apply to a specific loan, which would be a most unusual exercise of this provision. I think they had in mind a much broader meaning—for example, that the DLF, could be terminated or rescinded, or that the contingency fund could be rescinded. I doubt that the Congress would ever use this procedure with respect to a single

loan, unless it were of very great or major importance. It could, however.

Mr. SALTONSTALL. I think, under a reasonable interpretation, I would agree with the Senator from Arkansas.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. KEATING. I express my appreciation to the distinguished Senator from Arkansas for his cooperation with those of us who authored the Saltonstall amendment.

The Saltonstall amendment, in the revised form which has been studied by the chairman of the Foreign Relations Committee, is a good compromise. It provides that reports on all loans to be made from funds borrowed from the Treasury must be presented 30 days before the loans are to take effect to the House and Senate Appropriations, Foreign Affairs and Foreign Relations Committees.

This should be considered in conjunction with section 617, now in the bill, which would permit assistance under any provision of the act to be terminated by concurrent resolution. Thus full information on all important loans would be sent to four congressional committees and would not come into effect for 30 days. If within that period, any good and strong reasons for disapproving a loan were discovered, then a concurrent resolution could be introduced calling for termination of that assistance. That resolution would in the Senate, I believe, be referred to the Foreign Relations Committee which would have full data to consider both the loan and the resolution. Although there is no further provision for a veto by either a committee or a single House of Congress, in practice the filing of the reports and the provision for a concurrent resolution of disapproval should enable the Congress to make its intentions clearly known to the executive branch before any obligation of over $10 million is made under this loan program. The provision is a protection and an insurance to the executive as well as to the legislative branch.

It also seems to me when one reads the language suggested by the Senator from Arkansas in conjunction with section 617—and I thoroughly agree that it would be sparingly used—it could be used to terminate a project already started. In the light of that fact, it seems to me, when one reads those two together, there is a very reasonable protection for Congress. And when read together, in my judgment, they furnish a greater protection than is incorporated in the so-called Byrd amendment, for the reason that under the Byrd amendment there must be a waiting period of a year before action can be taken on an authorization. Appropriations are voted only once a year. These reports would have to be filed every time a loan was made. Furthermore, under this proposal, four separate committees would have surveillance over the operations of the program every year, instead of just two, where a substantial loan is involved. The limit of $10 million is perhaps open to some question, although I would think this was about right. Therefore, in the light of the position taken by the Senator from Arkansas and his assurance that this amendment will have his support and the support of the administration, it is my intention to vote against the Byrd amendment. On the whole, I think the Saltonstall approach would be more effective than the Byrd amendment in providing continuous, meaningful oversight by the Congress of loans financed by Treasury borrowing.

Mr. PROUTY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. PROUTY. I want to be very certain that the proposed amendment under discussion at the present time is one which the Senator suggested during a colloquy with me last Wednesday, I believe, on the floor, and that the language would be identical with the distinguished Senator's proposal at that time.

Mr. FULBRIGHT. That is correct. I thought, if it was necessary and if we could reach agreement with the Senator from Illinois and other Senators interested, I would agree to certain changes. However, what we are talking about is the language of the amendment we discussed.

Mr. PROUTY. I understand it is agreeable to the chairman of the committee, and also to the administration.

Mr. FULBRIGHT. The position of the administration is somewhat like mine. It is reluctant, because it considers such a provision unnecessary, but it could live with it. It is believed it would place some burdens on the administration, particularly as concerns the volume of reports, and the administration would prefer to have the amount raised, so there would not be so many. Like the provision incorporated as to the Middle East, I said I thought it was a good provision. I do not think it is absolutely necessary, but if it were acceptable, I would prefer that it be adopted. Personally, I think the administration could live with it, if we all agreed that it was acceptable.

Mr. PROUTY. Under the provisions of that amendment, should it be adopted, the proposal would be referred to four committees of the Congress 30 days prior to any action being taken by the administration. Is that correct?

Mr. FULBRIGHT. That is correct. It has been suggested that while Congress was in session 15 days would be long enough, and 30 days should be provided when Congress was not in session. Does the Senator think provisions for 30 days is also necessary while Congress is in session? I thought 15 days would be long enough while Congress was in session.

Mr. PROUTY. Personally, I think the requirement of 30 days is preferable, because it gives the committees more time to study proposals.

Mr. FULBRIGHT. The question is one of reconciling the necessity of letting the committee know, but also not delaying the program. We are constantly being criticized for delays. It is one of the major criticisms. The question is one of reconciling the conflicting interests.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. AIKEN. Am I correct in assuming, as suggested by the chairman of the Foreign Relations Committee, that the amendment being discussed would provide for publicizing proposed contracts?

Mr. FULBRIGHT. It would not. It is anticipated that the reports to the committees would be confidential reports. It would be intolerable, prior to final agreements, to publicize the plans. I would anticipate that the reports to the committees would all be classified reports, for the information of the committees.

Mr. AIKEN. And they would be submitted to only 100 Members of Congress and their staffs; is that correct?

Mr. FULBRIGHT. I had not counted up the number, but I refer to the Committees on Appropriations and Foreign Relations.

Mr. AIKEN. The number would be about 100 Members. Assuming that the committee did not approve one of the proposed contracts, what would it do?

Mr. FULBRIGHT. It would register its complaint with the administration.

Mr. AIKEN. Suppose 60 Members approved and 40 Members disapproved. What would the 40 do about it?

Mr. FULBRIGHT. They could also complain.

Mr. AIKEN. Does the Senator mean they could not come on the floor and speak as American citizens?

Mr. FULBRIGHT. I think they should, but not prior to accomplishing the agreement. I think it would create an intolerable administrative problem to publicize proposed agreements prior to their accomplishment. This proposal is intended to give Members of Congress an opportunity to study the proposals.

Mr. AIKEN. So we would provide 100 muzzles for 100 Members of Congress.

Mr. FULBRIGHT. The Senator knows I am not trying to justify it. I am reluctantly considering it.

Mr. AIKEN. Has not the State Department vigorously opposed this provision every year and stated that it would demoralize their program?

Mr. FULBRIGHT. Publication would.

Mr. AIKEN. It would demoralize their program, and every member of the Foreign Relations Committee ought to know it.

Mr. FULBRIGHT. Of course it would, if the proposals were publicized.

Mr. AIKEN. Does the Senator know any better way to get publicity than by submitting a proposal to 100 Members of Congress?

Mr. FULBRIGHT. I am told that many reports made to committees are not publicized.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. KEATING. However, in connection with the very pertinent inquiries of the Senator from Vermont, I think it should be said that, under section 617, if any 2 of the 100 Members, as the

Senator put it, or any 1, felt that the proposed law was unwise, a concurrent resolution could be submitted.

The resolution would not necessarily be adopted. It would go to the Committee on Foreign Relations in the Senate and, in the other body, to the Committee on Foreign Affairs. It could be submitted. Of course, there is nothing which would presume to say to a Member of Congress that he could not submit a concurrent resolution.

Mr. FULBRIGHT. The provision with respect to the concurrent resolution has been in the law all along. I have never heard of anyone submitting a concurrent resolution. That provision was in the law last year. The administration asked that it be an act of Congress, and the committee kept it as it was.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. BUSH. I join in thanking the Senator for his courteous consideration of the Saltonstall-Keating amendment, of which I am a sponsor. The Senator from Pennsylvania is also a sponsor. I think it is very helpful for the Senator to have this colloquy in anticipation of the labors we face next week.

In view of what the senior Senator from Vermont [Mr. AIKEN] has said, I invite attention to an amendment offered by the junior Senator from Vermont [Mr. PROUTY], in which the Senator confines the reference to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BUSH. May we have more time?

Mr. FULBRIGHT. Mr. President, I yield myself 10 minutes more.

Mr. BUSH. The purpose is to reduce the number of committees which would have to consider the problem and to place it in the hands of committees which are most familiar with the development-loan program and the whole foreign-aid program.

I shall raise that question when this provision comes before the Senate next week, but I thought I would mention it now so that Senators might consider it as being less cumbersome in operation.

I also ask the Senator to consider whether it might be well to modify the suggested amendment to insert the language "while the Congress is in session." It seems to me there is something to be said for having references made while the Congress is in session.

I do not wish to take the Senator's valuable time to debate that question now, but I raise the question for consideration of the Senate next week, when we shall have more time.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Pennsylvania.

Mr. SCOTT. I had in mind the same question which was posed by the Senator from Vermont, as to assurances. What the distinguished Senator has said answers the concern I felt.

The sponsors of the amendment have been most desirous that there be some form of coordination with the Congress, and some control other than that in section 617, or that the concurrent resolution provision be included.

I should like to ask the distinguished Senator from Arkansas a question in this connection, in view of some conversation which has been had from time to time, indicating that perhaps the administration might wish to withhold some information on the ground of national interest. That authority is not provided in the amendment, and I would appreciate some assurance from the Senator from Arkansas that so far as he is concerned there will be no attempt to include a reservation eliminating some reports, since the amendment contemplates that reports on loans in excess of $10 million shall be made to certain committees of the Congress.

Mr. FULBRIGHT. That particular provision was in the Middle East resolution. The distinguished Senator from Illinois is reported to be considering such an amendment. We have discussed that question. I do not think the Senator has actually prepared it.

I think such a reservation has great merit. However, as I have already indicated, I believe that under the law providing for classification, the administration could protect itself from undue revelation. The senior Senator from Vermont has great doubt about the ability of the administration to do that, but I do not entertain the same doubt. Perhaps I am mistaken.

We know there are many leaks, but often the leaks do not relate to what I would call classified or secret information. The leaks involve more personal matters, such as my own correspondence, which I have no authority to classify. Those are the most frequent leaks. I do not believe there is any great risk.

This is a point we can discuss. Does the Senator from Pennsylvania feel very strongly that when we are dealing with an extremely sensitive matter, under no circumstances should this authority be provided, and that the reports must be included?

Mr. SCOTT. I prefer the exclusion from this measure at this time of such an overall extension of power to the Executive.

Mr. FULBRIGHT. Yes.

Mr. SCOTT. I do not believe that the Executive has formally made any such request. I have in mind, among other things, the Middle East problem. I think it is important that such secrecy as may pertain to the Middle East problem be maintained, but not for any purpose other than the security of the United States. It should not be maintained for the benefit of any person from a political standpoint.

Mr. FULBRIGHT. I agree.

Mr. SCOTT. We ought not to be concerned that the impact of some voting group might be averted by concealment. I do not think it is in the mind of anyone, actually to do so, but I have a reservation in my mind. I am sure the Senator understands what I am getting at.

Mr. FULBRIGHT. Yes.

Mr. SCOTT. I prefer, as I have said, that it be omitted. I am glad to see it has been omitted. That goes a long way toward helping me in my concern as to how to act.

Mr. FULBRIGHT. It has been suggested that the leaks, if leaks exist, and the reports about negotiations before loans, if they get out, would cause numbers of lobbyists interested in the cases to descend upon the committees. This could happen, if there were leaks. On the other hand, if we should do our duty and protect against leaks, they would not occur, because when the 30 days were over the story would be publicized.

All I can say is that if this provision is unworkable we shall have to repeal it.

Mr. SCOTT. The danger of leaks is one which is broadly applicable. For example, if there were leaks in the Armed Services Committee one might have the same problem, and there might be lobbyists for aircraft concerns and others coming to the Congress.

Mr. FULBRIGHT. That is correct.

Mr. SCOTT. I thank the Senator.

Mr. AIKEN. Mr. President, will the Senator yield for one more short question?

Mr. FULBRIGHT. I yield for one more question.

Mr. AIKEN. Does the Senator believe that if the contract were submitted, and if the executive department were going through with it, the Congress could terminate the contract by a concurrent resolution?

Mr. FULBRIGHT. It strikes me that if the Congress acted by resolution quickly enough, before the obligation was entered into, under the language the Congress could terminate anything.

Mr. AIKEN. Under the language?

Mr. FULBRIGHT. Under section 617. Not under this amendment, but under section 617, which is in the law.

Mr. AIKEN. If, under the amendment, the contract were submitted to the four committees of the House and the Senate, and Congress felt strongly about it, and if the executive department would not cancel it, could the contract be canceled by the Congress by a concurrent resolution?

Mr. FULBRIGHT. As I have already answered, I think the language refers to the general activity provided under various titles. I do not think that under a reasonable interpretation it could apply to a single, ordinary loan. I have not had an interpretation made on that point. I shall be glad to do so.

Mr. AIKEN. The answer would be "Yes."

Mr. FULBRIGHT. Technically, the language seems to be very broad, as I said before. It says "assistance under any provision of this act." It would seem to be broad enough, but it ought to be interpreted with the rule of reason. I think it would be very unreasonable to apply a narrower, technical interpretation.

Mr. AIKEN. The Senator also said that the contract would be submitted in the strictest of secrecy. How would Congress pass a concurrent resolution in secrecy?

Mr. DIRKSEN. By invoking rule XXXV.

Mr. AIKEN. By invoking rule XXXV and closing the doors, to pass it in secrecy?

Mr. DIRKSEN. Yes.

Mr. AIKEN. I think the Senator from Illinois has answered the question.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. KEATING. I do not think the question ought to be left in that state. Obviously, if a concurrent resolution were filed, it would become public property and those filing the concurrent resolution would have to take the responsibility for doing so.

Mr. FULBRIGHT. I doubt that a concurrent resolution would be filed except in extreme cases.

Mr. DIRKSEN. Mr. President, I wonder if my distinguished and charitable friend from Arkansas will yield the minority leader about 30 minutes on this question?

Mr. CURTIS. Mr. President, will the Senator from Arkansas yield for a question?

Mr. FULBRIGHT. I yield for a question.

Mr. CURTIS. Referring to section 617 of the bill, pertaining to the concurrent resolution, could any project or program be stopped by a concurrent resolution before it was started or instigated?

Mr. FULBRIGHT. I believe the authority under which the project or program would be granted could be stopped, if it were abolished or rescinded under section 617 of the Development Loan Fund before the loan was made. I think such concurrent resolution would stop it. If some project were contemplated under the contingency fund and the contingency fund were rescinded, I think this would stop the program.

Mr. CURTIS. The bill uses the language:

> May, unless sooner terminated by the President, be terminated by concurrent resolution.

Can a program that has not been instigated be terminated?

Mr. FULBRIGHT. If the Senator is talking about the authority to do so, it is in the provision. I think a reasonable interpretation would not refer to individual loans or projects. It would refer to titles under the act, to the use of the contingency fund, or to Development Loan Fund. Under 617 one could rescind the Development Loan Fund, I would think.

Mr. CURTIS. The whole thing?

Mr. FULBRIGHT. Yes.

Mr. CURTIS. Such a provision would not apply to an individual country?

Mr. FULBRIGHT. I do not think that would be a reasonable interpretation of the provision, but I have not had a legal research made on that point. The provision has been in the law, but no test has ever been made, and none has ever been sought.

Mr. CURTIS. The concurrent resolution would apply to the whole act or nothing.

Mr. FULBRIGHT. No; but any provisions in the bill, it seems to me, could be rescinded. But those provisions do not relate to individual loans.

Mr. CURTIS. Then if the amendment referred to by the distinguished Senator from Massachusetts were agreed to, could any member of the committees offer a concurrent resolution in regard to one of the projects?

Mr. FULBRIGHT. I think such an interpretation would be very strained.

Mr. CURTIS. I am not interpreting the bill.

Mr. FULBRIGHT. I think a member of the committee could offer a concurrent resolution to repeal the Development Loan Fund, and the resolution would be referred to the committee. If Congress agreed to the concurrent resolution, the Development Loan Fund would be repealed.

Mr. CURTIS. That is all the concurrent resolution would involve?

Mr. FULBRIGHT. I think that would be a reasonable interpretation. I do not wish to be pinned down on the case of a loan, if a loan of great significance were involved. If the loan had not been made, but there was a borrower, and Congress were willing immediately to pass a concurrent resolution, it might be held proper under the amendment. I have not thought about the question.

Mr. SALTONSTALL. Mr. President, will the Senator yield for an additional question?

Mr. FULBRIGHT. I yield.

Mr. SALTONSTALL. Perhaps the question is rhetorical. Is it not perfectly clear that if any member of any of the four committees of the House or the Senate objected, and showed by his statements and the report of the committee that he objected to one of the loans, the administration would not go forward with that loan?

Mr. FULBRIGHT. That is my opinion, if the objection were a responsible one. If a single individual expressed disapproval, that would be one thing. If the committee, or a reasonable number of the committee, said, "This is a very serious matter. We do not think the project is justified," and proceeded to give anything like a plausible reason for the opinion, and the objection did not seem purely frivolous, I think the administration would undoubtedly take another look at the project, discuss it, and review it; and if there were continued opposition, my opinion is that the administration would not move forward. That would be the course of wisdom. That is the way I think the law would work. Therein lies the value of the proposal. We would not have a veto. But if the objection were serious, with some justification to it, I think such objection would influence the administration to change the program, modify it, drop it or take whatever action seemed proper under the circumstances.

Mr. SALTONSTALL. As I see it, that would be a responsibility of Congress if the authorization were agreed to.

Mr. FULBRIGHT. It certainly is. After all, it is a long-term program. I think it would be extremely unwise and improvident for the administration of any party in an instance like the one described to override the wish of Congress and go on, even though it had authority to do so. It would be very foolish to proceed under such circumstances.

The program must be of a cooperative nature, and Congress must support the program all along if it is to succeed. If we so fall out with the administration that we object to the way the program is being administered, we have the inherent power, even without the amendment, to pass a bill to kill it if we can muster a two-thirds vote. We can always take such action, even over a veto.

We have already discussed the point in another connection. Any reasonable administration must get along, by and large, though not on every detail with every Member of Congress, but with a majority of Congress.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for another question?

Mr. FULBRIGHT. I yield, but I am desirous of giving the minority leader an opportunity to speak. I am sure he is eager to speak.

Mr. HICKENLOOPER. I assure the Senator that I am as eager to hear the minority leader as he is.

Mr. FULBRIGHT. I look forward with fear and trembling to his address, but it is my duty to give him an opportunity to speak.

Mr. HICKENLOOPER. I look forward with complete pleasure because I think I shall be in complete agreement with what he will say, although I am not sure what he will say.

I invite attention to section 617, page 55, which is the concurrent resolution provision. That section happens to be one of the reasons why I object to the procedure. Not only is no protection afforded, but it is a camouflage, in my judgment. While I have not researched the question legally or had it researched, the section provides:

> Assistance under any provision of this act may, unless sooner terminated by the President, be terminated by concurrent resolution.

From a horseback opinion standpoint, a reading of that provision demonstrates that there is no question that the concurrent resolution would have to destroy the whole act or the whole provision of the act under which it operated. The concurrent resolution would have no effect on individual, specific programs.

Many of us have supported mutual assistance programs, but we have had violent objections from time to time to specific items of operation under the program. The provision in question would leave us helpless. We would have no choice but to follow the idea that if one has a bad cold, the way to cure it is to cut off his head. When it comes to specific performances under the program, if there were violent objection, we would have no remedy whatsoever except to abolish the entire provision under which we are operating.

Mr. FULBRIGHT. The provision. The Senator is correct.

Mr. HICKENLOOPER. Such action, which most people would not want to take, would be very drastic.

Mr. FULBRIGHT. It would be drastic, but proper. However, we are not

supposed to be executing the laws. It is most unusual even to consider the amendment we have been considering. Yet Congress is so anxious to get into this act that I do not see any harm in the provision about which we have been talking. I do not think Congress ought to undertake to pass upon every single act. We do not have the staff necessary to exercise intelligent judgment.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I will yield for a question, but not for another speech. I yield myself 2 additional minutes.

Mr. MILLER. I should like to ask the Senator from Arkansas a question. Assuming the interpretation of section 617 is as he has said—which I believe is a reasonable one—how could it be applied in connection with the provision contained in section 614(c), which provides that the President is authorized to use the $50 million but that he does not have to reveal its use if he certifies that it is inadvisable to specify the nature of the use of such funds; in other words, how can Congress act through a concurrent resolution on something it does not know anything about?

Mr. FULBRIGHT. If Congress had any suspicions, it could approve a concurrent resolution repealing section 614(c). That would stop it. Congress could repeal the whole section, and thereby abolish the authority. I believe action could be taken under the authority of section 617.

Mr. MILLER. Does the Senator think it wise to require this extreme type of operation on the part of Congress?

Mr. FULBRIGHT. I do not believe that section 617 is necessary at all. We are supposed to give the power to the Executive, and the executive department is supposed to execute that authority. If they do it erroneously or badly, we can repeal that provision. If the administration does not do it properly it can be criticized, and, if necessary, it can be defeated in the next election. We are not supposed to execute laws. The more we get into that, the more cumbersome the whole operation becomes. I expect to be criticized for even agreeing to the proposal, because to a certain degree it interferes with the Executive functions.

Mr. MILLER. We could avoid the problem if section 614(c) did not have the secrecy provision in it.

Mr. FULBRIGHT. The Senator has the right to move to strike it out. The committee felt it was justifiable. However there is no reason why the Senator could not offer an amendment on Monday to strike out 614(c). If the Senate supports the Senator, it will go out.

Mr. MILLER. The point I wish to make is simply that section 617, it seems to me, is form without substance unless we have that part of section 614(c) taken out.

Mr. FULBRIGHT. The Senator is entitled to his opinion. I do not quarrel with it. He may be right. Probably he is right.

Mr. President, I yield 30 minutes to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, first I express my gratitude to the distinguished Senator from Arkansas for yielding me of his time. I think he knows that I am in favor of the Byrd amendment. I am for something to implement the Byrd amendment. As a result of the colloquy here this afternoon the impression seems to be that an audit-and-oversight provision would be a substitute for the Byrd amendment. I never had any such idea at any time. I believe the Byrd amendment is necessary, and I believe implementing oversight and auditing of the program is necessary, too.

First, I point out that after 13 years of the so-called foreign-aid program, it becomes a "harder sell" than it has been at any other time. It will become an increasingly "harder sell"; and I should not be a bit surprised—and certainly a prophet takes his life in his hands when he prophesies—if with the long-term back-door financing, as we call it, we are preparing to liquidate the program.

Mr. FULBRIGHT. I do not call it that.

Mr. DIRKSEN. Whatever it is called.

Mr. FULBRIGHT. I object to it.

Mr. DIRKSEN. I do not object to what the Senator calls it. I say with that provision we are getting ready to liquidate the foreign-aid program, because there is something far more important involved here than so-called Treasury borrowing, and that something is the American people.

We are dealing here with their money. It does not make any difference whether the Internal Revenue Service extracts it from them on internal revenue payday or whether it is taken by the form of the President issuing notes and the Treasury buying the notes. It comes out of the Treasury, and it belongs to the people. Finally it must be liquidated by the people themselves.

They are conscious right now of what is going on. They do not ask for much. I have never asked for perfection in this program. I know that the human casting can fail and that there can be corruption in this program. I know that waste can enter into it. I know that it does not always reach down. However, when all is said and done, we have our responsibility under the Constitution. There is no other way in which it is possible to get money out of the Treasury except as we make it possible to do so.

What the people want is competence in the program. They want an accounting. They want some feasibility. They want acceptability of projects. They want the money to reach down to the people who are to be helped, and not skimmed off by a thin uppercrust group in any of the countries.

They would like a little audit. They would like a little oversight. They wonder whether their representatives in this Chamber are conserving the resources of the taxpayers.

When I say competence of personnel, for example, I am thinking of many things which have been dredged up by the committee in the House. I have served on this committee in the Senate year in and year out as we have dealt with foreign aid. I remember people not identified with Government who used to come to testify. Mr. Williams Castle, who probably made a modest fortune in documentary films, used to come up there, and I used to answer him. I upheld the ICA during that testimony simply because he had no identity with Government and I did not know how much investigative talent he had. The Porter Hardy committee in the House has performed most creditably in this field, and they have shown something about the incompetence of personnel. One situation showed up only recently in Peru. There was a regional director down there by the name of Roland S. Atwood. A man by the name of John R. Neale was the administrator of the ICA program there. The committee had Atwood before it, and it put the blame on him. It said:

> You should have known what was going on. You should have disciplined Mr. Neale.

What happened to Mr. Atwood? Mr. Atwood landed on the Inter-American Bank under a special section down there to look after some $394 million.

People talk about competence. That is the first thing the people want. They are entitled to have it. We are not going to get it by ladling up $8,800 million so that the President can issues notes and get the money.

We will discover difficulty in getting a look-see. In connection with the Peruvian situation, Representative HARDY served notice on 12 witnesses to come before his committee. What happened? The Secretary of State notified all 12 of them in writing that they should not appear before the committee and testify. That is a matter of record. So the first point I make is that we want some competence.

Does anyone think that we are going to get it after we have delegated away the money by permitting the issuance of notes to be bought by the Treasury and after the obligations have been incurred? No, not in my book. I do not believe that will ever happen.

The second thing is the question of feasibility and acceptability of some of the projects with which we are involved.

Let us take a little look. There was an irrigation project in Peru. The engineers said it would not work. They were asked why. The answer was simple: There was no water. That is the best answer I know. But the director went ahead with the project anyway. One hundred and twenty-four thousand dollars was involved. That is a long way from $10 million; but $124,000 is $124,000 of the people's money. It is not picayunish, in my book, because if it can happen there, it can happen with respect to larger sums.

The report shows that Iran did not have a single project. Yet the director was told to spend $40 million as quickly as he could. Oh, the headaches. The greatest excoriation written about the Iran project was published in the London Times, which referred to the corruption, extravagance, mismanagement, inflation, and destruction of the stability of the country.

Is this what we shall do? Shall we barter away the annual look-see? That is what would happen.

What happened in Korea, for example? A fertilizer plant was built there.

I think it has been in process of construction for a long time; it has not been finished yet. It was estimated to cost $19,500,000. I think we have put $47 million into it up to now. That is what happens when Congress does not get a real look-see.

In the substitute proposal I have offered to provide checking, I provide for a staff in the Committee on Appropriations, competent and of sufficient size to perform the task. That provision is not in the other amendment. That is no substitute for what I have in mind, because when the money is gone, our chance to do anything with it is gone at the same time.

Consider the Vietnam road, which was supposed to be 250 miles long. Finally the authorities settled for 18 miles. Expensive bridges and expensive laterals were built. The overall estimate, to begin with, was $18 million. Now it is said it will take $100 million to build the project. Do Senators want to do that with the people's money? I do not. I want an audit; and I want an audit every year.

I remember my days as a member of the Committee on Appropriations. The distinguished Senator from Maine [Mrs. SMITH] will remember, I am certain, that I quizzed witnesses back and forth. That is the only way to get the story; it is not possible to get it from those who will spend the money. If Senators think I am wrong, let me prove to them that I am right.

In Peru, it was planned to build an irrigation project. There was a road that began nowhere and ended nowhere. This was all revealed before a congressional committee.

The last booklet issued by the ICA is entitled "Aid in Action—How U.S. Aid Lends a Hand Around the World." Does it say anything about the projects in Peru? Oh, no. Let me read what it says about Peru:

> The importance of selected seed, proper fertilizer, and modern cultivation methods in potato growing was shown when a U.S. demonstration plot produced 610 bushels per acre, valued at $677, compared to 118 bushels per acre, valued at $50, by conventional methods.

Where was the comment on the road? Where was the comment on the irrigation project? Where was the comment on the conflict of interest on the part of the man who was running the foreign aid show in Peru? Senators will not find it in the ICA publication. That is what I quarrel about: It is the spenders who come before the committee. I would rather have a staff which has taken a good look-see come and tell Members of Congress when an agency has ostensibly justified its case. Then let the agency people take the same side of the table and be asked, "What have you to say about it?"

It is the people's money with which we are dealing. When it goes out the back door by the issuance of notes, it has gone. We shall have to beg for information. That is why I object to a $10 million cutoff in a proposal to audit this program. The $124,000 which went down the drain in Peru was very important to me. The seven elevators in Haipur, India, without a bushel of grain in them, are probably fancier and have more gimmicks in them than any grain elevator in the United States. They are important to me. It will not be possible to reach activities of that kind with a $10 million cutoff.

So I suggested an alternative proposal with no cutoff. I proposed that before any authorization under this act could be used, the proponents of the program must come before the respective committees and tell where the money was to go, what country would be the recipient, and what the justification was for it.

Where do Senators think I got that language? Bless them all, I did not concoct it out of a hole in my head—not by any means. We had before us a bill relating to the Middle East. Who do Senators think rose on the floor of the Senate and proposed the very language I offered? He submitted it for the approval of the Senate and got approval without a dissenting vote. Was it the minority leader from Illinois, even though $300 million was involved? No; it was the incumbent Vice President of the United States, the then majority leader. If we thought such a provision was pretty good then, I think it is still pretty good. There was no $10 million cutoff, and no $5 million cutoff.

I am willing to accept the former majority leader's language, which the Senate wrote into the Middle Eastern program. That is good enough for me. But that is no substitute for the Byrd amendment. It can be only a supplement to the Byrd amendment. That is why I believe the Byrd amendment is so important.

Does this proposal reach down to the people? I do not know. What did the House investigators says?

They pointed out the preoccupation with building large and costly projects at the expense of the basic economic development—large, monumental, costly projects. That was the course which the foreign aid group pursued. They get delusions of grandeur. I would rather see built a $100,000 sawmill, where people can cut lumber with which to build themselves habitations, than a $5 million powerplant, which, when it breaks down, sits there for people to look at, no one knowing what to do about it.

I sat in Taiwan with a representative of General Electric. I say "General Electric"; it could have been a representative of Westinghouse. He said:

> The trouble with this program is that those who operate the show get delusions of grandeur. They say, "How big can it be? How much money can we spend?" They do not train the people to maintain them. Then, when the plants break down, the people sit there like sheep and look at them.

Mr. President, we had better look at this program first and ascertain whether a particular kind of project is acceptable for the area for which it is proposed.

I suppose I could multiply examples when it comes to reaching down to meet the people. When 20,000 merchants in Vietnam clamor for licenses to enable them to buy imported goods at special rates of exchange, and the United States pays the freight, is that something which reaches down to the people? We are dealing with the people's money.

Let Senators go back home and try to justify such a program. I say that, because I carried the flag for foreign aid on the floor when it was very awkward, as Senators will know.

When I was being written up in the Illinois newspapers, it did not make any difference. I stood my ground. I stand my ground now. However, I believe that now is the time to take counsel, because involved here is $8,800 million in a space of 5 years. It will go out of the U.S. Treasury when Congress authorizes the notes in the bill. It can all be obligated in a single year, if I correctly read the bill. Then try to get it back. How shall we revoke that authority? It must be done by equal dignity—by amending the bill or by concurrent resolution. It must be done by a measure of equal dignity—meaning either a bill or a joint resolution. It must be signed by the President. And if he undertakes to veto it, the veto will have to be rebutted by a two-thirds vote.

Do Senators think that can be done, after we have told him to go ahead for a 5-year period, and not to come back for an annual audit by the Appropriations Committees? I doubt it very much.

This is the time—not later—to be mindful of what is before us. There can be weeping, and it is said that "Weeping endureth for a night." But things might not be so joyful when we return home and face our constituents.

I want to vote for a foreign-aid bill. I always have done so, despite the excoriations I have encountered doing it. But I will not vote for this proposal.

It is said this is only what President Eisenhower wanted. That may be; but I think we should get the record clear and straight. There was a time when President Eisenhower asked for an arrangement like this. But he changed his mind when it finally dawned on him that this was not good procedure. I think I can establish that. He had some reasons for it when, in June 1959, he addressed a letter to the chairman of the Foreign Relations Committee, and in the letter pointed out that there was to be a certain amount of capital for the Export-Import Bank and a certain amount for the International Bank for Reconstruction and Development, and that there was consultation to set up another International Bank. Already at that time we had before us a resolution with respect to the Inter-American Bank. I think the President had a point in that connection. But, at long last, what did he say in that letter? It is to be found in the CONGRESSIONAL RECORD, volume 105, part 10, page 12423. I now read what Dwight D. Eisenhower, then President of the United States, wrote in that letter:

> Accordingly, I do not look with favor upon the provisions of your amendments which authorize the Development Loan Fund to borrow from the Treasury.

In 1957 he entertained a different view. But when all the facts came be-

fore him, there is what he said, in response to the 5-year proposal which, way back at that time, had come before the Senate. Dwight Eisenhower, the President of the United States, said:

> I do not look with favor upon the provisions of your amendment which authorizes the Development Loan Fund to borrow from the Treasury.

Mr. President, I hope that puts at rest the record as to where the President of the United States stood at that time.

In view of all that has been said on this floor about back-door borrowing, I think we ought to have the record straight.

It is said that 20 agencies do this. I concede the fact. But I also concede that they are constantly under scrutiny. One cannot go with a committee to Laos or into Latin America or the Middle East or Africa or elsewhere, to look at these things. One must have a staff, to do that, for one thing, if it is to be done by the Appropriations Committee.

But once the control of the purse is gone, we might just as well forget about all that.

Mr. President, I have heard many statements on the floor of the U.S. Senate about how effectively we can often do these jobs. Mr. President, I speak from long experience. A number of years ago I almost lost my eyesight from poring over little figures day after day and night after night. I know how much one can accomplish, finally, as an individual, and still do all the other work which goes in and out of our offices. We are not going to get a look-see at this program unless it is placed on an annual basis, because they will give us as much information as they may desire—which will not be enough. Of course, we shall have to fight every step of the way.

It is said, "Oh, but we have all kinds of audit controls in other statutes, now. We have the Government Corporations Control Act."

Mr. President, did you ever look at the budget? I used to live with the budget, day after day. Look at the budget for the fiscal year 1962, beginning at page 94. Look at the cryptic figures. The information is all there. There is a column for "1960, actual," and one for "1961, estimate," and one for "1962, estimate." That is what is called a business-type budget. That is what the Government Corporations Control Act calls for. It says, "A business-type budget must be submitted." There it is—all these little cryptic figures look as though a spring chicken had walked across the page.

I defy anyone to make any sense out of those figures unless he has a staff and assistants who have worked early and late to examine the witnesses, who have to be self-serving, as the lawyers say, and put them through a "course of sprouts." That is when we will get the story, but not until then.

But unless we have real annual control through the Appropriations Committees, we shall not get it through the Government Corporations Control Act, for I have been through it. The Development Loan Corporation has been under that act since 1958, and I would like to see anyone come forward and show me that he has gotten any real, first-class examination of what has been going on in the entire field of foreign aid.

This is not a happy thing to have to say. But when it must be said, and when it can be documented, there is no choice.

I had hoped we could be a little selective in this program. For example, certain countries in Latin America could be selected. Must they all be included? Must all the countries in Asia be included? Must all the countries in the Middle East be included? Certainly the Soviet Union does not do that. Where does the Soviet Union send its help? To the United Arab Republic, to Afghanistan—to countries that are close by, and that can be integrated into their security pattern.

But what do we do? Do we exercise selectivity? Oh, no; selectivity has been rejected, as has been stated in the testimony given before various of the congressional committees. Instead, the program is not to be selective. As a result, our assistance is going to 69 countries and 7 territories; and we have 11,000 persons scattered all over the earth, administering this program.

I think I would rather use a rifle than a blunderbuss, so to speak, in order to get something done in this field. But with $8.8 billion, selectivity goes out the window.

We may even bring in Outer Mongolia, although I must say I was genuinely happy this afternoon when, after having made a statement on that subject quite a number of times, the State Department announced that it is not ready at this time to recognize Outer Mongolia. That is out where the winds of the Gobi Desert blow, where one hears the bleating of sheep and neighing of camels—9,000 miles from nowhere. And we want to recognize them. So I am glad that they are not to be recognized; but I am surprised that, somehow, they have not gotten into the program, because it is a pretty diffusive program.

But if we are not going to be selective, how effective, finally, is the program going to be?

It is not for me to make that determination. But it is for me, as a Member of the Senate, to examine the program every year, if I can, instead of depending on what I think are rather frothy safeguards in existing law today. In that way we can do a better job and can find out where the extravagance lies and where the waste is, so we shall be able to eliminate the extravagance and the waste, and so we shall be able to have the program be of help to the humble people who are supposed to be helped.

It was said, with respect to Korea, "We sent $50 million worth of fertilizer there every year." But what happened, Mr. President? Why, Mr. President, deep as is my esteem and high as is my affection for Syngman Rhee, it had to happen, it seems, under his administration: $50 million worth of fertilizer was given to the liberals of Korea because they were of the right party persuasion. What they did not need they sold in the black market for two to six times the value.

Do Senators wonder why we have uproars and eruptions and difficulty in Korea today, and why there has been a swap of three different governments in the past few months? Rhee was voted out. Chang was voted out. A new government went in. Instability runs riot. Could it be otherwise—particularly in a country where the testimony shows there are 300 unfinished ICA projects?

We ought to take a little time to read some of the testimony that has been adduced by hard labor and painstaking work on the part of our colleagues at the other end of the Capitol.

I gather that under the $8.8 billion program there will be an emphasis on social reform. That will be good. I am thinking about Bolivia. Bolivia got an export-import loan in 1942, another one in 1949, and another one in 1955. The amount of the loans was $42 million. I got this information yesterday from the Export-Import Bank. Bolivia got $42 million. She received over $150 million in foreign aid for a country of 3,300,000 people, which is a little less than the size of Chicago. So I thought we were doing pretty well by Bolivia.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. Will the Senator yield me another 10 minutes?

Mr. FULBRIGHT. I have promised nearly all my time. The majority leader wishes to say a few words. I will yield the Senator 5 minutes. I have several other commitments.

Mr. DIRKSEN. I can only say it is regrettable, first, that the time situation is what it is, and that I do not have a couple of hours because I could keep the Senate here, but I know some of our colleagues must get away.

Let me finish the Bolivian story. They are delinquent on the loans and on the interest. What now? They nationalized the Patino tin mines. A certain individual put up $1,750,000 to get the legislature to pass an act to give him a special dispensation to get a divorce. So a deal was made with the Patino mines to receive $4,500,000 for the victims of the expropriation. Where is the money coming from? From us. We are supporting the Bolivian Treasury today. They are in a deficit situation, and have been for a long time. We have to shore them up. Here is an 8-year deal, $750,000 a year, including interest. Who is to pay for the expropriated victims? The cost will come out of this money.

Mr. President, that is why I want to look. I will not be a party to that sort of business. Unless the program is oriented, I will not vote for the bill. It will be the first time in many years that I have not voted for a foreign aid bill.

I am proud of my party. Let us take a look at the votes. I recite these from memory. On the authorization and appropriation acts in 1959, the ratio on this side of the aisle was infinitely better than on the other. On the authorization and appropriation in 1960, it was better on this side than on the other side. So I think we can hold up our heads with a degree of pride and say we stood up and supported the foreign aid bill. But

finally, when we have testimony which makes it a pretty difficult thing to support the program, I will not further ignore that testimony.

Mr. President, I ask unanimous consent to include in the RECORD in connection with my remarks findings and recommendations of the Hardy committee made on Peru, Iran, and on Laos, concerning construction projects. There will be found the story. I ask Senators to take it with them. It will be a good campaign document when people come into a hall to hear them. They can say to them, "This is what happened," and tell them how they justify their vote.

The PRESIDING OFFICER. Is there objection to the request?

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. AID OPERATIONS IN LAOS

CONCLUSIONS

1. Giving Laos more foreign aid than its economy could absorb, hindered rather than helped the accomplishment of the objectives of the mutual security program.

2. Excessive cash grants forced money into the Lao economy at a faster rate than it possibly could be absorbed, causing:

(a) An excessive Lao Government foreign exchange reserve, reaching at one point $40 million, equal to a year's aid.

(b) Inflation, doubling the cost of living from 1953 to 1958.

(c) Profiteering through import licenses and false invoices, which made possible the purchase of U.S. cash grant dollars for 35 kip. Those dollars could be resold in the free market for as much as 110 kip.

3. Much of the overspending is the direct result of a determination to maintain a 25,000 man Lao Army.

Determination of "force objectives" (the level or the number of troops needed for the security contemplated by the mutual security program) has always been considered a military decision for the Joint Chiefs of Staff and the Department of Defense.

In Laos, however, the decision to support a 25,000-man army with U.S. aid funds was made by the Department of State, despite contrary recommendations by the Joint Chiefs of Staff. This was a political decision in a military field. There is no evidence that it was essential to support a 25,000-man army. In fact, significant military opinion has suggested a force of 12,000 to 15,000.

4. A basic difficulty—undermining the success of the aid program in many ways and giving rise to the evils of speculation, profiteering and corruption—was the artificial, unrealistic "official" rate of exchange of 35 kip to the dollar, whereas the free market rate soared as high as 110 to $1. It took the Department of State and ICA 4 years to overcome this difficulty.

5. The concentration of the benefits of the aid program to the area around Vientiane and other centers of population, and the enrichment of, and speculation by, Lao merchants and public officials which attended the aid program, tended to lend credence to the Communist allegation that the Royal Lao Government was "corrupt," and "indifferent" to the needs of the people.

6. Neither the first Director of the U.S. operations mission (USOM), Carter dePaul, nor his successor, Carl B. Robbins, showed any clear awareness of the problems that confronted the program or any expertness in meeting them. The first evaluation group that ICA/Washington sent into Laos (the Sessions group) made a report of which the main thrust was that the Director should be replaced, but this did not occur for 14 months, and then only by transfer tantamount to promotion. Robbins has stated that his mission was to "clean up the mess," but there is little indication that he did so.

7. Edward T. McNamara, public works and industry officer, accepted bribes totaling at least $13,000 from Willis H. Bird and Gerald A. Peabody of the Universal Construction Co., in return for helping them secure lucrative contracts and overlooking deficiencies in their performance.

8. William E. Kirby, area transportation adviser, aided by dePaul's circumvention of ICA regulations, was instrumental in securing the award of a contract, for the supply of ferry barges, to the Hong Kong Transportation Co. Shortly thereafter, he was employed by its affiliate, Pacific Islands Shipbuilding Co. While the contract was being negotiated he was the recipient of $500 from the Hong Kong Transportation Co. which has not been satisfactorily explained.

9. Brig. Gen. Lacey V. Murrow, U.S. Army (retired), head of the engineering firm of Transportation Consultants, Inc., was under retainer to Vinnell Co. at the same time that he was employed by ICA in Laos as an engineering consultant for the purpose of assisting in the selection of construction projects. During this period Vinnell Co. was seeking to obtain contracts with ICA in Laos.

10. (a) General Murrow discussed frankly this employment and retainer situation with the subcommittee. However, A. S. Vinnell, president, and Frank S. McNamara, vice president, of Vinnell Co., misinformed the subcommittee under oath concerning their relationship with Murrow.

(b) After an allegation that a conflict-of-interest situation existed in the Vinnell-Murrow relationship ICA's Office of Personnel Security and Integrity contacted Vinnell Co. by long-distance telephone in California, and also made a single, perfunctory, fruitless inquiry in Bangkok. They received from Vinnell a denial that any contract relationship with Murrow existed for the period in question. Accurate information concerning the relationship might have been secured from Murrow's office, located only a block or two away from ICA headquarters in Washington.

11. Norman McKay, an employee of Transportation Consultants, Inc., acting as consultant to the USOM, was instrumental in securing the award to Universal Construction Co. of a contract to construct a ferry ramp in Laos. Shortly thereafter, he went to work for Universal as project manager.

12(a) Carter dePaul, former USOM director, sold his 1947 Cadillac upon his departure from Laos to Gerald A. Peabody, head of Universal, at an inflated price. Uncontroverted evidence indicates the vehicle was at that time inoperable, and that shortly thereafter it was cut up and the pieces dropped down an abandoned well. In the interim, it had stood rusting in front of Universal's main office, where it was the subject of scornful amusement by Lao and Americans alike.

(b) In order to convert the proceeds of his sale to Peabody (the sales price was in kip), he presented false information to the Embassy as to the original cost of the car to him; of $2,000 claimed, it is doubtful that more than $1,250 can be supported.

(c) Asked to explain the false information he had submitted in his official claim, he presented misleading and conflicting testimony to the subcommittee under oath.

13. ICA/Washington was the recipient of continuing information from reliable sources—including GAO, end-use auditor Haynes Miller, contract management expert Howell, ICA auditor Edward Burns, a team from ICA's Office of Evaluation, and the Sessions group—concerning the major problems plaguing the Lao program, alleged improprieties, and suitable corrective measures. No significant remedial action was taken.

14. In the light of all the evidence available, the conclusion is inescapable that Haynes Miller was "railroaded" out of Laos because he was close to discovering the truth about Universal, its bribes, its virtual monopoly of U.S. aid construction projects in Laos, and its woefully inadequate performance. The prime mover in ousting Miller was USOM Director Carl Robbins, acting on the basis of his confidence in Edward T. McNamara and the USOM controller, Harry Harting. Ambassador Parsons abetted this removal and lent it the color of his name and office.

15. In the light of all the evidence available, including documentation of the Lao Government's request for the continuation of the contract, the conclusion is inescapable that the Howell group was eased out of Laos because they were insisting that the U.S. aid program be subjected to proper controls. Under proper controls, improper activities would have become much more difficult.

16. As an instance of the lack of executive ability and informed alertness of USOM Director Carl Robbins, special note should be taken that, when asked to name a deputy, he made two nominations: Edward T. McNamara and William E. Kirby.

17. A costly aid project for training, equipping, and advising the national police force of Laos, so as to provide internal security and simple law and order, has been operating for more than 3 years. Although ICA sought to convince the subcommittee otherwise, there is no evidence to contradict numerous official reports from Laos that the project's objective is not near attainment. It is fortunate that by nature the Lao seem to be a peaceable people, not inclined to criminal behavior.

18. ICA/Washington took more than 18 months to negotiate a final signed contract for highway engineering services (with Vinnell). There was a period of 4 months of total inaction by ICA's Area Operations Division. As a result:

(a) Control of the road program passed from ICA/Washington to USOM/Laos.

(b) Officials of the USOM assisted and encouraged the development by the Universal Construction Co. of a virtual monopoly of U.S.-financed construction projects in Laos.

(c) Universal through the bribery of McNamara and the failure of other USOM/Lao officials to perform properly, was able to secure payments totaling over $1.6 million for performance that was inadequate and did little to enhance the economy of Laos or the prestige of the United States.

19. USOM Director Carter dePaul violated ICA contract regulations in several important respects, particularly in relation to the Universal contracts. His actions included—

(a) Writing two contracts for a single job in order to evade the rule that a USOM Director cannot write a contract for more than $25,000 without ICA/Washington approval.

(b) Writing contracts with inadequate specifications; one contract included a provision that the contractor (Universal) was not required to complete any work under the contract.

(c) On at least one occasion completely reversing the usual order of procedure: the work was started first; the contract came next; later (with the contract already signed) invitations to bid were issued; and finally ICA/Washington authorization (which should have preceded all other steps) was obtained.

20. ICA/Washington and, in particular, its Office of Personnel Security and Integrity, have failed to investigate promptly and diligently charges of improprieties brought to their attention, even charges made by ICA's own personnel.

21. Lao army pay raises in 1955 and 1959 have added $3.8 million annually to the cost of the U.S. aid program in Laos.

U.S. Aid Operations in Iran

CONCLUSIONS

1. U.S. aid and technical-assistance programs in Iran which, between 1951 and 1956, totaled a quarter billion dollars, were administered in a loose, slipshod, and unbusinesslike manner.

2. The so-called expanded technical-assistance program which began in January 1952 and resulted in U.S. obligations of over $100 million in a 5-year period, was neither technical assistance nor economic development, but an ad hoc method of keeping the Iranian economy afloat during the years of the oil dispute.

3. The expenditure of technical-assistance funds during these years was undertaken without regard to such basic requirements of prudent management as adequate controls and procedures, with the inevitable consequences that it is now impossible—with any accuracy—to tell what became of these funds. The resulting opportunities for waste and loss of funds were considerable, but the extent to which loss and waste actually occurred cannot be determined since management practices and control procedures were so poor that records of the operation, especially in the early years, are not reliable.

4. Amounts requested for U.S. aid to Iran seem to have been picked out of the air. There is no evidence that they were based on advance study of what the Iranian economy needed, the amount it could absorb, or programs which could be intelligently administered by the U.S. personnel available at the time to expend the funds.

5. The conduct of the U.S. operations mission's affairs appears to have been based on the assumption that as long as U.S. aid funds were spent promptly it was not a matter of great consequence as to what they were spent for. Members of the mission who openly objected to the uncontrolled nature of the operation were either disciplined or labeled as incompetent. To those familiar with the involved and time-consuming processes for financing public works in the United States, in whole or in part with Federal funds, the cavalier, freewheeling casual fashion in which huge sums of U.S. funds were committed in Iran must necessarily be shocking.

6. The participation of Iran in sharing the expense of the program appears to have been little more than nominal, and it is clear that, from the Iranian standpoint, the program's virtue was that it supplied a source of foreign exchange. It was not U.S. know-how but U.S. dollars which was Iran's chief gain.

7. Under the expanded operations begun in 1952, about $10 million in direct aid was furnished for a series of industrial, or capital improvement projects. Under statutory criteria the eligibility of the projects is questionable. U.S. officials sought to justify these expenditures on the grounds that the various plants involved were not only badly needed for the economy of the country but would supply excellent demonstrations of the feasibility of such undertakings. However, the more important of these enterprises still are not fully operating after 4 years, due to poor planning and faulty engineering. Thus their value in terms of economic development has been almost nil, and as demonstrations they appear chiefly to be monuments to a fumbling aid program.

8. A major effort on the part of the U.S. mission in 1953 to promote the construction of a multi-million-dollar dam on the Karadj River has resulted in virtually nothing but the relocation, at a cost to the U.S Government of nearly $3 million of a road around the proposed site while not only has there been no construction started on the dam, the Iranian Government has not even concluded a firm contract for its financing.

9. Among the programs undertaken was one of supplying nearly $5 million over a 4-year period to support Iranian students who were completing their college training abroad. Involved in the program was a $2 million subsidy, through a special exchange rate for dollars, to the well-to-do sponsors and parents of these students. The nature and scope of the program were not revealed to the Congress and the Comptroller General has ruled that the expenditure of technical assistance funds for this purpose was unauthorized.

10. On top of annual grants of about $20 million for technical assistance, the United States began, in 1953, to supply supposedly temporary budgetary assistance to the Iranian Government at a rate of $5 million a month. In spite of the alleged temporary nature of this increased aid, the United States has continued to make budget aid grants and loans at about this same rate for 3 years.

11. U.S. control over what Iran did with this budget aid was practically nonexistent and the subcommittee notes that Iranian budget deficits increased rather than decreased during this period.

12. U.S. aid, alleged to be granted on the basis of austerity levels of Iranian Government expenditures, was utilitzed to pay for many extraordinary items, like the payroll of the National Iranian Oil Co. The fact that these items had not previously been considered appropriate charges against the Government budget casts doubt upon the propriety of treating them as budget items to be supported with U.S. aid dollars.

13. Whatever Iranian efforts may have been made to solve their own difficulties through appropriate reforms in Government spending and tax collection, their successes in this regard do not appear to have been noteworthy during the period when U.S. aid was financing Iranian budget deficits.

14. Iran's oil revenues are, and have been for some time, adequate to finance both the Government's operating budget and their ambitious development plan. Thus, their chronic budget deficits appear to be an outgrowth of financial management methods rather than lack of resources.

15. A factor in continued U.S. aid appears to be an aversion on the part of Iran to receive help in the form of U.S. loans, even though such loans are feasible and Iran is in a good position to repay them.

16. Each year's allotment to Iran has been justified as a temporary measure for a given set of reasons which have changed each year while the level of aid has remained about the same throughout. Presentations to the authorizing and appropriating committees of the Congress have been vague and misleading. This may be due, in part, to the paucity of factual information available to those testifying before the committees of Congress. It may also be due to awareness that a clearer picture would have led Congress to reduce the program by eliminating items of expenditure which could not be reasonably justified.

17. Program presentations to the Congress have consistently failed to point out that Iran was and is an essentially solvent country.

18. The use of the so-called illustrative method of presenting budget requests to the Congress is a major factor in the almost complete loss of control by the Congress over spending in this type of program. Under this system the Congress is given a description of a hypothetical program which might be carried out if requested funds are furnished. However, when funds are granted by the Congress, there is no commitment by the executive branch to expend them for any of the activities used as hypothetical illustrations.

19. Congressional control over expenditures in this type of program is further defeated by the fact that information supplied Congress on how funds granted on the illustrative basis were actually spent consistently omits the elementary facts needed for an intelligent postaudit.

RECOMMENDATIONS

The subcommittee recommends—

1. That the Congress give concentrated attention to the entire problem of foreign aid with a view to determining the extent to which it has departed from its economic role and has become a vehicle for dealing with diplomatic problems simply by writing out annual checks drawn on the U.S. taxpayer.

2. That the Congress require the Department of State and the International Cooperation Administration to take whatever measures are necessary to reverse the present pattern of deciding on dollar commitments first and actual programs and projects later. Requests for aid and technical assistance funds should be more closely scrutinized before they are authorized and appropriated. To this end the Congress should require the executive agencies to make their requests and their supporting presentations earlier in the session to avoid dealing hastily with these programs in the hectic days at the end of a session. The congressional committees should require detailed factual information in justification of sums requested and should abolish the practice of presenting "illustrative programs."

3. That the Department of State and the International Cooperation Administration obligate aid funds to specific programs only when definite provision has been made for the timely availability in the field of sufficient competent personnel, both technical and administrative, to assure proper and efficient conduct of these programs.

4. That the Congress require detailed and meaningful reports of how local currency generated by the U.S. financed imports was actually expended within the recipient country. Reports which show merely what commodities were bought in the United States tell only half the story. Such reports should be required in sufficiently clear terms to allow congressional judgment to be exercised on the efficiency and economy of such expenditures.

5. That the Congress require unequivocal and frank reports from the Department of State and the International Cooperation Administration on the extent to which aid-receiving countries can and do help themselves. U.S. funds should not be used to finance projects which foreign governments are able to finance themselves. Where the program can be handled as a loan it should not be given as an outright grant. Grants should be pared to the minimum with the maximum portion of the program financed by the country receiving the benefit.

6. That the General Accounting Office establish and require the use of accounting systems by the International Cooperation Administration which will insure accurate end-use accounting for the expenditure of foreign economic aid funds. The General Accounting Office should also expand and strengthen its audits of economic aid expenditures to assure timely, accurate, and fully detailed reports to the Congress.

7. That the Department of State and the International Cooperation Administration identify the individuals responsible for the waste and lax administration described in this report and take prompt action to insure that they shall no longer occupy positions of trust and authority in the expenditure of U.S. aid funds.

U.S. Aid Operations in Peru

CONCLUSIONS

1. General

The principal deficiencies in the U.S. aid program in Peru, during the period 1955–58, stem from the combination of an entrenched USOM Director who did not measure up to his responsibilities, and the failure of

ICA/W to exercise supervision and control over his activities.

2. Drought relief

There is no competent evidence in the form of end-use checks, audits, or other documentary proof to support the claim of the Department of State and ICA, that a $14 million drought relief program achieved the objectives which would normally be expected of a program of this nature.

As a result of poor advance planning and inadequate U.S. supervision, much of the food that was brought in remained undistributed at the end of the drought.

(a) The USOM Director divested himself of responsibility for this program by turning over its administration almost entirely to the Peruvian Government, without the knowledge of ICA/W, and in the face of a warning by the then U.S. Ambassador (Ellis O. Briggs) that the local government lacked the experience and facilities to cope with a program of such magnitude.[1]

(b) Although Department of State and ICA files indicate that the primary purpose of this program was the feeding of hungry people it cannot be determined how much of the food provided actually reached drought victims. Less than 6 percent of the food was distributed free in the drought area (almost as much was lost or damaged from various causes).

(c) The food supplied was practically all grain, and at least one-third of this was sold to millers and distributed through normal commercial channels. Whether any of this reached drought victims cannot be determined from the testimony of State and ICA witnesses or from any documents they submitted.

(d) Almost 25 percent of the food provided remained undistributed at the time the drought was officially declared over by the Government of Peru; almost one-half of this amount still remained in the warehouses a year later.

(e) Although the United States and Peru had agreed that Peru was to bear the administrative expenses of the drought program, Director Neale, without the knowledge of ICA/W, advised the Peruvian Government to charge such expenses as though they were work relief project operating expenses. This unauthorized action precluded the United States from recovering the funds involved and substantially reduced the funds available for the key work relief feature of the drought program.

(f) Although USOM Director John R. Neale had received instructions to obtain ICA/W approval of projects proposed by the Government of Peru to be financed with the sales proceeds, he failed to do so.

(g) Sales of grain generated the local currency equivalent of $3,600,000. Such sales were authorized by the agreement between the United States and Peru, providing that such funds were to be used to pay the wages of drought victims employed on work relief projects. However, as a result of Neale's failure to carry out his duties as USOM Director, at least 60 percent of the sales proceeds were used improperly, that is, contrary to the uses contemplated when this program was inaugurated. The lack of adequate USOM and ICA/W records makes it impossible to determine what portion of the balance may also have been improperly used. An instance of improper use was the unapproved construction of eight houses at Puno and their sale, below cost and on an installment basis, to prominent persons in the town.

3. Road project

(a) Although funds for this construction were obligated with excessive haste, a period of over a year intervened between obligation and construction. This period could have been used to select a terminus suitable for the purpose intended and to plan a proper route.

(b) In fact, such planning did not occur, and the route had to be changed after the commencement of construction. Washington was not advised of this change until this fact was uncovered by an ICA/W auditor.

(c) The road finally constructed under this loan ended in the middle of nowhere—"on the side of a mountain"—at a point about halfway along the projected route, where the project ran out of funds.

4. Pampas de Noco

A $125,000 irrigation project built at Pampas de Noco does not irrigate.

(a) The significance of this particular failure lies in the stubbornness with which USOM Director Neale continued the project even after he had received competent technical advice that the project was not feasible.

(b) The reason the project was not feasible seems incredible, in any properly planned irrigation project—it was simply that there was not enough water available in the area to make use of the projected irrigation works.

5. Conflict of interest

USOM Director John R. Neale entered into a conflict-of-interest situation for personal profit when he organized and invested in the corporation, Negociacion Bazo Velarde, S.A., for the purpose of operating a farm which was receiving aid under the U.S. program. He failed to inform his superiors of his participation in this operation.

(a) Neale testified contrary to the facts in his appearance before an ICA hearing board.

(b) ICA/W had information which should have compelled the pursuit of an inquiry into possible conflict of interest on the part of Neale for some 4 years before effective action was finally taken.

(c) Even at Neale's administrative hearing, where the record clearly demonstrated that Neale was in fact in conflict of interest, both Regional Director Atwood and Ambassador Achilles persisted in impressing upon the board their beliefs that Neale was simply a victim of spite on the part of complainants.

(d) The hearing board which considered Neale's conflict of interest and recommended his separation apparently did not pursue the matter beyond the point required for this minimal decision. The investigator upon whose findings the hearing was based was not called by the board.

(e) The only witnesses heard by the board, other than Neale, were Atwood and Achilles, who testified as character witnesses for Neale. Although neither appeared to have any knowledge of the actual facts, each rendered a strong endorsement; in their positions they should have known the facts, or, at least, have informed themselves before voicing opinions.

(f) ICA/W investigative personnel, Thomas E. Naughten, Michael Ambrose, Robert L. Shortley, and Charles A. Gannon, all demonstrated a peculiar disinterest in determining the validity of charges made concerning Neale's conflict of interest. This performance, inconsistent with what appears to be adequate investigative experience in the backgrounds of these men, points to a conclusion that ICA did not require, nor did they employ their best talents.

6. Internal audits

A lack of adequate internal audit facilities contributed to the difficulties experienced with the program in Peru, since the USOM was frequently unaware of developing difficulties for substantial periods.

(a) The failure of the USOM to submit, or ICA/W to request, the submission of such internal audit reports as were made indicates a high degree of laxity at managerial levels both in Washington and in the field.

(b) There were no end-use checks made of the drought program.

(c) ICA/W, on the basis of information from various sources, could have taken action to correct this situation. The special audits issued in March 1960, however, did not come about as a result of routine administrative control procedures, but because ICA/W became aware of congressional interest in the charges leveled against the program by former USOM Deputy Director Samuel Coon.

(d) Even subsequent to the special audits, the USOM resisted for over a year the recommendation of an ICA/W auditor that a full-time American auditor be assigned to USOM/Peru.

Poor supervision

Rollin S. Atwood, Regional Director, Office of Latin American Operations, ICA/W, did not properly perform his functions as the official primarily responsible for the effective operation of the U.S. aid program in Peru.

(a) He had adequate basis for questioning the quality of the administration of the aid program in Peru, but failed to take corrective action.

(b) He had ample indications that Neale was involved in a conflict-of-interest situation but failed to pursue inquiries that could have established the facts.

(c) His conduct in office and his testimony before the subcommittee were characterized by a defensive rejection of all suggestions that Neale's performance might in any manner fall short of acceptable standards.

Unawareness of Ambassador

Ambassador Theodore C. Achilles, in his appearances before the subcommittee, demonstrated important gaps in his knowledge of the activities of his subordinates during the period when he served as Ambassador to Peru.

Investigative shortcomings

The Office of the Inspector General and Comptroller and its predecessor, the Office of Personnel Security and Integrity, ignored serious charges and delayed action in cases where prompt and adequate investigation might have proved embarrassing to ICA, the USOM, or to Neale.

(a) The act of former P.S. & I. Director Thomas E. Naughten[2] (in which there was participation by Charles A. Gannon and Robert L. Shortley) in changing the name of a file, and the focus of investigation, from Neale to that of a complainant, Dr. Raymond Gibson, demonstrates an unfortunate bias and tendency toward prejudgment.

(b) USOM/Peru Deputy Director Coon tried for over a year to get action from responsible ICA officials on his charges of Neale's maladministration in Peru, only to get rebuffs from ICA Director Smith and Regional Director Atwood. It was not until it became known that he was to appear before a congressional committee that P.S. & I. was finally directed to investigate Coon's charges.

---

[1] The food for relief programs of this nature in any country is provided by the U.S. Government under Federal statutes. The U.S. operations mission should provide such guidance as is needed by officials of the host country to assure distribution and utilization of the food in a manner best suited to achieve the purposes for which the program was established. In this connection, the jurisdictional concern of the subcommittee is solely the performance of U.S. personnel, and we neither seek nor evaluate information regarding the performance of any foreign official. In the instant case, we have not deviated from this practice; none of the criticisms in this report should be construed as relating in any manner to the conduct of the Peruvian Government or any of its officials.

[2] Present USOM director in Thailand.

(c) After failing for over a year and a half to make any substantial inquiry into charges that a USOM employee had improperly profited from the sale of some $42,000 in surplus grain sacks, OIGC finally reopened the case, 1 day after this subcommittee had expressed an interest in the matter.

RECOMMENDATIONS

It is recommended:

1. That administrative action be initiated to prevent USOM directors and other key oversea personnel from becoming entrenched, as Neale did when director in Peru. Consideration should be given to developing, publishing, and adhering to a rotation policy limiting the tours of duty of such personnel.

2. That before proceeding with any project, USOM directors be required to submit to Washington evidence of its technical and economic soundness, since roads that lead nowhere and irrigation projects that do not irrigate have a reverse impact on U.S. policy objectives, and add little or nothing to the economy of the recipient country.

3. That policies and procedures for the administration of surplus agricultural commodity programs, such as the drought relief program in Peru, be developed, published, and adhered to, including clear provisions relating to distribution, accounting, and accountability.

4. That investigative and audit functions concerned with the aid program be improved, either through administrative action or legislative requirement, to guarantee the independence of such functions from interference by administrative officials. In this connection consideration should be given to—

(a) Making the investigative and audit division chiefs directly responsible to the most senior aid officials and to no other administrative officials;

(b) Giving individual auditors and investigators the right and requirement to report immediately in writing to their division chiefs any action or communication from any administrative official tending to obstruct or restrict the investigation or audit;

(c) Requiring the division chiefs to forward such reports to the most senior aid official without delay;

(d) Requiring division chiefs to report to the senior aid official, on a periodic basis, a record of the closing or other disposition of audits and investigative cases (other than routine security clearances) together with detailed reasons for the closing or suspending of unresolved cases.

5. That the usefulness of internal mission audits and end-use audits be increased by requiring copies of them to be forwarded to the most senior aid officials, simultaneously with their submissions to mission directors.

FINDINGS AND CONCLUSIONS

1. Executive branch representations have been made to the Congress to the effect that—

(a) No advance annual allocations of DLF funds are made;

(b) No commitments of DLF funds are made prior to approval by DLF of specific projects; and

(c) DLF funds are not used to meet short-term or emergency political needs.

2. These inaccurate representations, even if inadvertently inaccurate, have had the effect of veiling the manner in which DLF funds have actually been used.

3. Dominance of the DLF by the Department of State has interfered with the independent action, in evaluating and accepting loan proposals, which this new agency was expected to exercise.

4. In many cases, DLF has not followed the congressional intent that order be brought into our efforts to assist the economic development of less-developed nations, and has failed to bring to that phase of the U.S. foreign aid program the businesslike approach which it was designed to foster.

5. DLF was established as a separate agency in order to emphasize the distinction between its purposes and those of other portions of the mutual security program concerned primarily with the promotion of foreign policy or foreign trade. The distinctiveness of the DLF has been lost through recent policy changes, and true independence for the DLF is not possible while the Under Secretary of State chairs the DLF Board. Maintaining DLF as a separate agency costs the American taxpayer currently about $2 million a year; it is difficult to justify such an expenditure merely to preserve a facade.

6. Although the statute creating DLF does not spell out with precision all of the limitations on DLF financing, it is clear from the legislative history that the DLF is to be used only for projects and programs. The specific project is the cornerstone of proper DLF activity.

(A project, in the sense in which that term has heretofore been understood in connection with the foreign aid program, refers to a specific identifiable proposal, such as the construction of a dam, of a highway, or of grain storage facilities, the eradication of disease, or the provision of specialized training; and a program is a series of specific identifiable and related projects.)

7. Concerned about the commitment of funds in the absence of specific, planned projects, the Congress last year made applicable to the Development Loan Fund section 517 of the Mutual Security Act, which precludes the obligating of funds until a project has been submitted to careful screening to determine its technical and economic feasibility. However, DLF has interpreted "obligating" in a strict, technical sense and maintains that this statutory prohibition does not preclude what is variously known as the earmarking, reserving, committing, or allocating of funds.

8. Earmarking (or its synonyms) refers to a practice of setting aside funds for a particular government, subject to the later approval by DLF of projects or programs. Because of the anticipation thus set up in the recipient government, earmarking has led in a number of instances to the approval of loans for purposes that cannot possibly be construed as "projects" in the sense in which that term is defined above.

9. Earmarking places DLF under extremely strong pressure to approve something as rapidly as possible, whether the subject of approval be properly planned or not. Once the recipient governments have been promised aid in a certain amount they have been known to take the view that DLF is merely being bureaucratic if it scrutinizes too closely the use to which that aid is to be put. The following examples indicate some of the evils that have resulted:

(a) Approximately 25 percent of all moneys available to the DLF in fiscal years 1958 and 1959 went to India—$195 million, of which $175 million was in the form of two earmarks. Not one dollar of this money was restricted to use in any identifiable, planned project. Instead, it constituted simply a "line of credit" to India, which the Government of India used, for the most part, to pay for orders already placed before the loan had been approved. Retroactive approval of orders already placed is essentially of the same character as the retirement of debt, which is prohibited by section 516 of the Mutual Security Act.

(b) Largely as a result of DLF's permitting this retroactive approval of orders already placed, there was widespread avoidance of the statutory small business and 50–50 shipping provisions, and documentation for expenditures was accepted which was not up to the standards generally required.

(c) A $37.5 million earmark to Turkey led to a situation in which the DLF found it virtually impossible to deal with the Government of Turkey on a businesslike basis concerning particular projects because of that Government's belief, apparent from the official record, that the promise of the Secretary of State had already bound DLF, and that the insistence upon project information was a purely formal requirement.

(d) A $40 million earmark to Iran placed the DLF Board in the position, as documented in its own minutes, of trying to evaluate Iranian-proposed projects in terms of whether they "fitted" the earmark, rather than whether they benefited the Iranian economy.

(e) A $50 million earmark to the Republic of the Philippines, promising "soft" DLF loans, interfered with negotiations by the Export-Import Bank to accomplish similar purposes through "hard" (dollar-repayable) loans.

10. In addition to the problems generated by earmarking, the DLF has demonstrated other administrative shortcomings and policy deviations. The provision of DLF funds for the payment of local costs, for example, is contrary to the expressed policy of DLF. The policy, however, was violated in the very first loan agreement signed by the DLF—a highway loan to Honduras in the amount of $5 million.

11. In the case of Honduras, the DLF also violated a precept of commonsense, garnered from the history of over a decade of the operation of the U.S. foreign aid programs, that the procurement authorization procedure, under which dollar-purchased goods are imported to the recipient country and there sold, is a preferable way to generate local currency when the same is required. In Honduras the loan agreement provides for the direct purchase of $5 million equivalent of local currency from the Honduras national bank. It was precisely this procedure which, in Laos (as reported last year by this committee), led to currency manipulation, inflation, and increased costs for the aid program.

12. In Israel, a loan of $15 million for simple commodity imports (not projects) was sought to be justified on the basis that the local currency proceeds would be used on various projects. The Bureau of the Budget objected to this, pointing out that the U.S. Treasury holds ample quantities of Israeli pounds, if these were needed. Israel's original request, however, was for dollars, and not for pounds. In order to meet this request, the loan was finally approved in April 1958, without reference to any project, but merely with the restriction that the Israelis must "come up with" a list of imports acceptable to DLF. The Israelis are still in the process of doing so.

13. In the foregoing and other instances, pressure for rapid disbursement is continually exerted upon DLF by the Department of State. This has seriously interfered with businesslike administration. In the case of Iran, for example, the Department of State pressed for disbursement within a single year of the entire $40 million, despite repeated assurances to the Congress by executive branch officials that the DLF was not bound by the much-criticized "annual level of aid" concept.

14. In summary, the practice of earmarking, and other departures by the DLF from stated and understood policy, have resulted in substituting for the primary purpose for which DLF was established—orderly economic development—the State Department's dollar-studded concept of international diplomatic negotiation.

PRINCIPAL RECOMMENDATIONS

1. That the Development Loan Fund carefully reappraise its lending policies and operations in order to insure that it fulfills its primary purpose of instilling order into

our efforts to assist in the economic development of the less-developed nations, that its functions truly supplement those of other lending agencies, and that its resources are used only for specific projects and programs, properly evaluated in advance.

2. That the Department of State limit its activities to foreign policy guidance and not intrude excessively into the operations of the Development Loan Fund, and that it not impress its politically motivated commitments upon the Fund, but permit the Fund that independence of operation necessary to carry out the mission assigned to it by the Congress.

3. That the Congress consider appropriate legislation to put an end to the practice of "earmarking," under whatever name.

4. Unless the DLF adopts policies and procedures to correct the deficiencies outlined in this report, it is recommended that the Committee on Foreign Affairs consider reporting legislation to require such corrections, or to abolish the Development Loan Fund and transfer its functions to other agencies which have the capability to perform them.

FOREIGN AID CONSTRUCTION PROJECT

FINDINGS AND CONCLUSIONS

The administration of major construction projects in the foreign aid program, by the International Cooperation Administration, has been inadequate, indifferent, and incompetent.

Deficiencies include—

1. Inadequate advance planning.

2. Defective standards and procedures for the award and administration of contracts.

3. Indifference to "conflicts of interest."

4. Incompetent supervision of the procurement of construction equipment.

5. Poor coordination between field missions and Washington and among divisions in Washington having responsibility with respect to construction projects.

6. Excessive reliance on political urgency to excuse deviations from sound procedures.

As a consequence, achievement of the objectives of the foreign aid program has been impeded, the cost to U.S. taxpayers has been increased, and the dignity and prestige of the U.S. Government abroad have suffered.

1. Inadequate advance planning

(a) A complete lack of sound planning, coupled with inefficient and inept procedures, has characterized the foreign aid projects carried out under construction contracts.

(b) The cost of major projects commonly exceeds original estimates to such an extent as to render such estimates of doubtful value.

(c) The inaccuracy of original estimates generally stems from a lack of sufficient planning and forethought.

(d) Lack of planning, generally explained by ICA as intended to speed projects, frequently results in extensive delays and extended completion dates, thus defeating the original purpose.

(e) Engineering and construction contracts, in the case of capital projects, are frequently let concurrently, or so close together that there is no opportunity for engineering appraisal of design, scope, and costs to precede evaluation of the construction bids.

2. Defective standards and procedures for the award and administration of contracts

(a) ICA has let nearly a billion dollars in contracts without clearly formulated standards for their award and administration.

(b) The almost exclusive use of the CPFF (cost-plus-a-fixed-fee) method of contracting by ICA is a departure from the normal Government procurement practice of soliciting lump-sum bids in construction contracts.

(c) The excessive use of the CPFF contract appears in large part attributable to the absence of preliminary plans and estimates sufficient to provide a basis for lump-sum bids by construction contractors.

(d) Present third-party contract procedures, under which ICA operates as an "agent" of the host country, are cumbersome and frequently result in costly delays.

(e) The present methods by which ICA determines which contractors will be invited to submit proposals or bids are random and haphazard in the extreme, lacking in essential fairness and equity.

(f) The bases for awarding ICA contracts are lacking in clarity and standardization. Different offices in the agency employ different, and variable criteria.

(g) Contract documents are insufficiently standardized, particularly as they relate to benefits for personnel of the contractors.

(h) ICA mission engineers exercise only a peripheral role. There is virtually no supervision by ICA of either the engineering or construction contractors. The natural community of interest between these contractors is ignored, which opens the door to possible collusion.

3. Indifference to conflicts of interest

(a) ICA Manual Order 460.3, designed to prevent conflicts of interest which might arise out of employment of ICA personnel by firms doing business with ICA, has been interpreted and applied by that agency in a manner which renders it ineffective as a safeguard of the Government's interest in the integrity of its employees.

(b) Except to provide information requested by this subcommittee, ICA has made no investigation of the following situations:

1. The former USOM/Thailand Chief of Public Works and the highway engineer acted with questionable propriety in discussing their prospective employment with the engineering contractor for the Thailand Northeast Highway while still engaged in supervising for ICA that contractor's performance.

2. The president and the project manager of the engineering firm for the Thailand Northeast Highway acted improperly in discussing future employment by their firm with USOM/Thailand personnel engaged in supervising the performance of their contract.

3. The engineering firm for the Thailand Northeast Highway knowingly accepted from USOM/Thailand personnel numerous official documents they had no right to receive. USOM/Thailand personnel acted improperly in delivering these documents and in passing on to the engineering firm official ICA information and inside tips.

(c) The USOM director in Thailand, in official correspondence with ICA/W, raised a question as to whether the employment of the former ICA public works officer in Laos by an engineering firm seeking to do business with ICA constitutes a possible conflict-of-interest case. ICA made no investigation of this matter until prompted to do so by the subcommittee.

(d) A member of the Office of Industrial Resources of ICA/W, which passes on the relative merits of engineers and other potential contractors, submitted a résumé of his experience to the principal officer of an engineering firm seeking to do business with ICA in the expectation that this would help him to obtain non-Government employment.

4. Incompetent supervision of the procurement of construction equipment

(a) ICA permitted the construction contractor on the Cambodian road to purchase about $1 million of used equipment from himself. Approval of this unusual procedure was based on the contractor's assertions that similar new equipment was not available. As ICA could have determined by prudent checking, this was not the case.

(b) Having approved such a procedure, with its considerable possibilities for dealings disadvantageous to the Government, ICA failed to exercise even normal prudence in policing the transaction, when in fact, commonsense called for extraordinary vigilance. As a result, the following matters occurred, all contrary to the Government's interest:

1. The engineering firm for the Cambodian highway project conducted a most cursory and superficial "inspection" of the used equipment. Its report to ICA—that the equipment was in good condition—relied upon the construction contractor's (seller's) oral representations. In fact, within a few months of arrival in Cambodia, 14 of the 40 pieces of used equipment were in the shops for complete rebuild.

2. The construction contractor for the Cambodian highway project sold his used equipment to ICA at a price substantially higher than that at which he had been offering it—unsuccessfully—on the world market for 6 months previously.

3. The construction contractor for the Cambodian highway project ignored ICA requirements to report commissions on the sale of his used equipment. Moreover, the persons to whom these commissions were paid had rendered no service to the Government.

4. Immediately prior to the sale of his used equipment, the construction contractor for the Cambodian highway transferred it through wholly owned corporate structures, including a newly formed Liberian corporation. As a result of this, neither he nor his corporations have paid any Federal or State income taxes on a profit which appears from his books to have approximated $500,000.

5. Poor coordination between field missions and Washington, and among divisions in Washington having responsibility with respect to construction projects

(a) Offices within ICA/W, sharing responsibility for major construction projects, are seldom fully cognizant of one another's actions.

(b) Field missions are not fully and promptly apprised of ICA/W actions, and vice versa. As a result, conflicting policy lines may be pursued for considerable periods. Field missions have also had abundant occasion to complain of slowness in arriving at decisions by ICA/W.

(c) Delay in reaching decisions seems closely related to the diffusion of responsibility which exists within ICA/W, typified by the extensive reliance upon committees for decisions.

(d) As a result of diffusion of responsibility:

1. It is seldom possible to attribute an error to any particular person(s).

2. Records are scattered throughout numerous offices.

3. Coordination of effort is frequently lacking since it is no one's particular responsibility.

6. Excessive reliance on political urgency to excuse deviations from sound procedures

(a) The alleged justification for initiating projects without adequate prior planning is almost always political urgency.

(b) The alleged justification for almost any deviation from sound procedure is political urgency, as this subcommittee and the General Accounting Office have learned on numerous occasions.

(c) The ICA Deputy Director for Technical Services and his deputy exceeded their authority and acted with impropriety when they invaded the province of the Department of State and invited the Director of USOM/Thailand to develop a political basis for justifying the award of a contract to an engineering firm of the mission director's choice, whose proposal had been eliminated in the normal contractual process on the basis of high fees and overall costs.

RECOMMENDATIONS

It is recommended:

1. That ICA undertake a major review of its policies and procedures for the award and administration of contracts to achieve the following objectives:

(a) Equitable consideration of eligible contractors.

(b) Clear, commonly accepted standards for selecting a contractor.

(c) Minimum use of the cost-plus-a-fixed-fee contract.

(d) Increased standardization of recurrent contractual language.

(e) Modification of present third-party contract procedures to minimize delays and uncertainties.

2. That ICA review its methods of procuring construction machinery for capital projects, in order to:

(a) Employ the more economical Government procurement facilities to the maximum possible extent.

(b) Apply strict supervisory safeguards, whenever Government procurement facilities are not utilized.

(c) Exercise extraordinary care in protecting the Government's interest, where the purchase of used equipment is authorized.

(d) Establish and enforce, in the field, a sound policy of equipment inspection, maintenance, and utilization.

3. That ICA refrain from proceeding with projects on its own initiative in the absence of sound, detailed advance planning. In those occasional instances where, at the express direction of the Department of State, it may be necessary to commence action on a project before planning is complete, ICA should strive to get the project back on a businesslike basis at the earliest possible moment after its inception, against the possibilities that:

(a) The scope of the project will be entirely changed from its original concept;

(b) The cost of the project will far exceed initial rough estimates;

(c) The completion time will greatly outdistance initial rough estimates; and

(d) The strong probability that as a result of one or more of the foregoing eventualities, the project undertaken on an urgent basis will actually be completed less expeditiously than if reasonable planning had preceded it.

4. That the Department of State reexamine all ICA projects or nonproject activities alleged to be based on political urgency, or other policy grounds, in order to determine that in fact the political determinations involved represent the considered views of that Department and not a usurpation by ICA. Such a reexamination should consider not only instances in which ICA may have been responsible for a unilateral policy decision, but also those in which ICA personnel may have been responsible for generating political support within the host government.

5. That ICA make certain that periodic audits are conducted in the field, by competent engineering personnel, to determine the technical competence and performance of construction and engineering contractors.

6. That ICA immediately inquire into all instances, including those brought to its attention by this subcommittee, of the unauthorized passage to private contractors of official documents, communications, and information, and take suitable action to discipline offenders and prevent recurrence.

7. That ICA strengthen its program of personnel integrity, to avoid conflicts of interest and to compel observance of its regulations relating thereto.

8. That the General Accounting Office, the Department of Justice, and the Internal Revenue Service review the facts and circumstances referred to in this report, and in the subcommittee's hearings, to determine if any action by them is required in order to protect the Government's interest.

JUNE 4, 1959.

The Honorable J. WILLIAM FULBRIGHT,
U.S. Senate, Washington, D.C.

DEAR SENATOR FULBRIGHT: Your letter of May 25, 1959, outlining proposed amendments to the Mutual Security Act of 1959 relating to the Development Loan Fund, has been carefully analyzed in the executive branch.

As my earlier recommendations and more recent public statements have indicated, I have always thought, as you do, that it is desirable to put the Development Loan Fund on a long-term basis in order to insure the best planning and utilization of economic assistance through this program. However, before commenting on your specific amendments, it seems appropriate to review the recent history of U.S. aided means of capital development.

In my mutual security message transmitted to the Congress on May 21, 1957, I requested that the Congress establish a Development Loan Fund "to finance specific projects and programs which give promise of contributing to sound development * * * of long-term benefit to the borrowing country." I noted that "such loans should not compete with or replace such existing sources of credit as private investors, the International Bank, or the Export-Import Bank." Since this request, a number of significant developments have occurred.

In 1958 the resources available to the Export-Import Bank were increased by $2 billion. This assured a continuity of activity and made available funds for a high level of operation by this important lending institution.

There is now before the Congress a proposal to provide an additional U.S. subscripton of $3.175 billion in guarantee authority to the authorized capital of the International Bank for Reconstruction and Development, as our share of a 100-percent increase in the Bank's authorized capital. If approved by the Congress this will enable the International Bank to raise through sales of its bonds to private investors, the funds required if it is to continue its operations in the field of development financing at a rate which is constantly growing, and now exceeds $700 million per year. The Bank has not called upon the U.S. Government for any cash outlay since the initial capital subscription was completed in 1947.

We have recently requested Congress to authorize U.S. membership in the Inter-American Bank which will have total resources of $1 billion, of which the United States would subscribe $450 million, with $200 million of this being in the form of guarantees. There also is pending before the Congress an increase of 50 percent in the resources available to the International Monetary Fund, which provides short-term financing for countries with temporary balance-of-payments problems and endeavor to help these countries correct the financial policies that have led to their exchange difficulties.

In addition, we are actively consulting with other countries looking toward the establishment of an international development association which will provide a continuing organization for development financing on a multilateral basis. In this institution the cost of financing will be shared with other industrial nations on a continuing basis.

In combination with the Development Loan Fund, these lending activities provide a formidable array of resources to assist in the development of the free world.

Your proposed amendments to the Mutual Security Act of 1959 would make available to the Development Loan Fund, commencing in fiscal 1960, not to exceed $1.5 billion per year for 5 years by a public debt transaction.

I have asked Congress for an authorization and appropriation of $700 million for the Development Loan Fund in fiscal 1960. In my opinion a sum of this general magnitude is adequate to carry forth this vital part of our international program for the next year. Establishing a figure approximately double this amount for fiscal 1960 seems unwise, and I would hope that in succeeding years the rapid advance in the economic and financial strength of other industrial countries, particularly in Europe, will lead them to conclude that it is their interest and in that of the free world to provide a growing volume of financing for the less-developed areas. I would be most reluctant to predicate our action now on an assumption that this would not occur.

In my budget message this year, because of the growing tendency to bypass the appropriations procedure, I said, "I sincerely hope that the Congress will again consider ways by which it can more effectively overcome * * * the provision of new obligational authority outside of the appropriations process * * *" This is now established administration policy, and recommendations of previous years for spending from debt receipts that were made while such policy was being formulated must yield to it. Accordingly I do not look with favor upon the provisions of your amendments which authorize the Development Loan Fund to borrow from the Treasury.

I believe our common objective can best be accomplished through a long-term authorization of appropriations in reasonable amounts, together with the concurrent enactment in one appropriation bill of appropriations for each of the years for which the program is authorized—a specified appropriation for each year, each appropriation to remain available until expended.

While this procedure would not provide the full measure of flexibility now given the Export-Import Bank and the International Bank, it must be remembered that the purpose of the Development Loan Fund as described in its basic statute is to make loans only when other sources of private and public capital are not available. Many of its loans are repayable in the currency of the borrower. As a consequence, this fund cannot "revolve" in the same manner as do those of other lending institutions. However, a multiple-year authorization and appropriation should enable the Development Loan Fund to put its operations on a satisfactory long-term basis, the goal we both are seeking.

I appreciate your sincere interest in this vital program. With a mutual objective, we should be able to develop acceptable programs to aid and develop the free nations of the world.

Sincerely,

DWIGHT D. EISENHOWER.

EISENHOWER MESSAGE ON MUTUAL SECURITY

In the light of these findings, I recommended to the Congress and it established the Development Loan Fund, an agency of the U.S. Government especially designed to advance loans on a businesslike basis for sound projects which cannot find financing from private or established governmental sources.

The Development Loan Fund in its little more than a year of active operation has established the sound and useful position that was foreseen for it. In this short time it has taken under consideration $2.8 billion in screened requests for loans. It has later determined that some $600 million were unacceptable or more appropriate for private or other public financing. Of its total capital of $700 million thus far made available by the Congress, it had by mid-February 1959, committed $684 million for loans to projects in 35 countries. For all practical purposes it is now out of funds for further loan commitments and has before it applications totaling over $1.5 billion with more being received almost daily.

In order that the Fund may continue to meet the most urgent needs of the nations depending on us, I have asked the Congress

for a supplemental appropriation of $225 million to be available in the fiscal year 1959. This appropriation is under authorizations previously made but not used.

When I made my original recommendation to the Congress in 1957 for the establishment of the Development Loan Fund I urged that it be provided with capital for 3 years of operation and stated that based on observation of its progress within that period I would ask for longer term capitalization commencing in fiscal year 1961. The Congress chose to authorize capital initially for 2 years of operation. I now ask that the Congress authorize and appropriate $700 million to become available in fiscal year 1960, the third year of the Fund. This sum will allow the Fund a level of activity no higher than it established in its first year of operation.

Consideration should continue to be given to capitalization procedures that will allow better long-range planning.

Mr. DIRKSEN. I do not quarrel with Senators as to how they will vote. I never have. I do not quarrel because there are pressures. If there is a "Yea" vote, why quarrel? Probably, in a position of high authority, I would do the same thing. I know about the office at 1025 Connecticut Avenue. Sometimes I think if all the businessmen doing business at that address were to volunteer their talents for ICA and volunteer their skills to the Government, perhaps we would not be in the fix we are in today.

It is tragic that there is not more time fully to discuss the program, but when proponents of certain proposals march up before a committee that is staffed, and that has competent direction, and when they come with their staffs and programs from 12,000 miles away, we can say, "Yes, we know something about the project. Lay all your cards on the table, and we will examine the cards." That is the way to conserve the people's taxes, and it is with them that the reckoning finally must be made.

I shall vote for the Byrd amendment because I think it is indispensable to the conservation of our economic resources, and I shall support some kind of proposal that will give us better scrutiny than we have under existing law.

I yield the floor.

Mr. FULBRIGHT. Mr. President, I yield 13 minutes to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks an editorial from the Baltimore Evening Sun entitled "Foreign-Aid Appeal," and an editorial from the New York Times entitled "Foreign Aid: A Critical Week."

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MANSFIELD. Mr. President, as always, I was much impressed by what the distinguished minority leader had to say. I, too, am sorry that he does not have more time to speak, because I always find him intelligible and informative.

I appreciated very much his résumé of the votes over the past 8 years. I point out that he is correct when he says that over the past 8 years, the Republicans have supported by and large, the foreign aid bill presented by a Republican President, Mr. Eisenhower.

I also have wondered about the waste, inefficiency, and what not, in countries like Peru, Laos, Korea, and Bolivia. I have talked on the floor of the Senate in the past about waste in those particular countries; and I intend, even under this administration, to speak about them and to bring to the attention of the Senate difficulties which are apparent just from reading the daily press of this Nation, and, if possible, some suggestions as to how they may be rectified.

The distinguished minority leader has indicated that he will offer an amendment on Monday. I think in general there is much merit to that kind of amendment, but I hope something specific can be arrived at which will be mutually agreeable to both sides.

In what we are discussing at the present time, the Byrd amendment, we are not confronted with a clear-cut issue. We cannot assert that if we reject the Senator's amendment, all will be well with the aid program. We most certainly cannot insist that if the Byrd amendment is adopted, we will be better off.

All we can say is that if this amendment is rejected, we will have an opportunity to try a new approach to this most vexing problem, a new approach for a new administration which has been in office for less than 7 months.

All we can say is that if the amendment of the Senator from Virginia carries, at best we shall continue the aid program in the present pattern.

Is that what Senators want? That is what the distinguished minority leader has been talking about for the last 35 minutes. I do not care for it, and I feel sure the Senate as a whole does not care for a continuation of the program on that basis, either.

Is any Senator satisfied with that pattern? That pattern has not been adequate in the past. It is not adequate now. It will become more inadequate as time goes on.

The inadequacy does not lie in the aid concept; the inadequacy is one of method. To adopt the Byrd amendment would insure the continuance of this inadequacy. It would insure that we shall continue to use $2 where $1 would suffice. It would insure the continuance of the high degree of ineffectiveness in this entire undertaking. Next year or the year after, we shall be going over this same ground, trying to find some better way, exactly as we have done over the past 12 or 14 years.

That is what this debate is all about. It has little to do with congressional controls—they will be more than sufficient, regardless of the fate of this amendment. This debate has to do with whether or not we are going to give the President the administrative structure that he believes is necessary to do more than merely go on from year to year spending billions and getting nowhere; what he believes is necessary if an approach is to be developed which will help other nations to establish a sounder economic footing so that at some point they may cease to depend on us to prop them up.

The Committee on Foreign Relations has worked over this problem for years. The members have studied it from every angle, with the interests of this Nation foremost in mind. They do not beat the drums for a pet project; they are not carried away. In the provision of the bill which the amendment offered by the Senator from Virginia would nullify, the committee has presented us with a careful and dispassionate judgment. They say, simply, that if we must pursue a foreign aid program at all, then this change to a 5-year borrowing and lending base holds the best promise of ending the wasteful methods we have followed in the past. They say the change holds the best promise of tapering off the massive and continuing grants which are corroding our foreign relations in many parts of the world. They say that it holds the best promise of improving the international position of the Nation in the years ahead. And they say it, whether we call it front door, back door, or side door financing. No matter what we call it, we are making a decision here, in public, for the whole Nation to see.

Mr. President, I can see how a Senator who is opposed to the foreign aid program in its entirety would vote for the Byrd amendment. But I cannot see how this amendment can be supported by any Member who accepts the judgment of the last three Presidents of the United States, of the Congresses of the past decade or more, and of the Senate committee which is most knowledgeable in these matters—the judgment that the aid program is essential for the security and welfare of the Nation.

I cannot see how any Senator who recognizes the need for foreign aid and has called for a more prudent and effective administration of the program can support this amendment. Its adoption would undo what the chairman and members of the committee have labored with such skill and understanding to create. Its adoption will leave us where we have been in foreign aid, if, indeed, it does not leave us worse off.

I shall vote to reject this amendment. That vote will be on the merits of the question; but I wish it also to be recorded as an indication of my deep respect and admiration for the chairman of the Committee on Foreign Relations [Mr. FULBRIGHT]. His dedication to this Nation is complete and selfless. His knowledge of what makes the world tick is unexcelled in this body.

Year in and year out, he has acted as an overseer in connection with the politically onerous but essential foreign policy business of the Senate, and particularly foreign aid legislation, and he has had more than his share of abuse for his trouble. I want the Senate to know that the Senator from Montana, for one, is deeply appreciative of the highly intelligent and highly responsible fashion in which the Senator from Arkansas has acted through the years and on all matters. The Nation owes him a debt of gratitude for bringing to bear on the critical international problems of

the Nation and, in particular, on that of foreign aid, his immense intellectual capacity, his searching honesty, and his great human courage.

As I said at the beginning of my remarks, I intend to be critical of this program under a Democratic administration, as I have been critical under a Republican administration, but to the best of my ability, I intend to be critical in a constructive sense.

I shall have more to say on the aid program during the latter part of the debate now underway, but I feel we ought to approach this not in the sense of being Democrats or Republicans, but rather in a bipartisan sense, because we are being pressured on all sides at the present time. The President has said this is one of the weapons which he would like to use to strengthen his hand, and he has asked us for certain kinds of authority.

I should like to see the money spent in a reasonably effective fashion; and such, I am sorry to state, has not been the case in the past. It may not be the case in the future, but I reiterate that certainly the prospects will be better under a 5-year Treasury borrowing procedure based on loans than they are under the present year-to-year financing.

I need only recall to the Members of this body that, as is shown in the record of the Committee on Foreign Relations and as was stated on the floor of the Senate, a few years ago the distinguished senior Senator from Louisiana [Mr. ELLENDER] brought to our attention the fact that on one day, the last day of a fiscal year, between $600 and $700 million was spent, obligated, or reserved, so that the money would not be returned to the Treasury of the United States.

Under a long-term planning program I think we shall be able, to a large degree, to do away with that particular type of procedure, and that we shall get more for the moneys appropriated, while at the same time doing away to a great extent—certainly to a greater extent than has been the case up to this time—with the waste, duplication, and inefficiency which have marked this particular kind of program down through the years.

EXHIBIT 1

[From the Baltimore Evening Sun, Aug. 8, 1961]

FOREIGN AID APPEAL

The Democrats' appeal to the Republicans in Congress to act in the spirit of the bipartisanship that has characterized the foreign aid programs in the past, is timely and reasonable. These programs serve the interests of the whole Nation and while it so happens that they were initiated by a Democratic President, they were a basic part of the policy of Mr. Eisenhower's two administrations. Emphasis on different aspects of the assistance we have given other nations has shifted from time to time as world conditions have changed but the underlying justification of the assistance has remained the same, and is as compelling today as it was 14 years ago. Indeed, it is perhaps more apparent and more urgent now than it ever was.

For one thing, the efficacy of foreign aid has been demonstrated. For another, the challenge confronting the United States and the West today is made on a broader front than ever before. At the outset this country's first and almost only concern was the future of Western Europe. But in the last decade we have been forced to recognize that the needs of Asia, Africa, and Latin America are of critical and continuing importance. The necessity of helping the hundreds of millions of people of those continents overcome the distempers arising out of poverty and hopelessness is a major and pressing one.

Mr. Kennedy is seeking, as Mr. Eisenhower before him sought, to provide for longer range commitments which will enable the countries aided to make better and firmer plans, to undertake substantial projects with some assurance that they can be carried through. The purpose is not to stave off an immediate and possibly passing emergency but, as the President has said, to help other countries build their societies until they are so strong and broadly based that only an outside invasion could topple them.

Congressional resistance to yielding any of its powers of appropriation is understandable enough and, of course, a strong constitutional argument can be made to support the resistance. However, the President has to deal with a practical problem which involves the good will and confidence of other nations. Few will dispute the central thesis of the development loan scheme—that a guarantee of long-range, long-term help is essential if those other nations are to embark on their own long-range, long-term programs. Surely Congress can work out some means of reconciling its cherished authority with the need of meeting this practical problem.

The objective itself is clear of all factional and political considerations. It is essential to a world that hopes for peace and an improvement of its standards of living. Congress was quick enough to act with unanimity in providing the money and the means to prove we mean to defend freedom in West Berlin. But Berlin is not the only place where freedom will be at stake in the future. If the Berlin crisis is solved the crises latent elsewhere will still be with us. Republicans and Democrats alike should face that elementary and massive fact and act together to deal with it.

[From the New York Times, Aug. 7, 1961]

FOREIGN AID: A CRITICAL WEEK

All foreign aid bills run into some trouble in Congress because the instinct on Capitol Hill is to take the ax to almost any measure requiring the expenditure of large sums of money. The only exception, these days, is defense.

But the 1961 administration measure, which goes to the Senate floor this week, has conspicuously drawn fire because it proposes to commit us to a 5-year, $8.8 billion foreign aid loan program with no requirement for annual reauthorizations and reappropriations. The argument is that this will make for economy, as it makes for continuity. The principle works in private business. Why not in public business? It is said to operate smoothly through Treasury borrowings for commodity credits for farmers. Why not just as smoothly in the form of credits for foreign development programs among our least fortunate governmental friends?

The arguments seem sound, but the outcome may be decided, so this newspaper is informed, by one or two votes in the Senate, and a small shift, one way or the other, in the House. The Republicans in general do not much care for it, though they rolled up a respectable bloc of votes for a less workable form of the same proposal 4 years ago under Mr. Eisenhower's administration. Their present profound concern for the prerogatives of Congress has taken on a partisan hue. We must not, of course, overlook a well-known Democrat, Senator BYRD of Virginia, who is willing to authorize a 5-year aid program but suggests that the appropriations be made annually. The element of continuity in the Byrd resolution is hard to detect.

With luck, action in the Senate may be completed this week. Action in the House will of necessity follow. It would be too bad if this form of investment in the future should fail because of rivalries, suspicions, and power struggles on the Hill. The doling out of all foreign aid year by year, with no continuing guarantees, isn't good business or even sound ethics.

Mr. FULBRIGHT. Mr. President, first I express my deep appreciation to the majority leader for his kind words regarding the work of the chairman of the committee. The majority leader and other Senators have contributed greatly of their time and effort. The product, which I think is a very good bill, is the result of their cooperative efforts.

Mr. President, I yield 5 minutes to the distinguished Senator from South Dakota [Mr. MUNDT].

The PRESIDING OFFICER. The Senator from South Dakota [Mr. MUNDT] is recognized for 5 minutes.

Mr. MUNDT. Mr. President, I appreciate the Senator's yielding time to me, because, as he knows, I am on the other side of the argument from where he stands.

First of all, Mr. President, I speak as a friend of the foreign aid program who has supported it consistently over many years. I have been in the Congress since the beginning of the program. I speak as one who, in one session of Congress, was the only Member of the South Dakota congressional delegation to vote for the program. I speak as one who, in the Senate Appropriations Committee, has frequently broken tie votes to provide additional funds, when they seemed needed for this program.

But, Mr. President, I speak as one who believes Congress should continue to exercise its authority over the program if in fact the program is to have any reasonable possibility of ultimate success.

It seems to me that there is one aspect of this proposed 5-year pledge and the 5-year program that has not been adequately discussed here this afternoon, and that is the fact that the very minute Congress passes a bill committing this country to a long-term 5-year program, we shall have set up at once a vested expectancy for assistance on the part of each of the 97 recipient countries. At once they will operate under the realization that for 5 years they will be entitled to present their application and do their best to achieve for themselves as large a portion of the proposed expenditures as possible. As soon as they begin to look upon their sharing of our wealth as a vested right, we will immediately begin to diminish the effective impact of this money upon the recipient countries.

We have no farther to walk than into the Senate cloakroom to find a demonstration that the theory I have expressed is a valid one. Under what authority I know not, but we have already heard that Secretary Dillon in Uruguay has told representatives of the Latin American Republics that they can expect $20

billion of assistance from us. This afternoon the ticker tape in the cloakroom revealed that the Latin American countries are already squabbling among themselves at the conference table to determine which country is to be first in line with the biggest tin cup, and which is to get the major portion of the $20 billion.

So long as the Latin American countries and other foreign governments must make their appeal on an annual basis, so long as the administrators of the program can say to the applicant countries that they may present their justifications and they will be given consideration, but no advance promises or commitments can be made until Congress has acted, we can be sure then that the countries will look forward with anticipation and with cooperative attitudes upon the assistance which we propose to give them, instead of looking upon our assistance with disfavor because country A has received a little less than country B, and country C may have received even more. Certainly, we shall do little to earn the friendship and to win the cooperative support of the foreign countries to which we give our aid if we pledge our support 5 full years in advance. By so doing, we imperil the value of our whole foreign assistance program by permitting these countries to feel they are entitled to our support and can confidently expect it as a matter of right.

Mr. CURTIS. Mr. President, will the Senator yield for a question?

Mr. MUNDT. I will yield briefly, because I have only 5 minutes.

Mr. CURTIS. What authority did Secretary Dillon have to make such a commitment?

Mr. MUNDT. As I said, that is an authority which I doubt that he has and which I do not believe he should exercise, but it is in complete keeping with the concept and philosophy of this bill. It seems to me that the administration is asking Congress to follow a sort of Pontius Pilate procedure. They are asking us to wash our hands of all responsibility. They are asking us to commit the original crime by delegating away our powers and our authority for 5 years, and then saying, "We now can wash our hands of all responsibility of what occurs."

Mr. President, Senators may be able to vote away their authority to vote on these appropriation measures by adopting the back-door spending technique. But Senators cannot vote away their responsibility to face our constituents, who have a right to expect us to live in conformity with the Constitution of the United States, which vests only in Congress, and places it nowhere else, the right to appropriate away the people's money.

As I said earlier, I have voted for the foreign-aid programs over many years, but if, in fact, we are going to shift the program into a self-perpetuating administrative aid program, and Congress is to be sidetracked for the first time in this connection, I shall be compelled to vote against a program which seems to me contains within it self-defeating elements which will destroy the possibilities of our success abroad and materially weaken our economic structure at home. Indeed, Mr. President, unless we can adopt the Byrd amendment or develop some other devices for exercising our congressional responsibilities in connection with this program, I submit that a Senatorial surrender to bureaucratic domination is too high a price to pay for the doubtful privilege of voting for foreign aid.

Among the self-defeating elements in this bill I place high the fact that we would create this vested expectancy on the part of 97 foreign countries, who will then have a right for 5 years to expect their share of the American taxpayers' money to meet their local problems and to consider themselves the legalized, "permanentized" beneficiaries of our American resources. I hope the Byrd amendment is adopted.

Mr. FULBRIGHT. Mr. President, I yield 5 minutes to the distinguished Senator from Kansas.

Mr. SCHOEPPEL. Mr. President, I thank the distinguished Senator from Arkansas. I say quite frankly that I shall support the Byrd amendment. I appreciate the opportunity to present very briefly my views, and then I shall offer for the benefit of the RECORD some additional views which I have worked out with reference to this question.

Quite frankly, I wish to associate myself with the statements made by the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN] and the statements made by the distinguished Senator from Louisiana [Mr. ELLENDER]. I have read many of the House reports on these investigations, and I say frankly to Senators, as I have said to many people in my own State, that I am nauseated by what has been going on under the guise of foreign aid, which we have extracted from the taxpayers of our country and are now asked to go off on a 5-year program deeper into this proposition. It is my opinion that unless we throw around the program certain practical safeguards that have been built into our system of legislation, we will rue the day when we throw away those safeguards.

Once again the American people are being asked to undertake a long-range foreign aid program. The administration proposes that the Congress should authorize the Secretary of State to borrow funds from the Treasury without the usual annual review by the Appropriations Committees of the Congress. From my brief experience as a member of the Senate Appropriations Committee, I am deeply concerned that so large a portion of total Federal expenditures are financed in this manner.

The Legislative Reorganization Act, Public Law 601 of the 79th Congress, provided in section 138(a) that the House Committee on Ways and Means and the Senate Committee on Finance would meet jointly with the respective Appropriations Committees at the beginning of each session of the Congress and present a legislative budget for the ensuing fiscal year. This would include the estimated overall Federal receipts and expenditures. This law further directed that a report shall be submitted containing recommendations for the maximum amount to be appropriated for expenditures, which shall include amounts reserved for deficiencies. It also provided that, "If the estimated receipts exceed the estimated expenditures, such report shall contain a recommendation for a reduction in the public debt."

The practice of bypassing the Appropriations Committees makes it virtually impossible to exert any coordinated control over the financing of the U.S. Government, which is the largest financial operation in the world today. The Congress, in effect, is the board of directors for the American people, and we have an obligation to be fully informed on all expenditures and how they are to be financed. Long-term borrowing from the Treasury by a simple authorization nullifies our efforts in properly appraising appropriations and matching them with expected revenues.

Initially, foreign aid was justified in order to restore wartorn economies, but now we are proposing that 181 million Americans should raise the living standards of several billion people scattered over the globe. Mr. President, I have consistently supported measures to assist other countries in developing their own military strength so as to defend their freedom. By so doing we will then not be forced to commit our own manpower to this task. It is too often forgotten that our population represents only 6 percent of the world's total. If we can keep as many of our able youth productively employed so that our tax base is broadened, we can accomplish far more in combating communism than if we enlarge our own Armed Forces.

Furthermore, the cost of our Armed Forces is not merely the present budget of the Defense Department. It must also include all the contingent future liabilities, such as veterans' benefits, possible pensions, hospital and medical care, education and training, and a large portion of the interest charges on the public debt which was accumulated during previous mobilization periods. Thus, there is a sound and firm reason to support military assistance and the development of a reasonable economic base to support it in friendly countries. However, we are undertaking a program that is far more extensive.

On July 7, 1959, I made a statement with reference to this same subject. I quoted at length from a remarkable book by the late Prof. William E. Rappard, entitled "The Secret of American Prosperity." Professor Rappard, in turn, referred to comments by a young Frenchman, Michel Chevalier, who had the opportunity to visit our country during the early years of our Republic. Mr. President, once again I shall make one reference to Dr. Rappard's comments. He said:

> The United States are not, in Chevalier's opinion, more favored by nature than other parts of the New World. On the contrary, they are less well-off than the areas most richly endowed with minerals, for example. But they know how to turn the resources they do have to exceptionally good account,

mainly because of the care they have given to the construction and exploitation of roads, canals, steam navigation, and above all, of railways, which, he says, have become since the spring of 1834 "a perfect mania" with the American public. * * *

The spectacle of a young people, executing in the short space of 15 years, a series of works, which the most powerful states of Europe with a population of 3 or 4 times as great, would have shrunk from undertaking, is in truth a noble sight. The advantages which result from these enterprises to the public prosperity are incalculable.[1]

Mr. President, Dr. William H. Peterson, associate professor of economics at the Graduate School of Business Administration at New York University, has written a stimulating article, entitled "United States Was Once Undeveloped Too, But Received No Aid." I ask unanimous consent that this article from the Commercial & Financial Chronicle of July 6, 1961, may be printed at this point in the RECORD:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Commercial and Financial Chronicle, July 6, 1961]

UNITED STATES WAS ONCE UNDEVELOPED TOO, BUT RECEIVED NO AID

(By Dr. William H. Peterson)

For all their talk of foreign economic growth and production miracles—the West German boom, for example, or the Soviet Union's much trumpeted but none-too-reliable 6- to 7-percent annual growth rate in gross national product—professional economists and other learned men all too often overlook the rather creditable job of growth in their own backyard: the economic development of America.

So "The Permanent Frontier: An Illustrated History of the U.S. Economy in Action" comes as a welcome reminder that soft inflation, cheap interest rates, massive public spending, permanent Government gifts and loans—to name some of the paraphernalia in the modern economic developer's kit—didn't figure constructively, if they figured at all, in the economic surge beginning several generations ago of Europe's rambunctious offspring in the New World.

Today the offspring, a geographical accident that Columbus bumped into in his search for Cathay, has grown into far and away the richest and most powerful economy on either side of the Iron Curtain, and with the highest living standards; and it behooves thinkers and politicians to keep their sights on how it was done.

For the salient point of this work originally serialized in Challenge, New York University's economics journal, is that American growth is the achievement of business. And if as Calvin Coolidge once said, the business of America is business, this business has been a highly successful one. The testy upstart that humbled mighty Britain was from colonial times a business society, a business civilization, a land of do-it-yourself inventors and do-it-yourself entrepreneurs who utilized the proprietorship, the partnership, and the corporation as devices to pool savings and launch private enterprises. Many of the fledging enterprises sputtered after a few months or a few years and then died, having failed to pass the market test—that is, win consumer acceptance. In other words, there has always been, every year, a business mortality rate in America, a symbol of consumer sovereignty; and the absence of this rate behind the Iron Curtain is a sign of consumer subservience.

But especially significant in America have been the business survival and birth rates. Enterprises by the millions, rural and commercial and industrial, have won consumer acceptance, have grown into thriving small businesses and, in a significant number of instances, into big businesses, and, big or small, have contributed greatly to American economic growth. One measure of this growth can be found in the U.S. Patent Office, authorized in article I of the Constitution. Here are the musty designs and blueprints of tinkerers and inventors of more than a century ago, the original mechanizers, automaters, mass producers, and innovators, who along with the savers and investors and entrepreneurs constantly created, accumulated, and upgraded what the accountant so dully calls fixed capital—the very sinews of industrial well-being.

Here are patents on the steel plow, the harrow, the planter, the reaper, the harvester (which not only reaped but at the same time gathered the grain in sheaves and tied a string around each sheaf and laid them down in neat rows), the steel rail for railroads, the open-hearth furnace for making steel, the sewing machine, rubber, dynamite, wire rope, the pullman car, the safety razor, the electric streetcar, refrigeration, the electric light, the typesetting machine, and so on for thousands and now millions of patents, virtually every one of them privately owned, every successful one in its own way a propellant to economic growth and a more abundant life.

But the fact that the Patent Office is an arm of government is testimony that business did not perform its act of growth alone, that in the wings was a silent, limited partner, which over the years has become increasingly less silent and less limited: the U.S. Government. A big reason for the limited partnership role: Mercantilism.

The editors of "Challenge" review the ineptitudes and countless frictions of the mercantilist economic policies of Mother England. The colonists rebelled against not so much the arrogant personality of King George III as against the tax on tea, the Molasses Act, the Stamp Act, the Sugar Act, against—to quote from the Declaration of Independence—"a multitude of new offices, and swarms of officers to harass our people, and eat out their substance" (shades of Parkinson's law). In short, colonial freedom and economic growth was all but stopped by excessive economic intervention.

Thus, as every schoolboy knows or ought to know, the Founding Fathers wove in limiting checks and balances throughout their unique design of government: A tripartite Central Government, a Federal system with coequal States, with States rights, a written Constitution, a Bill of Rights. The design—political and economic freedom—worked. Limited government served to unlimit economic growth, and the libertarian economy and society took off.

So the architects of American growth turn out to be both thinkers and doers—political thinkers like Thomas Jefferson, Alexander Hamilton, and James Madison; industrial doers like Cornelius Vanderbilt, Andrew Carnegie, and Henry Ford. In addition, there are millions of unsung and mostly unknowing doers in the American growth story—the small investors who took a chance with shares in a canal, a railroad, an oil well, an ironworks; the workers from Europe with but a bundle on their backs, or from Africa with chains on their feet who sweated in steel mills and packinghouses and road gangs; the small businessmen who plowed their savings into a country store, an agricultural implement dealership, a coastal sailing vessel, a stable, a clothing store, a filling station, and so on. Growth came in bits as well as in lumps.

But there are breaks in American growth. The upward trend line has dips along the way. In 1837, for example, a long depression climaxed Jackson's second administration, which had witnessed much wild speculation and inflation. From 1865 on defeat and Reconstruction laid the South low for decades. In the depression of the 1890's, the Populists talked up free silver, the graduated income tax, and Government ownership of the railroads. And in 1929 * * *.

The American growth story is unfinished. Up to now it's been a dramatic human interest story of architects, engineers, and workmen, of strokes of genius and strokes of foolishness, of the libertarianism of Thomas Paine, the nobility of purpose of George Washington, the homely wisdom of Abraham Lincoln, the bold experimentation of Franklin Roosevelt, the sense of balance and responsibility of Dwight Eisenhower.

One may differ with the Challenge editors here and there on some of their emphasis and interpretations, just as one may differ with such late economic historians as Frederick Jackson Turner, Charles Beard, and Garet Garrett and with such modern growth theoreticians as W. W. Rostow, Colin Clark, and John Kenneth Galbraith. Who's right and who's wrong? Who talks growth and who talks growthmanship? The future holds the answer, but one thing is certain: American economic growth has been the wonder of the world, and no foreign government's aid figured in it.

Mr. SCHOEPPEL. Mr. President, it is time that we reemphasize to the so-called underdeveloped countries the virtues of our system of individual liberty and a free, private enterprise society. Whatever we can now contribute to others is possible because of our adherence to these concepts since 1789 when our Government was founded. Our people stem from every country on the face of the earth. Yet, in the climate of liberty which we have evolved, they have become endowed with those attributes of industry and diligence that have placed us in a position to preserve freedom when older nations had lost their ability to do so.

I sincerely hope that before we overburden our own economy, more thought will be given to the fact that we, too, were once an underdeveloped country. As Dr. Peterson points out, there was no foreign aid from any other nation to assist us during our period of development. We have only a small portion of the world's natural resources, and while our people have been well trained in modern technology, this can be achieved by others, too, if they have the will and the desire to develop their maximum potential.

Technical assistance and similar measures to enable them to achieve more rapidly the technical advances that characterize the 20th century will never require the vast outlays that are proposed in long-range development programs where our country endeavors to construct every conceivable type of facility which will ultimately extend our commitments to the point where we will be forced to default on obligations that may be more pressing.

Mr. FULBRIGHT. Mr. President, I yield myself 15 minutes. I wish to make one or two corrections regarding the comments of the Senator from Illinois that all of the $8.3 billion could be obligated in the first year. This would not

[1] CONGRESSIONAL RECORD, vol. 105, pt. 10, p. 12844.

be so under the terms of the bill. Only $1,887 million is made available under the bill by 1962, and I see no authority and no justification for saying that $8.8 billion can be obligated the first year. The bill would make the funds available year by year. Any agreement about future use of the funds would be entirely dependent upon the availability of funds, and would be of a contingent nature. Of course, any improvident man could go out and say, "I will do so and so if I get the money." But I do not consider that a proper or reasonable interpretation of the bill.

Furthermore, the eloquent remarks of the Senator from Illinois [Mr. DIRKSEN], are the most persuasive reasons I have heard as to why the Byrd amendment should be defeated. He has outlined in detail many of the mistakes that have been made under the previous administration.

I also believe they could well be made under a Democratic administration if we forced it to follow the same procedure.

The Senator from Illinois—I will not repeat what he said—has told us about what has happened in Korea, in Peru, and in Iran. The main purpose of the committee and the main purpose of the bill is to make it possible to avoid a continuation or repetition of such instances. No one can be sure that this bill will be a panacea. It probably will not be. However it will at least make it possible, if we have an intelligent administration of the program, to break off the shackles which now hobble the activity, and enable the administrators to study and plan for development, and in a manner that will avoid or minimize the kind of mistakes the Senator from Illinois has described so eloquently. I have every confidence that they will be minimized, although perhaps not completely eliminated, any more than the mistakes that we have made in this Congress in the construction of our own facilities have been completely eliminated.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I have only a few moments.

Mr. DIRKSEN. I should like to refer to the first observation the Senator has made.

Mr. FULBRIGHT. There is no time for it now. That question has come up before. I will put in the RECORD the complete answer.

Mr. President, on August 7, 1961, Representative PASSMAN inserted in the RECORD some material which he labeled "Facts About the Foreign Aid Program."

Since I had the experience of appearing on a television program recently at about the same time as Mr. PASSMAN for a discussion on the foreign aid program, I have a special interest in what Representative PASSMAN says about this subject.

I ask unanimous consent that there may be inserted in the RECORD at this point some comments which I have prepared on the assertions made by Representative PASSMAN, and other documents.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMENTS UPON STATEMENT MADE BY REPRESENTATIVE PASSMAN IN A LETTER REGARDING THE FOREIGN AID BILL AND IN THE CONGRESSIONAL RECORD OF AUGUST 7, 1961, AT PAGE 14730

1. Mr. PASSMAN begins by saying that under the proposed authorization "The Congress * * * would for all practical purposes surrender control of the purse strings."

Comment: This is, of course, not the case. The Congress would retain full authority to limit, curtail, or revoke the authority granted to the President. This could, of course, be done through authorizing legislation. Since such authorizing legislation could be in the form of a simple amendment to the annual bill authorizing essential grant aid, it would be effectively impossible for the President to veto congressional action concerning the lending program. Action to limit, curtail, or revoke could also be taken in an appropriation act. Under the Government Corporation Control Act made applicable by section 203(b) of the authorizing legislation the Congress could limit obligations or expenditures—although it is plain from the history of the Government Corporation Control Act and of this aid legislation that such limitations will not be imposed except under unusual or special circumstances.

2. Mr. PASSMAN makes seven numbered points:

"First. The executive branch would no longer have to justify funds for the development financing program. Rather, the legislative branch would have to show sufficient cause for making any reduction. It would require an act of Congress to reduce the amount of the borrowing authorization."

Comment: It is true that in this legislation as in any other legislation the Congress would make an authorization which could not be reduced without another act of the Congress. It is not true that the executive branch would "no longer have to justify funds for the development financing program." The executive branch would have to present to the Congress each year a budget program as required by the Government Corporation Control Act and as now done by more than 20 lending agencies of the Government which are financed in this way.

As to any "sufficient cause" the legislative branch would "have to show" to make a reduction—the point is, that the only showing would be to itself.

It is correct that once the Congress has established a national policy for the United States to undertake the program of economic development which the President has recommended, it would be generally understood that the program would continue until sufficient cause developed for the Congress to make any reduction in it. Otherwise there would be little meaning in the Congress making a policy decision at all.

"Second. The executive witnesses admit that once given this authority, they do not expect the Congress to attempt to take it back."

Comment: As just stated, the President is asking the Congress to make a national decision that the United States will undertake a role of leadership in developing and strengthening the newly independent nations of the free world and will provide assurance that funds for this purpose will be available over a 5-year period. Obviously, it would not be expected by the executive branch witnesses or anyone else that the Congress would renege on this decision unless valid reasons for doing so developed. Yet the bills as recommended by both the Foreign Relations and the Foreign Affairs Committees retain full authority to the Congress to change its mind either through an authorization or an appropriations bill should unusual circumstances require it.

"Third. The administration could, directly or indirectly, commit the entire $8.8 billion during the first fiscal year of the authorization, and these commitments, based upon the inaccurate estimates of cost of the program in the past, could lead to a further request of double or triple the present amount to bring the programs to completion."

"Fourth. In effect the executive could commit this country to the entire amount before the Congress knew to what countries, to what programs, or to what projects the funds would go."

Comment: This is not correct. The annual increments of funds for lending become available for obligation by the President only year by year and cannot be obligated until (1) the year in which they become available arrives, and (2) until an appropriation act is passed providing for their obligation. They cannot even be irrevocably committed. The report of the House Foreign Affairs states this plainly (p. 18):

"The committee has been assured by the Executive, and definitely understands, that no irrevocable commitments for future years will be made under this authority to any country, and Congress can always amend the authorizing legislation. Indeed, all commitments of future year funds will be specifically contingent on their continued availability from Congress."

"Fifth. The Executive prefers not to refer to the program as a loan program, but rather as a development financing program. Most of the funds would be advanced, on a 50-year-term basis, without interest, and with a 10-year grace period before any repayments are required."

Comment: The program may be called with equal correctness a "loan" program, a "development financing" program, a "development lending" program, or a "development credit" program. By whatever name our aid is called, it will be advanced only upon a finding of reasonable prospects of repayment in dollars. It is not correct that most of the funds would be advanced on a 50-year period, etc. This describes the outside limits. The range within these limits will be determined by the National Advisory Council when the aid agency commences its operations. Even at the beginning there will be loans on harder terms than these outside limits. As the economies of aided nations begin to strengthen and their debt service capacity improves more of them will be capable of handling shorter term loans. It should be borne in mind however that the basic purpose of this program is to help nations in various early stages of economic development to make substantial progress.

"Sixth. The administration refers to this as a 5-year program, but since there would be no substantial repayments on the loans for 10 years, it is possible there would be a similar request after the first 5 years. Since high officials of the administration admit that this could be a 30-year program, how far afield could we go before it crushes our own economy, already strained by excessive spending and deficit spending?"

Comment: It is certainly possible that there will be additional requests for funds after the first 5 years. President Kennedy has proposed a Decade of Development. The development problem is a great one and will not be solved in a few years. The implication that our investment in our aid program will "crush our own economy" is extreme and out of keeping with the facts. The total aid program requested by the President for fiscal year 1962 is less than 1 percent of our anticipated gross national product. The economic program is little more than half of this. The development lending program

requested for fiscal 1962 and for the additional years will be approximately one-third of 1 percent of our annual gross national production. These figures may be compared to the 4 years of the Marshall plan when our aid program averaged over 2 percent of our gross national product.

It is important to realize also that the total aid program recommended by the Foreign Relations and Foreign Affairs Committee is about 5 percent of our anticipated Federal budget receipts (and of this the development lending program is about 2 percent). During the years of the Marshall plan the aid program ran at an average of approximately 14 percent of our Federal budget receipts.

It should also be borne in mind when people talk loosely of the aid program bankrupting the country that at present our total national debt is less than 58 percent of our national production in a single year. During the years of the Marshall plan when our aid program was, as just mentioned, relatively far greater than now, our national debt averaged around 85 percent of our annual gross national product. Tables setting forth the relevant figures for 1949 through 1961 follow at the end of this statement.

"Seventh. The administration proposes back-door spending only on approximately one-third of the total annual aid cost. However, the executive witnesses are frank in stating they expect other portions of the program to be shifted to the new back-door-spending approach. As each year passes, Congress would lose control over more and more phases of the program."

Comment: It is correct that the President asks borrowing authority only for funds for the lending program which is approximately one-fourth of the request for fiscal year 1962 and for the remaining 4 years of the request would be about one-third of the fiscal year 1962 total. It is not contemplated, however, that other portions of the program would be shifted to this form of funding. What is intended and hoped for is that it will be possible to reduce, at least slightly, grants for supporting assistance. Presumably such a change toward loans would have the warm approval of all Members of the Congress.

3. Mr. PASSMAN repeats a statement made in an earlier letter that: "So unfirm have been the estimates in the past, and so uncertain the actual need, that after the Congress reduced the executive's requests in the past 6 years by $4½ billion, the Congress still appropriated so much in excess of needs that the cumulative unobligated balances for the same period exceeded $1½ billion."

Comment: This statement provides a rather remarkable manipulation of statistics to reach totally unsupported conclusions.

The executive has, of course, lived within the appropriation allowed it. This certainly does not justify the conclusion, however, that its requests were unfirm or the needs uncertain. The executive has merely cut down programs which it thought important and done the best it could within the funds allowed.

In the process some funds have been unobligated at the end of each fiscal year. These funds have remained unobligated in recent years because it has been neither possible nor sensible to obligate every penny in each of hundreds of the individual accounts into which the economic and military funds are divided during the year. The funds left over unobligated at the end of any year are normally reappropriated and become in effect a working capital carryover. What Mr. PASSMAN has done is to add up all of the unobligated balances at the end of each of 6 fiscal years, making a cumulative total of $1.5 billion, which he then points to as indicating that despite the cuts made by the Congress the aid program had more funds than it needed. Actually, however, after the reappropriation each year of by far the greater part of the funds which remained unobligated in past fiscal years, the aid program had unobligated at the end of fiscal year 1961 approximately $143 million. This figure is the only relevant figure and it is less than 10 percent of the figure used by Mr. PASSMAN. Moreover, it is fully taken into account in making the request for fiscal year 1962.

The aid program's situation is like an individual's bank account. At the end of each month there may be a little money not yet spent. This money is carried over to the next month at the end of which there may be a little not yet spent, which is carried over to the next month, etc. When the individual reaches the end of the year, what he has left from his income, above the needs of the year, is the last balance in his bank account. But what Mr. PASSMAN has done is to take the figure which is carried over at the end of each month and add them all together and then claim that it is this figure by which the individual's income exceeded his needs for the year.

4. Mr. PASSMAN says that "the executive witnesses admit that they do not anticipate better programs or better projects, but the need is for long-term financing."

Comment: This is not an accurate reflection of the testimony of executive witnesses. On the contrary, the President and the principal officers of the executive branch have repeatedly said they do anticipate that the long-term commitment authority requested will make possible better programs and better projects more economically financed and more effectively carried out.

5. Mr. PASSMAN says executive branch witnesses state: "that some nations hesitate to enter into needed self-reforms because they could not trust America to fulfill its commitments".

Comment: This is not a precise reflection of executive branch testimony. What the executive branch has said repeatedly and what the Foreign Relations and Foreign Affairs Committees have concluded is that the less developed nations cannot reasonably be expected to make the hard decisions to levy taxes and otherwise accumulate and commit their own resources for several years in the future to important development programs and to undertake difficult programs for social progress unless they can have some assurance that absolutely essential outside funds will also be available. The President of the United States cannot provide such assurances now because the Congress has given him no authority to do so and because past experience shows very plainly that even the authorizations of appropriations made by the Congress will provide no assurance of funds since the appropriations for the Development Loan Fund have over the past 4 years fallen short of authorizations by some 23 percent.

Mutual security appropriations and U.S. gross national product

Fiscal year	Mutual security appropriations (as appropriated by Congress)	U.S. gross national product (by fiscal years)	Appropriations as a percent of GNP
	Millions	*Billions*	
1949	$6,446	$261.5	2.47
1950	5,092	264.0	1.93
1951	7,485	310.4	2.41
1952	7,284	338.5	2.15
1953	6,002	359.7	1.67
1954	4,531	361.8	1.25
1955	2,781	368.5	.75
1956	2,703	409.5	.66
1957	3,767	432.9	.87
1958	2,769	439.9	.63
1959	3,448	467.3	.74
1960	3,226	493.5	.65
1961	3,831	[1] 503.0	.76

[1] Estimated.

Mutual security appropriations and budget receipts of the Federal Government

Fiscal year	Mutual security appropriations (as appropriated by Congress)	Budget receipts	Appropriations as a percent of budget receipts
	Millions	*Billions*	
1949	$6,446	$37.7	17.1
1950	5,092	36.5	14.0
1951	7,485	47.6	15.7
1952	7,284	61.4	11.9
1953	6,002	64.8	9.3
1954	4,531	64.7	7.0
1955	2,781	60.4	4.6
1956	2,703	68.2	4.0
1957	3,767	71.0	5.3
1958	2,769	69.1	4.0
1959	3,448	68.3	5.0
1960	3,226	78.5	4.1
1961	3,831	79.2	4.8

U.S. public debt (Federal Government) and U.S. gross national product

Fiscal year	Gross national product (fiscal years)	Public debt outstanding end of fiscal year	Debt as a percent of GNP
	Billions	*Billions*	
1949	$261.5	$252.8	96.7
1950	264.0	257.4	97.5
1951	310.4	255.3	82.2
1952	338.5	259.2	76.6
1953	359.7	266.1	74.0
1954	361.8	271.3	75.0
1955	368.5	274.4	74.5
1956	409.5	272.8	66.6
1957	432.9	270.6	62.5
1958	439.9	276.4	62.8
1959	467.3	284.8	60.9
1960	493.5	286.5	58.1
1961	[1] 503.0	289.2	57.5

[1] Estimated.

FACTS ABOUT THE FOREIGN AID PROGRAM

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. PASSMAN. Mr. Speaker, I am placing in the RECORD, as an extension of my remarks, a recapitulation of the funds on hand to the credit of the mutual security program as of June 30, 1961, in the amount of $5,443 million. Most of this money is to pay for long-range programs and projects now in progress and under construction.

Foreign aid projects and programs presently are on a 5-year planning basis, or for even longer. Those are the instructions that go out to the field, and that is the basis for handling these operations.

Mr. FORD. Will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Michigan.

Mr. FORD. I want to compliment the gentleman from Louisiana on the very fine job he did yesterday.

Mr. PASSMAN. I thank the gentleman very much.

Mr. Speaker, as chairman of the Foreign Operations Subcommittee on Appropriations, I feel that I have a responsibility to provide the membership with some documented facts about the foreign aid program.

If the executive branch succeeds in getting a portion of the foreign aid program on the Treasury back-door financing basis, the Congress then would for all practical purposes surrender control of the purse strings. If the proposed legislation is approved:

First. The executive branch would no longer have to justify funds for the development financing program. Rather, the legislative branch would have to show sufficient cause for making any reduction. It would

require an act of Congress to reduce the amount of the borrowing authorization.

Second. The executive witnesses admit that once given this authority, they do not expect the Congress to attempt to take it back.

Third. The administration could, directly or indirectly, commit the entire $8.8 billion during the first fiscal year of the authorization, and these commitments, based upon the inaccurate estimates of cost of the program in the past could lead to a further request of double or triple the present amount to bring the programs to completion.

Fourth. In effect, the executive could commit this country to the entire amount before the Congress knew to what countries, to what programs, or to what projects the funds would go.

Fifth. The executive prefers not to refer to the program as a loan program, but rather as a development financing program. Most of the funds would be advanced on a 50-year-term basis, without interest, and with a 10-year grace period before any repayments are required.

Sixth. The administration refers to this as a 5-year program, but since there would be no substantial repayments on the loans for 10 years, it is possible there would be a similar request after the first 5 years. Since high officials of the administration admit that this could be a 30-year program, how far afield could we go before it crushes our own economy, already strained by excessive spending and deficit spending?

Seventh. The administration proposes back-door spending only on approximately one-third of the total annual aid cost. However, the executive witnesses are frank in stating they expect other portions of the program to be shifted to the new back-door-spending approach. As each year passes, Congress would lose control over more and more phases of the program.

So unfirm have been the estimates in the past, and so uncertain the actual need, that even after the Congress reduced the executive's requests in the past 6 years by $4½ billion, the Congress still appropriated so much in excess of needs that the cumulative unobligated balances for the same period exceeded $1½ billion.

The executive witnesses admit that they do not anticipate better programs or better projects, but the need is for long-term financing. They state that some nations hesitate to enter into needed self-reforms because they could not trust America to fulfill its commitments.

Beautiful phrases, carefully worded reports, claims and executives courtesies cannot change the facts, as above indicated. The record of the hearings thus far held by our subcommittee documents the facts I have presented.

The recapitulation sheet which I am extending in the RECORD indicates the latest estimate of unobligated and unexpended funds on hand June 30, 1961:

"Foreign Operations Subcommittee on Appropriations (foreign-aid funds, by program and amount on hand unexpended, June 30, 1961)

Military assistance	$2,519,643,000
Defense support	673,491,000
Development loan fund	1,488,758,000
Development assistance	36,632,000
Special assistance	207,171,000
President's Asian fund	50,757,000
President's contingency fund	252,106,000
Technical cooperation bilateral	155,068,000
Technical cooperation, United Nations	12,900,000
Technical cooperation, Organization of American States	1,201,000

"Foreign Operations Subcommittee on Appropriations (foreign-aid funds, by program and amount on hand unexpended, June 30, 1961)—Continued

Atoms for peace	$6,959,000
Intergovernment Commission for European Migration	5,615,000
U.N. Refugee Fund	800,000
Escapee program	4,490,000
U.N. Children's Fund	8,542,000
U.N. Relief and Works Agency	9,274,000
Ocean freight	588,000
NATO science program	----------
Administrative expense, ICA	8,494,000
Administrative expense, State	923,000
Grand total	5,443,412,000
Unexpended funds on hand June 30, 1961	5,443,412,000
Unexpended funds on hand June 30, 1960	4,713,665,000
Increase in unexpended funds during last fiscal year	729,747,000"

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I will yield for a brief one-half minute.

Mr. DIRKSEN. I should like to have the Senator from Arkansas read to the Senate the language on page 8 of the bill, section 203, subparagraph (a), with respect to incurring obligations.

Mr. FULBRIGHT. It provides that funds are to be available on an annual basis.

Mr. DIRKSEN. Will the Senator read all the language?

Mr. FULBRIGHT. It is on a year-by-year basis. That is the meaning of the section as the committee understands it and as the legal authority understands it, and that is the interpretation of the executive department. However I do not have the time to pursue this subject. We can pursue it on Monday, if the Senator wishes. The Senator is not correct if he means that the full authority can be obligated in the sense of being set aside. I assume he intended to leave that meaning in the minds of Senators. But I do not believe that is so. As I said, if next spring Congress wishes to rescind this authority, I do not believe the balance of the funds will be available for obligations.

However, I should like to pursue that subject at a different time.

With regard to the decision which we are about to make, which I consider to be by far the most important with respect to the whole bill, the idea of foreign aid has long been accepted. I do not believe that we have much choice about it. It is as much the established policy of the present administration as it was of the administration during the previous 8 years. The question is, How good a bill can we enact? I think that decision is the core of the whole debate and of the whole controversy and the whole discussion of the foreign aid bill.

If the decision of the Senate on this year's foreign aid legislation could rest solely on the legislative merits of the long-term borrowing authority, or on the efficacy of foreign aid as an instrument of our foreign policy, our task would be easier than in fact it is. These, of course, are questions of the utmost relevance, but there is a more fundamental question that remains unanswered—one that is implicit in all of the major issues that have come before a generation of Americans that has been cruelly overburdened with the necessity for fateful decisions.

The ultimate question is whether this Nation is prepared to accept the permanent and inescapable responsibilities of having come of age in history. The transition from youth to majority is as painful in the life of a nation as it is poignant in the life of an individual. But history, like human mortality, is an impersonal and inexorable force. It grants no reprieves and, indeed, deals harshly with those who would linger bemused and nostalgic in the afterglow of lost youth.

The character of a mature nation is not unlike that of the mature individual. Adulthood means the acceptance of permanent responsibilities, of continuing tasks, of enterprises that advance imperceptibly toward fruition with neither climax nor completion. It means ambiguity when we would prefer precision, tedious labor when we would prefer dramatic action, infinite patience when we would prefer immediate rewards. Above all, maturity requires a final accommodation between our aspirations and our limitations.

We have clung too long to our youth as a nation and it is readily understandable that we have done so. We have been a nation favored by geography, by resources, by a political tradition of liberty and law, by the rich human resources of a heterogeneous people endowed with spirit, energy, and creative genius.

In our first century and a half it seemed to us that nothing could go wrong, that we had only to set our sights on some concrete goal and we would surely attain it. And we were largely right, because with the exception of the Civil War our history was a chronicle of victory and success. From the minutemen to the Alamo, from the conquest of the West to the charge up San Juan Hill, our experience was one of exhilarating and successful adventure.

But history plays cruel tricks. It allowed us to believe that this unexampled series of triumphs was the product of our vigor and resourcefulness alone. What we failed to perceive in our past was the presence of another element—the element of an improbable run of luck—the luck of a rich and unspoiled continent far removed from the centers of world power and world conflict.

Now that luck has run out and we must face the world on its own terms. Indeed it ran out 40 or 50 years ago, but we have contrived thus far to escape a conscious confrontation with that fact.

Woodrow Wilson knew it. He perceived the ultimate fact of this century of American history—not that America must come out into the world but that the world had come in on America. Wilson conceived of a new order of international relations, not an unattainable

millennium but a system of permanent processes for the gradual improvement of the human condition on earth. "We are trying," he said, "to make a society instead of a set of barbarians out of the governments of the world." And Wilson knew that America's participation in this great task was not a matter of option. "There can be no question," he said in his address to the Senate of July 10, 1919, "of our ceasing to be a world power. The only question is whether we can refuse the moral leadership that is offered us, whether we shall accept or reject the confidence of the world."

America rejected the advice of Woodrow Wilson. We preferred to rely on a continuation of the good luck that had never failed us. It was a desperate and unsuccessful gamble for which both we and the world have already paid an incalculable price. Nonetheless, there are those among us who are still unwilling to relinquish the dazzling illusions of our lost youth.

Our prospects have narrowed greatly since the lost opportunity of 40 years ago. I do not know how long it will be before they finally fade into darkness if we do not finally reconcile ourselves to the burden of continuing an onerous responsibility in a harsh and dangerous world. Our power is inseparable from continuing trusteeship; and this trusteeship, as Wilson perceived, derives not from choice, but from inescapable compulsions—"the compulsion of honor, the compulsion of interest, and the compulsion of humanity."

Our proper objective as a nation must still be "to make a society instead of a set of barbarians out of the governments of the world." Advancement toward this objective will require persistent effort in the face of inevitable frustrations. More fundamentally it will require the cultivation of qualities that are associated with maturity rather than youth—qualities of wisdom as well as resourcefulness, quiet determination as well as righteous dedication, and, perhaps most of all, moral courage in place of adolescent bravado.

The purpose of foreign aid, and indeed of our foreign policy as a whole, is the very gradual improvement of human life on earth. Our success is not guaranteed and if our efforts are to be coherent and sustained, we must accept this fact with sobriety and serenity. Besides patient and continuous effort we must bring to the task a little of a sense of mission—and I emphasize "little." A consuming messianism will surely lead us to false hopes and frustration, while action without purpose is action without meaning or hope. But a little of a sense of mission can guide us—unencumbered by either extravagant hopes or unwarranted despair—toward worthy and attainable objectives.

Mr. President, in my opinion, a vote against the Byrd amendment is a sign that we have now accepted our responsibilities; that we recognize that this program will not finish next year, or even the next year. I do not know how long it will be with us. We have already had it for 12 years. Too many Members of this body thought each year that the program would be ended possibly the following year. Hence, we adopted the annual procedure. What this means, I believe, among other things, is that we recognize that we have a very long and difficult task and that we might as well accept it in earnest, try to plan for it, and organize our administration of it in such a way that the instances of confusion or of mistakes, which have been so prevalent and so widely discussed here today, can be stopped.

I ask unanimous consent at this point in my remarks to insert in the RECORD two short statements that are pertinent to the discussion.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

COMMENTS ON STATEMENT BY SENATOR BYRD ON AUGUST 8, 1961 (CONGRESSIONAL RECORD, P. 15064)

Senator BYRD said to the Senate on August 8 that "the foreign aid bill (S. 1983) now pending in the Senate would capitalize the proposed new Development Loan Fund from the proceeds from the sale of bonds, or other forms of interest-bearing Federal debt * * *" and that "using the full amount of the Federal debt as it would be created for the development loan program, interest on $8.8 billion, if computed at 3 percent and compounded annually for 50 years, would total $29.7 billion."

The Senator inserts a lengthy table to sustain this point.

The Senator is apparently laboring under a fundamental misconception as to the difference in cost to the United States of financing the aid program under the borrowing authority proposal made by the President and recommended by the Foreign Relations Committee on the one hand and on the other hand the cost which would be occasioned by annual appropriations.

Two things should be pointed out. First, whatever the cost would be, it would be precisely the same under the committee's proposal and the Senator's own amendment. Second, it is farfetched, indeed fantastic, to compute the cost of any Federal program by extrapolating it on an actuarial basis for a particular period of years as the Senator has done.

As to the first point, it is correct as a technical matter that under the borrowing authority funds for the expenditures of the development lending program (not the total of each year's borrowing authority as shown in the Senator's table) would be covered by funds derived from the sale of Government securities—just as in the case of each of the existing 24 Government programs financed by borrowing authority. However, this procedure does not have any different effect on the national debt than would the procedure under Senator BYRD's own amendment. As Secretary Dillon said in his joint letter with Secretary Rusk of July 18:

"Borrowing authority would not require an increase in the public debt or borrowing from the public any more than any other form of funding. Whether such an increase may be necessary will depend at any given time on the overall receipts of the U.S. Government as compared to its overall expenditures. Thus, the effect of the aid program on the public debt would be exactly the same whether the program were funded by borrowing authority or by annual appropriations."

It should be realized that every week the Government issues some $1.7 billion in Treasury bills and a like amount of Treasury bills or other obligations is retired at a time when the budget is more or less in balance. When revenues are less than expenditures, these weekly issues will be larger or other debt obligations will also be issued. When revenues are greater than expenses, the weekly retirements of Treasury bills or other obligations may increase. In any case, the issuance of public-debt obligations needed to cover expenditures of borrowing authority programs fall well within this continuing pattern. Where appropriated funds are used, the pattern is the same. If more funds are needed for expenditures than are readily available in the Treasury, the issuance of public-debt obligations may be increased. If there is a surplus in the Treasury, the retirement of obligations may be increased.

In short, to repeat, the cost of the lending program under the Senator's amendment would be no less and no more than under the committee's proposal.

As to the second point, there is no more logic in capitalizing the cost of the aid program than any other program of the Government. If the same logic were applied, for example, to the recently voted $47 billion defense bill, it could be argued that in 50 years it would cost the United States something like $150 billion in interest for that program.

COMMENT ON BYRD AMENDMENT

The amendment would knock out of the bill the financing of development lending through borrowing authority and would substitute the appropriation method. The amount ($8.8 billion) and the time period (5 years) would remain the same.

The Committee on Foreign Relations considered several alternative ways of financing the Development Loan Fund and rejected such alternatives.

The amendment would eliminate one of the most important features of the bill: the policy of placing development lending on a long-term basis instead of on the annual appropriation basis. This feature has been regarded as having the highest priority both by the Committee on Foreign Relations and by President Kennedy. It was recommended by President Eisenhower in 1957.

Borrowing authority rather than appropriation is the usual procedure for lending operations of the U.S. Government. Some 24 lending agencies and other Government corporations are financed by borrowing authority. About $100 billion has been authorized for expenditure by the Congress in this way. S. 1983 requests borrowing authority only in the case of loans repayable in U.S. dollars. All other parts of the foreign aid program are to be financed through appropriations as usual.

Financing of lending by borrowing authority will be less costly and result in more effective programs overseas in the long run. Foreign countries will be able to develop more effective economic plans because the plans can be long range since the United States would be prepared to match country contributions with U.S. loans over a long range. Money would also be saved through the elimination of any hasty obligation of funds at the end of the fiscal year for fear of congressional failure to reappropriate.

Experience since 1957 with the appropriation method of financing development loans demonstrates that an appropriation authorization is not a reliable basis on which the executive branch can make conditional commitments to foreign countries. Appropriations have averaged 30 percent less than authorizations.

The borrowing authority method does reduce control by the Appropriations Committees over development loans but the ultimate control by the Congress as a whole is not impaired. Appropriations Committees will review the loan budget annually but will be able to impose limits if some unusual circumstance has altered basic congressional policy. At the same time, the

power of Congress to cancel the whole lending program, or to stop it at the end of any fiscal year, or to reduce it for future years, continues in effect.

There is no difference, as between borrowing authority and appropriation, in the impact which the development loan program will have on either the Government budget or on the taxpayer. The economic effect of either method of financing is the same. The money must ultimately be raised by the Treasury in the same way whether the borrowing authority or appropriation method is used; namely, by a combination of taxation and borrowing from the public.

The choice of method of financing makes no difference in the likelihood that foreign loans will be repaid. Repayment depends upon the economic conditions in the borrowing country. There has never been any default on a foreign aid loan. Repayments of principal and interest on foreign aid loans are now coming in at the rate of $800 million per year.

Borrowing authority is not new to the Senate even in the foreign aid program. The Senate in 1957 authorized the establishment of the Development Loan Fund and 3 years of financing, the first year by appropriation and the next 2 years by borrowing authority.

Some have argued that this is purely a matter of committee jurisdiction. That is only one aspect of the question, but in that connection it should be pointed out that the Byrd amendment would result in the loss of jurisdiction over development loans for 5 years by the Committee on Foreign Relations which would, incongruously, continue to have jurisdiction over the remaining portions of the foreign aid program.

Mr. FULBRIGHT. Mr. President, I hope the Senate will reject the Byrd amendment.

Mr. BYRD of Virginia. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Virginia has 1 minute remaining.

Mr. BYRD of Virginia. I yield 1 minute to the Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, in my opinion, the objective so eloquently described by the Senator from Arkansas can be achieved through the adoption of the Byrd amendment. The Byrd amendment contemplates a 5-year authorization involving the same amount of money as is now contained in the bill sponsored by the Senator from Arkansas. However, it requires that each year Congress shall take a look at the program to see what is being done.

In my opinion, to bypass Congress for 5 years in the expenditure of $8,787 million is not sound. It constitutes an abdication of responsibility. In my opinion, the failure of Congress to operate in a supervisory capacity for 5 years——

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. FULBRIGHT. Mr. President, I yield 2 minutes to the Senator from Missouri.

Mr. LAUSCHE. Mr. President, will the Senator from Arkansas allow me half a minute in which to finish my statement?

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the Senator from Ohio may be permitted to finish his sentence, without the time being charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LAUSCHE. The abdication of responsibility for 5 years and the failure of Congress to review will lead to greater abuses and greater confusion in the future than has been the case in the past 12 years.

Mr. FULBRIGHT. Mr. President, I yield 2 minutes to the distinguished Senator from Missouri.

Mr. SYMINGTON. Mr. President, there is no Member of this body for whom I have greater respect than I have for the distinguished Senator from Virginia [Mr. BYRD]. As a member of the Committee on Foreign Relations, however, I have examined this problem to the best of my ability, and I do not understand why it is that we do not give to those who are working with the taxpayers' money the same prerogatives as would be necessary for good management in private business.

The idea that there can be planning for a year and then the necessity to replan, with commitments on that basis, is, to me, unbusinesslike. Such a procedure guarantees that sort of inefficiency which so many persons use as an excuse for opposition whenever the President asks for additional foreign aid with which to preserve our position against communism.

I congratulate the chairman of the Committee on Foreign Relations for the painstaking effort he has made to secure the facts on this question of long-term borrowing authority for the Development Loan Fund. His position is entirely sound. It is up to us to help to solve, to the best of our ability, the obvious problems which confront us in the world today. Therefore, not only as a member of the committee which approved the authority by a large majority, but as an American who is increasingly apprehensive concerning the position of the United States and the rest of the free world, I intend to vote to give the President this economic weapon he has requested.

Mr. FULBRIGHT. Mr. President, I yield the remainder of my time to the distinguished Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I commend the Senator from Missouri for his statement concerning the fiscal management which is provided in the bill, which is succinct and states the problem very well.

The argument has been made by those who are opposed to the Development Loan Fund borrowing authority that mistakes, waste, and mismanagement have taken place in country after country. No one denies that. However, Congress has investigated, and Congress will be able to continue to investigate those complaints under any other borrowing authority.

I would not say that all the mistakes took place in one administration, because they did not. Mistakes have occurred in both administrations. However, I say most respectfully to the distinguished Senator from Illinois [Mr. DIRKSEN], the minority leader, that the cases he cited were mistakes made under a Republican administration. I only wish there had been expressed then, with the same alacrity, the same concern as is now expressed.

We need to ask ourselves some questions: Is the Development Loan Fund borrowing authority proposal new? It is not. It was recommended by the late Secretary Dulles, by former Secretary of State Herter, and by former President Eisenhower. In fact, in 1957, when President Eisenhower and Secretary Dulles asked for long-range, back-door financing, the following Senators supported them: Dirksen, of Illinois, Mundt, of South Dakota, Schoeppel, of Kansas, Knowland, of California, and Aiken, of Vermont. In all, 30 Republicans supported the President.

In 1959, under disguised borrowing authority—because there it was a 3-year authorization for appropriation, with fixed ceilings, all in one shot—the Senator from Illinois [Mr. DIRKSEN] offered the proposal.

So far as concerns the ability of Congress to control what the executive branch does, Congress has complete authority over the administrative funds. It can close the agency if it wishes to do so. I shall not go into the many areas of controls which are possible. The annual authorization for aid requires that four times a year the Development Loan Fund shall come before the appropriate committees of Congress and report.

Every Senator who feels he knows how to operate the program better than can the Administrator can investigate and investigate; and there is plenty of staff. If there is not enough staff, we can hire more. It might not be a bad idea to do that, in light of the formidable investigation involved.

Has this program been tried before? Has similar borrowing authority been authorized? Yes, it has been tried in 24 agencies which Congress authorizes and supports. Does it work? I believe so. At least, we must think it does, because Congress permits the same 24 agencies to continue to operate under exactly the same provisions as are contemplated in the bill.

What is the main argument for the bill? Administration. We know that foreign aid is needed. I heard the argument about Bolivia. I could not agree more fully with the Senator from Illinois about the tragic situation in Bolivia. I hope we can do something to assist Bolivia. If we do not do it, what we shall do will be to present Bolivia to Castro or Khrushchev; and I am not about ready to let them have another country.

It seems to me that the argument about the need for foreign aid has long since passed. Of course foreign aid is needed. The only issue is: How can it best be administered? I do not know whether we can administer foreign aid and have the success we want. I agree that the program ought to be geared more closely to certain countries and not be spread universally. This was the point made by the chairman in one of his presentations to the Senate, namely, selective use of dollars, and selective use of the foreign aid program and the development loan program. The new ad-

ministration seeks to provide reorganization of the foreign aid program, country by country, by providing a director for a regional office and centralized control, so that there will be some way of knowing what is happening to the program.

Mr. DIRKSEN. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. Mr. President, my time has been almost exhausted, but I am happy to yield.

Mr. DIRKSEN. Would the Senator be willing to exchange what we did in 1959 for what is called for in the pending bill?

Mr. HUMPHREY. I am not willing to exchange what was done in 1959 for what is provided by the pending bill, because the Senator knows that what was provided in 1959 did not work as was hoped. So the Senator has stated one of the best possible arguments against the pending amendment and in favor of the bill. In other words, after one has missed the ball game about three times, it is time to quit buying tickets. I say most respectfully to the Senator that the effectiveness of the argument he made against the amendment has been destroyed by his own words.

What we need to do is give the new administration an opportunity to do what it says it can do; and if the Congress keeps its eye on the program, as it certainly will, and also on the Development Loan Fund, we shall have a proper, fine program.

So I thank the Senator from Illinois for lending such incalculably valuable support to our opposition to the pending amendment and to our support of this program.

The PRESIDING OFFICER. All time on this question has expired.

The question is on agreeing to the amendments of the Senator from Virginia [Mr. BYRD], en bloc. [Putting the question.]

Mr. WILLIAMS of Delaware and other Senators asked for the yeas and nays, and the yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HAYDEN (when his name was called). I have a pair with the Senator from Texas [Mr. YARBOROUGH]. If the Senator from Texas were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. WILEY (when his name was called). On this vote I have a pair with the Senator from Hawaii [Mr. FONG]. If the Senator from Hawaii were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Texas [Mr. YARBOROUGH] is absent on official business.

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness. If present and voting, he would vote "yea."

The Senator from Hawaii [Mr. FONG] is absent on official business. His pair with the Senator from Wisconsin [Mr. WILEY] has previously been announced.

The result was announced—yeas 39, nays 56, as follows:

[No. 134]

YEAS—39

Aiken	Dworshak	Miller
Allott	Eastland	Mundt
Beall	Ellender	Robertson
Bennett	Ervin	Russell
Bible	Goldwater	Schoeppel
Bridges	Hickenlooper	Smathers
Byrd, Va.	Holland	Smith, Maine
Capehart	Hruska	Stennis
Carlson	Johnston	Talmadge
Case, S. Dak.	Jordan	Thurmond
Cotton	Kuchel	Tower
Curtis	Lausche	Williams, Del.
Dirksen	McClellan	Young, N. Dak.

NAYS—56

Anderson	Hart	Monroney
Bartlett	Hartke	Morse
Boggs	Hickey	Morton
Burdick	Hill	Moss
Bush	Humphrey	Muskie
Byrd, W. Va.	Jackson	Neuberger
Cannon	Javits	Pastore
Carroll	Keating	Pell
Case, N.J.	Kefauver	Prouty
Chavez	Kerr	Proxmire
Church	Long, Mo.	Randolph
Clark	Long, Hawaii	Saltonstall
Cooper	Long, La.	Scott
Dodd	Magnuson	Smith, Mass.
Douglas	Mansfield	Sparkman
Engle	McCarthy	Symington
Fulbright	McGee	Williams, N.J.
Gore	McNamara	Young, Ohio
Gruening	Metcalf	

NOT VOTING—5

Butler	Hayden	Yarborough
Fong	Wiley	

So the amendment of Mr. BYRD of Virginia was rejected.

Mr. FULBRIGHT. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, for the information of the Senate, I announce that there will be no further voting tonight.

ORDER FOR ADJOURNMENT TO MONDAY AT 11 A.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business tonight, it adjourn to meet at 11 a.m. on Monday next.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. SALTONSTALL. Mr. President, on behalf of myself, the Senator from New York [Mr. KEATING], the Senators from Connecticut [Mr. BUSH and Mr. DODD], and the Senator from Kentucky [Mr. MORTON], I call up my amendment identified as "8-4-61—D."

The PRESIDING OFFICER. The amendment offered by the Senator from Massachusetts for himself and other Senators will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 10, between lines 3 and 4, to insert the following:

SEC. 206. CONGRESSIONAL OVERSIGHT OF LENDING ACTIVITIES.—(a) In any case in which the amount of a proposed loan under this title exceeds $10,000,000, such loan shall not be made and no agreement obligating the United States to make such loan shall be entered into unless (1) a full and complete report with respect to the purposes and terms of the proposed loan shall have been made to the President of the Senate and to the Speaker of the House of Representatives, and (2) neither House of Congress shall have adopted, within a period of thirty days of continuous session of the Congress following the submission of such report, a resolution stating in substance that such House does not favor the proposed loan. Delivery of a report under this section shall be made to the President of the Senate and the Speaker of the House of Representatives on the same day. For the purposes of this subsection, continuity of session shall be considered as broken only by an adjournment of the Congress sine die, but in the computation of the thirty-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than three days to a day certain. A resolution under this section shall be subject to the procedures provided under sections 203 and 205, inclusive, of the Reorganization Act of 1949 (5 U.S.C. 133z–13 to 133z–15) for resolutions relating to reorganization plans under that Act.

(b) In any case in which (1) the report referred to in subsection (a) with respect to any loan is submitted to the President of the Senate and the Speaker of the House of Representatives during a period in which either House is in adjournment for more than thirty days, or (2) either House adjourns for more than thirty days before the expiration of thirty days of continuous session of the Congress following the submission of such report to the President of the Senate and the Speaker of the House of Representatives, such report shall be referred immediately to a special subcommittee of the Appropriations Committee of each House to be composed of seven members appointed by the Chairman thereof. If, prior to the expiration of thirty days following the submission of the report to the President of the Senate and the Speaker of the House of Representatives or following the adjournment of such House, as the case may be—

(A) a resolution referred to in subsection (a) has not been adopted by either House with respect to such loan, and

(B) neither of such special subcommittees shall have adopted a resolution stating in substance that it does not approve the proposed loan;

then, notwithstanding the provisions of subsection (a), the loan referred to in the report may be made. Nothing herein shall be construed to prevent the resubmission under subsection (a) at the beginning of the next regular session of the Congress of a report on a loan with respect to which a resolution of disapproval shall have been adopted by a special subcommittee in accordance with this subsection.

Mr. SALTONSTALL. Mr. President, I understand that the amendment is not to be debated or taken up tonight, but I would like to have it made the pending business.

Mr. HUMPHREY. Mr. President, I wish to inquire of the Chair, so there may be a clear understanding, what the pending question is. Is it the Saltonstall amendment?

The PRESIDING OFFICER. The pending question is the amendment offered by the Senator from Massachusetts for himself and other Senators.

Mr. HUMPHREY. Will that be the business as of Monday?

The PRESIDING OFFICER. The Senator is correct.

IMPACT OF O'CONNOR NOMINATION ON HARVARD, YALE, AND TEXAS

Mr. PROXMIRE. Mr. President, Yale University has conducted what is perhaps the most ambitious and extensive congressional intern program of any university in the Nation.

Top Yale students serve during their summer vacations in congressional and senatorial offices. I have taken full advantage of this program and have been the grateful beneficiary of some extraordinarily competent assistance from Yale students.

Phil Ritterbush, a Yale intern on my staff currently, did a very large part of the research involved in the comprehensive discussion I made earlier this week of the nomination of Lawrence O'Connor to the Federal Power Commission.

Today is Phil Ritterbush's birthday. My staff presented him with a bound copy of that debate. The note to Ritterbush progeny, to be read many years from now, may be of interest to Senators. This is it:

A NOTE TO THE RITTERBUSH PROGENY

Once upon a time, when there was a Harvard man in the White House, and when Yale men were stopped and searched on Capitol Hill, your grandfather helped set off one of the epic windstorms in the history of the U.S. Senate.

The subject of this 3-day oration (called by some irreverent people "The 3-Day Blow," after the Hemingway story of the same name) was gas, a vapor that was used for cooking and heating in a primitive era in human history before science loosed its full inventiveness upon man.

Living as you do in caves, all this furor over gas must seem a little trivial. But it wasn't. It was great fun, despite the fact that the gas company shut off service to both Senator PROXMIRE and your grandfather. And the State of Texas declared your grandfather an international criminal, and dispatched the Lone Ranger and Tonto to bring him to justice.

After the speech, the Senate confirmed Mr. O'Connor, but he retired after 1 day on the Federal Power Commission in favor of Mr. Michael Mantle, of New York. The President, in appointing Mr. Mantle, was reacting to a rising tide of national concern lest a longstanding record in the national pastime be shattered. It all turned out well in the end, with Mr. O'Connor joining the Senator's staff as a research expert in oil and gas, and your grandfather returning to New Haven under a diplomatic exchange with the United States. (New Haven withdrew from the Union shortly after the election of a Harvard man.)

As for the Senator, he submitted the speech as a dissertation, and was granted a Ph. D. by the University of Texas.

PROJECT AIDS CHILDREN WITH LANGUAGE HANDICAPS

Mr. HARTKE. Mr. President, the current hearings on the juvenile court and juvenile delinquency in the District of Columbia by the Judiciary Subcommittee of the District Committee have shown that many delinquents come from "multiproblem" families. They constitute the "hard core" cases which are receiving services from all of our social agencies, but they do not show appreciable signs of rehabilitation. Their offspring often turn up in our juvenile court and correctional institutions

The public schools of Washington, D.C., are familiar with this type of family, and the slums they live in, simply because the schools must educate them. One of the more interesting attempts by the schools to reach the products of slum living before they are beyond our help is reported in this morning's Washington Post.

The schools have launched a language arts program for kindergarten children. These children, though they live in a city with buslines, do not know the word for "bus." They do not know the words for different colors. They cannot even identify different foods by name. To me and my colleagues, who use thousands of words each day to express an infinite variety of thoughts, it seems incomprehensible that even these common words are unknown to any of our children. It seems impossible that some of our children literally are unable to carry on a conversation.

There is, of course, no established relation between inarticulateness and delinquency, but I wish to point out that the inability of these slum children "to use their own English language to express their thoughts" is but one of the consequences of the impoverished lives lead by these families. Not only are they economically destitute, but they live in a social and cultural desert. This desert is located in the heart of our Nation's Capital. Juvenile delinquency breeds here. I am glad to see this pioneering effort by our public school system to come to grips with one of the many problems which afflict these people in the slum desert of our city.

Mr. President, I ask unanimous consent that the article "Project Aids Children With Language Handicaps," be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PROJECT AIDS CHILDREN WITH LANGUAGE HANDICAPS

(By Carole Bowie)

A dozen 6-year-olds filed out of a special summer school class at the District's Langston School last week clutching drawings of "Harry the Dirty Dog"—the canine hero of a popular children's story.

At the doorway stood their teacher, Mary Elizabeth Jones, exchanging well-enunciated goodbys with each child. Before she dismissed the class, Mrs. Jones had asked each youngster to take his picture home and tell Harry's story to anyone who would listen.

The story, the picture, and even the goodby were all part of a carefully drawn plan to help the youngsters overcome their common problem—an inability to use their own English language to express their thoughts.

The student's problem, District educators think, stems from life in impoverished downtown neighborhoods where conversation is limited largely to communicating daily needs and adults seldom have the time or inclination to read or talk to children.

As a result, they point out, youngsters come to school not knowing words used in even beginning lessons dealing with such things as foods, animals, bus rides, or picnics. Nor are they prepared to listen to long explanations by teachers.

To overcome this language handicap, which School Superintendent Carl F. Hansen feels cripples the education of many slum children from the outset, the District last winter launched a program providing special language arts training for 1,900 students in 7 downtown schools.

The project called the intensive language arts program, is part of a million-dollar effort sponsored by the Ford Foundation to develop better educational techniques for children in areas where poverty, high school dropout rates, failures, and low achievement are common.

Unlike foundation-backed projects in other large cities which concentrate on remedial work at higher levels, the District project is aimed at training students to use language in kindergarten and the first three grades where Hansen believes success or failure begins.

Schools involved in the District effort—Cleveland, J. F. Cook, Scott-Montgomery-Morse, Seaton-Perry, Simmons, Slater-Langston, and Walker-Jones—are all in the blighted area bounded by T Street and Florida Avenue, North Capitol Street, Massachusetts Avenue, and Ninth Street NW.

The 3-year project, which began in kindergarten and first grades and will reach the second grade this year, calls for extra language instruction in the classroom, in-service training of teachers, field trips, and work with parents to extend the children's experience and improve language in the home.

During the 4 months Benjamin Henley, director of the project reports, all of the 1,900 students made a minimum of 7 field trips—including jaunts to the market, the University of Maryland farm—and some took their first bus ride.

Parents at Scott-Montgomery-Morse took their own field trip to Washington sites such as the Nature Center and the White House—aimed at giving them ideas of what they can do with their children. Others participated in special sessions explaining the project.

An extra teacher, including Mrs. Jones, was assigned to each of the schools to help train teachers in language arts techniques and to give youngsters special training in conversation, pronunciation, and vocabulary.

SOME IN SUMMER CLASS

But even with the extra instruction, many of the kindergarten students had not conquered their problems by May when they were judged "not ready" to enter the first grade this fall. About 100 of the youngsters were enrolled in 7 summer classes, Henley said, "to see if 6 more weeks of school would help."

The problems Mrs. Jones encountered in "readying" her youngsters are not unusual for children 5 and 6 years old—but progress is slowed because of their lack of experience. Many, she pointed out, "don't know blue from red or that you move your eyes across a page from left to right."

"Most of the children," Mrs. Jones said, "are shy and withdrawn. They don't talk because they don't know what to talk about." Many of the words used in school also have different meanings and pronunciations in the children's homes, she said.

During the winter program, teachers use field trips to teach the youngsters new words and to give them something to talk about. In her summer class, Mrs. Jones reads a book a day to the students, listens as they retell the story in class, and urges them to retell it later at home.

To be ready for more complicated language training, the youngsters also must be taught to grasp concepts such as big and little, ap-

preciate numbers greater than one, recognize differences among shapes and sounds and associate ideas.

For these lessons, Mrs. Jones relies heavily on visual aids and tape recordings—many of them teachermade—to depict sights and sounds she thinks the children will know from home experience.

"I might show the children a cutout of two brooms and an umbrella and ask them 'which one is different' for a lesson in visual discrimination," she said. Students learn colors by fitting large red, blue, green, and yellow cutouts into slots by the appropriate word and numbers by counting circle.

The students also practice saying words distinctly, speaking in sentences and hearing the difference among sounds with the help of phonovisual charts.

Although it is too early to predict success of the District effort, Henley and Mrs. Jones can point to hopeful signs. Among them are classes where half the students will be ready for first grade in September.

And there is the youngster who used to jerk his head to keep from speaking who now bids a polite "goodby Mrs. Jones."

Henley also sees "beginnings" in a group of fathers from Cleveland School who met at school and planned to take their sons to a baseball game and in parents who ask teachers to recommend children's books.

But most encouraging is a letter on Henley's desk from a mother, thanking the principal for the language arts program. Her son, the letter says, is not so quiet at home now and likes to tell her what he did at school.

INTERNATIONAL AIR CADET EXCHANGE PROGRAM

Mr. HUMPHREY. Mr. President, yesterday it was my privilege to address a luncheon meeting sponsored by Pan American Airways honoring the participants in the Civil Air Patrol international air cadet exchange program.

A fine and public-spirited citizen of the Capital City, Mr. Barnee Breeskin, whom we all know very well, was the general chairman. He is a colonel in the air cadet program and one of its chief sponsors. He, along with a number of members of the Military Establishment, were present in order to honor the international air cadet exchange program.

This was a most satisfying experience. More than 160 young men from 19 nations were at this luncheon in Washington as a part of their tour in the United States. I talked with many of these cadets yesterday and was pleased to note that they have learned much about the character and strength of America during their stay here.

At the same time these young men have been in the United States, almost 200 American air cadets have been overseas, learning about other nations of the world which in the past they have been able to study only from afar.

I am convinced that this type of program builds deep understanding between the peoples of the world's free nations. Some may say that it is a small program; that its effects are limited. My view is that any program which exchanges individual citizens for personal direct visits is significant. Each will return to his home country to tell his family, his neighbors, and his friends of what he saw and learned.

In my address, I noted that these young men were able to see the tangible symbols of America's freedom and character—our homes, our neighborhoods, our cities and farmlands, and recreational areas. They have met and made friends with hundreds of individual Americans. I am sure those friendships will endure.

I ask unanimous consent that the text of my remarks at yesterday's Civil Air Patrol luncheon be printed in the RECORD at this point, along with a list of the participants in the international air cadet exchange program.

There being no objection, the address and list were ordered to be printed in the RECORD, as follows:

EXCERPTS OF REMARKS BY SENATOR HUBERT H. HUMPHREY, OF MINNESOTA, CIVIL AIR PATROL INTERNATIONAL AIR CADET EXCHANGE PROGRAM, WASHINGTON, D.C., AUGUST 10, 1961

I am honored to salute the Civil Air Patrol today for its international air cadet exchange program. The participants in this program represent many nations; you come from all parts of the world. But through this program, through your contacts with this Nation and your fellow cadets of other nations, you now share a new understanding of the bonds which unite us. We are united not by controls or domination or centralized power, but by basic, human values of the dignity of man and his rights to freedom.

My text today was suggested by a broadcast I heard a few nights ago. The commentator paid tribute to the recent Soviet achievement of placing a man in orbit around the earth for 24 hours. He mentioned the tremendous cost paid by the Soviet Union since 1945 to pursue its space program. And he noted that 1945 was the same year in which the United States launched a massive program of foreign aid.

Perhaps some of us felt a bit let down or a bit embarrassed at word of the Soviet Union's achievement. Perhaps most of us were concerned about being second-best to the Soviets in space. But let us put things in proper focus. While the Soviet Government since 1945 put top priority upon science, space development, rockets and satellites, the United States has placed its emphasis on improving life here on earth. We have channeled our resources and funds into helping the helpless, feeding the hungry, healing the sick, clothing the naked, aiding the underdeveloped nations, and attempting to bring about greater order, stability, and progress for the peoples of this world.

Since 1945, the United States has spent more than $97 billion on foreign aid, funds which could have placed many men in orbit many years ago. The first Soviet foreign aid was extended in 1954—9 years after our program started—and since then the Soviets have extended less than $5 billion in foreign aid.

The cost figures are not as important as the relative values they represent. Perhaps we speak too much about catching up with the Russians in outer space. Let's challenge them to catch up with us in service to mankind.

Achievements in science and successful space exploration are important, and we will reach them. I have no doubt about that. But the real test of a people and a nation is not scientific excellence, but rather a sense of justice and humanity. The real test of a nation is not the penetration of outer space, but the fulfillment of freedom here on earth.

Our important contribution to the world is not the penetration of outer space, but the constant practice of spiritual truths—truths not formed with a slide rule, but with the Golden Rule. The oppressed people of the world—the downtrodden, the helpless—do not aspire to a trip to the moon. They seek a safer and better journey through life.

There is a great conference underway now in Latin America, in the country of Uruguay. This is possibly the most important conference since the establishment of the Organization of American States. Its purpose is to develop plans, programs, policies, and projects that will lift the standard of living of the peoples of Latin America.

The headlines of the American press tell us that our Latin American program would involve a $20 billion investment in the next 10 years. I regret to see a price tag placed upon our good-neighbor policy. The important issue is not the amount of money that will be required. What people want to know and what they must know is the sincerity of our desire to be a working partner, a good neighbor, a friend in a time of need. Our neighbors in Latin America want to hear of and know real hope for progress. They want to hear of land reform, of hospitals and medical care, of jobs with a living wage, of books and schools, of happy communities where opportunity exists for young and old. I think we miss the mark when we constantly interpret the American foreign-aid program in terms of dollars. That program should be understood in terms of human values, of goods and services; of opportunities and responsibilities. We are not just cost accountants and budgeteers. We are people; we are families; we are communities; we are nations. We are God's children.

A foreign policy for this day and age must be based upon something more than the power of the Pentagon or the gold reserves of Fort Knox, or the loans and grants of a rich and powerful United States. Our foreign policy must express the spirit of our people, and that spirit is to be found in such tangible symbols as you have seen—a house in which to live warmly and safely, a neighborhood that provides wholesome environment for the young, a hospital for the sick, decent care for the elderly, jobs for those who seek work, education for those who hunger for knowledge, and recreation and culture for those who understand the true meaning of the good life.

Our 20-year plan is not one based upon free rent, free food, free bus rides. Our 20-year plan is based upon man's freedom—his freedom to work, his freedom to speak, his freedom to worship, his freedom to move.

Let me conclude with this thought. Our freedom is not free. It is priceless. It was won at great cost of effort and sacrifice by great men and enlightened peoples who lived before us. And our freedom requires eternal vigilance and dedication to sustain it.

That is your duty as citizens of free nations. Each of you and all of us must serve the cause of freedom—with warm hearts, with understanding minds, with dedicated will, and with hard work and strength of purpose.

INTERNATIONAL AIR CADET EXCHANGE OF 1961

Participating cadets and escorts from:

BELGIUM

Capt. Willem van Meldert, escort; 1st Lt. Jean Loyens, escort. Cadets: Clement J. Coenen, Alain Leclair, Guy Robin, Hubert L. V. Rossel, Rudi Schollaert.

BRAZIL

Capt. Bernardo De Costa Aguiar, escort. Cadets: Alcindo Rogerio Amarante De Olivra, Plinio Afonso Junqueira, Paulo Sergio De Moraes, Jose Mar Augusto Barbosa, Jose Alvarg Cardoso Feio, Julio Rodrigues Magalhaes Alves.

CANADA

S/LD. Halcrow, RCAF, escort. Cadets: Paul Gray, Gary Romas, Robert Fell, Walter K. Wilkinson, Derek Younge, Clarke W. Lynn, Patrick D. Hovorka, Edward K. Truman, Ronald E. Scriven, Alexander D. McQuarrie, Paul

I. Komarnicky, David L. Edgeworth, Jaques Carpentier.

Pierre Aumonier, ACLC, escort. Cadets: William C. Gour, Georges Ferland, Jean-Rock Vachon, Serge Charest, Derek Ashton, Laurent Vaillancourt, Raymond G. Gallant, Yves Daigle, Gerald C. Murray, Ralph E. Rivenbark, John D. Macisaac, Richard J. Wiseman.

CHILE

Eduardo Sanfurgo Gomez, escort; Eric Morgan Norton, escort. Cadets: Juan Segundo Perucchi Ramirez, Enrique Gillet Bebin, Hector Hermosilla Escobar, Ernesto Zieleniewicz Jaenicke, Emilio Arnaldo Alvarez Morales.

DENMARK

Maj. Fritz Werncke Von Linstow, escort; Flight/Lt. Palle Krag, escort. Cadets: Finn Thierry Andersen, Bo Werner Larsen, Tom Nygaard Kristensen, Ove Bennike Hillersborg, Henrik Wiehe.

EL SALVADOR

Lt. Victor Prudencio Alraro, escort. Cadets: Rafael Antonio Villamariona, Galileo Conde Vasquez, Jose Roberto Gutierrez, Jose Maleady, Rogelio Muyshondt, Vincente Barraza.

FRANCE

Gilbert Salomon, chief escort; Jean Gourbeyre, assistant escort. Cadets: Paul Bon Serge, Michel Jean Daubagna, Albert Louis Eon, Jean Lucien Rochet, Pierre Michel Watteau.

WEST GERMANY

1st Lt. Wolfgang Czycholl, escort; Rolf Wenders, escort. Cadets: Jorg Bader, Detlef Deunert, Michael Holzbaur, Bodo Panitzki, Andreas von Schoenebeck.

GREECE

Lt. Col. Constantin Spiliopoulos, escort; Mr. Anthony Panagopoulos, escort. Cadets: Spyridon Papageorgiou, Alexander Papageorgiou, Konstantinos Sidiropoulos, John Vermikos, Marmaras Christos.

GREAT BRITAIN

S/L D. Smyth, RAF, escort. Cadets: Mervyn H. Astle, Brian K. V. G. Abernethy Clark, Robert Garratt, John W. M. Head, Jeffrey M. Horner, Edward A. Jones, Richard F. Lea, Colston E. Nichols, Henry B. J. Parmley, Graham Phillips, David A. Pontefract, Michael J. Sayer, Edward Donald Warren.

Assistant S/L R. Brown, RAF, escort. Cadets: Robert M. Clarke, David C. Douglas, Kieth E. Godfrey, Julian N. Herbert, John Hughes, James V. Lawton, David C. Longden, Charles R. Page, Michael James Peachey, Christopher H. Pocock, Gordon Preston, Terrance C. Swinney, Richard Pike.

ISRAEL

Maj. Amnon Halivni, escort; Capt. Raphael Harlev, escort. Cadets: Yiftapah Ramot, Dan Livneh, Ran Eshel, Reuben Israeli, Itamar Noy.

ITALY

Capt. Claudio Venturini, escort. Cadets: Gianfranco d'Antonio, Enrico Pinto, Roberto Casana, Edoardo Barbera, Lamberto Boranga, Fabio Lino.

NETHERLANDS

Maj. Derk H. Hinlopen, RNAF, escort; Jos. R. M. Nyssen, escort. Cadets: P. M. Th. de Bakker, Steven J. Blom, Engel L. A. Gomes, Paul C. Hermes, Feddo C. Hillein.

NORWAY

Per Hoff, escort; Thor Moelbach, escort. Cadets: Dag Mathiesen, Tor A. Sivertsen, Nicolai M. Christiansen, Odd S. Mobaek, Arnulv Straume.

PORTUGAL

Maj. Anonio D. de Oliveira Belo, F.A.P., escort. Cadets: Antonio M. Antunes, Luis M. C. L. Santos, Henrique S. F. Cabral, Luis F.P.S. Goncalves, Carlos F. de Mesquita Da Chunha. Vital F. Afonso, escort.

SPAIN

Jose A. Salazar Cutoli, escort. Cadets: Agustin Alvarez Lopez, Lorenzo Hernandez Nevado, Victor Navajo Lazaro, Alfonso G. Sanchez-Vizcaino, Antonio Tellez Cobos.

SWEDEN

Capt. Gunnar H. Bjorck, escort; Lt. Gunnar Jonsson, escort. Cadets: Kenneth Anker, Ivar Modigh, Goran A. Lars, Rolf G. Edstrom, Morgan Wilhelmsson.

SWITZERLAND

Walter Klinger, first escort; Fred Bitterlin, second escort. Cadets: Alfred Dettwiler, Willy Kampfer, Rolf Lobsiger, Claude Mollet, Hernan Posnansky.

TURKEY

Lt. Col. Tacettin Tezer, escort; 1st Lt. Erol Baykara. Cadets: Ismail Duran, Hancer Senkon, Omer Sarakol, Yavus Rona, Ahmet Ozgunes.

PEACE CORPS—SPONSORSHIP OF S. 2000 BY SENATOR RANDOLPH, OF WEST VIRGINIA

Mr. HUMPHREY. Mr. President, I wish to note for the RECORD that the distinguished Senator from West Virginia [Mr. RANDOLPH] was to have been included as a sponsor of the measure to establish a Peace Corps. The bill has been before the Committee on Foreign Relations. The number of the bill is S. 2000. The report on the bill is at the desk.

I regret that, inadvertently, the name of the Senator from West Virginia was not included. It was a clerical mistake, and I am hopeful the Senator from West Virginia will forgive us. I thank the Senator from West Virginia for his sponsorship of it, and I hope he will not be too unhappy with our failure to take care of his sponsorship on the bill.

Mr. RANDOLPH. Mr. President, will my friend yield?

Mr. HUMPHREY. I yield.

Mr. RANDOLPH. Frankly, to be singled out in this way is very gracious. I am grateful to my colleague from Minnesota. This is a measure in which I have an intense interest. I am delighted to be able to join the Senator from Minnesota in forwarding the purposes of the proposed legislation.

Mr. HUMPHREY. I thank the Senator.

OUTER SPACE OR PEOPLE ON EARTH

Mr. HUMPHREY. Mr. President, one of the most revealing, dramatic, and striking news commentaries that I have listened to for a long time was given by Mr. Joseph McCaffrey on August 7, over station WMAL–TV, Washington, D.C.

Mr. McCaffrey commented upon the remarkable achievement of Soviet scientists in outer space research and development. He paid particular tribute to the recent Soviet man in orbit, Maj. Gherman Titov, who orbited the earth 17 times and then safely landed his spaceship. This remarkable achievement deserves the respect and admiration and commendation of everyone. However, Mr. McCaffrey also tells of another remarkable achievement on the part of the United States—namely, the generous outpouring of economic assistance, foreign aid—that has come from this country since 1945.

Russia's rocketry and missile efforts started to move ahead under centralized direction and mobilization of Russian resources about 1945. Of course, there was considerable experimental work in earlier years, but the main effort, that has now resulted in the Russian man in the sky project, got underway immediately after World War II. The Soviet Government has poured billions of dollars into this program. The development of powerful rockets, along with an emphasis upon outer space research, has been a priority Soviet project for the past 16 years. The Russian people have been denied consumer goods, housing, and other services in order that the Soviet Government could fulfill its commitments to science and technology. The captive nations of Eastern Europe were drained of their factories and raw materials and their skilled manpower. All of this resulted in the spectacular developments of recent months—first sputnik, then Maj. Yuri Gagarin, the first man to orbit the earth and now the past week Major Titov, the second man to orbit the earch. No one would want to deny the Russian scientists and these brave men the honor which is due to them.

But let us put things in proper focus. While the Soviet Government put top priority upon Soviet science, Soviet space development, Soviet rockets, the United States of America placed its emphasis upon helping the helpless, feeding the hungry, healing the sick, clothing the naked, aiding the underdeveloped nations, attempting to bring about greater political order, stability, and progress. All of this has been done through our many contributions to the United Nations, the World Bank, the several international financial institutions such as IDA, the Export-Import Bank, the Inter-American Development Bank, the International Monetary Fund, the U.N. agencies, and above all, our own foreign-aid program of grants and loans.

Since 1945 the United States has spent more than $97 billion on foreign aid, not including the proposal which is now before us.

The first Soviet foreign aid was extended in 1954, 9 years after American aid had been generously contributed in billions of dollars to relieve and rehabilitate the war-torn and stricken countries. From January 1954 to December 31, 1960, the total Sino-Soviet foreign aid has been $4,800 million. The United States starting in 1945 has made available over $97 billion and with this year's program it will be well over $100 billion.

Mr. McCaffrey has told this story in crystal clear, concise, and pointed language. How true it is that had we spent our $97 billion on research and science and technology related to the exploration of outer space and the development of rockets, missiles, and the other intricate and complicated mechanisms required in exploring outer space we—the United States of America—might well have had the first man to orbit the earth and as Mr. McCaffrey says he would have done so "in a red, white, and blue spaceship."

Instead, we as a free people dedicated to social justice, life, liberty, and the pursuit of happiness, selected another course. We directed the use of our resources to the saving of lives, to improving inner space—the space on this earth—to helping other people achieve needed independence and to sustain free institutions. I believe that the judgment of history will stand us well. We made the right decision. "Peace on earth, good will toward men," now as 2,000 years ago, is the promise of a divine providence and the responsibility of men who believe in God and respect human dignity.

I ask unanimous consent that the transcript of Mr. McCaffrey's broadcast be printed at this point in the RECORD.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

COMMENTARY OF JOSEPH MCCAFFREY, AUGUST 7, 1961, STATION WMAL–TV

There is an interesting link between foreign aid and the Russian man in the sky project.

And it is more than appropriate that on the same day the Russian became the first man to return from orbiting the earth, the U.S. Senate still had before it the latest in a long series of foreign-aid bills. Bills which go back, actually, to 1945 and this country's $700 million appropriation to the U.N. relief and rehabilitation project.

Because while Russia was spending money, energy, and manpower on some day putting a man around the earth, and some day putting a man on the moon, this country was spending money on something else.

It was spending money on helping more unfortunate men, women, and children around the world.

Russia's rocketry efforts date back to about 1945 with the importation of captured German scientists.

The same year, interestingly enough, that we began a massive program of aid.

Since that year the United States has spent more than $87 billion on foreign aid, according to figures compiled by the Budget Division of the ICA.

This $97 billion total does not include the money which will be voted by Congress for the 1962 fiscal year.

And in this time what was the great, allegedly humanitarian country of Russia doing to help the world's less fortunate?

For years it did nothing.

A table inserted in the hearings of the House Foreign Affairs Committee outlining the Sino-Soviet bloc credits and grants to less-developed countries, shows that such help did not begin until 1954.

This was 9 years after the United States began supplying aid.

During the period from January 1, 1954, to December 31, 1960, the total Sino-Soviet aid was $4.8 billion—compared with this country's $97 billion.

Had the United States spent the $97 billion it used for foreign aid on a mad dash to space, the first man to orbit the world would have done so in a red, white, and blue spaceship.

But, as troubled as the world may be today, it is still a better place because that $97 billion was spent in helping others.

AWARD TO MORRIS FORGASH

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the RECORD a news item which appeared in the New York Times on Friday, August 11, 1961, entitled "Freight Company Head To Get Defense Award."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FREIGHT COMPANY HEAD TO GET DEFENSE AWARD

The National Defense Transportation Association announced yesterday that Morris Forgash, chairman of the board and president of the U.S. Freight Co., would receive the group's 12th annual national transportation award.

The selection was made by the Joint Chiefs of Staff on the basis of achievements that "contributed to the effectiveness of the transportation industry in support of national security." The award will be presented Mr. Forgash at the association's 16th annual transportation and logistics forum in Denver September 17 to 20.

Mr. BRIDGES. Mr. President, this news story reports the fact that Mr. Morris Forgash, chairman of the board and president of the U.S. Freight Co., will receive the 12th Annual National Transportation Award, given by the National Defense Transportation Association, for his contributions to the effective participation by the transportation industry in support of our national security.

I know of no person more deserving of this fine recognition. Mr. Forgash is known personally to me as a distinguished leader in his field of endeavor. He has gained national renown as an authority in the difficult and complex field of transportation. It is worthy of attention also that Mr. Forgash has given freely of his time and energies to assist, in an advisory capacity, those agencies of Government concerned with this vital problem.

I am very pleased to invite the attention of my colleagues and the American public to the announcement of this distinguished award which will be made in Denver during a meeting of the association to be held September 17 to 20.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. DWORSHAK. Mr. President, I commiserate with the American people in this tragic hour of our history, when there has been a complete surrender and abdication of its constitutional powers by the legislative branch to the executive department.

Mr. President, I share the concern of members of the Committee on Appropriations who this afternoon expressed apprehension that the powers of the Appropriations Committee were being diluted, if not destroyed, in an effort to placate the executive department and obey its mandates and dictates.

Over the past several years, as a member of the Appropriations Committee, I have listened in hearings to testimony given by representatives of the department which has administered our foreign-aid program. The same personnel at the top levels under the Truman administration, the Eisenhower administration and the Kennedy administration have appealed for powers to bankrupt the U.S. Government.

Local currencies will continue to pile up abroad. Revolutions will occur. Political dynasties will change. But there will be no effective change in the administration of our foreign-aid program, in which, admittedly, there are waste, extravagance, and inefficiency, as well as maladministration, which have caused a tragic loss of billions of dollars to the American people.

The long-range back-door financing will aggravate, not remove, the deficiencies which are widely acknowledged as having been typical of our foreign-aid program during the past decade.

I am sure, today, that the callous contempt displayed by this administration for the rights of the American taxpayers will become a political issue in 1962 and in 1964. Public sentiment throughout the United States is revolting against the cowardice displayed by the legislative branch of the Government, as it abjectly surrenders its constitutional rights and prerogatives, which will destroy our Government at a time when we should have unity, courage, determination, and strength to resist the Communist threat of aggression.

THE FULBRIGHT MEMORANDUM

Mr. BURDICK. Mr. President, I feel that it is my clear duty to add my support to the statements made in the memorandum of the Senator from Arkansas [Mr. FULBRIGHT] to Secretary of Defense McNamara concerning policymaking and educational and other activities by military officers. I endorse also the steps he proposes to take in reaching a solution to the problems posed by such activities. It is imperative that this country maintain its traditional stand of civilian authority over the Military Establishment and its members. Too many countries have yielded to temporary intrusion of the military into civil functions only to find that such an expedient led to the establishment of a country in which civilian control could not be reestablished. Democracy is thereby thwarted, and government by the consent of those governed becomes rule by force.

I realize that this is extremely unlikely in our country, but it is extremely unlikely only because we have zealously guarded at all times against any encroachment on the authority of the civilian Commander in Chief and his representatives in the Military Establishment.

It is my purpose in submitting these remarks to concur without qualification in the principle of civilian control of the military as expressed by the Senator from Arkansas [Mr. FULBRIGHT] in this manner:

Military officers are not elected by the people and they have no responsibility for the formulation of policies other than those of a military nature. Their function is to carry out policies formulated by officials who are directly responsible to the people.

Also, I ask unanimous consent to include as a part of my remarks an excerpt

from President Kennedy's press conference of August 10 as reported in the Washington Post and Times Herald relative to the Senator's viewpoint.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ROLE OF MILITARY

Question. Mr. President, there has been considerable argument in Congress in recent weeks about the proper role of military officers in educating the public on the dangers of communism.

Senator FULBRIGHT wrote a memorandum on it. There have been some orders issued in the Defense Department on the subject of proper conduct of military officers in this matter. I wonder if you could give us your views on this subject?

Answer. Well, Senator FULBRIGHT sent a memorandum to the Secretary of Defense at the request of the Secretary of Defense and expressed his views about a matter which is, of course, of concern to the Department of Defense.

The U.S. military, due to one of the wisest actions of our constitutional founders, have been kept out of politics, and they continue their responsibilities, regardless of changes of administration.

I have no idea what the politics are of the members of the Joint Chiefs of Staff, and I have appointed two of them since I have been President. And I have no idea what their views on politics are.

This is a most important protection for our country, and it is an equally important protection for the military. It prevents them from being exploited or discriminated against by political people in either body.

So, therefore, the problem always is how can the military remain removed from political life and how can civilian control of the military be effectively maintained and at the same time the military have the right and the necessity to express their educated views on some of the great problems that face us around the world.

So I think this is a continuing matter which the Secretary of Defense is giving attention to, and there is no desire to restrain or prevent any military man from speaking, but what we are concerned about, however, always is that they not be exploited for any partisan purpose.

I think basically it is for their own protection as well as the protection of the country. So in answer to your question, some of this arose because of an NSC decision in 1958, which placed special responsibilities on them. I think it is, therefore, an obligation upon those who placed those responsibilities upon them to clarify it in such a way that the common interest is protected.

So, in my judgment, Senator FULBRIGHT performed a service in sending his viewpoint to the Department of Defense and I am hopeful that every Member of the Senate on this and every other matter will continue to give the administration the benefit of their judgment. That is why we are all up here.

HANFORD, WASH., ATOMIC PLANT

Mr. METCALF. Mr. President, many of us are deeply concerned by the recent vote to waste 700,000 or 800,000 kilowatts of energy at the Hanford, Wash., atomic plant.

It is disturbing that, the day after the Russian cosmonaut circled the earth 17 times and landed safely in his homeland, directing world attention to his nation's accomplishments in the new space sciences, an alinement of vested interests would even seek to prevent the construction of the world's biggest atomic generating plant in this Nation.

The Hanford issue is more than a question of whether the Government shall build the world's biggest atomic generating station; it raises the question whether this Nation is going to be allowed, by those who have vested interests in the status quo, even to compete, in the technological fields, in the race for men's minds and loyalties.

Development of peacetime applications of atomic energy has been held to a snail's pace by private interests, which have blocked Government experimentation and construction of full-scale atomic generating units for nearly a decade.

One almost wonders how soon the lobbyists are going to insist that the Government cease and desist from experimenting with space travel, lest we interfere with conventional modes of transportation, and leave the development of a moonship up to private interests to undertake after sufficient traffic has developed to make it profitable.

If the Government is going to be stopped short every time a new science approaches practical application, then perhaps we had better start looking at opportunities to undergird our security by recapturing some of the old-fashioned means of production, including the generation of energy.

Along this line, I have had compiled a list of hydroelectric projects in the United States on which licenses will expire in the next 10 years.

Federal licensing of hydroprojects started shortly after the turn of the century. Fifty-year licenses which were granted in the decade between 1910 and 1920 will expire in the coming 10-year period.

According to information I have been supplied by the Federal Power Commission, licenses for 46 hydroelectric projects with a total capacity over 1 million kilowatts, producing more than 10 billion kilowatt hours of energy annually, will run out between 1962 and 1971.

The Federal Power Act limits the licenses to 50 years. Section 14 of the act provides that the U.S. Government may take over and operate the projects. The act alternatively authorizes issuance of a new license with preference to States and municipalities, or the issuance of a new license to the original licensee under appropriate terms and conditions.

Under the Federal Power Act, takeover of a project by the United States at the expiration of a license must be preceded by at least 2 years' notice. Because of the planning, financing, and construction periods necessary to assure orderly utility operations, it may be desirable to give even longer notice of Government intent.

Under all the circumstances that prevail today, I think it is timely for the Nation to start considering policy in relation to these expiring licenses at once.

I therefore ask unanimous consent, Mr. President, to place in the RECORD at this point in my remarks lists of hydroelectric power project licenses which are expiring through 1971, and a list of major licenses which expired, or were surrendered and new licenses issued in the period between 1951 and 1961.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Major licenses expiring on or before June 30, 1971

Project No.	Plant name	Licensee	Location		Installed capacity (kilowatts)	Average annual energy (1,000 kilowatt-hours)	Date license expires
			State	River			
13	Green Island	Ford Motor Co	New York	Hudson	3,280	24,000	Mar. 2, 1971
16	Adams-Schoellkopf	Niagara Mohawk Power Corp	do	Niagara	169,500	1,470,000	Mar. 1, 1971
67	Big Creek Nos. 2-A and 8	Southern California Edison Co	California	Big Creek	138,500	705,000	Mar. 2, 1971
82	Mitchell	Alabama Power Co	Alabama	Coosa	72,500	390,000	June 26, 1971
120	Big Creek No. 3	Southern California Edison Co	California	San Joaquin	110,000	744,000	Mar. 3, 1971
372	Lower Tule	do	do	Tule	2,000	19,000	June 15, 1970
400	Tacoma-Ilium-New Ames	The Western Colorado Power Co	Colorado	Las Animos and Lake Fork.	12,800	42,600	June 30, 1970
420	Ketchikan Public Utilities	City of Ketchikan, Alaska	Alaska	Ketchikan Creek and lakes.	4,200	(1)	Do.
472	Oneida	Utah Power & Light Co	Idaho	Bear	30,000	53,000	Do.
486	Logan	do	Utah	Logan	2,000	12,000	Do.
503	Swan Falls	Idaho Power Co	Idaho	Snake	10,625	97,000	Do.
568		Hall Interstate Mining Co	do	Stratton Creek	150	(1)	Feb. 11, 1966
597	Stairs	Utah Power & Light Co	Utah	Big Cottonwood	1,000	5,000	June 30, 1970
619	Bucks Creek	Pacific Gas & Electric Co	California	North Fork Feather	40,000	200,000	Dec. 31, 1968
665	Santaquin	Utah Power & Light Co	Utah	Summit Creek	880	2,800	June 30, 1970
671	Alpine	do	do	Dry Creek	1,750	4,000	Do.
696	Upper American	do	do	American Fork	950	5,000	Do.
703	Paris	do	Idaho	Paris Creek	650	2,900	Do.
713	Upper Mill Creek	do	Utah	Mill Creek	200	1,400	Do.
1393	Metaline Falls	Pend Oreille Mines & Metals Co	Washington	Pend Oreille	3,000	6,800	July 15, 1962

See footnotes at end of table.

Major licenses expiring on or before June 30, 1971—Continued

Project No.	Plant name	Licensee	Location		Installed capacity (kilowatts)	Average annual energy (1,000 kilowatt-hours)	Date license expires
			State	River			
1521	Pelican City	Pelican Utility Co	Alaska	Stream on North Shore of Lisianski Inlet.	500	(1)	July 21, 1966
1533	Salyer	Swanson Mining Corp	California	Trinity	1,600	170	Sept. 30, 1965
1663	(1)	Lambda Chemical Products Co	Washington	S. F. Stillaguamish	350	(1)	Dec. 31, 1967
1740	Cokeville	California-Pacific Utilities Co	Wyoming	Pine Creek	350	1,000	Do.
1744	Weber	Utah Power & Light Co	Utah	Weber	2,500	24,000	June 30, 1970
1746	(1)	E. L. Cord	Nevada	Leidy Creek	100	(1)	Sept. 30, 1961
1759	Twin Falls-Peavy Falls-Way Dam.	Wisconsin Michigan Power Co	Michigan	Menominee and Michigamme.	22,540	108,000	June 30, 1970
1855	Bellows Falls	New England Power Co	Vermont	Connecticut	43,100	220,000	Do.
1878		Jardine Mining Co	Montana	Bear Creek	880	(1)	Dec. 31, 1968
1880		Calvert Corp	Alaska	Hanley Creek and lake	280	(1)	Sept. 30, 1968
1881	Holtwood	Pennsylvania Power & Light Co	Pennsylvania	Susquehanna	108,800	600,000	June 30, 1970
1888	York Haven	Metropolitan Edison Co	do	do	19,620	120,000	Do.
1889	Cabot-Turners Falls	Western Massachusetts Electric Co	Massachusetts	Connecticut Canal	55,840	248,700	Do.
1890		Margaret P. Dawson	California	Milner Creek	250	(1)	Dec. 31, 1969
1892	Wilder	New England Power Co	New Hampshire and Vermont.	Connecticut	32,400	140,000	June 30, 1970
1893	Amoskeag	Public Service Co. of New Hampshire.	New Hampshire	Merrimack	16,000	79,000	Do.
1894	Parr Shoals	South Carolina Electric & Gas Co	South Carolina	Broad	14,880	75,000	Do.
1895	Columbia Canal	do	do	do	10,600	50,000	Do.
1899	Oakland	Pennsylvania Electric Co	Pennsylvania	Susquehanna	600	1,900	Do.
1903	Sewalls Falls	Concord Electric Co	New Hampshire	Merrimack	2,000	13,000	Do.
1904	Vernon	New England Power Co	New Hampshire and Vermont.	Connecticut	31,700	135,000	Do.
1913	Hooksett	Public Service Co. of New Hampshire.	New Hampshire	Merrimack	1,600	11,000	Do.
1946		Mrs. O. B. Day	Alaska	Allison Creek	200	(1)	Sept. 29, 1967
1957	Otter Rapids	Wisconsin Public Service Corp	Wisconsin	Wisconsin	750	2,100	June 30, 1970
1967	Stevens Point	Whiting-Plover Paper Co	do	do	600	900	Do.
1968	Hat Rapids	Wisconsin Public Service Corp	do	do	1,760	6,500	Do.
1970		Harvey F. Stelling	Alaska	Solomon Gulch	150	(1)	Apr. 30, 1967
1989	Merrill	Wisconsin Public Service Corp	Wisconsin	Wisconsin	840	6,100	June 30, 1970
1998		Edible Herring Products, Inc	Alaska	Big Port Walter Falls Creek.	69	(1)	May 17, 1968
1999	Wausau West	Wisconsin Public Service Corp	Wisconsin	Wisconsin	5,400	33,000	June 30, 1970
2026		Intercoastal Packing Co	Alaska	Crater and Ash Creeks	30	(1)	Dec. 31, 1969
2053	Fall River	Fall River Power Co	Colorado	Fall	600	(1)	Nov. 23, 1969
2095	York Haven	International Paper Co	Pennsylvania	Susquehanna	2,500	16,000	June 30, 1970
2110	Stevens Point	Consolidated Water Power Co	Wisconsin	Wisconsin	3,840	25,000	Do.
2161	Rhinelander	Rhinelander Paper Co	do	do	2,120	10,000	Do.
2192	Biron No. 2	Consolidated Water Power Co	do	do	3,300	20,000	Do.
2221	Ozark Beach	Empire District Electric Co	Missouri	White	16,000	110,000	Aug. 31, 1968
733	Ouray	The Western Colorado Power Co	Colorado		432		Apr. 12, 1970

[1] Not available.

Major licenses expired or surrendered and new licenses issued July 1, 1951, to June 30, 1961

Project No.	Licensee	Location		Installed capacity (kilowatts)	New license issued		Remarks
		State	River		Effective date	Period (years)	
1413	Ponds Lodge, Inc	Idaho	Buffalo	200	July 1, 1951	(1)	Original license expired.
675	Utah Power & Light Co	Utah	Battle Creek	2,400	June 1, 1952	25	Do.
1393	Pend Oreille Mines & Metals Co	Washington	Pend Oreille	3,600	July 16, 1952	5	Do.
1393	do	do	do	3,600	July 16, 1957	5	Do.
1097	Leonard Lundgren	Oregon	Jack Creek	80	Jan. 1, 1952	20	Do.
719	Jesse I. Smith	Washington	Phelps and James Creeks	320	Nov. 1, 1952	20	Do.
1426	Buchan Packing Co., Inc	Alaska	Unnamed stream	14	Aug. 15, 1955	20	Do.
2105	Pacific Gas & Electric Co	California	North Fork Feather and Butt and Yellow Creeks.	344,600	Nov. 1, 1954	50	Includes former major projects Nos. 616 and 1352. Licenses surrendered.
2130	do	do	Stanislaus and its Middle and South Forks.	112,950	Jan. 1, 1955	50	Includes former minor-part project No. 708 and major project No. 1318. Licenses surrendered.
733	The Western Colorado Power Co	Colorado	Uncompahgre	430	Apr. 13, 1960	10	Formerly minor-part license. Issued as major license.
2150	Puget Sound Power & Light Co	Washington	Baker	182,110	May 1, 1956	50	Comprised of upper and lower Baker developments. Lower Baker was under minor-part license, project No. 777.

[1] To Oct. 31, 1959.

Mr. METCALF. Mr. President, we are at a point in history of power development when these expirations will be increasing, and when policy about renewals should be set.

Utility companies, because of the nature of their business, are agents of Government. They operate under franchises granted by Government, to perform a public function.

We need to review how well the private utility industry has done its job as the agent of the Government, whether it has provided the Nation with most modern facilities and an abundance of electric power at low rates, or if it has acted as a brake on development, retarded extensions of service—as in the case of rural areas—and facilitated or retarded our economic growth.

Certainly the industry's conduct in the Hanford plant situation needs to be reviewed.

To what extent has this agent of Government used its economic means, gained through public franchises, to thwart policies and projects in the public interest? Has it dared to jeopardize the Nation's security for selfish ends? Is it a good influence in our national affairs, or is it a dangerous one?

Should the Nation continue to entrust public resources to these agents, or is it time to exercise the Federal rights under the Federal Power Act, and strengthen its own yardstick power operations both to assure our citizens abundant energy at reasonable rates and to undergird the national security?

I am not now offering answers to these questions.

I am submitting for the RECORD some of the basic facts involved in a policy decision we must make at an early date.

WORLD'S ONLY CORN PALACE IN SOUTH DAKOTA

Mr. MUNDT. Mr. President. A good deal of national attention has been focused upon my home State in recent

weeks because of the drought which has afflicted a large section of the upper Midwest including portions of South Dakota.

Unfortunately, the impression may have been created that all that awaits the visitor's eyes in South Dakota are parched lands, scraggly thistles bounced along the landscape by clouds of dust, and ghost towns snuggling into the sand dunes of a barren country.

No description of my home State could be further from the truth than what I have said in the preceding paragraph.

First of all, Mr. President, to those who may have obtained a false impression of South Dakota, I want to say that we have trees, thousands of trees, lending themselves beautifully to an ever-changing landscape in my part of the country which we call "The Land of Infinite Variety."

Second, Mr. President, we have water in South Dakota, enough, in fact, to provide our State with the largest chain of inland lakes of any State in the Union—this is the Missouri River, now contained behind a series of huge dams providing our State with an abundance of recreational pleasures. This man-made lake—once a river—is not the sole possession of South Dakota, for it stretches up into our sister State of North Dakota.

Third, Mr. President, we have thousands of scenic attractions, not only refreshing to the eye, but physically enjoyable as well, such as our dozens of hidden lakes in the northeast part of the State, or the forest reserves and mountain trails of our beautiful Black Hills.

One such scenic attraction is located in Mitchell, S. Dak., called the Corn Palace. The Corn Palace is the subject of a recent article in the Portland (Maine) Sunday Telegram, and I am delighted to call it to the attention of my colleagues.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Portland (Maine) Sunday Telegram, July 30, 1961]

SOUTH DAKOTA'S CORN PALACE RECALLS FLAMBOYANT TIMES

The homestead era on the vast prairie reaches of South Dakota left one lasting flamboyant monument to itself—the world's only Corn Palace at Mitchell.

It has been rebuilt twice since 1892, when two imaginative Mitchell pioneers put their mustached heads together and decided what the bustling prairie town needed was a little festivity during the harvest season. A corn palace would be a natural, they agreed, and the festival itself would draw the sodbusters and "honyocks" from every homestead within horseriding or railroading distance.

The basic idea of the Corn Palace is much the same today as in past years. The flavor is distinctly Byzantine structure of turrets, towers, and minarets topped with pennants. Nearly every square inch is embellished with mosaics of multicolored corn. Native grasses complete the colorful effect.

Brass bands were especially popular entertainment at early Corn Palace festivals. Apparently the best was none too good and John Philip Sousa, then the most famous bandmaster in America, was among those who played for the festival during its early years.

The railroad had to run special trains for the estimated 40,000 Dakotans who swarmed to the Corn Palace to hear the most popular band in America. So delighted was Sousa with the near-royal welcome he received he scheduled extra concerts so that none would be turned away.

Among the big names who have appeared there since are Patti Page, Jimmy Dorsey, Blackstone the Magician, Guy Lombardo, Harry James, the Variety Girls, the Dinning Sisters and, of course, Lawrence Welk.

Welk is a special favorite since he as well as many members of his orchestra are former Dakotans.

The corn mosaics which decorate the colorful Corn Palace are probably one of the most unusual community do-it-yourself projects devised.

The first mosaics were intricate geometric designs. At the present time, pictorical themes showing scenes from South Dakota history or Indian lore are favored. The process is simple but painstaking: ears of red, yellow, brown, white, blue, and calico corn are sawed lengthwise, then nailed to wooden panels which are fastened to the walls.

Many of the unusual corn colors are specially grown in the Mitchell area for just that one purpose. As many as 2,000 or 3,000 bushels are used in good years. When drought, depression, or world war limited the corn supply, Mitchell tightened its belt along with the rest of the Nation and resourcefully made do with what was available—colored cloth, painted panels, paper, and grasses.

The total decorating job costs the city about $15,000 each year.

Since 1948, the mosaics have been designed by South Dakota's artist laureate, Oscar Howe. A fullblood Dakota Sioux Indian, Howe ranks as one of the Nation's most outstanding Indian artists.

Each summer he returns to Mitchell with scale designs, painted in bold corn colors, for new mosaics to decorate the Corn Palace.

Transferring the original scale designs to enlarged full-size patterns for the Corn Palace decorating crew is much like creating huge, color-coded canvases for do-it-yourself paintings.

After the designs are chalked on black, gridded roofing paper by the familiar craftsman method of transferring the squares, each color section is marked for the color to fill it. Then the huge patterns are attached to their assigned panels and the actual mosaic work in corn begins.

Small powersaws are used to saw the cobs lengthwise. Workmen on scaffolds nail the halves to wooden panels on the brick walls of the Corn Palace.

Ordinary yellow field corn is used as the background color and is nailed in place first. Later the vari-colored details of the "corn painting" are added. Finishing one big 12- by 30-foot panel usually takes a crew about a week.

The result is one of the most colorful and unusual buildings in the Midwest. Thousands of sightseers visit the palace annually and thousands more attend the annual fall festival in the last week in September.

However, the palace is much more to the people of Mitchell than a home for the festival and an architectural curiosity for tourists. It's a practical structure which seats over 5,000 and which is in constant use throughout the year for dances, conventions, basketball games, and a variety of civic activities.

For proud Mitchellites who trace its history from the days of homesteading, drought, and grasshopper plagues, the Corn Palace is a venerable prairie institution.

I DO NOT CHOOSE TO BE A COMMON MAN

Mr. MUNDT. Mr. President the trend toward centralized Government and the welfare state philosophy is of deep concern to many citizens throughout our Nation who view this—rightly in my opinion—as a constant encroachment upon the freedom of the individual.

Only recently I have had called to my attention a comment on this trend by a high school student in South Dakota, Paul Larsen.

Writing in an open letter to his hometown paper, the Aberdeen American-News, Paul Larsen expresses concern over the concept of the welfare state to solve every problem with the taxpayer's dollar, stating:

This materialistic approach to our American system of free enterprise will, if unchecked, eventually destroy us.

Mr. President, Paul Larsen not only speaks out against those things which he believes are harmful to our great Nation, but also outlines what he terms a creed to follow in dedicating himself to the cause of liberty and individual freedom.

I ask unanimous consent that Paul Larsen's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Aberdeen American-News, July 28, 1961]

NEW GENERATION

As a student and a citizen, I have, therefore, accepted the following creed: "I do not choose to be a common man. I have the right to be uncommon if I can. I seek opportunity not security. I do not wish to be a kept citizen humbled and dulled by having the State look after me. I prefer to take the calculated risk to dream and to build, to fail and to succeed. I prefer the challenges of life to the guaranteed existence of a centralized government directing my life from Washington, D.C.; the thrill of fulfillment to the stale calm of the so-called socialistic and governmental utopia. I will not trade my freedom for benefice nor my dignity for a handout. I will not bow before any master nor bend to any threat. I have a proud heritage to stand erect, proud, and unafraid. To think and act for myself and to share the benefits of my own creation, and to face the world boldly and say, 'This I have done.' This is what it means to me to be a Republican and an American."

PAUL LARSEN.

ABERDEEN, S. DAK.

FEDERAL ASSISTANCE IN THE CONSTRUCTION AND OPERATION OF SCHOOLS IN FEDERALLY IMPACTED AREAS—S. 2393

Mr. MORSE. Mr. President, I ask unanimous consent that I may yield to my friend, the distinguished Senator from New York [Mr. JAVITS], with the understanding that his statement will precede my remarks on foreign aid.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. I thank my colleague for yielding. What I am about to say I think will interest him. I shall be very brief and I am grateful to him. I intend to

say a word about the bill S. 2393, to extend for 1 year the so-called Federal assistance to impacted school areas, which was reported out of the Committee on Labor and Public Welfare this morning. Mine was the only "no" vote. I voted "no" to emphasize clearly for all to understand that I think the administration's leadership on the Federal aid to education has collapsed, and is yielding its whole position at this session of Congress by accepting a separate bill for impacted school areas. That is the only thing that the opponents of Federal aid really must have, because the bill expired on June 30, 1961, and it is their only reason for doing anything about Federal aid to education at this session.

It is amazing to me that this extension did not even include a 1-year extension of the National Defense Education Act as it stands now, for the student loan and fellowship provisions of that act need to be implemented early next year, and it should have, at least, the certainty that the program will continue at least for another year, even if we do not take up the amended National Defense Education Act, as to which the Senator from Oregon [Mr. MORSE] is, in my eyes, a great hero in the way he handled the proposal in committee and brought it to the Senate.

I am not given to partisan debate, but I feel deeply about one thing with respect to education. I hazard the guess that the men who sadly—and I know it is sad—felt that this was the only thing they could do, had in their hearts agreement with me. I am not trying to rub it in. But I feel deeply that somehow the country must be made to understand that this kind of aid to education is not a boondoggle of those who are liberals, but is as fundamental to the texture and muscle of the country as is military and economic preparation of the kind in which we are now engaged in the face of all these crises.

Though others may, for reasons with which they are only too familiar, be unable to do anything about alerting the country to this problem at this moment—and I understand very deeply these issues, and I do not challenge the continuing and indefatigable sincerity of every strong advocate of these bills, which were reported from the Committee on Labor and Public Welfare after so much hard labor—I still feel that someone must sound this alarm, and I felt that I should do so.

I shall offer an amendment at least to extend the National Defense Education Act for 1 year.

Mr. MORSE. Mr. President, I am delighted that my friend from New York has raised this issue, because it gives me an opportunity to make a brief comment on it. He and I undoubtedly will have an opportunity to speak at some length next week or whenever the education legislation reaches the floor of the Senate again. However, I would have the RECORD close today with at least this comment coming from this side of the aisle.

I assure my friend from New York that administration leadership on education has not collapsed. The administration is as much concerned now about the subject of education as it has always been. The administration definitely has assumed its responsibility in this field. In my judgment it is most unfortunate that the House is apparently willing, at this time, to avail itself of an escape route through use of its Rules Committee. This procedure, in effect, denies to the majority of the House an opportunity to vote upon a comprehensive Federal aid-to-education program.

I never speak disparagingly of the House. Anything I say now which might sound as though it were a criticism, is based really upon a major premise of respect and compliment to the House and to the Members, both men and women, who, on the other side of the Capitol, comprise it. I was skeptical about the manner in which the Rules Committee issue, at the beginning of this session, was met. I had reservations about the procedure followed, and I believe that experience has shown the correctness of that view. At that time I said it was most unfortunate that the Democratic leadership in the House of Representatives should follow the course of action it took upon the Rules Committee issue. The real problem facing the House on this issue is the question of the power which it vests in the Rules Committee. The fact and the existence of such power is not changed by juggling the number of members who sit upon the Rules Committee. In effect, the power is not changed by changing the membership of the Rules Committee. The difficulty is rather, to be found in the fact that the Rules Committee is given the power to deny majority rule in the House of Representatives.

I am as much opposed to minority rule in the House as I am to minority rule in the Senate. We have it now in the Senate. We will have it until the Senate lives up to its own responsibility by changing rule XXII. Only by so doing can majority rule prevail in the Senate. Why fool ourselves?

We must come to grips in Congress with some of the shibboleths and bewhiskered entrenchments of minority power. We have not yet won the fight on Cannonism in either the House or the Senate.

I make this comment, I may say to my good friend from New York, because I think it is basic to the problem which he has raised. I will come to the substance of it in a moment.

So far as the senior Senator from Oregon is concerned, the present plight of the Federal aid-to-education legislation is caused by the power exerted by the Rules Committee in the House of Representatives. The responsibility for not taking corrective action, at this session of Congress, rests squarely on the shoulders of the Democratic leadership of the House of Representatives.

Any time the Senator from Oregon, as a Democrat, is not willing to point out the shortcomings of his own party as he perceives them, he does not deserve to sit in the Senate. The Democratic leadership in the House has much to answer for on the plight of Federal aid-to-education legislation.

In our democracy, the American people ought to be assured that a majority has the right to express itself without having to go through all the maneuvers it must now go through. The Senator from New York and I both know that it is almost an impossibility to bring legislation before the House under present procedures if the Rules Committee does not want the legislation to come before the House. Any procedure which permits such a degree of parliamentary power to be vested in a small handful of men ought to be banished from Congress by the people of the United States.

Once the people of the United States understand the direct relationship between this procedural matter and their substantive legislative rights, they are going to demand a change. It may take us some time. It is extremely difficult to persuade people to think in these abstract terms.

This situation however, illustrates again that the American people cannot obtain their legislative rights in the House of Representatives and in the Senate until there are proper procedures established by which these rights can be achieved. That is what determines their legislative rights. That is why we are in the situation we are in now on Federal aid-to-education legislation.

This is one Democrat who holds no brief for the parliamentary procedure followed by the Democrats in the House of Representatives. I say good naturedly and respectfully and most kindly that I do not expect anything from the Republicans.

My party has the power of majority responsibility. My party cannot excuse the record which is being made in the House on Federal aid to education. The House leaders know I for one want none of their compromises. The compromises which have been presented to me cannot be reconciled with the best interests of the American people. I made that very clear to them, in understandable and polite and gentle language, as my friend from Montana knows very well, because he was there when I made my position clear.

I say to my good friend from New York that I become a little lost in the procedure that he is proposing. I would much prefer to have no legislation at all until the American people, during the recess period, have an opportunity to review the situation, or, to put it more bluntly, until Members of the Senate and Members of the House get back to the precincts to answer at the precinct level questions as to why a comprehensive legislative program in the field of education was not passed.

I feel that this is the course which ought to be followed, and I have told my leadership so. My position is that the majority in the Senate ought to proceed to pass a complete package of needed legislation in the field of education. Let the House do whatever it wishes, but let us do our duty. Let us take the issue home, to let the people react to it.

But the Senator from New York [Mr. JAVITS] and I know that this is not what will happen. I will tell him quite frankly why it will not happen. It is why we find ourselves in the situation typified by the Hill-Morse bill on impacted areas legislation which was reported by the Committee on Labor and Public Welfare this morning.

I repeat: I think it would be much better if the Senate were to pass the National Defense Education Act amendment, and then pass a higher education act, leaving it to the House to answer for itself why it is following a procedural course of parliamentary action which makes it almost impossible to get proposed legislation to the floor of the Senate and ultimately to conference. I will tell the Senator why I think that is not likely to happen.

I am satisfied that the majority of the House of Representatives would pass a pretty good, comprehensive series of education bills in all these fields—in the fields of secondary and elementary public school education, higher education, in national defense education, and impacted area legislation. The impacted area legislation was included in S. 1021, which the Senate has already passed. That bill, if acted upon, could get us into conference. We could there work out a good conference report. We could then go home, as we ought to be going home, after passing a good education bill.

The only reason why this will not happen is that the House in conference would seek to blackjack us with House rules and House parliamentary procedure, and thus deny to the American people the exercise of majority rule in the House of Representatives. I think it is too bad, because I do not believe it is good government.

There is now a terrific drive for continuation of the federally impacted areas legislation, on which the taxpayers have spent, in round numbers, some $2 billion since 1950. If it were not so tragic, it would be funny, for this program answers completely the sad, unfortunate, prejudiced, fear-stirring argument that if the Federal Government assists local schools financially then the Federal Government will take over the schools. The answer is that since 1950 the Federal Government has spent in the neighborhood of $2 billion on elementary and secondary schools under Public Laws 874 and 815 the federally impacted areas legislation and the schools have not been taken over.

Throughout the hearings held by the subcommittee—and the Senator from New York knows whereof I speak, because I am deeply indebted to him for the cooperation he gave me as a member of the subcommittee throughout the hearings—not a scintilla of evidence was offered, nor can it be offered, to show that there has been the slightest tendency toward Federal control of any of the school districts which have been the recipient of many millions of dollars spent throughout the country in this area of legislation.

So the fact is, as the Senator from New York heard me say—and I repeat it, because in the matter of politically educating the American people it is necessary to use the technique of repetition over and over again—Congress has been providing Federal aid for many years to school districts which educate one-third of the school children of America. All the evils of Federal domination have never arisen, will not arise, and cannot arise because of the built-in protection of the school districts of the Nation. What is that built-in protection? It is that the money is spent by the local authorities in accordance with local education policies. That is guaranteed under the statutes, as the Senator from New York well knows.

I wish to speak now about the delicate problem of impacted areas. I should prefer that Congress pass a comprehensive school program. However, I do not have to give the Senator from New York an education in practical politics. I assure him that I am facing the realistic fact. He and I cannot do anything about it, I am sorry to say. I wish we could. The Senator from New York knows, as well as I do, that a large number of Senators appeared before the Senate Committee on Labor and Public Welfare to protest even a mild reduction in the coverage for federally impacted areas. Many more Senators filed memorandums with the committee, to protest any reduction, to say nothing about any elimination of coverage. It is not necessary for us to be students of higher mathematics to know what that political nose count means.

I hope the Senator from New York will not think me too partisan—although I confess to a little partisanship—when I say that, to the best of my mathematical ability, which is not too great, but is good enough for nose counts in the Senate, I do not believe there could be produced on the Republican side of the aisle more than 6 or 7 votes in support of any attempt on our part to hold the line against any legislation on federally impacted areas.

Mr. JAVITS. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. In a moment.

I could produce many more votes than that on the Democratic side of the aisle, but I would lose enough so that in combination with the number on the Republican side of the aisle the Senator from New York and I, as members of the committee, would take a terrible shellacking on the floor of the Senate if we tried to stop the passage of any proposed legislation to benefit federally impacted areas.

What is the test? Why not a legislative policy on the part of those of us who have been charged with the responsibility of trying to carry through the Senate at this session proposed education legislation? What is the test for me, when I have had this responsibility placed on me, not only by the majority leader, but specifically placed on me by the President of the United States? It was the President who specifically requested me at the beginning of the session to assume the responsibility of trying to secure the passage in the Senate of the administration's program for Federal aid to education. As the Senator from New York knows, I soon found myself in a position where I had to notify the President and the Secretary of Health, Education, and Welfare that I did not believe they had made their case with respect to an intrenchment in federally impacted areas legislation; that I, as chairman of the committee, thought they were wrong, and I owed it to the President to tell him I thought he was wrong, and I told him so. I said we ought to continue the legislation for federally impacted areas. I told the President I believed the federally impacted areas legislation ought to be retained intact in S. 1021, and provide that at the end of 18 months his administration would submit to Congress a report setting forth its findings in regard to the claims that a tapering off could be justified, and a report of recommendations for any future proposal the administration might wish to make concerning federally impacted areas legislation.

After I took that position I spoke to the President about it. The President, too, is a realist. He reluctantly faced up to the fact that the bill ought to contain the recommendation which the Senator from New York and I, and the overwhelming majority of the members of our committee, said it ought to contain.

I now pause for the Senator's interruption, because I know I am keeping him from a very important engagement. However, I wished to make the point about the realistic situation which confronts us. Then I shall draw my own conclusion and state my own position in regard to it and also concerning the proposal the Senator from New York says he will seek to add, to the Hill-Morse proposal. I shall oppose the Senator's proposal.

I want the RECORD to show—and the Senator from New York can read it on Monday—why I shall oppose it.

I now yield.

Mr. JAVITS. Mr. President, I am very grateful to the Senator from Oregon; and I think he knows me well enough to know that I am not trying to create myself into a champion of Federal aid to education, in lieu of himself or some other member of the committee. I would be the first to affirm his sincerity and his skill in this field—which continues this evening, as this morning; and it will always be so.

I only point out that in such a situation, the exigencies which affect others do not affect me. Therefore, I shall try to serve a useful purpose, and I shall serve it with dignity, probity, and clarity, in trying from this rostrum to alert the country to what is happening at this session to Federal aid to education.

Mr. MORSE. I commend the Senator from New York for the course he is following in speaking out concerning the proposal to enact less than what we set out to enact. I think he is serving a good purpose. I only wish to say that since we do not have the votes, I think we should restrict the extension of the Federal impacted area legislation to 1 year; and that is the Hill-Morse proposal.

I say most respectfully that several Republican proposals on this subject would extend it for 3 years.

Mr. JAVITS. I know that.

Mr. MORSE. In our committee meeting this morning, in the Senator's absence, there was a Republican proposal to extend it for 3 years; but we defeated that.

What is my responsibility if I am to keep faith with my leadership in regard to this issue? Knowing that the program is to be extended, I shall seek to limit its extension to 1 year. I shall seek to limit the amendment to just that, and no more—which leads me to comment on the announcement of the Senator from New York as to the amendment he is to offer.

I am delighted to have him state his position; and in his absence I shall not say anything that I would feel he would wish to be present to hear, in order to reply to it. Instead, I shall wait until Monday.

Mr. JAVITS. I know that.

Mr. MORSE. But I state now that I shall oppose the Senator's amendment, because my position is that if, unfortunately, we have to retreat in regard to Federal impacted area legislation, we do not help that situation by accepting the Senator's amendment on national defense education, and thus retreating further. After all, what are we in favor of? I shall state now what I am in favor of. I am in favor of the enactment of as much of the administration's bill, at this session of Congress, as it is possible to have the Senate pass. In the interim let the people of the country react, in the hope that they will make clear to Members of the House of Representatives that when they return to Congress in January, they had jolly well better get busy and pass a comprehensive aid-to-education bill.

But the Senator from New York and I have been here long enough to know that if a good legislative program is cut into tatters by means of the passage of few segments of it, that decreases the chance of ever having the original comprehensive program enacted into law. That is what I am afraid of, and that is what I am afraid the Senator from New York is going to help accomplish. I know he does not intend that; he does not mean to do that. He takes the position that if a retreat from it is to start, and if we are going to do this, why not do more? In other words, he states that quite a case can be made for National Defense Education Act amendments. That is true.

Because I know he must leave the Chamber in just a moment, I now pause, to enable him to comment on that.

Mr. JAVITS. I thank the Senator, I must leave.

I shall think over what the Senator from Oregon has said. I take his words very seriously. And we shall make our arguments in due course.

Mr. MORSE. I thank the Senator very much. Later, I shall be glad to comment further on this subject. But now that the Senator from New York has announced that he intends to offer a National Defense Education Act amendment, I do not think I should leave the record as it now is, without a reply by the chairman of the subcommittee.

This morning a very interesting delegation waited on me. The group had had its letterhead printed, and it included a very interesting list of names—not the names of Members of Congress, but the names of outstanding Republican laity. Apparently they smelled a political issue; their nostrils seemed to be extended. Apparently they were already in hot pursuit of what they think will be a vote-catching issue. When they were in my office, they stated, with great emphasis and with ill-concealed political innuendos, that I had better go along. But, of course, when people talk that way to me, they are my meat. I made it very clear that I had no intention of going along with any such proposal; that, in my judgment, much of the National Defense Education Act program will not come to an end, although some of it will; but that they can wait for 4 months; and that so far as the chairman of the subcommittee is concerned, I would do my best to get them to wait for 4 months. I indicated that I thought it would be most unfortunate if only certain parts of the National Defense Education Act program were to be extended for 1 year, because I think it important for the American people to understand what happens when the House of Representatives does not fulfill what I consider to be its full responsibilities in regard to a comprehensive aid to education program. I said I could well understand how that might be considered good Republican strategy; but I said that, as a Democrat, I was going to do the best I could to get my fellow Democrats in the Congress to keep faith with the President's campaign promises across the Nation, in campaign speech after campaign speech in the historic presidential election campaign of 1960.

Let the record show once again that, in my opinion, Democratic Members of Congress have a great obligation, which they owe to the American people who voted for John F. Kennedy to be President of the United States, to enact a comprehensive Federal-aid-to-education bill in line with what the President of the United States, when a candidate, promised time and time again across the country. The President has not let down the people of the Nation on this pledge, but many Democrats in the Congress have.

Let me make very clear that the President did not limit his pledges to school construction; and when Democrats want to limit the legislation to school construction, of necessity they must go on record as not supporting the President's program—which, of course, is their right, and also their duty, if they think that is really in the public interest.

Yet there is something about that position which bothers me, because we can take judicial notice of the fact that many thousands of votes went to candidate Kennedy in preference to candidate Nixon because candidate Nixon did limit himself to school construction. I say to Democrats in the Congress that I am not voting to enact the Republican program in the field of education. I want to enact a Democratic program.

To my good friend from Montana [Mr. METCALF], whom I consider to be one of the greatest authorities on education in the Senate, and who has stood shoulder to shoulder with me throughout the session in this whole field of education, I say that I want to enact the program we promised. I just do not think it is cricket for Democrats to walk out on that program.

As I said to the Democratic leaders the day before yesterday, and as I say on the floor of the Senate; Members of Congress are mistaken if they think the voters have a short memory. So I say tonight, before I go back to the subject matter I was discussing before the very interesting announcement the Senator from New York [Mr. JAVITS] made, I am not going to support a watered down, politically motivated, legislative horse-trading program on education legislation to be enacted in the dying days of this session of Congress.

I hope, after due reflection, that enough Democrats in the Congress will make clear to those responsible for the legislative program of the Democratic Party in the Congress that they want the Democratic Party to return to its pledges and keep them.

If there are those who think there has been a change of opinion among Democrats as to what the legislative program on education should be, all I ask is that they be given a chance to vote on it. That is pretty reasonable, is it not? One would have a pretty hard time trying to explain the democratic process in any of the so-called underdeveloped areas of the world if, after the elementary lecture we gave them on the right of the ballot, the right to select one's representatives, the right to have the majority view prevail in regard to legislative policy, he then undertook to explain a procedural setup in the parliamentary body of this country designed to prevent the majority view from prevailing. It is hard enough to explain it to citizens of the United States, but it cannot be explained to people who must make the decision as to whether they are going to join the side of the free way of life, where the basic precious rights of self-government are supposed to exist, or join the side of the totalitarian way of life.

As for me, I will face the reality that there is a need, and a very serious need, to see to it that a federally impacted area program does not die upon adjournment, somewhere between the 15th of September and the 1st of October.

I also will face up to the reality that the majority view on the merits of the question is for an extension of that program. Although I would rather keep it as a part of the comprehensive program, I am willing to extend that program, separate and distinct from any other legislation. But I am not willing to do it as a part of the so-called National Defense Education Act, because it would be a misnomer, as will be shown when we get into the debate on it next week. It is not as vital as lobbying groups and others are trying to make the American people believe. It is not vital, from the standpoint of national defense, that it be extended. But what is vital to the security of the country is that an education program, so sorely needed, not alone for one-third of the school boys and girls

of America, but for all of them, be enacted into law before adjournment.

I had not the slightest idea that I would make this speech on education until I heard the Senator from New York. I did not want the RECORD to close with his announcement and no answer to it. This is my answer to it, and I shall continue to answer it as the debate on the education starts after we complete action on the foreign aid bill.

Mr. METCALF. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Montana.

Mr. METCALF. At some future time I hope to comment on the remarks of the distinguished Senator from Oregon, and to discuss further, before we consider the measure for extension of the impacted areas law, some of the matters the Senator has briefly touched on tonight.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. MORSE. Mr. President, in my judgment the best interests of American foreign policy have been advanced by the historic vote by which the Senate defeated what I think would have been a most unfortunate amendment to the foreign aid bill had it been agreed to. Our victory in the defeat of this amendment does not mean that the foreign aid bill as brought to the Senate is assured of final passage in the Senate. Therefore, as we close the session today I should like to read into the RECORD, so that my colleagues can consider it as we proceed with our deliberations next Monday, a telegram I received from Secretary of the Treasury Douglas Dillon, who is chairman of the American delegation at the Montevideo Conference in Uruguay which is seeking to work out a hemispheric agreement in respect to the implementation of the Alliance for Progress program which President Kennedy has recommended to all the people of the hemisphere.

I was concerned about the Byrd amendment and what I considered to be the almost certain detrimental effect it would have had at the Montevideo Conference had it been agreed to, because I think it would have been greatly misunderstood and would have made the success of the American delegation very doubtful.

I speak about this briefly tonight in my capacity as chairman of the subcommittee of the Senate dealing with Latin American affairs and as one of the two Senate delegates the President has asked to represent the Senate at the Montevideo Conference, subject to our going there after the Senate disposes of the foreign aid bill. I am following the Conference very closely, being briefed in regard to what is going on there each day as a member of the delegation.

I am very happy that the Byrd amendment was defeated because in my judgment its defeat greatly strengthens the position of the American delegation at Montevideo. But we have other hurdles to get over next week in connection with this bill.

I have great confidence that we shall succeed. But I think it is particularly fitting that we keep in mind the suggestion that the chairman of our delegation at Montevideo set forth in his cable to me, which I shall read:

URUGUAY, *August 8, 1961.*

Senator WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR WAYNE: Three days here have heavily underlined overriding importance of our having authority make long-term commitments to match major effort which Latin American countries now prepared to make on their own behalf. Lack of this authority will seriously prejudice our ability to carry out concepts of Alliance for Progress which have now become basic to our relations throughout the hemisphere. Hope these considerations will be borne in mind during Senate consideration foreign aid legislation as well as serious effect which rejection of request for authority to make long-term commitments would have on present conference.

Best wishes,

DOUGLAS DILLON.

Although the cable was personal, in a sense, it was also official. It was sent by the chairman of the delegation to me as a member of the delegation, and I think that it is particularly helpful, because of the surrounding facts and circumstances and because it is a message direct from the chairman of the American delegation at what I consider to be the most important and most significant historic conference in which the United States has ever participated, so far as Latin American relations are concerned.

I was a little disturbed this morning when I read in the New York Times a story which indicates that because the Latin American countries are not coming forward at Montevideo with specific reform plans, some votes may be lost on the foreign aid bill in Congress. This is not to say that the United States should not try to make reform a prerequisite of American aid, because I think we should. The Senator from Iowa [Mr. HICKENLOOPER] and I, representing the Congress at the Bogotá conference in Bogotá, Colombia, last September, made that point the major thesis of our representations at that conference.

The chairman of our delegation at that conference was Douglas Dillon. He represented the United States at that conference in his capacity as Under Secretary of State, and the record shows that when I got back to the Senate I reported that he had performed a magnificent job of statesmanship and leadership in behalf of our country at Bogotá, as I am convinced he is again doing as the chairman of our delegation at Montevideo.

At Bogotá Secretary Dillon stressed the fact that the Latin American countries must face up to the reality that some basic economic and fiscal reforms, including tax and land reforms—basic reforms in respect to needed programs of social justice, and needed reforms in respect to the housing of the multitudes of unhoused people, must be adopted by the Latin American governments themselves if they hope to expect the American people to contribute the vast sums of money which we all recognize must be made available by the United States to Latin America, to help Latin America help itself.

At the Montevideo Conference, the Secretary of the Treasury, Mr. Dillon, has made perfectly clear that if he can get a cooperative program, a truly mutual aid program, implemented by the wholehearted cooperation of our Latin American neighbors, the United States will give consideration over a term of years to a possible total aid program of some $20 billion.

But Senators will note in the reports of the speeches and statements that Secretary Dillon has made at Montevideo—and I can assure Senators that these press references have been accurate as to what the Secretary actually said at the Conference—Secretary Dillon has made very clear that there must be a cooperative self-help program agreed to by any Latin American country which hopes to work out a loan or grant program with the United States in connection with any of the projects that we all know are sorely needed, if the standard of living of the masses of the people in many Latin American countries is to be raised.

I wish to stress that, it seems to me, the New York Times story misses this point. This does not mean that we have taken any position that we will dictate the terms and conditions of such reforms but, rather, we will point out that the program is a two-party program, and we must necessarily fulfill our responsibilities to the taxpayers of the United States to make certain that the money will be in no way wasted, but will be spent in a program in which the Latin American countries themselves participate and do their share.

It should be pointed out that that reform, however, is not a prerequisite for aid in those countries which are the biggest recipients, in the sense that the reform must meet certain standards and conditions which we lay down.

Mr. President, I return to the subject matter of the terms, conditions, and policies which ought to prevail in respect to American aid, military and economic, to Latin America and elsewhere in the world. I stress the fact that that policy is negotiable. That policy is bound to be the subject of diplomatic exchanges and conferences and understandings and agreements. It involves a subject which we cannot straightjacket. It involves a subject which we cannot set out in so-called contracts, as we set out terms and conditions in a contract which contracting parties enter into with respect to leases, agreements to purchase and sell, arrangements for loans in the use of property, and so on, because we are dealing—and let us be frank about it—with basic questions of sovereignty.

The newspaper stories which have appeared with regard to one aspect of the Montevideo Conference, I think, have made a mistaken interpretation that some of the proposed modifications and amendments which have been offered by

some of the Latin American delegates at the Montevideo Conference indicate they are going to insist upon grants and loans with no understandings whatsoever in regard to the course of action they may have to follow in their countries as conditions relative to the loans and grants. It does not mean that at all. What has happened in Montevideo in respect to this matter is that Latin American countries have, very rightly—exactly as we would if we were in a similar position—made clear that they are not going to contract away in any respect whatsoever any rights of national sovereignty.

Therefore, they have made certain suggestions for modification in both the format of and the procedures relative to various proposed international commissions or committees which are to be set up for the implementing of and the administering of the program.

I have no doubt, Mr. President, that we shall have some problems in connection with some of our loan and grant aid programs in some Latin American countries with some of the oligarchies which control so much of the wealth of some of those countries. They may still have some reservations and doubts about the fact that it cannot be expected they will continue to exercise economic dictatorship over the masses of the people of Latin America and survive. This will take a few years, I think. The great, wealthy families and powerful economic interests in same of the Latin American countries who have been exploiting their own people for generations and taking the cream of that economic exploitation out of Latin America and investing it in New York and Swiss banks, not returning it for the benefit of the masses of the people or for the development of the economy of the country as a whole, are waking up. They are beginning to realize that unless they change their economic polices great revolutionary forces—in some instances Communist but in more instances non-Communist—will simply remove them from positions of economic dictatorship. We see it. Many enlightened leaders in Latin America see it.

We made a great first advance in regard to this in the Act of Bogotá. It is my prediction that the second great advance will be the Act of Montevideo which will finally result from the negotiations and discussions, and the agreements which will be reached at the great conference in Montevideo presided over by Douglas Dillon.

Mr. President, there is one phase of this Latin American problem about which I should like to warn the Congress.

We certainly shall run into trouble in Latin America, and we shall lose out in Latin America, if we take the position we are going to follow one policy in Latin America and quite a different policy in other parts of the world in regard to insisting upon the adoption of a self-help program in the recipient country.

As chairman of the Senate subcommittee which deals with Latin American affairs, I have done my best during my years of service on the subcommittee to get our Latin American friends to see the importance of their supporting needed reforms in Latin America, as I say, in fiscal policy through taxation. As I have said, in many places in Latin America, because I talk the same way there as I do in the Senate of the United States or elsewhere in our country, "You have to do something about your great national pastime, which is tax evasion. If you wish to create understanding in the United States—and it is as important that there be better understanding in the United States of Latin American policy as it is that there be better understanding of U.S. policy in Latin America—and if you wish to create a hemispheric atmosphere of good will and understanding as between the people of the United States and the people of Latin America, then you must do something about tax evasion in Latin America. You must adopt tax reforms based upon ability to pay, so that your great, wealthy families will pay at least a fair tax contribution toward the support of your country. Similarly, there is a need with regard to land reform and health and education reform."

Mr. President, this involves the whole gamut of housing, employment, and the economic and social lives of the people of Latin America. I am in favor of the same reforms in other countries we support and help. I have not heard a word spoken in the Congress about any proposal for Spain, Portugal, Thailand, Formosa, or a whole host of other countries into which we are pouring and have poured for years huge sums of money. It ought to be expected. These countries ought to be asked to do these things. Loans ought to be negotiated or grants made on the basis of certain agreements concerning some reforms in those countries.

We will build up a very unfortunate misunderstanding and antagonism in Latin America if we take the position that we will make loans and grant-aid programs on terms and conditions in Latin America that we do not insist upon in other parts of the world.

It is the old story of where we can lose a lot of friends by following a policy of unfair discrimination. We are not in a very good position to follow a policy of economic discrimination, any more than we are in a very good position to follow a policy of race discrimination. If we have not learned yet, if we have not faced up to the fact that our policy of race discrimination in the United States is one of the most costly mistakes that we make in respect to American foreign policy, then I do not know what it will take to get the American people to face up to that ugly fact. But it is an ugly fact. The United States must stop following a policy of double, triple, or quadruple standards. The United States must follow, in the field of foreign policy, a consistent, uniform policy in which we apply our policy uniformly and equally in our relations with all countries.

So the New York Times story causes me to point out that it is always said by the alibiers and rationalizers of the discriminatory foreign policy that we must keep supporting feudal governments in places like Iran and Thailand, because they are on the borders of communism, and even keeping corrupt governments in power in those countries is better than having the Communists take over.

I wish to say to those rationalizers that I do not yield to them in my hatred of communism, but I wish they were equally concerned with the loss of human life in feudal countries and Fascist countries as they are with the loss of human life in Communist countries.

Lost human rights are lost, no matter what the form of the police state is, and the individual who is denied human rights in a Fascist country is no better off than an individual who is denied human rights in a Communist country. The only difference happens to be the difference in procedures and techniques for denying the human rights.

Thailand was adjudged, for example, by the International Bank for Reconstruction and Development in 1959 to have one of the worst tax-evasion problems in Asia. Moreover, what tax laws it does have are extremely regressive. The Bank reported that direct taxes on individual and corporation incomes combined in Thailand produced only 7 percent of the Government revenue, with indirect taxes providing over 90 percent. Some taxes. Well, it is the kind of tax system that the rich like. It is the kind of tax system that families of the oligarchy like. It is the kind of tax system that the exploiters of the masses like. But it is not just or right.

So when we hear the great concern expressed about the need for tax reform in Latin America—and I share that concern—I would like to have those in Congress who express that great concern also to express a little concern about the need for tax reform in Thailand, Formosa, Iran, Spain, Portugal, and every other totalitarian government that we support.

I may be hoping for too much, but I never give up hoping.

Their silence on the subject matter does not make their position right.

I do not know that anyone is proposing that tax and land reform in Thailand be made a condition of American aid. To the contrary, we are proposing more aid to Thailand now than ever before.

Mr. President, I am not overlooking Pakistan, or the demand for more money for Pakistan, even clearly suggested by the President of Pakistan as he used the rostrum of the joint session of Congress to indicate that we had better give it to him. I did not buy his bill of goods. We would not make a democrat out of one who used democratically phrased verbal patterns. I recognize that Pakistan is not a democracy. I do not buy the argument that it is all right to urge reforms in Latin America, but, of course, we should not suggest such reforms to Thailand, Pakistan, Formosa, Portugal, Spain, or Iran. In Iran we have supplied more than $1 billion in aid. Yet tax and land reform are being resisted there as much if not more than in Latin America.

There has been plenty of evidence in the last week of how upset and jittery Members of Congress are about having one Communist-oriented government in our hemisphere. How would they feel about having a half dozen? Obviously it is as important to us to have non-Communist governments in the Western

Hemisphere as it is to have non-Communist governments in Taiwan, Thailand, and Iran. We have given the latter countries plenty of time to embark on reform or not to, depending upon their own choice.

It seems to me that we should be willing to give the Latin American countries some time, too. Better yet, some real strings might very well be attached to all American aid. If we are going to insist on getting tough in Latin America, we should get tough in the Middle East and in Asia, too. At least those countries are not so close to us as Latin America is.

I ask unanimous consent to have printed in the RECORD at this point excerpts from an article entitled "International Bank for Reconstruction and Development," dealing with some of the tax problems and other problems of Thailand.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, 1959

ADDITIONAL TAXATION

Allowing 300 million baht a year for tolerable Central Bank borrowing by the Government, the financial gap remaining to be met in mobilizing financial resources for prospective Government requirements including those of the proposed development program, is likely to be in the order of 300 million baht in 1959 with an annual increase to about 900 million in 1961–63. It should be possible to meet this prospective gap through additional taxation and improvements in tax administration.

Thailand's present tax burden is lower than that of many countries at the same stage of development. Recent Government revenues have been around 14 percent of the gross national product, which is not a particularly high figure and less than that of many other Far Eastern countries. Furthermore, Thailand is behind most other countries of the Far East in imposing and collecting direct taxes on individual and company incomes. Such taxes provide only about 7 percent of total Government revenue while more than 90 percent comes from indirect taxes. This makes the system more regressive than necessary because of the relatively light burden of actual tax collections from individual and company incomes.

In part, it is the rate structure and the nature of legal exemptions that cause direct taxation to make such a poor showing. But a major part of the problem is one of tax administration and tax enforcement. Evasion of income taxes is commonplace. The mission recognizes that it is especially difficult to enforce an income tax in Thailand. But similar difficulties exist in other countries of southeast Asia, where direct taxation is a much more important part of the revenue system. One cannot escape the conclusion that the poor yield from income taxes is largely attributable to inefficiency and understaffing of the tax administration.

It will probably be some time before the income tax can be adequately enforced, but unless a start is made, its enforcement will always remain weak. Many changes are needed. At present, tax returns are examined only for arithmetical correctness—no attempt is made to see if the dependents claimed are alive, let alone to verify if the income reported even approximates actuality. Nor is there any effort to insure that returns are actually made, although this would be an easy matter at least for taxpayers who are registered members of a professional body (doctors, lawyers, engineers) or of a business association.

These illustrations point to the need for a regular and thorough auditing program. A sizable but changing sample of returns should be carefully examined each year. Even this could not be undertaken with the present staff, which is too small and untrained to do the job. At least 10 to 20 tax officials should be sent abroad to receive training in modern methods of assessment and auditing. With them as a nucleus, sufficient additional officers should be assigned to the task of auditing to insure its effective performance.

In addition, the income tax laws themselves need to be changed. The use of simple methods, such as a flat percentage tax on gross business receipts less standard deductions, is made necessary by the large proportion of small industrial and commercial firms. But the minimum tax actually applied to business profits, (0.3 percent of gross receipts) is very low, while the deductions applied to business profits and professional incomes are inordinately high.

Improving the law and strengthening the enforcement of income taxes is only one way in which revenues can be increased and the revenue system made sounder and more equitable. There are many taxes, common to most modern tax systems, that are not levied at all in Thailand or, if levied, are much less productive than they should be. Thus there is a general land tax, but it is only nominal, rates and assessments being so low that outside urban areas the yield averages little more than 1 baht a rai (about 12 cents an acre). Unlike many other countries, Thailand does not impose any charge for the improvement of land irrigated through state works. As stated in chapter II, we strongly recommend the introduction of such a charge.

Another anomaly in the Thai revenue system is that there is no tax on owner-occupied housing and other real estate improvements, but only on rented premises. In most countries, such property taxes provide the major part of local revenues. Institution of such a tax would permit the Central Government gradually to reduce the present subsidies to municipalities, and would encourage the latter in adopting a more vigorous and independent attitude toward their problems.

Thailand has no inheritance or gift tax. And although turnover and sales taxes are levied in the form of the so-called business and purchase taxes, their enforcement, like that of income taxes, is lax. Many luxury goods could well bear much heavier excise or customs duties than at present. And the import duty schedule needs to be thoroughly examined and revised, not only to raise more revenue, but also to eliminate inconsistencies and disincentives to industrial development.

Using this analysis as a base, the following additions to revenue, beyond that to be expected from normal growth, should be realizable without serious difficulty or undue burden on the economy:

(1) Revision of the personal income tax schedules and steady improvement in income tax enforcement which should yield an additional 50 million baht in the first year, and should make it possible within a period of 5 years to double present personal income tax revenue;

(2) Increases in company income taxes and revisions of deductions to add annually about 50 million baht of additional revenue;

(3) Additional customs and excise duties, mainly on petroleum and luxury products, to produce at the outset an increase in revenue of about 200 million baht;

(4) Doubling of the present nominal land tax rates which should add 50 million baht a year to revenues of provincial governments;

(5) Imposition of the charges recommended in chapter II on lands improved by state irrigation works. Because of the time required for classification of irrigated lands and for completion of irrigation works now under construction it is doubtful that the full potential of this tax could be realized in the next 5 years. It should be possible, however, to begin collections in 1960 and to bring them up to 50 or 60 million baht a year by 1963. After 1963, with the completion of the major irrigation works now in progress, revenue from this tax should increase to 150 million baht or more;

6. Development of substantially larger independent revenues of municipalities. The most important possibility for this is through taxation of owner-occupied housing and other real estate improvements. It is difficult to estimate the practicable revenue possibilities for such sources but at least 30 million baht a year should be a reasonable expectation within a year or two and eventually 120 million or more; and,

(7) Adoption of an estate duty, the possible revenues from which are again difficult to estimate but which should rise to around 50 million baht as administrative and enforcement procedures are worked out.

These are moderate tax proposals which could be imposed without involving really heavy tax burdens. Yet the proposals, with allowance for the growth in revenue they would produce over time, should be quite adequate to fill the remaining gap between the estimated financial requirements of the Government and the other prospective resources for meeting these requirements during 1959-63.

Mr. MORSE. I ask unanimous consent to have printed in the RECORD at this point an article from Newsweek of June 26, 1961, entitled "The Shah of Iran—Will His Land Have a Revolution From Above?" No one can read that article without recognizing that there is need for land reform in Iran.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SHAH OF IRAN—WILL HIS LAND HAVE A REVOLUTION FROM ABOVE?

A plume of dust feathered up behind the wheels of the L–20 reconnaissance plane as it skidded down the town's dirt-strip runway and came to a halt in front of an honor guard. From the cockpit window, an arm reached out and jabbed the imperial standard of Iran into a socket. For the tall man in blue air force uniform who climbed down from the plane one day last week was Mohammed Reza Pahlevi Shahinshah (king of kings) of the 2,500-year-old kingdom of Iran.

As the Shah saluted the waiting guard, less admiring soldiers watched his moves from across Iran's northern frontier. Only a few hundred feet away, on the northern banks of the Aras River, a group of Soviet soldiers inspected the ceremonial with amused curiosity. But the Shah ignored the nearby Russians and drove to an open field just west of the tiny town of Julfa (population: 500), high in the northwestern tip of Azerbaijan Province. There he brought a gift for Julfa's peasants.

Under a hot June sun, the perspiring Shah presented 94 of the town's share-cropping peasants with a white scroll making each sole owner of 21 acres of Iranian soil. Of one, whose dirt-stained hand reached out eagerly from a frayed cuff, the Shah inquired: "Are you happy?" But the peasant could not understand his monarch; nor could the Shah understand the peasant's answer—for the Shah speaks Farsi, the peasant a local dialect called Turki.

In that scene was all of Iran today—the sincere effort to correct the abuses of centuries, the King and peasant unable to understand each other, the Soviets watching, nearby.

It is the Russians, long hopeful of gaining access to the warm-water ports of the Persian Gulf, who present the most open threat to the Shah's Peacock Throne. The Red army which actually occupied Azerbaijan after World War II, until United States and United Nations pressure forced it out in 1946, is still poised along the 1,000-mile Soviet-Iranian border. And every day, Soviet broadcasts call on the Iranians to revolt. "The Red army," Nikita S. Khrushchev once boasted to the Shah, "can destroy Iran with a minimum of trouble, and there's nothing you can do about it." To Columnist Walter Lippmann, he recently added: "Iran will be the next."

Ally of the West: To block that constant danger, the Shah has joined the Western alliance. Iran is not only a member of the Central Treaty Organization (with Britain, Turkey, and Pakistan) but enjoys a separate mutual-security treaty with the United States. The United States is helping Iran build dams and highways; it has shipped the Shah more than $500 million in military aid, including F-86 jet fighters and Patton tanks.

But the far greater threat to Iran today is not of Soviet invasion. It is the threat of subversion and revolt. There are 1,000 Soviet Government agents attached to the Soviet Embassy in Teheran. One of them—the Tass man—recently persuaded a group of bakers to go out on strike by sitting in at one of their meetings and asking provocative questions. Yet the Communists are not alone—hundreds of thousands of patriotic Iranians are also clamoring for a change. Their discontent arises out of Iran's own poverty and backwardness.

To the Iranian peasants of Azerbaijan, Russia is not just a military power, but a land of modern factories, vast collective farms—and high living standards. By contrast, Iran's peasants know little but squalor. In Teheran, a few rich families live in marble palaces, drive Mercedes sports cars, and dress in Dior gowns. But brickworkers sleep in the open, wrapped in blankets, and their wives wash their rags in jubes, the open gutters that sluice down from the mountains above the city.

The danger to Iran—even if there were no Communists—is the danger of the revolution of the poor and hungry. Last month, for a few precarious days that revolution seemed on the way. Four thousand schoolteachers paraded to Parliament to demand a pay increase. A policeman opened fire and one teacher was shot dead. Next day, 30,000 teachers and students mobbed the streets shouting "butchers" and "savages." In the slums of south Teheran, the hungry brickyard workers caught the echo and began to talk of strikes of their own.

From the top: The Shah's answer to the threat of revolt in the past had always been repressive. His secret police, the dread SAVAK, were 50,000 strong, and their officers liked to boast: "We are strong enough to keep order." But the Shah, a keen observer of international events, had learned an important lesson. After watching student revolts tear down the governments of Adnan Menderes in Turkey and Syngman Rhee in Korea, he combated the revolt from below by a revolt from above. There would have to be major changes—but the Shah would do the changing himself.

The man the Shah chose to carry out his revolution from above was an unlikely revolutionary—Ali Amini, 54, a Sorbonne-educated landowner and millionaire. A silver-haired man with a puckish smile and protruding eyes, Amini had served as Minister of Finance and Ambassador to Washington. He is a technician rather than a crowd-pleaser, and has also been an outspoken critic of the Shah himself. He is descended from the dynasty that the Shah's father overthrew in 1921 and he had served in the Cabinet of weepy old Mohammed Mossadegh, who nationalized Iran's oil fields and nearly deposed the Shah in 1953.

Anticorruption: Amini made it a condition of his taking over the Premiership that the Shah should dissolve Parliament (most of whose members owed their seats to gerrymandering and ballot-box stuffing). The Shah also promised to stay out of active government himself and gave Amini a free hand to stamp out corruption. The Shah, however, kept personal control of the army.

The day Amini took office, he frankly told the people of Iran that the nation was in desperate straits. Its financial reserves, he announced, were "on their last breath" because of "traitorous and incompetent officials who have built up their personal fortunes." According to government evidence still being sifted last week, one general, named Ahmed Ajodani, formerly in charge of Teheran's erratic electrical system, had formed a phony consulting firm to supervise the wiring of a $2 million powerplant. But when the Shah arrived to pull the inaugural switch, the current somehow flowed down into a nearby reservoir and electrocuted two swans. Then there was Gen. Haj Ali Kia, formerly chief of army intelligence, who ran a Government organization known only by the initials K.O.K. Its budget was $1.5 million a month, and its sole job was to compile confidential reports on the Shah's popularity. Its sole member was General Kia, who fabricated the reports himself.

The tragedy of such extravagance, as the Shah himself has frequently recognized in speeches from the throne, is that Iran is potentially capable of being by far the strongest and most prosperous nation in the Middle East. It is a big country—only slightly smaller in area than the United States east of the Mississippi. From the forested slopes of the Elbruz Range that slopes down 18,000 feet to the sub-sea-level shores of the Caspian Sea, Iran stretches 1,000 miles to the Gulf of Oman. It is the land link between the Middle East and Asia, the cultural highway between the Arab and the Indian civilizations, the "northern tier" as John Foster Dulles once described it, that protects the Middle East from the mighty mass of Russia.

Proud people: Iran is also a rich country—at least in potential. Most of it is arid and its central provinces (one-third of the total area) are a vast salty desert—but in the mountains, there are rivers waiting to be dammed, copper, and coal waiting to be mined. Above all, near the Persian Gulf, Iran has one of the world's great oilfields, pumping up 1,050,000 barrels a day, much of it bound for the British-built Abadan refinery, which Mohammed Mossadegh nationalized in 1951. Yet Iran's preeminent industry remains primitive and unproductive. Short of water and short of tools, its peasants must work from dawn to dusk to raise thin crops of cereals, and thinner flocks of sheep and goats, that leave their masters half starved.

For all their poverty, however, the Iranians are a proud people—with much to be proud about. A subtle mixture of Arab, Mongol, Turk, and Afghan, they trace their ancestry to Cyrus the Great (who unified the Medes and the Persians in 550 B.C.); to Darius the Great, whose laws ruled an empire that stretched from the Nile to the Indus; to Xerxes, the warrior, whose armies battered at the gates of Athens and were finally defeated at the Battle of Salamis.

Because of this historical continuity, Iran has a distinct personality, an authentic national identity that is lacking in such neighbors as Iraq and Pakistan. It has its own culture—the poetry of Omar Khayyam, the sculpted friezes of Persepolis, the glazed mosques of Isfahan and Shiraz. It has its own language (Farsi), its own unique religion (the Shiite branch of Islam), above all, its 2,500-year-old tradition of monarchy.

The man who now sits on the Peacock Throne of Iran is a lean athletic 41-year-old with a carefully barbered shock of graying hair, brown eyes, and a hawk-eyed face whose melancholy aspect rarely breaks into a smile, except when the Shah picks up his 7-month-old son, Reza. Still slim and straight, the Shah is a splendid skier (he ca.. slam through the slalom seconds behind Iran's best), a hard-driving tennis player (he is said to have the best serve in the country), and a keen sports-car driver, who races his personal coffee-brown Italian sports car.

Papa Reza: The Shah was not born to luxury. His father, Reza Pahlevi, was an illiterate 6-foot 4-inch officer in the Iranian Army who organized an army putsch in 1921, and set himself up successively as Minister of War, Premier, and finally in 1925 as King. As short on temper as he was on education, Reza Shah wasn't above kicking a muliah in the stomach or lashing a minister with a riding crop to get his way. But he got results—hacking out the trans-Iranian railway with its 4,100 bridges and 54 miles of tunnel, ordering Iran's women to give up their purdah veils, quelling the Kashgai and Bakhtari tribes. At the end of his reign Reza Shah lost himself in the distractions of amassing a personal fortune. But by the time the British exiled him in 1941 for dalliance with the Nazis, he had thrust his reluctant nation into the 20th century.

His son, Mohammed, the present Shah, has done his best to keep it there. Iran's railroad's have been extended by 900 miles, school enrollment has tripled, and under the Shah's 7-year development plan, $1.2 billion (mainly derived from oil revenues) is being spent on irrigation dams and 1,500 miles of road. Yet the Shah spends more on his army—200,000 strong—than he does on national development. And though land reform laws have been on the books for a decade, when the Shah went to Julfa last week, he was still the personal owner of almost half his 700 crown villages (an area totaling 600,000 acres).

There is no doubt of the Shah's good intentions. Talking to a Newsweek editor in his study, he leaned forward over his teacup and said with burning intensity: "Everything I do is for my country. It is a great country which I am proud of. We must make it grow, provide the people with a better life." In pursuance of these good intentions, the Shah works harder than any other monarch. Promptly at 8:30 every morning last week, he swung down the maroon- and purple-carpeted corridor of his summer palace at Saadabad above Teheran, whistled to his dogs, a white bulldog and Haraz, a pony-size black and brown German shepherd, and marched into his ground-floor office.

While gardeners scissored the crimson and pink rose bushes outside, he went over a list of callers with his sparrowlike little Minister of Court, Hussein Ala. Then one by one he received them, waving each to a leather armchair, relaxed and casual in one of his favorite two-button Savile Row suits. Occasionally puffing shah-size Persian cigarettes in an ebony holder tilted roofwards at an F.D.R. angle, he chatted easily, sipped tea with his guests from delicate gold-trimmed glasses.

Poker player: Before lunch he thrashed through a fast game of volleyball with officers of his Imperial Guard. Then after lunch, while his aids dozed, he pulled up a chaise longue in the garden and leafed through a stack of state papers. After a second, less-formal round of evening conferences, he went to his private quarters for a romp with his son, and dinner with his lissome Queen Farah. Evenings, his favorite

relaxation is still bridge or poker, and in both games the Shah bids or bets with happy abandon.

Since Premier Amini took over, the Shah has had more time for playing cards. For as Amini sees it, the Shah's job is to reign—not rule. Amini has nevertheless relied on the Shah's authority in pushing through his "revolution from the top." In 5 short weeks, he has decreed an austerity program to save $50 million by prohibiting imports of 210 items (examples—cigarettes, washing machines, whisky), forbidding junketing by Iran's wealthy, ordering one-course, liquorless meals for all official functions.

The reformer: Interviewed in his spacious green-carpeted office, Amini (dressed in a tan summer suit, gray and maroon tie, and black Italian-style loafers), defined his overall goal as "reform and good health—in every field of national life."

How well is his program going?

"We haven't done badly in a month. The fight against corruption has made a great impression in the country."

What about inflation?

"There we have had the least success so far. We must cut the budget and reduce government construction. But unemployment is a grave danger. And we must find some way of giving satisfaction to the workers. The oilworkers, for instance, have not had a pay increase in 5 years."

Who are your main opponents?

"I understand that Newsweek recently published an article entitled 'Nobody Loves Amini.' Perhaps that analysis is correct. When you cut the budget and take action as we are doing, you can't please everybody. The lower class strongly supports the Shah. So does a greater part of the middle class. The main problem is the intellectuals. We hope in the next few months to make an impression on them."

Old Man Mossy: The "intellectuals" in Iran—a term that extends all the way from oil mechanics to university professors—support, enthusiastically, the hazy but fervent nationalism of Mohammed Mossadegh. Last month, when Amini removed the restrictions on public political rallies, 80,000 of them—the biggest gathering in Iran in more than 7 years—jammed Teheran's Jalalieh polo grounds to cheer for the ancient hero. Now 79, Mossadegh represents one of the main obstacles to Amini's hopeful reform program. Under house arrest in his green-shuttered yellow brick villa at Ahmadabad, 62 miles from Iran, he is cut off from Iran's political life by 80 soldiers who pitch their pup tents (stamped "U.S. Army") in his driveway. But he is still the unchallenged head of the National Front, a coalition of four leftist parties run by a bulky 50-man directorate that spends as much time quarreling with itself as with the Government.

Most observers agree the front would win the largest bloc of seats in any free election to the Iranian Parliament. In office, their program would be extreme. "We'd hang Amini," said one party executive, "and make the Shah a limited monarch like Queen Elizabeth."

Mossadegh and his backers attack Amini as more of the same old thing. His reforms, they say, are little more than window dressing: Only 14 people have actually been jailed for graft, and of the 300 officers Amini promised to retire for corruption in the army, everyone is still in uniform. Iran's big landlords also oppose Amini. They regard him as a traitor to their class.

Iran's Communists, too, charge Amini with being a "phony"—a stooge for the Shah, whose reforms amount to no more than a smokescreen of high-sounding words, behind which the court and its corrupt hangers-on still exert all real power. Such arguments are readily accepted by thousands of Iranians who as yet can see little change in the drudgery of their day-to-day lives.

Faster, faster: The United States is advising the Shah not only to press through his reforms, but to make sure they take effect where it counts—at the grassroots level. Washington is encouraged by Amini's progress but wishes it could be faster—a course which the new U.S. Ambassador, Julius C. Holmes, who presented his credentials last week, undoubtedly will urge. Amini, in return, would like to see a U.S. speedup (the $40 million he asked for last month to help meet Iran's foreign-exchange obligation, still hasn't arrived). "I understand there is a U.S. expression, 'Americans help those who help themselves'," Amini said last week. "So I am sure they will help us. And I hope, eventually, that we will be able to do without outside help."

Having invested more than $1 billion to save Iran for the West, the United States is willing—even anxious—to aid the most promising new Government Iran has had in years. But President Kennedy has made it clear that the United States will no longer finance corrupt and repressive regimes, solely on the ground that they are threatened by communism.

If the Shah and Amini can quickly enlist the support of the people of Iran in their revolution from the top, the United States can be counted on to back it all the way. But if the Shah and his Premier cannot carry their people with them, nothing the United States can do will stave off a revolt from below.

Mr. MORSE. What is the burden of my argument, as I close? The burden of my argument is to recognize that we are making progress in Latin America through the act of Bogotá, as I think we will also through the act of Montevideo. Are we making some progress elsewhere in the world, really, in regard to using our influence and persuasion to get countries, into which we are pouring millions of dollars themselves to do something about raising the standard of living of the masses of their people? I wish I could say, as a member of the Committee on Foreign Relations, that the evidence is overwhelming that we are. However, in my judgment, the evidence does not support that conclusion.

I do not want us to lose out in Latin America. So I would have the Senate keep in mind that the aid program the President is talking about today in the Alliance for Progress involves many steps before ultimate consummation. It requires, first, the granting of congressional authority. That is what this historic debate in Congress on the foreign aid bill is all about. It requires the authorization and appropriation of sums of money which can be used in implementing the program. If our committee has not made this clear—and I am satisfied that we have made it clear, and Senator FULBRIGHT has made a notable contribution in this respect—it should be understood that we have sought to make it clear that this program is going to be primarily a program which will be implemented through and administered by banking institutions and financial institutions, such as the Inter-American Bank and the Export-Import Bank, and that individual projects will be subjected to negotiations between representatives of the Banks and the seeking recipients of the loan. It is at that point of negotiation that terms and conditions and requirements and agreements in regard to changes in internal policy of a given country can be worked out.

Furthermore, some of the funds will be used in the grant-aid program, for schools, clinics, health programs, road improvements and road building and, yes, land reforms and in some instances housing. It is at the point of negotiating for specific amounts for specific programs that again, through diplomatic channels, this subject matter of terms and conditions and reforms and cooperative effort on the part of the recipient country can be worked out by agreement in diplomatic channels.

Therefore the committee cannot—and it should not be asked to or expected to—give to the Senate in this debate any firm commitment as to what any specific condition is going to be before any amount or loan is going to be made.

The President has made it very clear, and eloquently clear, in his last great announcement, and even in his press conference yesterday, as he made it at the time of his major address on the subject, when he announced to the world the Alliance for Progress program, that we expect this program to be worked out at the negotiation level, where the recipient countries are going to agree to bring about some reforms in their countries in respect of these specific projects, to wit, for example, the matter of housing.

We all know the great debate we had in the Senate some weeks ago over interest rates. We know that in the course of that debate it was made clear that it is the plan of the administration in negotiating loans for housing programs in Latin America, for example, to try to work out an understanding in regard to reasonable interest rates. It will be remembered that the attempt was made on the floor of the Senate to freeze the interest rate at 8 percent. Some of us pointed out that in that case we would not be able to build any houses, because that does not happen to be the interest structure of many Latin American countries. We also recognize, of course, that the interest structure of many Latin American countries is usurious. It must be modified downward. But that is negotiable.

So what we are getting from the administration is a firm commitment that it is going to insist that at the negotiating level conditions are going to be agreed to which will give the American people the assurance that their money is going to be put to good work and that the government receiving the money is going to cooperate in such matters as interest rate reform, tax reform and land law reform, as well as the other various reform programs which are really part and parcel of the whole philosophy of the Alliance for Progress program.

At the Montevideo Conference there is bound to be a great deal of discussion, on and off the record, in regard to the position of Cuba, and the future of Cuban relations within the Organization of American States and in the Latin American community. I shall discuss this matter at another time. I have received several telephone calls today in regard to just exactly what I meant by

some of the statements I made on the floor of the Senate yesterday in my colloquy with the Senator from Oklahoma [Mr. KERR] in respect to the Cuban planes which have been brought to the United States.

I hope that at a very early date the State Department will make available to the Foreign Relations Committee a memorandum which will give us all available facts and information concerning the number of Cuban planes, and the types of Cuban planes, as well as the boats, and the ownership of those planes and boats, which have been brought from Cuba to the United States, either by defectors from the Cuban military or defectors in general—escapees or refugees—from Cuba.

That memorandum should specifically answer the Communist propaganda, which is rife in many parts of Latin America, that many of those planes—and the number that appears in the press has varied from 9 to 11; and as to the boats, no one seems to be certain as to how many there were, but in my opinion, not very many; few of them of any particular consequence—were brought to the United States, in some instances, with the assistance of the United States. The charge is that U.S. espionage work, CIA activities, and other U.S. activities in Cuba were of no small assistance in getting the planes and boats to the United States.

I believe the American people are entitled to the facts. I think the facts will simply reveal that to be a kind of Communist propaganda. It does not do us any good to hide our heads over it. I said yesterday, and I repeat tonight, that when I was the U.S. representative at the ninth anniversary of the Puerto Rican Commonwealth a few days ago, a considerable number of Latin American officials talked quite frankly to me. They asked if I were aware that a considerable amount of progress had been made by Castroites in many parts of Latin America by statements to the effect that the United States was making a great deal of noise, as one of the diplomats said, in its protests about U.S. planes being taken to Havana, but that nothing was being said by the United States about its involvement in the taking of Cuban planes to Miami and elsewhere in the United States.

Do not worry about what my position was in those arguments. I, of course, came to the defense of my country. I stated that even if we took their premise, which I did not think was true, there was quite a difference between the taking of a commercial airliner, with free American citizens aboard, and, in effect, kidnaping them by taking them to Havana, with all the danger that was involved, and the violation, in my judgment, of their international law rights, and the defection of some Cuban military personnel from the Cuban military establishment and running away with a Cuban plane and landing it in Miami or elsewhere. I said I thought it was perfectly obvious that the differences were so great that it should not take any argument on my part or on the part of anyone else to show that even if the premises of the Latin Americans were correct, the course of action taken by Cuba could not be justified, to whatever extent the Cuban Government might be involved in assisting in the hijacking of any U.S. planes.

But then the argument was made—and I think the State Department should cover this in the memorandum for which I am asking—that the United States could not justify not impounding these planes and waiting for international procedure to act upon them, rather than to let the planes come under the jurisdiction of the judicial process in the United States and be attached in an ex parte hearing, in settlement for debts which private American citizens and economic interests claim are due them by the Cuban Government. I believe the memorandum ought to clarify that situation, because not only should the American people know, but the people of Latin America are entitled to know—and we had better see to it that they do know—the reasons for the U.S. Government not exercising such powers as it may have—and as some contend it does have—to impound those planes and to hold them, not subject to any court attachment, until the Organization of American States or some other international tribunal could at least attempt to negotiate some settlement between the United States and Cuba in respect to the property rights, property interests, and claims which the two governments have against each other.

That is what I meant in my reply to those who called me today concerning what I said yesterday. I stand on what I said yesterday. I still think that the wise thing for us to do is to make very clear our official position and our official reasons for the position we have taken concerning our handling of the Cuban planes and boats which have been brought to the Unitd States by those who have escaped from Cuba in them. There is no doubt that those who brought them here did not own them. There is doubt that the planes and boats were the property of the Cubans who brought them here. Therefore, we had better be careful that we do not create a false impression in Latin America that we think it is perfectly all right to take advantage of and accept material gained from those who hijack boats and planes out of Cuba.

On the other hand, there is no justification for anyone hijacking planes out of the United States to Cuba. I believe there is no justification. I believe that the two types of cases are not in the same class at all. But I also know that we are having a hard time making that distinction understood in Latin America. I am of the opinion that in some quarters, in connection with the Montevideo Conference, also, we are having a hard time making it clear. That is why I hope that at a very early hour the State Department will issue a memorandum, at least to the Committee on Foreign Relations, although I should like to have a memorandum, so far as possible, which could be made public, too, and which would clear up what I believe is a growing misunderstanding on the part of many persons in Latin America of the U.S. policy concerning planes and boats which have been taken, illegally, no doubt, from Cuba and brought to the United States.

I am sorry, I say to the staff, for keeping them this long. But I have made this speech for the record because I know it is important in some quarters that the record be made.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

INDIVIDUAL VIEWS IN OPPOSITION TO CONFIRMATION OF MAJ. GENE HAL WILLIAMS TO THE GRADE OF BRIGADIER GENERAL IN THE ARMY RESERVE (EX. REPT. NO. 8)

Mrs. SMITH of Maine. Mr. President, on behalf of myself, the Senator from New Hampshire [Mr. BRIDGES], the Senator from Nevada [Mr. CANNON], the Senator from South Dakota [Mr. CASE], the Senator from South Carolina [Mr. THURMOND], the Senator from Connecticut [Mr. BUSH], and the Senator from Massachusetts [Mr. SALTONSTALL], I ask unanimous consent to file individual views opposing the nomination of Maj. Gene Hal Williams.

The PRESIDING OFFICER. Without objection, the views will be received and printed.

Mrs. SMITH of Maine. I also ask unanimous consent to have the views printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The views are as follows:

VIEWS OF SENATORS SMITH OF MAINE, THURMOND, CANNON, BRIDGES, SALTONSTALL, CASE OF SOUTH DAKOTA, AND BUSH IN OPPOSITION TO THE CONFIRMATION OF THE NOMINATION OF MAJ. GENE HAL WILLIAMS TO THE GRADE OF BRIGADIER GENERAL IN THE ARMY RESERVE

The undersigned members of the Senate Committee on Armed Services, without reflecting on the character or integrity of the nominee, are convinced that Maj. Gene Hal Williams does not possess the military qualifications required for the rank of brigadier general in the Army Reserve. Accordingly, we recommend that the nominee not be confirmed by the Senate to this rank.

BACKGROUND INFORMATION

As of January 16, 1961, Major Williams was named State adjutant general of the State of West Virginia, Army National Guard. By virtue of his office of State adjutant general he holds under State law the State rank of brigadier general. His nomination was submitted to the Senate because of the specific provision of law (sec. 3392, title 10, United States Code) which provides in effect that the adjutant general or assistant adjutant general of a State or territory may, upon being extended Federal recognition, be appointed as a Reserve officer of the Army as of the date he is federally recognized.

The matter of Federal recognition of adjutants general is controlled by Army regulations and until July 18, 1961, these rules

can be characterized by the almost complete absence of any qualitative standards for recognition.

Until July 18, 1961, an adjutant general, in order to be federally recognized, was required to have only three qualifications: (1) be under age 64; (2) be physically qualified to hold a Reserve commission; and (3) have been at some time a member of some component of one of the Armed Forces.

REASONS FOR OPPOSING THE NOMINATION

The undersigned have one purpose in opposing this nomination. It is to raise, for this category of personnel, the standards for promotion in the Army Reserve. Because of his very limited background and experience, it is our view that under no reasonable standard could Major Williams be considered qualified for a three-grade promotion to the rank of brigadier general in the Army Reserve. These are the significant facts as of May 1, 1961, when his nomination was received in the Senate:

(a) He had a military status of only 10 years, beginning in January 1951.

(b) His total active military service was only 2 years 8 months 21 days. This service was performed during 1951–53, all in various units located in the United States. A little less than one-half of this active service was in an enlisted status as distinguished from commissioned officer status. At the time of his appointment as State adjutant general he had had no command experience above the company grade of captain.

(c) He had been promoted to major in the Army Reserve only in June of 1960.

(d) With respect to his civilian background he had completed his education only 5 years ago in 1956. Since that time it is our understanding that his civilian positions consisted solely of a clerk to a Federal judge and service as an assistant attorney general for the State of West Virginia.

(e) Major Williams was only 32 years of age. While age alone should not normally be a controlling factor, it is significant in the case of Major Williams, because of his limited background and experience.

No significant changes have occurred in the record of Major Williams since May 1, 1961.

It should be emphasized that this promotion would be a three-grade promotion from major to brigadier general.

NO INTERFERENCE WITH STATE RANK

It should be emphasized that the undersigned oppose only Major Williams' nomination in the Army Reserve, which should be determined solely by Federal standards. No attempt is being made to infringe in any way on the prerogatives of the Governors, who should continue to have the right to accord, under State law, whatever State rank they wish to confer on their adjutants general as officers of the Governor. In most States the State rank of major general is authorized. In at least one State, however, it is understood that upon retirement the adjutant general is accorded the honorary rank of lieutenant general in a State status. The States, under their own State laws, can provide such a State rank as they choose to authorize, even to the extent of a 4- or 5-star rank for their State adjutants general.

At the same time, in establishing standards for appointment in the Army Reserve, which is strictly a Federal component, there should be minimum Federal standards consistent with the requirements which apply to other Reserve and National Guard officers. It is realized that the adjutant general upon leaving office reverts to the rank held immediately prior to his appointment. At the same time, while in office he is eligible for Federal training duty pay based upon the Federal rank he holds as adjutant general. Moreover, if he becomes qualified for retirement pay, such pay is based upon the Federal rank he held as adjutant general.

DEPARTMENT OF DEFENSE POSITION

On July 18, 1961, the Department of Defense wrote to the chairman of the Senate Armed Services Committee advising that the standards for recognizing adjutants general would be raised considerably. In the future, with one exception, an adjutant general, in order to receive a Reserve appointment, must meet the same standards as other National Guard officers and members of the Reserve. They would have to be fully qualified to hold the grade in terms of education and background, total service, and other requirements applicable to Reserve officers. The one exception would be that if an officer were in the grade of colonel he could be advanced two grades to major general, if he was appointed to major general under State law; otherwise, promotions could be only one grade at a time.

The departmental letter was in response to a communication from Senator SMITH requesting Department of Defense comment on the nomination of Major Williams and the desirability of reexamining the present policy of almost automatically appointing adjutants general to the same rank in the Army Reserve as they hold under State law.

The departmental letter further recommends, however, that the new standards not be applied to the pending list of National Guard nominations. We welcome the new rules which the Army and Air Force will apply in the future to National Guard nominees. At the same time we certainly oppose the departmental position that the Senate is precluded from examining the qualifications of any of the nominees on the pending list.

The test should be whether any nominee under any reasonable standard possesses the qualifications to hold the Reserve rank to which he is nominated. The Senate could use such a standard whether or not the Department of Defense changed its rules for the future.

Application of this qualification standard to Nominee Williams would not set any new precedent, for, as a matter of fact, in recent years the Senate Committee on Armed Services has used such a standard in withholding approval of 12 nominations, including 1 in the National Guard.

For the reasons we have already cited, we do not believe that Major Williams by any test could be found qualified to hold the rank of brigadier general in the Army Reserve.

Distinction of two other names on the list

We realize that there are two names on the list as reported who under the new rules would not be eligible for promotion. Those are Lieutenant Colonel Anderson and Lieutenant Colonel Moeglein, both nominated to be brigadier general. They would be precluded because of the rule against more than one-grade promotions except for colonels.

We would like to point out, however, that both of these nominees are in a different category from Major Williams in terms of background and experience. Lieutenant Colonel Moeglein, who is 48 years old, has possessed a military status for over 23 years and has had extensive active service both during World War II and Korea. He was promoted to the rank of major in 1942 and to lieutenant colonel in 1953.

Lieutenant Colonel Anderson, who is 41 years old, has had a military status for 19 years and had extensive active duty during World War II. He became a major in 1943 and a lieutenant colonel in 1957.

While we do not like a two-grade promotion for these officers, their background and experience places them in a completely different category from that of Major Williams. We think the Senate would be justified in view of these factors to approve of their nominations, and at the same time reject that of Major Williams.

Different rule for assistant adjutants general

We would like to observe that for some years the Army in its regulations has required assistant adjutants general to be fully qualified and, therefore, meet the same promotion standards for Federal recognition that are applied to other guardsmen and reservists. This rule existed upon the premise that if the adjutant general did not have to qualify under the normal rules, the assistant adjutant general should at least meet all of the Reserve qualifications. We might also add that with respect to the new rules, it is our understanding that for a number of years efforts to upgrade the standards for Federal recognition had been unsuccessful. Until Senator SMITH's letter raised this issue, there was no success in overcoming the general opposition.

PREMISE FOR OPPOSITION

It is our deep conviction that the security of our country demands the highest qualification requirements in the selection of military leaders of all components, particularly those chosen for general officer rank. It is on this premise that we oppose this nomination.

STYLES BRIDGES.
HOWARD W. CANNON.
FRANCIS CASE.
STROM THURMOND.
MARGARET CHASE SMITH.
PRESCOTT BUSH.
LEVERETT SALTONSTALL.

ACT FOR INTERNATIONAL DEVELOPMENT OF 1961—AMENDMENTS

Mr. ELLENDER submitted amendments, intended to be proposed by him, to the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. BRIDGES submitted amendments, intended to be proposed by him, to Senate bill 1983, supra, which were ordered to lie on the table and to be printed.

Mr. SALTONSTALL (for himself, Mr. KEATING, Mr. BUSH, Mr. DODD, and Mr. SCOTT) proposed an amendment to Senate bill 1983, supra, which was ordered to be printed.

USE OF MANPOWER RESOURCES—AMENDMENT

Mr. JAVITS. Mr. President, I submit an amendment to the Manpower Development and Training Act of 1961 (S. 1991), to authorize the National Advisory Committee which would be established under this act to encourage and assist in the organization on a plant, community, regional or industry basis of labor-management-public committees. Such local committees would provide the local initiative which is essential for the success of the manpower development and training program and also for achieving an increase in the rate of productivity growth in the United States.

The problem of manpower utilization in an age of rapid technological change is a vital part of the economic and social challenge our Nation faces. This challenge must be met through a mobilization of all our resources in a national productivity drive which will enable us to maintain our competitiveness in in-

ternational markets and increase our economic power in the face of the growing threat of Soviet imperialism. This challenge must be met in the American way which calls upon the voluntary cooperation of individuals to work out solutions to problems with which they are directly concerned. Labor and management and the public must be drawn together on the local level where there are the roots of the national strength. Indeed, a National Advisory Committee can serve a useful function by providing broad guidelines for action, by stating national needs, and by supplying coordination and information. A National Advisory Committee cannot adequately come to grips with the local variations of national problems and it cannot act for those whose everyday involvement in production determines the actual shape of the national economy.

For this reason I have introduced bills in the last Congress and this year for the encouragement of grassroots productivity councils. Such local groups, of which there were some 5,000 during the Second World War, now exist in certain industries or in some individual firms and communities. But they work in isolation and more often than not their work is swallowed up by the unemployment problem and by the sweeping effects of technological changes.

Mr. President, I believe that the substantive aims of the Manpower Development and Training Act give us a unique opportunity to plant the seeds of local cooperation throughout the country. The work of plant, community, regional, and industry councils in implementing the purposes of this act is bound to reach over into the other aspects of the larger productivity issue. The important thing is to get these people started on a common working relationship built around a substantive issue of common interest. I believe that my amendment will serve toward this end.

Mr. President, I submit the amendment, and ask that it be printed and lie on the table, and that it be printed in the RECORD.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment was ordered to lie on the table, as follows:

On page 29, line 2, after "SEC. 205.", insert "(a)".

On page 29, after line 12, insert the following:

"(b) The National Advisory Committee shall encourage and assist in the organization on a plant, community, regional, or industry basis of labor-management-public committees and similar groups designed to further the purposes of this Act and may provide assistance to such groups, as well as existing groups organized for similar purposes, in effectuating such purposes.

"(c) The National Advisory Committee may accept gifts or bequests, either for carrying out specific programs which it deems desirable or for its general activities."

ADJOURNMENT TO MONDAY, AT 11 A.M.

Mr. MORSE. Mr. President, unless the Senator from Nebraska [Mr. HRUSKA] has some item to submit at this time, I now move, in accordance with the order previously entered, that the Senate adjourn until Monday, at 11 a.m.

The motion was agreed to; and (at 9 o'clock and 1 minute p.m.) the Senate adjourned, under the order previously entered, until Monday, August 14, 1961, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate August 11, 1961:

DEPARTMENT OF LABOR

Mrs. Esther Peterson, of Virginia, to be an Assistant Secretary of Labor. (New position.)

U.S. MARSHAL

William H. Terrill, of Colorado, to be U.S. marshal for the district of Colorado for the term of 4 years, vice Tom O. Kimball.

IN THE NAVY

Capt. Levering Smith, O71497/1450, U.S. Navy, for temporary promotion to the rank of rear admiral while serving as Technical Director, Special Projects Office, Department of the Navy.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 11, 1961:

U.S. MARSHAL

George A. Bukovatz, of Montana, to be U.S. marshal for the district of Montana for the term of 4 years.

DEPARTMENT OF THE ARMY

Finn J. Larsen, of Minnesota, to be Assistant Secretary of the Army.

ARMY NATIONAL GUARD

To be major general

Brig. Gen. Thomas Patrick Carroll, O1321152, Army National Guard of the United States, for promotion to the grade indicated as a Reserve commissioned officer of the Army, under the provisions of title 10, United States Code, section 3392.

The officers named herein for appointment as Reserve commissioned officers of the Army, in the Adjutant General's Corps, Army National Guard of the United States, under the provisions of title 10, United States Code, section 3392:

To be major generals

Col. Thomas Joseph Donnelly, O384942.
Col. Roderic Lee Hill, O416963.
Col. Leonard Holland, O1289581.
Col. Van Daley Nunally, Jr., O1167144.

To be brigadier generals

Lt. Col. John Samuel Anderson, O1283632.
Lt. Col. Chester James Moeglein, O384958.

IN THE AIR FORCE

The officers named herein for appointment as Reserve commissioned officers in the U.S. Air Force under the provisions of section 8392, title 10, United States Code:

To be brigadier generals

Col. Roy E. Cooper, AO2065909, Wyoming Air National Guard.

Col. William J. Payne, AO362656, North Carolina Air National Guard.

Col. Richard B. Spear, AO795661, Vermont Air National Guard.

Col. Robert J. Martell, AO11168357, California Air National Guard.

The nominations beginning Ben M. Adams, to be colonel in the Regular Air Force, and ending Albert L. Cutress, to be colonel in the Regular Air Force, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on July 31, 1961.

EXTENSIONS OF REMARKS

Youth Conservation Corps

EXTENSION OF REMARKS
OF
HON. LEE METCALF
OF MONTANA
IN THE SENATE OF THE UNITED STATES
Friday, August 11, 1961

Mr. METCALF. Mr. President, some of the most telling arguments for S. 404, the Youth Conservation Corps bill reported from the Labor and Public Welfare Committee, come from men who served in the old Civilian Conservation Corps.

The August 1961 issue of the American Legion magazine carries my article in favor of the bill. Its publication prompted the chairman of the Veterans Advisory Commission in Philadelphia, Mr. William J. Lederer, who serves also as secretary of the board of directors of the Crime Prevention Association of Philadelphia, to write me concerning his experience in the CCC's in Montana.

Mr. Lederer concludes, from his background of military, veteran, and civic experience, that "reestablishment of the Civilian Conservation Corps is one of the most important programs needed to safeguard the internal strength of the United States."

And I was proud to read his statement that "the people at Malta, Mont., invited most of the members of my camp into their homes and treated us like their own sons."

Mr. President, I ask unanimous consent to insert in the CONGRESSIONAL RECORD the article and letter.

There being no objection, the article and letter were ordered to be printed in the RECORD, as follows:

SHOULD CONGRESS REVIVE THE CIVILIAN CONSERVATION CORPS?

(By Senator METCALF, Democrat, of Montana)

Twenty-eight years ago, President Franklin D. Roosevelt started what was to become one of the most successful projects of the New Deal. That was the Civilian Conservation Corps, the CCC.

The theory was simple: We had a lot of young men out of work, outdoor work was good for them, there was a lot of outdoor work to be done, so let's get these boys into the woods.

I recall the concern in my native Bitterroot Valley in western Montana when these young men, many of them from city slums, arrived. The fears were quickly laid to rest. They developed character and confidence

as they planted trees and grass, built recreation facilities, bridges and fire towers, strung telephone lines, cut trails and fire lanes.

Last year the Western News in Hamilton checked on the present whereabouts of those CCC boys who came to this Montana camp. Several have responsible positions with the Forest Service. One is a senior editor of Time, one a bank president, another our State prison warden. Many of the rest have made their mark in law, teaching and in the community they came to love and adopted as their own. Another CCC camp alumnus is Congressman JOHN BLATNIK, of Minnesota, who deserves the Nation's thanks for his brilliant, continuing leadership in water pollution abatement.

The proposed Youth Conservation Corps, like the CCC, has the twofold purpose of providing healthful training and employment for young men and accelerating needed conservation programs. There would be a corps of eventually 150,000 young men, supervised by conservationists. Pay would be modest, the period of enrollment 6 months. The bill (S. 404) as introduced by Senator HUMPHREY is identical to the bill approved by the Senate last year. It is before the Senate Labor and Public Welfare Committee.

Our Nation now has, similar to the time when the CCC was established, much work to be done in fields and forests, and young men in need of jobs. I say let us get on with the unfinished business of conservation of our natural resources and, in so doing, develop and conserve the greatest resource of all, our youngsters.

VETERANS ADVISORY COMMISSION,
Philadelphia, Pa., August 8, 1961.

Hon. LEE METCALF,
U.S. Senator from Montana,
Washington, D.C.

DEAR SENATOR: After reading your comments in the August 1961 American Legion magazine, I decided to write this letter.

During 1941 I served as a member of a CCC camp located at Malta, Mont., and I can tell you that my military and veteran's experience leads me to conclude that the reestablishment of the Civilian Conservation Corps is one of the most important programs needed to safeguard the internal strength of the United States.

As secretary of the board of directors of the Crime Prevention Association of Philadelphia, I review hundreds of cases annually concerning teenagers whose acts of delinquency and crime have destroyed their lives and caused untold damage to the welfare of citizens along with great destruction to property.

I know that a CCC program would not only provide an opportunity for most of these young men to receive an opportunity for a constructive life but would also provide for them discipline and the spiritual values which are absent to most of their environmental backgrounds.

There are many former members of the Civilian Conservation Corps who are willing to volunteer our time and resources to assist in the establishment of this program. I also know that some of our finest fighters during World War II owe their training to their tenure in the CCC camp.

Incidentally, the people at Malta, Mont., invited most of the members of my camp into their homes and treated us like their own sons.

I believe your views express the thoughts of most of the former members of the CCC program.

Wishing you continued success, I am,
Respectfully,

WILLIAM J. LEDERER,
Chairman, Veterans Advisory Commission.

SENATE

MONDAY, AUGUST 14, 1961

The Senate met at 11 o'clock a.m., and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

God of all grace and glory, whose mercy is like the wideness of the sea, Thou hast set us in a world of unfolding wonder and beauty. May the cares of this world never hide from our hearts the joy to be found in the loveliness of nature, in the strength of friendship, the conquest of difficulty, and in the compensations of selfless service.

In all our dealings with those who walk and toil by our side and who are tempted even as we, may we say to them, and of them to others, the generous things which would be upon our lips if they were here no more. Preserve us from false judgment. Help us to judge others as we would be judged, to serve as we would be served, to understand as we would be understood.

When the shadows fall and evening comes, give us the supreme satisfaction that we have given our best to every task and that we have faced every duty without bitterness, with charity for all and malice toward none.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Friday, August 11, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

REPORT ON ACTIVITIES UNDER PUBLIC LAW 480, 83D CONGRESS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 223)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry:

To the Congress of the United States:

I am transmitting herewith the 14th semiannual report on activities carried on under Public Law 480, 83d Congress, as amended, outlining operations under the act during the period January 1 through June 30, 1961.

JOHN F. KENNEDY.

THE WHITE HOUSE, *August 14, 1961.*

EXECUTIVE MESSAGE REFERRED

As in executive session, the Vice President laid before the Senate a message from the President of the United States submitting the nomination of James E. Luckie, of Georgia, to be U.S. marshal for the southern district of Georgia, which was referred to the Committee on the Judiciary.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Committee on Interior and Insular Affairs, the Subcommittee on Internal Security of the Committee on the Judiciary, and the Subcommittee on the Judiciary of the Committee on the District of Columbia were authorized to meet during the session of the Senate today.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

PUBLICATION OF NOTICE OF PROPOSED DISPOSITION OF CERTAIN MAGNESIUM OXIDES AND CARBONATES

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a copy of a notice to be published in the Federal Register of a proposed disposition of approximately 20,000 pounds of magnesium oxides and carbonates now held in the national stockpile (with an accompanying paper); to the Committee on Armed Services.

REPORT ON ACTIVITIES UNDER MERCHANT SHIP SALES ACT OF 1946

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report of the Maritime Administration on the activities and transactions under the Merchant Ship Sales Act of 1946, from April 1, 1961, through June 30, 1961 (with an accompanying report); to the Committee on Commerce.

REPORT ON TORT CLAIMS PAID BY OFFICE OF CIVIL AND DEFENSE MOBILIZATION

A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, reporting, pursuant to law, on tort claims by that Office, during the fiscal year 1961; to the Committee on the Judiciary.

ACCEPTANCE OF GIFT MADE TO THE UNITED STATES BY WILL OF ESTHER CATTELL SCHMITT

A letter from the Acting Attorney General, transmitting a draft of proposed legislation to authorize acceptance of the gift made to the United States by the will of Esther Cattell Schmitt (with accompanying papers); to the Committee on the Judiciary.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department

of Justice, transmitting, pursuant to law, copies of orders entered granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

AMENDMENT OF SECTION 7 OF ADMINISTRATIVE EXPENSES ACT OF 1946

A letter from the Chairman, United States Civil Service Commission, transmitting a draft of proposed legislation to amend section 7 of the Administrative Expenses Act of 1946, as amended (with accompanying papers); to the Committee on Post Office and Civil Service.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report of the Archivist of the United States on a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON and Mr. CARLSON members of the committee on the part of the Senate.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. METCALF, from the Committee on Interior and Insular Affairs, without amendment:

S. 1697. A bill to approve the amendatory repayment contract negotiated with the Huntley Project Irrigation District, Montana, to authorize its execution, and for other purposes (Rept. No. 710).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 631. A bill for the relief of Elwood Brunken (Rept. No. 712);

S. 651. A bill for the relief of Howard B. Schmutz (Rept. No. 713);

S. 1787. A bill for the relief of Giovanna Vitiello (Rept. No. 714);

S. 1880. A bill for the relief of Johann Czernopolsky (Rept. No. 715);

S. 1906. A bill for the relief of Fares Salem Salman Hamarneh (Rept. No. 716);

H.R. 1290. An act for the relief of Ernest Morris (Rept. No. 721);

H.R. 1612. An act for the relief of Mr. Ernest Hay, Wamego, Kans. (Rept. No. 722);

H.R. 2656. An act for the relief of Capt. Leon B. Ketchum (Rept. No. 723);

H.R. 3227. An act to amend section 1732(b) of title 28, United States Code, to permit the photographic reproduction of business records held in a custodial or fiduciary capacity and the introduction of the same in evidence (Rept. No. 724);

H.R. 4030. An act for the relief of Robert A. St. Onge (Rept. No. 725);

H.R. 4640. An act for the relief of the estate of Charles H. Biederman (Rept. No. 734);

H.R. 6835. An act to simplify the payment of certain miscellaneous judgments and the payment of certain compromise settlements (Rept. No. 733); and

H.R. 7610. An act for the relief of Joe Kawakami (Rept. No. 726).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 233. A bill for the relief of Sonja Dolata (Rept. No. 717);

S. 547. A bill for the relief of Young Jei Oh and Soon Nee Lee (Rept. No. 718);

S. 1234. A bill for the relief of Max Haleck (Rept. No. 719);

S. 1355. A bill for the relief of Helen Haroian (Rept. No. 720);

H.R. 5179. An act for the relief of the U.S. Display Corp. (Rept. No. 727); and

H.R. 6453. An act for the relief of Earl Gupton (Rept. No. 728).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

H.R. 6244. An act for the relief of certain members of the uniformed services erroneously in receipt of family separation allowances (Rept. No. 729).

By Mr. LONG of Missouri, from the Committee on the Judiciary, without amendment:

H.R. 6103. An act for the relief of the Stella Reorganized Schools R–I, Missouri (Rept. No. 711).

By Mr. JOHNSTON, from the Committee on the Judiciary, without amendment:

H.R. 7038. An act to eliminate the right of appeal from the Supreme Court of Puerto Rico to the Court of Appeals for the First Circuit (Rept. No. 735).

By Mr. JOHNSTON, from the Committee on the Judiciary, with amendments:

H.R. 2883. An act to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes (Rept. No. 736).

By Mr. McCLELLAN, from the Committee on Appropriations, with amendments:

H.R. 7371. An act making appropriations for the Departments of State and Justice, the judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes (Rept. No. 731).

By Mr. STENNIS, from the Committee on Appropriations, with amendments:

H.R. 8302. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes (Rept. No. 732).

PAYMENT OF ANNUITIES TO WIDOWS AND CERTAIN DEPENDENTS OF JUDGES OF THE TAX COURT—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 730)

Mr. BYRD of Virginia. Mr. President, from the Committee on Finance, I report favorably, with amendments, the bill (H.R. 4317) to amend the Internal Revenue Code of 1954 and incorporate therein provisions for the payment of annuities to widows and certain dependents of the judges of the Tax Court of the United States, and I submit a report thereon. I ask that the report, together with the minority views of the Senator from Tennessee [Mr. GORE] and the Senator from Illinois [Mr. DOUGLAS], be printed.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Virginia.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

William T. Beeks, of Washington, to be U.S. district judge for the western district of Washington;

Guthrie F. Crowe, of the Canal Zone, to be U.S. district judge for the district of the Canal Zone;

Albert V. Bryan, of Virginia, to be U.S. circuit judge for the fourth circuit;

J. Cullen Ganey, of Pennsylvania, to be U.S. circuit judge for the third circuit;

Brockman Adams, of Washington, to be U.S. attorney for the western district of Washington;

Macon L. Weaver, of Alabama, to be U.S. attorney for the northern district of Alabama;

Casimir J. Pajakowski, of Indiana, to be U.S. marshal for the northern district of Indiana;

George M. Stuart, of Alabama, to be U.S. marshal for the southern district of Alabama; and

Keith Hardie, of Wisconsin, to be U.S. marshal for the western district of Wisconsin.

By Mr. EASTLAND (for Mr. DODD), from the Committee on the Judiciary:

M. Joseph Blumenfeld, of Connecticut, to be U.S. district judge for the district of Connecticut.

By Mr. DIRKSEN, from the Committee on the Judiciary:

Richard B. Austin, of Illinois, to be U.S. district judge for the northern district of Illinois.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BARTLETT:

S. 2413. A bill to provide for economic regulation of the Alaska Railroad under the Interstate Commerce Act, and for other purposes; to the Committee on Commerce.

(See the remarks of Mr. BARTLETT when he introduced the above bill, which appear under a separate heading.)

By Mr. WILEY:

S. 2414. A bill to establish a research laboratory at which programs of research and study shall be conducted to develop new and improved industrial uses for dairy products, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. SMITH of Massachusetts:

S. 2415. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act, as amended; to the Committee on Labor and Public Welfare.

By Mr. BRIDGES:

S. 2416. A bill to help maintain the financial solvency of the Federal Government by reducing nonessential expenditures through reduction in personnel in various agencies of the Federal Government by attrition, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. METCALF:

S. 2417. A bill to amend the Soil Conservation and Domestic Allotment Act, as amended, to add a new subsection to section 16 to limit financial and technical assistance for drainage of certain wetlands; to the Committee on Agriculture and Forestry.

ECONOMIC REGULATION OF ALASKA RAILROAD

Mr. BARTLETT. Mr. President, I introduce, for appropriate reference, a bill to provide for the economic regulation of the Alaska Railroad under the Interstate Commerce Act, and for other purposes. The provisions of this bill closely

follow those included in legislation introduced in both the 85th and 86th Congress. The most recent of these bills, S. 1508 of the 86th Congress, gained approval in both Houses of Congress but was vetoed by President Eisenhower.

The bill which I now introduce differs from earlier bills in some particulars. Essentially, however, the new bill retains the same basic purpose; that is, the economic regulation of the railroad under title I of the Interstate Commerce Act. Other provisions in S. 1508, allowing State regulation of intrastate railroad shipments and applying Federal railroad equipment and safety standards, have been omitted.

I do not agree with the critics of previous bills that these collateral provisions should not be enacted to bring Alaska Railroad operations within the standard pattern of regulation applied to all private commercial lines. Nor do I agree that there is any merit in the theory that the federally operated Alaska Railroad should be exempt from the same standards of safety and hours of service which Congress has seen fit to impose upon similar privately owned carriers.

In regard to these provisions I believe that separate legislation should be introduced at a future date to provide for their application to the Alaska Railroad. They are not included in the present bill because they are not essential to the primary purpose of providing for the economic regulation of the railroad.

It is essential to the fair and beneficial regulation of Alaska commerce that the Alaska Railroad, which lies at the heart of transportation in the 49th State, be regulated in the public interest. The need for external economic regulation of the railroad has been universally recognized in the reports of investigators who have, over the years, surveyed Alaska's transportation system.

Objections to the enactment of the economic regulations provisions of S. 1508—objections which were apparently persuasive to President Eisenhower when he vetoed the bill—seemed to follow three general lines.

First, it was argued that regulation by an outside agency is not essential to protect the public interest and that the decisions of the Secretary of the Interior would, in any case, safeguard the public and other segments of the transportation industry from discriminatory practices.

As to this argument, it is my conviction that the Alaska Railroad, as a commercial carrier by rail, should fall within the regulatory authority of the Interstate Commerce Commission. The fact that the Alaska Railroad is under the immediate direction of a Federal agency does not change the nature of its operation, nor does the fact of its Federal ownership reduce its competitive relationship to other carriers.

I do not doubt for a moment that the management of the Alaska Railroad has been oriented to meet the public interest. However, I entertain very serious doubts as to the ability of the Department of the Interior to judge with the wisdom of an expert and specialized regulatory body matters which go far beyond the operation of the railroad itself.

Because there can be no effective and complete regulation of interstate commerce in Alaska so long as the Alaska Railroad remains exempt from the provisions of title I of the Interstate Commerce Act, it is clear that the conceded good faith of the Interior Department is no substitute for the expert judgment of the Interstate Commerce Commission.

The second of the objections which were raised against ICC regulation of Alaska Railroad rates was widely published in Alaska newspapers. This objection—certainly the least rational of any put forward by the opponents of the bill—concerned the supposed inevitability of substantial increases in freight rates. It was actually reported in one Alaska newspaper that the Commission, under the bill, would virtually be the "boss" of the railroad and that as "boss" increases of 20 percent would immediately be prescribed by the Commission.

Without going into detail at this time, I shall simply observe that the ICC would no more become the "boss" of the Alaska Railroad under this or earlier bills than it is the "boss" of the great national complex of railroads which it has regulated for decades. Also, it should be observed, there is nothing in the regulatory provisions of the Interstate Commerce Act which would require automatic increases in existing Alaska Railroad rates.

The scare publicity which circulated in Alaska while S. 1508 was before the Senate during the 86th Congress was largely based upon an incorrect assumption that the rates of the Alaska Railroad under ICC regulation would be determined on a basis of capital stock including charges sufficient to allow the Government a fair return on its total railroad investment in Alaska.

It is well known and this bill takes cognizance of the fact that a substantial portion of the railroad investment in Alaska is solely related to military defense requirements. Also, the ICC, in evaluating existing and proposed rates of the Alaska Railroad would be obliged to take into account the provisions of the basic statute authorizing the Federal Government to construct and operate the railroad. In this statute, there is listed among the purposes of the operation the "development of the agricultural and mineral or other resources of Alaska, and the settlement of the public lands therein, and so as to provide transportation of troops, arms, munitions of war, the mails, and for other governmental and public uses."

The third objection which was apparently the most persuasive to President Eisenhower when he vetoed S. 1508 concerned the propriety of granting an independent agency authority to review decisions of a branch of Government operated under Presidential direction.

Certainly, there would be no imperative need for placing the Alaska Railroad under the scrutiny of the ICC for any reason if the railroad were the sole transportation system in the 49th State. But it is not. And it will be impossible to have an integrated regulatory arrangement for surface transportation if the railroad is excluded. The public interest demands the ICC be placed in the position of impartial umpire. I trust the bill will be speedily enacted into law.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2413) to provide for economic regulation of the Alaska Railroad under the Interstate Commerce Act, and for other purposes, introduced by Mr. BARTLETT, was received, read twice by its title, and referred to the Committee on Commerce.

ESTABLISHMENT OF RESEARCH LABORATORY TO FIND INDUSTRIAL USES FOR DAIRY PRODUCTS

Mr. WILEY. Mr. President, I introduce, for appropriate reference, a bill to establish a Dairy Research Center in Madison, Wis. The purpose would be to find new ways to utilize dairy products for commercial-industrial uses.

In dairying and other fields creative research is the key to progress. Over the years, the dairy industry, State and Federal departments of agriculture, colleges and universities, and other institutions, have discovered a wide variety of ways to utilize dairy products for human consumption, including milk, cheese, butter, ice cream, powdered milk, and other foods.

What we are thinking about at this time is creative research. Over the years the colleges and universities have discovered a wide variety of ways to utilize dairy products for human consumption.

In this exploratory age, however, we need new exploration-minded, Columbus-type researchers to seek out and find industrial and commercial uses for our milk, cheese, butter, and other dairy items.

Mr. President, only a few years ago I was in Lisbon, Portugal, at a patent conference of various countries. It was my privilege to take a trip to the southern part of Spain. There I saw for the first time the utilization of powdered milk, which took care of some 40,000 people. The milk produced was as fine as one could obtain in the United States. I took some of it back with me to Portugal, and gave Mrs. Wiley some of it. She was very much pleased. That was food. It was drinking milk.

In this age, as I say, of discovery, of breaking new barriers, and crossing new horizons, the laboratory tools of chemistry and science could, I believe, be concentrated to a greater extent upon dairy products.

Out of such research could well come new uses that could revolutionize the dairy industry and further benefit the people.

For 1961, the annual national milk production is estimated to exceed 124 billion pounds, including 18 billion pounds produced in my home State of Wisconsin—the No. 1 producer.

The present supply exceeds the demand. As a result, Wisconsin producers get only one-half the price for their milk that producers in Maryland and Virginia get for their milk.

In this age of discovery, of research, of breaking new barriers, of overcoming the things which limit us—and there never was an age like it before in the history of mankind—I am suggesting that we should utilize the brains of the chemists to discover industrial uses for dairy products.

The present supply exceeds the demand. The utilization of the surplus for industrial purposes would be of tremendous benefit, not only to the dairy industry, but also to the whole economy.

The VICE PRESIDENT. The time of the Senator from Wisconsin has expired.

Mr. WILEY. Mr. President, I ask unanimous consent that I may proceed for 5 more minutes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

Mr. WILEY. I thank you, Mr. President.

Now, let me give an example of such research:

A citizen of my State claims that he has a cigarette filter made from cheese and charcoal. He says that he has had it analyzed and that, if utilized as a filter, it would diminish the cancer-causing tar which is found in tobacco smoke.

A professor at the University of Wisconsin has experimented in the matter. I ask unanimous consent at this point, to have inserted in the CONGRESSIONAL RECORD, an article from the Capital-Times on the subject.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHEESE IS CLAIMED AS FILTER MATERIAL

A University of Wisconsin biochemist and a De Pere businessman announced today that a common but surprising material holds promise as a cigarette smoke and tar absorbent for filters.

The substance—Swiss cheese intermixed with charcoal.

Henry Lardy, professor of biochemistry, said he experimented with the cheese filter on the request of a Wisconsin businessman and found that the combination of cheese and charcoal removed 90 percent of the tars emitted with common cigarette brands test-smoked in a laboratory machine.

Lardy said the idea was originated by Stuart M. Stebbings of De Pere, a businessman interested in developing new markets for cheese.

Stebbings was experimenting with ideas for marketing smoked cheese when it occurred to him that if cheese was a good smoke absorbent, it would make a good material for cigarette filters. He came to the university for help in developing his idea and was directed to the department of biochemistry.

Lardy found the cheese filters superior to commercial cigarette filters now in use. The best commercial filter of the many kinds initially tested removed 51 percent of the tars. This was a filter manufactured with charcoal-impregnated paper. Since then, Lardy added, another commercial filter has been tested which removed 61 percent.

The cheese-and-charcoal filter devised by Stebbings and Lardy, however, removes 90 percent of the tars.

Lardy said that the fat and protein materials in cheese are natural absorbents of the kind of substances present in smoke tars.

When cheese alone was first tested, he related, it had two great drawbacks. It absorbed only 40 percent of the tars and it made the cigarette paper greasy. Addition of the charcoal solved the problem with the oils because charcoal absorbed them. Charcoal alone absorbs only 18 percent of the tars in cigarette smoke but, the combination of cheese and charcoal, in turn, absorbs 90 percent of the tar from cigarette smoke. Lardy said the best combination was apparently about one-third charcoal to two-thirds Swiss cheese

He said that before the tests were completed he had worked over a tremendous variety of conditions, filter types, and possible substances for filters. Among the best types of cheese were the dry Swiss varieties known as Parmesan or Romano, he said. It is important that the cheese used have from 20–40 percent butterfat and it is necessary to use the charcoal to prevent this fat from diffusing into the cigarette paper and tobacco.

He said that the nicotine presumably was pulled out of the smoke in the same percentage as the tars.

Stebbings is now attempting to find potential markets for the new filter material. He said domestic cigarette manufacturers were apparently not as interested as foreign firms, who possibly have less of an investment in the types of filters they now employ.

"It is estimated," Stebbings said, "that if all filters were to go to the cheese-charcoal type it would take about 500 million pounds of dry cheese per year to make the filters."

Mr. WILEY. Mr. President, all this illustrates what I am driving at. I am driving at the utilization of milk and milk products industrially.

I know there will be those, in the press and elsewhere, who will say, "pooh, pooh, it does not amount to anything." That is what they said many years ago, when one of the great men of this country succeeded in putting milk in bottles and in cans, to make it last.

Now I am thinking in terms of the farmers of the State of Wisconsin. I am thinking in terms of what it would mean if the farmers of Wisconsin could receive for their milk what the farmers of the two States I have mentioned receive for theirs.

All of this illustrates what I am driving at: if, from cheese, combined with charcoal, an improved filter can be made, what is needed now is a laboratory where biochemists can work and search and seek further ultilization of the constituents of milk in the industrial field.

I am conscious of what this would mean to the farmers of my State, if vast quantities of our milk and milk products could be turned into channels where same could be used for industrialized products.

We no longer would have to sell our milk for $3.50 a hundred. We probably soon would be getting what the farmers of Virginia and Maryland get—twice that. But what is needed is men who are ready to search, like Edison, for the undiscovered things that are up ahead.

We remember how people poohpoohed Edison, who had no college education. If it had not been for Edison, we would not have electric lights above us. We need men with seeking intellects to reach out to find answers. This is one of the answers we must find.

We need men like Edison to look for the undiscovered things up ahead. This is such an age, and we are looking for the man, or men, who can lift their visors and see such undiscovered potentials.

In my opinion, there are vast opportunities ahead for searchers and seekers in the field of chemistry who will see what they can do with the constituents of milk in a commercial and industrial way.

I request unanimous consent that the text of the bill be printed at this point in the RECORD, after the bill is appropriately referred.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2414) to establish a research laboratory at which programs of research and study shall be conducted to develop new and improved industrial uses for dairy products, and for other purposes, introduced by Mr. WILEY, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture (hereinafter referred to as the "Secretary") is hereby authorized and directed to establish, maintain, and operate a research laboratory to be known as the Research Laboratory for Industrial Uses of Dairy Products. The Secretary shall establish such laboratory at or in the vicinity of Madison, Wisconsin.

SEC. 2. It shall be the function of the laboratory authorized to be established by this Act to conduct programs of research and study to develop new and improved industrial uses for dairy products.

SEC. 3. The Secretary is authorized (a) to provide, by construction or otherwise, the necessary facilities for the housing of the research laboratory established under this Act, including any equipment necessary to the operation of such laboratory; (b) to maintain, repair, and alter such facilities; (c) to acquire buildings, property, and rights and interests therein by purchase, lease, gift, transfer, condemnation, or otherwise, necessary to the operation of such laboratory; (d) to incur necessary administrative expenses in the establishment and operation of such laboratory, including personal services; (e) to accept in the name of the United States donations of any buildings, property, real or personal, to such laboratory; and (f) to utilize voluntary or uncompensated services at such laboratory.

SEC. 4. In order to facilitate administration and to increase the effectiveness of dairy research programs conducted by the Department of Agriculture, the Secretary is authorized to transfer the functions, powers, and duties of any other agency, division, bureau, service, section, or other administrative unit of the Department of Agriculture, which is primarily concerned with research relating to the development of new and improved industrial uses for dairy products, to the research laboratory established under this Act.

SEC. 5. In order to test the commercial feasibility of any new or improved industrial use of a dairy product developed by the research laboratory established by this Act, the Secretary is authorized to conduct pilot plant operations and trial commercialization with respect to such new or improved use, and the Commodity Credit Corporation shall make available to the Secretary such quantities of dairy products owned by it as the

Secretary may direct for the purpose of conducting any such test. The Commodity Credit Corporation shall also make available to the research laboratory established by this Act such quantities of dairy products as the Secretary determines necessary to carry out the provisions of this Act.

SEC. 6. In carrying out the provisions of this Act the Secretary may cooperate with other agencies of the Government, State agencies, State colleges and universities, private research organizations, purchasing and consuming organizations, chambers of commerce, transportation and storage agencies and organizations, and other persons or corporations engaged in the production, packaging, processing, refrigeration, powdering, condensing, transportation, storing, marketing, distribution, and merchandising of dairy products or byproducts.

SEC. 7. The Secretary shall promulgate such orders, rules, and regulations as he deems necessary to carry out the provisions of this Act.

SEC. 8. There is hereby authorized to be appropriated such funds as are necessary to carry out the provisions of this Act.

ACT FOR INTERNATIONAL DEVELOPMENT OF 1961—AMENDMENT

Mr. BRIDGES (for himself and Mr. MUNDT) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, which was ordered to lie on the table and to be printed.

PRINTING OF REVIEW OF REPORT ON BUCKHANNON RIVER, BUCKHANNON, W. VA. (S. DOC. NO. 43)

Mr. KERR. Mr. President, I present a letter from the Secretary of the Army, transmitting a report dated March 31, 1961, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on a review of report on Buckhannon River, Buckhannon, W. Va., requested by a resolution of the Committee on Public Works, U.S. Senate, adopted April 30, 1958. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The VICE PRESIDENT. Without objection, it is so ordered.

PRINTING OF REVIEW OF REPORT ON KASKASKIA RIVER, ILL. (S. DOC. NO. 44)

Mr. KERR. Mr. President, I present a letter from the Secretary of the Army, transmitting a favorable report dated June 9, 1961, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on a review of report on Kaskaskia River, Ill., requested by a resolution of the Committee on Public Works, U.S. Senate. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The VICE PRESIDENT. Without objection, it is so ordered.

ASSISTANCE TO STATES IN A PROGRAM OF FORESTRY RESEARCH—ADDITIONAL COSPONSOR OF BILL

Mr. STENNIS. Mr. President, last Friday I introduced a bill for myself and the Senator from Mississippi [Mr. EASTLAND], which became S. 2403. At the time the bill was introduced, I was unable to reach the Senator from Vermont [Mr. AIKEN], one of the chief sponsors of the bill. I did not have direct word from him to add his name to the bill. He helped plan the original bill and helped to write it. I ask unanimous consent that his name may appear as one of the original sponsors of the bill.

The VICE PRESIDENT. Without objection, it is so ordered.

NOTICE CONCERNING A CERTAIN NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

James E. Luckie, of Georgia, to be U.S. marshal for the southern district of Georgia, for a term of 4 years, vice James F. Brophy.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Monday, August 21, 1961, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

NOTICE OF MEETING OF SUBCOMMITTEE ON ANTITRUST AND MONOPOLY OF THE COMMITTEE ON THE JUDICIARY

Mr. KEFAUVER. Mr. President, the Subcommittee on Antitrust and Monopoly will hold hearings on September 6 and 7 on S. 996, S. 2252, S. 2253, S. 2254, and S. 2255.

S. 996 was introduced by Senator PROXMIRE; the others were introduced by me.

S. 996 would give Federal judges the power to restrain violators of the antitrust laws from certain corporate activities upon a showing of probable cause that the individuals may engage in additional antitrust violations.

S. 2252 would increase the general limits on monetary penalties under the Sherman Act and provide for even heavier fines and jail sentences for certain second offenders.

S. 2253 would provide for heavier fines and jail sentences for criminal convictions of price fixing and division of markets, both particularly common and flagrant violations of the Sherman Act.

S. 2254 would broaden the responsibility of corporate officials to prevent violations of the antitrust laws by their corporations.

S. 2255 would require bidders on Government contracts, who have submitted bids identical to those of their competitors during the preceding 2 years, to submit certificates that their bids were arrived at independently and without collusion.

Any persons wishing to testify on these bills should write to Bernard Fensterwald, Jr., staff director, Subcommittee on Antitrust and Monopoly, room 408, Old Senate Office Building, Washington, D.C.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 7851) making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes, and it was signed by the Vice President.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. YARBOROUGH:

Address delivered by him at the ground breaking ceremonies at the new stadium on the Texas Western College campus, August 12, 1961.

Address delivered by him before the Peace Corps trainees at Texas Western College, El Paso, Tex., August 12, 1961.

By Mr. WILEY:

Address of Dean Rusk, Secretary of State, delivered at a State dinner honoring the Vice President of the Republic of China, August 1, 1961.

PROGRESS IN LATIN AMERICA

Mr. MANSFIELD. Mr. President, in the New York Times magazine for yesterday, August 13, appeared an article entitled "Now It Is Up To Latin America." The article was written by Tad Szulc. Mr. Szulc used to be the Latin American correspondent with the New York Times. Now he is stationed in Washington. He has written an article which I hope will be read in detail and with great care not only by the Members of Congress, but also by the members of the administration, especially those connected with the formulation and carrying out of foreign policy in the field of Latin America. There is much to ponder in the article. It was written by a man of great experience and keen perception. I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NOW IT IS UP TO LATIN AMERICA

(By Tad Szulc)

WASHINGTON.—In the Washington office of the President of the Inter-American Development Bank—one of the main instruments for lifting Latin America by her bootstraps out of her persistent backwardness—hangs a small sign telling the visitor, "Be Brief: We Have 10 Years to Recoup."

The slogan errs on the optimistic side. The time lost by Latin America in the race

for progress is more like 50 years. And the time left to make up for the languorous neglect and irresponsibility of the past is growing dangerously short in the face of ominous signs of discontent and revolutionary unrest.

For the past week, the finance and economic ministers of the Latin-American republics, accompanied by experts and advisers on everything ranging from taxation to land reform, have been meeting with their U.S. counterparts at the wind-swept Uruguayan resort of Punta del Este to work out a comprehensive blueprint for this new race against time.

This attempt, which President Kennedy has named the Alliance for Progress, represents perhaps the greatest modern test of the ability of the free society of the Americas, North and South, to establish the principle—already loudly challenged by Communists, homebred, starry-eyed Marxists and the hopeful, young people of Latin America who have been so deeply impressed by the Castro experiment—that progress, prosperity, and justice can come through evolution rather than through the destructiveness of revolution. On the economic, technical and human levels, the 10-year alliance program is probably the most ambitious and far-reaching undertaking of the modern world.

The objective is to create a new agricultural and industrial base for Latin America, to raise the incredibly depressed living standards of the bulk of her population (which today stands at 200 million but in 15 years will reach 300 million inhabitants) and, literally, to make the vast deserts bloom, the wild rivers work for man, and the jungles recede. It calls for releasing and utilizing the immense natural and human resources of the region—still to a great extent dormant—and for integrating the two so that development plans may be set in motion.

The basic tools for this enterprise are already in Latin American hands. The Inter-American Bank was created almost 2 years ago with an initial capital of a billion dollars. This summer, the United States contributed a $500 million social development fund. Detailed social and economic plans have been drawn up by inter-American experts. And notable progress has been made toward toppling the trade barriers between the Republics. In addition, the United States has proclaimed that it stands ready to provide massive new funds to finance the alliance, and this year alone it expects to lend or grant upward of $1 billion to Latin America through various aid projects.

But from there on, the responsibility for its future lies squarely with Latin America. For all our good intentions and our recent recognition of the need for social reform among our southern neighbors, the United States cannot carry out a democratic social and economic revolution for the Latin Americans. Any attempt to do so forcibly would be certain to misfire.

Like a good parent—though the comparison may be odious to some Latins, despite its accuracy—the United States can provide education for its Latin-American offspring and give them a start. But, if it is to continue to act like a good parent, it cannot and it should not try to live their lives for them.

Fidel Castro, whose political and economic beliefs are guided by century-old Marxist maxims, has accused the United States of attempting to buy the Latin-American republics with tokens and promises of economic aid in order to keep them from following the Cuban example and setting up "Sierras Maestras in the Andes."

But what the United States is doing in reality is buying time for the Latin Americans—time to recoup those lost decades when their own leaders lived myopic if many-splendored lives, building huge tax-free fortunes, enjoying the culture and cosmopolitanism of Paris, London, and New York, thriving on governmental corruption and waste, manipulating politics and politicians, promising schools and hospitals but rarely building them, and, in short, living as members of an irresponsible elite.

But if the United States is acting today out of a sense of urgency inspired by belated understanding, a sense of shared guilt could also well be present. During the years of Latin America's languid life in the sun, this Nation has done precious little to discourage the prevailing system.

Its private investments, totaling today close to $8 billion, did provide employment and help to raise living standards for some sectors of the population. And the local governments received handsome royalties for the oil, the copper, or the lead extracted from Latin American soil. But neither these governments nor the U.S. entrepreneurs cared much whether all this wealth was distributed equitably.

Still, it was the U.S. investors, not the local leaders, who seem to have first understood the emerging social pressures. Shortly after World War II, the oil companies owned by U.S. interests in countries like Venezuela and Peru began to erect modern, sanitary housing for their workers in the old camps and to provide schools and medical services in regions where none had ever existed.

But until the Castro revolution alerted and alarmed Washington, the United States itself stubbornly refused to assist Latin America in projects of social improvement or basic economic development. It was acting on the unrealistic premise that loans for industrial undertakings or for payments of commercial debts were all that was required so long as private investments were encouraged.

The loans were frequently made for political reasons and with tenuous economic sense. Private investors were not interested in building roads, schools, or hospitals because these brought no return. Any money that the local governments could get hold of usually went into inflated public payrolls—which today, as then, represent a vast and suffocating form of patronage—or into projects that gratified national ambitions but did relatively little to develop the countries.

These policies, or nonpolicies, transformed Latin America into a strange landscape of contrasts—not in the travel-folder sense of the picturesque or romantic but in the grim and dangerous sense of deep inequalities and distortions.

Today, Brazil's new capital, Brasilia, stands proudly in the midst of a heartland, and an amazing automotive industry rises in the São Paulo industrial complex. But one-third of Brazil's people, concentrated in the country's northeast region, know only the plague of cyclical drought and cyclical flood; disease, neglect and exploitation by the landlords; and misery so great that an average inhabitant earns only $100 annually.

In the highlands of Peru, Ecuador, and Bolivia, the Indians live pretty much as they lived in the days of the Spanish viceroys: at the margin of organized society. In Rio de Janeiro and Caracas, filthy hill towns rub elbows with spectacular skyscrapers built by Brazilian architectural genius. Lima and Santiago, still resplendent in the mantle of their colonial days, are hemmed by shanty-towns. Everywhere, the despair is fertile ground for political agitation and extremist movements.

The Alliance for Progress is expected to change all this—or, at least, to make a good start in that direction within the decade—but, again, it is Latin America herself who holds the key to her fate. The billions of dollars from the United States can be lost with hardly a ripple in the depth and the immensity of the hemisphere's problems unless the Latin Americans learn how to use the money in conjunction with their own resources.

The principle of self-help enunciated in the new philosophy of the alliance is, then, the keystone to ultimate success. It is accepted intellectually, or given lipservice, throughout the hemisphere, but its practice will imply substantial sacrifice and the eradication of all bad traditional economic and social habits.

Whether Latin America, which since 1945 has clamored for U.S. aid and understanding, can make these sacrifices is still an unswered question, despite many encouraging signs. In one of those curious reversals of historical positions, it is the United States which today carries the banner of social progress, while the Latin Americans—once its rhetorical champions—seem timid and reluctant.

The big landowners and industrialists are beginning to mutter that the United States, in its talk of land reform and social change and its courtship (or is it sudden discovery?) of the masses, is sacrificing old friendships and threatening to break up the traditional economic and social structures. And this, they say, may lead to chaos.

The true battle, therefore, may have to be fought inside Latin America between the old order represented by the wealthy families and the great corporations, and the new order made up of the rising young managerial class, the impatient economists, and the new-look politicians.

Perhaps those who can save Latin America are men like these: the 30-year-old Brazilian engineer directing a mining company's railroad in the solitude of the Amapá territory, hard by the Amazonian jungle; the Peruvian Army major leading a construction battalion, with its graders and bulldozers, into the backland jungles; the intense Chilean economist who lives and dreams graphs and development blueprints; and the Colombian irrigation expert to whom the rate of water utilization in the Cauca river is worth more than all the emeralds in his country's glittering subsoil.

These men, and the thousands like them in the Latin-American generation that has just entered manhood, will do their jobs. The bright young technicians of the Brazilian Northeast Development Agency will work around the clock to bring their region into the 20th century. The social workers will climb the cordilleras of Peru, Ecuador, and Bolivia to teach the Indians to emerge from their cave civilization and perhaps recapture the dignity and the skills of their Inca ancestors.

But the basic courage and the basic decisions that will make their task possible must come from the Latin American Governments and the elite who today still control the hemisphere's economic life. Whether they understand it or not, failure to make these decisions will ultimately mean their violent ouster from the scene.

What is needed, then? The basic question concerns the land. Although 60 percent of all Latin Americans are engaged in agriculture, the bulk of the cultivable soil—almost 80 percent of it—is owned by only 5½ percent of the landlords. The land is thus divided between the latifundios or giant holdings—and the minifundios or dwarf holdings. Both are uneconomical and the whole system is so inefficient that Latin America today produces less food per capita than it did in 1938 and the rate of production is still dwindling. In some of the Republics more than half the population lives completely on the fringe of the money economy.

The first answer is the proper utilization of land. An overall land-reform program for Latin America is a manifest absurdity; the conditions vary not only from country to country but from province to province. Land-reform projects must, therefore, be tailored to the varying circumstances. In

one area the limitation of holdings to, say, 50 hectares makes economic sense. In another area, it would be uneconomical to shrink the holdings below, say, 1,000 hectares.

But everywhere the principle of land distribution must be accepted and landowners must be persuaded to accept gradual compensation. And, yet, only Venezuela has been able to develop a land-reform program, limited though it may be by the country's strained resources. Colombia is approaching the passage of land legislation. The Peruvian Congress for a year has been unable to pass laws setting up an Agrarian Reform Institute. Brazil has 200 land-reform bills before its Congress but none of them has an immediate chance of approval.

To finance land reform—and all the other projects of infrastructure, like roads and dams—the governments need funds made up of local currencies, not the dollars that the United States may provide for equipment. But taxation rates are, by and large, abysmally inadequate, especially for high incomes and for land, and cheating the tax collector is one of the favorite sports of Latin America.

Considerable restraint is required for a government to proceed with a system of reasonable priorities in allocating available funds. The temptation is great to concentrate on showcase but otherwise dubious projects when an election is at hand. Iron willpower is necessary to say "No" to the military when the budget pie is about to be sliced.

With its economists and experts gathered at the Uruguayan resort, Latin America is preparing to take her destiny into her own hands. The tools and external aid necessary are available. But it is up to her to put them to good use. As the inter-American experts who drafted the alliance plan put it, "No alternative to success can be admitted."

VICE PRESIDENT JOHNSON CARVES A NEW CAREER

Mr. MANSFIELD. Mr. President, in the U.S. News & World Report for August 21 appears an article entitled "Vice President JOHNSON Carves a New Career."

Mr. President, I think it should be brought to the attention of the Senate and the country that the Vice President has been most courteous, most kind, most tolerant, most understanding in his relations with the Congress. He has been given much in the way of added responsibilities by the executive branch, and has carved there a niche for himself which is gradually coming to be recognized by all. He is making great contributions to the betterment and the welfare of the present administration. We are deeply grateful to him for his sound advice and his wise counsel at all times. I ask unanimous consent that the article from the U.S. News & World Report be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

VICE PRESIDENT JOHNSON CARVES A NEW CAREER

Back in November, just after the election, many predictions were made that LYNDON B. JOHNSON, Vice President, soon would find himself at odds with John F. Kennedy, President.

Mr. JOHNSON, restless, energetic, accustomed to having his own way, had been Democratic leader of the Senate for 8 years. In that job he established a reputation as a take-charge guy, not content to play second to anyone.

Moreover, Mr. JOHNSON was credited with having given Mr. Kennedy an electoral margin in Texas and other Southern States that made the narrow victory possible. The new President, it was widely thought, was under somewhat heavy obligation to the new Vice President.

It was generally expected, too, that as Vice President, Mr. JOHNSON would keep a strong hand on Democratic affairs in the Senate, over which he would preside.

PREDICTIONS ASTRAY

And what has happened? All predictions have been proved wrong by 7 months of experience.

Vice President JOHNSON now is settled comfortably into a job that he did not want. After a hesitant start, he finds himself, friends say, enjoying every minute of it. The man who was always keyed up, who kept a tight hold on all the complicated strings of power in the Senate, today is relaxed, subdued and a little withdrawn.

The JOHNSON influence in the Senate has been almost entirely given up. The former Senate majority leader has not presumed to influence Senator MIKE MANSFIELD, of Montana, the new majority leader.

Instead, Vice President JOHNSON finds his time taken up with duties assigned to him by the President. Relations between President and Vice President have turned out to be cordial rather than strained.

The Vice President has an office—among several—in the Executive Office Building across the street from the White House. He attends meetings of the National Security Council and the Cabinet, has been designated to preside over the former—as did Richard M. Nixon—in the President's absence.

Mr. JOHNSON goes to the White House every Tuesday with Democratic legislative leaders. He sits in on most meetings that determine high policy. His opinion often is requested and he offers it, insiders say, only when it is asked.

Mr. JOHNSON heads the National Space Council, which coordinates policies and advises the President. He is Chairman of the President's Committee on Equal Employment Opportunity, which seeks to end racial discrimination in the hiring policies of Government contractors. He is head of the National Advisory Council for the Peace Corps.

When there was an urgent and highly important task to be done in Asia, Mr. JOHNSON was chosen by the President and Secretary of State to do it. He is credited with soothing some ruffled feelings and doing so with some bluff Texas talk. He arranged to have Pakistan's President Ayub Khan visit Washington earlier than scheduled, then saw to details of that visit.

Mr. JOHNSON also had long discussions with Prime Minister Nehru of India, who is to visit the United States in November. He talked with leaders in Vietnam, Formosa, and Thailand, who had been questioning U.S. policy toward that part of the world. Later on, it is probable that Mr. JOHNSON will go to Latin America.

Thus, in addition to many duties in Washington, Mr. JOHNSON is receiving assignments of worldwide importance, traveling to places that the President lacks time to visit.

BUSY AND HAPPY

One who has known the Vice President closely for years sums up the man, in his new position, this way:

"A job to LYNDON is life itself. He pounces on a new job like a duck on a June bug. You know LYNDON—he wants to nail more shingles than any other man around.

"Now the gates of the world are open to him. At night, he goes home excited and elated by the day's conversations and problems. It's all mighty exciting. He talks more about his problems and is more keenly aware of them, it seems, than in the past when he was majority leader. This is particularly true of the problems of southeast Asia.

"We no longer worry about his health. (Mr. JOHNSON suffered a heart attack in 1955.) His activity is part of his personality, and he has an extremely rugged constitution. He just can't be held in rein. No, the job of Vice Presidency is not doing him any harm. There was no harder job than being majority leader, remember. This job doesn't have the ordeals that the other had, particularly at the end of a session. There was more of crescendo to that other job.

"LYNDON can cut through verbiage and go to the heart of a matter in Johnson City language. (Johnson City is the Vice President's hometown in Texas.) LYNDON uses Johnson City language with the foreigners he meets, the leaders who come to Washington and the ones he met on his southeast Asia trip, men like Ayub Khan.

"Using Johnson City language implies no lack of respect for beautiful English. But Johnson City language is earthy and simple and direct. State Department language requires formalities. No lack of respect is meant for the State Department, mind you. But it's true that a diplomat or even a Secretary of State can't sit in a chair across from a man like Ayub or other foreign leaders and talk as directly as LYNDON does. LYNDON cuts through formalities with his Johnson City language, and that breaks down the barriers of redtape."

TRANSITION

Mr. JOHNSON's delight in his work, however, is a comparatively recent development. At the outset of the administration the situation was far different.

"The truth is that I did not want the job of Vice President," Mr. JOHNSON has told friends, and the word "not" is emphasized. "I did not seek it. I had not thought it would be offered to me. I preferred my role as a legislator."

The transition, after more than 20 years in Congress, proved a difficult one. Friends say that in the early weeks Mr. JOHNSON felt frustrated. There was a certain amount of confusion within the new administration. He was stripped of his old powers in the Senate and his lines of authority in the new administration were not yet clearly drawn.

Mr. JOHNSON dug into the work of his committees. The Space Committee, in particular, took much of his time. There were disagreements to be umpired. Plans for reaching the moon were firmed up and approved by Mr. Kennedy. Long negotiations resulted in an agreement that private interests should participate in space communications.

However, Mr. JOHNSON was restlessly casting about for greater opportunities. He saw them in foreign affairs. He realized, friends say, that he lacked background in that sphere. He set about acquiring it by listening to those who did know.

Insiders say a turning point for Mr. JOHNSON came with the failure of the Cuban invasion. One of them describes the situation in this way:

"Before the Cuban invasion, most of the White House crowd were suspicious of JOHNSON. After Cuba, they came to realize that the Vice President possesses a great amount of practical experience in Government that most of the men around Kennedy did not have. Now, the White House asks JOHNSON what he thinks much more than before about a variety of questions."

Increasingly, Mr. JOHNSON was called into top-level discussions. On legislation, he helps shape administration proposals before they go to the Capitol. But the emphasis in White House meetings is on foreign af-

fairs these days, and on that subject the Vice President is said to make an increasing contribution. However, some Washington sources say the Vice President is being consulted more on techniques and tactics than on the formulation of grand strategy.

At the White House, the Asian trip was considered a huge success and served to solidify Mr. JOHNSON'S position there. However, he is careful not to overreach himself, those close to the situation say. He is discreet, does more listening than talking.

Meanwhile, Mr. JOHNSON is at pains to keep close to the sources of power. This means not only the President, but Secretary of State Dean Rusk, Secretary of Defense Robert S. McNamara, and Attorney General Robert F. Kennedy, the President's brother.

NIXON AND JOHNSON

Inevitably, comparisons are being drawn between Mr. JOHNSON and Mr. Nixon in the role of Vice President. An observer who has watched both closely says:

"JOHNSON sees more of Kennedy than Nixon did of Eisenhower. JOHNSON is in and out of the White House much more than Nixon was. JOHNSON has an office next to the White House itself, as well as offices on Capitol Hill. Nixon's offices were at the Capitol only. Kennedy has assigned JOHNSON more duties than Eisenhower did Nixon. These considerations lead to the conclusion that JOHNSON plays a bigger role than Nixon did.

"In short, it is clear that the Vice Presidency reached new heights under Nixon. It also is clear that JOHNSON intends to carry the job to still greater heights, if he can."

REWARDS

Mr. Nixon's reward was the Republican presidential nomination last year. There are many suggestions that Mr. JOHNSON is hopeful that Mr. Kennedy, if reelected in 1964, will support him for the Democratic nomination in 1968. He will be 60 then and younger than some Presidents when they assumed office.

Meanwhile, it has become plain that the busy Mr. JOHNSON has no time left to grumble, as did many of his predecessors about lack of work to be done.

TRIBUTE TO THE VICE PRESIDENT

Mr. KUCHEL. Mr. President, yesterday I had the pleasure of reading the article which you wrote, which was published in the magazine section of the Washington Post.

We in this Chamber divide on many occasions; but we stand united, Mr. President, in our common cause to preserve our Republic and in our common American goal of peace with justice in the world.

I continue to like the old aphorism, "Politics stops at the water's edge." It does with me, Mr. President; it does with all other Members of the Senate; it does with you; it does with almost all Americans.

Several months ago I had the honor to represent the minority in a mission by this country to the new nation of Senegal. You led that delegation. You led it as an American statesman, representing the people and the Government of the United States. I saw firsthand, Mr. President, the warmth of your greeeting to the leaders of Senegal and to the common people of that country, and I saw that warmth reciprocated. I remember very well the opportunities which were given to you and to the members of the mission which followed to demonstrate the value of freedom for people and the courage which this country has in undertaking, not alone to perpetuate that freedom for us, but to advance it as an ultimate goal for all of humankind.

Thus, Mr. President, I would feel completely recreant in the performance of my duty did I not associate myself with the comments of the distinguished majority leader, and to congratulate you on your own message, and to tell you that the goals you outlined represent goals for all Americans.

Mr. President, I ask unanimous consent that your article in the Washington Post be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post Parade magazine, Aug. 13, 1961]

A BIGGER BOWL OF RICE

(By LYNDON B. JOHNSON)

I have become a firm advocate of the concept that Americans at all levels must get out into the countries of the world and meet the people face to face.

This was brought home to me most forcefully on my recent trip to the Far East.

For Asia's struggle is about people—about the hopes and fears and miseries and frustrations of a vast sea of human beings. It is not really over anything so complicated as Marxian philosophies or Jeffersonian principles.

Prime Minister Jawaharlal Nehru explained it this way: "Poverty—the whole economic problem—is at the heart of the problems of Asia and Africa. All other problems in India are secondary, and in many cases are affected by it. We have a politically conscious mass of people who think that they deserve everything—and do—but India is unable to supply it."

Yet I wonder how many Americans realize that the people of Asia are just like you and me, sharing the same dreams and needs and worries. They are struggling and crying and fighting today for a bigger bowl of rice, better homes in which to live, good schools for their children, freedom from malaria and cholera and dysentery, and a place of dignity and a bit more sanity in this troubled world of ours. Either we produce quick and convincing evidence that these things can be achieved through the institutions of freedom, or the masses will turn in desperation to something else.

We must take action. It is high time the representatives of our country got out of their air-conditioned offices and limousines and went out to meet the people—I mean the masses who are going to determine the fate of these countries.

I was warned in advance that I should not mingle with the people in Saigon—that I might reach out to shake a hand and pull back a hand grenade. Others speculated that I might face dangerous demonstrations. Well, I walked the streets of Saigon and mingled among the people in the postmidnight darkness; and I walked into the huts of villagers who did not expect me. I was surrounded by throngs in every land we visited, and I never saw a hostile hand or heard a hostile voice.

I am convinced that friendship for America is still there. But we must be sure not to sell the peoples of Asia short.

The reactions of the common people that I saw convinced me that they will rally to the cause of freedom if we can get Americans to assert and emphasize the vitality of our way of life.

For instance, in a hospital near Saigon, Lady Bird talked to a lad whose face had been shot up—to another whose leg had been mangled by a mine planted along a footpath—both victims of Communist Viet Cong terror tactics.

"LYNDON," she said afterward, "I had read how the Communists strike in the night, killing village officials, murdering health project leaders, slaying agricultural experts, burning schools, and all that. But you just don't realize what a nasty business this is until you see the innocent victims.

"I felt like crying when that boy whose leg was nearly blown off told me that as soon as he could get up he was going back and fight."

The next day, I talked with President Ngo Dinh Diem about the Communist campaign of terror and destruction against his young Republic.

I had barely mentioned newspaper stories suggesting that American troops would be needed to keep the Communists from overwhelming South Vietnam, when he replied, in effect:

"We don't need American troops. We have the men, and they have the will to fight; they are determined to remain free. We need your material and your guidance, but the peoples of South Vietnam are ready to spill their own blood for their own liberty."

I was to hear similar words from Prime Minister Sarit in Thailand, and in both instances it was with much pleasure and a little shame. Pleasure that the urge for freedom was so much stronger in southeast Asia than I had been led to believe. Shame that so many Americans seemed to be caught up in a contagion of despair.

We should not despair. I confess that I began my journey to Asia fearing I would be saddened and disillusioned by a spectacle of people meekly resigning themselves to slavery. Instead I have come home a missionary, eager to tell the American people that communism is not riding any tide of inevitable triumph in Asia. Throughout south and southeast Asia I found the backbones of people a lot stronger and their determination to remain free a lot more vibrant than I had ever dreamed would be the case.

Some critics said it wasn't dignified for me to mingle with the crowds the way I did, but "dignity" isn't winning freedom any friends in Asia today. I don't want Asians to lose hope, to become the drowning man who clutches at a straw, for I know that communism can't win unless Asians lose hope and make communism the straw they clutch at.

Perhaps nothing impressed me more on this trip than the magnitude of squalor and human misery. I knew poverty as a boy, and even in recent years I have seen a great deal of it in my own State and in the rest of our Nation. I had read a great deal about the role that poverty, illness, and illiteracy are playing in the revolutions that shake our world today; but not until this trip was I so acutely aware of the fact that they are communism's best allies.

And make no mistake about the people's desire for change. The thirst for learning is absolutely astounding. The joy and gratitude in the faces of Indian mothers whom I saw at a school dedication were obvious. And consider Thailand. Although she is next door to embattled Laos and directly in the path of the Communist aggressors, the largest single item in the budget is for education. In Taiwan I learned that 98 percent of eligible children are in school—a claim that few if any of our United States can make.

And we must let Asians know we regard them as equals in both the community of nations and in the family of man.

In this connection, President Diem expressed surprise when I told him that President Kennedy had asked me to solicit his views and those of other Asian leaders.

"We aren't used to people asking us what we think," he said.

We dare not be so arrogant as to assume that we have all the know-how, all the skill, all the conviction, all the love for liberty. The best housing project that I have ever seen was in Pakistan, where President Ayub Khan is providing such admirable leadership. This Karachi project is not luxurious—just two concrete rooms, a concrete floor, a fireplace in which to cook, and a bath and toilet with running water. A family pays $3 a month and becomes owner of the house in 20 years.

The Pakistani Government, Ford Foundation experts, and Greek architects got together to meet the people's needs in a really practical way.

Is Asia worth it? As I left I knew that I could come home and say that Asia's populations are so large, and her resources so abundant that free nations dare not let them fall under Communist control. I knew that I could talk about the speed with which our world has shrunk and seek to inspire action based on fear that Communist bombers and missiles in southeast Asia would represent an added physical peril for us Americans.

But I know that the real reason why Asia is worth our effort and sacrifice is a moral reason. Asians want to live under institutions of freedom and personal liberty, and they are willing to pay the price for it. Our own claims of love for liberty would become a shallow mockery if out of either despair or selfishness we turned our backs on them. We shall keep faith with them—we shall honor our pact * * * with governments, yes, but also with the hungry, hopeful, plain people of Asia.

U.S. FOREIGN POLICY

Mr. BOGGS. Mr. President, last Saturday the distinguished senior Senator from Hawaii [Mr. FONG] delivered an important foreign-policy address, in which he called upon President Kennedy to enunciate policies on Cuba, Latin America, and Asia equally as firm and unequivocal as his policies on Berlin.

The Senator from Hawaii very correctly identified Communist Cuba as a clear and present enemy of freedom in the Western Hemisphere. To meet the Cuba threat, he urged the President to try to obtain solid hemispheric backing for a reaffirmation of the Monroe Doctrine and for enforcing it by means of a declaration of contraband, under which all Communist war material would be declared contraband and not permitted to enter this hemisphere.

In Asia, an area about which the Senator from Hawaii is unusually well informed, he said the United States should promptly announce its opposition to admitting Outer Mongolia to the United Nations, on the ground that her admission would further erode America's position in that world body. To restore confidence in America in the Far East, Senator FONG advised the United States to fulfill her pledges to preserve the independence of South Vietnam, warning that we cannot afford a repetition of our Laos experience.

Acknowledging the worldwide Communist threat as a deadly peril, Senator FONG nevertheless expressed confidence that time is on our side, provided we use it to our advantage.

Mr. President, I ask unanimous consent that the full text of the address be printed in the body of the RECORD at this point.

There being no objection the address was ordered to be printed in the RECORD, as follows:

TIME IS ON OUR SIDE

(Address of U.S. Senator HIRAM L. FONG of Hawaii, Before Chinese American Citizens Alliance, 26th Biennial National Convention, San Francisco, Calif., August 12, 1961)

Grand President George Chaw, President Earl Louie of the host San Francisco lodge, officers and members of the Chinese American Citizens Alliance, distinguished guests, ladies and gentlemen, it is a great privilege and honor for my wife Ellyn and me to be here tonight with you, to break bread with you and to join with you in the festivities of this evening.

In such gay company as this, where old acquaintanceships are renewed and new friendships made, and where fellowship and congeniality hold sway, we cannot but sense among us a very warm feeling of kinship and brotherhood.

This spirit, I have learned, permeates very activity of your alliance and gives purpose and integrity to your organization. It is the precious substance which has helped in a great measure to bind you together in devoted citizenship and dedicated public service. It adds nobility and grace to your organization which continues to attract new members and new lodges and to earn the respect and gratitude of your fellow citizens in the community. It is therefore a pleasure for me to pay you just homage and to wish you success in attaining and maintaining your enduring goals and aspirations.

What you are doing is indeed in the best tradition of our country. From the beginning to the present, our country has been a symbol of humanitarianism and brotherhood—a country which has never hesitated to champion freedom, justice, self-determination, and democracy.

Guiding and sustaining us throughout the years was our fundamental concept that in freedom with justice man attained his highest and most rewarding state.

Although from the birth of our Nation, from time to time we as a people have faced perils to our freedoms and liberties, never before have we been called upon to deal with one so menacing and deadly, so daring, ruthless, and fanatical, powerful, forceful, and so full of deceit, treachery, and immorality. Well organized and masterminded by zealots, communism is all the more deadly because of its unchanging purpose: to destroy liberty, self-determination, and freemen everywhere—in Cuba, in Laos, in Vietnam, in Africa, in Latin America. Yes, in every corner of the globe. The latest and the most pressing drive, of course, is in Berlin, which today epitomizes the basic conflict between communism and freedom.

East Berlin, indeed all of East Germany, exists in bedraggled contrast next door to a free and prosperous government, standing as a devastating testimonial to the dismal failure of communism to improve the life of its people.

Berlin is proof that communism repels, while freedom attracts. In the 13 years since Communist East Germany was established, a constantly ebbing and flowing tide of 4 million refugees have left home and kin at the risk of life and limb to breathe the air of freedom.

It is little wonder the Soviet Communists desire unilaterally to abrogate their solemn agreements and are threatening to sign a treaty with their puppet East Germany which will mean the end of West Berlin as a citadel of freedom and liberty.

If we back down before Communist intimidation and threats in Berlin, everyone everywhere to whom we have pledged our word will lose confidence in us, for we will appear as a paper tiger—toothless, spineless, and full of air. Recognizing this, President Kennedy has served notice that America and her allies will not be pushed out of Berlin by Communist threats, force, or by negotiated agreements under duress.

To make certain the Communists harbor no doubts about our resolve to prevent their annexation of West Berlin, President Kennedy simultaneously proposed steps to increase our immediate readiness for any eventuality in Berlin, to strengthen our military forces for the long-pull, worldwide Communist challenge, and to safeguard America's civilian population from enemy nuclear attack.

This is the kind of firm action we Americans understand and support, and what is equally important, it is the kind of firm action the Communists understand.

They now know the mighty military forces arrayed against them will be used if they start war over Berlin. They now know West Berlin will not fall into their laps like a ripe fruit just because they are shaking the tree.

We Americans are fully cognizant that the Communist-created crisis in Berlin is but a part of a 'round-the-globe problem and that we must have equally firm, equally clear, and equally unequivocal policies to meet the multidimensional Communist challenges everywhere.

Although 6 months have elapsed since this Administration took office, the President has yet to declare his policies regarding many areas of the globe.

Where the President does not clarify policy, division and uncertainty plague our own people and weaken our Nation's influence in world affairs. This was so in the case of Red China, for example.

Where he has vacillated, our foreign policy has suffered—Korea is a case in point.

Where he has marked time, the Communists have advanced—large chunks of Laos fell victim as a result.

Where he has heeded advice of the faint-hearted and the timid souls, he has blundered—Cuba stands as a painful lesson.

Until President Kennedy unravels the tangled skeins of our foreign policy, we cannot hope for the consistency that is so urgently needed. When he does, and I fervently pray he does soon, then will we do all the concomitant acts that need doing.

We can ill afford to dilly-dally, for wherever we leave a policy vacuum, we open the door to Communist expansion.

The President should promptly announce that the United States opposes the admission of Soviet satellite Outer Mongolia to the United Nations. We may be sure Communist Outer Mongolia would obey the Kremlin in every particular as a member of the United Nations and would further erode our position in that world body.

In Asia, the administration's policies are in a sad state of disrepair and our prestige is on the wane. One of the surest ways for President Kennedy to restore confidence in America in the Far East is by making good on our pledges to preserve the independence of South Vietnam, now a target of Communist aggression. We cannot tolerate another Laos, where we made strong assurances to maintain her independence only to find the Communists occupying two-thirds of that mountain kingdom. Whether we can salvage at the conference table the independence we promised Laos remains to be seen.

In our own hemisphere, President Kennedy has proposed a long-range, multibillion-

dollar economic aid program on the towering scale of the Marshall plan to attack ignorance, disease, poverty, and fear—ancient enemies in Latin America.

But against today's clear and present enemy—Communist Cuba—90 miles from our Florida coast, the President has offered no plans to protect America and our sister states of Latin America.

Cuba is arming herself to the teeth with Communist-bloc military equipment and in addition is actively supplying Communists in Latin American countries for the forcible overthrow of existing governments.

Unless we isolate Cuba from the rest of our hemisphere, Cuba will try to isolate us by alienating and communizing all of Latin America. In any order of priorities, then, Cuba ranks high as a problem to be dealt with forthwith and effectively.

Therefore, before the Congress of the United States embarks on President Kennedy's very ambitious, very costly, and very long-range Latin American economic aid program, estimated at 10 to 20 billion dollars, we had first better make sure we have taken the urgent and necessary steps to defend America and our hemisphere against Communist aggression spearheaded from the island of Cuba and we had better ascertain which of the Latin American nations will stand with us in this world struggle against communism. Then we can determine how much, if any, financial assistance should go to the individual nations.

Much as we in America feel compelled out of humanitarianism to help our Latin American friends raise their standard of living, a program of the magnitude proposed by President Kennedy must be examined to see in what measure it will contribute to our Nation's security. Day by day the opposition against massive foreign aid is growing. There are many who point to our experience under past foreign aid programs as evidence that our $85 billion to more than 80 countries of the world have added very little to our national security or to our survival capacity. In fact, they claim that such expenditures have weakened our economy and that the heavy taxes needed to pay for this program must come mainly from our low-income people who are numerically our largest group of taxpayers.

They suggest the wiser course would be to build up our own defenses and those of dependable allies, rather than to try to shore up economies of every non-Communist country in the world on the tenuous hope that they will then resist communism.

They also claim that in an all-out general nuclear war, our foreign aid beneficiaries will be able to contribute very little in the first few hours of holocaust and that these are the hours which will spell victory or defeat for us.

Critics are quick to dispose of the argument that if America fails to give economic aid, Russia will, by noting that Russian foreign aid, which has been mostly in the form of loans, is just slightly more than $3 billion dollars, a measly 4 percent of America's total of $85 billion; that Russia continues to find it difficult to provide her own people with sufficient food and other consumer goods; and that those who threaten to ask Russia for aid would most likely come away from the Kremlin emptyhanded or with crumbs.

These are some of the considerations which must be weighed in evaluating to what extent Congress will accept this $10 to $20 billion Alianza Para Progreso plan of President Kennedy. As trustees of the taxes paid by the American people, Members of Congress considering any foreign aid program must carefully weigh the needs of our own people as against the needs of peoples in other lands, and the needs of our own national defense against our humanitarian desires. In striking a proper balance in the use of our limited resources, first call belongs to the American people and to our national security.

It is significant that in the plan proposed by President Kennedy, he has asked these recipient Latin American countries to make internal reforms. This condition is most necessary and timely.

But President Kennedy should not stop there. He should go further. He must secure their cooperation on a strong and active hemispheric program against communism. To do this, President Kennedy must in clear and unequivocal language announce to the world that the Monroe Doctrine is just as applicable and just as operable as it was when President James Monroe first enunciated it in 1823.

Then he should request the Latin American nations, first, to join us in reaffirming this doctrine which for a century and a half has protected them against foreign intervention and, second, to join us in a declaration of contraband. If all our Latin American neighbors decline to act in concert, the United States should not hesitate to proclaim with those who will join us or if need be, unilaterally, a declaration of contraband. This declaration shall state that all Communist war materiel is contraband and will not be permitted to enter this hemisphere.

Since free world arms or ammunition are not permitted to be shipped to Communist satellite countries, no Communist arms should be shipped to this hemisphere.

A declaration of contraband can be easily enforced as only a relatively small number of patrol ships will be needed to intercept Communist ships suspected of carrying arms, ammunition, and other instruments of war destined for Cuba.

Interception of contraband is strictly a quarantine measure with no stigma of armed intervention or invasion. It does not operate within the sovereign territory of any country; it does not interfere in the internal affairs of any nation; and it does not block the flow of peaceful items of trade. It is a centuries-old fundamental concept of international law, based on self-preservation.

By cutting off the flow of Communist implements of war to Cuba, we would isolate and neutralize the equipment already in Castro's possession. We would prevent any further buildup of Communist armed strength in this hemisphere, and we would block the transshipment of arms to Communists in other Latin American nations. We would forestall the creation of another front along which America and all of Latin America could be threatened.

We hope President Kennedy will take these imperative diplomatic steps, so that our Nation's security will be strengthened and our prospects for victory in the cold war enhanced.

To prepare for the hot war which the enemy threatens, we dare not for one moment allow our military forces-in-being to lag behind those of any potential enemy, for weakness would only invite attack. This is why our Nation must never accede to a disarmament pact that would result in our unilateral disarmament while the enemy maintained his army, navy, and air force at full strength.

We must always have military capability greater than any enemy. We must always be able to fight a war greater than he can fight. If he starts a war, we intend to win it. This means that we must always have a retaliatory force capable of annihilating him; in this lies our great hope of averting nuclear war.

Even should a belligerent government like Communist China obtain nuclear weapons and the means to deliver them, America's nuclear weapons, backed up by our determination to devastate any attacker, will remain a deterrent, for when prospects of victory are zero, military aggression loses its attractiveness to empire-builders.

Thus, except for miscalculation or accident, nuclear war becomes less and less likely. Instead, guerrilla war, assassinations, riots, infiltration, subversion are the warfare tactics Communists employ in their drive for world domination. To this type of warfare we must increasingly gird ourselves and find means to render small wars as unprofitable and unpalatable as nuclear war, else the free world will find itself nibbled to death in Asia and eventually in the world.

Great though the challenge and unrelenting though the drive against freedom, we need not despair, for time is on our side, provided we use it to our advantage.

Ultimately, I am convinced liberty will triumph over communism, for communism is predicated on the wrong concept of man and the universe. Communism runs counter to man's natural ambition for a better life. Under communism, man has no freedom of speech, no freedom of press, no freedom of worship, and no freedom to decide where he shall work or live. He is a mere pawn—a cog in the governmental machine, without a voice in his own destiny.

Communism survives by armed force, rules by fear, and denies God.

To concede that such a system could forever endure is to relegate man to the dismal prospect of a future without hope of attaining liberty, equality, dignity, justice, and a good life for himself and his family.

We freemen have the talent the brains, the energy, and the will to win this life-and-death struggle. We are essentially humanitarian and imbued with a sense of moral responsibility and faith in divine providence.

We have already made great strides toward justice based on freedom and tempered with mercy, toward equality of opportunity and civil liberties, and toward freedom of thought and expression.

Every day freemen cove toward greater harmony and unity. NATO, SEATO, CENTO, the Organization of American States, Euratom, Europe's Inner Six and Outer Seven—these are living evidence of the virility, the imagination, and the unity of free nations.

Western Europe, comprising one of the world's four great industrial complexes, and may I say parenthetically here—three of the four are on the side of freedom—is today showing unprecedented economic cooperation.

On the other side of the world, free nations show similar economic vitality and foresight. Thailand, Malaya, and the Philippines are now seeking stronger economic ties, perhaps even some sort of formal economic integration.

Simultaneously, today's social and political ferment on every continent demonstrates that freedom is a universal longing of man and that freedom's cause which we espouse is mankind's inescapable destiny.

It is up to you and to me, friends, to lend our every effort to preserve and extend freedom. We shall keep our military strong and be willing to pay the taxes needed for our survival measures. We shall participate to the fullest extent in our democratic processes, casting our ballots and keeping our Government officials apprised of our views, to the end that our Nation's policies and views will be responsive to our will as free American citizens.

We will continue to help others in their struggle toward liberty and independence and their rightful place in the sun.

America has ties to nearly every people on earth through the manifold racial groups that comprise our vast Nation. Our kindred feelings with races and cultures far distant from our shores enable us to stretch our hands in friendship and understanding. Those of us who travel to other lands and

those who have friends and relatives overseas can serve as ambassadors of freedom and good will.

To this task, each group in America bears an equal duty and responsibility. While you and I of Chinese ancestry comprise a very tiny minority in America, we can render a particular service to our country above and beyond our normal obligations as Americans. We can help to encourage those millions of our Chinese brethren and Asiatic friends living overseas who are resisting Communist pressures.

In this very real and intimate and effective fashion, both as individuals and as members of worthy groups like your own alliance, we will be fulfilling our continuing duty as citizens and true patriots in the battle for our Nation's survival and for the perpetuation of freedom, justice, self-determination, humanitarianism, and brotherhood. We will not attain the millenium overnight; but, if we each do our part, time is on our side.

AMERICAN LEGION FOURTH ESTATE AWARD TO JACK WARNER

Mr. KUCHEL. Mr. President, when the 43d American Legion convention convenes in Denver on September 9, the national commander of the American Legion, William R. Burke, will present the Legion's Fourth Estate Award to a distinguished American, a fellow Californian, and one whom I am most proud to call a friend. This distinguished citizen has been selected for his contribution to the motion picture art by pioneering the first successful correlation of sound to the motion picture camera, thus enhancing the impact of that art upon the minds of peoples of all nations and for his continual successful use of this powerful projection of human thought in the battle against tyranny in every form—as a civilian and as an officer in the U.S. Air Force during World War II.

A patriot in peacetime as well as in war, this American to be so signally honored is Jack L. Warner, president of Warner Bros. Pictures. I applaud the American Legion in its excellent selection. Few Americans have contributed so much, so continuously to the Nation as has Jack Warner. Few people in our time, or in any time for that matter, have contributed so importantly to the advancement of communications and to the use of the powerful medium of sound in connection with pictures in the advancement of understanding between peoples throughout the world.

The VICE PRESIDENT. The time of the Senator has expired. Without objection, the Senator from California will be given an additional 1 minute.

Mr. KUCHEL. Mr. President, since his company gave voice to the motion picture screen and throughout a span of years that began with World War I, Jack Warner has staunchly defended our way of life in a most articulate manner. He has steadfastly opposed the enemies of our Nation by exposing their conspiracies through great and forceful films. Through these, he has created public awareness of the threat and danger which are constant.

Colonel Warner has been unyielding in his opposition to foreign "isms" that would destroy us. The only "ism" ever to be associated with Jack Warner is Americanism, in its most constructive and devoted sense.

Thus, it is particularly fitting that an award representing communications, the fourth estate, should be bestowed upon this man. His films have been largely responsible for enabling people everywhere not only to visualize, but to hear and listen, and, most important, understand—through the reproduction of the human voice in talking motion pictures. He has proved that the talking picture can be an effective instrument of world peace.

It gives me great pleasure to salute the man who has been so largely responsible for the development of this talking medium. I salute him, too, for a powerful, uncomprising record of good citizenship. And I salute the American Legion for their choice of Jack Warner as a recipient for the Fourth Estate Award.

Mr. BRIDGES. Mr. President, it has occurred to me that the quality of citizenship comes in calibers, much like artillery shells. Fortunately, the fundamental strength, and by far the greatest wealth of this Nation, is in the high caliber of so many millions of its citizens.

Jack Warner is one such person. I have had the pleasure of knowing this distinguished gentleman over a considerable period of years, and have come to admire the extent of his dedication to his country, as well as his recognition and responsible discharge of those obligations which necessarily accompany the position of trust he occupies.

As a leader in the motion picture industry, he has assumed responsibility throughout the world for the presentation of a creditable image of our country. In my judgment, Jack Warner has met this challenge honestly and effectively. Such Warner products throughout the years as "The Story of Louis Pasteur," "The Life of Emile Zola," "The Fighting 69th," and more recently "The FBI Story," are representative of the standards of quality and integrity to which Jack Warner subscribes.

The motion picture industry provides an extremely useful medium of communication in the promotion of understanding. It is only fitting, therefore, that the American Legion's Fourth Estate Award should be given to a man so largely responsible for the great strides which have been made by the industry in this regard.

I am very happy to compliment the American Legion on its selection and to congratulate Colonel Warner. He is most deserving of this fine recognition.

Mr. HUMPHREY. Mr. President, all those who are aware of the record of Col. Jack L. Warner, in wartime and in peace, will heartily agree that the American Legion has made a most appropriate selection in bestowing its Fourth Estate Award.

I should like to comment in particular on Jack Warner's outstanding wartime record. Not only did he put the full facilities of his great Warner Bros. studios organization behind the Nation's effort, but he wore the uniform himself as an officer in the U.S. Air Force.

Asked to form a motion picture organization for the military, Colonel Warner organized the first Air Force motion picture unit which produced many hundreds of films devoted to training, education, and indoctrination of troops.

At the same time, during the war, Colonel Warner continued, through his company, to produce patriotic motion pictures which inspired our citizens on the homefront and our fighting men abroad, as well as Allied peoples.

Through the pictures he produced, Jack Warner has the power of an Aladdin when it comes to informing, persuading, and inspiring. He has at his hand the medium and opportunity to affect the thinking of Americans, to stimulate pride and patriotism in this Nation.

His record of constructive achievement speaks for itself.

The evils and dangers of dictatorship are no stranger to the millions who have seen powerful Warner Bros. exposés on the screen.

Colonel Warner is to be most highly commended for constantly utilizing the gifts of expression which he commands in the best interests of his country, for the advancement of freedom, and a better way of life for peoples throughout the world.

MARTIN LUTHER'S OX

Mrs. NEUBERGER. Mr. President, one of the most astute observers of the human animal is the editor of the Medford Mail Tribune, Mr. Eric Allen. A recent editorial, entitled "Martin Luther's Ox," illustrates this point admirably. I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MARTIN LUTHER'S OX

Over the years, one of the favorite quotations on this page has been Martin Luther's remark that:

"It makes a difference whose ox is gored."

It applies to so many different situations and people, under so many different circumstances, that it is a temptation to use it frequently.

The most tempting cases these days seem to involve those stout defenders of free enterprise who yell so loudly about the "welfare state," and who then, when they're hurt, yell equally loudly for government subsidy, protectionism, or trade restraints.

One hears and sees considerable fat-cat opposition to public power as a tax eater—despite the fact that public power not only pays its own way, but provides low cost electricity for millions of people who otherwise wouldn't get it, and serves as a check and yardstick for regulation of private utility monopolies.

The extent to which government assistance goes for welfare (for one example) is widely known and widely deplored in free-enterprise circles.

We have all heard the yells about proposals to extend social security protection to older people's medical care problems.

There is widespread opposition to proposals for federal aid to schools. And some people are concerned about the extent to which the federal government is involved in aiding farmers.

We hear a lot less about subsidies for steamship lines, railroads, airlines, and so on.

And among the stanchest deplorers of governmental paternalism have been certain members of Oregon's lumber industry.

And yet, let the Japanese start exporting plywood to this country, or bidding up the prices of logs, or otherwise making a buck a little tougher to earn for the lumbermen, who rushes to Uncle Sam, crying for protection? Yep. You guessed it.

We have no brief against the government assisting any group of its citizens, if and when the circumstances call for it. That, after all, is what governments are for.

But it ill behooves one group to loudly denounce government aid and protection for others, and then to yell loudly for aid and protection itself.

Poor old Martin Luther's ox.

UNIVERSITY OF OREGON MAKES POSITIVE USE OF NDEA FUNDS

Mrs. NEUBERGER. Mr. President, before our work is completed this year, we will be discussing legislation amending the National Defense Education Act. I ask unanimous consent to have printed in the RECORD an article by an Oregonian who had the opportunity to visit the University of Oregon's French Teaching Institute at Tours earlier this summer. The article, written by Mr. Paul Lewis, appeared in the Eugene (Oreg.) Register-Guard of September 30, 1961.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A UNIQUE EDUCATIONAL ENTERPRISE: UO INSTITUTE AT TOURS, FRANCE, "NO BALL"

(By Paul Lewis)

(EDITOR'S NOTE.—The writer of this article is a former member of the Register-Guard's news staff. More recently, he has been a graduate assistant in the University of Oregon's Foreign Language Department. He is currently on a summer-long tour of France.)

TOURS, FRANCE.—I wouldn't say, exactly, that they're having a ball—they have too much work to do—but the participants in the University of Oregon's French teaching institute are a firedup bunch.

"Exhilarating" is the way Robert "Max" Larson of Springfield High School put it when I talked to him during a visit to the school in Tours, France, southwest of Paris.

The school is a unique educational enterprise. It is being conducted for about 8 weeks here and is formally known as a second-level institute. It was set up under the National Defense Education Act for secondary schoolteachers of French who had previously attended a first-level institute in the United States. The director is David M. Daugherty, and the codirector, Carl Johnson, both of the UO foreign language department. The institute is the only one being held this year by an American university in the country where the language originates.

There is nothing frivolous about this operation. All connected with the institute, faculty, and students are dedicated people. If, in any sense, they are having a ball it is because of the once-in-a-lifetime opportunity to study French under the most ideal conditions. Here at Tours, they are really immersed in it. They are "living" it.

FOUR OREGONIANS

This point was brought home to me by three enthusiastic Oregonians I talked to. (There are four Oregon people among the 80 students.) Two of these are from the Eugene area, Mrs. Sue Bach, 2840 Mill St., Eugene, teacher of French at South Eugene High School, and Larson, 160 Allen Ave., Springfield, who is chairman of the foreign language department at Springfield High. The third participant, who relieved me of the necessity of doing any talking at all, is Mrs. Jean B. Jones, who teaches seventh and eighth grade French at Chapman School in Portland.

Larson thinks exhilaration is the general feeling of the students. He applies it emphatically to himself. He is enjoying most the opportunity to speak to French people in surroundings that reflect their culture. Closer contact, he says, is giving him an insight into the thought processes of the French.

BARRIER TO RELATIONS

"They think differently than Americans," Larson explained. This has always been a barrier in the way of American-French relations. Larson and I had discussed the point that many Americans who came to France think Frenchmen are unfriendly. This, we agreed, is because the American refuses to try to understand the French culture and won't accept the Frenchman on any but American terms.

The Springfield teacher said he has been impressed with how friendly the people really are. He and the others at the school have met and made friends with many people in Tours. "By showing a genuine interest in French life and culture, Americans can create better relations with the French. They only have to go halfway."

Larson and most of the other students appear to be typical tourists in one respect, at least. They lug along cameras on big and little excursions. Larson said he is taking lots of pictures "to bring back to his students a feeling of France." One difficulty in teaching a language, he said, is in its artificiality. "Pictures give a better sense of immediacy, of identification."

BICYCLE TRIPS

Larson has been renting a bicycle and going on trips through the old quarters of the city, admiring the old houses (some of which date back to the 15th century and talking with people. He's been inside of the houses and has seen how well-kept they are in spite of their age. And, he said, people have always been willing to talk, even about some of the touchy points of Franco-American relations. Larson said they are critical of Americans, sometimes, but they are not unkind in their criticism.

As for the institute itself, Larson doesn't see how the program could be better.

"Doctor Daugherty has done a marvelous job in making everything smooth and arranging the smallest details in advance."

Larson also praised the faculty as being the best available. Each faculty member is a specialist in either French language study or in methods of teaching French. "There are courses for our own improvement in the language, and professional courses," Larson pointed out.

PERFECTLY "TUNED IN"

"The courses are suited perfectly to our needs. And they are much more real because we are actually in France."

I asked if he and the others were experiencing any difficulty "hearing" French spoken by natives. With a smile, Larson readily acknowledged that, at first, this was true. They weren't perfectly "tuned in." But, he said, after a few weeks, everyone has become very much at home in the language.

(It may be worth while to note here that the students speak only French, even at meal times. At lunch (dejeuner) they all eat at little tables in the university restaurant, each table presided over by a French native.)

There was one other problem at the start, Larson said. Everyone had a hard time figuring out French money. I sympathized with this whole heartedly, absent-mindedly rattling a pocketful of old francs, new francs, light francs and heavy francs, big and little francs, and some U.S. pennies I keep around for variety. The calculations involved are sometimes a little upsetting to a foreigner.

Larson, summing up his feelings about his summer in France, said it has been the culmination of a dream. He added, "It has already helped my understanding of the French culture in a way that I hope to communicate to my students when I get back."

SOIL CONSERVATION SERVICE NOW HAS SPECIALIZED WATER FORECASTS

Mrs. NEUBERGER. Mr. President, Mr. Homer J. Stockwell, of Portland, has written an article which describes the specialized streamflow forecasts now being made by Soil Conservation Service snow surveyors in the West. These forecasts permit farmers who irrigate to know more accurately when to expect the peak waterflow.

The snowfalls in the West provide a major source of irrigation water, and it is vitally important for farmers to utilize this water crop to its greatest advantage.

I ask unanimous consent that Mr. Stockwell's article, "Specialized Water Forecasts Promising," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SPECIALIZED WATER FORECASTS PROMISING

(By Homer J. Stockwell)

More specialized streamflow forecasts are being made by Soil Conservation Service snow surveyors in the West to give irrigators more precise information as to when they may expect peak and other predetermined flows during the cropping season.

Promising results have been obtained during the past few years in which this type of forecasting has been under development, as confirmed by the experiences of water users in the watersheds involved. They report having been better able to adjust their cropping systems to obtain maximum efficiency of water use.

The principal use of mountain snow measurements has been to forecast total streamflow during the irrigation season. This past season these forecasts were made at some 600 gaging stations in 11 States.

Forecasts of flow for the season have been adequate for water users' needs where enough reservoir storage is available to spread the peak flows of May and June over the peak demands for irrigation water of July, August, and September. If the total streamflow is to be more or less than normal, the user knows he will have to adjust his crop acreage or demands accordingly.

Although more reservoirs are being built every year, there still are many irrigated areas without storage. Crop production is limited by the flow of streams during July and August where water is available only from direct diversions, and to forecast the amount or timing of the low flow of a stream requires considerably more detailed study of a watershed than to forecast the irrigation season's flow. The basic information required includes not only snowpack measurements and related hydrologic data, but also information as to water rights, local irrigation practice, and detailed records of diversions and water use.

In recent years, SCS technicians associated with snow surveys and water-supply forecasting have cooperated with irrigation district management and water users associations to develop forecasting procedures for various aspects of the low-flow hydrograph of streams.

At the April 1961 Western Snow Conference at Spokane, Wash., these problems were discussed by a panel of water managers and snow-survey supervisors. Representative of the problems and forecasting methods were those reported for the Sevier River basin in Utah, the Carson Valley in Nevada, and the Grants Pass Irrigation District served by the Rogue River in Oregon.

President Leland C. Callister of the Sevier River Water Users Association, Delta, Utah, described the complex system of water rights in four or more irrigated sections of the Sevier River basin. The most important forecast for the water users is one that enables them to know in advance the approximate dates during which their full primary water rights will be available, and then to know what percentage of their primary rights will be available for the remainder of the irrigation season. These primary rights total from 90 cubic feet per second to 400 cubic feet per second for the various irrigated sections of the basin. There is some storage on the river, used principally to capture winter flows and the top of peak flows during recently rare high-runoff years. Most years there is a deficiency of streamflow for demands.

Forecasting of the Sevier River requires a detailed study of snow accumulation and melt, groundwater carryover, return flow, low to intermediate elevation precipitation, soil moisture conditions, and a thorough knowledge of the sources of water for each irrigated section of the river. The upper sections of the river are most affected by the current year's snowmelt runoff, while the flows in the lower sections are more affected by groundwater carryover and return flows from upstream diversions. Forecast techniques make use of the above factors in several combinations, depending upon their relative importance for each irrigated section.

Because good records are available for most of the Sevier River basin, it has been possible to develop at least seven special forecasts within a reasonable degree of accuracy. These include dates at which the streamflow will fall to a specified flow in cubic feet per second, the percentage of primary rights to be available, and the acre-feet of flow in excess of the normal diversion demands in cubic feet per second that may be available for storage during the peak of snowmelt runoff.

William Johnson, Carson Valley Soil Conservation District rancher, reported that the critical low flow of the East Carson River near Gardnerville, Nev., was 200 second-feet. This amount of water will satisfy water rights of a priority before 1900. Water rights granted since that date are considered as flood rights and do not share in any flows below the 200 cubic feet per second level. The forecast of the date of the decline of streamflow to this level is particularly important to "flood rights" users, because they will not have water available after that time.

The low-flow date of the East Carson River is forecast almost directly from measurements of mountain snowpack as of April 1 and May 1 each year. After the snowmelt peak has occurred, a forecast is prepared based on a multiple correlation of the amount of the peak flow and the number of days after April 1 that peak flow occurs, to that of the date of 200 cubic feet per second flow. The peak flow usually occurs in mid-May, but may occur as early as mid-April and as late as mid-June.

Use of spring precipitation and temperature factors in the procedure is planned, and should increase the accuracy of the forecast. Forecast accuracy improves as more data become available. April 1 forecasts of the date of 200 cubic feet per second flow made 6 to 12 years did not represent much improvement over simply forecasting the average date. Recent procedures have resulted in forecasts much closer, one-half of the error (in days), than if the average date for the flow of 200 cubic feet per second had been selected. After the peak flow has occurred, the average error in the date of forecast is 4.7 days. The typical forecast is made 53 days before its occurrence.

Johnson said that during years of poor water-supply forecast, oats usually are seeded as a hay crop early in March, so it can mature before the streamflow drops off. Seeding of new alfalfa or pasture is avoided. The planting season plans thus are regulated by water supply predicted for the growing season.

Manager Neal F. Shaffer of the Grants Pass Irrigation District pointed out that flows of the Rogue River at Savage Rapids (diversion) Dam under 900 second-feet are not adequate to meet all district demands. Minimum flows of 900 second-feet or less have occurred in only about 15 percent of the past 50 years, but it is important to know each year whether this will happen. When this low flow does occur, it is necessary to place canals in rotation.

The forecast of the minimum flow of the Rogue River is well related to April 1 snow measurements in the watershed. In 31 years available for comparison, the standard error of estimate is plus or minus 183 cubic feet per second, based on a mean of 1,077 cubic feet per second. A secondary effort to forecast the date of minimum flow shows that considerable improvement can be made over simply using the "average date" in low-flow years after 200 cubic feet per second date on a receding hydrograph is known. There is an average of 58 days between the 200 and 900 cubic feet per second levels.

The low flow of a snowmelt stream in any year is determined largely by the amount of the seasonal snowpack and the related volume of seasonal runoff; the temperature sequence, related to the amount and timing of peak flow; and precipitation during the runoff season immediately preceding and during the period of low flow.

The amount of the seasonal snowpack is the major determining factor that is known well in advance. Because the temperature and precipitation factors occur within the runoff season, their value is limited to refining forecasts as late as June 1 or possibly July 1. Even this late, farmers can withhold water from such crops as alfalfa and pasture and concentrate on field crops which would be a complete loss, if late-season water supply appears to be somewhat less than anticipated earlier.

THE AMERICAN DOLLAR

Mr. BENNETT. Mr. President, in our concern and press for action on many domestic and international troubles, I fear that we have become complacent over an economic issue which at present is somewhat dormant but is by no means dead. This is our problem of continuing deficits in our balance of payments and the threat to our gold stocks resulting therefrom.

The time to weigh and act on a problem of this nature is when the pressure is off and we can engage in rational decisionmaking without the pressure of panic. There was a great deal of publicity on this issue last fall, but other more spectacular problems have since seized the limelight and some may have assumed that this problem has been solved, when as a matter of fact it is still very much with us.

Our deficit in 1958 totaled $3.5 billion and increased still further in 1959 to $3.9 billion. In 1960 there was some improvement in the basic balance as exports picked up sharply and imports actually declined. The 1960 figure returned to near $3.8 billion.

In the first quarter of this year our balance of payments improved significantly as exports remained at high levels, while imports continued to fall slightly. Net payments, seasonally adjusted, were reduced to less than $300 million compared with $1.4 billion in the last quarter of 1960. The improved position in the initial quarter started off the year with net payments at an annual deficit rate of slightly more than $1 billion.

Commenting on this first-quarter improvement, Treasury Secretary Dillon told the Joint Economic Committee in June:

> While there are some indications that the recent improvement in our merchandise accounts reflects a strengthened U.S. competitive position—for example, in the displacement of foreign automobile imports by domestically produced compact models—we cannot overlook the fact that much of the change was due to the conjunction of high levels of economic activity in other advanced countries with a recession in the United States. Therefore, since the progress of recovery in the United States will undoubtedly bring some increase in our imports, we must expect somewhat less favorable results during the second half of the year. Furthermore, even if we should achieve a basic balance this year, there is no assurance that this balance can be maintained in 1962. Certainly we cannot afford to depend on the recent combination of circumstances—boom conditions in Europe and Japan side by side with recession in the United States—which make for the widest possible trade surplus.

The balance of payments is often discussed as if it were a profit-and-loss concept. This is faulty. As a matter of fact, the closest analogy is to a checking account. Our receipts from exports of goods and services are deposits that go into our account. On the other hand, the payments we make for goods and services we import from others and the foreign aid we give, as well as our business investments and tourist expenditures abroad, result in checks being drawn against our account. The net difference is a balance of payment surplus or deficit in our account. Our foreign friends may choose to settle their account with us by holding U.S. dollars or investments, or taking their payments in gold.

But there is an important point which must be taken into account. The United States has not only paid out $5 billion of gold in the past 10 years, but as of the end of 1960 foreigners held about $24 billion of short-term claims against us, cashable at any time. Against this we had a total gold stock of only $17.6 billion as of the end of June, of which $12 billion is required as backing for our currency. Thus, foreign nations actually hold claims against us to the ex-

tent of four times our available free gold supply. Referring to our checking account analogy, the situation is simply that some foreigners have not cashed in the checks they got from us. They are holding them because they can use them as a convenient means of payment to other countries and can also earn interest on these deposits.

It is imperative that we pursue confidence-building, noninflationary policies so that our friends will not feel prone to draw out their claims in gold, but rather will hold them in U.S. dollars or investments.

Of most importance in a problem of this type is the psychological impact of our domestic economic policies. The presence of heavy financial commitments to foreign nations makes it imperative that we avoid any inflation psychology in this country. Panic withdrawals of gold by our foreign friends, resulting from a declining value of the U.S. dollar through inflation, could be disastrous.

President Kennedy helped in slowing down our gold withdrawals in his initial postelection statement and in actions undertaken early in his administration. These early statements helped to allay fears that the new President would renege on certain sound policies instituted under the Eisenhower administration. Of most significance was his flat commitment in his inaugural address and the statement in his balance of payments message that the $35 U.S. gold price would not be changed and that "this is a commitment." The result of that announcement was that the gold price speculation in London and other world markets subsided and the price of goal is now again near the $35 level. Also of significance was President Kennedy's appointment of Douglas Dillon as Secretary of the Treasury and Robert D. Roosa as Under Secretary. These men commanded the respect of international monetary officials and it has been the hope that they would maintain commonsense in our economic and monetary dealings.

However, since these early favorable actions there has been a very serious development. We have seen a gradual but steady foundation being laid for future inflation in this country through the spending and fiscal policies of this administration. In his first 5 months of office, President Kennedy has brought us from an anticipated $79 million surplus for fiscal year 1961 to a deficit of $3.9 billion. A total of $2.6 billion of this deficit has been brought about by increased expenditures. The remainder has been the result of reduced revenues. This means that the Kennedy administration has been spending each week $170 million more than it has received in revenues, or, to put it in more graphic terms, the Kennedy administration has been spending $1 million more per hour than it has been taking in in revenues since it took office.

This is hardly conducive to faith and confidence in the future stability of the U.S. dollar. The psychological effect of this deficit spending has not yet taken its toll, thank goodness, but it will surely come if we do not reverse this trend.

No country can long operate on a high spending and easy money policy and at the same time run a continued balance of payments deficit without creating international movements of funds and gold flows of such magnitude as to threaten its international financial position and, in our case, weaken exchange convertibility throughout the world.

Our recent policy of forcing long-term interest rates down while at the same time forcing short-term rates up in order to alleviate our gold problem can have a temporary effect, but only a temporary one. The longrun problem is still with us. The notion that it is possible to outdo King Canute and not only bid the waves rise and fall at will but have permanent high water on the north end of the beach and permanent low water at the south end is, of course, untenable. Interest rates, like water, will seek their own level based on the economic law of supply and demand.

My plea to this administration and to this Congress is to keep firmly in mind the U.S. position as the financial center of the world. We cannot engage in a happy pursuit of unlimited spending and artificial interest rates.

I ask, in conclusion, for unanimous consent to insert in the RECORD an editorial in the Wall Street Journal dated July 12, 1961, dealing with this general problem.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE DANGER TO THE DOLLAR

Jacques Rueff of France is a man who brings impressive credentials to any discussion of currency problems. Forty years ago his advice helped many European countries stem the inflation after World War I; within the past few years he was one of the chief architects of the De Gaulle reforms that have restored the franc.

So when Mr. Rueff says that a peril hangs over the American dollar, and therefore over the whole economy of the West, it behooves thoughtful men to listen.

In an article published in the newspaper Le Monde and Fortune magazine, Mr. Rueff writes: "Every day (the) situation more and more resembles the one that turned the 1929 recession into a great depression. The instability in our monetary system is such that a minor international incident or a small economic or financial disturbance could set off worldwide disaster."

Ironically, the threat to the dollar which Mr. Rueff sees grow out of the very strength of the U.S. dollar in the years since World War II, the fact that the dollar has been considered the basic currency of the West upon which nearly every other nation based its own money. This situation, coupled with the absence of a gold standard to discipline governments, has set up the potentiality for an explosion.

All over the world, central banks have been creating money not only against such gold as they may have but also against the dollar balances they hold. That is, a central bank with $1 uses it as a reserve against which to issue several times that amount of francs, lire or whatever, in exactly the same way our own Federal Reserve System creates many credit dollars against each dollar's worth of gold that it holds.

This has had two effects. The first is that every time an additional U.S. dollar has found its way into a foreign central bank it has formed a base for the inflation of that country's money.

Take Mr. Rueff's country, France. When a Frenchman receives U.S. dollars he takes them to the Bank of France and receives French francs. But since the dollar is considered a reserve currency, the Bank of France can then create new francs against those dollars. In this way, an expansion of the dollar supply also expands the credit system of France. At the same time our own gold supply, which is at the base of this pyramid, does not expand. It is doubly committed; it must support not only the U.S. dollar but the other currencies which are piled atop the dollar.

The second effect from this process is more subtle. Back in the days of the gold standard a nation with a balance-of-payments deficit had to settle in gold. This requirement put a firm discipline upon the economic policies of that country; since no country could create money except against gold or its own national credit, it could not long follow loose policies without a clearly discernible day of reckoning.

Today the situation seems otherwise. When a foreign government acquires surplus dollars, it tends not to demand our gold for them but to keep them as a credit against the United States because these dollars appear to bolster that country's "reserve position."

The practical effect of this is that for years we have been in the wonderful position of never really being required to settle our debits abroad. We could pour out dollars in the comforting assurances that those which were not used to buy U.S. goods would stay there, not cashed for gold.

This explains why we have been able to run up a total balance-of-payments deficit of more than $18 billion in the past decade with little sense of pain. If our creditors had demanded payment in gold, our gold reserves would have dropped by $18 billion instead of some $5 billion, a consequence which no one could have ignored or tolerated. The U.S. Government would have been forced to discipline itself.

Instead, the day of reckoning has been postponed, lost in a haze of euphoria. Is this not, in Mr. Rueff's phrase, the marvelous secret of deficits without tears? Can we not go on joyously inflating our money at home and pouring our dollars abroad, in happy unconcern for the deficits and debts that accrue? Why worry if no one asks us to pay up?

Well, the day of reckoning cannot be unreckoned, however, long postponed. Against our $17.5 billion of gold, foreigners already hold $20 billion of short-term claims alone, cashable at any time; and this doesn't count the demands on that same gold of the huge money and credit supply within the United States. Furthermore, under present policies these claims will grow.

Perhaps, as with any credit pyramid, all will be well as long as everything goes absolutely smooth. But it is indeed a perfect setup for a repetition of what happened in 1929, when a worldwide monetary collapse converted what might have been a small recession into a major depression. Today anything—anything at all—that shook this house of cards could turn a passing incident into a catastrophe.

There is only one safeguard against this, and that lies in the political wisdom to faceup to what present monetary policies have wrought. The first necessity is to put a halt to the process whereby multiple-credit structures are built on the gold reserves of the countries, such as the United States, with key currencies. And then to insist on current settlements of balance-of-payments deficits, rather than letting them be dangerously postponed. The form of these changes may be less important than

their substance, but the substance must be a return to firm fiscal discipline.

To postpone this may prolong the painlessness, but whenever euphoria persuades men to ignore danger it can be the most painful course of all.

FEDERAL AID TO EDUCATION

Mr. JAVITS. Mr. President, we are about, this week, to enter into the question of what is to be done about Federal aid to education. Last Friday, I debated that subject with the Senator from Oregon [Mr. MORSE], chairman of the appropriate subcommittee.

I give notice now that I shall move to amend the bill to extend the impacted areas provision of Federal aid to education, which is the only bill that, as I understand, the administration is going to back and bring before us at this session of Congress, to include a 1-year extension of the National Defense Education Act.

A number of Members of Congress who are opposed to Federal aid to education are very anxious to have an extension of the impacted areas provision. I think the defense posture of the country, in terms of national defense, demands at least an extension of the National Defense Education Act, in view of the fact that the majority cannot do what it has the responsibility to do, to wit, pass the Federal aid to education bill reported by the committee. So I will propose the amendment.

I should like to clarify one point this morning. The Senator from Oregon said that a special committee had been organized for the extension of the National Defense Education Act. I quote from what the Senator said, as it appears on page 15631 of Friday's RECORD. I had by then left the Chamber:

> This morning a very interesting delegation waited on me. The group had had its letterhead printed, and it included a very interesting list of names—not the names of Members of Congress, but the names of outstanding Republican laity. Apparently they smelled a political issue; their nostrils seemed to be extended.

When William Benton, a former Democratic Senator, and Anna Rosenberg, a former Cabinet officer in the Truman administration, are "Republican laity," I would like to hail that day myself. And when the other members of the committee, Arthur Flemming and Marion Folsom, former Secretaries of Health, Education, and Welfare, and Charles Taft, are described as or are considered to be partisan Republicans, I would like to see that day, too.

The chairman of the committee is George J. Hecht, the president of Parents magazine. I do not know what are his political views, but in my experience he is the furthest removed from the description of anybody grinding a political ax.

This is a fine and distinguished group of citizens who feel, along with me—I should say I feel, along with them—that what is recommended must be done in the national interest, especially at a time of defense crisis like the present. I shall do my utmost to do it. I shall not be deterred by any scare words about politics, especially when these officers whom I have described are involved, notwithstanding the fact that the words may come from a man who is, as thoroughly as I am, committed to Federal aid to education. I know the Senator from Oregon [Mr. MORSE] is dedicated. I feel he is wrong in this particular instance in opposing the extension of the National Defense Education Act. I should be less than a Senator and less than a friend if I did not push my views, as I know he does his own, with vigor and skill.

Madam President, I ask unanimous consent that a letter to the President and the brief analyzing why the National Defense Education Act of 1958 must be extended during the 1961 session of the Congress, together with a list of members of the committee, may be printed in the RECORD.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). Is there objection to the request of the Senator from New York?

There being no objection, the letter, brief, and list were ordered to be printed in the RECORD, as follows:

AUGUST 7, 1961.

Hon. JOHN F. KENNEDY,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am writing to you in the capacity of temporary chairman of a Citizens Committee for Extension of the National Defense Education Act which is now in process of being formed. I was, in 1958, chairman of the emergency committee for the national defense education bill, which committee was credited by the Council of Chief State School Officers, the National Education Association, the American Personnel and Guidance Association, and others, as having played a major role in getting the National Defense Education Act passed originally.

American parents, students, teachers, and school authorities are becoming increasingly disturbed by the frequent reports in the public press indicating that Congress may fail to pass legislation this year to extend the National Defense Education Act. As Congress moves closer to its adjournment time, without taking such action, this feeling can only grow in intensity.

Failure to extend the National Defense Education Act this year can cause enormous damage to the many programs which were designed to help insure trained manpower of sufficient quality and quantity to meet the national defense needs of our country. They were sorely needed when the National Defense Education Act was enacted in 1958 and it is inconceivable that we would jeopardize these important educational programs at the very moment of history when we must move forward more vigorously as a nation to mobilize our brainpower in the struggle for survival.

If the Congress should adjourn without extending the NDEA, the effectiveness of many of its programs would be seriously damaged. This can best be illustrated by a few examples:

Student loan program: The very heart of the NDEA is the title which is designed to increase opportunity for needy and qualified students to continue their education beyond high school by establishing loan funds at institutions of higher education. Yet, unless the NDEA is extended this year, many needy high school students who are now considering a career in science or engineering, for example, and who would need loans in order to be able to go to college, will be deterred in making their vocational decisions if they cannot be given an assurance of a loan for this purpose. If Congress adjourns this year without extending NDEA, colleges will not be in a position to make loan commitments to the many thousands of high school students hoping to enter college in the fall of 1962.

Area vocational programs: Area vocational programs are training individuals for employment as highly skilled technicians in occupations necessary for the national defense. Approximately 150,000 students are now being provided technical training in such occupational fields as aeronautical, chemical and metallurgical, civil construction, electrical, electronics, instrumentation, and mechanical, and as fast as enrollees complete training they are being placed in key jobs. The teachers in this program are highly skilled and are technically trained. If renewal of their contracts becomes uncertain, they will seek and can readily secure employment in private industry. Such teachers would be exceedingly difficult, if not impossible, to replace.

A memorandum is enclosed outlining in more detail—program by program—the other very serious consequences of a delay in extending the NDEA. Some programs are still much too new to withstand the confusion which is certain to ensue in the absence of an act by Congress this year to extend the NDEA.

Seasoned observers in Washington who have been following school legislation closely—including many Members of the U.S. Congress, heads of educational associations, and newspapermen—advise that there is good reason for concern about the fate of NDEA legislation now before the Congress. The NDEA bills which have emerged from committees in both branches of the Congress not only provide for extension of the act but also include some complicated and controversial new programs. Many feel that it is quite unlikely that Congress can resolve the many issues and differences involved during the remaining days of the current session.

If it should become obvious to you during the closing period of this 1961 session of Congress that the Congress cannot reach agreement as to needed improvements in the act, we urge you to send a message to Congress calling for a simple extension of the existing programs now being conducted under the National Defense Education Act. This will serve the twofold purpose of preserving our gains under the NDEA while Congress can continue to give consideration to needed improvements.

The NDEA, Mr. President, is a living process which touches the lives of literally millions of American students at our colleges and universities, as well as in elementary and secondary schools. We are fortunate that through the NDEA programs educational opportunities are being improved at a time when we are engaged in a struggle for survival in which education has become one of the major front lines of battle. In the light of the perilous world situation, the preservation of the NDEA takes on a higher priority than ever before.

In your July 25 address to the people, you rightly reminded us that we cannot afford to neglect the education of our children while we strengthen our military position. Please be assured of our wish and intention to do everything in our power to support the necessary efforts to have the NDEA extended this year.

Respectfully yours,

GEORGE J. HECHT,
President and Publisher, Parents' Magazine.

WHY THE NATIONAL DEFENSE EDUCATION ACT OF 1958 MUST BE EXTENDED DURING THE 1961 SESSION OF THE CONGRESS—GUIDANCE, COUNSELING, AND TESTING: IDENTIFICATION AND ENCOURAGEMENT OF ABLE STUDENTS

Accomplishments: Potential scientists, mathematicians, teachers, technicians, and

linquists among our high school youth are now being identified by means of testing for aptitudes and potential abilities, and are being motivated through counseling to continue their studies into higher education. This program for the early identification and more effective counseling of able youth is universally recognized as essential to reduce the Nation's appalling waste of human talent. Before the NDEA program was initiated, many students in the top of their classes dropped out of high school before graduation, or did not go on to college after graduation. Higher education was losing up to one-half of the top 30 percent of the Nation's high school seniors at a time when Russia was graduating more than twice as many scientists, engineers, and technicians each year than the United States.

During the first 2 years of operation of this NDEA program, a 50 percent increase occurred in the number of qualified full-time secondary school counselors. In their efforts to identify talented students and to secure information essential to effective guidance programs, high schools are testing approximately 75 percent of their students at least once a year. Schools participating in this NDEA program report that the objectives of this program are being achieved. They point to the increased percentage of students planning to continue their education beyond high school and a decrease in the student dropout rate. This means that thousands of gifted students who might have been lost to higher education are now attending college and receiving the education that will enable them to make their maximum contributions to the intellectual resources of our Nation.

Talent is no respecter of geography or of social-economic conditions. Under NDEA, for the first time, small rural schools are naving the services of counselors. Often one counselor serves several such schools. The response of able young people in these rural areas to counseling and testing assistance is highly rewarding to the Nation.

More than 9,000 counselors will have received preparation through guidance and counseling training institutes by June 30, 1962. These are persons who would not have been trained to serve as counselors without the benefit of these institutes.

Unless the NDEA is extended this year—Universities that are staffed to educate school counselors through guidance and counseling training institutes under NDEA will be forced, by November 1961, to regear their resources to the elimination of these programs since they must be in a position to complete their counselor education plans well in advance of the school year commencing in September 1962. Best estimates indicate that it will not be before 1965 before the Nation's universities can reach again the high point of efficiency and productivity that they have now achieved in the education of counselors for the schools.

Many high schools that have employed counselors for the first time with NDEA support will be forced to retrench their counseling programs. They will be forced to plan their school operations commencing in September 1962 without counselors, or with wholly inadequate programs.

Guidance supervisory staffs in State departments of education which have been built up under NDEA support will begin to deteriorate this year and local school systems will be deprived of the specialized help needed in the development of local guidance programs.

NATIONAL DEFENSE STUDENT LOAN PROGRAM

Accomplishments: The student loan program has made a brilliant start toward accomplishing one of the major objectives of the act—that no student of ability be denied an opportunity to enter college because of financial need. This is clear from the steady increase—year after year—in the number of student loans and the number of institutions of higher education taking part in the program: in 1959, a total of 27,000 loans were made by 1,200 institutions; in 1960, loans were made to 120,003 students in 1,360 institutions; and 145,000 students in 1,407 institutions are expected to borrow in 1961. The institutions themselves estimate that for the college year 1961–62, the program will continue to grow and that a total of 215,000 students are expected to obtain loans from 1,485 schools. As would be expected, of the 230,000 students now receiving loans, 72 percent of them come from families with an annual income of $6,000 or less. It is abundantly clear that many talented high school students—particularly those with superior academic preparation in science, mathematics, engineering, or a modern foreign language—are being attracted to college and depend on the loan program to enable them to remain in college.

Unless the NDEA is extended this year, needy and talented high school students hoping to enter college in the fall of 1962 with the help of a student loan will be deferred from making such plans for their future education. If the Congress should adjourn this year without extending the NDEA, the Federal Government will, in effect, be announcing to American parents, students, and school authorities:

1. That there will be no loans available for the 36,000 needy high school seniors with superior academic background who must have a loan to enter college in the fall of 1962.

2. That institutions receiving loan requests from such students not now in college will have to advise them that they cannot make any loan commitments for such students hoping to enter college in the fall of 1962 because the Congress failed to extend the act.

For the thousands of high school seniors of families with modest means, for whom college costs are prohibitive, such an announcement by the Federal Government will be in striking and distressing contradiction to the ringing declaration of the preamble of the National Defense Education Act in which the Congress declared that it was establishing programs "that will give assurance that no student of ability will be denied an opportunity for higher education because of financial need."

NATIONAL DEFENSE FELLOWSHIPS

Accomplishments: When the National Defense Education Act was enacted in 1958, the Congress included the national defense fellowship program with the following consideration in mind:

1. That college teachers are the very foundation of our entire educational system in that they train the future teachers at all levels of education, as well as our future scientists, and others so essential to our national security.

2. That the college teacher shortage is acute and that with the expanding enrollments a shortage of about 40,000 college teachers is expected by 1970.

Title IV of the National Defense Education Act is specifically directed at helping to meet the college teacher shortage. In the fall of this year nearly 4,000 national defense fellows will be studying in 680 different programs at 149 institutions, in preparation for college teaching careers. The program has made a good start toward its objectives in that it is helping to extend graduate school facilities, and it is helping to recruit bright young men and women into graduate schools and encouraging them toward a college teaching career.

Unless the National Defense Education Act is extended this year well-trained persons who are potential college teachers will be drained off into other fields of work. The fact is that today a very high percentage of graduate students require financial assistance in some form to enable them to pursue advanced study. When applicants for graduate fellowships learn that Congress did not authorize funds for the school year commencing in the fall of 1962, and if they cannot afford to attend graduate school without such help, they will naturally turn to noneducational occupations. Moreover, institutions of higher education which are now considering the possibilities of expanding existing programs of graduate education or to initiate new programs will be discouraged. Such developments would only serve to slow down the progress which has been made in checking the alarming decline in the number of persons with doctoral degrees who are entering the profession of teaching in our colleges and universities.

SCIENCE, MATHEMATICS, AND MODERN FOREIGN LANGUAGE INSTRUCTION

Accomplishments: The major objective of title III of the National Defense Education Act is to help overcome the serious neglect in science, mathematics, and modern foreign language instruction, and to decrease the national shortage of mathematicians, scientists, and linguists. The enthusiasm of local communities for the program is indicated by the dramatic increase in local school district projects. The impact of this program during the first 2 fiscal years is suggested in the following figures:

One hundred and thirty million dollars, worth of new instructional equipment was supplied through approximately 57,000 local school district projects.

More than 2,500 new electronic language laboratories were established making possible the use of new and improved methods of teaching languages in the secondary schools. When the NDEA became law there were less than 50 such laboratories in use in secondary schools.

More than 5,000 classrooms and laboratories were remodeled to accommodate new equipment.

All in all, these and other accomplishments have resulted in a general upgrading of course content, methods of teaching, facilities, and teacher training. However, although the many accomplishments achieved under this program are impressive, many States report that their programs are just now gaining momentum and that the need for continued improvement has become more evident than ever before.

Unless the NDEA is extended this year we will lose much of the momentum which this program has developed in stimulating school authorities to reexamine and improve instruction in science, mathematics, and modern foreign languages in elementary and secondary schools. If there is no assurance of Federal grants after June 30, 1962, local school districts will not be including any matching funds in their budgets for this program so that they will not be in a position to participate even if Congress should extend the act next year. Uncertainties about the future of this program will have the effect of slowing down our progress in developing an increasing supply of scientists, mathematicians, and linguists at a time when our national defense needs for them is growing.

LANGUAGE DEVELOPMENT PROGRAM

Accomplishments: When the NDEA was passed in 1958, few of the languages spoken by more than three-fourths of the world's population were being taught in our Nation's schools and colleges. In many areas of the world, the personnel of our foreign missions could not speak the language of the people in whose country they were representing the United States, while Soviet emissaries were able to speak the language of the nations fluently. This placed our country at a distinct disadvantage in the cold war of words and seriously weakened our capacity to carry our new responsibilities for leadership in the many quarters of the globe. The

language development program of the NDEA enabled us to mobilize the talent of scholars and educational institutions throughout the Nation for a concerted national effort to overcome this foreign language problem. For example:

In the first 3 years of the NDEA, language institutes will have been conducted for 7,000 language teachers in the elementary and secondary schools. The languages they teach include French, Spanish, German, Russian, Italian, modern Hebrew, Japanese, and Chinese. Special attention is also being focused upon the study of the "neglected languages," those tongues which were rarely or never taught in American education before the passage of the NDEA, despite the fact that they are the languages spoken by nearly 80 percent of the world's population. For example, Russian instruction is now offered at 501 colleges compared with 183 in 1955, and enrollments are up to 25,000.

Progress is being achieved in overcoming the lack of critical tools needed to teach the neglected languages, such as dictionaries, grammars, and readers.

Although we can well be proud of these accomplishments in improving our neglected language situation, there is really very little room for complacency for we have done little more than make a start in narrowing our critical language gap.

Unless the NDEA is extended this year our language development program will be seriously disrupted and retarded and much of our investment in these programs will be wasted and the good will and cooperation of many scholars and institutions will be lessened. The language development program is actually a series of several programs, each having its special mission, but none of which can make its proper contribution apart from progress in the other programs. A halt or slowing down in one program—which would most seriously result from failure to extend the act this year—will jeopardize the development of others. For example:

Without assurance of continued Federal support, the 47 language and area centers would face retrenchment, since the Federal Government meets up to 50 percent of the cost of operations. The Federal investment in these centers is over $3½ million and the national need is for more rather than less emphasis on the neglected language situation—particularly with respect to Africa and Asia.

During the past 3 years, many new language teaching methods and materials have been developed and are now ready for the next step of long-range research, experimentation, testing, and evaluation. However, if there is no assurance of Federal money after June 30, 1962, it becomes difficult, if not impossible, to negotiate such long-range contracts.

Further development of new methods and instructional materials will be postponed or abandoned, and the difficult task of making contracts with researchers involving the utilization of faculty personnel will be further complicated.

Now that we are on the threshold of great accomplishments in this field so vital to our national security, the present need is for more rather than less stability in the role of the Federal Government.

NEW EDUCATIONAL MEDIA

Accomplishments: The program of research and experimentation is chiefly concerned with the improvement of school and college instruction through the more effective use of movies, video tapes, and other audiovisual aids, film strips, slides, and other visual aids, recordings and other auditory aids, radio or television program strips, as well as teaching machines. Research grants have made possible a start in the evaluation of new educational media and their potentialities as educational tools, while other grants have disseminated information to the educational field to facilitate the more effective utilization of such media. Already it is evident that this program is producing greatly needed information and is serving to stimulate the more effective use of these various media for educational purposes.

If the NDEA is not extended this year much of our investment in research projects conducted during the first 3 years will be wasted because no funds would be available for the needed follow-up program of field tests and demonstrations. Moreover, experience with this program thus far has shown that a majority of the most important research projects require more than 2 years, so that none of such new projects could be started in 1962. At a time when it has become more important than ever before to harness modern communications technology for the benefit of education, this program needs to be accelerated rather than slowed down as would be the case if the NDEA is not extended at this time.

AREA VOCATIONAL EDUCATION PROGRAMS

Accomplishments: The program under title VIII is making an increasingly important contribution to our Nation's defense and economic well-being by helping to alleviate the serious shortage of highly skilled technicians and skilled workers in scientific and technical fields. More and more area schools are being established that cut across school district lines and in some cases across State lines and have made possible the training of skilled technicians in many geographical areas where it did not exist previously. Students are being trained in a wide variety of fields including electronics, mechanical drafting, tool design, instrumentation, industrial chemistry, data programing, and metallurgy. Extension courses are also being made available to those people already engaged in a technical occupation to update their knowledge and improve their skills in special technologies such as tool optics, missile telemetry, servo-mechanism, radar theory, automation electronics, microwave theory, theory of transistors, electronic data processing, stress analysis, and tool planning. The number of enrollees has tripled during the past 3 years. Approximately 150,000 students are now enrolled and are being placed in key jobs just as fast as they complete their training.

If the NDEA is not extended this year the effectiveness of this program will undoubtedly be seriously jeopardized at a time when it is sorely in need of further expansion. The Labor Department estimates that at least 100,000 additional technicians will be needed annually during each of the next 15 years—technicians capable of working with engineers and scientists. The daily newspapers are replete with advertisements offering employment to technicians of many kinds. Even with the steady expansion of this training program only about one-fourth of the need for skilled technicians is being met. Delay in extending the act will result in the following:

1. Schools will lose the services of many of the teachers who are highly skilled and technically trained. If the schools are not in a position to assure them contracts beyond June 30, 1962, many will be drained off into private industry and it will be difficult, if not impossible to replace many of them.

2. Some area vocational courses will be eliminated, plans for adding new curriculums will be postponed, and the area concept of training will be made more difficult to promote in the future.

Area vocational education programs are only now gathering momentum since 1960 was actually the first full year of operation of this new program of the NDEA. Failure by Congress to extend the NDEA this year will seriously cripple the capacity of this promising program to help fill the tremendous need for trained technical help so essential to our national defense effort.

COMMITTEE

George J. Hecht, Bernard Locker, William Benton, Arthur S. Flemming, Marion B. Folsom, Anna Rosenberg, and Charles P. Taft.

A NANSEN COMMEMORATIVE STAMP

Mr. HART. Madam President, I am gratified with the remarks made last Thursday by the junior Senator from Connecticut [Mr. DODD] relative to the champion of liberty stamp series. The purpose of this series is to honor patriots of freedom and justice throughout the world. As the Senator from Connecticut [Mr. DODD] pointed out, stamps have thus far been issued and dedicated to the late President of the Philippines, Ramon Magsaysay, the South American liberator, Simon Bolivar; the Hungarian patriot, Lajos Kossuth; the late mayor of West Berlin, Ernst Reuter; the first President of Czechoslovakia, Thomas Masaryk; the celebrated Polish pianist-statesman, Jan Ignace Paderewski; the Italian patriot, Giuseppe Garibaldi; and the generator of India's freedom, Mohandas Gandhi.

Madam President, on July 28 I addressed a letter to the Honorable J. Edward Day, Postmaster General, in which I urged his "favorable consideration" for the issuance of a commemorative stamp, in the champion of liberty series, honoring the Norwegian statesman, Fridtjof Nansen. The reply to my letter by the special assistant to the Postmaster General, indicated that the restrictions placed upon the number of stamps that can be issued in this series, prohibited a Nansen commemorative stamp at this time.

But, Madam President, October 10, 1961 is the Nansen centenary. And as I stated in my letter, it would be difficult to find a more deserving name than that of Nansen to honor in the champion of liberty series. Though Nansen displayed a rare talent in a number of fields, including science, exploration, and history, I think we should be especially mindful of his contributions as an international statesman and humanitarian. His service as the first League of Nations High Commissioner for Refugees, and his unflinching compassion and charity in bringing relief and assistance to Greek and Armenian refugees a half century ago, stand as a monument to international peace and justice.

Nansen was a Norwegian, but he was also an actively dedicated citizen of the world. He was a unique champion of liberty; for he struggled for the freedom of people without regard for national boundaries, and pioneered in establishing humanity's responsibility through international organization. Indeed, he was "a beacon in the darkness"—respected and beloved by peoples of all nationalities races, creeds, and colors.

I should like to propose that the number of stamps that can be issued this year in the champion of liberty series be prudently increased. In this way the

renowned name of Fridtjof Nansen, whose centenary we celebrate this year, can be listed with those other champions of liberty I mentioned a few moments ago.

The American people have expressed an active interest in a Nansen commemorative stamp, Madam President. I cite, for example, a letter to the editor of the New York Times in the August 6 issue, and a letter sent to the Postmaster General by Dean Francis B. Sayre, Jr., chairman of the U.S. Committee for Refugees. A copy of Dean Sayre's letter was sent to me as Chairman of the Subcommittee on Refugees and Escapees.

I ask unanimous consent that these letters, and my correspondence with the Postmaster General's Office, be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 6, 1961]

STAMP TO HONOR NANSEN ASKED

To the EDITOR OF THE NEW YORK TIMES:

As official expression of or admiration for great and gifted public servants in many lands, the U.S. Post Office has been issuing a series of commemorative stamps, perhaps the best known among these being the champion of liberty series.

The men thus honored had not only served their own peoples and countries, but had also rendered some signal service to the community of nations, to some sacred human cause.

Through the columns of your newspaper I would like to suggest the addition to the list of illustrious public servants thus honored of the name of the late Fridtjof Nansen, the centenary of whose birth is being observed this year.

It would be eminently appropriate that the U.S. Post Office issue on this occasion (his birthday falls on October 10) a commemorative stamp in honor of this noble son of Norway; a daring explorer, a courageous statesman, and a great humanitarian, whose outspoken championship and indefatigable work for the welfare of millions of destitute people after the First World War in his capacity as the League of Nations' first High Commissioner for Refugees have placed him among the immortals of this age.

A. O. SARKISSIAN.

MAY 2, 1961.

Hon. J. EDWARD DAY,
Postmaster General,
Post Office Department,
Washington, D.C.

DEAR MR. DAY: We would like to suggest that a U.S. commemorative stamp be issued in observance of the centenary of Fridtjof Nansen, Norwegian statesman, explorer and humanitarian.

Mr. Nansen, the first High Commissioner for Refugees under the League of Nations, and the originator of the Nansen Passport which serves as a travel document for millions of refugees, was born on October 10, 1861. The U.S. Committee for Refugees and national committees in other countries are cooperating with the United Nations in planning appropriate observances of this anniversary. Our own committee has scheduled a public dinner to mark the occasion.

Nansen has won a place in history through his important accomplishments in the field of Arctic exploration and oceanography. But his humanitarian acts, both as an international official and as a private individual pioneered techniques in refugee relief which have been followed by many public and private organizations in this century of the homeless man. In our view Nansen could well be classified among the champions of liberty for his world renowned achievements in the protection of the stateless and uprooted.

If you give favorable consideration to this recommendation you may count on the full cooperation of our committee and I am sure many other groups wishing to honor the memory of Fridtjof Nansen in his centennial year.

Sincerely,

FRANCIS B. SAYRE, Jr.,
Chairman.

EXHIBIT NO. 3

JULY 28, 1961.

Hon. J. EDWARD DAY,
Postmaster General,
Washington, D.C.

DEAR MR. DAY: I would like to urge your favorable consideration of the recommendation that the Post Office issue a commemorative stamp honoring Fridtjof Nansen, the great Norwegian statesman, explorer, and humanitarian. We have honored a number of other world figures in the champion of liberty stamp series. It would be difficult to find a more deserving name than that of Nansen to similarly honor.

Fridtjof Nansen demonstrated that rare combination of talents which won him distinction and honor as a scientist, explorer, historian, international statesman, and humanitarian. As chairman of the Subcommittee on Refugees and Escapees, I am particularly mindful of his contributions in the latter two capacities—his services as the first League of Nations High Commissioner for Refugees and his work in bringing relief and assistance to Greek and Armenian refugees who were compelled by war and revolution to flee their homes in Asia Minor almost a half century ago.

The issuance of a commemorative stamp on the centenary of Fridtjof Nansen is of secondary importance as a tribute to this great man. He received honors during his lifetime, including a Nobel Peace Prize in 1922, to which we can add little. A Nansen commemorative stamp, however, would serve to remind us, the living, that here was a member of the family of man who exemplified all that humanity aspires to. It would be a reminder which should bring courage and hope to all of us in these trying and perilous times.

With best wishes, I am,
Sincerely yours,

PHILIP A. HART.

POST OFFICE DEPARTMENT,
Washington, D.C., August 7, 1961.

Hon. PHILIP A. HART,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HART: The Postmaster General has asked me to thank you for your letter of August 2 favoring the issuance of a commemorative stamp in the champion of liberty series in honor of Fridtjof Nansen, the great Norwegian statesman, explorer, and humanitarian.

Our Citizens' Stamp Advisory Committee recently gave complete and careful consideration to this proposal. While the contributions made by this noted Norwegian are fully recognized, it was not possible to include recommendation for issuance of a Nansen stamp in the 1961 program.

We are restricted to the issuance of not more than 15 special stamps a year and the selection of their subjects is a most difficult task. There are so many stamps we would like to issue yet obviously we cannot honor even a small fraction of the requests that come to us however worthy they may be.

We do, however, appreciate your interest in our philatelic program.

Sincerely,

JAMES F. KELLEHER,
Special Assistant to the Postmaster General.

TRIBUTE TO SENATOR McNAMARA OF MICHIGAN

Mr. HART. Madam President, on August 9 my distinguished colleague, the senior Senator from Michigan, the Honorable PAT MCNAMARA, received a well-deserved tribute for the outstanding services he has performed for the senior citizens of this Nation.

Senator MCNAMARA received a plaque from the Four Freedoms Hotels, Inc., honoring him for the job he has done in bringing to public attention, through the Special Senate Committee on Aging of which he is chairman, the problems of the elderly people, particularly in the field of housing, nursing homes, and hospital care.

In addition to Senator MCNAMARA, similar awards were made to Secretary of Labor Goldberg, Secretary of Health, Education and Welfare Ribicoff, and Housing Administrator Weaver.

When Senator MCNAMARA accepted the award, he made some brief remarks of response. Mr. President, I ask unanimous consent that the text of his remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR PAT MCNAMARA AT FOUR FREEDOMS HOTELS, INC., DINNER, WASHINGTON, D.C., AUGUST 9, 1961

Mr. Chairman, honored guests, ladies and gentlemen, it is a great pleasure to be here among so many of my friends and associates in the labor movement.

I am deeply honored by the award you have given me tonight.

During my 3 years as chairman of the Senate committee concerned with the problems of the aging, the complete range of the needs of our elderly citizens have been brought to national attention.

This increased public awareness of this important social problem has resulted in some modest legislative steps to solve it. We are hopeful that more progress will be made—soon.

During its trips across the country the Subcommittee on Problems of the Aged and Aging found far too many old people living in drab and cheerless rooms. Not only were they inadequately housed—they were—and are—forgotten, neglected, and overlooked.

These are people who have spent a lifetime of service—raising families; helping to build their communities, and paying the taxes that have built our roads, our schools, and other public facilities. They deserve better than what they have.

My subcommittee found that these elderly people have in common the status of retirement. But they have different backgrounds, different interests, and different needs. We found further, however, that for far too many of them, economic retirement also has meant retirement from the mainstream of life.

One of the most promising aspects of the Four Freedoms Hotels project is that it recognizes these individual needs of the elderly citizens. Your organization realizes that these needs are interrelated; that they cannot be cut up into neat little categories

labeled "Health," "Nutrition," "Housing," "Recreation," and so forth.

The Four Freedoms Hotels is setting out to meet these multiple and interrelated needs of the aged. To quote from your statement of objectives:

"The hotels will provide a full range of services and activities to meet the special physical, emotional, and economic requirements of persons in retirement."

The program of the Four Freedoms Hotels will, in fact, enable the retired trade union workers to enjoy the four freedoms enunciated by President Roosevelt. Perhaps most important, this program will enable him to enjoy freedom from fear. He will enjoy freedom from worry about the economic effects of illness, through the nursing care services and rehabilitation facilities you will make available to him.

Let me close by saying that you here who are responsible for the concept of Four Freedom Hotels are showing the way to solution of one of the most urgent problems of the aged and the aging, namely—what can be done to provide decent housing for our retirees? And who will do what needs to be done?

Through your ambitious Four Freedoms Hotels project, you are making a significant contribution to the solution of this urgent, nationwide problem. You have my congratulations and best wishes for success. Thank you.

THE RAZOR EDGE OF DANGER FOR AMERICAN SURVIVAL

Mr. WILEY. Madam President, a free nation—of self-governing people—depends upon its citizenry to create its policies and programs for progress and survival. To accomplish this, then, we need men of leadership—whose perspective is broader than—and whose dedication rises above—their special interests, to serve the broader interest of the Nation.

Today, I would like to pay tribute to one such unique, outstanding individual; a fighting pioneer in our free enterprise system, Mr. George Romney, president of American Motors Corp., Kenosha, Wis. An industrialist, a philosopher, a devout churchman, a nation-minded private citizen. Mr. Romney has attained industrial success against great odds—symbolizing the best of the free enterprise system. At the same time, he has been conscious of—and contributed to—improvement of our political-social-economic system.

Yesterday, the Washington Sunday Star published a conscious-stirring, thought-provoking article by George Romney, entitled "The Razor Edge of Danger for American Survival."

The article reflects upon, constructively analyzes, and makes useful recommendations for dealing with, many of the fundamental problems confronting our complex society. Believing these views deserve not only the attention, but the thoughtful consideration, of Congress, I ask unanimous consent to have the article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE RAZOR EDGE OF DANGER FOR AMERICAN SURVIVAL

(By George Romney)

("Every good and excellent thing stands moment by moment on the razor edge of danger and must be fought for."—Thornton Wilder, "The Skin of Our Teeth.")

America's success has been so great it has created new problems whose solution will require new and greater struggles.

Not since the Civil War have we faced a more grave national crisis. The very survival of our Nation is at stake.

America's only previous confrontations with danger of this magnitude were the American Revolution itself, the governmental crisis under the Articles of Confederation, and the Civil War. Today we are engaged in a titanic struggle for survival in the ideological field, the scientific field, the military, technological, propaganda, and political areas. Truly, we stand on "the razor edge of danger."

BULLETS AND BLANK CHECKS

While the danger is the greatest the world has ever seen, it is not primarily because of communism that we face the struggle for survival. It's not the uncommitted nations, or an atomic intercontinental ballistic missile war, or international economic competition—serious and decisive as these are.

Underlying their danger is a greater danger—the decline of religious conviction, moral strength, national purpose, and personally responsible brotherhood and citizenship. To the extent that we possess or lack these qualities, we will win or lose our struggle for survival.

Our ability to overcome our domestic problems and meet our international obligations depends on restoring our spiritual and moral health and in fully meeting our obligations as free American citizens.

We need to understand the basic principles of the world's authentic revolution—the American Revolution. Then we will recognize their partial realization at home and the urgency of further progress. We also will appreciate their universal value in helping others to free themselves from various forms of bondage, as they struggle to make their own free choices and play their part in achieving world order through universal human brotherhood, dignity, and voluntary unity. A fresh commentary on this subject has recently come from Dr. Albert E. Burke, the "Angry American" described in Look magazine of August 1, 1961. He said:

"We can't defend what we don't understand. The future for our kind of freedom depends upon how well we explain ourselves—to others and to ourselves. If we put our faith in bullets and blank checks passed around by blank minds it won't be communism that wins the world. It will be democracy that loses it."

VAST NUMBERS ARE MISLED

Our international adversaries deify the state, proclaim the supremacy of the material, and deny existence of a Creator. Despite this coldblooded and ruthless philosophy, they have convinced a vast portion of the world's people that their concern for human beings is greater than ours.

What a grim irony. Their flint-hard materialism is interpreted as being idealistic and even more spiritual than ours. And our society, built on a foundation of spiritual concepts, is stigmatized as being ruthlessly materialistic.

There are many causes of this. As a businessman, however, I will largely discuss some causes in the area of industrial responsibility.

Our present identification with materialism, in part, grew out of industry's public reaction to political attacks of the 1920's and 1930's. In replying, industry's answer was deficient and the emphasis wrong, in my estimation. The answer ran as follows:

With 6 percent of the world's people, we are able to produce 50 percent of the world's goods. We have more bathtubs, telephones, automobiles, refrigerators, and taller buildings.

This, of course, was a materialistic answer. It gave no recognition or understanding whatsoever to this fundamental fact:

Our material accomplishments are derived fundamentally from our political concepts, and our political concepts are derived fundamentally from our moral and religious concepts.

The acid test of a civilization is not its monuments nor its materialistic accumulation. It is what kind of men it produces.

The men who built the bedrock on which our society stands had a balanced and all-inclusive concept of man. They applied it religiously, politically, economically, and socially.

Industry's principal defense against present attacks in the political and economic area also is wrong, in my opinion. The prevalent thinking seems to run as follows:

Labor unions, bursting with new economic power, have now developed greater political power than industry. Therefore, it is necessary for corporations and other business organizations to plunge businessmen as businessmen headlong into politics.

This is wrong.

In a society premised on our political principles, it is wrong for an economic organization to seek to directly or indirectly shape its members' political activity or action. Neither should the citizen delegate his political birthright to economic organizations. It is also wrong for the citizen to exercise his rights primarily on an economic basis.

THE REMEDY IS POLITICAL

What then is right?

Let us begin with a statement of need:

We need greater citizen participation in meeting our political and economic problems in this country. This requires persuading more people to exercise their citizenship as citizens. The important words are "as citizens," and not as businessmen or union members or any other designation of an economic or other special-interest character.

Why do I say this? Because when we encourage people to exercise their citizenship on the basis of their economic interest or affiliation, then we unwittingly accept the fundamental premise of the enemy, namely; economic determination is the important factor in society after all.

Most certainly citizen apathy in the political realm is one of our great deficiencies. Let's correct it politically, not economically. Otherwise, we relinquish a cherished political heritage for a mess of pottage.

The unwillingness of people to say what they think is another serious deficiency of our times. Too many people limit their personal expressions to views they think their associates and their social or political groups want to hear. Too many are concerned about what speaking their minds will do to their business. Too many are fearful of what it will do to them socially or politically. Too many mouth things they don't really believe. Too many say nothing at all about subjects on which they have ingrained personal convictions.

Look at the record of performance in recent political campaigns. The major parties are just as averse to forthright commitments on genuine issues as weak-kneed citizens. By their very nature, the major political parties are principally concerned with winning elections. I don't dispute the fact that nominating candidates and winning elections is a very necessary function and should be a key function of a party. But party principals and their spear carriers have been so concerned with that function that they avoid public discussion of vital issues.

Why? Because they have put victory first and fear offending important organized minorities and losing votes. To win elections they avoid being right too soon on controversial issues. Consequently, understanding and action on current vital problems is deferred. This procrastination can produce de-

plorable problems. Witness the recent financial crisis and the virtual breakdown of representative government in Michigan.

OUR GREAT NEED NOW

Never in our history has there been a greater need than now for the intelligent discussion of basic issues. This country desperately needs a political organization which dedicated citizens will wholeheartedly support because it is realistically defining and seeking solutions to the real issues—and doing so on the basis of the facts and of fundamental American principles. Only a political organization that will put these activities above winning a given election will command widespread respect and dedicated support.

I do not favor three parties, but either one of our major parties must become a genuine citizens' party, freed of minority group domination, or a separate political instrument must provide the political means for citizens to put the issues ahead of the mere winning of political office for its candidates.

How can we have government of the people, by the people, and for the people? Only by providing adequate means by which the will of the people can be effectively registered after meaningful discussion of current fundamental issues that informs the people on the proposed solutions of the parties and the candidates.

The growth of excessive power is another fundamental and imminent danger in our society. Unfortunately, we have lost our understanding and fear of power. This constitutes an added hazard. For when anyone questions the magnitude of private power in industry, in unions, or in government, he immediately is confronted with specious arguments that people blindly accept as valid. Therefore what is said is often dismissed.

They are misled by this argument:

Without such concentrations we could not enjoy the material abundance which has been so impressively created. For the sake of military defense, technological improvement, efficiency and economy, America must endure present and even greater organizations of power in industry, labor and government.

I disagree. In too many instances we have already created private power of such awesome magnitude that we are facing the further expansion of governmental power of staggering proportions for the purpose of offsetting this private power. That, I believe, is the root of our domestic problems.

The excessive concentration of private power is most pronounced in the collective bargaining area. America's unequaled potentials for further progress require genuine collective bargaining, big and strong companies, and big and strong unions.

EXCESSIVE POWER IS STIFLING

I firmly believe in collective bargaining on a continuing basis, but I am vigorously opposed to our present swollen forms of union and employer power. They have made collective bargaining a process of power conflict, not of industrial democracy. As a consequence, America is being divided into warring political and economic camps. Unless industrial sanity is restored, we may be robbed of our heritage and our future.

Our traditional concern was that any form of excessive power must be divided. History clearly shows that unless such power is dispersed, it sooner or later is abused.

Such proposals as factfinding with recommendations, public wage-price hearings, compulsory arbitration, plant seizure, and labor courts constitute inadequate—even futile—efforts to deal with the symptoms of a sore-ridden free industrial society.

We must deal instead with the real cause—excessive collective bargaining power concentrations. This is a sinister disease that is producing the sores. It is eating at the vitals of America, economically and politically. It is putting our industrial costs and prices on economic stilts at a time when international economic competition is in the early stages of growing more intense.

The early labor laws and industry laws designed to remove obstacles to our further progress are incomplete. They are far from adequate for dealing with today's new problems. Here are some reasons why:

Franklin D. Roosevelt correctly recognized that by the late 1920's, industrial, financial, and agricultural power had become excessive. He found it necessary to lead a peaceful revolution by creating a countervailing economic power. He accomplished this through the process of collective bargaining and the labor laws. Thereby he made a necessary contribution to the Nation's economic development. The immediate effect was the needed division of economic power, and stimulation of progress by widespread correction of indefensible abuses in American industry.

But Roosevelt went even further. He undertook to offset the political influence of industry and agriculture by encouraging union political participation. The consequences, in light of subsequent developments, warrant reexamination, because in the intervening period the new power of unions has grown to be tremendous—so tremendous that employers in vast industries have combined their power to offset swollen union power. The resulting collective bargaining power struggles have created the current trend and peril.

The current trend is toward even further concentration of power—this time in governmental hands—to offset the excessive concentrations of labor and industry power. It is time to halt this trend by revising our basic economic laws to reflect the fundamental fact that the common interests of labor and management exceed their special interests and that the freedom of both depends on industrial competition that protects the general public.

BASIS FOR NATIONAL POLICY

In a free society, competition and separate enterprise cooperation based on our proven principles of sharing economic progress among consumers, employees and stockholders must be the foundation of national economic policy and private economic activity.

If any group monopolizes all the benefits of progress, the Nation suffers from maldistribution and imbalance.

This frequently happens when the basis for future sharing by one or two groups is determined in advance without regard to the interests of all. For example, wages or dividend payments fixed this year for the next 3 years could be so far from the progress results in 1964 that the labor or stockholder share could be either excessive or deficient. Needed is an equitable method of sharing actual progress, not hypothetical progress with employees.

Here is the dilemma:

The collective bargaining laws are premised on the principle of monopoly and compulsory cooperation.

The antitrust laws, and those relating to industry, are premised on the principle of competition and voluntary cooperation.

Thus, we have a built-in conflict in our basic economic laws.

Both employers and unions mass their gargantuan economic power or their not inconsequential political power for collective bargaining purposes. The collective bargaining laws impose no real limits on the power moves of either side.

If we maintain this pattern, and continue in this direction, the Government is going to step in and control bargaining. This would bring Government control or determination of wages. If this is done, similar control of prices is inevitable. This could prove fatal.

With such controls, I believe the economic freedom and flexibility required for needed levels of progress and progress sharing will disappear. Government control and Government decision will be substituted for the decision of free organizations, and ultimately of the people as consumers.

ANTITRUST LAWS INADEQUATE

Our antitrust laws also need to be modernized and strengthened, not relaxed. They miss today's target. They fail to reflect adequately the conditions of today's competition. They do not provide for economic birth in fully established basic industries—only for economic death. Many such industries are now dominated by one or two companies. This excessive concentration is experiencing growing intellectual and political attack and declining public confidence.

Either the American people are going to have confidence in the ability of the competitive principle to protect their interests in the marketplace, or they are going to turn to their public servants for the exercise of the type of control they think is needed.

Our economic progress has been importantly the result of a sufficient number of sensitive power centers free in their response to change. This has produced superior industrial flexibility and strength.

Centralization of wage and price control in government could prove as inflexible as present agricultural control.

In a period when two-thirds of the people in the world are still hungry, we approach our agricultural problem primarily on an isolationist, nationalistic basis. Our granaries bulge. Yet our programs deliberately curtail the productivity of our land and artificially inhibit our advancing technology.

Internationally, we are an island of prosperity in the midst of world poverty and starvation. We are like a rich man in a very poor village, who has more than he personally can consume, but artificially raises costs and prices and doesn't adequately help others to help themselves improve their own economic circumstances.

Fifty-five percent of U.S. farmers desire to be free of all controls, according to the polls. Whether or not such polls are an accurate reflection of farm opinion is not necessarily the important point. The vital question is whether on a centrally controlled basis we are approaching the agricultural problem soundly from the standpoint of our present world interest rather than from the narrow past based on economic nationalism and political interest.

The technology of agriculture in this country has moved like lightning in the last 20 or 30 years. Farm costs have been slashed and on a volume production basis could be slashed further. Therefore, we can meet our moral responsibility, strengthen freedom, enlarge our world food markets, and strengthen our economy by cutting agriculture loose from present Federal controls. We should let it compete flexibly on a world price basis.

OUR TECHNOLOGY AIDS SOVIET

Unless we face up to doing it soon, the Russians will beat us in using modern agricultural technology to help the hungry.

After studying our technology and agriculture, the Russians are moving earth, if not heaven, to copy our achievements. They intend to exploit them first to meet the requirements of people around the world for food. The fact that our agricultural problems are complicated by the self-interest positions of other friendly nations should not deter us from approaching our problems on a sound basis.

In addition, we must devise faster and more effective ways to help the less developed nations develop their resources and meet their other economic needs.

As a Nation we are in the best position to take a seven-league-boot stride forward in this area. Out of our own success we can devise the quickest and best methods of helping to create a world society that is well fed and well housed. Only by doing so can we live in a world based on freedom and complete human fulfillment instead of coercion and crass materialism. Let us hope we make the most of this opportunity; it could be our last.

In our own lifetimes, we've watched the already costly Federal Government become to an octopuslike creature, increasingly difficult to control. But if businessmen, unions and farmers continue to join the parade to Washington for special favors, how can we expect to curb the further intrusion of Government into economic affairs?

Likewise, if States and local communities continue to look to the Federal Government for primary help on tasks which the States and communities should undertake themselves, how can we expect to keep Federal Government power distributed and dispersed?

The steady drift toward big government will not be arrested unless we do three things:

Resolve the above conflicts and rigidity in our national economic policy.

Reestablish the responsibility and independence of State and local governments.

Strengthen the spirit of self-reliance and generate a renewed appreciation of voluntary cooperation as the primary mechanism for expressing this self-reliance.

The most powerful force on earth is the spontaneous cooperation of a free people. To mobilize it requires the type of leadership that encourages the voluntary action of the people, individually and jointly, above the extension and expansion of governmental responsibility and power. We need such leadership locally, nationally and internationally. We need it in peace as in war.

DUTY OWED TO LESS FORTUNATE

Locally, we need further to develop voluntary cooperative mechanisms that will enable metropolitan communities to eradicate slums, arrest the encroachment of blight, reduce the cost of good health and provide better programs and opportunities for their youth.

By fleeing to the suburbs, none of us is morally relieved of the responsibility of assisting in the improvement of the central city where we earn our keep. Those who have not had the same opportunity to escape crowded and decayed areas must not be abandoned by the fortunate ones who, whatever their reasons, have broken away from the urban scene.

Recently Dr. Arnold Toynbee, the renowned British historian, observed that free societies are stronger in wartime than totalitarian societies. He attributed this to the fact that freemen can combine their efforts in face of a common danger better than those who are enslaved. He noted, however, that because of the central direction of human effort, totalitarian societies are more effective in peacetime, because in free societies human effort in peacetime lacks comparable and essential unity and organized purpose. Here is another major challenge.

Let me state some basic convictions: Despite its protection of choice and diversity, I believe a free society through effective use of voluntary cooperation can be more flexible, efficient and effectively unified in peace as well as in war. Its basic unity can be more effective where the need clearly exists. It can develop the cooperative means by which it can and must identify and cope with new problems as they are arising.

Crises or emergencies resulting importantly from procrastination and self-interest conflict can be largely avoided if we retain and use the freedom of action by which we are sufficiently flexible in meeting fundamental problems. We must have the flexibility to deal with them in their early stages before they reach such overwhelming proportions that extraordinary application of central governmental power is demanded.

Finally, the elimination of domestic racial discrimination is imperative if we are to be true to our own principles and lead the world through example and persuasion to liberty and brotherhood.

Our greatest weaknesses are personal indifference, ignorance and apathy.

Conversely, our greatest need is an aroused and informed citizenry dedicated to the acceptance of individual responsibility; energetically aware of what America and the world can be, and convinced that we are capable of building new order for the ages, based on the Declaration of Independence and the Constitution, and the belief in our Creator and our inescapable obligation to obey His laws as we individually understand them.

This is the bedrock foundation of the incompleted American Revolution, politically, socially, and economically.

Unless more of us exercise our divinely endowed personal power and responsibility, tyrants will exercise it for all of us. We must serve God and all mankind or lose our freedom and face destruction.

A LIVING MEMORIAL TO JAMES MADISON

Mr. LAUSCHE. Madam President, stories are appearing in the newspapers about the proposal at this time to build a $35 million living memorial in honor of James Madison, who was a distinguished American and whose learning has been taken advantage of by countless numbers of American citizens, especially students of constitutional law.

It is befitting that a memorial at this time be built in his honor. However, at this time, when we have so many international problems facing us, demanding the expenditure of money, and when the President of the United States has repeatedly advised that we ought not to enter into new projects, even though they are desirable, unless it clearly appears that they are essential, I cannot reconcile myself to the thought that the building of a $35 million memorial, even though it be a living one, is essential. We will end this fiscal year with a deficit of at least $10 billion.

The time is at hand when we ought to follow the advice of the President to dispense with projects, even though they are desirable, if they are not essential to the national security and in the national interest. Therefore, I want the citizens in Ohio to know that I do not subscribe to this expenditure at this time.

Mr. MANSFIELD. Madam President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

Mr. MANSFIELD. Madam President, I ask unanimous consent that the unfinished business, S. 1983, be laid before the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

THE CALENDAR

Mr. MANSFIELD. Madam President, after discussing this subject with the distinguished minority leader, I announce the purpose of the leadership to bring up for consideration items on the calendar to which there is no objection. If there are objections to any items that are called, they will be passed over.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Madam President, I ask unanimous consent that the pending business be temporarily set aside, and that the Senate proceed to the consideration of the calendar beginning with Calendar No. 621 and ending with No. 639.

The PRESIDING OFFICER. Is there objection? The chair hears none, and it is so ordered.

The clerk will state the first measure on the calendar call.

ENTRY OF CERTAIN ELIGIBLE ALIEN ORPHANS

The Senate proceeded to consider the bill (S. 2237) to permit the entry of certain eligible alien orphans, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 3, after "June 30,", to strike out "1962" and insert "1963", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, on or before June 30, 1963, special nonquota immigrant visas may be issued in accordance with the provisions of section 3 of this Act to eligible orphans as defined in section 2 of this Act who are under fourteen years of age at the time the petition is filed with the Attorney General as required by section 3 of this Act. Not more than two such special nonquota immigrant visas may be issued to eligible orphans adopted or to be adopted by any one United States citizen and spouse, unless necessary to prevent the separation of brothers or sisters. No natural parent of any such eligible orphan shall thereafter, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 2. When used in this Act, the term "eligible orphan" shall mean an alien child who (1) is an orphan because of the death or disappearance of both parents, or because of abandonment or desertion by, or separation or loss from, both parents, or who has only one parent due to the death or disappearance of, abandonment or desertion by, or separation or loss from the other parent and the remaining parent is incapable of providing care for such orphan and has in writing irrevocably released him from emigration and adoption; (2)(A) has been lawfully adopted abroad by a United States citizen

and spouse, or (B) is coming to the United States for adoption by a United States citizen and spouse; and (3) is ineligible for admission into the United States solely because that portion of the quota to which he would otherwise be chargeable is oversubscribed by applicants registered on the consular waiting list at the time his visa application is made.

SEC. 3. Any United States citizen and spouse claiming that any eligible orphan is entitled to a nonquota immigrant status under section 1 of this Act may file a petition with the Attorney General. The petition shall be in such form and shall contain such information and be supported by such documentary evidence as the Attorney General may by regulations prescribe. The petition shall establish to the satisfaction of the Attorney General that the petitioners will care for such eligible orphan properly if he is admitted to the United States and, if such eligible orphan has not been lawfully adopted abroad, that they will adopt such orphan in the United States and that the preadoption requirements, if any of the State of such orphan's proposed residence have been met. After an investigation of the facts in each case, the Attorney General shall, if he determines the facts stated in the petition are true and that the petitioning United States citizen and spouse are persons of good moral character, approve the petition and forward one copy thereof to the Department of State. The Secretary of State shall then authorize the consular officer concerned to grant nonquota immigrant status to the beneficiary of such petition after the consular officer has determined that such beneficiary is an eligible orphan as herein defined.

SEC. 4. Any visa which has been or shall be issued to an eligible orphan under this Act or under any other immigration law to a child lawfully adopted by a United States citizen and spouse while such citizen is serving abroad in the United States Armed Forces, or is employed abroad by the United States Government, or is temporarily abroad on business, shall be valid until such time, for a period not to exceed three years, as the adoptive citizen parent returns to the United States in due course of his service, employment, or business.

The amendment was agreed to.

Mr. JAVITS. Madam President, it is essential that the program be continued under which certain alien orphans adopted by U.S. citizens are allowed to enter the country under special nonquota immigrant visas. That is why I am supporting S. 2237. This program was also a great concern of our former colleague from New York, Senator Irving Ives, who joined with me before my present colleague [Mr. KEATING] became a Member of the Senate in his place, and also worked hard on this matter. The alien orphans program was begun more than 12 years ago as part of the Displaced Persons Act of 1948. It was extended in 1953 and in subsequent years. While this program has enriched the lives of thousands of childless American families and brought happiness and a chance for a happy life to the 17,000 homeless waifs they have adopted under this program, much unnecessary hardship, delay, grief, and frustration has accompanied the process of admission to the United States. I have introduced legislation to correct the abuses which have developed in the course of the program to eliminate the danger of commercialism in proxy adoptions, and set standards for children adopted abroad equal to those which prevail here, but until the Congress can act on such legislation we must continue the present program on a temporary basis.

I point out that I still retain the point which I have constantly made in the Senate that, to get any immigration bill that is worthy of the name, I shall seek to attach to it by way of amendment all the modernization of integration laws which was sponsored in the previous administration, and which is represented in the bill which I, together with my colleague [Mr. KEATING], have introduced on this subject.

Mr. DIRKSEN. Madam President, the program goes back 13 years to 1948. In that time under the original act, with amendments thereto and new enactments, approximately 17,000 orphans under the age of 14 have been admitted to this country. During the present session a number of efforts were made to extend the act; and I am delighted, in sharing the views of my distinguished friend and colleague from New York [Mr. JAVITS], that at long last the bill will be passed by the Senate. I trust that passage will be in ample time for approval by the House of Representatives before the end of the session.

Mr. MANSFIELD. Madam President, the purpose of the bill is to provide for the issuance of special nonquota immigrant visas to certain eligible orphans adopted or to be adopted by U.S. citizens. The authority to issue such special nonquota immigrant visas expired June 30, 1961, and will be extended by the instant bill to June 30, 1963.

The bill permits the issuance of the special nonquota immigrant visas to eligible orphans who are carefully defined in the legislation under a petition procedure instituted on September 9, 1959, and last extended by Public Law 86-648.

I ask unanimous consent to have printed at this point in the RECORD excerpts from the report accompanying the measure.

There being no objection, the excerpts from the report (No. 646) were ordered to be printed in the RECORD, as follows:

The purpose of the bill, as amended, is to provide for the issuance of special nonquota immigrant visas to certain eligible orphans adopted, or to be adopted by U.S. citizens.

The committee recommended that the terminal date be changed from June 30, 1962, to June 30, 1963, and that Senator KENNETH B. KEATING be permitted to join in the sponsorship of the bill.

STATEMENT

Since 1948 Congress has provided for some form of orphan program. During this time some 17,000 orphaned or abandoned children have been able to acquire a home and proper care with American couples.

Under the Displaced Persons Act of 1948, as amended (62 Stat. 1009; 64 Stat. 219), there were 4,065 orphans admitted to the United States.

Under the act of July 29, 1953 (66 Stat. 163), there were 466 orphans admitted to the United States.

The next act to authorize the admission of orphans was the Refugee Relief Act of 1955, as amended (68 Stat. 174; 68 Stat. 1044). Under section 5 of that act 3,761 orphans were admitted to the United States. In addition, 925 orphans who were fully qualified for admission under the act were paroled into the United States following the expiration date of the act.

The latest orphan program was authorized by section 4 of the act of September 11, 1957 (71 Stat. 639), which section had a terminal date of June 30, 1959. That date was extended to June 30, 1960, by the act of September 9, 1959 (73 Stat. 490), and again extended to June 30, 1961, by the act of July 14, 1960 (74 Stat. 504).

Since September 11, 1957, through December of 1960 there were admitted to the United States 8,474 orphans.

ANALYSIS OF THE BILL

Section 1 of the bill, as amended, would authorize the issuance of special nonquota immigrant visas, under a petition procedure set forth in the bill, to certain eligible alien orphans who are under 14 years of age at the time the petition in their behalf is filed with the Attorney General and who are adopted by U.S. citizens or who are coming to the United States to be adopted. The authority to issue such special nonquota immigrant visas shall expire on June 30, 1963. As introduced, the terminal date would have been June 30, 1962. Not more than two such special nonquota immigrant visas may be issued to orphans adopted by any one U.S. citizen and spouse, unless necessary to prevent the separation of brothers and sisters.

Section 2 of the bill defines the term "eligible orphan."

Section 3 of the bill provides a petition procedure for determining eligibility for the special nonquota immigrant visas applicable in the case of any U.S. citizen and spouse desiring to sponsor the admission of an adopted alien orphan. The petition is filed with the Attorney General and must establish to his satisfaction that the U.S. citizen and spouse will properly care for the orphan, and where the orphan has not been adopted abroad, that they will adopt such orphan upon entry and that the preadoption requirements of the State of the orphan's proposed residence have been met. If, after investigation, the Attorney General is satisfied that the facts set forth in the petition are true and that the citizen and spouse are persons of good moral character, he shall approve the petition and forward a copy thereof to the Department of State and the Secretary of State shall then authorize the appropriate consular officer to issue the visa after the consular officer has determined that the child is an eligible orphan as defined in the bill.

This petition procedure is similar to that contained in section 4(b) of the act of September 11, 1957, as amended by the act of September 9, 1959. The program under that act expired on June 30, 1961, but from the institution of the petition procedure on September 9, 1959, to December 1960 a total of 2,765 orphan petitions were approved by the Attorney General and only 219 were denied. In a majority of the cases the denials were based on the fact that the petitioners were unable to establish that they could properly care for the child to be adopted, or that the preadoption requirements of the State of intended residence had not been met, or that the child to be adopted could not qualify as an eligible orphan as defined in the act.

Section 4 of the bill provides that a special nonquota immigrant visa, which has been issued under the bill to a child lawfully adopted abroad by a U.S. citizen and spouse while the citizen is serving abroad in the Armed Forces or in the employment of the U.S. Government, shall be valid until the adoptive citizen parent returns to the United States in the course of his employment, but not to exceed a period of 3 years.

The committee, after consideration of all the facts, is of the opinion that the bill (S. 2237), as amended, should be enacted.

Mr. PASTORE. Madam President, I take this opportunity to express my personal appreciation to the distinguished chairman of the Senate Committee on the Judiciary [Mr. EASTLAND]. This bill can certainly be placed in the category of humanitarian legislation and the chairman and the members of his committee deserve the undying gratitude of all the people of our country who have been involved in this alien orphans' program. The majority leader is also deserving of commendation for his prompt consideration of this legislation.

Mr. KEATING. Madam President, for a number of weeks I, as well as a number of my colleagues, have been working diligently to secure passage of alien orphan legislation. Certainly no measure could be less controversial nor more appealing to the hearts of the Congress and the American people. Yet, the parliamentary maneuvering engaged in with respect to this program has been at times amazing.

After finally passing the alien orphan amendment to S. 1154, the educational and cultural exchange bill, the entire bill was sent to the House Committee on Foreign Affairs. Immediately following the passage of S. 1154 in the Senate, the distinguished chairman of the Senate Foreign Relations Committee, who did not want to accept the alien orphan amendment, expressed the hope that the House would knock out the alien orphan provisions of S. 1154. It is my understanding that this is precisely what the House Foreign Affairs Committee has done.

Since rules of the other body pertaining to germaneness differ from this body, it is questionable whether an amendment can be offered on the floor of the House to include the alien orphan program. For that reason, action by the Senate on S. 2237 is necessary to keep the issue alive.

Passage of S. 2237 is the second time in this session of Congress that the Senate has seen fit to express approval of this humanitarian legislation. It is my hope that the House of Representatives will now act expeditiously in approving S. 2237.

I am glad that the Senate Committee on the Judiciary approved my amendment to S. 2237 to extend the program for 2 years rather than the 1 year originally provided. This period should make it possible to consider any necessary reforms in the program before it again expires and thereby to lay the groundwork for making this program permanent.

Madam President, this is an important bill, despite its modest scope. It offers proof that America has a warm heart and that its people are deeply concerned with the welfare of the children of the world who find themselves alone and helpless through no fault of their own. I hope that we will have completed action on this measure before this session comes to an end. It deserves and should have the support of every Member of the Congress.

THE PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That on or before June 30, 1963, special nonquota immigrant visas may be issued in accordance with the provisions of section 3 of this Act to eligible orphans as defined in section 2 of this Act who are under fourteen years of age at the time the petition is filed with the Attorney general as required by section 3 of this Act. Not more than two such special nonquota immigrant visas may be issued to eligible orphans adopted or to be adopted by any one United States citizen and spouse, unless necessary to prevent the separation of brothers or sisters. No natural parent of any such eligible orphan shall thereafter, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 2. When used in this Act, the term "eligible orphan" shall mean an alien child who (1) is an orphan because of the death or disappearance of both parents, or because of abandonment or desertion by, or separation or loss from, both parents, or who has only one parent due to the death or disappearance of, abandonment or desertion by, or separation or loss from the other parent and the remaining parent is incapable of providing care for such orphan and has in writing irrevocably released him from emigration and adoption; (2)(A) has been lawfully adopted abroad by a United States citizen and spouse, or (B) is coming to the United States for adoption by a United States citizen and spouse; and (3) is ineligible for admission into the United States solely because that portion of the quota to which he would otherwise be chargeable is oversubscribed by applicants registered on the consular waiting list at the time his visa application is made.

SEC. 3. Any United States citizen and spouse claiming that any eligible orphan is entitled to a nonquota immigrant status under section 1 of this Act may file a petition with the Attorney General. The petition shall be in such form and shall contain such information and be supported by such documentary evidence as the Attorney General may by regulations prescribe. The petition shall establish to the satisfaction of the Attorney General that the petitioners will care for such eligible orphan properly if he is admitted to the United States and, if such eligible orphan has not been lawfully adopted abroad, that they will adopt such orphan in the United States and that the preadoption requirements, if any, of the State of such orphan's proposed residence have been met. After an investigation of the facts in each case, the Attorney General shall, if he determines the facts stated in the petition are true and that the petitioning United States citizen and spouse are persons of good moral character, approve the petition and forward one copy thereof to the Department of State. The Secretary of State shall then authorize the consular officer concerned to grant nonquota immigrant status to the beneficiary of such petition after the consular officer has determined that such beneficiary is an eligible orphan as herein defined.

SEC. 4. Any visa which has been or shall be issued to an eligible orphan under this Act or under any other immigration law to a child lawfully adopted by a United States citizen and spouse while such citizen is serving abroad in the United States Armed Forces, or is employed abroad by the United States Government, or is temporarily abroad on business, shall be valid until such time, for a period not to exceed three years, as the adoptive citizen parent returns to the United States in due course of his service, employment, or business.

Mr. JAVITS. Madam President, I move that the vote by which the bill was passed be reconsidered.

Mr. DIRKSEN. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXEMPTION OF SMALL HYDROELECTRIC PROJECTS FROM CERTAIN LICENSING PROVISIONS

The bill (S. 1606) to authorize the Federal Power Commission to exempt small hydroelectric projects from certain of the licensing provisions of the Federal Power Act was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsections (b), (e), and (i) of section 10 of the Federal Power Act, as amended (16 U.S.C. 803(b), 803(e), 803(i)), is amended by striking out the words "one hundred horsepower" in each such subsection and inserting in lieu thereof the words "two thousand horsepower".

PROHIBITION OF ABANDONMENT OF FACILITIES AND SERVICE WITHOUT CONSENT OF FEDERAL POWER COMMISSION

The bill (S. 1607) to amend the Federal Power Act to prohibit abandonment of facilities and service without the consent of the Federal Power Commission was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 202 of the Federal Power Act, as amended (16 U.S.C. 824a), is amended by adding at the end thereof a new subsection (g) as follows:

"(g) No public utility shall abandon or curtail any service subject to the jurisdiction of the Commission, or abandon all or any part of its facilities if it would thereby effect the abandonment, curtailment, or impairment of such service, without the permission and approval of the Commission first had and obtained, after notice and opportunity for hearing, upon a finding by the Commission that such abandonment or curtailment is consistent with the public interest."

AUTHORITY TO SUSPEND CHANGES IN RATE SCHEDULES UNDER NATURAL GAS ACT

The Senate proceeded to consider the bill (S. 1595) to amend the Natural Gas Act to give the Federal Power Commission authority to suspend changes in rate schedules covering rates for resale for industrial use only, which had been reported from the Committee on Commerce, with an amendment, in line 3, after the word "That", to strike out "(a) the first sentence of subsection (c) of section 4 of the Natural Gas Act, as amended (15 U.S.C. 717c(c)), is amended by changing the words "or State commission" to read "State commission, or gas distributing company".''; at the be-

ginning of line 7, to strike out "(b)", and in the same line, after the word "of", where it appears the second time, to strike out "such Act" and insert "the Natural Gas Act (15 U.S.C. 717c(e))"; in line 8, after the word "is", to strike out "further", and in line 9, after the word "striking", to strike out "out *"Provided,"* and insert "out: *"Provided,"*; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (e) of section 4 of the Natural Gas Act (15 U.S.C. 717c(e)) is amended by striking out: *"Provided,* That the Commission shall not have authority to suspend the rate, charge, classification, or service for the sale of natural gas for resale for industrial use only;".

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

BILL PASSED OVER

The bill (S. 1808) to amend the Merchant Marine Act, 1936, to encourage the construction and maintenance of American-flag vessels built in American shipyards was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. DIRKSEN. Madam President, I ask that the bill go over.

The PRESIDING OFFICER. The bill will go over.

IMPLEMENT PROVISION OF INTERNATIONAL CONVENTION FOR THE PREVENTION OF THE POLLUTION OF THE SEA BY OIL

The Senate proceeded to consider the bill (S. 2187) to implement the provision of the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954, which had been reported from the Committe on Commerce with amendments, on page 2, line 15, after the word "of", where it appears the second time, to insert "less than"; in line 16, after the word "hundred", to strike out "or more"; in line 17, after the word "shall", to insert "not"; in line 22, after the word "in", to strike out "the schedule to" and insert "section 12 of"; on page 7, line 11, after the word "in", to strike out "the schedule to" and insert "section 13 of"; on page 8, after line 15, to insert a new section, as follows:

SEC. 12. (a) Subject to paragraph (c) of this section, the prohibited zones in relation to tankers shall be all sea areas within fifty miles from land, with the following exceptions:

(1) THE ADRIATIC ZONES.—Within the Adriatic Sea the prohibited zones off the coasts of Italy and Yugoslavia respectively shall each extend for a distance of fifty miles from land, excepting only the island of Vis.

(2) THE NORTH SEA ZONE.—The North Sea Zone shall extend for a distance of one hundred miles from the coasts of the following countries—

Belgium,
Denmark,
the Federal Republic of Germany,
the Netherlands,
the United Kingdom of Great Britain and Northern Ireland;

but not beyond the point where the limit of a one hundred-mile zone off the west coast of Jutland intersects the limit of the fifty-mile zone off the coast of Norway.

(3) THE ATLANTIC ZONE.—The Atlantic Zone shall be within a line drawn from a point on the Greenwich meridian one hundred miles in a north-northeasterly direction from the Shetland Islands; thence northward along the Greenwich meridian to latitude 64 degrees north; thence westward along the 64th parallel to longitude 10 degrees west; thence to latitude 60 degrees north, longitude 14 degrees west; thence to latitude 54 degrees 30 minutes north, longitude 30 degrees west; thence to latitude 44 degrees 20 minutes north, longitude 30 degrees west; thence to latitude 48 degrees north, longitude 14 degrees west; thence eastward along the forty-eighth parallel to a point of intersection with the fifty-mile zone off the coast of France: *Provided,* That in relation to voyages which do not extend seaward beyond the Atlantic Zone as defined above, and which are to points not provided with adequate facilities for the reception of oily residue, the Atlantic Zone shall be deemed to terminate at a distance of one hundred miles from land.

(4) THE AUSTRALIAN ZONE.—The Australian Zone shall extend for a distance of one hundred and fifty miles from the coasts of Australia, except off the north and west coasts of the Australian mainland between the point opposite Thursday Island and the point on the west coast at 20 degrees south latitude.

(b) Subject to paragraph (c) of this section the prohibited zones in relation to ships other than tankers shall be all sea areas within fifty miles from land with the following exceptions:

(1) THE ADRIATIC ZONES.—Within the Adriatic Sea the prohibited zones off the coasts of Italy and Yugoslavia respectively shall each extend for a distance of twenty miles from land, excepting only the Island of Vis. After the expiration of a period of three years following the application of prohibited zones to ships other than tankers in accordance with section 3(b) of this Act the said zones shall each be extended by a further thirty miles in width unless the two Governments agree to postpone such extension. In the event of such an agreement, the Convention provides for notification to be given accordingly to the Intergovernmental Maritime Consultative Organization by said governments not less than three months before the expiration of such period of three years and for notification to be given to all contracting governments by the Intergovernmental Maritime Consultative Organization.

(2) THE NORTH SEA AND ATLANTIC ZONES.—The North Sea and Atlantic Zones shall extend for a distance of one hundred miles from the coasts of the following countries:

Belgium,
Denmark,
the Federal Republic of Germany,
Ireland,
the Netherlands,
the United Kingdom of Great Britain and Northern Ireland,

but not beyond the point where the limit of a one-hundred-mile zone off the west coast of Jutland intersects the limit of the fifty-mile zone off the coast of Norway.

(c) With respect to the reduction or extension of the zones described above effectuated under the terms of the Convention, the Secretary of the Army shall give notice thereof by publication of such information in Notices to Mariners issued by the United States Coast Guard and United States Navy.

On page 12, after line 5, to insert a new section, as follows:

SEC. 13. (a) The Secretary shall have printed separate booklets which set forth instructions and spaces for inserting information as follows:

(1) FOR TANKERS.—

(A) Date of entry.

(B) Ballasting of and discharge of ballast from cargo tanks.

(i) Identity numbers of tank(s).

(ii) Type of oil previously contained in tank(s).

(iii) Date and place of ballasting.

(iv) Date and time of discharge of ballast water.

(v) Place or position of ship.

(vi) Approximate amount of oil contaminated water transferred to slop tank(s).

(vii) Identity numbers of slop tank(s).

(C) Cleaning of cargo tanks.

(i) Identity numbers of tank(s) cleaned.

(ii) Type of oil previously contained in tank(s).

(iii) Identity numbers of slop tank(s) to which washings transferred.

(iv) Dates and times of cleaning.

(D) Settling in slop tank(s) and discharge of water.

(i) Identity numbers of slop tank(s).

(ii) Period of settling (in hours).

(iii) Date and time of discharge of water.

(iv) Place or position of ship.

(v) Approximate quantities of residue.

(E) Disposal from ship of oily residues from slop tanks and other sources.

(i) Date and method of disposal.

(ii) Place or position of ship.

(iii) Sources and approximate quantities.

(F) Signature of officer or officers in charge of the operations concerned and signature of the master.

(2) FOR SHIPS OTHER THAN TANKERS.—

(A) Date of entry.

(B) Ballasting, or cleaning during voyage, of bunker fuel tanks.

(i) Identity number of tank.

(ii) Type of oil previously contained in tank.

(iii) Date and place of ballasting.

(iv) Date and time of discharge of ballast or washing water.

(v) Place or position of ship.

(vi) Whether separator used: if so, give period of use.

(vii) Disposal of oily residue retained on board.

(C) Disposal from ship of oily residues from bunker fuel tanks and other sources.

(i) Date and method of disposal.

(ii) Place or position of ship.

(iii) Sources and approximate quantities.

(D) Signature of officer or officers in charge of the operations concerned and signature of the master.

(3) FOR ALL SHIPS.—

(A) Date of entry.

(B) Accidental and other exceptional discharges or escapes of oil.

(i) Date and time of occurrence.

(ii) Place or position of ship.

(iii) Approximate quantity and type of oil.

(iv) Circumstances of discharge or escape and general remarks.

(C) Signature of office or officers in charge of the operations concerned and signature of the master.

(b) The booklet shall be furnished free to all seagoing ships of American registry subject to this Act. The provisions of section 140 of title 5, United States Code, shall not apply. The ownership of the booklet shall remain in the United States Government. This booklet shall be available for inspection as provided in this Act and for surrender to the United States Government pursuant to regulations of the Secretary.

On page 15, line 16, to change the section number from "12" to "14"; in line 19, to change the section number from "13" to "15"; in line 24, to change the section number from "14" to "16"; and on page 16, line 4, to change the section

number from "15" to "17"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, to implement the provisions of the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954, may be cited as the "Oil Pollution Act, 1961".

SEC. 2. DEFINITIONS.—As used in this Act, unless the context otherwise requires—

(a) The term "convention" means the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954;

(b) The term "discharge" in relation to oil or to an oily mixture means any discharge or escape howsoever caused;

(c) The term "heavy diesel oil" means marine diesel oil, other than those distillates of which more than 50 per centum, by volume distills at a temperature not exceeding three hundred and forty degrees centigrade when tested by American Society for the Testing of Materials standard method D. 158/53;

(d) The term "mile" means a nautical mile of six thousand and eighty feet or one thousand eight hundred and fifty-two meters;

(e) The term "oil" means persistent oils, such as crude oil, fuel oil, heavy diesel oil, and lubricating oil. For the purposes of this legislation, the oil in an oily mixture of less than one hundred parts of oil in one million parts of the mixture, shall not be deemed to foul the surface of the sea;

(f) The term "person" means an individual, partnership, corporation, or association; and any owner, operator, agent, master, officer, or employee of a ship;

(g) The term "prohibited zones" means the zones described in section 12 of this Act as modified by notices, if any, of extension or reduction issued by the Secretary;

(h) The term "Secretary" means the Secretary of the Army;

(i) The term "ship" means a seagoing ship of American registry except—

(1) ships for the time being used as naval auxiliaries;

(2) ships of under five hundred tons gross tonnage;

(3) ships for the time being engaged in the whaling industry;

(4) ships for the time being navigating the Great Lakes of North America and their connecting and tributary waters as far east as the lower exit of the Lachine Canal at Montreal in the Province of Quebec, Canada.

SEC. 3. (a) Subject to the provisions of sections 4 and 5, the discharge by any person from any ship, which is a tanker, within any of the prohibited zones of oil or any oily mixture the oil in which fouls the surface of the sea, shall be unlawful.

(b) Subject to the provisions of sections 4 and 5, any discharge by any person into the sea from a ship, other than a tanker, of oily ballast water or tank washings shall be made as far as practicable from land. As from July 26, 1961, paragraph (a) of this section shall apply to ships other than tankers as it applies to tankers except that the prohibited zones in relation to ships other than tankers shall be those referred to in the schedule.

SEC. 4. Section 3 shall not apply to—

(a) the discharge of oil or of an oily mixture from a ship for the purpose of securing the safety of the ship, preventing damage to the ship or cargo, or saving life at sea; or

(b) the escape of oil, or of an oily mixture, resulting from damage to the ship or unavoidable leakage, if all reasonable precautions have been taken after the occurrence of the damage or discovery of the leakage for the purpose of preventing or minimizing the escape;

(c) the discharge of sediment—

(i) which cannot be pumped from the cargo tanks of tankers by reason of its solidity; or

(ii) which is residue arising from the purification or clarification of oil fuel or lubricating oil,

Provided, That such discharge is made as far from land as is practicable.

SEC. 5. Section 3 shall not apply to the discharge from the bilges of a ship—

(a) of any oily mixture, during the period of twelve months after the United States accepts the convention;

(b) after the expiration of such period, of an oily mixture containing no oil other than lubricating oil.

SEC. 6. Any person who violates any provision of this Act, except sections 8(b) and 9, or any regulation prescribed in pursuance thereof, is guilty of a misdemeanor, and upon conviction shall be punished by a fine not exceeding $2,500 nor less than $500, or by imprisonment not exceeding one year, or by both such fine and imprisonment, for each offense. And any ship (other than a ship owned and operated by the United States) from which oil is discharged in violation of this Act, or any regulation prescribed in pursuance thereof, shall be liable for the pecuniary penalty specified in this section, and clearance of such ship from a port of the United States may be withheld until the penalty is paid, and said penalty shall constitute a lien on such ship which may be recovered in proceedings by libel in rem in the district court of the United States for any district within which the ship may be.

SEC. 7. The Coast Guard may, subject to the provisions of section 4450 of the Revised Statutes, as amended (46 U.S.C. 239), suspend or revoke a license issued to the master or other licensed officer of any ship found violating the provisions of this Act or the regulations issued pursuant thereto.

SEC. 8. (a) In the administration of sections 1–12 of this Act, the Secretary may make use of the organization, equipment, and agencies, including engineering, clerical, and other personnel, employed under his direction in the improvement of rivers and harbors and in the enforcement of laws for the improvement of rivers and harbors and in the enforcement of laws for the preservation and protection of navigable waters. For the better enforcement of the provisions of said sections, the officers and agents of the United States in charge of river and harbor improvements and persons employed under them by authority of the Secretary, and officers and employees of the Bureau of Customs and the Coast Guard, shall have power and authority and it shall be their duty to swear out process and to arrest and take into custody, with or without process, any person who may violate any of said provisions: *Provided,* That no person shall be arrested without process for a violation not committed in the presence of some one of the aforesaid officials: *And provided further,* That whenever any arrest is made under the provisions of said sections the person so arrested shall be brought forthwith before a commissioner, judge, or court of the United States for examination of the offenses alleged against him; and such commissioner, judge, or court shall proceed in respect thereto as authorized by law in cases of crimes against the United States. Representatives of the Secretary and of the Bureau of Customs and Coast Guard of the United States may go on board and inspect any ship in a prohibited zone or in a port of the United States as may be necessary for enforcement of this Act.

(b) To implement article VII of the convention, ship fittings and equipment, and operating requirements thereof, shall be in accordance with regulations prescribed by the Secretary of the Department in which the Coast Guard is operating. Any person found violating these regulations shall, in addition to any other penalty prescribed by law, be subject to a civil penalty not in excess of $100.

SEC. 9. (a) There shall be carried in every ship an oil record book in the form specified in section 13 of this Act. In the event of discharge or escape of oil from a ship in a prohibited zone, a signed statement shall be made in the oil record book, by the officer or officers in charge of the operations concerned and by the master of the ship, of the circumstances of and the reason for the discharge or escape.

(b) If any person fails to comply with the requirements imposed by or under this section, he shall be liable on conviction to a fine not exceeding $1,000 nor less than $500 and if any person makes an entry in any records kept in accordance with this Act which is to his knowledge false or misleading in any material particular, he shall be liable on conviction to a fine not exceeding $1,000 nor less than $500 or imprisonment for a term not exceeding six months or both.

SEC. 10. The Secretary may make regulations for the administration of sections 3, 4, 5, 8(a), and 9.

SEC. 11. (a) The Secretary may make regulations empowering such persons as may be designated to go on board any ship to which the convention applies, while the ship is within the territorial jurisdiction of the United States, and to require production of any records required to be kept in accordance with the convention.

(b) Should evidence be obtained that a ship registered in another country party to the convention has discharged oil in any prohibited zone, such evidence should be forwarded to the State Department for action in accordance with article X of the convention.

SEC. 12. (a) Subject to paragraph (c) of this section, the prohibited zones in relation to tankers shall be all sea areas within fifty miles from land, with the following exceptions:

(1) THE ADRIATIC ZONES.—Within the Adriatic Sea the prohibited zones off the coasts of Italy and Yugoslavia respectively shall each extend for a distance of fifty miles from land, excepting only the island of Vis.

(2) THE NORTH SEA ZONE.—The North Sea Zone shall extend for a distance of one hundred miles from the coasts of the following countries—

Belgium,
Denmark,
the Federal Republic of Germany,
the Netherlands,
the United Kingdom of Great Britain and Northern Ireland;

but not beyond the point where the limit of a one-hundred-mile zone off the west coast of Jutland intersects the limit of the fifty-mile zone off the coast of Norway.

(3) THE ATLANTIC ZONE.—The Atlantic Zone shall be within a line drawn from a point on the Greenwich meridian one hundred miles in a north-northeasterly direction from the Shetland Islands; thence northward along the Greenwich meridian to latitude 64 degrees north; thence westward along the 64th parallel to longitude 10 degrees west; thence to latitude 60 degrees north, longitude 14 degrees west; thence to latitude 54 degrees 30 minutes north, longitude 30 degrees west; thence to latitude 44 degrees 20 minutes north, longitude 30 degrees west; thence to latitude 48 degrees north, longitude 14 degrees west; thence eastward along the forty-eighth parallel to a point of intersection with the fifty-mile zone off the coast of France: *Provided,* That in relation to voyages which do not extend seaward beyond the Atlantic Zone as defined above, and which are to points not provided with adequate facilities for the reception of oily residue, the Atlantic Zone shall be deemed to terminate at a distance of one hundred miles from land.

(4) THE AUSTRALIAN ZONE.—The Australian Zone shall extend for a distance of one

hundred and fifty miles from the coasts of Australia, except off the north and west coasts of the Australian mainland between the point opposite Thursday Island and the point on the west coast at 20 degrees south latitude.

(b) Subject to paragraph (c) of this section the prohibited zones in relation to ships other than tankers shall be all sea areas within fifty miles from land with the following exceptions:

(1) THE ADRIATIC ZONES.—Within the Adriatic Sea the prohibited zones off the coasts of Italy and Yugoslavia respectively shall each extend for a distance of twenty miles from land, excepting only the Island of Vis. After the expiration of a period of three years following the application of prohibited zones to ships other than tankers in accordance with section 3(b) of this Act the said zones shall each be extended by a further thirty miles in width unless the two Governments agree to postpone such extension. In the event of such an agreement, the Convention provides for notification to be given accordingly to the Intergovernmental Maritime Consultative Organization by said governments not less than three months before the expiration of such period of three years and for notification to be given to all contracting governments by the Intergovernmental Maritime Consultative Organization.

(2) THE NORTH SEA AND ATLANTIC ZONES.—The North Sea and Atlantic Zones shall extend for a distance of one hundred miles from the coasts of the following countries:

Belgium,
Denmark,
the Federal Republic of Germany,
Ireland,
the Netherlands,
the United Kingdom of Great Britain and Northern Ireland,

but not beyond the point where the limit of a one-hundred-mile zone off the west coast of Jutland intersects the limit of the fifty-mile zone off the coast of Norway.

(c) With respect to the reduction or extension of the zones described above effectuated under the terms of the Convention, the Secretary of the Army shall give notice thereof by publication of such information in Notices to Mariners issued by the United States Coast Guard and United States Navy.

SEC. 13. (a) The Secretary shall have printed separate booklets which set forth instructions and spaces for inserting information as follows:

(1) FOR TANKERS.—
(A) Date of entry.
(B) Ballasting of and discharge of ballast from cargo tanks.
(i) Identity numbers of tank(s).
(ii) Type of oil previously contained in tank(s).
(iii) Date and place of ballasting.
(iv) Date and time of discharge of ballast water.
(v) Place or position of ship.
(vi) Approxmiate amount of oil contaminated water transferred to slop tank(s).
(vii) Identity numbers of slop tank(s).
(C) Cleaning of cargo tanks.
(i) Identity numbers of tank(s) cleaned.
(ii) Type of oil previously contained in tank(s).
(iii) Identity numbers of slop tank(s) to which washings transferred.
(iv) Dates and times of cleaning.
(D) Settling in slop tank(s) and discharge of water.
(i) Identity numbers of slop tank(s).
(ii) Period of settling (in hours).
(iii) Date and time of discharge of water.
(iv) Place or position of ship.
(v) Approximate quantities of residue.
(E) Disposal from ship of oily residues from slop tanks and other sources.
(i) Date and method of disposal.
(ii) Place or position of ship.
(iii) Sources and approximate quantities.
(F) Signature of Officer or Officers in Charge of the operations concerned and Signature of the Master.

(2) FOR SHIPS OTHER THAN TANKERS.—
(A) Date of entry.
(B) Ballasting, or cleaning during voyage, of bunker fuel tanks.
(i) Identity number of tank.
(ii) Type of oil previously contained in tank.
(iii) Date and place of ballasting.
(iv) Date and time of discharge of ballast or washing water.
(v) Place or position of ship.
(vi) Whether separator used: if so, give period of use.
(vii) Disposal of oily residue retained on board.
(C) Disposal from ship of oily residues from bunker fuel tanks and other sources.
(i) Date and method of disposal.
(ii) Place or position of ship.
(iii) Sources and approximate quantities.
(D) Signature of officer or officers in charge of the operations concerned and signature of the master.

(3) FOR ALL SHIPS.—
(A) Date of entry.
(B) Accidental and other exceptional discharges or escapes of oil.
(i) Date and time of occurrence.
(ii) Place or position of ship.
(iii) Approximate quantity and type of oil.
(iv) Circumstances of discharge or escape and general remarks.
(C) Signature of office or officers in charge of the operations concerned and signature of the master.

(b) The booklet shall be furnished free to all seagoing ships of American registry subject to this Act. The provisions of section 140 of title 5, United States Code shall not apply. The ownership of the booklet shall remain in the United States Government. This booklet shall be available for inspection as provided in this Act and for surrender to the United States Government pursuant to regulations of the Secretary.

SEC. 14. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEC. 15. If a provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the remainder of the Act and the application of such provision to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

SEC. 16. Nothing in this Act or in regulations issued hereunder shall be construed to modify or amend the provisions of the Oil Pollution Act, 1924 (33 U.S.C. 431–437), or of section 89 of title 14, United States Code.

SEC. 17. This Act shall become effective upon the date of its enactment or upon the date the United States becomes a party to the convention, whichever is the later date.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

YOM TOV YESHAYAHU BRISZK

The bill (S. 419) for the relief of Yom Tov Yeshayahu Briszk was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(4) of the Immigration and Nationality Act, Yom Tov Yeshayahu Briszk may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act: *And provided further,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act.

HERIPSIME HOVNANIAN

The bill (S. 1786) for the relief of Heripsime Hovnanian was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of paragraph (25) of section 212(a) of the Immigration and Nationality Act, Heripsime Hovnanian may be issued an immigrant visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such Act: *Provided,* That this Act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act.

MRS. LEE CHEE SHEE

The bill (S. 1928) for the relief of Mrs. Lee Chee Shee was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Mrs. Lee Chee Shee, the widow of a United States citizen, shall be held and considered to be within the purview of section 101(a)(27)(A) of that Act and the provisions of section 205 of that Act shall not be applicable in this case.

DR. JOHN LOPINTO ARZAGA

The bill (S. 2118) for the relief of Dr. John Lopinto Arzaga was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor John Lopinto Arzaga shall be deemed to be within the purview of section 319(a) of that Act.

CONCETTA CASOLA

The Senate proceeded to consider the bill (S. 456) for the relief of Concetta Casola, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, for the purpose of the Act of September 22, 1959 (Public Law 86-363), Concetta Casola shall be deemed to be within the purview of section 4 of that Act.

The amendment was agreed to.

The bill was ordered to be engrosssed for a third reading, was read the third time, and passed.

DAVID LEW HUIE

The Senate proceeded to consider the bill (S. 1053) for the relief of David Lew Huie, which had been reported from the Committee on the Judiciary with an amendment, in line 7, after the word "fee.", to strike out "Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota control officer to deduct one number from the appropriate quota for the first year that such quota is available.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, David Lew Huie shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

MRS. MARCELITA LOPEZ KABAYAO MORTENSEN

The Senate proceeded to consider the bill (S. 1190) for the relief of Mrs. Marcelita Lopez Kabayao Mortensen, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, the provisions of sections 202(a)(5) and 202(b)(2) of that Act shall not be applicable in the case of Mrs. Marcelita Lopez Kabayao Mortensen.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

MARGHERITA FERRELLI D'AMICO

The Senate proceeded to consider the bill (S. 1585) for the relief of Margherita Ferrelli D'Amico, which had been reported from the Committee on the Judiciary with an amendment, in line 7, after the word "States", to insert a colon and *"Provided,* That the natural parents of the said Margherita Ferrelli D'Amico shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.", so as to make the bill read:

Be it enacted by the Senate and House of Repesentatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Margherita Ferrelli D'Amico, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Vincent D'Amico, both citizens of the United States: *Provided,* That the natural parents of the said Margherita Ferrelli D'Amico shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

MARIA TRELA TERPAK

The Senate proceeded to consider the bill (S. 976) for the relief of Maria Trela Terpak which had been reported from the Committee on the Judiciary with amendments, in line 5, after the word "child", to strike out "Marya" and insert "Maria", and in line 8, after the word "said", to strike out "Marya" and insert "Maria"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Maria Trela Terpak, shall be held and considered to be the natural-born alien child of Mr. and Mrs. George Terpak, Junior, citizens of the United States: *Provided,* That the natural parents of the said Maria Trela Terpak shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Maria Trela Terpak."

HERNANDO DE SOTO WEEK

The Senate proceeded to consider the joint resolution (S.J. Res. 8) to provide for the designation of the week of Whitsunday of each year as "Hernando de Soto Week," which had been reported from the Committee on the Judiciary with an amendment, on page 2, line 5, after the word "year", to strike out "1961" and insert "1962", so as to make the joint resolution read:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate the week beginning with Whitsunday of each year, beginning with the year 1962, as "Hernando de Soto Week" and to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies.

The amendment was agreed to.

The joint resolution, as amended, was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

AMERICAN INDIAN DAY

The joint resolution (S.J. Res. 84) to establish the fourth Friday in September of every year as American Indian Day was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection the Senate proceeded to consider the joint resolution.

Mr. JAVITS. Madam President, the passage today by the Senate of Senate Joint Resolution 84, the bill to establish American Indian Day, was indeed heartening. This legislation was suggested to me last year in a letter by a 7-year-old schoolgirl from Jackson Heights, N.Y.

It is my hope that the annual celebration of American Indian Day will focus the public's attention on the cultural, social, and educational growth of the American Indian, that it will remind us to treat the American Indian with full respect and equality and the dignity to which the original Americans are entitled.

I sincerely hope that the House will now act promptly on this legislation and that the President will sign it so that we may celebrate America's first Indian Day on September 22 of this year.

Madam President, I ask unanimous consent that the same privilege, to have statements on the joint resolution printed at this point, be extended to other sponsors of the joint resolution and other Senators as well.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEATING. Madam President, I am pleased to be a cosponsor of Senate Joint Resolution 84, which establishes the fourth Friday in September as American Indian Day. It is fitting that the Congress recognize in this manner the many contributions to American life by the first inhabitants of our land.

The American Indian has added greatly to the life and culture of our Nation. My own State of New York is particularly proud of the New York State tribes which have added so much to the history and development of New York.

The PRESIDING OFFICER. The question is on the third reading and passage of the joint resolution.

The joint resolution (S.J. Res. 84) was ordered to be engrossed for a third reading, was read the third time, and passed as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the fourth Friday in September of every year is designated as American Indian Day, and the President of the United States is authorized and directed to issue annually a proclamation setting aside that day as a public occasion and inviting the people of the United States to observe that day with appropriate ceremonies.

The PRESIDING OFFICER. Without objection, the preamble is agreed to.

CENTENNIAL OF THE ENACTMENT OF THE HOMESTEAD ACT

The joint resolution (S.J. Res. 98) for the observance of the centennial of the enactment of the Homestead Act was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. HRUSKA. Madam President, I am gratified at the promptness with which the Judiciary Committee has acted in reporting to the Senate the resolution introduced by my colleague, Senator CURTIS, and cosponsored by myself and others, calling upon the President to proclaim calendar year 1962 as the centennial of the enactment of the Homestead Act.

Few pieces of legislation in our history have had a wider ranging or more profound effect on the Nation's development

and growth. Without it, the West for decades might have remained a vast, undeveloped wilderness. Instead, thousands of pioneers were able to carve out for themselves and their families new homes and new occupations. This was, of course, no easy task. It demanded the best of men—and women—and we from those Western States take great pride in the rich heritage that is ours.

While Nebraskans have a particular interest in the observation of the centennial because the first homestead granted under the act was in Gage County, Nebr., the real impact has been felt by the whole Nation.

Probably no other single law has done so much toward shaping the democratic nature of this country. Plantations and corporation-owned farms were becoming the order of the day. Then, by a single act, the Nation changed course and made possible the development of small, family-sized farms, for decades the economic and sociological backbone of America. Who can calculate what the run of history might have been in the past hundred years had our leaders of that day followed the old course? Would we have held on to the precious individualism and love of liberty which today is the chief difference between our Nation and our enemies abroad?

Fortunately, we don't have to find the answer. We did revolutionize our economy and we did maintain those priceless values.

America owes a lasting debt to the farsighted wisdom of that Congress of a century ago and of Abraham Lincoln whose signature made the Homestead Act a reality.

Mr. CURTIS. Madam President, earlier this year we began a series of events which will observe the most significant period of history thus far in our national life. Men are made stronger in character, deeper in understanding by great trials. The trials of 4 years of war between the States of this Nation—the regeneration of spirit which insured for all time the union of States, played a major part in our elevation to a position of world leadership.

During this time in our history the Congress enacted the Homestead Act, an act described by an eminent historian as the most forward-looking land disposal policy every achieved by any nation. President Lincoln signed the Homestead Act on May 20, 1862, and the first homestead under it was taken on its effective date, January 1, 1863. Quite naturally, my interest in the Homestead Act is whetted by the fact that this first homestead was taken on January 1, 1863, in Gage County, Nebr., by Daniel Freeman during a period of leave from his services in the Union Army. But the breadth and deep significance of this act most certainly obviate any effort to seek commemoration for my State in which the first homestead was taken. My colleague, Senator HRUSKA, and I have been joined by 35 of our colleagues to introduce the commemorative resolution which is before us today. We are joined by many whose antecedents wore both the blue and the gray in the War Between the States.

By the year 1880, 469,782 homesteads were taken under the act of 1862 covering 55,667,645 acres. It is interesting to note that 94,000 of these were taken in 5 States formerly members of the Confederate States of America. As of June 30, 1960, final homestead entries numbered 1,466,033 covering 248,015,473 acres of lands.

We Senators who are authors of this resolution to commemorate the Homestead Act believe it deserves tribute during this period of commemorating a very significant time of national history. It is our hope, as expressed in the resolution, that the President will call upon Governors of our States, mayors of our cities, and other suitable persons or organizations to arrange appropriate observance. The President is also requested, by the resolution, to invite the participation of Federal agencies and officials who can contribute to this objective.

In closing, I wish to thank the Senate for taking the time for interest shown here today in this resolution and I quote a most meaningful tribute paid the Homestead Act by a Canadian newspaper during the time of its debate in the Congress. This editorial eulogized the Homestead Act in these words:

> Partial offers of such gifts have often been made before, but we doubt whether any endowment on so magnificent a scale has ever been conferred on the moneyless sons of labor, not on one country, but of the civilized world.

The PRESIDING OFFICER. The question is on the engrossment and passage of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

> *Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the President is requested (1) to issue a proclamation designating the calendar year 1962 as the centennial of the enactment of the Homestead Act, and calling upon the Governors of the States, mayors of cities, and other public officials, as well as other persons, organizations, and groups, particularly in the States most directly affected by the Homestead Act, to observe such centennial by appropriate celebrations and ceremonies; and (2) to provide, in such manner as he deems appropriate, for participation by Federal agencies and officials in such observance.

CENTENNIAL OF THE ESTABLISHMENT OF THE DEPARTMENT OF AGRICULTURE

The joint resolution (H. J. Res. 435) to provide for the recognition of the centennial of the establishment of the Department of Agriculture and for other purposes was considered, ordered to a third reading, read the third time, and passed.

CENTENNIAL OF ESTABLISHMENT OF NATIONAL SYSTEM OF LAND-GRANT UNIVERSITIES AND COLLEGES

The Senate proceeded to consider the joint resolution (H. J. Res. 436) to provide for the recognition of the centennial of the establishment of the national system of land-grant universities and colleges.

Mr. PROUTY. Madam President, I am pleased to be able to support this resolution which provides for the centennial celebration of the establishment of the land-grant colleges and universities for two principal reasons.

First of all, the author of the legislation which brought about our land-grant colleges was Senator Justin Smith Morrill, of Vermont, and in honor of the centennial of the Morrill Act, my State is planning a fitting celebration next year of the occasion.

Secondly, the Land Grant Act is of national significance and the celebration of its centennial can do more than pay tribute to the past; it can focus attention on the educational needs of today.

In our world of ever-expanding scientific and cultural horizons, in a time when we find ourselves engaged with a cunning adversary in the battle of brains, it is important to dramatize the Nation's need of widespread educational opportunities.

I can think of no more effective way to dramatize this than by refreshing the public memory, through the proposed centennial celebration. The inspiring story of Justin Smith Morrill and his long fight to make higher education available, not only to the sons of the rich but to every American with the capacity and the industry to utilize the opportunity for such an education, should prove an inspiration for our own times. Today there are 68 land-grant colleges and State universities. They help educate no less than one-fifth of America's college students. They award at least 40 percent of all doctorates in this country and more than half of them are in the sciences, engineering and the health professions. And all of American degrees in agriculture come from land-grant institutions.

All of this grew out of the Morrill Act of 1862, signed by President Lincoln, which made it possible for the Federal Government to give to each State a grant of public land with the proviso that the proceeds from the sale of this land be used to endow at least one college in each State open to all able and willing to learn.

Coming at a time when the Nation was expanding, when the need for widespread education was, as today, deeply felt in the country and when established institutions of higher education were few, restrictive and expensive, the Morrill Act opened the doors of opportunity to thousands of our young men and women and enriched our growing country beyond calculation.

Today it is vital to our national interests to encourage the scientists and scholars of tomorrow. If a national celebration of the establishment of the land-grant colleges and State universities can help focus public attention on our present educational needs, it will be well worthwhile.

It is an interesting observation that the man responsible above all others for initiating and successfully promoting

through Congress this enlightened act, himself received no formal schooling beyond the age of 14. Perhaps this very lack is what inspired his interest in education for all.

Justin Smith Morrill was born in Strafford, Vt., in 1810 and was first elected to the U.S. House of Representatives in 1854 where he remained for 12 years. Thereafter he was elected and reelected to the U.S. Senate for 32 more years, for for a total of 44 years of service in Congress, longer than any Congressman before his time.

Although he is best known for the Morrill Land-Grant College Act, he was also a prime mover in the completion of the Washington Monument after more than a quarter century of neglect. He was active in having the old Hall of Representatives set aside as Statuary Hall, in the erection of the Library of Congress, and in the marble terracing of the west front of the Capitol, a project of special interest to all currently in the Congress because of the recent completion of the new west front in marble. His last speech to the Senate was a plea for a home for the Supreme Court.

On the occasion of the centenary exercises by the State of Vermont in honor of Justin Morrill's birth, the then Governor of the State concluded his address with some words of tribute to this farsighted Vermonter. I, also, would like to conclude by repeating those words of my late uncle, Gov. George H. Prouty:

We do well to pay tribute to his memory, for by so doing we only repay in small degree the great debt of gratitude we owe him.

The bill now before the Senate, which at least in part will do honor to Senator Morrill's great work, ought to pass not only to repay the debt of gratitude to the past, but to make an investment in the future of our country.

The PRESIDING OFFICER. The question is on the third reading and passage of the joint resolution.

The joint resolution was read the third time, and passed.

REMOVAL OF STATUTORY LIMITATION ON AMOUNT OF PROPERTY HELD BY NATIONAL SOCIETY OF THE SONS OF THE AMERICAN REVOLUTION

The bill (S. 2239) to amend the act entitled "An act to incorporate the National Society of the Sons of the American Revolution," approved June 9, 1906 (34 Stat. 227), in order to remove the statutory limitation on the amount of property such society may receive, purchase, hold, sell, and convey at any one time was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Act entitled "An act to incorporate the National Society of the Sons of the American Revolution", approved June 9, 1906 (34 Stat. 227), is amended by striking out the following: ", to an amount not exceeding at any one time in the aggregate $500,000".

AMERICAN HISTORY MONTH

The joint resolution (S.J. Res. 22) designating February of each year as American History Month was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. KEATING. Madam President, at a time when our Nation is passing through a period of history when one crisis after another is presented to the American people, it is particularly important for Americans to have a full knowledge of their history.

An understanding and appreciation of the heritage of our country will serve as a fountain for the enrichment of future generations. It is not a reliance on past achievements that will keep America great. However, it is a reliance upon the moral fiber and patriotism, wisdom, faith and perseverance of our forefathers which will enable the United States to meet the challenges of the coming decade.

The Society of the Daughters of the American Revolution has done a fine and commendable job in backing this commemoration of February as American History Month and their efforts should be widely applauded.

America's debt to the past is great. Our obligation to the world in the future will even be greater. I am hopeful that a national proclamation of American History Month will help to underscore for all Americans what has made this Nation the greatest nation on the face of the earth. I hope this proposal will gain the prompt and favorable consideration it deserves.

The PRESIDING OFFICER. The question is on the engrossment and passage of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That February of each year is hereby designated as American History Month, and the President of the United States is requested and authorized to issue annually a proclamation inviting the people of the United States to observe such month in schools, churches, and other suitable places with appropriate ceremonies and activities.

The preamble was agreed to.

INTERFAITH DAY

The joint resolution (S.J. Res. 107) designating the fourth Sunday in September of each year as Interfaith Day was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. KEATING. Madam President, I am especially proud that the interfaith movement in New York has gained such widespread approval and acceptance. In several States across our land Interfaith Day is observed.

The designation of an Interfaith Day would encourage the mutual understanding of all people of our country and would serve further to call attention to the rest of the world the principles upon which our Nation was founded.

Interfaith Day has been regularly observed in New York, primarily as a result of the dedicated efforts and perseverance of a small group which has year by year won increasing support for the celebration. The interfaith movement of New York, under Samuel Sokolski, Sidney Searles, and others has played a vital part in arousing America to the need for cooperation and understanding among different religions.

The founders of this great country came, in many instances, in the search of religious freedom. It is in the spirit of mutual understanding, brotherhood and cooperation among all religious groups that this resolution has been offered. It is my sincere hope that this joint resolution will be acted upon favorably in the Senate and that the House of Representatives will favorably consider the resolution as well.

The PRESIDING OFFICER. The question is on the engrossment and passage of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the fourth Sunday in September of each year is hereby designated as "Interfaith Day", and the President of the United States is authorized and requested to issue annually a proclamation calling on the people of the United States to observe such day, and urging the participation of all Americans and all religious groups in the United States, regardless of sect or creed, to participate in the observance of such day to the extent and by such means as they may deem appropriate.

CONCURRENT RESOLUTION PASSED OVER

The concurrent resolution (S. Con. Res. 14) saluting "Uncle Sam" Wilson of Troy, N.Y., as the progenitor of America's national symbol of "Uncle Sam," was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the current resolution?

Mr. HART. Over, by request.

The PRESIDING OFFICER. Objection is heard; the concurrent resolution will be passed over.

COMPACT BETWEEN THE STATES OF NORTH DAKOTA AND MINNESOTA

The bill (H.R. 7189) granting the consent of Congress to the compact or agreement between the States of North Dakota and Minnesota with respect to the boundary between such States was considered, ordered to a third reading, read the third time, and passed.

SALE OF LIGHT STATION PROPERTY IN SCITUATE, MASS.

The bill (H.R. 1452) to authorize the sale of a portion of the former light station property in Scituate, Mass., was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 1969) to amend the Federal Aviation Act of 1958, as amended, to provide for a class of supplemental air carriers, and for other purposes was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HART. I ask that the bill go over, on the ground that it is not appropriate for calendar business consideration.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 6765) to authorize acceptance of an amendment to the articles of agreement of the International Finance Corporation permitting investment in capital stock was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HART. I ask that the bill go over, for the same reason stated as to the previous one, that it is not appropriate calendar business.

The PRESIDING OFFICER. The bill will go over.

CLEARANCE OF CERTAIN PORTIONS OF THE OAHE RESERVOIR AREA

The Senate proceeded to consider the bill (S. 540) to authorize the Chief of Engineers to enter into a contract with the Standing Rock Indian Tribe to provide for the clearing of certain portion of the Oahe Reservoir area, which had been reported from the Committee on Public Works, with amendments, on page 1, line 4, after the word "Rock", to insert "and Cheyenne River"; in line 5, after the word "Indian", to strike out "Tribe" and insert "Tribes"; in line 10, after the word "the", where it appears the first time, to strike out "tribe" and insert "tribes", and on page 2, line 1, after the word "the", to strike out "tribe" and insert "tribes"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Chief of Engineers is authorized to enter into a contract or contracts with the Standing Rock and Cheyenne River Indian Tribes, under such terms and conditions as he deems reasonable, to provide for clearing of such portion or portions of the Oahe Reservoir area as he may determine. The contracts may provide for such payment of consideration as may be mutually agreed upon by the Chief of Engineers and the tribes and may provide for the exclusive use of Indian labor if desired by the tribes. Subject to the provisions of section 2 of this Act, such contracts may be entered into without regard to other provisions of law relating to the making of contracts by the United States.

SEC. 2. Nothing in this Act shall be construed to constitute authorization hereunder for—

(a) the use of the cost-plus-a-percentage-of-cost system of contracting;

(b) any contract in violation of existing law relating to limitation of profits or

(c) the waiver of any payment, performance, or other bond required by law.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended, so as to read: "A bill to authorize the Chief of Engineers to enter into contracts with the Standing Rock and Cheyenne River Indian Tribes to provide for the clearing of certain portions of the Oahe Reservoir area."

BILLS PASSED OVER

The bill (S. 1368) to amend the Shipping Act of 1916 to provide for licensing independent ocean freight forwarders and for other purposes was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. DIRKSEN. Madam President, I ask that the bill go over.

The PRESIDING OFFICER. The bill will go over.

The bill (H.R. 2585) relating to the credits against the employment tax in the case of certain successor employers was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HART. Madam President, I ask unanimous consent that this bill and items on the calendar through 676 be put over. These are not appropriate for calendar action.

The PRESIDING OFFICER. The bills will be passed over.

The bills passed over are as follows:

H.R. 2585, an act relating to the credits against the employment tax in the case of certain successor employers.

H.R. 856, an act to amend section 704 of title 38, United States Code, to permit the conversion or exchange of policies of matured service life insurance to a new modified life plan.

S. 1130, a bill to amend title II of the Public Health Services Act to authorize grants for improving domestic agricultural migratory workers' health, service, and conditions.

S. 1126, a bill to provide for the registration of contractors of migrant agricultural workers and for other purposes.

S. 1123, a bill to amend section 13(c) of the Fair Labor Standards Act of 1938 with respect to the exemption of agricultural employees from the child labor provisions of such act.

S. 1132, a bill to provide for the establishment of a council to be known as the "National Citizens Council on Migratory Labor."

S. 1124, a bill to provide certain payments to assist in providing improved educational opportunities for children of migrant agricultural employees.

S. 349, a bill to provide readjustment assistance to veterans who serve in the Armed Forces between January 31, 1955, and July 1, 1963.

CONVEYANCE OF CERTAIN REAL PROPERTY TO MALONE, N.Y.

The bill (H.R. 7725) to authorize the Secretary of the Army to reconvey to the town of Malone, N.Y., certain real property heretofore donated by said town to the United States was considered, ordered to a third reading, was read the third time, and passed.

Mr. MORSE. Mr. President, in 1956, the town of Malone, N.Y., donated a 4-acre tract of land to the Secretary of the Army to assist in the establishment of permanent Reserve training facilities at Malone.

The tract was not used for the purpose of the donation.

Inasmuch as the purpose for which the conveyance was made will not be fulfilled, a reconveyance to the town is warranted in fairness and justice. The reconveyance proposed under H.R. 7725 comes within the principle of the Roseburg, Oreg., Veterans' Hospital case, H.R. 1823 of the 84th Congress—CONGRESSIONAL RECORD, volume 102, part 7, page 9323. Accordingly, no violation of the Morse formula is involved.

JURISDICTION OF LANDS WITHIN FORT SHERIDAN MILITARY RESERVATION, ILL.

The bill (H.R. 7721) to authorize the Secretary of the Army to adjust the legislative jurisdiction exercised by the United States over lands within the Fort Sheridan Military Reservation, Ill., was considered, ordered to a third reading, was read the third time, and passed.

CREDITING OF MINORITY SERVICE FOR DETERMINING ELIGIBILITY FOR RETIREMENT

The bill (H.R. 6597) to amend title 10, United States Code, to permit the crediting of certain minority service for the purpose of determining eligibility for retirement and for other purposes was considered, ordered to a third reading, was read the third time, and passed.

TRAVEL ALLOWANCES FOR NATIONAL GUARD AND RESERVE COMPONENTS

The bill (H.R. 4786) to provide travel and transportation allowances for members of the National Guard and Reserve components when travel is performed in an active duty or inactive duty training status in compliance with Federal directives was considered, ordered to a third reading, was read the third time, and passed.

BILLS PASSED OVER

The bill (H.R. 7391) to promote the conservation of migratory waterfowl by the acquisition of wetlands and other

essential waterfowl habitat, and for other purposes was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. DIRKSEN. I ask that the bill be passed over.

The PRESIDING OFFICER. Objection is heard. The bill will go over.

Mr. HART. Madam President, I ask that the remaining bills on the calendar, Calendar Nos. 682, 683, 684, and 685, be passed over because they are not appropriate to be considered as calendar business.

The PRESIDING OFFICER. The bills will be passed over.

The bills passed over are as follows:

S. 2000, a bill to provide for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower.

H.R. 7724, an act to provide for advances of pay to members of the armed services in cases of emergency evacuation of military dependents from oversea areas, and for other purposes.

H.R. 7934, an act to authorize the Secretaries of the military departments to make emergency payments to persons who are injured or whose property is damaged as a result of aircraft or missile accidents, and for other purposes.

H.R. 4785, an act relating to withholding for State employee retirement disability, and death benefit system purposes, on the compensation of certain civilian employees of the National Guard.

Mr. MANSFIELD. That concludes the call of the calendar for this Monday.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. MANSFIELD. Madam President, the unfinished business is S. 1983, is it not?

The PRESIDING OFFICER. That is correct.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 135]

Aiken	Hruska	Saltonstall
Boggs	Javits	Stennis
Carlson	Kuchel	Wiley
Cotton	Mansfield	Williams, Del.
Dirksen	McNamara	Young, N. Dak.
Ellender	Neuberger	Young, Ohio
Fulbright	Proxmire	
Holland	Russell	

Mr. HUMPHREY. I announce that the Senator from Connecticut [Mr. DODD], the Senator from North Carolina [Mr. JORDAN], and the Senator from Virginia [Mr. ROBERTSON], are absent on official business.

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Kentucky [Mr. MORTON] is necessarily absent.

The PRESIDING OFFICER. A quorum is not present.

Mr. MANSFIELD. Madam President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. ALLOTT, Mr. ANDERSON, Mr. BARTLETT, Mr. BEALL, Mr. BENNETT, Mr. BIBLE, Mr. BRIDGES, Mr. BURDICK, Mr. BUSH, Mr. BYRD of Virginia, Mr. BYRD of West Virginia, Mr. CANNON, Mr. CAPEHART, Mr. CARROLL, Mr. CASE of New Jersey, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. CHURCH, Mr. CLARK, Mr. COOPER, Mr. CURTIS, Mr. DOUGLAS, Mr. DWORSHAK, Mr. EASTLAND, Mr. ENGLE, Mr. ERVIN, Mr. FONG, Mr. GOLDWATER, Mr. GORE, Mr. GRUENING, Mr. HART, Mr. HARTKE, Mr. HAYDEN, Mr. HICKENLOOPER, Mr. HICKEY, Mr. HILL, Mr. HUMPHREY, Mr. JACKSON, Mr. JOHNSTON, Mr. KEATING, Mr. KEFAUVER, Mr. KERR, Mr. LAUSCHE, Mr. LONG of Missouri, Mr. LONG of Hawaii, Mr. LONG of Louisiana, Mr. MAGNUSON, Mr. MCCARTHY, Mr. MCCLELLAN, Mr. MCGEE, Mr. METCALF, Mr. MILLER, Mr. MONRONEY, Mr. MORSE, Mr. MOSS, Mr. MUNDT, Mr. MUSKIE, Mr. PASTORE, Mr. PELL, Mr. PROUTY, Mr. RANDOLPH, Mr. SCHOEPPEL, Mr. SCOTT, Mr. SMATHERS, Mr. SMITH of Massachusetts, Mrs. SMITH of Maine, Mr. SPARKMAN, Mr. SYMINGTON, Mr. TALMADGE, Mr. THURMOND, Mr. TOWER, Mr. WILLIAMS of New Jersey, and Mr. YARBOROUGH entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

Mr. DIRKSEN. Madam President, I submit a substitute for the Saltonstall amendment, which is at the desk.

The PRESIDING OFFICER. The amendment offered by the Senator from Illinois will be stated.

The LEGISLATIVE CLERK. It is proposed, in lieu of the matter proposed by the amendment of the Senator from Massachusetts, to insert the following:

On page 6, after line 3, insert the following:

"(d) None of the authorization contained in this title shall be used when Congress is in session until fifteen days after the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House, and the Committees on Appropriations of the two Houses have been furnished a report showing the object and justification of the proposed use, and such other information as might be helpful in the evaluation of such use, *Provided*, That during periods of adjournment of Congress none of the authorization shall be used until 30 days after the report has been furnished to the above named Committees.

"(e) It is the primary intent and purpose of the aforesaid paragraph (d) to provide the Congress with full information on all proposals in which there is a substantial national interest. *Provided, however*, that if the President certifies that any such report will be adverse to the national interest then by action of the said Committees the filing thereof may be waived.

"(f) When an authorization is submitted to the Committees named in paragraph (d) of this section, any of said Committees is empowered to report a Concurrent Resolution to terminate such authorization and such Resolution shall be of the highest privilege.

"(g) The Chairmen of the aforesaid Committees are directed to employ all necessary competent and skilled personnel to evaluate such reports and make recommendations to the entire Committee."

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Illinois [Mr. DIRKSEN].

Mr. SALTONSTALL. Madam President, I should like very briefly to present the reasons for offering my amendment.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. SALTONSTALL. Madam President, I offered the amendment because I felt that the Congress, after the Development Loan Fund was authorized on a 5-year basis, would lack the ability to have close supervision over it. In other words, merely having a report under the Government Corporations Law I felt was not satisfactory or enough. Therefore, I offered the amendment, along with Senators KEATING, BUSH, SCOTT, and DODD, for the purpose of giving to the Congress a closer supervision over the Development Loan Fund which it is authorizing, but the money for which would come from the Treasury directly.

The purpose of the amendment is to set up machinery of a so-called veto power in the same way the reorganization acts are now set up. No loan could be effective until there had been a 30-day notice to the Foreign Relations Committee of the Senate and the Foreign Affairs Committee of the House. If those committees filed a resolution stating that loans should not be made, the loan would be held up, if the resolution were supported by either branch of the Congress. If no report were made, and no resolution were agreed to by either House as to discharging the committee, then the loan would go through.

When the amendment was submitted we had discussions with the chairman of the Committee on Foreign Relations, and he proposed, in a colloquy on the floor, certain amendatory language. I shall not go into that at this time.

The Senator from Illinois has submitted a somewhat stronger amendment than the language contained in the suggestion of the Senator from Arkansas, but it is not as strong as the amendment which I have offered.

Under sections 102, 103, and 104 of the present law relating to Government corporations the Committees on Appropriations can recommend we appropriate the administrative expenses, but that is all the Congress has the power to do. The President simply makes a report as to how much money is authorized, for what he is going to spend it in the coming year, how much interest will come in, and financial things such as that,

but no specific loan is mentioned and no specifics of any character are mentioned in the report given to the Appropriations Committees. I have sat in meetings considering those reports, on the Export-Import Bank and a number of other Government corporations. What the committee does, after listening to the evidence as to what is planned, is determine what administrative expenses should be allowed.

If the bill before us becomes law, I believe there is $51 million authorized to the President for administrative expenses in the fiscal year 1962. Nothing is authorized for 1963, 1964, or 1965. That would come to the Appropriations Committee for its consideration. That is the only money request which will come to the committee.

What happens in such instances? We have received a number of circulars which state that Congress, through sections 102, 103, and 104 of the law, can have supervision and a certain amount of control over the Development Loan Fund, but I would invite to the attention of Senators—and I have discussed this with the parliamentarian, Mr. Watkins, and with the clerk of the Appropriations Committee, Mr. Scott—the fact that there is no action required on an appropriation by the Appropriations Committee. Therefore, in the Appropriations Committee says a loan to country X should not be granted, that would become legislation on an appropriation bill, and would require a two-thirds vote of the Senate before it could be adopted. If we are going to require a two-thirds vote, we certainly will never meet the problem of proper supervision of action under the Development Loan Fund, as exercised by the administration.

For that reason, joined by the other Senators who are sponsors of the amendment, I have offered the amendment to the Foreign Assistance Act of 1961.

I personally voted against the so-called Byrd amendment last week, because I believe some form of long-term foreign assistance should be granted. However, I feel very strongly that Congress should have not necessarily supervision over but closer contact with the program than we would have under the Government corporations law. Therefore, I have submitted the amendment. I hope it will have very thoughtful consideration by this body.

Mr. PROXMIRE. Madam President, will the Senator yield?

Mr. SALTONSTALL. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Is the understanding of the Senator from Wisconsin correct as to parliamentary situation; that the Saltonstall amendment has been withdrawn and replaced by the Dirksen amendment?

Mr. SALTONSTALL. The Senator is not correct. The Saltonstall amendment provides for consideration by the Foreign Relations Committee of the Senate and the Foreign Affairs Committee of the House. Those are the committees to whom the loans would be referred. The Appropriations Committees, which were included in the original Saltonstall amendment, have been dropped out. Otherwise the amendment stands.

Mr. PROXMIRE. Could the Senator from Massachusetts inform the Senator from Wisconsin whether the original intent of the amendment, as offered, was that the reports would be made public and available to the press?

Mr. SALTONSTALL. The amendment provides that the reports would be to the committees and the committees should act on them. I do not think there is language—and possibly the amendment should be modified, if there is not—in respect to the fact that any of the reports would be classified if that were in the interest of national security. I would not wish to go as far as to say, "in the national interest."

I invite the attention of the Senator from Wisconsin to the fact that under the 1957 resolution, which was promulgated by the now Vice President, the then majority leader of the Senate, which became law, reports came to the Senate Committee on Appropriations. Every one of those reports, I am informed, was classified. I personally looked at some of them, though I would not say I looked at all of them. All the reports came in as classified "in the national interest."

I think "national interest" goes a little too far. I would prefer to say "national security."

Mr. PROXMIRE. If the Senator will yield further on that particular point, I think this is extremely important, because from a practical standpoint Members of the Senate are very busy people. We are involved in all kinds of responsibilities. We know that over and over again there is a tendency for only members of a committee—and often only particular members of a committee—to have time, or to take the initiative, or to feel a sense of responsibility to require a followup of reports of this kind. On the other hand, the press is very more likely to be extremely interested in this kind of thing. Many newspapers have extensive Washington bureaus. It seems to me that if this kind of a report were made available to the press it would stand a far greater opportunity of having adequate consideration, public disclosure and public scrutiny, and ultimate attention by Members of the Senate and the House.

With that in mind I have an amendment for consideration, on almost the exact point the Senator from Massachusetts said he would agree with, which would provide:

> Copies of reports made under this section shall be made available to Members of the Senate and House of Representatives, the press, and interested members of the public, except when the President of the United States determines that such action would substantially interfere with the national security.

Would the Senator accept that amendment?

Mr. SALTONSTALL. I say, most respectfully, I should like to look it over a little bit. I do not think I would wish to make the language quite as broad as the Senator from Wisconsin has stated in his proposed language. There is nothing about secrecy in the amendment I have offered. I think some form of classification should be provided, when such is in the interest of the national security. The report is to be given to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House. If those committees, after considering the report in the committee, determine they ought to hold hearings or discuss the report with the administration, in either open or closed session, that certainly would receive publicity. If, under my amendment, a report is made to the Senate that the loan should be held up, that would give it publicity.

Mr. PROXMIRE. If the Senator will yield further, I have proposed the language because it has been the experience of the Senator from Wisconsin that a great deal of information on our mutual security program simply is not available.

I have tried for a month to find out where the money would go, country by country. I cannot get the information. I wrote to Secretary of State Rusk nearly a month ago and asked for the information. I am sure he is trying to comply with the request, but he cannot give me the information. It seems to me that unless the information is made public, it will be extremely difficult to have a real evaluation, a real discriminatory understanding of what the loans are, so that a determination can be made as to whether they are sound, and whether or not Congress should act. For that reason I ask the Senator from Massachusetts if he would consider a reasonable modification of the proposed language?

Mr. SALTONSTALL. I shall be glad to do so. Several other Senators have sponsored the amendment with me, and I would not want to commit them without discussion.

Mr. PROXMIRE. I thank the Senator.

Mr. ERVIN. Madam President, will the Senator yield for a question?

Mr. SALTONSTALL. I am glad to yield.

Mr. ERVIN. I was under the impression that the loans, at least insofar as they relate to Latin American countries, are made for social uplift and economic purposes. Is my impression correct or incorrect?

Mr. SALTONSTALL. The chairman of the committee is present. The Senator will observe that part 1, chapter 1, of the bill, states very broad purposes for which loans may be made. Generally I would say the Senator is correct in his statement that they would provide an opportunity to help the development of other countries.

Mr. ERVIN. For that reason, as far as loans are concerned, I cannot see how a question of national security would be involved, unless it were a question of national financial security.

Mr. SALTONSTALL. I did not intend to say national financial security. I meant it more in the militaristic sense. But I do not personally and quickly see what loans would fall even in that category. But I think we always want to leave the opportunity open to classify

them in that category if the President of the United States feels that such action is necessary.

Mr. ERVIN. Does the Senator from Massachusetts construe his amendment to provide that the reports are to be made exclusively to committees rather than to Congress itself?

Mr. SALTONSTALL. I did not understand the Senator's question.

Mr. ERVIN. Would the amendment of the Senator from Massachusetts restrict the report to members of the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs?

Mr. SALTONSTALL. Yes.

Mr. ERVIN. Could other Senators have access to the reports?

Mr. SALTONSTALL. Unless the reports were classified, I suppose the committees would permit any Senator who was interested to study the reports, and if he was very much interested, he might ask for an opportunity to discuss the subject with the committee.

Mr. ERVIN. Who would do the classifying?

Mr. SALTONSTALL. The President of the United States.

Mr. ERVIN. The President of the United States would be empowered to classify the reports for any reason or a reason sufficient unto himself?

Mr. SALTONSTALL. No. Only in the interest of national security. The amendment had been suggested by the present Vice President of the United States, who was then the majority leader.

If my memory serves me correctly, I called attention to the language "in the national interest." Though I do not want to assert I am right, though I think I am, every report that came to the Senate Committee on Appropriations was classified under that term "in the national interest." I think that such classification is too much, as the Senator from Wisconsin has pointed out. I think if the words "national security" are inserted—meaning the physical security of our country rather than the financial security of our country—such provision would be proper.

Mr. ERVIN. Does not the Senator from Massachusetts feel that the President, in classifying the reports, would be guided by the recommendations of the ICA?

Mr. SALTONSTALL. It would be the judgment of the ICA, as I understand.

Mr. ERVIN. Does not the Senator from Massachusetts know that in times past the ICA has refused to allow its employees to testify before congressional committees, and on occasion has refused to convey to Congress information about its expenditures for foreign aid purposes, and has even gone so far on one or more occasions as to refuse to allow the Comptroller General of the United States to audit some of the expenditures of that agency?

Mr. SALTONSTALL. I do not approve of such policies. I think we would tend to enter into little side discussions on what papers of the executive branch Congress should see. But I do not think confidential memorandums between various departments of the executive branch necessarily come to Members of Congress.

Mr. ERVIN. I agree with the Senator, but whenever the ICA dispenses any of the money of the taxpayers of the United States for any project which does not have a direct relationship to national security, not only all Members of Congress ought to be entitled to know about it, but the American people should also receive the information, because our Government ought not to be conducted in secrecy.

Mr. SALTONSTALL. I agree. But as a member of the Committee on Appropriations who has had some responsibility on this subject for the past 5 or 6 years, and has taken a good deal of responsibility on this subject within the committee, I have never heard or know of a question that was asked on which we did not get the information requested. I would not say that such information was always obtained in open sessions. It was not. But I cannot remember a case in which Senators—for example, the distinguished Senator from Louisiana, who is very penetrating in his questions, and others, including the Senator from Illinois when he was a member of the committee—did not have an opportunity to get the information requested.

Mr. ERVIN. I thank the Senator for his graciousness in yielding.

Mr. AIKEN. Madam President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. AIKEN. I should like to understand the proposed amendment a little more clearly. The Senator and his colleagues propose that a report will be made by the executive branch to both Houses of Congress concerning any proposed loan under the Development Loan program that would exceed $10 million.

Mr. SALTONSTALL. The Committee on Foreign Relations.

Mr. AIKEN. Paragraph (b) of the amendment provides:

> (b) In any case in which (1) the report referred to in subsection (a) with respect to any loan is submitted to the President of the Senate and the Speaker of the House of Representatives during a period in which either House is in adjournment for more than 30 days—

That is, the proposed loan may be made, unless such a resolution as is referred to in subsection (a) has been adopted by either House with respect to such loan. The "special subcommittees" there referred to are subcommittees, I take it, made up of seven members of the Committee on Appropriations of each House, to be appointed by the chairman of each Committee on Appropriations. Is that correct?

Mr. SALTONSTALL. As I understand, when Congress is not in session, the purpose of the provision would be to give the Committee on Foreign Relations 30 days, and if in that 30 days the committee thought the loans should be held up, the loans would be held up; but an opportunity would be afforded for the question to be resubmitted when Congress again convened. In other words, the action would not kill the loan absolutely but would defer it.

Mr. AIKEN. The Senator understands that no loan would be made except under authorization given by the Congress under the act.

Mr. SALTONSTALL. No; I do not say exactly that. I say the loans can go through subject to the same procedure adopted for the approval of the Reorganization Acts. If one House of the Congress holds up a proposed reorganization, it does not proceed.

Mr. AIKEN. They could not even make a tentative agreement to submit it to Congress except under the authorization of the act, could they?

Mr. SALTONSTALL. The Senator is correct.

Mr. AIKEN. Then either House of Congress could block a loan or one of the special subcommittees could postpone the loan.

Mr. SALTONSTALL. The Senator is correct—if Congress were not in session.

Mr. AIKEN. It would be postponed if Congress were not in session.

Mr. SALTONSTALL. The Senator is correct.

Mr. AIKEN. In effect, such action would give one House of Congress authority to repeal a law which had been enacted by both Houses of Congress and signed by the President.

Mr. SALTONSTALL. I would not call it a repeal of the law.

I would call it a question of administration of the law, when it was felt that a particular loan was not acceptable to Congress, and in the opinion of the committee it should not be put through.

Mr. AIKEN. If both Houses enact legislation and it is signed by the President, is not the executive branch authorized to make loans and conduct other operations under the legislation? The Senator from Massachusetts in his amendment would not require that such action on such loan be blocked by the combined action of both Houses of Congress, which gave full authority for the loan in the first instance. Instead, the Senator would provide that the loan could be postponed by a special committee when Congress is not in session, and that then it could be blocked by either House of Congress when in session.

Mr. SALTONSTALL. That is correct. It can be postponed by a majority vote of either committee while Congress is not in session. If we do not adjourn until October 1——

Mr. AIKEN. It looks like it now.

Mr. SALTONSTALL. Then there would be 3 months, October, November, and December, when this power to defer a loan would be in force.

Mr. AIKEN. Why should it require both Houses to enact and only one House in effect to repeal an act?

Mr. SALTONSTALL. When that question came up in the mind of Senator KEATING and in my own mind, as we worked on this subject, we sought to find the best way to carry out our purpose, and we felt that this was the executive reorganization plan procedure, and that if it was good in connection with that procedure, it would be good in the procedure we are discussing.

Mr. AIKEN. Does the Senator feel that Congress can hold the executive

branch fully responsible for carrying out programs which are promulgated and authorized by Congress if the legislative branch insists that it shall have the veto power over certain operations of the executive branch within those programs?

Mr. SALTONSTALL. That is a fair question. I would not say that Congress would take that responsibility except in very few instances, presumably, but instances in which there would be considerable reason for it.

Mr. AIKEN. I am quite concerned over this situation, and very much concerned over the successful efforts, so far as the Senate is concerned, of the executive branch to take over responsibilities which properly belong to Congress. I believe that is an infringement of the constitutional responsibility of Congress. I am equally opposed to an infringement by the legislative branch of the Government of the constitutional authority and duties of the executive branch. I believe it is an infringement on the executive branch if we give it authority to operate a program for 5 years, and then say, "If we do not like every little move you make, we reserve the right to veto it." That is definitely an infringement on the executive branch of the Government.

Mr. SALTONSTALL. Under the bill as reported by the Committee on Foreign Relations, under section 1047, Congress has the responsibility to administer expenses. Although I would not approve of it, Congress would have the right to eliminate administrative expenses, and thus stop the program. We authorize $51 million for administrative expenses in fiscal year 1962. We could put a stop to it in that way.

Under the Corporation Act, as I said, there is no appropriation required. The reports which come to the committee say that so much money is authorized and it will be spent in 1962 in different ways. It does not show how or where, but simply that this is to be done.

That is not an appropriation. I have talked with Mr. Watkins, the Parliamentarian, and I have talked with Mr. Scott, the clerk of our committee, and they both feel—I do not put the responsibility on them, but will take the responsibility myself—that if the Appropriations Committee turns down any of it and says how best the money will be spent in 1962 or 1963, it becomes legislation on an appropriation bill, and would take a two-thirds vote, even though we had a number of memorandums which are to the contrary.

Mr. AIKEN. It seems to me that we ought not to expect the executive branch to go ahead with the operation of these programs, as laid down by Congress, under a cloud of suspicion to start with. We do not know that they are going to do anything wrong in making these different contracts. I expect that they will make some mistakes. I would not want the executive branch operated by people who would never make a mistake. We in Congress make mistakes. It seems to me that if we suspect them before they start to carry out a program, we ought not to give them the authority to begin with, or else we ought to give them authority for a shorter period of time, which would be pretty good assurance that they will do the best they can to carry these matters out properly. We are giving them authority to carry out 5-year programs, under the Development Loan Fund, that is, without the necessity of coming back to Congress for financing. It does not seem to me to be very sound. Perhaps if we insist on giving them this back-door financing authority we should at least reduce the period of time.

Mr. SALTONSTALL. I am heartily in accord with that statement of the Senator. I do not believe 2 years is long enough. If an amendment were offered for 3 years, I would support it.

Mr. AIKEN. We are asked to set up this program in a businesslike way. I do not believe that a board of directors would be operating in a very businesslike way if they told the manager of the corporation, "Here is a blank check. You go out and do the best you can. However, don't come near us again for 5 years. Write us a letter regularly every 4 months, but do not bother us again for 5 years."

Mr. SALTONSTALL. For my part I would change the Senator's use of the word "suspicion" to "oversight." It is a matter of congressional oversight, just as we oversee a number of the departments of Government through the Appropriations Committee every year. I do not like the word "suspicion."

Mr. AIKEN. Well, I believe that that is a better word for this occasion.

Mr. SALTONSTALL. That may be a good Vermont word.

Mr. WILLIAMS of Delaware. Madam President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. WILLIAMS of Delaware. I notice on page 2 of the amendment it is stated that the reports under this section would be sent to the President of the Senate and to the Speaker of the House. My question is this: When a report in connection with a proposed loan is made to the Speaker of the House and the President of the Senate, will that report automatically become available to every Member of the Senate?

Mr. SALTONSTALL. That is a very pertinent question. I would answer the question, to the best of my ability, by saying that if the message came classified to the President of the Senate and to the Speaker of the House it would not necessarily be made public. We provided that the report shall be sent to the President of the Senate and to the Speaker of the House of Representatives because under the rules of the House it must come to the Speaker of the House, and cannot come directly to a committee, as in the Senate.

Mr. WILLIAMS of Delaware. That leads me to my next question. Suppose a report comes to the President of the Senate and to the Speaker of the House in a classified manner. Do I understand that the Members of the Senate then could not see the report? How could Members of the Senate intelligently make a decision whether they should approve the loan?

Mr. SALTONSTALL. Presumably it would be referred to the Committee on Foreign Relations.

Mr. WILLIAMS of Delaware. Suppose that four members of the seven-member subcommittee felt the loan was a good loan but the other three members did not feel it was a good loan. Suppose these three members felt confident the Senate would be 80 percent in agreement with their position. Do I understand that under the amendment of the Senator from Massachusetts these three members still could not come to the floor of the Senate and discuss the loan even though they were convinced it was a bad loan?

Mr. SALTONSTALL. No; I do not think that is true. As the Senator from Delaware knows, only the other day, with respect to the reorganization of the Maritime Board, the committee was discharged under this procedure by a minority of the committee. That enabled the Senate itself to debate the question.

Mr. WILLIAMS of Delaware. That was a different situation.

Mr. SALTONSTALL. No; the same procedure applies.

Mr. WILLIAMS of Delaware. No; in that instance a minority of the committee could come to the floor of the Senate and outline the reasons they thought the Senate should act. That report was not classified as a secret document.

In this instance, a minority of the committee would be bound by a cloak of secrecy not even to tell the other Members of the Senate about the loan. If I am in error in my understanding I wish to have it cleared up. As I read the Senator's amendment I do not think it would be possible for a Senator to come to the floor of the Senate and point out the bad features of the loan. All that they could say is, "I know something I cannot tell but I want you to vote with me. Don't ask me why; I cannot tell you because it is a classified secret."

How silly can we get? If we are to have a right to veto a loan, then Senators must have a right to examine the reports. Certainly individual Members of the Senate ought to have a right to examine the reports and the right to discuss them on the floor of the Senate if they wish. If they are not to have that right I should prefer to see the Senator's amendment defeated and let it be clear that the administration takes the sole responsibility.

Mr. SALTONSTALL. I would not agree with the understanding of the Senator from Delaware. I think he submits a very unusual case.

Mr. WILLIAMS of Delaware. But it is possible; is it not?

Mr. SALTONSTALL. It is possible. I should say that if three members of a subcommittee felt strongly on the subject, certainly the chairman of the committee could get the other members of the committee together to discuss it. If the whole committee still voted negatively, then under the procedure there is an opportunity for the minority, as I understand, to bring the question to the floor of the Senate. I would not approve of that if it were in the interest of the national security that it not be done. However, I think that would be a very farfetched case.

I have said this already, but I shall repeat it because perhaps the Senator from Delaware did not hear my earlier statement, under the 1957 resolution submitted by the former majority leader, who is now the Vice President, the Committee on Appropriations was given the right to consider whether the information was "in the national interest."

Every one of those reports went to the Committee on Appropriations marked "classified." Any member of the committee could see the reports if he wished to see them, but very few members did.

Mr. WILLIAMS of Delaware. I do not know what kind of loan they would be making that its disclosure would jeopardize the security of our country. The American taxpayer furnishes the money. Why should he not know the type of loan being made? The person or country getting the loan would know about it. If it were properly recorded in the country which received it every citizen in that country could get information about it by paying an attorney to document the information. Any person in this country could get information about any recorded mortgage by paying for such a search. I do not understand what would be wrong in letting Congress know about the loans unless it is expected that some of them will be so bad they will be ashamed of them.

I voted for the Byrd amendment because I thought Congress not only had a right but a responsibility to know how this money would be spent and to exercise some control, but that amendment was defeated.

I, as one Senator or member of the committee, will accept no responsibility for any report on these foreign aid expenditures which is brought to the Senate with the classification of top secrecy where it cannot be published or even be discussed.

Mr. SALTONSTALL. I think that is a perfectly proper position for the Senator to take. I hope that very few, if any, reports would be submitted in that way.

Mr. WILLIAMS of Delaware. I have the utmost respect for the chairman of the Committee on Foreign Relations. However, I do not believe it is proper to put a classified report before the Committee on Foreign Relations or any other committee and then let a majority of that committee make a decision that will be binding upon the whole Senate. It is ridiculous to adopt a proposal requiring the submission of reports to the Senate and then making it possible for these reports to be so classified that the Members of the Senate cannot even read them.

Mr. SALTONSTALL. The amendment I have submitted contains nothing that would permit the loan to be classified at the present time. If the Senate wishes to adopt my amendment—and the Senator from Wisconsin [Mr. PROXMIRE] has an amendment along the line of classification for national security—that will be all right; but there is nothing in the amendment as it is now written which provides that a loan shall be classified.

Mr. WILLIAMS of Delaware. Any amendment if it is to be adopted should be adopted only with the clear understanding that any report dealing with financial transactions which comes to the Senate will not be classified as secret and that it will be available to every Member of the Senate.

I think all financial reports which are submitted to Congress should be made available to every Member of the Senate. Otherwise, how can the Senate intelligently vote upon a proposal which it has never been permitted to examine?

Mr. FULBRIGHT. Madam President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield.

Mr. FULBRIGHT. In view of the colloquy that took place the other day concerning this question, and my statement that I was prepared to accept an amendment like the one which was discussed, I had thought that the Senator from Massachusetts might perhaps revise his amendment in line with the suggestion I made. This first grew out of a discussion with the Senator from Vermont, who had two or three amendments to propose on this subject. I had hoped the Senator from Massachusetts had modified his amendment; but he has not. That, of course, is his right. Nevertheless, I strenuously object to the amendment of the Senator from Massachusetts now on several grounds. Some of them have already been stated by the Senator from Delaware, especially with respect to the veto power on the part of a committee of Congress. I think that will nullify the prospect of effective and real administration of the program.

I should like to make a proposal, and I feel somewhat under obligation to do so, to show good faith, because I was perfectly willing to go through with the proposal which I had made the other day. I do not wish the RECORD to show or any member of the committee to think that I made a proposal and then, after the vote was taken, I was not willing to support it.

I contemplate, first, offering a perfecting amendment to the amendment of the Senator from Massachusetts. The substance of my amendment would be quite similar to the one I discussed the other day with the Senator from Massachusetts and the Senator from Vermont. I thought I should like to offer it as a perfecting amendment, so as to have a decision on it. I am strenuously opposed to the original amendment of the Senator from Massachusetts.

Mr. SALTONSTALL. I agree concerning our colloquy of the other day. The reason why I offered the original amendment was twofold. First, I knew that the Senator from Illinois [Mr. DIRKSEN], from what he said on the floor, was proposing to offer another amendment. I felt that until his amendment was disposed of, I would rather keep my original amendment intact than to accept any perfecting amendment. Second, I was disturbed—I think all of us who submitted the original amendment were that at the end of the colloquy there were two doubts—one doubt as to the effect of section 617 of the act, and the second, the question which has been raised by the Senator from Delaware, namely, what should be secret and what should not be secret.

Mr. FULBRIGHT. With regard to doubt about section 617, at the time we discussed the question the other day I had made no research and consulted no attorneys as to the application of that section to a specific loan. Since that time, my legal advisers have advised me that they think the section would apply to specific loans; that it is very broad. I said I thought the spirit of that section would properly apply to an authority as well as a title of the bill, or broader authority than a specific loan. But my lawyers have informed me that the language is broad enough to apply to a specific loan.

So far as I am concerned and the staff of the committee is concerned, there is no uncertainty on that score. There never was any uncertainty about the other part of the bill.

Mr. SALTONSTALL. I am glad to hear the Senator from Arkansas make that statement. If the Senator has the Dirksen amendment before him, possibly any doubt about it would be ended if the Senator from Arkansas would include in his perfecting amendment language such as clause (f), which reads:

> When an authorization is submitted to the committees named in paragraph (d) of this section, any of said committees is empowered to report a concurrent resolution to terminate such authorization and such resolution shall be of the highest privilege.

That would end any doubt, if it were included as part of this section.

Mr. FULBRIGHT. I do not see what it adds to section 617.

Mr. SALTONSTALL. It does not.

Mr. FULBRIGHT. Under that language, any committee now has authority to report a concurrent resolution.

Will the Senator from Massachusetts yield, so that I may offer, as a perfecting amendment to his amendment, the language of the amendment which I proposed the other day?

Mr. SALTONSTALL. Yes.

Mr. FULBRIGHT. I feel an obligation at least to live up to what my proposal was. Then, whatever happens to it will be for the Senate to determine.

Mr. SALTONSTALL. Very well.

Mr. FULBRIGHT. Madam President, I offer a perfecting amendment, which I send to the desk, to the amendment of the Senator from Massachusetts. We discussed it as a possible variation. I have included the figure $15 million. I thought it was acceptable. If it is not, I shall accept the other. But after the colloquy, I thought the provision in regard to $15 million was reasonably satisfactory.

Mr. SALTONSTALL. Of course the Senator from Arkansas has a right to submit a perfecting amendment. The pending question is on the amendment in the nature of a substitute, submitted by the Senator from Illinois [Mr. DIRKSEN].

Madam President, is my understanding correct, that the perfecting amendment will be voted on before the substitute amendment is voted on?

The PRESIDING OFFICER. The perfecting amendment would have precedence over the Dirksen amendment.

The perfecting amendment submitted by the Senator from Arkansas to the Saltonstall amendment will be stated.

The LEGISLATIVE CLERK. On page 10 of the Saltonstall amendment, after line 3, it is proposed to insert the following:

SEC. 206. CONGRESSIONAL OVERSIGHT OF LENDING ACTIVITIES.—In any case in which the amount of a proposed loan under this title exceeds $15,000,000 in the aggregate such loan shall not be made and no agreement obligating the United States to make such loan shall be entered into unless thirty days earlier a full and complete report with respect to the purposes and terms of the proposed loan shall have been made to the Committees on Foreign Relations of the Senate and Foreign Affairs of the House of Representatives.

Mr. SALTONSTALL. Madam President, I understand that the pending question now is on agreeing to the perfecting amendment of the Senator from Arkansas [Mr. FULBRIGHT].

Mr. FULBRIGHT. That is my understanding.

The PRESIDING OFFICER. That is correct.

Mr. JAVITS. Madam President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield.

Mr. JAVITS. First, let me say that all of us owe a real debt of gratitude to the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New York [Mr. KEATING], the Senator from Illinois [Mr. DIRKSEN], the Senator from Arkansas [Mr. FULBRIGHT], and all other Senators who have participated in the effort to whip this provision into shape. It is difficult to say whose name the amendment will finally bear; but I think all Senators concerned are to be congratulated for their initiative and their effort, because in my opinion this has been the weak point of the whole matter; and I think the vote taken the other evening confirmed it. So I am very proud that so substantial a number of Senators on our side has shown their good faith in advancing this proposal, after they said this would happen; and the Senator from Massachusetts has been a leader in this effort.

Second, I am glad to hear the Senator from Arkansas [Mr. FULBRIGHT] now confirm what has been a debatable point, namely, that the concurrent resolution technique, although it has been in the law for 13 years and has not been used, is nonetheless usable, and that when we reach a point where it seems that long-term borrowing authority will be granted—as I feel is the case—the concurrent resolution technique is the ultimate sanction. It is very important, and I am very glad to see that the Senator's lawyer and my own lawyer have come to this conclusion. My brief has been placed in the RECORD, and it bears out that point.

Now we come to the question of which of these various proposals should be adopted.

I submit to the Senator from Massachusetts that the Dirksen substitute wraps all these things up the best; and I should like to point out the reasons why that is so.

First, it avoids a vote in the Senate and a vote in the House of Representatives—in other words, the sort of vote which would occur if this were a reorganization proposal. I think that situation lends itself to a great deal of logrolling and a great deal of special-interest lobbying, and I think it is a rather dangerous thing.

Mr. FULBRIGHT. I do, too.

Mr. JAVITS. Second, I think the Dirksen amendment wraps up the orderly procedure of the concurrent resolution technique.

As the Senator from Arkansas says, it is a fact that any committee can report a concurrent resolution. However, it is one thing to report a resolution; it is another thing to be charged with the legislative authority and responsibility and to have the opportunity to report it. There is always a question of which committee will report such a resolution. This language would settle that question.

Last, and also very important, this amendment gives an "out" to the President, on a national security basis. I may say—and I have consulted the Senator from Illinois on this point—that the technique we are trying to develop, which has been so successful, is the technique of the Joint Committee on Atomic Energy, which has dealt with some of the highest secrets of the Government, and has a marvelous record of security. That demonstrates that when an agency has authority to consult a congressional committee about a highly privileged matter, and has the right to determine whether the committee shall or shall not make that matter one of the official record, the security record has been remarkably good. For instance, many of us know—and I knew, too, when I was in the Army—that Congress knew all about the Manhattan project, but there was never a peep of publicity about it. I knew about it when I was in the Army, and Congress knew about it, too; and it was a source of great gratification to me that no word about it ever leaked out.

So this proposal will satisfy two requirements; first, that we should know; and, second, that security should be safeguarded in instances in which it would be very unpolitic for such items to be made matters of the public record, with press coverage, open debate, and so forth.

Of course, we shall have further discussion of this subject; but I submit those considerations to the Senator from Massachusetts, and I especially emphasize that the way we are gradually being drawn together on this subject is most admirable, especially in view of the concurrence of opinion on both sides that the concurrent resolution technique is the way Congress can act if it wishes to act, not only in regard to a program or a subject, but also in regard to an individual law.

I thank the Senator from Massachusetts for yielding.

Mr. SALTONSTALL. I thank the Senator from New York for his contribution; and I believe we are getting together.

I submitted my amendment in order that the whole field might be opened for suggestions.

Mr. JAVITS. I honor the Senator from Massachusetts very much for doing so.

Mr. SALTONSTALL. I appreciate that comment.

Madam President, I should like to ask the Senator from Illinois a question about his amendment; and then I plan to yield the floor.

The amendment of the Senator from Illinois has been changed, I believe, from the original copy which was sent to me.

Mr. DIRKSEN. That is correct.

Mr. SALTONSTALL. Under paragraph (e), we find the following:

(e) It is the primary intent and purpose of the aforesaid paragraph (d) to provide the Congress with full information on all proposals in which there is a substantial national interest.

As I read that language, if the President did not think the matter was of substantial national interest, he could decide that he need not report it to the Congress. So he would have to make an interpretation, based on his conception of the substantial nature of the matter.

I am particularly interested in the next words, as follows:

Provided, however, That if the President certifies that any such report will be adverse to the national interest then by action of the said Committees the filing thereof may be waived.

I do not understand what that sentence means. If the President certifies that it would not be in the national interest to give such a matter any publicity, would he still report to the committees, but the committees would keep it a classified document, in the safe—or what?

Mr. DIRKSEN. That is right, because I think it is necessary to distinguish between the national interest and national security. Security might be involved in a particular case, and there might be very substantial national interest; but for reasons of security, it probably would be necessary to keep the information from becoming too diffused. That is the reason for the saving clause in the amendment.

Mr. SALTONSTALL. Does the Senator mean by that, if the committee were adverse to it or felt it was a bad loan and should not go forward, any opportunity to stop it would be waived?

Mr. DIRKSEN. Yes, but it would be up to the committee. By action of such committees—the word is in the plural—filing of it may be waived. Notice is given, but the report is not filed. Probably there would be an informal report to the effect that there is an item which affects national security; that the report should not be diffused too widely, so it would be well not to file it.

Mr. SALTONSTALL. Any committee—the Senator has provided for four committees, whereas my amendment provides for two committees—could take it up informally with the administration and say, "We do not think it is a good loan, but, in the interest of national security or the national interest, the President has asked us not to make it public, but we believe you should go slow on that loan." Is that correct?

Mr. DIRKSEN. That is correct, and it leaves the burden of proof on the administration at the same time.

Mr. SALTONSTALL. It leaves the burden of proof on the administration.

I should like to ask the Senator from Arkansas if he believes the Dirksen amendment would be acceptable to him.

Mr. FULBRIGHT. It certainly is more acceptable than the amendment of the Senator from Massachusetts, I must say. As I said in the beginning, I am not impressed with the necessity of any of these amendments, in view of the operation of the Government Corporation Control Act, which gives, I believe, the Appropriations Committee the complete right to look at these matters in detail and to advise with the people concerned. There are going to be quarterly reports. Congress is kept advised under the existing law.

In other words, I think the law is quite adequate to give Congress control. My part in this discussion is to avoid, if possible, putting on the executive a requirement that would make administration of the law so difficult that it would defeat one of the principal objectives of the borrowing authority. That has been my position.

I am not advocating any of these amendments. I am trying to seek some compromise. I do not think the amendment of the Senator from Massachusetts is workable at all. As the Senator from Illinois has pointed out, the law with respect to the Middle East caused no trouble. It was a very modest program compared with this. People lost interest in it quickly after it was done. I am sure this proposal would cause a good bit of paper work. I am not afraid of what Congress would do about it, but without any limitation on the amount, and with every loan being reported, there will have to be an army of accountants and clerks working on these matters.

If the Senator had provided a limitation that only the important loans, for example, above $15 million, were affected, I think it would be a good amendment. That is my principal objection. It has some merit.

I think the idea that reports are coming to Congress has a strict psychological implication, in that administrators may be more careful in their negotiations and exercise of judgment. Even though we would never object, such a provision is beneficial.

Mr. SALTONSTALL. Madam President, I congratulate the Senator from Arkansas for this interpretation, because, that is the goal we are all working toward, namely, to give Congress an opportunity to be informed and to give expression to its feeling if it is necessary.

Mr. FULBRIGHT. I happen to believe we are being adequately protected under the combination of the provision for quarterly reports and the budget submission to the Appropriations Committee setting out what the administration's program is, and the committee's very great authority in limiting or restricting the program or the administrative expenses.

Mr. SALTONSTALL. As a member of the Appropriations Committee for a number of years—and the Senator from Illinois knows it also—I do not believe the language in the present law relating to Government corporations is sufficient to give Congress proper supervision.

Mr. FULBRIGHT. I respect the Senator's difference of view, but we had the testimony on the floor the other day by the distinguished Senator from Kentucky, who stated that the restrictions by the Appropriations Committee were sufficiently persuasive to force the late and great Secretary Dulles to withdraw from a very important project. That was done without any of these proposals. We know the Appropriations Committee is very powerful, not only in the Congress but in the Government, and that it gets nearly everything it wants. This matter I have referred to had been mentioned before. It had been bruited about. I do not have any fear that the Appropriations Committee cannot get just about everything it wants. It has enough residual power to stand up and talk about it a great deal if it does not get what it wants either in this body or in the executive.

I think this whole matter has been exaggerated.

All I want to do is get some agreement on it and move on to something else.

I would not cry my eyes out if we adopted the Dirksen amendment. It is a good amendment. I think we can live with it. If it is accepted, fine. We would choose between the Dirksen amendment and this amendment, and I would not lose any sleep over what was adopted.

Mr. DIRKSEN. Madam President, first, I commend the Senator from Massachusetts for his endeavor to find some kind of oversight procedure that might prove to be effective and give Congress an opportunity for scrutiny of a program of such size and of such dimensions as to be diffused over the whole world.

I regret, however, that I must differ with him and say, very candidly, his amendment, which is cosponsored by other Members of the Senate, is, in my opinion, ineffective.

In the first place, it has a dollar sign in it, and it applies only to loan proposals in excess of $15 million. The difficulty is that abuses have, more often than not, come into smaller programs, which have gotten this whole foreign aid program into disrepute.

Consider for a moment drought relief in Peru. There was probably $10, $11, or $12 million involved. We agreed to send 106,000 tons of grain. When the program was officially over, there were 11,000 tons that had never been distributed, and 25,000 tons, or thereabouts, had gone to a single miller who operated outside of the drought district and who had sold the milled product in commercial channels.

Mr. FULBRIGHT. Madam President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. FULBRIGHT. Is the Senator certain that what he is talking about were loans under the Development Loan Fund, or were they grants under another part of the bill that would not affect what we are talking about at all?

Mr. DIRKSEN. Oh, surely.

Mr. FULBRIGHT. Is the Senator sure these were loans?

Mr. DIRKSEN. No, they were not loans.

Mr. FULBRIGHT. What relevancy does that have to what we are talking about?

Mr. DIRKSEN. For the very reason that, whether it is a loan or grant, it is to be made, first, on some kind of advance information we may have, so we can finance and adjudge it.

That is true of loans, no less than it is true of grants.

Mr. FULBRIGHT. I do not understand that the Senator's amendment would apply to the other activities. It would apply only to the loans.

Mr. DIRKSEN. It would apply to all. I use the language "no authorization shall be used." I was very particular, because we are dealing only with loans.

Mr. FULBRIGHT. I did not understand.

Mr. DIRKSEN. If the loan is above $10 million, that is quite a different thing. I am thinking about all of the authority herein involved. I wish to make that abundantly clear.

Mr. FULBRIGHT. I certainly wish to clear this up. As I read the language it says "none of the authorizations contained in this title."

Mr. DIRKSEN. Yes.

Mr. FULBRIGHT. "This title" refers to the lending part, not to the grant part.

Mr. DIRKSEN. That is correct.

Mr. FULBRIGHT. Is the Senator saying that the amendment applies to the entire activity under the entire bill?

Mr. DIRKSEN. This applies only to the first title, concerned with the Development Loan Fund. I point out what has happened as to different phases of the program. The same is true under the loan program.

Mr. FULBRIGHT. The Senator surely does not mean that. The lending programs have been conducted with far greater care and on a very different basis from the grant programs. Many of the grant programs were partly relief programs. Often they were motivated by strictly political considerations, with practically no regard for repayment.

The bill provides that none of the loans shall be made without a reasonable prospect for repayment. This is not the criterion applied to all the rest of the program. It is certainly not applied to the military portion, $1.8 billion. Nobody expects that to be repaid. That is to be a grant.

I would say that practically all of the contingency fund is in that situation. All of the rest is for the grants.

When one cites instances in which mistakes were made in the other part of the program, it does not seem to me that is relevant to the Development Loan Fund. I think it tends to discredit, in the eyes of people who do not follow the program carefully, a program which is pretty decently administered and which has had a minimum of serious mistakes.

Mr. DIRKSEN. Madam President, I presume if I went back and looked through all the list I could cite such things as the Peruvian Road, the Peruvi-

an normal school, the Karaj Dam in Iran, and so on. I am applying this to the whole program.

The amendment applies only to the Development Loan Fund.

Mr. FULBRIGHT. To the Development Loan Fund?

Mr. DIRKSEN. That is correct. I have been aiming at every abuse and every scandal which has come to my attention and which has been documented by a House committee.

I would see no reason at all to cut this off on a dollar amount. There could be the same abuses under a $2 million loan, under a $5 million loan, under a $7 million loan, or under an $8 million loan. If we provided a $10 or $15 million limit, as to all of lesser loans there would be no need to submit data to the Congress.

Mr. FULBRIGHT. I beg the Senator's indulgence. The Senator says no information would be submitted. The information would be submitted when the budget was submitted by the Department to the Appropriations Committee. The assumption that the committee is going to be completely in the dark simply is not a correct assumption. It is true that the information would not be submitted in each individual case, but reports as to what has been done would be submitted. There would be quarterly reports. A total report would be submitted for all loans for the past year when the budget was presented. Congress would get a lot of information. In fact, we get so much information now, I think it often bogs us down and we are unable to understand it.

There is not any lack of information, even now, without this provision. If we require information on every one of these little piddling loans, it will bog us down.

Mr. JAVITS. Madam President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JAVITS. I think the argument which the Senator is making illustrates the real point of the amendments, and the difference, and why I think the Dirksen amendment is a better amendment. Obviously, if Congress is going to be a watchdog, so that we can catch the bad ones, the sleepers, and so on, then there should be no restriction. As the Senator says, arguments are made around the Congress quite often about the foreign aid program and the excesses in which people have engaged, and often the cases cited do not involve great sums of money. Nevertheless, these are the cases which have very materially shaken the faith of the people in the administration of the program on previous occasions. This amendment is an advantage.

On the other hand, if we are going to have a technique by which one House or the other can turn every loan down, obviously a whole body of evidence cannot be submitted on a great many loans, because it would be indigestible. It would not make possible any kind of efficient administration.

From my point of view the Congress may give itself less immediate power and the necessity for acting more deliberately through a concurrent resolution than by having a majority of each House turn a project down, but by doing that it deprives the Congress of its real watchdog function, which is to take a good look-see at everything which happens, bearing in mind what the Senator from Arkansas [Mr. FULBRIGHT] himself has said, that the Appropriations Committee can do as much by hollering as by passing concurrent resolutions. This is all the more reason for making formal action as unnecessary as possible and for getting the maximum information possible.

I remind my colleague that his amendment calls for a considerable amount of skilled personnel, which may turn out to be the most important element of the whole oversight function.

Mr. DIRKSEN. I do not have the slightest doubt about that. I know how burdened the Senators are. I remember my own burdens when I served on the committee over a long period of time.

I say, on my own responsibility, that unless there is a competent staff to make some kind of evaluation as to what is to be involved, and to make recommendations to the committee, we will go right back to the same old rut in which we have always been. I do not believe in that way we can discharge our responsibility to the American taxpayer, with whose credit and with whose money we are presently concerned in a very large amount.

Mr. BUSH. Madam President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. BUSH. I should like to ask the Senator from Illinois whether he believes that under his amendment there would be a greater burden put upon the Committee on Foreign Relations and the Committee on Foreign Affairs, as well as upon the Appropriations Committees of each House, than exists and has existed in the past year or two under the status quo? In other words, would the Appropriations Committees and the two committees dealing with foreign affairs be required to "beef up" their staffs, both in quality and in quantity, in order to implement the amendment of the Senator from Illinois?

Mr. DIRKSEN. Very definitely. The burden will not be on the Senators and on the Representatives. A competent staff will lay out the problem. There will be a meeting, and a presentation of "one—two—three." The staff is what is needed to do the work. I would not give a fig for any oversight effort or for its value unless there is a staff which will do the work and which will make recommendations to the committee. That is why we have competent and skilled staffs.

Mr. BUSH. Therefore, the Senator contemplates there would be a considerable increase in staff of all four of the committees, if his amendment should prevail; is that correct?

Mr. DIRKSEN. The language of the amendment provides for the necessary, competent, skilled staff.

Mr. BUSH. I am not familiar with the details of the staff now serving each of these committees. That is the reason I raise the question. If the Byrd amendment had prevailed, would the Senator have thought it necessary to provide increased staff?

Mr. DIRKSEN. Under any circumstances, whether the Byrd amendment prevailed or not, I believe this is necessary. I believe a lack of proper staff has been one of the weaknesses in the whole senatorial structure. When we are dealing with projects so far afield that we do not have the necessary evaluation to keep the Senators advised, it makes solutions to problems very difficult.

Mr. BUSH. The authorization for all the projects has come from the Committee on Foreign Relations and from the Committee on Foreign Affairs. I noticed in the perfecting amendment of the Senator from Arkansas the Senator has eliminated the Appropriations Committees. This rather appeals to me, on the basis that it seems to me the two committees which are most familiar with the operations involved are those of Foreign Affairs in the House and Foreign Relations in the Senate. By giving authority to two more large committees, there would be a tremendous amount of work duplicated in the Senate and in the House of Representatives.

I ask the Senator why it would not be appropriate to modify his amendment, which has a great deal of merit, I must say—I am very favorably impressed with it myself—so as to eliminate the provision with respect to the Appropriations Committee of each House, and confine the proposed scrutiny to the two authorizing committees that presumably are the most familiar with the operations covered by the bill; namely, the Senate Committee on Foreign Relations and the Committee on Foreign Affairs in the House? How would the Senator feel about that proposal?

Mr. DIRKSEN. There are two reasons why I would oppose eliminating the Appropriations Committees. First, since the program was born, the Appropriations Committees have dealt with it, and members of those committees have developed some familiarity with the money aspects of the program. Second, there is no greater burden in notifying 100 Members of the House and Senate than would be involved in notifying 50, and submitting a report.

Mr. BUSH. My point was not so much the burden of notification but the burden of dealing with the information. Under the proposed amendment of the Senator from Illinois I would assume there would be duplicating scrutinizing machinery in two committees of the Senate and two committees of the House, whereas, it would seem to me, one effective staff organization would be sufficient.

Mr. DIRKSEN. It has always been the custom in connection with appropriations for the proposed program to place the question before the entire Appropriations Committee. In the Senate this operation was not a subcommittee operation. It was a subcommittee operation in the House, but never in the Senate. Members of the committee developed a familiarity with the subject,

and I think for that reason, it being a money committee, it should not be excluded or eliminated from the oversight operation that is involved.

I wish to make one further observation about the amendment of my distinguished friend from Massachusetts. First, the proposal would go to the Speaker and to the President. Then would come the question of reference. There is no provision for reference of the proposed loan to any committee. It could therefore go to any committee. It could not become effective, nor could the obligation become effective, except on two conditions. The first condition would be that a report be filed; the second would be that there be no resolution of disapproval within the 30-day period.

The process invokes the technique of the Reorganization Committee. So if a committee did bring out a resolution of disapproval, of course, it would come to the floor of the Senate and there would be 10 hours of debate. If the committee failed to do so, but some member of the committee should offer the resolution, then, of course, there would have to be a motion to discharge the committee, and the motion would be placed on the calendar. The technique becomes rather cumbersome. Failing of that process, and assuming Congress to be in an adjournment status, the question would go to a special committee of seven members. As the distinguished Senator from Vermont [Mr. AIKEN] pointed out, the committee structure and Congress would be practically circumvented.

So I find that that is another weakness in the proposal.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. McCLELLAN. If I correctly understand the amendment of the Senator from Illinois, assuming that while Congress is in recess a proposal is submitted to the respective committees, and at least one of those committees decides that it should oppose or offer a resolution of disapproval, how could such committee act to prevent the obligation or expenditure of the money?

Mr. DIRKSEN. Actually, because of the time limit involved, it could not be done.

Mr. McCLELLAN. That is what I would like to point out. Actually there would be no complete safeguard.

Mr. DIRKSEN. No, because the 30 days would elapse without action.

Mr. McCLELLAN. If Congress were not in session, such action could not be taken.

Mr. DIRKSEN. Exactly; and there would be no way of dealing with the problem, unless we should provide for a longer time, and such action might be regarded as hamstringing the executive agency. I have no answer to the question with respect to the interim period. We would have to live with it. However, I assume that the executive branch would probably hold up the expenditure until Congress was again in session.

Mr. McCLELLAN. I was a bit intrigued by the argument of the Senator from Connecticut [Mr. BUSH] with respect to retaining all authority in the hands of the authorizing committee. If such procedure should become a practice, we might as well abolish appropriations committees and say that whatever is authorized, the money shall automatically be appropriated.

I am not arguing at the moment for or against the proposal, but it seems to me that when we propose to spend money, especially in view of the action that has been taken to permit the agency to borrow money up to $8,800 million, and possibly to spend as much as it wishes to spend, if we are to have any curb at all, surely the Appropriations Committee should have an opportunity to look at the proposal.

Mr. SALTONSTALL. Under the amendment offered by a number of Senators and myself, if Congress were not in session and a loan application should come in, a committee of Congress could defer it, but it could not kill it, so to speak.

Mr. McCLELLAN. Such provision is not contained in the amendment of the Senator from Illinois.

Mr. SALTONSTALL. No; and it is not in the amendment of the Senator's colleague from Arkansas.

Mr. McCLELLAN. It seems to me that if the proposal has any merit at all, it would be proper to have it referred to a committee, and the committee should be given some authority to take action. That authority should exist throughout the adjournment period of Congress as well as while Congress was in session. Otherwise a gap would be left, and the intent of Congress could be circumvented by deferring decision until such time as Congress was not in session.

Mr. SALTONSTALL. The senior Senator from Arkansas and I are both members of the Committee on Appropriations. When the "resolve" was adopted on the motion of the present Vice President of the United States, the then majority leader of the Senate, to send these reports to the Committee on Appropriations, all the reports came down classified and, so far as I know—and I think I am correct—the committee never objected to any of the reports that came in.

Mr. McCLELLAN. The committee members ought to object. In theory I was trying to apply this proposal and see if it would actually provide a stopgap to the authority that could be exercised, or whether there was a loophole that would actually make the procedure ineffective for all practical purposes.

Mr. SALTONSTALL. If the Senator from Arkansas and other Senators who are members of the Appropriations Committee or the Foreign Relations Committee should object very strenuously to a loan, privately, publicly, or in any other way, I believe the administration would hesitate to make such loan.

Mr. McCLELLAN. We are still talking about what might be done. I am talking about what can be done and what we cannot do under the proposed resolution. I might be interested in voting for something that I thought would really be effective. If I am to vote for a measure, I would rather vote for an effective measure—something that would cover the entire proposal—or not vote for it. I do not want to vote for something that would give me the idea that perhaps I am providing a safeguard or protection, when in fact I am not.

Mr. SALTONSTALL. Effective action could be taken by the next session of the Appropriations Committee in cutting off the administrative expenses. I do not approve of that method.

Mr. McCLELLAN. I do not like that procedure either. I would rather see Congress make positive appropriations. Sometimes it is well to make appropriations with some discrimination. We frequently do so. I am not unalterably opposed to doing so in some cases. I read the amendment of the distinguished Senator from Illinois. It occurred to me that we might as well not have any provision, if that is all we would have. I think there would be a loophole big enough for $100 million or $500 million to skip through when Congress is not in session, if the administrators wanted to operate that way.

Mr. SALTONSTALL. I respectfully disagree with the Senator.

Mr. McCLELLAN. I thank the distinguished Senator from Illinois for yielding to me.

Mr. FULBRIGHT. I am sure the Senator is aware of our experience with so-called watchdog committees. The one created by the Economic Assistance Act of 1948 consisted of members as follows: three each from Foreign Relations and Foreign Affairs—two from the majority and one from the minority—and two each from the Appropriations Committees. At its peak the committee had a staff of over 20 persons, most of them agents and some of them stationed abroad. For fiscal year 1949, the committee was authorized to spend $282,000 and for fiscal 1950, $344,000 was requested and $110,000 finally appropriated after a protracted and bitter struggle between House and Senate Appropriations Committees, the bill was in conference from August 9 to September 29.

The following year, after another struggle between the committees, the House prevailed in its insistence that the group be dissolved by August 31, 1950. The Senate committee agreed to this only after deciding to set up its own watchdog committee with authority to spend $110,000. This subcommittee existed until 1953 at which time it was reconstituted as a Subcommittee on Investigations, covering all fields of interest to the Appropriations Committee. In 1955, its functions were transferred to the Committee on Government Operations.

After spending a great deal of money and after considerable controversy and quarreling, it ended up in the Committee on Government Operations. Why would not that committee be competent to perform that function now?

The watchdog committee was critized for meddling, dealing in minutiae, a tendency to serve the aims of domestic pressure groups, the duplication of ECA's own evaluating functions, and so on. It produced 7 studies, adding up to about 100 pages, on such topics as "Shipping

Problems in the ECA Program," "German Preparations," "ECA and Strategic Materials," and others.

Our experience with watchdog committees has not been productive, and have cost a great deal of money. I know the Senator is dedicated to saving money and does not favor unnecessary spending. I am sure he would not want to sponsor any program which would incur unnecessary spending by Congress.

In any case, I do feel our experience has been a very happy one with watchdog committees. I believe that the committee itself, when it reviews the budget, usually makes a thorough job of doing just that. They are used to it as a regular routine.

I do not view the Senator's proposal with enthusiasm, even though it would entail the employment of competent and skilled people, and even though it is said it would not put any burden on the chairman. The fact is that every time we employ another person the chairman must consult him or must first try to find such a person. It only multiplies the problems all around. I prefer a good, small staff to 20 or more people who are looking for jobs.

I ask the Senator from Illinois if he would entertain a slight amendment to his amendment, substituting for the first line and down to the word "session," the following:

In any case in which the amount of a proposed loan under this title exceeds $10 million in the aggregate such loan shall not be made and no agreement obligating the United States to make such loan shall be entered into—

And then continue with his amendment:

until 15 days after—

And so on. Would that be acceptable to the Senator from Illinois?

Mr. DIRKSEN. No, it would not be acceptable.

Mr. FULBRIGHT. The other point on which I should like to query the Senator from Illinois is with respect to the ambiguous language contained in the third line of his subsection (e) where the language reads:

Provided, however, That if the President certifies that any such report will be adverse to the national interest—

Then I would suggest that the words "by action of the said committee" be stricken.

I understand that if the President certifies, it does not have to be reported. The Senator's amendment provides for action by committees.

Mr. DIRKSEN. I am not adamant on that point. Substitute language might be developed for the language that I have in the amendment.

Mr. FULBRIGHT. I would suggest that we strike, after the words "interest then," the words "by action of the said committees." The line would then read: "national interest then the filing thereof may be waived."

Mr. DIRKSEN. I can anticipate situations when we would have to rely upon certification by the President.

Mr. FULBRIGHT. That is correct.

Mr. DIRKSEN. He has the tools and equipment with which to ferret out these things and evaluate them. Before any modification is made, I would suggest that one of the cosponsors of the Saltonstall proposal will not return for another good hour. I have just conferred with the majority leader. It was agreeable to him that the Saltonstall amendment, my substitute, and the perfecting Fulbright amendment be laid aside until his return, and that other amendments might be offered in the meantime, until the distinguished Senator from New York [Mr. KEATING] returns.

Mr. FULBRIGHT. That is agreeable.

Mr. BUSH. Madam President, will the Senator yield for a question?

Mr. DIRKSEN. I yield.

Mr. BUSH. I refer to subsection (e) of his amendment, in the next to the last line. He speaks about a report being adverse to the national interest. I wonder if the Senator would consent to changing that to read "national security."

Mr. DIRKSEN. I am not. I have indicated that there is a sharp distinction between the two. It ought to be "security interest," rather than the national interest.

Mr. BUSH. The Senator will contemplate making that change?

Mr. DIRKSEN. Definitely.

Mr. President, I ask unanimous consent that consideration of the Saltonstall amendment, the Dirksen substitute, and the Fulbright perfecting amendment be set aside until the hour of 3:15 p.m., at which time it shall become the pending business of the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The bill is open to further amendment.

Mr. DIRKSEN. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to amendment.

Mr. McNAMARA. Vote.

Mr. DIRKSEN. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REMOVAL OF DEPENDENTS OF U.S. ARMED FORCES FROM BERLIN AND WESTERN EUROPE

Mr. MILLER. Madam President, on July 12 I commented in the Senate upon suggestions then being made about mobilizing our Reserve forces. Deputy Defense Secretary Roswell Gilpatric was reported to have said that the administration was considering a callup of Reserve forces to strengthen our ability to cope with Russia's menacing attitude over Berlin. I said at that time that I was certain the leaders in the Kremlin would not be at all impressed by our plans for a buildup of conventional forces. I suggested that certain other actions be taken before resorting to mobilization, and that unless we were willing to take them, we would not have the firmness and resolve to employ conventional forces in a shooting war over Berlin.

One action which I suggested was to move out the dependents of our military personnel in Western Europe, because it seemed inconceivable to me that Mr. Khrushchev would think we were going to engage him in a conventional war while those dependents remained in that area. I also suggested that we take steps to advise Mr. Khrushchev and other interested countries that if he persisted in his plan to sign a separate peace treaty with East Germany, he could expect that at that very instant we would take some political-economic actions leading to the closing of Communist-bloc embassies, legations, and consulates; leading to the discontinuance of any foreign trade whatsoever with Communist bloc nations; and to the discontinuance of foreign aid to any nation which conducted foreign trade with such nations. To me, it is unthinkable that such action should not take place if we engaged the Soviets in a conventional war; so, before resorting to mobilization, it seemed to make sense to remove the dependents of our military personnel and to let Mr. Khrushchev know what the consequences would be if he pursued a unilateral course with respect to East Germany.

I might add, that it seemed to me that the signing of a separate peace treaty with East Germany would be the proper occasion for these other actions, because we know that, as Mr. Khrushchev himself has indicated, this would lay the groundwork for Communist efforts to deprive us of our rights in Berlin, through the closing of air and ground access routes from West Germany to Berlin.

Unfortunately, none of these actions has been taken. Congress has acted in good faith with the administration and has authorized the President to call up 250,000 reservists. It has greatly increased the amount of money to be spent for conventional arms. But the administration has, thus far, seen fit to put the cart before the horse. It has proceeded with plans for semimobilization of this country without first taking the action needed to demonstrate the firmness of our resolve.

In fact, the administration has apparently decided to take action the other way. Inaction with respect to a pullback of oversea dependents of military personnel is bad enough, but to plan to permit the movement of more dependents to Western Europe is, in my judgment, the real tipoff to Mr. Khrushchev that we do not mean business.

On July 31, at page 14054 of the CONGRESSIONAL RECORD, appears a colloquy between Representative FRANK J. BECKER, of New York, and Representative JAMES E. VAN ZANDT, of Pennsylvania, which indicates that Secretary of Defense McNamara intends to permit dependents to accompany military personnel who will be sent to Germany to augment our forces there now. I ask unanimous consent that the colloquy be printed at this point in the RECORD.

There being no objection, the colloquy was ordered to be printed in the RECORD, as follows:

Mr. BECKER. Mr. Chairman, of course, I understood the question asked by my colleague from New York [Mr. STRATTON], of the gentleman from Illinois [Mr. ARENDS]. To make it abundantly clear, the minority side of the House are going to vote for this resolution, as we did in the committee on Friday, with a firm heart and a firm conviction that we are going to back up the President in any attempt he is going to make now or in the future to offset any Communist aggression in Berlin or in any other part of the world.

But let me say this, Mr. Chairman. We were asked in the President's talk of last week to make sacrifices, as we were in many talks that he made during the course of this year. Of course, we must make sacrifices. The American people are way ahead on this. We are willing to make sacrifices. But again here, in this program, men who are in the service today are going to make an additional sacrifice by having their terms extended; and in addition 250,000 are going to be called into service, and they are going to make a sacrifice. But the cost of this is not to be borne by the generation of today. The cost of this is going to be borne by generations unborn, generations in the future, which is the case with many programs that have been passed by this Congress this year. The costs of those who are not going to represent sacrifices by our generation today, but will be sacrifices that will have to be made by generations unborn, in the years to come. No one is being asked to pay for this today. So I cannot quite see what sacrifice is being asked of the American people today, except of those families whose sons are going to be affected by this legislation.

Mr. Chairman, there is one other point I would like to make, and I think it is a very serious one. We asked the question the other day in Committee on Armed Services with reference to these 250,000 men, whether additional numbers would be sent overseas to beef up our forces there. We are told that this is a possibility. We asked whether or not the dependents of these men were going to be sent overseas and we were told that if we did send additional numbers of men we would also send dependents overseas. Mr. Chairman, I say that this is ridiculous. If we are faced with a hot situation, if we are going to make sacrifices today, why not bring home the dependents, and not put ourselves in a position overseas where we can be blackmailed because of the hundreds of thousands of dependents of our servicemen over there. And then, we add insult to injury by saying that we are putting money in these other bills to provide transporation to send more dependents abroad. Just what are we doing. This is ridiculous.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. BECKER. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Mr. Chairman, it is quite interesting to read the hearings to the House Armed Services Committee of last Friday, when we were considering this resolution. These matters were deleted from the hearings, the questions or interrogations that concerned the matter of dependents. I would like to know whether or not, when you talk about dependents, that is a classified subject.

Mr. BECKER. I do not believe it was classified or I would not have brought it out on the floor. It is a part of what we are doing here. It is a part of what we have been doing.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield further?

Mr. BECKER. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. The gentleman will recall that the gentleman from Pennsylvania put a question to the Secretary of Defense as to whether or not he had plans to bring the dependents back from Europe to the United States; and he said "No." Then the gentleman from Pennsylvania asked him, "Do you intend to permit dependents to accompany the military personnel who will be sent to Germany or West Berlin to beef up our forces?" And the answer was in the affirmative.

Mr. BECKER. That is correct.

Mr. VAN ZANDT. Our contention is, if this is an emergency, therefore we should not keep the dependents there who are there and should not send more over there.

Mr. BECKER. I agree with the gentleman from Pennsylvania.

Mr. MILLER. Madam President, what has prompted these remarks today is the front-page news in the morning newspapers to the effect that the Soviets have not, as we might well have expected, been much impressed by the action taken by this administration and are proceeding to encircle Berlin with their armed forces after closing the border between East Berlin and West Berlin. Premier Khrushchev has said publicly, and to some U.S. personnel privately, that he does not think the United States will fight over Berlin. This statement should come as no surprise to anyone, because our action and inaction on the political-economic front is entirely inconsistent with a firmness or resolve to fight. I am not saying that we are unwilling to fight over Berlin. I think we are. What I am saying is that we are in serious danger of another miscalculation, just as occurred in Korea, on the part of the Soviets concerning Western firmness of purpose and intentions because of inconsistent action on the part of this administration which invites such miscalculation.

Madam President, time is running out on our opportunity to demonstrate to Premier Khrushchev that we mean business. The Defense Department should, without further delay, make it very clear that not only will no dependents be sent to Western Europe with additional Armed Forces which are sent there, but that dependents of the Armed Forces already there will be moved out. We will not engage in a conventional war there unless this is done, and Premier Khrushchev knows it. Moreover, the President should advise Mr. Khrushchev and other interested countries that the signing of a separate peace treaty with East Germany and any other action in violation of the rights of the German people and of the Western countries will be followed immediately by the type of political-economic action I have heretofore recommended. I am confident that if this is done, there will be no miscalculation on the part of the Soviets; and, even more important, no war over Berlin.

Mr. SCOTT. Mr. President, will the Senator from Iowa yield?

The PRESIDING OFFICER (Mr. HICKEY in the chair). Does the Senator from Iowa yield to the Senator from Pennsylvania?

Mr. MILLER. I am happy to yield to the Senator from Pennsylvania.

Mr. SCOTT. I congratulate the distinguished Senator from Iowa for his statements; and I should like to ask him whether he recalls how often it was stated last year that we arm to parley. Does he feel that what is going on now carries out that statement of American purpose?

Mr. MILLER. Let me remind the Senator that I do not think our actions are consistent. If we are going to be strong militarily, we cannot afford to be weak on the political-economic front. If Khrushchev thinks that while we are strong militarily, we are not firm enough and do not have enough resolve to employ our Armed Forces to resist aggression, he will go right ahead with his aggressions.

In order to convince the leaders in the Kremlin that we mean what we say, we must be consistent on all fronts. We must be consistent on our military front and on our political front and on our economic front. We cannot have "business as usual" in Washington and we cannot have spending as usual on the domestic front if we are getting set for a hot war or a shooting war; and Khrushchev knows that.

As long as we persist in trying to fool him by taking action that is not firm on the political-economic front, he will keep on doing what he has said he would do. The only way to deter him is to convince him that we mean what we say.

There was no question in Khrushchev's mind when the late Secretary of State John Foster Dulles said that we meant business over Lebanon. We did exactly what we said we were going to do over Lebanon, and there was not a war. But let those in the Kremlin get the idea—because of inconsistent actions on our part—that we are afraid to fight, and there will be no quicker way to get into a hot war or a shooting war, in my judgment.

Mr. SCOTT. I thank the Senator from Iowa.

AMERICAN FOREIGN POLICY

Mr. McGEE. Mr. President, even at this late date I continue to receive telegrams from individuals and groups who express their concern not only over the hijacking of airplanes, but, in particular, over the plane incidents and their suspected connection with the Government of Cuba. The telegrams I have been receiving read variously, but in essence they boil down to the following:

Urge immediate armed intervention in Cuba to uphold American rights—

Or—

We favor forceful recovery of the U.S. planes—no row boats or strong notes, please.

Mr. President, since the occurrence of the incidents which induced the send-

ing of these telegrams by constituents of mine, it has been established that the incidents have had little connection, if any at all, with anyone connected with the Cuban Government, inasmuch as one of the incidents was perpetrated by an American citizen from the State of Arizona, and another was perpetrated by a mentally deranged or disgruntled French-Algerian. Furthermore, it has since been announced that one of the planes held in Cuba is to be returned tomorrow.

Therefore, I think it well at this point to take stock and to avoid the hotheadedness which tended to be prevailing before, when we now consider what position by us is called for.

Mr. President, let there be no doubt that the Congress is aroused and even shocked by the recent airplane hijacking incidents. Earlier this summer, several of those of us who serve on the Commerce Committee introduced Senate bill 2268, aimed at policing this crime. After holding hearings in recent weeks, the Senate has just passed a severe antihijacking bill.

While we resent the airplane hijackings and the risk to the many airline passengers and the crew members involved, it is all the more imporant, however, that we keep our heads, and that in such instances we do not act out of impulse or emotion or in some foolhardy way. Many troubles which have been popping up all over the world, and which no doubt will continue to do so, have nothing to do with Castro, or even with Khrushchev. That is why we have to command the ultimate in national sanity in responding to the "57 varieties" of complicated problems which are likely to continue to plague us as long as there are people on the face of the earth.

I am one of those, moreover, who firmly believe that we are threatened in the world less by pipsqueaks like Castro than by Communists like Khrushchev. In short, Mr. President, I believe that if one pursues the trail along which move the real threats to our security to its actual source, it will be found to lead, not to Havana, but to Moscow. So let us not let the aggravating tactics of a little man in the Caribbean lure us off the main track.

In fact, I would think that nothing would delight the Communists in Russia more than for the United States of America to embroil herself in a war with Cuba. In fact, for us to go to war with Castro each time a mental patient perpetrated a new episode would only be courting international disaster. It would likewise be forfeiting our tremendous and sometimes frightening responsibilities as a leader of the free world. If any person, either an American or a foreigner, who concocts some reckless caprice can provoke us into an act of war with Cuba, then we place ourselves at the mercy of crackpots and mental derelicts, at the expense of both our national strength and our international stature. Instead of shooting from the hip, it is imperative that we think from the head.

Therefore, Mr. President, it is important that we exercise the greatest caution and wisdom in separating the trivial, the exasperating, and even the infuriating from the fundamental, the strategically important, and the all powerful. The President of the United States and the U.S. Congress are called upon to do just that. They take upon their shoulders not only the responsibility for dealing with hijackings, but likewise the responsibility for protecting and strengthening the position of the United States as a leader of the free world.

Unfortunately, Mr. President, there is no cheap or simple way out of the difficult pressures crowding in upon us from all directions around the globe. The times are so serious and the consequences of failure so frightening that we in America must do everything within our power to command cold, calculating, decisive judgments if we are to win in the cause in which we so deeply believe.

THE BERLIN CRISIS

Mr. JAVITS. Mr. President, I have in mind addressing myself today to the Berlin crisis created by the Soviet Union's cutting off access on the border between East Berlin and West Berlin. The framework in which I speak has been highlighted by the remarks of the Senator from Iowa [Mr. MILLER], as well as those of the Senator from Wyoming [Mr. MCGEE].

I thoroughly agree that we must give everyone evidence of our meaning in what we say and of our willingness to run risks, and everything that will buttress that understanding by the Communists is essential to our position.

I also agree with the Senator from Wyoming [Mr. MCGEE] that we have to keep our shirts on and that this is the time for the coolest observation of what is going on. It would not be too farfetched, knowing the Communists as we do, to attribute the closing of the Berlin border, or the effort to close it, as probably an effort to drive the East Germans into a corner where they might engage in an action for which they could be repressed and provide an invitation to the whole world to step in and intervene. That certainly would not be beyond the confines of the kind of duplicity in which the Russians have engaged. They did it before during the war with respect to the terrible tragedy of Warsaw, when they remained on one side of the river while the resistance forces remained on the other side. They could do that kind of thing again.

It is quite consistent, in view of the facts of this situation—and I shall develop them in a minute, as well as make some recommendations—to do both things that have been suggested, to increase the notice we have given as to the seriousness of our determination, and to keep our shirts on and be sure we are not drawn into something that we shall be sorry we were drawn into. But we realize this is an area of pain or trouble, and someone is going to get hurt, and our effort is to try to preserve victory for the free world.

It is for those reasons that we are presented with a very clear opportunity in this Berlin crisis.

First, notwithstanding all Mr. Khrushchev's words, he is now guilty of a clear violation of the Four-Power agreements on Berlin. Everybody knows it.

Second, these agreements are spelled out, so there can be no juridical argument about them. There may be some argument about access routes, although I think there is no validity to those arguments, but there can be no question as to the allied commitments on the Berlin question.

Third, Khrushchev now poses a dangerous threat to the freedom of the world. Some people may not understand the threat in Laos. Some people may not understand the threat to Cuba. But everyone understands the threat here. A similar threat has been the breeding ground for world wars going back many decades. That is precisely what Khrushchev is presenting to the world today.

This is a pretty sad position to which the Soviet Union has brought us. We have a clue to the seriousness of it in a very interesting incident. In yesterday's paper we were told that the Tass news agency struck out what the whole free world considered the most important part of Khrushchev's speech delivered at the Kremlin on August 11 at a meeting on Soviet and Rumanian Communist friendship. This is the report of that part of Khrushchev's statement:

> The question of a fight for a peace treaty with Germany is not only literally for a peace treaty. There are moral and juridical rights on our side. This is a question of our fight for the recognition of our grandeur.

Let me read that again:

> This is a question of our fight for the recognition of our grandeur.

That whole passage was deleted by Tass. Why? I think it is fair to say that Khrushchev wants the Russian people to believe one thing, but he does not want the rest of the world to believe the same thing. He is a politician, just as we are. He may not be reelected, but he has a hierarchy he wants to keep in power, a hierarchy which, by political means, at least as they construe them, has come to power.

Obviously, he has the problem of justifying it first to the Russian people, and also justifying his policy to the Communist Party of the Soviet Union, which represents only a small fraction of the people of Russia. So by saying what he did say, and then deleting it, or trying to delete it so far as the outside world is concerned, he is trying to serve these two masters.

This is a very interesting clue to what we are facing, because we not only have to show the Russians we mean business, militarily and economically. We not only have to keep our shirts on and operate with cool heads, and not get panicked or be drawn into something that may be very unwise for us to get drawn into, but we have to break through to the Russian people with a story. This illustrates one of the most outstanding deficiencies in our present major national effort to meet the Soviet threat, for all of us know that the USIA, which was cut to ribbons in 1957, is still far behind in the job that needs to be done, and this is a vital part of the job we have to do in the world.

The question of the recognition of Soviet "grandeur"—and it is rather reminiscent of the words of General de Gaulle—is the very essence of the world's problem. A nation conscious of its dignity and confident of its achievement would not block with barbed wire, police, troops, and tear gas, backed up by its combat-ready divisions with tanks, the means of exit of those who wish to flee to freedom. Nor would such a nation keep enslaved 100 million unwilling people in central and southern Europe or enslave 19 million in East Germany so unjustly that 3 million have run the gantlet of danger and escaped in the last 12 years.

Mr. President, a nation seeking the recognition of its "grandeur" will not, through its principal official, Chairman Khrushchev, threaten nations small and large with extinction through atomic rockets for taking a different view than itself of what will be conducive to the peace of the world. Yet, this is precisely what Premier Khrushchev has done—threatening even to develop a 100-megaton bomb, five times the size of any atomic bomb now known to exist, and capable of ruining an area of hundreds of miles—like that from Boston to Washington, with a population of 31 million. Now, would a nation seeking recognition of its "grandeur"—again I use Chairman Khrushchev's word—be backing without principle ultrarightist totalitarian and disruptive efforts in some places like Iran and Turkey while loudly proclaiming its aim to help those seeking the realization of liberal aims in Africa and Latin America?

Indeed, how can a nation seeking the recognition of its "grandeur" espouse a widely announced policy of fomenting and backing the overthrow by force of governments which do not agree with it—wherever there exists or is in prospect any such insurrection—with the untold misery and danger which is the result? Yet the Soviet Union is doing precisely this all around the world.

Mr. President, the use of this word "grandeur" reminds us that Chairman Khrushchev represents the Soviet people by pounding on a table with his shoe at the United Nations; arbitrarily refusing to enter into a nuclear test ban treaty; efforts to sabotage the U.N. with the Troika principle for its direction; failing to contribute a ruble to the worldwide U.N. effort to give technical assistance to the less-developed areas or failing to contribute to the assistance of the world's refugees and instead exploiting their plight for subversive purposes. Can all these actions in any conceivable way bring a "recognition of grandeur" to the Soviet Union from the world community of nations?

Of course, the answer is decidedly "No."

If, as is apparent, Chairman Khrushchev is justifying his policies and those of his Communist regime to the Soviet people on the grounds of "the recognition of grandeur," then our crisis is at least as much a crisis of the failure to communicate to the Soviet people as our lag in military preparations or in space.

Therefore, while we accelerate on a crash basis our military preparedness and our progress in the space race, let us also throw all our weight and effort behind, revealing to the Soviet people the fraud which is being perpetrated on them abroad in policies which debase their aspirations for the recognition of their grandeur as a nation. In a time of crisis when we want to be sure to extend the national resources and the national effort to meet the greatest point of danger, let our Government carefully review this problem of communications and bring us a crash program for USIA and the bill for it promptly.

Mr. President, our history in that regard is sad. Right now, up to this minute, this year, the USIA requested $141,230,000. The other body has already cut $14,080,000 from this amount. About $8 million of this cut was earmarked by the Agency to strengthen its program in the new countries of Africa and Latin America, and to increase its television programing. Another $3,430,000 reduction made by the other body would prevent the Agency from improving its vital radio transmitting facilities.

Congress seems to have no hesitancy about adding funds to administration requests in other areas of our national security. I hope the Senate will at least restore these cuts to as vital an agency as USIA. It has been pointed out that our Defense Department budget for 1 year could run the USIA for 400 years at the present level. Our sense of values are certainly out of proportion if we permit reduction in our propaganda effort now.

On the contrary, we should lend an ear to the advice of Bill Paley and the advice of David Sarnoff, the heads of our largest broadcasting chains, and to the advice of Ed Murrow himself, the head of the USIA, and to the advice of many other people in this country, who see in what has happened in the Soviet Union, in Berlin, and in Khrushchev's pointed statement, how markedly important this is. In addition, we need a crash USIA program now. And Congress should proceed immediately to enact it with the same note of urgency and priority that was given the defense bill and even the airplane hijacking bill. The Communist bloc is spending hundreds of millions of dollars to promote its objectives throughout the world. When are we going to face up to the fact that the propaganda gap is as crucial as any other gap in the world struggle for survival?

Chairman Khrushchev has himself shown us a way which may be the Achilles heel of the whole monolithic Communist structure that seems so formidable from the outside.

Their hysterical actions on Berlin certainly show what internal cancers there really are in the Soviet Union; and I think they are hysterical.

Chairman Khrushchev is obviously under the necessity of telling the Soviet people one thing and holding his place in the Communist hierarchy with policies of quite another nature. We must emphasize again and again that our problems are with the Communist regime and not the Soviet people.

Mr. President, if we could only get these words to the Soviet people, the spontaneous favorable reaction of the world to Major Gagarin and Titov and their space achievements—giving the U.S.S.R. the benefit of the doubt that they would not be used for military purposes even though the Communist regime still expresses no interest in a treaty guaranteeing the use of outer space for peace alone—should convince the Soviet people that the free world wants to recognize their grandeur and to welcome them into the company of the grand, which they deserve by their achievements in the last four decades if only given a chance. But, the regime which they allow to govern them must cease to affront the world's concepts of justice and decency and to threaten its very survival before civilization can allow the free world to recognize the grandeur of the Soviet nation.

Mr. President, I think Chairman Khrushchev has opened for us a window on the Soviet world and on the Soviet mind which, coupled with their actions in respect of Berlin, gives us an enormous opportunity.

I sum up by saying, Mr. President, yes, by all means I agree with my colleague from Iowa [Mr. MILLER]. We have to give every evidence of meaning what we say in terms of our determination not to back down on Berlin in its true sense—not in the sense of no negotiation, and not in the sense that there are not many things we can do, but in the sense of not compromising the fundamental right of the free world to be in Berlin, to have its presence there, and to have its presence felt in terms of the 2 million people of West Berlin.

Second, I agree with the attitude stated by my colleague from Wyoming [Mr. MCGEE] in which he said, "Let us keep our shirts on. Let us keep a cool head. Let us avoid being drawn in by things which excite us or concern us deeply. Let us understand the deep issues involved; and, when we give a commitment, make it on a major scale and in the right way for the right cause at the right time."

Mr. President, I think action on the Berlin situation is the right way in the right cause at the right time.

Finally, Mr. President, there is one area in which we are very weak in terms of our voice abroad, and that is the size, the consequence, and the impact of that voice. Are we breaking through to the Russian people? Are we breaking through to the rest of the world in the way we must when these opportunities are presented to us on a platter by Chairman Khrushchev, not because he is not intelligent but because, like everybody else, he has to be controlled by the two-faced dynamics of his own position. First, he wants to tell the Russian people that they are grand, that they are entitled to grandeur; and, second, he wants to tell the rest of the world he does not intend to yield an inch in terms of the peace of the world and the conquest of the world by communism. We have to bear this contradiction home on him. This is the way to break his power. We know full well that we may not be able to break his power at home, because of the iron grip the Communists have on the throat of their people and those they have enslaved.

Whether the Communists will prevail or not will depend upon one and a quarter billion people of the world, the so-called neutralists who want to know which path to travel. It is they to whom this message must be crashed through. I think the times definitely call for as much expenditure as possible in a relative sense, for as much emphasis on getting our story through as there is upon military preparation.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to my colleague.

Mr. MILLER. First I wish to commend the distinguished Senator from New York for his excellent speech. Actually he has carried my theme a step farther, because he has pointed out the need not only for us to stand firm but also, if we are ever to win the cold war, the need for us to go on the offensive, to go on the offensive on all fronts, and particularly in the area of psychological warfare, to bring home to the other peoples of the world, and particularly those of the underdeveloped countries, as well as the people behind the Iron Curtain, exactly what is the truth about communism.

In connection with the problem of maintaining firmness in the mind of Mr. Khrushchev, in the Washington Post on August 9 appeared an excellent article by Roscoe Drummond on Mr. Khrushchev's speech, in which Mr. Drummond points out that they—meaning the leaders in the Kremlin—are still not persuaded that the allies will stand firm. I ask unanimous consent that this fine article be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MR. K'S SPEECH—THREE FAMILIAR THEMES

(By Roscoe Drummond)

Embedded, though slyly expressed, in Premier Khrushchev's reply to President Kennedy on Berlin, are three Kremlin themes.

To the United States, Britain and France he says: Let's be reasonable and do it my way.

To the West as a whole he says: You are the warmongers and we love peace.

To the neutral nations he says: Don't let America push us around or you are likely to get into war yourselves.

Is there anything in the Khrushchev speech which advances the prospect that the crisis which he created over West Berlin can be resolved by negotiation without the West's sacrificing Berlin to the steady closing of the Communist noose?

I think not. This is not surprising.

There are three reasons why it is not surprising.

1. The Soviets do not go to the conference table until they are sure they cannot get what they want by threatening to take it. They are still not persuaded that the Allies are going to stand firm.

2. The Soviets never reveal their negotiating position in advance of negotiation and never cease asking for everything until they are certain they cannot get everything by continuing to ask.

3. Since it is the Soviets, not the Allies, who are demanding a change in the status of West Berlin and that Western rights be dissolved though perhaps, for a time, partly reaffirmed, they can keep up the pressure until there is nothing left for the Kremlin to do but take the perilous step.

That step is a peace treaty recognizing the independent sovereignty of the East German regime ("independent" and "sovereign" like Hungary) and ostensibly giving East Germany the authority to do as it wishes with Western rights in West Berlin.

Until that action has to be taken, Mr. K. can continue to show none of the "reasonableness" he asks others to show to him.

Therefore, it will be well to expect no deviation in the Soviet tactic of carrying pressure to the point of no return in the hope that the United States, Britain and France will throw in their hand.

In his latest speech Mr. Khrushchev has used words which would appear to suggest that if we will just rush over to the conference table, there won't be any difference over West Berlin which cannot be smoothed out by new words, that the Kremlin has no desire to "infringe" upon "lawful" Western interests, and that "any blockade would be out of the question."

These are bland words designed to put the wishful to slumber. Mr. K. says he will respect "lawful" Western interests in West Berlin, but he has previously declared that the rights of the West in Berlin are not lawful and would be less so, if possible, when he signs a peace treaty to give East Germany title to all Berlin. He says that any future blockade of access routes would be "out of the question," but the past blockade—the Soviet blockade of 1948–49—was unlawful and should have been out of the question. It wasn't.

It is understandable that the Soviets want to liquidate West Berlin as a radiantly free and prosperous oasis in the East German "desert." The very existence of the East German puppet regime is endangered by the continued existence of West Berlin. This is why Mr. Khrushchev calls it "a bone in my throat," a "rotten tooth that must be extracted."

Of course he would like to get that "bone," that "rotten tooth" of freedom, out of his system. But is there any reason on earth or in outer space why we should do it for him? The Khrushchev timetable is: after East Germany, West Berlin; after West Berlin, West Germany; after West Germany, you name it.

Unless we have learned nothing from Munich, West Berlin is the point where we must join to say: Thus far and no farther—and mean it.

Mr. MILLER. Mr. President, on the same date in the Washington Post appeared an article by Mr. Joseph Alsop entitled "Khrushchev's Tactics." It seemed interesting to me that my friend from New York City and New York State referred to "the breeding ground of world wars" where the crisis that now confronts us exists, and because there is a parallel between Mr. Khrushchev and his tactics and the late Adolf Hitler and his tactics. Mr. Alsop, in this excellent article points out that Mr. Khrushchev has apparently borrowed the tactics of Adolf Hitler. I ask unanimous consent that the article by Mr. Alsop be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KHRUSHCHEV'S TACTICS

(By Joseph Alsop)

The best measuring sticks for Khrushchev's speech are two episodes in its immediate background. One of these, very obviously, is the circuit of our planet by the second Soviet manned satellite.

The special timing transformed this feat into an elephantine hint that Khrushchev's words have plenty of raw power behind them.

The other background episode to consider is Khrushchev's recent jolly chat with the Italian Prime Minister, Amintore Fanfani. In the course of the meeting, it is now known, Khrushchev went out of his way to tell Fanfani that he could annihilate Italy.

In his usual genial way, he even specified the precise number of his H-bombs needed for the purpose, and he added a reminder that he had plenty of medium-range rockets to carry the bombs.

Fanfani was favored with a repeat, in fact, of the charming performance which Khrushchev put on, not too long ago, for the British Ambassador in Moscow, Sir Frank Roberts. On that occasion, he specified the number of bombs required for the annihilation of Britain and France. This time, he gave the number for Italy instead, as simple politeness to his Italian guest naturally required.

In this respect the Soviet boss is beginning to resemble certain men and women unhappily known to every community—the ones who cannot be safely asked to dinner, unless the host and hostess are ready to hear "Jolly boating weather" or watch a selection of lively Spanish dances before the evening ends.

Whenever a representative of one of the Western European allies now comes within threatening distance, nothing can dissuade Khrushchev from doing his turn about the number of bombs needed to annihilate the relevant area of Western Europe. As with the timing of the manned satellite, the intent of this Khrushchev turn is all too obvious. And it is increasingly regarded as the real key to Khrushchev's Berlin strategy.

Khrushchev is aware, of course, that President Kennedy will find it far more difficult to maintain his firm stand on Berlin if he is deserted by any of the really important Western European allies. Indeed, the desertion of West Germany would fatally undermine the whole position. In view of the character of Chancellor Adenauer, a German desertion is fortunately most unlikely, but other desertions are entirely possible.

Khrushchev is counting on producing this kind of desertion as the Berlin crisis develops and intensifies. He has been counting on it, in truth, ever since the Soviet scientists successfully tested medium-range ballistic missiles suitable for use against European targets. As long ago as the winter of 1957, he predicted to this reporter European desertion from the Western alliance on the ground that his own advanced weapons would make the peoples of Europe unwilling to be guinea pigs in the hands of others.

He then seemed to think that the results he predicted would be almost automatic; and very probably he thinks so to this day. In his speech, he was especially careful to boast of his ability to strike a crushing blow, not only at the United States, but also at the Western European allies and other countries harboring America's farflung bases around the world.

In American planning for the Berlin crisis, meanwhile, great emphasis had been laid upon the effort to hold this Western alliance together. The American policymakers believe it can be done, but they are also prepared for almost any desertion but a German desertion. In Western Europe, President Kennedy's power to lead a grand alliance, as yet not fully tested, is thus to be severely tested by the tactics which Khrushchev has so evidently borrowed from Adolf Hitler.

Inevitably, the outcome of the test will deeply influence the course of the Berlin crisis. But in forecasting the final results of the crisis, it is also needful to remember that Khrushchev has two other ways of talking about Berlin, besides the Hitler language he now regularly uses to Western Europeans.

There is the special way he reserves for Americans alone, combining stiff insistence on his objectives at Berlin with indications

of willingness to negotiate. And there is the quite different tone that Khrushchev has been taking with the representatives of the neutral nations.

To the neutrals, he has been saying there will be no war over Berlin, that neither side in the controversy wants a war, and that he is downright eager to negotiate a settlement. These messages, so clearly intended to be passed on, are just as meaningful as the Hitler-style threats.

Mr. MILLER. Mr. President, the same Mr. Alsop pointed out 3 days later, on August 12, in the Washington Post exactly wherein there is a similarity between the Soviet leader, Mr. Khrushchev, and Mr. Hitler, pointing out in this article entitled "Khrushchev As Hitler" that Mr. Khrushchev's tactics are to divide the Western countries, trying to browbeat them, and trying to get us into a mood to negotiate and to compromise away the rights which we knew we had. I think it is a very timely, as the Senator from New York pointed out, to observe where this crisis is occurring, because there is a very parallel situation developing today. I hope and pray that the American people and the other Western powers learn their lesson from the days of Adolf Hitler, so that we do not make the same mistake again.

I ask unanimous consent to have printed in the RECORD the article entitled "Khrushchev as Hitler," by Joseph Alsop, printed in the August 12 issue of the Washington Post.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KHRUSHCHEV AS HITLER

(By Joseph Alsop)

At a recent ceremonial occasion in Moscow, Nikita S. Khrushchev called aside the British Ambassador, Sir Frank Roberts, for a genial diplomatic chat, new style. The topic, as might have been expected, was the Berlin crisis.

A few very meager carrots were dangled. Khrushchev sweetly said that he would really prefer to settle the Berlin problem peacefully. He piously denied the smallest intention to limit the freedom of the West Berliners. There was even a generous admission that there would be no real objection to the continuing presence of some Western troops in Berlin. But the free use of the stick was the main feature.

For this part of the conversation, Khrushchev took as his theme the futility of any Western attempt to resist him. If the West added one division to NATO, he said, he would add a hundred to the Soviet army. What was more, he boasted, he had all of Western Europe at his mercy. Only six of his H-bombs, he declared, would be quite enough to annihilate the British Isles, and nine would take care of France.

Except that Khrushchev said these things to Sir Frank Roberts in a normal tone, without either screaming or frothing at the mouth, this was a straight performance in the grand style of Adolf Hitler. Even the dangled, delusive carrots were Hitlerian; for the German dictator always mingled peaceful professions with his crudest threats. And in the passage giving the alleged requirements for the destruction of Britain and France, Khrushchev actually surpassed his model.

This Khrushchev performance in the Hitler style was not a novelty, by any means. At the famous Kremlin reception on New Year's Eve of 1959, 2 months after the Soviet boss' first threats to grab Berlin, he staged a similar performance for the benefit of the French and American Ambassadors. Yet the wild menaces in which he then indulged were not carried out.

In the present instance, however, the conversation with the British Ambassador forms part of a larger pattern. Other elements are Khrushchev's puppet speech of last week, the ostentatious display of new Soviet military aircraft at the recent air show, and the loudly announced decisions to increase the Soviet military budget by one-third.

All these signs point straight to the conclusion that the analogy with Hitler now needs to be carefully weighed and studied. Of course, it is incorrect to say that Khrushchev resembles Hitler. The founder of nazism was clearly paranoid, whereas Khrushchev, though increasingly inflated with arrogance, is clearly not a madman. But this difference, though enormously important, does not prevent Khrushchev from imitating Hitler.

Khrushchev's whole career reveals that he is a consummate actor, capable of assuming any role he pleases, from that of the obsequious clown who danced the gopak for Stalin, all the way to the role he has now chosen. As with all his roles, moreover, he has obviously chosen the Hitler role at the moment by design and after careful calculation.

Hitler's frenzies, it must be remembered, brought Hitler everything he wanted from 1932 to 1939. For years on end, he overcame all resistance by inspiring terror, which inspired wishfulness, which led on to surrender. Fear—naked fear—instilled in others by displays of military might and screams of menace—was the primary raw material of Hitlerian diplomacy.

It has not escaped Khrushchev's attention that this raw material was quite exceptionally effective for a long period of time. With the former commanding military lead of the United States blithely sacrificed in the complacent years, Khrushchev believes he can use fear as Hitler used it. It was no accident that he chose to aim his crudest menaces at the British Ambassador, in whose country the sentiment, "better Red than dead," has gained wider currency than elsewhere in the West.

Unless Khrushchev does another quick change of role, in fact, his strategy for Berlin is going to be a continuous, violent attempt to divide or intimidate the Western alliance by military threats. If this forecast is correct, the crunch at Berlin will be a very rough business indeed, testing the coolest Western nerves to the utmost.

While the test is in progress, it may become difficult to remember the essential difference between Khrushchev and Hitler. But if it is true that Khrushchev is not paranoid, he cannot wish to fight a nuclear war for Berlin. And thus, if Western nerves are cool enough, the test may end without disaster.

Mr. MILLER. Again I wish to commend the very distinguished Senator from New York on his excellent speech, and particularly on the note of getting on with the offensive. I think we have been derelict in reacting to the Communists rather than acting and having them react to us. Sooner or later we shall have to get on with the offensive if we are to win the cold war with communism. Communism is an aggressive philosophy, and it is not content to maintain a neutral position. We all know that peaceful coexistence is something that exists only in the figment of imagination of Mr. Khrushchev. There can be no peaceful coexistence with an aggressive philosophy like communism. We do not peacefully coexist with cancer. Sooner or later we must awaken to the fact that we must get on with the offensive ourselves and win. There must not only be a will to resist but a will to remain firm, as the Senator from New York has pointed out. But he has also pointed out that we must have a will to win, to get on with the offensive, and banish communism from the earth sooner or later. I thank the Senator from New York for yielding.

Mr. JAVITS. I thank the Senator from Iowa for his eloquent and pertinent remarks. I am delighted to be joined with him in this common view, which I think represents the fundamental purpose of our country. I am delighted that, notwithstanding the fact that the Senator has not been here too long, he is taking an affirmative initiative in respect to the very critical matters being discussed here.

Khrushchev gives us evidence of a man who must bring victories home every time, or he finds his throne shaking. This is an important problem for the American people to understand. It is one thing to understand the bringing home of new countries, new peoples, and new achievements of which he can be proud. It is another thing to face the iron realities of the fact that people, in order to be restrained from escaping from the Communist paradise, are subjected to the most forceful measures, including the use of the Soviet Army itself. This salutary lesson must be given every opportunity to sink in, and it will not sink in by itself. We must help it sink in at one and the same time that we engage in all the other measures I have described.

The peoples of the free world show up best when they face difficulty and danger. That concept can be utilized in this crisis to the greatest effect. It is true that we bestir ourselves mightily when we face danger. It is all the more reason for Senators to indicate to our people and the Government the lines along which we may most effectively bestir ourselves in order to avail ourselves of the great morale and high spirit which comes to free peoples when they are faced with grave dangers, as they are at the moment.

Finally, I deeply believe that the world is in a better position to stand up to this kind of totalitarian threat than it was in Hitler's day. I agree with the Senator from Iowa that there are many similarities between the two situations because we have made very material progress toward integrating and knitting the world more closely together. NATO is probably the most outstanding example of that achievement. The survival of the United Nations, notwithstanding the demise of the League of Nations, is another outstanding example, as are our commitments around the world in the Southeast Asia Treaty Organization, the Rio Pact, the Central Pact, and so on.

More than anything else is the new concept by our country that we must work with, fight with, and generally operate with our allies in the closest way. There are those who place a great premium on negotiation. I agree that we must negotiate. But frankly, for the moment I do not think Mr. Khrushchev

has made it profitable for us to negotiate. We should continue. It is our nature, the way of our world. But more than that, we must tie the free world even more closely together than ever. This is the time to do so, not when Armageddon waits on our shore, as we remember the dark days in 1940, when Churchill offered union to France, and when both countries were in extremus.

In unity there is strength. This applies to the world. These are the hard and burning lessons which all these momentous events should teach us.

Mr. President, I close as I began. We must prepare to move forward on the offensive, as the Senator from Iowa so properly said, in every field—military, economic, and propaganda.

Second, we must keep our shirts on and be very cool.

Third, we must tie the free world together as it has never been tied together before. No one can promise the result in the face of such portentous and dangerous events as the closing of the border between East and West Berlin. But one thing we are sure of. There is infinitely more promise of the victory of freedom in these policies than in any other, and we can face the future, if not with equanimity, at least with the confidence and calm of men and women who have done everything within their power to protect their own future.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest that in the period between now and the resumption of consideration of the pending amendment, the pending amendment be laid aside and that the Senate turn to the consideration of amendments to be offered by the Senator from New York [Mr. JAVITS].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I offer my amendments identified as "8–11–61—F."

The PRESIDING OFFICER. The amendments will be stated.

The LEGISLATIVE CLERK. On page 39, line 13, strike out the word "and".

On page 39, line 22, strike out the period and substitute "; and".

On page 39, after line 22, insert the following:

"(4) wherever appropriate carry out programs of assistance through private channels in conjunction with local private or governmental participation, including loans under the authority of section 201 to any individual, corporation, or other body of persons."

Mr. MANSFIELD. Mr. President, will the Senator from New York yield to me briefly without his losing the floor?

Mr. JAVITS. I yield.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FULBRIGHT. I should like to ask the Senator from New York a question. I wonder if the Senator would accept a modification. I believe it would clarify matters if the Senator's amendments were modified in line 6, after the word "channels" by adding the words "to and to the extent possible."

There are two parts to the thought expressed there. The first part refers to private channels, which are largely our own private channels. The other part refers to local private channels. It would make the amendment a little more flexible. Would the Senator have any objection to such a modification?

Mr. JAVITS. No, not at all.

The PRESIDING OFFICER. Does the Senator so modify his amendments?

Mr. JAVITS. I so modify them.

Mr. FULBRIGHT. The amendments of the Senator from New York are certainly consistent with the overall purpose of the bill, and certainly have a great deal of virtue. Wherever possible, we should utilize private channels and encourage participation of American private channels in that connection, and also encourage participation of local private channels wherever it can be done and wherever it is appropriate to the accomplishment of the purpose of the bill. I am prepared to accept the amendments as modified.

Mr. JAVITS. I am grateful to the Senator from Arkansas. Without delaying the matter, although I gather there is some desire to do business while we are waiting, I should like to say to the Senator that the operative part of the amendments lies in the fact that the Development Loan Fund will be available for this type of development wherever appropriate and wherever it can be done in the manner which is described in the amendments.

I had originally contemplated doing the same thing to this section insofar as the management of this program is concerned, because I believe that we have an enormous opportunity to tie in private enterprise into the aid missions themselves.

A most important objective of this Government's foreign assistance programs is the encouragement of economies in the less developed countries of the world which will not only produce more goods and services for more people but will so preserve freedom of choice and initiative.

Our own experience has been that competitive private enterprise has produced a higher standard of living with less governmental dictation than anywhere else in the world.

It would be a paradox indeed if in our efforts to aid the less developed areas in the world we overlooked the role of private enterprise and thus failed to use our most effective economic resource. This is why it is so important to insure that the bill before the Senate gives to the administration the tools which are necessary to stimulate private enterprise participation in foreign assistance programs.

As the bill now stands it appears to lack a specific declaration of policy authorizing loans for privately managed development projects and does not make it clear that loans from the Development Loan Fund may be made to private enterprise as well as to governments.

Loans to private enterprise either in this country or in the country receiving assistance or to mixed enterprise of both might well prove to be the most effective way of achieving many of the long-range purposes of this bill. In many instances a relatively small loan of Government money could trigger substantial investment of private U.S. and foreign capital in a desirable project in one of the less developed areas.

Particularly useful would be loans to joint or mixed companies in which American management techniques would combine with local ownership to construct and operate facilities in the private sector of the foreign economy.

It seems important, therefore, that the present bill be amended to emphasize the importance of such loans so that the administering officials will labor under no doubts whatsoever about the sense of the Congress. There would be a clear statement of policy favoring, and specific authorization for, loans from the Development Loan Fund to private enterprise in order to encourage its participation in the foreign assistance program.

Perhaps if there is some time left after we act on the pending amendments the Senator will permit me to retain the floor and make some remarks on that subject.

The Senator from Arkansas has properly pointed out that there is legal authority under section 635 to do precisely that. It is for that reason that I pointed out that the operative aspect of the amendments relates to the fact that the Development Loan Fund would, wherever appropriate, be available for private enterprise participation. This does not have merely a general applicability; it is specifically tied in.

I am grateful to the Senator for being willing to accept the amendments.

The PRESIDING OFFICER. Does the Senator ask unanimous consent that the amendments be considered en bloc?

Mr. JAVITS. I ask that they be considered en bloc.

Mr. FULBRIGHT. My assistant tells me that I may have misspoken myself. I thought I suggested the modifying language to be: "to the extent feasible." He tells me that I said "to the extent possible."

Mr. JAVITS. I believe the Senator said "possible." He meant feasible. Would "practicable" be acceptable to the Senator?

Mr. FULBRIGHT. That is all right. That is good language.

Mr. JAVITS. I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. The language on line 6 would then read: "assistance through private channels and to the extent practicable in conjunction with".

Mr. FULBRIGHT. That is correct.

The PRESIDING OFFICER. The question is on agreeing, en bloc, to the amendments as modified, offered by the Senator from New York.

The amendments were agreed to en bloc.

Mr. BUSH subsequently said: Mr. President, I was off the floor when the Javits-Bush amendment was accepted a few moments ago.

I should like to make a few comments, and I ask unanimous consent that they be printed in the RECORD at the time the amendments were agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUSH. Mr. President, I have strongly supported this amendment on four particular points. I believe it is important to the United States that this amendment be built into the law, and I hope the House of Representatives will view it in that light.

First, loans to mixed enterprises—that is to say, with U.S. private capital participating with local private or governmental capital in the indigenous countries—will make the Federal funds go further, because it will bring into the foreign-aid program investments of private investors in the United States, both corporations and individuals.

Second, by stimulating private enterprise participation in this entire effort—that is to say, private enterprise investments, in particular—we shall be supporting the system which we favor at home and under which we live and always have lived.

Third, if private enterprise were not encouraged in Latin America and in other countries which will be affected by this legislation, there would be increased danger of government ownership in the indigenous countries of factories, industrial enterprises, banks, and so forth, which in our country are privately owned and operated.

Fourth, Mr. President, if a country in which government ownership predominates is subject to Communist pressures, of course conditions are more ripe for a Communist takeover.

In conclusion, Mr. President, I express my very ardent hope that this amendment will remain in the legislation when it is finally consummated.

Mr. JAVITS. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield.

Mr. JAVITS. I wish to thank the Senator from Connecticut for his participation in the drafting of the amendment and for his invaluable aid in getting other Senators to sponsor the amendment and in making it acceptable to the manager of the bill on the floor. I express my hope that this effort will be crowned with success for both of us; but primarily I wish to emphasize my partnership with the distinguished Senator from Connecticut in this entire effort.

Mr. BUSH. I thank the Senator from New York very much. In response, I wish to say that I commend the Senator from New York highly for his initiative in connection with this very important amendment. He has stayed with it and has perfected it, from its original draft, so that it has become acceptable to the distinguished chairman of the Foreign Relations Committee and to the Senate. So I appreciate his kind remarks, and, in turn, I compliment him very highly.

Mr. JAVITS. Mr. President, I should like to say a word on another amendment which I have had printed but which I shall not offer, in view of the very gracious and, I submit, constructive acceptance of my amendments by the Senator from Arkansas, and which amendments have been adopted by the Senate.

I would like to point out that in the other amendment the language of which would have been inserted in the same place in the bill, I would have made an effort to tie into the management of the foreign aid program which we have in various countries, private enterprise and private enterprise people.

It is rather an open secret that one of the grave problems in connection with the foreign aid program has been the problem of getting adequate personnel for the purpose of administering the foreign aid program.

Those who favor the program—and I number myself among them—have often been challenged by the fact that the program is not being run right, and some of this criticism has been justified; and we have always been able to answer such criticism by saying that many of these problems relate to our inability to get the necessary technical and necessary skilled people to do the work.

Yet we know that there are literally thousands of the most highly technically qualified people known to the world working in various aspects of American industry and American business.

One of the many causes of the problem is the archaic conflict-of-interest provisions in our Federal law.

We did away with the idea of people working "w.o.c." or for a dollar a day for the Federal Government. Now everyone has to be a full employee or a consultant, and must also be paid. Therefore, the primary problem now is the problem of divestment of investments and other holdings which we impose upon a person if he is going to work for the Federal Government in one of these foreign aid missions.

The second point, one which I regard as even more serious in respect to the administration of the foreign aid program, is what is called in business the closing of the ranks. It is a rather unfamiliar idea to us, I should say, but a very familiar idea to the vice president, the technician, the secretary, or the treasurer of some important company, because he knows that when he gets out with so many other executives—30, 40, 50; sometimes the number runs into the hundreds—his place will be filled, and the ranks will close. Although the company may take him back at some other time, when he is ready to come, his place, based upon normal experience, in respect of his economic future, will have been preempted, although not improperly, simply because the ranks have been closed, his place has been filled, and he has had to take his place at the end of the line.

In addition, there are pension rights, stock option problems, and other grave problems affecting individuals, many of whom cannot afford to lose them. We are living today in a trusteeship society. The old concept that every president of a company is a rich man is today untrue. Some are rich, but many are not. I know personally the president of one of the greatest banks in the world, a bank having billions of dollars of deposits and making billions of dollars in loans. He is a man of very modest means. I think that is a great thing. It is wonderful that the country has developed in this direction. But to ask a man like that to pull up his roots, go to work for the Government, and then come back and take his place at the end of the line in his own organization, is often asking more than a man can do. A man who is in his forties or fifties does not feel justified in taking such risks.

Therefore, it is necessary to take a new approach to the problem, one which will secure the best persons, which will profit from the patriotism of the men and women to their country, and will contribute the most to the effort which we are making. I think the most fruitful area lies in the field of contract—contract between the Federal Government and individual companies—perhaps a group of companies—in which the personnel will be contributed, but without severing the relationship between a particular operative and his own company. That is done today with universities and with other organizations. The Rand Corp., one of the most outstanding examples, uses that method with the Department of Defense.

We do it with the most delicate and secret weapons systems in the so-called systems management concept of the Department of Defense. We entrust General Electric, Westinghouse, Philco, or RCA, or any one of a dozen other companies, with the highest secrets in our Government. Why should we not adopt the same technique in order to secure the best possible business management for the foreign aid program, not necessarily for all of it, but for a specific phase of it. It is entirely conceivable that a contract to be made not only with one American company but a consortium of American companies, or with a consortium of American and foreign companies which are friendly to us, or who participate in the aid effort, for the purpose of taking a segment of the aid effort—for example, the agricultural segment, which will involve the development of land, fertilizer, farm machinery, or technical assistance in connection with many other parts of agriculture, which are done admirably by private enterprise. Under contract, that part of the development could be pursued in a particular country. I think this would be productive of hastening the fulfillment of this program, and would enable it to be far more effectively administered than it is, a result which is long overdue.

I join with the Senator from Arkansas [Mr. FULBRIGHT], who has stated that under section 635 of the bill the President is in a position to do precisely what I have described, by the general authority of the bill, without any specific direction or mandate.

I hope this discussion may be of some helpfulness to the President and to those whom he will charge with the administration of this new, enhanced, and much bigger opportunity than we have ever had before in respect to foreign aid, and will give the most active consideration to these ideas. They are ideas which have been developed in the course of the work of the NATO Parliamentarians Conference, of which I have the honor to be the chairman of its economic committee. These ideas have grown there. There are now groups in this country. There is a U.S. advisory group and a German advisory group, bringing together the leading people in the business worlds of the United States and Germany. These two groups are expected to meet in Paris on October 5 to consider, so far as they can properly and within the laws of their respective countries, the proposals of the Governments of the United States and the German Federal Republic along these lines.

I throw out these ideas because they represent the purpose I hoped to serve in the amendment I shall not now call up, because I believe the private enterprise amendment, which has been found acceptable, is an excellent one, and I do not wish to crowd the bill any more than is necessary. However, I cite the critical effect of section 635, subsection (c), if implemented in the way I have described.

I close upon this note. We have about 20 percent of the resources of our people in the oportunity which Government has to deal with them; that is, out of a gross national product of $500 billion, in round figures, about $100 billion, in general, or available to the Government, which can marshal and direct them in the best way to aid us in the struggle for freedom in which we are engaged. That leaves $400 billion, a most unbelievable and the greatest single bloc of money to be found anywhere on earth, which is in the hands of the economic system of the United States. Over all the years, we have not learned how to tie in that private economic system with the fundamental objectives and aspirations of a foreign policy of the United States. I believe that if the President will give attention to the kind of proposal I have been discussing in the past few minutes, we shall have a good chance to tie this tremendous bloc of power into the foreign policy efforts of the United States.

I hope these ideas may commend themselves to the Senator from Arkansas, to the consideration of his committee, and to the President of the United States, as well.

Mr. FULBRIGHT. Mr. President, the views of the Senator from New York are worthy of the most serious consideration. The objective is a good one. There have been some difficulties concerning their application; that is, the question of adjusting, which he has already described in another connection. He has described the question of adjusting the status and remuneration of personnel in Government and in private enterprise.

I know that in view of the discussion the administration will pay particular attention to this problem. I know the administration is extremely concerned about obtaining better qualified persons to be administrators. The President has said so on several occasions. There is a provision in the bill for new super grades and for regional directors.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. JAVITS. Has my amendment been acted upon?

The PRESIDING OFFICER. It has been acted upon and accepted.

Mr. FULBRIGHT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FULBRIGHT. Mr. President, I wonder whether the Senator from New York [Mr. KEATING] is ready to proceed to discuss the amendment. We have delayed our action on it, pending his arrival.

Mr. KEATING. Mr. President, I am ready; and I appreciate very much the courtesy of the Senator from Arkansas in delaying the further consideration of the amendment during my absence due to another engagement.

Mr. FULBRIGHT. The Senator from New York is aware, I believe, that I have offered a perfecting amendment to the one offered by the Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Connecticut.

Mr. KEATING. I am; and I understand that it differs from the proposal previously made by the Senator from Arkansas, in two respects: First, it makes the amount $15 million, instead of $10 million; and, second, it provides that the loan provisions and purposes shall be submitted to both the Senate Foreign Relations Committee and the House Foreign Affairs Committee. But I understand that in other respects it is similar to the proposal previously made by the Senator.

Mr. FULBRIGHT. That is correct.

Mr. KEATING. I must say that I prefer the language previously submitted by the distinguished chairman of the committee; and I was disappointed when I found it had been changed. It seems to me that $10 million is sufficiently small, and that these loans should be submitted to the four committees. We have eliminated the provision for a veto power, which was inherent in the original amendment offered by the senior Senator from Massachusetts and other Senators; and with the elimination of the provision for a veto power, it seems to me much preferable to let the amount remain at $10 million and to provide for jurisdiction by the four committees.

I understand there has been some debate during my absence. There is no disposition on my part to interfere with any processes which may have occurred here, but I must state that as my own view of the matter. I am not exactly sure what was said earlier by the distinguished Senator from Massachusetts, with whom I am affiliated in offering this amendment.

Mr. FULBRIGHT. Let me say to the Senator that very vigorous objection was raised to having so many persons involved. I think the Senator from Vermont [Mr. AIKEN] was one of those who counted the number.

Mr. AIKEN. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. AIKEN. I suggested that it might be advisable to get 100 muzzles for the various Members of Congress concerned; and I was conservative when I made that statement, because actually 127 Members of Congress and their staffs would be concerned, in all.

Mr. KEATING. In the four committees?

Mr. AIKEN. Yes. The House has 50 members of its Appropriations Committee and 33 members of its Foreign Affairs Committee. The Senate has 27 members of its Appropriations Committee and 17 members of its Foreign Relations Committee. They total 127 Members.

Mr. KEATING. Mr. President, I feel quite sure that, when this matter reaches the other body, there will likely be an insistence that the Appropriations Committees of both Houses also have a look at the loans before they are sent out. If it is necessary to have some protection in the interest of national security, the President or those in the executive branch who submit the loans always have the authority to classify any document which is sent to Congress. I have confidence that the Members of Congress will respect that security. It happens all the time. I concede there have been leaks, but they have not been great in number, and I think that we can depend on the members of the committees to abide by the rules.

Mr. AIKEN. I do not think there would be any assurance that the information would stay in the committees after the contracts were submitted to them.

Mr. KEATING. I respect the views of the Senator from Vermont, as he knows. I would question whether the general public interest in individual loans would be such that, as a practical matter, there would be leaks. I certainly think, if we are going to repose trust and confidence in the Foreign Relations Committee of the Senate and the Foreign Affairs Committee of the House, we may as well do the same with the Appropriations Committees. I hope they will not be placed in a second-class position.

Mr. AIKEN. I think reducing the number from 127 Members of Congress to 50 would probably be helpful, although I do not know that members of the Foreign Relations Committee of the Senate

and of the Foreign Affairs Committee of the House are much more adverse to publicity than are members of the respective Appropriations Committees.

I am wondering, if we take out the veto power, take out the provision relating to the Appropriations Committee, and increase the amount from $10 million to $15 million for each contract, just what remains of the measure.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. KEATING. I do not mean to imply it is that important. I strongly prefer it. I am so drawn to the so-called Dirksen substitute, which, as I understand it, has no limit in it at all——

Mr. FULBRIGHT. That comes later.

Mr. KEATING. I think the Senator from Connecticut [Mr. BUSH] has a suggestion now in that regard, if the Senator will yield to him.

Mr. BUSH. Mr. President, if the Senator from Arkansas will give me his attention, I should like to ask him to give us his reaction to the proposal that we take the perfecting amendment of the Senator from Arkansas in order to accommodate, part way at least, the views of the Senator from Illinois, and that we change the $15 million to $1 million. It would become the first section of the Dirksen amendment, which is called (d) in his amendment as perfected, and then the succeeding sections of the perfecting amendment, (e), (f), and (g), remain unchanged, except we speak of the national security rather than the national interest. The change of those words was discussed this morning. So what we would have under this modification would be the full impact of the Fulbright perfecting amendment plus the most important sections of the Dirksen amendment. It seems to me that would be a satisfactory accommodation of the whole issue.

It would go part way toward meeting the purpose of the Senator from Illinois with respect to the amount. His amendment calls for no limitation. Every single loan would come under it if it were not changed. On the other hand, he might be persuaded to take the provision of a $1 million limitation on the loan side. The only thing this proposal would leave open that seems to be in dispute is the question of whether there should be four committees rather than two committees. I have made my position clear. I would much prefer to see the two committees provided for, as contained in the perfecting amendment. I am also persuaded that action would not stand up, and, consequently, reluctantly, I would take the four-committee provision.

I ask the Senator from Arkansas if that accommodation does not seem a reasonable solution.

Mr. FULBRIGHT. It seems quite reasonable. I want it understood that I think I have made a genuine attempt to accept the offer of the other day by the Senator from New York, the Senator from Massachusetts, and the Senator from Vermont, who was really the beginner of this effort. I hope this is agreeable to him. If it is, I do not insist upon my amendment. I was trying to reach what I thought was a fair discharge of the obligations that were undertaken in the colloquy a few days ago. I think what the Senator has proposed is quite reasonable.

Mr. KEATING. In other words, the Senator would take $1 million as a limit, with the protections that are embodied in the Dirksen amendment.

Mr. FULBRIGHT. I think the Dirksen amendment has some other features which are quite good. I think it is going to cause a lot of work on the staffs of the committees and is going to cost a lot of money to set up special staffs. I hope the Democrats will not be called big spenders for setting up big staffs to comply with the provisions of the amendment.

Mr. KEATING. They are already big spenders.

Mr. FULBRIGHT. There is one phrase that I think ought to go out, and that is "by action of said committees." It is in the last sentence of section (e). I think the Senator was agreeable to that. Outside of that, I am agreeable to accepting the amendment.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. KEATING. This is the one thing upon which I would want to insist; in other words, that the committees shall have the determination in the final analysis as to whether the national security requires the waiver of the filing of these reports. It seems to me this should not be left to the executive branch and that there should be action of the committees as to the filing being waived. I think that is very important to the entire Dirksen amendment.

Mr. FULBRIGHT. There are four committees. They all must agree about national security? That will become quite complicated.

Mr. KEATING. I should be willing to modify that in some manner, so that it would not have to pass all four committees. I think the final determination should rest with the legislative branch as to whether the filing should be waived. I should be glad at that point to provide for action of the Foreign Relations Committee of the Senate and the Foreign Affairs Committee of the House, as to the filing being waived. Those are the committees which are most familiar with the involvement of national security in the program. At that point in the amendment I personally would be glad to accept that suggestion.

Mr. FULBRIGHT. That would certainly be an improvement. I do not know what the author of the amendment would think about that. I understand the Senator did not commit himself.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. AIKEN. I have the impression that the Senator from Arkansas, the esteemed and able chairman of the committee, has the idea that the less meaningful the amendment is the more meritorious it becomes.

I would say that the Senator's proposed substitute is very meritorious indeed, when judged by that kind of criterion.

Am I correct in assuming it has been agreed that the contracts would be submitted to the Foreign Affairs Committee and the Foreign Relations Committee and those two only?

Mr. FULBRIGHT. That is what is in the perfecting amendment I have proposed.

Mr. AIKEN. I am sure the sponsors of the amendment, as well as the Senator from Arkansas, agree that the members of the Appropriations Committee of the House—in spite of the fact that 1 out of the 50 in the House seems to be anathema to the executive department—are able, conscientious representatives of their people who can judge fairly and accurately on the merit of one of these proposed contracts which might be submitted to them? They are very good and able people, are they not?

Mr. KEATING. If the Senator will yield to me, Mr. President, there may be some misunderstanding in this regard. If the suggestion of the distinguished Senator from Connecticut is accepted, that the Dirksen amendment as modified be accepted, it would call for all four committees to have a look at the report.

Mr. AIKEN. I assume the Senator from New York as well as the Senator from Arkansas will agree that the members of the Appropriations Committee are very able and conscientious members? There is no question on that, is there?

Mr. FULBRIGHT. No. The whole membership of both bodies is able. We can submit it to all of them if the Senator wishes. This amendment would draw no distinction between their capacities and abilities.

Mr. AIKEN. I wish to point out that the members of the Senate Committee on Appropriations are so able and conscientious that 17 out of 27 voted against any back-door financing whatever. I should be willing to leave the details of the bill in their hands, at least until it is all settled.

Mr. FULBRIGHT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FULBRIGHT. The pending question is on agreeing to the perfecting amendment offered by the Senator from Arkansas, is it not?

The PRESIDING OFFICER. The Senator is correct.

Mr. FULBRIGHT. I wonder if we could have a vote on that. If it is voted down or accepted, we can proceed to consider the substitute amendment. We have to resolve this problem. I have no more to say about it.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. KEATING. I thought the Senator from Connecticut, together with the Senator from Arkansas, had reached something we could all live with or go along with.

Mr. FULBRIGHT. I said that some of it appealed to me, and immediately that I made a suggestion the Senator from New York violently objected.

Mr. KEATING. That was a suggestion for changing the Dirksen amendment. I like that as it is.

Mr. FULBRIGHT. I have already discussed this with the Senator from Illinois. When the Senator was out of the Chamber we had a long discussion. I think we must resolve it one way or another. I confess I will not think the bill will be ruined by any of these things, but, if possible, I should like to have the Senate vote.

Mr. BUSH. Mr. President, will the Senator yield so that I may read this?

Mr. FULBRIGHT. I shall be glad to yield the floor.

Mr. BUSH. Either way would be satisfactory.

Mr. FULBRIGHT. I yield the floor.

Mr. BUSH. I should like to read into the RECORD the modification of the perfecting amendment offered by the Senator from Arkansas which, as I said earlier, encompasses the main points of the Dirksen amendment and the main points of the Fulbright amendment. In order to get this into the RECORD, I should like to read the language as it would appear, if it comes to a vote.

On page 6, after line 3, insert the following:

(d) In any case in which the amount of a proposed loan under this title exceeds $1,000,000 in the aggregate such loan shall not be made and no agreement obligating the United States to make such loan shall be entered into unless thirty days earlier a full and complete report with respect to the purposes and terms of the proposed loan shall have been made to the Committees on Foreign Relations of the Senate and Foreign Affairs of the House of Representatives, and the Committees on Appropriations of both Houses.

(e)—

This follows the language of the Dirksen amendment:

It is the primary intent and purpose of the above paragraph (d) to provide the Congress with full information on all proposals in which there is a substantial national interest. *Provided, however,* That if the President certifies that any such report will be adverse to the national security then by action of the said committees the filing thereof may be waived.

(f)—

And this follows exactly the language of the Dirksen substitute:

When an authorization is submitted to the committees named in paragraph (d) of this section, any of said committees is empowered to report a concurrent resolution to terminate such authorization and such resolution shall be of the highest privilege.

(g)—

And this is the final provision of the Dirksen substitute.

The chairmen of the aforesaid committees are directed to employ all necessary competent and skilled personnel to evaluate such reports and make recommendations to the entire committee.

Mr. FULBRIGHT. I said, to make the record clear, if the Senator would make it $10 million and would delete "by action of the said committees," I would accept it, so far as I am concerned. I assume there is some difficulty about that. That is the whole substance of it, except for the $10 million instead of $1 million and the words "by action of the said committees."

Mr. KEATING. Instead of eliminating "by action of the said committees" would the Senator be willing to accept "by joint action of the Committees on Foreign Relations and Foreign Affairs"?

Mr. FULBRIGHT. That simply removes the waiver power of the President. I do not see how that would be workable. It seems to me, in regard to national security, as the great Senator from Illinois said, this is taken from the Middle East resolution. That gives the President authority in cases of national security. The President has to certify. If the President is responsible at all, he would not do that unless there were some very important trouble. The President is the person who has all the information.

I do not see how this would work, with the committee action. I think that is the only bad thing about the provision. In fact, when it was first read, I did not even notice it was subject to committee action. I thought we were giving the President that authority which is usually given. With those two amendments, I am perfectly willing to take the amendment now.

Mr. BUSH. That is, the $10 million and the two committees?

Mr. FULBRIGHT. No committees. It would read:

Provided, however, That if the President certifies that any such report will be adverse to the national security then the filing thereof may be waived.

That is how it would read.

Mr. BUSH. That is under "(e)."

Mr. FULBRIGHT. Yes. I would take that in a minute.

Mr. KEATING. The Senator comes from a great trading area. We wish to have four committees. The Senator would like to have none. We might split the difference and make it two.

The suggestion I have made is for the two Committees on Foreign Relations and Foreign Affairs. That seems to be fair. I urge the Senator to accept that.

Mr. FULBRIGHT. The reports will come in. Four committees will receive reports. This relates only to the certification of national security. We do not remove the committees with respect to receipt of reports.

We have already given in on that point.

Mr. KEATING. Before a vote is taken, I should like to ask the Senator one additional question. Do I correctly understand that in colloquy which took place before I came to the Chamber the Senator somewhat revised his legal opinion expressed on Friday, and now believes that under section 617 a particular project could be terminated by concurrent resolution?

Mr. FULBRIGHT. Friday I said I had made no investigation of that subject, but that I thought the intent was to apply the termination provision to a whole section. Since that time I have consulted our legal adviser in the committee with respect to that point, and I am told that the legal staff believes it applies to specific projects. I have no reason to disagree with that opinion.

Mr. KEATING. I was about to make a suggestion that if there was any doubt about it, perhaps after the word "terminated" we should insert the words "or canceled."

Mr. FULBRIGHT. What I have stated is what I was told. I think it is subject to that interpretation. I said what really was intended. I believe it would apply to specific projects.

Mr. BUSH. Mr. President, we have been discussing the merger of two or three amendments, one of which is sponsored by the distinguished Senator from Illinois [Mr. DIRKSEN]. I wonder whether he is prepared to give us his views about a possible merger of the amendments as outlined? Is the Senator prepared to make any observation at this time?

Mr. DIRKSEN. The distinguished Senator from Arkansas has indicated that he is not particularly interested in a $1 million cutoff. He thought that was entirely too small. I think it is not too small. I think $1 million is a great deal of money. I grew up as a youngster under the care of a mother who used to give me a penny on Sunday and say, "My son, don't spend it all in one place." One million dollars is still a great deal to me. It is $1 million of the people's money, and we cannot overlook the importance of it. I think the figure of $10 million is entirely too high. If we wish to insert in the bill a cutoff amount of $1 million, I have no objection.

With respect to the proposal to change the words "national interest" to "national security," such change would be perfectly agreeable to me.

If we were to strike out the words "by action of such committee," of course, we would be placing in the hands of the Executive rather than in the hands of Congress the power to waive the report on certification by the President. Perhaps it is not a minor matter. I do not suppose the power would be abused. But there is a principle involved, and that is that if there is to be oversight, if there is to be congressional scrutiny, we must preserve the power to Congress, and that includes the power to waive rather than to leave the authority in the hands of the President.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. KEATING. I share the views expressed by the Senator, but I wonder how he would feel about leaving the question to the Committees on Foreign Relations and Foreign Affairs jointly to waive the filing? The objection was raised that to require all four committees to act on whether the filing was to be waived might be somewhat cumbersome.

Mr. DIRKSEN. It has never offered any difficulty. In the days of World War II we were confronted with comparable situations. I served on the Appropriations Committee year after year. I recall no troubles that we had. I see no reason why we should have difficulty now.

But the responsibility would be somewhat diffused. I think it is a capital idea.

Mr. KEATING. I share the views of the Senator. I made the other suggestion in an effort to see whether we could get together. But I believe the Senator is correct, that the decision should rest with the four committees of Congress.

Mr. BUSH. Mr. President, I yield the floor.

Mr. DIRKSEN. Did the Senator offer the language of his proposal?

Mr. BUSH. I read the language into the RECORD in order to obtain a consolidation of views in the RECORD. But I do not think I have the privilege of offering the wording as an amendment.

Mr. DIRKSEN. I wonder if the distinguished Senator from Connecticut will recite the language again so that all Senators may determine where to make proper interlineations in the copies before them.

Mr. BUSH. I shall be glad to do so.

The language is the language of the Dirksen amendment, but for the first section of that amendment (d) I have substituted the perfecting amendment offered by the Senator from Arkansas, with one change: the insertion of the figure $1 million instead of the figure $15 million. As I have said, I reluctantly have added the two Appropriations Committees, so that the suggested merging amendment would read, as follows:

On page 6, after line 3, insert the following:

"(d) In any case in which the amount of a proposed loan under this title exceeds $1,000,000 in the aggregate such loan shall not be made and no agreement obligating the United States to make such loan shall be entered into unless thirty days earlier a full and complete report with respect to the purposes and terms of the proposed loan shall have been made to the Committees on Foreign Relations of the Senate and Foreign Affairs of the House of Representatives and the Committees on Appropriations of both Houses."

Now we come to the language of the Dirksen amendment, which is almost unchanged. There is one small change. The word "security" is substituted for the word "interest," so that the paragraph would read as follows:

(e) It is the primary intent and purpose of the aforesaid paragraph (d) to provide the Congress with full information on all proposals in which there is a substantial national interest: *Provided, however,* That if the President certifies that any such report will be adverse to the national security then by action of the said committees the filing thereof may be waived.

The language of (f) is the Dirksen language. I will read it:

(f) When an authorization is submitted to the committees named in paragraph (d) of this section, any of said committees is empowered to report a concurrent resolution to terminate such authorization and such resolution shall be of the highest privilege.

Finally (g) is the exact Dirksen language, as follows:

(g) The chairman of the aforesaid committees are directed to employ all necessary competent and skilled personnel to evaluate such reports and make recommendations to the entire committee.

Mr. DIRKSEN. Mr. President, I reluctantly accept the modifications. I say "reluctantly" for a very good reason. The amendment was drafted having in mind other authorizations besides authorizations for loans. One of the principal authorizations, of course, would be that which would authorize the President to issue notes and to determine the terms, maturities, the conditions, interest rates, and everything that enters into the question. That is a power that Congress has never alienated away. Senators will remember the great struggle last year over the interest rate on the public debt. Under the terms of the bill, the transaction would be a public debt transaction. Congress has never seen fit thus far to lift the interest rate upon general obligations outstanding, and I think it is a subject of vital interest and one that would be included in the language I originally proposed. But I shall not quarrel or quibble about it. I understand that we must resolve the question one way or the other, and I shall accede to the language that has been suggested by the distinguished Senator from Connecticut.

Accordingly, I ask that the language of my amendment be modified to bring it into line with that suggestion.

The PRESIDING OFFICER. The amendment will be so modified. Will the Senator send a copy of the modified amendment to the desk?

Mr. BUSH. I send to the desk a copy of the amendment, as modified by the Senator from Illinois.

Mr. CAPEHART. Mr. President, it seems to me that the debate on these amendments proves the need to rewrite completely the entire bill. It proves to me that Senators, or those who are authors of the amendments, are fearful of the bill in its entirety.

They do not like the concept of the bill. The proper way to cure this matter is by making the bill a year-to-year bill, with Congress appropriating money each year, and writing into the bill stipulations that we wish to put into it. The idea of holding up a loan of $1 million for 30 days or 60 days, until four committees of Congress act on it, is in my personal opinion—and I have had some personal experience with this sort of thing—unworkable and impracticable.

I shall vote against the bill unless it is amended and almost completely changed on the floor of the Senate. In my best judgment there are sufficient votes available to pass the bill, of course. If we are to have a foreign-aid bill, I would like to have it be a year-to-year bill, at most not to exceed 2 years. We should write such a provision into the bill, instead of adopting amendments such as the one now being offered. If we are going to have a bill, let us have one that will work. It seems to me that if we require that the President must submit all these loans to four committees of Congress, we will tie the hands of the President and tie the hands of the administration. The result will be that they will not be able to accomplish anything. Perhaps that would be the best thing that could happen. However, I cannot sit here in good conscience and not point out to myself, and at least to make the record, that the kind of suggestion embodied in the pending amendment is impractical and unworkable.

It would create a great deal of chaos and confusion if the bill becomes law. We hope some good will come from it. If we did this sort of thing, it probably would be the wrong thing to do. I rose primarily to point out that the debate thus far and the offering of these amendments prove that the great majority of the Members of the Senate, including the chairman of the Foreign Relations Committee, do not like the concept of the bill itself.

What we ought to do is to start all over again and put the bill on a yearly basis of appropriations, and write into the legislation necessary safeguards; then have the President of the United States or the agency which handles the program report each loan to Congress, so everyone can see and read it, and then let the administration proceed to administer the bill. That is the way it looks to me. Perhaps I do not understand these amendments, but I think I do. I believe I understand them. I believe that is the purpose of them.

I shall offer an amendment a little later to reduce the period to 2 years. What is proposed now is that we tie up the whole proceeding by holding up the making of a loan for 60 days until 4 committees—with 15 members on each committee, that would make it 60 members—can pass on it. That is what would happen if we passed a 5-year bill. That is a long time. That would amount to 60 months. Why do we not put it on a year-to-year basis and appropriate money every year and write the necessary safeguards into the legislation?

Mr. AIKEN. Mr. President, I rise without any reluctance whatever. The amendment has been amended and reamended so many times that I do not know exactly who the last parent of it was, although I believe it was the Senator from Illinois. I am certain he will permit any others who feel like doing so to join him as cosponsors of it.

I am opposing the amendment because I feel that any of these amendments now being considered, with the possible exception of the substitute originally offered by the Senator from Arkansas, is an infringement on the powers of the executive branch of the Government. I am opposed, as I have made clear, to any infringement on the legislative branch by the executive branch. I am equally opposed to any infringement of the functions of the executive branch by the legislative branch. That is what the pending amendment would do. I am referring to the integrated amendment now, which amendment, I believe, was offered by the Senator from Illinois. I believe he still claims ownership of it.

It purports to do what is already in the bill. It gives veto authority to four committees of Congress over what the full Congress has already authorized the executive branch to do and has provided funds for them to do it with.

Secondly, coming now to the Dirksen amendment, subparagraph (e) provides

a full escape for the executive branch when it provides: *"Provided, however,* That if the President certifies that any such report will be adverse to the national interest"—now changed to "security"—"then by action of the said committees the filing thereof may be waived."

Representatives of the State Department have testified repeatedly before the Committee on Foreign Relations that to submit contracts before consummation would be demoralizing to the foreign-aid program.

Therefore the President could well and properly decide that submitting these contracts to the committees of Congress would be adverse to national security or to the national interest, whichever phrase is used.

Then in subparagraph (f) of the Dirksen amendment it is provided:

> When an authorization is submitted to the committees named in paragraph (d) of this section, any of said committees is empowered to report a concurrent resolution to terminate such authorization and such resolution shall be of the highest privilege.

In other words, a concurrent resolution would be reported out in secret or in public, and then Congress would be in a position, if it approved such resolution, of breaking contracts signed with foreign countries in the name of the United States—contracts which Congress has already authorized the executive branch to make and for which it has provided the funds.

Now we come to the last paragraph of the Dirksen amendment:

> (g) The chairmen of the aforesaid committees are directed to employ all necessary competent and skilled personnel to evaluate such reports and make recommendations to the entire committee.

There are four committees, with 127 members. These members have staffs in their personal offices. They have staffs in the committee offices. All of the members would have access to this information.

These chairmen are directed—not just authorized—to employ all necessary competent and skilled personnel to evaluate such reports and make recommendations to the entire committee. How much personnel would be required to survey all the contracts that might be submitted to these committees by the Development Loan Fund, assuming that the President thought it wise to submit any at all? I have heard that it would take not less than 100 people to keep a check on these contracts. Here are four committees, and the chairmen are directed to employ all necessary competent and skilled personnel to evaluate such reports.

Does that mean that each chairman must have such an addition to his staff? How many would he need to have on his staff? I suppose the four chairmen could get together, and each say, "I will hire so many, and you may hire so many." The House would get the better of the Senate, because the House Committee on Appropriations has 50 members, and the House Committee on Foreign Affairs has 33 members. The corresponding Senate committees have far fewer than that number. I do not see how that proposal would work.

Furthermore, there is already a way, provided by law, for keeping a check on the expenditures of the executive branch of the Government. The General Accounting Office, which has in the neighborhood of a thousand employees, is responsible for checking on the expenditures of the executive branch. The General Accounting Office has been praised by the Senate for hunting down and exposing the misuse of funds in the foreign-aid programs. Would it not be much better to give the General Accounting Office as much money as it needs through appropriations to enable it to conduct more extensive investigations, if that is what Congress desires?

The General Accounting Office is an instrumentality of Congress, not of the executive branch. If it is decided that additional funds should not be provided to enable the General Accounting Office to do a better job, what shall we do with the Committees on Government Operations of the Senate and House? Shall we abolish them? Shall we say that they are no longer needed to keep track of the expenditures in the executive branch? Those committees were created for that purpose. The original title of those committees was Committee on Expenditures in the Executive Branch of the Government.

I simply cannot see the need for any of these amendments. I do not know what they will accomplish. Either one believes in back-door financing or he does not. I have much respect for those who say that our country has progressed to the point where it is necessary to provide Treasury borrowing, and not to follow the slower process of appropriations by Congress. I myself do not feel that way. Nevertheless, I do not believe these amendments are needed.

Mr. HICKENLOOPER. Mr. President, I do not like to admit it, but I am about to speak on a proposal which I do not understand, because I do not know what is in the hodgepodge of proposals, counterproposals, corrective amendments, clarifying amendments, combination of amendments, and all the rest of the language that has gone into the apparent proposal which is now before the Senate, a proposal of which we do not have a copy of the language. So I am not certain what is before the Senate.

However, I have been listening to the various interruptions and interlineations, and the rest of those things that go into the discussion of a proposal.

As I understand, what is being proposed is in the nature of a palliative. I do not know whether it is a conscience-soothing operation or exactly what it is.

There is one major issue in the subject up to now; namely, Shall we bypass the Committees on Appropriations, the appropriating process of Congress, or shall we adhere to it? Apparently that question was settled last Friday. Frankly, I have read two or three of the proposed amendments and suggestions without understanding how they have finally been dovetailed together into one proposal. I do not understand how any of them can be effective except to provide someone with an excuse to say, "Oh, I voted for something which protects the rights of Congress." In my judgment, it does not protect the rights of Congress at all.

A moment ago I listened to the remarks of the distinguished Senator from Vermont [Mr. AIKEN]. I agree with him that the provisions, as I understand them, of what is now proposed are all unworkable and impractical. They mean absolutely nothing to the operation of the act, and can result only in confusion. I do not favor the back-door spending operation, but I do not believe that the proposals which are now before the Senate will do anything except create confusion.

The program involves almost $9 billion during the next 10 years. Already we have in effect appropriated that money through an authorization act. The Committee on Appropriations has nothing to say about that. We have placed discretion in the agency and in the Treasury. They are going ahead with the program.

There is nothing in any of these proposals which provides that the program can be stopped, or even that a million dollars, if that is the low limit or the high limit of what can be done, can be stopped without submitting the question to Congress.

I see nothing in any of the proposals to indicate that the submission of a request will be helpful in the operation of the act.

If some provision were proposed or if some language were written into the law to the effect that a proposal to spend a substantial amount of money would have to be submitted for authorization and approval, that would be different. But the Senate crossed that bridge last Friday. I would just as soon cross it again, but I do not see how the question can be raised from a parliamentary standpoint. Nevertheless, the Senate crossed the bridge. I do not see how it would accomplish anything for us to attempt something which would only add to the confusion and dissatisfaction which have already been created. My normal inclination would be to vote for anything which would substantially cause the Department to be accountable to Congress, but I do not believe that either this amendment or a combination of amendments would do it. As I have said, I believe the amendments, either individually or collectively, are in the nature of soothing sirup or a palliative. I do not believe they offer any particular benefit to the bill. I do not believe they will accomplish anything. I would support measures which restricted uninhibited action on the part of this agency, but I do not think these proposals do that. Any proposal which has 15, 20, or any other number of escape clauses in it will be ineffective. Generally, such proposals have been ineffective heretofore, with the exception of reorganization acts. There are some rather detailed provisions for consideration and action in them which are not contained in these amendments.

This proposal is only a sort of gesture, as I see it, toward a possible reporting to Congress, unless the President does not wish to report to Congress. In my judgment, that is no check at all. I simply think these amendments are futile.

There is a legal maxim to the effect that the law does not do a vain thing. I think the proposal encompassed in these amendments is a vain thing. I do not believe they accomplish any constructive purpose whatsoever, and I do not believe that any amendment or combination of amendments will have any beneficial effect. Certainly they do not, from my standpoint, and I am quite convinced that from the standpoint of an administration that does not wish to be hampered at all, the amendments are not only not constructive, but confusing, as well.

Mr. DIRKSEN. Mr. President, the Senator from Iowa used the expression "soothing sirup."

In the first place, I was in favor of the Byrd amendment. I was in favor of it when it first came to life. I am still in favor of it, and I will vote for a 2-year limitation on this bill, or I will vote to convert it into a 3-year proposal, because I think that will improve it. But the work has been done. Last Friday, at 7 p.m., this deliberative body voted, and the vote was 39 to 56. I was one of the 39 who voted for the Byrd amendment; and it was a matter of frustration and regret, to me, that the Byrd amendment did not prevail. But by a majority of 17 votes, this body went on record as to how it felt about the Byrd amendment; and that is momentarily water over the dam. It can be cured in part by reducing the program from 5 years to 3 years or to 2 years. But what will be done in the interim period? What other improvements can be made in the bill?

The entire purpose in pursuing this measure has been to develop some kind of congressional scrutiny and oversight which would be effective. I say with all the earnestness at my command that the effectiveness and the scrutiny will be as good, but no better than, the devotion and dedication of the Senators who have some regard for the public purse and who will make some endeavor to see to it that a competent staff gets its teeth into the program.

Last Friday I pointed out the kind of literature the ICA gets up. They told about the demonstration potato project in Peru, but they said nothing about the normal school. They said nothing about the drought. They said nothing about the evident conflict of interest on the part of the director running the show or the regional director. They said only as much as they wanted to say to put their operations and activities in a good light.

I can say from my own experience that when we are arrayed around the table in the Appropriations Committee, when the agency representatives walk up they put on their best manner. And why not? If I were a bureaucrat, I would do the same thing; and then I would proceed to paint a picture that would show that my agency was doing a splendid job, and I would paint it in such glowing colors that there would be great allure about it—so much so that it would seem to be a completely perfect operation.

But that is not what happens. We who sit on the other side of the table then undertake, by dint of questions, to find out what the real situation is. But where do we get the questions? How do we manufacture them? We read, we clip, we probe, we assemble all the material we can obtain. But how woefully unprepared one is to take on such an operation and do a good job. He is like a prosecutor who has no witnesses on his side of the table. That is really difficult; and any lawyer can state what an unhappy experience it is to have to try a case when he has no witnesses who can testify. So that becomes the problem.

How will Senators get the information they will need, so they can probe and dig and bring the whole thing into the record? There is only one way they can get it. They must have a staff to enable them to do it.

But if the chairman of the committee is going to confess, here on the Senate floor, this afternoon, that he does not want to assemble or cannot assemble the proper number of persons with skill and competence, then of course I have nothing more to say about it.

I had no difficulty running one of those shows, over on the House side. I sent my man all summer and all fall into the Department of Agriculture. I said to the Secretary, "Give him an office and give him a secretary. And when he summons the head of the dairy industry division, the head of the animal industry division, or the head of the Bureau of Chemistry and Engineering into his office, I want some answers." We got the answers. I remember that on one occasion I got the head of an agency fired, and I got his information specialist suspended for 6 months, and one of them finally crawled out of the Government service. But only because we had someone sitting in the middle of the puddle could we get the information.

It has been one of the travesties of the Congress—both the House and the Senate—that we have failed adequately to provide ourselves with staffs. And to think that in this case more than $8 billion of the people's money and credit is involved, and yet some say, "You cannot get a staff together; they will fall all over themselves."

Well, Mr. President, how rational are we going to be in discharging that kind of responsibility? If we cannot do it, we should go home.

But I am not going to make that kind of confession on the floor of the U.S. Senate. I have seen it done before, and done effectively. And if we do not want to confess our weakness publicly, then we had better get about the business of providing some real scrutiny, especially when nearly $9 billion of the people's money is involved.

This is no time to talk about confusion. The job can be done. It is done in the business world, and it can be done in the Congress. If they want to assign the job to me, Mr. President, I am willing to undertake it, and to find the staff director and the competent staff members to do the work, and to send them down there, and then get some results when the time comes to pass upon the vast sums of money which will be under loan, under this measure.

Mr. JAVITS. Mr. President, will the Senator from Illinois yield to me?

The PRESIDING OFFICER (Mr. METCALF in the chair). Does the Senator from Illinois yield to the Senator from New York?

Mr. DIRKSEN. I yield.

Mr. JAVITS. I should like to ask a question or two of the Senator from Illinois. From his experience on the Appropriations Committee, can he point out some analogies? Incidentally, perhaps I can point out several. I think we should do so, in order to be sure of what we are advocating. I join the Senator from Illinois in advocating application of the general principle, and I hope we can agree on the terms.

Certainly there is nothing unusual in doing what he has described, and doing it successfully. For example, to my knowledge, various proposals in regard to sales are submitted by the General Services Administration to some of the congressional committees. Second, some of the agencies of the Department of Defense, so I understand, receive appropriations in rather round sums; and before they spend their appropriations, they acquaint the Appropriations Committees with the details in those categories, and do not spend the money unless the Appropriations Committees evidence their approval. These are two examples I know about. Perhaps the Senator from Illinois knows of others. I believe it very important that some record be made of the fact that this is not an unusual effort in connection with the exercise of the power of the executive branch, for it has been done before, as we can show from actual experience.

Mr. DIRKSEN. I think one of the greatest jobs ever done for the U.S. Senate was done by the distinguished Senator from Arkansas [Mr. FULBRIGHT]. When he was a member of the Banking and Currency Committee, he was charged with the responsibility of investigating the Reconstruction Finance Corporation. Certain rumors—ugly and otherwise—had developed; and he was the chairman of the Banking and Currency Committee's subcommittee which made that investigation. It was one of the most thoroughgoing orderly pieces of procedure I ever saw done in the U.S. Senate. There was no question as to whether he could find the necessary staff members. He found them. He made no noise about it. He went religiously to work, and plowed into the business. And when he got all through, the rafters were fairly shaken by the investigation he had made.

If such work could be done in that case—and he did it, and did it nobly—certainly it can be done just as well by other committees of the Congress, and particularly in view of the vast amount of money involved in this case.

Mr. JAVITS. Mr. President, will the Senator from Illinois yield further?

Mr. DIRKSEN. I yield.

Mr. JAVITS. I think the vote on Friday—which was gratifying to me, although I know it was not gratifying to the Senator from Illinois—was based in large part on the working out of some technique of this sort. So I believe it important that we work out such a technique. If what we propose is impractical or if it has some rough edges which need to be smoothed down, I am sure all that can be straightened out in conference. But the point is to have the Congress develop an effective application of the legislative oversight principle. And in connection with the attitude of Senators on this side of the aisle who opposed the Byrd amendment, I take it that there is a real commitment by us to take steps to start some such procedure in motion.

Though we may differ on the details, I do not think there is any question about the principle involved.

Like the Senator from Arkansas [Mr. FULBRIGHT], I shall not weep whether it is his perfecting amendment or the Saltonstall amendment or the Dirksen amendment that is adopted. The important thing is that we agree on one of these amendments, and we will whittle down the rough edges in conference when we get to that.

Mr. BUSH. Mr. President, will the Senator yield, in light of what the Senator from New York has just said?

Mr. DIRKSEN. I yield.

Mr. BUSH. I should like to ask the Senator, in light of his own experience—and I hope the Senator from Arkansas will listen, too—whether it would not be a practical matter for the Foreign Relations Committee and the Appropriations Committee to work out a joint staff to deal with these oversight matters.

Mr. DIRKSEN. They could do that.

Mr. BUSH. And would it not be simpler and less expensive and probably result in getting a better staff together than if two staffs were established to do the same thing?

Mr. DIRKSEN. Exactly.

Mr. President, it has been suggested by both sides that, in connection with the amendment first suggested by the Senator from Connecticut, instead of $1 million, the amount be increased to $5 million. I have no objection. I do it reluctantly, but we must get off dead center.

The rest of the amendment is about as submitted. I would couple that suggestion, of course, with the earnest hope that when we get around to a 2-year or 3-year program, the Senate may still cut it from a 5-year program. But that is no condition for enlarging or changing this amendment. If it is desired to make the figure $5 million, I am willing to change the amendment accordingly and let the rest of the language stand.

Mr. SALTONSTALL. Mr. President, as one of the Senators who is very much interested in this amendment, as I stated to the Senator from Arkansas, I hope the amendment of the Senator from Illinois will be adopted. So far as I am concerned, I shall vote for 3 years.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. For the information of the Senate, I either made myself clear or unclear some time ago; I am not quite certain which. I think there is some confusion about the combining of the amendments.

I am not sure what the parliamentary situation is, but for the information of the Senator from Illinois and other Senators, at the proper time I shall propose an amendment, along with other Senators, which I believe will accomplish something in view of the fact that we have already settled the question of back-door financing, or borrowing from the Treasury. That question was settled and nailed down, so there is no chance of reviving it.

I shall read the amendment. I have a copy of it here, if any Senator wishes to read it.

On page 8, lines 19 to 23, it is to strike out all of subsection (b) and insert in lieu thereof the following:

> In carrying out the purposes of this title the President shall prepare annually and transmit to the Congress a budget program as specified in sections 102 and 103 of the Government Corporation Control Act, as amended (31 U.S.C. 847–848), and legislation shall be enacted authorizing such obligations and expenditures as may be necessary for carrying out such budget program or limiting the same in the event that the Congress shall find that unusual circumstances involving considerations of basic—

Or that word can be left out—

> national policy shall so require.

This amendment would not put it back into the appropriation process, but would put it into the annual prior-review process by Congress each year, authorizing proceeding with the program each year. It does not require the appropriation process.

From my standpoint, having opposed the borrowing provision, having been in favor of the Byrd amendment, and I am still in favor of it and the appropriation process, that question has been settled. We cannot, from a practical standpoint, go back or consider it. This proposal would be on the basis of annual review and annual consideration of these programs under the present situation as we have presently constructed it under the law.

I make that statement for the information to the Senate. I intend to propose this amendment, along with other Members of the Senate, at the appropriate time. I am trying to find out what the parliamentary situation is.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. CASE of South Dakota. The Senator from South Dakota is much interested in the amendment of the Senator from Iowa, which appears on the face of it to have one advantage over the present proposal. The Senator from Iowa has said his proposal would require legislation annually, and it would be an act of legislation which would authorize the project. Is that correct?

Mr. HICKENLOOPER. That is correct. The legislation would authorize the use of this money under the borrowing authority. Congress would be passing on the programs for each year.

Mr. CASE of South Dakota. And it would be a legislative act.

Mr. HICKENLOOPER. It would be a legislative act.

Mr. CASE of South Dakota. I ask the Senator from Iowa, who is a lawyer, and I am not, if the Senator from Iowa thinks a concurrent resolution can be considered to terminate an authorization act of the Congress. I raise that question in all seriousness because when concurrent resolutions have been submitted before for reference to committees for approval in connection with military proposals, the former administration and a former Attorney General have taken the position that the refusal of committees of Congress raised a constitutional question, and the administration very firmly resisted enactment in the military construction authorization bills of resolutions that made the authorization subject to approval by the Armed Services Committee. The Senator from South Dakota served on the Military Construction Subcommittee which dealt with this question. So far as I could tell, what we were doing was legal, but we ran into that situation, and in two or three instances Congress modified the military authorization bill to avoid that constitutional question.

Mr. HICKENLOOPER. In answer to the question whether a concurrent resolution, as provided in this proposal, would terminate an act of Congress, I am frank to say I do not know, and I do not know of anybody who does know. The question whether or not it would I do not think has been tested in court. There is very strong argument on both sides of the question. One could make a compelling argument that it cannot. One can also make an argument it can. That would have to be settled by some court.

I invite to the attention of the Senate the fact that Congress in writing legislation can, without doubt in my mind, provide that the legislation shall terminate at such and such a date in the future. In writing legislation, Congress can write a termination date. I think a strong argument can be made that if Congress can do so, Congress can say in the legislation that some other method of termination may come into effect at a later date, which would include passage of a concurrent resolution. I think there is a very strong argument to be made along that line.

Mr. CASE of South Dakota. The Senator from South Dakota endeavored to make that argument in discussing the problem with representatives of the administration previously. While the Senator from South Dakota thought it was a fairly good argument, he was never able to persuade them.

I think, on the face of the proposal, a suggestion that a concurrent resolution can repeal a legislation act raises serious constitutional questions.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I am happy to yield.

Mr. SALTONSTALL. Do I correctly understand the proposal of the Senator

from Iowa to require affirmative legislation? The Senator would strike out section 104 and would leave in sections 102 and 103 of the Government Corporation Control Act. At the present time, under section 104, the budgets for Government corporations for the next year go before the Appropriations Committee. No appropriation is required except for administrative purposes.

For instance, in the bill now before us, the administrative expenses for 1962 are set at $51 million.

Do I correctly understand that the Senator's proposal would require affirmative legislation, which would mean that Congress must affirmatively approve the budget by a legislative act? At the present time Congress does not do anything other than to approve the administrative expenses.

Mr. HICKENLOOPER. It is my understanding that each year the budget program would have to be submitted to the Congress, and the Congress would have to approve it by affirmative act.

Mr. SALTONSTALL. Does that mean the Congress would go into detail as to the purpose for which the money was to be used?

Mr. HICKENLOOPER. I should think Congress would go into detail as to items and programs and all the rest of the detailed specifications which normally go with that kind of submission.

Mr. SALTONSTALL. At the present time, as the Senator knows, under the Government Corporation Control Act, there is no such showing.

I can show the Senator reports like those for the Export-Import Bank. There is an authorization of so much money—we will say $100 million—and then proposed expenditures for loans of so many million dollars, for other purposes of so many million dollars, and for administrative purposes of so many million dollars.

Mr. HICKENLOOPER. Yes.

Mr. SALTONSTALL. The administrative expenses have to be provided by appropriation each year, but the other expenditures do not. There is, therefore, no money for those purposes appropriated by the Appropriations Committee.

If the proposal of the Senator from Iowa is agreed to, is it the Senator's idea that the budget would go before the Committee on Foreign Relations, for instance, which has the best knowledge of the subject?

Mr. HICKENLOOPER. Yes. I should think it would go before the Committee on Foreign Relations, because it is in the nature of an authorizing proposal and not an appropriating proposal.

The Senator will notice the language provides:

> And legislation shall be enacted authorizing such obligations and expenditures as may be necessary for carrying out such budget program or limiting the same in the event that the Congress shall find that unusual circumstances involving considerations of basic national policy shall so require.

Mr. SALTONSTALL. If this went before the Committee on Foreign Relations for an authorization of, let us say, a loan to country A, country B, country C, and country D—4 or 5 or 6 or 7 or 10 loans—there would be no money necessary to be appropriated?

Mr. HICKENLOOPER. The money has already been appropriated.

Mr. SALTONSTALL. That is correct.

Mr. HICKENLOOPER. The money has been, in effect, appropriated because we authorize the borrowing of money out of the Treasury.

Mr. SALTONSTALL. That is right, except for administrative expenses.

Mr. HICKENLOOPER. The Senator is correct.

Mr. SALTONSTALL. If the Committee on Foreign Relations authorized various loans, then the bill would have to go before the Appropriations Committee for administrative expenditures; is that correct? The Foreign Relations Committee could not appropriate money?

Mr. HICKENLOOPER. The Foreign Relations Committee could not appropriate money, but I believe that the administrative expenses would be taken care of otherwise by the Appropriations Committee, for the general administrative operation of the program.

Mr. SALTONSTALL. That is done now under section 104. As I understand the proposal of the Senator, he would strike out section 104. That is why I asked the question.

At the present time Congress appropriates for administrative expenses. Congress can stop the action of a Government corporation simply by saying, "No, we will not appropriate any administrative expenses." Of course, that is a backdoor way of stopping a program.

Mr. HICKENLOOPER. I would not wish to throw any roadblocks into the administrative expenses operation. I am sorry I cannot give the Senator a clear-cut answer at this moment. I talk about this amendment only for information. I am trying to learn when will be a proper time to make the offer.

Mr. SALTONSTALL. If I correctly understand the Senator's interpretation of the bill, really we would authorize the loans but would not put them through the Appropriations Committee. Is that the substance of it?

Mr. HICKENLOOPER. I do not think we can.

Mr. CASE of South Dakota. We have already passed by the committee.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. FULBRIGHT. I do not believe the Senator is correct in saying that this would go to the Committee on Foreign Relations. I think all of this would go to the Appropriations Committee, following the procedure of the Government Corporation Control Act.

What the proposal would do is to specify more precisely the language which has been accused of being equivocal in section 104 of the Government Corporation Control Act. I think the Senator from Iowa has made a very good suggestion. I believe it would obviate the necessity for the other special subcommittees.

I remind the Senate that we tried these watchdog committees 3 or 4 years. They did not really produce anything. They spent quite a lot of money. We ended up by turning the whole thing over to the Committee on Government Operations in 1955. The authority to do this is now in the Committee on Government Operations.

Now we are asked to repeat the same thing we did beginning in 1948. There were terrible quarrels between the two Houses, and the final reports did not amount to anything. I have a memorandum which has been prepared by the staff on the history of the so-called watchdog or oversight committees. We finally turned all of this over to the Committee on Government Operations, which has a big staff and authority to do all this investigation.

What the Senator from Iowa is proposing, really, is to spell out and to make very precise what I and others have contended, that the Committee on Appropriations would not lose control and would not be bypassed. These things will go to the committee. The committee can examine them. If the committee decides it wishes to limit the program and if the Congress supports the committee, that can be done.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. The reason I said this would probably go to the Committee on Foreign Relations is that it is in the nature of an authorization. If it should go to the Appropriations Committee, that is perfectly satisfactory to me. I am not quarreling with that idea.

The Senator from Massachusetts [Mr. SALTONSTALL] has asked me to yield in order that he may discuss this particular question with the chairman of the Committee on Foreign Relations, and then I shall yield to the Senator from Vermont [Mr. AIKEN].

Mr. SALTONSTALL. What I wished to say to the distinguished Senator from Arkansas is that to take the interpretation he has just given would leave us right at the place we were when we started; that is, it would require a two-thirds vote to change the law and to cut down or to extend any of the loans which might be presented to the Committee on Appropriations, because there is no money appropriated.

If there is no money appropriated, therefore such action would be legislation on an appropriation bill.

Mr. FULBRIGHT. But this is an authorization. It strikes me that is what would be provided. I think it would go to the Appropriations Committee.

Mr. HICKENLOOPER. The reason I thought it would probably go to the Committee on Foreign Relations is that it is an authorization process.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield to the Senator from Vermont.

Mr. AIKEN. I think I can help out in the discussion. I believe this would go to the Appropriations Committee, because what the Senator from Iowa is proposing is the same method and procedure used in the case of the Panama Canal Company, the Export-Import

Bank, the Commodity Credit Corporation, and possibly other groups which are financed by the so-called back-door or Treasury borrowing method.

Mr. FULBRIGHT. It is not back-door; it is front door.

Mr. AIKEN. If we adopt the amendment it would at least be a side door. Possibly we could call it the front door.

Mr. FULBRIGHT. I think it is the same.

Mr. AIKEN. It is the same procedure as is used now.

Mr. FULBRIGHT. I think that is what is to be provided. The use of the word "authorizing" does lead to something. I had assumed all the time that it would go to the Appropriations Committee.

Mr. ALLOTT. Mr. President, I have just received a copy of what I believe is a combination of the proposed amendments which are at the desk. Of course, I shall support them as I would support the amendment of the Senator from Iowa [Mr. HICKENLOOPER], depending upon the order in which they are submitted to the Senate.

The discussion today brings out the point which I tried to make clearly and forcefully last week. That is, Congress has abandoned its legislative responsibilities to the executive branch of the Government by failing to adopt the Byrd amendment. So far as the pending bill is concerned the Byrd amendment has gone down the drain. But the reason for all the flurry today is the fact that many Senators realize that they have abandoned their legislative responsibility, and that when they get home they will have to tell their constituents why they said to the President, "You can take $8 billion out of the Treasury by the back door—money that we shall have to pay interest on—without any accounting to Congress of any substantial amounts or in any substantial degree."

I believe such action defies the Constitution. If anyone would ever take the trouble to litigate the question, I think we might find the Supreme Court, in one of its rare bursts of wisdom, declaring the act unconstitutional. Of course, it would be a rare occasion, but it might happen.

Those of us who supported the Byrd amendment now find ourselves in the position which I face—namely, of urging passage and voting for amendments that otherwise we might not necessarily favor under normal circumstances. They are offered only in perhaps an inadequate effort to recapture some of the legislative power that Congress threw in the lap of the President last Friday.

A while ago the Senator from Illinois [Mr. DIRKSEN] spoke to the point that it was almost impossible for a member of the Committee on Appropriations to find out what was going on. That is true. I saw the senior Senator from Washington in the Chamber a few moments ago. The Subcommittee on Independent Agencies, of which I have the honor of being the ranking minority member, reported last week a bill to appropriate approximately $9 billion. Although the independent agencies for which the U.S. Senate appropriated $9 billion, number 15 or 16, there is only 1 staff member on the Senate Committee on Appropriations to advise the subcommittee and the Committee on Appropriations regarding these 16 separate agencies.

The Senator from Illinois has put his finger right on the point. How do we question the agencies intelligently when we have before us no detailed outline of their activities? The answer is obvious. We cannot do it. We do the best we can. However, with one staff member it is impossible to do an effective piece of work. I do not believe the work could be done with staff of less than 5 to 10.

If we, as Senators, do not provide ourselves with proper staffs, in effect, we shall be surrendering even more of our power. Why? Because bureaucrats come to us and, in the most glowing terms, seek to substantiate their justifications. They tell us of all the fine things we have done. Who do we have with the necessary time and ability to go through their affairs to find out where their weak spots are? As much as any department or area of Government we should be fully informed on the activities of the State Department, ICA, the Development Loan Fund and all its foreign loans, together with all the rest of the activities that we have before us.

I do not know what commitments were made in the name of the United States yesterday and the day before and the day before that in Latin America, nor does any other Senator know what commitments were made. But I know that every Senator was sent to Washington by his constituents with the idea that when he got here, the proper committee of the Senate would authorize appropriations, and that the Appropriations Committee would recommend the appropriations.

So we may have a great issue for the future guidance of this country, namely, whether or not we shall abjectly surrender again and again and again our legislative responsibilities, as we have done in the past. Or will the Congress pick up the reins in its right hand, and with a strong right arm, again say, "This is what we were sent here to do."

The responsibility is ours, and we intend to assume it.

This issue looms as one of the largest issues in the United States, if not the largest. I refer to the survival of the kind and type of government that our forefathers established and which, thank God, up to this moment no one has repealed. But if we keep going the way we have been, there will not be any necessity for repeal, because we shall have repealed ourselves. Congress will have repealed itself out of all its power.

The question has been raised this afternoon as to the reduction of the time of the program. I wish the chairman of the Senate Committee on Foreign Relations to hear this statement. I feel that if we are to have a foreign-aid program, it must be planned in advance. I have never been opposed to this feature, but I do not believe that we should appropriate with a free hand 5 years in advance. The reduction to a 1-year program or to a 2-year program is not the answer. I believe the answer is that Congress retain as much control as possible over expenditures and appropriations.

Other bills now before the Senate attempt to surrender even more of the legislative power of Congress by adopting the technique of negative veto under the Administrative Procedures Act, as opposed to the reorganization Acts. If we surrender to the executive branch and the bureaucrats our responsibility and power, it is not meaningful to retrieve it only when we have found out that they have erred, for we shall have surrendered our power, our privilege, and our duty to legislate.

I do not know of anyone in the Senate who said this in a clearer way than the former senior Senator from Wyoming—and I refer, of course, to our good friend, Joe O'Mahoney.

Last year, with respect to the wilderness bill, he described in very forceful language both in committee and on the floor of the Senate just exactly how much Congress had surrendered its legislative responsibility.

I do not believe the answer lies in shortening the time for planning. I believe the answer is to clip the wings of the bureaucrats. Whether we want to admit it or not, over the last 20 years Congress has created a bureaucratic monstrosity which is going to devour the Government unless Congress picks up the reins and jerks them tight and keeps them tight in the coming years.

Reducing the program is not the answer. I wanted to make these remarks because as strongly as I felt about the Byrd amendment—and I still do—I shall vote for one or more of these subsequent amendments as they are brought onto the floor of the Senate, but I want my position to be clear that I do not regard them in any sense as a real substitute for the obligations of the Senate which we abrogated and let go down the river last week.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. ALLOTT. I am glad to yield to the Senator from Iowa.

Mr. HICKENLOOPER. The amendment we have been talking about, which I propose to offer, I do not consider to be as good as the Byrd amendment, but I do consider it going a long way toward that end, because it requires affirmative legislation each year in order to carry out these programs. While it does not require appropriations—and there is no use to put that language in the amendment, because that bridge was crossed with the defeat of the Byrd amendment, and we might as well be realistic——

Mr. ALLOTT. The Senator is correct.

Mr. HICKENLOOPER. The amendment which I propose does keep the matter as much in the hands of Congress as possible, by requiring affirmative legislation each year for the carrying out of the budget and for the carrying out of the programs which are proposed.

Mr. ALLOTT. I believe the Senator was talking with other Senators when I indicated I was happy to support his amendment. I believe that, of the pending amendments, his is the strongest of

any, because it requires affirmative legislation, and requires going before the Foreign Relations Committee, I presume.

Mr. HICKENLOOPER. It would be either the Appropriations Committee or the Foreign Relations Committee. That situation is a little unclear, as to which committee it would go, but I would assume it would be either the Foreign Relations Committee or the Appropriations Committee. It would be one of the two.

Mr. ALLOTT. In that respect it is a great improvement. The Senator from Iowa is to be complimented upon presenting such an amendment. It points up the necessity for keeping in the hands of Congress the reins which properly belong there.

Mr. COOPER. Mr. President, I should like to ask a question of the Senator from Iowa.

Mr. ALLOTT. Since I have concluded my remarks, I am willing to yield the floor.

Mr. DWORSHAK. Mr. President, before the Senator yields the floor, will he yield for a question?

Mr. ALLOTT. I yield.

Mr. DWORSHAK. Serving on the Appropriations Committee with the Senator from Colorado, I share his concern about the complete surrender of the constitutional responsibilities of the legislative branch to pass upon appropriations to be used by the executive department.

I should like to admonish the Senator from Colorado that probably he should be more specific in his criticism and in his condemnation of the legislative branch for the abject surrender of its responsibility to the executive department. I am sure the Senator knows that on many occasions in the past, when we have been confronted by a serious challenge, such as now faces the Congress, the other body, with probably more courage, has been willing to face these tests, and has frequently prevented this surrender and this delegation of power by Congress.

Will the Senator from Colorado agree with me that that has been the legislative history, namely, that while the Senate with little reluctance has frequently taken a position which is indefensible, on the other side of the Capitol is a body composed of men who have character, consideration, and a more wholesome respect for the duties which they have assumed as Members of the House of Representatives?

Mr. ALLOTT. I would answer that question this way: I certainly feel that in many instances the other body has shown a very great sense of their responsibilities and their duties which brought them here. They are to be commended for it, of course. On the other hand I do not believe the Senate displayed such responsibility last week.

Mr. COOPER. Mr. President, I would like to ask the Senator from Iowa some questions. They will be predicated on the issue which the Senator raises. I wonder if the Senator would explain the distinction between his amendment and the Byrd amendment. I should like to give some background for my questions. Last Friday the Senate voted against the Byrd amendment. Among the issues then there was the issue whether we wanted to make funds available by yearly appropriations or by Treasury borrowing. As I understand the Senator's amendment, it would permit Treasury borrowing.

The second issue that was at stake was whether we could have a more effective foreign-aid program by assuring the availability of the program over a period of 5 years. As I understand the Senator's amendment, it would have one of these consequences. There would be no assurance of funds available over a period of 5 years, and each year the appropriate committee would have to take action to make funds available for the ensuing year. Is that correct?

Mr. HICKENLOOPER. I do not quite view it that way.

Mr. COOPER. I am asking the Senator to explain the distinction.

Mr. HICKENLOOPER. If the bill as now written and before the Senate is passed, I believe the borrowing authority for 5 years has been set up in the bill, with so much provided for each year. That has been set up already. My amendment does not prohibit necessarily the borrowing, but it provides that the budget program shall be submitted each year, and there shall be affirmative legislation passed permitting the obligating of the funds and the expenditure of those funds under the budget program. Some might say that here is a distinction without a difference. However, I believe there is a difference. It is not necessary to go through the appropriating process. The budget and a series of proposals and a program will be submitted. It all will be open to view. The committee can say, "We do not like any part of it." They could work out a program then that is more acceptable. It does require, however, legislation each year authorizing the expenditure of funds which they are already permitted to borrow.

Mr. COOPER. I would also like to ask the Senator from Arkansas [Mr. FULBRIGHT] to listen to me for a moment. I know the different views in the Senate about this matter. I supported the committee provisions because I believed it was the only way to get an effective foreign-aid program, and to get the best use of our funds. That was my view about my responsibility. Others saw a responsibility to keep it in the Appropriations Committee.

As I understand the provisions which were adopted, the continuity of 5 years is protected, and also the availability of the funds is protected over 5 years, but Congress does not have to take any action. However, under the Senator's amendment, Congress would have to take action every year before the funds could be made available.

I ask the Senator from Arkansas, Would that destroy the important issue upon which we debated and worked so long last week? Would that destroy the assurance of funds, which the administration says it ought to have, which President Eisenhower at one time said his administration ought to have, and which the Senate last Friday said the administration ought to have?

Mr. FULBRIGHT. In my earlier remarks, especially in an exchange with the Senator from Florida and the Senator from Louisiana, I said I thought the main difference was that the money is available under the borrowing authority, but that its use will still require review by the Committees on Appropriations; and it is presumed, both by their former actions and, I believe, by the provisions of the Government Corporation Control Act, of which this is a form of interpretation, the budget will be approved, unless there is some affirmative and very important reason for changing it. It would be rather a shifting of the burden of initiative, if it is proposed to change it. I think this is an important difference. It is quite different to come to this body and having the authority, and carry forward the burden of appropriating. Then it is the responsibility of the Committees on Appropriations together with the whole Congress. Of course, the Committees on Appropriations would not have the sole authority, but it means that the question must be considered by the entire Congress. It is very important. There is no intention of trying to short-circuit Congress or the committees. We have no intention of saying, "If you accept our provision, no longer will you have the opportunity to look at it." I have said that time and again.

I think the sponsors of the Byrd amendment did not understand what we were trying to do. We were not trying to exclude them from the right to consider the proposal and approve it. I think if the spirit of this amendment or of the Government Corporation Control Act is followed, it will mean that no action will be taken except for affirmative and important reasons, to alter the budget as submitted. It does not affect anything except the Development Loan Fund.

The question has been raised about the veto power. There is no provision now for item vetoes. This fund amounts to only 25 percent of the total program. It would be an extreme case in which the President might veto the entire bill because of some relatively minor changes needed in this aspect of the program.

If Congress undertook to repeal the whole program, then there might be a possibility of a veto, and that question would have to be settled according to the usual process. However, I believe this method insures to a very great extent the continuity of the program. I believe the administrators could live with it. I try to make that plain, but many Senators did not agree that that was the correct interpretation. However, I was very much pleased when the Senate as a whole agreed to it.

The original bill, as reported by the committee, specifically makes the program subject to the Government Corporation Control Act. The provision offered by the Senator from Iowa [Mr. HICKENLOOPER] is an interpretation of that act, as to how it works, and is drawn out in so many words. He really sets forth, in language very similar to what I have stated, what will be the effect of the Government Corporation Control Act.

Mr. COOPER. Would this be the distinction in the action of Congress. In

the committee provision, the funds would remain available unless Congress decided to take affirmative action.

Mr. FULBRIGHT. That is correct.

Mr. COOPER. There is no provision in the proposed legislation that Congress must take affirmative action before the funds will be available. That is my understanding of the committee amendment. The proposal of the Senator from Iowa would require congressional action before the funds could be made available.

Mr. FULBRIGHT. The funds would be available, but without affirmative action. For example, I do not see how anything could be done with the administrative funds. They would be there, but they could not be used.

Mr. COOPER. Is it the interpretation of the Senator from Arkansas that under the committee bill and under the provision on which the Senate voted last Friday, funds would not be available unless each year Congress acted affirmatively to make them available?

Mr. FULBRIGHT. The Senator's use of the word "available" is perhaps attributing a different meaning to the word. The right to borrow would continue until the authority was rescinded; but as a practical matter, I do not see how the funds could be used without affirmative action by Congress. There is a difference between voting for an authorization and voting to appropriate what has been authorized. I think that is an important difference.

Mr. COOPER. I have listened to the explanation and have wondered if this concept of continuity and availability would be nullified.

Mr. FULBRIGHT. I do not believe it would be nullified; no.

Mr. COOPER. I am glad to have the Senator's opinion. I must say that at least this is a straightforward approach, in which the responsibility of Congress is precisely clear. I think the other amendments are wholly wrong, because they mean that Congress is trying to operate the foreign aid program in every single project.

Mr. FULBRIGHT. I agree.

Mr. President, I understand approximately 25 more amendments have been offered. I hope the Senate may conclude its action on this bill some time. I would be willing, if it meets with the approval of the Senate, to withdraw my proposed perfecting amendment. It is obvious that Senators with whom I discussed it earlier have now rejected it. It is not acceptable, and the Senate has now shifted to the consideration of two or three other proposals.

I would be willing to withdraw my perfecting amendment and allow other amendments to be offered as perfecting amendments. Perhaps the Senator from Massachusetts might wish to withdraw his, as well, and let the other amendments be voted on. I hope we may get some kind of vote on the question.

Mr. KEATING. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. KEATING. Does the Senator from Arkansas believe that the amendment offered by the Senator from Iowa adds anything to the existing way in which the Government Corporation Control Act is used?

Mr. FULBRIGHT. I think it spells it out in detail as a part of the legislation in the bill. There was some doubt because of the vagueness of section 104 of the Government Corporation Control Act. I think the provision offered by the Senator from Iowa removes any doubt and makes very plain what is meant.

Mr. KEATING. I read from a memorandum prepared, as I understand, by the Committee on Foreign Relations, entitled "Annual Review of Development Lending Program by Appropriations Committee." I read two sentences:

> Ever since the enactment of the Control Act, it has been the consistent practice of the executive branch to lay before the Congress annually budget programs for all corporations or agencies covered by the budget provisions of the Control Act, which has included appropriate information on the programs and financial transactions contemplated. Moreover, it has been the consistent practice of the Congress to review such budget programs and to include in appropriation acts specific language authorizing the conduct of programs for the ensuing fiscal year and provide limitations where Congress has so decided.

That is what is incorporated in the amendment offered by the distinguished Senator from Iowa. It adds absolutely nothing, as I read it, to what is the present practice concerning the operations of the Government Corporation Control Act.

Mr. FULBRIGHT. I have said to the Senate not less than a dozen times that I believe there are ample provisions for review and control in the law as it stands. I am not proposing any of these amendments. I believe the authority is in the bill; but the amendment of the Senator from Iowa spells it out and leaves no doubt about how it would be applied and what it will do. It seems to me it is amply plain for the protection of the rights of the Committees on Appropriations and of Congress.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. BUSH. Under the amendment of the Senator from Iowa, there would be a complete legislative program on the Development Loan Fund every year. Is not that true?

Mr. FULBRIGHT. Not complete, because they do not have to request the appropriations. There is a difference between requesting the appropriations and what the budget presents as to the amount of money they may borrow. I think there is a difference.

Mr. BUSH. In that respect there is a difference.

Mr. FULBRIGHT. And it is an important difference.

Mr. BUSH. But the fact is that under the amendment of the Senator from Iowa the committee will have to go through the scrutiny process and bring to the Senate a bill for the Senate to act on. But under the amendment the committee has reluctantly accepted, that will not be necessary.

Mr. FULBRIGHT. But there still will be an annual bill carrying all the features of this bill, plus the budget pertaining to the Development Loan Fund which will be submitted.

Mr. BUSH. I was speaking of the Development Loan Fund. The amendment was directed to it.

Mr. FULBRIGHT. There will still be a budget of the Development Loan Fund, prepared and submitted to the Appropriations Committees.

Mr. SALTONSTALL. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. SALTONSTALL. We have been having a conference, outside the Chamber, with the clerk of the Foreign Relations Committee and the clerk of the Appropriations Committee. As I understand, under the Government Corporation Control Act, if the Congress does nothing, a corporation can still go forward and spend its money. And in one case that was done, presumably because it was overlooked. The only thing the Appropriations Committee has to do is handle the appropriations for the administrative expenses.

Mr. FULBRIGHT. Yes.

Mr. SALTONSTALL. In the amendment of the Senator from Iowa [Mr. HICKENLOOPER] we find the following:

> In carrying out the purpose of this title the President shall prepare annually and transmit to the Congress a budget program as specified in sections 102 and 103 of the Government Corporation Control Act, as amended (31 U.S.C. 847–848), and legislation shall be enacted—

And then the word "authorizing" was changed to the word "permitting"—

> permitting such obligations and expenditures as may be necessary for carrying out such budget program or limiting the same in the event that the Congress shall find that unusual circumstances involving considerations of national policy so require.

My question is this: Assuming that the Appropriations Committees and the Congress did nothing, would this Government corporation still be able to make the loans? As I interpret this language, it is a new section for section 104. And, as the Senator from Connecticut was stating when I entered the Chamber, it will require affirmative action and an affirmative report by the Appropriations Committee, in connection with the provisions of this measure, and such legislation would not be subject to the rule in regard to legislation on an appropriation bill. The agency would have to come forward and make its presentation. If it did not and if Congress did not take any action, the Development Loan Fund could not go forward.

Mr. FULBRIGHT. As a practical matter, I think that is the present situation, and that is what I thought when I spoke the other day in regard to application of the Government Corporation Control Act. I cannot conceive that they would sit there and do nothing. Congress would certainly have to authorize the administrative action. If by chance they ignored, let us say, making any mention of the proposed use of the money, but authorized everything else, it is possible that the agency could go ahead and do it. But I do not think it at all probable. I think they would either say, "This is bad, and we wish to limit it," or they would approve it. But I do

not know that anything of that sort has ever happened under the Government Corporation Control Act.

Mr. SALTONSTALL. But in this instance the Development Loan Fund could not make a loan under this suggested amendment without having Congress first take action in connection with the necessary appropriations.

Mr. FULBRIGHT. I thought so, but that does not mean they would have to go through the process of appropriating the money.

Mr. SALTONSTALL. No, but it would mean that they would have to recommend to the Senate and to the House such legislation, and it would have to be enacted.

Mr. FULBRIGHT. They would approve the budget.

Mr. SALTONSTALL. Or change it.

Mr. FULBRIGHT. Yes, and approve it as then changed.

Mr. SALTONSTALL. Yes. But it would have to be affirmatively acted on.

Mr. FULBRIGHT. That is my impression; and, as I recall, I said that the other day, before this amendment was offered. In other words, I do not think the committee tried, in acting on the original bill, without this amendment, to short circuit or relieve this program from examination. That is what I said in my first speech in opposition to the Byrd amendment. I do not think it ever was intended, or would operate to short circuit and remove all control by the Appropriations Committees of the Congress from this program. I do not think that was intended, and I do not think it would be proper to do it. But we disagree as to what the effect would be.

Mr. CASE of South Dakota. Mr. President, I have my reservations in regard to the bill as a whole, but I recognize that the Senate has acted on the Byrd amendment. So, unless the Senate were to adopt some amendment which would change the present state of the bill, I accept it as an accomplished fact that the defeat of the Byrd amendment has provided for the financing for the Development Loan Fund.

I think the Senator from Arkansas is eminently correct when he says that even under the amendment suggested by the Senator from Iowa it would not be necessary to go to the Appropriations Committee to fund the program.

What is proposed by the amendment of the Senator from Iowa is that each year the program expected to be accomplished would be brought before the Congress, and affirmative legislation would be required in order to use some of the money provided by the financing plan already tentatively approved.

The reason why I raised the question of the competence of the concurrent resolution to defeat the authorizations which would be carried by this act——

Mr. LAUSCHE. Mr. President, will the Senator from South Dakota yield, before he proceeds to discuss the effect of the concurrent resolution? I should like to ask a question.

Mr. CASE of South Dakota. I am glad to yield.

Mr. LAUSCHE. If the bill with its 5-year provisions constitutes an authorization for the expenditures, and if that authorization is understood to last for 5 years, and if no appropriation—that is, assigning the funds and earmarking them for this use—is necessary, what will be the character of the new creature that is called a permission to use the funds? What is the difference between authorization to use them—as given in the bill—and permission to use them, supposedly given annually?

Mr. CASE of South Dakota. I should like to answer that question as directly as I can.

First, let me say that under the provisions of the Government Corporation Control Act, it has traditionally been regarded as within the competence of the Appropriations Committee to place a limitation upon the administrative funds; and if the Appropriations Committee, when hearing proposals for the program of a Government corporation, did not like some part of the program, it has been customary—or at least it has been done—to provide, "No part of the administrative funds for this agency shall be used to process this program." In that way Congress has heretofore exercised some control over authorized programs—by denying use of the administrative funds which are appropriated on an annual basis.

With respect to the direct question asked by the Senator from Ohio, who wishes to know what would be the status of the permission, let me say the status of the permission, as suggested by the amendment of the Senator from Iowa, as I would interpret it, is that it would require affirmative legislation to carry on a particular program. It would not require affirmative legislation to get the money with which to do it, for the money would be placed on the shelf or would be set up, so to speak, within the Treasury Department, under the language carried in the bill, since the Byrd amendment was rejected. The money would be set apart or earmarked within the control of the Secretary of the Treasury. So the money would be available. It would be like saying that one has money in the bank, but before he can spend it the program on which he proposes to spend it will require annual affirmative legislation.

Mr. LAUSCHE. I think that is a fairly well thought out answer. However, I have one difficulty in differentiating between the use of the word "authorization" and the use of the word "permission."

In the past, the only way a termination could be made of this long-standing authorization was by denying the right to use administrative funds in processing the program. That was an indirect method. But I think it is admitted that in this instance there will be a 5-year authorization to borrow from the Treasury, and that authorization in itself constitutes an appropriation, an assignment of funds.

I wish there were unanimity of opinion that the word "permission" would mean that, though the funds have been authorized, and though they have been assigned and earmarked, each year before they can be used a new permission will have to be granted, and if it is granted, by whom it will be granted.

Mr. FULBRIGHT. Mr. President, if the Senator will yield, I think perhaps the paragraph in the existing Appropriation Act, which is to be found on page 81 of the document on legislation on foreign relations, December 1960, should be read. Here is what the paragraph says in this connection:

> The Development Loan Fund is hereby authorized to make such expenditures within the limits of funds available to it, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided in section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation, except as hereinafter provided:

Then the next paragraph reads:

> DEVELOPMENT LOAN FUND
>
> For advances to the Development Loan Fund as authorized by section 203, $550 million, to remain available until expended.

The next paragraph is:

> LIMITATION ON ADMINISTRATIVE EXPENSES, DEVELOPMENT LOAN FUND
>
> Not to exceed $1,800,000 of the funds of the Development Loan Fund shall be available during the current fiscal year for administrative expenses of the Fund covering the categories set forth in the current fiscal year budget estimates for such expenses.

The next is on "General provisions."

It is my impression that in the coming year a paragraph very similar to, if not exactly like, the first one will be included in the Appropriation Act. But the next one, which reads "For advances to the Development Loan Fund as authorized by section 203, $550 million to remain available until expended," is not necessary because they have the authority to borrow up to the amount authorized; but the administrative expense of the budget as submitted will be approved in language very similar to this.

There is a big difference between having an amount of money available through borrowing and fighting for an appropriation each year. Everybody will recognize that there is a significant difference.

Mr. CASE of South Dakota. Perhaps it may be a simple analogy—and it may be an oversimplification—that in private business the board of directors of a corporation, or whatever it might be within its chartered powers, might have a bond issue, and the corporation might sell the bonds and place the money on deposit and have the moneys available for expenditure, but the corporation's directors might do exactly what the Senator from Iowa is suggesting here—before the money was spent, each year the plan for the year would be set before the board of directors and the board of directors would have to approve it before there could be an authorization to spend the funds authorized.

Mr. LAUSCHE. If the Senate decided to adopt the proposal, to what committee would this item go? Would it go to the Foreign Relations Committee?

Mr. CASE of South Dakota. The Senator from South Dakota is a little inclined to think it might. I think it would

depend somewhat on the contents of the bill. If it were purely authorization in character, it might go to the Foreign Relations Committee. We had a somewhat similar situation in connection with Government-owned corporations that had some funds, but did not have carte blanche power to expend those funds. I think there was a program which required approval legislatively.

Mr. LAUSCHE. As I understand, if we pass the bill as it is written now, we authorize borrowing from the Treasury for a period of 5 years in the amount stipulated, and that authorization carries within itself also an assignment, an earmarking, of the funds for this purpose. The authorization is given, and the assignment of the money made. But under the amendment of the Senator from Iowa, each year there would be required another authorization, which in this amendment has been labeled as a "permission." I cannot differentiate the word "permission" from the word "authorization," except that it has been chosen to escape the involvement that one finds himself in when he realizes that the authorization is given in the bill and that another authorization is required later.

Mr. CASE of South Dakota. Perhaps—and this again may be an oversimplification—this example may be cited. Let us assume there is a college corporation, which establishes a loan fund for students. It may get the money for the fund by private contribution or from some other sources. But the money received for the college loan fund goes into a separate account for making loans to students. It would be possible, in setting up that fund, merely to provide that the college president could make the loans indiscriminately, once he got the money. Or the college board could say, "Each year before you grant these loans, you will have to have a committee of the board of directors or of the faculty sit down and specifically recommend the precise loans which are to be made."

It seems to me, under the bill as it presently stands, the authority would rest with the President to make the loans indiscriminately, within the general framework of the legislation. While the loan funds have already been provided, the Senator from Iowa is suggesting that before the President makes the loans—to specific countries, he shall submit the program to the Congress, and the Congress shall affirmatively approve the specific countries that would get the loans.

Mr. LAUSCHE. I wish the Senator from Arkansas would listen to this question.

If the amendment of the Senator from Iowa is adopted, what will be the difference between it and the proposal made by the Senator from Virginia, that the Appropriations Committee, as well as the Senate and the entire Congress, be consulted each year? What is the difference between that and the proposal to go to the Appropriations Committee and the Congress each year to get permission?

Mr. FULBRIGHT. I do not know that I can make the situation any plainer than it is. We have approved the authorization to borrow money from the Treasury. I do not think the money will be set aside in a special little box. That is an authority.

Mr. CASE of South Dakota. It may be, but does not the Senator agree that the money could not be used for any other purpose?

Mr. FULBRIGHT. I think there is merely a right to draw on the Treasury. If the President needs a billion dollars for an operation, he does not have to draw it all. It will not all be set aside. As needed, the President would take a note to the Treasury and obtain the money he needed. He would use it for the purpose for which needed.

As a practical matter, there is a big difference with respect to having the assurance that during the 5-year period the President will have the authority to borrow the stipulated amounts. That is a commitment. It is an important commitment by the Congress. We are now committed for a 5-year program.

That is not an irreversible commitment. We cannot make an irreversible commitment. For good and valid reasons Congress could rescind the authority. But that is a very different thing from waiting for each year and going before the Appropriations Committee and begging the committee on bended knee to allow some money.

The experience has been that there has been a 30-percent reduction, in the past 5 years, in the appropriations provided from the authorizations by the Congress. It is true that the Appropriations Committee, if it wishes to do so, can ignore or go very far toward changing the policy provided in the bill. The Appropriations Committee could restrict the program in accordance with the Senator's amendment, but I think it would be a much more serious act on the part of the committee. The committee would be taking much greater responsibility, in my opinion. Under the language, the committee should not reduce the program or rescind the authority except for some important national reason.

As I have said, this shifts the burden of changing the views of the Congress from the supplicant, the applicant, the Government, or the administration, to the Congress. It shifts it to the Appropriations Committee in the first instance, and finally to the Congress itself.

All of us who have been around the Congress for any length of time know how difficult it is to move this great body, which has so many Members of diverse views. It is a great undertaking, and the burden is a difficult one. One might say that the burden would be on the Appropriations Committee to initiate the move to reverse or substantially to change the decision, if it is taken by both bodies as it was taken in the Senate last Friday, to have a 5-year program. This is an important decision. I hope we make it. If we do not make it, then we do not make it. I hope both bodies will make that decision.

This will mean that we shall have made a very important decision that the program will no longer be an annual program, but that we may plan for 5 years. I grant that there is no way to guarantee that the Congress will not reverse itself next week. It is possible, even if we pass the bill before us, that 10 days later something may happen and a bill will be offered to rescind the whole program. That power is in the Congress. It is possible to do that. We will not do that, in my opinion, without an overriding reason or some very important reason. It could be a war. Any kind of catastrophe or change might cause us next year to abandon the 5-year concept.

As of the moment, we are making a decision, admitting that we are in a very long and difficult struggle, to remain in it for at least 5 years, because we believe conditions warrant it. We are not saying, very tentatively, "We will take up this burden for 1 more year, and then take another look, and perhaps continue another year after that."

I say—and the majority of the Senate seems to agree—that that is no longer an efficient way to administer this program. The main proof of this approach is that the people who administer it can now say with considerable assurance—not with absolute assurance, but with considerable assurance—"We have 5 years to lay out plans for the development of this country or that country. We are going to plan on that basis." They will know, all the while, that Congress could pull the rug out from under them, but believe Congress will not do so. I do not believe the Congress will, either, without a very serious change in the world situation.

That is as near as I can come to stating the difference. I think it is a very important one.

Mr. LAUSCHE. The Senator from Arkansas takes the position that in the one case affirmative action is required by the Appropriations Committee to make the money available. The Appropriations Committee begins from nothing and has full latitude in determining how much money will be allowed.

In the second instance the basic structure is fixed, and that basic structure must be negatived or altered; and, therefore, a greater burden falls upon the committee and upon the Congress to change what has once been declared.

Mr. FULBRIGHT. The Senator is correct.

Mr. LAUSCHE. How will the change be made? Will it be made in an appropriation bill?

Mr. FULBRIGHT. Yes.

Mr. LAUSCHE. Will it be by a resolution? I refer this, again, to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, I would assume that under the language suggested by the Senator from Iowa the proposed legislation would go to the Foreign Relations Committee.

Mr. FULBRIGHT. I do not believe that is correct.

Mr. CASE of South Dakota. The language is:

> And legislation shall be enacted authorizing such obligations and expenditures as may be necessary.

Mr. FULBRIGHT. I think it would go to the Appropriations Committee, exactly as is the case now.

Mr. CASE of South Dakota. That might be an inquiry to be addressed to the Parliamentarian. I have always assumed that, under the rules, proposed legislation which authorizes something would go to a legislative committee and proposed legislation to appropriate money would go to the Appropriations Committee.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I will yield to the Senator from Illinois in a moment.

I recognize that illustrations sometimes oversimplify, but I should like to use an illustration which I learned in the House of Representatives. I am sure the Senator from Illinois has heard it before.

The distinguished chairman of the House Committee on Appropriations used to remind us frequently in the Appropriations Committee that the Appropriations Committee was the saucer into which the hot tea of legislation was poured to cool. He used that illustration to point out that the Appropriations Committee had an overall responsibility of trying to keep a balanced budget, and that if every legislative committee started to make appropriations one would never know when the checking account would be overdrawn. He used that phrase—a saucer to cool the hot tea of legislation.

When the Congress passes general legislation it sometimes authorizes appropriations to carry out the purposes of the legislation without any limitation whatsoever. Clearly the Appropriations Committee or some committee has to say how much we can afford in 1 year for that particular project or program. That has been the purpose of the Appropriations Committee.

I now yield to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, the agency and the individual with the last word with respect to what the language means will be the Comptroller General of the United States. I respectfully suggest to the distinguished majority leader that we lay this question aside and get an opinion from the Comptroller General as to exactly what is involved in this language, because, sooner or later, it will come to his desk for an interpretation. I prefer to have that interpretation now rather than later.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JAVITS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from South Dakota [Mr. CASE] has the floor.

Mr. CASE of South Dakota. Mr. President, if it would be appropriate, I should be willing to yield to the Senator from Illinois, if I might do so without losing my right to the floor, so that he may address an inquiry to the Presiding Officer.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Dakota? The Chair hears none, and it is so ordered.

Mr. DIRKSEN. First, Mr. President, without the Senator from South Dakota losing his right to the floor, will the Senator permit a comment from the distinguished majority leader?

Mr. CASE of South Dakota. Yes.

Mr. MANSFIELD. Mr. President, I think it would not be advisable at this time to refer to the Comptroller General a legislative procedure which the Senate has under consideration and has had under consideration since approximately 12 o'clock. I think we are making enough history to indicate the intent of the Senate in regard to this particular amendment or set of amendments.

I think the chairman of the Committee on Foreign Relations speaks in general for the full committee in this regard. Rather than put the question aside now, after 6 hours of debate, after holding up the proposed legislation temporarily for the convenience of certain members, and after keeping Senators here with the understanding they would very likely not be able to go home until 7 o'clock or 8 o'clock or thereabouts, I suggest, along the line of what I think the Senator from Ohio [Mr. LAUSCHE] was about to suggest, that the question be put to the Presiding Officer and that a ruling be made by the Parliamentarian after which the Senate can proceed.

Mr. CASE of South Dakota. Mr. President——

Mr. DIRKSEN. Mr. President, will the Senator yield, without losing his right to the floor?

Mr. CASE of South Dakota. I yield.

Mr. DIRKSEN. Involved in the language before the Senate are sections 102, 103, and 104 of the Government Corporation Control Act. Those sections clearly come under the jurisdiction of the Comptroller General, and from time to time he is called upon to interpret the authority of any agency that is subject to that act. That act found its way on the books in large part, I think, with some cooperation from the Comptroller General. Since there is involved here certain language that must be interpreted, and since the discussion in the Chamber indicates there is no uniformity of opinion as to what precisely this provision will be, I respectfully suggest that the question be laid aside so that Senators can study and understand fully what the provision would do. In the absence of a clear understanding, I would be very reluctant indeed to withdraw the substitute amendment that I offered earlier today.

Mr. CASE of South Dakota. Mr. President, in order that Senators or anyone else who may wish to review this question with convenience may do so, I ask unanimous consent that sections 102, 103, and 104 of the Government Corporation Control Act be printed at this point in the RECORD.

There being no objection, the sections were ordered to be printed in the RECORD, as follows:

SEC. 102. Each wholly owned Government corporation shall cause to be prepared annually a budget program, which shall be submitted to the President through the Bureau of the Budget on or before September 15 of each year. The Bureau of the Budget, under such rules and regulations as the President may establish, is authorized and directed to prescribe the form and content of, and the manner in which such budget program shall be prepared and presented. The budget program shall be a business-type budget, or plan of operations, with due allowance given to the need for flexibility, including provision for emergencies and contingencies, in order that the corporation may properly carry out its activities as authorized by law. The budget program shall contain estimates of the financial condition and operations of the corporation for the current and ensuing fiscal years and the actual condition and results of operation for the last completed fiscal year. Such budget program shall include a statement of financial condition, a statement of income and expense, an analysis of surplus or deficit, a statement of sources and application of funds, and such other supplementary statements and information as are necessary or desirable to make known the financial condition and operations of the corporation. Such statements shall include estimates of operations by major types of activities, together with estimates of administrative expenses, estimates of borrowings, and estimates of the amount of Government capital funds which shall be returned to the Treasury during the fiscal year or the appropriations required to provide for the restoration of capital impairments.

SEC. 103. The budget programs of the corporations as modified, amended, or revised by the President shall be transmitted to the Congress as a part of the annual Budget required by the Budget and Accounting Act, 1921. Amendments to the annual budget programs may be submitted from time to time.

Budget programs shall be submitted for all wholly owned Government corporations covering operations for the fiscal year commencing July 1, 1946, and each fiscal year thereafter.

SEC. 104. The budget programs transmitted by the President to the Congress shall be considered and, if necessary, legislation shall be enacted making available such funds or other financial resources as the Congress may determine. The provisions of this section shall not be construed as preventing wholly owned Government corporations from carrying out and financing their activities as authorized by existing law, nor shall any provisions of this section be construed as affecting in any way the provisions of section 26 of the Tennessee Valley Authority Act, as amended. The provisions of this section shall not be construed as affecting the existing authority of any wholly owned Government corporation to make contracts or other commitments without reference to fiscal-year limitations.

Mr. CASE of South Dakota. The Government Control Act, section 104, has been amended, particularly with respect to the provisions relating to the Tennessee Valley Act.

The junior Senator from South Dakota had the privilege of introducing the Government corporation control bill in the House of Representatives, and remembers very distinctly that what the Senator from Illinois [Mr. DIRKSEN] has said is correct. It was proposed and presented there by the Comptroller General, who at the time I think was Mr. Lindsay Warren. In the Senate, the Government corporation control bill was introduced by the distinguished Senator from Virginia [Mr. BYRD] and the dis-

tinguished late Senator Butler, of Nebraska. I think the author of the act is generally recognized to be the Senator from Virginia.

The Senator from South Dakota, then a Member of the House of Representatives, claims no credit for having authored the act in any sense. But he and former Representative Whittington, of Mississippi, introduced two bills in the House of Representatives which were substantially identical in text with the bills introduced by the Senator from Virginia and Senator Butler, of Nebraska. It was on those bills that the Government Corporation Control Act hearings were held.

The Comptroller General supported the bills and advocated them very strenuously and successfully in the enactment of that legislation. Therefore, his opinion on the application of the act would doubtless be of value to the Senate.

I revert now to the question I originally posed with respect to the amendment proposed by the Senator from Illinois. That question was whether or not a concurrent resolution could repeal an act of Congress to the extent of invalidating an authorization made by a full legislative act.

The full legislative act calls not merely for action by the House and Senate, but also signature by the President. The question I pose is whether we can safely assume that an authorization created by the approval of both the House and the Senate, and receiving the signature of the President, can be invalidated without the consent or the action of the President himself, whose signature was necessary for the act?

I raise the question because of our experience in connection with the military construction bill. I call attention to the fact that on two different occasions the President of the United States vetoed proposed legislation passed by Congress on the precise ground that in the military construction bill it was proposed that the authorization for certain programs would not be effective until the Secretary of Defense should have come into agreement with the Armed Services Committees of the Senate and the House of Representatives with respect to utilization.

In his veto message on H.R. 9893, President Eisenhower said on the 16th of July:

> If the committees should fail or decline to agree to the plans prepared by the Secretary of Defense, the practical effect of this provision would be to lodge in the committees the authority to nullify congressional authorization. The provision would also compel the Secretary of Defense, an executive official, to share with two committees of the Congress the responsibility for carrying out the Talos missile authorization. This procedure would destroy the clear lines of responsibility which the Constitution provides.

That was President Eisenhower's comment with respect to section 301 of the bill he was vetoing. Then he cited section 419, which provided:

> Notwithstanding any other provisions of this act or any other law, no contract shall be entered into by the United States for the construction or acquisition of family housing units by or for the use of the Department of Defense unless the Department of Defense, in each instance, has come into agreement with the Armed Services Committees of the Senate and House of Representatives.

President Eisenhower continued:

> While the Congress may enact legislation governing the making of Government contracts, it may not constitutionally delegate to its Members or committees the power to make such contracts, either directly or by giving them the authority to approve or disapprove a contract which an executive officer proposes to make.
>
> Two years ago I returned, without my approval, a bill, H.R. 7512, 83d Congress, containing similar provisions. At that time I stated that such provisions violate the fundamental constitutional principle of separation of powers prescribed in articles I and II of the Constitution, which place the legislative power in the Congress and the executive power in the executive branch.
>
> Once again, I must object to such a serious departure from the separation of powers as provided by the Constitution. Any such departure from constitutional procedures must be avoided. I am persuaded that the true purpose of the Congress in the enactment of both of these provisions was to exercise a close and full legislative oversight of important programs of the Department of Defense. This purpose can be properly attained by requiring timely reports from the Executive. Such reports would provide the Congress with the basis for any further legislative action it may find to be necessary.
>
> Accordingly, I am returning H.R. 9893, with my urgent recommendation that it be reenacted without the objectionable provisions.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I will yield in a moment.

I recognize, and I wish specifically to call attention to the fact that what the President was dealing with here were proposals that would place the veto over executive legislation within committees of the Congress. The amendment proposed by the Senator from Illinois deals with a concurrent resolution that raises a somewhat different question, and perhaps quite a different question. But I call attention to the fact that there is some relationship with the principle involved in the pending question, that once Congress has enacted an authorization by full legislative power—passage by both the House and the Senate, and with the signature of the President—someone might at least raise the question, can such authorization be invalidated or nullified by Congress alone without action by the President? That question has arisen sometimes in connection with the operation of other legislation and Congress has been very jealous of permitting the President alone to impair the strength of congressional action.

Shortly following the veto of July 16, 1956, the Attorney General of the United States gave the President, on the 8th of August 1957, an extended opinion in which he referred to this particular veto and other vetoes, and discussed the question involved at some length.

I ask unanimous consent to insert in the RECORD at this point the full text of the opinion of the Attorney General dated August 8, 1957.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

OPINION OF THE ATTORNEY GENERAL OF THE UNITED STATES

AUTHORITY OF CONGRESSIONAL COMMITTEES TO DISAPPROVE ACTION OF EXECUTIVE BRANCH

Section 601 of the act of September 28, 1951, c. 434, 65 Stat. 336, 365, provides, in effect, that no accessions, leases, transfers, or declarations of surplus, of any real property, may be made by any designated officer of the military departments, where the amount involved exceeds $25,000, unless the designated officer of the military department first comes into agreement with the Committees on Armed Services of the Senate and of the House of Representatives. In this aspect it reflects an attempted exercise of executive authority by the legislative branch of the Government not warranted by the Constitution and is, therefore, unconstitutional. See also 37 Op. 56; 41 Op. No. 32 of July 13, 1955.

AUGUST 8, 1957.[1]

The PRESIDENT.

DEAR MR. PRESIDENT: By letter of July 23, 1957, from the Honorable Gerald D. Morgan, the Attorney General was asked to give his advice to you on the constitutionality of certain provisions of section 601 of Public Law 155, 82d Congress, 1st session (65 Stat. 365).

Section 601 reads as follows:

"SEC. 601. The Secretary of the Army, the Secretary of the Air Force, the Secretary of the Navy, or the Administrator of the Federal Civil Defense Administration, as the case may be, or his designee, shall come into agreement with the Committee on Armed Services of the Senate and of the House of Representatives with respect to those real-estate actions by or for the use of the military departments or the Federal Civil Defense Administration that are described in (a) through (e) below, and in the manner therein described.

"(a) Acquisitions of real property where fee title is to be acquired for an amount estimated to be in excess of $25,000. In those cases where individual acquisitions are to be made as part of a project, the agreement to be reached shall be based on general plans for the project, which shall include an estimate of the total cost of the lands to be acquired.

"(b) Leases to the United States of real property where the estimated annual rental is in excess of $25,000. In those cases where individual leases are to be made as part of a project, the agreement to be reached shall be based on general plans for the project, which shall include an estimate of the total cost of the leases to be made.

"(c) Leases of Government-owned real property where the estimated annual rental is in excess of $25,000.

"(d) Transfers of Government-owned real property with an estimated value in excess of $25,000 under the jurisdiction of the military departments or the Federal Civil Defense Administration, which are to be made to other Federal agencies, or to States, including transfers between the military departments.

"(e) Reports to a disposal agency of excess Government-owned real property with an estimated value in excess of $25,000."

The effect of these provisions is that no acquisition, leases, transfers, or declarations of surplus of any real property by any of the military departments may be made, where the amount involved exceeds $25,000 unless the designated officer of the executive department comes into agreement with

[1] Released for publication Jan. 30, 1958.

the Committees on Armed Services of the Senate and of the House of Representatives.

Legislative proposals and enactments in recent years have reflected a growing trend whereby authority is sought to be vested in congressional committees to approve or disapprove actions of the executive branch. Of the several legislative devices employed, that which subjects executive department action to the prior approval or disapproval of congressional committees may well be the most inimical to responsible government. It not only permits organs of the legislative branch to take binding actions having the effect of law without opportunity for the President to participate in the legislative process, but it also permits mere handfuls of members to speak for a Congress which is given no opportunity to participate as a whole. An arrangement of this kind tends to undermine the President's position as the responsible Chief Executive.

Action by several prior Presidents on matters of this kind has been somewhat inconsistent. In 1920, President Wilson disapproved an appropriation bill which provided that the printing of magazines by executive agencies must have the prior approval of the Joint Congressional Committee on Printing on the ground that this provision would have vested executive branch functions in a congressional committee (59 CONGRESSIONAL RECORD 7026). Later, in 1933, a bill (H.R. 13975, 72d Cong., 2d sess.) was passed prohibiting certain income and other tax refunds in excess of $20,000 without prior approval by the Joint Committee on Internal Taxation, which could also fix the amount of each refund. President Hoover disapproved the bill on constitutional grounds (76 CONGRESSIONAL RECORD 2445), following the Attorney General's advice that the provision invalidly attempted to vest an executive function in a congressional committee (37 Op. 56 (1933)).

During the past dozen years or so, provisions for control by congressional committees have related, in large part, to real estate transactions of the Armed Forces. Thus, the act of March 26, 1943 (57 Stat. 52), provided that "the Secretary of the Navy shall report to the Senate and House Naval Affairs Committees all * * * prospective acquisitions" of land under the authority of the act. During the House debate on the bill, a letter was read from the Secretary of the Navy wherein that official stated: "I understand further that the committee understands from the wording of the amendment that the Department will come into agreement with the Naval Affairs Committees of the House and Senate with respect to acquisitions before final commitments are made. This procedure is acceptable to me" (89 CONGRESSIONAL RECORD 1229 (1943)). This interpretation of the 1943 statute was formalized by subsequent legislation and made applicable to all land acquisitions and disposals by the Navy in 1944, the statute providing that "the Secretary of the Navy shall come into agreement with the Naval Affairs Committees of the Senate and of the House of Representatives with respect to the terms of such prospective acquisitions or disposals * * *" (58 Stat. 190).

This was interpreted in practice as giving to the committees a veto power over such transactions. For example, in 1951, Representative VINSON, chairman of the House Committee on Naval Affairs and of the successor Committee on Armed Forces, stated, "We have rejected many (proposed transactions)" (CONGRESSIONAL RECORD, vol. 97, pt. 4, p. 5437).

In 1951, a predecessor bill to the law here under consideration was passed by the Senate and House. It would have required the Secretaries of the Navy, Army, and Air Force and the Federal Civil Defense Administrator to "come into agreement" with the Senate and House Committees on Armed Services with respect to land purchases, leases involving annual rentals in excess of $15,000, and transfers to other governmental agencies of real estate (H.R. 3096, 82d Cong., 1st sess. (1951)). In disapproving the bill, President Truman emphasized the practical administrative difficulties rather than constitutional objections. However, he also stated (H.R. Doc. No. 133, 82d Cong., 1st sess., p. 3, 1951):

"I am concerned by what appears to me to be a gradual trend on the part of the legislative branch to participate to an even greater extent in the actual execution and administration of the laws. Under our system of government it is contemplated that the Congress will enact the laws and will leave their administration and execution to the executive branch."

Upon consideration of the veto, Representative PATMAN urged that if the disapproval power to be vested in the committees was a legislative function, it could be performed only by the two Houses, and that if it was an executive function, it could not be performed by a legislative committee (CONGRESSIONAL RECORD, vol. 97, pt. 4, p. 5443). The House overrode the veto (CONGRESSIONAL RECORD, vol. 97, pt. 4, p. 5445), but the Senate did not act upon it. However, a few months later, on September 28, 1951, President Truman approved without comment the present law.

The "come into agreement" requirement appeared thereafter in a 1952 act authorizing secret or unspecified military construction. It contained the provision that "the Secretary of the military department authorized to establish or develop such public work, or his designee, shall come into agreement with the Committees on Armed Services of the Senate and of the House of Representatives with respect to the cost of construction of such public work * * *" (66 Stat. 625).

Another 1952 statute contained, apparently for the first time, a requirement subjecting proposed administrative action to the prior approval of the chairman of a congressional committee. The Supplemental Appropriation Act, 1953, provided that a circular issued by the Director of the Budget prescribing the policy for determining rents for Government-owned living quarters furnished to Federal employees "may be amended or changed during such (the current fiscal) year by the Director of the Budget with the approval of the chairman of the Committee on Appropriations of the House of Representatives" (66 Stat. 661). This requirement was subsequently continued in force.

During the 83d Congress, you disapproved an act of Congress which would have invaded the prerogatives of the executive branch of the Federal Government. H.R. 7512 (83d Cong., 2d sess.), authorized the Secretary of the Army to convey federally owned lands situated within the Camp Blanding Military Reservation, Fla., only upon the condition that, prior to the consummation of such a conveyance agreement, the Secretary of the Army or his designee "shall come into agreement with the Committees on Armed Services of the Senate and of the House of Representatives concerning the terms of such an agreement." In your veto message to the House of Representatives (CONGRESSIONAL RECORD, vol. 100, pt. 6, p. 7135), you stated:

"The purpose of this clause is to vest in the Committees on Armed Services of the Senate and House of Representatives power to approve or disapprove any agreement which the Secretary of the Army proposes to make with the State of Florida pursuant to section 2(4). The practical effect would be to place the power to make such agreement jointly in the Secretary of the Army and the members of the Committees on Armed Services. In so doing, the bill would violate the fundamental constitutional principle of separation of powers prescribed in articles I and II of the Constitution which place the legislative power in the Congress and the executive power in the executive branch."

The Camp Blanding legislation was then repassed without the "come into agreement" provision.

During the same Congress, the Senate Committee on Public Works reported a bill (H.R. 6342) which provided that no agreements for the acquisition of title to real property and for certain other purposes by the Administrator of General Services and the Postmaster General should be executed until the Administrator or Postmaster General had come into agreement with the Committees on Public Works of the Senate and House with respect to such agreements. During the Senate debate on the bill, a departmental memorandum of law was inserted in the CONGRESSIONAL RECORD in which the position was taken that such a provision would vest executive functions in congressional committees and, thereby, would violate the separation-of-powers principle of the Constitution (CONGRESSIONAL RECORD, vol. 100, pt. 4, p. 4879). The Senate, however, overwhelmingly refused, by a vote of 60 to 8, to delete this provision (CONGRESSIONAL RECORD, vol. 100, pt. 8, p. 10017).

After Senate passage of the bill, the Department transmitted, on May 14, 1954, to the chairman of the House Committee on Public Works, a more detailed memorandum setting forth the same constitutional objections. On May 25, 1954, you disapproved the Camp Blanding Military Reservation bill (H.R. 7512) on the constitutional grounds indicated above. Apparently in deference to that disapproval, the conference committee revised H.R. 6342 so as to eliminate the come-into-agreement provision.

During the 84th Congress, you asked for the advice of the Attorney General in reference to certain provisions of the Department of Defense Appropriation Act, 1956 (H.R. 6042, 69 Stat. 301). Section 638 of that bill prohibited the use of appropriated funds for the disposal or transfer of work performed by Department of Defense civilian personnel for 3 years or more "unless justified to the Appropriations Committees of the Senate and House of Representatives, at least 90 days in advance of such disposal or transfer," with the proviso that "no such disposal or transfer shall be made if disapproved by either committee within the 90-day period by written notice to the Secretary of Defense."

In his letter to you of July 13, 1955, since published as an opinion of the Attorney General (41 Ops., No. 32), you were advised:

"The practical effect of these provisions is to vest the power to administer the particular program jointly in the Secretary of Defense and the members of the Appropriations Committees, with the overriding right to forbid action reserved to the two committees. This, I believe, engrafts executive functions upon legislative members and thus overreaches the permitted sweep of legislative authority. At the same time, it serves to usurp power confided to the executive branch. The result, therefore, is violative of the fundamental constitutional principle of separation of powers prescribed in articles I and II of the Constitution which places the legislative power in the Congress and the executive power in the executive branch.

"Another aspect of invalidity, of equal force, is presented by the proviso. Thus, while the Congress may enact legislation governing the making of Government contracts, it may not legally delegate to its committees or Members the power to make contracts, either directly or by conferring upon them power to disapprove a contract which an officer of the executive branch proposes to make. Apart from the right of

the Congress as a whole with respect to contractual authority, it is quite clear that committees of the Congress do not have the legal capacity to enact legislation. Nevertheless, the Appropriations Committees of the Senate and the House of Representatives have assumed to themselves that power in the present instance."

The Attorney General further advised, in connection with this bill, that since section 638 was, in his view, separable from the remainder of the act, and as it did not bear upon its substance as a whole, disapproval of the act was not deemed necessary. Instead, it was suggested that the offending section was not to be regarded as a legally binding limitation which the Congress could constitutionally impose. In your statement of July 13, 1955, to the Congress, you advised that section 638 would be "regarded as invalid by the executive branch of the Government in the administration of H.R. 6042, unless otherwise determined by a court of competent jurisdiction" (CONGRESSIONAL RECORD, vol. 101, pt. 8, p. 10460).

Another bill of the 84th Congress containing the same legal infirmity was disapproved. H.R. 9893, a bill to authorize construction at military installations was returned to the House of Representatives on July 16, 1956 (CONGRESSIONAL RECORD, vol. 102, pt. 9, p. 12958), without your approval because of two objectionable provisions. Section 301 of that bill provided that none of the authorized appropriations relating to the Talos missile "shall be effective until the Secretary of Defense shall have come into agreement with the Armed Services Committees of the Senate and of the House of Representatives with respect to its utilization." In rejecting this requirement, you stated (H.R. Doc. No. 450, 84th Cong., 2d sess.):

"If the committees should fail or decline to agree to the plans prepared by the Secretary of Defense, the practical effect of this provision would be to lodge in the committees the authority to nullify congressional authorization.

"The provision would also compel the Secretary of Defense, an executive official, to share with two committees of the Congress the responsibility for the carrying out of the Talos missile authorization. This procedure would destroy the clear lines of responsibility which the Constitution provides."

Section 419 of the same bill contained a like "come into agreement provision." It provided that no contract for family housing units could be entered into "unless the Department of Defense * * * has come into agreement with the Armed Services Committees of the Senate and House of Representatives." As to these provisions, you stated (id., at p. 2):

"While the Congress may enact legislation governing the making of Government contracts, it may not constitutionally delegate to its Members or committees the power to make such contracts, either directly or by giving them the authority to approve or disapprove a contract which an executive officer proposes to make.

"Two years ago I returned, without my approval, a bill (H.R. 7512, 83d Cong.) containing similar provisions. At that time I stated that such provisions violate the fundamental constitutional principle of separation of powers prescribed in articles I and II of the Constitution which place the legislative power in the Congress and the executive power in the executive branch.

"Once again, I must object to such a serious departure from the separation of powers as provided by the Constitution. Any such departure from constitutional procedures must be avoided.

"I am persuaded that the true purpose of the Congress in the enactment of both of these provisions was to exercise a close and full legislative oversight of important programs of the Department of Defense. This purpose can be properly attained by requiring timely reports from the Executive. Such reports would provide the Congress with the basis for further legislative action it may find to be necessary."

These objectionable provisions were subsequently eliminated (CONGRESSIONAL RECORD, vol. 102, pt. 10, p. 13106).

A year ago, on August 6, 1956, you issued a statement voicing objection to certain provisions of a bill calling for committee approval or disapproval in terms somewhat different from the "come into agreement" provision, but of like purpose and effect. H.R. 5881 (70 Stat. 1044) authorizes the Secretary of the Interior to contract with States, irrigation districts, and others within the 17 western reclamation States to assist in the construction of small reclamation projects. In approving the bill, you stated:

"I have approved this bill only because the Congress is not in session to receive and act upon a veto message and because I have been assured that the committees which handled the bill in the Congress will take action to correct its deficiencies early in the next session. Specifically, a provision found in section 4(c) is seriously faulty. The section provides that: '* * * no such contract shall be executed by the Secretary prior to 60 calendar days * * * from the date on which the project proposal has been submitted to both branches of the Congress for consideration by the appropriate committees thereof, and then only if neither such committee, by committee resolution and notification in writing to the Secretary, disapproves the project proposal within such period: *Provided*, That if both such committees, in the same manner and prior to the expiration of such period, approve the project proposal, then the Secretary may proceed to execute the contract: *Provided further*, That in the event either committee disapproves the project proposal, the Secretary shall not proceed further unless the Congress has approved the same.'

"This language would thus require, before a project negotiated under the act is allowed finality, a further act by the legislature. The action required can be viewed as either a legislative act or an executive act. However construed, constitutional defects are inherent. Viewed as requiring a further legislative act, the section is open to the objection that it involves an unlawful delegation by the Congress to its committees of a legislative function which the Constitution contemplates the Congress itself, as an entity, should exercise.

"If the further act is considered as not legislative in nature, then there is involved what appears to be an unconstitutional infringement of the separation of powers prescribed in articles I and II of the Constitution. I do not believe that the Congress can validly delegate to one of its committees the power to prevent executive actions taken pursuant to law. To do so in this case would be to divide the responsibility for administering the program between the Secretary of the Interior and the designated committees. Such a procedure would be a clear violation of the separation of powers within the Government and would destroy the lines of responsibility which the Constitution provides.

"Furthermore, the negotiation and execution of a contract is a purely executive function. Although the Congress may prescribe the standards and conditions under which executive officials may enter into contracts, it may not lodge in its committees or members the power to make such contracts, either directly or by giving them the power to approve or disapprove a contract which an executive officer proposes to make.

"I believe it to be my duty to uphold the constitutional principle that only the Congress can make the laws and only the executive branch can administer them. I am certain that there is little disagreement with this proposition and I have been assured that the purpose of the Congress in approving section 4(c) was to facilitate legislative oversight of a new program. Fortunately that objective can be attained through well tested procedures fully compatible with our system of Government; for example, the Congress may require the Secretary of the Interior to submit such reports as it may find of value in carrying on its legislative functions." (United States Code Congressional and Administrative News, vol. 3, pp. 4836–4837, 84th Cong., 2d sess., 1956.)

The statement concluded with the observation that the Secretary of the Interior will prepare to take action as soon as appropriations are made to implement the bill and "section 4(c) has been removed or revised."

With reference to Public Law 155, it is noted that the Commission on Organization of the executive branch of the Government (the so-called Hoover Commission) urged the repeal of section 601 in Recommendation No. 10 of its Report on Real Property Management (Rept. Nos. 11–19 and Index, vol. 2, pp. 35–36, 1955). The Commission also observed: "'The Commission * * * questions the appropriateness of congressional committee participation in the executive function of operation on the ground that it is an invasion of the executive by the legislative branch" (H. Doc. No. 177, p. 36, 84th Cong.).

By letter of April 27, 1956, this Department responded to the request of Senator MCCLELLAN, chairman, Committee on Government Operations, for our views on S. 2479: "To repeal section 601 of Public Law 155, 82d Congress." In favoring enactment of the bill, the Department's letter pointed out that the provision sought to be repealed was similar to that contained in H.R. 7512, 83d Congress (Camp Blanding Military Reservation, Fla.); that your veto message presented the constitutional objections to the provision; and that: "The position taken by the President in his veto of H.R. 7512 is equally valid with respect to section 601 of Public Law 155."

It thus appears that you have consistently opposed an invasion of executive office functions and powers through legislative devices of the character indicated. Your position in such regard is, I believe, fully supported by sound constitutional doctrine.

I am of the opinion that section 601 of Public Law 155, 82d Congress, 1st session, reflects the execise of legislative authority not warranted by the Constitution and that it is, therefore, unconstitutional.

You have also asked for advice as to the appropriate courses of action which might be taken in the event the indicated provisions are viewed as unconstitutional. I believe the most effective and practical course of action would be to urge the repeal by the Congress of section 601, along the lines of the bill (S. 2479) introduced during the last Congress. If you are agreeable to this suggestion, the Department of Justice would be happy to cooperate with the Bureau of the Budget in preparing such material as may be required.

Respectfully,

WILLIAM P. ROGERS,
Acting Attorney General.

Mr. CASE of South Dakota. In that opinion, I particularly call attention to the opinion of the Attorney General which was given to the President, apparently, in a letter of July 13, 1955, in which the Attorney General had advised the President:

Another aspect of invalidity, of equal force, is presented by the proviso. Thus, while the Congress may enact legislation governing

the making of Government contracts, it may not legally delegate to its committees or Members the power to make contracts either directly or by conferring upon them power to disapprove a contract which an officer of the executive branch proposes to make. Apart from the right of the Congress as a whole with respect to contractual authority, it is quite clear that committees of the Congress do not have the legal capacity to enact legislation.

Nevertheless, in the present instance the Appropriations Committees of the Senate and the House of Representatives have assumed to themselves that power.

In that instance the Attorney General made some distinction, apart from the right of Congress as a whole with respect to contractual authority, in which he was suggesting that certain other elements entered into his opinion on that subject.

Congress has repeatedly asserted its right, in enacting legislation, to terminate legislation by concurrent resolution.

One of the most notable examples was when President Truman called upon Congress for emergency legislation to deal with the railroads. As the recommendation by President Truman came to Congress, it proposed that the power which the President asked Congress for, namely, to draft railway labor, be terminated only upon action of the President itself. At the time that recommendation came to the Senate and came to the House of Representatives, the junior Senator from South Dakota, then a Member of the House, called the attention of the floor leader of the House, Representative McCORMACK, to the fact that if we once surrender to the President the right to draft labor and let him have the right to terminate that power, we would be surrendering a very vital power.

As a result, before the bill was actually presented to the House of Representatives—although it was passed hurriedly that same day—the bill was amended to provide that the period for which the authority would be given to the President could be terminated either by the act of the President or by a concurrent resolution, whichever decision took place first.

I recognize that the Senator from Illinois—and I think very properly—has couched his proposal in terms of termination of the authorization. I call attention to this fact, having raised the original question, because I recognize that there are precedents for terminating the effectiveness of legislation by concurrent resolution. The Senator from Kentucky calls attention to the fact that in the bill itself there is a proposal for termination of the assistance program by concurrent resolution.

As the bill was apparently originally introduced, it would have read, in section 616:

> Assistance under any provision of this act may, unless sooner terminated by the President, be terminated by act of Congress.

The committee, in considering the bill, apparently decided that an act of Congress would call for the signature of the President. Desiring to retain control in the Congress, the bill, as shown at page 55, lines 11 and 12, strikes out "act of Congress" and substitutes in lieu thereof "concurrent resolution."

Mr. President, I ask that at this time I may yield to the Senator from Massachusetts, without losing the floor.

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). Is there objection? Without objection, it is so ordered.

Mr. SALTONSTALL. Mr. President, I desire to propound a parliamentary inquiry: I should like to have the Chair rule, tomorrow morning, if I then ask this question during the session tomorrow morning: If the Hickenlooper amendment is offered and is adopted, and if the budget of the Development Loan Fund is referred to the Appropriations Committee, and is altered by the Appropriations Committee, will that be legislation on an appropriation bill?

Have I made my parliamentary inquiry clear? I do not wish to have an answer tonight, but I would be happy to have it tomorrow, if I renew my inquiry then.

The PRESIDING OFFICER. Very well.

Mr. CASE of South Dakota. Mr. President, following the inquiry of the Senator from Massachusetts, I suggest that in ruling on the question he propounded, the Chair take into consideration the fact that the Hickenlooper amendment refers to legislation to authorize, not legislation to appropriate.

Mr. KEATING. I understand that the word used at that point in the amendment is "permit," not "authorize."

Mr. HICKENLOOPER. Yes, it has been changed. Originally the word used was "authorizing," but I have changed that to "permitting," and have substituted, in place of the word "basic," in the last line, the word "important."

Mr. CASE of South Dakota. I am glad to know of those changes. Even so, I would observe that legislation is legislation, and an appropriation is an appropriation, and I do not see in the proposal of the Senator from Iowa any suggestion that the Senate rules be changed, nor are the rules pertaining to the jurisdiction of committees proposed to be modified or amended. If legislation is to be proposed, it seems to me it would be legislation. If there is a proposal to appropriate new funds, a different question would then arise.

Mr. MANSFIELD. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield.

Mr. MANSFIELD. I hope that Senators who have offered these amendments or who have indicated an interest in them will have their questions ready for the staff of the Comptroller General, so they will know just what findings are expected, just what material to look over, and just what interpretations would be expected. I do not know who would be responsible for that, but someone had better contact them tonight.

Mr. CASE of South Dakota. I suggest that Senators who have offered the amendments and are concerned with the interpretation of them make the contacts.

In raising the question as to the effect from a constitutional standpoint, I merely sought originally to point out that it would be desirable to look into that point. I do not pose as a constitutional lawyer or any other kind of a lawyer. But in view of our experience with previous legislation when it has been sought to have authorizations modified by some categories of those committees, without participation by the executive branch, I think that experience should be taken into consideration.

I have my own reservations with regard to the Development Loan Fund program, particularly in light of the rejection of the so-called Byrd amendment. But if we are to legislate, I think the legislation should not be a nullity, and I think that whatever we do should be clear and its purpose and its meaning should be established, so far as is possible at the time when we act to approve the bill or to adopt the amendment.

Mr. President, I appreciate the indulgence of the Chair and of the Senate. I now yield the floor.

Mr. MANSFIELD. Mr. President, let me announce that there will be no votes this evening.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW—UNANIMOUS-CONSENT AGREEMENT TO LIMIT DEBATE ON PENDING AMENDMENTS

Mr. DIRKSEN. Mr. President, with the understanding that the Senator from South Dakota does not lose the floor, and that any colloquy which eventuates shall come at the conclusion of his speech, I should like to ask the majority leader whether it would be possible to convene a little earlier tomorrow and get an opinion from the Comptroller General, and then have a time limitation placed on the debate of amendments which are presently pending, and on the substitute, so that this matter may be disposed of.

Mr. MANSFIELD. The minority leader has read my mind. First I ask unanimous consent that when the Senate adjourn tonight, it adjourn to meet at 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. In line with the suggestion made by the distinguished minority leader, relative to a ruling by the Comptroller General, I should like to make a unanimous-consent request. I do so because the Senate has been considering the proposal for almost 6 hours. We seem to be no closer to a solution now than we were at the beginning; in fact, we seem to be getting further from a solution.

I ask unanimous consent that the Comptroller General be consulted to make the determinations requested by various Senators; that at the conclusion of the morning business tomorrow, 1 hour be allocated for debate, with a half hour to each side, with the time to be controlled by those in favor of the amendment or amendments, and one-half hour by those on the opposite side.

The PRESIDING OFFICER. Is there objection?

Mr. HICKENLOOPER. Reserving the right to object——

Mr. MANSFIELD. I will make that 2 hours, 1 hour on each side.

Mr. HICKENLOOPER. Mr. President, reserving the right to object, I wish the RECORD to be perfectly clear that the amendment to which I have been referring has not yet been offered. I assume that the majority leader's request includes that amendment in the discussion, because it relates to the matter of interpretation.

Mr. MANSFIELD. That is correct. Mr. President, I also ask unanimous consent that the amendment to the amendment of the Senator from Illinois, by the Senator from Wisconsin, which consists of only three words, be also included in the unanimous-consent agreement.

Mr. HICKENLOOPER. As I understand the parliamentary situation, my amendment is not eligible at this moment, as the amendment stands. That is why I have not offered it.

Mr. MANSFIELD. I understood that it would be eligible.

Mr. DIRKSEN. I suggest that the amendment be submitted for printing under the rule.

Mr. HICKENLOOPER. Yes. I submit the amendment.

The PRESIDING OFFICER. The amendment of the Senator from Iowa will be received and printed, and will lie on the table.

Mr. FULBRIGHT. Mr. President, reserving the right to object, I wish to clarify the situation. It is suggested that the debate be limited to 2 hours, and that within those 2 hours all these amendments will be discussed. Is 2 hours of debate to be allowed on each amendment, or is the 2-hour limitation to apply to all the amendments, including the amendment of the Senator from New York and the Senator from Massachusetts and others?

Mr. HICKENLOOPER. I was about to ask the same question. What are we asking by way of a limitation on time?

Mr. MANSFIELD. We have in mind all the amendments, because we have had almost 6 hours of discussion, and therefore have been able to do much of the preliminary work in connection with them.

Mr. FULBRIGHT. I suggest that I have done all I can to reconcile the divergent views. I have offered to support the amendment that I had suggested, but it has been rejected. My opinion still is that the provision in the bill as written by the committee is the best amendment, and I believe it covers the objective of all the others. So it would not be contrary to the bill if we ended up by accepting the committee bill as written.

Mr. MANSFIELD. Not in the least.

Mr. DIRKSEN. Mr. President, I submit an amendment and ask that it be printed, and also be printed in the RECORD at this point.

The PRESIDING OFFICER. The amendment of the Senator from Illinois will be received and printed and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment submitted by Mr. DIRKSEN, in the nature of a substitute for the amendment of Mr. SALTONSTALL, is as follows:

(d) In any case in which the amount of a proposed loan under this title exceeds $1,000,000 in the aggregate such loan shall not be made and no agreement obligating the United States to make such loan shall be entered into unless thirty days earlier a full and complete report with respect to the purposes and terms of the proposed loan shall have been made to the Committees on Foreign Relations of the Senate and Foreign Affairs of the House of Representatives and the Committees on Appropriations of both Houses.

(e) It is the primary intent and purpose of the above paragraph (d) to provide the Congress with full information on all proposals in which there is a substantial national interest: *Provided, however,* That if the President certifies that any such report will be adverse to the national security then by action of the said committees the filing thereof may be waived.

(f) When an authorization is submitted to the committees named in paragraph (d) of this section, any of said committees is empowered to report a concurrent resolution to terminate such authorization and such resolution shall be of the highest privilege.

(g) The chairmen of the aforesaid committees are directed to employ all necessary competent and skilled personnel to evaluate such reports and make recommendations to the entire committee.

Mr. MANSFIELD. The unanimous-consent request was made only after consultation with the distinguished minority leader, interested Members on the Republican side, and the chairman of the Foreign Relations Committee.

Mr. JAVITS. Mr. President, reserving the right to object—and I shall not object—I should like to make the parliamentary situation clear. What is the pending question?

The PRESIDING OFFICER. The pending question is the perfecting amendment offered by the Senator from Arkansas [Mr. FULBRIGHT].

Mr. JAVITS. That is the perfecting amendment to the amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from New York [Mr. KEATING]?

The PRESIDING OFFICER. That is correct.

Mr. JAVITS. Do I correctly understand that the proposal of the Senator from Illinois and the proposal of the Senator from Iowa are not pending, but are still to be printed for the information of the Senate?

The PRESIDING OFFICER. The proposal of the Senator from Illinois is pending, to be considered after the decision on the Fulbright perfecting amendment and then on the Saltonstall amendment.

Mr. JAVITS. So the amendment in the nature of a substitute is pending also?

The PRESIDING OFFICER. The Senator from New York is correct.

Mr. JAVITS. Is the amendment of the Senator from Iowa pending?

The PRESIDING OFFICER. No. The amendment of the Senator from Iowa is not, has not been, and cannot be offered at this time.

Mr. JAVITS. The 2-hour limitation applies to all the amendments, including the amendment of the Senator from Iowa, although it has not been offered; is that correct?

The PRESIDING OFFICER. The Senator will have to ask the majority leader to answer that question.

Mr. JAVITS. I ask the majority leader what is comprised in the unanimous-consent request now before the Senate?

Mr. MANSFIELD. It would include the amendment offered by the Senator from Iowa.

Mr. JAVITS. May any of the movants of those amendments change their amendments in the course of the debate?

The PRESIDING OFFICER. They may change their amendments unless the yeas and nays have been ordered.

Mr. JAVITS. One final parliamentary inquiry. Suppose another amendment is offered on the same subject in a proper, parliamentary way. What time for debate would be available on that amendment?

The PRESIDING OFFICER. That question should be directed to the majority leader.

Mr. JAVITS. I address my question to the majority leader. Suppose another Senator wished to offer another amendment on the same subject, in a proper, parliamentary way, whatever the order of consideration may be. Would he have any time in which to discuss his amendment?

Mr. MANSFIELD. I should think he would have time after these amendments were disposed of.

Mr. JAVITS. Suppose all the time had been used. I merely wish to understand the limits of the parliamentary situation. If unanimous consent to limit debate to 2 hours is to be applied only to these amendments, and I or any other Senator may offer any other amendment on the same subject thereafter, I have no objection; but if it is proposed to exclude any other amendment on the same subject because of a technical situation, I think that would be a mistake.

Mr. MANSFIELD. Mr. President, I withdraw my request.

Mr. FULBRIGHT. Mr. President, I hope the majority leader will not do that. I think this problem can be solved. I think we are close to reaching agreement. In fact, I had already in mind proposing to withdraw my amendment. The question would then revert to the amendment of the Senator from Massachusetts, and I have even heard intimations that he might withdraw his amendment. The question then would come, I think, to a choice between the amendment of the Senator from Illinois and the amendment of the Senator from Iowa.

I should dislike to spend all day tomorrow on the same subject. Some 35 more amendments remain to be considered. We might be debating this one bill until the first of September. We are wasting much time. I shall not have any more to say about my amendment except possibly to withdraw it.

Mr. CASE of South Dakota. Mr. President, I believe I have the floor.

Mr. JAVITS. Mr. President, will the Senator from South Dakota further yield, so that we may clarify the proposed unanimous-consent agreement?

Mr. CASE of South Dakota. Mr. President, I will yield, provided my right to the floor is protected.

Mr. JAVITS. Mr. President, I ask unanimous consent that the Senator from South Dakota may retain the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. I was about to suggest to the Senator from Montana that I have no desire to do anything but clarify the situation. I shall be more than happy to coincide with his unanimous-consent request with the understanding that the limitation of 2 hours applies to these separate amendments.

Mr. MANSFIELD. That is correct.

Mr. JAVITS. But if any other Senator has an amendment on the same subject, he will not, by the unanimous-consent agreement, be inhibited from calling it up.

Mr. MANSFIELD. My answer would be that that could be done; but in order to nail down the understanding, I make the further suggestion, in renewing my request, that for other amendments on the same subject 10 minutes to a side be allowed.

The PRESIDING OFFICER. Is there objection?

Mr. WILLIAMS of Delaware. Mr. President, will the majority leader yield?

Mr. MANSFIELD. I yield.

Mr. WILLIAMS of Delaware. Would that proposal apply to each of the amendments offered in connection with the Saltonstall amendment?

Mr. MANSFIELD. No; we come back to our rule concerning any additional amendments; and there would be 20 minutes to a side.

Mr. WILLIAMS of Delaware. Would not the majority leader think that in the light of all the facts regarding even the pending amendment some time should be allowed on each amendment to the Saltonstall amendment as it is offered? I would be willing to go along with the unanimous-consent request, but to allow the hour of 2 o'clock to arrive and then to vote on those amendments, without Senators having had any explanation prior thereto, would not be sound.

Mr. MANSFIELD. Would the Senator be agreeable to 20 minutes for each amendment, 10 minutes to a side?

Mr. WILLIAMS of Delaware. On each amendment to the Saltonstall amendment? Yes.

Mr. BUSH. Mr. President, I think that is a little thin. Various small amendments will be offered, but I think 10 minutes is a little thin.

Mr. MANSFIELD. The Senator knows that the Senate has spent 6 hours discussing these amendments. What I suggest is in accordance with what the distinguished minority leader suggests. We are trying to reach agreement in an equitable fashion, taking into consideration that we have spent such a long time in debate. It is always possible to get more time if it is needed, I assure the distinguished Senator from Connecticut.

Mr. KEATING. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. KEATING. Am I to understand that the agreement provides 10 minutes to a side on amendments which may be offered to the pending amendment?

Mr. MANSFIELD. That is correct.

Mr. KEATING. In addition to the 2 hours?

Mr. MANSFIELD. Yes.

Mr. HICKENLOOPER. I wish to have a clear understanding of the proposed agreement. I have sent to the desk an amendment to be printed and lie on the table. Is that amendment included in the 2 hour general limitation?

Mr. MANSFIELD. That is correct.

Mr. HICKENLOOPER. I am sure it will not be done deliberately, but I hope no Senator will take an hour and 50 minutes on all the rest of the amendments and leave only 10 minutes for my amendment.

Mr. MANSFIELD. We assure the Senator from Iowa that he will get all the time coming to him.

Mr. COOPER. Mr. President, I wish to direct my remarks to the distinguished majority leader concerning the amendment offered by the Senator from Iowa. I may be in error, but my judgment is that if that amendment is adopted, the Senate will have effectively negated what it did last Friday. I hope that the Senator will allow as much as a half hour to each side on this amendment.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. COOPER. In a moment.

I will tell the Senator why. This point has not even been suggested. Not one cent could be provided for fiscal 1962 under the committee bill unless the Committee on Appropriations considered the budget offered by the President relating to this bill.

Mr. MANSFIELD. There has been much discussion on that subject this afternoon. The Senator from Kentucky has raised another question. However, it is my understanding that the Comptroller General's office has been consulted, and will be able to give us opinions on the various questions which have been raised this afternoon. I hope the Senator from Kentucky will not press his point, because if it is necessary to get additional time, we will, of course, do what we can to secure it.

Mr. COOPER. Mr. President, the majority leader must know that for the first time in my years in the Senate I have interposed an objection. I do it with great reluctance, knowing of the cooperation of the leadership and of the chairman of the Committee on Foreign Relations. But I should like the majority leader to consider this question. A number of Senators have stood firm with respect to the continuity and adequacy of funds for a period of 5 years.

I have not had a chance to study this proposal in great detail, but I have studied the amendment as best I could while I have been on the floor of the Senate. It occurs to me that at the very beginning it would not be possible to do a single thing for fiscal 1962 until the President's program was considered by the Committees on Appropriations. I may be in error, but that is my judgment. If the amendment is adopted, it may destroy the action taken by the Senate last Friday. As one who voted for the 5-year proposal and has strong convictions about it, I do not want to have this amendment considered in 10 or 15 minutes. If the Senator from Montana will agree to a proposal for 30 minutes to a side, I shall not object; if he will not, I think I shall object.

Mr. MANSFIELD. In view of the request of the distinguished Senator from Kentucky, who rarely makes a request of any sort, and since the Dirksen, Saltonstall, and Fulbright proposals have received lengthy consideration this afternoon, I should like, in response to the suggestion of the Senator from Kentucky, to propose that the debate on the Hickenlooper proposal be limited to 30 minutes, 15 minutes to a side.

Mr. COOPER. I suggested 30 minutes to a side.

Mr. JAVITS. Will the distinguished majority leader agree to 1 hour, 30 minutes to a side?

Mr. MANSFIELD. All right; 1 hour, 30 minutes to a side.

The PRESIDING OFFICER. Is there objection?

Mr. BUSH. I should like to hear the request. Was it 30 minutes to each side?

Mr. MANSFIELD. Yes.

Mr. BUSH. On the Hickenlooper amendment, the proposal is that there be 30 minutes available to each side; is that correct?

Mr. MANSFIELD. That is correct.

Mr. JAVITS. Mr. President, a parliamentary inquiry: As I understand the request, it calls for 2 hours on each amendment other than the Hickenlooper amendment and all other proposals which may be made in a proper parliamentary way; on the Hickenlooper amendment, 30 minutes to a side; and on all other amendments, 20 minutes to a side. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. PASTORE. Mr. President, will a motion to lay on the table be in order in connection with any of these amendments?

The PRESIDING OFFICER. Yes, a motion to lay on the table will be in order.

Is there objection to the proposed agreement?

Mr. BUSH. Mr. President, reserving the right to object, but I do so only for purposes of clarification, let me ask whether the 10-minute limitation to each side will apply only to amendments pertinent to this group.

Mr. MANSFIELD. Yes.

The PRESIDING OFFICER. That is the understanding of the Chair.

Is there objection to the proposed agreement?

Mr. AIKEN. Mr. President, if a motion to lay on the table is made, will it shut off the debate?

Mr. PASTORE. After the time provided in the agreement has run.

The PRESIDING OFFICER. The Chair has stated that a motion to lay on the table could be made at any time.

Mr. MANSFIELD. And such a motion would be in order at any time, would it not?

The PRESIDING OFFICER. Yes, after expiration of the time provided by the proposed unanimous-consent agreement.

Mr. MANSFIELD. Mr. President, I forgot to request that the agreement include a provision that the time be allocated as follows: One-half under the control of the distinguished chairman of the Foreign Relations Committee [Mr. FULBRIGHT] and one-half under the control of the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN].

Mr. AIKEN. Where will that leave the rest of us?

Mr. MANSFIELD. Well, someone has to allot the time.

Mr. AIKEN. Very well.

The PRESIDING OFFICER. Is there objection to the proposed agreement? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Tuesday, August 15, 1961, at the conclusion of the routine morning business, the Senate resume the consideration of S. 1983, the Foreign Aid Act of 1961; that on the pending amendment, proposed by Mr. SALTONSTALL (for himself and others), the substitute proposed therefor by Mr. DIRKSEN, as modified, and the perfecting amendment proposed by Mr. FULBRIGHT to the Saltonstall and others amendment, debate thereon, except a motion to lay on the table, shall be limited to 2 hours, to be equally divided and controlled by Mr. DIRKSEN and Mr. FULBRIGHT.

That debate on an amendment intended to be proposed by Mr. HICKENLOOPER as a substitute for lines 19 to 23 on page 8, shall be limited to 1 hour, to be equally divided and controlled by Mr. HICKENLOOPER and Mr. FULBRIGHT; and that debate on any other amendment relating to the said amendments be limited to 20 minutes, to be equally divided and controlled by the mover of any such amendment and Mr. FULBRIGHT; *Provided*, That no amendment that is not germane to the provisions of said amendments shall be received.

EDUCATIONAL LEGISLATION

Mr. MORSE. Mr. President, this morning I had the honor to make a speech at Independence Square, in Philadelphia, to several thousand delegates and their guests at the annual convention of the American Federation of Teachers, AFL-CIO. They have flattered me by sending me a telegram, which was received a few minutes ago, asking that the speech be placed in the CONGRESSIONAL RECORD this afternoon, because they propose to give to it the widest possible dissemination in connection with what I think time will prove to be a very historic controversy over the type of educational legislation which should be passed at this session by Congress.

In view of the fact—as I indicated last Friday night, in the course of the speech I made then on the floor of the Senate—that a variety of compromises is being proposed by various public officials and various groups, I believe it important that this speech go into the RECORD, because it sets forth my position in regard to this controversy. In the speech I sought to make clear that the rights of small boys and girls attending public schools in America should not be placed in a trading mart, and that I shall never be a party to any compromise of political expediency or any compromise of educational principle or any compromise of the rights of these small boys and girls who attend public schools.

I also made clear at Independence Square in Philadelphia this morning—which I think was a particularly appropriate setting for a discussion of some basic constitutional principles and rights that are involved in this education controversy—that, in my judgment, the Congress of the United States, as I said last Friday in the Senate, should go forward in passing the Kennedy education program, and not sell it short with any compromise of principles, with any program of political expediency, with any proposal to trade the rights of public school children because some advocates of private school legislation seem to be taking the position—and they have their spokesmen in the Congress of the United States, I regret to say—that no legislation can be passed unless some legislation is passed dealing with private schools.

As pointed out at Independence Square this morning, the senior Senator from Oregon does not have to yield to anyone on his record showing that he is always ready to be of assistance to the legitimate rights of private schools in respect of Federal aid, to which I think they are entitled, within the limitations which are required under the first amendment.

I have no doubt that the speech I delivered this morning at Independence Square in Philadelphia, which was a very carefully prepared statement on my part, is not going to make some forces and some groups and some political powers in this country happy; but I think the time has come when the American people had better face up to the issues which are being raised now in the education controversy in this country. I happen to think that this is the session of Congress in which they ought to be settled; and I happen to think the leader of the Democratic Party in the House of Representatives has a responsibility to the Kennedy administration to help that administration keep its pledge to the American people which was made in the campaign of 1960, and which certainly was made by the President of the United States when he sent his various education measures to the Congress of the United States.

Therefore, I ask unanimous consent that the speech I made in Philadelphia this morning, before the annual convention of the American Federation of Teachers, AFL-CIO, in which I discussed some of these problems, be printed in the body of the RECORD at this point.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH OF SENATOR WAYNE MORSE BEFORE THE AMERICAN FEDERATION OF TEACHERS AFL-CIO ANNUAL CONVENTION, PHILADELPHIA, PA., AUGUST 14, 1961

President Megel, Reverend Gunther, Mayor Dilworth, Miss Pincus, Miss Claffey, Mr. Burke, Mr. Obermayer, and fellow teachers and guests, you have paid me a great honor by inviting me to address this convention of the American Federation of Teachers. It is a particular honor to stand on this hallowed, historic ground which symbolizes the birth of American liberty and democratic self-government for the American people.

As we lawyers say in addressing a court, "May it please the court," so I am moved to say, "May whatever comments I make on this occasion about strengthening education in the United States please our Founding Fathers who have trod before us these historical precincts."

It is also a great honor to appear on the same platform with the distinguished mayor of Philadelphia, Richardson Dilworth. He well knows that serving as an elected representative of a free people calls for the exercising of an honest independence of judgment in accordance with the facts as a public servant finds them.

I also deeply appreciate being here on the platform with Carl Megel, the president of the American Federation of Teachers, who has just given me a most gracious introduction. I want Carl Megel's constituents to know that the president of the American Federation of Teachers has never failed to give to the Subcommittee on Education of the Senate, of which committee I am privileged to serve as chairman, wonderful cooperation and very important assistance in helping us find and present the facts in respect to the educational needs of America as they relate to legislation on schools.

Also, I want to express my public thanks to Miss Celia Pincus, president of the Philadelphia Federation of Teachers. Her testimony before my committee this year proved to be of great help to the committee, and parts of it were quoted in debates both in committee consideration of S. 1021, the major Federal aid to education bill, and also in the debate in the Senate.

Likewise, your very able legislative representative in Washington, Miss Selma Borchardt, is always present whenever a committee hearing is held on any legislative proposal that affects the welfare of American schools or teachers. My committee is greatly indebted to Miss Borchardt for her tireless and able service which she always renders in behalf of the American Federation of Teachers.

Permit me also to tell you how much I appreciate the reception committee which met me at the airport this morning, headed by Miss Phyllis Hutchinson and Mr. Dale Henderson from Portland, Oreg. The assistance which I have always received from the Oregon members of the American Federation of Teachers has been a source of encouragement and strength to me in the performance of my duties in the Senate.

As a member of the Foreign Relations Committee of the Senate, I wish to join you in welcoming the large number of foreign students who are guests at this meeting this morning. We welcome all of you. Particularly, I would like to express a word of special greeting to those who come to us from many of the new independent countries of Africa. Last fall, for 3 months, I was one of the delegates in the U.S. delegation at the United Nations. I came to know very well many of the delegates from the new African nations. In reporting my experiences to my colleagues in the Senate, I have made clear on many occasions that my associations with the delegates from the new African nations convince me that the cause of human liberty and human rights will be vigorously supported and defended and fostered by the leaders and the people of the new nations of Africa. I am also convinced that their desire to further the welfare of their people will assure the free nations of the world that they can be counted upon to give to their people a governmental system

based upon precious principles of self-government similar to those guarantees of the Bill of Rights which this hallowed ground in American history on which we assemble today so clearly symbolizes for all mankind.

To our foreign student guests, I would call attention to the fact that there is located in Philadelphia an International House serving foreign students which is one of the most outstanding international houses in the United States. In all probability, most of the foreign student guests at this meeting have already visited Philadelphia's wonderful International House. Under the direction of one of the outstanding members of the Philadelphia bar, Mr. Frederick Rarig, and all the other dedicated members of the board of directors of the Philadelphia International House, this institution is setting a wonderful example in the International House movement throughout the United States. For many years, I have been very much interested in the good work of international houses. They have done much to present the United States and its better life to hundreds of foreign students who visit the United States each year. The International House movement has made a very worthwhile contribution to U.S. foreign relations. I cannot recommend it too highly, and therefore, I hope that all teachers in the United States will take advantage of every opportunity to be of assistance to the International House movement. I consider international houses to be part and parcel of our system of American education in respect to helping our foreign exchange students and visitors from foreign universities come to know and understand the United States during their sojourn among us in a way that they might never understand us if it were not for the help and assistance that they receive from the International House program, such as the one located here in Philadelphia.

Your program committee asked me to discuss in my address this morning some of the problems that confront Federal aid to education legislation in the Congress. I have reduced some of my views to manuscript which I will read shortly, although undoubtedly as is my custom, I shall digress from the manuscript from time to time.

There are two major tenets that I wish to lay down at the very outset upon which all of my remarks will be based. You are all familiar with the famous quotation from Thomas Jefferson, "A democracy can be no stronger than the enlightenment of its people." That quotation presents the first basic tenet of my remarks. When all is said and done, it is that tenet which raises the crying need for Federal aid to education. The enlightenment of our people can be no stronger than the educational facilities and opportunities presented by the American school system.

The second tenet I will stress is that we must stop wasting the most valuable resources this Nation has, namely, its human resources. It is bad enough when we waste God's gift of natural resources which we are doing at a plundering rate in our forests, mountains, streams, fast eroding lands, and falling water tables in many parts of our country. However, the waste of human resources in the United States today is nothing short of tragic.

Part of the waste is to be found in the underdeveloped intellectual potential of thousands upon thousands upon thousands of American children in the elementary and secondary schools and in the tens of thousands of young men and women who the American taxpayers are cheating out of a college education because they are requiring so many thousands of boys and girls to go to elementary and secondary schools so low in their standards that the students can never qualify for admission to college.

This waste of human resources is the most serious threat to the security of our Nation. We should recognize that we cannot keep ahead of Russia in manpower, but we must do everything we can to see to it that we keep ahead of Russia in brainpower. Unfortunately, our failure to give adequate support to the schools of America makes us guilty of failing to keep our national security strong.

If you will keep these two basic tenets in mind throughout my discussion of the Federal aid to education problem, then I am sure you will have a better understanding as to why I have no intention of compromising the principles of Federal aid to education with any pressure group, political group, or private school group in America, who seek to take Federal aid to education legislation into the political trading mart.

I need not, to an audience such as this, elaborate upon the importance of teaching, nor the dignity and worth of the teaching profession. Each man and woman here today, is here because of a dedication to an ideal of service to city, State, and Nation that is characteristic of a great profession. Rather today I would like to talk with you about some three or four main points involved in the great national debate over Federal participation in the educational process.

Let me recall to you the words of Thomas Jefferson, when in 1818 he wrote to Joseph C. Cabell:

"A system of general instruction, which shall reach every description of our citizens from the richest to the poorest, as it was the earliest, so will it be the latest of all of the public concerns in which I shall permit myself to take an interest. Nor am I tenacious of the form in which it shall be introduced. Be that what it may, our descendents will be as wise as we are, and will know how to amend and amend it, until it shall suit their circumstances. Give it to us then in any shape, and receive for the inestimable boon the thanks of the young and the blessings of the old."

Jefferson speaks to us today as strongly and as lucidly as he did 143 years ago to Cabell. The legislation which this Congress took up—Federal aid to public elementary and secondary schools, the National Defense Education Act amendments, and the higher education scholarship and construction bills—represents an attempt to turn Jefferson's vision of a "system of general instruction" available to all into an actuality. These programs should receive support because they are right, because they are practical, and because the alternatives to enactment mean a deterioration of our educational system corrosive to the basic democratic political principles which buttress and sustain our society.

We, and our children, are citizens of the United States as well as citizens of our respective States. Federal assistance to the States for educational purposes is not only a legitimate activity of the Government under the general welfare clause of our Constitution, but to my mind the evidence is overwhelming that such assistance is necessary.

That proposals to provide this assistance have become embroiled in controversy over the details, the amounts, the degree to which it is politically expedient to provide this financial aid, in the long run, is beside the point. As a nation, if we are to survive, we must find the means to assure every boy and girl an opportunity, through education, to develop to the maximum his or her talents, abilities, and skills.

As a nation we cannot afford the waste inherent in an undereducation of our children before their potentialities are realized. We dare not console ourselves with the thin hope that all will work out for the best. We must husband our human resources, we must nurture them and provide education to them to the degree that they are capable of being educated. Money spent for this purpose is an investment far more important than that we make in missiles or dams or highways. These latter serve the purposes of men. Education forms the purposes of men and provides the tools with which to realize these purposes. In Proverbs 8: 17–20 we are told of wisdom that: "I love them that love me and those that seek me early shall find me.

"Riches and honor are with me, yea durable riches and righteousness.

"My fruit is better than gold, yea, than fine gold; and my revenue than choice silver.

"I lead in the way of righteousness, in the midst of the paths of judgment:

"That I may cause those that love me to inherit substance; and I will fill their treasures.

"The Lord possessed me in the beginning of His way, before His works of old."

Your job, the inculcation of wisdom through education, is a sanctified work. When those of us in the Congress through legislation try to equip you with the necessary environment, we feel we, too, are working in the vineyard of the Lord.

As members of a great labor union, a vital part of the proud tradition of the American labor movement, you have natural and proper concern to see that all teachers receive decent wages, earned through working under safe, sanitary, and appropriate working conditions for reasonable periods of time.

Permit me to express my appreciation again, as chairman of the Senate Subcommittee on Education, for the good work that this great labor union has done and is doing for the improvement of educational standards in the United States and for the improvement of working conditions for the teachers of America. There isn't a teacher in the school system, public or private, who isn't a beneficiary, directly or indirectly, of the dedicated work performed for the teachers and the school children of America by the American Federation of Teachers. I have no hesitancy in saying that I think the membership of this union should be increased by many thousands of teachers who, I suspect, have never really taken the time to carefully consider and evaluate the contributions which this great union has made to American education and particularly to American teachers.

I am particularly appreciative of the great help that the Senate Subcommittee on Education received from this union through its support of S. 1021. This bill, known as the Morse-Thompson bill for public aid to public schools, has passed the Senate. The Senate recognized the need for Federal aid to schools and specified that the purposes of the aid were for improvement of teachers' salaries, construction funds, and operation and maintenance costs. It was designed to permit the States to allocate their resources to meet areas of greatest need and thus to equalize educational opportunities for all children. It was a general aid bill, free, by design, from any element of curriculum control or Federal direction as to operation at the local level.

The National Defense Education Act amendments of 1961 were specific in application and designed to strengthen those areas of education in the fields of science, mathematics, English, and modern foreign languages which the Congress felt to be particularly identified with the national defense interests of our Nation. S. 2345 contains much that is immediately helpful, but of the two pieces of legislation over the long haul, the public school aid bill is the more crucially important.

Why was and is this controversial legislation? In all frankness I feel that we should

face up to the fact, in all of its implications, that there are those in this country who do not believe in our system of free secular education.

In some there is a distrust of the wisdom of the ordinary citizen and his capacity to judge wisely, when informed, about public issues. Fortunately there are not too many in this group.

Another group, and I would hope it, too, is a small one, does not see the value of education to the Nation and the community. The members of it fear that a broadening of educational opportunities would deprive them of a tractable and plentiful labor force. To them money spent on public education is doubly wasted; first because of its effect on their wish to exploit labor, and, secondly, because it is financed from taxation upon their income and properties. I certainly exempt from this category most enlightened employers, because I know that the intelligent manager appreciates the savings to him of publicly financed education of semiskilled and skilled workmen.

A third category of opponents of Federal aid is, unfortunately, a much larger one. These people, and they include highly influential churchmen such as Cardinal Spellman, look upon the public schools as competitors. They feel that pressures for improvement in teachers' salaries and reduction in pupil-teacher load in the public schools will result in a draining away of their own lay teachers. They are feeling the impact of a high birth rate upon limited school facilities, and they fear that the children of their parishioners will be given a secular rather than a religious education.

This group has been articulate and able in presenting its point of view. I appreciate the magnitude of the problem with which they are faced, but I say, in all sincerity, that the adamant opposition of the higher Catholic clergy to an improvement to our public educational system, except upon their own terms, will lead to most unfortunate results. If they succeed temporarily in blocking the legitimate aims of a majority of our people through pressure tactics, they are sowing a wind of discord which will result in a whirlwind of resentment when the people of this country learn the facts.

In all earnestness I say again to the Catholic bishops, do not insist adamantly in this matter upon an all-or-nothing-at-all policy, for if you do, the latent religious quarrels of past history will be brought to life again, and the fabric of our civil society will be stretched once more to the breaking point. This, not one of us, nor in fairness to the bishops, I must say, do they, wish to have happen. I believe, however, that they have misjudged the temper of the people, and I plead with them to modify their course.

I have a right to speak on this subject of private school opposition to Federal aid to public schools, because I conducted the hearings of the Senate committee on S. 1021. I was deeply disappointed when spokesmen for the Catholic bishops took the position that they would have to oppose Federal aid to public schools unless the same or very similar Federal aid to private schools was included in S. 1021.

The record is clear that I insisted that aid to public schools should be kept separate and distinct from any consideration of the educational problems that confront the private schools. As you know, we succeeded in limiting S. 1021 to a Federal aid to public schools bill. I have not changed my mind as to the soundness of that approach to the Federal aid to education problem, and I have no intention of compromising the principles involved.

I say I have the right to speak on this matter, because on the record, I am a proven friend of the needs of private schools. In 1959, I offered the Morse proposal in the Senate which would have provided nonsubsidy interest-bearing loans to private schools as an aid to helping them meet some of the serious educational problems that confront their schools, too. It is not good politics, at least for me to follow that course, but the obligation I owe the people of my State and my country is to follow where the facts lead, and if the politics are not going in the same direction on some issue, I still have the duty, as I think every Member of Congress has the clear duty, to continue to follow where the facts lead, irrespective of the direction in which the politics may be leading.

This year, I am one of the coauthors of the Clark-Morse Federal aid bill, by way of nonsubsidy interest-paying loans to private schools. I am also the author of a section of the National Defense Education amendments bill which provides for nonsubsidy interest-bearing loans to private schools to help them provide the facilities and services in those fields of the curriculum in which it is so important that we train to educate students and train teachers to help the Nation meet some of its critical defense and security needs.

However, I take the position that the private school advocates have no moral right to use whatever political power they may have in an attempt to block the passage of a public school aid bill, such as S. 1021, unless and until the Congress passes a Federal aid bill for private schools to their liking. This is an issue and a tactic they never should have raised, and if they persist in it, then it must be met in accordance with the democratic processes that form our system of self-government. I say that as one who stands ready to be of assistance to the meeting of the legitimate rights and needs of the private schools of America.

I well know, as you do, the great contribution that the private schools make every day of the school year to all the taxpayers of the United States. In my debates on this subject matter in the Senate, I frequently point out to my colleagues that if on a given day all the private schools of America were automatically closed and the next day all their students appeared at the doors of the public schools for admission, then the taxpayers would have a very clear understanding as to the great contribution that the private schools make to our educational system, both in dollars and in service, every day of the school year.

However, there is no escaping certain constitutional limitations that confront the private school administrators of the country. The first amendment isn't repealed simply because private school administrators would like to wish it away. I think we all know very well that the first amendment isn't going to be repealed. As for me, let me make clear that as an old constitutional law teacher, I agree that it should not be repealed. Neither should it be circumvented or ignored. However, the first amendment, with its separation of church and state doctrine, was never intended to prevent governmental assistance to legitimate public services of private schools.

I do not intend to walk out on my understanding and teachings of constitutional law just because I walked into politics. I am satisfied that the Federal Government can be of assistance to nonreligious activities of private schools within the framework of our recognized constitutional limitations if all groups in our society will face up to the constitutional realities involved and substitute their obligations of citizen-statesmanship for personal feeling, selfish interests and religious bias.

To that end, I shall continue to work for a program of sound Federal aid to education legislation, such as is encompassed in S. 1021, S. 2345, and S. 1726. But once again, I wish to make clear that I am not going to trade off the rights of the school boys and girls in the public schools of America and the taxpayers who support those schools for any political demand in respect to taking action first or concurrently on legislation affecting private schools.

I point with great pride to the educational statesmanship of a group of great Catholic Senators in the U.S. Senate. It is my advice and recommendation that advocates of private school education follow the leadership and statesmanship in this field of Federal aid to education so clearly charted by such Catholic Senators as MANSFIELD, of Montana; MUSKIE, of Maine; MCCARTHY, of Minnesota; MCNAMARA and HART, of Michigan; SMITH, of Massachusetts; PASTORE, of Rhode Island, and CHAVEZ, of New Mexico. They all supported the public school Federal aid to education bill, S. 1021, and let me say that their objectivity and statesmanlike assistance to my committee has not only been helpful, but I think presages well for ultimate success in the passage of a Federal aid to education program in this or the next session of Congress that will encompass sound legislation for public schools in a separate bill, sound legislation for a national defense education program in a separate bill, sound legislation for higher education in a separate bill, and sound legislation for private schools in a separate bill.

It is for such an education program that I shall continue to work in the Senate, refusing to be diverted from the course of trying to meet the needs of the school children and taxpayers of America, irrespective of the proposals for compromise of principles for political expediency and political surrender that may be dangled as legislative bait before our eyes. I shall continue on the course that I have chartered, because I am convinced that the facts support me, sound constitutional principles support me, the best public interest supports me, and further, the best way to stop the shocking waste of the intellectual potential of thousands of American boys and girls demands the enactment of such an educational program.

Further, let me make clear that the program which I have outlined to you is the program which this administration has clearly outlined and promised to the American people. I have every confidence that eventually the administration will be sustained as it deserves to be sustained by the passage of legislation that will implement the program. Strengthening of the public schools does not weaken the private religiously oriented schools; on the contrary, it provides a standard by which the contribution of the private schools to our plural society can be measured and properly evaluated. It may mean a careful rethinking on the part of many parents as to when and for what period children should be placed in the religiously oriented schools, but it cannot mean the demise of the private school for the reason that a great many parents are devoted to the private school values and are willing to make the financial sacrifices necessary to preserve these values.

But because these religious values are peculiar to each denomination, it is most inappropriate, and in my judgment, unconstitutional, for the State to subsidize, through grants, any church related educational institution.

Loans to special interest groups which do not involve an element of subsidy, I would make freely available, but if and only if, such loans are repaid with interest. I support these loans on the same basis as I support farm credit loans, or rural electrification loans, for worthwhile production purposes. But as long as the first amendment stands, as now interpreted, grants from the public funds should not be given by the Congress.

As you know, the Senate Committee on Labor and Public Welfare has reported the National Defense Education Act amendments of 1961 to the Senate.

Significant modifications and extensions of the NDEA programs have been recommended in an effort to achieve the purposes of the act. Among these changes are several which may be of particular interest to many of you, since they bear upon the tools you use in the classroom.

The committee, for example, was impressed by the need to add the subject of English to the existing science, mathematics and modern foreign language purposes of the act.

The effect of this will be to permit English teachers to buy for use in the classroom equipment and teaching aids which are not now, in many instances, available because of budgetary considerations. In addition, such teachers may attend short summer institutes to improve their skills and in so doing, they are eligible to receive stipends of $75 a week plus $15 per week for each dependent.

Again, a new title, added to the act, should mean a significant start can be made to increase the library services of our elementary and secondary public schools. You share with the committee, I am sure, the belief that good school libraries are an essential ingredient of any teaching program. It is a sad commentary upon our national support for public education that over 10 million elementary students and 600,000 high school students are enrolled in schools with no school libraries at all. Costs of library materials have increased rapidly making it evident that support from public funds for this purpose is urgently needed. The $30 million a year, 4-year program of S. 2345, it is our hope, will provide a substantial impetus to this program.

Many of you may be interested in the title II provisions, governing the student loan program. The committee has broadened the scope of the program to permit teachers to borrow money to attend summer schools and to participate in the loan forgiveness feature of the act now applicable to full-time students only. It is our belief that by extending this financial aid and incentive to teachers, you will be encouraged in your programs of professional development. Many other areas of NDEA operation were strengthened by the committee including the guidance and testing section, the audio-visual training programs, its authorization for the purchase of test-grading equipment as well as areas of particular interest to institutions of higher education.

In my judgment you will find S. 2345 worthy of your support. It is my hope that you will communicate your support for it and for the public school bill to your Congressmen, impressing upon them the value of these bills to your own schools and school districts.

Do not forget that the opponents of our school systems are vigorous, articulate, and well financed. They seek through the press and through letter-writing campaigns to create an atmosphere inimical to this legislation. You as teachers, individually and through your organizations can do much to counter the attack by speaking and acting to convince and persuade in your home towns and cities the great bulk of our citizens who are in favor of these programs but who have not voiced their beliefs to the Congress.

It has been said that America is a melting pot, an open society, and an exponent of plural values. This is, in part, the strength of our political, social, and economic system. We do, however, place primary value upon the general agreement we share which lies beneath our surface differences.

It is a commitment to the belief that ideas and ideals are important; that every man and woman has the God-given right to speak the truth as he sees the truth; and that, as a result of this public discussion, agreement upon common public policy can be achieved. As community leaders, as men and women devoted to the values of Western European civilization, your duty, responsibility, and personal inclination to achieve the goals of your profession all serve to fit you to accomplish great things in educating the children entrusted to you and in the process of working with the parents of those children, rekindling their interest in building the best and soundest public school system the world has ever known.

In closing, I wish to thank you from the bottom of my heart for the great honor you have bestowed upon me today by awarding me your Merit Award.

However, I have no right to accept it in my own behalf. Whatever I have accomplished in the field of education legislation in the Senate is because of the wonderful cooperation I have received from all the members of my subcommittee, including the dedicated help at all times rendered to the committee by my close and good friend and colleague, Senator CLARK, of Pennsylvania. Likewise, the members of the full Labor Committee of the Senate, whose chairman is the incomparable Senator from Alabama, LISTER HILL, deserve great credit for whatever we have been able to do over the years in the field of education and health legislation.

Not only they, but the leadership of the Senate, including our very able majority leader, Senator MIKE MANSFIELD, of Montana, deserves to share this honor with me today.

Also, all those in the Senate who have given support to S. 1021 and other legislation that seeks to have the Federal Government fulfill its share of responsibility to the educational needs of the country should be included in my acceptance of this honor. Therefore, in their behalf and in mine, I accept this award from the bottom of our hearts, and I shall cherish it very much.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mrs. SMITH of Maine. Mr. President, three specific considerations have influenced my decision to support the proposals of S. 1983 with respect to authorization and appropriations for the fiscal year 1962 military assistance program.

First, I am persuaded that this program is indeed an integral and essential part of our total defense posture and global strategy. I accept that fact that our own military plans take into consideration the role we expect allied forces to play in both self and common defense. I recognize the risk of placing even partial reliance on their contribution to free world collective security unless they are adequately trained and equipped for their respective missions.

Therefore, even though I feel very strongly that some of our allies should and can assume more responsibility for the development of their own military capabilities, I believe we cannot settle for the most they will do.

Rather, I am convinced that our national security interests require us to provide them with the military equipment and training necessary, over and above their own efforts, to make their armed forces so combat effective as to be a reliable adjunct to our own military strength in mutual support of a totally adequate free world defense posture.

Second, having reluctantly accepted this premise, I can only conclude that we must grant the authority and appropriate the funds essential to fully effective use of the military assistance program as an instrument of national policy. Toward that end, I endorse the request for continuing authorization for military assistance.

Not only do I believe that the past effectiveness of the program has been limited by lack of such authorization, but I am confident that its future contribution, as well as its efficiency and economy of operation, will be substantially enhanced if it can be planned on a long-term basis.

No private business could be prudently and successfully managed under restrictions such as those which have applied to the military assistance program. Forward planning is even more necessary in a multinational undertaking which involves both policy decisions by other sovereign governments and budgetary action in fiscal cycles which do not always coincide with our own.

The leadtime required for the production, procurement, and delivery of military equipment, as well as for training allied military personnel in the use and maintenance of advanced types of weapons, further underscore the wisdom of providing the continuing authorization essential to maximum effective use of military assistance in strengthening the defense capabilities of our free world allies.

It is equally essential to the attainment of this objective, which is so very closely related to our own national security, that adequate funds be made available for military assistance. Current efforts to improve our own military posture cannot be fully successful if one part of our total plan for free world defense is weakened while the other parts are built up.

If we fail to appropriate the amount required to prepare our allies for the role we expect them to play in that common defense, the United States will be deprived of their full potential military support at a time when it may be needed as never before.

Our highest ranking military men and civilian officials have testified before committees of the Congress that $1.885 billion is a minimal estimate of that amount. I have studied their testimony and the proposed program and found no major reason to disagree with them.

In the meantime, however, the Foreign Relations Committee has concluded its hearings and, after careful deliberation, has reported out a bill in which the amount proposed for military assistance has been reduced to $1.8 billion.

I am fully convinced that any further reduction would not be in the best interests of the United States—that no less an amount will serve to promote those security objectives of the United States

which depend for their attainment on the military assistance program.

Third, I have given special attention to the administration's request, set forth in section 510 of the proposed International Peace and Security Act of 1961, that authority be granted to the President to order the drawdown of defense articles and services for the provision of additional military assistance in cases of emergency where he determines such action to be vital to the security of the United States.

In the light of present world conditions, it seems clear to me that the granting of such authority is absolutely essential in our own national interest and in that of free world common defense.

It will provide the means whereby the Department of Defense may make maximum use of the military assistance program in responding promptly and effectively to an emergency situation in which an aggravated military threat to one of our allies generates an urgent requirement for the expedited delivery of military assistance not previously programed for that country.

It is most likely that one or more such emergency situations will confront us between now and the end of the fiscal year. We are already faced with an issue of the utmost gravity at West Berlin. Past experience points to the probability that the Communists will follow their long established pattern of engineering concurrent crises at the times and places of their choice.

The military assistance program is an instrument of unique and proven efficacy in dealing with such crises. It must continue to be immediately and fully available for similar use in the future. The very fact that the $1.8 billion presently proposed for its implementation in fiscal year 1962 is less than the minimal estimate of foreseeable normal requirements emphasizes the need for the flexibility provided for in section 510.

The amount of drawdown authority requested by the administration is $400 million. The bill reported out by the Foreign Relations Committee reduces this amount by half—to $200 million. Certainly no less an amount—to be used only in the case of emergency and by direction of the President—will make it possible for the United States to come swiftly and persuasively to the aid of threatened allies by giving them the means to defend themselves.

We can, and must afford ourselves this vital margin of safety which offers the best possible guarantee against having to honor our mutual defense commitments and protect our own security interests by engaging American forces on foreign soil.

"UNCLE SAM" WILSON, OF TROY, N.Y.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid aside temporarily and that the Senate proceed to the consideration of Calendar No. 661, Senate Concurrent Resolution 14. I may inform the Senate, before it is stated by the clerk, that the concurrent resolution has been cleared by the minority leadership, the Senators from New York [Mr. JAVITS and Mr. KEATING], and the Senator from Indiana [Mr. HARTKE].

The PRESIDING OFFICER. The concurrent resolution will be stated.

The LEGISLATIVE CLERK. A concurrent resolution (S. Con. Res. 14) saluting "Uncle Sam" Wilson, of Troy, N.Y., as the progenitor of America's national symbol of "Uncle Sam."

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. KEATING. Mr. President, I express my gratitude to the distinguished majority leader for bringing up this concurrent resolution.

Senate Concurrent Resolution 14, recognizing "Uncle Sam" Wilson of Troy, N.Y., as the progenitor of America's national symbol of "Uncle Sam," deserves favorable consideration by the Senate.

There is unquestioned historical evidence indicating that Samuel Wilson of Troy, N.Y., is the progenitor of our national symbol. Recent testimony by leading historians and Members of Congress overwhelmingly supported this fact.

Pages upon pages of American history tell us of the patriotism, friendliness, perseverance, and nationalistic spirit of this self-made man who has been for so many years the unofficial symbol of this country. The Troy Area Committee for Uncle Sam and the Veterans Committee for Uncle Sam and other public-spirited groups in Troy, N.Y., have fought untiringly for recognition of Samuel Wilson of Troy, N.Y., as the original "Uncle Sam."

After submission of the testimony that I have referred to, the Senate Judiciary Committee has seen fit to report this measure to the Senate. As I have stated, the significant facts dealing with the life of "Uncle Sam" are uncontroverted. I strongly urge my colleagues to join with me in support of Senate Concurrent Resolution 14.

Mr. HARTKE. Mr. President, although the Senate has seen fit to name Samuel Wilson, now buried in Oakwood Cemetery, Troy, N.Y., as the original Uncle Sam, I should like to point out that the original "Uncle Sam" is, in fact, Samuel Wilson, of Merriam, Ind.

An extensive search in the sources available in the Library of Congress has revealed information supporting this position.

An account of Samuel Wilson's son, John M. Wilson, aged 93, of Albion, Ind., to Mrs. Louise B. Young, and published in the Indianapolis Star, February 26, 1928, further substantiates that the Hoosier of Merriam is truly the progenitor of "Uncle Sam."

Other references which substantiate that the man from Indiana was the original "Uncle Sam" were found in the Indianapolis News of March 31, 1955, and our own CONGRESSIONAL RECORD of March 24, 1960.

Hoosiers will long remember this day, August 14, 1961, when the Senate failed to name the site of Merriam, Ind., as the true resting place of the progenitor of "Uncle Sam."

Mr. JAVITS subsequently said: Mr. President, I am most pleased that the Senate today passed Senate Concurrent Resolution 14, which I sponsored with my colleague, Senator KEATING, saluting "Uncle Sam" Wilson, of Troy, N.Y., as the progenitor of America's national symbol.

The State of New York has already recognized Sam Wilson as a symbol of our country and of the best in Americanism. Governor Rockefeller has designated September 13, 1961, as Uncle Sam Day in New York State.

On behalf of the citizens of Troy, the State of New York, and, indeed, the entire Nation, I am hopeful that the House will take prompt and favorable action on this measure which is so meaningful to the perpetuation of the traditions of our country.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress salutes "Uncle Sam" Wilson, of Troy, New York, as the progenitor of America's national symbol of "Uncle Sam," and also recognizes Arlington, Massachusetts, famed in the history of America's dawning years, as the birthplace of the said Samuel Wilson.

The preamble was amended, so as to read:

Whereas in a world largely hostile to the idea of freedom we must keep alive the cherished values of our way of life; and

Whereas at a moment in our history when we need all our sense of purpose and capability to match the challenge of disciplined communism some say that our national symbol of "Uncle Sam" is archaic and should be disowned; and

Whereas the symbol of "Uncle Sam" was evoked out of the needs of a young Nation, and is linked to a grassroots character, Samuel Wilson, of Troy, New York, who still represents the strength and idealism that made up the greatest Nation in the world; and

Whereas the story of Samuel Wilson's life, from his early Colonial beginnings in old Menotomy (later West Cambridge, now Arlington, Mass.), and Mason, New Hampshire, to his rise to prominence and great public affection and esteem in Troy, New York, where the sobriquet of "Uncle Sam" was given him, is an abridged story of America; and

Whereas the years 1766 to 1854, the years in which Samuel Wilson lived, witnessed the birth and glorious progress of the United States, spanning as they did the period before the Declaration of Independence to the emergence of the United States as a world power; and

Whereas no congressional action has ever been taken to make the symbol of that American tradition, the symbol of "Uncle Sam," official and permanent: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the Congress salutes "Uncle Sam" Wilson, of Troy, New York, as the progenitor of America's national symbol of "Uncle Sam," and also recognizes Arlington, Massachusetts, famed in the history of America's dawning years, as the birthplace of the said Samuel Wilson.

COMMUNICATIONS SATELLITE

Mr. JAVITS. Mr. President, the hearings recently concluded by the Subcommittee on Monopoly of the Senate Select Committee on Small Business have demonstrated the extraordinary scientific and commercial potentialities of this new miracle of intercontinental communications. There is every indication that such a satellite will not only have a revolutionary impact upon world communications but also upon many other aspects of our lives. The roles which private industry and Government will play in this new field are presently being explored, and still to come are the problems involving the parts which other nations will take.

Some aspects of the promise which communications satellites hold for this country and our endeavor to establish greater understanding among the peoples of the world so that they may live in peace with each other are presented by Gen. David Sarnoff, chairman of the board of Radio Corp. of America. I ask unanimous consent to include with my remarks in the RECORD his article entitled "A Look Ahead," which appeared in the quarterly publication, Electronic Age, summer 1961.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A LOOK AHEAD

(By David Sarnoff)

The historic progress of communications across the formidable barriers of time and distance parallels man's advance on this planet. The first communications were sight and sound, man to man, over distances of only a few feet. Since then, our primary effort has been to extend that distance. We will achieve the earthbound ultimate when we have direct man-to-man communications, both sight and sound, to any place on earth, regardless of distance. And we will achieve the universal ultimate when we have man—and possibly other species of life—exchanging communications over distances of millions of miles.

In its own way, every communications advance has moved us nearer these ultimates. The Greek, Roman, and Aztec relay runners contributed to the stretchout; and so did the shouting sentinels on Caesar's battle towers, the homing pigeons used at Waterloo, the primitive semaphore employed by George Washington who placed a barrel, a flag, and a basket on a mast and then issued orders to his troops by altering their relative positions.

In the present century, the great stretch has come through applications of radio communication. In its first phase, it enabled communication between a fixed point on land and ships at sea and between ships themselves, or between two land areas across the ocean barriers. Today, it is employed by all types of moving vehicles and between fixed stations and relay points on land. The second phase brought the human voice and instrumental music to millions of listeners through radio broadcasting. The third phase brought the stretchout of sight, first through black-and-white television and now through color.

Vast progress has been made in the art of communications but there are many more promising prospects ahead. The sound of the human voice can be projected directly and almost instantaneously to any area of the world. We have extended sight, by television, so that the people of a nation, or a group of nations on the same continent, can see the same picture simultaneously. And we are on the threshold of projecting that picture between continents. In fact, we are very close to the achievement of global television as well as other forms of worldwide communications.

This will represent phase 4 of the radio communications story. I believe it will be realized in this decade through the use of relay satellites orbited in space. The challenges facing us in this area are no longer how; rather they are when, what types of hardware, what form of control, what character of international traffic?

Because of the complex and varied nature of the problems involved in satellite communications, there has been considerable confusion about the subject. So it is well to bear in mind certain fundamentals.

First, satellites will expand, broaden and speed up the services we have today and make them available to places and peoples that do not have them now. In the transmission of intelligence, a communications satellite is basically a distance booster. It is as if we picked up a microwave tower from the ground and hung it in the sky. This would increase enormously the range over which communications could be sent and received.

Second, satellites will not make anyone a Croesus overnight. I have heard suggestions that once a satellite system is in operation, international communications will become a $100-billion-a-year business. To people whose estimates run along these lines, I would reiterate Andrew Jackson's famous order at the Battle of New Orleans: "Elevate them guns a little lower."

The international communications business of all the American carriers today amounts to about $135 million a year. In the seventies, with a satellite system in use, operating revenues may reach the $1 billion mark. This is a respectable amount but even if we double this figure, it would be 98 percent less than the fantastic figure of $100 billion a year.

Third, the much debated question of satellite ownership is, in my opinion, far less important at this time than the adoption of the right system at the earliest possible moment. I believe that if we coordinate our knowledge and our skills, formulate a definite plan and concentrate on our objections, we can be the first nation to establish and operate a global system of satellite communications. This would be a dramatic advance in the use of outer space for peaceful purposes. It would benefit all mankind and give an effective demonstration of American initiative, vigor and leadership.

In analyzing this subject, it seems to me that certain basic principles should be recognized.

Regardless of who, or how many, may own the satellites, there should be direct access to them by all present and future organizations licensed by our government to operate in the field of international communications.

The satellites should be available to all such organizations on reasonable and nondiscriminatory terms for any services which the Federal Communications Commission authorizes them to provide now or in the future.

No restrictions should be imposed against such use, through contract or otherwise, by anyone who may own, control or operate the satellites.

Each licensed American organization should have the right to establish, own and operate its ground stations for transmitting and receiving signals via the satellites. The system, itself, should be designed to provide this capability.

RCA is deeply involved in this satellite development. We have proposed a concept of large capacity, synchronous—or stationary—satellites, positioned at two or three locations about 22,000 miles above the equator. Our scientists have developed specifications for the system which are within the present state of the electronics art. I believe our concept is capable of achievement in time to meet the communications demands that will overburden international submarine cable and radio circuit facilities later in the sixties.

Other companies and agencies have come forward with other satellite concepts. Intensive research is now in progress at the Defense Department, at NASA, and in private industry. As one example, RCA is developing under contract from NASA, an experimental satellite for Project Relay which we hope will provide many of the answers we all seek.

To expedite the achievements possible in this area, we at RCA feel the time is ripe for the formation of a joint government-industry group to pursue an aggressive total effort in research and development. Through this collaborative effort, we can agree on the best satellite communications system. We can get it in operational orbit in the shortest time, and we can share with the world a remarkable technique for nation-to-nation seeing and talking.

It is most encouraging that the urgent character of this project is recognized at the highest level of our Government. Recently, for example, according to press reports, President Kennedy ordered a top-level policy study into how a communications satellite system can be brought into operation at the earliest practicable moment.

About 3 months ago, I suggested that the United Nations be given programing access to the first satellite television channel, so that it might project to the whole world a live picture of crucial deliberations in the Security Council and General Assembly. The favorable response to this proposal from many leaders of the open world encourages me to urge it again.

Direct access to vital United Nations debates, it seems to me, should go a long way toward awakening those in the closed world of communism who have rarely been exposed to the free clash of ideas in any forum. True, the Communists can be expected to jam and black out these programs. But such conspicuous exclusion from proceedings open to the rest of mankind will generate pressures from their subjects which the Communist rulers will find it ever harder to ignore. At the least, it would dramatize an essential difference between free and enslaved societies.

As for the developing and neutralist nations, if, as we believe, the United Nations represents their best hope for establishing and maintaining their own independence, then their understanding of its aims—seen with the same impartial picture in Asia and Africa as in Europe and America—must be the best hope of the U.N. for assisting them effectively.

As we progress with the satellite project, I believe we will also move ahead with phases 5 and 6 of our communications blueprint. Phase 5 will be directed to communications with the moon and beyond. Here, we will be concerned initially with communications as a control and intelligence mechanism. This function will be crucial to the successful placing of men on the moon and, ultimately, on distant planets.

The proposed manned moon shot, which President Kennedy set as a national goal, has prompted the scientists of RCA's Astro-Electronics Division, along with others, to develop comprehensive exploratory plans. Our concept envisages the establishment of a well-stocked camp on the moon before the first man arrives there. The moon camp would include food, water, power, laboratory equipment, an exploration vehicle, appropriate emergency survival tools and a reentry capsule for the manned return trip to the earth.

A combination of a Saturn rocket and ground control devices should make it pos-

sible to put on the moon's surface a roving vehicle and to conduct a survey for the most appropriate area for a manned landing. This would be based on such factors as terrain, illumination, temperature, and other environmental characteristics. Then, through a series of subsequent Saturn shots, the camp could be established by sending up the necessary equipment and supplies, including a moon-crawling tractor for assembly purposes. This entire operation could be checked out by instrumentation controlled from the ground before we commit men to lunar flight.

The success of this plan would prepare the way for exploration of the nearest planets. It would establish a pattern for the construction of other advance bases. In addition, validation of the techniques for storing fuel and refueling vehicles on the moon would lay an effective foundation for use of the moon itself as a launching platform for spacecraft.

It is also conceivable that exploration on the surface of the moon would establish the practicability of installing there the first interplanetary radio relay station, controlled from the earth and capable of providing vital communications and navigational links for space vehicles as they move toward distant planets.

We face, of course, many unknowns—such as the nature of the lunar surface, the extent of radiation hazards from solar flares, and the effect of the lunar environment on materials. It can be generally stated, however, that the communications and controls problems in this concept fall within our present capabilities.

With our sound and sight satellites in orbit around the earth and with electronic channels opened to the planets, we will have extended enormously the communications stretchout that started with the first man-to-man talk.

Our principal job in phase 6 of the communications blueprint, will be to come full circle and permit direct man-to-man sight-and-sound communications over the ultimate in distances.

The speed with which we accomplish this will depend, in part, upon the speed with which we can shrink electronic gear. This is another great challenge facing electronics today: make it smaller.

Through formidable advances in micromodules, we are achieving new diminutives daily. We can now foresee a computer so compact that it will have a density equivalent to 100 million active elements per cubic foot—a density approaching the compactness of the human brain itself. And this computer, indeed, will perform many functions of the brain.

Our advanced design center has put together the type of communications unit that will probably be the reporter's best friend in the seventies. It is a pocketsize color TV set, with combination AM–FM radio. The date of its availability depends upon the time required to learn how to reduce further the size of certain components.

This prototype model is a symbol of our reach for the diminutive. I believe we will someday see transmitter-receiver units a half or third the size of this. Each receiver will have a decoding unit, responsive to only one of a million or more arrangements of pulses sent out from a transmitter. With complete privacy, a foreign editor in his office will one day be able to see and talk with a foreign correspondent in an airplane over Tokyo, in a boat on the Red Sea, or in a tractor at the moon camp. While this might make the home office seen uncomfortably close to the reporter, it will nevertheless bring us pretty close to the ultimate in news coverage, and to the ultimate in man-to-man communications itself.

The price for achieving the communications advances I have outlined will come high—in dollars, in planning, and in work.

We have the scientific manpower and know-how to meet and to surpass any Russian challenge in this area. But something else must accompany it: a firm national resolve to do whatever must be done to assure our success.

We must, for one thing, understand and properly evaluate the objectives of the potential enemy. Years before any Western nation, the Kremlin accurately assessed the psychological and propaganda values of space probes. The Communists recognized that breakthroughs in technology, a field of traditional American primacy, would have direct political impact in terms of fresh prestige for them; that it would advance their objectives in the cold war they ceaselessly wage, and that it would cause an erosion of morale among the Western allies.

In Moscow, missiles and satellites were woven into the broad tapestry of party dialectics. In Washington, they were evaluated exclusively in the context of their scientific or military significance.

The result, from the psychological and propaganda standpoint, was that the Communists seized the priceless advantage of the initiative. They acted, we reacted. They were first with sputnik, first with a moon probe, first with a man in space.

In communications, we possess the initiative and the leadership today—from automation to satellites. Yet, this should give us no cause for complacency, "The minute you get satisfied with what you've got," Boss Kettering once said, "the concrete has begun to set in your head." In terms of our Nation's leadership posture before the world and our national policy of advancing the cause of peace everywhere, there is too much at stake here to permit any concrete to infiltrate our communications arteries.

It is my conviction that America can continue to lead in this vital field, that we can be the first to achieve practical worldwide satellite communications and that we can complete the cycle by which man will communicate with man, directly, wherever he may be. I also believe that by the time this is accomplished, it will be possible to achieve automatic translation of languages so that when we speak to each other we will understand each other. And that, after all, is the goal not only of our science of communications, but of humanity itself.

THE BERLIN CRISIS

Mr. CHURCH. Mr. President, the Berlin crisis has brought back to our minds the full realization of the prospect and the nightmare of thermonuclear war. We do not expect, if we successfully solve the Berlin problem, that this will be the last major crisis with the Communists. Crises will continue. What makes each of these crises so omnious, both for us and for the other peoples of the world, is the danger that in a showdown, the ultimate means of human destruction might be used.

Mr. President, sanity protests the continuation of these "balance of terror" conditions. However much we may mistrust the Communists, this does not excuse us from trying to lessen the tension and danger caused by the possession of thermonuclear weapons by the major powers.

In the July 30 issue of the New York Times magazine, David Frisch points out in an article entitled "Between Futile Strength and Surrender," that our choice in the disarmament question is not between complete retention of all nuclear armament and unilateral disarmament. There are other intermediate steps which we should be considering. The only way we can find out if the Soviets really wish to disarm is to make many probing serious proposals. We owe it to the people of our country and every other country of the world to make such proposals.

Mr. President, I highly recommend Mr. Frisch's article to all who are interested in the survival of the American Nation and the human race. I ask unanimous consent to have this article included in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BETWEEN FUTILE STRENGTH AND SURRENDER

(By David Frisch)

The Government of the United States is conducting an intensive study of the problems and possibilities of disarmament. Along with the behind-the-scenes work of experts, there needs to be a great deal of public discussion of the vast array of arms-control topics ranging from unilateral actions to comprehensive international agreements.

Unfortunately for public discussion, the facts are shrouded somewhat in military secrecy and even more in widespread inability to comprehend the pace of technical developments. But even if the military and technical picture were crystal clear, the complexities of the political situation would remain staggering. It is all the more sobering, therefore, to consider that our evaluation of this problem of problems may be decisive for the survival of civilization over the whole face of the earth.

Since Stalin's death, as many ideas about arms reduction seem to have come out of the East as out of the West. But as we get deeper into disarmament problems, it is likely that the situation will change and we will have to think things through not only for ourselves but for the nations of the Communist bloc as well. While their goals and ours will increasingly have in common a dominating desire to escape the destruction of large-scale international warfare, the Communists will continue to be sharply inhibited, both by their suppression of public discussion and by their dogma, from examining the problem of disarmament as freely and imaginatively as we can.

When the dense verbiage is cleared away, several clear points of view on disarmament emerge.

One attitude is that we should have none of it. Instead, we should stay so far ahead of all other nations in all military and economic affairs that no one will ever dare threaten us. This peace-through-invulnerable-strength approach will possibly be that folly which marks the apex of man's journey up from the primeval sludge and rapidly down again. Almost every candidate for high public office in an alarming number of countries pays at least lipservice to it.

Unfortunately, invulnerable strength is based on a dream, or rather a technical nightmare. A 50-percent efficient defense would have been impressive against a World War II bomber attack with high explosive bombs aimed at our cities. In sharp contrast, even a 90-percent efficient defense against a World War II missile attack with H-bombs would leave us almost inconceivably devastated. By concentrating research on some particular technical aspect of missile offense, or perhaps on a comparatively new field, such as biological warfare, a future aggressor would have an easy time opening a lethal 10-percent gap in any total defense system.

Proposed reliance on invulnerable strength often reflects a hypnotic preoccupation with Soviet aggressiveness, to the neglect of the problem of the instability of

an all-out arms race among an ever-increasing number of nations.

If, for example, Asians and South Americans get into a full-scale nuclear war 50 years hence, U.S. superiority in, say, hypothetical multiorbit anticounter antibacteriofusion research (Project Macabre) may not be able to keep the radioactive and biological fallout from devastating North America. Furthermore, U.S. superiority very probably won't keep the political fallout from such explosive world events from changing our way of life into just what we are so firmly resisting.

A second theory of how to achieve peace is that we should disarm unilaterally and completely and win the minds and hearts of any and all aggressors by nonviolent resistance. Instead of keeping significantly ahead of everybody else in everything technical forever, we would rely on superior moral strength.

It is tempting to patronize this pacifist position as being politically impossible, but a reasonable view as to the single most probable course of events is that after two or three cycles of nuclear and biological world wars and slow recoveries, an almost fatally crippled humanity will find that nonviolent resistance is a major component of all viable political organization.

There is no denying, however, that most of us are too frail in moral strength to be confident of practicing nonviolent resistance successfully. Because there has been no demonstration of its efficacy in preserving our present civilization against such tough customers as the Chinese Communists, nonviolent resistance has a negligible chance of commanding a working political majority in any democracy today, including even Gandhi's own India.

A third and less extreme approach toward disarmament is that, while keeping our present military stance, we should use whatever powers of persuasion and international moral pressure can be brought to bear to get the Communists to join us in recognizing a common conception of world order and law For example, one serious student of disarmanent problems writes: "If there can be no agreement to make the United Nations a responsible instrument of political accommodation and peaceful change, and an effective guardian of international order, I submit that we will make no progress in discussing the mere technique of inspection."

Every thoughtful person recognizes the dominant importance of the political environment in which technical treaties are made. But we cannot afford to postpone serious attempts at limitation of armaments until that happy day when the Soviets and the Red Chinese become deeply committed to the idea of an external authority to which a strong nation must submit against its immediate interests. Indeed, it is not clear how deeply we ourselves have accepted the inevitable loss of national sovereignty in the world of the future.

What can we do if there seems to be no clear approach which holds promise of real progress before it is too late? In order to limit the development and spread of weapons of mass destruction, do we really have to have formulated points of view which are clearly understood and agreed on by all parties to agreements? Do we have to seek master formulas which will unlock the puzzles of contemporary history and of future human behavior.

I submit that in such a difficult situation we had better experiment than theorize. Bold experiments in every field of human activity have ways of putting old ideas into much better perspective, of bringing out new ideas which have never been thought of or which have not seemed practical, and above all, by the very act of doing something new, of modifying the background circumstances which seemed previously to prevent any major changes.

What appears today to be immutable Soviet opposition to international control of nuclear stockpiles may soften after a few years spent helping to enforce even a fragmentary nuclear-test ban on unwilling Communist, Western, and neutralist nations alike. What appears today to be Western inability to rely on other than nuclear deterrence may vanish after experience with demilitarized zones and with inspected reduction of the number of opposing long-range nuclear missiles.

Certainly we should not give up trying to solve the intellectual questions of the ultimate disposition of power in this extremely complicated world. But we are inescapably pressed by the rapid development of armaments to act on disarmament now. We must try many new arrangements, constantly reexamining them to be sure that we are not being boobytrapped. Yet at each stage of entering new agreements, we must also weigh our loss of security, if any, against the irretrievable loss that we are constantly sustaining by maintaining our present course.

What useful initial steps could we take? We should keep pressing for an inspected nuclear bomb test ban treaty with the British and the Soviet Union and, if necessary, a limited test ban even without the Soviets. Before giving up hope of bringing them in, however, we should be willing to give up all on-site inspections and rely entirely on the fixed detection stations and on conventional espionage to give verification of Soviet compliance in the megaton bomb test region. The unreality of such a treaty with respect to inhibiting small bomb tests would be worth the price to us of starting some activity on Soviet soil so that they can see the workings of international law and order in controlling weapons.

This only partly inspected cessation of bomb testing may be worth the loss of privacy to the Soviets—great by their standards—if they get us to make the beginnings of a commitment to abandon nuclear weapons. It may mean to us, on the other hand, the beginning of a commitment by the Soviets to allow serious inspection of all kinds of disarmament arrangements. Neither side will really feel that it has made such a commitment, but neither side will be profoundly weakened by such a test ban treaty. Both sides will learn a great deal from what will probably be the long, trying experience of setting up an international detection system.

Another partial step we might attempt soon, whether or not the Soviets accept any test ban, is to set up inspected troop limitations. All the countries represented in the Geneva 10-power negotiations have subscribed to the principle of limiting the total numbers of national military forces. It will take some thought and much negotiation to agree on a reasonable inspection system and to define military troops as opposed to civil police forces.

It might be wise to make an inspected troop-limitation treaty for all nations which wish to join, as the Soviet Union and Red China may refuse to come in at first, saying that they don't want to participate in piecemeal disarmament. Watching such an inspected troop-limitation system operate might be an important experience for Communist countries.

As a third example, consider that the Soviets have proposed destruction of all long-range missiles, aircraft and naval vessels. Whether this is to be accomplished in stages or all at once, there will remain a difficult problem of monitoring the movements and cargoes of civil aircraft and ships to insure that they cannot be converted easily into long-range nuclear weapons carriers.

No matter what the probability of all nations reaching such a stable inspected disarmed state, we can try now to formulate the outlines of a suitable international long-range civil-carrier agreement. When the Soviets hear details of such an agreement—even if only as listeners at conferences they refuse to take part in—they will have to take disarmament technology much more seriously than they have in the past.

As a fourth and last example, consider a much more difficult kind of step, area withdrawals. Probably Soviet and United States political expectations from inspected troop and weapons withdrawals differ widely, yet in my view we ought to try, for example, the Rapacki-Eden plan for demilitarization of the Soviet satellite countries and Western Germany. By pursuing the illusive alternative called "keeping the status quo" in central Europe, we are in reality losing a race against time, since several of these countries can have their own nuclear and biological warfare capabilities a few years hence.

The question that arises immediately when we discuss the possibility of even partial disarmament arrangements with the Soviet Union is: Are Communists sufficiently responsive to the pressures of external or internal opinion to be at all reliable in any working agreement? This is a hard question, and one for which there is apparently no agreement on a simple answer.

But there is at least some evidence that the Soviets are sensitive to charges of legal correctness before the bar of world opinion, even more among their fellow Communist nations, and remarkably enough (as pointed out by Ithiel Pool in Donald Brennan's important collection of articles, "Arms Control, Disarmament, and National Security") within the Soviet Union. But even if there were no present evidence of Soviet sensitivity to fixed legal standards, we would still have no alternative but to try to inculcate understanding and response in them by going ahead with working experiments in this field. Our ace in the hole is that they have at least as much fundamental motivation as we to change the present dangerous course.

A closely related question is whether partial measures can give substantial progress toward the goal of large-scale disarmament. Are the steps we have discussed so small as to be unable to prevent the spread of nuclear weapons? If it is true, for example, that a nuclear-test-ban treaty between the present nuclear powers will not help slow the development of nuclear weapons in other nations, then we are lost in any case. We have no choice but to try little steps when the big ones would involve changing our way of life so completely that we would rather continue to risk destruction than give up.

This brief review of a few disarmament possibilities suggests that there are many small initial steps to be taken, steps which might not necessarily require concordant approaches between East and West, but which might lead to new views on both sides. Whether or not the Soviet Government really wants total disarmament—and my impression at the International Conference of Scientists in Moscow last December was that their Government undoubtedly wants to get rid of nuclear bombs and to avoid major wars—it will be an eye opener both to them and to us if we take their disarmament proposals seriously and make serious proposals of our own.

There is much to be done, using all our energy and intelligence, for we face a common danger.

LATIN AMERICA

Mr. CHURCH. Mr. President, it is difficult for the citizens of any nation to view themselves through foreign eyes. It is especially difficult for a citizen of

the United States to see how the actions of our country are viewed in Latin America.

A recent article by Leonard Gross entitled "Latin America—It Isn't Lost Yet," appearing in Look magazine, does much to explain Latin American attitudes toward our country and also examines the revolutionary climate of that area. I was especially impressed by the concluding paragraph of this article:

Freedom is not a gift; it is a consequence. It comes—provided it is desired—from effort, sacrifice and, ultimately, economic success. Nowhere in the world, perhaps, is this equation better understood than in the countries below our border. Latin America today is blessed with the best leaders it has ever had, plus a cadre of passionate, skilled, and honest professionals to implement their ideas. They are in a hurry for achievement; they are intolerant of restraints. The combination may lead them to a form of freedom somewhat different from our own, but if they succeed, it will be freedom just the same.

Mr. President, I ask unanimous consent to have this excellent article included in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LATIN AMERICA—IT ISN'T LOST YET

(By Leonard Gross)

Three Look writers, accompanied by three Look photographers, recently spent a total of 4½ months in Latin America. They traveled more than 40,000 miles. They interviewed hundreds of persons—presidents, paupers, Communists, conservatives, labor leaders, industrialists, students, teachers, landowners, peasants. They reported their findings in three parts, which began with Look's July 18 issue and end on this page.

It is fashionable these days to suggest that Latin America, like so much of Asia, might be lost to democracy. This the three Look writers do not concede—provided that the American people are willing to be guided by a strange, but crucial, paradox. The paradox is this:

If we wish democracy to prevail in Latin America, we must cease to consider the area's struggle as one for democracy at all.

It has been our failure to comprehend the true nature of the ferment in Latin America that has estranged us from its people.

What is our aim in Latin America? From an emotional point of view, it is to make the area the site of a victory for our side in history's greatest struggle—that of democracy versus communism. From a practical point of view, our aim is to see that the 20 republics of Latin America resolve their struggles in a manner that does not pose a military threat to us. From a humanitarian point of view, our aim is to see whether, with our help, 200 million people can emerge into a life of decency and self-respect.

To us, these three aims are not at all in conflict. To the vigorous and honorable young leaders of Latin America, they are. Of the three aims, these men have no use at all for the first two and a passionate concern for the third.

It is not easy for any nation, especially one as competitive as the United States, to engage in any effort without a high degree of self-concern. Yet it is this very self-concern that puts us out of step with the Latin Americans—and, to complete the paradox, inhibits our cause.

"We've been selling the ideas of Jefferson and spinach wrapped in cellophane," says one veteran U.S. diplomat in disgust. "These are of little use to the Latins." The Latins put it a slightly different way, "You do everything in the name of anticommunism, and anticommunism doesn't really mean anything down here any more." Not even Castro scares them. As one South American journalist puts it, "We distinguish between Fidel and fidelismo. We are worried about fidelismo."

Adlai E. Stevenson reported, after his recent tour of South America, that U.S. complicity in the abortive rebel invasion of Cuba had greatly set back our cause. Had Ambassador Stevenson toured the area just before the invasion as well, he would have seen at first hand how monumental that setback was. In the months preceding the Cuban invasion, it was like the old days of hemispheric amity. John F. Kennedy, by his initial approach to the Latin Americans, had created a regard not enjoyed by any President since Franklin D. Roosevelt. The Latins were saying, "At last, we will get the kind of help we want. The United States, which has been preoccupied with Europe and Asia, has finally rediscovered us." If human beings are really capable of having stars in their eyes, the Latin Americans, in this period, had them.

The stars went out on April 17, the date of the Cuban invasion. "I couldn't sleep for 2 nights," one Brazilian recalled later. "I kept praying that it wasn't true."

To the Latin Americans, as Stevenson reported, nonintervention is a religion. But even forgetting the violence we did to this creed last April, the Cuban adventure yields even further evidence of the error of our ways. It demonstrates once again that our obsession with selling democracy to others actually hinders its ultimate acceptance by them.

Four weeks ago, Tad Szulc, a New York Times correspondent, reported in Look how field agents of our Central Intelligence Agency compromised the rebels' chances for success. Certain of victory, the CIA agents contrived to launch the invasion without the knowledge or support of the Cuban underground. For lack of such support, Szulc asserted, any chance of victory was lost. Why did the CIA agents eliminate the underground? Because they did not care for the politics of the underground leaders.

These men were not Communists. They were not Marxists. They were liberals. Their sin, Szulc suggested, was in believing that certain reforms instituted by Castro in Cuba had been inevitable and, in the event of a rebel victory, would have to be retained.

Certain reforms undeniably were desirable, a point that our own Government acknowledged with enthusiasm in the days following the overthrow of Fulgencio Batista. The point holds for the rest of Latin America.

There are going to be many reforms throughout the area in the ensuing years. There are going to be social and economic revolutions. The three Look writers who have been in Latin America believe the revolutions need not turn sour, as did Cuba's, if the United States provides judicious, prudent help. Our task is simple, but difficult. We must somehow find the strength and restraint to let Latin Americans seek their own solutions—even if these solutions do not appeal to us.

Let us see how we can either help or hinder Latin America in just one critical area—that of land reform. Several countries are about to institute plans that will free land not in productive use and make it available to peasants. First, the governments will impose a severe tax on idle land. Then, when the disgruntled owner sells out to them, they will sell the land to the peasants on a long-term, low-interest basis. Will they sell to individual peasants? Hardly. Without guidance, the peasants would plow straight up the hills, instead of along the contours, and in a few years, the land would be dust.

In the view of Latin American observers, not only must the peasants be taught to farm scientifically, they must be able to pool expensive equipment and achieve the efficiencies of mass marketing. They must, in short, be organized by their governments into peasants' cooperatives, because only in that way will land reform work.

There was a time when our Government might have considered such programs "socialistic." That time has now passed. Washington today is prepared to see the Latins embrace programs more radical, at times, than they may be willing to attempt. Such reluctance stems, in part, from landowners who do not want any change at all. Ironically, some reluctance could stem from land reformers themselves, who still believe that we will call their schemes socialistic and withhold support. The best U.S. observers of the Latin scene agree that if there is one constructive act we can perform, it is to convince both groups of the desirability of change.

Freedom is not a gift; it is a consequence. It comes—provided it is desired—from effort, sacrifice and, ultimately, economic success. Nowhere in the world, perhaps, is this equation better understood than in the countries below our border. Latin America today is blessed with the best leaders it has ever had, plus a cadre of passionate, skilled, and honest professionals to implement their ideas. They are in a hurry for achievement; they are intolerant of restraints. The combination may lead them to a form of freedom somewhat different from our own, but if they succeed, it will be freedom just the same.

TRIBUTE TO ADLAI E. STEVENSON

Mr. CHURCH. Mr. President, there is no citizen of the United States more highly respected in Latin America than is our Ambassador to the United Nations, Adlai E. Stevenson. Ambassador Stevenson is respected not only because of his great intelligence and integrity, but also because he has made an effort to see Latin American problems in Latin American terms. Ambassador Stevenson demonstrates this ability in an article, "Red Shadows Over Latin America" which was published in the August 6 issue of the New York Times magazine.

Ambassador Stevenson has recently returned from an 18,000 mile tour of 10 South American countries, taken at the request of President Kennedy. This article is made up of excerpts from the report Ambassador Stevenson made to the Secretary of State after concluding this trip.

Mr. President I ask unanimous consent to have this excellent article included in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RED SHADOWS OVER LATIN AMERICA

(By Adlai E. Stevenson)

South America is not simply a problem for the United States as a major power, but an enormous problem for itself and, to an extent perhaps only now beginning to be fully appreciated, for the world.

Democracy is now dominant in South America. Of the 10 countries I visited, 9 live under democratically elected governments. Yet, paradoxically, seldom have democracy and governmental stability been subjected, in South America, to more severe strain and attack than at the present time. The Communist forces, emboldened by Castro's example in Cuba, have increased their

aggressiveness. Rightwing groups jealous of ancient privileges are, in many areas, a menace to liberal representative regimes. An unholy community of interest joins the two extremes of left and right: the overthrow of the working democracy that could frustrate the revolutionary aims of the one and abolish the power of the other to perpetuate social injustices.

Nevertheless—or perhaps because of these circumstances—constructive thinking is increasing rapidly. Issues are being faced. To varying degrees—and I cannot emphasize too strongly that Latin America is in no sense a uniform, geographical, cultural, or political area—I found statesmen in all countries alert to the basic issue: if democracy, if a system of government predicated on the equality and dignity of man, of and by and for freemen, is to prevail, it must demonstrate quickly and convincingly its capacity to bring men's hopes to reality. In other words, democracy must demonstrate everywhere that its concern is the physical and moral welfare of all the governed, with complete social justice, and that democracy's efforts are centered on insuring that welfare.

Virtually all with whom I spoke recognize the need for maximum self-help and for the closest cooperation by all the countries with each other and with the United States. In all the governments I found consciousness that theories of economic and social and structural reform must be translated into action; that prompt results are required; that the old societies must change; that the mold of the past has been broken by events, by the revolution of rising expectations that is sweeping the world; that the gulf between rich and poor, between the overprivileged and underprivileged, must be bridged and filled in. The leaders of the Americas know today that they must identify themselves with essential changes that are demonstrably for the benefit of all the people.

I emphatically reject the notion, too, often suggested by our actions in the past, that we in the United States have any monopoly on judgment; that we alone know what should be done everywhere; that we are therefore bound to make our aid contingent on acceptance of our dictates as to where, when and what is to be done. I consider it both hard and wrong to impose conditions, to use economic aid as an ultimatum. Our role must be to direct our aid to efforts calculated to improve the conditions of people; to offer technical advice in fields in which we have perhaps had more practical experience than many of our sister countries. We must not set ourselves up as arbiters of what is good or bad for others.

To generalize—and I am very conscious that generalization is often unfair to individuals—South America's leaders have traditionally come from landowning or propertied classes long unburdened by taxes. Demagogs capitalize on this circumstance to incite the impatience of the underprivileged by asking whether it is reasonable to believe that such men will effect the tax and land reforms prerequisite to the health of their countries' social structures. I am an optimist. I find it no more unlikely that South America's leaders are enlightened and energetic in these respects than that men from privileged families should have played a great part in launching and in keeping in motion the United States own continuing revolution.

Vision and honesty will be necessary in deciding how much can be done, how quickly it can be done, and who can do it. The pooling of efforts is implicit in an alliance for progress. All must contribute according to the common need and the capacity of each.

Perhaps the most urgent task ahead is to stimulate the confidence of the people, to enlist the cooperation of all classes in each country. The underprivileged have been caught up in the winds of change. They are tired of promises. They want action, results—not for their grandchildren but for themselves. They must be shown that their interest lies in making the alliance for progress work; that in the months ahead they will be working for their own, not only for others' good; that they will not be asked to carry the elephant's share of burdens and accept the mouse's share of benefits.

Communism per se, I am convinced, is not naturally attractive to the bulk of Latin Americans, not even to the many intellectuals who seem most inclined toward it. It is, nevertheless, a magnet that attracts and will continue to draw unhappy people as long as the spokesmen of other political philosophies seem capable only of talk, and can point to no action to right wrongs.

The alinement of Cuba with the Communist movement has increased the threat of communism for Latin America. Communism, under the name of Fidelismo, can now assume the guise of an indigenous revolutionary movement.

As in our own country, where the modern world's chain reaction of revolt against injustice and tyranny began, popular sympathy was initially strong in Latin America for the proclaimed goals of the movement that overthrew Batista in Cuba. In Latin America, furthermore, Castro's pose as David defying the U.S. Goliath had the impact of old-fashioned melodrama. Communist and Fidelista agents fanned the embers of old prejudices and resentments to arouse sympathy for Castro's charges that he was struggling against Yankee imperialism.

They also harked back to McCarthyism (still a synonym for ultraconservatism in many countries) to create the impression that the U.S. Government—like native, die-hard conservatives—was, in looking askance at Castro, following a penchant for confusing pure-minded liberals with Communists. These tactics slowed down markedly Latin America's awakening to the Castro menace. They were particularly effective among the less sophisticated and created serious problems for governments that, in facing facts, found themselves far in advance of their people.

I was surprised to find the notion persisting even in some high government circles that the United States and Cuba are engaged in a purely bilateral quarrel capable of mediation. I have pointed out forcefully that the United States has less to lose or suffer directly and immediately from Sovietization of Cuba than Latin America; that the immediate potential victims are the structurally vulnerable Latin American democracies, and that they are already the objects of indirect Communist aggression.

The realism and vision of Latin America's statesmen is such that they will not fail to face these truths. However, recognition of the threat from Cuba, translated only into political or economic action against its Government, might well increase rather than eliminate the Communist threat by investing Fidelismo with an aura of martyrdom. Such recognition must, most importantly, be translated into acts on the home front to eliminate the attraction of Castro-communism for ordinary people who want action—as opposed to fine words—on problems they feel in their flesh and bones. Democracy must be given meaning.

Negative postures—as drawing attention to the Sovietization of Cuba, to the establishment there of a police-state apparatus of terror, to the perversion of Castro's originally stated revolutionary objectives—are not likely to counterbalance among the underprivileged even the slimmest evidence that the Cuban peasant has acquired a place in the sun; that, however little the guajiro may actually have gained materially, the gulf between him and the rich has been greatly narrowed by the elimination of the rich. There are things that have meaning for the hopeless poor.

Communism and its alter ego, Castroism, thrive on urban slum conditions and on rural insecurity. The poor in the cities and the countryside, who are no longer passive politically, must see reasons for hope in life under free institutions. When they do, the statesmen of the Americas will be more free to plan for the long-term development of their countries without being distracted by fears of rebellion and revolt. When they do, Latin American statesmanship will flower and the American nations will enjoy unity based on self-confidence and pride of achievement. We cannot look for strong brothers-in-arms to the south of us against a common enemy as long as any of our fellow American nations are sapped by stagnation and social decay.

The Communists have catered assiduously to the impatience of students and intellectuals to see wrongs redressed and to their wish to employ their energies and imaginations in the interest of their fellowmen. Communism sees in high-minded intellectuals and students in Latin America useful tools for launching the illiterate or semi-illiterate majorities in their countries on the road to Communist revolution. The vigor and effectiveness of the penetration into intellectual and student circles have clearly grown over the past year.

Simultaneously, on the other hand, the long-passive forces of sanity, the thinkers and creators and students who have concentrated on their work and studies while volatile minorities among them were active in politics, have begun to show a new awareness of the threat from extremists to all they hold dear. In several cases, the proponents of sane progress have militantly wrested control of intellectual and student organizations from the forces of destruction. This new trend is one of the most hopeful signs observed on my trip.

It behooves us in the United States to see in the intellectuals and the students of Latin America the leaven in their countries' lives. Most, I am convinced, are earnest, impatient idealists. They must be understood in relation to their own environments and traditions, not to ours. Their honest differences and prejudices must be respected. They have much of value to exchange with us. We should profit from their original thinking and creations. We should also make readily and massively available to them the cornerstones of our national philosophy—translations of the works of our giants. It was dismaying to discover Latin-American bookstalls filled with cheap translations of the works of Marx, Lenin, Mao Tse-tung and the high priests of communism, and to find available in cheap editions few of the works of Jefferson, Lincoln, Emerson or Whitman.

I believe in the essential good sense of even the radical zealots among the Latin American intellectuals and students, and urge that we make it easy for them, especially for the doubters and the more suspicious, to look us over for themselves, to weigh the achievements of our 185-year-old democracy against its shortcomings, and to draw their own conclusions about where the merits lie in today's ideological struggle. I have no doubt about their verdict.

Among labor groups, a prime Communist target, the international free trade unions are carrying on ceaseless efforts to expose the true nature of communism, to reveal the fate of organized labor wherever Communists have gained ascendancy. Beginnings have been made in several countries to open new horizons for urban slum dwellers by self-help efforts to build new homes. The ultimate loyalties of rural folk will depend, as so much else, on the practical results obtained from the soul searching that is now

occupying the leaders of Latin America on such subjects as tax and land reform.

Need for aid is large. Desire for accelerated growth is universal. Capacity for effective use of aid is being fast augmented by systematic programing of public investment. In most cases, I have found general concepts realistic. Much long-term planning is being done and the chances seem good for turning plans into sustained development efforts—including changes in the direction of vital structural reforms.

I believe it quite possible that, within the framework of the Organization of American States and hemispheric cooperation as it has been developed over generations, strong leadership will be forthcoming within the Americas to deal with the threats of outside aggression and subversion. The key to, the appeal in, the President's proposed Alliance for Progress, is the word "alliance." This fact has been recognized everywhere I have been. The nations of the Americas meet in Uruguay prepared for teamwork. They will welcome leadership and vision and initiative from all sources. They will reject any efforts to impose leadership by one nation, ours or any other.

KHRUSHCHEV'S AIM—A DIVIDED GERMANY

Mr. CHURCH. Mr. President, Terence Prittie is, without a doubt, one of the best news correspondents in Germany today. Since 1946, he has covered Germany for the important English newspaper, the Guardian. In addition to his excellent dispatches to the Guardian, he has written articles for such leading journals of opinion as Encounter, the New Republic, and the New York Times magazine. In the August 6 issue of the New York Times magazine he has written an outstanding analysis of the Berlin problem and its relationship to the question of German unification in his article "Khrushchev's Aim—A Divided Germany."

I especially wish to invite attention to Prittie's call for diplomatic initiative on the part of the West. We of the West have too much to lose if we let the Soviet Government score all the diplomatic points. I was especially impressed by Mr. Prittie's conclusion:

> The West is defending the principle of self-determination, which has been accorded to Ghana and Guinea but not to Germany. Again, the Russians are in the wrong, and the conference table is the place to prove it.
>
> The West is protecting the West Berliners from the Communist tyranny of Berlin-Pankow. So let the representatives of the 52 nations that fought against Hitler come to Berlin to look at the facts. Here is the chance of an alternative to the bleak choices of capitulation, concession, or nuclear war. A united Western diplomatic initiative, pressed home and maintained steadfastly, could discourage Khrushchev from implementing his monstrous challenge. It could be the beginning of a new era of Western counter-pressure in Central Europe. But without it Soviet aggressive diplomacy, unfettered, can, by misfortune or miscalculation, plunge the world into a war of annihilation.

I commend this article to all Members of Congress and to all those in the executive concerned with the making of foreign policy.

Mr. President, I ask unanimous consent to have Mr. Prittie's article included in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KHRUSHCHEV'S AIM—A DIVIDED GERMANY

(By Terence Prittie)

BONN.—The next Berlin crisis must be expected this autumn, possibly early in October. Its timing will be partly dependent on factors which can be called political or seasonal, as you will—on the Communist Party congress in Moscow, on the gathering of harvests in the Communist bloc countries (perhaps, most of all, in an increasingly hungry Eastern Germany), on the formation of a new West German Government, and on the time limit which Nikita Khrushchev sets for his "fair" solution of the German question.

Many in the Western World have reacted to the prospect of this Berlin crisis (which could easily lead to world war III) in an understandable way, but one that, to the Communist world, must seem singular. These analysts have debated with great earnestness the possibilities of either repelling the Soviet diplomatic offensive in Central Europe by threatening the use of nuclear weapons or of "making a deal" with the Soviet Union. Such a deal would be accomplished by the West's agreeing to the Oder-Neisse line as Germany's eastern frontier, or by recognizing the East German Republic as a sovereign state.

It must go without saying that the Communist world does not expect the West to invoke Armageddon when East Germans take over the posts of Soviet soldiers on the Berlin-Helmstedt autobahn, or when an East German takes the place of a Russian in the four-power air safety center which supervises the movement of planes between Berlin and Western Germany. Khrushchev must expect to be able to throttle West Berlin, with its 2.3 million inhabitants, quite slowly. He cannot imagine that the West will be ready to implement its embattled attitude on the Berlin problem by going to war.

He must believe, on the contrary, that the West can be forced into negotiation over the Berlin problem—but against its wish and instinct, and at a moment which suits the Soviet Union. He must believe that steady, insistent, astute diplomatic pressure will bring rich rewards. The history of diplomacy down the ages is apt to prove him right; any nation, or bloc of nations, which exerts consistent diplomatic pressure generally gets what it wants, especially if it is dealing with a civilized community.

Why do the Russians want to force through their own solution of the Berlin problem, which would leave a neutralized city in the place of the garrisoned Western outpost? The neutralization of West Berlin would limit the effectiveness of the city as a listening post on the far side of the Iron Curtain. It would prevent three-quarters of the 200,000 East Germans who leave their homes each year from seeking refuge in the Federal Republic. It would give the East German regime a far better chance of fulfilling its economic boasts. It would remove a source of grave political worry to the East Germans and Russians in their plans to consolidate the Communist satellite bloc in Central Europe—which necessitates, incidentally, the permanent division of Germany. It would deprive Germans of any real hope of the reunification of their country now, tomorrow, or in any foreseeable future.

Berlin is the immediate target of Soviet diplomatic pressure, but it may be that the more operative underlying Soviet aim is to prevent German reunification. There are all sorts of reasons why the two issues of Berlin and German reunification are inextricably interlinked. Berlin is the only conceivable capital of a united Germany; this, indeed, is one of the main reasons—from the point of view of a great majority of the 72 million Germans of East and West—why Berlin should retain its present freedom and independence.

The creation of the neutralist free city of West Berlin, which the Russians are demanding, would be the first stage in its rapid swallowing up and difficult digestion by the Communist East German Republic. It would not only mean the loss of the democratic liberties of the West Berliners; it would end all hope of German unification. The division of Germany would be cemented, for as long as the Russians should choose—in fact, until they might decide to organize a new and more ambitious diplomatic drive westward, with the detachment of the Federal Republic from the Western alliance and a share of the immense economic resources of the Ruhr as potential rewards.

This connection between the problems of Berlin and German reunification receives too little attention from the allies of the Federal Republic. It would be difficult to find a single leading Western statesman who does not pay lipservice to the "ideal" of German unity, but it would be equally difficult to find a single citizen in a Western country who believes that the Western powers should press perpetually for German reunification and even be prepared to risk something in order to achieve it. German reunification is a facet of formal Western policies; it is not considered attainable or even particularly desirable by the inhabitants of countries allied to the Federal Republic.

The Government and people of the Federal Republic have, to some extent, been themselves responsible for this state of affairs. They have done little to propagate the cause of German reunification or to suggest practical means for its achievement. What ought to be a life-and-death matter for the German people as a whole has been treated as a subject for windy declamation and dry dogma.

All the principal political parties periodically make pompous proclamations about the need for national unity and the "unassailable right" of the German people to be one. Once in a while a German professor or industrialist makes some statement on the subject which betrays a grain of original thought. There is even an "all-party" society, "Indivisible Germany," which preaches the need for reunification and organizes demonstrations with a Boy Scout flavor—like the carrying at the run across West Germany of East German provincial banners, or the lighting of bonfires on "days of remembrance" along the interzonal frontier. Such demonstrations attract some passing interest; they have failed to foster a real national sense of the need for reunification, or to instill a real national determination to press for it and make sacrifices for it.

When the Bundestag discusses reunification, an unforgivably large proportion of Deputies absent themselves. Others read newspapers or write letters during what is less a debate than an academic exercise. When there is a question of doing something active to promote the feeling of solidarity among Germans, there is curiously little enthusiasm among the well-fed, preoccupied citizens of the Federal Republic.

An excellent example of this lack of enthusiasm was provided this year by the project to give 40,000 Berlin children a free fortnight's holiday in Western Germany. In Hamburg 11 families volunteered to finance a holiday for a Berlin child. Hamburg has nearly 2 million inhabitants and is one of the richest cities in Western Germany. Kassel (population 200,000) offered a holiday for 2 Berlin children, Mannheim (population 280,000) for 1.

There is equally little enthusiasm for learning and imparting vital information about the East German Republic and its 17 million inhabitants. Recently two political prisoners who had been released from East German jails and had subsequently fled to Western Germany gave a press conference in Bonn. They had a great deal to say that was interesting. Out of the hundreds of journalists in the Federal capital, just half a dozen came to listen.

There are three main reasons why so many West Germans are ready to do so little about the problem of reunification, beyond making a profession of faith. The first is the Federal Government's exaggerated sense of tact. The Government undoubtedly regards it as its duty to keep German interests before the eyes of the outside world without laying itself open to charge of being a nuisance. It is uncomfortably aware that plenty of people in Western countries would brand it as a nuisance if it were to raise its voice too loud.

This feeling, along with unhappy memories of Dr. Josef Goebbels' Nazi Ministry of Propaganda, has caused Government publicity to be hesitant and ineffectual. This has as much effect at home as abroad; it cannot be made good by the disjointed efforts of "Indivisible Germany" or by the occasional utterance of a more than usually well-informed member of the community.

The second reason for lack of interest in reunification is an understandable feeling of impotence. What is the use, so many Germans ask, of trying to make progress toward reunification when only the Russians can make its achievement possible and when the Russians are so plainly opposed to doing that?

This national feeling of impotence has grown much stronger since the Kennedy-Khrushchev talks in Vienna. For until then Soviet leaders had made some pretense of wanting German reunification. They had at least proposed a "confederation" of two equally entitled German states, to be organized on terms settled at "all-German talks." But at Vienna Khrushchev was brutally frank. He described the division of Germany as the natural consequence of Hitler's war, and called on the West to recognize this fact by recognizing the East German Republic.

But an even more important factor is the apathy of the West Germans toward questions of national consequence. Dr. Adenauer has won three Federal elections on the slogans of prosperity at home and "no experiments" in foreign policy. He expects these same slogans to win him a fourth election in September. Daily life in West Germany is comfortable, rewarding, full. The reaction to the disastrous cult of national greatness, which culminated in the folly of war and the shock of total defeat, has been replaced by the creed of the well-filled waistcoat, the well-furnished home and the Mediterranean holiday in the sun. All these things are immediately attainable; German reunification is not and the average West Germany simply shrugs it out of his existence.

A very few West Germans—Rhineland Catholics who talk about "heathen" (Protestant) Berlin, Bavarian "patriots" who proclaim their hatred of the Prussians, and wealthy people who do not relish the idea of having to bolster up a tottering East German economy—may actually not want reunification at all. The same is true of a much bigger minority in Eastern Germany—the 10 percent or so who are convinced Communists, the bureaucrats of the political administration, the state-owned industries, and collectivized farms, and some young people growing up used to "people's" democracy and unable to visualize the pattern of life in a Western country. But whereas separatism in Western Germany is insignificant, the East German opponents of reunification include almost all the people wielding political or economic power there, the props of the alien tyranny which the Soviet Union has installed in Berlin-Pankow.

On the face of it, German reunification is not merely improbable in the foreseeable future; it is virtually an illusion. For it really does hinge, as so many West Germans point out, on Soviet approval. Dr. Adenauer believes, or affects to believe, that the Soviet leaders can be convinced that it is to their advantage to have a friendly, united Germany in the heart of Europe, a bridge to understanding between East and West, resolute in the cause of peace, ready to be friends with all neighbors.

There is practically no chance that the Soviet leaders can be convinced by this line of argument. They attach great importance to the East German Republic as a workshop of the Communist bloc, with a bigger proportion of skilled labor than in any other Communist country save, perhaps, Czechoslovakia. They regard the division of Germany as the condition for the successful consolidation of the satellite bloc—whose peoples emphatically do not want to see Germany ever again united. They know that the maintenance of rigid Communist dictatorship in Eastern Germany is a necessity if a further Communist advance to the Rhine can ever be envisaged.

Finally, the Soviet leaders have a very real distrust of a united Germany, tinged with fear. It seems rational to regard even a united Germany as only a minor power in an age when the world is dominated by two major powers, the United States and the Soviet Union. But a united Germany would be a minor power with a difference. It could provide the manpower which is lacking in the Western alliance. It could exercise a powerful economic influence in Central Europe—even across the borders of Communist countries. It would certainly produce, if allowed to do so, a big, highly efficient army.

The Russians cannot forget that German soldiers marched to Stalingrad and the gates of Moscow, and that the Soviet Union was within an ace of defeat and dismemberment. It is absurd for the Russians to simulate fear of the Federal Republic, a rump-Germany bound by the rules of the Western alliance and integrated in NATO. But a united Germany, armed with nuclear weapons, with its own uranium production in the Erzgebirge, and casting an acquisitive eye on the old German provinces beyond the Oder, would be a different matter.

It is incontestable, then, that there is no foreseeable prospect of German reunification. The Soviet leaders will continue to try to build up the East German state and squeeze the Western Powers out of Berlin. There will be no relaxation of Soviet diplomatic pressure; the struggle for the sinews, and possibly the soul, of Germany must go on. There is to be no real peace in our time in Central Europe. What, then, should be the German policy of the Western Powers, and how should they apply it?

Dr. Adenauer has made the attitude both of his government and of his Christian Democratic Party abundantly clear. He believes in a stand-firm policy over Berlin, in which even negotiations with the Soviet Union can be ruled out until Mr. Khrushchev shows himself to be in a more compliant frame of mind. The stand-firm policy should be rigorously implemented up to the day of the Federal election, September 17. At election meetings, the Christian Democratic line is that no concessions to the Soviet Union or East Germany Republic are justified, since they would only lead to further concessions.

Leading Christian Democrats, moreover, are saying that a firm, inflexible policy should be pursued after the election, too. The view of one of them is, "We have always preached a stand-firm policy; now we have the chance of practicing it." The assumption of this man is that Khrushchev is bluffing, that if the West stands firm he will not take any action over Berlin which could lead to war.

Foreign affairs experts of the party, like Ernest Majonica and Karl Freiherr von Guttenberg, are among the leading exponents of this line of thought. So convinced is Dr. Adenauer that they are right that he forced the Christian Democratic President of the Bundestag, Dr. Eugen Gerstenmaier, to recant his June 30 statement to the Bundestag, in which he called for a peace treaty for the whole of Germany and hinted that a reunified Germany might have to be militarily neutral. Gerstenmaier's recantation took the form of saying that his statement was an effort to represent the views of all the parties in the Bundestag.

On July 6, the mayor of West Berlin and Social Democratic candidate for the Chancellorship, Willy Brandt, proposed the holding of an international peace conference of the 52 nations which fought against Nazi Germany. Brandt has pointed out that a big majority of the 52 governments would favor a fair peace treaty, signed with a reunified, free Germany. A big majority of them, again, would reject Soviet plans for neutralizing and isolating West Berlin.

The holding of a peace conference would show that the West was ready to negotiate and would destroy the Soviet argument that the West balefully sabotages every constructive proposal for solving the German question. Finally, it would distract Soviet attention from Mr. Khrushchev's inexorable program for this autumn, first, by mobilizing world opinion and, second, by giving the Soviet Union the chance to draw back from implementation of a policy which could lead to world war.

Sir William Hayter, recently British Ambassador in Moscow, has said some interesting things in his book, "The Diplomacy of the Great Powers," about dealing with the Russians, at the summit or near the summit. He considers the Russians much less formidable at the conference table "than when fulminating in the Kremlin." He regards them as "often clumsy and incompetent negotiators." He considers their diplomacy to be overrated, since they are slow to understand the mentality of other peoples, but quick to alienate opinion by being brutal or merely boring.

Hayter thinks that the West has been far too ready to give in at the conference table—"The Russians are prepared to go on, at meeting after meeting, producing again and again proposals that the West has repeatedly declared to be unacceptable. The Soviet rejection of a Western plan is far too often thought to put it out of court. This is a mistake. If a Western plan is really a good one * * * it should be resolutely maintained in the face of initial Soviet refusal to accept it."

Hayter's views have a bearing on Western attitudes toward the problem of negotiating with the Russians, in particular the attitudes of Adenauer and Brandt. Adenauer believes that there is at present no point in negotiating on the Berlin and German questions—if there must be negotiations, let them be on disarmament and let them be the test of Soviet good will. If the Russians want to cooperate, Adenauer argues, then let them show it in a field on which the West has a firm footing. If they are going to be awkward, then there is no point in talking to them at all.

Brandt, in direct contrast, believes that the West has everything to gain by negotiating—with firmness, resource and the utmost persistence. He believes that this is the way to force the Russians onto the diplomatic defensive. Then, and then only, will they relax the pressure on Berlin which has actually been encouraged by the diplomatic inaction of the West.

Dr. Adenauer, it seems, would deprive the West of the use of the weapon of diplomacy.

Metaphorically speaking, he wants the West to tie one of its hands behind its back, while allowing the Russians free use of both arms. His assumption is that the Western diplomatic hand is not as strong as the Soviet diplomatic hand. This is demonstrably wrong. The West is asking for German reunification, which must be ultimately desirable and right. The Germans have a right to unity for they are not the same people that Hitler led to war, and unity is natural to them. The West is defending the principle of self-determination, which has been accorded to Ghana and Guinea but not to Germany. Again, the Russians are in the wrong, and the conference table is the place to prove it.

The West is protecting the West Berliners from the Communist tyranny of Berlin-Pankow. So let the representatives of the 52 nations that fought against Hitler come to Berlin to look at the facts. Here is the chance of an alternative to the bleak choices of capitulation, concession or nuclear war. A united Western diplomatic initiative, pressed home and maintained steadfastly, could discourage Khrushchev from implementing his monstrous challenge. It could be the beginning of a new era of Western counter-pressure in Central Europe. But without it, Soviet aggressive diplomacy, unfettered, can, by misfortune or miscalculation, plunge the world into a war of annihilation.

TREASURY POLICY ON SALE OF SILVER RESERVES

Mr. CHURCH. Mr. President, as I pointed out in my last statement regarding the Treasury policy of selling our "free" silver reserves, the Treasury is acting to depress the price which producers can receive. This is not a wise policy—and the Treasury is not obligated to follow it. It need not continue, and it ought not continue.

The obligation which the Congress has imposed on the Treasury in this regard is to purchase all the domestic silver of requisite purity tendered to it, until the value of the silver monetary stocks held by the United States is made equal to one quarter of the value of the gold monetary stocks held by the United States. This was the command of the Silver Purchase Act of 1934.

This act authorized and directed the Treasury to purchase silver, to support—not to depress—the domestic silver price. It is still the law of the land, but its policy directive has gone unfulfilled. The ratio of silver to gold in the monetary stocks of the United States has not been increased to 1:4. Had it been, the Treasury would be under no obligation to accept any silver tendered to it.

Since depression days the price of silver has been supported at levels varying between 55 and 70 percent of its monetary value; but since 1959 it has been unnecessary for the Government to support the price of silver at all. At that time the world market price advanced ahead of the Treasury buying price of 90½ cents per ounce, and has remained above the inflexible Treasury buying price at all times since then.

This has occurred because silver used for such really vital purposes as chemicals, electronic components, medicine and coinage has run consumption well ahead of current production. These are the practical, necessary, socially valuable uses of silver.

In consequence of this heightened demand, sales of silver to the Treasury have almost totally ceased. The Treasury is not now buying silver in appreciable quantities—and at its price none will be tendered to it in the foreseeable future.

The Treasury is not now supporting the price of silver. The Treasury is not now subsidizing silver miners—as has been erroneously charged. Quite to the contrary, it is subsidizing a small group of industrial users by selling to them the Treasury's past accumulation of nonmonetized silver at the bargain price of 91 cents per ounce—a price which is below the replacement cost to the Treasury. It is thus frustrating the workings of the free market in silver. Silver producers are not now asking the Treasury to buy. If the Treasury would also cease selling, the free market would again hold sway.

The financial community is becoming aware of the shortsightedness of Treasury policy in the silver market. Illustrative of this growing awareness is an article by the business editor of the Salt Lake Tribune, Mr. Robert W. Bernick, which appeared in that influential paper on July 30, 1961. I ask unanimous consent that this article be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SILVER PRICE GOING UP?

(By Robert W. Bernick)

Western miners are betting on a hefty hike in the price of silver within the next 6 months.

The increase could conceivably open some small mines shut down by depressed lead and zinc quotations. It may also put some properties now running in the red into the profit column.

But just how far the price of silver may rise is still a matter of debate among the producers and the consumers.

All agree, however, that free stocks of silver held by the U.S. Treasury are being depleted at an accelerating rate.

And no silver is being sold the U.S. Government by domestic producers at the 90½-cent-an-ounce figure. The current price on the open market at New York is around 91.375 cents an ounce.

The Treasury's free stocks—as distinguished from monetary stocks used to back silver certificate redemptions—has been accumulated largely as a result of operation of the Silver Purchase Act of 1934–39.

At end of World War II, the stock stood at about 1 billion ounces.

This dwindled to 175 million ounces at end of 1959, as a result of sales to consumers in this country at quotations below the $1.29 an ounce "monetary price."

(This monetary price is what an ounce of silver is worth in terms of a greenback. The difference between the 90½-cent-an-ounce-quotation contained in the Silver Purchase Act and the $1.29 monetary price is "seignorage," or Government profit from mining.)

In any event, the free silver stocks declined from 125 million ounces at the start of this year to a new low of 79,700,000 ounces on June 30, 1960.

The dropoff is now at the rate of more than 7½ million ounces a month. If acceleration continues, the free stocks will have been completely consumed within the next 8 to 10 months.

Thus the "squeeze" is definitely on and the imports of silver have increased from around 4 million ounces to around 5 million ounces monthly.

Meanwhile, domestic production has increased from around 3 million ounces to nearly 4 million ounces monthly.

All this, of course, is in addition to sales from the U.S. Treasury. Further, the United States is exporting silver as demand zooms throughout the world. The demand comes from needs of vending machines, expanded space and industrial use, and the return to silver coinage in Japan, Italy, and France.

The situation has impelled Handy & Harmon, brokers to the silver consumers at New York, to issue a statement that there is no shortage looming for the metal—although there will be a higher price. Handy & Harmon does not subscribe to the view that silver will hit the monetary price of $1.29 an ounce.

There is an immediate pressure on the Treasury Department to halt sale of silver from free stocks—on grounds that ultimately it will have to buy the metal back at higher prices to add to monetary supplies.

The Treasury has blithely ignored this proposal. Its probable view is that bulk of the money being circulated now is in the form of Federal Reserve notes with only meager gold backing (and the administration proposal is to do away altogether with the 25-percent gold reserve).

There is a report current in the trade, also, that some 50 million ounces of silver in the "free" stock has been "lent" to the Atomic Energy Commission, and apparently not yet returned. This silver was made into bus bars for use at Oak Ridge AEC plant in Tennessee and apparently is contaminated with radioactivity and could not be successfully purveyed to consumers or made into coins.

Efforts of Congressmen to get an answer to this question have been frustrated to date. But if the report is factual, then the free stocks of silver in the Treasury available to consumers is not 79,700,000 ounces but only 29,700,000 ounces.

To the area miners, the price would mean between $1.50 and $2.25 a ton more for lead-silver zinc ores, depending on content.

The producers in the Park City district and Lark-Bingham districts report that their ores average, on balance, around 6 to 7 ounces of silver per ton. A $1.29-an-ounce price would add $2.26 a ton to gross sales on the basis of 6 ounces of silver to a ton.

In the Pioche district, where values are around 4 ounces to the ton in zinc ores, it might mean opening of small mine operations heretofore marginal under depressed lead-zinc prices.

To high silver content mines, the change might spell a bonanza in the years ahead. Worldwide consumption of silver at 260 million ounces is compared with total free world production of 200 million ounces in this regard. A higher price would elicit greater output for the expanding use, of course.

Barron's, the national business weekly, says of the silver market that one way or another, a new era apparently is dawning for silver. This era surely casts doubt on the wisdom and ability of government, which has never been famous for its foresight or agility to cope with such shifts in commodity uses. Barron's says that silver is now becoming a valuable symbol in world affairs.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

ADDITIONAL BILL INTRODUCED

Mr. KEATING, by unanimous consent, introduced a bill (S. 2418) for the relief

of Elaine Rozin Recanati, which was read twice by its title and referred to the Committee on the Judiciary.

ACT FOR INTERNATIONAL DEVELOPMENT OF 1961—AMENDMENTS

Mr. HICKENLOOPER submitted an amendment, intended to be proposed by him, to the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. FULBRIGHT submitted amendments to the amendment of Mr. SALTONSTALL, to Senate bill 1983, supra, which were ordered to be printed.

Mr. PROXMIRE submitted an amendment, intended to be proposed by him, to Senate bill 1983, supra, which was ordered to lie on the table and to be printed.

Mr. PROXMIRE submitted an amendment, intended to be proposed by him, to the amendment proposed by Mr. SALTONSTALL (for himself and others), to Senate bill 1983, supra, which was ordered to lie on the table and to be printed.

Mr. DIRKSEN submitted an amendment, in the nature of a substitute, for the amendment proposed by Mr. SALTONSTALL (for himself and others), to Senate bill 1983, supra, which was ordered to be printed.

FEDERAL ASSISTANCE IN CONSTRUCTION OF SCHOOLS IN FEDERALLY IMPACTED AREAS—ADDITIONAL COSPONSORS OF BILL

Mr. MORSE. Mr. President, I ask unanimous consent that the names of Senators YARBOROUGH, RANDOLPH, WILLIAMS of New Jersey, BURDICK, SMITH of Massachusetts, and PELL be added as cosponsors of the bill (S. 2393) to extend for 1 year the temporary provisions of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas, and to provide for the application of such laws to American Samoa, at the next printing of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO 10 A.M. TOMORROW

Mr. McNAMARA. Mr. President, if there is no further business, I move, pursuant to the previous order, that the Senate stand in adjournment until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 28 minutes p.m.) the Senate adjourned, pursuant to the order previously entered, until tomorrow, Tuesday, August 15, 1961, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate August 14, 1961:

U.S. MARSHAL

James E. Luckie, of Georgia, to be U.S. marshal for the southern district of Georgia for the term of 4 years, vice James F. Brophy.

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 14, 1961

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

The Master's salutation, Matthew 14: 27: *Be of good cheer; it is I; be not afraid.*

Almighty God, who crownest our life daily with Thy loving kindness, inspire us now with a clear perception of our duties and responsibilities and a new appreciation of the privilege of being partners in building a better world.

May the trials and tribulations, which we encounter, never fill us with moods of doubt and despondency but lead us to a finer devotion to Thy holy will and a nobler dedication to the things that are true, beautiful, and good.

Grant that the lonely and depressed may take courage from our quiet trust and confidence in Thee and find in our character and our conduct and behavior something that will strengthen their faith and enable them to carry on bravely with hope and joy.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, August 10, 1961, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on August 10, 1961, the President approved and signed bills of the House of the following titles:

H.R. 498. An act to provide additional lands at, and change the name of, the Fort Necessity National Battlefield Site, Pa., and for other purposes;

H.R. 1593. An act to authorize the Secretary of the Interior to convey certain land in the Big Sandy Rancheria, Calif., and to accept other land in exchange therefor;

H.R. 6067. An act to provide for an appropriation of a sum not to exceed $35,000 with which to make a survey of a proposed national parkway from the Blue Ridge Parkway at Tennessee Bald or Beech Gap southwest and running into the State of Georgia;

H.R. 6346. An act to include Ackia Battleground National Monument, Miss., and Meriwether Lewis National Monument, Tenn., in the Natchez Trace Parkway, and to provide appropriate designations for them, and for other purposes;

H.R. 6514. An act for the relief of Dr. Lewis Karel Dupre;

H.R. 6519. An act to provide additional lands for the Tupelo National Battlefield Site, Miss., and for other purposes;

H.R. 6611. An act to amend paragraph 1798(c)(2) of the Tariff Act of 1930 to reduce temporarily the exemption from duty enjoyed by returning residents, and for other purposes;

H.R. 7042. An act to add certain federally owned land to the Lassen Volcanic National Park, in the State of California, and for other purposes;

H.R. 7208. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1962, and for other purposes; and

H.R. 7240. An act to authorize an exchange of lands at Wupatki National Monument, Ariz., to provide access to certain ruins in the monument, to add certain federally owned lands to the monument, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2268. An act to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce.

COMMUNICATION FROM THE CLERK OF THE HOUSE OF REPRESENTATIVES

The SPEAKER laid before the House the following communication, which was read:

AUGUST 11, 1961.

The Honorable the SPEAKER,
House of Representatives.

SIR: Pursuant to the authority granted on August 10, 1961, the Clerk received from the Secretary of the Senate today the following message:

That the Senate agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7851) entitled "An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes"; and

That the Senate agree to the amendments of the House of Representatives to Senate amendments Nos. 69, 71, 74, and 75 to the above-entitled bill.

Respectfully yours,
RALPH R. ROBERTS,
Clerk, U.S. House of Representatives.

TREASURY-POST OFFICE APPROPRIATION BILL, 1962

Mr. GARY submitted a conference report and statement on the bill (H.R. 5954) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1962, and for other purposes.

SUBCOMMITTEE ON THE IMPACT OF IMPORTS AND EXPORTS ON EMPLOYMENT OF THE COMMITTEE ON EDUCATION AND LABOR

Mr. McCORMACK. Mr. Speaker, at the request of the gentleman from Penn-

sylvania [Mr. DENT], I ask unanimous consent that the Subcommittee on the Impact of Imports and Exports on Employment of the Committee on Education and Labor may be permitted to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALL OF THE HOUSE

Mr. ARENDS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 146]

Adair	Findley	Mason
Alger	Finnegan	Michel
Ashbrook	Fino	Miller, N.Y.
Ashley	Glenn	Minshall
Bass, N.H.	Halleck	Osmers
Belcher	Harrison, Va.	Patman
Blitch	Healey	Powell
Boykin	Hoeven	Rabaut
Buckley	Hosmer	Randall
Byrnes, Wis.	Jennings	Riehlman
Carey	Jonas	Roberts
Celler	Jones, Mo.	Roudebush
Coad	Kilburn	Rousselot
Corbett	King, Utah	Shelley
Cramer	Lesinski	Slack
Dawson	Lindsay	Staggers
Dooley	McCulloch	Thompson, N.J.
Dulski	Macdonald	Wickersham
Ellsworth	MacGregor	Willis
Fenton	Martin, Mass.	Winstead

The SPEAKER. On this rollcall 376 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

FOURTEENTH SEMIANNUAL REPORT ON ACTIVITIES CARRIED ON UNDER PUBLIC LAW 480—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 223)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Agriculture and ordered to be printed:

To the Congress of the United States:

I am transmitting herewith the 14th semiannual report on activities carried on under Public Law 480, 83d Congress, as amended, outlining operations under the act during the period January 1 through June 30, 1961.

JOHN F. KENNEDY.

The WHITE HOUSE, *August 14, 1961.*

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have permission to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

DISTRICT OF COLUMBIA DAY

The SPEAKER. This is District Day.

AMENDING HEALING ARTS PRACTICE ACT, DISTRICT OF COLUMBIA, 1928, AND FOR OTHER PURPOSES

Mr. MULTER. Mr. Speaker, by direction of the Committee on the District of Columbia I call up the bill (H.R. 8032) to amend the Healing Arts Practice Act, District of Columbia, 1928, and for other purposes.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Healing Arts Practice Act, District of Columbia, 1928, approved February 27, 1929 (45 Stat. 1326, 1327), as amended (sec. 2–103, D.C. Code, 1951 ed.), is amended (a) by inserting the subsection designation "(a)" immediately before the first word of such section; and (b) by adding the following subsection:

"(b) Notwithstanding the requirements of the preceding subsection relating to registration, in the case of persons presenting evidence of graduation from a medical school or training in a hospital not located in the United States, the commission is authorized to accept certificates from the Educational Council for Foreign Medical Graduates or other organization approved by (1) the American Medical Association, (2) the Association of American Medical Colleges, (3) the Federation of State Medical Boards, and (4) the American Hospital Association as being qualified to examine and evaluate the professional skill, training, and qualifications of graduates of foreign medical schools, such certificates to show that the applicants have successfully qualified under an American Medical Qualification Examination of such Educational Council for Foreign Medical Graduates, or an examination comparable in form and comprehensive coverage of subject matter to an American Medical Qualification Examination."

SEC. 2. Said Act approved by February 27, 1929, as amended, is amended by adding the following section:

"SEC. 50. Wherever the term 'commission' is used in this Act, such term shall mean the office or agency to which the Board of Commissioners of the District of Columbia, pursuant to the authority contained in Reorganization Plan Numbered 5 of 1952 (66 Stat. 824), has delegated or may from time to time delegate the functions required to be performed by this Act."

With the following committee amendments:

On page 2, line 16, insert a new section 2.

"SEC. 2. Section 26 of said Act approved February 27, 1929 (45 Stat. 1326, 1336; section 2–122, D.C. Code, 1951 ed.) is amended (a) by striking 'studied the healing art through not less than four graded courses of not less than 9 months each, in a professional school or schools registered under this Act, and has been graduated by such a school', and inserting in lieu thereof 'been graduated from a professional school registered under this Act', and (b) by inserting immediately after '*Provided,*' where it first appears in such section the following: 'That the commission shall by rule provide for determining whether an applicant who has been graduated from a professional school registered under this Act at a time when such school was not so registered may be admitted to examination, and such commission shall, in determining whether any such applicant shall be admitted to examination under this section, take into consideration whether the curriculum and the qualifications of the faculty of such school were substantially the same during the period the school was attended by the applicant as they were at the time the school first became registered under this Act, and if the commission shall so find, such applicant shall be admitted to examination: *Provided further,*'."

Renumber section 2 as section 3.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Mr. Speaker, with all this important legislation coming up for consideration, some of us would like to hear the debate but find it extremely difficult to hear what is said. We should give the Speaker four or five assistants, if he needs them, so that we may have order. He has a difficult job because so many fail to heed his request for order. If we cannot get order otherwise it will be necessary to insist that the House is not in order every time it is out of order.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, does the gentleman propose to give us any explanation of this bill before it passes?

Mr. MULTER. Yes.

Mr. Speaker, this bill amends what is known in the District as the Healing Arts Practice Act. The Healing Arts Practice Act is that law under which persons are licensed to practice medicine in the District of Columbia. This bill will improve the act so as to permit not the licensing but the taking of examinations to prove they are qualified to be licensed, by persons who because of an omission in the law cannot take the examinations that are given in the District of Columbia.

This legislation has the support of the Commission on Licensure to practice this healing art in the District of Columbia, The Medical Society of the District of Columbia, the Department of Public Health, and the Commissioners of the District of Columbia. It is a good bill which will permit persons who are now employed in District hospitals but cannot practice as physicians, psychiatrists, or psychologists, or in the various specialties of medicine, it will permit them to take the examination. If they pass the examination, they can then qualify under the same rules and regulations as apply to other persons who qualify to practice medicine in the District of Columbia.

Section 5 of the Healing Arts Practice Act, District of Columbia, 1928, requires the Commissioners of the District of Columbia, who act through the Commission

on Licensure established by them under the authority of Reorganization Plan No. 5 of 1952 (66 Stat. 824), to establish minimum standards of preprofessional and professional education in the healing art, and to determine whether hospitals and preprofessional and professional schools attain such standards. Such a determination with respect to institutions located in the United States is not too difficult, but the Commission has had considerable difficulty in determing whether institutions located outside the United States measure up to such standards, so that the Commission may give appropriate credit to an applicant for licensure for a certificate, diploma, or degree emanating from any such foreign institution.

The purpose of H.R. 8032 is to avoid the necessity of the Commission's investigating and listing foreign preparatory schools, schools of medicine, and other medical training institutions in order to determine whether such institutions meet the standards which the Commission on Licensure is required by the terms of the Healing Arts Practice Act to establish in order to process for licenses applicants who have trained in institutions located in foreign countries. Until recently, the Commission used the facilities of the American Medical Association in making the required investigations. As a result of World War II, the American Medical Association, because of certain complications, ceased to make such investigations and evaluations. The proposed amendment will allow the Commission to utilize the facilities of a nationally recognized examining board to examine and evaluate the professional skill, training, and qualifications of foreign medical school graduates, without the necessity of having to evaluate and maintain a register of the institutions in which these graduates have trained.

There is a definite shortage in the District of Columbia of anesthetists, pathologists, radiologists, psychiatrists, and some other medical specialties. Some of the foreign training institutions are particularly well qualified to train in these and other medical specialties. If a means be provided whereby the Commission may, upon their application, determine the fitness and qualifications of the graduates of these training institutions, a definite contribution will be made to the public health of the District of Columbia. There seems currently to be a shortage of qualified persons in various medical specialties in the public and private hospitals in the District of Columbia, and the enactment of this amendment would permit an increased number of foreign physicians with excellent training and experience to qualify for licensure.

Section 2 amends section 26 of the Healing Arts Practice Act in such a manner as to make it possible for a graduate of a medical school registered under the Act to be given credit for a degree, diploma, or certificate received from such school regardless of whether the school became unregistered after his graduation and regardless of whether some of the work on which such certificate, diploma, or degree was based was performed in some other school not registered under the act but the credits of which were accepted by the registered school. This section also inserts a proviso in section 26 requiring the Commission on Licensure by rule to provide for determining whether an individual who graduated from a school when it was not registered under the act, but later became so registered, may be admitted to examination under the act.

This legislation has the unqualified support of the Commission on Licensure to Practice the Healing Art in the District of Columbia, the Medical Society of the District of Columbia, and the Department of Public Health, and the Commissioners of the District of Columbia.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Iowa.

Mr. GROSS. There is no lowering of the standards applied to doctors or those who take examinations in this country as between the foreigners who have come to this country and take these examinations?

Mr. MULTER. No.

Mr. GROSS. If the gentleman will yield further, there is no lowering of the standards in any way, shape, form, or manner, is that correct?

Mr. MULTER. Mr. Speaker, I assure the House that this does not lower the standards. It continues to apply the same high standards that are required in almost every State of the United States, as well as in the District of Columbia. If it did otherwise, it would not have the support of the various physicians as well as the Medical Association of the District of Columbia and the District of Columbia officials and all those charged with protection of the public health of the District.

Mr. GROSS. If the gentleman will yield further, we have gone so berserk over this international business in this country that I sometimes wonder whether the standards would apply.

Mr. MULTER. This is not intended merely to take care of those who have studied abroad. This bill applies to any American citizen who has studied right here in the United States or abroad. By reason of the manner in which the law is worded, some of them cannot qualify to take the examination, in the District of Columbia, even though permitted to do so in most of the 50 States of our country.

The SPEAKER. The question is on the committee amendments. The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REPEALING SECTIONS 1176 AND 1177 OF THE REVISED STATUTES OF THE UNITED STATES RELATING TO THE DISTRICT OF COLUMBIA

Mr. DOWDY. Mr. Speaker, I call up the bill (H.R. 7622) to amend section 1176 of the Revised Statutes of the United States relating to the District of Columbia to permit certain gift enterprises in the District of Columbia.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1176 of the Revised Statutes of the United States relating to the District of Columbia is amended by adding at the end thereof the following new sentences: "In connection with the sale, offering for sale, or distribution of industry products, it is not a gift enterprise to use the word 'free', or any other word or words of similar import, in advertisements or in other offers to the public, as descriptive of an article of merchandise, or service, which is an unconditional gift, under the following circumstances:

"(1) When all the conditions, obligations, or other prerequisites to the receipt and retention of the 'free' article of merchandise or service offered are clearly and conspicuously set forth at the outset so as to leave no reasonable probability that the terms of the offer will be misunderstood; and, regardless of such disclosure;

"(2) When with respect to any article of merchandise required to be purchased in order to obtain the 'free' article or service, the offeror (A) does not increase the ordinary and usual price of such article of merchandise, or (B) reduce its quality, or (C) reduce the quantity or size thereof.

Notwithstanding anything in this section, any person who gives trading stamps in the District of Columbia shall be deemed to be engaging in a gift enterprise business."

With the following committee amendments:

Strike out all after the enacting clause and insert in lieu thereof the following: "That sections 1176 and 1177 of the Revised Statutes of the United States relating to the District of Columbia (18 Stat. 136; D.C. Code, sec. 22–3401, 3402, and 3403) are hereby repealed."

Mr. MATHIAS. Mr. Speaker, will the gentleman yield?

Mr. DOWDY. I yield to the gentleman from Maryland.

Mr. MATHIAS. Mr. Speaker, I would like to inquire of the gentleman from Texas whether or not if this bill, as it is amended will leave with the District Commissioners powers to regulate commercial practices, notwithstanding the repeal of sections 1176 and 1177.

Mr. DOWDY. As I understand the matter, the District Commissioners will have the same licensing privileges in these matters as they do in all others.

Mr. MATHIAS. Mr. Speaker, I have discussed the question with Mr. Tobriner and he assures me that he feels they would have the power to regulate commerical practices and that the passage of this bill was in order and very much desired by the Commissioners.

Mr. DOWDY. That is true. The Commissioners have asked for it, and I believe it is a good bill.

Mr. Speaker, the purpose of the bill is to repeal in its entirety the District's present gift enterprise law—title 22, sections 3401, 3403, District of Columbia Code, 1951 edition. The gift enterprise law was enacted by the then locally elected legislative assembly of the District in 1871 as a tax revenue law requiring proprietors of so-called gift enterprises to pay a $1,000 revenue license fee. In 1873 Congress repealed the licensing provision and prohibited gift enterprises under a penalty.

In the 1870's, prior to the advent of modern merchandising techniques, gift enterprises consisted largely of lotteries or similar schemes involving chance and designed to appeal to the gambling instinct. Today, lotteries and similar gift enterprise gambling schemes are prohibited by criminal laws, and deceptive advertising and pricing and other unfair trade practices are regulated under the Federal Trade Commission Act. The present law is thus no longer necessary to control gift enterprises in the nature of gambling schemes.

Moreover, because of its broad and sweeping language, this out-of-date statute has been construed by the District's Corporation Counsel as a prohibition against usual and normal gift-with-purchase merchandising and similar plans commonly used by large national manufacturers throughout the 50 States. As a result, legitimate business practices are being interfered with, the District is losing tax revenue at a time when it is badly needed, and District residents are deprived of an opportunity to buy merchandise on the same terms and conditions as their neighbors in surrounding jurisdictions.

The Federal Trade Commission, the Department of Justice, the Post Office Department, and other agencies of Government have recognized the validity and desirability of the modern merchandising plans now barred by the gift enterprise law.

Enactment of the bill will strengthen the downtown business situation in the District by placing merchandising in the Nation's Capital on a par with competition elsewhere.

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to repeal sections 1176 and 1177 of the Revised Statutes of the United States relating to the District of Columbia."

A motion to reconsider was laid on the table.

AMENDING DISTRICT OF COLUMBIA INCOME AND FRANCHISE TAX ACT

Mr. DOWDY. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 8074) to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, and the District of Columbia Business Corporation Act, as amended, with respect to certain foreign corporations, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. COHELAN. Mr. Speaker, reserving the right to object, will the gentleman be good enough to explain the bill to us?

Mr. DOWDY. This bill was introduced by [Mr. BREWSTER], I believe it was, and the purpose is twofold. It amends the District of Columbia business code to clearly state that transactions specifically enumerated in the bill do not constitute doing business in the District.

That is where an out-of-State financial institution makes a loan here in the District. This amends the tax laws to clearly specify income received by that out-of-State investing institution from a mortgage loan made on District real estate is not subject to the District franchise tax.

Mr. COHELAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COHELAN. Mr. Speaker, I rise in opposition to H.R. 8074 which in effect would provide certain foreign corporations with an exemption from District franchise taxes under a wide range of activities, and also exempt them from provisions of the District of Columbia Business Corporation Act.

Mr. Speaker, this legislation would force District of Columbia corporations engaged in a common field with foreign corporations to compete at a disadvantage. It would do this because the domestic corporations would continue to be subject to the franchise taxes while their foreign counterparts would not.

In their report to the House Committee on the District of Columbia, the District Commissioners made this point very clear when they said:

> In effect, therefore, District of Columbia taxpayers will be financing, in part, the activities of such foreign lending corporations.

The principal effect of section 2 of this bill is to relieve these foreign corporations from the requirements of the Business Corporation Act. This action certainly does not seem justified since most of the foreign corporations which will benefit from these exemptions are banks, insurance companies, and building and loan associations, and Congress has expressed a very clear desire for close and continued regulations of these activities.

Mr. Speaker, in addition to the flagrant competitive advantage which this bill would grant foreign corporations over domestic operations, no requirement for such legislation has been demonstrated. The District Commissioners have reported that they are "not aware that there is any shortage of funds available for the financing of real property sales and purchases or for the construction of real property in the District. Indeed, the impressive program of new office building construction in the District, the quantity of new homes available in the housing market, and the level of interest rates on conventional and Government-insured mortgages comparable to those in neighboring jurisdictions, evidences the adequacy of local investment capital."

Mr. Speaker, considering these points, I oppose this bill. I urge my colleagues to read the report I am including which the District Commissioners filed on the initial version of this bill (H.R. 318).

REPORT TO THE HOUSE COMMITTEE ON THE DISTRICT OF COLUMBIA BY THE COMMISSIONERS OF THE DISTRICT OF COLUMBIA

The Commissioners have for report H.R. 318 entitled a bill "to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, and the District of Columbia Business Corporation Act, as amended, with respect to certain foreign corporations."

The bill proposes to amend title VII of the District of Columbia Income and Franchise Tax Act of 1947, as amended (secs. 47–1571 and 47–1571a, District of Columbia Code, 1951) by providing, in effect, that foreign corporations authorized to invest in loans secured by real property shall be permitted to engage in the business of making, collecting, and servicing loans secured by mortgages of deeds of trust on real property located in the District of Columbia, and at the same time, not be subject to District of Columbia franchise taxes on income derived from such transactions. Section 2 of the bill amends the District of Columbia Business Corporation Act (secs. 29–901, et seq., District of Columbia Code, 1951, supp. VIII) by providing that no foreign corporation exempt from District of Columbia income and franchise taxes by reason of the amendments contained in section 1 of the bill shall be subject to the provisions of the District of Columbia Business Corporation Act. Section 2 of the bill further provides that the amendment to the Business Corporation Act contained in section 2 of the bill shall not be construed as affecting the amenability of foreign corporations to the service of any process, notice, or demand which such corporation might otherwise be subject to.

H.R. 318 provides that foreign corporations shall derive exemption from District franchise taxes if these corporations confine their activities to those set forth in the bill, which activities include the making, collecting, and servicing of loans secured by mortgages or deeds of trust on real property, including the physical inspection and appraisal of such property, the maintaining or defending of any action or suit arising as the result of such activity, the acquisition of title to such property in the event of default, and the operating, maintaining, renting, or otherwise disposing of real property pending liquidation of their investments.

At the same time, District of Columbia corporations engaged in identical activities, without benefit of the exemption from franchise taxes provided foreign corporations in the bill, will be in the position of competing with such corporations while being subject to District of Columbia franchise taxes on profits derived from activities such as those set forth in the bill.

The Commissioners are not aware that there is any shortage of funds available for the financing of real property sales and purchases or for the construction of real property in the District. Indeed, the impressive program of new office building construction in the District, the quantity of new homes available in the housing market, and the level of interest rates on conventional and Government-insured mortgages comparable to those in neighboring jurisdictions, evidence the adequacy of local investment capital. Legislation of this type, which proposes an exemption from taxation for a special business group, requires that the proponents of the legislation present to the Congress adequate evidence to justify its enactment.

The United States Court of Appeals for the District of Columbia Circuit expressed

the requisites for tax exemption in *Washington Chapter of American Institute of Banking* v. *District of Columbia* (92 U.S. App. D.C. 139, 203 F. 2d 68), when it declared.

"Exemptions from taxation are strictly construed against those claiming the exemption * * * because such exemptions are in the nature of a renunciation of sovereignty, and are at war with sound basic tax philosophy which requires a fair distribution of the burden of taxation."

The effect of H.R. 318 will be to allow foreign corporations engaged in the business of making loans secured by real property in the District of Columbia to be entitled to the full protection of the laws of the District, including the right to resort to the courts therein, in furtherance of their business activities, and at the same time allow them to avoid any of the costs necessary for the maintenance of these facilities. In effect, therefore, District of Columbia taxpayers, including those taxpayers which compete with foreign lending institutions, while not having the benefit of the exemption provided in the bill, will be financing in part the activities of such foreign lending institutions. The bill, consequently, will abrogate in its particular area the principle stated in Washington Chapter of American Institute of Banking, supra, that taxation requires "a fair distribution of the burden of taxation."

Section 2 of H.R. 318, moreover, provides that foreign corporations which, by virtue of section 1 of the bill, are exempt from taxation under the District of Columbia Income and Franchise Tax Act of 1947, as amended, shall not be subject to the provisions of the District of Columbia Business Corporation Act, 66 Stat. 179, ch. 269 (sec. 29–901, et seq., D.C. Code, 1951, supp. VIII). Section 99 of the District of Columbia Business Corporation Act (sec. 29–933, D.C. Code, 1951, supp. VIII) reads in part as follows:

"Sec. 99 A foreign corporation shall procure a certificate of authority from the Commissioners before it transacts business in the District, but no foreign corporation shall be entitled to procure a certificate of authority under this act to transact in the District the business of banking, insurance, assurance, benefit, indemnity, building and loan association, or the acceptance of savings deposits, such corporations being admitted to and shall do business in the District of Columbia pursuant to the laws relating to such business."

It seems reasonable to assume that most foreign corporations deriving the benefits set forth in section 1 of the bill will be banking, insurance, or building and loan corporations. Such corporations are not entitled to certificates of authority under the Business Corporation Act, but must be "admitted to and shall do business in the District of Columbia pursuant to the laws relating to such business." It follows that these sources of loans on real property will not be benefited or affected in any way by section 2 of the bill. Title 26 of the District of Columbia Code contains laws relating to the business of banking in the District of Columbia and sets forth a comprehensive system for the regulation and control of banks, building and loan associations, and other types of lending institutions seeking to do business in the District of Columbia. Such activities as are undertaken by these institutions are so closely connected with the public welfare that Congress has clearly expressed its desire for close regulation and control over those corporations which engage in these activities.

Indeed, the principal effect of section 2 of the bill is to relieve from the requirements of the Business Corporation Act those foreign corporations which are granted tax exemption by section 1. * * *

The Commissioners are therefore opposed to enactment of H.R. 318. The Commissioners see no reason for granting foreign corporations competitive advantage over domestic corporations, for relieving any foreign corporation of compliance with statutes requiring that foreign corporations comply with the same standards as those established for domestic corporations. * * *

Mr. HARSHA. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HARSHA. Mr. Speaker, H.R. 8074 proposes to amend title VII of the District of Columbia Income and Franchise Tax Act of 1947, as amended (sec. 47–1571, 47–1571A, D.C. Code, 1951), by providing in effect that franchised corporations authorized to invest in loans secured by real property shall be permitted to engage in the business of making, collecting, and servicing loans secured by notes or deeds of trusts on real property located in the District of Columbia and at the same time not be subject to District of Columbia franchise taxes on income derived from such transactions. The bill provides that franchised corporations shall derive exemption from District franchise taxes if these corporations confine their activities to those set forth in the bill, which activities include the making, collecting, and servicing of such loans secured by mortgages or deeds of trust on real property, including the physical inspection and appraisal of such property, the maintaining or defending of any action or suit arising as the result of such activity, the acquisition of title of such property in the event of default, and the operating, maintaining, renting, or otherwise disposing of real property pending liquidation of their investments.

At the same time, District of Columbia corporations engaged in identical activities, without benefit of the exemption from franchise taxes provided foreign corporations in the bill, will be in the position of competing with such corporations while being subject to District of Columbia franchise taxes on profits derived from activities such as those set forth in the bill.

I am not aware that there is any shortage of funds available for the financing of real property sales and purchases or the construction of real property in the District. Indeed, the impressive program of new office building construction in the District, the quantity of new homes available in the housing market, and the level of interest rates on conventional and Government-insured mortgages comparable to those in neighboring jurisdictions, evidence the adequacy of local investment capital. Legislation of this type, which proposes an exemption from taxation for a special business group, requires that the proponents of the legislation present to the Congress adequate evidence to justify its enactment. To date I have seen no such justification.

The U.S. Court of Appeals for the District of Columbia Circuit expressed the requisites for tax exemption in *Washington Chapter of American Institute of Banking* v. *District of Columbia* (92 U.S. App. D.C. 139, 203 F. 2d 68), when it declared:

Exemptions from taxation are strictly construed against those claiming the exemption * * * because such exemptions are in the nature of a renunciation of sovereignty, and are at war with sound basic tax philosophy which requires a fair distribution of the burden of taxation.

The effect of H.R. 8074 will be to allow franchised corporations engaged in the business of making loans, secured by real property in the District of Columbia, to avoid any of the costs necessary for the maintenance of these facilities. In effect, therefore, District of Columbia taxpayers, including those taxpayers which compete with franchised lending institutions, while not having the benefit of exemption provided in the bill will be financing in part the activities of such franchised lending institutions. The bill consequently will abrogate in its particular area the principles stated in Washington Chapter of American Institution of Banking, supra, that taxation requires a fair distribution of the burden of taxation. An influx of foreign capital which would produce income and not subject to tax in either the District or the States in which the lenders are located could have serious effects on local lending institutions and private local investors whose income or gross earnings from the same activities are subject to local taxation.

If local money markets should become flooded with funds of foreign lenders who enjoy local tax-exempt status, it is likely that such money will be available at interest rates which will result either in less demand for local money or lower returns on local investments. In turn, private investors in organizations such as local banks, building and loan associations, and so forth, might look for more profitable investments reducing the funds available to such local organizations, in effect, defeating the purpose of such legislation.

I can see no reason why a foreign corporation not participating financially in the economic well-being of the District should be placed at an advantage over local organizations who are contributing to the tax structure and economic well-being of the District.

Furthermore, it is entirely feasible that those same proponents of this legislation, to wit, the mortgage bankers and other similar type businesses in the District who operate as correspondents and representatives of foreign lending institutions for the purpose of locating borrowers negotiating and servicing loans on real estate within the District, may loan all of their money outside of the District with these same foreign corporations reciprocating for these institutions, thereby reducing the local money available for the financing of real estate sales and purchases and greatly reducing the tax income of the District. In the event this happens, the Commissioners are coming immediately back to Congress with the plea that the bill Congress enacted deprived them of a considerable sum of tax money and asking Congress to make up this shortage.

Certainly at a time when the District budget is ever increasing and there are continual demands upon Congress to enlarge its contribution of funds to the District budget, we should hesitate before passing legislation that may have the effect of reducing the available tax money.

I am apprehensive that there are many underlying ramifications of this legislation which have not been brought to light and for this and the above stated reasons, I oppose it.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. DOWDY]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title VII of the District of Columbia Income and Franchise Tax Act of 1947, as amended (D.C. Code 47–1571 and the following), is amended by adding at the end thereof the following new section:

"SEC. 3. EXEMPT FOREIGN CORPORATIONS.—A foreign corporation authorized to invest in loans secured by real estate, which does not maintain any office or employees in the District of Columbia, shall not be subject to taxation under this article if the only activities of such foreign corporation in the District of Columbia are one or more of the following:

"(1) the acquisition of loans (including the negotiation thereof) secured by mortgages or deeds of trust on real property situated in the District of Columbia pursuant to commitment agreements or arrangements made prior to or following the origination or creation of such loans;

"(2) the physical inspection and appraisal of property in the District of Columbia as security for mortgages or deeds of trust;

"(3) the ownership, modification, renewal, extension, transfer, or foreclosure of such loans, or the acceptance of substitute additional obligors thereon;

"(4) the making, collecting, and servicing of such loans through a District of Columbia concern engaged in the business of servicing real estate loans for investors;

"(5) maintaining or defending any action or suit or any administrative or arbitration proceeding arising as a result of such loans;

"(6) the acquisition of title to property which is the security for such a loan in the event of default on such loan;

"(7) pending liquidation of its investment therein within a reasonable time, operating, maintaining, renting, or otherwise dealing with selling, or disposing of, real property acquired under foreclosure, sale, or by agreement in lieu thereof."

SEC. 2. Section 99 of the District of Columbia Business Corporation Act (D.C. Code, sec. 29–933) is amended by adding at the end thereof the following new subsections:

"(c) No foreign corporation which is exempt from taxation under the District of Columbia Income and Franchise Tax Act of 1947 by section 3 of title VII of such Tax Act of 1947 shall be subject to the provisions of this Act.

"(d) Nothing in subsection (c) of this section shall be construed as affecting the amenability of any foreign corporation to the service of any process, notice, or demand to which such corporation would be amenable without reference to the provisions of such subsection (c)."

"(e)(1) Any foreign corporation exempt from taxation under the District of Columbia Income and Franchise Tax Act of 1947 by section 3 of title VII of such Act shall be deemed to have waived any immunity to service of process and suit in the courts of the District of Columbia. Any such foreign corporation shall appoint and maintain in the District of Columbia an agent for service of process, and shall register with the Commissioners of the District of Columbia the address of its principal office and the name and address of its agent for service of process in the District of Columbia, including any changes in such addresses.

"(2) Whenever any such foreign corporation does not have an agent for service of process or such agent cannot be found with reasonable diligence at his registered address, then the Commissioners of the District of Columbia shall be the agent for service of process for such corporation. Service of process on the Commissioners shall be made by delivery to, and leaving with them, or with any person having charge of their office, duplicate copies of the process. In the event of such service the Commissioners shall immediately cause one of such copies to be forwarded by registered mail, addressed to such foreign corporation at its principal office as it appears on the records of the Commissioners. Any such service shall be returnable in not less than 30 days, unless the rules of the court issuing such process prescribe another period, in which case such prescribed period shall govern.

"(3) Nothing contained in this subsection shall limit or affect the right to serve any process, notice or demand required or permitted by law to be served on a foreign corporation in any other manner now or hereafter permitted by law.

"(4) Any foreign corporation which fails to comply with the requirements of paragraph (1) of this subsection shall be guilty of a misdemeanor and shall be fined not more than $500.

"(5) The Commissioners of the District of Columbia are authorized to make such rules and regulations as may be necessary to carry out the purpose of this subsection."

SEC. 3. The amendment made by the first section of this Act shall take effect with respect to taxable years beginning on and after December 31, 1960.

Mr. GROSS. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I thought we were considering these bills in the House as in Committee of the Whole. I was surprised a little while ago when the gentleman from Michigan [Mr. HOFFMAN], could not get recognition when he arose in opposition to the amendment.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. HOFFMAN of Michigan. Well, I come from Michigan and the gentleman comes from Iowa and exerts more influence than I do. And the rules change.

Mr. GROSS. Mr. Speaker, I would like to ask the gentleman a question. Is this reciprocal? In other words, I note in the report that there are a number of saving institutions, particularly New York savings banks, who have been told by their attorneys that because of the uncertainty of the District of Columbia statutes they would be running a very real risk if they made mortgage loans in the District.

What is the situation in the State of New York? In other words, is New York money to come into the District of Columbia not to be taxed while money from other States and perhaps the District of Columbia that goes into New York is taxed?

Mr. DOWDY. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. WHITENER], to answer that question.

Mr. WHITENER. Mr. Speaker, I would say to the gentleman that he has just touched on one of the most troublesome fields of the law; and because of that, there is now a special subcommittee of the Subcommittee on Interstate Taxation of the Committee on the Judiciary which is making a study of that very proposition. As to the reciprocity feature, it has been the opinion of many lawyers that there must be a jurisdictional basis for the imposition of income tax. Until the recent decision of the Supreme Court in the Northwest Portland Cement case and the Georgia case, it had become established law without the intervention of these recent Supreme Court decisions. I think without the intervention of these recent Supreme Court decisions there would have been constitutional reciprocity if not statutory.

Mr. GROSS. I noticed in reading this bill yesterday that while a number of States are mentioned, the State of New York is not mentioned as one of those which apparently offers reciprocity.

Mr. WHITENER. Of course, the problem which the gentleman mentions is one which is very troublesome, because different States have different allocation-of-income formulas which they use in their statutes.

Mr. GROSS. But the report emphasizes that New York money wants to come into the District of Columbia on a preferential tax basis, but it says nothing about the tax situation on money going from other States into the State of New York.

Mr. WHITENER. If the gentleman will yield further, I would say that it is the hope of many of us, not only on the District Committee, but on the Committee on the Judiciary that by reason of some of the action which the Congress has taken there will be some encouragement to these States to revise their formulas so that we can get some order out of chaos which now exists in the income tax field.

Mr. GROSS. And the gentleman thinks that this bill is a step in the right direction?

Mr. WHITENER. I think definitely this is a forward step.

Mr. COHELAN. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. COHELAN. I wonder if the gentleman knows that the Commissioners are opposed to the bill. Apparently they do not believe there is an insufficiency of capital in the District.

Mr. DOWDY. The main purpose of the bill is to make it possible for needed money to come into the District of Columbia. The District officials feel they need more money for real estate loans here. That is the purpose of the bill. It is a good bill.

In connection with that, may I say that the District never has collected any taxes on these institutions because they do not have offices in the District of Columbia.

Mr. BREWSTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. BREWSTER. Mr. Speaker, the purpose of H.R. 8074 is quite simple. Its passage would encourage financial institutions domiciled outside the District of Columbia to invest their funds within the District. This desirable end would be accomplished by clarifying an existing uncertainty in the District of Columbia statutes.

Before turning to the legal aspects of the bill, let me briefly explain the circumstances which prompted its introduction. The District of Columbia is presently engaged in a massive redevelopment program. The desirability of this redevelopment is unquestionable. It is only necessary to drive through the squalid slum areas in our Nation's Capital to be assured of the urgent need.

Such a program requires tremendous amounts of capital, and at the present time the source of this necessary capital is limited. Part of this limitation is caused by present uncertainty in District of Columbia statutes. A number of savings institutions, including many of the large New York savings banks, have refused to extend real estate loans in the District of Columbia because the "doing business" laws are not specific.

H.R. 8074 would amend the District of Columbia business code to clearly state that the transactions specifically enumerated—and which are those typically involved in making a mortgage loan by an investing institution located out of the District—do not constitute "doing business" in the District; second, it amends the District of Columbia tax laws to specify clearly that income received by an out-of-State investing institution from a mortgage loan made on District of Columbia real estate is not subject to District of Columbia franchise taxes.

The bill, if enacted, would not confer any competitive advantage to foreign corporations making real estate loans within the District. The savings institutions which would benefit from the passage of this bill would not be required to pay taxes to the District of Columbia on income received from the activities mentioned in the bill. They would, of course, pay taxes to the States where they are domiciled, and in this respect they would be in the same position as District of Columbia financial institutions who make mortgage loans in other States, such as Maryland, whose laws contain similar exemptions.

The District would not lose any revenue because the affected institutions are not now "doing business" in the District because of the uncertainty in the present laws. In fact, it is probable that the additional private capital that this legislation would make available will undoubtedly result in additional low-cost and medium-priced housing in renewal and other areas, and would produce a substantial increase in the revenue received from real estate taxes.

In the 2d session of the 86th Congress, the District Committee favorably reported a similar bill, which was passed by this House without a dissenting vote.

The bill is supported by the District of Columbia Bankers Association, the Mortgage Bankers Association of Metropolitan Washington, the Washington Real Estate Board, and the Home Builders Association of Metropolitan Washington. The Honorable John R. Searles, executive director of the Redevelopment Land Agency, advised the District Committee that, in his opinion, the legislation proposed "would be of general benefit to the urban renewal program and has my hearty endorsement."

The District of Columbia would benefit materially from the passage of this bill, and I respectfully urge my colleagues to support this legislation without amendment.

Mr. DOWDY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DOWDY. Mr. Speaker, the purpose of the bill H.R. 8074 is twofold. First, it amends the District of Columbia Business Code to clearly state that the transactions specifically enumerated—and which are those typically involved in making a mortgage loan by an investing institution located out of the District—do not constitute "doing business" in the District; second, it amends the District of Columbia tax laws to specify clearly that income received by an out-of-State investing institution from a mortgage loan made on District of Columbia real estate is not subject to District of Columbia franchise taxes.

The District of Columbia needs all the funds it can entice into the District for real estate development. This is particularly true in the urban renewal field. District of Columbia sources simply cannot provide all the funds that are needed.

The enactment of H.R. 8074 is necessary and desirable because under the present District of Columbia Code no out-of-State investor can be sure whether or not in making a mortgage loan in the District he is "doing business" in the District; and no out-of-State investor can be sure that the District of Columbia will not try to tax him on income he receives because of having made a mortgage loan on District of Columbia real estate, whether or not he is "doing business" in the District.

The District of Columbia has never attempted to maintain that when an out-of-State investor makes a mortgage loan on District of Columbia real estate it is "doing business" in the District, nor has it ever attempted to tax income received by an out-of-State investor from a mortgage loan it has made on District of Columbia real estate. Since the District has never threatened to take either of these positions, some out-of-State investors on advice of their lawyers have decided to run whatever risks are involved and are making loans in the District. They are not complying with the District of Columbia "doing business" laws, and they are not being taxed by the District on the income they receive from the loans. If the District ever attempted to maintain that they were "doing business" in the District, or ever attempted to tax them on their income from such loans, they would simply stop making mortgage loans in the District.

However, there are a number of savings institutions—particularly, the New York savings banks—who have been told by their lawyers that because of the uncertainty of the District of Columbia statutes that they would be running a very real risk if they made mortgage loans in the District, that the District would first, tax them on their income from such mortgages, and second, make them comply with the requirements for "doing business." These institutions have simply decided that they will not take these risks and they do not and will not make mortgages on District of Columbia real estate. Thus, the ability of District sources to find funds to finance building projects is limited—to the detriment of the District of Columbia itself and to many projects within its boundaries.

There are a number of States which have enacted statutes containing language which specifically states that the kinds of activities listed in H.R. 8074 do not constitute "doing business" in that State. Among those are:

Maryland, section 84, article 23, annotated code as amended by L. 1957, chapter 486.

North Carolina, section 55–131, General Statutes, 1943, as enacted by chapter 1371, Laws of 1955.

North Dakota, section 103, H.B. 537, Laws of 1957.

Oklahoma, section 1.199(f) chapter A, title 18, Oklahoma Statutes.

Oregon, section 57.655, Oregon Revised Statutes.

Texas, article 8.9, chapter 64, Laws of 1955 as amended by S.B. 129, Laws of 1957.

Wisconsin, section 180.801, Wisconsin Statutes.

Alaska, section 99, chapter 126, Laws of 1957.

Hawaii, section 7.5, chapter 174, Revised Laws of Hawaii, 1955.

Florida, section 613.01–661.44, Florida Statutes, 1955.

Idaho, Laws of 1957, H.B. 167, effective March 9, 1957.

Illinois, Smith Hurd Illinois Statutes Annotated, chapter 32–212.

Louisiana, Laws 1960, Act 386, S. 308.

Michigan, 1953 Michigan Laws No. 180—FHA and VA loans.

Utah, Laws 1957, S. 222.

Washington, Laws 1957, chapter 139.

West Virginia, S.B. No. 142, Laws 1957.

Missouri, Laws 1953, section 362.423.

Tennessee, sections 45–1201, 02, 03, as amended by Laws 1959, chapter 28 (S. 218).

There are a number of other States where the situation is uncertain but where "qualification" requirements are simple and inexpensive and thus no further legislation has seemed necessary. Among these are: Alabama, Arizona, Maine, Nevada, New Hampshire, New Mexico, South Carolina, and South Dakota.

There is a further number of States where case law—not statute—is so clear that mortgages are made by out-of-State investors without much fear and

thus the pressure to enact legislation has not been severe. It is difficult to secure an accurate list of these States but one authority lists among them: Arkansas, California, and Colorado.

Sources: "What Constitutes Doing Business," Corporation Trust Co., 1958; "Mortgage and Real Estate Investment Guide," by Malcolm C. Sherman.

The effect of H.R. 8074 would be to open up the District to many of the New York savings banks and other financial institutions who are now unwilling to lend money in the District.

Section 1 of H.R. 8074 amends title VII of the District of Columbia Code—Tax on Corporations—so as to make it clear that an out-of-State financial institution not having an office in the District and whose activities are limited to the type of activities specifically enumerated in the bill will not be subject to the District of Columbia franchise tax on the income it receives from mortgages it makes on District of Columbia real estate. Under the District statutes—section 47–1571a—any out-of-State corporation which receives income from sources within the District is taxed at the rate of 5 percent on such income. This tax is called a franchise tax, but it is a graduated tax levied against the income that the out-of-State corporation receives from District of Columbia sources.

The kinds of activities that the foreign financial institution could carry on without being subject to tax are limited to and enumerated in subparagraphs (1), (2), (3), (4), (5), (6), and (7), of section 1, H.R. 8074. These subsections specifically describe the various steps that are involved in making a mortgage loan and in protecting the investment in the event of default.

Section 2 of H.R. 8074 amends the District of Columbia Business Corporation Act so as to make it clear that the kinds of activities referred to in section 1 do not constitute "doing business" within the District. If a nonresident corporation were held to be "doing business," it would have to go through all the steps necessary to "qualify." It would first have to secure a license, then it would have to file annual reports, etc. These requirements are burdensome, even though not very costly. However, section 2 specifies that the exemption provided does not relieve the foreign corporation from being able to be sued, and so forth, within the District.

It should be pointed out that whenever an out-of-State investor lends money on District of Columbia real estate and receives income from that loan, it, of course, includes that income in the income tax returns it makes to its home State—thus, the income is subject to tax.

It also should be pointed out that if H.R. 8074 is enacted, the out-of-State investor will be in exactly the position that a District of Columbia financial institution is in when it makes mortgage loans in the State of Maryland, for example: The institution reports such income as a part of its total income and pays income taxes to the District of Columbia on the total. It pays no taxes to the State of Maryland, because Maryland has enacted the same kind of a statute as is embodied in H.R. 8074.

The laws of the State of Virginia are uncertain as to the question presented and many out-of-State investors do not lend in that State as a result, although the State of Virginia has never attempted to levy taxes on this kind of a transaction so far as can be determined.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE POLICEMEN AND FIREMEN'S DISABILITY ACT

Mr. WHITENER. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 6836) to amend the Policemen and Firemen's Retirement and Disability Act, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Policemen and Firemen's Retirement and Disability Act, as amended by the Act approved August 21, 1957 (71 Stat. 394), is amended by designating subsection (g) as subsection (g)(1) and by inserting the following paragraph at the end of such subsection:

"(2) In any case in which the proximate cause of an injury incurred or disease contracted by a member is doubtful, or is shown to be other than the performance of duty, and such injury or disease is shown to have been aggravated by the performance of duty to such an extent that the member is permanently disabled for the performance of duty, such disability shall be construed to have been incurred in the performance of duty. The member shall, upon retirement for such disability, receive an annuity computed at the rate of 2 per centum of his basic salary at the time of his retirement for each year or portion thereof of his service: *Provided,* That such annuity shall not exceed 70 per centum of his basic salary at the time of retirement, nor shall it be less than 66⅔ per centum of his basic salary at the time of retirement."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELECTIONS IN THE DISTRICT OF COLUMBIA

Mr. WHITENER. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 8444) to amend the act of August 12, 1955, relating to elections in the District of Columbia, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act entitled "An Act to regulate the election of delegates representing the District of Columbia to national political conventions, and for other purposes", approved August 12, 1955 (D.C. Code, sec. 1–1101), is amended by striking out "and" at the end of clause (3) thereof, by striking out the period at the end of clause (4) thereof, and inserting in lieu thereof the following: "; and ", and by adding at the end of such section the following new clause:

"(5) Electors of President and Vice President of the United States."

(2) Section 3 of such Act of August 12, 1955 (D.C. Code, sec. 1–1103), is amended by inserting at the end thereof the following new sentence: "The said Commissioners shall from time to time designate the Chairman of the Board."

(3) Paragraph (1) of subsection (a) of section 5 of such Act of August 12, 1955 (D.C. Code, sec. 1–1105), is amended by striking out "permanent".

(4) Paragraph 3 of subsection (a) of section 5 of such Act of August 12, 1955 (D.C. Code, sec. 1–1105), is amended to read as follows:

"(3) provide for recording and counting votes by means of ballots or machines or both;".

(5) Section 5 of such Act of August 12, 1955 (D.C. Code, sec. 1–1105), is further amended (A) by striking from the first sentence of subsection (b) "The Board, and persons authorized by it" and inserting in lieu thereof "Each member of the Board and persons authorized by the Board".

Paragraph (6) and (7) of subsection (a) of section 5 of such Act of August 12, 1955 (D.C. Code, sec. 1–1105) are hereby renumbered as paragraphs (7) and (8) respectively, and a new paragraph inserted immediately after paragraph (5) as follows:

(6) Develop and administer procedures for absentee registration for and voting in any election held under this Act by any person included within the categories referred to in paragraphs (1), (2), (3), or (4) of section 101 of the Federal Voting Assistance Act of 1955 (69 Stat. 584).

(6) Section 6 of such Act of August 12, 1955 (D.C. Code, sec. 1–1106), is amended by adding at the end thereof the following new subsection:

"(c) Subject to the approval of the Commissioners of the District of Columbia, the Board is authorized to adopt and use a seal."

(7) Subsection (a) of section 7 of such Act of August 12, 1955 (D.C. Code, sec. 1–1107), is amended to read as follows:

"(a) A person shall be entitled to vote in an election in the District of Columbia only if he is a qualified elector, except as provided in subsection (c) of this action, he registers in the District during the year in which such election is to be held, and except as provided under procedures established by the Board under paragraph (a)(6) of subsection (a) of section 1–1105 of this Act."

(8) Paragraphs (2) and (3) of section 7(b) of such Act of August 12, 1955 (D.C. Code, sec. 1–1107), are hereby amended to read as follows:

"(2) he executes a registration affidavit by signature or mark (unless prevented by physical disability) on the form prescribed by the Board pursuant to subsection (c) showing that he meets each of the requirements specified in section 2(2) for a qualified elector or qualifies under procedures established by the Board under paragraph (6) of subsection (a) of section 1–1105 of this Act, and, if he desires to vote in a party election, such form shall show his political party affiliation."

(9) Section 7(c) of such Act of August 12, 1955 (D.C. Code, sec. 1–1107), is amended by striking "(b) (3)" and inserting in lieu thereof "(b) (2)".

(10) The first sentence of subsection (d) of section 7 of such Act of August 12, 1955 (D.C. Code, sec. 1–1107), is amended to read as follows: "The registry shall be open from January 1 until forty-five days before the first Tuesday following the first Monday in November during each presidential election year except the forty-five day period which ends on the first Tuesday in May, and except as provided by the Board in the case of a special election."

(11) So much of subsection (a) of section 8 of such Act of August 12, 1955 (D.C. Code, sec. 1–1108), as precedes clause (1) is amended to read as follows:

"(a) Candidates for office participating in an election of the officials referred to in clauses (1), (2), and (3) of the first section of this Act and of officials designated pursuant to clause (4) of such section shall be the persons registered under section 7 of this Act who have been nominated for such office by a petition—".

(12) Section 8 of such Act of August 12, 1955 (D.C. Code, sec. 1–1108), is further amended by adding at the end thereof the following new subsections:

"(d) Each political party who has had its candidate elected as President of the United States after January 1, 1950, shall be entitled to nominate candidates for presidential electors. The executive committee of the organization recognized by the national committee of each such party as the official organization of the party in the District of Columbia shall nominate by appropriate means the presidential electors for that party. Nominations shall be made by message to the Board of Elections on or before September 1 next preceding a presidential election.

"(e) The names of the candidates of each political party for President and Vice President shall be placed at the top of the list which shall contain, in alphabetical order, the names of the candidates for presidential electors of that party, the names of all such candidates shall be placed under the title and devices of that party as is designated by the executive committee of the organization recognized by the national committee of that party in the District of Columbia. The form of the ballot shall be determined by the Board: *Provided*, That the position on the ballot of names of candidates for President and Vice President shall be determined by lot.

"(f) A political party which does not qualify under subsection (e) of this section may have the names of its candidates for President and Vice President of the United States printed on the general election ballot provided a petition nominating the appropriate number of candidates for presidential electors signed by at least 5 per centum of registered qualified electors of the District of Columbia, as of July 1 of the year in which the election is to be held is presented to the Board on or before August 15 preceding the date of the presidential election.

(13) The second sentence of subsection (a) of section 9 of such Act of August 12, 1955 (D.C. Code, sec. 1–1109), is amended to read as follows: "Voting may be by ballot or machine or both."

(14) Subsection (e) of section 9 of such Act of August 12, 1955 (D.C. Code, sec. 1–1109), is amended by striking "municipal court of the District" and inserting in lieu thereof "municipal court for the District".

(15) Subsection (g) of section 9 of such Act of August 12, 1955 (D.C. Code, sec. 1–1109), is amended to read as follows:

"(g) No person shall vote more than once in any election, nor shall any person vote in an election held by a political party other than that of which he has declared himself a member."

(16) Subsection (a) of section 10 of such Act of August 12, 1955 (D.C. Code, sec. 1–1110), is amended by inserting "(1)" immediately after "(a)", and by adding at the end of such subsection the following:

"(2) The electors of President and Vice President of the United States shall be elected on the Tuesday next after the first Monday in November in every fourth year succeeding every election of a President and Vice President of the United States. Polls shall be open from 8 o'clock antemeridian to 8 o'clock postmeridian on election day. Each vote cast for a candidate for President or Vice President whose name appears on the general election ballot shall be counted as a vote cast for the candidates for presidential electors of the party supporting such presidential and vice presidential candidate. Candidates receiving the highest number of votes in such election shall be declared the winners, except that in the case of a tie it shall be resolved in the same manner as is provided in subsection (c) of this section."

(18) Subsection (b) of section 10 of such Act of August 12, 1955 (D.C. Code, sec. 1–1109), is amended by striking "said election" and inserting in lieu thereof "such elections".

(19) Subsection (d) of section 10 of such Act of August 12, 1955 (D.C. Code, sec. 1–1110), is amended (A) by striking out "In" and inserting in lieu thereof "Except as provided in subsection (e) in", (B) by striking "dies" and inserting in lieu thereof "dies, resigns or becomes unable to serve", and (C) by striking "local committee." and inserting in lieu thereof "party committee: *Provided*, That such successor shall have the qualifications required by this Act for such office."

(20) Section 10 of such Act of August 12, 1955 (D.C. Code, sec. 1–1110), is further amended by adding at the end thereof the following new subsection:

"(e) If any person nominated as a candidate for presidential elector is unable to run, or if elected as a presidential elector is unable to serve, the executive committee of the organization recognized by the national committee of the party as the official organization of that party in the District of Columbia may nominate another candidate at any time before the election or appoint another person as presidential elector, except that the person so nominated or appointed shall have the qualifications for elector for President and Vice President.

(21) Subsection (b) of section 13 of such Act of August 12, 1955 (D.C. Code, sec. 1–1113), is amended by inserting after the words "a candidate for" the words "elector of President and Vice President,".

(22) Subsection (d) of section 13 of such Act of August 12, 1955 (D.C. Code, sec. 1–1113), is amended by striking "any national committeeman" and inserting in lieu thereof "any elector, national committeeman".

(23) Subsection (e) of section 13 of such Act of August 12, 1955 (D.C. Code, sec. 1–1113), is amended by striking from the first sentence thereof "the election" and inserting in lieu thereof "an election".

(24) Section 14 of such Act of August 12, 1955 (D.C. Code, sec. 1–1114), is amended (A) by striking from the first sentence thereof "if employed in the counting of votes in such elections" and inserting in lieu thereof "if employed in the counting of votes in any election held pursuant to this Act knowingly"; (B) by inserting the word "knowingly" immediately before the words "make any expenditure".

(25) The title of such Act of August 12, 1955 (D.C. Code), is amended to read as follows: "An Act to regulate the election in the District of Columbia of electors of President and Vice President of the United States and of delegates representing the District of Columbia to national political conventions, and for other purposes."

SEC. 2. (a) Chapter 1 of title 3 of the United States Code is amended by adding at the end thereof the following new section:

"§ 21. Definitions

"(a) As used in this chapter the term—

"(1) 'State' includes the District of Columbia.

"(2) 'executives of each State includes the Board of Commissioners of the District of Columbia."

(b) The table of contents of chapter 1 of title 3 of the United States Code is amended by adding at the end thereof the following: "21. Definitions."

(c) For the purposes of the Federal Voting Assistance Act of 1955 (69 Stat. 584) the word "State" shall be deemed to include the District of Columbia.

SEC. 3. The second paragraph of section 7 of the District of Columbia Alcoholic Beverage Control Act, as amended (sec. 25–107, D.C. Code, 1951 edition), is amended by inserting after the first sentence the following new sentence: "Notwithstanding any other provision of this Act, the Commissioners shall not authorize the sale by any licensee of any beverages on the day of the presidential election in the District of Columbia during the hours when the polls are open, and any such sales are hereby prohibited."

Mr. COHELAN. Mr. Speaker, will the gentleman yield?

Mr. WHITENER. I yield to the gentleman from California.

Mr. COHELAN. Mr. Speaker, I am in general agreement with the bill except in two particulars concerning the provisions for absentee voting, and residence requirements. I feel there should be a more liberal provision for absentee voting. I believe that as far as the residence requirements are concerned, they should be 6 months instead of a year. With those reservations I support the bill.

Mr. COHELAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WHITENER. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, I desire to announce that tomorrow the first order of business will be the Treasury, Post Office appropriation bill conference report. I want to make this statement so the Members will be alerted.

Mr. BROYHILL. Mr. Speaker, in the last session of the last Congress the Congress passed the 23d amendment to the Constitution, which permitted the citizens of the District of Columbia to have a vote for President and Vice President. Early this year that 23d amendment was ratified by the necessary three-fourths of the States.

Section 2 of that constitutional amendment reads, as follows:

The Congress shall have power to enforce this article by appropriate legislation.

That is what this legislation we have before us today seeks to do.

The committee found it was not necessary to write a new set of election laws, with the complicated machinery involved therein. We have an election law on the statute books now for the District

of Columbia, that we enacted back in 1955, that would permit the people of the District of Columbia to vote in primary elections for delegates to national conventions, national committeemen and committeewomen, and various other party officials. So the only thing we needed to do here was to simply just amend that existing set of election laws to provide for the election of President and Vice President. In doing that, we provided for the election of President and Vice President on the first Tuesday following the first Monday in November, the same date that it is held in other parts of the country. The polls will be left open from 8 o'clock in the morning until 8 o'clock in the evening, that is the same as in existing law. It provides for electors, the presidential electors to be appointed or selected by whatever means the local political committee desires. It provides the order in which the presidential electors will appear on the ballot. They shall appear on the ballot by lot. It provides that all major parties who have elected a President since 1950 to automatically be eligible to have their electors placed on the ballot. For minor parties, the legislation provides that a petition must be filed with the Board of Elections by August 15 preceding the election and signed by 5 percent of the qualified registered voters of the District of Columbia as of July 1 of that year.

That is the substance of what this bill does. We made two major changes in the existing Primary Act in that we propose in this bill to require registration every 4 years, while the existing Primary Act provided that once a person registered, it was permanent. The committee felt that since a presidential election comes only once every 4 years and due to the large transient population in the District of Columbia, it should be required that they register once every 4 years and that they must register during the presidential election year. We also changed the Primary Act in requiring that the registration books be closed for a 45-day period preceding the election. Under the existing Primary Act, the registration books are open until 15 days before the election.

We made two or three minor changes of a noncontroversial nature. We provide that the Commissioners can appoint the Chairman of the present Electoral Board. We authorized them to adopt a seal, if they so desire. We also made a minor technical change in that the Electoral Board can either use paper ballots or voting machines or both as well as either.

There were other considerations that the committee had before it as to what the voting age should be. There were proposals made to lower the voting age to 18 and to 19. Under the existing Primary Act, the voter requirement is that a citizen must be 21 years of age. The committee felt that that should remain the same.

There were also proposals made that we should provide for absentee registration and absentee voting. Under the existing Primary Act, there are no provisions for absentee registration or voting, and the committee felt that the act should remain that way or that that provision should remain as it is.

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 3 more minutes. I would like to ask him some questions.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BROYHILL. May I just complete two more points I have here before yielding to my colleague.

The bill does, however, permit absentee registration and absentee voting for military personnel.

Another point that I would like to bring up here is as to the residential requirement for voting. The existing primary act provides for a 1 year requirement of residence. We left that provision in the act as it was rather than to lower the residence requirement.

Mr. Speaker, this is the minimum action the committee could take to put this constitutional amendment into effect. It is reasonable legislation and I hope the House will approve of it. Of course, if it needs to be revised later on, we can always come back and we can even rewrite the entire election laws, if we so desire.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. On page 7, line 3, section (g), it is provided, if I understand it correctly, that no person can vote unless he declares he is a member of a party. Does that mean or call for party registration?

Mr. BROYHILL. Party registration is required in order to vote in a party primary. However, party registration is not required in order to vote in the presidential election. Therefore, the voter has the option as to whether he registers by party or not.

Mr. HOFFMAN of Michigan. You also have in here a provision that no person shall vote more than once in any election.

Mr. BROYHILL. I think that is a very desirable requirement.

Mr. HOFFMAN of Michigan. You mean that will be enforced here?

Mr. BROYHILL. We hope that it will be enforced.

Mr. HOFFMAN of Michigan. Then there is one other matter; you refer several times to the qualification of electors. What are they? Or have they not yet been established?

Mr. BROYHILL. The gentleman will find that on page 3 of the report.

Mr. HOFFMAN of Michigan. I would like the gentleman's opinion.

Mr. BROYHILL. The qualifications are, first, that he be a U.S. citizen; second, that he must be a resident of the District of Columbia for 1 year; third, that he must be 21 years of age; and fourth, that he must not have been convicted of a felony.

Mr. HOFFMAN of Michigan. Is there any educational requirement?

Mr. BROYHILL. There is no educational requirement.

Mr. HOFFMAN of Michigan. So I can vote if I have the other requirements but need not know how to read or write.

Mr. BROYHILL. If you have resided here 1 year, are 21 years of age, and have not been convicted of a felony, and are an American citizen.

Mr. HOFFMAN of Michigan. Is there any restriction that applies if I have been on relief ever since I have been a resident?

Mr. BROYHILL. No.

Mr. HOFFMAN of Michigan. I can still vote?

Mr. BROYHILL. You can still vote.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Florida.

Mr. HALEY. I want to say to the gentleman that I am very happy to see that the committee in its wisdom has made the voting age 21. Many people in the District have felt it should be 18. I would like to point out to those people that the right to vote carries certain other responsibilities, and if a person is to be given the right to vote at 18 he should also be required to accept the responsibilities that go with voting.

Mr. COHELAN. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from California.

Mr. COHELAN. I wish to ask the gentleman a question with reference to absentee balloting. Some of us feel very strongly that we should extend the ballot as widely as possible. The administration feels this way as well as the Commissioners.

Mr. BROYHILL. The gentleman knows we discussed that proposal in the committee. This is a new thing we are doing here. We know that in many States there has been fraud in absentee voting. We are taking a major step when we give the citizens of the District of Columbia the right to vote for President and Vice President and we thought that before we further liberalized it we should see how it operates.

Mr. COHELAN. Am I to infer from the gentleman's remarks that he would be perhaps liberal minded at some future date?

Mr. BROYHILL. The fact of the matter is the gentleman from Ohio [Mr. HARSHA] has a bill pending that would completely rewrite the election laws of the District of Columbia.

Mr. COHELAN. Mr. Speaker, several important points have not been given sufficient attention in this discussion of establishing voting machinery for presidential elections in the District of Columbia.

First, there is, contrary to much of the argument, ample precedent for allowing District residents to vote in presidential elections after establishing 6 months of residency. Thirteen States, in fact—Idaho, Illinois, Iowa, Indiana, Kansas, Maine, Michigan, Minnesota, Nebraska, Nevada, New Hampshire, New Jersey, and Oregon—have reduced their residence requirements from 1 year to 6 months.

Furthermore, three States, including my own California, allow a person to vote in presidential elections after having resided there for between 30 and 60 days, if he would have met all requirements except the residence requirement in the State from which he recently moved.

In an election involving local issues and candidates, there is ample reason for requiring a residence requirement as long as 1 year. This need, however, does not apply in presidential elections where both the candidates and the issues are widely known. Residence requirements for such elections, therefore, should be kept to a minimum, and I believe that 6 months is a fair and reasonable time.

Second, full and adequate absentee voting provisions, such as those prescribed in the administration's bill, should be made for residents who are absent from the District of Columbia, or who are physically unable to appear in person at their voting places. In the District of Columbia, as is true in the Nation as a whole, we are becoming a more highly mobile society. Family demands, business obligations and service requirements sometimes force us to be absent from our polling places on election day. We should be making every effort to insure that as many qualified Americans as possible vote in our elections, and this is one very practical step that can and should be taken in this regard.

There are several other important provisions of the administration's bill which should, I believe, be included in any presidential voting legislation for the District of Columbia:

First. The form of affidavit should show political affiliation only if the registrant desires to vote in a party or primary election.

Second. The Board of Elections should publish the official ballot to be used in any election not less than 5 days before each election in one or more newspapers of general circulation in the District.

Third. A political party should be authorized to nominate candidates under either of two conditions: (a) If the party's candidates were on the ballot in five or more States in the preceding presidential election, or, (b) if the party submits a petition signed by 500 registered District voters. No fee should be required with the petition.

Fourth. Presidential electors should be required to vote for the candidates of the party they represent.

Mr. Speaker, these are sound, reasoned, well studied procedures which would insure an effective, workable election law for the District of Columbia. Many of these points, in fact, have widespread support as indicated by the following editorial in the August 2 issue of the Washington Post:

A VOTE LAW FOR DISTRICT OF COLUMBIA

It is none too soon for Congress to set up election machinery in the District in preparation for the presidential voting of 1964. In a community that has been denied the vote for nearly 90 years, time will be required to get election machinery into operation. There is also a notable advantage in giving effect to the terms of the new 23d amendment providing presidential suffrage for residents of the District while its approval by the States is still fresh in the minds of legislators. We are glad that both Houses of Congress are preparing to move forward on this front.

Even more important than prompt enactment of the bill, however, is the enactment of a good bill. It is encouraging to note that some Members of the Senate are interested in making the new measure a model election law. Of course, it will be very different from State laws providing for the election of many local and State officials as well as presidential electors. But the District system for the choice of delegates to the national party conventions and of presidential electors can and should be made a model for the country.

In some respects the administration's bill is a model one. For example, it would permit residents here to vote if they had lived only 90 days in the District. This is one of several liberal provisions that the House District Subcommittee modified yesterday, but it is not to be supposed that that group will have the last word.

The administration bill would also permit absentee voting and would allow voters to participate in the choice of electors (but not the party primaries) without disclosing their party affiliations. Electors would be required to vote for the presidential candidate of the party which they represent and would be held to their pledge by an oath and possible prosecution for perjury. The President also asked for a minimum voting age of 18 years, in place of the customary 21, but this is a highly controversial item and does not appear to have much chance in Congress.

We hope that Congress will also make an effort to improve the existing primary system. Some fear has been expressed about trying to change the primary law while setting up the new election machinery, but the entire bill is an amendment to the existing primary legislation. A few more deft amendments could be added to give the District a model presidential primary. The authorization of the necessary election machinery should not be long delayed for this purpose, but much wear and tear would be saved if both these closely related purposes could be accomplished by a single bill.

Mr. Speaker, these provisions which I have mentioned are supported by the President and the administration; they are supported by the Commissioners of the District of Columbia, and I urge that they be enacted.

The SPEAKER. The time of the gentleman from Virginia has again expired.

The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments:

On page 2, line 20, strike the word "Paragraph" and insert "Paragraphs".

On page 3, line 15, following "elector," insert the word "and".

On page 3, line 19, strike the following: "(a)(6)" and insert "(6)".

On page 3, line 20, strike "section 1-1105" and insert "section 5".

On page 4, line 5, strike "section 1-1105" and insert "section 5".

On page 6, line 15, strike the words "second section" and insert in lieu thereof "second sentence".

On page 9, line 2, insert a quotation mark following period at end of sentence.

The committee amendments were agreed to.

The SPEAKER. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 11, lines 1 and 2, strike the following: "other than the holder of a retailer's license, class E,".

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WHITENER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, this bill is a matter of major importance in connection with the history of our country. The 23d amendment was adopted and ratified last year, and it for the first time in history will enable the people of the District of Columbia to vote for the exalted offices of President and Vice President. This bill is necessary implementing legislation to carry the constitutional amendment into effect.

I realize the bill is a very sensitive one and has many complications. I think the committee did an outstanding job in reporting out this bill. I recognize that as time passes amendments will be made to the law, but as legislation implementing the 23d amendment, the committee, in my opinion, did a very good job.

There is one aspect of the bill to which I wish to make brief reference, and that is the voting age of 21 years.

I recognize that in the early days of our Government the several States of the Union selected 21 years as the time in the citizen's life when the fullness of citizenship could be exercised by him, because it was connected with the fact that from a legal angle they became of legal age at 21 years.

As we all know, every child at birth, without regard to sex, is a citizen of our country. The question of exercising the fullness of citizenship in relation to voting is a matter that has rested with the several States of the Union. Most States of the Union have adhered to the 21-year provision for the fullness of citizenship in connection with the exercise of such citizenship in the matter of voting.

There are some States of the Union that permit voting at 18 years of age. My recollection is one of them is Georgia, and there may be one or two others. I have advocated for years in Massachusetts that the voting age should be 18 years. I think the time has arrived when the several States of the Union should permit the fullness of citizenship, the right to vote, at 18 years of age.

To me the assumption of the fullness of citizenship is an educational question, an educational test, in connection with ability to assume responsibilities of the ballot. While I think those in the early days of our Government were wise in the several States in tying it up with 21 years at that time, certainly the youth of America of today at 18 years of age are many times, probably a hundred times, more educated today than they were 75, 100, or 150 years ago. Remember, at birth they are citizens.

So the question of citizenship is not involved when the time arrives in accordance with State law for them to exercise the fullness of citizenship in relation to the exercise of the ballot. I repeat, they are citizens at the time of birth.

I think the time has arrived in America when voting should start at 18 years of age, because the younger men and women of America at 18 years of age from an educational angle are eminently more qualified to cast the ballot, as I said, they are at least 50 or 100 times

better educated than they were 100, 150, or 175 years ago.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Florida.

Mr. HALEY. Does not the distinguished gentleman from Massachusetts also think that at 18 then, if we are going to give a youngster or a person the right to vote, they should also assume the responsibilities of citizenship?

Mr. McCORMACK. The question asked by the gentleman is a pertinent one, but that is separate and distinct from other considerations. I can see where the legal age in connection with the making of contracts and so forth might be 21 years of age, but that is based upon an entirely different theory than what I am advancing. The question of making a contract does not necessarily involve citizenship. But a child at birth is a citizen of the United States. The question of exercising the suffrage, in my opinion, is dependent upon the ability of a person from an educational angle to assume the fullness of his responsibility.

I wanted these remarks in the RECORD in the hope that in the near future the District of Columbia voting age will start at 18 years. I hope the Massachusetts Legislature and other State legislatures will rapidly do the same thing.

Mr. WHITENER. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. STRATTON].

Mr. STRATTON. Mr. Speaker, I support this legislation as an important step forward in increasing the suffrage of our citizens here in the United States of America.

There is, however, one aspect of this bill that disturbs me a bit, and that is the provision already referred to by the gentleman from California [Mr. COHELAN] which requires a 1-year residence before a person can be allowed to vote for President and Vice President.

Mr. Speaker, we discovered in the 1960 election, and I think the same thing usually happens in every presidential election, that there are millions and millions of Americans who were disenfranchised in voting for President and for Vice President because they happened to be moving from one State to another during the election year. They were prevented from voting for a President or Vice President in spite of the fact that they were just as well aware of the issues and of the candidates involved in one State as they might have been in another, simply because they had not resided in one State for a full year. I know that as a result of this experience some States have moved individually to try to reduce this residence requirement from 1 year to 6 months or even less. But probably no satisfactory solution to the problem can be found except by a constitutional amendment that can provide that, insofar as voting for President and Vice President is concerned, no State should establish a requirement for any specific length of residence, just as long as a man is a bona fide resident of his new State and was a qualified voter in the State he previously resided in. In such a case he would be allowed to vote for President and Vice President, but not for local candidates.

Mr. Speaker, several Members of the House, myself included, have proposed legislation providing for just this kind of constitutional amendment. I think it is important that the House, without too much more delay, take up this amendment so that these millions of people who were disenfranchised in the 1960 election, and perhaps in earlier elections as well, may be enfranchised in the future.

So the thing that disturbs me about this bill, Mr. Speaker, is that, by ratifying the 1-year provision with respect to elections specifically and only for President and Vice President in the District of Columbia, we may in effect be regarded as giving our stamp of approval to a much stricter requirement for voting for these offices than experience has shown is in the national interest.

Mr. Speaker, I trust that in adopting this bill today there will not be any impression created that the House is thereby setting any precedent or is in any way turning down in the language of this bill the recognition that residency requirements for voting for President and Vice President must be relaxed and many more millions of people across the Nation thereby enfranchised in our most important election contest.

Mr. COHELAN. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman.

Mr. COHELAN. Mr. Speaker, I wish to compliment the gentleman on his fine statement, and I should like to associate myself with his remarks as they pertain to the bill presently before the House.

Mr. STRATTON. I appreciate the gentleman's statement.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. HOFFMAN of Michigan. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN of Michigan: Page 5, line 21, after the word "party" insert "and a picture of the party candidate."

Mr. HOFFMAN of Michigan. Mr. Speaker, I was greatly impressed by the statement of the majority leader as to the importance of this bill and of permitting people who reside in Washington to vote for President and Vice President.

As long as the States have ratified the amendment, it occurs to me that everyone here in the District who is entitled to vote under the bill as it is written now should have an opportunity to vote intelligently.

The gentleman from Virginia [Mr. BROYHILL], a very active member of the District Committee, explaining the bill, told us that those who met the qualifications outlined, even though they could neither read nor write, though they had always been on relief since coming to the District, had the privilege of voting. That privilege might do no great harm, unless the residents of the District are subsequently given the right to local self-government, empowered to levy and collect taxes. Nevertheless, they should have the opportunity of knowing the identity of the candidates for whom they are voting.

Of course, while we can depend upon a likeness of the candidate being passed around, an amendment should be in this bill where it states, as it was just offered, requiring a likeness of the candidates to be printed on the ballot, so that the voter may know he is voting for the candidates of his choice.

As the gentleman from Virginia [Mr. BROYHILL] said, there is nothing in this bill about educational qualifications of those desiring to vote; none needs to be able to read.

Mr. GROSS. Or write.

Mr. HOFFMAN of Michigan. The writing would not have so much to do with it. The voter would not be writing the candidate's name on the ballot anyway. As long as he had no opportunity to read in the press—he might be back here somewhere—and he was not attending political meetings, he might not know there were other candidates.

We all know that one of the ways of educating and impressing an individual is by a cartoon. Some of those in the Washington Post have almost convinced me at times, against my better judgment and certainly against my inclination, that many Members as well as "your obedient servant" do not amount to much, are no good.

So, should not the voter who cannot read, who cannot learn for himself by reading the identity of the candidates or what is in these campaign circulars that are put out, have some way of knowing who the candidate is? How better could you convey to him who the candidate is than by having a picture of the candidate on the ballot? Then he would know for whom he was voting, and at least what his choice looked like even if he did not know, except possibly from rumor, any of the candidates' qualifications—Elvis Presley or Frank Sinatra in his day might at least get the bobby-sox vote.

Mr. BROYHILL. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Virginia.

Mr. BROYHILL. The only objection I have to the amendment is that it is not necessary, because the bill now provides that the names of all such candidates shall be placed under the title and devices of the political party as designated by the executive committee of the organization, and so forth.

Mr. HOFFMAN of Michigan. If I may interrupt the gentleman, a great many people and some voters do not know the difference between the donkey and the elephant, especially in these later days where there is not so much difference between the parties.

Some never heard of Lincoln or F.D.R. Not being able to read, how many would know of our history? Then there are people who want to vote for the man. You hear that argument all the time. Many people admire the gentleman from Virginia [Mr. BROYHILL], do not know whether he is a Republican or a

Democrat, but they want to vote for him. He is so handsome as well as intellectual and vigorous. Think how his majority would be increased if his likeness was on the ballot.

The SPEAKER. The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The amendment was rejected.

Mr. WHITENER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WHITENER. The purpose of this legislation is to amend Public Law 376 of the 84th Congress (69 Stat. 699), "An act to regulate the election of delegates representing the District of Columbia to national political conventions, and for other purposes," to provide in addition for the election of electors for President and Vice President of the United States. The legislation also includes certain amendments not directly related to addition of the new function, but which have been suggested by previous experience and a review of the operation of the basic act.

The need for the legislation arises from the ratification by the required number of States of the 23d amendment to the Constitution of the United States initiated by joint resolution of the 86th Congress on January 6, 1960. This amendment to the Constitution provides:

Section 1. The District constituting the seat of Government of the United States shall appoint in such manner as the Congress may direct:

A number of electors of President and Vice President equal to the whole number of Senators and Representatives in Congress to which the District would be entitled if it were a State, but in no event more than the least populous State; they shall be in addition to those appointed by the States, but they shall be considered, for the purposes of the election of President and Vice President, to be electors appointed by a State; and they shall meet in the District and perform such duties as provided by the 12th article of amendment.

SEC. 2. The Congress shall have power to enforce this article by appropriate legislation.

Section 1 of the bill would provide for the manner in which the electors from the District of Columbia for President and Vice President shall be appointed in compliance with the responsibility imposed upon the Congress by the amendment. The operational features of the election procedures in the District of Columbia as amended by this bill are as follows:

Permanent registration is abolished.

To be eligible to vote in a presidential election, each individual otherwise qualified must register in the year in which the election is held, except as provided by the Board of Elections pursuant to the Federal Voting Assistance Act of 1955. Provisions in the existing law requiring that an individual must be at least 21 years of age and must have resided in the District of Columbia without claiming voting residence elsewhere for at least 1 year as of the date of the election to be eligible to register are not changed by this bill.

Absentee registration and voting are restricted to persons covered by clauses 1, 2, 3, and 4 of the Federal Voting Assistance Act of 1955.

The registry is closed 45 days before both a primary and a regular election date to permit adequate time for the Election Board to prepare necessary lists and to prepare adequately for the elections.

Nominees for presidential elector, who must in each case be fully qualified as voters, are selected in two ways: First, by certification of the executive committee recognized by the national committee of a major party. A major party is defined as one which has had its candidate elected as President of the United States after January 1, 1950. The method by which the nominees for elector are selected by the major party organization is left to the discretion of the party. Second, any other party may have its electors placed on the ballot by submitting a petition to the Board of Elections signed by at least 5 percent of the registered qualified voters of the District of Columbia as of the July 1 immediately preceding the election.

Other provisions of the bill provide greater discretion to the Board of Elections with respect to administering oaths, the use of modern voting equipment, and determination of the form of the ballot. A seal for the use of the Board is authorized, and provision made for appointment of a chairman.

Provision is made for appointment of a substitute by the appropriate party committee for any candidate for elector who dies, resigns, or becomes unable to serve.

Section 2 of the bill provides that for purposes of this act, the District of Columbia shall be defined as a State, and the Board of Commissioners defined as executive officials of a State.

Section 3 of the bill forbids the sale of alcoholic beverages during the period the polls are open.

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. The majority leader, the distinguished gentleman from Massachusetts [Mr. MCCORMACK], has well given the arguments for giving the vote to those of 18 years of age. I completely subscribe to his thinking. Among other States, Georgia has had excellent experience under such a standard. This bill for the first time expresses the feeling of the Congress on this matter. I regret the committee's decision and I hope that many more States, including mine, will soon recognize the logic of Senator MCCORMACK'S arguments and that later we may modify the requirements of the District of Columbia.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE DISTRICT OF COLUMBIA ALCOHOLIC BEVERAGE CONTROL ACT

Mr. MCMILLAN. Mr. Speaker, I call up the bill (H.R. 256) to amend the District of Columbia Alcoholic Beverage Control Act, and ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 23(c) of the District of Columbia Alcoholic Beverage Control Act, as amended (48 Stat. 332; sec. 25–124(c), D.C. Code), is hereby repealed.

SEC. 2. Section 23(d) of the District of Columbia Alcoholic Beverage Control Act, as amended (48 Stat. 332; sec. 25–124(d), D.C. Code), is renumbered as section "23(c)" and as so renumbered is amended to read as follows:

"(c) Said taxes shall be collected and paid in the following manner:

"(1) Each holder of a manufacturer's or wholesaler's license shall, on or before the tenth day of each month, furnish to the Commissioners or their designated agent on a form to be prescribed by the Commissioners, a statement under oath showing the quantity of beverage subject to taxation hereunder sold by him during the preceding calendar month and shall, on or before the fifteenth day of each month, pay to the Commissioners or their designated agent the tax hereby imposed upon the quantity of beverages subject to taxation hereunder sold by him during the preceding calendar month.

"(2) No licensee holding a retailer's license shall transport or cause to be transported into the District of Columbia any beverages subject to taxation hereunder other than the regular stock on hand in a passenger carrying marine vessel operating in and beyond the District of Columbia, or a club car or a dining car on a railroad operating in and beyond the District of Columbia, for which a retailer's license, class C or D, has been issued under this Act, unless such licensee has first obtained a permit so to do from the Alcoholic Beverage Control Board. No such permit shall issue until the tax imposed by this section shall have been paid for the beverages for which the permit is requested. Such permit shall specifically set forth the quantity, character, and brand or trade name of the beverage to be transported and the names and addresses of the seller and of the purchaser. Such permit shall accompany such beverages during transportation in the District of Columbia to the licensed premises of such retail licensee and shall be exhibited upon the demand of any police officer or duly authorized inspector of the Board. Such permit shall, immediately upon receipt of the beverage by the retail licensee, be marked 'canceled' and retained by him.

"(3) The Commissioners are authorized and empowered to prescribe by regulation such other methods or devices or both for the assessment, evidencing of payment, and collection of the taxes imposed by this section in addition to or in lieu of the method hereinbefore set forth whenever in their judgment such action is necessary to prevent frauds or evasions."

SEC. 3. Sections 23(e), 23(f), 23(i), and 23(j) of the District of Columbia Alcoholic Beverage Control Act, as amended (48 Stat. 332; secs. 25–124(e), 25–124(f), 25–124(i), and 23(j), D.C. Code), are repealed, and sections 23(g) and 23(h) of said Act are renumbered as "23(d)" and "23(e)", respectively.

SEC. 4. Section 23(k) of the District of Columbia Alcoholic Beverage Control Act, as amended (48 Stat. 332; sec. 25–124(k), D.C. Code), is renumbered as "23(f)" and as so renumbered is amended as follows:

By striking the words "of subsections (a), (c), (e), and (1)," from the first sentence, and by amending the last sentence to read as follows: "Each holder of such a license shall, on or before the tenth day of each month, forward to the Board on a form to be prescribed by the Commissioners, a statement under oath, showing the quantity of each kind of beverage, except beer and nontaxable light wines, sold under such license in the District of Columbia during the preceding calendar month and such statement shall be accompanied by payment of any tax imposed under this Act upon any such beverages set forth in said report."

SEC. 5. Nothing in this Act shall be construed as requiring the payment of any further tax on beverages to which stamps have been lawfully affixed under provisions of prior law.

SEC. 6. The Commissioners or their designated agent are authorized to redeem any unused stamps issued under the provisions of prior law or to accept same in payment of tax shown due on a monthly return.

SEC. 7. Nothing in this Act shall be construed so as to affect the authority vested in the Board of Commissioners of the District of Columbia by Reorganization Plan Numbered 5 of 1952 (66 Stat. 824). The performance of any function vested by this Act in the Board of Commissioners or in any office or agency under the jurisdiction and control of said Board of Commissioners may be delegated by said Board of Commissioners in accordance with section 3 of such plan.

SEC. 8. This Act shall take effect on the first day of the calendar month beginning not less than sixty days after the date of approval of this Act.

The SPEAKER. The Clerk will report the first committee amendment.

The Clerk read as follows :

Page 4, line 6, strike out "(1)" and insert "(i)".

The committee amendment was agreed to.

The SPEAKER. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 4, line 11, strike out "nontaxable light".

The committee amendment was agreed to.

Mr. HARSHA. Mr. Speaker, will the gentleman yield?

Mr. McMILLAN. I yield.

Mr. HARSHA. There seems to be some ambiguity about the wording of this amendment. I would like to have the intent of the committee clarified. The amendment, as I understand, reads that such license number must be affixed at the time of sale of such spirits by the retailer. Is it the intention of the committee that this amendment means that at the time that any of those spirits are offered for sale or placed on the counter or displayed that they shall bear this license number?

Mr. McMILLAN. That is the intention of the committee.

Mr. HARSHA. It seemed ambiguous to me, and I would like to offer an amendment to the committee amendment on page 4, line 24 after the word "of" insert "display or". I think that will make it clear that our intention is that when any of this merchandise is offered for sale or displayed it should have on it the license number.

Mr. McMILLAN. I would be inclined to accept the gentleman's amendment.

The SPEAKER. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 4, line 16, insert:

"SEC. 5. Section 23 of the District of Columbia Alcoholic Beverage Control Act (D.C. Code, sec. 25–124) is further amended by adding at the end of thereof the following new subsection:

"'(g) The Commissioners are authorized to require that the immediate container of each beverage subject to tax under this Act contain the license number of each licensee who sells or offers for sale such beverage. Such license number must be affixed at the time of sale of said spirits by the retailer. This subsection shall not apply to spirit containers of less than two ounces.'"

Mr. BURKE of Kentucky. Mr. Speaker, I move to strike out the last word.

May I inquire of the chairman, is it true that since other provisions of existing law already cover the sale of beer and wine, the instant legislation applies only to the sale of spirits?

Mr. McMILLAN. That is correct. Under the District of Columbia Code 25–103(b), the word "spirits" means any beverage which contains alcohol obtained by distillation mixed with drinkable water and other substances in solution, including brandy, rum, whisky, cordials, and gin.

Neither beer nor wine is included in the above categories.

Mr. BURKE of Kentucky. I thank the chairman.

Mr. HARSHA. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. HARSHA, of Ohio, to the committee amendment: On page 4, line 24, after the word "of" the first time it occurs, insert the following, "display or".

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. McMILLAN. Mr. Speaker, the purpose of this bill is to amend the District of Columbia Alcoholic Beverage Control Act so as to provide for the payment of District of Columbia alcoholic beverage taxes—other than wine and beer—by means of a reporting or affidavit method in lieu of the present tax stamp method.

The reporting method has always been used in the District of Columbia for the collection of such taxes on beer and, since the latter part of 1958, the collection of such taxes on wine has been by the reporting method—Public Law 85–558. In other words, H.R. 256 provides for the payment of the tax on spirits by a monthly reporting system in precisely the same manner as is now provided for beer and wine.

The present tax-stamp method of collecting alcoholic beverage taxes is prescribed under provisions contained in the Alcoholic Beverage Control Act, as amended April 30, 1934—Public Law 191, 73d Congress. This act—and regulations promulgated thereunder—stipulates that the alcoholic beverage taxes shall be collected by the Collector of Taxes by means of suitable tax stamps issued and sold by him, which stamps shall denote contents and payment of the tax and be affixed to the immediate beverage container. The tax stamps, prepared from steel engravings, are secured from the U.S. Bureau of Engraving and Printing and are sold by the Collector to licensed dealers, for cash or certified check, upon orders—applications—issued by the Alcoholic Beverage Control Board to be placed on each individual bottle. Under present regulations, upon purchase of stamps, the licensed retailers are subsequently required to stamp, by means of indelible ink, their license number on each stamp purchased, as well as on stamps affixed to beverages received from local wholesalers and distributors.

Testimony adduced at the hearing on this proposal on June 7, 1961 showed that during the fiscal year 1961, the District of Columbia purchased, handled, sold, and distributed 44,776,100 excise stamps for distilled spirits. These stamps are sent to distillers in the United States, Canada, and Great Britain, where they are hand applied to 44,776,100 bottles. When these bottles are received at the retail level in the District of Columbia, retailers are then required within 24 hours to hand-stamp their serial number on the stamp. This entails another 44,776,100 individual applications. The industry estimates that these burdensome operations cost it several hundred thousand dollars per year in labor alone.

In order to provide for the payment of District of Columbia alcoholic beverage taxes by a reporting method in lieu of the present tax-stamp method, the bill specifically provides that each holder of a manufacturer's or wholesaler's license shall, on or before the 10th day of each month, furnish to the Commissioners, on a form to be prescribed by them, a statement under oath showing the quantity of beverage subject to taxation sold by him during the preceding calendar month and shall, on or before the 15th day of each month, pay to the Commissioners the tax imposed upon the quantity of beverages subject to taxation sold by him during the preceding calendar month.

The bill also contains a provision to cover the particular situations of passenger-carrying marine vessels and club cars and dining cars on a railroad operating in and beyond the District of Columbia.

The Commissioners are authorized to prescribe by regulation such other methods or devices for the assessment, payment, and collection of such taxes in addition to or in lieu of the method set forth in this proposal whenever, in their judgment, such action is necessary to prevent frauds or evasions.

The bill further provides that each holder of a manufacturer's or wholesaler's license shall, on or before the 10th day of each month, forward to the Alcoholic Beverage Control Board on a

form to be prescribed by the Commissioners, a statement under oath, showing the quantity of each kind of beverage, except beer and nontaxable light wines, sold under such license in the District of Columbia during the preceding calendar month and such statement shall be accompanied by payment of any tax imposed upon such beverages set forth in said report.

Section 506(a) of Public Law 591, 83d Congress, approved August 16, 1954, Internal Revenue Code of 1954, provides that the taxes on distilled spirits, wines, rectified distilled spirits and wines, and beer shall be paid by return, with a proviso that notwithstanding this subsection, the taxes shall continue to be paid by stamp until the Secretary of the Treasury or his delegate shall by regulations provide for the payment of the taxes by return.

Under the above cited authority, on June 24, 1959, the Federal Government abandoned the use of revenue stamps and established a reporting method for the collection of Federal revenue on distilled spirits. In testimony before the subcommittee of the Committee on Appropriations, House of Representatives, on Treasury-Post Office Departments Appropriations for 1961, on February 2, 1960, Commissioner Dana Latham, of the U.S. Internal Revenue Service, stated:

> We feel that the transition (from stamps) has worked remarkably well and has been very smoothly accomplished.

Your committee feels that one collection method for all alcoholic beverages is better than two systems which now exist in the District of Columbia.

Proponents of this measure submitted to the committee at the hearing a list of open license States which use a reporting system instead of tax stamps in collecting taxes on alcoholic beverages, as follows: Alaska, Arizona, California, Colorado, Connecticut, Hawaii, Illinois, Kansas, Kentucky, Massachusetts, Minnesota, Missouri, Nebraska, Nevada, New Jersey, New Mexico, New York, and North Dakota.

The monopoly States which do not require stamps of any kind are: North Carolina, Ohio, Vermont, Virginia, Washington, and Wyoming.

The States of Delaware and Rhode Island require tax prepayment but no stamps.

The Alcoholic Beverage Control Board has advised the Committee that during fiscal year 1961 revenue was received from the industry as follows:

2,418 licenses	$1,116,441.02
Tax stamps (whisky)	4,878,741.25
Tax on beer	783,470.43
Tax on wine	655,057.59
Tax on alcohol	715.00
Total	7,434,425.29

The Finance Office states that the estimated sales tax on all alcoholic beverages for fiscal year 1961 was $1,725,000 for a grand total of $9,159,425.29.

The District of Columbia government estimates that enactment of this legislation would result in an increase of alcoholic beverage control administration of $36,218.00. However, the Committee is of the opinion that this additional cost would be partially offset by savings effected by elimination of the tax stamps, which during fiscal year 1961 amounted to $14,996.00.

Mr. Speaker, that concludes the business of the Committee on the District of Columbia.

MUTUAL SECURITY ACT OF 1961

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 414 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8400) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed eight hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MADDEN. Mr. Speaker, House Resolution 414 provides for the consideration of H.R. 8400, a bill to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes. This legislation, in my opinion, is essential to preserve our Nation's freedom and world peace as any bill enacted by the Congress in former years either in times of war or peace. This resolution provides for an open rule, waiving points of order, with 8 hours of general debate.

H.R. 8400 replaces the existing Mutual Security Act and constitutes a complete revision of the basic legislation governing the provisions of U.S. assistance, both military and economic, to foreign countries. It is the result of a critical, comprehensive and independent review and evaluation of today's problems of national security and foreign policy. It changes the operation and legislation and the organization which have governed the supervision of U.S. foreign aid and assistance.

This bill, authorizing a comprehensive program of assistance to other countries, contains four parts, the first two of which are designated as "acts," each bearing a short title.

Part I, to be cited as the "Act for International Development of 1961," provides the authorization for programs of economic assistance to other nations.

Part II, with the short title "International Peace and Security Act of 1961," authorizes military assistance to foreign countries.

Parts III and IV do not bear short titles and include a variety of general, administrative, and miscellaneous provisions applicable to the foreign assistance program generally, including parts I and II.

The entire bill, including the Act for International Development of 1961 and the International Peace and Security Act of 1961, is designated the "Mutual Security Act of 1961."

Since the close of World War II, the United States has succeeded in turning back communistic aggression in many countries and has thwarted Communist aggression and infiltration in neutral and backward countries. Our mutual aid program during these years has been responsible for the economic recovery of France, West Germany, Italy, and other nations who have been victims of bombs and cannons of the last world war.

This program has also helped a number of undeveloped nations and areas throughout the world to expand their resources and improve their living standards. The future world will be grateful to the U.S. Congress and the executive department for their cooperation during the last 15 years in curbing and halting the progress of international communism. Our mutual aid and security programs have relieved the economic pressures and the internal subversions used by the Soviets in their attempt to bring under their domination peoples now free and independent. Our mutual security program has been a great aid and comfort to the freedom-loving people living in nations who were once free but now under the yoke of communistic tyranny. In addition to nations that have now recovered from the shock of war and the immediate grasp of the Kremlin, it is highly necessary through this legislation, to help other friendly and helpless nations who have recently won their independence to defend themselves against aggression and contribute to the security of the free world. These newer nations are now striving to establish themselves so they can assume an equal station among the free nations of the world and to fulfill their responsibility for self-government and independence.

One need only reflect back to the cooperation and sacrifice which our Nation made during the last 15 years through such programs as aid to Greece and Turkey and to other war-torn nations of Europe, Korea, the Philippines and the new nations of southeast Asia, to the great aid programs we gave to India and Pakistan and other security arrangements throughout the world to realize that future generations will some day thank us for the sacrifice we made in saving the world against Communist enslavement.

Older Members of Congress can well remember the testimony that General Eisenhower gave before the House Foreign Affairs Committee back in the days before he became President of the United States. General Eisenhower at that time stated if it had not been for these above-mentioned foreign aid programs, all Europe and most of Africa and Asia would be Communists today. That statement was made over 10 years ago.

CALL OF THE HOUSE

Mr. HALEY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, no quorum is present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 147]

Anfuso	Harrison, Va.	Moulder
Ashbrook	Healey	Osmers
Ashley	Hoeven	Powell
Bass, N.H.	Hosmer	Rabaut
Betts	Jarman	Riehlman
Boykin	Jonas	Rivers, S.C.
Buckley	Jones, Mo.	Roberts
Byrnes, Wis.	Kilburn	Roudebush
Cannon	King, Utah	Rousselot
Coad	Kirwan	St. Germain
Cramer	Kluczynski	Saund
Dooley	Lesinski	Slack
Dulski	McCulloch	Staggers
Ellsworth	McSween	Steed
Finnegan	Macdonald	Wickersham
Fino	Mason	Willis
Glenn	Miller, N.Y.	Wilson, Ind.
Halleck	Minshall	Winstead

The SPEAKER pro tempore (Mr. BROOKS of Texas). On this rollcall 377 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MUTUAL SECURITY ACT OF 1961

The SPEAKER pro tempore. The Chair recognizes the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, I yield myself 8 additional minutes, following which I shall yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. Speaker, the present bill under consideration, is a well-thought-out, streamlined effort to simplify our mutual security program over a longer term of years than the former operation which was based on year-to-year financing and which has proven to be costly and wasteful. We have learned that international long-term development cannot be achieved on the basis of annual planning on our commitments. The present legislation calls for a 5-year development program based on the appraisal for the needs of the immediate and distant future.

President Eisenhower and Secretary Dulles proposed the establishment of a similar development loan fund to extend over a period of several years and the President 4 years ago told the Congress that this method of financing was well suited to the character of this type of international operation.

We will hear a great deal of opposition during the debate on this legislation concerning this method of financing of the international development program over a 5-year period. Secretary of the Treasury, Douglas Dillon, one of the most outstanding recognized experts on international finance, along with the members of the National Advisory Council on International Monetary Problems, of which he is Chairman, studied, reviewed, and approved the aspects of this proposed method of financing and operating this international security program.

We are also going to hear a great deal during debate about "back-door financing" and judging from some of the speeches which will be made, one would think that this method of financing Government projects started in this session of Congress. Secretary Dillon testified before the House Foreign Affairs Committee that this method of financing was used by the Hoover administration when the Reconstruction Finance Corporation was formed, using the same identical borrowing authority. He also testified that there had been some 25 different agencies of the Government where Congress has authorized the use of this particular authority and method of financing and most of them are still being used today. On page 604 of the House hearings on this legislation, the Secretary inserted for the record, 26 different Government departments on programs, including the Commodity Credit Corporation, Federal Deposit Insurance, Federal Home Loan Banks, House and Home Finance Agency, Rural Electrification, Public Housing, TVA, International Monetary Fund, and 18 other Federal programs, operating under the identical methods of financing as is proposed in this bill.

In 1951, during the 81st Congress, General Eisenhower, when he was president of Columbia University, testified before the Senate Appropriations Committee and at that time, expressed himself emphatically against 1 year financing and programing on projects which are of great magnitude and will extend over a long period of time.

Mr. Speaker, under unanimous consent I insert the exact words used by General Eisenhower in his testimony 10 years ago on this financing question which will be so much in dispute during the next few days in this debate:

As to the time it is going to take to get a better position in the world than we have now, I do not think anybody could guess. But I did state, I believe, in my testimony, that we should calculate these budgets on the fact that they are going to have a plan of indeterminate length. The worst thing you can do with a military establishment, or anything of that size, is to put your appropriation at one level one year, at another level the next year, and then suddenly get frightened and put it at a much higher level. You have got to find a place where you expect to stabilize it, because then you will operate economically and with the least cost for waste. But if you are constantly discharging men, laying up equipment, and then the next year making increases because you are a little bit more frightened, it will not work. We have got, therefore, to couch these budgets and our plans in the long-term view. The long-term outlook today is not good, as we all know, but on the other hand it is not hopeless. We are strong, and the free world gets steadily stronger.

I noticed that in one of the minority opinions filed by some members of the House Foreign Affairs Committee, they term this method of financing as an unprecedented flexibility, given the executive branch in the administration and management of this program.

The above history of this type of financing is not unprecedented but has been utilized and effectively applied since Herbert Hoover's administration.

H.R. 8400 contains 98 printed pages and sets out in detail all the provisions pertaining to the two principal parts to wit: Part I, the international development section of the bill and part II, the military aid section of the bill.

The chairman and members of the House Foreign Affairs Committee should be commended for the long hours of work and diligence which they contributed in holding hearings over a period of 4 weeks. The printed hearings are made up of 1498 pages containing the testimony of Secretary of State Rusk, Secretary of the Treasury Dillon and numerous other Federal officials who have long experience in conducting this complicated mutual security program. Various organizations, including labor, League of Women Voters and both business and industrial groups expressed their opinion in the printed hearings of this legislation. Members of Congress should make every effort to read as many of these testimonials from the hearings as possible.

The greatest organized threat in the history of the world to enslave mankind is international communism. The United States is the leader of the free world and unless the nations of the free world governments are united to curb, combat and destroy international communism, future generations will be living in enslaved states similar to the captive nations of Central Europe and in other areas throughout the globe where the Communists have succeeded through infiltration and aggression to overthrow free government and install their tyranny over liberty-loving peoples. Although this program involves a financial sacrifice upon the people of our country, the issue is not a question of whether our Nation can afford this international development and military aid program, but the question is can we afford to allow communistic tyranny to run rampant and enslave other nations until we eventually find ourselves a small bastion of free people in a sea of world communism.

I hope this legislation is enacted with very minor changes from the original bill.

Mr. BROWN. Mr. Speaker, I yield myself 8 minutes.

Mr. Speaker, I have listened with a great deal of attention to the statement made by my colleague, the gentleman from Indiana, relative to this rule and the bill which it makes in order. This rule waives all points of order, and grants 8 hours of general debate on H.R. 8400 under an open rule, the so-called foreign-aid authorization bill.

I think, in the very beginning, it might be well to stop and look at the record a moment. I would like to urge you, if I may, each and every one of you, if you have not done so to take the time to read and to ponder over some of the sections contained in this 98-page bill, and to read the report of the committee, including the various minority reports, which have been supplied to each Member of the House. If you do this, you will find this bill carries more authority and more spending than any bill which has ever come before us in connection with foreign aid matters.

Let me say in the beginning, we have had a foreign aid program now for 15

years, and when the Committee on Foreign Affairs was before the Committee on Rules, I asked for information, because I wanted to learn as much as I could about this measure, and I must frankly state, without any reflection on my colleagues or on any member of that committee, that it was difficult to get any definite information.

It was impossible to find out, for instance, all of the great number of different alphabetical organizations we have had to supply American aid to foreign countries, which, from year to year, were changed like call letters of radio stations.

It was agreed, I believe, in the Committee on Rules by those who were questioned, as well as those who asked questions, that originally we were told we would only have to furnish aid to foreign countries for 1 year, and then it was for 2 years, and then for 3 years. Now we are being told there is no time limit. That is the testimony of the chairman of the Committee on Foreign Affairs, that there can be no time limit now placed on foreign aid, which may run for many, many years to come, and that no one can figure the total cost. It was agreed and understood, in the Committee on Rules, that this bill carries authorizations of $4,355 million. But, of course, it was pointed out, and agreed to in the hearings before the Committee on Rules, that this huge amount does not include all that is in this bill, or all that will be spent for foreign aid purposes, because it does not include many of the expenditure items that are paid out through the United Nations; from appropriations to the State Department—it does not include huge payments made out of the various types of banks now loaning and furnishing funds for foreign aid purposes to different countries, and to different groups.

No one was able to tell us in the Committee on Rules, and I defy anyone to take this bill and ascertain it, what the total cost of foreign aid will be under this bill, and under other legislation already in existence.

But, there are some peculiar provisions in this bill besides the $4.355 billion authorization carried in the bill. There is also included an authorization for the President to go directly to the Treasury and present a Presidential note, as it were, and to borrow from the Treasury, without any appropriation by the Congress, notwithstanding the provision of the Constitution of the United States, that all funds drawn from the Treasury must be drawn through appropriation by the Congress, a total of $8.8 billion. Call it back-door spending or whatever you please, this huge amount of money can still be taken from the Federal Treasury without any direct appropriation by the Congress, or any review by the Congress.

It is true that out of this $8.8 billion set up in this bill for future loans over the 5-year period—loans and grants I might add—that $1.5 billion, or $300 million a year, is to be derived, under provisions of the bill, from moneys paid back into the Federal Treasury on loans we have made in the past. When we were asked to enact legislation originally, providing for the making of these loans to foreign countries, we were told the payments thereon would come back into the Treasury to reduce the national debt that had been incurred in order to meet our original foreign-aid loans.

That reminds me, if I recall the testimony before the Committee on Rules correctly, the chairman of the committee advised us that some $86 billion of our taxpayers' money had been spent since 1947 in direct foreign aid. In addition to the expenditure of $86 billion, the chairman of another committee informed us that the interest on the debt we have incurred to furnish such foreign aid is costing us right now $3 billion a year.

So the total cost of foreign aid, up to date, runs somewhere well over $100 billion; and, of course, there is this new enlarged program before us. Those who believe in foreign aid tell you it is all worth while, despite there has been wasteful extravagance in the program, but nonetheless it has been worth while. Let us look at the record and see what it shows. When we passed our first foreign-aid program only 7 percent of the world's people were under Communist control. Today, right now, after all the billions we have spent in foreign aid to help other countries resist communism, some 40 percent of the people on this earth are living under the domination, dictation, and control of communism. Evidently our various foreign-aid programs have not done much directly, at least, to stop the spread of communism.

Whether there would have been more wars without it, I cannot say, nor do I believe any other individual in Congress or out of Congress can predict with accuracy what the situation in the world might have been if things had been different.

Let us look further and consider the broad and unused powers that are conferred here as never before in any legislative enactment by the Congress. So I am going to quote, if I may, as to the powers conferred upon the President—and, of course, being adults and grownups, we know the President himself does not exercise these powers, but delegates them to other individuals who represent him and act in his name. I call your attention to page 108 of the report, and I quote:

> In this bill there are 51 grants of discretionary power to the President, and 18 authorizations to disregard other laws which apply to foreign aid.

Just think of it. Talk about a grant of power.

Let us stop for a minute and consider what the President can do with this $8.8 billion he is authorized by this bill, to take out of the Federal Treasury directly. The President in his best judgment, or wisdom, can spend it all the first year if he wants to—which I do not think he will do, at least I hope he will not, but he can do it—and after that he can do other things.

What can he do? He can lend this money to any foreign government; he can lend it to any foreign group or individual, he can lend it to any American corporation, or to any individual American citizen. The latter may be the answer as to why some of the heads of the great corporations of America are taking such an active interest in the passage of this bill. Yes; the President can make loans to any corporation or to an individual American citizen, for up to 50 years, without any interest payments whatsoever being required. Such loans will be guaranteed, and any man who goes into that operation, the man who starts a factory here or there in some foreign country, will be protected and guaranteed by our Government against loss.

How does he pay back? He pays no interest whatever. He borrows a million dollars, we will say, to start a lead-pencil factory down in Brazil. He pays back nothing on the loan the first 10 years. Then he pays 1 percent a year for the next 10 years, or a total of 10 percent on the loan in the first 20 years. Then in the next 30 years he pays 3 percent each year. On what? On the principal alone, with no interest. Yet, if you will remember, the Federal Government is paying better than 4 percent right now as interest on its long-term bonds. You will find, therefore, that the $1 million loan for the lead pencil factory will cost the Federal Government close to $1,500,000 in lost interest alone we have given as help, not to some foreign country, but to some individual American or some American concern able, for some reason or other, to receive the largess from our American taxpayers.

I want to bring up one other matter quickly. I read with a great deal of interest the statement of Secretary Dillon, who has been so much quoted here, perhaps because he was serving in another administration in the past. Secretary Dillon went down to the Latin American conference in Uruguay, and there last week he made the commitment that Latin America could depend upon receiving from the United States, and perhaps other countries as well, if any should come in, at least $20 billion in the next 10 years.

I asked the question of the sponsors of this bill, when before the Rules Committee, by what authority, by what right or law, did Secretary Dillon—even though he was representing the President, because even the President has no such right—did he have to commit the U.S. Government to $20 billion in loans and grants to Latin American countries in the next 10 years? It is not in the law. They may be able to do it under this bill, with these new authorizations, if it becomes law, but it is not the law today. And, rather peculiarly, I noticed the Associated Press report on this meeting down in Uruguay that Dillon emphasized as they do in this bill, social reform. But, according to the news report, the representatives of the Latin American countries paid little or no attention to that, as a matter of fact. They objected to many of the objectives mentioned in this legislation, and in these reports. They said, "What we are interested in is getting money from the United States."

As a nation we have not been beggarly in our treatment of the people of other nations. We have loaned and given them much money. We have given to Latin American countries a great deal of money in the form of grants and loans in the past, most of which has never been repaid.

The other day a subcommittee of the House Committee on Government Operations filed its report on the investigation of the use of American funds that were voted to relieve the drought sufferers in Peru about 2 years ago. And believe it or not, that investigation revealed that 95 percent of the money was stymied on the way and never reached the poor sufferers, but on the contrary further enriched the rich, helped further to fatten the pocketbooks of corrupt officials down there.

We are told that under this bill that situation will be corrected. But this is where we came in over 15 years ago. Year after year we have heard the same story that our foreign-aid program was going to be put on a businesslike basis. But it has not been.

I urge you to read the report, listen to the debate, and scrutinize the bill very carefully before you vote your rights and the funds of your constituents away.

Mr. MADDEN. Mr. Speaker, I yield 15 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 148]

Ashbrook	Harrison, Wyo.	O'Hara, Mich.
Ashley	Healey	O'Neill
Ayres	Hébert	Osmers
Bass, N.H.	Hoeven	Powell
Buckley	Holifield	Rabaut
Byrnes, Wis.	Hosmer	Riehlman
Coad	Jonas	Roberts
Dent	Jones, Mo.	Roudebush
Derwinski	Kearns	Rousselot
Diggs	Kilburn	St. Germain
Dingell	King, Utah	Slack
Dooley	Kluczynski	Staggers
Dulski	Laird	Thomas
Ellsworth	Lesinski	Thompson, La.
Finnegan	McCulloch	Udall, Morris K.
Fino	Macdonald	Whitten
Gilbert	Mason	Wickersham
Glenn	Miller, N.Y.	Willis
Griffin	Minshall	Wilson, Ind.
Harrison, Va.	Morrison	Winstead

The SPEAKER pro tempore (Mr. BROOKS of Texas). On this rollcall, 375 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MUTUAL SECURITY ACT OF 1961

The SPEAKER pro tempore. The Chair recognizes the gentlemen from Virginia [Mr. SMITH] for 15 minutes.

Mr. SMITH of Virginia. Mr. Speaker, this is a rule for the consideration of the foreign aid bill.

The bill which this rule makes in order differs very widely in all respects, practically, from the bills which we have previously adopted; and I want to call your attention to just one or two of its provisions, for I shall not have time to go into them at length. To begin with, this bill waives points of order. That request was made in the Rules Committee. I asked why we should waive the rules of the House with respect to this bill. Usually there are some specific reasons, but I was unable to get any reason why we should waive points of order on this bill other than the fact that there were numerous matters in it that were subject to points of order because they were in violation of the rules of the House. We had a record vote on whether we should go that far in waiving points of order generally on this bill; and, as was to be expected, the vote was 8 to something else. So under this rule, if you adopt it, no point of order can be raised as to this bill.

Points of order are not the only things we waived in this bill, we are waiving the constitutional functions of the Congress in place after place; we are waiving the appropriations process; we are waiving the functions of the next Congress that has not yet been elected, and we are waiving the functions of the Congress after that, which has never been elected. Then when the Fourth of July comes around we go out and wave the flag and brag about our ancestors and try and equate our feeble performances to those of the founders of this Nation.

I am going to direct my remarks to the matter of back-door spending. In the newspapers we have seen and in the debates we have heard a lot to the effect that notwithstanding the fact that we can go in the back door to get this $8.8 from the Treasury through what is politely called Treasury loans, and we extend this program for 5 years—and I want to say to you without fear of contradiction, and if someone will undertake to contradict it I hope they will try, but it cannot be done—that after you pass this bill it is the last function you will ever perform under this program—you will never have another opportunity for an effective correction of the things that are wrong until after you have approved this $8.8 billion. If anybody thinks that statement is not correct I want him during the debate to show me where. I know, because I am not wrong.

The Secretary of State in his testimony before the Senate Foreign Relations Committee said there will be an opportunity by Congress to approve the action of their Appropriations Committee. We will never hear from the Appropriations Committee any more if you pass this bill. He goes on to say, to change, to reduce, if they so desire, or to limit the amount of funds that might be expended under this program. That is not correct, because when you pass this bill you have appropriated the money for all intents and purposes. My good friend, the gentleman from Massachusetts, the majority leader of the House, was quoted in a newspaper article of yesterday to this effect. I quote:

> Those who charge that Congress will be deprived of its control over long-range foreign aid development financing have no grounds to substantiate their viewpoint.

What are the provisions of the bill? The matter of congressional control is mentioned only in two places in this bill. One is that it shall be subject to the Corporation Control Act.

In the committee report, page 18, the committee was good enough to quote the Corporation Control Act, and I would like to leave it to your good judgment whether this furnishes any control that would permit the Congress to stop this thing when they find out it is wrong.

I am going to impose upon you by reading the section that the committee report on page 18 says gives Congress control:

> The budget programs transmitted by the President to the Congress shall be considered and legislation shall be enacted making necessary appropriations, as may be authorized by law, making available for expenditure for operating and administrative expenses such corporate funds or other financial resources or limiting the use thereof as the Congress may determine and providing for repayment of capital funds and the payment of dividends. The provisions of this section shall not be construed as preventing Government corporations from carrying out and financing their activities as authorized by existing law.

That is what you are going to pass here this week, and whether you pass it or not, the Corporation Control Act itself says it shall not apply to this existing legislation.

There is a little more of it which I will not bore you with reading.

There is one other place where a possible control by Congress is mentioned, and that is on page 52 of the bill, in connection with these authorizations or appropriations or back-door spending, whatever you want to call it.

Here is what is stated on page 52, section 616:

> Assistance under any provision of this Act may, unless sooner terminated by the President, be terminated by concurrent resolution.

What does that mean? Somebody probably is going to get up here and say that a concurrent resolution does not require the signature of the President. That thing of whether the signature of the President is obtained is the whole crux of this arrangement. The President's signature is required to any act of legislation as provided specifically by the Constitution. A concurrent resolution repealing or modifying or changing this bill in any respect is a piece of legislation, and any legislation, including concurrent resolutions, requires the President's signature.

What I am getting down to is this: We all know that the present President, probably the next President, and the last President, were very enthusiastic and honestly so about this program, and he is very insistent about this particular phase of this particular bill.

With all due respect to him in his conception of his duties and what is in the best interest of the country, we know perfectly well after this bill is passed if we should pass any concurrent resolution or any other legislation that undertook to repeal it or diminish it or do anything to it is going to meet with the President's veto.

Mr. Speaker, what does all that add up to? Even if you had any control over this program, it means that Congress could only exercise its powers by a two-thirds vote of both the House and the Senate, and everybody knows you would never get it. So, I again assert that this action is your one, your only and your last opportunity to control this legislation and the expenditure of this $8.8 billion of your constituents' tax money. Therefore, whatever you want to do about this thing, you do it now or you will never do it; you do it now or the next Congress, which has never been elected as yet by the people, will not be able to do it. The next Congress after that will not be able to do it, because you have a law for a period of 5 years. That is the reason I call your attention so seriously to this thing. I know that we have stepped away from the Constitution in many deplorable ways, in my judgment, but I believe this is about the worst thing with which we have ever been confronted. Anyone in this body who disputes anything I have said about the utter and complete lack of effective congressional control, I would like him to say so in debate, and I would like to be here when he does say so. Some people are going to say that "No; this concurrent resolution does not have to be signed by the President." That matter was gone into many, many years ago when concurrent resolutions were young. I refer you to Hinds' Precedents, volume 4, sections 3483 and 3484, where you will find that after an exhaustive study by the Judiciary Committee of the House that question was answered. It did not need exhaustive study. All it needed was looking at the Constitution, which says that any legislative proposal requires Presidential signature. There is no getting away from it. You do not have control over it.

What is going to happen to the country in future foreign aid programs? I noticed in the paper the other day a matter to which the gentleman from Ohio [Mr. BROWN] just referred, to the effect that someone was down in South America negotiating to spend $20 billion down there of our money. Have any of you been consulted about that? All I know about it is what I see in the newspapers. Day before yesterday there was an article in the Washington Post that said the little countries down there were getting worried. They were worried about who was going to pick the most of the meat off our bones up here; they thought the big countries were going to get the best of them. So the Secretary of the Treasury—according to this newspaper report, and I know nothing more—had assured them that before this year ended these small nations would receive $1 billion from the United States.

Is somebody going to come back here in the months to come and say to Congress "We are sorry, but you are already committed to this thing. Our Secretary of the Treasury has been down there and committed us."

Now, Mr. Speaker, I do not think the Secretary of the Treasury is down there making these commitments without somebody in authority having told him what to do about it.

Mr. Speaker, are we going completely to abdicate and delegate our functions imposed upon us under the Constitution and under our oath of office? Are we to continue to pass bills like this in the future? And when we pass an authorization for a loan from the Treasury it means you cannot touch it from that day forward, whether it is good, bad, or indifferent? I pose those questions to you seriously because I want to say to you that I have been here for a long time, but I have never been as deeply worried about the future of my country as I am at this time. I do not think we ought to do this thing. I think we will be delinquent and irresponsible in our functions if we ever let this title II in this bill become the law of the land.

Just a month or two ago I stood here and presented regretfully to the House a rule to bring up the bill to increase our debt limit to nearly $300 billion because Congress had spent money we did not have. Mark my words, if we pass this bill we will be here again in a few months with another bill to again increase our debt, and pass the burden of payment on to plague future unborn generations for many, many decades to come. Already the American taxpayers are paying over $8 billion a year, just in interest on the national debt. What does the future hold if we continue this headlong, irresponsible course?

Mr. BROWN. Mr. Speaker, I yield 7 minutes to the gentlewoman from New York [Mrs. ST. GEORGE], a member of the committee.

Mrs. ST. GEORGE. Mr. Speaker, this rule makes it in order to consider H.R. 8400, the Mutual Security Act of 1961. It provides 8 hours of general debate and waives all points of order. It has been already well said that this is a strange way of bringing this rule out, namely, the waiving of points of order. Many of us have been disturbed about this very thing. We are especially disturbed by the fact that when the witnesses were asked about these points of order they said merely that they thought there were a good many of them, and one witness stated that he thought there were 19.

It seems to me that it has always been poor policy to vote down a rule but, Mr. Speaker, if there ever was a time when there would be some justification to vote down a rule it is in this particular instance. I have no doubt, however, that the rule will pass and that the bill will be considered.

I am not opposed to foreign aid, which I think is a better title for the bill, or to mutual security, if that title is preferred. I have voted for this kind of legislation although, as the chairman of the committee has also well said, this is a totally different bill from any bill that has ever come before us heretofore. But I have voted for this kind of legislation for 15 years. I am not opposed to it per se, but I am opposed to this bill, and I am opposed to a great many things in the bill.

First of all, I am very much opposed to the argument which has prevailed on the floor of this House for many years, which is nothing new, and this is not special to this administration; and the argument runs something like this: Oh, if you do not vote this bill out, everything will collapse overnight, everything will end, nothing will go on, it will be a calamity, it will be a cataclysm.

Mr. Speaker, this will not be the case. At the present time the unexpended funds total $5,443,412,000. There is an increase in this fund over the 1960 unexpended balance of $729,747,000.

Now, it will be argued that these funds, though unexpended, are already authorized. Nevertheless I think anyone will agree that it will take at least 1 year, and that will be hard work—more normally 2 years—in order even to expend this money. Therefore, the program will go on exactly as it is for 2 years, whether you and I vote for this bill or not.

In the additional views in the report on page 105 the following figures are given, and I have no reason to question them. The foreign aid bill for the fiscal year 1962, as reported by the committee, specifically authorizes $4,355,500,000. The new sums will be made available despite an estimated unexpended balance as of June 30, 1961, of $5,443,412,000, of which approximately $145,500,000 remains unobligated.

It seems perfectly obvious from these figures that the programs will go on. It also seems to some of us that this will be an excellent time to pause, to look over these programs, to weigh the evidence, the evidence of waste, the evidence even of malfeasance, and see where these programs have to be changed and what has to be done about it.

We also have the sentimental appeal which invariably comes up also at this point in our deliberations, and that is, someone will say, "Will you let the starving starve and the little children die?" There is no reason for either of these things to happen. In this list of unexpended funds there are 20 different agencies listed, and I should just like to tell you what is still unexpended in the children's fund: $8,542,000. And in the U.N. Relief and Works Agencies, $9,274,000. So you see these programs also will be amply cared for.

Finally, because my time is very short, I should like to remind this House that not very long ago we were told on the highest authority that 17 million Americans went to bed every night hungry. If this is the case, and we have no reason to doubt it, I think, Mr. Speaker, it will be well perhaps to care for 17 million Americans with some of this new money and let these programs continue while we examine them carefully and while we put them in proper perspective.

Mr. BROWN. Mr. Speaker, I yield such time as she may desire to the gentlewoman from Illinois [Mrs. CHURCH].

Mrs. CHURCH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Mrs. CHURCH. Mr. Speaker, today, tomorrow, and for a large part of this week, the House of Representatives will

give its attention to H.R. 8400, the Mutual Security Act of 1961.

Never was there more need on the part of every Member of the House for more earnest, studious, honest, and, indeed, prayerful consideration.

On Thursday, June 8—the second day of the hearings on this legislation—a new note of warning was sounded by Gen. Lyman L. Lemnitzer, Chairman of the Joint Chiefs of Staff, when he stated that "the decades of the sixties could be decisive to the survival of this Nation and its allies."

It is in the light of that warning that I urge each of my colleagues, through study of the hearings as well as of the legislation itself, to ask himself quietly at the very beginning of this debate whether H.R. 8400 is indeed the effective answer to the need. In this spirit, Mr. Speaker, I humbly insert the statement signed by Congressman ADAIR and myself, two of the four Members who voted against reporting out H.R. 8400 in its present form:

REPORT OF THE COMMITTEE ON FOREIGN AFFAIRS ON H.R. 8400 (PP. 105–110)—ADDITIONAL VIEWS

Previous statements of criticism of foreign aid programs and operations made by us over the years have pointed out our interest in mutual security, our dedication to peace, and our desire for friendship and understanding among peoples of all nations. We, of course, believe strongly in mutual security and hold in particular that our several commitments to aid and strengthen our allies and friends must be kept. In the past, however, in face of the obvious failure of the program to meet expectations and need, we have called repeatedly for a complete review and revision of foreign aid legislation.

This year we looked forward with much optimism to new legislation to be brought before the committee, in the hope that it would adequately meet the challenge that this country faces as the leader of the free world. We foresaw furthermore the possibility of strengthening the bill that was offered, through essential amendments. Such amendments did not pass.

H.R. 8400 fails to meet the critical need as demonstrated by our world situation for new and practical vision; adequate new tools; built-in guarantees against repetition of former errors and miscreancy; and assurances of sufficient increased regard for U.S. interests. As sincere critics of past programs and past performances, we regret, perhaps more than others, that this new legislation fails to meet either our anticipations or the need.

At a time when our Nation faces new trial and challenge—a challenge that all Americans accept with requisite courage and determination—nothing less than the best should be considered acceptable or accepted.

The basic problem which this Congress must face is the one that we expressed to the Secretary of State on the first day of our hearings:

"The problem of why it is, after all these years, despite a noble goal and good intentions and unstinted appropriations, that we are presently where we are" (hearings, p. 90).

And the partial answer must be, noble goals and good intentions and billions of dollars are not, in themselves, enough.

We agreed in large part with and signed the supplemental views of the minority stated elsewhere in this report. We, too, agree that the note-issuing authority is not a necessary method or a proper method to finance long-term development loans.

We further agree, as regards the hope of the administration to obtain social reform in the countries to be aided that a new method of financing our program at home will not hasten reforms abroad—unless that method will ignore or minimize foreign policy objectives.

We agree with the supplemental views that the record does not justify the expressed fear that the Congress would fail to provide the funds needed to continue valid foreign assistance programs. The two signers of these additional views remain unconvinced, however, that "friends" can be won—or social reform necessarily imposed—through "dollar diplomacy." We particularly concur with the statement that the proposal for borrowing from the Treasury to meet the costs would weaken the control of Congress.

FISCAL RESPONSIBILITY REQUIRED

However, our criticism of H.R. 8400 goes further than the pointed objections raised in the minority supplemental views and must in good conscience be accordingly expressed.

At this critical moment in U.S. history, it is incumbent upon us to insist upon the most thorough and complete fiscal justification for any and all expenditures that Congress votes. This is all the more true in face of rising military costs. We must take a long hard look at all spending programs. As we already know, the budget deficit for fiscal year 1961 amounted to $3.9 billion—well beyond expectations; and it is estimated that in fiscal year 1962 the deficit will reach at least $5 billion. Our concern must be focused on the magnitude of expenditures in the foreign aid bill, not only for fiscal 1962, but in the years ahead.

MONEY REQUESTED AND SUMS AVAILABLE

The foreign aid bill for fiscal year 1962, as reported by the committee, specifically authorizes $4,355,500,000. The "new" sums will be made available despite an estimated unexpended balance as of June 30, 1961, of $5,443,412,000, of which approximately $145,500,000 remains unobligated. The bill, however, sets no overall cost on foreign aid beyond the $8,800 million in loans over 5 years, plus $1,368.5 million in grants to be made available in fiscal year 1962. It does give the President such wide authority to tap other programs and resources, including the military stockpiles and interest accruing from and repayments of previous loans, that the total authorization is far greater. An estimated total outlay of over $30 billion over the next 5 years is closer to reality; and this does not include $1,800 million in military aid for 1962, and sums appropriated in the succeeding years for military assistance, plus "such sums as may be necessary" to implement the act.

It is almost impossible indeed to get two agreeing estimates as to the actual amount of money contained in this bill (H.R. 8400). In the corresponding bill brought out by the Senate, which is essentially similar in amounts, Senator HARRY BYRD, chairman of the Senate Finance Committee, points out: "Assuming annual appropriation authorizations at the 1962 level throughout the period 1962–66, along with other available funds, the 5-year cost of foreign aid as contemplated in this bill (S. 1983) may be estimated at more than $36.6 billion." His estimate is based on the following chart which appeared on page 13906 of the CONGRESSIONAL RECORD for July 28, 1961:

Spending authority for U.S. foreign aid programs provided in S. 1983, as reported to the Senate, July 24, 1961 (5-year projection, fiscal years 1962–66) [1]

[In millions]

Page	Line	Authorization and program	Amounts authorized specifically		Amounts authorized generally		Amounts provided from other sources		Total		
			Fiscal year 1962	Fiscal years 1963–66	Fiscal year 1962	Fiscal years 1963–66	Fiscal year 1962	Fiscal years 1963–66	Fiscal year 1962	Fiscal years 1963–66	Total
		Development assistance:									
6	9	Loans: Authority to spend from public debt receipts	$1,187	$7,600					$1,187	$7,600	$8,787
6	12										
		Grants, etc.:									
11	11	Development grants	380			[1] $1,520			380	[1] 1,520	1,900
14	25	Authority to guarantee investments abroad	(1,100)						(1,100)		(1,100)
15	22										
22	9	Surveys of investment opportunities	5			[1] 20			5	[1] 20	25
24	23	Contributions to international organizations and programs	154			[1] 614			154	[1] 614	768
27	13	Supporting assistance	450			[1] 1,800			450	[1] 1,800	2,250
27	18	Contingency fund	300			[1] 1,200			300	[1] 1,200	1,500
		Subtotal, grants	1,289			5,154			1,289	5,154	6,443
92	25	Administrative expenses	51			[1] 204			51	[1] 204	255
		Unexpended balances continued available:									
99	1	Appropriations and other authorizations			$3,108				3,108		3,108
51	21	Foreign currencies			631				631		631
		Subtotal, balances			3,739				3,739		3,739
		Other:									
45	3	Authority for Federal agencies to furnish service and commodities									
51	21	Authority to use foreign currency receipts from loans, Public Law 480 activities, etc., estimated					$1,000	$4,000	1,000	4,000	5,000
		Total, development assistance	2,527	7,600	3,739	5,358	1,000	4,000	7,266	16,958	24,224

See footnote at end of table.

Spending authority for U.S. foreign aid programs provided in S. 1983, as reported to the Senate, July 24, 1961 (5-year projection, fiscal years 1962–66) [1]—Continued

[In millions]

Page	Line	Authorization and program	Amounts authorized specifically		Amounts authorized generally		Amounts provided from other sources		Total		
			Fiscal year 1962	Fiscal years 1963–66	Fiscal year 1962	Fiscal years 1963–66	Fiscal year 1962	Fiscal years 1963–66	Fiscal year 1962	Fiscal years 1963–66	Total
		Military assistance:									
31	20	Grants, etc	$1,800	$1,800		[1] $5,400			$1,800	[1] $7,200	$9,000
99	1	Unexpended balances of appropriations continued available			$2,370				2,370		2,370
		Other:									
34	20	Authority to sell military stocks to foreign countries, etc									
35	10	Authority to contract for procurement of military stocks for sale to foreign countries, etc									
37	5	Authority to use Department of Defense military stocks	200	800					200	800	1,000
		Total, military assistance	2,000	2,600	2,370	5,400			4,370	8,000	12,370
		Grand total	4,527	10,200	6,109	10,758	$1,000	$4,000	11,636	24,958	36,594

[1] Assuming 1962 level of appropriations.

In regard to the provision for development lending, moreover, certain realities must be faced. There is no certainty as to the terms and conditions imposed on each and every loan. It will be possible for the Executive to make low- or no-interest-bearing loans, and long-term loans for as long as 50 years, with no principal payments in the first 10 years. If the Treasury Department has to borrow at 4 or 5 percent for the financing of development loans at low or no-interest rates, it is conceivable that our national debt will invariably increase again, and, as a byproduct, spiraling inflation is bound to affect our economy. In addition, whatever the good intentions of the executive branch in providing that payment of interest and principal should be in U.S. dollars, we doubt whether such payment can be expected in the foreseeable future from those countries receiving aid, particularly those countries which, in the opinion of the Administrator, might seem to be most in need of the "dreamed of" social reform or help.

INCREASED EXECUTIVE POWERS

If, however, it is difficult to obtain any reasonable estimate of the amount of moneys provided by this legislation, it is even more difficult to measure or estimate the amount of the increase of authority granted to the Executive. The bill grants unprecedented flexibility to the executive branch in the administration and management of the program.

Year after year Congress has continued to delegate to the executive branch more and more authority to spend ever-increasing amounts of money. This year the increased delegation of power to the Executive is greater than ever before and goes far beyond what is necessary. The danger, as is of course evident, arises from the fact that the President must delegate the responsibility for drawing plans and spending the money; and that, accordingly and necessarily, the careful supervision that he might give cannot be extended to the extent necessary. In this bill there are 51 grants of discretionary power to the President and 18 authorizations to disregard other laws which apply to foreign aid. While many of these grants of power have been in previous foreign-aid legislation, in one form or another, it must be taken into consideration that heretofore the authorization has been limited to 1 year.

The ambiguity that exists concerning the authority granted to the executive branch is equaled if not surpassed by ambiguities of provisions within the bill. The committee made an effort to discover and remove such ambiguities. The fact remains, as is clearly visible to Members of Congress reading the legislation, that indefinite provisions, open extensions of authority, waiving of previous laws, etc., make it exceedingly difficult to discover and estimate the exact degree of power that is being yielded by Congress to the executive branch. Even friends of the program have termed this bill a "legislative monstrosity." In fact, it might be said that most Members who vote for this bill if, in fact, anyone, could not possibly know all that he is voting for.

As one instance of the indefiniteness of authority, H.R. 8400 provides that "The President is authorized to make loans payable as to principal and interest in U.S. dollars on such terms and conditions as he may determine." This indefiniteness of course serves to increase already practically unlimited authority.

It must not be forgotten that the power to use funds without limitation at any delegated level is not only the power to spend but to initiate and carry through policies which might be completely unknown to the Congress—or which, in fact, could frustrate the will of Congress. It is difficult to believe that decisions of major importance or which concern the vital security of this Nation could be better made by bureaucratic executives, through use of the powers delegated to them, than by Members of the Congress responsible to the people who elect them.

We have made no attempt in this report to give a complete analysis either of the bill or of all our points of difference with it. Among such, we might mention its failure to make authorizations for definite appropriations to the international organizations so long provided for in previous corresponding acts. Here, again, the right of decision both as to beneficiary and amount is provided through the mere grant of a lump sum appropriated to the President. We also belong in the group of Members of this Congress who are opposed to the further weakening of the Battle Act (Mutual Defense Assistance Control Act). We, therefore, regret the amount set apart in the President's contingency fund that can be spent without regard to the provisions of the Battle Act. The contingency fund this year is $300 million.

CONCLUSIONS

However, although the defects of the bill are many, transcending all others is the relinquishment of congressional control over the program. The trend in the past has been for the executive branch to request, and to receive, ever greater flexibility; but now the Congress is requested abjectly to abdicate its powers and to grant a blank check to be cashed wherever, by whomever, and in whatever amounts as are designated by those in charge of the foreign aid program.

That continuation of congressional supervision is badly needed is attested to by the failures in past performance. The effectiveness of foreign aid has fallen far short of the millions of words spoken and the billions of dollars spent in its behalf.

Mr. Justice Douglas, in a speech at Mount Holyoke College on June 4, 1961, for instance, had this to say about the aid we have given since World War II:

"The underdeveloped nations that received our aid are mostly worse off for it * * *. The main impact of American foreign aid was to widen the gulf between rich and poor, helping to create the vacuum into which the Communists easily move."

The burden to the taxpayers of the United States, however, gives no promise of being lifted.

Confronting the present crises this Congress, therefore, should accept nothing less than reconsideration of past errors and adoption of adequate measures not only to correct such errors but to provide the effectiveness so long lacking. The Congress cannot and should not abrogate its responsibility nor permit the weakening by one iota of its power to inspect, to authorize, and to appropriate.

For Congress to relinquish the check on the program inherent in the congressional prerogative to authorize and appropriate is an abandonment of congressional responsibility. Only through retaining such power can we hope to regain and hold control of the foreign aid programs and the spending therefor. We repeat, this requires annual review of foreign-aid operations coupled with requisite authorization and appropriation. As one responsibile member of the Appropriations Committee put it recently, "If the administration gets the backdoor approach to foreign aid, the control will not be returned to Congress."

That must not happen.

MARGUERITE STITT CHURCH.
E. ROSS ADAIR.

Mr. BROWN. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. SCHENCK].

Mr. SCHENCK. Mr. Speaker, as you know, I have almost always supported foreign-aid legislation usually called our mutual security program because I have felt it has been in the best interest of our Nation in particular and the world in general.

The area I have had the great privilege and high honor to represent here in the Congress of the United States since November 1951 is also the birthplace and cradle of aviation. The almost unbelievable increase in the speed of transportation since the first powered flight 58 years ago has made it possible for all

peoples of the world to be in personal contact with each other within the matter of a few hours instead of the days, weeks, and even months previously required. More recent developments in electronics reduces this time still further to within minutes for communications. Industrial and scientific products manufactured in our Great Miami Valley area, Mr. Speaker, are also sold and used in nearly all, if not all, of the nations of the world.

Therefore, Mr. Speaker, international trade, business, economics, and the relationships of peoples throughout the entire world and throughout the Nation have long been of deep and compelling interest to literally hundreds of thousands of folks in our Great Miami Valley area. I would be remiss in my personal responsibilities here in the Congress if I did not bring some of the questions I have in mind to the attention of the Congress in the hope that these questions will be answered by the well-informed Members who will discuss this proposed legislation during the debate.

It is my understanding that this proposed legislation can be divided into two general categories. One part, I understand, will require annual appropriations by the Congress in accordance with a provision in the Constitution which states "no money shall be drawn from the Treasury but in consequence of appropriations made by law." The other part of the program as recommended by President Kennedy provides for authorization to make long-term loans to many nations throughout the world. The total of such long-term loans, I am told, is $8.8 billion which can be committed during the next 5 years. I am also told, Mr. Speaker, that this $8.8 billion for these loans is to be made of money not appropriated by the Congress but borrowed directly from the Treasury of the United States, which is referred to by many as back-door spending, and, that since the Treasury does not have this money on hand and available, it will be necessary for the Treasury to borrow this money from whatever sources are available. No doubt the U.S. Treasury will have to borrow this money by selling bonds, issuing Treasury certificates or notes and on any of these will be required to pay interest. I am told it will be necessary to collect this interest money from all taxpayers although these loan funds will not be reflected in the annual budget of the Federal Government along with all other items of Federal expenditures for each fiscal year.

Mr. Speaker, permit me to illustrate my point. Each of us, I am sure, knows of students seeking a loan for education or a business needing operating capital. I am certain if we had the money personally and were convinced of the desirability, need, and justification for the loan, we would make such loan or loans. If, however, we did not have the money and had to borrow it in order to make the loan I don't think many of us would do so unless, of course, we were in the business of making loans for profit. Our U.S. Government is not or should not be in the lending business for profit.

Recently, Mr. Speaker, I noted in the daily newspapers that the Kennedy administration has proposed to loan Latin American nations some $20 billion within the next few years if these nations are willing to accept such loans. Since this recently announced Latin American program is nearly 2½ times the authority requested by the administration in the pending legislation before the Congress, I assume the authority to make these loans of some $20 billion to Latin American nations will be included in legislation to be considered later for surely no administration would attempt to make such loans without first receiving authority to do so from the Congress.

With this explanation, Mr. Speaker, I would like to ask some questions in the hope they will be answered authoritatively during the debate.

In response to my question several years ago, "Is actual U.S. money sent to recipient nations out of our foreign aid program?" a colleague now no longer a Member of the House stated in effect: "No, actual money is not sent—some 80 percent of this aid is in the form of manufactured products and agricultural products all of which produce business, employment, and income here in the United States."

My questions on this phase of the program currently under consideration here now are: First, does this same situation apply in this program? Second, if it does, even though the percentage differs now, does the same idea or plan prevail in (a) only those funds which are to be appropriated annually by the Congress? (b) does it apply also to the $8.8 billion, 5-year development loans? (c) does it apply to either program? (d) what is the percentage of these funds which results in employment and business in the United States?

If none or only part of the $8.8 billion in development loans produces employment and business here in the United States then for what purposes may the recipient nations use these funds? Will there be any direction, supervision, and control over the use of these funds by competent officials of the United States? Will the Congress receive reports as to how and for what purposes these funds are used in each recipient nation? Will standards of justification be required in recipient nations similar to those required by the Congress for all public works programs? Will these loan funds be used for projects which actually benefit the citizens of recipient nations or will they be used to assist the leaders and government of these nations at the time the loans are made? Will there be any standards set and administered for the justification of these loans such as the Congress has required for such programs as the construction of public housing, loans for various other home building programs, small business loans, and other loans of the Federal Government within the United States? Will any evidence of ability to repay these loans be required such as is required for the various loan programs I have mentioned and which are required of the citizens of our own Nation here at home? There are many other and similar questions for which clear answers should be provided if the citizens of these United States are to produce the money through taxes to provide these funds.

Another series of questions is prompted by constituents who write to me and expect me to give them a straightforward answer.

Is there to be a list made public to show the names of the recipient nations and the amount of money allotted to each under this legislation? Will such a list showing the disbursement or intended disbursement to be made in each instance for the total amount sought to be authorized in this pending legislation of both appropriated and Treasury borrowing money be placed in the CONGRESSIONAL RECORD? There has been some indication made to me, Mr. Speaker, that some of this information, while available to Members of Congress, is considered highly classified as far as the general public is concerned. It has been suggested that classification is necessary to avoid conflicts in international relationships. I can well understand, Mr. Speaker, the need for secrecy and the classification of scientific, military, and other information which would give our enemies information as to our Nation's military strength and ability although I think that many times we are only fooling ourselves because the obvious intelligence gathering proficiency of other nations gives them the full information they need and desire. In the matter of giving or loaning Federal taxpayer's money to other nations throughout the world, Mr. Speaker, I feel there is an entirely different situation confronting all of us. I feel all our citizens have a right to know and evaluate our stewardship of these funds. If we think for 1 minute that nations unfriendly to the United States do not know how, to whom, and for what purposes our foreign aid or mutual security funds are being used and that full propaganda advantage is not being made of this information we are fooling no one but ourselves.

For all these reasons, Mr. Speaker, and many others that will occur to you and our colleagues here in the House, I urge that these questions be answered fully during the debate by those members of the committee who are in position to know. I also strongly urge that a full and complete disclosure be made in the CONGRESSIONAL RECORD as to the disbursement of all these funds and the purpose for each disbursement.

Mr. BROWN. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, on January 4, 1956, I carried in my newsletter an article from the Southern Conservative which, in my opinion typifies the foreign giveaway programs—past, present, and future. I should like to repeat this article at his time:

Some years, ago when he was Foreign Aid Director and had more taxpayers' money to toss out than he had places to put it, Averell Harriman built 200 public restrooms on vacant lots outside the city of Manila while bug-eyed natives stood around making bets with each other as to what use the cozy little structures were to be put.

Their guesses ranged all the way from storage bins for betel nuts to individual smokehouses for curing the meat of wild boars. So widespread was the confusion, it is reported, that Harriman was compelled to allot an additional appropriation to send technical aid experts from Washington to give the natives instructions and illustrated lectures on the superiority of American restroom methods over antiquated native customs.

In his Washington column, a noted correspondent tells of a recent trip of inspection by the present Foreign Aid Director to Manila. He found that these projects, forced on reluctant Filipinos, were deserted, rotting away and gradually being covered by the wild, lush growth on that far-away Pacific island.

It seems the native population, including the untamed Igorrotes, had no intention of becoming housebroken and took a dim view of the fancy little hutches as a replacement for the more familiar facilities provided for them by nature in the form of spreading banyan trees along the shore of a sleepy lagoon.

And so what might have become 200 individual monuments, attesting to the greatness of Harriman as a benefactor of the underprivileged, are disappearing into the greedy jaws of the jungle and thus are destined to serve merely as additional mute evidence of the folly of one more American ambassador of good will with a soft heart—and a head to match.

Mr. Speaker, I submit that the only real change we have had in these foreign aid programs is more soft heads.

Mr. BROWN. Mr. Speaker, I yield the remainder of my time to the gentleman from Kansas [Mr. AVERY], a member of the committee.

Mr. AVERY. Mr. Speaker, as was the case of the speaker preceding me, I also have voted for the mutual security program on each occasion it has been before the House. I am prepared to vote for a reasonable and responsible program this year. I consider this program barely reasonable and most certainly it is not fiscally responsible. In this observation, I am referring principally to the Treasury borrowing authority insisted upon by this administration, but there are other questionable provisions of the bill.

In respect to the request for the Treasury borrowing authority, I will state that I have consistently opposed this evasive spending device even for domestic programs, for even those that have been in operation for a number of years. Therefore, I am most certainly opposing this type of spending authority for foreign development programs, a new and novel application of this finance device. In view of our rapidly increasing deficit, we should be retreating from this method of financing, not expanding it. Yet, here we go again. We have just voted to raise the national debt limit by $13 billion to $300 billion and we are about to consider another expensive burden on the American taxpayer that is initially outside and in addition to the national debt.

If there is any defense of this I O U financing as applied to domestic programs, it could be said that they are loans and could be considered to be a sound loan and one that will eventually be repaid. Under title I, section 201, it is specifically stated that these loans need only "be found to have a reasonable prospect for being paid back." It was stated to the Rules Committee that actually we were kidding ourselves if we expected these loans to be repaid. There are a number of persuasive arguments as to why they should be called loans, but we should not expect them to be repaid. The gentleman from Virginia [Mr. GARY] told the Rules Committee that actually the $8.8 billion program would cost the American people approximately $25 billion in interest and principal over the 50-year term of the loan.

Although not spelled out in the report, the gentleman from Virginia [Mr. GARY] further stated to the Rules Committee that a tentative plan for terms of these loans had been presented to the subcommittee of the Appropriations Committee by the Treasury Department. It was to be something like this: First 10 years—no payment. Second 10 years—1 percent per year. Third 10 years—30 percent of loans. Fourth 10 years—30 percent, and finally, 30 percent in the fifth 10 years. The interest rate on these development loans, if any, is entirely at the discrimination of the President. These authorizations will become a part of the national debt as soon as any money is actually withdrawn from the Treasury to satisfy an obligation authorized under this act.

It has been said repeatedly that Congress will retain control over this program. It is alleged that congressional control would be retained over the program by the application of the provisions of the Government Corporation Control Act. It is under this act that the Treasury borrowing programs operate. The committee report goes to considerable length to recite the provisions of the Corporation Control Act, but the important language is not in the bill specifically placing the act under the provisions of the Control Act itself. There are several indirect references to the Government Control Act in the committee report and the bill makes limited reference to the Control Act in section 203, nowhere in the bill, however, does it clearly state that the Act for International Development—chapter I of this bill—shall be subject to all the provisions of the Control Act. Therefore, I say there is considerable doubt if there will be any congressional control over the spending or committing of this $8.8 billion if this bill passes in its present form, notwithstanding the vague innumerable references to congressional control in the committee report and the references that will undoubtedly be made in the debate to follow. I hope one of the ranking majority members on the Foreign Affairs Committee will make a specific and clear statement on that point.

There will be an amendment offered to delete the back-door spending or Treasury borrowing authority from the bill, and I urge you to vote for that amendment. If that amendment is adopted, the President's request can be reviewed in a more favorable context.

Such back-door spending authority should not be given even to a prudent and frugal administration. This administration has never itself suggested that it is frugal, and has not as yet demonstrated that it is prudent. No doubt the same number of dollars will be spent under an appropriation procedure or under Treasury borrowing, but there are two important differences. Under the appropriation process the American people will get more for their money, and consent this year for this back-door authority to chapter I, will be an invitation to the same process in the other titles of the bill in the years to follow. There is just as much justification for Treasury borrowing for supporting assistance and military assistance and the other titles as for development loans. This is a test case for the entire program.

To those Members who conscientiously and enthusiastically support the mutual security program, I think you are doing the program a disservice by insisting on this Treasury borrowing authority. Congressional support for the program has become increasingly difficult to gather each year. Its margin of plus votes has gone steadily down. Attached to such a vague and nebulous financing authority as herein proposed, it is possible we might just end up with no program at all. Several Members so testified to the Rules Committee. You should vote to adopt the resolution. It provides for an open rule. There will no doubt be several amendments offered under the 5-minute rule. All of them should have your very serious consideration. I hope, and ask that you will surely vote for at least one amendment, the one to eliminate the Treasury borrowing authority. I am convinced such a vote will contribute to the long-range stability of this mutual assistance program.

Mr. MADDEN. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, I rise to support the rule and to support the bill H.R. 8400, an extension of the mutual aid program.

Mr. Speaker, mutual security, a combination of economic and military aid to strengthen the free world is one of the few but effective policies that the United States has developed to block the long-range Communist strategy for conquest.

Heretofore, a President has not been able to plan ahead on the programing of mutual security, and this has limited the initiative necessary for the best results. Annual appropriations by Congress to finance the program, have tied the hands of our Presidents.

The present aid bill is a step forward because it authorizes the President, in order to finance development loans, to borrow from the Treasury $900 million in fiscal 1962, together with additional amounts of $1,600 million during each of the fiscal years 1963, 1964, 1965, and 1966; an aggregate of $7,300 million over the 5-year period. In addition, repayments of principal and interest on certain obligations incurred by foreign countries as a result of assistance programs during and after World War II, are made available for development loans. Such repayments are estimated to average about $300 million per year over the 5-year period.

There has been criticism in the past over instances of waste in the operation of this program, and to reassure Congress that this will not happen again, some degree of congressional review of long-term loans will probably be written into the aid bill before it is passed.

Of greater importance is the need for the Mutual Security Act of 1961.

As the Committee on Foreign Affairs stated in its report on H.R. 8400:

> The abandonment of our efforts to assist other nations would mean abandonment of the cold war. This could result either in major gains for the Soviet Union or a hot war.

The cold war is being fought on many fronts, and on some of them we have been losing.

The world is in ferment as underprivileged peoples seek a way out of their poverty and misery. Shall they follow the false promises of communism that would enslave them in return for material progress or shall they gain progress with human dignity as freemen?

The democratic world, led by the United States, must provide these nations with the military assistance to protect themselves from Communist pressures, while we help them with their social and economic development.

This bill reaffirms the sense of the Congress "that peace depends on wider recognition of the dignity and interdependence of men and that survival of free institutions in the United States can best be assured in a worldwide atmosphere of freedom."

The United States, and its major allies, are prosperous. It is their responsibility to provide economic and military assistance that will assure "the full development and use of the world's resources in peace and security for the benefit of all."

We cannot win the trust and cooperation of other people in behalf of freedom's way, unless we help them to help themselves. The time is running out for words. We must have constructive deeds. We know how the Marshall plan helped to revive the devastated economies of Europe after World War II, and inspired the people to defeat the infiltration of communism that sought to undermine their free institutions.

Africa, the Middle East, Asia, and South America are, and will be for years to come, the economic and social battlefields where our effective help in development—or lack of it—will determine whether the world shall become free, or become regimented to the service of an all-powerful state where human beings will be little more than robots.

To the few who habitually repeat that foreign aid is "money down the drain," I would like to point out that the industrialization and democratization of the new nations will provide greater markets for the products of American industry. Up to 80 cents out of every dollar spent on foreign aid is spent in the United States for equipment, supplies, agricultural products, necessary to promote the development of other nations that are in need.

To the cynics I would recommend the intelligent and farsighted position taken by the Textile Workers Union of America at its annual convention.

In spite of the fact that textile workers in the United States have suffered more from imports of low-priced textiles than any other group has suffered from foreign competition, their union nevertheless sees "a definite and clear-cut distinction between that problem and the need for providing economic assistance primarily for the underdeveloped countries * * *."

This is the type of realistic and mature thinking that underscores the widespread support of the foreign aid program. In the long run, it is truly mutual and beneficial to all.

Although in his devious way Khrushchev never would admit it, I believe that the Mutual Security Act of 1961 will prove to be "the bone in his throat." We must keep it there until the job is done and a world united by progress with freedom is no longer in fear of suffocation by communism.

Mr. MADDEN. Mr. Speaker, I wish merely to read one line from Secretary Dillon's testimony before the Foreign Affairs Committee:

> Secretary DILLON. Second, the program before you is one that the United States can afford. A total of $2,878 million is being asked for fiscal 1962 for the Bank of International Development.

Then he sets out $1,800 million for military, and in his last line Secretary Dillon said:

> This makes a complete total program of $4,763 million, which amounts to less than 1 percent of our gross national product, a figure that is certainly well within the capacity of our domestic economy.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The arguments of those who oppose the 5-year Treasury financing provisions are based upon the assumption, apparently, that we are living in a very peaceful world. They overlook the fact that we are living in a very troubled world. In order to meet the challenge that confronts us and the threat that confronts us, we in Congress have to reorient some of our thinking in connection with the practical operation of our Government.

To me, today is pretty much like it was 4 months before Pearl Harbor, when we had extension of the Selective Service Act up for consideration in this very body. It passed this body by a vote of 203 to 202. Today, as I view the situation, and I am talking not as JOHN McCORMACK, a Democrat, but as JOHN McCORMACK, an American, our country is in a worse position from a world angle than it has ever been in the entire history of our Government. I hope through the debate that basic thought I have, and which I will develop later, will be borne in mind, because we are faced with a very practical situation throughout the world, and we have got to meet it in a very practical way.

Mr. MADDEN. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 8400) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 8400, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MORGAN. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, we have before us this afternoon, H.R. 8400, the foreign-aid authorization bill for fiscal 1962. It includes authorizations for $4,355,500,000. It repeals most of the existing Mutual Security Act and provides for a reorganization of our foreign-assistance operations.

The bill this year is the result of a most searching and comprehensive review and analysis by the new administration of our entire foreign policy and our oversea operations, as well as a detailed working over by the Committee on Foreign Affairs.

It is now up to the House of Representatives to consider whether the recommendations of the President, the Secretary of State, and the Secretary of Defense as to what to do in the conduct of our foreign relations are basically sound and should be approved and implemented by the Congress, or whether these recommendations should be completely rejected, or whether they should be substantially modified.

In evaluating the program and the procedures which the Executive proposes, it is important that everyone of us take a little time to consider just where the United States stands today in the world and the general course we want to follow. Only after reaching decisions on these matters is it possible really to determine whether the judgment and recommendations of the Executive are sound and whether this bill should be approved or rejected.

The first thing to look at, it seems to me, is the nature and extent of the danger that confronts us.

Do you believe that our security is threatened?

Do you believe that the confidence of other nations in our strength and our leadership has deteriorated to the point where we should write off certain parts of the world and let the Communists take them over?

Do you believe that the basic idea that providing assistance to other nations increases their determination and their ability to resist communism has been tried and found wanting, and should be abandoned?

Now there are a few, I know, who either do not believe that there is a Communist threat or, even if they do believe there is such a threat, think the best thing for us to do is ignore it. There are a number of persons in this country who apparently feel that our international problems arise from the fact that many of our people take an unnatural and unhealthy interest in foreigners and that if we would just stop worrying about what happens in other countries, everything would eventually come out all right.

I need not say that in the judgment of our President, our Secretary of State, our Secretary of Defense—as was the case of these same officials of the previous administration—the Soviet danger is the most important problem we face, the danger is imminent, and it is not receding. This belief is shared by the overwhelming majority of the American people.

I personally believe that the Soviet leaders are more confident than ever, that they intend to accelerate their drive toward world conquest, and that our situation is more critical than it has been at any time since World War II.

The question of whether or not our military allies retain sufficient confidence in us and determination to resist Soviet aggression to justify our continued support has been thoroughly explored by the new administration, and the conclusion has been reached that we can rely on our allies and they merit our continuing help.

The new administration, after the most careful consideration, is convinced that we should give even a higher priority to our assistance to the newer and the underdeveloped countries than has been done in the past. It is the conviction of the President and his advisers that Latin America, Asia, and Africa can be saved from communism and that it is of vital importance that we do what is necessary to accomplish it.

I personally, together with an overwhelming majority of the Foreign Affairs Committee, share this view. Certainly nothing that has happened in Cuba or in Laos would justify our abandoning our efforts to help Latin America or Asia. We have made some mistakes, and I hope we have learned some lessons, but I do not think there are many who want us to deny assistance to other governments in their efforts to resist Communist aggression.

Now I am absolutely certain that an overwhelming majority of this House is opposed to abandoning the cold war. If we could take a vote right now on the issue, "Shall we stop opposing Soviet aggression except when our own territory is affected?", I do not believe that anyone here would vote for such a reversal of our policy. Everyone here in my judgment is in favor of continuing our effort to resist the advance of the international Communist movement wherever we can.

If we want to continue the cold war in the belief that, long drawn out and frustrating as such a course may be, it may lead to victory without resort to a hot war, we have to back up our allies and we have to seek the support of nations even though they are not willing to join in the fight against Communist aggression.

All this adds up to the fact that unless you are ready to abandon the cold war, you have to continue some kind of a foreign aid program. It provides the weapons with which we fight.

I know that everyone is tired of the cold war and is tired of foreign aid. Everyone wants the cold war to end.

Let me make this clear: The Congress can vote an end to the cold war any time it wants to. All it has to do is to vote to stop foreign aid. Such a vote would not bring victory. It would mean a worldwide retreat. We would have to tell our friends and allies to go it alone while we pulled back to the "Fortress America." I doubt that life in the United States during such a readjustment would be less frustrating than our lives have been while carrying on the cold war, but as far as we were concerned, our resistance to Soviet aggression would be over except for our preparations to repel an armed attack on our own territory.

Nobody seriously favors the alternative I have just mentioned, and it follows that everyone who is really willing to face the facts knows that we have to continue foreign aid.

The real issue before us today is: What sort of foreign aid program should we have and does the program provided in this bill meet our requirements?

Now we are confronted with the fact that in any democracy a few officials are chosen to take the initiative and do the work for the rest, although the selected officials are responsible to the will of the majority for their performance. Under the Constitution the President is made responsible for the conduct of our foreign relations, and the job of developing a foreign aid program rests with him.

Congress has a great responsibility also, and certainly the Congress should disapprove of any recommendation the President makes which we, as the representatives of our constituents, do not believe is in their interest.

Nevertheless, the job of designing and administering a foreign aid program is complex and technical, and anything the President recommends to the Congress deserves our careful consideration.

We should give particular consideration this year to the President's proposals because the takeover by a new administration has provided an opportunity for a new look at the whole situation by people who were not trying to retain their jobs or cover up past deficiencies.

During my tenure as chairman of the Foreign Affairs Committee, my approach to world problems has always been nonpartisan, and I assure you that I intend no partisan implications when I say that when a new administration takes office, has a survey of all aspects of our foreign relations made by teams of experts and distinguished citizens chosen to reflect a cross section of points of view and background, and then recommends the continuation of foreign aid at a somewhat higher level than proposed by the previous administration, this new program cannot be dismissed as just an effort by bureaucrats to stay in business.

The point I am trying to make is that the first obligation of the House in its evaluation of the bill before us is to consider carefully what the President really wants to do and his reasons therefor.

The thing the President wants to do more than anything else is to make the foreign-aid program work better. He wants to put a stop to waste and inefficiency. He and the Secretary of State are determined to prevent the sort of thing that has been revealed by the Hardy subcommittee and by the Foreign Affairs Committee in its report on military construction in Pakistan, issued last March.

The President is prepared to make major administrative changes as soon as this bill passes. He has announced his intention to bring in 5 new area administrators and between 45 and 50 new country chiefs in charge of foreign-aid operations.

The problem of making our foreign-aid programs work better is not just a matter of human deficiencies and organizational failure. The most difficult situation is to devise techniques and procedures that produce results.

We are confronted with the fact that in certain underdeveloped countries our economic assistance has kept them going but is not making them stronger or more able to pay their own way. In assisting less developed countries we have done well in keeping them alive, but we are just beginning to learn what to do to get processes started in a country which will increase its economic output and provide the basis for a better living for its people.

The most important new element in this bill is that it gives the administration the authority it needs to make more effective our economic aid to countries with immediate potentialities for economic development. The administrators of our aid program have learned that money does not solve all problems. They are trying to find the means to make the money we do spend produce better results.

I sincerely hope that every Member of the House will keep this consideration in mind when he considers the President's recommendation that the development loan program should be financed by borrowing. This is the heart of the new approach to providing assistance for economic development. This provides a basis for adjusting our aid to the self-help efforts of the borrowing countries.

Do we want to say to the administrators of this program: "We want you to do a better job, but we don't want you to change the way in which you go at it"?

Let me remind the House of just what this proposal involves.

In the first place, it is limited to one segment of the economic assistance program. Military assistance, which involves $1.8 billion, remains subject to annual appropriation, as it always has been.

The total economic assistance authorization in this bill is $2,555,500,000. Of this, $1,368,500,000—or 53 percent—is subject to annual appropriation in the traditional way. The President has asked for authority to borrow from the Treasury $900 million for fiscal 1962 and $1.6 billion for each of the fiscal years 1963 through 1966, making a total of $7.3 billion over a 5-year period.

The borrowing authority involves only 35 percent of the economic assistance authorization of this bill, and only 20 percent of the total including both military and economic assistance.

I do not believe that the request for authority to borrow $7.3 billion from the Treasury over a 5-year period is based on a desire on the part of the President to put anything over on the Congress or to encroach on the prerogatives of the legislative branch of the Government.

This has been done many, many times in the past. If you will read the committee hearings, you will find that only $121 billion has been made available under the borrowing authority principle since 1932. It is not new. It is not new to the foreign aid program. Many of us were here when the ECA was established in 1948. It had Treasury borrowing in it. We loaned money under the ECA program to 13 countries in Europe and to Turkey. They all had a grace period before payments of principal and interest began, and payments did not start to come in until along about 1956. Out of these 14 countries every country with the exception of Turkey, where a moratorium until 1966 has recently been agreed to, is paying its payments on schedule. They have got $62 billion of that money back, and $213,600,000 in interest. Somebody has said these countries will never pay these loans. The argument that these loans would never be repaid was made in the well of this House in 1948. Yet not one country is in default.

The President's motives are simple and direct. He is convinced on the basis of the best advice he can get that our assistance to underdeveloped countries will work a lot better if we can make financial commitments to them for a future period of as long as 5 years.

As I said, this is really the heart and core of the program. I know this is going to be a long and hard debate. The reason I agreed on 8 hours of general debate in the Committee on Rules was because I felt it would give everybody a chance to express their views on the borrowing authority.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I would just like to say to the chairman of our committee, I certainly appreciate his efforts in developing a good bill. I only rise at this time to ask a question about this borrowing authority which seems to me by far to be the most controversial section of the bill. The gentleman suggested he is anxious to develop as effective a program as possible in this economic field. Can the gentleman tell us in what way the borrowing program would develop more effective use of these funds than the appropriations process? What difference would there be in the development of sound long-term programs, if we do not provide the borrowing authority?

Mr. MORGAN. In the first place, I want to say to the gentleman from New Jersey that one of the main reasons these long-term commitments are important is that they appear to be about the most effective way we know of to get underdeveloped countries to plan ahead and to do things that are costly and may be unpopular, but which have to be done if they are really going to make progress. If we can make firm commitments to contribute for a 5-year period, the country is more likely to settle down and do what has to be done.

Mr. FRELINGHUYSEN. I am sure the gentleman realizes I am in favor of long-range programing, but I fail to understand in what way the borrowing authority is going to make it easier for the recipient countries to do the difficult things of reforming their land structure or bringing about tax reforms or contending with the other problems to which the gentleman has referred. What difference does it make so far as enabling them to bring about these reforms how we finance the program?

Mr. MORGAN. Let us go back to the origin of the development loan fund in 1957. I am sure the gentleman is aware that the development loan fund was intended to operate on a long-range basis, but with annual appropriations.

The language agreed to by the conference between the House and Senate in 1957 made an authorization for the development loan fund on a 2-year basis.

The appropriations that were made for the 2 years were substantially less than the Executive requested and they would not have been able to live up to their long-range commitments if they had gone ahead as they planned to in 1957.

Mr. FRELINGHUYSEN. The gentleman, on that basis, seems to be contending out of a fear that the Committee on Appropriations may not give them that amount that the authorizations would permit, and that that is the reason we must bypass the normal legislative process. Is my understanding correct?

Mr. MORGAN. I do not feel that we are bypassing the normal legislative process. I am aware that the gentleman has been present during the hearings of the Foreign Affairs Committee, and I am sure he is familiar with the Government Corporations Control Act, sections 102, 103, and 104. I had a certain member of the Committee on Appropriations tell me the other day, and I am sure he was speaking somewhat facetiously, "Well, one thing we have developed out of this debate—we have found out we have more power than we thought we had under the Government Corporations Control Act."

Mr. JOHNSON of Maryland. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Maryland.

Mr. JOHNSON of Maryland. I would like to answer the question, if I may, of the gentleman from New Jersey, as to why we are using that procedure. Is it not, Mr. Chairman, the reason that these are loans and not normal expenditures, but loans that it is reasonably anticipated are to be repaid and, therefore, they are in a different category than ordinary expenditures and, by virtue, I would say, of that classification, then it is proper to have this type of Treasury financing?

Mr. FRELINGHUYSEN. In reference to this Government Corporations Control Act, I wonder if the chairman of the committee would state what is in the committee report with respect to the language, and I refer to subsection 3 in the middle of page 19 which says:

> Congress could limit the use of funds in accordance with its judgment. Limitations could be proposed by the Appropriations Committee or by amendment to the bill on the floor of either House.

And I go down to the bottom of page 19 in which the executive branch understands that it was the intent of Congress, in enacting section 104, that limitations would be imposed only where compelling reasons existed for imposing them.

Does the gentleman feel that is the case and that we do not have a free hand about imposing limitations? That this is not a very meaningful limitation, does not provide the ordinary kind of control that the ordinary kind of control that the ordinary processes of appropriation surely do?

Mr. MORGAN. The language in the committee report represents what the Executive says is its understanding and its intention. The gentleman well knows that limitations have been imposed in the past by the Committee on Appropriations.

Mr. FRELINGHUYSEN. The gentleman is not disagreeing with the fact that the Executive is probably correct in its assumption that there must be impelling reasons before a limitation would be applied.

Mr. MORGAN. I think there should be impelling reasons for any action by the Congress.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Michigan.

Mr. FORD. Our former colleague, the gentleman from Maine, Mr. Coffin, recently appeared before the Foreign Aid Subcommittee on Appropriations; in fact it was last week. It was his testimony that under this proposal the final and unequivocal right to determine expenditures and obligations under the Government Corporations Control Act rested with the Congress. I have his prepared statement before me. He said, and I quote:

> Indeed, were I to come before you with a catalog of such circumstances this would be inconsistent with our view that this matter is one basically for congressional determination.

Would the distinguished chairman of the Committee on Foreign Affairs agree with that conclusion?

Mr. MORGAN. I think I would agree with that conclusion.

Mr. FORD. In other words, the final unvarnished right of determination as to the amount of all obligations and expenditures would rest with the Congress?

Mr. MORGAN. Yes; but my strong view about this program involves much more than any question of jurisdiction of committees.

The big issue was brought out in the hearings of the Committee on Foreign Affairs. When the Chairman of the Joint Chiefs of Staff appeared before the committee, he testified that our survival will be determined within the next 10 years. If it takes my vote to determine whether or not this country will survive, I am not going to be arguing over the jurisdiction of any committee.

Mr. FORD. If the gentleman will yield, I could not agree with him more; and if the gentleman will recall what I said, it was the right of Congress, not the right of any committee of the Congress over this bill, or that bill, which would be the final right. I believe we are discussing, and properly so, the right of Congress, not the right of any one committee of this or the other body. I just wanted to make it crystal clear that under this proposal the final decision, regardless of the circumstances, rests with the Congress.

Mr. MORGAN. I would say the final decision does rest with the Congress. The Congress has the final authority under the Government Corporations Control Act, and I recognize that the Executive has greater freedom under this type of control.

I yield to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. I am in agreement with what my distinguished chairman has said in answer to the inquiry of the gentleman from Michigan. But I am disturbed by this somewhat contradictory statement put out today by the State Department in a booklet called "Foreign Aid Facts and Fallacies."

In answer to the argument that this bill would reduce congressional control over foreign aid by the back-door spending proposal, the State Department says:

> The Appropriations Committees would have an opportunity each year to review the development lending program in two respects: First, through a business-type budget required by law to be submitted to the Bureau of the Budget and to Congress through its Appropriations Committees, describing the lending operation, past, present, and prospective; and, second, in connection with their consideration of the requests for funds for grant aid, which will continue to be subject to annual appropriations.

Whatever the gentleman from Pennsylvania or I or other members of our committee have been told by the Executive, or what our able and greatly respected former colleague, Mr. Coffin, said to the Appropriations Committee, this official document says that a business-type budget as required by law is to be submitted to the Bureau of the Budget and to Congress through its Appropriations Committees, describing the lending operation past, present, and prospective. It does not say what we can do about the lending operation, except to receive and review the report. We can act, of course, on the requests for grant aid. But so far as lending aid is concerned, submitting the budget is all they have to do with the Congress.

I am disturbed because the Department apparently does not understand what has been told us in committee, and I think the RECORD ought to show and underline what the gentleman from Pennsylvania has said rather than what the Department might point to in this booklet and say that all they had promised was to submit a budget to Congress, describing the lending operation, past, present, and prospective; and then we could act on grant aid.

Mr. MORGAN. I would not refer to the document the gentleman has in his hand as an official document.

Mr. GROSS. Why not?

Mr. JUDD. I had hoped that the gentleman would say it is not as official as what we have been told in our hearings.

Mr. MORGAN. That is correct.

Mr. JUDD. Again, the booklet says:

> Congress can, if it is wholly dissatisfied with the operations of the program, deny the necessary administrative funds to the new aid agency, thus effectively terminating the program or any part of it with which it may be dissatisfied.

Would the gentleman agree that even if the Appropriations Committee were to deny administrative funds for the operation of this agency, under the language of the bill it could easily transfer from other funds enough to take care of those administrative expenses?

Mr. MORGAN. That might be technically possible; yes. But I doubt if the Executive would ever flout the intent of Congress this way.

Mr. JUDD. Without question, whoever wrote this booklet was not quite candid with the Congress and the public. We could cut out the $49 million in the bill for administrative funds and they could transfer that amount from the military aid appropriations, or supporting assistance, or anyplace else in the bill.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Iowa.

Mr. GROSS. Let me ask the gentleman, What is unofficial about it? It carries the State Department seal, it was printed in the Government Printing Office. What is unofficial about it?

Mr. MORGAN. It is not official as far as an official document furnished to the committee is concerned. I had not seen that document until last week, and I do not consider it as containing a legal interpretation of the meaning and application of the Government Corporations Control Act.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. I would like to state what the gentleman from Michigan has just stated, as well as the chairman, has been confirmed by the Director of the Budget in a letter to the chairman reading:

> I understand that you wished the Bureau of the Budget to study the statement regarding congressional control, appearing on pages 18 and 19 of the report of your committee on the foreign assistance program (H. Rept. No. 851).
>
> In our opinion this statement correctly sets forth the requirements for congressional control under the provisions of the Government Corporation Control Act, including (1) the submission of an annual budget to the Congress; (2) congressional review and consideration of the budget; and (3) the enactment of legislation making funds available for obligation and expenditure, or limiting the use thereof, as the Congress may determine.

The paragraph referred to on page 19, section 4 of the report, states:

> The executive branch would be limited, both as to obligations and expenditures, by the amounts made available in the aid act or in the appropriation act, whichever is the more limiting.

What the gentleman from Michigan has stated and what the chairman has stated is correct and is confirmed by the Bureau of the Budget.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, at the outset I want to commend the chairman of the Foreign Affairs Committee for his excellent presentation on a very difficult bill. I regret that I have to disagree with him in respect to the financing of the Development Loan Fund. As I understand it, when Secretary Dillon appeared before our Subcommittee on Appropriations, in direct answer to a question in respect to what power the Congress would have to limit the funds, Secretary Dillon very explicitly said that about the only occasion where we could limit these funds after authorizing this 5-year Treasury borrowing would be in case of a war about the size of World War II, or a depression comparable to the depression of the thirties, or if a country went behind the Iron Curtain, or if there was a flagrant case of abuse and malfeasance or fraud in the functioning of the Development Loan Fund itself. He gave specifically those four instances which were the only times that the Congress could limit the funds of the Development Loan Fund.

Mr. MORGAN. The case made before the House Committee on Foreign Affairs was exactly as stated in paragraph 3 on page 19 of the report: Congress could limit the use of the funds in accordance with its own judgment. I think, certainly, if next year, in fiscal 1963, Congress felt that there was an abuse of the development loan authority, all it would have to do is repeal section 202 of the bill and it would repeal the authority to borrow any more money for development loans.

Mr. CONTE. In other words, the Chairman does not concur with Secretary Dillon's statement?

Mr. MORGAN. I concur in the interpretation of congressional control as expressed by the Executive, which is summarized in the committee report on pages 18 and 19 and stated by the Director of the Bureau of the Budget to be correct.

Mr. CONTE. Mr. Chairman, will the gentleman yield further?

Mr. MORGAN. I yield to the gentleman.

Mr. CONTE. If that is the case, then why do we not retain the present system? How can we go out to a country—say for instance Taiwan, the Philippines, Cambodia, or Thailand—and sit down with these people and say that we have a long-range program? But the leaders of the country say, "Yes; but the Congress can cut down that program." Therefore, it would become just as ineffective as the present program, if the present program is ineffective, of course.

Mr. MORGAN. The gentleman has served with distinction as a member of the great Committee on Appropriations, and I am sure is familiar with the Development Loan Fund. The purpose of the Development Loan Fund, since 1957 to 1961, as the gentleman in the well understands—and I am sure he knows that the present system did not operate in the way that the past administration expected it to operate, and the program did not move ahead as intended. That is the reason why Secretary Dulles and President Eisenhower in 1957 made the great effort to get the same kind of authority we are asking for here today. The gentleman knows that it passed the other body. I want to say that as a member of the Foreign Affairs Committee in 1957 I had the occasion to talk with the White House, and the White House to talk with me, in the effort to bring the same type of program to the House as I am bringing today—an authorization of Treasury borrowing authority. A great effort was made by the past administration to get congressional approval of the same type program as we are considering here at this very moment.

Mr. CONTE. Mr. Chairman, will the chairman yield further?

Mr. MORGAN. I yield to the gentleman.

Mr. CONTE. It is my understanding that President Eisenhower wrote a letter to Senator FULBRIGHT in 1959 and therein he asked for a multiyear authorization and appropriation?

Mr. MORGAN. That was in 1959. I am talking about 1957.

Mr. PELLY. Mr. Chairman, will the chairman yield?

Mr. MORGAN. I yield to the gentleman from Washington.

Mr. PELLY. Is it not true that in President Eisenhower's request or proposal in 1957 there would have been an appropriation for the first year and that there would be borrowing authority for the second and third years, but none of the funds could be obligated in the second or third years, until those years?

Now, we have a bill whereby in section 204(b) the President is allowed to obligate all of the funds in the first year if he so wishes?

Mr. MORGAN. I am talking about the borrowing authority principle in the 1957 bill.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. Mr. Chairman, I would like in answer to the gentleman from Massachusetts [Mr. CONTE] to refer to the testimony of Secretary Dillon before the House Committee on Foreign Affairs. He said:

> Fourth, an annual presentation would be made to the Appropriations Committees of the Congress in accordance with the provisions of the Government Corporation Control Act. Under this act the aid agency would be required to submit to the Appropriations Committees an annual illustrative budget setting forth its proposed operations for the coming year and to obtain from Congress authority to expend funds in accordance with this illustrative budget.

The illustrations he set forth would, in his opinion, indicate what compelling reasons there were which would call for a revocation of the authority once granted, or a limitation. I believe there are others. I believe what this act does is leave it up to the conscience of the Congress to set forth in their judgment what the compelling reasons might be to reject or limit once the authority is granted.

Mr. MORGAN. Mr. Chairman, now it may be that the President is wrong in his judgment on this point. Maybe this ability to make 5-year commitments is not as important as he says it is. None of us can be sure. Each of us has to make up his own mind.

In my own case, I am convinced that the President and his task forces are better able to decide this point than I am. The President's advisers have had an opportunity to evaluate a decade of economic assistance experience. More important, it is absolutely clear to me that we have to try some new methods and experiment with new techniques. The old systems are not good enough.

A lot of the development loans will be to finance in other countries operations similar in nature to those of our own Tennessee Valley Authority and our own Small Business Administration. We have found that the use of the borrowing authority was the only practical method of financing these operations because we could not expect the small American businessman to work out a detailed justification of his program in advance and then wait for Congress to vote the money. He would be out of business if that were the only procedure available.

We cannot expect a foreign country to work out in 1961 firm justifications for everything they plan to spend money for in 1965, just as we cannot expect the Tennessee Valley Authority to make precise cost estimates of its financial needs several years in advance. The foreign businessman and the foreign government need the same assurance that funds will be available at the right time that similar operations in our own country have required.

The real issue before the Congress with respect to the long term borrowing authority has two elements:

First, how important is it that the Executive be able to make these long term commitments.

Second, does the granting of this authority seriously impair the control of the Congress over future expenditures and operations.

I know that some outspoken opponents of the borrowing authority say that the President is wrong in his desire to make long term commitments and that such commitments will not produce the desired results. They may be right, and the President may be wrong. Each of us must make up his own mind.

As to the relinquishment of authority by the Congress, I do not see that there is any serious issue. Congress will have to give its approval in an appropriation bill every year in accordance with the requirements of the Government Corporation Control Act before the program can go forward. All the Congress has to do next year or in any future year is to repeal section 202(a) of this bill and then no more borrowing can be done. All Congress has to do in any future year to limit the borrowing authority is to amend section 202(a) by striking out $1.6 billion and writing in a smaller figure.

The Congress usually provides funds by a different procedure, and it is apparent that there are some who like the more common method better.

All I ask is that each Member consider before he votes on this issue whether there is an impairment of the authority of the Congress sufficient to justify denying to the President the tool he needs to make our economic aid work better.

I have dwelt at some length on the Treasury borrowing portion of the bill, and I will not take time to review the rest of the bill in detail. Let me emphasize, however, that the committee reviewed in detail the Executive requests for authorization of funds to finance the operation of the new program. The committee reduced the Executive request for the Contingency Fund from $500 million to $300 million—a cut of $200 million. The committee believes also that the Executive overestimated its bedrock requirements for supporting assistance and cut that authorization from $581 million to $481 million—a reduction of $100 million. In the case of military assistance, the committee instead of granting a continuing authorization set a dollar limit of $1,800 million—$85 million less than the Executive request. We eliminated altogether an Executive request for an authorization of $20 million for development research and provided that funds available for other parts of the program should be drawn on for this purpose. We cut the authorization for administrative expenses by $2 million.

The bill provides for a number of significant improvements in the program. It provides for setting up a single new organization to replace the old International Cooperation Administration and the Development Loan Fund. The bill permits greater and more effective emphasis on the fundamentals of development than was possible under the old legislation. We will have a better program if it is approved without drastic revision than we have had in the past.

A detailed presentation of all the provisions of the bill is contained in the committee report, and there will be ample opportunity for full discussion during the remainder of this week.

Before we get involved in details and focus our attention on specific provisions and individual amendments, let

me remind you again of the situation of the United States and of our President today.

We are face to face with great danger. We hope that we can meet and counter our enemies without a shooting war. I think we have the leadership and the capacity to win the cold war, but we cannot win without the equipment to carry on the cold war effort.

The effective use of foreign aid to attain our foreign policy objectives is a highly complex operation which must be conducted with skill if it is to succeed.

The basic provisions of this bill are the result of careful study by competent specialists. The President sincerely believes he needs this authority to carry out the tremendous responsibility which he bears. It is important to provide him with the tools and the weapons that he needs.

What we do this week will be of significance to history. We must not let the heat of controversy blind us to this fact.

Mr. CHIPERFIELD. Mr. Chairman, I yield myself such time as I may consume. Mr. Chairman, this year many Members who have actively supported and voted for foreign aid legislation are faced with a real dilemma. They wish to vote for this program as an essential part of our own national defense and security but they do not agree that the note-issuing authority contained in the bill is a necessary or proper method to finance long term development loans. They object to Treasury borrowing, commonly called back-door financing, of some $7.3 billion over a period of 5 years without further congressional action.

In the past we have authorized continuing programs without this borrowing authority. During the hearings on this legislation no witness from the executive branch could cite a case where a program or project, although it was long range, was interrupted because of lack of funds.

We feel the arguments for long-term programs to secure fundamental reforms in the recipient countries are not justified. It does not seem to us we will hasten these reforms abroad solely by adopting a new method of financing at home.

We intend to offer an amendment to this bill which will permit long-term planning but which will retain in the Congress its proper constitutional responsibility for the annual review and determination of the overall size and cost of the program. The amendment or amendments to accomplish this will be fully discussed and explained during the debate. If necessary I would like to see such a proposal contained in a motion to recommit with instructions.

For the reasons I have set forth, 12 of us on the minority side of the Foreign Affairs Committee have filed supplemental views favoring a method which would assure authorization and appropriations of amounts that would permit adequate long-range planning but would not authorize in advance the full amounts that may be needed each year. This would require the Executive to return to the Congress annually for these authorizations and appropriations. I certainly hope at the proper time such a proposal will be adopted and we will defeat back-door spending.

Mr. Chairman, I yield 10 minutes to the distinguished gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON. Mr. Chairman, I think no one in this House questions my long loyalty to the foreign aid program. Ever since the days of UNRRA I have done everything I could to further the programs put forth by whatever administration was in power.

May I suggest, Mr. Chairman, this is a historymaking day. My chairman has very well said just that.

I want to thank him at this point for his conscientious work, his courtesy, his careful handling of all the many problems that came up in the committee. He had to present to us an absolutely new bill for which we were not prepared. The distinguished gentleman from Pennsylvania, Dr. MORGAN, was patient with us all. His capacity for doing his homework is phenomenal. He read from cover to cover the big red book. I question whether anyone else did. I want to thank him for his constant courtesy to me and to the other members of the committee.

Mr. Chairman, we are in a moment when we are considering something so much greater than foreign aid, so much greater than any of the things that have come before us. As a Congress we may be at the parting of the way. We must decide what we are going to do, whether we are going to abrogate our rights and abandon our responsibilities and just turn it all over to the President, or not.

Frankly, it is always disappointing to find the membership of the House so apathetic when, from the Committee on Foreign Affairs, bills are brought before it, so few are in attendance. And may I say to the House that this is not a request for a quorum call. I think it should be noted that by and large the Members are either not interested or they apparently do not realize the far-reaching importance of this particular bill.

This, Mr. Chairman, is a new bill. It is quite different from anything we have had before. It has been an exceedingly difficult task to unravel its contents, to know what was removed from the old, what was added, and what was changed. It is not in simpler language; indeed, it is even less easily understood than before, even more confusing.

When it came to the committee many safeguards that took years to insert had been swept out. I believe they are back where they definitely belong, thanks to the efforts of various members of the committee on both sides of the table.

Comparisons with other years have been practically impossible, but even now it is a strange piece of legislation at best, although when studied one determined effort is very plain. Perhaps the word "effort" is not the right one, but I give it to you anyway. To all intents and purposes the Congress will abandon many of its powers and the Executive will absorb them. Somehow, I cannot believe that when the final vote is taken in this Chamber this House will accept this secondary place in Government.

May I remind you that I happen to have believed for some time that we should work out a way by which we could make longer term contracts possible.

However, I believe that this can be done without turning over to the Chief Executive so much that he, in his turn, must delegate both the decisions and their practical execution to men, and, perhaps, some women who not only have not been elected by the people but who will not be responsible to them. They will be responsible only to the President.

Most of us on the minority side of the committee decided we would put all our eggs into one basket and lay before you in supplemental views this one fundamental objection to the financing method. We have tried to do so with restraint and, yet, with strength. In a way the matter of method has little to do with our need as a country to help to strengthen the free world, but it has to do with the most vital part of the edifice which is our Government and with its continuing strength. But, I want to call your particular attention to the additional remarks which come from two very thoughtful, earnest, and courageous members of the minority. Both signed the minority report, but they felt obligated to put before you in addition a more detailed picture of what you will be doing if you permit this bill to pass pretty much as it has been presented. For myself, I am deeply grateful to them and I hope that each one of you will not fail to read very carefully the additional remarks. I can assure you, Mr. Chairman, that at this moment I am not sure what my vote will be. It will depend a good deal on what is done on this floor. Feeling as strongly as I do that we have a deep obligation to the free world, I should find a negative vote almost impossible—certain, however, that we endanger our own strength, and if we do that, we endanger the free world if we abandon our congressional responsibilities. Decision is difficult in the extreme. So I find myself here in the well of the House wondering if this Congress will have the courage, and it will take courage, to remember that each of us has been sent here to represent people who believe that they have the right to control the purse strings through us; who believe we have the right and the obligation to control these purse strings thoroughly with the duty of keeping the great Ship of State on her course.

Surely, democracy lives by compromise, but at this point there is no gesture even toward compromise from the Executive nor is there any pressure that seems to be unused. We are not faced with the question of whether or not we shall continue foreign aid. To me, this seems no less a must than it has in past years. But, we are faced with the abandonment of congressional responsibility as a possibility. Many Members on this side of the aisle who have voted for aid down through the years, even when their constituents were against it, have said they cannot vote for it if the House retains the financing as submitted, but they will vote "no" with heavy hearts for they are not unaware of the great need that there is across the world. I find it very difficult

to believe that the membership of this House will vote the bill, as it has come to the floor. Have we lost all sense of our responsibility as duly elected Representatives of the people to whom the power of government was given in the beginning? We are not here as rubber stamps for whatever this administration or any other administration sends over. We are here to find ways to make possible the plans and programs of the Executive insofar as these do not impinge upon the duly constituted checks and balances.

The CHAIRMAN. The time of the gentlewoman from Ohio has again expired.

Mr. CHIPERFIELD. Mr. Chairman, I yield the gentlewoman 2 additional minutes.

Mrs. BOLTON. Mr. Chairman, I have really very little else to say except that I am going to insert, when we get back into the House, a list of those instances of proper discretionary power in the President compared to the old mutual security method and also several other things of that kind. I hope very, very earnestly that we can so compromise this whole matter of finance—and we on our side of the table feel it is possible to compromise and not interfere in any way with plans that are laid out—I hope this will be the result of the consideration of this body.

Mr. Chairman, I yield back the remainder of my time.

Mr. MORGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland [Mr. JOHNSON].

Mr. JOHNSON of Maryland. Mr. Chairman, I know of no legislation of greater importance than that now before this body, but before speaking on the merits of H.R. 8400 I wish to join my able colleague from Ohio [Mrs. BOLTON] in paying tribute to the very able chairman of the House Foreign Affairs Committee. Every member of that committee was treated with the greatest courtesy; every member had a chance to present amendments with full discussion; and throughout the hearings, which extended over several weeks, an opportunity was given to all of us to present our views and to bring to this floor what we felt was a new concept in our foreign aid program.

I also pay tribute to the minority members of the committee who likewise made a great contribution, because I believe the measure before us is without party lines; it is a measure we hope will bring some semblance of peace and security throughout the world.

Mr. Chairman, I rise in support of H.R. 8400, designed to replace the present Mutual Security Act. The long clamor to change the foreign aid program has been answered by a complete revision of the basic legislation governing the provision of U.S. assistance, both economic and military, to foreign countries.

Mr. Chairman, all of us know there is a possibility, a looming shadow of world war III. In World War I and II, we had time and distance as indispensable allies—those allies no longer exist.

In this time of tension, this period of perplexity and high emotions, we should all realize there are yet those peoples of the earth who need our help. We must not deny sufficient help to those people who need to rise above poverty. The sands run swiftly in the hour glass of history. Some believe the hands on the clock are turning toward the midnight of mankind.

We recognize that distressed areas in any part of the free world weaken the strength of the whole free world. Even if there were no threats from communism, I wonder if this Nation can afford to live in an island of comparative luxury and ease while others exist in a sea of poverty, disease, and despair. The great question every Member must answer for himself is not, can we afford this program, but rather, can we afford to do without it?

Recently Premier Khrushchev stated that the Communists were not behind every revolt throughout the world, but they were indeed delighted to take the initiative and exploit the ferment of the masses. I say it is time America took the initiative, and I believe H.R. 8400 will do just that.

Let us not delude ourselves into believing the free world can withstand ever-growing Communist pressure by having allies that are economically weak. It is certain that substandard conditions, if allowed to exist, will serve only as the breeding ground for strife, discontent, and revolution. It is interesting to note that the areas where the Communists have succeeded in the past few years have been those in which people have been poorly fed and poorly educated.

This Nation can now take the initiative by putting our assistance program on a long-term businesslike basis. If we are to expect countries to make internal reforms socially and economically, we must be able to offer these countries long-range assurances of economic assistance. Reform programs, to be successful, cannot be planned by countries on a year-to-year basis.

The heart of H.R. 8400—a 5-year assistance program—would encourage nations to develop long-range planning and prevent them from succumbing to the pressures and blandishments of the Communist bloc.

It is indeed a prime concern to all of us as to whether the economic conditions of some 1½ billion people can improve their lot under a non-Communist system. Gentlemen, the people who will be affected by our decisions, your decisions and mine, have a per capita income ranging as low as $50 a year compared to the average of $2,500 a year in this great Nation.

We all know the long-term feature of this measure is not new. In 1957, the previous administration proposed a similar program, and I may add the long-term program then had considerable bipartisan support. It will be indeed interesting to see if those who endorsed the long-term principle in 1957 will again support the principle advocated by our President.

To those who are concerned about the burden of foreign assistance, I would like to read the following editorial from the Washington Post:

> As the Senate prepares to vote on the President's request for a 5-year economic aid authorization, Members of Congress concerned about the burden of foreign assistance may find some selected statistics relevant. In fiscal year 1949, when the Marshall plan had been undertaken in Europe, economic assistance alone constituted 2.47 percent of the U.S. gross national product ($261.5 billion). In fiscal 1961, economic and military assistance combined came to 0.76 percent of the gross national product ($503 billion). In 1949 the national debt was 96.7 percent of the gross national product; in 1961 it was 57.5 percent. In 1949 economic aid appropriations totaled 17.1 percent of the net Federal budgetary receipts; in 1961 economic and military aid appropriations combined totaled 4.8 percent.

I have often joined with critics of our foreign aid program. We have had deplorable waste and misapplication of foreign aid funds. Inept administration of foreign aid has brought forth widespread criticism and rightly so. It is perfectly obvious the present year-by-year financing of the foreign aid program has not eliminated waste. In an effort to provide the most effective means to obtain our Nation's objectives in the Cold War, the House Committee on Foreign Affairs has prepared what I consider to be a fine bill. This measure will enable our Nation to join with other countries in the noble long-range task of assuring the development and use of the free world's resources. This will contribute to peace and security, and be a blessing to all mankind.

This great Nation has put on the cloak of world leadership. It will not remove the mantle of prestige by abandoning foreign assistance to those struggling masses which desire social and economic progress. The aid we offer must be no less adequate to the needs of the masses than the long-term assistance offered by the Communist bloc.

It is imperative that we make our foreign aid programs work better. And I believe this measure will make possible the attainment of this goal.

Can we afford this new program?

Mr. Chairman, I do not believe we can afford to do without it.

Mr. CHIPERFIELD. Mr. Chairman, I yield such time as he may desire to the distinguished gentleman from Connecticut [Mr. SEELY-BROWN].

Mr. SEELY-BROWN. Mr. Chairman, this is a large and complex bill. Some of it is old, some of it is new, and some is an upholstery job—new stuffing around an old frame.

The military assistance portion is not too different from existing law. An authorization for an appropriation of $1.8 billion for the current fiscal year is provided, of which not more than $60 million may be used for Latin America. There is a new authority that permits the President to draw upon defense stocks and services subject to subsequent reimbursement up to $400 million in any 1 year, "if he determines it to be vital to the security of the United States." The justification for this provision is that military articles require long leadtime to manufacture and ship abroad. In

times of real military danger it will be possible for the United States to respond to threats more promptly by drawing from existing stocks of equipment.

On the economic side, development grants is the name for a new and enlarged technical assistance program. Under this program advisers and demonstrators, together with supporting equipment, will be made available to the least developed countries on a grant basis where the prospects of loan repayments are not yet favorable.

The investment guarantees section of existing law is broadened by this bill. The purpose of this program is to encourage private American capital along with its skills and managerial ability to move into countries in Asia, Latin America, and Africa, where risks are great and the outlook is uncertain. New and weak governments are tempted to meet their internal needs by establishing enterprises that require external assistance in the form of grants and loans to the government itself. The tendency is to put the government into many businesses that are often poorly operated and that swell the bureaucracy. Under the investment guarantees program private enterprise is encouraged to move in. The program is a form of insurance in which the private company pays a premium against certain specified risks. It is not generally known that this has been a highly successful operation. I would urge our businessmen who are looking for new opportunities to look into its possibilities for the expansion of their own activities.

Supporting assistance, for which $481 million is authorized, provides economic aid to countries to which it is in the United States interest to give such assistance because of their military effort or because of political or other considerations, including the availability of bases. More than 55 percent of this amount is planned for Korea, Vietnam, Turkey, and Pakistan.

We have included an authorization of $153.5 million for voluntary contributions to 10 programs under the United Nations and 3 regional programs. Among the programs is the Children's Fund, for which $12 million is provided. There are also sums in this bill for several programs conducted by the World Health Organization.

A contingency fund of $300 million is in the bill. As the name implies, its purpose is to permit the President to deal with unanticipated situations and programs. Certainly the uncertainties of the world warrant a source of funds upon which to draw in order to deal with them.

The most widely discussed and debated feature of the bill concerns the method of financing the development loans authorized in H.R. 8400. I direct your attention to the supplemental views found on page 100 of the committee report where I, along with 11 of my colleagues, have set forth the basis for our opposition to the note-issuing authority.

I can summarize the points we make:

First, continuing programs have in the past been provided for without the note-issuing authority.

Second, the note-issuing authority method will not necessarily increase U.S. influence toward reforms in other countries.

Third, there is no need or justification for such authority for fiscal year 1962, the current fiscal year.

Fourth, such authority does not permit "irrevocable commitments" which is one of the principal arguments made by the administration for using this device.

In our supplemental views we cite examples where the Executive has been able to move programs forward on the basis of the annual authorization-appropriation cycle. The plan carried in this bill is, in my judgment, a dangerous intrusion upon the responsibility of the Congress.

In more than a decade of operations our foreign assistance programs have lost much of their focus. During the last 10 years there have been six directors. When the Marshall plan started, the head of the operation had Cabinet status. Today he reports to the Under Secretary of State for Economic Affairs. Moreover, not all of our foreign assistance is under the director of the agency administering the mutual security program. For example, the food-for-peace plan and the Export-Import Bank are actively engaged in assistance.

This bill pulls together the major segments of our economic assistance programs. It provides for the establishment of the Agency for International Development, which will combine under a single Administrator the operations at home and abroad of the International Cooperation Administration, the Development Loan Fund, the food-for-peace program in its relations with other countries, the local currency lending activities of the Export-Import Bank, and the related staff and program services now provided by the Department of State and the International Cooperation Administration. This is a step in the right direction.

Regardless of bureaucratic flow-charts and organizational reorganizations, there is no substitute for qualified personnel. The kind of people we need must have a lot more than technical proficiency. They have to live and work in strange environments and deal with people who have different cultural backgrounds and values. Since its inception foreign aid has been operating on the assumption that it is a short-time program. It is about time that we recognize that foreign aid is a long-term proposition. We ought, therefore, to plan personnel policies that admit this fact. Only in that way will the best of our people be attracted to oversea service where they can look forward to career employment. As a step toward strengthening a system in which merit alone counts, I offered an amendment which was adopted by the committee. It makes applicable the provisions of the Foreign Service Act prohibiting political tests or discrimination on account of race, creed, or color.

I have been giving some thought to the establishment of a service along the lines of the British Colonial Service. I hasten to add that I do not endorse the word "Colonial"—I use it only to describe a type of oversea career service that will bring in young people with technical qualifications who will spend most of their working years abroad.

I have introduced a bill, H.R. 8147, which it is my hope will receive an early hearing. It establishes the Foreign Service Officers' Training Corps in the State Department, with an initially authorized strength of 3,000. Candidates would be selected by examination, and would attend at Government expense for 4 years, any college or university which had curriculums approved by the State Department for Foreign Service training. During this period they would be paid a retainer of $100 a month. After graduation, those who qualified would receive a probationary appointment in the Foreign Service, which would be made permanent after 2 years of satisfactory service.

From such a corps could come, carefully screened over a period of at least six years against any and all disqualifications, and far better trained, in my judgment, for the job ahead, the recruits for the cadre of Foreign Service, to administer our foreign-aid program or to share in the many other responsibilities of the Foreign Service.

At best, the foreign-aid program is a tough one to administer. It operates in almost every country in the free world. Most of these countries are underdeveloped. This fact in itself presents several difficult problems. No matter what standards of administration we may devise, they have to be applied under a diversity of circumstances determined by local personalities and an infinite variety of cultural, economic, and political practices.

To say this is not to condone the shortcomings that have come to light from many sources. Like my colleagues, I, too, am concerned about charges of waste and inefficiency that have been identified by my own committee and other committee of the Congress. These are only the most obvious reasons why we need a hardheaded Administrator to keep the program on the track. I hope that Mr. Labouisse, who has a great deal of experience in oversea programs, will supply vigor and firmness in discharging his difficult job.

In this connection, I am pleased with the enlarged powers given to the Inspector General. As our report states "his function is to be to seek out waste, inefficiency, and misconduct, to test procedures, check performance, and evaluate results." He is given direct access to the Secretary of State who, next to the President, is the responsible officer for our aid programs. The Inspector General is given the power to suspend all or any part of any project or operation after notification to the Secretary of State. This is a far-reaching power but not an unusual one. Inspectors of the Foreign Service in the Department of State may suspend any officer except a Chief of Mission.

There are some who argue that instances of maladministration and waste are sufficient to warrant the termination of the whole program. I cannot accept this proposition. If we have de-

termined that the basic concept of the program is valid, the only thing to do is improve it. To abandon the program today would be tantamount to withdrawing our support from countries and areas where we have laid the groundwork of hope among people.

The menace of international communism is, of course, a compelling reason for our aid, particularly in the military field. But there are many nations, some newly independent, that are now charting their future; their immediate preoccupation is developing political and economic institutions. The decisions they make in the years immediately ahead, the direction in which they choose to move, will determine in large measure the kind of a world in which future generations of Americans will live. The long view dictates that it is in our national interest to encourage these countries to seek our leadership and our support.

Mr. CHIPERFIELD. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from New Hampshire [Mr. MERROW].

Mr. BEERMANN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Fifty-six Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 149]

Alger	Gilbert	Meader
Ashbrook	Glenn	Miller, N.Y.
Ashley	Goodling	Minshall
Auchincloss	Griffin	Morrison
Bailey	Hansen	O'Hara, Mich.
Baker	Harris	O'Konski
Bass, N.H.	Harrison, Va.	O'Neill
Bolling	Harsha	Osmers
Boykin	Healey	Powell
Buckley	Herlong	Rabaut
Byrnes, Wis.	Hosmer	Riehlman
Celler	Jonas	Roberts
Clark	Jones, Mo.	Rousselot
Coad	Kearns	St. George
Dawson	Kilburn	Slack
Diggs	King, Utah	Smith, Miss.
Dingell	Kluczynski	Staggers
Donohue	Lesinski	Steed
Dooley	McCulloch	Ullman
Dulski	McSween	Wickersham
Ellsworth	Macdonald	Willis
Evins	Machrowicz	Wilson, Calif.
Finnegan	Martin, Nebr.	Winstead
Fino	Mason	

Accordingly the Committee rose; and the Speaker pro tempore (Mr. ALBERT) having resumed the chair, Mr. MILLS, chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 8400, and finding itself without a quorum, he had directed the roll to be called when 362 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from New Hampshire [Mr. MERROW] is recognized.

LONG-RANGE FINANCING

Mr. MERROW. Mr. Chairman, the most controversial section of the Mutual Security Act of 1961 is the provision for long-range financing over a period of 5 years. The House Foreign Affairs Committee has approved this method, and I hope that it will be adopted by this House. The purpose of development loans is to support economic growth in the developing countries of the free world. The request for the authorization to make loans on a long-term program of dollar lending is exceedingly important and essential to the operation of an effective mutual security program. This lending procedure is to be adapted to the limited repayment capabilities of the less-developed countries.

DILLON IN URUGUAY

Secretary of the Treasury Dillon at a meeting of the Inter-American Economic and Social Conference of Finance Ministers in Punta del Este, Uruguay, on August 7 stated that Latin America could expect an inflow of $20 billion in capital during the next decade. This would be made possible by the United States, Western Europe, Japan, and international financial institutions. The Secretary in his speech to the delegates said:

> We welcome the revolution of rising expectations among our [American] peoples, and we intend to transform it into a revolution of rising satisfactions.

The proposed loans to Latin America, for instance, are extended over a long period of years at low rates of interest or no rates.

The projected program of assistance to Latin America emphasizes clearly the importance of adopting the long-range method of financing as approved by the Foreign Affairs Committee. In our endeavor to assist the countries of Latin America to develop better standards of living and acquire social justice, it is most important that we be in a position to make long-range commitments. This lending authority as proposed by this measure will be of great value in this area as well as in other sections of the world.

THE AMOUNT OF BORROWING AUTHORIZED

The aggregate sum to be available for lending over the next 5 years would, if the bill as it came out of the Foreign Affairs Committee is enacted, amount to approximately $8.8 billion. Of this total amount, $900 million financed by borrowing from the Treasury would be available for any obligations during the current fiscal year and $1.6 billion financed in the same manner would be available at the beginning of each of the next 4 fiscal years. In addition, approximately $300 million would be available for lending in each of the 5 years out of the proceeds of principal and interest payments on loans made in prior years under the mutual security and other programs. These loans will be repayable as to principal and interest in U.S. dollars and on such terms and conditions as the President may determine.

It should be kept clearly in mind that all of the $8.8 billion is not available immediately for making loans even in the event that the measure passes without any change. There is a fiscal year limitation—$900 million in fiscal 1962 and then $1.6 billion at the beginning of each fiscal year for the next 4 years plus the $300 million additional out of the proceeds of principal and interest payments.

HISTORY OF BORROWING AUTHORITY

In 1932 the public debt transaction technique was employed for the first time after the enactment of the Budget and Accounting Act. Congress then authorized the Reconstruction Finanace Corporation to "issue to the Secretary of the Treasury its notes, debentures, bonds, or other such obligations in an amount outstanding at any one time sufficient to enable the Corporation to carry out its functions," and authorized the Secretary "to purchase any obligations of the Corporation to be issued hereunder, and for such purpose to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act."

In effect, Congress authorized the RFC to borrow money which it needed for its lending operations from the Treasury; the Treasury was authorized to lend the Corporation the money from funds raised by the sale of Government bonds to the public. There was no appropriation as such for the RFC for this purpose.

Since 1932, the technique utilized to finance the activities of the RFC has been used, in one form or another, by many Federal Government activities, almost entirely, however, of a credit nature.

Programs of more than 20 agencies are now financed by loans from the U.S. Treasury. In this session of the Congress several have been approved, including the Area Redevelopment Act and veterans loans.

In connection with foreign economic assistance, several proposals for borrowing authority have been made in the past. The Economic Cooperation Act of 1948 contained authority to borrow funds from the Treasury and, in the years prior to fiscal year 1954, $1.2 billion in loans have been made under this authority. In 1957 and 1959, proposals were made, without success, to obtain long-term financing authority for the lending activities of the Development Loan Fund. The 1957 proposal was put forward by President Eisenhower in his original request to the Congress to authorize the establishment of the DLF. The Eisenhower proposal would have provided authority to borrow funds from the U.S. Treasury.

In 1957, President Eisenhower proposed the establishment of the Development Loan Fund to help promote economic development in the less-developed countries of the free world. The President's proposal in that year requested Congress to finance the DLF for a 3-year period with appropriated funds for the first year and with funds borrowed from the U.S. Treasury in the next 2 years.

In 1959 President Eisenhower's message to Congress on the mutual security program stated, inter alia:

> Consideration should continue to be given to capitalization procedures that will allow better long-range planning.

Other programs now financed under borrowing authority reveal a number of

similarities to the development loan program proposed in AID. A number of agencies using borrowing authority have programs which provide funds for a clientele whose needs cannot clearly be ascertained far in advance; for example, the Commodity Credit Corporation, Federal ship mortgage insurance fund, veterans' direct loan program, farm housing loans and mortgage insurance facility loans and the Area Redevelopment Act of 1961. There are a large number of programs financed by borrowing authority which are long-range programs; veterans' direct loans, Commodity Credit Corporation, the now liquidated Reconstruction Finance Corporation, Farmers Home Administration and the college housing program of HHFA. Virtually all of existing programs engage in lending or other forms of credit. In fact, major Federal credit programs have been, with only a few exceptions, financed through Treasury borrowing since the early thirties.

The above history indicates that there are numerous precedents for the use of borrowing authority for programs comparable to the proposed development lending activity under the act for international development.

A detailed statement of the status of congressional authorizations to expend from public debt receipts from 1932 to 1959 may be found in the CONGRESSIONAL RECORD of April 20, 1961, at page 6396.

PROPOSED FINANCING PROCEDURE NOT UNIQUE

Therefore, it should be emphasized and reemphasized that the type of financing proposed for the mutual security measure is not unique in the operations carried on by the Federal Government. In fact, it is the standard way in which the Congress has provided funds for U.S. Government lending operations. I believe the record will show that with very few minor exceptions the Congress has funded all Government lending operations by this means. Congressional authorization to expend from public debt receipts to cover over a score of agencies in the Government from fiscal year 1932 through May 31, 1961, amounts to $101,249 million. In recent years, from fiscal year 1957 through May 31, 1961, such authorizations have been $19,641 million.

In most cases, congressional authorizations provide that repayments of borrowings may be reused with limitations placed on the amount of the loan outstanding at any one time. For this reason, the gross amount of borrowing from the Treasury exceeds the gross amount of congressional authorizations. Therefore, from fiscal year 1932 through May 31, 1961, the gross amount of borrowing from the Treasury amounts to $121,291 million, and in the period I have designated as recent years, from fiscal 1957 through May 31, 1961, the borrowing totaled $36,801,000.

Let us be perfectly fair in discussing this issue. The cry "back-door spending" as an argument against the long-range features of the mutual security program can be placed in the same category as the term "the great giveaway." These slogans are misrepresentations and do not contain even a modicum of truth. This is not a giveaway. It is a mutual security program. The long-range financing feature is not "back-door spending." It is a method whereby the Congress will authorize a long-range borrowing program for the achievement of the purposes of this measure.

Such financial procedure will be a benefit to us as well as to the recipient nations. It is an economical procedure. It is sound financially. Congress always has the power to review, to change, and to alter as it wishes. For the mutual security program to become fully effective, it is essential that we depart from year-to-year planning and appropriating and put this endeavor on a long-range basis.

CONGRESS NOT BYPASSED

The borrowing authority as set forth in this bill will be subject to the provisions of the Government Corporation Control Act. Section 203(b) of the Mutual Security Act of 1961 provides that the development lending program will be subject to the budgeting provisions of the Government Corporation Control Act. The use of the borrowing authority will be subject to a yearly review by the Appropriations Committees of both Houses. The Government Corporation Control Act provides that the proposed financial operations of the agency or the corporation for any ensuing fiscal year comprising a statement of expenses and income and a statement of the sources and application of the funds be presented to the Appropriations Committee.

In the Government Corporation Control Act are these words:

> It is hereby declared to be the policy of the Congress to place Government corporations and their transactions and operations under annual scrutiny by the Congress and provide current financial control thereof.

PROCEDURE TO BE FOLLOWED UNDER BORROWING AUTHORITY

In the adoption of the proposed financing as set forth in this bill, it is understood that this will be the procedure to be followed:

First. Each year the President will submit a budget showing the obligations and expenditures for the contemplated programs.

Second. The Congress will have the responsibility of reviewing the program, and following past precedents this review will take place by the Appropriations Committees of both Houses and the authorization for the use of funds would then appear in an appropriation bill.

Third. If Congress so decided, limitations could be proposed.

Fourth. The President would be limited as to obligations and expenditures by the amounts made available.

Fifth. Until the Congress passes the necessary language approving the budget program, obligations and expenditures cannot be incurred. If the Congress does not enact the necessary language approving the budget program, then the development lending program could not enter into further obligations or make further expenditures.

CONGRESS MAY DO AS IT WISHES

If, as a result of the annual review by the Congress, it is decided to make a change in the program, that change can readily be effected. As a matter of fact, if the long-range financing procedure appears to be working badly, Congress can terminate the authority since what the Congress can do it can undo. We should not forget that the development lending program is just a part of the aid program.

The Executive must come back each year for the authorization and appropriation of the grant aid program. The Congress will have a clear opportunity to change the lending authority and the borrowing authority if it wants to. And—this is important—since the President has to have the grant aid legislation, I can hardly conceive that he could veto a grant aid bill containing changes in the borrowing authority if the Congress should choose to make them.

However, we should clearly understand that the adoption of this financing procedure expresses our intention and the intention of the American people to embark upon a long-range lending program. The Congress will not expect to limit or curtail the authority it has granted unless unusual or special circumstances require it. But the Congress has not abdicated its power. The annual review will be searching, and if changes have to be made, then this can and will be done.

We should bear two further things in mind: if unusual circumstances convince the Congress that it should limit or curtail the use of borrowed funds—that determination will rest with the Congress. Second, as I have said before, the determination by the Congress will be final since the President could not reasonably veto the general aid bill in which the determination would be incorporated.

We have had a long experience in the matter of aiding our allies and thereby increasing our own security. It should be emphasized that we are also aiding ourselves as we carry on these programs. It is perfectly obvious that development programs in the various countries we are now assisting will have to be of a long-range nature. One cannot forecast how long, but for the foreseeable future, we are going to be in the business of mutual security. On one occasion I was asked the question from a member of a large audience I was addressing, "Can you tell me how long we have to carry on the aid programs?" I responded by saying, "If you can tell me how long it is necessary for us to have a Defense Department, I can give you some idea of how long it will be necessary for us to carry on a program of mutual assistance for the security of the United States."

I deem this program a part of our defense structure. If we are to inspire confidence in the people we are trying to assist, then we must give them some indication that we intend to work with them over the years. Furthermore, this type of financing will in my judgment prove to be economical, it will greatly increase the efficiency of the entire operation, and it will make our endeavors much more effective.

BACK-DOOR SPENDING—SPECIOUS ARGUMENT

It is, I think, regrettable that the specious argument "back-door spending" is

used against the mutual security operation. President Eisenhower asked for this type of financing when the development loan fund was proposed. As I have pointed out, over 20 agencies have been operating in this manner for a period of over 3 decades. It is admitted, I believe, that we will be in the aid business for the forseeable future. No Member of Congress, no matter how young he may be, will live to see the termination of this operation any more than he will live to see obviated the necessity for a Department of Defense. Experience has demonstrated that loans are more important than grants. Experience has demonstrated that long-range loans are necessary; and, therefore, if we are to think anew and act anew in carrying out this program, we should, in my judgment, be courageous enough to adopt this type of financing in an effort to improve the operation.

I do not wish to see the Congress bypassed; and if I thought that by enacting this legislation we were bypassing the legislative branch of the Government, I would be opposed to this section of the bill. The evidence indicates clearly that this is not so. The evidence indicates that this type of operation is necessary. The evidence indicates that this will improve the efficiency of the entire procedure.

THE ECONOMIC STRUGGLE

We must not forget that we are in an economic struggle with the forces of evil, and we must not overlook the fact that the Communists realizing the effectiveness of assistance to underdeveloped countries are making long-range commitments. I know it will be said that we are acting solely because of the Communist threat and that this argument is being used to obtain the adoption of this program. Let me hasten to emphasize that as far as I am concerned, if we were not faced with the Communist threat, this would be the logical, effective, and proper way to assist the underdeveloped areas of this world. It is a method calculated to evoke the largest possible measure of self-help, which in the final analysis is the greatest factor in improving any country in the world. Furthermore, we as an affluent power and a Nation that believes in helping to improve the conditions of human beings in this world have an obligation to assist. The method of financing is the new and important element which has been added to this measure now under consideration, and in the national interest I am convinced that it should be adopted.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. MERROW. Briefly.

Mr. PELLY. The gentleman referred to President Eisenhower's request. Is it not true that in his budget message this year, in January, he recommended against any such borrowing transactions?

Mr. MERROW. I believe that has been so stated this afternoon; but what I have just quoted was said by the former President in his message to Congress on the mutual security program in 1959.

Mr. PELLY. Is it not true that in 1957 President Eisenhower's proposal was different from the present provisions of this bill?

Mr. MERROW. As I understand, the principle involved is the same.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. MERROW. I yield.

Mr. COLLIER. I should like to clear this up in my own mind. Am I to understand that it is possible for commitments in excess of the annual amount specified in the bill to be made in any one year?

Mr. MERROW. Nine hundred million dollars is the limitation in the first year. The proceeds of principal and interest payments on loans made in prior years would increase this by $300 million. So according to estimates there would be the $900 million, plus $300 million in fiscal year 1962, and in subsequent years it would be $1.6 billion plus $300 million. This is where we get the total of $8.8 billion. To that extent it is an increase over what is in the bill.

Mr. COLLIER. Further to clarify that, the gentleman says that after the first year in which $900 million is made available, the amount may exceed that after interest and principal are paid. Certainly the gentleman is not under the impression that the payment of interest and principal in the first year on the $900 million is going to make it possible to get moneys in excess of the amount specified for the second year?

Mr. MERROW. It is estimated that there probably may be an additional $300 million a year for 5 years from the proceeds of principal and interest payments on loans in prior years under the mutual security and other programs. Under the provisions of this bill, the $300 million may be used.

Mr. MORGAN. Mr. Chairman, I yield 7 minutes to the gentleman from Texas [Mr. CASEY].

Mr. CASEY. Mr. Chairman, the time has come to put a stop to spending tax funds to aid and assist Communist nations which are pledged to our ultimate defeat.

Such a course, in my opinion, is suicidal—and it is time this Congress began to face the fact that a Communist in Yugoslavia, or in Poland, or in America is just as deadly to our national survival as one in Peiping or Moscow.

It is my intention to offer amendments to this bill to prohibit this gross misuse of our citizens' tax money in being spent to support the tyranny of communism in any country.

This program should be to help those friendly, underdeveloped nations which are willing to help themselves. It is also my intention to offer an amendment to see that a recipient nation's self-help efforts are evidenced through a tax program of its own, commensurate in some degree with the burden we place upon the American citizens. Too long have the American people been suckered into footing the bill for friend and foe alike—and for those who have no desire to place a portion of the burden upon their own people.

If there is doubt that this Congress must spell out a prohibition against agencies of the executive branch in sending aid to Communist nations, let me respectfully refer this House to page 156 of the committee hearings, and the questions posed by Representative CLEMENT ZABLOCKI to Assistant Secretary of State Foy D. Kohler:

Mr. ZABLOCKI. Would you include Yugoslavia in the Soviet bloc, the continuing challenge we face?

Mr. KOHLER. I would not, sir.

Mr. Chairman, is it because of such reasoning that we have poured $508 million into Yugoslavia during the years 1956–60?

What must the people of this country and the Members of this House do to impress upon our Government that we are in a pitched battle with the godless ideology of communism? Certainly we are not in a shooting war with the Communist states of Yugoslavia, or Russia, or China. But is there any doubt that we are in a battle for survival with the ideology these nations profess? Why, then, must we aid and assist something which would destroy us?

If the Department of State refuses to place Yugoslavia in its proper place against us in this battle for survival, permit me to try and do it.

On July 13, 1961, the Associated Press reported issuance of a joint communique from Moscow by the Soviet and Yugoslav foreign ministers. It should leave little doubt where Tito stands in the fight we face, either over West Berlin or in our long-range goal of survival. The dispatch quoted the communique that "both sides have stated with pleasure that relations between the Soviet Union and Yugoslavia are developing normally and that their stands on basic international issues are similar or identical."

Mr. Chairman, I submit that the following statistics are a shame and a disgrace to the American people, for they show American tax dollars spent in support of nations holding a philosophy pledged to our defeat.

U.S. foreign aid to Communist countries, 1956–60

[Thousands of dollars]

Country	1956	1957	1958	1959	1960	Total
East Germany		21	3	13		37
Hungary		8,873	1,702			10,575
Poland			20,184	27,716	13,388	61,288
Yugoslavia	97,689	64,030	66,230	167,560	112,870	508,379
Total						580,279

I find it a shocking situation to learn from the Houston Press that at this very time, in the Port of Houston, Tex., a Liberty ship is loading the first portion of a cargo of 73,340 tons of scrap iron destined to Communist Yugoslavia. This, I am informed, is part of a $5 million grant by ICA. The shipment was reputedly licensed on August 3, 1961—some 3 weeks after Tito had signified that his country stands shoulder to shoulder with Khrushchev on international policy.

Such action on the part of our Government defies analysis.

Mr. Chairman, let me cite from the "poop" sheet the Department of State puts out giving reasons why we send millions of tax dollars to Communist Yugoslavia and Poland. Citing the rift between Russia and Tito in 1948, the "poop" sheet states that "since that time, Yugoslavia has remained an independent and has not participated in policies or programs designed to bring about the overthrow or subversion of legitimate governments by world communism."

It states:

The basic aim of the assistance that the United States has rendered to Yugoslavia has been to strengthen Yugoslavia in the maintenance of its independence.

The Department of State proclaims:

While no longer under Soviet dominance—

And I will certainly argue this conclusion—

the Government of Yugoslavia remains Communist. The extension of U.S. aid does not signify endorsement of this political system. Rather, the political system that prevails in Yugoslavia is viewed as an internal matter in which the United States should not intervene.

And with that, we bury the hopes, the dreams, the aspirations of countless patriots enslaved in Communist tyranny.

Mr. Chairman, tyranny is not an "internal matter" in which we should not intervene, for the loss of freedom and liberty for one is a loss for us all. The tyranny of communism is no more an internal matter than was the tyranny of nazism. Have we forgotten so soon the bitter price paid for condoning tyranny?

What about Communist Poland?

Why should our taxpayers be bled to support the system of enslavement for a people traditionally our friends? Is the Department of State in doubt that Poland stands against us in this fight for survival? If so, perhaps the dispatch from Warsaw by the Associated Press of July 13, 1961, may come as a moment of truth. Communist Poland and Outer Mongolia, in a joint communique, announced strong support for Russian Premier Khrushchev's international policies. In addition, both accused the West of seeking to increase tensions in Europe and of strengthening West Germany as an aggressive force.

Three days prior to the joint communique, the State Department put out another "poop sheet" explaining our credit and sales agreements with Red Poland, including one for $130 million signed last year.

The State Department proclaims:

These agreements have brought significant benefits to the Polish people. * * * The U.S. Government, taking account of the situation in Poland, believes that it should give tangible evidence of its continuing interest in the welfare of the Polish people and, by seeking to develop the traditionally close ties between the peoples of both countries, increase understanding in Poland of the United States and its policies. We believe the Polish people welcome our assistance and appreciate our concern for them.

Mr. Chairman, the greatest benefit the United States could bring to the Polish people is a return of freedom and liberty. But it certainly will not come by supporting the Communist regime which holds the Polish people in slavery.

Just how independent of the Russian mother bear have we made the Red cubs of Yugoslavia and Poland? One basis on which to judge is the recorded votes in the United Nations—how many times either voted with or against the position of the United States compared to other Communist bloc nations which followed Moscow's party line. The following chart shows this voting tally for the years 1956 through 1960—during which we poured nearly $600 million into support of Communist countries:

Voting tally of Communist bloc nations with and against the United States in the United Nations, 1956–60

Country	1956		1957		1958		1959		1960		Totals	
	With	Against	With	Against	With	Against	With	Against	With	Against	With	Against
Albania	25	47	18	50	30	79	38	85	26	70	137	331
Bulgaria	24	46	18	50	30	79	37	87	27	74	136	336
Czechoslovakia	25	47	17	48	30	78	39	87	20	74	131	334
Hungary	9	16	18	51	31	76	30	88	27	73	124	304
Poland	25	46	17	52	31	78	38	87	27	74	138	337
Rumania	23	48	18	50	31	78	38	87	27	73	137	336
Yugoslavia	35	35	20	35	37	55	56	73	35	63	183	261

During this 5-year period, Yugoslavia voted with the United States a total of 46 times more than any other Communist bloc nation. For that, Tito received $508 million—or slightly more than $11 million for each vote. And when you cut away the flowery language of diplomacy, that's exactly what we were doing, buying his vote. And frankly, I find the price ridiculous.

Let me say here and now that, in my opinion, this foreign-aid program should assist those underdeveloped nations willing to help themselves. There is no place within this program for assistance to nations which are fully developed and able to assist themselves—or, in the case of Yugoslavia and Poland, even conduct aid programs of their own to other nations.

Since 1958, Yugoslavia has extended loans to various countries, totaling in dollar equivalent $157 million, as shown in the following chart prepared by the Library of Congress. In addition, it was reported earlier this year that Yugoslavia has given credits of between $10 and $15 million to each of a number of Asian and African countries, and that much of this money remains unspent.

Yugoslavian aid

[Millions of dollars]

Country	Year in which credit extended			
	1958	1959	1960	1961
United Arab Republic	9.8			20.0
Ceylon		15.4		
Ethiopia		10.0		
Sudan	.2	15.4		
Argentina	2.2	23.7		
Brazil		1.7		
Morocco			5	
India			40	
Pakistan				10.0
Guinea				5.0
Togo				1.6
Ghana				5.6
Total	12.2	76.2	45	42.2

Since 1958, Poland also has engaged in an extended program of economic aid to a number of countries, totaling more than $102 million. And since 1954, Poland has managed to contribute 3 percent of the entire $3.8 billion in such aid extended by the Sino-Soviet bloc. Why, then, have we been aiding them through the years?

Here are four major long-term low-interest loans by Poland granted since 1958:

First. Indonesia: $45 million for construction of a shipyard and purchase of ships.

Second. India: $30 million for industrial projects with Poland supplying a variety of equipment and technical services.

Third. Tunisia: $10 million to finance the purchase of Polish capital goods.

Fourth. Ghana: $14 million for 20 complete industrial installations, including sugarcane refineries, distilleries, docks, steel foundries, coke plants and shipyards.

Mr. Chairman, it is my hope that Members of this House will join with me in support of the amendment I intend to offer to prohibit one American tax dollar being sent to aid the Communist nations.

In addition, it is my hope that they will join with me in support of the amendment to require those nations seeking our aid to show proof-positive that they intend, first of all, to help themselves.

The American people can expect no less than this from this Congress.

Mr. CHIPERFIELD. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. CURTIS].

Mr. CURTIS of Massachusetts. Mr. Chairman, I rise in support of the objectives of this bill. I have always supported foreign aid, and believe it is more important now than ever before.

I rise in support of long-range planning, which I think is also necessary. But I am strongly against the so-called back-door spending. I believe it is unnecessary, and that the objectives

sought by the administration can be achieved in other ways.

My first point is to consider just what back-door spending is. Let us look at the bill itself and read the provision on page 7. It is a rather astounding provision if one has not been accustomed to this method of spending. I quote section 202 on page 7:

> The President is authorized to issue, during the fiscal years 1962 through 1966, notes for purchase by the Secretary of the Treasury in order to carry out the purposes of this title.

The amounts are over $7 billion over a period of 5 years. If the authority to use certain repayments of previous loans is included, the amount is over $8 billion.

Mr. Chairman, that is merely another way of saying that the President can go to the door of the Treasury and borrow the money. If I go to a bank and give the banker my note for $500 and he gives me $500 in cash, that is a straight borrowing operation.

My second point deals with the argument that Congress is not abdicating its authority. Let us consider what the distinguished Secretary of the Treasury said in answer to a question, and I quote from the record.

Senator WILLIAMS, in questioning Secretary Dillon, asked:

> As I understand it, and I think we ought to get this clear, you come back each year and report to Congress, but you do not need any additional action on the part of the Congress to get the money, if we approve this bill as it is written; is that correct?
>
> Secretary DILLON. That is correct.

There have been a lot of weasel words spoken about the right of the Congress to change what was previously enacted, about the requirements of the Government Corporation Control Act, and other alleged congressional controls.

I point to a passage in our report, to which I object, because I think it is inconsistent with what the Secretary of the Treasury testified to, and I quote from page 19, where the report assures us:

> The Congress would have the responsibility of reviewing the program and acting to authorize the use of the borrowing authority year by year. * * *
>
> If in some subsequent year Congress failed to enact the necessary language approving the budget program and making the funds available for that fiscal year, the development lending program could not enter into further obligations.

Those two passages are inconsistent with the testimony of the Secretary of the Treasury at the Senate hearings. Once this bill is passed, the Congress will have practically abdicated its authority over the spending of over $7 billion during a 5-year period.

It was said in debate here that this borrowing authority is only 20 percent of the bill. It is true that the borrowing authority for fiscal year 1962 is about 20 percent of the total authorizations for that year. But if you add the billions authorized over the next 4 years, you have a horse of a very different color.

It was asked in debate today whether the whole $8 billion could be committed the first year. We have an answer to that, also from an authoritative source, and I quote from the record. Mr. PASSMAN asked Secretary Dillon:

> In effect, the executive branch could, if it should so determine, commit the entire $8.8 billion during the fiscal year 1962 on a conditional basis?

Answer by Secretary Dillon:

> They could commit $1,187 million firmly, and they could commit the rest of it conditionally.
>
> Mr. PASSMAN. It could be committed nevertheless?
>
> Secretary DILLON. Conditionally, it could be.

If the arguments that the Congress retains its control over the spending are true, what use is this bill in facilitating long-range planning? The proponents of this back-door spending are in a dilemma. On the one hand, they say this authority is necessary so that we can give proper assurance to newly developed nations who are asked to give self-help; and on the other hand, they say to the Congress, "You are not giving up your authority to change and control this spending year by year," which is what we would have under the appropriation procedure.

I turn now to a different subject. Let us look at the Constitution of the United States, quoted on page 111 of the report. The remarks on that page would probably have been printed with other supplementary views, except that I was a little late in offering them, and so I put them in separately.

I read from the Constitution, article I, section 9:

> No money shall be drawn from the Treasury but in consequence of appropriations made by law.

I am not going to argue that back-door spending is unconstitutional. It has been used. But I do say that it is of questionable constitutionality. Is it an appropriation to say to the President, "You can go and borrow some money with the idea that it must later be paid back?" And paying back must be contemplated unless the Presidential notes are a facade.

Such a transaction hardly falls within the ordinary meaning of appropriation.

This is an additional reason for opposing back-door spending.

The record of repayment of back-door spending shows that in many instances money borrowed from the Treasury is never repaid. I quote one instance which was given in the other body. It referred to the Reconstruction Finance Corporation:

> Since the establishment of that Corporation, the first agency to spend out of debt receipts, the Treasury on June 30 of 1960 had advanced $106.7 billion through these accounts and net loss at that time in cancellations of notes and appropriations to restore impaired capital, amounted to $18.2 billion.

Mr. Chairman, how shall we provide long-range planning authority without back-door spending? The principal amendment considered by the other body granted a multiyear authorization. In other words, it authorized the spending over a period of 5 years, but required annual appropriations.

Now a multiyear authorization is a pretty good commitment, and I think that those administering the loaning of this money would be fully justified in going ahead and making the kind of commitments that the Secretary of the Treasury referred to in his above-quoted remarks on that basis; and then that money could be appropriated annually in the usual way.

The amendment to which I refer can be found in the RECORD for July 28, on page 13908, offered by Senator BYRD.

It provides a fair way of making long-range commitments.

Now, there is a further way to provide for long-range planning, and one that I would be willing to support if this House does not adopt something like the Byrd amendment. I would be willing to give the lending agency the money needed over a period of years right now through an ordinary type of appropriation, a multiyear appropriation, and avoid all back-door spending. Let us vote them now something over $3 billion, and say that so much can be spent this year, so much the next year, and so much the year after that. That will give them a reasonable amount for long-range commitments, and they can come back to Congress each year for more, as needed.

That such a method can provide for long-range planning was recognized by the administration in the book explaining this program, entitled "An Act for International Development, a Summary Presentation." On page 45 we find this statement, referring to long-range planning:

> The same purpose could be accomplished by the technique of a multiyear appropriation. However, the technique of borrowing authority is better adapted to an income-producing lending operation which will be used to finance increases in productivity, and in fact has been the technique most commonly used in the past for financing revolving loan funds.

To be sure, this type of back-door spending has been used for other lending operations, but they were operations of a different type, where there was good assurance that the loans would be paid. Here, repayment must be regarded as doubtful.

It has been well said that these lending agencies are like snakes; they cannot be measured accurately until they are dead.

The fact is that the repayment of the loans which will be made with the borrowed money is questionable. When the Development Loan Fund was making soft currency loans, the Foreign Affairs Committee was assured that those were good loans. It has since been admitted that they were practically grants. Now, again, these new loans are to be made in dollars, and we are assured they are good loans. But we know that repayment is doubtful. How can these developing countries pay back in dollars the billions of dollars which will be loaned to them?

Finally, Mr. Chairman, I want to express the hope that these differences of opinion will not be brought forward on a partisan basis. You have just heard a Member from this side of the aisle

argue strenuously for back-door spending. We know there are Members on the other side of the aisle who disagree with that. When we deal with foreign policy, partisanship stops at the waterfront. My feeling on this is based entirely on what I believe is responsible financial management of the affairs of our country.

I want to close by quoting a statement by a great historian, Toynbee:

> Our age will be remembered not for its horrifying crimes or its astonishing inventions, but because it is the first generation since the dawn of history in which mankind dared to believe it practical to make the benefits of civilization available to the whole human race.

That, Mr. Chairman, is what we are trying to do. We do it on moral and humanitarian grounds. We also recognize that we are in competition with a totalitarian regime which is trying to increase its influence in the world by these same methods. For both of those reasons, this bill is important.

I believe the objectives of the bill can be accomplished without $8 billion of back-door spending, which I urge involves too much of an abdication by the Congress.

Mr. Chairman, there is one more comment which I overlooked. To say that we should have back-door spending for the current year is almost insulting to the Congress. We have the authorization and appropriation for 1962 before us. If we are willing to give back-door spending for that year, we certainly should be willing to appropriate in the usual manner. So I say there is no justification for that part of this back-door spending which applies to the next fiscal year.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Massachusetts. I am glad to yield.

Mr. GROSS. The gentleman now says that back-door financing of this program is irresponsible and insulting. I wonder, if the amendment to knock out back-door spending is not adopted, is the gentleman still going to vote for this program?

Mr. CURTIS of Massachusetts. I shall be very hard pressed to make up my mind; I shall reserve my rights to consider that.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. STRATTON].

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman.

Mr. GALLAGHER. Mr. Chairman, I would like to place in the RECORD the additional remarks Mr. Dillon made when the question was asked of him to which we have referred.

> As I understand it, and I think we ought to get this clear, you come back each year and report to Congress, but you do not need any additional action on the part of the Congress to get the money, if we approve this bill as it is written; is that correct?
>
> Secretary DILLON. That is correct. But Congress does have the opportunity, through the appropriations process, the Government Corporations Control Act, to limit the expenditures, if they so wished. In other words, by positive action they can at any time, acting on this report which is submitted to them every year, they can put a limitation in and limit the amounts.

I thank the gentleman.

Mr. STRATTON. Mr. Chairman, I rise in support of this legislation. I am supporting it reluctantly, as perhaps many of us are because we are aware of the charges that have been raised, and probably quite validly so, with regard to waste in the program in the past. I am sure many of us are also seriously concerned about the measure of real congressional control that will be involved in the administration of this program in the future. But I think we have got to recognize too that these are serious days. We are facing a serious situation in confronting the Communist menace, which has certainly been underlined for us all in the past 24 hours by what is going on in the city of Berlin at this very hour. In these circumstances we in this House have really very little alternative, it seems to me, but to uphold the hands of our President and give him the authority he requires in continued defense against the worldwide Communist menace and the Soviet Union.

But, Mr. Chairman, there is one aspect of this legislation which disturbs me, and for that reason I intend under the 5-minute rule to offer a small amendment to the bill. Therefore, I take this time simply for the purpose of advising the Members of the House that this amendment will be offered, and to explain my amendment briefly.

I think many of us, particularly those who represent unemployment areas, have long been disturbed because of the fact it seems so easy to spend billions of dollars to help people in foreign lands and so comparatively difficult to get money to help people in our own land who are in need, particularly those in unemployment areas. It is true that in the last couple of years regulations have been instituted in the foreign aid program that purchases shall be made insofar as possible in the United States. In fact, we have been told this afternoon that some 80 percent of the funds to be appropriated under this bill will be spent here within the United States. Certainly this is a step in the right direction, and I for one am delighted to see it, but there is something that still has not been incorporated in this legislation, and that is a specific direction on the part of the Congress to pinpoint these purchases back here in the United States as much as possible into unemployment areas.

The amendment I propose to offer at the appropriate time, Mr. Chairman, would amend section 604 of the bill on page 42 to provide that insofar as practicable when materials and supplies are purchased within the United States these materials and supplies will be materials and supplies manufactured in areas suffering from 6 percent or more of unemployment. This would be a simple way to make it clear that this foreign-aid legislation is designed not only to assist our foreign friends in combating communism but also indirectly and very effectively to assist those areas here in this country which are suffering heavily from unemployment.

The statement now contained in paragraph (a) of section 604 of H.R. 8400 is a somewhat negative statement, namely, that there will not be any purchases made abroad unless they are in the interest of the United States. But I think we need a positive statement in the bill and so the amendment I propose to offer is this, as a new subsection (b) to section 604 on page 41 of the bill, line 23:

> The President shall require as a term or condition of any purchase arrangements under this act that to the maximum extent practicable funds made available under this act which are used for the purchase of materials or supplies shall be utilized for the purchase of only such materials and supplies as have been produced in the United States in labor-market areas designated by the Secretary of Labor as areas suffering from not less than 6 percent of unemployment.

By adding my amendment we will be not only helping our foreign friends but also our needy people back home and so we will have in this bill a realistic and effective "alliance of progress."

Mr. CHIPERFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. FINDLEY].

Mr. FINDLEY. Mr. Chairman, first of all I should like to recommend that every Member of the House read the statement of additional views prepared by the gentlewoman from Illinois [Mrs. CHURCH] and the gentleman from Indiana [Mr. ADAIR]. It is excellent, and I think we owe it to America to read those comments before we vote.

Second, I would like to direct a question to the gentleman from Texas [Mr. CASEY]. Incidentally the gentleman plans to offer an amendment to this bill which would prohibit the use of funds provided therein for the benefit of any Communist country. Is that correct?

Mr. CASEY. That is correct. The only exception will be where the State Department certifies that the country is no longer dominated by Communists.

Mr. FINDLEY. I thank the gentleman for that clarification. I had planned to offer an amendment very much along that line. I will support the gentleman's amendment. But the determination as to when the country is out from under communism should be left in the hands of Congress rather than the State Department.

I think most of the debate has been directed toward congressional authority and back-door spending. But there are other aspects of this bill which should not be overlooked. This program needs redirection, in my opinion, from the title on. The American people have never sought security as an end in itself, and I hope they never will. A form of security can be found behind the Iron Curtain or behind prison walls. When we offer freedom-loving people security as a final goal, we do disservice to them and to our own heritage. Let us redirect this spending away from the false lure of security, and toward freedom. Our great national purpose, since the signing of the Declaration of Independence, has been to establish and protect freedom for the individual. It should be no less in our foreign policy than it is in our domestic policy. Here in America we have progressed by freedom, in the eco-

nomic sphere by free enterprise. We have built our own road to progress, and the dollars we propose to spend here are the fruits of American free enterprise. It seems to me, all peoples must ultimately build their own road to progress. Progress cannot be thrust upon people who lack initiative to succeed. Our best contribution to underdeveloped nations is to help them find ways to freedom, and ours to demonstrate that blessings can be expected from the free enterprise economic system, a system that recognizes the inherent natural rights of individual man, his desire for dignity and his right to fulfill his own dreams.

While we debate this bill, a very promising development for the success of freedom is taking place in Europe. Great Britain is entering negotiations to join the Common Market. In a few short years, the nations of the Common Market have found rich rewards in free enterprise operating within an expanded free trade area. This happy development will bind free nations together profitably in times of peace and war. It will inspire underdeveloped peoples to follow these same paths of freedom and free enterprise.

The Common Market is an example of effort well directed. Mutual security, I fear, is an example of effort poorly directed.

A proper title for a redirected program would be "Resources for Freedom"—not "Mutual Security." Our goal must be the triumph of freedom and the downfall of the worldwide Communist conspiracy. This program should be redirected toward that goal. Indiscriminate spending does more harm than good. In these critical days, we must act with special care in spending our resources. Heavily increased spending for domestic programs—new and old—puts new strain on our first line of defense: a sound dollar, and clearly is in accord with Soviet plans. When this spending is directly helpful to the Communist countries—free steel mills for Poland and Yugoslavia, for example, then the risk to our financial institutions is doubly tragic to those who love freedom.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. MONAGAN].

Mr. MONAGAN. Mr. Chairman, I support this mutual security bill because I believe that a properly administered mutual security program is essential for the security of the United States. I do prefer to call it mutual security rather than foreign aid because the picture of all the appropriations under this bill being taken out of this country and dropped in a rain of dollars in some unspecified and distant country on the other side of the ocean is not in accord with the facts, as other speakers have already pointed out today. We know that 85 percent of the military program, which is a vital part of the mutual security program, is spent in the United States, and also that large amounts from the economic aid program, whether ICA programs, or purchases financed by the Development Loan Fund, or other methods of financing, are spent in this country. It is not the sole reason or basic reason for supporting this legislation, but it is a fact worthy of more than passing notice.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. MONAGAN. I yield briefly to the gentleman from New York.

Mr. LINDSAY. The gentleman's point is an interesting one and one that I have used myself as a supporter of foreign aid in the past and in argument against those who would oppose it. I notice in the committee report, however, there is not any documentation of the point the gentleman makes.

Mr. MONAGAN. There is some documentation.

Mr. LINDSAY. I would be glad to have the gentleman go into that a little, because I think it is a very important point.

Mr. MONAGAN. I will be glad to supply that for the RECORD when we get back in the House.

Foreign aid: facts and fallacies

The table below supplements the one on pages 44 and 45, which shows ICA commodity procurement by State.

Estimated military assistance procurement in the United States, by State (July 1958 through June 1960)

Total	$2,373,000,000
Alabama	21,000,000
Alaska	18,000,000
Arizona	20,000,000
Arkansas	2,000,000
California	525,000,000
Colorado	22,000,000
Connecticut	27,000,000
Delaware	7,000,000
District of Columbia	11,000,000
Florida	74,000,000
Georgia	23,000,000
Hawaii	30,000,000
Idaho	7,000,000
Illinois	62,000,000
Indiana	37,000,000
Iowa	17,000,000
Kansas	49,000,000
Kentucky	13,000,000
Louisiana	7,000,000
Maine	4,000,000
Maryland	46,000,000
Massachusetts	134,000,000
Michigan	132,000,000
Minnesota	31,000,000
Mississippi	4,000,000
Missouri	36,000,000
Montana	3,000,000
Nebraska	15,000,000
Nevada	2,000,000
New Hampshire	5,000,000
New Jersey	127,000,000
New Mexico	15,000,000
New York	247,000,000
North Carolina	58,000,000
North Dakota	2,000,000
Ohio	85,000,000
Oklahoma	15,000,000
Oregon	4,000,000
Pennsylvania	95,000,000
Rhode Island	2,000,000
South Carolina	16,000,000
South Dakota	7,000,000
Tennessee	15,000,000
Texas	110,000,000
Utah	24,000,000
Vermont	3,000,000
Virginia	33,000,000
Washington	100,000,000
West Virginia	1,000,000
Wisconsin	21,000,000
Wyoming	9,000,000

Mr. Chairman, I should like to mention a few points of significance in the bill that have not been touched on before but which I think are worthy of notice. In the first place, the gentleman from New York [Mr. STRATTON], has spoken of the importance of considering the impact on the American economy, and I should like to point out that in section 201 of the bill it is provided that before any loan is made, the President must make a determination that it will not have an adverse impact upon the economy of the United States, and that special consideration must be given to areas of substantial labor surplus.

The committee added another provision to the specific effect that if such determination was made, then the loans under application should not be made.

In section 201, subsection 4, there is a provision of great significance. Much justified criticism has been heard in the past, of the fact that many of these programs have not been coordinated, there has not been the proper relationship between different parts of a program in a given country, and that some projects have not contributed to the overall growth of the economy of a particular country. This section requires that any project must be related to the overall economic program in the country and also must make a contribution to its long-range objectives.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. MONAGAN. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. A partial answer to the question raised by the gentleman from New York [Mr. LINDSAY], which he directed to the gentleman a few minutes ago is found on page 598 of the hearings. Secretary Dillon said:

> Our objective will be to assure that at least 80 percent of our foreign economic assistance will be spent on U.S. goods and services.

Mr. MONAGAN. I thank the gentleman.

As I said, I will put a pertinent table in the RECORD when we get back in the House.

Another provision that is of vital importance, it seems to me, and one which has been adverted to before, is the requirement which has been set up in section 201, subsection 5, which requires the President to make a determination before a loan is made that the recipient country is taking substantial steps to improve its economic climate. There must be a showing that effective measures of self-help are being taken by the beneficiary country. That must be determined before any loan can be made under the program.

The gentleman from Texas, Mr. CASEY, referred to the problem of making loans to so-called Communist countries. I should like to point out in this connection that the committee has placed in the bill a provision, section 618, which specifically prevents loans from being made to countries which are under the domination of the international Communist movement.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. MONAGAN. I yield to the gentleman from Illinois.

Mr. COLLIER. Does the gentleman consider Yugoslavia anything but a Communist country? Are we talking about a Communist government, or are we talking about a country that belongs to the syndicate?

Mr. MONAGAN. I am not talking about any specific country, but there is set out in the bill a definition of such countries. If a country or area is dominated or controlled by the international Communist movement then under this provision it would be impossible to give assistance to that country.

Mr. COLLIER. We have given that country, as I understand it, $1,200 million since the end of the Marshall plan. Again I repeat, if that is not a Communist-dominated country, then certainly I do not know what one is, and I rather wondered if anyone in the House does.

Mr. MONAGAN. That, of course, is in the past.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MONAGAN. I yield to the gentleman from Iowa.

Mr. GROSS. Is there any money in this bill for Cuba?

Mr. MONAGAN. No. There is a specific provision on that. The preceding section, I think it is section 617, provides that assistance shall not be furnished to Cuba.

There is also one other provision that I should like to mention, and that is the fact there is a limit of $60 million for military aid to Latin American countries. This limit should do much to prevent the creation of oppressive dictatorships under the guise of providing internal security.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. MONAGAN. I yield to the gentleman from Ohio.

Mr. ADAIR. Is it not true that Cuba could receive some aid under some of the United Nations programs and that she could receive money under this program?

Mr. MONAGAN. That has been a matter of controversy, as we all know, under the special fund of the U.N. I myself have written to Ambassador Stevenson about this matter. We discussed this in committee, as the gentleman knows, and one of the reasons why these limiting provisions were put in the legislation was to make clear the feeling of the committee, and also through passage of the bill, the feeling of the Congress, that this aid should be limited.

Mr. ADAIR. I agree with the gentleman. The wording we have put in here certainly shows the disposition of the Congress with respect to Cuba; but I must urge further that under the multinational program administered by the United Nations, or agencies thereof, it is possible for Cuba to benefit.

Mr. MONAGAN. It is possible for Cuba to benefit, except that we do have representatives in the U.N. It would be within the power of our representatives to veto any such action if that course seemed desirable.

Mr. ADAIR. We have received no indication they were likely to do so?

Mr. MONAGAN. That would depend on the circumstances.

Mr. Chairman, it would be foolish to indicate that the administration of this program has been free of its difficulties. We have had defects in the past. We have had defects in planning, failures in personnel, and deficiencies in administration.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. CHIPERFIELD. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. MONAGAN. Mr. Chairman, I might point out that similar criticisms have been made of our military program, and with justification, because they have been proven to be based on fact, yet that has not prevented us from making an appropriation of over $46 billion for the continuation of that program because it is necessary to our security. I suggest that in both cases what we must do is to improve the supervision of personnel and improve the administration of the program, in order to make sure that the objectives will not be in jeopardy because of the type of administration we have had in the past.

We have had a record of substantial achievement.

Mr. Chairman, mention has been made of the condition that Europe would be in today if we had not had the Marshall plan. I was in Europe in 1948 and 1949 and I believe that Western Europe would be behind the curtain today but for our assistance.

We know too of the effect of the Greco-Turkish aid program on the push of communism in that section and the manner in which the Communist tide was restrained. On the other hand, serving on the Hardy subcommittee of the Committee on Government Operations, I have had an opportunity to see something of the other side of the picture with its incompetence, its maladministration and its criminality. I know that this side of the picture cannot be disregarded but it would be as foolish to disregard the achievements and the opportunities as to overlook the deficiencies. If, however, we have a strong, firm hand at the helm and if we can weed out the incompetents and give support to an able administrator; if we can require reciprocal efforts on the part of beneficiary countries and confine our efforts to programs which really benefit the people in these lands, I am sure that this program will justify itself.

Mr. Chairman, President Kennedy, Secretary Rusk, and Mr. Labouisse have emphasized their awareness of the scope of this problem and they have promised that the program will have capable and competent administration. Whatever the individual reaction to this program may be, it must be admitted that it does constitute a new look and a serious attempt in the face of experience to improve the procedures and to provide a new foundation upon which to build.

I believe that we should take the President and the Secretary of State at their word. In the difficult days that lie ahead I feel that our executive branch should have the tools which they consider necessary to strengthen and make effective our foreign policy and our national security. Whatever doubts we may have should be resolved in their favor, wherever possible, at this critical juncture in our national history.

Mr. McDOWELL. Mr. Chairman, will the gentleman yield?

Mr. MONAGAN. I yield to the gentleman from Delaware.

Mr. McDOWELL. I thank the gentleman. The gentleman made reference to the fact that there have been some evidences of waste and extravagance in the program in the past. Is it not a fact that these conditions have come about under the present system of annual authorizations and appropriations and in spite of that, there is no indication that by adhering to the past method of annual review, appropriations and authorizations, that it has prevented waste and inefficiency in the program?

Mr. MONAGAN. That is correct. I do not believe however that the method of financing is going to guarantee you good personnel. I think that is a different question. I feel, however, that it is a question of more importance. I would not boggle particularly at the type of financing, because we have gone into that in so many other types of legislation, as we all know. But I would insist and I am sure, as the chairman of the committee has pointed out, the Foreign Affairs Committee as well as the Committee on Government Operations are going to insist on following these programs and making sure that personnel practices are improved and that the right type of administrator is placed in control of this program.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. MONAGAN. Yes, I yield to the gentleman from New York.

Mr. LINDSAY. The gentleman does make an important point here, but I would like to ask this question: The administration bill assumes a 5-year planning program. As I understand it, it ties in with the normal 5-year plan that, say, an underdeveloped country might have of its own with reference to economic development.

Let us assume that a contract was entered into which was a long-term contract, and was to be financed largely by Treasury borrowings here in the United States, and with whatever local effort might be put in. What happens if after 2 years it is found that the conditions in that country do not meet the requirement of section 211, subparagraph 4, that is to say, the extent to which the recipient country showed a responsiveness to the vital economic, political, and social concerns of its people, and demonstrated a clear willingness to take effective self-help measures? Suppose we discovered that the contract is not being used to fit these ends?

Mr. MONAGAN. That question was raised during the hearings. We heard testimony from executive branch witnesses to the effect that in whatever papers there were and whatever proposals there were it would be made clear than any contract—if a contract did develop—would be subject to recall or revocation under such circumstances.

Mr. LINDSAY. There would be a right of rescission built into the contract?

Mr. MONAGAN. That is correct.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. MONAGAN. I yield.

Mr. GALLAGHER. I would like to point out to the gentleman from New York [Mr. LINDSAY] that all of the contracts entered into under the 5-year authorization would be subject to a nonrevocation and a nonlimitation clause, so that if cause were shown that the contract should be rescinded, as the gentleman mentioned, then the Appropriations Committee would have a right to revoke or limit at that point.

Mr. CHIPERFIELD. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. ROBISON].

Mr. ROBISON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROBISON. Mr. Chairman, we begin today what promises to be several days of intensive debate over H.R. 8400, a most complex piece of legislation known as the Mutual Security Act of 1961. It is evident, from many statements he has made, that the President considers this bill to be one of the most important of all the various measures that have been or will be brought before us this session. Being well aware of that, I would venture to say that all of us have made a considerable effort in order to prepare ourselves to deal intelligently and responsibly with the serious issues we must resolve. Some evidence of the difficulty of that task is indicated by the fact that the bill, itself, contains 98 pages, much of which is of a highly technical nature, and that the accompanying report comprises 191 pages.

The main reason for this is, of course, that the administration and the committee have both tried to provide us with a long awaited and, in my judgment, a badly needed major review and revision of the several existing programs of foreign aid. It is already evident that the product of their joint labors will be far from pleasing to everyone; nevertheless both the administration and the members of our committee, under their distinguished chairman, are to be commended for the effort they have made.

All of us throughout the world are witnesses today to a gigantic conflict between the forces of freedom and those of totalitarianism—to a struggle aimed at capturing the minds of men in every corner of the globe. The Members of this body will have, within the next few days, a chance to become participants in that conflict—to become more than mere witnesses—because if we, working together, can produce a better program of foreign aid than we have so far seen—and that must be our common objective—we may thereby help to determine the outcome of today's global struggle, and to shape tomorrow's world. That could well be the measure of our responsibility.

Between 1940 and 1960, this Nation has spent the staggering total—and I am now talking in terms of net disbursements—of $130,240,313,000 in aid to foreign governments and international organizations. This amounts to an average of about $40 a year for every man, woman, and child in America. Out of those annual, individual $40 contributions which each of us has made—if they can be called contributions—about $32 represented outright gifts or grants of military or economic assistance, and the remaining $8 represented loans for the same purposes that were supposedly repayable, although the eventual collection of most of them has been and is actually rather doubtful.

Out of that net total, nearly $50 billion represented military assistance which we provided to our allies during World War II. The remaining $80 billion has been expended since 1945 not only for further military assistance, but also in an effort to develop the economic resources and raise the living standards in many nations throughout the free world in the hope that we could thereby encourage the peoples thereof to more strongly resist the spread of international communism.

Now, of course, not all of this has really been paid for so we can only talk about "cost" in an abstract sense. Nevertheless, I think it would be helpful to apportion that "cost"—which either represents actual tax dollars collected or a substantial portion of our national debt—to my congressional district and to the people thereof in an attempt to help them better understand the magnitude of what this Nation has tried to do. Doing this on the basis of population alone, I find that the 446,860 people of the 37th Congressional District of New York, which I have the honor to represent, have contributed during the past 20 years—or are obligated to contribute—the sum of $325,549,145 for foreign aid in all its various facets. To make this even more meaningful, I find that the people of my largest city, Binghamton, N.Y., have contributed or are obligated to contribute the sum of $55,155,052, and the people of my next largest city, Elmira, N.Y., have contributed or are obligated to contribute the sum of $33,784,748. Even the people of the small city of Hornell, N.Y., which has been plagued by rather serious economic troubles, have borne or will bear a share amounting to $10,100,490.

Actually, when these figures are weighted as they should be to compensate for the fact that the people of the State of New York pay a greater portion of every Federal expenditure than the people of any other State, they would be much greater, but I am sure that when the residents of the cities that I have mentioned relate even these basic figures to their own city's need of schools, streets, hospitals, and so on, they will better understand than ever before what foreign aid has so far cost them.

Of course, if this outpouring of our national substance in aid of other nations and other peoples were the only key to moral and diplomatic victory in what we call the cold war, the United States ought to be entirely predominant in world affairs today. This, we know, unfortunately, is not the case. But does it follow, then, that we can abandon this particular vehicle for promoting world peace in favor of something hopefully better? It is my considered judgment that we cannot, and that our only course is to make of foreign aid a better vehicle than it has ever been before. How can we do this?

Well, we can begin, Mr. Chairman, as this bill aims to do, by seeking to clarify our objectives and refashion our programs of aid to better meet the needs of today. One of our problems, as we lifted our sights from the Marshall plan under which we sought to rebuild the wartorn, industrial societies of Western Europe, and began to use the concept of something we called mutual security as an instrument of foreign policy, was that it became ever more difficult for us to even define our purposes. Whatever objectives we had seemed to become lost in the maze of multipurpose programs with which we were experimenting—some of those programs complementing one another, others seemingly antagonistic, and others merely existing side by side. Looking back at it, this was not a surprising situation because we were traveling uncharted seas, handicapped by lack of both experience and precedent. It was one thing to deal with societies quite like our own; it has been something else again to try to aid in the development and the direction toward freedom of the underdeveloped nations—many of which are emerging with unanticipated abruptness from years of depressing colonialism.

Certainly it is now time to try to redefine what we are trying to do—and why—for, until we do so, there is little hope that we can get a better foreign-aid value for our tax dollars, or begin to make the task we first set for ourselves alone the cooperative venture on the part of the whole free world that it now should be.

Let us start with the military assistance part of the program—which continues practically unchanged in the bill now before us—because it is the easiest to explain and to understand. Here, our purpose is basically a selfish one. It is, in view of world conditions, clearly in our own self-interest to go on furnishing bank notes and bullets to those people who—we hope—will stand guard with us in the spiritual and physical trenches that mark the front line in the cold war, and, in view of recent developments, I am in accord with the committee's recommendation to increase the military assistance authorization for this fiscal year to $1.8 billion. There are those who will argue that we can support this amount because much of the appropriated funds will be spent here at home and will thus have a favorable effect on our own still troubled economy. That undoubtedly is the case, but I am not impressed with that argument because I look forward to the day when we can divert not only this amount, but also

the $46.6 billion we appropriated for our own direct defense effort last week, to peaceful purposes.

No, Mr. Chairman, we support the military assistance authorization not because the money may be spent here at home, but because we thereby make it possible for the recipients of such aid to maintain military defenses that are otherwise far beyond their own resources, but will nevertheless serve both them and us at a fraction of the cost to us of similar defenses here at home.

But, at the same time, let us be realistic enough to know that we can no more hope to buy loyalty with these dollars than we can hope to buy friendship with the other dollars we may authorize for economic assistance. Such loyalty we must earn as the leader of the free world, and we will only earn it if we, ourselves, deserve it. That is why it is so hazardous for this administration to have developed nothing more in the way of a policy toward Cuba than that of apparently trying to ignore Castro's very existence. I fear that our failure to furnish vital air support to the anti-Castro invasion forces—forces that we apparently equipped as well as countenanced—and that our irresolution in the face of clear Cuban acts of aggression both before and since that event, have created a worldwide impression of U.S. timidity in grappling, on its own doorstep, with the same dangers it urges others to boldly deal with elsewhere on their own.

I do not think we can permit this situation to continue. Surely there are economic steps that we can and should take against Castro, either on our own or in concert with other nations. Why do we not take them? Our failure to do so is comparable to the policy of drift which I find evident in our indecision over ending the moratorium on nuclear testing, and our temporizing over the demonstrably false Lao cease-fire that is only serving as a cloak to cover expanding Communist political and military influence.

I believe the United States must take a stronger and more positive stand in all these danger areas, or else 10 times this amount of money for military assistance will contribute little if anything toward that feeling of protection we hope to create—that loyalty we hope to engender—in the small but friendly nations that are looking to us for leadership.

Let us also be realistic enough to understand that the money we devote to these purposes—no matter how much—will not always suffice, any more than it did in Laos, to instill in the hearts and minds of the recipients thereof that necessary will without which freedom cannot prevail against the forces of totalitarianism. We have been discouraged before the Lao experience—we will be so discouraged again, but I agree with the committee that these unfortunate experiences give us no safe basis on which to either terminate or drastically curtail our program of military assistance.

As for the shifting emphasis toward the use of military assistance funds to the needs of internal security, and in the direction of our allies in the Far East—away from our NATO allies most of whom have greatly improved their own capabilities to contribute to the strength of that alliance—I can find no reason to question of this part of H.R. 8400, outside of some reservations toward the import of certain technical sections that I am sure will be fully explored at the time amendments are in order.

As for part I of the bill—that dealing with the new approach to loans and grants for economic assistance—I find much that I like, as well as much which, as of this moment, I do not approve. I approve the creation of the new Agency for International Development—AID. I think it is time that some of our sprawling aid agencies were merged into one new superagency which would once again have a more tangible goal. To the extent that that goal involves the promotion of "self-help" loans and of private investments, I also approve, as I most assuredly do with respect to the concept of long-range planning for all this, which brings me to the most important provision of H.R. 8400, at least according to the President and his advisers, and certainly the most controversial one.

We have had and still have a great deal to learn in this area. There are those who look at the foolish things we have done—the wasteful things—and say all this economic business is sheer folly and must be ended. There are also those who look only at the good we have accomplished—and there has been some good—and at the friends we have made, and say that this program, aimed at breaking the bonds of mass misery and promoting a climate wherein the seeds of liberty might flourish, must go on and must even be vastly expanded. Probably neither view is correct. The truth must lie somewhere in between.

Once again, let us look to our purpose. There are those who seek to anchor their support for such programs of economic assistance to humanitarian grounds. Certainly, blessed with bounty as this Nation is, it may well have a duty to share with the less fortunate people of the world. On an individual, person-to-person basis here at home, we clearly have such a duty. And yet, on both the domestic and the international level, some of us seem to have a peculiar tendency—peculiar, considering our religious heritage—of confusing this individual or personal obligation with governmental programs based on political or economic motivations. Surely, no impersonal program of governmental "aid"—the funds for which are coerced through taxation as compared to free will giving for charitable purposes—can ever be a substitute for real humanitarianism. Economic assistance, for foreign-aid purposes, is therefore a part of the Federal Government's business in this new world in which we live, and it should be managed and supervised in a businesslike manner, the same as any other program.

The understanding of this may, indeed, go to the heart of our debate over the financing proposals of the President, because there are those who seem to ascribe to Congress, in its reluctance to surrender to the President what many of us consider to be our constitutional duty to control this part of the Nation's purse, a certain Scrooge-like lack of appreciation of the virtues of charity. Ignoring, for the time being, the fact that it is always easy to be "charitable" with someone else's money—in this case the taxpayers'—have we a right to comply with the President's request? Is it necessary, in order to give him the flexibility he wants and that we want him to have in order to make foreign aid a better vehicle?

Once again, Mr. Chairman, in my considered judgment, it is neither right nor necessary.

I think it is obvious that we want to speed the economic development of the underdeveloped and uncommitted nations of the world in order to make communism less appealing to them and to avert political chaos in general. I think it is equally obvious, whether we wish to admit it or not, that we also seek to maintain and, if possible, build up our own political and economic influence in those nations, and find a market for our commodities therein, as well as to occasionally secure and maintain needed military bases therein. I think it is also obvious that we do so in competition with Soviet Russia. If at the same time we can help the people of those nations to escape from the bonds of poverty, disease, and ignorance, so much the better, and, to that extent, our self-interest and our idealism coincide.

And yet, this is only one of the many burdens that this Nation has accepted in recent years, the success or failure of which depends on the success or failure of our system of government. In that system, this and future Congresses have a major and a constitutional role to play. When it comes to the question of supervision of foreign aid, we may not have always played that role well. Nevertheless, in the light of our other responsibilities—the sum total of which is to maintain this Nation's overall strength including its fiscal soundness—I do not believe that this is the time to relax such control as we have over this or any other program involving such potentially huge expenditures. Rather, in view of the need to make of foreign aid a more effective vehicle than it has so far been, I think this is the time to extend and strengthen our control, to demand proof that proposed programs are justifiable, that past abuses are being corrected, that incompetent administrators are being fired, and that some of the billions here involved are trickling down to the unfortunate people they are intended to help.

To argue that the path leading to the Treasury's back door is already well trodden, is of little import although all too true. Still, that way was taken—wisely or not—most of the time in favor of domestic lending programs for which there was often good collateral and a reasonable chance of collection. Despite the shift here to foreign aid loans repayable in dollars, the term suggested for the same and the conditions under which

they are to be made continues to make repayment a very doubtful thing.

I will, therefore, support this bill only if it can be amended so as to preserve the 5-year authorization feature—which will provide the President with reasonable assurance of the necessary funds to arrange for needed advance planning—backed up by the annual appropriation process. To say that this is an unbusinesslike approach is to accuse Congress of having failed to fulfill its constitutional role with respect to appropriations in a responsible manner. This, the record simply does not establish. Over the past 10 years, foreign aid has been financed, with few exceptions, on the annual authorization and appropriation basis. During that period, Congress has authorized $43.6 billion for military and economic purposes, and has backed those authorizations with appropriations of $40.1 billion. This means that it has cut foreign-aid authorization by only about 8 percent, which, in view of unobligated carryover funds, has surely not hampered the effectiveness of the program. Can anyone give us a specific example to the contrary?

In fact, the 5-year approach is a purely arbitrary one; if we are talking—as Secretary Dillon did in South America the other day—about a $20 billion, 10-year program for our Latin and South American neighbors, how much "flexibility" will a 5-year authorization offer? Why not make it 10, or even longer? Is it "flexibility" the President is after, or is it his real intent to shift from the executive branch the burden of proof for justifying foreign aid spending for economic loans, and to make it the Congress job to prove, instead, that such spending is not justifiable?

Perhaps such a shift might be a desirable thing from the Executive's angle, but from the angle of the people of Binghamton, Elmira, and Hornell, N.Y.—or the people of the United States—I do not think it is right, and I believe I would be derelict in my duty to them if I did not oppose it, and go on to carry out my further responsibility to them to try to insure, to the best of my ability, that they get as good a value as humanly possible for their foreign aid dollars.

One might consider that the people of the United States are "stockholders" in this Nation, and that the Congress serves as their "board of directors." Would it be "businesslike" for any board of directors to surrender their power of review and control over the actions of any corporate officers—for such a long period of time, and in such large amounts—as Congress is here asked to do for the President? Would that be in the best interests of the stockholders? I think the answers are obvious.

As for the amount to be authorized for this 5-year period for AID's purposes, I am willing to support the committee's finding that the requested amount has been justified, and I shall hope that the major amendment which I am suggesting carries so that, in the end, I can cast my vote in favor of H.R. 8400. Undoubtedly, numerous other amendments will be offered, particularly to cut out some of the many discretionary powers here granted to the President—most of which are unprecedented in nature—and I shall support most of those amendments but, even if they do not carry, will still gladly vote for H.R. 8400 if it can be amended as I have indicated.

In conclusion, Mr. Chairman, may I also say that I deeply believe that the United States has something far more valuable toward the winning of the cold war to export than mere dollars, tractors, and guns. I am thinking of our faith, our ideals, our philosophy of life, our concept of human dignity—our Bill of Rights. These intangible things are as important for us to send throughout this troubled world as foreign aid dollars—more important, in the long run. We did not invent these things—they have evolved out of the long struggle for man's independence—and we can make them succeed only if we give them clear expression and a high fidelity of service. We should not be so foolish as to try to use these things to make the world over precisely in our own political and economic image, but we can try to use them in such a fashion as to make such a shining example of the virtues of freedom, as portrayed by our own society, that the uncommitted peoples everywhere will wish to repair to our standard. Such an example, of late, we have not given.

Mr. CHIPERFIELD. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Indiana [Mr. BRUCE].

Mr. BRUCE. Mr. Chairman, I seriously question whether there is a single Member of Congress who does not feel great compassion for those in the other areas of the world who are less fortunate than we, for those who have not known the meaning of freedom. There are variances of opinion on approach as to how we can best help bring a greater light of freedom into the darknesses of Africa and parts of Asia and, yes, South America.

When we are talking about mutual security are we not talking about the future of America as well? We know that our future does depend to a great extent on what happens in Africa and in Asia and in South America. But is it not important in weighing these considerations also to look at what we are doing to our own system of government? As a great measure of the discussion has evolved here today, the concern basically in that discussion seems to be whether or not we are violating the balance of power between the executive and the legislative branches. I recall a statement by a man who is known as the founder of the Democratic Party, Thomas Jefferson, who in effect said: Put not your faith in men. This is a government of laws, not of men. Bind them down with the chains of law.

And so I am asked as a Congressman who has been sworn in, swearing to uphold the Constitution of the United States and to meet my responsibilities, to cast my vote in approval of a blank check of $8 billion or more to the executive branch, with no annual effective control over the expenditure of this money; all of this in the name of security. I say this is a violation of security because it breaks down the division of power between the branches of government.

I cannot in good conscience cast a vote for a blank check to government by man, which is government by bureau, unchecked and uncontrolled through the responsibility of the Congress of the United States. I believe in a government of law, in the responsibility of the House of Representatives of the Congress—of reviewing, yes; but of curtailing if necessary. You say, "Do you mean, sir, you do not have faith in those who are administering the program?" I say it is a moot question. But if I were asked that directly my answer would have to be "No; I do not have faith in those who administer this program, on the record; I cannot, without congressional control and annual approval."

You ask me to have blank-check faith in those who were, by their misunderstanding, guilty of trying to convince the American people, not too many years ago, that Mao Tse-tung was an agrarian reformer and not a Communist; those who in more recent times, at great length, explained to the American people that Fidel Castro was not a Communist but an agrarian reformer. Do you want me to approve 5 years of uncontrolled expenditures by these men? I cannot and I will not, and I shall fight with every ounce of energy I have on the floor and off the floor of the Congress, although I am a freshman, to uphold the responsibility I annonunced when I campaigned as a candidate and when I was elected.

I urge my fellow colleagues to weigh what we are doing on the basis of the balance of power, the heritage that is ours, so that in the name of security we do not destroy the very system that has made us great.

FOREIGN AID ADMINISTRATOR REPLIES TO MEMBERS OF CONGRESS

Mr. LIBONATI. Mr. Chairman, I ask unanimous consent that the gentleman from Indiana [Mr. BRADEMAS] may extend his remarks at this point in the RECORD and include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BRADEMAS. Mr. Chairman, on August 4, 1961, on behalf of 29 other Members of the House of Representatives, I sent a letter to Mr. Henry R. Labouisse, Director of the International Cooperation Administration, raising several questions concerning the administration of the foreign aid program. The signers of the letter made clear to Mr. Labouisse that we support the President's foreign aid program but that we also believe the funds provided by it can be used more efficiently and effectively.

I have now had a letter from Mr. Labouisse dated August 10, 1961 together with a 14-page memorandum responding in detail to our questions. Mr. Labouisse's letter and memorandum pledge that a number of significant improvements will be made under the new aid program.

Mr. Chairman, the signers of the letter gave Mr. Labouisse some tough questions and I am glad to see that he has given us some encouraging answers.

At this point in the RECORD, I would like to provide my own summary of the major improvements listed in the memorandum:

First. An intensive talent search throughout the country to recruit men and women of the highest possible caliber to staff the new agency in Washington and abroad.

Second. Tighter screening of projects to insure economic soundness and a truly significant contribution to the lasting development of the country involved.

Third. More thorough procurement and auditing procedures to prevent waste and inefficiency.

Fourth. New measures to encourage greater private enterprise participation in underdeveloped countries.

Fifth. More businesslike planning of aid projects through the long-range financing provisions of the new aid bill.

Sixth. Insistence on self-help measures for social and economic reform on the part of countries receiving aid.

At this point, I would like to insert the text of Mr. Labouisse's letter:

INTERNATIONAL COOPERATION ADMINISTRATION,
Washington, D.C., August 10, 1961.

Hon. JOHN BRADEMAS,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BRADEMAS: I greatly appreciated the letter that you and 29 of your colleagues in the House sent me on August 4 regarding the future operation of the foreign aid program. The questions that you raise are very constructive and go to the heart of the program. They involve the very problems to which I and others of our senior staff devote much of our time in an effort to arrive, as rapidly as possible, at effective solutions.

In the attached memorandum, I have tried to answer your questions clearly and in the detail you have requested. I shall, of course, be glad to discuss these and any other questions with you and your colleagues at any time.

With kind regards.

Sincerely yours,

HENRY R. LABOUISSE.

Mr. Chairman, at this point I would like to insert the full text of Mr. Labouisse's memorandum:

MEMORANDUM CONTAINING REPLIES TO QUESTIONS ASKED IN LETTER OF AUGUST 4, 1961, TO HENRY R. LABOUISSE, DIRECTOR OF INTERNATIONAL COOPERATION ADMINISTRATION, SIGNED BY 30 MEMBERS OF CONGRESS

1. (A) "WHAT WILL BE DONE TO MAKE CERTAIN THAT YOUR AGENCY'S STAFF MEMBERS OVERSEAS ARE FULLY INFORMED ON NEW POLICIES AND WHAT STEPS WILL BE TAKEN TO ASCERTAIN WHETHER OR NOT THESE POLICIES ARE BEING CARRIED THROUGH?"

As you know, the new policies on foreign economic aid have been expressed in the President's messages to Congress of March 22 and May 25 and have been elaborated in volume 1 of our congressional presentation, "Act for International Development." This latter document was prepared by the President's task force on foreign economic assistance, and it sets forth the policies and some of the specific programs that we intend to pursue in our efforts to assist in the economic and social progress of the less developed countries of the free world. It draws heavily on the thinking and experience of leading members of our business, academic, and governmental communities.

Copies of volume 1 of the "Act for International Development" were sent to all of our diplomatic posts overseas (while they were also sent to each Member of the Congress). On June 5, an instruction was sent to our Ambassadors, ICA mission chiefs, and senior members of their staffs to read this document carefully, and to bear firmly in mind the policies it sets forth whenever discussing aid questions with foreign officials.

On June 23, further instructions were sent by the Secretary of State to all our Ambassadors and ICA mission chiefs, referring to the June 5 message and emphasizing the responsibility and authority of the Ambassadors for insuring that aid programs meet the concepts set forth in volume 1. These messages requested the initiation, on an urgent basis, of a thorough review of all current economic aid activities in the light of the new policies, and called for recommendations as to actions essential to insure, in each case, that our reoriented programs clearly serve our aims of economic and social development. Responses to these requests are already coming in and are being examined by our headquarters staff, which will make recommendations as to the nature of our program in each country. The programs will be kept under continuing review.

We have also set up a special task force to help us improve and expand our training programs for agency personnel in the United States and overseas, in order to make certain that the new concepts are being thoroughly understood and implemented. In addition, I plan to send senior officials to the field, beginning shortly after the AID legislation is passed, in order to make certain that the reoriented program is being carried out effectively.

The structure of the new AID agency, simple in design and with sharpened lines of authority reaching from the President and the Secretary of State to the AID Administration, the four regional assistant administrators, and the field organizations, should greatly help us to speed up foreign-aid operations and to check that they are being carried out with the maximum of economy and efficiency and in accordance with the new policies.

1. (B) "WHAT ARE YOU DOING TO FIND THE BEST POSSIBLE PERSONNEL TO ADMINISTER AID PROGRAMS IN THE FIELD AND WHAT IS BEING DONE AND WILL BE DONE TO REMOVE THOSE WHOSE PERFORMANCE IS UNSATISFACTORY?"

The search for high-caliber personnel is a matter of the utmost importance to me and other senior ICA and DLF officials, and for the last few months we have been conducting an intensive talent search throughout the country. Literally hundreds of people have been contacted and interviewed. In addition, President Kennedy has made a direct appeal to outstanding leaders of our business, labor, and academic communities for top-level personnel to devote part of their careers to Government service in the aid program. We have met with many Members of Congress, as well as with these leaders, and explained our needs. Most recently, the President has appointed a special assistant to help us in the recruitment of top executives.

People of the caliber we are seeking usually get far higher salaries, job security, and other benefits in the private sector than we can offer and, therefore, the service we are asking them to perform often involves considerable sacrifices. The attraction to Government service with this agency is somewhat limited by the so far indefinite nature and duration of its programs. In spite of handicaps such as these, the indications are that we shall be able to attract to the new program men and women of the highest caliber, and that I have every reason to believe that the team in charge of the new agency will be a very good one.

I also want to stress that there are at this moment in ICA and DLF a great many highly competent, experienced, hard-working, and dedicated people whose retention in the program is absolutely indispensable to its success. There will, of course, be some who do not meet the requisite standards of the new program which, in a number of instances, calls for quite a different range of talents than heretofore. We have set up an executive evaluation board under the chairmanship of a distinguished private citizen to thoroughly screen our present top executives both in the headquarters and in the field.

In order to insure us the ability to fill the top policy jobs with the proper people, the proposed new AID legislation currently before the Congress provides for discretionary authority for the selection and removal of 85 key positions in Washington. We already possess discretionary authority in connection with all mission directors and deputy directors in the field. In addition, the executive branch has requested authority in the pending foreign aid bill which will enable the AID agency to establish standards and other criteria for selection out of other oversea personnel whose performance is considered to be marginal. The existing authority available to the agency is adequate to separate for cause personnel whose performance is unsatisfactory or who are guilty of misconduct and accordingly we have not requested additional or special authority to deal with such cases.

It is anticipated that with these authorities and through more vigorous personnel administration, cases of unsatisfactory performance will be more rapidly identified and necessary action initiated. It is our intention to deal decisively with this problem and to take necessary action with respect to any employee who fails to meet standards of satisfactory performance.

2. "WHAT MEASURES WILL YOUR AGENCY TAKE TO ENCOURAGE OPERATIONS OF RESPONSIBLE U.S. PRIVATE BUSINESS IN UNDERDEVELOPED COUNTRIES WHERE THERE ARE SUCH PROBLEMS AS THOSE WITH CURRENCY OR THREATS OF EXPROPRIATION?"

I consider that U.S. business participation in the carrying out of the aid program is extremely important. I believe that we must mobilize private investment and managerial talents to make this program a true success. Several specific instruments aimed at mobilizing U.S. business participation have been proposed as part of the new aid program.

a. Broader guarantee authority

The Congress has been requested to provide authority for guarantees of investment against certain political risks including expropriation, convertibility, war, revolution, insurrecton, and so forth.

Another type of guarantee authority requested, for use in exceptional circumstances, would enable the aid agency to guarantee, on a share-the-loss basis, both equity and loan investments against risks of all kinds. This is limited to a worldwide total of $100 million. This all-risk guarantee authority with respect to investments, which we are proposing on an experimental basis, is to be used only to insure against losses of investment and not against failures to realize profits.

The Senate Foreign Relations Committee has limited the guarantee of investments to the risks of convertibility, expropriation and war, and, in addition, has imposed restrictions on the all-purpose guarantee provision. We are hopeful that the House bill, which does not contain these limitations, will be sustained.

b. Lending activities

There are many instances where private U.S. investment can make a significant contribution to the development of a particular country, but will not do so alone, in spite of the availability of guarantees, because of the extraordinary risks involved. In some such instances, the availability of loan capital from U.S. Government sources can be the determining factor as far as private U.S. participation in the enterprise is concerned. Such Government lending will be undertaken in dollars and, where local currencies are available and appropriate for the purpose, in foreign currencies.

c. Feasibility studies

Many sound and useful investment possibilities exist in the less developed countries which are never brought to light due to lack of exploratory work. Governmental assistance for feasibility studies can be used to increase the volume and variety of U.S. private investment. The executive branch proposes that a $5 million fund be established to pay for up to 50 percent of the costs of feasibility surveys under certain carefully defined conditions which we expect would assure wise utilization of such authority. We hope that this instrument will contribute to the expanded activity of American business in the underdeveloped areas.

d. Contracting for the use of American business know-how

Even where it is not possible or desirable to have American business invest capital in a particular aid-related activity abroad, the managerial, technological, and professional skills of our private enterprise system can still be secured through contracting. In order to promote the use of this contracting device, we will attempt where feasible to have assistance funds used under contracts with private U.S. organizations.

e. Increased contact with American business stressed

Through the Office of Private Enterprise in the new Agency and by means of closer working relationships with the Department of Commerce, we hope to increase the effectiveness of private American enterprise in the underdeveloped areas.

3. "DOCUMENTED INSTANCES OF BAD PLANNING, WASTE, AND UNSUITABLE PROJECTS HAVE STRONGLY AFFECTED PUBLIC ATTITUDES TOWARD FOREIGN ASSISTANCE PROGRAMS. WHAT SPECIFICALLY WILL BE DONE TO PREVENT THE REPETITION OF SUCH INSTANCES?"

Prevention of bad planning, waste and unsuitable projects requires a series of actions; some in the personnel field, others in the application of strict criteria to projects undertaken or recommended, and, in all instances, constant vigilance. In this regard, since my appointment this past February as Director of ICA I have looked into the reports of aid agency errors. I have taken, and will continue to take, steps to correct these situations, including the replacement of personnel where required, the careful scrutiny of projects, and the utilization of experienced nonagency persons to investigate problem spots and recommend corrective action.

Some of the currently publicized blunders, however, occurred several years ago and are no longer susceptible to corrective actions; others have been grossly exaggerated. In terms of public and congressional attitudes toward the program, I think it is very important that this be well understood. President Kennedy aptly summarized the situation when he said: "I would remind both the supporters of foreign aid, who are so often on the defensive, as well as its critics who can see only waste and failure, that for every example of waste, there are a hundred examples of prudent and successful projects—that, for every nation cited as no better off as a result of our aid, there are a dozen nations which have strengthened their economies and resisted both external and internal attacks, with the help of American goods, food, and dollars. I would remind them that many projects originated under point 4, or financed by our development loans, are now operating without any outside assistance whatsoever—that the coming fiscal year, for example, will see the end of our formal technical cooperation programs in Greece, Lebanon and Israel—and that the technicians and services developed in these three countries are now providing assistance to other less-developed countries."

Nonetheless, additional measures are being taken to cut down waste and inefficiency wherever possible. For example, the quantity and quality of our audit activities have been raised over prior years and present coverage will be further expanded if administrative funds permit.

In July of this year we adopted a revised procurement regulation as part of the Government-wide Federal procurement regulations which will have the effect of requiring all ICA personnel in the field of procurement and contracting to follow strict standards of conduct, approved procedures and businesslike planning for all necessary procurement. Furthermore, a special task force is now closely examining existing contract procedures in ICA and DLF with the view to recommending substantial changes in this sensitive area.

Other mistakes will, I trust, be avoided in the future due to the fact that the proposed new AID agency will have strong economic analyses and engineering divisions in its Office of Development Financing, and each regional office will have a competently staffed developing planning division. We will also attempt to be more selective in the projects we undertake, to make sure not only that they are sound in themselves, but also that they will make a truly significant contribution to the lasting development of the country involved.

The greatly strengthened lines of command in the four geographical divisions which will have responsibility for all phases of the program should reduce those delays which, in the past, resulted from diffusion of authority. To further reduce delay and resulting waste, our program system is being revised so as to cut down the amount of paper flowing between Washington and the field.

I also firmly believe that the long-term financing provision of the aid bill—not only the 5-year borrowing authority for development loans, but also the no-year appropriations request for the grant portion—will contribute materially to improved administration of the program. As the Secretary of State and the Secretary of the Treasury said in their joint letter to Congress, "We are convinced that borrowing authority for long-term development lending represents the most efficient and least costly method of providing development assistance."

The new organization will contain extensive internal controls for program formulation and evaluation. These, together with the Office of Inspector General, which has been preserved in both the Senate and House versions of the bill, will provide effective methods of investigation and review—necessary prerequisites to a more efficient program.

All of these measures will help to combat waste and inefficiency. However, it would not be realistic to assert that in the future there will be no more errors and no more failures to achieve our objectives. I do not believe that any human organization, governmental or private, can be totally free from such faults. What I can assure you is that we will make every possible effort to keep them to an absolute minimum and to operate a vigorous and efficient agency.

4. "PRESIDENT KENNEDY HAS INDICATED THAT THE NEW AID PROGRAM WILL CALL FOR GREATER SELF-HELP MEASURES SUCH AS TAX AND LAND REFORM ON THE PART OF RECEIVING NATIONS. WHAT STEPS DO YOU PROPOSE TO INSURE THAT OUR AID GOES TO THE PEOPLE WHO NEED IT?"

One of the "Requirements of Development" listed in volume 1 of the congressional presentation reads as follows: "The encouragement of self-help by giving sustained aid to those countries making serious self-help efforts, by withholding or limiting aid to those not yet willing to make such efforts, and by the encouragement of those groups within governments who favor self-help. By 'self-help' is meant a proper devotion of public resources and moneys to the development effort, the tapping of the energies of the entire population, and establishment of proper standards of public honesty." The rule of self-help is, of course, easier to state than it is to apply, but I am confident that in each separate negotiation we can, in practice, tie effective "self-help strings" to our aid.

In judging what measures of self-help can reasonably be expected on the part of a particular country, we must take into account the stage of governmental and economic development of such country, the degree of unity or disunity in that country's society, and the presence or absence of cultural or historical factors that facilitate or block the measures of self-help required. It is obvious that the same standards of performance cannot be expected of all countries. However, we do have the right to expect that each government desiring our aid will take a maximum of those self-help measures which are within its reach.

What does this mean in practice?

A number of countries will have the capability, with some external assistance, to participate actively in comprehensive programs calling for far-reaching self-help measures, such as tax and land reforms, low-cost housing, expanded educational and health facilities, etc. Other countries will not have the capability to establish such comprehensive programs, and may only be able, for the time being, to set targets in particular fields and to take limited self-help measures. In my opinion, the controlling factor in our development aid programs in such circumstances should be the sincere will of the recipient nations to help themselves to the full extent of their particular capacities. If there is no such will, there should be no development aid; if there is a demonstrated will, and even if there is only limited capability, we should be willing to make assistance available.

But how do we insure that such aid goes to the people who need it?

This will be done by persistently using every form of influence we possess to persuade recipient governments to adopt self-help measures leading to social reform and improvement of the welfare of their people. Wherever such a measure is agreed upon in principle, there must be carefully worked out agreements and constant assistance and vigilance as to their enforcement. If it should develop that our aid is not, in fact, being utilized to achieve the agreed objectives, we would withhold or severely limit it, depending upon the circumstances of the particular case. Only in this way can we hope to attain our objectives of social as well as economic progress.

I should like to emphasize here that the long-term availability, and the power to make long-term commitments, of development loan funds will be of major assistance in encouraging and securing greater self-help. The very fact that U.S. aid would be known to be available over a multiyear period to countries which are moving to set their

house in order stimulates better planning, fiscal, social, and land-use measures. In many nations the increasing number of progressive minded officials would find their hands strengthened in securing needed reforms. They would know that, if they were successful in instituting difficult reforms after the extensive time period frequently required, the United States would be in a position to respond with appropriate assistance, an assurance that they do not now have under the system of annual appropriations. Furthermore, the availability of long-term commitment authority will substantially increase our ability to consciously use aid as an incentive, since such commitments will be made only where there has been a demonstration that reasonable and necessary self-help measures have been or will be taken. Periodic releases against such long-term commitments would be related to actual performance on self-help measures. One further point: The availability of the long-term authority makes it far more acceptable for our field missions and the host countries to engage in joint planning. In such circumstances we will have a greater ability to influence the types of programs they undertake and the initiation of self-help measures.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

Mr. MORGAN. If the gentleman from Iowa will withdraw his point of order, I will move that the Committee do now rise.

Mr. GROSS. I withdraw the point of order, Mr. Chairman.

Mr. MORGAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. ALBERT] having assumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8400) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, had come to no resolution thereon.

ELECTION TO COMMITTEE

Mr. MILLS. Mr. Speaker, I offer a privileged resolution (H. Res. 418) and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That Dominick V. Daniels, of New Jersey, be, and he is hereby, elected a member of the Standing Committee of the House of Representatives on Post Office and Civil Service.

The resolution was agreed to.

A motion to reconsider was laid on the table.

S. 1643

Mr. DAVIS of Tennessee. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. DAVIS of Tennessee. Mr. Speaker, I note that the statement of the managers on the part of the House explains that the conference report on S. 1643 omits the Senate provision on title 4 relating to cooperatives for the reason that the committee of conference considers the Senate language to be unnecessary and a mere restatement of existing law.

It is a matter of record that in the case of *Maryland & Va. Milk Producers Assn., Inc.* (362 U.S. 458 (1960)), the U.S. Supreme Court held that the Attorney General has the power to initiate action under the Sherman Act to prohibit unlawful combinations in restraint of trade or monopolies by two or more cooperatives in violation of the antitrust laws. When the House originally acted on H.R. 8023, the House Committee on Agriculture presented H.R. 8023 to the House with no provision equivalent to section 401 of the original Senate bill, which was designed to overrule the Supreme Court in the Maryland and Virginia Milk Producers case.

When the Senate was considering S. 1643, section 401 of the original Senate bill was considered at length. Efforts to have the Senate amend the bill by deleting subsections 401(a) and 401(b) were not successful. However, subsection 401(c) was stricken from the original Senate bill by the Senate.

The committee of conference has now presented to the House a conference report omitting from the proposed final version of S. 1643 subsections 401(a), 401(b), and 401(c) of the original Senate bill. The managers on the part of the House have indicated at page 37 of their statement explaining the conference report that the conference committee "reaffirmed" a national policy with regard to aiding and encouraging the growth of cooperatives through group action. It is clearly beyond the power of the managers on the part of the House effectively to speak for the House of Representatives or the Congress as a whole so as to have their gratuitous thoughts effectively serve to express the intent of the Congress at this time as to the meaning of statutory provisions of long standing.

Mr. Speaker, I quote from Senator ELLENDER'S remarks on page 14519 of the CONGRESSIONAL RECORD:

Ninth. With respect to the general provisions which we had in the bill, the conferees agreed (a) to delete both sections 401 (a) and (b) which related to farmer cooperatives.

We had a prolonged discussion on this point. The Members of the House said they had specific instructions from the committee as a whole that they would not agree to this provision. In order to have a bill, the Senate reluctantly agreed to recede.

Certainly, in the face of a clear decision by the House Committee on Agriculture to reject the entire section 401 so that it was not even brought before the House for consideration, the managers cannot now attempt to overrule the Supreme Court of the United States merely by explaining to the House why they do not bring before the House proposed statutory language to accomplish such a result.

I want the record and the legislative history on this matter to be clear. The trend in recent years for courts to reach into the grabbag of legislative history in the construction of statutory provisions has already gone too far. To permit members of the committee of conference to offer their own personal views of what is the law, without submitting controversial provisions to the House for its decision by a vote, is not a valid method of securing an expression of congressional intent entitled to receive any weight by a responsible court of law.

FEDERAL AID FOR COLLEGES AND UNIVERSITIES

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, exploits in outer space have made the Congress, as well as the whole Nation, science conscious. The Congress has willingly appropriated $1,671,750,000 to the National Aeronautics and Space Administration for fiscal 1962 in order to move forward this Nation's scientific explorations of space.

I have heard no complaint of waste in this challenging program.

Yet, as an article by Ralph McGill points out, this Nation has been, and is, wasting potential scientists. When thousands of the Nation's brightest youngsters fail to go to college or cannot go because of lack of classroom space, there is a waste of talent that this Nation cannot afford.

Mr. Speaker, the Committee on Education and Labor has approved a bill designed to halt this loss of talent. This bill, H.R. 7215, would enable extremely talented students to develop their talents through college training.

H.R. 7215 would further assist higher education in our Nation by providing grants and loans to colleges and universities to build urgently needed classrooms, laboratories, and libraries. Our colleges and universities must expand—and expand immediately—if they are to accommodate our young people who are seeking a higher education.

Mr. Speaker, I wish to include in the RECORD at this point Mr. McGill's article entitled "Schools and National Progress":

SCHOOLS AND NATIONAL PROGRESS—SOVIET SPACEMAN'S HISTORY CALLED LESSON FOR U.S. EDUCATION

(By Ralph McGill)

We must begin this story with a prelude about Maj. Gherman S. Titov. The 26-year-old Soviet man in space was born of peasant stock in a remote, tiny, unknown village in the Altai region of southern Siberia, 2,200 miles east of Moscow.

This tiny town is in the Kuznetsk Basin, which is said to contain coal reserves amounting to 900 billion tons. There are also vast amounts of zinc. Chemical industries abound.

Twenty years ago in the entire Altai region there was one college graduate. Today there are hundreds. At the age of 8 the young Titov attended collective farm school. After the war, the family moved to a larger village. The young man's talents were observed. His mathematics and science teachers recom-

mended him. He chose aeronautical science. He has become, since his 25 hours of orbits around the earth, one of the major performing and propaganda assets of communism.

There is a moral in this story for our free society.

America already has lost thousands of potential Gherman Stepanovitch Titovs. We have no way now to be sure the abilities and talents of thousands of youngsters now moving toward, or in, secondary schools become a national asset.

Major Titov is, like Maj. Yuri Gagarin, a product of the Soviet Union's strongest weapon—an educational system which recognizes ability and sends it on to the institutes of higher learning.

The Soviet Union wants to train such talents to strengthen the objectives of communism. Russia's Communist leaders have never been so careless as to ignore the value of a trained mind. When they discover gifted young men and women they are careful not to waste them.

This, in a sense, is their one great secret weapon, though, in fact, there is nothing secret about it.

In this country a shocking percentage of our high school graduates who are in the top 10 percent of their class do not go to college. (It is by no means the loafers and the ones who just scraped through who drop out of school.) Reasons for the loss of many of the best of our young men and women are varied. There often is parental insistence that they go to work. Now and then there is family need which indicates to such high school graduates that they must sacrifice their desire to train for some profession, to support their parents. As often as not the family background is apathetic. There is no urging or encouragement of the talented graduate to go ahead with education. Or college is too expensive. (It is becoming more so.) If there is no local institution of higher learning, the added expense of board and room is a barrier to many.

Whatever the reason, the harsh fact is that the United States each year is deprived of several thousands of its more talented young people, its more gifted minds.

No one suggests we imitate the Soviet educational system as a system. But we most assuredly are required, by conscience and the demands of national security, to assume a Federal responsibility for an educational system in which no American boy or girl shall lack opportunity to have all the education he or she is prepared, able, and willing to take.

This especially is true of those elementary and secondary pupils whose work and tests have revealed exceptional abilities. Not to give them every chance to develop such gifts for use in the society we call Western civilization is inexcusable.

Wherever they are, in whatever remote villages of our country, these students must be recognized and given opportunity. To do less is to deprive ourselves of one of society's scarcer assets—excellence.

The fact that so many of our rural schools, and some of our city ones, offer no advanced mathematics, no secondary school chemistry or physics, inadequate preparation in general science is a harsh indictment of our educational system. There are States which are offering inferior education because they can't pay for it. Some are unwilling to do so.

Is this what we may mean by the "promise of America"?

EMPLOYMENT IN THE DYNAMIC AMERICAN ECONOMY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Missouri [Mr. CURTIS] is recognized for 2 hours.

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include the final report of our Republican policy congressional task force on "Employment in the Dynamic American Economy," and to include a staff report and certain graphs and tabular material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I also ask unanimous consent that supplementary material in the form of study papers by the following economic experts be included immediately thereafter; namely, Prof. Gottfried Haberler, of Harvard University, on "Growth and Stability of Employment"; Mr. Louis M. Kelso, on "The Declining Productivity of Labor"; and Prof. Neil Jacoby, of the University of California at Los Angeles, on "The Role of Government in a Progressive Economy," and "Guidelines of Income Tax Reform for the Sixties."

These academic and professional experts contributed to our study and assisted greatly in supplying background material of use in the formulation of our final report and recommendations.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I would point out that our study has already had some effects. One of our recommendations was the payment of unemployment compensation to persons enrolled in approved retraining programs. The Illinois Board of Unemployment Compensation and Free Employment Office Advisers recently recommended this step to Gov. Otto Kerner of that State, and I would ask at this point unanimous consent to include in the RECORD after Professor Jacoby's papers a letter sent me by Mr. Robert Fiffer, of Chicago, Ill., a member of this board, who expressed to me great interest in our study and who testifies to the need for further information and guidance in this vital area of public policy.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, during January 1961, a new administration came into power in Washington. At the same time, problems affecting our domestic economy which had become issues during the campaign continued to arouse public interest. To some, recessions, unemployment, growth, depressed areas, and gross national product became terms of a political nature, and economists vied for the honor of being the first to support particular remedies for an "ill economy."

The House Republican policy committee was more concerned with the long-range, positive aspects of employment in our economy. Stopgap financing can temporarily aid depressed areas, while extension of unemployment insurance benefits has proven another emerging measure to mitigate recession effects. However, Republicans in Congress are anxious to prevent structural and frictional unemployment, and to help create conditions in which our dynamic economy can function to its optimum potential, so that all American citizens might live in true prosperity. With an annual addition of 3 million to our labor force expected in years to come, it is evident that emergency fiscal and monetary policies of the Federal Government cannot serve as the long-range stimulant of employment.

In order to survey the entire problem, Chairman JOHN W. BYRNES, of the House Republican policy committee, asked Representative JOHN J. RHODES, chairman of the Subcommittee on Special Projects, to undertake a study of employment in the dynamic American economy. Representative THOMAS B. CURTIS, of Missouri, ranking House Republican on the Joint Economic Committee and a member of the House Ways and Means Committee, was named director of the study. In consultation with the policy committee staff, Representative CURTIS chose 48 colleagues to help with the project.

These Congressmen were divided into two-Member study teams, each with one first-term Member, and each was assigned a specific study area. At this point, academic and professional experts on these specific fields, most of them on various university faculties around the Nation, were contacted and invited to submit background papers on their topic. No preconceived ideas as to the politics or beliefs of these experts were formed—in fact, more than one Democrat is represented among the 24 responding economists. Approached in a nonpartisan way, these men responded with an equal desire to submit their views for the use of the committee and for its consideration. The generous assistance of the following experts has been most helpful indeed and without it the study would have been impossible. We would like to here express our deepest gratitude to these men for the study papers they contributed:

LIST OF ACADEMIC AND PROFESSIONAL EXPERTS PREPARING BACKGROUND STUDY PAPERS FOR "OPERATION EMPLOYMENT"

Prof. Goetz Briefs, Georgetown University, Washington, D.C.

Prof. Almarin Phillips, University of Virginia, Charlottesville.

Prof. Clarence Long, Johns Hopkins University, Baltimore, Md.

Hon. True Morse, 3302 Big Bend Dr., Austin, Tex.

Prof. Karl Brandt, Stanford University, Palo Alto, Calif.

Prof. Raymond Rodgers, New York University, New York, N.Y.

Representative THOMAS B. CURTIS, U.S. House of Representatives, Washington, D.C.

Louis O. Kelso, attorney, 260 California St., San Francisco 11, Calif.

Prof. Gottfried Haberler, Harvard University, Cambridge, Mass.

Prof. Henry Wallich, Yale University, New Haven, Conn.

Prof. William Fellner, Yale University, New Haven, Conn.

Prof. Musa Hussayni, Alma College, Alma, Mich.

Prof. Yale Brozen, University of Chicago, Chicago, Ill.

Prof. Michael Wermel, University of Hawaii, Honolulu, Hawaii.

Father Joseph Becker, St. Louis University, St. Louis, Mo.

Prof. Robert Triffin, Yale University, New Haven, Conn.
Prof. Virgil Salera, Alameda State College, Hayward, Calif.
Prof. Wilson Schmidt, George Washington University, Washington, D.C.
Dr. Colin Clark, Agricultural Economic Research Institute, University of Oxford, Oxford, England.
Prof. Howard Ellis, University of California, Berkeley, Calif.
Prof. Don Paarlberg, Purdue University, Lafayette, Ind.
Richardson Wood, Program Research, 5 East 57th St., New York, N.Y.
Prof. Bruno Hartung, Wheeling College, Wheeling, W. Va.
Prof. Neil Jacoby, U.C.L.A., Los Angeles, Calif.
Prof. Austin Murphy, Canisius College, Buffalo, N.Y.
Dr. Donald Ackerman, Republican Policy Committee, Washington, D.C.

Upon receipt of these, the congressional study teams gleaned facts and viewpoints from the study papers and took the floor of the House to present not only the content of the paper but also their own interpretation of the strong and weak points thereof. By openly espousing their feelings on a particular facet of the overall employment problem, they sought to inspire debate and colloquy with other Members—Democrats and Republicans alike. A list of the congressional teams, their topics, and the date in which their phase of the project appeared in the CONGRESSIONAL RECORD is included at this point in order that those interested might check the detailed citations on the points covered by this report:

July 20: Pages 13097–13109, Representatives EDWARD DERWINSKI, of Illinois, and WILLIAM SCRANTON, of Pennsylvania; paper by Dr. Bruno Hartung (Wheeling College), "Community Efforts in Meeting Problems of Unemployment."

July 25: Pages 13424–13439, Representatives JOHN RHODES, of Arizona, and CLARK MACGREGOR, of Minnesota; paper by Dr. Clarence Long (Johns Hopkins University), "Prosperity Unemployment."

July 26: Pages 13498–13505, Representatives PERKINS BASS, of New Hampshire, and JOHN ANDERSON, of Illinois; paper by Dr. Almarin Phillips (University of Virginia), "Automation and Employment."

July 27: Pages 13809–13824, Representatives BRUCE ALGER, of Texas, and CHARLES MATHIAS, of Maryland; paper by Father Joseph Becker (Institute of Social Order, St. Louis University), "Adequacy of the Benefit Amount in Unemployment Insurance."

August 1: Pages 14277–14293, Representatives SPRINGER, of Illinois, MOSHER, of Ohio, LINDSAY, of New York, REIFEL, of South Dakota, ADAIR, of Indiana, SIBAL, of Connecticut, CONTE, of Massachusetts, and BROMWELL, of Iowa; papers on "International Aspects of Employment" by: Dr. Robert Triffin (Harvard), Dr. Virgil Salera (Alameda State College), Dr. Wilson Schmidt (Georgetown), Dr. Howard Ellis (California), and Dr. Raymond Rodgers (New York University).

August 2: Pages 14351–14353, Representatives WILLIAM CAHILL, of New Jersey, and HERMAN SCHNEEBELI, of Pennsylvania; papers by Dr. Neil Jacoby (U.C.L.A.), and Dr. Austin Murphy (Canisius), "Industrial Efforts in Meeting Unemployment."

August 3: Pages 14594–14611, Representatives MAY of Washington, and MCVEY of Kansas; paper by Hon. True Morse, on "Rural Development"; Representatives CURTIS of Missouri, and DURNO of Oregon; paper by Dr. William Fellner (Yale) on "Employment Objectives and Price Stability"; Representatives CHARLES GOODELL, of New York, and ROBERT DOLE, of Kansas; paper by Dr. Don Paarlberg (Purdue) on "Employment as a Goal of Public Policy."

August 8: Pages 14978–14986, Representatives LAIRD of Wisconsin, and ELLSWORTH of Kansas; paper by Mr. Richardson Wood on "Industrial Rehabilitation and Retraining"; Representatives AYRES of Ohio, and GARLAND of Maine; paper by Prof. Goetz Briefs (Georgetown) on "Free Enterprise or What?"

August 9: Pages 15273–15278, 15310–15312, Representative CURTIS of Missouri, on his own paper, "Economic Statistics"; Representatives WIDNALL of New Jersey, and FINDLEY of Illinois; paper by Dr. Colin Clark (Oxford University) on "Rates of Growth of Real Product."

August 10: Pages 15352–15370, Representatives SCHWENGEL of Iowa, and ASHBROOK of Ohio; paper by Dr. Henry Wallich (Yale) on "Price Stability and Employment"; Representatives WEIS of New York, and MORSE of Massachussets; paper by Father Joseph Becker (Institute of Social Research) on "The History of Unemployment Insurance"; Representatives NELSEN of Minnesota, and J. HARVEY of Michigan; paper by Dr. Don Ackerman (GOP Policy Committee) on "New Approaches to Surplus Labor Areas"; Representatives SHORT of North Dakota, and BEERMANN of Nebraska; paper by Dr. Musa Hussayni (Alma College) on "Toward Employment Stability."

Other Congressmen, such as Representatives ROBERT STAFFORD, of Vermont, CLIFFORD MCINTIRE, of Maine, JAMES BATTIN, of Montana, GLENN LIPSCOMB, of California, and WILLIAM MILLIKEN, of Pennsylvania, also contributed time, effort and advice in the shaping of the presentations and of our ultimate report.

Besides the participating Congressmen and the contributing academic and professional experts, we would like to express our gratitude to the staff of the House Republican policy committee, directed by Dr. Don Ackerman. Gerald Fields, an intern from Kenyon College, coordinated the mechanical details of this study, while Miss Priscilla Turner, research assistant; Miss Judy Conger, intern from Wellesley College; and Philip V. Brennan, Jr., staff public relations director, also contributed greatly by their long hours of labor on various aspects of the study.

The congressional teams have conducted their studies and have indicated on the floor of the House their views on specific areas of employment. We have here summarized these and other findings and have brought our unified views and opinions to bear on the questions: How can the U.S. economy experience consistent conditions in which there will be afforded useful employment opportunities to those able, willing, and seeking to work? What should be the role therein of the Federal Government, State and local governments, business and labor in private enterprise, and citizens in their own communities? How can the maximum employment, production and purchasing power urged in the Employment Act of 1946 be effectuated?

We feel that our effort has been a fruitful one. For the first time in the field of economics, a group of Congressmen has maintained an effective liaison with the academic community in an effort to investigate and evaluate economic phenomena, and this report testifies to the positive results of this effort. However, the report would be a failure if this would be the extent of our work. Unless the report becomes a public document, and unless a follow through solicits and utilizes public opinion on these problems, our purpose will not be served. We plan to have the appropriate recommendations herein introduced as proposed legislation, and hope that Congressmen of both parties will support it. We also plan to obtain the views of affected citizens all over the Nation and incorporate them into a continuing set of recommendations to meet the problems of tomorrow's economic world.

Last year, during the presentation of a similar Republican policy committee study on "American Strategy and Strength," the gentleman from Michigan [Mr. FORD] said that "a national strategy should not be tucked away in a national security document. To be a public affair, it must be readily understood and enthusiastically supported by the scientist, the educator, the reporter, the engineer, the Congressman, and the housewife." Again we urge that this be done in the area of employment. We have deliberately not tied our study to a "magic" piece of legislation, such as depressed areas, housing, unemployment compensation, and so forth, bills. Rather, we have tried to look above and beyond political and temporary remedies, and have instead attempted to create a document with meaning, now and in the future. It is with this in mind that we present these, our findings and recommendations, for "Employment in the Dynamic American Economy."

EMPLOYMENT IN THE DYNAMIC AMERICAN ECONOMY

FINAL REPORT

Automation increases jobs, though many people believe the reverse to be true. The immediate displacement effect is noticeable, and becomes publicized. Usually, the job-creating effect is scattered widely over the economy and goes relatively unnoticed. This does not alter the fact that a long history shows that the net effect of automation has been to increase jobs in America. Sensible national policy dictates that we recognize this fact.

We are on the eve of an increase in the number of Americans who will be in the job market. Due to erroneous views about the impact of automation, many Americans tend to draw the wrong conclusions from the expected expansion in the labor force. Prophets of doom have been with us throughout our history. Each time the talk of doom has been followed within a short time by widespread evidence of labor shortages. There is no reason why history will not keep on revealing periodic labor shortages.

Automation is in effect a continuation of the process of technological improvement which has existed through human history, but which has been accelerated in the past few decades. Automation has created demands for new skills. In the television, aviation, electronic, and computer industries new opportunities unheard of 15 years ago have been created. Although the jobs represented by the original Teamsters Union, for example, have long since disappeared, the union itself has flourished on the basis of new skills created since the days of the horse and wagon.

The job-creating effect of automation does not occur automatically and painlessly, however. Those with simple skills, who lose out for a time to the machines, usually cannot be hired again without improving and upgrading their labor. The hard realities of retraining must be recognized. The displaced cottonpicker has to make an adjustment, though this does not mean he must attempt the impossible. This may require that he become an assistant to a garage mechanic as a steppingstone to a later full-fledged mechanic's status. Incidentally, as a nation, we are short of capable garage mechanics today.

We have only begun to think through the problem of job retraining and upgrading. There are tax aspects, educational correlaries, and the resources and talents of business, among other factors, which bear a close relationship to retraining. Identifying the problem is not enough—thought and work is required. Studies of retraining plans indicate that worthwhile advances have been made, but also show that all workers do not want to be trained nor are all capable of absorbing the necessary knowledge. Viewing retraining as a valuable tool rather than as a panacea for all our employment problems will result in sensible retraining for a purpose and not merely because the word appeals to the public as a cure-all for unemployment.

In this report we seek to provide answers to those who wrongly claim that Americans must adopt a planned economy to create needed jobs. A planned economy only hides unemployment, as the Soviet experience clearly demonstrates. Today, as in the past, individual drive and incentive, supported by sound governmental policies, are the only sensible answers to the changing job situation. Look at your neighbors with steady jobs, and you'll find that nearly every one of them made job shifts before attaining their present position. This path of progress illustrates that the challenges and opportunities we face during the decade of the sixties call for the application of policies which will harness the productive potential of industry and the initiative of all our people.

In this context, government has a role—a role, which, as brought out by the studies prepared for this project, recognizes that maximum employment, higher productivity, and economic growth should remain the primary responsibility of the private sector of the economy. We subscribe to the following statement outlining the role of government which appeared in President Eisenhower's final economic report to the Congress:

"In our free economy, economic growth and the improvement of living standards depend not primarily on what government does but mainly on what is done by individuals and groups acting in their private capacities. In this system of shared responsibility, the tempo of economic activity is especially sensitive, for example, to the plans and actions of large firms and powerful labor organizations whose operations are national and international in scope.

"Government makes its basic economic contributions not through the volume of its own expenditures but by promoting conditions favorable to the exercise of individual enterprise and private effort. Accordingly, a dominant purpose of government at every level must be the preservation and invigoration of institutions that favor and support enterprise. In particular, the Federal Government should encroach no more than necessary on the province of private action. Indeed, it should expand as broadly as possible the opportunities for private decision making; strengthen incentives for businessmen, workers, savers and investors; and promote a vigorously competitive environment in domestic and international markets. And within the area of public action, the Federal Government must avoid encroachment on the province of State and local units. The expected increase in the demand for public investment and the emergence of new regional and area problems will require efforts on the part of State and local authorities and of citizens in general to render more effective the instruments of government located close to home. A proper sharing of governmental responsibility may require a strengthening of the capacity of State and local entities to meet their emerging and increasingly heavy burdens."

The Republican Members of Congress will not admit that any substantial numbers of Americans should be idled against their will. Since the basic motivation and direction of our private enterprise system comes from individuals in the private economy, public policy must indeed preserve it, create conditions for its successes, and generate a climate of confidence. The Federal Government is an ancillary handmaiden rather than a partner in working together with business, farmers, labor, and State and local governments in solving unemployment problems and in assuring sufficient employment opportunities for all who are able to work and who desire to work.

The details of our study and the participating Members of Congress, along with the academic and professional experts contributing background papers, appear later in this report. We have looked above and beyond political and temporary remedies, and have instead attempted to create a document with meaning, both now and for the future. It is with this in mind that we present these, our conclusions and recommendations, for "Employment in the Dynamic American Economy."

CONCLUSIONS AND RECOMMENDATIONS

1. At present, we are attempting to retrain workers in certain skills. If we upgrade these skills, it must be with a knowledge of purpose. "Retraining for what?" should be answered by an analytical, nationwide study of the skills of the future, emerging skills of the present, and obsolescent skills of the past, so that we do not retrain a man for an outmoded or unneeded skill, thereby arousing an even further resentment in this worker's mind and heart.

We recommend the establishment of a national clearing house for the classification of these skills and their needs on a geographic basis. Rather than continue overlapping between the Bureau of Labor Statistics and the United States Employment Service, this clearinghouse should bring all available resources of governmental and private organizations to bear in this area to maximize and integrate such services.

2. In 1959, studies indicated that at least $4 billion annually was devoted to Federal activities in support of education. Today, this has greatly increased. A proliferation of Federal agencies deals in this sphere but as yet no sound suggestions have been made by any of them to deal with educational aspects of the employment problem.

We recommend an increased awareness of the importance of vocational and educational guidance in the manpower policies of the Nation in identifying, developing and conserving the professional, technical and skilled manpower potential of the Nation's youth.

We further recommend increased coordination rather than conflict between the Department of Labor and the Office of Education so that overlapping and duplication of facilities might be replaced by an effective liaison in this field.

We recommend action to reduce the problem of the educational dropout which tends to flood the labor market. We should continue to encourage local governments and private business to promote education and training to the extent that every American should complete high school if he is capable of so doing and that adults continue education and training after they are in the work force. Today a college graduate is comparable in employment opportunity to the high school graduate of past generations. The more education one possesses, the better paying job he can procure.

We recommend increased attention to the study of present and future applications of manpower resources. To this end we recommend that the U.S. Employment Service place more emphasis on employment by preventing unemployment rather than alleviating its effects alone. They should live up to their name by helping to gather current information and to exert leadership in relation to private, local and State programs to aid in the ultimate matching of the manless job with the jobless man. Employment services should maintain close contact with the school people concerned with giving information and advice to future employees, particularly in the vocational and adult education programs.

Our selective service laws tend to defer entry into the labor force but often foster waste of youth and sometimes lead to juvenile delinquency among those who merely wait their turn. We therefore recommend that the Armed Forces of the United States pay particular attention to the improvement of their vocational guidance, which currently lacks planning for future careers and emergencies alike which realistic, farsighted policies would foster.

3. In the area of taxation, our legislation and administration of tax laws has not kept up with the times. No personal incentive is contained in our tax laws for those individuals contemplating retraining. Mobility of labor is hobbled by regulations defining "legal residence" for tax purposes as the place of employment at a time when over two-third of Americans own their own homes. The Federal Government is thus actually hindering rather than fostering retraining by these and other outmoded practices. Great shortages of skills exist in sections of our country because workers are penalized for temporary employment in these areas unless they relocate their entire family there.

We recommend tax revisions providing tax deductions or credits for workers undergoing retraining for new skills.

We recommend more realistic tax regulations defining "place of residence" as the "tax home" for those workers temporarily engaged in an occupation in another part of the country.

4. It is clear that our maximum potential will be realized only when liberalized and sensible depreciation is applied to the increased rate of obsolescence created by the wonders of modern research. Millions of our workers now employed in the steel industry, the metal-working industry, etc., would normally be engaged in the production of the new facilities a more realistic depreciation allowance in our tax laws would make possible.

Our tax laws are predicated on the assumption that machines wear out. Under the conditions of growth in our dynamic economy today the machines become rapidly obsolescent. One-third of our industrial plant is in this condition today. Depreciation allowances lag $4 to $6 billion annually behind our replacement needs. Great Britain allows over 40 percent depreciation on new machinery in the year of acquisition—Germany allows a write-off of 25 percent the first year and about 58 percent of cost in the first 3 years—France allows 30 percent for ordinary machinery, with the remaining percentage depreciable at 15 percent of original cost and written off in less than 5 more years—Sweden, the Netherlands, and Belgium, among others, have similar provisions.

Industry faces the task today of creating jobs—with the cost estimated at between

$20,000 and $25,000 per position. It has done a remarkable job in the past, as reflected in our overall employment record and the fact that 30 percent of the goods and products on the market today were not there 5 years ago. Under present tax laws, the future looks bleak indeed in view of the some 3 million workers estimated to be entering our labor force annually in the next decade.

We recommend more adequate and sensible depreciation allowances to stimulate investment in plant and equipment and, eventually, in ultimate increased employment opportunities.

5. Unemployment compensation benefits, under our self-supporting pay-as-you-go operation administered by State and Federal authorities and paid for by private employers, cannot be raised or lowered at will. Generally, the current benefit insurance payments are judged sufficient to enable beneficiaries to weather the storm and maintain a decent standard of living—the original purposes of the legislation.

The greatest crisis related to unemployment compensation today deals with the problems of those who remain unemployed during a long recession or because of residence in a depressed area, in which cases the problem of the adequacy of unemployment benefit payments takes on new and somewhat staggering proportions. Again this year, Congress was forced to consider legislation for the temporary extension of benefits in cases where conditions of recession had led to the expiration of such benefits across the Nation.

We recommend that State legislation be encouraged to permit those engaged in training and retraining programs to continue to receive unemployment benefits up to normal amounts and limits, as is currently provided for in but 10 of our 50 States. In fact, it might be well if a person without a skill or with an obsolete skill would be removed from unemployment insurance benefits if he or she refused to train or retrain.

As a further incentive to retraining on-the-job, we recommend that States explore the possibility of broadening merit rating to include in the concept such on-the-job retraining, so as not to penalize the employer who extends this opportunity to his workers.

We recommend to the States the consideration of a permanent system of "temporary" extensions of unemployment insurance, with a built-in triggering mechanism placing such extensions in effect when certain national or State indices of recession-level unemployment are reached.

6. The hard realities of retraining are often not realized by those who would make the term a cure-all for all our supposed employment ills. It is precisely the employees of advanced age, whose skills are least in demand and who are least adaptable to retraining, who are credited with the least job movement.

To upgrade the labor force by small stages all along the line—teaching the ordinary laborer minor skills, equipping the semi-skilled with new techniques, and turning the skilled into advanced technicians—will require cooperation between labor and management the Nation over. Private retraining programs, such as those of IBM, Armour, U.S. Steel, Ford, and others, have been quite successful and have an advantage in that they do not have to deal with an unpredictable labor market and a wide variety of obsolescent skills.

We view with some concern the Senate bills on retraining and the National Defense Education Act along with the House retraining proposal. All were reported in a single week, and all revealed a scatter-gun approach with duplicating and overlapping facilities rather than a sound, organized attack on the problem.

The problem is one of preparing this country's working force for the new skills that are constantly in demand. Since unemployment is concentrating among the less-skilled and especially the less-educated, can we then fashion the programs and policies which form the basis for meaningful growth?

We recommend a focus on training prospective employees for the increasingly demanding jobs that will be available in the future, encouraging the required investment which creates jobs and the education of prospective employees.

7. In the international area of our study, we find that the United States no longer has a commanding lead in the ability to produce competitively for world markets. In the early postwar years, economies of West Europe and other industrial nations were recovering from war damage and these countries were attempting to rebuild their monetary reserves. The dollar was the key currency needed to purchase manufactured goods from the United States and, in view of our strong financial position, was a key reserve currency. This generated the chronic "dollar gap" of the late forties and early fifties.

But, as the economies of the other industrial nations recovered and became increasingly productive and competitive in world markets, U.S. exports have run into increased competition. Other nations are no longer in constant need of dollars. Through our foreign aid programs and international commitments we have been generating a deficit in international accounts. The result has been that short-term dollar balances have been accumulating to the extent of some $20 billion in the hands of foreigners. This represents to a great extent the reserves held by other countries as part of their monetary reserves and the U.S. balance-of-payments deficits are the way we have aided these countries in replenishing their monetary reserves.

The situation is rapidly changing. With the dollar as a key reserve currency, decisions by foreign central banks can create short-term surpluses or scarcities of dollars in international exchange markets rapidly. Of far greater importance is the fact that large dollar balances held by foreign central banks makes them particularly susceptible and wary as to events taking place in the United States. They have the privilege of converting these balances into gold at any time they have reason to doubt the stability of the dollar.

Most of these countries now have booming economies and new plant and equipment in many cases more modern than those of the United States. They are, therefore, able to compete fiercely in both their own and international markets with U.S. goods.

We therefore recommend that the United States do everything it can to maintain a highly competitive economy if it is to maintain the living standards of its people and carry on its international commitments.

We recommend that we do all possible to make certain that international confidence in the dollar is maintained. This is necessary to prevent foreign-held dollar balances from being converted into gold.

We recommend that to be competitive and maintain this confidence in the dollar, the United States must behave like good businessmen and sound bankers. We must practice fiscal responsibility and strive for a balanced budget. Above all, inflation must be prevented.

8. Perhaps the most neglected sector of our entire employment problem has been the role of the community and of the private economic sector. Many of those seeking solutions to high unemployment rates, low growth and productivity, and automation's displacement of some workers have turned first to the Federal Government rather than to business, labor, or State and local government. It is always easy to say, "A broader Federal program is required," but the easy way in this case is the wrong way.

Since local civic leaders best understand the community's needs, its potential, and the skill of its employable members, we recommend that unemployment problems, where possible, be solved by private initiative at the community level. In Scranton, Pa.; Chicago Heights, Ill.; Wheeling, W. Va.; Hazleton, Pa.; and Huntington, W. Va., to name a few communities, the vigor and determination of community efforts to solve their own problems has improved and advanced the community to the benefit of all its segments.

On the part of industry and labor, we find numerous examples of on-the-job retraining programs, apprenticeship plans, private industrial funds, far-sighted labor-management agreements and private economic security plans. Such efforts always involve a certain cost to the business or to the union involved—but the cost is eventually outweighed in most cases by the stabilization of employment resulting.

To enable communities, labor and management to cooperate and to improve their future takes intelligent policies rather than the mere spreading of Federal funds over a large number of areas. The role of the community and of the private economic sector cannot be overemphasized. These elements in our economy have contributed greatly in the past, and must be encouraged and stimulated to expand their efforts in the future.

9. In the field of agriculture today, our dynamic economy has made such great advancement that we could properly call it an economic revolution. One man now produces crops equal to that which formerly took five men to produce. This has led to an enormous manpower utilization problem, and today 30 percent of the income earned by the farmer (one who derives at least 50 percent of his earnings from agricultural pursuits) comes from nonagricultural sources.

We recommend continued rural development programs which emphasize local initiative and enterprise along with public and private financial and technical assistance where necessary. Worthy projects include grants-in-aid for improved vocational education; larger supervised farm credit; and additional agricultural research and extension services. Establishment of rural industries, such as processing industries for local farm products, will give full-time or part-time nonfarm opportunities for the employment of those struggling with uneconomic farm units and will also provide local markets for farm products.

10. The Employment Act of 1946 was not intended to uproot and destroy our private enterprise system. It was the necessary first step from which a full-dress program of economic policies to promote the well-being of our free competitive economy would stem.

In view of the underlying forces of economic expansion and their strength today it would be courting inflation and a new gold crisis to plan now new governmental spending programs which would mature when the economy was already advancing without them.

It is time that we reassure our people and the people of the world that price stability has more than mere lip service paid it in this country. We must show one and all that we really mean what we say about stabilizing the value of our dollar.

We recommend that the Employment Act of 1946 be amended to make the maintenance of a reasonably stable price level an explicit aim of Federal economic policy in this Nation.

11. At present, overlapping jurisdiction among committees dealing with employment problems is one of the main reasons why Congress sometimes fails to see the long-range effects of economic legislation. Automation, for example, is discussed by the House Education and Labor Committee, the Banking and Currency Committee, the Ways and Means Committee, and the Joint Economic Committee. The members of this congressional task force studied employment from all points of view in this project and found that much can be gained by a coordination of knowledge and views experienced in these various committees.

Therefore, we recommend that Republicans in the House establish a standing committee on employment, to be composed of members from each of the above-named committees. This could function as an adjunct of the Republican policy committee or as a separate entity, but in any event would be an important mechanism for the recommendations and the formulation of positive party policy in this area of legislation. By cooperating with State legislatures and city councils throughout this country, and by making sound analyses of the Kennedy administration's recommendations in the economic field, it would serve to extend and popularize established Republican policy.

The United States today finds itself in the anomalous position of having more employed while unemployment under the Kennedy proposals shows little prospect of sharp decline. The productivity of American enterprise has in its sights new records of output which present a picture—not of a sluggish or stagnant economy—but one which retains and has increased its inherent dynamism.

While in terms of both individual welfare and economic progress, appropriate public and private action is required to return today's unemployed to productive pursuits, it should be recognized that in large measure this problem stems not from weakness in the economy but from the technological innovations and progress of a dynamic economy. As this dynamism increases, so too will the magnitude of this problem.

The essential problem we face should be stated in terms of employment rather than unemployment—the need for utilization of increasing numbers of working people in the productive stream of the American economy.

Can we secure the rate and kind of growth required to employ these additional workers? The Republican answer is definitely in the affirmative—but with the application of the requisite policies to harness the productive capacities of industry and labor in order to bring about real growth with the maximum of freedom and initiative—not illusory, inflationary appearances of growth.

STAFF REPORT ON EMPLOYMENT IN THE DYNAMIC AMERICAN ECONOMY

I. THE CREATION OF JOBS IN A FREE ENTERPRISE ECONOMY

It is axiomatic that an analysis of the employment problem must begin with a discussion of the creation of jobs. Nowhere has there been such a cleavage of opinion between the present administration and the past than on this important subject. In fact, when the so-called area development bill came up for debate in the House of Representatives this year, there were some who felt that the Federal Government could mystically and magically appropriate the money to create jobs in depressed areas around the country. The "magic money tree" was enacted into law, but has not as yet brought fruit in barren wasteland.

The Republican substitute would have emphasized loans for community facilities and an increase in funds for retraining in these areas in attempts to revitalize and revise our private enterprise system. It would have recognized that our economy was a dynamic and not a sluggish one, and that by incentive rather than restriction it could best throw off its growing pains and reach new heights previously undreamed of.

Conservative estimates today show that the cost of creating a job in the American society exceeds $20,000. If Government were forced to create a job for the 3 million Americans scheduled to enter the labor force annually in the years ahead, or if the philosophy of Government spending as the source of new jobs were to be applied to the current unemployment of over 5 million in our civilian labor force, the U.S. Government would be forced to spend over $100 billion even if it were money unrelated to economic ideas which could create these positions. This bill, currently part of the cost of our private enterprise system, exceeds our total annual expenditures for all areas of Government.

Some years ago, Henry Wallace was accused by some of visionary dreaming when he predicted an economy which would one day support 60 million jobs. His methods of attaining this goal fortunately were not implemented and the basic features of the private enterprise system which he sought to supplant was permitted to continue, else his statements would have gone down in history as a vision. Today our employment is at the 68.7 million mark, and it has increased by almost 8 million since 1953. Faced with this impressive record of our economy, we Republicans are opposed to tampering with the basic features of our system, and refuse to admit that only through a wartime economy can maximum possible employment be reached. Furthermore, we point out that a controlled economy does not reach maximum employment—it only hides the unemployment that exists and that its programs aggravate.

Prof. Goetz Briefs, of Georgetown University, has pointed out in his background paper that maximum employment is most feasible in a private enterprise economy. "Free enterprise economies," he writes, "flourished by giving freedom and democratic rights to a growing social stratum which remained dependent on jobs." Thus, Brief suggests that it is a naive approach to assume that social misery can be met by more social legislation and by more union organization.

The dynamic sweep of our free enterprise economy is the premise of meaningful and sustainable social legislation and the successful operation of unions. We argue here not against all government welfare obligations, but against the imbalance between economic freedom and self-responsibility on the one hand and boundless social demands rising from indolence rather than misfortune on the other. The real issue is finding the balance—without inflation or overtaxation.

To attain the required rate of investment in new jobs to accommodate the anticipated growth in the labor force and reemploy those displaced by both frictional and structural employment, we must not merely apply emergency Government actions to reduce the duration and severity of recessions, but we must also stimulate private investment through tax reform and encouragement of research and development.

Since the end of the Korean war in 1953, our free enterprise economy has been maligned by some at the time of some of its greatest achievements. Gross national product has increased some 55 percent; personal savings, 45 percent; disposable personal income, 57 percent; average weekly earnings in manufacturing industries, 46 percent; and total industrial production, 38 percent. These percentage increases, coming on top of what already constituted the world's mightiest economy, have been amazing indeed.

Due to growing pains, such changing elements as automation, the growth of a service economy, and decay in obsolete industries have led along with other factors to persistent unemployment which is the main soft spot in our dynamic economy today. The remedies of the current administration are not based on the appropriate causes. They undermine rather than take into account and build upon the strengths of our system.

Those who persist in treating our economy as a sluggish and wasting one may ultimately succeed in destroying the very features of our system which have kept us progressing in the past. They might well consider alternatives to the elements in our free enterprise economy they wish to displace. Can the Government create the jobs being daily inspired by our free enterprise economy? Can the Public Treasury solve problems of automation, depressed areas, and retraining without the assistance of business, labor, and the community? Can a strong, viable free enterprise economy coexist with governmental policies stifling investment, restricting profit, and directing decisions?

We here must warn the self-appointed physicians of our economy that unless they understand the forces of free enterprise which have brought us to our present peak their remedies may be worse than the disease. Like Matthew Prior's famous patient, "Cured yesterday of my disease, I died last night of my physician," may well be the epitaph of our economy.

One of the contributors of a study paper to our project, Mr. Louis Kelso, states that "by the Employment Act of 1946, we have adopted a national policy of maximum employment. At last we seem almost on the verge of feeling that we can cope with that nightmare of an industrial economy—the depression. In short, capitalism, once denounced as exploiting and oppressing the worker, seems to have evolved into a system which provides the benefits once claimed for socialism, but without—it is believed—the loss of freedom, and enervation, we must add, that inheres in socialism. The good life for the worker seems to have been discovered in America. Justice seems to have reformed and made decent the once pitiless primitive capitalistic economy."

We conclude that the creation of jobs, so vital to maximum employment, reaches its optimum in a free enterprise society. In our dynamic economy of today, an understanding of this is a prerequisite to any solution of unemployment or related problems.

II. THE LABOR FORCE AND ITS VARIABLES

The problem of employment is not concentrated and uniform through the labor force. In fact, the groups whose unemployment rate is higher than the national average suffer more severely during recessions, and have an aggravated rate of unemployment in surplus labor areas. Members of these groups are the first discharged in hard times, and the last rehired when the economy begins to recover.

It has thus been essentially the same population groups and the same economic groups that repeatedly showed the highest incidence of unemployment. That we are dealing with classes rather than masses can be illustrated by figures representing unemployment rates from 1955–59 as follows:

	Percent
Men (overall)	5.0
Men 14 to 19 in age	11.2
Negro men	10.0

In addition, those workers in New England, the Middle Atlantic, South Central and Pacific Northwest States made up 37 percent of our employment and 47 percent of our unemployment. When specific labor areas are taken, we find that 17 major areas of persistent and substantial unemployment in May 1958, had an unemployment rate of

15.2 percent, 114 percent in excess of the national average, and in January 1961, a rate of 12.1 percent, still 57 percent in excess of the average. Thus unemployment has a geographic, as well as an economic differentiation.

The unemployment rate for workers under 20 years of age has been more than double the national average. While the expansion of our Armed Forces during war or national emergency has diminished the number of young people entering our labor force, we do not choose to make international crises a solution to employment problems among youth. Some 26 million young workers will enter the labor force during the 1960's—about 40 percent more than a decade earlier—with the peak rate approaching 3 million by the last half of the decade. No sharp reduction can be expected among our younger citizens in the labor force even in a strained world situation, so we must be aware of this problem and solve it. Among other things, the fact that unskilled or untrained young persons have difficulty entering the labor force bears a close relationship to rising juvenile delinquency.

Older workers, too, have problems of employment. They remain unemployed for longer periods and this unemployment is a more serious matter for them as well. While studies indicate older workers actually in some cases excel their younger coworkers in skills, adaptability and avoidance of accidents, and many employers were forced to admit that their assumptions about older employees were based more on a state of mind than on actual experience, it is a sad fact that the very policies used to stabilize employment (pension plans, hospitalization, etc.) in effect discriminate against the older worker. In Belgium, England, and Switzerland over two-thirds of the unemployed are over 40, illustrating the worldwide nature of this problem. Here in the United States, 49 percent of those unemployed are over 45, and 54 percent of the unskilled jobless are over 45. As younger workers continue to enter the labor force with more and more educational background, the problems of our older employee will increase.

Research material on the effect of women in our labor force is sadly lacking. We know that 4 million women were in our labor force in 1890, most of them single, as compared to over 16½ million today—52 percent of them married. Almost 30 percent of our employed are women, as compared to 45 percent in the Soviet Union, but the trend is upward in a recent substantial surge. The labor-saving household devices, switch to a service and clerical economy, shorter workweek and other factors have brought women into our work force to a degree that the actual and potential effects deserve further study.

The plight of the Negro worker is well known, but the remedies to assure him equal opportunity for employment have thus far been too little and too late. A fundamental lack of educational opportunity is as much responsible for this problem as is discrimination by employers, but both are problems fundamental to our study. This lack of adequate preparation and employment discrimination means that the Negro constitutes a vast underutilized, underemployed labor resource which the Nation can ill afford to waste, and his low purchasing power represents a loss to the entire economy.

The need for opportunities in fields related to agriculture is apparent. Only 10–15 percent of rural young people can realistically anticipate opportunities on farms. Secretary Benson and Undersecretary Morse began a program for this sector of our population so long neglected by public policy, and their rural development policies, which concentrated on a few pilot counties in each State, placed a sound emphasis on helping low-income communities to organize for self-appraisal, establishing goals, and stimulating local leadership.

This program brought together scores of public and private organizations to take an integrated look at the low-income rural problem, which cannot be solved through agricultural legislation. The problem stems from rural workers doubling in farm and nonfarm employment. Over 30 percent of farm income today comes from nonagricultural sources, raising the point that somehow farm-related industries must be centered in the low-income rural communities. For the rural unemployed, as well as all other groups, we must emphasize that we need a healthy, dynamic economy so that those losing out in one place as a consequence of progressive technology will have no difficulty in finding a demand for their services elsewhere in the economy.

The high incidence of unemployment among some age groups, the less skilled, colored workers, and other particular problem groups should not blind us to the basic problems of unemployment which strike insidiously across our entire potential labor force. However, statistics and human suffering alike indicate that efforts to improve the employability of these groups must be undertaken.

III. WAGES, LABOR, AND PRODUCTIVITY

While the problem of recession occupies our attention today, in the long-term perspective we face another grave danger—inflation. Inflation takes a human and economic toll. Persons with relatively fixed incomes, which includes most aged and dependent people, typically suffer the most. If inflation is protracted, everybody in a sense loses. The pressures of inflation tempt many individuals and businesses into rash and unsound investment planning, with the grave danger of economic and social collapse.

Virtually all of the background papers submitted to our congressional study group agreed that inflation must be prevented in order to protect the value of our dollar here and abroad, and in order to facilitate maximum employment consistent with our democratic values. Many of the experts also felt that we have allowed ourselves to get into bad habits in wage and price determination. It is evident that both labor and management need to stress responsible conduct and to seek a voluntary formula to make wages and prices behave as they would if our markets were perfectly free and competitive, thus eliminating the need for wage and price controls.

Papers by Professors Fellner, Haberler, and Long stressed the need for a gradual increase of output per worker in America. They stressed the erroneous notion that the expansion of the public sector would accelerate growth, showing that monetary and wage discipline, geared to quality rather than quantity of public action, would result in an increased rate of output large enough to reduce the unemployment ratio. Some policies to promote such increased output suggested by these experts included gradual elimination of farm price supports, encouragement of investment by American business, reductions in corporate tax rates, allowing recipients of old-age pensions to continue working, and relocation and retraining of workers during a recovery period.

Experts such as Professor Brozen and Professor Long analyzed productivity and wage spread. Professor Long feels that the greater opportunity that is offered the average worker to improve his personal productivity, the further some will fall below average and be in an unfavorable relative position. He assumes that as the "social minimum wage"—defined as the wage below which custom, ethics, or law forbids workers to be employed—rises, the productivity of some stragglers lags behind, thus forcing them to leave the labor force. Professor Brozen also brings out data showing that inadequate adaptions of prices and wages to offset external factors is a fundamental internal cause of unemployment—such as the decrease in industry employment due to increases in the minimum wage in both 1950 and 1956. Unless productivity and output increase, he emphasizes, a 1-percent increase in wage rates in the primary metal industry will cause a 1.2-percent decrease in industry employment.

The implication is clear. Unless labor is priced reasonably, we will continue to be faced with increased unemployment of certain classes in our economy. A method of keeping unemployment at a low level would be one which prevents real wage rates from moving by amounts which are out of line with productivity changes.

Thus, industry and labor must work together to solve the problems stemming from featherbedding practices now existing in many industries. We commend those who by sound labor-management contracts have eliminated the causes of make-work employment, which in the long run destroys rather than creating jobs in our economy.

One of our contributing authors, Mr. Louis Kelso, pointed out that in his view the productivity of labor has declined relatively: "The effect of all these practices and conditions (particularly pressures from organized labor) has been to raise wages far above what they would be if the economic productivity of labor were evaluated by free competition in an economy not controlled by a Government policy of full employment." While we do not wholeheartedly share this view, we do submit that, as Professor Wallich points out, among industries with above-average productivity the focus should be on wage restraint and price reductions, coupled with proper fiscal and monetary policies. Noninflationary wage increases are possible, and the failure to reduce prices where productivity gains make such reductions possible is just as harmful as wage increases greater than productivity increases.

Thus, it is not only unreasonable wage increases, but also unreasonable price policies which adversely affect employment and lead to ultimate inflation. The burden is on labor and industry to be reasonable in an area where unreasonableness to the slightest degree is critical and damaging to the entire economy. The common law of England is said to have been laboriously built about a mythical figure—the figure of "the reasonable man." Our American economy has reached its present peak because of the actions of countless reasonable men—in management, labor, and Government alike.

In his final legislative recommendations in the January 18, 1961 economic report, President Eisenhower stressed the need for making reasonable price stability an explicit goal of national economic policy as well as maximum employment. He was correct. Price stability and maximum employment must be serious objectives of the American people. It thus would be courting inflation to plan new governmental spending programs which would mature when the economy was already advancing without them.

Senator JOHN MARSHALL BUTLER this year traced the history of the Employment Act of 1946 and discovered that "it is quite clear that it was never the intention of the Congress to have the Federal Government absorb the productive efforts of America's working people. On the contrary, our Government exists for its citizens. This is in sharp contradiction to the totalitarian system of production that has been followed by many other countries."

Thus, in the longrun, economic growth and productivity depends on what is done by individuals and groups acting in their private capacities and not primarily on what is done

by Government. Under reasonable men, the values of our democratic society imply an obligation—to government, private individuals, and organizations alike—to discover and establish the conditions under which the potentialities of all men may be best realized.

IV. UNEMPLOYMENT—FACTS AND FACTORS

Despite unprecedented prosperity in the United States, unemployment continues to plague certain areas and groups as it has done for many years. This study has been called, "Employment in the Dynamic American Economy," to illustrate that the unemployment problem is really an employment problem, and it must be attacked on many fronts. The level of unemployment is the result of all the many forces operating on the economy.

Jobs in America arise fundamentally from a process in which people spend income earned in production for the purchase of goods and services, the production of which creates income. In this the businessman has a key role. His choices about what to produce, how to sell it, and how to price it have great influence upon how much people buy, and, therefore, upon how many people are employed. Moreover, the businessman's own investment in plant and equipment forms a large and dynamic part of the total market for goods and for labor.

Thus there is no simple solution for unemployment other than more jobs. How, when unemployment rears its ugly head above the horizon, Government can assist and stimulate private business to enlarge the total market for labor is the problem we face in American today.

Generally, unemployment is divided into three classes in America today. In one area, frictional unemployment is caused by the mobility of our labor force and the variations in the number of individuals seeking and leaving jobs. In another group we have cyclical unemployment, which reflects recession and boom periods in our economy. The third classification, representing the hard core of unemployment, is the structural unemployment of long duration growing out of shifts in technology, change in industrial patterns, or shifts in markets for key products. It affects particular areas, groups, and industries—and for long periods of time.

Despite the differentiation of unemployment classifications above, the Republican Members of Congress do not admit that any substantial numbers of Americans should be idled against their will—be it cyclical, structural, or frictional unemployment. Allowing frictional unemployment to run rampant will lead to ultimate structural problems, as the lack of policy on the coal industry decades ago has led to depressed areas throughout the former mining districts today. According to a study paper submitted to the Joint Economic Committee recently, 50 percent of our unemployment is frictional (10 percent voluntary shifting from job to job, 20 percent entry of new workers into the labor market, and 20 percent seasonal variations in employment).

To limit seasonal and frictional unemployment, the activities, responsibilities, and strategies of the Federal Employment Service and the Departments of Labor and Education counseling services must be revised and increased at once. We must afford each individual not only the opportunity, but also the knowledge, both personal and environmental, on the basis of which he can make sound vocational decisions and plans. Such sound decisions can only be made if we have reliable information and competent expert counsel and advice.

As for cyclical unemployment, which does not completely fall within the scope of this study, it should be pointed out that there are built-in stabilizers which now go into effect when a recession is threatened. Future recessions will be prevented or at least mitigated due to the current influence of such stabilizers as (1) unemployment compensation benefits; (2) deficits produced by the Government putting more into the economy than they take out; (3) farm programs taking surplus off the hands of those with shrinking markets; and (4) credit easing and becoming cheaper when demand for it diminishes.

Structural unemployment will be discussed at some length during the balance of this report. Suffice it to say that we recognize the cost to the individual, the family, the community, and the Nation of all types of unemployment.

During widespread unemployment, the loss of income to the individual is but part of the overall cost. His sense of frustration and bitterness is coupled with the demoralization of idleness, even with unemployment compensation. The families are constrained within a narrowing circle of humiliation, blocked from living a rounded and expanded life. Training for trades and professions shrinks, and union membership declines. The Nation suffers a loss of production, for labor time gone to waste is gone forever.

Theodore Morgan estimated that during the 1930's, fully employed resources would have led to $470 billion more of net production. Woytinsky priced out the cost of the 1948, 1953, and 1958 recessions at a $413 billion loss to our gross national product not compensated by recovery. Thus, including indirect costs not as readily ascertainable, we have certainly suffered over a trillion dollars cost to our national production in the past three decades.

The human loss is harder to calculate. Lenroot studied the families of the great depression and found that of 252 families in 1935 affected by unemployment, only 10 had cash resources; 76 percent were in debt for food, shelter, and medical care, while three-fifths had never had a bank account. Today, obsolete agriculture, depleted timber resources, high birth rates, rapid mechanization of coal mining and declining demand for its product; shortsighted leadership and scarcity of industrial jobs have brought individuals in West Virginia to the point where an estimated 800,000 mountain people have been pushed onto the highways in the past decade alone.

Lest we are led too far astray by figures, however, we would here point out that our unemployment figures are in their infancy. Our basic unemployment statistics depend on the question, "Are you looking for a job?" We have no figures on potential labor force other than by adding up those working and those looking for employment. We have no way of identifying unfilled jobs in demand either by gross number or by components. We do not measure the amount of moonlighting, the number of partly employed, nor the new skills unknown to our unemployed at present. While we in the United States have the best collection of economic statistics of any society in the world, we must on many occasions rely on a little commonsense to keep us from diagnosing that which is the result of rapid economic growth as being the result of a stagnant economy.

Sweden, for example, since World War II has pursued a vigorous full-employment policy which has held unemployment to an average of about 1.5 percent. However, when the Swedish Royal Labor Market Board instituted in May 1959 a labor market survey patterned after the U.S. Current Population Survey, they discovered an unemployment rate of 3.5 percent. Whichever nation's criteria of unemployment and total labor force is correct is less important than the recognition that no standard of statistical analysis is in itself perfect in the light of changing conditions and improved measuring devices.

In an evaluation of unemployment, we must stress employment. New and better jobs have been created by technological change. Unfilled jobs exist side by side with the unemployed. New skills are in demand by type today. Those in the process of retraining are still classified as among the unemployed.

Of course, far too many Americans are still unemployed today. Ours is a profit-and-loss system. Mistakes are likely; sometimes they become cumulative for a time. Progress and prosperity must be earned, and it is only through the lessons of a study such as this one that we can develop positive recommendations for attaining maximum employment together with a stable price level and continued economic growth.

V. EMPLOYMENT AND THE CHALLENGE OF FOREIGN ECONOMIC COMPETITION

The United States no longer has a commanding lead in the ability to produce competitively for world markets. In the early postwar years the economies of Western Europe and other industrial nations were recovering from war damage and these countries were attempting to rebuild their monetary reserves. The dollar was the key currency needed to purchase manufactured goods from the United States, and, in view of the strong financial position of the United States, was a key reserve currency. This generated the chronic dollar gap of the late forties and early fifties.

But, as the economies of the other industrial nations recovered and became increasingly productive and competitive in world markets, U.S. exports have run into increased competition. Other nations are no longer in constant need of dollars. Through our foreign aid programs and international commitments we have been generating a deficit in our international accounts. The result has been that short-term dollar balances have been accumulating to the extent of some $20 billion in the hands of foreigners. This represents to a great extent the reserves held by other countries as part of their monetary reserves and the U.S. balance-of-payments deficits are the way we have aided these countries in replenishing their monetary reserves.

The situation is rapidly changing. With the dollar as a key reserve currency, decisions by foreign central banks can create short-term surpluses or scarcities of dollars in international exchange markets rapidly. Of far greater importance is the fact that large dollar balances held by foreign central banks makes them particularly susceptible and wary as to events taking place in the United States. They have the privilege of converting these balances into gold at any time they have reason to doubt the stability of the dollar.

Most of these countries now have booming economies and new plant and equipment in many cases more modern than those of the United States. They are, therefore, able to compete fiercely in both their own and international markets with U.S. goods.

The United States must therefore do everything it can to maintain a highly competitive economy if it is to maintain the living standards of its people and carry on its international commitments. It must also do everything possible to make certain that international confidence in the dollar is maintained. This is necessary to prevent the foreign held dollar balances from being converted into gold.

To be competitive and maintain this confidence in the dollar, the United States must behave like good businessmen and sound bankers. We must practice fiscal responsibility and strive for a balanced budget. Above all, inflation must be prevented. Papers by five experts on the international economy, while they threw out many solutions and various courses of action to meet

the problem and induce discussion and analysis, were in agreement as to the need for maintaining this confidence in the dollar. This point has great implications for the furtherance of a prosperous job-creating economy in our country.

As to specific problems created by free trade policies and the loss of employment in specific industries in our own Nation, requirements of the international situation need to be weighed against various domestic group interests and a conscious attempt must be made to find a formula that yields the greatest good to the greatest number of Americans. Industry-labor-government panels in a case-by-case analysis of plans to provide assistance to firms having suffered losses as a result of cuts in rates of the tariff would seem to be a wise policy at present. Consideration in such cases of special low-interest loans, grants, alleviation of payroll difficulties, or easing of tax liabilities would be subjects for such panels.

American businesses seeking to compete with foreign firms are in great need of increased depreciation allowances in order to modernize our industrial plants and thus improve our position in the world market—creating more demand for U.S. goods and a subsequent broadening of our entire employment base. With the increased problems faced by American business and its employees today, it is necessary that our private enterprise system be encouraged and not hobbled by tax policies and wage-price stability.

VI. GOVERNMENT AND EMPLOYMENT

It is generally agreed that the Government has an interest, concern, and responsibility in the attainment of maximum employment. President Roosevelt, in his state of the Union message of January 11, 1944, stated that among the second bill of rights he was proposing would be "the right to a useful and remunerative job in the industries or shops or farms or mines of the Nation."

Two years later the Employment Act of 1946 declared as its policy, "to use all practicable means consistent with its needs and obligations and other essential considerations of national policy, with the assistance and cooperation of industry, agriculture, labor and State and local governments, to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing and seeking to work, and to promote maximum employment, production, and purchasing power."

The Employment Act of 1946 was not intended to uproot and destroy our private enterprise system. Senator Robert Wagner, during the debate in the 79th Congress, emphasized that this bill "provides the instrumentality through which business, farmers, labor, State and local governments, and the Federal Government can work together in solving this problem and assuring sufficient employment opportunities for all who are able to work and desire to work."

Neither was it intended to put the Federal Government in the business of creating jobs. Senator Wagner continued, "By itself, the full employment bill will not, and is not intended to produce a single job. As the Honorable Fred Vinson stated in his report to the Banking and Currency Committee on May 30, 1945: "'S. 380 does not profess to present a full conceived program for the achievement of full employment. * * * It is the necessary first step from which a full dress program of economic policies to promote the well-being of our free competitive economy will stem.'"

However, we do feel that the Federal Government has its role in the promotion of maximum employment, as it has in flood control, control of inflation, and highway construction. Since unemployment is a human malady, and its previously cited cost is so high, the role of the Federal Government is more critical in this area than it is in areas of roads, rivers, and railways.

The Federal Government must aid in the collection of information, which today is just not done in an adequate way on the national level. When we retrain workers with no ideas as to the geographic incidence of needed skills, or any classification of skills new to our lexicon, we are risking failure to the extent that the newly trained but unemployed worker will become even more bitter by being buffeted from State to State seeking employment opportunities unclassified by any central governmental agency. If Tucson, Ariz., and San Diego, Calif., can adequately classify and predict skills in demand now and in the future, the Federal Government should be able to do it more comprehensively.

The Federal Government must aid and assist in the needed education, training, and retraining of unskilled workers in certain areas and industries of our Nation. The success of vocational educational programs and rehabilitation of the handicapped indicate that any costs will be more than recouped by a subsequent drop in relief payments and an increase in tax revenues from those assisted.

Not all workers want to be retrained, nor are all capable of absorbing the necessary knowledge. This was proven by the Armour study as well as by other experiments in the field. Industry and labor, in cooperation, must of course bear the major responsibility for such retraining. But, in some labor surplus areas, and in some depressed industries, this is impossible.

Section 2508.3 of the Pennsylvania school law, amended in 1957, provided for full reimbursement to local school districts for training of the unemployed. Of those completing these retraining courses, at an average cost of $150, 83.8 percent were placed in gainful employment. Of a total sample of 12,837, two-thirds indicated some interest in retraining. Among private industry retraining efforts, we note that IBM retrains some 100,000 workers each year, General Motors over 7,000, and Ford over 3,000, in addition to what apprenticeship program they can make attractive to their bargaining unions. Bell & Howell and Minneapolis-Honeywell have had similar experiences.

In some cases, companies leaving the area have instituted retraining programs to the benefit of all concerned. International Harvester sold their plant for $1 to the community of Auburn, N.Y., and provided job placement services. Formfit Co., of Aurora, Ill., found positions for 100 percent of its employees when it left that city.

Relocation is a more hazardous proposition. The very groups most affected by mild rises in unemployment are the older workers most reluctant to move or the poorer workers economically unable to move. Workers have been less mobile geographically than occupationally or industrially. The effect of seniority, aging of our labor force, spread of unionism, and stability of manufacturing employment has lessened labor mobility in our country. However, during World War II geographic mobility increased, perhaps due to a combination of higher wages, greater opportunity, more interesting work, and patriotic appeals.

Studies of Harrison County, W. Va., show from 1953–55, 18 percent of the workers leaving the area due to persistent and substantial unemployment. Problems of depressed areas in Great Britain, Sweden, Belgium, and the Netherlands show a history of government assistance not only to bring industries to the worker but also the worker to the job. However, we would here stipulate that in most cases it is a better remedy to move capital into the area where possible than to encourage workers and their families to move away. Certainly much more study needs to be accomplished before it becomes a matter of governmental policy to assist workers to relocate under present conditions.

The Federal Government must continue its partnership with the States in providing matching funds for programs of unemployment assistance, an orderly way of meeting the cost of unemployment to the individual and to the community. Unemployment compensation benefits cannot be a panacea for all types and degrees of unemployment. Benefits cannot be set at levels so high that they detract from the incentive to seek productive employment. Experience ratings should be continued as an incentive for stabilizing employment and a convenient method for allocating the costs of unemployment. States must be encouraged to adequately finance their program and to set up built-in triggering mechanisms so that benefits are extended during periods of protracted recession unemployment. Basically, self-maintenance is by far the best method of support for those who can possibly be helped to support themselves.

The Federal Government has a vast responsibility as a leader in promoting maximum employment. It should recognize the philosophy of treating our sound economy as just that rather than creating consternation and chaos by finding sluggishness and deterioration where none exists. It must realize that GNP is a limited means of measuring aggregates and thus escape the "gap trap" which refuses to recognize the progress we have made in providing retooling time, increased leisure time, and abandoning obsolete skills and machinery for new dimensions in an economy based more on services than in our past history.

The Federal Government must extend tax benefits and provide for unemployment compensation benefits for those retraining and thus fitting themselves to bring new skills to bear for production, distribution, and the provisions of services.

The Federal Government must gear its military procurement to the overall problem of unemployment, consulting with local areas as to their labor surplus situation and also consulting in advance with those areas where they are considering abandoning military installations, thus forestalling the travail and human losses a premature abandonment would bring to the local economy.

The Federal Government should, wherever possible, strengthen rather than weaken the reasonable bargaining of labor and management to solve problems of employment and unemployment. We have previously emphasized the importance of such bargaining in a free society to the coordination of wage levels, price levels, and productivity.

The basic motivation and direction of our private enterprise system comes from individuals in the private economy. However, public policy must indeed preserve it, create conditions for its success, and generate a climate of confidence. This, briefly summarized, marks the role of the Federal Government in improving employment in the dynamic American economy.

VII. RESPONSIBILITY OF THE COMMUNITY AND THE PRIVATE ECONOMIC SECTOR

Perhaps the most neglected sector of our entire employment problem has been the role of the community and of the private economic sector. Most of those seeking solutions to high unemployment rates, low growth, and productivity, and automation displacement of workers have turned first to the Federal Government rather than to business, labor, or State and local government. This is, we suppose, only natural at a time when Congress seeks to solve problems of water pollution, depressed areas,

agriculture, minimum wage, and airports by Federal spending.

The Senate Special Committee on Unemployment Problems issued a report in 1960 which devoted 1 page out of 120 to private, local, and State efforts. In 6 pages of conclusions and recommendations, not a word was mentioned about this phase of employment. The Joint Economic Committee in 1959 issued a staff report of 488 pages, and included but 2 paragraphs on State development agencies as their comments on State and local efforts. It is always easy to say that "a broader Federal program was required," but the easy way in this case is not the only approach or necessarily the best approach.

It is true that States have made progress in setting up agencies whose function is to promote economic development. The first such experiment, in 1956, was the Pennsylvania Industrial Development Authority, established with a revolving fund which has now grown to almost $20 million. This fund provides financial assistance to areas of high unemployment, and loans up to 30 percent of the cost of industrial lands and buildings, with a local development corporation supplying 20 percent and private sources the remainder. Several thousand industrial development organizations, usually originally a project of the business community, have been organized throughout the United States to rehabilitate local areas, enlarge their economic base, and provide employment opportunities. In many areas, a united business, labor and civic effort has made these truly community enterprises, with funds raised by individual contributions, borrowing money, or by issuing bonds.

We commend the attention of readers to the report given by Representatives DERWINSKI and SCRANTON in the CONGRESSIONAL RECORD of July 20. Analyzing a study paper by Prof. Bruno Hartung of Wheeling College, Wheeling, W. Va., on the vigor and determination of that community's efforts to solve their own surplus labor problem, the Congressmen added their own material on comparable efforts in Lackawanna County, Pa., and Chicago Heights, Ill. Other evidence has been submitted of equally fine jobs being accomplished in Tupelo, Miss., Toledo, Ohio, Hazleton, Pa., Huntington, W. Va., and countless other communities the Nation over.

In some of these areas local retraining projects were instituted. In others, community organizations for financing projects, or labor-management relations committees, or extension of tax benefits to industry have been fostered, depending on the special problems of the locality. These have not always been the ultimate solution to the problem. In some cases, Federal assistance had to be requested after local resources had been exhausted. However, these communities all tried, and in many instances proved that they could expand, improve and advance their own community to the benefit of all its segments.

Many unemployment problems can effectively be solved by local community actions, primarily since local civic leaders have the awareness of the community's needs, its potential, the skill of its employable members, and the inspiration and dedication to maintain the individual areas in which they work and live.

Industry and labor, aside from their role in such community efforts described above, have done yeoman work in other areas as well. Far-sighted labor-management agreements—industrial retraining previously referred to—private industrial funds and fringe benefits—all of these and more mark some of the directions such assistance has taken and must continue to take in the future. Such private efforts always involve a certain cost to the business or to the union involved, but the cost is eventually outweighed in most cases by the stabilization of employment resulting.

U.S. Steel, Ford, and other large corporations have recognized the problem by instituting, with the cooperation of their bargaining union, apprenticeship programs. Archie Pearson, manager of the Ford training department, states that "every company employing skilled tradesmen has an obligation to provide for perpetuation of the skilled trades through a well-organized apprenticeship program."

The 1959 labor contract between Armour & Co. and the packinghouse workers' unions established a $500,000 fund to find solutions to problems resulting from the displacement of employees under the company's modernization program, with the fund administered by Clark Kerr (president of the University of California) and a labor-management committee under his direction. The experience Armour had with 433 employees in Oklahoma City (only 170 applied for retraining and only 60 would benefit from such retraining) was discouraging, and caused Prof. Robben Fleming, of the University of Illinois, to remark, "It casts real doubt on the efficacy of crash programs which must be inaugurated after the crisis is at hand." However, the effort was made, and breakthroughs are expected in the future as a result of experience gained thus far.

IBM has retrained approximately 100,000 workers annually for other companies to operate the computers and other equipment it sells and leases. Its agreement with the Hardware Mutual Insurance Co. of Wisconsin has pioneered in cooperative efforts of this type. The Technical Institute, of Williamsport, Pa., by its mechanical and electronic training presented to former mine workers has drawn industries such as Sylvania, M. W. Kellog, Vidmar, and Ille Electric to the industrial park created there.

This is in contrast with public retraining programs, which are obliged to deal with all sorts of human material and an unpredictable labor market. To upgrade the labor force by small stages all along the line—teaching the ordinary laborer minor skills, equipping the semiskilled with new techniques, and turning the skilled into advanced technicians—it will require cooperation among management and labor the nation over.

The role of the community and the private economic sector cannot be overemphasized. These elements in our economy have contributed greatly in the past, and must be encouraged and stimulated to expand their efforts in the future.

VIII. AUTOMATION

The term "automation" is of even more recent origin than the expression "technological unemployment." Mr. D. S. Harder, of the Ford Motor Co., coined the phrase in the late 1940's, but the process has been going on since the advent of mankind. Automation is merely a continuation of the process of technological improvement which, whether we are talking about the invention of the wheel, the steam engine, or the computing machine, increase productivity, controls quality, and reduces costs. The process of automation has been continuous and cumulative in character, and has been emphasized today only due to its sharper break with the past and its greater projected changes for the future.

Too many self-appointed prophets have created a misleading picture of automation as an uncontrolled ogre of gigantic proportions. We must remove it from the realm of science fiction and reveal it for what it really is—a down-to-earth continuation of our basic manufacturing tools and methods and a necessity for supplying more and better goods and services to fulfill the continuing demand for a better life.

Prof. Almarin Phillips, of the University of Virginia, stressed in his study paper the net beneficial effects of technological change, particularly in light of its effects on output. He estimated that at least 40 percent of the increase in our total national production is associated with technological change—and that this change is not significantly different from previous changes though rapid change may be in the making. The problems of automation develop due to the failure of business, labor, and Government to recognize the problems in their infancy when really marginal corrections might suffice. If we wait until the crises develop, crisis legislation tends to alter the structure of our economy more drastically than necessary.

Prof. Walter Buckingham, director of the School of Industrial Management of Georgia Institute of Technology and the staff director of the Holland Subcommittee on Unemployment and the Impact of Automation stated in 1960 that "the longrun record of technological growth has been one of increasing job opportunities." We can cite case after case to show that total employment in firms and entire industries has increased following the introduction of mechanization or automation.

Despite the great influx of youth and of agricultural workers on our labor force in the past few years, between 1940 and 1960 manufacturing payrolls showed an increase of 5.6 million workers (52 percent), wholesale and retail trade an increase of 4.6 million (67 percent), services an increase of 4.2 million (86 percent), and contract construction an increase of 1.3 million (102 percent). All this with automation at a new high.

Despite automatic dial equipment, the Bell Telephone System has increased its employment from 200,000 to 600,000 since 1920. Despite continuous flow refining methods, the oil industry has doubled its employment in the same period of time. Despite installation of automatic reservations systems for airlines, a 79-percent increase in reservations section employment resulted from 1952 to 1956. An average increase of 15 percent in employment from 1953 to 1957 resulted in business offices which had installed electronic data processing. While we could cite examples of employment losses in particular industries as well, the point remains that policies of labor-management cooperation to minimize the impact of dislocation can, in the face of the most complete technological change imaginable, increase job opportunities.

Problems remain. Many industries proceed with automation in a helter-skelter fashion and a policy of "full speed ahead, the worker be damned." Many labor unions demand the appropriation of the benefits of automation and push automation to unwise extremes by demanding a rapid rise in wages and fringe-benefit levels. The worker often resists technological change because of the threat it poses to their security. Some workers resist the social change accompanying automation much in the nature of the well-known sign on a backwoods road reading, "Choose your rut carefully. You'll be in it for a long time." Others, however, adjust to such changes under the proper conditions, as did the foreign minister of one of the emerging African nations, with a Ph. D., several books to his credit, and a fluent knowledge of English and French. He now delights his audiences by saying, "Now, my father was a cannibal."

Automation should be welcomed by all segments of American life. However, the assimilation and success of automation depends on the active support and cooperation of labor, management, and government alike.

American management has the job of underwriting research and development. It constructs and equips automated plants. It must operate these plants profitably. But

it also has the responsibility of eliminating, where possible, hardships created by employee displacement by retraining and/or reassigning displaced employees. It must work for maximum utilization of the existing labor force and cooperate in the development of the skills of the workers needed to man our automation processes. It must inform and work with labor union representatives on long-range cooperative plans to automate its plants.

On the other side of the coin, labor has an equal responsibility. It must improve and protect the living standards and working conditions of its members and not attempt merely to freeze men in their current positions or limit their future opportunity. Forcing uneconomic wage increases and fostering featherbedding will bring stagnation to the labor movement itself as well as to the entire American economy. The cooperation of labor with management, so often seen today, will do much to reduce the personal anxiety of the workers involved and to assure them that new technologies will have about the same effects on employment as those in the past.

Government must realize that taxation and monetary policies will directly affect the availability of capital for technological change, and sensible and just labor-management policies will assist successful automation. Educational programs capable of training and retraining our workers in the new skills which automation demands are often a function of State, local, or national governmental action, and have previously been referred to in this report. Unless Government permits an economic climate that fosters national growth, minor problems are magnified and management, labor, and the consumer all suffer.

The final report of the Holland Subcommittee on Impact of Automation on Employment concluded that "automation is the problem of the present and the promise of the future. It is the means whereby the conquest of natural forces can be opened to the abundant benefit of mankind. Automation is not something to be feared and avoided. It is something to be harnessed and encouraged. The means of accomplishing this noble end are worthy of intensive study at all levels of man's activity. Government obviously will have an important role to perform in this economic and social drama."

Hearings, staff papers, and reports have been plentiful on the subject of automation in the past decade. Perhaps too much ink has already been spilled on this question. However, the profits of industry, the dignity of the worker, and the progress of our economy are at stake here. We feel that automation—if it is fostered and not fought, if it is planned and not hurried, if it is sound and not disorderly—can contribute greatly and positively to employment in the dynamic American economy.

Growth and Stability of Employment

(Contribution to the symposium sponsored by the Republican policy committee, U.S. House of Representatives, Congress of the United States on "Employment in the Dynamic American Economy," by Gottfried Haberler)

INTRODUCTION

We all agree that a high level of employment is one of the basic goals of economic policy. But it must also be realized that there are other goals just as important; namely, a high level of output per head and a rapid sustained growth of output per head. Up to a certain point, the two targets can be pursued simultaneously by the same types of policies. If there is mass unemployment in a depression, most measures that raise employment will also increase output. But when employment has reached a certain high level a conflict is likely to arise. If unemployment is further reduced beyond a certain minimum level output per head will rise less and less and will eventually fall; or a further rise in output may not be sustainable, because it would involve more and more inflation which cannot be tolerated for very long.

A certain amount of unemployment—frictional unemployment—is unavoidable in a dynamic economy. How large this irreducible[1] minimum is, it is impossible to say with accuracy and it is surely not always the same. It depends on labor mobility and on the rapidity with which changes are going on in the economy; in other words, on its degree of "dynamism" of the economy, the flexibility of wages and prices and similar circumstances. Let me give an example. If wages and other costs are very rigid in the downward direction, frictional unemployment will be greater than if there were some wage and price flexibility. Suppose demand for the products of an industry in a particular region falls. If costs, including wage costs, can be reduced output can be maintained at a higher level. If demand rises again, the industry will have weathered the depression better. If demand does not rise again, if there is a permanent shift away from the region or product in question, the unavoidable decline of the industry in question can at least be spread over a longer period and made smoother and less costly in human and material values.

To repeat, how large the irreducible minimum of unemployment is in any given situation will always be a matter of judgment and guessing. For the United States the figure which is usually mentioned is 3 to 4 percent of the labor force.

TYPES OF UNEMPLOYMENT

It is useful to distinguish four types of unemployment:

1. "Frictional unemployment," which is partial unemployment in the sense that it is concentrated in particular areas and industries.

2. "Cyclical unemployment," which is very general and produced by the recurrent cyclical recessions or depressions. This is short run unemployment.

3. "Structual unemployment"—the long-run version of (1), for example, unemployment in the coal mining area of West Virginia.

4. "Stagnation unemployment." This is a somewhat controversial category. It is general, widespread, like cyclical unemployment, but is said to result from longrun stagnation. Thus it is widely assumed that such unemployment existed at the peak of the last business cycle upswing, May 1960. The unemployment was then at 5.4 percent of the labor force (seasonally adjusted) while it was well below 5 percent at the last cyclical peak in 1957 and earlier cycle peaks.

I shall concentrate in this paper on general unemployment, cyclical and stagnation unemployment. Little can be done about frictional unemployment, and structural unemployment, although important, presents special problems which I shall not discuss in this paper.

General, widespread unemployment is easier to combat than unemployment which is concentrated in particular areas because the general weapons of monetary and fiscal policy can be applied, while they are inapplicable in the case of partial unemployment (frictional or structural). Moreover, the existence and true magnitude of frictional and structural unemployment is very difficult to diagnose and to measure when there is much general unemployment. It is possible that once general unemployment has largely disappeared, frictional and structural unemployment will turn out to be smaller than is now believed.

MONETARY AND FISCAL POLICY MEASURES AGAINST GENERAL UNEMPLOYMENT

Economists are largely in agreement that strengthening of effective demand (aggregate expenditure) through monetary and fiscal policy measures is the appropriate way to combat general unemployment. There are, of course, difficulties and disagreements concerning the concrete diagnosis and the application of these policies, the proper mixture of monetary and fiscal devices, etc. But these differences concerning details should not obscure the fact that a great change has occurred since the early thirties in these matters. The basic principles of antirecession, antidepression, and antistagnation monetary and fiscal policy are now almost universally accepted and have been applied during the postwar period with considerable success.

During the postwar period, the record of the U.S. economy with respect to stability—and with respect to growth—has in fact been quite good.

I take the liberty of inserting here a few pages from an article of mine on "The State and Prospects of the U.S. Economy" in the Lloyds Bank Review (London, Jan. 31, 1961) which discusses the postwar developments in some detail.

The Record of Growth

Looking back over the whole post-war period, the performance of the American economy has been quite satisfactory throughout, compared with earlier periods and even more so compared with what was forecast and expected by most experts during the war and later.

The average annual rate of growth—as conventionally measured by aggregate gross national product (GNP) in constant prices—has been around 3 percent, at about the same level as earlier during this century before the great depression.[1] This is shown by table 1, which gives the average annual rate of growth between any 2 of the selected years. Naturally, this rate changes from year to year. When measuring the average over several years, great care must be taken to select the period in such a way that the initial and terminal years fall in about the same phase of the business cycle. The years selected in table 1 are as far as possible peak years of the business cycle, except 1958, which is a trough year (hence the decline of GNP from 1956 to 1958 and the exceptionally sharp rise from 1958 to 1959).

The table brings out a number of interesting facts. Over longer periods the rate of growth tends to be around 3 percent per year. The year 1936, although a peak year of the cycle, was still rather depressed (unemployment was 16.9 percent of the labor force). Therefore the rate of growth from 1936 to later peaks is comparatively high (as shown by figures in column for 1936) and rates of growth from earlier peaks to 1936 are low (as shown by figures in line for 1936).

The table seems to show an acceleration of growth after the First and Second World Wars (columns for 1922 and 1948), followed

---

[1] "Irreducible" in the sense that a further reduction would involve a high rate of inflation or a high degree of regimentation which would be costly in terms of sustainable output and growth.

[1] In the 19th century one can find higher growth rates. But the figures are much less reliable and the population increased faster. GNP per capita or per man-hour was very much the same all along as far as we can tell.

The author, a world authority on business fluctuations, is Galen L. Stone, professor of international trade in Harvard University. He was chairman of the panel of experts which drew up the report on "Trends in International Trade" published by GATT in 1958.

by a slight slackening. This slight decline in the rate of growth in recent years has alarmed a good many people, although it is probably too early to say whether the decline is significant or only a temporary pause. At any rate, if there is justification for serious concern, it must be based on comparison of the rate of growth with that of other countries (Russia, continental Europe, Japan), or on a general raising of the sights. It cannot be based on the recent slackening of the rate of growth, which has been quite small and may well be temporary or partly altogether spurious (due, for example, to a shift of demand and output from tangible goods to services, or to a shortening of the workweek). A closer examination of very recent developments I shall attempt below.

TABLE 1.—*U.S. average annual rate of growth between selected years—Compounded rates of change per year of gross national product in 1954 dollars between initial year at top and terminal year on the side*

Terminal year	Initial year								
	1909	1922	1925	1928	1936	1948	1952	1956	1958
1922	1.9								
1925	2.8	6.7							
1928	2.7	4.3	2.0						
1936	1.9	1.9	.6	0.1					
1948	2.7	3.1	2.6	2.7	4.5				
1952	2.9	3.3	2.9	3.1	4.6	4.8			
1956	2.9	3.3	3.0	3.1	4.3	4.0	3.2		
1958	2.8	3.1	2.8	2.8	3.9	3.1	2.0	−0.2	
1959	2.9	3.2	2.9	3.0	4.0	3.4	2.6	2.0	7.0

Source: Joint Economic Committee Report on "Employment, Growth, and Price Levels," January 1960, p. 18.

THE RECORD OF STABILITY

Turning from average growth rates to the pattern of cyclical fluctuations of the postwar period, the picture is equally encouraging. The severe postwar depressions freely predicted by most experts during the war, and which many saw and some still see just around the corner each time there was or is a slight dip in economic activity, have been conspicuously absent.

There have been three mild depressions or recessions—1948–49, 1953–54, 1957–58—and a fourth is probably in progress now. As can be seen from table 2, the three (completed) cyclical downswings since the war were mild affairs compared not only with the great depression of 1929–33, but also compared with the short but severe depression of 1937–38 (and the severe depression of 1920–21). They were comparable to the two mild depressions of the middle twenties (1923–24 and 1926–27). The average length of postwar recessions (about a year) has been shorter than the average in earlier periods and the average length of trade cycle upswings (about 3 years) longer than earlier. (The last cycle upswing, assuming that the economy is now in its fourth postwar depression, was shorter—about 2 years.) The business cycle, declared dead many times, is still with us, in milder but substantially the same form as in the past.

It might be mentioned at this point that it is possible unambiguously to classify American business cycles into two distinct categories: mild depression cycles and severe depression cycles. Severe depressions were (in addition to the three mentioned and not counting war cycles) those of 1907–08, 1893–94 and 1873–79; all other dozen or so depressions since 1870 were of the mild variety. The postwar cycles have been definitely of the mild variety and are in many respects, although of course not in every detail, similar to the mild prewar cycles.

It is characteristic of mild depressions that personal income and retail sales are little affected by the drop in output and this is borne out by postwar figures. That is at present largely due to the operation of so-called automatic stabilizers, which prevent incomes and consumer demand from falling, or falling sharply, when output declines. They thus prevent deflationary spirals or bring them to a halt quickly.

Table 2 brings out other interesting features. It will be seen, for example, that the drop in steel ingot production and passenger car production[2] during the mild postwar recessions, while less than during the severe slumps of 1929–33 and 1937–38, has not been of an entirely different order of magnitude, as was the case with GNP, personal income, and retail sales. This reflects the decline in the comparative importance of these two industries in the U.S. economy.

[2] The recession of 1948–49, which occurred during the period when the stock of automobiles was in the process of being brought back to normal, is an obvious exception.

TABLE 2.—*Some measures of postwar and prewar depressions—Percentage changes from peak to trough*

	Postwar			Prewar		
	November 1948–October 1949	July 1953–August 1954	July 1957–April 1958	October 1926–November 1927	August 1929–March 1933	May 1937–June 1938
Length in months	11	13	9	13	43	13
Unemployment rate (trough month) (percent)	7	6	7.2	(1)	25	19.7
Nonagricultural employment	−4.1	−3.4	−4.4	(1)	−37.7	−10.0
Industrial production	−7.7	−9.5	−12.2	−5.7	−50.1	−31.5
GNP (current dollars)	−3.3	−1.8	−3.0	+.3	−49.6	−11.9
Personal income	−3.7	−.2	−.5	+.8	−49.8	−11.2
Retail sales	−.3	−.8	−3.4		−43.3	−14.1
Steel ingot production	−37.1	−28.2	−49.5	−15.2	−79.1	−60.6
Car production	+25.9	−24.1	−41.2	−42.0	−78.1	−60.0
Consumer prices	−2.0	+.1	+2.5	−1.6	−26.5	−1.6
Wholesale prices	−6.3		+1.3	−2.8	−37.6	−10.4
Imports	−6.1	−8.2	−4.4	−7.0	−76.9	−47.7

[1] Not available.

NOTE.—Figures are based on 3-month averages centered on peak and trough months. In the case of GNP, the change is from peak quarter to trough quarter.

Source: This table is taken partly from G. Moore, "Measuring Recessions," p. 261 (with later revision) and partly from unpublished worksheets supplied by G. Moore.

The mere fact that depressions have been mild, and deflationary spirals have not developed since the war, is not sufficient assurance that the automatic stabilizers will always be powerful enough to prevent depressions. The same kind of faith could have been placed in them during the twenties. Fortunately, however, we do know from direct observation that there are now powerful stabilizers which were not available in the twenties. We also know, what is no less important, that in the early thirties very strong destabilizing forces came into play which largely accounted for the exceptional severity of the great depression—forces which we can be sure are not lurking in the background at the present time. Hence, the mildness of the first three postwar depressions is not merely the result of a transitory coincidence of favorable circumstances, but is solidly based on structural changes. It is a characteristic of the economy that is likely to persist.

AUTOMATIC STABILIZERS

Let me briefly describe the stabilizing factors which have damped the cyclical swings of the American economy, even apart from "discretionary" antirecession policies.

First, there has been a large long-run shift of employment away from cyclically unstable industries, such as mining, railways, and manufacturing, toward cyclically stable pursuits: Trade, services, public utilities, and government. Whatever one may think of it from other standpoints, the tremendous increase in the government sector must be judged as a powerful factor stabilizing the economy by its mere existence, as well as by providing scope and leverage for automatic and discretionary countercyclical fiscal policies. It is true that there have also been shifts from stable to unstable sectors. The importance of agriculture, which was stable as far as employment is concerned, has declined greatly. But this is offset by the Government policy of farm price support, a policy largely insulating farmers' incomes from recessions. Terribly wasteful though it is, this policy must be considered a stabilizer. It is true, consumer expenditures have shifted, less proportionately being spent on soft goods than on durables, the demand for which is less stable. This does not, however, alter the fact that the net, overall shift in employment has been in the direction of greater stability.

Automatic "built-in" fiscal stabilizers have been so much discussed that a mere mention seems sufficient. Unemployment relief, other transfer payments and the automatic decline in tax receipts in recessions, making disposable income even more stable than personal income, help to iron out the cycle.

The record of discretionary policies is less clear. Let me consider monetary policy first. Ever since the Federal Reserve regained freedom of action in its "accord" with the Treasury in 1951, weapons of countercyclical monetary management have been wielded with greater energy than ever before. During the cycles which culminated in the peaks of 1953, 1957, and 1960, interest rates rose sharply during the upswing and were reduced promptly and precipitously as soon as the peak of the cycle was reached—in 1960 even well before the peak. Hence it cannot be denied that monetary policy during the last 10 years or so has been vigorous and courageous, in the face of vicious and often ill-informed and partisan attacks, and has shown a keen sense for cyclical timing, in glaring contrast with policies in earlier

periods.[3] Furthermore, it is difficult to doubt that in 1953–54 and 1957–58 the sharp drop of interest rates and the easing in credit and money supplies greatly contributed to making these two recessions mild and short.

This statement is, however, compatible with the hypothesis entertained by some experts that, in view of the lag with which monetary measures take effect, it would be highly desirable to act even more promptly: to change from tightness to ease of credit and the other way around well in advance of the cyclical turning-points. But in view of the difficulties of diagnosing the current situation promptly (for example, distinguishing a temporary ripple from a real cyclical turning-point), let alone the impossibility of accurate forecasting, to act in anticipation of a cyclical turn is a very hazardous proposition. It must therefore be doubted whether monetary policy can make a much greater contribution to ironing out the cycle than it has actually done in recent years.

DISCRETIONARY FISCAL POLICIES

The contribution of discretionary (as distinct from automatic) countercyclical fiscal policy through variations in Government expenditures (public works and others) and of tax rates is not impressive. It is true that nowadays almost everybody agrees that countercyclical fiscal operations are highly desirable. It is also true that on 2 occasions (in 1948 and 1953) tax reductions have substantially contributed to mitigating and shortening recessions; but in both cases the decision to reduce taxes was demonstrably not part of a conscious antidepression policy. Thus, in the spring of 1948 Congress passed a substantial cut in income tax rates over the veto of the President who, on the advice of most experts, argued that the country was still faced with inflation and could not afford a tax reduction. Later, it turned out that the tax cut was ideally timed to counteract the first post-war recession. In 1953, the tax reduction had been scheduled a long time before. In both cases it was a once-for-all adjustment and not a temporary abatement for the duration of the recession.

In 1957 and 1958, many experts recommended a temporary tax reduction to counteract the recession, but they did not succeed in having their proposal adopted. Instead, Government expenditures were increased in a haphazard way. Together with the automatic decline in tax receipts, this resulted in a record deficit of $13 billion during the fiscal year 1959 (ending on June 30, 1959). Thus, deficit financing, for the most part, came too late to alleviate the recession. Rather it helped to feed inflation and to breed inflationary psychology and, according to many experts, including Mr. Per Jacobsson, played an important role in weakening the dollar.

In summary, the contribution of purposive countercyclical fiscal policy has so far been small. In a sense, this should be cause for optimism, because it means that there exists here a largely unexploited line of policy for the future. It must surely be possible to overcome the resistance to this and to bring about some countercyclical variability in Government expenditures and taxes.

I am convinced, moreover, that the general readiness, in principle, to engage in such a policy, which extends to the leading figures of both political parties, and especially the determination to create a deficit through larger expenditures and/or lower taxes in case of a serious depression, has already exerted a great influence, although there has not yet been an occasion to put it to the test. Along with other factors—in the first place the simple fact that there has been no severe depression for so long—it has helped to banish the fears of severe depressions or stagnation in the future and to create the long-run optimism that has made long-term expectations and investment decisions more or less immune to short-run fluctuations. It would indeed require a rather severe and prolonged depression to shake the prevailing mood of long-run optimism.[4]

So much for the "automatic stabilizers" (in the broad sense) and discretionary stabilizing policies on which we can count but which were not available or were very weak and at any rate not vigorously used before and during the great depression. Despite the absence or weakness or lack of use of those stabilizers, the depression of the 1930's would surely not have become nearly so severe if it had not been for certain intensifying "exogenous" factors, which are not a necessary part of the cyclical mechanism. I am referring to the collapse of the American banking system in 1933 and, on the international level, to the collapse of the gold exchange standard, wholesale liquidation of international credit and competitive currency devaluation.

THE FOURTH POSTWAR RECESSION

Against this historical background and the improved structural characteristics of the American economy, what is the current situation and what are the prospects for the future?

At the time of writing (November 1960), it seems that the fourth postwar recession started early last summer. Some competent observers have tentatively fixed the turning point as early as May 1960. If this turns out to be correct, the recession came sooner than the great majority of experts had expected. Early last spring, most economists expected that the upswing would last well into 1961. Many thought that the long steel strike of 1959, which had resulted in a temporary dip in industrial production and a depletion of inventories, would serve to postpone the downturn and to prolong the upswing. I mention this and earlier failures of the experts to foresee what was coming, not in order to foul the nest of the economists, but to emphasize the hazards of short-term forecasting.

Supposing the recession did in fact start last May; the preceding upswing had lasted 25 months, making it the shortest of the postwar period. What are the chances that the recession will again be short and mild?

I see no reason why this should not be the case. The factors making for stability are still there, the automatic stabilizers function, discretionary monetary and fiscal policy can and will be used, and should be able to cope with any unforeseen emergency. Long-term optimism seems to be unshaken and, while inventory investment has declined and will probably continue to decline for some time, and while certain short-term investments in plant and equipment will be curtailed if the upturn does not come soon, there is not much danger that many long-term investment plans will be scrapped.

Possible sources of trouble are the continuing deficit in the balance of payments, the weakened international reserve position, and renewed inflation. Although it seems to be dormant for the present, let me discuss the inflation problem first.

THE PROBLEM OF INFLATION

The American economy had its last bout with inflation in 1958–59. Prices had been rising through the boom of 1955–57 and kept on rising through most of the recession—a very unusual and disquieting development—resuming their upward movement after the recession was over. It is true that the price rise during this whole period was not large compared with what happened in most other industrial countries. Moreover, it was quite moderate compared with earlier American experience: from December 1954, to August 1957, wholesale prices rose 8 percent and consumer prices 6 percent. According to A. F. Burns, the average rise of wholesale prices during all business cycle upswings from 1850 to 1950, leaving out the war years and immediate post-war years, was 17 percent.

Why then, it may be asked, was there so much concern with inflation? The plain fact is that in 1958 and the early months of 1959 inflationary psychology spread dangerously. It was manifest in a number of developments: a strong boom on the stock exchange; many wage increases; a brisk rise of industrial material prices after April 1958, until the end of that year (continuing at a reduced rate well into 1959); a gentle increase of wholesale prices, excluding foodstuffs, during 1958, followed by a faster rise from December 1958, to May 1959; a further rise in farm and urban real estate values; a sharp expansion in orders and contracts during the first half of 1959; a quickly rising Federal cash deficit in 1958 and 1959; a marked increase in consumer credit from December 1958; and, lastly, great pessimism concerning the dollar. Inflationary psychology was even reflected in, and in turn fanned by, the teaching of influential economists who declared creeping inflation inevitable and innocuous; this illustrates how inflation feeds on itself.

The basic reason for this rise of inflationary psychology so early in a business cycle upswing is to be found, I believe, in the fact that for the last 27 years there has never been a period of falling prices, while there have been numerous periods of rising prices. Whereas the curve of prices (wholesale or retail) from 1914 to 1932 had the shape of a wave, from 1933 to 1960 it looks like an ascending staircase. A period of 27 years of at first open, then chronic, through intermittent, inflation, has produced increasing sensitivity to even moderate price rises. Especially the unusual phenomenon of prices and wages rising right through the recession was widely regarded as an ominous sign portending continuing inflation.

In 1959, drastic steps to curb inflationary psychology became imperative and were in fact taken. The Federal cash budget was switched from a deficit of $13 billion in fiscal year 1959 to a small surplus in fiscal year 1960—one of the most violent shifts in the annals of American history in times of peace—and interest rates rose steeply.

These measures have been effective. Prices have now been fairly stable for almost 2 years and inflation psychology has evaporated—for the time being. It is not surprising that this strong medicine has produced a slowing down of expansion and now a recession. What is surprising is that nobody, including the present writer, foresaw the early onset of the recession.

---

[3] Despite the fact that the Federal Reserve confined its open market operations (with only minor exceptions) to Treasury bills, cyclical fluctuations of long-term rates were exactly parallel with that of short-term rates as far as direction is concerned. To that extent, the "bills only" policy worked satisfactorily. Naturally, the amplitude of the cyclical swings of long-term interest rates was much smaller than that of the short-term rates (bill rate).

The "bills only" policy, however, may be open to criticism in that it probably requires a much lower short-term rate and a larger amount of money creation to bring about a given drop in the long-term rate, than would be required if the Federal Reserve operated directly in long-term markets instead of counting on the short-term rates to pull down the long-term rates. But these are very involved technical questions which cannot be further discussed here.

[4] The severe depression of 1937–38 offers a contrasting example. It shows how different the reactions can be in a generally pessimistic climate.

There have, of course, been lots of people who have been crying "wolf" for years. The high interest rate policy has been under continuous fire for slowing down growth and producing slack. But what the critics had in mind was a gradual tendency of the rate of growth to decline and of unemployment to rise; they did not predict the recession. It is true the unemployment percentage has been slightly higher in recent years, compared with earlier postwar years in corresponding phases of the cycle. But the increase is surely not of alarming magnitude; it may well be temporary and in any event served at least to stop inflation.

No doubt easier money and a continuation of the Government deficit (or a less rapid return to budgetary balance) would have stimulated output and employment and staved off the recession for a while. But, given the inflationary climate prevailing at that time, such a policy would surely have led to further sharp price rises, continued inflation and a dangerous increase in the balance of payments deficit. (To the obvious objection that the balance of payments deficit is still large, I shall turn presently.)

Let me now ask the question: What are the chances that easier money policy and expansionary fiscal policy, involving perhaps a moderate deficit, will bring about a new upswing without immediately producing disturbing inflationary developments?

I am inclined to answer that a breathing spell has been provided by the facts that inflation psychology was effectively curbed in 1959 and that prices have remained stable for 2 years. It should therefore be possible now to take a considerable step forward, not only from the low point of the current recession (whenever it is reached) to the previous peak, but well beyond that to a higher level of production and employment. The outgoing administration has thus bequeathed to its successor a splendid opportunity, which it is to be hoped will not be squandered.

This statement must, however, be hedged and qualified. It presupposes the new administration does not shake confidence by hasty actions and by taking (or appearing to take) too seriously irresponsible election promises (such as higher farm price supports, higher minimum wages and other cost-and-expenditure-raising measures), thereby creating inflationary fears right from the start. It further presupposes that as soon as the unemployment percentage declines trade unions do not try, or if they try are not again permitted, to push up wages faster than general productivity (output per man-hour) rises. It should not be forgotten that sensitivity to price rises is now greater than it used to be because of the inflationary trend of the last 27 years and that therefore inflationary fears, allayed by 2 years of price stability, may be quickly rekindled if prices begin to rise again. It would be unrealistic, however, to assume that even with the best policies a rise in the price level can be entirely avoided during the next expansion or, for that matter, during any cyclical upswing.

The era of creeping, intermittent inflation is not yet over, although the end of the inflationary era has been predicted by prominent experts. When prices never come down, because wages are rigid or even show a tendency to be pushed up in the face of unemployment, the long-run trend of the price level is almost certain to be a rising one. All we are entitled to is to hope that the creep upwards will be slow. Then the cyclical upswings can be longer, and at the next business cycle peak the unemployment percentage rate will be lower and the growth of gross national product correspondingly greater.

If and when the price rise becomes a little faster—and especially if it begins to feed on itself, due to the emergence of an inflationary psychology—even the coming Democratic administration will have to do something about it. It is difficult to say (it depends on all sorts of circumstances) what the danger point is, but let me guess that a price rise of 1½ or 2 percent per year will cause difficulties if it lasts, say, 1½ years or longer. If this happens, despite all the agitation against tight money, the new administration will then find it necessary to tighten money again. If they used fiscal policy (a budget surplus) instead of monetary measures to put the brake on inflation, it would not make much difference. In either case, the expansion of output and employment will be slowed down.

GROWTH WITHOUT INFLATION?

But are there no ways of preventing dangerous price rises before a very high level of employment is reached? In other words, is it not possible to get closer to full employment peaks, and stay there longer than in previous cycles, without running into inflationary troubles? In theory, it should be possible to get closer to full employment, but it would probably require restrictions on labor unions and other reforms that are politically extremely difficult.

It is, of course, easy to think of all sorts of measures that may be expected in due course to increase productivity: tax reform, elimination of various monopolistic restrictions and featherbedding by business and labor, measures to increase labor mobility, the training and retraining of workers, education, changes in social security laws enabling older workers to work beyond 65 without losing benefits, and so on and so forth. It is often thought that by such measures output can be raised quickly enough to offset the rise of wages, costs and prices, and hence make anti-inflationary financial policies unnecessary. This, I am afraid, is an illusion. Almost all of these measures are in the nature of slow-working reforms whose effects could not be expected to become apparent during the next few phases of the business cycle.[5] Moreover, some of them would require substantial additional expenditures and for this reason cannot be regarded as anti-inflationary devices unless they were part of a comprehensive reform.

Let me make one thing clear. I do not wish to minimize the usefulness and importance of these measures; I hope many of them will be taken in hand. All I wish to say here is that they are not a substitute for monetary discipline and wage discipline as preconditions of attaining higher levels of employment without inflation. Let me also make it clear once more that the question is not how to avoid a severe depression or serious chronic stagnation, but rather to make mild and short recessions still shorter and milder; to increase the rate of growth of GNP over the cycle by, say ½ percent (there is no use to set up precise target rates), and to reduce unemployment, again over the cycle, by, say, 1 or 1½ percentage points. I am not a believer in the theory that the United States is so affluent that the employment of a million workers more or less does not matter (even if individual hardship can be almost entirely avoided by liberal unemployment benefits), but I think it is not a matter of overriding importance. In fact, there are good reasons to believe that in the long run the rate of growth will be greater if inflationary disturbances and inefficiences and wastes are kept within bounds, although it may be difficult to achieve that except by allowing a little more unemployment than would be necessary anyway in a changing economy.[6]

IMPORTANCE OF GROWTH

The American people have become growth-conscious. Although the postwar record of growth is by no means as bad as it is often believed, I would agree that more rapid growth (as measured by the rise of per capita real income) would be most desirable. It is absurd to say that the United States is so affluent that it need no longer worry about production and that it can even accept a larger amount of more or less permanent unemployment than would otherwise be necessary for the sole purpose of preventing labor unions from causing inflation by pushing up wage rates faster than average output per worker increases.

It is easier, however, to say that growth is desirable than to indicate how it can be speeded up. Over long periods, growth (as conventionally measured) has been surprisingly (or should I say suspiciously?) stable at around 3 percent per year (aggregate real GNP, not per capita). It is safe to say that to speed up the longrun growth is much more difficult than most people, who speak glibly about it, realize. I shall confine myself to indicating a few things that could be done without trying to guess how effective, precisely, the measures proposed would be. It serves no useful purpose to set arbitrary targets for growth of 4 percent, 4½ percent, or 5 percent instead of the actual 2.9 percent or 3 percent and to say that these targets must somehow be reached.

Just as important as indicating what could be done is dispelling erroneous notions which are very widespread.

Among the erroneous notions is, in my opinion, the widely held view that an almost indiscriminate extension of the public sector of the economy—apart from shortrun effects of deficit spending—would accelerate growth. In the short run, under conditions of widespread unemployment, it is, of course, possible (in fact, fairly easy) to bring about a rapid rise in real GNP by deficit spending. The jump to 7 percent in the rate of growth from 1958 to 1959 is a case in point. But a deficit can also be produced by tax cuts (instead of larger expenditures), and these shortrun effects have little to do with longrun sustained growth. Shortrun increases in real output, if brought about by highly inflationary methods, in fact, impair the chances of rapid longrun growth, because inflationary improvements inevitably lead to reactions.

It is true, curing or preventing severe and prolonged depressions (such as the great depression of the 1930's) by deficit spending will also favorably affect longrun growth, but it would be a mistake to believe that a high-pressure system for the purpose of preventing even very short run fluctuations and maintaining full or overfull employment

---

[5] An exception might be a sharp reduction in farm price supports, which would quickly relieve the pressure on the cost of living and thus make possible a prolongation of the next upswing. The fact that most measures to raise productivity are slow-working reforms make them very popular with politicians. It enables them to talk about things that look useful and desirable, gives the impression that something is being done against inflation, and provides an excuse for not doing the really decisive but disagreeable things.

[6] I think I can take if for granted that permanent compression of unemployment below the level of normal frictional unemployment by means of inflationary pressure plus all sorts of controls ("high pressure system") would be anything but conducive to rapid growth. The contrast between Great Britain, on the one hand, and Germany and Italy on the other, illustrates that point. The unavoidable, or in a sense "optimal," amount of frictional unemployment is very difficult to estimate. It probably changes from time to time with the surrounding circumstances. A rough guess for the United States may be 3½–4 percent of the labor force.

continuously at the price of open or "repressed" inflation (i.e., inflation where the symptoms are suppressed by all sorts of direct controls), is the best method of speeding growth. Literally full or overfull employment is not conducive to sustained high rates of growth. The economy needs a certain amount of frictional unemployment to function efficiently and structural unemployment cannot be avoided or cured in a hurry without imposing inefficient controls or causing intolerable inflation—conditions which are bound to reduce the long run growth.

The European experience has shown that those countries that have tried that approach—"high pressure system"—Norway, Great Britain, have had a much slower rate of growth than countries that have allowed free rein to free enterprise, have followed sound financial policies to prevent inflation and permitted a fairly large amount of unemployment to exist for considerable periods—namely, Germany and Italy.

Nobody will deny that public action (on the Federal, State, and local level) in the area of education, training, research, conservation, flood control, transportation, etc. is essential for economic growth. It is, however, more the quality than the quantity of public effort and expenditure that is important. At any rate, a massive increase of activity involving large additional expenditures, which are recommended for the purpose of accelerating growth, would require equally massive increases in the tax burden. There can be no doubt, in my opinion, that the disincentive effect of our present tax system is very great. This is being increasingly recognized in lay and expert circles alike, although most advocates of an expansion of the public sector, for the purpose of speeding up the rate of growth, are usually silent on the tax implications of their proposals or dismiss this crucial aspect of the issue with a few perfunctory remarks.

The damaging feature of the tax system is probably more its quality, viz, the excessive progressiveness rather than the overall weight. This is strongly suggested by comparison with other industrial countries in Western Europe. There the overall tax burden is, in percent of GNP, not less than here, but none, especially not the fast growing countries (Germany and Italy) have anything coming near our high tax rates on large incomes and profits.

It should be realized, however, that it is politically extremely difficult to bring about a radical change in the tax structure. These difficulties become much greater or well-nigh insurmountable, if the reform would have to be made against the background of a sharp overall increase in the tax burden.

These extremely important issues cannot be further pursued in this paper. Let me briefly summarize: While it is true, of course, that public action involving Government expenditure in many areas (especially education and research) can help to accelerate growth, no very quick results should be expected. More important than an overall increase are improvements in the quality of public expenditures, and the serious disincentive effects of heavy taxation must be deducted from the hoped-for positive effects.

SOME SPECIFIC SUGGESTIONS

Let me make a couple of specific suggestions of growth-promoting policies which do not require additional expenditures and of which one at least promises quick results.

The most important kind of action is a radical reform of agricultural price-support policy. Here the Government spends billions of dollars each year to encourage the production of unwanted surpluses, to keep up prices and to slow down needed adjustments. This is the opposite of growth policy—it is a policy to reduce the rate of growth and to accelerate inflation.

Instead of going into details, I attach an excellent paper by Prof. Hendrik S. Houthakker (Harvard University), "Toward a Solution of the Farm Problem," in the Review of Economics and Statistics, February 1961. The author outlines a concrete method which would quickly eliminate the inflationary and growth-impeding effects of the present system without a sudden drop in agricultural income. The subsidies could thus be gradually reduced over a period of several years.

Another suggestion for accelerating growth concerns a reform of the social security system. It should be made possible for recipients of old-age pensions to go on working as long as they are able and willing to do so without losing their pensions. They should be allowed to draw their pension even if they work, or else they should be given an opportunity to earn a larger pension from a later date on by continuing to work. Such a change in policy would be most desirable, not only from the economic point of view, but from the social point of view as well.

FREER INTERNATIONAL TRADE AS A MEANS OF ACCELERATING GROWTH

One of the most important measures which could speed up growth would be freer trade. Lower import duties, especially if the reduction were used to induce other countries to do the same, would benefit the American economy in several ways.

I realize that this proposal raises numerous issues, that it will be hotly contested in some quarters, and that the present moment when our balance of payments is not as secure as it used to be may not appear well chosen for advocating more liberal import policies.

To the last objection, the answer is that shortrun difficulties with the balance of payments should not and need not be allowed to interfere with the longrun demands and exigencies of progress and growth. The balance-of-payments issue as such and the illegitimate use of it for opposing liberal trade policies as well as other objections to the latter, I have discussed at some length in a recent paper read before an economic institute of the Chamber of Commerce of the United States. A copy of this paper is attached.

THE ECONOMICS OF INTERNATIONAL MARKETS

(By Gottfried Haberler)

THE PROBLEM OF THE BALANCE OF PAYMENTS

The most pressing problem of American international economic relations at present, and at the same time a novel experience for the United States, is the loss of gold and the deficit in the balance of payments. Let me start with this question, although I shall argue later that there exist other trade problems, just as important, that were with us before the payments deficit arose and that will remain long after the payments deficit has been all but forgotten.

The broad facts about our external deficit are by now so well known that I need not do more than recall them in rough outline. In every year from 1950 to 1956, while many people, laymen and experts alike, were talking of the secular dollar shortage, the United States had a deficit in its balance of payments of on the average $1 billion a year and the rest of the world was gradually rebuilding its international reserve of gold and dollars.

After a short interlude of balance due to the Suez crisis in 1957, the deficit jumped to a little under $4 billion in 1958 and has remained at that level in 1959 and 1960. Our gold stock has declined from $22.8 billion in 1950 to under $17.5 billion, while foreign liquid dollar holdings have gone up from $7.12 billion in 1950 to over $18 billion at the end of 1960 of which more than $10 billion are held by foreign official institutions (central banks) as part of their international currency reserve.

It is generally agreed that the deficit cannot be allowed to continue much longer near the present level without undermining confidence in the dollar.

Let me first discuss the causes of this rather unexpected development and then indicate its true magnitude and alternative remedies.

Two factors explain fully and satisfactorily, I believe, what has happened: First, the rapid recovery and growth and the adoption of sound, orthodox financial policies in Western Europe and Japan; second, inflation in the United States.

There is nothing we can or should do about the first factor. Obviously, we cannot ask other countries to hold back their growth which we helped to bring about by massive aid and assistance. And we should not ask them to give up their sound financial policies. Let us not forget that none of these countries has pursued a policy of deflation; all they have done is not to inflate enough to make our own inflation compatible with international equilibrium.

It should be emphasized, because it is so often forgotten or ignored, that growth alone without sound finance would not have improved the balance of payments of Western Europe and Japan. Had they not followed prudent financial policies they would have endangered their growth. But even if we assume for argument's sake that they could have accelerated their (real) growth by loose financial policies, it would have been easy for them to perpetuate their dollar shortage and by the same token to forestall our gold drain. This is equally true for the United States. Accelerating real growth (rise in GNP in real terms), however desirable or imperative it may be, is not sufficient in itself (i.e., irrespective of the method by which it is achieved) to reduce the deficit in the balance of payments. I have more to say on this problem below in connection with the discussion of remedies.

Let me now concentrate on the second factor responsible for the balance-of-payments deficit which was mentioned above, namely, on our own inflation. It is often denied that our balance-of-payments deficit has anything to do with our inflation on the ground that the overall price level here has not risen more than elsewhere. I need not bother you with elaborate statistics. The facts are simple enough. It is roughly true that overall price levels here have hardly risen more than elsewhere. On the other hand, our export prices have gone up substantially more than those of our principal competitors and steel prices in particular, one of the few cases where direct price comparisons can be made, are now much higher than in Europe while the difference was small in 1955.

But whatever comparative price indexes say—international price comparisons are a very tricky business, if the differences are not very large—the proof of the pudding is in the eating. The stubborn fact is that the inflation we have had since 1955, call it small or big by any standard you like, was too much for our balance of payments in view of the increased competition from Europe and Japan with which our export industries are now faced. And this condition is likely to remain what it is. The degree of inflation we can afford without losing gold will be limited in the foreseeable future by foreign competition and by the degree of inflation that our competitors have.

MAGNITUDE OF THE DOLLAR PROBLEM

Before discussing remedies let me indicate the magnitude of the problem. The situation is embarrassing and if mismanaged could easily become more embarrassing. But despite this, and contrary to what is often assumed, the adjustment that is required to remove the imbalance is really quite small. A rise of exports (or a fall of

imports) from the 1960 level of $2 billion per year would be quite sufficient, probably more than sufficient, to restore equilibrium.[1]

True, to export more (and import less) means giving up resources which must be subtracted from domestic consumption or investment. But the magnitude of that unavoidable "real burden" of adjustment (even if it were somewhat magnified by an adverse shift in the terms of trade) is minute compared with our national product and small compared with the normal annual growth of gross national product and still smaller compared with the growth we should be able to achieve during the next few years from the present level of economic activity temporarily depressed as it is by the recession. The adjustment of the balance of payments, if managed properly, does therefore not require a reduction in the standard of living or a decline in the level of real wages. On the contrary, we shall see that in view of our present state of underemployment, if properly managed, the correction of the deficit will stimulate output and employment over and beyond what is required for larger exports or for import substitution.

REMEDIES

Let me first mention a few measures, some desirable and some undesirable, which have a common characteristic in that they do not go to the root of the problem, although they would help to correct the imbalance and some, especially some of the undesirable ones, if pushed far enough, could bring about a full adjustment. For brevity's sake, I shall state my views bluntly and dogmatically, leaving out certain qualifications which would have to be made in a fuller treatment.

We should insist that discrimination against U.S. exports be entirely discontinued and that the surplus countries reduce trade barriers. We can ask for a greater contribution by Europe toward the common defense effort and aid for undeveloped countries. Exports could be stimulated by various measures such as improved information services by the Department of Commerce, organizing international trade centers in oversea countries, more liberal export credits and the like. Furthermore, we can try to attract foreign tourists to the United States. But I am afraid not much can be expected from such small measures unless outright subsidization of exports were contemplated.

We should not let ourselves be stampeded into petty measures such as recalling Army dependents, "Buy American policies" for Army PX's and the like, and we should resist the temptation to restrict imports by higher duties or quotas. Such a course would give the lie to our policy and our preaching to other countries during the last 25 years under Democratic and Republican administrations alike. I also take it for granted that an active policy of deflation, i.e., an actual contraction of monetary expenditures entailing unemployment and unused capacity, is totally unacceptable nowadays.

As far as the capital balance is concerned, it has been proposed that special tax incentives for foreign investments should be removed. It is doubtful, however, whether such special incentives do in fact exist. The mere fact that earnings from foreign investments are not taxable before they are repatriated and that there are provisions against double taxation, cannot be called "special incentives."

Much more important than special tax incentives for investments abroad is the fact that taxation of both personal income and corporate income is much more oppressive and progressive in this country than in most competing industrial countries. This tax structure exerts a disincentive effect on domestic investment and savings. Like scores of other factors which hamper growth and progress, it has certain balance-of-payments implications and remedial action should be taken. But it would be a mistake to try to eliminate the balance-of-payments effect by penalizing capital exports.

Much too much has been made,[2] in my opinion, of the proposal to check the capital outflow by discontinuing the so-called bills only or bills preferably policy. The idea is to reduce long-term interest rates without keeping short-term rates at very low levels. By thus reducing short-term interest differentials between here and abroad, it is hoped to diminish the inducement for funds to be transferred abroad. I do not expect much from this policy for the following reason: The bills only policy has not prevented long-term rates from declining substantially and the large capital exports in recent years (especially in 1960) were only in part motivated by short-term interest differentials. Furthermore, long-term interest differentials, too, may induce some capital exports. It remains to be seen whether under this new policy short-term rates will not fall almost as much as under the bills only system. Finally, an overall deficit caused by capital movements that are induced by short-term interest differentials is altogether a much less serious condition than one due to a deficit in the current balance[3] because this type of capital movement is essentially of a transitory nature and subject to easy reversal.

All the remedies mentioned so far are either small measures where effects are uncertain or insufficient, or they are undesirable.

I turn now to what I call the acceptable and appropriate remedies. They have this in common, that they bring about a slight fall of our price and cost level as compared with that of the surplus countries, without producing or increasing unemployment and slack.

There are several ways of bringing this about. If we insist on leaving exchange rates unchanged, the correction must be brought about by a differential change in the absolute price levels in the surplus and deficit countries, respectively—dollar prices in the United States and mark prices in Germany, and so on. Supposing prices remain roughly stable or rise only slightly in the surplus countries—notably in Germany—then prices should fall or at least rise less in the deficit countries—the United States and the United Kingdom. This will not be an easy task for us, because we start now from a recession and are faced with a wage push. However, if we could prevent money wages from rising quite as fast as productivity rises, prices could gradually fall, and if the surplus countries let their prices rise a little—and the chances are good that they will because they operate at boom conditions—an equilibrium could gradually be reached. It cannot be emphasized too strongly that this policy—let us call it the policy of relative disinflation—which would be the most natural and conservative approach to the problem,[4] does not require a decline in the level of real wages,[5] not even in the sense that real wages would rise less rapidly than with a policy of letting money wages rise more rapidly because in this latter case prices would rise leaving real wages roughly unchanged. All that the method of relative disinflation requires is a little more money wage discipline than we have had before the onset of the current recession.

Let me emphasize once more that a policy of speeding up recovery from the recession and accelerating growth, eminently desirable though these objectives are, is by itself not sufficient, not even conducive to correcting the payments deficit. If recovery is brought about by inflationary means and is accompanied by renewed wage push, prices will rise and the balance of payments will deteriorate.[6]

Only if recovery and growth are accompanied by wage discipline and at least some prices are allowed to fall, can we expect, in the absence of lucky breaks, an improvement in the balance of payments. If we cannot muster that much discipline, if the surplus countries do not bail us out by inflating their price-cost structure sufficiently, and if the "small measures" mentioned earlier are insufficient to correct the imbalance, then a change in the exchange rate becomes imperative. If under these circumstances no change in the exchange rate were made, we would go down in a morass of exchange control, petty police measures, and import restrictions by quotas and licenses which would be in glaring contradiction to the basis principles and practice of our foreign economic policies during the last quarter century, and would, in addition, be poison to the free enterprise system.

The required change in exchange rates could be effected either by an appreciation of the currencies of the surplus countries, primarily of the German mark, or by a depreciation of the dollar. Suppose the dollar were depreciated by raising the price of gold. No doubt most currencies, including sterling

---

[1] It is true that the deficit in the balance of payments during 1960, as officially computed by the Department of Commerce, was over $3½ billion. But it should be observed that the official definition in a sense exaggerates the magnitude of the problem. While the official deficit in 1960 was approximately of the same magnitude as in 1959, its structure was changed: In 1959 it was largely due to deficit in the current balance (balance of goods and services); in 1960 the current balance showed a substantial surplus of $5 billion and the overall deficit stemmed from large capital exports which to a great extent were made in search for higher yields and safety. Now the point is that these capital flows will cease and reverse themselves, at least to a large extent, if the current balance remains favorable.

[2] For example, in the President's "Message to Congress on the U.S. Balance of Payments and on Gold" (the New York Times, Feb. 7, 1961). The emphasis on this point seems to be a hangover from the election campaign in which every argument was good enough to beat the Federal Reserve.

[3] I do not want to pass judgment on the bills only policy one way or the other. I only say that its effects for the balance of payments are small and the stress on this minor point has diverted attention from the more crucial aspects of the international payments problem.

[4] "Conservative" in the sense of conserving established relationships, such as exchange rates; in other words, less disturbing.

[5] It should be observed that I speak of the overall wage level. It is, of course, always possible that a particular group of workers by virtue of their better bargaining position and stronger or more ruthless unions may gain a temporary advantage at the expense of the rest of the labor force or other segments of society.

[6] The President's "Message to Congress on the U.S. Balance of Payments and on Gold" (see the New York Times, Feb. 7, 1961) slurs over this crucial point.

It is also unrealistic, in my opinion, to expect any help in that case from the capital balance. The argument runs like this: A growing economy will attract foreign capital and retain capital which in a stagnant economy seeks more profitable employment abroad. This will, however, hardly happen on a sufficient scale unless the current balance is favorable. A deterioration of the current balance would again raise doubts about the future of the dollar which would strongly counteract any favorable turn in the capital balance.

and the currencies of all British Commonwealth countries, all Latin American countries, etc. would go along. Since there are only a very few surplus countries, it would clearly be simpler to appreciate their currencies than to depreciate all the others. Let the dog wag the tail and not the tail sway the dog.

BASIC PROBLEMS OF TRADE POLICY

Let us suppose now that the imbalance in our international payments has disappeared as a result of favorable circumstances or has been corrected by the method of relative disinflation or by a change in the exchange rates or a combination of the two. The basic problems of trade policy still remain. Let me briefly discuss two: First, should we continue our policy of the last 25 years and seek to reduce trade barriers or should we move in the opposite direction? Second, since we shall continue to have some import restrictions no matter how the first question is answered—should import restrictions take the traditional form of import tariffs or should more use be made of quantitative restrictions (quotas, licenses and the like) as was proposed frequently in recent years?

For the sake of brevity, let me again state my views bluntly and somewhat dogmatically. There is no doubt in my mind that we should continue the policy of reducing trade barriers both for economic and political reasons. But we should insist more than in the past that our trade partners, especially our industrial competitors, do the same. I wish our policy were tougher against all forms of discrimination including that practiced by foreign regional tariff arrangements, common markets, and the like. Based on the mistaken notion of a perpetual dollar shortage in the past, our policy has been too soft on these schemes and has actively encouraged discrimination against us and others.

The principal reason why freer trade is beneficial is that we increase our national product if we import what other countries can produce cheaper than we can and concentrate our productive effort on those lines where we are comparatively more efficient than they. An additional reason is that freer trade makes for healthy competition. Freer trade is the best antimonopoly policy.

Now I know that these principles are not generally accepted and I don't want to spoil my argument by overstatement; I do not deny that there exist valid exceptions to the rule that freer trade increases national output. But before I say a word on the exceptions, let me say something on some widespread misconceptions.

First, the present deficit in our general balance of payments does not constitute a valid argument for protection, although it is so regarded in wide circles. The imbalance ought to be removed by the acceptable methods of relative disinflation or exchange rate alteration which do not imply protection.[7]

Second, it is a fallacy to say that we cannot have freer trade without being priced out of world markets because our wages are much higher than wages elsewhere. The answer to this objection is that our wages, or more generally our overall standard of living, have always been higher for the reason among others that our free enterprise economy is more efficient. This has never prevented our industry and agriculture from competing successfully with those of other countries where wages were lower. The fallacy of a generally higher wage level (or living standard) than elsewhere as an argument for protection is neatly exposed by the fact that the argument here to the effect that our higher wages makes freer trade unprofitable is matched by equally fallacious and just as vocal complaints in foreign countries that they cannot afford freer trade because the American industry and agriculture are so much more productive and efficient than their own.

It is, of course, true that if our wages are pushed up by, say, 5 percent a year while overall productivity rises by, say, 2 percent a year, prices have to go up and we will "price ourselves out of markets" at home and abroad unless other countries too inflate their currencies. But this is the case of a deficit in the balance of payments which would have to be corrected (in case the wage push cannot be prevented) by a change in the exchange rate. Let me emphasize again that neither the method of relative disinflation (avoidance of wage push) nor that of exchange rate alteration implies a decline of real wages in general.

Now a word on real, as distinguished from imaginary, difficulties, which may arise from foreign competition. From the fallaciousness of the argument that a higher real wage level or higher living standard than elsewhere makes freer trade impossible or unprofitable, it does not follow that an individual industry or firm cannot get into real trouble through foreign competition. We are living in a changing world. New products, new processes, new methods of doing things, are continuously being invented and make life hard for those who are unable to adapt themselves quickly. This process of "creative destruction," as it has been aptly termed, inflicts harsh pains and penalties on the laggards. But on this process depends the superior creativeness and productivity of the free enterprise system. Cotton and wool feel the pinch of the rising synthetics; coal miners are thrown out of work by the increasing competition of oil and natural gas; automation produces unemployment in some industries and creates jobs for the producers of automatic equipment; and so on in increasing fashion. If such changes cut across international boundaries, as they often do, you have an international trade problem on your hands and those who get hurt clamor for protection.

It is true that in addition to technological changes international trade involves hazards due to changes in the policy of foreign countries (protectionist measures by foreign governments, discriminatory policies including those involved by foreign regional arrangements such as common markets, currency depreciation, export subsidies, and the like). Such policy risks to our international trade are dealt with by international agreements as provided by the GATT and IMF charter.

There remains, however, a case for shielding and protecting industries temporarily against sudden, large, unforeseen, and not clearly ephemeral encroachments from abroad which threaten to put whole industries out of business and to create a great mass of unemployment. There is, of course, also a case for permanent protection of certain industries on grounds of defense and military preparedness and no country will let its agriculture be wiped out or drastically reduced by foreign competition.

I have not the time to discuss all the important issues involved here or even to mention the more refined arguments which economists have invented to justify exceptions from the freer trade rule. Let me simply say this: Exceptions should remain exceptions. But the trouble is that in practice the exceptions often tend to become the rule and that in this field—as in other policy matters—nothing is so permanent as temporary emergency measures.

I turn now to the second of basic trade policy issues mentioned earlier—the choice between import tariffs on the one hand and quantitative import restrictions, such as quotas and licenses, on the other.

There are, I believe, compelling reasons for preferring tariffs over quotas. If imports are to be restricted, then let it be done by means of import duties rather than by quantitative restrictions. The reason is that, compared with tariffs, quotas, and the same holds true of other quantitative restrictions, require much more red tape and Government interventions which are bound to lead to favoritism and corruption; they eliminate competition, freeze the status quo, reduce productivity, and slow progress. Quantitative restrictions are essentially incompatible with a free enterprise economy which relies for its functioning on the price mechanism of demand and supply and private initiative rather than on Government direction. This has been demonstrated many times by experience and should be obvious on brief reflection.

Suppose the importation of a certain commodity, say sugar or petroleum, two immensely realistic examples, is limited by Government fiat to quantities below the amount that would be imported if market forces were free to operate. The limitation of the quantity that may be imported will necessarily create a difference between the domestic and the foreign price of the restricted commodity which, unlike in the situation where imports are restricted by tariffs, is not covered by transportation costs plus duties. Hence importing becomes an extremely lucrative activity and ceases to be a business where entrepreneurial ability and sound business judgment determine who wins. Under the quota system the Government has to decide who is going to do the importing and the allotment of an import license becomes equivalent to a Government handout.[8] Under the tariff system, the Government collects the duty and the rest is done by the price mechanism, that is to say, market forces determine who does the importing and how much is to be imported. Anyone who asks for the substitution of quotas for tariffs in effect asks for Government handouts and, whether he knows it or

[7] It should be observed that the correction of a deficit by the acceptable methods provides just as much or more stimulus to the domestic economy as protection would. This is most easily seen in the case of a change in the exchange rate (although it applies also to the method of relative disinflation). Suppose the value of the dollar compared with the currencies of the surplus countries was reduced by, say, 10 percent by means of an appreciation of the surplus countries' currencies. This is roughly equivalent to a subsidy of 10 percent on U.S. exports plus a tax on imports of 10 percent, because foreign exporters to us get 10 percent less in their currencies for the dollars they earn and U.S. exporters get 10 percent more in dollars for the German mark, proceeds of their exports. This, evidently, provides a stimulus to our export industries as well as to the industries competing with imports. Protectionist measures (import restrictions) on the other hand stimulate only the industries competing with imports.

[8] Sometimes import licenses are distributed on a first-come-first-served basis. For obvious reasons, this is not a satisfactory arrangement. Who receives the import license (which is equivalent to a Government handout) varies from case to case. In the majority of cases the domestic imports have been the recipients. But it is now often found expedient to let the foreign exporters (or producers) participate in the exploitation of the home market. From the protectionist standpoint this has the advantage that a vocal group of opponents of protectionist policies can thereby be silenced—at the expense of the general public in its double capacity as consumers (who have to pay high prices) as well as in that of taxpayers (since the Government loses the revenue from import duties).

not, demands the replacement of the businessman and market forces by public officials and Government fiat.

It is for this reason that I said before that quantitative restrictions on trade and payments—quotas, licenses, and exchange control—are poison to the free enterprise system.

SUMMARY

Let me briefly restate the argument of this paper.

A sharp distinction must be made between the problem of the balance of payments deficit (gold loss) on the one hand, and the basic trade problems on the other. Two basic trade problems are discussed, the perennial issue of free trade and protection (better: freer trade or more protection) and the choice between tariffs and quantitative trade restrictions.

The deterioration of our balance of payments is due to two developments: First, the rapid economic recovery and growth of industrial Europe and Japan accompanied and stimulated by sound financial policies; second, our own inflation. There is nothing we can or should do about the first factor; therefore I concentrate on the second. Our inflation during the last 10 years has not been very strong by historical standards or compared with the degree of inflation in most other countries, but it was simply too much for our balance of payments in view of the greater competition from Europe and Japan with which our industries are now faced.

The payments deficit is embarrassing and if mismanaged could become more so. But the adjustments required are really quite small and if properly managed will stimulate the economy as a whole.

Proper and adequate remedies of our payments deficit are those which bring about a reduction of American prices and costs compared with prices and costs of our competitors and thus make American industry more competitive. This could be achieved most easily by a change in exchange rates, that is, by an appreciation of the currencies of the surplus countries relative to the dollar and the currencies of those other countries—the great majority of all countries—whose balance is not in surplus.

If exchange rates are to remain unchanged, the reduction of the U.S. price-cost structure compared with that of our competitors must be brought about by a differential movement in absolute prices—dollar prices here, mark prices in Germany, etc. This I call the method of relative disinflation. If prices abroad go up sufficiently—as they may under present boom conditions abroad—all we have to do is to keep our prices stable. If prices abroad remain stable, we should work for a gradual price fall here. This, surely, will not be easy. But it could be done without deflation and without producing unemployment if the rise in money wages were kept below the increase in average productivity.

It cannot be emphasized too strongly that none of the methods suggested involves a decline in real wages. The rise in the general level of real wages (as distinguished from what may happen to the real wages of particular groups of workers) would substantially be the same under any of the methods discussed. The policy of "relative disinflation" requires, however, a little more money wage discipline than the policy of exchange rate adjustment would.

It must also be stressed, because it is often forgotten or ignored, that policies of stimulating recovery from the recession and accelerating growth, eminently desirable though they are, do not by themselves assure correction of the payments deficit. If those objectives are achieved by inflationary means, in other words if it is not possible to maintain money wage discipline, resumption and acceleration of growth will make the payments deficit larger, not smaller.

Apart from the adequate and acceptable policies, other measures could be taken to improve the balance, some desirable in themselves, others undesirable. But the desirable ones alone will hardly be sufficiently powerful to restore balance. They include elimination of discrimination against our exports, larger contribution of Europe to the common defense effort and to aid to less developed countries, removal of special tax incentives for capital exports (if there exists any) stimulating exports by better information, exports credits, etc., attracting foreign tourists, and the like.

Petty measures such as recalling Army dependents and "Buy American" policy for Army PX's, should be avoided. Abandonment of our long-standing policy of trade liberalization because of a temporary balance-of-payments deficit would deal a heavy blow to our leadership in the world.

The basic, longrun issues of freer trade versus more protection should be kept separate from the balance-of-payments deficit which is essentially a shortrun phenomenon.

The theory that we cannot afford freer trade because our wage level is higher than elsewhere is just as fallacious as the complaint so often heard in foreign countries to the effect that they cannot afford freer trade with us because of the superior productivity of American industry and agriculture.

It is, however, possible, since we live in a changing world, that particular industries (such as the textile industry) may lose some of their comparative advantage and be threatened by foreign competition. There is justification in exceptional cases for temporary protection of industries that are suddenly exposed to crushing competition and even for permanent protection for industries essential for defense.

The trouble is, however, that such arguments are often grossly abused and that the exceptions tend to become the rule; nothing is as permanent in this area as in other policy fields, as temporary emergency measures.

The choice between tariffs and quantitative restrictions (such as quotas, import licenses, exchange control) as instruments of trade regulation should not be difficult for anyone who stands for free enterprise and the market mechanism as against Government direction of the economy and who has briefly reflected on the implications of quantitative restrictions. Quantitative restrictions (unlike tariffs) produce large price differences between the domestic and the foreign price—differences not covered by transport costs and duties—and hence bring large unearned profits to those who get the license to import. It follows that the Government must decide who is to be allowed to do the importing and the issuance of an import license becomes equivalent to a cash subsidy. This eliminates competition in the area of import trade and must lead to favoritism and corruption. Those who ask for the substitution of quotas for tariffs ask in effect, whether they know it or not, for a Government handout and demand the abdication of the businessman in favor of Government fiat in an important segment of the economy.

TOWARD A SOLUTION OF THE FARM PROBLEM

(By H. S. Houthakker)

The agricultural price support programs of the Federal Government have few defenders (even among the beneficiaries) yet they have continued with only small modifications for nearly 30 years. How is it that they have survived so much criticism? The reason probably is that the critics, while fairly unanimous in their negative conclusions, have so far been unable to agree on a positive alternative. True, there has been no lack of proposals for reform, but usually they have some obvious flaw, or do not appeal to the agricultural interests in Congress. The result has been a political stalemate, in which the farm bloc has recently been on the defensive. After the realinement of congressional districts in the early 1960's the power of the farm bloc will decline even further and it is not inconceivable that all existing agricultural programs will be swept away in the process. Whatever one may think about the value of the existing program, their sudden cessation would be a serious blow to the economy as a whole.

There have been a number of proposals which would make farm support more rational and less costly by putting it on an insurance basis. One such proposal, made recently by Boris C. Swerling, would achieve this by an extension of the social security system.[1] All such plans are of a long-term nature and could not be put into effect without transitional measures. It is with the problems of transition that I shall be mostly concerned.

Any new idea in the field of farm supports evidently has to avoid as many disadvantages of the present system as possible. We start, therefore, by once more enumerating the faults of the present systems of parity pricing and acreage controls.

1. In peacetime surpluses have tended to accumulate, so that storage alone now costs millions of dollars per day, and the poorer nations are offered an example of conspicuous excess.

2. The burden on domestic consumers is doubled because they have to pay higher prices as well as higher taxes.

3. Since the benefits are proportional to production, they accrue mostly to efficient farms which do not need support, and least to the small farms that are the real problem.

4. Acreage controls have kept production costs higher than necessary by preventing a shift to those regions and types of farms where costs are lower.

5. By maintaining domestic prices at a higher level than export prices, domestic processors have been put at a disadvantage and the United States has been laid open to charges of dumping.

6. Apart from ill-conceived stopgaps such as the soil bank, little or no attempt has been made to put agriculture on a permanently sound footing.

7. Free enterprise in production and marketing has been undermined and replaced by a costly bureaucracy.

8. The exact cost of the program can only be determined with great difficulty and after a considerable lapse of time.

All that can be said in favor of the present system is that it may have kept farm income higher and prices more stable than they would be in free markets. Neither of these advantages, however, is as important as is commonly thought. From an economic point of view there is no reason why a sector with rapid technological progress but without a rapidly expanding demand should claim a constant or increasing share of national income. Any attempt to keep the share of agriculture constant inevitably leads to relative overpopulation in the farm sector and can only be justified on political grounds. Moreover, if this result is desired it can be achieved at lower cost and without ever-increasing surpluses by the method proposed in this paper. As regards stability, while price fluctuations in free markets may occasionally be excessive, a considerable amount of flexibility is necessary for rational allocation over time in any market where supply and demand are subject to frequent shifts. We should not be starry-eyed about

---

[1] "Income Protection for Farmers: A Possible Approach," Journal of Political Economy (April 1959), 173–186.

the price mechanism, but it shines by comparison with a wide variety of alternative ways of regulating markets that have been tried here and abroad. Moreover, the general depressions which formerly played havoc with farm prices are now largely under control. It is no accident that professional economic opinion, which 15 or 20 years ago tended to be critical and even cynical about the price mechanism, by now has largely returned to the more favorable classical view.

In present circumstances, however, a complete restoration of the price mechanism in agriculture without any Government intervention is unthinkable. In the welfare state, to which this country is effectively committed for better or for worse, a certain amount of income stabilization is unavoidable. The Swerling proposal mentioned earlier achieves precisely this, but only after reasonably free markets have been revived. At the moment it is necessary to find a transitional program which will help restore agriculture to a healthier condition without a sudden drop in agricultural income. This intermediate objective can be achieved by a transitional acreage payment.

The transitional acreage payment (tap) is a scheme whereby farmers receive a certain amount per acre of crop land for a limited number of years. The amount received would be independent of past, present, or future output on the land concerned and would be intended to bridge the gap between the artificially high support prices and the presumably lower prices ruling in a free market. A basically free market would be restored at the same time as tap goes into effect, except for certain provisions to insure the orderly disposal of present Government stocks. The need for export subsidies would disappear.

The acreage payment would apply only to crops whose prices are at present being supported and would not necessarily be at the same rate for all such crops. In the beginning it might (for instance) be equal to the estimated value per acre of the difference between the support price and the free market price, the average being taken over all land in the country on which the crop in question is grown. Thus if the value per pound received by farmers for cotton is 30 cents, and the free market price is estimated at 22 cents, and the average yield per acre is 400 pounds, then the transitional acreage payment would start at a rate of $32 per acre. To achieve a gradual transition the payment in the second year might be 80 percent of this amount, 60 percent in the third year, 40 percent in the fourth year, and 20 percent in the fifth year. After the transition period of 5 years (in this example), there would be no more Government intervention in agriculture, except possibly through the social security system as mentioned previously.

The payment would be made to all farmers who are growing the crop at some cutoff date in the not too distant past. Once the list of beneficiaries has been established (primarily from the records of acreage allotments) there would be no deviation from it except to correct errors. Thus farmers who start growing the crop in question after the cut-off date, or who increase their acreage, would not be entitled to tap on the new or additional acreage. On the other hand, farmers who switch to other crops or abandon farming altogether will not thereby lose tap. The only adjustment that might have to be made after the start of the scheme is in the amount paid per acre, in case the estimate of the free market price, and hence the value per acre of the present program, turns out to be unrealistic; these and other details remain to be worked out.

The advantages of this scheme can be seen by referring to the disadvantages of the present system and to various substitutes that have been proposed from time to time. The outstanding advantage is that tap provides a way out of the vicious circle of increasing surpluses and increasing controls which has characterized the recent history of farm policy. On a more technical level, the great merit of tap is that it does not provide an incentive for excessive production, as high price supports do. The amount received by the individual farmer on account of tap is independent of his production. The market price alone is his guide in deciding what to produce. If he is efficient, he will find it worth his while to produce more; if he is inefficient he may change to other crops or even leave farming altogether. Tap will also be useful in facilitating these adjustments.

In a free market the danger of ever-increasing surpluses will disappear, and with it the inordinate cost of storage. Acreage controls, Government purchases, and export subsidies will become unnecessary, so that a vast bureaucracy will become available for more productive purposes. In this respect the tap proposal is the exact opposite of the plans for production controls occasionally advocated, which would require a degree of regimentation unprecedented on this side of the Iron Curtain. Such controls, moreover, would effectively prevent any further increase in farm productivity. The equally outlandish system now in force in the cotton market, under which the Federal Government buys and sells most of the crop, could also be scrapped. Another advantage of tap is the lowering of farm prices to consumers and processors, which would bring about a minor but beneficial reduction in the cost of living. While there is some superficial resemblance between transitional acreage payments and the soil bank there is also a basic difference: the soil bank embodies the original economic sin of paying people for not producing, whereas under tap individual farmers are free to produce as much or as little as they see fit. This means, among other things, that agriculture will once again be free to choose the most efficient geographical pattern, since the high cost areas will no longer be protected by acreage controls. Tap also has some similarity to the Brannan plan, but it does not link compensatory payments to output (which would lead to excess production unless accompanied by production controls) and does not require dual pricing with all the enforcement problems this would entail.

From the point of view of distributive justice tap will be a great improvement over the present scheme. By basing supports on output the present scheme favors the efficient, who are mainly also the large, producers, but the social problems of agriculture, it need hardly be said, are those of the inefficient small producers.[2] The only way in which the latter can benefit is by even higher prices than the larger producers would like, and this is probably the principal source for political pressure in favor of higher price supports. Under tap, on the other hand, the payment per acre is the same for all farmers, which means that the problem farmers with low yields per acre get proportionately more under tap than under the present system, whereas the large, efficient farmers get proportionately less.

This point can be illustrated with the aid of the 1954 Census of Agriculture, the most recent source available. In that year there were some 504,000 cotton farms, of which only 3 percent sold more than $25,000 per year, whereas 36 percent sold between $1,200 and $2,500 per year. The largest 3 percent, however, had 25 percent of the total acreage and 30 percent of total output (and hence of the support benefit) under the prevailing scheme, while the other group mentioned had less than 17 percent of the acreage and 13½ percent of the output and the support benefits. If tap had been in effect at that time the benefits received by the top 3 percent would have been reduced by 35 percent, while those of the second group would have increased by 25 percent. Farms with sales between $10,000 and $25,000 would have received 11 percent more; those between $5,000 and $10,000, 27 percent more; between $2,500 and $5,000, 20 percent more; while the smallest cotton farms (with sales below $1,200) would have received 56 percent more under tap. In the case of wheat this pattern is even more pronounced, and it is also present in tobacco; the case of corn has not been investigated.

A much larger part of the subsidies to agriculture, therefore, would reach those for whom they are presumably intended. At the same time, by divorcing payments from current production cost tap avoids the danger of encouraging inefficiency and of perpetuating uneconomic patterns of output.

The cost of tap can only be roughly estimated at the moment; the U.S. Department of Agriculture should be able to present more accurate calculations on the basis of its extensive market studies. Pending such calculations it appears that the cost of applying tap to the three principal supported crops (wheat, corn, and cotton) at the rate mentioned earlier would not exceed $1.5 billion in the first year, and would be proportionately less in subsequent years.[3] The cost of the present scheme is not known with any exactness but seems to exceed $4 billion per year. Some of the outlays under the existing program (notably those for storage and for the soil bank) would have to continue for some time after the introduction of tap.

Finally, it should be stressed that tap is a transitional device and is consequently limited to a definite time period. By its very nature an acreage payment cannot be permanent without creating a caste of rural pensioners, and even the most sentimental devotees of the family farm would hardly advocate this. The appeal of this proposal is not to those who want to preserve the present structure of agriculture regardless of the burden on consumers and taxpayers; it is to those who recognize that in a progressive economy agriculture must change along with all other sectors, but who also recognize the wisdom of tempering the wind to the shorn lamb.

The Declining Productivity of Labor

(By Louis M. Kelso)

An economic "system" is a rational plan for the organization of the production and distribution of wealth. The essence of any economic system lies in the relations under it between individual productive activity and the distribution to individuals of wealth produced. In other words, if an economic system is to be a "system" at all, it must be built upon a principle of distribution.

---

[2] For an illuminating analysis of the wide income disparities within the farm sector, see Geoffray Shepard, "Farm Program for Farm Income," Journal of Farm Economics (August 1960), 639–650.

[3] The $1.5 billion figure is based on 1959 crops and market prices and on rough estimates of free market prices. If we accept the free market estimates recently published by the Joint Economic Committee ("Economic Policies for Agriculture in the 1960's," Washington, 1960), the cost might be as high as $2.9 billion in the first year. The latter estimates, however, are apparently based on the implausible assumption of a supply elasticity of zero, and therefore seems too low, especially for grains. In any case tap must be cheaper (even in the first year) than the present system because tap avoids the deadweight losses of storage and enforcement.

If such a principle is missing from a society, or it is not well defined, clearly understood, or generally accepted as just, the distribution of wealth is based upon expediency and is more or less chaotic and disorganized. Where the principle of distribution within an economy is well understood and accepted as just and reasonable, economic activity can be purposeful and efficient. Without such an understood and accepted principle of distribution, distribution of necessity will be based upon force, fraud, political patronage, expediency, custom, and perhaps in some cases upon charity.

Where an economic system exists in the rational rather than merely in the descriptive sense, legislation relating to economic matters—and most legislation does—can be meaningful and effective. Administrative and judicial decisions dealing with economic activity—and the preponderance of both do—can be made in such manner as to support and be consistent with the underlying principle of distribution. Such decisions will inspire a feeling of justice, for it is known wherein justice lies. In all such activity, a general congruence between legislative, administrative, and judicial intent and the results achieved by legislative, administrative, and judicial action will exist, and unanticipated side-effects of such activity will be minimized.

Consider now how many theoretically possible principles of economic distribution there may be. There are in principle but two factors of production: The human factor (labor) and the nonhuman factor (capital). The following are, I believe, exhaustive of the possibilities:

I. The capitalist principle: Distribution is objectively related to production as it is in fact carried on under the prevailing state of technology.

II. Socialism: The principle of distribution of a Socialist economy is succinctly stated in the constitution of the U.S.S.R.: "The principle applied in the U.S.S.R. is that of socialism: 'From each according to his ability, to each according to his work.'" (Art. 12.) Under this, distribution is related to production by one factor of production only—labor. Socialism disregards, for purposes of distribution, the wealth produced by capital. This being so, a correlative duty of the state to provide full employment exists in Socialist countries.

III. Absolute human slavery: Distribution is related only to production by capital. This is possible since all workers—all humans who work—are slaves. Such a slave system, in which the masters do not personally engage in production, disregards the labor factor of production by converting all workers into capital instruments of the masters. The wealth produced by any slave, as well as the wealth produced by any nonhuman capital instrument, belongs to the owning master.

IV. Communism: The specious principle of distribution advocated by communism is "from each according to his ability, to each according to his need." The possibility of a Communist economic system actually functioning for any significant period of time seems limited to the realm of theory only. Distribution is unrelated to production. Today, however, Russia adheres strictly to the socialist principles of distribution in accordance with the principle: "He who does not work, neither shall he eat." (Constitution of the U.S.S.R., art. 12. See also art. 118, quoted above.)

It seems to me that, considered from the standpoint of their principles of distribution, the mixed economies of the Western World, particularly that of the United States, are approaching the nonsystem status contemplated by communist theory, although there is little evidence that any of the socialist economies are doing so. In the United States, for example, distribution (to individuals) bears only a vague and incalculable relation to production. While over 90 percent of our wealth is produced by capital, in excess of 70 percent of it is supposedly distributed as payment for labor production. However, thousands of practices are indulged and acquiesced in for the purpose of making nonproduction by workers appear to be production.

Among these are:

Use of coercive union power to keep superseded workers on the payrolls.

Interlarding of short periods of productive activity with long periods of rest and wasted time and treating the whole as productive—one of the many forms of "work spreading."

Work classification rules to limit through coercive labor union force the amount of production a worker can accomplish.

Jurisdictional rules in thousands of varieties, designed to limit the amount of production particular workers can accomplish.

Corporate policies against the discharge of superseded workers, usually followed to prevent unionization and union coercion.

The production, storing, insuring, transporting, giving away or destroying of surpluses in order to give an appearance of legitimacy to the efforts involved in producing the surpluses.

The exaggeration of military and stockpile needs to give an appearance of validity to the otherwise productive effort involved in turning out such goods.

The giving away of goods and services to the underindustrialized portions of the world in order to clear what otherwise would be surpluses and to further legitimate the appearance of productiveness to the employment involved in turning out such goods.

The superimposing of union wage-raising activity on top of the Government policy of full employment in order to give an appearance of value to labor that it in fact would not have under competitive wage-evaluation conditions, etc.

As Mason Haire, a professor of industrial psychology at the University of California, stated a couple of years ago, we no longer pay wages for production, but rather for attendance, with some legitimating work appearance or modicum of production.

While there is almost no articulated recognition among economists, businessmen, and politicians that capital is a producer of wealth (references to a principle of distribution are avoided like a plague), still we affirm the propriety of distributing a share of the wealth produced to the owners of capital. However, it is a share based not upon what capital produces, but upon what we think the capitalist needs. Berle and Means, in their epochal book, "The Modern Corporation and Private Property," pointed out that the modern corporation's dividend policy is based upon what is required to keep the stockholder from making trouble rather than upon the net income of the corporation. Russia falls far short of this sentiment toward the capital owner, and does not permit the capitalist to receive any return on his capital, regardless of need. In fact, except for the aged and infirm workers' allowances, very little income is distributed in Russia on the basis of need.

Actually, in spirit and in fact, it would appear that distribution in the United States is closer to the Communist ideal of distribution related only to need than in any industrial economy in the world.

In the United States, those who are recipients of unemployment compensation, pensions (where not based upon and limited to their prior contributions), social security (in excess of the actuarial value of the individual's own contributions), wages based upon featherbedding, wages based upon make-work jurisdictional or shop rules, wages in excess of the competitive value of such wages, wages or other income based upon Government subsidization of production, wages resulting from the production of goods to be given away to foreign nations, returns through dividends or otherwise upon capital based not upon what their capital produces but upon a portion of it deemed reasonable in the light of their needs, and the like, are almost invariably receiving distributions based upon need rather than upon production.

Indeed, if our political leaders of both parties may be taken at their word, the economic goal of our economy is exactly that dictated by Communist theory—to make every individual a consumer irrespective of what he contributes to production. This is distribution based upon need. It is radically different from distribution based upon production as required both by the socialist principle (recognizing only labor as a factor of production) and by the capitalist principle (recognizing both capital and labor as factors of production). This conclusion is strengthened by the fact that no real effort is made to broaden participation in production—something that could factually come about only from a deliberate and widespread effort to restore integrity to private property in capital and to broaden the ownership of capital. The equalizers do not seek to equalize participation in production, but only participation in distribution.

Little distinction can be made between those who advocate full employment (without regard to how hollow and unproductive that employment may actually be) for the sake of politically legitimating distributive shares, and economic Communists like John Galbraith who, in his "The Affluent Society," advocates making unemployment compensation universal, perpetual, and equivalent to wages.

Though most men on reflecting do know that the bulk of our wealth is produced by capital, none except Adler, Kelso, and a few converts, seriously condemn the formation of $40 billion of new wealth-producing capital each year without any significant increase in the number of owners of viable capital estates, and with progressive erosion of the integrity of private property in capital.

Increases in the output of wealth per man-hour have been achieved in our industrial economy with a steadily diminishing contribution of both power and skill on the part of mechanical workers and a steadily increasing contribution of skill on the part of technical and managerial workers. A major portion of the efforts of technical and managerial workers has been devoted to increasing the inherent productiveness of capital instruments. While their inherent productiveness has increased at every stage of technological advance, the inherent productiveness of mechanical labor has at best remained constant, and so, relative to the increasing productive power of capital, the productive power of mechanical labor has progressively declined.

If these things are true, then it is also true that mechanical workers, who constitute the great bulk of our labor force and of our population, make a relatively small contribution to the production of our society's wealth as compared with the contribution made by the owners of capital. From this truth, one further consequence should follow. Since a factor of production is presumably valued primarily for its ability to produce wealth, the inherent productiveness of labor should bear about the same relationship to its economic productivity, on condition, of course, that the value of their relative contributions is objectively determined through the mechanism of free competition. Hence, to whatever extent free competition is operative among the factors of production, we should expect to find that the economic productivity of mechanical workers has progressively declined.

In the light of statistics on the distributive shares of the national income going to labor and to capital, the objection may be raised that even though the physical contribution of mechanical workers to the production of wealth has long been declining, their distributive share, and consequently their economic productivity, has long been rising.

Let us consider first the central question of fact. Labor's share of the national income, i.e., the share of the wealth produced in a particular year, rose from 50 percent in the decade beginning in 1870 to 58 percent in 1929, 68.5 percent in 1953, and 70 percent in 1956. From these figures, it would seem that the economic productivity of mechanical workers, who comprise some three-fourths of the labor force, has risen; that is, if their distributive share of the national income can be taken as an accurate and objective index of the value of their contribution to production.

How shall we explain the discrepancy between (1) our assertion that the relative economic productivity of mechanical labor has declined along with its relative inherent productiveness and (2) the figures which show that the distributive share received by such labor has increased for many decades and that it is largest in the most important sector of our economy, i.e., the corporate sector?

Were we to admit that the distributive share of the national income received by labor is an accurate and objective index of the value of labor's contribution to production, then we would have to concede that the relative economic productivity of labor has increased in spite of the fact that its relative inherent productiveness has declined; or we would be compelled to question that fact itself and, perhaps, to dismiss it as illusory even though it appears to be so amply and clearly evidenced.

We think that the relatively declining inherent productiveness of mechanical labor cannot be questioned, and that the apparent discrepancy between the declining economic productivity of labor and its increasing distributive share of the national income can be explained.

Before we set forth that explanation in detail, we should say at once that we challenge the assumption made by those who think that labor's increasing share of the national income represents an accurate and objective evaluation of its contribution to the production of wealth. We hold a view exactly the opposite of those who maintain that the action of labor unions, supported by legislation and other applications of governmental power, has made it possible for the contribution of labor to be fairly and objectively evaluated. On the contrary, we hold that this, among other things, has prevented a freely competitive evaluation of labor's contribution, with the consequence that labor's share of the national income is by no means a true index of its economic productivity.

The wage levels of organized workers, who constitute about 35 percent of the nonagricultural labor force, do not represent freely competitive determinations, but result from the unified efforts of organized labor to increase hourly earnings against the background of a large number of Federal and State laws designed to prevent employers from resisting wage demands made by employees. While coercion and duress are recognized by our legal system as vitiating all other types of contractual obligation, we have established a system of collective bargaining to determine wages and other economic benefits of organized labor, under which something very close to duress is the decisive factor in the bargaining.

Before we argue in support of this basic point, two other considerations should be mentioned. One is the corporate income tax, which now takes 52 percent of corporate income at the Federal level and an additional small percentage at the State level in most States. This large percentage represents wealth produced by capital, but in national income statistics it is not attributed to either capital or labor. Thus over one-half of the wealth produced by the capital of corporations (and corporations produce well over half the wealth of our society) is wholly omitted from the statistical picture. In reckoning the distributive shares of the wealth produced, it should be attributed to the owners of capital. If it were, it would greatly change the picture of the relative economic productivity of capital and labor.

The second consideration is the fact that corporations distribute to their stockholders only a part of the wealth produced by their capital—generally not more than one-half of corporate earnings after taxes. As the Bureau of Census has noted, some parts of income earned, such as corporate savings, have definitely not been received by the individuals concerned and indeed may never be received by them.

The vast sums withheld by corporations from stockholders and invested to form additional corporate capital must also be included in the computation of the distributive share of the wealth produced that belongs to the owners of capital. Not to include these sums in the computation further distorts the picture of the relative economic productivity of capital and labor, for it measures the economic productivity of capital by the distributive share awarded the private owners of capital in an economy in which private property in capital has been greatly attenuated.

If we combine these two points, which show that the actual distributive share received by the private owners of capital is far from being a true index of the economic productivity of capital, with the point that labor's share is not a true index of its economic productivity because it is not determined by free competition, there is no longer any basis for believing that the available statistics give us an accurate picture of the relative economic productivity of capital and labor.

However, it may be still objected that the wages of nonunion workers—approximately 65 percent of the nonagricultural labor force—have risen almost as rapidly as the wages of union workers. This, it may be argued, indicates that where the wage determinations are in fact competitive, the distributive share of labor has been rising for three decades; and so we are once again confronted with the fact that the economic productivity of labor has been increasing. Such a view overlooks many factors of critical importance. The effect of administered wage levels in the unionized sector of the economy has been to produce similar, and sometimes even higher, wage levels in the nonunionized sector. The following considerations explain why this is so.

1. Unionization is concentrated in the leading industries of the economy: manufacturing, trucking, railroads, shipping, warehousing, construction, air transport, electric power, communications, petroleum, chemicals, rubber, etc. By preempting these basic and critical industries, the competitive field for unorganized workers is narrowed. Many of the companies in these key industries are of oligopolistic size and are able to raise their prices in order to pave the way for further wage demands.

2. The power of organized labor to raise the level of wages and to increase other economic benefits is frequently as effective in benefiting nonunionized labor as it is in the case of unionized labor. The employers of nonunionized labor often raise wages in order to prevent unionization. Who is not familiar with the automatic extension of "collectively bargained" wage increases for operating employees to clerical employees and other employee groups, in order to discourage the organization of the latter into unions? Who is not familiar with the employer who is determined to pay more than the union wage scale or to give greater benefits than those secured by unions, regardless of costs, in order to spare himself and his employees the "unpleasantness" of being organized? Who has not heard the complaint of union leaders that, because of the duress that unions exert on the employers of nonunion labor, the effort of labor unions tend to confer equal benefits on unionized and nonunionized workers, in spite of the fact that the latter make no contribution to the support of the union?

3. In the 35 percent of nonagricultural labor that is organized, the excess of collectively bargained wages over their competitively determined levels has a distributive effect favorable to labor that goes far beyond the industries in which workers are organized. In laying the foundation for the use of pump-priming public expenditures to create employment, J. M. Keynes pointed out that such expenditures in capital goods industries create demand for several times the employment they directly stimulate. This occurs through the successive spending of the additional income of the workers in the capital goods industries to purchase consumable goods, thus creating further employment and further income, etc., until the "propensity to save" on the part of successive income recipients dissipates the original stimulus.

An analogous "multiplier effect" results from diverting substantial quantities of the wealth produced by capital to organized labor through noncompetitive wage determinations. The additional income of the workers is spent over and over again, causing an increase in employment and an enlargement of the distributive share that labor receives, which is out of all proportion to the initial wage increase. Were it not for the two considerations mentioned on pages 259–260, this "multiplier effect" might impartially benefit capital and labor, but under present conditions that is not the case.

4. The tendency of the high-wage unionized industries to draw the best qualified labor and to give them first claim on the labor supply has the effect of eliciting wage increases from the employers of nonunionized labor, quite apart from the point made in (2) above.

5. To the extent that union practices retard technological advances, unions further diminish the distributive share received by owners of capital and so increase the relative size of the share received by owners of labor power. Such retardation is far from negligible where unions impose heavy additional costs as a condition for allowing the technological displacement of workers by more efficient machinery.

6. The effect of union pressure to raise wages and increase other benefits is one thing during a period of substantial unemployment, but it is quite another when superimposed on an effective governmental policy of full employment. The consensus of the testimony of labor leaders before the Temporary National Economic Committee in 1940 was that the best that unions had been able to do up to that time—and they had organized an average of about 1 million new members a year from 1934 to 1941—was to offset, by collectively bargained wage increases, the loss of income to labor that resulted from the displacement of workers by machines. This testimony related to a period during which unemployment ranged between 10 and 14 million.

Since the Employment Act of 1946 and the effective implementation of its policies, labor unions, even though they represent only 35 percent of the nonagricultural labor force, have been able to do much more than

offset the losses resulting from technological displacement. The superimposition of collective bargaining by a third of the industrial labor force upon a full employment economy has approximately the same effect as a corner on 35 percent of the steel or wheat market would have on the price of steel or wheat in a year in which demand at current prices, without the effect of the monopolistic corner, would fully take the supply off the market. There is, in fact, no way to estimate how much the distributive share of the national wealth received by labor, unorganized as well as organized, is distorted by these practices and conditions.

Yet one thing is sufficiently clear. The effect of all these practices and conditions has been to raise wages far above what they would be if the economic productivity of labor were evaluated by free competition in an economy not controlled by a Government policy of full employment.

There are good reasons for believing that, even under freely competitive conditions and in an economy not governed by a policy of full employment, the economic productivity of labor would be represented by wage levels higher than those labor would receive of its relatively declining inherent productiveness in an advanced industrial economy. For one thing, there is an absolute point beyond which wages cannot fall without being totally inadequate for subsistence. Another reason is the fact that a considerable amount of mechanical labor remains indispensable at any stage of technological advance, no matter how far that amount may fall below the level of full employment. Still another reason is the general belief, shared by labor and capital alike, that the existence of widespread poverty in a society which is able to produce enough wealth for a generally high standard of living indicates social mismanagement and calls for drastic political remedies.

All these reasons may operate to keep the economic productivity of labor, as reflected in labor's share of the wealth produced, from declining, relative to the economic productivity of capital, as far as its inherent productiveness has relatively declined. But they do not alter the fact that the inherent productiveness of labor, relative to that of capital, has now reached the point where it produces less than 10 percent of our economy's total wealth. Nor can they do more than conceal the fact that the economic productivity of labor is but a fraction of what it appears to be.

The Role of Government in a Progressive Economy

(By Neil H. Jacoby, dean, Graduate School of Business Administration, UCLA)

If we wish to understand the proper role of Federal Government in the sixties, we must first of all identify the economic goals of the American people which it is the purpose of Government to help us attain.

American economic goals

The economic goals of the United States are being extensively discussed. As a result of this discussion it has become clear that the economic policies and actions of our Federal Government are shaped primarily by an effort to attain five different ends; namely, to expand individual freedom; to promote equality of opportunity; to moderate business cycles while maintaining a high level of employment; to stabilize price levels; and to foster economic growth.

Each of these goals emerged to a position of prominence in our national consciousness at a different era of our history. Each led to its own distinctive type of economic policy.

Historically, the maintenance of individual freedom was the economic goal first to receive formal recognition. The preamble to the Constitution asserts that the Federal Government was established in order to secure, among other things, the blessings of liberty.

The economic goal of equalizing opportunity and reducing inequality was the next to emerge. The great expansion of our Nation, especially after the Civil War, created dramatic extremes in personal incomes and wealth. Public desire to reduce inequality by expanding personal opportunities found expression in the free public school system, in child labor laws, and in factory safety and health regulations. Another significant action to reduce inequality was the enactment of the Federal progressive personal income tax in 1913, and progressive death taxes.

The goal of moderating business fluctuations and maintaining high employment emerged with the disaster of the great depression of the 1930's. It dominated American economic policy right up to the passage of the Employment Act of 1946. The Nation achieved full employment with the coming of World War II. But the haunting fear of chronic mass unemployment continued to dominate the thinking of Americans. It led Congress to enact the Employment Act of 1946, which committed Government to use all of its powers and resources to maintain a high level of employment. The Employment Act did not of itself add to the powers of Government to intervene in the economy. It is simply established machinery, notably the Council of Economic Advisers to the President and the Joint Economic Committee of Congress, to bring about a better coordination of existing powers.

But the postwar era has been free of serious recessions. It has been marked by large defense expenditures and by sporadic inflations rather than by a deficiency of demand. Hence, the fear of mass unemployment receded in the public mind, and the economic goal of a stable price level came to the fore during the 1950's, both in the United States and in other countries.

Most recently, the spotlight has shifted to the goal of economic growth. This change has come about because price levels have remained fairly stable. There has been growing unemployment, owing mainly to technological change. Economic competition with the Soviet Union has become a primary front in the cold war between East and West. Recently, our Federal Government has acted to augment the growth of the U.S. economy. It established the National Aviation and Space Agency; it passed the National Defense Education Act; it greatly expanded its support of basic research through the National Science Foundation. These are desirable kinds of Federal action to foster progress, but much more is needed.

What lessons can we learn from this brief review? Clearly, it reveals how our dominant economic goals have changed with national circumstances and needs. It reveals that the American people pursue a plurality of goals, rather than a single goal. Finally, this review leads us to inquire what kinds of new Federal policies and actions are needed in order to produce rapid economic progress—the goal that will probably dominate American economic aims during the 1960's.

First, let us define this goal a little more precisely.

A dominant economic goal for the sixties

It is regrettable that recent public discussion of economic progress in the United States and other countries has been conducted in the narrow context of comparing annual rates of increase in GNP. Mr. Khrushchev of the Soviet Union asserts that Soviet GNP is growing faster than U.S. GNP and this proves the superiority of communism over capitalism. So far, our best reply has been that Soviet GNP will not grow as fast in the future as it has in the past, and, anyway, the amount of our GNP is still much greater. Unwittingly, we seem to have been drawn into a numbers game with the U.S.S.R. in which our opponents are both making the rules and keeping the score.

It is time the United States broke out of this semantic trap. Let us reject the increase of GNP as an adequate criterion of economic progress. GNP includes investment goods and military outlays which do not add to the current welfare of the consumers, which is the ultimate aim of any humane economy. More important, GNP ignores most improvements in the quality of living, and all increases in leisure time, which is one of the great boons of an advancing civilization. A truer measure of economic progress is the rate of increase in productivity, in output per man-hour. This shows how much more output is produced for each hour of labor input. It is easy to increase production as the Soviet Union does, by making women, youths and older people work, or by working longer hours. Real economic progress occurs when output rises without additional work. In short, efficiency is the heart of economic progress. Gains in efficiency have been about 2½ times as important as increases in the number of man-hours worked in raising American production in the past. It follows that increasingly efficient use of all our work force is the key to rapid progress in the future. Increasing efficiency should be the central theme of a Federal strategy for rapid economic progress in the 1960's.

Strategy for rapid economic progress in the sixties

How can we translate this general strategy into more specific programs of action by the Federal Government? I suggest that there are six major problem areas in the U.S. economy at the present time which require study and action by the Congress and the Federal executive. They are:

First, reduction of the rising structural unemployment caused by technological progress and automation.

Second, utilizing our farm manpower more efficiently.

Third, extending competition by applying our antimonopoly laws to all private organization, including labor unions and cooperatives as well as businesses.

Fourth, making fiscal and monetary policies more effective.

Fifth, revising Federal taxes to strengthen incentives, and to augment savings and risk-taking investment.

Sixth, promoting basic research and education in all fields and at all levels.

Let us examine these problems in turn.

First, structural unemployment: Structural unemployment is that kind of involuntary idleness which results from basic shifts in demand or in technology, and which cannot be cured simply by expanding aggregate demand through monetary and fiscal measures. Many idle coal miners in West Virginia, railroad workers in Pennsylvania, and farmworkers in the Deep South are structurally unemployed, or underemployed, through good times and bad. For the past 3 years the unemployed have formed between 5 and 7 percent of the labor force—too much for comfort. An increasing part of them have been idle because of technological changes. As more and more of the processes of production and distribution are automated, structural unemployment will increase—unless government, business, and labor unions join in constructive programs to overcome it. Why should our society lose the goods and services these unemployed could produce, if they were properly retrained and relocated in the new industries and occupations that automation itself creates? By this means alone we could add about $5 billion to the annual output of the U.S. economy today.

Here is a vital problem that will become more important as automation spreads. It will never be solved by super-easy-money policies or massive Government spending, as some Democrats have argued. Nor will it go away, as some Republicans hope. Because interstate measures are needed, it is the role of the Federal Government to take leadership in designing new means of enabling our economy to adjust to change.

What are the approaches to this problem? One approach is to reduce undue restrictions by labor unions and municipalities upon entry into jobs and upon the movement of people. (This is part of the problem of monopoly power.) Another requirement is research to develop better information about demands and supplies of various skills in local labor markets, and wide dissemination of this knowledge to guide people in retraining and relocation. (For example, idle autoworkers in Detroit should learn promptly of the strong demand for auto mechanics in Los Angeles.) Still another need are loans or grants to finance the retraining of displaced workers, or their movement to new areas where job opportunities exist. Pension and benefit plans should be revised to eliminate penalties on employees who move to new jobs. A vast increase must occur in vocational education. Area development programs play a part. By all these and other means, we can banish the fear that workers feel about technological changes which threaten their jobs. A fast-paced technological society cannot afford to leave labor supply-demand relations to chance; it must act to speed up adjustments. One of the first acts of the next President should be to convene a working conference of the best minds in business, labor, Government, and the universities to develop solutions to structural unemployment. I suggest it be called the Conference on Adjustments to Technological Progress.

Second, monopoly power: A second critical economic problem of our age is how to deal with undue concentrations of monopoly power—in business or in labor or elsewhere. They have led to crippling work stoppages such as the disastrous steel strike of 1959. They cause undue restrictions upon the entry of workers into trade. They produce featherbed work rules, raise prices, restrict production, and hinder the mobility of capital and labor. Clearly, the reduction of monopoly power and the extension of competition are important means of making the U.S. economy more efficient.

One desirable measure is to extend our antimonopoly laws to cover all private economic organizations, including labor unions and cooperatives as well as business firms. The principle of a truly general antimonopoly law is surely sound. Is it not paradoxical that the United States, which relies primarily upon competition in open markets for the proper allocation of resources, exempts such important private economic organizations as unions and cooperatives from most of its antimonopoly laws? Clearly, the government of a progressive economy cannot afford to allow any private group to set up barriers to entry into new trades or occupations, or to engage in predatory acts, or to restrict production, or to endanger the national security by work stoppages in key industries.

Third, farm policy: Public discussion of farm policies unfortunately has come to be narrowly focused on the disposal of surpluses. The more basic issues are: How to bring about a longrun balance between demand and supply of agricultural products. How to move several million relatively unproductive farmworkers into more rewarding occupations. Further annual tinkering with the level of price supports or new refinements in production controls will avail little, and will only compound our difficulties in the end.

The plain fact is that a strong new policy for agriculture has become essential, both to stop the waste of billions of dollars to finance the production of unneeded farm products, and to increase the productivity of many people now in agriculture. As the Committee for Economic Development and other objective analysts now agree, a rational farm program requires the scheduled removal over a period of several years of all price supports, all acreage allotments, and all marketing controls. It should embrace relocation and retraining grants to assist submarginal farmers to enter more promising industries. It should assure all farmers a minimum income under adverse economic circumstances. It must also embrace programs to dispose of existing surpluses, but without the "dumping" that has strained U.S. relations with other countries that depend on farm exports for their living. A programed return to free-market pricing over a period of 4 or 5 years would remove a source of friction in our international relations. It would produce a more productive use of manpower, stimulate growth, and diminish inflationary pressure.

Fourth, monetary and fiscal policies: The monetary and fiscal policies that will help move our economy toward its objectives need to be clarified and strengthened. Two large issues have emerged, which are now being debated in the presidential election campaign. They are: Whether U.S. economic progress will be stimulated by a flexible monetary policy or by a policy of continuous monetary ease; and whether or not U.S. economic progress requires an enlargement of Federal expenditures relative to the national income. These are commonly called the easy money and big government questions.

A. Continuous easy money: The theory is advanced that the tight money policies, occasionally imposed by the Federal Reserve authorities, have slowed the growth of our economy. Some theorists say that the present administration has bought a stable price level at the cost of unemployment. They call for a monetary policy of more or less continuous ease, instead of the flexible policy that has been pursued. They allege that tight money policies have produced the rising interest rates of recent years, which they say are doing much damage to the American people.

I fail to find merit in these contentions. In a free economy, the amount of aggregate demand is the product of millions of independent decisions of households, businesses, and governments. These decisions are affected by people's psychological attitudes, which rise and fall through time. For this reason, the Federal Reserve must restrain aggregate demand when it becomes overexuberant, and must encourage demand when it flags. A flexible monetary policy is a necessary balance wheel. Under a policy of continuous monetary ease, excessive demand and inflation would be inevitable.

Some advocates of continuous easy money concede that it would produce inflation; but they argue that the economy would benefit nevertheless by fuller employment and more rapid growth of output. I believe that their conclusion is in error, mainly because they ignore the damaging effects of persistent inflationary pressure on efficiency which, as we have seen, is the most important factor in increasing production. If a boom is allowed to go unchecked long enough, it leads to lessened efficiency in management (nearly every business makes a profit), lower productivity by workers (nearly anyone can hold a job), and misdirection of investment (nearly all investments seem to pay off). Occasional checks to the growth of demand thus spur workers, managers, and investors to greater efficiency in order to maintain their earnings under less favorable conditions. In the initial years of expansion after years of business pause or recession, output per man-hour has spurted sharply upward (i.e. 1955). When a boom has grown old, the rise in productivity has fallen sharply (i.e. 1957). The evidence—admittedly incomplete—strongly suggests that a flexible monetary policy fosters the long-term progress of a free economy and does not retard it. There are, of course, many other reasons—including our international balance of payments—why a policy of continuous monetary ease is not only undesirable but will not be feasible for the United States in the sixties.

B. Big government: A second major issue is whether large increases in Federal expenditures and higher taxes are necessary to bring about more rapid economic progress. Some academic figures have characterized the contemporary American economy as one of private opulence and public squalor. They accuse the present administration of starving the public services. They propose to restore our alleged lose of national power by a great increase in the proportion of national income spent by Government.

The facts flatly refute the assertion that the Federal services have been "starved" by the Eisenhower administration. If one computes the percentage of the national income formed by all Federal cash payments (which is the most accurate and comprehensive measure of the scope of Federal activity), he finds that it was 23 percent in the fiscal year 1952, the last complete year of Democratic rule, and again 23 percent in the most recent fiscal year 1960. Federal expenditures bear the same relation to national income today that they bore 8 years ago. If, indeed, Eisenhower has starved the public services, we must conclude that their malnutrition had already begun under Truman.

The important point, however, is that the advocates of big government have failed to demonstrate the need for the relative enlargement of Federal Government at the expense of the private sector. Have they considered the large amount of wasteful current Federal expenditures which should be directed into productive, growth-promoting channels? Have they taken into account the huge annual increments of revenue that the present Federal tax system will produce in a growing economy?

Granted that the Nation would benefit from larger Federal outlays on defense, education, and research, it would also profit from reductions of other kinds of expenditures which are not giving our society full value per dollar. Two billion or more are annually wasted on farm subsidies. Great sums are spent on benefits to veterans and their families not related to war service. We maintain at great cost excess naval and airbases which have become technologically obsolete, because Congressmen insist on them. How great a thrust we could give to economic progress by redirecting into basic research and education the $4 to $5 billion of present expenditures now wasted each year.

Moreover, the present Federal tax system produces an annual increment of about $3.5 billions, as a result of normal economic growth under a stable price level. Over a 10-year period Federal revenues can rise nearly 50 percent. I challenge protagonists of a bigger Federal Government to describe worthwhile Federal peacetime projects that will require all of this huge increase in revenue, far less a further increase in taxes.

Some new fiscal policies will, of course, enhance the growth and stability of our economy. For example, the coverage, duration, and scale of unemployment insurance benefits should be enlarged. And Congress should give the Executive power to adjust income tax rates within prescribed limits. But the prospect is that the present balance between the private and public sectors of

the U.S. economy need not and will not be materially changed during the 1960's.

Fifth, structural reform of Federal taxes: A truly critical matter is revision of the structure of Federal taxes. The personal income tax has grown in weight and intricacy to a point where it is having seriously adverse effects upon incentives, savings, and investment. The tax is incredibly complicated. It encourages evasion and avoidance, and tax morale seems to be slipping. Exclusions, deductions, and exemptions have been carried so far that less than 40 percent of all personal income is actually subjected to tax. Yet progressive rates have been pushed to the almost confiscatory level of 92 percent at the Federal level. To escape these rates people set up family trusts, buy tax-exempt securities, transform ordinary income into capital gains, and go into the oil and gas business. Heavy taxation of personal and corporate incomes is reducing productive effort, diminishing savings, and distorting investment. Thus, it is impeding the progress of the U.S. economy.

At the minimum, we should reduce the corporate income tax rate, bring down progressive personal tax rates to more realistic levels, and make more adequate allowances for the depreciation of business assets. If the candidates and the American people really intend to put strong emphasis upon economic policies that will accelerate the progress of our economy, then they must support a broader based and simpler system of income taxation. This will help to narrow the gap between the 25 percent of its national product that the Soviet Union is plowing back into investment every year, and the mere 15 percent that the United States is now devoting to capital formation.

Sixth, promoting basic research and education: The Federal Government can augment progress by making larger investments in basic research and education. One of the striking findings of recent economic research is that the increase of knowledge and its propagation among people is a much more weighty cause of economic progress than the increase of machinery and equipment per worker. Investments in the knowledge and skills of people pay off more richly than investments in machines and buildings. Because basic research and education produce their returns over a long span of time, and their values are widely diffused throughout society, it is wise for government to spend liberally for these purposes.

Among measures to be considered are federally sponsored research institutes and a great extension of Federal scholarships and fellowships.

IN CONCLUSION

If the American people demand that their Federal Government pursue policies to raise the efficiency of the U.S. economy across the boards, the 1960's can mark the greatest decade of economic progress in our history. By revising rather than by enlarging its role in the U.S. economy, government can enable our country to continue its technological and industrial leadership of the world.

GUIDELINES OF INCOME TAX REFORM FOR THE 1960'S

(By Neil H. Jacoby, Graduate School of Business Administration, University of California, Los Angeles)

My assignment is to state the economic objectives to be sought in any reform of the structure of American income tax laws. Others deal with particular aspects of those laws. Of course, the two tasks cannot be separated sharply. Conclusions about the appropriate goals of income taxation necessarily imply the desirable directions of tax reform. Without going into details, I shall later point out the major implications of those goals which appear to be dominant in framing the future income tax structure.

My discussion will embrace both personal and corporate taxes on net income; and it will encompass State and local as well as Federal levies. Manifestly, taxes on personal and corporate incomes constitute a single integrated system for the purpose of this inquiry. The objectives of personal income taxes cannot be studied fruitfully in isolation from those on corporate incomes because individual, partnership, and corporate forms of conducting economic activity are interchangeable over wide areas.

It is equally clear that the economic objectives of Federal income tax reform are also applicable to those of State and municipal governments. Historically, Federal income taxes have so dominated the national scene that the rising burdens of State and local levies on net income are often overlooked. Yet during 1958 almost two-thirds of the States collected more than $2.5 billions of personal and corporate income taxes, and many municipalities also imposed them. An accurate, current, integrated statistical map of all levies on net income on all parts of the United States is needed.

I propose to take the decade of the 1960's as the horizon of my discussion. The particular objectives that should guide structural reforms of income taxes and the priorities to be assigned each of them are not timeless and immutable. They are relative to the political and economic environment and tasks of the Nation in each era. An income tax structure appropriate to wartime is not well adapted to the goals of peacetime. One framed to meet the needs of an undeveloped economy will not well serve an advanced economy. One structured for a society of highly concentrated wealth and income will not be applicable to a more egalitarian society. One designed to stimulate consumption will not foster saving. We must predicate our selection and weighting of the goals of American income tax reform in 1959 upon our vision of the years ahead. A decade is a suitable planning period, because structural changes in taxes should not be made too frequently and 10 years is about as far ahead as one may look with any confidence. By 1970 this committee probably will find it necessary again to review the suitability of the income tax structure.

Let us begin with the classical guidelines of taxation, contrast them with subsequent views, and show how each involved economic goals appropriate to their times. Then we shall set forth hypotheses about the world environment and tasks of the U.S. economy during the 1960's. On a basis of these assumptions we shall identify the dominant consideration in income tax reform and shall suggest the lines of reform that will serve this goal.

CLASSICAL CANONS OF TAXATION

From the beginnings of systematic economic thought, men have sought to identify the primary qualities of a good tax. Adam Smith, the founder of classical British economics and himself a onetime collector of customs, put forth four maxims applicable to taxes in general:[1] First, taxes on individuals should be in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the state. Second, the tax each individual should pay should be certain, not arbitrary. Third, every tax should be levied at a time, or in the manner, in which it is most likely to be levied at a time, or in the manner, in which it is most likely to be convenient for the contributor to pay it. Fourth, every tax should be so contrived as both to take out and to keep out of the pockets of the people as little as possible over and above what it brings into the public treasury of the state. This last maxim Smith interpreted to mean that a tax (1) should be capable of economical administration, (2) should not obstruct the industry of the people, (3) should not offer undue opportunities for evasion, and (4) should not impose unnecessary trouble, vexation, and oppression upon the public.

Evidently, Adam Smith proposed to judge the excellence of a tax by the criteria of equity, simplicity, convenience, administrative cost, susceptibility to evasion, and expense to the taxpayers. This remains an admirable list of criteria, although modern tax theorists would add some new factors and will weigh those enumerated by Smith differently than Smith would have weighed them.

When Smith wrote, around 1775, the British revenue system consisted almost entirely of customs duties, excises and real property taxes and was highly regressive in its incidence. It expressed the mercantilist objective of a protected home market. Smith's demand that taxes on individuals should be proportional to the revenues they enjoyed was quite radical for its time. It represented a protest against the heavy taxation of landless workers and tenant farmers to finance public expenditures made primarily for the benefit of the landed gentry. Of course, we have long since abandoned the view that flat proportionality in personal income taxation is equitable. Contemporary tax theory universally accepts some degree of progression in tax rates upon incomes, inheritances and estates as consistent with the ability to pay doctrine. At the same time, contemporary tax theory gives a place for application of the benefit principle in connection with such taxes as those on real estate or motor fuel.

THE 19TH CENTURY EMPHASIS ON MITIGATION OF PERSONAL INEQUALITIES

During the 19th and early 20th centuries, economic thought about the appropriate guidelines of taxation became increasingly preoccupied with the problem of equity in the distribution of the tax burden among individuals. The gradual development of free markets, strong governmental administration, and business accounting records had caused the older problems of tax enforcement, smuggling, and arbitrary action by tax officials to sink into relative unimportance. Meanwhile, the rapid industrialization of Western Europe and America under laissez-faire policies was creating great fortunes for a few while the masses of workers had not yet acquired much property. The problem of chronic unemployment had not yet emerged in acute form. It was natural that, in these circumstances, much attention was devoted by economists and public officials to the formulation of theories of progression in taxation. John Stuart Mill was among the first of the British economists to argue explicitly for use of the tax system to mitigate great inequalities in personal income and wealth, although he was careful to note that progression should not "impair the motives upon which society depends for keeping up (not to say increasing) the produce of its labor and capital."[2]

We can quickly pass over the theories of equal marginal sacrifice, equal proportional sacrifice, and other concepts of progressive personal income taxation that were developed,[3] because such of this discussion has become irrelevant to contemporary problems. It is now generally believed that the mitigation of economic inequality has in fact come about (as it should) primarily through the

---

[1] See "The Wealth of Nations," book V, ch. II, pt. II.

[2] Mill, "Principles of Political Economy" (London: George Routledge & Sons, Ltd.), p. 519.

[3] See for instance F. Y. Edgeworth, "The Pure Theory of Taxation," Economic Journal, vol. 7, pp. 46, 226, 550 (1897).

equalization of personal opportunities to become productive through educational and other means as well as through progressive death taxes, and that progressive income taxes should have only a peripheral role in the process.

MODERN VIEWS OF TAX OBJECTIVES

During the first half of the 20th century there gradually emerged in the United States a public consciousness of the problem of business cycles and large-scale involuntary unemployment. This interest reached an acute form with the economic collapse following 1929 and the incomplete recovery of the early 1930's. A consensus gradually emerged—finally expressed in the Employment Act of 1946—that Government could not leave the level of employment to chance and that it had a positive responsibility to use all its powers, including taxation, to regulate aggregate demand so as to prevent both booms and recessions.

Meanwhile, American society gradually becomes more egalitarian in the distribution of income, wealth and economic power during the present century.[4] Apparently, the wider spread of education, and the greater mobility of people and other factors were tending to equalize personal opportunities and productivity and to reduce inequalities in earned income. At the same time, heavy death duties and inheritance taxes tended to break up old family fortunes and to produce a greater diffusion of property incomes.

Because of all these changes during the present century, economic thought about tax objectives shifted from its earlier preoccupation with theories of progression. A concern emerged for new criteria of taxes such as the adequacy of revenues, their cyclical flexibility and their effects upon employment and economic growth. In the light of these fundamental shifts in the nature and environment of the U.S. economy up to the end of World War II, it is illuminating to consider the list of qualifications for postwar taxes drawn up in 1945 by Prof. Harold M. Groves in a study undertaken for the Committee for Economic Development.[5] This list has special interest because it reflected expert opinion on the proper guidelines of Federal taxation 15 years ago, when basic problems of income tax structure were last considered by Congress and the public.

Professor Groves' list may be summarized as follows:

1. Taxes should be fair, and not arbitrary.
2. Taxes should reduce inequalities in wealth, income, and power.
3. Taxes should conserve human resources.
4. Taxes should preserve a wide market; they should not aggravate oversaving.
5. Taxes should preserve incentives.
6. Taxes should be as direct as feasible.
7. Direct taxes should be widely shared.
8. Taxes should be adequate.
9. Tax reductions and increases should be administered to reduce business instability.

The major conclusions drawn by Professor Groves were: "These considerations sustain the view that the main source of support for postwar Government should be a direct personal income tax with a broad base, an adequate standard rate, substantial graduation, no loopholes, and much stronger administration."

Viewed in the perspective of 14 years, Professor Groves' guidelines of tax reform continue to possess much merit. To the qualities of a good tax cited by Adam Smith, he added directness, breadth of base, incentive, stimulation of consumption, adequacy, and cyclical flexibility. While none of these factors is irrelevant, his listing does not reveal the appropriate weights to be given each factor in making tax policy. Thus, it does not resolve such knotty problems as the appropriate degree of progression in personal income tax rates. To find more specific guidelines for contemporary tax policy, we must consider what changes have occurred since World War II, and what changes impend during the 1960's, in the nature of the U.S. economy and its environment.

When Groves wrote near the close of World War II Americans were deeply concerned with the reemployment of millions of men and women about to be demobilized from the Armed Forces. With the bitter memories of chronic mass unemployment during the thirties fresh in mind, most people saw adequacy of demand for goods and services and full employment as the primary postwar economic problem. Hence, they put great emphasis upon taxation which would encourage consumption expenditures and prevent "oversaving."

Instead, the postwar years have witnessed a generally high level of employment, and recurrent periods of excessive demand which have placed the U.S. economy under inflationary pressures. The reason for this has been that forces initiated by World War II have profoundly changed the nature of our economy. These basic new forces include an explosion of population, a revolutionary diffusion of income and wealth, and a new age of scientific and technological advancement. The pervasive problem of our times has been to find investment funds for the myriad of new opportunities opened up by scientific research and development, while meeting the great demands for consumer goods emanating from millions of households.

Fifteen years ago the Soviet Union was an ally of the United States, apparently devoid of imperialistic ambitions, devastated by war and requiring a generation of resuscitation. Now, the U.S.S.R. has emerged as a powerful and belligerent antagonist in a world divided into two ideological camps. Because of the insistent demands of a multitude of new and undeveloped nations for rapid economic progress, and the competition of the Western and Soviet nations for their political affiliation, world political conditions have become tense and unstable.

Fifteen years ago the United States monopolized nuclear weapons and their means of delivery, thus possessing undisputed military power over the world. Today, there is no monopoly; and the time is rapidly approaching when many nations will possess the awful destructive power of nuclear weapons. Meanwhile, the most advanced countries have entered an era of missile development, rocketry, and the exploration of outer space—which appears to be the new frontier of both military power and civilian scientific progress.

These radical changes in the environment and nature of the U.S. economy surely establish new guidelines of income tax reform.

THE ENVIRONMENT AND CHARACTER OF THE U.S. ECONOMY IN THE SIXTIES

In recent testimony to the Joint Economic Committee of Congress, I suggested that the following salient economic tasks confront the United States as we enter the 1960's.[6]

1. Economic provision for national security.
2. Increasing efficiency and economic growth.
3. Fostering economic growth throughout the free areas of the world.
4. Strengthening the U.S. position in foreign trade.
5. Defending the purchasing power of the dollar.
6. Invigorating competition.
7. Adapting to rapid population increase.
8. Increasing the geographic and occupational mobility of people.
9. Improving education of all kinds and at all levels.

These tasks were identified as the crucial tasks of the next decade upon a basis of certain assumptions about the world environment and the nature of the U.S. economy during the 1960's. We may postulate the following developments during this decade as being the most probable among the alternatives.

1. U.S. population will continue to grow rapidly, reaching about 210 million by 1970. Additional family formations will amount to about 10 million during the decade, giving rise to vast markets for housing, home appliances, automobiles, and consumer equipment, and banishing the specter of market saturation for consumer goods.

2. Governmental and private expenditures on scientific research and development, which mounted from $1 billion in 1940 to about $10 billion in 1958, will continue to expand relative to the gross national product and may reach $20 billion a year by 1970. This will accelerate the rate of obsolescence of the existing stock of capital goods while magnifying the demand for new types of plant and equipment, thus creating a sustained strong demand for producer durable goods and nonresidential construction.

3. Startling advances in science and industrial technology will both require a much higher level of formal education and technical training by the work force, and will reduce the demand for relatively unskilled manual and clerical personnel as a result of the automation of repetitive processes. U.S. expenditures on education will increase rapidly as a percentage of the GNP. This growth in educational opportunities, accompanied by a further decline in racial discrimination and barriers to personal mobility, will tend to further reduce inequalities in individual productivity and income. At the same time, it will produce serious problems of structural unemployment to which increasing attention will be given.

4. The explosive growth of world population will continue, as death rates fall while birth rates remain high. This will add about 30 percent to world population in the sixties, and produce a world with about 3½ billion human beings by 1970.

5. The existing stalemate among the big world powers in nuclear weapons and missiles will continue and will deter any of them from precipitating world war III. However, the rising nationalism and ambition for economic improvement among the Latin American, African, and Asian nations, combined with rapid population growth that will defeat efforts to raise per capita incomes quickly, will create much political instability in the world. International tensions will continue to be high, and local wars will continue to require the United States to maintain strong, mobile military forces throughout the world, as well as to compete with the U.S.S.R. for supremacy in the command of outer space. Hence, national security expenditures will continue to expand during the sixties, probably at a rate approximating the growth in gross national product.

6. By 1970 the Common Market and other steps toward the economic integration of Western Europe will be well advanced. This region, as well as Canada, Japan, and other

[4] See the findings of research on changes in the distribution of income by Simon Kuznets, of changes in the distribution of wealth by Robert J. Lampman in a forthcoming study. Cf. 39th Annual Report of the National Bureau of Economic Research, Inc.

[5] See Harold M. Groves, "Postwar Taxation and Economic Progress" (New York: McGraw Hill Book Co., Inc., 1946) pp. 373–374.

[6] "Employment, Growth and Price Levels." Hearings before the Joint Economic Committee, pt. 1, p. 56, ff., 86th Cong., 1st sess. (U.S. Government Printing Office, 1959).

prosperous and politically stable nations, will be the destination of much private American investment. Concurrently, world political considerations will have produced a rise in U.S. Government gifts, grants, loans, and technical assistance to the underdeveloped countries. Private capital outflow (including reinvested earnings) which was about $2.8 billion during 1958, may be running at an annual rate of $5 billion or more in 1970; foreign economic aid and investment by Government, which was about $3.5 billion during 1958, will be well maintained.

All of these probable oncoming developments form guidelines for reform of the American income tax to meet the needs of the next decade. They emphasize the need for an income-tax structure that fosters more saving and risk-taking investment, larger capital formation, and thus rapid and better sustained growth of the U.S. economy.

The United States needs a more rapid average annual rate of growth in its real national output during the 1960's than the approximately 3 percent realized since World War II for these reasons:

To supply millions of new families with homes and a complement of durable and nondurable goods and services.

To obliterate the remaining pockets of substandard living in our land.

To support massive scientific research and development efforts and a huge enlargement of educational activities.

To provide our industries with the most efficient equipment that will make it capable of meeting intense competition from abroad. (A 1958 McGraw-Hill survey disclosed that it would then cost $95 billion to replace outmoded equipment. Business Week, Sept. 27, 1958.)

To supply the new capital goods that will take advantage of a burgeoning body of scientific knowledge.

To enlarge the outflow of American investment abroad.

To reduce the danger of inflation.

To provide an example to the world of a dynamic economy based on open markets and private enterprise.

TAX REFORM FOR RAPID ECONOMIC GROWTH

If our vision of the coming decade is reasonably accurate, and strong emphasis should be placed on the objective of rapid and sustained economic growth, what structural changes in income taxes will contribute to this goal?

In the writer's opinion at least six lines of reform are indicated: [7]

1. Reduction in the progressivity of the personal income tax.

2. Elimination of many exclusions, deductions, and exemptions from taxable income.

3. Averaging of personal incomes for determining tax liability.

4. Scaling the tax rate on capital gains to the holding period of assets.

5. Reduction in the tax on corporate income and ultimate integration with the personal income tax.

6. Liberalization of depreciation allowances on business assets. Taken together, these reforms contemplate a broader-based, simpler income tax system, so structured as to encourage productive effort, saving, and risk-bearing investment more strongly than does the present system. While fostering economic growth, it would also eliminate many inequities in the present system. We shall briefly comment on each line of reform.

1. Reduction in the progressivity of the personal income tax. The degree of progressivity in current Federal income tax rates is extravagantly high, whether measured by impact on production or on Federal revenues or when compared with income tax rates in progressive nations of the world. Comparatively little income is really taxed at the maximum rate of 91 percent, because persons able to enter this bracket either choose not to earn ordinary income; or they donate income-producing assets to tax-exempt or low-taxed trusts; or they enter the business of oil or gas production; or they purchase tax-exempt securities; or they transform ordinary income into capital gains. The upper-bracket rates have thus become largely "phantom" rates, paid by few while deterring productive effort and distorting investment.

The progressivity of personal income tax rates should be reduced, not only in the top brackets of income over $100,000 per annum, but also in income brackets in the $10,000–$100,000 range where a relatively high percentage of personal savings occur.[8] While persons in these brackets have much "ability to pay" taxes, they also have much capacity to save and are more likely than persons in low-income brackets to save a large fraction of any reduction in their tax liabilities. If real economic growth without inflation is our prior economic objective, less graduation in personal income tax rates is a logical implication of this choice.

True, the U.S. economy has grown, the rate of net capital formation has not fallen, and new businesses have continued to be formed in the face of highly progressive tax rates maintained since World War II. But this is not enough. The U.S. economy has not been growing fast enough to perform its gigantic tasks in the world of the sixties. It has been said that present graduated rates above the first bracket provide only 14 percent of individual income tax liability and therefore cannot have an important impact. Yet this is clearly an inadequate test of the impact of progression, because a disproportionately large part of the Nation's personal savings occurs in these higher brackets of income, and the figures do not show the amount of taxable income not earned and reported because of the deterrent effect of excessive progression. It is also argued that progression is really not excessive because (to take the extreme case) individuals with adjusted gross income over $1 million paid an average effective tax rate of 54.4 percent on their 1957 incomes. Clearly, however, it is the marginal rather than the average rate that influences capital formation.

2. Elimination of many exclusions, deductions and exemptions: A potent reason for scaling down current excessive progression in tax rates is that it will make it easier to reduce the differentiation, exclusions, credits, exemptions and special features which unduly complicate the present laws and which are necessary to make the current rate structure at all tolerable. We should put a stop to the process that Henry C. Simons so aptly described as dipping deeply with a sieve.

Exclusions, deductions and exemptions from taxpayers' net incomes have been carried so far that in 1957 taxable income was less than 40 percent of personal income. The occasions for such special treatment have been the desire to encourage activities deemed socially desirable or to grant selective relief from taxation. The consequences have been to introduce great administrative complexities into the law, costly both to the Internal Revenue Service and the public, to create opportunities for evasion, and to encourage demands upon Congress by other groups for favored treatment. The desirable line of reform, consistent with both the Government's needs for continued large revenues and with democratic requirements of a broad tax base, is to reduce drastically such differentiation. While it would not per se affect economic growth, broadening the base of the personal income tax would make it possible to reduce rates without sacrifice of revenue or, indeed, of true equity.

3. Averaging of personal incomes: At present the person whose income fluctuates widely from year to year pays higher taxes than the person whose income is stable from one year to the next, even though their total incomes over a period of years are the same. Because persons with widely fluctuating annual incomes are likely to be self-employed persons operating their own enterprises or taking the risks of economic development, the present tax system discriminates against them. It should, at least, place them on an equal footing with those with stable incomes, usually derived from salaried employment. It can do this by permitting taxpayers to average their incomes in computing their tax liabilities.

4. Scaling down the rate on realized capital gains: The treatment of capital gains poses one of the most difficult and controversial issues of income tax structure. Plausible theoretical arguments can be made for either one of two extreme positions: treating them the same as ordinary income—as the United States once did—because they add to the economic power of the recipient; or regarding them as being something different from taxable income, as is true today in the United Kingdom and the commonwealth countries.[9] Current U.S. practice represents a compromise, which attempts to take into account revenue yield to the Treasury and effects upon financial markets, investment, and capital formation, as well as individual equities. It is obvious that a personal income tax with progressive rates up to 91 percent would almost paralyze risk-taking investment, unless realized capital gains bore a maximum lower rate.

If economic growth really should be a dominant consideration in tax policy, as we have argued, then the conflicting considerations in the treatment of capital gains should be resolved in favor of a system which offers individuals strong incentives to capital formation and risk assumption. The current treatment of capital gains does tend to "freeze" capital assets in the hands of investors who are reluctant to sell appreciated assets and pay up to 25 percent of their gain to the Federal Government. Thus it does in some measure impede the mobility of investment funds, with adverse consequences for the productivity of capital. In addition, the capital gains tax rate, while relatively favorable to capital gains versus ordinary income, continues to be high enough to deter some risky investment that would otherwise occur. The forces of economic growth would be strengthened by scaling down the maximum rate from 25 percent to (say) 5 percent according to the length of time assets are held. For example, the maximum rated 25 percent might apply to "long-term" capital gains on assets held more than 6 months but not more than 1 year, and this maximum rate might be reduced by 2 percent for each additional year an asset was held before sale. This would tend to encourage risk-assumption on investments that promised to bear fruit far in the future. It would encourage realization of large gains on assets already held for a number of years, and reinvestment of the proceeds in assets having better potentialities of appreciation.

[7] See Irwin Friend and Stanley Shor, "Who Saves?" Review of Economics and Statistics, vol. XLI, No. 2. (May 1959.) According to BLS-Wharton estimates, urban families with annual incomes of $10,000 or more in 1950 saved 31 percent of their after-tax incomes and accounted for 58.7 percent of personal saving, while forming but 4 percent of the population.

[8] Most of these recommendations were advanced by the writer in "Can Prosperity Be Sustained?" (New York: Henry Holt & Co., 1956), ch. 1.

[9] See Lawrence H. Seltzer, "The Nature and Treatment of Capital Gains" (New York National Bureau of Economic Research, Inc., 1951), esp. ch. 11.

5. Reduction in the tax on corporate income: The present tax on corporate net income (30 percent on the first $25,000 and 52 percent on all in excess) lays too heavy a burden on business profits for the welfare of a vigorous, private enterprise economy. (The incidence of the corporate profits tax is a complex issue and depends on circumstances but the consensus of economic theory is that the stockholder bears most of the burden in most instances.) A 52-percent tax rate makes the Federal Government, in effect, the majority stockholders of every business corporation of appreciable size. It favors wage and price inflation and other inefficiencies by enabling corporate managements, in effect, to charge the bulk of costs to the Government. It diminishes both the incentive to make, and the means of financing, new investment in the most modern and efficient equipment and thus retards the growth of production.

For an income tax system structured primarily to foster economic growth, as well as to distribute the tax burden equitably, by eliminating haphazard double taxation of dividend income, the ultimate goal should be integration of the tax on corporate net income with the tax on personal income. This implies that the Federal Government should return to the policy followed during the early years of U.S. income-tax history, and treat the corporate tax as a withholding levy (levied at the first-bracket personal rate) in respect to earnings distributed to stockholders, and as an advance payment of taxes with respect to retained earnings.[10] Fiscal considerations obviously dictate a gradual approach to this goal, through a series of separate stepdowns in corporate tax rates so timed as to exercise a stabilizing effect on business cycles.

6. Liberalization of depreciation allowances: A tax system structured to foster economic growth should give businessmen wide latitude in determining the amounts of depreciation allowed each year against their fixed assets. This is so for two reasons: First, liberal depreciation reduces tax liability and thus increases the cash available for purchase of new assets; secondly, liberal depreciation allowances permit the firm to recover the costs of new assets more quickly and thus act as an incentive to modernize and add to its assets.[11] In a society with an accelerating pace of technological change, allowable depreciation charges should be increased to reflect the rising rate of functional obsolescence of assets which become outmoded. Headway was made in this direction in the Tax Revisions Acts of 1954 and 1958. However, the rules of the Internal Revenue Service in regard to depreciation allowances continue to be illiberal in comparison both with the facts of U.S. industrial obsolescence and with the income tax practices of other industrially advanced countries. At the minimum, this present discrimination against business investment inherent in our income tax laws should be removed, even if we do not go further, and permit accelerated depreciation as an incentive for business investment.

CONCLUSION

The formulation of American income tax policy has always been complicated by the presence of conflicting criteria, none of which could properly be ignored, and each of which has been accorded a weighting dependent upon the particular economic tasks of the times. The considerations that now impel our country to seek a more rapid and steady growth of real production during the 1960's are powerful. Hence, growth of output, within the framework of a reasonably stable price level, should be the dominant guideline of reform of the income tax structure for the proximate future.

[10] See Harold S. Groves, op. cit., pp. 72–73.

[11] Cf. Evsey D. Domar, "The Case for Accelerated Depreciation," Quarterly Journal of Economics, LXVII, pp. 493–519 (November 1953).

AUGUST 1, 1961.

Hon. THOMAS B. CURTIS,
House Office Building,
Washington, D.C.

DEAR SIR: I have been appointed by Gov. Otto Kerner to serve as a member of the Illinois Board of Unemployment Compensation and Free Employment Office Advisers. As its title implies, this board is charged with the duty of formulating policy and legislation relating to unemployment insurance. At the urging of Governor Kerner, the board recommended and the Illinois General Assembly recently enacted a statute providing for payment of unemployment compensation to persons enrolled in approved retraining programs. It was, therefore, with great interest that I read in Roscoe Drummond's column of the work of the House Republican policy committee in this area.

I would be greatly appreciative if you could arrange to furnish me with such reports, information and data as may result from the work of the committee in this area. The relationship between automation, unemployment and vocational retraining programs is one with which our board will, no doubt, be evermore concerned with in the future. The studies being undertaken by your committee promise to provide much needed information and guidance in this vital area of public policy.

Very truly yours,

ROBERT S. FIFFER.

Mr. CURTIS of Missouri. Mr. Speaker, in reading through this final report, which includes some 20 conclusions and recommendations, I will simply put it in the RECORD and state that this has been widely disseminated to the press and to other people who are interested in it.

Mr. Speaker, one final comment before I yield back the balance of my time. I brought with me the Sunday edition of the New York Times, just to demonstrate one of the main themes of these studies, and that is the number of jobs that are going begging, resulting, I might say, from automation. Automation does create many, many more jobs than it eliminates. Here in the Sunday New York Times, you can go through some seven or eight pages of classified ads, all of them asking for people to come in and apply for these jobs. The same can be done with any of the metropolitan newspapers in this country. Jobs are going begging simply because our people are not picking them up. Many times people are not trained in the skills that these jobs call for. This situation clearly demonstrates that in a dynamic economy, we do have the opportunity for people to have the jobs. The essence of the problem is facing the hard realities of retraining.

Mrs. DWYER. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentlewoman from New Jersey.

Mrs. DWYER. Mr. Speaker, our colleague from Missouri [Mr. CURTIS] and the other members of our minority party who have been associated with him in conducting this lengthy study of employment and automation, have performed a notable public service. I feel sure that our colleagues on both sides of the aisle are better informed and have a clearer idea of the available alternative courses of action today than they were before this project got underway. In my view, this has been an excellent illustration of the proper role of the minority party in Congress. It has been positive and constructive and at the same time it has been critical, though in a particularly discriminating way.

It should be emphasized, Mr. Speaker, that a project such as this is the result of hard work and unfailing persistence. The handicaps and obstacles were many. The gentleman from Missouri, the subcommittee on special projects of the House Republican policy committee, and the minority members who participated in the study invested many extra hours in this undertaking. As one who has read their report, listened to their debates, and discussed at length their findings and conclusions, I want to express my thanks and gratitude publicly.

I understand, Mr. Speaker, that it was the original intention of the gentleman from Missouri and the gentleman from California [Mr. WILSON], chairman of the Republican congressional campaign committee, and the subcommittee on special projects to arrange a series of public conferences in such cities as New York, Boston, Chicago, St. Louis, Los Angeles, and Atlanta for the purpose of familiarizing people throughout the country with the substance of this important study. I hope this original intention will be pursued, because the problems of employment and unemployment affect everyone in a most fundamental way. The solution to these problems requires the active interest and support of people and Government officials at all levels, Federal, State, and local. A study of such significance should not simply be dropped into the laps of 437 Members of Congress and then forgotten. By enlisting the interest and the ideas and the cooperation of local newspaper editors, heads of organizations, Government officials, members of both political parties and the general public, a longer life and greater impact can be given to the ingredients of this study. It is here at the local level that good ideas can be translated into positive action. We need the imagination and the enthusiasm of local leaders and opinion makers to put into effect the recommendations spelled out in this report, which can put people to work, broaden the scope of opportunity, and strengthen our Nation's economy.

Mr. CURTIS of Missouri. I thank the gentlewoman from New Jersey.

Mr. Speaker, I yield back the balance of my time.

Mr. O'HARA of Illinois. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Illinois.

Mr. O'HARA of Illinois. Mr. Speaker, I rise also to thank the gentleman from Missouri. I have never seen more consideration shown by any Member in the well of the House. I should like to listen to our colleague for a long time, and I know that it would be very profitable to listen. The gentleman has 2 hours at his

disposal. The hour is late and when the gentleman says that he is turning back the remainder of the time, I think the gentleman has shown a consideration for his colleagues that should be noted.

Mr. CURTIS of Missouri. I thank my colleague, the gentleman from Illinois, and, Mr. Speaker, I do now yield back the balance of my time.

CONGRESSMAN PELLY CALLS FOR QUARANTINE OF IRON CURTAIN COUNTRIES

The SPEAKER pro tempore (Mr. ALBERT). Under previous order of the House, the gentleman from Washington [Mr. PELLY] is recognized for 15 minutes.

Mr. PELLY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include tables.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, I have introduced legislation the purpose and provisions of which I would like to call to the attention of the House. I refer to H.R. 8547, which is a simple bill, set forth in simple language, to plug a leak in the dike we have built, or are attempting to build, to stem and contain the tide of international communism.

The title of the bill is self-explanatory—to prohibit exports to Communist countries. The purpose of the legislation is equally clear, and states:

> The Congress hereby declares that it is the purpose of this act to preserve and protect the national security of the United States by prohibiting all exports to countries under the Communist form of government.

The second and final section of the bill elaborates the declared purpose as follows:

> No official or agency of the United States shall grant any license for exports to any of the following countries: Union of Soviet Socialist Republics, Federated Republic of Yugoslavia, Peoples Republic of Rumania, Peoples Republic of Poland, Republic of Bulgaria, German Democratic Republic (of East Germany), Peoples Republic of Hungary, Peoples Republic of Czechoslovakia, Peoples Republic of Albania, Peoples Republic of China, Peoples Democratic Republic of Korea (North Korea), Democratic Republic of Vietnam, Peoples Republic of Outer Mongolia, and Government of Cuba.

If I have failed to include any country which should properly be considered in this select group, it is strictly an oversight and I shall be most receptive to an amendment to correct any such error. Furthermore, in view of the new crisis in the Berlin situation which took place over the weekend, the legislation to which the following remarks are addressed is particularly timely. In my judgment, the most effective answer of the free world to the illegal sealing of the border by East Germany is the immediate imposition of an economic blockade by all members of the NATO alliance.

Mr. Speaker, I suggest that we have indeed come to a sorry pass when any Member of Congress, such as myself, should feel impelled to initiate legislation such as this. It is hard to believe that in a time like this, voluntarily there would not be a complete embargo on trade with the Russo-Sino bloc and its satellites. Yes, we have indeed come to a sorry pass when American industry, with the connivance and cooperation of the administrative branch of our Government, becomes so imbued with the worship of the "Golden Calf" as to seek monetary gain by entering into trade with the most implacable and remorseless enemy this Nation has ever faced.

Under the Export Control Act, the President has delegated to the Secretary of Commerce the authority to issue export licenses, which are required on all items when the country of designation is Communist or Communist-controlled. It is of course within the authority of the Secretary to determine whether the material in question is or is not strategic.

A month or so ago I requested the names of the American firms seeking export licenses for commodities destined for Communist countries, and the Secretary of Commerce refused to divulge the names, but finally did agree to provide interested Members of Congress with a description of the commodities for which these licenses were requested, their total value and country of destination, this list to be provided on a day-to-day basis.

The first such list to arrive in my office was dated August 3, 1961; the second was dated August 4, and presumably I shall receive these lists on a regular basis from now on.

Let me emphasize, Mr. Speaker, that it seems obvious that any material or commodity, regardless of what it might be, if it is needed by a Communist country to the extent of purchasing it from the United States, is strategic to that country. In case anyone regards this viewpoint as excessively narrow, let me remind them that history has a way of repeating itself and in this connection let me cite the industrial buildup of imperial Japan before World War II, substantially with the assistance of the United States, and which continued almost up to Pearl Harbor. I again remind you, Mr. Speaker, that the authority to determine whether a commodity or product is or is not strategic is vested in the Secretary of Commerce.

With this thought uppermost in mind, let me list a 2-day compilation, namely, August 3 and 4, of export licenses approved for nameless American firms, concerning shipments to Communist countries. In the interest of brevity, I shall tabulate the number of licenses issued, the commodities involved, and the Communist country of destination:

Country	Licenses issued	Commodities involved
Aug. 3, 1961:		
U.S.S.R.	7	Machine cutting tools and parts, industrial instruments, pipe valves, power transmission systems.
Rumania	3	Hand tools and conveying equipment and parts.
Czechoslovakia	2	Construction and maintenance equipment and parts, medical and pharmaceutical preparations.
Poland	1	Surgical and medical apparatus.
Hungary	2	Coal-tar products and clothing.
Yugoslavia	1	Chemical processing equipment.
Aug. 4, 1961:		
U.S.S.R.	6	Ball bearings, textile machinery parts, automotive replacement parts, electrical machinery parts, asbestos gaskets, a geographical world globe.
Yugoslavia	8	Iron and steel scrap, petroleum field production equipment, geophysical instrument parts, industrial instruments and parts, semiconductors; electron tubes.
Czechoslovakia	9	Aircraft ground and maintenance equipment and parts, industrial products, industrial chemicals, petroleum products, cigar-leaf tobacco, coal-tar products, medical and pharmaceutical preparations.
Bulgaria	1	Medicinal and pharmaceutical preparations.
Rumania	1	Transmission belts and belting.

This, then, Mr. Speaker, constitutes a description of the commodities being shipped, the number of export licenses applied for and the Communist countries of destination for a 2-day period. I am advised that these represent a fair daily average. I cannot profess to know what formula the Department of Commerce uses to determine the strategic value of a commodity, but I submit, Mr. Speaker, that the American people will use their own formula, which I suggest will not, by any stretch of the imagination, agree with the Department on items such as have just been mentioned.

Are we to believe that industrial equipment and parts, pipefittings, ball bearings, chemical processing equipment, airplane parts, et cetera, have no strategic value? The answer of course is "No."

To my mind, this is a sorry list and a sad commentary on the patriotism of some exporters, who put personal gain above love of country and, in cooperation with fuzzy-thinking bureaucrats in the Department of Commerce, are trading with the enemy and furnishing vitally needed material for a buildup of the Communist military potential.

A few days ago, the President of the United States very properly sent greetings and congratulations to Soviet Premier Nikita Khrushchev for that country's outstanding achievement in orbiting a man for 24 hours in space. Contained in this message was the expressed hope that all nations of the world could collaborate in the exploration of space.

Mr. Speaker, I invite the Members of this House to inspect the list of the commodities shipped from this country to Russia in just a 2-day period and I ask my colleagues if the President's hope has not already been consummated—if, in fact, we have not already been cooperating to the fullest extent in the U.S.S.R.'s conquest of space?

I hope my colleagues will think about this. If Members agree, their support is invited in pressing for action on H.R. 8547 and helping toward its enactment into law, thus bringing to an end further cooperation with the enemy along these lines.

Through the passage of this bill, Congress will in effect quarantine outlaw nations as any civilized society would quarantine a community ravaged by plague.

You will observe, Mr. Speaker, that the value of these items has not been listed. I shall, of course, be happy to furnish this information on request. However, in my judgment, this data is not pertinent or relevant to the problem.

The fact that commerce, any commerce, is undertaken with an ideology which has never deviated from a basic philosophy dedicated to the complete subjugation and enslavement of the entire world can no longer be tolerated.

What is a man profited, if he shall gain the whole world, and lose his own soul?

These words, now almost 2,000 years old, enunciate an eternal truth and I suggest to certain individuals hidden behind the Department of Commerce cloak of secrecy that they heed them. No American would deliberately contribute to the destruction of this last bastion of freedom.

Mr. Speaker, by the enactment of H.R. 8547, the Congress would serve notice on the Kremlin that this Nation as a sovereign state, has "had it," that we are fed up to the teeth with their threats and manufactured crises and with their platitudes about peace.

"Peace" is the most frequently used word in the Russian language, but peace, as envisioned by the Soviets, is the result of total victory and world domination by international communism.

The peace philosophy developed by Communist ideology is used as a propaganda instrument, like a thug wields a blackjack, certainly not in the sense that the free world thinks of peace.

I submit that there is no greater threat to our survival than the policy of peaceful coexistence as enunciated by the Kremlin. Nikita Khrushchev, at a Polish Communist meeting in Warsaw in April 1955, said:

"We must realize that we cannot coexist eternally, for a long time. One of us must go to the grave. We do not want to go to the grave. They do not want to go to the grave, either. So, what can be done? We must push them to the grave."

Are these the words of a man even remotely interested in peace? The answer to this question is obvious and I urge the membership of this House to join me in support of H.R. 8547.

Mr. MORSE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MORSE. Mr. Speaker, our distinguished colleague, Congressman PELLY, has performed an important act by introducing a bill to end the export of American goods to the Soviet Union and its Iron Curtain satellites.

In the total "econuclear" war that Khrushchev has threatened, such trade adds up to outright aid and comfort to the enemy. As the gentleman from Washington [Mr. PELLY] has pointed out it is comparable to the sale of U.S. scrap iron to Japan even as we hovered on the brink of World War II.

Congressman PELLY has painstakingly listed the commodities involved in our trade: machine cutting tools and parts; power transmission systems; conveying equipment and parts; ball bearings; textile machinery parts; electrical machinery parts; iron and steel scrap; petroleum field production equipment; aircraft ground and maintenance equipment and parts, and so on, a long and appalling itemization of materials which could one day be put to use to hurry our destruction.

The United States is spending billions of dollars to provide a powerful deterrent force, second to none in the world. How ironic, indeed, that we continue to undermine this effort because our shopkeeper's instinct is stronger than our will for survival.

WISCONSIN LEGISLATURE SUPPORTS LAIRD MENOMINEE BILL

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. LAIRD] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LAIRD. Mr. Speaker, I include herewith a joint resolution adopted by the Assembly and Senate of the State of Wisconsin, urging the conference committee on H.R. 4130 to adopt the provisions of the bill passed by the House. H.R. 4130, as passed by the House, provided health, education and welfare aids on a phase-out basis for the next 6 years. The resolution is as follows:

JOINT RESOLUTION 93

Joint resolution urging the congressional conference committee on H.R. 4130 to adopt the provisions of the House bill

Whereas the U.S. Congress has under consideration H.R. 4130, which provides for a loan fund for Menominee Enterprises, Inc., to assist the Menominee people in developing and diversifying industry in Menominee County; and

Whereas the House bill contains further provisions for $540,000 in aid for health, education, and welfare programs in Menominee County for the first year, and to continue such aids on a declining basis over the ensuing 5 years; and

Whereas the present tax base in Menominee County is inadequate to properly finance the basic and essential health, education, and welfare programs; and

Whereas the U.S. Senate has not concurred in the allowances made in H.R. 4130 for health, education, and welfare aids; and

Whereas the bill is now in joint conference committee: Now, therefore, be it

Resolved by the Senate (the assembly concurring), That the congressional conference committee be urged to adopt the provisions in the House bill; and, be it further

Resolved, That copies of this resolution be sent to the members of the conference committee and the members of the Wisconsin delegation in Congress.

W. P. KNOWLES,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
DAVID J. BLANCHARD,
Speaker of the Assembly.
ROBERT G. MAROTZ,
Chief Clerk of the Assembly.

BEEKEEPERS' SELF-HELP PROGRAM

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. NELSEN] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. NELSEN. Mr. Speaker, recently I was informed by Mr. F. Q. Bunch, secretary of the Minnesota Beekeepers Association, that his organization in State convention this year voted by an overwhelming majority in favor of self-help legislation for the beekeeper industry. Mr. Bunch went on to state in his report to me that the members of the Minnesota Beekeepers Association are greatly in favor of legislation which would permit them to formulate and adopt a self-help program under which they might continue a honey promotion program and to establish and enforce quality controls accompanied with compulsory labeling.

I have been in touch with Mr. Bunch to ascertain more particularly what type of program they might be interested in and in accordance with the wishes of the Minnesota Beekeepers Association, I have introduced today a proposal to amend the Agricultural Marketing Agreement Act so as to authorize the adoption of a self-help program with respect to honey.

I urge favorable consideration of this proposal, Mr. Speaker, because it is in accordance with the wishes of the beekeepers of Minnesota and I understand has the approval of the American Beekeepers Association. If the members of the industry wish to adopt a program to help themselves, I feel that we here in the Congress should give them this opportunity, and, furthermore, this type of approach is one under which the honey industry of the United States can avoid the oppressions of Government control of their activities and put them in a position where they will not have to eventually rely on Government supports and subsidies.

DAILY BOND BUYER

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. DERWINSKI] may extend his remarks at this point in the RECORD and include an article.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, I think it is well known by the Members of this body that the Bond Buyer publications, among the oldest and most respected financial publications in this or any other land, have long enjoyed a well-earned reputation for perceptive and analytical evaluations of vital legislation before us.

Accordingly, it was with considerable interest that I noted in the Daily Bond Buyer of August 8, 1961, a clear objective appraisal of the more important factors involved in the proposal to increase the tax liability of mutual savings banks and savings and loan associations.

I call to the particular attention of the Members, Mr. Speaker, one portion of the article to which I refer. It is that portion that deals unemotionally and factually with the basic paradox, and it is this. The article points out that we are being asked, as is well known, to grant the expanding industries of this Nation an 8-percent credit to offset some of the costs of those expansions. Yet should the Congress accept this proposal relating to thrift institutions, it might well be crippling, as it were, the expansion of one of the largest and most important industries of all, home building. The Congress could well tighten the screws on the supply of credit by these proposed savings and loan tax adjustments. I think, therefore, Mr. Speaker, the question which we must face is this: Are we to enact tax provisions which might well penalize one of our greatest industries—and perhaps many more which depend on its health and vigor—in order to make up some of the tax revenues to be lost by easing burdens on other industries?

Because this and other pertinent questions are raised by the Bond Buyer, and because I know how genuine is the interest of all Members in this issue, I recommend the article to the entire membership of this House.

I wish to make it perfectly clear, Mr. Speaker, that since the subject matter of savings and loan taxation has generated such widespread comments in the Halls of Congress, the whole question has developed into the pitched battle which is not productive of sound legislative development. Personally, I have always favored extending to commercial banks a tax reserve position based on their long range mortgage portfolio, similar to that now afforded savings and loan associations. Again personally, I have long advocated differentiating between mutual, locally operated savings and loans, and those institutions controlled by holding companies or operating under guarantee or permanent stock corporate structure. However, the issue before the Ways and Means Committee, and, therefore, before the entire Congress, is clearly discussed in the Bond Buyer article to which I refer.

Accordingly, Mr. Speaker, under unanimous consent, I include herewith in the RECORD the article to which I have referred and which appears in the Daily Bond Buyer of August 8, 1961:

SAVINGS AND LOAN ASSOCIATIONS AWAIT GREAT TAX BATTLE

WASHINGTON, August 8—On the eve of a legislative tax battle that is to many a survival struggle, the Nation's savings and loan associations today were counting heavily on an argument, handed to them by Treasury Secretary Douglas Dillon, to help win their cause in Congress.

While Mr. Dillon endorsed a tax increase on mutual thrift organizations in his report to the House Ways and Means Committee last week, the Secretary softened appreciably the severity of his recommendations by stating bluntly, "The continuation of proper housing programs requires an adequate supply of funds for home mortgages.

"Consequently, from the viewpoint of our housing programs," the Secretary said, "any change in the current treatment of these institutions must be weighed in the light of its possible adverse effect on those programs."

RELY ON HOUSING

It is around Mr. Dillon's concern over housing that the mutual savings banks and savings and loan associations will build their arguments in the 2-day hearings before the Ways and Means Committee. The thrift organizations realistically say they expect some recommendations for tax increases to emerge from the sessions. But they are dead set against the so-called equality of tax treatment—the imposition of taxing rates identical with those now levied against commercial banks.

Many of the contentions to be raised by the savings organizations will be neither new nor novel to the legislators. Most Congressmen have been long familiar with the fact that savings organizations pay out nearly three-fourths of their receipts in dividends to shareholders—and that these dividends are revenue producers when accounted for on individual tax returns.

Similarly, few will be freshly impressed by the savings organizations' arguments that they lack the diversity of commercial banks in terms of income, and that, accordingly, since functions are unlike, except for home mortgages, tax treatment should be unlike.

KENNEDY ASSIST

However, on this latter issue, besides getting an assist from Mr. Dillon, the thrift organizations got unexpected help from President Kennedy, when he recognized the diversity of operations among financial institutions in his tax message to Congress last April.

Then the President pointedly asked that the "tax exemption for credit unions should be continued." This request, plus special tax treatment accorded life insurance companies and, more recently, real estate investment trusts under the so-called conduit theory, is bound to have a telling effect on those legislators, still undecided but wavering toward the savings organizations.

On still another score the administration has supplied the mutual savings banks and the savings and loan associations with powerful ammunition to influence the full membership, and especially the Ways and Means Committee.

"How can the administration explain the paradox of asking, on one hand, for a tax credit to spur the expansion of business, and on the other, seek to impose a tax that will limit severely the construction of homes that will be needed by workers in those expanded industries?" is a question that is bound to be raised.

A recent Federal Home Loan Bank Board analysis of possible tax impact on savings organizations states that every $100 million in added taxes will reduce savings and loan lending by $1.9 billion. Equated in terms of new building, this loss of lending potential would mean approximately 200,000 fewer building starts each year.

POLITICAL IMPLICATIONS

Just as important to most Congressmen as the economics of the issue are the political implications tied up in consideration of new tax legislation for the mutual thrift institutions. Thus far, the mutual savings banks and savings and loan associations have used a remarkable low key in arguing their case, apparently preferring to rely on sweet reasonableness. Most Members of Congress, however, are mindful of the powerful pressures that could be brought into play, since 4 out of 10 homeowners in the Nation have their mortgages with mutual saving organizations.

A poll of 25 members of the Ways and Means Committee, made by the Bond Buyer last weekend, produced these results: For equal tax treatment, three members; for no change at all in the present law, four members; undecided, 19 members. Of the 19 undecided, 12 were tending toward keeping the law as it is, preferring to postpone the question until the major tax revision comes up next year; 7 were inclined to increase the income tax on mutual savings institutions, but by some system other than the equality-in-tax treatment, advocated by the commercial banks.

BUDGET REFORM ACT

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. MORSE] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MORSE. Mr. Speaker, last May 17 I took up the time of the House at some length to express my disappointment that President Kennedy has not seen fit to implement the Budget Reform Act, Public Law 85–759.

The last of the fiscal year 1961 appropriation requests have been passed by the House. Not one of them contained a White House request that the law be implemented. Next year the law is due to expire—without ever once having been put to the test. The Hoover Commission, in recommending this annual accrued accounting procedure, estimated that several hundreds of millions of dollars could be saved each year under Public Law 85–759.

It is my sincere thinking that the Kennedy administration and the Congress are derelict in their responsibility if the law is permitted to die without being tested. Therefore, I am today introducing legislation to extend for another 2 years the provisions of Public Law 85–759. I am hopeful that the Congress will approve this extension and that the administration will heed the spirit of the law as a mandate of the taxpayers of this Nation.

DR. FRANK BUCHMAN

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SCHWEIKER]

may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SCHWEIKER. Mr. Speaker, men who believe that victory over communism can only be won by a positive and dynamic faith in God, were deeply grieved last week to learn of the death of Dr. Frank N. D. Buchman.

Dr. Buchman, founder of Moral Re-Armament, has devoted his life to the peaceful settlement of mankind's problems. Moral Re-Armament had grown tremendously under his leadership from its beginnings at Oxford University in England to its present-day size.

On June 4, 1878, Dr. Buchman began in a humble way from his birthplace in my congressional district, at 772 Main Street, Pennsburg, Pa., at the upper end of Montgomery County. After attending Pennsburg Elementary School, the Perkiomen School, and Allentown High School, he went on to Muhlenberg College to receive his bachelor of arts degree. After graduation he enrolled at the Mount Airy Lutheran Theological Seminary, Philadelphia. Upon leaving Mount Airy he traveled to England to study at Cambridge's Westminster College.

When he returned to the United States, he assumed pastoral duties at the Church of the Good Shepherd. Upon leaving the pulpit he served as State secretary of the Pennsylvania YMCA at State College, Pa.

In 1950 he took a 3-year tour of the Far East, where he visited Mohandas K. Gandhi, a close friend, who was spiritual leader of India.

Many other leaders of the free world knew and confided in him, such as Chancellor Konrad Adenauer of Germany; former Prime Minister of France, Robert Schuman; former Prime Minister of Japan, Nobusuki Kisi; William Tubman, President of Liberia; Mohamed V, late King of Morocco; Dr. Sun Yat-Sen, founder of modern China; the Shah of Turkey, the King of Greece, to name only a few.

He founded the Oxford group movement in 1921 at Christ Church College, Oxford, England. This group advocated a philosophy of personal and national spiritual reconstruction.

In 1938 he received an inspiration, while walking up a mountain path in Freudenstadt, Switzerland, to form Moral Re-Armament. With this idea firm in his mind, he returned to London and converted his Oxford group to his Moral Re-Armament idea.

Dr. Buchman recognized early that the basic problem of our age was ideological. He believed that only a passion can cure a passion, only an idea can defeat an idea—that unless the free nations dynamically demonstrate a better idea than communism they are sooner or later doomed to destruction. Pure anticommunism will not cure the basic problem. Dr. Buchman has summed up in a few paragraphs the purpose, philosophy and objectives of the Moral Re-Armament movement:

What is needed is social change, economic change, national change, and international change, all based on a drastic change in human nature. Until we deal with human nature thoroughly and drastically on a world scale, nations will continue to follow their historic road to violence and destruction.

Moral Re-Armament offers the world and the statesmen of the world a force, trained and on the march, that has the answer to individual and national selfishness. It is the chance for everyone everywhere to step into the fresh dimension of a new age. It is not a theory but a way of life, tested and tried in every circumstance. It is a force that has the power to save and recreate a society on the brink of collapse.

Before a God-led unity every last problem will be solved. Empty hands will be filled with work, empty stomachs with food, and empty hearts with an idea that really satisfies.

Most important of all, his credo and beliefs have worked. To illustrate the amazing success that his movement has enjoyed, I would like to quote the words of Prime Minister Kishi of Japan who, in 1960, said:

But for Moral Re-Armament Japan would be under Communist control today.

A prominent African Moslem leader summed up Buchman's work:

You are doing for Africa what Abraham Lincoln did for America—binding up the Nation's wounds and setting the people free.

The Secretary General of the Arab League, Abdel Khalek Hassouna, said:

The Arab world regards the emergence of MRA as the most significant factor on the world stage today.

An American news correspondent had this to say about MRA:

I have seen a more effective strategy to answer communism in 24 hours here than in 20 years in Washington.

A world convention for Moral Re-Armament was held in 1939 with 30,000 delegates attending from 60 lands, in Los Angeles' Hollywood Bowl. The first mass meeting of the organization was held in Caux, Switzerland, in 1949, where 150,000 delegates attended. Two years later a larger number came to hear Dr. Buchman speak, including a bipartisan committee of Congressmen and Senators from Washington.

Dr. Buchman has received a number of awards in recognition of his work: the Order of the Rising Sun of the Republic of Japan, the Order of Chevalier, Legion of Honor, the Knighthood of the Grand Cross of the Order of King George of Greece, to name only a few. He has also been awarded a number of honorary degrees, including one from Muhlenberg College in 1926, and one from Oglethorpe University in 1927.

In spite of all his honors and successes, Dr. Buchman was a humble man who would frequently come back to visit his boyhood home in Pennsburg, along with many of his friends. Six years ago he traveled all the way from Europe to Pennsburg on the occasion of the 100th anniversary of his boyhood church.

Dr. Buchman in a speech on his last birthday, entitled "Brave Men Choose," said:

We are facing world revolution. There are only three possibilities open to us. We can give in, and some are ready to do just that. Or we can fight it out, and that means the risk of global suicide. Or we can find a superior ideology that shows the next step ahead for the Communist and the non-Communist world alike.

There is no neutrality in the battle between good and evil. No nation can be saved on the cheap. It will take the best of our lives and the flower of our nations to save humanity. If we go all out for God we will win.

Dr. Buchman has made an important mark in this large world—a mark that may help to determine whether communism or freedom is going to survive on our planet.

All Montgomery Countians are proud of the dedicated work of our native son in the field of world peace and brotherhood.

DISCLOSURE OF INTEREST

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include several letters.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I think it has become important that I make more public than I have in the past and certainly for the CONGRESSIONAL RECORD, a special interest that I have which pertains to legislation now before the House and more particularly before the Ways and Means Committee, the taxation of savings and loan institutions. I am inserting a letter I have recently received and the reply I have made to it which I believe is self-explanatory.

CARONDELET SAVINGS &
LOAN ASSOCIATION,
St. Louis, Mo., August 9, 1961.

Hon. THOMAS B. CURTIS,
Member of Congress,
House Office Building, Washington, D.C.

DEAR SIR: It appears to me that you certainly trapped your fellow savings and loan associates into a very awkward position when you presented to Congress a bill to reduce our reserve ratio.

You would probably do the industry a great justice by resigning your directorship at Lafayette Federal Savings & Loan Association.

Yours very truly,
ROY L. TARTER, *President.*

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 14, 1961.

Mr. ROY L. TARTER,
President, Carondelet Savings & Loan Association, St. Louis, Mo.

DEAR MR. TARTER: I wish to acknowledge your letter of August 9, 1961. I could dismiss the matter as simply ignorance and arrogance on your part. However, I am reluctant to judge any human being in such a summary fashion.

I have been a director of the Lafayette Federal Savings & Loan Association and its

attorney since 1940. My father was a director and its attorney most of his life and up to his death in 1940.

Perhaps becoming a Congressman as I did after the 1950 elections altered my relationships. However, I have felt that one of the basic features of our representative system of government lay in having our Representatives part-time employees as it were of the people. In other words, the system requires that they remain part of the community they represent, continuing their former occupations as best they can with their added responsibilities. I have felt that the failure of many Representatives to remain part of their communities and in effect become residents of Washington, D.C., has weakened our system. This is one reason I have never moved my family to Washington, D.C., but I commute as best I can back to St. Louis. I guess I should make it clear that this is at my own expense. Congressmen are reimbursed for only one round trip per session of Congress.

I have worried from time to time about whether because of my private law practice and other activities in the community an issue might come before the Congress wherein I had a conflict of interest. Your letter is the first indication of a possible conflict of interest that has reached me. And how ironical. The conflict of interest you suggest lies in my not being a special pleader for a special interest that I have and that not having shown this special interest I have embarrassed other people in that industry, and that therefore I should resign from my interest in this endeavor.

I must decline to follow your illogic. Let me suggest a course of logic for you to follow. Look into the tax incidence of the savings and loan institutions and ask yourself what justification there is for any endeavor to escape paying part of the tax load, whether it is protecting widows and orphans as the life insurance industry does, or administering to the sick as our drug industry does, or providing homes for people as your industry does.

The Committee on Ways and Means has just finished 2 days of extensive hearings into this important question. I suggest you read these hearings. I will send you a copy as soon as they are printed up. Then write back to me and give me your facts and arguments to support your position.

My own belief is that far from embarrassing the savings and loan industry, the industry should take some pride in the fact that it has fair and objective people active in it. It is the fairness and objectivity that will bring further progress and acclaim to the industry, not shortsightedness and selfishness.

Yours very truly,

THOMAS B. CURTIS.

THE IOWA PLAN FOR GROWTH AND PROGRESS IN HIGHER EDUCATION (STUDENT TAX PLANS)—PART III

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Iowa [Mr. SCHWENGEL] is recognized for 20 minutes.

Mr. SCHWENGEL. Mr. Speaker, the value of and need for higher education is inestimable. The individual involved gains in lifetime earning power, as well as in the ability to understand and appreciate his society, and the societies of others. The whole Nation benefits, in that higher education better prepares an individual to participate in his society and to contribute to the solution of the problems of that society.

It might be accurate to say that the future success of our Nation and the continued existence of our way of life depends on making the benefits of adequate higher education available to the greatest possible number of people. However, the costs of obtaining a college or university education have steadily increased. Today, the cost of obtaining such an education is prohibitive for many, and will become so for an increasing number. For those faced with the prospect of financing a college education for more than one child, especially at the same time, the dilemma is compounded.

This is a situation which should be of great concern to all Americans.

The first phase of the Iowa plan for growth and progress in higher education would provide a partial answer, at least, to this problem.

The Iowa plan is the product of long and thorough study and research by my research team at the State University of Iowa. The work of this team has been ably supervised and directed by Dr. Dell Wright of the department of political science at the university. The present members of the team are Robert Downer of Newton, Iowa; Tom Scheuerman, formerly of Rock Island, Ill., and now residing in Iowa City, Iowa; and Ivan Ackerman of Allison, Iowa.

The basic purpose of the Iowa plan for growth and progress in higher education is to encourage a greater number of young people to seek the benefits of a higher education, and to assist them in doing so. The Iowa plan would achieve this goal by granting financial assistance in the form of tax credits.

Phase I of the Iowa plan for growth and progress in higher education would grant a tax credit of up to $100 to the parents or spouse of a student attending an institution of higher learning, or to the student himself depending upon first, whether or not the student is self-supporting, and second, who does support him if he is not self-supporting.

I have introduced two bills which would accomplish this end. They are: H.R. 7067 introduced May 15, 1961, and revised by H.R. 7380; and H.R. 7068, also introduced May 15, 1961, and revised by H.R. 7379.

Presently we are studying the feasibility of some novel, interesting, and, we believe, practical proposals which would greatly encourage parents to provide for their child's higher education. The purpose of these plans is to assist them in making advance financial preparation for a college or university education. At the same time, they would create a vastly expanded and, we believe, adequate loan fund from which colleges and universities could borrow in order to expand their faculties, facilities, and programs providing they could prove the need and their ability to repay.

One of the proposals which we are now studying includes granting to the parents or guardian a $50 tax credit each year for each child up to age 18 or entrance into college—whichever is first—providing that an investment certificate was purchased at a private savings and loan institution or from the Government. These certificates, which would be negotiable only at an institution of higher learning, would create a loan fund upon which colleges and universities could borrow. In case the child did not attend college the account established for him would revert to the Treasury, or perhaps, would go into a special fund which would be used to make grants to educational institutions.

Another proposal to which we are giving some thought is one that would combine a tax credit and a tax deduction. A number of problems remain to be worked out before we can announce the provisions of this plan. However, it is evident at this point that such a plan would provide increased encouragement and assistance to parents in making advance financial preparation for their child's higher education, yet this plan would not be an extremely costly one in terms of revenue lost.

I hope that we can announce within 6 months the detailed provisions of phase II of the Iowa plan for growth and progress in higher education.

In past sessions a great many bills have been introduced to provide a tax deduction or credit to college students or their parents, depending upon whether or not the student was self-supporting. Most of these not only provided for a tax deduction or credit for the amount spent for tuition, fees, books, and supplies, but also for board and room, and even in some cases, the cost of one or more trips to and from college each year. The cost of such a proposal, if it were enacted, would be astronomical. The total 1960 enrollment of all colleges and universities in the United States is 3,610,007 students, with the average cost per student at State-supported institutions being about $1,450 and about $2,450 at private colleges and universities. Figuring the division between enrollment in public and private institutions at one-half for each, a tax deduction under some of these proposals would cost the Treasury approximately $1,300 million annually. Although this would provide a solution to the problem, the cost would be greater than we could afford.

The tax credit proposal would have a much lower cost, but would still provide substantial relief for those sending their sons or daughters to college. This measure would cost only about one-fifth the amount of many of these previous proposals, or approximately $250 million to $300 million.

The bills which I have introduced contain a provision allowing board and room as a deduction. However, after some further thought I feel that it is very difficult to justify allowing board and room as a deduction. Everyone has to pay for these items, whether he is a college student, a factory worker, a secretary, or an executive. It is generally true that the cost of board and room to college students is somewhat higher than if they were still living with their parents, but the difference is not sufficient to justify the additional cost of allowing board and room to be added in computing such a deduction or credit if one were enacted.

In the two tax credit proposals which I have introduced I have restricted the coverage to items which are absolute necessities to the college student. Obviously, each student must pay tuition and fees except where he has a scholarship or in the case of a very few municipally supported colleges and universities. Books are necessary for obtaining a college education everywhere, and special supplies, such as those needed for medical, dental, and engineering students, fall into the same category.

The first tax-credit proposal that I made would permit a credit of $100 or the actual amount of expenses, whichever was less, for each full-time student, with a proportionate deduction for part-time students. The second tax credit proposal which I have introduced is, in many respects, quite similar to the first, but is set up on a different base. Each student would receive a 20 percent tax credit for his tuition, fees, books, and supply costs up to $500. Thus the maximum credit that could be received by any student would be $100. If a student completed less than 20 semester hours during a given year he would be entitled to a tax credit equal to 20 percent of his expenses, or $5 tax credit per semester hour.

This proposal would be somewhat less expensive to the taxpayer than the other tax credit proposal, because many students at tax-supported institutions would not have $500 a year in expenses which would qualify for the credit. It would also correspond more nearly to the actual amount expended by the student for these costs, and thus would give more assistance to students in medicine, dentistry, graduate courses, and other fields of study with relatively higher costs.

Another proposal that has been mentioned is that we increase greatly the program of Federal scholarships in lieu of student tax aid. While I wholeheartly agree with the idea of Federal scholarships I feel that the tax relief proposals which I have introduced would accomplish more.

Most of our scholarships are based either on need or scholastic ability, or a combination of the two. The number of scholarships is so limited, at least at many schools, that many deserving students, both from the standpoint of need and ability, are denied scholarships. The unfortunate thing about anything less than an all-out scholarship program, with its astronomical cost, is that a line must be drawn between those who do and those who do not receive scholarships. This would not be necessary with the tax relief program, as it would be available to all college students.

There would be a much greater administrative cost for a greatly expanded program of Federal scholarships. Applications would have to be processed. Expanded testing programs would have to be established, with a great many more persons being necessary to proctor, score, and evaluate these tests. Regular payments would have to be made to the recipients of the scholarships or to the colleges or universities which they attend. When this is compared with the relative simplicity of these tax credit proposals it is plain to see that under the tax credit plan more money would be spent where it is needed and less on administrative costs.

Another reason why a program which would aid all college students is needed is that, in addition to quality in our college graduates, we also need a larger quantity of them. In our increasingly complex modern society a greater number of college-educated persons are needed each year, so it is important that all those with potential ability and leadership qualities in their respective fields be given the opportunity to take advantage of that potential.

Although I do not feel that a comprehensive scholarship program is the answer to this problem, I also do not feel that the holders of scholarships should be penalized by these plans. Except in the case of persons holding full scholarships, they should be allowed to take the full tax credit to which they are entitled. Many students depend on scholarships for their education, and the purposes of my proposals would be contradicted if persons holding these scholarships were not entitled to the credit.

In conclusion, I feel that all of us should be mindful of the good that this program will accomplish in giving more persons the opportunity to gain a college education. It is our duty to do as much as possible so that this opportunity might be realized.

Mr. Speaker, after much careful thought and study I introduced for appropriate reference a bill to establish quotas on the importation of certain kinds of buttons based upon the 1955 and 1959 levels of imports, until such a time as the level of foreign wages and working conditions approximate domestic levels. The purpose of this bill is to relieve the domestic button industry and its workers injured by increased imports of buttons from low-wage areas.

The domestic button industry is finding it difficult to compete with the products of cheap labor countries because in the domestic button industry the cost of labor represents a very considerable portion of total production costs.

I wish to point out that I am not advocating a return to "protectionist" policies. During the course of the 7 years that I have served in Congress, I have always supported the principle of reciprocal trade. In keeping with that principle, the life of this bill would terminate as soon as foreign wages rise to a point approximating wages in this country. I am introducing this bill to meet a particular problem which is very acute in my district. I am not proposing an elimination of competition. I am not advocating protectionism. I am asking only for fair competition between domestic and foreign button manufacturers.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SLACK (at the request of Mr. McCORMACK), for an indefinite period, on account of illness.

Mr. ELLSWORTH (at the request of Mr. ARENDS) for today and tomorrow, on account of death in the family.

Mr. HARRISON of Virginia (at the request of Mr. SMITH of Virginia), for an indefinite period, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. DOYLE, for 45 minutes, on Thursday, August 17.

Mr. SCHWENGEL (at the request of Mr. DEVINE), for 30 minutes, today.

Mr. STRATTON (at the request of Mr. LIBONATI), for 1 hour, on tomorrow, August 15.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MONAGAN and to include a table entitled "Foreign Facts and Falacies" in the remarks he made on the bill H.R. 8400 today in discussion with Mr. LINDSAY.

(The following Members (at the request of Mr. DEVINE) and to include extraneous matter:)

Mr. FINO in two instances.

Mr. MASON.

Mr. ALGER.

Mr. KEARNS in two instances.

Mr. VAN ZANDT.

Mr. PILLION.

(The following Members (at the request of Mr. LIBONATI) and to include extraneous matter:)

Mr. HEMPHILL in two instances.

Mr. CELLER.

Mr. EVINS.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred, as follows:

S. 2268. An act to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce; to the Committee on Interstate and Foreign Commerce.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 7851. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes.

ADJOURNMENT

Mr. LIBONATI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 5 minutes p.m.), the House adjourned until tomorrow, Tuesday, August 15, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1221. A letter from the Administrator, General Services Administration, transmitting notice of proposed disposition of approximately 20,000 pounds of magnesium oxides and carbonates, (decomposed materials), pursuant to section 3(e) of the Strategic and Critical Materials Stock Piling Act, 50 U.S.C. 98b(e); to the Committee on Armed Services.

1222. A letter from the Administrator, General Services Administration, transmitting a report of the Archivist of the United States on records proposed for disposal in accordance with the provisions of the act approved July 7, 1943 (57 Stat. 380) as amended by the act approved July 6, 1945 (59 Stat. 434) and the act approved June 30, 1949 (63 Stat. 377); to the Committee on House Administration.

1223. A letter from the Acting Attorney General, transmitting a draft of proposed legislation entitled "A bill to authorize acceptance of the gift made to the United States by the will of Esther Cattell Schmitt"; to the Committee on the Judiciary.

1224. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in cases of certain aliens pursuant to the provisions of section 212 (d)(6) of the Immigration and Nationality Act; to the Committee on the Judiciary.

1225. A letter from the Secretary of Commerce, transmitting the quarterly report of the Maritime Administration covering activities and transactions of the Administration under the Merchant Ship Sales Act of 1946, from April 1, 1961, through June 30, 1961, in accordance with section 13 of that act; to the Committee on Merchant Marine and Fisheries.

1226. A letter from the Director, Bureau of the Budget Executive Office of the President, transmitting plans for works of improvement at the Sallisaw Creek Watershed, Oklahoma; and the Beaver Creek Watershed, Oregon, pursuant to section 5 of the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1005), and by Executive Order No. 10654 of January 20, 1956; to the Committee on Public Works.

1227. A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting plans for works of improvement relating to the following watersheds: Sarasota West Coast, Fla.; Little Satilla Creek, Ga.; Davids Creek, Davis-Battle Creek, Ryan-Henschal, Iowa; Silver Creek, Kans.; East Fork of Pond River, Ky.; Tallahalla Creek, Miss.; Souhegan River, N.H. and Mass.; Ahoskie Creek, N.C.; Cane Creek, Okla.; Dunlap Creek, Pa.; West Fork Kickapoo, Wis., pursuant to section 5 of the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1005), and Executive Order No. 10654 of January 20, 1956; to the Committee on Agriculture.

1228. A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1962 in the amount of $73,200,000 for the Departments of Agriculture and Health, Education, and Welfare (H. Doc. No. 224); to the Committee on Appropriations and ordered to be printed.

1229. A communication from the President of the United States, transmitting amendments to the budget for fiscal year 1962 involving an increase in the amount of $2,600,000 for "Operation and maintenance," and a decrease in the amount of $2,600,000 for "Construction and rehabilitation", Bureau of Reclamation, Department of the Interior (H. Doc. No. 225); to the Committee on Appropriations and ordered to be printed.

1230. A communication from the President of the United States, transmitting an amendment to the budget for the fiscal year 1962 involving an increase of $40 million for the Peace Corps (H. Doc. No. 226); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of August 10, 1961, the following bill was reported on August 12, 1961:

Mr. EDMONDSON: Committee on Interior and Insular Affairs. H.R. 84. A bill to stabilize the mining of lead and zinc by small domestic producers on public, Indian, and other lands, and for other purposes; with amendment (Rept. No. 899). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted August 14, 1961*]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GARY: Committee of conference. H.R. 5954. A bill making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1962, and for other purposes; without amendment (Rept. No. 900). Ordered to be printed.

Mr. JONES of Missouri: Committee on House Administration. H.R. 6667. A bill to amend the act of August 16, 1957, relating to microfilming of papers of Presidents of the United States, to remove certain liabilities of the United States with respect to such activities; without amendment (Rept. No. 901). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Missouri: Committee on House Administration. H.R. 8446. A bill to provide for a National Portrait Gallery as a bureau of the Smithsonian Institution; without amendment (Rept. No. 902). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 4682. A bill to authorize the Secretary of Agriculture to sell and convey certain lands in the State of Iowa to the State of Iowa; with amendment (Rept. No. 903). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HAYS:

H.R. 8666. A bill to provide for the improvement and strengthening of the international relations of the United States by promoting better mutual understanding among the peoples of the world through educational and cultural exchanges; to the Committee on Foreign Affairs.

By Mr. CELLER:

H.R. 8667. A bill to provide for an increase in judicial salaries; to the Committee on the Judiciary.

By Mr. GRAY:

H.R. 8668. A bill to authorize the construction of the project on the Kaskaskia River, Ill., for navigation and other purposes; to the Committee on Public Works.

By Mr. DERWINSKI:

H.R. 8669. A bill to help maintain the financial solvency of the Federal Government by reducing nonessential expenditures through reduction in personnel in various agencies of the Federal Government by attrition, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LIBONATI:

H.R. 8670. A bill to provide that any juvenile who has been determined delinquent by a district court of the United States may be committed by the court to the custody of the Attorney General for observation and study; to the Committee on the Judiciary.

By Mr. O'KONSKI:

H.R. 8671. A bill to amend the Merchant Marine Act, 1936, to permit operating and construction differential subsidies to be paid with respect to vessels operating in the domestic commerce of the United States on the Great Lakes; to the Committee on Merchant Marine and Fisheries.

By Mr. OLSEN:

H.R. 8672. A bill to authorize the transfer of three units of the Fort Belknap Indian irrigation project to the landowners within the project; to the Committee on Interior and Insular Affairs.

H.R. 8673. A bill to donate to certain Indian tribes certain submarginal lands of the United States, and to make such lands parts of the reservations involved; to the Committee on Interior and Insular Affairs.

By Mr. OLSEN (by request):

H.R. 8674. A bill to authorize the use of funds arising from a judgment in favor of the Crow Tribe of Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RIVERS of South Carolina:

H.R. 8675. A bill to amend section 265 of the Armed Forces Reserve Act of 1952, as amended (50 U.S.C. 1016), relating to lump-sum severance payments for members of the Reserve components who are involuntarily released from active duty, and for other purposes; to the Committee on Armed Services.

By Mr. TABER:

H.R. 8676. A bill to amend title IV of the Social Security Act to permit Federal grants for aid to dependent children to be made thereunder, within the temporary program of aid to children of unemployed parents, even though such parents are required to perform services in a work relief program as a condition of such aid; to the Committee on Ways and Means.

By Mr. BRADEMAS:

H.R. 8677. A bill to repeal the manufacturers' tax on passenger automobiles and trucks; to the Committee on Ways and Means.

By Mr. BUCKLEY (by request):

H.R. 8678. A bill to provide for the conveyance of a portion of the Henry G. Shirley Memorial Highway and other highways on the Pentagon road network to the Commonwealth of Virginia, and for other purposes; to the Committee on Public Works.

By Mr. FALLON:

H.R. 8679. A bill to provide for the conveyance of a portion of the Henry G. Shirley Memorial Highway and other highways on the Pentagon road network to the Commonwealth of Virginia, and for other purposes; to the Committee on Public Works.

By Mr. LANGEN:

H.R. 8680. A bill to authorize marketing agreements and orders under section 8c of the Agricultural Adjustment Act (as reenacted by the Agricultural Marketing Agreement Act of 1937), as amended, with respect to honey; to the Committee on Agriculture.

By Mr. MACHROWICZ:

H.R. 8681. A bill to amend the Temporary Extended Unemployment Compensation Act of 1961 to provide for additional benefits

not in excess of 13 additional weeks of compensation; to the Committee on Ways and Means.

By Mr. MORRIS:

H.R. 8682. A bill to amend the Agriculture Act of 1949; to the Committee on Agriculture.

By Mr. MORSE:

H.R. 8683. A bill to amend the act of August 25, 1958, to extend that act for an additional 4-year period; to the Committee on Government Operations.

By Mr. NELSEN:

H.R. 8684. A bill to authorize marketing agreements and orders under section 8c of the Agricultural Adjustment Act (as reenacted by the Agricultural Marketing Agreement Act of 1937), as amended, with respect to honey; to the Committee on Agriculture.

By Mr. PRICE:

H.R. 8685. A bill to authorize the construction of the project on the Kaskaskia River, Ill., for navigation and other purposes; to the Committee on Public Works.

By Mr. RIVERS of Alaska:

H.R. 8686. A bill to provide for economic regulation of the Alaska Railroad under the Interstate Commerce Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SCHWENGEL:

H.R. 8687. A bill to authorize the establishment of quotas on the importation of imitation pearl buttons, button blanks and buttons not specifically provided for in order to provide for fair competition between the domestic button industry operating under the Fair Labor Standards Act and foreign button manufacturers operating substantially below American standards, until such a time as foreign wages and working conditions approach a point paralleling American conditions; to the Committee on Ways and Means.

By Mr. VAN PELT:

H.R. 8688. A bill to amend the Agricultural Act of 1956, as amended, and the Agricultural Act of 1949, as amended, to prohibit the subsidized export of any agricultural commodity to Communist nations and to prohibit sales by the Commodity Credit Corporation of any agricultural commodities to such nations; to the Committee on Agriculture.

By Mr. HALPERN:

H.R. 8689. A bill to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMPSON of New Jersey:

H.R. 8690. A bill to authorize a 3-year program of Federal financial assistance for construction of public elementary and secondary schools, to amend Public Law 815 and Public Law 874, 81st Congress, to extend the National Defense Education Act of 1958 for 1 additional year, and for other purposes; to the Committee on Education and Labor.

By Mr. MILLS:

H.R. 8691. A bill to amend the Tariff Act of 1930 and certain related laws to provide for the restatement of the tariff classification provisions, and for other purposes; to the Committee on Ways and Means.

By Mr. BROYHILL:

H.R. 8692. A bill to provide for the conveyance of a portion of the Henry G. Shirley Memorial Highway and other highways on the Pentagon road network to the Commonwealth of Virginia, and for other purposes; to the Committee on Public Works.

By Mr. STRATTON:

H.R. 8693. A bill to amend title 10 of the United States Code to provide that certain rifles may be loaned to the Italian American War Veterans of the United States; to the Committee on Armed Services.

By Mrs. WEIS:

H.R. 8694. A bill to amend the act of December 24, 1942, to provide that certain real property of the Italian American War Veterans of the United States, Inc., shall be exempt from taxation in the District of Columbia; to the Committee on the District of Columbia.

By Mr. LINDSAY:

H.J. Res. 529. Joint resolution proposing an amendment to the Constitution of the United States relating to cases where the President is unable to discharge the powers and duties of his office; to the Committee on the Judiciary.

By Mr. HALEY:

H. Con. Res. 368. Concurrent resolution declaring the sense of the Congress that no further reductions in tariffs be made during the life of the present Reciprocal Trade Agreements Act; to the Committee on Ways and Means.

By Mr. PILLION:

H. Con. Res. 369. Concurrent resolution declaring the sense of the Congress that no further reductions in tariffs be made during the life of the present Reciprocal Trade Agreements Act; to the Committee on Ways and Means.

By Mr. PIRNIE:

H. Con. Res. 370. Concurrent resolution declaring the sense of the Congress that no further reductions in tariffs be made during the life of the present Reciprocal Trade Agreements Act; to the Committee on Ways and Means.

By Mrs. CHURCH:

H. Res. 415. Resolution creating a select committee to conduct an investigation and study of the effect of Federal airport development on public and private housing; to the Committee on Rules.

By Mr. KEARNS:

H. Res. 416. Resolution expressing the sense of the House of Representatives regarding the utilization of certain real property in the District of Columbia; to the Committee on Foreign Affairs.

By Mr. CELLER:

H. Res. 417. Resolution to continue in effect House Resolution 90 and House Resolution 386, 83d Congress; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H.R. 8695. A bill for the relief of Maria Jiambattista Corvino; to the Committee on the Judiciary.

By Mr. ANFUSO:

H.R. 8696. A bill for the relief of Stanislaw and Zdzislaw Kurmas; to the Committee on the Judiciary.

By Mr. BROYHILL:

H.R. 8697. A bill for the relief of Commissioned Warrant Officer Joseph M. Wray, Jr., U.S. Marine Corps, retired; to the Committee on the Judiciary.

By Mr. BUCKLEY:

H.R. 8698. A bill for the relief of Efstratios Moundroukas; to the Committee on the Judiciary.

H.R. 8699. A bill for the relief of Vasiliki Moundroukas; to the Committee on the Judiciary.

H.R. 8700. A bill for the relief of Zofia (also known as Fryderyka) Zywilska; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 8701. A bill for the relief of Ciiber Kurtliyan; to the Committee on the Judiciary.

By Mr. INOUYE:

H.R. 8702. A bill for the relief of Carl H. Carson; to the Committee on the Judiciary.

H.R. 8703. A bill for the relief of David Gabat Domligan; to the Committee on the Judiciary.

H.R. 8704. A bill for the relief of Mrs. Kiku Matsuhashi; to the Committee on the Judiciary.

By Mr. MULTER:

H.R. 8705. A bill for the relief of Calogero Calco; to the Committee on the Judiciary.

By Mr. PIKE:

H.R. 8706. A bill for the relief of Ying-wan Cheng; to the Committee on the Judiciary.

By Mr. WALTER:

H.R. 8707. A bill for the relief of Miss S. E. Laura Thun; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

The 1961 Agricultural Bill

EXTENSION OF REMARKS

OF

HON. NOAH M. MASON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, August 14, 1961

Mr. MASON. Mr. Speaker, the House members of the conferees considering S. 1643 had specific instructions from the Committees as a Whole that they would not agree to the provisions in the Senate bill of sections 401 (a) and (b). The conference report on S. 1643 omits these provisions, the Senate having agreed to recede.

It comes to me as a great surprise that in the statement of the managers on the part of the House is included the entire subsections 401 (a) and (b).

As the House bill, H.R. 8023, did not contain subsections 401 (a) and (b) and, as a result, no vote was taken on these sections, the House managers went beyond their power to speak for the House of Representatives as to its intent with regard to these two subsections.

The National Lottery of Czechoslovakia

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 14, 1961

Mr. FINO. Mr. Speaker, I should like to tell the Members of this House about the national lottery of Czechoslovakia. Czechoslovakia is one of the few Communist nations to operate a national lot-

tery—most Communist regimes dislike gambling inasmuch as it is yet another manifestation of the human individualism that they are seeking to eradicate.

Czechoslovakia's lottery, while not one of the largest in the world, is uncommonly productive as far as profits in relation to its size. In 1960, gross receipts slightly surpassed $12 million, and the government's income was better than $9 million.

The Czechoslovakian Government may not like gambling—or the individualism that it implies—but it can recognize a moneymaking proposition when it sees one.

Peace Corps: Texas to Tanganyika

EXTENSION OF REMARKS
OF
HON. RALPH YARBOROUGH
OF TEXAS
IN THE SENATE OF THE UNITED STATES
Monday, August 14, 1961

Mr. YARBOROUGH. Mr. President, on Saturday, August 12, I visited the campus of Texas Western College of the University of Texas at El Paso, Tex., where 43 trainees of the Peace Corps are undergoing rigorous preparation for service abroad, most of them for service in Tanganyika in east Africa.

Accompanied by Dr. Joseph M. Ray, president of Texas College and Dr. Kelsey, who is in charge of the Peace Corps trainee program on the Texas Western campus, I visited them there.

The trainees are following one of the most rigorous courses of physical and intellectual training ever given on the campus of a college.

Their instructors on the Texas Western College campus advise me that they have never taught a more dedicated, highly intelligent group of people. They are civil engineers, geologists and surveyors who will go to Tanganyika to undertake the building of a system of rural roads to tie the villages and towns and areas of Tanganyika together with a transportation net.

These trainees work long hours in the classroom and in the field in preparation for the tasks they face in east Africa.

I have been requested to have printed my brief remarks to the Peace Corps trainees at El Paso last Saturday in the CONGRESSIONAL RECORD.

I ask unanimous consent to have my remarks printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY U.S. SENATOR RALPH W. YARBOROUGH, OF TEXAS, TO THE PEACE CORPS TRAINEES AT TEXAS WESTERN COLLEGE, EL PASO, TEX., AUGUST 12, 1961

Dr. Ray, Dr. Kelsey, Peace Corps trainees, just 2 days ago it was my privilege to have lunch with your dynamic, energetic National Director, the Honorable Sargent Shriver, Jr. From him, from Dr. Ray, from Dr. Kelsey, and from other sources I have had high praise of your devotion and dedication, before I had the privilege of seeing you in person.

You two score trainees of the Peace Corps, now soon to depart for the loneliness of high individual responsibility in the separate roads you travel to the remote villages of Tanganyika, are a select group of Americans. You are set apart from your fellows by your willingness to forgo profit, by your desire to work for the zest of the work alone. Only volunteers can come here in your group; only the dedicated will remain.

Many countries have sent forth armies to foreign lands to conquer for gold and glory. Many commercial agents have gone abroad from many lands for the profits of their employer. Many religious missionaries have been martyrs in foreign lands for the glory of the martyr's cause and church. But you go as a special elite, not to conquer for your country, not to make profit for any person or country, not even to impress your religion upon others. You have volunteered as true servants of the ideal of service. You are going on mere subsistence without compensatory salaries, but out of your great zeal to help others. You are giving up some of the best years of your lives, that many other peoples might have far better lives.

America is proud of you, with a special kind of pride, a pride that some of her own are specially endowed with a great generosity of body and mind and spirit and will, over and above the normal human endowment in such idealism.

It is not too much to say that the best hopes of America go with you. If you succeed, and succeed you must, probably not very much credit will be given you in this generation, because it will take another generation, or maybe five of them, to weigh and measure the extent of your sacrifice and your contribution. But if you fail, the scorn of nations will fall upon you. So, fellow Americans, you go to difficult tasks, needing all your powers of body and mind and spirit for the work ahead.

But as you work in some remote village in the highlands of east Africa, if doubts assail you (and don't they assail all men?), if illness overtakes you; if other factors thwart your hopes and dreams, do not falter. You carry the banner of peace and friendship and helpfulness and self-sacrifice for all of us. And, if pain racks your body, or fatigue pulls you down, remember that we, unknown to you and you to us, are thinking still and praying with you for the success of your high adventure in selflessness.

You few thousands of the Peace Corps, you chosen few, represent American idealism at a new peak. You carry the true spirit of America in your hearts. Up to this point in history, you may well represent America's finest hour.

Abraham Lincoln called Americans, "This almost chosen people." If any Americans are the chosen people, you are they.

God bless you in your noble aims. Let us pray that your sacrifices are not in vain, but that they will inspire millions of other people around this world to similar crusades for peace among men. May you enlighten the mind and lighten the burdens of all mankind.

John Philip Sousa

EXTENSION OF REMARKS
OF
HON. CARROLL D. KEARNS
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 14, 1961

Mr. KEARNS. Mr. Speaker, I am very happy that the members of the Committee on the District of Columbia voted unanimously to report the Kearns-Matthews bill to provide for the preservation and restoration of the home of the famous composer, John Philip Sousa, at 318 Independence Avenue SE., Washington, D.C.

The bill authorizes the placing of statues to John Philip Sousa and Dr. Harvey W. Wiley, scientist author of the original Pure Food and Drug Act, in Statuary Hall in the U.S. Capitol Building.

The District of Columbia is often defined as a State in congressional enactments, yet it has never been favored with statues of any of its famous citizens in Statuary Hall.

Yet the Nation's Capital is overrun with more than 200 statues of famous citizens, distinguished soldiers, Presidents of the United States—all from other States of this Union.

My dear colleague, the gentleman from Georgia [Mr. DAVIS], offered the motion to report the Kearns-Matthews bill to the floor, after holding the very successful hearings on the legislation on July 13 which were attended by more than 400 interested citizens and cultural leaders.

Support for the Kearns-Matthews bill came from citizens throughout the Nation stirred by the loyalty, patriotism, and love of country expressed in Sousa's great music.

The Kearns-Matthews bill would establish a Presidentially appointed board to raise the needed funds on a national basis.

The board would be authorized to accept donations of funds, services, and property, and to conduct a nationwide fundraising campaign.

In addition to the Presidential appointments the board would include the conductors of the U.S. Army, Navy, Marine Corps, and Air Force Bands. All of these bands were conducted by John Philip Sousa.

Operation Swift Strike

EXTENSION OF REMARKS
OF
HON. ROBERT W. HEMPHILL
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 14, 1961

Mr. HEMPHILL. Mr. Speaker, on Friday, August 7, 1961, as guest of the U.S. Army, I was privileged to visit the portion of my district in which Operation Swift Strike was being conducted. I was privileged to watch the airdrops at Patrick, S.C., in Chesterfield County, in the eastern part of the Fifth South Carolina Congressional District.

I hasten to congratulate our Army and our Air Force on the efficiency and intensity of the operations. I salute those brave men who participated, and who dropped from the sky to the ground, risking their lives, or serious injury, to train for the defense of our country. Each man who participated deserves the acclamation of this entire country.

I was proud of the fact that South Carolina Air National Guard participated, and that other men and units from South Carolina were active throughout the operation.

We were thrilled to see General LeMay, General Trapnell, General Adams, and other high-ranking officers of our military on the scene to watch the operations. The 101st Airborne participated vigorously in the strike, as did active and Reserve air units in the various fields in South and North Carolina.

On hand were thousands of patriotic citizens, characteristic of my section of the country, who came to watch their soldiers and their Army and their Air Force in action. I know they were proud of what they saw.

I was pleased to see so many Boy Scouts from the Pee Dee Council. General LeMay was most courteous in going over and speaking to these young men.

We went by helicopter from Darlington County Airfield to the scene of the drop. At the scene we were briefed by some public relations officers on the activity and the general conduct of the exercises. I was happy to report that while I was there not one single man who dropped was injured seriously, credit to the training being given our troops in these days and times. I did see two men whom I thought would be injured but their emergency chutes opened, showing again the safety precautions our Army takes with the troops under its jurisdiction.

Finally, Mr. Speaker, I want to publicly thank the Army for issuing me the invitation and for allowing this Member of Congress to witness this historic, necessary, and thrilling event. We have a great country, and we have great fighting men, and I am proud of both.

The Dutch National Lottery

EXTENSION OF REMARKS
OF
HON. PAUL A. FINO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, August 14, 1961

Mr. FINO. Mr. Speaker, I would like to tell the Members of this House about the national lottery of Holland. In reality, there is nothing too startling about the Dutch national lottery. Holland is a small nation, and the lottery is not a large-scale operation. Actually, Holland is just another example of a nation where the gambling urge is recognized and properly channeled. In serving this purpose, the Dutch national lottery need not produce vast revenues. Holland simply recognizes that if people must gamble, it is better that they be able to do so under government auspices.

In 1960, the gross receipts of the Dutch national lottery came to $10 million. The Government profit was somewhat over $1.5 million. This income from the lottery is not earmarked for any specific purposes but is regarded as general revenue.

Holland realizes that the gambling urge, being ineradicable, is better recognized and channeled than disregarded. We would do well to come to the same realization.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, August 14, 1961

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of August 12, 1961:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District, Texas)

The Dallas Federal Building was given unanimous approval by the Public Works Subcommittee on Public Building and Grounds after the General Service Administration officials once again gave complete answers to the Members' questions as to need and merit. This action must now be followed by full committee approval. Then the funds must be approved by the Appropriations Committee. It is my hope that the Speaker and Democrat Members will continue to give their support. Otherwise, the funds will not be forthcoming. Since delay in time is costly, fiscal responsibility suggests the support of all Members of Congress. (Yearly rentals of $990,000 will be saved by erection of the building). I shall endeavor to expedite the building supported by facts showing efficiency, economy, and service, justifying immediate construction.

As each piece of legislation is accompanied by a rule, Resolution 406 stipulated by the Rules Committee outlining the ground rules of debate on the bill provide an additional Assistant Secretary of Labor. This particular rule stipulated 1 hour debate, etc. Normally, I vote for the rule in order that the issue may be heard, pro and con. In this instance I voted against the rule as evidence of my complete disapproval in the subject matter as unworthy of the time of the House. There are now 7,465 employees in the Labor Department. If there is anything we don't need, it is more Federal employees, generally, or specifically, another Assistant Secretary of Labor. The reason given was the increasing number of women in the labor force, but this is not justification. Indeed, it is my view that the legitimate role of Federal Government is overemphasized in the employment field. By stressing the Federal role, many assume that it is the Government's function to assure employment. This, if course, is part and parcel of socialism.

The threat to life and property of U.S. citizens posed by Castro and Communists in Cuba is evidenced increasingly by airplane hijacking. Our condoning the Communists' occupation of Cuba feeds the danger and assures the acceleration of communism's success in this hemisphere and elsewhere in the world. It is almost unbelievable to me that the very threatening of U.S. lives within the United States has not yet awakened this administration to the Cuban danger. Meanwhile, (1) criminal elements at home and abroad are incited, (2) Castro continues to build his military might in Cuba, (3) Castro's lieutenants fan out across Latin America preaching peaceful coexistence and laying the foundation for communism elsewhere, (4) Khrushchev is encouraged, sees no firm action on our part, even on our own doorsteps, (5) other trouble areas are invited, (6) Khrushchev continues to undermine the United Nations by refusing to pay his share and promoting subversion within member nations to undermine their governments, (7) United States bleeds itself economically in accelerated defense and foreign aid, even to strengthening socialist and Communist nations, (8) United States accelerates socialist schemes, spending fantastic sums, unbalancing the budget and threatening our economy which undergirds our defense and personal freedom.

What in the name of heaven are we trying to prove to ourselves and the world? That (1) we will not protect our sovereignty and our citizens in the spirit of the Monroe Doctrine? (2) we will not free Cuba from the Communists? (3) we are blase or unaware of the history of the spread of communism as it will relate to Latin America? (4) we will acquiesce and appease in other areas as well as Cuba? (5) Mr. Krushchev is to be invited to bluff and succeed? (6) the United Nation's failure is to be permitted to hold an umbrella over communism's growth and success? (7) we can, by the sheer weight of dollars, buy peace and friends? (8) no limit to the money we can spend and the taxpayers pay, and we must socialize the United States in order to beat socialism and communism?

As I see it, (1) we must strengthen our defense, (2) we must free Cuba from communism, (3) eliminate most foreign aid, (4) cut down domestic spending, (5) work toward reducing debts and taxes, (6) resume nuclear testing, (7) issue ultimatums to Russia and other enemies coupled with a clearly stated U.S. foreign policy, followed by withdrawal of recognition of Russia if overt corrective action by Russia fails to materialize. Under penalty of our murder or suicide we must stop sidestepping a showdown with Russia. Time is on Russia's side as we refuse to face this inevitable showdown which will not go away. We must stop the farce of pretending that we can negotiate with Russian leaders whose speeches and actions demonstrate over and over their complete duplicity. Indeed, duplicity is their dedicated belief, in action, justified as a means to an end. We must not continue to seek contractural obligations—Berlin, disarmament, nuclear test ban and others—to which we will bind ourselves and they will knowingly and gleefully violate, becoming stronger as we get weaker by such violation. We must stop the farce of our honoring commitments which the Kremlin successfully violate while we dignify them by holding a mantle of respectibility over their lying, cheating, and deceiving.

Finally, we must lay down our own policy, self-conceived and self-interested (not a dance step following Russia's lead), for peace and justice draw a line against further aggression and make it stick—or we are doomed for destruction.

Tribute to Vice President of Republic of China

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Monday, August 14, 1961

Mr. WILEY. Mr. President, earlier today I was privileged to be present at a a meeting of the Committee on Foreign

Relations when the Honorable Dean Rusk, Secretary of State, testified. His statement was a brilliant example of a man who understands what he is talking about. I recalled that it had been the privilege of Mrs. Wiley and me a few days ago to attend a state dinner honoring the Vice President of the Republic of China. At that time Dean Rusk spoke briefly and impromptu in relation to our relationship with China and the Vice President of the Republic of China, who was a guest. I ask unanimous consent that Dean Rusk's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

TRANSCRIPT OF TOAST MADE BY THE HONORABLE DEAN RUSK, SECRETARY OF STATE, AT A STATE DINNER HONORING THE VICE PRESIDENT OF THE REPUBLIC OF CHINA, AUGUST 1, 1961

Secretary Rusk: Mr. Vice President, Mrs. Chen, distinguished guests: I know that you would wish me at the very beginning to express our thanks to those who have helped to make this a very pleasant and informal evening. First, M1c Hyman Shulman and his Navy Band String Ensemble, who entertained us during cocktails; Capt. Dale (Harfum) and the U.S. Marine String Ensemble, who are with us during dinner; and Captain Mitchell and the Army Strolling Strings, who took us to the Monseigneur nightclub in Paris, from the U.S. Army. Could we express our thanks? [Applause.]

Thank you, very much.

Mr. Vice President, we are deeply grateful for this opportunity to bid you welcome. We are especially grateful that you have brought with you a distinguished body of colleagues, including your Foreign Minister and other associates in your Government, your Ambassador to Washington, and your able and veteran Ambassador to the United Nations in New York. These are old friends, these men whom you bring with you, and we welcome them. But you have given us a special treat this evening because of the charming and gracious ladies who are members of your party. And I wonder if I might ask the ladies from China who are present please to rise and let us greet them. [Applause.]

Thank you, very much.

One of the elementary principles of good international relations is the principle of reciprocity, and Mr. Vice President, it is perfectly obvious to all of us, I am sure, that our guest list this evening was prepared on the basis of the loveliness of our ladies who could join us here this evening.

It is difficult, sir, to speak just with the mind about China, because Americans who think of China and speak of China must do so with their hearts as well. There are many speeches about China which could be made on an occasion like this by any American. We could speak, for example, of the more than a century of affection for China and the Chinese people, an affection which endures in this country. And if we have been disturbed, distressed, upset, appalled by events in that great country, part of it is the feeling that a lover has gone astray; because every American child has grown up with a sense of respect and affection for your great country.

We could make a speech about our comradeship in war, the service we had together in uniform; you, sir, and I, myself, and many hundreds of thousands of Americans were engaged in that great struggle. We can recall General Chennault's flyers, who wore on their jackets a message in Chinese which, in effect, said that this is an American flyer who is helping China fight the enemy, and that it is the duty of every Chinese to risk his life to bring this flyer back to his base. And the heroism shown in that process is something which Americans shall never forget.

I, myself, sir, can remember in Burma how difficult it was for me as an American officer to shave in front of a mirror hanging on a bush without two or three Chinese soldiers standing around, fascinated by this mysterious operation. And I can remember after the war reflecting with my commanding general upon our experiences in China and Burma, when he remarked, "You know, the only things we did not like about the Chinese were their American characteristics."

We could make a speech, sir, about the great debt which we owe to your country, its traditions, its art, its philosophy, its contribution to the enrichment of American life and culture. Anyone who has seen that stunning exhibit in the National Gallery in recent weeks will have a full appreciation of what we mean.

But apart from the past, we could make a speech about the promise and the future of China, about what you and your colleagues have done on the island which is now your primary responsibility; the revolution in the life of the people which has occurred under your leadership, the demonstration that economic and social development can occur quickly and that American aid can make its contribution to a total effort which revolutionizes the life of an entire people.

And we can speak of the future in longer range terms. We can think of that China of which you are the spokesman; we can think of the day when the Chinese people will once again be free. So, Mr. Vice President, our hearts are full, if our tongue is halting, with all that China means to the American people. We appreciate your being here. The President and the rest of us have greatly benefited from the discussions which we have had. It has been an inspiring, a fruitful, and a frank discussion of the sort which can take place only among close friends.

So, ladies and gentlemen, it is with deep honor that I ask you to rise to join in a toast to the President of the Republic of China. [Applause.]

A New Stadium for the Americas at Texas Western in El Paso, Tex.

EXTENSION OF REMARKS
OF
HON. RALPH YARBOROUGH
OF TEXAS

IN THE SENATE OF THE UNITED STATES

Monday, August 14, 1961

Mr. YARBOROUGH. Mr. President, last Saturday it was my privilege to attend and participate in the groundbreaking ceremony for a new stadium being constructed on the campus of Texas Western College of the University of Texas, at El Paso, Tex. This stadium to seat tens of thousands and tens of thousands, is unique in that it is being constructed with the proceeds of bonds voted upon themselves by the people of El Paso County, for a stadium to be constructed upon a portion of the campus of Texas Western College, for use of the college, a Texas State-supported institute of higher learning.

The site of the stadium will be less than 1 mile from the Rio Grande River, and overlooking the city of Juarez, Mexico. It is approximately 1 mile from the point of intersection of the three States of New Mexico, Texas, and Chihuahua, Mexico.

I have been requested to have printed in the RECORD my remarks at the ground-breaking ceremony.

Participating in the ground-breaking ceremony were El Paso County Judge Woodrow Bean; the Honorable Ralph Seitsinger, mayor of El Paso; Dr. Joseph M. Ray, president of Texas Western College; and the Honorable Thornton Hardie, chairman of the University of Texas' Board of Regents, and other persons and officials.

I ask unanimous consent that my remarks at the ground-breaking ceremony for the new stadium in El Paso, Tex., last Saturday, be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

(The text of a speech by U.S. Senator RALPH W. YARBOROUGH, of Texas, at the ground-breaking ceremonies at the new stadium on the Texas Western College campus, Saturday, August 12, 1961.)

Mr. Chairman, Judge Bean, Mayor Seitsinger, President Ray, fellow Texans, fellow Americans, we officially break ground for this Sunbowl Stadium in this heartland area of the great Southwest, but this is a symbolic breaking only. The real ground breaking was by all the qualified voters of El Paso County, the day they voluntarily voted a tax on themselves to build this great stadium on the campus of Texas Western College, of the University of Texas, a State of Texas supported institution of higher learning.

This is an example of democracy in action in the finest American and Western tradition. Here is cooperation in a friendly, harmonious spirit between all levels of government, El Paso County in planning to build and paying for the stadium, the State of Texas in building this great university on whose campus this fine stadium is to be built, and the U.S. Government in using this university college as a place for training one of the first Peace Corps units to be prepared for dedicated service beyond the seas, this unit of Tanganyika in east Africa.

So, from the bountiful hearts of the people of El Paso County and city, to the spirit of emergence into the scientific age that is gripping the tribes and people of the highlands of east Africa, this structure will have its influence for good in the growing recognition of the people of the world that what affects one country or area or region, affects all.

No country, region, or people can live in a compartmented isolation, separate and apart from all the rest of the world. This university and this stadium are being built for service, not merely to El Paso and Texas, but, on broader fields, for service to all the Americas and to mankind.

It is a high honor and a great privilege to me to be invited to participate in this ground breaking. El Paso has been, for me, a place of beginning. Thirty-four years ago this fall, I came to El Paso to begin my first practice of the law, and 33 years ago, I brought Mrs. Yarborough out here as a bride. I am thankful that she could make this visit with me again today.

Thirty-four years ago this fall, I was a spectator for the College of Mines, predecessor of Texas Western, in the football games it was playing then in the El Paso High School stadium. For four football seasons,

I was a resident of El Paso and a follower from the grandstands of the Miners football teams. So I have a special personal interest in seeing this stadium built, because, among other uses, Texas Western's football teams will represent this school here, and Sun Bowl National postseason classics will be held each January 1.

This stadium idea, like so many other things held dear by Western civilization, came to us from ancient Greece.

This spot would thrill the heart of an ancient Greek architect. This natural amphitheater, this natural bowl, set in these sharp, rugged, rocky hills, almost as bare of vegetation as at creation's dawn, looking out over the Rio Grande, and over the city of Juarez, Mexico (itself a city of over 300,000 population), is not unlike spots picked thousands of years ago by Greeks for their own Olympic stadiums. The millenniums have passed; the idea and ideals still live here in a land far removed from ancient Attica. Why do Greek stadiums crumble now on a hundred hillsides in the Greek Mediterranean world, while the New World builds stadiums with a rush never witnessed in the birthland of these great structures?

The answer is short and simple. After the Olympiads had been contested for a thousand and two hundred years, they were abolished by the Roman Empire in the fourth century of the Christian era because they had grown corrupt. Winning for money had grown more important than true sportsmanship; foreign athletes were hired to run in the Olympic games because local athletes refused to do it any longer for love of the game, and widespread gambling and profit on the games further corrupted them. Profits replaced the Olympic ideals as the incentive for the games, and they died.

So the ancient Olympics give us a modern lesson—to keep our amateur athletics amateur, to keep our youth strongly competitive for the love and zest and spirit of the game, and to stamp out gambling on all athletic contests. We must have sports for the spirit of it, and not for profit alone, or our stadiums will crumble, too.

May we keep the spirit of clean sportsmanship all over America. Here in my home State, I hope the urge to excel for excellence sake, the desire to win for the spirit of the sport, will bring our youth in ever-increasing numbers to the field as competitors in a stadium such as this will be.

May the footprint of a point shaver for profit never stain a stadium track or field in our great land.

The physical unfitness of our people can be toned up to some degree and measure in the stadiums of America. Every person who competes in this stadium should be a better person for it, and our Nation will benefit in the toned-up bodies of those of our people who train here.

One of our great needs in America is for a physical toning up. When the people of El Paso County voted these bonds to further athletic fitness in this fine college, with an enrollment of over 4,000 persons, you voted money for a national purpose and goal, no less than for your county's development.

The rigorous training the Peace Corps volunteers are receiving here at Texas Western for service in Africa is illustrative of that good physical condition which is required of America's youth.

So in this groundbreaking this morning, we watch the beginning of construction of an edifice for disciplining, through rigorous physical training, the bodies of the youth of the land. Such training is more than worth while; it is imperative for national survival. In breaking this ground, let it be our fervent prayer that this stadium field will always be trod with honor, will always inspire the competitive spirit of true sportsmanship, and will add to the high qualifications life's journey demands of all who attain their full potential for themselves and for mankind.

Now, let us have the shovel; I see it is golden as a miner's shovel at Texas Western should be.

Vice President Johnson Reports on the Importance of the Far East to the United States

---

EXTENSION OF REMARKS

OF

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, August 14, 1961

Mr. EVINS. Mr. Speaker, Vice President LYNDON B. JOHNSON has written a magazine article on his recent tour of six countries in the Far East.

The Vice President met the people of these countries face to face and sought to understand them and their problems. In his article in Parade magazine of Sunday, August 13, Vice President JOHNSON states that we must not sell short the peoples of Asia—that freedom is still alive in that part of the world and that friendship for America is still there.

The article is most interesting, informative, and reassuring.

Mr. Speaker, under unanimous consent I include the article by the Vice President in the RECORD.

The article follows:

A BIGGER BOWL OF RICE

(By LYNDON B. JOHNSON, Vice President of the United States)

I have become a firm advocate of the concept that Americans at all levels must get out into the countries of the world and meet the people face to face.

This was brought home to me most forcefully on my recent trip to the Far East.

For Asia's struggle is about people—about the hopes and fears and miseries and frustrations of a vast sea of human beings. It is not really over anything so complicated as Marxian philosophies or Jeffersonian principles.

Prime Minister Jawaharlal Nehru explained it this way: "Poverty—the whole economic problem—is at the heart of the problems of Asia and Africa. All other problems in India are secondary, and in many cases are affected by it. We have a politically conscious mass of people who think that they deserve everything—and do—but India is unable to supply it."

Yet I wonder how many Americans realize that the people of Asia are just like you and me, sharing the same dreams and needs and worries. They are struggling and crying and fighting today for a bigger bowl of rice, better homes in which to live, good schools for their children, freedom from malaria and cholera and dysentery, and a place of dignity and a bit more sanity in this troubled world of ours. Either we produce quick and convincing evidence that these things can be achieved through the institutions of freedom, or the masses will turn in desperation to something else.

We must take action. It is high time the representatives of our country got out of their air-conditioned offices and limousines and went out to meet the people—I mean the masses who are going to determine the fate of these countries.

I was warned in advance that I should not mingle with the people in Saigon—that I might reach out to shake a hand and pull back a hand grenade. Others speculated that I might face dangerous demonstrations. Well, I walked the streets of Saigon and mingled among the people in the post-midnight darkness; and I walked into the huts of villagers who did not expect me. I was surrounded by throngs in every land we visited, and I never saw a hostile hand or heard a hostile voice.

I am convinced that friendship for America is still there. But we must be sure not to sell the peoples of Asia short.

The reactions of the common people that I saw convinced me that they will rally to the cause of freedom if we can get Americans to assert and emphasize the vitality of our way of life.

For instance, in a hospital near Saigon, Lady Bird talked to a lad whose face had been shot up * * * to another whose leg had been mangled by a mine planted along a footpath—both victims of Communist Viet Cong terror tactics.

"LYNDON," she said afterward, "I had read how the Communists strike in the night, killing village officials, murdering health project leaders, slaying agricultural experts, burning schools, and all that. But you just don't realize what a nasty business this is until you see the innocent victims.

"I felt like crying when that boy whose leg was nearly blown off told me that as soon as he could get up he was going back and fight."

The next day, I talked with President Ngo Dinh Diem about the Communist campaign of terror and destruction against his young Republic.

I had barely mentioned newspaper stories suggesting that American troops would be needed to keep the Communists from overwhelming South Vietnam, when he replied, in effect:

"We don't need American troops. We have the men, and they have the will to fight; they are determined to remain free. We need your material and your guidance, but the peoples of South Vietnam are ready to spill their own blood for their own liberty."

I was to hear similar words from Prime Minister Sarit in Thailand, and in both instances it was with much pleasure and a little shame: pleasure that the urge for freedom was so much stronger in southeast Asia than I had been led to believe; shame that so many Americans seemed to be caught up in a contagion of despair.

We should not despair. I confess that I began my journey to Asia fearing I would be saddened and disillusioned by a spectacle of people meekly resigning themselves to slavery. Instead I have come home a missionary, eager to tell the American people that communism is not riding any tide of inevitable triumph in Asia. Throughout south and southeast Asia I found the backbones of people a lot stronger and their determination to remain free a lot more vibrant than I had ever dreamed would be the case.

Some critics said it wasn't dignified for me to mingle with the crowds the way I did, but dignity isn't winning freedom any friends in Asia today. I don't want Asians to lose hope, to become the drowning man who clutches at a straw, for I know that communism can't win unless Asians lose hope and make communism the straw they clutch at.

Perhaps nothing impressed me more on this trip than the magnitude of squalor and human misery. I knew poverty as a boy, and even in recent years I have seen a great deal of it in my own State and in the rest of our Nation. I had read a great deal about the role that poverty, illness, and illiteracy are playing in the revolutions that shake our world today; but not until this trip was

I so acutely aware of the fact that they are communism's best allies.

And make no mistake about the people's desire for change. The thirst for learning is absolutely astounding. The joy and gratitude in the faces of Indian mothers whom I saw at a school dedication were obvious, And consider Thailand. Although she is next door to embattled Laos and directly in the path of the Communist aggressors, the largest single item in the budget is for education. In Taiwan I learned that 98 percent of eligible children are in school—a claim that few if any of our United States can make.

And we must let Asians know we regard them as equals in both the community of nations and in the family of man.

In this connection, President Diem expressed surprise when I told him that President Kennedy had asked me to solicit his views and those of other Asian leaders.

"We aren't used to people asking us what we think," he said.

We dare not be so arrogant as to assume that we have all the know-how, all the skill, all the conviction, all the love for liberty. The best housing project that I have ever seen was in Pakistan, where President Ayub Khan is providing such admirable leadership. This Karachi project is not luxurious—just two concrete rooms, a concrete floor, a fireplace in which to cook, and a bath and toilet with running water. A family pays $3 a month and becomes owner of the house in 20 years.

The Pakistani Government, Ford Foundation experts, and Greek architects got together to meet the people's needs in a really practical way.

Is Asia worth it? As I left I knew that I could come home and say that Asia's populations are so large and her resources so abundant that free nations dare not let them fall under Communist control. I knew that I could talk about the speed with which our world has shrunk and seek to inspire action based on fear that Communist bombers and missiles in Southeast Asia would represent an added physical peril for us Americans.

But I know that the real reason why Asia is worth our effort and sacrifice is a moral reason. Asians want to live under institutions of freedom and personal liberty, and they are willing to pay the price for it. Our own claims of love for liberty would become a shallow mockery if, out of either despair or selfishness, we turned our backs on them. We shall keep faith with them—we shall honor our pact with governments, yes, but also with the hungry, hopeful, plain people of Asia.

The South Carolina Student Legislature

EXTENSION OF REMARKS

OF

HON. ROBERT W. HEMPHILL

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 14, 1961

Mr. HEMPHILL. Mr. Speaker, since the founding of our republican form of government, the perennial problem which we face daily is a properly and adequately informed public. Our schools and colleges have always strived to lessen this problem by teaching the fundamentals of the Government under which we live. However, as we all know, there is a very distinct line drawn between theoretical knowledge and practical experience.

We, in the State of South Carolina, have a very unique organization which provides the college students of our State with an opportunity to integrate theoretical knowledge with practical application of their ideas on county, State, and National issues. The organization to which I am referring is the South Carolina State Student Legislature. This very fine organization was started by an act of our State legislature in 1957. This act also gives the participants in the South Carolina State Student Legislature full access to all the facilities of the statehouse when the students convene for 3 days in December.

There are many organizations in existence which afford high school and college students the opportunity to become acquainted with and engage in forum discussions of current events and governmental problems. The South Carolina State Student Legislature is, however, unique in that each year various college students of South Carolina, through their elected representatives, duplicate and perform all the functions of the State government.

Representation to the South Carolina State Student Legislature is afforded each campus by allowing 1 congressman for every 250 students or "any fraction thereof" and 2 senators per school. These senators and representatives may be chosen from the various campuses in one of two ways, depending usually on the size of the campus involved. On relatively small compuses, campuswide elections are held. On our larger campuses, delegates are chosen from within the various student government organizations. Both the student house and senate have a complete slate of officers. The speaker and speaker pro tempore are elected "on the last day of the legislative session of each year, as the last order of business of the house of representatives." Candidates for the offices of speaker and speaker pro tempore may be "any duly authorized member of the house of representatives, or elected officer of the house of representatives in good standing."

The lieutenant governor also serves as the president of the senate. He is elected on the last day of the legislative session of each year, as the first order of business of the general election, and is chosen from "any duly authorized senator, representative, or elected officer, in good standing." The president pro tempore of the senate may be chosen from "any duly authorized senator, or elected officer of the senate, in good standing." He is elected "on the last day of the legislative session of each year, as the last order of business of the senate."

All officers serve terms "which shall commence with their assumption of office, and shall terminate at the next following election for this office."

Both the house and the senate have a full complement of officers including a clerk, a reading clerk, a recording clerk, a sergeant at arms, and a chaplain.

The following are the standing committees of both the house and the senate: Agriculture, commerce and manufacturing, education, finance, judiciary, local legislation, penal and charitable institutions, police regulations, rules, credentials.

The South Carolina State Student Legislature also has a department of justice composed of a chief justice and four justices. The chief justice is elected "on the last day of the legislative session of each year and is the first order of business of the general election." The other members are appointed—two by the governor, one by the speaker of the house, and one by the lieutenant governor. It is the function of the supreme court of the South Carolina State Student Legislature "to hear and rule on all cases arising from the actions of any member of the executive, legislative, or judicial department of the South Carolina State Student Legislature, or from the acts, laws, rules of the departments, general rules, the constitution, or any other matter requiring a judicial interpretation or ruling arising in the South Carolina State Student Legislature, unless provided for in the acts, laws, rules of the departments, general rules, or the constitution of the South Carolina State Student Legislature.

Qualifications for the position of chief justice is the same as those for the governor and lieutenant governor. The term of office for the chief justice coincides with that of the other elected officers.

The governor is elected on the last day of the legislative session each year, as the last order of business of the general election. In order to qualify for candidacy, he must be a "duly authorized senator, representative, or elected officer, in good standing."

The governor is the official spokesman for the student legislature and besides his appointive power, he has the power to veto as well as the authority to appear before either house to present reasons for his veto.

There are other officers, appointed by the governor, which complete the full slate of officers: Treasurer, press secretary, and secretary to the governor—their positions are all self-explanatory. The remaining two offices are those of secretary of state and attorney general.

The secretary of state is in charge of printing the journal of the South Carolina State Student Legislature and assisting the governor in carrying out his duties concerning the traditional banquet and serves as host (or hostess) of this affair. It is also the duty of the secretary of state to assist the president of the senate and the speaker of the house in assigning committees appointments and assisting said committees in their operations, at the request of the president of the senate, the speaker, or the chairmen of the respective committees.

It is the duty of the attorney general to "report all legislative and judicial activities to the governor, keeping him well informed as to legislative proceedings." This officer is charged with representing the South Carolina State Student Legislature in any hearing that may come before the judiciary of the South Carolina State Student Legislature, or any

of its branches. This officer assists committees with matters relating to the proper procedure in carrying out their duties.

Now that I have acquainted you with the purpose and officers of the students' legislature, let me try to explain their legislative program. The method by which bills are assigned to a specific committee, and their final passage or defeat follows along the same procedure as that of our regular legislative process. All participating colleges are requested to submit proposed bills to the lieutenant governor at least 4 months prior to the December session. These delegations are not limited in any way as to the nature of their bills. Once these bills or ideas for bills, whichever the case may be, are received, they are processed (proper wording, and so forth) and then referred to their respective committees. These committees are usually appointed and functioning 3 months prior to the convening of the student legislature.

Gentlemen, this fine program for the college students of our State, aside from its instruction and practical aspects has produced some eye opening results. Our State legislature has enacted into law almost verbatim all bills which have been passed by the South Carolina State Student Legislature. Our State legislators are aware of the conscientious effort exerted by the participants of the student legislature, and rightly so. In my concluding remarks, let me say that we should all lend an ear to the message which the college students of South Carolina are trying to bring forth. This is our answer to the rioting students of other countries. This is our answer to the despondent critics of college students. This is our answer to the question "What are our college students doing to prepare themselves for the responsibilities they will soon shoulder as the leaders of our country?"

National Home Rule Road Program

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 14, 1961

Mr. VAN ZANDT. Mr. Speaker, on August 9, 1961, at the request of Mr. Thomas S. Stephenson, president of the Pennsylvania Home Rule Association, with headquarters in Altoona, Pa., I introduced H.R. 8612 designed to promote the public welfare by providing that all Federal gasoline and automotive excise taxes be placed in the highway trust fund to be used for road improvement purposes only, and, for the purpose of spurring improvements on all classes of public highways.

The bill, if enacted into law, would be cited as the "National Home Rule Road Program" and is sponsored by the Pennsylvania Home Rule Association, a civic, nonprofit organization, incorporated under the laws of Pennsylvania and whose sole object is to stop the concentration of power in Washington through the restoration of home rule, thus ending the deplorable situation resulting from the diversion of motor funds as described in the following editorial titled "Deplorable Situation," which appeared in the August 4, 1961, edition of the Altoona Mirror:

DEPLORABLE SITUATION

The Nation's motorists, including those in Pennsylvania, are paying $4.3 billion annually into the Federal Government's coffers in highway-user taxes, but they are getting only about 60 percent of that huge sum back in highway improvements. The local communities receive nothing.

That, in brief, is the complaint of Thomas S. Stephenson of Altoona, Pennsylvania Home Rule Association president and well-known authority on road affairs—local, State and National.

Mr. Stephenson is fully justified in his assertion that "the Federal-aid highway policy is directly responsible for the deplorable condition of hundreds of thousands of miles of State and local roads." Best of all, he asks that Congress adopt amendments to the Federal highway acts to rectify this deplorable condition.

The Bureau of Public Roads, under jurisdiction of the Department of Commerce, is to blame for an obsolescent policy that now diverts approximately $1.7 billion annually of highway-user excise tax revenues to the Federal Government's general fund for other purposes. As Mr. Stephenson points out, the policy, in effect since 1921, is applicable to "the days of the model T Ford. We are now in V–8 traffic and the year is 1961."

The proposed Stephenson amendments, contained in a national home rule road program, would end this disgraceful diversion of motor funds and return the money, paid by the motorists in excise taxes, to the States and their political subdivisions, without matching strings attached. The States would share 50 percent of the now diverted funds, the cities, boroughs and townships the other 50 percent.

For Altoona it would mean an additional estimated $130,000 a year for street improvements, sorely needed. Every political subdivision in Blair County and in the State, besides the Commonwealth itself, would benefit from the proposed Stephenson amendments.

Motorists in the several States now pay five or six highway-user taxes, a staggering load for the benefits they receive. Pennsylvania's automotive taxes, fortunately, may be used only for highway and allied purposes, but the real rub is the Federal policy of taxation on highway users.

Only 60 percent of the Federal take in automotive taxes is used for the Federal-aid system, in which Pennsylvania is participating. Yet when the Interstate System is completed at a cost of $41 billion sometime between 1972 and 1975 it will carry only 20 percent of the total highway traffic.

State and local roads and streets, which now carry 34 percent of the total highway traffic and which are not a part of the Federal aid system, receive nothing in the way of Federal funds.

The proposed Stephenson amendments would direct that all revenues from the Federal gasoline, oil and other excise taxes be placed in the highway trust fund. Sixty percent (the same amount as now allocated) would be used for the Federal-aid system and the remaining 40 percent would be returned to the States and the cities, boroughs and townships. The Interstate System still would have ample funds for completion of the Federal program. The States and local communities would have the additional funds for improvement of their systems to meet present-day traffic needs.

The Stephenson proposal would guarantee the motorists, who pay the bill, full benefits from their tax payments. It is decidedly unfair for the Federal Government to collect billions of dollars in highway-user taxes and divert approximately 40 percent to foreign aid and other governmental expenses not related to highway construction and improvements.

The Stephenson proposal merits the consideration of all taxpayers, particularly the motorists who are being "bilked" by the Bureau of Public Roads archaic policies. Area Congressmen would do well to study and support the amendments which would rectify a deplorable condition and provide the motorists with the adequate roads and streets for which they are paying, but are not receiving.

Mr. Speaker, at this point in my remarks I wish to insert a copy of H.R. 8612, which is now pending before the House Committee on Ways and Means:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "national home rule road program". The purpose of this Act is to promote the public welfare by providing that all Federal gasoline and automotive excise taxes be placed in the highway trust fund to be used for road improvement purposes only, and, for the purpose of spurring improvements on all classes of public highways, to aid in increasing employment in the roadbuilding and allied industries, and to promote the civic welfare of every State and community in the Nation, by providing that all classes of roads on the public highway systems be made eligible for Federal aid.

SEC. 2. (a) Section 209(c)(1) of the Highway Revenue Act of 1956 (relating to transfer to trust fund of amounts equivalent to certain taxes) is amended to read as follows:

"(1) IN GENERAL.—There is hereby appropriated to the trust fund, out of any money in the Treasury not otherwise appropriated, amounts equivalent to 100 percent of the taxes received in the Treasury before October 1, 1972, under the following provisions of the Internal Revenue Code of 1954—

"(A) section 4041 (diesel fuel and special motor fuel);

"(B) section 4061 (motor vehicles);

"(C) section 4071 (tires and tubes);

"(D) section 4081 (gasoline);

"(E) section 4091 (lubricating oil);

"(F) section 4226 (floor stocks); and

"(G) section 4481 (use of certain vehicles)."

(b) Section 209(c)(3) of such Act (relating to liabilities incurred before October 1, 1972, for new or increased taxes) is amended by striking out "the following percentages" and inserting in lieu thereof "100 percent", and by striking out subparagraph (A) through (D) and inserting in lieu thereof the following:

"(A) section 4041 (diesel fuel and special motor fuel);

"(B) section 4061(a)(1) (trucks, buses, etc.);

"(C) section 4071(a)(1), (3), and (4) (certain tires, tubes, and tread rubber);

"(D) section 4081 (gasoline); and

"(E) section 4481 (use of certain vehicles)."

(c) Section 209(f)(4) of such Act (relating to 1972 floor stocks refunds) is amended by striking out "the following percentages" and inserting in lieu thereof "100 percent", and by striking out subparagraphs (A), (B), and (C) and inserting in lieu thereof the following:

"(A) section 4061(a)(1) (trucks, buses, etc.);

"(B) section 4071(a) (1), (3), or (4) (certain tires, tubes, and tread rubber); and

"(C) section 4081 (gasoline)."

(d) The amendments made by this section shall apply only in case of transfers to and refunds from the Highway Trust Fund with respect to months beginning more than 10 days after the date of the enactment of this Act.

SEC. 2. Paragraph (1) of subsection (f) of section 209 of the Highway Revenue Act of 1956 is amended by striking out "Amounts" and inserting in lieu thereof "Sixty percent of the amounts", and by adding at the end thereof the following new sentence: "Forty percent of the amounts in the Trust Fund shall be available, as provided in appropriation Acts, to meet those obligations of the United States incurred under section 214 of title 23 of the United States Code.".

SEC. 3. Section 120 of title 23 of the United States Code is amended to read as follows:

"§ 120. Federal share payable

"The Federal share payable on account of any project on any Federal-aid system shall be 100 percent of the total cost thereof."

SEC. 4. (a) Chapter 2 of title 23 of the United States Code is amended by adding at the end thereof the following new section:

"§ 214. State and local highways

"(a) Sums authorized to be appropriated for each fiscal year out of the Highway Trust Fund established by section 209 of the Highway Revenue Act of 1956 to carry out this section shall be apportioned by the Secretary among the several States in the same manner as funds are apportioned for the Federal-aid primary system.

"(b) Fifty percent of all funds apportioned to a State under this section shall be expended by such State on State highways which have not been designated as part of a Federal-aid system. Such funds shall be expended on such State highways in accordance with the laws of such State relating to the expenditure of motor vehicle taxes and other roadbuilding revenues.

"(c) Fifty percent of all funds apportioned to a State under this section shall be allocated by such State to those of its political subdivisions having jurisdiction over local streets and roads. Forty percent of such funds shall be allocated among such political subdivisions based upon the ratio which the population of the particular political subdivision bears to the total population of the State, and sixty percent of such funds shall be allocated based upon the ratio which the mileage of the local streets and roads of the particular political subdivision bears to the total mileage of all local streets and roads within the State. Such funds shall be expended on such local streets and roads by the political subdivision in accordance with the laws of such State relating to expenditure of motor vehicle taxes and other roadbuilding revenues."

(b) The table of contents of chapter 2 of title 23 of the United States Code is amended by adding at the end thereof the following: "214. State and local highways."

Manion Forum—Communism—House Joint Resolution 447

EXTENSION OF REMARKS

OF

HON. JOHN R. PILLION

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 14, 1961

Mr. PILLION. Mr. Speaker, the Manion Forum is a most valuable communication vehicle for the preservation of the liberatarian concepts of our U.S. Constitution. It carries on an instructive and informative crusade to warn us against our prevailing drift toward economic socialism and political totalitarianism.

It was my privilege to broadcast, on Sunday, August 13, an address on the subject of the war being waged by the international Communist conspiracy against the United States and the free world. The broadcast follows:

FREE WORLD SHOULD DECLARE WAR ON COMMUNISM NOW

DEAN MANION. What is the precise nature of our expensive and harrowing trouble with Soviet Russia? Senator J. WILLIAM FULBRIGHT, of Arkansas, chairman of the influential Senate Committee on Foreign Relations, calls the trouble competition. Very recently he told an educational conference at Stanford University that, in order to win this competition, the United States must surrender its sovereignty and change its outdated Constitution (San Francisco Examiner, July 29, 1961).

On the other hand, J. Edgar Hoover, the respected director of the FBI calls our trouble a war with communism in the course of which we have been invaded and which, at the moment, we are losing.

It is high time for the American people to decide which of these two divergent viewpoints is correct and then proceed to enforce that decision upon their Government at Washington.

I have a realist at this microphone now who is in frank open agreement with J. Edgar Hoover. He startled Congress and the country a few weeks ago by proposing a declaration of war. In the meantime, more and more of his colleagues are coming around to the belief that he is right.

I have asked him to come here and tell you about his realistic proposal. It is a pleasure to present the Honorable JOHN R. PILLION, a courageous Congressman from the 42d District of New York.

Mr. PILLION. Thank you, Dean Manion. I would like, first, to express my personal gratitude to the Manion Forum for its outstanding contributions to the strengthening of this Nation.

On June 12, I introduced in Congress House Joint Resolution 447. This resolution calls upon Congress to recognize the existing total global war being waged upon the free world by the International Communist conspiracy.

The resolution not only would recognize this war, but would affirmatively declare war upon the 98 Communist Parties operating throughout the world. These parties are jointly and irrevocably committed to the disintegration and destruction of the free world.

Under this resolution, the United States would call for a concerted global effort on the part of all the free world, all nations, all religions, all unions, all free institutions, to join in countering the total Communist war.

No sober-thinking American can reflect upon the past, assess the present, and look to the future without asking this question: "If the Communist sweep continues, how long will it be—3, 10, 15 years—before the United States becomes another captive nation of the Communist-Soviet Empire?"

Let us look at the causes of today's crises. The Communist Internationale was established at Moscow in 1919. It wholly adopted the Marx-Lenin concept of combining all human forces into one gigantic revoluntionary war. It adopted new forms of war, all on a world scale.

Ever since then, the Communist Internationale has carried on continuing campaigns of infiltration, subversion, and all other forces of revolutionary and guerrilla warfare. It has mastered the strategies and techniques of quasi-military conquest.

Today, the Communist Parties have a force of 36 million member agents distributed throughout the world. They owe a single allegiance, not to any nation, not to any church, but solely to the Communist-Soviet conspiracy.

The alliance of Communist Parties has repeatedly and openly declared its incessant war against the free world. The Moscow Manifesto to December 1960 pledges all these parties to an intensified offensive. Yet, the free world simply cannot grasp the deadliness of this conflict.

KHRUSHCHEV KNOWS DESTRUCTION OF UNITED STATES IS A MUST

Two weeks ago, Khrushchev again called for an increasing Communist effort against the United States as his major target. He knows that if the United States falls, the free world is left defenseless.

In the past 20 years, this enemy has seized power in all of middle Europe, including East Germany, Poland, Hungary, Czechoslovakia, Rumania, Bulgaria, and Albania. In Asia the free world has lost Red China, North Korea, North Vietnam, and Tibet.

We are now confronted with Communist-inspired crises in Berlin, in Loas, in the Congo, in British Guiana, and in every part of the free world. This Nation is in grave peril. The danger is today. It increases every hour, every day.

For the past 35 years, U.S. policies have consistently failed to check the Communist drive. Our attitudes toward Communist nations have shifted from direct aid to political bribery, to conciliation, negotiation, and appeasement.

As a consequence, our foreign policies of containment, massive retaliation, foreign aid, summit meetings, peaceful coexistence, disarmament, have all proven to be mere figments of our own gullibility.

Underlying the record of continuing Communist victories and U.S. defeats, is the ignorance of the anatomy of the enemy forces. We have failed to comprehend the magnitude, the scope, the weapons of this implacable enemy. We have failed, even, to identify the principal enemy—the 98 Communist Parties.

Cuba is a classic example of the defeatist psychosis imbedded in U.S. policies. Castro had a long record as a murdering Communist agent. This was well known to the State Department. Yet, it was U.S. aid and connivance that delivered the Cuban people to the Communist dictatorship—another major political crime.

The recent abortive Cuban invasion was a disgraceful fiasco. It was ill conceived, ill timed, inadequately planned, underpowered. It was a successful failure. The tractors-for-prisoners scheme proved to be another defeat—a diplomatic misadventure. Cuba glaringly exposes the futility of U.S. policies.

The Communist power struggle is, in essence, a dual war. The major campaign is the war being waged by the 98 Communist Parties. This is a shadowy, secretive war of geopolitics, propaganda, agitation, incitement to riot, and subversion.

This is the war that we are unable to see, to understand and to cope with. The 98 allied Communist Parties are dominated by the Communist Party of the Soviet Union. They receive their policy directives and execute the strategies issued from Moscow. As First Secretary of the Communist Party of the Soviet Union, Nikita Khrushchev is the commander in chief of this Communist army.

The parallel campaign in this dual war is the one being conducted by the Soviet

Union and its satellite and allied nations. This alliance of nations is dominated by the Soviet Union. As chairman of the Council of Ministers of the Soviet Union, Nikita Khrushchev is commander in chief of the Soviet bloc nations, and commands their military and economic power.

The Communist Party of the Soviet Union conceives, plans, organizes, and coordinates the execution of the strategies and tactics of each of the 98 Communist Parties of the world. The Communist Party of the Soviet Union also conceives, plans, organizes, and coordinates the military and civil actions of the Soviet Government, and of the satellite nations.

Both campaigns in this total war have one common purpose—the domination or destruction of all non-Communist nations. The Communist Parties carry on a unilateral campaign of war. The United States, in the meanwhile, is obsessed with a unilateral delusion that we are at peace.

The steady relative decline of the strength of the free world has resulted in our present position of extreme peril. Khrushchev has repeatedly declared that the Soviet has a military superiority over the United States.

SURRENDER OR ATOM BOMBS ONLY CHOICE OF FREE WORLD

The choices of the free world are steadily being narrowed down to the grim alternatives of surrender or thermonuclear war. Mr. Khrushchev keeps suggesting the possibility of a peaceful surrender by the United States, and the free world.

It is the responsibility of all Americans to advise Mr. Khrushchev and the Communist Party to correct their miscalculations as to the courage and the determination of the American people.

The United States will never submit to either a "peaceful" or a nonpeaceful surrender. The second alternative is a preventive thermonuclear war. Neither the Soviet nor the United States can afford the devastation of a nuclear war.

There is a third alternative. It is embodied in House Joint Resolution 447. This resolution would realistically recognize the Communist world war. The passage of this resolution will signal the beginning—at long last—of our offensive against the Communists. It will be a war, not of missiles or marching soldiers. It will be, basically, a war of economic, political, and psychological weapons.

We will never, however, submit to the slavery of Communist tyranny, whatever the cost may be. This resolution would not create a new war. It recognizes an existing war. It is not a war against any nation. It is a war against those organizations, those parties, those persons who are already waging war upon us.

Permit me to cite some of the practical results contemplated in this resolution:

First, by identifying the enemy, and by recognizing the war which the Communists are waging against us, we shall have a basis for shaping effective policies to prosecute this war. How can we formulate effective programs to defeat an enemy if we neither specify who he is, nor acknowledge that we are at war with him?

Second, the United States cannot survive this war alone, nor can we win it alone. The resources of all the free world must be totally committed in this life-and-death struggle. The leadership must come from the United States. How can we expect other peoples to resist Communist threats and bribes, if we in the United States continue our policies based upon fiction and fantasy?

Third, we must face the stark reality. The Communist philosophy allows no compromise. Our domestic programs must be subordinated to, and consistent with the all-important cause of survival."

We are being warred upon. Let us declare this war. Let us win this war. I invite you to deliberate upon the future of this Nation. You can participate in the choice of that future.

Please communicate your conclusions to the President, your two U.S. Senators, and your Representative in Congress.

A Congressional Report on the Public Defender Legislation

EXTENSION OF REMARKS
OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, August 14, 1961

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I made on Thursday, August 10, 1961, before a luncheon sponsored by the American Bar Association Standing Committee on Legal Aid Work and the National Legal Aid and Defender Association, at the Hotel Park Plaza, St. Louis, Mo.:

A CONGRESSIONAL REPORT ON THE PUBLIC DEFENDER LEGISLATION

I need not quote the sixth amendment to this distinguished group. You and many others like you have been engaged for many years in trying to make the guarantee of this amendment truly meaningful. Largely due to these efforts there were at last count in the United States 77 public defender organizations, 14 private defender organizations, and 5 combining these two forms. Every State now furnishes some kind of legal assistance to indigent persons charged with crime, usually in the form of assigned counsel who are paid on a fee basis.

But the Federal Government has lagged behind the States. Although the indigent criminal defendant is provided legal assistance if he wants it, the lawyer who is called upon to supply this assistance does so without remuneration.

You will recall that it was in the *Johnson* v. *Zerbst* case in 1938 that the Supreme Court made it forever clear that a defendant is entitled to have the assistance of counsel for his defense or otherwise the Federal court has no authority to deprive him of his life or liberty. A year later, 1939, the first case of an indigent defendant on the calendar in the northern district of California was that of a man who under the influence of intoxicants stole some rotary locks from the Post Office Department and then attempted to sell them to a postal inspector. When he appeared before District Judge Michael J. Roche, the judge recognized him as an old offender who had often appeared before him in the State court. Judge Roche proceeded to instruct him concerning his right to counsel and explained that if he was without funds or friends or other means to provide counsel for his defense, the court would be happy to appoint an attorney to represent him. "Hell, no," the accused replied. "Judge, the last time I had one of them guys, I got 60 days for stealing me own overcoat."

I do not believe the situation is that bad, but nevertheless it is true that a large proportion of court-appointed attorneys have had relatively little experience in criminal trial practice. Although they may conscientiously try to carry out their responsibility toward their clients, they are not really equipped to provide effective counsel. As Justice Rutledge once commented, "Serious criminal cases are not proper subject matter for legal apprentices, however capable and hard working."

The system has other grave shortcomings, but I need not enumerate them to an audience as knowledgeable on the subject as this one. The effect of these shortcomings has been commented upon only recently by Justice Brennan: "The victims of the limitation upon the State's obligation to provide counsel are the indigent—they are the helpless, the weak, the outnumbered in our society."

Since the 75th Congress I have introduced in each Congress thereafter legislation to establish a system which would guarantee truly adequate representation for indigent defendants in the Federal courts. The bill provided for the office of public defender for those Federal district courts with a sufficiently large volume of criminal cases, and for a method of compensating court-appointed attorneys in the smaller districts. In effect it combined the best features of both the public defender and the assigned but compensated counsel systems.

But the bill lagged in committee. While it invariably had the support of the Attorney General, the Judicial Conference of the United States, and various legal aid societies, we heard little from individual members of the judiciary, the law schools, or the bar. We didn't really know what they thought of the proposal. The limited correspondence we received on the subject was about evenly pro and con, and seemed to cancel out each other. The enactment of legislation, I can assure you, requires clear-cut support.

In the 86th Congress I decided that the bill had lain fallow long enough. It was time to find out whether it would meet the problem for which it was designed, what its defects might be, and the extent to which the legal profession favored it. To get this information I simply wrote to every Federal judge and to several hundred members of the American Bar Association and various law school faculties. Several of you in the audience, I am sure, received my letter and its request for your views on my bill.

The report that grew out of this correspondence was printed by the committee in February 1960. It disclosed that out of nearly 500 judges, lawyers and law school deans and professors who responded to my letter, 89 percent approved the general approach embodied in the bill. A few preferred only a portion of the bill or an entirely different approach, and only 5 percent opposed any legislation at all on the subject.

The responses strongly refuted some of the arguments that I had heard vaguely advanced in opposition to the bill. One of these arguments was to the effect that an independent bar is just as essential to the preservation of freedom as is an independent judiciary or the Bill of Rights in our Federal and State constitutions. But an attorney from one of our great Southern States commented, "I hope that the bill will pass by a large majority as a signal recognition by our representatives that a real right to counsel is a precious right, one that was hard won, and one that is denied to many people in other parts of the world."

Another old argument that was somewhat similar charged that the public defender system would lead to "socialization" of the legal profession. That argument is old hat. If you are opposed to anything call it socialistic or communistic. Yet in response to my letter a former president of the American Bar Association known to all of you wrote that "lawyers, by supporting this bill are not unloading upon the public a personal obligation of the bar. This obligation is that of the public and the fact that the bar alone has borne it in the past is no reason to continue a system that is inadequate and unreasonable."

Supreme Court Justices and district judges, who are perhaps the persons most familiar with the present system and its unhappy results, were firm in their condemnation of its deficiencies. Their letters contained references to it in such terms as "shocking," "hit and miss," "haphazard." The law school deans and professors sent me highly literate and thoughtful dissertations on the subject, indicting the present system and urging correction. But perhaps the most firm support for the constitutional right to an adequate defense came from the lawyers themselves, the individual members of the American Bar Association. They registered their approval most eloquently, buttressed by solid facts, and illustrated by incidents out of their own experience. One attorney even sent me a poem registering his support for the bill.

I also received a number of excellent suggestions for improving the bill. Some thought the judicial council of the circuit ought to exercise control over the appointment of public defenders. Some thought the public defenders should be equipped with investigators and technical experts where necessary to prepare a competent defense. Others thought that even where the court had a public defender office, the court should still have the authority to appoint a separate counsel or an additional counsel. Some thought that it should be made clear in the bill that the defendant was entitled to counsel as early as arraignment and preliminary examination. The judges were particularly concerned that the conditions under which an indigent defendant could appeal his conviction were spelled out more clearly.

The most common suggestion was that the salary of the public defender should be at a level nearly commensurate with that of the prosecuting attorney and that appointed counsel should receive $50 a day instead of $35. Also frequently appearing was the suggestion that there should be some statement as to the qualifications of attorneys who were to be appointed as public defenders. And judges and lawyers alike felt that the maximum annual amount allowed any single district for compensation and reimbursement of all appointed counsel should be raised from $5,000 to $10,000 annually.

All of these suggestions obviously had merit and I rewrote the bill to embrace them. I also included an authorization for the court to appoint, on a reimbursable basis, representatives of legal aid societies as defense counsel in individual cases. To put a ceiling on all expenditures for the defense of indigent defendants, I added a statement limiting annual appropriations for this purpose to an amount not exceeding the fines, penalties, and forfeitures collected by the courts during the most recently completed fiscal years. This, in 1960 amounted to about $2½ million, far more, of course than will be needed to operate the proposed system.

I introduced this bill (H.R. 2696) into the 87th Congress on January 16, 1961, and it was referred to a subcommittee of the House Committee on the Judiciary. Because of the substantial body of opinion already at hand, it was not considered necessary to hold further hearings. Three weeks ago the subcommittee took up this bill and after much debate approved it with some amendments. Briefly, the amendments to the bill require the approval of the Judicial Conference for the appointment of public defender and assistants; one public defender may be appointed for each district instead of at each term of court; the provision for the appointment of investigators was deleted, as was the language relating to cities of more than 500,000 population and those with less than that figure.

Finally, the requirement that the public defender shall act as counsel for each defendant to whom he is assigned at every stage of the prosecution, is being rewritten for clarification.

I am hopeful that the bill can be reported out favorably by the full committee and passed by the House before the end of the current session. A similar bill, I might add, is already under consideration in the Senate (introduced by a Republican, an indication of the nonpartisan nature of this legislation).

This legislation, if enacted, should have a number of desirable effects. It should encourage the development of similar systems in other jurisdictions of the United States and upgrade the administration of justice generally. Justice Brennan has deplored the fact that "too many cases come from the States to the Supreme Court presenting dismal pictures of official lawlessness, of illegal searches and seizures, illegal detentions attended by prolonged interrogation and coerced admissions of guilt, of the denial of counsel and, downright brutality." The public defender's chief responsibility is to safeguard the constitutional rights of those charged with crime, and the very existence of this office should discourage the kind of official recklessness that results in appellate court reversals. If there had been a public defender office in the District of Columbia, for example, the Mallory decision and the many painful interpretations that have come in its wake would never have been necessary.

Only as late as June 12, 1961, the Supreme Court overturned the 26-year-old conviction of a youth of subnormal intelligence who had been arrested and held incommunicado for 8 days without counsel prior to his arraignment (*Reck* v. *Pate*). While the conviction was reversed on the grounds that the defendant's confession was coerced and therefore inadmissible, I am sure that had the defendant received adequate representation at the time of his trial, the correction of this injustice would not have had to wait 26 years, if, in fact, the injustice would have occurred at all.

By providing indigent defendants with skilled and experienced counsel the system should do much to upgrade the conduct of trials. Not only would fewer unscrupulous and perjured defenses be attempted, but the quality of the defense would assure the accused that his day at court was a fair one. My good friend, Judge Irving Kaufman, observes in this respect:

"The imposing arsenal of personal guarantees and rights which are accorded the defendants are but empty forms unless effectively marshaled and utilized by competent defense counsel. At the heart of any system of justice worthy of the name is the right of a man accused of a crime to a meaningful day in court; to the right to have the prosecution put to its proof before an impartial trier of facts, to have irrelevant matters excluded from consideration; to the right to cross-examine prosecution witnesses and to the right to present his own side of the story. To breathe life into these rights and to make the practice of justice equal to its theory, a civilized society recognizes an additional right—the right of an accused to counsel."

The public defender should also help to bring about more efficiency in court procedures and in disposing of court calendars. The public defender would not ask for repeated continuances in the hope that key witnesses will somehow disappear or that in the next term of court the defendant might draw a more lenient judge or jury. The experience of the public defender would also expedite the trial by eliminating unnecessary technical objections and preliminary technical battles. Needless proof could be avoided through a stipulation of facts where these can be safely conceded. In many similar ways the public defender could make possible significant economies in criminal justice, and at the same time protect the rights of his clients.

He should also play a constructive role in reshaping the attitudes of offenders toward society. My good friend, Jim Bennett, Director of Prisons, has pointed out how the prisoner, after a trial that he considers unfair, "leaves the courtroom with his heart pouring forth hate and venom. Since rehabilitation to be true and lasting must come from within, nothing can be done with him until he has been purged of this rancor." The Prison Director believes that "much of the antagonism aroused can be avoided by fair and just treatment and representation throughout the proceedings. By minimizing errors, misunderstandings, and friction during the criminal proceedings, mental strains and tensions can be lessened, bitterness avoided, and the number who are incurably warped substantially reduced."

The public defender should also prevent much of the resentment that convicted defendants experience after they plead guilty and receive a substantial sentence. Nearly 90 percent of all Federal convictions are obtained on pleas of guilty; many of the defendants enter this plea after waiving in ignorance the benefit of counsel or succumbing to the insistence of a court-appointed attorney who is too busy to prepare a competent defense or to explain the consequence of this plea. One such prisoner wrote the Department of Justice:

"I have been sentenced for 2 years and 3 years probation. When I was judged by the honorable Judge * * *, I was asked by my attorney to plead guilty. Please believe me, I didn't know, nor did anyone explain to me the meaning of pleading guilty. I have never in my whole life, I am 40 years of age, committed any crime before. Since I am serving this sentence, I have learned by pleading guilty, that I have committed myself to something that I was not aware of. This is understandable, when you realize that I have had but 4 years of schooling, and the ways of the courts were foreign to me."

A meaning system of representation should greatly reduce the number of appeals, so many of which grow out of the prisoners' belief that they have been denied their constitutional right to a fair trial. Jim Bennett told me of one prisoner who, after serving 8 years, was released on a writ of habeas corpus because of errors in the trial. This prisoner had filed 58 petitions, motions, and suits before he was finally released on a technicality. It is little wonder, then, that about one-third of the work of the circuit courts is devoted to hearing writs and motions filed by prisoners under section 2255. If the prisoners had been represented initially by defenders in whom the courts had confidence, there would be fewer hearings on these writs, many of which are, of course, without merit.

It seems to me that the public defender system would also do much to raise the status of the criminal lawyer generally. Too many lawyers, in my opinion, are reluctant to handle a criminal case, although this reluctance is not without basis. If the defendant is particularly unpopular in the community, some of the unpopularity tends to rub off on his defense counsel. And, of course, lawyers are apprehensive that if they accept cases of this kind their regular practice will be adversely affected. The public defender should have no hesitancy in representing defendants who have incurred the hostility of the community. It would be his job and so regarded by the community and his fellow lawyers.

Finally, the enactment of public defender legislation should not be without significance in achieving the greater purposes of our Nation. We prate of equality before the law; we boast of equal justice, but there is

no such equality if the affluent defendant is represented by counsel and the indigent defendant is not. Justice, it has been said, is the bread of the nation since all hunger for it, but often the poor and the lowly must do without it.

We are in the midst of a time of crisis, a time of cold war that seemingly threatens to erupt at any moment into a conflagration of unprecedented proportions. Neither side stands to gain by atomic war, and it seems likely that the cold war will continue for a generation and more to come. It is a cold war waged for men's minds, hearts, and loyalties. Upon the outcome of that war will depend the survival of the democratic system of government. The United States now occupies a position of leadership in the democratic world, and in that position its words and actions are being studied by the Communist bloc, the uncommitted nations, and even the governments that have so far cast their lot with us. We must maintain that leadership if the free world is to endure, and we can do it only by demonstrating that the rights and needs of men are best served by a democratic system.

The Communists are using every possible means of discrediting and embarrassing us, including our court procedures and system of justice. You have already read, I am sure, some of the articles that have been published by impressionable observers commenting on the great strides the Russians have made in improving their court system. In their own press our judicial system is depicted as unjust, unfair, and weighted in favor of the rich and against the poor. This propaganda is, of course, intended to have an influential effect upon the uncommitted peoples of the world, most of whom are relatively impoverished and hence quick to identify themselves with the victims of injustice.

The trouble in obtaining approval of my bill is found in the old saying, "Every man loves justice at another man's home; nobody cares for it at his own." There is too much apathy and indifference to the plight of the poor devil standing alone before the august judge amidst the majestic surroundings of the court, standing there bewildered, seeking advice, counsel, and guidance.

The public defender legislation should, of course, be enacted on its own merits. But it is also a way or reaffirming to the world that all our citizens, regardless of their positions in life, their power, their wealth, or their poverty or color, are afforded the equal protection of our laws and our Constitution. This audience, I am sure, will agree with me that the Congress of the United States should provide this reaffirmation by making the guarantee of the sixth amendment an unquestioned reality.

Chancery Explosion Is District of Columbia's New Blight

EXTENSION OF REMARKS

OF

HON. CARROLL D. KEARNS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 14, 1961

Mr. KEARNS. Mr. Speaker, a new kind of blight has struck Washington neighborhoods and turned quiet streets into vehicular battlegrounds. The blight is called the chancery explosion.

One month a fine old couple lives in the house next door. Next month it is sold to a foreign government for a chancery—the office building for the ambassador and his staff.

As the Washington (D.C.) Star pointed out yesterday, in a front-page article:

The curbs are marked for the exclusive use of the staff. When the spaces are full, diplomatic cars may park double in the streets, immune from the law.

And while United States Steel or IBM would not stand a chance of getting a fine home zoned for office use, foreign countries have been most successful.

According to the Washington (D.C.) Star:

David M. Key, a retired Foreign Service officer and general manager of the American Foreign Service Association, appealed in person a month ago to the Chief of Protocol, Angier Biddle Duke. He also wrote Secretary of State Rusk.

Having served in several foreign capitals, he says that these cities may enforce local zoning laws and that the United States, to his knowledge, does not and should not try to ride over these laws.

In the capitals he has served in, the U.S. chanceries are in areas used for office buildings. The United States, he says, did not insist that the chanceries be next to or near to its embassies.

Since the United States is generally required, in locating its chanceries abroad, to observe the laws and zoning regulations applicable to business-type buildings in the capital cities of those nations with which diplomatic relations are maintained, such foreign nations should, in the interest of comity, observe the laws and zoning regulations with regard to the location of business-type buildings in the District of Columbia and locate chanceries in business areas rather than in residential areas to the detriment of such residential areas.

It seems to me that this is a matter deserving of immediate consideration by the Members of this body.

I include here the text of a House resolution I am introducing today, and the article from the Washington (D.C.) Star of August 13, 1961, to which I have referred:

HOUSE RESOLUTION EXPRESSING THE SENSE OF THE HOUSE OF REPRESENTATIVES REGARDING THE UTILIZATION OF CERTAIN REAL PROPERTY IN THE DISTRICT OF COLUMBIA

Resolved, That it is the sense of the House of Representatives that since the United States is generally required, in locating its chanceries abroad, to observe the laws and zoning regulations applicable to business-type buildings in the capital cities of those nations with which diplomatic relations are maintained such foreign nations should, in the interest of comity, observe the laws and zoning regulations with regard to the location of business-type buildings in the District of Columbia and locate chanceries in business areas rather than in residential areas to the detriment of such residential areas.

[From the Sunday Star, Washington, D.C., Aug. 13, 1961]

CHANCERY EXPLOSION IS DISTRICT OF COLUMBIA'S NEW BLIGHT

(By William Grigg)

A new kind of blight has struck Washington neighborhoods and turned quiet streets into vehicular battlegrounds.

The blight is called the "chancery explosion." It has well-to-do matrons muttering under their breath and retired admirals and generals up in arms.

One month a fine old couple live in the house next door. Next month it is sold to a foreign government for a chancery—the office building for the ambassador and his staff.

The curbs are marked for the exclusive use of the staff. When the spaces are full, diplomatic cars may park double in the streets, immune from the law.

A few years ago there was little trouble. Embassy staffs were small. They occupied a few rooms in the embassies. And there were fewer embassies.

Now, as Washington grows in importance, embassy staffs explode from their old offices. At the same time, a host of colonies suddenly become independent nations and set out to buy embassies and chanceries.

And while United States Steel or IBM wouldn't stand a chance of getting a fine Northwest home zoned for office use, foreign countries have been most successful.

Neighbors enter the battle before the District Board of Zoning Adjustment to no avail, in most cases.

Before 1958, zoning officials point out, residents could not even do that. Foreign countries could buy buildings and do what they wanted with them. Regulations adopted in 1958 changed that slightly.

Since 1958, a total of 20 applications have been made to the board for exceptions to permit the construction of chanceries or the use of homes for chanceries in areas zoned residential.

The board has denied two. Two others were withdrawn by the applicants.

Residents have attempted to fight the board's rulings in courts but in each case have failed.

Economics, the psychology of status seeking and the desires of the State Department conspire against the citizens' groups.

A real estate agent explained, "The economics are overpowering. The seller gets a better price than from purchasers who would use the building as homes.

"The foreign country gets a building for a price lower than prices for comparable space in a commercially zoned area. The country also gets the prestige of a fine home at a good address.

"That impresses visitors who come to the offices or to parties."

POSITION OF UNITED STATES

The State Department explained its position in the case of Brazil's application to use 4510 42d Street NW., site of the Washington Home for Foundlings, for its chancery:

"The District of Columbia was originally created not as a residential area but as the seat of the U.S. Government, with the thought in mind that foreign countries would send their diplomatic representatives here."

The late James E. Schwab cast the sole vote against Brazil in the five-man board. "Unless the board applies to this appeal the same test it would apply to similar use by a nonprofit organization, the board will," he said, "as a result of the precedent established, lose actual control over the location of chanceries in residential areas."

Mr. Schwab's prediction has been proved wrong twice.

BOARD BALKS

The Board balked recently when asked to permit Ghana a chancery at 2907 Ellicott Terrace NW. An earlier application for the use of the same address by West Germany had been withdrawn before the hearing. The Board found the Ghana chancery "not compatible" with the terrace's homes.

Vigorous neighborhood action also fought an attempt to establish a chancery for Gabon at 2129 Bancroft Place NW. this year. The Board ruled that, with no off-street parking provided for chancery workers and visitors, the application should be denied.

The plucky Bancroft residents' success against Gabon came just after a battle against the Cameroun Republic.

The Republic wanted to use 2128 Bancroft as a chancery. That address and 2130 had been used as offices of the government of Chile, but neighbors said the buildings had reverted to residential status when Chile moved out.

INJUNCTION DISSOLVED

The neighbors obtained an injunction, saw it dissolved a few days later. Like many recent cases, residents got a geography lesson, little more.

Neighbors fought the Netherlands Government when it wanted to build a $3 million chancery at 4200 Linnean Avenue, near Upton Street NW., and failed. Waverly Taylor, Inc., then managed to get a District Court restraining order but it was dissolved.

The Czech chancery at 1612 Tilden Street NW. stirred neighbors who claimed the Board failed to protect the integrity of the area. One resident said the Czechs were likely to use the building for "nondiplomatic activities customarily carried on under diplomatic guise." He meant spying.

But District Court found the Board acted "reasonably."

Thus, the "blight" advances. Often it advances outside the control of the Board. Foreign governments with property established before 1958 can do pretty much what they want to with their buildings.

IMMUNITY GIVEN

Governments with property bought since then still retain a great measure of immunity. Fire laws, for instance, can't be enforced.

Kalorama citizens are now fighting with their backs to the wall. They list 62 chanceries and 20 embassies in their small triangle bounded by Rock Creek Park, Connecticut and Massachusetts Avenues NW.

Some, of course, fight, fail, and flee.

Mrs. Maryland McCormick, widow of Robert R. McCormick, publisher of the Chicago Tribune, strongly protested the granting of a request for the establishment of a chancery for Mali at 2130 R Street NW.

FIGHTS GO ON

A few months after her protest failed, she negotiated with Cyprus for the sale of her home in the same block. The sale went through when the board agreed it could be used as embassy and chancery.

Others are still fighting.

David M. Key, a retired Foreign Service officer and general manager of the American Foreign Service Association, appealed in person a month ago to the Chief of Protocol, Angier Biddle Duke. He also wrote Secretary of State Rusk.

Mr. Key said he and a local lawyer told them there was no proper objection to embassies, of whatever nationality, because they are residences. But the office of the Ambassador and other officials, he said, ought to be treated like any other business office.

Mr. Key does not feel he achieved anything.

Gover M. Koockogey, president of the Kalorama Citizens' Association, this past week tried a new offensive. He got the North Washington Council of Citizens' Associations to approve a request to the Zoning Board, the District Commissioners, and the Senate and House District Committees.

A BASIC REQUEST

The request is simple: Enforce the zoning laws, giving applications for chanceries the same breaks, but no more, than applications for other offices.

Mr. Key says if the council's request is granted, there would be no logical cause for upset international relations.

Having served in several foreign capitals, he says that these cities may enforce local zoning laws and that the United States, to his knowledge, does not and should not try to ride over these laws.

In the capitals he has served in, the U.S.'s chanceries are in areas used for office buildings. The United States, he says, did not insist that the chanceries be next to or near to its Embassies.

THREE HEARINGS SCHEDULED

On Wednesday, hearings on three more chanceries will be held before the Board of Zoning Adjustment.

The owner of 3421 Massachusetts Avenue NW. will appeal on behalf of the Republic of Sudan to establish a chancery there. The owner of 7119 16th Street NW. will make a similar appeal for the Republic of Upper Volta.

The Republic of Panama will ask permission to establish its chancery at Woodland Drive and 29th Street NW.

Judge Russell E. Train of the U.S. Tax Court here got his first notice of the hearing in a news report Tuesday in the Star.

THE JUDGE'S STATEMENT

Next day he wrote the Board: "I fail to understand why neither I nor any other neighbors insofar as I have been able to determine have been served with an official notice of the hearings as required by law.

"There are five [embassies] within one block of my own house. All of this has been accepted in good grace by myself and my neighbors but always with the firm understanding that only embassy residences are involved and never chanceries.

"Should the application be granted, the existing difficulties reportedly encountered by the State Department in assisting foreign governments to find suitable embassy residences will be immeasurably aggravated. It will become clear that assurances to the effect that only embassy residences are involved are meaningless.

"I will state now in all frankness that my own attitude and, I feel sure, that of my neighbors, will change from one of friendly acceptance to one of hostility."

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 15, 1961

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

St. Paul's exhortation: I Thessalonians 5: 17: *Pray without ceasing.*

Almighty God, we thank Thee for the spiritual convictions and certainties to which we may anchor our souls during these perilous times.

Give us a great faith in the efficacy of prayer and the assurance that they who pray in the ordinary days shall know how to pray with conquering power when the days of catastrophe and crisis come upon them.

May we stand in the noble tradition of those who called upon the name of the Lord without ceasing and carried on with patience and perseverance when the way was dark and beset with difficulties.

Hear us through the merits and mediation of our blessed Lord of whom it is written, that "He continued all night in prayer unto God." Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H.R. 1452. An act to authorize the sale of a portion of the former light station property in Scituate, Mass.;

H.R. 4786. An act to provide travel and transportation allowances for members of the National Guard and Reserve components when travel is performed in an active duty or inactive duty training status in compliance with Federal directives;

H.R. 6597. An act to amend title 10, United States Code, to permit the crediting of certain minority service for the purpose of determining eligibility for retirement, and for other purposes;

H.R. 7189. An act granting the consent of Congress to the compact or agreement between the States of North Dakota and Minnesota with respect to the boundary between such States;

H.R. 7721. An act to authorize the Secretary of the Army to adjust the legislative jurisdiction exercised by the United States over lands with the Fort Sheridan Military Reservation, Ill.;

H.R. 7725. An act to authorize the Secretary of the Army to reconvey to the town of Malone, N.Y., certain real property heretofore donated by said town to the United States of America as an Army Reserve center and never used by the United States;

H.J. Res. 435. Joint resolution to provide for recognition of the centennial of the establishment of the Department of Agriculture, and for other purposes; and

H.J. Res. 436. Joint resolution to provide for recognition of the centennial of the establishment of the national system of land-grant universities and colleges.

The message also announced that the Senate had passed bills, joint resolutions, and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 340. An act to authorize the Chief of Engineers to enter into contracts with the Standing Rock and Cheyenne River Indian Tribes to provide for the clearing of certain portions of the Oahe Reservoir area;

S. 419. An act for the relief of Yom Tov Yeshayahu Briszk;

S. 456. An act for the relief of Concetta Casola;

S. 976. An act for the relief of Maria Trela Terpak;

S. 1053. An act for the relief of David Lew Huie;

S. 1190. An act for the relief of Mrs. Marcelita Lopez Kabayao Mortensen;

S. 1585. An act for the relief of Margherita Ferrelli D'Amico;

S. 1595. An act to amend the Natural Gas Act to give the Federal Power Commission authority to suspend changes in rate schedules covering sales for resale for industrial use only;

S. 1606. An act to authorize the Federal Power Commission to exempt small hydroelectric projects from certain of the licensing provisions of the Federal Power Act;

S. 1607. An act to amend the Federal Power Act to prohibit abandonment of facilities and service without the consent of the Federal Power Commission;

S. 1786. An act for the relief of Heripsime Hovnanian;

S. 1928. An act for the relief of Mrs. Lee Chee Shee (Mrs. Lee Buck Yau);

S. 2118. An act for the relief of Dr. John Lopinto Arzaga;

S. 2187. An act to implement the provisions of the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954;

S. 2237. An act to permit the entry of certain eligible alien orphans;

S. 2239. An act to amend the act entitled "An act to incorporate the National Society of the Sons of the American Revolution," approved June 9, 1906 (34 Stat. 227), in order to remove the statutory limitation on the amount of property such society may receive, purchase, hold, sell, and convey at any one time;

S.J. Res. 8. Joint resolution to provide for the designation of Whitsunday of each year as Hernando de Soto Week;

S.J. Res. 23. Joint resolution designating February of each year as American History Month;

S.J. Res. 84. Joint resolution to establish the fourth Friday in September of every year as American Indian Day;

S.J. Res. 98. Joint resolution to provide for the observance of the centennial of the enactment of the Homestead Act;

S.J. Res. 107. Joint resolution designating the fourth Sunday in September of each year as Interfaith Day; and

S. Con. Res. 14. Concurrent resolution saluting "Uncle Sam" Wilson of Troy, N.Y., as the progenitor of America's national symbol of "Uncle Sam."

The message also announced that the Vice President has appointed Mr. JOHNSTON and Mr. CARLSON members of the Joint Select Committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the U.S. Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 62–4.

CALL OF THE HOUSE

Mr. WILSON of Indiana. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 150]

Barrett	Ellsworth	Powell
Betts	Garland	Rabaut
Blitch	Gray	Rousselot
Breeding	Harrison, Va.	Shelley
Buckley	Healey	Short
Byrnes, Wis.	Hébert	Slack
Celler	Henderson	Teague, Tex.
Davis, Tenn.	Hosmer	Tupper
Dawson	Mason	Wickersham
Diggs	Miller, N.Y.	Willis

The SPEAKER. On this rollcall, 403 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

TREASURY AND POST OFFICE DEPARTMENTS AND THE TAX COURT OF THE UNITED STATES APPROPRIATION BILL, 1962

Mr. GARY. Mr. Speaker, I call up the conference report on the bill (H.R. 5954) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1962, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 900)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5954) "making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1962, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 7, 11, 12, 14, 15, 16, and 17.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 6, 8, 10, and 13, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,100,000"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$25,700,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$452,000,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,250,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

"LIMITATION ON ADMINISTRATIVE EXPENSES, RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND

"Not to exceed $35,000 (to be computed on an accrual basis) of the funds derived from functions transferred to the Secretary of the Treasury pursuant to Reorganization Plan No. 1 of 1957 (22 Federal Register 4633) shall be available during the current fiscal year for administrative expenses incident to the liquidation of said functions, including use of the services and facilities of the Federal Reserve banks: *Provided*, That as used herein the term "administrative expenses" shall be construed to include all salaries and wages, services performed on a contract or fee basis, and travel and other expenses, including the purchase of equipment and supplies, of administrative offices: *Provided, further*, That the limiting amount heretofore stated for administrative expenses shall be increased by an amount which does not exceed the expenses of services performed on a contract or fee basis in connection with the termination of contracts or in the performance of legal services; and all administrative expenses, reimbursable from other Government agencies: *Provided further*, That the distribution of administrative expenses to the accounts shall be made in accordance with generally recognized accounting principles and practices; and the Senate agree to the same.

J. VAUGHAN GARY,
OTTO E. PASSMAN,
CLARENCE CANNON,
JOHN R. PILLION,
JOHN TABER,
Managers on the Part of the House.

A. WILLIS ROBERTSON,
JOHN MCCLELLAN,
ALAN BIBLE,
CARL HAYDEN,
MIKE MONRONEY,
OLIN D. JOHNSTON,
ROMAN L. HRUSKA,
STYLES BRIDGES,
THOMAS KUCHEL,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5954) making appropriations for the Treasury and Post Office Departments and the Tax Court of the United States for the fiscal year ending June 30, 1962, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—TREASURY DEPARTMENT

Amendment No. 1: Office of the Secretary: Appropriates $4,100,000 for salaries and expenses instead of $4,000,000 as proposed by the House and $4,233,000 as proposed by the Senate.

Amendment No. 2: Division of Disbursement: Appropriates $25,700,000 for salaries and expenses instead of $25,600,000 as proposed by the House and $25,800,000 as proposed by the Senate.

Amendment No. 3: Internal Revenue Service: Appropriates $452,000,000 instead of $440,000,000 as proposed by the House and $456,800,000 as proposed by the Senate.

Amendment No. 4: U.S. Secret Service: Appropriates $4,800,000 for salaries and expenses as proposed by the Senate instead of $4,700,000 as proposed by the House.

Amendment No. 5: Bureau of the Mint: Appropriates $6,250,000 instead of $6,000,000 as proposed by the House and $6,350,000 as proposed by the Senate.

Amendment No. 6: Coast Guard: Appropriates $212,000,000 for operating expenses as proposed by the Senate instead of $208,000,000 as proposed by the House.

Amendment No. 7: Coast Guard: Appropriates $39,000,000 for acquisition, construction and improvements as proposed by the House instead of $44,333,000 as proposed by the Senate.

Amendment No. 8: Coast Guard: Appropriates $31,350,000 for retired pay as proposed by the Senate instead of $31,000,000 as proposed by the House.

Amendment No. 9: Administrative expenses, RFC liquidation fund: Restores House language amended to provide $35,000 instead of $65,000. The conferees recommend that the liquidation of this fund be concluded not later than December 31, 1961.

TITLE II—POST OFFICE DEPARTMENT

Amendment No. 10: Payment for public services: Inserts language and authorizes the sum of $62,700,000, as proposed by the Senate.

Amendment No. 11: Administration, regional operation, and research: Restores House language relating to increases in prior year contracts.

Amendment No. 12: Operations: Appropriates $3,434,000,000 as proposed by the House instead of $3,443,000,000 as proposed by the Senate.

Amendment No. 13: Operations: Deletes House language relating to delivery of mail matter under congressional frank.

Amendment No. 14: Transportation: Appropriates $590,000,000 as proposed by the House instead of $591,800,000 as proposed by the Senate.

Amendment No. 15: Facilities: Appropriates $152,500,000 as proposed by the House instead of $160,100,000 as proposed by the Senate.

Amendments Nos. 16 and 17: Plant and equipment: Restore House language relating to increases in prior year contracts; and delete the Senate proposal that certain funds remain available until expended.

J. VAUGHAN GARY,
OTTO E. PASSMAN,
CLARENCE CANNON,
JOHN R. PILLION,
JOHN TABER,
Managers on the Part of the House.

Mr. GARY. Mr. Speaker, I would like to say to the House that there are no unusual features in this report. It is a unanimous report. The original request was for $5,371,801,000 for the Departments of the Treasury and the Post Office, and the Tax Court of the United States. The House trimmed $90 million from the bill. The Senate restored $45 million of that cut. In the conference report the House yielded on only $16,900,000, whereas the Senate yielded on $28,866,000.

It is interesting to note that of the $16,900,000 yielded by the House $12 million was for the Internal Revenue Service. We have been promised that for every dollar we yielded on that item we will receive at least $5 in additional taxes.

It is unquestionably true that the Internal Revenue Service does need additional employees because the workload is increasing very rapidly every year with the increase in population, which I believe is referred to these days as the population explosion, and also because of the increased number of returns which are being received by the Internal Revenue Service. They have a 5-year plan for installing electronic machinery to process these returns. It will be some 4 or 5 years before those machines are completely installed. I think we can safely say that when the machines are installed the service will be tremendously improved.

They requested over 4,000 additional permanent employees. This conference report allows 3,365.

Of the remaining $16 million, $4 million was for the U.S. Coast Guard. We all know that the U.S. Coast Guard is a vital part of the defense of the United States. I think to add $4 million for the operating expenses of the Coast Guard, in view of the present emergency, is a very wise expenditure.

That leaves only $900,000 of the additional amount agreed to by the House conferees to be spread among all the other Treasury divisions.

Mr. Speaker, I have here in tabular form a summary of the Treasury-Post Office appropriation bill showing the figures I have just given. I ask unanimous consent that this be inserted at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The matter referred to follows:

Summary of Treasury-Post Office appropriation bill, 1962

Item	Budget estimates (revised)	Passed House	Passed Senate	Conference action	Conference action compared with—		
					Budget estimates	House	Senate
Title I—Treasury Department	$945,931,000	$911,615,000	$938,981,000	$928,515,000	−$17,416,000	+$16,900,000	−$10,466,000
Title II—Post Office Department	4,424,100,000	4,368,500,000	4,386,900,000	4,368,500,000	−55,600,000		−18,400,000
Title III—Tax Court of the United States	1,770,000	1,750,000	1,750,000	1,750,000	−20,000		
Grand total, titles I, II, and III	5,371,801,000	5,281,865,000	5,327,631,000	5,298,765,000	−73,036,000	+16,900,000	−28,866,000

Mr. GARY. Mr. Speaker, I have another summary in tabular form which gives in greater detail the appropriations for each separate item of the bill, which I also ask unanimous consent to insert at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The matter referred to follows:

Summary of Treasury-Post Office appropriation bill, 1962

Item	Additional personnel over 1961	Budget estimates (revised)	Passed House	Passed Senate	Conference action	Conference action compared with—		
						Budget estimates	House	Senate
TITLE I.—TREASURY DEPARTMENT								
Office of the Secretary, salaries and expenses	42	$4,233,000	$4,000,000	$4,233,000	$4,100,000	−$133,000	+$100,000	−$133,000
Bureau of Accounts:								
Salaries and expenses		3,772,000	3,772,000	3,772,000	3,772,000			
Salaries and expenses, Division of Disbursement		26,200,000	25,600,000	25,800,000	25,700,000	−500,000	+100,000	−100,000
Total, Bureau of Accounts		29,972,000	29,372,000	29,572,000	29,472,000	−500,000	+100,000	−100,000
Bureau of Public Debt, administering the public debt	−43	48,200,000	48,000,000	48,000,000	48,000,000	−200,000		
Office of the Treasurer, salaries and expenses	4	16,925,000	16,925,000	16,925,000	16,925,000			
Bureau of Customs, salaries and expenses	200	63,400,000	62,650,000	62,650,000	62,650,000	−750,000		
Internal Revenue Service, salaries and expenses:								
Permanent personnel	3,365	456,800,000	440,000,000	456,800,000	452,000,000	−4,800,000	+12,000,000	−4,800,000
Temporary personnel	533							
Bureau of Narcotics, salaries and expenses	2	4,462,000	4,462,000	4,462,000	4,462,000			
U.S. Secret Service:								
Salaries and expenses	36	4,900,000	4,700,000	4,800,000	4,800,000	−100,000	+100,000	
Salaries and expenses, White House Police		1,148,000	1,148,000	1,148,000	1,148,000			
Salaries and expenses, guard force		358,000	358,000	358,000	358,000			
Total U.S. Secret Service	36	6,406,000	6,206,000	6,306,000	6,306,000	−100,000	+100,000	

Summary of Treasury-Post Office appropriation bill, 1962—Continued

Item	Additional personnel over 1961	Budget estimates (revised)	Passed House	Passed Senate	Conference action	Conference action compared with—		
						Budget estimates	House	Senate
TITLE I.—TREASURY DEPARTMENT—con.								
Bureau of the Mint, salaries and expenses		$6,350,000	$6,000,000	$6,350,000	$6,250,000	−$100,000	+$250,000	−$100,000
Coast Guard:								
Operating expenses	179	212,500,000	208,000,000	212,000,000	212,000,000	−500,000	+4,000,000	
Acquisition, construction and improvements		49,333,000	39,000,000	44,333,000	39,000,000	−10,333,000		−5,333,000
Retired pay		31,350,000	31,000,000	31,350,000	31,350,000		+350,000	
Reserve training		16,000,000	16,000,000	16,000,000	16,000,000			
Total, Coast Guard	179	309,183,000	294,000,000	303,683,000	298,350,000	−10,833,000	+4,350,000	−5,333,000
Limitation on administrative expenses, Reconstruction Finance Corporation liquidation fund		(65,000)	(65,000)		(35,000)	(−30,000)	(−30,000)	(+35,000)
Total, title I, Treasury Department:								
Permanent personnel	3,785	945,931,000	911,615,000	938,981,000	928,515,000	−17,416,000	+16,900,000	−10,466,000
Temporary personnel	533							
TITLE II—POST OFFICE DEPARTMENT								
Payment for public services		(62,700,000)		(62,700,000)	(62,700,000)		(+62,700,000)	
Administration, regional operation, and research		88,800,000	82,000,000	82,000,000	82,000,000	−6,800,000		
Operations		3,452,000,000	3,434,000,000	3,443,000,000	3,434,000,000	−18,000,000		−9,000,000
Transportation		593,600,000	590,000,000	591,800,000	590,000,000	−3,600,000		−1,800,000
Facilities		167,700,000	152,500,000	160,100,000	152,500,000	−15,200,000		−7,600,000
Plant and equipment		122,000,000	110,000,000	110,000,000	110,000,000	−12,000,000		
Total, Title II, Post Office Department	9,000	4,424,100,000	4,368,500,000	4,386,900,000	4,368,500,000	−55,600,000		−18,400,000
TITLE III.—TAX COURT OF THE UNITED STATES								
Salaries and expenses (total title III Tax Court of the United States)		1,770,000	1,750,000	1,750,000	1,750,000	−20,000		
Grand total, titles I, II, and III:								
Total permanent personnel	12,785	5,371,801,000	5,281,865,000	5,327,631,000	5,298,765,000	−73,036,000	+16,900,000	−28,866,000
Total temporary personnel	533							

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Iowa.

Mr. GROSS. I am aware of the automation program that is being put into effect in the Internal Revenue Service. I am sorry that the officials of that Service cannot assure us, and I am sure they did not assure the gentleman's committee since we undoubtedly have heard them more recently than did the gentleman's subcommittee, that with the installation of all of this electronic equipment there would be some decrease in personnel. They did not give us such an assurance in the subcommittee of which I am a member. Are there any supergrades provided by the other body in this conference report for the Internal Revenue Service?

Mr. GARY. No. Let me say to the gentleman that we have heard the Internal Revenue Service more recently than our report on this bill. The Commissioner appeared before members of our subcommittee just last week and discussed with us his 5-year plan, which embraces this installation of electronic machinery. Notwithstanding the installation of that machinery they estimate an increase in personnel, a very substantial one, from 51,400 in 1960 to 97,700 by 1969.

But at the same time, they estimate increases in revenue of $2,341,000,000 in 1960 to $4,468,000,000 in 1969 as a direct result of these increases in personnel and mechanization. I agree with the gentleman. I had hoped when we installed this electronic equipment, we would be able to reduce personnel. They do not even claim that will materialize, but they do strenuously insist we will get very much better results in tax collections. I hope they are correct, and I am not admitting at this time that this addition in personnel over the period is necessary. I think each year we are going to have to scan these additions very carefully, and we have done so this year. We did not allow in our report the 3,365, as a matter of fact, but we did yield to the Senate on that item and we thought we could better yield on that item than on any other item in the bill.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. GARY. I am glad to yield to my colleague.

Mr. GROSS. Just to keep the record straight, the subcommittee of which I am a member heard representatives of the Treasury Department and the Internal Revenue Service as late as last Friday.

Mr. GARY. I thank my colleague.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield for one question?

Mr. GARY. I am glad to yield to my colleague.

Mr. HOFFMAN of Michigan. Is there anything in the bill which increases compensation of retired Federal employees?

Mr. GARY. No, sir; this bill does not fix the compensation of anybody. It allows expenditures for the amounts fixed by law.

Mr. HOFFMAN of Michigan. I thank the gentleman.

Mr. GARY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

MUTUAL SECURITY ACT OF 1961

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 8400) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 8400, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the gentleman from Pennsylvania [Mr. MORGAN] had 2 hours and 45 minutes remaining, and the gentleman from Illinois [Mr. CHIPERFIELD] had 3 hours and 4 minutes remaining. The Chair recognizes the gentleman from Illinois [Mr. CHIPERFIELD].

Mr. CHIPERFIELD. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, my remarks today should be construed in the light of my past record in support of the mutual security program. I speak today as a friend, not as a foe or an enemy, of this program. In order to meet any challenge of that statement, I have had prepared by my staff a compilation of my voting record on the mutual security program, both for authorizations and appropriations since 1949. For the benefit of anybody who wishes to look at it or challenge it, it is hereby available.

Also the record should show that in voting on this program I have consistently supported the program both for authorization and for appropriation. Those who have participated in conferences with the Senate on the mutual security appropirations bill know very well that on every occasion I have sought to help rather than hurt the program. In 1961, however, on this authorization bill, I wish to say without hesitation or qualification that unless we are successful in amending this authorization bill to delete from the bill the back-door financing provision, with reluctance, I shall be compelled to vote against the authorization bill.

I would like to preface my remarks with several other statements. At the outset, I do not question the good faith of those who in the past have disagreed with me, nor do I question the good faith of those who may disagree with me in 1961. Neither do I question the motives of those who favor the back-door method of financing in 1961. I simply question the wisdom, the need and necessity for this provision in the authorization bill.

The argument or dispute on this particular problem is not a political one. Good people on both sides of the political aisle are opposed to the back-door method of financing. Furthermore this is not an argument over committee jurisdiction, because there are members on the Committee on Foreign Affairs of the House and members on the House Subcommittee on Mutual Security Appropriations who honestly and sincerely believe that this method of back-door financing is undesirable, unneeded, and not essential to the proper execution and implementation of this program.

May I summarize for you what I believe are the arguments of the proponents of back-door financing?

First. They say it will permit long-range planning.

Second. They say it will provide a more efficient and more economical administration of the program.

Third. The proponents contend that despite this provision for back-door financing, Congress will retain control over obligations and expenditures on an annual basis.

It is my vew that the executive branch of the Government—and I am carefully using the words "executive branch" because I do not want to contend that a Democratic administration or a Republican administration looks differently on this program from the point of view of the Executive—tells one story about the desirability of the new approach when they make their pitch to foreign diplomats, when they make their pitch to the American press. They say this back-door method of financing is highly desirable, far superior to what they have had in the past under the traditional procedure for authorization and appropriation. However, when they talk to Members of Congress, whether it is before the Foreign Affairs Committee or the Appropriations Committee, they minimize the difference between the two approaches.

The executive branch says there is nothing unique about this new program, that it has been used for domestic agencies, and the Congress should not be afraid of this method of financing for foreign development loans. In other words, they maximize the difference when they are talking to foreign diplomats and the American press, and they minimize the differences when they are talking to Members of the House and Members of the Senate.

I say to you that the executive branch is trying to have it both ways, they are endeavoring to play both sides of the street. In other words, they want their cake and they want to eat it too.

It is my view that in the first instance they cannot make out a case on the merits for a change in procedure, and if they are able to convince Members of the House there is no bona fide difference as to congressional control, why all the fuss, why all the furor about it?

Let us take the first point that is made by the proponents. The proponents say that we need back-door financing because it will permit us to have long-range planning. I say most emphatically they do not need this back-door method of financing for constructive long-range planning.

In the last 5 years we have participated with India in a long-range program. We have made commitments to India that if they will do this we as a Nation in turn will do that, dollarwise or otherwise. This program with India has been carried out under the traditional method of congressional review. The program in India has been successful.

We have had long-range planning in the case of Taiwan and Formosa for the past few years. The International Cooperation Administration has published a booklet which summarizes the excellent results of the program in Taiwan. ICA and the Taiwanese are proud of those results. They point out the tremendous increase in gross national product of Taiwan and the substantial improvements in that nation's economy.

I say to the proponents of this back-door financing that this phenomenal improvement in Formosa has been done under the traditional method of congressional review.

We have spent and will continue to spend literally hundreds of millions of dollars on military assistance under the mutual security program. Secretary of Defense McNamara and General Lemnitzer were before our subcommittee on mutual security appropriations several weeks ago. Both of them testified that under military assistance they have and have had a long-range program. Our military leaders and those of our allies are planning down the road for a period of 5 years. Do they ask for long-term back-door financing for the military assistance program? No. In this bill before you today they are only asking for an annual authorization and an annual appropriation for military assistance. If they can have a sound long-range program for military assistance with an annual authorization and an annual appropriation, why can they not do the same for development loans?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. CHIPERFIELD. Mr. Chairman, I yield the gentleman from Michigan 5 additional minutes.

Mr. FORD. Mr. Chairman, may I say in addition on this point that the witnesses before our Subcommittee on Foreign Aid Appropriations, and they included the Secretary of State, the Secretary of the Treasury, and other high ranking officials, have not been able to give us one example, not one, where a long range program has been curtailed or canceled because of a failure on the part of the Congress to meet its responsibilities for appropriations for the foreign aid program.

Now, what is the second point that the proponents make? They say back-door financing will eliminate waste, will eliminate inefficiency. I say to you that anybody who wants to be critical of the mutual security program, with some justification, should read the various reports put out by the House Committee on Government Operations. Here is one on the failures of program in Laos. Here is one on the errors of program in Cambodia. Here is a critical report on the foreign aid program in Peru. If you will read these critical reports of the program, you come to the conclusion that the mutual security program does not need less congressional control, it needs more. I respectfully say that this new approach for back-door financing of development loans, if it is approved, will result in less congressional control, not more. Therefore, I think it is fair to say that if the Congress approves in the final analysis this back-door method of financing for development loans, we will not have fewer—we will have more of these instances of waste and inefficiency, such as has been revealed by the Committee on Government Operations.

Mr. Chairman, the third point the proponents make is that the executive branch of the Government, through back-door financing, can have a greater reliability on the availability of development loan funds for the mutual security program. In my judgment this is an erroneous conclusion. On the one hand, if the proponents of this new procedure are right in stating that Congress has still the authority to review and change the budget, then what difference does it make? But, secondly, I believe that over the years the Congress has made a good record in providing the essential funds for the mutual security program. We can only judge the future upon what has been done in the past. From 1948 through 1960 the Congress has made available 89 percent of the appropriations requested by the administration; 89 percent of the appropriations requested either by a Democratic or a Republican President. The record shows that appropriations have been made available to this extent by the Democratic Congress and a Republican Congress. Over this 14-year period the executive branch requested $66.8 billion and Congress has made available $59.3 billion. I think an 89-percent batting average is a good average in any league. I believe that if an administration can

count on 89 percent of the funds that it requests it can make plans and can make commitments which will be beneficial for us as a nation, and for the program as a whole.

Mr. Chairman, I know what some members of the Committee on Foreign Affairs will say when I mention this figure of 89 percent. They will say that that lumps all mutual security appropriations into one pot. The proponents of this new program will allege that we unfairly lump all mutual security appropriations in one pot in order to come up with this 89-percent figure. That is true. They say it is unfair, that we should isolate the funds for development loans and then analyze the congressional record on this point.

All right, let us take those figures. In fiscal 1958 the administration asked for an appropriation of $500 million for the Development Loan Fund. The Congress gave the DLF $300 million, 60 percent of the amount requested. But do you know that at the end of the fiscal year, even with this lesser amount, they still had $32 million either unreserved or unobligated. In other words, they could not reserve or obligate 10 percent of the lesser sum. What would they have done with an extra $200 million?

In fiscal 1959 the administration asked for $625 million for the DLF. The Congress gave them $550 million which is 88 percent of the amount they requested. At the end of the fiscal year the DLF still had $13.4 million unreserved or unobligated. That is approximately 3 percent. I ask in all sincerity what would they have done with the other $75 million if they had gotten it from the Congress?

Let us take fiscal 1960. The administration asked for $700 million for DLF. They were given $550 million. That is 79 percent of the money they requested. At the end of the fiscal year 1960 they had failed to reserve or obligate $43,900,000. I ask again, what would they have done with an additional $150 million if it had been made available?

In fiscal 1961 the administration asked for $700 million for DLF. They were given $600 million, 85 percent of the amount they requested. As of now we do not have, at least I do not, the amount that was unreserved or unobligated for fiscal 1961, but I venture to say that it is close to 10 percent.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. MORGAN. I think it is only fair that the gentleman should tell the House that the appropriations for 2 of the years he referred to were inadequate and supplemental appropriations were made by the Congress in 1959 and 1961.

Mr. FORD. The gentleman from Pennsylvania is absolutely correct. But the point that I was making is that in the fiscal years mentioned they got the amounts of money in accordance with the percentages that I gave. The Department made a supplemental request and the Congress did respond on such supplemental request.

Mr. MORGAN. Does the gentleman think that the limitations imposed by the House Appropriations Committee did not interfere with the operation of the program when they had to backtrack and approve a supplemental appropriation in the years 1959 and 1961?

Mr. FORD. I simply say that when the Congress was requested to replenish the fund by supplementals, this committee and the Congress did respond and did give them the money that was made available in the percentages and in the amounts that I have indicated.

Mr. MORGAN. Will the gentleman tell me how much money the Development Loan Fund had on hand at the time they came in for the supplemental appropriation? Did they have a lot of excess money when the supplemental appropriation was approved?

Mr. FORD. I am afraid I do not understand the gentleman's question, but I do know what the unobligated and unreserved amounts were as indicated based on reports made available by the executive branch of the Government.

Mr. MORGAN. Prior to the vote by the Committee on Appropriations on the supplemental appropriations, what were the percentages of unobligated and uncommitted funds?

Mr. FORD. We have to look at it from the point of view of the whole fiscal year. That is the only way we can honestly look at the facts and the figures. The gentleman does not deny that the figures I have given are accurate?

Mr. MORGAN. I do not question the arithmetic, but I say the operations of the Executive were interfered with by the cuts made by the Appropriations Committee, which had to be recognized by providing supplemental appropriations.

Mr. FORD. That is right. When Congress adjourned, let us say in August or September, in each of these years, there was a limitation up until the time Congress came back in January. But when Congress did come back in January and a supplemental request was made, we did respond to the extent I have indicated.

The only point I want to make is that Congress, if you lump all the appropriations for mutual security, has given 89 percent of the money requested over a 4-year period. If you isolate it to just development loans, we still as Congress have a good batting average when you consider the fact that at the end of each of these fiscal years they have not reserved or obligated all of the money which was made available.

The next point is, the executive branch contends that with this back-door method of financing it is easier for them to go to some of our allies and to convince our allies that they should share a part of this burden of helping other allies, underdeveloped countries throughout the world. In this testimony they say:

> If we have back-door financing we can get greater cooperation from Great Britain, from France, from West Germany, from Japan, and from others.

The executive branch contends that with this back-door method of financing these countries will have a greater assurance that the United States will meet its responsibilities, will put up its share of the cost.

I respectfully say that it would be unbelievable, in my opinion, if West Germany, after all the money we have made available for their military and economic assistance, if Great Britain, after all the money we have made available to them for military and economic assistance, if Japan, after all the money we have made available to them for military and economic assistance, should now say: "We cannot expect the United States will match up to its responsibilities."

I think the Germans, the Japanese, the British, the French, and all of the others who have been the beneficiaries of the U.S. mutual security, military and economic assistance, will have faith that under the traditional method of authorization and appropriation this country will meet its responsibility. The only people who do not have faith in the traditional methods of financing are those in the executive branch of the Government. The executive branch seemingly wants to downgrade the responsibility of the Congress. The executive branch desires to place itself in the position of making commitments without our honest, legitimate, bona fide, annual review.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Florida.

Mr. HALEY. I wonder if the gentleman could tell us how and where they are going to get this $20 billion that we hear so much about in connection with the Latin American countries? Are they coming back to Congress for that, or is it going to be back-door financing?

Mr. FORD. I can only say that is a question which the Congress will have to face up to this year and in others to follow.

One other point: It has been implied if not stated that because of this back-door method of financing the executive branch of the Government can now turn to loans in dollars for repayment rather than to continue soft currency repayment. However, Secretary of the Treasury Dillon in testimony before our committee said categorically that under the traditional method of authorization and appropriation the executive branch can still require that any loan be repaid in dollars. There is nothing unique or unusual about requiring repayment in dollars under this method of back-door financing. Secretary of the Treasury Dillon has stated that we can require dollar repayment under any program including the traditional method of multiyear authorization of annual appropriations.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The bill specifically provides that any loans must be "payable as to principal and interest in U.S. dollars."

Mr. FORD. That is correct. But if we change the method of financing that sound and desirable provision can still

stay in the bill. The method of financing does not affect that provision.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Massachusetts.

Mr. CONTE. Furthermore, in a question I propounded to Secretary Dillon, I said:

I cannot see why they cannot accomplish the same purpose by a multiyear appropriation, come to the Congress and ask for the funds for 3 or 4 years.

Secretary Dillon answered:

A multiyear appropriation which actually provides the funds would achieve just the same purpose.

Mr. McCORMACK. Does the gentleman from Michigan think that such a proposal as a multiyear appropriation would come out of the Committee on Appropriations?

Mr. FORD. From my personal point of view, I will vote for a multiyear appropriation. Also I will vote for a multiyear authorization, annual appropriations, and no-year funds. I believe that annual appropriations are necessary and essential for proper management, for the efficient operation of this program.

Mr. GROSS. The gentleman remembers the campaign of last fall when Mr. Kennedy, now President Kennedy, told the people of this country that he was going to insist that foreign countries increase their contributions to the economic and development programs throughout the world. And he renewed that statement when he became President.

Mr. FORD. Yes, I remember him saying something to that effect. I believe the President wants that to happen, but we do not have to have back-door financing to accomplish that objective.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Minnesota.

Mr. JUDD. I compliment the gentleman on his very able, balanced, and factual presentation of the essential issues involved in this matter. I am just as interested in, and in favor of, long-range programs as anybody can be. But it simply is not necessary to have this method of financing to get good long-range programs. The Executive wants assurance of continuity, and rightly so, because we cannot solve long-range problems with short-range solutions—we have to have long-range solutions. We want to give him continuity, but we want, and can at the same time maintain, proper supervision by the Congress, which is our duty under the Constitution; and which I believe will also guarantee better operations. All organizations do better if they are being supervised. And executive agencies do better if they know they have to come back to the Congress for an accounting. As the gentleman pointed out in his statement: if other countries allegedly do not have confidence in the Congress, why do the administrators not recite to the other countries the remarkable record of responsible performance by the Congress in providing funds for long-range programs over the years, rather than create doubts in their minds by giving the impression that Congress is not dependable or responsible? The facts demonstrate that wherever they have had good projects, we have given them the money and we will continue to give them adequate funds.

One further point. The question was raised about what I understand from the papers to be a commitment by Mr. Dillon, down at Montevideo, of $20 billion during the next 10 years and $1 billion in the present year. If he can make commitments like that under existing legislation, why do we have to adopt a new method of financing to enable him to do the same thing? At the same time, they tell us the Congress will be able to control expenditures under the new method of financing, as we do now. Well, if we are going to have the same control as we have now, then, according to their statements, they cannot make commitments. If they can make commitments, as they are doing, then they do not need a new method of financing. I just wonder how in the world they put the two together. The gentleman well expressed it when he said that abroad they maximize the difference between the two methods, but to us they minimize the difference. If the two methods are essentially the same thing, they do not need this new method of financing. If they are not the same thing, then the House should understand that fact clearly.

Mr. FORD. In conclusion I will reiterate what I said earlier. The executive, I believe, is telling one group, our allies and the American press one thing and is telling the Congress something else. It is my feeling, they do not need this tool of back-door financing in order to accomplish the objectives which I, and many other Members of this House, feel are needed to make the foreign-aid program more efficient and more effective.

Mr. BECKER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from New York.

Mr. BECKER. I also want to compliment the gentleman from Michigan and associate myself with his position. I would like to ask the gentleman this question, however. Why is this necessary in this program when in our public works programs domestically, we authorize projects every year for hundreds of millions of dollars and then we only appropriate each year as the projects go along. We do that on our domestic programs and public works programs for our people here. Why in this program do we not only authorize but authorize back-door spending and issuance of Treasury bonds in order to carry out this program?

Mr. FORD. I do not think back-door Treasury financing authority is needed. I believe the executive can do it the way we do it on our own public works projects for domestic programs in the United States.

Mr. Chairman, I repeat in conclusion, we should approve an amendment to change the method of financing. We should eliminate Treasury back-door financing and approve a multiyear authorization with annual appropriations with no-year funds. In that way we can make it a better program.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. HALEY].

Mr. HALEY. Mr. Chairman, I have conscientiously, ever since I have been in this Congress, opposed this program. I think it is an unconstitutional way of expending the taxpayers' money. Certainly this Congress should not attempt to bind future Congresses in this program. I think we should come back here year after year and review the program.

Mr. Chairman, the advocates of foreign aid now have gone back to attempting to sell, or justify, the foreign aid program on the success of the Marshall plan. Of course, the Marshall plan was in effect a good many years ago, and as I recall, originally was established to assist in the rebuilding and rehabilitation of towns and other communities destroyed by Allied forces during World War II.

Now, the advocates of foreign aid constantly refer back to the Marshall plan and do not tell the people what the foreign aid program has done in the intervening years between the Marshall plan and the present mutual security program. They cannot describe the success, if any, of the program because they dare not allow its many failures also to be recognized.

If one is to compare the Marshall plan with our present program, one must realize that the Marshall plan sought to help those governments which had some background of stability, and which frankly had some civilized character. Proponents of the foreign aid program are now telling us that we must help the emerging nations of the world. If these nations are capable of self-government, why then have they not moved forward in all of these years?

Does anyone consider the fact that we will be contributing to nations which would be of no assistance to us in any military crisis?

One reason the advocates of foreign aid constantly refer to the Marshall plan is obvious—the Marshall plan was the most successful of our foreign aid programs. The proponents know that the present program of aid is highly unsuccessful, and cannot stand on its own merit.

But, again, our attention is being diverted from the past failures of the mutual security program by the international crises which almost routinely develop whenever the foreign aid program runs into trouble in the U.S. Congress.

Why is this back-door financing approach necessary if the foreign aid program has been as successful as its proponents would have us believe?

If the legislation before this House is adopted, we will be binding the two Congresses which will follow this Congress; and the proposed 5-year program will extend 2 years beyond the tenure of office of the present administration.

Why should this program not have to meet the same criteria that our domestic programs must meet? Why cannot the

administrators of this program come before the Congress as the administrators of all other programs must do?

The answer to these questions is simple because it is the only answer that can be given—the foreign aid program cannot stand up to close scrutiny by the Congress or the American people.

We are told that we must consider what the other nations think of us. Why should we be concerned about what backward nations think of us? In my opinion, we should be concerned about what this program is doing to the United States.

We are told that unless the United States helps the "emerging countries," they will turn to Russia for that aid.

Frankly, we are being blackmailed into continuing the foreign aid program. It has been pointed out that Russia cannot furnish aid to all of these countries—that she cannot even feed her own people. The United States has spent almost $90 billion in foreign aid; while Russia has spent only a little more than $3 billion in aid, and this mostly in the form of loans.

What I cannot understand is how anyone can say that our foreign aid programs have prevented the spread of communism. I cannot tell you how a $129.6 million steel mill in Turkey has prevented the spread of communism. But I will tell you later the effect it has had upon the economy of our own country.

Nor has anyone told me how a $168 million hydroelectric dam on the African River Volta can stop the tide of communism.

Others have asked, "How has our lavish aid to Indonesia, Laos, Iraq, Yugoslavia, Poland, Ethiopia, Morocco, Cuba and Bolivia turned them from the Kremlin? Has our aid to Pakistan gained us a vote against the admission of Red China to the United Nations? Has our contribution of more than $4 billion in aid to India broken her neutrality or improved our prestige?"

One very clear-cut illustration of the fact that we have not been able to convert nations away from communism to the love for freedom and respect for human dignity occurred several years ago in the United Nations on the vote to censure Russia and Soviet Hungary for the suppression of the Hungarian people. Many of our foreign aid friends—perhaps, we should just say the recipients of our foreign aid funds—refused to vote on the issue.

It is obvious that our foreign aid expenditures have not stayed the tide of communism.

Now, consider for a moment what our aid money has brought to just one country—Iran. We have expended over $1,350 million for foreign aid for Iran alone. What has this brought? It has bought inflation, waste, corruption, graft, theft, stealing on contracts, and about every other dishonesty known to man.

This same situation is true insofar as other nations are concerned.

What is most fantastic about the foreign aid program and the plan now before us is that through such a program we are destroying the economic stability of our own country. Through the construction and financing of plants, industries and businesses abroad, we have already taken jobs away from the American people.

There are many examples of this, but most outstanding is the Development Loan Fund $129.6 million loan to build a Turkish steel mill in the shadow of the Communist border. This will throw 4,000 American steelworkers, and some 12,000 other Americans in related industry, out of jobs.

Again, American aid dollars will finance increased unemployment in a basic American industry. If anyone would like to pursue further the destructive effect of this program on our economy, all you have to do is read the list of loans approved this year by the Development Loan Fund.

Not only are we strangling economic progress in our own country by exporting employment which is so badly needed here at home, but also we are financing competition abroad with which we cannot compete here in the United States.

I have on many occasions suggested to labor and to industry that they study the far-reaching effect the foreign aid program has had on our American industry. When one studies this program, one will find that we have furnished our tax dollars to foreign industries and nations for their capital investments. We have furnished machinery, plants and technical assistance in many instances at no cost. We have sold to foreign industries raw materials at a lower price than our own industries can purchase the same materials. We wonder why American industries cannot compete under these circumstances with the products marketed by other nations' industries—and of course, we do not even take into consideration the cheap foreign labor.

When one considers all of these things, one can only wonder how long will it take us with our humanitarian generosity to destroy our own economy.

The time has long since passed when we should stop and decide what we can do to strengthen our own Nation.

I reiterate what I said on the floor a few days ago—If we continue to pass legislation such as this—if we continue to abdicate the powers of the Congress—particularly the power to control the public purse—by approving the backdoor spending of tax money without congressional review—we might as well resign—go home—and tell our constituents that not only have we failed to uphold the Constitution of the United States, but that we have turned the functions of the Congress over to our bureaucratic executive department.

I shall vote against this foreign aid program.

Mr. MORGAN. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. JOELSON].

Mr. JOELSON. Mr. Chairman, I rise in support of the Mutual Security Act of 1961.

It is neither politically expedient nor easy to support a program such as this involving vast spending in faraway lands. However, a sense of responsibility impels us to fight the onward rush of communism with something more than ringing words and slogans. We have today the high opportunity to encourage those around the globe who cherish freedom and believe in the basic dignity of the human being.

It is, no doubt, politically tempting to go back home and tell the voters we saved the great sums of money which will be spent by the mutual security program. But let us remember that good politics is often very bad statesmanship.

I would remind my fellow Members, as has previously been pointed out by the distinguished majority leader, that in 1941 many Members voted against continuing the draft, and that continuance of the draft passed by only one vote. Four months later, we were bombed at Pearl Harbor. Such a vote against continuing the draft was, of course, politically popular. However, if only one additional Congressman had done the politically expedient thing rather than the courageously statesmanlike act, the result would have been disastrous for America.

As much as I seek reelection, I certainly seek the containment of communism much more. This is a vote which we can defend to history. To me, the course is crystal clear. I support H.R. 8400.

Mr. HOFFMAN of Michigan. Mr. Chairman, I ask unanimous consent to extend my remarks immediately following those of the gentleman from Michigan [Mr. FORD].

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MORGAN. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts, the majority leader, Mr. McCORMACK.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. ARENDS. I wish to ask the majority leader if he has any idea as to plans for the day. There being something more than 5 hours of general debate remaining, can we finish general debate today?

Mr. McCORMACK. We are very hopeful that we can finish general debate this afternoon and read the first paragraph of the bill, then start consideration of the bill under the 5-minute rule tomorrow. As I say, I am hopeful, but in all instances I am very practical.

Mr. ARENDS. We will hope with the gentleman from Massachusetts.

One further question, if the gentleman will permit, if we possibly finish general debate today will we go any further than reading the first paragraph of the bill?

Mr. McCORMACK. If we finish general debate we will not go any further than reading the first section of the bill.

Mr. ARENDS. I thank the gentleman.

Mr. McCORMACK. Mr. Chairman, during this entire debate I have not heard one word yet about the world conditions that exist; I have not heard one

word yet about what is happening in Berlin today, yesterday, and what might happen tomorrow; I have not heard one word about the world situation that confronts President Kennedy and which he inherited, the worst world situation that ever confronted a President in the history of our country.

I have not heard many utterances about bipartisanship during this debate. I read about it in the newspapers, read where my friends on the Republican side constantly talk about their bipartisan support in the matter of foreign affairs. What the President and the country are concerned about is their bipartisan action. It is one thing to talk bipartisan support; the important thing is how the votes fall.

To listen to the arguments made one would think this direct Treasury financing, characterized with the sinister term "back-door financing" is something new. We have well over 25 laws on the statute books now where that type of financing has been authorized by a majority of the Congress and signed by a President. We have it in the Commodity Credit Corporation, we have it in the Export-Import Bank, we have it in the Federal Farm Mortgage Corporation, we have it in the Federal National Mortgage Association, we have it in the Home Owners Loan Corporation, we have it in the Housing and Home Finance Administration, also the college housing loans, fabricated housing loans program, public facility loans, and urban renewal funds.

In the international field we have it in the mutual defense assistance program, assistance to Spain, India emergency food aid, foreign investment guarantee funds. We have it in the field of public housing, the Reconstruction Finance Corporation—the old one, now succeeded by another. The Rural Electrification Administration, the St. Lawrence Seaway Development Corporation. Oh, I could cite a number of others. All of those are important measures on the domestic level, and we have the Congress in its wisdom deciding this type of financing is necessary in order to carry out the successful objectives of those programs.

When it comes to something that is related to the defense of our country and the very survival of our country, we then hear this pronounced and vigorous opposition.

How can any man who voted for any of these bills that are on the statute books now, with that provision in there, vote against this provision in this bill? How can they in good conscience do so?

Yes, I referred yesterday to a 203-to-202 vote a little over 20 years ago, 3 months before Pearl Harbor, on the extension of the Selective Service Act. I was one of those who voted for that, a 1-vote victory. Yet we were in war 3 months later. Every man who voted against that bill was just as good an American as I am, but I would not want to have on my conscience their vote if they had won, if the bill had been defeated, and if the defeat of that bill imperiled the very existence of my country. It is one thing to salve your conscience when you do not win, but I would not want to have on my conscience the fact that long-term Treasury financing in relation to development loans, long term in some form, in the light of world conditions today and tomorrow, was not incorporated in this bill.

It is only a few years ago, on the recommendation of former President Eisenhower, that we gave $1,375 million authority in connection with the International Monetary Fund. We also gave upon his recommendation well over $2 billion as the U.S. subscription to the World Bank, which is another form of direct Treasury financing.

So this is nothing new. We have used it in connection with domestic programs. Yet when it comes to this program that could be so vital to the survival of our country, there are those who oppose it.

This is a loan. This does not apply to the whole bill. It applies only to the development loan feature of the bill and is repayable in American dollars. Can we close our eyes to what is happening in the world today? Is there anyone here, not as a Republican or as a Democrat, but as an American, who is satisfied with our position in the world today? Is not every one of us concerned with the situation that exists, where the "pincers" movement is going on throughout the world to isolate America from the rest of the world? What about those people in Hungary a few years ago who engaged in an uprising? Suppose the East Berlin situation becomes a big uprising, and then contagious. The desire for liberty you know, can never be destroyed.

A dictator might temporarily suppress through fear and other forces, but he cannot destroy the desire for liberty on the part of an individual or on the part of a people. Suppose this proposal is defeated? What message will that be to the peoples of other countries of the world, and particularly those who are our allies? What message would it be to the peoples of East Berlin and of East Germany? Those are pointed questions and they are fair questions, because this bill comes up at a time when there is a psychological impact—and many other reasons, but a psychological impact that we cannot ignore.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I know your position. You are opposed to everything.

Mr. GROSS. That is right, if it involves wasteful spending.

Mr. McCORMACK. Everything you are opposed to. I hope some day to see you vote "yes" on a bill. You provoked it. I am not talking to you. I am trying to talk to 40 or 50 Members whose minds are still open, just as I talked to 25 or 30 Members a little over 20 years ago when I took the floor in favor of the extension of the Selective Service Act.

Mr. Chairman, only the other day, upon the recommendation of President Kennedy—by the way, before I forget it, if there are any in the House on either side who are opposed to 5 years but favor long term, they have not made any proposal in their speeches. I have seen or heard nothing today.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Michigan.

Mr. FORD. I said to the gentleman, in response to a question by him, precisely what I favored as a solution to this problem. I would vote for such a constructive solution as an alternative to the committee provision. I believe that has to be it.

Mr. McCORMACK. But, my friend, the strange thing is this: You and I very seldom disagree on foreign affairs and on defense. I am sorry to see that you have left me today. I hope before the debate is over we will get you back, if not in whole, at least in part.

Mr. FORD. If the gentleman will yield further, may I say I hope that you can see our way and then we would have no trouble on the bill.

Mr. McCORMACK. Of course, the gentleman's way unfortunately is no way insofar as the present situation is concerned.

Mr. Chairman, it was only the other day that the President of the United States requested an increase in our appropriations for defense of over $3.5 billion. This Congress in its wisdom voted those funds, and additional funds also. That is for defense. Above all we must have a strong defense. Above all we must have military forces and military strength capable of protecting our country in case of attack, and capable in case of attack of taking the offensive and administering devastating effects on the attacker. But, Mr. Chairman, that is a negative policy which is necessary, but we are never going to win this world conflict by being on the defense all the time. The foreign aid program is the affirmative side of this battle of the cold war. It is the dynamic side of democracy, or democracy in dynamic operation. I recognize, my friends, that things have been done that should not have been done. I am not going to argue or defend them. But there are things done in the House here that some of us do not think should be done when some bill passes that we oppose.

Something happens that we may not agree with. Some of us may feel that there should be greater efficiency among the committees, but none of us would advocate that we wipe out the Congress of the United States.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Oh, I know your position.

Mr. GROSS. I thought the gentleman said that I was the only one who was against everything.

Mr. McCORMACK. No good can come from any colloquy on this bill I might have with the gentleman from Iowa. The gentleman's mind is simply closed to logic and reason on this bill.

Mr. GROSS. I thank the gentleman.

Mr. McCORMACK. So it was only the other day that we voted large sums to increase our national defense and the armed services of our country. This bill is the affirmative side of democracy. Oh, I ask my colleagues on both sides of the aisle, before this vote comes, do a lot of thinking with your conscience.

Realize what is going on in the world today. Realize the situation we are in. Realize that talking about things that happened in the past is not going to meet the problems that will confront us in the future. Let us act with courage, the Congress of the United States, cooperating with the Chief Executive of our country. You and I are serving in Congress during an important period in history. The outcome of this period is going to be determined by the vision and the judgment and the courage of the President of the United States and of the Congress of the United States.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. JUDD. The gentleman is not implying that those who do not believe that this Treasury financing is the best way or the right way to carry on long-term programs, are doing so because of lack of courage, is he? Does not the gentleman realize that it probably takes a good deal more courage to vote against this Treasury financing proposal at a time of emergency such as the gentleman has eloquently described, than it takes to vote for it? It is easy to go along; but if we do not think that the proposed new method is the right way, or the best way, and that it is not a necessary way, does not the gentleman want us to do what our conscience and our reason dictate we should do?

Mr. McCORMACK. A man should always do what his conscience dictates.

Mr. JUDD. That is right. I do not think his observation, one way or the other, ought to be attributed to courage, or lack of courage.

Mr. McCORMACK. On the other hand, the gentleman is putting a construction, or attempting to put a construction on what I said that the gentleman knows or ought to know that I never intended.

Mr. JUDD. I just wanted the gentleman to clarify his position as he has now done. I wanted to make sure for the record that the gentleman was not implying that those of us who are against Treasury financing are taking that position for lack of courage.

Mr. McCORMACK. No; but I am trying to make an appeal at this point in the world's history for the exercise of a Member's judgment and conscience which should be in favor of the recommendation made by President Kennedy.

Mr. JUDD. If I thought that it would do a better job I certainly would be in favor of it; but I think it would probably do a poorer job. That is why, reluctantly, I have come out against this method.

Mr. McCORMACK. The fact that the gentleman had to come out against it reluctantly shows that the gentleman is a little bit disturbed.

Mr. JUDD. Of course, I am disturbed.

Mr. McCORMACK. Certainly.

Mr. JUDD. I am disturbed, not at having to oppose the provision; I am disturbed that they are trying to get us to adopt in this field of long-term lending a method that they do not even ask for our defense. They do not ask for 5-year Treasury financing for defense.

Mr. McCORMACK. Did the gentleman vote for rural electrification direct Treasury financing?

Mr. JUDD. Yes, sir.

Mr. McCORMACK. Did the gentleman vote for Commodity Credit direct Treasury financing?

Mr. JUDD. Yes, sir.

Mr. McCORMACK. And the gentleman voted for others, I assume?

Mr. JUDD. I also advocated and voted for direct Treasury financing for DLF 4 years ago.

Mr. McCORMACK. Did the gentleman vote 2 years ago for direct Treasury financing in connection with the International Monetary Fund?

Mr. JUDD. Yes, sir.

Mr. McCORMACK. In other words, the gentleman does not want to give to President Kennedy the same power that we gave former President Eisenhower and which we have given Presidents of the past in connection with domestic legislation. I cannot see the consistency of the gentleman's position.

Mr. JUDD. There are two answers to that, if the gentleman will permit——

Mrs. BOLTON. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, two points ought to be clarified with respect to these long-term so-called loans. I suppose practically everybody here has at some time or other voted for direct financing. It began with President Hoover, I am told, who originally proposed it for financing the RFC. But there is a big difference between this proposal and previous ones. Those were genuine loans with real prospect of repayment and with real property as collateral. They were loans to American farmers and businessmen, loans to REA's and housing projects and the Export-Import Bank, and so on. They were sound loans. They were secured by property or commodities. There was reasonable expectation that they would be paid back and we knew pretty well the terms under which they would be paid back with interest.

It cannot be claimed that what we are discussing in this bill are loans in that sense. We have been told that most of these loans would be for 50 years with no interest for the whole period. There would be no repayment for the first 10 years. One percent of the loan would be repaid every year for the next 10 years, and then 3 percent would be repaid each of the following 30 years.

The loans are mostly to countries that have more or less internal instability, both economical and political. To equate so-called loans under such conditions—they probably should more properly be called lines of credit—with the genuine loans that we make from the Treasury to our farmers and businessmen, and with the other direct financing loans we have made, is torturing words. These are not loans which we can honestly expect to be repaid in the same way as loans to domestic projects.

The other point is this. It is one thing to start this sort of Treasury borrowing with an emergency in 1929 and continue it through the years of the depression and the war and reconstruction. One reason some of us are saying that we should pause now is because this method has grown so big and so popular with the executive branch that some are proposing it as practically the normal and preferred way to finance Government activities. It is exactly analogous of a man who starts to drink during a period of strain. Or he goes out with a friend for a social hour and has a glass of wine. After a while, he begins to stay a little longer and later and drinks a little more, and then a little too much. After a while he gets to the point where he feels he needs a drink to get started in the morning. At that point, if he is wise, he will sit down and say to himself, "I have to take a good hard look at this drinking business, and see where I am going. It is getting out of hand." That, Mr. Chairman, is the situation that has developed in this program of Treasury borrowing. We have done it here and there until now, we are confronted with a request in one bill for so-called back-door spending in the amount of $7.3 billion for 5 years. It has come to the point where the Congress is asked to abandon not only its right, but what I regard as its duty under the Constitution. We are responsible for levying and collecting taxes from our people. We are responsible for the authorization and appropriation of the funds raised by those taxes. We are responsible for policing the expenditure of those funds. When they propose a program involving $8.8 billion of such loans over a 5-year period, it properly makes us stop and ask, "Is this really necessary?" If it could be shown to be necessary, I would go along with it. But we find that it is not necessary; Congress had made funds available for long-term projects and programs. They have been doing long-range planning and they have been making long-range commitments. The Secretary of the Treasury made the biggest one of them all within the last week or 10 days. Well, if Treasury borrowing is not necessary, and if it is not, in the opinion of many of us, the best way and the most efficient way and the soundest way to do the job, then we just have to part company with positions that many of us, including myself, took previously.

I urged authority for such Treasury borrowing for the new Development Loan Fund when it was first requested in 1957. The Senate gave the authority; the House did not. The House's position was sustained in conference. I have watched it all these years, and I have not seen that the program has been hurt.

The argument is always brought up, as in this newspaper editorial:

> The weakness of this annual authorization and appropriation approach is that in any given year the project may be interrupted by a denial of adequate funds.

The fact is that no project ever has been so interrupted. It is true it may be, but it never has been. It is now 13 years since we began foreign aid and nobody can cite a single instance of a long-range program or project that was started and then interrupted because of the failure of the Congress to provide

the funds. Some have been started that did not prove to be sound and the Executive himself canceled them, as it was his duty to do. But, not one was interrupted because of the failure of the Congress to provide the funds. So when it is said that it may wreck the program to keep in the hands of the Congress its proper constitutional responsibility for annual review and determination of the overall size of the program, I say we have done it that way for 13 years and it has not yet wrecked a program. I do not have such a low opinion of the Congress of the United States. I wish the people in our Government would tell and sell the actual record the Congress has made in this field and not create wholly unjustified doubts as to its responsibility. We are just as interested in the success of long-range programs as anyone in the executive branch.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. MORGAN. Mr. Chairman, I yield to the gentleman from Wisconsin [Mr. ZABLOCKI] 10 minutes.

Mr. ZABLOCKI. Mr. Chairman, I rise in support of the legislation before us, and it may surprise some who have reviewed the hearings that I support the entire bill after some of the penetrating, some of the critical questions I asked of the witnesses.

At the very outset I would like to compliment the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Pennsylvania [Mr. MORGAN] for his patient, understanding, but firm leadership during the long weeks when this legislation was being considered by the committee.

I think it is safe to say that the sentiment of the majority of the committee did not favor the bill as it was submitted by the executive branch. There was substantial opposition within the committee to various portions of the administration's request, including the long-term authority which the President asked for with respect to the development loan program. After meticulous consideration of every aspect of the bill, and after extensive revision of the draft proposed by the executive branch, the committee by a vote of 27 to 4 reported the measure which is now before the House. I believe, and I am sure the majority members of the committee will agree, that we have prepared a sound and a constructive piece of legislation which is decisively in the national interest. as our majority leader has so adequately called to our attention. I feel that much of the credit for the committee's accomplishments in this instance must go to my good friend from Pennsylvania, Chairman MORGAN.

It is with justifiable pride that I am also pleased to report that the members of the committee of both political parties worked hard and were temperate and thoughtful in the deliberations of this legislation, always seeking not the realization of personal preferences but the good of our Nation. I am hopeful and confident that the House, after studying the committee's recommendations, and the reasons for them, will concur in overwhelming approval of the Mutual Security Act of 1961.

ACT EMBODIES NEW APPROACH

There is nothing new about the great national undertaking which the bill before us proposes to continue, except that the direction and the emphasis of the program are completely revised. Our main objectives—the promotion of our national security and the advancement of the cause of freedom and peace in the world—remain unchanged. These are still our goals. Through the program embodied in the bill before us, however, we propose to achieve them in a different way. I would like to briefly summarize part of this new approach to foreign aid. First, as to policy, the bill recommended by the committee endorses the President's conviction, which is shared by many of us in the Congress, that we cannot afford to continue our commitment in the international field on a short-term annual basis, somehow anticipating that we will be able to terminate it this or next year.

The building of an adequate basis for secure peace and freedom in the world is a long-term task. It is a long-term task for two reasons: First, because the biggest threat to peace and freedom, embodied in the Communist international conspiracy, is not a fly-by-night affair. It is a determined, powerful, organized, and continuing drive for world domination by the masters of the Kremlin. We must, therefore, face this threat realistically. We must admit to ourselves that this threat will continue—short of a miracle or a world-destroying nuclear conflict—for many years. And we must determine to plan our defense, as well as our offense, accordingly.

The bill before us reflects this type of determination on our part. It contains a commitment that we intend to stay in this fight to the finish.

It is in our national interest, it is in our security interest that we determine to stay in this fight to the finish on a long-term basis.

And, second, the building of an adequate basis for secure peace and freedom in the world is a long-term task because the condition of mankind in most parts of the globe—which today provides a fertile ground for chaos and the spread of communism—cannot be improved in a few short years. The standard of living of the vast majority of the peoples in the free world borders on the level of animal subsistence. These people's aspiration to a decent way of life cannot be realized overnight. It is something that will take many long years. And until this condition is remedied, and those aspirations fulfilled, we will never have a sound basis for secure peace in the world.

To sum up: In the area of policy, we are embarking upon a long-term commitment to mutual security because the nature of the threat facing us, and the condition of the majority of the peoples in the free world, require it.

To implement this policy decision, the bill being considered by the House today proposes a change in the method of our mutual security program. It shifts the emphasis from a largely defensive undertaking to a long-term offensive program. It retains the defense part by continuing our aid and cooperation with our allies in strengthening the collective security of the free world. But, in addition, it proposes a long-range economic offensive, aimed at the gradual elimination of substandard living conditions in the world conditions which promote instability, create insecurity, and invite Communist expansion.

THE DEVELOPMENT LOAN PROGRAM

The chief instrument of our economic offensive is the development loan program. It provides for long-term, low-interest loans to the less developed countries, to aid them in creating economic conditions conducive to political stability, peace, and freedom.

This is the heart, the core of our economic offensive. It supplements and extends our various limited, specialized efforts in this field, drawing them together in a unified, determined attack upon human misery which flourishes in many parts of the free world.

I have some reservations about the long-term financing of the development loan program. After we were told, however, that in order to work out with developing nations long-term plans under which they will commit their own resources and undertake the social reforms, the tax reforms, and land resettlement programs I reached the conclusion some form of long-term financing was advisable. I personally prefer a 3-year authorization and 3-year borrowing authority form of financing.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. Yes; I am delighted to yield to the distinguished gentleman from Iowa.

Mr. GROSS. Can we get down to some of the specifics of this bill beyond the back-door financing? Could we deal with some of the other provisions of the bill such as the guarantee of loans? As I understand it, this bill insures not only against war, but revolution or insurrection or any sanction which is imposed by any government against the government of the area where the project is located and which materially adversely affects the continued operation of the project.

Mr. ZABLOCKI. The gentleman is evidently not referring to the development loan fund section. The gentleman is reading from the investment guaranties section.

Mr. GROSS. But that section deals with the loans, does it not?

Mr. ZABLOCKI. It deals with private loans and not with Government loans. In order to facilitate and increase the participation of private enterprise in furthering the development of the economic resources and productive capacities of economically underdeveloped countries the President may issue guarantees.

Mr. GROSS. All right, but what about this guaranty program that goes to insurrection and civil strife?

Mr. ZABLOCKI. The U.S. Government offers for a fee a form of insurance protection to new American investments abroad against the specified risks of currency inconvertibility, expropriation, and

loss by reason of war. It is important to find ways of encouraging private enterprise to invest in foreign countries.

I believe the gentleman from Iowa has reference to the section which guarantees private investments. Under section 221 (b) the President may issue guarantees to U.S. citizens, or corporations, partnerships, or other associations in which the majority beneficial interest is held by U.S. citizens. I see no connection between this section and long-term borrowing authority of the DLF.

Mr. GROSS. But tell me, is it now proposed to insure against civil strife, insurrection and revolution in South America or any other country in the world?

Mr. ZABLOCKI. Under certain conditions and when the President determines to institute the guarantee program in South America or other area investment capital meeting the requirement and provisions in this bill would be insured for contingencies as spelled out in this legislation. I would appreciate it if my good friend would permit me to continue with my statement. Should I have time later I will be delighted to pursue this subject.

It is my understanding that the guaranty section will be thoroughly discussed during the debate by a member of the committee who is a specialist in this field.

Mr. GROSS. I hope so.

Mr. ZABLOCKI. Mr. Chairman, the committee has worked diligently on this legislation, specifically on the Development Loan Fund.

The development loan program, outlined in the bill before us, will add to the efforts which we are already expending through the Export-Import Bank, the Development Loan Fund, as well as through our contributions to the Inter-American Development Bank, the International Development Association, the International Finance Corporation, the United Nations Special Fund, the International Bank for Reconstruction and Development, and International Monetary Fund.

I would like to state, at this point, that while I am fully in favor of the principles embodied in the development loan program, I have some serious reservations about the capitalization of the Development Loan Fund, the manner in which the bill before us proposes to finance it. I shall have more to say about this at a later time, when we reach that section of the bill.

At this time, I would like to address myself briefly to several specific provisions of the bill which warrant special mention.

As I said at the outset, I believe that the legislation reported to the House by the Committee on Foreign Affairs represents a constructive and a well-thought-out approach. It contains numerous safeguards against abuses and laxness in the administration of foreign aid—safeguards, I may add, which are based on our previous experience with this program.

I am particularly pleased that the bill before the House contains a number of amendments, some of which I proposed in the committee, and which were adopted by the membership of the Committee on Foreign Affairs. I would like to mention a few of them at this point.

First, there is the statement of policy, which appears at the beginning of the bill. This statement has a dual purpose: it outlines our country's objectives in continuing the mutual security program, and it provides specific guidance for the executive branch in administering the program. Without mincing words, the statement of policy declares that we are determined to assure the survival of free institutions; that we will aid other peoples in preserving their freedom and in realizing their aspirations for justice, education, and for dignity and respect as individual human beings; that we will emphasize self-help in our aid program; that we expect those who benefited from our assistance in the past to share with us to a greater extent the financial burden of provding aid to the less-developed countries; and that assistance should be based on well-conceived plans and emphasize long-range development aid as the primary instrument of such growth.

The statement of policy contains a number of additional provisions, and reaffirms the sense of the Congress that the United States should not recognize Red China and should continue to oppose the seating of that regime in the United Nations.

Another amendment restored and enlarged the conditions which must be met by recipient countries before our aid may be made available. The purpose of these conditions is to encourage self-help and to provide better control over end use of aid items—especially military hardware.

The third amendment which I offered to the bill restored close supervision over the use of, and accounting for, counterpart funds. These safeguards are presently embodied in our laws relating to the mutual security program. The administration proposed omitting these provisions but the Committee on Foreign Affairs almost unanimously voted to restore them.

The fourth amendment which in my opinion greatly improved the legislation was the restoration by the committee of the provision for the Office of the Inspector General and Comptroller for Foreign Aid. This Office was established by the Congress 2 years ago to act as a watchdog over foreign aid spending. The President suggested the elimination of this Office. Section 622(e) will continue and strengthen the authority of the Inspector-General. I believe that this is necessary to avoid past errors and abuses in the administration of foreign aid—especially in view of the flexibility given the President in the bill before us.

The committee after careful consideration cut $470 million from the President's request, and $200 million of this amount was the cut made by the committee to the President's contingency fund. In the request submitted to the Congress, the executive branch asked for $500 million for the Contingency Fund—one-half of which amount was to be available for commitment upon the decision of the administrator of the foreign aid program. I believe that the contingency fund should be used solely by the President, and that it should not exceed $300 million. These provisions are in the bill.

WHY SHOULD WE CONTINUE FOREIGN AID?

Mr. Chairman, this brings me to the final point that I would like to make. It relates to the justification for the program, and the authorization, contained in the Mutual Security Act of 1961.

We frequently hear it said that, during the past 15 years, we have spent in excess of $80 billion in foreign aid; that we cannot afford the continuation of these expenditures; and that, when all things are added together, foreign aid has done nothing to prevent the rise, and the expansion, of the Communist threat. Instead, the critics claim, foreign aid has financed competition for American industry—competition which some claim is reflected in our unemployment figures.

These are serious considerations and charges. Certainly we cannot afford to drain ourselves financially, even for a noble purpose. Our primary responsibility is to our own Nation and to the welfare of our people. Have these suffered because of the foreign aid program? Let us look at the whole picture, and see if we can find some answer there.

Now we all know that, apart from our altruistic intentions, our foreign aid program is anchored to a very realistic basis. We have undertaken this program, and we have continued it, because we believe that it is in the interest of our own security and in the interest of peace in the world. This program is one of the chief methods through which we hope to promote some semblance of order and peace in the world, and to enlarge the area of freedom. These are concrete objectives, intimately connected with our own future. In this second half of the 20th century, we cannot live apart from what is happening in the rest of the world. We cannot remain untouched by the conflicts, the aspirations, and the destinies of other peoples. We are a part of the globe, of humanity—and our prospects for a peaceful, secure future are tied to what is happening in other parts of the world.

Since figures are what count in some people's opinion, let me give you some figures:

Apart from the priceless lives of thousands upon thousands of our men, World War II has cost us in the neighborhood of $300 billion in military expenditures. Since the end of the war, we have spent $79 billion on veterans' services and benefits, and $91 billion on interest payments on our national debt—the bulk of which expenditures can be attributed to the cost of war. And we will continue to pay for the cost of past wars for many years to come. These expenditures overshadow anything that we have spent on foreign aid—on aid intended to help us prevent another war.

But there are other figures:

In the past 15 years, for instance, we have spent $498 billion on our major domestic national security programs. The volume of these expenditures again over-

shadows our foreign aid spending. These are necessary expenses—and ones which we assume willingly to protect the security of our Nation. But will these expenditures turn back the tide of communism in the world—the very tide which constitutes the greatest threat to our security? Will our defense expenditures help to eradicate conditions of poverty, hunger, disease, social injustice and unrest, which invite Communist expansion and encirclement of the United States by a hostile, totalitarian system?

They most certainly will not. To combat those conditions, to stem the tide of communism, to promote conditions in the world which will be conducive to peace and order in the world—and to our own future security and well-being—we need something else: we need the program which is embodied in the Mutual Security Act of 1961.

This is why this program is necessary, and why it is in our national interest.

FOREIGN COMPETITION

Allow me to add one more note about the claim that we are financing foreign competition through foreign aid. We certainly must protect the legitimate interests of our industry and of the people employed by it. In order to prevent damaging competition to our industries, I intend to propose an amendment along those lines when we begin to read the bill for amendments—but, in the meantime, let us again look at the overall picture and some hard figures:

In every year since World War II, our exports of goods and services have exceeded our imports. We have had a merchandise export surplus every year. Our foreign trade has grown by leaps and bounds. Our merchandise exports alone have doubled in the past decade. All this in spite of foreign aid—or, rather, because of it.

We have not only held our own against foreign competition abroad, but we have actually expanded our markets and the value of our exports.

Now we all know that we cannot indefinitely sell—or increase our sales of goods, products—to people whose national per capita income is $50 or $100 a year. Neither can we realistically or with justice condone any plan to keep three-fourths of the free world permanently underdeveloped simply to protect ourselves against possible future competition. Yet this is apparently what some of the critics of the foreign aid program expect.

We cannot oppose the mutual security program on those grounds. These arguments will not stand up under any rational examination. They are spurious, and should be recognized as such.

The mutual security program has its own, and sound justification. It is important to our national security and welfare. And it is flexible enough to accommodate a provision which will properly and fairly safeguard the legitimate interests of our domestic industry. As I already said, I shall have a proposal to offer on this subject when we move along in this debate. I hope that it will meet with the approval of this House.

CONCLUSION

Mr. Chairman, I sincerely hope that the House will approve this bill. On an overall basis, this is a good bill. It is important to our Nation. It is important to the cause of freedom everywhere. It should be approved overwhelmingly.

Mr. CHIPERFIELD. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin [Mr. SCHADEBERG].

Mr. SCHADEBERG. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SCHADEBERG. Mr. Chairman, I have heard it said many times by the distinguished colleagues who have preceded me in this discussion that the major purpose of the Mutual Security Act of 1961 is to provide an effective weapon with which to wage the cold war. As one who is diametrically opposed to communism in any form, or to any degree, I have approached these hours with a deep concern for the future of our country and the cause of freedom throughout the world. I am aware that foreign aid is a weapon to be used in waging the cold war, in which two opposing ideologies—liberty under faith and moral law, and slavery under godlessness—are vying for the minds and loyalties of men.

Let us, however, keep sight of the fact that if foreign aid is to be a lethal weapon, it must be responsible and practical in its scope; it must be based upon what our economy can bear; it must be directed to the end that the recipients are encouraged, as individuals and nations, to do what they can and must do for themselves; and it must be dedicated to the proposition that the cause of freedom—and not collectivism in any form—is extended and made secure.

It must be a program designed not only to help people help themselves but of practical benefit to the nation from which the aid emanates. It is of little value to save other countries from communism if, in the process, we upset our economy or destroy it and become vulnerable to the enemy from whom we seek to save others. I am sure we are all cognizant of the fact that communism is committed to destroy our economy through every possible means, so that in the resulting chaos it can proceed to disturb the ruins and impose its economic philosophy upon us.

We have a responsibility to our own children and grandchildren yet unborn as well as to those scattered throughout the world who are living today. We cannot in moral conscience spend their yet unearned income for today's needs—income which, should the chips be down for them, might well spell the difference between being able to defend themselves and being forced to capitulate to the enemy because they do not have the economic means by which to survive.

When the people of my district elected me to represent them in Washington, they expected me to watch over their interests, not the least of which are their tax dollars. They did not send me here so that I could turn my responsibility over to a bureau or to the President and go fishing while bureaucrats play with their tax dollars.

We are so accustomed to dealing in terms of millions and billions of dollars, we tend to lose sight of the simple arithmetic involved. I would like to try and clarify what this bill means to the taxpaying public.

First of all, let it be said that the 5-year cost of foreign aid, assuming a 1962 level of appropriations, for all forms of mutual assistance, will be about $36,594 million—not just $8,787 million for loans. This is no insignificant amount that we are being asked to give out of our tax dollars.

Let me give you a simple illustration of the scope of this giving, in terms of our national revenue—our present national debt—and the demands that could be made upon us.

Colleagues, let us imagine a neighbor who, after a great catastrophe had visited his family, found himself saddled with a debt of $25,868. He stares at this debt realizing his annual income is only $3,977. Does he react as you and I would react—and attempt to pay his obligations? No. Instead he borrows $2,067 more and proceeds to give $1,182 of that away. In the course of 15 years, his annual income rises from $3,977 to $7,757. His debt increases by $3,028 and, continuing his past folly, he has given away an average of $610 per year for a total of $9,700. This neighbor then comes to you and asks you to guarantee him a loan up to $3,659 which amount he intends to give away over a 5-year period. Would you take the risk, if you knew that he expected to spend $300 over his annual income of $7,757 and if you knew that $9,640 of the $28,897 debt was payable upon demand and an additional $6,040 was payable within 6 months of demand?

Add seven zeros to the figures I have just quoted and you have a picture of Uncle Sam's finances since 1946. How long can we, to whom the people have entrusted the responsibility for the spending of their tax dollars, continue to ignore fiscal responsibility?

It is high time to pause and reflect on the serious situation in which we find ourselves—with a $289 billion debt, with $157 billion payable within 6 months of demand and additional billions being requested to further increase the debt.

Mr. CHIPERFIELD. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Chairman, first of all I wish to identify myself as a proponent of the Mutual Security Act of 1961, and to say that I firmly believe that within this Chamber it will be possible for the House to work its will in the formulation of legislation which will be adequate for the President to achieve his objectives and to leave with the Congress its traditional power to control the spending of the taxpayers money. Such a plan is presented on page 112 of the report.

The most notable observation in favor of this bill, which is the greatest of experiments in foreign policy, is the lack of real opposition to foregn aid as such, but instead a strong difference of views on how the program is to be financed.

This in itself represents a great victory to the leadership of Presidents Eisenhower, Truman, and Kennedy and to many farsighted Congressmen who have so steadfastly fought for an annual foreign aid program in years when there was far less public support, and an obvious lack of experience in administering it.

With the overwhelming success of our initial aid program to the United Kingdom—which incidently is currently being partially repaid in sizable amounts—one only needs to examine the economic strength of Western Europe to realize the dividends which the foreign aid program has provided.

With Turkey, Greece, and Israel as bastions of the free world, one's initial doubts as to the efficacy of the program are partially dispelled.

To be sure there are economic areas within the United States that have been hit from competition by some of the countries that we have helped. On balance, however, we have testimony before the Foreign Affairs Committee from representatives of American labor that the foreign aid program has made more jobs than have been lost and that labor joins in support of the purposes of the bill before us today. Industry, too, through the Chamber of Commerce of the United States and through the U.S. Council of the International Chamber of Commerce, has endorsed the foreign aid program, although the former would slightly reduce the amount and would oppose Treasury borrowing to finance the development loan program.

The language which best describes the concern of witnesses who appeared before the committee over Treasury borrowing was that of J. Warren Nystrom, manager of the International Relations Department of the Chamber of Commerce of the United States when he said:

> It is true that when borrowed funds allocated for long-term development loans are presented in the annual budget, they will appear in the same form as funds made available through the regular appropriation process. However, under the regular appropriation process the Agency for International Development would bear the burden of justifying its request for funds on the basis of the plans which it would develop and present to Congress. On the other hand, should borrowing authority be authorized as proposed in the legislation before you, the Congress would have only the negative authority to alter the size or composition of the Agency's program.
>
> This is a shift of the "burden of proof" from the executive branch to the Congress which appears unwarranted. It is furthermore apparent that any future reduction in the program would be extremely difficult to achieve since the United States would in many cases already be morally obligated to grant loans under the commitments made by the Agency.
>
> In essence, the hands of Congress would be tied in advance by the administration, and the pressure on the administrators of the aid program to develop realistic plans and adequate control procedures would be greatly reduced. Further, the financing of loan programs through public debt transactions, by combining program authority with funding, would tend to perpetuate programs that might not otherwise stand the test of continued congressional scrutiny. This, we believe, would constitute another major blow to the system of checks and balances between the branches of our Government provided by the Constitution. These are our basic reasons for opposing any extension of this type of Government financing.

Later on there will be amendments offered that will retain the long-range features of this bill, and I entreat you to consider carefully the warning of the business interests of the Nation who through their spokesman, the Chamber of Commerce of the United States have set forth cogent reasons for achieving our long-term objective by taking a slightly different tack.

Several of my colleagues have expressed dismay at the foreign aid program in general. To them I would like to point once again to a free and prosperous European economy and, as to the future, I would refer them to the testimony of Defense Department officials before the Foreign Affairs Committee to the effect that our aid program keeps in the field an army of over 2 million men ready to fight for the cause of freedom. With this substantial army consisting of the United Kingdom, France, the Netherlands, Portugal, Pakistan, Greece, Korea, Taiwan, and Japan, the United States is buying the best insurance for a continued free world for only a fraction of the cost were we to place 2 million of our men in combat readiness. At the present cost of $3,950 per U.S. soldier, it would cost us $7,900 million yearly to provide such an army—to say nothing of the tremendous loss in production of wealth which would result were 2 million men siphoned from our business and industrial life.

To an economy minded legislator a vote for the Mutual Security Act of 1961 is the cheapest form of protection he could possibly buy—not even mentioning the overriding moral responsibility of a great and wealthy nation of people to lend a hand to those whose happenstance it was to be born in Asia, in South America, or in Africa.

Not all of our aid is salutory; some of it has perpetuated the status quo rather than encouraging a solution of existing problems; such a situation exists in the Palestinian Arab refugee problem When in Israel I was surprised to find at least 10 percent of the people were Arabs who live normally and happily with the Jews. This is positive proof that these people will live together in peace and harmony providing they are not subsidized to live separately. Continued aid in substantial amounts to perpetuate the present stalemate does nothing but prolong the agony of Arabs who have already suffered immeasureably. If constructive influences were brought to bear—even though substantially reducing or eliminating our aid would initially appear harsh—the long-term best interest of Arab families would be served by their accepting as fact what the rest of the world now recognizes. Firmness is often the greatest form of love of our neighbor, if in being firm a new horizon can be attained by those affected.

To anyone who read the Government Operations report on the foreign-aid mess in Laos it is understandable that the initial reaction to continuing foreign aid would be adverse. However, after such an initial reaction, a closer examination of the real gains in Laos are startling. First of all, Laos was overrun by the Communist North Vietnamese in 1953 and 1954. Only when our aid was forthcoming did the North Vietnamese retreat to the North and leave the country. The intervening time has allowed Thailand, Burma, Cambodia, and South Vietnam to strengthen their economies, their internal security, and their military capacity—and, more especially, has allowed India 6 precious years when they have had an annual average gross national product increase of 2 percent, representing a 12-percent gain during that period. Had our aid not kept Laos free, India would have had to increase her military preparedness, resulting in no gain over the period and, possibly, a loss. During the next 5 years India projects an annual gain of 4 percent, and some estimate as high as 6 percent, in gross national product, suggesting the possibility that India could outpace her misery within our time.

To those who have given up hope of a neutral Laos, I refer to General Lemnitzer's testimony when he said that he does not consider Laos lost and that by insisting on a truly neutral Laos, not oriented against the free world or against the Communists, we can get a truly neutral Laos.

A hue and cry has rightfully been raised by patriots throughout the land when any of our aid money flows into a Communist-dominated country. The criteria for the use of foreign-aid dollars in any Communist country should be whether the aid in fact either lessens Communist domination or relieves human misery, in which event aid should be administered in such a way as to give credit to the free world in the minds of the people for whatever assistance is offered. Only in this way can we be certain that our aid dollar is not being used to build power that might eventually be used against us. To evaluate more fully the restrictions on aid to nations under the yoke of communism I would like to quote from a statement by Mr. Frank Wazeter, president of the Polish-American Conference of downstate New York, and one of the founders of the National Polish-American Congress, whose views substantially represent those of the Polish national press in the United States:

> Our attitude is that the Polish people look to the United States for their eventual deliverance from bondage. The people of Poland do not expect us to go to war in order to free Poland, but they do expect that the United States will give the Polish people any aid consistent with the national interests of the United States.
>
> The United States should give all of the aid which it can give to the people of Poland in making their lives bearable, which means those things which they need for their daily existence. We should not give them anything which could be used to strengthen Soviet preparedness or give them anything

which could be taken by the Soviets and used in building factories, etc.

I hope in the limited time available for debate that I have imparted compelling reasons for supporting the Mutual Security Act of 1961. I am confident that our Nation is on the right course. Some have questioned if we are not too late with our assistance and hopelessly talk themselves into a save ourselves campaign—while writing off much of the rest of the world to Communist rule.

I hold no such gloomy prospect for America or for the free world. To be sure, man is in a race to outpace his own misery, but this race can be won with the productive genius we already have and a united determination.

When appropriate modifying amendments, keeping intact the principle of long-range planning, are offered I urge your support of them in order that the Congress may continue as a full partner in the successful fulfillment of man's greatest experiment in the history of diplomacy and of humanitarianism.

For the security of the Nation and for redeeming man in his finest image—that of loving his neighbor as himself—I urge upon you the passage of the legislation at hand.

Mr. RIEHLMAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RIEHLMAN. Mr. Chairman, I do not take the floor this afternoon as an enemy of foreign aid. On the contrary I have supported this program through thick and thin, although many times with doubts and reservations, because I believe it is essential to our national security.

A foreign-aid program, wisely planned and carefully administered, can be a significant force in our battle against the Communist conspiracy. With this in mind, I have always supported the principle of foreign aid and worked to help make the foreign-aid program a constructive and effective weapon in our cold war arsenal.

However, my willingness to support this program is being strained severely by the efforts of the administration to remove from the Congress every significant vestige of control over the expenditure of nearly $8.8 billion. Assertions to the contrary notwithstanding, it is perfectly obvious that the true interest of our foreign-aid planners lies in destroying effective congressional control over the operation of this multi-billion-dollar development loan program. There can be no other objective.

The desired end is not the ability of our planners to go to one of the coveted neutrals and say "Don't worry, Congress will not rock the boat for another 5 years." This is merely being used as a blackjack to loosen the grip of Congress on the public purse strings. I submit that relinquishment of congressional control over foreign-aid spending is the desired end of this long-term borrowing proposal.

The wisdom of long-range planning is evident. The wisdom of long-range abdication of congressional responsibility is not so evident. It is questionable at best. And it certainly has not been proven to my satisfaction that, in order to provide for this long-range planning, Congress must surrender effective controls over spending. The one does not follow the other as night follows day.

If the leaders of some underdeveloped country are afraid to add some of their own resources to some proferred U.S. largesse because they realize that Congress has been known to frown on worthless aid projects, then the possibility presents itself that maybe the undertaking is somewhat less than desirable. I cannot believe that we will have trouble getting the coveted neutrals to sign for the receipt of U.S. tax dollars simply because the Congress is determined to exercise its constitutional responsibility for controlling spending. Does Congress have a record of irresponsibly gutting the foreign aid program year after year? I do not think so. The Congress has appropriated about 92 percent of the foreign aid authorizations over the past 10 years. Where is the evidence that Congress has refused foreign aid funds for any reason other than a well-substantiated conviction that a program simply is not worth its salt? I have not seen any such evidence produced. What then is the object of these efforts? Is it to preclude the possibility that Congress might call a halt to some worthless lending project? If you try to follow the line of the administration's reasoning you are just liable to get a little tangled up and meet yourself going the other way. There is no logic to it.

I certainly endorse long-range planning, but I do not believe that this type of planning is incompatible with annual congressional appropriations. Nor do I believe that annual congressional appropriations are incompatible with an effective foreign aid program. Perhaps annual congressional appropriations are incompatible with the program security and job security of our foreign aid planners and administrators. Perhaps therein lies the key.

I am categorically opposed to the withdrawal of this significant portion of foreign aid spending from the appropriations process. I urge that you look behind the facade of this great taxpayer-financed public relations program which has been waged these past few weeks and accept this long-range borrowing scheme for what it is. Where does the authority of the people rest if it is not in the control over the spending of their tax money? We have seen this control relinquished in increasing amounts with each passing year. We are being urged to surrender another sizable chunk of that control. And after this surrender comes another and another. Lying at the heart of these efforts is the desire to undermine congressional responsibility for controlling foreign aid spending.

I trust that I will be able to vote for this authorizing legislation when we are through. I shall not be able to do so unless the bill provides for effective annual controls over spending.

Mr. MORGAN. Mr. Chairman, I yield 10 minutes to the gentlewoman from New York [Mrs. KELLY].

Mrs. KELLY. Mr. Chairman, I wish to pay tribute to the chairman of the Committee on Foreign Affairs of the House of Representatives for his achievement in bringing to the floor of this House H.R. 8400. This bill, known as the Mutual Security Act of 1961, is not an easy bill to direct and maneuver through the necessary procedures of this House for final enactment. The chairman, Dr. MORGAN, endeavors to return to President Kennedy, for his signature into law, the recommendations that he submitted to this House for congressional approval. Dr. MORGAN is carrying out his responsibilities in connection with this bill just as he devoted his entire energies to implement the foreign aid requests of President Eisenhower under the previous administration. However, to accomplish this, he has had to exert courage and, more important, patience—patience with members of the committee all endeavoring to work their will on one section or the other.

No legislation is perfect. It is usually the result of compromise, but we all endeavor to achieve the best for the benefit of the commonweal.

H.R. 8400 is a policy bill. Therefore, the action taken on this authorization is one of the most important matters before the 87th Congress. As Members of Congress, we are well aware that this bill implements the foreign policy of the United States. It establishes the criteria within which the President must exercise his responsibility to carry out the foreign policy of this Republic. It is his policy, and therefore we must give to him flexibility to perform his absolute constitutional duties. It is, however, the duty of Congress, in supplying the funds necessary to implement the established executive policy, to review carefully its needs, its methods, and its operations.

We all recognize the need for foreign aid. As the world grows smaller through the advances of science, our neighbors and their problems become closer and thus intermingled with ours. In a world at peace, we would be obligated to assist them for humanitarian reasons. But, unfortunately, the arguments for assistance are much deeper in this era when the survival of our very way of life is at stake. Opposing our way of life are the powerful and evil forces of international communism. It is creeping around us, it is engulfing us from all areas, it is subverting the weak, it is strangling us by its monolithic means. It operates on a no-holds-barred basis. It knows no such procedure as congressional approval. It can move quickly and decisively at any time. It takes immediate advantage of any weak spot which its probings reveal. In essence, it operates with complete and absolute flexibility. In many respects, our difficulties over the years have been caused by our inability to foresee sudden maneuvers in the most unexpected places by this conspiracy which seeks to dominate the world. To meet this threat, we

too must have a large degree of freedom of movement. We must detect their weak spots and take proper advantage of them. We must no longer react to events. We must create them. For this reason, our policy must be completely flexible in order for us to operate collectively with the free world, because against this monolithic giant, not one of us can go it alone.

H.R. 8400 implements a foreign policy which should be based on the absolute principles upon which this country is founded. These principles are recognition of the dignity of the human being, his civic, his social, his spiritual rights. Opposing this way of life is the ideology of international communism which the free world opposes. It wishes to destroy these absolute principles endowed to all men. We must defend these absolute principles. Here embodied in H.R. 8400 is the implementation of the defense of these truths both for the United States and the free world as President Kennedy has requested.

In review, I ask you to recall the original Marshall plan and its implementing legislation under the Truman administration. From that time until 1954, the Congress within the framework of the original law and other supplemental statutes added, deleted, and modified. In that year, changing world conditions called for new responses to meet Communist probings and to help improve the social and economic plight of peoples in many areas of the world. In recognition, the Mutual Security Act of 1954, revising and consolidating existing legislation, was enacted. This legislation has been amended each year and continues to provide the basic framework for our foreign aid activities.

This year it was recognized that a complete revision was necessary to react to the present grave dangers. We recognize there was waste in the past. We recognize that this aid has not persuaded some neutral nations. We must recognize it did not check the tide of Communist expansion. Much less, it has not rolled back the Iron Curtain, but it has scored many successes. Where would Western Europe be—where would Greece and Turkey be—where would Formosa be—South Vietnam, and so forth, if it had not been for this aid?

There are many facets of this bill and in the short time allotted to me, I shall endeavor to address myself to a few of its important features in the hope that I will be assisting in increasing the understanding of and encouraging support for this legislation.

ECONOMIC ASSISTANCE—DEVELOPMENT LOANS

Perhaps the most important cornerstone in this bill is the expanded development loan program contained in section 201.

The amount of the authorization commences with $900 million for fiscal year 1962 and increases to $1.6 billion for each of the fiscal years 1963 to 1966 for a total of $7.3 billion.

In addition repayments of existing loans will be credited to this program and will provide an estimated $300 million per year, for a grand total of $8.8 billion. The method of financing this program is perhaps the most controversial aspect of this bill.

I know that all are familiar with the procedures for the 5-year borrowing authority utilized. Extensive debate on this provision is anticipated.

There are five conditions for the granting of development loans. The most important of which looks to the extent to which the "recipient country is showing a responsiveness to the vital economic position and social concerns of its people, and demonstrating a clear willingness to take effective self-help measures."

To comply with such criteria, it will be necessary for most of the less developed countries of the world to enact legislation, which from their point of view, will be drastic and far reaching. The areas of reform will be in taxation, land reform, and social welfare programs. These reforms are unfamiliar to these countries, and governments may stand or fall on their ability to conform to these requirements. It is thus the reasoning of the administration that unless it can be demonstrated to these governments that our efforts to aid them will be on a long-range basis, they will not be willing or not be in a position to undertake the remedial action. This is perhaps the area in which the greatest degree of flexibility is given to the Executive.

I personally feel that in normal times the right of yearly review and appropriation is sound. However, the times are not normal, and I feel that one must temporarily yield certain prerogatives and give flexibility to the President since it is his wish and belief that this is the method best available under the conditions to maintain and preserve the rights we seek to insure.

To keep the Congress informed of the operations under the development loan program, section 203(c) provides for the annual submission of a budget program pursuant to the Government Corporation Control Act. In addition, the President is required by section 204 to submit a quarterly report of the activities carried out under the program, including any undertakings which have committed our Government to future obligations and expenditures of funds.

The second type of economic aid is the development grant program. This program will be financed through the annual authorization and appropriation procedure. Three-hundred and eighty million dollars is the authorization contained in this bill for fiscal 1962. Essentially, development grants are to be utilized in aiding the less developed countries in a manner similar to the point 4 method. The moneys will make available advisers, demonstrators, and experts in various fields, together with equipment necessary to train the local peoples in modern methods and procedures. These funds will be used only in areas where there would be no prospect of repayment if the loan method were utilized.

The charge is often made that the mutual security program is simply a giveaway program. Those who make this charge are not aware of all the facts that the bill is also of benefit to the United States. For this reason, I would like to enumerate a few of the less understood areas where the bill is of concrete significance to the United States. Thus, in 1956, I introduced an amendment to the existing act. In that act there is a section calling for coordinated NATO production of military equipment. This amendment has been of considerable assistance in stimulating the production abroad of military equipment. Much of this equipment produced abroad utilizes American materials and American components. Under the program supported by my amendment to section 105 of the old act, approximately $1 billion worth of procurement has been effected in the United States. This money will be spent in 18 States, 40 percent of which is in distressed labor areas. This procurement has resulted in increased sales of American equipment and in increased jobs for American workers. In this connection, I would like at this time to read a memorandum from the Department of Defense detailing the facts of this procurement:

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., June 1, 1961.
International security affairs.

Subject: Information requested by Representative EDNA KELLY on section 105(b)(1) of the Mutual Security Act.

Representative KELLY desires to know:

1. How much business has been brought to the United States as the result of section 105(b)(1)?

2. How about the F–104G airplane for NATO?

The information below confirms telephone conversations of June 1, 1961, between Mr. Frank Fruitman, Office of the Assistant Secretary of Defense, International Security Affairs, and Mr. Boyd Crawford, staff administrator, House Foreign Affairs Committee.

The statutory basis for U.S. participation in coordinated production programs is contained in section 105(b)(1) of the Mutual Security Act, which states in part, "the Congress believes it essential that this act be so administered as to support concrete measures to promote greater political federation, military integration, and economic unification in Europe including the coordinated production and procurement programs participated in by members of the North Atlantic Treaty Organization."

STATUS OF ACTIVE PROJECTS

F–104G aircraft: Belgium, Italy, the Netherlands, and Germany are participating. Total program cost to European nations is approximately $1.5 billion. The U.S. contribution is $145 million, all of which will be spent in the United States for components and technical services. United States will be repaid in the form of 100 aircraft destined for Belgium, Italy, and the Netherlands which will augment their own buy. Of the total cost ($1.5 billion) it is estimated that U.S. industry will receive between $800 and $900 million of business. Orders to U.S. industry now total approximately $535 million.

Information received from the prime contractor (Lockheed Aircraft Co.) is that the money will be spent in 18 States, 40 percent of which is in distressed labor areas.

F–104 Japan program: There is also a Japanese program for the F–104 aircraft, to which the Japanese will contribute $194 million. It is estimated that about 60 percent of the total production cost, or $161 million, will be spent in the United States.

Hawk program: Belgium, France, Germany, Italy, and the Netherlands are participating. Total program cost to European nations is approximately $500 million. The U.S. contribution is technical assistance as grant aid and reimbursable aid for U.S.-produced components, to be repaid to the United States in the form of complete weapons which will be delivered to other MAP grant aid countries.

All U.S.-contributed funds will be spent in the United States. Of the total program cost ($500 million) it is estimated that U.S. industry will receive approximately $125 million worth of business. Orders to U.S. industry now total approximately $90 million. The first European-assembled missiles are scheduled to fly the last quarter of 1961; first complete production is scheduled for the second half of 1962. This program has demonstrated the willingness of NATO governments to place their confidence and purses in trust to an international organization. It has promoted cohesiveness and integration of efforts between governments and competing industries across borders for the common good.

Sidewinder: Belgium, Denmark, Germany, Greece, the Netherlands, Norway, Portugal, and Turkey are participating. The total program cost is approximately $40 million. All U.S.-contributed funds are to be spent in the United States. Estimated business to U.S. industry is $10 million.

Mark 44 torpedo: France and Italy are participating. This project was only recently initiated and agreements signed in April 1961. Project is in the detailed planning for production stage.

It is estimated that approximately $985 million to $1 billion worth of business will accrue to U.S. industry as a result of coordinated production and procurement participated in by members of NATO. To date, U.S. industry has profited through the sale of proprietary rights, license fees, engineering man-hours, tooling, and long leadtime components. There is a distinctly favorable net balance of payments for the United States whenever a U.S. weapon system is adopted for coordinated production. It must be recognized that the figures on business to be received by U.S. industry are estimates made on the basis of information obtained from U.S. and European industry. Refined figures cannot be obtained until projects are completed.

It is obvious from this memorandum that a vast procurement has taken place in the United States as a result of this one small aspect of the mutual security program. I do not need to tell the Members of this House what this procurement has meant in terms of additional employment and additional prosperity in their districts. This is a case where expenditure of funds has resulted in additional prosperity and in additional returns to the United States. This provision is incorporated in H.R. 8400 in the last paragraph of section 502.

Quite frankly, there are certain programs which I would like to have seen included within the provisions of this bill. You will find on page 42 of the committee report a statement concerning an amendment which I introduced calling for international cooperation in the research and development of the oceans' resources. Unfortunately, the amendment which I introduced was not accepted by the committee. I think that this failure to act was a mistake since oceanography has become one of the most significant aspects in the survival and development of man. This country is woefully behind in this research, and it would have been of considerable benefit if we could have established an international cooperative effort in this field. It would have required only relatively small sums of money to provide additional training to foreign oceanographers, to have provided instrumentation to foreign navies and foreign research groups, to have established international centers, and to have provided small surplus naval vessels for research purposes. I devoutly hope that some means can be found to establish and fund such an international program. Even though funds may be provided for a U.S. oceanography program, the requirements are so vast that we will have to have an international effort.

The military implications of ocean research are obvious, both from the standpoint of our own military operations and from the standpoint of antisubmarine warfare.

In addition, the understanding of the ocean's movement and of the ocean's patterns is essential to control of the weather and to the development of the ocean's food and mineral resources. Obviously, these food and mineral resources must be developed in order to further the development of the underdeveloped nations.

As the Members of the House are aware, existing law and the new bill both provide that in financing economic aid, private channels of trade are to be used to the maximum extent possible. This means that after the U.S. mission in the foreign country has determined the general type of equipment of materials to be financed, the foreign government or foreign company then effects its procurement through ordinary commercial channels. I am a devout believer in private enterprise and in private initiative. Where Government funds are spent, however, I believe that the greatest care should be used to insure that there is economy of use and that there is the least opportunity for corruption or manipulation. The existing law does not meet these requirements. Consequently, I have been advocating a change for a number of years which would result in greater U.S. Government participation and supervision of procurement for the less developed countries. In this way, we would insure that the materials which are shipped cost the taxpayer less and that there would be fewer opportunities for misuse. To my mind, the best way in which to achieve this goal would be to delete the language concerning private channels of trade in section 417. This would insure that procurement would be subject to close supervision by the U.S. Government and that it would be initiated in the United States. This, of course, would mean no loss of business to U.S. private enterprise. I would hope that continuing study would be given by the executive branch to the problem of lowering the cost and reducing misuse in the funds which we provide.

The question of trade with Communist countries is governed by the Mutual Defense Assistance Control Act of 1951, known as the Battle Act, which permits limitations on U.S. aid where the recipient country is trading with the Communist bloc. Unfortunately, this bill weakens the Battle Act. Thus for example, under the provisions governing development assistance the President may waive the requirements of the Battle Act and furnish development loan assistance to any country which is selling strategic materials to Communist China. In my opinion, we should maintain the controls of the Battle Act and should reaffirm our determination to take all measures to prevent trade in strategic goods with Communist China and the Soviet Union. The reason for this determination on our part should be particularly apparent at this moment of crisis. It is extremely dangerous for this Congress to take any action now which would indicate that we intend to relax our controls in connection with any trade with the Communist bloc. It is axiomatic that if you trade with the devil, you will be burnt.

The bill provides many things: Assistance to the less developed nations in achieving development, technical assistance to help improve the lot of the poverty-stricken people of those nations. Military security for Europe and military security for the rest of the free world. It is my conviction that this bill also materially assists in providing security for the United States. Finally it provides increased production for American factories, jobs for American workers and increased business activities throughout the United States.

As this House knows, the Senate bill as reported out by the Foreign Relations Committee is entitled, "The Act for International Development." For the reasons which I have outlined above, I much prefer the title which we have adopted here in the House: that is, "The Mutual Security Act of 1961." I am convinced that this act does in fact provide for security, security for us, as well as security for the entire free world.

I therefore believe that we must support the enactment by this body of H.R. 8400, the Mutual Security Act of 1961. I have been critical of many aspects of the bill but I am convinced that its enactment is in the best interests of the United States.

Mr. LINDSAY. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY. I yield to the gentleman from New York.

Mr. LINDSAY. I would like to ask the gentlewoman, whose remarks here I certainly appreciate, whether in respect to the 5-year provision she favors the bill as written or whether she is supporting a compromise of some kind.

Mrs. KELLY. I had hoped to discuss that later in my remarks. I am supporting the President because he has requested it. I would prefer to support a 3- or 4-year authorization and Treasury financing but since President Kennedy feels that this program is necessary at this time, I will support him to the bitter end.

Mr. LINDSAY. I thank the gentlewoman.

Mr. SANTANGELO. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY. I yield to the gentleman from New York.

Mr. SANTANGELO. In 1957 I heard the gentlewoman talk about the Eisenhower doctrine. If I recall correctly, she was dissatisfied but she thought the President required support. Did the gentlewoman support President Eisenhower at that time?

Mrs. KELLY. I supported President Eisenhower in all his requests. Many times I can say I did it with a feeling of great reluctance.

Mr. SANTANGELO. Is it not true that in 1957 the gentlewoman took a leading role in the support of the Eisenhower doctrine because the President requested it and said it was needed?

Mrs. KELLY. I may say this: that I did the same this year as I did in other years. Within the committee I attempted to change many facets of the bill. If I failed, I supported that bill not only on the floor, but in my trips abroad. I made a speech in Canada in opposition to the speech made by Mr. Diefenbaker. It was at the request of our former colleague, the late Ambassador Wigglesworth. I admitted at that time that I, too, was a member of the opposition, but at the water's edge there was no opposition on foreign policy.

Mr. CHIPERFIELD. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Illinois [Mr. COLLIER].

Mr. COLLIER. Mr. Chairman, I feel disposed to preface my remarks by explaining that I was granted this time shortly before sundown last evening and, as you know, I have a very brief time here so that I might admonish my colleagues who might have the urge to ask me to yield the floor to ask me a question that can be answered by "yes" or "no."

Mr. Chairman, all of the big guns of pressure and propaganda in behalf of this program have been fired. Let me say that I, for one, earlier this afternoon, admired the oratory of the distinguished majority leader. But let me say further, however, that no measure of eloquence and no measure of brilliance on his part can overcome the sad facts of our experience with the foreign-aid program since its inception. I was quite interested to hear the distinguished majority leader say to the gentleman from Michigan that his way—and I assume his way was the financing of this program on the basis on which it was done in the past—he said, "Your way is no way at all," which, of course, made me wonder just why it took so many Members 13 years to find that out.

All of this notwithstanding, I should like to direct my remarks briefly to the proposed financing of the program. Yesterday several of the proponents of the rear-door spending approach argued somewhat feebly against the loss of congressional control on the ground that Congress would be provided with an annual review, and in that manner could either cancel or reduce any part of the funds authorized. Thus we would have this choice in preference to the constitutional procedure of annual authorizations and appropriations.

Let us get down to cases. Let us assume, for example, that a fellow agrees to give his wife $1,200 a year for clothes and other designated personal expenses with the stipulation that he limit or permanently withhold all or any part of the whole after reviewing her bills each month. At the expense of clouding the issue with logic, will someone tell me the fundamental difference between this procedure or an arrangement in which the spouse would be granted $100 the first of the month with sympathetic permission to request the same amount on the first of each month thereafter? How would one, if we are to believe what we have been told, be in any better position to plan any different program of spending under one arrangement or the other? Or is it not the simple fact that this is slightly more than sugar coating? And have we not reached the rather strange state of affairs when an agency created by the Congress now asks the elected Representatives to let them spend the taxpayers' money at their discretion and simply go to them at some future date and review the usurping of this constitutional responsibility of the Congress?

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. For a "yes" or "no" question, yes.

Mr. LINDSAY. I would like to ask the gentleman whether he has known a wife anywhere who would agree to either of those propositions.

Mr. COLLIER. We will discuss domestic matters after I finish my little discourse here.

You know and I know, no matter how bad a long-term commitment may be, we will just have to go through with it. Certainly, we know what the consequences would be if we decided to discontinue even a bad program, as long as it was in progress.

Lest there be doubt whether my position in this matter is politically tempered, I submit that I voted against the Middle East doctrine of Mr. Eisenhower back in 1957 because it provided for blank-check authority on a much smaller scale. And then we found Lebanon was the only country which conditionally approved the action of this Congress. Then later, following the withdrawal of the U.S. marines in 1958, a more neutral Lebanese Government emerged, and they promptly canceled the endorsement of the Middle East document. So I have no regrets and no apologies to make for having voted against the Middle East doctrine in 1957, and I intend to vote against this bill in much the same principle I did then.

There is one other angle to this program. I certainly prefer loan programs to outright grants, but I do not think we should be sold a bill of goods insofar as expecting what will happen under a loan program. In World War I, which goes back to the first major loan program we had, there was only one nation that ever paid off its obligation to this country, and that is little Finland. Ironically, Finland does not participate in this program. This is the penalty one pays for paying his obligations, in fact, unlike some of the finance companies I know about which do business on a different basis.

My time is short, so let me say I am bitterly opposed to this program of back-door spending, whether in this field or any other field. I think we are likely to find that we will see the day when this blank check may bounce.

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. I yield to the gentleman from Ohio.

Mr. DEVINE. May I compliment the gentleman from Illinois on his deep study of this problem. I know personally he has devoted many weeks to research, from the Library of Congress and elsewhere, in trying to get a satisfactory answer to this overall problem of the mutual security program. I think he has found there is nothing mutual about it. I wish to commend the gentleman from Illinois for his devotion to duty in studying this program thoroughly in an effort to find a logical answer.

Mr. COLLIER. The gentleman knows I appreciate his remarks.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. RYAN].

Mr. RYAN. Mr. Chairman, I rise with particular reference of Section 102(e): Statement of Policy, expressed in the bill—H.R. 8400—before us. This section provides:

> It is the sense of the Congress that inasmuch as—
>
> (1) the United States favors freedom of navigation in international waterways and economic cooperation between countries; and
>
> (2) the purposes of this Act are negated and the peace of the world is endangered when countries which receive assistance under this Act wage economic warfare against other countries assisted under this Act, including such procedures as boycotts, blockades, and the restriction of the use of international waterways; and
>
> (3) any attempt by foreign countries to create distinctions because of their race or religion among American citizens in the granting of personal or commercial access or any other rights otherwise available to United States citizens generally is repugnant to our principles;
>
> Assistance under this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be administered to give effect to these principles, and, in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this Act or arising under the Agricultural Trade Development and Assistance Act of 1954, as amended, these principles shall be applied, as the President may determine, and he shall report on measures taken by the administration to insure their application.

As the report of the Committee on Foreign Affairs points out, this language is a "reaffirmation of policy statements expressed by the Congress in previous legislation which are of particular current significance."

This language is also consistent with pledges made by both major political parties in their platforms for 1960 and, as a matter of fact, in previous platforms as well. For example, the Democratic platform, "the rights of man," which was adopted last July in Los Angeles, asserted:

> Protection of rights of American citizens to travel, to pursue lawful trade and to engage in other lawful activities abroad without distinction as to race or religion is a

cardinal function of the national sovereignty.

It also stated:

We will encourage an end to boycotts and blockades, and unrestricted use of the Suez Canal by all nations.

I think it is pertinent at this point to review some of the abuses of our national sovereignty and the indignities inflicted upon our individual citizens and businesses.

When the Arab League initiated its economic boycott against Israel in 1951, the terms of the boycott were applied only to companies with Israeli branches or otherwise doing business in or with Israel. Since that time, the boycott has been extended; first, to American firms having Americans of the Jewish faith among their owners, officers, directors, and personnel; second, to refusing visas or admittance to American citizens who are Jewish or who have names that might be Jewish or who have visited or intend to visit Israel—under this ban individuals have even been denied the courtesy of debarking for a rest period during an airplane layover at civilian air terminals in Arab lands, air terminals constructed with U.S. funds—and third, preventing Americans of the Jewish faith from serving in either a military or civilian capacity at certain U.S. installations abroad.

In this connection, I refer my colleagues to the article in the July issue of Fortune which indicates that nearly 80 American companies are on the Arab League blacklist. In addition, some 35 American-flag merchant ships, and an equal number of American-owned vessels under foreign flags, are barred from Arab ports. U.S. crewmembers have been held in violation of international law. For instance, the crew of the freighter *Westport* was held aboard ship for 22 days at the port of Suez. Such treatment of American merchant seamen has caused the Seafarers International Union to make repeated protests.

I feel constrained to emphasize at this point, lest the impression be created that the Arab boycott adversely affects only those U.S. citizens of Jewish faith, that the economic consequences of the sanctions affect employers and employees, and also their families, regardless of religion; also stockholders and suppliers; and the very communities in which the businesses are located. Many of the communities are the subject of the recently adopted depressed areas legislation.

A number of State legislatures, too, including my own State of New York, have adopted resolutions calling upon this Government to assert the rights of our citizens in connection with this discrimination.

I believe that our position should be clear. The State Department and the executive departments concerned with the administration of the measure before us must give heed to the will of the Congress as expressed in this bill and in previous enactments and proceed with vigor to reassert our sovereignty and the rights of our citizens. If we have learned nothing else from the history of recent decades, it is that appeasement achieves nothing.

In this connection, it is interesting to note that the Federal Republic of Germany has not yielded to Arab boycott demands. The Germans, who have sought to rebuild their economy through foreign trade with the Middle East and who are engaged in a constant diplomatic struggle to avoid foreign recognition of the Communist East German regime, have much more at stake than we; yet, they have been much firmer than this Nation in their reaction to the Arab demands. The Dutch and the British, too, for example, have likewise resisted.

The United States, the world's most powerful nation, the ideological leader of the free world and the inspiration to the enslaved, cannot afford to do less than other nations which have in effect much more to lose and are much more vulnerable economically than we.

Mr. Chairman, in the companion bill—S. 1983—to this measure considered by the other body, the comparable provision to section 102(e) is diffidently stated. The alternative to brashness is not timidity. The Congress can state its will with firmness and resolve without fearing offense or impairment of our foreign policy objectives. I urge that the House Committee on Foreign Affairs, in its conference with the Foreign Relations Committee of the other body, insist that the clear and effective language presently contained in section 102(e) be retained in the final bill. What is involved here is too sacred to be exchanged for any mess of pottage.

I am heartened by the remarks of colleagues on the committee as reported in the hearings that they are firm in their adherence to the principle involved. I am convinced that we must be resolute on this issue or fail to live up to our ideals.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. RYAN. I yield to my colleague, the gentleman from New York.

Mr. SANTANGELO. Mr. Chairman, I congratulate the gentleman from New York [Mr. RYAN] for bringing to the attention of this body the Arab boycott against goods produced in America, and also for calling attention to the Arab restriction on freedom to travel in that area of American citizens who are Jews.

In view of the large amounts of money that the committee is recommending for the Arab nations, which I have seen in the classified documents, I think it behooves the committee in the light of these discriminatory practices against the Jewish people, and against American citizens of the Jewish faith, that the members of the committee should reevaluate the contribution that this foreign aid program is giving to Jordan, the United Arab Republic, and other countries in that area. Again, Mr. Chairman, I commend my colleague from New York City for bringing these salient facts to the attention of the House of Representatives.

Mr. RYAN. I thank my colleague from New York. I think he has pointed up the issue in his statement. I hope that the program will be administered in accordance with the principles set forth in the bill, and that the mandate of Congress will be carried out to protect all American citizens from religious or racial discrimination.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. RYAN. I yield to my colleague.

Mr. LINDSAY. Mr. Chairman, I should like to commend the gentleman on his presentation. It is important that the RECORD show the congressional mood in this respect, and even if the conference committee does not accept the gentleman's suggestion, at least the Department of State will have the benefit of reading the CONGRESSIONAL RECORD.

Mr. RYAN. I thank the gentleman. I agree that the intent of this body will be clear.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LATTA. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. HALPERN] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HALPERN. Mr. Chairman, I rise at this point to state that I am encouraged by the commendable action of the Foreign Affairs Committee in strengthening the antidiscrimination language of H.R. 8400.

I must say that I was greatly distressed and concerned, however, with the original provision in the declaration of policy of this bill. It was as submitted, I felt, woefully insufficient to the need. It was a watered-down version of what Congress had unequivocally stated heretofore. It could very well have been interpreted as a retreat from the strong, forthright position that had been established by previous congressional action. Such misinterpretation could well result in further discrimination against American citizens abroad. It was distinctly contrary to the President's own emphatic declaration of linking social justice and morality to economic aid—this, despite the fact the concept was not adequately implemented in the legislation submitted to the Congress.

The committee wisely recognized the important principle involved here and rewrote the provision applying in section 102(e) the vigorous language that is needed. This language in the House bill, rather than the weaker version before the other body, is obligatory if it is to fulfill the intent of Congress. My deepest conviction, after many weeks of sincere devotion to this matter since the bill's introduction, is that the House language be retained by the conferees who will be named to reconcile the differences between the bills of both bodies.

In testimony before the Foreign Affairs Committee on July 6, 1961—appearing in volume II of the printed hearings—I went into detail to relate flagrant examples of discriminatory practices against Americans because of religion on the part of certain nations receiving American economic aid.

I cited a recent personal experience as a typical example of outright disregard for decency, morality, and dignity.

I also placed before the committee the exchange of correspondence I have had with the State Department bringing to light and deploring my experience. I brought out in my letters to the State Department and in my testimony before the committee that the issue far transcends the refusal of a nation to permit a Member of this House to visit American-financed projects in that country because of the individual's religious belief. It not only affects me personally, but is an affront to each and every one of us. It is, in effect, an insult to every American. The committee hearings to which I refer carry my full story. It realistically points to the need for the strongest affirmation of American policy to deplore such action and to seek an effective remedy.

I strongly urged the committee, which showed a deep understanding of this problem, to consider every means of strengthening the language of the original bill so that there could be no misinterpretation nor any question of congressional intent. I asked consideration of the language contained in the bills I had introduced to give effect to the principles I discussed with the distinguished committee. In substance these bills contained the language of the 1959–60 acts concerning discrimination against American citizens traveling abroad or engaging in lawful business by nations benefiting from our aid, and the 1960 amendment which established the principle of the right of freedom of passage through international waterways. The will of Congress as thus expressed in the aid laws would authorize the President to cut off such aid to nations guilty of these discriminatory practices. I was pleased to note that the committee indicated a sympathetic understanding of the problem, and the hearings, at the time that I was favored with the courtesy of appearing as a witness, bear out the committee's insight and expressions.

In its wisdom, after, I am sure, considerable deliberation and evaluation of all the factors involved, the committee revised the original bill to restore all the previously enacted provisions of this subject.

I want to commend my colleagues on both sides of the aisle who serve on the Foreign Affairs Committee, for having shown such a truly American response to this nonpartisan aspect of this foreign assistance program.

Mr. CHIPERFIELD. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Chairman, although previous speakers have mentioned this, I feel that I must point out again the courtesy which the chairman of the Committee on Foreign Affairs has extended to me and to all members of the committee. Although my views generally upon this type of legislation are well known, I can say that the chairman was patient, tolerant, and fair; and I appreciate the manner in which he presided over the hearings.

Likewise I wish to pay tribute to the gentleman from Illinois [Mr. CHIPERFIELD], who was very helpful at all times to those of us on the minority side of the table. So to these gentlemen and to other members of the committee I express my appreciation.

Mr. Chairman, we have before us today a bill which I think is in many respects potentially the most dangerous foreign aid bill that has ever been presented to this House. It is broader in its terms, it is more sweeping in its scope, it gives larger grants of authority to the Executive than any similar bill which we have heretofore had before us. Because of our preoccupation with the matter of the financing of the loan portion of this bill I think we have at times tended to forget that there are other important aspects of the bill. It is well for us to keep in mind that here is proposed legislation which would provide $1,800 million for direct military assistance. Here is legislation which would provide over $1,300 million for grant assistance of various kinds; and, then, as we are all aware, here is a bill which would additionally provide roughly $1,200 million for fiscal 1962 for the purpose of making development loans. This is the bill before us.

So we may properly ask ourselves: How badly do we need this? Are we out of funds? Is there any money left in the till? And, of course, the answer is that there is money left in the till. And I would say to the Members of the House that the figures are difficult to obtain and to tie down with accuracy, but so far as we are able to ascertain, there is about $5,400 million left unexpended in this program. A good bit of that has been here for a number of years, and a portion of this $5,400 million which yet remains on hand is unobligated. I would say that there is an ample amount of money on hand without this request for new money which is before us here now.

To say that I rise in opposition to this type of legislation is not to say I think it is wholly bad; such is not the case, there are good features to the bill. There are parts of this legislation, which I am sure the Congress of the United States would want to see enacted into law in one form or another, but the point I would like to make is that the bad features of the bill—the great elasticity, the lack of controls, the improper financing, the looseness with which funds are provided—those parts outweigh the good features in the bill.

Finally let us ask ourselves whether or not this type of program has been successful in combating the Communist menace because, after all, that is the question in which we are interested. We have spent, through the years in which we have had programs of this sort, about $90 billion. I use the word "about" because the exact amount depends upon the factors which are taken into account in reaching a total.

The Communists have spent a fraction of that, so far as we are able to discover, probably not more than $5 billion. But we have only to look at the globe and to examine what has happened with respect to the countries of the free world and with respect to the Communist-controlled countries in recent years to find an answer to our question.

We are told that here is a new bill, but actually it is essentially the old program done over in part in a new garb. We are asked by the Executive simply to continue programs only slightly different from those now in operation. Of course the financing with respect to the loan portions of the program is different but, basically, it is the same program which has not proven successful in the past.

We have seen demonstrated the fact that dollar diplomacy is not a satisfactory answer to the questions of the world. We have seen demonstrated, I think, that the mere providing of dollars is not a sufficient answer to the needs of those nations which are now gaining independence and those nations that are seeking to develop themselves.

Let me be specific. I stated that there are certain things in this bill, which because we have devoted most of our attention to the financing provisions, we have tended to overlook. We designate this as a $4,300 million bill. Is that all? No, it is not. If you have read the bill you will discover that there is a section in here under the terms of which the President can withdraw in any single year up to $400 million worth of our military stocks. Those withdrawals would be paid for by subsequent appropriations out of bills like this. So here is an item of $400 million in one section of the bill, $400 million which is in nowise included in the stated cost of this bill. Second, the powers of transferability which are granted to the President. Throughout the years these powers have been granted to him, initially when geographic limitations were imposed. But we have retained these powers of transferability. Ten percent out of various sections and not more than 20 percent into other sections of the bill. The President still has that authority. The bill has not been tightened in this respect.

In another section of the bill, Mr. Chairman, there is a provision that the President of the United States may use up to $250 million of the funds of this bill as he elects. That is, I repeat, $250 million. In addition to that, he may use $100 million in foreign currencies. Further, in that same section of the bill, he may use $50 million for which he does not have to account. He does not have to tell the Congress of the United States or the public how it is spent.

So under special authorities given to the President of the United States under this bill he has the right to spend as he determines, without further congressional control or supervision, almost $800 million—$400 million in military assistance, $250 million of dollar currencies, $100 million of foreign currencies, and $50 million which he can use in any way he wants without accounting for it.

This is an illustration—and it is not unique—of the looseness with which this bill is drawn, and the inaccuracies in which we indulge when we say it is only a $4,300 million bill.

Next, if you vote for this legislation you are voting for a social reform bill. We

used to be told we ought to vote for foreign aid because it is in the interest of this country. If you will read the title and the statement of policy of the bill, you will see that you are voting for social reform legislation.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. CHIPERFIELD. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. ADAIR. Mr. Chairman, by means of the money provided here we are injecting ourselves, we are intruding ourselves into the policies of other countries, and we are telling them what their social and economic philosophies ought to be. In other words, we are using money in this measure to intrude into the domestic affairs of other countries.

I repeat, if you vote for this bill, you are voting not necessarily for something which is designed to protect our own country, but you are voting for social reforms imposed by us on nations throughout the world. And, so, here it is, Mr. Chairman, a bill which has progressively through the years moved from bad to worse, in its delegation of congressional responsibility and authority, as well as in many other respects.

Early in the history of this type of legislation we used to authorize specific sums for specific purposes in particular countries. Later we were told that this would not do; that we had to legislate for geographical areas and provide sums for geographical areas, so as to give the Executive more flexibility. We did that. Now we have before us a bill which provides lump-sum authorizations for use virtually any place in the world.

Mr. SCRANTON. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman.

Mr. SCRANTON. In your description of the various contingency funds involved in the bill, is it true that the total amount of money for military assistance, as I understand it, is $1.8 billion?

Mr. ADAIR. That is correct.

Mr. SCRANTON. Does this include the $400 million in defense items that can be drawn down by the President at his discretion?

Mr. ADAIR. It does not include it. The President may draw from our stocks an additional $400 million, the cost of which will thereafter be reimbursed to our Defense Establishment out of subsequent appropriations.

Mr. SCRANTON. Is this a new item in the foreign aid bill or have we had it before?

Mr. ADAIR. In this form it is new. For a number of years we have had a contingency fund covering both economic and military; but in this form it is new.

Mr. SCRANTON. In fiscal year 1961 we used how much of the contingency funds, with additional appropriations? Was that figure about $280 million; is that correct?

Mr. ADAIR. I think that is about right. It has been used.

Mr. SCRANTON. Was that for both economic and military purposes?

Mr. ADAIR. That is correct.

Mr. SCRANTON. But now we have a different set of provisions, as I understand it, $400 million of defense stocks and services which can be used for military purposes; is that correct?

Mr. ADAIR. That is correct.

Mr. SCRANTON. And $300 million is in the contingency fund for economic purposes only?

Mr. ADAIR. That is also correct. Heretofore there has been one contingency fund for both military and economic aid. Now we are setting up two. I would also point out that the Executive asked for $500 million for the economic contingency fund and the committee reduced it to $300 million.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Michigan.

Mr. MEADER. The gentleman just said that progressively we had become less and less specific in granting funds for aid to foreign countries and that now we had arrived at a huge lump-sum basis for dispensing aid.

I would like to ask the gentleman, since I know he sat through the hearings of the Foreign Affairs Committee, if any specific evidence was presented to the committee to justify the figure of at least $8.8 billion that is provided in this bill, H.R. 8400, for economic development?

Mr. ADAIR. No specific justification. At least, in my opinion, they were not specific. It was said it was assumed those amounts would be needed; that is, $900 million this year, plus not more than $300 million which is repaid in principal and interest and $1.6 billion, plus $300 million in each of the subsequent 4 years. We were told that was what is estimated, but were given no specifics.

Mr. MEADER. On this basis, why did we pick the figure of $8.8 billion, or $1.6 billion, however you figure it? Why did we not pick $10 billion, or why did we not pick $15 or $2 billion? What is there that would justify this specific amount of a lump-sum authorization?

Mr. ADAIR. I think there is no sufficient justification, and that is the reason I say to the gentleman that I expect to vote against it.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Illinois.

Mr. COLLIER. Can the gentleman tell me what figure has been adopted, flexible as it might be, as the unexpended amount in the fund as of the present time?

Mr. ADAIR. Yes; I said a few moments ago, $5.4 billion.

Mr. MORGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, this is the most disagreeable task that I have been called upon to perform during the 16 years that I have been a Member of this body. Without any sense of egotism I say to you that I probably have had longer and more intimate connection with this program than any Member of the entire Congress. When the subcommittee of the Committee on Appropriations was first organized, I had the privilege of serving as its first chairman. I served as chairman for 4 years. Then I served as the ranking Democratic Member for 2 more years during the 80th Congress. At the expiration of that time, when they made it a regular subcommittee—up until that time it had been a special subcommittee—since I had two chairmanships and under the rules could hold only one, the chairman of our committee gave me the choice and I retained the chairmanship of the Treasury-Post Office Subcommittee, but I have remained as the second ranking member of this committee even until this day. Therefore, I have been connected with the program since its very beginning and have followed it closely through the years.

I have consistently supported the program. As a matter of fact, back in the difficult days when the program was getting underway I had to stand many days on the floor of this House and fight for it. I had the privilege of being the patron of each of the Marshall plan appropriation bills that provided funds for that great program. I still support the program. I have never looked upon foreign aid as a giveaway program. I believe that it is an essential part of our national defense. I have felt at times that the program was getting out of hand and, as a member of the subcommittee, I do not hesitate to say that year after year I have tried to hold down expenditures and to keep the program within due bounds. I make no apologies for that. The Comptroller General has appeared before our committee year after year and told us that notwithstanding the cuts that our committee has recommended and the Congress has made to the bill year after year, the greatest trouble with the program still was that it had too much money.

But I must say to you that I cannot agree with this back-door borrowing policy. To my mind it is one of the most serious problems which has confronted the Congress in many years. In the first place, I think it is absolutely unconstitutional. In my humble judgment, the Constitution of the United States is one of the greatest political documents ever penned by man.

When our forefathers wrote into the Constitution the provision for three separate and equal divisions of government, the legislative, the executive, and the judicial, it was a master stroke which has become the backbone of our Constitution. That established the checks and balances which have kept our Government on an even keel throughout the years and have made this land the greatest country in history. Any and all claims of the Russians to the contrary notwithstanding, I think we are still the greatest nation on earth today.

Under that division of the government they also made certain divisions of responsibility. One responsibility assigned to the Congress of the United States is set forth in article I, section 9:

> No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law.

Why do you suppose they did that? Because the Congress of the United States

are the duly elected representatives of the people. The Members of this House have to go before the people every 2 years to give an account of their stewardship, and they wanted the handling of the money in the hands of the people that were closest to them.

It is true that the head of the executive branch of the Government is elected every 4 years but, Mr. Chairman, he cannot administer this program. It is absolutely impossible for the President to administer a program of this magnitude along with his other manifold duties. He has to appoint people under him for that purpose. Therefore, if you transfer this spending authority from the legislative branch to the executive you are transfering it from the elected representatives of the people to bureaucrats here in Washington that are not directly amenable to the people.

In the second place, this plan takes the control of expenditures absolutely away from the Congress of the United States, the elected representatives of the people, and places it in the hands of bureaucrats. They tell you, "Oh, it comes to the Congress under the Government Corporation Control Act," but it does not come to the Congress until after commitments have been made. Then the hands of the Congress are tied. This bill would give the President the authority, operating through the administrators of these various programs, to make commitments of these funds. Then it is true, after the commitments are made, they will come to the Congress of the United States, and report what they have done and if the Congress wants to make a change we have to change the law. To do that we will have a two-thirds vote, as was so ably pointed out by my colleague, the gentleman from Virginia [Mr. SMITH] before this body on yesterday.

How do we handle funds for public works? Mind you, I am devoting my attention entirely to the borrowing feature of this bill, which provides for $7,300 million in the next 5 years, and that is not for defense. There is not a single dollar in this item for military assistance. It is all for economic development.

What do we do with economic development projects in this country? If some Member of this Congress wants to build a dam on the Mississippi or the Missouri or the Rio Grande, what does he have to do? In the first place, there must be a complete survey by the Army engineers.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. MORGAN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Virginia.

Mr. CHIPERFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia.

Mr. GARY. After they have made their survey and determinations that the project is economically sound, then what happens? They have to go before the Committee on Public Works of the House and get an authorization. Then they have to go through the regular appropriation process to obtain the funds. Now why should it be different in building a dam on the Ganges or on the Nile or on the Euphrates or the Amazon? Are we more interested in building dams in these countries for those people than we are for our own people? I do not even ask that you require the Army Engineers to survey these plans, but I do think these plans ought to be sufficiently firm that they can come before the Congress of the United States and lay those plans before the Congress, and I can assure you, if the project is sound, in accordance with the action of the Congress in the past, the money will be forthcoming. Let me say this. They did that in the Indus River case. They did it in the case of India on the 5-year project there.

Now they tell you this is a loan proposition and there are hard loans because the money will be repayable in dollars rather than in local currencies. Have you considered how hard those loans are? Let me give you the testimony of the patron saint of this program, the man who knows more about it than anybody else, Mr. Dillon, who has made most of the commitments thus far. Mr. Dillon appeared before our appropriations subcommittee, and our able chairman, the gentleman from Louisiana [Mr. PASSMAN] asked him:

> Mr. PASSMAN. Have economic conditions in those countries now reached the point that they can afford to permit these loans to be repaid in dollars?
>
> Secretary DILLON. We feel that these loans with the terms as set forth, which are no interest and no principal repayable for the first 10 years, would not put any burden except a small service charge on their economies for the first 10 years. Thereafter, they would repay in the next 10 years 1 percent a year. Thereafter, they would repay for the next 30 years at 3 percent a year. We think that sort of burden is one they can meet, particularly in the future when they will be in better shape than they are now.
>
> Mr. PASSMAN. In your professional position as a banker, Mr. Secretary, would you actually call these things loans, if there is no interest? Would they come under the category of hard loans?
>
> Secretary DILLON. No. That is an interesting problem. The World Bank was the first to face it since they had their own operations, which are loans, and then they had the International Development Association which they were also operating, which was making these advances. They discussed this at considerable length in their Board, and they asked the representatives of all the countries on their Board for their opinions on this. After long discussion, they decided to call the advances by the International Development Association development credits rather than loans, to indicate that there was a difference between an interest-bearing obligation and one that was repayable in dollars but did not bear interest. They call them development credits, and I think that is a good name for them.

Instead of being hard loans, these 50-year loans with no interest, payable as Mr. Dillon has indicated, even pass the point of soft loans. We have gotten now to squash loans, and even if they are collected, the money will not be returned to the Treasury but will be paid into a revolving fund to be reloaned.

Mr. GROSS. That is what some people call funny money, is it not?

Mr. GARY. You can call it almost anything. I think it would justify almost any name.

Mr. Chairman, this authority is not necessary for long-range planning. The mutual security program had an unexpended balance on June 30, 1961, of $5,435,000,412.

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

Mr. CHIPERFIELD. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. SMITH of Virginia. Mr. Chairman, will the gentleman yield for a question?

Mr. GARY. I gladly yield to my distinguished colleague from Virginia.

Mr. SMITH of Virginia. Has the gentleman had any figures compiled showing what the ultimate cost to us will be?

Mr. GARY. I certainly have. I am going to touch on that in just a moment. I wanted to make the point that we had nearly $5½ billion unexpended at the end of the last fiscal year. This money was obligated for programs which extend into the future. This shows they are already making long-range plans.

The United States does not have $8,800 million. That is point No. 1. Second, if we approve these transactions then we must go out and borrow the money. I am the poorest mathematician in the world and I would not for a minute bring before this body any figures that I myself had prepared, but I had an actuary, one of the best actuaries in my city, work over these figures. We do not get any interest on these loans, but we are going to have to pay interest on the money we borrow. Long-term loans today are yielding approximately 3.8 percent interest, but let us take the figure 3.5 which is less than we are paying on savings bonds.

On the $8.8 billion we would pay $17,400 million in interest during the 50 years that we had this money out, without collecting any interest. Add that to the $8.8 billion which I do not think we will ever get back, and if it does come back it will not go into the Treasury but into a revolving fund to be reloaned; consequently, this is a program that will cost the United States $26,200 million rather than $8,800 million as listed in this bill.

Mr. Chairman, the argument is used that in view of the world crisis, the situation in Berlin, we should not refuse this power to the administration. I say to you that in my judgment that is a further reason for reserving this power in the Congress. As we increase our military expenditures, we must give some consideration to reducing our nonmilitary spending. What happened in World War II? The Congress of the United States had to adopt a policy that we would not make a single new start in any domestic public works program. Are we going to continue binding ourselves to these programs in foreign lands that will be a millstone around our necks if we are forced into another war in the near future?

This is the time to go slow, and I hope the House will proceed cautiously in the consideration of this bill.

Mr. CHIPERFIELD. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. BROOMFIELD].

Mr. BROOMFIELD. Mr. Chairman, as a new member of the Committee on Foreign Affairs, I would like to pay my

tribute to the chairman of the committee, the gentleman from Pennsylvania [Mr. MORGAN] for his fine leadership during consideration of the bill under discussion, and I would also like to pay tribute to my good friend from Illinois [Mr. CHIPERFIELD] the ranking member of that committee, for his able guidance during consideration of this bill, and especially the staff that worked many hours in providing us with the necessary information.

Mr. Chairman, few topics have been of greater importance to the future of our Nation and our people than the consideration of H.R. 8400 which we have begun today.

In our hands—to a greater degree than most of us realize—we hold the hope and the future of a large part of mankind.

What we do this week, what we say this week, how we conduct ourselves this week on this vital issue of foreign assistance will be of more than passing interest to the governments of a large part of the world.

Our friends and allies in the free world are watching us, looking for indications of how strongly we will stand up for our mutual ideas and goals of freedom and peace with justice.

Those newly emerging nations which have not yet made the decision whether to build through freedom or through tyranny, through democracy or through communism, are watching us, because the decisions we make here in days to come will directly affect their living standards, their dreams and their plans for what is to come.

The Kremlin is watching us, you can be sure of that, to probe for chinks in our armor, to search for weak spots which can be exploited, divisions which can be enlarged and used to turn one group of our citizens against another.

In the House Foreign Affairs Committee, we have worked long and hard on this bill. Because of the wise and fair direction of our chairman, the gentleman from Pennsylvania, Representative MORGAN, we have resolved a great many of our differences and have tightened up considerably the proposed legislation which was presented to us by the executive branch.

I can say in all sincerity that I have never worked on a committee at any level of government which has shown so much insight, so much devotion to duty and principle, as that demonstrated by the House Committee on Foreign Affairs in its deliberation and consideration of H.R. 8400.

As a new member to this committee, I was gratified and heartened by the great efforts made by staff members and witnesses who appeared before us to explain every detail of the complicated proposals we considered, in answering all questions fairly and honestly, and in the willingness to make information available to us fully and quickly.

There was no railroading of this bill through committee. It was pounded out, forged sentence by sentence by give and take discussions. Fat was trimmed from it. Muscle was added to it. Bone was built into it to give it a firm and lasting foundation. This bill was arrived at by those who gave careful study to the problems we face in the world, who were dedicated to the task of building the best possible structure to end and ease these problems as far as humanly possible.

I do not believe that what we have arrived at is perfection. Let there be no mistake about that. There are differences in details, in degree, in emphasis which should be changed to place this bill closer to what we need, and I intend to support these constructive changes here in the House this week.

But I am for the broad, overall program as outlined by the committee. I favor this military assistance, this economic assistance, and where necessary, this political assistance, to help those who need help in realizing their potential for freedom and opportunity.

During our discussions, I imagine that there will be frequent reference to the fact that this bill is necessary because of the dangers our President has outlined over Berlin.

To me, these are not valid arguments. I believe that we would need to provide this assistance whether or not Berlin were in the headlines. We would need this assistance because Berlin is not our main problem. It is only one small portion of our problem.

One of the reasons I feel so confident over the outcome of a peaceful settlement to the Berlin issue is because of previous foreign aid programs.

Certainly, none can doubt the fact that we are strong in Europe today because of the massive doses of assistance we gave to nations nearly prostrate from the devastating effects of World War II. Certainly, none can argue with the fact that Europe has recovered to a degree and to a point where a unified Europe will soon be a great third power in the world, and that this third force with a larger population and a greater industrial and military potential than the Soviet Union will be firmly on our side—on the side of freedom.

Certainly, none can deny that there would have been no Berlin crisis today if it had not been for our military aid, our economic assistance, and our firm backing of freedom in Europe, because there would be no free Berlin today, and it is quite likely there would be no free Paris, no free Rome, no free London, and quite possibly no free Washington.

Khrushchev is leading from weakness into our strength in Berlin, and he knows it. He cannot trust the East Germans. He cannot trust the Poles. He cannot trust the Hungarians because the citizens of these countries look westward toward free Europe with hope and longing in their eyes. We kept Europe free and helped heal her wounds following World War II. Europe is now helping us by assisting in our own protection right here, this very minute.

Khrushchev is in danger in Europe because of our strength and his weakness in Europe and I do not believe we should be confused by his feints and his threats. He and the Red conspiracy will turn to other more vulnerable areas while he attempts to draw our attention toward Berlin and away from his main objectives.

It is doubtful if Khrushchev wants war over Berlin and it is certain that the people of Russia do not. It is doubtful if Russia wants war over the critical areas in Latin America, in Africa, in the Near and Far East. The Communists—or at least the Khrushchev Communists—believe they can continue their expansion through subversion, through intimidation, through the spread of chaos and despair for the future.

In this near-war situation, it is up to us to combat the the Communists with positive forces on our side; the forces of hope, of intelligence, of an end to fear.

This bill before us, H.R. 8400, is our main weapon in this war. It is our arsenal, our battle plan, and our answer for all the world to see.

Its effectiveness will depend first, upon whether it becomes the law of our land; second, whether a realistic reconnaissance is made of the forces we face, and third, and in many ways most important, the force we can bring to bear to defeat those who in an efficient and telling manner oppose our principles.

In most respects, this plan we have before us today is a good one. It recognizes the immediate problems which face us. It gives our Federal Government flexibility to meet changing conditions and situations as they develop. It calls for considerable self-help from those receiving our assistance in solving their own problems.

The bill does have flaws remaining in it which I believe should be corrected here on the floor of the House.

The main objection I have to this bill as it now reads is that it seems to take it for granted that those appointed to positions of considerable responsibility will be all wise, all good, and all knowing in the problems they will encounter in various parts of the world. Past experience with many of our military and economic assistance programs indicates that such is not the case.

Investigations in previous years have shown that far too many of our administrators used faulty logic, listened to bad advice, or did not gather all the facts at hand before embarking on some phase of their programs. This was particularly true in those areas of the world where administrators did not bother to learn native languages, where local physical and economic conditions were largely unknown or unrecognized and where engineers and technicians were unfamiliar with local customs and practices.

To breathe some humanity back into the bill, the House Foreign Affairs Committee did restore one important safeguard against human error and misjudgment, and that was through restoration of the Inspector General's Office with more firmly delineated powers and with more clear-cut responsibilities.

This new provision was not included in the original administration proposal.

Personally, I do not think that the Inspector General provision is a strong enough safeguard against human frailty. I think we are going to need a closer watch over this program, and I believe that this examination should be made outside the executive branch and specifically by the Congress.

It is true that we now have investigation committees from the Appropriations Committee and the Government Operations Committee overseeing these projects in many parts of the world. Further, the General Accounting Office has conducted numerous investigations. But these efforts are, in my opinion, too little and far too late.

These investigations call to the attention of Congress those cases in which funds have not been spent wisely, where a certain administrator has been neglecting his job or where a certain project in a certain place is of doubtful benefit.

But these investigations by Congress turn up shortcomings only after a project has been completed or is so far along that it cannot economically be stopped.

What is necessary is a constant check by Congress on the plans of our various aid organizations and agencies before money, manpower, and time are spent in directions which may be of doubtful value in a particular country.

We must realize that almost as important to our Nation as the money involved in these projects is the dimension of time.

Time and money lost on programs which are not of direct benefit to the well-being of a nation's people can never be retrieved.

We do not have an abundance of either commodity.

Our chairman has consented—in fact, even urged—that the House Foreign Affairs Committee give consideration to an expansion of functions by the existing Subcommittee for Review of the Mutual Security Programs, and I understand that this topic will be before us in the near future.

I believe that this subcommittee, possibly expanded in numbers and in staff functions, could well serve Congress by keeping accurate check on the plans and the progress in our foreign aid projects before mistakes are made. Further, it could evaluate the contribution to the economy of the country receiving our assistance, its political impact on the nation and whether we are doing an adequate job in informing the citizens of that nation of our part in this program of development and progress.

This proposed enlargement of congressional surveillance is not a part of the bill before us as such, but I think that my colleagues should be informed of this added safeguard.

In my judgment, the no-year authority for Treasury borrowing called for under this bill is unnecessary. I think we could accomplish our national goals and aims just as well under normal congressional appropriation processes.

Certainly, I have no quarrel with the wisdom of long-range planning by our Federal Government and the nations involved in these programs. In fact, I found such long-range planning as an essential ingredient to making the best use of the time, money, and manpower at our disposal.

But the past record does not bear out the view that lack of direct borrowing authority from the Treasury has hampered long-range planning. It did not stop Secretary of the Treasury Dillon, for instance, from committing our Nation to a $20 billion program of assistance to Latin America a few days ago at the conference in Uruguay, despite the fact that no foreign aid bill for this current fiscal year had cleared either House of Congress.

Further, we have the statement of the Honorable Frank M. Coffin, Managing Director of the Development Loan Fund, in his testimony before the Foreign Affairs Committee that "all we ask is the power to make a presumptive commitment with those other countries—recognizing that the only legal obligation we can make is for this fiscal year."

If we are leading some of these nations toward democracy and self-government, I believe one of the most valuable lessons we could teach them is the lesson that the appropriation of funds should be kept in the hands of the legislative body, that agency of government which is closest to its people.

Our Federal Government is empowered under this bill to provide certain stipulations for the granting of development loans, and it is in our national interest to see that these stipulations to provide necessary reforms are carried out with dispatch. I believe Congress can best accomplish this task.

Certainly, these nations would have a difficult time complaining of Federal Government dictation over their affairs by our Federal Government if these loans went through Congress rather than the executive branch.

Further, I believe that there should be adequate studies provided under the terms of this bill to insure our manufacturers, our workers and our employers that they will not be subject to undue competition from abroad because of the economic assistance we are providing out of tax dollars they are helping to pay.

I am not worried about the long-range effects of this program on our economy. If we want to be selfish about foreign aid, I think we will benefit substantially over the long pull because rising standards of living abroad will mean more demand for our own products. But I think we should see to it that we do not kill the goose that lays the golden egg, that we do not set up foreign firms with our tax dollars which will drive some of our own citizens out of business, because of low-cost labor.

Further, it is in the national interest of these underdeveloped countries to build up their own industries to help their own citizens as directly as possible.

Congress has been offered a broad attack on the basic problems which face our Nation and which threaten the free world. It is a concise program based upon the realities we face around us. It is a long-range plan, because the problems we face are those which will be with us for generations to come. It is an effective, efficient, and economical program of getting the most value out of what we are able to put into it.

May I urge my colleagues to support this program of assistance to those who must be placed in a position to help themselves.

If there be changes in this bill, let them be changes of substance and impact. Let them be improvements which will make this a more workable program.

Let us face this obligation to our fellow men squarely, and provide what is necessary so that our children can continue to live in freedom.

Mr. MORGAN. Mr. Chairman, I yield 8 minutes to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, a good many years ago I had the opportunity of being what is known as G–2, or intelligence officer of an amphibious force of the Pacific Fleet. As a part of that experience we were taught early to attempt at all times to make an analysis or estimate of the situation. Certainly today any one of us in the House interested in this very fundamental part of our national policy speak not as partisans but as patriotic Americans. In trying to analyze the situation, in trying to decide whether this bill has a reasonable basis for enactment certainly the first thing we must decide is, Does it meet the challenge that our country faces?

It certainly is no secret that communism and the U.S.S.R. are definitely in trouble. All we have to do is read what is going on in East Berlin. We know that actions of this kind are often born of desperation that may come only when there is deep-rooted inside trouble. And we know also that in Asia the communism of Russia is being challenged by a difference of ideology. Communism is discovering in Russia that at a certain point men vent their natural will for basic individual freedom, opportunity and justified reward. We have met the military posture of the situation by the actions already taken by this Congress. The Russian leaders must be convinced we will not back down on basic principles although always willing to negotiate reasonably, fairly, sanely. But we know, too, that communism is not alone a military threat. Indeed, probably its greatest threat is to an economic or free way of life. And what communism has done is to recognize that it is able to move more quickly and more effectively to help the poor, to help the depressed, to help the underdeveloped peoples of the world begin to raise their standard of living. And it is exactly in that area that, knowing that the vast majority of the people of the world are in that condition, communism has made its boldest efforts. We, in our turn, have tried to meet it by what we call our foreign aid programs.

Let me be the first to say that there could hardly be any sensible person who would not admit that this has certainly not been a complete or whole success. The manner of its management and its execution has many times, indeed, probably done us more harm than good. But that we have to have an answer nobody I think would deny, and therefore it would seem to me almost axiomatic that our problem today is not to destroy but to improve our concept of foreign aid, to make it accomplish the things that need

to be done in order to answer the appeal of communism.

Such is the bill before us. It has been attacked primarily upon the basis that it takes from the hands of the Congress the right to approve year by year the appropriations that are made under it. And yet there is hardly anybody, I think, in the House who would not admit the necessity for a long-range program of help for those peoples who need 5 or 10, or even in the case of Russia by its own admission, a 20-year program, to make any achievements at all. We cannot do it on a piecemeal year-by-year basis.

I know that all of us have read that in the other body there are suggestions being made whereby this long-range concept may be accepted and at the same time a proper and a reasonable control be kept by the representatives of the people in the Congress. We are going to have an opportunity for amendment. I do not know what the plans of the committee are, but I would hope that perhaps some reasonable amendment to assure the Members of this House that that control will rest within this body will be put forward and will be accepted. But let us not by any manner or means destroy the bill itself by making it impossible for our Government to make the kind of commitment which will enable it to convince other countries, those we need so badly on our side, that we are people of our word and that we will follow through on a long-range program.

The brother of Fidel Castro down in Uruguay has been making great hay amongst our Latin-American neighbors by saying we do not really mean to carry out an aid program. He has been saying, "Oh, you will see. There will be enough obstructionists in the Congress to destroy the program no matter what they may tell us they are willing to do on a long-range basis." Yes, we all know it has to be done on a long-range basis.

So, Mr. Chairman, I hope that we can find a way in the next days of deliberation to make sure that we give an answer to Castro and to his brother and to the other troublemakers not only in Latin America but throughout the world. We must assure all peoples that our answer of economic aid for the people of the world who need it to raise their dignity, to achieve a proper standard of living, will be forthcoming in the House, as I hope it will be in the Congress itself. Certainly we have some things to go on today that we have not had before. Some Members of the House wrote a letter the other day to the head of the ICA, Mr. Henry Labouisse, and we pointed out to him that we needed some kind of assurance that proven incompetents in the foreign-aid program and its execution would be weeded out. He has given us exactly that assurance. I hope you will read it if you have not read it. He has the power, he has the will, he has the backing of the President, and I think that we can, without any real fear that disappointments will come our way, know that everything will be done to rectify the errors of the past and will go forward in the future in a far more businesslike manner.

I, too, hope that the suggestion which the chairman of this fine committee of ours, Mr. MORGAN, has made will be carried out, and that greater supervision will be carried on not only year by year but month by month and week by week. I hope that as many members of this committee as can will give it the majority of their time, for never was there a program outside of a military program that probably spells out the future of this country as does the present bill before us.

I hope we have the courage to fulfill our responsibilities. Certainly they are responsibilities which have come to us because God has given us the strength and resources we now have and we can carry them out. I would say that if there ever was an anti-Communist measure before this House it is this one. This is where we can really do something about defeating communism in the places where its roots are reaching out. Now is our challenge, our real opportunity to do it. Time will not wait for us. If we have the courage, the leadership, and the statesmanship to do our job, I believe it will be said by future generations that we are, compelled by motives of self-interest tinged with compassion and cognizant of our commitment to our own libertarian traditions, determined to establish a stable world, a world of order, for people with the essentials of a materially and spiritually rewarding life. I urge and hope that this Congress will adopt H.R. 8400, the Mutual Security Act of 1961, in an improved form but in an effective form that will be a monument to this, the 87th Congress.

Mr. BERRY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Ninety-two Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 151]

Ayres	Hébert	Shelley
Barry	Holifield	Sheppard
Blitch	Hosmer	Slack
Buckley	Jones, Ala.	Smith, Miss.
Byrnes, Wis.	Kearns	Steed
Celler	Kilburn	Thompson, La.
Davis, Tenn.	Martin, Nebr.	Thompson, N.J.
Dawson	Mason	Utt
Ellsworth	May	Whalley
Garland	Miller, N.Y.	Wickersham
Gray	Morrison	Williams
Harris	Powell	Willis
Harrison, Va.	Rabaut	Winstead
Healey	Rousselot	

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. ALBERT) having assumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 8400, and finding itself without a quorum, he had directed the roll to be called, when 394 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. CHIPERFIELD. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. FRELINGHUYSEN].

Mr. FRELINGHUYSEN. Mr. Chairman, as a new member of the Committee on Foreign Affairs I had not planned to talk on this bill at all inasmuch as there are so many members with more experience. I should like to identify myself at the outset as a consistent supporter of the foreign aid program. I think my votes over the years will bear that statement out.

We have heard a lot of discussion about one section of this bill, and I should like to use my time to address myself to this problem of long-term financing for the development loan program.

The suggestion has been made that Members of the House in good conscience might be reluctant not to support the proposed Treasury financing. The gentleman from Massachusetts, the majority leader, went so far as to suggest that we might be imperiling the very existence of our country if we should challenge this method of financing our long-term development loan program. He indicated this question was vital to the very security of our country.

In the first place, the security of our country is not directly concerned with the method by which these programs are financed. The programs themselves may be important but they do not increase our military strength. This is economic aid we are talking about, not military aid. Of course, I will admit that the economic aid which we provide to other countries may in fact buttress the free world. Our economic aid to our friends, and to those that are not so closely tied to us, may well promote the welfare and security of our friends and neighbors. Nonetheless, I strongly reject the argument that the method by which we finance this program has anything to do with our security, and I would suggest that we keep that kind of argument out of our discussions.

The gentleman from Massachusetts [Mr. MCCORMACK] also referred to the psychological impact on our friends should this proposal be defeated. On that point let me say that it would seem psychologically far more important to have a substantial vote in favor of foreign aid than to alienate supporters of the program because of a disagreement over financing.

It has been insinuated that we are reluctant to give President Kennedy what we were willing to give President Eisenhower, and that there is some partisanship in our views. I do not feel that is the case at all. The problem more accurately could be summed up as a contest between the legislative branch of our Government and the executive branch. Congress is being asked to surrender legitimate and important responsibilities for what I firmly believe are inadequate reasons.

I should like to turn now to the committee report. The majority on the committee, though with many members dissenting, feel that the proposed method of Treasury financing, the so-called back-door financing, is essential if the program is to attain its purpose. The language is on page 16 of the committee

report. I should like to ask in what way—and we still have to hear testimony on this point—the long-term borrowing proposals would in any way make our programs more effective. Why should we consider this method of financing so essential?

The committee pointed out on page 16, and I might say that there was also strong disagreement on this point, that this method would be the most effective procedure under our constitutional system of government to make possible long-range commitments of this nature. In spite of considerable testimony from witnesses before us during the hearings, I can recall no evidence as to why this particular method should be more effective than the system which we have had up until this time. Certainly Treasury financing possesses no magic different from proposals already advanced which might recognize to a greater degree than the annual method of authorization and appropriations the need for flexibility in this program.

I, for one, am very much in favor of long-term programing. I am very much in favor also of making commitments which can be relied on by other countries. However, I cannot agree that the method by which we finance these loans makes any particular difference to the countries which will receive our aid. We can provide for a reasonable degree of continuity through the normal process of authorization and appropriation.

The suggestion has been made, Mr. Chairman, by those who are backing this proposal that unless we can get Treasury financing over a long period, roughly 5 years, that the recipient countries that are in need of reforms, both with respect to the tenure of land or to their tax system, will not face up to their own responsibilities. Well, I fail to see, Mr. Chairman, how the manner in which money may be available from this country will enable them to face up to these difficult reforms. Of course, we would like to see these countries put some reforms into practice, and we should, perhaps, devise some method whereby the money will be available only under certain conditions.

In this connection the committee pointed out, and again I refer to page 16 of the committee report, the importance of long-range commitments to help other countries develop realistic programs. This aid, the committee points out, is to be made available provided the beneficiary country makes progress and continues to do what is necessary at the proper time. If our aid is to be made available under such conditions, Mr. Chairman, it sounds more like a bludgeon than a carrot. That it will be financed by the Treasury will not make it more palatable.

The committee feels that the problem is less that of being able to meet in future years a commitment to build a hydroelectric project that will take several years to build than it is of being able to contribute over a period of up to 5 years to an overall economic development program without tying the U.S. financing to specific projects.

In other words, we apparently need this Treasury financing because we do not want to force other countries to commit themselves to a particular project. Perhaps we should be able to give these countries assistance for an unspecified time so that they can develop programs, with projects as yet undefined and which may not even develop until 2 or 3 years from now. In any event, administration witnesses themselves admit we could make no irrevocable commitments, though we might indicate our intention to make a long-term commitment that the funds are to be made available.

In any event, it strikes me that we are moving in the wrong direction if we should be using the need for program planning as a justification for Treasury financing. Certainly this method of providing funds will not have a decisive effect on the kind of program we would like to see these countries adopting.

It seems to me, faced as we are with very critical problems in the international field, with military expenditures heavy and probably going to increase, that we should not be engaged in lessening congressional control over foreign aid programs. We need long-range planning and commitments to back the planning up. We do not need, to achieve this, to abandon our own responsibilities. The very least we can expect and the least we can demand is that Congress should continue to have some kind of check and control, preferably on an annual basis, to see that this money is being reasonably spent, that priorities are established, and that more urgent projects get money before the less urgent.

Proponents of this Treasury financing proposal have suggested that we have developed no reasonable alternative. They urge us, therefore, to go along with what the administration has suggested. Well, I think the supplemental views in the committee report indicate at least one way in which we might move. Most of us, as I have indicated, are in favor of long-term programing. We recognize there can be more efficiency and effectiveness, if we have long-term programing. Furthermore, I certainly am in favor of long-term commitments over a specific period to an individual country. We might develop such a response on a basis of a long-term authorization for 3 or, perhaps, 4 years. We might couple that with a multiyear appropriation of part, but not all, of the total amount which the administration estimates it is going to need 3 or 4 years from now.

As an example of what I mean, we might authorize now a program to continue for 4 years with an authorization of perhaps $2,400 million. We might even increase that total amount. Of that total $900 million, which is the amount presently requested, would be made available through the appropriation processes this year. Additional amounts would be appropriated now to remain available, $500 million, in the second year, perhaps $500 million in the third year, and perhaps an additional $500 million in the fourth year.

If these amounts should not be deemed sufficient to insure continuity of those programs which rely for their effectiveness on an assured level of aid, we might increase the total. However, in no circumstance do we need to bypass the normal accustomed and important procedures of Congress. International tensions underline the importance of foreign aid and the arguments for long-term aid, but they should not obscure the importance of retaining reasonable checks on the use of the taxpayers' money.

Mr. ZABLOCKI. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. FARBSTEIN].

Mr. FARBSTEIN. Mr. Chairman, I have always voted for the foreign aid program. I voted for the program because I believed it was in the interest of the people and of the Government of the United States. I have always voted for the program as sent up by the administration, and I see no reason to change at this time.

Mr. Chairman, I believe the basic case for the foreign aid program rests on at least two foundations—one, the moral obligation of our affluent society to share at least a small part of our great wealth with our poverty-stricken fellow human beings in Asia, Africa, and Latin America who need help in making progress toward industrialization and improved living standards; and second, the political urgency which arises from the fact that all over the underdeveloped world Communist propaganda seeks to use the fertile ground provided by abject mass poverty to win power for communism.

Russian Communist power and influence is not being extended today in Asia, Africa or Latin America solely by Russia's force of arms, but by exploitation of social misery and injustice.

Unless we Americans are prepared to accept the regimentation of total military mobilization resulting from our existence in an otherwise completely Communist world, ours is the obligation to mount a foreign aid program that will be powerful enough to turn the tides of change toward a society of free choice rather than one of compulsion. We cannot alone fight the Communist menace with annihilation weapons in an anarchic world, torn by the aspirations of more than 90 legally sovereign nations, most of them still caught in desperate poverty which they no longer accept as ordained by fate or human incapacity.

The adoption of this legislation will bring aid directly to the people of recipient countries and will encourage social as well as economic reform. It will bring the advantages of our free society directly to those in whom rests our greatest stake—the poor, the sick, and the ignorant who provide fair game for the lies of Castro and his patrons in the Kremlin.

Our President has said, "If a free society cannot help the many who are poor, it cannot save the few who are rich." It therefore becomes incumbent on us to supply the weapons—the hospitals, schools, sanitation systems, and land reforms—to fend off the enemies of the underdeveloped and new countries.

The critics of foreign aid make much of past mistakes and of the fact that previous foreign aid has not solved all

our problems in the underdeveloped nations. Mistakes in such a relatively new and complex field as foreign aid are inevitable, and provide the bases for correction and improvement. Though our problems in some underdeveloped countries are huge, critics should consider how much more severe and widespread those problems would be—in South Korea, South Vietnam, Taiwan, India, and elsewhere—if it were not for American aid.

It is said that we have helped some countries, used many millions of dollars, and then these nations fall to Communists or lack the will to protect their own freedom. This is true.

It is said that the unflattering picture of the "Ugly American" characterizes our foreign aid program. And this too has an element of truth.

It is said that huge sums have been wasted, that the top layer of wealthy or politically powerful leaders in underdeveloped countries have gained, but the mass of the people remain as they were before American aid. And there is some truth in this too.

If we helped some countries and have not succeeded in strengthening them sufficiently to protect them from the quicksand of communism, others have been strengthened. Others have remained outside the orbit of Red dictatorship and may be able to remain free. No aid program can guarantee success everywhere, all of the time.

We have learned much in the years America has been assisting other nations and we have made mistakes. We made mistakes under the Marshall plan and we learned how to do better—but we strengthened European resistance to communism and forged a tough alliance of free nations. We bought time to recover from the ravages of war. We made mistakes in the broader foreign aid programs under the previous administration, but we strengthened many nations. We gave hope for independence and freedom and security to millions throughout the world.

Furthermore, for those most critical of the administration of the aid program to deny the means of long-range planning through long-range financing is to deprive the Government of the best means of correcting past mistakes.

Probably the most restrictive feature of the foreign aid program in the past has been its method of financing. Economic development is a long-term process. It cannot be achieved overnight. Therefore it needs to be planned long in advance with assurance that necessary funds will be forthcoming when they are needed.

Unfortunately, until now the U.S. has refused to make the long-term commitment to foreign aid which is absolutely necessary for its success. Funds have been appropriated for foreign aid on a year-to-year basis so that from one year to the next even the continuance of the foreign aid program has been by no means certain and there was no assurance whatsoever as to the amount of funds that would be available.

This has made it very difficult for our foreign aid administrators to develop rational, effective programs. It has been even harder for the officials of the recipient countries to know what help they could count on to supplement their own efforts and resources. Let us recognize that the government leaders in the less developed countries are politicians, as they are in the United States. If they are going to put into effect what may be politically difficult internal reforms and programs for social and economic justice, we should help arm them with the politically valuable argument that we are ready to commit ourselves to long-term programs of aid calculated to achieve substantial progress.

Criticism has been raised that this Nation cannot afford the foreign aid program. The fact is that the total foreign aid appropriation for which the President has asked is less than 1 percent of our Nation's total annual output.

Opponents of back-door financing for foreign aid are, of course, trying to protect the Treasury, but their action suggests the bucolic saying about "locking the barn door after the horse is stolen." The mechanism of authorizing lending agencies to borrow from the Treasury has been used for more than 20 Federal activities, beginning with the Reconstruction Finance Corporation in 1932.

It is calculated that through 1959 more that $108 billion had been borrowed and lent this way—of which roughly 50 percent had been repaid, 30 percent was still owed, and 20 percent had been lost. Among institutions given this authority are the Commodity Credit Corporation, Export-Import Bank, Home Owners Loan Corporation, and Public Housing Administration. Very similar commitments, virtually compelling later appropriations or borrowings, have been made for veterans pensions, farm price supports, highway construction, and Federal employees pay raises.

It may be that the practical control of Congress over national expenditures is actually being weakened by these measures. Often, as in the foreign aid case, they represent response to a need for longer range planning than is possible in annual appropriations. Sometimes they represent an end run by the liberal wing of Congress around entrenched seniority on the appropriations committees.

In any event, the tracks leading from the barn door—or Treasury back door—include not only those of the Development Loan Fund starting 4 years ago but also the financing of sale of agricultural surpluses under Public Law 480, establishment of the highway trust fund in 1956, and other measures.

What form does our aid to the less developed countries take? It is as infinitely varied as the infinite needs of the people to whom it flows. It may take the form of a dam in Afghanistan—or a school in Ceylon or in Ghana—or wheat for the starving millions of India—relief and rehabilitation for the victims of an earthquake in Chile—or medical assistance to the residents of newly independent black Africa—or help for ancient agricultural economies like that of Greece, including fuel and equipment for the romantic fishing fleet—for the future, contributions to the $1 billion project to harness the waters of the mighty Indus River to provide irrigation, electric power, and flood-free land for the people of India and Pakistan—and, of course, military assistance for allies like Greece and Turkey.

The United States is not the only nation giving aid. Between 1956 and 1959, 16 Western nations, plus Japan, provided the less developed countries an average of almost $7 billion yearly in various kinds of nonmilitary grants, loans, and credits. This was almost double the amount the United States alone made available for these purposes in the same period. By comparison the contributions of the Communist bloc to the underprivileged during these years were significantly small—$140 million a year. But Soviet economic aid is increasing. In 1960 the Soviets gave 75 percent more aid than in the year previous.

Is foreign aid straining the dollar? The greater part of foreign aid, perhaps 80 percent, takes the form of actual purchases in this country which are then exported, so that only 20 percent really constitutes what might be called a portion of the problem of the balance of payments. But even that would be very greatly helped if the competitive position of American goods was improved so that even 20 percent could be spent here usefully by the countries.

Military programs still take a large chunk of our foreign aid. The total foreign aid appropriation for fiscal 1961 came to nearly $4 billion. Nearly two-thirds of this went for military assistance. The remaining one-third is economic aid, which goes largely to help raise the standard of living and increase productivity. Who and what are the beneficiaries of this aid? In the main they are the 100 less-developed countries and territories in Africa, Asia, and Latin America. Most of these people have an annual per capita income of less than $100. More than a billion people live in these 100 countries. Three-quarters of a billion people live in equal conditions of dire poverty and deprivation, but they are not included here. They live on the mainland of China and in North Korea and North Vietnam—all countries dominated by Mao Tse-tung's Communist regime. We cannot reach them; we cannot help them if we would. Advocates of a vigorous foreign aid program point out that the gap between the world's "have's and its have-nots" is widening. In the decade since 1950, the per capita income in the 100 underdeveloped countries increased only about 10 percent as against 70 percent in the United States. The question is: How much of the burden of helping these people can the American economy stand? The President has said:

> The economic collapse of those free but less developed nations which now stand poised between sustained growth and economic chaos would be disastrous to our national security, harmful to our comparative properity, and offensive to our conscience.

Economic growth takes time even under favorable circumstances, and these countries—recipients of foreign aid, many of them—start with extremely grave handicaps. Most of them are going

to take several decades to get on their feet and to get the process going; and during that period we should be helping them.

A lot of well-meaning and responsible people feel that we are spending money abroad when we cannot afford to because we are neglecting underdeveloped areas at home. While I think we should do what is necessary to improve the conditions in depressed areas in the United States, we cannot afford to wait until that can be done in order to meet the requirements of the international situation, of which foreign aid is intended to respond to. We have a vital interest as a nation, and all of us as individuals, in seeing to it that the areas occupied by these billion people are not dominated by the Communists. We have a very deep interest that they should not have unnecessary chaos and confusion and disorder in those areas. We have a moral obligation. If we really do believe in human dignity, we must believe that it has meaning overseas as well as at home.

We must see the foreign aid program in context. Our generation is engaged in a very extensive struggle to see what kind of world is going to emerge out of the very turbulent period that we are living through. So this task has two aspects. One is the constructive one of trying to create a world which will accommodate both the needs and interests of these developed countries of Europe and the United States and the underdeveloped countries in Latin America, Africa, and Asia. The other part of our problem is to prevent the Soviet Union from undermining this constructive effort and trying to spread the totalitarian system of its own. The next 10 years may well decide whether the newly developing nations can achieve real gains with our assistance in an atmosphere of freedom, or whether they will decide that only a totalitarian system like communism can produce the economic growth for which they hunger.

Foreign aid is one instrument, a very important instrument, but only one, for the purpose of trying to do this constructive job; and we ought to look on it as a challenge in that way.

The question is simply: Is foreign aid in effective amounts, properly administered, necessary for the security of the United States and the free world?

Three successive Presidents of the United States—one Republican and two Democratic—have repeatedly and emphatically called our foreign aid program vital to our security and to peace. These men were not speaking as partisans. They were speaking as the men who have carried the ultimate responsibility for the protection of your families and mine and who have faced the appalling loneliness of decisions that could mean peace or war.

Three Presidents, the men who have led our Nation during the past 16 years, are unanimous on very few things. But on this they are. On this one basic issue they speak with a single voice. Effective economic and miliary aid to other nations is essential for the security of America.

Mr. ZABLOCKI. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. HARDY].

Mr. HARDY. Mr. Chairman, first of all I would like to express my appreciation to Dr. MORGAN, the chairman of the Foreign Affairs Committee, for the splendid cooperation which he has always given me. And, as chairman of the Foreign Operations and Monetary Affairs Subcommittee, I have always tried to reciprocate by making available to him and the members of his committee and staff, information assembled by us during the course of our examination of foreign aid operations with the hope that it might be of assistance to the Foreign Affairs Committee in the discharge of its legislative responsibilities.

Through the years the splendid cooperative association which has existed between our committees has produced some worthwhile legislative results. Because of this fine relationship and because the chairman of the Foreign Affairs Committee has always shown such a high degree of objectivity and complete sincerity of purpose, I regret to find myself now opposing a major provision of the bill which he has brought to the floor. Neither is it pleasant to oppose the administration in what it has termed a key provision in this year's version of the foreign aid authorization bill.

Recently, Secretary Dillon sent letters to the membership, urging congressional approval of this method of funding the new lending operation contemplated by section 202 of the bill. However, because of the investigations and studies my subcommittee has made of the administration of the foreign aid program, I have a deep conviction that the 5-year borrowing plan contained in this bill is unwise, unnecessary, and contrary to our own national interests. To better illustrate what I mean, let us examine Mr. Dillon's letter of July 18 from the standpoint of logic against the background of information concerning the U.S. aid program which my subcommittee has developed.

The Secretary's letter is four pages long. Three of these pages were devoted to an attempt to justify the requested borrowing authority. At the top of page 2, Mr. Dillon asks the question, "Why is borrowing authority important to the aid program?" He then gives two answers, and, because he has gone to all this trouble, I assume that they are the best answers that either he or any of his associates could think of.

The first answer that Mr. Dillon gives is that in order to be of substantial help to the less developed nations the United States must make long-term commitments. Assuming this is true, it is not at all relevant to the question Mr. Dillon asks. I say this because the present Development Loan Fund is and has been making long-term commitments of appropriated funds. I hold in my hand a report of DLF as of last June 30. It shows that most of the lending of the more than $2 billion outstanding has been on a long-term basis with loans for as long as 35 years.

As you can see from this, borrowing authority is not necessary for long-term commitments, and I cannot understand why Mr. Dillon has injected this unrelated factor. Funds are funds, and there is no magic in those obtained through advances from the Federal Treasury which makes them particularly or peculiarly adaptable to long-term commitments. So much for answer No. 1.

Mr. Dillon's second answer is in two parts. He states that in order to give assurances of aid over a period of years, the development lending program must be freed from the uncertainties inherent in annual requests for funds. To this I can only say that if such assurances are necessary, they can be given on the basis of appropriated funds, because, as I have just pointed out, DLF has been giving such assurances ever since the inception of that agency.

Mr. Dillon then seeks to reinforce this answer by telling us that borrowing authority is the customary method used by Congress to finance U.S. Government lending agencies which must make forward commitments. Unfortunately, Mr. Dillon neglects to mention that these U.S. Government lending agencies are, for the most part, in the business of lending in the United States to U.S. citizens, or for use in the United States, of funds which are adequately secured by bankable collateral. The so-called loans which this bill contemplates are entirely different. They will have no collateral. They may not even bear interest. And the cost to American taxpayers in interest on these loans will be many times the amount of the principal. Indeed, maybe it would be better to acknowledge in the begining that this is really a grant program.

The next question which Mr. Dillon asks is, "Is borrowing authority fiscally irresponsible?" To answer this question, Mr. Dillon enlarges somewhat upon his previous statement I have just referred to which relates to borrowing by U.S. Government lending agencies. But fiscal responsibility or irresponsibility, like the flowers that bloom in the spring, has nothing to do with the case. The basic issue here is whether there is some factor of overriding national interest which would justify closing our eyes to one of Congress most important constitutional functions—the appropriations funds. Mr. Dillon seems to ignore that, and he proposes a Treasury borrowing program to finance what in actuality is to be tremendous dollar expenditures without recovery even of realistic interest.

Mr. Dillon then goes on to point out that under the new program these loans to less developed countries would be repaid only in dollars. You will recall that while Mr. Dillon was chairman of the Development Loan Fund Board of Directors during the previous administration, the Congress was advised that one of the guiding precepts of the Development Loan Fund was recognition that it was unrealistic to expect that borrowers in underdeveloped areas could repay DLF loans in other than local currencies.

Let me read to you what the fiscal year 1961 mutual security program budget

presentation book had to say about this feature of the DLF:

> Because it is able to provide financing on flexible terms, it can realistically adapt its repayment requirements to the capacities of borrowers in underdeveloped areas. The principal feature in this connection is the authority of the DLF to accept repayment in local currencies where warranted. Local currency repayment avoids undue impairment of a country's present or future capacity to service in hard currencies, loans and investments extended by the International Bank for Reconstruction and Development, the Export-Import Bank and external loans by private individuals and institutions.

Mr. Dillon, as the then Chairman of the Board of DLF must accept full responsibility for this policy statement, and since it appears to be in direct conflict with the lending policy he is now urging Congress to approve, I ask, "Was Mr. Dillon wrong then, or is he wrong now?"

Mr. Dillon's question No. 3 is, "Would a multiyear authorization of appropriations do?" Mr. Dillon says "No," because such an arrangement would not provide the needed basis to give reasonable assurances of funds for future years—it would not provide congressional authority for advance commitments. That is correct because commitments should not be made before appropriations.

Mr. Dillon's next question is, "Would borrowing authority deprive Congress of control?" Mr. Dillon says "No," because Congress could take action in the annual aid bill or at any other time during the year to curtail or even end the borrowing authority or any part of it. This is pure nonsense. Every one of us knows that from a practical standpoint this would be impossible. It seems obvious from Mr. Dillon's own admissions that once the authorization to borrow is granted by the Congress, the executive branch intends to make advance commitments, in the name of the United States to the underdeveloped countries. Who is there who thinks Congress could or would renege on the pledged word of the United States? From the words of both Mr. Dillon and Mr. Rusk, they do not. Mr. Dillon testified concerning this aspect of the bill at page 114 in the hearings of the Foreign Relations Committee:

> Congress does have the authority to limit it [expenditures], and could limit it, but it would have the effect of the United States not living up to its commitments.
>
> So I believe there would be very strong pressure on Congress not to have the United States default on a commitment it had legally made.

And Secretary Rusk in his appearance before the Committee on Foreign Affairs on June 7 said, at page 48, as follows:

> There will still be reserved to the Congress the right to deny those funds on an annual basis if for reasons that are serious and grave the Congress elects to do so. But it would not be candid of me not to say to you that it would not be easy for Congress to cancel at that point, where something tantamount to a commitment has been made.

In addition, I am sure that both Mr. Dillon and Mr. Rusk are well aware that in order for Congress to take any future action to limit or curtail the borrowing authority, it would have to do so by passing a bill to this effect and, therefore, would have to be able to muster enough votes to override a Presidential veto. This would certainly give the administration an almost overwhelming edge.

It is, therefore, abundantly clear that acceptance of this Treasury borrowing plan will mark the point of no return for congressional control over the U.S. aid program. Should we need any further proof of this fact, we need only to turn to page 100 of the recorded hearings of the Senate Foreign Relations Committee, where we can read the following statement of Mr. Dillon:

> However, if they [Congress] took this action [to reduce or limit the amount of funds] this would certainly be contrary to the intent of the borrowing authority and there would be strong presumption that they would not do it unless they found that the organization had acted quite out of line, and that this authority was no longer necessary in this amount. What, in effect, happens is that the burden of proof is substantially shifted to the Congress. Rather than resting on the side of the agency to see that they need a certain amount it is shifted to the Congress to show this is not needed and should not be spent, and that is the general situation.

As somewhat of an afterthought, Mr. Dillon also points out that Congress will still have a certain measure of control over the borrowed funds because the new lending program would be subject to the provisions of the Government Corporation Control Act. Just how Mr. Dillon expects this to give Congress any real control is hard to understand. I am sure that he must know, as we all do, that the Government Corporation Control Act provides only for a business-type budget. It has a flexibility in presentation which makes it no more than a fiscal exercise and it is not intended to be considered as a critical evaluation of operations. It would do little more than give us columns of figures which we could check on adding machines to see if the totals are correct.

Mr. Dillon then asks the question, "What advantage would borrowing authority, subject to such controls, have?" His answer is that it would create a strong presumption that funds in a known amount would be available for the continuation of the program, and that the developing nations—

> will feel safe in the conviction that Congress, once having asserted its policy, will not reverse it unless it finds that the purposes of the legislation are not being fulfilled or that other circumstances of a special nature make such action necessary.

I cannot pass this particular comment of Mr. Dillon's without pointing out that the feeling of safety which Mr. Dillon refers to could well delay the reforms which he expects underdeveloped countries to take as their part of the self-help approach to aid. Let me emphasize what I mean by reading to you a statement which is contained in a country program book which, as you know, is developed jointly by the mission and the embassy and submitted to Washington to form the basis of the ultimate congressional budget presentations. Because of classification I will have to delete certain dates, figures, and the name of the country involved. This particular book, from one of the underdeveloped countries, states:

> Continued U.S. aid for the past fiscal year, at a $——— million rate, is partially responsible for the Government of ——— not facing up to the economic facts of life. This is true because it enables the ——— Government and its peoples to live beyond their means, to consume more than they produce, to import more than they export. The more we grant, the easier it is for the Government to yield to political pressures and unsound economic considerations.

This same statement would, in all probability, be justifiably multiplied by the number of underdeveloped countries covered by our aid blanket.

Mr. Dillon's last question is:

> Can we afford foreign aid in the amounts needed?

The answer is, of course, perfectly obvious. We have to afford whatever is needed. The question to which Mr. Dillon should have given us the answer is, "Is the amount of foreign aid requested really needed?" If the $8 or $9 billion which may be required to carry out the loan program envisioned in this bill are essential for the welfare and security of the United States, and if the administration is in a position to establish this by factual presentation to the Congress, I am sure that a request for an appropriation of this amount would be in order and that the program could be carried out without doing violence to our well-established and necessary procedures.

It therefore occurs to me that this borrowing authority could be considered as a gimmick and, whether intended or not, will serve to remove any real congressional control over executive department spending of $8 or $9 billion.

If we authorize the borrowing authority provision we will nullify the work we have done in the past several years to bring the lending program under control and to require an adherence to at least a minimum of sound business practices. What an example we will set for the underdeveloped countries of the world. How can we expect them to adhere to any degree of accountability if at home we permit a looseness of operation far worse than anything we have had in the past. My subcommittee has examined a host of aid projects and programs around the world. The deficiencies we have uncovered stem from two major weaknesses; first, inadequate planning and, second, incompetent personnel.

If there is any need for greater flexibility in our aid program, and I am not for a minute conceding that there is, we should insist that the granting of any such authority be preceded by a justification clearly establishing such a need based on adequate advanced planning. This should be coupled with a thorough housecleaning of all incompetent personnel associated with the aid program, both in Washington and in the field.

Unless these two things are done any congressional action authorizing the requested long-range commitments will compound the programs' past inefficiencies and waste, and at the same time present ever increasing opportunities for the misuse of funds.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman.

Mr. HOFFMAN of Michigan. I have two or three brief questions, which can be quickly answered. The gentleman has been a very able chairman of the subcommittee of the Committee on Government Operations and that committee has held eight hearings, in other countries, has it not?

Mr. HARDY. We have had a good many; considerably more than that number.

Mr. HOFFMAN of Michigan. And the subcommittee has submitted eight reports? And all have been approved by the full committee?

Mr. HARDY. We have submitted quite a number of reports. I am not sure exactly how many.

Mr. HOFFMAN of Michigan. In every one of which the gentleman has concurred, is that correct?

Mr. HARDY. That is correct.

Mr. HOFFMAN of Michigan. Is it not true that in none of them the gentleman has had a word of praise for this program?

Mr. HARDY. I do not know whether I could go quite that far. But in every one of them we have found a great many things to criticize, a great many deficiencies that needed correcting; and we have pointed them out. It has been unfortunate that the corrections have been few and far between.

Mr. HOFFMAN of Michigan. It is doubtful that even one has been corrected and heretofore the gentleman has always supported the program?

Mr. HARDY. I have always supported the program. I shall support it this time if they can correct it a little further. But with this financing provision in it, I cannot support it.

Mr. HOFFMAN of Michigan. The gentleman does not place too much faith in the promises that there will be only necessary and helpful spending?

Mr. HARDY. It is impossible to avoid skepticism in the light of our past experience.

Mr. HOFFMAN of Michigan. I shall endeavor to include as part of my remarks, to be made later today, the reports to which I have referred.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentlewoman from New York.

Mrs. KELLY. Mr. Chairman, I want to take this opportunity to compliment the gentleman for the very many excellent reports and recommendations he has reported. I want to thank him for all the assistance and suggestions which he has given to the Committee on Foreign Affairs. I should like to say this to him: I understand perfectly what country he referred to, which he did not name, but by any chance did the United States need that country geographically for other reasons?

Mr. HARDY. The United States needs friends in all parts of the world.

Mrs. KELLY. For its own defense.

Mr. HARDY. In all parts of the world for defense and a variety of reasons.

Mrs. KELLY. That is right. I am sure I know the one to which the gentleman referred.

Mr. HARDY. The gentlewoman is one of the best informed Members of the House on this subject and I am sure she knows the country referred to. Our responsibilities are worldwide and we do need friends in this and other geographic areas. I am not sure that our expenditures in this case were wise or necessary. In any case, I think we must plan wisely our participation in projects of aid to underdeveloped countries.

Mrs. KELLY. I thank the gentleman. I agree, but I would also suggest we must be careful in making sure what is necessary for the actual defense of the free world, and also we should be more careful about competence in the various projects.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from Washington.

Mr. HORAN. The gentleman has made a study of the holdings of soft currencies that we have and a study of other countries going into debt to us through these loan processes. Does not the gentleman think that we in the very near future have decisions to make regarding the animosities that mortgages against other countries might bring on us?

Mr. HARDY. Maybe the best way to illustrate my thinking about it is to refer to an illustration I gave in the Rules Committee the other day. Some of these proposed loans will run over a period of 50 years and there will not be any payment for 10 years. Think of some of the projects we have sponsored. How can we expect these countries to pay for projects to which we contributed funds but which did not work out? For example, take a cement mill which is so located that there is no market near enough to provide an economic outlet for its products. There have been such projects which have failed and have made us look pretty bad. Can you imagine the resentment and ill will which would be felt toward us if we sought to collect on the loan 10 years after it had failed demonstrating our own inept planning?

Mr. CHIPERFIELD. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Chairman, no subject that we have discussed in the 87th Congress equals in importance the one that we are now debating. In the last Congress I was one of the strongest supporters of foreign aid. I advocated increased emphasis on a lending program for long-term development, rather than on grants in aid, and I opposed congressional cuts to President Eisenhower's overall foreign aid requests. My chief criticism was leveled at the slashing directed toward the Development Loan Fund. It seems strange, to me at least, that today the discussion centers chiefly around development loans, which to me all along has been the best aspect of the foreign-aid program.

Now let us examine this bill that is before us today. A brief recap might be helpful.

Title I authorizes the President, in order to finance development loans, repayable in dollars, to borrow from the Treasury $900 million in fiscal year 1962, together with additional amounts of $1,600 million during each of the fiscal years 1963, 1964, 1965, and 1966, an aggregate of $7,300 million over the 5-year period. In addition, repayments of principal and interest on certain obligations incurred by foreign countries as a result of assistance programs during and after World War II are made available for development loans. Such repayments are estimated to average about $300 million per year over the 5-year period. Hence the total comes to about $8.8 billion over the total 5-year period.

Title II authorizes $380 million in development grants. Basically the development grants category constitute a renewal and extension of the point 4 concept. It is intended to be the principal tool for helping in the least developed sectors of the developing countries, to overcome the deficiencies in human resources and institutions which are a critical bottleneck in their growth.

Title III continues and broadens the President's authority to make guarantees of certain investments up to a face amount of $1 billion. This is a form of insurance protection to new American private investments abroad against specified risks of currency unconvertibility, expropriation, and loss by reason of war. The purpose of the title is, of course, to expand the role of private enterprise in furthering the economic growth of less-developed countries.

Title IV authorizes $5 million for an investments survey program. It will finance up to 50 percent of the cost of investment surveys and studies in less developed areas. Each such survey must be approved by the President. There is a very important change in this section over past policy and practice. Previously, surveys have been contracted only to organizations that could not benefit directly because they were excluded from consideration for whatever contracts might result from their exploratory efforts. Furthermore, with few exceptions, public bidding procedures have determined the awarding of survey contracts. This has prevented the Government from responding to the initiative of private concerns interested in making a feasibility survey in a less-developed area, provided some Government support were available to minimize the uncertainties of the venture. The new bill reverses this policy. It is an important and highly desirable change.

Title V represents a new program designed to contribute the results of systematic investigation to the improvement and the direction of economic aid programs. The President is authorized to use funds available for part I for the purposes of the title. The program author-

ized by this part of the bill is largely the product of recommendations advanced by the President's Scientific Advisory Committee. It is contemplated to be conducted on an experimental basis and involving an expenditure of not more than $20 million and possibly less. It represents an effort to minimize the difficulties inherent in economic and social development. In the southern continents, for example, where the major portion of aid funds is programed, conditions are vastly different from those in our own country. Climate, soils, diseases, traditions, and social patterns all pose problems that can frustrate development programs.

Chapter 3 of the bill authorizes appropriations of $153.5 million for the support of international organizations and programs. These funds will remain available until expended, an important innovation. Included, of course, are organizations such as United Nations expanded program of technical assistance and the United Nations Special Fund, $40 million; United Nations International Children's Fund, $12 million; United Nations Relief and Works Agency for Palestine Refugees in the Near East, $13,350,000; United Nations programs in the Congo, $62 million; United Nations Emergency Force, to keep the peace in the Middle East, $1,800,000; World Health Organization, $3,400,000; International Atomic Energy Agency, $750,000; Indus Waters Development Fund, $16,900,000; programs of the North Atlantic Treaty Organization, $1,800,000; technical cooperation program of the Organization of American States, $1,500,000. The largest sum authorized by this chapter is $62 million in support of the United Nations operations in the Congo. Of this amount, $35 million is for economic assistance and $27 million is to help support United Nations military operations. The presence of the United Nations in the Congo has probably prevented a conflict that could have broadened into a dangerous international struggle. Moreover, there remains in the Congo a strong potential for chaos and conflict. The single stabilizing element is the United Nations presence. It provides the order which is essential to the efforts being made by the Congolese leaders to settle their differences and develop a viable political system.

Chapter 4 authorizes $481 million for fiscal year 1962 for supporting assistance. Supporting assistance joins together in a single category those programs which, in the existing legislation, have been labeled "Defense Support" and some of the principle programs that are presently known as special assistance. In effect, the supporting assistance program will supersede these two categories and perform most of their principal functions. The committee cut the administration request $100 million in this regard; moreover 15 countries have been eliminated from the ranks of those receiving such aid in the past. Supporting assistance programs are now planned for 22 countries and the program contemplated is less than the defense support or special assistance obligated for the fiscal year 1961. About three-quarters of the funds available for the program will be concentrated in seven countries. Most of these are on the rim of the Sino-Soviet Empire. They include Greece, Turkey, Pakistan, Korea, and Vietnam. These countries all carry the burden of a larger military establishment than they can support.

Chapter 5 is the contingency fund. It authorizes an appropriation fund not to exceed $300 million for a contingency fund to be used by the President for economic purposes. This is a reduction of $200 million below the amount requested.

So much for the bill in general. Now, Mr. Chairman, I want to talk about the economic aspects of the bill and specifically the provision for long-term development loans financed by Treasury borrowings. I mentioned earlier that in the 86th Congress I was one of those who attempted on the floor of the House to restore Development Loan Fund requested amounts. The prior administration recognized the need for a gradual shifting of this whole foreign-aid program from one of grants in aid to that of long-term loans. Ironically, it was the 86th Congress, more heavily controlled by President Kennedy's party than is this Congress, that cut the heart out of the Development Loan Fund at that time.

Mr. Chairman, it is worth reflecting briefly, before exploring the background of the proposals for long-term lending authority, on the goals that are sought through economic aid. These are, or should be, foreign policy goals. The President's statement in one of his speeches that foreign aid should be supported because it is right, and his and other references to generous support of undeveloped countries are not contributions to clear thinking. Not that philanthropy is bad as such, even for the Government, but with the commitments that the United States now has, it most certainly should not be the basis for a relatively revolutionary long-term commitment.

In contrast, foreign aid is an integral part of our foreign policy and needed, if at all, as such. Foreign aid should be regarded as an instrument of long-range strategy. The immediate goals come down to helping the underdeveloped countries to emerge as stable entities. Unless aided in this process, these countries will fall prey to extremist governments, probably Communist, and the loss of resources of these countries to the Communist community would completely change the world balance of power in favor of the Soviet Union.

One group of foreign affairs writers has called this strategy "the strategy of the third choice," which it described as the use of U.S. resources and margin of influence on transitional societies in such a way as to minimize the likelihood of either of two undesirable outcomes: on the one hand a repressive frustration of desirable modernization, and on the other its pursuit by dictatorial and revolutionary means, particularly Communist.

It is important that we consider our views on the goals to be achieved, as they dictate the type of legislation which is appropriate. For example, the "third choice" strategy clearly envisages a policy of promoting social change in recipient countries. This, in my judgment, is sound policy.

Now let us examine history a little bit. Foreign-aid programs have been a consistent feature of our foreign policy since the end of World War II, but its character has changed and evolved over the years.

In brief, the aid program at that time started with an emphasis on immediate wartime relief and shifted with the Economic Cooperation Act of 1948—the Marshall plan—into a recovery program, on a country-by-country basis, aimed particularly at saving Western Europe from what appeared to be an increasing threat of Communist takeover.

Introduction of the Marshall plan brought the first attempt to have Congress commit itself to appropriations over several fiscal years. In his June 1947 news conference, Secretary of State Marshall indicated that his idea of adequate assistance to Europe might amount to $5 or $6 billion a year for several years, and when finally submitted the administration proposal was for a 4-year authorization with an initial appropriation of $6.8 billion for the first 15 months. The Senate Foreign Relations Committee agreed that the authorization should be for 4 years, so that maximum results could be achieved from pledges and undertakings from participating countries, but recommended cutting the requested 15-month appropriation to 12 months to permit early congressional review of the new Congress and Executive to be elected. Both Houses of Congress objected to appropriations for more than a year and opposed even a moral commitment for 4 years. Therefore, in the end, while the program was authorized for 4 years, no overall figure was mentioned and appropriations were on a yearly basis.

In 1949 the emphasis began to shift to aid for underdeveloped countries, with President Truman's proposal in his inaugural address of the point 4 program, enacted as the Act for International Development of 1950. With the Communist invasion of South Korea, lines between different types of foreign aid became blurred again, but most forms of American aid were related to defense, the Mutual Security Act of 1951 becoming the first of a series of annual acts continuing aid of all sorts, military, economic, and technical, coordinated under the Director for Mutual Security.

In 1957 President Eisenhower proposed a separation of military assistance from economic assistance. He proposed further that the latter be financed primarily through loans on a continuing basis. He requested that the Development Loan Fund be set up as a separate department within the International Cooperation Administration, to be capitalized with $500 million appropriated without fiscal year limitation, plus authority to borrow from the Treasury

$750 million in both fiscal 1959 and 1960. This point has significance and should be carefully noted by all who are troubled by the present request for long-term borrowing authority. President Eisenhower said, in his message to the Congress of May 21, 1957:

> Such borrowing authority has been used to finance many other U.S. lending operations. I believe this financing is well suited to the character of the Fund.

On the floor of the Senate, proposed amendments to delete the provisions authorizing the borrowing of $750 million in the 2 years and to eliminate the revolving character of the Fund were defeated.

The House Foreign Affairs Committee, after reversing itself once, reported the bill out with a cut in authorizations but leaving the 2-year Treasury borrowing financing. However, the 2-year Treasury borrowing feature was deleted on the floor by voice vote.

As finally passed, the bill did not contain any long-term feature.

In 1959 the President's Special Committee To Study the Military Assistance Program—the Draper Committee—recommended long-range rather than year-by-year financing of the Development Loan Fund at the rate of $1 billion a year starting in 1961. However, the 1959 bill as proposed by President Eisenhower and as passed by Congress contained no long-term features.

Mr. Chairman, most of us, I think, realize that certain fundamental changes in approach to foreign aid are highly desirable—indeed essential. Some of my thinking in this regard has been influenced, I am frank to say, by certain studies prepared for the Senate Foreign Relations Committee by men of great competence, under contracts let during the Eisenhower administration. These studies recommend certain fundamental changes in approach. My thinking has also been profoundly influenced by a long-range study that has been completed by a group of young experts in New York, which I brought together early in the year and asked to assist me on this subject. I should like here and now to express my gratitude to this group for the contributions they have made.

These recommended changes in approach to foreign aid stem in part from mounting dissatisfaction, which we must agree is widespread, with the following features in particular of current and past programs.

First, the extent to which economic aid has been effected by grants, rather than loans, despite an increasing emphasis on loans beginning with Dulles' program in 1957. Many persons, myself included, feel that grants tend to induce a disrespect for the donor and extravagance in use, and that loans, being on a more businesslike basis, tend to engender more respect and more economy.

Second, the extent of military aid in proportion to economic aid, based on the view that the Communist threat in the long run is more economic than military.

Third, disillusionment by the extent to which aid has seemed to support unpopular regimes or to result in money down the drain, this view being sharpened, of course, by events in Cuba, in Laos, and in Korea, and by misguided projects in Taiwan, in Jordan, in Peru, in Iran, and elsewhere. I am sure most of you saw, for example, an article in U.S. News & World Report July 10, 1961, entitled "What a Billion Bought in Iran-'United States Aid?' It Has Done Nothing for Us," which in part criticizes lavish military expenditures and in part reports a general view in Iran that United States aid was only to support an unpopular monarchistic government. We should also take note of a book called "Foreign Aid: Our Tragic Experiment" by Thomas S. Loeber, Norton, 1961, this being one of the principal theses of the book.

The studies which I referred to a moment ago were published as a Senate Foreign Relations Committee print in a compilation of two volumes, dated September 1960. They covered a number of subjects, four of them relating particularly to foreign aid. For the sake of reference I might name them:

No. 1: "Worldwide and Domestic Economic Problems and Their Impact on Foreign Policy of the United States," by the Corporation for Economic and Industrial Research, Inc.—CEIR—volume I, page ix.

No. 6: "The Operational Aspects of U.S. Foreign Policy," by the Maxwell Graduate School of Citizenship and Public Affairs, Syracuse University—volume I, page 555.

No. 7: "Basic Aims of U.S. Foreign Policy," by the Council on Foreign Relations.

No. 12: "Economic, Social, and Political Changes in the Underdeveloped Countries and its Implications for U.S. Policy," by the Center for International Studies, Massachusetts Institute of Technology.

While administration appointees and advisers are listed among those responsible for the studies, individuals with divergent opinions—at least on other matters—also participated. For example, study No. 1 was largely organized and directed by Dr. Arthur E. Burns. It concludes—with the others—that capital investments in the underdeveloped areas are required for transcending present rates and more particularly in the order of a 100-percent increase over the current total—which includes other countries' contributions—of about $4 to $5 billion annually. It also concludes that part of the total effort, which must have the support of other free world industrialized countries, the United States must entirely revamp its aid program by establishing the Development Loan Fund on a larger and more permanent basis. Again, the Council on Foreign Relations report prepared under the chairmanship of Henry M. Wriston, with such participants as Frank Altschul, Elliot Bell, Arthur H. Dean, and John Sloan Dickey finds a need for a more ambitious, longer term and more pointedly direct program. This report calls for a multilateral approach, but for the moment I am discussing needs and urgency rather than methods.

The need is largely predicated on the fact that disparities between the per capita income of the underdeveloped countries and the industrialized countries of the free world have been widening, not closing, and that further widening is projected. This widening, together with the revolution in expectations which is unquestionably taking place, will, if it continues, surely increase the vulnerability of the underdeveloped countries.

The projections of such widening are based in large part on the population explosion, which is taking place in most underdeveloped areas at far greater rates than in industrialized areas.

These factors have all led to the view that the foreign-aid program is a long-term one, and that it cannot be undertaken with the view that the problems can be quickly solved by short-term support solely to prevent swings to communism on a political and military basis. This is a view with which I am in total agreement.

A second recommended change in approach to foreign aid is a far greater emphasis on development "programs" rather than "projects." This stems from the view that the ICA, the World Bank, the Export-Import Bank, and other agencies have all tended to finance particular projects based on their desirability and economic feasibility determined without relation to real priorities. The same thought is expressed in the MIT study in which there is discussed the danger that "project orientation" would leave out areas of capital supply which may be vitally important to the overall economy of the country in question and to its political growth.

In the bill before us, this approach is reflected partly in the administrative setup, with direction funneled through the ambassadors. It is reflected partly by Secretary of State Rusk's testimony before the House Foreign Affairs Committee on June 7, 1961, in which he referred to the development in each country of a system of priorities and a plan for long-term development as a concept central to the administration of the program.

I must say, I am in strong agreement with this as a general proposition, as I am sure all of us are. We have had too much "project planning" and too little "program" or "country" planning. Project planning has too often been out of context; it has not been closely identified with the long-term needs of the country. Indeed it has too often been out of step with the march of time. Furthermore, I have long had the feeling that our ambassadors abroad were out of touch with the day-to-day work of our ICA program. In part this has been because they have not had direct-line responsibility. This should be corrected. If foreign aid is an instrument of foreign policy, as I believe it is, it must be tied closely to policy.

A third recommended change in approach is the emphasis on economic and social change and reform within the underdeveloped countries as being both a goal of the foreign-aid program and a condition, within limits, of aid. In

the bill, this finds expression in the criteria which the President is directed to take into account in making development loans, one of which is "the extent to which the recipient country is showing a responsiveness to the vital economic, political, and social concerns of its people, and demonstrating a clear willingness to take effective self-help measures."

Mr. Chairman, let me now talk about the all-important subject of congressional control. This bears careful analysis because what does it mean? Can we have both long-range foreign aid planning and congressional control?

The question must be asked whether Congress has real control over project-by-project expenditures in the foreign aid field today? Is it not really after-the-fact control? To argue otherwise is to point the finger of partial blame at the committees of Congress—the House of Representatives and the Senate—for the examples of waste and mismanagement that have taken place in the past.

I noted with interest that during debate on this point in the Senate, the Junior Senator from Vermont, a former member of the House Foreign Affairs Committee, asked these questions:

Did Congress have control over foreign-aid expenditures when the U.S. Government constructed on Formosa a sparsely traveled mountain highway that is practically impassable more than half the year, because of typhoons?

Did Congress have control over foreign-aid expenditures when the U.S. Government constructed in Cambodia a winding jungle highway that cost $30 million, and is already falling apart?

Did Congress have control over foreign-aid expenditures when the U.S. Government constructed in Korea an ultramodern fertilizer plant that cost $40 million that could not be used for many months because of inadequate power supply?

Did Congress have control over foreign-aid expenditures when the U.S. Government built in Iran an $800,000 sawmill that only now is going into operation, after 7 long years of delay?

Did Congress have control over foreign-aid expenditures when the U.S. Government paid $125,000 to build at Pampas de Noco, Peru, an irrigation project which does not irrigate, because there is not enough water available in the area to make use of the irrigation works?

The able Senator concluded as follows:

I respectfully contend that while we hear eloquent words about legislative control of the purse strings, if such control actually existed we would not have the Government building roads to nowhere, and our emergency shipments of food would not fail to reach the mouths of the starving.

Mr. Chairman, in the earlier part of my remarks I pointed out that in the 86th Congress I had been among those who had pressed for a more meaningful Development Loan Fund appropriation. In 1960 Congress authorized an appropriation of $1.8 billion for development loans to be used over a 2-year period. The amount actually appropriated was $550 million for the first year and $600 million for the second year. Therefore, over a 2-year period the difference was $650 million. What kind of long-range planning does this provide—when the Executive gets only about 60 percent of the money it is led to believe it is going to get for development loans?

I would agree that the multiyear authorization and annual appropriations proposal, advocated by some, represents some small improvement over the procedures we have today, but I submit that in the main it is open to the same loopholes which permit wasteful practices and discourage long-term planning.

Mr. Chairman, I think all Members of the House would find it helpful to reexamine the remarks of Secretary John Foster Dulles before the Foreign Relations Committee of the Senate on May 22, 1957. In a moving statement, Secretary Dulles restated the great question, asked by hundreds of millions of people in new nations surrounding the world: whether political freedom and independence mean economic growth—whether these new nations can grow in freedom. He declared that we must agree to this as a viable proposition—if freemen are willing to make it work. He asked "What is the most economic and effectual way to do this?" His answer was through the creation of the development lending program to be funded by borrowing authority. He said in words as valid now as then that "economic development is a long-term process. It is not an annual event." He concluded with the following:

This new approach we contemplate requires that we get away from annual authorizations or appropriations. These inevitably tend toward a system of "illustrative programs" as a basis for justifications. These are not compatible with the assurance of continuity essential to good planning and to the new long-term loaning concept. They are not compatible with cooperation with such organizations as the International Bank for Reconstruction and Development and Export-Import Bank, which operate on a long-term businesslike basis with established capital.

Now, Mr. Chairman, is there room for compromise? I believe there is. When there are valid arguments on each side of a question, as there are in this case, compromise has real meaning.

I would suggest one such compromise. I would suggest that the committee bill be supported insofar as it adopts the principal of long-range lending financed by Treasury borrowings, but that for the last 3 fiscal years the authorization be cut in dollar amount. The administration requests $900 million for fiscal 1962 and $1.6 billion for each of the 4 years after 1962. I would cut the authorization for each of the last 3 years—fiscal 1964, 1965, and 1966—to $800 million. This will require the Executive to return to the Congress and ask for the balance. It may do so at any time. But it will have the burden of proving its case. The new request will require an affirmative act of the Congress. Meanwhile, the most pressing long-term programs—high priority programs—may be undertaken without delay. This would have the added advantage of keeping the reviewing power chiefly in the Foreign Affairs Committee where, in my judgment, it most properly belongs.

This is offered, admittedly, in the spirit of compromise. It is important that this new approach to development financing be given a chance. This will do it—and at the same time may save this aspect of the bill from total failure.

Mr. Chairman, this is not a simple subject, and I must confess a certain amount of difficulty in arriving at conclusions that I think are best for our country and for the free world alliance. On the whole, however, I believe that the committee bill is sound, and that although arguments can be raised against the long-term provision, the suggested alternatives, under present day circumstances, are certainly no better and probably worse.

Mr. Chairman, there is a related problem that I should now like to talk about. That is the question of our balance of payments.

Perhaps for the first time in many years, the United States is in the position where currency problems, confidence in the dollar and its credit position in international payments could endanger the entire economy. The rapidity with which changes in foreign exchange position can affect a domestic economy has been recently demonstrated both in England and Canada. Balance of payments is therefore a serious consideration in contemplating any 5-year foreign aid commitment. In the views of some persons who are well informed in this sphere, it is an overriding consideration.

In substance, their position is that the United States has become the world's banker, that by reason of deficits in overall trade and expenditure balances over the past years, other countries hold over $20 billion of 30-day claims against the United States which could be called at any time for gold. It is argued that there is nowhere near sufficient gold in the Treasury to meet these claims and leave the 25-percent gold reserve, now a part of our monetary policy. In effect, it is contended, we as a country are borrowing on short term and loaning on long term.

Further the dollar currencies held by these other countries are used instead of the gold, which they have not called for, as the base for expansion and support of their own currencies. The dollar, rather than gold, thus constitutes the reserve for currencies throughout the world. If confidence in the dollar should be lost, and if the gold claims should be called there could be a financial crisis throughout the world that would have catastrophic effects.

There are, of course, some in-built deterrents to any such event. Should other countries by their own acts in demanding gold claims precipitate or even worsen confidence in the dollar, they would be creating fiscal crises for themselves, too. The difficulty is that the decisions in these respects are in the hands of others, not ourselves. Political pressures, fears of dollar devaluation, fears of what some other country might do—all these things could cause gold withdrawals from the United States, whether or not it would be wise even from the point of view of the drawers.

The argument on the other side is that foreign aid over the years has not been a substantial factor in contributing to our balance-of-payments deficit, that more than two-thirds at all times, and in recent years some 80 percent of the aid has been returned through purchases in this country. As was stated in a study promulgated by the Brookings Institute:

> The deficit which has been a feature of the U.S. balance of payments during 10 of the last 11 years and which increased so sharply in 1958–60 is not attributable to any significant extent to our foreign-aid expenditures, which have been lower in total during those 3 years than in any similar time since the close of World War II.

Dr. Burns' report put it this way:

> Foreign aid is only one element in the balance of payments, the massive component is merchandise trade.

In sum, most experts feel that the balance-of-payments deficit is not the basic problem, and that the basic problem is to assure business and labor practices such as to maintain this country in a vigorous competitive position and to maintain confidence in the dollar. They argue further that to let balance-of-payment considerations direct the foreign-aid program, which plays an incremental but relatively insignificant part in current balance-of-payment difficulties, would be a misplacing of emphasis.

Mr. Chairman, I should like to conclude by talking about an aspect of foreign aid that to me is the most important of all—that is the international approach, or multilateral approach, if you will. To me, in the long run, this is the best solution to this continuing problem of foreign aid. Organizations such as the International Development Association, an affiliate of the World Bank, are the best answer to the long-range question of foreign aid.

The Council on Foreign Relations, in its study for the Senate Committee on Foreign Relations, recommended the multilateral approach. The Council's reasoning ran as follows:

First. Long-range development is a broad world problem.

Second. Handling aid as a national proposition tends to inject national policies and sentiments and thus to increase political difficulties and jeopardize results.

Third. The granting or lending country thus becomes the natural target of criticism, no matter how large its program.

Fourth. Other Western countries are in a position now to join in the aid effort, and a multinational structure offers a good means of increasing the total effort. Such an effort would blunt the political effects of the bilateral programs of the Communist powers.

Fifth. A program administered through a multinational organization would make it easier to tackle economic problems in recipient countries on their merits without raising fears and such issues as political strings, national sovereignty, and nonintervention.

Sixth. The United States would keep a major voice in any organization, by reason of its position as a major participant.

The Maxwell School study also emphasizes and recommends multilateral management on the grounds that:

First. An international agency, in whose establishment the underdeveloped countries could play a part, cannot be regarded by them as "foreign" as a U.S. Government organ.

Second. Economic development raises such touchy political issues in the recipient countries as to make most sovereign nations, especially those new and insecure in their sovereignty, afraid to let the foreign governments participate in such questions.

Third. The Western European countries, Japan, and Canada must all participate with us in this type of foreign aid, and use of a multilateral agency is the best technique in inducing them to do so.

Fourth. A multilateral approach provides a tangible demonstration of the free world's unity of interest and purpose and minimizes the danger of development programs being twisted into instruments of commercial rivalry.

Fifth. The multilateral approach serves to discredit suspicions, which persist in Europe as well as in underdeveloped countries, that our aim is to substitute an American economic imperialism for European colonialism.

Sixth. A multilateral approach would prevent the managers of our foreign policy from bringing economic aid to bear as a tactical weapon, the Aswan Dam incident being cited as distressing instances of this kind.

At present, the process of "multilateralizing" foreign aid is underway through the Development Assistance Committee of the Organization for Economic Cooperation and Development—OECD. Some consortia have been created, primarily under the aegis of the World Bank, to give coordinated aid to certain countries such as India. This is an important development and, although in its infancy, is an important move in the right direction. The importance of getting the free world industrial nations to join on a par basis with us is highlighted by their own strong economic recoveries. Few people realize that, in terms of gross national product, Western Europe is roughly comparable to the United States and, on the basis of projections, by 1970 will be larger. Thus with Canada and Japan taken into account, the resources available from the free world should be substantially greater than those available from the United States.

Mr. Chairman, I expect to offer several amendments to the committee bill, one of which I have alluded to. It is important that the bill pass, and it is therefore important that meaningful compromises be reached which will both insure its passage and save the best out of each argument. Those of us who have supported foreign aid in the past and who are convinced of its importance in the future must assume a leadership role.

Mr. ZABLOCKI. Mr. Chairman, I yield 10 minutes to the gentleman from Delaware [Mr. McDOWELL].

Mr. McDOWELL. Mr. Chairman, on March 22, 1961, President Kennedy, in submitting his message on foreign aid to the Congress, said:

> This Nation must begin any discussion of foreign aid in 1961 with the recognition of three facts:
>
> 1. Existing foreign aid programs and concepts are largely unsatisfactory and unsuited for our needs and for the needs of the underdeveloped world as it enters the sixties.
>
> 2. The economic collapse of those free but less-developed nations which now stand poised between sustained growth and economic chaos would be disastrous to our national security, harmful to our comparative prosperity, and offensive to our conscience.
>
> 3. There exists, in the 1960's, a historic opportunity for a major economic assistance effort by the free industrialized nations to move more than half the people of the less-developed nations into self-sustained economic growth, while the rest move substantially closer to the day when they, too, will no longer have to depend on outside assistance.

Discussion of the 5-year authorization for Treasury borrowing for development loans in the Act for International Development has generated a good deal of heat. It is by no means clear that it has generated an equal amount of light.

It is said that the issue here is congressional control of the aid program. I certainly favor congressional control, but I think we need to ask to what end we exercise this control. Just to have control is meaningless. The purpose for which control is exercised and the fashion by which control helps achieve this purpose is what is important.

The purpose, as I see it, is that the aid programs be as effective a part of our foreign policy as possible and that they be conducted as efficiently as possible in terms of the money involved. I doubt that there is serious disagreement on this level. The real question is: How best to bring congressional control to bear so that this purpose may be furthered?

We must first recognize that economic development is a long-term affair. There is nothing we can do to alter its essential long-term nature. Development will not become short term, beginning and ending with our fiscal years, because the U.S. Congress refuses to budge an inch beyond the fiscal year. If we wish to act effectively in promoting development in fashions favorable to our country, we are going to have to act on a longer term basis than our fiscal year. This would be a much tidier existence if the real world would conform to our whims, but the fact of the matter is that we adjust to the real world.

In our efforts to assist underdeveloped countries, it is well to recognize that we are involved in a matter more complex, more difficult, and requiring more patience and time than the Marshall plan for Europe. In the Marshall plan we sought to help restore Europe, which had been devastated by the war and whose economic restoration was essential if democratic government was to have any chance to reemerge and emerge anew there. The basis for highly developed and prosperous economies existed, particularly in the vital form of human beings—in human skills, knowledge, and attitudes. Our task in the Marshall plan

was but to provide a temporary "booster shot" to help get things going again quickly, lest economic misery turn the people to radical and violent political solutions. It required more than 1 fiscal year but it was in essence a short-run and temporary program—and completely successful.

In the underdeveloped countries, development is not restoration but creation. This is an affair requiring much more time. It is not just that a dam complex producing irrigation water and power takes 2, 3, or more years to complete. The dam complex, all by itself, is both somewhat useless and distinctly wasteful in an underdeveloped country. New industries must be founded to use the power, or what will be the use of generating it? New industries in turn will be a waste and simply stand empty unless human skills and knowledge are imparted to run them and run them well. Then there must be markets within or without the country for the new products. Similarly with agriculture. Irrigation water is useful only if someone gains the skills to turn it to the efficient production of crops and once the crops are produced there must be a way—generally roads—to get them to market.

If a country is to develop it must move on a wide front. When it decides to build a dam, it must think about roads, education, industries, markets, and numerous other things; things not to be done immediately but which must be done in time if the construction of the dam is to prove a sound and constructive investment. It is embarking upon a long-term process. If we are to assist in this process we must prepare ourselves for its long-term nature.

This, precisely, is the import of the proposal for the 5-year authorization. It is to give the executive branch the authority to make some commitment that the United States means to be of assistance in this long-term process beyond the narrow confines of our fiscal year. It is to give our Government the ability to examine the proposals made to it and to say: "We find this an intelligent, rational plan for success in your long-term process of development. We mean to assist—we mean to assist not just until June 30, the end of our fiscal year, but within the longer term nature of your problem of development. We will help with your dam and we know that roads, education, and other things are essential if the dam is to be worth while. We mean to help you see that this dam is a good investment in development."

Mr. Chairman, in the past our Government has been in quite a different position. It has had to say in response to proposals—we will help you with so much money until June 30, the end of our fiscal year. After that all is uncertain. If the Congress appropriates new funds, we will talk about your project again but we are in no position to make commitments. Go ahead and start on your dam—who knows, you may find the help to finish it and make it a productive investment. This is no way to proceed—no way for us to attempt to help on the long-term process of development; no way for an underdeveloped country to proceed upon its problems.

All too often in the past, also, our foreign-aid officials and the officials of recipient countries have been forced into too hasty decisions by the yearly appropriations for foreign aid. Funds have been available up to June 30 only. As the end of the fiscal year neared, many decisions were forced before all the data was in for sound judgment. I know of no study on this matter nor of any way of fully identifying it, but I wonder how often machinery has been ordered for plants because funds were available only up to the end of the fiscal year—well before it was fully clear precisely what machinery was needed. Those of my colleagues who have observed our aid programs abroad know that machinery for a saw mill sitting in crates or rusting in the open unused is not an extraordinary exception. Some of this waste—not all by any means, but some—has been directly due to bad decisions made under the pressure of a fiscal year deadline on funds. People have had to choose between acting now while funds were available or waiting until after the end of the fiscal year in order to work out the details properly and make a sound judgment, only to find that the judgment was sound but the availability of funds had ended and it was an empty judgment.

From the standpoint of our common purpose in the most efficient use of foreign-aid funds this situation is deplorable and one to be ended. We cannot insure that foreign-aid officials will make sound judgments, but we can insure that the Congress removes impediments to sound judgment—removes the incentive to rash action provided by the cessation of funds with the fiscal year. The 5-year authorization sets out to do this.

The 5-year authorization applies only to development loans—less than half of the total funds involved in our foreign aid. It does not end the control of the Congress over development loans in these future years. It simply authorizes the executive branch to proceed for 5 years or until such time as the Congress sees fit to end or otherwise alter the authorization. I doubt that it will seem desirable, but if in the future the Congress sees fit to end or alter the authorization it can do so by the usual means—the means by which it is to be established—enactment.

Furthermore, the bill provides, in section 204, for quarterly reports to the appropriate committees of the Congress, and in section 203(c) for the submission of an annual budget. The Government Corporation Control Act, which will apply to these development loan operations requires that this budget be transmitted to the Congress as part of the annual budget of the U.S. Government. The Congress is not going to be without information on the use of foreign aid funds and there is no reason whatsoever why the investigatory powers of the Congress should be in any way dimmed.

Finally, the Congress will act to authorize the use of the borrowing authority contained in this bill on a year-to-year basis. This authorization would appear in an appropriations bill and the review of the foreign aid programs for this purpose would take place first in the Appropriations Committees of the respective Houses. Limitations on the authorizations contained in this bill could be written into future appropriations bills by the appropriate committees or by amendment from the floor.

Mr. Chairman, in short, there is virtually nothing which the Congress has been able to do in the way of control of foreign aid in the past which it will not be able to do in the future under this bill—always given the necessary majorities for action. It will be able to investigate and be regularly informed on the conduct of foreign aid. It will be able to limit and reduce funds, limit them for certain purposes and expand them for others, enlarge the whole program or end it entirely. There is little difference in the substance of control. The form of control will indeed be somewhat different. In the past situation with foreign aid, the Congress might have ended the program by simple inaction—by failure to appropriate. In the future, the Congress will have to act to bring about desired alterations in the development loan program. This in my judgment is not a substantive change. If the need for alterations arises and is recognized by the Congress, it is most able to act.

Funds for the development loan operations are to be secured by selling bonds to the Treasury. This is not a new procedure. It is in use in a great variety of existing agencies and instruments of the U.S. Government. The charges that this is some sort of back-door financing, or a radical departure from sound fiscal procedure, or even somehow immoral place me in a half-humorous quandary—for this device was first enacted almost 30 years ago and for one of the pet projects of a man for whom I have considerable respect. I have heard him charged with a number of things, but never have I heard his name associated with these ringing charges of fiscal irresponsibility.

Mr. Chairman, this man is ex-President Herbert Hoover, who pressed this financing arrangement upon the Congress as a means of providing funds on a long-term basis to the RFC. The RFC was a project in which ex-President Hoover was deeply interested and this "radical" financing arrangement provided it with funds to lend to the larger banks, insurance companies, savings and loan associations, and other elements in the American financial community, stranded, for reasons upon which I shall not touch, in the onrushing depression of the late 1920's and early 1930's. I do not remember that ex-President Hoover was condemned by sound dollar advocates at the time for this arrangement to help the struggling banks. If I must choose between believing the present charges about the radical, immoral, and sometimes even unconstitutional nature of this financing arrangement and what I know of Herbert Hoover's fiscal probity, I must choose in favor of Hoover.

In a less humorous vein, the plain facts are that this method of financing is neither unusual nor radical. Estimates of borrowing for this program will appear in the annual budget, and as far

as the budget is concerned there is no difference between whether we finance this program through the proposed authorization or through the annual appropriations of the past. The difference lies not in the budget but in whether we are to give the program the flexibility needed to make it effective and efficient. Borrowing from the Treasury does not mean that the Treasury then turns around and borrows from the public, increasing the national debt. The Treasury will no more be forced to do this than if the same amount of money were appropriated on an annual basis. Here all depends upon the overall position of the Treasury—its cash position compared to the expenditures required of it. This proposed financing arrangement will make no difference in the Treasury's need to increase the public debt—it will only make a difference in the flexibility, effectiveness, and efficiency of the aid programs. It is a sound financing arrangement; one which does not affect the budget nor impel the Treasury into borrowing from the public that it could otherwise avoid.

In sum, the 5-year authorization proposed in this bill does not lessen congressional control of foreign aid—it alters it somewhat but does not lessen it. The Treasury financing arrangement is far from unsound, novel, or radical. It is indeed the practical and sound way to move upon longer term financing of development loans. And these two cannot be separated. For to part the Treasury financing from the 5-year authorization is to reduce the authorization to but a vague indication of intent—an intent so weak that an obvious, practical and tested financing arrangement is not used. There is little point in considering so weak an expression of intent. Our foreign aid program needs to get moving upon effectiveness and efficiency.

Our foreign aid programs have been beset by major difficulties in the past. Few would be so rash as to suggest Laos or Iran, now virtually bankrupt in the midst of major oil revenues, as prime examples of success. These difficulties have not been the result of the absence of congressional control over the programs or the lack of annual appropriation power. This control and this power has existed along with the difficulties.

Mr. Chairman, what the Congress can do about this situation, while maintaining all of its control and power, is to provide the executive branch with the flexibility requested for development loans in this bill. We then shall be in a good position to say: We have removed a source of ineffectiveness and inefficiency in the broad position of your program. Now make very sure that this increased flexibility is used to make our foreign aid more effective and more efficient. We have done our part to provide what you want—now we intend to keep close watch to see that you do your part to make our foreign aid programs a more effective aspect of our foreign policy in this troubled world.

Mr. Chairman, I include as part of my remarks, the following taken from the report of the Committee on Foreign Affairs on H.R. 8400:

PART I

CHAPTER 1—SHORT TITLE AND POLICY

Section 101. Short title: The short title of part I of the bill is the "Act for International Development of 1961."

Section 102. Statement of policy: The statement of policy relating to economic assistance includes an endorsement by the Congress of the new emphasis on long-range development plans (subsection (g)) as the basis for U.S. economic assistance and the adjustment of such assistance to the efforts of the recipient countries to mobilize their own resources, as well as a reaffirmation of policy statements expressed by the Congress in previous legislation which are of particular current significance.

These reaffirmations include:

Subsection (a): The sense of the Congress that peace depends on wider recognition of the dignity and interdependence of men and that survival of free institutions in the United States can best be assured in a worldwide atmosphere of freedom;

Subsection (b): Approval of the efforts of peoples of other lands to improve their ways of living and realize their aspirations;

Subsection (c): The policy of the United States to make available assistance to free peoples as long as the threat of international communism continues;

Subsection (d): The sense of the Congress that countries which have benefited from U.S. assistance in their own recovery should share to a greater extent in the burden of assisting countries still in need;

Subsection (e): A statement that interference with freedom of navigation on international waterways, blockades and boycotts by nations, and attempts by foreign countries to create distinctions because of race or religion among American citizens are repugnant to our principles, and calls for the application of these principles in the administration of all parts of this act and the Agricultural Trade Development and Assistance Act of 1954, as amended;

Subsection (f): An expression of U.S. policy to strengthen countries receiving our assistance by encouraging the development of competitive free enterprise, the elimination of barriers to the flow of private investment capital, and the creation of a climate favorable to private investment;

Subsection (h): The belief of the Congress in the importance of regional organizations and its urging that the North Atlantic Treaty Organization, the Organization of American States, the Southeast Asia Treaty Organization, the Central Treaty Organization and others be strengthened and broadened.

Subsection (i): A reaffirmation of the commitments of the United States to the people and Government of the Republic of China and our continued support of the Republic of China in the United Nations; for the 17th time it reiterates the opposition of the United States to the seating of the Chinese Communist regime in the United Nations, together with an expression of support for continued refusal of U.S. recognition of the Red Chinese regime.

Palestinian Arab refugees

The committee regrets that only limited progress has been made to solve the problem of the Palestine Arab refugees. Some progress has been made within recent years because refugees who have acquired skills have found employment and have been absorbed in the local economy. The United Nations Relief and Works Agency now plans to expand the vocational training program in order to stimulate employment of the refugees, and part of the funds included in this year's authorization for the U.S. contribution to UNRWA are to be used for this vocational training program. Nevertheless, progress toward a final solution remains regrettably slow. The only favorable developments during the past year were (1) real progress in the rectification of UNRWA relief rolls and (2) an expanded program of vocational training. While the committee continues to support the program, it is of the opinion that more vigorous action is needed to bring the refugee problem to an acceptable and early solution. The committee believes that the vast majority of the refugees will eventually have to be resettled in lands where there is room and opportunity for them.

The committee has been informed that aid to Israel will, in the future, stress loans and food for peace. Under difficult circumstances Israel has achieved impressive economic development, so that for the first time in 10 years, grant assistance has not been programed for Israel. The committee is of the opinion that Israel should continue to receive development loans and other forms of economic aid at levels high enough to insure continued development. Should circumstances arise which find Israel again in need of grant aid, the committee believes that the administration should deal sympathetically with any such request.

It should be stressed that Israel has struggled for stability at great odds in a disturbed area. Lack of peace and economic relations with her neighbors has led Israel to make large expenditures for security and survival. Israel has never received grant military aid or defense support under the mutual security program. Under these circumstances, the committee continues to be concerned about Israel's economic progress.

Types of economic assistance

The Act for International Development provides for a simplification of U.S. programs of economic assistance, both in administration and in the nature of the assistance to be provided.

A single new Agency for International Development is to administer the program, replacing the Development Loan Fund and the International Cooperation Administration. It will have complete responsibility for economic loans, grants, and technical assistance.

Funds are authorized for three types of U.S. economic aid to foreign countries (not including assistance to international organizations and the contingency fund):

1. Development loans: Loans to underdeveloped countries for economic development purposes to be repaid in dollars.

2. Development grants: Grants to underdeveloped countries to finance economic development where conditions are favorable to such development but where prospects of future dollar repayment do not justify development loans.

3. Supporting assistance: Economic aid, normally on a grant basis, to nations to which it is in the U.S. interest to give economic assistance because of their military effort or because of political or other considerations, including availability of bases.

In part I and other appropriate provisions, the committee has used the words "friendly" and "free" to characterize recipients of assistance under the new act. The committee has thereby served notice, as it has specifically in section 618, that the main purpose of our aid program is to help those countries and areas which are free from domination or control by international communism. Similarly, the phrase "eligible for assistance" is intended to carry the same meaning.

CHAPTER 2—DEVELOPMENT ASSISTANCE

Title I—Development loans

The bill authorizes the President, in order to finance development loans, to borrow from the Treasury $900 million in fiscal year 1962, together with additional amounts of $1,600

million during each of the fiscal years 1963, 1964, 1965, and 1966: an aggregate of $7,300 million over the 5-year period. In addition, repayments of principal and interest on certain obligations incurred by foreign countries as a result of assistance programs during and after World War II are made available for development loans. Such repayments are estimated to average about $300 million per year over the 5-year period.

Section 201. General authority:

Subsection (a) provides authority similar in important respects to that of the Development Loan Fund. It authorizes the President to make loans to promote the economic development of the less-developed countries and areas, and sets forth seven specific considerations to be taken into account in the making of such loans, including in substance the four considerations in existing law applicable to Development Loan Fund loans.

The four considerations carried over from existing law are as follows:

Whether financing could be obtained in whole or in part from other free-world sources on reasonable terms;

The economic and technical soundness of the activity to be financed;

Whether the activity gives reasonable promise of contributing to the development of economic resources or free economic institutions or to the increase of productive capacities in furtherance of the purposes of this title; and

The possible effects upon the U.S. economy, with special reference to areas of substantial labor surplus, of the loan involved.

In addition, the following considerations are included:

The consistency of the activity with, and its relationship to, other development activities being undertaken or planned, and its contribution to realizable long-range objectives;

The extent to which the recipient country is showing a responsiveness to the vital economic, political, and social concerns of its people, and demonstrating a clear willingness to take effective self-help measures; and

The desirability of safeguarding the international balance-of-payments position of the United States.

A requirement has been added that if the President finds that a loan proposed to be made under this part would have a substantially adverse effect upon the U.S. economy or any substantial segment thereof, the loan shall not be made.

The Development Loan Fund under existing law is authorized to make loans "only on the basis of firm commitments by the borrowers to make repayments" in addition to a finding as to reasonable prospects of repayment. The requirement of a firm commitment by the borrower has been dropped. This does not involve any less emphasis on repayment. The committee believes that a finding by the administrators of the Act for International Development that there are reasonable prospects for repayment provides protection which is fully adequate.

There are, however, certain significant differences between the new authority for development loans and that of the Development Loan Fund. Under the bill, development loans can be made only for repayment of principal and interest in dollars, in contrast to the authorization for the Development Loan Fund to make loans for repayment in foreign currencies as well as dollars. Non-interest-bearing loans are authorized.

Although not required in the legislation, the Executive has announced that loan terms would be geared to an estimate of a country's future capacity to repay in foreign exchange. While such an estimate can never be precise, it would take into account each country's prospective debt service situation and foreign earnings trends. On the basis of such analyses, it is anticipated that repayments would generally be phased over a long period, up to 50 years in some cases, with no repayment during the early period of the loan. Deferment of principal payments might be as long as 10 years so as to obtain the benefit of increased production and increased balance of payments before amortization begins. Loans may call for no interest at all or nominal interest rates so as not to overburden the balance of payments. The bill authorizes loans to private investors and to autonomous public agencies which operate on a self-liquidating basis as well as to foreign governments. It would not be fair nor would it further the basic objectives of the development loan program if dollars were to be made available to private or public activities of this type on the highly favorable terms contemplated for loans to governments. If private borrowers could obtain funds from the Agency for International Development at such favorable terms, financing which ordinarily would be available from private commercial and banking sources would be replaced by the Agency for International Development. The executive has indicated its awareness of the problem and its intention to take appropriate action to prevent unfavorable developments of this kind. Such measures may include loans which nongovernmental borrowers repay in local currencies on conventional terms to an account which the project country has agreed to convert into dollars over a longer period of time.

Under the proposed legislation, the Agency for International Development will be able to make loans or extend credits to a variety of borrowers including foreign governments, foreign public enterprises, foreign individuals or private firms, U.S. individuals and corporations intending to undertake productive investments abroad and international organizations.

The executive has stated that it will change its policy in the administration of development loans from that followed by the Development Loan Fund in other respects:

One significant departure in the purpose for which loan funds would be used is that there will be no insistence that financing be confined to individual projects. It is proposed that the use of loan funds will be for whatever purposes and activities as in particular instances will make the most significant contribution to economic growth. Where it appears that a national development program is worthy of support, credits may be used for a number of purposes including the financing of general imports needed to maintain or expand economic activity, the financing of commodity imports intended for fabrication into capital items and the financing of capital projects. Where it does not seem appropriate to provide such general support, loans will be made for selected projects or for selected programs such as those for the expansion of railway, irrigation, road, or power distribution systems. The countries which are most advanced in terms of their ability to undertake effective measures of self-help will be those for whom it will be possible to extend this broad kind of support. In those less advanced countries where the human resources base exists for the handling of limited amounts of capital, it is anticipated that financing will be on an individual project or program basis. Thus, the form of assistance will range from broad lines of credit to individual project loans.

Subsection (b) provides that the authority of section 609, relating to the transfer of funds between accounts, may not be used to transfer funds made available for development loans for use in financing other foreign assistance programs. Transfers of funds appropriated for other purposes under the authority of this act to increase the development loan account may be made, however, subject to the limitation of section 609, since such transfers would involve the utilization of funds originally appropriated to provide assistance primarily on a grant basis to a program requiring that such funds be utilized only for loans repayable in dollars. In the judgment of the Committee on Foreign Affairs, the executive should be encouraged to make transfers of this nature.

Subsection (b) also forbids the utilization of the authority of subsection 612(a) to waive the particular requirements of the development loan title with respect to development loans.

Section 202. Capitalization:

Subsection (a) authorizes the President, in order to carry out the purposes of this title, to issue, during the fiscal years 1962 through 1966, notes for purchase by the Secretary of the Treasury. The maximum amount of such notes shall be $900 million in fiscal year 1962 and $1.6 billion in each of the fiscal years 1963 through 1966. Any portion of the maximum which is not issued in the fiscal year for which it is authorized may be issued in any subsequent fiscal year of the note-issuing period in addition to the maximum otherwise authorized for such fiscal year. The term "unissued portion" in the second sentence of the subsection includes any obligation incurred by the President under title I which is canceled. In other words, such canceled obligations are not to be counted against the maximums stated in this subsection.

After long and careful consideration of the objectives of the development loan program and of possible alternatives for its financing, the Committee on Foreign Affairs is convinced that the long-term borrowing provisions requested by the President and included in the bill are essential if the development loan program is to attain its purpose.

The success of the less-developed countries in maintaining political stability, increasing their production, and raising the living standards of their people depends more than anything else on what they do for themselves. It is particularly difficult for the governments of such countries to make the decisions and carry out the long-range courses of action which are essential to economic development and social progress. Such governments are unusually vulnerable to pressures to give priority to the present rather than the future and to take action which is immediately popular regardless of its future consequences.

The best way yet devised for the United States to help the less developed countries help themselves by formulating realistic programs for their development and taking, on schedule, the necessary implementing action is for the United States to enter into long-range commitments to help finance such long-range development efforts, provided that the beneficiary country makes progress and continues to do what is necessary at the proper time.

The problem is less that of being able to meet in future years a commitment to complete a hydroelectric project that will take several years to build than it is of being able to contribute over a period of up to 5 years to an overall economic development program without tying U.S. financing to specific projects.

The Committee on Foreign Affairs has found, as have other committees of the Congress, that long-term borrowing authority is the most effective procedure under our constitutional system of Government to make possible long-range commitments of this nature.

The following list of agencies and programs authorized to be financed by borrowing from the Treasury as public debt transactions indicates that this method of financing has

been frequently used. In all these instances there is every reason to believe that the committees of the Congress which reported such authorizations considered all possible alternatives and concluded that there was no other way to accomplish the objective they regarded as essential. The Committee on Foreign Affairs, after detailed hearings on the nature of the problem confronting the United States in conducting its foreign relations, is convinced that the ability to make long-range development loan commitments is essential. A witness representing a national organization, in his testimony before the Committee on Foreign Affairs, made this statement in reference to the borrowing authority:

"It proposes exactly the same kind of contract the Congress has repeatedly made with the several States, as recently as passage of the highway bill which the President signed last week. No State could afford to enter into long-term undertakings such as national highways if it expected annually that the ax might fall and the project disappear."

Agencies and special programs authorized to be financed by borrowings from the Treasury as public debt transactions [6]

Commodity Credit Corporation.
Export-Import Bank of Washington.
Federal Deposit Insurance Corporation.[1]
Federal home loan banks.
Federal National Mortgage Association: Management and liquidating functions, secondary market operations, special assistance functions.
Federal Savings and Loan Insurance Corporation.[1]
Housing and Home Finance Agency: College housing, flood insurance, public facility loans, urban renewal program.
Interior Department, Helium Act, as amended.[2]
Investment guarantee program.[1]
Panama Canal Company.[1]
Public Housing Administration.
Reconstruction Finance Corporation.
Rural Electrification Administration.[3]
St. Lawrence Seaway Development Corporation.
Secretary of Agriculture: Farmers Home Administration.[4]
Secretary of Commerce: Maritime Administration, Federal ship mortgage insurance program, Area Redevelopment Administration.
Secretary of the Treasury: Federal civil defense.
Tennessee Valley Authority.[5]
U.S. Information Agency: Informational media guarantee.
Veterans' Administration, direct loan program.
Virgin Islands Corporation.[3 5]
Defense Production Act of 1950, as amended: Export-Import Bank of Washington, General Services Administration, Secretary of Agriculture, Secretary of the Interior, Secretary of the Treasury.
Small Business Administration.
District of Columbia.
International Bank for Reconstruction and Development.
International Monetary Fund.
International Finance Corporation.
Credit to the United Kingdom.

---

[1] No advances from the Treasury have been made.

[2] Authorized to borrow such amounts as may be authorized in appropriation acts. As of this date there has been no appropriation enactment.

[3] Authorized in annual appropriation acts.

[4] Authorized in appropriation acts, except for farm housing loans.

[5] No advances from the Treasury have been made under the fiscal year 1959 authority.

[6] Current as of May 31, 1961, except for Reconstruction Finance Corporation.

Effect on public debt and budget: The effect of the borrowing authority contained in this bill on the public debt and on the Federal budget is not always understood.

First, the language in the legislation authorizes the President to issue notes which are purchased by the Secretary of the Treasury. Thus, the borrowing by the Agency for International Development will not be from the public but from the Treasury. Borrowing from the Treasury under the Act for International Development will not mean that the Treasury will be forced into any additional borrowing from the public. The extent to which the Treasury will need to increase the public debt will depend at any given time on its overall cash position compared to overall expenditure requirements. Thus the Treasury's need to increase the public debt will be exactly the same whether this program is financed by borrowing from the Treasury or by annual appropriations.

The debt ceiling will apply to borrowing under this authority. Whenever the Administrator of AID goes to the Treasury for money for development loans, the Treasury will meet the demand from available balances if they are adequate. Otherwise, the Treasury will borrow to the extent necessary. Such borrowing is in no way distinguishable from other borrowing by the Treasury and would be governed by the debt ceiling.

Second, borrowing authority will not remove the lending program, as sometimes alleged, from the annual budget as formulated by the President and presented to the Congress. Estimated obligations and expenditures in each year will figure in the budget. As far as the submission of annual budgets is concerned, there is no difference between programs financed by appropriations and those financed by borrowing authority.

Congressional control: Financing development loans by means of borrowing authority does not prevent Congress from exercising control over this program, although the nature of the exercise of such control will be different from other parts of the program.

The committee has been assured by the Executive, and definitely understands, that no irrevocable commitments for future years will be made under this authority to any country, and Congress can always amend the authorizing legislation. Indeed, all commitments of future year funds will be specifically contingent on their continued availability from Congress.

The provisions of the Government Corporation Control Act would be applicable to the development loan operation under title I of the act by virtue of the terms of section 203(c) of the proposed Act for International Development. Section 102 of the Government Corporation Control Act requires the annual submission to the Bureau of the Budget, by each agency which is subject to its provisions, of a business-type budget containing estimates of the financial condition and the operations of the agency for the current and ensuing fiscal years, and a statement of the actual condition and results of the operations of the agency for the last completed fiscal year. Section 103 requires the transmission of each such budget to the Congress as part of the annual budget of the U.S. Government. Section 104 provides:

"The budget programs transmitted by the President to the Congress shall be considered and legislation shall be enacted making necessary appropriations, as may be authorized by law, making available for expenditure for operating and administrative expenses such corporate funds or other financial resources or limiting the use thereof as the Congress may determine and providing for repayment of capital funds and the payment of dividends. The provisions of this section shall not be construed as preventing Government corporations from carrying out and financing their activities as authorized by existing law, nor as affecting the provisions of section 831(y) of title 16. The provisions of this section shall not be construed as affecting the existing authority of any Government corporation to make contracts or other commitments without reference to fiscal year limitations."

As applied to the proposed development lending program, it is understood by the executive branch that the following procedure would prevail:

1. The President would annually submit a budget showing both obligations and expenditures for the contemplated program, in accordance with law.

2. The Congress would have the responsibility of reviewing the program and acting to authorize the use of the borrowing authority year by year. In accordance with past practice, from which there has been no deviation, this review would take place in the first instance in the Appropriations Committees of the respective Houses in the same manner as all other budget proposals. The authorization for the use of funds would appear in an appropriation bill.

3. Congress could limit the use of funds in accordance with its judgment. Limitations could be proposed by the Appropriations Committees or by amendment to the bill on the floor of either House in the same manner as Congress acts with respect to all other items in an appropriation bill.

4. The executive branch would be limited, both as to obligations and expenditures, by the amounts made available in the AID Act or in the appropriation act, whichever is the more limiting.

5. The President has already transmitted to the Congress his amendments to the 1962 budget for foreign assistance, including proposed language for development loans. Until Congress enacts the necessary language approving the budget program, neither obligations nor expenditures can be incurred. If in some subsequent year Congress failed to enact the necessary language approving the budget program and making the funds available for that fiscal year, the development lending program could not enter into further obligations or make expenditures other than those necessary to liquidate obligations entered into under previously authorized programs.

As indicated in the foregoing numbered paragraphs, the contemplated procedure admits of the possibility that limitations on the development lending program might be imposed by the annual section 104 legislation. This is in accordance with an explicit provision of section 104 to the effect that the use of funds may be limited where Congress determines. However, the executive branch understands that it was the intent of the Congress, in enacting section 104, that limitations on budget programs would be imposed only where compelling reasons existed for imposing them. There is strong support in the legislative history for this position.

Subsection (b) provides that certain U.S. dollars, not to exceed $300 million in any fiscal year, derived directly or indirectly after the effective date of the Act for International Development from payments of certain obligations created during and after World War II and due the U.S. Government shall be available to the President for the purposes of title I. These obligations were authorized by the following laws.

(1) An act to promote the defense of the United States, as amended (22 U.S.C. 411 et seq.): Sections 411, 412, and 413–419 of this act of March 11, 1941, popularly known as the Lend-Lease Act, gave the President authority to procure, sell, transfer, exchange, lease, lend, or otherwise dispose of defense articles to foreign governments deemed vital to the defense of the

United States upon terms and conditions which the President deems satisfactory, including repayment in kind or property or any other direct or indirect benefit.

(2) Surplus Property Act of 1944 (58 Stat. 765), as amended: Provided for the disposition of surplus property located in or outside the United States to persons or governments, United States or foreign, for cash, credit, foreign currencies, discharge of claims or other benefits. (The law has been substantially repealed; still in effect is section 32(b)(2) providing for the use of foreign currencies for educational purposes.)

(3) Public Law 79–509 (22 U.S.C. 2861, 286m): Commonly known as the British loan, authorized the Secretary of the Treasury to carry out the agreement of December 6, 1945, between the United States and the United Kingdom whereby the United States extended a line of credit of $3,750 million to be drawn down between the date of the agreement and December 31, 1951, to facilitate purchases by the United Kingdom of goods and services in the United States, to help it meet its transitional postwar deficits in the current balance of payments, maintain adequate reserves of gold and dollars, and to assist it to assume obligations of multilateral trade.

(4) Economic Cooperation Act of 1948 (62 Stat. 137), as amended: Title I of the Foreign Assistance Act of 1948, authorizing assistance to European countries of a financial and material nature, "through grants or upon payment in cash, or on credit terms, or on such other terms of payment" as may be appropriate, including the transfer of materials to the United States.

(5) German and Japanese Governments and relief in occupied areas program: A program for which there was no specific statute and which was considered within the powers of the President as Commander in Chief. Under this program post-World War II relief was furnished Germany and Japan with the understanding that they would repay when able to do so. Such relief was financed from funds appropriated to Defense.

It is understood that Japan and the United States initialed a memorandum on June 10, 1961, pursuant to which an agreement will be concluded providing for Japan to repay the United States $490 million for GARIOA and other postwar assistance on the understanding that the United States will utilize the major portion of the repayments for development assistance, subject to appropriate legislation by the United States.

(6) Mutual Security Act of 1954, as amended (22 U.S.C. 1750 et seq.) (other than military assistance): The existing foreign aid legislation which in section 505(a) provides that assistance under this act "shall emphasize loans rather than grants wherever possible."

Anticipated repayments under this authority are estimated as follows:

U.S. obligations outstanding, and estimated dollar repayments (including interest collections), fiscal years 1961–66 [1]

[In millions of dollars]

	Obligations outstanding Dec. 31, 1960	Fiscal year 1961	Fiscal year 1962	Fiscal year 1963	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966
Mutual security program	1,764.2	70.8	74.3	76.6	78.1	82.7	88.5
Development Loan Fund	91.3	3.8	7.3	15.2	29.1	34.9	34.5
Surplus properties, war assets and lend-lease	1,594.9	79.9	76.9	75.7	74.8	74.2	75.3
German settlement loan	787.4	610.8	5.0	5.0	5.0	5.0	5.0
British loan	3,314.5	123.1	123.1	123.1	123.1	123.1	123.1
Total	7,552.3	888.4	286.6	295.6	310.1	319.9	326.4

[1] In addition a proposed payment of $490,000,000 by Japan in settlement of its debt for food and other supplies furnished during the period of U.S. occupation.

The subsection further provides that where such dollars would otherwise have been used to retire notes or discharge obligations issued to finance the activity from which the dollars were derived, the President shall assume the portion of such notes or obligations which would have been retired or discharged by such dollars.

U.S. dollars received in repayment of lend-lease which constitute the local currency of a foreign country are not included, in order to avoid crediting to the development loan operation U.S. dollars which are expected to be paid by the Government of Liberia against its lend-lease obligation. As the President of Liberia has already been informed, the United States and Liberia intend to conclude an agreement for the use of such dollars for a joint educational program. In addition to Liberia, the only other country which uses the U.S. dollar as its local currency is Panama, to which, however, no lend-lease assistance was ever furnished.

Subsection (c) makes available for use for purposes of title I certain dollar assets of the Development Loan Fund which remain unobligated ($146,000) as of the date prior to the effective date of the abolition of the Development Loan Fund.

Dollars committed by the Development Loan Fund but not obligated prior to the abolition of the Development Loan Fund for loans to be repayable in foreign currencies are not made available under this authority. The new development loan operation will be prohibited by law from making loans not repayable in dollars and could not honor these DLF commitments. The President, pursuant to section 621(c) of the foreign assistance bill, will designate the officer or head of an agency responsible for executing the loan agreements which will formally obligate DLF dollar assets committed for loans payable in foreign currencies.

Section 203. Fiscal provisions:

Subsection (a) is derived from section 204 of the former Mutual Security Act relating to the Development Loan Fund, and makes no change in the authority granted under that section except that provision relating to foreign currencies has been deleted since repayments of loans in foreign currencies will no longer be possible. This subsection establishes the revolving character of the funds under this title by providing that all receipts from title I activities shall be available for use for purposes of that title. This subsection also provides that such receipts under title I and other funds made available under title I for use for purposes of title I shall be available until expended.

Subsection (b) authorizes the President to incur, in carrying out the purposes of title I, obligations which shall not at any time exceed the sum of all funds made available and all funds authorized to be made available to the President for purposes of title I. These funds include funds made available and authorized to be made available to the President in each fiscal year as the proceeds of the notes issued pursuant to section 202(a), the funds made available from the payments specified in section 202(b), the dollar assets of the Development Loan Fund made available under section 202(c), receipts made available pursuant to section 203(a), and any funds made available for title I pursuant to section 609 of the bill.

Subsection (c) provides that with respect to the performance of the functions vested in the President by title I, the President shall annually prepare and submit a budget program in accordance with designated provisions of the Government Corporation Control Act. This requirement is identical with that established for the Development Loan Fund in the Mutual Security Act.

Section 102 of the Government Corporation Control Act requires the annual submission to the Bureau of the Budget by each agency which is subject to its provisions of a business-type budget containing estimates of the financial condition and the operations of the agency for the current and ensuing fiscal years and a statement of the actual condition and results of the operations of the agency for the last completed fiscal year. Section 103 requires the transmission of each such budget to the Congress as part of the annual budget of the U.S. Government. Section 104 provides that each budget program shall be approved by the Congress, together with such limitations in such programs as the Congress may impose, as outlined above.

Section 204. Reports: This section is derived from section 202(b) of the existing Mutual Security Act. It requires the President to submit to the appropriate committees of the Congress quarterly reports of activities carried out under this title. The reference to appropriate committees here and elsewhere in the bill includes the Senate Foreign Relations and Appropriations Committees, and the House Foreign Affairs and Appropriations Committees. The reports will contain appropriate information on the amount of notes issued for purchase by the Treasury, the loans made pursuant to this title, and commitments of the United States involving future obligations and expenditures of funds.

Section 205. Development Loan Committee: This section directs the President to establish an interagency Development Loan Committee which shall, under the direction of the President, establish standards and criteria for lending operations under this title. This Loan Committee is to consist of such officers from such U.S. Government agencies as the President determines.

The new Development Loan Committee has the function of establishing standards and criteria for lending operations but is not vested with responsibility for management as was the Board of Directors of the Development Loan Fund. Authority for the management of the new development loan program is assigned to the President, with discretion for delegation by him.

Title II—Development grants

Nature and scope: Basically, the development grants category constitutes a renewal and extension of the point IV concept. It is intended to be the principal tool for helping the least developed countries and the least developed sectors of the developing countries to overcome the deficiencies in human resources and institutions which are a critical bottleneck in their growth. It will make available trainers, advisers, and demonstrators, together with supporting equipment and construction where necessary to make their work effective. In some of the least developed countries, including those in Africa, where no dollar repayment capacity can be realistically foreseen, development grant funds are to be used in conjunction with economic overhead projects, such as roads and irrigation facilities. Assistance

under this authority will be furnished principally on a grant basis, but may be furnished on other terms, such as loans repayable in local currencies and for a variety of economic development purposes, including the financing of feasibility surveys of development projects to be financed under title I as well as under this title. Three hundred and eighty million dollars is authorized for this purpose.

Mr. CHIPERFIELD. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Massachusetts [Mr. CONTE].

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-two Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 152]

Ayres	Hansen	Morrison
Bailey	Harrison, Va.	Norblad
Baring	Harsha	O'Neill
Barrett	Healey	Pillion
Blatnik	Hébert	Powell
Blitch	Hemphill	Rabaut
Boland	Holifield	Rousselot
Buckley	Hosmer	Slack
Byrnes, Wis.	Karth	Spence
Celler	Kee	Steed
Coad	Kilburn	Thompson, La.
Davis, Tenn.	Kirwan	Vinson
Dawson	Kitchin	Whalley
Elsworth	Kluczynski	Wharton
Fallon	Magnuson	Whitten
Fogarty	Marshall	Wickersham
Garland	Martin, Nebr.	Williams
Garmatz	Mason	Willis
Gray	Miller, N.Y.	Zelenko

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 8400, and finding itself without a quorum, he had directed the roll to be called, when 376 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, at the outset of our discussions today, I want to remind Congress that for many years I have looked favorably on the general motivations behind foreign aid. I remain convinced that a basic instrument of foreign policy during both a period of cold war and an era of mid-20th-century global development, aid to other nations, both military and economic, continues to be an absolute necessity.

The United States today has two main purposes that guide her relationships with the other nations of the world. One is to maintain the sovereignty of this country against those who, if they could, would infringe on that sovereignty and destroy it. The other main purpose reflects our feeling of moral obligation toward improving the status of those peoples less fortunate—but no less human—than we are.

I would remind the House that the concept of peacetime foreign aid was born out of the cold war with the Marshall plan of 1947. Its prime goal was to restore the economy of Europe and repair the ravages of war. Looking back over the years we cannot but come to the conclusion that the Marshall plan was one of the most complete successes that we have ever enjoyed in the field of foreign affairs. The tendencies toward Communist subversion, evident in deprived countries, were reversed as the opportunities for higher living standards mounted and as democratic institutions were strengthened. In fact, the economy of Western Europe was rebuilt to the extent that now, after only a short decade, it has reached a new peak of prosperity evidenced in the establishment of the Common Market alliance. No one can deny the effectiveness of the Marshall plan and the decisive part it played in preserving the independence of Western Europe and the security of the United States itself. But the force for good—which undoubtedly this measure was—was directed at sophiscated nations trained and experienced in concepts and realities of 20th-century life. Those countries already had advanced civilizations which, to a great extent, had been destroyed by war. We are now facing a different situation. The present task of Congress is to lay the foundations for directing assistance to the newly emerging nations of Africa, Asia, and Latin America. There is very little similarity between our task in the world of 1961 and the task of the Congress that enacted the Marshall plan of 1947.

In the newly emerging nations, the aim is not one of restoration as there is no past framework with which to work. At this stage their needs go far beyond the construction of factories, dams, and all the economic resources which create a prosperous society. Their need is the establishment of a new society itself—a society which affords its citizens a substantial measure of social justice—a society which recognizes that unless the ordinary individual is guaranteed participation in the economic advance, he will make no willing contribution to it. In realty, we are faced with the task of bringing about the greatest peaceful social revolution the world has known.

Some of our more recent successful efforts have been in countries where the governments have had the will to help themselves and, recognizing the obstacles they are confronted with, have attempted sweeping legislation in an effort to foster national unity, spur cooperative efforts, make officials more compassionate for the underprivileged, vested more responsibility in elected rural councils, and through reforms have set about the task of freeing their countries from a quagmire of lethargy, suspicion, and outmoded traditions. In these areas the foundations for social and economic growth have already been established. I speak of India, Pakistan, and, to some extent, the African nations of Ghana and Nigeria—and in our own hemisphere, Brazil.

These nations, commonly described as "uncommitted," do not always find themselves in blind support of the anti-Communist forces in the United Nations, but their reasons for up to now being automatically on the side of democracy can perhaps be traced to their experienced and responsible leadership. It is up to us then, to assist these nations toward the realization of self-sustaining growth, thereby helping the development of a particular philosophy, not necessarily producing the same conclusions to specific international problems as ourselves but nevertheless a philosophy acceptable to their peoples and not alien to our way of life. Democracy, as we practice it, is not a product which can be packaged, sold, and exported.

These nations, geographically arranged in various parts of the world, are key countries economically and politically. As a result of their increasing role in world affairs and the prestige they command, they are bound to exert a powerful influence on other countries who are economically underdeveloped and politically uncommitted. By their realistic development programs for a wider degree of social justice, an effective administration and a clear sense of direction, they have earned respect and help.

For my part, I have always given active support to programs which I believed helped those underdeveloped areas of the world maintain the frontiers of freedom and fight misery and poverty within the principles of the American, and not the Soviet, Revolution. And, recognizing as I do that economic development is a long-term process, and that the recipient countries require reasonable assurance of aid, not just for 12 months, but for a period of years in order to develop workable programs with maximum effectiveness, I gladly gave support to the long-term loan program of aid to Latin America.

The legislation before us with its concept of long-range planning and long-term aid, I could agree to, but I remain unconvinced that Treasury borrowing is a better method of financing our foreign-aid program than an authorization bill with annual appropriations supervised by this body. I have yet to be convinced that Treasury borrowing would bring about the most economical use of our resources, or that this method is more likely to attract assistance to recipient countries from other industrialized nations. Another factor, too, disturbs me. It is whether in fact, the legislative branch of Government would be constitutionally correct in endorsing this Presidential request which inherently relinquishes the sovereign power of appropriation.

In anticipation of our opposition to giving up the power of appropriation, the administration has sought to pacify the Congress by citing the Government Corporations Control Act as a means by which the Congress can still retain control of the program. However, aside from administrative and operational costs, the breadth of this act is doubtful so far as loans are concerned. In addition, the administration has suggested submitting quarterly reports to the Congress on lending operations. These reports would have little meaning since the Federal agency would be reporting after the fact on funds spent on pro-

grams already instituted—not on programs to be initiated. It is like bolting the stable door after the horse has been stolen.

A strong case can be advanced for the hypothesis that U.S. funds have been used ineffectively even on the basis of a year-by-year program. The obvious question then is, What is likely to be the result if we give the go-ahead for a 5-year program with little course for redress by Congress?

Despite the assistance afforded to Korea, it is an example of a country where our funds have not been used to advantage. We now have a country headed by a military government, whose previous administration had been markedly incompetent and weak. Despite aid to the tune of $5 billion, the gross national product has increased to only a limited degree and social conditions have remained primitive. The study of American foreign policy in Asia, prepared for the Senate Committee on Foreign Relations, has this to say:

> Basically, we have had a weak policy toward Korea in terms of stipulations, controls, and supervision. We have usually invoked the time-honored maxim noninterference in the internal affairs of another State, despite the fact that massive aid obviously is interference and our responsibility for overall trends in Korea—and its ultimate defense—cannot be avoided. Our techniques of aid, and our responsibilities in connection with aid, need to be basically reassessed.

There are other examples where infusion of capital into a primitive country has not been absorbed sufficiently to bring about a distribution of wealth and the development of social justice. Shortsightedness in feeling the pulse of the people that we were actually attempting to aid, also rendered the program worthless. Here I quote from the findings of the Hardy committee on Peru, Laos, and Iran. On Laos it says:

> The decision to support a 25,000-man army with U.S. funds was made by the Department of State, despite contrary recommendations by the Joint Chiefs of Staff. This was a political decision in a military field. There is no evidence that it was essential to support a 25,000-man army. In fact, significant military opinion has suggested a force of 12,000 to 15,000."

The report goes on to say:

> As a result, Lao army pay raises in 1955 and 1959 have added $3.5 million annually to the cost of the U.S. aid program in Laos.

On Iran, the committee has this to say:

> Among the programs undertaken was one of supplying nearly $5 million over a 4-year period to support Iranian students who were completing their college training abroad. Involved in the program was a $2 million subsidy * * * to the well-to-do sponsors and parents of these students. The nature and scope of the program were not revealed to the Congress and the Comptroller General has ruled that the expenditure of technical assistance funds for this purpose was unauthorized.

On Peru the committee reported in relation to the program for drought relief:

> Although Department of State and ICA files indicate that the primary purpose of this program was the feeding of hungry people it cannot be determined how much of the food provided actually reached drought victims. Less than 6 percent of the food was distributed free in the drought area, almost as much was lost or damaged.

The many examples of how our aid has been misused and mismanaged lead me to believe that this Presidential request for a 5-year, hands-off policy would tend to perpetuate this abuse of resources because of the remoteness of congressional control and the inability of Congress to act. Surely Congress has the right to examine these programs and stop any wastage. Any administration, Republican or Democrat, has, in its practical effect in accounting to the American people, to defend the expenditure and administration of Federal funds to the best of its ability. Without Congress there is no force to administer a detailed accounting of the money that the administration has spent. No assembly can demand the facts as can the Congress—no critical eye has the view of those facts and the ability to pass them on to the people.

Let me quote from a recent article written by the American Ambassador to India, John Kenneth Galbraith:

> We can no longer assume progress where there is none. If we are contributing to development, we need to know it and stick to our course. If we are on the wrong path, we also need to know it and change it.

In this, I find myself in agreement with the Ambassador, for if we are traveling in the wrong direction, Congress needs to know so that we may change the direction more quickly. An extremely important factor in this new phase which foreign aid has entered is the fact that Congress should have the opportunity to examine and reevaluate the programs to be established by this Mutual Security Act. This is the authority which Congress should retain so that the mistakes of the past few years will not be repeated in the future. I say this, for we have been in a period of transition between aid to economically and socially established nations, and aid to underdeveloped nations.

Again, let me underscore my sympathies for the necessity for long-range planning, but emphasize my preference for proposals whereby Congress could authorize these projected programs while appropriating the funds for them yearly.

I am the first to admit that Congress has in the past, allowed back-door spending, but in almost all instances, the programs affected have been of a domestic nature, rather than in the remote realm of foreign affairs. Within a short space of time we would be aware when a domestic project was not attaining the required objective, but when a foreign-aid program spreads over some 70 nations in all corners of the globe, the problem of control multiplies at least seventyfold.

The Reconstruction Finance Corporation has, in the past few weeks, been cited on all sides as the beginning of back-door spending. Let us look for a moment at the times that called for the enactment of the Reconstruction Finance Corporation. The debates in the Congress in 1932 reflect a feeling of desperation from the administration—from the Congress—from the business community—from the very people of this Nation on what the alternatives were to correct the worst economic depression this country has experienced. In the total debates even in the report on this bill, there was little mention of back-door spending. To quote from those debates, one legislator said:

> It was the intention of the committee, upon the urgent recommendation of the Treasury Department, to make an appropriation and not simply to authorize it in order to expedite matters.

I should hope that we today, even in this time of worldwide—not just national crisis, would take a longer look—a more comprehensive view of what we are to do in our dilemma. We have not waited from January 3 of this year until August 14, simply to expedite matters. We have waited and taken this long view so that we may best meet and deal with the problem of foreign aid. Nevertheless, there are still those who cite the Reconstruction Finance Corporation as the case to support their concept of Treasury borrowing; but what, in fact, was the result of this 1932 legislation founded in desperation?

To date there is still $13 billion owed to the Treasury as a result of the Reconstruction Finance Corporation. The Congress has forgiven and totally canceled $16 billion owed to the U.S. Treasury as a result of the RFC. How much of what is today owed will ever be repaid? In the Mutual Security Act of 1961, we are talking about loans that will be repaid over a 50-year period. The measure now before us effects a major change in the terms and conditions of development loans and the method of financing them. Whereas most of the loans negotiated by the Development Loan Fund have been repayable in local currency, all loans extended under the proposed authority must be repaid in dollars.

The House Foreign Affairs Committee report points out that repayments would generally be phased over a long period, up to 50 years in some cases, with no repayments during the early period of the loan and deferments of principal payments of 1 percent for as long as 10 years. Of course, one can appreciate that these estimates can never be precise, for it would take into account each country's prospective debt, development, and its foreign earning trends. But while any amounts that might be repaid in the immediate future can be anticipated to be infinitesimal, they will go back into the Agency for International Development and not to the U.S. Treasury. The Executive will certainly have to return to the Congress again in 5 years' time when the purse has been emptied and, in the role of Oliver Twist, come with bowl in hand to ask for more. I submit, further, how much will it cost the Treasury to borrow the money that they will loan at no interest—or minute interest—to recipient countries?

I would point out to those who, in the coming hours will use the RFC as a basis

for defending back-door spending, that this agency was established in a time of domestic economic plight matched by no other period in our history and it was established solely as a stopgap measure, subsequently to be dissolved. A degree of accountability to the people through their Congress was demanded even in 1932. No matter how many instances—be there 20-some or 200-some that the proponents of Treasury borrowing will cite, is it not reasonable that this abdication of congressional power be stopped at our shores? No matter how many agencies are presently in existence whose activities are based in the backroom of the Treasury, there is a distinct difference and a heavy line to be drawn between these agencies and programs in various countries in the far corners of the globe.

In these days of vast administrative activity by the executive branch of our Government, we can afford even less to forget the constitutional doctrine of separation of power—of checks and balances. It is incumbent upon us to remember that one of the major causes for the American Revolution was an inadequate voice of the people. The administrative power had reached far beyond the limits of all reason to dictate the policies of government. The functions of the legislative branch of our tripartite Government cannot be so easily stolen away by the executive branch. If the power of review and reevaluation is lost, we shall have to tell the people that it was given away in this instance, and not stolen.

We must, then, find a way in which the Congress can maintain its rightful duty of examination and evaluation of all facets of the mutual security program and still give the administration the concrete ability to plan with other governments on a long-range basis for the aid that those governments will receive from the United States: For the era that we are entering upon with the passage of this measure is, as I have said before, a totally new time, demanding changes and revisions in our concept of foreign aid. How best can we reach a mutually agreeable middle ground in which there is not planted the seeds of either the abdication of congressional power or the destruction of an effective mutual security program? We need to keep both ideas in mind and implant them solidly in the measure that we enact.

Therefore, I submit an amendment to abolish the proposed presidential borrowing authority in the area of development loans. In place of that authority, the amendment calls for an authorization for an appropriation of $900 million in fiscal year 1962 and $800 million for each of the following fiscal years—1963, 1964, and 1965. The total amount to be now authorized for appropriation would then be $3,300 million.

The amendment does not alter the provisions of H.R. 8400 that allow the President to borrow $300 million from loan repayments during each of these years. With that in mind, the proposed authorization for fiscal year 1962 would meet the President's dollar requests. For each of the following 3 years, the authorization, combined with the power to borrow from the revolving fund, will give the President 58 percent of his dollar requests for those years. We would hereby have an authorization bill for development loans to be followed immediately by the appropriation of $3.3 billion, partial sums of which will be made available to the President over the next 4 fiscal years.

I feel that embodied in this amendment is the long-range planning power that the President needs to make this era that we are entering upon a successful one for the United States and her allies abroad. We have also retained the right of the Congress to examine the past and future implementation of the program by requiring the President in fiscal years 1963, 1964, and 1965 to return to the Congress for amounts in excess of the $800 million that this amendment provides him in each of those years. Furthermore, I have limited the term of the authorization to 4 years instead of 5 so that the next administration will not be bound by the acts of the present administration.

I would hope, then, that this amendment to the Mutual Security Act of 1961 will meet the approval of the Congress, for it was conceived out of the realization that both the executive and legislative branches of Government have valid positions and arguments that call for compromise on this measure.

Mr. GUBSER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GUBSER. Mr. Chairman, I hold no illusion that my speech will change many votes. Nevertheless I take this time to write one man's conscience in the public record.

Mr. Chairman, I am deeply troubled by this bill. If the Treasury borrowing provision is not changed by amendment my conscience will demand that I vote against it. In so doing I will disrupt a 9-year record of consistent support of foreign aid—a record which some in this House may equal but none can surpass.

I am troubled that my first vote against foreign aid, if such a vote becomes necessary, will come when a new President occupies the White House. Unfortunately some will cast the charge of "politics." Already a not so thinly veiled charge has been made today with the allegation that Republicans are not acting in a bipartisan spirit.

As a Republican, let me speak to my friends in the Democratic Party. I do not know each of you by your first names. I do not even know all of your last names. I do not know where you all live nor all of your families. There is a lot I do not know about many of you. But this I do positively know about each and every one of you. Each of you, without exception, is dedicated to peace and the means of getting it.

I hope you will be as generous with us and admit that Republicans are also dedicated to peace and are willing to pay its price.

Let us bury this partisanship argument with the admission that neither party exceeds the other in its love of peace and any differences of opinion are held only as individuals.

I will vote to give President Kennedy every power which I voted to give President Eisenhower. But I must vote to deny the Treasury borrowing power to President Kennedy just as I would deny it to President Eisenhower.

Several times in this debate we have heard this section of the Constitution quoted "No money shall be drawn from the Treasury but in consequence of appropriations made by law; and a regular statement and account of the receipts and expenditures of all public money shall be published from time to time."

Not only does this bill defy the Constitution by allowing money to be withdrawn without a specific appropriation but it goes further and allows the President to be exempt from the accounting requirement for $50 million. I have sworn to uphold our Constitution just as you have. I cannot uphold it and vote for this bill.

The argument that Congress has done this 37 or 38 times does not impress me. On every occasion when the issue of back-door spending has been isolated I have opposed it. The fact that my side was voted down and Congress performed an unconstitutional act does not justify the commission of still another wrong. If the men at Philadelphia intended for a President to have these powers instead of Congress they would have said so. If we intend it then the honorable thing to do is amend the Constitution.

Trying to scare us into accepting the bad features in this bill because of the Berlin crisis is a specious argument. Likening it to the situation when the Selective Service Act was extended by 1 vote just prior to World War II is equally specious. If war over Berlin is only 3 months away as it was at the time of that close vote in 1941 then a long-range plan of 5-year spending is ridiculous and unnecessary.

I respect the sincerity, and often the ability, of many of our foreign aid administrators. But must I ascribe omnipotence to their opinions in such varied fields of irrigation, engineering, medicine, mining, teaching, butchering, baking, candlestickmaking, and all fields of human competency? Must I say that these men are more qualified to pass judgment in all of these fields and to commit this Nation than the Congress of the United States?

The fact is that our diplomats and foreign aid administrators are less qualified to make such judgment than the Congress. Most of them are career State Department people with little or no experience in the workaday world they seek to establish for recipient nations. On the other hand, look about you in this great legislative Hall. All about you are doctors, lawyers, labor union leaders, carpenters, teachers, farmers, scientists, ministers, mothers,

fathers, children, and grandchildren. Whatever is America you will find here in this House. This is cross section U.S.A., New York, Chicago, "Punkin Center," Tex., San Francisco, Florida, Utah, and all points in between. This is America.

What better qualified group could you find to decide what is good for America and what is bad than the men and women of this body who are closer to the American people than any other group?

Mr. Speaker, Congress can be trusted to make more intelligent decisions than the well-intentioned careerist in the State Department whose experience is narrow and limited. We can serve the purpose of long-range planning in foreign aid and still respect the Constitution by leaving fiscal control where it belongs—in Congress.

So as an American and not as a Republican I hope the back-door spending features of this bill can be eliminated. If they are not I must in good conscience vote against this bill in the full knowledge that if it fails, we would soon have the chance to vote in favor of one which respects the Constitution.

Mr. MORGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. I thank the distinguished chairman of the Committee on Foreign Affairs for yielding this time to me. In all probability what I shall say has already been said here today, but it is, in my opinion, well worth saying again. It is my preference to speak from the record, and everything that I shall say is documented by the record.

Mr. Chairman, during the first 8 years of the foreign-aid program the Congress authorized and appropriated largely upon the basis of faith and hope, and not upon the basis of facts. As a result of that system of the Congress following faith, and not facts, this program ran out of control to such a point that at one time it had in excess of $15 billion to its credit unexpended. The Congress then moved to bring about some much-needed adjustments. We engaged ourselves in trying to ascertain what had happened, and to do something constructive about it.

During the past 6 years, working with the distinguished former chairman of the subcommittee, the gentleman from Virginia [Mr. GARY], and with other members of the subcommittee, and, of course, with the distinguished chairman of the full Committee on Appropriations, the gentleman from Missouri [Mr. CANNON], we found reasons which more than justified reductions which we made in the President's requests by a total of $4,565 million. In each and every year when we began to bring the program under some degree of control and make these reductions, the executive branch charged that the Congress was acting irresponsibly and wrecking the program. During the same 6 years, however, we left in the bill a cumulative aggregate of $1,600 million in funds which they could not use or obligate, even with all the loose handling, waste and extravagance. So, the facts speak quite clearly on this point.

But, Mr. Chairman, the executive branch is asking to take this program over again, and to get it away from congressional controls. We have been operating more on facts, so far as we could get them, and not on faith and hope alone, so the Executive wants a free rein again.

The Members of Congress should not be misled. All foreign-aid projects, in the existing program, are already on a 5- to 7-year basis. The ICA people, themselves, will tell you that no project is planned on a basis of less than 5 years and, in many instances, the planning goes up to 7 years.

With reference to the proposed back-door spending approach to this program, the executive branch could actually commit the entire $8,800 million requested for withdrawal from the Treasury during the first year of such an operation. In documentation, I respectfully refer you to page 153 of part 1 of the hearings of our appropriations subcommittee, as follows:

Mr. PASSMAN. In effect, the executive branch could, if it should so determine, commit the entire $8.8 billion during fiscal year 1962 on a conditional basis?

Secretary DILLON. They could commit $1,187 million of it firmly, and they could commit the rest of it, which I think comes to about $7.6 billion, conditionally, if——

Mr. PASSMAN. It could be committed, nevertheless?

Secretary DILLON. Conditionally, it could be.

In case anyone should think the Congress would not lose control of the program through this back-door withdrawal financing, I refer to page 195 of our hearings. I quote:

Secretary DILLON. As I say, it is very hard for me to foresee just what circumstances would be considered justification, but it might well be that you could conceive of the administration being so bad that the Congress would feel it had to take some action. I would certainly hope that would not be the case.

Mr. Chairman, I turn to page 221 of our hearings, and I am sure the Members will be interested in this colloquy:

Mr. PASSMAN. If you get the legislation that you have asked for, the commitments will have been made before the Congress actually knows what countries you made the commitments to and for what projects. Is that a statement of fact?

Secretary DILLON. I think that is a statement of fact.

So, they could obligate the entire $8,800 million before a single Member of the Congress would know to what country the money would go or for what project and program the money would be used. That is Secretary Dillon's testimony, and, in the face of it, I do not believe the Congress is ready to abdicate completely its responsibility and authority over foreign spending to the executive branch.

At the beginning of this program, foreseeing that it was the type of program that could get out of control, the Congress, with wisdom, provided not only for an authorization each year, but also for an appropriation each year. We have been operating on that basis, and notwithstanding the fact that they have come in and tried to justify the expenditures, there has been too little prudence and control in the program. Now they are asking the Congress to give up control completely and to leave it entirely up to the executive branch as to what countries, what projects and what programs the money should go. But I, myself, do not believe the Congress is willing to abdicate completely its authority and control with respect to this worldwide operation. They try to say that the Congress could, maybe under certain conditions, cancel the authorization. They know, however, it is a certain fact that neither this Congress, nor any other Congress, has ever canceled an authorization of this type once it had been granted.

Also, Mr. Chairman, I want to emphasize that there is a lot of misunderstanding about the actual planning of the foreign-aid projects, especially insofar as the new proposal is concerned. I think this misunderstanding should be cleared up. Therefore, I shall quote from an exchange between Secretary Dillon and myself, at page 146 of part 1 of the hearings of our subcommittee on appropriations:

Mr. PASSMAN. Mr. Secretary, when you are talking about better planning, you are not talking about better planning of the projects and programs. You are talking about better financial planning. Have I stated that accurately?

Secretary DILLON. I think it is better finance planning in the recipient countries.

Mr. PASSMAN. It does not make for a better project?

Secretary DILLON. It has not to do with the technical part of the project.

So, it is clear that this back-door spending approach is not for better programs, not for better projects, not for less expensive programs. Furthermore, the executive witnesses also admit that the programs have been sufficiently financed in the past.

What they do say, however, is that some of the recipient countries could not trust our Nation to provide the money on an annual basis, and that, before entering into needed reforms in their own countries, they wanted to see a 5-year supply of U.S. funds on hand.

I will repeat that: They claim that the other countries cannot trust us to provide the money on an annual basis. That is in the record, and I do not think there is a member of the Committee on Foreign Affairs or any other Member who is informed on the matter who will not admit that I have made a statement of fact. Is it not a sad commentary, after 186 years of existence, during which this great Nation of ours has never violated a treaty agreement, never reneged on any type of agreement, financial or otherwise, that the recipient countries would come along and tell us now they will not trust us to provide the money on an annual basis, but must have advance assurance it will be forthcoming for 5 years?

Mr. Chairman, I am of the opinion that if the Members of Congress were left to work their own will, they would never abdicate this responsibility and

authority to the Executive. To do so certainly would not improve the program, but it could let it literally run wild. It should be understood, of course, that by and large, with the exception of the new and relatively few political appointees, the same people who have handled the program in the past will be carrying out the operations in the future.

Let us review briefly: When the Marshall plan was proposed, the Congress discussed a program for 5 years, $15 billion, and 18 countries. Now, the 5 years have grown to 15, the 18 countries to 97 of the 110 in the world today, and the $15 billion has grown to $106 billion. If you will read the hearings of our Appropriations Subcommittee, you will know beyond a shadow of a doubt, that the program not only is poorly controlled, even with Congress assisting, but it is uncontrollable. So, let us be reasonable about this; if there is going to be a program, let it be funded by annual appropriations, so that the Congress will retain some measure of control of it.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. JUDD. The gentleman agrees, of course, that there have got to be long-range plans and long-range programs. But does not the gentleman also agree that if, for example, the House adopted as a substitute for the language in the bill an authorization for 3, 4, or 5 years, of say $1 billion a year—less than the $1,600 million requested—with annual appropriations, they would be able to make long-range plans and commitments up to the level of the authorizations—very appreciable commitments?

Mr. PASSMAN. I am not inclined to sacrifice principle for political expediency. All programs are already on a long-range basis, 5, 6, or 7 years. The program is not suffering, nor has it suffered, from lack of funds.

This proposal would give the Executive the right to withdraw money from the Treasury, not borrow it. There is no provision for the money ever to go back into the Treasury. When you borrow something you pay it back, but there is no requirement that this withdrawal must ever be repaid to the Treasury. The Congress must keep some control over the program. If we do that, I believe the administration will eventually thank us for the action.

Mr. CHIPERFIELD. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, the only committee in the Congress that has had any experience with back-door spending in this session has been the Committee on Interstate and Foreign Commerce. As you will remember, 3 weeks ago we had this very problem before us, and finally reached a compromise, which allowed the Appropriations Committee to act, in which we as the authorizing committee authorized the entire $350 million, but we specified not more than one-fifth of that could be spent in any one year. We left it to the Committee on Appropriations as to whether or not it wanted to appropriate for 1 year, 2 years, 3 years, 4 years, or 5 years. I think that is a sensible solution to this situation. It gives you the flexibility of long-term planning, it makes you come back to the Appropriations Committee in order to get your appropriation, it does give the flexibility which the Appropriations Committee needs to appropriate for 1 year. If justification is made, it may appropriate for 2 years, 3 years, 4 years, or for the whole 5 years. That would be a matter for the Appropriations Committee itself. We do create the authority all in one lump sum.

In the amendment which I am going to offer tomorrow I have created the authority for $8,800 million, not more than $100 million or $200 million to be spent in any one year, leaving it to the Appropriations Committee to determine in its discretion whether it will appropriate for 1, 2, 3, 4, or 5 years.

We found that the Federal administration agency could live with that program. But it did make the Appropriations Committee responsible in the end for deciding how many years' appropriations could be made. This is the kind of program that gives flexibility and at the same time it gives control to the Appropriations Committee to determine actually how much money ought to be appropriated.

I hope this amendment which I shall offer tomorrow will have everyone's support, just as it did when we were before the House with the Federal Aviation authority some 2 or 3 weeks ago.

Mr. MORGAN. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. GALLAGHER].

Mr. GALLAGHER. Mr. Chairman, title I, chapter 2, of part I of the proposed Mutual Security Act of 1961 would authorize the President to make dollar repayable loans for development on flexible terms to other friendly nations. The necessary funds would be made available through borrowing from the Treasury in fixed annual increments: $900 million to become available beginning in fiscal year 1962, and $1.6 billion in each of the next 4 years. In addition, up to $300 million annually would be available for lending from repayments on prior foreign loans.

This provision has been described as the heart of the President's program for the decade of development. It will be his principal and decisive tool for helping the underdeveloped two-thirds of the world's free people to achieve within freedom the better life which they have so long been denied and which they are determined to obtain. It will be his principal long-range security weapon in the economic and social field, comparable to the missile in the military field.

The central issue posed by the proposed bill, and title I in particular, is whether freedom has the capacity to meet the challenge to its own existence; whether the developing nations can carve out a better life within independent and progressively freer societies, or whether, in desperation, they will turn to authoritarian force; whether our own free society can forge the tools essential to its own security, or whether it will, by default, become a beleaguered outpost of freedom.

These are the hard issues posed by the development loan provisions of the act. Some, however, see the issue in much simpler terms. To them the issue is back-door spending. Is this a real issue? And what about the charges of fiscal irresponsibility and lack of congressional control which have been leveled against this title of the bill?

Let us first recognize the term "back-door spending" for what it is. It is a phrase which has been coined to suggest the surreptitious removal of contents from the premises by persons not authorized to be there. In fact, the authority in the bill to borrow from the Treasury is more analogous to the situation of a lessee, one who is authorized to occupy the premises for a fixed period of time unless he violates the terms of his occupancy. But be that as it may, some substantive charges have been leveled against the borrowing authority in this bill which merit a reply.

It is alleged, first, that borrowing authority is fiscally irresponsible. The Secretary of the Treasury argues quite forcefully, however, that in this instance it offers the cheapest and most efficient method for obtaining results. Long-range borrowing authority is like a bank's capital. Its assured availability over the years permits businesslike planning and the time-consuming attention, where necessary, to the technical, economic, and financial details on which sound loans depend.

It has been said that the borrowing authority in this bill will add to the public debt. In fact, it would not mean that the Treasury would be forced into any additional borrowing from the public. The language in the bill authorizes the President to purchase notes from the Treasury. Thus, borrowing will not be from the public, but from the Treasury. The extent to which the Treasury will need to increase the public debt will depend at any given time on its overall cash position compared to its overall spending requirements. Thus, the Treasury's need to increase the public debt will be exactly the same whether development loans are financed by annual appropriations or by Treasury borrowing.

I have also heard it said that borrowing authority will remove the program from the annual budget formulated by the President and presented to the Congress. This is not the case. The program's obligations and expenditures estimates will figure in that budget each year. As far as the budget is concerned, there is no difference between annual appropriations and borrowing authority.

Some critics have suggested that a unique and special tool has been contrived to avoid annual action by the Appropriations Committees. Neither aspect of this claim will stand up. Borrowing authority now finances 24 separate U.S. Government programs, a list of which I should like to insert at this point in the RECORD. Virtually every major Federal credit program is financed in this manner. These programs include some which borrow from the

Treasury and relend at rates below the cost of money to the United States, others which lend on 35- to 40-year terms and, lest it be said that this is an emergency financing device, still others which have been around for 25 years or more. Nor is borrowing authority new to foreign economic programs. Since World War II, over $16 billion in such programs have been financed with borrowing authority, including a portion of the Marshall plan, Public Law 480, the British loan and the Export-Import Bank. It is somewhat difficult, therefore, to accept the charge that development loans are being accorded special treatment.

Nor does the proposed bill remove the program from annual review and action by the Appropriations Committees. If this had been intended, the use of development loan funds would not have been made specifically subject, as in section 203(c) of the bill, to the Government Corporation Control Act. I shall return to the general question of congressional control in a few moments.

Finally, I have also heard it said that as soon as this bill is passed, the executive branch will be able to go out and obligate the entire $8.8 billion authorized. Any future congressional review and control, it is claimed, would be like locking the barn door after the horse had escaped. Let me make clear now that the executive branch will be able to obligate in fiscal year 1962 only the $1,187 million becoming available in that year. In fiscal year 1963 it would be able to obligate only the funds becoming available in that year, plus any unused carryover, and so on. Unlike other borrowing authorities, funds are not made available in this bill in a lump sum; they become available in phased annual segments.

The reason for the confusion stems from the expressed intention of the executive branch to make long-range commitments. Let me emphasize that such commitments will contain language making them specifically contingent on the continued availability from Congress of the authorized funds. The possibility that Congress may later modify or curtail the authority will not be a source of confusion. That such a contingency exists will be made clear in writing to all who receive such long-range commitments.

The decision of the Foreign Affairs Committee to report this provision was not taken lightly. It has been concerned for some time with deficiencies in the administration of the economic aid program. But it was owing to this very concern that it decided to recommend long-range borrowing authority. First and foremost, such authority is an essential tool of good management. Lacking it, the executive branch will be unable to put each tax dollar to the effective use we as taxpayers have a right to expect and it will lack essential leverage in securing the best use by recipient countries of their own resources. If the Congress provides this essential management tool it can hold the executive branch to a higher degree of accountability than ever before.

Let me summarize the ways in which long-range funding will result in more mileage per tax dollar.

First, it strengthens our hand in encouraging self-help by recipient nations. In this way, our aid to one part of an economy does not subsidize waste in another. Self-help takes two forms: internal economic and social reforms and the preparation of sound, long-range development programs.

When a country is confident that the United States stands ready to provide substantial loans, it is encouraged to undertake the hard measures of internal reform on which significant development lending will be dependent under this program. Often such measures involve difficult internal political risks. They are more likely to be undertaken if there is confidence that economic growth will not be blocked in the future by a lack of capital.

Multiyear funding is also needed to encourage the preparation of sound long-range plans and to enable them to be carried out efficiently. It goes almost without saying that long-range plans need long-range financing.

Second, long-range funding protects the use of our own funds because it minimizes pressures to commit money prematurely within the fiscal year for which they are available. When there is confidence that substantial financing will be available in future years, the energies of borrowers are more likely to be devoted to the satisfaction of the technical, financial, and economic standards on which long-term lending will be conditioned. There will be less incentive, as the President has said, to dramatize short-term crises.

Third, long-term authority is an important tool for persuading other industrialized nations to continue to provide increasing development assistance over the future. I am confident that, in the absence of such authority, the prospects are dim for continuing to obtain rising contributions on better terms from such countries.

I should like to turn now to the manner in which Congress will control the use of development loan funds after the passage of this bill. I know this issue is uppermost in the minds of many members. I will, therefore, be quite precise as to the nature of these controls.

First, this bill will itself regulate the pace at which funds may be borrowed from the Treasury. I have already indicated that they will become available in phased annual increments.

Second, section 201 of the bill would require the President to apply certain specific criteria designed to assure the efficient and effective use of funds. Among the eight criteria is one which prohibits the making of a loan if it will have a substantially adverse effect on the U.S. economy, or any substantial segment thereof.

Third, the Congress can at any time take away what it had originally given by amending the basic statute.

Fourth, the Congress would annually enact an authorization and appropriation for the aid agency's administrative expenses. I need not tell this body the significant control over program that can be achieved through control of administrative expenses.

Finally, through section 203(c) of the bill, the development loan program would be subject to annual control through appropriations legislation as provided for in sections 102, 103, and 104 of the Government Corporation Control Act.

Since that act was originally passed, the executive branch has consistently laid before the Congress annual budget programs for all agencies subject to its provisions. The Congress has consistently reviewed such programs and included in appropriations acts specific language authorizing the conduct of the programs for the ensuing fiscal year and providing limitations on the use of funds where Congress so decided.

As applied to the proposed loan program, it is our understanding that the following procedure would prevail:

First. The President would annually submit to the Congress a development lending budget.

Second. The Congress would have responsibility for reviewing the program and authorizing the use of borrowing authority year by year. In accordance with past practice, the review would take place in the first instance in the Appropriations Committee. The authorization language would appear in an appropriations bill.

Third. Congress could limit the use of funds in accordance with its judgment.

Fourth. Until Congress enacts the necessary language approving the budget program for a given year, neither obligations nor expenditures can be incurred for that year.

One might legitimately ask, if this degree of annual control is to prevail, why borrowing authority for this program is preferable to annual appropriations. The answer lies in the historical framework within which the Congress would be carrying out its duties. Approval of borrowing authority now would carry a presumption that the specified funds would become available over 5 years unless, in the minds of the Congress, special and unusual circumstances should arise which persuade it that the purposes of the program cannot be fulfilled. A review of the history of borrowing authority reveals that such has been its traditional approach.

Examples of such unusual circumstances might be a war or major recession or such a complete breakdown in the operation of the program as to make it unlikely that its purposes can continue to be fulfilled. In the final analysis, however, such circumstances can only be defined by the entire Congress when the time comes.

Why, one might ask, would a 5-year authorization and annual appropriations not fill the bill? The answer is that such an authorization does not, on the basis of history and the traditions of the Congress, give as firm assurance with respect to future funding as does borrowing authority. One need only look at the history of the Development Loan Fund. The Congress voted two separate 2-year authorizations totaling $2,925 million.

Under these authorizations the Executive requested appropriations of $2,525 million. Congress finally appropriated $2 billion. Thus, it reduced the authorized amount by 31 percent and the appropriations requests by 25 percent. A history such as this hardly constitutes a basis for long-range commitments and careful forward planning.

Let there be no misunderstanding, therefore, as to the true meaning of the development loan provision of this bill. The Congress is being asked to say here and now, in the strongest terms it is capable of—short of the flat, outright guarantee that $8.8 billion will become available come what may—that a specific and substantial amount of funds will be made available for development. As such, it is being asked to replace our hesitant annual support of the economic aspirations of free peoples with a new, major national policy. A commitment so large and so sweeping in implication should neither be lightly entered nor withdrawn.

It is not overstating the situation to say that we stand today at a historic crossroads where most of the earth's people are deciding between freedom and force as the road to a better life. This Nation still has an opportunity to influence the path to be taken by applying efficiently and with selectivity to those best able to use it, less than one-half of 1 percent of its gross national product. It still has a chance to demonstrate, as the President has said, "that economic growth and political democracy can develop hand in hand." By approving the development loan provisions of the bill, this body can endorse the launching of the decade of development on which will depend, in the President's words, "the kind of world in which we and our children shall live."

The gentleman from Virginia [Mr. SMITH], yesterday asked a question and said that no one could deny that once we adopted this bill that there would become obligated the $8.8 billion. The gentleman from Louisiana [Mr. PASSMAN], who just spoke, confirmed this, This is just not so. What the gentleman from Virginia [Mr. SMITH] said is true, but he stopped short of the point. The fact of the matter is, if we approve of the $8.8 billion at this point in Congress, no more than $900 million could be spent this year and no more than $1.6 billion could be obligated or expended next year in addition to that amount which is going to be repaid from existing loans. If next year there existed the need for $1.6 billion, the executive would send up to the Congress a request for this amount. If the Appropriations Committees who reviewed this in the first instance sees fit in their conscience to reduce this amount to $1.3 billion, they are within their right to do this. This control is granted under the Government Corporations Control Act.

Mr. Chairman, I think that this is the greatest area of misunderstanding. So, the gentleman from Virginia [Mr. SMITH] yesterday stated that the President could veto any action that this body would take in the area of a reduction in the amount requested. It is true that the President could veto this request, but we must bear in mind that the Executive does not have authority to veto an item in the bill. He would, in effect, have to veto the entire bill. So, if he did not accept the amount that the Congress puts in the bill next year, he would not get anything, nor would any appropriations be voted out of the Appropriations Committee. Therefore, there exists in the present bill a check and balance system which is in the traditional history of the two bodies.

Furthermore, Mr. Chairman, there is no doubt in my own mind that the Executive is asking us to make a major policy decision by asking to be authorized for a 5-year period, by direct Treasury borrowing, $8.8 billion. They are asking the Congress to authorize this amount so that they can program on a long-term basis. This certainly does not mean that this amount will become obligated or eligible for expenditure if the House does not take action each year. This is the key to the control. There are other controls. There are controls whereby the Congress could do away with the operating expenses or the Congress could by its action eliminate the program itself. But I believe that the key to this whole thing rests in the Government Corporations Control Act.

Mr. Chairman, it has also been said that this is going to add a great burden to the debt of the United States. Whether this is done by appropriation or whether this is done by direct Treasury borrowing it will not in one way affect differently the debt of the United States, whichever way is used. The President will borrow from the Treasury whatever amount is necessary. If the cash position of the United States is good at that point, no borrowing would have to be made. It is most likely, however, that borrowing will have to occur, but the same borrowing would have to occur if we authorize this amount in yearly appropriations, or whether this program is financed through Treasury borrowing.

This program is an opportunity to demonstrate that America is still young as a nation. An opportunity to express our confidence that America is still on the ascendancy, and will be so recorded on the great graph of history.

And still in its ascendancy also are our hopes, or aspirations and our faith in freedom and the processes of democratic government.

Mr. CHIPERFIELD. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I listened to the dissertation by the gentleman who preceded me concerning the financing of this foreign giveaway bill. I think we can all agree that regardless of whether it is through the back door, the front door, the side door, or whatever door it may be, it is going to increase the Federal debt. I imagine the gentleman presently occupying the chair, the distinguished chairman of the House Committee on Ways and Means, will be on the floor of the House next year with a bill and again saying it becomes his distasteful responsibility to ask for an increase in the Federal debt limitation. God help the taxpayers of this country and the Republic if you are going to continue to pour the money out the front door, the back door, the side door, or any other door at the rate you propose to continue to pour it out, and for this foreign giveaway program.

May I say incidentally that I thoroughly appreciated the remarks of the gentleman from Louisiana [Mr. PASSMAN] a few moments ago and his reply to the gentleman from Minnesota [Mr. JUDD]. The gentleman from Louisiana said that as far as he is concerned, on the issue of back-door financing, there is no room for compromise with principle with him. I would hope that there would be no compromise with principle with anyone else in this House.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes, briefly.

Mr. JUDD. I made no suggestion of compromising on principle. I was suggesting authorizing an amount less than the amount asked. I was not advocating back-door spending. I think the gentleman from Louisiana did not quite understand my question.

Mr. GROSS. Whatever it is, I want to get it in the RECORD so that it will be there for posterity, if posterity is interested.

About all we have heard so far in the discussion of this bill is the back-door financing provision. This bill carries delegations of power to the Chief Executive that no Chief Executive ought to request and, if offered, he should not accept. This bill is thoroughly reprehensible in many other provisions other than the back-door financing.

Now I want to ask a question or two concerning some of the provisions of this bill that have scarcely been touched on in the nearly 8 hours of debate. I should like to go to the small loans to farmers provision. As I read this section, and I would like the attention of the chairman of the Committee on Foreign Affairs, it would provide to villages of farmers up to $25,000, with a capital fund of $25 million to start. Is that about correct?

Mr. MORGAN. The gentleman realizes these loans are mostly under Public Law 480 funds.

Mr. GROSS. That is not the way I read the section. It says something to the effect that where possible or to the greatest extent possible they shall use local currency funds.

Mr. MORGAN. But the loans will be in local currency. There will be no dollar loans. They are all local currencies.

Mr. GROSS. Let me ask the gentleman this question: Does not the gentleman think that to be really honest with the House of Representatives and with the rest of the world this fund, despite the fact that there is about $8 billion in counterpart funds in country currencies spread around the world, instead of $25 million ought to be about $250 billion?

Mr. MORGAN. The gentleman is absolutely wrong. It is my understanding that the United States has about $1 billion of foreign currencies available for

this and other purposes. I am not the author of this amendment. The author of the amendment is the gentleman from California [Mr. SAUND] who, as the gentleman from Iowa knows, comes from an area of the world where the small farmers have very serious problems and he wants to help them.

Mr. GROSS. It is my understanding there are about 400,000 villages in India alone. If each village got $25,000 what would be the cost of the program in that country alone?

Mr. MORGAN. The gentleman knows that there is an overwhelming problem.

Mr. GROSS. This is one of the most devious schemes yet devised, and we have seen some good ones in these foreign-aid programs. This is the best scheme for international blackmail I have ever seen for if you start this business in India, or in any other country for that matter, you have to do it for Pakistan, Indonesia, Iran—you name the country and they will be after the money. The gentleman well knows it, and he also knows there will be the same demand from countries where this Government does not have a dime of counterpart funds or local currency. Yet you will be obligated to go to those countries with American dollars on the same basis. Why do you do these things this way?

Mr. HAYS: Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am happy to yield to the gentleman.

Mr. HAYS. Do you think there will be any more chance of blackmail in trying to see that more of these counterpart currencies are used down at the village level than on the big projects?

Mr. GROSS. Not at all. I say we have been made the victims of international blackmail in this entire program.

Mr. HAYS. I do not quite buy that.

Mr. GROSS. I just do not want to spread out the blackmail.

Mr. HAYS. I think this is probably one of the best provisions in the bill because it provides the answer to what a lot of critics have been saying that we have not been getting down to the people who really need to be helped.

Mr. GROSS. I do not know that this is going to get down to the people who really need the help. Where are you going to find enough money to go around all over the world—to Africa, to Asia, to South America, and to every village all over the world and hand out $25,000 to each one? There is not the slightest limitation in the bill as to the number of villages that may apply.

Mr. HAYS. I do not think anyone envisages that. I think it is starting on a program, and if this thing works the way the authors think it will, these things will be repaid and it will be a self-perpetuating thing. A lot of critics of the REA, when it began, said that it would not work and it has been one of the greatest benefits to the electrical manufacturing industry because they have been able to sell more refrigerators and more washers and more electric stoves and what-have-you, and the money has been repaid with interest.

Mr. GROSS. I know that story backward and forward.

Mr. HAYS. I think the gentleman from Iowa is in favor of the REA, is he not?

Mr. GROSS. The REA is a program that happens to be of some benefit to our American farmers. There is a considerable difference between an American farmer, so far as I am concerned, and a farmer in Laos or Cambodia or India or Iran or somewhere else. The gentleman from Louisiana [Mr. PASSMAN] just told us about the uncontrolled nature of this whole foreign aid program. Yet, I find in this bill, it is proposed to set up an inspector general in the Department of State. I have never in my life heard of a colonel investigating his commanding general and that, in effect, is what is proposed in this bill. I believe there should be an internal audit of these foreign handouts, but why do you not do the right and effective thing, and that is set up an inspector general as a separate entity. Better still, why do you not beef up the General Accounting Office or put the inspector general under the supervision of the Comptroller General of the United States? How do you expect to get a proper audit in the State Department of the expenditure of these funds?

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. Every branch of the Armed Forces has an inspector general. I do not see the gentleman from Iowa protesting about the Army, the Navy or the Air Force.

Mr. GROSS. That is because I have not seen this kind of a giveaway operation in those branches of government that I see in the Department of State.

Mr. MORGAN. This is a more complex operation than they have.

Mr. GROSS. You put an inspector general in the State Department last year, did you not? You had an inspector general in the State Department; is that not correct?

Mr. MORGAN. We had an inspector general working on the ICA program.

Mr. GROSS. All right, then, in the ICA.

Mr. MORGAN. The State Department has an inspector dealing with the Foreign Service.

Mr. GROSS. All right; you had an inspector general in the ICA. When the scandal developed down in Peru what happened insofar as the inspector general of the ICA was concerned? He joined along with the State Department, both under the Eisenhower administration and under the New Frontier of the Kennedy administration, in trying to withhold from the investigating committee of the Congress the records in that scandal.

Mr. MORGAN. The gentleman from Iowa is wrong because that incident happened at least 2 years before we had an inspector general in the ICA.

Mr. GROSS. That denial of information came to a head last fall and this spring and that is when the White House, under both administrations, refused the records of the Peru scandal.

Mr. MORGAN. Yes, but this information was furnished in detail under orders from the administration, as I am sure the gentleman must know very well.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 8400) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, had come to no resolution thereon.

JAMES A. SHEEHAN WHOSE EDITORIALS FOUGHT FOR THE CAUSE OF VETERANS

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, James A. Sheehan, retired editor of the National Tribune-the Stars and Stripes, was buried in Arlington National Cemetery on Monday, August 14, 1961.

Jim Sheehan was the friend of every man and woman who has ever served in the Armed Forces of the United States. He was associated with the Army, and with the cause of helping veterans, for all the long years of his adult life.

He worked for the American Legion and the Veterans of Foreign Wars before joining the staff of the National Tribune-the Stars and Stripes as a service officer in 1934. For 85 consecutive years, this periodical has been "the voice of the veterans."

From his own heart and experience, and the traditions of this paper reaching back to the years following the Civil War, Jim drew the knowledge and understanding of sacrifice that made him the spokesman for the Nation's conscience on all matters of concern to veterans.

Many Members of Congress were guided by his recommendations on veterans legislation because of his honesty and sincerity. As service officer, associate editor, acting editor, and finally as editor, Jim fought for his adopted family of veterans with the gift of convincing words that won nationwide respect and influence.

When veterans felt alone or discouraged, as pressure groups tried to have the Nation repudiate its solemn pledge to those who had served it so well in time of danger, they had only to read Jim's editorials to know that their champion in Washington would not let the Nation forget. His front-page editorials were written with factual skill, and readable style and the persuasiveness of a man

who knew his subject thoroughly, and believed in it with all of his being.

In 1957, the Freedom Foundation, recognizing his creative ability and accomplishments, gave him a special award for his editorial: "No Faith, No Hope."

I knew Jim Sheehan for many years, and I treasured the kindness and the courtesy that revealed his deep feelings of consideration and compassion for his brothers in humanity. What pleased him most was the constructive role he had played in helping to shape the various laws providing for hospitalization, disability compensation; and all the benefits and rights presently enjoyed by veterans.

Although he did not live to see it come to pass, the pension for World War I veterans will owe much to the memory of him, when this bill finally comes to enactment.

Our sympathy goes out to console his widow, and to assure her that when veterans visit Arlington Cemetery they will stop to pray for the eternal happiness of their departed friend at the grave marked: "James A. Sheehan, died August 9, 1961."

THE MOST IMPORTANT DECISION IN U.S. HISTORY

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, I have been disturbed by the way in which the current crisis with the Soviet Union over Berlin seems to be following on an all too deadly parallel the historic developments that took place in Europe back before the outbreak of war in 1939. Because the allies refused to move against Hitler before it was too late, the world was catapulted into the tragedy of World War II. As we know now, of course, if the British or the French had offered any serious resistance at all to Hitler when he remilitarized the Rhineland in 1936, the first step in his long, aggressive campaign, World War II might never have occurred.

Now we are talking about whether we are going to stand firm in Berlin, and a great debate is going on about just what we will do if the Soviets should cut off our access to West Berlin. Mr. Speaker, the fact is that the battle for Berlin may already have been engaged.

The decision which the Soviet Union took over the weekend to close off East Berlin, thereby abbrogating various allied agreements upon which our position in the former German capital rests, is really the first step in their determined plan to settle the Berlin situation on their own terms. Indeed the action which the Soviets have now taken in Berlin may well be the modern counterpart of Hitler's decision to remilitarize the Rhineland. It is perhaps possible that our unwillingness or inability thus far to react in any positive way to this action could have as tragic consequences as did the failure of the French and the British to react promptly and forcefully to Hitler back in 1936. So, while we are still waiting to make up our minds about what to do if the Russians cut off our access to West Berlin, the die may already have been cast by our failure to act over the situation in East Berlin. One wonders what this decision may say to the Russians about our own lack of resolution or, what is equally serious, the absence of unity within the Western alliance.

Mr. Speaker, to spell out the real nature of the very fateful decision which lies ahead of us, I have found no article more effective than one that appeared the other day in the August 5 issue of the Saturday Review by the distinguished columnist, Mr. Joseph Alsop. I recommend Mr. Alsop's article to all Members of the House, and under leave to extend my remarks, I include it in the RECORD at this point:

[From the Saturday Review, Aug. 5, 1961]

THE MOST IMPORTANT DECISION IN U.S. HISTORY AND HOW THE PRESIDENT IS FACING IT

(By Joseph Alsop)

The story of Western civilization truly begins in the rich flowering of the free states of Greece and especially of Athens. But in 480 B.C., before the real start of this wonderful flowering, the freedom of Athens and of Greece came close to being snuffed out for good by the vast, stifling Oriental despotism of the first Persian empire. Athens the proud, Athens the ever-defiant, Athens with her Akropolis that had not been taken in a thousand years, was the prime target of Xerxes the Great King, with his multitudinous host of gilt-armored Persian "Immortals," and wild Scythians from the far steppes of southern Russia, and dark-faced horsemen from the Indian satrapies—the army of which A. E. Housman wrote:

"The King with half the East at heel is marched from lands of morning
Their fighters drink the rivers up, their shafts benight the air
And he that stands will die for naught, and home there's no returning."

Herodotus, the Greek historian, records that the Persian army quite literally drank dry the smaller streams that lay along its line of advance, just as Housman suggests. Against such a host as this, not even the high rock of the Akropolis could possibly be held for long.

The last, best hope, so the oracle told the Athenians, therefore lay in "the wooden walls"—the fleet of Athens. Even that hope defied the odds, for all the ships of Athens and all the ships of Greece were more than thrice outnumbered by the 1,200 triremes which the great king had also gathered, from Tyre and Sidon and the rest of the sea-cities subject to Persia. Yet the Athenians would not seek terms from the great king, although they might have done so. They refused to submit. They obeyed the oracle. They left their city and their homes for the Persians to plunder. The men manned the fleet. The very old, the very young, and the women ferried themselves across the bay, to make a bleak camp on the rocky island of Salamis. For those in the encampment, only death or slavery lay ahead if the fleet failed. For the men in the ships, it was victory or death at sea. But in the outcome Xerxes, enthroned on a high headland to watch his huge armada triumph, instead looked on in anguish while his ships were routed or destroyed. The season was advancing, and the host of the great king was helpless without naval support. The Persian retreat was ordered; and thus the people of Athens, by risking national suicide, turned back the first great onslaught of the east upon the west.

Those who dare magnificently can hope for magnificent rewards, even though they cannot count upon them. Parts of the still-standing walls of the Akropolis were built with the rubble, and even with the broken statues, of the ancient temples the Persians had thrown down, as though to make way for the Parthenon. Even before the walls began to rise, the boy Sophocles led the youths' dance to celebrate the victory in Salamis Bay. Such were the auguries. On the foundation of their victory over the Persians, the Athenians built almost everything we have in mind when we speak of "the glory that was Greece." And they won another, more somber, sort of reward more than two generations later, when the wonderful flowering was ending and the Greeks had fought among themselves, and Athens had been vanquished, and the Spartans and their allies were considering what sentence to pass upon the fallen city. A majority in the council favored the fearful sentence which the Athenians themselves had passed, alas, on other vanquished cities—killing all the male citizens of military age and selling the rest into slavery. But the Spartans, refusing to requite crime with crime, obstinately argued that it would be impious to destroy this Athens which had also turned the hosts of Persia and saved Greek freedom. Then a man of Phokis rose to chant, full-throated, one of the great choruses of Euripides, as though to remind the council of the good fruits of Athen's flowering. And so the vote was for mercy.

Can we, who number close to 200 million in America alone, imitate those old Athenians, whose whole state probably counted less than 300,000 people, free and nonfree, on the day of Salamis? Dare we, should we try to imitate them? They won, but others lost. History records very few displays of unyielding courage to compare with the last defense of Jerusalem, some four decades after the Crucifixion. To take the Holy City, the Emperor Titus had to muster Rome's best legions; and the seige continued until the brave Jewish defenders fainted on the walls from hunger. But in the end, the Temple was razed, and all the surviving people of Jerusalem were put to the sword, and the Ark of the Covenant and Solomon's seven-branched candlesticks were carried in a Roman triumph, as you can see today on the Arch of Titus in the Forum.

It has to be remembered, in truth, that the gamble is never absolutely sure for those who risk suicide in order to avoid surrender. It is needful to remember, also, the difference in scale of modern history; for those defenders of Jerusalem who died to the last man numbered only in the tens of thousands, whereas the victims of a modern nuclear exchange—if one ever occurs—may perhaps be numbered in the tens of millions. And it must be remembered that although many may now have to risk death, few will do this in the manner of the Jews of Jerusalem, by their own conscious, willing choice. This must have been what President Kennedy had in mind on one occasion when he was discussing these and other episodes in the historic past.

"It was less difficult when they could see the enemy from the city walls," he remarked. "If you can see the enemy, you understand well enough that it's a case of you or them."

High in the air above France, en route to London from his Vienna meeting with Nikita S. Khrushchev, John Fitzgerald Kennedy first addressed himself to the moral question implied by the foregoing. This is the hardest question of our time—the question the British nuclear disarmers have answered with the slogan "Better Red than dead"; the question everyone used to duck,

by parroting the statement that "Modern weapons have made war unthinkable;" the question whether it is better to risk a war with modern weapons, in order to avoid surrender.

The Vienna meeting had just ended on a note of grimmest irony. At the farewell conference, Khrushchev vowed he would grab Berlin before December ended. He vowed, too, he would fight anyone who tried to stop him. Kennedy heard Khrushchev's threats in stony silence, then replied in six short words.

"It will be a cold winter," he said.

In the plane to London, therefore, the President was forced to think about the terrible choice involved with any risk of war with modern weapons in order to avoid surrender.

The President believed then, and he still believes now, that Khrushchev would not carry his grab for Berlin to the point of a nuclear exchange. He believed then, as he still believes, that Khrushchev would moderate his program if he could only be convinced of the iron resolve of the American people. Yet there was another hard fact that had to be faced—the fact that there is always the off-chance, even if it is only one chance in a hundred, that such beliefs about enemy intentions may not be founded in fact; and that there is always the off-chance, too, of this kind of confrontation ending in an unintended accident. So he mused about the problem for a while, unburdening his mind almost at random for his closest staff members.

If one could think only of oneself, he remarked, it would be an easy problem. He was forty-four. He had had a full, rich, lucky life. He had never, in any case, been troubled by the deep, anxious fear of dying that afflicts some men. In that way, too, he supposed he had been lucky. For the individual, in any case, the duty to make any sacrifice to avert a great national defeat was crystal clear. "If you could think only of yourself," he remarked, "it would be easy to say you'd press the button, and easy to press it, too."

Yet as President, he went on, he could not think only of himself. He had also to think of the next generation, and of those who would come after. "That makes it damned hard," he said. He concluded bluntly that it was a choice, none the less, which might have to be made. Then he dismissed the subject and briskly began his preparations for his London meeting with Prime Minister Macmillan.

This account of the President's initial reaction to his encounter with Khrushchev is only a fragment, though a key fragment, in a much larger mosaic. The mosaic has been put together by consulting all sorts of people who have watched the President in action, who have heard his thoughts and studied his responses, in the harsh period since his moment of truth in Vienna. The aim of this mosaic making has not been to find out the President's detailed plans for a crunch at Berlin. The aim has been, rather, to try to find out what the President thinks about the vastly graver, more profound question which underlies the Berlin question. This is the basic moral question already posed. In simplest form, it can be phrased as follows:

"Is it right to risk something close to national suicide in order to avoid a decisive national surrender?"

For us in our times, this question is a hideous novelty. Before the age of the H-bomb, it could not arise, if only because the technological means of destroying many tens of millions of people did not then exist. There was no need to worry about suicide, while suicide was impossible. In the 20th century we have fought two world wars; and at least in the case of the second world war, those who decided to fight rather than surrender were fully prepared for very heavy casualties. But very heavy casualties are one thing, and the semiextinction of a nation, now unhappily made possible by H-bombs, is quite another thing.

Therein lies the novelty, or rather, what seems to us to be the novelty, in the question that may soon confront the President as well as all the rest of us. In truth, the President is haunted by the difficulty, the incalculably painful character, of the choice he may yet have to make. There was a period, just after his return from Vienna, when this haunting became all but obsessive.

Almost as soon as he reached the White House, he got out Eisenhower-ordered studies of the potential American casualties in a nuclear exchange. These studies had been filed and forgotten, under pressure from the Eisenhower Budget Bureau, because they recommended a costly civil defense program to reduce the casualty lists to acceptable figures. (How many billions of dollars, or how few, one wonders, add up to a reasonable price tag for national insurance on 70 million American lives?) Since no serious civil defense measures had been taken in time, Kennedy was left with the casualty estimates staring him in the face. For a while he had a way of bringing up these mind-searing figures on every imaginable occasion—at the high level planning sessions on Berlin, and at his meetings with congressional leaders, in staff conferences, and even during quiet evenings with private friends. When the congressional leaders, even including Vice President LYNDON JOHNSON, told him that both House and Senate were still sharply hostile to increased civil defense spending, the President answered with a certain savagery:

"And what about my responsibility? I'm the one who has to push the button, if it goes that far. I'm convinced it won't go that far, but I can't guarantee it. Do the House and Senate want me to give way in the end?"

This same heavy sense of the burden that has been laid upon him was what led the President to listen with understanding to General de Gaulle's argument for an independent, French-controlled nuclear deterrent. This argument, dismissed by earlier American policymakers with incomprehension or scorn, is also the argument that led the British into their large (but largely fruitless) outlays on a British deterrent. In its simplest form, this argument is known in military-theoretical circles as "Head's question," being named after Antony Head, the able former British Defense Minister. Head asked his defense planners: "What will the President of the United States do, if and when he is called on to sacrifice New York and Chicago for London and Liverpool?" Head meant, not that the President of the United States could be expected to be a poltroon, but that the President's moral burden was excessive, even for a very brave man. As a practical matter, however, the British economy has been unable to sustain the gigantic cost of a serious nuclear deterrent, and especially the cost of the crucial delivery system. The French will have the same problem. Hence Kennedy, while he understood De Gaulle, was unable to agree with him.

"In the practical circumstances," he told De Gaulle, "the nuclear responsibility belongs to the President of the United States; and as President, I propose to exercise that responsibility." This answer is known because De Gaulle later cited it to his advisers, as proof of what he called the real stuff in the new American President.

Though the President is so sternly determined to "exercise that responsibility" if he has to do so, it is plain from all the foregoing that he has been having grave second thoughts about its sheer weight. It is not at present feasible to disperse and lessen this Presidential burden by the creation of allied nuclear deterrents. It is also doubtful whether this is desirable. But are there not other ways to lessen the President's burden? The answer is that there are three different but interacting ways to do this, which were, however, tragically neglected during the complacent years. Supposing we had not been complacent. Then what should we have done?

First, we should have spared no effort to maintain the former commanding American lead in nuclear striking power. The U.S. monopoly of atomic weapons could never, of course, have been maintained. But even in 1953–54, after the monopoly had been broken by Soviet A- and H-bombs, the United States still had a great lead in striking power which we could have held. If we had held that lead, it is highly unlikely that the Soviets would be menacing Berlin today. But the former American lead was sacrificed to the convenience of the Bureau of the Budget.

Second, we should have provided adequate conventional military forces, in order to dilute our dependence on nuclear striking power alone. If a nuclear war is literally the only kind of war the United States is ready for, we are infinitely more vulnerable to the favorite Soviet "salami" tactics. Each individual slice of salami—each separate prop of the Western position at Berlin, for instance—may easily seem too unimportant to justify resort to nuclear weapons. Yet all the slices together will add up to total victory for the Kremlin. This obvious logic was blandly ignored when the new look strategy, leaving almost no nonnuclear military alternatives, was imposed on the Pentagon in the autumn of 1953. Once again, the motive was the defense of the U.S. budget rather than the defense of the United States.

Finally, we should also have acted on the recommendations of those civil defense studies which Kennedy disinterred after Vienna. The decision to risk a nuclear war ("to go to the ultimate," as Kennedy wryly describes it) will always be very terrible. Furthermore, even the greatest efforts to strengthen striking power and to increase conventional forces cannot give complete insurance against the need for such a decision. If worst comes to worst, however, the decision will be far less terrible, if what is risked is a casualty list of only one-twentieth, or one-fortieth of the Nation, instead of close to 40 percent of the Nation. But to this, too, the Budget Bureau said "No."

These budget-dictated sins of omission are not set down in a spirit of blame for past folly. Almost everyone shared in the complacency which was the root of the folly. Kennedy himself failed to order any serious corrective action when power passed to him. The moment of truth in Vienna was needed to make the new President think the problem through, and to persuade him to order the defense increases and the emergency civil defense program which he has now ordered. But for the future, first of all, it is vital that everyone should think this problem through, as the President has now seemingly done. It will not be cheap, or easy, or comfortable, to try to regain a lead in striking power, or to maintain larger conventional forces, or to make reasonable arrangements for civil defense. But the modern weapons will not go away. The dilemmas they create, the moral question they pose, will not go away either. The least that can be done, for our own sakes and for the sake of those who will come after, is to take the different kinds of action that will make those dilemmas far easier to resolve, and will much reduce the painfulness of that moral question.

"Suppose we get around the Berlin corner, as I hope and think we shall," President Kennedy has said. "Even so, no one can be sure there won't be another very tough corner later on."

For the present, too, the nature of this moral question is highlighted by the simple fact that this young President, with his enjoyment of power and eagerness for responsibility, nonetheless thinks that all means should be used to lighten his special nuclear responsibility. He cannot elude the responsibility, and he is ready to exercise it if he has to do so, as he said to De Gaulle. But for his successor's sake as much as for his own, he would like to see the burden lessened, as it can be lessened in time. Unfortunately, however, the burden cannot be materially lessened in the present phase of the Berlin crisis. The emergency civil defense effort may cut the potential nuclear casualty list in half; but the figures will still be horrifying. An airborne alert of the Strategic Air Command may confront the Soviets with U.S. striking power beyond the reach of their rockets; but it will not restore the lost American lead. A new call to the colors may provide additional divisions, both for NATO and to guard against the diversions Khrushchev may be thinking of attempting while he menaces Berlin; but such a callup will not outweigh the Red army. In sum, there is no sure, immediate way to duck or to defer the choice with which Berlin confronts the President, and the Nation and alliance which he leads as well. In this respect, time, geography, and the pattern set by past policy all maliciously conspire together.

Past policy has set a very clear pattern indeed. In 1956, in pursuance of the "new look" theory, President Eisenhower issued a National Security Council directive calling for the automatic use of nuclear weapons in any military clash in Western Europe. Thereafter, all Pentagon and NATO planning was based on this directive. The effects were most plainly revealed in three of the plans for Berlin presented to President Kennedy by the Joint Chiefs of Staff.

All three were plans for probes. Probing movements along the highways leading to Berlin were envisioned because control of the access routes to West Berlin is what Khrushchev really wants. He has been talking about a peace treaty with the Communist East Germans. He has been adding, as a seeming afterthought, that his signature on such a peace treaty will automatically abrogate the existing, Soviet-guaranteed rights of the Western allies to use the highways, railways, canals, and airways which pass through East Germany to West Berlin. But the free city will obviously be doomed if all access to it is controlled by the odious East German Communist boss, Walther Ulbricht. What happens on the access routes, in fact, is all important, whereas the mere signature of a peace treaty is quite unimportant, as long as the access routes are unaffected. The probes were therefore designed to assert the West's continuing right to use the access routes.

Three kinds of probes were suggested by the JCS. The first was wholly peaceable in outward appearance, simply involving movement of a few military trucks down the highway from Helmstedt. The second called for a similar movement by an armed convoy of several hundred men. The third called for two divisions. All three plans were based on the established Western rights of access. But all three plans made only one provision for these rights being flouted and the probes being halted by force of arms. In this event, the Strategic Air Command was to come into play. As President Kennedy remarked, all three plans meant "going from nothing, or almost nothing, to a nuclear exchange totally destructive to both societies."

The problem of finding ways to avoid "going from nothing to everything" in one terrible jump was the problem which made the recent planning for the Berlin crisis such a time-consuming business. It was a particularly difficult problem, because Berlin's geography greatly exaggerates the pattern set by past policy. But there was a precedent to follow, the crisis at Quemoy, where a rather prolonged test of will took place despite unfavorable geography, in the late summer of 1958. Breathless weeks of minor, conventional military action at length convinced the Kremlin that the United States was resolute enough to use nuclear weapons if the Quemoy test were continued and expanded. At this point, the Quemoy test was called off. The aim of the Berlin planning has been to provide the ground forces other essential elements for a reasonably protracted multiphase test of will on the Quemoy model. It will be a very hair raising sort of test even although there will now be no need to go from nothing to everything in a matter of hours.

Such are the remorseless practical limits of the Berlin problem on the ground. In the political sphere, it has other practical aspects of extreme and dangerous importance. In particular, Khrushchev will certainly be impressed by a show of iron resolution in the United States; but he will be even more impressed if he can only be confronted with a united, resolute Western alliance. Yet some of the other Western allies have been far more unsettled by the loss of the American nuclear lead than we ourselves have been, as yet, here in the United States. The American lead was unthinkingly relied upon by our allies, even after it began to be lost. It was regarded as a sure protection and also, in some cases, as a sufficient justification for comfortable neglect of the normal tasks of allied self-defense. Then came the sputniks, dramatizing the changes that had been hardly noticed until then. Again, the response was unthinking. It took the form of a vague drift into the kind of woolly neutralism that is intellectually far less respectable than pacificism—the kind of neutralism that holds the Americans will be the aggressors at Berlin, if we do not abandon our commitments to the stouthearted Berliners and give Khrushchev everything he wants. Unhappily, the countries where this neutralist drift has been strongest are our two closest and most important allies, Britain and Canada. As a result, it may be very difficult to hold the Western alliance together, while holding firm to Berlin. President Kennedy sees the difficulty, and means to spare no effort to overcome it. Even so, it is possible that he will not succeed. In truth, it is downright unlikely that he will succeed, unless all of us, the people of the United States, are absolutely clearminded about what we are doing. Only the most icy clearmindedness will keep us from the extremes of braggadocio and seeming panic. Nothing else will permit us to combine sobriety with courage, prudence with resolution, in a way that will inspire allied self-confidence and Soviet second thoughts.

For this kind of clear-mindedness, the best approach is the curious intellectual exercise which the President himself has more than once performed with certain of those who are close to him. For the purpose of this exercise, you begin by assuming that Berlin cannot be cheaply defended, for all the historical, political, practical, and geographic reasons already set forth. You must then ask yourself (for you have no alternative) the same abstract question that was asked toward the beginning of this report—whether it is right to risk something close to national suicide in order to avoid a decisive national surrender.

The only way to determine the right answer to this bleak question is to tick off, quite coldbloodedly, all the contradictory possible answers, and to see where they lead. If you do this, you soon discover a sharp division. There are honest answers, and there are dishonest answers—the adjectives are those habitually used by President Kennedy—and the popular, pleasant answers, unhappily, turn out to belong to the second group.

It was quite honest, though the very opposite of popular, to advocate preventive war in the period of American nuclear monopoly. No less a person than Winston Spencer Churchill in fact did advocate preventive war, in the year after the first Soviet A-bomb test. He pointed out that the masters of the Kremlin had been menacing enough, even without nuclear weapons in their hands. He correctly forecast that they would be far more dangerous when they had acquired a full nuclear panoply. "If this is what they do in the green wood, what will they do in the dry?" he bitterly asked. But almost no one paid serious attention to these last truly major speeches in the long Churchillian series. And now it is too late to talk about preventive war, because the Soviets now have the full panoply that Churchill feared.

Again, it may be shocking, but it is quite honest for the British nuclear disarmers to chant their tragic slogan, "Better Red than dead." Bertrand Russell and the other leaders of this movement have been frank about the meaning of their program. Russell himself, who was another advocate of preventive war in the period of nuclear monopoly, was also among the first to proclaim that he preferred surrender to the smallest risk of a nuclear exchange. He is scientifically misinformed about the effect of such an exchange. If it ever happens, it will not "end life on earth," as he appears to believe. It will merely produce millions of casualties and largely destroy the social fabrics of the adversary nations—which is quite bad enough. But since Russell and the others like him have openly used the ugly word, "surrender," they cannot be accused of peddling a mislabeled product. However misguided we may think it, their nuclear pacificism—for this is the right description—does not differ fundamentally from any other kind of pacifism. The main trouble with their answer is, simply, that no Americans want to surrender.

Plenty of Americans hanker for cheap solutions of hard problems, however; and these are the people who account for the popularity of the dishonest answers abovementioned. These answers come in all shapes and sizes, but when you boil them down, they all fall into two main classes. On the one hand, we are told: "Be reasonable; let's negotiate; let's relax tensions." And this is all very well, except in the far too frequent cases when tensions are to be relaxed by flaccid abandonment of vital positions, and the thing to be so reasonably negotiated is nothing more nor less than a concealed surrender. On the other hand, we are told: "Be bold; stand up and be counted; don't yield an inch; make America a fortress." And this is also all very well, except in the far too frequent cases when the risks of standing up and being counted are shoved under the nearest rug, and the demand for making America a fortress is coupled with angry charges that spending on national defense is nothing more nor less than communistic. When he reads such stuff as this in his morning paper, as happens all too often nowadays, the President is filled with cold, contemptuous anger. But if Kennedy is right that the easy answers are dishonest, and if preventive war can no longer be thought about, and if surrender is unthinkable, what then is the correct answer to the central moral question that now confronts all of us?

The correct answer, which can be expected to be the American answer, is to find the hard path between the two extremes of shrinking fearfully from the ultimate risk, and rushing out to seek it. When the thing to be risked is a nuclear exchange, it is no time for braggart talk and hasty action. Patience, in these circumstances, is not to be confused with weakness. Willingness to negotiate, and readiness to search for reasonable accommodations, are not to be confused with appeasement. But there can be no deceptive negotiation, there can be no flabby accommodation, about the things that really matter—the freedom of the city and the freedom of the access routes which guarantee the city's freedom, in the case of Berlin. If we are challenged upon these points that really matter, then the reply must be, "We shall never give way," and this must remain our only reply, even if we are called upon to risk a nuclear exchange.

The reason for this kind of reply, with its terrible, accompanying offchance of an actual nuclear exchange, is to be found in the predictable consequences of giving way. It is bad enough if you list the surface consequences of a surrender at Berlin—NATO in collapse; the Western alliance in open dissolution; American influence reduced to zero in every quarter of the globe; and other vital positions, including positions in this hemisphere, rather rapidly falling under Communist control. But it is still worse if you try to estimate the deeper consequences of a Berlin surrender, which would appear in this country.

Here, in our midst, in our own America, we must remember, fearful pressures would surely be generated by the chain reaction of defeat and disaster that would have to be expected after a surrender at Berlin. The political reactions would be poisonous beyond imagining. In bitterness and rancor, we might seek to build a "Fortress America"; but the new defense requirements of this isolated, beleaguered American fortress would be overpoweringly burdensome. Under such strains the society in which Western democracy was born would almost certainly tend to become a total, authoritarian society. And the end might be a loud-mouthed American authoritarian demagog going, hat in hand, to seek the best deal he could get from the Kremlin; for even the most convulsive defense efforts could never give this Nation the power to stand, alone and unaided, against a Communist empire directly controlling or indirectly manipulating most of the rest of the world. This is an unbearable prospect, even if we forget our own feelings, even if we think only of the next generation and of those who will come after. Speaking of this prospect, the President is reported to have said: "The right way to see the choice between modern war and surrender is to think about how surrender might affect us, here in the United States. If you'd be perfectly ready to join the underground, and would also expect your children to join the underground, in order to resist this kind of change in our society, then the best choice is the risk of war."

The word that needs to be emphasized, in this last fragment of our Kennedy mosaic, is the single word, "risk." In such a confrontation as the Berlin crisis, there is no certainty of war until the President of the United States reaches for the famous gold telephone he must always have within reach, and give the "go" order to the Strategic Air Command, or until Khrushchev gives the comparable order to the Soviet equivalent of SAC. There is not even any likelihood of war, if we are calm and surefooted as well as resolute; for Khrushchev has all the reasons that we have for desiring to avoid a nuclear exchange. No one can suppose Khrushchev, if sane, is really eager to trade the destruction of his own cities for the control of Berlin. Thus the risk of war lies only in the possibility that Khrushchev is paranoid; or the possibility that we shall fail to convince Khrushchev we mean business; or the possibility of misadventure. All these things are undeniably possible, but they are also improbable. Our chance today is better, in truth, than the chance those old Athenians took, when they abandoned their homes to the torches of the Persians and boldly manned their outnumbered fleet. And if we dare magnificently, as they did, we too may hope, at least, for magnificent rewards.

A TRIBUTE TO H. V. THORNTON

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, I have just learned of the loss of a dear friend and a great citizen of Oklahoma, Dr. H. V. Thornton, of the University of Oklahoma, who suffered a fatal heart attack at his home in Norman on last Friday, August 11.

The loss of Dr. Thornton will be mourned by thousands of Oklahomans who were inspired by his courageous teaching for more than 20 years at Oklahoma University, and by additional thousands who have been heartened and encouraged by his gallant, continuing fight to strengthen and modernize our State's governmental structure.

No man in Oklahoma's history has done more to stimulate constructive thinking and progressive action by Oklahomans in the field of government.

Dr. Thornton's influence was exerted constantly and tirelessly, but always with dignity and with tolerance, on three broad fronts in the Sooner State: in the classes on government in the university, where he taught thousands of young men and women during his teaching career; in the annual Boys State sessions which he helped to organize in 1939; and in hundreds of civic meetings and sessions of the Oklahoma Legislature, which he had served as a consultant for many years.

Very few governmental reforms in Oklahoma, during the past generation, have come to pass without Dr. Thornton's advice and assistance.

By his outspoken courage, his scholarship, and his devotion to the cause of better government, this distinguished teacher and political scientist has won a place for all time in the hearts of his fellow Oklahomans.

To his beloved wife and children, Dr. Thornton has left a rich legacy: the high esteem, respect and love of many thousands whose lives have been enriched and strengthened by his influence and friendship.

Because of its fine portrayal of Dr. Thornton's career and character, Mr. Speaker, I am including with these remarks an article by Mary Goddard of the Daily Oklahoman staff, as it appeared in that newspaper on August 12, 1961:

[From the Daily Oklahoman, August 12, 1961]

OU'S DR. THORNTON DEAD

(By Mary Goddard)

NORMAN.—Dr. H. V. Thornton—"Mr. Government" to generations of young Oklahomans—died unexpectedly Friday, less than 24 hours after announcing completion of an important and until now unpublished research report to State residents.

Thornton, 61, suffered a fatal heart attack at his home here during the afternoon. Meyer and Meyer Funeral Home will announce services.

He was a University of Oklahoma government professor and director of OU's government research bureau. Thornton also was widely known for his active interest in public administration, including a long battle for legislative reapportionment.

Only Thursday he telephoned to the Oklahoman newsroom.

"I've just finished a study here on the new reapportionment bills," he said. "If the paper would be interested, I could give you a copy."

The veteran professor, whose face was seamed with smile lines under iron-gray hair, seemed in good health. His voice was vigorous as always, reflecting intense interest in the subject at hand as well as a total lack of self-importance.

One of his final services was dropping the report into the faculty mail for delivery to the reporter.

His death hit hard among those who had been Thornton's colleagues for more than 20 years.

Dr. George L. Cross, OU president, spoke for the campus community:

"News of Vern Thornton's death comes as a terrible shock to all of us at the University of Oklahoma. He was a man of rare intelligence, integrity, and courage, and he made many significant contributions to the university and to the State of Oklahoma. We will never be able to replace him."

Hard hit, too, were many of the men who have boyhood memories of Thornton's guidance during annual Boys State sessions. He helped to organize Boys State in 1939, directed the program each summer from 1946 to 1953, once again in 1955, and served as adviser in recent years.

Dr. Thornton was on duty again this summer when the boys swarmed into the north campus headquarters. When everybody else was out to lunch, he was there to tend the telephone and handle any chore, no matter how small or tirestome.

Ironically, Dr. Thornton died at the height of a new battle over changes in legislative representation. If he had any regrets, it probably would be missing the donnybrook shaping up before the September 12 vote on the latest proposals.

Thornton had battled since the 1940's for a constitutional convention and an overhaul of the legislative seats. His studies, widely published and detailed in public speeches, included analyses of an ideal constitution, the bill of rights, bicameralism versus unicameralism, state budget administration, and executive department organization.

Some studies were done in his current capacity as consultant to the state legislative council. His outspoken stand on governmental matters drew fire from some legislators, who retaliated with public attacks, including the charge that Thornton was "getting rich" in his advisory work.

The fact was that he received no retainers and paid all of his travel expenses himself. Thornton reacted with quiet humor, though, because he always used his energy for battling public problems.

He faced plenty of problems during World War II years when he was mayor of Norman (1942–46). Thornton's official biographical sheet explains in his own words:

"My term as mayor of Norman covered most of the war years. The influx of naval personnel placed unusual burdens on a small city, most of which, however, were well borne by a cooperative community."

He also served on the city charter committee here in 1940 and was a past vice president of the local chamber of commerce.

Kansas-born (July 29, 1900, in Independence), Thornton came to Oklahoma with pioneering parents in 1904. He completed high school at Jenks and entered OU, where his college career was interrupted by World War I tank corps service.

Receiving his bachelor's degree in 1923, Thornton began a public school career. He was principal of high schools at Comanche and Marlow, and superintendent at Lahoma.

In 1930, he went to New York University to earn his doctorate and teach. His introduction to practical politics came during those years, as a campaign worker for the late, fiery Fiorello La Guardia.

Thornton returned to OU in 1937, joining the government department where he was to advance to the research bureau post in 1940.

He married an Indiana girl, Agatha Roush, in 1923. Thornton's interest in youth development was sharpened by his own three children.

One son, N. V. Thornton, Jr., was killed at 24 in a 1959 car accident. Surviving are another son, Charles Arthur, an OU student, and Miss Virginia Thornton, in Colorado.

He also is survived, in a way, by the thousands of youths who streamed through his college classes and through Boys' State, both dedicated to what Thornton termed programs "designed to develop leadership and understanding of the principles of American government."

NEED FOR ADDITIONAL B–58 LONG-RANGE BOMBERS

The SPEAKER. Under the previous order of the House the gentleman from Texas [Mr. WRIGHT] is recognized for 60 minutes.

Mr. WRIGHT. Mr. Speaker, last week Congress acted favorably on the conference report on the defense appropriation bill. Among other things this bill includes $515 million for the procurement of additional long-range bombers.

This is clearly in keeping with the authorization bill earlier passed by both Houses of Congress. The language of that authorization bill as passed by this body specifically suggested the procurement of additional B–52's and B–58's. This action clearly reflects the concern of Congress that we are not yet ready to place our entire deterrent reliance in the missile basket, and that our aging bomber force desperately needs to be implemented with more of our newest and best models.

There are many of us in the Congress who are very gravely concerned over what appeared at the beginning of this session of Congress to be the decision of the Department of Defense and its Secretary that the production lines be terminated on our most modern weapon system, the B–58. We are extremely hopeful now that with this clear-cut expression of congressional concern that the Secretary of Defense, in doing as he earlier suggested that he might by reviewing the defense needs of the country, will take into account this clear expression of the Congress and our desire that additional B–58 aircraft be procured for the safety of our country.

What are the credentials of this manned bomber?

First. The B–58 is the fastest and most modern manned bomber in the defense arsenal of the free world. It is in fact the free world's only supersonic bomber. It is capable of flying twice the speed of sound.

Second. It has recently broken six world speed records previously held by Soviet aircraft, and this year set a new speed record for transatlantic flight.

Third. It won the Strategic Air Command radar bombing competition last year, becoming the first airplane in the history of the competition to win in its first operational year.

Fourth. It has proven in repeated test flights that it can successfully penetrate our own defense screen. Even when flying on a predetermined route and giving periodic position reports, it has never been successfully intercepted by our own defense network in these tests.

Fifth. It is the only aircraft we have which is a match for the fast, long-range, all-weather Soviet interceptors which were displayed with such dramatic timing at the recent Soviet air exhibition.

It is the only aircraft we have with adequate versatility to fly in swiftly and effectively at low altitudes, below radar detection, to bomb Soviet targets. It has met every performance and production deadline.

Mr. Speaker, I should like to ask that at the conclusion of my remarks I may insert an article which appeared in the Air Force Space Digest of August 1961, written by Col. J. K. Johnson of the U.S. Air Force, entitled "Bombs Away at 60,000 Feet."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WRIGHT. Mr. Speaker, we have spent $3 billion on the development of this aircraft. For this amount we have two operational wings. All the startup costs have been paid. We are now right at the point where we can capitalize on our investment. The originally scheduled third wing can be procured for approximately $346 million. The unit price of the B–58 now is actually cheaper than for the old subsonic B–52's, the design of which is 10 years old, and which is slower than our commonly used commercial transportation.

It does not make sense, and I do not believe that upon serious reflection the Secretary of Defense will believe that it makes sense, to scrap this one supersonic bomber we have in our arsenal and let the production lines die and let the plant die.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Speaker, as a member of the Committee on Armed Services, I would like to commend the gentleman from Texas for the very able fight he has made throughout this session of Congress for the B–58 bomber. I know he has taken time from his busy schedule to brief all of us on the accomplishments of the B–58, and I believe that very largely the action of the Congress in determining that funds should be provided for the continued production of this great weapon has been the result of the diligence and action the gentleman has taken.

The members of our committee considered this matter very carefully. We were not satisfied with the presentation made by the Department of Defense that our safety could reasonably be entrusted to a decision to discontinue manned bombers.

Therefore, in spite of the recommendations of the Secretary of Defense to the contrary, our committee and then the Congress as a whole went ahead and included funds for continued production of this great plane, the B–58, to which the gentleman from Texas [Mr. WRIGHT] has referred, as well as for the B–52, the earlier model.

I think, Mr. Speaker, the developments at the recent Moscow airshow demonstrated that the Soviet Union, which we had been told had largely leapfrogged over manned bombers in preference to guided missiles, was actually not only not neglecting the manned bomber, but had actually made a number of new technical developments in this field. This Moscow airshow made it perfectly clear to me that the decision of the Congress to continue the B–58 had been a wise one.

I may say that I for one was very disturbed the other day when the Secretary of Defense appeared before our committee to ask for that additional $3.5 billion to back up the President with reference to the defense posture required as a result of the Berlin situation, to hear the Secretary say he did not think there was anything new to be learned from the Moscow airshow and to reiterate that he had not changed his mind about his earlier decision not to utilize the funds provided by Congress for these B–52 and B–58 bombers. I think the Secretary has made a serious mistake and I think the position of the gentleman from Texas [Mr. WRIGHT], which is the position of the Congress with regard to the necessity for continuing these bombers is the much sounder one. I share the gentleman's view and hope that the Secretary of Defense, who is certainly a very able man, but sometimes a rather positive man, will see the light in the months ahead and will recognize that we cannot safely protect the interests of this country without continuing the B–58 bomber which is so important and vital a part of our defense against the Soviet threat.

Mr. WRIGHT. I want to express my thanks to the gentleman for his remarks, and for his studious work and his diligence and that of his colleagues on the Armed Services Committee in this regard. I believe they have performed a truly noteworthy public service.

Mr. BRAY. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from Indiana.

Mr. BRAY. Mr. Speaker, I am very happy that the gentleman from Texas has brought this matter up at this time. I am also on the House Armed Services Committee. We went into this matter, as you know, quite thoroughly. We felt, and so recommended and so authorized, both the B–58 and the B–52, and insisted to the strongest of our ability that something be done on this matter. The jobs done by the B–58 and the B–52 are different. We need them both. Also, I was and still am very strongly of the opinion that we ought to go ahead in this matter and push the B–70 at the same speed and in the same amount that was true preceding the Eisenhower budget. The reason I feel that very strongly is this: Let us assume that the ICBM is the weapon that we think it is. We might find ourselves in not the too far distant future in the position that we could not react to a conventional attack or conventional war. Then we might find ourselves in the position of having to resort to missile-borne nuclear war, when it would not be necessary if we had kept up our strength.

Mr. Speaker, I can well imagine in the foreseeable future a situation arising where we only have some old, tired bombers. We have not looked into the future at all to provide what we need. Therefore, we might find ourselves in the most unenviable position of defending America and having to resort to the ICBM.

Mr. Speaker, the ICBM can never be considered anything but a total war weapon. Its job is not to make friends and influence people. I can well imagine the situation, say, in Lebanon 3 years ago, I believe it was, in July, when we sent conventional forces to Lebanon.

If we had been forced to depend entirely upon ICBM's we certainly would never have accomplished what we did in that situation. I am very happy the gentleman has brought to the attention of this body the great need of the B–58. I also join the gentleman from New York [Mr. STRATTON] in hoping that the Secretary of Defense will see what to many of us is apparent, that we must look to the future for the welfare of America.

Mr. WRIGHT. Mr. Speaker, I thank my colleague from Indiana for his remarks and for his well-placed interest in our defenses.

I believe it might appropriately be pointed out that there have been other instances when the civil authority of our Government has exercised its own good judgment sometimes even over the objections of the military and wherein history has proven the civil authorities to be right.

If I recall my history correctly, Abraham Lincoln bought the first repeating rifles, the Spencer rifle, for the Northern Army over the violent objection of the Army Ordnance. These rifles provided the turning point in many a subsequent battle. He also bought the Gatling gun over the same objections. In this case, the Army was so stubborn that it would not use them. General Custer left eight of them back in camp on the occasion of his debacle at Little Big Horn. The Air Force got one of these old Gatling guns out of the museum 6 years ago and found that it would fire 2,500 rounds a minute while the best efforts of our now Ordnance Corps would only make a machinegun fire 1,500 rounds per minute almost 100 years later.

After that, they got busy and made a modern Gatling gun that shoots 6,000 rounds per minute—the gun that is in the tail of the B–58. Lincoln also ordered the *Monitor* over objections of the Navy and we all know the results of that decision. The Congress intervened on behalf of Billy Mitchell when he was being crucified by the Army General Staff. The Japanese intervened with our own battleship admirals at Pearl Harbor, and most recently the Congress intervened so that this Nation could have an atomic submarine.

I agree with the gentleman from Indiana that we need to expedite development of the B–70. But at the very best we cannot expect these to be available in any operational strength for at least 6 or 7 more years and probably longer.

Meanwhile, we need to have an adequate number of the best and most modern bomber we have. Certainly there can be no doubt that this is the B–58.

What possible reason could be given for failing to respond to this clear congressional expression to purchase additional B–58's? The Secretary of Defense wrote to a Member of the other body on August 1 to the effect that we will have an adequate bomber force at the end of the present procurement order, since we will then have approximately 700 B–52's and B–58's.

What the Secretary failed to point out in that memorandum is that more than 600 of these will be the old subsonic B–52's and fewer than 100 will be the supersonic B–58's.

I have nothing whatever against the B–52. In the years just behind us, it has been the mainstay of our Strategic Air Command. It has served us well. For an old plane, the design of which dates back to approximately 1949, it has done a fine job.

But, Mr. Speaker, the B–52 is slower than the commercial passenger planes in general use today by every major airline and many of the feeder lines.

Is this the plane in which we wish to place the total strategic reliance of our country in the next crucial 7 or 8 years while we struggle to catch up in missiles and before the B–70 becomes operational?

Do we want to discontinue production of our only supersonic bomber—which has recently won six world's speed records previously held by the Russians—at a time when the Russians are stepping up production of their own supersonic bombers, and supersonic interceptors?

Quite literally, the B–58 can be there and back before the B–52 ever even gets there. The B–52 would be a sitting duck for the fast Russian fighter aircraft. But the B–58, flying above the effective range of ground-to-air missiles and presenting a smaller and faster target, can outrun any enemy interceptor in existence.

And if we were to take the position that the Hound Dog missile can compensate adequately for this deficiency by permitting the B–52 to remain outside the Soviet zone and fire the projectile, just remember two things:

First of all, the Hound Dog is just another missile with all the uncertainties that surround our other missiles. One has never been successfully detonated from a B–52 at the end of a trajectory. In this instance the B–52 could not be considered as a penetrating airplane but simply as an airborne launching pad.

Secondly, a B–58 also can carry a Hound Dog, although there would seem little point in it, since the B–58 itself flies as fast as the missile.

And if we are counting on the Skybolt, the B–58 can be easily equipped to carry the Skybolt just as easily as the B–52 but let us remember that there still is no Skybolt and will be none for some 2 more years at best and what we are talking about is something we can depend upon to penetrate enemy defenses right now if necessary.

On Tuesday, July 18, General LeMay appeared before a subcommittee of the other body. In reply to a question from Senator HAYDEN, he stated:

> It is my personal opinion that we should not close down our bomber lines at this time.

It is my information that parts are now being fabricated for the last B–58 on order, and that failure to keep the B–58 production lines open in the ensuing fiscal year would result in a complete disruption of the orderly activities of that plant and in the laying off of probably some 12,000 employees in the next 14 months.

Certainly no one should be better equipped than the Secretary of Defense, to understand the overriding importance of orderly production development. Because of his vast personal experience with such matters in the field of automotive manufacturing, I feel certain that he would have a very great appreciation for the enormous difficulties involved in putting together a smoothly functioning team of trained management and technological skills and competent, experienced manpower. I believe, because of his own particularly valuable background in production, he will appreciate the great value to our country of having such a production team in being as exists at the Convair plant. The very existence of such a combination with the proven experience of working together in the production of a complex and finely finished weapons system is a national resource of inestimable value, and if it is to be dismembered and disrupted, it seems to me that we shall certainly lose a very great national asset from our Nation's defense arsenal.

If we were to allow this B–58 program to die, we would, by this most serious act of omission, deliberately destroy a priceless national asset. We would disperse forever one of the Nation's most skilled engineering teams at the very time when every expert in the country warns us of the growing engineering and

scientific capacity of the Russians and the dire consequences to our future when they achieve parity.

We would dissipate and disperse one of our Nation's most experienced and efficient management teams at the very time when several investigations of this Congress are revealing the shocking waste of funds, time, and material resulting from new and inexperienced management of major defense contracts.

We would place in mothballs one of the Nation's most modern and efficient manufacturing facilities at the very time when we should be taking maximum advantage of our resources.

We would deliberately create a new labor distress area, not only in the Southwest but in many other States in which the subsystems of the B–58 are manufactured, at the same time we are considering additional legislation for relief of the economically depressed areas that already exist.

We would disperse a skilled and highly trained work force in the complex art of airframe manufacture and weapons system assembly and checkout at the very time when we are attempting to retrain persons to perform similar functions in other areas of the Nation.

We would destroy an organization that has repeatedly pioneered and proven itself time and again in spite of the predictions of the "experts" in the one area of endeavor where progress is synonymous with national survival.

We are told that we might allow this production line to close and, if subsequent events dictated the necessity of a restart after 12 to 18 months, that this could be done without undue loss of efficiency at the cost of $250 to $300 million and a hiatus in delivery of about 24 additional months. This statement, Mr. Speaker, is not true. Subsequent events are already upon us.

How do I know all of this? How can I vouch for the truth of my statements? How can I verify the outstanding capabilities of this organization? I have been there. I have been there most recently. I have examined the records. I have compared the performance of General Dynamics, Fort Worth, with that of the rest of the industry. The statistics are available to anyone. This organization ranks among the highest in the United States and indeed the free world.

To illustrate I will briefly recite some achievements of this organization and allow our fellow members and the responsible leaders in the Defense Department, Mr. Speaker, to ponder whether the United States of America can afford to divest itself of this unique capability.

This plant developed and produced the B–36. This remarkable airplane doubled the existing range of bombardment aircraft and operated at unprecedented altitudes with unprecedented loads. They successfully developed this airplane when the majority of the "experts" said that it could not be done. This airplane contained many innovations which are now standard throughout the industry and make possible the performance of our commercial jet transports. For example, this was the first airplane to contain an alternating current electrical power system. Here, flying at extreme altitudes, even by today's standards, was an electrical power system comparable to one serving a city of 18,000 inhabitants. This power system operated reliably and under the control of one man. Compare this with the manpower to operate and the size of a public utilities station for such a city.

This incredible airplane was produced by mass production methods and with such improving efficiency that the last one—No. 383—was produced at the cost of 1.79 man-hours per pound of airplane.

This organization possesses the only experience in the United States in airborne nuclear reactor design and operation. Must we relearn this vital information sometime in the future? Can we afford to rid the Nation of our greatest source of information and experience in lightweight nuclear shielding design and fabrication?

The B–58 development and production program was conducted under the weapons system management concept. This was an innovation of the Air Force. General Dynamics, Fort Worth, was the first contractor selected to implement this monumental step forward in efficient and economic defense management. They pioneered this new field management. They furnished the criteria. They created the formula and furnished the solutions. During this pioneering in management they developed a new manned strategic bombing system that is unmatched in the world today. The B–58 doubled the speed of bombers. The B–58 furnished entirely new parameters in aircraft design, performance, structure, materials, fabrication techniques, quality control, inspection and maintenance. Its electronic subsystems are 34 percent lighter and 38 percent smaller than existing comparable subsystems developed under the Government furnished equipment concept.

During the entire history of the development of this supersonic weapons system, their progress was continually plagued and harassed by the necessity of repeatedly proving to outspoken "experts" who are still on the record to the effect that "it cannot be done." But it was done, Mr. Speaker, performance guarantees have been demonstrated and proven. The first flight of this pioneering airplane was performed within 11 days of the target date set 27 months earlier.

The development cost of this entire revolutionary weapons system was certainly much closer to its tight budget target than any other major weapon system that I know of which jumped the state of the art more than twice. This in spite of administrative delays, sporadic funding, and technical doubting Thomases. Compare this with any major development program on record. In manufacture the cost is within 2 percent of the target cost. This in spite of the fact that the manufacturing rate has never been allowed beyond 50 percent of its tooling in being. The delivery of tactical airplanes is on schedule and has never been off schedule by more than three airplanes. Every production airplane delivered has been ready for immediate tactical use. None have had to go into an extensive modification program. In tooling, manufacture, and engineering the overhead charges have been the lowest or close to the lowest in the industry for the last 4 years. This has been achieved in spite of a decreasing employment level and pioneering methods of manufacture.

This organization has the only supersonic bomber production experience in the free world. Is the United States in a position to throw this away?

Moreover, the demonstration by the Soviets of the new long-range, all-weather supersonic interceptor casts a serious question upon the ability of the subsonic B–52 to penetrate Soviet targets. Even when we consider that the B–52 would plan to launch the Hound Dog missile from as far as 500 miles out, its ability to launch and return with its crew is placed in serious jeopardy by the Russian long-range interceptor which might be able to make an interception at a point even more remote from the Soviet targets.

As one who flew strategic combat missions in World War II, I am keenly conscious of the question of survival prospects for our aircrews. What chance will the American boys flying these subsonic B–52's and even older B–47's have of penetrating defenses represented by the new Soviet interceptors? What chance will they have to survive? I have seen figures which indicate that their chances of survival under such conditions are only 1 in 8 as compared with chances of crews flying B–58's. What price do we equate against those American lives?

Unless this clear call of Congress is heeded, if we are required to follow a policy which calls for no further procurement of our supersonic B–58, which reduces the pace of development of the B–70, which provides no more nor any new all-weather interceptors; we might find that we had been unwittingly hastening the arrival of that dreadful day when our air raid sirens may ring for real—when your children and my children, when you and I run for shelters in the hope of escaping holocaust and in hopes of surviving deadly fallout, somehow to eke out an existence in a seared world.

The highly skilled and devoted American boys manning our defenses in pitifully few interceptors day and night, regardless of weather, could not be blamed. The highly skilled American boys manning hopelessly outdated strategic bombers attempting to penetrate Soviet defenses to deliver a retaliatory blow could not be blamed. The Congress of the United States could not be blamed for they have acted unanimously and with wisdom and dispatch to provide for the common defense. This action, Mr. Speaker, was before the Berlin crisis.

If the Secretary of Defense, over the unanimous action of the Congress, and based either on his own intimate knowledge or the counsel of the advisers whom he has personally selected, were to persist in recommending to the President

against the use of the funds we have appropriated for manned bomber procurement, in so doing, he would be placing up the President's already burdened shoulders a responsibility without equal or parallel.

These are the reasons, Mr. Speaker, why the Congress must hope and trust that our Secretary of Defense will heed our clearly expressed congressional concern in this significant matter, for it could be a matter of life and death.

The article by Col. J. K. Johnson, which appeared in Air Force magazine, follows:

"BOMBS AWAY" FROM 60,000

(By Col. J. K. Johnson)

The target is Deerfield, Mass. You're 12 miles up, moving at twice the speed of sound. But there's no sense of speed, of motion. You seem to be hanging high above the earth on an invisible thread strung somewhere in the universe.

It's calm, smooth, peaceful, quiet—in sharp contrast to the dread lethality of your bomb load. Actually, the bomb load is simulated. This is a practice strike. It could be for real. Deerfield, some 3,500 miles from homebase by a circuitous exercise route, provides a particular pattern on a radar screen. There is a major target area in a potential enemy's homeland that would yield a similar pattern.

Below is the northeastern tip of Lake Ontario. You streak toward target on a true heading of 125°, roughly south-southeast. The bomber, on autopilot, is virtually flying itself. You keep your right hand on the stick, your eyes on the instruments and sky. The stick reminds you that you used to be a fighter pilot; most bombers have yokes instead. By pressing a button on the stick, you could instantly take control back from the autopilot. Behind you, the navigator-bombardier and the third crew member, the defense systems operator, read their instruments, speak a few words occasionally.

The view from the cockpit, as the three of you commence the routine of target approach, is impressive. It may not quite rival those reported by the high-altitude record setters and balloonists, or the Nation's first astronaut, but it still covers a giant field of vision. To the right, far below, are the lights of Buffalo, N.Y., 150 miles away. You see a lot of territory from a dozen miles up—although you don't really need to for purposes of this mission. All the information required to plunk your "electronic payload" on target is carried in black boxes in the plane. It is automatically fed to computers to keep you on course.

Yesterday, back at Carswell Air Force Base in Texas, you and the other two members of your crew studied the target and established a flight profile—how many miles, and at what speeds and altitudes. To fulfill mission requirements, the route was plotted from Texas through North Dakota, back to Lake Superior northwest to Sault Ste. Marie, Mich. Then the mach-2-plus dash for target.

"Estimated release time, 9 minutes," the navigator-bombardier says quietly.

Downstairs, an Air Force radar-bomb-scoring crew, working in a trailer parked near Deerfield, has you on radar. Your course is automatically tracked with a pen that moves across a large graph without benefit of human hand. This is the record of exactly what you did—when you did it—and how well you "bombed" the simulated target in Deerfield.

From the earphones, the navigator comes in again loud and clear:

"Time-to-go meter, 240 seconds."

The bomb-nav system is flying the airplane, sending out a clear electronic signal being heard a millisecond later in the radar-bomb-scoring trailer. When the signal stops, it means that the bomb-nav system has simulated release of the payload—starting the imaginary weapon on its trajectory toward the target.

Again, the navigator: "Time to go, 5 seconds."

"Four, three, two, one—bombs away."

A few minutes more and through the earphones from the radar-bomb-score people, 60,000 feet below, comes a coded message. In plain language, it means:

"Right in the pickle barrel."

You're in. You take the stick, begin your turn to "loaf" subsonically back to Carswell and the conclusion of another combat-training mission for SAC's B–58 Hustler bomber.

Hustling airmen and Hustler aircraft of SAC's 43d Bombardment Wing (Medium), based at Carswell, fly training missions such as this around the clock. The 43d, which I commanded until recently, is presently the only USAF wing flying the B–58. A second wing, the 305th, will be activated this year at Bunker Hill AFB, Ind. About 60 of the planes are now in existence, an inclusive total of 116 programed.

What do we at Carswell think of the Convair-manufactured B–58? In terms of hardware, a few words sum it up: She's a sweet airplane. Strategically speaking, we see the '58 as a vital element in USAF's mixed aerial arsenal. The Hustler is, so far as we know, the only supersonic strategic bomber in the world today—and as such a powerful swift-strike threat to any potential aggressor.

Our B–58's can hit targets anywhere in the world from great altitudes at prolonged dash speeds more than twice the speed of sound.

They can also execute cross-country bomb runs at treetop level, where ground radar is blind. Recently, one of our B–58's hedgehopped 1,400 miles across four States at 700 miles an hour. The plane was never more than 500 feet off the ground, sometimes as low as 200 feet.

Combining these two capabilities, the Hustler could make an intercontinental approach at high altitude and mach 2, then drop down under the enemy's electronic shield for approach to target and departure. The B–58's comparatively small size would add to the enemy's radar detection problem.

With the assistance of midair refueling, the B–58 can make a nonstop round trip to any spot on the surface of the globe. The 43d Wing some months ago recorded a mission of 11,000 miles.

Underlining the plane's potentials, our B–58's have performed spectacularly through their first year as operational aircraft. They achieved this status last summer, 4 years after the plane's first flight.

In September of 1960, a 43d Wing B–58 piloted by Lt. Col. Harold F. Confer won the bombing event at the annual SAC combat competition—usually known as the SAC world series. The Carswell Hustler outscored a dozen other SAC planes—B–52's, B–47's, and one other B–58 in both high- and low-level bombing, radar and visual. It was the first time out in the annual competition for a B–58. The cream of SAC's combat-ready crews from around the world annually take part in this world series.

Then, in January of this year, two B–58's of the 43d brought home a hatful of closed-course speed-payload records. The first, flown by Maj. Henry J. Deutschendorf, Jr., set 6 marks on January 12 by zooming at an average 1,200.194 miles per hour for 1,000 kilometers and at an average 1,061.808 miles per hour for 2,000 kilometers. One thousand kilometers is about 621 miles; 2,000 kilometers, about 1,242 miles. The plane carried a 4,400-pound, or 2,000-kilogram, payload; records were set in the no-payload, 1,000-kilogram, and 2,000-kilogram categories in this one flight. Five of the records were held previously by the Russians; one was set in a USAF F–101 in 1959.

Two days later, on January 14, Colonel Confer and his crew raced 1,000 kilometers at an average 1,284.73 miles per hour to break the three new speed-payload records for that distance. Colonel Confer's plane received the Thompson Trophy, privately awarded annual symbol of supremacy in closed-course speed flying. Both planes in the January flights flew over a course that began at Edwards AFB, Calif., and covered portions of a number of States in the Southwest.

New glories came to the Hustler on May 10, when one of our 43d Wing planes established what we believe to be a world record for sustained speed. Piloted by Maj. Elmer E. Murphy, a B–58 averaged 1,302 miles an hour in a flight lasting more than half an hour. The speed run took place over a closed course of 669.4 miles, also in the Southwest. USAF thus became eligible to receive permanent possession of the Aero Club of France's Bleriot Trophy. The award, named for the great French aerial pioneer, was to go permanently to the first aircraft to average at least 1,243 miles per hour (2,000 kilometers per hour) for 30 minutes.

Two weeks after that on May 26, another of our aircraft flashed nonstop from Carswell to Paris, France, in the dazzling three-record-breaking time of 6 hours and 15 minutes. Time from New York to Paris was 3 hours and 20 minutes, 2 hours and 25 minutes faster than the previous mark set by a Boeing 707 commercial jet. In addition to the transatlantic mark, the B–58 set a Carswell-Washington record of 2 hours and 16 minutes and a Washington-New York fastest ever mark of 19 minutes. It refueled twice en route.

With their flight, pilot Maj. William R. Payne and his crew commemorated the 34th anniversary of Charles A. Lindbergh's Atlantic crossing of May 20–21, 1927. That first nonstop hop took 33½ hours. This new transatlantic dash also spectacularly celebrated the opening of the 24th Paris International Air Show.

Sadly, tragedy also entered the picture in Paris. The three men who set the May 10 record—Major Murphy, navigator-bombardier Maj. Eugene E. Moses, and defense systems operator Capt. Raymond R. Wagener—crashed and were killed while taking part in an aerial demonstration event of the Paris show on June 3. They were flying the B–58 that established the transoceanic mark a week previously.

The B–58 is an unconventional, far-ahead aircraft. It is unconventional in size, in appearance, in its mission techniques. In one giant step, the B–58 has achieved a greater speed increase over the fastest previous strategic bomber than was reached in the preceding 50 years of aircraft design and manufacture. At dash speed, it is more than twice as fast as the next fastest bomber now in service.

For a strategic bomber, the B–58 is surprisingly small. The B–36, the B–47, and the B–52, older members of the strategic family, have all been large airplanes. The wingspan of the Hustler, for example, is about 25 percent of the span of the B–36, about 40 percent of the span of the B–47, about 30 percent of the span of the B–52. Like the B–47, the 58 carries a crew of three. The B–52 has six in its crew. The B–36 had 16, 5 of them relief crewmen.

The gross weight of the B–58 is over 160,000 pounds. The span of its deltawing is 56 feet, 10 inches. The plane is 96 feet, 9 inches long. It stands 30 feet high. Powering it are four General Electric J79 turbojets, mounted on wing pods, each of which is in the 15,000-pound-thrust class with afterburners. The B–58 can carry more than 15,000 gallons of fuel in a disposable pod carried under the fuselage.

The disposable pod is an important element of the B–58 concept. It provides broad mission flexibility. Fuel and payload are

stored in the pod. After an actual attack, the B–58 would drop its pod and return home "clean" without waste volume contained in an empty bomb bay and without waste weight and volume in an empty fuel tank. An improved two-component pod is now being tested.

The B–58 is a highly integrated, highly automated weapon system.

The bombing and navigation system, designed, tailored, and built by the Sperry Gyroscope Co., plays a major role. At the B–58's speed, there is no man in the world who could quickly enough go through the old navigation procedures involving logging and charting with a pencil, manual celestial fixing with hand-held sextant, and correlation of bits and pieces of instrument readings and electronic data. So far as bombing is concerned, the high speed at which targets are approached means that the weapon must be released at a considerable distance from target and at a very precise instant. The integrated bomb-nav system does this complex job.

One feature of this system is the in-flight automatic printer. As aircraft increase speed and the data required of the navigator becomes more complex, the task of recording all necessary information accurately becomes extremely difficult—if not humanly impossible. If, for example, an aircraft is flying in an easterly direction at 70° north latitude with a ground speed of 1,400 knots, you couldn't possibly usefully read the longitude counter, since it would be changing 70 minutes of arc per minute of time.

In the B–58, the in-flight printer can print a complete 8-line sequence containing information such as time, aircraft position, heading, track, airspeed, groundspeed, and so on at the speed of one complete sequence per second.

Other B–58 black boxes control electronic countermeasures gear certain to give enemy radar a bad time, the plane's potent T–171E3 20-millimeter aerial cannon, and extensive air-conditioning equipment. The cannon automatically locks on and fires at an attacking interceptor. Air-conditioning maintains a steady 75° cabin temperature at any altitude over the Arctic or the tropics. Electronics devices and crewmen are thus kept quite comfortable.

The B–58's large-surfaced deltawing, along with its unique pods, give it a striking appearance. The optimum lift-drag-ratio wing makes the Hustler a very stable airplane from slow takeoff and landing speeds to mach 2 at 60,000. The pilot can vary approach and landing techniques without suddenly meeting deadly surprises—often the price of straying from optimum speed, rate of descent, or angle of attack with other high-performance craft.

Another important development in the B–58, this one not apparent to the naked eye, is in the material used for its heat-and-fatigue-resistant skin. At twice the speed of sound, external temperatures on an aircraft rise to about 300°. To meet this problem, a Fiberglas, aluminum, and stainless steel-honeycomb material, sandwiched between two layers of metal, was designed. This honeycomb-sandwich material is used extensively. It comprises about 90 percent of the wing surface.

Sixteen industrial concerns produce major items for the B–58 under the prime contractor, Convair (now General Dynamics, Fort Worth). More than 4,700 participating suppliers and subcontractors provide parts. Two out of every three dollars spent in building the Hustler are paid to subcontractors.

We think that here is another case where the Air Force-industry team has turned out a really fine weapon system. We're proud to fly it.

THE FOREIGN AID PROGRAM

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Indiana [Mr. HARVEY] is recognized for 15 minutes.

Mr. HARVEY of Indiana. Mr. Speaker, I request unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HARVEY of Indiana. Mr. Speaker, we are now at that point in this session when a great decision is to be made by the House of Representatives. We are to determine whether we will continue a foreign aid program along the lines it has been carried out in the past, or whether we will make some drastic revisions in its operation. I want at this point to set forth my very definite objections; if possible, I would like to impress upon the other Members of the House the urgency and importance of changing the historical method by which foreign aid has been administered, if we are to continue to prosper and thrive and enjoy the national status to which we are entitled.

Historically I have not been voting for the foreign aid program and I have been reluctant to vote against it for I felt that a certain amount of aid was desirable and even necessary. My great regret has been the fact that the program has been so poorly administered. In the first place we have not been too clear, in embarking upon these programs, as to what our actual objectives should be. In other instances we have either sent poorly prepared or we have had inadequate personnel to carry out the programs. At any rate where we have had some success and made some progress, we have in other instances pulled such bloopers we have had a tendency to discredit the whole program and to make us look indeed very silly in the eyes of the world. I hope to deal here today, in the brief time I have, Mr. Speaker, with some phases of this problem and hope I may shed some light upon it.

The first consideration of any policy for our country should be: "Does it contribute to the well being and ultimate security of our country?" Secondly, "Will it strengthen the other free nations of the world so that they may be better able to resist the constant onslaughts of communism?" It is with these two very definite problems in mind that I today take the floor to discuss the question of how we can improve the foreign aid program.

One of the great concerns that I have had has had to do with inflation. The recent developments, so far as our defense costs have reflected, indicate that unless very stringent restrictions are made on other phases of our governmental spending programs, we will contribute to another radical round of inflation which can ultimately only bring harm and eventually destruction to many of our people. I would like at this point, because the determination of our fiscal policy is so responsibly placed in the hands of Treasury Secretary Dillon, to include an editorial from the Wall Street Journal entitled, "Indecisive Dealer." Mr. Speaker, this editoral sets forth the cost of our program in South America and comments upon the fact that we are presently engaged in a conference in Uruguay which may very well commit us to a long-range spending program there. My concern here is very well set forth in the last paragraph of this editorial where it is said:

The U.S. Government had better begin making some hard decisions. Otherwise, the setting of Secretary Dillon's remarks—a hastily converted gambling casino—(this, may I say parenthetically, refers to the meeting place in Uruguay) may turn out to be unpleasantly symbolic of the U.S. policy of trying to stake everybody.

(The matter referred to follows:)

INDECISIVE DEALER

Until Treasury Secretary Dillon spoke at the Inter-American Conference in Uruguay this week, the administration's aid plan for Latin America consisted mainly of a slogan—"Alliance for Progress"—and some vague promises and exhortations.

Now, although much remains hazy, some things about the alliance are becoming clearer. The cost, for instance. Projected U.S. spending in Latin America would surpass our Marshall plan aid to Europe, despite all the differences of time and circumstance.

In the postwar period, the United States contributed some $12 billion to Europe's recovery. Now, U.S. aid outlays for Latin America have already doubled from last year to $1 billion annually, and could go higher. During the next decade, Secretary Dillon foresees outside investment from all sources of at least $20 billion. He also promises U.S. loans at little or no interest—practically outright grants—for periods up to 50 years.

All this, obviously, represents a truly massive U.S. commitment—one, moreover, largely in advance of self-help measures within Latin America.

Certainly, a case can be made for aiding Latin America so long as the United States is giving so much aid to the rest of the world. The simple facts of geography and our security interests make it a key area for us, especially when the Communists are working hard there. There's also some truth in our neighbors' complaint of neglect; since 1945, less than 5 percent of the total U.S. foreign aid outlay of $90 billion has gone to the score of other countries of this hemisphere.

But the case for approaching Latin America in a new spirit of priority depends on Washington's willingness to face up to the corollary: A changed U.S. approach to the rest of the world. If Latin America's needs are deemed to be of cardinal importance, as our massive aid plans plainly imply, then other claims are not so important, and should be cut back to fit the new pattern of aid-receiving priority.

Yet the administration doesn't appear to have established such an order of priority. On the contrary, the attitude seems to be that the United States can assume huge new burdens in this hemisphere, and go right on carrying a host of other nations besides. There's even talk of still another Marshall plan for Africa, as well as greatly increased aid to "underdeveloped" countries everywhere.

The U.S. Government had better begin making some hard decisions. Otherwise, the setting of Secretary Dillon's remarks—a hastily converted gambling casino—may turn out to be unpleasantly symbolic of the U.S. policy of trying to stake everybody.

Mr. HARVEY of Indiana. The next point I would like to take up has to do with the methods by which our policies are determined and how the appropriations and legislative directives of the Congress are administered.

It has come to my attention recently that we have in the Department of State a man named Edward Martin, who is Assistant Secretary for Economic Affairs. In a hearing before our subcommittee recently, having to do with the disposal of our surplus commodities, we were questioning Mr. Martin as to why a proper deal with one of the major South American republics—and a friendly nation—had not been consummated. In this instance the country had sent a mission here to Washington with instructions to exchange sugar for wheat. They received the contract to sell us sugar but were not given an opportunity to take the wheat in exchange. This was very much in contrast with the policy the House and Senate had set forth in the extension of the Sugar Act and so we were trying to determine in this hearing, with Mr. Martin as a witness, why the policy of Congress had not been carried out. Mr. Martin very distinctly stated that he did not agree with the policy as set forth by the Congress and that he assumed full responsibility for rejecting it, and, in fact, discouraged the visiting country from actually adhering to the policy as set forth by Congress. This particular type of activity is, I am afraid, typical of what has been going on down in the State Department and it simply means that not only will our foreign surplus commodities continue to pile up and not be traded, as they should be, with other countries who need them, but it indicates an even more alarming aspect of our present position in international affairs: to wit, that the Congress no longer is presumed to have any voice in the policies that are carried out by this country.

Mr. BRAY. Mr. Speaker, will the gentleman yield?

Mr. HARVEY of Indiana. I yield to the gentleman from Indiana.

Mr. BRAY. I think we are all indebted to the gentleman from Indiana [Mr. HARVEY] for bringing before us this amazing story of how a State Department official superimposed his own judgment upon the will of Congress.

As I understand it, the Assistant Secretary of State for Economic Affairs stated that he discouraged a trade mission sent to the United States from trading their sugar for some of our surplus wheat. On the contrary, as I understand it, our State Department was not interested in selling our wheat. Is that correct?

Mr. HARVEY of Indiana. Permit me to say to the gentleman that first of all Mr. Martin is a civil service employee, yet he is in the position of making these policy decisions. He said in essence that he did not approve of this method of trading, and he went ahead and said, in fact, that anyone who came and wanted to trade on this basis had a strike on him to begin with.

Mr. BRAY. This was in contravention of our policy to trade our surpluses whenever possible rather than to buy foreign commodities outright. Is that not right?

Mr. HARVEY of Indiana. The gentleman is correct. It was very definitely stated in the report when we concluded the extension of the Sugar Act that every consideration should be given to an exchange type of deal as far as sugar is concerned and having to do with our own surplus commodities.

Mr. BRAY. Mr. Speaker, this action seems to indicate a total disregard for the policies adopted by this Congress. It is an example of how far away from the thinking of the people and of the Congress our bureaucracy can become. In this instance there was not merely a failure to follow the policy adopted by the Congress but an outspoken opposition to such policies and action contradicting such policies. This shows they are not merely not attempting to foster the sale of our commodities, but actually discourage such sales.

Some years ago I joined with other Members of this body to remove our agricultural attachés in foreign lands from the direction of the State Department and place them under the direction of the Department of Agriculture. We believed that these attachés were not allowed to do a proper job in promoting the sale of our commodities because they were constantly hampered by restrictions imposed by the State Department. In the years since this change was made there has been a decided improvement in the operation of our attaché service. But even this cannot prevail when their efforts are countermanded by high-level State Department officials at home.

Instead of trading our wheat, of which we have a surplus, for their sugar, for which we have a need, we let slip this opportunity and were required to buy their sugar. How many times such instances have been repeated is something we cannot tell. It is obvious, however, that there is a determination among some bureaucrats to make policies not only in opposition to prevailing public opinion but in contradiction of the expressed will of the Congress. The continuation of such practices can only lead to further injury in foreign trade and to lessening our prestige abroad.

Mr. HARVEY of Indiana. Mr. Speaker, I thank the gentleman and certainly concur in the statement he has made.

The statements which the chairman of our committee, Mr. COOLEY, made in the CONGRESSIONAL RECORD of August 3, 1961, and which were contained in the conference report in the statement by the managers on the part of the House for the Agriculture Act of 1961, clearly set forth a situation that is untenable. Here is a gentleman, Mr. Martin, who occupies a civil service status and who says quite frankly that he is making decisions that are in direct contradiction to what the Congress has set forth in its policy, and that he intends to keep right on doing this and that there is nothing we can do up here on Capitol Hill which will change the situation. He stated that he expected to continue to make these decisions regardless of how we may legislate. Mr. Speaker, if this is going to be the policy and the manner of carrying out the policy as indicated by the Congress, we have lost the constitutional authority that is invested in us. Certainly it indicates we should never embark upon a foreign aid program until we have determined that this situation will be definitely corrected. I hope that in making this statement, the importance of this unfortunate set of circumstances will be brought very realistically, not only to the attention of the Members of the Congress, but to the White House as well. I hope that, due to the fact that we have been losing not only foreign trade, but also international good will, we could and should have had, this will be corrected. Certainly if there ever were a time when we need friends, it is now.

Turning my attention now, Mr. Speaker, to another phase of the foreign aid program that I think is equally important, I want to explain that there was a statement in the policy of our omnibus farm bill passed recently that had to do with exchange of commodities and disposal of our surplus agricultural commodities. It was stated that these subsidized commodities should be sold only to friendly nations. I introduced H.R. 8308, and I will quote from that bill in the declaration of policy, section 1, as follows:

> It is hereby declared to be the policy of Congress that in no manner shall the United States Government either subsidize the export of any agricultural commodity or make available any agricultural commodity to the Union of Soviet Socialist Republics, Communist China, or any other nation designated by the Secretary of State as being dominated or controlled by the foreign government or foreign organizations controlling the world Communist movement.

Not only have I introduced this bill on the subject, but the act that was passed just recently carried that as a statement of policy. In a press interview Tuesday, August 8, with Secretary Hodges, a question was asked of him as to whether he intended to follow that statement of policy and, in this instance, Poland and Yugoslavia were used as examples. Asked if he would consider those as friendly nations, Secretary Hodges did not answer the question directly; in fact he evaded it. The important thing to remember in his evasion was that he said that, before making the decision, he would want to discuss this with Secretary Dean Rusk. I think it is very evident that what he means is that he would want to discuss this with the State Department. I think it is only fair to say that if Secretary Hodges is going to be guided by the State Department, he will undoubtedly be guided by Assistant Secretary Martin who has said quite frankly and defiantly that he has no intention of following the policy as set forth by the Congress.

Again I say here that as a matter of protecting the constitutional authority vested in Congress, the executive branch of the Government definitely should be given to understand that it cannot thwart the will of Congress and that, insofar as legislation passed here is concerned, it should be binding on those who are selected to administer it. I feel

quite frankly that in this particular instance the American people have a right to object to a policy that would give a subsidy by way of food to Communist-dominated countries. Certainly if we are in a cold war, and I think no one disagrees with the fact that we are, it is a case of giving aid to the enemy, to permit a situation of this kind to continue. In any program as far-reaching as this foreign aid program is, and since we are going to be called upon to vote whether we shall grant authority to the Executive to carry on without regard to the will of the Congress for 5 years, we ought to make sure that we know what we are doing before we embark upon such a program.

In conclusion, Mr. Speaker, I would like to have included in my statement a letter, from a squeezed-out taxpayer, that recently came to my office. This letter was written by the taxpayer because of an article that appeared recently in the New York Times. I also include this article in my extension of remarks.

Mr. Speaker, the article from the New York Times is as follows:

PLANE COST $73,681

WASHINGTON, August 7—The two-engine Aero Commander plane the United States gave yesterday to the Ivory Coast as an independence day gift cost the Government $73,681.

Attorney General Kennedy presented the plane in Abidjan to the President Houphouet-Boigny for his personal use.

The Attorney General is attending the Ivory Coast's independence celebration as President Kennedy's official representative.

The six-seater plane, known as a model 500 B, is a slightly modified version of the aircraft frequently used by former President Dwight D. Eisenhower on flights between Washington and Gettysburg.

The International Cooperation administration bought the Aero Commander at a discount from the Aero Design and Engineering Company of Bethany, Okla.

The State Department said today three identical models have been ordered as independence-day gifts for Dahomey, Upper Volta and Niger.

The cost of the gifts will be paid from an ICA contingency fund specifically set aside for the purpose of honoring newly independent African nations. Before the year is out 12 other African countries will have received independence gifts with a total value of about $500,000.

An ICA official said the choice of the Aero Commander was based on a request by the Ivory Coast for planes to help improve transportation between the Ivory Coast, Dahomey, Upper Volta and Niger.

The Aero Commander is designed to land and take off on short runways similar to those found in many parts of Africa.

The model 500 B can operate from a landing strip as short as 1,500 feet. It has a range of 1,305 miles and cruises at 228 miles an hour.

Mr. Speaker, the letter written to me as a result of the article which appeared in the New York Times is as follows:

AUGUST 9, 1961.

DEAR CONGRESSMAN HARVEY: At least the overburdened U.S. taxpayer can identify $73,681 of the $5.3 billion anticipated deficit for this fiscal year. According to a news report which I am enclosing from the New York Times of August 8, the President presented to the chieftain of the ivory coast, as a personal gift, mind you, an airplane purported to cost $73,681. Furthermore, the article states that three identical craft have been ordered for each of three other African nations. Then to add insult to injury, we are informed that before the end of the year, 12 other African countries will have received gifts totaling a half million dollars.

I am particularly disturbed by this action of our Government when I learn that these funds are siphoned out of our foreign-aid contingency account. Isn't this the same account that the President is asking Congress to authorize a half billion dollars for him to use at his own discretion? Who in God's name does he think he is, Santa Claus? Yes, I know that Mr. Eisenhower was planning to present a motorboat to Khrushchev at the summit but that's a far cry from a $73,000 airplane or the dog Khrushchev gave to the Kennedy's on their visit to Vienna. Such extravagance as this recently displayed by the President hardly justifies any confidence in his discretion—certainly not to the point of giving him a half billion to spend as he sees fit.

I might add that mismanagement of the foreign-aid program as a whole certainly should convince Congress if nothing else, that a 5-year blank check on the Treasury in the amount of $8.8 billion would be sheer folly and a total abdication of congressional control over the Nation's purse strings. The arguments of the proponents of "back-door spending" that Congress would still exercise control over the funds through the Appropriations Committees, is unadulterated "hogwash," they know it (or ought to) and so does the President. If this authorizing bill is passed by the Congress (heaven help us if it is) the funds would be "loaned" from the Treasury—not disbursed from a congressional appropriation. The Appropriations Committees would enter the picture whenever appropriations would be required to provide for the restoration of capital impairments. The argument that Congress could reduce or limit the authority does not refer to any Appropriations Committee action, it simply means that Congress could amend the authority to borrow from the Treasury—action which could hardly be taken by the United States unless it was willing to alienate worldwide public opinion and be called "welshers." In a recent radio interview an administrative spokesman denied that the entire $8.8 billion could be committed the first year. This statement unfortunately, was not refuted. Undoubtedly, what he meant was that it could not be obligated the first year. The fact is that the whole amount could be committed the day after the authorizing act was signed and that's the whole nub of the question—once the United States makes a commitment to any foreign power, even though the commitment is qualified by being dependent upon future obligational authority, the United States becomes morally obligated to live up to the commitment. Foreign powers are not prone to recognize any distinction between moral and legal obligations. Equally as duplicitous as the proposed method of funding, is the contention that the $8.8 billion will be used for loans—we are not dealing with a group of Finlands but instead with a group of nations whose political stability leaves much to be desired and some to whom expropriation is second nature. Any idea that our grandchildren will live long enough to recover any portion of these funds, is sheer fantasy. Like the debts of World War I, any effort to collect will label us "Uncle Shylock" and breed only more (if possible) contempt for America. What a legacy for posterity and what a fraud on the present generation. "Loans" they tell us—the $8.8 billion will wind up in 5 years as deposits in a host of personal accounts in Swiss banks—the foreign countries as impoverished as ever and the U.S. national debt well over $300 billion. This compulsive dissipation of American resources must be halted if we are not to commit economic suicide in the near future. The people are now working 5 months out of every 12 to pay crushing taxes which show no signs of leveling off—how near are we to the final straw—too near, I'm afraid.

Sincerely yours,

A SQUEEZED-OUT TAXPAYER.

Mr. Speaker, it seems that the Attorney General presented a plane, that is reputed to have cost nearly $75,000, to the President of the Ivory Coast on behalf of his brother, President John Kennedy. This plane is apparently only the first of several that are to be given to the so-called friendly nations throughout the world in the months ahead. This is the policy that this taxpayer is certainly justified in complaining about. I think again, since the money that will be used for this very elaborate system or set of gifts to other countries comes from a part of the foreign aid money that we will be requested to vote upon very soon now, we ought to thoroughly examine this type of giveaway. I realize that it has always been a policy on the part of rulers or heads of state in their various exchanges and visits to present one another with gifts, and I recall that at one time President Eisenhower was planning to present a motorboat to Khrushchev at the summit, which incidentally, did not materialize. I would have no serious objection to gifts even of this size, although it does seem to me to be a bit overdone. But when one starts passing out airplanes, costing $75,000 apiece, to the rulers of these new nations I can readily understand that many of the rulers of older nations—who claim also to be friends of ours—are going to say, "Are we not a good friend of yours, too? If you are going to give an airplane to each of these heads of state, I think I ought to have one also." It is the giving of one plane that, in my opinion, is the start of a bad policy; it is the prospect of having this giving expand to large proportions, or we have to say, "We cannot give everybody a plane." And instead of having made friends, we will lose many friends as a result.

It is my hope, as I said, Mr. Speaker, that in presenting this statement to the House my remarks will be accepted in a constructive fashion. I believe that the time has come when we need to take a long hard look at this whole foreign aid program. We certainly cannot, with the present value of the dollar being in such a precarious position, continue to carry on in such a profligate fashion as we have in the past. If we intend to preserve the fiscal stability of our Nation, to preserve the value of the dollar, and to set ourselves up as an example to the rest of the world, it is high time we start now. President Kennedy is embarking on this program for the first time since he assumed his position in the White House. The stand that he takes here is certainly going to be one that will have a great deal to do with his policy during the succeeding years he is privileged to serve as our President. For that reason, Mr. Speaker, very very serious consideration should be given to this great policy decision. It is my hope that when the

bill is finally enacted it will be a much better bill than the one we are going to consider initially.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a newspaper article and letter from a constituent.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

THE CARPET INDUSTRY CASE—THE ESCAPE CLAUSE MUST BE MADE TO WORK

The SPEAKER pro tempore (Mr. BOLLING). Under previous order of the House, the gentleman from New York [Mr. STRATTON] is recognized for 60 minutes.

Mr. STRATTON. Mr. Speaker, it so happens that Members of the House occasionally take the well to speak on the same subject on which they have talked in the past. I think that, perhaps, applies in my own case. I have spoken from this well on several occasions since becoming a Member of this body with regard to a problem which is not only serious in my own district but is of serious import to the country as a whole. That is the problem of unemployment created by increasing floods of foreign imports of a low-cost nature that are coming into this country and thereby decall upon the American workingman and women of their livelihood. I think all of us recognize the importance of foreign trade. I think we all realize that the world today requires that foreign trade be carried out. But certainly this trade cannot be carried out, Mr. Speaker, without a recognition of the fact that there must be limits placed on it so that it will not imperil the livelihood of our own people here in the United States of America. It just does not make sense to call upon the American workingman and workingwoman to pay in their tax money to help provide industrial facilities abroad, as in the foreign-aid bill among others, for the manufacture of goods that will come back here into this country and, as a result, put out of work these same men and women who paid in their tax money to get the facilities started in the first place.

This point is a relatively simple one, it seems to me, and it has, in fact, been recognized, Mr. Speaker, by the Congress of the United States as it has enacted the reciprocal trade program over the years. We have put into this trade program the so-called escape clause; and this so-called escape clause simply provides for the machinery carrying out the intent of Congress that the reciprocal trade program should not be conducted in such way as to damage or imperil American domestic industry or the jobs of American working men and women.

Thus the escape clause provides that when an industry feels that it is being hurt by increasing foreign imports it appeals to the Tariff Commission. The Tariff Commission makes a study of the situation. If the Commission agrees that the industry is affected it recommends either tariff or quota relief. Then the recommendation goes to the President, who may either approve or reject the Commission's recommendations.

This would seem to be a fair and comparatively simple piece of machinery, Mr. Speaker, which could readily implement the intent of Congress that in conducting our extensive foreign trade we should not unduly harm American industry or American working men and women. But the unfortunate fact is, Mr. Speaker, that over the years the escape clause simply has not worked. It just has not provided the escape from harm caused by low-cost foreign imports that Congress intended it should provide.

I have had personal experience of this myself. Two of the major industries in my congressional district have appealed to the Tariff Commission for relief within the past 3 years. One was the carpet industry located in the great city of Amsterdam, one of the two most seriously distressed unemployment areas in the State of New York. The carpet people from Amsterdam came down to the Tariff Commission 2 years ago and asked for help under the escape clause, and that help was denied them by a split decision.

Some time later, in 1960, the glove industry in Gloversville and Johnstown, N.Y., also came down here and appealed for relief under the escape clause. And they were located in an area even more seriously depressed by unemployment than is Amsterdam.

They, too, appealed to the Tariff Commission for help, for an escape from the pressure of low-cost foreign imports, and they too were turned down by the Commission. In fact, I have discovered, Mr. Speaker, looking over the record of 103 recent escape clause cases before the Tariff Commission, that in 68 of these 103 cases the Commission rejected all relief. In the remaining 35 cases a favorable recommendation went forward to the President of the United States, for his decision, and in 22 of those 35 cases the relief recommended was rejected by the President. In other words, Mr. Speaker, out of 103 cases that went to the Tariff Commission for relief, only 13, or roughly about 12 percent, actually got any relief at all. That is a pretty sorry percentage, and it demonstrates that the escape clause as it has been administered in the past just does not provide escape. And if it does not provide escape, then the clearly expressed will of the Congress is not in fact being carried out, and, therefore, the terms and conditions under which the Reciprocal Trade Agreements Act have been set up and extended by the Congress are not being effectively administered.

Mr. Speaker, it so happened that this year it looked as though we might have some change in approach on the part of the Tariff Commission in dealing with escape clause cases. Another industry with a great plant in my district, the baseball glove industry, came down to the Tariff Commission this year and petitioned for relief. Surprisingly enough, the great American game of baseball, which incidentally was invented in my district, in Cooperstown, N.Y., the home of baseball, where today is located the great National Baseball Hall of Fame, is being played on the sand lots of America today very largely with baseball gloves imported from abroad. One would think at least we would be able to play the great American game with American-made products. Yet you will find if you will go into the stores of America and take a look at the baseball gloves on sale there that a large part of them have been imported, in most cases from Japan.

Well, anyway, the baseball glove industry came down here to the Tariff Commission and applied for relief. The Tariff Commission recommended favorably. Then the matter was sent to the President of the United States. But the President sent the case back to the Tariff Commission for more information, and we still do not have relief in that industry, though I hope eventually we will.

I might say in that connection that in the Washington Post of July 16 there appeared an editorial on this case called "Straw in the Wind."

Mr. Speaker, I ask unanimous consent to insert this editorial at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

(The editorial referred to follows:)

STRAW IN THE WIND

Complaining they were being badly hurt by foreign competition, three industries asked for higher tariffs to protect them. They were the manufacturers of sheet glass, ceramic tile, and, of all things, baseball gloves.

The Tariff Commission carried out an investigation and concluded the three industries were all being damaged as they asserted. It recommended to President Kennedy that he raise the tariffs. The President sent back a pointed letter requesting "additional information" in all of the cases.

Regarding the sheet glass industry, he wrote: "I would appreciate an elaboration upon the suggestion there have been restrictive sales practices by domestic producers." He asked whether the ceramic tile makers were increasing their production capacity, and what effect this was having on their profits. He wanted to know whether the baseball glove manufacturers faced foreign competition in the higher price ranges, as well as the lower. In all cases he asked for a "more complete analysis" of pricing practices.

The President's reaction to these cases has been of interest far beyond the industries directly affected, for they were the Tariff Commission's first recommendations to him. His letter does not necessarily mean that these industries are not entitled to protection. It does indicate that the standards are being tightened, and pleas for trade barriers will be more carefully examined than perhaps they have been. The letter is only a straw in the wind. But the wind is blowing in the proper direction.

Mr. STRATTON. Mr. Speaker, the interesting thing about this editorial which comments on the baseball glove case among others, and on the fact that though the Tariff Commission had finally made a favorable recommendation in these cases the President did not accept these favorable recommendations but instead sent them back to the Commission for further review, is that the

Washington Post thinks that the President's failure to accept these favorable recommendations, the first of very few, as I have said, over a very long period represents a step in the right direction.

Here is how the editorial concludes:

> It does indicate that the standards are being tightened, and pleas for trade barriers will be more carefully examined than perhaps they have been. The letter is only a straw in the wind. But the wind is blowing in the proper direction.

My goodness, Mr. Speaker, what are these people talking about—"blowing in the proper direction"? So far we have not been getting any real relief from the escape clause at all, as I have demonstrated. Does the Washington Post suggest now that it is going to be even tougher to get relief from the escape clause in the future than it has been in the past? Getting lower than 12 percent would be pretty hard to do, after all. And we are told that this is a step in the right direction? What do these people want, anyway? Do they want to ignore completely the clearly expressed intent of Congress? Well, Mr. Speaker, if that is what is really projected—that no relief at all should be granted to those who are genuinely and demonstrably in need of this relief, and for whom Congress has determined relief should be provided—then we will indeed, in my judgment, be sailing into dark and dangerous waters ahead for the whole concept of reciprocal trade.

Fortunately, Mr. Speaker, there came out of the Tariff Commission the other day another favorable decision, and this one was not by a split vote, as was the case with the baseball gloves, but by a unanimous decision. It was in behalf of the carpet industry. That is the same industry that went before the Commission 2 years ago, as I said, and got turned down this year. They saw things getting worse and they went back to the Commission to show to the Commission the increased gravity of the employment situation and presented other pertinent economic data about the decline in jobs and the tremendous rise in imports. This time the Commission reversed itself and rendered a unanimously favorable decision for the carpet industry, specifically with regard to wilton and velvet carpets, a decision which is being hailed by the way, back in my district, in Amsterdam, and elsewhere as the first real ray of light and hope that his shined on this seriously depressed economic community in many and many a year. I congratulate the Tariff Commission on their courage in reversing an earlier position. Today this decision of theirs rests on the desk of the President of the United States and I certainly hope and pray that he will speedily grant to the carpet industry the relief recommended by the Tariff Commission.

I hope so in the first place, because the city of Amsterdam desperately needs this relief. They tell me back home that if the President grants the relief recommended almost 500 jobs will be created overnight in Amsterdam. What music to the ears of a local depressed area, what a delicious tonic for those back home who wonder sometimes whether we here in Government really care any more.

And secondly, this relief should be approved. Mr. Speaker, because only by the acceptance of this kind of unanimously favorable recommendation out of the Tariff Commission can there be any assurance that the escape clause is actually working after all, and that the wind really is blowing in the proper direction, the direction Congress intended it should blow.

Mr. Speaker, let us speak frankly. The reciprocal trade program comes up for extension next year. With this kind of legislation before us, it will be most important that every Member determine whether the will of Congress has in fact been carried out in the time since Congress last acted.

Does reciprocal trade hurt domestic industry? Has the escape clause procedure which Congress provided in order to relieve these affected industries actually been administered to grant help?

Here, in the carpet case then, is a golden opportunity, it seems to me, to prove that this escape clause can and does and will be allowed to work. I am sure I speak for all of the people in my district and for many other thousands of people connected with the carpet industry and with the textile industry around the Nation, when I say we earnestly hope the decision of the President will be a favorable one, and that the recommendation of the Tariff Commission granting relief to the carpet industry will be approved. In this way American working men and women can have confidence that their Government in its concern for people overseas has not forgotten or neglected those here at home who also have proper and legitimate needs.

SIZE OF THE HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 15 minutes.

Mr. LANE. Mr. Speaker, through the ages, from Plato to Locke, philosophers have theorized as to the best form of government wherein the innate best qualities of the individual can be given full and free expression.

Our forefathers crystallized and put into serviceable form the philosophies for a theoretical good government when they devised the Constitution and the Bill of Rights. By adopting a representative form of government and by asserting as basic principles of government that man's inalienable right to life, liberty, and the pursuit of happiness is a democratic institution, they gave substance and meaning to western civilization.

Through such means, and to that end, democracy became synonymous with man's highest attainment in and for self-government, and since the adoption of the Constitution in 1789, the world has seen governments rise on the promise of adopting those principles and has seen governments topple for failure to grasp or maintain them.

Today there are governments who proclaim themselves to be democratic but by their principles, organization, and practices it is clear that they are the same forms of tyranny against which man has always fought to free himself. The term "democracy" has been exploited by those who would enslave or continue the enslavement of mankind and under its guise and through deceptive practices it was used to foist communism, fascism, nazism, and every form of dictatorship and oppression upon millions of people everywhere.

However other people and other nations may be duped or betrayed, in other countries, and forced into a dictatorship, it was the will and the wisdom of the founding fathers that our true concept of a just government, of equal rights, of majority rule and minority interests, be preserved. For that purpose they determined that the House of Representatives shall be the body of the Government closest to the people so that the people shall always have unhindered access to their Government; so that the people shall always have, in their Government, an unstifled voice; so that the Government can speedily and readily determine the will of the people.

Consonant with those ideals and principles, as the country grew and as new States were admitted to the Union, this House was enlarged consistently through every decennial census since the First Congress in 1789 until the Thirteenth Census in 1910, and those increases were conformable to the thinking of the framers of the Constitution and the States that adopted it. There was one exception, in 1840, when due to a mathematical peculiarity, the House was reduced in size although the population increased and the anomaly was immediately corrected.

When the census of 1910 showed the then unprecedented increase in population from 75 million in 1900 to 91 million in 1910, an increase of 16 million in a single decade, the apportionment act of 1911 fixed the total membership of the House at the then existing figure of 435 seats which included an allowance for the contemplated admission of Arizona and New Mexico into the Union and that constituted a sizable increase over the 391 seats under the 1900 census.

From 1910 to this very date, the size of the House was fixed at 435 seats although the population increased by 31 million between 1910 and 1930, an additional 28 million between 1930 and 1950, and a further additional increase of 29 million between 1950 and 1960.

An increase of 16 million in population plus the contemplated entrance of 2 States into the Union gave rise to settling the size of the House from 391 seats to 435 seats, back in 1910. Nothing, however, was done during the intervening years while the population increased by 88 million and two more States, Alaska, and Hawaii, were admitted into the Union. Whereas the apportionment ratio per thousand in-

creased from 194 in 1900 for a population of 75 million to 211 in 1910 for a population of 91,972,266, the present ratio is now 412, under the 1960 census, for a population of 179,323,175 for a House of the same 435 seats.

Although the House of Representatives was consistently increased in the number of seats as the population increased and new States were admitted into the Union, now, with a smashing increase in population and two additional new States, the effect of allowing the House to remain at 435 seats is tantamount to a reduction in the size of the House, contrary to precedent and contrary to the very increases, in fact, to 436 seats when Alaska was admitted to the Union, and a further increase to 437 seats when Hawaii was admitted, and contrary to the fact that the House as now constituted has 437 seats.

If Hawaii is to be allotted 2 seats and Alaska 1 seat and the House still be limited to 435 seats, it follows that the House eliminated 3 seats of its then membership when it voted for the admission of those 2 States into the Union. That was never intended and such an unintentional effect should not now be given. It was never presented to the House, in terms, that the House should reduce its size and it was not contemplated that any existing seats will be sacrificed to the new States, welcome as they are. In deed and in fact, the Senate was not reduced in size when new States were added, to the contrary, it was increased in size from 92 seats in 1910 to 100 seats in 1960. Unless corrective measures are taken it will be the indoor sport of statisticians and theoreticians to speculate over whose seats were displaced by the new admittees, and, was it worth it.

Since the size of the House was set at 435 seats in 1910 this country has seen our population virtually doubled from what it was then; our legislation multiplied multifold; our blood poured on distant battlefields in World War I, World War II, and Korea. Our Nation emerged as a world power and world leader: a League of Nations, a United Nations, at NATO, a SEATO. Never had the people of the United States, as individuals, been so intimately concerned with the affairs of Government; never has the Government been so intimately concerned with the affairs of the individual, as since 1910; since income tax was adopted; since social security legislation was adopted; since controls over greed and avarice were adopted so that no American shall again go hungry, or mulcted out of his savings, or deprived of a fair return for his labor, his farm, his risks, and be prey to foreign ideologies which breed on the heartaches and resentments of distress, dismay, and disaffection.

At no time prior to 1910 was there a recession comparable to the depression of 1929. No achievements prior to 1910, in the area of nuclear science, or the supersonic speeds in the world of aerodynamics, or space flights in the art of communication, navigation, and astronomy, compare in immediate impact on the Nation and its safety.

In all this, and with all this, a House of 435 seats may be considered as having acted well and wisely, that is subject to debate, but it is for us to remember that it is not the Senate, it is the House that is closest to the rank and file of the American public, yet the Senate was increased and the House was not.

It was never intended that the House of Representatives, of all bodies, be removed from the people. The only occasion on which George Washington, President of the Constitutional Convention, entered into the discussions of the Convention was when he urged that the House be made accessible to more people rather than less. James Madison reported in his Journal of the Federal Convention that when it was proposed that the constitutional requirement of 1 Representative for every 40,000 be amended to 1 for every 30,000, George Washington spoke out on the proposed amendment and urged its adoption and asserted that it would give him much satisfaction to see the smaller ratio of representation be adopted in order to further secure the rights and interests of the people. As momentous and weighty as all the other provisions of the Constitution are and were when they were being considered in convention, only on this item and on this item alone, did Washington express his direct concern.

The foresight and penetrating wisdom of the founders of our Government have been proved repeatedly. Their guidelines and admonitions have served us well. They wanted a government of the people, by the people, and for the people, not a government by anybody else. They did not envisage converting Capitol Hill to Mount Olympus.

I respectfully submit that with all this, and the very inherent nature of our Government, favorable consideration for an increase in the size of the House of Representatives is compelled.

JOHN BIRCH SOCIETY

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROOSEVELT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, I am in receipt of a report by the attorney general of the State of California, the Honorable Stanley Mosk, prepared by his assistant, Howard H. Jewel, at the request of the able Governor of that great State, the Honorable Edmund G. (Pat) Brown, relative to the John Birch Society. This report, written with an appropriate admixture of satire and earnestness, analyzes the philosophy, structure, membership, and methods of the Birchers.

Also, it contains numerous comments of a light, as well as a serious, quality that have been made with regard to this association. For the edification, illumination, and enjoyment of my colleagues, I present this report to the House:

STATE OF CALIFORNIA, OFFICE OF THE ATTORNEY GENERAL, DEPARTMENT OF JUSTICE,
Sacramento, Calif., July 7, 1961.

Hon. EDMUND G. BROWN,
Governor of California, State Capitol, Sacramento, Calif.

DEAR GOVERNOR BROWN: Pursuant to your request of recent date, I am reporting herewith on the John Birch Society.

The cadre of the John Birch Society seems to be formed primarily of wealthy businessmen, retired military officers, and little old ladies in tennis shoes. They are bound together by an obsessive fear of communism, a word which they define to include any ideas differing from their own, even though these ideas may differ even more markedly with the ideas of Marx, Engels, Lenin, and Khrushchev. In response to this fear they are willing to give up a large measure of the freedoms guaranteed them by the U.S. Constitution in favor of accepting the dictates of their "founder." They seek, by fair means or foul, to force the rest of us to follow their example. They are pathetic.

AN APPROACH TO THE BIRCH SOCIETY—COMEDY?

Many writers and spokesmen, dealing with the Birchers, have dismissed them with ridicule.

Arthur Krock, in the New York Times of April 7, 1961, suggested that, "Ridicule is becoming a lost art in American public controversies. For no citizens, however well-meaning, have made their movement and its followers a more vulnerable target to destruction through ridicule than have the founder and some of the prominent members of the John Birch Society."

Krock went on to point out that President Franklin D. Roosevelt had caused the emasculation of the old Liberty League by making the general public laugh at it. When the Liberty League's membership was published, with its glittering galaxy of multimillionaires, President Roosevelt publicly inquired with an innocent air, "Just what liberties the DuPonts and General Motors had lost."

Attorney General Robert Kennedy stated that the Birch Society is "ridiculous, and I don't think anybody should pay much attention to them," and William Mauldin, in the St. Louis Post-Dispatch, lampooned the Birch Society with a cartoon entitled "Malice in Wonderland."

Founder Robert Welch stated during his recent California appearance that, "I do not like Chief Justice Earl Warren. He has taken the lead in converting this country to democracy." Arthur Caylor, in the San Francisco News-Call Bulletin, wrote that less excitement over the Birch Society is indicated ever since Birch has charged Chief Justice Warren "with bringing this country to the brink of democracy." He added that, "Anybody who starts out to fight communism in America by calling democracy 'mob rule' can assure himself of a future filled with futility."

Columnist Al Capp, in the Los Angeles Mirror, suggests: "There must be some other branch of the Federal Government, some mental health setup, which keeps its eye on groups that start off being just ridiculous, like the Nazi Party, or the old Bolsheviks, but which in time become dangerously lunatic as they did. People like that are ridiculous, it's true, and good for a laugh at a press conference. But once the nuts get organized, they can take over the asylum."

Senator J. W. FULBRIGHT, of Arkansas, inserted in the CONGRESSIONAL RECORD, under

date of April 18, 1961, an article which indicated similar fears, but it considers the Birch Society "more a nuisance than a peril."

The Fulbright article states that "these people don't need condemnation, they need help. They need, each of them, a quick course in American history, a heart-to-heart talk with a trustworthy friend, and then, perhaps, a good long rest."

The Fulbright piece suggests that the members of the Birch Society have acquired some kind of a political "virus, and have simply gotten together to share its misery."

TRAGEDY?

Other writers and spokesmen see in the Birchers a deadly menace.

Many segments of organized religion, for example, have been deeply disturbed over Birch charges of Communist infiltration.

As a result, some organized religious groups have taken unprecedented stands against these irresponsible attacks.

The leader of the United Presbyterian Church, Dr. Eugene Carson Blake, urged members of his church to "get off the defensive and in every church begin the attack that our Nation needs to be protected from those who in their fear of communism would destroy American freedom."

In striking out at Welch and the Birchers, Blake said, "The old lies are being actively circulated by the same people who were McCarthy's stooges a few years ago but are now organized into typical totalitarian cells. His argument to trust him is that he (Welch) has a 'nose for Communists.' I don't think his nose is very accurate if he calls President Eisenhower a Communist." Following Blake's address to the sessions of the Los Angeles Presbytery on May 8, the delegates unanimously passed a resolution alerting their membership to slanderous accusations and charges of communism in the church."

In a recent appearance in California, Welch told an audience that 7,000 Protestant ministers in the Nation "can fairly be called Communists or Communist sympathizers. Protestant ministers do not become Communists, but Communists do become Protestant ministers," he said.

Responding to that accusation, a group of 137 southern California ministers published a statement assailing this blanket accusation. Said the leading ministers of southern California:

"Our churches, schools and other traditional institutions in the United States, as well as many of our beloved statesmen, educators and clergymen, have been subjected to vicious attacks by blanket accusations and by unsupported charges.

"In the present world situation it is all too easy for persons of good will to be 'conned' into taking positions and supporting methods which are actually destructive of the valid ends they seek.

"Any group or individual, however well intentioned, that promotes a program of hatred, suspicion and distrust of our free American institutions, and that indulges in the irresponsible labeling of people and institutions, is unwittingly serving the cause of those who would destroy these institutions."

ROBERT WELCH: "FOUNDER"

Robert Welch, an embittered candymaker of Belmont, Mass., and a former member of the board of directors of the National Association of Manufacturers, founded the John Birch Society in December of 1958 with the publication of his "Blue Book of the John Birch Society." This 179-page document blueprints the purposes and structure of the John Birch Society. All references following, unless otherwise noted, are to the Blue Book. The Blue Book is not to be confused with "The Politician," which was a "personal letter circulated to friends" and is now withdrawn from circulation. "The Politician" contains Welch's most widely quoted statement: that President Eisenhower is a "dedicated, conscious agent of the Communist conspiracy."

"The John Birch Society will operate under completely authoritative control at all levels" (p. 159). "Those members who cease to feel the necessary degree of loyalty can either resign or will be put out before they build up any splintering following of their own inside the society" (p. 161). "We shall have shortcuts for eliminating (differences of opinion) without going through any congress of so-called democratic processes" (p. 162).

At the apex of this authoritarian heap is the "Founder" (always with a capital F). "I want no other title than that of its Founder" (p. 158). "(I) offer myself as a personal leader in this fight and ask you to follow that leadership" (p. 170).

These quotations from the "blue book" demonstrates the totalitarian character of the John Birch Society. They also cause one to speculate about the recent attempts to some prominent Birchers to disassociate themselves from some of Welch's more exotic statements. So far as can be ascertained, none of these attempts have met with excommunication from the Birch Society. One concludes therefore that either Welch has authorized the deviation or that he feels it is not material.

Since publishing this book, Welch has devoted his time primarily or exclusively to recruiting for the John Birch Society. Apparently, in his talks throughout the country he makes virtually the same speech which he made in Los Angeles and Santa Barbara during his recent visit to California.

Press accounts of his talk in Houston late in April indicate the identical line, and in some instances the precise expressions and phrases used in California. The New Deal was "foreign, phony, and a failure." The Communists "engineered the defeat of Robert Taft in the contest for the 1952 Republican nomination for President, at which time President Eisenhower was nominated by the Republican Party."

Welch also cascades down the tomb of the late Joe McCarthy, defending not only McCarthy's anticommunism, but, he says, "Indeed there was nothing wrong with McCarthy's methods from the point of view of the patriotic American."

In Houston, as in other communities, he declined a press conference and would not submit to questioning by members of the press or television corps. He particularly scorned representatives of newspapers that have been critical of him.

Welch also sees himself in the role of a martyr. "In this fight against vastly entrenched evil," he says, "some grow tired, some grow old, and some like myself grow bold." His whole approach, states the newspaper, the Texas Observer, suggests a "flight to amorality."

According to a number of editorial writers, wherever Robert Welch makes his speeches, he loses rather than gains popular support. Part of his difficulty stems from his refusal to submit to the normal interrogation by newspaper reporters.

As a result of his recent tour through Texas, Troy Martin, publisher of the Canyon (Tex.) News, a conservative newspaper circulated in a conservative area of Texas, wrote the following editorial:

"Even some of the stanchest members of the John Birch Society have expressed doubt in the leadership of the Society since Bob Welch, its top man, made an appearance at Amarillo Saturday. We cannot approve of this man who believes that he is the only man alive ready, willing, and able to lead the fight against communism. Welch sneers at democracy and in his blue book labels it a perennial fraud. He says a Republican form of government has many attractions under certain favorable conditions. Welch looks with suspicion upon labor, management, religion, government, newspapers, and in fact about everyone except Bob Welch. I do not believe that the American people yet have to choose between fascism and bolshevism. We must understand once and for all that there is little actual difference between fascism and bolshevism. Both are headed up by a type of latter-day nobility bent upon exploiting an enslaved people. We must fight communism, but we must also beware lest we nurture something as bad."

In assessing patriotism most Americans would feel the need for differentiating between a paid agent of the Soviet espionage apparatus on the one hand and an American who believes in fluoridation or mental health programs or the U.N. or Federal aid to education—or all four of these—on the other hand. Not so Mr. Welch. He and the Birchers angrily lump all these together under the blanket accusation of treason. There are no grays for Mr. Welch, he offers all of us the alternatives of agreement with him or treason. He concludes accordingly that the press, radio, and television are dominated by Communist influence (p. 35). "It is clear that treason—and a willingness to close one's eyes to treason which is itself treasonous—were widespread in our high army circles" (p. 6). The Communists presently control the Hawaiian Islands (p. 20). "The trouble in our Southern States has been fomented almost entirely by the Communists" (p. 29). American foreign aid was planned by Communists to advance communism (p. 32).

THE PRINCIPLE OF REVERSAL

As a substitute for hard thinking on the issues some Americans have adopted the formula that, "if the Communists are for it we ought to be against it and vice versa." Welch has ruined this formula by the addition of his principle of reversal. This Alice in Wonderland concept has it that many of the things the Communists profess to be for, they are really against. They only say they are for it so that we will be against.

For example, Welch characterizes U.N. Secretary General Dag Hammarskjold as "one of the most contemptible agents of the Kremlin ever supported by the American taxpayers." When Khrushchev waxes frenetic about Hammarksjold, Welch explains that Khrushchev only does so because he wants us to defend Hammarskjold, thus keeping him at his post.

Welch tells us that many American organizations generally supposed to be anti-Communist are really Communist. "Some of them have no more harmful purpose than merely to drain off, into innocuous wastefulness, money and effort which might otherwise find its way into really patriotic and anti-Communist activities. Others are primarily designed to offer protective coloration to Communists who can thus get themselves publicized as active in anti-Communist organizations" (p. 160).

A last and perhaps even more bizarre example of the principle of reversal:

Welch believes that the real reason the Russians sent sputnik aloft was because they wanted us to increase our defense spending (pp. 33–34). "Although our danger remains almost entirely internal, from Communist influences right in our midst and treason right in our Government, the American people are being persuaded that our danger is from the outside, is from Russian military superiority. And under the excuse of preparing to match that military might, or defending ourselves from this threat of outside force; in other words, under the guise of fighting communism, we are being stampeded into the biggest jump ever toward, and perhaps the final jump right into socialism and then the Communist camp" (p. 32).

This results in a "heads they win, tails we lose" proposition of hideous proportion. If we increase American military might to resist Russia, we are playing into Russian hands. If we reduce American military might, we are playing into Russian hands. It is no wonder then that Welch and his Birchers are so frantic in their self-induced terror. Thus, Welch concludes: "that, unless we can reverse forces which now seem inexorable in their movement, (we) have only a few more years before (the United States) will become four separate provinces in a worldwide Communist domination ruled by police-state methods from the Kremlin" (p. 9).

IF IT WALKS LIKE A DUCK—

The duck formula is another device which has occasionally been used as a substitute for thinking about the issues. This canard (no pun intended) was effectively shot down by the gentleman who rose to ask: "If it walks like a doctor, talks like a doctor, and looks like a doctor, would you let it operate on you?" Nevertheless, the temptation to play Welch's game in reverse by pointing out the similarities between the John Birch Society and the Communist Party is irresistible. Thus, one notes:

1. Standard Communist strategy for countries marked for takeover is to sow in those countries seeds of doubt and suspicion against the Government and leaders. Here the John Birch Society founder has accused a former President of the United States, a former Secretary of State, the Chief Justice of the United States, the Chief of CIA, and other top-ranking Government leaders with treason. Thus does the John Birch Society do the work of Communists.

2. The John Birch Society is implacably opposed to the most effective of the free world's defenses against communism. It is opposed to the Marshall plan, the United Nations, the North Atlantic Treaty Organization, and to increased military spending for the United States. Their opposition against these defenses is matched only by that of Khrushchev and Mao Tse-tung. Who is allied with whom?

3. Domestically, the John Birch Society opposes civil rights, collective bargaining, and the social gospel of religions. In the nations which they rule, the Communists oppose these also.

4. The Birch Society believes in the organization of "fronts." "We would organize fronts—little fronts, big fronts, temporary fronts, permanent fronts, all kinds of fronts" (p. 86).

Some of these fronts have recently made their appearance here in California. The Freedom Club at the University of California at Santa Barbara is one prime example. In spite of the best efforts by the leadership of the John Birch Society to prevent any identification with the Freedom Club, it was very ably exposed as a front for the John Birch Society by the Santa Barbara News-Press and by local law enforcement agencies in Santa Barbara.

After Columbia Broadcasting System Television Commentator Grant Holcomb was repulsed in his efforts to interview Welch on a telecast from Santa Barbara, Holcomb was roundly abused in correspondence from a group which called itself the committee against nihilism. Letters berating Holcomb were sent to him and also to officials of CBS. This despite the fact that any objective observer of the attempt by Holcomb to interview Welch would concede that his performance was journalistically proper and polite.

Another new organization, apparently a Birch front is called realtors for American freedom, shortened to the initials RAF.

Officers and leaders of this RAF group boast of their use of the realtors association to assert political strength in Sacramento, and they relate to their membership that through an ex-Army colonel, they have access to FBI information on suspected Communists. The RAF group is attended by even greater secrecy than the Birch Society itself.

The use of "fronts" by the Communist Party is too well known to require documentation here.

5. One of the least appealing of Welch's teachings is his open espousal of techniques which he, himself, terms "mean and dirty" (p. 96). These tactics include the disruption of peaceful public meetings.

A particularly noteworthy series of such tactics has occurred in the San Fernando Valley area of southern California.

On Saturday, April 22, four local clubs sponsored a meeting at a public school, at which a film and public discussion were planned. Seventy to eighty John Birch Society members invaded the meeting and broke into cheers and boos on signal, shouting the word "Republic" whenever a speaker referred to "democracy." The visitors interrupted and insulted the audience and speakers.

The following day, this performance by a similar group of invaders, 72 in all, disrupted a peaceful meeting of a club in Encino at the local community center. The Birch members were so vocal and abusive in their interruptions that it became necessary to call police officers in order to prevent physical violence.

Members of the Birch Society have indicated that they learn about these meetings by means of infiltration into legitimate political organizations, and that the invasion and disruption of peaceable assemblies of citizens is part of their program of action.

A particularly vicious piece of literature has been circulated by Birch Society members in the Manhattan Beach area, attacking the minister of the local Methodist church. Similar activities have been directed at schoolteachers and board of education members in many other California areas.

Again, infiltration into legitimate organizations and disruptive tactics have long been standard Communist practice.

6. The Birch Society is a monolithic authoritarian organization with the policy dictated from above and no dissent permitted in its ranks. The Communist Party is a monolithic authoritarian organization with policy dictated from above and no dissent permitted in its ranks.

Even the Russians apparently believe that Welch and the Birch Society are actively serving the Communist cause. The Literary Gazette of Moscow, under date of April 4, 1961, carried the following article in the Russian language:

"THE FUHRER WELCH AND HIS JOHN BIRCH SOCIETY

"The predictions of Lenin are materializing in the course of history. Lenin predicted that the capitalistic society will strangle itself to death due to their economic and social system. This is exactly the way Lenin's predictions are coming true in the United States of America.

"Lenin said that the most ardent foes of communism will eventually become frightened and suspicious of anybody that does not agree with them. In this manner these extremely nationalistic capitalists will actually work for the cause of communism by eliminating some of the largest obstacles on the road toward a worldwide Communist way of life.

"This was true in the past and history is repeating itself again. Several years ago an American Senator by the name of McCarthy performed a great service to world communism and actually supported our cause by throwing suspicion of Communist affiliation on some very important personalities of the capitalist world. He was so involved in this particular activity that instead of harming, he actually strengthened the Communist party in the United States.

"Now the Communist movement has gained unexpectedly a new supporter. His name is Robert Welch. This former candy-maker went one step further. He has published a book which compares to Hitler's Mein Kampf, in which he outlines his program. Mr. Welch calls his book 'The Politician'.

"According to Welch, John Foster Dulles was a Communist agent, and his brother Allen Dulles, the child of American intelligence, is, after Eisenhower, the second largest supporter of communism in Washington. Eisenhower's brother, Milton, is actually the boss of the American Communist Party."

(There follow description of "fronts and cells" of the Birch Society. Then, in conclusion:)

"This is the teaching of Robert Welch and his John Birch Society. Here is more proof that Lenin's teachings and predictions were correct."

Returning again to Alice in Wonderland thinking, we wonder whether the Russians say that Welch and the John Birch Society are proof that Lenin was correct because they want us to oppose Birchism. If so, we should support the Birchers and confound the Russians. On the other hand, applying the principle of reversal, perhaps they only say this to make us support the Birchers. If so, we should oppose the Birchers and confound the Russians. We can only conclude with Alice that "things are getting curiouser and curiouser."

BIRCHISM AND POLITICS

Although the Birch Society leadership has been scathingly critical of all existing political parties, there is the constant danger that it will become affiliated with an attempt to take over all or some part of one of the existing political parties.

The official Democratic Party, through its State central committee, is on record publicly repudiating the Birch Society. Most leading Republicans have taken a similar stand.

Despite the repudiation by Republican leadership, some Republican groups do give the society the encouragement of a forum. Two Republican Congressmen from southern California, EDGAR HIESTAND and JOHN ROUSSELOT, have admitted membership in the organization. After an original equivocal denial of his membership, Congressman ROUSSELOT has become a most ardent advocate of the Birch Society and is frequently quoted in the press as making speeches in defense of it.

The fact of their membership in the Birch Society was not publicly known at the time these two Congressmen were elected. Whether these men subscribe to the dogma of the John Birch Society as laid down by Robert Welch in the Blue Book; whether dual membership in the John Birch Society and the Republican Party is intellectually compatible, are matters which their constituents may want to ascertain should either of these two Congressmen seek reelection.

Welch says: "We shall have to use politicians, support politicians, create politicians and help the best ones we can find to get elected. I am thoroughly convinced, however, that we cannot count on politicians, political leadership, or even political action except as a part of something much deeper and broader, to save us" (p. 124). Elsewhere in the blue book Welch makes it clear that his distrust stems from the inability of politicians to swallow the entire Birch mystic since they must apply themselves to "extraneous" matters, i.e., they must get elected.

To date, Welch and the Birchers have flirted alternately with the idea of creating

a third party and with attempts to infiltrate the Republican Party. These flirtations have produced nothing more than a cold shoulder.

WHITHER BIRCHISM?

As is apparent, the entire Birch phenomenon is redolent with strong overtones of paranoia, with the "Communists" replacing the more conventional paranoid "they."

For the paranoid, life is a nightmare. Only he can see the enemy. Only he understand the nature of the peril. The more he acts upon his systematized delusions, the more he is cast out by his fellow man for his oddness. This only serves to feed and confirm his dark suspicions and moves him to every more bizarre beliefs. As these beliefs become every more bizarre, he is ever more the outcast. The circle goes round and round centripetally until swept into a vortex of fanaticism and despair.

This, we predict, is the rock upon which the Birchers and their "founder" will founder. Some examples:

A few weeks ago, newspapers carried a UPI story stating that a prominent Bircher, at a conservative convention in Chicago, had rejected BARRY GOLDWATER for his "socialism." Early in May, Senator GALE MCGEE, of Wyoming, addressed the Senate of the United States and stated that the John Birch Society's White Book now accuses the U.S. Chamber of Commerce of having been "permeated with leftists" because its course of practical politics indicates that "liberals and internationalists" have the best chance of winning elections.

When such examples as Senator GOLDWATER and the U.S. Chamber of Commerce are cast out of the conservative camp, what leadership remains? Only Mr. Welch.

The Blue Book makes it clear that individual members of the Birch Society are to have no say in determining what communism is, nor in who is a Communist. This will be done for them by Mr. Welch (e.g., pp. 160–162).

Each day piles up additional evidence of Welch's belief that he is the only true messiah to rescue America from her enemies. It is a short step from this to the assertion that anybody who opposes Welch opposes America. Since these delusions are not the result of reason but spring instead from emotional needs, there is no rational stopping point for them. With the passage of time, we predict that the Birchers will become more splintered and the internecine warfare more intense as they interpret normal differences of opinion between themselves as treason and thence attack their opponent as not only wrong but immoral as well.

THE ATTORNEY GENERAL AND THE JOHN BIRCH SOCIETY

Having thus divested myself of some personal observations on the John Birch Society, I must hasten to add that they are just that—personal observations. As Attorney General, I am the chief law officer of the State. It might therefore be assumed by some that I am officially passing on the merits or demerits of the John Birch Society; that I am permitting or proscribing the propagation of their dogma; or that I am "investigating" them to determine whether they should be silenced or put in jail. Such an assumption betokens an unfamiliarity with the U.S. Constitution. The Birch Society has an equal right with the Prohibitionists, the Vegetarians, the Republicans, the Democrats, or, for that matter, with any American, acting singly or in a group to an expression of its views; and no official, no matter how highly placed, can say them nay. In America, preposterousness prevents the acceptance but not the expression of ideas.

As attorney general, I have no greater right, but no less a right, to an expression of my personal opinion than any other Californian. This is the right of which I avail myself here. Accordingly, we have not conducted an investigation of the John Birch Society, nor do we intend to—we are not "Birch Watchers." All of the material in this report has either been in the public press or was voluntarily submitted by interested citizens. One effort by Department of Justice employees to interview Robert Welch and obtain his version of Birch Society activities was met with a crude rebuff. This is in strange contrast to subsequent demands by Congressman HIESTAND and other Birchers for "an investigation."

Should there be violations of California law, as for example the disruption of public meetings, I am confident that local law enforcement will know how to handle the situation.

These, too, are parlous times for America. There is no minimizing the threat to our free institutions. The cold war goes on and a hot war, hot to the temperatures of fusion and fission, menaces the future. Under such circumstances a patient, day-by-day analysis of facts is rendered difficult. Temptation is great to stop thinking, assign all evil to the enemy, arrogate all virtue to ourselves, and comfort ourselves in righteous hatred. The Birchers have succumbed to this temptation.

From time to time I receive enquiries concerning various groups and organizations. Some are concerned with the John Birch Society, many are concerned with organizations generally thought to be closely allied with the Communist Party. These writers generally want to know whether the given organization is "all right." They want the imprimatur of the attorney general to certain themselves.

While it might seem flattering to be the repository of such faith, it seems to me that these writers have failed to come to grips with their duty as citizens. That duty, as I conceive it, is for those persons to make the investigation for themselves, being more self-reliant and leaning less upon the label that somebody else affixes to a person or organization. Accordingly, I generally advise such persons to look into the organization, listen to the ideas espoused, see the people espousing them, and ask questions. Then they can decide whether to join or oppose the organization or simply stay home and watch television.

Such a course of action is, of course, grounded in a firm belief in the superiority of democracy. Understandably, neither Welch nor the Communists brook dissention or the discussion which its its progenitor. Just as understandably, supporters of democracy welcome such discussion, for they know that a discussion which pits the philosophy of birchism or communism against that of democracy can only serve to strengthen democracy, and they know that strengthening democracy is the best weapon against communism. If the day ever dawns when democracy fears to take on all comers in the field of competing ideas, then democracy will already have died.

Mr. Welch says: "Democracy is merely a deceptive phrase, a weapon of demagoguery, and a perennial fraud" (p 159). A century ago, a giant of an American, Walt Whitman, writing on the same subject, said:

"Democracy, while weapons were everywhere aim'd at your breast, I saw you serenely give birth to immortal children, saw in dreams your dilating form, saw you with spreading mantle covering the world."

Respectfully yours,

STANLEY MOSK,
Attorney General.
By HOWARD H. JEWEL,
Assistant Attorney General.

CREATION OF U.S. DISARMAMENT AGENCY FOR WORLD PEACE AND SECURITY

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BOLAND. Mr. Speaker, today I am joining with 52 of my House colleagues by filing a bill, recommended by President Kennedy, to establish a U.S. Disarmament Agency for World Peace and Security. It am proud to be a cosponsor of this legislation which has bipartisan support in both the House and Senate. Former President Eisenhower has also endorsed the idea of an independent Disarmament Agency with legislative authorization. The Senate Foreign Relations Committee today is holding hearings on this legislation and I hope that the House Foreign Affairs Committee will schedule its hearings soon.

In my opinion this is one of the most important measures to come before this Congress and should be enacted before we adjourn. An ultimate goal of the United States is a world which is free from the scourge of war and the dangers and burdens of armaments; in which the use of force has been subordinated to the rule of law; and in which international adjustments to a changing world are achieved peacefully. It is the purpose of this act, as outlined in section 2, to provide impetus toward this goal by creating a new agency of peace to deal with the problem of disarmament.

President Kennedy, in his message to Congress proposing the creation of the Disarmament Agency, went to the heart of the issue in these words:

Peace cannot be brought about by concentrating solely on measures to control and eliminate weapons. It must also encompass measures to sustain and strengthen institutions and the rule of law. A disarmament program must take into account the national security, our foreign policy, the relationships of this country to international peace-keeping agencies, including the United Nations, and our domestic, economic, and other policies. It should drive toward the creation of a peaceful world society in which disarmament, except for the forces needed to apply international sanctions, is the accepted condition of international life.

Mr. Speaker, I herewith submit an editorial in today's Washington Post and Times Herald entitled "Proclaiming Our Hope," and columnist Roscoe Drummond's article in yesterday's Washington Post and Times Herald entitled "Disarmament Agency Is Urgently Needed":

[From the Washington Post, Aug. 15, 1961]

PROCLAIMING OUR HOPE

Paradoxical as it may seem in view of Mr. Khrushchev's bluster, now is precisely the time when this country needs legislation establishing a U.S. Disarmament Agency. Fourteen Senators and 51 Representatives have sponsored a bill to this end in response to President Kennedy's request, and hearings

in the Senate began yesterday. The measure ought to be approved promptly.

The reason for speed is partly tactical. It is plain enough that this fall the Soviet challenge to the United States in the United Nations and elsewhere will be a total one, using every element of pressure and propaganda. One of the major efforts of Soviet propaganda has been to advertise general and complete disarmament—which has never been more than a slogan—and to depict the United States as a warmonger because it insists upon looking at details. As part of the plan to take the initiative, it is important for this country to have a regularized agency to emphasize its own fond hope of graduated and controlled disarmament.

More than this, as a matter of organization, disarmament planning has been spread thin over many agencies. Not until the last year has there been an effort to centralize policy responsibility and research studies. On more than one occasion in the past, contradictions and lack of coordination may have persuaded the Soviet Union that this country was not serious. A statutory agency will have the authority and prestige to obtain cooperation in determining what is feasible and what is not—and that is the only basis upon which disarmament can ever become more than a slogan.

[From the Washington Post, Aug. 14, 1961]

DISARMAMENT AGENCY IS URGENTLY NEEDED

(By Roscoe Drummond)

Can President Kennedy expect to mobilize congressional support for a vast, new, more armaments program, and at the same time mobilize congressional support for a vast, new, disarmament program?

If the present need is for an all-out effort to build military strength, is this the time for an all-out effort to get everybody to agree to decrease military strength?

Since the Soviets have rejected any inspection they cannot veto and since we will not accept disarmament we cannot inspect, is this whole disarmament exercise so meaningless that we might as well put it in charge of an office boy?

In other words, should the Senate Foreign Relations Committee lean back and yawn as it takes testimony this week on the proposed new U.S. Disarmament Agency for World Peace and Security—or should it sit bolt upright in the conviction that this is urgent, imperative, and significant business?

I believe that creating the proposed Disarmament Agency is urgent, imperative, and significant business.

My conviction is that the Congress will be making a grave mistake if it passes over this present opportunity to make the cause of world arms control—and disarmament—a major American concern with an agency operating at the highest level of Government, manned by the most competent people the President can command in order to devise the soundest conceivable program.

There are solid reasons why, despite surface appearances to the contrary, the Disarmament Agency is timely and needed:

1. Disarmament is a worldwide preoccupation. It is a deep and abiding concern for millions and millions of people—and rightly. The prospects of disarmament may be more difficult and more remote than the most wishful think and less difficult and less remote than the most cynical think. It may be as remote and difficult as getting to outer space seemed a decade ago.

2. Discussion and debate on disarmament are not going to be adjourned because there is fighting in Laos, tension in Berlin, or conflict in the Conga. There have been almost continuous disarmament negotiations with the Soviets for the past 4 years. The United States has not been well prepared for these negotiations. It's time we were.

3. Sometime there has got to be a will and a method to control the horrendous weapons. A balance of military strength is safer than an imbalance but an uncontrolled thermonuclear arms race could explode any time and something like 100 million casualties would be part of the consequence.

4. Of course we won't get disarmament until there is a change of attitude on the part of the Soviets on inspection and control. But regardless of the attitude of the Soviets—even if they only talk about it on Sunday and run away from it on Monday—the United States ought to be ready with the most practicable, thoroughly considered, wisely devised, and workable disarmament program which our best brains can produce. Our position on this matter before the whole world ought to be positive, constructive, and compelling.

John J. McCloy, the President's disarmament adviser and one of the Nation's ablest public servants, and William C. Foster, who will probably succeed him, are convinced that the proposed new Disarmament Agency is the best means of achieving all these purposes.

OUTER MONGOLIA

Mr. LATTA. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. KING] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KING of New York. Mr. Speaker, I have, since the first of this year, supported any part of the administration's program whenever I sincerely felt it would advance the cause of our individual freedom. On the other hand I have opposed any policies, legislation and actions which in my honest judgment did not serve the best interests of the American people.

In line with this policy, I wish to applaud the administration's recent announcement that it was suspending its negotiations to establish diplomatic relations with the central Asian Communist State of Outer Mongolia. I, too, feel that in view of the present world situation and because Mongolia is a satellite of Soviet Russia, functioning as an independent Communist country under the Soviet system, that it is definitely within the best interest of the United States to suspend any further consideration of this matter at this time.

In support of the President's recent announcement, I am today introducing a concurrent resolution expressing the sense of the Congress that diplomatic recognition should not be extended to the Mongolian People's Republic.

METROPOLITAN OPERA

Mr. LATTA. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. LINDSAY] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LINDSAY. Mr. Speaker, I am certain that many of my colleagues are aware that the Metropolitan Opera Co. has announced the cancellation of its coming season.

Although the Met is located in the city of New York, and in my congressional district, the effects of the announced cancellation will be felt in all parts of the country. For, in addition to the cancellation of its regular season, the Met will have to forgo its 7-week spring tour of 1962 scheduled to bring the company to Boston, Cleveland, Atlanta, Dallas, St. Louis, Minneapolis, Detroit, and Toronto. And, of course, the opera broadcasts which have been a source of pleasure and enchantment for so many years would also be affected by a cancellation of the coming season.

Many of the most distinguished artists of our time consider it a privilege to appear with the company. Through its frequent appearances and numerous recordings it has won friends for the United States in all parts of the world. Hence, it is one of our Nation's greatest cultural assets.

What is involved here is much more than a labor-management dispute over a wage increase between the officials of the Metropolitan Opera Co. and local 802 of the American Federation of Musicians. There are larger issues at stake. For the Met is faced with rising costs and heavily mounting deficits—now close to $1 million a year—an amount which its patrons are finding extremely difficult to meet. The Met is also faced with an increasing inability to provide its musicians with a wage commensurate with their artistic standing in the community. The upshot is that the cost of attending the opera is all but prohibitive for the general public who are always the losers in the end.

In the meantime, steps have been taken in an attempt to bring the opposing sides in the dispute to some sort of agreement. Mayor Wagner has persuaded both sides to continue discussions. President Kennedy has directed Secretary of Labor, Arthur Goldberg, to place his personal mediation services at the disposal of the disputants. Negotiations are continuing at this very moment. Slight progress had been made by the weekend and there is a general feeling that an early settlement, albeit a temporary one, is not outside the realm of possibility.

Mr. Speaker, both in 1948 and 1960 the Met announced cancellation of its season and both times the seasons were saved at the last moment. It is my earnest hope that once again reasonable men will overcome their differences and settle this dispute and that come 8 p.m. October 23 the hall of the Metropolitan Opera House will be filled, the musicians will be in their customary places in the pit and that the 77th season of the Met will be off to a glorious start.

FOREIGN AID PROGRAM

Mr. LATTA. Mr. Speaker, I ask unanimous consent that the gentleman from Oregon [Mr. DURNO] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. DURNO. Mr. Speaker, 15 years ago at the close of mankind's most devastating war, in an unprecedented gesture of national generosity and maturity, this country embarked upon a vast financial program to help both allies and former enemies regain a sound economic status and, in some cases, improve upon their prewar economy.

Initially, foreign aid was presented to the Congress as a temporary program, one which would end as each country regained its footing. Over these years, American aid has been extended to virtually every nation—new, old, and reorganized at a cost of nearly $90 billion—and no end to the program is in sight.

To a large extent the foreign aid program is inextricably interwoven with our global strategy for defense of the free world and our own survival. It is not now possible to abruptly end our heavy financial burdens in this area. I hope, however, that we can set our sights on a logical and gradual withdrawal from this type of support as the countries aided are put in a position to carry more of the cost of their own development.

We have before us an issue which overshadows the arguments pro and con on foreign aid which have developed over the years. This year the President has proposed a 5-year program for aid to underdeveloped countries. He has requested authority to borrow $8.8 billion from the Treasury to finance the program. This is a departure from the normal procedure which has very serious implications.

The validity of the argument for authority to proceed with the development assistance program for a period beyond annual authorizations is recognized. The long-range character of plans for the development of the economic resources and productive capacities of underdeveloped countries requires assurance of continuity of effort over a reasonable period of time. There is need for a method that will provide this assurance. At the same time, the Members of Congress must discharge their constitutional obligation to keep proposed expenditures of the peoples' money under strict control and review. Article I, section 9 of the Constitution reads:

> No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

I shall support the President in all essential elements of our foreign relations and defense requirements, but I cannot justify abdicating my constitutional obligations as a Member of the House of Representatives.

The stated objective can be accomplished by authorizing the program for the period of 5 years. Thereafter, the Congress should review specific projects each year and provide annual appropriations for their accomplishment. The procedure is followed in our own long-range resource development. Construction of our huge multiple-purpose dams, which often take many years to complete, is an example. There is no reason to depart from this procedure, clearly required by the Constitution, in the development work we undertake to finance in foreign lands.

The real purpose behind the President's proposal is to relieve the administrators of the program from congressional scrutiny of their performance before and during, as well as after the fact. The record of our foreign aid officials in many areas certainly gives slight justification for this blank check approach to spending your money.

These back-door spending schemes have been coming to the Congress in increasing numbers. All are designed to give the spenders a free hand without congressional control.

The President's speech on the Berlin crisis indicating a sudden need for another $3.5 billion for defense, serves to point up the necessity for annual review of expenditures. We have no way of knowing what the future holds in store. We must cut our cloth to fit the requirements of the Nation in this struggle for survival, as the moves and counter moves of the Communists are revealed. We must keep ourselves in position to readily meet whatever challenge is presented. In doing so we must have our financial commitments in a flexible state. We must make certain that we put first things first, recognizing that we cannot always do all the things we would like to do at the same time.

MUTUAL SECURITY ACT OF 1961

Mr. LATTA. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. ALGER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ALGER. Mr. Speaker, the bill H.R. 8400, and the report accompanying the bill, together comprise quite an indictment of the mutual security program. I fail to see how any Member of Congress cannot be mindful of the shortcomings. A bill of particulars comprising this indictment is overwhelming. Even one or several of these criticisms should condemn the program and prevent our continuing mutual security in its present form. At this point I would like to list some of these indictments of foreign aid and in the mutual security bill before us, as we see it today:

First. On page 99 of the report, the separate views of our colleague, Mr. MONAGAN:

> No one who has listened to the evidence of negligence, misfeasance and actual criminality in Laos, in Cambodia, and in Peru, can escape the conclusion that in too many instances the people administering our aid programs have been unequal to their responsibilities and, what is more important, that those officials in the middle ranks of administration who are the real managers of the program have shrunk from making the personnel changes which are essential to proper administration.

As I see it, as Mr. MONAGAN intimates, we will not have improved administration, closer supervision and better recruitment in the personnel administering our aid program, the result being increased ineffectiveness and greater and more widespread scandals than any we have heretofore seen. In the past we have even witnessed other nations taking foreign aid from us to pay down their debt and/or their taxes while our taxpayers go on footing the bill, and our debt goes up.

Second. The loan financing is absolutely wrong as back-door financing, Treasury borrowing, instead of the annual authorization and appropriation procedure. The 5-year loan authority totaling $7.3 billion represents both a loss of congressional control and a loss of congressional scrutiny of the programs annually. So there will be no possibility of reforms of the mistakes perpetuated in the program as the supplemental views on page 100 point out:

> For the past 10 years the mutual security program has been financed, with few exceptions, on an annual authorization and appropriation basis. During that period the Congress has authorized $43.6 billion for military and economic programs. Against this it has appropriated $40.1 billion, about 92 percent of the authorizations.

So Congress certainly will continue to do its duty in the future as it has in the past, and as the supplemental views said again on page 103, a view which I share:

> In short, what we propose is a method of financing that would both give the Executive assurance of continued congressional support of long-range programs and keep in the hands of the Congress its proper constitutional responsibility for annual review and determination of the overall size and cost of the program.

Third. What is really needed is a complete review and revision of foreign aid legislation. This based on a self-interest policy statement of the United States related to each of the foreign countries and the goals we seek to achieve, as the additional views expressed it on page 104 of the report:

> H.R. 8400 fails to meet the critical need as demonstrated by our world situation for new and practical vision; adequate new tools; built-in guarantees against repetition of former errors and miscreancy; and assurances of sufficient increased regard for U.S. interests. As sincere critics of past programs and past performances, we regret, perhaps more than others, that this new legislation fails to meet either our anticipations or the need.

Fourth. Once again we make the mistake of dollar diplomacy as though we thought throwing money at problems will solve them, that we can win friends and accomplish social reforms through the mere offering of money. Indeed, there is not only doubt over the correctness of the specific social reforms related to the recipient nations but at the least a brash arrogance on our part in propagandizing what these social reforms should be. The respective cultures and standard of living of each foreign nation does not necessarily conform to our own and we presumptuously are assuming that other nations desire what we desire for them. For my part, I disapprove this presumption by us and believe it is one of the problems at the root of the present trouble in foreign aid.

Fifth. In view of both our domestic and foreign spending, a period of deficit financing, this bill is not fiscally responsible. Indeed the bill and the report clearly show that no one knows the total cost; which is between $30 billion over the next 5 years as explained on page 105 of the report and $36.6 billion as the report quotes Senator BYRD on the same page, including on page 106 an itemization of the yearly cost for the total program. This profligate spending most assuredly will necessitate further increase of the debt ceiling.

Sixth. Concerning the loans which total in themselves $7.3 billion over 5 years, as the report says:

> There is no certainty as to the terms and conditions imposed on each and every loan. It will be possible for the Executive to make low- or no-interest-bearing loans and long-term loans as long as 50 years with no principal payments in the first 10 years.

Mr. Speaker, this is fiscal insanity, not a sensible businesslike program to win the respect and cooperation of our world neighbors.

Seventh. Mr. Speaker, I am heartily opposed to the tremendous increase in Executive power and control of spending. I am opposed to Congress delegating its authority, remembering my oath to support the Constitution and believing this abrogation of our oath to be unconstitutional. As the report states on page 108:

> In this bill there are 51 grants of discretionary power to the President and 18 authorizations to disregard other laws which apply to foreign aid. While many of these grants of power have been in previous foreign aid legislation, in one form or another, it must be taken into consideration that heretofore the authorization has been limited to 1 year.

And then again on page 111 we are reminded of article 1, section 9, of the U.S. Constitution, which provides that "no money shall be drawn from the Treasury, but in consequence of appropriations made by law."

Most assuredly this loan provision violates the spirit, if not the letter, of this constitutional provision.

Eighth. Any studious reading of the bill is confounding because of the ambiguities of the provision within the bill. As the report says on page 108:

> The fact remains, as is clearly visible to Members of Congress reading the legislation, that indefinite provisions, open extensions of authority, waiving of previous laws, etc., make it exceedingly difficult to discover and estimate the exact degree of power that is being yielded by Congress to the executive branch. Even friends of the program have termed this bill a legislative monstrosity. In fact, it might be said that Members who vote for this bill if, in fact, anyone, could not possibly know all that he is voting for.

Ninth. Foreign aid in the past and in this bill is not only failing to achieve its objectives, witness the growth of communism during our huge outpouring of money, but is self-defeating causing us to lose, not win, the struggle with communism. As Justice Douglas is quoted as saying on page 109:

> The underdeveloped nations that received our aid are mostly worse off for it. * * * The main impact of American foreign aid was to widen the gulf between rich and poor, helping to create the vacuum into which the Communists easily move.

And then there is even less reason to commend and every reason to deplore the aid we have extended and continue to extend to Yugoslavia, Poland, India, and those nations unfriendly or neutral who do not share our belief in a free form of government and society like ours.

Tenth. We are wrong again in this bill in committing other Congresses than this 87th and are violating our own congressional principles in so doing. For this reason we have always subscribed to the principle that each Congress must be free to work its will and not to be bound by a previous Congress.

Eleventh. Throughout the bill there is the stressing of the need for protecting our international balance of payments.

The grave danger we face in this continuing outpouring of dollars is the further unbalancing of our international payments and jeopardizing our gold supply. Since foreign nations hold approximately the same dollar volume as we have gold, any "run on the bank" would deplete our gold supply. This further endangers our currency since approximately $12 billion of our gold undergirds the dollar. It just does not seem possible that sensible men, in view of this situation, would continue to give away dollars that can be redeemed in gold. It is almost like committing fiscal suicide.

Each year as we study foreign aid and are given countless instances of waste, mismanagement, and downright foolishness, if not criminality, we swear we will improve our program and we do not. It is high time, in fact long overdue, that we took the responsible steps necessary to reassure our taxpayers and to solemnly warn the world that we intend to remain the leader economically, as well as militarily, and that we will not bleed ourselves to help those who are not helping themselves sufficiently or who dislike us for the help, or complaining that we are not helping enough. Indeed we must remember that our military strength is premised on our economic strength and any weakening of our economy through deficit financing, inflation, the wage-price spiral, imbalance of payments, gold outflow, and the like, will weaken our defense posture and cause us to fall like a plum as the Communists have said without a shot being fired, permitting them to bury us.

Once again, I would like to make the recommendations which I make each year as the starting point to clean up our foreign aid. These recommendations are certainly at odds with the present bill and are as follows: (A) That our traditional generous private charity and governmental grants to relieve disaster be continued; that we encourage the expansion of our private missionary efforts; (B) that in countries which we are morally obligated to defend and which are directly threatened with Red aggression, military assistance—for the time being—should be continued, but on a realistic basis; (C) that foreign aid which directly or indirectly promotes governments that are hostile to our constitutional concepts of government be terminated immediately; (D) that so long as governmental foreign aid is continued, the recipient should pay a part of the cost of the proposed project; that our aid should terminate when the conditions on which that request is based have been remedied; that private technical, scientific and educational assistance be extended only to friendly peoples who seek our aid on a cash or loan basis; (E) until foreign aid is terminated, the Congress take steps properly to exercise close supervision and control over the manner in which all foreign aid funds are being spent; that all future economic aid, plus what can be salvaged from unexpended foreign aid funds, be diverted to and handled by the Export-Import Bank; (F) drastically reduce or terminate foreign aid until sufficient study and self-interested United States policy has been formulated; and (G) that military matters be left to our military and foreign affairs be left to the State Department, and their existing organizations, so we can dismantle the huge 12,500-person foreign aid bureaucracy, and stop the duplication of efforts and certainly no new employees.

For these reasons, or any one of these reasons, I am heartily opposed to the bill, and I shall so vote.

LABOR-HEW APPROPRIATION BILL H.R. 7035

Mr. LATTA. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. LAIRD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LAIRD. Mr. Speaker, on Thursday, August 3, in objecting to sending H.R. 7035, the Labor-HEW appropriation bill for 1962, to a committee on conference, I inserted into the CONGRESSIONAL RECORD letters addressed to President Kennedy and Secretary Ribicoff.

This week I have received replies from the White House and from the Department of Health, Education, and Welfare.

Mr. Speaker, I wish to include at this point in the RECORD my letter to President Kennedy and his reply:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 2, 1961.

THE PRESIDENT,
The White House,
Washington, D.C.

MY DEAR MR. PRESIDENT: As recently as last Tuesday, in your address to the Nation, you stated:

"Meanwhile, to help make certain that the current deficit is held to a safe level, we must keep down all expenditures not thoroughly justified in budget requests."

Last May 25, when you addressed a joint session of the Senate and the House of Representatives, I remember your saying:

"Moreover, if the budget deficit now increased by the needs of our security is to be held within manageable proportions—if we are to preserve our fiscal integrity and world confidence in the dollar—it will be necessary to hold tightly to prudent fiscal standards; and I must request the cooperation of the Congress in this regard—to refrain from adding funds or programs, desirable as they may be, to the budget."

This admonition came too late to temper House action on H.R. 7035, the appropriation bill for the Departments of Labor and Health, Education, and Welfare, for we had passed the bill 8 days before you delivered your message; and it appears to have fallen on deaf ears in the Senate. Taking just the Department of Health, Education, and Welfare, the Senate bill would appropriate $260 million more than requested and 27 of 70 appropriation items exceed the budget requests. I hope this action distresses you as much as it does me. From the statements you have made, I know that it must.

It is not that these programs are not worth while and desirable, for they are. But also it is not as if the Department had been starved in the past. The budget, including your amendments, for 1962 is over twice as large as the appropriation bill enacted for fiscal year 1957.

The bill as it passed the Senate is almost $1 billion in excess of the bill as it passed the House. I assume the differences will be considered in a conference of the two bodies. There are many of us in the House who are ready and willing to help you preserve the fiscal integrity of our Nation. It seems to me that this bill is a test of that very concept of government.

It would help those of us who join you in feeling so strongly about our responsibility to preserve fiscal integrity and the value of the dollar if you would give us the benefit of your views on H.R. 7035.

It perhaps would not be proper for me to ask you if you would veto the bill if it were presented to you in the form it passed the Senate; however, a definite statement of your opinion with regard to these increases above your budget will be appreciated and should prove helpful to us in further deliberations on this bill in conference.

I am also addressing a letter to the Secretary of Health, Education, and Welfare asking for an analysis and his opinion concerning the details of Senate action on appropriations for his Department.

With best wishes and kindest personal regards, I am,

Sincerely yours,

MELVIN R. LAIRD,
Member of Congress.

THE WHITE HOUSE,
Washington, D.C. August 10, 1961.

Hon. MELVIN R. LAIRD,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: The President has asked that I reply to your letter of August 2, 1961, requesting his views on H.R. 7035, the Labor-Health, Education, and Welfare appropriation bill.

In acting on this measure the House provided a total of some $45 million over the President's budget estimates. The Senate action on the measure included a substantial portion of a supplementary request made necessary by subsequent congressional action, and in addition provided increases over the estimates for other items for a total net increase of $157 million over the President's budget recommendations.

The present grave international situation which requires additional substantial outlays and sacrifices on the part of the American people does not lessen our responsibility to meet the urgent needs of our own people. On the contrary, adequate provision for many of these needs—especially the health and education of our citizenry—takes on even greater significance as we seek to improve our national defense posture.

It is the President's belief that the budgetary recommendations which he has made to the Congress for programs in the Labor-Health, Education, and Welfare appropriation bill provide a sound and balanced program that will effectively meet the Nation's needs in these fields.

The Congress must, of course, exercise its wise judgment in acting on these recommendations. To the extent that the House of Representatives or the Senate has significantly increased particular appropriations above the President's requests, such action is of course within their province, and the President would not wish to prejudge a matter which presently involves a difference between the two Houses on an appropriation bill. At the same time, the President is confident that the conferees who are appointed to work out the differences on this bill will give weight to the priorities and needs which were reflected in his budgetary recommendations. The Congress and the President share the exceedingly difficult responsibility for deciding on the wise and prudent use of the Government's resources and their balanced allocation among alternative needs.

Sincerely yours,

LAWRENCE F. O'BRIEN,
Special Assistant to the President.

Mr. Speaker, I wish to insert in the RECORD at this point my letter to Secretary Ribicoff and his letter of transmittal which included some 50 pages of backup material in response to the questions which were directed to him in my letter. I am merely inserting at this point in the RECORD my letter to the Secretary and his letter transmitting to me the material requested:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 2, 1961.

Hon. ABRAHAM A. RIBICOFF,
Secretary of Health, Education, and Welfare,
Washington, D.C.

MY DEAR MR. SECRETARY: Enclosed is a copy of a letter I have just sent to the President concerning the 1962 appropriation bill for the Departments of Labor and Health, Education, and Welfare asking for his opinions concerning the bill as it passed the Senate. I would very much appreciate it if you would furnish additional information and your opinions in order that those of us in the House who wish to assist the President in preserving our fiscal integrity may be as effective as possible.

Please furnish budget schedules by object, activity, and personnel for each Senate increase showing the pertinent data for 1961, the 1962 budget request, House action and Senate action. In addition please have prepared a narrative statement of the effect of the Senate increase. Lastly, but by no means of least importance, I would like your opinion regarding each Senate increase and your recommendation as to the proper level of financing. With regard to the last item it would be helpful if you would elaborate on your statement of opinion to give your reasons therefor.

In addition to changes in dollar amounts, the Senate committee wrote into their report many instructions and expressions of legislative intent. It appears to me that some of these may be of sufficient significance to warrant the attention of the conference committee. I would therefore appreciate it if you would submit to me an analysis of each of the excerpts set forth below, including the effect on the program, 1962 cost and estimated future cost where applicable, and your opinion as to whether or not it should be negated or revised in connection with the conference report.

On page 19, in connection with air pollution:

"There is an urgent need for broad-scale epidemiological studies of the amount of chronic respiratory disease in a variety of environments—heavily industrialized areas and contrasting suburban and rural areas. These studies would entail pulmonary function measurements on individuals as well as extensive air sampling. Years of cooperation between Federal, State, local, and university authorities will be necessary in order to provide the data needed; such studies can be initiated with the increased funds allowed by the committee."

On page 20, in connection with radiological health:

"The committee is providing $1 million to permit the development of a program of research and demonstrations and special projects in the States to assist State and local agencies and other institutions to accomplish these objectives.

"A portion of this program money may be used to establish a laboratory facility to serve the northeastern part of the country, to provide minimum radiochemical, analytical, and other services to States including the training of State radiation protection personnel."

On page 28, in connection with clinical research center program:

"They may be awarded in the form of research center grants—which are made solely for the support of the basic physical resources and services essential to the conduct of a broad program of research, but do not provide support for the substance of the research program.

"In inaugurating and providing for the expansion of the grants for clinical research centers the committee was aware that in the initial phase of these centers, a substantial portion of many of the grants would have to be spent on the renovation and alteration of space and on permanent equipment if the programs were to succeed. Such expenditures constitute a proper use of these funds provided they are directly related to the requirements of the center and provided they do not constitute wholly new construction."

On page 29, in connection with use of project grant funds for renovations, alterations, and permanent equipment:

"The committee's attention has been called to a question of the propriety of using research project and training grant funds for space renovation, alteration, and the purchase of equipment. * * * The specific guidelines for administering this aspect of the grant program were discussed in detail by the committee and were found to provide a sound basis for responsible executive action. In the view of the committee this has been, and continues to be, a proper and necessary use of these funds."

On page 30, in connection with personnel problems:

"The committee has considered the problem and is convinced that the most immediately effective step which can be taken is to raise the salary which may be paid to key scientific and executive staff members from the present level of $19,000 to $25,000."

On page 32, in connection with general research and services:

"The committee therefore directs that the division give special attention to the training of research anesthesiologists and to the support of scientific research project and program grants in anesthesiology."

On page 36, in connection with mental health activities:

"The training programs of the NIMH have provided the major support for the production of mental health manpower during the past decade, but the need for still greater support remains urgent. The committee believes, furthermore, that the program will be most effective if support is expanded and extended to all categories of mental health personnel in all areas of professional activity, including personnel who provide clinical services as well as those who do research and those who teach."

On page 37, in connection with mental health activities:

"For the coming year, the committee recommends that the sum of $2.5 million be

spent on the fight against juvenile delinquency and suggests that a sizable portion of the increase go into the training of skilled personnel who can work effectively with juvenile delinquents in community activity projects."

On page 38, in connection with mental health activities:

"The committee therefore recommends $10 million for State-control programs, $4 million over the budget request. The committee directs the Institute to devote the major portion of the increase to lifting the minimum allocation for the poorer States."

On page 40, in connection with National Heart Institute:

"The committee therefore recommends that $21 million be provided for training grants and fellowships so that these essential programs can be suitably expanded. The committee specifically directs that part of these funds be used to increase the general medical school training grants in cardiovascular disease from $25,000 to $40,000."

On page 40, in connection with National Heart Institute:

"As a first step in this direction, the committee recommends that the sum of $1 million of the research grant funds be allocated to the improvement of scientific communications in the field of heart disease."

On page 40, in connection with National Heart Institute:

"In view of its strong interest in the problems of the aging and in recognition of the need for further growth of this program, the committee has included funds in the amount of $1 million for planning of a gerontological research facility to be located on the grounds of the Baltimore City Hospital."

On page 44, in connection with allergy and infectious disease activities:

"In light of the progress that has been made in this and other areas, the committee recommends that the appropriation for the National Institute of Allergy and Infectious Diseases be increased by $2 million to initiate a program to develop and test prototype vaccines for the common cold and other respiratory infections."

On page 46, in connection with neurology and blindness activities:

"The committee therefore directs that $11 million of approved funds be used for the training programs, with $1 million to go for the training of clinical investigators and $500,000 to expand the clerkship program which has proved so feasible and such a stimulus to the other training program."

On page 46, in connection with neurology and blindness activities:

"The committee is pleased to note the development of a small training program in pediatric neurology, and urges that this be expanded as rapidly as possible."

On page 47, in connection with neurology and blindness activities:

"The committee believes that immediate steps should be taken to initiate a program of professional and technical assistance in this area. * * * These activities, in the view of the committee, would include provision of consultative services, conduct, and support of demonstrations, assistance in the establishment and conduct of diagnostic treatment services, support of professional training and health educational activities, and aid in the development of laboratory services and other control activities. For these purposes, the committee has added $4,200,000 to the appropriation for neurology and blindness activities to be utilized for direct operations and for grants-in-aid in this area."

On page 48, in connection with neurology and blindness activities:

"The committee feels that a collaborative research project might usefully be set up among existing speech and hearing centers and directs that $1 million be set aside for the purpose."

Your cooperation will, I am sure, help us in our mutual endeavor to maintain fiscal responsibility and integrity in our National Government.

With best wishes and kindest personal regards, I am,

Sincerely yours,

MELVIN R. LAIRD,
Member of Congress.

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., August 11, 1961.

Hon. MELVIN R. LAIRD,
House of Representatives,
Washington, D.C.

DEAR MR. LAIRD: This is in response to your letter of August 2 requesting detailed information on the effect of the Senate action pertaining to the 1962 appropriations for the programs of this Department and requesting an expression of my views with respect to these actions. You similarly addressed a letter to the President seeking his views on this matter.

There is enclosed for each of the items of difference between the House and Senate versions of the appropriations bill as it relates to this Department, material in the form in which you requested it. These enclosures present for 1961, 1962 budget estimate, 1962 House action, and 1962 Senate action, figures by object of expenditure, by activity and in terms of personnel. These statements are accompanied by a brief narrative statement of the effect of the Senate action.

The program of the administration which was presented to the Congress was the result of a careful review of the program of the Department. This review took into account: (1) the former administration's budget recommendations in support of these programs, (2) an evaluation of fund requirements in the light of identified national need, and (3) the ability to be responsive to these needs in a manner consistent with sound planning, efficient performance, and the relationship to all of the demand upon Government within the framework of a sound fiscal program. The results of this review were presented to the Congress in the form of amended budgets to carry out more effectively existing legislative responsibilities and new legislative proposals designed to discharge more adequately the Federal responsibilities to the Nation in the important areas of health, education, and welfare. The administration has made its proposals, and it is my hope that they will be weighed carefully by the Congress as a whole, and the conference committee in particular, in arriving at a final conclusion.

You also asked for my views on certain specific statements included in the Senate Appropriations Committee report. These statements are generally designed to identify within appropriations the purposes for which funds have been recommended, and earmark the increases for particular projects or purposes and to initiate new projects and activities. My philosophy in relationship to this general practice is that it would be preferable for the Congress to indicate its general policy objectives, rather than the specific means of achieving them. It is my hope that we can so administer the Department's programs and so establish our relationships with the Congress that they will have confidence in our professional program staff and the leadership under which it operates; that Congress will thus feel that the Nation is best served by leaving to the discretion of the program administrators the responsibility for determining the most effective means of achieving the desired policy objectives. Congressional earmarking by both the House and Senate in the past has resulted in major contributions to forward progress. Notable in this regard has been the initiative of the House in the entire area of mental retardation and the initiative of the Senate in launching and supporting the program of cancer chemotherapy. Nonetheless, the practice of earmarking funds by purpose and project can present administrative complications and runs the real danger of developing programs in a manner that lacks balance and cohesiveness. We, of course, take into account the statements contained in committee reports in the administration of these programs. We would prefer not to have specific amounts earmarked for specific purposes within an appropriation. It is only fair to say, however, that we find this method far superior and more flexible to an alternative method which involves stipulating specific limitations within an appropriation act.

Sincerely,

ABRAHAM RIBICOFF,
Secretary.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. LANE, for 15 minutes, today.

Mr. HEMPHILL (at the request of Mr. LIBONATI), for 60 minutes, on Monday, August 21, 1961.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MCDOWELL (at the request of Mr. STRATTON) to include extraneous matter in his remarks on H.R. 8400.

Mr. BROOKS of Louisiana.

(The following Members (at the request of Mr. LATTA) and to include extraneous matter:)

Mr. FINO.

Mr. HALPERN in two instances.

Mr. ALGER.

Mr. HALL.

(The following Member (at the request of Mr. STRATTON) and to include extraneous matter:)

Mr. MULTER.

SENATE BILLS, JOINT RESOLUTIONS, AND CONCURRENT RESOLUTION REFERRED

Bills, joint resolutions, and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 340. An act to authorize the Chief of Engineers to enter into contracts with the Standing Rock and Cheyenne River Indian Tribes to provide for the clearing of certain portions of the Oahe Reservoir area; to the Committee on Public Works.

S. 419. An act for the relief of Yom Tov Yeshayahu Briszk; to the Committee on the Judiciary.

S. 456. An act for the relief of Concetta Casola; to the Committee on the Judiciary.

S. 976. An act for the relief of Maria Trela Terpak; to the Committee on the Judiciary.

S. 1053. An act for the relief of David Lew Huie; to the Committee on the Judiciary.

S. 1190. An act for the relief of Mrs. Marcelita Lopez Kabayao Mortensen; to the Committee on the Judiciary.

S. 1585. An act for the relief of Margherita Ferrelli D'Amico; to the Committee on the Judiciary.

S. 1595. An act to amend the Natural Gas Act to give the Federal Power Commission authority to suspend changes in rate schedules covering sales for resale for industrial use only; to the Committee on Interstate and Foreign Commerce.

S. 1606. An act to authorize the Federal Power Commission to exempt small hydroelectric projects from certain of the licensing provisions of the Federal Power Act; to the Committee on Interstate and Foreign Commerce.

S. 1607. An act to amend the Federal Power Act to prohibit abandonment of facilities and service without the consent of the Federal Power Commission; to the Committee on Interstate and Foreign Commerce.

S. 1786. An act for the relief of Heripsime Hovnanian; to the Committee on the Judiciary.

S. 1928. An act for the relief of Mrs. Lee Chee Shee (Mrs. Lee Buck Yau); to the Committee on the Judiciary.

S. 2118. An act for the relief of Dr. John Lopinto Arzaga; to the Committee on the Judiciary.

S. 2237. An act to permit the entry of certain eligible alien orphans; to the Committee on the Judiciary.

S. 2239. An act to amend the act entitled "An act to incorporate the National Society of the Sons of the American Revolution," approved June 9, 1906 (34 Stat. 227), in order to remove the statutory limitation on the amount of property such society may receive, purchase, hold, sell, and convey at any one time; to the Committee on the District of Columbia.

S.J. Res. 8. Joint resolution to provide for the designation of Whitsunday of each year as "Hernando de Soto Week"; to the Committee on the Judiciary.

S.J. Res. 22. Joint resolution designating February of each year as American History Month; to the Committee on the Judiciary.

S.J. Res. 84. Joint resolution to establish the fourth Friday in September of every year as American Indian Day; to the Committee on the Judiciary.

S.J. Res. 98. Joint resolution to provide for the observance of the centennial of the enactment of the Homestead Act; to the Committee on the Judiciary.

S.J. Res. 107. Joint resolution designating the fourth Sunday in September of each year as "Interfaith Day"; to the Committee on the Judiciary.

S. Con. Res. 14. Concurrent resolution saluting "Uncle Sam" Wilson of Troy, N.Y., as the progenitor of America's national symbol of "Uncle Sam"; to the Committee on Interior and Insular Affairs.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1452. An act to authorize the sale of a portion of the former light station property in Scituate, Mass.;

H.R. 4786. An act to provide travel and transportation allowances for members of the National Guard and Reserve components when travel is performed in an active duty or inactive duty training status in compliance with Federal directives;

H.R. 6597. An act to amend title 10, United States Code, to permit the crediting of certain minority service for the purpose of determining eligibility for retirement, and for other purposes;

H.R. 7189. An act granting the consent of Congress to the compact or agreement between the States of North Dakota and Minnesota with respect to the boundary between such States;

H.R. 7721. An act to authorize the Secretary of the Army to adjust the legislative jurisdiction exercised by the United States over lands within the Fort Sheridan Military Reservation, Ill.;

H.R. 7725. An act to authorize the Secretary of the Army to reconvey to the town of Malone, N.Y., certain real property heretofore donated by said town to the United States of America as an Army Reserve Center and never used by the United States;

H.J. Res. 435. Joint resolution to provide for recognition of the centennial of the establishment of the Department of Agriculture, and for other purposes; and

H.J. Res. 436. Joint resolution to provide for recognition of the centennial of the establishment of the national system of land-grant universities and colleges.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills and joint resolutions of the House of the following titles:

On August 14, 1961:

H.R. 7851. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes.

On August 15, 1961:

H.R. 1452. An act to authorize the sale of a portion of the former light station property in Scituate, Mass.;

H.R. 4786. An act to provide travel and transportation allowances for members of the National Guard and Reserve components when travel is performed in an active duty or inactive duty training status in compliance with Federal directives;

H.R. 6597. An act to amend title 10, United States Code, to permit the crediting of certain minority service for the purpose of determining eligibility for retirement, and for other purposes;

H.R. 7189. An act granting the consent of Congress to the compact or agreement between the States of North Dakota and Minnesota with respect to the boundary between such States;

H.R. 7721. An act to authorize the Secretary of the Army to adjust the legislative jurisdiction exercised by the United States over lands within the Fort Sheridan Military Reservation, Ill.;

H.R. 7725. An act to authorize the Secretary of the Army to reconvey to the town of Malone, N.Y., certain real property heretofore donated by said town to the United States of America as an Army Reserve Center and never used by the United States;

H.J. Res. 435. Joint resolution to provide for recognition of the centennial of the establishment of the Department of Agriculture, and for other purposes; and

H.J. Res. 436. Joint resolution to provide for recognition of the centennial of the establishment of the national system of land-grant universities and colleges.

ADJOURNMENT

Mr. STRATTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 7 minutes p.m.) the House adjourned until tomorrow, Wednesday, August 16, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1231. Under clause 2 of rule XXIV, a letter from the Assistant Secretary of the Navy (Installations and Logistics), transmitting a notice of the intention of the Department of the Navy to give certain surplus obsolete pontoons to the city of Bremerton, Wash., in accordance with the provisions of section 7545 of title 10, United States Code, was taken from the Speaker's table and referred to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KITCHIN: Committee on Armed Services. S. 2079. An act to retrocede to North Carolina jurisdiction over the southern, eastbound lanes of North Carolina Highway 24, and the eastern, northbound lanes of U.S. Highway 17, as these highways traverse and parallel Camp Lejeune, N.C.; without amendment (Rept. No. 904). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. H.R. 7723. A bill to amend section 303(a) of the Career Compensation Act of 1949 by increasing per diem rates and to provide reimbursement under certain circumstances for actual expenses incident to travel; with amendment (Rept. No. 905). Referred to the Committee of the Whole House on the State of the Union.

Mr. DOYLE: Committee on Armed Services. H.R. 8045. A bill to change the name of the Hydrographic Office to U.S. Naval Oceanographic Office; without amendment (Rept. No. 906). Referred to the House Calendar.

Mr. WILSON of California: Committee on Armed Services. House Concurrent Resolution 208. Concurrent resolution to officially recognize San Diego, Calif., as the birthplace of naval aviation; with amendment (Rept. No. 907). Referred to the House Calendar.

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. H.R. 7916. A bill to expand and extend the saline water conversion program being conducted by the Secretary of the Interior; with amendment (Rept. No. 908). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS of Louisiana: Committee on Science and Astronautics. Report on space orbital rendezvous (Rept. No. 909). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS of Louisiana: Committee on Science and Astronautics. Report on expendable space structures (Rept. No. 910), Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 880. An act to amend section 216 of the Merchant Marine Act, 1936, as amended, to authorize the Secretary of Commerce to accept gifts and bequests of personal property for the U.S. Merchant Marine Academy; with amendment (Rept. No. 917). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 29. A bill to amend section 216(b) of the Merchant Marine Act, 1936, as amended, to permit the appointment of U.S. nationals to the Merchant Marine Academy; without amendment (Rept. No. 918). Referred to the Committee

of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 2308. A bill to amend the Ship Mortgage Act, 1920, with respect to its applicability to certain vessels; with amendment (Rept. No. 919). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 3296. A bill to authorize the Secretary of Interior to nominate citizens of the trust territory of the Pacific islands to be cadet midshipmen at the U.S. Merchant Marine Academy; with amendment (Rept. No. 920). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 6309. A bill to amend title VI of the Merchant Marine Act, 1936, as amended, in order to increase certain limitations in payments on account of operating-differential subsidy under such title; with amendment (Rept. No. 921). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 6732. A bill to amend the Merchant Marine Act, 1936, as amended, to encourage the construction and maintenance of American-flag vessels built in American shipyards; with amendment (Rept. No. 922). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 6974. A bill to amend section 607(b) of the Merchant Marine Act, 1936, as amended; with amendment (Rept. No. 923). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT of Florida: Committee on Armed Services. H.R. 8383. A bill to further amend section 201(1) of the Federal Civil Defense Act of 1950, as amended, and for other purposes; without amendment (Rept. No. 924). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARDY: Committee on Armed Services. H.R. 8570. A bill to amend title 10, United States Code, to permit disbursing officers of an armed force to entrust funds to other officers of an armed force; without amendment (Rept. No. 925). Referred to the Committee of the Whole House on the State of the Union.

Mr. STRATTON: Committee on Armed Services. H.R. 8406. A bill to further amend Reorganization Plan No. 1 of 1958, as amended, in order to change the name of the office established under such plan, and for other purposes; without amendment (Rept. No. 926). Referred to the House Calendar.

Mr. FALLON: Committee on Public Works. H.R. 947. A bill to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock; without amendment (Rept. No. 937). Referred to the House Calendar.

Mr. MILLS: Committee on Ways and Means. H.R. 6145. A bill to provide that certain reduced credits against the Federal unemployment tax shall not apply with respect to taxable years beginning before January 1, 1964, and for other purposes; with amendment (Rept. No. 938). Referred to the Committee of the Whole House on the State of the Union.

Mr. IKARD of Texas: Committee on Ways and Means. H.R. 7057. A bill relating to the application of the terms "gross income from mining" and "ordinary treatment processes normally applied by mine owners or operators in order to obtain the commercially marketable mineral product or products" to certain clays and shale for taxable years beginning before December 14, 1959; with amendment (Rept. No. 939). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 5628. A bill to provide for a study and investigation of the desirability and feasibility of establishing and maintaining a National Tropical Botanic Garden; without amendment (Rept. No. 940). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 1100. An act for the relief of Sang Man Han; without amendment (Rept. No. 911). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 31. Concurrent resolution relating to certain aliens; with amendment (Rept. No. 912). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 1313. A bill for the relief of Eddis G. Ellzey; without amendment (Rept. No. 913). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 3408. A bill for the relief of Constantinos A. Grigoras (Gregoras); with amendment (Rept. No. 914). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 4797. A bill for the relief of certain aliens; with amendment (Rept. No. 915). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H.R. 5334. A bill for the relief of Mrs. Helena Sullivan; without amendment (Rept. No. 916). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 1347. A bill for the relief of Adolf M. Bailer; with amendment (Rept. No. 927). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H.R. 2334. A bill for the relief of Washington George Brodber Bryan; with amendment (Rept. No. 928). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 2666. A bill for the relief of Adelina Rosasco; with amendment (Rept. No. 929). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 4028. A bill for the relief of Lennon May; without amendment (Rept. No. 930). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 242. An act for the relief of Mary Dawn Polson (Emmy Lou Kim) and Joseph King Polson (Sung Sang Moon); without amendment (Rept. No. 931). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 270. An act for the relief of Mrs. Jeliza Prendic Milenovic; with amendment (Rept. No. 932). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 333. An act for the relief of Godofredo M. Herzog; without amendment (Rept. No. 933). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 427. An act for the relief of Mardiros Budak and Armenuhi Maryam Budak; with amendment (Rept. No. 934). Referred to the Committee of the Whole House.

Mr. POFF: Committee on the Judiciary. H.R. 5613. A bill for the relief of Fernando Manni; without amendment (Rept. No. 935). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 5729. A bill for the relief of Mrs. Chew Sheung Tai; without amendment (Rept. No. 936). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 731. An act for the relief of Charles F. Tjaden; without amendment (Rept. No. 941). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1054. An act for the relief of Huanpin Tso; without amendment (Rept. No. 942). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1179. An act for the relief of Alicja Zakrezewska Gawkowski; without amendment (Rept. No. 943). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1205. An act for the relief of Roger Chong Yeun Dunne; without amendment (Rept. No. 944). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1335. An act for the relief of W. B. J. Martin; without amendment (Rept. No. 945). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1347. An act for the relief of Georgia Ellen Thomason; without amendment (Rept. No. 946). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1450. An act for the relief of Shim Dong Nyu (Kim Christine May); without amendment (Rept. No. 947). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1527. An act for the relief of James D. Jalili; without amendment (Rept. No. 948). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HOLIFIELD:

H.R. 8708. A bill to amend the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. BERRY:

H.R. 8709. A bill to authorize the Chief of Engineers to enter into contracts with the Standing Rock and Cheyenne River Indian Tribes to provide for the clearing of certain portions of the Oahe Reservoir area; to the Committee on Public Works.

By Mr. BOLAND:

H.R. 8710. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. BROYHILL:

H.R. 8711. A bill to increase the relief or retirement compensation of the widows, widowers, and children of certain former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the U.S. Secret Service; to the Committee on the District of Columbia.

H.R. 8712. A bill to make the Policemen and Firemen's Retirement and Disability Act Amendments of 1957 applicable to retired former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the U.S. Secret

Service; to the Committee on the District of Columbia.

By Mr. GIAIMO:

H.R. 8713. A bill to provide Federal assistance for projects which will evaluate and demonstrate techniques and practices leading to a solution of the Nation's problems relating to the prevention and control of juvenile delinquency and youth offenses and to provide training of personnel for work in these fields, and for other purposes; to the Committee on Education and Labor.

By Mr. MERROW:

H.R. 8714. A bill to amend section 203 of part II of the Interstate Commerce Act with respect to certain Canadian tourist transportation; to the Committee on Interstate and Foreign Commerce.

By Mr. ST. GERMAIN (by request):

H.R. 8715. A bill to amend the District of Columbia Unemployment Compensation Act, as amended; to the Committee on the District of Columbia.

By Mr. SHIPLEY:

H.R. 8716. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

H.R. 8717. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a deduction from gross income for tuition and other expenses paid by him for his education or the education of his spouse or any of his dependents at a college or university; to the Committee on Ways and Means.

By Mr. STAFFORD:

H.R. 8718. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. BONNER:

H.R. 8719. A bill to amend the act of July 23, 1947, chapter 301, as amended, to extend for 2 years the authority to make temporary appointments and promotions in the U.S. Coast Guard; to the Committee on Merchant Marine and Fisheries.

By Mr. CAHILL:

H.R. 8720. A bill to amend the Tariff Act of 1930 to provide that imported electron microscopes shall be subject to the regular customs duty regardless of the nature of the institution or organization importing them; to the Committee on Ways and Means.

By Mr. MEADER:

H.R. 8721. A bill to establish a Commission on Overseas Investment and Trade; to the Committee on Foreign Affairs.

H.R. 8722. A bill to amend the Internal Revenue Code of 1954 to encourage private investment abroad and thereby promote American industry and reduce Government expenditures for foreign economic assistance; to the Committee on Ways and Means.

By Mr. SMITH of Iowa:

H.R. 8723. A bill to amend the Welfare and Pension Plans Disclosure Act with respect to the method of enforcement and to provide certain additional sanctions, and for other purposes; to the Committee on Education and Labor.

By Mr. FLOOD:

H.R. 8724. A bill relating to the occupational training, development, and use of the manpower resources of the Nation, and for other purposes; to the Committee on Education and Labor.

By Mr. HALPERN:

H.R. 8725. A bill to amend section 601(a) and section 901 of the Federal Aviation Act of 1958 to provide for the issuance of rules and regulations pertaining to the elimination or minimization of aircraft noise nuisance and hazards to persons or property on the ground, and to provide for penalties for the violation thereof; to the Committee on Interstate and Foreign Commerce.

By Mr. LOSER:

H.R. 8726. A bill to provide for flood control on Stones River, Cumberland River Basin, Tenn., and for other purposes; to the Committee on Public Works.

By Mr. QUIE:

H.R. 8727. A bill to authorize assistance to public and other nonprofit institutions of higher education in financing the construction, rehabilitation, or improvement of needed academic and related facilities, and to authorize scholarship grants for undergraduate study in such institutions; to amend Public Laws 815 and 874, 81st Congress; and for other purposes; to the Committee on Education and Labor.

By Mr. BROOMFIELD:

H.J. Res. 530. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. TABER:

H.J. Res. 531. Joint resolution amending the joint resolution of March 2, 1931, so as to provide for the annual printing, as a House document, of proceedings of the national encampment of the Italian American War Veterans of the United States, Inc.; to the Committee on House Administration.

By Mr. KING of New York:

H. Con. Res. 371. Concurrent resolution expressing the sense of the Congress that diplomatic recognition should not be extended to the Mongolian People's Republic; to the Committee on Foreign Affairs.

By Mr. LENNON:

H. Res. 419. Resolution providing for the consideration of H.R. 4658, a bill to extend for 4 years the temporary provisions of Public Laws 815 and 874, 81st Congress; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRADEMAS:

H.R. 8728. A bill for the relief of Pong Yong Jin; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 8729. A bill for the relief of Epitonio Mazzucco; to the Committee on the Judiciary.

By Mr. HAYS:

H.R. 8730. A bill for the relief of Sister Mary Alphonsa (Elena Bruno) and Sister Mary Attilia (Filipa Todaro); to the Committee on the Judiciary.

By Mr. UTT:

H.R. 8731. A bill for the relief of Isabel Lopez; to the Committee on the Judiciary.

SENATE

TUESDAY, AUGUST 15, 1961

The Senate met at 10 o'clock a.m., and was called to order by Hon. J. J. HICKEY, a Senator from the State of Wyoming.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Eternal God, Father of all men, Thou hast taught us that in quietness and in confidence shall be our strength. In the midst of these feverish days we pray that Thou wilt breathe through the heats of our desire Thy coolness and Thy balm.

Take from our souls the strain and stress and let our ordered lives confess the beauty of Thy peace.

Strengthen us with Thy might that the anxious pressures of these days may not break our spirits and that no denials of human freedom now loose in the world may intimidate our souls.

Dedicate us, we beseech Thee, in this anguished generation, as builders of bridges across all the yawning gulfs which mar the fellowship of this sadly divided earth.

Give us a part in bringing in a redeemed world delivered from ruthless aggression which threatens the human gains of a thousand years.

We ask it in the name of that One who is the truth and the way. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 15, 1961.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. J. J. HICKEY, a Senator from the State of Wyoming, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. HICKEY thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. PASTORE, and by unanimous consent, the reading of the Journal of the proceedings of Monday, August 14, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 256. An act to amend the District of Columbia Alcoholic Beverage Control Act;

H.R. 6836. An act to amend the Policemen and Firemen's Retirement and Disability Act;

H.R. 7622. An act to repeal sections 1176 and 1177 of the Revised Statutes of the United States relating to the District of Columbia;

H.R. 8032. An act to amend the Healing Arts Practice Act, District of Columbia, 1928, and for other purposes;

H.R. 8074. An act to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, and the District of Columbia Business Corporation Act, as amended, with respect to certain foreign corporations; and

H.R. 8444. An act to amend the act of August 12, 1955, relating to elections in the District of Columbia.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred to the Committee on the District of Columbia:

H.R. 256. An act to amend the District of Columbia Alcoholic Beverage Control Act;

H.R. 6836. An act to amend the Policemen and Firemen's Retirement and Disability Act;

H.R. 7622. An act to repeal sections 1176 and 1177 of the Revised Statutes of the United States relating to the District of Columbia;

H.R. 8032. An act to amend the Healing Arts Practice Act, District of Columbia, 1928, and for other purposes;

H.R. 8074. An act to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, and the District of Columbia Business Corporation Act, as amended, with respect to certain foreign corporations; and

H.R. 8444. An act to amend the act of August 12, 1955, relating to elections in the District of Columbia.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. PASTORE. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PASTORE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. PASTORE, and by unanimous consent, the following committees and subcommittees were authorized to meet during the session of the Senate today:

The Judiciary Subcommittee of the Committee on the District of Columbia.

The Committee on Banking and Currency.

The Committee on Public Works.

The Subcommittee on Privileges and Elections of the Committee on Rules and Administration.

The Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs.

The Committee on Interior and Insular Affairs.

The Internal Security Subcommittee of the Committee on the Judiciary.

On request of Mr. PASTORE, and by unanimous consent, the following subcommittees were authorized to meet during the session of the Senate today:

The Subcommittee on Patents, Trade Marks, and Copyrights of the Committee on the Judiciary.

The Permanent Subcommittee on Investigations of the Committee on Government Operations.

EXECUTIVE SESSION

Mr. PASTORE. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar, beginning with the nominations of U.S. circuit judges.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. McNAMARA, from the Committee on Labor and Public Welfare:

Mrs. Esther Peterson, of Virginia, to be an Assistant Secretary of Labor.

By Mr. DOUGLAS, from the Committee on Banking and Currency:

George W. Mitchell, of Illinois, to be a member of the Board of Governors of the Federal Reserve System.

The ACTING PRESIDENT pro tempore. If there be no further reports of committees, the nominations on the Executive Calendar, beginning with the nominations of U.S. circuit judges, will be stated.

U.S. CIRCUIT JUDGES

The Chief Clerk read the nomination of Albert V. Bryan, of Virginia, to be U.S. circuit judge for the fourth circuit.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of J. Cullen Ganey, of Pennsylvania, to be U.S. circuit judge for the third circuit.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

U.S. DISTRICT JUDGES

The Chief Clerk read the nomination of Guthrie F. Crowe, of the Canal Zone, to be U.S. district judge for the district of the Canal Zone.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of William T. Beeks, of Washington, to be U.S. district judge for the western district of Washington.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Richard B. Austin, of Illinois, to be U.S. district judge for the northern district of Illinois.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of M. Joseph Blumenfeld, of Connecticut, to be U.S. district judge for the district of Connecticut.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

U.S. MARSHALS

The Chief Clerk read the nomination of Keith Hardie, of Wisconsin, to be U.S. marshal for the western district of Wisconsin.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Casimir J. Pajakowski, of Indiana, to be U.S. marshal for the northern district of Indiana.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of George M. Stuart, of Alabama, to be U.S. marshal for the southern district of Alabama.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

U.S. ATTORNEYS

The Chief Clerk read the nomination of Brockman Adams, of Washington, to be U.S. attorney for the western district of Washington.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Macon L. Weaver, of Alabama, to be U.S. attorney for the northern district of Alabama.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. PASTORE. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. PASTORE. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

PLANS FOR WORKS OF IMPROVEMENTS IN VARIOUS STATES

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, plans for works of improvement on Sarasota west coast, Florida, Little Satilla Creek, Ga., Davids Creek, Davis-Battle Creek, and Ryan-Henschal, Iowa, Silver Creek, Kans., East Fork of Pond River, Ky., Tallahalla Creek, Miss., Souhegan River, N.H. and Mass., Ahoskie

Creek, N.C., Cane Creek, Okla., Dunlap Creek, Pa., and West Fork Kickapoo, Wis. (with accompanying papers); to the Committee on Agriculture and Forestry.

PLANS FOR WORKS OF IMPROVEMENT IN OKLAHOMA AND OREGON

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, plans for works of improvement on Sallisaw Creek, Okla., and Beaver Creek, Oreg. (with accompanying papers); to the Committee on Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROBERTSON, from the Committee on Banking and Currency, without amendment:

S. 1005. A bill to amend section 10 and section 3 of the Federal Reserve Act, and for other purposes (Rept. No. 737);

S. 1771. A bill to improve the usefulness of national bank branches in foreign countries (Rept. No. 738);

S. 2130. A bill to repeal certain obsolete provisions of law relating to the mints and assay offices, and for other purposes (Rept. No. 739); and

H.R. 7864. An act to dissolve Federal Facilities Corporation, and for other purposes (Rept. No. 740).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 1824. A bill to create an additional judicial district for the State of Florida, to be known as the middle district of Florida (Rept. No. 741); and

H.R. 5255. An act to clarify the status of circuit and district judges retired from regular active service (Rept. No. 742).

By Mr. ENGLE, from the Committee on Commerce, with amendments:

S. 1729. A bill to promote the foreign commerce of the United States, and for related purposes (Rept. No. 744).

FEDERAL ASSISTANCE IN CONSTRUCTION OF SCHOOLS IN FEDERALLY IMPACTED AREAS—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 743)

Mr. MORSE. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, without amendment, the bill (S. 2393) to extend for 1 year the temporary provisions of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas, and to provide for the application of such laws to American Samoa, and I submit a report thereon. I ask that the report be printed, together with the minority views of the Senator from New York [Mr. JAVITS].

The ACTING PRESIDENT pro tempore. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Oregon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PASTORE:

S. 2419. A bill to amend the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. PASTORE (for himself, Mr. PELL, Mr. AIKEN, Mr. BUSH, Mr. COTTON, Mr. DODD, Mr. MUSKIE, Mr. PROUTY, Mr. SALTONSTALL, Mr. SMITH of Massachusetts, and Mr. BRIDGES):

S. 2420. A bill to repeal certain legislation relating to the purchase of silver, and for other purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. PASTORE when he introduced the above bill, which appear under a separate heading.)

By Mr. BENNETT:

S. 2421. A bill to provide for retrocession of legislative jurisdiction over U.S. Naval Supply Depot Clearfield, Ogden, Utah; to the Committee on Armed Services.

(See the remarks of Mr. BENNETT when he introduced the above bill, which appear under a separate heading.)

By Mr. ANDERSON:

S. 2422. A bill to establish the White House as a national monument; to the Committee on Interior and Insular Affairs.

By Mr. FULBRIGHT (by request):

S. 2423. A bill to provide for the appointment of a representative of the United States to the Organization for Economic Cooperation and Development, and for other purposes; to the Committee on Foreign Relations.

(See the remarks of Mr. FULBRIGHT when he introduced the above bill, which appear under a separate heading.)

REPEAL OF SILVER PURCHASE LAWS

Mr. PASTORE. Mr. President, on behalf of myself and my colleagues, Senators PELL, AIKEN, BUSH, COTTON, DODD, MUSKIE, PROUTY, SALTONSTALL, SMITH of Massachusetts, and BRIDGES, I introduce, for appropriate reference, a bill to repeal the silver purchase laws.

Simply stated, passage of this bill will permit the operation of a free market for silver.

Today, under the laws which this bill would repeal, the Treasury must take all domestic silver when offered and pay 90.5 cents per ounce for such silver. Thus the producers of silver are guaranteed a fixed price which, in effect, is a support price in the market for silver. Under these same laws the Treasury also sells silver at 91 cents per ounce. This, in effect, provides a ceiling for the market price. The silver-producing interests, both in and out of Congress, are demanding that the Treasury stop selling silver. They are demanding a free market in which the price will be free to rise. The silver-using industry, the consumers, and almost everyone else desire a free market in which the price could also go down.

We have been deluged with impressive statistics and arguments that the price for silver in a free market will rise above its present level should the Treasury stop selling silver. Therefore there should be no hesitancy on the part of the producing interests in joining us in repeal of the silver purchase laws and permitting the market price to seek its own level.

At the outset I should like to reassure those who are interested in silver money, particularly those in the western part of our country, that this bill does not affect the use of silver certificates, silver dollars, half dollars, quarters, or dimes.

Today the silver-using industry is very important in many parts of this country. The 100 million ounces consumed by industry each year is used in products worth billions of dollars. The use of silver is no longer largely confined to the manufacture of tableware, tea sets, jewelry, and so forth, but has a great many other uses. Thirty years ago 60 percent of the silver consumed in the United States went into the manufacture of the above items. Now, however, the total usage has tripled and more silver is used in other fields such as silver nitrates in photography and for various other uses such as pharmaceutical and making mirrors, the manufacture of electric appliances, electronic equipment, solder for metal joining, batteries, and many others. Many of these uses are vital to the national defense effort.

Silver as a commodity has far outstripped its use as money. The role of silver in our monetary system has been greatly overemphasized. The silver dollar became a subsidiary coin in 1873. It contains about 70 cents worth of silver—only a few cents more than the value of silver in two half dollars, four quarters, or 10 dimes. Like all subsidiary coins, its face value is greater than the value of its metal content which is not guaranteed and varies with the market price for the metal.

While not belittling the importance of silver to the people in the West, it must be noted that silver legislation in the past has been heavily weighted against the silver users and consumers of silver products. As opposed to the many thousands of persons employed in the using industry and literally millions of persons who either sell silver products or use them, a few companies employing hundreds of men have largely benefited through the silver purchase laws. There are more people employed in the manufacture of silver products in Rhode Island than are directly employed in the production of silver in the entire United States.

A few figures are significant. In 1960 the domestic production of silver amounted to 30.7 million ounces, down from 38 million ounces in 1957, chiefly because of strikes. Four States produced 87 percent of the total as follows:

[In millions of ounces]

Idaho	13.6
Utah	4.8
Arizona	4.8
Montana	3.6

Practically all of the silver produced from silver mines—one-third of the total production—is produced in Idaho. The remainder of the production comes as a byproduct in the production of copper, lead, and zinc. Five companies employing less than 1,500 men in the production of silver account for most of the silver in Idaho.

Since 1933 the U.S. Treasury through the silver purchase laws has been required to take in 3 billion ounces of silver at above market prices including 1 billion ounces of domestic silver. The loss of this silver in the market has forced the price up to the present level. As a result, industrial users have been required to pay higher prices for silver while billions of

ounces of silver have been taken away and locked up in the Treasury.

This is a fantastic price to pay for the support of an industry which at 91⅜ cents per ounce produced silver valued at only $28 million in 1960.

There is no need to go further into the history of silver legislation and the results. I shall leave the full story of this fantastic chapter in American history to historians, economists and others. I am only interested in bringing it to an end. Now is the appropriate time to take action. Now is the time to restore a free market for silver where the price is determined by the laws of supply and demand.

If, however, the silver purchase laws are not repealed and a support price of 90.5 cents per ounce is continued, then the silver-using industry should be entitled to the continuation of Treasury sales at 91 cents per ounce. The Treasury has on hand a total of 2 billion ounces available.

Today, uncertainty hangs over the silver market. Rumors of an impending price rise have caused speculative interest and the withholding of silver from the market both at home and abroad. A market supported by the U.S. Treasury in which the price cannot go down is bound to have speculative appeal. Passage of this bill will eliminate this uncertainty and result in a free market for silver. I shall seek action at the earliest possible time.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2420) to repeal certain legislation relating to the purchase of silver, and for other purposes, introduced by Mr. PASTORE (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Banking and Currency.

CONCURRENT JURISDICTION OVER CLEARFIELD NAVAL SUPPLY DEPOT

Mr. BENNETT. Mr. President, I introduce, for appropriate reference, a bill to retrocede to the State of Utah concurrent jurisdiction over the U.S. Naval Supply Depot Clearfield, Ogden, Utah. This bill is of particular importance to my State because on March 30 of this year the President and the Secretary of Defense announced that this naval installation is one of 52 military bases in the United States which will be closed.

This proposed legislation is necessary because under a 1943 statute, Utah ceded to the Federal Government complete jurisdiction over all military reservations in the State of Utah. In 1951, the Utah State Legislature passed a law in which it attempted to recapture concurrent jurisdiction. However, this law was found to be inoperative retroactively unless approved by some affirmative action of Congress.

In prior Congresses, I have cosponsored legislation which provided for the adjustment of legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes. In the 86th Congress the Senate passed S. 1617, but unfortunately no action was taken on this measure by the House Government Operations Committee. In this session, I have cosponsored with Senator MCCLELLAN S. 154, and this measure is currently pending before the Government Operations Committee. Likelihood of approval of this omnibus retrocession bill in this session would appear remote in view of unwarranted opposition by certain groups and by a number of Senators. Consequently, I have, after conferring with officials of my State, decided that the best way to solve this problem is to introduce a specific bill pertaining to reestablishment of concurrent jurisdiction over the Clearfield Naval Supply Depot, where the greatest problem exists.

After the end of the Korean conflict the supply mission at the Clearfield Naval Base declined rapidly, and in order to utilize the facilities at this base a number of warehouses and other buildings which were excess to the needs of the Government were leased to private companies for commercial activities.

This practice of the Government in leasing land, buildings, and other facilities for commercial purposes has created serious tax problems for the State of Utah. A number of companies have availed themselves of these excellent buildings at a fair rental rate from the Government, and then received an unexpected windfall because they have not had to pay State taxes on equipment and inventories located on this naval establishment. In some instances, some of these companies have recognized a moral, although not a legal, obligation to pay taxes to the State of Utah, and in some prior years willingly paid such taxes assessed by the State.

However, the Federal Government has created a situation which has dried up even this source of voluntary tax revenue. Both the Treasury and the Defense Departments have raised a question as to the legality of such companies paying these taxes, inasmuch as such payments are voluntary and not mandatory. The Defense Department has raised the question in regard to cost-plus contracts and has denied such voluntary taxpayments as a necessary item of cost in arriving at the contractual amount to which a contractor might be entitled for services or goods produced for the Government. Likewise, the Treasury has denied these companies permission to take such voluntary payments as a legal deduction on their Federal tax returns.

Consequently, it can be readily seen that Utah faces a real dilemma in that it does not have the necessary legal authority to assess and collect taxes against these companies. And now, it is denied any hope of obtaining voluntary compliance with tax assessments against these companies who lease facilities on the Clearfield Naval Base, inasmuch as the United States has exclusive jurisdiction.

Moreover, companies which have been able to obtain leases of buildings at the Clearfield Naval Supply Depot are given a distinct competitive advantage over other businesses which must pay State taxes.

Therefore, an urgent need exists to approve the bill I introduce so that agreements might be worked out between the Federal and State Governments to restore to Utah concurrent jurisdiction over the lands in question, so that the State might have the proper authority to levy and collect the taxes to which it is rightfully entitled.

Since the language in this bill is permissive and not mandatory, the Navy could exercise the discretionary power provided in this bill and retain exclusive jurisdiction over certain lands or buildings, where for security or other reasons it felt that concurrent jurisdiction would not be in the national interest.

Mr. President, there is good precedent for enactment of the bill which I introduce. Only yesterday, the Senate passed and sent to the President H.R. 7721, which authorized the Secretary of the Army to adjust the legislative jurisdiction exercised by the United States over Fort Sheridan, Ill. The only difference in language between H.R. 7721 and my bill is that the former applied to an Army installation while mine relates to a naval depot.

It is therefore my hope, Mr. President, that the Armed Services Committee will give immediate consideration to this bill, especially in view of the fact that the Clearfield Naval Supply Depot is scheduled to be deactivated by July 1964, and during the next 3 years undoubtedly more and more of these facilities will be leased to private companies with a resulting loss of taxes to both the State and local governments.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2421) to provide for retrocession of legislative jurisdiction over U.S. Naval Supply Depot Clearfield, Ogden, Utah, introduced by Mr. BENNETT, was received, read twice by its title, and referred to the Committee on Armed Services.

PARTICIPATION OF THE UNITED STATES IN THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT

Mr. FULBRIGHT. Mr. President, by request, I introduce, for appropriate reference, a bill to provide for the appointment of a representative of the United States to the Organization for Economic Cooperation and Development, and to make other provisions with respect to the participation of the United States in that Organization, and for other purposes.

The proposed legislation has been requested by the Secretary of State, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed in the RECORD at this point, together with the letter from the

Secretary of State, dated July 31, 1961, to the Vice President in regard to it.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and letter will be printed in the RECORD.

The bill (S. 2423) to provide for the appointment of a representative of the United States to the Organization for Economic Cooperation and Development, and for other purposes, introduced by Mr. FULBRIGHT, by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Organization for Economic Cooperation and Development Act of 1961."

SEC. 2. (a) The President, by and with the advice and consent of the Senate, may appoint a permanent representative of the United States to the Organization for Economic Cooperation and Development (hereinafter referred to as the "Organization"), who shall hold office at the pleasure of the President. Such representative shall be the representative of the United States to the Organization and shall perform such other functions in connection with the participation of the United States in the Organization as the President may from time to time direct.

(b) The President may appoint or designate an alternate permanent representative of the United States to the Organization to serve during the absence, illness, or other disability of the permanent representative provided for in subsection (a) of this section or in the event of a vacancy in that office. The President may also appoint or designate from time to time such other persons as he may deem necessary to represent the United States in the bodies of the Organization.

(c) Persons nominated by the President and elected to chair any committee or other body of the Organization shall receive compensation at rates determined by the President upon the basis of duties to be performed but not in excess of rates authorized by sections 411 and 412 of the Foreign Service Act of 1946, as amended (22 U.S.C. 866, 867), for chiefs of missions and Foreign Service officers occupying positions of equivalent importance. Any such persons may be granted allowances and benefits not to exceed those received by chiefs of mission and Foreign Service officers occupying positions of equivalent importance. If a Foreign Service officer shall be nominated by the President to serve under this subsection, the period of his service shall be considered as constituting an assignment for duty within the meaning of section 571 of the Foreign Service Act of 1946, as amended, and such person shall not, by virtue of such service, lose his status as a Foreign Service officer.

(d) All persons appointed or designated in pursuance of authority contained in subsection (a) and (b) of this section shall receive compensation at rates determined by the President upon the basis of duties to be performed but not in excess of rates authorized by sections 411 and 412 of the Foreign Service Act of 1946, as amended (22 U.S.C. 866, 867), for chiefs of mission and Foreign Service officers occupying positions of equivalent importance, except that no Member of the Senate or House of Representatives or officer of the United States who is designated under subsection (b) of this section as a representative of the United States in the bodies of the Organization shall be entitled to receive such compensation. Any person who receives compensation pursuant to the provisions of this subsection may be granted allowances and benefits not to exceed those received by chiefs of mission and Foreign Service officers occupying positions of equivalent importance.

SEC. 3. The representatives provided for in section 2 hereof, when representing the United States in the Organization, shall, at all times, act in accordance with the instructions of the President transmitted by the Secretary of State unless other means of transmission are directed by the President.

SEC. 4. There is hereby authorized to be appropriated annually to the Department of State, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for the payment by the United States of its share of the expenses of the Organization, and for all necessary salaries and expenses of the permanent representative, other representatives and persons provided for in section 2 hereof, and of their appropriate staffs, including personal services without regard to the civil service laws and the Classification Act of 1949, as amended; travel expenses without regard to the Standardized Government Travel Regulations, as amended, the Travel Expense Act of 1949, as amended, and section 10 of the Act of March 3, 1933, as amended; salaries as authorized by the Foreign Service Act of 1946, as amended, and allowances and benefits of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended; services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); translating and other services, by contract; hire and purchase (not to exceed two, the cost of which shall not exceed $7,800 each) of passenger motor vehicles and other local transportation; printing and binding without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 111); official functions and courtesies; and such other expenses as may be authorized by the Secretary of State.

SEC. 5. The salaries, expenses, and allowances of any employees of the United States Government detailed to serve with the Organization which are payable by the Organization may be credited against the payment by the United States Government of its share of the expenses of the Organization.

The letter presented by Mr. FULBRIGHT is as follows:

AUGUST 8, 1961.

The Honorable LYNDON B. JOHNSON,
President of the Senate.

DEAR MR. VICE PRESIDENT: There is attached a bill designed to permit the President to appoint, by and with the advice and consent of the Senate, a Permanent Representative of the United States to the Organization for Economic Cooperation and Development. The bill also provides authorization for the salaries and administrative facilities for the representative and his staff.

The ratification process of the OECD was completed by the United States March 23, 1961. We expect that the appropriate number of other signatories will ratify in the near future so that the convention will come into force this fall. In order that we may be appropriately prepared and represented for this event, we are therefore requesting that legislation be enacted by the Congress establishing the position of a U.S. representative to the OECD.

The activities of this organization are of the greatest importance to the economic welfare of the United States and the member countries of the OECD. We intend to make the fullest possible use of this organization and to participate actively in its functions. Our role will not only be motivated by consideration of our well being, and that of our friends, but also because of our position of leadership in creating this new union of collective action in the economic field. As we provided a great deal of initiative in the creation of the OECD, and as we resolutely supported the need for it during the long months of negotiation, other members will expect that we be represented by a well-grounded representative whose position is established by congressional legislation. Anything less than this would not be fully in consonance with the weight of importance which we attach to the OECD for strengthening the ties between North America and Western Europe and as a major mechanism for economic cooperation.

As the Committee on Foreign Relations of the Senate has pointed out in their Report on the Convention, this is a time of sweeping political, social, and technological change in which strictly bilateral efforts are not always sufficient to meet the demands of events. Able representation in certain permanent multilateral organizations is at least as much a desideratum in carrying on our international relationships as is our representation through embassies abroad. We have in the past recognized this, as in the case of our representation in the United Nations and in the North Atlantic Treaty Organization.

A review of the position of our Government in these times shows that we are now one of the leading members of a new, promising economic organization which has advanced beyond the older, more limited European regional concepts. We have undertaken with other friendly nations, in the self-interest of all of us, to promote our economic growth, to contribute in a coordinated fashion to economic expansion in less-developed countries and to deal with the broad outlines of trade policy affecting the development of world trade. In order, therefore, for us to achieve the maximum benefits from our participation in this organization, we should properly be represented in the OECD.

It is my earnest and urgent recommendation that the legislative action required to establish the position of U.S. Representative to the OECD and to provide for his staff be completed at the earliest convenient date. Representatives of the Department of State would of course be prepared to discuss these matters with the appropriate committee of the Senate at any time.

The Bureau of the Budget advises that the draft bill would be consistent with the administration's objectives.

Sincerely yours,

DEAN RUSK.

DEDUCTION FOR INCOME TAX PURPOSES OF CERTAIN CONTRIBUTIONS—AMENDMENT

Mr. CASE of South Dakota submitted an amendment, intended to be proposed by him, to the bill (H.R. 2244) relating to the deduction for income tax purposes of contributions to charitable organizations whose sole purpose is making distribution to other charitable organizations, contributions to which, by individuals, are deductible within the 30-percent limitation of adjusted gross income, which was ordered to lie on the table and to be printed.

EXTENSION OF FEDERAL ASSISTANCE IN CONSTRUCTION AND OPERATION OF SCHOOLS IN FEDERALLY IMPACTED AREAS—AMENDMENTS

Mr. CASE of South Dakota submitted amendments, intended to be proposed by him, to the bill (S. 2393) to extend for 1 year the temporary provisions of Public Laws 815 and 874 relating to Federal

assistance in the construction and operation of schools in federally impacted areas, and to provide for the application of such laws to American Samoa, which were referred to the Committee on Labor and Public Welfare and ordered to be printed.

EXTENSION OF NATIONAL DEFENSE EDUCATION ACT OF 1958—ADDITIONAL COSPONSORS OF AMENDMENTS

Under authority of the order of the Senate of August 8, 1961, the names of Senators MUNDT, FONG, TOWER, CARLSON, MILLER, THURMOND, YOUNG of North Dakota, CASE of South Dakota, BUTLER, CAPEHART, BEALL, BRIDGES, HOLLAND, BENNETT, and DODD were added as additional cosponsors of the amendments submitted on August 8, 1961, by Mr. GOLDWATER, intended to be proposed by them, jointly, to the bill (S. 2345) to extend and improve the National Defense Education Act of 1958, and for other purposes.

NOTICE CONCERNING NOMINATION BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Rex B. Hawks, of Oklahoma, to be U.S. marshal, western district of Oklahoma, for a term of 4 years, vice Kenner W. Greer.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Tuesday, August 22, 1961, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Address by him over radio station WGN, Chicago, recently.

By Mr. CARROLL:

Excerpts from address delivered by Senator KEFAUVER before the 14th Regional 4–H Club Conference, Washington, D.C., on August 11, 1961.

By Mr. MAGNUSON:

Letter from Vice President JOHNSON to President Robert Six, of Continental Airlines, concerning El Paso plane incident.

DANGER OF THE JOHN BIRCH SOCIETY

Mr. McGEE. Mr. President, in the "Outlook" section of the Washington Post for Sunday, August 13, appeared an article entitled "The $2,300 Birch Society." In the article, Roscoe Drummond rightfully takes to task the John Birchers for offering prizes to students on the college campuses of our country for stating why the Chief Justice of the Supreme Court of the United States ought to be impeached.

Mr. President, this is the very worst approach to take with students on any college campus, which is an area which encourages inquiry into ideas and the search for truth. It is bad enough for any organization to encourage, by the offering of prizes, attacks on one of the three branches of our Government; but it is especially subject to condemnation when such prizes are offered to students, in an endeavor to encourage them to prejudge a case, thus asking our young people, who should be developing inquiring minds, to close their minds and to pass judgment on a question of that sort. Certainly such an undertaking would seem to lay bare the insidious nature and the dangerous blind spot in the Birch group.

I ask unanimous consent that the article by Roscoe Drummond be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE $2,300 JOHN BIRCH SOCIETY

(By Roscoe Drummond)

The attack by the John Birch Society on the U.S. Supreme Court and its effort to vilify Chief Justice Earl Warren may well impair the John Birch Society more than it does the Court.

The Birch Society claims to be a thoroughly and sincerely conservative organization whose purpose is to alert the country to the dangers of communism. That is a useful and proper thing to do. But when the leader of this organization resorts to extreme, radical, and reckless methods which have the effect of harming those very institutions he says he wants to secure, then the Birch Society is throwing away its credentials.

Its latest action, announced by Robert H. Welch, Jr., is to invite college students to compete for $2,300 by writing essays on grounds for the impeachment of Chief Justice Warren.

Obviously, every decision by every Justice of the Court is subject to the most searching debate and dissent by anybody. But when the Birch Society proceeds to the proposition that if we don't like the decisions of a member of the Court, he should be removed, this is not supporting a government of law. It is throwing it away.

I doubt if the American people have so soon forgotten F.D.R.'s ill-conceived and similar Court-packing plan of 1937. Roosevelt, too, didn't like some of the decisions of the Court in the midthirties and he proposed to add nine more Justices to the High Bench in order to outvote those who were making what to him were the wrong decisions. Even President Roosevelt, powerful and popular as he was, did not dare to suggest the impeachment of the Chief Justice or other members of the Court. He just proposed to outnumber them. His proposal was roundly defeated by the Senate.

The president of the American Bar Association, Whitney N. Seymour, has described the Birch Society bid to get students to write essays on why the Chief Justice should be impeached as not legitimate criticism of decisions.

"No responsible person will encourage it," he said. "The ignorant, by such false implication of misconduct, are led into disrespect for our institutions which maintain liberty under law, and thus for all law. Let us leave such attacks to the Communists, who hate our institutions. Our duty is to uphold and defend liberty and the independent courts which are essential to maintain it."

The head of the Birch Society says that the purpose of the essay contest against Justice Warren is "to stir up a great deal of interest among conservatives on the campuses on the dangers that face this country."

You will note that Welch does not invite the college students to examine the grounds "for and against" impeachment. He asks them to examine only the grounds "for" impeachment and write their essays to that end.

I wonder if this kind of one-sided research and "be sure to come up with the right opinion" approach will appeal to many students of law and government. I wonder if there may not be students who will enter the contest with essays suggesting that there are no grounds for the impeachment of the Chief Justice. There will certainly be those who will conclude that packing the Court because you do not like some of its decisions is not government by law but nullification by law.

Welch is subtle. He does not exactly and openly say that Gen. Dwight D. Eisenhower is pro-Communist. He merely circulates a letter which suggests that he has aided the Communists and invites your opinion.

Welch does not say that the Chief Justice should be impeached or that there are grounds for his impeachment. He invites others to do so and offers $2,300 in prizes to those who do it best.

This does not seem to me to be either an honest or an honorable thing to do. It is this kind of thing which is hurting anticommunism, rather than helping it.

RESOLUTIONS ON THE WOOL INDUSTRY

Mr. McGEE. Mr. President, a group of specialists has been meeting on the campus of the University of Wyoming, to explore many of the facets of the wool industry in the United States and to deal with many of the complications and developments in the textile industry and in the realm of imports, and the like. As a result, in the course of its deliberations of several days, the group has arrived at a series of conclusions and recommendations. It has passed these on to national leaders of its organization. Because the burden of the recommendations is such that I believe it would be helpful and provocative to the Members of the Senate to see them, I ask unanimous consent that the resolutions of advice and direction be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

WOOLMEN HAND 22 RECOMMENDATIONS TO NATIONAL WOOL GROWERS ASSOCIATION

Wool and lamb industry people charged the National Wool Growers Association with responsibility for obtaining industrywide cooperation in carrying out recommendations from the National Lamb and Wool Industry Conference August 7–8 at the University of Wyoming.

The action by about 150 participants came in the final session of the conference after a day of open discussion in 4 workshop groups. They attended from 26 States, Australia, and Afghanistan to meet under the theme "Income Improvement."

Twenty-two recommendations and suggestions adopted centered on cooperation in study, planning, and action among groups within the industry. Included was a proposal for an American industrywide committee

to meet with representatives of foreign nations importing lamb into the United States.

Recommendations and suggestions under the four discussion headings included: New approaches to bargaining power; (1) encouragement of effectively organized lamb marketing associations; (2) investigation by the industry, without Government help, of the possibility of marketing orders; (3) consideration of integration in the industry, with the producers serving as the integrators; (4) approval of recent investigations of chainstore buying practices by the packers and stockyards administration and necessary followup action.

Lamb supply and merchandising: (1) Removal of the decree which restricts larger slaughterers of lamb from retailing their products; (2) cooperation of packers with the American Sheep Producers Council in supplying lamb to deficit lamb-consuming areas to give merchandising support to the council's promotion; (3) formation of an industrywide committee to discuss lamb imports and mutual problems with representatives of foreign nations that import lamb into the United States; (4) organization of an industrywide committee to work with packers and distributors to work on lamb merchandising problems; (5) correlation of all lamb production and carcass evaluation which would lead to development of a lamb carcass with greater consumer acceptance; (6) need for additional program with producers to halt marketing of heavy lambs which depress the price of lighter weight consumer-preferred lambs; (7) thorough study of marketing and distribution to avoid periods of oversupply.

Incentive to quality: (1) Research by the U.S. Department of Agriculture and State experiment stations to develop a dual lamb grading system which reflects difference in yield of retail cuts; (2) speeding up of present research and needed new research to produce lambs with greater public acceptance; (3) expansion of research on factors which will speed up improvement in lamb quality; (4) immediate action by the National Wool Growers Association and other conference sponsors to establish a research foundation to speed up present research and start new research at existing institutions; (5) separation of lambs and sheep, and lamb meat and mutton in USDA reports; (6) investigation of ways of reducing cause for condemnation of mutton carcasses; (7) study of factors affecting public-acceptance of mutton and economic desirability of producing grade mutton; (8) focusing next national conference on incentives to improve lamb and mutton desirability.

How can domestic wool meet competition? (1) Research to learn the least amount of synthetic fibers required in wool blends to give best performance and investigation of wool blends and all new synthetics coming onto the market; (2) development of new processes to give wool "even more desirable" qualities and provision for conducting new processes on a large industrial scale; (3) organization of growers to provide more direct influence on wool preparation and marketing.

ESTABLISHMENT OF A CONSUMER COUNSEL

Mr. KEATING. Mr. President, on July 27 I introduced in the Senate a bill to establish, here in Washington, an official Consumer Counsel in the White House, to represent consumers.

To the best of my knowledge, this is the first bill introduced in the Congress spelling out in detail the major functions and objectives of a White House Consumer Counsel. While it is entirely possible for the President to set up such an office by Executive order, I think this bill is both constructive and useful, in that it suggests what the Consumer Counsel would do in such key areas as appearing before congressional committees, representing consumers before the regulatory agencies, recommending legislation to the President, commenting on legislative proposals referred to the executive branch for reports, publicizing the need for consumer protection efforts, and coordinating with other countries' programs to aid consumers.

As matters now stand, there is no agency of government which speaks for the consumer. Likewise, there are no lobbies in Washington which can or do represent the wide range of consumer interests. Almost every conceivable industry and organization is represented; but the biggest group of all, the great body of American consumers, is left out of the picture.

There is nothing so aggravating and annoying as the petty frauds perpetrated on the public by people who make a business of deception and chicanery. Many of the people who are taken in by these gimmicks are people who can ill afford to sustain such losses. They are often people whose knowledge of the language is limited, and who are therefore easy victims of these unethical practitioners. Although many of these practices are against the law, the people who have been victimized have nowhere to turn for assistance.

Mr. President, I want to make it absolutely clear that solid, upstanding businessmen in our country should be just as deeply concerned—and I am sure they are—about these practices as I am, for, more often than not, the unethical businessman is seeking to cut out someone who has a legitimate and honest business in the same field.

Mr. President, it is perhaps late in the legislative year for full consideration to be given this year to my bill to set up a Consumer Counsel. Recognizing this fact, I strongly urge that the Government Operations Committee of the Senate, to which my bill has been referred, schedule hearings early next year, at the latest, on this proposal and on related proposals to aid consumers. The consumer is the forgotten man of America. It is about time something was done in the Government, so that, without creating a huge bureaucracy, some reasonable way can be found in which consumers can bring their problems to the attention of the proper agencies here in Washington.

Several days ago the Rochester Democrat and Chronicle ran an editorial supporting my proposal for the establishment of an Office of Consumer Counsel in the White House. This editorial makes a number of good points. I welcome the fine support of the Democrat and Chronicle, and I ask unanimous consent that the editorial appear at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WE, THE CONSUMERS

There has always been this paradox in American politics on the Federal level—the mightiest class of spenders in America, those who literally keep the Nation solvent, have no dependable lobby working for them at all, whereas the National Capital is flooded with lobbies promoting everything else from the cause of labor to the peanut crop. This mighty spending force is, of course, simply the consumer himself, multiplied millions of times.

Political historians have noted that the consumer does not seem to have complete protection from fraud, nor the compelling voice which he ought to have when the problems of management and labor and inflation and other things are taken up. Of course, the theoretical answer to this is that Congress itself is supposed to be the great lobby for the consumer—but it doesn't work out that way in many cases.

With this in mind, there is reason for support of Senator KEATING's bill to establish an Office of Consumer Counsel. He points out that the problems of the consumer are "manifold and complex"—and this is an understatement. The Senator also points out that millions of dollars are wasted when consumers are deceived by the unscrupulous; more millions are wasted by fraud; and these wastes represent economic harm to labor.

An Office of Consumer Counsel, as Senator KEATING envisions it, would appear at any proceeding, hearing, or investigation of any agency of the executive branch, to represent the consuming public. It would maintain liaison with main agencies affecting the general consumer interest; it would be linked with State consumer counsels and would cooperate with the Department of State in studying and developing relationships with consumer organizations of other nations.

Mr. KEATING's record is such that we know full well he has no idea of jamming up the private enterprise mechanism of the country, with its competitive elements. He knows the value of our way of life. Only a couple of weeks ago he introduced a program to curb inflation, one element of which was a nationwide drive to expand sales and stimulate economic activity.

So we can be confident in this matter of a consumer counsel that Senator KEATING has in mind something which has been pathetically needed many times in the past—a voice to speak strongly for the consumer, when he is caught in all of the squeezes which are created by special interests in Washington.

WHO SPEAKS FOR PROFIT?

Mr. SCOTT. Mr. President, one of the great needs in our society are more people who can speak with conviction and eloquence to represent freemen's point of view. Mr. E. J. Hanley, president of Allegheny Ludlum Steel Corp., recently addressed the Association of Industrial Advertisers, on the subject, "Who Speaks for Profit?" He identifies profit as the real force that keeps the world of free enterprise moving and he presents the case so convincingly that I commend it to the attention of Members of both Senate and House.

I ask unanimous consent that this address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

WHO SPEAKS FOR PROFIT?

(Keynote address by E. J. Hanley, president, Allegheny Ludlum Steel Corp., at the annual conference of the Association of Industrial Advertisers, Boston, June 12, 1961)

I am delighted to be with you in Boston, this city of history which has meant so much over the years to our people and to the

course of the Republic—from the American Revolution to the development of radar at MIT in World War II. As a transplanted Bostonian, I find it a constant pleasure and an inspiration to return here and I want to thank you for the opportunity you have given me to spend a few hours in Boston and to speak before your group today.

Almost every schoolboy learns the old phrase, "One if by land, and two if by sea." I learned it well, too, and listened to it continually as I drove a sightseeing bus around this town some 40 years ago and slowed down in front of Old North Church. You will remember that the old watchword meant that one lantern would be lighted in the church belfry if the British forces were to attack the colonists by land and two if the invaders were to come by sea. It was a highly effective, dramatic, and I am sure inspirational message in that historic day.

I find it to have been a considerable cut above one of the slogans that assails us today: "L. & M. has found the secret." I am happy indeed that L. & M. has found a secret, whatever it may be, but I seriously wonder why the creative people in our advertising profession haven't come up with a 1961 version of the Old North Church watchword to guide us through the economic and political shoals in these perilous times; times as perilous, I submit, as that day when the red coats shone in the sun on Concord Bridge.

I would hesitate to offer "One if by Moscow, two by Peiping" as a candidate, but then I am not an advertising writer. I am sure everyone in this room could do much better.

We are all aware, I am certain, that our world has changed swiftly; our national pace quickens; and our people are torn by misgivings about their strength, their greatness, and their destiny. Individuals of eminence in our economic, political, and social life are voicing their concern about America's position in the world, about our economic situation, and about the various and sundry ills that afflict us as a nation.

Last fall, in discussing the importance of regaining a favorable balance of payments for the United States, Dr. Gabriel Hauge, chairman of the finance committee of the Manufacturers Trust Co. of New York and a noted economist, pictured the following disastrous consequence of America's loss as a leader of world trade:

"If we lose our trading position and the dollar declines as an international reserve currency, foreigners will tend to cash their dollar claims; gold will tend to flow out, and we will be forced to curtail our vital oversea military and economic commitments. The mark, the pound, yes, even the ruble, may take the place of the dollar; and other nations will fill the vacuum in our oversea military and economic undertakings. The dollar is in constant competition with other strong currencies. In the economic world, it is the strong that prevail."

BURNS GIVES DRAMATIC WARNING

Three weeks ago at the annual meeting of the American Iron and Steel Institute in New York, Dr. Arthur Burns, Chairman of the Council of Economic Advisers in the Eisenhower administration, after pointing out that devaluation of the dollar is a probable consequence of a continuing unfavorable balance of payments, said about the same thing, perhaps even more dramatically, in these words:

"No one can foresee all the consequences that would flow from a devaluation of the dollar, if events ever took this fateful turn, but it may nevertheless be salutary to visualize them. A devaluation would at once increase the purchasing power of Russia's gold in world markets. It would in time raise our domestic price level. It would impair, if not destroy, confidence in the dollar as an international reserve currency. It would be promptly followed by devaluation in other countries, probably in many of them. It would be attended by widespread economic unsettlement in our country and abroad. It could initiate a new era of competitive depreciation of national currencies. It might serve to regenerate exchange controls and quantitative restrictions on trade in some or many parts of the world.

"Worst of all, it would be exploited by Communists as evidence that the Western economic order is crumbling. Since gold and the dollar have long been the great symbols of economic strength and stability, what the Russians had to say about America would this time be believed not only by the ignorant masses but also by many conservative businessmen, bankers, journalists, and public officials the world over. Confidence in American political leadership would therefore diminish and even our firmest military alliances might become insecure."

Then Dr. Burns went on to outline the many things that can be done to avoid such a catastrophe for America:

"There is a clear and simple lesson to be drawn from recent trends in world trade and prices; namely, that unless our domestic cost and price levels are kept from rising, it will be difficult to keep our export surplus even at its present level."

"The struggle against inflation must therefore go on with increased vigor and understanding," he continued. "Since the passage of the Employment Act of 1946, we have elected to live, and I think rightly so, under conditions that never deviate far from full employment. Such an economy cannot benefit to any appreciable degree from the readjustments of costs and prices that occurred in earlier times during business depressions. Such an economy is always on, or close to, the threshold of inflation. Hence, unless the Government moves prudently in increasing the money supply and its own rate of spending; unless trade union officials keep their demands for wage increases from exceeding improvements in general productivity; unless the Government refrains from passing laws that raise wages or prices; unless business firms and trade unions join in efforts to remove restrictive labor practices and the featherbedding in which both executives and workers sometimes indulge; unless the Government reforms our tax system in the interest of stimulating greater effort, more productive investment, and higher efficiency; unless these things are done, and a liberal policy toward imports is continued, we will not avoid new and successive rounds of inflation."

DOLLAR'S INTEGRITY IS VITAL

"I do not know what the future will bring," Dr. Burns said, "but I do know that there is widespread hope among responsible citizens, both inside and outside Government, that inflation will be halted. If, in spite of this widespread concern, Government officials, trade union leaders, and businessmen should continue in the ways to which they have become accustomed, they will do so only because they have not yet grasped the truth that a dollar in which people have full confidence is as vital to our national security as are planes and missiles. There is still time to learn and practice this truth."

And what do we hear from the new administration in Washington?

Within recent weeks, President Kennedy has revealed the role the Federal Government will play in shaping the economy of the country. This role extends beyond the classic Keynesian theory, long popular in the New Deal, of combating cyclical slumps through manipulation of monetary and fiscal policy. The President has indicated rather clearly, I think, that under his administration the economy of the United States will be a directed economy—directed, that is, to the extent that the Government's role will be shaped toward forcing changes where natural elements of a free economy fail to meet basic needs.

Thus, Mr. Kennedy has called for continuing low, or lower, interest rates; increased aid for so-called small business; funds to retrain and relocate the so-called hard core of chronically unemployed; a reduction in FHA interest loans (there have been two already under the Kennedy administration); and other tax-supported expenditures which, to date, look to a budget deficit of about $6 billion. The President strongly hints at formal curbs on prices and wages while he urges "labor and management to pursue responsible wage and price policies in these critical times." At the same time, the administration has just pushed through Congress the $1.25-an-hour minimum wage bill which puts pressure either on prices or profits, as you will.

SYSTEMATIC, ORGANIZED ATTACK ON PROFITS

Thus, from high places and from many directions we hear a great deal about our troubles as a nation. We are told about full employment, economic growth, balance of payments, productivity, foreign trade, higher benefits, and, of course, equal opportunity.

BUT WHO SPEAKS FOR PROFIT?

Well, Nate White, the distinguished business editor of the Christian Science Monitor (hardly a newspaper which can be accused of sensationalism) says: "The profit system is under serious, systematic, and organized attack today. Unless this attack is recognized, and recognized at the proper level—in the White House, the Treasury, the Federal Reserve System, the Congress, and among labor union leadership as well as among industrial leaders—the United States could find that it is no longer successfully demonstrating the practicality of the free-market system."

Mr. White continues:

"Make no mistake about this point: the freedom of true democracy which the United States holds up to the world as the bright promise of mankind is based on the right of individuals and businesses to engage in the activity they wish to engage in, to make a living at it—which means an honest, progressive return—and to use the fruit of that labor, the profit or surplus, as wisdom or pleasure dictates."

This attack on profits is insidious. Sometimes it is made accidentally. I suspect that reference to curbs on prices are made by persons who are giving very little thought to the importance of profits to the free enterprise system. The American Metal Market of June 5 carries the following headline: "Washington Moves Against Steel Rise—May Attempt To Marshal Public Opinion Against Price Boost." There was more of this kind of thing in the newspapers as late as yesterday.

This is one form in which the attack is taking place. It comes from labor leaders too, who are ready always to protest that wage increases can be made out of profits with no change in selling prices. Unfortunately, the price-fixing trials in the electrical industry encourage the attacks on profits, attacks which break out in newspaper editorials, magazine articles, and speeches by individuals with differing motives.

JOB SECURITY MARGIN FALLS

It cannot be denied that a serious profit squeeze afflicts the American economy. The fact is that over the past decade there has been a sharp downward trend in the relative position of profit in our economy. This is measured in many ways: Profit as a percent of sales, profit as a percent of invested capital, etc. In these times, when full employment and job security are much discussed what is shown in a comparison of the Nation's wages versus corporate profits? Actually, the downward trend in profits has

cut the profit incentive approximately in half. Corporate profits just before and shortly after World War II ranged from about 12 to 14 percent of the Nation's employee compensation. Since then the percentage has shrunk to about 8 percent. In terms of this measurement, the margin for job security too has been cut about in half.

Sales of all manufacturing corporations combined rose to a new peak last year, but net profits declined from $16.3 billion in 1959 to $15.2 billion in 1960.

Of 20 separate industry groups, 13 recorded a gain in sales, but only 3 of these had higher profits too.

Virtually every industry group was affected by the drop in profits.

The trend toward lower profits continues this year. During the first quarter, profits of manufacturing corporations sank to the lowest level in 3 years. Profits generally fell by 27 percent from a year earlier and by as much as 50 percent in a number of durable goods industries. Sales were estimated at $82.6 billion and after-tax profits at $2.9 billion during the 3-month period. The later figures compare with $3.5 billion in the preceding quarter and $4 billion in the first quarter of 1960. The report was made by the SEC and the Federal Trade Commission.

It is obvious from this that producing more, selling more, and providing more goods and services is not alone the answer to making higher profits and making our profit system work more effectively, for profits have often declined as dollar sales increased.

It would seem to me worth while at this point to see what profits do for an economy. If any evidence is more startling and dramatic than the recovery of Europe, particularly that of West Germany, I do not know where it is. There we see new plants with the latest equipment, equal to the best we have and far better than our average plant because the German plants are substantially all new. They have been built with assistance from the Government including special depreciation arrangements, and in some cases subsidized loans, but all motivated by the very substantial profits being earned and in prospect. New plants and expansions are underway in almost every area. Simultaneous there is an acute shortage of labor.

But we do not have to go so far.

The Southwestern Bell Telephone Co. recently published the 10-year employment record of 50 large industrial companies. It shows that the 25 companies in the group which were more profitable increased their employment by 20 percent over that period. The 25 less profitable companies in the group reduced employment by 10 percent. Clearly, there is no future in a company, or in an economy, that shows no profit. And here is the same lesson that is to be learned from Europe's recent progress.

WORKER NEEDS PROFITS, TOO

I think we sometimes overlook this important fact in dealing with our labor problems: no one needs profit in a business so much as the worker who wishes to retain his job in that business. Out of the profit comes the rent for the worker's tools and the funds to help replace and improve those tools; and the research facilities that improve the company's products and lower the costs of manufacturing them; and other elements that strengthen jobs and increase their number.

How is it possible to have economic growth without adequate profit? What would encourage investment? What would build new plants and provide new jobs? Reduce profit—as many people seem to suggest—and what would happen to the income of the Federal Government? (It comes largely from income taxes.) What would balance the Federal budget? Without the Federal budget reasonably near balance do we not court inflation, a flight from the dollar, and the catastrophes in world politics described by Drs. Hauge and Burns?

Those who advocate wage raises as the panacea for prosperity on the grounds that purchasing power is increased, completely overlook the fact that millions of American workers are occupied in the machinery building industry alone. They will work and have money to spend only if profits of the users of the machines are adequate to encourage expansion and to interest investors in supplying the necessary funds.

There is another important phenomenon occurring that very few people understand. It has to do with the effect of the inflation which we have undergone since World War II. The result of this inflation and our obsolete tax policies as they relate to depreciation causes our meager profits as reported to be substantially overstated. Our tax laws now require that we write off as depreciation only the actual cost of equipment. Because of inflation, however, machinery purchased, say 10 years ago, will now require approximately twice as many dollars when it is to be replaced.

OTHER NATIONS AHEAD OF US

Depreciation, therefore, has only picked up one-half of the amount needed to buy replacement tools and the other half which should have been provided, has been reported as profit—truly a phantom profit. This is particularly serious in steel where machinery is costly and long lived. Our depreciation regulations are the most penalizing of any of the countries with which we are now competing. Canada, France, Belgium, Germany, Italy, England, all have more realistic arrangements.

Proposals have been before Congress for the last several years to correct this situation and it had been confidently expected that something would be done this year. The new administration indicates, however, that it is reluctant to move on depreciation because it says the Government will lose revenue, and proposes a complicated so-called tax incentive plan that fails to go to the root of the problem. As a matter of fact, that revenue—those taxes that the Government does not want to lose—are in part confiscated profit lifted out of its traditional role of reinvested, wealth-creating, and job-creating seed money, without which our economy could never have grown to its present position.

A great majority of the 3,000 companies which reported in the recent Treasury survey in connection with depreciation said that would increase their capital spending if Congress would liberalize the depreciation laws. This, of course, would mean more jobs directly, or indirectly. Furthermore, $95 billion worth of our industrial plant and equipment is obsolete today—and $60 billion worth more will become obsolete by 1970. In just a few years we face the dismal prospect of having $155 billion worth of obsolete manufacturing facilities in the American economy, facilities which cannot be replaced out of presently permitted depreciation allowances.

At the same time, our foreign competition, favored with liberal depreciation allowances, is installing new equipment at unbelievable speed, to beat us at our own game.

ECONOMIC GROWTH COMPLEX

Yet despite the organized attack on profits and the profit motive, despite the disincentives provided in our tax laws, and despite the numerous other obstacles placed in the path of businessmen—we have a national complex, it seems, about "economic growth." Thus, we have the spectacle of many of the same persons whose philosophies, policies, and activities are deliberately or accidentally directed toward holding us back, actually crying for more economic growth by the United States.

This outcry is usually accompanied by comparisons between the rate of growth in the United States and that of other nations, including, of course, Russia. In connection with this, I think you will enjoy a story that Logan Johnston, president of Armco Steel, told at the American Iron and Steel Institute meeting on May 25.

"The Wall Street Journal pointed out recently," Mr. Johnston said, "that the Pittsburgh Pirates, by winning the National League Pennant last year, increased their share of championships by 20 percent. The New York Yankees, by capturing the American League flag, raised their share of pennants by only 4 percent. The alarming question is: 'Why are the Yankees lagging behind?' "

To a Pittsburgher, this is much more than an academic question—both in sports and in business.

Certainly it is true that Nations with which we are compared have a relatively low starting base and appear to be moving very fast indeed. But they still have a long way to go to catch up with us.

However, the fact is that they are moving up very rapidly—in both the free world and in the Communist bloc. And while I do not believe that the United States is either a mature society, an excessively affluent society, or a waste maker society, I suspect that, what is happening to profits in America has a great deal to do with our unsatisfactory rate of growth in recent years.

Obviously, to improve the profit situation, the spread between costs and selling prices must be increased. Can selling prices be increased? For some products, yes, but don't forget that the law of supply and demand still works in spite of the findings of certain committees in Washington.

Today, for many products, we see our foreign competitors with plants equal or superior to ours; manned by diligent employees, working for wages perhaps a third of ours. The American worker's so-called fringe benefits alone, in steel, exceed the highest total wage rate of a foreign steelworker. The Russian and Chinese economies, and the lands they dominate, are operated with the cost-accounting of the battlefield, not the marketplace. Recent signs of the effect of such competitive pricing, in aluminum and oil, point to even more serious troubles for us in that direction. At the same time, within our country, we see competition between materials, as steel, aluminum, and plastics battle for the purchaser's dollar. Laws or regulations aren't necessary to keep our prices at minimum levels. Competition will take care of that.

The only answer, therefore, is to lower costs and to innovate as fast as we can in products and in methods. Wage and salary changes will have to be tailored to the competitive situation we face.

A BIG JOB FOR ALL OF US

All of this is interesting, perhaps, but what specifically can you, the Association of Industrial Advertisers, do about it? In spite of all of our skills in influencing people's buying habits, creating preference for brand names, increasing the sales of specific products, we are, so far, a complete washout, internationally at least, in selling the concept of individual freedom; the principle of our system of free enterprise. In fact, we have not had much success in convincing our own people in the United States of the vital necessity of profits.

Some companies have tried to do this. Warner & Swasey comes to mind as one that has been running a series of ads for an extended period stressing many of the important aspects of the free enterprise system, including the importance of profit. Kenneth W. Akers, the brilliant Cleveland advertising man who conceived the Warner & Swasey series and has written most of the ads, has said that the ads have been

just as successful in selling the company's products, machine tools, as they have been in attracting attention to the messages which have been saying, in many ways, that "growth, expansion, and jobs can come only from profits saved and invested." Yet the Internal Revenue Service has been trying to disallow the cost of these ads as a business expense on the basis that they are "propaganda," "tend to influence legislation," or some such reason. It's the same tack that the Internal Revenue Service has used in cases against similar advertising run by the business managed electric companies and Timken Roller Bearing. Who says profits are not under attack?

I wish I could tell you what you can do to help. I suppose if we say things often enough, people begin to believe them. It seems to me that this has been the case with what we might call the party line of the labor unions. I think back to the Steelworkers Union slogan in 1959, "The more you earn, the more you spend." I think also of some other similarly effective slogans, such as the one our friends at Alcoa have attached to the back of many trailer trucks—including some made of stainless steel—incorporating the Alcoa trademark and the words: "Trucks bring you better living."

CRISIS AND CHALLENGE

I am convinced that without profits we would perish, and we in Allegheny Ludlum are doing our best to get this story across to our own employees, using every means we know of to convince them that this is true. And we have had no opposition from our local union leaders who, I believe, down deep inside surely know this and believe it as firmly as we do.

I ask you members of AIA to see to what extent your companies are doing similar things. Further, I suggest that you give some attention to this problem of selling the idea of the desperate need for profits for the well-being of this country. Somehow, some way, we have to make the people of these United States understand the profit story and what profits do for all of us. This is both crisis and challenge in communications today.

There is a musical show playing in New York in which the theme song is "Love Makes the World Go Round." Many things, of course, keep the free enterprise world going 'round—love helps—but the real force that keeps it moving is profit.

RESOLUTION OF GREEK AMERICAN PROGRESSIVE ASSOCIATION

Mr. SCOTT. Mr. President, as Premier Khrushchev increases the tempo of his saber-rattling, the almost unanimous response of the American people is to stand firm and to urge our Government not to yield to threats. The Greek American Progressive Association, at its 23d national convention held from July 16 to 22, passed a resolution calling for a militant and aggressive campaign against the Communist international conspiracy.

I ask unanimous consent that this resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas world communism are flexing their muscles in a military, economic, political, and propaganda campaign to take over the world and have gained much ground since 1933 when the United States recognized Red Russia; and

Whereas many once proud nations are now captives of Communist powers—Soviet Russia and Red China—and many other free nations are threatened to the same fate; and

Whereas Cuba, once a protectorate of the United States, and 90 miles from the Florida mainland, is now Communist dominated and a threat to other Latin American countries and of grave concern to the United States of America; and

Whereas Greece fought valiantly and successfully for 3 years to ward off a Communist threat to Greece; and

Whereas the Communist Party in the United States is constantly attempting to make inroads, using every possible discord as a steppingstone to further influence of the Communist Party in this country which must be stopped cold on every front: Be it

Resolved, by GAPA Supreme Lodge, at the GAPA National Convention on this 16th day of July 1961, That the U.S. Government—both executive and legislative—take a very firm stand against the admission of Red China to the United Nations; (2) that the U.S. Government take a very firm stand on the issue of Berlin and not give in one inch to the demands of Soviet Russia or East Germany; and (3) that the Greek American Progressive Association and all of its lodges and members undertake an aggressive and militant program—in each community and city in the United States and with the aid of other civic groups in their area wheresoever necessary—to promote, reeducate, and reemphasize to the people of this country the great privileges, rights, freedom, and comforts that we possess because of our Constitution, because of our way of life, because of our principles of government of the people, by the people, and for the people which are endowed to us, by the blood and sweat of our forefathers; and (4) that President Kennedy's request for public support of foreign aid legislation be affirmatively answered by civic groups urging passage of foreign aid.

FOREIGN ASSISTANCE ACT OF 1961

Mr. PASTORE. Mr. President, I ask that the unfinished business be laid before the Senate.

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. PASTORE. Mr. President, if there is no further morning business, I ask unanimous consent that the morning business be closed.

The ACTING PRESIDENT pro tempore. Without objection, morning business is closed.

Mr. PASTORE. Mr. President, I suggest the absence of a quorum, and I request that the time required for the quorum call not be charged to the time available to either side under the agreement which now is in effect.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered; and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

U.S. ATTORNEY F. E. VAN ALSTINE, OF IOWA

Mr. PASTORE. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. PASTORE. I ask unanimous consent that the Senator from Iowa [Mr. HICKENLOOPER] may be allowed to proceed for 4 minutes without the time being charged to either side.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. HICKENLOOPER. I thank the Senator from Rhode Island.

Mr. President, on August 8 of this year, a new U.S. attorney for the northern district of Iowa was sworn in to succeed Mr. F. E. Van Alstine, who held that office in the northern district of Iowa for approximately 8 years. His successor is Mr. Donald E. O'Brien, of Sioux City.

Without in the slightest degree disparaging his successor, which I do not intend to do, nor do I intend to be understood to be so doing, I point out that F. E. Van Alstine, who has been U.S. attorney for the northern district of Iowa for 8 years, has had an outstanding record as a representative of the Government and of the people. I take considerable satisfaction and pride in the record of Mr. Van Alstine, who is an outstanding attorney in northern Iowa, and in all Iowa, because I had something to do with his recommendation at the time he was appointed.

Mr. Van Alstine has fully lived up to the highest traditions of an attorney, as a citizen, and as a representative of his Government and of the people. He has one of the finest records of any U.S. attorney in the country. He is known by the bar and by the bench in that district as being a man who, as U.S. attorney, has been a vigorous prosecutor, but one who has been completely fair in the presentation of cases, not only so far as the Government is concerned, but so far as those on the other side of the counsel table are concerned, and those who either are charged with crime, are defendants, or are on the other side of litigation in which the Government has a part.

It is interesting to note that during his term his office processed more than 750 civil cases and 800 criminal cases in that district, and more than 90 percent of the criminal cases were terminated without trial, by pleas of guilty. This is indicative of the efficiency of his office.

The vicissitudes of politics being what they are, one can understand that with a change of administration there was a desire to follow custom and make changes in these offices, which are generally considered to be political patronage. But in the case of Mr. Van Alstine we have had, as I said before, as a representative of the Government, one of the outstanding U.S. attorneys in this country. His services have been terminated by the appointment of a successor; but in order to indicate some of the expressions of high opinion in which he is held, I ask unanimous consent that there be included in the RECORD at this

point in my remarks an editorial from the Sioux City Journal, which is one of the leading newspapers in the State of Iowa, and an independent newspaper, which appeared in the issue of Friday, July 7, 1961, with respect to U.S. Attorney F. E. Van Alstine, entitled "That Justice Shall Be Done."

Also, in connection with these remarks, I ask unanimous consent to include at this point in my remarks an article which appeared in the Sioux City Journal of Tuesday, August 8, 1961, which was the day after the termination of Mr. Van Alstine's services as U.S. attorney, reporting on the induction of his successor, and containing the remarks of Judge Henry Graven, who is Federal judge for the northern district of Ohio, and the remarks of Mr. Robert Beebe, speaking for the Sioux City Bar Association, in regard to Mr. Van Alstine.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

[From the Sioux City (Iowa) Journal, July 7, 1961]

THAT JUSTICE SHALL BE DONE

Due to a shift in the political wind, U.S. District Attorney F. E. Van Alstine, of Sioux City, will leave office after approximately 8 years of meritorious service in the northern district of Iowa. Because Federal district attorneys serve at the pleasure of the President, Mr. Van Alstine, a Republican, will be replaced by a Democrat. This is customary procedure under our political system.

Local attorneys, Mr. Van Alstine's colleagues in the legal profession, have a high regard for his ability as a prosecutor. A look at his record makes this understandable. During his period of service, the U.S. attorney's office here processed to completion more than 750 civil cases, involving a total of several millions of dollars in claims for or against the United States, and more than 800 criminal cases. In addition, it has processed an undeterminable number of civil and criminal matters which never got into court records.

Of the criminal cases handled, more than 90 percent were terminated without trial by pleas of guilty. Indicative of the office's efficiency is the record on 65 criminal cases tried to juries and 1 tried to the court without a jury. Of these, 58 resulted in convictions, 6 resulted in acquittals, and 2 in hung juries. Of the latter, one was tried to conviction and the other was dismissed.

Several of the litigated criminal cases are recognized as landmarks, particularly in the area of adaptation of existing Federal laws to deal with constantly developing and newly invented schemes of fraud in commerce.

Mr. Van Alstine's conception of a U.S. district attorney's duties, which he has followed as a credo of the office, is contained in the case of *Berger* v. *United States* (295 U.S. 78, at p. 88):

"The U.S. attorney is the representative not of an ordinary party to a controversy, but of sovereignty whose obligation to govern impartially is as compelling as its obligation to govern at all; and whose interest, therefore, in a criminal prosecution is not that it shall win a case, but that justice shall be done. As such, he is in a peculiar and very definite sense the servant of the law, the twofold aim of which is that guilt shall not escape or innocence suffer. He may prosecute with earnestness and vigor—indeed, he should do so. But, while he may strike hard blows, he is not at liberty to strike foul ones. It is as much his duty to refrain from improper methods calculated to produce a wrongful conviction as it is to use every legitimate means to bring about a just one."

The key phrase, of course, is "* * * that justice shall be done." As a Government prosecutor, Mr. Van Alstine thus was guided by, and followed, high principles. He served the people well, and as he steps down as U.S. district attorney, he is deserving of commendation as an exceptionally able and devoted servant of the law.

[From the Sioux City (Iowa) Journal, Aug. 8, 1961]

U.S. ATTORNEY VAN ALSTINE LAUDED AS SUCCESSOR O'BRIEN IS SWORN IN

Donald E. O'Brien, Sioux City attorney, was sworn in as U.S. attorney for the northern district of Iowa at ceremonies Monday afternoon in the courtroom of Federal Judge Henry N. Graven.

Sharing honors with O'Brien, the first Sioux Cityan to be named to the post since before 1920, were Judge Graven and F. E. Van Alstine, O'Brien's predecessor.

In brief remarks immediately preceding the swearing-in ceremony, Judge Graven noted the importance of the district attorney's position. There are only 86 U.S. attorneys in the country, he said, and the way in which many citizens regard the Federal Government is shaped largely by their contact with the attorney or their knowledge of the way he conducts his office.

Judge Graven paid tribute to Miss Margaret O'Donnell, administrative assistant in the office of the U.S. attorney here, and to Mr. Van Alstine who "has discharged his duties in an exemplary manner."

ONLY THREE CASES PENDING

"He has prosecuted with vigor, but I have never observed him being unfair to a defendant," Judge Graven remarked of Mr. Van Alstine.

The judge observed that there are only three criminal cases pending in the district (an alltime low) as Van Alstine takes his leave.

Mr. Van Alstine presented Mr. O'Brien who was given the oath of office by Judge Graven.

Robert E. Beebe spoke for the Sioux City Bar Association on behalf of Mr. Van Alstine.

"Mr. Van Alstine in the last 8 years has had a volume of experience almost unparalleled in the district. The workload here—750 civil cases and 800 criminal cases—has been greater than that in any district but one," Mr. Beebe pointed out.

Mr. Beebe praised Mr. Van Alstine's record of nearly 90 percent convictions and characterized his work as "fair, honest, hard, and diligent."

Donald M. Pendleton, also speaking for the Sioux City Bar Association, noted that Mr. O'Brien is the first Sioux City resident to hold the U.S. attorney's position for this district.

"We are proud that Don O'Brien of Sioux City is now the new U.S. attorney for the northern district of Iowa," Mr. Pendleton said.

PRAISES GRAVEN

A tribute to Judge Graven was presented by Harry Miller, president of the Sioux City Bar Association.

"We may have confidence that Judge Graven is second to none of his predecessors," Mr. Miller said.

"During his period of office, there has been a tremendous increase in the workload; yet, there are fewer, if any, Federal courts that have fewer undisposed cases. This has largely been through the determination of Judge Graven," Mr. Miller pointed out.

"All will point with honor and pride to the fact that he has been a judge of the northern Iowa district," Mr. Miller concluded.

Also speaking in behalf of Judge Graven, Mr. Van Alstine, and Mr. O'Brien was Circuit Judge Martin Van Oosterhout of Orange City.

Judge Graven, who has been on the northern Iowa bench since 1944, has requested semiretirement and has been assigned to part-time duty in New York City.

Mr. O'Brien served as Woodbury County attorney from 1954 to 1958 when he was appointed municipal judge here. He resigned the judgeship in 1960 to seek a seat in the U.S. House of Representatives. He was defeated by incumbent Congressman CHARLES B. HOEVEN, of Alton.

Mr. Van Alstine has served as U.S. attorney here since 1953. Prior to that time he was a county attorney at Pocahontas, Iowa, from 1943 to 1951.

Mr. PASTORE. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time necessary for the call of the roll not be charged to either side.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Rhode Island? The Chair hears none, and it is so ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PASTORE. Mr. President, I ask unanimous consent that the Senator from Alaska be permitted to proceed for 2 minutes without the time being charged to either side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE GREAT POTENTIALS IN MANMADE LAKES AND OF THE GREATEST MANMADE LAKE TO BE IN THE WORLD

Mr. GRUENING. Mr. President, in connection with the construction of the great dam in the Rampart Canyon, on the Yukon, the reservoir which will be established in back of the dam will be the largest manmade lake in the world. It will have an area of approximately 11,000 square miles, which will be 10-percent larger than Lake Erie.

The potentials of this lake to establish a great commercial fishery and a sports fishery, challenge the imagination, as well as the know-how of our biologists, ichthyologists, and limnologists. But in addition, the recreational possibilities, in an area where there are now no lakes, and which, by virture of the creation of such a great body of fresh water, will certainly attract vacationers, tourists, sportsmen, water skiers, and boatmen of all types, also are a challenge to our recreational experts, resort developers, community planners, and others with a creative urge.

What these manmade lakes may do in the way of furnishing varied recreation where none existed before, is admirably related to the Bureau of Reclamation in two very interesting articles in the May and August issues of its publication, Reclamation Era. They are entitled "Recreation at Manmade Lakes." I ask unanimous consent that these two articles be printed at this point in my remarks. My regret it that the fine illus-

trations in the articles cannot be reproduced in the CONGRESSIONAL RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

RECREATION AT MANMADE LAKES—PART I

The great northwestern corner of the United States is a land of golden opportunity for the recreation minded. From the Red River of the North, across the wide Missouri, and from the towering, glacial peaks of the Continental Divide to the rugged coastline of the Pacific, the traveler is constantly surrounded by nature's finest, augmented by some of man's best achievements.

Within the Upper Missouri River Basin, the area contained in the Bureau of Reclamation's region 6, there are more than a score of manmade lakes, the reservoirs formed by multiple-purpose dams constructed by the Bureau to serve many uses.

Westward in the Bureau's region 1, the Pacific Northwest—bountifully endowed with many natural lakes and rivers—also has spectacular manmade reservoirs and waterways which are receiving greater recognition each year as top vacation areas.

To recount the varied fare awaiting the traveler across the northern tier of States—with Fargo, N. Dak., as a starting point—would require an epic-size book. Here only a few of the highlights can be mentioned—in the way of manmade lakes and, nearby, the natural scenic attractions and the western celebrations and festivals. Even at that, much will be left out. What follows is more or less a sample, an appetizer.

Following the course of U.S. Highway No. 10 (now also known as No. 94), about 860 miles lie between Fargo, N. Dak., on the Minnesota boundary, and Pipestone Pass, on the Continental Divide of the Rocky Mountain Range, near Butte, Mont.

On such a journey, the traveler will see the famous Red River of the North, cross the moraine that constitutes the divide between the Hudson Bay drainage basin and the Missouri drainage basin, see the plains, badlands, rolling hills, the irrigated valleys, and the mountains.

It is only 95 miles from Fargo to Jamestown, adjacent to the Bureau's Jamestown Dam and Reservoir, on the James River, the first completed feature of the proposed 1-million-acre Garrison diversion unit.

Sightseeing, picnicking, camping, swimming, boating, water skiing, fishing, and hunting are to be enjoyed at the 2,100-acre lake which is administered by the Stutsman County Park Board. Three double launching ramps, 55 picnic tables, 24 fire grates, and other facilities are available. A concession site provides for various visitor needs.

Continuing west on U.S. 10, it is about 100 miles from Jamestown to Bismarck, North Dakota's capital city, with its modern skyscraper capital looming above the prairie. Here, too, the wide Missouri River divides Bismarck and Mandan.

The Missouri is now a subdued stream, harnessed by the Corps of Engineers' Garrison Dam, located 77 river miles upstream, one of the largest rolled-fill earth embankments in the world. Garrison Reservoir, having an area of 369,500 acres at normal recreation pool, and a length of 200 miles, is a prairie dream of boaters. Each year during the Fourth of July holiday, a water and boat show is held at Garrison Bay on the north shore, near the town of Garrison.

As the tourist leaves Bismarck, he will cross the Missouri and see the rolling hills surrounding Mandan. An historical outdoor drama, "Trail West" sponsored by the Mandan Historical Development Association, is held there Wednesday through Sunday each week during July and August at the Gen. George Armstrong Custer Memorial Amphitheater in Fort Lincoln State Park. The drama recreates the story of Custer and the U.S. 7th Cavalry.

Detouring southward to pick up one of the areas thus far missed, Angostura Reservoir, in the foothills of the famous Black Hills, has become one of the most popular recreation sites in southwestern South Dakota. The South Dakota Department of Game, Fish and Parks administers the water surface—normally 4,830 acres—and the land on the east and south sides of the lake. A pleasant camping area, for overnight outings, has been developed with tent and trailer spaces. Picnic tables, fire grates, public launching ramps, and a swimming beach are used by the many visitors. An enthusiastic statistician has determined that 400,000 sport fish were caught at Angostura during 1959.

Within the perimeter of the Black Hills, there are many interesting sites—Wind Cave National Park, Custer State Park, Mount Rushmore National Park, and others.

The Black Hills are famous for their roundups and rodeos. In early July, the Black Hills Roundup is held at Belle Fourche, the home of the Bureau of Reclamation's Belle Fourche project.

Another favorite with vacationists is Shadehill Reservoir, on the Grand River in northwestern South Dakota near Lemmon. Recreational facilities and lands are administered by the State. Access roads, day-use areas, and campgrounds with tent and trailer spaces, public launching ramp and public boat dock, tables and fireplaces, swimming beach, and other facilities are available.

Returning to North Dakota, the traveler can pick up his westward trail on the Heart River, which in Sioux translation is called Tacanta Nakpa Tanka. It is not a large stream, nor long, but it does have the distinction of having two reclamation lakes—Lake Tschida, created by Heart Butte Dam near Glen Ullin, and Edward Arthur Patterson Lake, formed by Dickinson Dam, near Dickinson. Both are popular recreation sites.

The lake behind Dickinson Dam, near a major shipping center, is used not only for swimming and boating but for picknicking, fishing, and hunting. Adjacent to the swimming beach, the city of Dickinson, which administers the reservoir, maintains trailer and camping facilities for tourists.

The next reclamation lake is Canyon Ferry Reservoir on the Missouri River near Helena, Mont., within the shadows of the Continental Divide. But long before arriving there the traveler will pass through the scenic Badlands and areas of historical moment.

The Theodore Roosevelt National Memorial Park, near Medora, N. Dak., commemorating the beloved "Teddy" who went West in 1883 to ranch and regain his health, is located in this unique area. Medora, on the Little Missouri River, is a mecca for the history-minded tourist and is now being restored as a living museum of the frontier era.

"Old Four Eyes," a colorful drama portraying the life of Roosevelt in the Badlands, staged in the outdoor Burning Hills Amphitheater near Medora, is presented nightly, Wednesday through Sunday, July through August.

At Glendive, Mont., the tourist will first observe the Yellowstone Valley and will soon see the green fields of the Bureau of Reclamation's Buffalo Rapids project, and Miles City, the capital of a great grassland empire. Shortly before he reaches Billings, he will drive through Reclamation's pioneer Huntley project. He will wish to visit many attractions in Billings, the hub of the Midland Empire, and certainly will want to see the Custer Battlefield National Monument, 63 miles southeast on U.S. Highway No. 87.

On a southward excursion toward the Wyoming line, the traveler can reach the north entrance of Yellowstone National Park at Gardner, Mont.

Near Bozeman, Mont., the Missouri River Headwaters State Monument, one of the most important of the West's historical sites, marks the confluence of the Gallatin, Madison, and Jefferson Rivers to form the Missouri. Discovered in 1805 by the Lewis and Clark Expedition, the headwaters today form a living monument to the explorers.

Canyon Ferry Lake, located in a scenic mountainous region, provides many recreational opportunities—sightseeing, fishing, camping, picnicking, swimming, boating, water skiing. Trout fishing is excellent. The Montana State Parks Division, which administers the recreation areas, has developed 9 camping grounds, with a total capacity of 50 tent spaces and 30 trailer spaces, and has constructed picnic tables, fireplaces, wells, and shelters. Two concession sites at the lower end of the reservoir provide cabins, meals, docks, launching ramps, boat and outboard motor rental, and fishing and boating supplies.

Nearby Helena, Montana's capital, whose main street runs along the bottom of historic Last Chance Gulch, and the surrounding mountains and valleys also hold many attractions for the tourist. For instance, there is the State Historical Museum and Russell Art Gallery; and The Last Chancer, a unique train which takes visitors on a tour of old and new Helena, making a stop where the visitor can pan his own gold.

One of the best known of the manmade lakes in the Pacific Northwest is Jackson Lake. With its backdrop of awesome Grand Teton Mountains, the lake, on the Snake River in the Grand Teton National Park of western Wyoming, is enjoyed by nearly a million vacationists each year. It is a gateway to the Pacific Northwest.

The lake is in the heart of the once isolated area known as Jackson Hole, legendary lair of some of the most colorful bandits of the Old West. Butch Cassidy and his band of cutthroats roamed the hole but they did not know the Jackson Lake of today. This beautiful lake is actually a Bureau of Reclamation irrigation reservoir, built after the turn of the 20th century to store water for the irrigated farmlands in the Upper Snake River Basin of Idaho.

Native cutthroat, rainbow, and mackinaw trout are plentiful in the lake, and the rivers and streams. Boating, mountain climbing, horseback riding—all can be enjoyed. Numerous public camping areas, motels, dude ranches, and the Jackson Lake Lodge offer every type of accommodation to the visitor.

Leaving Jackson Lake, the westbound traveler can drive down the colorful Snake River Canyon to Palisades Reservoir, just over the Idaho boundary. This recently completed Bureau reservoir also offers excellent opportunity for camping, fishing, and water sports of all kinds. An hour's drive from Palisades brings the traveler to Idaho Falls, where the Eastern Idaho State Fair is held each year during the latter part of August; the War Bonnet Roundup, in late June; and the Pioneer Rodeo, on July 24. With a 1½ hour drive from Idaho Falls, the visitor can see one of the most spectacular displays of geologically recent volcanic activity in America at the Craters of the Moon National Monument.

Going west down the Snake River, the traveler will pass through desert interspersed with miles of green irrigated fields of potatoes, sugarbeets, and beans. The Upper Snake River Valley is one of the most productive and successfully irrigated farming areas in the world.

The traveler then arrives in the beautiful irrigated Boise Valley, gateway to rugged and spectacular central Idaho.

Within a few hours, visits can be made to Cascade Lake on the Payette River; Arrowrock and Lucky Peak Reservoirs on Boise

River; Payette Lakes recreational area; and the renowned Hells Canyon of the Snake River. For the cowboy enthusiasts, the Snake River Stampede and the Caldwell Night Rodeo—major rodeo attractions—are held each summer in Nampa and Caldwell, Idaho. The Western Idaho State Fair, during late August at Boise, offers further diversion for the visitor.

Across the Oregon border lies Owyhee Reservoir, behind a spectacular concrete, gravity-arch dam which rises 417 feet from the streambed of the Owyhee River.

The reservoir, featuring some of the best crappie and bass fishing anywhere, is in a deep canyon, and tremendous multicolored rock cliffs rise on every side. Ancient Indian writings are to be found on rocks in several areas. The Oregon State Park Commission has developed two popular park areas with camping and boat facilities.

Owyhee Reservoir provides water storage for the irrigation of some 118,000 fertile acres in the valley below. Project lands are famous for gamebirds and waterfoul hunting.

A major stop on the scenic journey toward the Pacific coast would be Spokane, hub of the Pacific Northwest's inland empire, with its Spring Lilac Festival. From here, it is only a 2-hour drive to one of the civil engineering wonders of the world—Grand Coulee Dam, spanning the mighty Columbia River.

Also from this point, it is another short distance into Montana through Idaho's narrow, forested panhandle to the Bureau's Hungry Horse Dam and Reservoir, with Glacier National Park and Lake McDonald nearby.

On the South Fork of the Flathead River, Hungry Horse Dam, a graceful concrete gravity-arch structure, towers some 564 feet, making it one of the highest dams in the United States. Water cascades over the Glory Hole spillway to drop 490 feet to the river below the dam.

Hungry Horse Dam is in a setting of virgin timberland, and its reservoir is 34 miles long. Fishing is excellent, and magnificent stands of pine, larch and fir blanket the surrounding area.

Grand Coulee Dam, in Washington's Columbia Basin, is 4,173 feet long and 550 feet high and its spillway is half as wide and twice as high as Niagara Falls. In summer, thousands of tons of water pour over this spillway in an awesome display. For even greater enjoyment of the visitor, the spillway waterfall is lighted each night in a glorious display of color.

The Coulee Dam National Recreation area, administered by the National Park Service, offers outstanding vacation opportunities. Camping facilities are available at a number of marinas along the 151-mile-long Franklin D. Roosevelt Lake. Every Memorial Day holiday, the area surrounding Grand Coulee Dam holds a Colorama, featuring the first lighting of the spillway for the year.

The visitor to Grand Coulee should also plan to visit the panorama of newly irrigated farmlands of the Columbia Basin project. Other sights to see in the area include Chief Joseph, Priest Rapids, and Rocky Reach Dams on the Columbia River. The city of Wenatchee, nearby, holds an annual springtime Apple Blossom Festival.

In the heart of the State of Washington are the half million irrigated acres of the Yakima project. Rimrock Lake behind Tieton Dam, one of the six scenic irrigation reservoirs serving the project, is only a short drive from the city of Yakima. The new ski chairlift at White Pass, across the Cascade Mountains is a favorite both in winter and summer; and no visitor should miss a trip to old Fort Simcoe, a century old relic of the Indian wars, only a 45-minute drive from Yakima.

If the vacationist is in this area about Labor Day, a trip should be planned up the Yakima River Canyon to Ellensburg to watch the Ellensburg Rodeo.

From this area, it is only a short drive across the Cascade Mountains to Seattle and Puget Sound, scene of the annual summer Seafair Festival.

Of course, the vast majority of Bureau of Reclamation reservoirs offering recreation opportunities—and the surrounding areas—have not been mentioned here. However, a list of these reservoirs, entitled "Reclamation's Recreational Opportunities," is now available.

RECREATION AT MAN-MADE LAKES—PART II

In the late summer, most people have returned to work to rest up from their vacations. Others, however, escape the letdown of August and early September by saving their vacations until then.

Three rather widely separated areas, each blessed with Bureau of Reclamation multiple-purpose water development projects, are among those offering a choice of water-related recreation and sightseeing to the Johnny-go-lately.

The three areas to be considered in this article are Quartz Mountain State Park in Oklahoma, just a stone's throw—as distances are measured there—from the Texas Panhandle; the manmade lakes in the southwestern quarter of Colorado; and the area fanning out through Utah from Salt Lake City.

QUARTZ MOUNTAIN

Indians were the first men to utilize the land of Quartz Mountain State Park in historic times, camping there and building a village.

Spaniards discovered the Quartz Mountains which surround the North Fork of the Red River sometime around 1611.

Earliest American exploration of the area was recorded in 1834 when Col. Henry Leavenworth and Henry Dodge, stationed at old Fort Gibson in eastern Oklahoma, met a group of Comanches who guided them to the large Wichita village where they met with Comanche, Wichita, and Kiowa Tribes.

The park area, in Oklahoma's southwestern sector near Hobart, Mangum, and Altus, was claimed at various times by France, Spain, and the Republic of Texas.

Things have changed quite a lot in the old stomping grounds. The mountains are the same, rocky and intriguing. But today man's hand has created a lake from the river, and among the hills built a modern vacationer's dream. The lake was created by the Bureau of Reclamation.

Altus Reservoir is a multipurpose reservoir providing water for municipal, irrigation, and flood control purposes. In addition, the water and surrounding area have become particularly attractive for recreational use. A contract between the United States and the Oklahoma State Planning and Resources Board provides for the State to administer lands marginal to the Altus Reservoir for park and recreational purposes. Full development of the recreational facilities which are available has been provided through the overall planning and at the expense of the State.

On the shore of 6,810-acre Lake Altus, Quartz Mountain lodge is a 46-room resort offering a myriad of year-round facilities. A nine-hole golf course, opened in 1960, is an attraction in the 7,560-acre park. Overnight accommodations other than the lodge are 10 housekeeping cottages and 3 new duplex cottages which were scheduled for opening this summer. The lodge and cottages are air conditioned.

Quartz is popular with fishermen, boaters, skiers, and swimmers. A large concrete and tile swimming pool with bathhouse is near the lodge and the lake.

Picknickers and campers find plenty of room in the scenic park. Picnic shelters, grills, and tables are numerous, and restroom and shower buildings are convenient for park visitors.

Boats, motors, and ski equipment are for rent, and ski tow service is available in the park. Bait may be purchased and a dock is near the lodge for fishermen who want to drop by for a quick snack, or for guests who wish to tie up near the lodge.

A terrace near the coffee shop is the scene of dances under the stars on spring, summer, and fall evenings.

Fishing in comfort is an attraction of the enclosed fisherama which is air conditioned in summer, heated in winter.

SOUTHWESTERN COLORADO

Deep, azure-blue jewels—set in the scenic wonderland stretching from the Continental Divide of the southern Rocky Mountains to the Four-Corners area where Colorado meets New Mexico, Arizona, and Utah—these are lakes made for you. They are reclamation reservoirs formed behind dams built to store water for farms, towns, and industries. And, as a bonus, these reclamation lakes offer recreational opportunities to thousands who wish to bask on the sunlit shores, to boat and water ski on the clear blue water, and to outwit the wily trout.

Highways lead from Pueblo, Colorado Springs, and Denver to this quarter of Colorado by way of U.S. Highway 50, with the gateway at Monarch Pass, elevation 11,312 feet.

Nestled close to the Continental Divide and about 35 miles northeast of the town of Gunnison, which is on U.S. 50, is Taylor Park Reservoir. Here are stocked German brown and rainbow trout and the Kokanee salmon, where nearly 70,000 fish were caught in 1960.

Public campgrounds, picnic facilities, and cabins are available at Taylor Park Reservoir, which is administered for recreation purposes by the U.S. Forest Service. Also, with regulated releases of water from the reservoir, the Taylor River provides a fine trout stream for 25 miles below the dam with many camping spots along the river.

As a traveler heads west and nears Montrose, Colo., he can make a side trip a few miles north to visit the Black Canyon of the Gunnison National Monument. This world-renowned masterpiece of nature is located on the deepest gorge of the Black Canyon of the Gunnison. Here, the rims of the gorge are only 1,300 feet apart at the crest, yet the gorge is 2,425 feet deep and only 40 feet wide at the bottom. Visitors can drive their cars to the very rim of the gorge for the breathtaking view.

Montrose is situated in the heart of the Uncompahgre project, a Federal reclamation project completed prior to World War I. The prosperous farmlands on this project are made possible by the water stored in Taylor Park Reservoir, nearly 70 airline-miles to the northeast.

South of Montrose, on U.S. Highway 550, is the Ute Indian Museum.

Continuing south on U.S. Highway 550, the traveler soon reaches Ouray, Colo., a friendly town set deep in a box canyon. Here, visitors can arrange for jeep trips over traillike roads leading into the high reaches of the San Juan Mountains, which are speckled with old mining towns and mountain scenery beyond parallel.

The "Million Dollar Highway" takes the traveler over Red Mountain Pass (elevation 11,018) from Ouray to Silverton, Colo. Silverton is a famous old mining community, now dedicated to presenting to the tourist an authentic sampling of the old mining West.

About 60 miles southward is the bustling city of Durango, Colo., where the tourist has many good reasons to pause in his travel. The last narrow-gage passenger train makes a round trip from Durango to Silverton each day during the summer. Hundreds of tourists jam onto this train which follows

the Animas River Canyon, where no auto road penetrates.

Northwest of Durango on the Los Pinos River is another reclamation lake, the Vallecito Reservoir, set in lush pine forests at an elevation of 7,600 feet. In 1960 more than one-quarter of a million fish were taken from the clear, cool water of the lake. Excellent facilities of all kinds are available for the comfort of visitors.

The traveler who heads west from Durango on U.S. Highway 160 finds another reclamation lake on his path. It is the Jackson Gulch Reservoir just 5 miles northwest of Mancos, Colo. Although it is a small lake, fishing is good. More than 18,000 fish were taken in 1960.

SALT LAKE AREA

Salt Lake City, Utah, at the crossroads of the West, is situated at the foot of the towering, snow-clad Wasatch Mountains. It is the center for a growing agricultural and industrial empire which has been made possible by the continuing development and use of the limited water supplies from mountain streams.

Through the years, many reclamation lakes have been built in the mountain areas north, east, and south of Salt Lake City. As in other areas, these lakes not only play an important part in transformation of desertland into farms, industries, and cities, but they also provide attractive recreational opportunities.

The highlight of any traveler's visit to Salt Lake City is Temple Square. Almost any day in the year finds Temple Square flanked by out-of-State cars. Visitors, as well as seeing Mormon Temple and Tabernacle and the beautiful Temple grounds, can hear daily concerts on the great Tabernacle organ and, on Sunday, attend the CBS radiobroadcast by the Tabernacle choir.

Just minutes away from downtown Salt Lake City, in the canyons of the Wasatch Mountains, are Alta and Brighton, world-famous ski areas, noted for their excellent, deep, powdery snow. In the summertime, visitors find the forested canyons of the Wasatch delightful places for an early morning breakfast, a lunch stop, or an evening picnic where an open fire is welcome against the chill of the mountain air.

The traveler who stops at Salt Lake City finds reclamation lakes beckoning from the north, east, and south. If he heads north, he will find the Pineview Reservoir on the Ogden River just a few miles east of Ogden, Utah's second city. At Pineview Reservoir the Bureau of Reclamation, in cooperation with the U.S. Forest Service, has provided picnicking, camping, and boating facilities. Water skiing and boat racing are particularly popular. Fishermen are finding the lake attractive, too, since it was treated in 1959 to eliminate trash fish and then restocked with game fish. Last year, more than 300,000 people enjoyed outings at Pineview Reservoir.

Northwest of Salt Lake City, near Corinne, Utah, is Promontory Point, where on May 10, 1869, the golden spike was driven to complete the first transcontinental railroad. A railroad museum has been recently established at this point and houses an interesting exhibit of mementoes of that historic day and displays which commemorate railroad's "age of the steam locomotive."

If the visitor to Salt Lake City should choose to head east, he should be sure to take his fishing pole. About 40 miles to the east are Rockport Lake (formed by Wanship Dam) and Echo Reservoir on the Weber River; then Strawberry Reservoir, the favorite fishing hole for many Utah fishermen who know where the fishing is good; and even farther east to Duchesne, Utah, thence north to Moon Lake Reservoir, which is in the lovely pine forests on the lower flanks of the Uinta Mountains. At Moon Lake there are excellent camping facilities and cabins for those who desire a little more of the comforts.

The venturesome traveler will proceed onward to Vernal, Utah, where the dinosaur is "king." Here he can visit the Dinosaur National Monument and the Utah Field House of Natural History, which presents the intriguing story of the gigantic dinosaurs who ranged the area millions of years ago.

The traveler who decides to head south from Salt Lake City will find first Timpanogos Cave National Monument located in American Fork Canyon and also Deer Creek Reservoir and Scofield Reservoir.

Many visitors to Salt Lake City arrive or leave by U.S. Highway 40 which extends west across Nevada to San Francisco. On this route are the swimming beaches of the Great Salt Lake. There is nothing quite comparable to swimming in the heavy water of the lake in which the swimmer will experience the eerie feeling of bobbing like a cork which might, after all, be the best of all ways to feel on a vacation during the lazy last days of summer.

Mr. PASTORE. Mr. President, I suggest the absence of a quorum; and I ask unanimous consent that the time for the quorum call be charged to neither side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

HUNTLEY PROJECT IRRIGATION DISTRICT, MONTANA

Mr. MANSFIELD. Mr. President, on the calendar there is a bill of importance to the State of Montana, which was reported unanimously by the Committee on Interior and Insular Affairs yesterday. It has been cleared with the minority leadership.

I ask unanimous consent that, outside of the time allocated on the unfinished business, S. 1983, the Senate proceed to consider Calendar No. 686, S. 1697.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous consent request? The Chair hears none, and the bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S 1697) to approve the amendatory repayment contract negotiated with the Huntley Project Irrigation District, Montana, to authorize its execution, and for other purposes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that my colleague, the distinguished Senator from Montana [Mr. METCALF], and I may be permitted to insert at this point in the RECORD excerpts from the report.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PURPOSE

The enactment of S. 1697 will approve the repayment contract negotiations that have taken place between the Bureau of Reclamation and the Huntley Project Irrigation District in Montana and will authorize the execution of that repayment contract.

The Huntley project was authorized in 1905, to serve approximately 32,000 acres of land. The original land classification, in 1905, recognized a considerable acreage of so-called class 3 lands, consisting largely of heavy textured alkaline soils. In 1925, reclassification of lands, which was the basis for the Huntley project adjustments approved by the act of May 25, 1926, designated 831 acres as permanently unproductive and 13,476 acres, including 1,336 acres of unpledged lands, as temporarily unproductive.

Under the 1926 act, the construction obligation against the permanently unproductive land was charged off, and the payments on the temporarily unproductive land were suspended. The present bill takes care of the balance of those lands that have been held in suspended class since the 1926 reclassification—1,559 acres of the classified lands have been placed in a full-pay class, 6,337 acres into a limited pay, and 2,380 acres are placed in class 6 and considered to be permanently nonirrigable. The construction charge obligation against this latter category in the amount of approximately $140,320 would be written off.

The original cost of the project as of June 30, 1959, was $1,944,576. Of this amount, approximately 60 percent has been repaid. The remaining obligation of $553,132 in the original contract will be paid by the lands that have been reclassified. There is in addition to this obligation one other contract, amounting to $81,762 for rehabilitation and betterment work that has been done on the project, and this will be paid concurrently with this other obligation.

About 3,550 acres of the project land are paid out completely. About 2,300 acres will pay out in another 4.6 years, and the new full-pay class will complete payment in 28 years. The 6,337 acres in the limited-pay class will require 70 years to pay out.

The landowners board has passed a resolution approving the contract, and it has been approved by the judge of the district court as required by Montana law.

The ACTING PRESIDENT pro tempore. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the contract with the Huntley Project Irrigation District, which was negotiated by the Secretary of the Interior pursuant to subsection (a) of section 7 of the Reclamation Project Act of 1939 (53 Stat. 1187) and approved as to form by the Department of the Interior on November 20, 1959, is hereby approved for execution, and the Secretary is authorized to execute and perform the same on behalf of the United States.

SEC. 2. The 1956 reclassification of lands of the Huntley Project Irrigation District is approved.

SEC. 3. There shall be deducted from the total cost of the Huntley project and from the construction charge obligation of the Huntley Project Irrigation District, contingent upon execution of the contract with the Huntley Project Irrigation District, approved in section 1 hereof, the amount of the unmatured construction charges against the two thousand five hundred and thirty acres found to be permanently unproductive by the 1956 reclassification of lands.

SEC. 4. All costs and expenses incurred by the United States in negotiating and completing the contract approved under section 1 of this Act and in making the investigations in connection therewith shall not exceed the sum of $13,000, and shall, contingent upon the final confirmation and execution of that contract, be nonreimbursable and nonreturnable under the Federal reclamation laws.

SEC. 5. This Act is declared to be a part of the Federal reclamation laws as those laws are defined in the Reclamation Project Act of 1939, supra.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, and it will be out of the time allocated.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, if I may have the attention of the distinguished Senator from New York [Mr. JAVITS], last night it was suggested that perhaps we should have an opinion from the Comptroller General of the United States as to the import and meaning and significance of the language contained in the Hickenlooper amendment. I must confess that after nearly an hour of discussion I am still in some state of confusion as to the significance of the language. I am not at all sure at this moment that I know precisely what it will do, and how, under the procedures with which we are familiar, the legislation which is contemplated under the Hickenlooper amendment will fare. My understanding is that if the so-called business budget under the Government Corporation Control Act were submitted as required under the Hickenlooper amendment, plus the modification of section 104 of the Government Corporation Control Act, it would be necessary to secure further legislation in order to incur obligations and to secure the necessary funds for administrative expenditures. Such a bill, according to my understanding, would have to go first to the House. The House conceivably might include legislative provisions. The bill might include legislative provisions initiated by the Senate when the bill came here. If that were the case, I am reasonably sure—and I think the Parliamentarian has so indicated—it would require a two-thirds vote to deal with it.

I know this issue must be resolved. I am reluctant to withdraw the amendment which I submitted, because I think it is a good amendment. It is all encompassing. It also would give the Congress an opportunity to look at the terms, conditions, and maturities of the so-called notes to be issued by the President and to be purchased by the Treasury to generate the necessary loan funds under the new bill.

But we are still having difficulty. However, I am willing to cooperate, and I am willing to withdraw the amendment offered, with the understanding, of course, that at some subsequent time I may wish to reinstate the amendment.

Inasmuch as we are operating under controlled time, and unanimous consent will be required to withdraw the amendment, I ask unanimous consent now to withdraw the amendment.

Mr. JAVITS. Mr. President, reserving the right to object—and I shall not object, because the only thing my leader is trying to do is to avoid 2 hours of debate, and then to do what he now proposes to do—but his request gives me an opportunity to make the point clear that those of us who voted against the Byrd amendment won a battle on Friday and we do not wish to see the result of that battle go down the drain. At least I do not. I am certainly not going to do so with my eyes wide open.

As I understood, the result of the Byrd amendment vote freed the hands of the Executive to a greater extent than they would have been freed if we had annual authorizations which would be permitted by the Byrd amendment, but the appropriation was to wait. In my opinion, the issues having been cleared away, the Hickenlooper amendment would take us back to where we were. Therefore I am announcing now, first, that I shall vote against the Hickenlooper amendment. I think it would send down the drain what we did last Friday.

Second, I shall attempt to amend the Hickenlooper amendment, so as to bring ourselves back to where we were according to the terms of the bill, with the device of congressional protection, this time vested completely in the Committee on Appropriations.

I point out to Senators—and let us not fool ourselves on that score—that, as a substitute for what I thought were far more effective and far more germane to the victory we had won, there were protections contained in the Saltonstall-Dirksen amendments as perfected by the Senator from Arkansas [Mr. FULBRIGHT]. Apparently my colleagues, who are as smart as I am, do not agree at all. But I would be derelict in my duty and conscience, having voted against the Byrd amendment and fought against it, if I did not make an announcement of what I propose to do. I wish to make such announcement now. I have no objection.

The ACTING PRESIDENT pro tempore. Without objection, the amendment is withdrawn.

Mr. SALTONSTALL. Mr. President, as I understand the parliamentary situation now, the Senator from Illinois having withdrawn his substitute, the question recurs on the perfecting amendment of the Senator from Arkansas [Mr. FULBRIGHT] to my amendment. Am I correct?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. SALTONSTALL. I have listened to what the Senator from Illinois has said. I have listened to what the Senator from New York has said. I intend to take the same action as the Senator from Illinois has taken. I shall ask to withdraw my amendment at this time, and will offer it at a later time if I so desire.

The situation, as I see it, which is created by the Hickenlooper amendment, if it is offered, is simply this: Under the Byrd amendment, if it were agreed to, Congress would have to appropriate the necessary money each year to carry out the 5-year authorization. Under the Hickenlooper amendment as it is printed and is lying on the table, Congress would have a negative responsibility to stop the Executive if, in the opinion of Congress, the Executive should go too far or in the wrong direction.

At the present time, under section 104 of the Government Corporation Act, the Appropriations Committee has the responsibility of appropriating administrative expenses each year. The other expenses, including obligations, and so on, are submitted to the Committee on Appropriations, and that committee approves of such expenditures. They approve of that submission.

So far as I know, in my 12 or 14 years of experience on the Committee on Appropriations, we have never changed the Government corporation's duty as items were submitted to us. In some instances we have cut down on the administrative expenditures that were allowed.

It is my understanding that the Hickenlooper amendment would provide that the administration, in requesting money for administrative expenses, go first to the House of Representatives with an appropriation bill. When the bill reached the House and the Appropriations Committee acted upon it, the House would have before it the question of the administrative expenses. In the Hickenlooper amendment the expenses are called operating expenses rather than administrative expenses.

What the Hickenlooper amendment would do would be to drop from subsection (b) the reference to section 104 of the Government Corporation Control Act and spell that language out anew. If the House must pass on the operating expenses, it can at the same time also look over the budget and the proposed loans that have been submitted. Under the terms of the Hickenlooper amendment, the action would have to be an affirmative act that would come to the Senate.

As I understand, the parliamentary ruling would then be that if the House submitted an amendment, the Senate Committee on Appropriations could consider any amendment that was germane to the amendment that the House submitted. That would be proper parliamentary procedure. If the House sent their bill to the Senate with no amendments except only a provision for administrative expenses, the Senate Committee on Appropriations would have the responsibility of approving the administrative expenses, and also, if it wanted to go further and submit an amendment to the Senate, it would require a two-thirds vote to suspend the rule of the Senate and permit legislation on an appropriation bill.

I believe that if the House submits an amendment that goes to the responsibility of a loan, it certainly would put the administration on notice that such loan might be contested in Congress. If the House did not add an amendment,

but if the Senate Committee on Appropriations decided to do so, enough discussion would be created so that the administration would look very carefully at the proposed loan.

I voted against the Byrd amendment. I voted against it because I wanted to go forward with the Development Loan Fund and not make it subject to appropriations every year. But I offered my amendment because I believed that Congress should keep a closer watch on the Fund than would be permitted under the present section 104. Therefore, I submitted my amendment, which has been amended by the perfecting amendment of the Senator from Arkansas [Mr. FULBRIGHT]. I wish to keep that amendment in abeyance. I wish to withdraw it at this time and keep it in abeyance so that if, in my opinion, a situation develops to require it, it may be pertinent to offer it again. But I am in accord with the Senator from Illinois. I am in accord with the desire of other Senators to get off dead center. We want to move forward in this whole discussion. I think the cleanest way to do so is to withdraw my amendment, as the Senator from Illinois has withdrawn his amendment, for the time being, and permit the Senator from Iowa [Mr. HICKENLOOPER] to offer his amendment, have our discussion on the amendment, take a vote, and then see where we are.

I ask unanimous consent to withdraw my amendment, which would automatically take the perfecting amendment of the Senator from Arkansas out of the way.

Mr. JAVITS. Mr. President, reserving the right to object——

Mr. PROXMIRE. Mr. President, reserving the right to object——

Mr. JAVITS. Mr. President, reserving the right to object, I propound a parliamentary inquiry. If the withdrawal of the Saltonstall amendment is permitted—the amendment of the Senator from Illinois [Mr. DIRKSEN] having already been withdrawn—would that mean that the right to 2 hours' debate, as provided by the unanimous-consent agreement, would be ended, and the only debate remaining would be a half hour on the Hickenlooper amendment, when offered?

The ACTING PRESIDENT pro tempore. The Senator is correct. The effect of withdrawing the amendment would be an annulment of the agreement on time.

Mr. JAVITS. I would be constrained to object, of course, on that basis. I think the Senator from Massachusetts [Mr. SALTONSTALL] would not wish us to be curtailed to 30 minutes of debate in view of the situation. But I respectfully suggest to the Senator from Massachusetts that he might couple with his unanimous-consent request, a request that the 2 hours of debate that would have been permitted on his amendment be transferred to the Hickenlooper amendment, and that the other provisions of the unanimous-consent agreement entered into yesterday remain the same, except for the absorption of the half hour theretofore allocated to the Hickenlooper amendment in the 2 hours. We would then have an opportunity to discuss the amendment in an intelligent way.

I could offer my amendment, upon which, incidentally, I would have only 20 minutes for debate, but that would not bother me. We could try to have the debate I indicated.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to withdraw my amendment and to alter the present unanimous-consent agreement under which we will be operating, to provide for 1 hour of debate, a half hour on each side, the time of those in favor of the amendment to be controlled by the Senator from Arkansas [Mr. FULBRIGHT], and the time in opposition to the amendment to be controlled by the minority leader.

Mr. JAVITS. Mr. President, I have just discussed the matter with the minority leader—and I would like to have some time on my amendment to the Hickenlooper amendment and I would like to have 1 hour of debate on my amendment.

Mr. DIRKSEN. I ask unanimous consent that an hour of debate be devoted to the amendment of the distinguished Senator from New York, with 30 minutes on each side.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. PROXMIRE. Mr. President, reserving the right to object, I should like to ask the Senator from Massachusetts if the parliamentary situation now is this: He withdraws his amendment. The Senator from Illinois withdraws his amendment. The Senator from Iowa will call up his amendment, and debate will be on the amendment of the Senator from Iowa. I ask this question because I have an amendment to the amendment of the Senator from Illinois and to the amendment of the Senator from Massachusetts, which would require publication of reports.

Mr. SALTONSTALL. The statement of the parliamentary situation by the Senator is correct. The Senator from Massachusetts has asked to change the unanimous-consent agreement to give an hour of debate to be controlled by the Senator from Iowa and an hour controlled by the Senator from New York.

Perhaps it would be better, if the Senator from New York will approve, to have 2 hours of debate on the Hickenlooper amendment and any amendments thereto. If the Senator from Wisconsin had any amendment to offer, he could offer it during that debate.

Mr. JAVITS. I would prefer to have the time allocated on my amendment. Then I know what time I have, and I know how much time I can allocate, and thus take care of the situation.

Mr. SALTONSTALL. I will accept what the Senator from New York has stated.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BUSH. Reserving the right to object, what is the proposal now? This discussion is moving so fast we can hardly keep up with it.

Mr. SALTONSTALL. The proposal, as the Senator from Massachusetts understands it, is that the Senator from Illinois has withdrawn temporarily his amendment, the Senator from Massachusetts has withdrawn temporarily his amendment, on which the Senator from Connecticut and other Senators are cosponsors, and the situation is now that it is presumed the Senator from Iowa [Mr. HICKENLOOPER] will offer his amendment, and that debate on that amendment will be limited to 1 hour, a half hour on each side; that the Senator from New York will offer an amendment to the Hickenlooper amendment, on which amendment the debate will be limited to half an hour on each side.

The unanimous-consent request now is to change the time so that on the Hickenlooper amendment there will be 1 hour of debate, and on the amendment that the Senator from New York will offer to it there will be another hour of debate; therefore, there will be 2 hours of debate to be divided between the Hickenlooper amendment and the Javits amendment to the Hickenlooper amendment.

Mr. BUSH. I would prefer to have the unanimous-consent agreement modified so that there will be 2 hours of debate on the Hickenlooper amendment, equally divided.

Mr. SALTONSTALL. That is perfectly agreeable to me. That was the original suggestion. If the leadership approves, I am willing to go along with that suggestion.

Mr. FULBRIGHT. I am agreeable to anything that will bring about an agreement. We spent 6 hours on debate yesterday and got nowhere. I am agreeable.

Mr. JAVITS. As I understand the unanimous-consent agreement, there will be 2 hours of debate on the Hickenlooper amendment, to be equally divided, under the control of the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Illinois [Mr. DIRKSEN]; that there will be 1 hour of debate on my amendment, equally divided, a half hour under the control of the Senator from Arkansas [Mr. FULBRIGHT] and a half hour under my control; and that the provision of yesterday's unanimous-consent agreement relating to 20 minutes of debate on other amendments to these amendments survives the present unanimous-consent request.

The ACTING PRESIDENT pro tempore. Is that the understanding of the Senator from Massachusetts?

Mr. SALTONSTALL. That is my understanding.

Mr. PROXMIRE. The question of the Senator from Wisconsin does not go to the point of time available. The Senator from Wisconsin is concerned with whether or not a requirement of publicity on reports would have any opportunity to be presented if the only amendment before the Senate is the amendment of the Senator from Iowa. It seems to me it would not.

Mr. SALTONSTALL. The situation, as the Senator from New York has pointed out, is that there will be 2 hours of debate on the Hickenlooper amendment, with 1 hour on each side, 1 hour of debate on the Javits amendment, and 10 minutes on each side on other amendments that are offered after the Hickenlooper and Javits amendments are out of the way.

Mr. PROXMIRE. The Senator from Wisconsin has no recourse but to wait to see what the Senate does with the Hickenlooper amendment.

Mr. KEATING. Since I was affiliated with the Senator from Massachusetts on his amendment, I believe I should state my position. I prefer the amendment offered by the Senator from Illinois yesterday. The reason is that it gives Congress a look at the situation every time a significant loan is made, instead of waiting until a whole year has elapsed.

Under the provisions of the amendment offered by the Senator from Iowa, it is at the end of a year that Congress looks at it, but it does then have a veto power, which was originally incorporated in the so-called Saltonstall-Keating amendment. So the veto power is reinstated in the Hickenlooper amendment.

It is my understanding that the Secretary of State has indicated that that amendment is satisfactory to him and that the administration can operate under it. In the interest of harmony, and having participated in the discussions with the other Senators who have offered similar amendments, I believe that the Hickenlooper amendment gives a large measure of congressional control, or probably a larger measure of control than is incorporated in the other amendments, the difference being that that control comes at the end of a year instead of at the end of 30 days. I believe the administration would find itself better able to live with the amendments which we have offered than this one. Since they have given their approval, as I understand, to the proposal now about to be discussed, and it has been approved by the distinguished chairman of the committee, certainly I am very happy to go along with it.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request of the Senator from Massachusetts? The Chair hears none, and it is so ordered.

Mr. SALTONSTALL. I should like to make just one more remark on this subject. I agree with what the Senator from New York has said, with one addition. The Hickenlooper amendment gives Congress a chance to look over the past history of a year, and also, after 1962, it is given an opportunity to look forward in 1963 and 1964 and 1965, because the President must submit what he is going to do with this money in the future.

Mr. KEATING. I agree with what the Senator has said.

Mr. HICKENLOOPER. Mr. President, I call up my amendment which is lying at the desk and ask that it be read.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 8, lines 19 to 23, strike out all of subsection (b), and insert in lieu thereof the following:

In carrying out the purposes of this title the President shall prepare annually and transmit to the Congress a budget program as specified in sections 102 and 103 of the Government Corporation Control Act, as amended (31 U.S.C. 847–848), and provision shall be made in an appropriation act permitting such obligations and expenditures as may be necessary for carrying out such budget program or limiting the same in the event that the Congress shall find that unusual circumstances involving considerations of important national policy shall so require.

Mr. HICKENLOOPER. Mr. President, Senators will note that the amendment as read differs slightly from the amendment I offered last night, and which has been lying on the table. The change in the present proposal is in the elimination of the words "legislation shall be enacted," which occurred in the middle of the original amendment. The present proposal would substitute therefor the clause "provision shall be made in an appropriation act," so that following the parentheses, which contain the figures and letters "31 U.S.C. 847–848," the language will read, "and provision shall be made in an appropriation act permitting such obligations and expenditures as may be necessary."

The reason for placing those words in the amendment is that they make it completely certain, in my opinion, that this subject will come before the Committees on Appropriations for examination. I had some question in my mind yesterday as to whether the matter would be submitted to the Committees on Appropriations, because it is in the nature of an authorization proceeding, but I was almost certain that it would go to the Committees on Appropriations. However, this language, in my judgment makes it completely clear that the subject will go before the Committees on Appropriations.

I have no intention of using the entire time allotted to this side on this amendment. I simply say that the amendment does not require an appropriation. That situation has already been taken care of in the bill and was passed upon by the Senate last Friday when the Senate acted on the Byrd amendment. The authority in the Bank to borrow from the Treasury is still in existence. Much as I opposed that provision, we who favored the Byrd amendment were defeated last Friday. So the Bank can proceed to borrow money under the law; but this amendment provides that the President shall submit annually a budget proposal for the expenditure of this money by the Bank for the ensuing year. In that proposal, the programs will be outlined, and then Congress, in an appropriation act, will permit the use of the money which the Bank already has the authority to borrow in order to carry out all the budget provisions.

The amendment does not go as far as I should like to have it go. As I have said, I supported the Byrd amendment. That expressed my desire. It was my position that the program should be subject to annual appropriations by the Committees on Appropriations, in which the details would be meticulously considered, and the Appropriations Committees and Congress would appropriate the money. But the Senate settled that question on Friday.

However, this amendment does provide an opportunity for review, and I believe it offers a substantial measure of protection against the zealousness of bureaucratic expansion. It makes no difference what administration is in power; it seems always to be a characteristic of bureaucrats that once they get authority to spend money, they are not inhibited or substantially controlled either through the appropriations process or by any other restrictions or constrictions in the law. They are apt to go very far in their commitments and operations with public money. It is easy to write a check on Uncle Sam. It is easy to make commitments for expenditures in faraway places. If there is not some kind of restraint or some kind of reviewing operation, those activities can get far afield. They have in the past.

The numerous complaints we hear about our oversea operations arise from glaring mistakes which have been made in programs. If the budget is to be submitted for examination, review, and affirmative approval by Congress, even though the money is available without further action of Congress, then those who prepare the budget and who make the plans and programs will be exceedingly careful to make certain that what they propose can be justified and defended.

Mr. ELLENDER. Mr. President, will the Senator from Iowa yield for a question?

Mr. HICKENLOOPER. I yield.

Mr. ELLENDER. Let us assume that the President borrowed the amount authorized by the bill now being considered. Would he be required to furnish the Committees on Appropriations of both the House and Senate with a complete program of proposed expenditures?

Mr. HICKENLOOPER. As the author of the amendment, my interpretation is that that is what would be required and what the President would have to do.

Mr. ELLENDER. What power would the Committees on Appropriations or the Congress have if it thought that obligations and expenditures should be limited?

Mr. HICKENLOOPER. Congress could refuse to permit the expenditures of the money for that purpose.

Mr. ELLENDER. How would that be accomplished?

Mr. HICKENLOOPER. By inaction. The money could not be spent for that purpose except by affirmative legislation of Congress. That is the control which Congress has.

Mr. ELLENDER. In other words, Congress would have to disapprove the President's request, if it desired to limit the program.

Mr. HICKENLOOPER. No; Congress would not have to disapprove; Congress simply need not act.

Mr. ELLENDER. Would not Congress be required to take some positive action on the proposed loan program?

Mr. HICKENLOOPER. No, not at all. The program would not become effective unless Congress acted. There is a difference. I wish to make this point clear. This amendment is not like the Government Corporation Control Act, under which inaction permits, in most cases, the program to become effective. The amendment requires, in specific words, as I read it—it is clear to me—that when the budget program

is submitted, then affirmative legislation is required to permit the money to be spent for that purpose. I do not wish any mistake to be made about that.

Mr. ELLENDER. Thus, under the Senator's amendment the President would have to submit a budget in much the same manner as is presently done in the case of any agency seeking an appropriation of funds.

Mr. HICKENLOOPER. Yes, he would have to do that.

Mr. ELLENDER. Then Congress would have the power to approve, disapprove in part, or disallow completely the President's request for funds.

Mr. HICKENLOOPER. The point is that the amendment provides that the expenditure cannot be made unless Congress by legislation affirmatively says that it can be made.

Mr. ELLENDER. Will that be done by separate legislation or in an appropriation act.

Mr. HICKENLOOPER. No. I do not know which copy of my amendment the Senator may have.

Mr. ELLENDER. I believe I have the copy as amended, but I am not certain.

Mr. HICKENLOOPER. The amendment, as amended, specifically provides that "provision shall be made in an appropriation act permitting such obligations and expenditures as may be necessary for carrying out such budget program."

The reason those words were included, so as to change somewhat the verbiage from what it was last night, when the amendment was originally submitted, is to make completely certain that the program will go before the Committees on Appropriations. They will consider the proposed budget. They will consider the program. Then they will have to act affirmatively before the money can be spent.

Mr. AIKEN. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. AIKEN. The amendment also provides that Congress may limit the budget "in the event that the Congress shall find that unusual circumstances involving considerations of important national policy shall so require."

I would say that if Congress found that some bad commitments were about to be made, that would constitute "unusual circumstances involving considerations of important national policy."

Mr. HICKENLOOPER. So far as the question of the Senator from Louisiana is concerned, I do not know how it could be more clearly written that the money cannot be spent unless affirmative action is taken by Congress, unless approval and permission are given by Congress to spend the money. I think that is very clearly set forth in the amendment.

Mr. ELLENDER. But as I understand the measure as it is now written, the President would have power to borrow so much money from the Treasury.

Mr. HICKENLOOPER. That is right.

Mr. ELLENDER. And the right to borrow would give him the right to obligate. Would it not?

Mr. HICKENLOOPER. Not necessarily. Under this amendment he would propose that; and under the present act, as it now stands, in the absence of this amendment, he could obligate and commit it.

Mr. ELLENDER. That is what I contended last Friday when I supported the Byrd amendment. I believe Congress should have ultimate control of any expenditure of funds. The Senator and I are in complete agreement on that score and I am sure he knows why.

Mr. HICKENLOOPER. Because when Congress provides the money, there is an authorization for its expenditure and its commitment. That is why I supported the Byrd amendment. But the Senate settled that issue last Friday.

This amendment maintains the law as it now is. The Bank can borrow the money from the Treasury. But when the President must submit an annual budget of the proposals for the expenditure of the money. Not one cent of it can be spent for those budgetary proposals until Congress has affirmatively permitted that expenditure; and that is just as clear as I know how to write it in the amendment. So, although the money can be borrowed from the Treasury, it cannot be spent until Congress permits it to be spent.

Mr. BYRD of Virginia. Could the Appropriations Committees and the Congress amend the appropriation request—for instance, could they cut it in half?

Mr. HICKENLOOPER. It is not an appropriation request. It is a permission to carry out the budget proposals.

Mr. BYRD of Virginia. Will it require affirmative action by the Appropriations Committees and the Senate and the House of Representatives, or not?

Mr. HICKENLOOPER. It will require affirmative action by the Congress—and, of course, under our process, it will have to come through the Appropriations Committees—before 1 cent of this money can be spent to carry out projects included in the budget.

Mr. BYRD of Virginia. Would Congress be compelled to approve all of it or part of it?

Mr. HICKENLOOPER. No; under the provisions of this amendment——

Mr. BYRD of Virginia. I mean, could Congress amend and approve part of it, but not all of it?

Mr. HICKENLOOPER. Yes, without doubt, under this language, because it states:

> Provision shall be made in an appropriation act permitting such obligations and expenditures as may be necessary for carrying out such budget program or—

And now comes the important language, in connection with the Senator's question—

> limiting the same in the event that the Congress shall find that unusual circumstances involving considerations of important national policy shall so require.

Mr. BYRD of Virginia. What is the difference between the Senator's amendment and the Byrd amendment?

Mr. HICKENLOOPER. There is this difference: Under the Byrd amendment, appropriations are required, after a review of the program. Although I favored the Byrd amendment, as the Senator from Virginia well knows, the Senate has now settled on the borrowing authority.

But this amendment limits the use of the money borrowed, and puts it in the hands of the Appropriations Committees and the Congress——

Mr. BYRD of Virginia. But the annual appropriations which customarily have been made can be limited. If this comes before the Congress for affirmative action, it seems to me that is practically the same as an annual appropriation.

Mr. HICKENLOOPER. The Senator will get no quarrel from me as to that particular philosophy, because this amendment mover close to the Byrd amendment.

Mr. BYRD of Virginia. I wish to understand how close it moves. I wish to understand what authority the Appropriations Committees would have to change it and what authority the Appropriations Committees would have to approve it. If they can change it or approve it, that is equivalent to an annual appropriation.

Mr. HICKENLOOPER. In my judgment the effect of the amendment will be substantially that.

Mr. BYRD of Virginia. But the Secretary of State does not agree as to that. He says:

> There are significant differences between the procedures which would be operative under Senator HICKENLOOPER'S amendment and those which would have obtained in the event Senator BYRD'S amendment had passed. Under Senator BYRD'S amendment there could have been no assurance whatever that in any particular year any amount of money would have been appropriated by the Congress for the development lending program.

Mr. HICKENLOOPER. Yes, that is correct.

Mr. BYRD of Virginia. Then the Secretary of State says:

> It would, therefore, have been impossible for the President to know now or at any future time what funds would be available to him in the future from which he could make commitments to aided nations with any degree of assurance that the funds would in fact become available.

How could he have any assurance, under the Senator's amendment?

Mr. HICKENLOOPER. He would have the same assurance that he had when the commitments were made at Bogotá, last spring, before the appropriations were made—in that case, that $500 million would be available for the Inter-American Development Bank. He would have the same assurance that other Presidential commitments have had when they have been held out to other peoples prior to the actual legislative enactments. The money will be there.

Under the Byrd amendment—which I approved and supported—the President would not have known whether he would have had any money, until the Appropriations Committees and the Congress got through looking over all those details and then appropriated the money.

But the Senate settled that, last Friday, so far as the present bill is concerned. As it stands now, the borrowing

power is in existence; they can borrow the money. But under this amendment they cannot spend it until there is affirmative approval of the budget proposals submitted each year by the President. So this gives the Appropriations Committees and the Congress power either to say, "Yes, you can go ahead and spend the money which you already have rattling around in your pocket, because you have the power to borrow it" or "You have to take out this, that, or the other, out of the written proposal, because we want it taken out, in the national interest."

So, in the one case they would already have the money, and could obtain permission to spend it. Under the Byrd amendment, they would first have to obtain the appropriation.

Mr. BYRD of Virginia. Is the only difference, then, in the opinion of the Senator from Iowa, that in one case the money will be borrowed, and in the other case it will not come out of the General Treasury?

Mr. HICKENLOOPER. I think the difference is that under the Byrd amendment, on which the Senate acted on Friday, the money would not be available at all for this purpose until after the programs had been submitted and had been examined and then the appropriations had been made—a procedure which I favor.

Under the amendment I am proposing now, the money will be available—if this law goes into effect as it now is—but its expenditure will be prohibited until Congress affirmatively authorizes the expenditure of the money which is available under the borrowing power.

Mr. BYRD of Virginia. Why are the opponents of the Byrd amendment, who were so strongly opposed to it, willing to accept this amendment, if the effect is the same?

Mr. HICKENLOOPER. Not all of them are willing to accept it; but some are, because they believe this amendment gives more latitude to the administration in planning and making basic commitments, and still leaves a substantial amount of supervision and control, in broad measure, in the Congress.

I do not mean to have it understood that all the opponents of the Byrd amendment are favorable to my amendment.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. WILLIAMS of Delaware. As I understand it, if this amendment is adopted they would have authority in the current fiscal year to borrow $1,187 million under the provisions of this bill.

Mr. HICKENLOOPER. I believe so.

Mr. WILLIAMS of Delaware. But they could not spend or loan any of that money without affirmative action by the Appropriations Committees. Is that correct?

Mr. HICKENLOOPER. That is my understanding.

Mr. WILLIAMS of Delaware. One further question. Suppose we pass this bill with the Hickenlooper amendment in it, and Congress adjourns prior to the time that the administration submits its proposed budget for 1962. Does that mean the administration cannot lend that money until Congress comes back in January and approves it?

Mr. HICKENLOOPER. In my judgment, they cannot. It is my intent that Congress must act affirmatively.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. PROXMIRE. The amendment reads:

> * * * transmit to the Congress a budget program as specified in sections 102 and 103 of the Government Corporation Control Act * * *

I presume that means there must be at least a description of the projects involved and at least of the largest loans involved, indicating the purposes for which the money would be loaned, the countries to which the money would be loaned, and that kind of information?

Mr. HICKENLOOPER. I would think with the submission of the program there would be contained in the budget request substantial details as to what they intend to do, what programs are involved, where they expect to lend the money.

Mr. PROXMIRE. So it would be available to the committees and Congress?

Mr. HICKENLOOPER. So far as I know, it would be available to the committees, to Congress, and to everybody. There is nothing in here to restrict the information. There is just one caveat. I think there is provision in the bill that in certain phases of the operation, if the President determines that the national security or national interest is involved, he is not required to disclose certain information. That has a limited application.

Mr. PROXMIRE. I shall not offer an amendment I had intended to offer to the amendment of the Senator from Iowa, because his amendment takes care of the problem.

Mr. HICKENLOOPER. I assure the Senator from Wisconsin it is my understanding, and my interpretation of my amendment, that, except as involves the national security or other provisions requiring secrecy, which the legislation would prevent disclosure of, all other matters would not be subject to secrecy or to restriction or to classification, so far as I know.

Mr. FULBRIGHT. Mr. President, will the Senator yield to me?

Mr. HICKENLOOPER. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. I agree with practically everything the Senator has said except one point. I do not believe the language is reasonably subject to the interpretation that the budget could be defeated by the committee's doing nothing. I think action is mandatory. The committee must act. It must act either to approve or disapprove. If the budget was submitted to the committee and it passed out the whole budget and approved everything except, let us say, the Development Loan Fund, and said nothing about it, I think that would be reasonably interpreted as being approved. I do not think it is reasonable to interpret this language to mean that the committee, just by sitting on their hands and not expressing their views and not saying anything, had thereby disapproved it.

I do not think such a condition would arise. I cannot conceive of the committee's sitting and doing nothing about it. I think it will either approve or insert a limitation providing, "None of this money shall be used for such-and-such a purpose," as it customarily does.

That is the only disagreement I have with the interpretation of the Senator from Iowa.

Mr. HICKENLOOPER. The Senator has raised an interesting point. I would like to take it just a step further. If it is to be interpreted as the Senator views it, then one might strain a point and say there is a requirement that the committee also limit the budget, because there is an alternative there. The amendment further provides:

> and provision shall be made in an appropriation act permitting such obligations and expenditures as may be necessary for carrying out such budget program or limiting the same in the event.

And so forth.

Mr. FULBRIGHT. That is correct. They must do one or the other.

A Senator raised the point—I believe it was the Senator from Louisiana—as to what would happen if they did nothing. If this language had to be interpreted by a court, I would think the court would interpret doing nothing as being equivalent to approval. The committee would not normally do nothing. Normally it would approve or disapprove, just as, under the Government Corporation Control Act, they have always approved them. The committee has the power to limit it, but I believe—this may not be an important point to labor—they either disapprove or approve.

Mr. HICKENLOOPER. I think the committee will either disapprove or approve, as a matter of fact, but it is my feeling and it is my intention that the amendment will require affirmative action.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. WILLIAMS of Delaware. In the submission of the budget to the Congress, is it understood that the budget would carry an itemized breakdown of proposed projects and the money to be loaned, and if a particular loan or project was not approved it could not be carried out?

Mr. HICKENLOOPER. Under this amendment, it is my intention that the budget program setting out what is proposed to be done, where the money is expected to be loaned, and the projects that are expected to be supported by way of loan, will be contained in the budget proposals.

Mr. WILLIAMS of Delaware. And the projects will be itemized by name or description?

Mr. HICKENLOOPER. Yes, I think so, in the main. There may be certain

administrative costs which will be lumped together.

Mr. WILLIAMS of Delaware. But the projects themselves will be named.

Mr. HICKENLOOPER. But the substantial projects proposed in the itemization will be contained in the budget proposal. The budget is itemized generally in other fields. It will be done in the same way.

No doubt, Congress, acting through the Appropriations Committee, can limit or say, "We will not permit the expenditure of this money, which you have the authority to borrow, for this particular part or program in the budget, or certain items or certain loans." If the administration desired to lend money to Cuba, for example, we could say, "We will not permit you to do that. Permission will not be granted to lend money to Cuba," or projects of that kind.

But, in the main, I would say that, with a careful preparation of the budget proposals, the chances are overwhelming that the Congress will approve the budget if it is meticulously, sensibly, and carefully prepared, as has been done almost without exception in the past.

Mr. WILLIAMS of Delaware. I supported the Byrd amendment, as the Senator well knows, because I think Congress should retain some degree of control over this program and the money to be spent; but the administration opposed that amendment very strenuously. I understand it is supporting the Hickenlooper amendment. Why, I fail to understand since this amendment is even more restrictive on the operations than the Byrd amendment.

Mr. HICKENLOOPER. I cannot say that the State Department is jumping with joy over this amendment. I am certain that they are not going to have a celebration there if it is adopted. But the State Department has said they can live with it, and it is all right if we adopt the amendment. Perhaps they recognize the necessity of the inevitable on occasions, but I cannot say that they are overly enthusiastic. I think they would rather have the bill as it originally came to this body, but they will accept the amendment.

Mr. PROUTY. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. PROUTY. Mr. President, does the Senator think the President can make some commitments now to enter into agreements in the future?

Mr. HICKENLOOPER. I think that would depend upon the nature of the agreements. I think it would have to be proposed as a budgetary operation within the year to follow. If the budgetary operation proposed contract authorizations to be carried out in a future year, I think probably it could be done, provided it were carried in the budgetary proposal for the year.

In other words, in my view it would not have to be a proposal: We will build a dam; we will start construction of a dam; we will build a railroad; we will build a highway, or something of that kind, in this particular year. They could propose, in a budgetary proposal: We propose, under the budget, to enter into a commitment and an agreement for funds which would carry over.

I see nothing wrong with that, if it is contained in the budget proposal.

Mr. JAVITS. Mr. President, will the Senator yield at that point?

Mr. HICKENLOOPER. May I finish my colloquy with the Senator from Vermont? Then I will yield to the Senator from New York.

Mr. JAVITS. I am sorry to interrupt. I had a question on that point.

Mr. PROUTY. Of course, under section 104 of the Government Corporation Control Act that could be done.

Mr. HICKENLOOPER. Yes.

Mr. PROUTY. The Senator eliminated that section in the amendment.

Mr. HICKENLOOPER. Yes.

Mr. PROUTY. I invite attention to section 635(b), on page 81 of the bill, which reads as follows:

> Except as otherwise specifically provided in this Act, the President may make advances and grants to, make and perform agreements and contracts with, or enter into other transactions with, any individual, corporation, or other body of persons, government or government agency, whether within or without the United States, and international organizations in furtherance of the purposes of this Act.

On page 82, section 635(f) reads as follows:

> In making loans under this Act, the President—
>
> (1) may issue letters of credit and letters of commitment;

I think we should know definitely what restrictions, if any, are to be imposed on the President.

Mr. HICKENLOOPER. I think the operations would have to be contained in the budget proposal. He would have to say, "I propose to issue letters of credit and letters of commitment." If that were approved, he could go ahead to do it. Otherwise, he could not.

Mr. PROUTY. I think some of the members of the agency and the State Department have suggested that at the present time they could not say definitely what projects they would carry out. They will have to say, "We wish to advance x number of dollars over the next 4 or 5 years, and we will get together on the projects."

Mr. HICKENLOOPER. I think it is perfectly under the propriety of the amendment to say, "In this budget, since it is rather uncertain what projects will be involved, we propose to commit so much money, which will be used in the future for the examination and exploration of certain projects."

If that were contained in the proposal for the budgetary year, and the Congress OK'd it, they could go ahead to do it. I would see no inhibition on that.

Mr. PROUTY. Some of us who voted against the Byrd amendment did so because we did not think it changed the picture very much from what it has been over a period of time. We wished to make sure that the projects would be specifically defined before money was spent, not afterwards, as has been the case in the past. I hope the Senator's amendment will correct the situation somewhat.

Mr. HICKENLOOPER. In my view, this would require that the expenditure of the money be approved before they could go into the project.

Mr. PROUTY. I appreciate the Senator's explanation.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield for a question. I am perfectly willing to yield the floor temporarily.

Mr. JAVITS. I should like to ask the Senator a question, to pinpoint the present argument.

Would the Senator agree it is a fact that a provision in a budget which would go to the Appropriations Committee, which would call for a commitment over more than 1 year, could be deleted by the Appropriations Committee at that stage?

Mr. HICKENLOOPER. It could be.

Mr. JAVITS. I simply wished to pinpoint that fact.

Mr. HICKENLOOPER. I think the amendment provides that a portion of the budgetary proposal can be deleted by the Congress, not by the Appropriations Committee. We use the term "Appropriations Committee" rather loosely. It is the Congress which will do this. The Appropriations Committee is the arm of the Congress which looks after the details.

Mr. President, if there are no other questions, I reserve the remainder of my time, whatever it may be, for future use.

Mr. COOPER. Mr. President——

Mr. JAVITS. Mr. President——

The VICE PRESIDENT. Does the Senator yield; and, if so, to whom?

Mr. JAVITS. Mr. President, may we have the attention of the chairman of the Committee on Foreign Relations? There is time in opposition. The Senator from Kentucky [Mr. COOPER] wishes to speak. I shall have time on my own amendment. I do not wish to intrude.

Mr. MANSFIELD. Mr. President, evidently the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Arkansas [Mr. FULBRIGHT], are on the same side. I suggest that the Senator from New York [Mr. JAVITS] take charge of the time in opposition to the proposal.

Mr. JAVITS. I think it was arranged for the Senator from Illinois [Mr. DIRKSEN] to have charge of the time, but I shall be glad to be the custodian.

The VICE PRESIDENT. Is there objection to having the time in opposition controlled by the Senator from New York? The Chair hears none, and it is so ordered.

Mr. JAVITS. Mr. President, I yield 10 minutes to the Senator from Kentucky.

The VICE PRESIDENT. The Senator from Kentucky is recognized for 10 minutes.

Mr. COOPER. Mr. President, yesterday when the Senator from Iowa proposed his amendment, I asked certain questions regarding its effect if it should be adopted. I wanted to know specifically of whether the amendment would materially change the assurance of continuity provided by the committee bill, and which we affirmed last Friday in our vote against the Byrd amendment. The Senators response is very frank. He has

said, with all his power and strength, that his amendment would change the committee bill, and particularly those provisions which were at issue when the Byrd amendment was voted upon last week.

I recognize and appreciate the arguments for yearly congressional appropriations, but it seems to me that last week the Senate debated this issue, and voted for the continuity of funds for 5 years. We marched up that hill. We decided, in voting against the Byrd amendment, that we would provide to the President the availability of funds over a period of 5 years without the necessity for affirmative action on the part of the Committee on Appropriations each year.

(At this point, Mr. HOLLAND took the chair as Presiding Officer.)

Mr. COOPER. That, to my mind, was the issue. And as I have said, we met that issue against strong opposition. We decided, that to make the foreign-aid program effective the President should have the power to plan and obligate funds for 5 years.

I invite attention to section 203(a) of the bill, on page 8, which states:

> The President is authorized to incur in carrying out the purposes of this title obligations which may not at any time exceed the sum of (1) all funds made available and all funds authorized to be made available pursuant to the authority, and subject to the fiscal year limitations, provided in section 202(a).

I believe this provision would give to the President authority, without the interposition of the Senate Committee on Appropriations, or of the House, or of the Congress, authority to obligate funds provided under the Act for a specific year. The Senator from Iowa, as always, has been frank and direct. He said, and I think correctly, that the President would not have this authority if his amendment is adopted unless the Appropriations Committee and the Congress by affirmative action each year, approves his budget. And this is the power to change it, reduce it, strike it out.

Mr. President, a great many people are rather tired of the foreign-aid program for many reasons. I have voted for the last 3 or 4 years to reduce appropriations, voting for amendments offered by the Senator from Louisiana [Mr. ELLENDER], because I have been tired of the way the program has been functioning, and because I have believed that under the present system of yearly appropriations, it is not an effective program. It is not an effective program because this system denies flexibility, assurance of funds and continuity without which development measures in other countries cannot be effectively undertaken.

I do not know what are the considerations which now lead the Department of State to accept this amendment. Perhaps, because it may be believed there is no possibility of getting this bill through the House of Representatives, unless the provision is adopted. Let the House of Representatives make this decision. I say to those of us who have supported for years the measures now incorporated in the committee bill, which give hope for an effective foreign-aid program, it is negligent, irresponsible, to continue a system, spend millions of dollars, and not have an effective program. We marched up the hill last Friday and met the issue. We voted for measures to provide an effective program. Now we are asked to march backwards, or to run down, without firing a shot.

I make that statement with the greatest respect for those who have other convictions, which are as strong as mine. They are the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Virginia [Mr. BYRD]. There are no abler or more conscientious Senators. But we, too, have our convictions, and I am very sad that, after making the effort we made, we are now to see it abrogated if the amendment is agreed to.

The reason I am particularly interested is that I believe that if a foreign aid program were used effectively, it could be one of the means we have perhaps to alter the balance of power peacefully and develop a world opinion which would have some influence in the conflict between Communist nations and the United States on the side of freedom. I do not believe our foreign-aid program will have such influence unless it is made more effective. We have an opportunity to make it most effective, if we adhere to the decision that was made last Friday. If we do not, we shall continue our old program—helpful, but in many respects, ineffective, spendthrift, and wasteful.

Mr. JAVITS. Mr. President, I yield myself 10 minutes in opposition.

The PRESIDING OFFICER. The Senator from New York is recognized for 10 minutes.

Mr. JAVITS. In order to visualize what is occurring, I should like to make this one point clear, because to me it represents the signal light in the whole situation. I call to the attention of Senators subsection (b) of section 203, on page 8 of the bill, lines 19 to 23. The bill now incorporates section 104 of the Government Corporation Control Act. The amendment of the Senator from Iowa [Mr. HICKENLOOPER] would strike out that provision and put in some other version of section 104 of the Government Corporation Control Act, which has never been construed, and which is absolutely a first impression.

So I believe that the first question that every Senator must ask himself is this: If the State Department gave us certain assurances as to the efficacy of section 104 of the Government Corporation Control Act, based upon its text, and now we are relying on those assurances—and we did say that we are—why should we move from that position and accept a new measure which would involve so much argument? Why not stick precisely by what the Department interpreted and described as representing the course of procedure it would follow under an applicable law? Obviously the Senator from Iowa wishes to do something different, something other than what is done by section 104. Then what gives us all worry and concern—and I think quite properly—because no matter how we dress up the proposal, by agreeing to the Hickenlooper amendment, we would make applicable Appropriations Committee procedure annually.

The Appropriations Committee does not have to write in a provision "for Development Loan Fund, $4.3 billion." The Appropriations Committee could write general language, providing in effect, "We approve the budget program of the Development Loan Fund."

That is all. That is the only difference. Or the Appropriations Committee could say, "We approve, but deduct $500 million."

The committee could say, "We do not approve it at all."

They can do precisely what they do in their normal appropriations procedure.

The tradition and practice has been that they do not take such action. But they do not, with respect to what? With respect to corporations generally for domestic development, which involve wide areas of agreement, in which we do not have such hard-fought struggles as we have had here, and in which the record of cuts between authorization and appropriation is not as it has been in the foreign aid area—30 percent.

Therefore, the first word of warning to me in the proposal is that it would change what the State Department represented to us as accomplishing a certain result. What was represented to us? It was represented to us that the agency could come in with an annual budget, according to the Government Corporation Control Act, and that it would then be the duty of Congress, as the law provides, to approve, or, if the national interest dictated otherwise, to make changes or modifications in the budget.

I have asked the question of all the high authorities, "What would happen if Congress did not act?" The question refers to only one House. It does not mean the House and Senate. Suppose the Congress should not act? Suppose one House did not act? We know immediately that the one change which the amendment of the Senator from Iowa would make is that if there were no action, there would be no authority. The authority would be ended, by the mere fact of inaction.

Senators who voted in opposition to the Byrd amendment did not intend to take that kind of licking, having won on the Byrd amendment. Having determined the policy which would give the administration the authority to move out in a bargaining position in the world with a substantial sum of money, which is what we were convinced was necessary as an essential element in winning the cold war, by this very abstruse, highly technical procedure, we would take the authority away. In my opinion that is one decisive reason why the Hickenlooper amendment should be defeated. The amendment does not answer the question as to what would happen if one of the Houses, figuratively speaking, sat on its hands and did not act. It would answer the question in a way which we thought we were doing when we defeated the Byrd amendment, because that is precisely what would have happened under the Byrd amend-

ment. We had an authorization. If the Congress should choose to appropriate, it would do so. If one House chose not to appropriate, or to cut the request to ribbons, that would be the end of it.

The other point which is very much in question is this: To what extent can budget programs, as they are submitted, cover fiscal years beyond the fiscal year in which we are submitting the budget? In appropriation acts such a provision is specifically set out; that is, the budget program, which is submitted, actually covers years beyond the fiscal year in question, and the budget is approved. That provision could be stricken out. Frankly, I do not know of any way to prevent it from being stricken out, even if only section 104 were applied. But at least section 104 recognizes the business operations of a Government corporation and expresses the intent of Congress upon the basis of which an Executive could then proceed—these are not cases that will ever get into court—and it would carry language to the following effect. I now read section 104:

> The provisions of this section shall not be construed as affecting the existing authority of any government corporation to make contracts or other commitments without reference to fiscal year limitations.

So at least the hands of the Executive would be freed to make some commitment, even if he could not absolutely guarantee that the money would be delivered. If we should agree to the Hickenlooper amendment, we would omit such language. It seems to me that very clearly, as a basis of legislative intent, we then would have compounded what we have already done by paying a premium for congressional inaction. We would compound it by the legislative interpretation that, having omitted that language, we did not intend that the Executive should feel that he has any such authority or any such right. I think the point could be very effectively argued, and I think it would very definitely manacle the Executive into being unable to do precisely what we wanted him to do when we defeated the Byrd amendment.

When we submit the question to the authorities, they say that if we should agree to the amendment of the Senator from Iowa [Mr. HICKENLOOPER], we would then go to other parts of the bill—section 635—which would give the Executive great latitude, and we would then have to decide whether the Hickenlooper amendment really deprived the Executive of this other authority or whether he still has it. But if we do not adopt the Hickenlooper amendment, then we know he has the authority that we want him to have because we defeated the Byrd amendment.

In short, by adopting the Hickenlooper amendment, we would be getting ourselves into a situation in which we are not at present. Why do we need it?

I think section 104 does what the State Department has constantly represented it does; to wit, it makes a requirement for budget submissions annually to the Appropriations Committee, and requires a generalized approval by the Appropriations Committee. At the same time it preserves the latitude given elsewhere in the bill, as well as in section 104, to the President in terms of making commitments which he has every right, as we have fulfilled the commitments before, to feel that we will fulfill with every country with whom he deals. Then why not leave the provision precisely that way?

Why strike out language which gives him the feeling that he can do that, and indicate an intent that he should not? That is what the Hickenlooper amendment would have us do.

It is for that reason, in the first place, that I feel very strongly the Hickenlooper amendment is getting us into difficulties which we are not in, by applying section 104, which we do not need in order to realize what section 104 assures us and what the State Department agrees it assures us in terms of congressional control.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. I yield myself 1 more minute.

However, if the Senate believes—and I certainly understand that with the strong support of the chairman of the Foreign Relations Committee one can almost say the Senate does feel—that this should be done, then at the very least let the Senate attach to it the same caveat, the same directive, which is now contained in section 104, which will give the Executive at least some of the sense of freedom which we thought we gave it when we defeated the Byrd amendment. It is for that reason that I propose to attach my amendment to the Hickenlooper amendment.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield. I yield myself 1 additional minute.

Mr. ELLENDER. I have been listening to my good friend from New York. As I understand, Congress, under the amendment, would have the right to reduce an obligation, change an obligation, if it desired to do so, in the same manner as it now has if the money were appropriated.

Mr. JAVITS. That is correct.

Mr. ELLENDER. That is the interpretation I would put on it. As the Senator has just stated, it runs contrary to the Byrd amendment.

Mr. JAVITS. I thank my colleague. If there are no further requests for time on this side—and I have had none—if the Senator from Iowa has concluded his presentation, I am prepared to yield back the remainder of my time, and then propose my own amendment.

Mr. HICKENLOOPER. Before I yield back the remainder of my time, I suggest the absence of a quorum, and I ask unanimous consent that the time be not charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HICKENLOOPER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BURDICK in the chair). Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, I have modified my amendment, and I ask that the amendment, as modified, be read.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The LEGISLATIVE CLERK. On page 8, line 11, after the word "authorized" it is proposed to insert the following: "subject to the provisions of subsection (b) of this section."

On page 18, lines 19–23, strike out all of subsection (b), and insert in lieu thereof the following:

> In carrying out the purposes of this title the President shall prepare annually and transmit to the Congress a budget program as specified in sections 102 and 103 of the Government Corporation Control Act, as amended (31 U.S.C. 847–848), and before obligations are incurred thereunder provision shall be made in an appropriation act approving such budget program, or limiting the same in the event the Congress shall find that unusual circumstances involving considerations of important national policy so require.

Mr. HICKENLOOPER. Mr. President, the reason for the modification is to make it completely clear that the budget must be submitted and must be approved by affirmative action of Congress. This is clarifying language. In my judgment, it meets the purposes which I think were accomplished in the amendment which I offered, but there is some question as to whether it does. This language is considered to be completely clarifying along that line. Therefore, I offer my modified amendment, which merely clarifies the requirement.

Mr. JAVITS. Mr. President, would the Senator from Iowa mind answering a question?

Mr. HICKENLOOPER. I shall be happy to respond to the Senator's question.

Mr. JAVITS. Do I correctly understand now that the Senator does not intend to strike the provisions on page 8, lines 19 to 21?

Mr. HICKENLOOPER. I do not understand the Senator's question.

Mr. JAVITS. The Senator from Iowa heretofore, in his previous amendment, proposed to strike out the provisions on page 8, lines 19 to 23. He does not strike them now. Is that his intention?

Mr. HICKENLOOPER. Yes; the amendment clearly states that subsection (b) is stricken. However, the figure "18" is a misprint; it should be "page 8."

The third line of the amendment should read:

> On page 8, lines 19–23, strike out all of subsection (b), and insert in lieu thereof the following:

The figure "18" is manifestly a misprint in the amendment, because page 8 is the page on which the applicable subsection (b) is stricken.

Mr. BYRD of Virginia. Mr. President, would the Senator from Iowa be willing to have copies made of his amendment? It is an important amendment, and many

Senators do not fully understand its purport.

Mr. HICKENLOOPER. Yes; if the Senator from New York will agree.

Mr. JAVITS. Mr. President, I ask unanimous consent that there may be a quorum call, without the time for the quorum call being charged to either side, so that copies of the amendment may be made available to Senators.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MILLER in the chair). Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I am prepared to yield back the remainder of my time for debate in opposition to the amendment of the Senator from Iowa, if there is no Senator—and I herewith announce that loudly—who wishes to speak.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. JAVITS. Does the distinguished Senator wish to speak in opposition?

Mr. LAUSCHE. I should like to submit an amendment.

Mr. JAVITS. I cannot do that now, because it would interfere with what we are trying to accomplish.

Mr. LAUSCHE. I understand.

Mr. HICKENLOOPER. Mr. President, I am prepared to yield back the remainder of my time on the same conditions. If any Senator wishes time on the amendment, I shall be glad to yield to him.

Mr. FULBRIGHT. Mr. President, will the Senator yield me 1 minute?

Mr. HICKENLOOPER. I yield 2 minutes to the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, I am not prepared to accept the revised version of the Hickenlooper amendment. I was prepared to accept the original version plus the Javits amendment. I think that would have accomplished the purpose in mind. Since the amendment has been changed, I do not see how I can accept the amendment as changed, as proposed by the Senator from Iowa [Mr. HICKENLOOPER], so I hope it will be rejected.

Mr. JAVITS. Mr. President, I yield back the remainder of my time on the Hickenlooper amendment.

Mr. HICKENLOOPER. Mr. President, I yield back the remainder of my time on the amendment.

The PRESIDING OFFICER. All time has been yielded back.

Mr. JAVITS. Mr. President, I offer an amendment to the Hickenlooper amendment.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the Hickenlooper amendment it is proposed to add the following sentence:

The provisions of this section shall not be construed as affecting authority contained in this act to make contracts or other commitments without reference to fiscal year limitations.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. As I understand the parliamentary situation, the Senator from Iowa had the right, because the yeas and nays had not been ordered, to modify his amendment. The Senator has modified the amendment. My amendment is to his amendment as modified. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ELLENDER. Mr. President, I wonder if the amendment, as amended, could be read, so that we may be certain of the language.

Mr. JAVITS. The whole amendment?

Mr. ELLENDER. Yes.

Mr. JAVITS. The Hickenlooper amendment?

Mr. ELLENDER. The Hickenlooper amendment with the Javits amendment.

Mr. JAVITS. Mr. President, I ask unanimous consent that the Hickenlooper amendment plus my amendment as an addition may be read by the clerk, without the time being charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York? The Chair hears none; and, without objection, the amendment of the Senator from Iowa, as modified, plus the amendment of the Senator from New York, will be read for the information of the Senate.

The LEGISLATIVE CLERK. On page 8, line 11, after the word "authorized" it is proposed to insert the following: "subject to the provisions of subsection (b) of this section."

On page 8, lines 19–23, strike out all of subsection (b), and insert in lieu thereof the following:

In carrying out the purposes of this title, the President shall prepare annually and transmit to the Congress a budget program as specified in sections 102 and 103 of the Government Corporation Control Act, as amended (31 U.S.C. 847–848), and before obligations are incurred thereunder provision shall be made in an appropriation act approving such budget program, or limiting the same in the event the Congress shall find that unusual circumstances involving considerations of important national policy so require.

At the end of the Hickenlooper amendment it is proposed to add the following sentence:

The provisions of this section shall not be construed as affecting authority contained in this act to make contracts or other commitments without reference to fiscal year limitations.

Mr. JAVITS. Mr. President, I yield myself 10 minutes.

We really are resuming the argument which we had on the original Hickenlooper amendment, except that I point out that the revised version of the Hickenlooper amendment has turned the screws down tighter. That is all the amendment has done. It has turned the screws down tighter, first, by including a reference to the limitation which would be imposed by the amendment in subsection (a), which would give the President authority. The amendment would then turn the screws down tighter, also, by eliminating the language contained in the original Hickenlooper amendment, which put a duty upon Congress to enact permissive legislation with respect to the budget program, and instead, made it completely optional with Congress to put an inhibition upon the President not to incur any obligation until Congress actually acted, because the language of the revision is:

Before obligations are incurred thereunder, provision shall be made in an appropriation act approving such budget program.

That provision would again make it crystal clear that the whole operation of the amendment has one basic thrust point, and that is, first, if Congress does not act, we cannot do anything. That is out.

The second thing it would do, which to my mind is at least as damaging, in view of our considered judgment on the merits exercised last Friday in knocking down the Byrd amendment, would be to negate the authority which we give to the President under section 104 of the Government Corporations Control Act to make commitments, if he chooses to do so, which is the very purpose for which we defeated the Byrd amendment, by omitting that particular provision of section 104, because section 104, which is made completely applicable to the bill by the very section which is excised under the Hickenlooper amendment, now provides in so many words exactly what I propose to add. I quote from section 104:

The modification of this section shall not be considered as affecting the existing authority of any Government corporation to make contracts or other commitments without reference to fiscal year limitations.

In short, what I am trying to do is at least to meet one of the objections to the Hickenlooper amendment by my amendment, which is at least to go as far as to untie the hands of the President, considering the intent clearly expressed, it seems to me, if we adopt the Hickenlooper amendment, by Congress that we shall not even make commitments because section 104 gives the President that authority.

I am opposed to the Hickenlooper amendment even with my amendment. But I think at least my amendment would save something from the wreckage which we shall have made of our action on the Byrd amendment should we agree to the Hickenlooper amendment. I am opposed to the amendment for this reason. I think as we stand now in our consideration of the bill, having defeated the Byrd amendment, we have a pattern of control on the part of the Appropriations Committee which is thoroughly understood and interpreted.

These sections of the law would be thoroughly administered by the General Accounting Office. If more is given, I am against them. If less is given, the Senator from Iowa [Mr. HICKENLOOPER] is

against them. Yet all we would be doing is to ship trouble by taking an established section, upon which all the testimony and opinions were based, and changing it with language which we lawyers call sui generis. One could subject the provision to that interpretation.

I have given the Senate what I think is my interpretation. Whether a Senator voted for or against the Byrd amendment, at least we should have some pride in this Chamber that, a decision having been made, all Senators would try to implement it with our best intelligence. For awhile, I must say, I stood all alone in this regard. The State Department thought it was all right and many others thought it was all right. I must say that I could not see it, and I could not see it from the red signal light which flashed on the minute the essence of what we thought we had won in the Byrd amendment action on section 104 was omitted, which is precisely what we would do by the Hickenlooper amendment.

In my own view we should return to the question of legislative oversight. I think the proposals of the Senator from Illinois [Mr. DIRKSEN], the Senator from New York [Mr. KEATING], and the Senator from Massachusetts [Mr. SALTONSTALL] would give Congress oversight with sufficient effective staff people provided to do the job, and the provisions of section 104, standing in their pristine language, as they are presently in the law and in the bill, would preserve to the Appropriations Committee authority to look over the budget and act on items if it chooses, but it would not deprive the President of the authority and ability to make commitments; and, too, it would not say that "the whole world will stop" because Congress, which would mean only one House of Congress, does not act. I think that is the point, at least, that we won last Friday.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. KEATING. Another reason for going back to the Dirksen amendment or the combination of the various suggestions for that approach seems to me that then Congress would get a look at a program in either 15 or 30 days, and would not have to wait a year to upset the applecart on what has been tentatively committed or what has been talked about. In other words, it seems to me that the time provided—a whole year—is too long to wait, on the question, and it would be much better to have a look at the program during the 30-day period.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. JAVITS. If I may finish speaking on this one point, I shall be delighted to yield. I thank my colleague from New York. He has made a very good point, which I did not make, and it adds very materially to the question we are discussing.

First, it is timely. Second, it would introduce the entire Congress, that is, the House and Senate, and not merely the Appropriations Committees. We would not take away any of the prerogatives of Congress. Under section 104 Congress has them. But Congress, too, has a right to know what is going on, which right is provided in the bill under section 613. If the amendment is agreed to, that duty will be given to the Committees on Appropriation, a point which the Senator from New York [Mr. KEATING] and the Senator from Massachusetts [Mr. SALTONSTALL] have tried to establish.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. DIRKSEN. Mr. President, I wish to propound a parliamentary question.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. What is the first pending business now? Is the question on the Javits perfecting amendment?

The PRESIDING OFFICER. The pending business before the Senate is the Javits amendment to the Hickenlooper amendment.

Mr. DIRKSEN. Could a substitute be offered for the Hickenlooper amendment with the Javits amendment thereto pending?

The PRESIDING OFFICER. The same problem was before the Senate yesterday. The question was which amendment would have precedence. The ruling of the Chair at that time was that the amendment to the amendment perfected would have precedence over a substitute.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. The substitute amendment may, however, be pending provided it is offered after time has expired on my amendment, and that would still leave 10 minutes on a side under the unanimous-consent request on the substitute. Is that correct?

The PRESIDING OFFICER. The Chair rules that until the time has expired on the Javits amendment, no other amendment can be taken up.

Mr. JAVITS. Or a substitute?

The PRESIDING OFFICER. Or a substitute.

Mr. DIRKSEN. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. If the Javits amendment were withdrawn, of course, the situation would be altered?

The PRESIDING OFFICER. The Senator is correct.

Mr. DIRKSEN. Then a substitute could be offered.

Mr. JAVITS. I yield to the Senator from Louisiana [Mr. ELLENDER].

Mr. ELLENDER. Am I correct in understanding that the Hickenlooper amendment, as modified and as proposed to be further amended by the amendment of the Senator from New York will have the effect of nullifying the Hickenlooper amendment?

Mr. JAVITS. No; I do not agree with that statement at all. I would like to point out to the Senator from Louisiana that what it would do would be to free the President's hands in making commitments. That is not an obligation. That is not an expenditure. I am not trying to eviscerate—to use a polite word—the Hickenlooper amendment, or to tear out its vitals. I would not do that with an amendment to his amendment, because that would kill it. I omit another sentence which is contained in section 104, which, if added, would completely nullify it. That sentence reads:

> The provisions of this section shall not be construed as preventing Government corporations from carrying out and financing their activities as authorized by existing law, nor as affecting provisions of section 831(y) of title 16.

That is another matter.

What I am pointing out is that I am leaving the tight budgetary control which Senator HICKENLOOPER proposes to impose, but I am freeing the hands of the President in making commitments, as distinguished from an obligation or an expenditure, knowing that Congress will rarely let him down. However, that is not legal authority. Congress could let him down under the procedure which is contained in the rest of the amendment.

Mr. ELLENDER. I would like to ask the Senator another question. What difference is there between the Hickenlooper amendment as modified and proposed to be amended by the Senator from New York and subsection (b) as now contained in the bill?

Mr. JAVITS. There is a difference. I would not say it is a very great difference, but there is a difference. I believe the difference is that the idea of congressional inaction is left.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. I yield myself 2 more minutes. If Congress failed to act—should we adopt the Hickenlooper amendment, and my own amendment, the administration would not be backed up in the commitment it had made. If we adopt the Hickenlooper amendment without my amendment, we would be issuing a directive to the administration not to make a commitment. If we adopt the Hickenlooper amendment and my amendment, the administration can make a commitment, and we reserve the right on an annual basis to say whether we will allow the commitment.

Mr. ELLENDER. I agree with respect to the Senator's interpretation of the Hickenlooper amendment minus his amendment, but what prompted me to say that the amendment of the Senator from New York had the effect of nullifying the Hickenlooper amendment, as modified, is that it would restore almost verbatim the provisions of subsection (b) in line 8. Am I correct?

Mr. JAVITS. I have already answered the question when I tried to delineate specifically what section 104 did.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from New York has 18 minutes remaining.

Mr. JAVITS. I yield myself 2 minutes, and I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. What should be the position of the country if the President should make a commitment. Would not the Congress be expected to honor the commitment?

Mr. JAVITS. It would. I have said that precisely, that that is what we were

doing when we defeated the Byrd amendment. We would give the President an opportunity—and I realize this is a substantive question about which others can have differing opinions—to go out and make commitments for large sums of money. That appeals to us who opposed the Byrd amendment as being an essential weapon for the President to have in the cold war. That does not mean that we would back it up with an obligation and expenditure. Probably we would. Undoubtedly we would. However, we still reserve the power. Other than that, I saw very clearly what we were doing in defeating the Byrd amendment, and practically everyone else did also.

Mr. CASE of South Dakota. The only fear I have is with respect to the proviso, which would in effect nullify the first part of the Hickenlooper amendment, because if the President makes a commitment it is inconceivable that the administrative offices would not follow through with making an obligation.

Mr. JAVITS. It is inconceivable, but not impossible. That is why I felt it was necessary to preserve the authority in section 104. We won something by defeating the Byrd amendment. We did not go up hill and then down again. We accomplished something.

Mr. HICKENLOOPER. Mr. President, I yield myself 5 minutes. I should like to discuss this matter with the Senator from New York. Under the proposed amendment of the Senator from New York, which he has offered to my amendment, it does seem to me that his amendment would completely nullify the purpose of my amendment and, to use a term which he used a moment ago, which is applicable, it would completely eviscerate my amendment.

I should like to ask the Senator from New York this question: I understand that his amendment would permit the making of contracts and commitments without regard to fiscal limitations and policy, and with the President's borrowing authority in existence in the law the money would be available so that contracts could be made and money could be used without submitting them to Congress. Is that correct?

Mr. JAVITS. I cannot agree with that statement. My amendment is attached to the Hickenlooper amendment. If the Hickenlooper amendment were to carry with my amendment, we would have lost one step which we now have, having defeated the Byrd amendment. That is the step the Senator has named. However, with the applicability of the tight control under revised section 104, which the Senator has affixed in his own amendment, I do not see that the President could borrow these funds, that is, borrow them in fiscal year 2 as contrasted with authority which he may have had to borrow them in fiscal year 1, or perform a contract or commitment which he had. In view of the mandate of legislative construction which says that one must read the whole act together, I cannot see how the President could make a commitment or contract except subject to this section of the law, which means subject to annual review by Congress.

We do get into national honor, national credit, and national credibility, which is involved. I am doing something. I am letting him sign a piece of paper to do something, although it is subject to this section of the bill. That gives us something, and it is a great deal more than the inability to do it.

I am not disguising my purpose.

Mr. HICKENLOOPER. I do not want to disguise my purpose either. Under my amendment the President cannot go out legally and make commitments unless he is authorized by Congress to make commitments, which he proposes in the annual budget proposal. There is that distinction.

Under the Senator's amendment we would disregard the provisions of my amendment, and the President could go out and make commitments and contracts. Those are the 2 words used in the amendment of the Senator from New York—"commitments" and "contracts." He can go out and make commitments and contracts without regard to the provisions of my amendment or the section to which it applies, which gives him the uninhibited right to make contracts for an indefinite future period, or during the 5-year borrowing period at least. It seems to me that the proposal by the Senator from New York completely destroys the protection and the supervision and the right of legislative control which is contained in the amendment that I have offered.

The PRESIDING OFFICER. The time of the Senator has expired.

The time is under the control of the Senator from Iowa and the Senator from New York.

Mr. LAUSCHE. Mr. President, will the Senator from New York yield to permit me to submit an amendment?

Mr. JAVITS. Mr. President, I yield 1 minute to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I send to the desk an amendment that will remove from the bill a provision giving the President authority to guarantee equity in financing. In the bill, as new matter, are provisions which will allow the President to guarantee the successful operation of business in foreign countries. It guarantees against loss of equity in investments made in a foreign country.

I offer the amendment because I believe the purpose of the new language is to enter into a new field. We have guaranteed against loss by expropriation, loss by war, loss through inability to convert foreign currency earned in business into American dollars. But the bill now goes one step further and provides that the Government will guarantee an American investor. It says, in effect, "If you invest your money in a foreign country, and your business should fail, the Government will pay you up to 75 percent of your loss."

Mr. President, I submit the amendment. At the appropriate time I shall call it up for consideration.

I thank the Senator from New York for yielding.

Mr. HICKENLOOPER. Mr. President, I yield 10 minutes to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Iowa had yielded back his time before.

Mr. HICKENLOOPER. Not on this amendment.

The PRESIDING OFFICER. As the Chair announced previously, the time on this amendment is under the control of the Senator from New York and the Senator from Arkansas.

Mr. HICKENLOOPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Iowa will state it.

Mr. HICKENLOOPER. As I understand, both the Senator from Arkansas and the Senator from New York favor the amendment of the Senator from New York. I am a little confused about the situation. It does not matter to me who has control of the time.

Mr. FULBRIGHT. Mr. President, how much time remains in opposition?

The PRESIDING OFFICER. Twenty-five minutes.

Mr. HICKENLOOPER. I do not care who controls the time.

Mr. FULBRIGHT. Mr. President, I yield 25 minutes to the Senator from Iowa.

Mr. HICKENLOOPER. I thank the chairman of my committee. I yield 2 minutes to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, it is my belief that the Senator from Iowa has correctly interpreted the effect of the amendment of the Senator from New York. Without any question, the Javits amendment really "guts" the Hickenlooper amendment. I was hopeful that the amendment as originally submitted by the Senator from Iowa would be accepted. As a matter of fact, I understood the original amendment was accepted.

Mr. FULBRIGHT. I was willing to accept it, but it was changed. I cannot accept the change.

Mr. ELLENDER. As I understand, the only change made to which the Senator from Arkansas objects, is the additional amendment appearing on page 8, line 11, after the word "authorized," adding "subject to the provisions of subsection (b) of this section."

Mr. FULBRIGHT. There is also another line in the amendment which was not in the original amendment, reading "And before obligations are incurred thereunder." I cannot accept the amendment.

Mr. ELLENDER. In any event, as I stated when the original Hickenlooper amendment was before the Senate, it gave Congress the right to review the loan program before obligations could be incurred. It gave Congress the right to strike from the program any project which was deemed unsatisfactory. The Javits amendment which has been appended to the modified Hickenlooper amendment simply annuls the Hickenlooper amendment. I would prefer to have section (b), on page 8, remain as written.

Mr. JAVITS. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from New York has 14 minutes remaining.

Mr. JAVITS. I yield myself 4 minutes. I think the arguments have been made as well as they can be made; at least, those from my side. The issue is clear. It can be summed up by the statement that we who voted against the Byrd amendment wish to retain the essence of what we won; those who voted for the Byrd amendment are, I suppose, trying to win the essence of what was in the Byrd amendment, absent some other way. I think that is the totality of the effect of the Hickenlooper amendment.

Section 104 as it is at least gives the President the opportunity to make commitments, which is a statute of such long-standing interpretation as to encompass the possibility that Congress might not act at all, and the executive, I understand, from the interpretations which it feels it has a right to make, nonetheless could proceed to act under the law. That is what we intended when we defeated the Byrd amendment.

In my view, I sincerely hope the bill will stand as it is, and that we will go back to the Dirksen amendment, which I believe is the best and most effective way of providing for legislative oversight. The total benefit of the exercise we have had, now, for almost a day and a half, will have been to make clear the anxiety of Congress to retain, consistent with its basic decision on the Byrd amendment, its measure of control and the specifics by which that control may be exercised under section 104 of the Government Corporation Control Act.

Mr. FULBRIGHT. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. FULBRIGHT. The Senate had a very long discussion of this question yesterday, and has spent 4 hours on it so far today. I have on several occasions offered to accept certain versions, and then those versions were changed, for perfectly good reasons. As I have said all along, I should prefer no amendment at all. I believe section (b), on page 8, gives sufficient protection and congressional oversight. I should prefer that. I think the Senate ought to come to some conclusion.

As I understand, the Senator from Illinois [Mr. DIRKSEN] is willing to accept, in his amendment, a $5 million limitation, so that the committees will not be cluttered up with all the small, minor loans which were involved. If he would accept that limitation, and also the limitation to have reports made to only two committees, instead of four, which would make a drastic reduction in the amount of work of the committees, I would be prepared to accept those amendments, take them to conference, and see what could be worked out.

I am perfectly willing to agree to some oversight. I think some oversight would be a good thing. But I should like it to be workable, and not to have the committees burdened with an unconscionable amount of work.

I do not know whether that proposal is acceptable or not. If it is not, then I think the Senate might as well vote the amendment up or down. After all, I think all the confusion that has been generated in determining the meaning of all the amendments will not mean very much. I believe that what I have proposed is the simplest way to proceed. I do not believe I could accept the Dirksen amendment without the two slight modifications I have suggested. I believe they are slight. I believe the Senator from Illinois indicated that, reluctantly, he might be willing to accept those two amendments.

Mr. DIRKSEN. I would accept the first one; but I suggest to the chairman of the committee that the bill would still have to go to conference. We cannot foresee at the moment what the House will do. The House may have ideas of its own.

I think the provision for four committees might very well stand until such time as a conference takes place. I am certain that in conference some acceptable way to handle the question can be worked out. I would accept the first modification.

Mr. FULBRIGHT. With that understanding, I am in accord. The only reason why I have raised objection to reporting to four committees is that I believe four are too many. One committee in each House ought to be enough. With that understanding, I am willing to accept the Dirksen amendment. However, I will not acept the confused versions of the other amendments.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. JAVITS. I understand that I may now withdraw my amendment. If I do so, then if I yield back the remainder of the time available to me, and if the Senator from Iowa [Mr. HICKENLOOPER] will do likewise, at that point will the substitute amendment be in order?

I also wish to propound a further parliamentary inquiry: If it should appear later in the debate, before the agreement expires, that I wish to resubmit my amendment, which I shall have withdrawn, may I resubmit it and have 20 minutes for its consideration? Is not that correct?

The PRESIDING OFFICER. The Senator from New York is correct in every respect except one, namely, in respect to the offering of the substitute following his yielding back of the remaining time and the withdrawal of his amendment to the Hickenlooper amendment. Unanimous consent would be required to offer the substitute.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from South Dakota will state it.

Mr. CASE of South Dakota. Would it be possible for a Member of the Senate, under a unanimous-consent agreement which limits the time available on amendments, to submit an amendment and to use a portion of the time thus available, and then to withdraw the amendment, and later to resubmit the same amendment, and then to have a fresh allotment of time, in the full amount?

The PRESIDING OFFICER. The Chair would rule that if that were done, only the unconsumed time would be available when the amendment was resubmitted.

Mr. CASE of South Dakota. I thank the Chair.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that following the withdrawal of the Javits amendment to the Hickenlooper amendment, my substitute amendment for the Hickenlooper amendment may be the pending question.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JAVITS. Mr. President, a parliamentary inquiry: I believe I have used more than the 10 minutes which would be all the time I would have on my amendment if I resubmitted it.

The PRESIDING OFFICER. That is correct.

Mr. JAVITS. Therefore, I ask unanimous consent that if I resubmit my amendment to the Hickenlooper amendment, I may have 5 minutes in which to discuss it.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JAVITS. Mr. President, I am prepared to yield back the remainder of the time under my control, if the Senator from Iowa will do likewise, and I am also prepared to withdraw my amendment to the Hickenlooper amendment.

Mr. LAUSCHE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Ohio will state it.

Mr. LAUSCHE. In the event the bill as now drawn, containing the provision in regard to the Government Corporation Control Act, became law, at a subsequent session of Congress could the Congress in an appropriation bill prevent the use of any of the moneys authorized to be borrowed from the Treasury and also, by implication, authorized to be expended? In other words, would the inclusion in a subsequent appropriation bill of a provision prohibiting the use of this money be subject to challenge by means of a point of order?

The PRESIDING OFFICER. Will the Senator from Ohio be kind enough to withhold his question until action is completed on the question of yielding back the remaining time on the Javits amendment to the Hickenlooper amendment?

Mr. LAUSCHE. Very well.

The PRESIDING OFFICER. Does the Senator from New York yield back the remainder of the time under his control?

Mr. JAVITS. Mr. President, I am prepared to do so if the Senator from Iowa will do likewise.

Mr. HICKENLOOPER. Mr. President, I desire to be cooperative on everything except giving up my shirt. I am not sure what I would be doing in this case. Let me ask what the situation is, and what was the agreement set forth in the low-voiced soliloquy which occurred in the front of the Chamber a moment ago? I could not understand what was said.

Mr. JAVITS. Let me say that the amendment of the Senator from Iowa [Mr. HICKENLOOPER] is pending; and it

is subject to my own amendment to it, which is the pending question.

Mr. CARROLL. Mr. President, will the Senator from New York please speak louder, so that we can hear?

Mr. JAVITS. I was saying that the amendment of the Senator from Iowa [Mr. HICKENLOOPER] is pending; and it is subject to my own amendment to it, which is the pending question. If and when I withdraw my amendment to the Hickenlooper amendment, unanimous consent has been granted to the Senator from Illinois [Mr. DIRKSEN] to resubmit his proposal as a substitute for the Hickenlooper amendment. The vote then will come on the question of agreeing to the Dirksen substitute. If the Dirksen substitute is rejected, I have obtained unanimous consent to be allowed 5 minutes in which to resubmit and discuss my amendment to the Hickenlooper amendment, and have it considered. Thereafter, if my amendment to the Hickenlooper amendment is rejected, the question will come on agreeing to the Hickenlooper amendment. Is not that the situation?

The PRESIDING OFFICER. That is correct.

Mr. HICKENLOOPER. Mr. President, reserving the right to object, let me say that this is a kind of "have your cake and eat it, too" situation. If the Senator from New York wishes to withdraw his amendment, and then give the Senator from Illinois [Mr. DIRKSEN] an opportunity to offer his amendment as a substitute for my amendment, the Senate has a right to vote on the substitute, and that will be perfectly normal procedure. But it is a little unusual for the Javits amendment to be withdrawn, and then, if the Dirksen substitute amendment is not adopted, to return the Javits amendment to the controversy again. I certainly have no objection to having the Senator from New York withdraw his amendment and to having the Senator from Illinois offer his substitute amendment; and then the vote will be taken on the question of agreeing to the Dirksen substitute for my amendment. But if the Dirksen substitute for my amendment were to be rejected—although I do not know whether it will be accepted or rejected—I think I shall then be entitled to have a clear vote had on the question of agreeing to my amendment.

There has been considerable debate on the question of agreeing to the Javits amendment to my amendment; and I think the way I have stated it is the orderly way for the Senate to proceed. Otherwise, we would get into this hassle all over again, if the Dirksen substitute for my amendment were to be rejected.

I do not mean to be obstreperous about the matter, but I think the way I have stated is the orderly procedure.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. JAVITS. Do I have a right to withdraw my amendment to the Hickenlooper amendment, and later to resubmit it, as a matter of right?

The PRESIDING OFFICER. That is correct.

Mr. JAVITS. And by unanimous consent I am to have 5 minutes to discuss my amendment to the Hickenlooper amendment, if I later decide to resubmit it?

The PRESIDING OFFICER. That is correct.

Mr. JAVITS. Mr. President, I am prepared to yield back the remainder of the time available to me on my amendment, if the Senator from Iowa is prepared to do likewise. Otherwise, we can both use the time available to us.

Mr. HICKENLOOPER. Mr. President, reserving the right to object—although I do not intend to object, because I think I understand the situation—if it is the intent of the Senator from New York to withdraw his amendment to my amendment, and if the Senator from Illinois [Mr. DIRKSEN] will then offer his substitute for my amendment, and if the Senate will then act on the substitute, I understand that thereafter the Senator from New York can offer his substitute, and then the Senate will vote on it.

My objection was only to the round-robin procedure proposed. But under these conditions, I am perfectly willing to yield back the remainder of the time under my control.

Mr. JAVITS. Mr. President, I yield back the remainder of the time available to me, and I withdraw my amendment.

Mr. HICKENLOOPER. I yield back the remainder of the time available to me, Mr. President.

The PRESIDING OFFICER. All remaining time has been yielded back, and the amendment of the Senator from New York to the Hickenlooper amendment has been withdrawn.

Mr. DIRKSEN. Mr. President, I offer my substitute for the Hickenlooper amendment. I ask that the substitute be printed in the RECORD, without being read; but at this time, on my own motion, I alter the substitute by striking out, on page 1, in line 2, the figure "$1,000,000", and substitute therefor the figure "$5,000,000."

Mr. KEATING. Is that the only modification of the Senator's substitute?

Mr. DIRKSEN. Yes.

Mr. President, I ask that at this time there be stated only my modification of my substitute.

The PRESIDING OFFICER. Without objection, the modification of the substitute will be stated.

The LEGISLATIVE CLERK. In the Dirksen substitute amendment identified as "8–14–61—A," on page 1, line 2, the following modification has been made: Strike out "$1,000,000", and insert in lieu thereof "$5,000,000."

The PRESIDING OFFICER. The Dirksen substitute, as modified, to the Hickenlooper amendment, will be printed in full at this point in the RECORD.

Mr. DIRKSEN's modified amendment in the nature of a substitute for Mr. HICKENLOOPER's amendment, as modified, is as follows:

In lieu of Mr. HICKENLOOPER's amendment, as modified, on page 6, in line 3, on page 10, after line 3, in lieu of the language proposed to be inserted, insert the following:

(d) In any case in which the amount of a proposed loan under this title exceeds $5,000,000 in the aggregate such loan shall not be made and no agreement obligating the United States to make such loan shall be entered into unless thirty days earlier a full and complete report with respect to the purposes and terms of the proposed loan shall have been made to the Committees on Foreign Relations of the Senate and Foreign Affairs of the House of Representatives and the Committees on Appropriations of both Houses.

(e) It is the primary intent and purpose of the above paragraph (d) to provide the Congress with full information on all proposals in which there is a substantial national interest: *Provided, however,* That if the President certifies that any such report will be adverse to the national security then by action of the said committees the filing thereof may be waived.

(f) When an authorization is submitted to the committees named in paragraph (d) of this section, any of said committees is empowered to report a concurrent resolution to terminate such authorization and such resolution shall be of the highest privilege.

(g) The chairmen of the aforesaid committees are directed to employ all necessary competent and skilled personnel to evaluate such reports and make recommendations to the entire committee.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from South Dakota will state it.

Mr. CASE of South Dakota. The Dirksen amendment is offered as a substitute for the Hickenlooper amendment, is it? Or is it offered as a substitute for the original Saltonstall amendment? In other words, is the Hickenlooper amendment pending as the primary amendment?

The PRESIDING OFFICER. The Hickenlooper amendment is pending as the primary amendment.

Mr. FULBRIGHT. Mr. President, on this question, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. DWORSHAK. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. DWORSHAK. I am a little confused in regard to the essential difference between the Dirksen substitute and the Hickenlooper amendment.

Is it correct to assume that the Hickenlooper amendment would require the President to submit annually, in a budget, all requests for loans or grants which would be made during a specific year, while in the amendment offered by the Senator from Illinois he would provide that Congress, or at least the Committee on Foreign Relations and the Committee on Foreign Affairs and the two Appropriations Committees, would deal with proposals for loans and grants on an individual basis, instead of en bloc or on an annual budget basis?

Mr. DIRKSEN. That is correct.

Mr. DWORSHAK. What would be the procedure if a concurrent resolution were submitted disapproving of a specific proposal? What would follow?

Mr. DIRKSEN. That would be a matter for the committees to act on in the way of a concurrent resolution rejecting it.

Mr. DWORSHAK. Does the Senator believe that this is as efficient or as rigid a control of spending for loans and grants, under the supervision of the appropriate congressional committees, as is provided for in the Hickenlooper amendment?

Mr. DIRKSEN. I can only say I supported the Byrd amendment, and by a majority of 17 the Senate rejected the Byrd amendment. Beggars cannot be choosers, so one does the best he can to get what is desired.

The PRESIDING OFFICER. How much time does the Senator yield to himself? The Chair understands there are 10 minutes on a side. How much time does the Senator yield to himself?

Mr. DIRKSEN. The Senator from Illinois is prepared to yield back the time——

Mr. CASE of South Dakota. Mr. President, before the Senator does so, will the Senator yield to me?

Mr. DIRKSEN. I yield.

Mr. CASE of South Dakota. Under the language of the Dirksen amendment, would not the language which appears at page 8 of the bill, lines 19 to 23, be removed?

That language reads:

> In carrying out the purposes of this title, the President shall prepare annually and submit a budget program in accordance with the provisions of sections 102, 103, and 104 of the Government Corporation Control Act, as amended.

Does the Dirksen amendment propose to leave that language in the bill?

Mr. DIRKSEN. Yes. It has no effect on it.

Mr. CASE of South Dakota. It is not quite clear to me in what sense the Dirksen amendment is a substitute for the Hickenlooper amendment, because the Hickenlooper amendment would substitute modified language for that paragraph. Personally, the Senator from South Dakota thinks that some provision should remain in the bill which calls for the submission of the program annually to the Congress under the provisions of the Government Corporation Control Act.

Mr. HICKENLOOPER. Mr. President, a parliamentary inquiry. What is the parliamentary situation?

Mr. FULBRIGHT. We are ready to vote, if the Senator will yield back his time.

Mr. HICKENLOOPER. Who has the floor, and in what manner did he get it? I want to say something about this, but I want to know what the procedure is.

The PRESIDING OFFICER. The Senator from Illinois had 10 minutes. He has the floor. He has temporarily yielded to the Senator from South Dakota.

Mr. DIRKSEN. Mr. President, I yield myself a half minute.

I was working from two copies of the bill, and I want to correct the paging.

The PRESIDING OFFICER. The Senator from Illinois should be advised that he has 4 minutes remaining.

Mr. DIRKSEN. In the prefatory statement to the amendment, it should read, "On page 6, after line 3," because there has been repaging and renumbering. That is only a technical correction.

I ask unanimous consent to make that modification.

The PRESIDING OFFICER. Is there objection to making the modification as stated by the Senator from Illinois?

Mr. CASE of South Dakota. Mr. President, I think the Senator has a right to modify his amendment. I am trying to clarify the situation.

The language which the Senator from Illinois is proposing as paragraph (d) would appear on page 6, after the relettered paragraph (c), and not on page 10, and would not in any sense modify paragraph (b) of section 203, which provides for the submission of the budget program under the provisions of the Government Corporation Control Act. Is that correct?

Mr. DIRKSEN. In that sense, I do not know that it makes any difference, because it comes in that chapter and that title of the bill.

Mr. CASE of South Dakota. Just so we are clear, we are not disturbing paragraph (b) on page 8. Is that correct?

Mr. DIRKSEN. That is correct.

Mr. President, I yield 1 minute to the disinguished Senator from Massachusetts [Mr. SALTONSTALL].

Mr. SALTONSTALL. Mr. President, I hope the Dirksen substitute will prevail. As one who has been interested in this problem from the first, and as one who proposed an amendment for which the Senator from Illinois has offered a substitute, I hope his substitute will prevail. I think, on all the facts, it has a better chance of becoming law, and I believe it would afford an opportunity to give Congress a closer look, and closer supervision, if you will, of the 5-year Development Loan Fund. I hope it will be adopted.

Mr. FULBRIGHT. Mr. President, I yield back my time.

Mr. DIRKSEN. Mr. President, I yield back my time.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. DIRKSEN. I have about a minute. I yield.

Mr. HOLLAND. I should like to ask the Senator from Illinois if it is not true that, under the provisions of his amendment, at page 2, lines 11 to 15, the only way a proposed loan of over $5 million could be stopped would be by the adoption by both Houses of a resolution and the approval of that resolution by the President?

Mr. DIRKSEN. The President does not sign concurrent resolutions. If it were a joint resolution, it would require the signature of the President.

Mr. HOLLAND. Then, am I to understand that under the provision, in order to stop or stay the granting of a certain loan of over $5 million, the proposal for which was submitted to the four committees mentioned in the amendment, a concurrent resolution would have to be offered in one House, adopted in that House, and adopted also in the other House?

Mr. DIRKSEN. That would have to be done to make the action valid.

Mr. HOLLAND. Does the Senator mean, by the use of the word "authorization," on line 11 of page 2 of his amendment, to refer to just that particular proposal, or to the authorization of the bill for the making of loans under the bill in general?

Mr. DIRKSEN. It relates entirely to the loan process.

Mr. FULBRIGHT. Should not that word "authorization" be "loan"?

Mr. DIRKSEN. The very first words in the first line of the amendment read, "In any case in which the amount of a proposed loan under this title".

Mr. HOLLAND. If the Senator will yield for one more comment, I should like to call his attention to the fact that he has heretofore, prior to line 11 on page 2 of his amendment, always referred to a loan as a proposal. For instance, he will find that word on line 6 of page 2, whereas his use of the word "authorization" is a much further-reaching one, it seems to me, than to have it apply merely to the particular proposal pending at the time.

Mr. DIRKSEN. It was intended as such.

The PRESIDING OFFICER. All time on the amendment has been yielded back. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DIRKSEN], as modified, in the nature of a substitute for the amendment of the Senator from Iowa [Mr. HICKENLOOPER]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HICKENLOOPER. Mr. President——

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HICKENLOOPER. This happens to be my cow which is being killed. I thought I had 10 minutes to oppose the proposal, or to say something about it. What happened to the time? Where has the time gone?

The PRESIDING OFFICER. The Senator from Arkansas had 10 minutes and yielded back the time.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the Senator from Iowa may be recognized. How much time does the Senator wish?

Mr. HICKENLOOPER. I was under the impression I had a little interest in the proposal, inasmuch as the evisceration process going on affects my amendment.

Mr. FULBRIGHT. How much time does the Senator wish?

Mr. HICKENLOOPER. I should like to have 10 minutes.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the Senator from Iowa may have 10 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

Mr. HICKENLOOPER. I do not think I shall use all the time, but I did not wish to be foreclosed simply because I am of a retiring nature and had not spoken up.

Mr. President, I am compelled to vote against the substitute offered by the Senator from Illinois simply because I do not believe it would accomplish anything of any substantial nature, in conferring upon the Congress any reasonable or practical supervision over the expenditure of $8.8 billion. True, it says that a report shall be made. True, it says Congress can pass a concurrent resolution. We do not need that authority. We already have that right.

We can call on the departments for reports any time we wish to.

The amendment I have offered makes the issue clear cut. It simply provides that the borrowed money cannot be expended on a program until the annual budget has been submitted to the Congress and the Congress has authorized the expenditure of the money which is being borrowed on that proposed budgetary operation. That is the issue.

If I had no other choice, I would vote for the amendment of the Senator from Illinois, but I shall vote against it because I do not believe it is adequate. I do not believe it will provide the protection we ought to have.

I think the administrators of this fund and of this operation will have an utterly free hand, uninhibited, except again by the backdoor process of a concurrent resolution of some sort. Therefore, I shall have to vote against the substitute amendment, because I certainly prefer the affirmative approach of control which the Congress could exercise, as contained in my proposal.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield to the Senator from Vermont.

Mr. AIKEN. I wish to say that the Dirksen amendment provides the Congress with imitation controls only which undoubtedly never could be effective and undoubtedly never could be applied.

Mr. HICKENLOOPER. A reporting process is contained in the substitute, but we can send to the departments any time and get information from the departments. Therefore, I think it will be an ineffectual thing, although it has some plus.

My amendment would put real control in the hands of the Congress, where it should be.

I do not wish, by voting for the Dirksen substitute amendment, to foreclose the possibility of the adoption of my amendment. Therefore, I shall have to vote against it.

Mr. President, so far as I am concerned, I am perfectly willing to yield back the remainder of my time, unless some Senator wishes to speak.

Mr. DIRKSEN. Will the Senator yield me 1 minute?

Mr. HICKENLOOPER. How much time do I have, Mr. President?

The PRESIDING OFFICER. The Senator from Iowa has 6 minutes remaining.

Mr. HICKENLOOPER. I yield 3 minutes to the Senator from Illinois.

Mr. DIRKSEN. I need only 1 minute.

Mr. HICKENLOOPER. I yield 1 minute to the Senator, if that is all he would like to have.

Mr. DIRKSEN. Mr. President, in a spirit of cooperation this morning I withdrew my amendment. I was willing to have it completely withdrawn, if we could arrive at some kind of understanding on the question of oversight. Everything has been tried. The Deputy Comptroller General was in my office last night for an hour. The General Counsel of the Comptroller's Office has been in my office all afternoon. Senators have been visiting and conferring with him.

I was only too anxious to find a common ground of agreement. I am ready now to withdraw my handiwork, but the Senate has an opportunity to vote on it. The Senate can vote it down. If the Senate votes it down, then, of course, the vote will recur on the Hickenlooper amendment, because this is a substitute for the Hickenlooper amendment.

I have no pride of authorship, although I did put it together the best I knew how.

We have been on this question now for nearly 2 full days. We have to get off dead center and get something done if we are going to get out of the legislative trenches by Christmas. I am willing to stand at this point. I am ready for a vote.

Mr. FULBRIGHT. Mr. President, I agree with the Senator from Illinois. Let us have a short call of the roll, and vote.

Mr. DIRKSEN. Very well.

Mr. FULBRIGHT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Iowa yield back the remainder of his time?

Mr. HICKENLOOPER. Mr. President, I do not know who has control over the time. I have nothing more to say.

Mr. FULBRIGHT. I have nothing more to say. I yield back the remainder of the time.

The PRESIDING OFFICER. All time has been yielded back.

Mr. FULBRIGHT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the Dirksen amendment in the nature of a substitute for the Hickenlooper amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The roll is being called.

Mr. DOUGLAS. Is this a quorum call or a rollcall?

The PRESIDING OFFICER. It is a call of the roll on a yea-and-nay vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Tennessee [Mr. GORE] is absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from Tennessee [Mr. GORE] would vote "yea."

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Maryland would vote "nay," and the Senator from New Mexico would vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Kentucky [Mr. MORTON] is necessarily absent.

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Maryland would vote "nay," and the Senator from New Mexico would vote "yea."

The result was announced—yeas 52, nays 44, as follows:

[No. 136]

YEAS—52

Anderson	Hickey	Muskie
Bartlett	Hill	Neuberger
Boggs	Humphrey	Pastore
Burdick	Jackson	Pell
Bush	Javits	Prouty
Byrd, W. Va.	Keating	Randolph
Cannon	Kefauver	Saltonstall
Carroll	Kerr	Scott
Case, N.J.	Kuchel	Smith, Mass.
Church	Long, Mo.	Smith, Maine
Dirksen	Long, Hawaii	Sparkman
Dodd	Long, La.	Symington
Douglas	Magnuson	Wiley
Engle	Mansfield	Williams, N.J.
Fulbright	McNamara	Yarborough
Hart	Metcalf	Young, Ohio
Hartke	Monroney	
Hayden	Moss	

NAYS—44

Aiken	Eastland	Miller
Allott	Ellender	Morse
Beall	Ervin	Mundt
Bennett	Fong	Proxmire
Bible	Goldwater	Robertson
Bridges	Gruening	Russell
Byrd, Va.	Hickenlooper	Schoeppel
Capehart	Holland	Smathers
Carlson	Hruska	Stennis
Case, S. Dak.	Johnston	Talmadge
Clark	Jordan	Thurmond
Cooper	Lausche	Tower
Cotton	McCarthy	Williams, Del.
Curtis	McClellan	Young, N. Dak.
Dworshak	McGee	

NOT VOTING—4

Butler	Gore	Morton
Chavez		

So Mr. DIRKSEN's amendment in the nature of a substitute for Mr. HICKENLOOPER's amendment was agreed to.

Mr. FULBRIGHT. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. The question recurs on the amendment of the Senator from Iowa, as amended by the amendment of the Senator from Illinois.

Mr. FULBRIGHT. Mr. President, I did not understand the statement by the Chair.

The VICE PRESIDENT. The question now recurs on the amendment offered by the Senator from Iowa [Mr. HICKENLOOPER] as amended by the amendment

of the Senator from Illinois [Mr. DIRKSEN].

Mr. HICKENLOOPER. Mr. President, I wish to divorce myself from the paternity of the amendment as it now stands. The Senator from Illinois offered his amendment as a substitute. Therefore, it should carry the name of the Senator from Illinois. As I say, I have no pride of paternity in the amendment as it now stands. The Senator from Illinois should have full credit for the substitute.

The VICE PRESIDENT. The question recurs on the amendment of the Senator from Iowa as amended by the amendment of the Senator from Illinois. [Putting the question.]

The "ayes" appear to have it——

Mr. BRIDGES. I ask for a division.

The VICE PRESIDENT. A division is requested. As many as favor the amendment will rise and stand until counted. (After a pause.) Those who oppose the amendment will rise and stand until counted.

Mr. SALTONSTALL. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk proceeded to call the roll, and Mr. AIKEN voted in the negative.

Mr. HICKENLOOPER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The vote is in progress.

Mr. HICKENLOOPER. May I ask on what question the Senate is voting?

The VICE PRESIDENT. The question recurs on the amendment of the Senator from Iowa, as amended by the amendment of the Senator from Illinois.

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. Inquiries are not in order because the vote is in progress. The clerk will proceed with the call of the roll.

The legislative clerk concluded the call of the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ], is absent because of illness.

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Maryland would vote "nay" and the Senator from New Mexico would vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Kentucky [Mr. MORTON] is necessarily absent.

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Maryland would vote "nay," and the Senator from New Mexico would vote "yea."

The result was announced—yeas 63, nays 34, as follows:

[No. 137]

YEAS—63

Anderson	Boggs	Bush
Bartlett	Burdick	Byrd, W. Va.
Cannon	Jackson	Neuberger
Carroll	Javits	Pastore
Church	Jordan	Pell
Dirksen	Keating	Prouty
Dodd	Kefauver	Proxmire
Douglas	Kerr	Randolph
Eastland	Kuchel	Russell
Engle	Long, Mo.	Saltonstall
Ervin	Long, Hawaii	Scott
Fong	Long, La.	Smith, Mass.
Fulbright	Magnuson	Smith, Maine
Gore	Mansfield	Sparkman
Gruening	McCarthy	Stennis
Hart	McGee	Symington
Hartke	McNamara	Talmadge
Hayden	Metcalf	Wiley
Hickey	Monroney	Williams, N.J.
Hill	Moss	Yarborough
Humphrey	Muskie	Young, Ohio

NAYS—34

Aiken	Cooper	Miller
Allott	Cotton	Morse
Beall	Curtis	Mundt
Bennett	Dworshak	Robertson
Bible	Ellender	Schoeppel
Bridges	Goldwater	Smathers
Byrd, Va.	Hickenlooper	Thurmond
Capehart	Holland	Tower
Carlson	Hruska	Williams, Del.
Case, N.J.	Johnston	Young, N. Dak.
Case, S. Dak.	Lausche	
Clark	McClellan	

NOT VOTING—3

Butler	Chavez	Morton

So Mr. HICKENLOOPER's amendment, as modified by Mr. DIRKSEN's amendment, was agreed to.

Mr. FULBRIGHT. Mr. President, I move that the Senate reconsider the vote by which the amendment as modified was agreed to.

Mr. SALTONSTALL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5954) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1962, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

H.R. 1452. An act to authorize the sale of a portion of the former light station property in Scituate, Mass.;

H.R. 4786. An act to provide travel and transportation allowances for members of the National Guard and Reserve components when travel is performed in an active duty training status in compliance with Federal directives;

H.R. 6597. An act to amend title 10, United States Code, to permit the crediting of certain minority service for the purpose of determining eligibility for retirement, and for other purposes;

H.R. 7189. An act granting the consent of Congress to the compact or agreement between the States of North Dakota and Minnesota with respect to the boundary between such States;

H.R. 7721. An act to authorize the Secretary of the Army to adjust the legislative jurisdiction exercised by the United States over lands within the Fort Sheridan Military Reservation, Ill.;

H.R. 7725. An act to authorize the Secretary of the Army to reconvey to the town of Malone, N.Y., certain real property heretofore donated by said town to the United States of America as an Army Reserve center and never used by the United States;

H.J. Res. 435. Joint resolution to provide for recognition of the centennial of the establishment of the Department of Agriculture, and for other purposes; and

H.J. Res. 436. Joint resolution to provide for recognition of the centennial of the establishment of the national system of land-grant universities and colleges.

LEGISLATIVE PROGRAM, AND ORDER FOR ADJOURNMENT UNTIL 10 O'CLOCK A.M. TOMORROW

Mr. KUCHEL. Mr. President, will the distinguished majority leader kindly inform the Senate as to his plans for the deliberations of the Senate during the remainder of today?

Mr. MANSFIELD. It is now 3 o'clock. The Senate has been in session 5 hours. There have been two yea-and-nay votes, including those on yesterday and today. If we are to make progress with the bill, we should begin to stay in session a little longer and perhaps meet on this coming Saturday. So far as I know, the Senate will remain in session longer tonight than it did last night, and very likely will meet on the coming Saturday.

Mr. President, so long as the question has been raised, I ask unanimous consent that when the Senate completes its work for today, it adjourn until 10 o'clock tomorrow morning.

The VICE PRESIDENT. Without objection, it is so ordered.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. LAUSCHE. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment submitted by the Senator from Ohio will be stated.

The LEGISLATIVE CLERK. In section 221, on page 15, in line 19, it is proposed to strike out "normally insurable", and to substitute therefor "normal business-type."

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Ohio.

Mr. LAUSCHE. Mr. President, title III, which begins on page 13 of the bill, deals with "investment guarantees." This title assigns $1 billion to be used as the foundation of an insurance fund to guarantee private investments made in foreign countries.

Under existing law, there is authority to insure against basically two types of risks: First, the risk of having the property of an American citizen invested in a business in a foreign country expropriated. Existing law gives authority to

insure against such loss by expropriation. Second, existing law also contains a provision allowing the issuance of insurance against losses by an American businessman in a foreign country, through his inability to convert foreign currency into American dollars. These two provisions of existing law I do not challenge at all.

However, the bill introduces a new aspect into the guarantee title; it allocates $100 million, any part of which may be used to guarantee business investments in foreign countries against normal business failure. In other words, that new theory is proposed to be included in the foreign aid program. Until now, in no part of the Mutual Aid Act did we provide authority to guarantee business investments from loss due to normal business failure. This provision, which my amendment would strike out, contemplates assuring the American investor that if he starts a business in a foreign country and if his business there fails, the Government of the United States will reimburse him, provided he has bought the insurance up to a sum equal to 75 percent of his investment.

I suggest to the Senate that this is a very serious new development in our governmental policy.

Within the next 2 weeks there will come before the Senate a measure contemplating the giving to one of our governmental agencies, the International Finance Corporation, which has authority to lend money for private investment in foreign countries, the right to insure capital equity investment. Thus, this year in two instances the Congress is being asked to insure business investments against normal failure.

I suggest to the Senate that this becomes a serious problem for us to consider, because we would now be entering the field of guaranteeing the success of investments in private business.

I put to the Senate this question: If we guarantee the success of a private investments in foreign countries, what will be our answer when the American citizens ask us, "If you are guaranteeing investments in foreign countries, why do you not guarantee them domestically?"

I do not know whether the Senator from Arkansas is now on the floor; I do not think he is. But I do not believe he will dispute my word that in two instances we shall be entering into a new field of operation, when we provide, "If you invest your money there, we will guarantee you against loss."

Mr. MANSFIELD. Mr. President, will the Senator from Ohio yield?

Mr. LAUSCHE. I yield.

Mr. MANSFIELD. Speaking for the Senator from Arkansas [Mr. FULBRIGHT], the distinguished chairman of the Foreign Relations Committee, I wish to inform the distinguished Senator from Ohio that his amendment is perfectly acceptable to the Senator from Arkansas.

Mr. LAUSCHE. Is it acceptable?

Mr. MANSFIELD. Yes.

Mr. LAUSCHE. Then that means that the item in question is eliminated.

Mr. CASE of South Dakota. Mr. President, will the Senator from Ohio yield for a question?

The PRESIDING OFFICER (Mr. METCALF in the chair). Does the Senator from Ohio yield to the Senator from South Dakota?

Mr. LAUSCHE. I yield.

Mr. CASE of South Dakota. The amendment of the Senator from Ohio strikes out the words "normally insurable" before the word "risks," does it?

Mr. LAUSCHE. No. In place of the words "normally insurable risks", my amendment provides that there cannot be insurance for "normal business-type risks." In other words, on page 15, in line 19, in lieu of the words "normally insurable", my amendment inserts the words "normal business-type."

Mr. CASE of South Dakota. From the Senator's study of this part of the bill, does he believe that the President will have authority to issue investment guarantees to American companies which already are engaged in business in some of these countries?

Mr. LAUSCHE. Yes. Let me state what the bill provides: "where the President determines such action to be important to the furtherance of the purposes of this title," there may be insurance "against loss of not to exceed 75 per centum of any investment due to such risks as the President may determine, upon such terms and conditions as the President may determine." This provision would have given the President full discretion to use up to $100 million, but in no single transaction to exceed $10 million of insurance, and gives him the right to guarantee all private investments except—and now I go down to line 16, on page 15:

> That no guaranty of an equity investment issued under this paragraph (2) shall assure against loss resulting from fraud or misconduct in the management of the enterprise, or from normally insurable risks:

My amendment changes the words "normally insurable risks" to read "normal business-type risks."

So my answer to the Senator from South Dakota is that in the discretion of the President, he would have had the right to sell insurance guaranteeing against losses on business investments in all instances that he determines, except when the loss results from fraud, misconduct in the management of the business, or from "normally insurable business risks"; and "normally insurable" would be theft insurance and fire insurance. Does that answer the Senator's question?

Mr. CASE of South Dakota. It does, and I think the Senator is to be commended for doing what he has done, but I do not think he goes far enough. The portion of title III on investment guaranties which concerns the junior Senator from South Dakota goes even further than the weakness which the Senator from Ohio has noted in this title.

On page 14 of the bill it is provided that the President can assure protection in whole or in part against any or all of the following risks.

> (A) inability to convert into U.S. dollars other currencies, or credits in such currencies, received as earnings or profits from the approved project as repayment or return of the investment therein, in whole or in part, or as compensation for the sale or disposition of all or any part thereof.

If that provision applies to existing businesses that have gone into other countries on their own initiative, taking the risk or conditions which existed at that time as they found them; namely, that a portion of their earnings could not be removed from that country, then this provision would create a gigantic windfall to companies already operating there.

I have in mind the situation I found in Brazil a few years ago, where we have some American businessmen who have gone into business there. They understand that they will have an opportunity to make a rate of return which will give them their money back in 5 years, but there also is an understanding that, under the law of Brazil, they cannot remove all of the profit from the country.

It seems to me this provision creates the possibility of establishing a guarantee for companies that went into other lands with their eyes open, knowing the rules with regard to removing exchange or currency from those countries. They went into those countries under that kind of risk. Some of them are doing very well indeed. They expect to double their money in 5 years, but some of the money will have to be reinvested in that country. They will not be able to bring it all back into the United States.

This provision provides a windfall if the President is given authority to insure or extend guarantees to companies that went into a country under that kind of risk. Not only will they have an opportunity to make a rate of return of 20 percent a year, and get their money back in 5 years, but they will have a guarantee against the provision of law in those countries that a part of the money must be reinvested in those countries.

Mr. LAUSCHE. May I suggest that subparagraph (A) on page 14 is now in the law? It has been in the law for about 5 years. Every investor in countries designated as being qualified can buy this insurance. The matter that my amendment strikes at is new enterprise that is guaranteed an equity investment against——

Mr. CASE of South Dakota. What is the dollar limit under the existing law, if the Senator knows?

Mr. LAUSCHE. As to subparagraph (A) there is, according to my understanding, no dollar limitation.

Mr. CASE of South Dakota. Section 221 establishes a $1 billion ceiling for the guarantees. That is provided in line 25 of page 14. I presume the ceiling is raised.

Mr. LAUSCHE. The amount provided in the present law is $1 billion.

Mr. CASE of South Dakota. Does this proposal provide an additional $1 billion?

Mr. LAUSCHE. No, it does not. It provides $1 billion for insurance to be issued under subparagraphs (A) and (B) as contained on page 14; and out of the $1 billion, $100 million is set aside to cover insurance which the President may determine, according to his discretion, to issue under circumstances which he deems sound. The $100 million is usable to sell insurance against normal business failure. That is the phase to which my amendment is directed.

Mr. CASE of South Dakota. I understand that the Senator's amendment is to the latter part of this title; but having drawn attention to that, it seemed to me the Senator's amendment did not go as far as the Senator from South Dakota would like to have it go in providing against possible windfalls for companies that have gone into those countries under existing laws.

Mr. LAUSCHE. I think there is soundness in what the Senator from South Dakota has said. That subject was discussed in committee, but I am not adequately informed to be able to answer the Senator about the measures that are taken to protect companies against the dangers he has outlined. I know they are supposed to observe every transaction and make certain that the transaction has a basis for a sound loan.

From my standpoint, I think the inclusion of this type of language covers the purpose I had in mind.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

THE BERLIN CRISIS

Mr. DODD. Mr. President, yesterday I stood at the Brandenburg gate, so often the scene of historic events, and saw history in the making once more.

If the Brandenburg gate has in times past been a symbol of the shifting tides of passion and violence which have swept across Europe again and again, yesterday it was not just a symbol but a scene; a scene of turmoil, tragedy, and the raw reality of the underlying issues and the bitter emotions which have brought us to the edge of the precipice.

Through the eerie light and the deafening clamor of thousands upon thousands of surging, shouting people, the cleavage between East and West, between slavery and freedom, loomed up: barbed wire strung on 8-foot poles, clusters of Russian armored vehicles loaded with troops, guns held at the ready.

On the one side, the sentinels of slavery; on the other, the aroused and outraged representatives of human freedom and decency.

Mr. President, I was there. I saw the people. I saw the men and women, the boys and girls, the youngsters. I do not know how many thousands there were. They were shouting at the Communist troops and their armed vehicles. They were saying, "We know you." Some of them, obviously, had recently escaped. They were saying, "We know what you intend to do to the free world, and to Germany."

I walked up close to the barbed wire, strung on 8-foot poles. I wanted to get as close a look as I could. I saw the young Communist soldiers, with rifles at the ready, their fingers on the triggers. I feared that some unintended incident would set off a catastrophe.

The West German police had to use force and finally tear gas to control the masses of people that pressed toward the barbed wire with a raging desire to tear down the entanglements and attack the Communist troops with their bare hands. A spark could have set off an explosion that would have reverberated around the world and perhaps throughout history.

During the brief period that I was in West Berlin and Bonn, I had an unusual opportunity to observe under pressure our American representatives, our military personnel and their families, and the leaders and people of West Berlin and West Germany.

I can honestly say that our military and civil representatives there are outstanding, competent, confidence-inspiring people. They are calm, cool, and ready.

Our soldiers are not asking to come home, nor are their families. I talked to some of them and came away with a feeling of genuine pride and even inspiration. They want to stay and see this thing through. They realize that they are the symbolic representatives of human freedom at a crucial testing time and they want to do their part. All they ask is that we at home share their strength, their calmness, their coolness, and their determination to do their duty. They are marvelous representatives of America and every man and woman among us and in the free world owes them a debt of gratitude.

General Watson, our commanding general in West Berlin, is a very competent man, and one in whom we may have complete trust. He and the men around him are purposeful and prepared, without a trace of panic or fear.

And so it is with the West German leaders. On Sunday I spent an hour and a half with Chancellor Konrad Adenauer at his home. This magnificent leader, 85 years old, vigorous, wise, perceptive, determined, unflinching, is serene and undisturbed. Here is surely one of the great men of this century and his presence at the helm of West Germany in this critical hour may be counted among the important elements of strength on our side.

As I am sure my colleagues will understand, I, of course, would not publicly reveal any of the specifics of my conversations with Chancellor Adenauer or with other high West German officials. I assure my colleagues that I am sending all this information to the President. I would like to recount some general observations that I received during these discussions.

Our West German allies are determined and confident. They are confident because they have trust in us, in our leadership, in our courage, and in our resolve to yield not an inch of free soil in West Berlin. The only threat to this mutual trust, upon which the collective defense of Europe must be built, comes from those American spokesmen who urge a change in our official policy of firm resistance.

The leaders and people of West Germany are deeply disturbed when they hear proposals made in the United States that we close up the avenue of escape for refugees behind the Iron Curtain, that we shut down our operations which are today sending from West Berlin the voice of freedom behind the Iron Curtain, that we abandon West Berlin to the United Nations or to a "free city" status, or that we reduce our troops in West Berlin and send home the families of American servicemen there and in West Germany.

Statements of this kind cause a gnawing pain to our West German allies, a nagging doubt that perhaps we do not mean what our Government says and that when the hour of crisis arrives we will sell out on our commitments.

Strong statements of President Kennedy have allayed these fears, but I would hope that there would be a moratorium for a while, at least, in this critical hour of history, on statements of retreat from and dissent with our present German policy.

These statements encourage Khrushchev and dismay our friends. They encourage our enemies to believe we are divided and they discourage our friends to believe that we are weak.

I heard from a most reliable source that Khrushchev recently told leaders from another Western nation that he felt he had an overall military superiority at the moment, but that within 2 years the United States would overcome this lead and that he was planning to move against us before this reversal of the balance of power could take place. I am convinced that this was said.

West German leaders believe that Khrushchev is deadly serious but that he can be forestalled by a sufficient show of strength and free world resolve and unity. They believe that if we in the United States live up to our pledges, and if England and France will stand with us and with West Germany, Khrushchev will have to back down.

Yesterday I visited the refugee reception center at Marienfelde. This was a scene of heartbreak, of sorrow, and of sadness the like of which I have never before seen, and I think that in my lifetime I have seen sorrow and sadness, and yet there was also hope. Here were thousands of people who could have been your neighbors, people of all ages, old and young, mothers and babies, penniless, homeless, separated from their families.

I saw infants 7 days old. I saw infants 8 or 10 weeks old. I saw children from those ages to an age where they were able to take care of themselves. I met a father and mother who swam one of those deep and dangerous canals that afternoon, the mother carrying her 3-year-old daughter and the father carrying his 4-year-old son. They have escaped from tyranny. If we of the West continue to do our job, they will be taken again into the mainstream of our free society and once again will live lives of hope and perhaps of happiness.

As I walked among these people and talked to some of them, the thought occurred to me, "If only the people of the United States could see these people and ask themselves the question I ask myself, What is it that moves men and women with their young children to leave their homes, their surroundings, everything they have known which is near and dear to them, to swim rivers and canals, to risk being shot and to risk terrible punishment if apprehended? What is this basically terrible evil thing in the world we call communism? Why do our people not more fully understand it?"

I talked to these people. I talked to the young couples with their little children. I saw the pitiful sights; the toys, the rattles, the meager articles of clothing, a bit of food and a piece of paper. Were it not for the circumstances, they would have seemed to me like American families, as we have all seen them in our parks any Sunday afternoon.

Again I say I wish that those who glibly talk about negotiating an agreement to permanently shut off this avenue of escape from tyranny would go to Marienfelde and see something of what tyranny means, and of what escape from slavery means, and then ask themselves if our country, the champion of human freedom, can ever have anything to do with such an agreement.

And I wish those who talk about reducing troops and bringing home the families of those soldiers could see and talk to these gallant men and their wives and children, and grasp the reality that this is the time to reinforce our outpost of freedom and not to dismantle it or to give any indication that we will ever dismantle it.

The thread which holds together the fabric of free world unity and resistance to communism is the thread of confidence in the United States. Whatever may be the day-to-day complaints against us, when the hour of testing comes, our allies know in their hearts that we are there and that we are strong.

Chancellor Adenauer is serene and hopeful because he trusts us, because he believes that our leaders and our people will never back down on the question of Berlin. This confidence and assurance pervades the West German people and makes it possible for them to go about their daily business day in and day out, under the guns and threats of communism.

If we falter now, if we yield to the threats of our enemies or to the blandishments of those among our friends who would appease the Reds on this issue, that confidence which holds together the free world alliance would vanish overnight. And West Berlin, West Germany and all of Europe would fall into the pit of Communist enslavement.

This is the time to renew our pledges, to strengthen our forces in Western Europe, in concert with our allies, to do all that can be done to take care of the flood of refugees which have inundated West Berlin in recent days; to increase our continuous air alert of strategic bombers; to speed the calling up of reserve units; to cut off all trade and aid with the Communist enemy; to convince Khrushchev that we will go to the mat with him on this issue, whatever the cost; and to take every step at home and abroad to see to it that when that time comes, if it does, we are ready.

If we do this, I believe we shall have both peace and freedom. If we do not, none can tell where the tragedy will end, nor when it will stop.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. GRUENING. I congratulate my friend from Connecticut for his eloquent, fervent, and magnificent presentation of what he saw with his own eyes. I commend him for being present on the front line of freedom and being able to make a firsthand report to the Senate today. Probably never before in the history of the Senate has a Senator been able to be on the spot at a moment of great world crisis, observing a very tragic and important historic event, and within a few hours been able to report his firsthand views to the Senate. I think the Senate is the debtor of the Senator from Connecticut. We owe him a warm vote of thanks for his fine report, and he is to be congratulated for what he has seen and the way in which he has reported his observations. He has recorded an important historic event and himself has written thereby a historic note.

Mr. DODD. I am deeply touched and grateful to the Senator from Alaska.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. DODD. I yield to my colleague.

Mr. BUSH. I was happy to be present in the Chamber at the time the Senator made his report on Berlin. I think his account of his trip was thrilling. I commend and congratulate him highly for the fine account of what he saw in Berlin. His story has meaning to us sitting here. I think it is most fortunate that the Senator was able to go over to Berlin at exactly the time he did.

He actually saw the Bradenburg Gate slammed in our face, so to speak. So his presence was a most extraordinary incident. I again congratulate the Senator.

I wish to ask the Senator one question, which he may not feel disposed to answer. In the Senator's conversations with Adenauer, did Adenauer discuss the question of using trade sanctions against East Germany? It seems to me that such sanctions are weapons in our arsenal which we have not done much about; and if we could go into the conferences that are being staged and deal from a position of strength, we would be better fortified than if we were to deal from a position of weakness. Does the Senator care to comment on that question, or give us an idea of how Adenauer feels about it?

Mr. DODD. Of course, first, I am deeply grateful to my colleague from Connecticut, who has at all times been most generous and kind to me, and particularly at this time.

I talked with Chancellor Adenauer about this very question. I am sure the Senator will understand that I do not feel that I should at this minute publicly relate what was said. I believe it is proper for me to say that sanctions are very much on the mind of Chancellor Adenauer, and I am certain that he feels that they are very real weapons at our disposal, which we have not used.

As the Senator knows, I have an amendment pending to the foreign aid bill which would in some measure curtail help to Communist countries, and countries which are dominated by the Communists.

But, of course, what the Senator is talking about is something much more—and it should be. I am sure the Senator is talking about a real trade embargo. I earnestly believe that such an embargo would be a very potent weapon at our disposal. I heard yesterday in West Germany from well-informed people—some of our own people as well as German friends—of the terrible conditions in East Germany. There is a real domestic and economic crisis there. My information is that this is true with respect to the Communist empire generally. If we use a real trade embargo against East Germany, it will help us and help the free world greatly.

Mr. BUSH. I thank the Senator.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DODD. I am happy to yield to the Senator from Ohio.

Mr. LAUSCHE. I, too, offer my commendation to the junior Senator from Connecticut for his able presentation. His participation in the Nuremburg trials, and his knowledge of what is happening, especially in the area about which he spoke, make him especially fitted to talk on the subject. When the Senator from Connecticut offers his amendment to the foreign aid bill to bar the granting of aid to Communist governments, I will support him fully.

Mr. DODD. I thank the Senator for that assurance. Not only do his words encourage me very much, but also, to know that I have his support provides an inspiration.

Mr. LAUSCHE. I suggest to my associates the great significance of what is happening in the exodus of East Germans to southwest Germany. Khrushchev can build a wall of iron and concrete. He may use his guns and his implements of fire to keep not only the people of East Germany, but also the people of other nations from fleeing from Communist domination. Physically he will be able to do so, but mentally and spiritually those people in all the captive nations and in East Germany will be on this side of the iron wall.

Mr. DODD. The Senator from Ohio is correct. I think Senators will be interested in the fact that yesterday I inquired at an American refugee center. I said to an official, "What kind of people are you getting? Can you give me any information?"

I thought the reply was of great interest. He said, "Something new has been happening in the past few days—indeed, in the past week or two. High school teachers, both men and women, including university and college students, are escaping in great numbers."

I was told by officers at the refugee center that the movement of such people had not been taking place in that proportion before.

So the able Senator from Ohio is correct. I have described on another occasion the flow of humankind out of the Communist prison house as a running sore out of a festering situation. I think that is not an inapt description. If Senators could have seen and walked among the people yesterday their hearts would have been broken, for it was sad to see those people and see what they have been willing to suffer and what they are suffering.

The Senator from Ohio is so right in his depiction of the greatest antidote to

communism and all its lies and propaganda. But it goes on every day, unless the curtain has been locked in the past 24 hours.

I asked a question, which I should like to ask on the floor of the Senate, because I think we should all ask it of our Information Service. I said, "Have you made a documentary film of these events?"

The reply was, "No."

I said, "Why not? You should be out there with your cameras getting pictures of those people so that our people in the United States can see what is occurring and who these refugees are. The films should be shown all over the world."

I do not know why we have not done it. This situation has been prevailing not just for the last few months or days, but for a very long time. We always let the Communists have the propaganda advantage. This is an opportunity that we should take advantage of. I hope Mr. Murrow will do something about it, although it may be too late, because the door may have been locked.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. LAUSCHE. We should draw encouragement from the demonstration which is now taking place. It should justify us in the conclusion that Khrushchev knows that for every East German soldier that he tries to put in the line against the West, and for every Hungarian, and Polish and Czechoslovakian and Rumanian and Bulgarian soldier likewise, he will have to have half a dozen of the deepest Red Communists pointing guns into the back of every one of these men to make them fight against the West.

Mr. DODD. Of course, that is certainly true. I thank the Senator for his contribution.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. KEATING. I join in the words of commendation spoken in the praise of the Senator from Connecticut for a very forceful, informative, and interesting account of his trip to Berlin. It is fortunate indeed that one of our own number was there to witness these conditions and to bring back to us a picture of them. He spoke of the tugging at our heartstrings as we watch these people in Marienfelde, and other camps, after they have fled from the Communists. I have talked with them. I have seen them myself. I know what the Senator refers to. It is an experience that can hardly leave a dry eye.

I know the Senator shares this view. It is a great object lesson. I wish every American citizen could have the experience of talking to these people who have fled from communism, who have lived under slavery, and who have come out from there. Those who have come to this country from communism have made some of our very best citizens. They appreciate freedom in a way that some of us, who have had it a little easier through life, sometimes fail to appreciate. I know the Senator agrees.

Mr. DODD. Indeed, I do. I know the Senator from New York has been greatly interested in this problem. I know that because I have been with him on more than one occasion when he has visited these refugee centers. He is so right. Somehow we must get to show the picture to our people and to the people of the free world.

Mr. KEATING. The Senator, I understand, is justifiably reluctant to disclose to us his conversations with Chancellor Adenauer. I was very much interested and was about to ask a question very much along the line of the question asked by the distinguished senior Senator from Connecticut (Mr. BUSH), relative to our trade. A news item appeared in the press yesterday—entirely apart from any statement made to the Senator—to the effect that Chancellor Adenauer had said it might be necessary to impose an embargo.

Mr. DODD. I did not know about that.

Mr. KEATING. Did the Senator get an idea as to the extent of the trade with East Germany, and to what extent East Germany is dependent upon trade with the West for its survival?

I am not familiar with the facts.

Mr. DODD. I am sorry to say I am not either. I do not know the percentage. It is substantial, but I am not certain of the exact amount.

Mr. KEATING. I have the feeling it is substantial and that perhaps a weapon like the trade embargo would have much to commend it. The choices which are faced by the free world are not easy. I would be the first to say that, but they are not going to be any easier as time goes on. In fact, quite to the contrary, it will become more and more difficult every time we let the Communists get away with any move at all. If they succeed once, they will be fortified to make another move. If the NATO powers do not get together and take concerted action now, it will be more difficult each time to resist effectively later. I believe that countermeasures should be agreed upon among the powers and that then we should forge ahead. We cannot allow this Soviet step to be taken without countermeasures on the part of the West. It would be a great defeat for our objectives if we permitted that to take place.

Again I wish to commend the Senator for his extremely forceful statements. I share the views which he has expressed. He has done a great service to us by presenting them before the Senate.

Mr. DODD. I am deeply grateful to the Senator.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. MANSFIELD. Mr. President, I understand that the Senator from Louisiana [Mr. ELLENDER] has an amendment to offer. He has been called out of the Chamber temporarily. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, I offer my amendment identified as "8–11–61—J."

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 31, line 20, strike out "$1,800,000,000" and insert in lieu thereof "$1,300,000,000".

Mr. MANSFIELD. Mr. President, will the Senator from Louisiana yield without his losing his right to the floor?

Mr. ELLENDER. I yield.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, the distinguished Senator from Virginia [Mr. ROBERTSON] desires to present a conference report on the Treasury-Post Office appropriation bill. The Senator from Louisiana [Mr. ELLENDER] is willing to stand aside for the time being to allow the Senator from Virginia to present the report. I ask unanimous consent that the Senator from Virginia may present the conference report, with the understanding that the Senator from Louisiana will not lose his right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

TREASURY, POST OFFICE, AND TAX COURT APPROPRIATION BILL, 1962—CONFERENCE REPORT

Mr. ROBERTSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5954) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1962, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. METCALF in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of today.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. ROBERTSON. Mr. President, I wish to make a relatively brief statement on the conference action on H.R. 5954, the Post Office and Treasury Departments appropriation bill for fiscal year 1962.

The conference report contains a total of $5,298,765,000. This is $16,900,000 over the House bill, $28,866,000 under the Senate bill, $161,015,000 over 1961, but $73,036,000 under the estimate.

For the Treasury Department the conference bill contains $928,515,000, an increase of $61,034,000 over 1961. The amount allowed is $17,416,000 under the estimate. Contained in this total is $452 million for the Internal Revenue Service. This is $38,100,000 over 1961; $12 million over the House allowance and should provide for 57,273 employees; an increase of approximately 1,680 employees over the 2,279 provided in the House bill for a total of approximately 3,959 new additional employees.

For the Post Office Department the bill appropriates $4,368,500,000, an increase of $99,861,000 over 1961 and represents a reduction of $55,600,000 under the estimates. The sum allowed should provide for the estimated increase in mail volume, new facilities, and additional vehicles and equipment.

For the Tax Court the conference bill provides $1,750,000, an increase of $120,000 over fiscal 1961, to handle the anticipated increase in workload.

I ask unanimous consent that a table showing the 1961 appropriations, the 1962 budget estimates, the House and Senate action, and conference action on the bill be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TREASURY-POST OFFICE APPROPRIATION BILL, 1962, H.R. 5954

Title I—Treasury Department

Appropriation title	1961 appropriations	1962 estimates	House bill	Senate bill	Conference bill
Office of the Secretary: Salaries and expenses	$3,576,000	[1] $4,233,000	$4,000,000	$4,233,000	$4,100,000
Bureau of Accounts:					
Salaries and expenses	3,708,000	3,772,000	3,772,000	3,772,000	3,772,000
Division of Disbursement: Salaries and expenses	24,066,000	[2] 26,200,000	25,600,000	25,800,000	25,700,000
Total, Bureau of Accounts	27,774,000	29,972,000	29,372,000	29,572,000	29,472,000
Bureau of Public Debt: Administering the public debt	48,318,000	48,200,000	48,000,000	48,000,000	48,000,000
Office of the Treasurer: Salaries and expenses	16,960,000	16,925,000	16,925,000	16,925,000	16,925,000
Bureau of Customs: Salaries and expenses	59,815,000	63,400,000	62,650,000	62,650,000	62,650,000
Internal Revenue Service: Salaries and expenses	413,900,000	[3] 456,800,000	440,000,000	456,800,000	452,000,000
Bureau of Narcotics: Salaries and expenses	4,320,000	4,462,000	4,462,000	4,462,000	4,462,000
U.S. Secret Service:					
Salaries and expenses	4,497,000	4,900,000	4,700,000	4,800,000	4,800,000
Salaries and expenses, White House Police	1,141,000	1,148,000	1,148,000	1,148,000	1,148,000
Salaries and expenses, guard force	355,000	358,000	358,000	358,000	358,000
Total, U.S. Secret Service	5,993,000	6,406,000	6,206,000	6,306,000	6,306,000
Bureau of the Mint: Salaries and expenses	5,825,000	6,350,000	6,000,000	6,350,000	6,250,000
U.S. Coast Guard:					
Operating expenses	205,000,000	212,500,000	208,000,000	212,000,000	212,000,000
Acquisition, construction, and improvements	30,000,000	[4] 49,333,000	39,000,000	44,333,000	39,000,000
Retired pay	30,000,000	[5] 31,350,000	31,000,000	31,350,000	31,350,000
Reserve training	16,000,000	16,000,000	16,000,000	16,000,000	16,000,000
Total, Coast Guard	281,000,000	309,183,000	294,000,000	303,683,000	298,350,000
Total, regular appropriations (title I)	867,481,000	945,931,000	911,615,000	938,981,000	928,515,000

ADMINISTRATION OF GOVERNMENT CORPORATIONS

[Limitation on amount of corporate funds to be expended]

Corporation or activity	Authorization, 1961	Estimates, 1962	House bill	Senate bill	Conference bill
Liquidation of corporate assets (RFC)	($75,000)	($65,000)	($65,000)		($35,000)

Title II—Post Office Department

Appropriation title	1961 appropriations	1962 estimates	House bill	Senate bill	Conference bill
Payment for public services	($49,000,000)	($62,700,000)		($62,700,000)	($62,700,000)
Administration, regional operation, and research	77,920,000	88,800,000	$82,000,000	82,000,000	82,000,000
Operations	3,354,541,000	3,452,000,000	3,434,000,000	3,443,000,000	3,434,000,000
Transportation	567,600,000	[6] 593,600,000	590,000,000	591,800,000	590,000,000
Facilities	168,578,000	167,700,000	152,500,000	160,100,000	152,500,000
Modernization and improvement of buildings	100,000,000				
Plant and equipment	[7]	122,000,000	110,000,000	110,000,000	110,000,000
Total, regular appropriations (title II)	4,268,639,000	4,424,100,000	4,368,500,000	4,386,900,000	4,368,500,000

Title III—Tax Court of the United States

Appropriation title	1961 appropriation	1962 estimate	House bill	Senate bill	Conference bill
Salaries and expenses	$1,630,000	$1,770,000	$1,750,000	$1,750,000	$1,750,000
Grand total, Treasury, Post Office, and Tax Court	5,137,750,000	5,371,801,000	5,281,865,000	5,327,631,000	5,298,765,000

[1] Original estimate of $3,755,000 increased $478,000—H. Doc. 97.
[2] Original estimate of $26,315,000 decreased $115,000—H. Doc. 97.
[3] Original estimate of $449,800,000 increased $7,000,000—H. Doc. 97.
[4] Original estimate of $36,500,000 increased $12,833,000—H. Doc. 97.
[5] Original estimate of $30,750,000 increased $600,000—H. Doc. 97.
[6] Original estimate of $605,600,000 decreased $12,000,000—H. Doc. 95.
[7] Previously carried under another account.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. ELLENDER. Mr. President, before the interruption in the debate I had offered an amendment, the purpose of which is to reduce the authorization for military assistance from $1.8 billion to $1.3 billion; in other words, a reduction of $500 million. Let me say here and now that I, too, was much impressed with the report made to this body by the distinguished Senator from Connecticut [Mr. DODD] concerning his recent visit to Berlin. I, too, was there last year, during the month of November.

Here in the United States one hears more about war than one could gather in traveling through Western Europe. In my judgment the people there are more or less complacent. In other words, they are ready and willing to let Uncle Sam carry the load to protect their freedom. If any danger there be, they do not realize it.

Mr. President, let me now address my remarks to the pending amendment. It is my considered judgment that the greatest bulwark against communism today is the economic strength of our country. We must make sure that this economy is not endangered by foolish spending schemes. In my judgment we can no longer afford to continue to furnish the funds and the implements of war to our so-called allies in order to have the world situation remain in status quo. Today, we are carrying the burden in Western Europe. I wish I were able to tell my colleagues what I found in Western Europe when I visited there in July and August of last year. But I can say that if the Russians had struck in July, 1960, every American soldier there would have been in mortal danger, because of the lack of full cooperation on the part of our so-called Western European allies.

The same situation exists tonight in South Korea and in Formosa. There, as in Western Europe, we alone carry the burden.

Let me say now that I have no regrets for having supported the original Marshall Plan. Under that plan we rehabilitated Western Europe to the point where her industrial development, as well as her agricultural development, is today in better condition than it has ever been. When I cast my vote back in 1948 in favor of assisting our friends, I was cognizant of what a cruel war had imposed upon them. and I was willing then to assist them, in the hope that after we had helped them, they would be in a position to respond and to assist us in battling the forces of communism.

Only a few days ago I placed in the RECORD statistics indicating the extent to which we have contributed in assisting our friends since the days of the Marshall Plan. Through June 30 of fiscal year 1961, we have contributed $88.16 billion to assist not only our friends in Europe, but our friends all over the world. Of that huge sum, $29.8 billion was for military assistance, and more than half of this amount has gone to our allies in Western Europe.

Mr. President, I firmly believe that it is necessary for us to maintain adequate defenses, but I believe that our allies in Western Europe are well able to pay for the military assistance they might need.

In fact, section 507 of the bill under consideration grants the President authority to sell military equipment on credit terms which will give the purchaser up to 3 years to pay. Why could not this section be employed for the aid to Western Europe, rather than the outright gift of $400 million of military aid?

Who do Senators think is standing guard in Korea tonight, except the Armed Forces of our country? We have about two divisions there, plus some units of the Republic of Korea, which have been trained by us, fed by us, clothed by us, and equipped by us. Let me also point out that although we equipped these units, they are no longer under our jurisdiction since the recent uprising in that country. In other words, we have created an army over which we have not the slightest element of control. Yet, in this very bill—although I cannot now state the amount, because it is supposed to be secret—we are contributing a large sum to maintain this South Korean army.

Who is on guard in Formosa tonight, except the troops which we, ourselves, have assisted in creating? I could relate the same story about every other part of the world. All of Southeast Asia is more or less sustained by us, without any assistance whatever from our friends in Europe.

If the good old U.S.A. suffers economic collapse, we know there will be darkness in the world. I cannot emphasize too strongly that our economy cannot possibly stand the drain of our current rate of spending.

Mr. President, I do not know whether it is by coincidence or not, but at least for the past 5 years, every time a foreign-aid bill has become before the Congress, every time appropriations for the military forces of our country have been before us, some crisis has occurred in some spot in the world. It seems that these crises are used to great advantage to get the people excited and to have Members of Congress vote for bigger appropriations.

Back in 1957 there was a threat against Yugoslavia. The Egyptian seizure of the Suez Canal took place on July 26, 1956, just about the time foreign-aid appropriations were being considered. The President and members of his Cabinet have used the coincidence of these crises to advantage in order to get the Congress to appropriate the full amount the administration had requested.

I have in my hands excerpts, which I shall not take the time of the Senate to read, of statements covering the period from 1957 through 1961, indicating the very thing I am saying—that every time efforts are made to bring up foreign-aid bills, crises develop, and are used, in my humble judgment, to influence the vote of many Members of the Congress.

I have in my hand an article headed, "Eisenhower Warns on Aid Cut." This was back in 1957. The headline continues: "More of Our Sons in Uniform." I have heard this same story many times over the years. We have been told that unless we provide funds to maintain native armies, more of our own boys would be called into service.

Let me point out that we spent over $348 million to create an army in Laos, and when the time came to fight, there was nobody to carry the weapons we had furnished them. This proves the fallacy of the theory that we can create paper armies to fight brush-fire wars.

It was our military assistance which created the Lao Army. We fed it. We clothed it. We supplied it with arms. But all to no avail. We have also established the Army of South Korea. For the past 8 or 10 years we alone have maintained the Republic of Korea divisions in that country. Nobody has assisted us with this burden. But yet, as I said earlier, that army today is not under our control, and we cannot be certain of what the future may bring.

Mr. President, I ask unanimous consent that the document I cited previously be placed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EISENHOWER WARNS ON AID CUT: "MORE OF OUR SONS IN UNIFORM"

(Address by President Dwight D. Eisenhower, May 21, 1957)

Just 1 week ago I talked with you about our Federal budget as a whole. Tonight I want to talk with you about one part of it: our mutual-security programs. These programs are the source of military and economic strength for our alliances throughout the free world. They form, in fact, a saving shield for freedom.

Although the cost of these programs amounts to only 5 percent of the budget, I am talking exclusively about them tonight for two simple reasons:

First. In my judgment these programs do more than any other—dollar for dollar—in assuring the safety of our country and the peaceful lives of all of us.

Second. They are the most misunderstood of any of the Federal Government's activities. Their nature, their purposes, their results are vitally important to all of us—but little known to many of us.

Their common label of "foreign aid" is gravely misleading—for it inspires a picture of bounty for foreign countries at the expense of our own. No misconception could be further from reality. These programs serve our own basic national and personal interests.

They do this both immediately and lastingly.

In the long term, the ending or the weakening of these programs would vastly increase the risk of future war.

And—in the immediate sense—it would impose upon us additional defense expenditures many times greater than the total cost of mutual security today.

This evening it is my purpose to give you incontestable proof of these assertions.

We have, during this century, twice spent our blood and our treasure fighting in Europe—and twice in Asia. We fought because we saw—too late to prevent war—that our own peace and security were imperiled, by the urgent danger—or the ruthless conquest—of other lands.

We have gained wisdom from that suffering. We know, and the world knows, that the American people will fight hostile and aggressive despotisms when their forces are thrown against the barriers of freedom, when they seek to gain the high ground of power from which to destroy us. But we also know that to fight is the most costly way to keep America secure and free. Even an America victorious in atomic war could scarcely escape disastrous destruction of her cities and a fearful loss of life. Victory itself could be agony and desolation.

Plainly, we must seek less tragic, less costly ways to defend ourselves. We must recognize that, whenever any country falls under the domination of communism, the strength of the free world—and of America—is by that amount weakened and communism strengthened. If this process, through our neglect or indifference, should proceed unchecked, our continent would be gradually encircled. Our safety depends upon recognition of the fact that the Communist design for such encirclement must be stopped before it gains momentum—before it is again too late to save the peace.

This recognition dictates two tasks. We must maintain a common worldwide defense against the menace of international communism. And we must demonstrate and spread the blessings of liberty—to be cherished by those who enjoy these blessings, to be learned and sought by those now denied them.

This is not a new policy nor a partisan policy.

DEFENSE CANNOT BE WITH GUNS ALONE

This is a policy for America that began 10 years ago when a Democratic President and a Republican Congress joined in a historic declaration. They then declared that the independence and survival of two countries, Greece and Turkey—then menaced by Communist aggression—were so important to the security of America that we would give them military and economic aid.

That policy saved those nations. And it did so without the cost of American lives.

That policy has since been extended to all critical areas of the world. It is expressed concretely in mutual-security treaties embracing 42 other nations. And these treaties reflect a solemn finding by the President and by the Senate that our own peace would be endangered if any of these countries were conquered by international communism.

The lesson of Greece and Turkey 10 years ago has been repeated in the saving of other lands and peoples. A recent example is the southeast Asian country of Vietnam, whose President has just visited us as our honored guest.

CRISIS IN SOUTHEAST ASIA

Two years ago it appeared that all southeast Asia might be overrun by the forces of international communism. The freedom and security of nations for which we had fought throughout World War II and the Korean war again stood in danger. The people of Vietnam responded bravely—under steadfast leadership.

But bravery alone could not have prevailed.

We gave military and economic assistance to the Republic of Vietnam. And we entered into a treaty—the Southeast Asia Security Treaty—which plainly warned that an armed attack against this area would endanger our own peace and safety, and that we would act accordingly. Thus Vietnam has been saved for freedom.

This is one of the nations where we have been spending large amounts of so-called "foreign aid." What could be plainer than the fact that this aid has served not only the safety of another nation—but also the security and interests of our own?

The issue, then, is serious and clear.

When our young men were dying in the Argonne in 1918 and on the beaches of Normandy and in the Western Pacific in 1944 and at Pusan in 1950—when the battlefields of Europe and Africa and Asia were strewn with billions of dollars' worth of American military equipment—no one for one instant doubted the need and the rightness of this sacrifice of blood and labor and treasure.

And precisely the same needs and purposes are served by our mutual-security programs today—whether these operate on a military or an economic front. For on both fronts they are truly defensive programs.

To the truth of this, a number of thoughtful and qualified Americans have just recently testified.

When the Congress last year approved the mutual-security programs, I believed—as did many others—that it was time to review their whole concept. Since then careful studies have been completed by committees of the Congress, by competent private groups, and by two public groups of leading citizens from all walks of life.

All these studies unanimously agreed that these programs are vital to our national interest and must be continued.

Some important revisions in the structure of our programs were recommended by these various studies. And my message to the Congress today has proposed certain changes therein.

The whole design of this defense against Communist conspiracy and encirclement cannot be with guns alone. For the freedom of nations can be menaced not only by guns—but by the poverty that communism can exploit.

You cannot fight poverty with guns.

You cannot satisfy hunger with deadly ammunition.

Economic stability and progress—essential to any nation's peace and well being—cannot be assured merely by the firepower of artillery or the speed of jets.

And so our mutual security programs today—at a total cost of some $4 billion—are designed to meet dangers in whatever form they may appear. Thus, they have three key purposes:

First. To help friendly nations equip and support armed forces for their own and our defense.

Second. To help, in a sustained effort, less-advanced countries grow in the strength that can support freedom as their way of life.

Third. To meet emergencies and special needs affecting our own national security and interest.

Examining each of these purposes briefly, I speak first of the military aspect of these programs.

This accounts for about three-fourths of their total cost—just under $3 billion. This sum serves—indeed it belongs to—our own national defense. And to recognize that fact, I have today requested the Congress henceforth to appropriate funds for military assistance as part of the regular budget of the Department of Defense.

Our system of collective defense unites us with all those 42 countries with which we have defense treaties. It embraces the Organization of American States in this Western Hemisphere, and defense arrangements with many Far Eastern countries like Korea and the Republic of China. It includes our readiness to cooperate in the Middle East with any free country threatened by Communist aggression and seeking our aid.

In Europe this collective effort is symbolized by NATO—the 15 countries in the North Atlantic Treaty alliance. And NATO's strength involves much more than symbols. In addition to our forces, NATO has more than 80 trained divisions, Active and Reserve, some 5,000 modern aircraft, 600 major naval vessels. Here—as elsewhere throughout the world—our allies provide manpower, resources, and bases, while we help with weapons and military training.

COST OF STANDING ALONE

Here again we see in the most concrete and practical way how collective effort and collective security serve our own national good. For our Nation to try, completely alone, to counter the Communist military threat would be not only more hazardous strategy; it would also be far more costly.

It would demand many billions of dollars more in defense expenditures.

It would mean raising the draft calls throughout our land. It would mean more of our sons in uniform. It would mean longer service for them.

And even if we did all these things—and I do not hear the critics of mutual security publicly proposing such alternatives—even then we would finally provide a defense inferior in strength to the collective defense we share with our allies today.

Around the world we have provided our allies, over the past 7 years, some $17 billion in direct military assistance. Over the same period, the defense budgets of our allies have totaled $107 billion.

Let us see what this united effort has achieved in 8 years.

In looking at this chart, we see that, in 1950, the strength of our allies totaled 1,000 combat vessels, 3.5 million men in their ground forces, and 500 jet aircraft.

Now in this second chart we see that, in 1957, they have built up their strength to 2,500 combat vessels, 5 million men, and 13,000 jets.

Within this worldwide program, our own contribution is vital. There are free countries in danger which—if thrown back completely on their own resources—would have to cut their armed forces severely. They would at once become targets for renewed Communist pressures. We would have to increase our own military strength—and in the process we would suffer both in terms of security and in terms of cost. And the endangered nations would suffer a slow strangulation quite as fateful as sudden aggression.

These are the harsh and inescapable facts of international life in this mid-20th century. We must face these facts and act accordingly—or face, instead, ultimate disaster as a people.

Now let us look at mutual security on the economic front.

The peril here can be just as great to us as in the military arena.

Today in many countries 1 billion free people—across three continents—live in lands where the average yearly income of each man is $100 or less. These lands include the 19 nations that have won their independence since World War II. Most of them are on the frontier of the Communist world, close to the pressure of Communist power. For centuries the peoples of these countries have borne a burden of poverty. Now they are resolved to hold on to political independence, they are resolved to achieve the economic strength to sustain that independence and to support rising standards of living.

In these lands no government can justly rule, or even survive, which does not reflect this resolve, which does not offer its people hope of progress. And wherever moderate government disappears, Communist extremists will extend their brand of despotic imperialism.

Our own strength would suffer severely from the loss to the Communists of these lands and of their people and resources. But, as these lands improve their own standards of living, they will be stronger allies in defense of freedom. And there will be widening opportunity for trade with them.

We seek to help these people to help themselves.

We cannot export progress and security to them.

Essentially, they must achieve these for themselves. But there are practical ways by which we can help—especially in the early struggles of these young nations to survive.

For one thing, they need the knowledge of skilled people—farm experts, doctors, engineers—to teach new techniques to their people. Our program of technical cooperation aims to do this. It will cost $150 million next year.

HOW CAPITAL CAN HELP

At the same time—because their inherited poverty leaves these peoples so little for saving—they need the help of some capital to begin essential investment in roads, dams, railroads, utilities—the sinews of economic strength.

Already many of these countries, like India and Pakistan, are with great difficulty devoting substantial amounts of their limited resources to this kind of long-range development. But, at this critical moment of their economic growth under free governments, a relatively small amount of outside capital can fatefully decide the difference between success and failure. What is critical now is to start and maintain momentum.

While we want and intend to see that private investors and other lending agencies supply as much as possible of this outside capital, our development-assistance program under mutual security has a vital role to play.

Here I am convinced that we should rely more upon loans than upon gifts. This is the sound and proper way for free allies to work together—it tends to create self-respect and to encourage the pride of each nation, to inspire in each nation greater zeal and sense of responsibility, to encourage thoughtful long-term planning rather than frantic emergency action.

This outlook signifies a fundamental shift of emphasis from the practice of past years.

I have accordingly asked the Congress to create a development loan fund with enough capital to allow orderly and continuing operations. Only this kind of sustained operations will allow for the prudent and thoughtful use of money. Only such operations will assure priority to the most sound and necessary projects.

And to assure this continuity and coherence of action, I have specifically requested for the first year $500 million already in the budget, and authority for $750 million for each of the 2 succeeding years.

In this whole program, we do not seek to buy friends.

We do not seek to make satellites.

We do seek to help other peoples to become strong and to stay free—and learn, through living in freedom, how to conquer poverty, how to know the blessings of peace and progress.

This purpose—I repeat—serves our own national interest.

It also reflects our own national character. We are stirred not only by calculations of self-interest but also by decent regard for the needs and the hopes of all our fellowmen. I am proud of this fact, as you are. None of us would wish it to be otherwise.

This is not mere sentimentality. This is the very nature of America—the spiritual nature of America—realistically understood and applied.

If ever we were to lose our sense of brotherhood, our sense of kinship with all freemen, we would have entered upon our Nation's period of decline. Without vision—without a quick sense of justice and compassion—no people can claim greatness.

Now, there remains—in addition to continuing defense and economic aid—a final aspect to our mutual security programs. This entails assistance to meet various special needs, including sudden crises against which prior planning is impossible. Such crises generally demand the swiftest action.

We have seen several such examples in recent years.

In the Middle East, the freedom of Iran only 4 years ago was threatened by the rule of a Government inclined toward communism. Under the courageous leadership of the Shah, the people of Iran met that danger. In their effort to restore economic stability, they received indispensable help from us. Iran remains free. And its freedom continues to be of vital importance to our own freedom.

In our hemisphere, Guatelmala not long ago faced a similar peril, with heavy Communist infiltration into the Government. Here, too, the people rose to repel this threat, but they needed—and they received—the help without which their efforts could have been in vain.

Most recently, we have witnessed a like instance in the Middle East. The Kingdom of Jordan came under the sway of a series of cabinets, each succeeding one seemingly more tolerant of Communist infiltration and subversion. King Hussein has acted swiftly and resolutely to forestall disaster, and the peril now seems checked.

Yet this victory would surely be lost without economic aid from outside Jordan. Jordan's armed forces must be paid. The nation's utilities must function. And, above all, the people must have hope.

Some necessary aid can come from neighboring Arab countries, such as Saudi Arabia, but some also must come from the United States. For the security of Jordan means strength for all the forces of freedom in the Middle East.

Now, you have undoubtedly heard charges of waste and inefficiency in some of these programs of assistance such as in Iran. I do not doubt that isolated incidents could be cited to support such charges.

On this I have two convictions:

First. The remarkable truth is not that a few Americans working abroad may have been inefficient, but that so many thousands of patriotic Americans have willingly and competently done their jobs in distant lands, under the most difficult conditions, often in the presence of real danger.

Second. When we speak of waste, let none of us forget that there is no waste so colossal as war itself. These programs are totally dedicated to the prevention of that most appalling kind of waste.

All such situations—as in Iran, Guatemala, Jordan—have been tense moments in the world struggle. Each such moment vitally touches our own national interest.

I have asked the Congress for the sum of $300 million to enable us to act—and to act swiftly—in any such moment as it may strike.

Only such part of that sum will be used as is clearly needed to serve our national interest. But the history of these years surely means one thing: To give saving help at such moments is true economy on a world scale—for it can mean the saving of whole nations and the preservation of peace.

These, then, are the kinds of help and action that make up our mutual security programs, for which I have asked the Congress to appropriate less than $4 billion—one-twentieth of our national budget. This is not a mathematical guess or an abitrary sum. It reflects economies already achieved in some aspects of military aid.

It is a reasoned figure.

And, considering the issues at stake, it is a minimum figure.

I know of no more sound or necessary investment that our Nation can make, I know of no expenditure that can contribute so much—in the words of the Constitution—to our common defense and to securing the blessings of liberty for ourselves and our posterity.

It is not always easy to see all the day-to-day results of these programs in concrete terms. They operate in distant lands whose histories, even their names, seem remote. Often the results are not swift and dramatic, but gradual and steady. They operate rather like police or fire protection in our own cities. When they are least in the news, they are doing their most effective work.

We live at a time when our plainest task is to put first things first. Of all our current domestic concerns—lower taxes, bigger dams, deeper harbors, higher pensions, better housing—not one of these will matter if our Nation is put in peril. For all that we cherish and justly desire—for ourselves or our children—the securing of peace is the first requisite.

We live in a time when the cost of peace is high.

Yet the price of war is higher and is paid in different coin—with the lives of our youth and the devastation of our cities.

The road to this disaster could easily be paved with the good intentions of those blindly striving to save the money that must be spent as the price of peace.

It is no accident that those who have most intimately lived with the horrors of war are generally the most earnest supporters of these programs to secure peace.

To cripple our programs for mutual security in the false name of "economy" can mean nothing less than a weakening of our Nation.

To try to save money at the risk of such damage is neither conservative nor is it constructive.

It is reckless.

It could mean the loss of peace. It could mean the loss of freedom. It could mean the loss of both.

I know that you would not wish your Government to take such a reckless gamble.

I do not intend that your Government take that gamble.

I am convinced of the necessity of these programs of mutual security—for the very safety of our Nation. For upon them critically depends all that we hold most dear—the heritage of freedom from our fathers, the peace and well-being of the sons and daughters who will come after us.

Thank you and good night.

Mr. ELLENDER. As in 1957, once again in 1958, the President expressed his views on the mutual security program. In a letter dated September 11, 1958, to the chairman of the Senate Foreign Relations Committee, the President said:

Because both of these programs—the military as well as the economic—serve our national interests, an increasing of one of the expense of the other could have very harmful effects. Without prejudging the matter, I must say that the threatening posture of the Sino-Soviet bloc, the importance of our collective security relationships, and the increasing cost of weapons will require a most careful weighing of the security impact of further reductions in military programs before they can be seriously contemplated.

I have sent copies of your letter to Secretary Dulles and Secretary McElroy. Please give your colleagues my assurance that their views will have thoughtful attention as next year's program is readied for submission to Congress.

Mr. President, letters exerting pressure have been sent by the Presidents to Members of Congress over the past 6 years and today the President is likewise using all the power at his command to have this bill pass as it was presented to the Senate. We have the same situation today as we have had in years past.

Mr. President, in 1958 trouble was developing in Quemoy and Matsu. We had trouble in Vietnam, and in the Middle East, especially in Syria. All of these instances were used as a lever to get us to vote for all the money that was requested.

In 1959 we had the same situation. We had more crises when foreign aid was being considered. The President wrote a letter to Mr. Nixon. He urged that, failing our providing the funds, Lord knows what would happen to us. I ask unanimous consent that this letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 29, 1959.

The Honorable RICHARD M. NIXON,
The President of the Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: In my mutual security message last month,[1] I stated that the bipartisan Committee To Study the U.S. Military Assistance Program would soon render an interim report, and that after study of this report I would submit to Congress such recommendations thereon as I should deem appropriate.

The Committee, composed of eminent Americans, has made an excellent study of the grave perils inherent in Communist military, economic, and political activities throughout the world. It has pointed out that without a continuing and effective mutual security program our single and unthinkable alternative is "to seek survival in isolation—a state of siege—as the world continues to shrink." The Committee has highlighted the necessity for a truly mutual effort, and after firsthand observation by its members has noted the important strengthening of the free world through our assistance—assistance which strengthens us as it strengthens our allies.

Rightly the Committee has emphasized the need for modernization of free world military forces, patricularly in the NATO area. It has recommended a substantial increase in the level of commitments in fiscal year 1960, pointing out that such an increase would not involve a significant increase in expenditures during that year. I believe, with the Committee, that NATO force modernization must go forward as rapidly as sound decisions permit.

The unanimous findings of the Committee in its interim confirm the imperative need for Congress to authorize and appropriate the full amount requested for both economic and military assistance in the mutual security program for fiscal year 1960. With this full amount available, I shall, in support of the Committee's recommendations, direct full use of the flexibility which Congress has wisely provided in the Mutual Security Act, including the contingency fund. Progress to implement the Committee's recommendations can be made in this way. Nonetheless, even including these measures, as well as our continuing efforts to improve the operational efficiency and economy of the program, it may well be that the carrying out of essential equipment and training programs, including the force modernization recommended by the Committee, will require additional authority to obligate funds in fiscal year 1960. Undoubtedly more funds will be required should the Congress fail to appropriate the full amount already requested.

Late this fall, I shall review the then-current status of our efforts to implement the Committee's recommendations. This review will encompass then-existing world conditions as shaped by developments over the next few months, the rate of force modernization, particularly in the NATO area, and, of course, the progress of 1960 procurements for NATO and other areas. In the light of this review, I will make appropriate recommendations to the Congress. This review will enable me to take full account of the Committee's recommendations also in the formulation of the military assistance budget for fiscal year 1961.

I again emphasize that the program already before the Congress is the minimum required to support our own Nation's security and the common defense of the free world.

I enclose the Committee's interim report for the earnest consideration of the Congress.

Sincerely,

DWIGHT D. EISENHOWER.

[1] Bulletin of Mar. 30, 1959, p. 427.

Mr. ELLENDER. As I pointed out at that time, Mr. President, I seriously object to our continuing to furnish moneys to our allies of Western Europe, who have grown so prosperous. Today Western Europe is more prosperous than are we. Those nations certainly owe less money than we do and every dime we send them must be borrowed. Most of those nations have balanced budgets, while we continue to go in the red. Today our national debt is almost $295 billion, and it is continuing to increase rapidly.

This is why I said in my opening statement that something must be done. Something should be done to settle these problems, because we are the ones who are carrying the entire burden, and if it continues we will destroy ourselves by suffering economic collapse.

We have had golden opportunities in the past to get our friends in Western Europe to help, but we were too soft. We have continued to furnish them assistance while they have developed their economies to the point that they have taken away markets from our own industries.

Mr. President, I have often said in the past that as long as we remain soft, as long as we carry the burden willingly, as we do now, we can expect that our good friends across the seas will keep leaning on us.

I repeat that, in the last 2 or 3 years we have had golden opportunities to get the peoples of Western Europe to assist us, but we have not taken advantage of them. On the contrary, President Eisenhower over the past 4 years, and now President Kennedy have taken steps, which, in my opinion, lull our allies into believing that we will continue to carry the load for an indefinite period in the future. Of course, as long as we present them with gifts of military aid, I am sure their attitude will be, "Why should we worry?"

Uncle Sam has increased his own military strength. He is increasing the draft calls. Other units may be activated soon. Why should we worry?

The effect of all that, I repeat, will be to lull our so-called allies in Western Europe to the point that they will think, "Why should we go ahead? Uncle Sam will carry the load."

Mr. President, I submit that our so-called allies of Western Europe have not carried their fair share, and I am very hopeful that the Senate will agree to reduce the amount for military aid to $1,300,000,000.

Aside from the reasons I have already advanced, there are quite a few others to justify a reduction in the amount of military assistance from $1.8 billion to $1.3 billion.

I have recommended over the past few years that our friends in Western Europe were well able to assist us in carrying the load. In my most recent report to the Senate following my last trip to Western Europe I made this recommendation:

Military grant assistance to the hard-currency countries of Western Europe should be terminated immediately and replaced by a military equipment sales program.

As I will show in a few moments, the bill under consideration provides for a program for NATO that would cost almost $750 million, and over $400 million of this amount is programed for the countries of Western Europe. As I pointed out earlier, section 507 of the bill under consideration provides for a military equipment sales program. If the amendment were agreed to by the Senate, it would not be necessary to pass any new legislation to permit the President to make sales of military equipment to the countries of Western Europe.

The Committee on Foreign Relations has inserted in the bill a very wise provision which would give the President the right to sell, on terms of from 2 to 3 years' credit, equipment that may be needed by the countries of Western Europe. Even though we curtail the cash outlay that we are now being asked to authorize by $500 million, the President would still have the authority under the bill, to sell equipment to the countries of Western Europe.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. ELLENDER. Yes, I yield.

Mr. MONRONEY. I am following with great interest what the Senator from Louisiana is saying. Is it not a fact that only a week ago the Committee on Appropriations reported the armed services appropriation bill, in which more than $3.5 billion would be added to our own military expenditures? Is it not a fact that when we provide for an adequate airlift, with mobile STRAC divisions, we will be buying far more defense for Western Europe than we will by conversion of secondhand war materiel and other supplies that would be shipped both there and to many of the underdeveloped countries to continue what in my personal observation in the underdeveloped areas has been more of a militarized WPA than a real fighting defense force?

Mr. ELLENDER. Mr. President, if I understand the question of the Senator correctly, he asked whether it is a fact that what we do at home to provide the materiels necessary would be a greater deterrent to a potential enemy than trying to assist the countries of Western Europe. The answer, of course, is "Yes."

As I pointed out, I am asking for a cut of only $500 million from the requested amount of $1,800 million.

Section 507 of the bill would give the President the right to sell any kind of equipment to our allies on credit. Any equipment that we make available to our friends in Western Europe should at least be paid for by them, and we should not be forced to give the equipment to them.

I ask Senators to listen to this provision. Section 510 of the bill would give the President authority to draw from stocks of the Defense Department up to $200 million—that is a contingency fund—in order to assist our friends.

Section 507 of the bill would permit the President to sell articles from the Department of Defense stocks for dollars, with no limit being placed on the amount to be sold; with terms, as I indicated, of up to 3 years to pay. So no one would suffer, provided we can make them pay for it.

This is what I have been trying to get for the past 5 years. This is what should be done. But, no, we have been so soft and easy that the countries of Western Europe have been leaning on us, and for that reason we have been forced to carry the load.

Section 614(a) of the bill would give the President authority to transfer $250 million from any appropriation title in the bill to military assistance, if circumstances warrant, except that funds may not be transferred from the DLF.

So we have the four methods that I have mentioned in which the President would have the authority to increase military aid should it be necessary.

For Western Europe, to supply our friends who are able to pay, there is included in the bill a quarter of a billion dollars for equipment. They could easily pay for it. We could sell it to them on time. But, no, efforts are being made to give it to them. So long as we remain soft, they will take everything we have and depend on us for more.

God forbid that a war should start, for all our so-called allies are dependent on us. If war should start tomorrow they would all look to us for equipment, without any ifs or ands. We are bearing the load, and they will expect us to make everything available to them.

We have a program for NATO infrastructure. This program provides, under a commonly financed plan, airfields, communications and radar facilities, POL transmission and storage facilities, naval bases, war headquarters, and military training installations for the use of military forces committed to NATO under the treaty agreements.

We also finance a weapons production program and a weapons development program in Western Europe.

It seems to me, that with all we are doing at home, with all we are doing in other parts of the world, our allies should be willing to carry some of the load.

Turning to other areas of the world, we have a program of military assistance in Africa. It is not a large program, but it amounts to about $48 million and that is $48 million more than it should be. Of this amount, $25 million is not specifically earmarked; it can be used in any area on that continent. I wish to point out that we are embarking on a program in Africa and there is no telling where it will lead us.

We have programs in Ethiopia, Tunisia, and North Africa. We are spread all over the world, and there seems to be no one desirous of assisting us. It is my contention that we cannot long contine along this path and remain solvent.

Let us consider the Far East. I cannot give to the Senate the figures, because they are secret, but we are giving military assistance in the Far East—that is, implements of war—to Korea, China, Vietnam and—whom else? Japan. We are furnishing hardware to Japan. I cannot tell the amount, but it is in the budget. A total of $870,352,000 is provided in order to assist the countries of the Far East.

I cannot understand why in the name of commonsense we should give prosperous Japan any of this money. We have spent billions of dollars in Japan to help rehabilitate that country. Since the war we have made available to Japan, through June 30, 1961, $3.52 billion, of which $970 million was for military assistance and $2.55 billion was for economic aid. Despite this, Japan is included in this bill for even further assistance.

I cannot understand our military advisors abroad recommending any of this assistance to countries that are well able to help themselves. We cannot keep this up very much longer. If we do, as sure as I am standing on the floor we are going to bring some kind of ism to our own country. There is no doubt about it.

As the distinguisned Senator from Oklahoma pointed out a while ago, we just appropriated $47 billion for our own armed services to be used all over the world. Yet, in addition to that, we are being asked to provide this military hardware for countries which are well able to take care of themselves.

Mr. President, there is much more I could say. At the end of fiscal year 1961 there was in the pipeline, in the form of military assistance, $2,519.6 million. That was $500 million more than in the preceding year. Yet we are being asked, because of the situation that exists in Western Europe, to augment this amount. I think it is unconscionable for us to send borrowed dollars to people who are as well able to take care of the situation as we are.

There are four or five different methods by which the President can recoup some of this money, if events make this necessary. I do not believe it would hurt us at all to have a $500 million cut in the military assistance program, particularly when there is in the pipeline, as I said, $2.5 billion, which is flowing to our friends all over the world, our friends are so prosperous that they themselves can at least purchase what they need from us. That authority already is in the bill.

I hope the Senate will vote favorably on the amendment.

Mr. DWORSHAK. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. DWORSHAK. The Senator from Louisiana is doing today what he has done annually in an effort to alert the Senate to the need of insisting that our NATO allies make good their commitments to cooperate with us in furnishing essential defenses for Western Europe. The Senator from Louisiana has just referred to the tremendous size of our own defense budget. I did not hear all of his comments. I wonder if he stated that the bill includes $150 million for military personnel and operation and maintenance costs for the specific purpose of sending 38,000 young Americans to beef up our military forces in the NATO countries in Western Europe.

Mr. ELLENDER. I did not refer to that specific amount, but I did say that reservists were being called up, and that the United States was beefing up its Armed Forces. The United States now has, as I said, 5½ divisions in Western Europe, and we shall soon send 3,000 more men overseas. That will all be done at our expense, and it is in addition to what we are being called upon to do for our friends in Western Europe.

Mr. DWORSHAK. Mr. President, will the Senator from Louisiana further yield?

Mr. ELLENDER. I yield.

Mr. DWORSHAK. As a member of the Subcommittee on Appropriations on the Defense Budget, I have listened for many years to the vigorous insistence on the part of the Senator from Louisiana that originally there were to have been 60 divisions in NATO, whereas only about 20½ divisions are in existence. The Senator recalls, does he not, that time after time our subcommittee received testimony from the NATO supreme commanders, who came from Paris to testify that our NATO allies were doing what they could; but never did those witnesses, before our committee, testify that the full obligations and commitments of our NATO allies to furnish manpower and to furnish divisions were being fulfilled, as it had been agreed they would do?

Mr. ELLENDER. That is correct. When the original number of divisions was agreed upon, the United States was to furnish five and one-half divisions. Although the total number of divisions for NATO has been cut back, the number of U.S. divisions still remains at five and one-half. In other words, as the Senator has stated, as has appeared in the newspapers, and as a good many persons agree, there are supposed to be 20½ divisions in Western Europe under the command of NATO. I should like to describe those divisions, but I am not permitted to do so, because this information is top secret.

However, I would hate to be a soldier in one of the U.S. divisions and have to fight side by side with a paper division.

The point is that although the total number of divisions has been reduced, the number of U.S. divisions has remained the same. Canada has not reduced the number of her divisions, but the number of divisions which other NATO nations were to supply has been drastically reduced.

Mr. DWORSHAK. Mr. President, will the Senator from Louisiana further yield?

Mr. ELLENDER. I yield.

Mr. DWORSHAK. If it is true, as has been stated by our supreme commanders of NATO forces, that they were satisfied with the number of divisions which have been made available during the past several years to build up and bulwark the united defense of Western Europe, is it not peculiar that the Washington Sunday Star of August 6 published the article entitled "Building NATO Forces a Tough Task for Rusk," written by Crosby S. Noyes, foreign correspondent of the Star? The first paragraph of the dispatch, which was sent from Paris on August 5, reads:

> Secretary of State Dean Rusk faces no easy task in trying to persuade the NATO allies to beef up their fighting forces in preparation for a crisis in Berlin. The latest information here is that it will take between 70,000 and 100,000 men to bring the existing NATO divisions on the Central European front to full strength—and most of the increase must be supplied by the European allies.

I am certain the Senator from Louisiana has read other articles on this subject, as I have.

Mr. ELLENDER. When reference is made to the necessity of between 70,000 and 100,000 men to bring the NATO divisions to full strength, that means to the reduced number of 20½ divisions or 21 divisions. In other words, the gaps ought to be filled in the paper divisions of NATO which are now available.

Mr. DWORSHAK. That is the point I am trying to make. I have heard the Senator from Louisiana say in the deliberations within the Committee on Appropriations and on the floor of the Senate, time and time again, that the NATO allies were not making available the divisions, fully recruited and equipped, which they had promised to make available to the NATO supreme commander.

I call the attention of the Senator from Louisiana to another article, this one entitled "United States Hopes for NATO Bolstering," written by Murrey Marder, and published in the Washington Post of Sunday, July 23, 1961. The first paragraph reads:

> The United States hopes the impending stepup in American military strength to cope with the Berlin crisis will stimulate dragging plans to bolster conventional forces of the North Atlantic Alliance.

The article states that while the United States has been receiving assurances from her NATO allies, notwithstanding the fact that we have provided billions of dollars of financial assistance for direct and indirect military support, nevertheless, with the potential military manpower which they have available in the millions, they have been unwilling to keep faith with the U.S. Government.

Yet the administrations of former President and General Eisenhower and, today, of President Kennedy have persisted, unfortunately, in saying that the way to strengthen NATO, to bolster the western front, and to hold the line against Soviet aggression is to dole out more and more millions of dollars and to send more and more thousands of young Americans, most of whom have been drafted, to take places in the frontlines of Western Europe, because our NATO allies have not fulfilled completely their commitments and obligations.

Mr. ELLENDER. The Senator is entirely correct; and let me point out that the country which today is in the worst danger is Germany, right on the border. Yet the record will show that the Germans have been unable to impose conscription for a period longer than 12 months. When I was there in August 1960 I was informed that the reason why it was impossible to have ready divisions in Germany was that as soon as the troops were trained. they would leave the service. It takes about 12 months to train them; and as soon as they get 12 months training, out they go. That is why there is no proper support in that part of the world, where the greatest danger exists. I cannot understand why our military missions abroad permit such conditions to exist. Yet when I was there, Mr. President, in the summer of 1960, they justified that. It was simply shameful to hear those military missions talk—particularly in the light of the top secret document which I had previously been shown before my departure from Washington. I visited every country in Western Europe which belonged to NATO, except Turkey and Greece. And, believe it or not, I found that the conditions which actually existed were worse than the conditions as stated in that top secret document. Naturally I was shocked.

Mr. DWORSHAK. Mr. President, will the Senator from Louisiana yield further to me?

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator from Louisiana yield to the Senator from Idaho?

Mr. ELLENDER. I yield.

Mr. DWORSHAK. While all of us hope no military outbreak will result within the coming year from the controversy over the Berlin situation, is it not a fact that during the past several years our Government has possibly been doing a disservice to our NATO allies by being willing to make greater and greater contributions to the mutual defense, with the result that, finally, because of the developments in Western Europe, we must face a showdown? No longer can we talk about the blueprints of NATO for the defense of Western Europe; instead, the time has come when we must be prepared to defend the countries of Western Europe. Possibly this showdown may have a beneficial effect in shaking the complacency and the indifference which have characterized the NATO cooperative military effort during the past several years. Does the Senator from Louisiana agree as to that?

Mr. ELLENDER. I hope it has that effect. But, as I have pointed out before, every year we have had crises of some kind come up, but it is obvious that they do not seem to have any effect on our allies.

I repeat that what disturbs me is the fact that our military missions, not only in Western Europe, but all over the world, do not seem to realize that the people there ought to assist themselves.

Mr. President, it is not only true in Western Europe; but the same condition is also found in the Middle East and in Pakistan and even in Turkey and Greece. The Greek soldiers and the Turkish soldiers are lauded, and of course I agree as to that. But insofar as preparations and the production of the materials of war, with which to carry on a fight, in the event that fighting develops, is concerned, there is hardly "anybody home"; I can state that.

Mr. DWORSHAK. Mr. President, will the Senator from Louisiana yield again to me?

Mr. ELLENDER. I yield.

Mr. DWORSHAK. Although it is obvious that the immediate test facing the free nations revolves around the Berlin situation, is it not also a real fact that while there may be an abatement of the threats in southeast Asia, actually we are facing a similar situation in that part of the world, primarily because we have not insisted that our allies in southeast Asia who have received billions of dollars from us make an all-out effort to defend themselves against Communist aggression?

Mr. ELLENDER. The Senator from Idaho is correct.

I do not wish to burden the RECORD; but I may state that a few days ago I placed in the RECORD a document indicating how much each one of our allies has received since this program began. As I indicated a while ago, if the Congress appropriates the entire amount that is now being requested in this bill, we have made available to our allies through fiscal year 1961 $95.4 billion, $31.47 billion of which was for military assistance, and $63.96 billion for economic assistance.

Let me give a breakdown of this aid. We have made available to France, $9.7 billion, $4.5 billion of which was for military assistance, and $5.2 billion economic aid.

We have made available to Germany, through June 30, 1961, $5 billion, of which $4.1 billion was for economic assistance and $900,000 was for military assistance.

We have made available to Italy $5.6 billion, of which $2.2 billion was military aid and $3.4 billion was economic aid.

We have made available to the United Kingdom $8.72 billion, of which $7.7 billion was economic assistance and $1.02 billion was military assistance.

Certainly, Mr. President this clearly indicates our generosity. Yet when we go there and see what has been done by them to assist themselves militarily, we find the situation which I hinted at earlier. Unfortunately, I cannot tell the whole story since it has been labeled secret. But if the American people knew the truth, they would wish to use a brickbat, a ball bat, or something of

that sort, on the heads of those responsible for this situation.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. ELLENDER].

Mr. FULBRIGHT. Mr. President, we have heard the very eloquent plea by the Senator from Louisiana. I know his views regarding the budgetary situation of the Government, and I have much sympathy with his position.

I point out that $1.8 billion is for military assistance.

Recently we have made a large appropriation for this program, and we insisted on providing $500 million more than the administration requested.

The military authorities recommend this item. This does not originate in the ICA or in the Department of State. They support it, of course, but it is essentially a military item. It is designed to achieve exactly the same purpose as the major budget that we recently approved with apparent enthusiasm. There was certainly no serious objection then.

It is a great mystery to me, and has been for many years, why any Member of this body who is so interested in preserving the military integrity of this country can vote with great enthusiasm for $47 billion, $48 billion, or $50 billion for the military, and then object so strenuously to this item. This item is under the direction of the military. The MAG people who are sent abroad by our Military Establishment are the same ones who are housed in the Pentagon. They are responsible for it. We put provisions in the bill requiring them to balance, weigh, and evaluate every dollar in this program against the dollars provided in the other program.

That there has been misuse of the money, that there has been mistaken use of it, I have no doubt. In the committee I have been very critical of some of the programs. I expect to continue to be critical. I suppose a big program of this type can never be perfect. I think it has been too profligate in certain areas, and not enough in others. Nevertheless, this is the judgment of the military. Our judgment of it is to weigh the overall amount, and its reasonableness with regard to the total budgetary responsibilities of this Government, and to make our decision.

I hope the Senate will reject the amendment. I do not know that there is anything I can say that will enlighten us. This same debate, almost word for word, has taken place as long as I can remember in this body. The same reasons have been given. If there is anything new in the argument, I am unable to detect it.

The Senate has voted for substantial amounts. It has cut the amounts in some instances. I do not think it has ever made a cut in the amount of $500 million. This seems a large cut.

I will vote against the amendment, and I hope the Senate will vote against it.

I am ready to vote, Mr. President.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to dispense with the further call of the roll.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FULBRIGHT. Mr. President, I ask for the yeas and nays on the Ellender amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. ELLENDER] on page 31, line 20, in the committee amendment. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

On this vote, the Senator from North Dakota [Mr. YOUNG] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from North Dakota would vote "yea," and the Senator from New Mexico would vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Illinois [Mr. DIRKSEN] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The Senator from North Dakota [Mr. YOUNG] is detained on official business.

On this vote, the Senator from North Dakota [Mr. YOUNG] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from North Dakota would vote "yea" and the Senator from New Mexico would vote "nay."

The result was announced—yeas 38, nays 57, as follows:

[No. 138]

YEAS—38

Anderson	Ervin	Monroney
Bartlett	Fong	Morse
Beall	Gruening	Mundt
Bible	Hickenlooper	Pell
Burdick	Holland	Proxmire
Byrd, Va.	Hruska	Robertson
Cannon	Johnston	Russell
Capehart	Jordan	Smathers
Case, S. Dak.	Kerr	Stennis
Curtis	Long, La.	Talmadge
Dworshak	Magnuson	Thurmond
Eastland	McClellan	Williams, Del.
Ellender	Miller	

NAYS—57

Aiken	Gore	Metcalf
Allott	Hart	Moss
Bennett	Hartke	Muskie
Boggs	Hayden	Neuberger
Bridges	Hickey	Pastore
Bush	Hill	Prouty
Byrd, W. Va.	Humphrey	Randolph
Carlson	Jackson	Saltonstall
Carroll	Javits	Schoeppel
Case, N.J.	Keating	Scott
Church	Kefauver	Smith, Mass.
Clark	Kuchel	Smith, Maine
Cooper	Lausche	Sparkman
Cotton	Long, Mo.	Symington
Dodd	Long, Hawaii	Tower
Douglas	Mansfield	Wiley
Engle	McCarthy	Williams, N.J.
Fulbright	McGee	Yarborough
Goldwater	McNamara	Young, Ohio

NOT VOTING—5

Butler	Dirksen	Young, N. Dak.
Chavez	Morton	

So Mr. ELLENDER's amendment to the committee amendment was rejected.

Mr. ELLENDER. Mr. President, I call up my amendment, "8–11–61—N."

The PRESIDING OFFICER. The amendment of the Senator from Louisiana will be stated.

The LEGISLATIVE CLERK. On page 25, line 12, in the committee amendment, it is proposed to insert the following before the period: ": *Provided, however,* That notwithstanding the provisions of any section of this Act or any other Act none of the funds herein authorized or subsequently appropriated may be used to finance contributions to the programs of the United Nations in the Congo in excess of 40 per centum of the total contributions to the United Nations for such programs."

The PRESIDING OFFICER. The question is on the amendment of the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I do not expect to take very long to explain the amendment. First, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, the amendment is very simple. In fact, it merely reaffirms what the Congress has already done. Last year Congress went on record to limit to 40 percent the amount that would be paid by this Nation to the Congo through the United Nations. Last year we provided in the bill that our contributions through the United Nations for the Congo would not be in excess of 40 percent. Notwithstanding that fact, lawyers from the State Department and others found some way to get around the prohibition. I am now reoffering an amendment to add the provision to the bill that is before the Senate.

It will be remembered by many Senators that when we first became a member of the United Nations, our contribution was in the neighborhood of 60 percent. Through the efforts of quite a few Senators, our contribution was reduced to one-third. Lately our share has been increasing percentagewise, and there is no reason for such increase. As all of us know there is quite an extensive technical aid program in which we pay for everything.

Aside from our technical assistance, we furnish 40 percent of the $82.5 million that is spent for technical assistance through the U.N. That figure should be down to one-third. But I do not propose to disturb that figure at the moment. The provision that I seek is one that would provide that our contribution to the United Nations for the Congo from the United States should be not more than 40 percent of the budget for the Congo. It is my fear that if we embark upon any of the proposed programs in Africa, sooner or later we will be called upon to carry the entire load.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. BRIDGES. First, I wish to compliment the distinguished Senator from Louisiana in proposing the amendment. He knows as well as I and other Senators, particularly those on the Committee on Foreign Relations and more specifically perhaps the Appropriations Committee, that year after year we try to

bring out the facts, and endeavor to bring down the contribution to 33⅓ percent. The contribution should not be 1 percentage over 33⅓. Somehow the contribution worked around to 40 percent.

Then when we do take what we think is general action by Congress, ways are found to get around it. The Senator is dealing with a very important subject. He is to be complimented for doing it. I hope the Senate will support him.

Mr. ELLENDER. I ask unanimous consent to place in the RECORD at this point a memorandum from the State Department indicating authority for forcing us to pay in the Congo for last year as much as 49.9 percent instead of the 40 percent limitation which Congress had voted.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
March 30, 1961.

Memorandum to: BF—Mr. Hoofnagle.
From: L/MS—John B. Rehm.
Subject: Waiver of 40 percent limitation.

I understand that Mr. Scott, of the staff of the Senate Appropriations Committee, has inquired whether the President may invoke his authority under the first sentence of section 451(a) of the Mutual Security Act of 1954, as amended, in order to waive a requirement of law enacted subsequent to that section; e.g., the proviso contained in the Mutual Security and Related Agency Appropriation Act, 1961, which provides that no contingency funds may be used to finance contributions to the United States for a program in any country in Africa in excess of 40 percent of the total contributions to the United Nations for such program.

In the first sentence of section 451(a) of the Mutual Security Act of 1954, as amended, which is a permanent provision of law, the Congress has expressly authorized the President to waive requirements of acts appropriating funds for the mutual security program. It is true that this authority was granted by amendment of the Mutual Security Act of 1954, as amended, in 1957, and that it can be argued that it should not apply to provisions in appropriation acts passed pursuant to subsequent authorizing legislation. However, to construe the authority in that fashion would in effect limit it, so far as provisions of appropriation acts are concerned, not only to the appropriation acts passed prior to the Mutual Security Act of 1957, but, since almost all the provisions of these acts expired at the end of their respective fiscal years, to the very few permanent provisions of those acts. The Congress cannot be deemed to have provided the President with an authority which would be a virtual nullity. Accordingly, reasonable construction of section 451(a) of the Mutual Security Act of 1954, as amended, in addition to a practice of waiving appropriation acts over the past several years, of which the Congress has been formally apprised and without any known objection, can only support the conclusion that the President may waive a requirement such as the 40 percent limitation.

Mr. Chayes, the legal adviser of the Department, concurs in this conclusion.

Mr. ELLENDER. Mr. President, what I am trying to do is to make it specific, so as to tie down not only to the appropriations that we are now making, but with respect to any future appropriations that are made, for assistance to the Congo.

Last year, notwithstanding the fact that we wrote into the bill a 40 percent limitation, we ended by paying 49.94 percent for the period of July through December of 1960; 47.51 percent for the period January through October of 1961; or for the period July 1960 through October 1961 an overall 48.4 percent. This same thing is true with respect to other U.N. operations. For example, consider the U.N. emergency force. We are all familiar with that. In trying to keep peace between the Arabs and Israel, it was necessary to keep forces there, and the total budget was $19 million. We paid 41.66 percent of that cost, which is far in excess of the third that some of us have been advocating for many years.

The U.N. Children's Fund is a fine program. In that program the total budget is $27.3 million. We paid 44 percent of that amount. I am not touching that subject at all. I am simply citing these figures to show the extent to which we are contributing to programs of the U.N. which is far above the third that we have been striving for over the past years.

The World Health Organization is a very good program. The total budget of the malaria eradication project is $5.437 million. We ended by paying 61.7 percent of that program.

The OAS Technical Cooperation Program has great merit. Here again we have been trying to get all the programs to the point where our contribution would be a third of the budget. In regard to the OAS Technical Cooperation Program, we ended by paying 70 percent of that program.

Mr. President, I ask unanimous consent that a special memorandum which details the United States contribution to special U.N. and other regional programs be inserted in the the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

United Nations budget for "regular administrative purposes" is about $70,000,000 a year (the U.N. budget is on a calendar year):

	Percent
United States share is	32½
Soviet share is	13

Special contributions (proposed, fiscal year 1962) to international organizations

[Dollars in millions]

	United States	Total budget	U.S. percent
United Nations:			
U.N. technical assistance (plus $7.0 for a special fund)	$33.0	$82.5	40.0
U.N. Congo:			
Military $27.0			
Economic 35.0			
	62.0		
July–December 1960	29.9	60.0	49.94
January–October 1961	47.5	100.0	47.51
Total (July 1960–October 1961)	77.47	160.0	48.42
U.N.R.W.A. (Palestine refugees) matching basis of 70–30 plus $4.85 unobligated from fiscal year 1961 budget	13.35		
U.N. Emergency Force (Middle East):			
Fiscal year 1961 assessment 6.11			
Fiscal year 1962 voluntary contribution 1.8			
	7.91	19.0	41.66
U.N. Children's Fund	12.0	27.3	44.0
World Health Organization malaria eradication:			
A.I.D.	2.5		
State	.857	5.437	61.7
Total	3.357		
For fiscal year 1962 there is a total of $133.3 U.S. contributions to special U.N. funds:			
Regional programs:			
OAS technical cooperation	1.5	2.143	70.00
NATO science program	1.8	4.989	36.10
Indus waters [1]	[2] 16.9		

[1] This is a $1,000,000,000 project of which over 10 years the United States will contribute—

	Millions
Loans (in dollars)	$70
Grants (in dollars)	177
Local currencies such as Public Law 480 funds	235
Total (48.2 percent of total project)	482

[2] Annual grant.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SALTONSTALL. The Senator offers a proviso with relation to contributions to the United Nations, of $62 million. The Senator would provide that we pay not more than 40 percent.

Mr. ELLENDER. Our contribution is $62 million out of $100 million. Therefore this year, instead of paying 40 percent of it, which we thought we had agreed to pay, we will be called upon to pay 62 percent.

Mr. SALTONSTALL. If we should adopt the Senator's amendment, there would still be available $300 million in the President's discretionary fund, which he could use in the Congo either through the United Nations or directly, if he saw fit.

Mr. ELLENDER. Yes.

Mr. SALTONSTALL. The Senator's amendment would not apply to that fund.

Mr. ELLENDER. What I am trying to do is to limit our contribution to the U.N. for this program to 40 percent. That is what I am trying to do.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. KEATING. I should like to clarify the answer the Senator made to the Senator from Massachusetts. There is much merit to his amendment. However I am afraid that he would cut off any use of the President's discretionary fund.

Mr. ELLENDER. No; my amendment has reference only to the direct contribution we make to the U.N. for this program.

Mr. KEATING. The Senator provides:

> Notwithstanding any provision of any section of this act or any other act, none of the funds herein authorized or subsequently appropriated may be used to finance contributions to the programs of the United Nations in the Congo in excess of 40 percent of the total contributions to the United Nations for such programs.

In other words, the Senator might have a very good point if he would limit his 40 percent limitation to the funds made available under this section, but leave it up to the President, if the President found a special situation to exist, to go beyond that.

Mr. ELLENDER. The purpose of my amendment is to limit our contribution through the United Nations to 40 percent, whatever the budget is. That is what I am trying to do. That is all I am trying to limit.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SALTONSTALL. Following what the Senator from New York has stated, the purpose of my question was to bring out that our contribution to the Congo through the United Nations for that program would not be increased beyond 40 percent, but if there were an emergency, the President has, under another section of the bill, $300 million to spend in any way he sees fit, and my point was whether the amendment would apply to that.

Mr. ELLENDER. That would not be through the U.N.

Mr. SALTONSTALL. It might be. Would it not be used to contribute to the keeping of the forces of the U.N. down there?

Mr. ELLENDER. I presume he could use it for any purpose he desired.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SPARKMAN. The President would not be authorized to contribute anything above 40 percent to any program of the United Nations, under the language of the Senator's amendment. If he were to use his contingency fund, it would not necessarily have to be on a unilateral basis; it could be bilateral or multilateral, but not through the United Nations.

Mr. SALTONSTALL. How would we support the United Nations forces if there were an emergency?

Mr. SPARKMAN. The amount would not be sufficient. That was proved this year. That is why I believe this is a defect in the amendment.

Mr. KEATING. I wonder whether the Senator would not be willing to accept an amendment to his amendment which would resolve this problem by leaving the President free to use his discretionary fund as he might see fit to use it, provided that the amount which we authorized did not exceed 40 percent of the contribution to the United Nations.

Mr. ELLENDER. My purpose is to limit to 40 percent the amount to be furnished for the Congo through the United Nations. If my amendment does not do that, I will accept an amendment to my amendment which will do it.

Mr. KEATING. It does that, but it also acts as a prohibition on the President in his discretionary use of any part of the emergency fund as a further contribution to the United Nations in the event of an emergency. I am not sure that the Senator intended to interfere with the President's emergency fund.

Mr. ELLENDER. I hope that if the President sees fit to use his special fund, he will use it directly and unilaterally, and not through the United Nations.

Mr. SALTONSTALL. How can he use it directly?

Mr. ELLENDER. As I read the Act, he could do anything he pleased with it.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SPARKMAN. When the Congo trouble broke out, Russia rushed in. For a while it seemed that she had a decided advantage, because of her efforts to get control of the Congo through the use of her own unilateral aid. We agreed—and I believe the United Nations passed a resolution—certainly it was the policy of the United Nations—that no aid would be given in the Congo except through the United Nations on a multilateral basis.

Mr. SALTONSTALL. That is correct.

Mr. SPARKMAN. That was a wise move. When that was done, Russia moved out. The Congo has become more and more stabilized ever since.

If this amendment were adopted as it is written, the only thing the United States could do would be to give through the United Nations, not to exceed 40 percent of the amount necessary to be spent in the Congo. The President would not be authorized to use any of his contingency funds to aid the United Nations, and the United States would be helpless, in view of the policy which has been adopted, to use unilateral or bilateral or multilateral funds except through the United Nations. Certainly we would not wish to upset that policy, because it would open the door again for Russia to move in.

Mr. SALTONSTALL. Mr. President, will the Senator from Louisiana yield for a further question?

Mr. ELLENDER. I yield.

Mr. SALTONSTALL. I should like to vote for the 40-percent contribution to the United Nations, because I think it is in accordance with our policies in the Committee on Appropriations over the years. But I hope it may be adjusted so that it will not apply in any way to the President's contingency fund, which he could use for emergency purposes, because that is the whole purpose of the contingency fund.

Mr. ELLENDER. I do not believe the amendment covers the contingency fund at all, because it is directed to contributions made through the United Nations. As I understand, the budget for the Congo has been fixed at $100 million. Under the bill as it is before us, the United States is to contribute $62 million, or 62 percent. I wish to limit that amount to 40 percent, the same as was agreed to before the Committee on Appropriations last year, and which was adopted by both Houses.

Mr. KEATING. Mr. President, will the Senator from Louisiana yield for a suggestion?

Mr. ELLENDER. I yield.

Mr. KEATING. Like the Senator from Massachusetts, I am in sympathy with the principle which the Senator from Louisiana has enunciated. Would he be willing to accept an amendment at the end of his amendment, that nothing contained in this amendment shall interfere, however, with the use of funds by the President under section 451? That is the contingency fund section.

Mr. ELLENDER. Rather than to accept that amendment, I should prefer that we take the actual amount which is being made available, on page 25, lines 11 and 12:

> (4) Not to exceed $62 million for contributions to the programs of the United Nations in the Congo.

And then to add:

> But in no event shall the contribution amount to more than 40 percent of the United Nations budget for that purpose.

That would cover the situation.

Mr. KEATING. Then it would relate only to funds appropriated under this particular section, and would not touch the President's contingency fund.

Mr. ELLENDER. The Senator is correct.

Mr. KEATING. I think that is a solution of the problem.

Mr. MUNDT. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. MUNDT. Can the Senator give the Senate any assurance that the prohibition he seeks to write into the bill this year would have any more binding power on the Department of State than the one which was written last year?

Mr. ELLENDER. The bill provides, on page 25, lines 11 and 12:

> (4) Not to exceed $62 million for contributions to the programs of the United Nations in the Congo.

The budget for that particular program is $100 million. So we would be paying 62 percent. I wish to add an amendment to provide that our contribution shall not be in excess of 40 percent.

Mr. MUNDT. I sympathize with what the Senator from Louisiana is seeking to do, as I sympathized with him in his previous endeavor. We thought on another occasion that we had accomplished our purpose. However, technicians in the State Department easily found some loopholes. I wondered whether the Senator from Louisiana was confident he had plugged up the escape hatches, lest

once again the State Department should vitiate the attitude of the Senate.

Mr. ELLENDER. I feel certain that so far as this particular budget item is concerned, the amendment will tie it down. Under other language in the bill, the President could use his contingency fund in any way he desired.

Mr. MUNDT. The contingency fund is so large that by dissipating it in small amounts our contributions to the United Nations could still be increased to 75 percent for the various programs.

Mr. ELLENDER. No, I do not think the President could do that, as I understand the purpose. Of course, he could use it directly, if he desired. What I seek to do is to pin down, percentage-wise, the amount which the United States may contribute to any budgeted items for the United Nations. We have worked for a long time to try to cut this amount to one-third. It was cut somewhat in the past, but now it has been rising and is continuing to rise. I am trying to fix the amount at 40 percent of whatever is budgeted through the United Nations as our contribution to the Congo.

Mr. MUNDT. Unless the Senator's amendment is broad enough to cover the contingency fund, I venture the guess that we have closed the door only ineffectively, because if the President can use the contingency fund to channel funds through the United Nations, he can upgrade our percentage by that device to 62 percent, 75 percent, or 80 percent, because $300 million is an extremely large sum of money when channeled into the effective programs.

Mr. ELLENDER. I express the hope that the President will at least respect the intention of Congress. I do not desire to place a limitation on what the President may do with his contingency fund. However, I am for reducing the total amount available for this item somewhat, and I shall so offer an amendment to that effect later in the debate. What I desire to pin down now is that any amount budgeted through the United Nations for use in the Congo shall not be in excess of 40 percent.

Mr. SPARKMAN. Mr. President, the amendment of the Senator from Louisiana would prohibit—and prevent a presidential waiver of the prohibition—U.S. contribution from foreign aid funds to programs of the United Nations in the Congo in excess of 40 percent of total contributions to such programs.

A similar prohibition was contained in the Mutual Security Appropriation Act of 1961, as the Senator from Louisiana has stated. Shortly after the restriction was enacted negotiations began in the United Nations to finance the U.N. intervention in the Congo. It was necessary for the President to use the waiver power which he possessed under the Mutual Security Act of 1954, because the negotiations at the U.N. resulted in a U.S. contribution of about 50 percent to the Congo operation.

Why did the U.S. contribution turn out to be 50 percent? The reason is that the Soviet Union and some other countries, not Communist, wanted the U.N. peace efforts in the Congo to fail.

These countries refused to cooperate and refused to help pay the bill. Therefore, the United States—unless it wanted to see the United Nations operation fail and the Communist powers move into the Congo—had to be willing to pay a larger share of Congo costs than would have been necessary if the Communist powers had not intended to make trouble.

The Congo operation of the United Nations has been a success. It has also been a defeat for the Soviet Union. There was a time when it seemed that the Soviet Union had a good chance to fasten its hold upon the struggling new Congo nation. During the course of the struggle in the Congo, other nations particularly the newly independent countries in Africa and elsewhere, saw that their interest—if they wanted to be spared Communist intervention in their own troubles, someday—lay in the success of the United Nations peacemaking in the Congo. The uncommitted countries saw this wisdom so clearly that in the later days of the Congo crisis the Soviet Union refrained from vetoing a Security Council resolution upholding the authority of the United Nations Commander, because the Soviet Union realized that such a veto would be too expensive in terms of the attitudes of the numerous newly independent countries.

In view of the history of the Congo operation and the prospects as they are seen at the moment, it would seem likely that the United States would be obliged to continue to pay 50 percent of the cost, for the time being. This being the case if the Congress were to insist upon a 40 percent limit, this amendment would practically guarantee that future United Nations operations in the Congo would be seriously prejudiced, past successes would be undermined, and the door would be open to renewed Communist penetration.

Mr. GORE. Mr. President, will the Senator from Alabama yield?

The PRESIDING OFFICER (Mr. MILLER in the chair). Does the Senator from Alabama yield to the Senator from Tennessee?

Mr. SPARKMAN. I yield.

Mr. GORE. The Senator from Alabama has made a very fine statement. During recent months, when victories in the cold war struggle for freedom have been entirely too far between, has not the Congo stood out as an example of situations in which collective security has prevailed decisively?

Mr. SPARKMAN. The Senator from Tennessee has well stated the case. A year ago, when we were discussing the situation in the Congo, the outlook was grim, as the Senator from Tennessee will remember. The Soviet Union got the jump on the other nations of the world, and moved in; and for a time it seemed that the Soviet Union had a stranglehold on the situation. Then the United Nations moved in. It sent a person to be on the ground there, and sent United Nations forces there, and Secretary General Hammarskjold went there. As a matter of fact, it was in large part his work in the Congo that caused the Soviet Union to be so strongly against him as Secretary General of the United Nations. But the United Nations continued this program, and by patient, persistent work has fairly well stabilized the situation there—although I do not say it is yet completely stabilized. But in view of the problems of that new nation and all the troubles it had in the beginning, a remarkably fine job has been done toward stabilizing that new country, and that will have a very great influence upon the other new countries of Africa.

Mr. GORE. Though we may be impatient with the developing processes of self-government, and though there may be qualms about the quality of self-determination and the processes emerging there, nevertheless the success of this United Nations operation has preserved for this country in the heart of the African Continent the opportunity for self-determination, and the choice is still theirs to make, whereas without the United Nations, the Iron Curtain would have folded over, and then the light would have been out.

Mr. SPARKMAN. The Senator from Tennessee is absolutely correct. The influence it might have had on neighboring nations, newly independent, simply cannot be estimated.

Mr. President, I believe the Senate would take a backward step if it were to adopt this amendment. I regret that the distinguished Senator from Louisiana insists upon the amendment. I certainly believe the Senate should reject it.

Mr. KEATING. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. I yield.

Mr. KEATING. There has been some discussion of this question, and I should like to have it clarified, because I think it is desirable to have some limit on the amount of our contributions for these various purposes to the United Nations, although I do not think we should interfere with the President's emergency fund or his use beyond that percentage if necessity arises.

Let me ask the Senator from Louisiana [Mr. ELLENDER] whether I correctly understand that he is willing to modify his entire amendment by using the language he has suggested orally to us? Is that his intention?

Mr. ELLENDER. Does the Senator mean on page 25 of the bill?

Mr. KEATING. Yes, on page 25. In place of the printed amendment, is it the intention of the Senator from Louisiana to suggest different language after the word "Congo"?

Mr. ELLENDER. Yes.

Mr. KEATING. Will the Senator be kind enough to restate it?

Mr. ELLENDER. As the Senator from New York knows, the bill provides, on page 25, beginning in line 11, in paragraph (4): "not to exceed $62 million for contributions to the programs of the United Nations in the Congo."

That is the present language of the bill.

Mr. KEATING. Yes.

Mr. ELLENDER. In order to make the amendment specifically apply to that language, I would add the following: "but in no event to exceed 40 percent of the amount budgeted by the United Nations for the Congo."

Mr. KEATING. Is it the intention of the Senator to have that apply only to this section 302, and not in any way to interfere with the President's powers under section 451, which pertains to the contingency fund?

Mr. ELLENDER. I would so interpret the amendment, and I would so interpret my original amendment, because there is just a difference or interpretation in regard to the meaning of the amendment. My proposal is that to any budget of its own that the United Nations makes, we shall not contribute more than 40 percent. That is the amendment in a nutshell.

Mr. SPARKMAN. I should like to have the Senator from New York follow me on this point. I ask him to look at page 27, section 451:

SEC. 451. CONTINGENCY FUND.—(a) There is hereby authorized to be appropriated to the President for the fiscal year 1962 not to exceed $300,000,000 for use by the President for assistance authorized by part I—

All of this that has preceded is part I—

in accordance with the provisions applicable to the furnishing of such assistance, when he determines such use to be important to the national interest.

As I construe the language read by the Senator from Louisiana, that limitation, added to line 12 on page 25, would limit the President's expending money to the United Nations out of the contingent fund, because this is the only place in which there is any provision for money to be paid to the United Nations in the Congo. Therefore, he could not expend it, under that limitation.

Mr. KEATING. Apparently, the intentions of the Senator from Alabama, of the Senator from Louisiana, and myself are the same. We seem to have a very difficult time arriving at language to carry out that intention. Would not the Senator from Louisiana be satisfied with his original amendment, with a change in line 3 after the words "this Act" to put in parentheses the language "except section 451 and section 614"? Those are the two sections relating to the President's contingency fund.

Mr. ELLENDER. I would not accept that.

Mr. SPARKMAN. It seems to me the language would do what the Senator from Louisiana intends.

Mr. ELLENDER. There would be left in the bill, however, on page 25, lines 11 and 12, the obligation to pay $62 million.

Mr. SPARKMAN. No. The Senator was reading that into the Senator's amendment. He proposes to adopt the Senator's amendment with those words added.

Mr. ELLENDER. Mr. President, I would like to think over this amendment, and I ask unanimous consent that it be set aside temporarily.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Ohio will be stated.

The LEGISLATIVE CLERK. It is proposed on page 6, line 9, to strike out the figure "$1,187,000,000," and insert in lieu thereof "$900,000,000".

On page 6, line 12, it is proposed to strike out the figure "$1,900,000,000", and insert in lieu thereof "$1,600,000,000".

Mr. MANSFIELD. Mr. President, I have a unanimous-consent request to make on the Lausche amendment, which is the pending business, while the Senator from Louisiana is considering changes in his amendment.

I ask unanimous consent that 30 minutes be allocated on the Lausche amendment, 15 minutes to a side.

Mr. LAUSCHE. That is excellent.

The PRESIDING OFFICER. Is there objection? Without objection——

Mr. KUCHEL. Mr. President, reserving the right to object, I did not hear. Does the request relate to the amendment of the Senator from Ohio?

The PRESIDING OFFICER. It does.

Mr. KUCHEL. Very well.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, my amendment deals with the Development Loan Fund. When the bill was presented to the Senate, it contained a provision authorizing the issuance of notes by the President, and sale of them to the Treasury, in the amount of $900 million in the year 1962, and in the amount of $1.6 billion for the years 1963, 1964, 1965, and 1966. These provisions of the bill were changed in committee, and the amount of $900 million was increased to $1,187 million for the year 1962, and $1.6 billion for the years 1963 through 1966 was increased to $1.9 billion.

When this general subject was considered in committee, the material under subparagraph (b) of section 202, which appears on page 6 of the bill, was stricken. The material stricken gave authority to use the moneys collected in the form of interest and principal repayments on debts owed to the United States in the fulfillment of the development loan program.

My amendment would merely restore to section 202 the exact figures recommended by the administration. When I make that statement, it should be remembered, however, that in the committee we struck from the bill provisions that would have made available about $300 million a year for 5 successive years. We struck that provision from the bill at about 10 o'clock in the morning, and at about 15 minutes to 12, as a last-moment, hurried operation, $300 million was added to the figure of $1,600 million.

My amendment contemplates reducing the fund by approximately $300 million.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield to the Senator from California.

Mr. KUCHEL. Is my understanding correct, from what the Senator has just indicated to the Senate, that there was no request by the executive branch of the Government for the larger authorization which the Senate Foreign Relations Committee wrote into the bill?

Mr. LAUSCHE. That is not exactly correct. The administration asked for the reduced figures which will be seen on page 6. It asked for $900 million, as shown on line 9 of page 6, and we raised the amount to $1,187 million. The administration asked for $1,600 million, and we raised the amount to $1,900 million. But a net effort is made to justify it on the ground that, beginning on line 25 of page 6 and going down to line 21 of page 7, we struck out provisions which would have provided the $300 million to the administration, and we added the $300 million to the provisions of section 202.

Mr. KUCHEL. In the Senator's judgment, is the top dollar authority the same, or is there a difference?

Mr. LAUSCHE. The top dollar authority, if my amendment is adopted, will be decreased by $300 million each year for 5 years.

Mr. KUCHEL. And the justification for what the Senator suggests is that the Department of State did not ask for this increase in its annual authorization?

Mr. LAUSCHE. It asked for the money set forth in section 202, but it also asked for $300 million which accumulates each year through interest and principal repayments on debts owed to us by foreign countries.

Early in the morning we struck out the right to use moneys collected in the form of interest and principal, amounting to $300 million a year.

Mr. KUCHEL. On what theory did the Foreign Relations Committee strike that provision out?

Mr. LAUSCHE. It did not want to enter into a program of allowing interest and principal repayments to be used; but subsequently a motion was made to remedy what we did earlier. But, instead of allowing interest and principal repayments to be used, we added the amount to the borrowing power of the Treasury.

Mr. KUCHEL. I thank the Senator.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield to the Senator from Ohio.

Mr. HICKENLOOPER. The Senator from Ohio has stated what happened. It was my amendment which knocked out the $300 million, estimated. The Department asked for $900 million the first year and $1.6 billion for each succeeding year, in the next 4 years, in borrowing power.

There was also a provision that whatever moneys came in by ways of repayment of principal and interest could become a revolving fund for use by the bank for reloaning and repayment. I made the motion in the committee that repayments on loans and interests would have to be covered into the Treasury of the United States. That was estimated to be about $300 million a year. The committee, with a short membership, apparently, that morning, accepted the amendment that whatever was repaid by principal and interest would have to be covered into the Treasury, leaving the figure at $900 million for the first year and $1.9 billion for each of the next 4 years.

Mr. AIKEN. One billion, six hundred million.

Mr. HICKENLOOPER. One billion, six hundred million for each of the next 4 years.

As the Senator from Ohio says, the crowd got together in about 2 hours and came in with a large number of votes. They said, in effect, "We will rectify that. We will increase the borrowing power $300 million a year, and let you have your amendment which says that repayment of principal and interest will be covered into the Treasury."

To all intents and purposes, at least for a while, that completely circumvented and avoided the amendment earlier agreed to.

As I understand, the Senator from Ohio merely wishes to restore to the bill the original borrowing power requested by the administration, and to have the repayments of principal and interest covered into the Treasury of the United States.

Mr. LAUSCHE. The Senator is correct.

Mr. HICKENLOOPER. That is what is involved. I am very much in favor of the Senator's amendment. That was the purpose of my amendment in the committee, which was avoided by adding to the borrowing power $300 million a year.

Mr. LAUSCHE. I left the meeting with the understanding that the item had been eliminated. I read the newspapers later, or talked to newspapermen, and learned that it had been restored. I came back to the committee meeting to learn what happened. I learned the money had subsequently been restored.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield to the Senator from Vermont.

Mr. AIKEN. The amendment offered by the Senator from Ohio is perfectly sound. There never was any real justification given to the committee for the $1.6 billion per year, as a figure that could be credited as being the amount actually needed. In my opinion, it would be impossible for the people involved to process properly and to use that amount each year. I believe if we authorize $900 million the first year it will be more than is needed. There never has been over $750 million at any one time before. If we authorize $1.6 billion for each of the next 4 years, it will be impossible for the Development Loan Fund even to get much more than a good start toward processing the loans, making the necessary investigations and paying out all that money over the next 5 years.

In the last 4 years the Congress has appropriated for the Development Loan Fund about $2¼ billion, of which about one-third has been paid out; $1,480 million has not been paid out, but we are told not only that it has been committed but also that it has been committed to the last penny.

Mr. LAUSCHE. Those figures are very significant. I hope the Senator will repeat them.

Mr. AIKEN. It was extremely accurate for a Government agency to commit to exactly the last penny available before the end of the fiscal year. That has been done before, and probably it will be done again.

The fact remains that the administrators have been unable to process and pay out more than $700 million of $2¼ billion which was appropriated in the last 4 years. I do not believe they can properly process, after making the investigations they would have to make in these small countries, anywhere near $1.6 billion a year. They might find a place to "shovel it out," but as for spending it effectively, efficiently, and productively, I do not believe it could be done. I think the $900 million for 1 year and the $1.6 billion for each of the 4 succeeding years is extremely generous, and overgenerous, on the part of the Congress.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. I shall support the amendment of the Senator from Ohio, and I invite attention to the fact that even after it is agreed to there will still remain in the bill every dollar of borrowing authority ever requested by the President.

I was present at the meeting when the amendment of the Senator from Iowa was adopted by the committee. I was also present when it was later overridden by indirection, by adding to the bill approximately $1½ billion over the 5-year period, for which the President did not ask, by increasing the borrowing authority.

I think it is only proper that the amendment should be agreed to.

Mr. LAUSCHE. Mr. President, I reserve the remainder of my time.

Mr. SPARKMAN. Mr. President, what is the situation with respect to time?

The PRESIDING OFFICER. The Senator from Alabama has 15 minutes remaining, and the Senator from Ohio has 4 minutes remaining.

Mr. SPARKMAN. Mr. President, I shall be very brief.

The facts have been pretty well stated. I do not agree with all the conclusions which have been drawn.

I was present in the committee when both the transactions described took place. The vote was against the part which was striken out—and I ask Senators to refer to the bill at the bottom of page 6 and on page 7—which provided that the money being collected on payments should automatically become a part of the expendable funds. In other words, the money was to be used as a revolving fund. The opposition was against having a revolving fund. A motion was made to have the funds covered into the Treasury. That motion was carried by a one-vote majority, as the Senator from Ohio has correctly stated, with a short attendance at the committee.

When the committee met at its next session, if I correctly recall, the first thing done was for one Senator who had voted for the proposal to make not a motion to reconsider but a statement that he realized that in effect we had reduced the amount of the bill by $1½ billion, and he did not believe that ought to be done.

The Senator was opposed to the revolving fund idea, and thought the money ought to be covered into the Treasury. Therefore, it was sought to remedy the discrepancy by adding the $287 million estimated to be available in the first fiscal year and the $300 million estimated to be available for each of the following 4 years, for a total of approximately $1.5 billion.

Of course, the adoption of the amendment would reduce the amount in the bill by $1.5 billion at the time when our people are in South America trying to put into effect a program to make extensive loans to the Latin America countries and at a time when we are fighting the cold war all over the world and trying to say to the underdeveloped countries of the world, "We will make loans to help you develop your industries, your resources, and whatever may be necessary in order to lift your standards of living.

I think in large part adopting the amendment would undo what the Senate did only last Friday, when the Senate voted for this power and this amount for the President of the United States.

I earnestly hope that the amendment will be rejected.

Mr. President, I reserve the remainder of my time.

Mr. LAUSCHE. Mr. President, I point out that by what we did we created a situation which was worse than the one we tried to cure when we struck out the right to create a revolving fund. The revolving fund would have had a limit on the amount used, equal to that which was collected in the form of payments of interest and principal, though there was no assurance that it would have been $300 million a year.

But when we put the amount into the borrowing power, we definitely provided for $1,900 million each year, and we added the interest that would accumulate through the moneys borrowed for the Treasury to lend to the fund. I suggest that it would have been better if we had allowed the money to remain in the revolving fund, because there would have been a limitation, as I have said, equal to the amount collected.

In answer to the statement of the Senator from Alabama [Mr. SPARKMAN] that the amendment would cut the appropriation by approximately $1,500 million, if the fund becomes inadequate in 1963, 1964, 1965, or 1966, I suggested that we can raise the amount. There will be available $1,600 million a year. As the Senator from Vermont has pointed out, in 4 years about $2¼ billion was given, and only a certain amount could be processed. I ask the Senator from Vermont [Mr. AIKEN] to give us those figures.

Mr. AIKEN. From $2¼ billion. I think the balance which was not paid out at the end of the fiscal year was about $1,480 million, but it was stated that the amount was all committed.

Mr. LAUSCHE. The mount was committed; surely.

Mr. AIKEN. And it was committed to the last penny, which was unusually ac-

curate. They should have left at least $500 uncommitted.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. ELLENDER. I pointed out a few days ago that of the money appropriated for the DLF loan, $325 million was not obligated. That is the exact amount.

Mr. LAUSCHE. I merely make the point that $1.6 billion shared during 4 years is adequate, and a position from which the administrators could move. If conditions become critical, the administration can ask in succeeding years for an increase of $300 million a year.

I yield back the remainder of my time.

Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SPARKMAN. Mr. President, I yield to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I had an amendment somewhat similar to the one offered by my friend, the Senator from Ohio. It is my judgment that even at $1.6 billion it would be almost impossible for the administrators to properly lend the money, and I am hopeful that the amendment will be agreed to.

Mr. SPARKMAN. Mr. President, I yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I recall the consideration of this particular proposal in the committee. The Senator from Idaho [Mr. CHURCH] offered a motion to reduce the amount by $300 million, which motion carried, but after he thought about the subject and realized that only a bookkeeping operation was involved, he changed his mind and came out in favor of it. I hope that the Senate will not agree to the amendment, because it involves not only a matter of $300 million a year, but also a matter of $1.5 billion over the 5-year period.

Mr. SPARKMAN. Mr. President, the Senator from Montana said that the Senator from Idaho [Mr. CHURCH] offered to reduce the appropriation by $300 million. Actually he offered to strike out language that had the practical effect of doing what he has said. Figures were not involved. What his proposal did was to kill the revolving fund.

Mr. MANSFIELD. The Senator is correct.

Mr. SPARKMAN. That is what it amounted to. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on the amendment of the Senator from Ohio [Mr. LAUSCHE]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the Senator from Illinois [Mr. DIRKSEN]. If he were present, he would vote "yea." If I were at liberty to vote, I would vote "nay"; I therefore withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Arizona [Mr. HAYDEN] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Arizona [Mr. HAYDEN] would each vote "nay."

On this vote, the Senator from Arkansas [Mr. FULBRIGHT] is paired with the Senator from North Dakota [Mr. YOUNG]. If present and voting, the Senator from Arkansas would vote "nay" and the Senator from North Dakota would vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Illinois [Mr. DIRKSEN] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The Senator from North Dakota [Mr. YOUNG] is detained on official business.

On this vote, the Senator from North Dakota [Mr. YOUNG] is paired with the Senator from Arkansas [Mr. FULBRIGHT]. If present and voting, the Senator from North Dakota would vote "yea," and the Senator from Arkansas would vote "nay."

The result was announced—yeas 46, nays 46, as follows:

[No. 139]

YEAS—46

Aiken	Ellender	Prouty
Allott	Ervin	Proxmire
Beall	Fong	Robertson
Bennett	Goldwater	Russell
Bible	Hickenlooper	Saltonstall
Bridges	Hickey	Schoeppel
Bush	Holland	Scott
Byrd, Va.	Hruska	Smith, Maine
Cannon	Johnston	Stennis
Capehart	Jordan	Talmadge
Carlson	Kuchel	Thurmond
Case, S. Dak.	Lausche	Tower
Cotton	Long, La.	Williams, Del.
Curtis	McClellan	Yarborough
Dworshak	Miller	
Eastland	Mundt	

NAYS—46

Anderson	Hartke	Morse
Bartlett	Hill	Moss
Boggs	Humphrey	Muskie
Burdick	Jackson	Neuberger
Byrd, W. Va.	Javits	Pastore
Carroll	Keating	Pell
Case, N.J.	Kefauver	Randolph
Church	Kerr	Smathers
Clark	Long, Mo.	Smith, Mass.
Cooper	Long, Hawaii	Sparkman
Dodd	Magnuson	Symington
Douglas	McCarthy	Wiley
Engle	McGee	Williams, N.J.
Gore	McNamara	Young, Ohio
Gruening	Metcalf	
Hart	Monroney	

NOT VOTING—8

Butler	Fulbright	Morton
Chavez	Hayden	Young, N. Dak.
Dirksen	Mansfield	

So Mr. LAUSCHE's amendment was rejected.

Mr. MANSFIELD. Mr. President, I have been informed by the Senator from Louisiana, who has requested and been granted the yeas and nays on his amendment, which is now pending, that he will spend a very few minutes explaining his amendment. Therefore I ask that all Senators remain in the Chamber, because I hope for a vote very shortly on his amendment. When the vote on his amendment is completed, voting for tonight will be finished.

Mr. ELLENDER. Mr. President, the amendment was discussed at length some 30 minutes ago, and was temporarily set aside. The purpose of the amendment is to make our contributions to the United Nations in the Congo not more than 40 percent.

As I pointed out, we have had many differences of opinion on the floor of the Senate on this point and have made many attempts to reduce the contribution we make to the U.N. We finally got the contribution down to 33⅓ percent. However, lately, the ante has been increased, and Congress went on record last year and made our contribution to be not in excess of 40 percent of the U.N. budget, but the intent of Congress was bypassed by a State Department ruling. The amendment which I have offered today would make sure that the will of Congress is followed. I am very hopeful that the Senate will vote in favor of it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER] on page 25, line 12.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SALTONSTALL. Will the Senator from Louisiana accept an amendment to his amendment on line 3, after the word "Act" to insert "except sections 451 and 614," which are the two emergency sections?

Mr. ELLENDER. No; because the President can use the contingent fund as he sees fit. He need not work through the U.N. I wish to limit my amendment to the U.N. contribution. If the budget is $100 million, our contribution may not be in excess of $40 million.

Mr. SALTONSTALL. I must respectfully say to the Senator that the danger of the Senator's amendment, as I see it, is that the United Nations is operating in the Congo through troops and so forth and so on. For organizational purposes I am heartily in favor of what the Senator is trying to do. If he makes his amendment provide for not more than 40 percent, and an emergency should arise in the Congo, as emergencies have arisen there in the past, there is no way that our contribution can go over 40 percent if his amendment is adopted. I would vote with the Senator if he would except the emergency funds. If he will not, I think his proposal is very dangerous.

Mr. BRIDGES. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. BRIDGES. The President can always act directly on behalf of our country. That is the answer to the inquiry of the Senator from Massachusetts.

Mr. ELLENDER. That is exactly what I suggested a while ago. I am restricting our 40 percent contribution to the United Nations budget for that purpose.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. ELLENDER] on page 25, line 12. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Tennessee [Mr. KEFAUVER] is absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Tennessee [Mr. KEFAUVER] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Illinois [Mr. DIRKSEN] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The result was announced—yeas 44, nays 51, as follows:

[No. 140]

YEAS—44

Allott	Ervin	Mundt
Beall	Fong	Prouty
Bennett	Goldwater	Robertson
Bible	Gruening	Russell
Bridges	Hickenlooper	Schoeppel
Byrd, Va.	Hill	Scott
Cannon	Holland	Smathers
Capehart	Hruska	Smith, Maine
Carlson	Johnston	Stennis
Case, S. Dak.	Jordan	Talmadge
Cotton	Lausche	Thurmond
Curtis	Long, La.	Tower
Dworshak	Magnuson	Williams, Del.
Eastland	McClellan	Young, N. Dak.
Ellender	Miller	

NAYS—51

Aiken	Hart	Monroney
Anderson	Hartke	Morse
Bartlett	Hayden	Moss
Boggs	Hickey	Muskie
Burdick	Humphrey	Neuberger
Bush	Jackson	Pastore
Byrd, W. Va.	Javits	Pell
Carroll	Keating	Proxmire
Case, N.J.	Kerr	Randolph
Church	Kuchel	Saltonstall
Clark	Long, Mo.	Smith, Mass.
Cooper	Long, Hawaii	Sparkman
Dodd	Mansfield	Symington
Douglas	McCarthy	Wiley
Engle	McGee	Williams, N.J.
Fulbright	McNamara	Yarborough
Gore	Metcalf	Young, Ohio

NOT VOTING—5

Butler	Dirksen	Morton
Chavez	Kefauver	

So Mr. ELLENDER's amendment was rejected.

MILITARY ASSISTANCE PROGRAM

Mr. MOSS. Mr. President, the unanimity of congressional support of the President's recent request for the means to strengthen our defense posture reflects a sober recognition of the gravity of the issues which confront the United States in these times of international tension. Such a consensus bespeaks our determination to stand firm and prepare ourselves in every way for the challenges we must meet and master in the ongoing struggle for the preservation of freedom and peace. In the light of this action by both Houses of the Congress and of mounting and proliferating Communist pressures, I can see no justification whatsoever for withholding the authorization and appropriations necessary to insure full use of the military assistance program in support of our basic defense policies.

The sixth item in the section of the President's special message on defense, which deals with those basic defense policies, states that—

> The strength and deployment of our forces in combination with those of our allies should be sufficiently powerful and mobile to prevent the steady erosion of the free world through limited wars—

And that—

> Our objective now is to increase our ability to confine our response to nonnuclear weapons, and to lessen the incentive for any limited aggression by making clear what our response will accomplish.

It goes on to point out that—

> In most areas of the world, the main burden of local defense against overt attack, subversion and guerrilla warfare must rest on local populations and forces.

The military assistance program has helped to train and equip many of those local forces. Its effectiveness as an instrument of U.S. defense and foreign policy is a matter of record. There has been no Communist gain in Western Europe since we committed ourselves to the support of the NATO military buildup. Our NATO partners should now pick up their share of the load. They have recovered economically with our assistance and are able to bear a fair share of the cost of military armament. Overt aggression by the Red Chinese in the Taiwan Straits was repulsed by Chinese nationalists forces trained and equipped under the military assistance program. Many nations allied with us in the collective security system which encircles the Communist bloc have been subjected to tremendous pressures, but have not been intimidated. In the face of vociferously threatened retaliation, a number of them continue to make available to us air and naval bases and other installations still essential to maximum effective deployment of our own military strength. Our partners in the common defense of the free world dare to stand firm because both their will and their ability to resist have been bolstered by the moral and material support provided by the United States under the military assistance program.

It is therefore vitally important that, as our allies follow the progress of our deliberations and decisions here in this building, we take no action which will shake their confidence in the principle of mutual defense or our determination to continue its practice. If they—or any would-be aggressor—were to conclude that congressional reluctance to provide the authorization and the $1.8 billion appropriation required for full implementation of the military assistance program, presages a withdrawal by the United States from the collective security system, the results would be swift and disastrous. The military posture which gives that system strength and substance would be subject to progressive deterioration as our allies followed what they took to be our example by lessening their own contribution and commitment. It is equally inevitable that the potential enemy would be quick to take advantage of such an obvious weakening of the free world's common defense.

To forestall this obviously unacceptable sequence of causes and effect, it is our responsibility to enact legislation which will make it very clear throughout the entire world that, while we are a nation dedicated to peace and progress for all mankind, we shall never jeopardize that peace by disengaging ourselves from the collective security alliance which we have helped to create for its protection.

It is my firm conviction that passage of the bill reported by the Foreign Relations Committee is vital to our national interests. I believe it will provide the executive branch with the authority necessary to make the military assistance program a sharper and more finely tooled instrument of U.S. defense and foreign policy in the difficult and dangerous days ahead. It is self-evident that we must make the best possible use of this and every other instrument at our command in dealing with the successive and concurrent crises which today confront us and tomorrow may develop on the frontiers of freedom, both near and far. From Berlin to Bangkok, from Cuba to Quemoy, the strength and solidarity of the collective security alliance is being probed by those who have declared themselves determined to bring about its dissolution. Both at the conference table and along every threatened boundary line, our mettle is being tested and our will to resist Communist pressure assessed. Neither will be found wanting so long as we continue to make common cause with our allies in maintaining a combined military posture strong enough to give our words the weight of weapons.

Just as it is of necessity—not by choice—that we arm to parley, it is also of necessity that we and our allies must prepare ourselves to respond to the threat of Communist aggression in all its forms. We in the United States are moving toward the development of a more versatile and flexible capability for appropriate response, keeping very much in mind the need to dovetail our military programs with the other elements of national defense and foreign policy in a closely coordinated and precisely balanced strategy for peace and progress. The military assistance program has a unique and important mission in support of that strategy. As we seek to reduce our reliance on nuclear weapons and to increase our limited war capabilities, the need for combat effective allied forces becomes more apparent and more urgent. The very fact that their potential contribution to the common defense is taken into consideration in the development of our own forward strategy emphasizes the importance of strengthening their capabilities. If we count upon them to stand with us when the occasion arises, surely it follows that they must be so trained and equipped as to be able to fulfill the role we expect them to play in support of our mutual military objectives.

The military assistance program is specifically designed to insure that the allied armed forces upon which we place reliance as partners in the common defense are combat effective. It provides

only that training and equipment which they must have but cannot provide or procure for themselves. By so doing, it adds to our own military strength that of many other free nations as determined as our own to hold the line against further Communist aggression. I am persuaded that that combined military strength, and the unity of purpose which it manifests, is the keystone of national and collective security; and I believe that full support of the military assistance program by the Congress is prerequisite to the attainment of a totally adequate defense posture and entirely consonant with the best interests of the United States in preparing itself to meet and master the challenge of the future.

AUTHORIZATION OF APPROPRIATIONS FOR ATOMIC ENERGY COMMISSION

Mr. PASTORE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 7576, a bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 7576) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. KUCHEL. Mr. President, I desire the RECORD to show that the distinguished Senator from Iowa [Mr. HICKENLOOPER], the ranking Republican member of the Joint Committee on Atomic Energy, has approved the request of the distinguished Senator from Rhode Island.

Mr. PASTORE. I thank the Senator from California.

Mr. President, I move that the Senate insist upon its amendments and agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. PASTORE, Mr. ANDERSON, Mr. JACKSON, Mr. HICKENLOOPER, and Mr. DWORSHAK conferees on the part of the Senate.

THE ANTI-ANTI-COMMUNIST CAMPAIGN DIRECTED AT MILITARY PERSONNEL

Mr. THURMOND. Mr. President, the anti-anti-Communist campaign initiated in earnest as a first priority project by the Communist Party, in which many others have knowingly and unknowingly assisted, has selected as whipping boys for its smear attacks our military officers. As I have pointed out from time to time, this Communist smear campaign was launched because of the damage being done to the Communists through education of military personnel and the public on the total nature of communism and its many tactics of aggression and sedition.

Mr. President, it is quite obvious that the Communist Party, U.S.A., has given this anti-anti-Communist campaign, which concentrates primarily on military personnel, No. 1 priority. This insidious attack occupies first place in their program. The Communists themselves make no secret of the top priority status of the anti-anti-Communist campaign, with primary emphasis on a "gag the military" line. This is cogently illustrated by the space devoted to the subject in the August 13, 1961, edition of the Communist Party, U.S.A., organ, the Worker. Articles which constitute a part of this campaign occupy approximately one-third of the entire paper, and occupy over twice as much space as that devoted to the Supreme Court's recent decision on the Smith and McCarran Acts.

Among the articles devoted to this anti-anti-Communist propaganda effort is one headlined on page 1, entitled, "Rightist Plotters Open Attack in Senate." This article consists of a perverted account of the discussion which has taken place in the Senate concerning the use of military officers and facilities for alerting military personnel and the public to the menace of the cold war under the 1958 National Security Council directive.

On page 5, there appears a slanderous article directed at the anti-Communist efforts of Harding College, entitled "Poison Web Spun from Arkansas Town." This article is typically packed with vilification, abuse, and untruth.

On page MW 2, there appears another article, entitled "Rockford Paper, Stung by 'Worker' Expose, Defends Rightist Brass." This is a continuation of the Communist Party attack on Lt. Cmdr. C. E. Bigler, of the Glenview Naval Air Base, Ill.

Also on page MW 2 is an article entitled "Extremist and Stoolies Will Headline 'Freedom School'." This attack is directed at a seminar scheduled for the University of Detroit campus on August 28, 1961. A distinguished Member of this body, the Senator from Connecticut [Mr. DODD], is one of the principal subjects of the vilification in this article.

On pages 8 and 9 of the August 13, 1961, issue of the Worker is an article entitled "The Kennedy Forces and the Ultra-right Threat." This article is in the nature of an essay explaining the Communist Party line laid down previously by Gus Hall, Secretary of the Communist Party, U.S.A. Its essence is to the effect that even though the Communists have little use for the Kennedy administration, the Communists must, while continuing to criticize nonsocialistic moves and actions of the Kennedy administration, join in a united front—into which the Kennedy administration must be brought—in order to stem the anti-Communist movement which is now the greatest danger to the Communists.

Mr. President, so that the people of the country, and particularly Members of the Congress, may gain a better insight into the Communist origin of the anti-anti-Communist campaign focalized on our military leaders, I ask unanimous consent that these five articles from the August 13, 1961, issue of the Worker be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. HICKEY in the chair). Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. Mr. President, a review of these articles demonstrates, as does any thorough analysis of this anti-anti-Communist movement, that no issue concerning civilian control over the military is involved. Military leaders are subject to civilian control, and have made no attempts to violate or usurp the policy-making prerogative of duly constituted civilian authorities in our Government. We must not allow the real purpose of the anti-anti-Communist campaign to be camouflaged behind such a smoke screen. What the Communists really fear is widespread understanding by the American people, both those in and those out of uniform, of the true nature of communism and its tactics, and the vast gulf which separates this atheistic ideology and its unscrupulous methods from the fundamental principles of liberty and justice on which the United States of America was founded and has flourished. The Communists know that from such an understanding will emerge a tremendous upsurge of patriotism and a determination to win the struggle against communism, which will surely mean the utter defeat of the lecherous disease of Marxist philosophy which plagues our world.

EXHIBIT 1

[From the Worker, Aug. 3, 1961]

MUNDT, THURMOND HEAD UP RIGHTIST PLOTTERS IN SENATE

(By Mike Davidow)

An ultraright attack led by Senator STROM THURMOND, Dixiecrat from South Carolina, and Senator KARL MUNDT, a Goldwater Republican from South Dakota, was launched last week in the U.S. Senate against Senator J. W. FULBRIGHT, Democrat of Arkansas, chairman of the Senate Foreign Relations Committee.

FULBRIGHT recently sent a confidential memorandum to Secretary of Defense Robert S. McNamara demanding that the public activity of military leaders be curbed. As a result some controls, far less than demanded in the memorandum, have been invoked on the public utterances of military personnel in a new Defense Department directive.

Senator THURMOND accused FULBRIGHT of attacking military efforts to inform Americans "about communism and the 'cold war,'" and proposed an investigation by the Armed Services Committee.

Earlier, he assailed the article, "The Ultraright, Kennedy, and the Role of Progressives" by Gus Hall, general secretary of the Communist Party, U.S.A., which appeared in the Worker on July 23. He also attacked Sam Kushner, Midwest correspondent of the Worker who exposed the inflammatory war calls of a group of rightist officers in recent issues of our newspaper.

The chief targets of the rightist assault are in addition to FULBRIGHT, those in the administration, like Adlai Stevenson, U.S. Ambassador to U.N. and Chester Bowles, Under Secretary of State, who propose a policy of negotiation of differences.

The objectives of the rightwing offensive are:

To block the recent Defense Department regulations aimed at curbing the alarming role played by war-bent military men in influencing foreign and domestic policies.

To create an atmosphere of intimidation against any who dare to criticize the prowar Fascist-like pronouncements and activities of a growing group of "generals and admirals."

To promote Prussian-like concepts of the inviolable status of the "general staff" and trample upon basic American principles of civilian control of the military.

To use the vast network of information and educational outlets of the Armed Forces as a vehicle for indoctrinating the Nation with neo-McCarthyite ideology of preventive war and suppression of democratic and civil rights.

To inflame further the warlike atmosphere created by President Kennedy's recent speech on the Berlin situation, and to push the administration's brinkmanship closer to the brink.

Its tactics are:

To present the Defense Department's far from adequate restrictions on the public role of the military, as a Communist conspiracy against not only the military, but "a clandestine assault on the fundamental foundations of our Republic."

To revive the old McCarthyite tactics of smear and investigation.

The old McCarthyite wolfpack has begun to howl for blood. Senator MUNDT, one of the closest collaborators of the late Senator McCarthy, rose on the Senate floor July 23 to demand the name of the author of the Capitol Hill memorandum which exposed the dangerous role of the rightwing officers, and influenced the adoption of curbing regulations on their public activity.

"Let us have an investigation to find out who he is and why he did it and who urged him to say it, and who is behind those who urged him to say it," the Senator demanded.

M'CARTHYITE

Incidentally, MUNDT clearly demonstrated that his loyalty to the military is confined to the most warlike, when he participated with McCarthy in the disgraceful gangup on Brig. Gen. Ralph W. Zwicker, during the infamous "who promoted Peress case."

Senator THURMOND on July 26 tied the new Defense Department rules to an organized campaign, "originating initially with the Communists themselves, to discredit and intimidate the military leaders of our country," and called for the investigation of the "conspiracy."

Incidentally, THURMOND was particularly concerned about the note above Hall's article which urged readers to send in their comments.

Why the attack by the Dixiecrat Senator upon the Worker and the article by Hall on the menace of the ultraright military alliance?

SPOTLIGHT

The Hall article and the Worker have put the spotlight on the menace facing the Nation from the real "conspiracy," from the ultraright, Dixiecrat military combination.

Both the article and the constant exposure by the Worker of the true face of the Goldwater forces as revealed in the Newburgh situation have hit home.

The main purpose of the attack is to manufacture a "Communist conspiracy" scare to frighten the Kennedy administration into dropping even its meager efforts at restraining the rabid warmongers among the military.

It counts on the general climate of anticommunism, heightened by the recent Supreme Court decisions on the McCarran and Smith Acts to assist it.

It banks on the further rise of tensions in the Berlin situation and the effects of the new military measures proposed by President Kennedy and adopted by Congress, to enhance the role of the military.

The Capital Times of Madison, Wis., pointed out the dangerous pressures of the military when it said editorially:

"The President's address reflected the triumph of the militarists in the Pentagon in the struggle that has been waged within his administration over the Berlin situation."

The real target is far broader than the Communists. How wide THURMOND and MUNDT made clear.

It ranges from FULBRIGHT, the Ford Foundation, New York Times, and other newspapers, to that common catchall category, the "liberals."

MUNDT'S attack on the Ford Foundation in his speech on the Senate floor July 29 cited an article by Waldemar A. Nielsen, associate director for national affairs of the Ford Foundation, dealing with the growth and influence of the "Military Establishment" that had appeared in the New York Times, June 25. MUNDT accused Nielsen of joining "in the attack against America's distinguished military personnel."

Then, he made thinly concealed threats of calling for an investigation of the foundation's tax-exempt status.

The furore over Nielsen's article arose because he had revealed the vast network of information and propaganda media at the disposal of the Military Establishment and the intensive activity of military personnel in molding public opinion.

The Armed Forces' radio and television service, he pointed out, is one of the largest worldwide broadcasting networks in existence, and operates more than 200 standard-wave radio stations and more than 30 television stations overseas, broadcasting 15 to 18 hours a day.

Nielsen went on to demonstrate the huge field of public opinion open to influence by military men.

"The military constituency," he said, "ranges from the several veterans organizations to more specialized groups such as the Navy League, the Marine Corps League, the Association of the Army, the Air Force Association and the Reserve Officers Association. The Reserve system itself involves more than 4 million men and women in the professions, business, fraternal groups, trade unions, and the mass media."

As an indicator of the intense public activity of the Defense Department he pointed out:

"Defense spokesmen both military and civilian, make six times as many speeches involving foreign policy as officials of the Department of State; similarly they issue about six times as many articles."

Nielsen indicated the frequency with which officers address school, church, and civic gatherings and stressed:

"Their suggestions about classrooms and adult-education programs on the nature of communism have been adopted by a number of school systems and other organizations throughout the country."

The nature of these suggestions can be gathered from FULBRIGHT'S memorandum. Under the "philosophy" of the rightwing military clique, FULBRIGHT indicated "continuation of the graduated income tax, expansion of social security, Federal aid to education would be characterized as steps toward communism."

Nielsen pointed out that their attitude on the "Soviet danger" can be summed up as the concept that "our national security fundamentally—almost exclusively—depends on military strength, not upon the possibility of negotiation."

Why is there such a barrage of fire on the new defense regulations, on the memorandum, and FULBRIGHT?

JULY 10 DIRECTIVE

Although the recent Defense Department directive of July 10 falls short of encompassing all the recommendations of the memorandum, it does begin to place checks upon the public role of the military. It tightens the control over them as compared with the directive of the Eisenhower administration in 1958. It gives greater powers to the Assistant Secretary for Public Affairs to control the public activity of military men.

The Eisenhower directive "put the military in the business of helping to alert Americans to the need for an overall cold war strategy. This was a radical departure from American tradition that held the place in American life is strictly limited to the professional task of training and equipping the armed services for the Nation," said Marquis Childs, June 28, in the Washington Post and Times Herald.

Among the recommendations offered by the Fulbright memorandum were the following according to Cabell Phillips in the New York Times July 21:

"That the cold war directive be reconsidered.

"That the White House and Pentagon cease treating such propaganda activities as isolated disciplinary problems by bringing them under stricter control.

"That the role of the National War College in providing the instruction on cold war problems be reviewed, and particularly the relation to the college of such private groups as the Foreign Policy Research Institute, the Institute for American Strategy, and the Richardson Foundation."

These recommendations if enforced would put teeth into the new defense directive.

FOR NEGOTIATIONS

FULBRIGHT is a special target because, while a firm supporter of the Kennedy administration's cold war policy, he has put greater stress on negotiation, seeking points of agreement. His has been one of the saner voices in the present hysteria over Berlin.

An illustration of this was some of the answers he gave to questions presented to him on the TV program called "Issues and Answers" on July 30.

Asked if he would be willing to accept any concessions on the part of the West which would close West Berlin as an escape hatch for refugees, FULBRIGHT replied:

"Well, I certainly think that that might be a negotiable point. The truth of the matter is I think the Russians have the power to close it in any case. As I said, I don't understand why the East Germans don't close the border because I think they have a right to close it."

Earlier in the program he remarked:

"I believe in negotiations and discussions as opposed to ultimatums and showdowns."

POISON WEB SPUN FROM ARKANSAS TOWN

(By Mike Newberry)

Searcy, Ark., is a little town.

It lies on the edge of the lowland rice and delta cotton regions of the Mississippi Valley, to the outside of the Ozark resort area, and off the main highway from Little Rock to Memphis. Its population is 7,371.

Once this was sharecropping country, thick in cotton as across the river; but now migrant labor works the fields and is worked in them.

The huts of the migrants, barracks really, called "chicken coops," resemble the old slave quarters of the Confederacy. They are visible from the roads. You can't hide this kind of poverty.

Profits sweated from these migrant laborers go to making towns like Searcy prim and prosperous. The peaceful streets of Searcy are bought at the price of human misery.

Yet the quiet of the town is deceptive.

In this little known and seldom visited Arkansas town is located one of the biggest political machines of the ultraright.

The Harding College of Searcy is the center of a well-heeled, vast, nationwide propaganda apparatus. This college, though it has few students, has a large endowment,

said to go into the millions, and even more surprising designs on the minds of the American people, through its so-called educational crusade.

This "educational crusade," known as the national educational program, is run by Dr. George Stuart Benson, his assistants; with an occasional assist from big business, militarist, and rightist propagandists.

Yearly the national educational program holds a "freedom forum on the Harding College campus," its brochure proclaims. Since 1949 more than 3,500 members "of organizations and industries with a combined membership and work force of 10 million" have attended. Conferees pay $140 each to attend; thus these "freedom forums" have alone netted $490,000.

These forums which in 1960 were held in New York, California, and the Midwest, began with the notorious film, "Communism on the Map," recently banned by the U.S. Army because of its hysterically, inflammatory red-baiting nature. "Communism on the Map" is one of the dozens of films produced by the national educational program.

Speakers at these forums, on tape, have included such blatant racists as Richard Arens, former staff director of the House Un-American Committee, who was quietly relieved of his post when it was revealed that he was employed by the anti-Negro textile magnate, Wycliffe Draper. This resulted in the Washington Post's condemnation of Arens' possible violations of the La Follette-Monroney Act that bars such outside work. Draper, it may be remembered, advocated sending American Negro "back to Africa" and attempted to prove the Negro people were "genetically inferior" to whites. He hired Arens as an "adviser" on this racist project.

So much for the "freedom" of the "freedom forums."

These "freedom forums" are but one phase of the National Education Program's "crusade."

Quietly, without publicity, the rightist outfit issues a national program letter, which, it boasts, "is mailed each month to more than 48,000 thought leaders throughout the United States." The monthly issues are built around a column written by Dr. Benson, president of the National Education Program.

Samples of Dr. Benson's column are entitled: "The War We Are In," "Let's Join the Battle," and "Time for Action."

This last, "Time for Action," was a tirade calling for an invasion of Cuba, and like the rest of Dr. Benson's war-crying columns it was printed in 3,600 newspapers and magazines and 600 industrial employee publications that regularly feature his rantings. Says the National Education Program: "The columns are frequently published on the editorial pages of metropolitan daily newspapers."

Big business' use of Dr. Benson's war cries, in its 600 industrial employee publications, is not unusual.

In fact, the prime support of the National Education Program's mass-produced films, tape recordings, LP records, "freedom forums," booklets, and various propaganda devices, comes from big business. This propaganda, says the National Education Program, "offers an incomparable opportunity to large and small industries and businesses. Materials and tools are available in the National Education Program workshops for followthrough educational programs extending over a period of 1 year."

Some of the giant corporations that have bought and used this propaganda includes:

Revere Copper & Brass, Inc.
Goodyear Tire & Rubber Co.
Aluminum Co. of America.
Minnesota Mining & Manufacturing Co.
Tennessee Gas Transaction.
San Diego Gas & Electric.
Welch Grape Juice Co.
Convair Division of General Dynamics Corp.

There have been over 400 of such "typical purchases of its "communism on the map" alone, says the NEP.

Of these "typical purchasers" the General Dynamics Corp. is of special interest, for this billion-dollar combine is the county's largest manufacturer of missiles, nuclear submarines, and the similar atomic war hardware. Rockefeller money, it is generally conceded, holds the controlling interest in General Dynamics.

The branches of the Armed Forces were, until the recent Government "hands-off" order also major users of the national education program's war propaganda.

Helping Dr. Benson is a motley crew of "experts in high pressure Red baiting."

Gen. W. Peyton Campbell is finance director of the national education program. Until his retirement he was Assistant Chief of Finance of the U.S. Army.

Vice president of the national education program, in charge of "industrial relations," is Howard W. Bennett, General Electric's former manager of "education" in its "employee and plant relations division." Bennett is known as the dean of corporation "industrial relations" men, and his anti-unionism is well known to UE and IUE organizers.

Benson's right hand man, and former executive vice president was Glenn Abner Green. Now Green has switched his activities to the National Right To Work Committee, but he wrote and directed many of the worst of the National Education Program's films.

But the guiding hand and prime mover of the propaganda machine is Dr. Benson himself.

Who is Dr. Benson?

In his exposé of German Nazis and native Fascists, John Roy Carlson, back in 1946, wrote about "Dr. George S. Benson, President of Harding College, in Searcy, Ark.," who had just endorsed the neo-Nazi Veterans' Industrial Association for its work for an "open shop."

This Veterans' Industrial Association, of Little Rock, Ark., was organized by a James T. Karam to keep "foreign labor bosses" (namely the CIO) out of the South. The World-Telegram columnist, Thomas L. Stokes, at the time (Aug. 7, 1946) accused Karam of being "a strong-arm leader" with "the gangster touch."

Karam's outfit had the endorsement of Gerald L. K. Smith, the old Christian fronter. The CIO charged the KKK was behind this antiunion drive and Karam himself announced he was organizing "vigilante squads." His veteran's group openly worked with the anti-Semitic Christian American Association of the Jew-baiter, Vance Muse.

But Dr. Benson, the self-styled apostle of American "freedom", distributed the hate literature of Karam's veterans.

From these beginnings Dr. Benson went on to bigger antilabor campaigns.

He made a trip to Florida, in 1946, to speak for the Florida right-to-work law, the first such legislation of the postwar years. Karam also went to Florida for the same purposes. The campaign for the right-to-work law, in Florida, was then headed by the Committee For Constitutional Government, directed by Edward Rumely, a convicted German agent in World War II. Representative WRIGHT PATMAN branded this committee as a "Fascist group."

Young Benson then moved on to several nationwide speaking tours. He hit the big-time at a gathering of the pro-Nazi clan, in Madison Square Garden, where he shared the platform with the Reverend Carl McIntire, the anti-Catholic pamphleteer, Emmanuel Josephson, a vitriolic hate propagandist, and addressed an audience that was a "mixture of Christian Fronters, Coughlinites, American First Committee nationalists," etc. ("The Plotters," p. 339, by Carlson.)

After his fling on the ultraright propaganda circuit, Dr. Benson returned to Harding College.

His chief supporters today are such ultrarightists as F. Gano Chance, a national council member of the Birch Society, and a former N.A.M. president. Birchites have heartily adopted the propaganda of Benson's national education program.

"The John Birch Society have also been responsible for probably tens of thousands of showings of 'Communism on the Map'," writes Robert Welch in the bluebook of the Birch Society.

ROCKFORD PAPER, STUNG BY "WORKER" EXPOSÉ, DEFENDS RIGHTIST BRASS

(By Sam Kushner)

CHICAGO.—Supporters of the cabal of military leaders and rightwing extremists are becoming increasingly perturbed by the Worker's reports about their machinations.

The Rockford Register-Republic, the only morning daily newspaper in that northern Illinois city of more than 100,000 people, rose to the defense of the military right-wing combine after the Worker reported on the recent anti-Communist seminar in that city which headlined a naval officer from Glenview Air Base.

After the Worker article appeared the Register-Republic's front page proclaimed in its headline, "Communist Paper Raps Seminar Here." This was on Monday, July 24.

The following day a lengthy editorial denounced the Worker article. A special interview with Lt. Comdr. C. E. Bigler, the main speaker at the "seminar," was headlined in three columns on an inside page "Navy Officer Defends His Anti-Red Stand."

The Rockford seminar was loaded with outright pro-Fascist propaganda. Those who attended were urged to get further material from "Bookmailer," a notorious purveyor of pro-Fascist and anti-Semitic literature.

The hand of the Cardinal Mindzenty League was obvious in the seminar proceedings, as reported in the Worker on July 23.

The Worker paid tribute to the good sense of Rockford's people who stayed away from the seminar in droves and only filled 125 seats in the big hall. It pointed out the pro-Fascist ties of some of the sponsors of this innocent looking "seminar."

Lieutenant Commander Bigler in urging people to join "anti-Communist organizations" flies in the face of the directive recently issued by Secretary of Defense McNamara.

Two days later Tom Reay, managing editor of the Register-Republic, headlined his column "Please, Mr. Kushner: Is This Fascism?" He reported that the writer came to Rockford and "didn't care for the Americanism he found."

That's a loaded way to start things off. To challenge Lieutenant Commander Bigler's idea of Americanism is not a challenge to the good people of Rockford.

Mr. Reay ends up his column with:

"Sam Kushner's concern for our anti-Communist activities is understandable. But, when he is joined by others such as the groups in Washington who are now worried about anti-Red influences in our military, I say poppycock.

"Bigler's speech, the literature and the talks were not fascism. They're what you call pro-American, and I'm for 'em."

On the day that the managing editor delivered his views on Americanism the front page of his paper announced that Bishop Fulton J. Sheen, would be one of the main speakers at an 11-county rally of the Holy Name Society on September 24, the opening day of the chamber of commerce sponsored "Freedom Week."

This is the third try in recent months to whip up anti-Communist hysteria in the Rockford area. The showings of the House

Un-American Committee's "Operation Abolition" evoked a far from enthusiastic response. The "seminar" was a flop as far as attendance was concerned. Now the Register-Republic is building up the Freedom Week activities.

EXTREMISTS AND STOOLIES WILL HEADLINE FREEDOM SCHOOL

DETROIT.—Pro-Fascists and their allies in the Metropolitan Detroit area are gathering their forces for a so-called freedom school to be held on the University of Detroit campus for 5 days beginning August 28.

Coordinating the event, which will feature Senator THOMAS DODD and other prominent witch hunters, is the recently formed "Education for American Freedom, Inc." whose president is William Neubecker, Jr., of 18835 Dix in Wyandotte. Ann Byerlein, who conducted an unsuccessful campaign this year to force Wayne State University to abandon its open speakers policy for the campus, is also participating.

Rightwing extremists who will hold forth at "lectures" and "seminars" during the 5-day "school" include the usual array of stoolpigeons and professional informers, headlined by Herbert ("I Led Three Lives") Philbrick. Others who will talk include James H. Barrett, Birmingham; William J. Edwards, Dr. Gerhart Neimeyer, Joe E. Johnson, E. Merrill Root, Nicholas Nyaradi, Fred Schlafly, John Noble, Edgar Bundy, Fred Koch, Sidney DeLove, Anthony Bouscaren, Charles Lowry, Stanley Parry, Frank Meyer, Wayne Poucher, and Bella Dodd.

Their topics will include "Communist Penetration of Education," "Education for What?" "Coexistence, Containment, or Counterattack?" and "I Was a Slave in Russia."

The only "respectable" face which the "freedom school" has been able to muster is T. John Lesinski, Michigan's Lieutenant Governor. He will talk on "Your State Government."

Organizers of the school have attempted to lend prestige to their efforts by tying in the name of the University of Detroit with their news releases.

But their efforts were countermanded by the university here last week when Bill Rabe, public information officer for the University of Detroit, sent all Detroit newspapers a special notice disclaiming any connection between the university and the "freedom school." "The freedom school," he wrote, "has only rented buildings from the university. There is no connection."

THE KENNEDY FORCES AND THE ULTRARIGHT THREAT

(By William Weinstone)

The appeal of Gus Hall for unity of labor and the people against the mounting danger of reaction, fascism, and war is a timely and significant initiative. It is in accord with the historic role of the Communists, of working for unity in defense of democracy and peace, for freedom of the Negro people, and for labor's rights.

The appeal is addressed to all progressive-minded people and especially to the class-conscious left forces in the ranks of labor and the people's movements, whose united action would serve to give a lead to wider masses. Clarity and unity on the left would provide the key missing today to mount a counteroffensive to the drive of reaction.

The danger of reaction and fascism is growing in the land. It arises from the new stage of the general crisis of capitalism, from the decay of U.S. capitalism, and its growing instability.

The rising fascist danger is becoming clearer to the people despite the demagogy of the fascist elements. These forces include the John Birchers, the White Citizens Councils, the Goldwater organizations, the old revived hate groups, the fascist-minded military men.

They are better organized than in the past and are penetrating community organizations. They have their connections with the ultrareactionary elements in Congress, and in the Pentagon and the U.S. Armed Forces throughout the world. They are financed by the most reactionary elements of big business and are working to win posts in government on National and State levels.

"In this brief period," says Hall, "the administration managed to proclaim a policy of 'paramilitary' intervention against national liberation movements, stepped up the arms race and launched the military adventure against Cuba. It sought to cool off the freedom riders and has evaded legislative and Executive action in the field of civil rights. It invoked the Taft-Hartley law against the maritime strikers. It has declared its intention to follow through on the anti-Communist decisions of the Supreme Court and has stimulated reaction by its declaration that communism is a real and imminent danger."

Yet the Kennedy forces differ from the ultrarights in some of their methods and tactics. As Gus Hall says: "While recognizing that it has taken measures which further curtail democratic rights, it would be a serious mistake to consider the Kennedy administration as embarked at present on a fascist road. The Kennedy administration pursues a contradictory course which flows from the instability of the U.S. imperialist position from the new relationship of world forces (the growing strength of the socialist and imperialist and peace forces) which it recognizes but does not fully and properly assess. Its wavering course also results from the pressure of the masses of people in our own country, particularly from the working class, the Negro people, the peace forces which have been in the main its main support and which elected it."

This shading of difference is important. Marxism-Leninism has always called for utilization of differences within the ranks of the ruling class. Failure to do so can lead to serious errors.

Lenin opposed and condemned the attitude of those who oversimplified things and reduced the political scene to just two opposing forces—capitalist and working class. He took note of differences in the ranks of the bourgeoisie and stressed the need of taking full advantage of these differences in the interests of the people. Those who do not understand this policy, Lenin wrote, "do not understand even a grain of Marxism and scientific modern socialism in general."

Capitalist spokesmen distort this policy of Marxism of utilizing differences in the ranks of the bourgeoisie to say that this shows the Communists are not concerned with the question of democracy; they are solely engaged in tactics, in unprincipled maneuvers." These forces know better. They are applying to the Communists a line of conduct which is peculiar to themselves. Communists make use of differences because they base themselves on reality and because they seek to build up the greatest possible alinement of forces against reaction and fascism. And this requires that distinctions be made between various capitalist elements. Some are for fascism, others oppose fascism, or are not yet ready to take this fatal road. The essence of Gus Hall's call to action is based on the growing menace of fascism.

What does utilization of differences mean?

Obviously not by alining oneself with one or another of the imperialist groupings.

Lenin tells how it can be done properly when he speaks of winning a mass ally, no matter how conditional, unstable, or temporary. The mass allies that can and should be won are the masses of rank and file of labor and progressive forces that support Kennedy.

Many of these are losing their illusions; others have their doubts about Kennedy, but these same forces are aware that there is a greater danger arising and fear it—they see the ultrarights and they want to fight them.

By a fight against this growing menace it is possible not only to create a mass movement against the reactionary warminded forces but also to curb the tendency of the Kennedy administration to appease and capitulate to these forces; to compel Kennedy to change his course or lose the support of these masses.

Those who fail to differentiate between the ultraright and the Kennedy forces commit a leftist error, while those who fail to oppose the reactionary measures of the Kennedy administration commit a rightist reformist error.

As Dimitroff said in his famous 1935 united front address against fascism:

"It would be a serious mistake to ignore this distinction (between bourgeois democratic governments and fascist governments—W. W.), a mistake which would prevent the revolutionary proletariat from mobilizing the broadest masses against the menace of the seizure of power by the fascists and from taking advantage of the contradictions which exist in the bourgeoisie itself.

"But it is a mistake no less and dangerous to underrate the importance in establishing the fascist dictatorship of the reactionary measures of the bourgeoisie which are at present being increasingly initiated in bourgeois-democratic countries."

Bourgeois-democratic liberties have been heavily undermined in our country. However, we do not have a fascist dictatorship but a growing danger of one. A similar twofold, yet differentiated approach, is therefore correct with regard to the situation in our country. This underlies the Gus Hall appeal.

There may be some who see in this approach the application of the notorious lesser evil policy. But this is a mistake.

What is the lesser evil policy? Why is it a seriously harmful policy?

It does not consist simply in differentiating between policies of the bourgeoisie. As we saw above, Lenin and Dimitroff considered differentiating as a necessary tactic.

The objectionable quality of the lesser evil policy consisted in substituting the mass independent policy of labor and people's forces, for a policy of trailing, a policy of relying on a section of the bourgeoisie, on a less reactionary section, to defeat reaction and fascism. This is the essence of the harmful "lesser evil" policy.

The classical example of that policy was that of the right Social-Democrats in Germany in the period when Hitler was rising to power.

Instead of calling for unity of all democratic forces against reaction and fascism in Germany, which meant at that time above all unity of Socialists and Communists, the right Social-Democratic leaders supported Hindenburg as a lesser evil to prevent Hitler, the greater evil, from coming to power. Result: Hindenburg was elected president and in a short time put Hitler in office as Premier. Thus the lesser evil policy led to the victory of the greater evil.

What is proposed here is a unity of all democratic forces against reaction and fascism, no matter from what source—the Kennedy government or the ultrarights, with the main edge against the diehard reactionary and Fascist forces while sharply opposing and criticizing every action of Kennedy that "plays into the hands of the right."

Thus the program is the very reverse of the "lesser evil" stand. It is a program to mobilize as widely as possible the independent mass action of labor, the Negro people, youth, and peace fighters for their needs, with due regard to their stage of develop-

ment politically. It means working to create a new coalition for democracy and peace in the country—the only way to guarantee the defeat of reaction and fascism and create the conditions for a new advance.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. WILLIAMS of Delaware. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Delaware will be printed, and will now be stated by the clerk.

The LEGISLATIVE CLERK. On page 6, after line 3, insert the following new subsection 201 (d):

(d) Funds made available to carry out this title shall not be loaned or reloaned at an interest rate in excess of 8 per centum.

Mr. WILLIAMS of Delaware. Mr. President, I shall discuss the amendment tomorrow. I understand there will be no more votes tonight.

Mr. MAGNUSON. Mr. President, I have an amendment to the bill. Perhaps it can be disposed of this evening, to save time. I send it to the desk, and will explain it to the Senate. I understand the chairman of the committee is willing to accept it.

The PRESIDING OFFICER. The Chair will state to the Senator from Washington that there is an amendment pending. It requires unanimous consent to set it aside and take up another amendment.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have that done.

Mr. WILLIAMS of Delaware. Mr. President, what was the request?

Mr. MAGNUSON. I have an amendment to the bill.

Mr. WILLIAMS of Delaware. Is that amendment to be considered tonight?

Mr. MAGNUSON. Members of the committee are willing to accept it. I thought we would get it out of the way.

The PRESIDING OFFICER. Is there objection to temporarily setting aside the amendment of the Senator from Delaware and considering the amendment of the Senator from Washington?

Mr. WILLIAMS of Delaware. I have no objection.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Washington will be printed, and will now be stated by the clerk.

Mr. MAGNUSON. The amendment is that at an appropriate place in the bill there is proposed to be inserted what is now section 131(c) of the Mutual Security Act of 1954, as amended. I believe it was a new section.

The PRESIDING OFFICER. The amendment of the Senator from Washington will be stated.

The LEGISLATIVE CLERK. At the appropriate place it is proposed to insert the following language:

In providing assistance in the procurement of commodities in the United States, United States dollars shall be made available for marine insurance on such commodities where such insurance is placed on a competitive basis in accordance with normal trade practice prevailing prior to the outbreak of World War II: *Provided*, That in the event a participating country, by statute, decree, rule, or regulation, discriminates against any marine insurance company authorized to do business in any State of the United States, then commodities purchased with funds provided hereunder and destined for such country shall be insured in the United States against marine risk with a company or companies authorized to do a marine insurance business in any State of the United States.

Mr. MAGNUSON. Mr. President, prior to 1955 the Mutual Security Organization interpreted the Mutual Security Act of 1954 in such a way that they would not allocate dollars for payment of marine insurance on foreign aid shipments unless requested by the recipient country. Many foreign countries discriminated against the American marine insurance market and prevented the American market from bidding to get a fair share of this business. On June 1, 1955, I offered an amendment to S. 2090 to remedy this situation and the amendment was adopted by the Senate, and is now Section 131(c) of the Mutual Security Act of 1954, as amended.

The amendment has just been read by the clerk.

No such provision is contained in S. 1983, presently before the Senate Committee on Foreign Relations, or H.R. 7372, presently before the House Committee on Foreign Affairs. I think it essential that the same provision be included in the current bills. I request that the foregoing language be inserted as a new subsection (d) of section 604 dealing with procurement.

There is apparently no reason why the provision was not put in the bill. It merely allows American marine insurers to bid the same as others in the world on marine insurance.

Mr. WILLIAMS of Delaware. Mr. President, has this amendment been cleared with any members of the committee on this side of the aisle? I am not familiar with the amendment.

Mr. MAGNUSON. I discussed the amendment with the Senator from California, as well as the chairman of the committee and the clerk to the committee. They agreed to accept it, because the provision was in the other bill.

Mr. WILLIAMS of Delaware. So far as I know, there would be no objection, but in view of the fact that most Senators have left the Chamber, I wonder if action on the amendment could go over until tomorrow.

Mr. MAGNUSON. I thought we could save time by getting rid of the amendment tonight.

Mr. WILLIAMS of Delaware. I would not want to take the responsibility of accepting the amendment on this side at this time, because it has not been printed. I know of no objection, but Senators have not had an opportunity to see it. Most of them have gone home on the understanding that there would be no further votes tonight.

Mr. MAGNUSON. The provision has been in the law for all these years. All the section does is allow qualified marine insurance people in the United States to bid for marine insurance on the same basis as other insurers.

Mr. WILLIAMS of Delaware. So far as I know, there is no objection to it, but I think, in the interest of orderly procedure, action on it should go over until tomorrow.

Mr. SPARKMAN. Mr. President, I think it is satisfactory for action on the amendment to go over until tomorrow, but I should like to say to the Senator from Delaware, as the Senator from Washington has explained, that this provision has been in the law since 1955. As the Senator knows, the bill as it came to us was a newly drafted bill, and we found some omissions. This apparently is one of the omissions. My understanding is that the language is in the existing law.

Mr. MAGNUSON. That is correct. I am glad to withhold action on it until tomorrow.

Mr. WILLIAMS of Delaware. Mr. President, in order that we may understand the parliamentary situation, since this amendment goes over until tomorrow, am I to understand that, after it has been disposed of, my amendment will be pending?

The PRESIDING OFFICER. The Senator is correct.

PRICE OF GAS: THE INFLATION CONTINUES

Mr. PROXMIRE. Mr. President, I have just received a copy of Gas Distribution Service Information Bulletin No. 667, brought up to date to include latest figures on natural gas wellhead prices and consumers' price indexes. I ask unanimous consent that this bulletin entitled "The Price of Gas: The Inflation Continues" be included in the RECORD at this point.

There being no objection, the bulletin was ordered to be printed in the RECORD, as follows:

THE PRICE OF GAS: THE INFLATION CONTINUES

In the postwar era the two striking characteristics of the natural gas industry have been the industry's tremendous expansion and, following slightly behind but with a discouraging inevitability, the steady rise in the price of gas at each of the three points of sale—wellhead, city gate, and burner tip. A year ago we charted this price rise; judged by the number of reader requests for additional copies, that report "GDIS 530—The Price of Gas: A Study in Inflation" proved one of the most popular we have prepared.

The trends noted a year ago—a marked rise in prices at the wellhead throughout the postwar era, accompanied by corresponding increases at the city gate since the early 1950's and at the burner tip since mid-1957—have continued without discernible change. Today's wellhead price is 16.3 cents per thousand cubic feet, more than double the level in 1952. The price of gas to the consumer, which in the 10 years to July 1957 increased at an annual average rate of 2 percent, has since that date advanced at an annual rate of 6 percent.

THE PRICE OF GAS AT THE WELLHEAD

In our report a year ago, we noted that, notwithstanding the very sharp rise in the price of gas during the 1950's, there was little to indicate that the price would level off in the foreseeable future. With another year's increase behind us, there is still no real basis for a belief that the price rise will abate.

Table I shows the history of wellhead prices during the past 12 years. In 1949 the weighted average price at the wellhead was 6.3 cents. By 1954, the year of the Phillips decision, this price had risen to 9.9 cents, an increase of 3.6 cents, or more than 50 percent. Last year, the weighted average price reached 15.6 cents, an increase of 5.7 cents above the 1954 level and exactly double the average prevailing only 8 years earlier.

TABLE I

[Figures in cents per thousand cubic feet]

	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Bureau of Mines	6.3	6.5	7.3	7.8	9.2	10.1	10.4	10.8	11.3	11.9	12.9	------
Federal Power Commission	------	------	------	------	9.0	9.9	10.6	11.3	12.0	13.0	14.3	------
Bureau of Labor Statistics	------	------	------	------	9.5	9.7	10.3	10.9	12.0	12.9	14.3	15.5

Table II shows the Bureau of Labor Statistics figures monthly since January of 1958, when the BLS added, as part of its monthly index of wholesale prices, a series for natural gas at the wellhead. The BLS figures show that in the last 3 years the price of gas at the wellhead rose from 12.38 cents to 16.30 cents, an increase of 31.7 percent:

TABLE II.—*Price and price index of gas at the wellhead (per BLS)*

	Price (cents per thousand cubic feet)				Price index (January 1958=100)			
	1958	1959	1960	1961	1958	1959	1960	1961
January	12.38	14.05	14.98	16.01	100.0	113.5	121.0	129.4
February	12.62	13.93	14.98	16.20	102.0	112.5	121.0	130.9
March	12.56	14.11	15.16	16.12	101.4	114.0	122.5	130.2
April	12.74	14.05	15.15	16.15	102.9	113.5	122.4	130.5
May	12.77	14.26	15.18	[1] 16.22	103.1	115.2	122.7	[1] 131.0
June	12.63	14.10	15.29	--------	102.1	113.9	123.5	--------
July	12.70	13.95	15.62	--------	102.6	112.7	126.2	--------
August	13.03	14.49	15.97	--------	105.2	117.0	129.1	--------
September	13.03	14.38	16.05	--------	105.2	116.2	129.7	--------
October	13.37	14.45	15.98	--------	108.0	116.8	129.1	--------
November	13.32	14.55	15.87	--------	107.6	117.5	128.2	--------
December	13.60	14.82	15.85	--------	109.9	119.7	128.1	--------
Annual average	12.90	14.26	15.51	--------	104.2	115.2	125.3	--------

[1] Preliminary.

TABLE III.—*Relative price increases (wholesale price index versus wellhead price of gas)*

	Percentage increase to February 1961		
	Since January 1958	Since 1954	Since 1947–49
All commodities	0.9	8.8	20.0
All commodities other than food	1.5	11.8	28.0
Natural gas at wellhead	31.7	68.2	160.1

The rate at which the price of gas at the wellhead has increased has far outstripped the increase in the price of wholesale commodities generally, regardless of whether one starts with the BLS base period (1947–49), or with 1954 (the year of Phillips), or with January 1958.

THE PRICE OF GAS AT THE CITY GATE

While it is probably incorrect to say that there has been an improvement in the pipeline rate picture during the past year, it can at least be said that the rate of deterioration has greatly decelerated. A year ago we noted: "Within the past 6 months [November 1959–April 1960] all but two of the major pipelines have either made rate increases effective or have filed for increases." During the past year there have been but five major pipeline rate filings, only one of which (Transco's RP–61–13) exceeded $5 million. This compares with 16 filings of more than $5 million in the 12-month period prior to April 1960.

Increases in the city gate rate may be affected by matters other than pipeline rate filings. Increasingly in recent years the city gate rate has risen as distributors have been forced to turn to new and much higher cost pipelines to meet their growing requirements. Two such high-priced alternative sources certificated during the past year are Pacific Gas Transmission and Mississippi River Transmission.

THE PRICE OF GAS AT THE RETAIL LEVEL

As noted in our earlier report, the price of gas at the retail level increased moderately during the early and middle fifties. Beginning about the middle of 1957, however, the consumer price index for natural gas shot sharply upward, and at one point—between April 1959 and June 1960—registered 14 consecutive monthly increases. During the past 5 months the price of gas has been more stable—the February 1961 level is only 0.4 point above the figures for September 1960. This unquestionably reflects the reduced rate of pipeline rate filings, and its continuance is dependent upon a stability in the city gate rate.

Mr. PROXMIRE. Mr. President, the wellhead price of natural gas has increased more than 160 percent since 1947–49, and is presently causing consumers' prices to increase 6 percent per year. This information points up the seriousness of the natural gas consumers' problem. I hope it receives the attention it deserves.

TABLE IV.—*BLS indexes for natural gas and CPI, 1950–60*

[1947–49=100]

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960
Gas	100.8	100.5	103.7	108.2	110.6	115.7	117.8	120.2	127.9	132.6	141.9
CPI	102.8	111.0	113.5	114.4	114.8	114.5	116.2	120.2	123.5	124.6	126.5

TABLE V.—*BLS indexes for natural gas and CPI, 1957–61*

[By months]

	1957		1958		1959		1960		1961	
	Gas	CPI	Gas	CPI	Gas	CPI	Gas	CPI	Gas	CPI
January	119.0	118.2	125.6	122.3	130.1	123.8	138.7	125.4	144.1	127.4
February	118.9	118.7	126.2	122.5	130.7	123.7	140.3	125.6	144.1	127.5
March	118.9	118.9	126.3	123.3	130.6	123.7	140.5	125.7	144.1	127.5
April	118.8	119.3	126.3	123.5	130.0	123.9	141.0	126.2	143.8	127.5
May	118.8	119.6	126.9	123.6	130.3	124.0	141.7	126.3	144.8	127.4
June	118.6	120.2	127.7	123.7	130.9	124.5	141.9	126.5	144.8	127.6
July	118.7	120.8	127.9	123.9	131.4	124.9	141.9	126.6	--------	--------
August	120.9	121.0	128.5	123.7	132.4	124.8	142.1	126.6	--------	--------
September	121.8	121.1	129.5	123.7	135.5	125.2	143.7	126.8	--------	--------
October	122.0	121.1	129.8	123.7	135.6	125.5	143.7	127.3	--------	--------
November	122.8	121.6	129.8	123.9	135.8	125.6	143.7	127.4	--------	--------
December	122.8	121.6	130.1	123.7	137.5	125.5	143.5	127.5	--------	--------
Annual average	120.2	120.2	127.9	123.5	132.6	124.6	141.9	126.5	--------	--------

FEDERAL POWER COMMISSION'S POOR RECORD ON GAS RATE REDUCTIONS

Mr. PROXMIRE. Mr. President, the Federal Power Commission recently completed a study at my request of their success in conditioning or reducing so-called initial rates, the rates in effect for the first term before escalation and redetermination clauses become operative in natural gas purchase contracts. Initial rates are examined by the Commission when temporary authorization for such sales are applied for under section 7(c) of the Natural Gas Act and when permanent certification is applied for under section 7(e) of the Natural Gas Act. Between July 1959 and June 1961 the Commission disposed of 2,964 permanent certificate applications. Almost all such applications carry proposals for rate increases. But the FPC records disclose that price conditions were imposed upon the issuance of only 57 such permanent certificates.

The Supreme Court denied certiorari in the *Signal Oil & Gas Co* v. *F.P.C.* case (353 U.S. 923) in an appeal from a successful effort to condition the initial price and FPC's power in this respect was recently upheld in the *Texaco, Inc., et al.* v. *F.P.C.* case (290 F. 2d 149).

The common charge that FPC's weak initial price policy is largely responsible for increases in natural gas markets at all levels is borne out by these disappointing figures.

I should like to have incorporated into the RECORD a statement of the in-

creases in city-gate natural gas prices faced by utility companies in the State of Wisconsin, in the form of a summary of prices paid by the Milwaukee Gas Light Co., and the success of our distributing utilities and public service commission in restraining residential price increases. The figures also show that the use of a flat rate for natural gas purchased has a significant effect in holding prices steady, as opposed to the use of a commodity-demand-type formula. Also noted is the refund policy in use by Milwaukee Gas Light Co. I ask unanimous consent that this statement of data and a letter from the chairman of the Wisconsin Public Service Commission be printed in the RECORD at this point.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

COST TO MILWAUKEE GAS LIGHT CO. PER THOUSAND CUBIC FEET OF NATURAL GAS PURCHASED, 1960–61

From February 7, 1950, to September 30, 1951, 28 cents per thousand cubic feet.

From October 1, 1951, to December 11, 1952, 31.25 cents per thousand cubic feet.

From December 12, 1952, to November 14, 1956, 31.6 cents per thousand cubic feet.

From November 15, 1956, to September 14, 1957, 35.75 cents per thousand cubic feet.

From September 15, 1957, to October 6, 1960, 37.50 cents per thousand cubic feet.

From October 7, 1960, 42.27 cents per thousand cubic feet.

On March 1, 1960, a shift from a flat rate to a demand-commodity-type rate was imposed. Rates since September 15, 1957, are being collected subject to FPC approval.

Revenue to Milwaukee Gas Light Co. per thousand cubic feet of natural gas sold to residential customers, 1953–60:

1953	$1.285
1954	1.314
1955	1.282
1956	1.255
1957	1.248
1958	1.242
1959	1.226
1960	1.232

While the cost of natural gas purchased has increased 33.8 percent since November of 1956 and 51 percent since September of 1951, the average price paid by the residential consumer over the same period has decreased 4.1 percent over the 1953 price. These figures represent a vigorous holding operation on the part of the distributing utility and the Wisconsin Public Service Commission, which has been made possible by a tremendous increase in sales volume from 11,099,060 thousand cubic feet in 1950 to 48,253,829 thousand cubic feet in 1960. The lack of effective regulation at the wellhead may be seen in the 51-percent increase in the cost of gas to the Milwaukee Gas Light Co. since September of 1951, despite the great increases of production at wellhead, which have failed to introduce any elements of economy into the natural gas market. The figures present a useful contrast between the effectiveness of State and Federal rate regulation. In the event of a refund having been ordered by FPC upon rates temporarily in effect, the Milwaukee Gas Light Co. formerly issued refund checks. In 1955 the company was ordered to refund $2,450,000 for a period between October of 1951 and June of 1955. The company made a total of 347,924 individual refunds, 322,398 refund checks were issued and the refunds were applied on unpaid bills in another 25,526 cases. The total cost of the refund operation was about $125,000 or approximately 36 cents per refund. Much of the work had to be done on an overtime basis and, of course, the individual customer bore the accounting cost.

In a second refund operation, the company found it possible to refund $489,000 covering a period from April of 1955 to November of 1956. In that operation, 268,000 refunds were made, by being applied to future bills. The cost of that operation was $30,000 or 11 cents per refund. Application to future bills is known as "prospective" refunding and is used in the District of Columbia by the Washington Gas Light Co. The latter company has a policy, which Milwaukee Gas Light may well share, of issuing refund checks to any customer who has moved away or terminated service at any time after the date to which refunds were ordered.

PUBLIC SERVICE COMMISSION
OF WISCONSIN,
Madison, Wis., August 4, 1961.

Hon. WILLIAM PROXMIRE,
U.S. Senate, Senate Office Building, Washington, D.C.

DEAR SENATOR PROXMIRE: Here are some of the figures you asked for in your letter of July 26, 1961, relative to the cost of natural gas to Wisconsin companies over the last decade:

Average cost of natural gas per thousand cubic feet to Wisconsin utilities [1] 1950–60

	Cents
Michigan-Wisconsin Pipeline Co.:	
1950	29.0
1951	30.0
1952	32.7
1953	36.0
1954	35.6
1955	33.4
1956	34.4
1957	37.3
1958	38.2
1959	38.1
1960	40.0
Natural Gas Pipeline Co.:	
1950	13.8
1951	12.4
1952	14.7
1953	16.6
1954	20.9
1955	23.5
1956	24.7
1957	25.4
1958	25.9
1959	30.5
1960	31.2

[1] Based on 1,000 British thermal units natural gas or its equivalent.

The temporary downward trend which is shown between 1953 and 1955 is due in all probability to the effect of refunds. While there have been no reductions in rates there have been several instances where the rates finally approved in a particular proceeding were lower than those charged on a temporary basis during the period the case was being considered by Federal Power Commission. In these cases refunds were made covering the amount of the overcharges.

Had the increase in rates since 1950 as detailed above not taken place the companies in Wisconsin served by Michigan-Wisconsin Pipeline Co. would have saved approximately $3,950,000 in 1960 alone. It is reasonable to assume that savings approximating this amount could, and would, have been passed on to the customers of these companies. This would amount to approximately $7.75 per customer, or 4.6 percent on the average annual bill.

The company served by Natural Gas Pipeline Co. would have saved approximately $322,000 in 1960 had its cost of purchased gas remained at the 1950 level. This would amount to about $24 per customer served, or 14.8 percent of the average annual bill.

Two other pipeline companies, Midwest Gas Transmission Co. and Northern Natural Gas Co., are now selling gas in Wisconsin but they have served for only a relatively short period and it is not possible to show a record over a period of time.

It is impossible to show the impact of the increase in wholesale rates upon consumer prices directly. Sharp increase in average consumption over the past decade have made it possible to avoid rate increases at the retail level to a large extent.

If we can be of any further help to you in this matter, do not hesitate to write us again.

Very truly yours,
LEONARD BESSMAN,
Chairman.

McNAMARA-PROXMIRE CASE AGAINST HALF BILLION DOLLARS FOR OBSOLETE BOMBERS

Mr. PROXMIRE. Mr. President, The August 14, 1961, issue of Aviation Week magazine carries an article by Larry Booda describing Soviet advances in antiaircraft technique. According to Mr. Booda, recent technical progress by the U.S.S.R. in infrared detection air-to-air missiles, surface-to-air missiles, and high speed fighter planes have caused our military planners to downgrade their reliance on manned bombers in the context of our overall defense forces and strategies.

This report on our official intelligence estimates of Soviet capabilities bears very directly on the amendment which I offered 10 days ago to eliminate $525 million for manned long-range bombers which Secretary McNamara stated in a letter to me were neither wanted nor needed by the administration. Certainly the new evidence of Soviet technical advances constitutes a new and further challenge to our defense capabilities, they should make it abundantly clear that as a Nation we cannot hope to protect ourselves and our interests by continuing to turn out more and more bombers that are rapidly becoming obsolescent.

I ask unanimous consent that Mr. Booda's article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOVIET GAINS BLUNT U.S. BOMBER POTENTIAL—McNAMARA BASES HIS DOWNGRADING OF MANNED AIRCRAFT ON AN ASSESSMENT OF RUSSIAN ANTIAIRCRAFT ADVANCES

(By Larry Booda)

WASHINGTON.—Positive evidence that Russian advances in antiaircraft technology would make bomber penetration of key Soviet targets ineffective is the principal reason for the stubborn attitude of Defense Secretary Robert S. McNamara and his advisers favoring the phasing out of manned bombers, despite heavy congressional pressure to continue B–52 production.

Soviet Union has been engaged in a massive air defense effort which includes new longer range radars, infrared detection, ground-to-air missiles able to reach to 100,000 feet, and air-to-air missiles.

Even allowing for a 3-year Russian lag behind United States in air defense technical capabilities, a gap which intelligence sources say is rapidly shrinking, a mass raid of B–47's and B–52's in the near future would result in attrition of 75 to 90 percent, according to McNamara's advisers.

Noting that in the past the individual services have interpreted intelligence information in a manner to support their own

weapons ideas, McNamara recently merged the intelligence operations in order to obtain more balanced appraisals. A new assessment of Russian air defense strength was one of the main reasons for the change.

In comparing capabilities of the United States with those of the Russians, U.S. foreign technology analysts have considered these factors:

Progress in infrared detection and tracking for terminal intercept at ranges of more than 30 miles will permit replacement of some radar in fighter aircraft and ground-to-air missiles. Ground radar, although necessary for long-range acquisition, will not have to be as accurate, thus will be less costly. Infrared equipment is several orders of magnitude less complex than radar.

Mach 3 bomber such as the B–70, in fact any supersonic aircraft, becomes a strong generator of electromagnetic radiation in the 4–11 micron (infrared) wavelength range.

There is a finite limit to the radar jamming capabilities of bombers and the numbers of radar decoys, such as the Quail, and infrared decoys they can carry. Random pulse-frequency diversity radar, which the Russians are assessed as having or will soon have, is almost jam and decoy proof, requiring a large mass of equipment to overcome.

Russia displayed at least four air-to-air missiles at the July Tushino airshow. One type resembled the infrared homing Sidewinder, probably copied from missiles recovered by Chinese Communists after they were fired by the Nationalist Chinese over the mainland and missed their targets. Another was in the class of the radar-guided Sparrow III and Gar 3 and 4 Falcon. Two others appear to be longer range versions, one of which has a two-stage configuration, placing them in the class of the Gar 9 and Eagle, with ranges to 40 miles (Aviation Week, July 24, p. 29).

Two kinds of surface-to-air missiles in the Nike-Hercules class, one the Chevron and the other the longer range, higher altitude House of David, have been paraded in Red Square and pictured in action. They are in mass production.

New generation of Soviet fighters, capable of steady supersonic flight at 65,000 feet and zoom capabilities much higher than that, is being produced. The Russian world altitude record of 112,000 feet set by the delta-wing Sukhoi E–66 fighter, is held as the basis for assigning a capability of building engines for higher altitude operations in the future.

In scanning the mass of technical literature published in Russian journals, U.S. foreign technology personnel have become acutely aware that the Russians are rapidly approaching the United States in miniaturization of electronic components. Compact circuitry is an essential part of antiaircraft missiles.

SOVIET TESTS ASSUMED

Analysts assume that the underground test explosions announced by the Russians have actually been clandestine testing of nuclear weapons with yields of less than 100 kilotons. By being able to prove weapon designs, Russia is assessed the ability to produce low yield nuclear warheads for air defense missiles in 1 or 2 years. The United States already has this capability.

An example of Russian air defense effort is its protective ring around Moscow. There is an inner ring of missiles, another ring of longer range missiles and an outer ring at 40 to 50 miles of fighter airfields.

The two principal factors considered in giving the Russians an increasingly effective air defense 2 to 3 years from now are the emergence of infrared guidance and the low yield nuclear warhead. The Russians are known to be making rapid strides in both fields.

Until recently, the concentration of effort in infrared had been in short-range detection based on the exhausts of jet engines. These exhausts radiate sufficient energy in the 4 to 5 micron wavelength range that Sidewinder missiles, for instance, can enter an engine tailpipe to destroy an aircraft.

As the result of recent developments in the 9 to 11 micron region, however, effective equipment has been built to take the place of radar in aircraft for acquisition of targets up to 32 miles. Radiation at these wavelengths penetrates haze much farther because of the "window" in that region. Against high flying aircraft, which will be above all but the most unusual cloud levels, infrared will have almost an all-weather capability. Air-to-air missiles will not be fitted with this type of equipment, since they need only short-range ability because they are guided initially by the launching aircraft.

Surface-to-air missiles, however, especially those that will penetrate to 70,000 feet, could make use of the longer wavelength gear.

IDEAL INFRARED TARGET

A mach 3 aircraft, flying at 2,000 m.p.h., will operate at such elevated skin temperatures that it will "glow" brilliantly in the entire infrared electromagnetic wavelength range. Scientists have stated that if they wanted to create an ideal target in the air, this is the approach they would take. At 2,000 m.p.h. at 70,000 feet, there will be points on an aircraft where temperatures will build to 375° F.

In going to a nuclear warhead for antiaircraft missiles, there is a great reduction in requirements for accuracy in hitting or closely missing a target. For instance, nuclear yields of only the equivalent of 10 tons of TNT or 0.01 kilotons are now possible. This yield creates a fireball 200 feet in diameter, but the kill radius extends much farther than that. The Gar 11 Falcon is such a weapon. The launching aircraft performs an intercept by using pulse-Doppler radar to illuminate the target. Breakaway is made simple because the radar can point 75° away from straight ahead.

The U.S. bombers themselves have tended to create an aura of doubt as to just how well they could perform their missions. B–47's, which carry no penetration aids such as Quail or Hound Dog, are sliding fast down the obsolescence curve. Training missions are limited because the Air Force dares not allow too many nuclear delivery maneuvers to be performed due to weakening of the wing spars, whose fatigue life is limited.

B–47 pilots are limited to 20 to 25 hours of flight per month, which is considered the bare minimum to retain proficiency in ordinary flight, not considering the complexities of combat missions.

Defense had planned to reduce the number of B–47 wings from 20 to 13 in fiscal 1961 and even fewer in 1962. Before the Berlin crisis, McNamara asked the Joint Chiefs of Staff for an opinion on halting this phasedown. An Air Force study recommended that the phasedown be halted at 13 wings. There was unanimous approval by the Joint Chiefs, and McNamara concurred early in June.

In attempting to change the mission profiles for B–52's, difficulties have developed. In order to give the B–52 a penetration aid which would clear a path ahead with nuclear explosions, the Hound Dog low supersonic, air-breathing missile was developed. It was planned to carry four or six of these weapons.

Then, as a further measure to allow the B–52 to stay away from Russian defenses, the Skybolt air-launched ballistic missile was designed. It is in early stages of development.

To extend range, large tanks were hung on the bomber's wingtips. In the G and H models, a "wet wing," or fuel-carrying wing, was installed.

PARAMETERS CHANGED

On top of all this, the mission parameters were changed to include low-altitude penetration to avoid radar detection by flying under its coverage.

Hanging the tanks and missiles on an existing wing changed the dynamic characteristics, particularly during full gross weight takeoffs and aerial refueling, to such an extent that serious fatigue problems were created in the wing spars. Low-altitude missions also flexed the wings in greater magnitude and different frequencies, compounding the problem.

Working on a crash program as a result, the Aeronautical Systems Division at Wright-Patterson AFB, Ohio, in conjunction with Boeing-Wichita, is conducting an exhaustive series of tests to determine what wing fixes are needed to overcome the extra stresses. Meanwhile, lighter loads must be carried.

As a result of comparison of United States and Russian technologies combined with strategic intelligence inputs, defense officials determined that the B–70 was simply overtaken by events. If that aircraft had been pushed as a complete weapon system from its inception 5 years ago, it could have been operational in late 1962. However, the project was subjected to what Air Force officers described as a series of yo-yo budget fluctuations.

Subsystem designs for the B–70 as a complete weapon system are now 5 years old. If development of more than just the airframe and navigation system were ordered, a complete redesign program would have to be instituted.

In agreeing to the building of several flight articles, McNamara conceded that the state of the art in the supersonic flight regime deserved further investigation. He also was aware of the realities of politics—where a hard core of big bomber advocates within the Air Force, backed by active supporters outside the service, are trying to force his hand not only in the case of the B–70 but also in the purchase of additional B–58 and B–52 bombers.

McNamara is expected to wait out the current political furor over manned bombers, and, if need be, reveal some of the technical and intelligence reasons for his stand.

He also is depending on an increase in the reliability, accuracy, and numbers of ballistic missiles. He is depending on Atlas as an interim ICBM, with Titan and Minuteman beginning to take over next year along with increasing numbers of submarine-launched Polaris missiles deployed at sea. Minuteman and Polaris will reach peak strength in 1965 and 1966, with their force levels remaining dominant through 1970.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate go into executive session for the purpose of considering the nomination on the Executive Calendar which was reported today.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

DEPARTMENT OF LABOR

The PRESIDING OFFICER. The clerk will state the nomination.

The legislative clerk read the nomination of Esther Peterson, of Virginia, to be an Assistant Secretary of Labor.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

THE DEFENSE BUDGET—ECONOMIC AND MONETARY POSITION OF THE COUNTRY

Mr. HRUSKA. Mr. President, in his national telecast immediately prior to asking for additional funds and additional military authority, President Kennedy undertook to comment on the economic and monetary position of our country.

Among other things, he stated that "our economy has the capacity to bear this new request" when he indicated a defense budget increase of over $6 billion since he assumed office.

He referred to the fact that "we are recovering strongly from this year's recession." And later in his talk he referred to "our gold position has improved and the dollar is more respected abroad."

To some of us the attempt to stress improved business outlook was a little on the defensive side. Obviously if we are to prepare for a situation as serious and critical as that which the President then depicted and expend those sums which he recommended, and which Congress has since allowed, there is no room for "doing business as usual."

"Doing business as usual" in this case means expenditure of multibillion-dollar sums for nondefense projects. If the Nation is to be asked for sacrifices, it should be clear that a priority should be established for such nondefense activities, and particularly those which are of new origin, those which have not as yet been started but which are in process of legislation.

In regard to the reference on improvement of our gold position, there has been called to my attention by my friend, Mr. W. S. Henrion, of Lincoln, Nebr., the lead editorial in Barrons Weekly for July 31.

The author of this editorial rejoices in the fact that there has occurred a turning in the gold and monetary position of this country.

However, such good news, he stated, simply cannot be taken at face value. There are in the picture commercial and financial transactions which were either temporary in nature or nonrecurring. The author stated flatly:

> If these were omitted from the calculation, the U.S. global deficit for 1961 would run nearly three times the forecast cited above.

Among the nonrecurring factors are the prepayment by several obliging allies of nearly $700 million of their long-term debts. Moreover, foreign central banks, for a time at least, cooperated by lowering interest rates, thereby helping to stem the outflow of short-term capital from America.

It should be noted, however, that foreign interest rates are again on the increase and a potential ominous gap is opening up between New York and other money markets, such as Tokyo and London.

After considering the picture as a whole, the editor rightly joins that thinking which has it that the deficit in the balance of payments is the number one problem of our Republic in this decade:

> We risk our whole future if we do not keep faith with our creditors, who are also our allies in the Western World.

There is little doubt but what the forecast of $8 billion deficit in our Federal budget for this fiscal year will be highly detrimental in this battle in which we are engaged. We should make every effort to prevent it by cutting nondefense spending.

Mr. President, I ask unanimous consent that the Barrons Weekly editorial entitled "Precarious Balance," in its July 31 issue, be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PRECARIOUS BALANCE—THE STANDING OF THE DOLLAR IS AS SHAKY AS EVER

Whatever its other woes, domestic and foreign, the United States lately has enjoyed a measure of relief from at least one chronic ailment: the deficit in its international balance of payments. Whereas in recent years the shortfall in its global accounts has averaged roughly $3.5 billion annually, the comparable figure for 1961, according to a study published last week by the National Foreign Trade Council, may total no more than $500 million. Moreover, in London and the other free markets for bullion, the speculative fever which raged last fall has waned. For the first time in many months, President Kennedy took pains to observe the other night, "our gold position has improved and the dollar is more respected abroad."

To all who recognize the critical need of preserving the integrity of the currency, these are welcome tidings indeed. Unfortunately, however, like official estimates of the state of the budget, the good news simply cannot be taken at face value. For one thing, since the turn of the year this country, in its dealings with the rest of the world has profited from commercial and financial transactions which were either temporary in nature or nonrecurring. If these were omitted from the calculation, the U.S. global deficit for 1961 would run to nearly three times the forecast cited above. More important, the economic conditions which fostered the recent gains are changing fast. At home a short-lived recession (which dampened imports and spurred exports) has yielded to a vigorous recovery which threatens to turn into a fresh inflationary surge. Meanwhile, interest rates abroad again are on the rise, to the point where an ominous gap is opening up between New York and other money markets such as Tokyo and London. In the defense of the dollar the United States virtually by default has won a battle. However, it remains a perilously long way from winning the war.

For the cheap victory, neither this administration nor its predecessor can claim much credit. True, by its Executive order forbidding American citizens to hold the metal after June 1, 1961, the White House depressed the price of gold in London (heavy sales of bullion by South African interests and by the Soviets speeded the decline). Nonetheless, despite its near panic last fall, when it was mulling such emergency measures as slashing the duty-free import allowances of travelers, and bringing home the dependents of soldiers stationed overseas, Washington actually has done little to set the balance of payments to rights. On the contrary, this country must thank foreigners for pulling its chestnuts out of the fire. Obliging allies such as the Netherlands, the Philippines and West Germany helped out by prepaying nearly $700 million of their long-term debts. Moreover, foreign contral banks, for a time at least, cooperated by lowering interest rates, thereby helping to stem the outflow of short-term capital from these shores.

One way and another, then, the payments deficit for the first half of 1961 has been considerably reduced. To an observer with an eye on the future, however, the figures are scarcely reassuring. First, of course, the United States cannot continue to count on the huge windfall which, thanks to its obliging debtors, it has enjoyed this year. Meanwhile, in the global money market the tides again have shifted. In the United States, where the Federal Reserve persists in keeping credit plentiful and cheap, interest rates are low. Elsewhere, however, notably in Great Britain, which has just raised the bank rate from 5 percent to 7 percent, they have resumed their rise. Sooner or later, if the past be any guide, short-term funds will move abroad in search of higher return.

In the crucial realm of foreign trade, the prospects also are bleak. On the one hand, exports, which reached new highs early in the year, are plainly past their peak. From a record annual rate of over $21 billion in February (seasonally adjusted), U.S. shipments abroad slipped in May to a yearly rate of less than $19 billion, a 14-month low. Concentrated in such products as commercial jet aircraft, copper, aluminum and cotton, demand for which had shown an extraordinary bulge, the slump in exports is not apt to be easily reversed. On the other hand, imports, which naturally suffered during the recent business setback, are sure to revive with recovery. Hence the whopping U.S. trade surplus, which has covered a multitude of financial sins in recent months, cannot be counted on much longer.

Appearances to the contrary notwithstanding, the dollar remains in jeopardy. If anything, the complacency which prevails in official circles has heightened the threat to its future. Despite the vigor of the upturn, the Federal Reserve, as noted, persists in pursuing a policy of easy money. The Treasury, for its part, has thrown both foresight and prudence to the winds. Thus, in the fiscal year just ended, the United States wound up nearly $4 billion in the red, a billion more than Secretary Dillon had estimated as recently as June. For the current fiscal year the forecasts change almost daily. In view of the stepped-up outlays for mobilization, however, few would be surprised if the deficit in fiscal 1962 ran as high as $8 billion. To the administration, which has bemused itself with misleading concepts of unemployment and excess capacity, neither event is alarming. Others, however, know a rattlesnake when they see one. Arthur Burns, former head of the President's Council of Economic Advisers, has sounded a clear-cut warning. "If we now arranged new Government spending programs so that they mature when the economy is already advancing without them," said he last spring, "I think that we would be courting inflation and a gold crisis."

His sentiments have been echoed by others, notably Alan H. Temple and John Exter of the First National City Bank of New York, who called in June for "a little

more monetary and fiscal restraint." The message was given fresh point only last week, when the British Government, faced with a persistent threat to the pound, took heroic measures, including higher excise taxes, to put its house in order. What London has done Washington cannot forever put off. For as Messrs. Exter and Temple rightly observe, the deficit in the balance of payments "is the No. 1 problem for the United States in this decade. We risk our whole future if we do not keep faith with our creditors, who also are our allies in the Western World."

M. JOSEPH BLUMENFELD

Mr. DODD. Mr. President, earlier today, the Senate confirmed the nomination of M. J. Blumenfeld, of Connecticut, to the Federal judiciary. This appointment was greeted with universal approval by members of the Connecticut bar who have known and worked with him during his distinguished 25-year legal career.

It has been my good fortune and privilege to know this man intimately, as a lawyer, as a business partner and as a friend for many, many years.

If ever there was a man whose innate qualities of personal decency, intellectual integrity, legal perception and humane compassion qualified him for the Federal judiciary it is this man whose nomination has today been confirmed.

Joe Blumenfeld has served his community and his profession ably and devotedly, but, most important, self-effacingly.

It was therefore a great occasion in my life, and I am sure in his, to hear and to read the statements and messages of endorsement and congratulations that came from all over the State and to listen to the laudatory testimony of Members of Congress who attended the hearing on his nomination.

All who know him are confident that he will be a remarkable Federal judge because he has been a remarkable lawyer, a good friend, and a great human being. I congratulate the Senate for its swift action in confirming this nomination. We will not soon have an opportunity to pass upon a man so well suited for the post to which the President has named him.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

ADDITIONAL REPORT OF A COMMITTEE

The following additional report of a committee was submitted:

By Mr. BRIDGES, from the Committee on Armed Services, without amendment:

S.J. Res. 108. Joint resolution to authorize the presentation of the Distinguished Flying Cross to Maj. Gen. Benjamin D. Foulois, retired (Rept. No. 745).

ADDITIONAL BILL INTRODUCED

Mr. YARBOROUGH (for himself, Mr. KERR, and Mr. MONRONEY), by unanimous consent, introduced a bill (S. 2424) to amend the Agricultural Act of 1949, which was read twice by its title, and referred to the Committee on Agriculture and Forestry.

(See the remarks of Mr. YARBOROUGH when he introduced the above bill, which appear under a separate heading.)

AMENDMENT OF AGRICULTURAL ACT OF 1949

Mr. YARBOROUGH. Mr. President, on behalf of myself and the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], I introduce, for appropriate reference, a bill to amend the Agricultural Act of 1949. I ask unanimous consent that the bill be printed in the RECORD, and that it lie on the desk for 2 days so that other Senators may cosponsor it if they so desire.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and lie on the desk as requested by the Senator from Texas.

The bill (S. 2424) to amend the Agricultural Act of 1949, introduced by Mr. YARBOROUGH (for himself and Senators KERR and MONRONEY), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Act of 1949, as amended, is amended by adding the following sentence at the end of section 403: "Beginning with the 1961 crop in the case of peanuts, the United States Department of Agriculture shall apply the same support price to each pound of sound mature kernels and the same support price to each pound of all other kernels as now defined by the United States Department of Agriculture for all types of peanuts; except that premiums shall apply to Extra Large Virginia-type peanuts and for Valencia-type peanuts that are suitable for cleaning and roasting.

ACT FOR INTERNATIONAL DEVELOPMENT OF 1961—AMENDMENTS

Mr. WILLIAMS of Delaware proposed an amendment to the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. MAGNUSON proposed an amendment to Senate bill 1983, supra, which was ordered to be printed.

Mr. CHURCH submitted amendments, intended to be proposed by him, to Senate bill 1983, supra, which were ordered to lie on the table and to be printed.

EXTENSION OF FEDERAL ASSISTANCE IN CONSTRUCTION AND OPERATION OF SCHOOLS IN FEDERALLY IMPACTED AREAS—AMENDMENTS

Mr. JAVITS submitted amendments, intended to be proposed by him, to the bill (S. 2393) to extend for 1 year the temporary provisions of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas, and to provide for the application of such laws to American Samoa, which were ordered to lie on the table and to be printed.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. KEATING. Mr. President, in accordance with the order previously entered, I move that the Senate stand in adjournment until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 7 o'clock and 23 minutes p.m.) the Senate adjourned, pursuant to the order previously entered, until tomorrow, Wednesday, August 16, 1961, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate, August 15, 1961:

THE JUDICIARY

William F. Smith, of New Jersey, to be U.S. circuit judge for the third circuit, vice Phillip Forman, retired.

Michael H. Sheridan, of Pennsylvania, to be U.S. district judge for the middle district of Pennsylvania. (A new position.)

IN THE NAVY

The following-named officers of the staff corps of the Navy, as indicated, for temporary promotion to the grade of rear admiral, subject to qualification therefor as provided by law:

MEDICAL CORPS

Robert B. Brown

SUPPLY CORPS

Emory D. Stanley, Jr.
Stephen Sherwood

CIVIL ENGINEER CORPS

Lewis C. Coxe

CONFIRMATIONS

Executive nominations confirmed by the Senate August 15, 1961:

THE JUDICIARY

U.S CIRCUIT JUDGES

Albert V. Bryan, of Virginia, to be U.S. circuit judge for the fourth circuit. (A new position.)

J. Cullen Ganey, of Pennsylvania, to be U.S. circuit judge for the third circuit. (A new position.)

U.S. DISTRICT JUDGES

Guthrie F. Crowe, of the Canal Zone, to be U.S. district judge for the district of the Canal Zone for a term of 8 years, now serving in this office under an appointment which expired July 2, 1960.

William T. Beeks, of Washington, to be U.S. district judge for the western district of Washington.

Richard B. Austin, of Illinois, to be U.S. district judge for the northern district of Illinois.

M. Joseph Blumenfeld, of Connecticut, to be U.S. district judge for the district of Connecticut. (A new position.)

U.S. MARSHALS

Keith Hardie, of Wisconsin, to be U.S. marshal for the western district of Wisconsin for a term of 4 years.

Casimir J. Pajakowski, of Indiana, to be U.S. marshal for the northern district of Indiana for the term of 4 years.

George M. Stuart, of Alabama, to be U.S. marshal for the southern district of Alabama for the term of 4 years.

U.S. ATTORNEYS

Brockman Adams, of Washington, to be U.S. attorney for the western district of Washington for the term of 4 years.

Macon L. Weaver, of Alabama, to be U.S. attorney for the northern district of Alabama for the term of 4 years.

DEPARTMENT OF LABOR

Mrs. Esther Peterson, of Virginia, to be an Assistant Secretary of Labor. (A new position.)

EXTENSIONS OF REMARKS

Wiley Urges Three-Point Program on Berlin

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Tuesday, August 15, 1961

Mr. WILEY. Mr. President, the slamming shut of the gates between East and West Berlin represents a provocative act—a flagrant violation of postwar treaties.

Paradoxically, the Reds have created a new explosive situation. Yet, propagandawise, they are blaming the West—claiming that we are using the Berlin crisis to create war hysteria.

If we let them get away with it, then we, ourselves, are at fault.

Actually, we have an excellent case to present to the court of the world opinion: First, we are right, under international law; and, second, the propaganda value of the exodus, en masse, of the East German people too loudly refutes Khrushchev's claim that grandchildren of the West will live under communism. Rather, it demonstrates that not even the present generation behind the Iron Curtain wishes to live under communism.

Because the Reds, however, are obviously going to push the world closer to the brink of war, we must steel ourselves for successive provocative acts, as the deadline draws nearer for a signing by Khrushchev of a separate peace treaty with East Germany.

Over the weekend I was privileged to discuss other aspects of the Berlin crisis in an address over radio station WGN, Chicago. I ask unanimous consent to have excerpts of the text of the broadcast printed in the CONGRESSIONAL RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Today, the world is teetering dangerously on the brink of war.

In Berlin, particularly, the Soviet-created crisis threatens to result in a showdown of force between the Western alliance and the Communist world.

In the minds of millions of people, the question is now being asked: Can a nuclear-missile war be avoided?

For reasonable people—concerned with peace, rather than power seeking—the answer is obvious: Yes, we must avoid a war.

However, it is difficult to predict tactics or strategy of Communist thinking.

Because of the suicidal dangers of risking a third world war, even the Communist leaders—we hope and pray—will realize its inadvisability.

Despite Khrushchev's missile flexing, the West is rightly standing firm against Red coercive efforts to obtain one-sided concession in Berlin.

Adhering to a tough policy, Khrushchev has nevertheless indicated that he is willing to further confer on the issues of Berlin and Germany. OK let's talk to him. But—let's not go emptyhanded to a conference.

What should be the foundation of Western policy? Among other activities, the following:

1. Mobilization of military forces to demonstrate to Khrushchev that the West intends to protect its rights, live up to its obligations and commitments, and not make any one-sided concessions;

2. Educate the world opinion—a growing influence in determining disputes—to the real factors behind the Berlin crisis—not allow judgments to be formed on distortions by Communist propaganda;

3. Propose alternatives to a showdown of force over Berlin, including: (a) U.N. participation in a settlement of the issues, (b) a voice by the German people—by secret ballot—in determining their future, or (c) agreement to accept the nonwar status quo—until progress can be made toward resolving the differences between East and West in both the cases of Berlin and Germany itself.

As for Communist policy, Khrushchev continues to threaten to sign a separate treaty with East Germany. What would be the significance of such a treaty?

Realistically this would be a mock gesture. The East German Government continues to be a puppet—with Moscow pulling the strings. The omnipresence of 450,000 Soviet troops in East Germany assures that this puppet doesn't act by itself. Presumedly the signing of a separate treaty then could only have one real objection: Provide a false-front effort to shift blame for troublemaking over Berlin from Moscow to the Red overlords of East Germany.

However, the world, I believe, will not be fooled by such deceptive shenanigans.

As events progress toward a climax, we must not lose the battle by default or inadequacy. Rather, we must adequately present our case and demonstrate a willingness to support the cause of justice with whatever force is necessary. A strong policy will, I believe, avoid a defeat over the Berlin-German issue; perhaps obtain at least continuation of the status quo; and, we hope and pray prevent a third world war.

Address of Senator Kefauver Before 4–H Club Conference, Washington, D.C.

EXTENSION OF REMARKS
OF
HON. JOHN A. CARROLL
OF COLORADO
IN THE SENATE OF THE UNITED STATES
Tuesday, August 15, 1961

Mr. CARROLL. Mr. President, our distinguished colleague, the senior Senator from Tennessee [Mr. KEFAUVER], delivered a talk last week to a 4–H Club conference here which gave a clear and balanced summing up of the processes by which the Congress considers, amends, and adopts bills which become national law.

He also touched on the problems of resource development as exemplified by the Tennessee Valley Authority, and on the role of young people in shaping legislation of the future. His message is so clear and sensible that it might well be recommended reading for many mature citizens as well as young people.

I ask unanimous consent that excerpts from Senator KEFAUVER'S remarks be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM REMARKS OF SENATOR ESTES KEFAUVER, OF TENNESSEE AT 14TH REGIONAL 4–H CLUB CONFERENCE, JEFFERSON AUDITORIUM, DEPARTMENT OF AGRICULTURE, WASHINGTON, FRIDAY, AUGUST 11, 1961

I am always pleased to talk to young people. And I am especially pleased when those young people are recognized leaders, as all of you are.

As I have told many groups like this, I am less concerned about the past or the present than I am about the future of our Nation and other free nations.

No one, of course, can predict the future with absolute accuracy. But we can make some "educated" guesses. From the qualities of leadership which I see here today, I would say that freedom's future will be in good hands.

You come from the same part of the country that I do. This is a region that I dearly love and to whose progress I have always tried to contribute.

Progress has not been easy for the South. But little by little, the human and social antagonisms that separate man from man and retard progress are slipping away, and a great new South is emerging.

This would have been impossible without such landmarks in Federal legislation as the TVA Act, which became law a few years before any of you, I am sure, were born.

Like most laws, the TVA Act began with an idea—an idea shared by great Americans like the late Senator George W. Norris, of Nebraska, a Republican, and by the late President Franklin D. Roosevelt, a Democrat.

Their idea was simply this: For years, the Tennessee River had been an untamed enemy of the South. Harness it, they said, and floods can be controlled, ships can carry goods from the Appalachians to the Midwest or the gulf, and electric power can be generated to turn the wheels of farm and industry and light millions of homes.

Never before had such a concept of resource development been proposed for a whole region. As is the case with many bold new ideas, this one created great controversy—in Washington and across the land.

But that is the beauty of our American system: An idea is proposed; it is freely discussed and argued; then, by one democratic process or another, it is rejected or approved.

This is how it is with every piece of legislation which comes before Congress. In the final analysis, its fate is dependent upon whether your elected Senators and Representatives, and the President, think it is good for the country.

As I have said, a bill presented to Congress starts with an idea. It may be an idea originating with a Member of Congress or one of its committees, with the President or one of his departments, or with some non-Government group.

Of course, the idea must be constitutional or at least thought to be. You could not, for example, make a law stick which would abolish the Supreme Court, although the number of its members can be changed by legislation.

Once a bill has been drafted, it may be introduced in the House or the Senate, or both, with this exception: all revenue bills must originate in the House of Representatives. This is required by the Constitution.

First, the bill is read by title and given a number, preceded by "S." for a Senate bill and "H.R." for a bill introduced in the House of Representatives. Then, it is printed and referred to the appropriate committee—by the Vice President in the case of a Senate bill and by the Speaker if it's a House bill.

A Senate bill seeking to amend the Sherman Act relating to monopolies, for example, would be referred to the Senate Judiciary Committee and then to the Subcommittee on Antitrust and Monopoly, of which I am chairman.

Incidentally, I hope all of you know what the Sherman Act is. Some witnesses who testified before our subcommittee recently in hearings on the electrical industry—and they were college graduates—told us they had been unaware of this law until long after they had graduated.

Now the idea for a bill of the nature I have described probably would have originated in a series of investigative hearings conducted by our subcommittee.

This was true of identical bills introduced by me in the Senate and by Congressman EMANUEL CELLER, of New York, in the House to restore competition to the drug industry.

Our Senate subcommittee began holding hearings on the drug industry nearly 2 years ago and on the basis of what we found, Congressman CELLER and I introduced corrective legislation just this year.

Now our Senate subcommittee is holding hearings on the bill itself. We have had testimony from several eminent doctors—some who are for the bill, some who are against it, some who have suggested changes.

Eventually, we will hear from another side—representatives of the drug industry itself. We will also want to get the views of the agencies in Government who would have the job of administering and enforcing the law.

After that, the bill with any proposed amendments will be considered by our subcommittee and sent back to the full Judiciary Committee with our recommendations. If it is approved by Judiciary, it will be placed on the Senate calendar or pushed ahead by the Senate Rules Committee.

Now the bill, with any committee or subcommittee amendments, is read in full in the Senate. There it is discussed and perhaps changed, or the Senate may send it back to the committee for changes. Or, the Senate may then and there reject it.

On the other hand, the Senate may approve it. In that event, the bill comes up for third and final reading and if it is approved, it is signed by the Vice President as presiding officer of the Senate.

Next, the bill goes to the House, if it has not already been acted upon there, and follows much the same route: It is considered by committee and changed, approved or rejected either by the committee or by the House.

Sometimes a bill gets bottled up in a committee. In that case, it can be forced out to the floor of the Senate or the House by the action of the full membership.

Sometimes, too, the version of a bill finally approved by one House is not the same as that finally approved by the other. When that happens, a conference committee appointed from both Houses gets together and tries to agree on a single version. The Senate and the House then must agree on this single version.

The bill now goes to the President. He has several choices. He may sign it into law within 10 days. But if he merely holds it for 10 days while Congress is in session, it becomes law without his signature.

If the bill reaches him less than 10 days before Congress adjourns and he neither signs nor vetoes it, the effect is a veto. This is known as a "pocket veto."

However, if the President vetoes the bill at any other time while Congress is in session, the bill goes back to Capitol Hill with a message giving his reasons for rejecting it. If two-thirds of the Members of each House vote to override the veto, the bill becomes law. Otherwise, the veto stands.

To young people, this all may seem to be a slow process. In many ways congressional processes could be streamlined; I don't think any Senator or Representative would claim that the system cannot be improved.

But there is this advantage: There is less likelihood of snap judgments when Congress takes as long as it does to study a bill, to hear all sides, to weigh all the arguments, and then vote.

Perhaps as you grow older and more experienced, you will discover ways in which we can improve not only our procedures for making laws but the many other mechanics of government as well.

Wisdom is not the only monopoly of those with gray hair. Throughout history, it is the youth of the world who have carried the banners of ideas and progress, who have brought civilization a more intelligent view of its destiny.

The task which lies before us who are not so young is a formidable one. The task which lies before you—tomorrow's leaders—may be even more formidable.

But a formidable task is almost always an exciting one. And I am confident that whatever problems may become yours to solve in the years ahead will be tackled with the kind of enthusiasm, intelligence, and vision that has always characterized America's great leaders.

Thank you.

The National Lottery of Chile

EXTENSION OF REMARKS
OF
HON. PAUL A. FINO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 15, 1961

Mr. FINO. Mr. Speaker, I should like to tell the Members of this House about the national lottery of Chile. In Chile, as in many other Latin American nations, lotteries are frequently used to assist charitable and welfare organizations. These lotteries are thus of great national benefit.

In 1960, the gross annual receipts came to $23 million. The net income to the Government in that year was some $5.5 million. Some of this money was paid as a tax and entered the Government's general revenues. About three-quarters of it, however, was earmarked for institutions such as universities, the Red Cross, and public health service posts.

Chile is another of the nations that has enabled the gambling urge to work for the general good. In the United States, we are unhappily still depriving ourselves of these benefits while at the same time succoring an organized crime empire that is to no small degree dependent upon gambling moneys.

Boys' Nation Award

EXTENSION OF REMARKS
OF
HON. OVERTON BROOKS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 15, 1961

Mr. BROOKS of Louisiana. Mr. Speaker, under leave to extend my remarks, I wish to call to your attention an excellent program, which I believe is of general interest to our membership and which I think is doing a great deal to develop our youths' interest in and knowledge of our Government and its operation. I am pleased, also, to commend a young man from Louisiana who has actively participated in this program.

The American Legion has a fine program which it has been supporting for many years, called Boys' Nation program. Under this program, the boys from the 50 States in the Union learn the art of local government, government at a State level, and finally Government at a national level. It involves a study of different levels of our government, terminating with a 10-day study of the Federal Government in action.

Recently, a young man from my congressional district, John T. Cox, Jr., of Springhill, La., has won the highest award under this American Legion sponsored program. It is called the Boys' Nation Award. John was first elected president pro tempore of the senate in the Pelican State program at Baton Rouge, La. He was then elected as federalist senator, and president pro tempore, the highest honor ever won by a Louisiana delegate in Boys' Nation.

It was my pleasure to have had John Cox, Jr., in my office and to have talked to him at length. It was also my privilege to take him to lunch and to show him around the Capitol in Washington during his short stay here as a member of Boys' Nation. I was impressed with his interest in all Government affairs and especially his interest in current events that are transpiring from day to day and that affect the entire future of this country.

John is the son of Mr. and Mrs. John T. Cox, Sr., of Springhill, La.

Mr. Speaker, the American Legion does many fine things. Pelican Boys' State program is one of the finest comprehensive programs in the Pelican State from which I come. Thousands of boys train and work and compete for the priv-

ilege of representing the Legion in the Pelican State program, and they know that if they make good on a State level, they will come to the national level as a member of Boys' Nation. I hope this program will continue to grow and expand and young men like John Cox, Jr., will continue to participate in it. Our Nation, going through a series of crises as it is, needs trained leadership which young people with enthusiasm and new ideas can offer.

The Foreign Aid Issue

EXTENSION OF REMARKS
OF
HON. DURWARD G. HALL
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 15, 1961

Mr. HALL. Mr. Speaker, at a time when both the House and Senate are considering the administration's foreign-aid proposal, I think it is important to recognize that while the bill is entitled "The Mutual Security Act of 1961," mutual security funds are a very small percentage of the total amount. Most of the money in this bill is destined to be channeled into social and economic reforms rather than mutual security.

Under leave to extend my remarks I ask permission to insert my weekly "Report from Washington" on the subject of foreign aid as follows:

One of the most important, yet least understood issues before the Congress is the issue of foreign aid. This week this issue was the debate on the floor of the House. The foreign aid issue is perhaps the most controversial matter to be decided upon during this 1st session of the 87th Congress. By the time my words reach you on this program it is probable that the issue will be resolved—one way or the other.

Nevertheless, I would like to discuss foreign aid with you today on our "Report from Washington."

Of all the aspects of the foreign aid issue, the greatest controversy has centered over whether the Congress should give the administration authority to commit this country to long-term loans to foreign countries and to permit these loans to be made over a 5-year period with no annual review, by the Congress or its duly constituted Appropriations Committee.

The more common word for this procedure is "back-door spending," or raids on the Federal Treasury, whereby the foreign aid administrator, without prior congressional approval, is permitted to go directly to the Treasury and borrow money for foreign development loans.

Thus far, our experience with back-door spending in domestic legislation has been virtually disastrous. Largely through this loose system of controlling the public purse strings, our national debt has skyrocketed to the astounding figure of almost $300 billion and many long-range commitments.

The first Government agency to be given this blank-check authority was the old Reconstruction Finance Corporation. On June 30 of last year, this agency had advanced $106 billion by the back-door route, and net losses at that time in cancellation of notes and appropriations to restore impaired capital, totaled over $18 billion.

Hearings before the Foreign Affairs Committee revealed that if the administration is given this blank-check lending authority, interest rates are contemplated as low as 1 percent, and some probably will be interest free. In some cases terms of repayment up to 50 years will be permitted, with no repayment of principal for initial periods, up to 10 years.

The past history of our foreign-aid program, in my opinion, does not give us cause to increase the amount of funds or the authority of the bureaucrats who administer the program. For example, at the present time the foreign aid administrator has a $5½ billion surplus—that is, money which has been previously appropriated by the Congress but which the State Department has been unable to spend. This does not indicate to me that there is a need for still more funds when $5½ billion previously appropriated has not been used.

A recent investigation by the Committee on Government Operations of our foreign aid to Peru—thought to be one of our more efficient or model aid programs—reveals some shocking examples of what happen when administrative agencies are given a free hand in the spending of tax dollars overseas, far from the watchful eyes of the Congress and the press.

For example, out of 106,000 tons of grain costing $14 million, which was sent to Peru for drought relief, there was evidence to show that only 5.7 percent of the grain was actually distributed free to hungry drought victims. A large portion of the remainder was sold by the Peruvian Government and its high officials, into regular commercial channels; and at least a part of the proceeds were used to purchase real estate and to construct eight houses which were then sold to some of the local leading citizens at prices below cost.

A $2 million loan to Peru was intended to aid its economy through the construction of a farm to market road. After the route was laid out, soil tests were taken, and they showed that the area to be served by the original route was unsuitable for farming. The road finally constructed under this loan ended in the middle of nowhere on the side of a mountain, and it is estimated that an additional $2½ million will be necessary to complete it, at which time it will serve no purpose. Furthermore, the Secretary of State ordered his subordinates not to testify even though summoned by the congressional committee.

These are only a few of the reasons why I expect to vote against the administration's request for long-term financing authority in our foreign-aid program. There are, of course, much more fundamental issues involved which time does not permit me to discuss on this program. But, the volume of our mail opposed to further wasteful spending of taxpayer dollars on foreign giveaways, assures me that there is almost unanimous agreement in our Seventh Congressional District on this particular issue. We can't influence religion, culture, or loyalty by purchase or giveaways, and I feel by now we have proved this—to the detriment of our national and personal dignity. To say nothing of our bank balance.

American Foreign Policy Must Not Build Up and Strengthen Communists

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 15, 1961

Mr. ALGER. Mr. Speaker, I am utterly amazed at the suggestions in this article from the New York Times written by Tad Szulc:

LATINS PRESS U.S. FOR CUBA ACCORD—HAVANA AND MOSCOW ALSO SEEK TRADE RESUMPTION

(By Tad Szulc)

WASHINGTON, August 14.—The United States has begun to feel strong pressure for friendly coexistence with Cuba from a number of Latin-American republics.

There also are strong indications, according to diplomatic sources here, that Cuba and the Soviet Union are most interested in an accommodation between Washington and Havana.

According to diplomatic analysis here, this effort from Cuba and the Soviet Union aims at reopening trade between the United States and Cuba to relieve the worsening food shortages and deteriorating economic situation plaguing the Havana regime.

A second objective is believed to be the winning of Washington's tacit acceptance of the existence of a Communist state in Cuba to increase the respectability of the Government of Premier Fidel Castro in Latin America.

An inclination is said to be developing in the Western Hemisphere to accept the Castro regime as a member of the Inter-American community in relatively good standing. Curiously, the economic conference in progress in Punta del Este, Uruguay, is reported to have strengthened this trend, partly through the efforts there of Maj. Ernesto Guevera, Cuban Minister of Industry.

It remains the United States position that normal relations with Cuba are out of the question as long as a Communist regime apparently dedicated to spreading its influence across Latin America and to the eradication of democratic institutions, remains in power in Havana.

But the new pressures in favor of an accommodation are creating a political problem for Washington at a time when the policy here is to concentrate on the economic and social development of Latin America through President Kennedy's Alliance for Progress program and, in effect, to isolate Cuba.

HOPES FADE FOR WIDE TALKS

Conversely, the sentiment that the Cuban issue is a bilateral dispute between Havana and Washington is quietly killing the hopes held here earlier this year that the Punta Del Este economic parley might be followed by a political Inter-American conference on the Castro regime.

Continuing opposition from some of the key Latin American Governments, like Brazil, Mexico, and Chile, makes it unlikely that such a conference can be called in the foreseeable future, diplomats here believe.

The Cuban interests in improving relations with the United States have been partly manifested through hints dropped by Cuban officials and by Soviet diplomats in private conversations.

At least, observers here said, Havana wishes to avoid Washington's invoking of the Trading With the Enemy Act, which would cut off what remains of trade between the two countries.

AIRLINER TO BE RETURNED

After having held a hijacked Eastern Air Lines Electra in Havana since July 24, Premier Castro offered late last week to exchange the airliner for the return of a patrol boat brought to Key West, Fla., by escaping Cubans. The exchange is to take place tomorrow.

In a change of attitude, an official radio commentator in Havana had some kind words for President Kennedy for the first time in many months as he discussed last Thursday's Presidential news conference.

And observers here would not be surprised if the next step in Cuba's current shift of policy were an application for membership in the Intra-American Development Bank,

through which much of the alliance-for-progress aid is to be dispensed to Latin America.

Mr. Speaker, I do not know this writer, nor do I know from what sources he obtained the material upon which to base his assumptions, but I am concerned with the kind of thinking that would make possible a change in our foreign policy in order to help build up Communist Cuba. There can be no reason sufficient for us to take such a disastrous step. No pressure, from any source, friend or foe, should be allowed to influence the United States of America to recognize and assist in establishing a successful Communist regime in Cuba. By what possible stretch of the imagination could such a policy be interpreted to be in the best interest of the United States?

What concerns me even more than the newspaper article is the fact that some important spokesmen within the administration have been hinting that such a policy may be in the making. Mr. Speaker, I plead with the Members of this body to take whatever steps necessary to prevent the administration from encouraging to even the slightest degree any thought that we can be pressured, bribed, or lured into making any such agreement with Cuba or any other country who chooses to become a satellite of the Soviet Union which is bent upon our destruction.

Once again, this article reminds us of another dangerous moral. The passage of time strengthens the Cuban Communists where police control, and terror and intimidation, and imprisonment have supplanted free speech and elections by popular consent.

As Castro and the Communists are condoned and not removed by the United States they are gradually accepted as a fact. Necessarily then freedom loses and communism gains—right at our doorstep. The hemisphere and the free world thus suffers a loss and opens the door for future Communist successes.

This hemisphere must be freed of communism. That is our job, the United States of America. We dare not dodge it. We must not postpone it. What now is U.S. policy?

Courage at El Paso

EXTENSION OF REMARKS
OF
HON. WARREN G. MAGNUSON
OF WASHINGTON
IN THE SENATE OF THE UNITED STATES
Tuesday, August 15, 1961

Mr. MAGNUSON. Mr. President, I am sure that Vice President LYNDON JOHNSON spoke for all of us when he wrote to President Robert Six, of Continental Airlines, concerning the El Paso incident.

I ask unanimous consent that Vice President JOHNSON's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE VICE PRESIDENT,
Washington, August 7, 1961.

Mr. ROBERT SIX,
President, Continental Airlines,
Denver, Colo.

DEAR BOB: Warmhearted praise is the very least that the country and the Government can have for the courage and the quick, correct, and brave thinking that was displayed by you and your staff to nullify the attempted piracy of your jet flight on August 3.

A wrong decision could have meant injury and possible death to many persons but all of the decisions were right. The passengers, who always look to the crew for guidance, generally kept cool and collected, and on the ground, personnel acted swiftly to meet the crisis.

You got the word quickly, I understand, and promptly went to the scene to give your support and assistance to the personnel already acting to save the passengers and crew. I know that the frontline troops always are heartened by the sight of their commander and the knowledge that his leadership is immediately available to them. The conditions in El Paso paralleled such a grim battle situation.

I wish you would express for me to all of the personnel involved directly or indirectly my personal congratulations and that of all the people of your country.

Yours sincerely,

LYNDON B. JOHNSON.

Cuban Embargo

EXTENSION OF REMARKS
OF
HON. SEYMOUR HALPERN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 15, 1961

Mr. HALPERN. Mr. Speaker, H.R. 8689, which I introduced, calls for a complete embargo on goods to and from Cuba.

Earlier this year I called on President Kennedy to invoke a complete ban on Cuban imports and exports but to this day, Cuba is still doing business in many commodities with the United States. How ironic a situation, Mr. Speaker. How ridiculous, if it were not so tragic.

Ninety miles from our shores, Cuba, under the Castro regime, has become a Soviet satellite and its government has confiscated hundreds of millions of dollars worth of American property. Nevertheless, our Nation, acknowledged as the leader of the free world, continues to provide Dictator Castro with the cash which he desperately needs to maintain his antidemocratic, anti-U.S. regime. Time is long overdue for imposing and enforcing a firm embargo across the board to end this ridiculous and damaging contradiction.

In introducing this legislation I join my distinguished colleague, the gentleman from Florida, PAUL ROGERS, who has provided superb leadership in this Congress to effectuate such an embargo. I am privileged to associate myself with him as cosponsor of this legislation.

The bill would effect such an embargo by banning all interstate shipment of goods imported into the United States from Cuba, and all goods destined for export to Cuba. It now seems necessary for Congress to take strong action and end the continuous flow of American dollars to the Castro regime. This bill would prevent the interstate transportation of goods to or from Cuba and would end the outflow of more than $1 million per month that Cuba still receives from this trade. This measure would further ban goods shipped from any third country through the United States to or from Cuba.

There is no excuse, no justification for the continuation of trade with Cuba. It is time to resolve the present paradox of our Cuban policy. We have, on the one hand, withdrawn diplomatic relations, branded Castro's government as Communist, supported free Cubans in their efforts for liberation, and cut the importation of sugar from Cuba into the United States. Yet, we still allow many other Cuban imports into this country in exchange for U.S. dollars, foodstuffs, and many other items whose exportation can only bolster the Castro regime.

Surely this policy cannot continue if we expect to advance freedom at full speed in Cuba. Positive action is necessary to hasten Castro's downfall. Mr. Speaker, I proudly join my colleagues who are fighting for this objective and call upon the Congress to enact a complete trade embargo which would help end this tyranny.

Testimony of Hon. Abraham J. Multer, of New York, Before the House Ways and Means Committee, August 10, 1961, on the Taxation of Mutuals

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 15, 1961

Mr. MULTER. Mr. Speaker. I commend to the attention of our colleague the following statement I presented on August 10, 1961, before the House Ways and Means Committee on proposed changes in the method of taxation of mutual thrift institutions:

STATEMENT OF REPRESENTATIVE ABRAHAM J. MULTER, DEMOCRAT, OF NEW YORK, BEFORE THE WAYS AND MEANS COMMITTEE, U.S. HOUSE OF REPRESENTATIVES, AUGUST 10, 1961

Mr. Chairman, I want to thank you for the opportunity to appear here this morning to testify against the proposed revision of the method of taxation of mutual thrift institutions.

This is a matter of great concern and one which—I know—all of us wish to see resolved in the fairest, most equitable manner.

For many years the commercial banks have been agitating for a change in the tax laws as they apply to mutual thrift institutions, on the pretense that they were seeking to correct a tax inequity. What they have

been seeking to do, and what they seek the aid of this committee to do, is to create for themselves a competitive advantage—I dare say, an unfair competitive advantage.

Their principal gripe, even though they will not put it that way, is that savings banks, savings and loan associations and credit unions, operated as mutual cooperative endeavors, are permitted to and do pay a higher return as dividends and interest to their depositors and shareholders than commercial banks pay as interest on their savings and time accounts.

If the commercial bankers should succeed in this endeavor, as presently being considered by this committee, the higher tax that will be imposed upon these mutuals will require them to cut back the return to the mutuals' depositors, thus improving the competitive position of the commercials.

It is maintained by the proponents of these changes that mutual savings banks and savings and loan institutions enjoy an unfair tax advantage over commercial banks. Assuming that this inequity exists, I suggest that we eliminate it. Assuming that there is a different tax base for commercial banks than there is for mutual banks and associations, then if the commercial banks can make proof of their case, the tax base for each should be equalized with the other. The only inequality, however, that any commercial banker has thus far pointed out to me is that the amount of reserves a commercial bank may charge off, before computing its tax liability, is less than that permitted the mutuals. The simple way to remove that inequality is to permit the commercial bankers the larger reserve deduction if they are entitled to it. Thus far, they have been unable to establish to the satisfaction of the Internal Revenue Service that their reserve deduction is too low or that it should be increased. That requires no legislative action. The Internal Revenue Service can right that wrong, if there is one. That there is none is best proven by the fact that the commercials are not seeking any such change. Mutual institutions, like every other individual or group of taxpayers will never be heard to complain about the reduction of taxes, if it is done fairly and without discrimination.

We must not overlook that bank reserves serve a twofold purpose—one to provide liquidity and the other to assure solvency. (I ignore at this time the manipulation of reserve requirements by the Federal Reserve System for credit purposes, because that does not enter into the tax problem.)

The power to tax is the power to destroy. This committee, however, and this Congress, I am certain will never use that power in that manner.

But you will come close to doing that if you increase the taxes on mutual thrift organizations. Their liquidity, their solvency, their usefulness, depend on their ability to build up their reserves.

I beg of you not to engage in a strictly banking function of determining what is or is not a proper reserve through the guise of a tax measure.

I am not raising the jurisdictional question that this is a proper subject for hearings by the Banking and Currency Committee. I am pointing out that this question is not as it has been made to appear, a simple tax problem. It is not. It has much greater implications. Before you have any right to change this tax formula you must determine that the reserves of these institutions are high enough for safe and sound operation and that such reserves must not be permitted to increase at the same rate as at present. I say all the proof is to the contrary.

In 1951, Mr. Chairman, the House and the Senate considered this same proposal—to impose a corporate income tax on the mutual savings banks. It was felt then that the Korean emergency demanded that such a tax be imposed. We determined then, however, as I think we must determine now, that the proper functioning of the mutuals requires that they be allowed to accumulate reserves, by deduction from gross income, to protect depositors against loss. The Congress at that time made specific provision in section 593 of the Internal Revenue Code to safeguard this very function of the mutuals. It is this provision of the Code that you are being asked to review and change.

I have carefully analyzed the arguments pro and con advanced on this subject by the financial institutions. I am convinced that the inequalities that the commercial bankers attempt to establish add up to a straw man. If there should be a tax on the mutuals before they pay the net earnings to their shareholders and depositors, then the interest which commercial bankers pay on their thrift and time accounts should not be a deductible expense before arriving at the taxable income of the commercials.

If the administration and the commercial bankers are serious in their contention for equality we should impose upon the commercial banks the same requirements we impose upon the mutuals by requiring that time and savings accounts in the commercials may be invested only in the same investments permitted to the mutuals. Let us further require that for those funds, the commercials must carry the same reserves as are required of the mutuals. It appears to me that this would remove the inequality that the commercial bankers insist is present. Let us not overlook a real inequality that exists: the mutuals are required to pay for the use of almost every dollar with which they operate (at least 93 percent thereof), while the commercials are permitted to use 70 percent of their resources (that is their demand deposits) free of cost.

The commercial bankers will dispute that statement by saying that they render a service to the owners of their demand accounts which costs the bank money. The fact is that, with rare exception, any demand account that does not pay its own way by service charges or otherwise is very quickly closed out by the bank.

Furthermore, the mutuals can use only their depositors' and shareholders' money for investment and can create no checkbook money.

Commercial banks are constantly creating, by their loans, new checkbook money, which after deducting a reserve, they can lend out all over again.

Under present tax law, both mutuals and commercials are subject to the same normal tax and surtax; both are subject to the same rate; both may deduct operating expenses; both may deduct taxes paid to State and local governments; both may deduct interest paid to depositors; both may deduct additions to reserves for bad debts; and both compute their reserve deduction differently than other taxpayers.

Mutual savings banks have a provision for reserve additions which takes account of their special needs. Except upon liquidation, these reserves can only be used for losses. As already indicated, the commercials can use their reserves as the basis for new loans and the creation of new checkbook money.

Commercial banks also have a unique formula that enables them to base their deduction on losses substained 30 years ago.

A heavier tax on savings banks, which would in turn reduce interest rates to depositors and thus reduce total savings, would reduce funds for home financing in the years ahead—one of the very things we must avoid if we are not to negate the gains made in this area by the passage of the Housing Act of 1961.

A heavier tax on mutuals would reduce the reward for savings by reducing the interest rate paid to millions of savers. This would first penalize the saver of modest means who prefers to save in a specialized mutual thrift institution.

Tax equality arguments of the commercial bankers are fallacious. Commercial bank income tax payments to the Treasury result mainly from their very profitable earnings from short-term commercial lending. They use their savings and time accounts in the same manner as their demand money.

Mr. Chairman, I would like to suggest that the need, the use and the amount of reserves should be judged on individual merit—there is every reason not to equalize these requirements between commercial banks and mutual and savings institutions. It is my conviction that to do so would result in serious consequences to our economic stability. A sound thrift system is as essential to national security as is immediate Treasury revenue.

I said earlier that 70 percent of the operating funds of the commercial banks is cost free to them. The figures are quite interesting. I use the year 1960 throughout.

Total assets of all commercial banks was in excess of $282,800 million. Of that their capital assets, including surplus, undivided profits and total reserves, were $41,800 million. Their deposits were $213 billion.

Bear in mind that they are prohibited by law from paying any interest on their demand accounts and the maximum interest most of them are permitted to pay on time and savings accounts is 3 percent. The mutuals must pay dividends on the full amount of all of their accounts. The commercials use in their income earning operations all of their deposit moneys less only the amount that they are required to carry as reserves pursuant to either the Federal Reserve Act, if they are members of the Federal Reserve System, or of State law if they are not in the System.

In 1960 they paid dividends to their stockholders of $832 million, an average of 7.4 percent of their income. In the same year they paid $1,785 million as interest on their time and savings accounts. All of that interest was tax deductible as an expense of operation before they paid any taxes. They paid out for salaries and wages 25 percent of their income as against only 7 percent paid by savings banks.

On the other hand, the mutual savings banks had total deposits of $36 billion and the savings and loan associations had total deposits of $58 billion. All of these moneys of course belong to the depositors. The savings banks earned and paid dividends to their owners of slightly more than $1 billion, or an average of 3.49 percent. Savings banks' total surplus and reserves were only $3,600 million. Savings and loan total surplus and reserves were about $4 billion.

Savings banks, out of total income of $1,600 million paid out 67 percent in dividends to their depositors for a total of $1,073 million, while adding to their surplus and reserve accounts $168 million, or 10.5 percent.

The savings and loan associations paid out 57 percent of their earnings to their depositors.

It should be borne in mind that the commercial banks can be required by the banking authorities to increase their capital when their financial condition requires it. The only way a mutual can improve its capital position is by increasing its surplus and reserve by additions thereto out of earnings.

I most respectfully direct your attention to the political impact of increasing the tax on mutual thrift institutions and thereby reducing the income or return to the depositors and shareholders in these fine organizations.

There are almost 37 million depositors in the mutual savings banks of the country.

There are more than 27 million shareholders or depositors in the mutual savings and loan associations of the country. There are over 12 million depositors or shareholders in mutual credit unions. This makes a total of well over 76 million accounts that will be affected by what you do here.

Certainly you should not do anything until you hear from the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation as to what they think are required as proper reserves and at what rate those reserves must increase to keep our thrift system sound.

Bear in mind that FDIC today has total assets to insure its accounts of only $1.84 for every $100 of insured accounts and the FSLIC has only 67 cents for every $100 of insured accounts.

The one sure test of the sufficiency of the reserves of both the savings banks and the savings and loan associations is this:

Whenever the Congress can safely repeal the FDIC uncontrolled borrowing power from the Treasury of $3 billion and that of FSLIC of three-fourths of a billion dollars, the two systems will have built up sufficient reserves of their own to assure safety, soundness, and liquidity. Until then, we must not tamper with their reserves or the rate of growth thereof.

For those who might be inclined to feel sorry for the poor commercial banks, may I suggest they read the item in the American Banker of August 7, 1961, headlined "Bank Stocks Reach New High Level," which includes the prediction that an even better year is ahead for them, better than their best year thus far.

I urge you as strongly as I can, not to change the tax structure of these mutual thrift institutions at this time.

A Typical Instance of Public Service by American Industry

EXTENSION OF REMARKS

OF

HON. SEYMOUR HALPERN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 15, 1961

Mr. HALPERN. Mr. Speaker, never before in the history of our country has there been a greater need to reenunciate and rearticulate the indispensable problems of family unity and family solidarity. Certainly, no one can question the wisdom of spreading the gospel of bringing the family closer together in these turbulent days of a crescendo of juvenile delinquency and a very dismaying divorce rate.

Because my constituents and I are tremendously interested in family living as an integral part of the fabric of America, I want at this time to pay tribute to a project of public service being carried out by the Modess Division of Personal Products Corp., a subsidiary of Johnson & Johnson.

Five years ago, come November, the president of Personal Products, George Murphy; the vice president, J. Jay Hodupp, and, indeed, the entire management team of Modess, in answer to a crying need gave life to a nonprofit public service foundation known today as the Modess Family Life Institute.

This foundation over the past 5 years has made a major contribution to bringing the entire family closer together by explaining the problems that are daily rending it apart. It has further encouraged family homogeneity by dramatically calling attention to the attributes that spell out love, devotion, and dedication of one family member to another. The foundation has accomplished this by its magnificent public service national radio program over NBC called Family Living, 1961, which has won, in addition to eight other awards, the coveted Peabody Award. Each week great names from all walks of life join an expert to give Mr. and Mrs. America and their children a better insight into their own problems.

The results of surveys taken by the institute have found their way into national publications where they are seen by millions year after year. Educators who do the very important job of teaching our young have been furnished with much information and valuable material thanks to material furnished by MFLI. Religious leaders and sociologists alike have seen fit to applaud and to draw upon the work of this public spirited group.

Mr. Speaker, may I now add my voice and that of the people whom I represent in congratulations to Modess; Personal Products; their offspring, the foundation, and particularly to Gen. Robert Johnson, whose farsighted leadership and humanitarian interest in the good and welfare of America have made all this possible.

SENATE

WEDNESDAY, AUGUST 16, 1961

The Senate met at 10 o'clock a.m., and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O God, before whom the long travail of the passing centuries is wrought out on the anvil of contending ideas, make strong the arms of our faith that we may wield the hammer of Thy truth as workers together with Thee.

May those here called to administer the affairs of this land of our love and hope, remembering whose servants they are, make daily choice of spiritual integrity amid the corruption that is in the world through the lust of selfish power that, being unafraid, they may contend steadfastly for the right as Thou dost give them to see the right.

In our private lives and in our public service, help us this and every day to live more nearly as we pray.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, August 15, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE— ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 5954) making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1962, and for other purposes, and it was signed by the President pro tempore.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nomination of George W. Mitchell.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nomination of Charles R. Fenwick, of Virginia, to be a member of the Advisory Board of the National Capital Transportation Agency, which nominating messages were referred to the Committee on the Judiciary.

(For nominations this day received, see the end of Senate proceedings.)

The VICE PRESIDENT. If there be no reports of committees, the nomination to the Board of Governors of the Federal Reserve System will be stated.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

The Chief Clerk read the nomination of George W. Mitchell, of Illinois, to be a member of the Board of Governors of the Federal Reserve System.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to this nomination?

Mr. PROXMIRE. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. PROXMIRE. Yesterday Mr. Mitchell came before our committee. He is a very well qualified nominee. He was born in Wisconsin, at Richland Center, and has had an excellent education. He served for many years with the Federal Reserve Board in Chicago. He has had vast experience in taxation and finance.

However, in the course of his appearance before our committee there was an oversight, in that no action was taken by the members of the committee to request Mr. Mitchell to state his financial holdings. On the other hand, it is my understanding that he has been requested to file a statement of his financial holdings with the committee, so it will be available to Members of the Senate and to others who may wish to inquire as to whether his financial holdings may conceivably constitute a conflict of interest.

It is my understanding, and I am sure it is that of other Members of the Senate, that no financial holdings whatever of Mr. Mitchell could conceivably interfere with his service on the Federal Reserve Board.

Mr. MANSFIELD. I would be glad to have action on the nomination withheld for the time being, if the Senator from Wisconsin so desires.

Mr. PROXMIRE. I believe that would be wise. I was one of the members of the committee who was guilty of the oversight; we did not elicit from the nominee, when he appeared before us yesterday, a statement of his financial holdings.

Mr. MANSFIELD. Mr. President, I ask that action on the nomination be deferred for the time being.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. KUCHEL, and by unanimous consent, the following committees and subcommittees were authorized to meet during the session of the Senate today:

The Patents, Trademarks, and Copyrights Subcommittee of the Judiciary Committee.

The Committee on Agriculture and Forestry.

The Business and Commerce Subcommittee of the Committee on the District of Columbia.

The Judiciary Subcommittee of the Committee on the District of Columbia.

The Committee on Interior and Insular Affairs and the Committee on Public Works, to sit jointly.

The Constitutional Rights Subcommittee of the Judiciary Committee.

The Committee on Rules and Administration.

APPOINTMENT BY THE VICE PRESIDENT OF DELEGATE TO INTERPARLIAMENTARY UNION MEETING

The VICE PRESIDENT. The Chair appoints the Senator from California [Mr. KUCHEL], the deputy minority leader, to serve as a delegate to the Interparliamentary Union Meeting to be held in Brussels, Belgium, September 14, through September 22, 1961, in place of the Senator from Indiana [Mr. CAPEHART], who will be unable to attend.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

CLARIFICATION OF REEMPLOYMENT PROVISIONS OF UNIVERSAL MILITARY TRAINING AND SERVICE ACT

A letter from the Secretary of Labor, transmitting a draft of proposed legislation to amend and clarify the reemployment provisions of the Universal Military Training and Service Act, and for other purposes (with accompanying papers); to the Committee on Armed Services.

AMENDMENT OF REEMPLOYMENT PROVISIONS OF UNIVERSAL MILITARY TRAINING AND SERVICE ACT

A letter from the Secretary of Labor, transmitting a draft of proposed legislation to amend and clarify the reemployment provisions of the Universal Military Training and Service Act, and for other purposes (with accompanying papers); to the Committee on Armed Services.

RESOLUTIONS OF AMERICAN BAPTIST CONVENTION

Mr. MORSE. Mr. President, on June 17 of this year, the American Baptist Convention, meeting in Portland Oreg., passed a series of resolutions which I now ask to be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTIONS ADOPTED BY THE AMERICAN BAPTIST CONVENTION, PORTLAND, OREG., JUNE 17, 1961

I. EXPRESSION OF GRATITUDE

We express our grateful appreciation to President C. Stanton Gallup, and all officers and leaders of the convention for their responsible leadership during the past year.

We gratefully acknowledge the outstanding leadership of the Reverend Edwin H. Tuller, our general secretary, and the dedicated services of his staff.

To the committees on local arrangements, the members of the churches of the Portland area and the Oregon Baptist Convention, and all who have had a part, directly or indirectly, in making our stay in Portland a pleasant one, we express our thanks.

We express our gratitude to the Governor of the State of Oregon, the mayor and civic leaders of Portland, to members of the press, radio, television, and the auditorium staff who have helped to make this convention a memorable occasion.

II. DENOMINATIONAL AFFAIRS

We confirm our oneness in faith through Jesus Christ our Lord, and renew our allegiance to the Saviour as Lord of all and head of the church. We are cognizant that this allegiance takes precedence over any other allegiance, and we as American Baptists renew our dedication to our historic Baptist principles. Therefore, we affirm:

1. Stewardship

Our primary function is to be true stewards of Jesus Christ through:

(a) Active participation by our churches in the Baptist jubilee advance, third year program, "vocation of the church: witness to the world," by encouraging the renewal of evangelistic programs recognizing that each American Baptist is a witness for Jesus Christ. We encourage our people to give serious consideration to their vocations as a means of effective witnessing;

(b) Continued emphasis upon the Christian higher education challenge;

(c) Continued support and initiation of church extension projects;

(d) The total stewardship of our lives and moneys, the choice expression being evidenced in the tithing of our means.

2. Family life

We reaffirm our concern for the unity, nurture, and Christian growth of American Baptist families, and

(a) We call upon pastors, parents and other Christian workers to give renewed attention to the Christian nurture of youth through meaningful experiences of study, worship and fellowship.

(b) We urge American Baptists to encourage their representatives in Congress and their Senators to consider carefully the problems of the cost of medical and hospital care for the aged, and to seek appropriate legislation to make it possible for them to meet such costs.

(c) We urge American Baptists to support legislation removing statutory barriers to the dissemination of birth control information to married persons by physicians, hospitals, governmental agencies and other responsible community and family service agencies.

3. Ministry and education

The church in the 20th century must minister to people in a complex society. Because men are earnestly seeking for truth, meaning, and the chief purpose of life, young men and women of high caliber are desperately needed to meet this challenge. Therefore, we recommend:

(a) That we recruit more Baptist students for our Baptist colleges;

(b) That we challenge our Baptist families, churches, and colleges to inform and interest our young people in church-related vocations; and

(c) That the American Baptist Convention support and encourage our responsible agencies in their endeavor to adhere to the standard of ordination as recommended by the general council, including graduation from a recognized college and seminary, for candidates for the Christian ministry.

4. Reaffirmations

We reaffirm our prior resolutions on:

(a) Observance of the Lord's Day as holy; devoted to worship and the extension of Christ's Kingdom in the local area and beyond. (American Baptist Year Book, 1960, p. 66, sec. II, 2d.)

(b) Strengthening and proper functioning of local associations. (American Baptist Year Book, 1960, p. 66, sec. II, 3a.)

(c) Privileged communications (American Baptist Year Book, 1960, p. 66, sec. II, 3b) declaring that American Baptist ministers are in no way obligated to disclose confidential information without the consent of the other party.

(d) American Baptists being unalterably opposed to gambling in any form (American Baptist Year Book, 1960, p. 71, sec. IV, 9) and further urge our people to abstain from all forms of gambling, legalized or not.

(e) American Baptist opposition to the use and sale of alcoholic beverages and narcotics

(American Baptist Year Book, 1960, p. 71, sec. IV, 10) and recommend total abstinence inasmuch as these constitute one of the greatest dangers to the sanctity of the human body and family life. We further recommend that our churches include in their educational programs all aspects of the effect of alcohol and narcotics and the moral and ethical implications of social drinking.

III. OUR WIDER FELLOWSHIP

1. Recognizing that, as Baptists, we helped create the Baptist world alliance, the World Council of Churches, and the National Council of Churches, in the interest of more effective witness and service; and

Recognizing that no organization can be the voice of all Protestant Christians on all issues, nor of all the members of its cooperating churches, we nevertheless urge our local churches and associations, city societies and the State and National conventions to increase their participation in these organizations in order to accomplish the aims and purposes which can better be realized through cooperation with other Christians than in isolation.

We strongly reaffirm the statement adopted by the Rochester Convention in 1960, to wit:

"Recognizing the historical fact that Baptist churches have emphasized soul-competency before God, have trusted in the present inspiration of God's Holy Spirit, and have been, generally speaking, noncreedal, we acknowledge that there is room for a wide latitude of opinion regarding our declaration of belief, organization and program, including official participation in ecumenical service. The privilege of designation gives the local churches full freedom to support those phases of the American Baptist world mission which represent its special interests. We would remind our churches, however, that American Baptists have deep roots in the ecumenical movement. We were part of cooperative Christianity before were were a convention, and we continue to share in patterns of cooperative service which Baptists helped to institute generations ago."

Furthermore, we urge individual Baptists, local churches, associations, city societies, and the State and National conventions to search for the truth by carefully evaluating the sources and contents of all attacks upon organizations with which we cooperate.

2. Recognizing the importance of study of things that we have in common with other Christians and the things that tend to separate us, we commend to our churches the study of the papers prepared for the forthcoming meeting of the World Council of Churches on the theme "Jesus Christ, the Light of the World."

3. We as American Baptists declare our willingness to cooperate with our fellow Baptist bodies in the United States and Canada in an endeavor to realize a closer unity through our common bonds of faith in Jesus Christ. We further suggest that areas of cooperation between ourselves and other Baptists be explored by the responsible agencies in conversation and communication with the hope that a mutual understanding will enable us to present a greater Baptist witness and service in the world in which we live.

IV. NATIONAL AFFAIRS

1. Race relations

For many years American Baptists have spoken out against the evils of racial discrimination and injustice in our society and in support of efforts to overcome them. We have admitted our own involvement in the injustices of discrimination and segregation. Consistently we have urged Baptists to work to improve race relations and to build understanding in our churches, our communities, and our Nation. We reaffirm this stand and bring the following special concerns to our people:

(a) We agree that members of our churches should base their fellowship and associations on individual merit and that membership in every Baptist church should be open to all people regardless of their race or national origin.

(b) We remind our churches of the precept of Christ that calls us to seek to win all people to Him, and we urge our churches to desegregate their evangelistic efforts, striving to win people to Christ and the fellowship of His church in our communities, regardless of race.

(c) We urge our churches to make sure that all offices and positions of lay leadership in each church are available to all persons on the basis of qualification and not on the basis of race.

(d) We request our churches to evaluate their own employment policies that persons may be called as staff members or employees on the basis of their qualifications and not on the basis of race.

(e) We urge all Baptist institutions, such as schools, homes, and hospitals to follow the policy of complete integration.

(f) We urge our churches, church members, and ministers to participate actively in organizations whose purpose it is to foster better race relations and to eliminate segregation in harmony with the National Constitution.

(g) We urge all Baptists to welcome into their neighborhoods persons of various racial and cultural backgrounds, judging them on their own merits and rejoicing that their children will have the opportunity to know children of different races than themselves. We urge our people to stand firmly against the innuendos, half-truths, and falsehoods, that are so often spread when a family of a different background moves into a neighborhood. We urge Baptists not to panic but to seek truth and help from responsible community organizations such as human relations councils and fair housing practices committees.

(h) We urge our churches to express their opposition to the practice of segregation in country clubs, sororities, fraternities, service clubs, organizations of property owners, cemeteries, and all exclusive groups that deny membership on the basis of race or national origin.

(i) We commend those who in conscience believe so strongly in democracy and equal rights for all people that at great personal risk and with patience and prayer, they have used nonviolent methods to break the patterns and injustices of segregation and discrimination in public places and in public transportation. We commend them for their stand, their courage and their patience under provocation. We urge American Baptists and other Americans to support them with prayer and understanding and to supplement their efforts and sacrifices by working to eliminate injustice and discrimination in all our communities.

(j) We urge Congress to extend the life of the Civil Rights Commission.

2. Separation of church and state

We proclaim that separation of church and state is central to our American heritage; that it has made possible a measure of freedom not previously achieved under any other system; that it is indispensable to our national policy of equal rights for all religions and special privileges for no religion.

They are separate in their function as well as in their support. Government being under public control is properly financed by taxation. Membership in religious institutions and organizations is voluntary, and therefore should be supported by voluntary contributions. We believe that the use of tax money for support of religious groups is in opposition to the spirit and letter of the Constitution.

We declare that this principle does not mean that the state is indifferent to the church, nor that the church is unconcerned for the state. It means rather that church and state are separate in their institutional life and that neither controls the other.

We affirm that public education is the birthright of every American child, and that support of such public education is the responsibility of every American. We observe that such support is as indispensable to responsible citizenship as support of public roads, public welfare, police protection, and other obligations of society as a whole.

We recognize the right of churches and other organizations and groups to establish private schools in the interest of spiritual, moral or other objectives which they believe cannot be accomplished satisfactorily within the framework of the public school system. We insist, however, that the support of such private schools is solely the responsibility of their respective constituencies and is in no way a public obligation. We object strenuously, therefore, to any proposal that the public be taxed to pay for the special sectarian or other purposes for which particular groups establish private schools.

We call upon our churches, educational agencies, colleges and universities, and parochial schools to study thoroughly their own present involvement in matters relating them to the State and tax funds. We urge disciplined thought, study and action to maintain clearly the principle of separation of church and state and to withstand the dangers that first tend to blur and then compromise this historic American and Baptist position.

We object strenuously, therefore, to any proposal that taxes or borrowing power be used to make grants or loans to sectarian or church-related schools. We emphasize that the use of Government finances in support of any sectarian purpose is a violation of basic religious liberties for it coerces citizens to support religious objectives of which many of them cannot conscientiously approve.

3. The churches and migratory agricultural labor

In our relatively affluent society it is a tragic fact that half a million migratory American workers earn a meager living in seasonal agricultural work. Recognizing legitimate manpower needs, it remains that exploitation of migrant workers is in no sense reasonably meeting these needs. Use of migrant workers for business profit which results in substandard education, wages, transportation and housing is unchristian.

To rectify these situations we urge:

(a) In the area of education:

1. That the Federal Government formulate and implement plans by which the special educational needs of the children of migrants may be met.

2. That American Baptists support Federal legislation to provide financial aid to local public school districts in meeting their responsibility to educate the children of migrants.

(b) In the area of housing we urge American Baptists to support both Federal and State legislation to provide adequate standards of housing for migrants.

(c) In the area of wages we urge compliance with existing laws designed to protect such agricultural workers.

(d) In the area of recruitment we urge the provision of national crew leader registration supervision to protect migrants from the unscrupulous practices of some crew leaders and labor contractors.

(e) American Baptists have for many years worked cooperatively through the migrant ministry to bring to migrant workers and

their families opportunities for fellowship, worship, pastoral care, health and welfare services. Increasingly these efforts have enlisted volunteers from local congregations to serve as members of migrant committees, as teachers, and as supervisors of child-care centers. In order to extend these services more effectively and to meet continuing needs we recommend:

1. That members of local churches become aware of the presence of migratory workers in their vicinity and assist in providing these services through a ministry to migrants.

2. That members of local churches make sure that the health and welfare services of the community and State are made available to the migrants.

If legislation is needed to make these services available we urge that church members work for the passage of such legislation.

4. The Peace Corps

We appreciate the humanitarian aims of the Peace Corps and recognize the urgency of intensified efforts in meeting human needs especially in the less-developed areas of the world and the effectiveness of utilizing the interest and enthusiasm of youth toward these objectives. We commend the administration for the initiation of a pilot project Peace Corps. It is our earnest recommendation that Congress will enact enabling legislation.

We approve the stipulation that no project sponsored by the Peace Corps shall further any "religious, sectarian, commercial or propaganda cause or release funds for such purposes," as being in keeping with the separation of church and state.

We recognize the Peace Corps as an avenue through which Christians may contribute to helping human needs and express their Christian faith through service, and encourage qualified youth of the American Baptist Convention to participate. At the same time we urge the administration to institute careful planning, recruiting, screening, and training procedures with full realization of the many pitfalls as well as of the potential usefulness of such a corps. We urge that full consideration be given by the Peace Corps to the opportunities and values of cooperation with and support of the United Nations technical assistance programs.

Finally, we urge our churches to recognize anew the importance of sharing our Christian faith as well as our economic abundance and scientific knowledge with all peoples, and so providing adequate support for our missionary enterprise. Let Christians urge their finest sons and daughters to enlist for service.

5. Mass media

As a witness to our Christian faith, we urge American Baptists to practice a disciplined and discriminating selection in their reading, viewing and listening. We commend those people of radio, television, motion pictures and the publication business who have displayed earnest efforts to present entertainment, education and information consistent with our Christian faith. We deplore the negative and evil influences still prevalent in many places and forms. We commend our churches who have taken a firm stand against all such influences.

We value the freedom of the press protected by the law of the land. Such privilege carries with it the critical responsibility to see to it that a free people have access to full information of public affairs, fairly presented.

6. Military service

We reaffirm our traditional Baptist position relative to freedom of individual conscience with regard to military service. This leads us to support in every possible way our young men who by reason of conscience are willing to bear arms in support of our country and those who, also by reason of conscience, feel they must go on record as conscientious objectors.

V. INTERNATIONAL AFFAIRS

As Christians we are called to witness to the reconciling Gospel in a world torn by suspicion, confusion, hatred and conflict. Recognizing that our witness is relevant as it expresses itself in support of those movements and institutions which work for peaceful and orderly living under justice we make the following recommendations:

1. United Nations

We commend our Government for the support which it has given the United Nations and its Secretary General in their efforts to bring order and peace to the Congo and other parts of the world. Furthermore, we urge Congress to give full support to the administration in its efforts to strengthen the United Nations as it seeks to protect the autonomy of the new nations.

Since the United Nations is under attack from those forces which would attempt through reorganization to make it impotent and thus to destroy its power to work for peace and freedom, we urge our people to become informed concerning the purpose and work of the United Nations and its agencies in the interest of more intelligent efforts to preserve its fundamental strengths as an international organization to which we can continue to give our full support.

2. World order

Realizing the need to create an attitude of mutual trust and sincerity, we express our appreciation of the efforts of our Government to demonstrate by the votes of its representatives in the United Nations a concern for the freedom and autonomy of all nations.

Aware that good to become effective in overcoming distrust must express itself in agreements and treaties which eradicate those conditions which contribute to unrest and strife and we urge our Government to:

Continue its efforts to reach an agreement for the cessation of nuclear testing based on an adequate system of enforcement control;

Renew its efforts to find a basis for agreement with all nations for the control and reduction of all types of armaments.

3. Underdeveloped countries

Recognizing that we are in a period of rapid social change and that there is a rising tide of hope and expectations among the less-developed peoples of the world we urge:

That our people look with understanding upon the efforts of the peoples as they struggle toward autonomy and the achievement of better social and political conditions, remembering that we, too, are the inheritors of a freedom bought through struggle;

That our Government continue to give the fullest possible support to technical assistance and development programs, both national and international, with particular emphasis upon channeling a larger portion of our funds through international agencies;

That Congress support the administration in its attempt to: (a) provide long-range financing of funds for economic development of countries; (b) separate the administration of economic funds from that of military aid funds; (c) place emphasis in the Latin American aid program on social and economic features which will raise the standards of living of the peoples.

In the hope that starvation and poverty will be eventually eradicated from the face of the earth we urge our government to give full participation in the freedom from hunger 5-year program of the United Nations, not merely as a means of disposing of our surplus foods, but as a responsible action demonstrating that we care enough to share our abundance in recognition of our belief that "the earth is the Lord's and the fullness thereof."

4. Immigration

Christians maintain that persons are created in the image of God with full rights as members of the human family. We cannot avoid the consequences of this belief in the area of immigration and naturalization in the United States.

The history of our Nation is a record of the breaking down of the barriers which keep men from enriching one another's lives. In this tradition and in harmony with our best understanding of the Christian faith, American Baptists call for the revision of our immigration and naturalization laws.

The world continues to produce refugees. Natural disasters, totalitarian and interfering governments drive men to desperation or defiance and escape. We are thankful that during the past 13 years (1948–60) American Baptists have secured sponsorship for 7,970 persons, but the need of the homeless people of the world is a continuing one.

In our judgment, it is wasteful for the United States to pass and extend short-term refugee legislation. Therefore, we recommend that Congress enact a permanent refugee law designed to grant sanctuary annually to a fair proportion of the world's people made homeless by persecution on account of religion, race, or political opinion or by upheavals of nature.

We further recommend that there be provision in every instance for the right to appeal decisions of immigration authorities. We also call upon Congress to pass a permanent orphan law allocating each year without limit nonquota visas to orphans under 14 years of age intended for adoption by married couples approved by a State-licensed child placement agency.

As churchmen and citizens, we remind Congress that we believe that enlightened immigration, naturalization, and refugee policies and humane administration of them, are important aspects of our foreign policy. Our national welfare suffers because of the present immigration and naturalization law. The present law projects an image of the United States marred by our selection of immigrants on the basis of their color or national origin. We decry such discrimination.

5. New African nations

As American Baptists we view with joy and satisfaction the emergence of the new nations in Africa which during the past year have achieved full independence and have assumed their rightful, equal place within the United Nations.

In common with all who cherish both freedom for the individual and liberty for all peoples, we express full sympathy with the hopes and aspirations of those now emerging from colonialism into full nationhood. As they move toward the realization of this freedom, we pray that they may follow the ways of peace rather than violence in their efforts to establish the institutions of freedom.

As citizens of the United States we are mindful of our Christian responsibility to seek an informed understanding of the revolutionary and reactionary forces at work in the world so that our judgments will be based on fact rather than on emotion or prejudice.

We pledge our support to the United Nations, its Secretariat and its staff, in its earnest endeavors to arbitrate differences; to maintain an impartial attitude in situations of extreme explosiveness; to preserve civil order in areas of political and tribal conflict; and to minimize the possibility of the new nations becoming centers of hostility and intrigue in the cold war.

As a result of more than 80 years of missionary service and fellowship, we as American Baptists are especially conscious of the ties which bind us to the church of Christ in Congo. We are grateful to God that in the midst of the violence and political chaos

of the past year, the churches related to the American Baptist foreign mission societies have witnessed their greatest numerical growth. Even in the face of the depletion of missionary staff, we are encouraged by the way in which the churches have continued their spiritual ministry under Congolese leadership. We rejoice that the Christian schools have continued to train the youth of Congo and that Christian hospitals have been able to carry on their ministry to those who suffer.

In our attitude toward Africa and in our missionary endeavors, we recognize that our responsibility is not the imposition or imparting of Western culture. The danger of identifying Christianity with Western culture often leads to confusion and misunderstanding of the essential nature of the Gospel. The new nations of Africa have a rich social and artistic heritage which should be incorporated in their developing societies. We should trust them to select those social, economic and cultural values derived from the past which will foster their own deepest self-realization as people, believing that they will preserve in the life of the church in Africa the unique revelation of God in Jesus Christ and the basic elements of the Gospel.

We recognize our obligation as Christians to support:

Programs of economic, technical and cultural aid carried out under the sponsorship of the U.S. Government and the United Nations;

Training of future African leadership by providing scholarships through government, private and American Baptist agencies for men and women students to pursue special studies;

Cooperative Christian endeavors, such as the Congo Polytechnic Institute which seeks on an interdenominational basis to provide training in the fields of agriculture, medicine and public health, engineering, teacher training, commerce, public administration and industrial arts.

We recognize our special obligation to support the Congo Protestant Relief Agency, Church World Service, and the World Relief Commitee of the American Baptist Convention, as they seek to aid in the relief of famine and to minister to the many people made homeless by intertribal warfare.

While recognizing these basic areas of technical and material need, we acknowledge that our responsibility is to the whole life of the people of Africa; and above all to help them interpret their new opportunities and responsibilities in the light of God's redemptive purpose.

Inasmuch as American Baptists have a good record of proclaiming the gospel in the Congo, we must put into practice in our Nation that which we affirm throughout the world. Therefore:

We request our State Department to do all in its power to eliminate and eradicate the indignities and acts of segregation the diplomatic corps of the emerging nations now face in our country.

We urge American Baptist Christians to help implement the resolutions on race presented to this convention.

6. Communism

As a way of life rooted in beliefs about the world, man, society, and movements in history, communism provides an ideology that contradicts and attacks at crucial points the Christian faith and other religions in the world.

Our position as Christians in opposition to communism or any dictatorial system which denies to a person his individual right or personal freedom, is based on our Christian belief in human rights and man's freedom in Christ to seek and live out the truth of the will of God. We seek freedom, brotherhood and justice for all men everywhere through our faith in Christ and in His ultimate purpose and plan for the world.

Our first and primary response is to become more aware of the substance of our faith. We who believe in a personal commitment to Christ and in the priesthood of all believers are called upon by the challenge of communism, and other contrary systems of thought and life, to provide a multitude of witnesses who know what it is to believe in the God and Father of our Lord Jesus Christ.

Our second response is a call for the renewal of the church. A church that presents in its organizational structure, membership and life, a living witness to the reality of Christ, will in itself be a bulwark against all the enemies of God. A church that truly honors Christ because it has no respect of persons or special privileges always makes a positive witness to the world.

Our third response is to work together to understand the way in which Christ becomes a reality in the midst of our total lives in shop and in school, in home and in play, in the legislative hall, and in all councils of men. We resolve to work for the common life in which brotherhood, justice, freedom, and equality are more than empty words, more than slogans either protecting privilege or justifying revolution or reaction. Such resolve involves a study of the implications of the Christian faith for our common life, and understanding of the forces that work in opposite directions, especially of communism and other totalitarian ideologies and movements, and an assessment of the conditions at home and abroad that encourage totalitarianism, especially communism.

In furtherance of this resolution, we urge that each of our American Baptist churches undertake a program of education, paying particular attention to the material prepared by our denomination, regarding: (a) the cultural and social origins of communism and other totalitarian systems; (b) the principles and methods of communism and other totalitarian systems. We urge the convention to support all efforts to increase systematic study of the Christian faith and to help in the renewal of the church. Let every American Baptist live out his witness for his Lord by every word and deed.

7. Cuba

In the light of recent developments and the deterioration of relations between the United States and Cuba, we express our love and concern for our Baptist brethren in Cuba.

We further urge our Government to seek, through the Organization of American States and other channels, greater mutual understanding, and a reconciliation between the people of the United States and the people of Cuba.

VI. IMPLEMENTATION OF RESOLUTIONS

Recognizing that resolutions are no more than verbal expressions of delegates at a convention, unless given wider consideration and expressed in action, we urge further study of them in the churches. All individuals and groups are urged to participate in constructive local programs and action groups, and to inform State and National legislators of their Christian convictions.

Moreover, we request the division of Christian social concern to continue to make available to the churches copies of these resolutions along with study guides, and to call these materials to the attention of the churches. Furthermore, we authorize the staff of the division of Christian social concern, and any other authorized spokesmen of the American Baptist Convention, to represent before appropriate agencies and committees of Congress and the United Nations the convictions of American Baptists on public issues, as these convictions are recorded in their convention resolutions.

We recognize that neither final nor absolute implementation of social justice is possible without a widespread individual repentance and personal commitment to the crucified and risen Lord, Jesus Christ, and the resulting power of the Holy Spirit in transformed lives. A new world is finally dependent upon new persons in Christ Jesus. However, these resolutions are offered because of our conviction that while proclaiming the redemptive Gospel we need not only to speak, but to act, against evil wherever we see it, to the glory of God and toward creating and maintaining a world climate within which our Gospel can be proclaimed more effectively.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PASTORE, from the Joint Committee on Atomic Energy, with an amendment:

S. 2391. A bill to amend various sections of the Atomic Energy Act of 1954, as amended, and the Euratom Cooperation Act of 1958, and for other purposes (Rept. No. 746).

By Mr. HOLLAND, from the Committee on Agriculture and Forestry, with amendments:

S. 1037. A bill to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities (Rept. No. 750); and

S. 1927. A bill to amend further the Federal Farm Loan Act and the Farm Credit Act of 1933, as amended, and for other purposes (Rept. No. 747).

By Mr. JOHNSTON, from the Committee on Agriculture and Forestry, without amendment:

H.R. 1021. An act to extend for two years the definition of "peanuts" which is now in effect under the Agricultural Adjustment Act of 1938 (Rept. No. 749).

By Mr. TALMADGE, from the Committee on Agriculture and Forestry, without amendment:

S. 1908. A bill to provide for a national hog cholera eradication program (Rept. No. 748).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BARTLETT:

S. 2425. A bill for the relief of Lum Chong; to the Committee on the Judiciary.

By Mr. CANNON (for himself, Mr. HICKEY, Mr. PELL, Mr. CURTIS, and Mr. KEATING):

S. 2426. A bill to revise the Federal election laws, to prevent corrupt practices in Federal elections, and for other purposes; to the Committee on Rules and Administration.

By Mr. KEFAUVER:

S. 2427. A bill to amend the antitrust laws to authorize needs of professional football, baseball, basketball and hockey teams to enter into certain television contracts, and for other purposes; to the Committee on the Judiciary.

By Mr. DOUGLAS:

S. 2428. A bill for the relief of Michelina Paolucci; to the Committee on the Judiciary.

PRICE AT WHICH GEODETIC SURVEY SELLS AERONAUTICAL RADIO NAVIGATION CHARTS TO THE PUBLIC—CHANGE OF REFERENCE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be

discharged from further consideration of S. 2318, a bill relating to the prices at which certain aeronautical radio navigation charts shall be sold to the public by the Coast and Geodetic Survey and that the bill be re-referred to the Committee on Commerce.

I make this request as the chairman of the Committee on Rules and Administration and with the approval of Senator MAGNUSON, chairman of the Committee on Commerce, because although S. 2318 does fall within the jurisdiction of the Rules Committee relating to governmental printing in general, the subject of this particular bill is one with which the Committee on Commerce is more directly concerned.

The VICE PRESIDENT. Without objection, it is so ordered.

ACT FOR INTERNATIONAL DEVELOPMENT OF 1961—AMENDMENTS

Mr. BRIDGES submitted an amendment to the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. HARTKE submitted an amendment, intended to be proposed by him, to Senate bill 1983, supra, which was ordered to lie on the table and to be printed.

Mr. GRUENING. Mr. President, I submit an amendment to Senate bill 1983, which I ask to have printed and also to have printed in the CONGRESSIONAL RECORD.

The VICE PRESIDENT. The amendment will be received, printed, and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment submitted by Mr. GRUENING is as follows:

On page 5, line 24, delete the period and insert the following: "and on condition that, if any portion of the funds loaned are used for the purpose of making loans within the recipient country, the interest charged by the borrower shall not exceed the interest charged by the United States by more than five per centum per annum."

Mr. HUMPHREY. Mr. President, I submit for printing an amendment to S. 1983, the Act for International Development of 1961.

The amendment is intended to appear on page 57, line 3 of the act under "Administrative provisions." Its purpose is merely to provide that in the administration of technical assistance under the foreign aid program, the Administrator shall "utilize to the fullest extent practicable, the facilities and resources of the Federal agency or agencies with primary responsibilities for domestic programs in such field."

The amendment is, I believe, indispensable for economy, for efficiency and for coordination.

The amendment would help assure fulfillment of the goals which President Kennedy set forth in his message to the Congress of March 20, 1961.

It will help assure attainment of the goals which are well described by the Senate Committee on Foreign Relations in its report No. 612, pages 12–14. There, the concept of advancing human resources is set forth.

DEEP CONCERN OVER STATUS QUO

The amendment is, however, vitally needed. There is a very real concern—well grounded, in view of a long background on this problem—as to what may happen in the absence of this amendment. It is feared in that circumstance that the Agency for International Development may not and, many believe, probably will not utilize the technical competence of the domestically oriented agencies.

TECHNICAL SERVICES FOR PEACE

This is not a new subject, so far as I am concerned. For years, I have been striving toward the objective of this amendment. My concept has been "Technical services for peace." This includes: Health for peace, education for peace, housing for peace, and similar endeavors to help others to help themselves in filling man's basic needs—food, dignity, hope.

My goal has been to make available abroad the skills and know-how which so-called old-line Federal agencies have long since demonstrated in our own land in serving our people.

At the time I call this amendment up, I will set forth the case for it in detail from the standpoint of two particular areas: Health for peace and education for peace.

MESSAGES EXPRESS ALARM

Suffice it for the moment to state that from all corners of this Nation, I have received anxious messages from experts in health, in education and in other fields. They express alarm over one particular phase of the proposed recognition of the foreign aid agency. They fear it will involve not more, but far less than even the minimal use heretofore of the technical competence of those Federal agencies, divisions, and bureaus which are responsible for these technical fields in the United States.

NEED FOR UNIFIED COUNTRY PLAN

Now, let it be noted that President Kennedy has wisely stressed the need to avoid a mere patchwork of collections of isolated projects in developing countries. He has emphasized the importance of sound country planning, tailoring projects to match conditions and felt needs in each land. I strongly endorse this concept.

I believe that the administrator of foreign aid must indeed, through the regional bureaus, have a clear line of authority and responsibility.

At the same time, I believe that it would be wasteful, inefficient, and wholly unsatisfactory if the older line Federal agencies, such as the U.S. Public Health Service and the U.S. Office of Education, are not utilized to a far greater extent than they have been.

As a matter of fact, there is a very strong danger, under the proposed AID organization that the four regional bureaus may, in the absence of Washington support, be impelled to try to become four separate health and education agencies, for example.

Under the reorganization, the Washington operation of each technical assistance effort is slated to shrink to virtually nothing—to perhaps a single senior expert in health, a single expert in education, and so forth. Thus, there would be a relative technical vacuum created at Washington headquarters of AID.

If there were no backstopping elsewhere, this would create an acute and chaotic problem. Coordination would suffer with other Federal agencies and with nongovernmental organizations—universities, foundations, professional organizations, voluntary aid groups, and so forth.

Yet, all the while, old-line agencies such as those I have mentioned, may—and probably will—in the absence of this amendment fail to receive responsibility and mandate to do the very jobs which they are ideally qualified to perform both at home and abroad.

The remedy is clear. The logical means of coordination is through (a) AID headquarters itself, with strong technical guidance at a reasonably high policy level; and (b) fullest professional mandate and backstopping, by the technically competent, domestic Federal agencies, such as those I have mentioned.

ICA has had many dedicated public servants in health, education, and other technical areas in both Washington and the field. But the greatest source of competence is in the Cabinet departments.

The distinguished chairman of the Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT], who has made so vast a contribution to the cause of international education will, I am sure, be among the first to point out the great competence of the U.S. Office of Education to assist abroad in cooperation with the Department of State and AID.

We do not need and want four separate education agencies in four regional bureaus. We want one career service consisting of the best talent which this Nation can mobilize for service at home and abroad.

The VICE PRESIDENT. The amendment will be received, printed, and will lie on the table.

IMPACTED AREAS FEDERAL ASSISTANCE PROGRAM—AMENDMENT

Mr. McNAMARA. Mr. President, I submit an amendment to S. 2393, a bill to extend the impacted areas Federal assistance program. The amendment I offer provides a 2-year construction program.

Under the amendment the Federal Government would provide $325 million for each of the next 2 years, a total of $650 million of Federal money to assist the States in building their needed classrooms. This is obviously not the optimum Federal education program.

My voting record and the records of a majority of Senators demonstrate a

belief that both adequate school buildings and decent teachers' salaries are the key factors in America's educational future.

We are, however, almost at the end of this session of Congress. It should be apparent that a bill containing both salaries and construction grants cannot pass both Houses of Congress. I share the view that such a situation is deplorable, but I do not believe that we should simply give up.

First of all, I do not believe that the next session of the 87th Congress holds any more promise for an adequate bill. The peculiar problems, involving some basic social and religious issues which have blocked a bill this year, will be as much, if not more, in evidence at the next session of Congress, which we all know will take place in an election year.

Second, I believe that a sizable construction program will do much to relieve the money pressures which afflict many of our States and local communities. I cannot believe there is a State in the Union which will not spend in the coming 2 years State funds in an amount equal to their Federal grant for construction. Therefore, these Federal grants will enable them to divert some of their hard-to-come-by State funds to increased teachers' salaries.

The impacted areas bill provides relief for approximately one-third of the districts. I do not believe that we can in good conscience help these deserving districts and not ease the problems in the other two-thirds of our districts.

It is time we recognized the educational problem as a national one and that the impact of our defense program is just one aspect of that national problem.

I realize that many Members of this Senate disagree with my views. Their belief is that by a simple extension of the impacted areas bill pressure will continue to build during the recess and the momentum for an adequate bill will be realized by next January.

I myself think this is the last chance we will have in the 87th Congress to pass school legislation. This Senate has twice in the past 2 years passed legislation which would provide funds for school construction. All indications are that the House is of a similar mind.

I hope every Senator will give this amendment his full consideration and his support when it is brought to a vote.

The VICE PRESIDENT. The amendment will be received and printed, and will lie on the desk.

Mr. MCNAMARA. Mr. President, the Senator from Maine [Mr. MUSKIE] joins me in the presentation of this amendment.

Mr. President, I ask unanimous consent that a news article from the Washington Evening Star, August 11, be printed in the RECORD at this point. It is entitled "Catholic Gives Up School-Aid Hope."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CATHOLIC GIVES UP SCHOOL-AID HOPE

BOSTON, August 11.—Concentration on high school and college and gradual withdrawal from elementary education has been suggested by a Roman Catholic clergyman.

"It is quite clear by now," wrote the Right Reverend Monsignor George W. Casey yesterday in his weekly column in the Pilot, official publication of the Boston Archdiocese, "that Catholic schools are not going to get any financial aid from the Federal Government."

"The best and simplest reason why we should shift our money and personnel over into secondary and higher education," he said, "is that they should be put where the need and the return is greater. The chief reason for the Catholic school system is the preservation of the faith."

FEDERAL CONTRIBUTION TO NATIONAL GUARD RETIREMENT—AMENDMENT

Mr. KEATING. Mr. President, H.R. 4785 is a constructive measure, but I am unhappy about one provision in the amendment approved by the Senate Committee on Armed Services. The amendment would limit Federal contributions to retirement benefits of National Guard technicians to 6½ percent.

In New York, the employer contribution by the State for retirement benefits amounts to 13 percent, including the social security contribution. As a result, the 6½-percent limit would shortchange New York technicians in the National Guard by approximately 6½ percent. The overall shortage of funds in New York State for this purpose would amount to about $900,000.

Mr. President, on the whole this legislation is badly needed. As of now, the House of Representatives has maintained that there is no legislative authority for any Federal contribution to the retirement pay of civilian National Guard technicians. The Department of Defense maintains that the authority does exist. The proposed legislation in any case settles that problem, but it does raise an additional question by establishing a 6½-percent limitation. Mr. President, it is essential at this point to provide fair and equitable treatment for individuals who, often at great sacrifice, serve their country as Army or Air National Guard technicians. The Armed Services Committee, acting, I must confess, upon the recommendation of the Bureau of the Budget, has set a limit of 6½ percent for the percentage which the Federal Government will be allowed to contribute as the employer's share of retirement benefits. The reasoning given, as stated on page 551 of the President's budget, is as follows:

> Since the pay rates of such employees are equated to those of comparable Federal employees, the total employee's contribution to Federal funds is limited to the rate authorized for Federal employees participating in the civil service retirement system.

But, Mr. President, where the injustice arises in this situation is that every State provides a different percentage contribution from employers, ranging from about 3 percent to 13 percent, as in New York. This fixed 6½-percent limitation of the Federal Government means, in fact, that these Army and Air National Guard technicians would receive a different and in many cases smaller retirement contribution than that received by the other State employees with whom they work and cooperate closely.

Finally, Mr. President, the real injustice lies in the fact that despite the present 6½-percent ceiling on the Federal contributions, in fact, it is well known that the civil service retirement fund, to which this 6½-percent is contributed, will in all probability not be adequate in the future to provide all the benefits which have been authorized by law. Therefore, it will undoubtedly be necessary for Congress at some point to provide additional appropriations for civil service benefits. Thus, the 6½-percent limitation, although in effect at the moment, will not be a controlling factor in the long run.

Mr. President, the Department of Defense has urged correction of this basic injustice, and has requested that the ceiling of 6½ percent be lifted.

This matter deserves careful attention, for the Department of Defense is well aware of the problems in personnel and morale which can arise when such patent injustice is not corrected. At present, there is in many cases no retirement provision for these employees, except social security. It has been agreed that the Federal Government should make a contribution for these employees, to go into State retirement funds. The contribution, in all equity, should be based on the percentage which each State contributes for other State employees.

Therefore, Mr. President, I send to the desk and submit on behalf of myself, my colleague from New York [Mr. JAVITS], the Senator from New Jersey [Mr. CASE], and the Senator from Hawaii [Mr. FONG], representing three of the five States most adversely affected by the situation, an amendment to provide for the necessary flexibility in determining the Federal contribution to these retirement funds. The amendment will simply strike out the sentence:

> Such contributions shall not exceed 6½ per centum of the compensation on which such contributions are based.

Mr. President, the amendment I have submitted, which refers to the bill as amended by the Senate Committee on Armed Services, and therefore different from the original bill passed by the House, provides for necessary flexibility in determining the Federal contribution to these retirement funds. I request unanimous consent that my amendment, which is very short, be printed following my remarks in the RECORD. I also ask to have printed in the RECORD several pages from the hearings on the Department of Defense appropriations, which indicated that as many as 23 States might ultimately be shortchanged if a 6½-percent ceiling is written into the law. Because this is a very complex subject and because one must take into account social security as well as State retirement systems, I consider it advisable not to include any mandatory language in this amendment, but simply to eliminate the arbitrary and unrealistic ceiling of 6½ percent, which, as the material I have mentioned indicates, is

actuarially unsound, and has been vigorously opposed by the Department of Defense.

I ask unanimous consent that the other sponsors of the amendment may have the privilege, if they so desire, of having their remarks printed at this point in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The amendment will be received, printed, and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 3, line 8, beginning with "Such" strike out all down through the period in line 9.

The excerpts from the hearing submitted by Mr. KEATING are as follows:

FEDERAL CONTRIBUTION TO STATE RETIREMENT SYSTEMS FOR TECHNICIANS

Senator CHAVEZ. There have been several inquiries relative to the Federal contribution to the State retirement system for National Guard technicians. I wish you would describe to the committee what this is all about.

General MCGOWAN. I would like to testify briefly and put a statement in the record, if I might.

The retirement of the National Guard technicians authorized, has been approved by Defense and the Army and the Air Force and is included for the first time in the budget this year. These technicians are the full-time National Guardsmen, Army and Air, who are employed by the States to perform key maintenance administrative training and supply functions.

Presently, a few States have included them in their own retirement system which is financially unfair to those particular States, but it is a very happy solution for those technicians who are so included.

The funds in this budget request are based on a 6.5-percent annual contribution which is a flat figure determined by the Bureau of the Budget and to meet the retirement costs based on the retirement of civil service employees of the Federal Government. This is already considerably below the actual State retirement system costs in 5 States and if we include the social security in the deductions it would be below the cost of 12 more and as FICA increases in 1963, 1966, and 1969 in accordance with present law, 6 more States would find that this 6.5-percent contribution to their retirement system would not meet the actual costs.

Senator CHAVEZ. You have mentioned 5 States, 12 States, and 6 more. Would you make available for the record the names of those States?

General MCGOWAN. I would be happy to.

(The information referred to follows:)

The 6.5 percent of salaries limitation on the amount the Federal Government will contribute toward State retirement system employer costs on behalf of National Guard technicians will be inadequate:

(a) In the five States in which they are now participating, or will be eligible to participate without amendment to State laws if the Federal Government pays the full employer costs. They are:

	State rate percent
California (not now participating)	9.16
Hawaii (now participating)	7.29
New Jersey (now participating)	7
New York (not now participating)	9.619
Ohio (now participating)	7.41

(b) If the 3 percent on the first $4,800 of compensation now being paid under FICA is included in the total Federal contribution, the following additional 12 States will be underfinanced:

	State rate percent
Delaware (not now participating)	5
Florida (now participating)	6
Kentucky (now participating	4
Minnesota (now participating)	4
Missouri (now participating)	4
Nevada (not now participating)	5
New Mexico (now participating)	5
Tennessee (not now participating)	4.12
Texas (not now participating)	4.75
Vermont (not now participating)	6.08
Virginia (not now participating)	4
Washington (now participating)	6

(c) If the employer's tax is increased as provided by section 401(c), Public Law 85-840 (72 Stat. 1042, 26 U.S.C. 3111) the following States will be underfinanced in the years indicated:

	State rate percent
Arizona (not now participating)—1963	3.5
Arkansas (not now participating)—1963	3-4
Iowa (now participating) (on $4,000)—1963	3.5
Mississippi (not now participating)—1963	2.5
Montana (not now participating)—1963	3.3
North Carolina (not now participating)—1963	3-5

(d) The only States that will have their retirement system costs satisfied under the 6.5 percent formula will be Connecticut (now participating, portion of employees not under FICA); and Massachusetts (now participating, no FICA coverage).

(e) The fiscal year 1962 budget request includes $2,800,000 Federal contribution to State retirement systems which have legislation for Army National Guard technician participation. An additional $3,700,000 is required to support State retirement rates and those States that need legislation to permit technician participation in States' retirement program.

ADEQUACY OF FEDERAL CONTRIBUTION

General MCGOWAN. We are happy that the item is being included in the budget this year. We find that this is a group of employees whose retirement hitherto has not been provided for.

Senator CHAVEZ. Is there any difference in the amounts requested by the National Guard and the budget approval?

General MCGOWAN. I will include that in the statement.

I think that should be as much as I should put in the record at this moment and I will follow that with a prepared statement we can give the chairman by tomorrow.

There is some question—even in Bureau of the Budget circles—with respect to the adequacy of this 6.5 percent for Federal employees and I quote from a letter from the Director of the Bureau of the Budget to the Secretary of Defense dated January 19, 1961, in which Mr. Stans said in this pertinent part of the letter:

"Although the civil service retirement system is estimated to have a computed normal cost based on various assumptions as to interest, income mortality, and so forth, which is slightly more than 6.5 percent, that percentage is the fixed amount required under the Civil Service Retirement Act to be contributed to the system by Federal agencies. Fluctuations in the computed normal cost arise from two changes in salary since that time."

Senator CHAVEZ. Is the civil service annual contribution the same as yours?

General MCGOWAN. Civil service annual contribution is 6.5 percent; yes, sir.

Mr. Stans continues: "Fluctuations in the computed normal cost arising from changes in salary levels"—there have been two—"and the like, are not reflected in the statutory requirement. Whether the appropriation of additional funds in future years will naturally depend on further experience and the validity of the assumptions now being used such as the average rate of interest earned on assets of the system."

It is pertinent to point out that in States such as New Jersey, with which I am very familiar, and which has included these technicians in its own retirement system without cost to the Federal Government so far, they have their actual costs annually checked from an actuarial standpoint and their costs are 7 percent without including social security deductions. That is one of the examples of the States where the proposed contribution is already inadequate in relation to the actual experience costs.

Senator CHAVEZ. At this point in the record we shall insert a memorandum pertaining to this subject, prepared by the Office of the General Counsel, Department of Defense.

(The statement referred to follows:)

DEPARTMENT OF DEFENSE,
OFFICE OF GENERAL COUNCIL,
Washington, D.C., April 12, 1961.

Memorandum for General Moore:

On February 29, 1960, the Assistant Secretary of Defense (Comptroller) received a request from the Assistant Secretary of Defense (Manpower) to include funds in the fiscal year 1962 Department of Defense budget to cover payment of the employer's share of the costs of State retirement programs for civilian employees of the Army and Air Force National Guard. The Assistant Secretary of Defense (Manpower) had decided to follow the policy of providing such payments after reviewing the retirement programs of the affected States and concluding that the employer's share of the costs was a valid Federal obligation since the Federal Government had accepted the responsibility for the payment of the compensation of the employees. The compensation of civilian employees of the National Guard is fixed and paid pursuant to Federal statute; namely, 32 U.S.C. 709, which provides, in pertinent part, as follows:

"(a) Under such regulations as the Secretary of the Army may prescribe, funds allotted by him for the Army National Guard may be spent for the compensation of competent persons to care for material, armament, and equipment of the Army National Guard.

* * * * *

"(f) The Secretary concerned shall fix the salaries of clerks and caretakers authorized to be employed under this section, and shall designate the person to employ them."

The Comptroller General of the United States held (B-138072, dated March 2, 1959, attached) that contributions to a State retirement system may be regarded as part of the compensation which the Secretaries of the Army and Air Force are authorized to fix under 32 U.S.C. 709.

On March 22, 1960, the Deputy Comptroller for Budget advised the Assistant Secretary of Defense (Manpower) that he concurred in the desirability of including funds in the 1962 budget as requested. He further requested that instructions directing the initiation of the program for fiscal year 1962 be issued by Assistant Secretary of Defense (Manpower).

On April 6, 1960, the Assistant Secretary of Defense (Manpower) advised the Departments of the Army and the Air Force to take such action as was necessary to include a request for funds for this purpose in their fiscal year 1962 budget estimates. At the same time, he requested that the Army and Air National Guard enter into negotiations with the several States and Puerto Rico to

establish agreements whereby guard employees would be incorporated in State retirement systems.

On December 7, 1960, the Director of the Bureau of the Budget by letter to the Secretary of Defense explained that it was his understanding that the 1962 budget estimates would include funds as indicated above. He advised that since the amounts payable to both the State systems and social security would substantially exceed the current rate of contribution to the civil service retirement system for Federal employees, it would appear that an unsound relationship would be established between compensation rates of National Guard employees and of comparable Federal employees. He, therefore, requested that appropriate language be proposed to establish a limitation on the use of Department of Defense funds to that now provided for Federal employees. Appropriate adjustments were also to be made in the budget estimates.

By letter to the Bureau of the Budget dated December 14, 1960, the Assistant Secretary of Defense (Comptroller) requested that no provision to limit employer's contribution to State retirement systems be included in the President's budget, since the proposed limitation of 6½ percent was totally unrealistic. More specifically, information received from the chief actuary, civil service retirement system, is to the effect that 6½ percent does not cover the Federal Government's total cost of civil service retirement system, and that provision will have to be made for the appropriation of additional funds in later years to cover full cost. In addition, the Comptroller indicated that the administration of the program would be greatly complicated, since it was anticipated that many States would show reluctance to bring guard employees into the retirement systems, since they would unwilling to revise their systems to provide for special funding arrangements for these employees.

By letter dated January 19, 1961, the Director of the Bureau of the Budget again insisted that the language in question be retained since it would not be considered reasonable if compensation of guard employees, including indirect compensation in the form of employer's contributions to State retirement systems and to the social security old-age and survivor's insurance fund, could be established at rates higher than those applicable to comparable Federal employees. The retention of proposed section 531 contained in the Eisenhower budget resulted in the deletion of $1 million and $0.6 million from the budget estimate of the Departments of the Army and the Air Force, respectively.

As you know, since January 20, 1961, the military departments and other offices in the Office of the Secretary of Defense recommended changes they deemed appropriate in budgeted dollar estimates or language. No recommendations were received with respect to this section. However, it is now understood that the Assistant Secretary of Defense (Manpower), Mr. Runge, is about to request the Comptroller to take all possible actions to have section 531 deleted in its entirety. If the language is deleted, it will be necessary to increase the estimates by $1 million in the case of the Army and $0.6 million in the case of the Air Force.

L. T. SMITH
(For Maurice H. Lanman, Jr.)

Mr. JAVITS. Mr. President, I am pleased to join with my colleague Senator KEATING in proposing an amendment to H.R. 4785, a bill to permit inclusion of Army National Guard and Air National Guard technicians in State retirement systems. Senator KEATING's and my amendment removes the 6½-percent limitation on Federal contributions to these retirement funds, as provided in H.R. 4785.

Efforts to secure retirement benefits for these technicians have been carried on for many years. Failure to obtain such benefits to date has made it difficult to secure and even more difficult to retain valuable technical support. If this trend is not reversed, the efficiency of the National Guard is bound to suffer.

To use this 6½-percent Federal contribution to the Federal retirement system as the ceiling for contributions to the State retirement systems is not an equitable or accurate yardstick. Most States compute their rates for contributions to the State retirement system on an annual basis, based on current experience. On the other hand, the Federal rate of 6½ percent was established by the act of July 31, 1956. Although the compensation of Federal employees has since been increased, no revision of cost factors and rates of contributions to the Federal retirement system has been made.

I am hopeful that this amendment will be recognized as a sound and equitable measure which is particularly appropriate and significant today as we reevaluate our military preparedness.

NOTICE OF PUBLIC HEARINGS OF SUBCOMMITTEE ON EDUCATION OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. MORSE. Mr. President, as chairman of the Subcommittee on Education of the Committee on Labor and Public Welfare, I announce that the subcommittee will begin its public hearings on the Hill higher education bill at 9 o'clock tomorrow morning. The subcommittee will hold hearings on the bill at every opportunity in the days immediately ahead, whenever the Senate is not in session, and will begin the hearings each day at 9 o'clock a.m.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. MORSE:

Eulogy delivered by Senator DOUGLAS, relating to Fiorello La Guardia.

U.S. INTERNATIONAL RELATIONS

Mr. TOWER. Mr. President, the junior Senator from Arizona [Mr. GOLDWATER] on August 6 delivered before the Virginia State Bar Association a speech in which he replied to certain questions on foreign policy raised and directed to him by the distinguished junior Senator from Arkansas [Mr. FULBRIGHT]. The importance of this address and the importance of the debate of which it is part have not been underestimated by the press and the public. The outcome of this debate might profoundly influence the future of the United States and the course of human history. I ask unanimous consent to have Senator GOLDWATER'S speech printed in the RECORD at this point.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

A CASE FOR VICTORY

(Text of a speech by Senator BARRY GOLDWATER, Republican, of Arizona, before the Virginia State Bar Association's 71st annual meeting, White Sulphur Springs, W. Va., Saturday, August 5, 1961)

With your kind indulgence, I should like to talk with you tonight about our international relations, about our progress in the cold war, and about the need to win this worldwide struggle between the forces of freedom and the forces of slavery. Strangely enough, I find myself in the position of one who has been challenged to make a case for victory in a conflict with an enemy of enormous power whose undisguised aim is to conquer the United States and enslave the world. I have been challenged to explain what victory in the cold war means, how we could achieve it, and what we would do with it after we won it. This challenge, astounding as it is, comes from none other than the chairman of the Senate Foreign Relations Committee—Senator J. WILLIAM FULBRIGHT, of Arkansas—who reflects in his statements a policy line now being promoted within the top ranks of the Kennedy administration. Senator FULBRIGHT, and I am sorry to say some others in positions of influence today, believe that victory in the cold war is impossible, that we must coexist with an alien ideological power which is using every device at its command to overwhelm us, and that one of the means toward coexistence is aggressive compromise.

Ladies and gentlemen, I doubt if any U.S. Senator or Government official—ever before in the history of our Republic—has been called upon to make a case for victory in a conflict where everything that the United States stands for today—or ever stood for in the past—is at stake. I doubt if this Nation ever before has found itself in a battle for her very existence where any public official or group of public officials automatically foreclosed the possibility of victory and questioned what we would do with it if it ever were achieved.

When I study the words of Senator FULBRIGHT and realize that he speaks for a sizable bloc of influence in our State Department, I begin to wonder what forces are at work among us in this hour of crisis. I wonder whether the entire scope of this protracted conflict and the dire consequences which it holds for our Nation and the world's freedom have been correctly understood. I wonder whether the American people actually realize that the failure to proclaim victory as our aim in the cold war is not just an oversight but a calculated policy of influential men. Let me state this in Senator FULBRIGHT's own words. He said on the Senate floor on July 24—and I quote—"Apparently we have not yet fully accepted in the fact that * * * we can hope to do little more than mitigate our problems as best we can and learn to live with them." Since that time, Senator FULBRIGHT has made it plain that his method of mitigation would be through negotiation and compromise. This is what he proposes in the Berlin crisis, which might well serve as a terminal point in our diplomatic negotiations with Russia. The Senator apparently believes that negotiation and compromise are what we must do to live with communism. He boldly assumes that the American people and the rest of the free world want to live with communism rather than risk a test of strength. He also tells us, in effect, that the price of this living is compromise—which is another

way of saying that we will yield further and further to Khrushchev's demands.

But I'm getting a little ahead of myself. I believe it is important for you people to understand how the exchange between Senator FULBRIGHT and myself evolved. Let me briefly explain to you the genesis of this argument which the newspapers are beginning to refer to as a "meaningful" debate between the two fundamental positions.

It began on June 29 when the Foreign Relations Committee chairman delivered a speech to the Senate entitled "Some Reflections Upon Recent Events and Continuing Problems." These remarks were given wide publicity throughout the Nation and were hailed in a certain segment of the press as a major foreign policy declaration. Now since these reflections contained so many arguments for doing nothing in the cold war but waste more and more money in the name of social reform for other nations, I felt impelled to reply. I did this in a Senate speech on July 14. I challenged the Foreign Relations chairman to explain why his approach to the cold war, which boils down to more and more foreign aid, has not yielded results after the expenditure of nearly $100 billion. I challenged his assertion that American action in Cuba would result in alienating Latin America, Asia, and Africa. I challenged his assertion that communism 90 miles off our southern coast was not intolerable to the American people. I challenged his declaration that the erection of missile bases in Cuba would not increase the danger to our national existence. And I also said that this Nation needs an official declaration stating that our aim in the cold war is victory.

Now in his response to this, Senator FULBRIGHT ignored my question concerning the wisdom of pursuing a costly and ineffective foreign policy. He ignored quite a few other things in commenting briefly on the Senate floor on July 24 on what he referred to as certain themes contained in my remarks. But the things he had to say are so illustrative of bankrupt thinking with regards to the cold war, so fraught with peril for this Nation and the cause of freedom, and so vitally important to all Americans that I feel compelled to give them the kind of comprehensive treatment that he failed to accord my remarks of July 14.

And, let me say, there is no particular significance to the fact that I am setting forth my latest views in this running debate in a public speech rather than on the floor of the U.S. Senate. The reason is quite simple. I believe that this issue of whether we are to strive for victory in the cold war or continue a policy of drift has become so important that it deserves attention in all forums of public discussion. And I assure you that the contents of my remarks here today shall be placed in the CONGRESSIONAL RECORD for the perusal of Senator FULBRIGHT and all other Members of Congress and that I shall have more to say on this subject on the floor of the Senate at a later date. The nature of our debate is one that lends itself to this kind of treatment. Our exchanges have not been hasty toe-to-toe affairs. Rather, they have been—as views on a subject this important should certainly be—deliberative and long range.

Now this brings me to Senator FULBRIGHT'S comments of July 24. In them, he is excessively bemused with one of my phrases—"total victory." He seems to think there is something funny about it. He refers to total victory as a "stirring term with a romantic ring." He ridicules it as something that "quickens the blood like a clarion call to arms." I suggest that ridicule is a curious attitude for an American to take when discussing victory in a struggle that means survival. It is even more curious when that American holds the influential office of chairman of the Senate Foreign Relations Committee—and I say this whether he is referring to "total victory" or just plain "victory." I suggest that there are many details of our conduct in the cold war which invite scoffing and ridicule. But, I suggest that the subject of our winning in this desperate struggle is definitely not one of them. If Senator FULBRIGHT disagrees with my emphasis on the word "total" in discussing victory, I will gladly sacrifice it if it will mean that we can get the Foreign Relations chairman to discuss seriously, and objectively, the subject of our developing an official determination to win over the tyrannical forces of international communism. Let's just call it "victory," and ask Mr. FULBRIGHT if this, too, has for him only a "romantic ring" unconnected with the ultimate hopes and prayers of a free people.

The Senator from Arkansas says he does not know what victory would mean—as he puts it—"in this age of ideological conflict and nuclear weapons." Perhaps we are meant to believe that victory for the forces of freedom in the world takes on a different meaning because ideology is a factory and weapons are more powerful. Perhaps we are to adopt the heresy that there can be freedom in this world without a victory over the forces which already enslave a large percentage of the population. Or perhaps the Foreign Relations chairman would like to develop the thesis that the people do not know the anatomy of freedom. In all events, I shall endeavor to enlighten him on these points. But before I do, I should like to say that if Senator FULBRIGHT finds difficulty in understanding what victory would mean perhaps he should spend a little thought on the question of what defeat—the only alternative to victory—would mean. This is a frightening thought—what would defeat mean? But, it is one which must be considered—and considered seriously—if our national policy is anything but victory.

This is a conflict where one side or the other must win. And no amount of wishful thinking on the part of the Foreign Relations chairman or officials of the New Frontier can make it otherwise. On this question, the decision is out of our hands. The rules for the conflict have been laid down by the Soviet Union through a massive design aimed at destruction of the United States and domination of the world. Against the Communist strategy as it is being pushed today, there can be no policy but one aimed at victory or one that would permit defeat. There is no cozy twilight zone such as Senator FULBRIGHT envisions where the status quo is maintained. We know this from what has happened to the world since the end of World War II. We have continued to delude ourselves with something called peaceful coexistence while communism has kept right on gobbling up one country after another. Hundreds of millions of the world's people have fallen under the yoke of communism while we have followed a useless policy of spend and drift. Now we are told that this is the only feasible approach; that we can't hope for victory; that we can't risk a war; that we couldn't cope with victory if we won it. I say this is the most dangerous kind of sheer nonsense. On the basis of experience, the Fulbright approach is not only a tremendously costly strategy but it is a losing strategy. If it weren't, I submit, that we wouldn't today be mourning the loss of Cuba and the virtual loss of Laos.

If there is any doubt as to what victory in the cold war means, let me say that it means the opposite of defeat; it means freedom instead of slavery; it means the right of every man to worship God; of nations to determine there own destiny free of force and coercion. Victory in the cold war means the sum total of all the hopes of freemen throughout the world. It means human dignity, freedom of choice, the right to work, and achieve with the skills and capabilities with which man was endowed by his Creator. And it means peace with honor for men who prize liberty above death.

Now, can victory be achieved without a nuclear war? Senator FULBRIGHT would like us to believe that there can be no cold war victory without the destruction of civilization. This is precisely what the Communists and the Russians also would like us to believe. Their whole line of attack, through propaganda and adroit economic, political and military moves, is directed toward making us think in terms of fear. They want to make sure that we believe the risk is too great to employ any of our strength. Their purpose is intimidation and it's working too well.

Indeed, a cold war victory over the Communists is entirely possible. It won't be easy because we have lost too much valuable time and too many golden opportunities. But it can be done with the proper integrated strategy—a strategy that aims at victory, that retains our economic strength; that incorporates the principles of political, military, economic, and psychological strength in meeting Soviet challenges and in presenting some challenges of our own. Those who argue against any use of strength, against any military risk, against any unilateral action fail to understand that political victory in the cold war is the only way to avoid a strictly military solution of the East-West crisis. It involves some risk, but our experience shows us that this risk is greatly overexaggerated. Every time we have stood up to the Russians they have backed down. Our trouble is we haven't stood up to them enough. Despite the arguments of Communists and leftwing propagandists who want us to believe that the present ideological struggle will inevitably lead to a shooting war, just the reverse is true. A shooting war can only be avoided by winning the cold war. And unless we win the cold war, we will be an easy pushover for the Khrushchevs, the Castros, and the Mao Tse-tungs when they decide the time is ripe to push their strategy into a shooting phase.

In this, Senator FULBRIGHT has joined the ranks of those who would paralyze the foreign policy of this Nation by advancing the alternatives that, either you accommodate the Soviet Union or you fight a nuclear war. These are the alternatives which are stressed every time the Russians seek to advance their position. And their expansion over the past two decades has given the Communists millions of square miles, hundreds of millions of slaves, and treasure beyond the dreams of avarice. Now what is the essential weakness of this reasoning? It lies in accepting the enemy's terms—that the only alternative to self-destruction is to yield. First, we yield on one issue—unimportant, it appears in context of such a horrible alternative as nuclear war. Then on a second and a third and a fourth and ad infinitum. So what is finally left to us except the same terrible dilemma we were confronted with on that first day when the enemy said, "Yield or die."

If we could finally satisfy the enemy's appetite by giving him one city or one country or one territory who among us, Democrat or Republican, liberal or conservative, would not be tempted to say: Let them, in the name of peace and freedom for the rest of us; let them, once and for all, have their way and be done with it. But this is not possible. We are dealing with an enemy whose appetite is unsatiable, whose creed demands slavery for everyone, Americans included. The more we give in to that enemy, the more he wants; and the more we give in to him, the more he is encouraged to demand.

Senator FULBRIGHT adroitly tries to make it appear that I am in favor of nuclear war, that I would make war the prime instrument

of our policy. I can't imagine what makes him think that he and his fellow Democrats value life more than do I and my family and my fellow critics of a disastrous policy of drift.

Does he believe for 1 minute that I would take satisfaction from exchanging my pleasant life and my pleasant associations, among which I rate my friendship with him, for a nuclear graveyard? Certainly not. He challenges, presumably, my capacity to reason rather than my appreciation of life. And I respond: Whether you reason in the light of experience or by scholastic theory, there is no escaping the conclusion that we cannot assure the enemy that, under no circumstances, will we ever consider war. If we are not prepared, under any circumstances, ever to fight a nuclear war, we might just as well do as the pacifists and the collaborationists propose—dump our entire nuclear arsenal into the ocean.

But Senator FULBRIGHT has proposed no such venture in national suicide. He wants us to save our bombs. Only he apparently wants us to act as though we did not have them, because the mere thought of having them terrifies those who are dedicated to the principle of coexistence. Thus, we are supposed to eliminate our possession of nuclear weapons from our consciousness in discussing the formulation of American foreign policy.

Of course, if victory is not our official aim, then there would appear to be no point in bringing all our arguments—be they military, economic, political, or psychological—to bear on the side of freedom. But can we be sure that if we completely eliminate the possible use of nuclear weapons that the Russians will follow suit? Can we risk our future and the future of mankind on exclusive emphasis on conventional rather than ultimate weapons? Can we make any assumptions that would diminish our strength—in any field—when dealing with the Russians? Merely to ask the questions is to answer them. We can assume nothing where the Russians are concerned. We can trust nothing that the Russians say. We can accept nothing that the Russians sign as a conclusive guarantee.

Theirs is a policy of deliberate, calculated attrition which eats away steadily at the landmass represented by the free world and at the individual and collective liberties of its people. Unless we develop the will to win and the strategy to achieve victory—and do it soon—that attrition will engulf us. It has already been moving in 7 league boots over the surface of the globe and advances to within 90 miles of our own country. It hasn't slowed down because there is a risk of military action involved. It moves right on, inexorably increasing Communist power in strategic areas. And it steps up the tempo every time fear of possible consequences paralyzes the West in a posture of caution and indecision. Is there any wonder that the Communists welcome policy declarations which question whether the United States could win the cold war without a holocaust? Is there any wonder why they promote the mirage of peaceful coexistence which merely means that we stand immobilized while they advance their overall design? Is it any wonder that the Communists feel free to push their plan to build Cuba into an anti-American bastion in the Western Hemisphere?

The whole Communist operation makes the element of time a vital factor. Time is running out on the West while it is working in favor of international communism—at least under our present policy. For, I would remind you the policy we are following today is the same one which we have followed—with a few exceptions—since the end of World War II. It is the policy of spending in the hope of gaining allies. It is the policy which has permitted the Communists to gain in almost every area of the world while the cause of freedom has been losing.

I want to emphasize this time factor particularly in the light of what the Senate Foreign Relations chairman sees as our objective. He says it is total victory for a process. And he defines that process as one "of civilizing international relations and of bringing them gradually under a worldwide regime of law and order and peaceful procedures for the redress of legitimate grievances."

All I can say is that if this is our objective, what is our hope? This just says that the United States should work for the establishment of some kind of international superstate whose members would behave in a civilized and peaceful way toward each other. At the very least this would take several centuries. And we have no assurance that the time will ever come when all other states will want to behave peacefully toward each other. The lessons of history are all against it, for there have always been states that would not hesitate to use arms to advance their national policies and defend their systems.

Let me assure you that a world without arms, a world living peacefully and adjusting its grievances in a global regime of law and order is more than an objective. It is a dream and its name is "Utopia." Even if it were practical, such an objective has no direct application against the urgent problems which beset the world today. We haven't the time for implementing dreams right now. We must deal with reality, the ever-present threat of Communist tyranny which is not going to submit the kind of civilizing Senator FULBRIGHT envisions.

Suppose there is a big fire in your neighborhood. What do you think about first? You think of saving your house from destruction and your family from death. And if the flames have already enveloped your garden fence, do you lose time planning to build a dream house next year or next decade in a nonexistent city and in a theoretical country? Of course, you don't. You go right to work fighting the flames to save the house you've already got in the city and country where you live now.

This is the way it is today with our country and with the world. There is a fire in the world and its Communist flames are threatening to destroy the American way of life. Not next year, or in the next decade, or in a future century, but right now—today. These ugly red flames are already brushing our shores and they continue to rage unchecked.

And I suggest that this is no time for an American foreign policy objective designed to erect an impractical international dream city of the future. It is long past the time when our objective should be the practical means of dousing the fire and smothering the flames of international communism.

So what can we do? Our job, first and foremost, is to persuade the enemy that we would rather follow the world to kingdom come than consign it to hell under communism. Having made that clear, we must seize opportunities as they arise to protect freedom and demonstrate our strength. Many such opportunities have arisen in the past, some of which we have used to good advantage. For example, we were told by the weak of heart and the peddlers of despair that unless we yielded Quemoy and Matsu to the Communists, a terrible war would result. The Eisenhower administration said, in effect, very well, if the Communist world chooses to go to war to occupy these islands, then that's the way it will have to be. But the Communist world did not so choose, and Quemoy and Matsu are free today. And they will be free tomorrow and just as long as our resolution lasts. The story was repeated in Lebanon. We sent in marines there against the advice and quaking of those who fear a display of determination and strength. And Lebanon is free today. We acted from strength, too, when Berlin was threatened in 1948, and Berlin remains free. In Korea, our trouble was that Stalin didn't know that we meant business, and the result was a costly, unnecessary war which we would not have had to fight if the Russians had been assured in advance of our determination.

On the other hand, our resolve was not strong enough in Cuba to back our intent with the strength required and which we possessed. The result is that Cuba languishes in chains while a bearded Communist dictator thumbs his nose at the United States and plays the enemy's game to the hilt. And when Senator FULBRIGHT worries lest we alienate the rest of Latin America by taking affirmative action in Cuba, I'm sure Castro guffaws. Much of Latin America has already been alienated by the timidity and ineffectiveness of our American policy. The Latins cannot understand why a world power, such as the United States, allows a two-bit Kremlin stooge to spit in our eye. And they wonder what source of support we could possibly be to them when communism pushes its expansion program throughout the Western Hemisphere. They see us weak and baffled in an area of vital concern, not only to them but to our own existence.

And must we surrender Laos, too? Is that the fixed conviction of Senator FULBRIGHT when he worries lest we commit American soldiers to a jungle war? Are there not Free Chinese, South Vietnamese, South Koreans, Filipinos, and Japanese who would fight if the United States gave them backing? Have we ever asked them?

Another important point which might impel action in Laos if our policy is to be anything but concession and that is contained in the strong statement on this problem made by President Kennedy. It is well to remember that it won't do to "talk strongly and carry a weak stick." Or does Senator FULBRIGHT believe the President was wrong about Laos, just as he thinks the President was remiss in not suggesting what he calls peaceful solutions to the Berlin crisis.

When Senator FULBRIGHT questions what we would do with victory if we won it, he implies that any doubt on this score becomes, per se, an argument against winning. He asks whether we would occupy Russia and China and launch a program to reeducate the Russians and the Chinese in the ways of democracy? The answer to this is simply "No." We would not have to occupy China and Russia because the vast majority of the people in both of these countries are not Communists. They will, with proper guidance, take care of their own freedom once they are released from the iron grip of Communist dictatorship.

But even if this weren't true, the mere fact that victory would pose problems is not reason to submit to slavery.

In this same connection, Senator FULBRIGHT says that our victories in World War I and World War II "offer little encouragement." I assume that his reference is to the fact that, having won the wars, we lost the peace—at Versailles, at Yalta, Teheran, and Potsdam. I won't argue with him there. We did lose the peace in both instances. But, again, I suggest that the Foreign Relations chairman glance at the other side of the coin. If our victories in the two World Wars "offer little encouragement," what does he believe defeat at the hands of the Kaiser or at the hands of Adolph Hitler would have offered? Does he suggest that because we lost the peace after World War I and World War II that we should not try to win the struggle in which we are presently engaged? I would like Senator FULBRIGHT to tell me

plainly if he thinks the Russians and the Communists are out to win the cold war?

And while I'm at it, I would refer the Senator to the new Communist manifesto which appeared only this week. I believe the New York Times, with which I do not always agree, summed it up best in an editorial appearing on August 1. Here is what the Times had to say:

"In short, this is a new declaration of war against the free world—military, political, economic, and propagandistic war. It expands in thousands of words what the Soviet chieftain compressed in four words, 'We will bury you.'"

The editorial concludes this way:

"Therefore, under the guise of 'peaceful coexistence,' it continues to stir up revolutions and Communist 'wars of liberation' to exploit nationalism where it serves its purpose and to denounce it where it does not, to try and wreck all free world defense organizations, to lure the new and still inexperienced states into its net and, above all, to disarm the free world, keeping its own arms intact."

But let us return to the question of acting from strength. Against the advice of those who counsel inaction because of the risk, let me ask, When has Western resolution backed up by Western disposition to use its total resources ever been defied by the Communist empire? The answer is "Never—not once." The rulers of the Kremlin would sooner reduce their territory to the ancient state of Muscovy than die on the crucible of their ideology. Their doctrine does not call for corporate acts of heroism when they are not under direct attack.

In the final analysis the choice is not yield, or fight a nuclear war. It is: win, or fight a nuclear war. For a nuclear war we shall certainly have to fight, from whatever beleaguered outpost we are reduced to occupying, if we continue to yield, piece by piece, all over the world. And finally, in desperation, we would see the horrible alternatives clearly in view—a violent act of nuclear aggression or surrender. And let me add a further thought. If we should decide to surrender right now in return for a guarantee of peace, we would not escape the danger of nuclear bombardment. Let me point out for the benefit of those among us who whisper, "I'd rather be Red than dead," the brutal fact that surrender might very conceivably subject us to the kind of nuclear attack we would be seeking to avoid.

The reason for this is quite plain. Due to the numbers and varieties of weapons, and to the geographic distances and expanses, and to the number of bases and people, the actual act of surrendering and turning over of our weapons to the Soviets could not be performed. Our officers might obey an order to destroy or surrender American weapons, but the Communists could never be sure that we had not concealed some for use in a later sneak attack.

The Soviets, assured of no massive retaliation by the fact of our surrender, might find it militarily expedient to bomb our bases in order to make sure our weapons are destroyed. And, at the same time, they could easily decide to bomb centers of the guerrilla resistance that inevitably would spring up and to bomb those industries which could turn out arms and ammunition.

No, the dream that surrender will forever eliminate the specter of nuclear war is an illusion because history will not stand still. The Soviets would not be able to control the entire world. Nuclear weapons will not disappear from the arsenals of the major nations, regardless of whether they are ruled by Communist or non-Communist regimes.

Thus, we find that neither yielding nor surrender are ways to avoid the possibility of nuclear war. Our only hope is to proclaim victory as our aim and then to press boldly and unremittingly on all fronts—always prepared to fight and making sure the Communists always know we are prepared to fight.

And, in laying that groundwork, there are a number of immediate steps we should take to reorient our policy for maximum U.S. effectiveness in the cold war. They include the following:

1. We must stop believing that our primary objective must be to humor the public opinion of neutral or uncommitted nations rather than to defend our strategic interests, cooperate closely with our allies, and to advance our positions of strength. This we must do the more readily because much of this so-called opinion which entrances our coexistence proponents is fabricated by the Communists to our detriment; and since we have no proper method by which we can judge what public opinion really believes throughout the world.

2. We must stop lying to ourselves and our friends about disarmament. We must stop advancing the cause of the Soviet Union by playing along with this great Communist-inspired deception. We must abandon the illusion that the Soviets, in their disarmament policies, are interested in furthering peace rather than baiting a trap for us. Their objective is to contrive our unilateral disarmament while they continue to arm themselves secretly as fast as they can.

It is not dialectics but schizophrenia when we increase our military budget by 15 percent and the Soviets theirs by 33 percent while, at the same time, we proclaim that disarmament is our highest goal and a practical method of composing the present conflict. The American people can stand the truth, but they cannot prosper under an official policy of self-deception.

3. We must get rid of the ban on nuclear testing. This is the worst and most transparent trap into which the United States has fallen during the course of the cold war. The ban does nothing but serve the Soviet Union to improve its nuclear weapons by clandestine testing, to stop our own advances in offensive and defensive nuclear technology and, ultimately, lead to a situation where we wake up confronted with superior Soviet weapons.

4. We must stop negotiating about things that are nonnegotiable, such as the rights of our allies, compromises of our security, treaties like the test ban which can be neither controlled nor enforced. We must not deceive ourselves and our friends into believing that nuclear weapons and modern technology can be negotiated out of existence.

5. We must stop helping communism, whether by trade, political concessions, technical disclosures, soft talk in the United Nations, recognition of Outer Mongolia, pilgrimages to Moscow or support for revolutionaries of the Castro type.

6. We must avoid economic collapse by scaling down extravagant and useless domestic programs and halt the squandering of our money on unrealistic worldwide aid programs.

Now, in conclusion I would remind you that in a mortal struggle there is no substitute for victory. The way I propose, the way of strength, is not an easy way. It is a hard course requiring determination and hard decisions involving risk. But it is the way of peace, not war; of freedom, not slavery. It is the way of all Americans, Republicans and Democrats alike; the way of all free people with the will to remain free. Thank you.

COLLECTIVE BARGAINING

Mr. MCNAMARA. Mr. President, one of the strongest foundations of our industrial society has been the development of free collective bargaining between labor and management.

Such bargaining has immeasurably benefited both employees and employers and has contributed much to the strength and wealth of our Nation.

However, in recent times there has been alarm expressed over a tendency to accept Government intervention as a substitute for collective bargaining.

This concern has been very well stated by Joseph A. Beirne, president of the Communications Workers of America, AFL–CIO, in an article in the CWA News for August.

I ask unanimous consent that the text of Mr. Beirne's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BIG GOVERNMENT MOVES INTO VACUUM WHEN COLLECTIVE BARGAINING FAILS

(By J. A. Beirne)

I am gravely concerned about the fate of collective bargaining when I see so many spokesmen in the field of labor and management looking to the Government for their answers.

In the few months since the Kennedy administration took over the reins of our Federal Government, we have seen more top-level labor-management representatives yield to Government solutions of negotiating problems than we had seen for a decade.

Furthermore, if predictions made in Washington are accurate, President Kennedy's aids are preparing to move into the field of collective bargaining in a way that will make everything up to now seem mild.

I do not charge the Federal Government with taking over. That is not my view at all.

As a matter of fact, it is perfectly natural for a strong President and a strong Secretary of Labor to provide the answers when asked, even urged, to provide those answers.

So the term "taking over" is wholly inaccurate in this context. It is much more a case of "moving in to occupy a vacuum"—and that is exactly what is happening, in my judgment.

I am certain that you recall the exciting moment when the new President told us to ask ourselves, not what America can do for us, but rather, what we can do for America. I believe that in the field of collective bargaining, it is fatal to look to the Government for all the answers. We are not apprentices in this field.

The history of organized labor dealing with organized management goes back for more than a century and a half. We have been through the dark chapter when it was illegal for workers even to meet together among themselves to discuss their standard of living. This was conspiracy. We have been through the stage when it was legal for employers to sign individual contracts with workers prohibiting union membership. Yellow Dog contracts. And we have witnessed passage of the Wagner Act, the Taft-Hartley Act, and Landrum-Griffin.

Do we want more and more and more laws regulating labor-management relations?

It is a hard question. But I say that if we get soft enough on the answer to that question, there is the danger that we will get soft on all the hard questions, and when that happens * * * look out. Here comes big government, with a vengeance.

Do we want to be spoon fed in the field of collective bargaining? If so, then beware the easy slide into a condition where we will want spoon feeding in every other area of our national life.

When the McClellan disclosures rocked the Nation—and the labor movement; when some units of labor were being held up to scorn (which they richly deserved), then there was a great cry to pass new laws, and Congress acted in response to those cries.

I am convinced now, as I was then, that the real solutions must be provided by the people, not by the Government.

I think now, as I thought then, that both management and workers ought to sit down and draw up the guidelines that will permit both to grow and prosper, which in turn would bring about added growth and new prosperity in the entire country.

Constructive ideas about how the community can prosper through a growing labor movement, a growing business world, that is what we need. Be constructive, and stop thinking in terms of destroying each other and rendering each other impotent.

For many years, it has been great sport among managers to slow down, and halt where possible, the growth of the labor movement. If those executives had exercised their responsibilities to their own organization, to their stockholders, by aiding rather than hindering the growth of labor, I believe that our Nation would be in a far stronger position now to combat the threat of Soviet Russia on the economic battlefield.

There would be less confusion in the field of collective bargaining, that's for sure. The point I am making is that business would be better off, if labor were better off. Every time a union is stifled, a chain of events is set in motion, and eventually, here comes government getting more and more and more into the act.

Now, if there is one thing you can name that throws free enterprise off center, it is big government getting into the act.

When Senator McCLELLAN was at the height of his investigation of labor and management—mostly labor—I said to my friends in the business community, "If you know anything good about the labor movement, say it now." Their silence was eloquent.

Then one day—and they never expected it to come so fast—we had the revelations about rigged bids, and top executives of General Electric, Westinghouse, and other great corporations were on the witness stand, in the glare of the flashbulbs and the television lights.

Does it strike you as a mere coincidence that labor-management relations are at a low ebb, in the same generations with new lows in ethics among some of the leaders in both camps? As a corollary, can we expect anything much better from the thousands of juvenile delinquents we read so much about * * * when, as a matter of fact, they obviously pick up their notions of behavior from their elders?

No, I am not off the track, I am very much on it, when I talk about labor-management relations and juvenile delinquency in the same breath.

The American way of life is made up of such things as how workers and management get along with each other, the code of ethics each side subscribes to, the acts of Congress and of individual men and women, our newspapers, television, our home life, religious training, the music we hear, the sights we see, and a million other things.

This way of life is not just an idle event in time and space. It is charged with meaning, for each one of us. For example, we do a good day's work for a good day's pay because that is a part of our concept of the good life; and we look down on the worker who fails to live up to the code.

But there is a drift. There is too much shoddy merchandise, and there are too many people who have forgotten the concept of "quality" as well as "quantity."

This same drift can take us into real catastrophe on the subject of "soft answers to hard questions." The free enterprise system is a going concern because it has faced up to the hard answers so often necessary in the economic arena. Organized labor is a vital part of this system because it has worked out the answers in true collective bargaining style—workers on one side of the table and management on the other—with government sitting in now and then to be sure that one side or the other didn't have too great an advantage.

We have witnessed the fact that government will provide the leadership when labor and management fail; and so I repeat: if we can't do it, somebody up there is going to do it for us.

Mr. MANSFIELD. Mr. President, is there further morning business?

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

FOREIGN ASSISTANCE ACT OF 1961

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, S. 1983, be laid before the Senate for consideration and may become the pending business.

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Washington [Mr. MAGNUSON].

BERLIN AND GERMANY

Mr. MANSFIELD. Mr. President, I have read partial texts and news accounts of Soviet Premier Khrushchev's recent addresses. These reports are sufficient to make clear that Mr. Khrushchev has a view of the attitudes of this Nation regarding peace, Berlin, and Germany which is not accurate. Further, they indicate that his views on these questions require elaboration if we are to appreciate the peaceful intent which is professed in them. The recent intensification of the danger of a blowup in the divided city, with incalculable consequences, emphasize the need for a prompt clarification.

Mr. Khrushchev is wrong, if he mistakes the voice of any fraction of the people of this Nation for the voice of the Nation on the issues of peace and war. The right of peaceful dissent is an inherent part of a system of freedom. But in the last analysis, the voices to which Mr. Khrushchev needs to pay attention in this Nation are those of the President and the Secretary of State. For regardless of dissent, bellicosity, or whatever in other quarters, it is the President who will determine the critical courses of action of the entire Nation. And under the President, only the Secretary of State is equipped to interpret his decisions in policy.

The President and the Secretary of State speak not for war, but for peace—not merely at Berlin and Germany, but everywhere on the globe. And they speak, too, for the defense of our rights which our national self-respect, no less than the grandeur of Russia of which Mr. Khrushchev spoke, requires us to preserve against threats or the hostile acts of others.

If Mr. Khrushchev means no harm to those rights at Berlin—and he insists in his statements that he does not—then there can be peace at Berlin. Beyond the defense of those rights against unilateral change by others, as I have said many times, I am not wedded to any particular situation at Berlin. I am personally persuaded that other situations can be developed, situations far better than that which has now existed for so many years despite the enormous changes in Germany and Europe and the world since World War II.

Indeed, Mr. Khrushchev has taken the initiative in this matter. He has insisted that the situation in Berlin must be changed. He has also insisted that the changes will not infringe upon our rights in that city, including the rights of access to West Berlin. Unfortunately, until now at least, he has indicated the changes which he desires, but he has not set forth in specifics how Western rights would be protected. What we really need, if there is to be peace as well as change at Berlin, is an elaboration on what the changes which Khrushchev proposes may mean. For example:

First. Mr. Khrushchev has contended that the East Germans can succeed to Soviet occupation rights in East Berlin by unilateral action. Does he recognize equally, then, that West Germans can succeed to Western rights of occupation in and access to West Berlin by unilateral action of the Western Powers?

Second. Since all of Berlin has been a common occupational responsibility of the Allied Powers; that is, the Soviet Union, France, Britain, and the United States, does it not follow that any peaceful change in the status of a part of Berlin to that of a free and neutralized city, must be coupled with a change of the status of all of Berlin, Soviet, and Western occupied enclaves, to that of a free city? I think that Mr. Khrushchev will recognize that unless he is prepared to extend his proposal of a free city to the entire city of Berlin—which he has never suggested—what he proposes is a unilateral change which is at least a political and ideological act of aggression even if it does not involve an act of military aggression.

Third. Mr. Khrushchev insists that the routes of access to Berlin will remain open after he signs a peace treaty with East Germany. He says that there will be any guarantees necessary to achieve this end. But what kind of guarantees? Will East Germany have control of the routes of access after a peace treaty is signed? Will Russian forces remain in control of them? Will they be transferred to the Western Powers whose forces remain in West Berlin, which would be most logical inasmuch as the

Soviet Union is the nation which desires to withdraw from its occupational responsibility? Or, if control is transferred to the East Germans, will the Soviet Union recognize and support the right of the Western nations to use whatever means may be necessary to guarantee access to Berlin if it should subsequently be impeded?

These, Mr. President, are some of the questions which must be faced and answered now, if there is to be a change at Berlin, a change in peace. These are some of the questions which must be answered to give substance to the assertions of peaceful intent which emanate from Moscow.

Mr. Khrushchev has said that we should sit down at a table and negotiate. I should like to think that these are the type of questions, Mr. President, at least as regards Berlin, which would form the substance of negotiations. I see little virtue at this time in trying to deal with these questions in a full-dress conference with all the theatrical trappings of an international melodrama. But I see much virtue in quiet, sober, preliminary discussions of these questions. I would suggest that we have an outstanding Ambassador in Moscow, and the Russian Ambassador in this city is most capable. The task might well begin with an exploration of the questions by these men and the diplomats of other nations involved. Or, if this means of communication is inadequate, others can be devised. It is not so important, Mr. President, who may initiate negotiations or in what circumstances they may be initiated; I should think the people of the world would be grateful to whomever had the courage to take the bull by the horns. But what is far more important is the substance of the negotiations. I would respectfully suggest that at the heart of the problem of peace at Berlin is not who talks with whom, who is bashful and who is bold in approaching negotiations. Rather, it is the sincerity of the desire to find mutually satisfactory answers to the kind of questions which I have enumerated and the skill of the diplomacy by which these answers are sought.

SOVIET GAINS, UNITED STATES LOSES IN TRADE IN TYPICAL COUNTRIES RECEIVING U.S. FOREIGN AID

Mr. PROXMIRE. Mr. President, last month I wrote the State Department to secure information on the progress of Communist influence in a selected group of countries to which we have given a massive amount of foreign aid. I also asked for a report on the course of United States and Soviet trade with each of these countries over the past 3 years and the ability of our Foreign Service officers in these countries to speak the language of the country. Finally, I asked how much we have spent in each foreign nation.

This mutual security bill should aid in overcoming the increased Soviet bloc trade offensive throughout the world. The value of Soviet exports to underdeveloped free world states increased from $71.8 million in 1954 to $183.9 million in 1959. Their imports from such countries increased from $121.1 million in 1954 to $384.3 million in 1959. Economic, military, and technical aid granted by the Communist bloc during 1958, 1959, and the first 10 months of 1960 totaled $3,265 million. The Soviet aid offensive has three principal motives. Good will trade seeks to orient the trading partner's foreign policy. Penetrative trade seeks to gain control of an important sector of the trading partner's economy, rendering the other country dependent upon the Communist bloc trade, with the possibility of bringing pressure to bear by threatening suspension of supply or demand "Disruptive" trade seeks to undermine the economic structure of the free world. It is widely charged, for example, that Soviet exports of petroleum and grain have this effect.

The Soviet trade challenge looms as a significant factor in the shaping of our foreign policy toward many sensitive areas of the world. In many areas, and particularly in underdeveloped nations, increasing dependence upon Communist bloc grants and supplies will provide growing opportunities for economic and political penetration.

If we are to meet the Soviet economic offensive, our policy must do more than proclaim to the world that trade with the Soviet bloc is immoral, dangerous, and of doubtful benefit. East-West trade is a fact, and its volume is expanding. We must discover a way to protect the general framework of international commerce against the spreading and increasingly disruptive activities of Communist state trading.

SOVIET TRADE SOARS

I requested the Department of State to investigate the success of the Soviet trade offensive in Afghanistan, Brazil, the Congo, Laos, South Korea, Spain, and Yugoslavia between 1957 and 1960. The facts are alarming. There is no significant Communist bloc trade with the Congo, Laos, and South Korea. On the other hand, trade between Afghanistan and the bloc increased by 48½ percent between 1957 and 1960. Trade between Brazil and the bloc increased 100 percent between 1957 and 1960. Trade between Spain and the bloc increased from $1.7 million to $29.9 million, an increase of 1,659 percent. Trade between Yugoslavia and the bloc increased by 52.7 percent.

I ask unanimous consent that a memorandum on this subject be printed in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

Question 1. Has there been Communist activity in Afghanistan, Brazil, Congo, Laos, Republic of Korea, Spain, and Yugoslavia in the last 2 years? To what extent?

Question 2. Has Communist influence increased in these countries during the last year? If so, why?

Answer:

AFGHANISTAN

The Soviet Union has undertaken a very active program of economic aid, military assistance, and cultural exchange in Afghanistan. It is represented by a large diplomatic group, military assistance mission, civilian technical assistance missions, and agents of Soviet state trading organizations. The Soviet Union is pursuing an exchange-of-persons program and is persistent in its attempts to make further cultural and educational penetration at all levels. Of particular importance is the large-scale training of Afghan military personnel being undertaken by the Soviets both in the U.S.S.R. and in Afghanistan. An Afghan-Soviet Friendship Society was started in Kabul, and an Afghan-Soviet cultural agreement was signed during Khrushchev's most recent visit to Kabul in March 1960.

Total Soviet economic and military assistance commitments to Afghanistan have been estimated to exceed $300 million, most of which has been on a loan basis. All major Soviet projects are either on or ahead of schedule. The Soviet performance has been characterized by crash operations and a willingness to concentrate their resources without regard to the institutional development and absorptive capacity of the Afghan economy.

Afghan officials continue to assert their intention to remain independent and neutral.

BRAZIL

The Communist Party is illegal in Brazil, but the Communists have been active for several decades both in underground activities and through the use of front parties which serve as a screen. In the last 2 years they have concentrated much of their effort on the restive rural population, particularly in the depressed northeastern areas of the country, as well as on their traditional targets, the university faculty members, students, and other intellectuals. While many of the latter who originally sympathized with the Castro movement in Cuba have since become disillusioned, "Fidelismo" has made some gains among the poverty-stricken plantation hands and unskilled urban workers.

CONGO

Since the abrupt departure of the Soviet and Czech missions from Léopoldville in September 1960, Communist activity in the Congo has been almost exclusively concentrated in Orientale Province. There has been a danger that the Gizenga regime in its redoubt in Stanleyville could become an enclave for Communist activity which could threaten the rest of the Congo.

LAOS

Mounting penetration by Communist elements from North Vietnam in the past 2 years, together with supplies and armaments airlifted in by the Soviet Union since December 13, 1960, have reinforced the pro-Communist Pathet Lao forces to such an extent that they were able to expand the territory under their control to large portions of the nation by the time the cease fire was called 2 months ago.

There is no evidence that the Communists have gained widespread support among the population. They have, however, been exploiting every possible means to gain converts and spread disaffection and confusion among the Lao. The disruption of the country's economy resulting from their aggressive action has, of course, had serious effects on the population.

REPUBLIC OF KOREA

Some Communist agitation has occurred in some student groups in the Republic of Korea, and in the aftermath of the war Communist subversive activities, including espionage, sabotage, and propaganda have continued in South Korea. The Republic of Korea Governments, past and present, have been energetic and resourceful in detecting and counteracting this activity, but the infiltration of agents from North Korea and the presence of a few resident Communists

active in underground operations, under the direction of North Korean authorities, make this an unending if relatively successful preventive exercise. The new administration of Gen. Pak Chung-Hui has adopted a vigorously anti-Communist stand.

SPAIN

In Spain the Communist Party and its activities are illegal, and Spain does not have diplomatic relations with any of the Iron Curtain countries. The Communist Party does function to a limited extent clandestinely and attempts to infiltrate and promote labor disturbances and student unrest. These efforts are generally unsuccessful, partly because of the active countermeasures taken by the internal security forces of the Spanish Government. The Communist attempt to promote widespread anti-Government demonstrations on June 18, 1959, the Spanish national holiday, was a complete failure as other opposition groups refused to participate. There are extensive broadcasts in the Spanish language to Spain from transmitters behind the Iron Curtain, but it is impossible to determine how many Spaniards listen to them and to what degree they are effective.

Information on this subject is, of course, difficult to obtain, but there has been no discernible increase in Communist activities in Spain in the last 2 years.

YUGOSLAVIA

The Government of Yugoslavia remains firmly Communist, but is no longer under Soviet domination. Many of the harsher aspects of Communist rule have disappeared, and a political and economic ideology has developed which differs markedly from that of the Soviet Union, and has frequently been termed by Soviet bloc authorities a serious danger to international Communist solidarity.

Question 3. (a) Has Communist trade with these countries increased in the last 3 years? If so, why?

Answer:

Total trade with the Sino-Soviet bloc

[In millions of U.S. dollars]

	1957	1960
Afghanistan	[1] 35.7	53.0
Brazil	76.5	153.0
Congo	[2]	[2]
Laos	.3	[2]
Republic of Korea	[2]	[2]
Spain	1.7	29.9
Yugoslavia	259.3	396.0

[1] Estimated 1958 figure, no data available for 1957.
[2] Negligible.
[3] No data available, probably negligible.

AFGHANISTAN

Trade with the bloc has increased under the stimulus of a large Soviet aid program. Much of the increased trade represents deliveries of assistances and the side effects of such deliveries. As a result of problems between Afghanistan and Pakistan, an easier transit situation, and the offer of attractive rates, Afghanistan's trade with the Sino-Soviet bloc has increased substantially.

BRAZIL

Trade with the bloc has been stimulated by substantial purchases of European satellite machines, equipment, and consumer goods. Imports from the U.S.S.R. have increased slightly and those from China negligibly. European satellite purchases of coffee and other crude materials have increased greatly. Brazil has many complementary attributes to the European satellite economies and traditionally exchanged large quantities of goods with these geographical areas. Bloc aid shipments to Brazil have been negligible and there are no outstanding commitments for assistance. Brazil-bloc trade will be stimulated in the future by recent agreements that nominally call for trade by 1965 of about $400 million.

CONGO

Belgium permitted no Communist bloc interference while it controlled the Congo, and most of the trade during that period was in fact with Belgium. Given the establishment of an independent government in the Congo, the bloc has not made much effort, except during the chaotic days of Lumumba, to establish economic relations in the area.

LAOS

Trade with the Communist bloc has been negligible because of the existence of regimes not overly receptive to bloc trade offers. Moreover, the United States and Western European countries have largely preempted whatever trade might have been carried on with developed countries. Some border trade with North Vietnam and Communist China probably has occurred, but it is impossible to estimate the volume of such exchanges.

REPUBLIC OF KOREA

South Korean trade has been largely preempted by Western (including Japanese) tradesmen. The anti-Communist stand of the past South Korean regimes has been a stolid obstacle against exchanges with Communist bloc countries. Some illegal or unnoticed border trade with North Korea probably has occurred.

SPAIN

Trade with the Communist bloc has increased primarily because of bloc purchases of such Spanish products as cork and has taken place under a number of bilateral agreements with Communist bloc countries. However, Spain's trade with the bloc is very small compared with its total world trade. No bloc aid has been given to spain. The major portion of the bloc Spanish trade is with the European satellites. Spain has been seeking new markets in recent years and has become somewhat less fearful of the bloc as a trading partner.

YUGOSLAVIA

Trade with the Sino-Soviet bloc has been increasing because of the natural proximity of certain satellite countries. Much of the Yugoslav trade with the bloc is with Danube riparian countries. Bloc aid to Yugoslavia has been nonexistent for the past 3 years. Tito's concept of neutralism requires him to maintain a "balance" in economic relations between the bloc and the West. Despite the rebuffs of 1957, Tito is confident of his ability to retain a solid unalined position while carrying on large trade exchanges with bloc countries.

Question 3(b). Has U.S. trade (with these countries) increased or decreased?

Answer:

AFGHANISTAN

U.S. trade with Afghanistan has remained fairly constant, except for minor annual fluctuations caused by market conditions.

Afghanistan's trade with the United States

[In millions of U.S. dollars]

Exports to the United States:	
1958	14.0
1959	16.4
1960	19.8
Imports from the United States:	
1958	10.4
1959	6.9
1960	9.2

BRAZIL

U.S. trade with Brazil has decreased for a number of reasons. The problem of balance of payments has caused Brazil to reduce many imports from the United States and seek alternative sources. This is due partly to the fact that nearly one-third of Brazil's exports are mortgaged against debt repayments, largely in dollars and other convertible currencies. On the other hand, the United States is a static market for Brazil's exports, while the prices of these exports have been declining, thus reducing their dollar earnings and ability to purchase from the United States.

Brazil's trade with the United States

[In millions of U.S. dollars]

Exports to the United States:	
1958	566.9
1959	628.5
1960	570.2
Imports from the United States:	
1958	534.1
1959	412.5
1960	426.2

CONGO

Because of the chaotic conditions in the Congo during the past year, all oversea trade with that country has decreased.

LAOS

U.S. trade with Laos appears to have remained relatively constant although the high incidents of smuggling makes available figures unreliable.

REPUBLIC OF KOREA

Exports to the United States have increased while imports (more than 90 percent financed by U.S. aid) have declined somewhat with reductions in our aid to the Republic of Korea.

SPAIN

Spanish world trade as a whole has increased in the last 2 years as Spain has sought additional markets for her products. Spain"s trade with the United States has increased during the last 2 years as a result of the liberalization of its import regulations.

Spain's trade with the United States

[In millions of U.S. dollars]

Exports to the United States:	
1958	48.8
1959	61.3
1960	72.4
Imports from the United States:	
1958	188.3
1959	186.2
1960	140.6

YUGOSLAVIA

The fluctuation in the level of U.S. exports to Yugoslavia reflects the varying level of our assistance to that country.

Question 4. How many Americans are officially stationed in each of these countries? Please include all members of Embassy, ICA, USIS, and other diplomatic or aid groups, as well as military forces. How many dependents are residing there?

Answer: The following tables comprise Department of State, ICA, and USIS employees and their dependents. Figures on military personnel are within the jurisdiction of the Department of Defense.

U.S. citizen employees of the Department of State and their dependents Mar. 31, 1960

Country	Employees	Dependents	Total
Afghanistan	37	43	80
Brazil	114	188	302
Congo	16	32	48
Korea, Republic of	63	71	134
Laos	49	24	73
Spain	91	145	236
Yugoslavia	56	72	128

U.S. citizen employees and contract employees of the International Cooperation Administration and the dependents of each group, Mar. 31, 1960

Country	U.S. citizen employees	Employees' dependents	Contract employees	Contract dependents	Total
Afghanistan	87	109	130	178	504
Brazil	109	223	36	80	448
Congo	0	0	0	0	0
Korea, Republic of	324	429	248	276	1,277
Laos	145	108	21	10	284
Spain	31	56	9	16	112
Yugoslavia	31	35	6	2	74

U.S. citizen employees and binational center grantees of the U.S. Information Agency and their dependents, Mar. 31, 1960

Country	Employees	Grantees	Employees' dependents	Grantees' dependents	Total
Afghanistan	7	1	12	2	22
Brazil	28	18	62	46	154
Congo	0	0	0	0	0
Korea, Republic of	24	0	30	0	54
Spain	15	1	41	5	62
Yugoslavia	18	0	28	0	46
Laos	16	0	18	0	34

Question 5. How many Americans at Foreign Service posts read, write, and speak the language of the country?

Answer:

	Total officers assigned May 31, 1961 [1]	Number of officers with speaking proficiency in primary or secondary foreign language
Afghanistan	131	11
Brazil	217	109
Congo	24	20
Laos	154	60
Korea	280	10
Spain	80	62
Yugoslavia	66	38

[1] Total officers assigned includes State Department's Foreign Service officers, USIA and ICA officers in the Foreign Service Reserve Corps, classes 1 through 8, and Foreign Service Staff Corps, classes 1 through 10.

Question 6: How many of these personnel (Americans officially stationed in the country concerned) are attending school while living in these countries, and for how many hours a week? What are they studying?

Answer: The following tabulation shows the number of personnel participating in language instruction programs at the rate of at least 5 hours a week during the quarter ending March 31, 1961, in the countries indicated:

Country and language	Number of students: Employees: Group instruction	Employees: Individual instruction	Wives of employees	Total
Afghanistan: [1]				
Persian [1]	42	6	11	59
French	4	0	1	5
Brazil: Portuguese	108	23	22	153
Congo: French	21	1	8	30
Korea, Republic of:				
Korean	30	11	7	48
Spain: Spanish	23	14	9	46
Yugoslavia:				
Serbo-Croat	26	8	11	45
German	3	1	0	4
French	14	0	1	15

[1] Persian is the most commonly spoken language in government, in the capital city of Kabul, and in most of the larger cities and towns.

Among the personnel included in the above totals the following numbers of employees were scheduled for at least 10 hours of instruction per week during some part of the quarter:

Country and language	Number of students: Employees: Group instruction	Employees: Individual instruction	Wives of employees	Total
Brazil: Portuguese	29	10	9	48
Korea: Korean	15	----------	1	16

Language instruction in Laos has been interrupted during the recent period of crisis. Records for the period immediately preceding the battle of Vientiane in December 1960 were destroyed. The following is the record of participation during the quarter ending September 30, 1960:

Country and language	Number of students: Employees: Group instruction	Employees: Individual instruction	Wives of employees	Total
Laos:				
French	37	0	7	44
Mandarin (Chinese)	0	0	1	1
Lao	10	0	2	12

Question 7. How many foreign nationals are employed by the United States in each of these countries? Please give me a breakdown of their positions.

Answer:

Foreign nationals employed abroad by the Department of State, USIA, and ICA [1] May 31, 1961

Country	State	USIA	ICA paid from U.S. Government funds	ICA paid from foreign trust funds	Total
Afghanistan	32	15	324	----------	371
Brazil	145	132	189	----------	466
Congo	31	8	----------	----------	39
Korea, Republic of	112	162	180	879	1,333
Laos	34	72	316	203	625
Spain	166	96	33	----------	295
Yugoslavia	91	93	47	----------	231

[1] A breakdown on the positions held by these employees is to follow.

Question 8: How much does it cost to support one American in each of these countries? This should include all the funds required to maintain him, including: transportation to and from the oversea post, the cost of maintaining the PX and commissary, the cost of transporting the supplies to the commissary and PX from America, pay, hardship allowances, housing allowances, local transportation, entertainment, rest camps, medical facilities, etc.

Answer: It cost an average of $17,300 to maintain and give program support to each American State Department employee overseas in fiscal year 1960 regardless of the number of his dependents. This figure contains all costs including salary, differentials, allowances, retirement contributions, official travel and transportation to and from the country and official travel within the country, rent, utilities, communications, printing, equipment, building repair, maintenance, training, medical costs, hospitalization, representation expenses, and all other costs including transportation of remains.

The figure does not include overhead costs incurred here in the Department such as the salaries of the staffs in Washington, nor does it contain a factored charge for the amortization of capital costs of owned buildings abroad.

An average figure for all countries and posts abroad is used because of variation in costs between posts and countries. Local price levels and wage scales vary from country to country. There is a variation in grade and salary rate among officers in different countries and the size of staffs varies with the impact of events. Furthermore the size of families varies, changing costs in housing and educational allowances between countries.

The State Department does not have post exchanges (PX's) and the commissaries are cooperative organizations operated at no cost to the Government. The State Department does not furnish motion pictures for its employees nor recreation camp expenses.

Mr. PROXMIRE. Mr. President, the trade between Afghanistan and the Soviet bloc has increased because of new roads into that country from the northwest and as a result of a large Soviet aid program.

The trade between Brazil and the bloc has increased as a result of substantial earnings of foreign exchange on Brazil's part by selling to Eastern European countries, rather than Russia. This increase in trade is a perfect example of the need such countries have for foreign exchange before they can buy the machinery and consumer goods they so desperately want to have.

The trade between Spain and the bloc has increased as a result of credits extended to Spain by Eastern European countries purchasing cork and other Spanish products, although the volume of such trade is still small, compared to Spain's total trade.

The trade between Yugoslavia and the bloc reflects the traditional interchange of goods in Eastern Europe. The Communist bloc has not granted aid to Yugoslavia for 3 years.

Our own capacity to counteract the effects of Soviet trade must be increased in light of this increasing effort on the part of the Soviets. But the fact is that our exports to Afghanistan, Brazil, Spain, and Yugoslavia have fallen during the same 3-year period. Afghanistan imported $9.2 million worth of goods from the United States in 1960, 11½ percent less than in 1958. Brazil imported $426.2 million worth of goods from the United States in 1960, 20 percent less than in 1958. Spain imported $140.6 million worth of goods from the United States in 1960, 25⅓ percent less than in 1958.

As I have pointed out, the ability of such countries to import from us is directly related to the amounts we permit them to earn through exports to this country, and the soundness of their own economic structures. We encourage the latter through this bill. As we pass it, we pledge ourselves to increasing the ability of other nations to sell in this country.

Our record in meeting the Soviet trade offensive has been deplorable.

COMMUNIST TRADE UNDERMINES UNDERDEVELOPED NATIONS

We can be sure that no country need export valuable commodities to Communist bloc countries for less than their

fair value. If the Communists seek to obtain these goods, we can see to it that they pay a fair price for them, so that the underdeveloped nations are strengthened as a result. At the moment, it is too often true that the Soviets are able to pick up desirable raw materials for less than their true worth, because they can pressure other nations into selling cheap. It may be said that inexperienced traders do not write enough safeguards into their trade agreements with Communist bloc countries. It often seems to leaders of such countries that they strike a blow for peace by signing a trade agreement. They strike a blow against peace and against the future of their own people if they do not secure advantageous conditions. Underdeveloped nations, so-called, had 75 trade or payments agreements with Communist bloc nations in 1954. In 1960 they had 206 such agreements. These nations have a right to profitable conditions in their trade with the Communist bloc. We must insure, by wise trading and economic know-how, that such trade works, if not in our favor, at least in favor of the nations we seek to aid.

We cannot put ourselves in the position of buying all of the surplus rubber, cocoa, coffee, and other products which the underdeveloped nations desire to sell. But we can direct our own efforts to insure the maintenance of a stable international market for such products. It is to our own profit to do so. If, by so doing, we can deprive the Communist bloc of the political advantages of their trade with underdeveloped nations, we shall strike a blow for the objective set forth in the bill's preamble. The experience of trading partners with Communist bloc trade has not been uniformly heartening. We can make plain that they often pay more than they should for the dubious privilege of allowing Soviet technicians to enter their countries to supervise trade.

President Kennedy has challenged the Soviets to an era of competition in trade. We can and should increase our trade to the underdeveloped nations and offer terms which will beat the Soviets and force them to give up the political tolls they presently exact.

AMERICAN OFFICIALS INABILITY TO SPEAK NATIVE LANGUAGE

If we are to win the cold war, if we are to have expanded trade with the underdeveloped nations and enlist them as members of a stable international economic order, we must improve our ability to communicate with the people of these lands. One area of serious weakness also disclosed by the State Department's letter to me continues to be the lack of language qualifications among our oversea personnel.

It has been too often argued that diplomats do not need to speak the language of the country to which they are assigned, as French and English serve as standard diplomatic languages. It has also been argued that aid technicians do not depend for their success upon a knowledge of the language. What is overlooked is the fact that diplomats who do not speak the languages spoken in the country meet an unrepresentative section of the population of these lands. Technicians who do not speak the language have little impact upon the country in which they serve and learn too little about the problems of the people themselves. Accordingly, I requested the Department of State to furnish me with a study of the language skills of our representatives abroad. I ask unanimous consent that a report entitled "Language Capabilities and Training of U.S. Nonmilitary Personnel at Foreign Service Posts," be printed in the RECORD at the conclusion of my remarks.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. PROXMIRE. Mr. President, I am discouraged to read that the Department of State is apparently satisfied if personnel speak French or English as a lingua franca as a substitute for local dialects. In India 845 languages and dialects are spoken, but this is no excuse for learning English alone. Two hundred million people speak Hindustani, which in the written form called Hindi is the official language of India. Seventy-nine million people speak Bengali. I should like to think that we had at least one person in India who could speak the Gujarati tongue spoken by 20 million people, the Kannada tongue spoken by 19 million, the Marathi tongue spoken by 32 million, the Malayalam tongue spoken by 15 million, the Oriya tongue spoken by 14 million, the Rajasthani tongue spoken by 17 million, the Punjabi tongue spoken by 24 million, and the Telugu tongue spoken by 39 million. All of these are official languages under the Constitution of India. This is an extreme case. There are countries whose languages might be considered difficult, such as demotic modern Greek, Hausa in West Africa, or Arabic, which are spoken by substantial percentages of the people. Where this is the case, regardless of the prevailing diplomatic language, we must have skilled linguists among our representatives. It is encouraging to know that 283 employees of USIA, CIA, and the Department of State show up before office hours at the Foreign Service Institute to study languages. I think the 177 students presently enrolled for more than 6 months in the study of so-called hard or esoteric languages deserve commendation and support. They also ought to have more company. At the moment the number of languages in the world well outnumbers the 679 officers trained to speak non-Romance languages. That number must be increased if we are to have broad and effective representation. If official contacts are to be turned into fruitful exchanges of opinion, and if trade opportunities are to be taken advantage of, we can no longer content ourselves with contacts in official languages. Of 2,540 Foreign Service officers given checkups in language by the Foreign Service Institute since August 1958, only 60 percent met the minimum proficiency requirements in one language.

There are 145 languages each spoken by more than 1 million people. In my belief, it is not asking too much of the Department of State and of our aid programs to have representatives proficient in each of these languages attached to the aid mission and embassy or consulate in each area.

SHOCKING LANGUAGE RECORD IN KEY COUNTRIES

In Laos, where French is the second language, 10 employees are presently receiving instruction in Lao out of a total of 154 officers assigned—includes State Department's Foreign Service officers, USIA and ICA officers in the Foreign Service Reserve Corps, classes 1 through 8, and Foreign Service Staff Corps, classes 1 through 10. Of that 154, only 60 could speak either French or Lao and I do not wonder that the State Department was reluctant to give figures in each case.

In South Korea, where no romance language is spoken as a second tongue, only 10 out of 280 such officers had minimum proficiency in Korean, and 41 more as well as 7 wives were studying the language.

In Afghanistan, only 11 out of 131 had attained minimum proficiency in either Persian or French, and I am not informed as to the percentage of that 11 who spoke Persian; 48 officers and 11 wives were studying Persian on March 31, 1961. This would bring the total, along with 4 studying French, who had minimum proficiency in 1 of the 2 languages to 63 out of 131. This is not enough. Furthermore, 11 million people in the world speak Pushtu, and most are in Afghanistan, which has a population of only 12 million. I would like to think that someone in Afghanistan could speak this dominant tongue, but I see no evidence of the fact.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter I wrote to the Secretary of State; the reply which I received from Assistant Secretary of State Brooks Hays; an additional reply which I received subsequently; a table supplied to me by the Department of State indicating the amounts spent in each country of the world by our Government in international educational exchange activities; and the full series of tables labeled "U.S. Foreign Assistance and Assistance From International Organizations," be printed in the RECORD at this point.

There being no objection, the letters and tables were ordered to be printed in the RECORD, as follows:

JULY 11, 1961.

Hon. DEAN RUSK,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: I would very much like to have your replies to a series of questions pertaining to American oversea aid programs, with reference to the following countries: Afghanistan, Brazil, Congo, Laos, Republic of Korea, Spain, and Yugoslavia. The replies should deal with each country separately, as fully as possible.

The list of questions follows:

1. Has there been Communist activity in these countries in the last 2 years? To what extent?

2. Has Communist influence increased in these countries during the last year? If so, why?

3. Has Communist trade with these countries increased in the last 3 years? If so, why? Has U.S. trade there increased or decreased?

4. How many Americans are officially stationed in each of these countries? Please include all members of Embassy, ICA, USIS, and other diplomatic or aid groups, as well as military forces. How many dependents are residing there?

5. How many of these people read, write, and speak the language of the country?

6. How many of these personnel are attending school while living in these countries, and for how many hours a week? What are they studying?

7. How many foreign nationals are employed by the United States in each of these countries? Please give me a breakdown of their positions.

8. How much does it cost to support one American in each of these countries? This should include all the funds required to maintain him, including: transportation to and from the oversea port, the cost of maintaining the PX and commissary, the cost of transporting the supplies to the commissary and PX from America, pay, hardship allowances, housing allowances, local transportation, entertainment, rest camps, medical facilities, etc.

9. What is the total amount of money spent in each foreign nation per year by the United States? This should include, foreign aid, military aid, grants, education, and cost of maintaining our people. I would appreciate having a detailed breakdown for each category.

I recognize that preparation of detailed answers to these questions will take some time, but I would be most grateful if I could have your reply as soon as possible.

Sincerely,

WILLIAM PROXMIRE,
U.S. Senator.

DEPARTMENT OF STATE,
Washington, D.C. July 31, 1961.

Hon. WILLIAM PROXMIRE,
U.S. Senate.

DEAR SENATOR PROXMIRE: In your letter of July 11, 1961, to the Secretary requesting information in regard to nine different aspects of American oversea programs in seven countries, you indicated your belief that preparation of detailed answers to these questions would take some time. It is, in fact, doubtful whether even exhaustive research and painstaking compilation of data and standardization of criteria would produce useful definitive results because of the broad nature of the questions themselves. In view of the urgent need for replies which your office has made known to us, however, we have prepared the materials enclosed with this letter. A detailed reply to question nine, excluding military data which is within the jurisdiction of the Department of Defense, will follow as soon as ready.

The enclosed materials are in the form of narrative and tabulated replies to your questions one through eight. As supplements to the tables answering questions five and six, I enclose a statement on language skills and training which should help to put these matters in perspective, as well as a complete tabulation of the numbers of personnel taking language training sponsored by the Department of State at foreign posts during the quarter ending March 31, 1961. This tabulation breaks down the total enrollment by agency, by language, and by post. As an additional annex in partial reply to your question nine, I enclose the publication of the International Cooperation Administration entitled "U.S. Foreign Assistance and Assistance from International Organizations—July 1, 1945 through June 30, 1960."

Sincerely yours,

BROOKS HAYS,
Assistant Secretary.

DEPARTMENT OF STATE,
Washington, D.C., August 14, 1961.

Hon. WILLIAM PROXMIRE,
U.S. Senate.

DEAR SENATOR PROXMIRE: In accordance with our letter of July 31, 1961, and subsequent correspondence and telephone conversations with members of your staff, I am pleased to be able to provide you with supplementary information which completes the reply to the ninth question in your letter of July 11.

The enclosed publication "U.S. Foreign Assistance" brings up to June 30, 1961, the data in the similarly entitled publication we sent with our earlier reply. This has just been received from the printers and provides the most recent information available.

The tabulation, by country, of the Department of State's international educational exchange activities also represents the most current figures. This completes the categories of information requested in your ninth question. We hope the figures are subdivided in a fashion to satisfy your needs.

Sincerely yours,

BROOKS HAYS,
Assistant Secretary.

DEPARTMENT OF STATE—INTERNATIONAL EDUCATIONAL EXCHANGE ACTIVITIES

Total program funds, fiscal years 1959–61 [1]

Area and country	Fiscal year 1959	Fiscal year 1960	Fiscal year 1961 [1]
American Republics:			
Argentina	$706,132	$377,729	$532,711
Bolivia	290,504	232,879	299,992
Brazil	978,736	729,549	1,206,804
Chile	553,730	391,700	437,561
Colombia	472,768	306,816	1,785,110
Costa Rica	103,687	128,203	149,403
Cuba	127,250	187,976	53,378
Dominican Republic	23,596	21,681	50,064
Ecuador	314,845	365,622	324,550
El Salvador	107,327	82,233	95,818
Guatemala	274,808	285,154	287,999
Haiti	86,522	60,061	70,841
Honduras	90,168	98,202	114,517
Mexico	842,518	334,064	311,578
Nicaragua	103,034	78,295	77,252
Panama	120,141	123,092	144,697
Paraguay	117,917	129,525	162,229
Peru	526,476	390,287	525,413
Uruguay	231,581	225,500	472,135
Venezuela	334,437	311,713	351,565
Regional	260,011	169,494	344,103
Total	6,666,188	5,029,775	7,797,720
Western Europe:			
Austria	379,855	816,728	390,933
Belgium-Luxembourg	232,773	236,840	193,760
British Guiana	21,610	14,577	16,291
British Honduras		495	
Canada		15,149	15,527
Denmark	285,505	291,447	280,239
Finland	497,931	613,809	1,158,331
France	2,052,897	1,589,114	1,850,735
Germany	1,356,692	1,408,766	1,572,513
Iceland	106,230	178,849	156,940
Ireland	175,812	174,868	131,155
Italy	1,839,591	1,430,094	1,431,575
Jamaica	8,654	11,770	9,153
Malta	15,318	14,279	3,447
Martinique	11,466	6,121	10,339
Netherlands	347,988	359,281	361,082
Norway	266,960	279,204	319,031
Portugal	43,238	120,979	174,372
Spain	203,066	294,181	554,836
Sweden	68,852	154,882	158,479
Switzerland	20,899	20,434	13,236
Trinidad	35,403	17,197	30,939
United Kingdom	1,015,795	1,088,031	936,564
Regional	45,587	38,790	223,198
Total	9,032,122	9,175,885	9,992,675
Eastern Europe:			
Bulgaria			10,425
Czechoslavakia			9,087
Poland	41,242	68,820	176,543
Rumania			20,541
U.S.S.R.	81,574	171,615	216,657
Yugoslavia	72,258	136,537	287,959
Regional	29,608		
Total	224,682	376,792	721,212

Footnotes at end of table.

Total program funds, fiscal years 1959–61 [1]—Continued

Area and country	Fiscal year 1959	Fiscal year 1960	Fiscal year 1961 [1]
Far East:			
Australia	$468,723	$474,083	$472,801
Burma	471,494	402,799	995,887
Cambodia	257,322	313,274	289,047
China	379,357	302,372	458,295
Hong Kong	55,277	29,482	40,343
Indonesia	445,945	410,992	855,052
Japan	1,394,735	861,807	[2] 1,962,764
Korea	267,428	226,610	396,656
Laos	107,817	117,886	137,581
Malaya	194,722	215,408	288,059
New Zealand	165,051	173,198	177,410
Philippines	462,110	1,012,075	526,908
Singapore	67,145	77,140	83,902
Thailand	427,146	430,171	445,058
Vietnam	156,472	156,508	283,086
Far East—U.N. trust territories			14,616
Regional	221,488	158,568	309,839
Total	5,542,232	5,362,463	[3] 8,427,804
Near East and South Asia:			
Aden	15,385	15,462	30,986
Afghanistan	55,104	76,842	217,307
Ceylon	136,621	222,042	297,680
Cyprus	23,476	54,742	98,371
Greece	470,289	1,127,620	618,524
India	1,201,925	1,245,467	3,103,852
Iran	534,574	551,330	480,784
Iraq	12,772	67,918	83,767
Israel	136,162	123,203	314,822
Jordan	83,815	130,590	145,008
Lebanon	79,033	139,515	143,887
Nepal	30,434	54,076	154,521
Pakistan	753,970	765,741	1,576,707
Saudi Arabia	4,828	18,002	27,492
Sudan	116,746		
Turkey	296,067	1,192,141	977,739
United Arab Republic	177,953	1,371,905	1,615,060
Yemen		43,928	40,972
Regional	263,999	124,698	220,015
Total	4,393,153	7,325,222	10,147,494
Africa:			
Angola	4,701	4,504	5,170
Basutoland	4,661		
Belgian Congo	17,515		
Cameroun	6,289	24,294	54,183
Congo, Republic of		43,898	121,993
Congo, Republic (Chad, Gabon, and Central African Republic)			25,510
Ethiopia	48,527	58,728	72,193
Federation of Rhodesia and Nyasaland	88,866	89,617	103,317
French Equatorial Africa	13,711		
French West Africa	25,538		
Ghana	91,590	108,139	159,735
Guinea		74,950	97,281
Ivory Coast, Niger, and Upper Volta			64,361
Kenya	70,472	114,581	84,928
Liberia	25,722	30,357	58,852
Libya	43,566	62,672	133,770
Malgache		11,070	22,126
Mali Federation		56,369	111,791
Morocco	489,821	279,306	610,505
Mozambique	4,867	4,838	35,983
Nigeria	158,404	160,643	197,153
Sierra Leone	18,484	19,240	32,549
Somali	14,104	39,315	59,096
Sudan		96,203	164,664
Tanganyika	26,956	43,922	71,037
Togo	4,475	31,057	64,559
Tunisia	123,600	157,132	160,794
Uganda	36,693	79,292	67,844
United Kingdom colonial areas	264,395	347,908	340,702
Union of South Africa	88,537	134,450	174,014
U.N. trust territories	39,188	27,653	19,609
Zanzibar	10,063	8,023	10,386
Regional	108,524	44,019	326,726
Total	1,829,269	2,152,180	3,450,831

[1] Estimated.
[2] ICA $690,500.
[3] Including ICA funds for Japan.

U.S. FOREIGN ASSISTANCE AND ASSISTANCE FROM INTERNATIONAL ORGANIZATIONS—OBLIGATIONS AND OTHER COMMITMENTS—JULY 1, 1945, THROUGH JUNE 30, 1961

GENERAL NOTES

These data show U.S. assistance from July 1945 to June 1961 to countries participating in the mutual security program. They include all types of assistance and are, in

general, on an obligations or commitments basis.

Economic

Mutual Security Program

International Cooperation Administration—Obligations for economic and technical assistance made by ICA and its predecessor agencies, particularly the European recovery program.

Development Loan Fund: Loans and guarantees approved by the Board of Directors of the DLF.

Other MSP economic—mainly MSP—financed contributions to certain international agencies such as U.N. technical assistance, Palestine refugees (UNRWA), etc., administered by State Department.

Other Economic Assistance

Public Law 480: Agricultural Trade Development and Assistance Act of 1954.

Title I—Sales for foreign currency: Figures for sales agreements, shown as a parenthetical item not added into total assistance, represent the export market value of sales agreements signed during each year. Figures for "Planned for Grants and Loans" represent those portions of the foreign currency proceeds of the sales which are planned as loans or grants to the recipient countries under section 104 of the act.

Title II—Emergency assistance and economic development: Value at CCC cost of commodities authorized to be transferred to help friendly foreign people to meet famine or other extraordinary relief requirements, and for economic development.

Title III—Donations to voluntary relief agencies: Value at CCC cost of commodities authorized for transfer to voluntary relief agencies such as CARE, National Catholic Welfare Conference, etc., for distribution abroad to needy people.

Export-Import Bank long-term loans—Authorizations for loans of 5 years or more made by the Export-Import Bank.

Other non-MSP economic programs—Programs included here are listed in the footnote to the table on page 1.

Military

Mutual Security Program

Primarily grants of military equipment, supplies, and services purchased with appropriated funds. Small amounts of sales initially credit-financed with MAP funds are included. Annual data represent net deliveries. The cumulative total under obligations represents the total amount programed for the period 1950–61; the cumulative total under expenditures represents total deliveries through June 30, 1961 against this program. Transfers from excess stocks are shown in parenthesis.

Other Military Assistance

Included here are the military portion of "Greek-Turkish aid," "China naval aid," "Public Law 454 Philippines aid," and certain other programs.

MSP countries, summary by fiscal year and program—U.S. foreign assistance, obligations and commitments [1]

[Millions of dollars]

	U.S. fiscal years														Total,[2] 1946–61
	1946–48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961, preliminary	
Economic, total	13,951.2	8,113.8	5,104.8	3,662.3	2,469.8	2,603.7	2,428.5	2,727.4	2,678.1	3,325.7	2,982.7	3,637.3	3,400.5	4,480.6	61,396.3
Grants	6,227.6	6,483.6	4,471.3	3,130.8	2,157.0	2,150.4	2,289.9	2,050.3	1,905.4	1,959.9	1,696.7	1,711.9	1,945.4	2,290.4	40,275.3
Loans	7,723.6	1,630.2	633.5	531.5	312.8	453.3	138.6	677.1	772.7	1,365.8	1,286.0	1,925.4	1,455.1	2,190.2	21,121.0
Mutual security economic program, total		6,283.0	3,614.4	2,626.8	1,980.6	1,949.3	2,236.8	1,862.^	1,549.9	1,664.9	1,641.1	1,931.5	1,886.4	2,106.9	31,163.9
International Cooperation Administration		6,163.3	3,614.0	2,611.8	1,888.1	1,877.5	2,159.0	1,749.0	1,468.7	1,534.0	1,234.0	1,255.0	1,254.0	1,279.4	27,922.3
Technical cooperation		2.5	13.0	16.5	53.9	67.5	135.1	118.7	133.8	131.3	129.9	145.0	156.5	154.9	1,224.9
Other		6,160.8	3,601.0	2,595.3	1,834.2	1,810.0	2,023.9	1,630.3	1,334.9	1,402.7	1,104.0	1,110.0	1,097.5	1,124.5	26,697.4
Development Loan Fund											267.4	569.4	522.7	652.6	2,012.1
Other MSP economic		119.7	.4	15.0	92.5	71.8	77.8	113.0	81.1	130.9	139.7	107.1	109.7	174.9	1,229.6
Other economic assistance	13,951.2	1,830.8	1,490.4	1,035.5	489.2	654.4	191.7	865.4	1,128.3	1,660.8	1,341.6	1,705.8	1,514.1	2,373.7	30,232.3
Public Law 480:															
Title I: Planned for grants and loans								222.4	484.2	777.9	418.6	642.1	883.9	828.6	4,257.4
104c, Grants for common defense								34.0	79.9	108.7	71.1	35.0	20.0	66.0	414.7
104d, Grants from triangular trans								2.9	3.9	27.0	5.4				39.2
104e, Grants for economic development								45.2	51.3	54.0	9.8	81.0	292.8	254.4	788.6
104e, Loans to private industry										1.8	85.2	139.9	97.5	64.6	388.8
104g, Loans to governments								140.3	349.1	586.4	247.1	386.2	473.6	443.6	2,626.2
(Total sales agreements)								(347.0)	(654.7)	(1,016.8)	(730.8)	(892.0)	[3](1,133.2)	(1,126.3)	(5,900.8)
Title II: Emergency relief								102.1	98.0	98.9	85.4	51.2	62.0	289.7	787.3
Title III: Voluntary relief agencies					82.5	4.2	60.4	194.9	294.4	267.1	287.2	233.7	165.9	227.5	1,826.8
Export-Import Bank long-term loans [4]	2,033.2	148.4	330.5	263.0	111.6	389.2	38.1	336.9	212.2	447.8	534.6	765.9	311.8	946.4	6,869.2
Other U.S. economic programs [5]	11,918.0	1,682.4	1,159.9	772.5	295.1	261.0	84.2	9.1	39.5	69.1	15.8	12.9	90.5	81.5	16,491.5
Military, total	481.2	301.3	76.0	980.4	1,481.2	4,272.0	3,379.7	2,479.0	2,963.8	2,127.7	2,398.0	2,153.7	1,839.8	1,631.5	29,130.3
Grants	481.2	301.3	76.0	980.4	1,481.2	4,272.0	3,379.7	2,479.0	2,956.3	2,120.6	2,359.4	2,094.0	1,812.5	1,585.3	28,918.4
Loans									7.5	7.1	38.6	59.7	27.3	46.2	211.9
Mutual security military progress (charged to appropriation)			55.7	980.4	1,481.2	4,158.8	3,295.9	2,395.6	2,927.5	2,085.0	2,363.6	2,109.8	1,724.3	1,588.9	27,731.7
(From excess stocks)			(33.1)	(289.1)	(190.7)	(140.0)	(107.2)	(41.9)	(106.1)	(53.2)	(257.3)	(197.4)	(289.0)	(180.0)	(1,937.6)
Other military assistance	481.2	301.3	20.3			113.2	83.8	83.4	36.3	42.7	34.4	43.9	115.5	[6]42.6	1,398.6
Total economic and military	14,432.4	8,415.1	5,180.8	4,642.7	3,951.0	6,875.7	5,808.2	5,206.4	5,644.3	5,453.4	5,380.7	5,821.6	5,276.7	6,112.1	90,526.5
Mutual security program		6,283.0	3,670.1	3,607.2	3,461.8	6,108.1	5,532.7	4,257.6	4,477.3	3,749.9	4,004.7	4,041.3	3,610.7	3,695.8	58,895.6
Other assistance	14,432.4	2,132.1	1,510.7	1,035.5	489.2	767.6	275.5	948.8	1,167.0	1,703.5	1,376.0	1,780.3	1,666.0	2,416.3	31,630.9

MUTUAL SECURITY PROGRAM EXPENDITURES

MSP expenditures, total		4,527.8	3,515.6	3,820.7	3,702.9	6,048.1	4,809.1	4,524.9	4,644.4	3,707.9	3,802.8	3,637.9	3,342.7	3,394.8	53,542.5
Economic, total		4,527.8	3,459.9	2,840.3	2,281.7	1,889.3	1,513.2	2,129.3	1,716.9	1,622.9	1,439.2	1,528.1	1,618.4	1,805.9	28,375.4
International Cooperation Administration		4,434.4	3,443.8	2,821.8	2,198.5	1,809.2	1,444.5	2,032.2	1,643.8	1,533.1	1,320.9	1,333.5	1,307.8	1,344.4	26,670.4
Development Loan Fund											1.5	65.6	202.8	267.9	537.8
Other MSP economic		93.4	16.1	18.5	83.2	80.1	68.7	97.1	73.1	89.8	116.8	129.0	107.8	193.6	1,167.2
Military			55.7	980.4	1,481.2	4,158.8	3,295.9	2,395.6	2,927.5	2,085.0	2,363.6	2,109.8	1,724.3	1,588.9	25,167.1

[1] Plus contributions to international organizations.
[2] See general notes for coverage and qualifications, particularly for ICA and for MSP military programs.
[3] See footnote 3 to fiscal year 1961 table.
[4] Revised for cancellations made in fiscal year 1961 against prior-year loans.
[5] Includes contributions to international organizations, $1,483,900,000; civilian supplies, $4,917,100,000; British loan, $3,750,000,000; UNRRA, post UNRRA and interim aid, $2,669,400,000; surplus property credits, $1,429,700,000; Philippines rehabilitation, $634,600,000; civilian relief in Korea, $420,200,000; and other, $1,186,600,000.
[6] Expenditures, July–December 1960.

U.S. foreign assistance to MSP countries by region and country, cumulative, fiscal year 1946 through fiscal year 1961—Preliminary

[Millions of dollars]

Region and country	Grand total	Total military	Economic assistance												
			Total economic		Mutual security program				Nonmutual security program						
										Public Law 480					
										Title I			Title II, emergency relief and economic development	Title III, volunteer relief agencies	Export-Import Bank long-term loans [1]	Other non-MSP programs
			Total	(Of which loans)	Total MSP economic	ICA	DLF	Other MSP economic	Total	Total sales agreements	Planned for— Grants	Planned for— Loans				
Total, all countries	90,526.6	29,130.3	61,396.3	21,121.0	31,163.9	27,922.3	2,012.1	1,229.6	30,232.3	(5,900.8)	1,234.7	3,022.7	787.3	1,826.8	6,869.2	16,491.5
Europe	44,124.4	15,485.9	28,638.5	10,507.8	15,230.2	15,010.4	137.1	82.7	13,408.3	(1,631.6)	138.5	640.8	166.7	743.9	2,398.1	9,320.3
Austria	1,170.9	-------	1,170.9	79.1	723.5	723.5	-------	-------	447.4	(40.9)	-------	26.3	24.6	27.3	41.1	328.1
Belgium-Luxembourg	1,949.5	1,208.4	741.1	249.0	558.7	558.7	-------	-------	182.4	-------	-------	-------	-------	.2	150.0	32.2
Denmark	856.9	556.6	300.3	54.3	279.3	279.3	-------	-------	21.0	-------	-------	-------	-------	-------	20.0	1.0
France	9,431.4	4,242.7	5,188.7	1,903.9	3,183.8	3,183.8	-------	-------	2,004.9	(60.4)	-------	14.0	-------	11.9	1,260.9	709.1
Germany (Federal Republic)	4,997.1	949.5	4,047.6	1,243.8	1,470.0	1,470.0	-------	-------	2,577.6	(1.2)	-------	-------	3.4	135.9	10.0	2,428.3
Berlin	131.0	-------	131.0	-------	118.1	114.4	-------	3.7	12.9	-------	-------	-------	-------	-------	-------	12.9
Iceland	70.2	-------	70.2	34.9	60.0	60.0	-------	-------	10.2	(12.1)	-------	9.6	-------	-------	.2	.4
Ireland	146.2	-------	146.2	128.2	146.2	146.2	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------
Italy (including Trieste)	5,641.9	2,192.9	3,449.0	626.7	1,645.1	1,645.1	-------	-------	1,803.9	(152.9)	-------	106.7	87.4	223.7	215.1	1,171.0
Netherlands	2,450.3	1,221.7	1,228.6	388.8	990.2	987.2	3.0	-------	238.4	(.3)	-------	-------	-------	.2	202.2	36.0
Norway	1,082.0	732.2	349.8	113.4	274.8	274.8	-------	-------	75.0	-------	-------	-------	-------	[2]	50.0	25.0
Poland	514.5	-------	514.5	138.7	61.1	.1	-------	61.0	453.4	(365.3)	-------	-------	-------	11.7	40.0	401.7
Portugal	402.2	323.3	78.9	39.5	−49.8	49.8	-------	-------	29.1	(7.1)	-------	3.4	-------	25.7	-------	-------
Spain	1,631.0	501.1	1,129.9	510.2	565.5	548.4	17.1	-------	564.4	(506.1)	9.9	253.1	4.2	139.7	157.5	-------
Sweden	108.9	-------	108.9	22.0	106.8	106.8	-------	-------	2.1	-------	-------	-------	-------	-------	-------	2.1
United Kingdom	8,685.6	1,017.4	7,668.2	4,215.4	3,828.9	3,828.9	-------	-------	3,839.3	(48.4)	-------	-------	-------	.3	2.1	3,836.9
Yugoslavia	2,280.3	693.9	1,586.4	521.8	576.0	444.0	117.0	15.0	1,010.4	(437.0)	127.8	227.6	47.1	167.2	105.0	335.7
Regional	2,574.3	1,846.1	728.2	238.0	592.4	589.4	-------	3.0	135.8	-------	.8	-------	-------	-------	135.0	-------
Far East	20,516.7	7,544.5	12,972.2	1,673.0	7,031.1	6,510.4	274.1	246.6	5,941.1	(675.3)	275.7	267.2	72.3	300.5	608.7	4,416.7
Burma	94.5	-------	94.5	59.3	49.8	49.8	-------	-------	44.7	(40.7)	11.0	26.6	-------	2.1	-------	5.0
Cambodia	298.1	77.6	220.5	-------	218.2	218.2	-------	-------	2.3	-------	-------	-------	2.3	[3]	-------	-------
China, Republic of	4,161.1	2,184.9	1,976.2	316.1	1,337.0	1,102.7	114.6	119.7	639.2	(62.2)	33.9	12.8	2.9	54.1	33.2	502.3
Indochina, undistributed	1,535.0	709.4	825.6	-------	825.6	825.6	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------
Indonesia	583.5	-------	583.5	371.7	206.5	194.9	11.6	-------	377.0	(168.0)	35.5	103.7	-------	6.7	163.4	67.7
Japan	3,574.0	978.5	2,595.5	325.7	22.4	22.4	-------	-------	2,573.1	(146.3)	.6	105.6	37.0	25.0	206.1	2,198.8
Korea	5,029.6	1,777.8	3,251.8	53.3	2,065.5	1,918.6	25.3	121.6	1,186.3	(216.7)	179.9	3.1	28.4	115.5	-------	859.4
Laos	374.4	106.1	268.3	-------	267.2	267.2	-------	-------	1.1	-------	-------	-------	.8	.3	-------	-------
Malaya	22.2	-------	22.2	20.0	20.0	-------	20.0	-------	2.2	-------	-------	-------	-------	2.2	-------	-------
Philippines	1,675.7	390.2	1,285.5	362.2	276.7	236.5	40.2	-------	1,008.8	(13.8)	3.3	5.8	-------	32.9	189.5	777.3
Thailand	632.6	341.6	291.0	69.1	263.9	241.4	22.5	-------	27.1	(4.6)	-------	3.9	-------	.5	16.5	6.2
Vietnam	2,118.5	571.3	1,547.2	95.6	1,468.2	1,428.3	39.9	-------	79.0	(23.0)	11.5	5.7	.7	61.1	-------	-------
Regional	417.2	407.1	10.1	-------	10.1	4.8	-------	5.3	-------	-------	-------	-------	-------	-------	-------	-------
Near East and south Asia	15,430.0	4,816.5	10,613.5	4,505.4	5,832.5	4,386.6	1,202.6	243.3	4,781.0	(2,968.1)	797.3	1,645.6	252.6	466.4	724.8	894.4
Near East	9,680.8	4,169.9	5,510.9	1,770.4	3,516.2	3,097.9	417.7	.4	1,994.8	(810.9)	119.5	472.7	118.4	263.1	425.4	595.7
Greece	3,213.4	1,474.0	1,739.4	246.3	1,020.3	976.9	43.0	.4	719.1	(87.8)	7.4	54.5	4.1	99.2	17.2	536.7
Iran	1,195.2	530.1	665.1	299.3	516.4	401.5	114.9	-------	148.7	(34.3)	5.8	18.5	15.2	6.8	75.1	27.3
Iraq	67.0	46.1	20.9	.9	17.7	17.7	-------	-------	3.2	-------	-------	-------	-------	2.3	-------	.9
Israel	793.3	1.0	792.3	447.4	374.4	318.4	56.0	-------	417.9	(193.7)	13.3	153.3	-------	53.1	198.1	.1
Jordan	303.0	21.4	281.6	3.7	230.5	226.8	3.7	-------	51.1	-------	-------	-------	37.5	12.3	-------	1.3
Lebanon	89.9	8.9	81.0	10.7	58.5	52.6	5.9	-------	22.5	-------	-------	-------	17.6	-------	3.2	1.7
Saudi Arabia	46.6	[3]	46.6	19.1	27.4	27.4	-------	-------	19.2	-------	-------	-------	-------	-------	14.8	4.4
Turkey	3,491.6	2,088.4	1,403.2	485.6	1,145.7	974.9	170.8	-------	257.5	(246.9)	81.0	68.5	12.2	4.5	79.1	12.2
United Arab Republic	438.8	-------	438.8	257.5	92.9	69.4	23.5	-------	345.9	(248.2)	12.0	177.9	22.1	84.9	37.9	11.1
Yemen	17.0	-------	17.0	-------	7.3	7.3	-------	-------	9.7	-------	-------	-------	9.7	-------	-------	-------
CENTO	25.0	-------	25.0	-------	25.0	25.0	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------
South Asia	4,804.1	2.9	4,801.3	2,735.1	2,043.5	1,258.6	784.9	-------	2,757.8	(2,157.2)	677.8	1,172.9	109.6	199.4	299.4	298.7
Afghanistan	182.9	2.9	180.0	52.4	96.8	96.1	.7	-------	83.2	-------	-------	-------	42.7	.9	39.5	.1
Ceylon	74.9	-------	74.9	25.1	23.5	17.1	6.4	-------	51.4	(26.1)	4.4	16.2	9.3	21.5	-------	-------
India	3,071.9	-------	3,071.9	2,115.6	974.7	428.3	546.4	-------	2,097.2	[4] (1,699.3)	508.5	962.9	5.2	143.7	246.2	230.7
Nepal	43.5	-------	43.5	1.4	23.0	22.6	.4	-------	20.5	-------	15.8	1.0	3.7	-------	-------	-------
Pakistan	1,430.9	[3]	1,430.9	540.6	925.5	694.5	231.0	-------	505.4	(431.8)	149.1	192.8	48.6	33.3	13.7	67.9
Regional	945.1	643.8	301.3	-------	273.1	[5] 30.2	-------	242.9	28.2	-------	-------	-------	[6] 24.7	3.5	-------	-------
Latin America	5,362.9	476.0	4,886.9	3,796.7	814.6	562.6	227.7	24.3	4,072.3	(610.6)	14.0	464.6	39.2	148.4	3,010.7	395.4
Argentina	537.9	14.7	523.2	520.5	33.4	2.6	30.8	-------	489.8	(62.3)	-------	42.9	-------	-------	446.8	.1
Bolivia	221.8	1.8	220.0	44.2	156.5	150.5	5.8	.2	63.5	(3.3)	-------	2.5	17.4	6.6	26.4	10.6
Brazil	1,698.5	179.9	1,518.6	1,431.2	45.7	45.5	.2	-------	1,472.9	(282.9)	14.0	222.9	-------	21.4	1,169.1	45.5
Chile	512.7	49.1	463.6	369.3	76.5	47.0	19.0	10.5	387.1	(71.2)	-------	56.6	-------	42.5	282.9	5.1
Colombia	319.3	30.0	289.3	247.4	39.0	14.0	25.0	-------	250.3	(69.9)	-------	51.4	-------	26.1	170.2	2.6
Costa Rica	80.1	.1	80.0	31.8	20.7	11.9	8.8	-------	59.3	-------	-------	-------	.2	.8	21.0	37.3
Cuba	52.0	10.6	41.4	37.5	2.8	2.8	-------	-------	38.6	-------	-------	-------	-------	.6	37.5	.5
Dominican Republic	8.9	6.1	2.8	-------	2.2	2.2	-------	-------	.6	-------	-------	-------	-------	-------	-------	.6
Ecuador	96.4	23.6	72.8	49.2	33.3	21.6	11.7	-------	39.5	(12.5)	-------	9.5	-------	3.1	23.2	3.7
El Salvador	16.7	.2	16.5	5.3	9.9	8.3	1.6	-------	6.6	-------	-------	-------	-------	1.1	3.7	1.8
Guatemala	149.6	1.9	147.7	33.1	89.8	76.9	12.9	-------	57.9	-------	-------	-------	3.2	1.9	16.7	36.1
Haiti	92.6	5.9	86.7	30.1	49.8	45.0	4.8	-------	36.9	-------	-------	-------	3.5	5.4	25.0	3.0
Honduras	40.5	1.3	39.2	16.4	26.2	18.4	7.8	-------	13.0	-------	-------	-------	.2	2.7	3.5	6.6
Mexico	630.3	5.3	625.0	509.9	8.0	8.0	-------	-------	617.0	(25.2)	-------	17.7	.2	7.6	491.9	99.6
Nicaragua	53.1	2.2	50.9	23.3	17.5	7.3	10.2	-------	33.4	-------	-------	-------	-------	.2	13.1	20.1
Panama	75.7	-------	75.7	32.0	28.6	20.8	7.8	-------	47.1	-------	-------	-------	-------	5.7	17.2	24.2
Paraguay	42.6	.7	41.9	20.6	23.8	16.7	7.1	-------	18.1	(2.9)	-------	2.1	-------	2.7	10.4	2.9
Peru	388.7	66.1	322.6	267.7	57.2	26.7	30.5	-------	265.4	(34.0)	-------	24.1	14.1	11.0	205.6	10.6
Uruguay	80.2	28.3	51.9	48.5	10.7	1.9	8.8	-------	41.2	(46.4)	-------	34.9	[3]	.5	2.6	3.2
Venezuela	104.0	42.2	61.8	58.9	16.4	1.4	15.0	-------	45.4	-------	-------	-------	-------	-------	43.9	1.5
West Indies Federation	17.0	-------	17.0	-------	10.1	10.1	-------	-------	6.9	-------	-------	-------	-------	6.9	-------	-------
British Guiana	1.9	-------	1.9	-------	1.3	1.3	-------	-------	.6	-------	-------	-------	-------	.6	-------	-------
British Honduras	1.6	-------	1.6	-------	.6	.6	-------	-------	1.0	-------	-------	-------	.3	.7	-------	-------
Surinam	2.9	-------	2.9	-------	2.4	2.4	-------	-------	.5	-------	-------	-------	-------	.5	-------	-------
Regional	138.1	6.2	131.9	19.9	51.9	[7] 18.4	[7] 19.9	13.6	80.0	-------	-------	-------	-------	-------	-------	80.0

See footnotes at end of table.

U.S. foreign assistance to MSP countries by region and country, cumulative, fiscal year 1946 through fiscal year 1961—Preliminary—Con.

[Millions of dollars]

Region and country	Grand total	Total military	Economic assistance												
			Total economic		Mutual security program				Nonmutual security program						
										Public Law 480					
										Title I			Title II, emergency relief and economic development	Title III, volunteer relief agencies	Export-Import Bank long-term loans [1]	Other non-MSP programs
			Total	(Of which loans)	Total MSP economic	ICA	DLF	Other MSP economic	Total	Total sales agreements	Planned for— Grants	Planned for— Loans				
Africa	1,376.7	89.1	1,287.6	517.5	821.6	587.9	167.8	65.9	466.0	(15.3)	7.7	4.5	229.6	36.5	126.9	60.8
British East Africa Territory	14.2		14.2	1.9	9.8	7.9	1.9		4.4				3.3	1.1		
Kenya	7.4		7.4		5.2	5.2			2.2				1.6	.6		
Tanganyika	4.5		4.5	1.9	2.6	.7	1.9		1.9				1.7	.2		
Uganda	1.1		1.1		.8	.8			.3					.3		
Regional	1.2		1.2		1.2	1.2										
Cameroun	2.1		2.1		1.9	1.9			.2					.2		
Congo (Leopoldville)	78.3		78.3		67.5	2.6		64.9	10.8				10.1	.7		
Entente States	8.8		8.8		7.7	7.7			1.1					1.1		
Dahomey	1.4		1.4		.3	.3			1.1					1.1		
Ivory Coast	.4		.4		.4	.4										
Niger	.7		.7		.7	.7			(2)					(2)		
Upper Volta	1.3		1.3		1.3	1.3			(2)					(2)		
Undistributed	5.1		5.1		5.1	5.1										
Equatorial States	.2		.2		.2	.2			(2)					(2)		
Ethiopia	181.3	57.3	124.0	67.4	76.1	46.5	29.6		47.9				8.9	.7	37.4	.9
Ghana	6.6		6.6		4.3	4.3			2.3				.6	1.7		
Guinea	3.8		3.8		2.1	2.1			1.7				1.7			
Liberia	116.3	2.7	113.6	85.6	29.5	26.1	3.4		84.1					1.0	75.2	7.9
Libya	180.0	3.6	176.4	8.5	110.9	105.9	5.0		65.5				29.6	6.5		29.4
Malagasy Republic	.5		.5		.5	.5			(2)					(2)		
Mali, Republic of	2.5		2.5		2.5	2.5										
Mauritania	1.5		1.5	[3] 1.4	1.4	1.4			.1					.1		
Morocco	307.7		307.7	195.9	214.4	188.4	26.0		93.3				73.7	19.6		
Mozambique	12.5		12.5	[3] 12.5					12.5						12.5	
Nigeria	16.4		16.4	1.0	15.9	15.1	.8		.5					.3		.2
Rhodesia and Nyasaland	33.3		33.3	32.4	10.9	10.9			22.4					(2)		22.4
Senegal	3.6		3.6		3.6	3.6										
Sierra Leone	1.0		1.0		.7	.7			.3					.3		
Somali Republic	13.3		13.3	2.0	13.0	11.0	2.0		.3				.3	(2)		
Sudan	53.5		53.5	10.0	53.5	43.5	10.0		(2)				(2)	(2)		
Togo	1.9		1.9		1.1	1.1			.8					.8		
Tunisia	255.2		255.2	51.9	137.8	95.7	42.1		117.4	(15.3)	7.7	4.5	101.3	2.1	1.8	
Other Africa, undistributed	7.1		7.1		6.6	6.6			.5					.5		
French community and possessions	6.1		6.1		6.0	6.0			.1					.1		
Portuguese possessions	.3		.3		.3	.3										
Other sterling areas	.7		.7		.3	.3			.4					.4		
Regional	75.4	25.6	49.8	47.0	49.8	1.8	47.0	1.0								
Nonregional	3,715.5	718.2	2,997.3	120.6	1,434.1	864.4	2.9	566.8	1,563.2		1.5		26.8	131.1		1,403.9

[1] Revised for cancellations made in fiscal year 1961 against prior-year loans.
[2] Less than $50,000.
[3] Military data classified and included in NEA regional total.
[4] See footnote 3 to table for fiscal year 1961.
[5] Includes $6,800,000 for Indus Basin.
[6] Includes $9,500,000 for Cyprus.
[7] Includes Central American Bank formed by El Salvador, Nicaragua, Guatemala, and Honduras.
[8] Loan to France for Mauritania.
[9] Loan to Portugal for Mozambique.

U.S. foreign assistance to MSP countries, by region and country, fiscal year 1961—Preliminary

[Millions of dollars]

Region and country	Grand total	Total military	Economic assistance												
			Total economic		Mutual security program				Nonmutual security program						
										Public Law 480					
										Title I			Title II, emergency relief and economic development	Title III, volunteer relief agencies	Export-Import Bank long-term loans	Other non-MSP programs
			Total	(Of which loans)	Total MSP economic	ICA	DLF	Other MSP economic	Total	Total sales agreements	Planned for— Grants	Planned for— Loans				
Total, all countries	6,112.1	1,631.5	4,480.6	2,190.2	2,106.9	1,279.4	652.6	174.9	2,373.7	(1,126.3)	320.4	508.2	289.7	227.5	946.4	81.5
Europe	980.1	646.4	333.7	207.7	94.0	74.8	17.9	1.3	239.7	(214.2)	13.7	39.9	8.1	53.1	124.9	
Austria	.8		.8						.8					.8		
Belgium-Luxembourg	14.5	14.5														
Denmark	41.2	41.2														
France	55.7	47.8	7.9	7.9					7.9	(2.5)				(1)	7.9	
Germany (Federal Republic)	17.1	15.7	1.4						1.4					1.4		
Berlin	4.0		4.0		4.0	4.0										
Iceland	7.6		7.6	1.6	6.0	6.0			1.6	(1.8)		1.4			.2	
Italy (including Trieste)	206.4	171.5	34.9	9.3					34.9				8.1	17.5	9.3	
Netherlands	39.4	39.4	(1)						(1)					(1)		
Norway	25.0	25.0														
Poland	5.1		5.1		.1	[5] 5.1			5.0	(130.0)				5.0		
Portugal	8.7	2.4	6.3						6.3					6.3		
Spain	179.5	63.3	116.2	72.5	26.1	35.9	−9.8		90.1	(49.5)		24.8		7.8	57.5	
United Kingdom	20.2	20.2														
Yugoslavia	147.9		147.9	116.4	56.4	28.7	27.7		91.5	(30.4)	13.7	13.7		14.1	50.0	
Regional	206.9	205.4	1.5		1.5	.2		1.3								

See footnotes at end of table.

U.S. foreign assistance to MSP countries, by region and country, fiscal year 1961—Preliminary—Continued

[Millions of dollars]

Region and country	Grand total	Total military	Economic assistance												
			Total economic		Mutual security program				Nonmutual security program						
										Public Law 480					
										Title I			Title II, emergency relief and economic development	Title III, volunteer relief agencies	Export-Import Bank long-term loans [1]	Other non-MSP programs
			Total	(Of which loans)	Total MSP economic	ICA	DLF	Other MSP economic	Total	Total sales agreements	Planned for— Grants	Planned for— Loans				
Far East	1,417.4	623.2	794.2	185.7	522.9	479.3	43.6	.....	271.3	(103.1)	69.4	17.8	23.6	36.7	123.8	.....
Burma	.6	.....	.6	.....	.4	.4	.....	.....	.2	.....	.....	.....	.....	.2	.....	.....
Cambodia	30.8	6.6	24.2	.....	24.2	24.2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
China, Republic of	231.6	115.3	116.3	42.0	88.3	52.1	36.2	.....	28.0	(21.4)	11.4	5.8	.....	10.8	.....	.....
Indonesia	25.5	.....	25.5	8.9	8.3	8.3	.....	.....	17.2	(19.7)	7.4	8.4	.....	1.4	.....	.....
Japan	127.3	77.8	49.5	46.6	1.3	1.3	.....	.....	48.2	.....	.....	.....	.....	1.6	46.6	.....
Korea	509.1	229.1	280.0	7.6	199.2	192.7	6.5	.....	80.8	(52.0)	45.6	1.1	23.6	10.5	.....	.....
Laos	82.3	46.5	35.8	.....	35.5	35.5	.....	.....	.3	.....	.....	.....	.....	.3	.....	.....
Malaya	.4	.....	.4	.....	.....	.....	.....	.....	.4	.....	.....	.....	.....	.4	.....	.....
Philippines	113.0	26.1	86.9	67.4	2.9	12.7	−9.8	.....	84.0	.....	.....	.....	.....	6.8	77.2	.....
Thailand	45.7	20.9	24.8	.....	24.7	24.7	.....	.....	.1	.....	.....	.....	.....	.1	.....	.....
Vietnam	198.7	49.7	149.0	13.2	137.0	126.3	10.7	.....	12.0	(10.0)	5.0	2.5	.....	4.5	.....	.....
Regional	52.3	51.2	1.1	.....	1.1	1.1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Near East and south Asia	1,947.1	311.3	1,635.8	883.2	741.8	344.1	377.5	20.2	894.0	(650.3)	215.6	340.6	108.0	64.7	165.1	.....
Near East	941.3	239.7	701.6	372.7	377.1	205.9	171.2	.....	324.5	(187.2)	25.0	123.5	60.5	37.5	78.0	.....
Greece	95.8	51.0	44.8	12.6	20.5	20.5	.....	.....	24.3	(15.6)	.....	10.1	4.1	7.6	2.5	.....
Iran	169.9	55.1	114.8	75.3	63.3	26.1	37.2	.....	51.5	(21.9)	.....	16.0	11.8	1.6	22.1	.....
Iraq	1.7	(1)	1.7	.....	1.1	1.1	.....	.....	.6	.....	.....	.....	.....	.6	.....	.....
Israel	84.2	(1)	84.2	65.6	24.5	8.5	16.0	.....	59.7	(25.9)	9.1	14.2	.....	1.0	35.4	.....
Jordan	71.6	3.3	68.3	1.0	47.4	46.4	1.0	.....	20.9	.....	.....	.....	18.0	2.9	.....	.....
Lebanon	4.9	1.3	3.6	.....	.8	.8	.....	.....	2.8	.....	.....	.....	2.8	.....	.....	.....
Turkey	362.0	129.0	233.0	133.7	211.7	94.4	117.3	.....	21.3	(25.4)	3.9	16.4	.....	1.0	.....	.....
United Arab Republic	143.8	.....	143.8	84.6	2.1	2.3	−.2	.....	141.7	(98.4)	12.0	66.8	22.1	22.8	18.0	.....
Yemen	5.7	.....	5.7	.....	4.0	4.0	.....	.....	1.7	.....	.....	.....	1.7	.....	.....	.....
Cento	1.8	.....	1.8	.....	1.8	1.8	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
South Asia	881.0	1.2	879.8	510.5	335.4	129.1	206.3	.....	544.4	(463.1)	190.6	217.1	22.8	26.8	87.1	.....
Afghanistan	37.0	1.2	35.8	.....	12.8	12.8	.....	.....	23.0	.....	.....	.....	22.4	.6	.....	.....
Ceylon	9.6	.....	9.6	1.4	.1	1.5	−1.4	.....	9.5	(5.1)	1.3	2.8	.....	5.4	.....	.....
India	655.0	.....	655.0	454.8	188.1	8.0	180.1	.....	466.9	[3] (412.8)	173.5	194.0	.3	18.4	80.7	.....
Nepal	4.1	.....	4.1	.4	4.1	3.7	.4	.....	.....	.....	.....	.....	.....	.....	.....	.....
Pakistan	175.2	(4)	175.2	53.9	130.3	103.1	27.2	.....	44.9	(45.2)	15.8	20.3	.....	2.4	6.4	.....
Regional	124.7	70.4	54.3	.....	29.4	[5] 9.2	.....	20.2	24.9	.....	.....	.....	[6] 24.7	.2	.....	.....
Latin America	983.4	98.4	885.0	735.2	253.5	118.7	133.3	1.5	631.5	(143.4)	14.0	105.4	.2	28.1	480.0	[7] 3.8
Argentina	81.0	12.1	68.9	68.0	6.9	.9	6.0	.....	62.0	.....	.....	.....	.....	.....	62.0	.....
Bolivia	29.1	.3	28.8	13.8	25.9	24.1	1.8	.....	2.9	(3.3)	.....	2.5	.....	.4	.....	.....
Brazil	327.5	32.9	294.6	270.1	7.3	7.3	.....	.....	287.3	(104.5)	14.0	74.8	.....	3.2	195.3	.....
Chile	147.2	8.5	138.7	108.5	31.3	23.1	8.2	.....	107.4	(20.2)	.....	23.3	.....	7.1	77.0	.....
Colombia	94.5	4.0	90.5	82.9	27.7	2.7	25.0	.....	62.8	.....	.....	.....	.....	4.9	57.9	.....
Costa Rica	11.4	.1	11.3	8.5	9.8	1.3	8.5	.....	1.5	.....	.....	.....	.....	.....	.....	1.5
Cuba	.1	.1	(1)	.....	(1)	(1)	.....	.....	(1)	.....	.....	.....	.....	.....	.....	.....
Dominican Republic	.1	.....	.1	.....	.1	.1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Ecuador	14.0	6.1	7.9	4.5	4.2	2.5	1.7	.....	3.7	(3.2)	.....	2.4	.....	.9	.4	.....
El Salvador	6.7	.1	6.6	5.3	2.8	1.2	1.6	.....	3.8	.....	.....	.....	.....	.1	3.7	.....
Guatemala	32.3	.5	31.8	18.0	20.6	13.1	7.5	.....	11.2	.....	.....	.....	.....	.4	10.5	.3
Haiti	12.5	.7	11.8	−2.8	10.7	13.5	−2.8	.....	1.1	.....	.....	.....	.....	1.1	.....	.....
Honduras	5.7	.3	5.4	2.0	4.9	4.9	.....	.....	.5	.....	.....	.....	.....	.3	.....	.2
Mexico	33.4	1.2	32.2	27.8	1.2	1.2	.....	.....	31.0	.....	.....	.....	.....	3.2	27.8	.....
Nicaragua	11.4	.4	11.0	9.1	8.0	.9	7.1	.....	3.0	.....	.....	.....	.....	.2	2.0	.8
Panama	17.1	(1)	17.1	12.8	15.7	7.9	7.8	.....	1.4	.....	.....	.....	.....	.4	.....	1.0
Paraguay	3.1	.2	2.9	.....	1.8	1.8	.....	.....	1.1	.....	.....	.....	.....	1.1	.....	.....
Peru	81.6	17.6	64.0	57.5	29.1	3.1	26.0	.....	34.9	.....	.....	.....	.2	3.2	31.5	.....
Uruguay	5.0	2.2	2.8	2.4	.1	.1	.....	.....	2.7	(3.2)	.....	2.4	.....	.3	.....	.....
Venezuela	37.4	10.3	27.1	26.9	15.2	.2	15.0	.....	11.9	.....	.....	.....	.....	.....	11.9	.....
West Indies Federation	5.5	.....	5.5	.....	4.6	4.6	.....	.....	.9	.....	.....	.....	.....	.9	.....	.....
British Guiana	.9	.....	.9	.....	.7	.7	.....	.....	.2	.....	.....	.....	.....	.2	.....	.....
British Honduras	.2	.....	.2	.....	.1	.1	.....	.....	.1	.....	.....	.....	.....	.1	.....	.....
Surinam	.5	.....	.5	.....	.4	.4	.....	.....	.1	.....	.....	.....	.....	.1	.....	.....
Regional	25.0	.7	24.3	19.9	24.3	[8] 2.9	[8] 19.9	1.5	.....	.....	.....	.....	.....	.....	.....	.....
Africa	542.9	14.5	528.4	177.4	296.2	150.0	80.3	65.9	232.2	(15.3)	7.7	4.5	149.8	13.6	52.6	4.0
British East Africa territories	7.7	.....	7.7	1.9	4.1	2.2	1.9	.....	3.6	.....	.....	.....	3.3	.3	.....	.....
Kenya	2.1	.....	2.1	.....	.4	.4	.....	.....	1.7	.....	.....	.....	1.6	.1	.....	.....
Tanganyika	4.3	.....	4.3	1.9	2.5	.6	1.9	.....	1.8	.....	.....	.....	1.7	.1	.....	.....
Uganda	.2	.....	.2	.....	.1	.1	.....	.....	.1	.....	.....	.....	.....	.1	.....	.....
Regional	1.2	.....	1.2	.....	1.2	1.2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Cameroun	2.0	.....	2.0	.....	1.9	1.9	.....	.....	.1	.....	.....	.....	.....	.1	.....	.....
Congo (Leopoldville)	78.0	.....	78.0	.....	67.3	2.4	.....	64.9	10.7	.....	.....	.....	10.1	.6	.....	.....
Entente states	8.7	.....	8.7	.....	7.7	7.7	.....	.....	1.0	.....	.....	.....	.....	1.0	.....	.....
Dahomey	1.3	.....	1.3	.....	.3	.3	.....	.....	1.0	.....	.....	.....	.....	1.0	.....	.....
Ivory Coast	.4	.....	.4	.....	.4	.4	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Niger	.7	.....	.7	.....	.7	.7	.....	.....	(1)	.....	.....	.....	.....	.....	.....	.....
Upper Volta	1.3	.....	1.3	.....	1.3	1.3	.....	.....	(1)	.....	.....	.....	.....	.....	.....	.....
Undistributed	5.1	.....	5.1	.....	5.1	5.1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Equatorial States	.2	.....	.2	.....	.2	.2	.....	.....	(1)	.....	.....	.....	.....	(1)	.....	.....
Ethiopia	59.0	7.5	51.5	39.1	38.3	9.2	29.1	.....	13.2	.....	.....	.....	3.0	.2	10.0	.....
Ghana	2.6	.....	2.6	.....	1.6	1.6	.....	.....	1.0	.....	.....	.....	.....	1.0	.....	.....
Guinea	(1)	.....	(1)	.....	(1)	(1)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Liberia	48.7	1.2	47.5	40.8	6.3	6.3	.....	.....	41.2	.....	.....	.....	.....	.4	40.8	.....
Libya	26.3	1.0	25.3	.....	16.5	16.5	.....	.....	8.8	.....	.....	.....	3.4	1.4	.....	4.0
Malagasy Republic	.5	.....	.5	.....	.5	.5	.....	.....	(1)	.....	.....	.....	.....	(1)	.....	.....

See footnotes at end of table.

U.S. foreign assistance to MSP countries, by region and country, fiscal year 1961—Preliminary—Continued

[Millions of dollars]

Region and country	Grand total	Total military	Economic assistance												
			Total economic		Mutual security program				Non-mutual security program						
										Public Law 480					
										Title I			Title II, emergency relief and economic development	Title III, volunteer relief agencies	Export-Import Bank long-term loans	Other non-MSP programs
			Total	(Of which loans)	Total MSP economic	ICA	DLF	Other MSP economic	Total	Total sales agreements	Planned for— Grants	Planned for— Loans				
Africa—Continued																
Mali, Republic of	2.5		2.5		2.5	2.5										
Mauritania	.1		.1		(1)	(1)			.1					.1		
Morocco	113.0		113.0	43.0	44.0	41.0	3.0		69.0				61.8	7.2		
Nigeria	10.2		10.2		10.1	10.1			.1					.1		
Rhodesia and Nyasaland	.6		.6		.6	.6			(1)					(1)		
Senegal	3.6		3.6		3.6	3.6										
Sierra Leone	.6		.6		.5	.5			.1					.1		
Somali Republic	4.2		4.2		4.2	4.2			(1)					(1)		
Sudan	9.4		9.4		9.4	9.4										
Togo	1.4		1.4		1.1	1.1			.3					.3		
Tunisia	120.0		120.0	16.3	37.2	27.2	10.0		82.8	(15.3)	7.7	4.5	68.2	.6	1.8	
Other Africa, undistributed	.2		.2						.2					.2		
Regional	43.3	4.8	38.5	36.3	38.5	1.2	36.3	1.0								
Nonregional	241.2	−62.3	303.5	1.0	198.5	112.5		86.0	105.0					31.3		[9] 73.7

[1] Less than $50,000.
[2] For Krakow Research Hospital.
[3] Includes for wheat and rice amounts programed for fiscal year 1961 only against multiyear agreement totaling $1,276,000,000. Funds of $319,000,000 for 1st year were committed in fiscal year 1960; remaining $957,000,000 were committed in fiscal year 1961. If entire $957,000,000 had been included here, this sales agreements figure would be $1,050,800,000.
[4] Military data classified and included in NEA regional total.
[5] Includes $6,800,000 for Indus Basin.
[6] Includes $9,500,000 for Cyprus.
[7] July–December 1960 expenditures for Inter-American Highways.
[8] Includes Central American Bank.
[9] Subscription to International Development Association.

Assistance From International Organizations

General Notes

The following tables show assistance given by international organizations to all countries which have benefited from this assistance. The data do not represent the U.S. contributions to these organizations; such contributions are included in the figures on pages 1–7.

Data are all on a U.S. fiscal year basis except for United Nations technical assistance programs which are data for calendar year 1960 and total through December 1960.

International Bank for Reconstruction and Development (IBRD): Data cover loan authorizations of the IBRD made either to governments, government enterprises, or to private firms with government guarantee. Cancellations are deducted from loans authorized in the year originally authorized. Repayments have not been taken into account.

International Finance Corporation (IFC): Data cover the commitments made by the IFC to invest in private enterprises in the various countries. Cancellations and sales are deducted from commitments in the year originally committed.

International Development Association (IDA): Data cover value of agreements signed with governments for development credits.

Inter-American Development Bank (IDB): Data cover loan authorizations of the IDB made either to governments, government enterprises, or to private firms from ordinary capital and from the Fund for Special Operations. Amounts taken by participants are not included.

United Nations Technical Assistance (UNTA): Data cover direct project costs of technical assistance programs, under both the regular and expanded programs, administered by the United Nations Technical Assistance Administration and other participating organizations.

United Nations Special Fund (UNSF): Data cover U.N. Special Fund allocations toward costs of preinvestment surveys.

European Development Fund of the European Economic Community (EEC): Data cover the value of projects approved for financing valued in EPU units of account ($).

Assistance from international organizations, fiscal year 1961 and cumulative through fiscal year 1961—Preliminary

[Millions of dollars]

Region and country	Fiscal year 1961								Cumulative through fiscal year 1961							
	Total	IBRD	IFC	IDA	IDB	UNTA (calendar year 1960)	UNSF	EEC	Total	IBRD	IFC	IDA	IDB	UNTA	UNSF	EEC
Total, worldwide	1,009.8	609.8	5.1	101.0	68.1	43.4	70.9	111.5	6,458.7	5,668.8	35.5	101.0	68.1	279.7	125.6	180.0
Europe	59.6	55.0	1.1			2.5	1.0		1,340.5	1,320.9	2.3			13.9	3.4	
Austria						(1)			100.2	99.9				.3		
Belgium-Luxembourg						(1)			57.8	57.8				(1)		
Denmark						(1)			60.0	60.0				(1)		
Finland	1.1		1.1			(1)			103.9	102.1	1.3			.5		
France	.1					.1			250.2	250.0				.2		
Iceland						(1)			6.1	5.9				.2		
Italy	.1					.1			300.0	298.0	1.0			.4	.6	
Malta						(1)			.3					.3		
Netherlands						(1)			236.5	236.5				(1)		
Norway	25.0	25.0				(1)			120.0	120.0				(1)		
Poland	.2					.2			1.2					.4	.8	
Spain	.1					.1			.3					.3		
Yugoslavia	31.8	30.0				.8	1.0		100.1	90.7				7.4	2.0	
Regional and other countries	1.0					1.0			3.9					3.9		
Far East	165.7	141.0				8.7	8.4	7.6	733.8	653.4				51.1	13.7	15.6
British Borneo [2]	.9					.1	.8		2.2					1.4	.8	
Burma	15.7	14.0				1.1	.6		41.3	33.4				7.3	.6	
Cambodia	.5					.5			2.2					2.2		
China, Republic of	.3					.3			3.4					2.8	.6	

See footnotes at end of table.

Assistance from international organizations, fiscal year 1961 and cumulative through fiscal year 1961—Preliminary—Continued

[Millions of dollars]

Region and country	Fiscal year 1961								Cumulative through fiscal year 1961							
	Total	IBRD	IFC	IDA	IDB	UNTA (calendar year 1960)	UNSF	EEC	Total	IBRD	IFC	IDA	IDB	UNTA	UNSF	EEC
Far East—Continued																
Dutch New Guinea	5.1							5.1	12.5							12.5
Hong Kong						(1)			.1					.1		
Indonesia	1.4					1.4			9.9					9.3	.6	
Japan	105.2	105.0				.2			443.2	442.2				1.0		
Korea	1.4					.3	1.1		2.1					1.0	1.1	
Laos	.4					.4			2.1					1.5	.6	
Malaya	1.8					.4	1.4		33.8	30.6				1.8	1.4	
Philippines	1.9					.9	1.0		24.7	18.5				5.2	1.0	
Singapore	.1					.1			.5					.5		
Thailand	23.0	22.0				1.0	2.0		139.3	128.7				6.6	4.0	
Vietnam	.4					.4			2.0					1.8	.2	
Regional and other countries	5.5					1.6	1.4	2.5	14.4					8.6	2.7	3.1
Near East and south Asia	334.5	237.5	.2	60.0		14.0	22.8		1,557.1	1,345.7	3.3	60.0		101.0	47.1	
Near East	46.4	27.5				5.8	13.1		438.9	372.2	.3			44.3	22.1	
Greece	.8					.3	.5		2.6					1.8	.8	
Iran	4.4					1.2	3.2		209.9	194.2	.3			10.3	5.1	
Iraq	1.7					.6	1.1		12.9	6.3				4.6	2.0	
Israel	29.0	27.5				.4	1.1		33.6	27.5				4.0	2.1	
Jordan	1.2					.4	.8		3.9					3.1	.8	
Lebanon	.9					.3	.6		30.6	27.0				2.3	1.3	
Saudi Arabia	1.7					.3	1.4		3.0					1.6	1.4	
Turkey	.7					.7			67.8	60.7				5.1	2.0	
United Arab Republic	5.9					1.5	4.4		74.2	56.5				11.1	6.6	
Yemen	.1					.1			.4					.4		
South Asia	286.4	210.0	.2	60.0		6.5	9.7		1,105.7	973.5	3.0	60.0		44.1	25.1	
Afghanistan	1.1					1.1			8.2					6.9	1.3	
Ceylon	15.6	15.0				.6			43.9	38.9				5.0		
Cyprus	.9					.1	.8		.9					.1	.8	
India	158.4	90.0	.2	60.0		3.0	5.2		773.0	678.3	1.6	60.0		19.4	13.7	
Nepal	1.4					.4	1.0		3.1					2.1	1.0	
Pakistan	109.0	105.0				1.3	2.7		276.6	256.3	1.4			10.6	8.3	
Regional and other countries	1.7					1.7			12.6					12.6		
Latin America	284.2	148.4	3.8	28.0	68.1	9.6	22.8	3.5	1,437.5	1,201.5	26.2	28.0	68.1	74.1	36.1	3.5
Argentina	53.0	48.5	1.5			.6	2.4		60.3	48.5	5.2			2.4	4.2	
Bolivia	11.5				10.0	.6	.9		15.4				10.0	3.9	1.5	
Brazil	17.2				15.3	.6	1.3		295.4	267.1	4.7		15.3	6.0	2.3	
Chile	35.2	6.0	.2	19.0	5.7	.8	3.5		152.1	112.2	5.8	19.0	5.7	4.3	5.1	
Colombia	44.9	27.4	1.1		12.8	.6	3.0		223.4	200.6	2.6		12.8	3.5	3.9	
Costa Rica	8.9	8.8				.1			18.7	17.3				1.4		
Cuba	1.4					.2	1.2		1.7					.5	1.2	
Dominican Republic						(1)			.3					.3		
Ecuador	1.8					.5	1.3		51.9	45.0				4.4	2.5	
El Salvador	4.1	3.8			.2	.1			38.2	35.5	.1		.2	2.1	.3	
Guatemala	1.0				.1	.3	.6		21.3	18.2	.2		.1	2.2	.6	
Haiti	4.0				3.5	.2	.3		9.0	2.6			3.5	2.6	.3	
Honduras	12.0			9.0	2.4	.2	.4		33.2	20.0		9.0	2.4	1.4	.4	
Mexico	41.6	40.0	.3			.5	.8		232.4	226.3	1.4			3.5	1.2	
Nicaragua	1.9				1.7	.2			38.5	35.5			1.7	1.3		
Panama	7.3	7.2				.1			15.1	14.0				1.1		
Paraguay	3.8				3.4	.4			11.0	4.5			3.4	3.1		
Peru	11.7	5.5			3.8	.5	1.9		95.4	82.0	2.5		3.8	3.0	4.1	
Uruguay	.2					.2			72.4	71.0				1.4		
Venezuela	11.0		.5		9.2	.5	.8		15.6		3.5		9.2	2.1	.8	
West Indies Federation	.4		.2			.2			2.3		.2			1.2	.9	
British Guiana	1.6	1.2				(1)	.4		2.6	1.2				.2	1.2	
British Honduras						(1)								(1)		
Surinam						(1)			.8					(1)	.8	
Regional and other countries	9.7					2.2	4.0	3.5	30.6					22.2	4.9	3.5
Africa	164.2	27.9		13.0		7.0	15.9	100.4	863.8	633.0	2.8	13.0		31.3	22.8	160.9
Algeria	12.8					(1)		12.8	72.8	60.0				(1)		12.8
British East Africa Territory	8.8	8.4				.4			43.5	38.0	2.8			2.4	.3	
Kenya	.1					.1			5.9	5.6				.3		
Tanganyika	.1					.1			3.5		2.8			.7		
Uganda	8.5	8.4				.1			9.0	8.4				.3	.3	
Undistributed	.2					.2			25.1	24.0				1.1		
Cameroun	3.8					.1	1.2	2.5	8.7					.2	1.2	7.3
Congo (Leopoldville)	2.9					.1		2.8	159.5	[3] 150.0				.1		9.4
Entente States	29.1					(1)	1.0	28.1	50.2	7.1				(1)	1.0	42.1
Dahomey	4.7					(1)		4.7	5.6					(1)		5.6
Ivory Coast	15.0					(1)	1.0	14.0	18.5					(1)	1.0	17.5
Niger									7.3							7.3
Upper Volta	9.4							9.4	11.7							11.7
Undistributed									7.1	[4] 7.1						
Equatorial States	15.3							15.3	58.5	35.0						23.5
Chad	1.9							1.9	8.1							8.1
Central African Rep	3.8							3.8	4.3							4.3
Congo (Brazzaville)	5.5							5.5	6.0							6.0
Gabon	4.1							4.1	40.1	35.0						5.1
Ethiopia	1.1					.7	.4		29.1	23.5				4.2	1.4	
Ghana	1.0					.5	.5		2.2					1.3	.9	
Guinea	.1					.1			.6					.2	.4	
Liberia	1.4					.4	1.0		3.7					2.7	1.0	
Libya	1.3					.8	.5		8.7					7.1	1.6	
Malagasy Republic	14.1							14.1	25.6							25.6
Mali, Republic of	6.9					(1)		6.9	7.5					(1)		7.5
Mauritania	2.2							2.2	68.3	66.0						2.3
Morocco	1.0					.4	.6		3.3					1.2	2.1	
Mozambique						(1)								(1)		
Nigeria	4.4					.2	4.2		33.8	28.0				.9	4.9	
Rhodesia and Nyasaland	.9					.1	.8		147.7	146.6				.3	.8	
Ruanda-Urundi	.4							.4	7.1	4.8						2.3

See footnotes at end of table.

Assistance from international organizations, fiscal year 1961 and cumulative through fiscal year 1961—Preliminary—Continued

[Millions of dollars]

Region and country	Fiscal year 1961								Cumulative through fiscal year 1961							
	Total	IBRD	IFC	IDA	IDB	UNTA (calendar year 1960)	UNSF	EEC	Total	IBRD	IFC	IDA	IDB	UNTA	UNSF	EEC
Senegal	4.7					(1)	.5	4.2	14.2					(1)	.5	13.7
Sierra Leone						(1)			.3					.3		
Somali Republic	1.2					.3	.9		3.7					.8	.9	2.0
Sudan	36.8	19.5		13.0		.7	3.6		93.1	74.0		13.0		2.5	3.6	
Togo	7.5					.1		7.4	8.8					.1	.7	8.0
Tunisia	1.0					.4	.6		3.0					1.5	1.5	
Other African countries	3.9					.2		3.7	5.1					.7		4.4
French community and possessions	3.8					.1		3.7	4.7					.3		4.4
Portuguese possessions	.1					.1			.3					.3		
Other sterling areas						(1)			.1					.1		
Regional and other countries	1.4					1.4			4.8					4.8		
Australia and South Africa:																
Australia						(1)			318.7	317.7	1.0			(1)		
South Africa						(1)			196.8	196.8				(1)		
Nonregional	1.4					1.4			10.8					8.3	2.5	

[1] Less than $50,000.
[2] Includes Brunei, North Borneo, and Sarawak.
[3] Includes $30,000,000 loaned to Belgian Government for Congo.
[4] For road which will also benefit Senegal and Sudan.

EXHIBIT 1

LANGUAGE CAPABILITIES AND TRAINING OF U.S. NONMILITARY PERSONNEL AT FOREIGN SERVICE POSTS

The Department of State recognizes the need for the further development of language skills, particularly in the field of the esoteric or "hard" languages, among its personnel already serving overseas or preparing for assignment at posts abroad. To this end, the Department is intensifying "hard" language training both in Washington and in the field. At most posts where U.S. personnel are stationed there are now at least a few officers with sufficient proficiency in one of the primary local languages, and/or a transplanted Western language that is widely used in government circles, who can take care of the essential representational and negotiating responsibilities. This does not mean, however, that we have a sufficient number of language specialists at all the posts where the so-called hard languages are used. Nor does it mean that all American personnel stationed at these posts have even an elementary courtesy level of the primary local language which the Department considers desirable. The need for more American linguists with a high level of proficiency in the languages of such areas as southeast Asia and the Arab-speaking world is, in fact, urgent.

We are well aware that our national interests cannot be served to best advantage at posts where we have few language specialists among American personnel and are dependent, therefore, to a large extent on local employees serving as interpreters. Consequently, we are making serious efforts to expand the capabilities of our American personnel to communicate in the local languages as a means of cultivating good will and enhancing the acquisition of firsthand detailed knowledge of attitudes and developments in the area. We are also taking steps to encourage all personnel to acquire at least a courtesy level of proficiency in a primary language of their post of assignment.

The situation is not one that can be improved in short order, however, because of other demands of the Service, including training in many fields besides language, and above all because of the duration of studies needed to acquire a useful knowledge of some of the hard languages. Some of the Asian languages in particular, such as those having a tonal system, which results in a single word having as many as a half-dozen meanings, depending on the pitch of one's voice, are so alien to Western habits of speech that years of study may produce at best a limited conversational ability, unless the student is unusually gifted in learning the particular language.

The proportions of the "hard" language problem as a whole may not be readily apparent to Americans accustomed to living and traveling in a continentwide nation in which one language is spoken with only minor variations, or even to those who have had experience in Western Europe where most languages are spoken throughout each nation, despite some variations in dialect, and are for the most part related at least distantly to one another and to our own. In many of the Asian and African countries, on the other hand, it is the rule rather than the exception that a number of languages, often of widely different origins and structure, are spoken within a single country's borders. There are, for example, 20 languages and major dialects in Afghanistan, and in India's 1951 census 845 different languages and major dialects were recorded. Even after eliminating from consideration large numbers of languages which are spoken by minority groups, the Foreign Service is confronted with a language problem of staggering proportions. India alone has 14 official languages. Worldwide, there are between 60 and 80 languages in which it would be highly desirable to have Foreign Service officers qualified to conduct official business. Desirable as competence in any of the thousands of other languages might be, the Department, as a matter of practicality, has had to address its interest to official languages which are spoken by majority groups in each nation. The Department's goal, therefore, cannot be to train personnel to communicate expertly with every separate language-speaking group around the world, but must be the more realistic one of developing language skills among the officers assigned to each country so that they may have some knowledge of at least the principal local language.

The problem is simplified in some measure by the fact that a number of African and southeast Asian countries have adopted French or English as a lingua franca to cut across the maze of local languages and dialects. Elsewhere in the world German, Italian, Portuguese, or Spanish are highly useful languages. In Burma, English is used for official purposes; its Constitution is written in both English and Burmese. In Cambodia, Khmer (or Cambodian, a language completely unrelated to the neighboring Thai and Vietnamese, both tonal languages) is spoken by only some three million inhabitants out of a total of about 4,845,000, and French is used widely among the Cambodians themselves in commercial and government circles. In Laos, French is the second official language. In Thailand, English is used frequently among Thai officials and commercial classes. In the Republic of Vietnam French is often spoken in preference to local languages in commercial and government circles.

Roughly a third of all Foreign Service officers have a level of proficiency in French sufficient to satisfy representational requirements and to handle their professional work, 20 percent in Spanish and 18 percent in German. An additional 12 to 17 percent can handle minimum working requirements and are approaching the professional level of proficiency in their languages. These languages are either primary or secondary languages at over half of the Foreign Service posts in the world. Consequently, in all but a few areas of the world our ability to communicate effectively cannot be measured accurately on the basis of how many persons possess the native language but rather on the basis of the total capability of our oversea personnel to converse effectively either in the native language or in a primary-alternate or secondary language.

According to the latest statistics available—those as of May 31, 1961—approximately 41 percent of the oversea civilian officers serving with the Department of State, USIA, and ICA in non-English-speaking countries had at least a working level of proficiency of the primary or the secondary foreign language, or both, of the country to which they were assigned. In the case of Ambassadors and Foreign Service officers, this percentage on an overall worldwide basis, exclusive of English-speaking countries, has risen to about 63 percent. For USIA this percentage is 49. The figure for ICA—22 percent—is much lower since its personnel are recruited primarily not for purposes of engaging in representation and negotiation but for their professional qualifications in specific technical fields. As of the date indicated above, the Department of State, USIA, and ICA together had approximately 679 officers who were trained in the various esoteric or "hard" languages. Of these, 485 were in the employ of the Department of State, 138 in USIA, and 41 in ICA.

At over half of the foreign language posts in the world, where the widely used languages such as French, German, and

Spanish are used, from 60 to 80 percent of our personnel speak the local language.

Although ability to communicate in a foreign language can help to bring about better understanding and facilitate negotiations, it cannot serve as a substitute for knowledge, judgment, and dedication, the human qualities that make for trust and respect and enhance the capacity for leadership of U.S. staffs and programs in a particular country. Having said this, it is still palpably necessary, however, given the imperative circumstances imposed on us by world conditions, to press ahead vigorously to equip our personnel assigned overseas with the language and area skills they need to carry out their heavy and increasing responsibilities.

It is the intent of the Department of State, in carrying out the provisions of Public Law 86–723, that no officer be assigned to a post where the knowledge of one of the widely used languages is important in his job without a minimum working knowledge of the appropriate language. Prior to going overseas, training is given in Washington to those who do not already have the minimum requirement in the language concerned. Personnel who do not achieve a minimum working level of proficiency before leaving Washington for their posts, or those who are direct-transferred from another Foreign Service post, are expected to attain job-level language proficiency or, if assigned to positions with no designated language requirement, to attend a minimum of 100 hours of instruction in the primary language at the rate of more than 1 hour a day whenever possible.

The Foreign Service Institute, which since it was organized in 1946 has been engaged in language instruction, is currently teaching 22 languages on a full-time intensive basis in Washington to Foreign Service officers and employees of other agencies including USIA and ICA who are assigned to oversea posts. Advanced Chinese, Arabic, and Japanese are taught at branch schools in Taichung, Beirut, and Tokyo, respectively. This type of intensive training involves up to 6 class hours a day. As of June 1, 1961, there were 177 students enrolled for periods ranging from 6 to 24 months in the more esoteric languages of the Far East, South Asia, Near East, Africa, and Europe. Another 194 students were enrolled in courses of 16 to 24 weeks (mostly 16 weeks) duration in the widely used languages such as French, Spanish, German, Italian, and Portuguese. In addition to these, 283 employees were enrolled in part-time classes conducted at the Foreign Service Institute in Washington in the early morning before office hours. A part-time extension program is operated at 197 posts overseas in 53 different languages. Over 4,700 students are enrolled in this program, and this figure does not include those who are engaged in foreign language study at their own expense.

To increase awareness of the importance attached to the acquisition of languages and to promote retention of languages already learned, the Department of State since August 1958 requires each Foreign Service officer to undergo a language checkup approximately every 2 years, or before he is sent or returned to an oversea assignment. This testing is administered by the Foreign Service Institute whose testing standards are extremely high. As of January 1961, approximately 2,540 Foreign Service officers had been tested in 31 languages. Sixty percent of these have a tested speaking proficiency in at least one language at the minimum professional level, while about 85 percent have at least a routine working proficiency (sufficient to satisfy routine social and official requirements) in at least one foreign language.

THE SILENCING OF MILITARY OFFICERS

Mr. GOLDWATER. Mr. President, as a result of the order by Secretary McNamara silencing the officers of the military from making certain speeches concerning their feelings about their country, a great hue and cry has arisen across the country. This is expressed in editorials being received daily from different newspapers in the United States. I ask unanimous consent that several of these editorials be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Columbia Record, Aug. 9, 1961]

CONTRACTION IN DEFENSIVE POSTURE

Under a National Security Council directive of 1958, during the Eisenhower administration, military leaders stressed the threat of communism in their patriotic indoctrination of troops. They also participated in civilian cold war seminars, such as was held in February at Fort Jackson, and in other ways countered the Red menace.

A change in policy became evident in January when Admiral Burke, Chief of Naval Operations, had to revise a speech because of its rough tone toward the Soviets. Other incidents followed to indicate a softening or compromising attitude. For example Maj. Gen. Edwin A. Walker was relieved of command of an Army division in West Germany after a scandal sheet accused him of strong right wing remarks and actions, some of which have since been denied.

The question of muzzling the military broke on the floor of the U.S. Senate when Senator STROM THURMOND introduced into the CONGRESSIONAL RECORD a copy of a memorandum that had been leaked to some newspapers. The memorandum had been prepared by Senator FULBRIGHT, chairman of the Senate Foreign Relations Committee, and had been sent to the President and the Secretary of Defense. Some executive directives had followed some of its recommendations.

In general, the memorandum recommended that dissemination of information on the Communist threat be taken out of the hands of military men. It branded them as incapable of handling this intelligence in line with the new administration policy. It further recommended transfer of the National War College from military to civilian control and suggested that officers be required to undergo certain educational indoctrination in order to receive promotions. Since the memorandum was directed against right wing thinking, it carried the implication that military leaders must conform to left wing principles and promulgate the left wing point of view in order to advance in the service.

Attacking the memorandum in Senate addresses, Senator THURMOND said: "The implication of this document * * * constitutes a clandestine assault on the fundamental foundations of our Republic. It is a smear campaign, utilizing innuendo based on unsubstantiated allegations. One cannot escape the implication of this document that the exercise of national sovereignty by the people is undesirable. The real issue in this matter is whether the American people shall be given the facts whereby they, themselves, can exercise the sovereignty which is theirs; and whether the American people through the machinery of our Republic, shall have the final say on policies of the United States of America. The philosophy candidly expressed in the memorandum [is] that the American people are not to be trusted with governing themselves, particularly with reference to matters of foreign policy."

The press generally has preserved a silence about the memorandum that might be a lull before the storm. The furor over Senator Thurmond's revelation is mounting and he has promised to go deeper into the issue. The Fulbright memorandum has been published in full in the State. The current issue of U.S. News & World Report devotes two pages to it. Senator THURMOND cites these paragraphs as the heart of the memorandum:

"The American people have never really been tested in such a struggle (the 'twilight struggle' President Kennedy mentioned in his inaugural address). In the long run, it is quite possible that the principal problem of leadership will be, if it is not already, to restrain the desire of the people to 'hit the Communists with everything we've got.' particularly if there are more Cubas and Laoses. Pride in victory, and frustration in restraint, during the Korean War, led to MacArthur's revolt and McCarthyism.

"This problem of democratic attitudes toward foreign policy has never been better stated than by De Toqueville, who wrote:

" 'Foreign politics demand scarcely any of those qualities which a democracy possesses; and they require, on the contrary, the perfect use of almost all those faculties in which it is deficient. A democracy is unable to regulate the details of an important undertaking, to persevere in a design, and to work out its execution in the presence of serious obstacles. It cannot combine its measures with secrecy, and it will not await the consequences with patience. These are qualities which more especially belong to an individual (a dictator), or to an aristocracy (or an oligarchy or presidium.)'

"He also wrote of 'the propensity which democracies have to obey the impulse of passion rather than the suggestions of prudence, and to abandon a mature design for the gratification of a momentary caprice.' "

"This," said Senator THURMOND, "is not an indictment of military leaders for usurping military control, but an indictment of the ability of the American people to govern themselves and to know what is best for themselves."

The tenor of the memorandum is that Americans need no indoctrination in the Red menace confronting them, that a softer approach is needed in the fight with communism, that it is the business of only the Washington insiders what defensive posture we should take, and that the commissar system or its equivalent should be adopted. The theses are inconsistent with the principles of government for, by and of the people.

[From the Greenville News, Aug. 8, 1961]

THURMOND AIDS IN EXPOSING RETREAT ON NEW FRONTIER

(By Holmes Alexander)

WASHINGTON.—Something like 5 hours of serious Senate discussion on a dead serious subject recently got little or no mention in the metropolitan press—but the Senators involved intend to keep on shouting till they are heard. The matter was summarized by Senator MUNDT, Republican of South Dakota, on Monday, July 31.

"Today," said MUNDT, "I received in my office two calls from persons who wanted to get more information about the matter. There was not a single word about it in the Sunday editions of the Washington newspapers, not a single word about what occurred on the floor of the Senate during those several hours of informative discussion on Saturday."

What is this taboo'd subject? Well, it relates to an attempt by three Senators—MUNDT, THURMOND, Democrat of South Carolina, and GOLDWATER, Republican of Arizona, to show that there exists a brute force effort to muzzle the anti-Communist military.

Since so little about it has reached print, I think a foreshortened blow-by-blow account is in order.

July 21: THURMOND, a member of the Armed Services Committee and a combat officer in World War II, learned that Senator FULBRIGHT, chairman of Foreign Relations, had fired off a memorandum to the Secretary of Defense against military officers indoctrinating their troops, or groups of civilians, against the dangers of Communist infiltration. THURMOND demanded, but did not get, a satisfactory accounting from FULBRIGHT.

July 26: THURMOND made a lengthy and furious attack against the administration for throttling its military officers. He also entered into the CONGRESSIONAL RECORD several samples from the Communist newspaper, "The Worker," showing that the latest attack upon our military leaders had first occurred in this enemy journal.

July 29: THURMOND came back with another speech on the same subject and new samples from "The Worker." This time, in an issue predated July 30, "The Worker" was much more specific. It revealed that the Kennedy administration was in the process of removing the last vestiges of a 1958 Eisenhower policy, known as the Radford Directive, in which officers were authorized to participate in anti-Red information programs, such as defense strategy seminars and the showing of documentary educational films.

"The Worker" excoriated some of our finest officers by name—Admiral Burke, General LeMay, General Van Fleet, General Taylor, and Lieutenant General Trudeau, now chief of Army Research and Development, but the candidate of many Senators, Congressmen, and military writers to become the new head of the Central Intelligence Agency, or some equally responsible job in direct conflict with communism.

July 28: Senator GOLDWATER made a rousing speech on the subject of military muzzling in Houston, Tex. Addressing the State convention of the American Legion, GOLDWATER got after FULBRIGHT for the latter's alleged charge that "the virus of rightwing radicalism" was rampant and ruinous in the Armed Services. GOLDWATER added several outside examples to show how upper echelon officers are being silenced. Among his examples:

The Aviation News, April 20, 1961: "The trend today toward one-man censorship of all information from the Pentagon continues to accelerate * * *."

The Army, Navy, Air Force Journal, May 13, 1961: "Professional military thought and expression (are) under attack at the Pentagon * * *."

The Milwaukee Journal, April 17, 1961 took the administration line and reported: "The admirals and generals from pretty much of a closed and mean union. * * * They undermine official policy."

The Chicago Sun-Times, July 20, 1961, reported that "a dangerous movement is afoot to get LeMay as a means of undermining a hard line on Berlin."

It all added up to the Thurmond-Mundt-Goldwater effort of July 31 to put the news across to the public—news that one of the strangest retreats of the cold war is being conducted by the New Frontier.

KEEP MILITARY ALERT TO REDS

[From the Spokesman Review, July 24, 1961]

Some of America's most patriotic and knowledgeable men, so far as the Communist threat is concerned, are officers in our military establishments. Some are called upon to speak occasionally on some aspect of the Red drive to undermine our Government. Some are exceptionally alert to the need for informing other Americans of Communist strategy and tactics in this country and abroad.

Now, apparently upon the suggestion of Senator J. WILLIAM FULBRIGHT, chairman of the Senate Foreign Relations Committee, the secretary of defense has issued an unusual directive.

In effect, this directive orders military officers to stick to military matters in public speeches and to avoid cooperation or sponsorship in meetings at which "extremist speeches" are made by civilians alert to subversive forces at work in America.

A Democratic associate of Mr. FULBRIGHT has properly raised an issue over this evident effort to silence or intimidate military officials who speak up in opposition to subversive elements.

Senator STROM THURMOND, of South Carolina, who is a major general in the Army Reserve, knows the value of keeping our military men alert and in having them properly informed on how the Reds operate.

Senator THURMOND should have the support of all citizens who do not want our responsible military leaders gagged for defending, in peacetime, the principles for which they are called upon to fight in time of war.

[From the News and Courier, Aug. 5, 1961]

FAILURE OF "INTELLECTUALS"

Onetime college president Senator J. WILLIAM FULBRIGHT, Democrat, of Arkansas, is deeply concerned that the military has been sponsoring speakers "heavily weighted to one view." With his academic background, Senator FULBRIGHT undoubtedly has had plenty of opportunity to become familiar with one-sided presentation. In the last few decades, American colleges and universities have become increasing notorious for such tendencies.

The military's attempt to alert the people of the United States to the immediate and terrifying nature of the Communist danger is in part no more than natural reaction to contrary tendencies on the campus. In the academic groves, the strident voice of the leftist, the appeaser, and the internationalist derider of patriotism form a chorus that is almost free from challenge.

Not only has the conservative college professor been silenced, but any sort of effective and rational dissent encounters the most savage intolerance. In his "Collectivism on the Campus," Prof. E. Merrill Root has amply documented pressures and punishments the conservative can expect. Carleton Putnam more recently found many scientists so terrified by egalitarian menace as to be unwilling to undertake serious discussion of the race issue at all.

The conservative's fears are based on firm ground, as evidenced by the recent dismissal of two young instructors from a New York institution. Liberal students and others seem to have been aroused by such activities of the instructors as the showing of the film "Operation Abolition" at the campus Conservative Club, and by criticisms of the United Nations.

Heavyhanded methods, however, are seldom needed. Studies such as "the academic marketplace" reveal that politics and conformity are as rampant in the halls of ivy as in the business world so ruthlessly exposed in "The Organization Man." Add the testimony from the book "The Academic Mind" as to the overwhelming "liberal" predominance in higher education, and it is readily comprehended that the truly independent or conservative mind today must pay a price of silence for acceptance and survival.

As for research grants, the highroad to scholarly achievement and recognition today, the same situation prevails. One of this country's best known historians, an outstanding figure in the academic world, commented privately a couple of years ago that grants were simply not available any longer except to men of acknowledged liberal viewpoints. The conditions in the great foundations, from which most research money derives, have been exposed by Rene Wormser. The Ford Fund for the Republic, for all its obvious leftist bias, is by no means exceptional.

In his criticism of the military, Senator FULBRIGHT merely expresses the resentment felt by the all-powerful forces within the academic community toward any who challenge the current intellectual dogmas. But challenge of appeasement, defeatism, and subversion are necessary if the Republic is to survive.

Challenge there will be. We agree that the intellectuals of this country should be leading the fight against communism. So far they have not only refused to provide leadership, but have opposed those who have displayed willingness to fight the greatest menace ever faced by civilized mankind. Most Americans will not be disposed to criticize those who courageously, if awkwardly, seek to perform a necessary task otherwise left undone.

SPACE BONDS

Mr. KEATING. Mr. President, some time ago I suggested that the administration should look into the possibility of issuing space bonds to help finance our Nation's race into outer space. This idea has won increasing support in all parts of the country. At this point, when many people are very much concerned over increasing military expenditures and the danger of inflation, the proposal for space bonds has an added appeal. Not only could we use these bonds to bolster our boosters, but also they can back up our budget by taking money which might otherwise be used for immediate spending and consumption and directing it toward our Nation's space efforts.

Americans are still asking themselves as individuals what they can do to help advance our country's ideals. If the administration will pursue this kind of idea with imagination and persistence, I think it will be able to establish one very good way in which the average American citizen can contribute to strengthening the whole free world. As an illustration, one way to interest our space-minded youngsters in this proposal might be to offer reservations on a space flight to the moon to all who invested in a given amount of space bonds. There is a lot of mileage in this proposal, and I certainly hope the administration will see its way to a vigorous and enterprising approach in the entire field of savings bonds, and most particularly to the initiation of a new series of space bonds.

Mr. President, I ask unanimous consent to have printed in the RECORD following my remarks editorials from New York, Pennsylvania, and Florida newspapers supporting the space bonds proposal.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

SPACE BONDS PLAN STUDIED BY TREASURY IN OVERALL REVIEW

WASHINGTON.—The Treasury Department is considering the issuance of a new type of savings bond, to be known as "space bonds," it is reported here.

The Treasury has under study the proposed new type of bond, to help finance America's missile and space program, as

part of a broad review now underway of the savings bond program.

The "space bonds" have been urged by Senator KENNETH B. KEATING, Republican, of New York, while Senator JACOB JAVITS, Republican, of New York, and Senator JOHN J. WILLIAMS, Republican, of Delaware, have been suggesting the issuance of "peace bonds."

Senator KEATING received from Treasury Secretary Douglas Dillon a letter saying, "The public interest fully justifies the effort that we are making to review the shape of our whole savings bond program, including the specific use of the space bond."

When space bonds were originally proposed, the Treasury reportedly was doubtful of the idea. As Senator KEATING said, "The initial reaction of the Treasury Department was not favorable." He added, "I'm glad that the Department is taking a second look."

Senator KEATING added a "full-time consultant has been engaged to study the entire savings bond program, including the specific use of the space bond. I am hopeful that this study will lead to an imaginative and enterprising Government effort to sell space bonds."

It is learned that Under Secretary of the Treasury for Monetary Affairs Robert Roosa is in overall charge of the revision of the savings bonds effort. He has associated with him Prof. John N. Kareken, an economist of the University of Minnesota.

The fact that Mr. Roosa is leading the study of space, peace and savings bonds, indicates to observers that he will consider the promotion of these bonds along with his responsibility for Treasury debt management.

Treasury Secretary Dillon promised Senator KEATING that "I will give a full report" on developments "at the earliest possible time."

Meanwhile the national Rocket Club is supporting Senator KEATING in his efforts to popularize space bonds and has produced a space bonds saving stamp designed with astronaut Alan B. Shepard's likeness on it.

Harold A. Timken, Jr., president of the Rocket Club, declared that a "space bonds program could be of tremendous assistance to the acceleration of the U.S. space effort."

"HOW CAN I HELP?" BONDS

In the 20 years since they were first issued as war bonds, more than $100 billion worth of U.S. savings bonds have been bought by the American people. Today they hold close to $44 billion worth of these securities. Eight million Americans are purchasing them regularly through payroll deduction plans operating where they are employed.

The money raised by the sale of these bonds is used for general Treasury purposes. Now, on the basis of President Kennedy's "what can I do for my country?" appeal, the White House is said to be considering the issuance of new types of bonds in small denominations to finance specific projects.

Senator KENNETH B. KEATING, New York, Republican, recently proposed the sale of "space bonds," to help the Nation's space program. There has also been a suggestion for another series of bonds to provide funds for our foreign aid program. Adoption of such proposals would give Americans the opportunity for a safe and profitable investment and at the same time a means of contributing to the success of the particular Government activities in which they may have a special interest.

[From the Jacksonville Journal, Aug. 1, 1961]

ONE WAY TO HELP

Many Americans are still asking, "What can I do for my country?" One way they can help America and themselves is to buy U.S. savings bonds. The illustration clearly shows what a good investment this can be both in the future of the United States and in one's own future.

Quimby Melton, 71-year-old publisher of the Griffin (Ga.) Daily News, asked himself one day what he could do for his country. Here's the answer in his own words:

"I came up with the idea: If everyone will buy one or more U.S. savings bonds during the month of May, it will be proving that they not only talk patriotism but are backing this talk up. I hit on the idea of calling the campaign 'Confidence in Uncle Sam Unlimited.' It caught fire. When May was over, Griffin folk had invested more than four times as much in the bonds as they did in April.

The plan was so successful that the record sales carried over into June. Then Washington officials heard of the campaign and four Cabinet officers sent checks. Now, says Melton, the Government is thinking about copying his plan on a national scale. The Government is also reportedly investigating a new kind of bond plan that would let citizens earmark their investments for particular Federal programs such as foreign aid or space work.

Space bonds were first suggested by Senator KENNETH B. KEATING, Republican, of New York, who pointed out that the Government has received a number of checks in the mail, ranging up to $100, from citizens who want to give something extra to advance the U.S. space effort.

Savings bonds would seem to be the best bet of any. They enable the Government to use the money borrowed as it sees fit. In any event, the citizen who invests in these bonds can take satisfaction in knowing he has given one of the best answers to the question: "What can I do for my country?"

PRIVATE EFFORTS TO PROMOTE NATIONAL TOURIST ATTRACTIONS

Mr. KEATING. Mr. President, lately a great deal of attention has been devoted to Federal governmental efforts to promote and encourage tourism to the United States. I believe that the most important supplement to the activities of the International Travel Service recently established in the Commerce Department is the work of private American groups to encourage tourism. I feel very strongly on this point, and have suggested the establishment of what I call local "welcome corps" to supplement the work of the International Travel Service by greeting and assisting foreign visitors in key communities throughout the United States. I am pleased that groups along these lines have been set up in a number of our important metropolitan centers.

Mr. President, I wish to call attention today to a very unique effort on the part of a small group of New Yorkers, which I believe might well be made a part of our overall efforts to publicize the many great attractions of New York City. I refer to a publication entitled "New York Free for All." This ingenious and unusual guide is, as its title suggests, a listing of the many particularly unique attractions of New York City which are free of charge. It is reassuring in this era of salesmanship and canned commercials to know that interesting opportunities are still available at no cost.

"New York Free for All" has been published on a shoestring for the past several years by Mr. Lew Arthur. In his most recent edition, he has this delightful comment about the great city of New York:

> The essence of the city is in its free-wheeling sights, sounds, and happenings. There are constant surprises in store round every corner—touching or comic scenes of life lived intently, daily, 24 hours. Here we can only offer the leads, but keep an open mind and heart and you'll discover for yourself the liveliest vaudeville in the world.

Mr. President, I am happy to call attention to this program. I certainly hope interesting local programs such as this one will perhaps be made a part of our Nation's new effort to close the "tourist gap" and to encourage visitors from overseas to travel to and through our great Nation.

SALE OF GOVERNMENT-OWNED HOUSES AT WAVERLY, OHIO

Mr. LAUSCHE. Mr. President, yesterday the U.S. Government sold 323 houses at Waverly, Ohio. The houses were built in 1954 in conjunction with the development of the atomic energy plant in Pike County, Ohio. A wholesome and encouraging aspect of yesterday's sale was the combination of four churches in Ohio to bid upon the property. They were led by Rev. John Robert Glenn, pastor of the Boulevard Presbyterian Church, Columbus, Ohio, and were able to gather sufficient funds to make the high bid. To me, this is an encouraging development. The four churches are the Boulevard Presbyterian Church of Columbus; the First Presbyterian Church of Chillicothe; the Second Presbyterian Church of Portsmouth; and the First Presbyterian Church of Waverly.

These four churches combined their efforts, had their representatives appear in Washington, and were the successful bidders for the 323 houses. They contemplate using the project to house the aged of their churches.

I am proud that the men and women representing those churches had the foresight and energy to combine their efforts to purchase these 323 houses to provide living accommodations for the aged of their congregations.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The absence of a quorum has been suggested, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

(At this point, Mr. GOLDWATER took the chair as Presiding Officer.)

Mr. MANSFIELD. Mr. President, I ask that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. What is the pending business?

The PRESIDING OFFICER. The pending business is the amendment proposed by the Senator from Washington [Mr. MAGNUSON].

Mr. MANSFIELD. Mr. President, if I may have the attention of the chairman of the Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT], it is my understanding that the amendment was offered last evening and an explanation of it was then made on the floor of the Senate. That explanation is in the RECORD. It is my further understanding that the chairman of the committee is willing to accept it. I hope at this time he will make his position clear.

Mr. FULBRIGHT. Mr. President, the provision contained in the amendment has been in the bill since 1955, I believe. I see no objection to it. If it is properly administered—and the bidding for the insurance is supposed to be on a competitive basis—I see no objection, and I am ready to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington.

The amendment was agreed to.

The PRESIDING OFFICER. The question now recurs on the amendment proposed by the Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS of Delaware. Mr. President, this amendment is being offered on behalf of myself and the Senator from Kentucky [Mr. COOPER].

I should like the clerk to restate the amendment because the last line has been modified to read "8 per centum per annum." These words were added to make sure that there is no misunderstanding but that the proposal is a ceiling on the annual interest rates, and not one which would be interpreted as an 8-percent ceiling for a shorter period.

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

Mr. WILLIAMS of Delaware. Mr. President, I ask that the modified amendment be stated.

The PRESIDING OFFICER. The amendment of the Senator from Delaware, as modified, will be stated.

The LEGISLATIVE CLERK. On page 6, after line 3, it is proposed to insert the following new subsection 201(d):

(d) Funds made available to carry out this title shall not be loaned or reloaned at an interest rate in excess of 8 per centum per annum.

Mr. WILLIAMS of Delaware. Mr. President, I will state briefly for the RECORD that the proposed amendment is similar to one which I offered to the so-called Latin American aid bill.

The purpose of the amendment is to make sure that the money that would be furnished under the bill, which totals approximately $8.5 billion for the use of the Development Loan Fund, could not be loaned or reloaned by any of the countries involved at interest rates in excess of 8 percent per annum. The amendment does not propose the 8-percent ceiling as an objective but only as a ceiling. In cases where the interest rate could be lower it would be advisable for it to be lower.

The U.S. Government has oftentimes been looked upon as a Shylock. It has been charged that we have been a party in certain countries to charging people who are buying homes or operating a small business interest rates as high as 15, 18, or 20 percent a year.

That is not true, but it is true that some of the parties who have been borrowing this money from our Government at low interest rates have in turn been charging excessive rates—rates sometimes running as high as 20 percent.

We are furnishing money for these loans at rates as low as 2½ percent or 3½ percent. It was suggested by the Secretary of the Treasury, Mr. Dillon, while in Uruguay the other day that some of these loans will be made on the basis of 50 years with no interest being charged. If we are going to put up American taxpayers' money for 50 years at no interest charge, or for as low as 2½ or 3½ percent, certainly it is unreasonable to allow these countries, after borrowing it at these ridiculously low rates, to relend the money to their people at interest rates of 12 percent, 15 percent, 18 percent, or even 20 percent.

Rather than creating good will, we shall be doing ourselves an injustice. It would be much better if we kept the money at home.

I hope the chairman will accept the amendment.

Mr. FULBRIGHT. The Senator will recall that we had a very long and extended debate on this subject with regard to the Latin American program. A compromise was finally worked out which read as follows:

Funds made available to carry out this title shall not be loaned or reloaned at an interest rate considered excessive by the Development Loan Committee established by section 205 but in any event no higher than the legal rate of interest of the country in which the loan is made.

There is no question in this program about the interest rate we will charge.

The same argument was made before that there is a great variety in some of these countries. We cannot control the state of inflationary pressures in some of the countries. One of the main objectives of the program is to gradually enlist participation of local capital in the formation of such organizations as savings and loan associations, and so forth. Did the Senator submit an amended version of his amendment?

Mr. WILLIAMS of Delaware. No; the amendment which I offered on behalf of myself and the Senator from Kentucky [Mr. COOPER] is exactly the same as the printed amendment except that we added two words at the end of the amendment: "per annum." That was done to make sure that the 8 percent could not be interpreted as 8 percent, for example, for 6 months, and in that way get around the clear intent of the amendment. We want to be sure that it will be 8 percent per annum.

Mr. FULBRIGHT. I would be willing to accept an amendment in the same form as the one that was finally put into the Latin-American program. It is workable. I can assure the Senator that the administration and I, along with the Senator from Delaware, are not trying to increase interest rates. We are trying to reduce them. As a practical matter, however, we cannot by fiat reduce the interest rates and expect any participation by the local people.

I hope the Senator will make his amendment conform with what Congress did in the other program. After conferences between both Houses, we agreed with regard to the Latin American program to accept the amendment that I have proposed. The Senator's amendment is directly contrary to the best judgment of the people who must administer this program. As a practical matter it does no good to set up arbitrary standards and then fail in any effort to enlist local private capital participation in the program that we hope to get moving in these underdeveloped countries.

Mr. WILLIAMS of Delaware. I have great respect for the chairman of the committee, but the substitute which has been suggested by the State Department so far as any enforcement provision is concerned is not worth the paper it is written on. It merely says that they will not charge rates which they think are too high or rates which are higher than the legal rate in the country involved. The legal rate is as high as 20 percent in some of those countries.

Mr. FULBRIGHT. I do not believe the Senator from Delaware is correct when he says that the legal rate is 20 percent. The actual rate may be as high as that. We had a few cases, at least, called to our attention where in a country like Peru—and I do not like to reflect upon Peru, but I think that was the country involved—in which the legal rate was 10 or 12 percent, but the going rate, to attract any participation by risk capital, was often as high as 15 or 20 or 25 percent.

The trouble is that in these countries there has been for the last few years excessive inflation, and they cannot get anyone to lend money at what we would call a reasonable rate. If inflation increases, a man who has money and has loaned it in some cases would lose as much as 8 percent. The language in the Senator's amendment just will not work. We cannot by direct fiat and by passing a law cure a situation like that. The only possibility of progress is to gradually show them the benefits arising from gradually working the interest rate down.

It is not too many years ago when we had, in our own West, interest rates running up to 15 or 20 percent. The senior Senator from Arizona the other day said he could remember that when he was a young man in Arizona they often paid 12 to 15 percent for money out there. That was not too long ago. We are a country which has accumulated capital. No one is trying to say we want to gouge these people, or that we approve of their being gouged. We want to develop a workable program.

After many hours of debate and consultation with the Treasury Department, we finally worked out a compromise which, it seems to me, is reasonable. I hope the Senator will not force us to go through all that again. I could almost predict that it would finally come out this way. I believe that when we voted on the Senator's proposal before, involving a positive requirement, such as that he now proposes, his amendment was defeated in the Senate. After long hours, we finally reached what I believe to be a workable compromise. I plead with the Senator to accept the substitute I have proposed.

The language I propose is not without force. It says:

But in any event no higher than the legal rate of interest of the country in which the loan is made.

That refers to the relending of the money. That does not mean that we are going to charge that interest rate. No one could accuse us of charging a usurious rate if a higher legal rate is charged. No one could make a legitimate complaint that we were doing something wrong. This involves their own law. We cannot rewrite their laws. No one in any of these countries could legitimately criticize us if their own lending agencies loaned money at higher than the legal rate.

I would certainly be delighted to accept an amendment along the line I have proposed, but I cannot accept the Senator's proposal, which the Senate rejected only a few weeks ago.

Mr. WILLIAMS of Delaware. First, I wish to say that the Senate did not reject our amendment. The Senate unanimously approved it. The Senate later reversed itself and rejected it after the State Department insisted that they wanted the right to put American dollars out at a low rate of interest but that they wanted the people using the money to have the right to put it out at rates as high as 12 percent or 15 percent. The fact is that first the Senate unanimously approved my amendment. I believe the Senator from Arkansas supported it at the time it was offered.

Mr. FULBRIGHT. I believe the Senate did that under a misapprehension. Besides, it was not the State Department. The State Department is not always the one that makes mistakes. The Treasury Department is the Department we consulted. Mr. Leddy, I believe, did tell the Senator from Delaware that he thought he could live with it, after they examined it and went all over it and explained how it would work. It was the Treasury Department that acknowledged that they are the ones primarily responsible in the inter-American bank operation.

It was said there could be no hope of success in enlisting the participation of local capital if that provision remained in the bill. That was why the Senate reversed itself. The Senate first voted for the provision because Senators were under a misapprehension. I did not like the proposal at the time, despite statements by the Assistant Secretary of State to the Senator from Delaware, which I thought then and still think was a slip made over the telephone, not in a well-thought-out memorandum. I recall the conversation; as a matter of fact, I think I suggested to the Senator that he call the Assistant Secretary, and I was greatly surprised at what I thought was the mistaken interpretation which was given.

However, the Senator from Delaware admits that subsequently, after a long, laborious, and thorough discussion of the question, the Senate reversed itself. That was its final judgment. The final result is what I read to the Senator. I do not understand why he believes he is more likely to get this conclusion adopted now, after a lapse of only 4 or 5 weeks, than he got it then.

In my opinion, the provision in the bill is a reasonable proposal, one which ought to be given a chance to work. If the reports to the committees indicate any great outcries concerning abuses or inequities, the committees will be glad to consider them. However, I do not believe obstacles should be placed in the way of the successful operation of the program. It ought to be given a reasonable chance to succeed, in an effort to enlist legal capital for the various projects.

Always remember that it is not intended that the United States shall supply the major part of the money for these projects. Our purpose is merely to help them get started, to provide what is called seed capital, to show the people in the countries abroad how savings institutions can operate. Such institutions have operated well in this country; and under the operations of our institutions, interest rates have been gradually reduced over the years. That is what we would expect to happen in the foreign countries. If the Senator from Delaware should succeed in having his proposal adopted, there would be no opportunity at all for the program to succeed.

Mr. WILLIAMS of Delaware. In the Development Loan Fund, not $1 of foreign capital is involved and it is not intended that $1 of foreign capital be involved. These are U.S. dollars, furnished by the taxpayers. Congress has a perfect right to establish the interest rates which will be charged. A ceiling is placed on interest rates which can be paid to persons who lend their money to the U.S. Government. Legal interest rates are established in the respective States.

The Senator stated that years ago, in the development of this country, usurious rates of 15 or 20 percent were charged. That did not make it right. I venture to say that had the person who was charging such high rates in any State been obtaining from the Government the money which he was lending to the people, there would have been a revolt.

In this instance, the money will be lent for periods of 50 years so far as concerns the repayment of principal—50 years during which no interest will be charged at all. The borrowers will be allowed to use the money. Is it unreasonable for us to ask them, since they are getting this money in order to lend it to their people not to charge interest rates in excess of 8 percent? Even 8 percent, in my opinion, is far too liberal. Why does the administration insist on allowing these moneylenders to charge 15 to 20 percent on money which we are furnishing at little or no interest?

Let us stop kidding ourselves. Loans are being made in those areas at interest rates of 10, 12, 15, and sometimes as high as 20 percent, and all the money is U.S. money. What does inflation in those countries have to do with the question? This is U.S. money. If the loans are made repayable in the currencies of those countries, we shall be the losers.

The time has come when this program should be put on a sound basis. That is very important. On a previous occasion I called the attention of the Senate to an instance in a Latin American country where an individual who owned 2,400,000 acres of farmland was borrowing money direct at a rate of 5¼ percent. But under the same program the administration proposes to put our money through a credit bank in the same country whereby an individual farmer who wishes to get a loan in the same area must pay 12 percent. I do not believe that can be justified.

The criticism of the whole foreign-aid program has been that the United States has been pouring billions of dollars into this field without the money or the benefits going directly to the people of the countries concerned. The way to make certain that the people of the foreign countries get the benefits which are intended for them is to write restrictions into the law.

The compromise proposal of the Senator from Arkansas is not acceptable so far as I am concerned. Personally, I would just as soon see nothing in respect to it in the bill as to have what is here proposed by the administration.

Mr. President, unless the Senator from Arkansas wishes to speak, I shall suggest the absence of a quorum. The Senator from Kentucky wishes to speak on the amendment.

Mr. FULBRIGHT. Mr. President, I do not know that I can say any more than I have except to offer my substitute for the Senator's amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 6, after line 3, it is proposed to insert the following new subsection 201(d):

(d) Funds made available to carry out this title shall not be loaned or reloaned at an interest rate considered excessive by the Development Loan Committee established by section 205 but in any event no higher than the legal rate of interest of the country in which the loan is made.

Mr. WILLIAMS of Delaware. Mr. President, if this substitute being offered by the Senator from Arkansas is adopted money could be loaned at rates as high as 12 or 15 percent without any question being raised.

I suggest the absence of a quorum.

Mr. MANSFIELD. Mr. President, before the Senator suggests the absence of a quorum, I ask that the attachés of the Senate notify all Senators that this will be a live quorum.

Mr. WILLIAMS of Delaware. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 141]

Aiken	Fulbright	Monroney
Allott	Goldwater	Morse
Anderson	Gore	Morton
Bartlett	Gruening	Moss
Beall	Hart	Mundt
Bennett	Hartke	Muskie
Bible	Hayden	Neuberger
Boggs	Hickenlooper	Pastore
Bridges	Hickey	Pell
Burdick	Hill	Prouty
Bush	Holland	Proxmire
Byrd, Va.	Hruska	Randolph
Byrd, W. Va.	Humphrey	Robertson
Cannon	Jackson	Russell
Capehart	Johnston	Saltonstall
Carlson	Jordan	Schoeppel
Carroll	Keating	Scott
Case, N.J.	Kefauver	Smathers
Case, S. Dak.	Kerr	Smith, Mass.
Church	Kuchel	Smith, Maine
Clark	Lausche	Sparkman
Cooper	Long, Mo.	Stennis
Cotton	Long, Hawaii	Symington
Curtis	Long, La.	Talmadge
Dodd	Magnuson	Thurmond
Douglas	Mansfield	Tower
Dworshak	McCarthy	Wiley
Eastland	McClellan	Williams, N.J.
Ellender	McGee	Williams, Del.
Engle	McNamara	Yarborough
Ervin	Metcalf	Young, N. Dak.
Fong	Miller	Young, Ohio

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

Mr. KUCHEL. I announce that the Senator from Illinois [Mr. DIRKSEN] is necessarily absent.

The Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from New York [Mr. JAVITS] is detained on official business.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the junior Senator from Arkansas [Mr. FULBRIGHT].

Mr. KUCHEL. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BUSH. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUSH. Is the Senate on limited time?

The PRESIDING OFFICER. No.

Mr. WILLIAMS of Delaware. Mr. President, I hope the Senate will not accept the substitute which has been offered by the junior Senator from Arkansas because, as I stated earlier, its adoption would in effect place no restrictions whatever on the amount of interest which could be charged as this money is reloaned in those countries which have excessive rates. If we are not going to do the job right, we might as well not do anything and let the American people know that the sky is the limit as to what the people in the countries can be charged; and what makes the matter worse, the exploiting will be in our name.

I point out only a few specific examples of what could happen under the Fulbright substitute, which puts the ceiling at the legal rates of the respective countries.

Argentina has a legal interest rate of 10 percent. The legal interest rate in Brazil is 12 percent. In Chile the legal interest rate is 15 percent. In Colombia the legal interest rate in 8 percent.

In Ecuador the legal interest rate is 10 percent. In Paraguay the legal interest rate is 12 percent. In Peru the legal interest rate is from 13 to 13½ percent. In Uruguay the legal interest rate is 9½ percent.

Rates all the way up to 12 or 15 percent could be charged for this money which is going to be put up by American taxpayers on a 50-year loan with no interest.

We shall not get any good will in those countries by associating ourselves with these usurious rates.

The PRESIDING OFFICER. The Senator will suspend until there is order in the Chamber.

The Senate will be in order.

I wish especially that the visitors on the floor who are not Members of the Senate would discontinue their talking. The attendants and aids of Senators speak more loudly than the Senators.

The Senator from Delaware may proceed.

Mr. WILLIAMS of Delaware. Mr. President, it has been suggested by some that one approach to this problem would be to adopt a provision that none of the money could be loaned or reloaned at an interest rate in excess of 5 percent over that which is being charged by the U.S. Government. I should be inclined to support that proposal, but it would be more restrictive.

What the Senator from Kentucky [Mr. COOPER] and I are proposing is not that the charge be 8 percent, but that there be an 8-percent ceiling on the rate of interest that can be charged.

I point out to the Senate that this identical proposal was on one occasion approved unanimously by the U.S. Senate. That position was reversed only after the Treasury Department and the State Department went to the conferees and insisted that they wished more flexibility in order that those using the cheap money which we were putting up could, if they wished, keep on charging higher rates of interest.

This proposal would limit the interest to 8 percent per annum. It will work. A few months ago when we were considering the Latin American aid question, at which time I offered a similar amendment, I consulted with Mr. Leddy of the Treasury Department. The 8-percent rate was substituted for the first suggested 6-percent rate because he said that the 8-percent figure would work better. He admitted at that time he thought it would be a constructive amendment and had no objection to its being adopted. Later somebody changed his mind and decided the Department did not wish to put on these restrictions.

Much has been said in recent conferences with the South American countries and countries throughout the world that we would see lower interest rates being charged to the people in those countries. The way to that is to adopt the amendment which would restrict the interest rates.

If we do not adopt the amendment we shall find that housing in some of these countries which are financed by dollars furnished by the U.S. Government at a low rate of interest will be sold to the people with mortgages bearing rates of 12 and 15 percent interest. We shall not generate any good will by being a party to such "Shylock" interest rates.

Mr. COOPER. Mr. President, I appreciate the opportunity to join as a cosponsor of the amendment offered by the Senator from Delaware [Mr. WILLIAMS]. As he said, this same battle limitation on interest rates charged on our money by the countries to which we lend money to their own people was fought in the Senate a few weeks ago when an amendment offered by the Senator from Delaware similar to the one which we have proposed was agreed to by the Senate. His amendment, which I supported, was eliminated in conference. Nonetheless the reasons supporting the amendment at that time lead us today to offer it to the pending bill, are the reasons for its adoption are even more persuasive and cogent than they were at that time. It is well for the Senate to know very clearly what is proposed by the amendment.

The committee approved bill which is before the Senate provides that the President may lend to developing country the sums which are made available by Congress upon such terms as he may think appropriate. The committee report, the statement made by the President of the United States, and the statements of Secretary of State Rusk and Secretary of the Treasury Dillon, have made it clear that the intention of the foreign aid bill to make long-term loans, even to the extent of 50 years, at low rates of interest to recipient countries, and perhaps without any interest rates at all. But nothing is provided in the bill regarding conditions applying to the reloaning of the money which this country provides to institutions and organizations in the countries in which our money would be made available.

Although I support the foreign aid bill, I remind the Senate that under the terms of the bill billions of dollars would be made available to those countries over a period of 5 years. While the committee bill says nothing about the reloaning of our funds by the countries we help, it does provide criteria, upon the basis of which the President shall make loans to the developing countries.

I wish to read one criterion, written into the bill this year, which the Committee on Foreign Relations and the President, state that they consider to be important. On page 10, line 6, of the bill the following language appears:

> The President is authorized to furnish assistance on such terms and conditions as he may determine in order to promote the economic development of less developed countries and areas, with emphasis upon assisting the development of human resources through such means as programs of technical cooperation.

Then four criteria are mentioned to determine whether the President shall make the proposed loans. I call attention to (4), which provides as one of the bases upon which he shall make a loan to a country in South America, Asia, or Africa:

> (4) the extent to which the recipient country is showing a responsiveness to the vital economic, political, and social concerns of its people, and demonstrating a clear

willingness to take effective self-help measures and to pay a fair share of the cost of programs under this title.

The subsection states that one of the objectives of the bill is to promote social and economic reform in the countries we help to enable our money to help the people of these countries. All of us are familiar with examples of waste—not examples—unfortunate—which point out that our money has been used for the aggrandizement of a few persons in the wealthier classes. Inexcusable as these examples of misuse of our aid is, I think it even more far reaching in the long run, is the fact that our money has not gotten down to the people to raise their living standards. That is one of the great purposes of the bill. Social and economic reforms may be accomplished in these countries if we use the influence of the United States—and it is a great influence—because we do not have to loan the money unless steps in the right direction are made. Our amendment would stop the "Shylock" practices in those countries of charging exorbitant rates of interest, which bear upon the poor and backward people of those countries, and the people to whom loans are made—will believe that the United States is a "Shylock" as well as the institution of their own governments.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. CAPEHART. Does the Senator have in mind, when he says that he will do the things that he outlines, that the private enterprise system will be promoted in the recipient nations?

Mr. COOPER. Yes. I was about to indicate the kinds of organization to which the proposal would apply. There may be institutions set up in the recipient countries with our money to make loans to private enterprise, and so if we require that our money be loaned at lower rates of interest, this practice, we hope, they might follow suit in their own operations.

Mr. CAPEHART. Does the Senator agree with me that we ought to write into the bill a provision that X amount of money loaned to a country must go to private enterprise? Should we not specify and establish the principle of law that we believe in the private enterprise system, thereby forcing recipient countries to accomplish what the Senator has suggested?

Mr. COOPER. I would support some moderate provision. I must say, however, that there is no private enterprise system as we know it, in many of these countries and no saving upon which capital for private enterprise can be established on a large scale, particularly for heavy industry.

Mr. CAPEHART. If there is no private enterprise system, and presuming that the opposite to such system is socialism or communism, should we promote socialism and communism in those countries?

Mr. COOPER. I do not particularly agree with the statement, simply because, as I have said, the conditions do not exist for large private enterprise as exists in our country. I am getting off my subject.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. COOPER. I want to come back to our amendment in a moment.

I yield to the Senator from Connecticut.

Mr. BUSH. Apropos of what the Senator from Indiana has said, on Monday we agreed to an amendment sponsored by the Senator from New York [Mr. JAVITS] and myself. I do not believe the Senator from Indiana was present at the time.

Mr. CAPEHART. I was here.

Mr. BUSH. The amendment was designed to do exactly what the Senator from Indiana has in mind—to promote the use of the private enterprise system in connection with the proposed loans, and to make sure that there would be no prohibition on lending the money to private enterprisers who may wish to invest, and assist in the building process in those underdeveloped countries.

Mr. CAPEHART. I remember clearly what occurred. Of course, all the Senator did was to specify by words that the countries were to take such action. What I wish to do is to make the provision a part of the law. I want Congress to go on record as endorsing the principle of the private enterprise system, and say to the world, "We want X amount of this money to be loaned to private enterprise," rather than to rest on the generalities of words stating that they can do so.

Mr. BUSH. Mr. President, I think the language is pretty specific. The only difference between what the Senator has in mind and what has already been done is that he wants to allocate a certain specific sum of the Development Loan Fund for that purpose. Is that correct?

Mr. CAPEHART. I want to be sure that it is done by law. I want Congress to go on record as espousing the principle of the private enterprise system and putting such a principle into the law. If the principle is good enough to put in words which state that the principle must be followed, why not earmark X amount of money for that purpose?

Mr. BUSH. That is the difference.

Mr. CAPEHART. That is a big difference. I want to earmark X amount of money.

Mr. BUSH. Yes.

Mr. CAPEHART. The Senator from Connecticut is trying to accomplish the same thing, except——

Mr. BUSH. How can the right amount of money be determined?

Mr. CAPEHART. I shall offer an amendment which will provide for 50 percent.

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. CAPEHART. I agree with what the Senator from Kentucky said a moment ago. If what he read is the purpose of the bill, let us be specific. Let us write a specific amount into the law. Let us not take anything for granted. We are taking the taxpayers' money, provided under the private enterprise system of the United States. Let us see that at least 50 percent of the amount provided is loaned directly to private enterprises. Then I think we shall have accomplished something.

Mr. COOPER. Mr. President, I appreciate the comments that have been made. I shall conclude in a moment. I wish to return to the theme of my argument for the Williams-Cooper amendment. Its purpose, as I have stated is to achieve one of the objectives of President Kennedy, Secretary of State Rusk, and Secretary of Treasury Dillon, and more important our national objectives. The objective is to encourage economic reform and social reform in the countries which we help. They must adopt measures which will insure that our aid helps them, and enables these governments to fulfill the needs of the people, and which, we hope, will assist them to be economically independent and maintain independence.

One of the practices which will continue to inhibit such development in these countries is the practice of lending money at excessive rates of interest.

The Senator from Alaska has offered an amendment which provides that the interest rate shall not be 5 percent above the loan we make. We propose to make country loans to no rate of interest or at 1 percent or 2 percent. Of course, if we multiply nothing by five, we still have nothing. Five percent might be too prohibitive.

Mr. GRUENING. My amendment does not multiply. It is not one of multiplication, but one of addition. We are adding 5 percent.

Mr. COOPER. Five percent might be too prohibitive.

In substance, our amendment, if adopted, will achieve one of the purposes of the foreign aid bill, which everyone says should be achieved. Our self-interest is involved. Unhappily, although we have provided money all over the world and in amounts that no other country could or would provide, yet many governments do not tend to acknowledge that fact to their people, and most of the people do not even know anything about our aid.

It will help our foreign aid program if the people of these countries believe we have some heart in the program, some interest in them. We must appeal to the deep seated interests and hopes of the people in Latin America and other countries.

If I remember correctly, the first country in Latin America to become independent achieved that status in 1810. In the short period of 20 years all the other countries became independent with the exception of Brazil. Brazil became independent around 1850. Although they won a glorious independence, and we honor them, we know that there has been very little economic reform. Secretary Dillon is in Latin America this week preaching social and economic reform, and asking these countries to undertake reform measures. We should be more forceful and more definite with respect to reform measures in

which we believe. The amendment we offer is one of the ways to be definite.

Whatever we do in the Senate in the way of passing a foreign aid bill will not guarantee the success of the program. Some of us believe very strongly that continuity of assurance of funds is a precondition for the possibility of success. But whatever we do here, legislation will not be successful unless the administration establishes organization and the means to make it successful, and more purposeful than in the past. If the administration starts off its grand designs by being weak the issue it augurs poorly for the success of the objectives of achieving social and economic reforms. This is our opportunity. I know it will be argued that it is not practical. One of the great arguments we have is to use our influence to show that it can be made practical.

Mr. President, this matter was fought over before and the Senate adopted such an amendment. I hope very much that we will adopt this amendment today.

Mr. ALLOTT. Mr. President, we are back at the spot where we were 2 or 3 months ago in considering loans to the Latin American Development Fund. I believe that is the name of it; at least that will designate it. We are at the same point of discussion with respect to how to handle this matter. I recall being present at the meeting of the Appropriations Committee when it considered these loans. I must say that I was not impressed with the determination of the representatives of the State Department to make the loan provision meaningful. We had written into the language of the report when it came to the Senate some language the senior Senator from Delaware did not believe was adequate. I still believe that it was more adequate than any we have here today. However, we have before us a clear choice of two ways to proceed at the present moment. I want to make my own position clear. I shall have to vote against the substitute offered by the Senator from Arkansas, because it refers to a rate considered excessive by the Development Loan Bank and states that in no event the rate shall be higher than the legal rate of interest in the country in which the loan is made.

Last Friday afternoon there were two gentlemen in my office who had spent the best part of the last 2 years in Brazil. One of the statements made to me at that time was that the going rate of interest in Brazil, in order to get a return on the money and also in the way of a hedge against the great inflation which is going on there at the present time, was something in excess of 2½ percent per month. That is totally incomprehensible to any of us. When we think of U.S. money going down there, I do not want to see that money reloaned at 2½ percent per month.

The most important thing about this is this feature. If we do not safeguard this particular fund by some such method as is proposed, it will not become an emissary of good will, but, instead, will be turned against us. When these loan funds are reloaned at excessive rates, it is going to be turned against us in a propaganda warfare that will override and supersede by a thousand times any good that we can put into this bill by authorizing the lending of the money.

So I hope Senators will not support the amendment in the nature of a substitute offered by the Senator from Arkansas, although I realize it represents the considered general viewpoint of the State Department.

The suggestion has been made that the Senator from Alaska [Mr. GRUENING] has in mind offering an amendment which will limit the overcharge to 5 percent. I do not know that a flat rate can be set. I know that lending institutions in this country can operate at a splendid profit on a 5 percent overcharge.

I believe the amendment offered by the Senator from Delaware [Mr. WILLIAMS] and the Senator from Kentucky [Mr. COOPER] is best, and I am happy to join with them in sponsoring it. Certainly none of this money will be lent, in any instance, at more than 4 or 5 percent per annum; so even with an 8 percent limitation, there would be a 3 percent override. Anyone who is engaged in the serious business of developing his own country ought to be able to conduct his operations on a 3 percent override. According to statements made at the recent conference in Uruguay, and published in the newspapers, some of these funds will be loaned at no interest charge at all.

I urge the Senate to realize that unless meaningful and tough limitations are placed in this proposal, it will later be used by the Communist element in South America as a propaganda weapon against us. It will be said that the United States poured its money into South America to be lent to borrowers at 5 percent interest, while the people who borrow it from the South American lenders are paying 10, 12, 15, or 25 percent interest. The program can be used as a two-edged sword, and the damage it will do us later, if restrictions are not imposed now, could be and may be far more serious than all the benefits we shall derive.

It is said that we cannot treat the South Americans in this way. Mr. President, this is our money. It belongs to me, it belongs to you, it belongs to the people in the galleries, it belongs to the people on the highways and byways of every State in the Nation. When we operate a foreign assistance program such as this, we have a right to impose such limitations on the use of our money as we believe will result in justice, equity, and a new social order, a social order more commensurate with our own ideas of democracy and freedom in the countries which lie to the South.

I hope the Senate will not adopt the amendment in the nature of a substitute offered by the Senator from Arkansas, but will vote for the amendment of the Senator from Delaware and the Senator from Kentucky.

Mr. LONG of Louisiana. Mr. President, I voted for the Williams amendment when it was offered some time ago, and I would vote for the Senator's amendment today if it could be couched in language to achieve the objective which I feel certain the Senator from Delaware has in mind. Unfortunately, the language proposed by the Senator from Delaware, and the language proposed by the Senator from Alaska [Mr. GRUENING], as well, fails to meet the problem which was stated to us in the executive session of the Committee on Foreign Relations. Here is the problem:

When the United States lends dollars to a foreign country, the funds must, in turn, be reloaned in other currencies—pesos, for example. The person who borrows the dollars from us is paying for a stable currency. But when he lends his money for housing loans or other local loans in the area, his loans are made in the local or domestic currency.

I myself have been opposed to spending foreign-aid money for currency stabilization in other countries. However, if the currency is not to be stabilized in those nations, it must be remembered that some of those nations are accustomed to having inflation of as much as 20 percent each year. If those people borrow U.S. dollars at, let us say, 2½ percent, or even at no interest, and in turn lend their money but are tied to an 8-percent interest rate, it is fairly clear that any building and loan association would go broke if it lent money at 8 percent against a 20-percent inflation rate, because of the 12-percent difference as a result of the depreciated value of their currency.

I have been as strongly in favor of low-interest charges and every move to bring about low-interest charges as any other Member of the Senate. Yet I recognize the problem that when there is a high degree of inflation, a person who lends money at a long-term rate of interest is actually lending money plus interest, and must charge enough to offset the depreciated value of currency. That is particularly true when a person who is lending money must pay it back in solid currency, such as the U.S. dollar, even though he has lent it in depreciating currency, such as the peso or the currency prevalent in other foreign countries.

This is a problem which is not met by the amendment of the Senator from Delaware. If there were some device to offset the depreciated value of the foreign currency, so that when the lender lent money, he would get back enough to repay the U.S. Government, in turn, I would be in favor of such an amendment. Unfortunately, when the money is being lent in the currency of a nation which has a high degree of annual inflation, for a person faced with 10 or 20 percent currency depreciation a year, and to say he must repay the United States in dollars, would cause the lender to lose money.

It is because the amendment of the Senator from Delaware does not meet that problem that I feel I must support the amendment offered by the chairman, in accordance with what the committee could work out. I am not certain that the chairman has offered the best formula that could be devised.

Whether the administration is making every effort to make certain that the loans will be made at the lowest interest rate possible, there is no point in trying to assist building and loan associations in foregn countries if the conditions on which they are organized will require them to go into bankruptcy.

It is our hope that this program will help to start a building-and-loan and housing movement all across Latin America, and that it will be only the beginning. In the United States today, mortgage loans on an annual basis amount to about $15 billion. It is hoped that through the Development Loan Fund it will be possible to make available something less than $1 billion for similar loans for all the countries of South America. In that way we shall be starting a program to help the people of those countries to participate in a worthwhile work.

However, if a country which has an annual inflation of 20 percent is tied to an 8-percent interest rate, while the lending is done in local currency, and the ultimate repayment to us must be in U.S. dollars, a condition is imposed which could result in the bankruptcy of any building and loan association which tried to do business on that basis.

If a solution to that problem could be reached, I would be inclined to vote for the proposal. Would the Senator agree about that?

Mr. ALLOTT. Mr. President, the logic of the Senator from Louisiana is good. What he has said is true. On the other hand, does he not agree that if meaningful restrictions are not placed in this proposal, whether by one of these amendments or another, the propaganda value against the United States, when the money is reloaned at 25 to 30 percent interest a year—which is the rate being charged today in Brazil—will be simply astounding, and may be used in such a way as to offset any benefit which we might receive from spending our money in the foreign countries?

Mr. LONG of Louisiana. Let me try to answer in a slightly different way, for it is difficult to answer either "Yes" or "No." I do not know what the annual rate of inflation is in Brazil, this year. But if Brazil has, let us say, 20 percent inflation this year, then a 25-percent interest rate is only 5 percent above the depreciated value of the currency there, on a loan for 1 year.

Mr. ALLOTT. The Senator is not far wrong in his estimates, I think.

Mr. LONG of Louisiana. If the Senator were lending money in Brazil and were confronted with a 20-percent depreciation of the currency, as a sound businessman he would have to insist on getting at least 20 percent in order to offset the depreciation in the value of the currency; otherwise, he would have made nothing.

So, to get local people to invest their money there, if the currency there were stabilized, it would be practical to require 8 percent, or a higher interest rate charge to offset the increase in the cost of living or the depreciation in the value of the currency, whichever way one wishes to look at the situation.

It might be possible to work this out in connection with the administration of the program, and I think this is the attitude the administration would wish to take on this question. An effort could be made to see to it that the interest rate was realistic and did not greatly exceed the increase in the cost of living or the depreciation in the value of the currency. But it would be an impossible condition to impose if there were a requirement to repay the loan in dollars which tend to be constant in value, whereas the money would be loaned in a currency which has greatly depreciated in value.

If this arrangement were limited to repayments in dollars, and if it were required that on loans made in dollars and repaid in dollars the rate should not exceed 8 percent, I would be much more inclined to go along with the proposal. But a provision for an 8-percent interest rate maximum, to be applied to one who borrows in dollars and lends in pesos or some other currency, would mean that he would be tied to a relatively low interest rate in dealing with a depreciating currency; and I can understand how such a person would not organize a building and loan association, and how a building and loan association in that situation could not succeed.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Louisiana yield?

The PRESIDING OFFICER (Mr. CANNON in the chair). Does the Senator from Louisiana yield to the Senator from Delaware?

Mr. LONG of Louisiana. I yield.

Mr. WILLIAMS of Delaware. As the Senator has said, the arrangement would work out satisfactorily if the money were borrowed in dollars and were repayable in dollars. These are dollar loans.

As for the arguments that those who reloan the money should be provided with some flexibility—for instance, allow them to charge 5 percent in excess of the inflationary rate in the country—that is worse yet. Suppose in Brazil there were an inflation of 20 percent annually. Then should they charge 25 percent interest?

I suggest that the Senator from Louisiana consider this matter in terms of the American citizens. There has been inflation in this country. Far too many persons advocate a continuing inflation of 2 percent to 3 percent in the United States; they say that will be sound. If there is to be 2 percent to 3 percent for inflation—although I disagree that there can be sound inflation of any kind—then by the same line of reasoning it would be necessary to pay 7 percent on our national debt. Money was borrowed in this country 10 years ago for 3¼ percent on the E bonds. People who invested $75 in an E bond were to be paid back $100 at the end of 10 years. But we know that as a result of the inflation which has occurred in this country—it is impossible to buy with $100 today what could have been purchased with $50 10 years ago. In short, because of the inflation which has occurred in the United States, one-third of the people's principal as well as their interest has been taken away.

I respect the Senator from Louisiana, but I do not see how one can say that an American citizen should not be protected against inflation here at home and then advocate, at the taxpayers' expense, protection against inflation for some moneylender in South America.

Is it not about time that we give some consideration to our own citizens? Certainly there can be no justification at any time or anywhere for 20-percent or 30-percent interest charges on mortgages.

Mr. LONG of Louisiana. All I can say is that small doses of medicine given over a long period of time might work better than large doses given in a shorter period. If the amount of inflation in the last year has been 1 percent, a person earning from 3 percent to 3½ percent on his money might nevertheless make, on a sound, good loan, enough over and above the amount of inflation, so that the loan might still be worthwhile.

I recognize, as does the Senator, that during World War II people realized that there would be depreciation of the currency, and even the amount of interest paid then in the United States was not sufficient to allow for a reasonable amount of interest return, plus enough to make up for depreciation in the value of the currency. The same was true during the Korean war, when in the United States there was some 10-percent inflation. Of course, one who invested his money in property, which retained its value, perhaps, was wise.

But in countries where, year in and year out, there is from 10 percent to 20 percent inflation, and especially if there were to be a requirement to pay back the loan, not in the local currency in which the money received would be loaned to the citizens of those countries, but in American dollars which remain constant in value, the person caught in the middle of that transaction would go broke.

On that basis, if the Senator would limit his amendment, so as to provide that loans made in dollars shall not be loaned in dollars at a rate in excess of 8 percent, I would vote for such an amendment. Or if the Senator could work out some mechanism which would provide that the money shall not be loaned at a rate in excess of 8 percent over and above the inflated difference in the value of the currency, I would be inclined to go along with that amendment.

But I recognize the complete impossibility of making such an arrangement work when there is a large amount of inflation, but when the loan must, nevertheless, be paid back in dollars which have a constant value, although the money borrowed is loaned within those countries in the local currencies.

Mr. CURTIS. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. CURTIS. Would not what the distinguished Senator from Louisiana is proposing amount to having the American taxpayers insure foreign government agencies and corporations and private

individuals in those countries against depreciation of their currencies? Is not that their responsibility? Should we do anything which would cause those who borrow this money not to stabilize their own currencies?

Mr. LONG of Louisiana. I am opposed to spending our money to stabilize the currencies of other countries. I voted against that, and I am still opposed to it, because it seems to me that should be their problem.

Mr. CURTIS. I did not say that. I asked whether we should spend our money to encourage them not to stabilize their currencies. If we are spending our money in a country which has an inflation record of 20 percent or more, can we expect the enterprise to be a success?

Mr. LONG of Louisiana. Some of those countries are managing to keep going, notwithstanding the fact that inflation there has been going on for a considerable period of time. I am opposed to any undue amount of inflation in any currency. I think the countries should try to stabilize their own currencies and their own economies insofar as possible.

But I can understand that if borrowers are required to pay back in American dollars of constant value the money they borrow, and yet expected to make the loans in pesos which are subject to inflation in a considerable amount, a requirement that they shall charge not more than 8 percent interest would impose an impossible condition, and thus they would be placed in considerable difficulty.

Mr. BUSH. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. BUSH. The Senator from Louisiana has referred to building and loan associations. I suppose he visualizes that most of the loans would be made in that way in, let us say, Latin America.

Mr. LONG of Louisiana. I would hope some would be. I do not know how much would be.

Mr. BUSH. Let us put aside for a moment the building and loan association situation; and let us say that a Development Loan Fund loan is to be made for the construction of a private powerplant in a city. Under the Williams amendment, the borrower, the private power company, for example, which was going to double the productive capacity of its plant, would borrow the money at not to exceed 8 percent. Perhaps the going rate for the best grade loans at the banks would be 12 percent. But if our money was available there at 8 percent, it would certainly put this operator at a cost advantage over what he would have to pay if he borrowed money at the going rate in his own country. It would increase his ability to make a profit, and increase his ability, therefore, to pay back in dollars.

So it seems to me the Senator's argument about the inflation factor in those countries does not hold water in connection with this kind of loan to this kind of operation.

Mr. LONG of Louisiana. I have no objection at all to any requirement that, where a person borrows dollars and has to pay in dollars, the lending policy as to interest rate is that the rate shall not exceed 8 percent, or even 5 percent. That aspect does not bother me. What bothers me is the situation in which a loan is made in dollars, and someone who gets the dollars is going to be required to buy local currencies and to lend local currencies. To impose a limitation of 8 percent interest on the local currencies fails to recognize that, while the dollar may remain relatively constant, the local currencies may be greatly inflated, with the result that the requirement places a middleman in a position where he cannot succeed.

If the Senator will limit it to utility companies borrowing dollars in order to buy plant and equipment from the United States, who are required to pay the loan back in dollars, I would be willing to go along with a requirement of 8 percent, or any other reasonable rate. But to require that limitation when the borrowing is in dollars and the person is lending in local currencies, which have a way of being inflated at a rapid rate, is impractical. Unless steps are taken to make it practical, I shall vote against the measure. If we are to have it enacted, it should be made workable, and I think the problem we are discussing should be met and worked out.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. GRUENING. Many reforms have been presented in this connection by the administration. I ask the Senator whether one desirable reform would not be to try to put a brake on the inflation in countries where it is rampant and where it tends to nullify our foreign aid program. Are we not, by maintaining the position of the Senator, encouraging inflation? Would not the kind of reform presented by the Senator from Delaware [Mr. WILLIAMS] or by my amendment tend to stop inflation? Is not that one of the desirable things to try to do? If there is automatic inflation, and it is promoted by a nation's authorities, is not a large part of our program going to be nullified, anyway?

Mr. LONG of Louisiana. I am not one of those who think inflation is the worst thing that can happen in a country. Sometimes there are problems in countries that are worse than inflation. I say the people who in many instances would be making local loans would be making them with funds originally generated by American dollars. In other words, those who will be borrowing dollars and lending pesos will often be persons who have no control over whether the local currency is going to be inflated or not. If they look at the situation which has occurred in the past, when they have been experiencing inflation of their currency at the rate of 10 or 20 percent, and they are required to pay back in constant currencies, these people will be in a relatively hopeless position in trying to make the program work. That is the problem which I am trying to meet here. We hope the program will work to the extent that some people will put some of their own money into these projects in the recognition that they are good, sound investments, and are projects they can go into on the kind of theory on which building and loan associations are constructed. If that kind of philosophy is to be followed, it will have to be on the basis that the interest rate achieved will equal the amount of inflation of the currency. The Senator recognizes the problem.

Mr. GRUENING. I recognize the problem, but I also recognize the posture the American people are put in. Here we are borrowing from the American people, at an interest rate of about 3¾ percent, and going ever deeper into debt. We are to lend the money, according to Mr. Dillon, in some cases at no interest for a period of 50 years, with possibly no demand for principal repayments for 10 years. The accumulated interest we shall have to pay because of the disparity between the cost of borrowing money to us and lending it will run into billions of dollars in the next half century.

At the same time we are by the Fulbright substitute for the Williams amendment authorizing the countries to relend the money at as high as 25 or 30 percent interest. It is utterly fantastic. I do not think the American people will buy this. Unless we put some restrictions in the measure to make it conform to its declared purposes, we will defeat the bill. I do not think the American people will be willing to pay taxes, let the interest on our foreign loans under the foreign aid program accumulate into billions of dollars, and let the other benefiting countries bear no share of the burden whatever. I think it will defeat the bill and wreck the foreign aid program, and I think it should wreck it unless we are more vigilant in its provisions and administration for the protection of our own people.

I think we can write some protections into the bill. If the Senator has some modification that will take care of the situation, I will go along with it, but I think the amendment of the chairman of the committee, which says the prevailing interest rates of the countries to which we lend shall be in effect, opens the door to usury, which is practiced in many of these countries.

Mr. LONG of Louisiana. I have looked at the Senator's proposal. If his proposal and the amendment of the Senator from Delaware were limited to loans made in dollars to be repaid in dollars, I would be prepared to vote for them; but when loans are made in dollars which generate local currencies, which thus result in loans made in local currencies, I submit that the only way to make the program workable is to recognize the inflation involved in that second currency. Otherwise it will be an unworkable arrangement. I am constrained to believe it cannot work. If the Senator will find someway to meet the problem. I am trying to approach

and the Senator from Arkansas is trying to approach, that may be the answer; but so far as I know, what the Senator from Arkansas is offering is about the clearest basis on which some kind of agreement can be reached.

Mr. GRUENING. I should like to ask the chairman of the committee a question. Is there any way in which we could find out what proportion of the $8 billion which we are planning to loan during the next 5 years would be reloaned in the receiving countries in dollars? Is there any way we could assume that a substantial part of it would be reloaned in dollars in the countries in which the loans would be made?

Mr. FULBRIGHT. There is no way at all to determine what part of the loan will be reloaned in dollars. The only example I can think of is that, if we should loan to a foreign government or a foreign bank, and that bank should loan to a citizen who would have to have dollars for the importation of American goods, he might have to borrow dollars. That would be a most unusual case. I think by far the great part of the money would be loaned in the fashion described by the Senator from Louisiana.

The principal objective of the program in this field is to try to induce these countries to create for themselves institutions which will accumulate the capital of their own citizens. In most cases those citizens have no confidence in banks. They have very little confidence in and no experience with building and loan associations or any form of credit association we have mentioned. One of the principal reasons is the inflation which has existed, as a result of which if a man deposits his money in any kind of bank or any kind of institution and, a year later, wishes to draw it out, he finds it is worth about 30 percent less. Credit as we know it is almost nonexistent in most of the underdeveloped countries. What is proposed is an effort to try to help those countries create stable institutions.

If we do not wish to do this, that is all right. All I can say is that we spent some two days arguing the problem. The proposal went to conference. The conferees worked it out. The Senator from Massachusetts [Mr. SALTONSTALL] and his counterpart in the House went over all the facets of the problem and brought back a workable compromise. The Senate itself rejected the same amendment, for all practical purposes, as is now offered by the Senator from Delaware.

I do not know what more can be said. This is the third day we have engaged in the debate. I think we ought to vote the question up or down. I do not know anything more that can be said about it. I have no more to say than I have already said on this floor.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. GRUENING. At the time the Senate adopted the Williams of Delaware amendment some weeks ago, we did not have the later presentation of Secretary Dillon, to the effect that the loans to the Latin American countries would be made on terms far more generous than any loans we have ever heard of before; at one 1 percent interest or no percent interest, for a term of 50 years, with perhaps no repayment of principal during the first 10 years.

Despite the generosity of this offer, we are asked to subscribe fully to the interest rates of some of these countries, some of which are as high as 3 percent a month, or 36 percent a year. It seems to me we must have some protection for the American people, so that they will know their money will not be partly frittered away before it even reaches the objectives we are trying to attain in these countries.

Mr. FULBRIGHT. If the Senator knows how we could legislate on this floor to change the interest rate in Chile or in Brazil, I think he would be a genius. I do not think we can do so.

Mr. GRUENING. No, but we can put some provision in the bill.

Mr. FULBRIGHT. All we can do is try to bring some influence to bear on these foreign people. We can do that. I think that all we would do would be to prevent our administration from having an opportunity to influence them at all.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. SALTONSTALL. I say to the Senator from Alaska and the Senator from Delaware that I was a member of the conference committee which the Senator from Arkansas has mentioned. We struggled over the language for 2 days. It is my understanding that the language now submitted by the chairman of the Committee on Foreign Relations is the same language agreed on at that conference.

Mr. FULBRIGHT. It is merely adapted to this particular operation, instead of to the Inter-American Bank.

Mr. SALTONSTALL. That was one of the most difficult conferences I have ever attended. A lot of the language which has been worked out is language I tried to draft.

Mr. FULBRIGHT. It is the best we can do to make it workable.

Mr. SALTONSTALL. At that time the Secretary of the Treasury, the Department of State, and all the administrative authorities, thoroughly believed we should have language of this character, rather than the straight 8-percent language. With the straight 8-percent language the program would be of no value.

Mr. FULBRIGHT. The administration supports the language I have offered. The Senate supported it not more than 6 weeks ago, I think.

As the Senator from Massachusetts said, the conference supported the language. There is nothing new about it.

We have made this decision once. I do not see what will be gained by going all over the subject again. I am absolutely certain that if we adopt the amendment offered by the Senator from Delaware it will not be accepted in the conference, and the administration will not agree to it. I do not believe there is any reasonable expectation of its finally being enacted.

I thank the Senator from Massachusetts.

Mr. SALTONSTALL. I wish to add one more sentence. The administration told us at that time that if we left in the bill the provision for 8 percent we would practically nullify the purposes of the act.

Mr. FULBRIGHT. We could not have any program under that restriction.

Mr. BUSH. Mr. President, this is a very difficult subject. I should like to make one or two observations.

I intend to support the Williams of Delaware amendment, or possibly the Gruening amendment as a modification of the Williams of Delaware amendment.

I have listened with interest to the talk about inflation in the Latin American countries. Of course, that is one of the great problems of Latin America. The loans we make under the Development Loan Fund are supposed to be made on the basis that there is a reasonable expectation of repayment.

If what the Senator from Louisiana says is true and we continue to recognize a 20-percent inflation factor annually, I can see no basis upon which the Development Loan Fund management can expect repayment.

My point is that when the World Bank makes a loan, it only lends to a government on a basis of a government guarantee, and at times provisions have been stated, such as:

> Yes, we will do this, provided that you do certain things which will improve the stability of the currency in your country so as to make it possible for you to live up to your agreement concerning the repayment of this loan.

Inasmuch as the bill itself provides for a reasonable expectation of repayment, it seems to me this imposes upon the Development Loan Fund the obligation to do, in a way, what the World Bank does in connection with persuading countries to put their fiscal houses in order, so as to fortify their ability to make the repayments when the repayments are due. Otherwise, if we are going to accept the fact that these countries will have a 20- or 25-percent annual inflation factor, no loans can be made, because there would be no reasonable expectation of repayment, with a continuation of that inflation factor. I do not think we should accept that inflation factor.

I think we should live up to what is provided in the bill about a reasonable expectation of repayment. I think the Development Loan Fund, in making loans, should make clear its position. It should say:

> We would like to help. We would like to help you help yourselves, but you cannot help yourselves consistently if you accept a 20-percent inflation factor in your economy.

I think this imposes upon the Development Loan Fund a very important responsibility. If the Fund accepts that responsibility, I do not think the Williams of Delaware amendment would impose any hardship on the program.

Mr. FULBRIGHT. Mr. President, I wonder if my colleagues would entertain some modest suggestion for a limitation of debate on the amendment. This is about the third or fourth day that this great issue has been debated. Is it the intention to debate it the rest of the day?

Mr. BUSH. Mr. President, I have concluded. I yield the floor.

Mr. WILLIAMS of Delaware. Mr. President, as a coauthor of the amendment, I have no objection to a limitation on debate. I most respectfully remind the Senator from Arkansas that the amendment has never been discussed until today. The amendment was offered last night 5 minutes before we adjourned. There was no discussion of it until this morning.

This merely emphasizes the fact that it is an important amendment.

I should be glad to agree to a limitation of debate and get to a vote.

Mr. FULBRIGHT. If the Senator is agreeable, I ask unanimous consent that the debate on the amendment be limited to 20 minutes, 10 minutes to each side.

Mr. WILLIAMS of Delaware. That is agreeable, unless some Senator about whom I do not know wishes to speak.

Mr. FULBRIGHT. This refers only to this amendment.

Mr. HRUSKA. Mr. President, reserving the right to object——

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Does the Senator from Arkansas make that as a unanimous-consent request?

Mr. FULBRIGHT. I ask unanimous consent that the debate be limited.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas?

Mr. HRUSKA. Mr. President, I believe there ought to be an opportunity to ascertain how many Senators are desirous of speaking on the subject. The request is perfectly in order.

Mr. FULBRIGHT. I am merely inquiring.

Mr. HRUSKA. I believe before such consent would be in order, some effort should be made to ascertain how many Senators on this side of the aisle as well as on the other side are desirous of expressing themselves.

Mr. FULBRIGHT. Mr. President, I withdraw the request. With regard to what the Senator from Delaware [Mr. WILLIAMS] said, we talked about the same issue, applying it to the same circumstances, for about 2 days previously. That is what I had reference to. I am willing to debate the subject.

The PRESIDING OFFICER. The request of the Senator from Arkansas is withdrawn. The Senator from Delaware is recognized.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. GRUENING. I am sorry that the chairman of the committee has left the Chamber. I wish to point out that the situation has changed in the weeks since the Williams amendment which the State Department opposed was agreed to previously, because we now have heard from Secretary Dillon in Uruguay of the supergenerous terms which will be offered on loans extending for 50 years, possibly with no interest whatever, and possibly with no repayment of interest for 10 years. I think that condition creates a situation calling for a reappraisal of the interest rates to be charged on top of the no-interest rates which our loans would carry.

Therefore I believe it is wholly pertinent that the question be rediscussed in view of the changed situation. We did not know 6 or 8 weeks ago that the administration would propose to make loans at no-interest rates, loans with no repayment of principal for 10 or 15 years, and perhaps even more generous terms. Those are not loans at all in the generally accepted sense, but we call them loans. It seems to me that under those circumstances we have a right to consider whether we should not put some limitation on the amount of the profit which bankers and lending agencies will make on our interestless loans. That is why I think it is important that the question should be thoroughly aired.

Mr. WILLIAMS of Delaware. I think the Senator is correct. I call attention to the fact that on the 2 days on which this question was discussed on prior occasions, part of the time was taken up by the chairman of the committee, who spoke in support of the proposal and voted for it. The Senate unanimously approved the principle, and the Senate reversed itself only after some of the departments talked with some of the people in the countries involved, and found that they wanted to continue to charge 12, 15, 18, and 20 percent interest.

Let us stop kidding ourselves. The sentiment of the Senate was charged by some people downtown who felt that the 8-percent provision was not a liberal enough rate of interest. I was surprised to see that the expression for higher interest rates came from some of those who have been the strongest advocates of low-interest rates in our country. Just because the people in these underdeveloped countries cannot vote here does not mean they should be overcharged.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. GOLDWATER. I think it is most important that the question be thoroughly discussed, not only from the standpoint of the interest rate aspect, but also from the standpoint of the possibilities of our ever getting the money back. Personally, I look upon the so-called loans to Latin America as more in the nature of gifts. Some very serious problems have just begun to come to light relative to financing in the Latin-American countries that should be developed and exposed here in the Senate Chamber.

For example, since 1958 approximately $1 billion of earned capital has flowed out of Venezuela.

It used to come to American banks. Sad to say, confidence in American banks has dwindled, and the money is now going to Canadian and Swiss banks. So far as my studies reveal, only 4 or 5 countries in the entire Latin American group are on what we call the plus side. They have been able to retain earned capital. Original capital, and earned capital represent the only way in the world by which we can create jobs for anyone, whether it be in Latin American countries or in the United States.

Contrary to the hopes, dreams, and beliefs of some who theorize that the mere dropping of money in a locality will create jobs, it does not happen. Something is happening in Latin America that is causing capital to flow out. The money is there. In fact, it is flowing out at a rate about twice that at which we intend to invest our taxpayers' money in Latin America.

The question in my mind is whether the proposed loans would do the good we think we are going to do. Money is already available and should be in the process of being reinvested in the Latin American countries, but it is now leaving those countries because of fear. I believe the fear is the fear of communism. I believe Castro's success in retaining communism in Cuba, with United States doing nothing about it, at least so far as I know, is causing the Latin American countries, and the investors in those countries—I am not necessarily speaking of American dollars; it may be the currency of any country—to lose faith in the future ability of Latin America to resist the onslaught of communism.

Although I have not come to a definite conclusion on that point, from the study I have been making—and I wish I had it completed by now—I believe the fear of communistic encroachment in Latin America is causing the outflow of capital. I believe it is necessary and pertinent that the debate continue, and I should not like to see any limitation on debate on this subject, because I feel that many good points can be brought out.

To demonstrate the lateness of the information about which I have spoken, the first newspaper account I saw of it was in the Washington News the night before last, I believe. A single column appeared which indicated the outflow of earned capital from the Latin countries.

What good does it do to talk about giving or lending money to the Latin countries when they themselves evidently have no confidence in the future of their economy and are putting their money in banks outside the Latin American countries for safekeeping? What good does it do even to discuss the propriety of the amendment of the Senator from Delaware when we are faced with such a situation?

At this moment we need the amendment the Senator has proposed far more than we needed it when he offered it previously, because in effect we are faced with the possibility of dumping American taxpayers' money down a bottomless pit. If what I say is true—and from

my studies I believe it to be true—confidence in Latin business is dwindling to the point that capital that could be invested to create the very jobs that we propose to create is, in fact, flowing out at about twice the rate that we propose to invest in the countries of which I have spoken.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. AIKEN. I do not see how we could expect Latin American capital to remain in Latin America and be reinvested in Latin America when administration spokesmen have frankly admitted that we accept the inevitability of 20 percent inflation each year.

I do not accept that thesis. I think the administration is mistaken if it is promoting that idea. We have already shown that in some areas interest rates can be checked or reduced, and that money values can be held.

For example, in Peru some housing developments finally got underway. The people in those developments are paying 12 percent, 8 percent of which is interest, and 4 percent is service charges. But that is a great reduction in the rate which the people had previously been paying.

If there is anything under heaven that would spur the flight of capital from Latin American countries, it would be to have American spokesmen say that we must accept the inevitability of a 20-percent inflation each year.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. GOLDWATER. Inflation is plaguing the Latin American countries. Offhand I cannot think of one that is not suffering from it to some extent.

Mr. AIKEN. We, too, are going to suffer.

Mr. GOLDWATER. Our money going into those countries will not stop inflation. The inflationary forces at work in the Latin countries are to a large extent the same inflationary forces that are at work in this country.

For example, consider Venezuela, which is one of the most prosperous of the Latin countries. The inflationary forces there can be blamed largely upon a Government deficit. There was no trouble with inflation until they started to go into debt. The United States has had the same experience, and we are going to have more of it before we get through if we do not stop spending money that we do not have to spend. We are not going to aid the problem of Latin American inflation by putting more money into Latin America. That is not the answer to inflation.

The answer is to get their shop in order, to stop spending money they do not have, to eliminate some of the practices which are in existence in their governments. I agree with the Senator from Vermont that for our spokesmen to expect inflation as being inevitable in Latin American countries indicates to me that they must expect inflation to be inevitable in this country.

Mr. AIKEN. What that means is that the program has failed before it even gets underway.

Mr. GOLDWATER. Yes.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. GRUENING. The administration is trying to present a strong case for reform in Latin America, predicated on the idea that unless there is this reform our whole effort will fail. I believe we agree on that. If we pour money into the foreign countries so that the few rich can get richer and the poor poorer, it will not only not help the program, but, instead, will positively help communism. Furthermore, it will emphasize the impression, which already exists, that we are in favor of the oligarchical and feudal setup which exists down there. If we countenance by our action the charging of any interest rate lenders wish to charge, we will aggravate the situation. We will be betraying purposes on which we should stand firm.

The Senator's amendment is an excellent amendment. It is a great pity that it was rejected on the promptings of the State Department. However, I prefer the flexible amendment which I have offered, which provides that the money we lend to these countries shall not be reloaned at more than 5 percent higher than the rate we are charging. If we do not charge any interest rate, then the charge which the recipients will be able to charge will be not more than 5 percent.

The people in the southern countries are supposed to be patriotically interested in rehabilitating their countries. Why are they not willing to make some sacrifices, in view of the sacrifices the American people are making? If they do not respond, our program is bound to fail at the very beginning, as the Senator from Vermont has stated. If we start in this way, as the Fulbright amendment provides, there is no way in which the program can succeed. It is difficult to explain to the American people that the money which we are borrowing at about 4 percent from them for the foreign aid program is being reloaned at 15 percent or 20 percent or even 36 percent. In some countries the prevailing rate is 3 percent a month, or 36 percent a year. Permitting that will wreck our foreign aid program. I do not believe the American people will stand for it indefinitely. Therefore I hope some limitation on the interest rate will prevail.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. COOPER. I have said this before, but again I would like to associate myself with what the Senator from Vermont has said and with what the Senator from Arizona and the Senator from Alaska have said. I believe that in voting on the amendment we are making a very important decision. It is true that there is inflation in many countries of Latin America, perhaps in all of them. Certainly one way of the ways in which to attack inflation is by encouraging the institution of fiscal reforms. The amendment we have offered is one of the ways to do that. If we do not make some effort toward it, it will be assumed, as the Senator from Arizona has said, that we expect inflation in those countries and that we are saying to them to go ahead and indulge in practices which promote inflation.

I would not like to see a man who is borrowing money from a savings and loan institution or a similar institution in a foreign country, whose purpose is to encourage private enterprise, or an institution which is supposed to promote housing, to fasten on that man a 20-percent interest rate. He is not going to get richer; he will get poorer. He will resent the practice of his own country, and I believe he will resent the United States having made available the money which makes that institution possible.

I agree wholly with what the Senator from Alaska has said, that the foreign aid program, which I have supported ever since I have been in Congress, is getting on very thin ground. Our people have poured out money in great sums. Congress has done this against opposition from many sources. If we finally get to the point where our people believe it is not having maximum effect and in addition is against the things in which we believe, I do not believe they are going to support it much longer.

I am thinking of a program like the alliance for progress. At best it is a slow program. It demands very courageous action on the part of the governments of Latin America, and understanding on the part of the people of Latin America. I do not believe they understand it very much.

I would say it demands sacrifice. It demands a strong position on the part of the administration that we are going to take measures to promote these reforms. I have great respect for the Senator from Arkansas, but I believe that the amendment he has offered merely makes it easy for these countries. It makes the lending of the money a great deal easier, and it makes easy to merely turn the money over to them without any argument. The program in Latin America, at best, is a slow, long process, requiring great strength on the part of the administration. After we finish with the bill, it is in their hands, not ours. Castro and his representatives go into the Latin American countries and say, "Why wait for this kind of program, when you can nationalize foreign investments and make them available right now? We can nationalize private investment in our own country. We will give you now these resources."

That kind of argument has tremendous appeal to people who have had no training or understanding of our kind of democratic processes, which are slow processes.

If the administration is not willing to accept some kind of program to achieve the things they say they want to

achieve—and that is true of Congress also—then I believe we are already putting on this program the badge of failure.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I will yield in a moment.

In line with what the Senator from Kentucky has said, we should give some consideration to the fact that approximately $8 billion, which is proposed under the development loan program, will be loaned either to the government direct or to the banking institutions in those countries at little or no interest. The administration's argument is that we should allow these governments or the bankers who borrow the money to relend it at an interest charge of 15 percent or 20 percent or, as the Senator from Alaska has pointed out, in some cases as high as 3 percent a month or 36 percent, in order to guarantee them protection against the inflationary spiral for which they are themselves responsible.

I believe it is time that we in Congress begin to think of the unfortunate individual who is borrowing the money at the end of the line at these usurious rates. He may be a small businessman, a farmer, or he may be a man who is buying a home. He must find a way to repay the loan but also to pay these high interest rates. How can he repay it? How is he going to repay the money that we are putting down there at very low interest rates but upon which he must repay at rates of 20 or 25 or 30 percent? What is he going to think of the U.S. Government when it condones these "Shylock" rates?

As the Senator from Vermont has pointed out, we might as well recognize the fact that if the only way this money can be loaned is at rates of 20 or 25 or 30 percent we had better let the money stay at home because any individual who has to pay such rates is going to go broke anyway.

There is no country—I care not whether it is in Latin America, Europe, or elsewhere—which can survive a rate of inflation of 10 to 20 percent a year. No country can survive it. I certainly hope the countries of Latin America will survive, but they will do so only by taking a firm hold of their financial structure and putting their national budgets and interest rates on a realistic basis. If the United States is to be a party to helping those countries we should insist that, at least to the extent they are using our money, the John Does in that country who will ultimately use our money will not be charged exorbitant rates of interest.

It is time that we decide whether we want to protect the moneylenders in their monopolistic hold over credit in those areas or to help the people themselves.

Mr. KEATING. Mr. President, I support the amendment of the Senator from Delaware and join particularly in the sentiment expressed by him and by the Senator from Kentucky [Mr. COOPER]. Many of us are friends of the program of helping our neighbors around the world to get on their feet, particularly those whose countries are less well developed. We have been friends of such a program for years. Many of us have been criticized for it. One of the great criticisms which we hear, and which it is very difficult to answer, is that the money which we pour out does us more harm than good, because it goes to only a few people at the top, and does not help those whom it is intended to help in the underdeveloped countries.

I regret exceedingly that the administration is not prepared to cooperate with what seems to be an effort to prevent the people whom we are trying to help from being gouged by bankers or other persons of wealth. It is true that some further negotiations with bankers and others in the foreign countries will be needed in order to accomplish this.

Mr. President, the Williams amendment is a constructive and desirable amendment. It is in the interest of the program and of the eventual success of the effort we are trying to accomplish.

I sincerely hope that the amendment of the Senator from Delaware, or perhaps the modified amendment of the Senator from Alaska, or some other proposal along this line, will be adopted, but that the Senate will not accept the watered-down, largely meaningless amendment in the nature of a substitute which has been presented to us in place of the amendment having teeth in it, which is supported by the Senator from Delaware, the Senator from Alaska, and other Senators.

Mr. WILLIAMS of Delaware. I thank the Senator from New York.

Mr. President, I yield the floor.

Mr. HRUSKA. Mr. President, it is my intention to vote for the Williams-Cooper amendment. I wish to speak in support of the sentiments the Senator from Delaware, the Senator from Kentucky, and other Senators have expressed along that line.

The fact is that the Williams-Cooper amendment will actually back up the declared objectives of the President when he asked for a revision of the entire foreign aid program. I shall read from the President's message of March 22, in which he indulged in criticism of the foreign aid program as presently administered. His views are shared and expressed by many persons. In fact, there is almost a universal criticism of the program. The statement has been made repeatedly that the program will be recasted, however, now that a new administration is in the White House. On March 22, President Kennedy said:

> Thus, the first requirement is that each recipient government seriously undertake to the best of its ability on its own those efforts of resource mobilization, self-help, and internal reform—including land reform, tax reform, and improved education and social justice—which its own development requires and which would increase its capacity to absorb external capital productivity.

Later in his message he said:

> The instrument of primary emphasis—the single most important tool—will be long-term development loans at low or no rates of interest.

That is the President's statement of the basis for effecting reform.

Recently Secretary Dillon went to the Uruguay Conference, which is now in progress. The August 10 issue of the New York Times contained the following report of Secretary Dillon's message to the Conference:

> In his major address to the Conference, Secretary Dillon said the alliance for progress would require the following: Tax reforms so that evaders would know they faced strict penalties; assessment of taxes in accordance with ability to pay; land reform to put underutilized big lands to full use and to permit small farmers to own their plots; and lower interest rates on loans to small farmers and small business.

Mr. President, all we have to do to understand the basis for some of the criticism of the foreign-aid program as it has been administered for the last 15 years is to recall the abuse, the misuse, the exploitation, and the misappropriation of the commodities and materials which have been sent overseas as foreign aid. Witness the amount of equipment, supplies, and food sold on the black market in spite of the fact that it was sent abroad for the purpose of enabling the ultimate consumer to obtain it for little or nothing. Think of the bags of wheat and rice, the cartons of food and clothing, the crates of tools, and the stacks of building materials which have been sent overseas for the people in underdeveloped nations. In spite of the seals and labels which were placed on those articles, the fact is that there was a great deal of misuse, misappropriation, or both.

But there is no way of labeling the money which we send by saying, "This money is furnished to you for this purpose and no other." The only way in which we can control the money which is sent abroad, to be received in the original instance by a lending agency and then loaned to the ultimate borrower, is to adopt the amendment proposed by the Senator from Delaware and others, which says that when it is reloaned, the money shall not be reloaned at more than 8 percent, which is the rate provided in the amendment. Unless that is done, the result will be that rates of interest of 3 percent a month or 15 or 20 percent a year, as the case may be will continue. The effect will be that the rich will become richer. The gulf between the haves and have-nots will widen. There will be fastened more firmly on the people of the recipient countries the kind of feudal overlordism against which everyone inveighs, to which everyone objects, and which everyone says must be removed if the misery of the people in those countries is to be relieved and their inability to improve their conditions overcome.

The reform which the President, Secretary Rusk, and Secretary Dillon and

all of us favor cannot be brought about unless we deal with it directly. The lending of money at a high rate of interest is not the only problem. We are also faced with antagonism and hostility that results. Those who must borrow money at high rates of interest will know that the money has come from the United States. Their attention will be drawn to the fact that we, presumably, are the Shylocks; that we are the ones who are exploiting them.

Will loans at lower rates of interest disrupt the business of those who are lending at higher rates of interest? Yes, of course. These rates of interest will either put them out of business, or they will refuse to make any loans. If the low rates of interest have the effect of impairing the business of the lenders, that is something we must face. How can land reform, which every Senator declares he favors, be effected without interfering with the present system of landownership? I do not know how it can be done. If anyone does, he should step forward and say so. To some degree and in a similar fashion the making available of money at lower rates is going to disrupt the present loaning system, or else the money will not be loaned at all. But to use that as an argument against this measure does not make sense.

The question is raised whether we are going to do anything or whether we are not. Mr. President, after criticizing the present system and practice of foreign aid, we must ask, "Are we to continue the same program or are we not?" And is not that the same question being asked by those who inquire, "Are we to continue to loan this money under the present system, or shall we impose such conditions that the lending of the money at excessive rates of interest will cease?"

We must realize that when the governments of these Latin American countries are confronted with the requirements stated at the Uruguay Conference by Secretary Dillon, they will undoubtedly reply that the imposition of them will interfere with their sovereignty and disrupt their way of doing business. For such reasons I am sure these requirements will not be popular.

In that connection let me refer to an article, written by Philip Geyelin, and published in the August 4 issue of the Wall Street Journal:

> Already, diplomats report rumblings from such Latin leaders—in Peru, in Chile, in Central America, and elsewhere—that the U.S. contribution is too niggardly, or that Yankee terms are too stiff. In Venezuela, where the government is menaced chronically by both the far-left and rightwing politicians, private reservations in high government circles about the Kennedy "alliance" run particularly deep.

Mr. President, are we to yield to those arguments and objections? If we do, will we not perpetuate existing practices which have been under such severe criticism? It seems to me that this is the choice we must make.

I am somewhat alarmed by reports from Uruguay. Originally there were to be committees composed of men who would scrutinize the applications for loans and determine whether the requirements outlined by Secretary Dillon had been met before the loans would be granted.

A substitute was proposed and, as I understand, it was at least tentatively agreed upon. I read this passage from an article written by Edward Burks and published on August 9 in the New York Times:

> Some sources were describing the change in the draft as a defeat for the United States. On the other hand, top U.S. delegates were making it clear that their main interest was in getting the alliance-for-progress program off the ground.

If an attitude of appeasement is to prevail, and if opposition is what we are going to face right down the line, then I say there is all the more reason why we need to include some restrictions or conditions in the substantive foreign aid law.

The Williams-Cooper amendment lays down just such a sorely needed condition. With this amendment it will not be possible to appease the recipient countries who say, "We want your money, but we want it on our terms, not on yours."

Mr. YOUNG of North Dakota. Mr. President, will the Senator from Nebraska yield?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Nebraska yield to the Senator from North Dakota?

Mr. HRUSKA. I am happy to yield.

Mr. YOUNG of North Dakota. I have listened with great interest to the very effective argument the Senator from Nebraska is making in favor of doing something about controlling the interest rates in the countries to which we lend or give our money. Is it not true that in Latin American countries and in many others where this foreign aid will be provided there are only two classes—the very rich and the very poor—and that the poor constitute about 80 percent, or in some cases more than 90 percent, of the total population?

Mr. HRUSKA. There is no question about that; that situation is well known.

Mr. YOUNG of North Dakota. If we lend or give our money to these countries, but if it does not reach the poor people, certainly we do more harm than good. In fact, we would be better off not to have such dealings with countries of this sort unless somehow, in some way, our aid can reach the poor people there.

Mr. HRUSKA. That is the point which has been made here repeatedly. The Senator from North Dakota is entirely correct. After all, if we are going to extend foreign aid in the form of loans or in any other form and if we are bound and determined to extend it regardless of the results, that is one thing. But if, on the other hand, the extension will increase hostility toward our country and cause even greater disparity between the rich and the poor, we had better think again.

Mr. YOUNG of North Dakota. Until about 10 years ago I voted for foreign aid programs. But I have come to feel that under such conditions as these programs are administered we do more harm than good, and that it would be better for us not to deal with these countries at all unless we can do so on a definitely better basis. Unless our foreign aid can get to the poorer people in these recipient countries all over the world we do more harm than good.

Mr. HRUSKA. Of course, the more expedient procedure would be to approve the proposed substitute of the Senator from Arkansas [Mr. FULBRIGHT]. But I do not believe the question is one of expediency or ease. If we are to render more than lipservice to the demand that something be done in the way of social reform, economic reform, tax reform, and interest reform, there will have to be a studied effort to secure new methods and perhaps more stringent methods.

Mr. GOLDWATER. Mr. President, will the Senator from Nebraska yield to me?

Mr. HRUSKA. I am glad to yield to the Senator from Arizona.

Mr. GOLDWATER. I wish to point out that so far as concerns the Senator's argument in favor of the need of certain reforms in these Latin American countries, it is virtually certain that it will be impossible for us to accomplish anything on that respect. I have talked to people in these countries. They realize that reforms are necessary, but at the same time they recognize the difficulties of accomplishing them.

At this point I wish to read one paragraph from a translation I had made from the newspaper El Universal, published in Venezuela on June 10. The article was written by Fransicso Pereira, an economist, and he was writing about agrarian reform. I may say they have already started to undertake such reform. I now read from the article:

> Agrarian reform: Although the law, as it has been conceived, seems a good thing for the country, yet its practical application—in the matter of expropriation of estates—by inverting the priority of expropriations, beginning with those that are in full production and not touching those that are not being cultivated—is turning into a serious threat to the future agriculture and livestock of the country, not only for the agricultural debt, which is being increased, but mainly because of interference with rural properties (invasion de fundas) for the sole purpose of reaping the next harvest, and then abandoning these to interfere with others for the same purpose. Thus reduction in investment is also being fostered in agriculture and livestock, which will have ill effects on the food supply of the Venezuelan people.

I may state that it does require such expropriation, and in that event we would have to tell these countries something that is certainly foreign to us—in other words, "Take property away from some, and give it to others." Yet that is what we shall have to do if the administration's philosophy in connection with this program is adopted.

So one of the reforms we talk most about is already being undertaken to some extent. Yet it is meeting with failure, for the reason of lack of investments. If funds are available, but are not being put into livestock or agriculture, how can we expect by some magic that if we dump $500 million or $1 billion into South America, we shall be able to cause that money to be invested at any rate we may wish to consider—whether 5 percent, 8 percent, 10 percent, or 16 percent?

In short, I think we are engaged in a very poor investment; and I think the people of these Latin American countries are laughing their heads off at the efforts of the United States to lend money to those countries, from which the money already available there is being taken out very rapidly because the people there are frightened at the investment possibilities or are frightened of communism.

Mr. HRUSKA. When the Senator says it is a poor investment, does he mean that it is poor only in the sense that there is a risk that the loans will not be repaid?

Mr. GOLDWATER. I include also in that statement the fact that in the Latin countries, generally, there has been no lack of investment capital. Great sums of money have been invested in Latin America by investors from America, Germany, and other countries all over the world. A lot of money had been made in those countries. Up until the last 3 years the money was remaining in those Latin countries. Investors were not concerned particularly about communism or expropriation. But now we are talking in a way that can only result in expropriation if we are going to accomplish the agrarian reform which the President and his advisers recognize as one of the reforms that must come about in those countries. But we are not the ones to promote it.

I think our actions in this field, statements made by Secretary Dillon and some of the presidential advisers, are bound to deprive Latin countries of investment money that they can well use. In fact, as I have stated previously, studies I have made so far indicate that about twice as much investment capital is flowing out of Latin America as we will put into those countries in the form of gifts.

If it is unsound for the money to stay in Latin America, in the opinion of those who have earned it there, what right have we to put our taxpayers' money into a bad proposition? And I do not think it is going to help the people we want to help, who are the peons, the people who live on the land, who own no property. This money will flow, as it always has flowed—and I have seen no evidence to the contrary—into the hands of the rich, into the hands of the rulers of the country; and the people we are trying to help will never see any of it.

Mr. HRUSKA. I should like to refer to the article in the Wall Street Journal which refers to Mr. Dillon's briefcase as he enplaned for the 6,000-mile flight to Uruguay. In the briefcase was a bulky draft charter that would call upon the signatories to do certain things.

I read one particular paragraph which bears on the very point to which the Senator from Arizona referred:

> Subscribe to strenuous efforts to overhaul outmoded tax structures, redistribute land by breaking up big holdings—

The Senator from Arizona is right. That means nothing more or less than expropriation and confiscation—

> step up emphasis on building more schools, houses and hospitals, and adopt sound fiscal and monetary policies to keep inflation in check.

Where an interest rate of 20 percent a year, or 3 percent a month, is to be continued, it is not calculated to reduce inflation. It is calculated to do the very opposite. We know this as a matter of basic economics. I continue to read:

> The amount of U.S. aid, the OAS members will be told, is to be conditioned on such internal measures by beneficiary lands.

We reach the position of proposing an amendment which is sound and is right in line with the purposes referred to in this article and spoken about as requirements, and we encounter the argument that it should not be adopted. I say this is paying only lipservice to the desirability and need for reforms. With this thinking, no reforms encouraged by the program can be effected.

Mr. GOLDWATER. I recall, with a great deal of interest at this particular time, the first amendment which I offered on the floor of the Senate. It was to knock $400 million out of foreign aid funds to France until she abandoned colonization. I will never forget Senator George's debating the question with me, because he was probably the worst choice I could have selected as my first opponent. He emphasized—and the Senate voted against my amendment—that we had no right intervening in the machinery of foreign governments to the extent that Secretary Dillon is suggesting here. While we decry colonialism, while we do not like to see all the land in a country owned by a few, while we recognize that there are fiscal policies in those countries to which we object, we can merely talk about those subjects. We cannot make any threats or any suggestions.

I would suggest that Secretary Dillon is in a very poor position to be talking about fiscal irresponsibility in some other countries when we are probably the most fiscally irresponsible people on the face of the earth. I think he should have left that particular part of the memorandum in Washington before he went to those countries.

Mr. HRUSKA. I subscribe to that statement. I have reached the same conclusion as the Senator from Arizona.

Mr. President, I yield the floor.

Mr. GRUENING. Mr. President, earlier in his speech the Senator made reference to Secretary Dillon's urging that, as a part of our reform program, we get lower interest rates in those countries which will receive loans and grants. I wonder if the Senator will be kind enough to repeat the quotation.

Mr. HRUSKA. Surely. It is found in the August 9 issue of the New York Times. It can also be found on page 15567 of the CONGRESSIONAL RECORD for Friday, August 11, 1961:

> In his major address to the conference, Secretary Dillon said the alliance for progress would require the following: Tax reforms so that evaders would know they faced strict penalties; assessment of taxes in accordance with ability to pay; land reform to put underutilized big lands to full use and to permit small farmers to own their plots; and lower interest rates on loans to small farmers and small business.

Mr. GRUENING. I thank the Senator. I am sorry the chairman of the committee is not here, because I was going to ask him a question. Perhaps the junior Senator from Alabama [Mr. SPARKMAN], ranking member of the Foreign Relations Committee, will answer the question.

How are we possibly going to get lower interest rates if, in the amendment proposed by the chairman of the committee, we subscribe to the existing interest rates in those countries, which run as high as 3 percent a month in some countries, and 36 percent a year?

Unless we try to put some limitation on it, which is required in the amendment of the Senator from Delaware, or my amendment, which limits the increase to 5 percent beyond our interest rates, how are we going to get lower interest rates if we, at the very beginning, subscribe to interest rates which are absolutely destructive of progress? How can we get the lower interest rates which Secretary Dillon proposed as a part of our program? Is there any answer to that question?

Mr. SPARKMAN. If the Senator will yield to me——

Mr. GRUENING. I am happy to yield, because I would like to get an explanation of how we are going to get the lower interest rates in the countries to which we lend.

Mr. SPARKMAN. They are not to be obtained by legislative fiat of this country. We cannot legislate what the prevailing interest rate of some country will be. I think we have demonstrated in the past that there is a way, by using persuasion and influence, as best we can, to bring about economic reforms that we would like to see prevail in certain countries. I think the substitute that has been proposed by the chairman of the committee, the distinguished Senator from Arkansas [Mr. FULBRIGHT], seeks to do that very thing.

I wonder if I may impose upon the Senators' time only to relate an experience we had right here in the Congress, back in the days of the Marshall plan. We were confronted with a similar situation in European countries, not necessarily runaway interest rates, but various economic factors that we felt should be

improved. There was some question about money—often money that we gave under the Marshall plan, because it was under the form of grants, whereas here we are dealing with loans.

I remember that the Senator from Arkansas was very much concerned about the tariff walls built around the individual countries of West Europe. I remember the Senator tried in the Committee on Foreign Relations and on the floor of the Senate to find some language to put into the Marshall plan to bring about closer economic unity among the countries of Western Europe. It soon became apparent it would be virtually impossible to write something into the act to require those countries to do away with their tariff walls. However, by writing language somewhat akin to the proposal before the Senate, year by year we did make progress in obtaining those reforms. Today we see the barriers virtually broken down as among the countries of Western Europe. I think a lot of that has resulted from the year-by-year work and effort on the part of our Government in handling the Marshall plan and later the mutual security program.

I think the same will be true in this instance.

The same was true with reference to the pay scale of workers in Europe and the question of profits going into the hands of the owners of factories, rather than being passed on to the workers. From time to time we wrote into the Marshall plan legislation, and succeeding acts, language stating our desire for those reforms to be made.

With reference to Latin America, we have gone much further than we ever went with regard to the European countries. In the Bogotá Agreement of last year we got all of the Latin American countries, with the exception of Cuba and the Dominican Republic, to sign the Bogotá Agreement, in which they agreed that in any aid program put on as a result of the mutual efforts of the nations of the Western Hemisphere these reforms would be worked out. A few days ago I brought to the attention of the Senator from Alaska the Bogotá Agreement. I hope he got a copy of that agreement and read it.

Mr. GRUENING. I have read it.

Mr. SPARKMAN. I hope the Senator will agree with me that the specifications are what we are working toward. I do not believe we can legislate them. In fact, I know we cannot legislate them.

I feel that some of the arguments made about the interest rate are rather unrealistic. They go beyond what is done in our country.

I have heard arguments this morning about interest rates which might be charged, and what we are asking these countries to do, though these countries have historically had higher interest rates than we have. As a matter of fact, not many countries in the world enjoy as low interest rates as we do in the United States.

Mr. GRUENING. Mr. President, will the Senator yield at that point?

Mr. SPARKMAN. I yield if I have the floor. I believe the Senator yielded to me.

Mr. GRUENING. This is a very important discussion. I should like to see the program succeed. I think we all would. We shall have a foreign aid program. Some of us have had doubts about the administration of the program in the past, and some other reservations concerning it. Some of us have had doubts about the ultimate effectiveness of the program. In any event, we shall have a program, and that being so, we wish to have it succeed.

One of the reasons why the Latin American countries are in trouble and need our aid is their terrific inflation with the high interest rates. Halting these are among the reforms we hope to achieve if our program will succeed. If, as has happened in the past, the money merely goes to the few who are at the top, whether they be in government or simply wealthy landowners, part of the small ruling and owning clique, and if these rich become richer and the poor become poorer, it not only will nullify and destroy our program but also it will actually help communism and Castroism. In the present foreign aid program we have pointed our efforts toward reducing the dangers which exist there.

The Senator has indicated his belief that one cannot establish the reform by legislation. We are not seeking to compel these countries to adopt an interest rate, but we are merely saying that if they wish to borrow our money and relend it, under those circumstances the rate of interest which they charge, on our reloaned money, shall not be more than 5 percent more than the interest rate we charge.

Secretary Dillon has pointed out that we are going to make loans under the most generous terms ever heard of. No loans ever existed before which had been offered at no interest for 50 years, with possibly no repayment of principal for 10 or 15 years.

Is it unreasonable to try to write into the bill some condition to try to limit the terrible usurious abuses which has existed? The money which we lend at no interest will be gladly accepted. We may be certain that if we lend that money to one country at no interest, all countries will demand the same terms. That will be the prevailing rate. We cannot give one country better terms than we give another. If we say, as Secretary Dillon has said, "Some of these loans will be without interest, and there will be no repayment of principal for 10 years," we may be sure that will be the prevailing rate for all.

Shall we then go to our own people, from whom we are borrowing the money at 4 percent, tell them that we are accumulating a burden of interest for 50 years which will run into billions of dollars and then admit that that money can be reloaned at 15 percent, 20 percent, 25 percent, or 30 percent interest?

Unless we put some restriction like the one I propose into the bill, the faith of the American people in foreign aid, already widely shaken, will be destroyed and the program itself will fail. The American people will not stand for this kind of a giveaway. There must be some protection of our own American interests. Something of this kind should be in the bill.

Mr. SPARKMAN. I believe we are proposing to put something of this kind in the bill.

Mr. GRUENING. No.

Mr. SPARKMAN. What we seek to do is to make it an administrative proposal, rather than to set a ceiling.

It is appropriate to say at this time that if we set a ceiling it almost certainly will become the floor, based on the argument which the Senator has made.

So far as no-interest-rate loans are concerned, I am not familiar with what is planned in connection with the loans, but I presume a program could be conducted with differences in interest rates from country to country, exactly as in the past we have given grants to some countries and have made repayable loans to other countries.

I should like to remind the Senator again of the Bogotá agreement, as I did a few days ago. I refer the Senator from Alaska to section 618 of the bill, to be found on page 56, to refresh the Senator's recollection. I ask the Senator to look at section 618, which I read:

ECONOMIC ASSISTANCE TO LATIN AMERICA.—Economic assistance to Latin America pursuant to chapter 2 of part I of this Act shall be furnished in accordance with the principles of the Act of Bogotá signed on September 13, 1960.

There are no "ifs," "ands," or "buts" about that. It says it "shall be" so administered. That is a directive to the administrator of the program to use his best efforts to put into effect as fast as he can and as well as he can the principles of the Bogotá agreement.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. My question relates to the earlier remarks of the Senator from Alabama. If it is the full intention of the administration that lower interest rates shall be put into effect, what is the objection to the amendment offered? The amendment only proposes to make sure that the administration does what it says it intends to do.

Mr. SPARKMAN. There are certain objections. First, it is an effort to tell a country what the people in that country shall be able to charge in interest rates.

Mr. WILLIAMS of Delaware. No; but this amendment does not.

Mr. SPARKMAN. It is true that the Senator's amendment provides for money loaned by the United States, or reloaned. It seems to me that is a rather complicated thing. Those people are not going to be lending the dollars which the

United States loans to the country. They will be lending the local currencies. The Senator from Louisiana discussed that a while ago. These people will be making loans in local currencies, upon which the interest will be paid, and the repayment of the principal will be in local currencies.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. SPARKMAN. May I go on with that? The payment, so far as the United States is concerned, is to be made in dollars.

We all know that inflation is one of the things that most of the Latin American countries must fight. If there is inflation, the person who makes loans in the local currency, and who would have to repay in dollars, may actually lose money in making the loan. A lender would be confronted with that difficulty.

I think it is one of the difficulties of the program that calls for administrative effort.

I think the Senator from Delaware will bear out my statement that in the course of the committee hearing we did our best to impress upon those in the administration who will administer the law that we expected the law to be administered in such a way as to protect the interests of the United States. We have tried to write in safeguards. We have insisted that all the influence that we can bring to bear in a reasonable, orderly, and proper manner to develop the specifications of the Bogotá Agreement be used in handling the loans. I believe the best way to do so would be to do our best to have an administration that will carry out that intent.

When President Kennedy made his talk to representatives of the Latin American governments at the White House in the early part of this year—along in February, I believe, though I am not sure—I was present. I listened to what the President said. His address was published in the newspapers and people read what he said. Representatives of Latin American countries heard what he said. The world heard what he said. The President brought out the essence of the Bogotá Agreement. He said that the Latin American countries would be expected to come up with their part in order to justify U.S. participation in the program to the extent that we would anticipate doing so.

Many of those in charge of the program—for example, Mr. Labouisse, and those associated with him—have been impressed with the earnestness of the Committee on Foreign Relations, and I am sure they will be so impressed with the earnestness of the Senate and the House of Representatives that the program will be properly administered. I believe we ought to give them an opportunity to execute the program. I think that is what the proposal seeks.

The program is designed to follow in the steps of the Marshall plan. We saw the results obtained by following the safe and sane policy that the late Senator George advocated. The Senator from Arizona [Mr. GOLDWATER] a moment ago referred to the statement of Senator George. Senator George took the same attitude; namely, that we should not write into the law a provision telling a country what it must do, because we cannot enforce it.

A few moments ago I said that some of the arguments made in the Senate do not seem to me to be very realistic, even as applied to our own local conditions. To illustrate, we have an interest rate on housing. Congress set the ceiling on the interest rate at 6 percent. I am sure that some of those who have been advocating imposing a ceiling on loans in Latin America have in the past argued that we ought to lift the ceiling on the housing interest rate, that there should be no ceiling, and that the rate ought to be left in a free market to take care of itself according to the supply of and demand for money. I have heard the argument made many times on the floor of the Senate that we ought to permit a free operation of interest rates. I have never taken that attitude. I have always taken the attitude that we ought to be concerned with what the ceiling should be.

Let us go into the field of savings and loan associations. I am sorry that the distinguished Senator from Colorado [Mr. ALLOTT], who knows a great deal about savings and loan associations, is not present. A few moments ago he argued that loans to Latin American countries would be somewhat analogous to what takes place with reference to savings and loan associations.

The Home Loan Bank Board and the various banks throughout the country comprise a rather complex system. Then there are the individual Federal savings and loan associations. Through such a system institutions are able to obtain, through Government assistance, funds which they in turn lend to people for homes. They are not bound to charge merely the interest rate that the Government charges with a certain override, whatever it may be. I do not know what interest rate the savings and loan associations average throughout the country, but I am sure it would rise above 6 percent when all the charges are counted.

I am also thinking about the bill sponsored by the distinguished Senator from Illinois [Mr. DOUGLAS], the so-called truth-in-lending bill, on which hearings are either being held or have been held, with respect to the lenders showing the true interest rates.

A great outcry against high interest rates has arisen over the country. I wish to hear what those who have spoken about interest rates with respect to countries that are in poverty and misery have to say when the bill of the Senator from Illinois is considered by the Senate. As the Senator from Illinois has pointed out with respect to loans which would be covered by his bill, when all the charges have been added and the amortization is worked out, sometimes the interest rate will run to 10, 12, 15, and 20 percent in this country.

Let us watch the opposition to the bill of the Senator from Illinois when it comes up and see what kind of an outcry is made about regulating interest rates in this country.

I believe the administration will carry out the law. The proposal which the committee chairman has offered is practically the language that Congress wrote into the act appropriating money to make loans through the Latin American Development Loan Fund. As I understand, he has merely lifted that language out. The amendment that I believe was proposed to that bill was voted down after a motion of the chairman of the Committee on Appropriations, the Senator from Arizona [Mr. HAYDEN], to write the language into the law. The vote was 41 to 26. The amendment was rejected, and the language that is proposed in the bill was adopted by that vote. It was written into the law and is in the law today. What we seek to do is to incorporate in the pending bill the same language that is already in the law governing Latin American loans.

(At this point Mr. METCALF took the chair as Presiding Officer.)

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. GRUENING. I sincerely hope that if the debate on interest rates has no other purpose, it will at least emphasize to the administrators of the program that they must be tough in trying to exact the conditions stated.

I am fearful that they will not. On the contrary, I believe we are almost guaranteeing, by the language, that there will be no change. We would, in effect, say that whatever we may seek to achieve, the customs of the country will not be disturbed. There are large land holdings. We hope they will be broken up. But if we had another amendment similar to the one before the Senate, we would provide that the customs of the country with regard to land holdings must not be breached. We would say, "We hope you will be agreeable and change, but we do not expect you to do so."

I am fearful that unless we insert stronger language into the bill our foreign aid administrators will not be persuasive. They will have supporting them the history of this debate on this provision in the bill, which states in effect, "What is now will continue to be." We are going down into the Latin American countries for the very purpose of trying to change what is there into something better.

Mr. SPARKMAN. I do not agree that we would suggest that what is will continue to be. We are saying to the Latin American countries, "Try to do your best to hold down the interest rates and make certain that the interest rates are not excessive. You are charged with the responsibility of seeing effectuated, as expeditiously as it can prop-

erly be done, the specifications of the Bogotá Agreement."

I believe that what we ought to do is insist upon the administration of the act with that in mind, and that we ought to do all we can to get them to press on these things, not unduly, because I do believe in the sovereign rights of the countries concerned. I would not favor an amendment, as much as I believe in land reform in these countries, which would say that no country could get any of this money unless it takes the great land holdings of the aristocracy and breaks them up into little chunks. That is a matter for these countries to work out themselves, as to how the land reforms should be made. We should press for land reform. We should press for tax reform. We should press for low interest rates.

I make this suggestion: If we are able to do what we hope we will be able to do in these programs, these things will come about just as the reforms came about in Western Europe. They came about because of what we advocated and because of what we charged the administration to do with reference to those reforms.

It is presently anticipated that up to 5 percent of development loan funds may be used to make seed capital available to development banks, savings and loan associations, and the like, which will, in turn, make loans repayable in local currencies, with the Government guaranteeing their conversion into dollars for repayment to the United States. The support of such institutions is very worth while since they mobilize local savings to be used for the economic and social development of the community. In order to operate and expand, however, these institutions must attract savings from local citizens by paying competitive interest rates of from 5 percent to 10 percent, or even more, depending upon the local conditions. The rate of interest paid the depositors determines the interest rates to the borrowers, because these institutions need at least 3 percent to cover their expenses. Therefore, the interest rate to borrowers on locally invested money must range from 8 percent to 13 percent or more. By combining U.S. loan funds obtainable on lower rates with these resources, the rate charged is normally lower although it will often need to exceed 8 percent. It should be noted, however, that these are generally relatively low rates where these institutions now exist or are contemplated.

Furthermore, reloans of development loan funds will have to be protected against the incursions of inflation in those countries where inflation is occurring. Typically, a development bank or savings and loan association relending funds would protect itself by including an inflation allowance in the interest rate. While it is theoretically possible to allow for inflation through use of some kind of maintenance-of-value clause in the reloaning terms to the ultimate borrowers, in many countries such clauses are not permitted by law; and, even where they might be lawful, their administration is a multitude of loan contracts with small borrowers would be inordinately difficult. Accordingly, in those countries where inflation is serious, some provision for devaluation of currency must be made. To wait until inflation is checked, on the other hand, would be to refuse encouragement to make the hard decisions to help the ordinary people and make the necessary financial reforms.

For these reasons, the executive branch considers the amendment a harmful restriction on the use of development loan funds.

If we can get them to start savings and loan associations and savings banks, and institutions of that kind, that will help these little people, and all of this will have a tremendous effect in bringing about what the Senator from Alaska and I and all of us want to bring about.

Mr. GRUENING. I only hope the optimism of the Senator from Alabama is justified and that the program will succeed as he visualizes.

Mr. SPARKMAN. That is what we are working for.

UNANIMOUS-CONSENT AGREEMENT TO LIMIT DEBATE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time allotted for debate on this amendment be limited to 20 minutes, 10 minutes to be under the control of the Senator from Delaware and 10 minutes under the control of the Senator from Alabama. That is with reference to the pending amendment and all amendments thereto.

Mr. WILLIAMS of Delaware. On just this amendment.

Mr. MANSFIELD. And on all amendments thereto.

Mr. WILLIAMS of Delaware. There can be no amendments to the pending amendment, because such an amendment would be in the third degree.

Mr. MANSFIELD. That is correct; on this amendment only.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. WILLIAMS of Delaware. I will not need 10 minutes. I yield myself 3 minutes. I merely wish to point out that what we propose to do under the amendment is not to tell the countries what they should or should not do with their interest rates in the lending of their own money. We do say that when we furnish American taxpayers' money, it shall not be reloaned in those countries at an interest rate in excess of 8 percent per annum.

Certainly there is nothing wrong with that.

The substitute offered by the Senator from Arkansas represents an extension of existing law which is ineffective. I previously offered an identical amendment to the Latin American aid appropriations bill, and the Senate unanimously adopted that amendment. It was supported by the chairman of the Committee on Foreign Relations and I believe also by the Senator from Alabama. That was the first time. Later, it is true, when it got into conference, after the State Department and the Treasury Department had offered another version, the Senate adopted the form of the amendment which is now before us in the Fulbright amendment.

That amendment, in my opinion, does nothing.

There is a precedent for what I propose. In our own country, the U.S. Government guarantees mortgages on VA and FHA loans, and the interest rate on those loans cannot exceed a certain figure. Certainly if we can put a restriction on the American people we can put similar restrictions on the people of other countries when it involves our own money.

We must make sure that the money we lend to those countries goes to help the masses of the people in those countries. I call attention to an example of what could happen under the Fulbright proposal.

Under the Development Loan Fund a loan was negotiated recently by the International Products Corp., of Paraguay. The loan amounts to $2,600,000, and the interest rate is 5¼ percent. This company owns 2.4 million acres of land with forests and a ranch of 568,000 fenced acres supporting a herd of 65,000 head of cattle, oxen, and horses. Here is a company which owns 2.4 million acres of land, 568,000 acres of which are fenced. They were able to borrow money direct from the Development Loan Fund at 5¼ percent, which agency in turn was financed by the U.S. Government. They were big enough to come to us direct.

Under the Fulbright amendment a small farmer in the same country who is trying to buy a farm in that country would have to go through a bank of that country. Under that setup we would furnish money to the banks at little or no interest, and they in turn could charge this farmer 12 percent. In some cases these charges would be 15 or 18 percent. Or it may be, as the Senator from Alaska has pointed out, as high as 3 percent a month. How can that be justified?

If we want to make sure that the money which we put up for this program goes to the benefit of the people of those countries we should adopt the amendment which I have offered today. What we must decide is whether we are more interested in protecting the loan practices of the moneylenders in those countries than we are in protecting the borrowers. I believe the borrowers need the protection. Simply stated, that is the question before us.

Mr. President, I am ready to vote. I am willing to yield back the remainder of my time, if the Senator from Alabama is ready to yield back the remainder of his time.

Mr. SPARKMAN. I yield back the remainder of the time on this side.

The PRESIDING OFFICER. All time for debate on the amendment has been yielded back. The question is on agreeing to the amendment in the nature

of a substitute offered by the Senator from Arkansas [Mr. FULBRIGHT]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Indiana [Mr. HARTKE] and the Senator from Arizona [Mr. HAYDEN] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from Indiana [Mr. HARTKE] would vote "yea."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Maryland would vote "nay."

Mr. KUCHEL. I announce that the Senator from Illinois [Mr. DIRKSEN] is necessarily absent, and his pair has been previously announced.

The Senator from New York [Mr. JAVITS] is detained on official business.

The Senator from Maryland [Mr. BUTLER] is absent because of illness.

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Maryland would vote "nay," and the Senator from New Mexico would vote "yea."

Mr. MANSFIELD. On this vote I have a pair with the senior Senator from Illinois [Mr. DIRKSEN]. If he were present and voting, he would vote "nay"; if I were permitted to vote, I would vote "yea." I withhold my vote.

The result was announced—yeas 48, nays 45, as follows:

[No. 142]

YEAS—48

Anderson	Humphrey	Moss
Bartlett	Jackson	Muskie
Bible	Jordan	Neuberger
Burdick	Kefauver	Pastore
Byrd, W. Va.	Kerr	Pell
Church	Long, Mo.	Randolph
Dodd	Long, Hawaii	Saltonstall
Ellender	Long, La.	Smathers
Engle	Magnuson	Smith, Mass.
Ervin	McCarthy	Sparkman
Fulbright	McClellan	Stennis
Gore	McGee	Symington
Hart	McNamara	Talmadge
Hickey	Metcalf	Wiley
Hill	Monroney	Williams, N.J.
Holland	Morse	Young, Ohio

NAYS—45

Aiken	Cooper	Miller
Allott	Cotton	Morton
Beall	Curtis	Mundt
Bennett	Douglas	Prouty
Boggs	Dworshak	Proxmire
Bridges	Eastland	Robertson
Bush	Fong	Russell
Byrd, Va.	Goldwater	Schoeppel
Cannon	Gruening	Scott
Capehart	Hickenlooper	Smith, Maine
Carlson	Hruska	Thurmond
Carroll	Johnston	Tower
Case, N.J.	Keating	Williams, Del.
Case, S. Dak.	Kuchel	Yarborough
Clark	Lausche	Young, N. Dak.

NOT VOTING—7

Butler	Hartke	Mansfield
Chavez	Hayden	
Dirksen	Javits	

So Mr. FULBRIGHT's amendment (in the nature of a substitute for the amendment of Mr. WILLIAMS of Delaware and Mr. COOPER) was agreed to.

Mr. FULBRIGHT. Mr. President, I move that the vote by which my amendment to the Williams amendment was agreed to be reconsidered.

Mr. MANSFIELD. Mr. President, I move that the motion to reconsider be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. WILLIAMS of Delaware. Mr. President, the adoption of the Fulbright amendment to my amendment has, to all effects and purposes, destroyed any possibility of affecting or determining the interest rate to be charged by those who borrow money from our country. Therefore, I think my amendment, as now amended, might just as well be omitted from the bill; I do not think it is now worth putting it in. Therefore, Mr. President, I wish to withdraw my amendment as amended.

The PRESIDING OFFICER. Unanimous consent will be required for that purpose.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that my amendment as amended may now be withdrawn.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, the amendment as amended is withdrawn.

Mr. BRIDGES obtained the floor.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. WILLIAMS of Delaware. I wish to inquire whether I correctly understand that now that my amendment as amended has been withdrawn, and has not been voted on, it can be offered at a later time, either in the same form or in some other form.

The PRESIDING OFFICER. The Senator can reoffer the amendment if, as reoffered, there is a substantial change in it. The identical amendment could not be reoffered.

Mr. WILLIAMS of Delaware. That is my understanding.

Mr. President, if I may have the permission of the Senator from New Hampshire, I wish to yield now to the Senator from Kentucky [Mr. COOPER], who has an amendment to submit.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Montana will state it.

Mr. MANSFIELD. Who has the floor?

The PRESIDING OFFICER. The Senator from New Hampshire has the floor.

Mr. WILLIAMS of Delaware. Will the Senator from New Hampshire yield, so that the Senator from Kentucky may propose a substitute amendment, and have it read for the information of the Senate?

Mr. BRIDGES. I am willing to yield in order to have the amendment submitted, but with the understanding that a speech will not be made on it.

Mr. COOPER. Mr. President, the Senator from Delaware and I wish to submit an amendment which goes to this subject; and I wish to have the amendment read at this time, so that Members of the Senate will know what we have offered.

The PRESIDING OFFICER. Does the Senator from New Hampshire yield for that purpose?

Mr. BRIDGES. Mr. President, I do not wish to lose the floor. Inasmuch as I now have the floor, I call up my amendment identified as "8–11–61–A," and ask that it be stated.

The PRESIDING OFFICER. The amendment submitted by the Senator from New Hampshire will be stated.

The LEGISLATIVE CLERK. On page 8, line 24, after the word "REPORTS" it is proposed to add: "AND AUDITS".

On page 9, line 9, after the sentence, it is proposed to insert the following:

The reports and underlying transactions shall be subject to audit as provided in sections 105 and 106 of the Government Corporation Control Act, as amended (31 U.S.C. 850–851).

Mr. COOPER. Mr. President, will the Senator from New Hampshire yield, so that I may send my amendment to the desk?

Mr. BRIDGES. I yield for that purpose.

Mr. COOPER. I thank the Senator from New Hampshire.

Mr. President, the Senator from Delaware and I are going to pursue the issue we have raised today. For that reason, we have another amendment; and I now ask that the amendment be printed.

The PRESIDING OFFICER. Without objection, the amendment will be received and will be printed.

Mr. BRIDGES. Mr. President, I wish to modify my amendment by substituting a comma for the colon in line 7, striking out the quotation marks, and adding the following:

except that the General Accounting Office may modify the January 15 reporting date required by section 106 and submit the annual audit reports to the Congress as soon as practicable.

And on page 83, in line 18, substitute a period for the comma, and strike out the remainder of the sentence.

As thus modified, Mr. President, this amendment provides, under the statutes, for what other legislation of this type provides—namely, for an annual audit. Such a provision was omitted from the bill.

The PRESIDING OFFICER. The amendment of the Senator from New Hampshire, as modified, will be stated.

The LEGISLATIVE CLERK. On page 8, line 24, after the word "Reports" it is proposed to add: "and audits".

On page 9, line 9, after the sentence insert the following: "The reports and underlying transactions shall be subject to audit as provided in sections 105 and 106 of the Government Corporation Control Act, as amended (31 U.S.C. 850–851), except that the General Accounting Office may modify the January 15 report-

ing date required by section 106 and submit the annual audit reports to the Congress as soon as practicable."

Also, on page 83, line 18, substitute a period for the comma and strike out the balance of the sentence.

Mr. BRIDGES. Mr. President, I move the adoption of my amendment, as modified.

Mr. FULBRIGHT. Mr. President, let me ask whether the Senator from New Hampshire wishes to speak on his amendment. I am prepared to accept it.

Mr. BRIDGES. Very well. In that case, Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a statement I had prepared in connection with my amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BRIDGES, REPUBLICAN, OF NEW HAMPSHIRE, IN EXPLANATION OF AMENDMENT ON PAGE 8, LINE 24, AND ON PAGE 9, LINE 9, PROVIDING FOR AUDITS IN ACCORDANCE WITH SECTIONS 105 AND 106 OF THE GOVERNMENT CORPORATION CONTROL ACT

Mr. President, I am appalled at the extent to which the provisions of this bill strip away the prerogatives of the Congress—particularly the appropriations functions of the Congress. I have always supported the idea of foreign aid. But I have always voted for amendments and provisions in the various bills to try and insure sensible management. That the efforts of the Congress to insure proper management have so often failed is evidenced by the frequent "foreign aid scandals." These have become so numerous that many people around the country have reached the conclusion that it may be necessary to burn down the barn to be rid of the rodents. I predict that many Members who will seek reelection next year will encounter this attitude on the part of the electorate.

Mr. President, I wish to explain this movement. It is aimed at making the auditing provisions of the Government Corporation Control Act applicable to the entire spectrum of development loan activities. I simply cannot comprehend why those who drafted this legislation would provide, as they have in section 203(b) that sections 102, 103, and 104 of this act are to be applied to foreign aid under the development loans—the sections which require that a budget be submitted—but have practically ignored sections 105 and 106 of the act, which relate to auditing the programs.

I note that subsection 635(f)(5) requires an integral set of accounts to be maintained and audited in accordance with the principles of the Government Corporation Control Act, but this does not, in my opinion, require the annual audit specified in sections 105 and 106 of the Control Act. My amendment will require such audits to be made annually. I prefer to believe that this omission was a misadvertence. Consequently, I regard this amendment as a technical amendment, it merely assures the Congress and the American people that the development loan programs—where the Congress has relinquished its appropriation controls—will be subject to the annual scrutiny and review of the auditing procedures of the GAO.

This amendment makes the intent of the Congress clear and specific by making applicable sections 105 and 106 of the Government Corporation Control Act; that is, that all of the information, papers, records, reports, files, etc., that the Comptroller General deems to be necessary in the effective performance of his responsibilities be furnished at the request of the Comptroller General or his duly accredited employees. This should prevent the difficulties that the Comptroller General has experienced in the past in getting all of the data necessary for effectively reviewing foreign operations.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Hampshire, as modified. Without objection, the amendment as modified is agreed to.

Mr. BRIDGES. Madam President, I now call up my amendment identified as "8–11–61–E," and ask to have it stated.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). The amendment offered by the Senator from New Hampshire will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 37, line 10, after "(b)" to strike out the entire first sentence of the section.

On page 37, line 16, after the word "order" to insert "under subsection (a) of this section."

The PRESIDING OFFICER. Does the Senator wish the amendments to be considered en bloc?

Mr. BRIDGES. Yes.

The PRESIDING OFFICER. Is there objection? Without objection, the amendments will be considered en bloc.

Mr. BRIDGES. Madam President, this section of the bill, 510(b), gives the Department of Defense a blank check in the amount of $200 million on the Treasury of the United States. With appropriations totaling nearly $50 billion, it simply is not necessary to have an additional blank check for $200 million. Section 510 authorizes the President to furnish from the untold billions in Defense stocks up to the amount of $200 million in any fiscal year to foreign countries and, in effect, commits the Congress in advance to reimburse the Defense Department for such transactions.

I can see no necessity for such loose fiscal practices. What if the Congress refuses to reimburse the Defense Department by appropriation? The answer is that the Treasury simply makes good. Why are we requested to follow such procedures? Are there indications that the Congress is growing cool toward this program?

There are ample stocks in the Defense Establishment to permit the President to commit $200 million in goods or services in cases of dire necessity. There are ample opportunities to reimburse Defense in the numerous supplemental requests for appropriations. This is only another device to preclude congressional review of this program. It is not necessary. My amendment simply restores to the Congress the right to review the necessity of replenishing Defense stocks on which the President may have drawn in an emergency. It would have no effect whatever on the freedom of the President to react to an emergency situation.

Mr. FULBRIGHT. Madam President, I have no objection to the amendments. They are perfectly agreeable.

The PRESIDING OFFICER. The question is on agreeing, en bloc, to the amendments of the Senator from New Hampshire.

The amendments were agreed to.

Mr. BRIDGES. Madam President, I now call up my amendment, which I offer for myself and the Senator from South Dakota [Mr. MUNDT], identified as "8–14–61—E," and ask to have it stated.

The PRESIDING OFFICER. The amendment offered by the Senator from New Hampshire for himself and the Senator from South Dakota will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 24, line 2, to delete the period, substitute in lieu thereof a semicolon, and add the following language:

Provided, That no part of any of the funds authorized herein shall be available to make voluntary contributions to any organization of which the People's Republic of China is a member.

Mr. BRIDGES. Madam President, this is a very simple and forthright amendment. It is intended to support and give additional meaning—practical meaning—to the announced policy of our Government, reiterated time and again by votes of the Congress, and fully supported by President Kennedy, as it was by President Eisenhower. This amendment would serve to strengthen the hand of our Ambassador to the United Nations when he and his cohorts endeavor once again this autumn to fight off those who favor seating Red China in the U.N.

This is a practical ammendment. It provides that funds authorized in this act shall not be used to pay voluntary contributions to specialized U.N. activities if Red China is a member. I would hope the administration would withhold such voluntary contributions in any case, but this amendment would strengthen its position.

This amendment has nothing to do with our "dues" as a member of any international organization. The funds for our annual, regular, or special assessments are furnished in the State-Justice appropriation bill. The funds for voluntary contributions to the U.N. and to other international activities are authorized in the pending measure.

I believe this amendment puts members of the U.N. on notice that, if they persist in efforts to seat Red China in opposition to the policy of the United States, they can no longer expect the American taxpayer to finance the activities of the U.N.—in amounts ranging anywhere from 40 to 100 percent of the cost of such activities by voluntary contributions—no matter how desirable they may be.

Madam President, I ask unanimous consent that a statement and an attached table of contributions be inserted at this point in the RECORD.

Madam President, my amendment pertains only to voluntary contributions as set forth in the attached table.

There being no objection, the material was ordered to be printed in the RECORD.

U.S. contributions to international organizations and programs, fiscal year 1961

	Total assessment	U.S. percent	U.S. contribution
A. United Nations and specialized agencies:			
United Nations	$58,300,000	32.51	[1] $19,269,331
Food and Agriculture Organization	9,225,500	32.51	[2] 2,999,210
Intergovernmental Maritime Consultative Organization	255,000	17.29	[3] 40,813
International Civil Aviation Organization	4,023,465	32.95	[4] 1,395,000
International Labor Organization	9,003,900	25.00	[5] 1,975,364
International Telecommunication Union	2,868,657	10.39	[6] 326,456
United Nations Educational, Scientific and Cultural Organization	12,957,763	30.74	[7] 3,832,952
Universal Postal Union	609,195	4.29	26,145
World Health Organization	16,889,760	31.71	5,355,110
World Meteorological Organization	666,179	19.03	[8] 117,897
Subtotal	114,799,428	30.81	35,338,278
B. United Nations Emergency Force	20,000,000	48.48	[9] 3,200,000
C. United Nations operations in the Congo	60,000,000	49.94	[10] 29,962,833
D. Inter-American organizations:			
Pan American Union	8,323,382	66.00	5,493,432
Exchange of Frequency Notifications	19,000	33.78	6,419
Inter-American Children's Institute	80,000	40.00	32,000
Inter-American Indian Institute	27,600	17.39	4,800
Inter-American Institute of Agricultural Sciences	337,135	66.79	225,177
Inter-American Tropical Tuna Commission	373,821	99.70	372,700
Pan American Health Organization	4,000,000	66.00	2,640,000
Pan American Institute of Geography and History	125,000	39.02	48,780
Pan American Railway Congress Association	11,914	41.97	5,000
Postal Union of the Americas and Spain	14,778	8.16	1,206
Subtotal	13,312,630	66.32	8,829,514
E. Other regional organizations:			
Caribbean Commission	275,243	38.40	[11] 112,299
Central Treaty Organization	650,357	20.00	[12] 88,441
Colombo Plan Council for Technical Cooperation in South and Southeast Asia	122,777	5.56	6,830
North Atlantic Treaty Organization, civilian headquarters	5,500,000	24.20	[13] 1,006,000
North Atlantic Treaty Organization Parliamentary Conference	112,000	24.20	27,219
Southeast Asia Treaty Organization	1,096,980	25.00	[14] 202,698
South Pacific Commission	558,370	12.50	69,797
Subtotal	8,315,727	23.39	1,513,284
F. Other international organizations:			
Central Commission for Navigation of the Rhine	90,000	14.29	13,200
Coffee Study Group	70,000	20.25	14,176
International Atomic Energy Agency	5,843,000	32.51	1,899,560
International Bureau of Education	102,041	2.45	2,500
International Bureau for the Permanent Court of Arbitration	28,170	4.14	1,167
International Bureau for the Publication of Customs Tariffs	162,648	5.32	8,658
International Bureau of Weights and Measures	134,971	10.89	[15] 14,211
International Commission for Northwest Atlantic Fisheries	51,404	10.40	5,650
International Cotton Advisory Committee	116,354	15.47	18,000
F. Other international organizations—Con.			
International Council of Scientific Unions and its associated unions	$167,803	15.52	$26,043
International Criminal Police Commission	185,233	5.94	11,000
International Hydrographic Bureau	124,669	8.02	9,997
International Lead and Zinc Study Group	50,000	11.65	5,825
International North Pacific Fisheries Commission	48,690	33.33	16,762
International Rubber Study Group	42,840	12.91	5,530
International Seed Testing Association	13,000	6.92	900
International Sugar Council	162,400	12.25	20,000
International Union of Official Travel Organizations	43,668	4.58	2,000
International Union for the Protection of Industrial Property	136,744	4.98	[16] 17,500
International Whaling Commission	8,373	6.70	561
International Wheat Council	134,400	16.95	22,863
Interparliamentary Union	136,198	15.42	21,000
North Pacific Fur Seal Commission	7,600	25.00	1,900
Permanent International Association of Navigation Congresses	9,200	16.30	1,500
Subtotal	7,869,406	27.07	2,140,503
Total assessed budgets	224,297,191	[17] 39.20	80,984,412
G. Special programs financed by voluntary contributions: [18]			
Central Treaty Organization multilateral technical cooperation program	150,000	33.33	50,000
Intergovernmental Committee for European Migration	22,628,830	40.00	9,051,532
International Atomic Energy Agency, operating program	1,280,000	50.00	640,000
International Civil Aviation Organization, joint support program	2,125,545	39.66	842,991
North Atlantic Treaty Organization, science program	3,100,000	42.99	[19] 1,327,600
Organization of American States, technical cooperation program	2,000,000	70.00	1,400,000
Pan American Health Organization, water supply program	125,000	100.00	125,000
Pan American Health Organization, malaria eradication program	1,500,000	100.00	1,500,000
United Nations Children's Fund	26,086,956	46.00	12,000,000
United Nations economic aid to the Congo	24,000,000	62.50	15,000,000
United Nations Educational, Scientific, and Cultural Organization, aid to Congo	1,000,000	100.00	1,000,000
United Nations expanded technical assistance program	44,532,041	40.00	17,812,817
United Nations High Commissioner for Refugees program	3,900,000	33.33	1,300,000
United Nations Relief and Works Agency for Palestine Refugees in the Near East	33,571,429	70.00	[20] 23,500,000
United Nations Special Fund	47,029,673	40.00	18,811,869
World Health Organization, community water supply program	175,000	100.00	175,000
World Health Organization, malaria eradication program	4,379,242	[21] 91.34	4,000,000
World Health Organization, medical research project	500,000	100.00	500,000
Total special programs	218,083,716	50.00	109,036,809
Total	442,380,907	44.53	190,021,221

[1] The United States paid an advance to the working capital fund of $316,001.
[2] Of this amount, $1,399,210 was contributed toward the 1960 budget and $1,600,000 was contributed toward the 1961 budget.
[3] The United States received a credit of $3,279.
[4] Because of prior year adjustments of $6,096 and a working capital fund advance of $34,986, the U.S. contribution amounted to $1,354,621 for calendar year 1960. Of the amount shown, $679,000 was contributed toward the 1960 budget and $716,000 was contributed toward the 1961 budget.
[5] The United States received a credit of $275,613.
[6] The United States will contribute an estimated $26,456 for extraordinary expenses, i.e., cost of meetings, etc.
[7] The United States received a credit of $150,264.
[8] The United States received a credit of $8,854.
[9] The U.S. contribution to the calendar year 1960 cost of UNEF totaled $9,697,064, including an assessment of $6,497,064, which was paid from fiscal year 1960 funds, and a voluntary contribution of $3,200,000, which was paid from fiscal year 1961 funds.
[10] The United States was assessed $15,745,211 for expenses incurred by the Secretary General for the United Nations Operations in the Congo from July 14 to Dec. 31, 1960. The United States also made a voluntary contribution of $3,900,000 and waived the cost of the initial airlift totaling $10,317,622.
[11] Of the amount shown, $33,931, was contributed toward the fiscal period 1960 budget and $78,368 toward the fiscal period 1961 budget.
[12] The United States received credits totaling $41,630.
[13] The United States received a credit of $325,000 from miscellaneous income and U.S. nationals loaned to NATO.
[14] The United States received a credit of $71,547 from prior year surpluses and U.S. nationals loaned to SEATO.
[15] The United States received adjustments of $491.
[16] The United States was assessed $7,000 and also contributed $10,500 of prior years arrearages.
[17] The percentage shown includes the U.S. voluntary contributions to UNEF and ONUC. Excluding these contributions, the U.S. percent of assessed budgets is 31.44.
[18] U.S. contributions to these programs represent contributions made to the corresponding calendar year, i.e., U.S. fiscal year 1961 contributions are made to the calendar year 1961 programs. Consequently total contributions and U.S. contributions are estimates at this time.
[19] The U.S. share is $1,332,600, but was reduced by $5,000 because of credits.
[20] Includes $6,500,000 contributed in kind, principally Public Law 480 commodities.
[21] Percentage shown is the percentage of total U.S. contributions to total government contributions since the beginning of the program.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. FULBRIGHT. Madam President, may I ask a question of the sponsor of the amendment? I am not clear that there is any organization to which Red China belongs.

Mr. BRIDGES. This is a preventive measure, in case Red China should nuzzle her nose under the tent in some way. It is preventive action, rather than something to take effect at the present time, and I think it is a wholesome preventive.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ELLENDER. Madam President, I offer an amendment, which I send to the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 6, line 12, to strike out "$1,900,000,000", and insert in lieu thereof "$1,700,000,000".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana.

Mr. FULBRIGHT. Madam President, may I ask the Senator from Louisiana if this is a new amendment?

Mr. ELLENDER. Yes; I have just sent it to the desk.

Mr. FULBRIGHT. I should like to see the amendment. I have a list of several amendments. I thought it was one of those.

Mr. ELLENDER. No, it is not included in that list. The amendment is a very simple one. It reduces by $200 million the amount to be made available to the Development Loan Fund, for the fiscal years 1963 through 1966. It will be recalled that on yesterday the distinguished Senator from Ohio [Mr. LAUSCHE] offered an amendment which would have reduced the amount available to the DLF for each of the next 4 fiscal years from $1.9 billion to $1.6 billion. As I stated during the debate at that time, I had considered offering a similar amendment. Since the amendment of the Senator from Ohio lost by a vote of 46 to 46, I am now offering this amendment in the hope that we can reduce the borrowing authority of the DLF during each of the next 4 fiscal years from $1.9 billion to $1.7 billion.

It is not my purpose at this time to repeat the many arguments made by Senators who favored the amendment on yesterday. I do wish to point out, however, that the DLF program now on the statute books was inaugurated in 1957. As the record shows, over $2 billion was made available to the DLF since that time. Yet, during this period of 3 years, only $1.675 billion was obligated. This leaves $325 million unobligated and available for commitment. This clearly shows the justification of my amendment. Since the administrators of the DLF were only able to obligate over a 3-year period less than $1.7 billion, the amount of $1.7 billion for each fiscal year 1963 through 1966, which would be available if my amendment was adopted, should be more than ample.

In substance, this is the burden of my argument. I am very hopeful that the amendment will be accepted by the chairman of the committee. As I said, the vote on yesterday was 46 to 46. I have simply decreased by $100 million the amount sought to be taken away annually from the DLF's borrowing authority by the amendment which was offered by the Senator from Ohio yesterday.

On this amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CURTIS. Madam President, I shall support the amendment of the distinguished Senator from Louisiana.

Fifteen years ago the Congress enacted aid for foreign nations, wartime allies, to rebuild their wartorn homelands. America, typically generous, launched into a 5-year program to accomplish this great humanitarian endeavor. From the outset, I was opposed to foreign economic aid. One of my deep concerns was that there is little likelihood of ever living up to the ideal of a temporary Federal program. I then stated that it would never come to an end. It just does not work, and foreign aid is one of the many examples where proponents have sold a majority of the Congress on an alleged temporary program which now, by all reckoning, appears to be permanent.

We have undergone a transition whereby foreign aid has assumed the character of a permanent and indispensable part of U.S. foreign policy.

A recently prepared summary states we have spent $84.1 billion on foreign aid in the past 15 years. Many of the nations whom we have assisted handsomely are today rated in better economic posture than is the United States. I am told that the combined national debts of all the nations we aid is now less than half the amount of the national debt of the United States.

Some months ago I saw a summary of India's current budget. In it, as a part of the budget, is included that amount which will be received under foreign aid. This raises the question whether aid stultifies maximum local effort.

More recently I received a copy of the sixth annual report of the Australian commonwealth entitled "The Australian Economy, 1961," and I would like to read a portion of it, under the heading of "Trends abroad":

> In the United Kingdom the rapid expansion of demand and output that characterized 1959 extended into the early months of 1960; but after the first quarter of the year there was a marked change of trend. Fixed investment continued to rise and Government purchases apparently also increased by a small amount; but exports fell and consumer spending leveled off. Investment in stocks continued at a high rate throughout the year; but there was no net rise in industrial production in the last three-quarters of the year. The small increase in total demand after the first quarter was met by imports, which continued to rise throughout the year.
>
> In the other principal Western European countries economic expansion continued over 1960, as a whole, at a faster rate than in 1959. Most of the Western European economies were very fully employed and in Western Germany, in particular, the shortage of labor became acute. This increased pressure on available resources no doubt played a part in the slackening of the rate of growth that occurred in the second half of 1960. But 1960 was for Western Europe, generally, a highly prosperous year.
>
> Japan, whose economy is now of great and growing importance to Australia, continued in 1960 to achieve a higher rate of growth than any other industrialized country. Over the year, industrial production was estimated to have increased by no less than 25 percent. Imports also rose by 25 percent, but this was more than matched by the growth in exports and Japan's balance-of-payments position was further strengthened.
>
> With the notable exception of the United States, all the major industrial countries added to their monetary reserves in 1960.
>
> With an increase in exports and a slight fall in imports, the U.S. surplus on current account rose substantially; but U.S. Government expenditures abroad, foreign aid and the net outflow of private investment more than offset the current surplus. The overall U.S. balance-of-payments deficit for the year was $3.8 billion. Nevertheless, the United States at the end of 1960, with gold holdings amounting to $17.8 billion, remained in a strong position.

Let me repeat the phrase—

> With the notable exception of the United States, all the major industrial countries added to their monetary reserves in 1960.

Let me also repeat—

> but U.S. Government expenditures abroad, foreign aid and the net outflow of private investment more than offset the current surplus.

Now, who are those "major industrial countries" whose economic stature at the close of 1960 are stated to be better than that of the United States? They are:

First. France, who has received $9.4 billion in foreign aid.

Second. United Kingdom, who has received $7.8 billion in foreign aid.

Third. Italy, who has received $5.5 billion in foreign aid.

Fourth. Germany, who has received $4.9 billion in foreign aid.

Fifth. Japan, who has received $3.4 billion in foreign aid.

We have been wonderfully generous with these nations; we have supported their burgeoning economies. But, there is never a point of satiety beyond which we turn attention to the liquidation of our own debt.

This report states an imbalance in the 1960 account of the United States from foreign aid and the net outflow of private investment. Has this administration proposed a curtailment of aid? Absolutely not. Has this administration proposed a curtailment of private expenditure abroad by revenue reforms and collateral policies? Absolutely yes. We are, therefore, willing to trade an asset for a liability.

This is advocated, even though many of the stanchest proponents of foreign aid readily agree that private investment abroad brings to a foreign nation a more durable and elevating economic and social benefit than does foreign aid.

The alteration of economic law in this great Nation, during the past 25 years, completely defies the absolutes of arithmetic which I learned in a rural Nebraska school almost a half century ago. I learned that if you had a dollar to spend, when it was gone you were broke. If you borrowed more and spent it, you would have to pay it back. True, I come from a State where we are alleged to have inferior public instruction, and I may lack enlightenment into a fourth economic dimension which would make possible a permanent alteration of the old principle that 2 plus 2 makes 4—2 minus 2 is nothing.

I submit that Congress could today vote a hundred billion dollars for foreign aid. That is an act fully within the possibility of our capabilities.

I also submit that with our lawful authority, as Members of this great body, goes a parallel responsibility. When I look at a $290 billion national debt, a history of years of deficit financing, and a service charge on that debt with its fixed and third biggest item in our annual budget—I am humbled by the knowledge that we have no divine direction to give away what we have not got.

I hope this may have some impact on my colleagues who regard opposition to foreign aid as only a shibboleth of the conservatives.

As we look back upon this relatively new element of foreign policy—for 15 years is a short time in which to evoke

a major change of such magnitude—I am each year more distressed by what I hear and read about it. Despite the 15-year outlay of $84 billion, despite the economic and military support of all the free world—an act never before attempted by any nation in the world's history—we seem not to be getting our case sold to those many nations who seek our help to stabilize the freedom we desire for all mankind or to emerge into that degree of freedom.

American travelers come home from all corners of the globe with the routine report, "They don't like us."

To the south we hear, repeatedly, "Yankee go home."

The "Ugly American," whether valid or invalid, is accepted as fact in many areas of the free world.

The President himself, less than a year ago, said flatly that our prestige abroad is at low ebb.

So, 15 years of buying good will, of molding an alliance of freemen, seems not to have achieved its hoped-for objective.

I realize that a wealthy and powerful nation can reflect among less fortunate nations the same reaction of a wealthy relative's regard among his poor relations. Also, I realize that we have been generous, and I personally think profligate, in an effort to erase this reaction. Yet, an anti-United States posture now seems to be the rallying point for the politicans of most nations who want our help.

Many factors undoubtedly contribute to this strange state of affairs. Each year committees of the Congress hear a new batch of "horror stories"—of aid money frittered away on useless and ludicrous projects.

The irrigation project which would not irrigate because there is not enough water.

The dam in the desert to catch rainfall where it does not rain.

The three factories built but never operated.

The drought relief sent to a country but much of it undistributed at the end of the drought.

The highway built into the side of the mountain.

More than a million dollars of highway equipment shipped but never operated.

The record is so full of multimillion-dollar mistakes that debate on this bill allows not time for full entry.

If any Senators doubt these excesses, I suggest they spend time with appropriate personnel of the Comptroller General's staff. These excesses represent not only gross waste—they create a shocking spectacle for less fortunate people who are hoped to hold in esteem this great and powerful Nation.

Another aspect of foreign aid operations which diminishes our stature is that aid personnel is cast in a completely neutral role in whatever country aided. Thus, we accept a government which may be corrupt—its corruption is fully obvious to its citizens. In aiding that government our personnel and our dollars become a part of that government. If the government is despised, we too, as its adjunct, are equally despised.

Recently a book reached my office written by a former employee of this Government under our foreign aid program. The government of his assigned country was, he states, very corrupt. Its annual budget was, during his service, $90 million. Two-thirds of it was supplied by our aid dollars—60 million U.S. dollars. We supported a corrupt few who got richer from our aid. We built their political machine by hiring, far in excess of workload, their relatives and favored supporters. We perpetuated an evil despised by the populace—a populace which, this former employee states, also despises the United States.

This same situation is said to exist in many other aided countries. If this be true, are we purchasing alliance and good will, or are we buying disrepute and eventual opposition from a succeeding government in such nations?

After these 15 years of foreign aid—the newest and most expensive arm of our foreign policy, we had better take a look, here in the Congress, at its current status.

As we measure its 15-year course, its $84 billion expenditure, as the majority is ready to underwrite larger annual expenditure on a long-term basis, let us pause to reflect, "How has it fared?"

Does it measure up to the expectations of its most devout supporters?

Is it efficient? Are we getting anywhere near the degree of efficiency we demand from Federal expenditure for domestic projects and programs?

Does the possibility exist that support of corrupt governments completely negates our activities in certain aided countries?

Is there an effective way to help a nation corrupted by its leaders without interfering in the internal affairs of a friendly nation?

Can our support be misused to create more Castros, more pro-Communist leaders?

Are the American people gaining that degree of alliance which proponents of this aid seek in the free world?

No nation in the history of the world has a record to equal the humanitarian endeavors of these United States. To a degree, our aid has been motivated by this noble part of America's nature. Also, it is perfectly honorable that, as we endeavor to enlighten and uplift the less-fortunate nations, we deserve friendship and support, we deserve a bond with them to resist together Communist imperialism. In the Congress, we are obligated to the American people to achieve a real measure of success. We cannot risk the day when our efforts will be found wanting.

If the Congress fails this responsibility weighing heavily upon us all, we will be as callous as the fellow who feels his spiritual obligations are met when he throws $10 into the collection plate every Sunday.

Madam President, the evils of the world are greater than those which can be solved by Uncle Sam continually writing checks. He is in danger of gaining the reputation of being "Uncle Sap."

I shall support the pending amendment.

Mr. SYMINGTON. Madam President, the colloquy as it appears in the RECORD seems to include a number of misunderstandings.

The statements by the able Senator from Iowa [Mr. HICKENLOOPER] on page 15926, in the left column, appear to convey the understanding that the $300 million under discussion was to be from repayments from loans to be made out of new development lending money.

Madam President, I bring this up because apparently we are now discussing in principle the same item under consideration at the time the amendment in question was considered.

There seemed to be some further confusion as to what the executive branch asked for. The Senator from Delaware [Mr. WILLIAMS] says, for example, at page 15926 in the middle column that the committee added to the bill approximately $1½ billion over the 5-year period—for which the President did not ask—by increasing the borrowing authority.

This confusion may have been increased when the Senator from Alabama [Mr. SPARKMAN] said "the facts have been pretty well stated" and when he then spoke of the revolving fund in terms which imply that the $300 million per year was to be from repayments from new loans.

The facts are:

First. The President in his letter of May 26, 1961, transmitting the aid program specifically asked for borrowing authority in the amount of $900 million in fiscal year 1962 and $1.6 billion in each of the following 4 years. He then said:

> Additionally, repayments of previous foreign loans of about $300 million annually would be made available for development lending.

Secretary Rusk, in his statement to the Foreign Relations Committee beginning the hearings on this bill, made precisely the same statement to be found at the bottom of page 34 in the hearings.

The full total of borrowing authority and of repayments from past loans has been specifically justified by the administration as more than needed, for fiscal year 1962 and in future years.

Mr. Frank Coffin, Director of the Development Loan Fund stated this need directly in his statement to the Foreign Relations Committee during the hearings (hearings, p. 208).

He said as to fiscal year 1962:

> First, the bulk of the lending will be concentrated in a few countries. Second, the total likely potential for the effective use of funds is substantially greater than the $1,187 million in estimated availability.

He cited the already tentative commitments to India, Pakistan, and Brazil.

Mr. Coffin added that there are at least 10 other countries, some in each of the four major geographic areas, where need, planning, and overall importance to our foreign policy will result in significant loan requests. He said further that we

can expect proposals from some 30 other countries, many of which will undoubtedly meet the loan criteria.

Mr. Coffin also explained at length the basis for the computation of need for future years. He pointed out, for example, that the whole lending program for Latin America contemplated at the Bogotá Conference—and an even more specific center of discussion at the current Montevideo Conference—must be funded out of this loan program. His statement will be found at pages 208 and 209 in the hearings.

The comments by the able Senator from Vermont [Mr. AIKEN] that the Development Loan Fund over the past 2 years has had about $2¼ billion of which only one-third has been paid out, does not sustain his conclusion that the funds requested by the President for the new program will not be needed.

The important thing is that the Development Loan Fund has committed all of the funds available to it. Everyone knows that in development programs of the kind for which these loans are being made it will be some time before expenditures for construction of dams, steel mills, fertilizer plants, and many other kinds of capital equipment will be made.

What actually happened in the committee was that the amendment striking out the availability of the $300 million from repayments from past loans appeared to be directed at the principle involved—that is, the wisdom of using repayments from old loans directly for new loans, rather than having the repayments go into the Treasury from which all funds, whatever they might be, for new loans would be drawn. The committee agreed to this.

At a later time the borrowing authority was raised by $300 million a year in order that the President should have the full amount of funds he had requested. The principle espoused was therefore retained—and so were the funds requested by the President. It was these funds that the suggested amendment of yesterday would have reduced, by $1.5 billion.

Madam President, I thought this ought to be clarified, because the amendment the distinguished Senator from Louisiana has offered relates in principle to the same situation. It involves $200 million a year instead of $300 million.

Mr. FULBRIGHT. Madam President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to the distinguished chairman of the committee.

Mr. FULBRIGHT. I am glad the Senator has made clear this apparent confusion about the fund. The Senator has stated the situation exactly as I understood it to be.

One of the members of the committee believed the utilization of the repayments in the nature of a revolving fund was not a good thing in principle, and that the money from that source should be covered back into the Treasury in the regular order. Therefore, the equivalent amount was simply added to the direct borrowing authority involved. I commend the Senator from Missouri for clarifying that point.

If the Senator will permit, I should like to say further, there is nothing mysterious about the amendment. It is a simple amendment to cut the amount the committee recommended we authorize to be borrowed from the Treasury by $800 million over the course of the period involved.

In my opinion, we voted on this question the other day when the so-called Byrd amendment was before the Senate, because involved in that amendment was the borrowing authority for a certain amount. I do not suggest that it would not be in order to reduce the amount, but it would be a step backward and would reduce by $800 million the amount that would be available. I certainly hope that the Senate will not agree to the amendment.

The amendment is an effort to minimize the importance of the step that we took the other day. To that extent it would destroy the long-range aspect of the program to the extent of $800 million. The committee believes that this is a reasonable amount to be made available. There is an upper limit. The President does not have to use all the money. This is the limit of the authorization. If the need does not arise within this period, the President need not borrow the money.

I hope that the amendment of the Senator from Louisiana will not be agreed to.

Mr. SYMINGTON. I thank the distinguished Senator from Arkansas. I will discuss, today or later, the effort that is being made to reduce what the President believes is necessary in this field as we face up to the growing international crisis. I express my appreciation for the comments of the Senator from Arkansas, and understand the situation exactly as he has stated it.

Mr. ELLENDER. Madam President, I merely wish to add to what I have previously stated that when the DLF was originally created in 1957, one of the main reasons advanced for its creation was that it was to be used in lieu of grant aid programs. However, the record shows it did not work that way, for the simple reason that grant aid has been continued and in some cases has increased.

In the bill under consideration the economic grant aid is almost as high as it was last year. The committee has authorized $450 million for supporting assistance, $380 million for development grants, and $300 million for the President's contingency fund for economic aid. These amounts aggregate $1,130 million for economic giveaway aid, and I will have more to say about these categories of aid later on during this debate.

The report by the Senate Foreign Relations Committee in 1957 when the foreign aid bill was to be considered by the Senate, states—

> The main purpose of the bill is to give vigor, purpose, and new direction to the foreign aid program. Thus, the stress of the program is shifted to development loans repayable on manageable terms and conditions but in dollars. Long-term financing becomes available to the new aid agency, a similar structure which will include the Development Loan Fund and the International Cooperation Administration. Less emphasis is placed on and fewer funds are granted to direct support programs.

This is the language used when the DLF was created in 1957. The language proposed in the pending bill is very similar.

Since 1957 the amount appropriated for grant aid has been reduced very little, and I would like to point out to the Senate that only a few weeks ago we approved a program of which provided for the sale of $4½ billion of surplus agricultural commodities. It is my hope that this huge amount will be used, not to supplement our aid program, but to supplant it.

I was glad to see that the money authorized in the pending bill to continue development grants and supporting assistance have been somewhat reduced, and this is a step in the right direction. However it is my considered judgment that this amount can be further reduced through the judicious use of the enormous amount of surplus food which we have on hand, and the huge amount we are making available to the Development Loan Fund.

In other words, we could make great use of these surplus agricultural commodities which are today stored, at great cost to the American taxpayer, all over the country. I think this is an avenue which should be pursued more vigorously in the future.

I return to the proposition that my amendment would not in any manner interfere with the long-term program proposed in this bill for the Development Loan Fund. If anyone studies the manner in which the present DLF program is handled, it will be found that up to the present time there has not been a rapid commitment of funds. The reason? Much of the available time has been used to study the proposal before a loan is actually made, and I believe this procedure should be encouraged.

The interest rates charged borrowers under the present program fluctuate from 3½ percent to as much as 5½ percent. But under the proposed DLF loan program there is no limitation of interest rates and, in some cases, no interest can be charged. But let me also point out that under the proposed program, repayments must be made in dollars. It is my judgment that this stipulation will cause quite a slowdown in the committing of DLF funds. The administrators of the program are going to have to look very carefully at every application to make sure that they are able to meet this stipulation of repayment in dollars. This, in my judgment, will result in a great deal less money being committed. Therefore there is no need for us to make this $1.9 billion available over each of the next 4 fiscal years to the Development Loan Fund. This full amount will simply not be needed.

I hope the Senate will agree to my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. ELLENDER].

Mr. ELLENDER. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. MANSFIELD. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 143]

Aiken	Fulbright	Monroney
Allott	Goldwater	Morse
Anderson	Gore	Morton
Bartlett	Gruening	Moss
Beall	Hart	Mundt
Bennett	Hartke	Muskie
Bible	Hayden	Neuberger
Boggs	Hickenlooper	Pastore
Bridges	Hickey	Pell
Burdick	Hill	Prouty
Bush	Holland	Proxmire
Byrd, Va.	Hruska	Randolph
Byrd, W. Va.	Humphrey	Robertson
Cannon	Jackson	Russell
Capehart	Javits	Saltonstall
Carlson	Johnston	Schoeppel
Carroll	Jordan	Scott
Case, N.J.	Keating	Smathers
Case, S. Dak.	Kefauver	Smith, Mass.
Church	Kerr	Smith, Maine
Clark	Kuchel	Sparkman
Cooper	Lausche	Stennis
Cotton	Long, Mo.	Symington
Curtis	Long, Hawaii	Talmadge
Dodd	Long, La.	Thurmond
Douglas	Magnuson	Tower
Dworshak	Mansfield	Wiley
Eastland	McCarthy	Williams, N.J.
Ellender	McGee	Williams, Del.
Engle	McNamara	Yarborough
Ervin	Metcalf	Young, N. Dak.
Fong	Miller	Young, Ohio

The PRESIDING OFFICER (Mr. PELL in the chair). A quorum is present.

Mr. ELLENDER. Mr. President, a number of Senators have come into the Chamber since the close of debate on my amendment as a result of the quorum call, and for this reason I would like to briefly explain it. The pending amendment is similar to the one offered yesterday by the distinguished Senator from Ohio [Mr. LAUSCHE] but which was rejected. His amendment would have reduced the borrowing authority of the Development Loan Fund from $1.9 billion a year to $1.6 billion a year for the fiscal years 1963 through 1966. It leaves undisturbed the present amount for the current fiscal year. The net effect of my amendment is that the borrowing authority of the Development Loan Fund will be reduced $800 million over the next 4 years.

I hope the Senate will agree to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. On this vote I have a pair with the senior Senator from New Mexico [Mr. CHAVEZ]. If he were present and voting, he would vote "nay"; if I were permitted to vote, I would vote "yea." I withhold my vote.

Mr. MANSFIELD. On this vote I have a pair with the Senator from Illinois [Mr. DIRKSEN]. If he were present and voting, he would vote "yea"; if I were permitted to vote, I would vote "nay." I therefore withhold my vote.

Mr. HUMPHREY. I announce that the Senator from Arkansas [Mr. MCCLELLAN] is absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from Arkansas [Mr. MCCLELLAN] would vote "yea."

Mr. KUCHEL. I announce that the Senator from Illinois [Mr. DIRKSEN] is necessarily absent, and his pair has been previously announced.

The Senate from Maryland [Mr. BUTLER] is absent because of illness, and, if present and voting, would vote "yea."

The result was announced—yeas 51, nays 43, as follows:

[No. 144]

YEAS—51

Aiken	Eastland	Mundt
Allott	Ellender	Prouty
Beall	Ervin	Proxmire
Bennett	Fong	Robertson
Bible	Goldwater	Russell
Boggs	Gruening	Saltonstall
Bridges	Hickenlooper	Schoeppel
Bush	Holland	Scott
Byrd, Va.	Hruska	Smathers
Cannon	Johnston	Smith, Maine
Capehart	Jordan	Stennis
Carlson	Keating	Talmadge
Carroll	Kuchel	Thurmond
Case, S. Dak.	Lausche	Tower
Cotton	Magnuson	Williams, Del.
Curtis	Miller	Yarborough
Dworshak	Morton	Young, N. Dak.

NAYS—43

Anderson	Hayden	Morse
Bartlett	Hickey	Moss
Burdick	Hill	Muskie
Byrd, W. Va.	Humphrey	Neuberger
Case, N.J.	Jackson	Pastore
Church	Javits	Pell
Clark	Kefauver	Randolph
Cooper	Kerr	Smith, Mass.
Dodd	Long, Mo.	Sparkman
Douglas	Long, Hawaii	Symington
Engle	McCarthy	Wiley
Fulbright	McGee	Williams, N.J.
Gore	McNamara	Young, Ohio
Hart	Metcalf	
Hartke	Monroney	

NOT VOTING—6

Butler	Dirksen	Mansfield
Chavez	Long, La.	McClellan

So Mr. ELLENDER's amendment was agreed to.

Mr. MORTON. Mr. President, I move that the vote by which the amendment of the Senator from Louisiana was agreed to be reconsidered.

Mr. KUCHEL. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. CAPEHART obtained the floor.

Mr. ELLENDER. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. Let me say that I expect to offer an amendment, after I make a brief statement. Does the able Senator from Louisiana intend to offer an amendment, also?

Mr. ELLENDER. Yes, I desire to offer an amendment. While so many Senators are present, it will not take long to have my amendment considered.

Mr. CAPEHART. Mr. President, I yield for that purpose, although I expect to make a statement for about 4 minutes and then submit an amendment. But at this time I yield.

Mr. ELLENDER. Mr. President, I desire to submit an amendment reducing the amount authorized for military assistance in the pending bill from $1.8 billion to $1.55 billion.

Mr. CAPEHART. Mr. President, I ask unanimous consent that I may yield for this purpose, with the understanding that after the amendment of the Senator from Louisiana is acted on, I shall have the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, I submit my amendment, and request its immediate consideration.

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. On page 31, in line 20, it is proposed to strike out "$1,800,000,000", and to insert in lieu thereof "$1,550,000,000".

Mr. ELLENDER. Mr. President, this amendment is identical to one I submitted yesterday, except that instead of reducing the amount authorized for military assistance by $500 million, this amendment would cut it back $250 million. I will not attempt to take the time of the Senate to advance my reasons for this reduction. This was dealt with at length yesterday. The same arguments I advanced then are applicable to this amendment today. I hope the amendment will be agreed to.

Mr. President, on this question, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

SUPPORT FOR FREEDOM

Mr. SYMINGTON. Mr. President, several days ago I presented in some detail to the Senate why it appeared important to me for us to give to the President the economic, psychological, and spiritual weapons he is now requesting in this mutual security bill, in order that he can use them in negotiations for peace, along with the physical weapons we voted him last week. That vote was unanimous.

In recent days there has been a steady chipping away at the basic aspects of this legislation—to the point where yesterday a single vote would have made the difference between cutting heavily the money requested in the bill—an action which would have jeopardized the entire program.

With the world as it is today, with growing unrest and tension in many quarters—including probably the most dangerous spot—Berlin—why should we tie the hands of the administration by refusing to grant these cold war weapons, as we increase the notifications to our youth that they may be needed for a hot war.

It reminds me of the famous vote a few months before Pearl Harbor, when the Government's right to draft citizens was saved by a single vote.

There are those who voted with sincerity yesterday to cripple this program,

because they honestly believed that economic troubles would be just as serious as slavery. I respect their opinion; but, I cannot agree. I would rather be broke but free—especially in view of the fact that under communism the individual can own little or nothing, anyway.

Let us realize that the income of this country is now approaching $1.5 billion a day; also, that much, if not most, of the money asked for in this bill would be plowed back into our own economy.

Let us also realize that the total amount of this request, including all loans over the 5-year period, is less than 1 week of America's annual income.

Why do some of those who warn so continuously of the danger of internal Communist subversion, nevertheless, as the international skies continue to darken, refuse to give the President these additional weapons with which, in turn, to handle probably the most serious crisis, created by communism, that free people have ever faced.

Consider what major defeats in connection with this bill would mean, not only in the Far East, Central America, and South America, and Europe, but also to the plans of those in Moscow and Peiping, who are manipulating against us the puppet nations they now control, at the same time that they utilize every weapon comparable to those provided for us by this bill to increase the number of those nations.

This legislation adds cold-war weapons, for the struggle we are now in, to the hot-war weapons we voted last week, but which we all pray will never have to be used.

At this time many outstanding members of the Republican Party—Mr. McCloy, Ambassadors Lodge and Wadsworth, Secretaries Herter, Lovett, and Gates, backed up by a letter from President Eisenhower—and along with many prominent members of the Democratic Party, are appearing before the Senate committee to urge improvement in our disarmament capacity. That is good. But surely all these experienced people are also anxious to see the Senate improve our own economic, psychological, and spiritual defenses, as well as the physical defenses of our friends.

Only with such improvements can our President, when the time comes for him to sit down with the Communists to parley for peace, negotiate from a position of adequate strength.

Any other course reminds me of some lines from a poem which closes one of the world's most famous books:

> In a wonderland they lie
> Dreaming as the days go by—
> Dreaming as the summers die
> Ever drifting down the stream.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from California [Mr. ENGLE] and the Senator from Arkansas [Mr. MCCLELLAN] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from California [Mr. ENGLE] would vote "yea."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Arkansas [Mr. MCCLELLAN]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Arkansas would vote "yea."

Mr. KUCHEL. I announce that the Senator from Illinois [Mr. DIRKSEN], is necessarily absent.

The Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Colorado [Mr. ALLOTT] is detained on official business.

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from Colorado would vote "nay."

The result was announced—yeas 57, nays 37, as follows:

[No. 145]

YEAS—57

Aiken	Dworshak	Monroney
Anderson	Eastland	Morse
Bartlett	Ellender	Morton
Beall	Ervin	Mundt
Bennett	Fong	Pell
Bible	Gruening	Prouty
Bridges	Hickenlooper	Proxmire
Burdick	Hill	Robertson
Bush	Holland	Russell
Byrd, Va.	Hruska	Saltonstall
Cannon	Javits	Schoeppel
Capehart	Johnston	Smathers
Carlson	Jordan	Stennis
Case, S. Dak.	Keating	Talmadge
Church	Kerr	Thurmond
Clark	Lausche	Williams, Del.
Cooper	Long, La.	Yarborough
Cotton	Magnuson	Young, N. Dak.
Curtis	Miller	Young, Ohio

NAYS—37

Boggs	Humphrey	Neuberger
Byrd, W. Va.	Jackson	Pastore
Carroll	Kefauver	Randolph
Case, N.J.	Kuchel	Scott
Dodd	Long, Mo.	Smith, Mass.
Douglas	Long, Hawaii	Smith, Maine
Fulbright	Mansfield	Sparkman
Goldwater	McCarthy	Symington
Gore	McGee	Tower
Hart	McNamara	Wiley
Hartke	Metcalf	Williams, N.J.
Hayden	Moss	
Hickey	Muskie	

NOT VOTING—6

Allott	Chavez	Engle
Butler	Dirksen	McClellan

So Mr. ELLENDER's amendment was agreed to.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CAPEHART. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. CAPEHART. Mr. President, the new administration was not satisfied with the foreign aid bill which has been carefully developed over the past 8 years. It felt called upon to redraft the bill from beginning to end.

No Member of the Senate should be under any illusion that the administration was merely attempting to codify existing law. In writing the new bill, every effort was made to give the President broader authority in the field of foreign aid than ever before.

In the past, Congress has exercised some policy control. It has specified membership of boards, limited amounts which could be expended for specific proposals, designated conditions to be complied with in providing aid, spelled out the general role of the Secretary of State and the Secretary of Defense, and, in general, has established the guidelines for our aid programs.

This year, however, the administration has sought for the President almost unrestricted authority to run the programs any way he, or the Bureau of the Budget, might think appropriate.

The Committee on Foreign Relations during more than 65 hours of executive session spent much of its time trying to tighten up the administration's bill. It made many changes that substantially improved the bill. But as far as I was concerned, the bill was such a hodgepodge of broad delegation that I have found it impossible to support it.

Lest Senators think I am talking in general terms and am unwilling to mention specifics, let them examine the record on the following items:

First. In the first place, the President requested the Senate to authorize the appropriation of such sums as might be necessary for military assistance. There was no limitation in the amount of authorization requested. There was no limitation on the number of years such authority was to exist. And whatever funds might have been appropriated under this broad provision were "to remain available until expended."

Fortunately, the committee tightened this provision up to insert a figure of $1.8 billion and to limit the authorization for 2 years.

Second. Another attempt on the part of the administration to capture the military program lock, stock, and barrel is found in section 510. The authority was requested to draw up to $400 million from the defense stocks of the Department of Defense to use in military assistance. The administration was only half successful because the committee reduced the amount to $200 million.

Third. The administration in its redraft availed itself of every opportunity to eliminate what it construed as restrictions on its activities. For example, it abolished the ceiling on Latin American assistance—a ceiling reinserted by the committee; it omitted reference to congressional opposition to the seating of Communist China in the United Nations—an "oversight" remedied by the initiative of the minority leader, the Senator from Illinois [Mr. DIRKSEN]; it omitted limitations on aid to Yugoslavia—another defect which was remedied by the Committee on Foreign Relations; it dropped completely several sections establishing a semi-independent office of Inspector General—another provision reinserted by the committee; and finally, the administration even went so far as

to propose the elimination of penal provisions applicable to employees guilty of involvement in conflict-of-interest cases. Fortunately, the committee would have none of this.

Fourth. The classic example of the administration's efforts to obtain uninhibited authority is found in the provision authorizing back-door financing for a period of 5 years in the amount of $8.8 billion. By a vote of 10 to 7 the Foreign Relations Committee agreed with the administration's proposal to take this vast sum away from effective control of the Congress.

I could proceed with the listing of examples of this type. It is not necessary, however, because all any Senator needs to do is examine the bill, section by section, and I am sure he will be appalled to see the number of times that the President is given authority to act virtually without congressional restraint.

To further tighten the foreign aid bill, I am offering four amendments. I do this with the definite urgency that the program must be placed on a sound, businesslike basis.

First, I deem it imperative that we reduce the authorization by $1½ billion. While we agree that the increase in defense expenditures is necessitated by the Berlin crisis, we must begin to economize in other areas. The fact that 97 of the 110 countries of the world are receiving foreign aid from us now is a sign that some cuts can and must be made in this area.

Secondly, the borrowing authorization should be reduced from 5 to 2 years. Since there are no provisions guaranteeing adequate annual accounting and reporting in the overall bill, I deem it essential that the authorization be reduced to 2 years.

Third, this amendment would require that the funds made available under this act for procurement be spent in the country receiving the money or in the United States. We should never be in the position of loaning money to a country who in turn may purchase capital equipment or property from a third country. It surely is not the function of the foreign aid bill to put us in the financing business.

Fourth, and finally, one-half of all the loans shall be made to borrowers engaged in the free and private enterprise system. Each year the Congress is asked to enlarge and extend the foreign aid program. We are told that the purpose of these programs is not only to fight communism alone, but to fight poverty, disease, and lack of opportunity as well.

If this is truly so, I can think of no better way to stimulate economic development than to encourage private capital and free enterprise in the emerging nations.

We have long cherished political democracy in this country. But we must not forget that it has been the economic system of free enterprise which has made our political freedom meaningful.

Somewhere in this maze of complex economic planning provision should be made to recognize the values of capitalism and free enterprise in the highest, most responsible sense of these terms.

In view of America's success with a responsible free enterprise system, it is not asking too much to insist that 50 percent of all loans to foreign countries be used to extend and develop the free enterprise system in the finest sense of that term.

In closing, once again I caution the administration not to spend wildly and not to spend at all without weighing the fundamental considerations and responsibilities common to any business venture.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. MUNDT. First, I congratulate the distinguished Senator from Indiana on a thought-provoking, informative and challenging speech. As a member of the Senate Committee on Foreign Relations, I know that he has devoted many long hours to studying the problem involved in foreign aid. He has put his finger on some of the problems in that area of activity which in my opinion we must correct if foreign aid is to continue to be helpful in the cold war in which we are involved.

Not long ago the Senator from South Dakota, in his weekly newsletter to the home folks, discussed some of these same problems. An editorial published in the Sioux Falls Daily Argus Leader, the largest daily newspaper in a five State area in our region, supported the general thesis. I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MUNDT'S CONCEPT OF FOREIGN AID

Most South Dakotans will agree with U.S. Senator KARL MUNDT in his analysis of President John F. Kennedy's proposal for a 5-year extension of foreign aid.

Senator MUNDT says the extension fails to answer fundamental problems of the aid program. He said the proposal appears to be merely a long-term projection of a formula which is outmoded, expensive and failing.

He has offered a six-point approach to bring new concepts into an activity which has been a vital part of foreign policy. His approach would place a responsibility on recipient countries to cooperate with the United States.

His six points include:

"Recipients of foreign aid should be willing to utilize a partnership approach by joining our money with local funds to attain desirable goals.

"Recipients should be willing to stand up and be counted in support of free world positions in the United Nations and in other conferences.

"Loans instead of grants should be given top priority and recipient countries should make regular interest payments and at least fractional amortization payments annually.

"Private ownership opportunities for growth and employment should be developed instead of using American aid to establish socialized activities in foreign countries.

"Methods should be worked out for getting aid down to the people, rather than having so much of it short-circuited by remaining in the hands of the politically powerful or the economically privileged.

"Programs should be developed for reenforcing the help our dollars provide abroad through encouraging social, political and economic reforms so that recipient countries no longer provide tax havens for their very rich and caste systems for their very poor."

The South Dakota Senator is likely to find a receptive climate on both sides of the political aisle in Washington for the points he makes in his new concept for foreign aid. The temper of Congress on this subject is a critical one—and it reflects the growing concern of the public over foreign aid.

Foreign aid is an extension of our foreign policy. We should use it to advance our cause and the cause of freedom. It should go to our friends. And it should have strings on it that place responsibility on the recipient. The idea of loans instead of grants would correct a very grave fault in the present setup.

The Government should also enlist American business in army strength in the economic cold war. American business, by creating plants and jobs tailored to the needs of underdeveloped countries, could be a trump card in our economic battle with the Reds.

Mr. CAPEHART. I thank the able Senator from South Dakota.

Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Indiana will be stated.

The LEGISLATIVE CLERK. On page 42, between lines 20 and 21, it is proposed to insert the following:

(d) Funds made available under this Act which are used for the procurement outside the United States of capital equipment or property, or of engineering services, for any project, shall be used for such procurement only within the country in which the project is located.

Mr. CAPEHART. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. CAPEHART. Mr. President, the amendment is very simple. First, I ask unanimous consent to have printed in the RECORD at this point an article published in the Washington Post this morning entitled "Business Outlook," by J. A. Livingston, in which Mr. Livingston has written about the private enterprise system in relation to our foreign aid bill.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MILLIONS OF GO-TO-HELL OPPORTUNITIES

(By J. A. Livingston)

Before me is a dry statistical report of the Internal Revenue Service of the U.S. Treasury Department which seems to have no connection with the sealing-off of West Berlin from East Berlin and East Germany. Superficially it's as remote from the cold war and Soviet Premier Nikita Khrushchev as, say, the New York Stock Exchange is from the controlled economy of Moscow.

And yet, here in this report, entitled "Statistics of Income—1958–59—U.S. Business Tax Returns," is the complete and clearest statement of what America stands for and Khrushchev's totalitarianism stands against.

The report deals directly with the most hated—from the Soviet standpoint—of all human benefactions: A high standard of liberty.

The opening sentence tells almost all there is to know about U.S. freedom:

"Highlighted in this report are * * * data covering some 10,744,000 business organizations. Represented are about 8,800,000 sole proprietorships, 954,000 partnerships, and 900,000 corporation returns."

That sticks in Khrushchev's craw.

A man's freedom is his right to move—to change jobs—to tell the boss to go hell. And here in the United States are millions of go-to-hell opportunities, small and large.

An American doesn't carry around with him a work card, on which a government bureaucrat can write politically unreliable or opposed to the party.

A man with a work card so marked might as well wear an armband saying "Finished." He's economically dead—disfranchised by the system.

That's the relationship of encircled Berlin and this matter-of-fact report.

If a mechanic can't find a job at Chrysler, then he can try General Motors or a local garage. A cook can quit the Waldorf-Astoria and try the Chambord, the San Marino, Sardi's or any of a thousand New York restaurants.

If a clerk wants out from Woolworth's or J. C. Penney or the A. & P., there are hundreds of other retail outlets. There's no one to put a "permanant disability" mark on his dossier.

In this country, even the politically fallen have a chance. No man is an economic outcast, a serf. It is a badge of America's freedom that Alger Hiss, after his conviction for disposing of U.S. secrets to the Communists, was able to find work.

Nor is private employment the only outlet for an American, a Briton, a Frenchman, a West German, an Italian, or anyone else who lives in a country outside the totalitarian orbit.

In the United States, there are hundreds of Federal agencies which offer employment opportunities for lawyers, economists, clerks, janitors, accountants, administrators and so on.

The 50 States offer jobs of all sorts. And within the States are subdivisions—counties, cities, towns, school boards, water and sewer commissions, police, fire and highway departments.

Where economic power is dispersed, so is political power. That is the glory, the grandeur and the decency that inheres in private ownership. No one man or group of men is economically and politically all-powerful.

No man has to work for someone else. He can aspire to his own grocery store, restaurant, publishing house or corporation. It doesn't matter whether he's white, black, Protestant, Jew, Catholic, Swede, German, Italian or French—if he has ability and will.

Consequently, Khrushchev can't tolerate at his border an island of opportunity.

John Donne's off-used quotation is appropriate: "No man is an island, entire of itself; every man is a piece of the continent, a part of the main; if a clod be washed away by the sea, Europe is the less."

Nor is Berlin an island, entire of itself. The bell tolls for it—and liberty. And we may have to fight for it.

Mr. CAPEHART. The amendment which I have offered is very simple. I do not believe that any Senator should oppose it. All it provides is that any money we lend to a foreign country which is spent outside the recipient country must be spent in this country. They can spend all the money they wish within their own country, but any money they spend outside their own country for physical properties or engineering services must be spent in the United States. How could anyone oppose such an amendment?

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. CURTIS. Is it true that without the amendment of the Senator from Indiana, a recipient country could spend funds received from us in Russia or some other Communist country?

Mr. CAPEHART. There is no question that it could do so. It could spend the money wherever it saw fit, unless we should agree to this amendment or a similar amendment. The recipient could spend the money in another country.

Mr. CURTIS. There would be no restriction with respect to the country in which the money could be spent?

Mr. CAPEHART. No restriction at all would be provided.

Mr. CURTIS. The amendment of the Senator from Indiana would provide, in effect, "You can spend the money at home, strictly in your own economy, but if you must go outside your own country, the money must be spent in the United States."

Mr. CAPEHART. Every dollar received might be spent in the recipient country, but if physical goods and engineering services were purchased outside the recipient country, the money for such goods and services must be spent in the United States.

It seems to me that is the least we should ask of a country which we are willing to help with loans and grants. In the United States are 5½ million unemployed workers. But if we did not have a single unemployed person, it would seem to me that such a provision as I have suggested would be equitable. I think the time has arrived when we must begin to look primarily after the interest of the United States in respect to proposed loans to foreign nations, and secondarily, to the interest of other countries. I want to see the program handled on such a basis that the money will help both countries. We would not do so unless we placed some restrictions on the use of the funds. If we did not do so, we would really not make loans, but would finance the purchase of goods in other countries with American taxpayers' money.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. MUNDT. In view of the colloquy of the Senator with the Senator from Nebraska [Mr. CURTIS] does it follow that unless the Senate should agree to the amendment of the Senator from Indiana we would not only shoulder off on the American taxpayer the cost of helping to finance economic development in from 97 to 101 different so-called friendly foreign countries, but also in reality we would probably shoulder off on the taxpayers of America the cost of financing the economic development of Communist countries? Without such reservation, some of the countries in the Communist area might very well find that they could buy more economically from a socialistic enterprise with an American dollar than they could buy in the United States.

Consequently, recipient nations might make purchases in Czechoslovakia, East Germany, Russia, or Hungary. We would then find the idiotic paradox of the United States, in the interest of preserving freedom, indirectly subsidizing industries in Communist countries. Would that follow?

Mr. CAPEHART. The able Senator is correct.

Mr. MUNDT. If that is correct, I join the Senator from Indiana in the conviction that on the yea-and-nay vote the amendment should be adopted by an overwhelmingly favorable vote.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. ELLENDER. Suppose a dealer in a recipient country were to purchase machinery, for example, from Germany. Would the Senator's amendment be applicable?

Mr. CAPEHART. If the dealer used the money that we loaned the country for that purpose, the money would be loaned either to governments over there or to some private company, and in either event, whether to a government or a private company, the restriction that the dealer must buy the goods in the United States would be applicable.

Mr. ELLENDER. Suppose a private company in the recipient country would purchase machinery which had been imported from some other country. Would the Senator's amendment preclude such action?

Mr. CAPEHART. That money would be considered as being spent within the country.

The Senator has in mind the case of a dealer who buys machine tools in one country and ships them to his place of business and there they are placed in stock.

Mr. ELLENDER. Yes.

Mr. CAPEHART. They would be in his stock, and therefore the amendment would not apply.

Mr. ELLENDER. Does not the Senator believe that his amendment should also cover such a situation?

Mr. CAPEHART. Perhaps so. As it is now written the amendment does not cover such a situation.

Mr. ELLENDER. I do not believe the Senator's amendment will reach the objective he seeks to reach.

Mr. CAPEHART. It will go a long way toward it. The question is whether we should eliminate the kind of situation the Senator refers to. Perhaps we should. Personally I would be willing to go that far.

Mr. ELLENDER. It strikes me that the Senator's amendment bypasses such a situation.

Mr. CAPEHART. It may in some respects. It cannot be true in the big picture, though.

Some people have stated that as much as 80 percent of the loans we make are spent in the United States. I have no way of knowing whether that is true, and I do not know whether the people who say it know the exact percentage, although we know that some of the goods are purchased in the United States, or perhaps even a large percentage, even if it is not 80 percent. But if that is true, what is wrong with making it 100 percent? What is wrong with Congress establishing that principle? What is wrong with Congress establishing the principle and saying to these countries, "We will lend you the money, but we want you to spend it in the United States"?

Let us establish the principle in Congress. Why would it not be easier for the administration to handle this matter if it were covered in the basic law?

I believe the able chairman of the Foreign Relations Committee has said that we have grown up. I suppose he means that we as a nation have grown up. I believe he made that statement that we have come of age. I believe he said that we would support 97 of the 110 countries in the world. I suppose the 13 countries he did not mention are the communistic countries.

I have heard Senators say on the floor that this program will be a continuing activity. I have heard the chairman say that foreign aid must be continuing, that it must go on and on. There is no question about the fact that we are a part of the world, and we ought to cooperate with the world. However, if this is to be a continuing program, and is to go on and on, for years and years, that fact is the best reason in the world why we ought to get it down to a basis where it is practical, where it will help the United States, where it will do us the most good.

We have problems in this country, Mr. President. We have a $300 billion debt. We are going to put about $12 billion or more in this bill, to give to some 97 countries throughout the world. Can we afford it? How long can we go on and on? How long can we continue to run a deficit? How big a national debt can we afford?

All I am saying is that if we must go on with these loans, which will help us, let us put them on a practical basis. As the bill is written, it does not necessarily do this. We have a responsibility in Congress to write this sort of provision into the law. What argument can be raised against it? Is there any Senator who is willing to stand on the floor of the Senate and say he is willing to take taxpayers' money and lend it to X country and not write into the lending act a direction that that country must spend the money in the United States but, instead, can spend it any place around the world?

What country can object to that? If a nation does not want a loan on that basis, we will save that much money. We will have less of a deficit, and we will have a lower national debt. Some day we must put foreign aid on a sound, businesslike basis. That will help the United States, Mr. President. If it were just a 1-year program, perhaps that would not be necessary. We are a part of the world, and if this is to go on for years and years, the quicker we make it a sound proposal the better.

If Senators believe that what I am offering is not sound, that is one thing. I believe first of all we must think about the United States and second about other countries. I believe we must add this amendment to the bill, and that we must put the United States first in our considerations. This money in the foreign aid bill, or the great bulk of it, is going to countries that will not be able to help us if we get into a shooting war with Russia, not because they might not want to, but because they have no army or navy or the necessary production. They have nothing with which to help us. They could not help us even if they wanted to. Many of them wanted to help us in World War I and World War II and in the Korean war. A few sent some troops—but most of them could not help us.

Therefore it is as much to their advantage as to ours that we remain strong economically and militarily, and that they cooperate with us by giving us their business. It is just as much to their advantage as it is to the advantage of the United States. Therefore I cannot understand why the administration is opposed to the amendment. I offered the amendment before the committee and we lost it. Every time we discussed the amendment the philosophy or argument brought against it was that we dare not dictate to the foreign countries as to what they should do; that we dare not interfere with their internal affairs; that it is none of our business what kind of government a country has, or how it conducts its internal affairs; that if we tried to interfere they would get angry with us.

Of course they might. My children cried at times when I would not give them candy. If these countries can get us to take out all of the provisions which are in the best interest of the United States, they are going to do it. If I were one of these countries, I certainly would rather have a loan, on the basis that I could do as I pleased with the money and that I would have it for as long a term as I wanted it, and without interest. I might cry a little if I did not get it on my terms. We expect a little fuss. That is human nature. We have that experience every day in business and in our lives in dealing with our families, and with our children, and in our business. When we negotiate, the other fellow says, "No, no; you are taking advantage of me. I won't do it." However, he ends up doing business with us. We must do the same thing in conection with foreign aid.

We cannot go on with a bill that is as loosely drawn as this one and covers the amount of money it embraces over the period of years. We are giving these countries a blank check for up to 5 years. If the bill had been in force a couple of years ago we might have made an arrangement with Cuba for a 5-year period and today we would be obligated to go on supporting Castro.

That illustrates one of the big reasons why we cannot put this bill on a 5-year basis; the world is too unsettled. There is not a project in the world that cannot be negotiated within 2 years. If it cannot be negotiated within 2 years, with a foreign nation alone, on a sound basis, it cannot be negotiated in 5 years.

Is the "5-year" idea taken from the Communists, who frequently talk about a "5-year program" or a "5-year plan"? Why not a 4-year plan or a 6-year plan? At least, we would not now be talking about a 5-year plan, such as the Communists have frequently advocated. Why must we imitate the Communists?

I have no objection to providing a long enough time in which to negotiate a good loan. I have spoken in favor of a longer term, to give the administration more time in which to negotiate loans. However, 2 years is long enough. Under a 5-year program, at the end of every year, it will be necessary to add another year in order to keep 5 years ahead. If 5 years are needed to negotiate, it will be necessary to keep a year ahead all the time. What is the purpose of a 5-year program? I think a year, 2 years, at the most, is certainly ample time in which to do the job.

Why is there opposition to having the money spent in the United States? I was not elected to ruin the private enterprise system of the United States. I have been all over the world; I realize that there are many countries in which there is very little private enterprise. Certainly there is little of it in the African countries; they have not had an opportunity to establish it. Some countries do have private enterprise.

Do we understand what this bill will do? Generally speaking, it provides that the United States will lend its money to foreign governments. Our Government will lend to foreign governments. If that is not socialism, I do not know what socialism is. It is planned to let foreign governments take our money and relend it or grant it or spend it. They may do whatever they wish to do with it. In my opinion, that is socialism.

Mr. SPARKMAN. Mr. President, I wish to say a few words in regard to the amendment of the Senator from Indiana [Mr. CAPEHART]; and then I hope the Senate will proceed to vote on the amendment, and to dispose of it one way or the other.

As the Senator has said, the amendment was offered in the committee, and the committee decisively voted down the amendment, because the committee felt it was impractical and unworkable.

I wish to call attention to the section of the bill to which the amendment pertains; it is section 604, on pages 41 and 42. As a matter of fact, we amended that section, so as to tighten up this provision on procurement.

As the bill came to us, it provided at this point:

> Funds made available under this Act may be used for procurement outside the United States unless the President determines that such procurement will result in adverse effects—

And so forth. We changed that provision very simply, so as to have it provide:

> Funds made available under this Act may be used for procurement outside the United States only if the President determines—

And so forth. In other words, we shifted the burden to the President, so as to have him determine that it would not result in adverse effects to the United States. He must make that determination before the funds can be spent outside the United States.

If Senators will read the report at the top of page 29, they will see our discussion of this matter. We believe we tightened this about as much as possible to safeguard the interests of the United States. And as the Senator from Indi-

ana stated a while ago, actually 85 percent——

Mr. CAPEHART. Eighty percent.

Mr. SPARKMAN. Well, 85 percent was the experience in the last year.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CAPEHART. I think that is so because the Director of the Development Loan Fund himself put into effect a policy that was pretty well followed. Of course, he was greatly criticized by many persons. The policy applied to the Development Loan Fund. There are many other programs besides the Development Loan Fund in which money is loaned. But if it is true that 85 percent of the purchases are made in this country, let us put it in the legislation, and make it easy for the administration to insist upon it.

Mr. SPARKMAN. This proposal puts a restriction in the bill that would not be feasible. It is true that the ICA has a policy, not as stated by the Senator from Indiana, but in defining certain areas in which the funds cannot be expended unless, for some good reason, it is found necessary to spend the money there. There is always an escape clause.

Mr. CAPEHART. Will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. CAPEHART. Will the Senator give me an example of why the purchases should not be made in the United States?

Mr. SPARKMAN. Why they should not be?

Mr. CAPEHART. Will the Senator give me an example of a situation in which they could not make purchases in the United States?

Mr. SPARKMAN. I have not said anything about not making purchases in the United States. I have said that 85 percent of the purchases are made in the United States at the present time. What I said was that the ICA had set up a policy under which certain countries would be called ineligible. In other words, purchases are barred from certain countries that are well developed. In other words, an effort is made to encourage the expenditure of funds, if they are not to be spent in the United States, in underdeveloped countries that need trade. In other words, our purpose is to spend the money in the United States, but if for some good reason it must be spent elsewhere, then to spend it in areas that are less developed, because their economy will be bolstered.

Mr. CAPEHART. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. CAPEHART. I cannot follow that argument, because it seems to me it is our money we are lending and our jobs that we want to create. Why should we not establish a policy which provides that we will lend money to those countries under those conditions? If they prefer to buy merchandise and goods in other countries, then let those countries lend the money with which to buy those goods.

Mr. SPARKMAN. Let me argue with the Senator a little when he says the purpose of the bill is to create jobs in this country. That is not the purpose of foreign aid. The primary purpose of foreign aid is to fight communism, and at the same time to help the economy of underdeveloped countries. An important byproduct is to make jobs in this country, but it does not mean we want to create jobs in this country to the absolute exclusion of everybody else. For example, if we lend money to Country A, it would be for the betterment of the economy of that country to use in it all the funds that could be wisely used. As it happens, capital equipment and engineering services and technical skills will often have to be imported from the United States, and that is why 85 percent of the expenditure are made in the United States.

Suppose we made a loan to Country A today for a certain project, and suppose the country needs certain equipment that is not there, but a country right across the border perhaps can supply the equipment. Is it not better for the economy of that country, for our economy, and for the economy of the third country for Country A to buy the equipment in the third country? Even there, we have provided in section 604 that it can be done only if the President finds it will not adversely affect our country's economy.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. LAUSCHE. And only if it is also found by the President that the cost of the procurement in a different country will be lower than the cost of the procurement in the United States.

Mr. SPARKMAN. The Senator is correct. I believe the Senator from Ohio added that amendment to the bill, if I remember correctly.

Mr. CAPEHART. If the cost is lower, the goods can be purchased in another country.

Mr. SPARKMAN. That is not what it says.

Mr. CAPEHART. Yes, it does.

Mr. SPARKMAN. It provides the purchases can be that way only on two conditions. I ask the Senator from Ohio to state them.

Mr. LAUSCHE. If the President determines it is not adverse to our economy, and also if the President determines that the price for which the equipment can be purchased in a foreign country is lower than the price at which it can be purchased here.

Mr. SPARKMAN. That is correct. The way we have it written into the bill is better for the economy of our country, the economy of the country to which we are making the loan, and the economy of the third country in which the purchase would be made.

Mr. CAPEHART. I am not willing to buy in those countries because prices are lower. The prices are lower because lower wages are paid, and we would be taking jobs away from American wage earners. We must make up our minds some day to protect and defend the high wages and high standard of living in this country, or we as a country will get into trouole.

Mr. SPARKMAN. I submit the amendment of the Senator from Indiana is not the way to protect our interests. I believe what we have done in writing these two safeguards or guidelines into the bill protects the interests of our country.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. McCARTHY. The Senator has made the record clear that this operation does not stop after the first purchase in any case; if American dollars are used to help the economy of Chile, for example, that is not the end of the process; these loans are made and someone, in turn, buys something, and eventually the dollars are brought back to the United States. It all comes back to the American producers, either industrial or farm. If we do not redeem the dollars, we could give four or five times as much for foreign aid and say, "Buy it all in Russia."

Mr. SPARKMAN. Yes. It must be remembered that these are not grants. These are loans, repayable with interest in American dollars.

Mr. McCARTHY. Whether they were loans or grants, the economic process would be the same.

Mr. SPARKMAN. In this case we are lending the money.

Mr. McCARTHY. It was only 2 years ago, when the balance-of-payments problem became serious, that we needed to be concerned about this, because all of those dollars came back to America immediately.

Mr. SPARKMAN. That is correct.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from New York.

Mr. KEATING. I wanted to ask the Senator from Alabama another question. Is it the law or the practice of our Government not to purchase such capital equipment or property or engineering services from any Communist-dominated country?

Mr. SPARKMAN. Yes. I am glad the Senator from New York asked the question, because a while ago the discussion indicated the countries could trade with Russia or any other Communist country. The Battle Act prevents such trading, and that is the law of the land. A country to whom we give aid cannot trade with one of the Communist countries, under the Battle Act.

Mr. CAPEHART. Is the Senator certain of that?

Mr. SPARKMAN. Yes.

Mr. CAPEHART. The Battle Act does not apply to another country that is not receiving American dollars.

Mr. SPARKMAN. It applies to trade, buying or selling.

Mr. KEATING. Between what countries?

Mr. SPARKMAN. Between a beneficiary of our aid and any Communist country.

Mr. KEATING. So even without this amendment, funds made available under the bill cannot be used for procurement of capital equipment or property

or engineering services in a Communist-dominated country. Is that correct?

Mr. SPARKMAN. Yes.

Mr. KEATING. I am in accord with the general principle of the Senator's amendment.

I wonder if it would be satisfactory to the committee, and I wonder whether the Senator from Indiana would feel it would unduly weaken his amendment, if the amendment were modified in such a way as to give more flexibility? I can understand that when one is giving aid to India the goods, if not bought in the United States, would normally be bought in India and not in some other country. I wonder if some words such as "unless it is found to be impractical" or "wherever it is practicable" might be inserted in the language.

Mr. SPARKMAN. I think there is stronger language than that in the bill.

Mr. KEATING. Does the Senator refer to the section on page 41?

Mr. SPARKMAN. On pages 41 and 42. There is an amendment on page 42, pointed out by the Senator from Ohio a few minutes ago. I think the two together make the language of the bill stronger than what the Senator from New York proposes.

Mr. KEATING. Except that the language relates to procurement in the United States as opposed to procurement in any foreign country.

I wonder if that same principle could be applied to the principle which the Senator from Indiana is enunciating, so as to put the same restrictions on purchasing outside of the country which is being benefited? Does the Senator understand my point?

Mr. SPARKMAN. I think I understand the Senator's point, but I cannot go along with him.

Mr. KEATING. I do not know whether the Senator from Indiana would go along or not. I withdraw the proposal.

Mr. CAPEHART. I should like to write into the law and establish as a principle of the Congress of the United States that the money must be spent in the United States.

Mr. SPARKMAN. The language which is written into the bill provides that no funds can be spent by a beneficiary country outside of the United States unless two things prevail. The Senator from Ohio pointed those out a while ago. First, there must be a positive determination by the President that the economy of the United States will not be adversely affected. Second, there must also be a finding that the price to be paid in the other country is lower than the price which would be paid for purchase in the United States.

Mr. CAPEHART. Mr. President, will the Senator yield? It will always be found that the price is lower in the other country, because of our high standard of living and high wages.

Mr. SPARKMAN. That has to be coupled with the other provision, that it does not adversely affect the economy of the United States.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Ohio.

Mr. LAUSCHE. I merely point out that when we make the loan repayable in dollars there is a question of whether it is fair to say to the borrower, "You have to spend this money in the United States, even though in the United States you will have to pay more for the goods than if you bought them in a different country and even though the President states affirmatively that buying the goods in a foreign country will not adversely affect the economy of the United States."

Mr. SPARKMAN. I think the Senator's question answers itself.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. SPARKMAN. Certainly it would not be fair. Furthermore, it would defeat the purpose of the aid program, which is to aid the underdeveloped countries.

Mr. CAPEHART. Mr. President, the very fact that the country uses dollars to buy goods in some other country instead of buying goods in the United States will always mean an adverse effect on some man's job. Somewhere in the United States a man is making the goods which ought to be sold to that country.

Mr. SPARKMAN. If that is so, the President can determine it. I think we have tightened the language up sufficiently in the bill.

Mr. CAPEHART. Why should we pass all the responsibility over to the President? Why should we not establish the principle that when we loan money the country must spend the money in the United States unless it is going to spend the money in its own country?

Mr. SPARKMAN. I cannot speak for the Senator from Indiana, but I cannot help but feel that he would share the feeling with me that the President of the United States is interested in the economy of the United States.

Mr. CAPEHART. I am sure he is.

Mr. SPARKMAN. I think he will make findings with that in mind.

Mr. CAPEHART. I am sure the President of the United States, with his 1,001 duties, will not run all these things. They will be run by other people.

Furthermore, why should we in the Congress all of the time give up our responsibility and our authority? Why should we not make these things clear cut? Under the bill there will be thousands and thousands of loans—at least hundreds and hundreds of loans—and a determination must be made on each of them, according to the language.

Why should we not simply say, "We will loan you the money, if you will spend it in the United States. If you want to spend money some place else, let the country in which you will spend the money loan it to you or finance your purchases"?

Mr. SPARKMAN. I would not agree with the statement made.

Mr. CAPEHART. If the country does not wish to do business on that basis, it would be a good thing for our taxpayers, and would help decrease our deficits.

Mr. SPARKMAN. I would not agree with the statement that there would be hundreds and hundreds of loans and that there would have to be a determination on every case. I imagine the determinations which will have to be made will be few in number.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Connecticut.

Mr. BUSH. Mr. President, I should like to ask the Senator from Alabama a question with regard to the amendment of the Senator from Indiana. If I correctly understand the amendment, when there was a loan of money the goods would have to be purchased either in the United States or in the indigenous country. Suppose there were an item like cement under consideration? Suppose the country did not have any cement, but that the next door country had cement available?

Mr. SPARKMAN. That is a very good example.

Mr. BUSH. Under the amendment it would be necessary to ship cement, which is not only a very heavy item but also a very bulky one, from this country, because it would have to be purchased in the United States under the terms of the amendment. That would require a lot of money, simply for shipping.

Mr. SPARKMAN. Yes.

Mr. BUSH. The country might be able to purchase the cement from a next door neighbor, a country a few miles away; is that not so?

Mr. SPARKMAN. I think it is.

Mr. CAPEHART. Mr. President, I agree on that. Let the country buy the cement from a neighbor, and let the country from whom the cement will be bought finance it. They could sell it on terms. If that situation exists, let the country which sells the cement finance the sale.

Mr. BUSH. Could the country use the loan money for that purpose, under the terms of the amendment?

Mr. CAPEHART. It could not. I do not wish to have them do so. I should like to have purchases made in the United States, if we are going to loan the money.

Mr. SPARKMAN. That would defeat the stated purpose of the Senator from Indiana.

The Senator from Connecticut has brought out a very fine example and a very realistic example. That is exactly the way it would work.

Mr. GORE. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. GORE. Whereas an ironclad prohibition such as the amendment would provide with respect to expenditures outside the United States would be unworkable, according to a statement made by Secretary Dillon, as shown on page 138 of the hearings, it is expected that at least 80 percent of the funds made available under the Act for International Development for obligation dur-

ing the fiscal year 1962 will be spent in the United States.

Mr. SPARKMAN. That is correct. I invited attention a few minutes ago to the fact that during the first 6 months of 1961 more than 85 percent of the ICA money was spent in the United States.

Mr. GORE. If we submitted this to absolute rigidity, certain products which the country we desire to benefit needed simply could not be purchased because they might not be available for shipment, with all of the problems involved, from the United States.

Mr. SPARKMAN. The Senator is correct.

Mr. MANSFIELD and Mr. CAPEHART addressed the Chair.

Mr. SPARKMAN. I yield to the majority leader.

Mr. MANSFIELD. What would happen if we could develop, as we all wish to do, some sort of a multilateral aid program in which, let us say, Japan in the Far East and the prosperous nations of Western Europe and elsewhere were prepared to participate? If we accepted the amendment, what would happen?

As I understand the situation, from what the distinguished Senator has said the record indicates that in excess of 85 percent of all expenditures by ICA for the first 6 months of the present calendar year were spent in the United States.

Mr. SPARKMAN. The Senator is correct.

Mr. MANSFIELD. What would happen if we tried to develop a multilateral program and everything had to be bought in this country?

Mr. SPARKMAN. I do not see how this would fit in with a multilateral program at all. The Senator knows that there have been some multilateral programs. For instance, there was the plan which recently was worked out for India, in which $2.2 billion, I believe, was raised by a consortium.

Mr. MANSFIELD. What about Pakistan?

Mr. SPARKMAN. I do not know what the amount was.

Mr. MANSFIELD. It was pretty close to $400 million, I believe, on a consortium basis.

Mr. SPARKMAN. It was something like that. We are endeavoring to get Japan, West Germany, Italy, England, and a number of other countries engaged in this kind of program. Earlier this year we ratified in the Senate the OECD treaty for the purpose of effectuating such an arrangement. The provision of the amendment would not fit in with that program.

Mr. MANSFIELD. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. MANSFIELD. Would it be fair to assume that under the new aid program eventually—and by "eventually" I do not mean too long—we could phase out some countries under the foreign aid program and get some of the responsibility off of our shoulders?

Mr. SPARKMAN. We have already done so in the case of Western Europe.

Mr. MANSFIELD. And we could possibly get some of the other countries to take a part of the responsibility so that we could decrease our loans?

Mr. SPARKMAN. Yes.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MAGNUSON. There has been a great deal of concern in Congress during the last 2 years under both administrations, about our gold balance and whether or not the use of dollars in other countries would further deteriorate the gold balance. I ask the Senator whether section 604 does not provide that the President must affirmatively determine certain factors. The committee inserted as one of the factors the net position of the United States in its balance of trade with the rest of the world.

Mr. SPARKMAN. The Senator is correct.

Mr. MAGNUSON. Would not that provision close the door pretty effectively to the use of dollars in order to pull out some of the gold from this country?

Mr. SPARKMAN. The Senator is correct. It is one of the factors the President will have in mind in determining whether or not the operation would work adversely against the interests of the United States.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CAPEHART. I do not believe that one can successfully contradict the statement I am about to make. Every country in the world that lends money to other countries, or lends money within those countries, insists that the money be spent in their own country. That is true of Germany, England, France, and all countries.

Russia has lent money, but Russia gives credits which the recipient country can use in order to purchase goods in Russia. Russia gives such countries a sort of "due bill." Senators will remember that years ago we purchased "due bills" in restaurants for $5, and they were good for so many meals. Russia provides that sort of credit. Every ruble that Russia lends or agrees to lend is on the basis that goods purchased must be purchased in Russia. The loan is a credit good for so much goods in Russia. The same is true of all other countries. Why should we be different? Why should we not do the same thing?

My point is that we have a bill whose term is 5 years. This is a 5-year bill. We ought to tighten its terms. I am speaking in behalf of the wage earners of the United States.

Mr. SPARKMAN. It is a 5-year bill, subject to termination at any time by concurrent resolution of Congress. Do not forget that. We would have complete control.

Mr. CAPEHART. The Senator is correct. Any bill is subject to being repealed by vote of Congress.

Mr. SPARKMAN. I do not believe my good friend—and he is my good friend—the Senator from Indiana and I can come to an agreement on the amendment. I have stated the viewpoint of the majority of the Committee on Foreign Relations as best I can. I am prepared to vote.

Mr. CAPEHART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CAPEHART. Mr. President, in my opinion, the provisions of the amendment are very simple. All goods not purchased within a country receiving a loan would have to be purchased in the United States.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Indiana. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD (after having voted in the negative). On this vote I have a pair with the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore I withhold my vote.

Mr. HUMPHREY. I announce that the Senator from South Carolina [Mr. JOHNSTON] is absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from South Carolina [Mr. JOHNSTON] would vote "yea."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Maryland would vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Kansas [Mr. CARLSON] and the Senator from Illinois [Mr. DIRKSEN] are necessarily absent, and the pair of the Senator from Illinois has been previously announced.

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from New Mexico would vote "nay."

If present and voting the Senator from Kansas [Mr. CARLSON] would vote "yea."

The result was announced—yeas 27, nays 67, as follows:

[No. 146]

YEAS—27

Allott	Capehart	Dworshak
Beall	Case, S. Dak.	Eastland
Bennett	Cotton	Ellender
Bridges	Curtis	Goldwater

Hickenlooper	Miller	Talmadge
Hruska	Mundt	Thurmond
Jordan	Prouty	Tower
Kuchel	Russell	Williams, Del.
McClellan	Schoeppel	Young, N. Dak.

NAYS—67

Aiken	Hart	Morton
Anderson	Hartke	Moss
Bartlett	Hayden	Muskie
Bible	Hickey	Neuberger
Boggs	Hill	Pastore
Burdick	Holland	Pell
Bush	Humphrey	Proxmire
Byrd, Va.	Jackson	Randolph
Byrd, W. Va.	Javits	Robertson
Cannon	Keating	Saltonstall
Carroll	Kefauver	Scott
Case, N.J.	Kerr	Smathers
Church	Lausche	Smith, Mass.
Clark	Long, Mo.	Smith, Maine
Cooper	Long, Hawaii	Sparkman
Dodd	Long, La.	Stennis
Douglas	Magnuson	Symington
Engle	McCarthy	Wiley
Ervin	McGee	Williams, N.J.
Fong	McNamara	Yarborough
Fulbright	Metcalf	Young, Ohio
Gore	Monroney	
Gruening	Morse	

NOT VOTING—6

Butler	Chavez	Johnston
Carlson	Dirksen	Mansfield

So Mr. CAPEHART's amendment was rejected.

Mr. FULBRIGHT. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FULBRIGHT. Mr. President, I call up my amendment which is at the desk and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 14, line 13, after the word "citizens," it is proposed to insert:

Including any wholly owned foreign subsidiary of any such corporation.

Mr. FULBRIGHT. Mr. President, the amendment corrects, I believe, an inadvertence in the committee bill.

As the bill now stands, the President is authorized to make guarantees of U.S. investments in underdeveloped countries. The risks permitted to be covered are spelled out in the bill and the guarantees may be issued to:

U.S. citizens or corporations, partnerships, or associations created under the law of the United States or of any State or territory and substantially beneficially owned by U.S. citizens.

The executive branch had requested that the President be permitted to issue guarantees to U.S. corporations, and so forth, in which the majority beneficial interest is owned by U.S. citizens. The committee was concerned about some possibilities of abuse under the formula requested by the executive branch. If, for example, a guarantee were made on an investment in country X by a corporation which was 51 percent owned by U.S. citizens and 49 percent by citizens of country X, and then country X expropriated the property, the U.S. Government would be obliged to pay off the local stockholders of the country which expropriated the property. This possibility is too full of risks; hence the committee cut back the authority so that the President may issue guarantees to corporations created in the United States and substantially beneficially owned by U.S. citizens.

It has been brought to my attention that the reasons which I have just cited for the committee's action in reducing the scope of those who may receive guarantees do not apply to wholly owned subsidiaries of U.S. corporations substantially beneficially owned by U.S. citizens. The committee overlooked this fact, and it is the purpose of my amendment to remedy this oversight.

It is my belief that the amendment would assist U.S. private investors to go out to underdeveloped countries and speed the process of economic progress in accordance with the policies set forth in the bill.

Mr. DWORSHAK. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. DWORSHAK. Currently we are receiving reports that bills introduced in the Legislature of Chile provide for the expropriation of all the copper mines in that country, 90 percent of which are owned by Americans. If the expropriation of the mines is consummated, how would that action be affected by the Senator's amendment?

Mr. FULBRIGHT. It would not be affected by this amendment. The amendment applies only to corporations which will come under the program in the future by paying a fee. It would have no relation to any existing conditions, such as that the Senator from Idaho mentions.

Mr. LAUSCHE. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. LAUSCHE. Does the Senator understand that the amendment which was offered by me yesterday, and which was accepted, prohibits the guaranteeing of the success of a business in a foreign country?

Mr. FULBRIGHT. That is correct. The amendment in no way alters that provision. It merely means that a wholly owned subsidiary of an American corporation would be entitled to the same privileges as the parent corporation. It in no way changes the substantive provision.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas.

The amendment was agreed to.

Mr. CHURCH. Mr. President, I call up my amendment designated "8-9-61—B" and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 38, after line 5, it is proposed to insert the following new section:

SEC. 512. RESTRICTIONS ON MILITARY AID TO WESTERN EUROPE.—No further military assistance shall be furnished on a grant basis to a country of Western Europe, except to fulfill firm commitments made prior to July 1, 1961, unless the President shall have determined that it would be an undue economic burden upon such country to purchase the supplies, equipment, or services proposed to be furnished.

Mr. CHURCH. Mr. President, on this amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CHURCH. Mr. President, one of the salutary developments in these otherwise bleak post-World War II years has been the economic recovery and subsequent economic boom in Western Europe. The emergence of economic vigor combined with freedom and political stability in this area has been, among other things, a strong deterrent to the spread of communism. It is also a tribute to American foreign policy. Funds provided under the Marshall plan seeded and nourished Western Europe's prodigious economic growth.

No one could contend that the role of the United States in Western Europe has been other than generous. In addition to the billions of dollars we have spent there since the end of World War II to promote full economic recovery, the United States has formally committed itself to the defense of Western Europe. We have joined the NATO alliance. Large contingents of American troops have been kept in Western Europe at our own expense. Today we maintain five divisions in West Germany in readiness to defend that country or, if need be, Berlin.

But in addition to all this, Mr. President, we have long subsidized the military forces of our NATO partners in Western Europe. There was a time, perhaps, when this was justified, in the years immediately following the war. However, during the past 10 years, since 1950, it has become increasingly apparent that these countries can easily afford to maintain their own military establishments without further help from the United States. Indeed, some of these countries have now become so prosperous that their per capita income rivals that of some of our American States.

Yet, throughout the whole 10-year period, our military assistance program to these countries has continued unabated. Between 1950 and 1960, we have given nearly $13 billion worth of military aid to our NATO allies in Western Europe alone. Congress stopped further substantial economic aid to these countries 7 years ago, recognizing they had fully recovered their capacity to be self-supporting. It is long past time for us to take a stand on military aid. Unless we do, the subsidy will never stop; it will continue forevermore.

Mr. President, in order to show the amounts of military aid we have furnished our NATO allies in Western Europe over the past decade, I ask unanimous consent to insert in the RECORD at this point a chart detailing these figures on a country-by-country basis, and giving the totals for the 10-year period, as well as the breakdown for each year since 1956.

There being no objection, the chart was ordered to be printed in the RECORD.

NATO-United States MAP deliveries, defense expenditures, and defense expenditures as percent of GNP by calendar year

[Dollars in millions]

Country	Total calendar years 1950–60			Calendar year 1960			Calendar year 1959			Calendar year 1958			Calendar year 1957			Calendar year 1956		
	MAP deliveries [1]	Defense expenditures		MAP deliveries [1]	Defense expenditures		MAP deliveries [1]	Defense expenditures		MAP deliveries [1]	Defense expenditures		MAP deliveries [1]	Defense expenditures		MAP deliveries [1]	Defense expenditures	
		Amount [2]	Percent of GNP		Amount [2]	Percent of GNP		Amount [2]	Percent of GNP		Amount [2]	Percent of GNP		Amount [2]	Percent of GNP		Amount [2]	Percent of GNP
Belgium-Luxembourg	$1,175	$3,904	3.5	$13	$400	3.2	$22	$386	3.2	$59	$375	3.2	$32	$376	3.2	$96	$349	3.2
Denmark	476	1,327	2.8	22	150	2.6	45	143	2.6	24	143	2.9	20	146	3.1	47	136	3.1
France	4,117	29,815	7.4	39	3,831	6.8	147	3,630	7.0	130	3,355	7.0	159	3,159	7.5	400	2,975	7.9
Germany [3]	897	20,714	4.3	58	2,886	4.3	86	2,640	4.4	78	1,631	3.0	380	2,134	4.1	295	1,717	3.7
Greece	904	1,316	5.6	60	159	5.0	70	154	5.1	139	149	5.1	79	149	5.4	81	135	5.3
Italy	1,944	9,798	4.0	140	1,136	3.7	112	1,067	3.8	72	1,035	3.9	144	977	3.9	257	934	4.0
Netherlands	1,104	4,321	5.0	53	455	4.1	26	396	3.9	41	436	4.6	84	486	5.2	152	488	5.7
Norway	634	1,413	3.8	10	145	3.3	51	155	3.7	47	143	3.6	38	147	3.7	69	135	3.6
Portugal	279	832	4.1	4	100	4.5	12	98	4.5	24	86	4.2	25	83	4.1	20	80	4.1
Turkey	1,618	1,480	5.0	85	270	5.6	124	241	5.4	251	163	4.2	208	141	4.1	171	129	4.8
United Kingdom	989	48,285	81.	26	4,856	7.0	199	4,679	7.1	43	4,684	7.3	97	4,707	7.7	75	4,788	8.3
NATO area programs	1,166			238			143			137			127			83		
Total, NATO	15,303	123,205	5.9	757	14,388	5.4	1,037	13,589	5.5	1,045	12,200	5.2	1,393	12,505	5.7	1,746	11,806	5.9
Canada		17,903	5.9		1,654	4.7		1,642	4.7		1,740	5.3		1,829	5.8		1,888	6.3
United States		453,838	10.4		46,552	9.3		56,614	9.7		45,503	10.2		44,548	10.1		41,773	10.0

[1] U.S. military assistance furnished to countries includes deliveries of equipment and supplies, expenditures for repair and rehabilitation of excess stocks, training, packing, crating, handling and transportation, nutrition surveys, construction and credit assistance under sec. 103(c) MSA.

[2] Based on NATO definition of defense expenditures. For the United States it includes expenditures for military functions of the Department of Defense, the military assistance program, the Atomic Energy Commission, Coast Guard, National Aeronautics and Space Administration, veterans' insurance and indemnities and residual expenditures by ICA for the direct forces support program.

[3] German defense expenditures data for all years are ICA estimates. Germany's expenditures through 1955 were largely occupation/support costs. Military assistance expenditures represent physical deliveries to the Federal Republic of Germany.

NOTE.—Precise comparisons of levels of defense expenditures between European countries and the United States are not possible. Conversions of national currency data into dollars have generally been made on the basis of official foreign exchange rates, and the purchasing power of dollar equivalents is appreciably higher in most European countries than that of the dollar in the United States. Intra-European comparisons of the converted dollar figures are subject to similar limitations. A uniform exchange rate has been applied for all years in order to preserve the trend of the national currency data and eliminate distorting fluctuations in the dollar figures caused by devaluation.

Mr. CHURCH. Mr. President, I wish to refer in some detail to the table which has just been ordered printed in the RECORD. I shall now refer to the first three columns of the table, country by country.

To begin with, the chart shows that during the 10-year period 1950 to 1960, Belgium-Luxembourg appropriated $3,904 million for their own defense forces, and received from the United States $1,175 million in grant-aid, or approximately 30 percent of the amount they appropriated for the maintenance of their own military forces.

Mr. LONG of Louisiana. Mr. President, will the Senator from Idaho please repeat that statement.

Mr. CHURCH. Yes, I am glad to do so. I stated that during the 10-year period from 1950 to 1960, Belgium-Luxembourg appropriated $3,904 million for their own defense forces, and received from the United States $1,175 million in grant-aid, or approximately 30 percent of the amount which they, themselves, appropriated for the maintenance of their own armed forces.

During the same 10-year period Denmark appropriated $1,327 million for the maintenance of her own armed forces, and the United States provided Denmark with $467 million in grant-aid, or approximately 36 percent of the amount which Denmark spent to maintain her own armed forces.

During the same decade, France appropriated $29,815 million for the maintenance of her own forces, and the United States donated to France $4,117 million in grant-aid, or approximately 14 percent of the amount France appropriated for her own armed forces.

During the same decade, Germany, whose program is newer, appropriated $20,714 million for the maintenance of her armed forces, and during that period the United States provided Germany with $897 million, or approximately 4 percent of the amount which Germany spent for her armed forces.

During the same decade Italy appropriated $9,798 million for her armed forces, and the United States provided Italy, for the same purpose, with $1,944 million in grant-aid, or approximately 20 percent of what Italy herself spent to maintain her own armed forces.

During the decade the Netherlands appropriated $4,321 million for the same purpose, and the United States donated $1,104 million, or approximately 25 percent of what the Netherlands appropriated to maintain its armed forces.

During the same decade the United Kingdom appropriated $48,285 million for the same purpose, and the United States donated $989 million, or approximately 2 percent of what the United Kingdom appropriated for her own defense.

Mr. President, if we examine the details shown on the chart, we find that over the decade since 1950, when the majority of the countries here involved clearly had economic capabilities sufficient to sustain their own military forces without external aid, the United States has donated $15,303 million in grant-aid to her NATO allies, most of which are located in Western Europe.

For those located exclusively in Western Europe which would come within the ambit of the amendment I have offered, the United States donated nearly $13 billion during the decade.

Mr. President, why have we been contributing so much in grant-aid to these prosperous countries? It is not because these countries have been doing their part in fully contributing their share to our collective security.

It is to be noted from this chart, Mr. President, that none of the prosperous countries in Western Europe are making as much of an effort, in proportion to their own resources, to maintain their armed forces, as we have been making in proportion to ours. During the decade, we spent 10.4 percent of our gross national product on our military forces, compared to an average of 5.9 percent on the part of our NATO allies.

Moreover, it cannot be argued that the continuing American subsidy is furnishing these countries with an inducement to make a greater effort on their own, since it is clear from the chart that the average yearly military expenditure of our NATO allies has fallen off from 5.9 percent in 1956 to 5.4 percent in 1960.

Mr. President, to make plain beyond argument the level of wealth that now has been achieved by most of our NATO partners in Western Europe, their resultant capacity to maintain their own armed forces without American subsidy, and the lesser effort they are actually making, compared to our own, I ask unanimous consent to insert at this point in the RECORD, an appropriate chart containing these figures for last year, 1960.

There being no objection, the chart was ordered to be printed in the RECORD.

Selected economic and defense expenditures data on European NATO countries and United States, calendar 1960

	Population (in thousands)	Total GNP (millions)	GNP per capita	Private consumption per capita [1]	Defense expenditures (millions)	Percent of defense expenditures to GNP
Belgium-Luxembourg	9,490	$12,275	$1,293	$896	[2] $400	3.2
Denmark	4,640	5,690	1,226	827	161	2.8
France	45,300	54,400	1,196	728	3,831	6.8
Germany (West)	52,321	63,740	1,218	706	2,886	4.3
Greece	8,691	3,120	359	270	159	5.0
Iceland	176	155	881	500		
Italy	49,315	30,360	616	390	1,136	3.7
Netherlands	11,480	10,990	957	540	455	4.1
Norway	3,590	4,465	1,244	724	[2] 145	3.3
Portugal	9,124	2,220	243	187	[2] 100	4.5
Turkey	27,518	4,680	170	134	[2] 270	5.6
United Kingdom	52,375	68,950	1,317	863	4,856	7.0
Total European NATO (excluding Saar)	274,220	261,045	952	604	14,399	5.4
United States [3]	179,894	494,500	2,749	1,730	46,552	9.3

[1] At 1959 market prices.
[2] Partly estimated.
[3] Alaska and Hawaii excluded.

Source: European Data Book.

NOTES

All data are preliminary and subject to revision.
Precise comparisons of the levels of gross national product and of defense expenditures between the European countries and the United States are not possible. The conversion into dollars has been made on the basis of official foreign exchange rates, and the purchasing power of the dollar equivalent is appreciably higher in most European countries than in the United States. Intra-European comparisons of the converted dollar figures are subject to similar limitations.

Mr. PASTORE. Mr. President, will the Senator from Idaho yield for a question?

The PRESIDING OFFICER. (Mr. HICKEY in the chair). Does the Senator from Idaho yield to the Senator from Rhode Island?

Mr. CHURCH. I am happy to yield.

Mr. PASTORE. Is the Senator from Idaho prepared to state the number of unemployed persons in those countries, as compared to the number of unemployed persons in the United States?

Mr. CHURCH. I wish I had those figures available for the Senate. I think the Senator's question is most pertinent, and I am sorry I do not have the figures at hand. But I am of the impression that in these prosperous industrial countries in Western Europe the level of unemployment is substantially below the level of unemployment in the United States.

Mr. PASTORE. Mr. President, will the Senator from Idaho yield further on that point?

Mr. CHURCH. I am glad to yield.

Mr. PASTORE. I have no immediate documentation of the statement I am about to make, but I am willing to estimate that at this moment there are more unemployed persons in the United States than there are in all the combined countries, that the Senator from Idaho had mentioned.

Mr. CHURCH. I suspect that the Senator from Rhode Island is correct in that surmise. I would be very much surprised if the figures do not bear out his statement.

Mr. President, in examining the chart I have placed in the RECORD, let us examine in more detail the three columns to which I have already referred.

The first column carries the gross national product per capita of the countries which would be affected by the proposed amendment.

The second column I propose to discuss shows the amount the countries appropriated for their own defense during 1960. The last column is the percent that this amount bears to the gross national product of each country.

With respect to Belgium-Luxembourg in 1960 the per capita income as measured by their gross national product was $1,293. They appropriated approximately $400 million for their defense forces, which was 3.2 percent of their gross national product.

The second country is Denmark, which had a per capita gross national product of $1,226. It appropriated $161 million for its defense, which was 2.8 percent of its gross national product.

The next country is France, which had a gross national product per capita of $1,196, and which appropriated $3,831 million for its defense, which was 6.8 percent of its gross national product.

I pause long enough to remind the Senate that France has been engaged in a war in Algeria which has been going on for 7 years. It has been one of the hardest fought and bloodiest wars of modern times.

The next country is West Germany, with a per capita income, measured by its gross national product, of $1,218. It appropriated $2,886 million for its defense, which was 4.3 percent of its gross national product.

The next country is Italy, which had a per capita income, in terms of gross national product, of $616. It appropriated $1,136 million for its defense, which was 3.7 percent of its gross national product.

The next country is the Netherlands, which had a gross national product per capita of $957. It appropriated $455 million for its defense, which is 4.1 percent of its gross national product.

The next country is Norway, which had a gross national product per capita of $1,244. It appropriated $145 million for its defense, which is 3.3 percent of its gross national product.

The final country which would possibly be affected by the amendment is the United Kingdom, which had a gross national product per capita of $1,317. It appropriated $4,856 million for its national defense in 1960, which was 7 percent of its gross national product.

In the same year the United States appropriated $46,552 million for its own defense, which was 9.2 percent of our gross national product. And that does not take into account all of the additional money that we have put out in foreign aid for purposes of military assistance to other countries.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. HAYDEN. I have some information that perhaps has not been supplied to the Senator, which is that for every dollar that we contribute to the North Atlantic Treaty nations they put up $7 out of their budgets. It is a 7-to-1 deal. I think, in buying national defense, it is the best bargain we could possibly get, because for every dollar we put up we get $7 worth of military aid.

What has been done with the money? Airports have been built all over Europe, so that we do not have to keep our fighter planes or bombers in one place. They can be continually shifted around, so that the gentlemen in Moscow with whom we are dealing would not know where they were in case it was decided that they should be bombed. Bases have been built there for guided missiles, and we have missiles of a range that can reach from Europe into the Soviet Union. That is one of the great deterrents we have. There are two. The other deterrent, of course, is the system of bases we have in Okinawa, the Philippines, southeast Asia, the Middle East, north Africa, Spain, and England, where we have our Strategic Air Force on a 15-minute alert, and with atomic bombs of greater power than the one that was dropped at Hiroshima during our Japanese troubles.

My opinion is that this is the deterrent that causes Mr. Khrushchev to pause, so far as starting any war is concerned. And if we can get the jet bombers that we hope to have, which will be able to carry good payloads of atomic weapons and bombs, we shall be still more protected. That is the reason why I supported that item.

Mr. CHURCH. I thank the Senator very much. I am in complete agreement that the NATO alliance is the cornerstone of our Western defense. I believe in it very strongly. I recognize that, as compared to the money we are now granting to some of our NATO allies, they are spending considerably more money of their own for the maintenance of their own armed forces. The figures I have given bear this out.

Mr. HAYDEN. The ratio is 7 to 1.

Mr. CHURCH. The purpose of my amendment is not in any way to alter or reduce in any measure the obligation or responsibility of the United States toward the NATO alliance or any member of it; but I do feel that, in the long run, we shall strengthen the alliance; and, as history is my judge, there is no other way to strengthen an alliance but to make clear to each member of it that,

as we intend to do our part, so we expect them to do theirs. If we continue unwarranted subsidies to rich countries that are fully capable of carrying their own load in the maintenance of their military forces, I think we do a disservice to the alliance, and, in the long run, we shall see the time when it will be greatly weakened because it will lack the strong internal respect that comes from each doing his share.

Therefore, my amendment is not offered in any way to have an adverse effect on the NATO alliance, but to serve it in the best possible way.

I should like to read the amendment so there will be no misinterpretation of what it is I am seeking to do. The amendment is, on page 38, at line 5, to insert the following new section:

SEC. 512. RESTRICTIONS ON MILITARY AID TO WESTERN EUROPE.—No further military assistance shall be furnished on a grant basis to a country of Western Europe, except to fulfill firm commitments made prior to July 1, 1961, unless the President shall have determined that it would be an undue economic burden upon such country to purchase the supplies, equipment, or services proposed to be furnished.

It should be understood that this amendment would not affect any firm commitment we have already made, that is, prior to July 1, 1961, to furnish military aid to any country in Western Europe. It would not prohibit future cash or credit sales of military equipment, services, or supplies to any of these countries. It would merely provide that no further military assistance shall be furnished on a grant basis to a country of Western Europe, unless the President shall have determined that it would be an undue economic burden upon such country to purchase the supplies, equipment, or services proposed to be furnished.

It should be noted that Greece and Turkey would not be affected, since they are not located in Western Europe.

It should be noted also that Portugal and Spain, and possibly Italy, are not likely to be affected, since they are still relatively poor countries, where a Presidential determination could properly be made, that purchase of equipment or supplies proposed to be furnished, would constitute an undue burden upon their economies.

The amendment really points toward those countries which have achieved a prodigious economic recovery, the rich, industrial nations capable of self-support—the countries which this Congress, in 1953, recognizing the facts of life, eliminated from further assistance grants of economic aid. Unless we do the same in regard to the military aid program, there will be no limitation. The subsidies will continue until the day the Congress takes a stand.

I ask, Mr. President, what more reasonable limitation, calculated to protect our national interest, could be imposed than this? The pending bill would authorize over $1.5 billion a year, for each of the next 2 fiscal years, to be spent on continuing military aid abroad. In the coming year, 22 percent of this amount is to be given the countries of Western Europe. Some of these countries may still need our help, and this amendment would not prevent the President, in such cases, from giving it. But the amendment would put an end to further subsidies, "shelled out" by American taxpayers, to the prosperous countries of Western Europe which can well afford to maintain their own military establishments.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. CHURCH. I am happy to yield to the Senator from Louisiana.

Mr. LONG of Louisiana. Does the Senator propose, before he concludes his speech, to say something about the extent to which these same countries have been accumulating American dollars and credits, so that they are in a position to almost empty Fort Knox today?

Mr. CHURCH. I know the Senator from Louisiana has those figures well in mind. I would welcome any contribution the Senator might care to make to my argument. But let me first point out this paradox. Both our previous President, Mr. Eisenhower, and President Kennedy have called upon the prosperous countries of Western Europe to do more in assisting us with our program of economic aid for the countries of the underdeveloped world.

Both Presidents have said, "These countries clearly can do more, and it is in their interest as well as our for them to do so."

Even as we urge these countries to assist us in providing economic aid for the underdeveloped world, we turn around and continue to give them hundreds of millions of dollars in grant aid for military forces they can afford to maintain on their own. Does that make sense? Is there any consistency in that position? Is there any way to explain it to the American people? I know of none.

Mr. PASTORE. Mr. President, will the Senator yield on that point?

Mr. CHURCH. I have already yielded to the distinguished Senator from Louisiana. I shall be happy to yield later to the Senator from Rhode Island.

Mr. PASTORE. Very well.

Mr. LONG of Louisiana. Let me complete the point I had in mind.

The administration has already asked us to pass a number of measures, each of which is completely inadequate to do the job, to try to meet the problem which arises because we are short on the balance of payments. Other countries are accumulating our currency in large amounts. We are faced with the fact that we cannot even make good our minimum requirements, to back the amount of American currency outstanding today with 25 percent of gold. We cannot make good our legal requirements for our own citizens, if compelled to make good the requirements with regard to foreign nations.

The particular nations the Senator has in mind are the nations which hold most of the dollar credits, almost enough to empty Fort Knox, the way the situation stands today. If they should call their dollars into their central banks and call on us for payment that would be the situation. Those countries have very favorable balances of payments, to the extent that they are still accumulating our dollars at a rate exceeding $1 billion a year.

The point is that if there is anything which those countries really think is necessary for their defense, they are well able to pay for it. We have gone so far in paying for these things there is now a serious question as to whether we shall be able to protect our own currency if there is a call upon it, under existing international obligations, for gold payment.

Mr. CHURCH. I thank the Senator very much. The Senator makes a very cogent argument. I have only this to add: Why is it that the foreign-aid program is in such trouble, Mr. President? I am sure it is because the American people, in their great commonsense, know there is too much wrong with it and too much abuse in it. Unless the Congress begins to eliminate the abuse and to impose some reasonable and prudent restraints upon these expenditures, the day will come when the American people will rise up mightily against the whole program and fill the Halls of Congress, and indeed, the White House itself, with men who are committed to an end to all foreign aid—to an end to all of our commitments abroad—and who would return us to a last isolation.

When that happens, whom will we blame? If I know human nature, we shall look around for other people to blame, but the blame will be on us—on us, at these desks, if we, through hesitancy and unwillingness to act, fail to impose reasonable restraints upon this runaway program.

Mr. President, if we cannot act now to do the things which our national interest clearly requires, and the things which history shows us in the long run will best serve the interests of the alliance itself, we shall deserve the fate which will come to us, hard as that is for me to say.

I now yield to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, I completely agree with my colleague from Idaho that this whole problem should be approached without rancor, without indignation, and without emotion. It should be approached in a most calm and judicious manner. I agree with the telling argument the Senator has made.

For the past few years we have been imploring our friends to assist us in our common effort. We have been asking our friends to assist us, at the same time telling them we will help them if they need help.

We respect and appreciate those countries for standing shoulder to shoulder with us to resist the onslaught of communism in that part of the world. No one means to depreciate that in any manner. But the fact is that over the years we have been imploring our allies and friends to help us in helping the underdeveloped countries of the world; at the same time we have been lavishing money on our allies. It is a sort of incongruous, if not ridiculous situation. If they need our help, naturally they cannot help somebody else. But, if from

their apparent prosperity they can afford to help somebody else, then they do not need our help.

We must begin to talk over the facts of life with our friends. We must cease all this emotion and excitement. We must sit down and discuss the cold facts together.

Not long ago a very distinguished representative of one of the nations abroad appeared on the television program—"Meet the Press." The nation is within the shadow of the Kremlin, yet in answer to a question as to why that nation was not doing everything it was supposed to do in the common effort it was said, "We are doing everything we are asked to do."

Only a short while ago we increased our defense budget more than $3 billion. We did that not because anybody asked us to do it, but because we thought we were facing a peril.

We did it because we thought the situation in Berlin was perilous. On our own initiative we appropriated $3 billion more than previously had been requested by the administration.

I am not pinpointing any criticism, but I feel that the time has come when our friends should understand that they must make a greater effort, not because they are asked to do so, but because the peril faces them as much as it faces us.

A short time ago I was in Europe. I know this situation will amaze many Senators. I brought my experience to the attention of the Secretary of Defense. While I was in Europe I picked up the newspaper one morning. I think it was the European edition of the Herald Tribune. I do not attach any authoritative significance or endorsement to the polls which may be taken, but a poll was taken throughout Europe, on two questions.

The people were asked the question, "If there were a war between the Kremlin and the United States tomorrow, do you think we ought to get into it?" The people of every nation, with the exception of the Netherlands, answered "No." The second question was, "Would you rather be engaged in a nuclear war with the Russians, or be occupied by the Russians?" This will amaze Senators even more than anything else.

With the exception of the Netherlands, all countries answered, "We would rather be occupied by the Russians."

I do not give too much credence to a poll, but if that reflects the feeling that permeates the minds of the people of Europe—if they think that the struggle is one exclusively between the Kremlin and the United States and they have no part in it; if they feel they do not have to live up to their commitments to NATO, as we have fulfilled ours over the years, then I am afraid that the American people will begin to doubt and despair. Their resentment will rise.

The peril is against the free world. The situation in Berlin is a danger to the whole free world, and not against the United States alone. We are in the cold war up to our ears, but the people of Europe are in it up to the tops of their heads. They are underneath the gun. All we can say is, "If you can afford to do more, you ought to do it. If you cannot afford it, we will be ready and willing with our help."

If we were to add up the national debts of all the countries of Europe, the sum would not come anywhere close to the national debt of the United States alone. If we were to add up the numbers of unemployed in Western Europe, the total would be only a percentage of the unemployment in the United States.

I agree with the Senator from Idaho. Conditions have changed. Certainly we are the most abundant land in the world. Assuredly we are the most resourceful country in the world. Granted we are the richest nation in the world. But, after all, there is still the risk of killing the goose that laid the golden egg.

The time is here when the nations of Europe have become superlatively industrialized. In their prosperity they are seeking needed workers from outside their own borders. Workers are being imported into Western Europe, whereas in this country workers are looking around for jobs.

We have met our commitment completely and fully. The countries of Europe have not yet met theirs.

All the Senator from Idaho is saying this afternoon—and I think we ought to take this action without having to enact a law—is that no further military assistance shall be furnished on a grant basis to any country of Western Europe, except to fulfill firm commitments made prior to July 1, 1961.

I ask Senators to listen to the following language:

> Unless the President of the United States shall have determined that it would be an undue economic burden upon such country to purchase supplies, equipment, or services proposed to be furnished.

In other words, all the Senator is saying is that we should not give any people any money in the way of grants when they have the money themselves. That is all the amendment amounts to. I do not see why the amendment should not be accepted. I do not see why its substance should not be the firm policy of the United States. All we would say is, "You are our friends. You are our allies. You are our partners in this struggle. We will help you if you lack the means. But if you have the means, put them up and do not ask us to give the means to you." That is how simple it is. I congratulate my friend, and I shall vote for his amendment.

Mr. CHURCH. I thank the Senator very much. I wish to express my profound thanks to the Senator from Rhode Island. He has certainly put the case in a nutshell. I would add only that it seems to me that if we do not learn from history, it is because we never stop long enough to recall it. We never compare our own situation with other historical situations because we have not the time.

In the past there have been other alliances of fateful importance. One of them was the Delos League. All of us know what happened to it when the member states began failing to do their part and looked to Athens to do its part and more. In the end, the subsidies did not work. In the end the league fell apart. In the end, Athens fell.

We have a historical parallel today in the NATO alliance. As the Senator from Rhode Island has so well said, when countries have a clear capability, by virtue of their prosperous industrial economy to maintain their own military establishments without undue burden to themselves, then we ought to ask them to do it.

As long as we continue to give these countries handouts, they will take them. If any Senator thinks that the handouts make us worthier in their eyes, if he does not think these handouts are degrading to both donor and donee alike, he ignores the historical precedents that we should look to for guidance; and, indeed, he ignores human nature itself.

We serve the NATO alliance best by adopting the amendment I propose. We serve ourselves and the future of the NATO alliance with this amendment.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CHURCH. I am happy to yield to the Senator from Oregon.

Mr. MORSE. I thoroughly agree with the Senator from Rhode Island in the argument he has made in support of the amendment offered by the Senator from Idaho [Mr. CHURCH].

The Senator from Idaho knows that he and I have shared this point of view in the Committee on Foreign Relations, of which we are both members. I sincerely hope that the chairman of the committee, the Senator from Arkansas [Mr. FULBRIGHT] will accept the Senator's amendment. I think it is sound.

I wish to make two points that are rather redundant in view of the speech of the Senator from Rhode Island, but they need to be repeated for emphasis, I believe.

We need to face up to the fact that some of our NATO allies are in a stronger monetary position today than is the United States. We need to face up to the fact that in some instances those countries have practically no national debt. The reason they do not have any national debt is in no small measure due to the fact that the taxpayers of the United States have paid their national debts for them. The great assistance that such countries have received from the United States in our rehabilitation program has resulted in our building for them the most modern factories, containing the most modern equipment, which has placed them at a competitive advantage, as clearly implied by what the Senator from Rhode Island has said, as compared with a good many American industries at the present time. They have the wherewithal to do more for themselves as NATO allies in this entire field of mutual security than they have been doing. The time has come when they must demonstrate that they recognize that the program is a mutual security program. They should recognize it as it is recognized in some aspects of our trade problems. They recognize that "reciprocal trade" means

reciprocal trade, and that it is a two-way street.

In many instances the countries of Western Europe are in a position to make a greater contribution to the mutual defense of freedom in Europe than they are making. As the Senator from Rhode Island [Mr. PASTORE] and the Senator from Idaho [Mr. CHURCH] pointed out, so long as we are willing to pay the bill for them, they will not ask us to stop doing so.

I say to Senators who may not find themselves in agreement with the amendment of the Senator from Idaho that the patience of millions of American taxpayers is rapidly becoming frayed, and in the not too distant future the allies will find themselves with a rising demand upon the politicians in the United States to do a more efficient job than we have been doing in protecting the economic interests of the taxpayers of the United States in respect to this whole matter of foreign aid grants. As the Senator from Rhode Island has said, We are talking about grants. We are talking about giveaway money, not loans.

I believe the Senator from Idaho is to be congratulated for his courage in presenting the amendment. At first glance, there are those who may not think it is a good amendment. But in my opinion, if it is studied, the arguments of the Senator from Idaho cannot be answered.

The next point I wish to make is that I have made a little study of what some of our allies in Europe are doing in regard to carrying out their responsibility under what would amount to a general welfare clause in the United States. Take a look at the so-called general welfare legislation of some of the NATO countries in the whole field of social legislation, in the whole field of health legislation, in connection with housing, in connection with the development and protection of natural resources. They are doing a better job than we are doing. The argument is that we must postpone our general welfare legislation in order to spend our money for defense.

I do not propose to vote billions of dollars under a foreign-aid bill when the recipient countries in many instances are able to do for their people, by way of needed social welfare legislation, what we are asked to postpone because we must appropriate so much money for foreign aid.

The time has come today for us to write the record and serve notice on our allies that we have reached the end of the road so far as grants are concerned in every instance in which they have the economic power to do for themselves what they ought to do for themselves and not ask the American taxpayers to do for them.

I am proud to support the amendment of the Senator from Idaho.

Mr. CHURCH. I thank the Senator from Oregon very much for his eloquent and persuasive statement.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. CHURCH. I am pleased to yield again to the distinguished Senator from Rhode Island.

Mr. PASTORE. I am reading the Senators' amendment. Let us assume—and Heaven forbid that such might be the case—that there might arise a situation in Europe in which it becomes necessary to furnish our friends in Europe with guns and tanks which they do not have and which they might need in case of an emergency. Would his amendment prohibit our doing that?

Mr. CHURCH. It would not, in my opinion, because in the event such an emergency were to arise, large amounts of additional supplies and equipment would be necessary, and such large amounts might easily impose an undue economic burden on them, and therefore the amendment would not prohibit our doing it.

Mr. PASTORE. Would the Senator consider amending or modifying his amendment by stating:

Unless the President shall declare an emergency or shall have determined—

And so forth. I would insert the words "shall declare an emergency."

We must not leave the impression that in the case of a contingency—and God forbid that the contingency shall arise—which brought about a situation with which our allies could not cope immediately, even if they had the money to pay for the equipment necessary for the common defense, I repeat that we must not leave the impression we would be tying the hands of the United States or tying the hands of NATO in their need to meet that emergency.

Mr. CHURCH. I would be willing to so modify my amendment. I have tried to draft my amendment in such a way that it could not possibly constitute a danger to the United States or its allies. I thank the Senator very much for his suggestion. I am happy to modify my amendment accordingly, so as to make it clear that in the event of an emergency the provisions in my amendment would not apply.

I should like now to turn to the arguments offered by the State Department.

The PRESIDING OFFICER. The yeas and nays having been ordered, unanimous consent is required before the amendment can be modified by the Senator.

Mr. CHURCH. Mr. President, I ask unanimous consent that I may modify my amendment in the way suggested by the Senator from Rhode Island.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. FULBRIGHT. I did not quite understand the Senator's modification. I wonder if he would restate it.

Mr. CHURCH. The text of the amendment as originally offered reads:

SEC. 512. RESTRICTIONS ON MILITARY AID TO WESTERN EUROPE.—No further military assistance shall be furnished on a grant basis to a country of Western Europe, except to fulfill firm commitments made prior to July 1, 1961, unless the President shall have determined that it would be an undue economic burden upon such country to purchase the supplies, equipment, or services proposed to be furnished.

The Senator from Rhode Island makes the point that in the event of a sudden emergency, when it might be to the advantage of the United States as well as to its allies to have us furnish large quantities of equipment, the words he proposes would provide an escape hatch, so that the provisions of the law in such an instance would not be applicable. The modification would be as follows: In line 5, after the word "President", I would insert the words "shall declare an emergency". The amendment would then read as follows:

SEC. 512. RESTRICTIONS ON MILITARY AID TO WESTERN EUROPE.—No further military assistance shall be furnished on a grant basis to a country of Western Europe, except to fulfill firm commitments made prior to July 1, 1961, unless the President shall declare an emergency or shall have determined that it would be an undue economic burden upon such country to purchase the supplies, equipment, or services proposed to be furnished.

I have agreed to modify my amendment accordingly.

Mr. FULBRIGHT. I was under the impression that there was an emergency developing in that area already. This would be an extremely poor time to give the impression that we are in any way weakening our support of our allies in Western Europe. The Senator knows that we discussed this subject in committee, and the military opposed reductions of even very small amounts of direct aid in the military field. There is no economic aid involved in the bill. Even in the military field, outside the NATO contribution, which I assume he has in mind, there is no substantial military aid. We have moved steadily away from that in the past administration as well as by what is now proposed. The program has been substantially decreased, from 33 percent in the fiscal year 1961 to 22 percent in 1962. We have steadily decreased our percentage of the contribution. It was as high as $2.8 billion in 1953. It is down to $800 million now.

It is the purpose of the administration to continue that trend. I do not quarrel with the merits of what the Senator is trying to do. I violently object to the psychological effect his amendment would have at this time if all the newspapers in the world, encouraged by those who are not so friendly to us, were to interpret this action as an indication that the Congress of the United States has no more confidence in our Western European allies, that they are a bunch of slackers, that they are not doing their part, and that, therefore, we will not give them any further aid. I do not believe this would be a very wise thing to do.

I have some figures in the book I have in my hand. If the Senator wishes, I shall read them. They show clearly that the trend is very much in the direction I have indicated. As I have said, the contribution of our allies has steadily gone up. In 1950 it was $5.9 billion. In 1960 it was $14.4 billion. Our contribution has gone down from $2.8 billion in 1953 to $800 million in this year. That is the way it has been moving.

Perhaps it is not as rapid as it should be. I agree that one country about which there is no secret is certainly well off and could do much more. However,

it is certainly expected that with the crisis which confronts that country now we will see a much greater contribution being made by it. On the other hand, Great Britain, for example, is in a very serious financial condition, and is in no position to be expected to make any great financial contribution. She has just arranged for a loan from the IMF. That indicates the seriousness of her financial situation. This is a joint undertaking. I regret that the Senator is inclined to belittle the contribution of these countries.

Mr. CHURCH. I should like to make it clear that I have not intended to belittle the contribution being made by any of our NATO allies. My purpose is not to do so in any way. I have tried to make it clear that we should expect them to do what they are able to do, and that, in the long run this will strengthen the alliance by promoting greater respect for one another among the members of the alliance. I ask the distinguished chairman of the Foreign Relations Committee if he would object to my modifying my amendment in the way I have indicated.

Mr. FULBRIGHT. Of course not. However, I do not want my consent to be interpreted as favoring the amendment. I do not accept it. I am opposed to the amendment, as proposed to be modified, or as not modified.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. CHURCH. Mr. President, if I may renew my unanimous consent request, I wish to amend my amendment in the way suggested by the Senator from Rhode Island, to insert, after the word "shall," the following: "declare a national emergency or shall determine that it would be an undue economic burden upon such country to purchase the supplies, equipment, or services proposed to be furnished."

Mr. PASTORE. Omit the word "national."

Mr. CHURCH. The language should be "a national emergency." "National emergency" is a term of art.

The PRESIDING OFFICER. Is there objection to the modification of the amendment? The Chair hears none, and the amendment is modified.

Mr. CHURCH. Mr. President, I should like to turn to the argument made by the State Department in opposition to the amendment that we might examine the position taken by those who are administering the program. The State Department says:

> It is assumed that the amendment is intended to be applicable to Belgium, Denmark, France, Germany, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, and the United Kingdom—all of which, except Spain, are members of NATO. Its purpose is to authorize grants of military assistance to the foregoing countries only upon a Presidential finding that the country concerned is unable to finance from its own resources the military effort required of it.

I think that is a fair statement of the intent of the amendment. The State Department then continues:

> First, the principle declared by the amendment has been followed for some time by the executive branch. The executive branch has already achieved some measure of success in terminating or reducing grant aid to the economically developed countries of Western Europe.

Mr. President, what success has there been in terminating such aid? In 1960, every single one of the economically developed countries in Western Europe were still receiving substantial grants from the United States. Not one such program had been terminated. In the face of that situation, the assertion of the Department of State is demonstrably false. What is the basis of the Department's contention that the program of grant aid has been substantially reduced? I simply say, as to this point, that the latest unclassified information now available, which I can use in the course of the debate in the Senate, shows that in 1960 $361 million in military grant aid was given to the prosperous countries in Western Europe, excluding Portugal and Spain, all of which, aside, possibly, from Italy, clearly had the resources to carry their full loan and to maintain their own military forces without external aid.

If it is desired to say that $361 million of grant aid to these countries is not a significant figure, then I cannot argue the point. But when it is considered that in the planning for this year's program, 22 percent of the total military aid authorized by the bill is planned for Western Europe, then I ask, What is a substantial contribution? Clearly, we have continued, year after year, to throw our money into countries which can afford to maintain their own forces without our aid. We have contributed $13 billion in the last decade to these very countries in Western Europe. But now the Department of State says it has had "some measure of success in terminating and reducing this program."

I simply urge Senators to go to the classified books in the Committee on Foreign Relations, as members of the committee have done, examine the program for these very countries for the coming year, and then measure the facts against the statement which has now been made by the State Department in opposition to the amendment. If Senators will do that, I think they will agree with me that the program is not being reduced in any satisfactory way; and that if we must wait for the administrators of the program to reduce and eliminate it, we will wait forever. Only Congress can do it. If Congress does not begin to impose reasonable restraints on a runaway program, who will? Where can the American taxpayers find protection, if they cannot find it here? I submit that, on the evidence, this argument of the State Department does not stand.

Mr. LONG of Louisiana. Mr. President, will the Senator from Idaho yield?

Mr. CHURCH. I yield.

Mr. LONG of Louisiana. The Senator referred to the classified information in the books of the committee which shows amounts of money which the Senator is not privileged to reveal. I have examined the same books. When we consider a country like Germany, only a small amount of money is involved—less than a million dollars. But the point is that not even 5 cents can be justified, because we are now proposing to go to war, if need be, for the benefit of West Germany. We are spending an extra $3 billion to prepare ourselves to fight and defend our obligations toward West Berlin. West Germany is better able to pay than we are, but she is only making half the effort we are making. The United States is spending foreign aid money all over the world, trying to help other people to help themselves.

The point I am making, and the point to which I believe the Senator is addressing himself, is well reflected here. There is no reason on earth for us to say that we will spend any money in a country where, as things are now, they are holding our dollars. If we do not do something about gold payments and the favorable balance of payments for them as against us, we will be in a position where we cannot pay them off, no matter what the situation is.

Mr. CHURCH. The Senator from Louisiana is correct. The precarious imbalance in our payments is another reason for imposing reasonable restraints on the program, where that can be done. I think it can be done in this instance. In the long run, it will serve the best interests of the NATO alliance if we do so.

Mr. SYMINGTON. Mr. President, will the Senator from Idaho yield?

Mr. CHURCH. I yield.

Mr. SYMINGTON. The Senator from Idaho said the Senator from Louisiana was correct. Does the Senator from Idaho wish to leave the impression that he believes there is no advantage to the American people regardless of what the people of Germany do in defending West Berlin?

Mr. CHURCH. Oh, no; I do not think I could have left that impression. We have decided to hold our ground in West Berlin on the basis of our national interest. With that decision I have no disagreement.

I think the point made by the Senator from Louisiana was that in a time when the United States had a serious balance-of-payments problem, we should be careful about the amount of money we spend abroad and should be willing to impose reasonable restraints on this program, where such restraints are clearly justified.

Mr. LONG of Louisiana. Mr. President, will the Senator further yield?

Mr. CHURCH. I yield.

Mr. LONG of Louisiana. It seems to me that this point should be made clear. Some persons cannot agree on it. The point has been made, and I think we should recognize it, because some day we may be required to vote on the issue, Are we willing to go to war to defend those who will not raise a hand to defend themselves? One of these days we shall have that problem to solve.

West Germany, if she is required to fight, will fight to defend her freedom. As one who faced Germany in the last war, I have some respect for her capacity to fight and her courage. But if we are to take the attitude that a country is willing to pay its own way, but we are going to pay it nevertheless, the Senator from Idaho makes the point that

such an attitude discourages the country from doing what it should be doing. We should be sending the aid somewhere else, wherever it is more urgently needed.

Mr. CHURCH. If I know anything about the Germans, they will respect us more if we say plainly that we are willing to give grant aid to any country in the alliance that needs it. But, as we are willing to contribute our wealth in standing by the alliance, we expect the prosperous countries in Europe to do likewise, including West Germany. If we do so, they will respect us more, and the alliance will be stronger, not weaker, for it.

Mr. President, let us turn to the second argument offered by the State Department in opposition to the amendment. They say: "In some countries, military assistance is required as a quid pro quo for base rights outside the NATO infrastructure complex."

That is departmental language, which, in an obscure way, means that there are at least two countries in Europe, Portugal and Spain, where we may be giving grants of military assistance as rental for military bases. Mr. President, is it not better simply to come out in a forthright way and say so?

This is not grant assistance. It is rental. It is assistance given in consideration—the Department's term is quid pro quo—for the bases we have obtained. As such, it would not be grant assistance, and it would not come within the purview of this amendment. So the objection raised by the State Department misses the amendment.

Also it can be said that Spain and Portugal are still relatively poor countries, as to which the President could readily make a finding that it would be an undue economic burden upon them for them to purchase the supplies, equipment, or materiel proposed to be purchased, thus bringing them within the exception set forth in the amendment.

So, Mr. President, in any case the argument of the State Department is irrelevant and inapplicable to the subject at issue, and on that basis I suggest that we should set it aside.

What is the third argument offered by the State Department—and, incidentally, it is the last substantive argument offered against the amendment.

Third—

Says the State Department—

from the U.S. viewpoint, the furnishing of certain follow-on support, modification of weapons systems, and training is necessary to assure full effectiveness of previously furnished materiel, irrespective of whether there is a firm U.S. commitment to furnish such further assistance.

Mr. President, there we have it—the State Department's own admission that the philosophy which underlies the administration of this military aid is that once it is begun, it can never stop. Let me read it again:

Third, from the U.S. viewpoint, the furnishing of certain follow-on support, modification of weapons systems, and training is necessary to assure full effectiveness of previously furnished materiel, irrespective of whether there is a firm U.S. commitment to furnish such further assistance.

So if we give a tank, we must continue to give spare parts, revised training programs, and perhaps even an up-dated version of the old tank, as a replacement, in order—to use the department's language, "to assure full effectiveness of previously furnished materiel."

Mr. President, there is no way to stop, if we accept the philosophy of those who administer this program. There is no way out; we can only go in deeper. If we accept their philosophy, we must continue this program indefinitely, even though the recipient countries can afford to purchase the "follow-on support." Obviously, Mr. President, the Senate cannot accept such an absurd proposition.

So there go the three arguments—one, two, three—out the window and onto the rubbish heap; and that disposes of the State Department's arguments against this amendment, and leaves no argument at all against the amendment, but only a scare—a scare which probably will work. Somehow a scare seems to hover over us whenever we consider a mutual security bill.

Just listen to the State Department's scare warning:

Of primary importance among these political and military considerations is the particular need at this critical moment of maintaining the effectiveness of NATO and the willingness, capability, and flexibility to respond to the growing challenge to Berlin.

Mr. President, I say with all the conviction that I possess that this amendment has nothing to do with Berlin. Before the impact of this amendment could possibly be felt, the crisis at Berlin will either have exploded into war, thus rendering the whole subject moot, or we shall have found a peaceful resolution of that crisis and it will have passed by. But if we must defer until a time when there is no crisis, in order to do the things that reason says we ought to do in this bill, who knows how long we shall have to wait?

Mr. President, I say it is error—worse still, it is error compounded with weakness—to believe that any alliance can be served or strengthened through needless subsidy. Such a practice is degrading to donor and donee alike. History clearly demonstrates that it is self-defeating. The record shows that it has not worked, and it not working, in the case of NATO today. None of our NATO allies in Western Europe has met the military goals set for the alliance nearly 2 years ago. We are 400,000 men short of the agreed level of strength; but neither West Germany, France, nor the United Kingdom, though peering into the very teeth of the Berlin crisis, has undertaken any buildup of its own defenses, comparable to what the President has asked of the United States.

Congress has already approved the President's supplemental requests. Our country will go on carrying more than its share of the load in the NATO partnership. Even now it is our own Strategic Air Command, built and maintained at a fantastic cost to the American taxpayers exclusively, that constitutes NATO's main deterrent power. But we are foolish indeed if we think that continued handouts of military aid to our prosperous allies in Western Europe will ever cause them to do their share. It has not in the past; it is not now; it will not in the future. It is just the kind of extravagance that brings the whole foreign aid program into disrepute.

Mr. LONG of Louisiana. Mr. President, will the Senator from Idaho yield?

Mr. CHURCH. I yield.

Mr. LONG of Louisiana. The Senator from Idaho knows, does he not, that the Senate has already voted to reduce military assistance by $250 million? Hence, it will be for the Senate to indicate where it thinks that cut of $250 million should be made. In other words, we have voted for military assistance, $250 million less than the amount the committee reported to the floor of the Senate. Now that we have done that, a responsible Senate might well approach the task of showing where that cut should be made—whether in Vietnam or in the limited amount of aid that is available for the countries of South America, or just where the cut should be made. The Senator from Idaho is providing the Senate with the logical answer—namely, that it should be made in the case of the countries which are better able to pay for their part of the program than we are able to pay it for them.

Mr. CHURCH. I appreciate the Senator's point, and it is very well taken. Here we have an opportunity to say that it is the judgment of the Congress that when the President administers this reduced program of military assistance, he should take into account the countries which are able to pay their own way. It is here that we should effect the cuts. We can give the President that guidance, and it will be in line with the best fiscal interests of the taxpayers of the United States if we do.

Mr. President, I have supported the foreign-aid program as indispensable to our national survival in this precarious world. But the American people are fed up with the waste that is in it. As I have said, their resentment today can lead to reaction tomorrow so widespread as to fill these halls, and the White House as well, with men who would sever our world commitments and would withdraw the United States into a lingering, lethal, and last isolation.

Mr. President, if that happens, then I think the responsibility will fall heavily upon us in these Halls who fail to take the necessary action to make this program reasonable, and thus to give to it the assurance of continuing public support.

It is to correct one such unreasonable abuse in the program that I offer my amendment. Our prosperous allies in Western Europe do not need further subsidies of military aid from the United States. If Congress will adopt this amendment, we shall be saying to our NATO allies, "We expect you to do your part for the alliance, even as we intend to do ours."

Mr. President, as history is my judge, in that spirit only can we serve our mutual interests best.

For those reasons, I urge the Senate to adopt the amendment.

I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho [Mr. CHURCH], as modified. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from South Carolina [Mr. JOHNSTON], the Senator from Ohio [Mr. LAUSCHE], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from Georgia [Mr. RUSSELL] would vote "yea."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from South Carolina [Mr. JOHNSTON]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from South Carolina would vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Kansas [Mr. CARLSON] and the Senator from Illinois [Mr. DIRKSEN] are necessarily absent.

The Senator from South Dakota [Mr. CASE] is detained because of illness in his family.

If present and voting, the Senator from Maryland [Mr. BUTLER], the Senator from Kansas [Mr. CARLSON], and the Senator from Illinois [Mr. DIRKSEN] would each vote "nay."

The result was announced—yeas 22, nays 70, as follows:

[No. 147]

YEAS—22

Bartlett	Goldwater	Neuberger
Burdick	Gruening	Pastore
Church	Jordan	Pell
Clark	Long, La.	Proxmire
Dworshak	Magnuson	Talmadge
Eastland	McClellan	Thurmond
Ellender	Morse	
Fong	Moss	

NAYS—70

Aiken	Hart	Morton
Allott	Hartke	Mundt
Anderson	Hayden	Muskie
Beall	Hickenlooper	Prouty
Bennett	Hickey	Randolph
Bible	Hill	Robertson
Boggs	Holland	Saltonstall
Bridges	Hruska	Schoeppel
Bush	Humphrey	Scott
Byrd, Va.	Jackson	Smathers
Byrd, W. Va.	Javits	Smith, Mass.
Cannon	Keating	Smith, Maine
Capehart	Kefauver	Sparkman
Carroll	Kerr	Stennis
Case, N.J.	Kuchel	Symington
Cooper	Long, Mo.	Tower
Cotton	Long, Hawaii	Wiley
Curtis	Mansfield	Williams, N.J.
Dodd	McCarthy	Williams, Del.
Douglas	McGee	Yarborough
Engle	McNamara	Young, N. Dak.
Ervin	Metcalf	Young, Ohio
Fulbright	Miller	
Gore	Monroney	

NOT VOTING—8

Butler	Chavez	Lausche
Carlson	Dirksen	Russell
Case, S. Dak.	Johnston	

So Mr. CHURCH's amendment, as modified, was rejected.

Mr. FULBRIGHT. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KUCHEL. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. FULBRIGHT. Mr. President, in his remarks on August 11, the senior Senator from Michigan raised several cogent questions regarding the foreign-aid bill to which he asked me to reply. I am happy to do so, and I shall address myself to each of his questions in turn.

The Senator asked how recipient countries will receive long-term development loans.

The loans will be requested and acted upon through normal diplomatic processes of negotiation. To be eligible for a development loan a country will be expected to meet certain criteria as spelled out in section 201 of the bill. The basic criteria are the determination of the applicant country to take basic measures of self-help, its willingness to undertake basic measures of economic and social reform, and the extent to which the country is responsive to the vital economic, social and political needs of its populace.

The Senator asks how the aid program will affect unemployment in this country.

It is of course impossible to assess the impact on particular areas throughout the United States. By and large, however, the aid program should have salutary effects on the employment situation in this country because most of the funds provided will be spent in the United States. Section 604 of the bill states that aid funds may be used for procurement outside of the United States only if the President determines that such procurement will not result in adverse effects on the American economy, with special reference to areas of labor surplus.

The Senator asks whether aid funds are to be provided for European countries.

The program for Europe is very small because most of the countries of Europe, as a result of the Marshall plan, have recovered their economic health.

Substantial economic aid is scheduled, therefore, only for Spain and Yugoslavia. Greece, which is sometimes counted as being in Europe, will receive both military and economic aid.

The Senator asks when and where the aid program can be expected to end.

There is no real answer to this question. Our aid programs are long-range commitments and it would be self-delusion to pretend that they are not. Their end will come when the threat of Communist imperialism has substantially receded and when the underdeveloped countries have developed the capacity for self-sustaining growth.

The Senator points out that several billions in aid funds appropriated in the past have not yet been expended and he asks whether we might not declare a one year moratorium on aid while these funds are being expended and use the savings to strengthen our own economy.

The unexpended funds to which the Senator refers represent contracts to purchase equipment and goods for which funds have already been obligated but which have not yet been expended because the goods have not yet been delivered. These obligated but unexpended funds are not available for new aid commitments, and, as the Committee report and the material presented by the President make clear, additional foreign aid is a primary instrument of U.S. foreign policy.

Mr. McCLELLAN obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield to me briefly?

Mr. McCLELLAN. I am glad to yield.

UNANIMOUS-CONSENT AGREEMENT TO LIMIT DEBATE

Mr. MANSFIELD. Mr. President, I have consulted with the distinguished acting minority leader, the Senator from California [Mr. KUCHEL], with the chairman of the Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT], and with other interested Senators. I should like to propound the unanimous-consent request that beginning at the conclusion of morning business tomorrow, 1 hour be allocated to the consideration of each amendment, 30 minutes to a side, and that 6 hours, equally divided, be allocated to the consideration of the bill.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. KUCHEL. Is that with the understanding that the Senate will convene at 11 o'clock in the morning?

Mr. MANSFIELD. At 10 o'clock or 11 o'clock. We shall discuss that later.

Mr. KUCHEL. I have spoken with Members on the minority side, who do not desire to interpose any objection.

Mr. MANSFIELD. Mr. President, there will be no further yea-and-nay votes tonight.

The PRESIDING OFFICER. Does the Senator from Montana propose the unanimous-consent agreement in the standard form?

Mr. MANSFIELD. Yes, Mr. President.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

Mr. JAVITS. Mr. President, I should like to ask a question.

Mr. MANSFIELD. I yield.

Mr. JAVITS. Does this apply to all amendments, whether or not at the desk?

Mr. MANSFIELD. Yes. There would be 1 hour on all amendments and 6 hours on the bill. If more time is needed it can be arranged.

Mr. JAVITS. I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. MANSFIELD subsequently said: Mr. President, pursuant to the unanimous-consent request granted earlier, it is my understanding that there are some amendments at the desk, already printed, which are nongermane, and therefore outside the scope of the unanimous-consent agreement. I therefore ask

unanimous consent that those amendments be included in the order granted.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The unanimous-consent agreement, subsequently reduced to writing, is as follows:)

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Thursday, August 17, 1961, at the conclusion of routine morning business, during the further consideration of the bill (S. 1983) to promote the foreign policy security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received, except those already submitted for printing.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 6 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. HRUSKA. Is there any disposition on the part of the leadership to disclose whether there will be a Saturday session this week?

Mr. MANSFIELD. If consideration of the bill is completed, there will be no Saturday session.

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. MANSFIELD. I thank the Senator from Arkansas.

SURPLUS PROPERTY

Mr. McCLELLAN. Mr. President, I call up my amendment at the desk and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 45, line 20, immediately preceding the word "The" it is proposed to insert the subsection designation "(a)".

Beginning with the period in line 7, page 46, strike out all to and including line 16, page 46, and insert in lieu thereof a colon and the following:

Provided, That the amount of property classified as domestic excess property pursuant to the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471 et seq.), held at any one time pursuant to this section shall not exceed $15,000,000 in total original acquisition cost. Property acquired pursuant to the preceding sentence may be furnished (i) pursuant to any provision of part I for which funds are authorized for the furnishing of assistance, in which case the separate account established pursuant to this section shall be repaid from funds made available for such provision for all costs incurred, or (ii) pursuant to section 607, in which case such separate account shall be repaid in accordance with the provisions of that section for all costs incurred.

"(b) Property classified as domestic excess property under the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471 et seq.), shall not be transferred to the agency primarily responsible for administering part I for use pursuant to the provisions of part I or section 607 unless (1) such property is transferred for use exclusively by an agency of the United States Government, or (2) it has been determined in the same manner as provided for surplus property in section 203 (j) of the Federal Property and Administrative Services Act of 1949, as amended, that such property is not needed for donation pursuant to that subsection. The foregoing restrictions shall not apply to the transfer in any fiscal year for use pursuant to the provisions of part I of amounts of such property with a total original acquisition cost to the United States Government not exceeding $50,000,000."

Mr. McCLELLAN. Mr. President, I have discussed the amendment with my colleague the distinguished chairman of the Committee on Foreign Relations. It is an amendment which deals with surplus property, and seeks to protect the donable surplus property which goes to schools, hospitals, and other facilities in this country. It would place a limit upon the amount that the International Cooperation Administration may receive.

I believe the amendment is probably necessary to afford that protection. It actually would not deny to them such property as their fair share of it, and such property as they may select for specific Government agencies. If there is no objection to the amendment, I ask that an explanation of the amendment be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR McCLELLAN

This amendment to section 608 of the foreign aid bill places a ceiling of $15 million, computed on the original acquisition costs, on the total amount of domestic excess property that the International Cooperation Administration can hold at any one time.

This ceiling is designed to prevent losses of needed domestic excess property to the Act for International Development program, while restricting to a reasonable level the amount of equipment that can be stockpiled without a specifically identified requirement.

Subsection (b) of the amendment is designed to prevent the excessive acquisition by the foreign aid agency of domestic excess property which might materially interfere with the donable property program for State education, public health, and civil defense purposes.

The education program has been tremendously successful over the years, giving immeasurable assistance to the eligible recipients. During the fiscal year 1961, an estimated $400 million in acquisition costs of surplus property have been donated under this program to health, education and civil defense activities.

This subsection allows the foreign aid agency to acquire without restriction up to $50 million in total original acquisition costs of domestic excess property in any one fiscal year. Any acquisition in excess of this ceiling, not intended solely for the use of a U.S. agency, must first be screened to determine that the item is not needed for the donable property program.

I am informed that during the calendar year 1958, the ICA has received excess property valued at $24,498,000; $18,191,000 in 1959, and $31,205,000 in 1960.

It is therefore believed that the $50 million ceiling placed thereon is sufficiently high to prevent the allocation of domestic excess property in such quantities as would deplete or materially affect the amount of property which is available for donation to health, education and civil defense activities.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. FULBRIGHT. We have studied the amendment. We certainly did not intend in the program to limit the distribution of property needed for our own health and educational purposes. I think the limit of $50 million which the Senator has provided is reasonable, and, as chairman of the committee, I am prepared to accept the amendment.

Mr. McCLELLAN. I thank the distinguished Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas [Mr. McCLELLAN].

The amendment was agreed to.

Mr. CAPEHART. Mr. President, I offer amendments "7-27-61—B" which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendments of the Senator from Indiana will be stated.

The LEGISLATIVE CLERK. On page 6, line 5, it is proposed to strike out "1962 through 1966" and insert "1962 and 1963".

On page 6, lines 10 and 11, it is proposed to strike out "each of the fiscal years 1963 through 1966" and insert "the fiscal year 1963".

On page 6, line 13, it is proposed, beginning with the word "any", to strike out through the word "period" in line 15 and insert the following: "the fiscal year 1962 may be issued in the fiscal year 1963".

The PRESIDING OFFICER. Does the Senator wish the amendments to be considered en bloc?

Mr. CAPEHART. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CAPEHART. Mr. President, the amendment would do nothing more than to reduce the time from 5 years to 2 years.

NATIONAL DEFENSE EDUCATION ACT

Mr. JAVITS. Mr. President, I understand that earlier today, though I was not present, the Senator from Michigan [Mr. McNAMARA] announced that he would offer an amendment to attach the school construction bill to S. 2393, the impacted areas school bill. I had already announced that I would offer amendments to extend the National Defense Education Act for 1 year.

I ask unanimous consent that my amendments, which have been printed and are on the table, be printed in the RECORD, together with an excerpt from the minority views on S. 2393.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments submitted by Mr. JAVITS are as follows:

On page 2, after line 16, insert the following new section:

"SEC. 4. The National Defense Education Act of 1958 is amended as follows:

"(1) The first sentence of section 201 is amended to read as follows:

"'SEC. 201. For the purpose of enabling the Commissioner to stimulate and assist in the establishment at institutions of higher education of funds for the making of low-interest loans to students in need thereof to pursue their courses of study in such institutions, there are hereby authorized to be appropriated $90,000,000 for the fiscal year ending June 30, 1962, and the succeeding fiscal year, and such sums for the fiscal year ending June 30, 1964, and each of the three succeding fiscal years as may be necessary to enable students who have received a loan for any school year ending prior to July 1, 1963, to continue or complete their education.'

"(2) Section 202 is amended by striking out "1962" each time it appears and inserting '1963' in lieu thereof.

"(3) Section 206 is amended by striking out '1966' each time it appears and inserting '1967' in lieu thereof.

"(4) Section 301 is amended by striking out 'three' each time it appears and inserting 'four' in lieu thereof.

"(5) The third sentence of section 302(a)(2) is amended to read as follows: 'Such promulgation shall be conclusive for each of the three fiscal years in the period beginning July 1, 1960, and ending June 30, 1963.'.

"(6) Section 304(b) is amended by striking out 'two' and inserting 'three' in lieu thereof.

"(7) Section 402 is amended by striking out 'three' and inserting 'four' in lieu thereof.

"(8) Section 501 is amended by striking out 'three' and inserting 'four' in lieu thereof.

"(9) Section 504(a) is amended by striking out 'two' and inserting 'three' in lieu thereof.

"(10) Section 504(b) is amended by striking out 'three' and inserting 'four' in lieu thereof.

"(11) Section 511 is amended by striking out 'three' and inserting 'four' in lieu thereof.

"(12) Section 601 is amended by striking out '1962' each time it appears and inserting '1963' in lieu thereof.

"(13) Section 611 is amended by striking out 'three' and inserting 'four' in lieu thereof.

"(14) Section 763 is amended by striking out 'three' and inserting 'four' in lieu thereof.

"(15) Section 802 is amended by amending section 301 of title III, 'Area Vocational Education Programs' of the Vocational Education Act of 1946 (20 U.S.C. 15i–15m, 15o–15q, 15aa–15jj) by striking out 'three' and inserting 'four' in lieu thereof.

"(16) Section 1009(a) is amended by striking out 'three' and inserting 'four' in lieu thereof."

Amend the title so as to read: "A bill to extend for one year the temporary provisions of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas, and to provide for the application of such laws to American Samoa, and to extend the temporary provisions of the National Defense Education Act of 1958."

The excerpt submitted by Mr. JAVITS is as follows:

Page 2, minority views on S. 2393:

Unless the NDEA is extended this year, there will be no loans available for the 36,000 high school seniors with superior academic background who must have a loan to enter college in the fall of 1962. Without assurance of continued Federal support, the 47 language and area centers, financed up to 50 percent by the Federal Government, would face retrenchment. The Federal investment in these language centers, which are so important today particularly with respect to Africa and Asia, is over $3½ million. And if the NDEA is not extended this year, the effectiveness of the area vocational education program will be jeopardized at a time when the Labor Department estimates that at least 100,000 additional technicians will be needed annually during each of the next 15 years to work with engineers and scientists.

I think the position of the country in terms of national defense demands at least an extension of the NDEA in view of the fact that the Senate majority cannot do what it has the responsibility to do—that is, to pass the Federal aid to education bills reported by the committee.

The time to renew the NDEA is now. Because the impacted school areas bill has expired there are opponents of the NDEA, and indeed of Federal aid to education generally, who need the impacted areas bill and are feeling the need now to do something to rescue these programs. If we wait until next year, those who support Federal aid to education are the ones who will be forced to act under the pressure of the imminent expiration date of the NDEA. In order to maintain the same position to act on the NDEA next year as we are in today, we have to keep 1 year ahead.

Mr. JAVITS. I make this statement because I think this is a very critical subject. Unless the National Defense Education Act is extended this year, there will be no loans available for the 36,000 high school seniors with superior academic background who must have a loan to enter college in the fall of 1962. With our assurance of continued Federal support, the 47 language and area centers, financed up to 50 percent by the Government, would face retrenchment. These centers are critically important to our position with respect to Africa and Asia.

Finally, if the NDEA is not extended this year, the effectiveness of the area vocational education program will be jeopardized at a time when the Labor Department estimates that at least 100,000 additional technicians will be needed annually during each of the next 15 years to work with engineers and scientists.

Finally, I point out that the fact that the leadership of the administration on the majority side has collapsed on Federal aid to education does not mean that the educational system, which is directly responsive to the defense emergency, must be hung up this year. For that reason I hope very much that Senators will give the most serious thought to the proposed extension on the impacted areas bill. Many Senators want the impacted areas bill. I think many others want the National Defense Educational Act extended, and this is the time to do both.

ELECTRONIC INDUSTRY IN MASSACHUSETTS

Mr. SMITH of Massachusetts. Mr. President, the following article on my home State appeared in the Esso Oilways magazine of the Esso Division of the Humble Oil & Refining Co. It presents not only a history of the Commonwealth, but an excellent description of the rise of the electronic age industries that have made Massachusetts one of the leading industrial States of this country.

I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE BAY STATE

It is not only the first home of the Pilgrims, but a highly industrialized State and the center for the manufacture of electronic and space equipment.

The first settlers of Massachusetts were not only men of rectitude and courage; they were also a people of enterprise and determination. When they originally fled from Scrooby and other English towns to that strange land of Holland, they could not rest long. The New World beckoned to them and they heard the call.

Earlier Englishmen under Gosnold had tried the New England coast, but found it forbidding and unproductive. So they returned to the homeland. But the Pilgrims and Puritans were unafraid of vicissitudes and took hardships in their stride. They sailed for an unpromising place and by their industry transformed it into a promised land. They worked on a 6-day schedule and worshipped on the seventh. In the beginning, they struggled for survival; later they worked for security; today their efforts spell success.

Massachusetts is a comparatively small State in area with a population of slightly more than 5 million and a working force of more than 2 million. According to the U.S. Census of Manufacturers, 1958, the unadjusted value added by manufacturing in the State was over $5 billion.

In order to survive their early hardships, the settlers farmed and fished. (Even Governor Bradford had a fishing station at Cape Ann.) Today, farms employing about 7,000 workers produce mostly dairy products, poultry and eggs. But the old fishing ports of Gloucester and Boston still bring in great shining harvests from the sea. Gloucester even imports fish from abroad to process in its canneries.

Edward Winslow explored the Connecticut River Valley in the 1630's to set up likely fur-trading posts. Soon furs became a thriving business. Forests were leveled to make farmlands and provide homes. And from the lumbering business evolved the lucrative trade in naval stores exported to England in the form of turpentine, tar and timbers. In 1646 the first successful ironworks in America was begun at Saugus. Industry had started to roll in Massachusetts and many other firsts followed. The first shoe factory in the world was at Danvers. Today at Beverly is located the United Shoe Machinery Corp., the largest of its kind in the world.

The State may well be proud of its enterprising and ingenious natives chalking up an endless list of other firsts, such as the first chocolate mill established at Dorchester in 1765. Today the State leads the world in chocolate processing, making 12 percent of all the candy in the United States. Linus Yale made the first Yale lock in the mid-19th century at Shelburne. The first gasoline-powered automobile was built at Springfield by the Duryea Motor Car Co. It was at Woburn, in 1840, that Charles Goodyear discovered how to vulcanize rubber.

The Crane Paper Co. at Dalton, founded in 1801, is the oldest family-owned company in the country, and is the exclusive supplier of paper for U.S. currency. The telephone was invented by Bell in Boston in 1876. Previous to that, Eli Whitney of Westborough instituted the modern concept of mass pro-

duction. At present the State ranks high in the Nation in research, electronics and education.

Those early settlers, being farsighted, realized that education was important. The Boston Public Latin School began in 1635. Harvard College was opened the following year. Now there are approximately 75 institutions of higher learning in the State and 322 research centers engaging 15,000 scientists, engineers and technicians. Among the many firsts in the State is a new project under construction at Cambridge. It will be a $15 million research center built jointly by Massachusetts Institute of Technology and Cabot, Cabot & Forbes, industrial developers. There are over 300 firms in the State operating in the areas of nuclear research, nucleonics and atomic power. The Massachusetts Institute of Technology has completed the first reactor in the State for experimental usage. At the Quincy shipyards, Bethlehem Steel Co. is constructing two nuclear-powered surface ships for the Navy, the cruiser *Long Beach* and the frigate *Bainbridge*.

Behind the great variety of industries, especially the comparatively new fields of plastics, synthetic textiles, electronic devices and chemical derivatives, lie the research laboratories. And behind the research centers are the secondary and collegiate schools and universities.

Yet it is less than a 100 years since scientific research struggled for a place in the schools. But today is the time for the specialist, whether in chemistry, physics or any of the sciences.

Much of the State's new industrial blood can be attributed to the efforts of private industrial developers and the paid industrial development commissions of several cities and towns.

There are 70 industrial development districts throughout the State, ranging from 50 to 1,500 acres. Near all the major cities, they are open to light or heavy industry, office buildings or research laboratories. Most are serviced with utilities.

The Divisions of Research, Planning and Development of the Department of Commerce facilitate the settlement of new companies or the expansion of those of long standing. Throughout the State over 270 firms have completed construction or have made plans for expansion during the last 18 months.

From a bird's-eye view of the State, it might be said that all Massachusetts is divided into three parts: Boston, the rest of the State and Route 128. The latter is a 75-mile-long highway which carries vehicular traffic around Boston.

Boston began in 1630 on a hilly little promontory connected to the mainland by a narrow neck of land. The town originally contained only 780 acres. However, since then, 3,000 acres of landfill and 28,000 acres of mainland annexation have greatly enlarged the area. Boston, a great commercial and industrial beehive, boasts of a thriving harbor which is nearer Western Europe than any other American port. It is also closer to ports in Brazil and Argentina than are the gulf ports. The city has recently jumped from ninth to eighth place among the country's manufacturing centers. In reference to the number of employees, the major industries in Boston are electrical and other machinery, foods, apparel, and leather products.

In metropolitan Boston alone, during the first half of 1960, major new business developments announced and initiated by building permits amounted to more than $46 million. Expectations are that capital expenditures for 1960 will reach $100 million.

The image of the State has undergone a complete evolution in the past 25 years. Where once it was known as a fishing, textile, and leather goods State, it has earned a new repute for its diversification. And there is also a strong swing toward the manufacture of durable goods. The Commonwealth of Massachusetts Industrial Directory for 1959, a compilation of companies and industrial categories, lists well over 6,500 firms employing eight people or more. Products range from ammunition to beauty shop equipment.

Massachusetts has come about full circle in the last three centuries from a producer of raw products to a voracious consumer and processor of all raw products. The Commonwealth is now primarily an exporter of manufactured goods half of which are sold to its immediate neighbors. This close market is composed of the New England and Middle Atlantic States. It is a comparatively small area in reference to the whole country, yet it contains 28 percent of the total population. And this population receives about one-third of the Nation's income. By reason of its proximity to Massachusetts this eastern market is favored by comparatively cheaper freight rates.

In the early 19th century the introduction of steam power to supplement water power greatly expanded the industry potential. Because of such men as Slater, Lowell, Jackson, and Appleton the trend ran strongly to textiles and leather products. Although these industries have spread throughout other States in recent years, Massachusetts still leads the Nation's production of shoes with about 17 percent of the total. But the State still retains many textile and apparel plants.

Within the last 20 years, as textiles and the shoe industry created a void within the State by their gradual withdrawal, other industries eventually moved in to fill the gap. Plastics and electronics were among the new entrants. The motivating forces behind this welcome incursion were availability of vacated plants, a great pool of skilled and semiskilled men and the proximity of many research centers. The Commonwealth is one of the largest manufacturers of plastic molded products in the United States. Massachusetts manufacturing—the employer of almost 45 percent of all nongovernment workers in the State—now employs about 695,000 persons, a figure about 15,000 below the 1957 level. Industry leaders know that they are challenged with the creation of 90,000 new job opportunities to meet the State's expanding population.

Today Massachusetts is one of the four greatest producing areas in the country in the field of electronics. It is a leader in research, development, and production of highly specialized communications equipment. Over 500 companies in the State employ nearly 100,000 people in this category. Many of these companies line Route 128, frequently called Electronics Highway.

A random look at the communities located near the corners of the State are a good indication of its industrial diversification. In the northwest area of Williamstown, electric wire and sensitized photographic paper are produced. Going northeast, near New Hampshire, is Amesbury, where auto parts and women's novelty shoes are manufactured. In the southeastern part of the State products range from nails, tacks, and rivets to marine equipment, including machinery. This area is also the home of the Plymouth Cordage Co. Westward, at Great Barrington, fine papers are made as well as cotton goods. The transportation lines extending to domestic and foreign markets from Boston, Worcester, Springfield, Fall River, Quincy, and Lynn carry a profusion of goods from automobiles to zinc ointment.

Long before Route 128 was envisioned, such large metropolitan areas as these were the productive shops of the State. With the gradual emigration of textile and leather processing plants from the State these cities became industrially weakened. The depression of the 1930's dealt another staggering blow. But they have staged a remarkable comeback.

Worcester, second largest city in the State, is a place of diversified operations. It is the world's largest manufacturer of abrasives and abrasive products, and also leads in forging magnesium alloys. It leads the Nation in fuel stoking equipment. It is the center of New England's plastics industry, and is nationally known for its production of wire, textile machinery, and paper and paper pulp machinery.

Springfield, through the Springfield Industrial Development Commission, has attracted many new companies to that Connecticut Valley area. Some of the major operations there include firearms, electrical appliances, air-conditioning apparatus, and machine tools. It ranks third in population behind Worcester and Boston.

Lowell, one-time textile center of the world, now plays host to a great variety of producers. Former vacant textile plants now hum with the manufacture of apparels, foodstuffs, furniture, stainless steel, and shoes.

For 20 years, New Bedford has been waging a winning fight against industrial paralysis. Through popular subscription to bond issues it has improved its moribund plants with new blood. Electronic and communications equipment flourish there in company with steel fabricators, apparel manufacturers, and a host of other processors. What has happened in Worcester has occurred in Fall River and Lynn. Up in Greenfield, near the Vermont line, the first cutlery in America was made. Today it is known as the world's largest producer of taps and dies. The story of one town or large city in Massachusetts is the theme of the entire State.

And not the least of the State's interesting attractions is the great number of resorts and vacation spots. For pleasure and relaxation is big business in the State. Whether one takes the high road through the Berkshires or the low road along the shore, Massachusetts is an excellent host. Its many lakes, forests and innumerable historic places hold interest for all tastes. Many Americans visit Cape Cod each year.

The third and newest part of the State is Route 128. This highway is a onetime country road rebuilt in the early 1930's to detour traffic north and south around Boston's congested area. It describes a huge arc 20 miles from Boston for a distance of 75 miles.

Farsighted real estate men envisioned its value as an industrial zone. Manufacturers seeking cheap land near the port, rail lines and highways began to locate there. The trend grew and property valuation increased. Land that had once sold for $1,000 per acre jumped to $26,000, depending on the site. By 1955, 39 companies were in operation. Today the road is flanked by over 260 companies employing 30,000 people. There are 18 industrial parks situated along the highway, fully or partially constructed.

Upstate at Rowe, in Franklin County, the Yankee Atomic Electric Company's plant went critical in August 1960. This company, formed by 10 New England utility companies, built the plant at a cost of $50 million. The reactor is operated with enriched uranium dioxide (UO_2) and has a generating capacity of 134,000 kilowatts. It is hoped that within the near future operating costs of such an atomic device may be reduced to a level comparable to fossil fuel generating plants, which now have a generating capacity of 3 million kilowatts in the State.

ADJUSTMENT OF POSTAL RATES

Mr. MONRONEY. Mr. President, on August 4 I introduced, for myself and for Senators MANSFIELD, HAYDEN, RANDOLPH, CLARK, NEUBERGER, MUSKIE, and

GRUENING, S. 2382. This bill is for the purpose of increasing the postal rates to cover a substantial part of the annual postal deficit.

Under the terms of the bill rates would be adjusted for each of three classes of mail, for which rates are set by statute, to pay for the service extended to each group. The bill will eliminate about $600 million of the present postal deficit. With the amount which the Congress may appropriate for public services performed by the Post Office Department for which it is not paid, this would cover the present postal deficit.

The reason my colleagues and I introduced the bill was to provide the opportunity for immediate hearings on this important bill. Unless we act now in the Senate to hold hearings, we in the Senate may suddenly find ourselves blocking the recapture of this $600 million in present postal losses for an entire year.

There is a possibility—a strong possibility—that the bill now pending in the House will be reported to that body for action soon. If this is the case and the House acts, the Senate would find it very hard to justify a year's delay on this important measure simply because we would not take the time to conduct hearings on it.

The urgency of committee hearings is apparent and further delay on the part of the Senate Post Office and Civil Service Committee will place the blame for this costly $600 million loss squarely upon our shoulders.

Recently I wrote the distinguished and able chairman of the Post Office and Civil Service Committee, the Senator from South Carolina [Mr. JOHNSTON], urging him to call hearings on the Senate bill either by the full committee or by the Subcommitee on Postal Affairs which I have the honor to chair. I advised him that our subcommittee was prepared to begin early hearings if he would refer the bill to us, or that if he wished, we would cooperate in hearings before the full committee.

Under date of August 14, the Senator from South Carolina advised me that custom stood in the way of the Senate beginning hearings on rate bills until the House has acted and that he did not believe it advisable to set a new precedent in this matter.

He further advised me that—

> When the matter comes over from the House, then it is a question for the committee to decide when hearings will be held.

It seems to me that since there is ample precedent in the postal rate bills of 1949 and 1951, when Senate hearings were held before House passage of the bill, this excuse for delay is not sufficient to justify losing $600 million in revenue during the next year. In fact, the precedents in recent years would dictate that hearings be held. Certainly commonsense and fiscal responsibility likewise dictate that hearings should be held without delay.

The Congress has appropriated, within the past few weeks, more than $3.6 billion to strengthen our defense for the Berlin crisis. I frankly admit that the postal rates and this added expenditure for our survival are not identically related. But the postal rates and the postal deficit are as directly related as the Siamese twins. And this added $600 million annual deficit, in this time of crisis requiring the buildup of our military strength, is a burden that is both unnecessary and unwise.

I plead with the distinguished chairman, the Senator from North Carolina [Mr. JOHNSTON], that we no longer delay our consideration of this bill and thus further complicate the management of this Nation's fiscal affairs. If he does not wish to take the responsibility of calling the hearings, he should refer the bill to the postal subcommittee or at least give the full Post Office and Civil Service Committee a chance, at a regular meeting, to pass upon this important question by rollcall vote.

For myself I find it difficult indeed to permit a continuing $600 million deficit in one department of Government while our military requirements are demanding greater sacrifice on the part of all of our people.

The total cost of the increases in postal rates will amount to only a few cents a week to the average household, and yet the income from these raises will at least remove $600 million in postal deficits that should not be permitted through unnecessary delay on the part of the Senate or by its committees.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to the distinguished Senator from Pennsylvania, who is a cosponsor and coauthor of the bill.

Mr. CLARK. Mr. President, as a cosponsor of the bill introduced by the Senator from Oklahoma, and as a member of the Post Office and Civil Service Committee, I join in urging that hearings be held promptly on the bill at this session before we go home. It is never a very gracious task for a Senator to take the lead in imposing what is in effect an additional tax burden upon many of our citizens. Yet having voted—and I think voted correctly—for many expenditures this year, some of which were over and above the budget estimates, I could not in good conscience fail to cosponsor the bill and urge its speedy passage.

I hope it will be possible to take a forward step in this regard in the immediate future. It is stated that custom prevents the holding of hearings until the House has acted. As the Senator has pointed out, there is ample precedent for the Senate to act first. Even if there were no such precedent, I would still urge hearings. Many Members of the Senate know my view that some of the customs and a few of the manners of this body might well be changed in these times.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. MANSFIELD. I hope something can be done to increase postal rates this year. I know that it is not an easy subject to deal with, because anything that seeks to increase the revenues of the country is always difficult for politicians to confront. However, the President in his speech to the Nation only a few weeks ago again asked that this legislation be passed. I hope that the distinguished Senator from Oklahoma will be successful. I have every confidence that the fairmindedness of the distinguished chairman of the committee, the Senator from South Carolina, will bring into play the necessary factors to bring about enactment of the legislation.

Mr. MONRONEY. I thank the Senator very much.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. HARTKE. Mr. President, the great revolution which began with the end of the Dark Ages has had a continuous evolution. Just as the serfs broke away from the barons and as subjects limited the autonomy of their kings, man has continued to struggle for freedom of motion, action, and thought. Although the concept of freedom may be broadened or refined, the concept will remain the goal—and the struggle will continue.

Our freedom is now moving into an entirely new concept. We, as a people, are on the threshold of a new age in civilization—an age which spells the end of drudgery and of tedious manual labor. The new age will, in fact, bring the end of the working class as we know it.

Today the struggle exists in the underdeveloped nations of the world—nations suffering from poverty and hunger, nations crying for assistance and leadership. In the past, America has not turned her back on those less fortunate than she—and she must not now.

We have before us in the Senate this week a bill to continue and to improve our foreign-aid program. I intend to vote for this bill.

Foreign aid is the practical application of the ideals and concepts upon which America was founded. It is our Nation's affirmation of those principles which have made our people great.

I do not believe that we in America can turn our backs on the world and today deny those principles which we fought a revolution to win, and for which we have risen time and again to defend.

What concepts are these? They are the same Judeo-Christian and democratic concepts which have been the basis for our beliefs since our beginning—they are our beliefs in freedom, in humanitarianism, in democracy—it is our belief in the dignity and worth of man.

How can we who stand on the brink of the newest and greatest era ever known to man deny the principles and beliefs which have been responsible for our coming so far?

How can we turn our backs and refuse to feed the hungry who look to us for bread—to heal the sick who turn to us for care, refuse freedom to the nation who looks upon our revolution as a shining example and goal? How can we who

cling so strenuously to individualism and to individual rights deny the dignity and worth of a man just because he comes from Asia, Africa, or Latin America?

Our responsibility is twofold. If we deny these things we not only repudiate all of the things America represents, but we also leave the door open for Communist infiltration and ultimate supremacy in the world.

Our foreign aid programs in the past have been successful in many areas. Oh, yes, we have made mistakes, but they were mistakes of judgment and not of principle. One of the greatest testimonials to our successes in the past was Khrushchev's public statement in opposition to American foreign aid. He blames American foreign aid for keeping South Vietnam free from North Vietnam which is already under Communist control. He claims that our foreign-aid program prevents the nations to which the aid is given from developing economic and trade relations with Communist countries. He claims that American foreign aid is aimed at gross U.S. interference in the internal affairs of other countries. Can you imagine just how much the Russians must hope that the opponents of the American foreign-aid program are successful in scuttling our program?

The undeveloped and emerging nations of the world have suddenly become vastly important. They, who were so recently subject and ignored are bursting forth—eager for economic and political recognition. Their economic and political strength and stability—their freedom to choose their own path and their own philosophy of government is our greatest hope for peace in the world. These nations, with their hungry and poverty-stricken masses, are at this time most vulnerable to Communist intervention and eventual Communist domination. Therefore, we must give them a helping hand while they are learning to stand lest they stumble and fall to the Communists.

Our foreign aid program then is an investment in American freedom and in the peace of the world as well as an investment in humanitarian concepts.

I sincerely believe that the majority of my good friends in Indiana share my support of the foreign aid program. Hoosiers are a generous and patriotic people. We do not wish to live in a Communist dominated world. Hoosiers have come willingly to the defense of our freedom in every instance in which loyal Americans were called upon. Nearly 1,000 Indiana men gave their lives for our freedom in World War I; 7,500 Indiana men gave their lives for our freedom in World War II; 900 Indiana men gave their lives for our freedom in the Korean conflict. Today, Indiana National Guard units are in the first group designated to be prepared to fight communism in the present world crisis.

To say, as some have said, that most people in Indiana are opposed to foreign aid is to grossly underestimate the intelligence and patriotism of people from Indiana. Certainly we are opposed to wasteful mistakes and failures in the program. I do not believe any good American could favor these things. We are also opposed to poor administration of the program. This is not so strange.

We are aware of and we do believe in the vast amount of economic, political, and moral good which can come from a foreign aid program which is intelligently planned and capably administered.

We know that to achieve success we must make certain sacrifices—but that we cannot afford not to make them.

We believe in the ability of the American people to respond to the world's cry for peace and to mobilize our great American resources into a far-reaching and effective program.

As Theodore Roosevelt said over 50 years ago:

> Much has been given us, and much will rightly be expected from us. We have become a nation, forced by the fact of greatness into relations with the other nations of the earth, and we must behave as beseems a people with such responsibilities.
>
> We, here in America, hold in our hands the hope of the world, the fate of the coming years; and shame and disgrace will be ours if in our eyes the light of high resolve is dimmed, if we trail in the dust the golden hopes of men.

The hopes of men today are truly golden and the light of high resolve is burning brighter than ever in our eyes. We know that it is not enough to pray or wish for peace in the world, and it is not enough to love our fellow man only in the abstract. Decisions and actions must follow the prayers and the wishes and we must put our love into practice.

The foreign aid program is the embodiment of our conviction that we are worthy to hold the hopes of the world in our hands and that we intend to translate our moral responsibility into action and leadership.

ORDER FOR ADJOURNMENT TO 11 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns tonight, it adjourn to meet at 11 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the amendment which is now pending, by the Senator from Indiana, be temporarily laid aside and that my amendment as modified, identified as "8-10-61—B," be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to state the amendment.

Mr. SMATHERS. I ask unanimous consent that the amendment not be read, but printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 15, line 22, strike out "$100,000,000" and insert "$85,000,000".

On page 20, after line 25, insert the following:

"SEC. 224. HOUSING PROJECTS IN LATIN AMERICAN COUNTRIES.—(a) It is the sense of the Congress that in order to stimulate private homeownership and assist in the development of stable economies, the authority conferred by this title should be utilized for the purpose of assisting in the development in the American Republics self-liquidating pilot housing projects designed to provide experience in rapidly developing countries by participating with such countries in guaranteeing private United States capital available for investment in Latin American countries for the purposes set forth herein.

"(b) In order to carry out the purposes set forth in subsection (a), the President is authorized to issue guaranties assuring against the risks of loss specified in paragraph 221(b)(2) of investments made by United States citizens, or corporations, partnerships, or other associations created under the law of the United States or of any State or territory and substantially beneficially owned by United States citizens, in pilot or demonstration private housing projects in Latin America of types similar to those insured by the Federal Housing Administration and suitable for conditions in Latin America. The total face amount of guaranties issued under this section outstanding at any one time shall not exceed $15,000,000.

"(c) The provisions of section 222 (a), (b), (d), and (e) shall be applicable to guaranties issued under this section in the same manner and to the same extent as they apply to guaranties issued under section 221(b)(2)."

Mr. SMATHERS. Mr. President, the amendment would add a new section to title III of the pending bill relating to investment guarantees, earmarking $15 million of the $100 million program set forth in section 221(b)(2) for specific Latin American self-liquidating pilot housing projects.

The face amount of guarantees outstanding at any one time that would be provided for in this all risk guarantee section would be reduced from $100 million to $85 million so as to provide $15 million for Latin American housing in the proposed amendment.

The proposed new section 224 would express that it is the sense of the Congress to stimulate private home ownership and assist in the development of stable economies in Latin America; that to accomplish this purpose the investment guarantee program should be utilized to assist in the development in the American Republics self-liquidating pilothousing projects designed to provide experience in rapidly developing countries by participating with such countries in guaranteeing private U.S. capital available for investment in such housing programs.

Section (b) of the pending amendment would authorize the President to issue guarantees for this purpose in order to inaugurate a housing program similar to the FHA program in this country. The total face amount of the guarantees issued shall not exceed $15 million outstanding at any one time.

It is true that under section 221(b)(2) the guarantees issued shall emphasize

economic development projects, furthering social progress and the development of small independent business enterprises. In the committee's report, it is pointed out that in approving this authority it is expected that it will be used to encourage the development of independent business enterprises, credit unions, cooperatives, low-cost housing projects, and other similar activities.

I frankly feel that even though a project of the nature proposed by the pending amendment comes within the purview of the committee report's language that sufficient emphasis is not placed on the real need of initiating a specific program of this type in Latin American countries. I fear that worldwide considerations will again place other projects on a priority basis to such a point that little, if anything, of the $100 million provided for will be left for a Latin American housing program.

This is the real reason why I propose the pending amendment. It gives to Latin America the attention which it justly deserves at a time when it is needed most. In addition it provides for the encouragement of private investment to participate effectively in our foreign aid program.

One other factor which I feel is of extreme importance, and which the pending amendment is designed to accomplish, is a stimulation of private home ownership and the encouragement of free enterprise in the American Republics. In this way our foreign aid will operate on a people-to-people basis.

This, in my opinion, is a most effective way to combat the Communist economic offensive which poses such a threat to not only Latin America but to the security and economic well-being of all the Americas.

It will be recalled that last year Congress expressed the sense that the Development Loan Fund should be utilized to guarantee private investments for pilot housing projects in Latin America. Despite this expression, no program was ever implemented by the Development Loan Fund, and no guarantees were made for housing projects.

Second to providing food for the impoverished people of the hemisphere, the most direct, the most beneficial, and surely the most-to-be-appreciated form of assistance lies in giving the people of Latin America an opportunity to improve their standard of living by making it possible for them to rid themselves of inadequate housing and to own homes of their own.

What better way, on a people-to-people basis, is there to combat the ill-fated and misleading promises of a Communist state?

The present need for housing in Latin America staggers one's ability to contemplate.

According to statistical data obtained from the International Cooperation Administration and the Federal Housing Administration's International Housing Office, present housing needs are in the neighborhood of 19 million homes. Every year the deficit increases by another million. To be specific:

Peru needs 800,000 now and must build 80,000 a year in the future to match population growth.

Salvador needs 400,000 homes. Nicaragua needs 230,000. Colombia needs 500,000. Costa Rica needs 50,000 today and 3,000 per year hereafter.

Venezuela must build 33,600 homes a year to keep up with the population.

Chile needs 450,000 homes, which situation is aggravated by the loss of 50,000 dwellings in the recent earthquake.

Argentina needs more than 1 million homes to overcome its deficit, which is increasing at the rate of 70,000 units a year.

Ecuador's present deficit is 572,000 increasing by 12,000 units annually.

Mexico's Housing Institute has a goal of 300,000 new homes a year, but is able to build only 20,000 to 30,000 annually at the present time.

The countries enumerated comprise less than half of the 21 American Republics. To build the 19 million homes needed today, at an estimated cost of $2,000 per home would require an outlay of $38 billion. This leaves out completely the need for roads, schools, hospitals, industry and all other developments necessary as Secretary Dillon said at Bogotá "to lift these people into the 20th century."

How best can we achieve some measure of reform and improvement in the state of housing in Latin America? Certainly neither the public nor private sector of our economy can reasonably be expected to fill the total need. The Latin American countries themselves must put their financial house in order by establishing an equitable tax structure and speed needed land reforms. All of this is necessary to promote and bring about economic and political stability.

For our part in such programs, I think we can do no better than to harness the forces of private capital to employ a tried and proven method, such as the FHA approach.

The amendment is designed to accomplish this objective. It would afford an opportunity for free enterprise in this country to join with the United States Government in helping the Latin Community of Nations toward solving their housing shortage. By guaranteeing private housing investments, moreover, we would quadruple the amount of funds that would be available from a direct government loan.

Congress has previously stated its intention that private enterprise should be introduced more effectively into our foreign aid programs.

President Kennedy, too, has called for the assistance of our private sector. So does the Act of Bogotá. Secretary Dillon only recently made the same request in his address before the meeting now in progress in Uruguay.

As has been stated many times before, it is not enough merely to export our capital to foreign lands. We must also export at every opportunity the benefits of free enterprise and its relationship to achievement and the respect for the dignity of man.

As I have previously pointed out, despite the sense of Congress, expressed last year, no private investment guaranties were made for Latin American housing projects. Today I ask the Senate to give this plan an opportunity to prove itself through a limited number of pilot projects. I ask Senators to consider this program as putting our free enterprise system to work in aiding our neighbors of this hemisphere.

There are, to my knowledge, many substantial investors prepared to implement such a program if adopted by the Congress. I know, for example, that a $10 million loan guarantee for such a project has been sought for more than a year by one of our insurance companies. The proposed recipient country is eager for such private capital rather than a direct Government loan which it has been offered. The country laid sewers, put in streets, and otherwise prepared the land for the homes that will be built if private capital can be made available for this purpose.

A national labor union has also applied for a guarantee under this program. The union has committed $4 million of its trust funds to such a project. It proposes to send many of its Spanish-speaking members to the recipient country to work side by side with native workers, teach them the refinements of our home building industry, and establish, literally at the grassroots level, a people-to-people program.

Another of our national labor unions has advised the Development Loan Fund informally that it is prepared to invest from its trust funds as much as $6 million a year for the next 10 years in these projects provided a guarantee program is initiated.

The success of guarantee programs previously enacted by Congress has been unequaled in all of our legislative history. I think the reason is clear. Under programs of guarantee our Government is, in fact, placing its stamp of approval and reposing its confidence in our free enterprise system. Under guarantee programs, our Government induces the wealth of our Nation into constructive areas of endeavor without imposing restraints on the flow of capital or extending unnecessarily the public economic sector.

Take, for example, the FHA guarantee program. It has made it possible for millions of our families to own their own homes—families for whom private homeownership would have been impossible under conventional mortgage terms. While achieving this record, and charging a guarantee fee of only one-half of 1 percent, FHA has accumulated a reserve in excess of a billion dollars. The FHA, furthermore, has been the catalyst around which our $20 billion homebuilding industry has grown. A similar program can do the same thing to the economies of the Latin nations.

Our FHA program has been successful because the credit of our people is good. The record is clear that the credit of governments of other countries is good.

The International Cooperation Administration, in its limited guarantee program, has accumulated a reserve of $6.5 million and has never been required to default upon one of its guarantees.

Cuba stands alone as the black stain upon the credit rating of Latin American countries. But while the Communist shadow has darkened the shores of our Western Hemisphere, we must not crucify all of South America on the cross of Castroism. Mr. Guevara's attacks upon the United States as Uruguay are only the most recent evidence of communism's efforts to feed upon problems it cannot solve.

Today, throughout Latin America, the purchase of a home requires a 50-percent downpayment and amortization of the balance within 5 years.

Similar to conditions that prevailed in this country before the Federal Housing Administration was established, there are millions of families in Latin American countries who could afford a home of their own if it were available upon reasonable terms.

Let us, I urge you, give this FHA-type program a trial in solving Latin America's housing shortage. Let us enlist the forces of free enterprise in our efforts. In so doing, we will be directing our assistance more immediately to the needs of the people.

We will be able to demonstrate to the impoverished people of this hemisphere that we share their personal goal of a better life; that the forces of a free economic system which transformed the United States from a land of wilderness to a Nation of strength and prosperity are still alive; and that these forces predicated on the principle of human dignity can lead another nation and another people, despite their present difficulties, to the same plentiful goal.

Mr. President, I urge the adoption of the pending amendment.

Mr. President, I have discussed the amendment with the distinguished Senator from Arkansas, chairman of the Committee on Foreign Relations; with the distinguished senior Senator from Indiana [Mr. CAPEHART], who has previously been interested in the development of a private housing industry in Latin America; with the able senior Senator from Oregon [Mr. MORSE]; the distinguished senior Senator from Minnesota [Mr. HUMPHREY]; and other Senators who have expressed interest in this particular field.

Mr. CAPEHART. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. I yield.

Mr. CAPEHART. I have no objection to the amendment; I recommend it. I think it is one of the good amendments to the bill.

Mr. SMATHERS. I thank the Senator from Indiana.

Mr. FULBRIGHT. Mr. President, I also have discussed the amendment with the distinguished Senator from Florida. I think its objective is proper. In the discussions of the program in the committee, it was contemplated that a reasonable amount of money would be used in this field. It is my best estimate that the amount which the Senator has specified is a very reasonable amount to allocate for this purpose.

With respect to the discussion concerning striking out, on page 2, certain language beginning in line 16, after the period, through the period in line 20, has that been amended?

Mr. SMATHERS. That has been amended.

Mr. FULBRIGHT. It is understood that that language has been deleted from the amendment as printed?

Mr. SMATHERS. The Senator is correct. That language has been deleted.

Mr. FULBRIGHT. With that understanding, I have no objection to the amendment.

Mr. MILLER. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. I am happy to yield.

Mr. MILLER. What is the portion of the original amendment which has been deleted?

Mr. SMATHERS. That was the language which stated:

> The rates of fees to be charged shall be reasonably comparable to the rates of premium charges for insurance of mortgages under title II of the National Housing Act, and in no case shall be more than two times the rates of such premium charges.

That language was dropped because it was the feeling of those of us who have had some experience in the Latin American area that it might be restrictive. It was felt it might actually interfere with the implementation of the program. Obviously, a housing program will be no good unless, finally, the interest rates, charges, and fees can be brought to a level which is comparable with the income of the people who are seeking housing. As we all know, in Latin America, interest rates, compared with rates in the United States today, are exceedingly high. It is hoped that by this type of program and similar programs it will be possible to provide lower interest rates. Rather than to make the program completely restrictive and limited, and thus possibly accomplish nothing, it was thought better to drop it, in the hope that the administrator of the program will do the best he can to accomplish the objective.

Mr. MILLER. What would be the standard?

Mr. FULBRIGHT. Mr. President, will the Senator from Florida yield, so that I may add to his statement?

Mr. SMATHERS. I yield.

Mr. FULBRIGHT. In the other program for insurance, under the overall program of $100 million, it is contemplated that the President will set the fees in this field on the same basis as in the others. This is really an experimental program. It will have to be studied, after due consideration of all the traditions prevailing in a particular country.

Mr. MILLER. I thank the Senator from Arkansas.

Mr. SMATHERS. Each country probably would have a different rate.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Florida [Mr. SMATHERS].

The amendment was agreed to.

RISING CONSERVATISM

Mr. MILLER. Mr. President, an article entitled "Conservatism On the Rise?" written by Godfrey Sperling, Jr., was published in the Christian Science Monitor of August 8, 1961. Mr. Sperling raises a very nice question concerning whether conservatism is on the rise. Regardless of the answer to the question, he states that many persons, including younger persons, are increasingly concerned about the amount of governmental spending today.

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONSERVATISM ON THE RISE?—AN INTIMATE MESSAGE FROM THE MIDWEST

(By Godfrey Sperling, Jr.)

Recently while partaking of the warm hospitality of the Milwaukee Journal, there was the usual exchange of questions and information. The Journal's genial chief editorial writer, Paul Ringler, asked: "Do you find in your wanderings much validity for the claim that conservation is on the rise in this country?"

I said that it was my impression that this was so. He asked for specifics. I cited recent Tower and Goldwater speeches where I had seen audiences more enthusiastic than usual. When businessmen hammer their dinner tables in response to a speaker's remarks, this is something for an off-election year. In fact, when businessmen respond like that, it would be something for any year—including a presidential campaign period.

Then I cited visits to several college campuses, where a number of youngsters had come up to me to discuss politics—and where the evidence of conservative leanings was strong.

"But," came the question from another editor, "couldn't it be that the conservatives merely are more vocal than they were?" I had to admit this might be so.

Later, on reflection, I remembered that I had left out some other specifics. I recalled that I had been in several student eating places where I had overheard conservative talk (anxiety over excessive spending, etc.) that would have to be considered spontaneous. And I had talked to several professors along the way who had volunteered the information that conservatism was gaining ground on campus. These professors did not necessarily share their students' sentiment.

Prodded by the editors' questions I decided to make a few more inquiries. What, for example, would the onetime Wisconsin Progressive leader, Philip La Follette, have to say about this? Said Mr. La Follette, who certainly couldn't be accused of wanting to forward the conservative movement in America:

"I have noted it among young people, apparently in the age group of 21 to the late 30's. They are beginning to wonder who is going to pay for all this aid and assistance—not just abroad, but right here at home." He continued:

"I'm not saying they are correct, but I have noted it: I get up to the university area a lot

(the University of Wisconsin is fairly close to my law office), and I hear them talk. And I have children, and I hear them talk.

"I distrust the comments on this subject from the normally conservative people or the normally progressive people. These younger people aren't necessarily conservatives. They are just concerned about who is going to support the people at the upper end of the line and the people at the lower end of the line. They're asking, 'Who is going to pay the bill?'

"In their view it is a nice dinner, but who is going to pick up the check?"

An interesting answer, this time from a Republican, came from the son of Mr. Republican, himself, Robert A. Taft, Jr.:

"In my trips around the State and to colleges I can't say that I really have seen an upsurge of conservatism. But I think there is increased feeling everywhere and particularly among young people of both parties that inflation has to be checked. They feel that we must watch our spending or we're heading for a bust.

"Young Republicans at colleges are organizing and speaking up more than before. I think there was a feeling among Republican students of being ashamed to state their views. This definitely is changing. For example, at Antioch College there is a Young Republican group that certainly is willing to stand up and be counted. And Antioch has been a place that has been known for its liberalism."

There were a lot of other answers. But these seemed to be the most interesting, an expression from a onetime Progressive and from a Republican in very good standing—comments that, when analyzed, could well be saying about the same thing.

Is conservatism on the move? This may be a moot point. But there does seem to be evidence of more concern with governmental spending, particularly among the young people of both parties.

CONCERN OVER KENNEDY SPENDING

Mr. MILLER. Mr. President, a recent issue of the Des Moines Register contains an article entitled "Burns Expresses Concern over Kennedy Spending," written by Richard Wilson. The article relates to the views and the concern expressed by Arthur F. Burns, one of the outstanding economists in the United States, over what is called the Kennedy spending program. Mr. Burns states that additional spending in times such as these is not prudent. I believe readers of the CONGRESSIONAL RECORD would be greatly benefited by Mr. Burns' views. I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BURNS EXPRESSES CONCERN OVER KENNEDY SPENDING

(By Richard Wilson)

WASHINGTON, D.C.—The liveliest and most significant economic argument since New Deal days is raging over President Kennedy's policies. The main antagonists are Walter W. Heller, chairman of the Kennedy council of economic advisers, and Arthur F. Burns, chairman of the same council in the first Eisenhower administration.

The economists are learnedly berating each other on academic definitions and analyses in long and complex public statements and writings about the gap, secular stagnation, etc.

But what the issue gets down to—in layman's language—is whether the Kennedy administration is going off the deep and economically with measures that will bring on galloping inflation, threaten authoritarian economic controls, further weaken the dollar, boost prices inordinately and overstimulate the Nation like a patient loaded with cortisone.

The latest installment is in the monthly survey of the Morgan Guaranty Trust Co., where Dr. Burns expresses more strongly than before his fears of inflation.

"HE'S NO MOSSBACK"

Burns is not attacked as a New Dealer would attack a conventional business economist. He is no mossback or economic throwback. He was critical of the swift turnaround from fantastically high deficit spending to balanced budget spending in the Eisenhower administration.

And now he is equally as critical of the economic shots in the arm of the Kennedy administration when the patient is rapidly recovering without them.

Dr. Heller's economic council blandly says that, on some very essential points, it actually agrees with Burns. Both Heller and Burns agree, for example, that the economy ought to grow at a faster rate.

Disagreement comes on the big boosts in Federal spending which have been made progressively since the new President took office. At first it appeared such increases would be moderate. Then they began to grow as the President went again and again before Congress with new proposals.

MODERATE OR NOT?

From the economic council's point of view, these increases are still moderate, amounting, Heller says, to no more than $724 million in the 1962 fiscal year.

But Burns thinks otherwise. He thinks the brakes are off and the President and his economic council have created a climate for Congress to go ahead with programs that are outstandingly uneconomic, such as the recent favorable action on Senator HUBERT H. HUMPHREY'S (Democrat, of Minnesota) Youth Conservation Corps.

Burns argues in his new statement that a sharp turnaround in Federal finances from a big surplus to a big deficit situation has already occurred.

"It appears, therefore, that the bulk of the new spending commitments by the Federal Government will come to fruition not in a time of recession, for which many of them were intended, but when recovery is well advanced and the economy is expanding of its own momentum—perhaps when it is already booming," Burns wrote.

FULL IMPACT IN THE FUTURE

"New or additional governmental programs characteristically require only a modest expenditure at the start, then grow rapidly as the organization of the new activity is worked out.

"The full fiscal consequences of the new spending ventures lie, therefore, very much in the future.

"But if governmental spending programs have a typical life history, so also has the business cycle. One of the normal features of business cycles is that the general price level tends to rise during expansion.

"With the private economy recovering, with Federal spending already rising swiftly, with expectations of inflation beginning to spread once again, I see a greater likelihood of an upward spurt in the price level during the coming year or two than does the council.

"In view of the precarious condition of our international balance of payments, even a modest renewal of inflation could now prove very troublesome.

"If our export surplus should decline appreciably, while the Government continued a policy of steadily filling calculated gaps in demand, insistent pressures may arise for factfinding boards to review planned increases of wages and prices—which would of course be a step toward reshaping our economy along lines of authoritarian control."

Nor would Burns let human concern for the plight of the unemployed overturn a balance of the economy.

He said: "It is precisely because the ways in which we fight recession have longer-run consequences that we must not permit even compassion for the unemployed to lead us into actions which, while immediately beneficial, may seriously injure the entire population a little later.

SUBDUE IMPATIENCE

"At a time such as this, when the possibility of a devaluation of the dollar is widely discussed in business and financial circles, I do not think it is prudent to continue enlarging Federal spending programs.

"Since defense outlays must go up, other programs should be cut. Since our economy is recovering and employment is again rising, we can with good conscience subdue our impatience for economic improvement."

Burns has little faith in the "severe tests" on spending programs which the Kennedy council speaks of confidently.

RELIANCE ON BRAKES

But the council assures him that it is "not in any sense proposing that the monetary and fiscal brakes be removed from our economic machine."

It further assures Burns: "If the recovery moves more rapidly than we expect, these brakes can be applied to avert inflationary hazards. But the very existence of brakes permits the machine to go faster with safety. In a year of urgent needs and great opportunities there is little reason to lose precious time, production and employment.

Burns is not impressed. He says the time has already come to call a halt.

ALLIANCE FOR PROGRESS—VAGUE PROMISES AND EXHORTATIONS

Mr. MILLER. Mr. President, the Wall Street Journal of August 10 published a timely editorial entitled "Indecisive Dealer." The editorial states that the U.S. Government has some hard decisions to make concerning its foreign aid commitments. If, indeed, priority should be given to Latin America, then we must cut back our program in other areas of the world.

The editorial states that it appears that the administration, by calling attention to the importance of Latin America, is trying to attach high priority to that area, but, at the same time, the attitude seems to be that the United States can assume huge foreign aid commitments all over the world, although such a program can only lead to disaster.

I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INDECISIVE DEALER

Until Treasury Secretary Dillon spoke at the Inter-American Conference in Uruguay this week, the administration's aid plan for Latin America consisted mainly of a slogan—"Alliance for Progress"—and some vague promises and exhortations.

Now, although much remains hazy, some things about the alliance are becoming clearer. The cost, for instance. Projected U.S. spending in Latin America would surpass our

Marshall plan aid to Europe, despite all the differences of time and circumstance.

In the postwar period, the United States contributed some $12 billion to Europe's recovery. Now, U.S. aid outlays for Latin America have already doubled from last year to $1 billion annually, and could go higher. During the next decade, Secretary Dillon foresees outside investment from all sources of at least $20 billion. He also promises U.S. loans at little or no interest—practically outright grants—for periods up to 50 years.

All this, obviously, represents a truly massive U.S. commitment—one, moreover, largely in advance of self-help measures within Latin America.

Certainly, a case can be made for aiding Latin America so long as the United States is giving so much aid to the rest of the world. The simple facts of geography and our security interests make it a key area for us, especially when the Communists are working hard there. There's also some truth in our neighbors' complaint of neglect; since 1945, less than 5 percent of the total U.S. foreign aid outlay of $90 billion has gone to the score of other countries of this hemisphere.

But the case for approaching Latin America in a new spirit of priority depends on Washington's willingness to face up to the corollary: A changed U.S. approach to the rest of the world. If Latin America's needs are deemed to be of cardinal importance, as our massive aid plans plainly imply, then other claims are not so important, and should be cut back to fit the new pattern of aid-receiving priority.

Yet the administration doesn't appear to have established such an order of priority. On the contrary, the attitude seems to be that the United States can assume huge new burdens in this hemisphere, and go right on carrying a host of other nations besides. There's even talk of still another Marshall plan for Africa, as well as greatly increased aid to underdeveloped countries everywhere.

The U.S. Government had better begin making some hard decisions. Otherwise, the setting of Secretary Dillon's remarks—a hastily converted gambling casino—may turn out to be unpleasantly symbolic of the U.S. policy of trying to stake everybody.

VIEWS OF SOVIET LIFE

Mr. MILLER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article entitled "Iowan Views Soviet Life," written by Helen Vanderburg, and published in the Christian Science Monitor of July 31, 1961.

Helen Vanderburg and her husband are the publishers of the Shell Rock News, in my State. The article centers around an interview Mrs. Vanderburg had with Soviet Deputy Premier Mikoyan. I believe the article will provide much interest, particularly at this time of the Berlin crisis and other problems connected with the Soviet Union.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, July 31, 1961]

IOWAN VIEWS SOVIET LIFE—DISTAFF ROLE DEFINED AT KREMLIN

(By Helen Vanderburg)

Deputy Premier Anastas Ivonovich Mikoyan does not share the secrets of government with his wife, even though she is a fervent Communist and member of the party. We found this out last summer in an interview with this ranking leader of the U.S.S.R. It was just one of the glimpses he gave of his attitude toward the women of his family in a Kremlin interview at the time the study mission of the National Editorial Association of the United States was received there.

When a question regarding the position of women in the Soviet Union was asked by a woman member of the study mission the Deputy Premier asked the questioner to rise. (The other questions had not prompted such a request.) Then he set forth the position of women in this country: "The women are given equal rights with men under the constitution of the U.S.S.R.," he said. "Of course, my wife takes a vital interest in all political matters and we discuss them. Secret matters, of course, I do not discuss with her. We are equal in the families.

"She does take an interest in general economic problems. She is interested in consumer goods. She often criticizes me, saying, 'Why aren't some of our goods better than American goods?' I do not always convince her that we are entitled to certain rations and allowances." He concluded, "Our women have the privilege that women have in all countries—the ability to become a mother."

The Deputy Premier pointed to the career of E. A. Furtseva, a deputy of the Supreme Soviet of the U.S.S.R., a member of the Presidium of the Central Committee of the CPSU, and the secretary of the Central Committee of the CPSU; and of E. S. Nasriddinova, president of the Presidium of the Supreme Soviet of the Uzbek S.S.R., the first woman to hold such a post. He also mentioned N. V. Popova, deputy to the Supreme Soviet, who heads the Union of Soviet Societies of Friendship with Foreign Countries.

We experienced a normal situation in the U.S.S.R. There were two Communist leaders with the interpreter, who supplied the answers to our previously prepared questions. The second leader, Dmitri Polyansky, President of the Republic of Russia, mentioned that his wife was a specialist, biologist, and agronomist at an agricultural college, and he, too, must face her criticisms of inferior Soviet goods.

CITIES STRIKING CONTRAST IN EAST-WEST VISITS

Our visit in Iowa from the ebullient Premier Khrushchev in the fields of tall golden Iowa corn, had been a far cry from this visit of ours to the Kremlin. The domed senate building in the Kremlin, flying the national red flag, seat of the government of the Soviet Socialist Republics, was our destination—the fountainhead of Communist action. The cornfields, the open air, and abundance was in striking contrast to this building within the citadel. This was the closing in of Communist walls.

We entered the mustard-colored building and were hurried up three flights of stairs. Windows to our right overlooked the cobblestones below, but the doors on the left were unnumbered and not identified. We passed through double doors into a large audience room. The acoustical ceiling, wainscoting, and light walls on one end relieved the solid wood of the other walls and the windows on the right gave the room ample light. It was evident that this soundproof, air-conditioned room was a briefing and pressroom.

The only picture in the stark, functional brown and light cream room was that of Lenin. Two microphones were in evidence. The local press group, guides, and photographers had taken their places along the left wall, and we had been seated in swivel chairs before extendable glass-topped desks.

At 2:06 p.m. the two officials entered and the interview opened. We rose and greeted the Deputy Premier and the questions began. The interview opened with the question: "Is it true as stated in a recent article by Bishop H. Johnson that the basic aims of communism and Christianity are the same?"

Deputy Mikoyan replied, "Marxist Leninists have discarded religion and elevated reason. We do not believe in God. We are atheists." The interpreter gave this special emphasis and repeated, "We do not believe in God. We respect the religious feelings of others. We are not the first to elevate reason and disavow God. The Lenin policy to take the best from all revolutions has been followed, this from the French Revolution, even things from your Revolution.

"As one trained in the priesthood, I early saw the futility of the myth. The Christian faith preaches equality though it is idealistic. We approach the problem from a materialistic view. We believe in equality from reason and not from the emotion of religion. In a religious discussion with the late John Foster Dulles, Secretary of State, who had maintained that religious people have higher morals, I insisted that we believed in brotherhood and were against usury and oppression of the weak and I insisted that this is not so; that our morals are high."

DEPUTY PREMIER SPEAKS OF HIS MOTHER, RELIGION

Then Mikoyan quoted from his religious training and pointed to the successful advance of communism in the oppressed areas of the world. He spoke of his mother and called her "a believer," even though she hadn't gone to church in 35 years. He told of a "big quarrel" with her in his youth. "She observed fasts and abstained from meat, so I told her religion was ruining her health. She was offended and never discussed religion with me again.

"She was 92 when I returned from the United States last year. She said to me, 'Son, I have been praying for you every day that you were away in that country, praying that you would return safely.' I said to her, "Mother, do you still believe in God?' She replied, 'How can I help but believe in God?'

"That is the way with some of our people, but our young people do not feel that way and we feel that they are growing up with a fine sense of morals. What say you, Comrade Polyansky?"

"I know they are strong," was the reply. Sharp and steel would be two words we would use to describe the expression of the Deputy Premier when speaking of God, but a softness and questioning resignation crossed his face in speaking of his mother.

It was now near 3 o'clock, but time for one last question: "Will your children follow the Marxist-Lenin line?" The reply was, "I am 65 years old." (We almost felt he said this wistfully, and that he regretted the years behind him.) "I consider our theory good. The rich do not exploit the poor. My youngest son is 13 years younger than Comrade Polyansky. I have grandchildren who are 13 and 30 years younger than he is and 50 years younger than I, and I can vouch for them. My grandson is a Communist, though he has not studied Marx and Lenin. It is for you, the capitalistic countries, to worry about your children and grandchildren. I repeat what Comrade Khrushchev said: 'Your grandchildren will live under communism.'"

As we thanked the Deputy Premier for the interview, he seemed cordial, and even friendly as he said, "There are many, many fine things about your country, and I should like to visit you again."

We felt in him the desire of a man, no longer young, who had devoted a hard life to the ideals of materialistic communism, the driving fierce force of his life.

FEDERAL AID TO EDUCATION

Mr. MILLER. Mr. President, under date of August 9, 1961, the Cedar Rapids, Iowa, Gazette published an editorial entitled "An Example in Point." In view of the current concern over Federal aid to education, I ask unanimous consent

that the editorial be printed in the body of the RECORD.

One of the big issues which existed during the debate on the Federal aid to education bill was the question of Federal control. The editorial draws a close, sharp analogy between Federal aid to education and Federal welfare aid. I believe the analogy is proper and persuasive.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AN EXAMPLE IN POINT

There are indications that, after the foreign aid bill is disposed of, President Kennedy will make a determined and possibly successful effort to sandbag his aid-to-education program through Congress this year. The effort probably would be pitched mainly on the practical political level, for philosophical attitudes toward the legislation are already pretty well crystallized, and prospects of changing them substantially are not bright.

If there is any weakening of the feeling that Federal aid to schools would lead to Federal encroachment on local school control, however, a close look at the Newburgh, N.Y. welfare squabble should tend to counteract it. One of the controversial aspects of that squabble is whether a decision by a local community to adopt its own welfare procedures might cut off Federal aid. On this point, Norman Lourie, president of the National Association of Welfare, expressed his views pointedly in a statement which was reprinted on this page last Sunday.

"If States and the Federal Government are to share the costs of welfare programs, local communities cannot at one moment accept this sharing and in the next decide that local government can alone autocratically prescribe the rules under which benefits are provided," said Mr. Lourie. "All the citizens of the United States have an interest in seeing that humane, reasonable standards are maintained in Newburgh or any other locality of the United States. This concept of shared responsibility has been remarkably successful in the development of a positive, constructive framework for public welfare in this country. No single government unit by its arbitrary action can be permitted to tear it down."

That's a logical enough attitude as applied to Federal welfare aid. It is equally logical as applied to Federal highway aid or any other kind of Federal aid—not excepting Federal school aid. The people who put up the money are entitled to some say about the standards under which the money is spent. No Federal aid program is justifiable on any other basis. If we don't want the Federal Government playing a part in the shaping of local school policies, we shouldn't take Federal money for their support.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

ADDITIONAL REPORTS OF COMMITTEES

The following additional reports of committees were submitted:

By Mr. JORDAN, from the Committee on Rules and Administration, without amendment:

S. Res. 141. Resolution to express the sense of the Senate on time for holding national conventions for nominations of President and Vice President (Rept. No. 754);

S. Res. 189. Resolution increasing the limit of expenditures for hearings before the Committee on Armed Services (Rept. No. 753); and

H.R. 4659. An act to establish a National Armed Forces Museum Advisory Board of the Smithsonian Institution, to authorize expansion of the Smithsonian Institution's facilities for portraying the contributions of the Armed Forces of the United States, and for other purposes (Rept. No. 752).

By Mr. JORDAN, from the Committee on Rules and Administration, with amendments:

S.J. Res. 51. Joint resolution authorizing the creation of a commission to consider and formulate plans for the construction in the District of Columbia of an appropriate permanent memorial to the memory of Woodrow Wilson (Rept. No. 751).

By Mr. KERR, from the Committee on Public Works without amendment:

S. 1563. A bill to authorize the conveyance of certain lands within the Clark Hill Reservoir, Savannah River, Ga.-S.C., to the Georgia-South Carolina Council, Inc., Boy Scouts of America, for recreation and camping purposes (Rept. No. 757);

S. 1742. A bill to authorize Federal assistance to Guam, American Samoa, and the Trust Territory of the Pacific Islands in major disasters (Rept. No. 758):

S. 2295. A bill to amend the act entitled "An act for the organization, improvement, and maintenance of the National Zoological Park", approved April 30, 1890 (Rept. No. 759); and

H.R. 4660. An act to authorize modification of the project Mississippi River between Missouri River and Minneapolis, Minn., damage to levee and drainage districts, with particular reference to the Kings Lake Drainage District, Mo. (Rept. No. 760).

PAUL C. JOHNSON, JR.—REPORT OF A COMMITTEE

Mr. JORDAN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 195) to pay a gratuity to Paul C. Johnson, Jr., which was placed on the calendar, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Paul C. Johnson, Jr., son of Paul C. Johnson, an employee of the Senate at the time of his death, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

ADDITIONAL FUNDS FOR OFFICIAL REPORTERS OF THE SENATE—REPORT OF A COMMITTEE (S. REPT. NO. 755)

Mr. JORDAN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 196) authorizing additional funds for the Official Reporters of the Senate, and submitted a report thereon, which resolution was placed on the calendar, as follows:

Resolved, That the Secretary of the Senate is hereafter authorized and directed to pay to the Official Reporters of Debates of the Senate such sums as may be necessary for obtaining, by contract, assistance as required during each session of Congress, not to exceed $10,000, such payments to be made from the contingent fund of the Senate.

PAYMENT OF WITNESS FEES—REPORT OF A COMMITTEE (S. REPT. NO. 756)

Mr. JORDAN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 197) relating to the payment of witness fees, and submitted a report thereon, which resolution was placed on the calendar, as follows:

Resolved, That witnesses summoned to appear before the Senate or any of its committees shall be entitled to a witness fee rated at not to exceed $16 for each full day spent in traveling to and from the place of examination and for each full day in attendance. A witness shall also be entitled to reimbursement of the actual and necessary transportation expenses incurred by him in traveling to and from the place of examination, in no case to exceed 12 cents a mile for the distance actually traveled by him for the purpose of appearing as a witness.

ADDITIONAL BILLS INTRODUCED

The following additional bills were introduced, read the first time, and, by unanimous consent, the second time, and referred, as indicated:

By Mr. ANDERSON:

S. 2429. A bill to revise the boundaries of the Virgin Islands National Park, St. John, Virgin Islands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CAPEHART:

S. 2430. A bill for the relief of Gerasimos I. Mourikis; and

S. 2431. A bill for the relief of Stavros Tsipas and Panagiota Tsipas; to the Committee on the Judiciary.

RESOLUTIONS

PAUL C. JOHNSON, JR.

Mr. JORDAN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 195) to pay a gratuity to Paul C. Johnson, Jr., which was placed on the calendar.

(See the above resolution printed in full when reported by Mr. JORDAN, which appears under the heading "Reports of a Committee".)

ADDITIONAL FUNDS FOR OFFICIAL REPORTERS OF THE SENATE

Mr. JORDAN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 196) authorizing additional funds for the Official Reporters of the Senate, which was placed on the calendar.

(See the above resolution printed in full when reported by Mr. JORDAN, which appears under the heading "Reports of Committees.")

PAYMENT OF WITNESS FEES

Mr. JORDAN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 197) relating to the payment of witness fees, which was placed on the calendar.

(See the above resolution printed in full when reported by Mr. JORDAN, which appears under the heading "Reports of Committees.")

ACT FOR INTERNATIONAL DEVELOPMENT OF 1961—AMENDMENTS

Mr. WILLIAMS of Delaware submitted an amendment, intended to be proposed by him, to the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. COOPER (for himself and Mr. WILLIAMS of Delaware) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 1983, supra, which was ordered to lie on the table and to be printed.

Mr. MILLER. Mr. President, I send to the desk an amendment and ask that it be printed, and that it also be printed in the RECORD.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

SEC. . ASSISTANCE TO NATIONS IN ARREARS IN UNITED NATIONS PAYMENTS.—In order to encourage preservation of the financial solvency of the United Nations which is being threatened by the failure of some member nations to pay currently their assessments and/or contributions to the United Nations, assistance under the provisions of this Act (other than military assistance, supporting assistance, and the Contingency Fund) shall not be furnished the government of any nation which is more than one year in arrears in its payments of said assessments and/or contributions unless the President determines that said government has given reasonable assurance of paying (independently of such assistance) all such arrearages and placing its payments of said contributions and assessments on a current basis.

NOS. 47 AND 48 HOME RUNS BY ROGER MARIS

Mr. YOUNG of North Dakota. Mr. President, I wish to make an important announcement.

Roger Maris, a North Dakotan, of whom we are all proud, hit two home runs today. We expect him to break the world's record by quite a few home runs.

ADJOURNMENT TO 11 A.M. TOMORROW

Mr. FULBRIGHT. Mr. President, in accordance with the order previously entered, I move that the Senate adjourn until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 7 o'clock p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Thursday, August 17, 1961, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate, August 16, 1961:

U.S. ATTORNEY

Bernard T. Moynahan, Jr., of Kentucky, to be U.S. attorney for the eastern district of Kentucky for the term of 4 years, vice Jean L. Auxier.

U.S. MARSHAL

Joseph V. Conley, of Rhode Island, to be U.S. marshal for the district of Rhode Island for the term of 4 years, vice Edward L. McCarthy, deceased.

U.S. ATTORNEY

William E. Scent, of Kentucky, to be U.S. attorney for the western district of Kentucky for the term of 4 years, vice William B. Jones.

WITHDRAWAL

Executive nomination withdrawn from the Senate, August 16, 1961:

NATIONAL CAPITAL TRANSPORTATION AGENCY

Charles R. Fenwick, of Virginia, to be a member of the Advisory Board of the National Capital Transportation Agency, which was sent to the Senate on July 27, 1961.

HOUSE OF REPRESENTATIVES

WEDNESDAY, AUGUST 16, 1961

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

God's promise, Hebrews 13: 5: *I will never leave thee, nor forsake thee.*

O Thou God of all grace, we earnestly beseech Thee to give counsel and companionship to our leaders and Members of Congress, that they may know how to contend with and conquer the forces of evil which are seeking to impede the progress of freedom.

May there be in us a deep-felt longing to strengther the ties of brotherhood among the nations and an unfailing aspiration to lift all mankind into the blessedness of the more abundant life.

Inspire us with the wonder and wealth of Thy glorious promises and may we never lose sight of the alluring splendor of that great day when men everywhere shall adore and worship Thee as Lord of all and be at peace with one another.

Hear us in the name of Him who came to give us Thy peace. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1697. An act to approve the amendatory repayment contract negotiated with the Huntley Project Irrigation District, Montana, to authorize its execution, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5954) entitled "An act making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1962, and for other purposes."

The message also announced that the Senate insists upon its amendment to the bill (H.R. 7576) entitled "An act to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PASTORE, Mr. ANDERSON, Mr. JACKSON, Mr. HICKENLOOPER, and Mr. DWORSHAK to be the conferees on the part of the Senate.

THE LATE HONORABLE HOWARD J. McMURRAY, FORMERLY A REPRESENTATIVE FROM THE STATE OF WISCONSIN

Mr. REUSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, it is with deep sadness that I inform the House that a former member, Howard J. McMurray, whose seat I now hold, died on Monday, August 14, in a hospital in Albuquerque, N. Mex.

Howard McMurray lived a fruitful life, a life in which he was able to weave together his deep interest in both politics and education.

He was born at Mount Hope, Kans., on March 3, 1901. After working for a life insurance firm, he was able to complete his education and obtain his B.A. from the University of Wisconsin in 1936. After his graduation, he joined the faculty as an instructor in political science while he continued his own studies. He obtained his doctorate in 1940. He was serving as an assistant professor when in 1942 he was elected to the House of Representatives from the Fifth District of Wisconsin.

He left his seat in the House of Representatives in 1944 to wage an unsuccessful race for the Senate. In 1946, he followed this with a courageous campaign against the late Senator Joseph McCarthy.

During his term in the House of Representatives, he was a strong supporter of our war effort against Hitler and an even stronger supporter of moves to secure the postwar peace. He had a deep interest in the Atlantic Union and other international organizations which could provide a way to settle international disputes without resorting to war.

As the war drew to a close, he often spoke out for sanity in reconversion to a peacetime economy, and he worked hard toward that end.

After his retirement from politics, he went to teach at the University of New Mexico. He was a professor of government there at the time of his death.

I know, Mr. Speaker, that all Members of the House join with me in extending our deepest sympathy to the members of his family for this great loss, which

we all share. He is survived by his widow, Dr. Lucy Gale McMurray; a daughter, Susan, a brother Jonathan McMurray, of Stevens Point, Wis., who is an official of the Wisconsin Industrial Commission, another brother, Neil McMurray, who is manager of the Watertown office of the Wisconsin State Employment Service, and another brother, J. B. McMurray, the publisher of the Racine, Wis., Journal Times and Sunday Bulletin.

GENERAL LEAVE TO EXTEND

Mr. Speaker, I ask unanimous consent that all Members may have 5 days in which to extend their remarks on the late Honorable Howard J. McMurray.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CALL OF THE HOUSE

Mr. CHIPERFIELD. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 153]

Blitch	Hébert	Moulder
Breeding	Holifield	O'Brien, N.Y.
Coad	Kearns	Powell
Derwinski	Mason	Rabaut
Garland	May	Santangelo
Gray	Miller, N.Y.	Slack

The SPEAKER. On this rollcall, 416 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MUTUAL SECURITY ACT OF 1961

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 8400) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 8400, with Mr. MILLS in the Chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the gentleman from Pennsylvania [Mr. MORGAN] had 38 minutes remaining, and the gentleman from Illinois [Mr. CHIPERFIELD] had 48 minutes remaining.

Mr. CHIPERFIELD. Mr. Chairman, I yield such time as she may desire to the distinguish gentlewoman from New Jersey [Mrs. DWYER].

Mrs. DWYER. Mr. Chairman, it is generally agreed that the key issue involved in the pending foreign-aid legislation concerns the degree of control which the Congress should insist on retaining over the administration of this vital program.

In an effort to help preserve both congressional control of the program and the long-range planning feature of development assistance, I sent a letter to the President yesterday noon in which I suggested that he state clearly and unequivocally his intention to honor a concurrent resolution should the Congress ever invoke this procedure as a means of limiting, revising, or terminating proposed foreign-aid programs and projects.

As our colleagues know, Mr. Chairman, both section 616 in the bill reported by the House Foreign Affairs Committee and the so-called Dirksen amendment which was adopted by the Senate yesterday provide for the use of the concurrent resolution. For reasons I explained in my letter to the President, however, this is a highly unsettled area of constitutional law. There is grave doubt that the President could be bound constitutionally by such a concurrent resolution. But should he agree in advance to an understanding that this procedure was both proper and constitutionally valid, he could strengthen the effectiveness of this provision and thereby reassure the Congress that its control over foreign-aid expenditures would be honored.

The text of my letter to the President follows:

AUGUST 15, 1961.

The PRESIDENT,
The White House,
Washington, D.C.

MY DEAR MR. PRESIDENT: A principal consideration for many Members of Congress in determining how we should vote on the administration's foreign aid bill involves the extent to which Congress should properly retain ultimate control of the program while granting the President the necessary authority to make long-range commitments.

In this respect, the bill (H.R. 8400) as reported by the House Foreign Affairs Committee contains in section 616 language providing as follows: "Assistance under any provision of this Act may, unless sooner terminated by the President, be terminated by concurrent resolution. Funds made available under this Act shall remain available for a period not to exceed twelve months from the date of termination of assistance under this Act for the necessary expenses of winding up programs related thereto."

The purpose of this provision is, of course, to assure the House that by a majority vote rather than by the two-thirds needed to override a Presidential veto, Congress would be empowered to terminate any or all of the foreign aid program should it be considered desirable to do so. While similar termination provisions have been included in a number of important bills in recent years, in an attempt to limit or qualify the legislative grant of power to the Executive, this area of constitutional law seems to be still unsettled. The constitutional question is whether such a provision violates section 7 of article I, under which a bill repealing or terminating an earlier statute is subject to the President's veto like any other bill, or whether the provision should be considered as a valid reservation or limitation by which the granted power would expire or terminate on the contingency of a concurrent resolution.

The first instance of a provision inserted in a Federal statute providing for its termination by a concurrent resolution was the Lend-Lease Act of 1941, the experience of which raises questions of the greatest significance with respect to the possible acceptance of such a provision in the foreign aid bill. The termination provision was not a part of the administration draft of the lend-lease bill. It was debated at length in the Senate where it was opposed by some administration spokesmen as unconstitutional and defended as a valid limitation by others. In his history of the lend-lease bill, the late Secretary of State Stettinius mentions the provision as an amendment which administration forces in Congress accepted as not damaging to the essential principles of the bill and designed to meet criticism from the opposition that the bill gave too much power to the Executive.

President Roosevelt, although he did not oppose the provision publicly and signed the bill, thereby indicating his acceptance of the congressional limitation, clearly had other ideas. In an article in 66 Harvard Law Review 1353–61 (June 1953), the late Supreme Court Justice Robert H. Jackson recounted how 6 days after signing the lend-lease bill, the President sent to Jackson, then his Attorney General, a memorandum stating his position that the concurrent resolution provision was unconstitutional and explaining he signed the bill despite this fact because the emergency was so great. The President instructed his Attorney General to assure the privacy of the memorandum so that it would not embarrass him in the continuing controversy over his emergency powers.

Subsequently, President Roosevelt approved a series of war powers acts containing, in substance, the provision which he had pronounced unconstitutional. As Justice Jackson explained it, acceptance of the provision "eased the path to enactment of his wartime legislation." "But," he added with regard to the President's viewpoint, "from his earnestness in discussing this practice with me, I know he regarded it as a triumph of expedience over principle."

The President's purpose in preparing the memorandum, Justice Jackson explained, was to provide a record of his constitutional opinion, in advance of any attempt to invoke the provision, which would help to excuse his approval of the legislation containing the disputed provision and counteract its effect.

In view of the parallel situation which exists today with regard to your request to the Congress for unprecedented powers in the administration of foreign aid and the distribution of funds, I believe that a clear and unequivocal statement, by you, of your convictions regarding the constitutionality and propriety of a congressional limitation or reservation on the exercise of these powers (similar to section 616 of H.R. 8400), would be very much in order.

It would seem to be a matter of fundamental good faith that the Congress, in granting extensive powers to the President subject to a clear-cut reservation, could rely upon the President honoring the reservation once he approves the legislation. In light of the experience with the Lend-Lease Act of 1941, however, and in view of the great importance of the pending legislation, I respectfully suggest that a clarification of this issue on your part would enable Members of Congress to vote with a more informed understanding of the consequences.

Respectfully yours,

FLORENCE P. DWYER,
Member of Congress.

Mr. CHIPERFIELD. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, yesterday, when the very able and sincere gentleman from Michigan [Mr. FORD], a member of the Committee on Appropriations, was discussing this bill, he told us he had always supported

the policy in the past but that he could not go along as long as the bill contained that provision for back-door spending. I assume that a compromise will be offered to us in order to sweeten the bill and, speaking in common language, to buy a few votes for its support. That is all very well, but as far as I am concerned, the bill, in my judgment, is not good and I cannot go along with it no matter what amendments are adopted. Of course, those who are opposed to back-door spending can get off the hook if we put in the Gary amendment, or some other amendments but that does not seem to me to be the answer the people are entitled to have.

The gentleman from Michigan [Mr. FORD] also condemned the waste and worse which has been inherent in our spending in connection with this program and, as proof of that waste, cited four reports of the Hardy subcommittee of the Committee on Government Operations.

Since 1952, the gentleman from Michigan [Mr. MEADER], and since 1959 the gentleman from Michigan [Mr. GRIFFIN] have served faithfully and consistently on that subcommittee and both have joined their chairman, the gentleman from Virginia [Mr. HARDY], a lifetime Democrat, in his critical conclusions and recommendations.

The conclusions of the subcommittee show that, in the most charitable view, our money has been spent neither wisely nor economically.

Those subcommittee reports were adopted by the full committee.

As a matter of fact, there are eight reports by the Hardy subcommittee, all adopted by the full committee, and, as I read them again this morning, each and every one—and the conclusions cover many pages—have little, if anything, complimentary to say about the efficiency of our spending or the good which may grow out of it. Each and every one is bitterly critical of the inefficiency and waste.[1]

[1] (1) U.S. technical assistance in Latin America—14th intermediate report, Committee on Government Operations, H. Rept. No. 1985, 84th Cong., 2d sess., Mar. 29, 1956:

"CONCLUSIONS

"1. The technical assistance program in Latin America as a whole lacks clearly defined objectives, although many individual projects have been well conceived and satisfactorily carried out.

"2. The technical assistance program has been hampered by failure on the part of the Department of State and the International Cooperation Administration to issue instructions clearly defining areas of responsibility and authority assigned to Embassy and U.S. operations mission officials. In some countries this has been overcome by close liaison and cooperation initiated by field personnel, but in other countries organizational problems and interagency disagreements have resulted both from the absence of specific instructions and the sometimes conflicting instructions issued from Washington.

"3. Planning of projects and programs has been deficient in that they have sometimes been started without adequate information concerning the extent of the problem, without determination of the availability of necessary technical personnel, and frequently without reasonable evidence of genuine host country interest. As a result, desired objectives have not been achieved.

"4. In spite of a basic requirement that only projects desired by the host countries are to be undertaken, the subcommittee found projects being implemented where host-country approval had been obtained through selling methods rather than as a result of a bona fide interest on the part of the host government. Some of these instances appear to be engendered simply by the availability of technicians. There was also evidence that pressure for certain projects was generated in Washington. Almost invariably such projects were financed with a maximum of U.S. funds and little, if any, host-country contribution.

"5. Although the law intends and International Cooperation Administration instructions require the phasing out of U.S. financial participation in technical assistance projects, there is no evidence that provision for this is included when the programs are developed and the transfer of projects for continuation by host countries has not been accomplished to the extent desirable.

"6. Some projects have continued beyond the point where they can properly be termed 'technical assistance' and have assumed characteristics of economic aid. In a number of these cases technical-assistance funds are being used to finance what would normally be routine day-to-day activities of the host governments.

"7. The so-called illustrative method of presenting technical-assistance budget requests to the Congress is unwise. The need for flexibility to meet unforeseen contingencies is not sufficient to justify the use of this method for technical-assistance budgeting. The illustrative program fails to provide adequate information for the exercise of congressional judgment. It circumvents the normal requirement for specific congressional approval in advance of the expenditure of funds. It entails no commitment by the agency to expend any funds for the particular program used as an illustration. It accentuates the tendency toward hasty allocation and ill-considered obligation of funds during the closing months of the fiscal year.

"8. Actual host-country contributions to technical-assistance programs and projects cannot be determined because presentations to Congress on this subject have been unrealistic and misleading. This has resulted from (a) the employment of differing exchange rates in the same compilation which have the effect of maximizing host-country contributions and minimizing host-country economic capabilities; (b) the inclusion as host-country contributions of third-party funds which actually represent payments made by the beneficiaries for goods and services supplied; and (c) the listing of so-called in-kind contributions which are computed, in part, by placing arbitrary values upon intangibles."

(2) "United States Aid Operations in Iran," first report, Committee on Government Operations, H. Rept. No. 10, 85th Cong., 1st sess., Jan. 28, 1957:

"CONCLUSIONS

"1. U.S. aid and technical-assistance programs in Iran which, between 1951 and 1956, totaled a quarter billion dollars, were administered in a loose, slipshod, and unbusinesslike manner.

"2. The so-called expanded technical-assistance program which began in January 1952 and resulted in U.S. obligations of over $100 million in a 5-year period, was neither technical assistance nor economic development, but an ad hoc method of keeping the Iranian economy afloat during the years of the oil dispute.

"3. The expenditure of technical-assistance funds during these years was undertaken without regard to such basic requirements of prudent management as adequate controls and procedures, with the inevitable consequences that it is now impossible—with any accuracy—to tell what became of these funds. The resulting opportunities for waste and loss of funds were considerable, but the extent to which loss and waste actually occurred cannot be determined since management practices and control procedures were so poor that records of the operation, especially in the early years, are not reliable.

"4. Amounts requested for U.S. aid to Iran seem to have been picked out of the air. There is no evidence that they were based on advance study of what the Iranian economy needed, the amount it could absorb, or programs which could be intelligently administered by the U.S. personnel available at the time to expend the funds.

"5. The conduct of the U.S. operations mission's affairs appears to have been based on the assumption that as long as U.S. aid funds were spent promptly it was not a matter of great consequence as to what they were spent for. Members of the mission who openly objected to the uncontrolled nature of the operation were either disciplined or labeled as incompetent. To those familiar with the involved and time-consuming processes for financing public works in the United States, in whole or in part with Federal funds, the cavalier, free-wheeling casual fashion in which huge sums of U.S. funds were committed in Iran must necessarily be shocking.

"6. The participation of Iran in sharing the expense of the program appears to have been little more than nominal, and it is clear

Reference to those reports is found in the remarks of another member of the subcommittee [Mr. MEADER], made August 9, CONGRESSIONAL RECORD, pages 15280–15287.

Then the gentleman from Virginia, another very able man, a Democrat, by the way [Mr. HARDY], who for long has served as chairman of the subcommittee of the House Committee on Government Operations, told us he had held hearings and submitted reports, and he called attention to those reports, as did the gentleman from Michigan [Mr. FORD]. Mr. HARDY has held many hearings, some abroad, since 1952. The gentleman from Michigan [Mr. MEADER] has rendered very able service on that subcommittee.

The gentleman from Virginia [Mr. HARDY] has always supported this program, but his personal investigations over the years in other countries disclosed that all that time and including this year there has been inexcusable waste and extravagance, and that notwithstanding the promises of those administering the program that waste continues. That being so, the gentleman from Virginia, an ardent supporter of the Democratic Party and its candidate heretofore, is forced to vote against the bill, he so announced. What his feelings are this morning I do not know, but I assume they are the same.

Mr. HARDY. Mr. Chairman, will the gentleman yield for a brief statement?

Mr. HOFFMAN of Michigan. I yield.

Mr. HARDY. The gentleman from Virginia feels just the same this morning as he felt yesterday.

Mr. HOFFMAN of Michigan. That is exactly what I expected, having known

the gentleman for some 20 or 25 years. I did not expect anything else but I am delighted to hear him repeat it for the benefit of his colleagues.

How can we vote for a program which those who have supported it—and I am referring to the gentleman from Virginia and others who think as he thinks, and those who have knowledge, personal knowledge cannot take it?

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I will yield for a question but not for a speech. You can take your speeches to the Republican National Convention and political meetings. Let them listen. I want no part of a program which has always called for a surrender of a part of our national independence—a waste of our dollars.

Mr. JUDD. But the gentleman asked the gentleman from Virginia whether he would support the bill if the financing is changed.

Mr. HOFFMAN of Michigan. No I did not. But you mean if back-door spending is cut out? I do not know. I am sure some will use almost anything to get off the hook. But I know the gentleman from Virginia [Mr. HARDY], is not looking for an excuse. I was thinking that if the administration, or whoever administers this plan, I do not care whether it is Republican or Democrat, it is the State Department, and these nice fine sincere Christians who are going to convert everybody that support it over the years will vote for almost anything called "foreign aid."

Mr. JUDD. I just wanted——

Mr. HOFFMAN of Michigan. Now, I cannot yield any more to the gentleman. He can take his argument to the Republican Party gatherings. I want no part of it. His policy cost us so many conservative votes that the opposition was able to count us out of the Presidency.

Mr. JUDD. The gentleman asked the gentleman from Virginia [Mr. HARDY], about the finances.

Mr. HOFFMAN of Michigan. No, I did not. And the stenographer's minutes will show I did not. The gentleman has twice made that statement. There is no foundation for it. The gentleman from Minnesota [Mr. JUDD], may be so intent with his own thinking that he does not get what is here said. I admit that the gentleman from Minnesota is intellectual, very intelligent, well able to use words, but he spent the formative years of his life in China as a doctor and missionary and, figuratively speaking, he cannot see anything but a Chinese queue.

---

that, from the Iranian standpoint, the program's virtue was that it supplied a source of foreign exchange. It was not U.S. know-how but U.S. dollars which was Iran's chief gain.

"7. Under the expanded operations begun in 1952, about $10 million in direct aid was furnished for a series of industrial, or capital improvement projects. Under statutory criteria the eligibility of the projects is questionable. U.S. officials sought to justify these expenditures on the grounds that the various plants involved were not only badly needed for the economy of the country but would supply excellent demonstrations of the feasibility of such undertakings. However, the more important of these enterprises still are not fully operating after 4 years, due to poor planning and faulty engineering. Thus their value in terms of economic development has been almost nil, and as demonstrations they appear chiefly to be monuments to a fumbling aid program.

"8. A major effort on the part of the U.S. mission in 1953 to promote the construction of a multi-million-dollar dam on the Karadj River has resulted in virtually nothing but the relocation, at a cost to the U.S. Government of nearly $3 million, of a road around the proposed site; while not only has there been no construction started on the dam, the Iranian Government has not even concluded a firm contract for its financing.

"9. Among the programs undertaken was one of supplying nearly $5 million over a 4-year period to support Iranian students who were completing their college training abroad. Involved in the program was a $2 million subsidy, through a special exchange rate for dollars, to the well-to-do sponsors and parents of these students. The nature and scope of the program were not revealed to the Congress, and the Comptroller General has ruled that the expenditure of technical assistance funds for this purpose was unauthorized.

"10. On top of annual grants of about $20 million for technical assistance, the United States began, in 1953, to supply supposedly temporary budgetary assistance to the Iranian Government at a rate of $5 million a month. In spite of the alleged temporary nature of this increased aid, the United States has continued to make budget aid grants and loans at about this same rate for 3 years.

"11. United States control over what Iran did with this budget aid was practically nonexistent and the subcommittee notes that Iranian budget deficits increased rather than decreased during this period.

"12. United States aid, alleged to be granted on the basis of austerity levels of Iranian Government expenditures, was utilized to pay for many extraordinary items, like the payroll of the National Iranian Oil Co. The fact that these items had not previously been considered appropriate charges against the Government budget casts doubt upon the propriety of treating them as budget items to be supported with the United States aid dollars.

"13. Whatever Iranian efforts may have been made to solve their own difficulties through appropriate reforms in Government spending and tax collection, their successes in this regard do not appear to have been noteworthy during the period when U.S. aid was financing Iranian budget deficits.

"14. Iran's oil revenues are, and have been for some time, adequate to finance both the Government's operating budget and their ambitious development plan. Thus, their chronic budget deficits appear to be an outgrowth of financial management methods rather than lack of resources.

"15. A factor in continued U.S. aid appears to be an aversion on the part of Iran to receive help in the form of U.S. loans, even though such loans are feasible and Iran is in a good position to repay them.

"16. Each year's allotment to Iran has been justified as a temporary measure for a given set of reasons which have changed each year while the level of aid has remained about the same throughout. Presentations to the authorizing and appropriating committees of the Congress have been vague and misleading. This may be due, in part, to the paucity of factual information available to those testifying before the committees of Congress. It may also be due to awareness that a clearer picture would have led Congress to reduce the program by eliminating items of expenditure which could not be reasonably justified.

"17. Program presentations to the Congress have consistently failed to point out that Iran was and is an essentially solvent country.

"18. The use of the so-called illustrative method of presenting budget requests to the Congress is a major factor in the almost complete loss of control by the Congress over spending in this type of program. Under this system the Congress is given a description of a hypothetical program which might be carried out if requested funds are furnished. However, when funds are granted by the Congress, there is no commitment by the executive branch to expend them for any of the activities used as hypothetical illustrations.

"19. Congressional control over expenditures in this type of program is further defeated by the fact that information supplied Congress on how funds granted on the illustrative basis were actually spent consistently omits the elementary facts needed for an intelligent postaudit."

---

(3) "Review of the Budget Formulation and Presentation Practices of the International Cooperation Administration," fifth report, Committee on Government Operations, H. Rept. No. 449, 85th Cong., 1st sess., May 15, 1957:

"CONCLUSIONS

"1. The 'illustrative' method of budget presentation does not bind ICA to carry out any of the activities proposed to the Congress. In fact, it permits the agency complete discretion in the use of funds, free of the restraints, checks, and balances generally imposed upon the executive branch. It does not provide the Congress with a full understanding of what the agency is doing, what it has done, and what it intends to do.

"2. The agency possesses almost unlimited flexibility in the transfer of funds. This arises from a combination of the broad authority conferred upon the agency by the basic mutual security legislation, and the absence of specific details (an outgrowth of the 'illustrative' budget) in the annual appropriation acts. Unless this executive flexibility is curbed, improvement in the mechanics of the budget presentation alone would not assure the Congress that the programs and projects listed therein would be carried out.

"3. Many of the deficiencies discussed in this report have previously, and repeatedly, been brought to the attention of ICA and its predecessors. Although there has been some administrative improvement, the most significant deficiencies remain uncorrected.

"4. The deficiencies in the budget presentation are traceable in part to inadequacies in the planning process. The validity of the overall budget request is questionable, because of the deficiencies of its prime components—the individual country programs—as summarized in conclusions 5 through 10 below.

"5. Country programs are developed within ICA and subsequently presented to the Congress without any firm assurance as to the willingness and ability of the recipient countries to pursue the programs, or the share of the total cost of the program which will be contributed by the recipient countries. After creating this problem, the agency offers it as a justification for lags in carrying out proposed activities after the appropriation of funds.

"6. No clear and complete explanation can be found in the budget presentation, nor anywhere in the records of ICA, of the considerations that entered into the determination of the levels of aid proposed for particular countries. There is no practicable way to reconstruct this information.

"7. Congress is not informed of the extent to which the field-submitted country pro-

That is a rather harsh statement; those are but my personal views.

Permit a repetition. The chairman of that subcommittee, our colleague, the gentleman from Virginia [Mr. HARDY], a Democrat, who has long been an enemy of waste and extravagance, has supervised an admirable job of exposing the folly of spending our money on this program, has given facts which show inexcusable waste, extravagance and inefficiency. Nevertheless, apparently hoping for improvement, he has, until his announcement of yesterday, supported it.

Over the years, unfortunately, no effective improvement has been made. Sometimes the individual responsible for the waste or worse, has been transferred to a different country where additional Federal funds were expended under his direction—a situation which, to say the least, is discouraging to all.

This leads to the conclusion that no one opposed to this program, its waste and extravagance, should support it because reform is now promised.

Now back to the issue before us.

WE ARE ASKED TO CONTINUE A COSTLY, FUTILE POLICY

The issue today is whether we shall authorize the additional expenditure of approximately $4,355 million and over a 4-year period $8,800 million in back-door spending to implement our foreign aid policy. In what is here said let it be understood that neither the sincerity nor the patriotism of anyone voting for this legislation is questioned, that other statements made are but the expression of an opinion.

THE FACTS

Since we adopted our present foreign policy, the Congress has authorized the expenditure, and this includes military construction abroad, of $106 billion. In answer to my inquiry in February of 1955, was officially advised that we had approximately 950 military installations employing five or more people outside of the continental limits of the United States, of which, as I was later advised, 250 were major military installations, which were installations having major troop units, and some were subsequently surrendered to a presumably friendly nation, though ultimately we may find all utilized by an enemy. Our reason for giving up those bases was that they could not be successfully defended.

For direct foreign aid, aside from military construction, we have authorized

---

grams form the basis of the programs contained in the budget presentation. In the exercise of its review authority, ICA in Washington increases or decreases the country levels of aid recommended by individual mission directors, but the reasons for such changes are not systematically recorded; frequently they are not recorded at all and there is no practicable way to reconstruct them.

"8. Substantial dollar gaps exist between the amounts 'illustratively' proposed for individual country programs and the amounts actually expended within the fiscal year for which appropriated; e.g., the total variance exceeded 30 percent for fiscal year 1956. This recurring situation raises a considerable question as to the validity of the levels of aid proposed.

"9. The budget presentation does not include individual country data on 'stockpiled' funds or on the 'pipeline' of unshipped commodities. The Congress is not informed in the budget documents how long these funds have been available, nor the extent to which they have been carried over from one year's appropriation to another.

"10. ICA follows a practice of reserving, for 'contingencies,' funds which have been justified to the Congress as needed for program use. This has the effect of deterring the orderly and expeditious use of funds and retarding advance program planning. If funds are available for reservation, the country programs submitted must have contained items which are either unimportant or not urgent.

"11. ICA consistently asks for and receives more money than it has ever been able to use in the year for which requested. This practice has invited the hasty, last-minute obligation of unused funds, which precludes their return to the Treasury.

"12. Funds allocated to ICA from the proceeds of sales of surplus agricultural commodities under Public Law 480 have the effect of supplementing the ICA budget. In fiscal year 1957, when the nonmilitary mutual-security budget ran to about $1.5 billion, this supplement amounted to an additional half billion dollars. Neither the 1957 budget presentation nor testimony before this committee makes clear to what extent, if any, ICA considers the availability of these funds in compiling its budget request. The omission of this information makes it difficult for the Congress to determine the amount by which the cost of the foreign-aid program actually exceeds the ICA budget.

"13. With respect to foreign-aid projects, the budget presentation lacks information on such significant items as the total estimated cost, length of time required for completion, recipient country contributions expected and received, and reasons for any delays in execution.

"14. Other elements in the budget presentation are lacking in clarity, such as the inclusion of substantial sums as 'other costs,' the failure in certain compilations to distinguish between project and nonproject aid, and the failure to reconcile and coordinate the several exhibits provided for each country program so that they shall be clear and consistent."

(4) "Use of Defense Support Funds for Economic and Political Purposes," 21st report, Committee on Government Operations, H. Rept. No. 1374, 85th Cong., 2d sess., Feb. 22, 1958:

"CONCLUSIONS

"1. The definition of 'defense support,' the largest single element in the mutual security program other than 'military assistance,' is interpreted so broadly by the executive branch that it is virtually impossible to determine whether or not an expenditure made under it is in accordance with legislative intent.

"2. Executive branch witnesses, in last year's appearances before the authorizing and appropriations committees, consistently gave the impression that substantial defense support funds were to be expended in direct support of host country military budgets, when actually only a small portion of the funds were so employed.

"3. The Congress was led by the executive branch to believe that adding the word 'specifically' to the statutory definition would have a limiting effect upon the purposes for which 'defense support' funds could be expended. However, there has been no real change in the manner (kind, form or content of aid) in which defense support funds are used.

"4. Although a pretense is made that the amount of aid funds programed for each country is determined by 'expert' economic judgment, the subcommittee has found no evidence that this is the case. The annual congressional presentation books for the mutual security budget contain no explanation, nor has any foreign aid administrator ever been willing or able to explain to this subcommittee how and why any particular level of aid has been determined.

"5. Under the existing legislation, where a category known as 'special assistance' is specifically provided for political contingences and emergencies, the subcommittee questions the propriety of pursuing political objectives with 'defense support' funds, intended for a military purpose.

"6. The mutual security budget presentation volumes described defense support as having the overall objective of securing 'some specific contribution by the (host) country to the common defense,' but not 'fostering of economic growth greater than that needed, if any, to obtain the military objectives.' Nevertheless, there are a number of major construction projects which contribute substantially nothing to the military effort, or the current economy. Unless these were politically inspired, they can be regarded as having only the primary objective of long-range economic development, which also appears to be an improper use of 'defense support' funds.

"7. In the absence of planning and clear purpose behind this long-range economic development, such as the objective of eventually terminating 'defense support,' this type of spending may also be characterized as haphazard and not indicative of good judgment.

"8. To the extent that economic development is disguised as 'defense support,' a term which implies a military purpose, the Congress and the public are being misled.

"9. To the extent that economic development is disguised as 'defense support,' we play into the hands of Communist propagandists who delight in stressing the military aspects of our mutual security program. Where American foreign-aid funds are spent for nonmilitary purposes, it is to our advantage to let that fact be known."

(5) "Foreign Aid Construction Projects," 29th report, Committee on Government Operations, H. Rept. No. 2012, 85th Cong., 2d sess., June 26, 1958:

"FINDINGS AND CONCLUSIONS

"The administration of major construction projects in the foreign aid program, by the International Cooperation Administration, has been inadequate, indifferent, and incompetent.

"Deficiencies include—

"1. Inadequate advance planning.

"2. Defective standards and procedures for the award and administration of contracts.

"3. Indifference to 'conflicts of interest.'

"4. Incompetent supervision of the procurement of construction equipment.

"5. Poor coordination between field missions and Washington and among divisions in Washington having responsibility with respect to construction projects.

"6. Excessive reliance on 'political urgency' to excuse deviations from sound procedures.

"As a consequence, achievement of the objectives of the foreign aid program has been impeded, the cost to U.S. taxpayers has been increased, and the dignity and prestige of the U.S. Government abroad have suffered.

"1. Inadequate advance planning:

"(a) A complete lack of sound planning, coupled with inefficient and inept procedures, has characterized the foreign aid projects carried out under construction contracts.

"(b) The cost of major projects commonly exceeds original estimates to such an extent as to render such estimates of doubtful value.

the expenditure of some $86 billion and this included from July 1, 1945, to June 1, 1960, grants of $81,016,450,000 and through March 1961 have appropriated $97,714 million.

To date we have had around $8,800 million so-called back-door spending.

All of the $106 billion either has been or ultimately will be a tax upon our own people, the payment of which either has or will add to their workload, curtail their freedom to use their own earnings as they desire.

WHAT HAVE WE BROUGHT FOR OTHER PEOPLE?

Then comes the very natural question of "What have we gained either for other people or for ourselves by the imposition of this burden upon our own people?"

The advocates of foreign aid have often given their reasons for their convictions. One is that "we are our brother's keeper." Another: "We should aid the oppressed." Granted, but should we do this to the extent of jeopardizing our own welfare, our national security? Bring about a situation where we will be unable to help anyone?

Assuming that colonialism has been to some degree harmful and oppressive to the native population, have our efforts to give independence to oppressed nations, many of whose citizens were not ready for it, improved their overall opportunities, their condition, or, has it in many instances given them more cruel, oppressive native rulers?

FOR OURSELVES

So much for the free people in a free world. What has our authorized expenditure of more than $106 billion bought for us in the way of national security or individual freedom? A comparison of our situation today with that which confronted us when the Marshall plan was adopted will show that now we are no more secure nationally than we were then; that today we have no additional friends who are willing and able to assist us in maintaining our national independence. In fact, as the daily press reveals, we are continuously confronted with additional threats, demands for more and ever larger payments to delay or prevent aggressive action against us.

If that statement is doubted, just remember there is no member of the United Nations or of any other international organization who wishes us, as a contributing member of money or through military assistance, to do other than assist in fighting its battle on the world front, and it is extremely doubtful if any member of the United Nations or other international organization is willing to go all-out in supporting us, should we be threatened, if in the remotest degree

---

"(c) The inaccuracy of original estimates generally stems from a lack of sufficient planning and forethought.

"(d) Lack of planning, generally explained by ICA as intended to speed projects, frequently results in extensive delays and extended completion dates, thus defeating the original purpose.

"(e) Engineering and construction contracts, in the case of capital projects, are frequently let concurrently, or so close together that there is no opportunity for engineering appraisal of design, scope, and costs to precede evaluation of the construction bids.

"2. Defective standards and procedures for the award and administration of contracts:

"(a) ICA has let nearly a billion dollars in contracts without clearly formulated standards for their award and administration.

"(b) The almost exclusive use of the CPFF (cost-plus-a-fixed-fee) method of contracting by ICA is a departure from the normal Government procurement practice of soliciting lump-sum bids in construction contracts.

"(c) The excessive use of the CPFF contract appears in large part attributable to the absence of preliminary plans and estimates sufficient to provide a basis for lump-sum bids by construction contractors.

"(d) Present 'third-party' contract procedures, under which ICA operates as an 'agent' of the host country, are cumbersome and frequently result in costly delays.

"(e) The present methods by which ICA determines which contractors will be 'invited' to submit proposals or bids are random and haphazard in the extreme, lacking in essential fairness and equity.

"(f) The bases for awarding ICA contracts are lacking in clarity and standardization. Different offices in the agency employ different, and variable criteria.

"(g) Contract documents are insufficiently standardized, particularly as they relate to benefits for personnel of the contractors.

"(h) ICA mission engineers exercise only a peripheral role. There is virtually no supervision by ICA of either the engineering or construction contractors. The natural community of interest between these contractors is ignored, which opens the door to possible collusion.

"3. Indifference to 'conflicts of interest':

"(a) ICA Manual Order 460.3, designed to prevent conflicts of interest which might arise out of employment of ICA personnel by firms doing business with ICA, has been interpreted and applied by that agency in a manner which renders it ineffective as a safeguard of the Government's interest in the integrity of its employees.

"(b) Except to provide information requested by this subcommittee, ICA has made no investigation of the following situations:

"(1) The former USOM/Thailand Chief of Public Works and the highway engineer acted with questionable propriety in discussing their prospective employment with the engineering contractor for the Thailand Northeast Highway while still engaged in supervising for ICA that contractor's performance.

"(2) The president and the project manager of the engineering firm for the Thailand Northeast Highway acted improperly in discussing future employment by their firm with USOM/Thailand personnel engaged in supervising the performance of their contract.

"(3) The engineering firm for the Thailand Northeast Highway knowingly accepted from USOM/Thailand personnel numerous official documents they had no right to receive. USOM/Thailand personnel acted improperly in delivering these documents and in passing on to the engineering firm official ICA information and inside tips.

"(c) The USOM director in Thailand, in official correspondence with ICA/W, raised a question as to whether the employment of the former ICA public works officer in Laos by an engineering firm seeking to do business with ICA constitutes a possible 'conflict of interest' case. ICA made no investigation of this matter until prompted to do so by the subcommittee.

"(d) A member of the Office of Industrial Resources of ICA/W, which passes on the relative merits of engineers and other potential contractors, submitted a résumé of his experience to the principal officer of an engineering firm seeking to do business with ICA in the expectation that this would help him to obtain non-Government employment.

"4. Incompetent supervision of the procurement of construction equipment:

"(a) ICA permitted the construction contractor on the Cambodian road to purchase about $1 million of used equipment from himself. Approval of this unusual procedure was based on the contractor's assertions that similar new equipment was not available. As ICA could have determined by prudent checking, this was not the case.

"(b) Having approved such a procedure, with its considerable possibilities for dealings disadvantageous to the Government, ICA failed to exercise even normal prudence in policing the transaction, when in fact, commonsense called for extraordinary vigilance. As a result, the following matters occurred, all contrary to the Government's interest:

"(1) The engineering firm for the Cambodian highway project conducted a most cursory and superficial 'inspection' of the used equipment. Its report to ICA—that the equipment was in good condition—relied upon the construction contractor's (seller's) oral representations. In fact, within a few months of arrival in Cambodia, 14 of the 40 pieces of used equipment were in the shops for complete rebuild.

"(2) The construction contractor for the Cambodian highway project sold his used equipment to ICA at a price substantially higher than that at which he had been offering it—unsuccessfully—on the world market for 6 months previously.

"(3) The construction contractor for the Cambodian highway project ignored ICA requirements to report commissions on the sale of his used equipment. Moreover, the persons to whom these commissions were paid had rendered no service to the Government.

"(4) Immediately prior to the sale of his used equipment, the construction contractor for the Cambodian highway transferred it through wholly owned corporate structures, including a newly formed Liberian corporation. As a result of this, neither he nor his corporations have paid any Federal or State income taxes on a profit which appears from his books to have approximated $500,000.

"5. Poor coordination between field missions and Washington, and among divisions in Washington having responsibility with respect to construction projects:

"(a) Offices within ICA/W, sharing responsibility for major construction projects, are seldom fully cognizant of one another's actions.

"(b) Field missions are not fully and promptly apprised of ICA/W actions, and vice versa. As a result, conflicting policy lines may be pursued for considerable periods. Field missions have also had abundant occasion to complain of slowness in arriving at decisions by ICA/W.

"(c) Delay in reaching decisions seems closely related to the diffusion of responsibility which exists within ICA/W, typified by the extensive reliance upon 'committees' for decisions.

"(d) As a result of diffusion of responsibility:

"(1) It is seldom possible to attribute an error to any particular person(s).

"(2) Records are scattered throughout numerous offices.

"(3) Coordination of effort is frequently lacking since it is no one's particular responsibility.

"6. Excessive reliance on 'political urgency' to excuse deviations from sound procedures:

"(a) The alleged justification for initiating projects without adequate prior planning is almost always 'political urgency.'

such a stand will impair its welfare, either economic or military.

Obviously that statement will be denied and the ever-ready answer of the advocates of foreign aid is: "What might have happened had we not adopted our present foreign policy?" Logically we might assert: A raincoat should be worn, an umbrella carried every day to prevent getting wet in some sudden squall. My answer is that our first concern is to insist upon the continuous development of our own economic security, our own national defense weapons.

If Germany under Hitler, completely surrounded by enemies, could, from September 1939 to May 1945, stand off the whole world, cannot we, if of equal courage, endurance, and ingenuity, in our more advantageous position, successfully defend ourselves when we know that our principal enemy will have behind it and throughout its controlled territory a dissatisfied, rebellious people who will use any war in which Russia may be engaged to establish their own independence? So much for what we tried to buy and failed.

That brings me back—perhaps where I should not be—to the Constitution. Who today cares anything about the Constitution? True, for many, many years it has been our guide to prosperity, national security, and individual freedom. But today we throw it into the wastebasket. Shall I add, along with the Ten Commandments? They are all old, therefore in the eyes of the New Frontier they are no good. Do you see the point? Let us make everything over again.

THE CONSTITUTION AND OUR SWORN DUTY

The first 15 words of the Constitution expressly state the legislative power is vested in the Congress. The first clause of section 7 of article I states that: "All Bills for raising Revenue shall originate in the House of Representatives; but the Senate may propose or concur with Amendments as on other Bills."

Nowhere in the Constitution, so far as I have been able to learn, is there any authority in either the executive or the judicial departments to levy taxes or to spend tax dollars except as authorized by the Congress.

On the opening day of every session of Congress, every Member, regardless of his party affiliation or his individual belief, with upheld hand, solemnly

---

"(b) The alleged justification for almost any deviation from sound procedure is 'political urgency,' as this subcommittee and the General Accounting Office have learned on numerous occasions.

"(c) The ICA Deputy Director for Technical Services and his deputy exceeded their authority and acted with impropriety when they invaded the province of the Department of State and invited the Director of USOM/Thailand to develop a 'political' basis for justifying the award of a contract to an engineering firm of the mission director's choice, whose proposal had been eliminated in the normal contractual process on the bases of high fees and overall costs."

(6) "U.S. Aid Operations in Laos," seventh report, Committee on Government Operations, H. Rept. No. 546, 86th Cong., 1st sess., June 15, 1959:

"CONCLUSIONS

"1. Giving Laos more foreign aid than its economy could absorb hindered rather than helped the accomplishment of the objectives of the mutual security program.

"2. Excessive cash grants forced money into the Lao economy at a faster rate than it possibly could be absorbed, causing:

"(a) An excessive Lao Government foreign exchange reserve, reaching at one point $40 million, equal to a year's aid.

"(b) Inflation, doubling the cost of living from 1953 to 1958.

"(c) Profiteering through import licenses and false invoices, which made possible the purchase of U.S. cash grant dollars for 35 kip. Those dollars could be resold in the free market for as much as 110 kip.

"3. Much of the overspending is the direct result of a determination to maintain a 25,000-man Lao Army.

"Determination of 'force objectives' (the level or the number of troops needed for the security contemplated by the mutual security program) has always been considered a military decision for the Joint Chiefs of Staff and the Department of Defense.

"In Laos, however, the decision to support a 25,000-man army with U.S. aid funds was made by the Department of State, despite contrary recommendations by the Joint Chiefs of Staff. This was a political decision in a military field. There is no evidence that it was essential to support a 25,000-man army. In fact, significant military opinion has suggested a force of 12,000 to 15,000.

"4. A basic difficulty—undermining the success of the aid program in many ways and giving rise to the evils of speculation, profiteering and corruption—was the artificial, unrealistic 'official' rate of exchange of 35 kip to the dollar, whereas the free market rate soared as high as 110 to $1. It took the Department of State and ICA 4 years to overcome this difficulty.

"5. The concentration of the benefits of the aid program to the area around Vientiane and other centers of population, and the enrichment of, and speculation by, Lao merchants and public officials which attended the aid program, tended to lend credence to the Communist allegation that the Royal Lao Government was 'corrupt', and 'indifferent' to the needs of the people.

"6. Neither the first Director of the U.S. operations mission (USOM), Carter dePaul, nor his successor, Carl B. Robbins, showed any clear awareness of the problems that confronted the program or any expertness in meeting them. The first evaluation group that ICA/Washington sent into Laos (the Sessions group) made a report of which the main thrust was that the Director should be replaced, but this did not occur for 14 months, and then only by transfer tantamount to promotion. Robbins has stated that his mission was to 'clean up the mess', but there is little indication that he did so.

"7. Edward T. McNamara, public works and industry officer, accepted bribes totaling at least $13,000 from Willis H. Bird and Gerald A. Peabody of the Universal Construction Co., in return for helping them secure lucrative contracts and overlooking deficiencies in their performance.

"8. William E. Kirby, area transportation adviser, aided by dePaul's circumvention of ICA regulations, was instrumental in securing the award of a contract, for the supply of ferry barges, to the Hong Kong Transportation Co. Shortly thereafter, he was employed by its affiliate, Pacific Islands Shipbuilding Co. While the contract was being negotiated he was the recipient of $500 from the Hong Kong Transportation Co., which has not been satisfactorily explained.

"9. Brig. Gen. Lacey V. Murrow, U.S. Army (retired), head of the engineering firm of Transportation Consultants, Inc., was under retainer to Vinnell Co. at the same time that he was employed by ICA in Laos as an engineering consultant for the purpose of assisting in the selection of construction projects. During this period Vinnell Co. was seeking to obtain contracts with ICA in Laos.

"10. (a) General Murrow discussed frankly this employment and retainer situation with the subcommittee. However, A. S. Vinnell, president, and Frank S. McNamara, vice president, of Vinnell Co., misinformed the subcommittee under oath concerning their relationship with Murrow.

"(b) After an allegation that a conflict of interest situation existed in the Vinnell-Murrow relationship ICA's Office of Personnel Security and Integrity contacted Vinnell Co. by long-distance telephone in California, and also made a single, perfunctory, fruitless inquiry in Bangkok. They received from Vinnell a denial that any contract relationship with Murrow existed for the period in question. Accurate information concerning the relationship might have been secured from Murrow's office, located only a block or two away from ICA headquarters in Washington.

"11. Norman McKay, an employee of Transportation Consultants, Inc., acting as consultant to the USOM, was instrumental in securing the award to Universal Construction Co. of a contract to construct a ferry ramp in Laos. Shortly thereafter, he went to work for Universal as project manager.

"12(a). Carter dePaul, former USOM director, sold his 1947 Cadillac upon his departure from Laos to Gerald A. Peabody, head of Universal, at an inflated price. Uncontroverted evidence indicates the vehicle was at that time inoperable, and that shortly thereafter it was cut up and the pieces dropped down an abandoned well. In the interim, it had stood rusting in front of Universal's main office, where it was the subject of scornful amusement by Laotians and Americans alike.

"(b) In order to convert the proceeds of his sale to Peabody (the sales price was in kip), he presented false information to the Embassy as to the original cost of the car to him; of $2,000 claimed, it is doubtful that more than $1,250 can be supported.

"(c) Asked to explain the false information he had submitted in his official claim, he presented misleading and conflicting testimony to the subcommittee under oath.

"13. ICA/Washington was the recipient of continuing information from reliable sources—including GAO, end-use Auditor Haynes Miller, Contract Management Expert Howell, ICA Auditor Edward Burns, a team from ICA's Office of Evaluation, and the sessions group—concerning the major problems plaguing the Lao program, alleged improprieties, and suitable corrective measures. No significant remedial action was taken.

"14. In the light of all the evidence available, the conclusion is inescapable that Haynes Miller was 'railroaded' out of Laos because he was close to discovering the truth about Universal, its bribes, its virtual monopoly of U.S. aid construction projects in Laos, and its woefully inadequate performance. The prime mover in ousting Miller was USOM Director Carl Robbins, acting on the basis of his confidence in Edward T. McNamara and the USOM Controller, Harry Harting. Ambassador Parsons abetted this removal and lent it the color of his name and office.

"15. In the light of all the evidence available, including documentation of the Lao Government's request for the continuation of the contract, the conclusion is inescapable that the Howell group was eased out of Laos because they were insisting that the U.S. aid program be subjected to proper controls. Under proper controls, improper activities would have become much more difficult.

pledges that with God's help he will support and defend the Constitution, will well and faithfully discharge the duties of the office against all enemies, foreign and domestic. We make that pledge freely without any mental reservation or purpose of evasion. At least so we say.

Under this bill we expressly and deliberately delegate to the executive branch the power to expend tax dollars, in my humble judgment and without reflection on any Member, a shirking of our duty, a violation of our pledge.

In recent years from time to time, bit by bit, little by little, we have surrendered congressional power not only to the executive department but to the judiciary.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to my very, very helpful friend from Iowa.

Mr. GROSS. I thank the gentleman. Is the gentleman saying that Congress is no longer interested in the Constitution of this country?

Mr. HOFFMAN of Michigan. Does the gentleman mean whether we have retained any of our constitutional powers?

Mr. GROSS. Yes.

Mr. HOFFMAN of Michigan. Oh, yes. Listen to this, my dear friend, we are all anxious to be reelected, and one way is to get a handout from the Federal Government into our districts, and that it has been said can sometimes be done by going along with the administration. I know the gentleman does not know about that, he is too recently from the sticks, he is too innocent, he is too honest to have discovered that, and I regret very much to advise him. I would not do it ordinarily, but I know he will not take advantage of it. His conscience would not permit—if he had such a thought—and I know he has not.

Yes, we have retained one constitutional power. As was said, the Constitution's words vesting all the legislative powers in us. And we have retained the power to tax but not to spend. Which shows how silly we can be.

OUR DUTY TO OUR PEOPLE

The truth of the statement that—

This above all: To thine own self be true,
And it must follow, as the night the day,
Thou canst not then be false to any man—

Is as true today as when it was given currency some 360 years ago. Belittled, criticized, vilified as we sometimes are by

---

"16. As an instance of the lack of executive ability and informed alertness of USOM Director Carl Robbins, special note should be taken that, when asked to name a deputy, he made two nominations: Edward T. McNamara and William E. Kirby.

"17. A costly aid project for training, equipping, and advising the national police force of Laos, so as to provide internal security and simple law and order, has been operating for more than 3 years. Although ICA sought to convince the subcommittee otherwise, there is no evidence to contradict numerous official reports from Laos that the project's objective is not near attainment. It is fortunate that by nature the Lao seem to be a peaceable people, not inclined to criminal behavior.

"18. ICA/Washington took more than 18 months to negotiate a final signed contract for highway engineering services (with Vinnell). There was a period of 4 months of total inaction by ICA's Area Operations Division. As a result:

"(a) Control of the road program passed from ICA/Washington to USOM/Laos.

"(b) Officials of the USOM assisted and encouraged the development by the Universal Construction Co. of a virtual monopoly of U.S.-financed construction projects in Laos.

"(c) Universal through the bribery of McNamara and the failure of other USOM/Laos officials to perform properly, was able to secure payments totaling over $1.6 million for performance that was inadequate and did little to enhance the economy of Laos or the prestige of the United States.

"19. USOM Director Carter dePaul violated ICA contract regulations in several important respects, particularly in relation to the Universal contracts. His actions included—

"(a) Writing two contracts for a single job in order to evade the rule that a USOM Director cannot write a contract for more than $25,000 without ICA/Washington approval.

"(b) Writing contracts with inadequate specifications; one contract included a provision that the contractor (Universal) was not required to complete any work under the contract.

"(c) On at least one occasion completely reversing the usual order of procedure: the work was started first; the contract came next; later (with the contract already signed) invitations to bid were issued; and finally ICA/Washington authorization (which should have preceded all other steps) was obtained.

"20. ICA/Washington and, in particular, its Office of Personnel Security and Integrity, have failed to investigate promptly and diligently charges of improprieties brought to their attention, even charges made by ICA's own personnel.

"21. Lao Army pay raises in 1955 and 1959 have added $3.8 million annually to the cost of the U.S. aid program in Laos. The 1955 raise has already cost the U.S. taxpayer $10 million to date. Justifications, if any exist for these raises, are not clear. In both cases, approval by the Department of State was given after the fact and then largely to avoid embarrassment because of unauthorized commitments made at the Mission level.

"22. ICA officials have sought to excuse deficiencies and maladministration in the aid program in Laos, after they have been demonstrated, with the assertion that our aid program, however poorly administered, has saved Laos from going Communist. This assertion is purely speculative, and can be neither proved nor disproved. The subcommittee rejects the reasoning of ICA officials, and, on the evidence, believes that a lesser sum of money more efficiently administered would have been far more effective in achieving economic and political stability in Laos, and in increasing its capacity to reject Communist military aggression or political subversion.

(7) "Operations of the Development Loan Fund," 14th Rept., Committee on Government Operations, H. Rept. No. 1526, 86th Cong., 2d sess., Apr. 19, 1960:

"FINDINGS AND CONCLUSIONS

"1. Executive branch representations have been made to the Congress to the effect that—(a) No advance annual allocations of DLF funds are made; (b) no commitments of DLF funds are made prior to approval by DLF of specific projects; and (c) DLF funds are not used to meet 'short term' or 'emergency' political needs.

"2. These inaccurate representations, even if inadvertently inaccurate, have had the effect of veiling the manner in which DLF funds have actually been used.

"3. Dominance of the DLF by the Department of State has interfered with the independent action, in evaluating and accepting loan proposals, which this new agency was expected to exercise.

"4. In many cases, DLF has not followed the congressional intent that order be brought into our efforts to assist the economic development of less-developed nations, and has failed to bring to that phase of the U.S. foreign aid program the 'businesslike' approach which it was designed to foster.

"5. DLF was established as a separate agency in order to emphasize the distinction between its purposes and those of other portions of the mutual security program concerned primarily with the promotion of foreign policy or foreign trade. The distinctiveness of the DLF has been lost through recent policy changes, and true independence for the DLF is not possible while the Under Secretary of State chairs the DLF Board. Maintaining DLF as a separate agency costs the American taxpayer currently about $2 million a year; it is difficult to justify such an expenditure merely to preserve a facade.

"6. Although the statute creating DLF does not spell out with precision all of the limitations on DLF financing, it is clear from the legislative history that the DLF is to be used only for projects and programs. The specific project is the cornerstone of proper DLF activity.

"(A project, in the sense in which that term has heretofore been understood in connection with the foreign aid program, refers to a specific identifiable proposal, such as the construction of a dam, of a highway, or of grain storage facilities, the eradication of disease, or the provision of specialized training; and a program is a series of specific identifiable and related projects.)

"7. Concerned about the commitment of funds in the absence of specific, planned projects, the Congress last year made applicable to the Development Loan Fund section 517 of the Mutual Security Act, which precludes the obligating of funds until a project has been submitted to careful screening to determine its technical and economic feasibility. However, DLF has interpreted 'obligating' in a strict, technical sense and maintains that this statutory prohibition does not preclude what is variously known as the earmarking, reserving, committing, or allocating of funds.

"8. Earmarking (or its synonyms) refers to a practice of setting aside funds for a particular government, subject to the later approval by DLF of projects or programs. Because of the anticipation thus set up in the recipient government, earmarking has led in a number of instances to the approval of loans for purposes that cannot possibly be construed as 'projects' in the sense in which that term is defined above.

"9. Earmarking places DLF under extremely strong pressure to approve something as rapidly as possible, whether the subject of approval be properly planned or not. Once the recipient governments have been promised aid in a certain amount they have been known to take the view that DLF is merely being bureaucratic if it scrutinizes too closely the use to which that aid is to be put. The following examples indicate some of the evils that have resulted:

"(a) Approximately 25 percent of all moneys available to the DLF in fiscal years 1958 and 1959 went to India—$195 million, of which $175 million was in the form of two earmarks. Not one dollar of this money was restricted to use in any identifiable, planned project. Instead, it constituted simply a 'line of credit' to India, which the Government of India used, for the most part, to pay for orders already placed before the

political opponents, so-called columnists, radio commentators, and a few publishers, nevertheless, it is true that each and every one of us is selected for membership in the Congress by a majority of at least 200,000 of our citizens and unless we are willing to characterize the majority of the voters of our respective districts as ignorant, corrupt, or inattentive, it must be assumed that each of us has some degree of competency and patriotism.

This being true, does it not logically follow that those whose servants we are expect us to not only adhere to the principles of the Constitution, to not only make our national future secure, but to ourselves exercise the power given us by the Constitution? Do we not if we fail in that respect let our people down when we delegate to others the power to spend their tax dollars which only the Congress has levied upon them?

Our people complain of the tax burden which we the Congress impose upon them. Apparently that is the only unquestioned power we now exercise. Even

---

loan had been approved. Retroactive approval of orders already placed is essentially of the same character as the retirement of debt, which is prohibited by section 516 of the Mutual Security Act.

"(b) Largely as a result of DLF's permitting this retroactive approval of orders already placed, there was widespread avoidance of the statutory small business and 50–50 shipping provisions, and documentation for expenditures was accepted which was not up to the standards generally required.

"(c) A $37.5 million earmark to Turkey led to a situation in which the DLF found it virtually impossible to deal with the Government of Turkey on a businesslike basis concerning particular projects because of that Government's belief, apparent from the official record, that the promise of the Secretary of State had already bound DLF, and that the insistence upon project information was a purely formal requirement.

"(d) A $40 million earmark to Iran placed the DLF Board in the position, as documented in its own minutes, of trying to evaluate Iranian-proposed projects in terms of whether they 'fitted' the earmark rather than whether they benefited the Iranian economy.

"(e) A $50 million earmark to the Republic of the Philippines, promising 'soft' DLF loans, interfered with negotiations by the Export-Import Bank to accomplish similar purposes through 'hard' (dollar-repayable) loans.

"10. In addition to the problems generated by earmarking, the DLF has demonstrated other administrative shortcomings and policy deviations. The provision of DLF funds for the payment of local costs, for example, is contrary to the expressed policy of DLF. The policy, however, was violated in the very first loan agreement signed by the DLF—a highway loan to Honduras in the amount of $5 million.

"11. In the case of Honduras, the DLF also violated a precept of commonsense, garnered from the history of over a decade of the operation of the U.S. foreign aid programs, that the procurement authorization procedure, under which dollar-purchased goods are imported to the recipient country and there sold, is a preferable way to generate local currency when the same is required. In Honduras the loan agreement provides for the direct purchase of $5 million equivalent of local currency from the Honduras national bank. It was precisely this procedure which in Laos (as reported last year by this committee) led to currency manipulation, inflation, and increased costs for the aid program.

"12. In Israel, a loan of $15 million for simple commodity imports (not projects) was sought to be justified on the basis that the local currency proceeds would be used on various projects. The Bureau of the Budget objected to this, pointing out that the U.S. Treasury holds ample quantities of Israeli pounds, if these were needed. Israel's original request, however, was for dollars, and not for pounds. In order to meet this request, the loan was finally approved in April 1958, without reference to any project, but merely with the restriction that the Israelis must 'come up with' a list of imports acceptable to DLF. The Israelis are still in the process of doing so.

"13. In the foregoing and other instances, pressure for rapid disbursement is continually exerted upon DLF by the Department of State. This has seriously interfered with businesslike administration. In the case of Iran, for example, the Department of State pressed for disbursement within a single year of the entire $40 million, despite repeated assurances to the Congress by executive branch officials that the DLF was not bound by the much-criticized 'annual level of aid' concept.

"14. In summary, the practice of 'earmarking,' and other departures by the DLF from stated and understood policy, have resulted in substituting for the primary purpose for which DLF was established—orderly economic development—the State Department's dollar-studded concept of international diplomatic negotiation.

(8) "United States Aid Operations in Peru." Fourth report, Committee on Government Operations—H. Rept. No. 795, 87th Cong., 1st sess., July 26, 1961:

"CONCLUSIONS

"1. General

"The principal deficiencies in the U.S. aid program in Peru, during the period 1955–58, stem from the combination of an entrenched USOM Director who did not measure up to his responsibilities, and the failure of ICA/W to exercise supervision and control over his activities.

"2. Drought relief

"There is no competent evidence in the form of end-use checks, audits, or other documentary proof to support the claim of the Department of State and ICA, that a $14 million drought relief program achieved the objectives which would normally be expected of a program of this nature.

"As a result of poor advance planning and inadequate U.S. supervision, much of the food that was brought in remained undistributed at the end of the drought.

"(a) The USOM director divested himself of responsibility for this program by turning over its administration almost entirely to the Peruvian Government, without the knowledge of ICA/W, and in the face of a warning by the then U.S. Ambassador (Ellis O. Briggs) that the local government lacked the experience and facilities to cope with a program of such magnitude.*

"(b) Although Department of State and ICA files indicate that the primary purpose of this program was the feeding of hungry people it cannot be determined how much of the food provided actually reached drought victims. Less than 6 percent of the food was distributed free in the drought area (almost as much was lost or damaged from various causes).

"(c) The food supplied was practically all grain, and at least one-third of this was sold to millers and distributed through normal commercial channels. Whether any of this reached drought victims cannot be determined, from the testimony of State and ICA witnesses or from any documents they submitted.

"(d) Almost 25 percent of the food provided remained undistributed at the time the drought was officially declared over by the Government of Peru; almost one-half of this amount still remained in the warehouses a year later.

"(e) Although the United States and Peru had agreed that Peru was to bear the administrative expenses of the drought program, Director Neale, without the knowledge of ICA/W, advised the Peruvian Government to charge such expenses as though they were work relief project operating expenses. This unauthorized action precluded the United States from recovering the funds involved and substantially reduced the funds available for the keywork relief feature of the drought program.

"(f) Although USOM Director John R. Neale had received instructions to obtain ICA/W approval of projects proposed by the Government of Peru to be financed with the sales proceeds, he failed to do so.

"(g) Sales of grain generated the local currency equivalent of $3,600,000. Such sales were authorized by the agreement between the United States and Peru, providing that such funds were to be used to pay the wages of drought victims employed on work relief projects. However, as a result of Neale's failure to carry out his duties as USOM Director, at least 60 percent of the sales proceeds were used improperly, that is, contrary to the uses contemplated when this program was inaugurated. The lack of adequate USOM and ICA/W records makes it impossible to determine what portion of the balance may also have been improperly used. An instance of improper use was the unapproved construction of eight houses at Puno and their sale, below cost and on an installment basis, to prominent persons in the town.

"3. Road project

"A $2 million loan to Peru, intended to aid its economy though construction of a road to open isolated areas for agricultural development and colonization, was the subject of such faulty and inadequate planning that after construction had actually started the route had to be completely changed, when belated soils tests established that the area to be served by the original route was unsuitable for farming.

"(a) Although funds for this construction were obligated with excessive haste, a period of over a year intervened between obligation and construction. This period could have been used to select a terminus suitable for the purpose intended and to plan a proper route.

"(b) In fact, such planning did not occur, and the route had to be changed after the commencement of construction. Washington was not advised of this change until this fact was uncovered by an ICA/W auditor.

---

* The food for relief programs of this nature in any country is provided by the U.S. Government under Federal statutes. The U.S. operations mission should provide such guidance as is needed by officials of the host country to assure distribution and utilization of the food in a manner best suited to achieve the purposes for which the program was established. In this connection, the jurisdictional concern of the subcommittee is solely the performance of U.S. personnel, and we neither seek nor evaluate information regarding the performance of any foreign official. In the instant case, we have not deviated from this practice; none of the criticisms in this report should be construed as relating in any manner to the conduct of the Peruvian Government or any of its officials.

our own interests would seem to indicate that, as we impose the burden, we should retain some degree of responsibility for spending the money so collected.

By the passage of this bill as written we surrender the power to spend, the duty to supervise spending, to others. We make apparent the futility of electing a Congress, if and when we shirk our duty, our implied promises to our people. If the executive department is to dictate the spending—when and how and how much—then it should also assume the burden of levying taxes.

If we as a Congress are not willing to discharge our constitutional duty, ourselves represent our people, then, why a Congress?

The CHAIRMAN. The time of the gentleman from Michigan [Mr. HOFFMAN] has expired.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, the foreign-aid bill before us has many provisions and involves many activities, including loans, grants, international organization funds, and a contingency fund. There are many points of disagreement as to the proper form our aid program should take. The major program proposed in this bill is the development loan program.

Of all these many provisions, the one which has given the Members of this legislative body the most trouble, it seems to me, the provision which has caused the most worry and soul searching on the part of the men who must go back to their constituencies and justify their actions on this bill, has been the provision for long-term financing of development loans. As I have watched this bill, and as I have watched my colleagues trying to arrive at their judgments about the merits of this piece of legislation, it has seemed to me that they have been most concerned with that portion of the bill which provides for the long-term authorization of $900 million for fiscal year 1962 and of $1.6 billion for each of the succeeding 4 years. This being the case, it is important that the uncertainties about what this bill provides, the fears as to what it might result in from the point of view of congressional control, and the objections to the method of financing be looked at and answered. Only in this way can we in the Congress arrive at a decision on this bill which will both satisfy ourselves as legislators and representatives, on the one hand, and enable this Nation to meet its responsibilities and commitments to the world around us on the other hand.

One objection which I have heard is something like this: Domestic programs do not require long-term financing; why should the foreign-aid programs?

The best answer to this objection is that in foreign-aid programs we are asking—indeed, requiring—that recipient governments make substantial changes in social and economic conditions in their countries—all the way from tax to administrative reform, from land reform to health and education programs. But changes such as these take time. They involve an alteration of established patterns of entire societies. All of this is in line with the forward-looking policies of the decade of development designed to produce change aimed at the social and economic betterment of the peoples of the economically less fortunate nations. If we are to expect these governments to make these changes we

---

"(c) The road finally constructed under this loan ended in the middle of nowhere—'on the side of a mountain'—at a point about halfway along the projected route, where the project ran out of funds.

"4. Pampas de Noco

"A $125,000 irrigation project built at Pampas de Noco does not irrigate.

"(a) The significance of this particular failure lies in the stubbornness with which USOM Director Neale continued the project even after he had received competent technical advice that the project was not feasible.

"(b) The reason the project was not feasible seems incredible, in any properly planned irrigation project—it was simply that there was not enough water available in the area to make use of the projected irrigation works.

"5. Conflict of interest

USOM Director John R. Neale entered into a conflict of interest situation for personal profit when he organized and invested in the corporation, Negociacion Bazo Velarde, S.A., for the purpose of operating a farm which was receiving aid under the U.S. program. He failed to inform his superiors of his participation in this operation.

"(a) Neale testified contrary to the facts in his appearance before an ICA hearing board.

"(b) ICA/W had information which should have compelled the pursuit of an inquiry into possible conflict of interest on the part of Neale for some 4 years before effective action was finally taken.

"(c) Even at Neale's administrative hearing, where the record clearly demonstrated that Neale was in fact in conflict of interest, both regional Director Atwood and Ambassador Achilles persisted in impressing upon the board their beliefs that Neale was simply a victim of spite on the part of complainants.

"(d) The hearing board which considered Neale's conflict of interest and recommended his separation apparently did not pursue the matter beyond the point required for this minimal decision. The investigator upon whose findings the hearing was based was not called by the board.

"(e) The only witnesses heard by the board, other than Neale, were Atwood and Achilles, who testified as character witnesses for Neale. Although neither appeared to have any knowledge of the actual facts, each rendered a strong endorsement; in their positions they should have known the facts, or, at least, have informed themselves before voicing opinions.

"(f) ICA/W investigative personnel, Thomas E. Naughten, Michael Ambrose, Robert L. Shortley, and Charles A. Gannon, all demonstrated a peculiar disinterest in determining the validity of charges made concerning Neale's conflict of interest. This performance, inconsistent with what appears to be inadequate investigative experience in the backgrounds of these men, points to a conclusion that ICA did not require, nor did they employ their best talents.

"6. Internal audits

"A lack of adequate internal audit facilities contributed to the difficulties experienced with the program in Peru, since the USOM was frequently unaware of developing difficulties for substantial periods.

"(a) The failure of the USOM to submit, or ICA/W to request, the submission of such internal audit reports as were made indicates a high degree of laxity at managerial levels both in Washington and in the field.

"(b) There were no end-use checks made of the drought program.

"(c) ICA/W, on the basis of information from various sources, could have taken action to correct this situation. The special audits issued in March 1960, however, did not come about as a result of routine administrative control procedures, but because ICA/W became aware of congressional interest in the charges leveled against the program by former USOM Deputy Director Samuel Coon.

"(d) Even subsequent to the special audits, the USOM resisted for over a year the recommendation of an ICA/W auditor that a full-time American auditor be assigned to USOM/Peru.

"7. Poor supervision

Rollins S. Atwood, Regional Director, Office of Latin American Operations, ICA/W, did not properly perform his functions as the official primarily responsible for the effective operation of the U.S. aid program in Peru.

"(a) He had adequate basis for questioning the quality of the administration of the aid program in Peru, but failed to take corrective action.

"(b) He had ample indications that Neale was involved in a conflict of interest situation but failed to pursue inquiries that could have established the facts.

"(c) His conduct in office and his testimony before the subcommittee were characterized by a defensive rejection of all suggestions that Neale's performance might in any manner fall short of acceptable standards.

"8. Unawareness of Ambassador

"Ambassador Theodore C. Achilles, in his appearances before the subcommittee, demonstrated important gaps in his knowledge of the activities of his subordinates during the period when he served as Ambassador to Peru.

"9. Investigative shortcomings

"The Office of the Inspector General and Comptroller and its predecessor, the Office of Personnel Security and Integrity, ignored serious charges and delayed action in cases where prompt and adequate investigation might have proved embarrassing to ICA, the USOM, or to Neale.

"(a) The act of former PS&I Director Thomas E. Naughten † (in which there was participation by Charles A. Gannon and Robert L. Shortley) in changing the name of a file, and the focus of investigation, from Neale to that of a complainant, Dr. Raymond Gibson, demonstrates an unfortunate bias and tendency toward prejudgment.

"(b) USOM/Peru Deputy Director Coon tried for over a year to get action from responsible ICA officials on his charges of Neale's maladministration in Peru, only to get rebuffs from ICA Director Smith and Regional Director Atwood. It was not until it became known that he was to appear before a congressional committee that PS&I was finally directed to investigate Coon's charges.

"(c) After failing for over a year and a half to make any substantial inquiry into

† Present USOM director in Thailand.

charges that a USOM employee had improperly profited from the sale of some $42,000 in surplus grain sacks, OIGC finally reopened the case, 1 day after this subcommittee had expressed an interest in the matter.

must give them some reason for believing they will be worth it, and that the great strain and stress of change will not produce only chaos when after 1 or 2 years, the aid program on which all the planned change was built might be discontinued. In short, if we are to promote the long-term planning necessary to rapid development, we must be prepared to back up such plans with long-term support.

A second point in answer to the objection is that by leading the way with long-term authority we induce other industrialized nations to join with us in a grand and effective program geared to the long-range needs of the developing countries.

The fact of the matter is, Mr. Chairman, most objective analysts agree that our present method of authorizing and appropriating the funds for this program on a year-to-year basis is inadequate, inefficient, and outmoded. We need long-range programs in order to insure more efficient and adequate planning; in order to obtain better qualified personnel to administer the program; and in order to enable our negotiators to compete on more equal terms with the Communists, who score many gains by promising aid over a multiyear period.

A second major objection—in fact, the key issue around which the fate of this terribly important measure revolves—is that against long-term financing. The objection usually goes that the long term availability of loans means back-door financing, with concomitant loss or impairment of congressional control.

Is there in fact any basis for such an objection? The two parts of this question should be answered separately.

First of all, "back-door financing" is a very misleading and deceptive phrase. We should not forgo use of an effective tool in the world struggle because of an inaccurate label. This label implies that the President takes funds from the Treasury without the knowledge or permission of the Congress, whose constitutional sovereignty in the area of appropriations is jealously, and quite justly protected. This implication is, however, not a valid one. A more appropriate metaphor by far is the President as licensee, using funds made available to him with the knowledge and consent of the Congress, which could at any time, however, revoke that license. To continue the metaphor a step further: it is not that the President uses the back door of the Treasury—he comes, rather, quite openly through the front door; but he does so at the direction of the Congress, which has furthermore provided that he need knock at the door only every 5 years or so, rather than every single year. He does this with the full permission and knowledge of the Congress, which never gives up its constitutional power of being able to close the door if and when it should choose to do so, or requiring him to resume the practice of pausing each year to knock.

Several years ago, I went to Europe to consider competitive problems in connection with atomic energy and other matters. Government officials in Italy, Germany, and France told me that one of their greatest problems in developing nuclear energy for peaceful purposes was their inability to secure long-term financing. In fact, the Italian Government granted one important contract to a British firm over an American firm, solely because the British firm was able to offer long-term financing. Is this not the kind of embarrassment that the President wishes to forestall in his long-term financing proposals on foreign aid?

The second part of the objection—the notion that the bill inhibits congressional control over the actions of the President pursuant to the borrowing authority—is a reflection of a particularly grievous set of misunderstandings about this bill. For this reason, I should like to point out the specific controls which the Congress does maintain.

First, Congress has complete say on the question of the maximum pace at which the President can borrow from the Treasury and thereby be in a position to lend money. The requested authorization for fiscal year 1962 is $900 million, plus $1.6 billion for each of the next 4 years. But these figures are not irrevocable. Should we in Congress at any time wish to increase or decrease the authorization, we are of course at complete liberty to do so.

Second, Congress decides what are the specific criteria to be used for the administration of the aid program. Examples of such criteria are the extent to which the country is responsive to the needs of its own people and is willing to take self-help measures; the consistency of the loan program with other aspects of its development activities; and the contribution of the loan to economic and social development.

Third, the Congress is always free to amend the authorizing legislation to take away any of the prerogatives it has placed at the President's disposal.

Fourth, Congress has the opportunity to review the lending program at the time it reviews the rest of the activities of the act, and to review quarterly reports on the development program submitted under article 204 of the act.

Fifth, the lending program each year is subject to review by the Appropriations Committee which may recommend to this body appropriate limitations.

Finally, since any program is only as good as the administrative facilities which carry it out, the Congress has control through both the authorizing and the appropriations committees of the administrative machinery of the executive branch of the Government, mainly the new AID.

I do not see how this Nation can afford to go on with the kind of shortsighted, stop-and-start program which has been characteristic of so much of our effort in this field. We of the Congress have a responsibility to see that such inefficient programs are replaced by long-range programs which can succeed.

Some of our colleagues on this House floor have often expressed their desire that the U.S. Government would adopt more businesslike procedures and perform with greater businesslike efficiency. Here is their chance to translate that desire into action. For no business of the scope and magnitude and complexity of this aid program would be expected to perform effectively on a year-to-year basis; yet that is what we have been expecting from our past programs. And furthermore, no business of the order of magnitude and complexity of this development loan program would be expected to show the full measure of its results in a year or 2 years, especially if it were subject to the kind of uncertainties and discontinuities which the year-to-year aspects have forced upon the development program. Yet some in this House who have clamored most loudly for more businesslike efficiency and greater returns on our foreign aid dollar have done the most to prevent precisely those results, by hamstringing the program with unwise, rigid annual authorization and appropriation procedures. The inconsistency of such a course of action is glaringly apparent. The time and the opportunity to strike a new course and give this program a chance are at hand.

Let us cease this foolishness of opposition. Let us stop behaving like the farmer who, as the story goes, pulled up the plant each year to see how the roots were doing and kept wondering why the plant did not grow. Let us enact a program that can be evaluated instead of pretending to evaluate a program that has not been given a chance to perform. The time is well upon us when we must take a forthright step and equip ourselves adequately for the tremendous task ahead. As a nation we cannot afford to do less.

Mr. CHIPERFIELD. Mr. Chairman, I yield such time as he may desire to the distinguished gentleman from Ohio [Mr. ASHBROOK].

Mr. ASHBROOK. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ASHBROOK. Mr. Chairman, I am opposed to the foreign aid bill which is before us. It seems to me that we have lost sight of several basic principles here. In the first place, we do not have the money to give away. The policies of this administration are already forcing us into multibillion-dollar deficit spending with no end in sight. In fact, it is no exaggeration to say that the annual deficit will be measured to a large extent in the amount of the foreign aid program we are here enacting if it receives a favorable vote.

Foreign aid has not been a successful venture. A great deal of the blame must be attributed to the State Department which has a long record of mishandling, appeasing and placing our interests in the background. We all recognize the need to give some tangible assistance to our allies and emerging nations. The present system has worked against our interests and it is wrong to continue it. More congressional control

should be exercised and a more realistic approach should be taken.

We must recognize that we cannot do for nations what they cannot find the will to do themselves. In many countries, attainable goals are negligible because of the lack of freedom of individuals. A completely socialistic or communistic country is limited in the goals it can attain as individual freedom will always be secondary. To come into these countries with massive foreign aid will, in many cases, merely insure the further subjugation of the people.

Last month I directed a letter to the Secretary of State which sets out my three basic objections to this bill. Under unanimous consent, I include it at this point in the RECORD.

JULY 26, 1961.

Hon. DEAN RUSK,
Secretary of State,
Washington, D.C.

DEAR SECRETARY RUSK: I have received your letter of July 18 in which you set out the thoughts and objectives of the administration on the multibillion-dollar foreign aid program which is now before the Congress. Your arguments in favor of the proposal are quite persuasive; yet too many questions are left unanswered. Thus far the United States has spent over $84 billion—the value of our 30 largest cities—on foreign aid. President Kennedy has requested $3.9 billion for fiscal 1962 and an additional $7.3 in development loans over a 5-year period, a total of $26.8 billion in the next 5 years as the very minimum if no increase over the $3.9 billion 1962 figure is asked in the succeeding 4 years.

During the last World War, the Government constantly constrained its citizens to avoid waste and excessive spending. We all recall during gasoline rationing that we were implored, "Is this trip really necessary?" With ever-increasing deficits being advocated by this administration, the American taxpayer is now asking the Government, "Is this trip really necessary?"

Waste, graft, and corruption have been all too prevalent in the program. The State Department (the Eisenhower administration included) has not demonstrated the fortitude or ability to approach an efficient level of administration in these programs so that Congress and the American people can place confidence in your increased requests.

Although I will support specific programs of assistance to allies, I oppose the foreign aid program as requested for three basic reasons. First, I disagree as to the method of financing. I am against back-door spending and the circumvention of the normal appropriations process of the Congress. Your words, "it would create a strong presumption, which does not exist under the present system, that funds in known amounts would be available for the continuation of the program" give little enthusiasm to me due to the great abuses of the past. For Congress to have less rather than more control over the expenditure of the funds would lead to more situations like we discovered last month when debating the fourth supplemental appropriation bill. Although we pay 32.51 percent of the total U.N. cost, through State Department leadership we paid an additional $15 million to the U.N. to help make up for the Communist blocs' refusal to pay its share of the U.N. Congo operations. Would Congress appropriate this $15 million for such a purpose? Would the American people agree to this? The answer is surely "No" and yet if we completely give up congressional control we can have more situations of this type—from recent experience, every indication is that we will.

Second, if the President is so convinced that this program is of such vital necessity why doesn't he cut down on his multibillion-dollar welfare programs? We are asked to enact a variety of unnecessary programs (unnecessary, that is, if we have the fortitude to put first things first) although we must borrow the money and further weaken our domestic economy. Since we don't have the money and the administration doesn't want to ask for new taxes to pay for this and other programs, is foreign aid so vital that we should continue deficit spending and further burden our people and future generations? If America is crippled by fiscal irresponsibility we will be in no position for world leadership.

Third, and most important, your letter indicates the basic reason for questioning the whole program. Not once do you give any indication that we have or should have an overall policy of defeating the Communists. What are our goals? If you had announced a 5-year policy of defeating international communism and geared this program to it instead of a 5-year giveaway program you would have solid American support. Quite the opposite, the past 6 months have demonstrated a demoralizing loosening up all of the way down the line in our life-and-death struggle with the Communists. The administration's program of treating the Communists with "civility" is bankrupt before it starts.

We see efforts to skirt our export laws in trading with the Communists, administrative orders freeing the flow of Communist propaganda in our mail, "tractors for prisoners" in Cuba rather than planes and guns when they were needed, relaxed security measures at home, Oppenheimer and Lattimore abroad representing our country, tacit approval of the recognition of Red China and Outer Mongolia and a multitude of other weather vanes pointing prophetically toward the direction we are taking. In such a policy of containment or accommodation we find nothing to give encouragement to the American people or the world. We want to defeat communism—set out our goals for doing this, gear our economy and thought toward such an end and foreign aid would be a useful tool. Can the State Department face up to such a challenge? I am sure the American people can.

Sincerely,

JOHN M. ASHBROOK,
Representative to Congress.

Mr. CHIPERFIELD. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, it is evident from the remarks of many Members of the House who have preceded me that there are many of us who have supported foreign aid in the past who now strongly oppose the President's proposal for long-term borrowing authority to finance the program outside the normal appropriations process.

In the time allotted to me, I shall only be able to address myself to certain aspects of this legislation. I shall begin by commenting on various statements that have been made in the previous debate.

During the discussion on the rule by which H.R. 8400 was made in order for consideration, the gentleman from Virginia [Mr. SMITH] brought out the fact that this rule provided for waiving all points of order.

Mr. Chairman, I wonder if the full significance of this matter of waiving points of order is understood. Of course, Members recognize that it prevents a Member of the House from objecting to language and provisions which violate the established rules of the House, but in this instance, Mr. Chairman, the waiving of points of order deprives the House of one means of determining whether or not it desires to surrender its constitutional responsibility to appropriate.

In other words, in 1949, under the Boggs decision, back-door spending in an authorization bill was ruled as not violating House rule XXI (4) which gives jurisdiction over all spending bills to the Committee on Appropriations.

However, in the Boggs decision the Chair ruled that language authorizing the Secretary of the Treasury to use proceeds of public debt transactions for the making of loans did not constitute an appropriation. In his ruling, the Chair said:

> Under the language, the Treasury of the United States makes advances which will be repaid in full with interest over a period of years without cost to the taxpayers.

In view of the fact that the advances in that instance would be repaid in full the ruling held it did not constitute an appropriation.

I had hoped to raise this same point of order, Mr. Chairman, in connection with this foreign aid bill and spell out that in the case of the Development Loan Fund the loans would not be repaid in full with interest at no cost to the taxpayers. The facts of the case are that no one expects under this program that the loans will be repaid in full. One has only to review the history of Latin American governments and their records of repaying their foreign loans to know that over the course of the next 50 years they can expect more in the way of revolutions and overthrow of governments by violence. Even though the governments were stable, the only way those foreign countries can get dollars is when we give those dollars to them, and if development loan funds are repaid we will be the ones that will be paying ourselves back.

In one Latin American country, there were 177 revolutions in the past 50 years and consider even in recent times for example the violent overthrow of existing regimes as shown by the following tabulation:

Argentina: September 1955 (Perón).
Bolivia: December 1943, June 1946, and April 1952.
Colombia: June 1953, several months 1957.
Costa Rica: May 1948.
Cuba: Castro—January 1959.
Dominican Republic: 1961—Assassination of Trujillo.
El Salvador: May 1944, December 1948, October 1960, and January 1961.
Guatemala: 1945, June 1954 and July 1957.
Honduras: October 1956.
Nicaragua: February 1947.
Panama: January 1955, September 1956 (President killed).
Paraguay: May 1954.
Peru: October 1948.
Venezuela: October 1945, November 1948, January 1958.

In connection with raising a point of order, I had planned if favorable ruling was not forthcoming and in case the Boggs decision had established a precedent, to respectfully appeal the decision

to the Members and to the Committee of the Whole and, thereby, had hoped to overturn a previous interpretation of the rules which I have believed unsound and not in accordance with the facts.

Of course, the back-door spending programs that have been voted by the Congress are not such as to constitute borrowings to be fully repaid. Already the Congress has had to "forgive" $16 billion of such borrowings. At the present time, the outstanding borrowings by various agencies does not represent loans from the Treasury which will be fully repaid. Consider the Commodity Credit Corporation which owes the Treasury about $12 billion. Who can seriously contend that the Treasury will ever get this money which has been dissipated in commodity transactions and is no longer available for repayment.

One other point which was mentioned during the consideration of the rule—a speaker quoted President Eisenhower, or General Eisenhower as he was when he testified in 1951 during the 81st Congress. In his testimony which was quoted it was contended that he expressed himself emphatically against 1-year financing. What General Eisenhower said was:

I believe in my testimony we should calculate these budgets on the fact they are going to have a plan of indeterminate length.

He said nothing about omitting the annual scrutiny and review of the Appropriations Committee of the Congress.

Let me emphasize that in his final budget message to Congress in January of this year President Eisenhower recommended that the Congress not use back-door spending on any new program and, likewise, that existing programs be gradually eliminated. The recent action of this House in reversing its method of financing the airport aid program I thought was encouraging. It changed from back-door spending to multiyear appropriation.

Mr. Chairman, earlier in the debate the majority leader stated that the argument of those who opposed the 5-year Treasury financing provisions are based upon the assumption that we are living in a very peaceful world.

On the contrary, Mr. Chairman, those of us who oppose back-door spending in this foreign-aid bill are quite conscious of the world situation. The Members of this Congress are extremely sensitive to international events. The opponents of back-door spending simply do not want to surrender their constitutional rights and responsibilities to the executive branch now or at any time. We believe that the control of these spending programs in view of what is happening in Berlin, and in view of what has happened in places like Cuba and Laos, should be constantly under our control as representatives of the people. The mere fact that this is not a peaceful world is all the more reason why there should be a double check on the public purse.

One previous speaker mentioned that the appropriations procedure had failed to stop waste and all the mistakes that have been brought to light in the past in connection with our foreign aid. In answer to that, I would only say it has been the Congress that has brought these matters to light and without exception almost it has been the executive branch that has attempted to cover up. The executive branches in this administration and the previous administration did everything in their power to keep the scandals, extravagance, and evidences of mismanagement from the public, and that is one of the principal reasons that I argue against turning over full power of administration to the executive branch.

Now, Mr. Chairman, I must limit my remarks to certain facts which have to do with control of these foreign-aid funds. Congress has only one certain and continuing way to control the Government. No other way exists.

I will not discuss the merits of foreign aid or even what amounts should be voted. I am going to simply talk about control because that is the key question in this new proposal in H.R. 8400.

First. Will Congress retain annual control under the Corporation Control Act?

The House Committee Report 851, pages 18–19, says we would not be prevented from exercising control over the $8.8 billion. Do we stop there?

On page 19, the report recites the step-by-step procedure which "it is understood by the executive branch"—please note it says, "the executive branch," not the committee—would be followed under the Corporation Control Act each year. And then this, under item 5:

Until Congress enacts the necessary language approving the budget program, neither obligations nor expenditures can be incurred.

It does not say anything about "commitments," does it? More on that later. It sounds like Congress must act each year before they can use the money, does it not?

Look at the bill on page 9, lines 19–25 in section 203(b):

The President is authorized to incur in carrying out the purposes of this title obligations * * *.

If it is true that obligations cannot be incurred until Congress approves the annual budget, and there is apparently some doubt in the executive branch as shown before, then is not the above-quoted section 203(b) unnecessary—or would it carry on if Congress failed to approve the budget?

But the executive branch goes on to cast this doubt on the budget law:

The language of section 104 (of Corporation Control Act) contains certain ambiguities are not fully clarified by the legislative history of the Control Act. As a result, the meaning of section 104 has been the subject of disagreement in past years.

Here we have an interpretation of the executive branch that submitted the proposition to the House, but not the interpretation of the committee. So where does that leave us? Listen to this from page 113 of the Senate hearings:

Senator WILLIAMS. As I understand it, and I think we ought to get this clear, you come back each year and report to Congress, but you do not need any additional action on the part of the Congress to get the money, if we approve this bill as it is written; is that correct?

Secretary DILLON. That is correct.

Comment: How do we reconcile these three things? Remember, the actual money is in H.R. 8400, not in a later appropriation bill. And they admit to ambiguities.

Second. Will Congress retain full legal power to limit use of the funds, regardless of the Corporation Control Act?

Intentionally, this question indulges the obvious. Of course it will. Congress rarely finds itself without raw legal power to amend a law or change its mind most any time—no matter what the commitments are. But you as a legislator know that hanging on sheer legalism utterly begs the question especially where delicate and far-reaching commitments and arrangements with sovereign foreign nations are involved.

The committee report, page 18, says:

Congress can always amend the authorizing legislation—

And that—

the committee has been assured by the Executive, and definitely understands, that no irrevocable commitments for future years will be made under this authority to any country.

Do we stop there?

Listen to what Secretary Rusk told the House Appropriations Committee, page 71 of their hearings:

Secretary RUSK. As a matter of law and the Constitution, it [Congress] would have the same control. However, I would be less than candid if I did not say that the exercise of that control by the Congress on an annual basis would be a more serious step in terms of our commitments and relations with other governments than would be true under the present arrangement.

This gets close to the heart of the matter. Now listen to Secretary Dillon in the Senate hearings, page 113:

Senator WILLIAMS. Suppose Congress decides to cut this $1.6 billion to x dollars. In the meantime, under long-range programing we have already made commitments to these countries. Could Congress at some future date limit expenditures to a point which would be below what we have committed? Would these commitments not be obligations of this country with each nation with which it has entered into commitments?

Secretary DILLON. I would like to be perfectly clear on that, Senator. Congress does have the authority to limit it, and could limit it, but it would have the effect of the United States not living up to its commitments.

So I believe there would be very strong pressure on Congress not to have the United States default on a commitment which it had legally made.

Comment: I stand ready to be shown that H.R. 8400 in any way prevents long-range commitments.

Once more, just for emphasis—again from the Senate hearings, page 113:

Senator WILLIAMS. If we authorize under this bill long-range commitments with X country, we are morally bound to put up the money; is that not true?

Secretary DILLON. I think there is a strong moral obligation to put that money up, and

I do not think we should try here to say anything else than that at all.

Comment: Does that sound like we would have much control each year—really?

Third. Could they make long-range commitments against the $8.8 billion?

Here is the Executive answer, from page 71, House Appropriation hearings:

Secretary RUSK. We are asking you to give us the right to commit you over this longer period.

In the same hearings, page 153:

Mr. PASSMAN. In effect, the executive branch could if it should so determine, commit the entire $8.8 billion during fiscal year 1962 on a conditional basis?

Secretary DILLON. They could commit $1,187 million firmly, and they could commit the rest of it conditionally.

Mr. PASSMAN. It would be committed, nevertheless?

Secretary DILLON. Conditionally, it could be.

Comment: I stand ready to be shown that H.R. 8400 in any way precludes this from being done. But to remove any doubt about the intent, the following is from an official executive analysis reprinted in the CONGRESSIONAL RECORD of August 10, 1961, page 15439, middle column:

However, the executive branch would consider the enactment of the borrowing authority in the AID Act to constitute an expression of intent on the part of the Congress to provide funds over the 5-year period in the aggregate amount of $8.8 billion, and it would feel free to enter into conditional commitments with respect to these funds. It would be the expectation of the executive branch that the level of these funds would not be reduced, so as to render it impossible for the commitments of executive branch to be carried out, unless the Congress considered that affirmative reasons existed for such reduction.

Fourth. But can Congress not still limit the borrowing authority every year?

I quote from page 100 of the Senate hearings, Secretary Dillon:

Secretary DILLON. However, if they took this action, this would certainly be contrary to the intent of the borrowing authority, and there would be a strong presumption they would not do it unless they found that the organization had acted quite out of line, and that this authority was no longer necessary in this amount. What, in effect, happens is that the burden of proof is substantially shifted to the Congress. Rather than resting on the side of the agency to show that they need a certain amount it is shifted to the Congress to show this is not needed and should not be spent, and that is the general situation.

Comment: A strange twist for Members to swallow on foreign aid—asking them to assume the burden of proof. Incredible.

Fifth. But would not Congress limit the spending under special circumstances?

That came up in the House Appropriations hearings, on page 194. Secretary Dillon listed some possibilities:

(a) A depression of the 1930's type.
(b) War.
(c) A country deserting the free world cause.

Comment: I ask, what else is left?

Sixth. Would the President have power to obligate funds until Congress approves the budget program?

The administration's analysis of the development lending program, appearing in the Senate debate, CONGRESSIONAL RECORD of August 10, 1961, page 15438, last column.

Until Congress enacts the necessary language approving the budget program, neither obligations nor expenditures can be incurred.

Comment: Compare this statement with the language of the bill, section 203(b):

The President is authorized to incur in carrying out the purposes of this title obligations which may not at any time exceed the sum of (i) all funds made available and all funds authorized to be made available pursuant to the authority, and subject to the fiscal year limitations, provided in section 202(a), and (ii) all other funds made available pursuant to this part for the purposes of this title.

Conclusions: With these facts, and knowing a little of the machinations of bureaucracy, I cannot escape certain conclusions about this 5-year, $8.8 billion back-door provision:

First. The cards are on the table, face up. It is an all-out effort by the administration to get the money without Congress—short of the most extreme circumstances—interfering with its use over the next 5 years.

Second. It is a deliberate Executive attempt to short circuit the time-tested annual congressional appropriations system—an official State Department publication of June 1961 said that "the same purpose could be accomplished by the technique of a multiyear appropriation."

Third. The deceptively reassuring elaboration of procedures—adroitly written and meticulously erecting technical distinctions between commitments and obligations—by which Congress would annually exercise its will over the spending under an admittedly ambiguous law strikes me as dragging a red herring into the issue. What other motive, when they flatly say you can limit the spending, but if you do, you will be found in default of commitments? What else?

Mr. MORGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, the consideration of the problem we have before us today seems to me to be no different than it has been in years past except in one important respect, and that is the realization not only in the Congress but, certainly, throughout the United States and the free world that the challenge which confronts us is a challenge in totality. I think more and more, every day, in the years that I have been here, this recognition is becoming stronger and more firm with the American people and the people of the free world. At the risk of oversimplifying my belief or my position on this subject, I would say this, so far as I am concerned, in what I believe is for the best interest of the people I represent, and what I firmly believe is for the best interest of this country—I think the totality of the challenge which is presented to us, not only by communism as such, but by the problems which beset the peoples of the world can only be met in totality. I do not shirk—I am not fearful—I have faith and confidence in what the American people can do, I strongly and firmly believe they are willing, able, and ready to do it notwithstanding the fact that they may be annoyed by the taxation; notwithstanding the fact that this particular program is not "a popular program." Yet, I honestly believe deep in the hearts of our people lies the conviction that there really is no other answer, and that is, we must meet the challenge which confronts us in totality regardless of what it costs us; regardless of what mistakes may be made; regardless of the mistakes which we, ourselves, may make in our sincerity and in our endeavors and in our efforts to meet this challenge.

Mr. Chairman, I will certainly not try to convince anybody who is opposed to this program for any reason, whatever it might be. I believe I have come to the point where I recognize the fact that you can rationalize any position to justify your own. So, I believe that my remarks are more dedicated to explaining my own feeling on this subject notwithstanding the politics that may be involved; notwithstanding the sincerity of those who oppose one provision of the bill or another; and, certainly, taking into consideration those who are sincerely opposed to the legislation in all respects. Nevertheless, I cannot erase from my mind the fact that the United States and the free world is challenged in every field of human endeavor by an international Communist conspiracy.

I cannot erase from my mind the fact that millions of peoples around the world now struggling to achieve their own societies and manner of life are having tremendous difficulties, economic, social, political, and otherwise, which mitigate against, bear down and press upon them to the point that they cannot achieve these things.

I cannot erase from my mind the fact that a great majority of the people of this world are going to bed tonight hungry. I cannot ignore them except at my own peril; or that there are the ill, the uneducated, the poorly clothed, and that they are subject to tremendous pressures, political, ideological, and religious. I cannot eliminate those things from my mind. To do that would make me an absolute idiot. I would like to be realistic about the world of today and I believe that in being realistic I must face facts and conditions as they do exist.

I am called upon to make a decision as to what I should do as an American, and as a Congressman representing over a million people, what they will do about it. I do not, of course, like to impose a burden upon my people any more than I like to impose it upon myself; nevertheless, all of us here have been called on to do so many times; and I am sure all of us will in good conscience impose that burden when we believe it is in our own self-interest and for the best interests of the Nation.

Reasonable men can differ honestly, sincerely, and deeply; I have no quar-

rel with that, and I would give them as much respect for their sincerity and conviction as they give me for mine. But times are such today, and for what we as men can reasonably foresee for the future, that in my judgment we have no alternative, we have no alternative but to continue this program. We have no alternative, if for nothing else than purely psychological reasons, I repeat we have in my judgment, no alternative to announcing our decision to stay in this field of challenge as long as may be necessary.

Certainly we are all familiar with what the committees of Congress have done, and properly so, and what the Executive has done in the examination of this program in an effort to improve it. We have all tried every way we know. This is our responsibility, this is our job. It is reflected in the legislation which comes out of the Foreign Affairs Committee. If you want to chart the course of what we are trying to do in this legislation you will find that under the able direction of several different chairmen and many Members of this Congress who are dedicated and who have devoted themselves to this proposition, that we have tried to reflect in the legislation the corrections which this Congress felt were necessary and which made for better administration of the program.

Personally I do not think anyone in this Congress today can deny the fact that from the standpoint of the availability and amount of information and presentation made by the executive branch, that there is no comparison between what is done today and what was done 6 years ago. The amount of information because of administrative betterment, because of congressional interest, a thousand percent in improvement. We have laid down strong guidelines in the bill, like the plans and specifications requirements of section 610; like the institution of the Inspector General for internal auditing; like section 632 with respect to the furnishing of information of all kinds to the Congress. These and many other provisions have been written into this law to help the administration help themselves with respect to administration. I will go one step further.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. MORGAN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. FASCELL. I thank the gentleman, and I appreciate his courtesy and generosity. However, that is in keeping with his handling of the committee and the handling of this legislation during the tortuous 7 weeks we devoted to writing this mutual security bill.

I think the Executive, in reviewing the detailed legislative complexities of this legislation, has done a service for the Congress and for the people in trying to bring it all together.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I want to compliment the gentleman on an outstanding statement in connection with this very much improved and strengthened bill. I know he has been particularly diligent in his study of the Latin American situation and of our problems in connection with Cuba, and I have great respect for his views in this field.

I would like to ask the gentleman what he feels would be the effect upon our efforts to challenge and offset the influence of Castro in Latin America if we were to restrict the President's initiative and the President's powers in handling this fund and cut back on the provisions for an adequate administration program in Latin America.

Mr. FASCELL. Of course, the gentleman is correct in his analysis, as he usually is on these matters. He has put his finger on the major problem in connection with this international political situation. Such a restriction would be damagingly exploited. The gentleman from Oklahoma is a keen student of international affairs and has made a very penetrating inquiry.

As far as the constitutional processes and the feelings of the Committee on Appropriations, I recognize all of the arguments, technical and emotional, and, I will wrap it up by saying when I cast my vote on this bill today I am willing to say that I vote to appropriate the money in its totality now because I deem it urgent and necessary in my country's best interest.

I do not have any qualms or any doubt at all that the Appropriations Committee will continue to exercise its good judgment, its ability and its power. It can do whatever it wants with respect to review and control of this legislation.

Mr. Chairman, we all know that there is no way to circumvent Congress. This Congress is today voting on this money request. In the future the Congress and the Appropriations Committee through existing law or other law can scrutinize and review as thoroughly as it desires. It can repeal laws, cancel authority and rescind appropriations.

Furthermore all expenditures, functions, and programs are subject to full audit as often as practicable or necessary by the General Accounting Office which is an arm of the Congress.

In addition there is the internal audit and inspection by the Inspector General.

And finally there is the congressional review as provided in the act under 203(c) which requires that the President shall prepare annually and submit a budget program to the Congress upon which the Appropriations Committee can act.

Mr. CHIPERFIELD. Mr. Chairman, I yield such time as he may desire to the distinguished gentleman from New Jersey [Mr. WALLHAUSER].

Mr. WALLHAUSER. Mr. Chairman, during the entire debate on the Mutual Security Act of 1961, there has been no evidence of a difference of opinion among the proponents of the bill regarding the necessity for long-term planning.

Whether it be a domestic or a foreign project, it would seem sensible to be able to plan on a basis that would provide reasonable expection of well thought out and well developed assistance. Therefore, the major point of difference among proponents of mutual security legislation lies in the employment of the appropriation process versus borrowing from the Treasury for the raising of funds to finance the program.

There are two questions that have developed in my mind as I approach the hour of vote. One relates to charges of waste and inefficiency in the program and whether or not this is a valid reason for scrapping it. It does not seem to me that it is, but it is essential that everyone connected with the program be alerted to the fact that the public at large is beginning to seriously question our right to vote their tax money if it is to be wasted on an undisciplined and poorly supervised operation. I believe it is more constructive to direct our efforts toward the correction and improvement of the management of the program, rather than to do away with it in its entirety. No one that I know of has charged that the entire effort is inefficient and ill-managed, but only certain portions are cited as examples of areas to be corrected.

The second question relating to the financing of the program, of course, is the most controversial point. In the final analysis, I believe it is important for the Congress to retain some control over the commitments made by the executive branch in order that, in the event of the dreadful act of war or domestic economic depression, we will not be so overcommitted that we could not retract sufficiently to devote our resources to the problems as related to our own national security, either military or economic. I hope that some sensible compromise can be agreed upon that will be satisfactory to both points of view on this matter. This I would support.

For a moment, I would like to dwell on a specific area of this bill. It is section 102, the statement of policy.

It is most reassuring to me to know that the committee, in the statement of policy and also in its report, did not try to sweep under the rug the problems that exist in the Middle East because of the actions of the Arab nations in waging economic warfare against Israel. These actions include boycotts, blockades and the restriction of the use of international waterways.

These actions, of course, are a deterrent to the economic development of Israel by its determined, brave and liberty-loving people, and to the achievement of a lasting peace in the Middle East and the world.

The committee is to be commended for reaffirming the American position of support for Israel's position in these matters, and for stating clearly the principles upon which we stand in our unending efforts for peace and equality for all peoples.

Mr. CHIPERFIELD. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, in all of this debate so far one would think there is nothing in H.R. 8400 except back-door spending.

When this bill was first available at the Committee on Foreign Affairs, I took it home and read it carefully. I recall hearing the gentleman from Minnesota [Mr. JUDD] say in one of our meetings that the predecessor bill to H.R. 8400 (H.R. 7372) had a lot of booby traps in it which had been eliminated. They were not all eliminated.

We have been talking about the thorns in this bill. I want to talk about the roses. You are going to have an opportunity to vote for all kinds of wonderful programs.

Did you know there was a Civil Rights bill in H.R. 8400? Look on page 3, line 2, and you will see a very strict Civil Rights bill in section 102(e).

This bill condemns Red China. Look on page 5, lines 13 to 25.

This is a farm bill. Look on page 13, line 13, where we give aid to small farmers in section 215.

This is a small business bill. Look on page 40, line 3, section 602.

This is a free enterprise bill. Look on page 38, line 11, section 601.

It is a flexible bill. In fact, there is so much flexibility in this bill and transferability that I would regard it as a legislative monstrosity, without any controls, checks, or criteria whatever.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Florida.

Mr. HALEY. In this bill there is something for everybody except the American people, the American taxpayer, who has to pay the bill. Is that not about the substance of it?

Mr. MEADER. The American taxpayer is certainly going to have to foot a lot of bills.

It is not only that. We have been talking about $8.8 billion provided for economic development. I have not yet found anybody who knows why that figure was picked. There does not seem to be even in the illustrative presentations such as have been made in the annual appropriation processes of the past. The figure of $8.8 billion appears to have been picked out of the air. It might have been $10 billion or $2 billion. There is not a shred of evidence I have heard anywhere to prove that this $8.8 billion is the amount of money needed to do the job.

This is also a surplus property disposal bill. Look at section 608 on page 46, line 3, to page 47, line 19.

Do you realize that all foreign excess property, whatever the amount, is available for the economic part of this program? It will never be sold. In addition domestic surplus property to the extent of $35 million in any 1 year is a so-called advance fund.

Now, we have generated in 1959 $1.3 billion worth of foreign excess property; in 1960, $1 billion, and in the 9 months of 1961, $700 million. Now, these amounts, by the sections I have referred to, are made available for aid to schools and hospitals overseas with American sponsors.

By the way, we have Federal aid to education in this bill. Look at section 214, pages 12 and 13.

Now, H.R. 8400 waives all kinds of restrictions and standards for contracting except for the Renegotiation Act. Look at page 75.

H.R. 8400 waives civil service classification laws on certain personnel.

And, this is a good one. I just heard the gentleman refer to Cuba. It permits aid to Cuba if the President wants to give it. Look at page 61. Then look at the very next sentence which says that no aid shall be given to any country dominated by international Communists. This is a rather inconsistent provision, in my judgment.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Iowa.

Mr. GROSS. And there is one provision in the bill which says that the President can disregard any law with respect to how he peddles this money.

Mr. MEADER. Now, the gentleman from Florida [Mr. FASCELL] referred to information available to the Congress. But, I want to draw your attention to the provision on page 60, line 19. In existing law the Inspector General is required to make available to the General Accounting Office and the committees of Congress, at their request, information in his possession. And, in case he does not, there are teeth in existing law which provides for shutting funds off for the expenses of that office. But, that provision has been deleted in H.R. 8400 and it was consciously deleted.

And, I must say I recall earlier this year commending President Kennedy for the statement he made in his state of the Union message that he would not withhold information from the Congress, and I commended him for having made Dean Rusk retract his instructions to State Department witnesses not to testify or provide documents to the Hardy committee that concerned wrongdoing in connection with the aid program.

But I must say that if this provision becomes law without the present protection that is in the existing statute, there has been a complete reversal of the administration on this matter of providing access to information of Congress and the General Accounting Office; and I will have to take back the nice things I said about Mr. Kennedy.

Mr. Chairman, this is also a full employment bill. One of the arguments advanced is that this is going to furnish 700,000 jobs.

This bill provides on page 52, line 19, for unlimited delegation and redelegation of authority and implies a continuous power in the President to reorganize any agencies responsible for this program.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Florida.

Mr. FASCELL. With respect particularly to the section about information of the Inspector General the gentleman is right that that provision was taken out of that particular section of the bill, but it was reinserted and made applicable to the entire bill on page 76, in section 632, subsection (c).

Mr. MEADER. I am familiar with that.

Mr. FASCELL. The gentleman will agree, will he not, that the fund cutoff provided for in subsection (c) of section 632 is applicable to the entire bill, including the Inspector General?

Mr. MEADER. At page 77, line 5, all that has to happen—this is language inserted in the Senate a couple of years ago, and both the gentleman from Virginia and I voted against the conference report on that occasion because of the insertion of that language—all the President has to do to deny information to Congress is to certify that he does not want to give it or that he has forbidden the furnishing thereof pursuant to such a request and give a reason for it.

Mr. FASCELL. Is not that what the President would do, anyway, if he so desired.

Mr. MEADER. I was told—and I would like to ask the gentleman if it is so—that the gentleman sought to strike that language in the Committee on Foreign Affairs.

Mr. FASCELL. I surely did, because I thought it was an unnecessary restatement of a proposition of law that I do not happen to believe in.

Mr. MEADER. The gentleman does not mean to imply that he accepts the claim made by the bureaucrats that there is executive privilege to deny information to Congress?

Mr. FASCELL. The gentleman is absolutely right; I do not imply that at all. As a matter of fact, I never held that there was an inherent power under the Constitution to withhold. I think the Constitution reads just the other way around. Nevertheless, I agree with the gentleman, there is no point to try to resolve this issue by legislation, because it is either constitutional or not. But from a practical standpoint, does not the gentleman agree that if the President gets an issue on which he determines he wants to withhold, that he will; and he may or may not assign his reason. So that while I would just as soon not see the lines on page 77, lines 5, 6, and 7, I cannot see where it changes anything from a practical standpoint.

Mr. CHIPERFIELD. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. DOOLEY].

Mr. DOOLEY. Mr. Chairman, the situation calls for candor, and I shall be candid. I rise in support of H.R. 8400. I realize, however, that the real issue at hand is the controversial provision for long-term financing over a period of 5 years. Because it is my considered judgment that herein lies the essence of the bill before us this afternoon, I want it to be clearly understood that I strongly support this form of financing, erroneously named back-door spending.

I do so for a number of reasons. First, I supported former President Eisenhower's similar request for borrowing authority by the Development Loan Fund in 1957.

In his message to Congress on the mutual security program of that year, President Eisenhower pointed up the limitations of the then existing mutual assistance plan, by stating that the need

for annual appropriations led "to the establishing of levels of aid for each country that have to be prematurely formulated." He went on to add that "sound economic development is not a year-to-year undertaking but a continuing process." The late John Foster Dulles was equally convinced of the need for long-term financing. And when the gentleman from Alabama [Mr. SELDEN] offered his amendment from the floor 4 years ago to eliminate the Development Loan Fund's authority to borrow from the Treasury, I voiced my disapproval.

I agreed with the multiyear financing principle when it was requested by President Eisenhower and his Secretary of State, and I am willing to do likewise now that it has been sought by President Kennedy.

In this connection, I do not question the judgment or sincerity of those on my side of the aisle who, more out of a sense of loyalty than personal conviction, reluctantly supported the last administration's request in this regard and who have now reversed their position. I do, however, wonder about those who willingly supported long-term financing in 1957, and who, now may reverse themselves.

I say this because the Republican Party's position with respect to foreign aid is one of which I am justly proud. I would like to remind my colleagues that it was the so-called do-nothing Republican Congress which, in 1948, passed the Economic Cooperation Act, containing borrowing authority, and over a billion dollars of loans were made available as a result of this legislation. It was during the so-called complacent fifties that a Republican administration recognized the need to continue these programs at a steady pace. It was a Republican President who asked for a completely new approach to our Latin American development assistance programs.

I would like to affirm my belief that this bill before us will not sap the powers of Congress to the extent maintained by its critics. On the contrary, under the present limitations of annual appropriations the powers of Congress are all too often restricted to merely reacting to a series of crises as they arise. As the late Senator Arthur Vandenberg wrote in 1947:

> The trouble is that these crises never reach Congress until they have developed to a point where congressional discretion is pathetically restricted.

These words of wisdom have equal application to the present debate.

The Congress has traditionally delegated much of its power to the Chief Executive during wartime. I feel that the present times call for a similar trust in the Chief Executive by the Members of Congress. Less than 2 weeks ago the draft program of the Soviet Communist Party was released to the press. The draft asserts that capitalism and communism are engaged in a critical competition for favor with the underdeveloped countries; and it went on to say communism is bound to win because it has a more efficient, rapid, better planned system for lifting people out of darkness and poverty.

I believe that statement grossly underestimates the determination of not only the free world but also the dignity and vitality of the uncommitted peoples. I fear, however, that the program available to Premier Khrushchev is often indeed more efficient and rapid than ours. With a recently instituted program which is only a fraction as large as ours, the Communist bloc nations have been able to keep us off balance now and in the past in all too many instances.

Mr. Chairman, we must act to correct this deficiency now.

Mr. MERROW. Mr. Chairman, will the gentleman yield?

Mr. DOOLEY. I yield to the gentleman from New Hampshire.

Mr. MERROW. I take this opportunity to congratulate the gentleman on a most excellent statement, straightforward, convincing, and logical. I am in complete accord with what he has said.

Mr. DOOLEY. I thank the gentleman.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. DOOLEY. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. May I compliment the gentleman on the consistency he has shown on this subject both under the administration of President Eisenhower and the present administration.

Mr. DOOLEY. I thank the gentleman.

Mr. CHIPERFIELD. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Vermont [Mr. STAFFORD].

Mr. STAFFORD. Mr. Chairman, I rise in wholehearted support of the necessity for a substantial and effective program of foreign aid. It is the most promising instrumentality by which we can hope to advance the social and economic attainments of peoples less fortunate than ourselves. Humanitarian considerations therefore require it of us. It is one of the most effective weapons we possess for winning the cold war. Self-preservation therefore, also requires it of us.

For we cannot escape the cold war. We have no choice. The Communists have chosen to make us their enemies—not we they. To abandon foreign aid at this point would be to capitulate in the cold war—action which is intolerable.

Furthermore, it is plain that an effective foreign aid program needs to be based upon planning extended over several years. Nevertheless, in making provision to allow such planning, we must act within the framework of our own basic law. To do otherwise is to undermine the very principles upon which our greatness rests.

To me, the issue on this question is simple. On January 3, 1961, all of us took an oath to uphold the Constitution of the United States. Article 1, section 9 of that Constitution provides that "no money shall be drawn from the Treasury, but in consequence of appropriation made by law."

In my opinion the provisions of the legislation before us which authorizes Treasury borrowing over a 5-year period, violates the spirit of this portion of our Constitution.

It is my fervent hope that its provisions authorizing Treasury borrowing, will be eliminated.

They are not essential to long-range planning.

Such planning can as easily take place under an authorization from Congress for a program of foreign aid extending forward for a period of years. Four years would be a sensible time period because it would not extend beyond the administration's present term. Such authorization, requiring annual appropriations from Congress for its progressive implementation, would not do violence to our Nation's organic law.

I could enthusiastically support an amendment making such a change.

I hope to have the opportunity of doing so.

Mr. CHIPERFIELD. Mr. Chairman, I yield such time as he may desire to the distinguished gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Chairman, I am heartily opposed to this bill and I shall set forth a number of reasons for my opposition, any one of which is sufficient to cause me to vote against it and to urge others to vote against it. In my opinion it is absolutely essential that we take a long, hard look at the whole foreign-aid program so that it may be revised to meet U.S. self-interest rather than to continue as a gigantic worldwide welfare scheme paid for by American taxpayers and which is not achieving the goal of stopping the spread of communism.

Is it too much to ask that we protect our own people by taking the time to review this spending program before authorizing additional billions of the peoples' money? It seems to me to be just good commonsense that we at least try to do something to correct past mistakes, that we make an effort to correct the mishandling of the program, to encourage better administration of it, and to eliminate waste, inefficiency, and downright dishonesty. That is all I am asking at this time, that we keep faith with the people we represent by putting a halt to the mutual security program in its present form and revise it to make it workable, to save money, and to bring it to an end as soon as possible.

Although I have stated the reasons for my opposition in the past, I would like to repeat them once again because I believe they bear repetition. I cannot emphasize too strongly the criticisms of the program brought out by a number of members of the Foreign Affairs Committee in their minority views contained in the report on the bill we are now discussing.

First. On page 99 of the report, the separate views of our colleague, the gentleman from Connecticut [Mr. MONAGAN]:

> No one who has listened to the evidence of negligence, misfeasance, and actual criminality in Laos, in Cambodia, and in Peru, can escape the conclusion that in too many instances the people administering our aid programs have been unequal to their responsibilities and, what is more important, that those officials in the middle ranks of administration who are the real managers of the

program have shrunk from making the personnel changes which are essential to proper administration.

As I see it, we will not have improved administration, closer supervision and better recruitment in the personnel administering our aid program, the result being increased ineffectiveness and greater and more widespread scandals than any we have heretofore seen. In the past, we have even witnessed other nations taking foreign aid from us to pay down their debt and/or their taxes while our taxpayers go on footing the bill.

Second. The loan financing is absolutely wrong as back-door financing, Treasury borrowing, instead of the annual authorization and appropriation procedure. The 5-year loan authority totaling $7.3 billion represents both a loss of congressional control and a loss of congressional scrutiny of the programs annually. So there will be no possibility of reforms of the mistakes perpetuated in the program as the supplemental views on page 100 point out:

> For the past 10 years the mutual security program has been financed, with few exceptions, on an annual authorization and appropriation basis. During that period the Congress has authorized $43.6 billion for military and economic programs. Against this it has appropriated $40.1 billion, about 92 percent of the authorizations.

So Congress certainly will continue to do its duty in the future as it has in the past, and as the supplemental views said again on page 103, a view which I share:

> In short, what we propose is a method of financing that would both give the Executive assurance of continued congressional support of long-range programs and keep in the hands of the Congress its proper constitutional responsibility for annual review and determination of the overall size and cost of the program.

Third. What is really needed is a complete review and revision of foreign aid legislation. This based on a self-interest policy statement of the United States related to each of the foreign countries and the goals we seek to achieve, as the additional views expressed it on page 104 of the report:

> H.R. 8400 fails to meet the critical need as demonstrated by our world situation for new and practical vision; adequate new tools; built-in guarantees against repetition of former errors and miscreancy; and assurances of sufficient increased regard for U.S. interests. As sincere critics of past programs and past performances, we regret, perhaps more than others, that this new legislation fails to meet either our anticipations or the need.

Fourth. Once again we make the mistake of "dollar diplomacy" as though we thought throwing money at problems will solve them, that we can win friends and accomplish social reforms through the mere offering of money. Indeed there is not only doubt over the correctness of the specific social reforms related to the recipient nations but at the least a brash arrogance on our part in propagandizing what these social reforms should be. The respective cultures and standards of living of each foreign nation does not necessarily conform to our own and we presumptuously are assuming that other nations desire what we desire for them. For my part, I disapprove this presumption by us and believe it is one of the problems at the root of the present trouble in foreign aid.

Fifth. In view of both our domestic and foreign spending, a period of deficit financing, this bill is not fiscally responsible. Indeed the bill and the report clearly show that no one knows the total cost; which is between $30 billion over the next 5 years as explained on page 105 of the report and $36.6 billion as the report quotes Senator BYRD on the same page, including on page 106 an itemization of the yearly cost for the total program. This profligate spending most assuredly will necessitate further increase of the debt ceiling.

Sixth. Concerning the loans which total in themselves $7.3 billion over 5 years, as the report says, there is no certainty as to the terms and conditions imposed on each and every loan. It will be possible for the Executive to make low- or no-interest-bearing loans and long-term loans as long as 50 years with no principal payments in the first 10 years. Mr. Chairman, this is fiscal insanity, not a sensible businesslike program for our world neighbors.

Seventh. Mr. Chairman, I am heartily opposed to the tremendous increase in Executive power and control of spending. I am opposed to Congress delegating its authority, remembering my oath to support the Constitution and believing this abrogation of our oath to be unconstitutional. As the report states on page 108:

> In this bill there are 51 grants of discretionary power to the President and 18 authorizations to disregard other laws which apply to foreign aid. While many of these grants of power have been in previous foreign aid legislation, in one form or another, it must be taken into consideration that heretofore the authorization has been limited to 1 year.

And then again on page 111 we are reminded of article 1, section 9, of the U.S. Constitution, which provides:

> No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

Most assuredly this loan provision violates the spirit, if not the letter, of this constitutional provision.

Eighth. Any studious reading of the bill is confounding because of the ambiguities of the provision within the bill. As the report says on page 108:

> The fact remains, as is clearly visible to Members of Congress reading the legislation, that indefinite provisions, open extensions of authority, waiving of previous laws, etc., make it exceedingly difficult to discover and estimate the exact degree of power that is being yielded by Congress to the executive branch. Even friends of the program have termed this bill a "legislative monstrosity." In fact, it might be said that Members who vote for this bill if, in fact, anyone, could not possibly know all that he is voting for.

Ninth. Foreign aid in the past and in this bill is not only failing to achieve its objectives, witness the growth of communism during our huge outpouring of money, but is self-defeating, causing us to lose, not win, the struggle with communism. As Justice Douglas is quoted as saying on page 109:

> The underdeveloped nations that received our aid are mostly worse off for it. * * * The main impact of American foreign aid was to widen the gulf between rich and poor, helping to create the vacuum into which the Communists easily move.

And then there is even less reason to commend and every reason to deplore the aid we have extended and continue to extend to Yugoslavia, Poland, India, and those nations overfriendly or neutral who do not share our belief in a free form of government and society like ours.

Tenth. We are wrong again in this bill in committing other Congresses than this 87th and are violating our own congressional principles in so doing. For this reason we have always subscribed to the principle that each Congress must be free to work its will and not to be bound by a previous Congress.

Eleventh. Throughout the bill there is the stressing of the need for protecting our international balance of payments.

The grave danger we face in this continuing outpouring of dollars is the further unbalancing of our international payments and jeopardizing our gold supply. Since foreign nations hold approximately the same dollar volume as we have gold, any "run on the bank" would deplete our gold supply. This further endangers our currency since approximately $12 billion of our gold undergirds the dollar. It just does not seem possible that sensible men, in view of this situation, would continue to give away dollars that can be redeemed in gold. It is almost like committing fiscal suicide.

Each year as we study foreign aid and are given countless instances of waste, mismanagement and downright foolishness, if not criminality, we swear we will improve our program and we do not. It is high time, in fact long overdue, that we took the responsible steps necessary to reassure our taxpayers and to solemnly warn the world that we intend to remain the leader economically, as well as militarily, and that we will not bleed ourselves to help those who are not helping themselves sufficiently or who dislike us for the help, or complaining that we are not helping enough. Indeed we must remember that our military strength is premised on our economic strength and any weakening of our economy through deficit financing, inflation, the wage-price spiral, imbalance of payments, gold outflow, and the like, will weaken our defense posture and cause us to fall like a plum as the Communists have said without a shot being fired, permitting them to bury us.

Once again, I would like to make the recommendations which I make each year as the starting point to clean up our foreign aid. These recommendations are certainly at odds with the present bill and are as follows:

First, that our traditional, generous, private charity and governmental grants to relieve disaster be continued; that we encourage the expansion of our private missionary efforts; second, that in countries which we are morally obligated to defend and which are directly threatened with Red aggression, military assistance—for the time being—should be

continued, but on a realistic basis; third, that foreign aid which directly or indirectly promotes governments that are hostile to our constitutional concepts of government be terminated immediately; fourth, that so long as governmental foreign aid is continued, the recipient should pay a part of the cost of the proposed project; that our aid should terminate when the conditions on which that request is based have been remedied; that private, technical, scientific, and educational assistance be extended only to friendly peoples who seek our aid on a cash or loan basis; fifth, that until foreign aid is terminated, the Congress take steps properly to exercise close supervision and control over the manner in which all foreign aid funds are being spent; that all future economic aid, plus what can be salvaged from unexpended foreign aid funds, be diverted to and handled by the Export-Import Bank; sixth, drastically reduce or terminate foreign aid until sufficient study and self-interested U.S. policy has been formulated; and seventh, that military matters be left to our military and foreign affairs be left to the State Department, and their existing organizations, so we can dismantle the huge 12,500-person foreign aid bureaucracy, and stop the duplication of efforts, and certainly no new employees.

I cannot urge, too strongly, your attention to these facts I have brought out and hope that you will join me in opposing a bill which is not in the best interest of our own country. Let us take responsible action by voting this bill down and bringing out a revised foreign aid bill in keeping with the suggestions herein outlined. Until we do take action to protect our own taxpayers, and our own economy, I will continue to vote against foreign aid as I plan to vote against this bill.

Mr. BLOOMFIELD. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BROOMFIELD. Mr. Chairman, if we are lucky, once in a lifetime we have the privilege of meeting a person who epitomizes just about everything we could hope to see in a human being.

We are very privileged to have a person of this undoubted character among us. Of course, I am speaking of the gentleman from Minnesota, Representative WALTER JUDD.

He has devoted his life to God, to country and to healing the ills of his fellow men. His service in Congress has been exemplary. He is admired by his colleagues on both sides of the aisle. He has been listened to by Presidents of both political parties. When he speaks, he who is wise listens.

Let us go back to a day some 20 years ago. There was one man who was traveling, speaking, warning America of immediate danger. He was warning of the Japanese military buildup. He was warning America of imminent attack. Dr. JUDD was delivering a speech on the dangers of Japanese militarism, of the danger that America, that the free world faced, on Sunday, December 7, 1941, at the very hour that the Japanese were attacking Pearl Harbor.

I wonder what Dr. JUDD's critics were doing on that day, at that time. I wonder if they were warning of the dangers our Nation faced. I wonder if they fully saw what was taking place in Japan, if they would have realized its significance if they had seen.

More than any man in this Chamber, Dr. JUDD realizes that the national symbol of our Nation is the eagle, not the ostrich.

More than any man in this Chamber, he realizes the folly of planting our head in the sand and leaving our tail in the air.

Let us not emulate the ostrich. Let us face our problem on this issue of foreign aid squarely, decisively, firmly, with courage and resolution. Let us not permit wishful thinking to cloud our perspective. Let us not go fishing while the world around us boils in turmoil and upheaval.

We are in the midst of another battle for our lives whether we like it or not. Thank God, this battle has so far been waged with assistance rather than arms, with words rather than weapons, with threats rather than the ultimate terror of hydrogen bombs and missiles.

But none of us can deny that danger is around us, surrounding us, seeping into every corner and crevasse of our globe. Do we face this danger or do we point our tails in the air?

Doctor JUDD knows the problem of communism intimately, because he knew the Communists who are now pledged to our destruction while in China. He knows the atheism, the disregard for humans and humanity of the Communists, both as a missionary and a physician.

He knows the insidiousness of their methods, the slithering tactics which attempt to turn black into white and bad into good.

If we had listened to Doctor JUDD the first time he spoke to us, who can say how many lives we would have saved? Who can say how many lost battles might have been won? The shape of world history might have been decidedly different, if we had listened. But "if" is a big word and we did not listen.

We have another chance here today. Let us listen and heed his words. Let us realize what we face and take steps to save ourselves as well as our friends abroad.

If our decision is wise, if we have learned our lesson, perhaps we will have a third chance.

Mr. ZABLOCKI. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. NIX] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. NIX. Mr. Chairman, I wish to congratulate the able and distinguished chairman of the Committee on Foreign Affairs for the patience, courtesy, and meticulous consideration shown throughout the presentation of testimony during the hearings on this bill and during the debate at the executive sessions of the committee, and equal praise is merited by all members of the committee for their brilliant contributions to the subject matter under discussion during the debate. There was evidenced at all times an appreciation of the gravity inherent in the decisions to be made and in the consequence of the judgment to be reached.

The people of the United States are acutely aware of the present and immediate danger to the institution of freedom represented by this Government. The Government of the United States has been, and is presently, committed to promote the foreign policy, security, and general welfare of the United States.

Mr. Chairman, I can say to the Members of this body that everyone here has without doubt scanned every piece of literature available, read with the greatest of care every communication from constituents, listened to every responsible commentator, searched his and her soul, listened with the greatest of care to the views of colleagues and, after this effort, has concluded as I have—that no appreciable segment of U.S. opinion is against foreign aid. It can be said with equal emphasis that the limited group of our citizens who oppose foreign aid—offer no alternative program and present no solution, logical or otherwise, to the world problem of hunger, disease, and despair, or of our responsibility as history's most powerful Christian nation.

It can be said that the Members of this body are agreed that the Mutual Security Act of 1961 is essential to the security and general welfare of the people of the United States and must be supported.

Mr. Chairman, most of the discussion of the President's request for long term borrowing authority to finance development loans has been concerned with the relation of the borrowing to congressional procedures. In the course of the arguments which have been made, little has been said about what the President wants to do if the authority to borrow from the Treasury is granted, or of why he wants to do it.

It seems to me that an orderly consideration of the issues involves three elements:

First, and most important, does the President really need the authority he wants? I say this is most important, because if he does not really need this authority, the Congress should not get too excited about his request. If, on the other hand, the Congress is convinced that the granting of the authority the President requests is of great importance to the effectiveness of the foreign aid program, the Congress should use all of its ingenuity to find the means to grant the request.

The second element to consider is whether the Congress can under our Constitution give the President the authority which he seeks. On this point it seems to me that rather than conduct a

new and exhaustive review of constitutional precedents, the Congress can safely be guided by the fact that similar authority has frequently been granted in the past to the obvious benefit of our Nation—I cite the Reconstruction Finance Corporation and the Tennessee Valley Authority as two examples—and without any apparent diminution of congressional prestige or authority.

The third element to consider is whether or not Congress in granting this authority to the President would be giving up controls that would not be in the interest of the people whom we represent.

There have been some rather confusing statements made about what the President wants to do. The President has requested the long term borrowing authority in order that he can make commitments to other governments up to 5 years in the future. He does not need nor does he seek this authority in order to make long range plans. The administrators of our foreign aid program at present plan for a 5-year period, and it is expected that they will continue to do so.

I am sure all of us believe that our money should be made available to finance programs of economic development only under conditions where our expenditures will produce results. All of us recognize that the key to success in the development of the less developed countries is not the availability of outside capital, but rather the ability of the country to marshal its own resources and assure their effective use.

It is not unreasonable for us to be firm in dealing with a government seeking our help and to say, "You must make the necessary reforms and show satisfactory progress or our money will not be forthcoming." We must look at the other side of the coin, however. If we are to make our aid contingent upon a course of action being followed by the recipient country, it is absolutely essential that that country have confidence that if they do the necessary things, they will get the money.

The ability to make long-term commitments is very important. We have accumulated enough experience with our aid programs to know that in several countries economic development assistance has not turned out as well as we had hoped. Projects have been completed, powerplants and factories have been built, but the impact of these developments on the lives of the people has been disappointing. One trouble has been that basic economic, social, and governmental reforms have not taken place. If a country is to make perceptible progress in economic development, it has to have a tax system that does not discourage commercial and industrial enterprises; it has to have a system of land tenure which gives the tiller of the land a direct benefit from increased production, and it has to develop governmental procedures which encourage rather than interfere with progress.

It is becoming more and more clear that we cannot go around giving orders to the governments and the people of the underdeveloped countries. They are very conscious of their sovereignty and their dignity, and are very sensitive on these points. Consequently, about the best way that has yet been devised for dealing with this situation is for us to say to the governments seeking economic development assistance, "Work out in detail what you want to do, then we will agree with you as to how much money we will make available; and then if you do your part, we will do ours."

The ability to make commitments over a period of several years is essential if we are to follow this procedure.

Now, let us consider the problem in terms of congressional procedures and congressional authority. If it is important for the United States to enter into long-term commitments, and it seems to me that this clearly is the case, we have to consider whether or not there is a better means available than borrowing from the Treasury.

No one has yet presented a real alternative. None of the so-called compromises makes possible the sort of long term commitments which the President wants to make.

I recognize that there are many who say that the President really does not need authority to make long term commitments and that something less will be just as effective. This, it seems to me, involves a matter of judgment. The new administration has, in my opinion, carried out as comprehensive a review of our entire foreign aid operations as is possible and has utilized the services of the best available experts without regard to political affiliation. As far as I personally am concerned, I will accept the judgment of the President and his advisors on this point.

It seems to me to be most unfortunate that there have been implications that there is something underhanded, deceitful or improper about the President's proposal that the Congress make funds for development loans available through the borrowing process rather than by the more common appropriation process. I am informed that at the present time there are 24 programs, each specifically authorized by the Congress, which are financed in this manner. In each of these programs, I am sure that the Congress approved financing by borrowing from the Treasury only because it was convinced that the programs would not be effective unless they could be assured of funds without having to rely on annual appropriations.

I do not believe that it is fair to say or to imply that Congress in approving these programs found that there was no proper or honorable way to meet the problems involved and, therefore, resorted to procedures which were irregular.

Mr. Chairman, the big issue before the House is whether or not the borrowing authority sought by the President will make an important contribution to the effectiveness of our foreign aid operations. If we are convinced that it is important for the President to have this authority, we have ample precedent for doing so. As far as I am concerned, a back door is just as necessary, just as useful, and just as honorable as a front door.

Mr. ZABLOCKI. Mr. Chairman, I yield the balance of our time to the gentleman from Illinois [Mr. O'HARA] to close debate.

Mr. O'HARA of Illinois. Mr. Chairman, with all due respect for all my colleagues, I wish to say at the outset that I am standing with the President of the United States. I stood with the President of the United States when he was not of my political party when he made a decision on a matter of foreign policy, and I voted with him. No constituent of mine criticized me because I had a 100-percent record of standing with the President of the United States when our country faced danger and our security required a show of national unity. A divided United States in great crises, striking at our very survival, cannot combat the designs and ward off the blows of the world of communism.

I would be taking the same position today if Mr. Nixon were in the White House and if he had made the decision. This is no time for the playing of politics. I trust all my colleagues will divorce themselves completely from consideration of partisanship.

Mr. Chairman, I am speaking only for myself. I am thinking of the situation in Berlin. I am thinking of the people from West Berlin at the barbed-wire fence separating East Berlin. I do not want the Communist police of East Berlin over that barbed wire to taunt those in West Berlin on the other side of the wire by shouting out that the President of the United States, who was their friend and defender, was turned down by the Congress of the United States. I do not want Khrushchev to be able to say all over the world, which he will say, and it will be broadcast, that President Kennedy, the new President of the United States, facing dangers and problems that never before were faced by any President, was turned down in the House of Representatives of the Congress of the United States on the grounds that the Congress could not trust the President with the tools necessary to lift the new nations of the world to stability, abundant economies, and lifted horizons of human living for all their peoples.

Mr. Chairman, ringing in my ears as I stand in this well, in the closing minutes of an historic debate, are the words of the gentleman from Virginia, chairman of the Committee on Rules [Mr. SMITH], uttered when the rule was under consideration. There are just 19 words. And, long after the thousands of words which have followed have been forgotten, these 19 words will stand out as epitomizing the issue before us. Let me at the very beginning of my remarks repeat these 19 words of the gentleman from Virginia:

> I have never been as deeply worried about the future of my country as I am at this time.

Mr. Chairman, neither the gentleman from Virginia [Mr. SMITH] nor the gentleman from Illinois is young. Together we have seen the decades pass, more than seven decades. They have been freighted with crises and they have been decades during which the youth of our

land, four times, has marched off to fight and to win a war, and each war has left its scars.

Mr. BAILEY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-nine Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 154]

Ayres	Griffin	Peterson
Byrnes, Wis.	Harrison, Va.	Powell
Dawson	Harsha	Rabaut
Derwinski	Holifield	St. Germain
Fallon	Kearns	Santangelo
Garland	Mason	Slack
Gray	O'Brien, N.Y.	

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 8400, and finding itself without a quorum, he had directed the roll to be called, when 414 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Illinois [Mr. O'HARA] is recognized.

Mr. CURTIS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I will be happy to yield to the gentleman.

Mr. CURTIS of Massachusetts. Just before the rollcall the gentleman from Illinois was quoting with his usual eloquence some words of the gentleman from Virginia [Mr. SMITH]:

> I want to say to you that I have been here for a long time, but I have never been as deeply worried about the future of my country as I am at this time.

The implication I got was that the gentleman had been speaking about the crisis in foreign affairs and was indicating that the gentleman from Virginia [Mr. SMITH] was worried on that account. Was that the implication that the gentleman from Illinois intended to leave with this House?

Mr. O'HARA of Illinois. I will make it clear to the intelligent gentleman, my colleague on the committee, exactly my interpretation. I do not think that the gentleman from Virginia [Mr. SMITH] ever deals in idle words. I do not think he is scared of the shadow. I do think he is concerned, worried as never he has been before, by the unrest in a changed world, by Berlin, by Laos, by the signs of danger and pending explosions everywhere. Judge SMITH is not the man to hide his face in the sandpiles.

Mr. CURTIS of Massachusetts. Before that he was talking about back-door financing. To me, sir, his worry was on that subject and not on the subject to which the gentleman from Illinois made allusion.

Mr. O'HARA of Illinois. It will be a matter of interpretation. Let me repeat the words.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Ohio.

Mr. HAYS. I do not know whether the gentleman from Massachusetts is trying to imply that anybody should not be worried about the state of the world and our position in it or not, but if he is, he had better take another look.

Mr. CURTIS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Massachusetts.

Mr. CURTIS of Massachusetts. I do not think my friend who has just spoken was here when the matter to which I referred was spoken from the rostrum, and that was a quotation from the gentleman from Virginia [Mr. SMITH], which I submit was applied in a sense never intended by the gentleman from Virginia.

Mr. O'HARA of Illinois. Let me repeat the words of the gentleman from Virginia:

> I have never been as deeply worried about the future of my country as I am at this time.

Neither the gentleman from Virginia nor the gentleman from Illinois is young. Together we have seen the decades pass, more than seven decades.

Mr. CURTIS of Massachusetts. Will the gentleman read the next sentence?

Mr. O'HARA of Illinois. I do not think that is necessary. If the gentleman from Massachusetts will be patient with me, we may come to an understanding of what was deep in the mind and heart of Judge SMITH when those 19 words, quietly spoken, emerged from deep within him. The seven and more decades that the gentleman from Virginia and the gentleman from Illinois have passed as observers and participants in human affairs have been decades during which the youth of our land four times has marched off to fight and win a war, and each war has left its scars.

The gentleman from Virginia is a patriotic gentleman of statesmanlike stature. He is honest in the use of his words.

He has been in too many controversies over laws and legislative procedure to believe that any question of legislative decorum, however interested in it he might be, would cause him to fear for the future of his country as never he had feared before.

What was in his mind? What fear was gripping at his heart? What caused him to say that never before had he been so worried about the future of his country? Surely it could not have been because in the pending legislation we were falling back upon the means of financing that always had been our bulwark in times of great national danger.

My colleagues, next to war there is nothing more devastating than a deep depression. I went through the last depression. I saw the generation of my prime deprived of its savings, stripped of its means of livelihood, thrown into a sea of hopelessness when all that was left were faith in the future and courage to weather the storm.

When banks were closing as popping popcorn, when factories were closing their doors, when unemployment was spreading as a plague and there were no jobs, a helpless and economically prostrate nation fell back on RFC and Franklin Delano Roosevelt, speaking to a nation deep in the wilderness of despair, calmed the nerves of his countrymen and gave fresh courage and faith when he said, "We shall borrow from ourselves to save ourselves." Did anyone rise then, hold high his hand, and shout: "Hold. You cannot do it. It is better that our people should perish of hunger because this is 'back-door' spending?"

In the years preceding the outburst of World War II problems of grave consequence and demanding of immediate attention came, and again in time of emergency and of immediate danger the Nation turned to Treasury borrowing. The Export-Import Bank was created by Executive order, later by legislation established as a permanent institution. Again, my colleagues, the Nation in a time of danger turned to Treasury borrowing. Yes, then there were timid souls and there were glum predictions of what would come. Yet, 25 years after the Export-Import Bank was given the authority to borrow from the Treasury, at the present time up to $7 billion, the Export-Import Bank has made a profit of $260 million after paying off all losses.

Again we faced a crisis. Our farmers were in distress. Their income was insufficient to meet the needs of livelihood and we remembered how the great depression of the 1920's started when the agricultural economy was in the same low estate. Again an emergency, again a danger that could destroy our Nation, and we gave the CCC the authority to borrow from the Treasury.

So, my colleagues, it seems crystal clear that the only question we are called upon to decide is the danger of our Nation in the present world of upheaval, whether the conditions of this troubled world demand of us complacency or action. And, I think that was what was in the mind and the heart of Judge SMITH when he said that never before had he been so worried about the future of his country as at this moment. The gentleman from Massachusetts may place, if he wishes, a different interpretation. He may envision no danger in the world in which we live.

I can speak only for myself. I have respect, and deep respect, for the sincerity of the thinking of all my colleagues. When once conviction is strong and conscience is the dictator of his words and of his actions one must speak what is in his mind and in his heart. I think that in the program the President has proposed is the only hope we have. That I believe.

I am 79. I do not wish my children and my grandchildren and the children and grandchildren of other men and of women, regardless of where they live, to be born into another period in which youth must kill youth, or be killed

by youth. I have always been afraid of a race of armaments. I was a young man when France and Germany were in a race of armaments. We, then far away, wondered how people could be so foolish. Well, those races of armaments resulted in the First World War, and then World War II. I do not want that to happen again. Yet now we are in the most dangerous race of armaments the world has ever known. Let evil design or even accident result in the first step, and the civilization so many generations in so many centuries have struggled and sacrificed to build will be destroyed. The only hope, the last lone hope is in this program which the President of the United States now has recommended.

Mr. Chairman, fortunately, the cold war presently is on the economic front. Communism will not take the step of suicide if communism can win by wresting from the free world the new developing nations with such potentialities that once they are developed, the rest of the world cannot live without them.

My colleagues, we are losing these new nations one by one. Let me read you just a few words relating to Guinea. Because we could not plan with them on a long-term basis we missed the boat, and Russia moved in and Czechoslovakia and Red China and many other of the Communist states. They furnished $200 million in immediate aid. Now we are concerned about Guinea simply because at the time we could not act quickly enough and the Communists moved in.

Mr. Chairman, an Ambassador came to see me from the Far East. In his country, friendly to the United States, they needed something in the nature of a vocational school to educate their technicians. We had to wait; there had to be the long uncertain delay of going to the Congress. The Russians moved in immediately, furnished the capital for the school, brought in their Communist technicians, and we lost that country.

We are losing the world, country by country, and only because dictatorial communism has been hitting at the weakness of a democracy when the spirit of democracy is lost in the fog of interpretations of who has authority to act and why.

All that is proposed is to place our Government in the position of sitting down with the leaders of the new nations and formulating programs whereby in a period of 5 years they can be started on a sound basis in the improvement of education, the building of their economy, the taking of the necessary steps that must be taken if a nation is going to stand on its own feet. All this requires planning, long-range planning, but it is nonsense to say there can be long-term planning without assured long-term financing. The objective cannot be reached if our Government deals with its hands tied. That is just commonsense. All we can say to the new countries that wish to be our friends: "Yes we will go along with you as far as we can. We do not know what is going to happen next year, so it has to be year by year planning.

That setup has been responsible for all the failures we have had in the foreign-aid program. That is why we have given so much money and received so little in return.

Now under President Kennedy's program we would sit down as partner with the new nations in an undertaking to conquer the future for the common good.

I have heard aid loans referred to as grants, as giveaways. Nothing is further from the fact. They are investments in the future in which we are coadventurers with the new nations, partners with them in the enrichments of the future.

Under the President's program we will respect the dignity of the new sovereign nations by abandoning any semblance of patronage and instead of the position of a patron will rest our relationship on the basis of partnership, partners with them in their planning, in their dreams, in their expectations, and in the end we will share with them in the benefits. As partners we will build together a world of richness never approached, a democratic world from which poverty, disease, and illiteracy will be erased and a world in which all men can spend their years of life in contentment, dignity, peace and usefulness. It is a world of utopia worth reaching for. We never may quite attain it. The reality may never fit completely the blueprint of the dreams. But if we go forward with our President; with courage and with faith, each step will be an upward climb to the pinnacle of our objective. This is the path to peace. This is the course that is true to the American tradition. From the alternate route—the inevitableness of a cold war that remain unchecked—from that route. I close my eyes.

Lead on, Mr. President. With faith in our national destiny as the instrument of service to all mankind, with courage and with vision of a tomorrow brighter in sunshine that the day preceding your countrymen will follow.

Just one word or two in closing. The loans we make will be paid back manifold even as a bread cast on the waters.

Mr. RYAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN. Mr. Chairman, yesterday I addressed my remarks to the principles expressed in section 102(e), the policy statement, and urged the House conferees to insist upon retaining that language. I expressed the belief that the State Department should administer the program to protect the rights of U.S. citizens to travel and engage in business without discrimination as to religion or race.

Now I want to state my strong support for the Act for International Development as proposed by the new administration. This new program, I believe, builds upon the constructive features of past programs, benefits from past mistakes and takes into account the foreseeable hazards of the future. It is a program which is calculated to provide a new basis for our own foreign policy of the next decade.

Much has been said in the recent past concerning the hopes and aspirations of the mass of people in the underdeveloped parts of the world. But we in the United States and in the other portions of the industrialized world sometimes fail to appreciate fully these hopes and aspirations. As has often been stated but seldom appreciated, we are living in revolutionary times. But too often we have been identified with those who are attempting to put down the revolution. Such a posture ill befits a nation with a revolutionary past. It is as though we were to side with the British in 1776 rather than our ancestors.

For the first time in history it seems posible that the benefits of civilization may be distributed among all of the people everywhere. For the first time in history the people of the emerging countries see some reasonable hope and likelihood that their lot can be changed. The downtrodden people all over the world are beginning to strive to obtain the fruits of the 20th century for themselves or at least for their children. By and large striving for modernization has taken place through the framework of national identification. Striving for nationhood and striving for industrialization have been equated in the minds of the masses of people in the underdeveloped countries.

If we accept this view of the world—and it has been stated and restated many times—then we must view it differently than we have in the past. We must realize that change is the order of the day.

The struggle for modernization is complicated by the Communist attempt to capture and lead the revolution. If we are to maintain freedom in the world, we must provide leadership and encouragement to the underdeveloped countries in their struggle for industrialization. Both the United States and the Soviet Union are engaged in a struggle to provide leadership to this new movement. Among the underdeveloped countries we do not have countries which we lost to the Communists. Rather, when the Communists capture a country, it is because we have failed to aid and provide leadership to its revolution. We have not lost a country; we have failed to seize an opportunity.

The initiative can be seized through the new foreign aid program. Whenever a country makes economic and social progress and eliminates poverty, disease, and ignorance, the seeds of communism are removed. Thus, the new foreign aid program is a primary tool in a dynamic foreign policy.

The key to preventing future crises in the underdeveloped parts of the world lies with development. And this development must be more than just economic growth. Too often the benefits of economic progress are inadequately distributed: The rich get richer and the poor get nothing. It is of interest to note that in Latin America the two countries with the highest per capita share of their gross national product were Cuba and

Venezuela. Cuba has already been lost; the situation in Venezuela has been ominous for some time. The lesson is clear: There must be a measure of social justice in all economic development in which we play a role.

The new proposals for the foreign economic assistance program embodied in the Act for International Development are based upon the foregoing concepts. The long-term development of the underdeveloped countries is the goal, but the development process is long and arduous. Industrial development of the Western World took well over a hundred years. Unfortunately, we do not have so much time, and we do not have the relative isolation that we had during the peaceful 19th century. The long-term approach now can mean only 5 or 10 years—not 50 or 100. If there are not a considerable number of underdeveloped nations on the road to development by 1970, the Communists will undoubtedly be in a position to capture the imagination and lead the revolutionary march of the least developed nations.

The development process is not a clear one. Although we are still reaping benefits from the Marshall plan far beyond its cost, its relatively easy success has made the foreign assistance program since that date appear somewhat unprofitable. But it must be remembered that the new foreign-aid program involves over three times as many countries and about four times as many people. The Marshall plan involved industrialized countries with trained men and developed institutions temporarily disabled by war; this effort involves the attempt to build institutions and train the personnel—as well as generate industrial production. The leadership of the European countries was not only experienced, but it was capable of planning for the future and integrating its plans with others through the medium of the OEEC. The newly emerging countries lack adequate leadership and have little or no experience in planning ahead. We are now faced with a greater challenge than in Marshall plan days: The industrialization of underdeveloped countries. Our response must again match the magnitude of the challenge.

A major feature of the new aid program is its recognition of the long-term nature of the development process. In order for recipient governments to plan on a long-term basis, we must provide assistance in their planning efforts and assurance of the availability of needed funds. In the past, assistance has been rendered largely upon a project basis. Although the projects were needed, frequently they did not provide the greatest impetus to development. The new long-range approach will make our aid more effective.

A second major feature in the new program is also vital—the emphasis upon self-help. We can provide only a small portion of the total capital and technical assistance needed for development. But our assistance can provide the necessary margin for development if the recipient countries prepare themselves for the task. The recipient countries are going to have to take the necessary—but often very difficult—steps toward tax and budgetary reform, mobilization of resources, land reform, administrative house cleaning, and other efforts that are related to the modernization process. This requirement will be a string tied to our aid, and Secretary of State Rusk has stated that it will be an insistent one. But it is not a "political" string. We will simply require recipient countries to make the most effective use of our aid. This is not an attempt to buy allies or votes but to "buy" more economic and social development with our funds than in the past. Although some may object that this constitutes interference in the internal affairs of the underdeveloped countries, it should be remembered that participation is the free choice of each receiving country. Furthermore, we will simply help these nations to make changes necessary to develop the country and to meet the needs of their people. If the countries are to progress and if our aid is to be effective, internal reform must be achieved.

Another major feature in the new program is the effort to obtain greater assistance from our industrialized allies, who will be asked to provide increasing amounts of aid to underdeveloped countries. The long-term financing approach helps achieve this purpose by allowing the United States to negotiate equivalent amounts from our allies. The recent aid package to India is an example. Not only was there an increased scale of participation by our allies, but the long-range approach was instrumental in providing the impetus.

The new program has changed the method of financing development lending. The new means of such financing has been criticized as back-door spending. When we have financed more than 20 agencies' programs in an amount of over $100 billion over a period of almost 30 years by this technique, it is a little late to attempt to defeat a program on that basis. The relevant question is whether or not this is the best way to finance the new program. It seems to me that there is as good reason to finance this program in this manner as there was to finance the area redevelopment program; the veterans' loan program or the Housing Act by borrowing authority. This is a program in which dollars will be borrowed from the Treasury and reloaned. The reloans are repayable in dollars. The need for the ability to make long-term commitments is central to the new program. Borrowing authority seems appropriate.

Mr. KEARNS. Mr. Chairman, the bill we have been considering during this week is the Foreign Affairs Committee's response to the President's proposal that we undertake a decade of development.

The need of assistance on an enormous scale to Latin America has been asserted by the administration. This is not the first time that we have recognized such a need in that part of the world. In 1940, the Roosevelt administration proposed to increase the back-door financing authority of the Export-Import Bank—the Bank's ability to borrow from the RFC—for the purpose of assisting Latin America. This proposal is instructive for the present-day proposal. First, it asked for back-door financing of a program which the administration had not worked out in detail. Second, close congressional control of the program was refused. Third, 21 years later, despite the favorable position of Latin America during World War II and despite aid extended by the United States, the whole area has made so little progress that the administration is talking of a program 40 times as large as the program authorized by the Congress in 1940. Let me read a few paragraphs from the record of that event. In a report filed by the Republican minority of the Senate Banking Committee, a report written by Senator Robert A. Taft, the following remarks appear:

> The money is to be borrowed on the credit of the Government of the United States, and loaned to foreign nations and their citizens to assist them in the development of their resources, the stabilization of their economics, and the orderly marketing of their products. Mr. Jesse H. Jones testified that he knew of no present plan for development of resources, stabilization of economics, or orderly marketing, and that he had no applications for loans from any Latin American country. He asked for the power so that he might be in a position to pass on any such plan if it were submitted to him without submitting such plan to Congress. This seems to be a request that Congress abdicate its powers of determining how $500 million shall be spent in South America. (S. Rept. No. 2005, 76th Cong., 3d sess., minority views.)

During the hearings in the House, Congresswoman Sumner suggested that when starting on a new proposition such as this it would be well to start off with a smaller authority, "and after that check up and see how it had operated." Jesse Jones replied that "You could not pass on each loan; you must trust the administration to somebody." The same sort of attitude continues in this administration—and although the statement is true that the administration must be entrusted to somebody—trusting does not solve the problem of allowing Congress to decide, in Miss Sumner's words, "whether we wanted to make more loans."

The Export-Import Bank was granted borrowing authority in order to make loans. However successful or unsuccessful those loans may have been, the Latin American countries remain today in need of assistance. But they remain in need of internal reforms; reforms are far more important to their progress than loans from the United States. Unless these countries put themselves on the right road to development, any aid from the United States will be a loss to these nations, and will strengthen the hand of the forces in those countries which have minimized progress and their contribution to the strength and prosperity of the free world.

The bill, which the House now is considering, proposes for a third time to finance development loans through the back-door route. That method of financing was rejected by the Congress in 1957 and again in 1959, and now is proposed in an amount over four times as large as in 1957.

This House has spent many days this year—and many days in previous Congresses—debating the wisdom and the fiscal responsibility of granting to a Government administrator the authority to borrow from the Treasury. Sometimes that authority is granted, sometimes it is withheld and the administration is required to follow the standard procedure of obtaining an appropriation. The debates on direct borrowing from the Treasury often are clouded by false issues. One such false issue is the assertion that opposition to back-door financing comes only when Members of the House—or of the other body—are opposed to the program for which this evasion of the appropriations procedure is sought.

My own record on this point is clear: I am opposed to back-door financing, but I support foreign aid. I voted for the European recovery program in 1948, Greek-Turkish aid, mutual defense assistance, and China aid in 1949, ECA funds in 1950, the extension of mutual security in 1953, and for the foreign aid, Development Loan Fund, military assistance and international development association bills in all of the subsequent years through 1960. I opposed the India food loan—an act that was financed through the back-door route.

The administration's foreign aid bill proposes authority to borrow from the Treasury—the back-door route—for only about one-quarter of the year's foreign aid program. There is no mystery about the reasons for this proposal. The administration hopes that its appointed administrator will have a free hand to develop a continuous program, without being required to adjust the program if the Appropriations Committee finds a change is in order, either for balancing the Federal budget, or because the programs are going slightly astray.

There is another but less important reason, which in fact is little more than a pretext for borrowing authority. The pretext is that the development credits might in some cases be repaid in dollars, and might even yield some interest on the money loaned. The administration then could pay off some of its notes to the Treasury. The development aid under this pretext takes on the hue of a legitimate loan; it is not seen in its true light—a permanent expenditure of funds from the Treasury.

A third reason for the bill, on that is not stated by the administration but is of very real importance, is that the administration wants to keep the Congress accustomed to approving the back-door route, so that it can be used if new domestic or international programs of an experimental nature are introduced into subsequent sessions of Congress.

As a result of the numerous debates that have taken place in this and in earlier Congresses on the question of granting borrowing authority, most of us have developed some firm convictions on the subject, and will vote accordingly.

I should like to introduce into the present debate a new consideration. The authority to borrow money from the Treasury is not necessarily an evil. If it is granted in accordance with established procedures, when the money borrowed is paid out by the administrative agency on a loan program for which repayments may be received, the authority may be useful.

There have been in operation for many years two programs financed in this way. These programs have proved beyond doubt their usefulness for aiding economic development within the United States. The Rural Electrification Administration and the Farmers Home Administration both are financed by authority to borrow from the Treasury. But it is not a back-door grant that these Administrations receive. The REA and the Farmers Home Administration appear before the Appropriations Committee each year to justify their programs and to receive such additional borrowing authority—usable without fiscal year limitations—as they are able to justify. The borrowing authority of the REA was the first such authority to go through the appropriations process. It was created by an act originating in the House Committee on Appropriations, in the Agricultural Appropriations Act of 1948. The subcommittee chairman was Mr. DIRKSEN.

The grant of borrowing authority to these two agencies puts them under pressure to look carefully at the quality of their loans, in order to make a record of repaying their own notes to the Treasury. Their annual appearances before the Appropriations Committee insure that their programs are reviewed according to established procedures, and that the only committee with any responsibility for balancing the budget, shall give these programs their proper position each year among all the demands on the Treasury.

A balanced, integrated financial plan for the Government, reflecting its current needs and resources, is possible only when one committee controls all access to the Treasury. Borrowing authority can be consistent with such fiscal responsibility only if it originates in annual action of the Appropriations Committee. The procedures used for REA and Farmers Home Administration may be applicable to the development credit program which is a part of the bill now before us.

These procedures may be most appropriate to the bill. Members who know the work of the Farmers Home Administration know that, important as is the money loaned by the Administration to farmers, the guidance given to the borrowers in putting that money to productive use is even more important. The same generalization can be made about the development credits for the Decade of Development which the President has proposed to us. Loans to the developing nations will be useful for their development to the extent that they pay for development, and useless or worse to the extent that they merely represent making available money or projects for the enrichment of interests which stand in the way of development of those countries.

To insure that development credits actually pay for development, a higher quality of planning and supervision must be achieved in the future by the lender, the U.S. Government. If borrowing authority is granted to an administrator who is responsible to the Congress only as a matter of form, because his authority is laid out and made available years in advance, the Congress will have no effective means of insuring that planning and supervision will be of better quality than in the past. The power of closing the purse must be kept available for prompt use. If borrowing authority is to be granted for foreign aid development loans, it must be granted yearly, in a bill that originates in a committee holding power to close the purse so that its recommendations for efficient administration will be effective.

The shift of borrowing authority from a single grant extending for 5 years to an annual grant given by a regular appropriation act would have these advantages:

First. Congressional recommendations to correct the administration's departures from congressional policy guidelines would be made effective immediately.

Second. Adjustments of program needed in a rapidly changing international scene could be made promptly.

Third. Alinement of the program with the fiscal situation of the United States would be readily possible.

When borrowing authority is granted to the executive branch, in a bill such as the one we are debating, the Congress does retain overall power of control over the agency. But the crucial fact is that the Congress cannot control the agency and its program immediately, as it could if authority emanated from an annual bill reported by the Appropriations Committee.

The Government has had experience with correcting the programs of agencies which are financed through the back-door route. That experience can be characterized correctly in a very few words. When some error in administration is found by the General Accounting Office during its continuing audits, or by a committee of the Congress, the administrator may be persuaded to correct the fault. But if he refuses, then the Appropriations Committee can only admonish the administrator at the annual hearings on his administrative expense limitation—or disrupt the program by refusing administrative expense funds. Beyond that, the Congress can consider audit report recommendations made a year or more after the events have transpired, and after a year or two of examination and debate, enact legislation to correct the fault.

Briefly, the Congress is not organized in a way that permits it promptly to curtail or revoke the funds of an agency which is financed by borrowing from the Treasury on a continuing limitation granted by a legislative committee. On the other hand, the Congress is organized so that it can supply consistently from year to year the funds needed for any program, through appropriations. It can make a long-term authorization, with annual appropriations, or can make annual grants of borrowing authority, and adjust the amounts quickly, without

sensational investigations, disruption of programs, or unpleasant relations with other countries.

I support foreign aid now, as I have supported it in the past. But I reject the fiscally irresponsible back-door financing of the present bill, not only because it is financially unsound, but because a better use of the loans made by the administration can be insured by writing into the bill this amendment for financing development credits.

Mr. HECHLER. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND] may extend his remarks at this point in the RECORD and include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BOLAND. Mr. Chairman, there is much in this bill that deserves thoughtful discussion. It is new, and in many respects, a fresh approach to the complex problem of foreign aid. I would like to be able to discuss it at length but there is not time.

Therefore, I shall concentrate in these few minutes on what is both the most important and the most maligned new provision in the bill. This is the provision, which the President has requested, and which the Foreign Affairs Committee has endorsed and recommended, to authorize the President to borrow from the Treasury over the next 5 years, stated funds, needed by him, to exercise leadership for the United States in the great revolution of progress now going on in a third of the world.

I am particularly interested in this provision because it has been subjected to a steady drumfire of attacks which have spread much misunderstanding. I know it has been charged that it is some sort of plot to get the aid program out from under the control of the Congress; that it deprives the Congress of the power of the purse; that it is an attempt to bypass the Appropriations Committees.

I am proud to be a member of that very able committee and I think I have as great an interest in congressional control over the power of the purse and over this aid program as any Member here. Therefore, I have thoroughly examined the effect which this proposal will have on the powers of the Congress and of the Appropriations Committees.

My conclusions are: First, that the request is based on valid need in the national interest. Second, that it is not an attempt to bypass the Appropriations Committees and that it does not do so. Third, that it is not an attempt to escape from the control of the Congress and that under the committees' bill full power over the program is retained in the Congress.

First, as to the need. Every leader in both parties, having international responsibilities, has declared repeatedly that it is imperative in our own national interest to undertake a greatly increased program on a long-term basis to aid in the development of newly independent and other less developed nations.

It is vital, in the literal sense of the word, to our future safety and prosperity, that the United States undertake a role of vigorous leadership in the struggle now going on over these nations which occupy two whole continents and parts of two others and whose people number far over a billion.

Why borrowing authority? There is equal unanimity that for such development programs to succeed, the aided nation must plan ahead for a period of several years and marshal its resources, levy taxes, bring about land reforms, train personnel and otherwise take fundamental, costly, and often politically difficult long-term self-help measures. Experience has shown that for new, poor nations to undertake these measures, it is necessary for them to have a reasonable assurance that the outside funds essential in later years to the success of their development efforts will be available. In the past when the Development Loan Fund has had to rely on annual appropriations, the President of the United States has not been in a position to give the needed assurances of future aid. In fact the Congress has repeatedly warned the Executive against commitment of funds not yet appropriated.

Under these circumstances the United States cannot exercise the leadership vital to the strength and survival of the free world.

President Kennedy has asked the Congress to provide reasonable assurance that stated amounts of money will be available over a future period so that he in turn may give reasonable assurances to aided countries that stated funds will be available to them. The President has asked that the Congress authorize him to borrow from the Treasury $900 million in fiscal year 1962, which may be obligated in that year or later, and $1,600 million in fiscal year 1963 and each of the following 3 fiscal years, which funds may be obligated in the year in which they become available or later. He has also asked that repayments on past loans approximating $300 million per year be available for 5 years for relending.

The committee has recommended favorable action on these requests.

Would borrowing authority be back-door financing? Certainly not. It would be authority enacted by the Congress in broad daylight for the President to go in the front door of the Treasury to borrow funds according to provisions laid down in law to make loans in conformity with stated criteria—and with no loan to be made unless there is a finding of reasonable prospects that it will be repaid in dollars.

I emphasize in dollars because in the past the Development Loan Fund has made the majority of its loans for repayment in local currencies not convertible to dollars.

Borrowing authority like this has been enacted repeatedly by the Congress to provide funds for practically all U.S. Government agencies involved in dollar lending operations.

It was first used by the Congress under President Hoover to fund the Reconstruction Finance Corporation. It has later been used by the Congress to fund 32 lending activities in 27 agencies and is now in use to fund 24 lending activities. These include such established domestic activities as the Commodity Credit Corporation and various farm and housing lending activities.

Its use is not limited to domestic lending operations. Borrowing authority was authorized for $1,500 million under the Economic Corporation Act of 1948 for loans abroad and Congress has repeatedly financed the Export-Import Bank and the U.S. contribution to the International Bank in this way.

Precisely this means of funding the development lending program was requested by President Eisenhower with the outspoken support of Secretary of State John Foster Dulles and Under Secretary Christian Herter in 1957. President Eisenhower said then that "this financing mechanism is well suited to the character of the fund."

Secretary Dulles said to the Foreign Affairs Committee:

> Several changes will be required in present procedures. The most important of these would be designed to provide the fund with an assurance that specified amounts would be available for development purposes in future years.
>
> How are we to secure this assurance—without which the fund would be but a new name for what we are already doing? This could not be done by a general declaration in the law or even by an authorization for future annual appropriations. There would be no reasonable assurance under either of these procedures that an adequate amount would be added to the fund's capital in future years.
>
> "The heart of the problem," as your report very rightly observes, "lies in the annual authorization-appropriation cycle." We can only escape from that cycle through action which sets specific sums of money aside and which indicates the times at which they are to become available to the fund.

The Foreign Affairs Committee said in its report at that time with the active participation of its minority members:

> Borrowing authority is the method that has been used to capitalize almost all Government lending agencies—the Export-Import Bank, the World Bank, the Reconstruction Finance Corporation, the farm credit agencies, and so on.
>
> When each of these agencies was set up, many people thought of them as high risk operations—because they were designed to make loans that nobody else would make. But their loans contributed to increased production, and this enabled them eventually to be repaid.
>
> It is believed that this will also be true of the Development Loan Fund.

Opponents of the committee bill must bear a heavy burden of proof to show that this standard, well-established and orthodox method used by the Congress to fund Government domestic and foreign lending activities should not be used to fund the development lending program.

They cannot bear that burden by resort to an epithet. Yet the facts do not support their principal argument: that borrowing authority would deprive the Congress of its power over the aid program.

Not bypassing the Appropriations Committees. One point should be addressed frankly. Is this really an executive branch maneuver to bypass the Appropriations Committee? The object of the Executive is not to bypass the Appropriations Committee. The real object is to get this aid program off an annual funding basis and on a basis of funding which will make sensible, economical use of our aid funds possible.

Secretary of State Rusk and Secretary of Treasury Dillon addressed this question directly and candidly in the letter they sent to each of us. Please listen carefully to what they said:

> The nature of the annual appropriations process simply does not provide the reasonably assured availability of future funds for development lending required by other nations if they are to undertake long-term development programs dependent on the future receipt of agreed amounts of funds. This need would not be met even if, for example, it were to be agreed that funds should be made available by borrowing authority authorized by legislation—but only on an annual basis. Such an arrangement would still not provide the congressional authority required to make the needed advance commitments.

I submit that this is in meaning precisely what Secretary Dulles also said as I have just quoted him.

Would the proposal deprive Congress of its power over the aid program?

It would not—for several reasons:

First. In the first place, the President is asking the Congress to use its legislative power to enact a great national policy for the United States to assume leadership over a 5-year period in the fight to preserve the free world from communism.

Second. Borrowing authority would apply only to the lending program. This would by one-fourth to one-third of the total aid program. The executive branch would have to return to the Congress each year for the authorization and appropriation of the grant economic and military assistance programs. If the President misused the borrowing authority granted him, the Congress could limit, curtail, or revoke it—and it could do it either in the aid authorizing bill or in the appropriating bill. Moreover, since this would be the essential grant aid program, the President could not—as a practical matter—veto action of the Congress.

Third. Under the provisions of section 203(c) of H.R. 8400, the development lending operations under AID will be subject to the Government Corporation Control Act. This means that, while the President may make commitments to less developed nations of funds to become available in future years from funds authorized to be borrowed from the Treasury, none of these funds authorized to be borrowed from the Treasury may be obligated or expended except to pay earlier obligations authorized by the Congress by the executive branch until: (a) the President has presented to the Congress each year for consideration by the Appropriations Committees a budget program—business-type budget—showing both obligations and expenditures planned for the ensuing year; and (b) the Appropriations Committees and the Congress have, first, reviewed this budget program in the same manner as other budget proposals, and second, recommended and enacted an authorization in an appropriation bill for the use of such funds.

Fourth. The Congress would have full legal power to limit the use of the funds in such an appropriation bill—either upon recommendation by the Appropriations Committees or by floor amendment as with any other appropriation bill.

Fifth. It is clear, however, from the legislative history of the Government Corporation Control Act and from the legislative history of the AID bill that the power to make reductions or limitations is to be used only in special or unusual circumstances.

In addition to the foregoing, the Congress will also be able to exercise control through the requirement that it appropriate funds for administrative purposes each year. It could use this power to prevent the administration from borrowing funds for any particular purpose—or at all.

I am not concerned by fanciful possibilities that the President could theoretically commit the whole $8.8 billion the first year so that no future congressional control could be exercised over it.

In the first place, I know the President, as do many Members here today, who served with him in this Chamber over the years. He would not do that sort of thing if he could.

In the second place, the record is absolutely clear and the Foreign Affairs Committee has carefully written into its report that no commitment of funds for future years will be irrevocable. "Indeed," the report says, "all commitments of future year funds will be specifically contingent on their continued availability from Congress."

In summary, then, the enactment of the borrowing authority will represent a major new national policy decision by the Congress—an expression of intent to provide significant financial support for sound long-range development efforts over a realistic period of 5 years. By so doing Congress will not have abdicated its right of control, rather it will have created a presumption that the authorized funds will not be significantly reduced or limited unless the Congress should find that unusual or special circumstances made such action necessary. The executive branch will have been put in a position to make conditional commitments of these funds and thus to encourage and help other nations to make the hard political decisions with respect to internal reform and sound economic management measures on which the future of the less developed countries of Asia, Africa, and Latin America depend.

I do not believe the Congress could reasonably ask for, or legislation could reasonably provide for, more thorough power to control over these funds. Certainly the Appropriations Committees have all the power they could ever need to step in and redress the situation should the Executive ever misuse the funds made avaliable. In fact, an annual affirmative action by the Congress in an appropriations act is necessary for the President to use the funds available to him at all.

If the Appropriations Committees wish to be capricious, they would have the power to be so. Yet I know that if this legislation is enacted, the Appropriations Committees will carry out their role faithfully. That role will plainly be to make the needed authority available each year without limitation unless unusual or special circumstances require a limitation.

What we are asked for is so simple, clear, and enormously important.

The President is asking the Congress to make a decision—a decision to stand for 5 years unless unusual circumstances arise which lead the Congress to the conclusion that it should be modified or changed. The decision is momentous. It is a decision to lead—a decision to recognize the world as it is—a dreadfully dangerous place of enormous opportunity. A place where there is the greatest danger that the Soviet Union and Communist China will succeed in their obvious desire and their growing effort to seize the revolution of progress going on in a third of the world and misguide it for their own ends.

If they succeed in this, the end of the Western World and of our civilization will be only a matter of time. As Secretary Dulles once said when he was pleading for the assumption of our full responsibilities in foreign aid—we will become an island of freedom in a Red sea.

But there is opportunity here, too. If we are willing to lead, if we dare to lead, if as a Congress we have the courage to seize the initiative and lay down a policy of 5 years' duration, then there is a chance, and a very good chance, that the United States can lead the whole free world along a course of development with free institutions which will mark the turning point of history—the point when the flow of the Red tide stopped and it began to ebb.

Surely this opportunity calls for our courage and our action. Surely we realize we cannot seize it on the faltering basis of annual determinations whether we shall proceed with our effort at all or, if so, with what resources to be at the command of our Chief Executive for 1 more year.

I must say candidly that I see a degree of partisanship arising in the debate on this measure which could lead to the greatest tragedy for our Nation.

When President Eisenhower urged the Congress in 1957 to put the aid program on a sound, long-term basis with borrowing authority, and the bill suffered a setback in the Foreign Affairs Committee, the White House appealed to a Democrat to save it—and he did. Had it reached an issue on the floor, I would have supported it then as I do now—and I believe I would have been joined by the majority leader and many others on this side.

The issue is now no different. It is still an issue of national safety and survival. The plea made by President Eis-

enhower and Secretary Dulles has been proven right. The President, whoever he is, from whatever party he comes, must have the authority and the wherewithal to assume leadership from our Nation. If we do not provide him with the tools he must have for success—he will fail. The aftermath of that failure will not strike at him alone or at one party—it will be the tragedy of successive losses in the free world which will strike at the whole American people.

This tragedy may befall us despite our best efforts for we are in a mortal combat with great natural forces and implacable foes. But let us not bring it on ourselves by our own inaction—let us provide our Chief Executive with the tools needed for the greatest possible chance of success.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

All time for general debate has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mutual Security Act of 1961".

PART I

Chapter 1—Short title and policy

SEC. 101. SHORT TITLE.—This part may be cited as the "Act for International Development of 1961".

SEC. 102. STATEMENT OF POLICY.—(a) It is the sense of the Congress that (1) peace depends on wider recognition of the dignity and interdependence of men, and (2) survival of free institutions in the United States can best be assured in a worldwide atmosphere of freedom.

(b) The Congress approves the efforts of the peoples of other lands who are striving to establish and develop politically independent and economically viable units, to increase their technical knowledge and skills, and to improve ways of living by methods which reflect the popular will, and to realize aspirations for justice, for education, and for dignity and respect as individual human beings.

(c) The peace of the world and the security of the United States are endangered so long as international communism continues to attempt to bring under Communist domination peoples now free and independent and to keep under domination peoples once free but now subject to such domination. It is, therefore, the policy of the United States to continue to make available to other free countries and peoples, upon request, assistance of such nature and in such amounts as the United States deems advisable and as may be effectively used by free countries and peoples to help them maintain their freedom.

(d) It is the sense of the Congress that those countries which have been assisted in their recovery should, in the future, share with the United States to a greater extent the financial burden of providing aid to those countries which are still in need of assistance of the type provided under this Act.

(e) It is the sense of the Congress that inasmuch as—

(1) the United States favors freedom of navigation in international waterways and economic cooperation between countries; and

(2) the purposes of this Act are negated and the peace of the world is endangered when countries which receive assistance under this Act wage economic warfare against other countries assisted under this Act, including such procedures as boycotts, blockades, and the restrictions of the use of international waterways; and

(3) any attempt by foreign countries to create distinctions because of their race or religion among American citizens in the granting of personal or commercial access or any other rights otherwise available to United States citizens generally is repugnant to our principles;

assistance under this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be administered to give effect to these principles, and, in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this Act or arising under the Agricultural Trade Development and Assistance Act of 1954, as amended, these principles shall be applied, as the President may determine, and he shall report on measures taken by the administration to insure their application.

(f) The Congress of the United States recognizes that the progress of free peoples in their efforts to further their economic development, and thus to strengthen their freedom, is important to the security and general welfare of the United States. It is the policy of the United States to strengthen friendly foreign countries by encouraging the development of their economies through a competitive free enterprise system; to minimize or eliminate barriers to the flow of private investment capital and international trade; to facilitate the creation of a climate favorable to the investment of private capital; and to assist, on a basis of self-help and mutual cooperation, the efforts of free peoples to develop their economic resources and free economic institutions and to increase their productive capabilities in agriculture as well as in industry.

(g) To the extent practicable assistance should be based upon well-conceived plans; be directed toward the social as well as economic aspects of economic development; be responsive to the efforts of the recipient countries to mobilize their own resources and help themselves; be cognizant of the external and internal pressures which hamper their growth; and should emphasize long-range development assistance as the primary instrument of such growth.

(h) The Congress reaffirms its belief in the importance of regional organizations of free peoples for mutual assistance, such as the North Atlantic Treaty Organization, the Organization of American States, the South East Asia Treaty Organization, the Central Treaty Organization, and others, and expresses its hope that such organizations may be strengthened and broadened, and their programs of self-help and mutual cooperation may be made more effective in the protection of the independence and security of free people, and in the development of their economic and social well-being, and the safeguarding of their basic rights and liberties.

(i) It is the sense of the Congress that—

(1) it supports the President in his affirmation that the United States shall continue to meet its commitments to the people and Government of the Republic of China and shall continue to support that Government as the Representative of China in the United Nations;

(2) the United States shall continue to oppose the seating of the Chinese Communist regime in the United Nations so long as that regime persists in defying the principles of the United Nations Charter; and

(3) the United States supports the President in not according diplomatic recognition to the Chinese Communist regime.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, those Members of Congress who have had experience in the courtroom have learned that many times the lawsuit is intentionally fought out on side issues, so as to avoid the major issue. That appears to be the situation here. Certainly I am opposed to back-door spending, but it does strike me that while all the arguments have been going on about back-door spending, we are about to appropriate, or leading to the appropriation of, about $8.8 billion more to a program which is not only unsound but dangerous. I think the main issue is being obscured because of the arguments about back-door spending. When you have already spent over $100 billion through the front door, I do not know that you will be doing a whale of a lot if you close the back door; and, if the Presidents of this country and the Congresses have spent $100 billion through the front door, I cannot see how they need to open the back door, too. Now, on the other hand, if this money would do the job of providing world peace I suspect all would go along even through the side door, so far as that goes. If you commit all your money to all the projects promoters of this program want, you will not have any money left to take out of either door.

In all the intended confusion we have been led off into the wings while the main car goes down the highway loaded with our money. Every time anybody, to use a colloquial phrase, spits in our face, we run up here with another request for $600 million without plan, rhyme, or reason.

Let me read to you what I see in the press. I have taken these headlines out of the press during the last few weeks. I quote: "Castro Takes Over American Property in Cuba," "United States Rushes To Appropriate $600 Million for Aid to Other Latin American Countries," "The President Asks Congress for $8.8 Billion for Foreign Aid by the Back Door After Spending $100 Billion Out the Front Door," "Berlin Threatened—Cabinet Officer Assures Central and South America United States Will Go as High as $20 Billion To Aid Those Countries."

I think this program has long since gone beyond the question of whether it is doing good. I think it has reached the point of seriously threatening our own country. When we start running out with money in bushel baskets every time we are threatened or are about to have our toes stepped on we lose our standing everywhere. In addition we have gotten ourselves in the middle of the internal affairs of every country we have aided. I wish my colleagues would pay careful attention to this—in just about every nation that we have helped, we have ended up as one of the biggest holders of the local currency of that country. In most of these instances we hold the biggest mortgage, which means that we are the controversial element in the domestic politics of just about every country we have helped.

I repeat, we are underwriting the incumbent government in countries all over this world, willy-nilly. Human nature is the same the world over. As soon as the incumbent government fails and

they stop receiving our aid, they are against us.

As to the South American countries. We know their history. Just as soon as American business grows up there, fully guaranteed against loss, under this bill, it is an open invitation for revolution and for some unfriendly dictator to take over—and like Cuba, I suppose we will sit and take it.

The only question is how soon will it happen.

Oh, I have heard my friends here make speeches that we ought to do something about Cuba. I am not going to give away any of the secrets I hear as a member of the Committee on Defense Appropriations and in other sensitive places.

Remember this, if you think about it, you will be bound to conclude that the reason we have not protected ourselves against Cuba, right off our own coast, is that our commitments are spread out all over the world to the extent there would be retaliation somewhere else. We have made commitments in Asia, Africa, Europe, and every other place, and in the process we have left ourselves vulnerable on our very doorstep. Russia is in Cuba, military construction is going on today in Cuba. Ships from Russia are coming into Cuban ports. Russian planes are in Cuba. Are they building missile pads? Every indication is that they are, and we sit by, afraid that if we protect the threat against us on our own doorstep, we will be hit on a hundred farflung fronts.

CENTRAL AND SOUTH AMERICA

If there is any group of nations which looks to some strong man at home and respects strength abroad, it is the Central and South American countries. To them, with our rush offer of $600 million after Castro's actions in Cuba, now skyrocketed in one speech to $20 billion, we must appear scared to death. Certainly, they cannot believe this is the same nation which announced the Monroe Doctrine and made it stick.

WE PAY PROFITS, PAY TRIBUTE, AND MAKE ENEMIES

We have insisted on granting funds to other countries for buying new material, when many times those nations had usable supplies on hand. By granting such governments dollars for new purchases, the ruling powers in some of these countries get a cut, a rakeoff, a handout, and American interests make a profit. In the process we are inflaming many people against us and defeating the very purpose we seek.

Look at what happened in Korea, in Laos, in Vietnam. We see what happened in Japan, and in Cuba. We have granted more than $2 billion to Yugoslavia. For what?

Today we aid Poland, let U.S. industry trade with Cuba and Russia, assist Egypt. However good our intentions, in the eyes of the world we are, in effect, paying tribute. Paying blackmail has never worked, throughout history. It will never work.

It is difficult to get Americans to look at this program objectively. Too many Americans are reaping profits. American and foreign companies have been organized and have gotten rich doing this business for us, frequently without any real investment on their part. We have made competitors out of customers, competitors whose output is now doing real damage to American agriculture and industry and to American workers, thus weakening our overall economy on which our safety depends.

WE MUST REVERSE OUR COURSE

Mr. Chairman, I repeat, through foreign aid we have gotten ourselves deeply and dangerously involved in the internal affairs of every nation which accepts our aid—and we have spent $100 billion doing it. Because of it we have been afraid to protect ourselves against Cuba, just off our shores. We must change our course, show our courage and determination, and demonstrate to the world that we will not continue to pay tribute or attempt to buy friendship. We must regain our ability to defend ourselves from the dangers close by—as it is through foreign aid we show our weakness, and invite disaster.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. HOFFMAN of Michigan. Mr. Chairman, I listened with a great deal of interest to the gentleman from Mississippi [Mr. WHITTEN], but I did not hear him tell me whether he intended to vote for or against the bill. I wonder if he would mind doing so.

Mr. WHITTEN. If the gentleman will yield, I certainly expect to vote against it, and if my time had not run out I would have said as much. However, I thought the tone of my argument was such as to convince the gentleman as to how I felt.

Mr. HOFFMAN of Michigan. I thought so too, but so often I have heard Members—not any who are Members today but perhaps others—say one thing and vote the other way. Nobody present would do that, of course.

I agree with the gentleman; and I am sure he is right about this. It may be very material whether we go along with back-door spending or not, and I would not have taken this time except for the fact I was not able to finish my few remarks in general debate, so I must burden you with this now.

I am dumb, I admit it; but I am not as dumb as some folks think. I am aware of this maneuvering that has been going on among our master politicians or advocates of political expediency on both sides of the aisle, those gentlemen who—rightly, I must admit, because they are in the majority—believe in expediency. I have no real doubt about the fate of any agreed upon amendment which will be offered. But permit me to say this, while all this trading has been going on, we have, as the gentleman from Mississippi [Mr. WHITTEN] said, lost sight of the main issue and what is going to happen to us if we continue to legislate as we have. We will have a dictator—it cannot be otherwise—if we continue to yield power to the Executive.

Ordinarily I would go along with an amendment to make a bad bill worse, but when I know, as I do, and this is the reason for saying I am not as dumb as some think, that eventually these folks who want foreign aid are going to get everything they want, if they can keep a foot in the door no matter what amendments we put in, for once in my life I do not intend to support any amendment to make a bad bill worse or better unless that vote cannot be avoided.

The gentlemen who want to support this bill are wiser than am I, they are more astute politically, but that is their business.

To those gentlemen who are on the hook—no ladies, you will notice, just gentlemen—and who know this bill is bad and ruinous, permit me to say I am not disposed to help them get off. Let the issue come on what the gentleman from Mississippi said. I know the bill is bad. If we have the courage to oppose it, all well and good. If one thinks he should support it, that is his business, not mine. I have no reason to doubt his ability, his patriotism.

Mr. Chairman, I ask unanimous consent to withdraw my preferential motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MATTHEWS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in trying to state the purpose of our Mutual Security Act to my people in the Eighth Congressional District of Florida, I have said through the years that its purpose is to provide for our own welfare and security first, and in the second place to help other friendly people to help themselves. One of the agonizing reappraisals that confronts me as we debate the Mutual Security Act of 1961 is the revaluation of that criteria. Have the Mutual Security Acts through the years provided for our own security, and have they helped other friendly people to help themselves? I have voted for Mutual Security Acts in previous sessions of Congress but I have always followed, in the main, the recommendations of the Committee on Appropriations because I have felt that there is an overwhelming necessity for constant, annual, close scrutiny of these programs on the part of Congress.

I do not propose, Mr. Chairman, to have less scrutiny on the part of Congress upon a project in some foreign country thousands of miles away than is given to a project in my own district. One of the great problems that concerns me is the application of different rules of responsibility toward the mutual security programs than we apply to our own people here at home. Take, for example, a river and harbor project in any Congressman's district. Some critics of these projects call them pork barrel projects. I do not agree with them. These projects, first of all, must be approved by an authorization committee; then money must be obtained for a survey of the project. If the survey proves

that the project is not economically justifiable, it is dead. If there is economic justification, then the Appropriations Committees are asked to appropriate money. Sometimes it takes as long as 20 years for this tortuous process to be completed.

If foreign nations object to a reasonable scrutiny of their projects, we would be better off, insofar as our obligations to our own people are concerned, to cut off that project immediately. May I remind you, Mr. Chairman, that admittedly our own country is not without defects, and that many of the programs and projects in the United States on a local, State, and national level, may have some evidences of dishonesty and fraud at times. Nevertheless, the officials guilty of this dishonesty and fraud are responsible to the people and are held accountable. Let me emphasize again that I cannot be a party toward making possible a careless handling of American taxpayers money abroad when I think the exigency of the hour demands a closer scrutiny of every project abroad to see if it falls within this broad criteria of helping us in the war against communism, and helping our friends to help themselves so that they, too, can be more reliable allies in this fight against communism.

I cannot support, therefore, the note issuing authority device for development loans as suggested in this act. This device is, of course, a form of borrowing from the Treasury. Of the total proposed $4.3 billion in the bill for this year, $900 million of this amount is proposed to be financed by Treasury borrowing for development loans. For each of the next 4 fiscal years, 1963 through 1966, the bill authorizes $1.6 billion of Treasury borrowing to finance development loans, a total for 5 years of $7.3 billion.

The proposed reason for this new method of handling development loan appropriations is that it will give a greater assurance of long-term programs and will guarantee to cooperating nations a continuity of projects that they need. I cannot be convinced that this is true. I cannot be convinced that there is one single, worthwhile project in the past that has been slowed down or that has not been completed because of the method of appropriating for these projects. The failures that we have experienced have been due to inefficiency, mismanagement, ineptness, at times—absolute dishonesty, a lack of cooperation on the part of the recipient nation, and other factors not related at all to the appropriations procedure. I cannot vote to abandon one iota of congressional authority over mutual security programs. I think rather than abandon authority we ought to exert more authority over these programs, to weed out the incompetent, and to demand that the American taxpayer, in the name of security, is not defrauded from his hard-earned gains.

I should like, Mr. Chairman, to make a few suggestions to the so-called emerging nations. I should like to emphasize the fact that America is not on trial, but the emerging nations are on trial. It is these nations that are facing Armageddon. The future of our beloved Republic is not inevitably linked with the future of any sovereign nation or any emerging nation. We are free, militarily powerful; we have the resources bestowed so generously on us by Providence. Yet we must not be proud; we must not be boastful, but it cannot be emphasized too much, insofar as I am concerned, that we are not on trial. I would say, also, to the emerging nations that a desire for freedom and the acceptance of responsibility are two entirely different propositions. It is going to be extremely difficult for many of the emerging nations, who are small, without any trained civil service personnel, to assume even the most basic elements of responsible government. I am told that in the Congo, out of 12 million people, there are only approximately a dozen college graduates. The communications are on a very elementary basis. The needs are overwhelming. If I thought the future of American depended upon the future of some of the emerging nations, I would indeed be discouraged. If these nations go Communist, we are the losers, of course, but let it be emphasized again and again that they will lose much more. So while it is the policy of this Government to help the emerging nations to help themselves, it is my plea that these nations recognize the fact that they have much more to lose than we if they succumb to communism. We have won our freedom through the toils and sacrifices of our heroes. We shall keep that freedom, come what may. We remember in Holy Writ, King Belshazzar asked Daniel to interpret the strange writing on the wall. This was the writing: "Me'ne, Me'ne, Te'kel, Uphar'Sin." The interpretation was: "God hath numbered thy kingdom and finished it; Thou art weighed in the balances, and art found wanting; Thy kingdom is divided, and given to the Medes and Persians." The great question of this hour is how can we buttress the forces of freedom so that the emerging nations will not be overwhelmed by the evil power of communism. For surely as night follows day, if this dire calamity comes to pass, these young, and aspiring nations will reap the prophecy of Daniel—"God hath numbered thy kingdom and finished it; Thou art weighed in the balances, and art found wanting; Thy kingdom is divided, and given to the Medes and Persians." When the emerging nations criticize colonialism, they must awaken to the fact that Soviet Russia is the evil champion of colonialism today. The involuntary servitude of the Poles, Hungarians, Czechoslovakians, Albanians, Lithuanians, Latvians, and East Germans, attest to this tragic fact. Lovers of freedom must never forget the plight of these captive nations behind the Iron Curtain. They must beware lest they are ensnared by the same net. Yes, I repeat again to the emerging nations—you who have need of so much are on trial. May your future in history be secure by your acceptance of your responsibilities in the struggle for freedom; and by your proper assessment of the dangers of communism.

To our friends in Latin America I would say how long must we wait? I would emphasize to you also that you are on trial. How long must we wait for your reforms that will make possible the emergence of a middle class? When are you going to make your rich pay the same proportionate taxes as the rich pay in the United States? When are you going to accept responsabilidades para progreso as well as alianza para progreso?

To our friends in Latin America who are members of the Organization of American States, may I remind you that you asked us to impose economic sanctions on the late Trujillo administration in the Dominican Republic, and when we did so, why did you not take corresponding action against Castro? May I say with all the emphasis that I can that you have much more at stake than we do. America is not on trial but you, the free men and women of the Latin American republics, are on trial. Are you concerned enough about the gravity of the crisis? Are you thinking in selfish terms of the proposed new Latin American program? Surely these are the days when in the common struggle against communism we should shout from every housetop the words of our revolutionary heroes:

These are the times that try men's souls. The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of their country, but he that stands it now deserves the love and thanks of man and woman. Is life so dear or peace so sweet as to be purchased at the price of chains and slavery? Forbid it, Almighty God. I know not what course others may take; but as for me, give me liberty, or give me death.

Mr. PILLION. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PILLION:

On page 5, line 20, insert after the word "regime" "and the Outer Mongolian People's Republic regime".

On page 5, line 21, strike out the word "that" and insert the word "those" in substitution thereof, and add the letter "s" to the word "regime".

Mr. PILLION. Mr. Chairman, this amendment proposes to add Outer Mongolia to Communist China, in this section, which expresses the sense of Congress in opposition to their admission to the United Nations.

NEXT AMENDMENT

I propose to offer a second amendment to the next section, which would express the opposition of this Congress to the diplomatic recognition of Red China by the United States.

STATE DEPARTMENT NEGOTIATION

The State Department has been and is still, currently, engaged in negotiations with Outer Mongolia and the Soviet. The purpose of these negotiations is:

First. To accord diplomatic recognition to Outer Mongolia.

Second. To give U.S. support to the admission of Outer Mongolia to the United Nations.

The nationwide criticism of those pro-Communist proposals has caused the State Department to shift its tactics.

In the last few days, the State Department has announced that the negotiations, leading up to the recognition of Outer Mongolia, have been suspended. A more accurate word is postponed.

It has further announced that the United States will abstain from voting in the Security Council on the question of the admission of Outer Mongolia.

RECOGNITION-ADMISSION, ONE QUESTION

Mr. Chairman, the diplomatic recognition of Outer Mongolia and its admission to the United Nations are merely two phases of one question.

The diplomatic recognition of Outer Mongolia will inevitably result in its admission to the United Nations.

And conversely, the admission of Outer Mongolia to the United Nations will lead to diplomatic recognition.

The latest announcement by the State Department does not reject the recognition of Outer Mongolia.

It merely suspends the negotiations.

The State Department has only connived to change the sequence of events. Its present purpose is to admit Outer Mongolia to the United Nations, first. Recognition must follow that event.

UNITED NATIONS VOTING—NATIONAL CHINA

Mr. Chairman, there are seven votes required in the Security Council to submit the admission of Outer Mongolia to the General Assembly.

If the United States votes against admission, it can block the submission of this question to the General Assembly.

If the United States abstains, then the only other bar to Outer Mongolia's admission is a veto by Nationalist China.

To place the onus, the blame, the responsibility for blocking the admission of Outer Mongolia upon Nationalist China, is a craven, cowardly act on the part of this United States.

MAURETANIA

The State Department has used the admission of Mauretania as an excuse for its actions. These cases are completely separate propositions.

To tie these two nations together is extortion and blackmail. It is another example of the continuing State Department pro-Communist policies of appeasement, retreat and surrender, bit by bit, one nation after another.

OUTER MONGOLIA—NOT A NATION

Mr. Chairman, outer Mongolia is not a nation. It is a mere province of the Soviet. One-half of Mongolia is held by the Soviet, the other half is held by Red China.

Outer Mongolia is not free and independent. It is a captive slave territory.

Outer Mongolia is not a peaceful nation. It sent a number of cavalry and tank regiments to fight against the United States in the Korean war.

Outer Mongolia is at war with this country. It is a member of the international Communist conspiracy. It was a signator to the Moscow manifesto signed by the Communist Parties of the world on December 2, 1960.

This manifesto calls for an intensification of the nonmilitary war against the United States and the free world.

Mr. Chairman, the admission of Outer Mongolia to the United Nations would constitute another retreat, another surrender to the Communist forces. It is another step toward national suicide.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. PILLION] may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Chairman, will the gentleman yield to me?

Mr. PILLION. Surely; I am pleased to yield.

Mr. HALLECK. I have expressed myself on several occasions in the recent past along the very lines that the gentleman from New York is talking about.

Mr. PILLION. I have read the gentleman's declarations.

Mr. HALLECK. I was very much disturbed at what seemed to be a movement on the part of the State Department to bring about diplomatic relations with Outer Mongolia, and then subsequently possibly looking to the admission of Outer Mongolia to the United Nations.

One follows the other. It is a matter of record that Outer Mongolia is not an independent country. Their forces were fighting our own boys in Korea. I am for the gentleman's amendment in order that there be no misunderstanding as to what the Congress thinks about this proposal that has been advanced in some quarters. As the gentleman says, recent statements coming from the executive branch would indicate a retreat from some of the things that originally were proposed. But the State Department still has not clarified with regard to the admission of Outer Mongolia to the United Nations. As far as I am concerned, I am against diplomatic recognition of Outer Mongolia. The talk about how it would be something of a listening post, in my opinion, just does not make sense, and certainly I do not think they should be admitted to the United Nations any more than should Red China.

Mr. PILLION. It is more dangerous to admit Outer Mongolia. It would be a greater defeat to this country than the admission of Red China. There is a deep conflict between Red China and the Soviet. We ought to exploit that. I am in favor of opposing the admission of Red China as well as the admission of Outer Mongolia. As to those two implacable enemies, Red China and the Soviet Union, we are against both of them. As a matter of fact, we ought to strengthen Red China and not the Soviets.

Mr. HOFFMAN of Michigan. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Chairman, later on I expect to object to all unanimous-consent requests for additional time. Is it proper to do that now or do it later on?

The CHAIRMAN. The gentleman should do that with respect to each request.

Mr. MORGAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman's amendment is absolutely unnecessary. The Executive last week issued a statement that the negotiations for recognition of Outer Mongolia were at an end. For myself, I am opposed to the admission of Outer Mongolia to the United Nations. I have no objection to the amendment offered by the gentleman from New York.

Mr. POFF. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. POFF. Mr. Chairman, with a whole heart, I support the amendment offered by the gentleman from New York [Mr. PILLION]. I am unalterably opposed to diplomatic recognition and a U.N. seat for Outer Mongolia.

Certain clandestine negotiations were recently conducted looking toward diplomatic recognition of and a U.N. seat for Outer Mongolia. The story is that a "Russian-American trade" is involved; America is to recognize and admit Mongolia and Russia is to recognize and admit Mauretania. A more unholy bargain I cannot imagine.

Two arguments in support of the trade are urged. One is to the effect that Outer Mongolia is an independent nation. The other contends that an American embassy situated in the capital city of Ulan Bator would be a valuable "listening post" to keep abreast of developments in what is called the "conflict" betwen Russia and Red China. Here are the answers to these arguments:

Outer Mongolia is not an independent nation but a longtime satellite of Soviet Russia. In 1920, China lost dominion over Mongolia. In 1921, Mongolia defeated the White Russian forces. Since that time, Red Russia has dominated and supervised Mongolia's internal affairs. Mongolia has a single chamber parliament known as the Great National Hural, consisting of 267 deputies elected by the people for 3 years. The election, however, is not a free expression of the people as we know it in the free world. There is only one political party, the Communist People's Revolutionary Party. The executive power is vested in a presidium of seven men, all of whom are Communists. The figurehead president, Sambu, is a Communist. The real strong man is Tsedenbal who, like Khrushchev, wears two hats, Secretary of the Communist Party and Premier. On April 24, 1961, the Premier was quoted as saying:

> The teachings of * * * Lenin on development of backward countries along the noncapitalist path continue to light the path of the Mongolian people in their struggle for socialism. Advancing along this bright path, our people * * * made their way from feudalism to a Socialist communal system. In their struggle for building a new life, our people always leaned and continue to lean on the disinterested all-around aid of the Soviet Union, the first country of triumphant socialism.

Outer Mongolia is also closely alined, by both commercial and political treaties, with Red China. Here is what a prominent general in the Red Chinese Army said about the alliance on March 22, 1961:

> The Chinese people and their Liberation Army would always advance shoulder to shoulder with the peoples and fraternal armies of the Soviet Union, Mongolia, and other Socialist countries in the great cause of building socialism and communism, in opposing the imperialists' schemes for war and aggression and in defending world peace.

In determining the dependence or independence of Outer Mongolia, it is also significant to recall that an estimated 5,000 Mongolian troops fought against American and other U.N. forces in Korea. These included at least two cavalry regiments and a contingent which manned the antiaircraft guns along the Yalu River. Today, according to latest statistics, there are 1,261 foreign technicians in Mongolia, including 640 Russians, 400 Red Chinese, 136 Bulgarians, and 61 Czechoslovaks. It is fatuous to pretend that Mongolia is an independent nation.

What about the "listening post" argument? There are only 2.5 million people—most of whom are illiterate nomads—living in the more than 1.3 million square miles of Mongolia. Most of the land lies in the Gobi Desert which has few crops, little pasture and no mineral or metallic wealth whatever. An American Ambassador, "listening" with strained ears, could hear nothing but the desert winds and the false rumors deliberately planted by Russia and Red China. On the other side of the coin, the Mongolian Embassy in Washington would indeed be a valuable listening post for Red China.

Moreover, U.N. membership for Mongolia—which would add another vote to the Communist bloc—would be a backdoor approach to U.N. membership for Red China. Surely, President Kennedy will not allow himself to be enticed into this act of consummate folly. I earnestly trust that the recent "suspension" of negotiations does not mean merely a "postponement."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

Mr. WILLIAMS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if we in this legislation express again that it is the sense of the Congress that the Chinese Communist regime should not be seated in the United Nations, it will make almost a score of times that Congress reiterated this position in the past several years. It is my intention at the proper time to offer an amendment to implement this expression of the sense of Congress. The amendment would provide as follows:

> No assistance shall be furnished under this act to any country whose mission to the United Nations votes after the date of enactment of this act for the seating of the Communist Chinese regime in the United Nations.

In my opinion, these expressions of Congress as being opposed to the seating of Red China in the United Nations do not have any real force and effect.

We can, however, insure that Red China will not be seated in the United Nations by stopping aid to countries who vote to seat Red China in the United Nations.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Ohio.

Mr. HAYS. In the unlikely event that the gentleman's amendment is adopted, would the gentleman then vote for the legislation?

Mr. WILLIAMS. The gentleman knows better than to ask me a question like that. But since the gentleman has asked the question, let me tell him this: You could sugar-coat this legislation to where it tasted as good as watermelon and you could perfume it to where it would smell just as good as a magnolia blossom, and I still would not vote for it.

Mr. HAYS. Mr. Chairman, will the gentleman yield further?

Mr. WILLIAMS. I yield to the gentleman from Ohio.

Mr. HAYS. If the gentleman's amendment should be adopted and he votes against the bill, he would be, in effect, then voting for the admission of Red China; would he not?

Mr. WILLIAMS. Well, if the gentleman from Ohio construes it that way, then by the same token, if he votes against my amendment, he would be voting for the admission of Red China.

Mr. HAYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I will not take the 5 minutes, but I want to say, on the long gamble of 100 to 1 that the gentleman from Mississippi would vote for the bill, I would be inclined to vote for his amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. SCHWENGEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. SCHWENGEL of Iowa: On page 1, lines 3 and 4 and 7 and 8, strike out lines 3, 4, 7 and 8 and insert: "That this Act shall be cited as an Act for peace and mutual progress with justice and freedom for all."

Mr. SCHWENGEL. Mr. Chairman, I hesitate to take the floor today and talk about some of the important problems involved in the legislation before us.

I hesitate because I am not a member of the Foreign Affairs Committee and by comparison I am still a junior in the Congress. But, as a Representative, there are responsibilities that I must assume.

One of those responsibilities is to speak up and point out some shortcomings in the legislation before us, in the trend and attitude of the State Department, in the program offered by this administration and, in some instances, the work of the committee.

What I have to say will deal with some proposed amendments to the bill, the history of foreign aid in our heritage, and with some of the mistakes that have been made by the administrators of the program and others who have been associated with it.

On the second day of December 1862, a message was sent to Congress by the then Chief Executive which included the following statement:

> In times like the present, men should utter nothing for which they would not willingly be responsible through time and eternity.

Mr. Chairman, what was true then is more true now. So, I would like to say at the outset that I have given serious thought to my remarks; I have reviewed them, I hope they are in the interest and welfare of my country and I hope they will be looked upon as a constructive contribution to the discussion of this very important problem.

First, I should like to dwell on what is wrong with our foreign aid program and I begin by suggesting that a nation which is the product of foreign aid must take a new look at its own foreign aid program.

Much is wrong with our foreign aid programs. We have poured money into Laos only to dig ourselves deeper into a pit of corruption, luxury spending by the aristocracy, and waste. The people have not benefited, but have turned away from the corrupt government we so lavishly supported. In Iran we have had a large program of aid to a government receiving oil revenues in the neighborhood of several million dollars a year. This has gone on for years, yet at present the Iranian Government is in danger of national bankruptcy. We have had to move with emergency measures to shore up Iran in the past 6 months. India is struggling with limited resources to get her development underway and we have been told over and over that it is urgent that we help. Then we supply new jet aircraft to neighboring Pakistan and the Indians divert funds from development to arms to keep up in their quarrel with Pakistan. Aid to India is urgent and yet we feed an arms race between India and Pakistan that takes funds away from the development of both countries.

It would be possible to move about the world and point to these contradictions, troubles and failures in our aid program. This has led some to feel that we must reduce or eliminate our aid programs. This is not my feeling. We live in a troubled world in which there are grave challenges to our Nation and to our way of life and our values. As Dr. Albert Schweitzer has observed, this is the most dangerous period in all human history. Heretofore nature has controlled man, but now man has learned to control elemental forces before he has learned to control himself. In this most dangerous period in human history we cannot back away or hide from the challenges. To do so is to insure that we fail, that we lose, and if we lose humanity will have lost what has been won with blood, sweat, and tears. We must meet this modern challenge to freedom head on, with vigor, courage, and perhaps above all with wisdom. We must not back away from foreign aid because it has been beset by troubles, failure and inadequacy in the past. We must set it aright. We must proceed, but not with the same old inadequate framework. We must proceed with a new vigor and

wisdom on this program and, learning from the mistakes of the past, abandon them.

It is now proposed that we embark in a different direction, notably in Latin America, the essence of which is that we say to the Latin American countries: put your house in order and the United States will provide a great deal of money. There can be no basic disagreement on one aspect of this—surely the people we aid ought to be endeavoring to put their own house in order. Otherwise our economic aid is virtually certain to be sunk in corruption and waste. But is this indeed the best we have to offer the world—put your house in order and we will provide money? Have we grown so stagnant and materialistic as a Nation that our contribution to the world must be limited to money, to material things? I think not, but I also think we have slipped into this fault. I think it is time, and past time, that we abandoned it.

We are told that there is a "Revolution of Rising Expectations" abroad in the world, and in Asia, Latin America, the Middle East, and Africa in particular. We are told that the people of these areas want economic improvement and want it fast. I do not deny or doubt this. I doubt rather that it strikes to the heart of the matter. I doubt that economic improvement, important though it is, represents the heart of the matter.

There is an old saying that "man does not live by bread alone," and there is a habit in our times to dismiss it with the offhand gesture that bread—material things—is the basis of man's higher strivings. I suspect that we must pay much closer attention to the truth, accumulated over the ages, contained in this old saw.

What indeed is the truth of the matter in many of the underdeveloped countries we have been aiding? South Vietnam is not necessarily a poor, destitute country. Its people live modestly by our standards, but in part out of choice. It contains one of the most productive rice-growing areas in the world—so productive that its people are disinclined to grow a second crop as one alone is so abundant. Where has our economic aid gone in South Vietnam? Very largely into the import of luxury goods for the city population and into paying the costs of the army. And where is the real challenge in South Vietnam? It lies with the peasantry, whose support is essential if the army is to move effectively against the Communist guerrillas infiltrated from the north.

I suspect that there is a revolution of rising expectations in South Vietnam that is of vast importance to us—and I suspect that our past aid programs have made very little contribution toward meeting it. I suspect it lies in the rising expectations of the peasantry for human dignity, freedom, and liberty. If we are going to help meet it we are going to have to shift our aid program away from luxury goods for the urban population and we are going to have to find something more valuable than money to offer.

Again in Iran, where our aid programs have been long and deeply involved, there is a demand for economic improvement. But there is a much stronger and more important demand for freedom, liberty, and popular government by people who understand the virtues of freedom. These latter demands are particularly strong among the young educated people—the leaders of the none too distant future—and it is not at all clear to me that these demands will fade away if we help build a new factory or a new hydroelectric dam. On the contrary, I think experience shows that the demands for liberty and participation in the affairs of their nation through popular government will grow with economic development.

Iran, a country of large and important tribes, provides another good example. One of the largest tribes remains under virtually military rule, with its popular leaders appointed by representatives of their government-in-exile. The essence of the quarrel between the tribe and the Iranian Government is not economic but one of liberty. The tribesmen, in American eyes, appear poor but by their own standards, by comparison with the people around them, they are well off and consider themselves to be so. What the tribesmen want is for the Government to leave them in peace. They want an end to the exactions of corrupt tax collectors, policemen, and other Government officials. They want their liberty.

How long can we hold the support of men who seek liberty, such as the Ghashghai, when our major effort, whatever our intention, runs against them and their aspirations?

These problems of foreign aid are difficult and complex. Only the rash attempt to treat them in the simple tones of black and white. But they are neither new nor alien to our Nation. Foreign aid was well known to George Washington and indeed vital to the success of our Revolution. It was foreign aid that we received.

Washington, in undertaking to fight the then mighty British Empire, undertook a none-too-promising task. From beginning to end, and almost without exception, Washington was desperately short of money and the most elementary supplies. Few of his troops even had uniforms. In this situation France came to the help of the United States with money and supplies. During the War of Independence, France gave the United States about $2 million and lent us another $6 million—all in the much more valuable dollars of that day. This may not appear too impressive in light of the sums involved in the bill presently at hand, but it was a large and important sum at the crucial point in our struggle for liberty. One may wonder if Washington would have gotten through many a crisis, and notably the bitter winter days of Valley Forge, if the United States could have won its freedom and independence, without this foreign aid.

But important though this material aid was, the moral support given the struggling United States by citizens of France and other nations was most fundamental of all. Marquis de Lafayette is an outstanding example.

Lafayette was a young French nobleman who had everything to lose and nothing to gain by backing the radical cause of our Revolution. It was not good business for him nor was he checking the spread of radical ideas dangerous to the nobility of France to which he belonged—quite the opposite. But come to the United States he did—for principle and with a grasp of enduring truths rather than for personal gain. He brought not money for the development of our country, but moral support for the cause more central to our concern. He, as we, took the words of the Declaration of Independence seriously. We held these truths to be self-evident. So did Lafayette.

What Lafayette contributed to the American cause was an international recognition that something deep and more fundamental was at stake in our Revolution—that it was not just another of the endless quarrels of dynasty and empire of the time. Lafayette by his words and actions said to the world: This is a struggle for all men, everywhere. As indeed it was. Because Lafayette was a prominent and noble young man, his declaration through action and sacrifices caused a great stir in Europe. For some it was a scandal; for others it was a rousing action of principle. But for all, it was a declaration that the Colonies in faraway America could not be ignored or dismissed as of no consequence. They were forging a new course, under the banner of the rights of man, which would stir humanity across the world and have the greatest impact upon history.

Lafayette brought to our young Nation a tribute more valuable than his sword or French money to continue the fight. He brought a moral support, which was to warm and arouse the sentiments of men in our country and far beyond it. I have said that Washington might not have been able to continue without French monetary assistance. I wonder even more if the men who stayed with Washington could have done without Lafayette's moral foreign aid. It was not bread, warmth, and comforts which sustained them, for they had but very little of these. It was a fundamental moral courage, a knowledge that they were in the right, a sureness that they had grasped a fundamental truth for themselves, their families and countrymen, and men everywhere. Lafayette strode among Washington's men bringing them aid and support for their moral courage—a support which cannot be measured or purchased in dollars and without which great causes and events are not moved.

Our Nation was born out of moral courage. It was the moral code at the foundation of our society, our sureness for the right, our sureness that freedom and liberty were fundamental, which brought the United States into being. And our coming began the modern revolution which continues to this day. The world was never the same again after the American Revolution. The struggle for freedom and liberty we see today in

places like Africa is not strange to our heritage—it is a direct descendant of our Revolution.

At our birth as a nation, foreign aid and, above all, moral aid was vital. In modern times we have turned to the aid of others and our responsibility to do so could not be clearer. We have gone out into the world with money, our food surplus, our technological knowledge, the products of our industrial society, and assistance in arms. We have not been miserly. But something has been missing, something lacking, something has brought frustration to our efforts. That something is no secret to us, for it is the very core of our heritage. As Washington and Lafayette knew well, but we have forgotten, it is moral support—if you will, moral foreign aid—which sustains men in the bitter winter of their troubles. With this support, our foreign aid in dollars can accomplish great events. Without it, our foreign aid dollars fall into a sink of frustration, corruption, oppression, and failure.

How then shall we turn? Can we simply put more money into our oversea information activities—into telling our message in the most effective terms. This might be useful, but it is doomed to failure until we first make up our minds that we still stand for right, for the fundamental moral principles that aroused Washington and Lafayette. The people about this globe do not want to hear from us what Washington, Jefferson, and Lincoln stood for. They do not want to be told to put their own house in order. They know this and know it well, perhaps better than some of us do. They want to know what you and I stand for. If we stand with Washington, Jefferson, and Lincoln then we stand with the people of this troubled world. If we are not so sure, or have half forgotten, then perhaps we had best not remind the world that our Nation once was truly great but now has drifted away.

I do not think that we have really drifted away. I think we have had a bad fit of absent-mindedness. We have held to our moral principles, but have deluded ourselves with the idea that men can act with moral courage without taking risks. We have believed in freedom and liberty for ourselves and others, and deluded ourselves with the comforting ideas that for other people these fundamental truths mean not much more than more material comforts and a higher standard of living. These are delusions and we have known better from the days of Valley Forge.

We have looked upon foreign aid as a means to maintain existing governments elsewhere in the world. For, we have thought, if these governments fall there will be risks and dangers. There can be no courage without risks, no leaderships without dangers. And, in truth, it is not men of moral courage but men of moral weakness who take the greatest risks. The weak man simply puts off the danger until the morrow when it will be all the greater for his weakness. We have uncovered this as a nation in our foreign aid. Governments we attempted to bolster have fallen and their people turned away from us in distrust or lack of hope.

We have looked upon aid as a means of raising standards of living and of doing better business ourselves. But we have forgotten that men move from deeper and more fundamental moral concerns. We have forgotten that prosperity for ourselves and for others blossoms out of freedom and liberty, while without freedom and liberty there is no prosperity either for our own businesses or for our fellow man.

Our economic aid is important and we must meet the challenge it poses, not back away from it. But we must recognize that it is but one part of the path blazed for our Nation by Washington and that stranger and member of our human family, Lafayette.

Moral support in the cause of the right, accompanied by economic aid, is what makes the path run true and what inspires freedom-loving people throughout the world to tread it.

Mr. Chairman, I have followed the discussion with interest. I have read the reports. I have taken advantage of every opportunity available to counsel with people who are close to this program, who have an interest in this program, and who should know more about it than I do.

Based upon that experience I have come to some very definite conclusions which I think need to be noted.

One of the observations I wish to share deals with the attitude of those who have been in charge of our foreign affairs since the close of World War II.

And, I would like to suggest that while in many respects the program has been good and can be defended, it has been riddled with far too many mistakes and there is no question but what it lacks support from the people who are called upon to support it with tax dollars—that is, the people we represent—they are not sold on it.

It is my opinion they are not sold on it because they do not know what we are trying to accomplish and I think it is fair to say that a vast number of the Members of the Congress, maybe even some of those on the Foreign Affairs Committee themselves, do not know what we are trying to accomplish.

So, the first point I am trying to make is that the greatest shortcoming is the lack of a Gettysburg-like statement on what our foreign policy is and what it seeks to accomplish.

Mr. Chairman, I charge the State Department and those associated with our foreign affairs with the responsibility of bringing forth a statement of policy and goals for ourselves and for those we seek to help.

Now, I call attention to the title of H.R. 8400, the bill under consideration.

The title reads: "To promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes".

It closes as you will note with, "for other purposes".

I ask, what are these other purposes? It seems to me this is what would worry the lovers of freedom all over the world. It worrys the American people, too, and it should worry every Member of the Congress.

In line 3 of the act it reads:

That this act may be cited as the "Mutual Security Act of 1961".

Line 7 reads:

This part may be cited as the "Act for International Development of 1961".

Mr. Chairman, I ask, why should not the word "may" in each instance read "shall" and what would be wrong in having it cited, "our program for peace and mutual progress with freedom and justice for all".

I have filed an amendment to these sections to have them read as I believe reflects the objectives we should have. I am doing this because I believe this expresses what our people want for ourselves and for freedom loving people all over the world and because I believe this, it would appeal to all of the people we are seeking to help.

I believe this would give a sense of direction, a purpose and a goal that has been needed.

I have recently collected, read and reread all of the speeches made to the Congress by visiting dignitaries in the history of our Nation and I would like to remind the Members of the House that almost without exception these visitors—kings, queens, prime ministers, premiers, secretaries, presidents, vice presidents, chancellors—speak about the virtues of liberty and freedom.

This seems to be the central theme and yet we have not used it like we could or should use it. This amendment underscores what has been in the heart and soul of Americans since Lincoln stated the case for us. For our posterity and for all humanity in his last inaugural address.

Mr. Chairman, there is an interesting article in the August issue of the Reader's Digest entitled "North Americans, Share Your Democracy With Us," by José Figueres. This man is one of the true champions of freedom and popular government in Latin America.

I would like to take the time to read the entire article. This is not possible so I ask unanimous consent to place it in the RECORD at the close of my remarks.

I should like, however, to point out some signficant quotes he has made in this article which supports the argument I have just presented.

He propounds the following question and makes this statement which ought to be noted:

How can the democratic forces, rather than the Communists fill this vacuum? We must run faster. Prostrated postwar Europe was a vacuum, too. You filled it by helping launch a European democratic renaissance. Your rewards were strong allies and rich markets for exports. This accomplishment must be repeated in our hemisphere.

He further states:

Here in Latin America, our democratic reform forces need your sympathetic support for an unfolding struggle to wrest social change from the oligarchies and dictators on our right, and to contain and head off the Communists on our left.

Then he suggests:

Development of democratic leaders and democratic parties will be fruitless without honest, democratic elections. Here your Government could use its influence within the Organization of American States to win OAS supervision of national elections in some countries. * * * Attention must be given to our other needs.

Mr. Chairman, I reiterate that we have looked upon aid as a means of raising standards of living and of doing better business ourselves. But we have forgotten that men are moved by deeper and more fundamental moral concerns.

We have forgotten that prosperity for ourselves and for others blossoms out of freedom and liberty, while without freedom and liberty there is no prosperity either for our own businesses or for our fellow men.

The path for our Nation was blazed by Washington. The path of our foreign aid was blazed by a foreigner, Lafayette, who came to our aid in Washington's hour of need.

He came with that most valuable and scarce commodity—moral support in the cause of right. It is for us to go forward along these paths.

We need to regain the virtues of true greatness that our forefathers knew so well. They are: courage, wisdom, and goodness.

Goodness to love the right.

Wisdom to know the right.

Courage to do the right.

Our forefathers knew so well the soundness of these admonitions; and, we Americans today must again embrace them.

Like an ancient psalmist, Lincoln, on the eve of another national crisis, wrote:

Let us have faith that right makes might, and in that faith, let us to the end, dare to do our duty as we understand it.

Finally, Mr. Chairman, I hope the amendments I have filed will receive favorable consideration.

Changing the word "may" to "shall" is right. It denotes conviction and suggests that we have faith.

The expression "an act for peace and mutual progress with justice and freedom" is consistent with what our country has sought to achieve since we began as a nation.

I should like to conclude my remarks by some significant quotations of one of the hemisphere's foremost political leaders, José Figueres, former President of Costa Rica. When we get back in the House I shall ask unanimous consent to include this article in my remarks. His greatest plea is: "Help us understand what we must do."

(The article referred to follows:)

NORTH AMERICANS, SHARE YOUR DEMOCRACY WITH US

(By José Figueres, former President of Costa Rica)

(NOTE.—"In Latin America, perhaps within the next 10 years, the decisive battle of the cold war will be fought." One of our hemisphere's foremost political leaders pleads eloquently for greater U.S. understanding and support of those who are struggling to bring economic and social justice to the countries south of the border.)

A dozen years ago, we in Costa Rica fought the first battle in this hemisphere against Russian communism. Some 2,000 of my countrymen died to oust the Communists who had combined with reactionary politicians to seize by force what we had won by ballot in a democratic election.

Fellow Americans in the United States took scant notice of our struggle, nor did they grasp its urgent lesson. It wasn't only Costa Rica that was under attack. A fanatic breed, guided and financed by a great power, meant to conquer the whole hemisphere for totalitarian communism.

In Guatemala in 1954 the Communists tried again. They were ejected. Yet that affair, too, was treated as an isolated incident and forgotten. Today, with Cuba solidly in the Communist camp, I am dismayed that North Americans ask only, "What can we do to overthrow Castro?"—blindly assuming that this would finish the struggle.

Instead, the question should be: "How can we together, Americans in the United States and Americans in Latin America, save the hemisphere as a whole?"

Look at the globe. What area should logically balance the vast land mass of the Sino-Soviet alliance? Only Latin America can rapidly tilt the balance of power to one side or the other. Here, perhaps within the next 10 years, the decisive battle of the cold war will be fought.

Today Latin America is a vast power vacuum. On the one hand, our economic development fails to keep pace with population growth (in 25 years there will be twice as many of us—about 400 million). On the other hand, a rising lower middle class of city dwellers and the once-placid mass of peasants are becoming aware of what they have been missing and are pressing for change.

How can the democratic forces rather than the Communists fill this vacuum? We must run faster. Prostrated postwar Europe was a vacuum, too. You filled it by helping launch a European democratic renaissance. Your rewards were strong allies and rich markets for exports. This accomplishment must be repeated in our hemisphere.

True, the task here is more difficult. We have not yet had our industrial revolution or social revolution, as Europe had. In most of our republics the accumulated wealth is meager and it is concentrated in the hands of small privileged groups which we call oligarchies. Without wider distribution of wealth, through more just taxation, land reform and higher wages, economic aid—money and technicians—will largely benefit only the few. Here in Latin America, our democratic reform forces need your sympathetic support for an unfolding struggle to wrest social change from the oligarchies and dictators of our right, and to contain and head off the Communists on our left.

Latin Americans of the privileged class still dance to the tune "It can't happen here." They use the newspapers and radio stations they own, the politcial parties they control, to block efforts to meet even the most urgent needs. In this negative climate, small and well-trained groups of Communists, skilled at fanning unrest and exploiting weaknesses, stand ready to take power.

We have the men to cope with the Communists and channel the necessary social change along democratic lines. They are seasoned political leaders who have proved their devotion to democracy by suffering imprisonment, torture, and exile. Who of your political leaders had 60 pounds of iron on his ankles at age 20 and still bears the scars of a dictator's effort to burn him alive—as President Rómulo Betancourt of Venezuela has? Who, like Dr. Lacayo Farfán, the refugee leader of Nicaragua's Liberal Independent Party, has been nearly blinded by torture? Or, like Victor Raul Haya de la Torre, leader of Peru's APRA Party (Alianza Popular Revolucionaria Americana), has suffered banishment most of his adult life?

We have vigorous democratic reform parties—my own National Liberation Party in Costa Rica, the APRA, the Acción Democrática of Venezuela, among many others. We are trying to unite them in a democratic international movement that will meet the challenge of the Communist International.

Help us! Understand what we must do.

We in Latin America have a great deal to change. And it is too late for a slow-paced evolution. The social and economic justice you evolved in 150 years we must telescope into a handful of years.

President Kennedy has said, "If a free society cannot help the many who are poor, it cannot save the few who are rich." He has called his 10-year Latin American aid plan an effort "to complete the revolution of the Americas." He has come out for a "better distribution of wealth and income."

But your business community still considers the Latin American oligarchies as its counterparts. Some of your State Department officers still prefer to associate with the aristocrats. Even in Washington, news of the official change in attitude doesn't seem to have got around.

We rejoice at the prodemocratic words of your President. We cheer when you name progressive friends of ours as Ambassadors to Peru, Venezuela, and Bolivia. But we are distressed when Vice President LYNDON JOHNSON, on leaving for his Asian mission, is photographed at the airport embracing the Nicaraguan Ambassador to Washington. The photograph will be circulated all over the hemisphere by your enemies to prove you are still friends of the Somoza-family dictatorship in Nicaragua.

Some North Americans, acting privately, have already helped. The Inter-American Association for Freedom and Democracy, headed by Frances Grant in New York, has befriended our exiled leaders and provided a voice for democracy in Washington and before the United Nations.

If your President's brave new words would take root in your press, among your businessmen, among your State Department officers abroad, wider action to help the true friends of democracy in this hemisphere would follow.

Last year, 10 of our democratic reform parties in Latin America took a leaf from the Communist book and set up at San Jose, Costa Rica, a school to train democratic agents, just as the Soviet Union and Red China train carriers of communism. The students in this Institute of Political Education are young men and women, most of them in their 20's: lawyers, teachers, labor leaders. In 90 days of intensive dawn-to-dark classes and seminars we train them in leadership—how to perfect a party organization, organize a political campaign, start a newspaper, a youth movement, a trade union. We teach them history and economics, so they in turn can teach fellow Latin Americans how democracy solves the economic problems of a country. We teach them land and tax reform and international relations.

Last December we graduated our first class of 23, some of whom, on their return to their own countries, were jailed by dictators. Now we are training a class of 53. These new young leaders have crucial work to do. All over Latin America the demand for social change is churning up small, aggressive movements whose leaders want change but don't know which way to turn: whether to socialism, to communism, or to a mixed economy. Our young leaders are trained to channel these movements toward democracy, to build strong democratic parties, to win elections, and then to push positive programs of reform when they take power. And, of course, to defend their movements and their countries against Communists.

We desperately need a network of these leadership training schools, yet we barely have funds to support one. In the quasi-feudal system that dominates many of our countries we, the democratic parties, are regarded as radical troublemakers and equated blindly with the Communists whom we fight; we get no help from the men of means among us. Our chief hope is the people of the United States. One private U.S. foundation has come to our rescue. More help from others would yield incalculable results.

Development of democratic leaders and democratic parties will be fruitless without honest, democratic elections. Here your government could use its influence within the Organization of American States to win OAS supervision of national elections in some countries. Such supervision is needed, for instance, in Nicaragua, where, in effect, only the dictatorial party of the Somoza family is permitted to engage in political activity. It is needed in Peru, where in the next elections APRA is hoping to run its first presidential candidate since 1931.

Attention must be given to our other needs.

The forces we fight have no trouble getting their propaganda to our people. I can turn on my radio at any hour of the day or night on my farm in Costa Rica and hear a strong clear voice from Moscow discuss in faultless Spanish the latest news of the day and the latest Latin American problem—slanted poisonously against "Yankee imperialists." Only your government can meet the challenge of the broadcasts from Moscow (and Havana), and I wonder why you have neglected to do so.

Your large enterprises that do business in Latin America could help our struggling democratic newspapers. In Lima, Peru, the feudal El Comercio, which opposes even the moderate development measures of Premier Pedro Beltrán, has no trouble getting advertising from North American companies. Yet the voice of the anti-Communist APRA party, La Tribuna, is starved for advertising. (This situation is all the more bizarre because the conservative El Comercio, infiltrated by Communists, publishes editorials that thunder for expropriation of North American oil interests.)

Social justice—the more equitable distribution of wealth—will have meaning only if there is something to distribute. Capital must be created for economic development.

We don't want gifts. What we want most of all is fair payment for the sweat of our people and for the juices of our soil, on which our earnings primarily depend. Our income from the raw materials we produce today is $1.2 billion less per year than it was in 1951. Yet the number of mouths we must feed has increased by an estimated 30 million. This has meant austerity programs for many of our republics—with dangerous byproducts of bitterness and unrest.

Although we sell cheap, we have to pay dear for the products we import from our customers—the rich industrial countries. For instance: because of the low level of world coffee prices a Costa Rican coffee plantation worker earns about $1.50 a day, or about one-eighth of the minimum wage of your lowest paid worker. Since we in Costa Rica are not in a wheat latitude, we must import $5 million worth of U.S. wheat yearly. For this we pay a price that has been stabilized for years, because it would not be right for our people to eat cheap bread at the expense of your farmers. To buy this wheat, or some product of your factories, our coffee worker must trade 20 hours of his labor for 1 hour of the U.S. worker's labor. As a result, resentful Latin Americans accuse North Americans of exploitation and charge that we are, in effect, colonies of the advanced industrial nations.

I have tried to convince your State Department that they should hasten, as an urgent cold-war measure, plans for buttressing the prices for Latin American raw materials. With modifications, we could copy on an international scale what you have done with commodity controls inside your country.

Coffee price went to 90 cents per pound for certain grades in 1950, then plummeted to the present 40 cents. Suppose, through stabilization, they were brought back to 60 cents a pound? This would cost coffee drinkers in the United States and Western Europe about a cent additional per cup. But to hard-pressed Colombia, on the verge of devaluation, it would mean a lifesaving $150 million a year. To Brazil, seeking ever-increasing transfusions of loans, it would mean $400 million yearly. To my own Costa Rica it would mean $20 million.

What assurance is there that this additional income would flow into higher wages and industrial development rather than into the pockets of the wealthy coffeegrowers? One answer is that growers' groups and governments could be induced, as a condition of participation in price-stabilization programs, to support basic reforms: just taxation that will distribute income; provision for minimum wages.

A Western World divided between rich and poor countries is a house divided in the struggle against communism. Also, the very poverty of the raw-material countries threatens the prosperity of the rich. The low price of baler twine, produced in Yucatán, for instance, permits your Wisconsin farmer to save a hundredth of a cent on every 10 pounds of butter. But there may be no employment for the farmer's son in a Detroit automobile factory because people in Yucatán (and elsewhere in Latin America) can't afford even shoes, let alone automobiles. Quite probably, if 200 million Latin Americans could afford to buy U.S. products, the United States could reduce to a mimimum its unemployment-compensation costs and its storage charges on food surpluses.

I have spoken bluntly, as one does within the family. Neither of us on either side of the Rio Grande can do much that doesn't affect the other—as the case of Cuba proves. In addition, my personal ties to you are close. Your Massachusetts Institute of Technology educated me. Your great New York City was my home for some years. I am married to a girl from Yorktown Heights, N.Y.

May I suggest, then, within the family, that you create a unified command in Washington to provide leadership for the common task we face in this hemisphere? President Kennedy is commander in chief of the cold war. For this sector we need also a respected and resourceful divisional commander, a man of suitable rank and status in your Government.

There is too great a tendency to attack effects, such as the Cuban regime. The cold-war divisional commander I have in mind would mobilize the forces of our hemisphere to deal with the causes: Latin American democratic frustrations; economic and social stagnation; and anti-Yankee resentment, justified and otherwise.

We would not start from scratch. For economic development, we have on our side a valuable group of Latin American economists who have become the core of the Economic Commission of the United Nations for Latin America (ECLA). On your side, economists and sociologists have been working on blueprints for Western Hemispheric development. (Their help was priceless in the pilot project of Puerto Rico, where a school of responsible technicians has developed.)

We have plenty of development institutions: the Inter-American Development Bank, the Economic and Social Council of the OAS, the Development Loan Fund, the World Bank. We do not need more institutions or experts or plans. What we need from the United States is loyalty in Latin America to those principles you uphold at home. This would mean that you would logically lead, and not oppose, our democratic social revolution.

Share with us your democracy, and we will share with you your destiny.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. MORGAN. Mr. Chairman, I rise to ask the author of the amendment some questions. Do I understand his amendment strikes out lines 7 and 8 completely?

Mr. SCHWENGEL. Yes.

Mr. MORGAN. And what was the wording he substitutes in lines 1, 2, 3, and 4?

Mr. SCHWENGEL. I propose to strike out the four lines 3 and 4, and 7 and 8 and substitute in each instance the following:

That this act shall be cited as an act for peace and mutual progress with justice and freedom for all.

Mr. MORGAN. Perhaps the gentleman will answer another question: Part I, section 101 is the title of the economic section of the bill, not of the entire act.

Did the gentleman really mean to strike this title out completely?

I have no objection to the amendment offered to lines 1, 2, 3, and 4, but I am a little bit alarmed about striking out lines 7 and 8 which constitute the short title to the economic section of the bill.

Mr. SCHWENGEL. I will not quarrel very much except to say that I believe that if it was right in one instance there is no reason why it should not be right in other instances, because I think the objective you want to attain is the same; at least that is the way I interpret it.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield.

Mr. GALLAGHER. I believe the language is commendable and would be acceptable if we had considered them in the committee. However, an amendment of this nature at this time could be very far reaching with regard to the rest of the bill. I think it should be more limited in its application.

Mr. SCHWENGEL. Mr. Speaker, that could be handled very easily by unanimous consent.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield further?

Mr. MORGAN. I yield.

Mr. GALLAGHER. I would like to ask the gentleman if it would be acceptable to him to withdraw the part of his amendment that applies to lines 7 and 8? Those two lines actually apply to the economic section only. By agreeing to this his amendment would apply as the general title of the act. I think his general language is good and his purpose would be accomplished.

Mr. SCHWENGEL. I agree to that amendment.

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order; does the gentleman ask unanimous consent to withdraw it?

Mr. SCHWENGEL. I am indicating a willingness to accept the modification.

Mr. HOFFMAN of Michigan. I object.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield.

Mr. FRELINGHUYSEN. Mr. Chairman, I seek recognition because it seems to me as I heard the amendment read that there was no replacement of some of the language that was stricken. I heard no reference to restating the language in section 101 on lines 7 and 8. And yet now the gentleman from Iowa says he will include such a change in his amendment. I would think from that point alone, if for no other, this would be a defective amendment. Apparently the intention is to replace the present language in lines 7 and 8 with something else. Yet, as I heard the amendment read, it did not replace that language with anything else.

Mr. GALLAGHER. I believe the gentleman from New Jersey is absolutely correct. In view of the fact there has been an objection to the unanimous-consent request, I feel we should vote against the amendment.

Mr. JUDD. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. JUDD, of Minnesota, to the amendment offered by Mr. SCHWENGEL, of Iowa: Moves to amend the amendment of Mr. SCHWENGEL by striking out amendment to lines 7 and 8.

Mr. JUDD. Mr. Chairman, all this amendment does is to give us a chance and the committee a chance to amend the amendment offered by the gentleman from Iowa as he would like to have it amended, so it will only change the overall name of the act and not change the name of part I, section 101, lines 7 and 8.

Mr. GALLAGHER. Mr. Chairman, we will agree to the amended language.

Mr. FRELINGHUYSEN. Mr. Chairman, it seems to me this amendment is also defective because as written what the gentleman is offering and suggesting is striking out the amendment to lines 7 and 8. As I understand, it is one amendment, so we cannot strike out an amendment.

Mr. JUDD. It is an amendment to the amendment offered by the gentleman from Iowa striking out the reference to this section.

Mr. FRELINGHUYSEN. Mr. Chairman, I ask unanimous consent that the amendment to the amendment offered by the gentleman from Minnesota be read again.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. MEADER. Mr. Chairman, I ask unanimous consent that the amendment offered by the gentleman from Iowa [Mr. SCHWENGEL] be reread.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk reread the Schwengel amendment and the Judd amendment.

Mr. FRELINGHUYSEN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. FRELINGHUYSEN. Mr. Chairman, I make the point of order that the amendment by the gentleman from Minnesota is defective, in that it moves to strike out an amendment or amendments—I could not hear exactly which—lines 7 and 8. There is only one amendment and it is not divisible.

The CHAIRMAN. An amendment can be offered to an amendment to limit the first amendment by striking out part of it. However, the gentleman's point of order with respect to the amendment to the amendment comes too late. The amendment has been rereported by unanimous consent.

The question is on the amendment offered by the gentleman from Minnesota [Mr. JUDD] to the amendment offered by the gentleman from Iowa [Mr. SCHWENGEL].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. SCHWENGEL] as amended.

The amendment, as amended, was agreed to.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 4, lines 18 and 19, strike the following language:

"(g) To the extent practicable assistance should be based upon well-conceived plans;" and insert the following in lieu thereof:

"(g) Assistance shall be based upon sound plans and programs;"

Mr. GROSS. Mr. Chairman, it is incredible that there should be in a bill dealing with the spending of more than $8 billion such juvenile language as this:

To the extent practicable assistance should be based upon well-conceived plans.

Mr. Chairman, I cannot understand how this language ever got into this bill. I assume the bill was written in the State Department, and I must assume it was either stupidity or that such language was inserted for a deliberate and diabolical reason; to give the administrators in the State Department and the ICA a great big statutory loophole to crawl through when their programs do not work out.

If you obtain a public works project in your district it has to be based upon sound planning and programing. It has to meet the benefit-to-cost ratio and so on and so forth.

I cannot conceive that the House be willing to let this stand in this bill. I do not like to sweeten it up or improve it, but I cannot conceive that you want this kind of language to stand as a loophole through which officials can crawl and come back and say when a program or project fails, that the law did not compel us to have fully sound planning and programing.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. HAYS. I think the gentleman will be happy. This is one of the few times that I have been able to agree wholeheartedly with the gentleman, and the committee is delighted to accept the gentleman's amendment.

Mr. GROSS. I thank the gentleman and the committee for accepting the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was agreed to.

Mr. HALPERN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, restrictions by East German Communist authorities on the free and unrestricted movement of individuals in the Berlin area, in violation of morality and international agreements, brings to mind a vital aspect of the Foreign Assistance Act now under discussion. I refer to clauses in the legislation drafted by the Committee on Foreign Affairs that express the sense of Congress against the arbitrary barring of U.S. citizens, on a basis of religion and race, by recipients of our assistance.

The House Committee on Foreign Affairs acted with a view to the promotion of our foreign policy and protection of the rights and dignity of our citizens when it served notice that we would not supinely suffer and submit to discrimination affecting our own citizens, even a Member of this very House of Representatives and officials of the point 4 program itself—and, I should add members of our Armed Forces.

In testimony before the committee, I explained in detail the various discriminations imposed upon Americans, including my own self, by certain Arab States benefiting from the generosity of American taxpayers of all faiths.

Imagine, Mr. Chairman, I was not permitted to visit American-financed projects in a certain Arab country because of my religious faith. Here we are, expected to vote for funds to finance such projects and we are told because of religion some of us cannot visit the projects we are paying for. How ironic. How ridiculous can a situation be.

The whole program should not suffer because of this, but, the responsible nations should be served notice that the American people will not tolerate such a situation any longer. As long as nations can get away with it, and as long as we acquiesce to it, some nations flagrantly defy our ideals and principles. They should be made to realize that they cannot take American aid for granted—that they should have to qualify for such aid through their conduct. And it should be made clear that they are not going to get aid from us if they practice such tactics and insults to the American people. The first important step to accomplish this is the strongest possible language in this preamble. The next is for this clear will of Congress to be carried out by the executive department. After all, it does reflect the high concept the President stated should be applied for foreign assistance—that of linking social justice and morality to the program.

The gentleman from Pennsylvania, Dr. MORGAN, the distinguished chairman, and

his committee have unequivocally recognized this principle and deserve commendation for strengthening the vague and nebulous antibias clause offered in the preamble to the Foreign Assistance Act of 1961, as submitted to the Congress.

Foreign nations, which have and are insulting our citizens with impunity, might have interpreted the watered-down stand of the bill as originally submitted, weaker than in previous years, as an invitation to further discriminations and intensification of various illegal boycotts and blockades.

The House Committee on Foreign Affairs has properly and meaningfully strengthened the pending legislation by adding the following wording:

It is the sense of the Congress that inasmuch as (1) the United States favors freedom of navigation in international waterways and economic cooperation between nations; and (2) the purposes of this act are negated and the peace of the world is endangered when nations which receive assistance under this act wage economic warfare against other nations assisted under this act, including such procedures as boycotts, blockades, and the restriction of the use of international waterways; assistance under this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be administered to give effect to these principles, and, in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this Act or arising under the Agricultural Trade Development and Assistance Act of 1954, as amended, these principles shall be applied, as the President may determine, and he shall report on measures taken by the administration to insure their application.

Any attempt by foreign nations to create distinctions because of their race or religion among American citizens in the granting of personal or commercial access or any other right otherwise available to U.S. citizens generally is repugnant to our principles.

Assistance under this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, will be administered to give effect to these principles.

I am encouraged and gratified that the committee has written language which the House, by approving, will be clearly stating that we are not retreating from principles sacred to Members on both sides of the aisle. It is my fervent hope that the other body will accept this language of 102(e) rather than the weaker provision which is contained in the bill now before that body. Nothing short of the language in the House bill which reiterates what Congress has said heretofore and carries out the high principle as expressed by the President will adequately convey the basic principle and intent. Once established, it then becomes the all-important matter of implementation and I know I reflect the views of the Members of this House in calling on the executive department to respect the will of Congress.

Regardless of administration, this or any other, I feel the executive department, specifically the Department of State, should view more seriously the sense of Congress voiced in our resolutions. In past years, as well as in this year and even currently, I feel the Department is failing to do all it can to implement the antibias and freedom of the seas clauses that were part of the various foreign assistance acts. The Department of State does not hesitate to ask us to vote the necessary funds. But the Department seemingly pays little heed when we do vote such funds and, simultaneously, reflecting the views of the American public, voice the sense of Congress on aspects of the application of the aid program.

Mr. Chairman, there can be no question here of the sense of this Congress. The language of this declaration of policy is unqualified and unequivocal. It is a clear declaration of principle and as a concomitant of American aid, I trust it will be accepted in full by the other body. America should then practice what it preaches and enforce these principles.

This will be up to the executive department and I cannot prevail enough on the Department of State to decisively fulfill this obligation.

Mr. ALFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, If we are to have any foreign aid legislation at all, it is imperative that it contain the proper safeguards.

It has been the hue and cry of the foreign aid exponents that the 5-year loan program without congressional authority will be the panacea to all our troubles.

We have seen what our efforts over the past decade have brought us. We have alienated friends with our money and we have driven the economies of some primitive countries into bankruptcy. And now the height of our folly is that we are proposing to disrupt the mechanics of our own Government.

Under the proposal we are asked to accept, it is readily conceivable that the executive branch would no longer have to justify funds for the development financing program. Rather the legislative branch would have to show sufficient cause for making any reduction in funds. This was the basis of the administration's ill-fated power grab attempt as outlined in the original farm bill. Private enterprise in agriculture revolted at such a proposal and the administration dropped its omnibus farm bill like a hot potato.

And now, on the issue of foreign aid, the Executive once again would assume all the powers and would magnanimously allow the Congress to retain the "right" to veto any misuse of this new found Executive power. The burden of proof would shift from the Executive to the legislative in determining whether or not appropriations should be made.

And to add insult to injury, the executive witnesses who have appeared before congressional committees in support of their position have blandly suggested that the Congress will be so timorous that the executive prerogative will never be questioned and that never again will the Congress regain its powers to approve or disapprove executive requests for money in the area of foreign aid.

In his appearance before the House Appropriations Subcommittee on Foreign Operations, Secretary of the Treasury Dillon flatly stated that it would be very hard for him to foresee just what circumstances would be considered justification for the withdrawal of funds for a foreign aid project. Not only could the Executive usurp the constitutional authority of Congress to approve or disapprove executive requests for funds for particular projects, but the Executive could also by direction or indirection commit the entire $8.8 foreign aid billion during the first fiscal year of the authorization, and these commitments, based upon the inaccurate estimates of cost of the program in the past, could lead to a further request of double or triple the present amount to bring the programs to completion. Again, it was Secretary Dillon who admitted that the Executive could "conditionally" commit practically the entire amount requested during the first fiscal year. And as, our colleague, the Honorable OTTO PASSMAN, of Louisiana, has so well pointed out in foreign aid hearings, conditional commitments invariably turn out to be conclusive commitments. In effect, the executive branch of this Government could commit the total amount authorized for foreign aid before the Congress would know to what countries, to what programs or to what projects the funds would go.

I personally hope that we as Members of Congress will not continue to surrender more and more powers to the executive branch. If we do so, we will soon have very little power left to surrender and can validly assert that the push-button era has arrived.

It was also brought out in the hearings conducted by the Subcommittee on Foreign Operations Appropriations that the terminology "loan program" is in reality a misnomer. Most of the funds would be advanced on a 50-year-term basis, without interest, and with a 10-year grace period before any repayments would be required.

Due to the 10-year grace period, I am wondering why we are calling this a 5-year program. Why should it not be termed a 10-year program? Since there would be no substantial repayments on the loans for 10 years, it is possible that there would be similar requests for funds after the first 5 years in order to carry us over until the theoretical repayments start to come in.

Since high officials in the administration admit that this could be a 30-year program, how far afield can we go before we crush our own economy, already strained by excessive and deficit spending?

And, worst of all, why has not someone raised the possibility that we may be financing limited wars during the next 5- or 10-year period. Our economy is already tightening its belt, and I am just wondering how long our citizens will be willing to pay taxes to stuff the pockets of oversea profiteers, strong-armed politicians, and professional foreign-aid parasites.

Our American people have sustained foreign governments to the tune of 85 billions of dollars, this staggering sum having been poured out since World War II. This money has been taken from the American people to undergird, in

some instances, governments whose political philosophies are entirely alien to the preservation of the American Republic. How, in the name of commonsense, anyone, especially those who class themselves as intellectuals, can argue that spending American tax dollars to undergird Communist nations is successfully combating international communism is beyond comprehension by one who deals in facts and not fantasies.

Many individual groups and corporations have profited from the transactions involved. Much of this profit has remained overseas, untaxed. It does not seem right to me that one segment of the American people should profit at the expense of another, through compulsory subsidy through taxes. If, instead of drawing the sums needed from the general funds of the United States, either through taxes or back-door financing, we should tax where the profit lies, we could place the burden where it belongs. Due to this, it may be necessary to set up a dedicated fund for the foreign aid. This fund could be raised by voluntary donations, or perhaps, taxes could be imposed upon those profiting from the program, especially those doing business with or within the nations receiving foreign aid. This will not receive any real support because it is too practical. Furthermore, the type of foreign aid which is recommended by some—limited to food, clothing, and drugs—is far too practical for the foreign aid proponents.

Also, it is inconceivable that a patriotic American would give military aid, other than small firearms for internal security, to nations that we know would turn upon us if we demonstrated weakness in the sphere of world affairs.

We hear so much talk by the internationalists and one-world planners of the dire need for total aid to emerging countries. It is our position that these emerging countries need programs that cannot be bought with dollars alone; namely, a well-balanced diet, improved sanitation, and stabilized governments. Certainly, nations that seek our aid and are willing to pay for at least part of technical assistance should receive aid in the name of a Christian America adhering to Christian principles and not in the name of principles alien to our beliefs and practices.

At this point it is proper to point out that the foreign aid program is definitely Marxist in concept. The Marxist concept maintains that if economic aid is extended to the country to improve the environment of the people that a self-sustaining economy and stable government will result. But this has not been demonstrated as being true if one will study the underdeveloped areas which have received our aid in the past several years.

We say the foreign aid program is Marxist in concept also because it arbitrarily takes from those who have and gives to those who have not. The programs advocated show that it is a scheme for socialization and world government. The foreign aid program undermines the free enterprise economy that made this Nation great. Our aid to certain industrial countries has been so extravagant and our tariff has been so low and our wages have become so high, that in many instances American industry has been unable to meet the foreign competition; therefore, this program actually undermines American business and American labor.

I urge the Members of this great body to represent the people in this controversy, for from every section of the United States letters have poured in to the Members of Congress protesting the utter extravagance of this thoroughly ridiculous program. We frequently hear the trite expression "if we do not give these countries this aid they will go Communist." This argument has proven an utter failure in recent months. Need I burden you with repeating all the countries involved? Two examples are classics; namely, Laos and Cuba. The only thing the Communists understand is power. As our distinguished colleague, the gentleman from Minnesota [Dr. JUDD], has stated many times, Communists act like Communists. Therefore, I repeat, How, in the name of commonsense can we run the risk of bankrupting the greatest bulwark for Democracy the world has ever known? Let us represent the people. Let us return to a program that is both sound and sane. Let us not give further power to the Executive. My colleagues, I plead with you; let us not sell the birthright of the legislative process of this country for a mess of Socialist pottage.

Mr. PILLION. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PILLION: On page 5, line 25, section 102, subsection (1) (3), strike out the period and insert after the word "regime", "or to the Outer Mongolia People's Republic regime."

Mr. PILLION. Mr. Chairman, this amendment would express the opposition of this Congress to the grant of diplomatic recognition to the Government of Outer Mongolia.

It is based upon these self-evident facts:

First. The Government of Outer Mongolia is not a de jure government. The present government was installed by the process of having the Soviet GPU seize 400 Mongolian leading citizens in the middle of the night, and liquidating them at dawn.

The present government was installed by a blood bath.

Second. There can be, and there is no comity among Communist and non-Communist nations.

Third. There is no normal international economic trade between Communist and non-Communist nations. All exchange of products is based upon geopolitical considerations, not upon economic values.

Fourth. There can be no accepted code of morality or international law between Communist and non-Communist nations.

Fifth. There can be no binding international agreements between Communist and non-Communist nations.

Sixth. There can be no genuine peace between Communist and non-Communist nations. The Communist philosophy is irrevocably dedicated to the disintegration of all non-Communist nations and institutions.

Mr. Chairman, we should never forget that the United States is the No. 1 target for destruction of every Communist party, every Communist member, every Communist nation.

Mr. MORGAN. Mr. Chairman, I think this dovetails in with the other amendment offered by the gentleman from New York and we are glad to accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. PILLION].

The amendment was agreed to.

Mr. HOSMER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in taking this time, at the request of the chairman of the committee, I am not offering an amendment that I might have offered, because the subject matter is such as to be, perhaps, beyond the scope of this bill although it is pertinent to the portions having to do with expressing the sense of the Congress. I have introduced a resolution regarding it, House Joint Resolution 524, which calls for a declaration of contraband against Communist arms and munitions in the Western Hemisphere. This is based directly on the Monroe Doctrine and on article 51 of the United Nations Charter recognizing in nations an inherent right of self-defense.

Obviously, Communist arms and munitions in the Western Hemisphere are a threat to the peace and security of the United States as well as the rest of the Americas. They are being forced on the Western Hemisphere for that very purpose.

Cuba is being made a vast arsenal for Communist arms and munitions for use not only on that island, but for transshipment to other nations in the Western Hemisphere. Contraband is the kind of affirmative action the United States can take, and can take without involving the integrity of any foreign nation's soil or its sovereignty. All actions in contraband, a doctrine older in international law than the doctrine of blockade, are taken on the high seas. It is customary that a contraband be enforced against neutral shipping, thus it is inherently peaceful. The way it would work in this instance would be not to call in U.S. naval forces from all over the world—naval forces to ring a block around Cuba and weaken us elsewhere—but, by use of perhaps a half-dozen pairs of patrol aircraft and destroyers in the free air spaces and on the high seas. A Communist-bloc ship would be spotted heading toward the Western Hemisphere. The patrol airplane would call a destroyer. Our destroyer would peaceably hail the ship and board her. If contraband were found, she would be told to turn around. If she refused to turn around or again headed back toward the Western Hemisphere, the destroyer could bring her in to a U.S. port, bring her before a prize court, and have an adjudication of contraband legally made.

Here we would take a definite and positive action against the danger that threatens us. We do it in an area of great strength. In an area where we

have great seapower, and in an area of great strength from the propaganda standpoint because, if the Communists objected, they would be on the side of forcing mischiefmaking arms and munitions into an otherwise peaceful area.

This declaration of contraband, I believe, is one of the most effective and positive steps America can take today to regain her leadership in the world. It is the kind of thing which other nations who have also felt that the time of freedom may be running short look to us to do to display our determination and leadership. It is the kind of U.S. action from which free men everywhere can draw inspiration, realizing their hopes for effective action against the Communists whose goal is the complete domination of the world. It will restore their faith, our own faith, the faith of mankind everywhere, that men will be free.

I wish from this well to express my gratitude to the chairman of the Foreign Affairs Committee for his indication that House Joint Resolution 524, the contraband resolution will be considered by his committee.

I hope each and every member of this body realizes the implications both to the peace and safety of the Western Hemisphere and the eventual victory of freedom over communism that lies in this important move.

I refer to my early and more complete remarks on this subject to be found at page 15288 of the RECORD.

The Clerk read as follows:

CHAPTER 2—DEVELOPMENT ASSISTANCE

TITLE IN—DEVELOPMENT LOANS

SEC. 201. GENERAL AUTHORITY.—(a) The President is authorized to make loans payable as to principal and interest in United States dollars on such terms and conditions as he may determine, in order to promote the economic development of economically underdeveloped friendly countries and areas, with emphasis upon assisting long-range plans and programs designed to develop economic resources and increase productive capacities. In so doing, the President shall take into account (1) whether financing could be obtained in whole or in part from other free-world sources on reasonable terms, (2) the economic and technical soundness of the activity to be financed, (3) whether the activity gives reasonable promise of contributing to the development of economic resources or free economic institutions or to the increase of productive capacities in furtherance of the purposes of this title, (4) the consistency of the activity with, and its relationship to, other development activities being undertaken or planned, and its contribution to realizable long-range objectives, (5) the extent to which the recipient country is showing a responsiveness to the vital economic, political, and social concerns of its people, and demonstrating a clear willingness to take effective self-help measures, (6) the possible effects upon the United States economy, with special reference to areas of substantial labor surplus, of the loan involved, and (7) the desirability of safeguarding the international balance of payments position of the United States. If the President finds that a loan proposed to be made under this part would have a substantially adverse effect upon the United States economy, or any substantial segment thereof, the loan shall not be made. Loans shall be made under this title only upon a finding of reasonable prospects of repayment.

(b) The authority of section 609 may not be used to decrease the funds available under this title, nor may the authority of section 612(a) be used to waive the requirements of this title.

Mr. KEARNS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEARNS: Page 5, after line 25, insert the following:

"(j) It is the policy of the Congress that, since the United States is generally required, in locating its chanceries abroad, to observe applicable laws and zoning regulations, foreign nations with which the United States maintains diplomatic relations should, in the interest of comity (a necessary foundation for the achievement of the objectives of the Mutual Security Act of 1961), observe the laws and zoning regulations with regard to the location of business-type buildings in the District of Columbia and locate their chanceries in business areas rather than in residential areas. The Secretary of State shall take such action as may be necessary to effectuate the policy set forth in this subsection."

Mr. HAYS (interrupting the reading). Mr. Chairman, I make a point of order against the amendment on the ground that the Clerk has read past the point in the bill to which the amendment is offered.

Mr. KEARNS. Mr. Chairman, I did not yield to the gentleman from Ohio.

The CHAIRMAN. Was the gentleman on his feet at the time the Clerk was reading?

Mr. KEARNS. I was.

The CHAIRMAN. The Chair will permit the gentleman's amendment to be read.

(The Clerk concluded reading the amendment.)

Mr. HAYS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state the point of order.

Mr. HAYS. Mr. Chairman, I make the point of order against the amendment that it applies to the location of chanceries within the District of Columbia, which is not within the purview of this legislation. This amendment has to do with directing the Secretary of State to interfere in the matter of the Zoning Committee of the District of Columbia and, therefore, is not germane to this legislation.

The CHAIRMAN. Does the gentleman from Pennsylvania [Mr. KEARNS], desire to be heard?

Mr. KEARNS. Mr. Chairman, I would like to say to the gentleman from Ohio [Mr. HAYS] that he has probably traveled abroad more than I have. I think his record shows that.

I want to say if you try to get an office in a residential district——

The CHAIRMAN. The Chair would like to hear the gentleman from Pennsylvania on the point of order.

Mr. KEARNS. I feel that any country coming over here that wants to establish an office ought to go downtown and establish it.

The CHAIRMAN (Mr. MILLS). The Chair is ready to rule.

The gentleman from Pennsylvania [Mr. KEARNS] offers an amendment, to which the gentleman from Ohio raises the point of order it is not germane to the bill, H.R. 8400.

The Chair has carefully examined the amendment. The amendment does seem to the Chair to have something to do with the zoning laws of the District of Columbia, a subject matter which is not encompassed in the bill H.R. 8400; therefore, the Chair sustains the point of order.

The Clerk read as follows:

SEC. 202. CAPITALIZATION.—(a) The President is authorized to issue, during the fiscal years 1962 through 1966, notes for purchase by the Secretary of the Treasury in order to carry out the purposes of this title. The maximum aggregate amount of such notes issued during the fiscal year 1962 shall be $900,000,000, and the maximum aggregate amount of such notes issued during each of the fiscal years 1963 through 1966 shall be $1,600,000,000: *Provided*, That any unissued portion of the maximum amount of notes authorized for any such fiscal year may be issued in any subsequent fiscal year during the note-issuing period in addition to the maximum aggregate amount of notes otherwise authorized for such subsequent fiscal year. Such notes shall be redeemable at the option of the President before maturity in such manner as may be stipulated in such notes, and shall have such maturity and other terms and conditions as may be determined by the President. Payment under this subsection of the purchase price of such notes and repayments thereof by the President shall be treated as public-debt transactions of the United States Government.

(b) United States dollars, not to exceed $300,000,000 in any fiscal year, which are derived directly or indirectly on or after the effective date of this Act from payment of principal and interest on obligations under which the United States Government may require payment exclusively in United States dollars and which were created under (1) An Act To Promote the Defense of the United States, as amended (22 U.S.C. 411 et seq.), other than those United States dollars which constitute the local currency of a foreign government, (2) the Surplus Property Act of 1944 (58 Stat. 765), as amended, (3) Public Law 79-509 (22 U.S.C. 286l, 286m), (4) the Economic Cooperation Act of 1948 (62 Stat. 137), as amended, (5) the German and Japanese Government and Relief in Occupied Areas Program, and (6) loans under the Mutual Security Act of 1954, as amended (22 U.S.C. 1750 et seq.) (other than military assistance), shall be available for use for purposes of this title, notwithstanding the provisions of any other Act referred to in this subsection. In the case of any such payments which, were it not for the provisions of this subsection, would have been used to retire notes or obligations issued to finance the activity from which the payments were derived, the President shall assume such notes or obligations, together with any interest accrued and unpaid thereon, in an amount equivalent to such payments.

(c) Except as otherwise provided in this part, the United States dollar assets of the Development Loan Fund which remain unobligated and not committed for loans repayable in foreign currencies on the date prior to the abolition of the Fund shall be available for use for purposes of this title.

Mr. MORGAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MORGAN: Strike lines 13 through 20 on page 7 and insert in lieu thereof the following:

"SEC. 202. CAPITALIZATION.—(a) The President is authorized to issue, during the fiscal years 1962 through 1964, notes for purchase by the Secretary of the Treasury in order to carry out the purposes of this title. The

maximum aggregate amount of such notes issued during the fiscal year 1962 shall be $900,000,000 and the maximum aggregate amount of such notes issued during each of the fiscal years 1963 and 1964 shall be $1,600,000,000. No loan agreement, obligating the United States to make a loan under this title of funds to become available to the President in a fiscal year subsequent to the fiscal year in which the agreement is made, shall be entered into earlier than thirty calendar days after a full and complete report with respect to the purposes and terms of the proposed loan agreement shall have been made to the Committees on Appropriations and Foreign Relations of the Senate and to the Speaker of the House of Representatives, or to the Secretary of the Senate, or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives is not in session.

"(b) Any"

and reletter subsections (b) and (c) on pages 8 and 9.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Pennsylvania yield for that purpose?

Mr. MORGAN. I yield.

Mr. HALLECK. In order that we may understand, Mr. Chairman, as I understand this amendment changes lines 13 through 20 of section 202. My inquiry is this: If this amendment should be adopted, would that preclude a subsequent amendment changing that same language in lines 13 through 20?

The CHAIRMAN. If this amendment is agreed to, then no subsequent amendment would be in order changing the language in lines 13 through 20, but amendments of a different nature would still be in order for consideration for the remainder of the section or to the elimination of the section.

Mr. HALLECK. I want to understand that specifically now, Mr. Chairman, and not to unduly press it. In other words, if I understand the ruling of the Chair, if this amendment should be adopted, then any language in lines 13 through 20 which would be changed by the adoption of the amendment could not be subsequently changed, but other parts of the section could be, or the section as a whole could be stricken out?

The CHAIRMAN. And new language inserted.

Mr. JUDD. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JUDD. Is it not true that even if this language were adopted, it would be possible to offer an amendment to strike out the whole language of the section and substitute new language?

The CHAIRMAN. The gentleman is correct.

Mr. MORGAN. Mr. Chairman, I offer this amendment after consultation with the leadership and many Members on this side of the aisle. This is a compromise that I hope will provide grounds for agreement for those who wish to support the foreign-aid program. It shortens the borrowing authority by a period of 2 years and cuts the borrowing authority by a total amount of $3.2 billion. It does this simply by eliminating borrowing authority for fiscal year 1965 and 1966. The amendment also provides for additional congressional control by requesting an advance report on the loans involving funds authorized for future years. This compromise includes a requirement for special congressional oversight of loans made under the borrowing authority. It is similar to language discussed in the other body and offered by several Senators.

This provision increasing congressional control was a requirement that many Members on our side felt we should have. They felt we should have a modification of the sort of amendment presented in the other body by Senators DIRKSEN or SALTONSTALL or FULBRIGHT.

Mr. Chairman, I know this has been a long and difficult debate. I know that many Members of this House on both sides of the aisle seem to be opposed to the borrowing authority principle. But as I said here on Monday when I opened my remarks, the times in which we are living are very critical.

I had the unfortunate experience to have to take over the acting chairmanship of the Committee on Foreign Affairs in November 1957, when the Honorable Thomas E. Gordon of the great State of Illinois became ill. It was a great responsibility thrust upon me much sooner than I ever thought it would happen. But in my short years as acting chairman and then as chairman beginning in January of 1959 I have always tried to conduct the committee strictly on a bipartisan basis. When I took the chairmanship I did it in the spirit manifested by Senator Vandenberg back in 1947 and 1948 when he conducted the great Committee on Foreign Relations in the other body. I attended all the White House conferences during the years of my acting chairmanship and my full chairmanship when the executive branch was controlled by the other party. I attended those conferences very faithfully. I remember flying from Pittsburgh in 1956 the day before the Democratic Convention to attend a conference on the Suez crisis; in 1958 there was an emergency conference on Lebanon. Every year there were bipartisan conferences on foreign aid while President Eisenhower was in the White House.

Never once did I deviate from my support of my President. Whatever I thought he required as tools to better the security of the country, I went along with. I was one of the members of the Committee on Foreign Affairs who originally went along with the borrowing authority principle in 1957. I was one of the members who attended all these bipartisan conferences at the White House and I was nearly always on the side of the President in fighting against cutting the funds he requested. I know how strongly President Eisenhower felt about the foreign aid bill because in some of these conferences he would actually lose his composure in the earnestness of his belief in the foreign aid program. It had a high priority with him and I am sure this program has a high priority with President Kennedy.

Mr. Chairman, we are living in very trying times. General Lemnitzer appeared before our committee in open session and he said, "Our survival may be determined in the next decade." I want to say that again: "Our survival may be determined in the next decade." I do not think it is too much, if our survival may be determined in the next decade, a period of only 10 years, to say to the President that for at least 3 years we will let you have this borrowing authority which you regard as so important. I do not think this is too much in the times in which we are living and considering the danger which we are facing.

I am making a special plea to all Members of the House on both sides of the aisle to see if we cannot reach some compromise here and grant the President 3 years to work and to develop his program the way he wants to, especially if we face the danger of having only 10 years for survival. I hope everybody can see that we can get together on this kind of compromise and grant the President the tools he needs to carry on the fight for our own security.

Mr. SAUND. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Pennsylvania.

The Clerk read as follows:

Amendment offered by Mr. SAUND, of California, as a substitute for the amendment offered by Mr. MORGAN, of Pennsylvania: On page 7, strike out line 13 and all that follows down through line 7 on page 9, and insert in lieu thereof the following:

"SEC. 202. CAPITALIZATION.—(a) There is hereby authorized to be appropriated to the President not to exceed $1,200,000,000 for use beginning in the fiscal year 1962 to carry out the purposes of this title, which sums shall remain available until expended."

Mr. SAUND. Mr. Chairman, this amendment will authorize the appropriation of $1,200 million for 1 year with no provision for Treasury borrowing or bypassing the usual procedure of presenting the case before the House Foreign Affairs Committee.

The Marshall plan was authorized by a Republican Congress under a Democratic President. President Truman's requests for foreign aid moneys were never turned down by Democratic or Republican Congresses. For 6 years under the Eisenhower administration Congress was controlled by the Democratic Party. At no time was there any doubt about the passage of the appropriations for foreign aid. There is absolutely no cause for fear or doubt that the present or succeeding Congresses will fail to meet the requests of a Democratic President for this program.

Mr. Chairman, I have been a member of the Foreign Affairs Committee for 5 years. I have diligently studied the mutual security program and carefully followed the testimony of hundreds of witnesses and representatives of governmental agencies before the committee. And I have come to the conclusion that while the Marshall plan, designed to rebuild the economies of the countries of Western Europe, was highly successful, we must admit that our efforts to promote democracy and build strong free societies in many of the underdeveloped countries of the world through massive expenditures of U.S. funds have been, to say the least, not successful.

The cause for this lies not in the failure of Congress to supply the necessary funds to the executive branch, but in inadequacies of administration of the program itself. There is no particular governmental official or group of individuals to blame for this. But we do not yet have enough experienced and qualified personnel for the proper utilization of enormous sums of money in 71 countries of the world with varied backgrounds, cultures, and stages of economic development. Under those circumstances, knowing full well the past mistakes in the administration of the program, it seems more important than ever that the program should undergo thorough study and careful scrutiny each year by the Congress of the United States.

This is what can happen under the 5-year authorization and Treasury borrowing proposal.

Desire to get ahead fast in industrial development far exceeds experience and ability to manage large-scale projects in most of the nations that receive this aid.

With the limitation of a 1-year authorization and appropriation, a U.S. official in a foreign country can tell the leaders frankly: "The people of the United States desire to offer economic assistance to help your people to help themselves. If your program is properly laid out and carried on efficiently for a year, I can assure you help will be coming in forthcoming years to enable you to finish the job." As a result, the leaders of the country know that they will have to perform before they can receive any more assistance.

On the other hand, if we pass the bill in its present form, our officials abroad will be faced with this situation: If the leaders of recipient countries insist that the United States pledge the aid for 5 successive years, they will have no excuse. In most cases, they will be well meaning but inexperienced and will be more than eager to be generous and sign on the dotted line. Then and there, we will lose control and the incentive of performance on the part of the recipient country will be lost.

We must never forget the fact that some of the countries that receive this assistance do not have stable governments. The people still are in a state of revolution and these are the revolutions of impatient people with rising expectations.

Let us look at the record: We gave massive assistance to Iraq, Iran, Vietnam, Korea, Laos and other countries, where political upheavals have occurred or are in the offing. Governments were overthrown and the character of officials completely changed.

Let us suppose that the Congress had passed this kind of a bill 3 years ago. That was the time when Iraq was governed by a King and Prime Minister who were very friendly toward the United States. Suppose then we had promised the King of Iraq an annual sum of $100 million for 5 years to improve the canal system. One day we woke up to find that the King and Prime Minister were gone and the Government was taken over by a revolutionary leader not very friendly to the United States of America. Then if we had decided later that it was not in the best interests of the United States to give this massive aid to the new government of Iraq, where would we be? We would be in a position of offering apologies and making excuses for not giving a foreign government our own money. We would be placed in a position of refusing to give funds to build canals for the people because their rulers had changed.

In Korea there was a big upheaval. Syngman Rhee was our friend. We do not know where we stand with the new government, although we are friendly toward it. What would be our position if we had promised Syngman Rhee $400 million annually for economic development on a 5-year basis?

We should have the right and privilege to say where and how we spend the taxpayers' money. Why should we place ourselves in the position of explaining why we will give or will not give foreign aid?

President Kennedy has put one new concept in the program insofar as the underdeveloped areas of the world are concerned. He has proclaimed that land reform, social progress, and proper tax structures must be adopted before we give aid to certain countries. Now this is a new concept and new condition in the distribution of mutual security funds. The various governments throughout the world had in readiness their 5-, 7-, or 10-year plans for economic development long before this emphasis by the President on land reform and social progress was announced. The Kennedy administration could not possibly have time to study these plans in detail.

This is a long-range program. Let us wait a little while to get our bearings. There is enough money in the pipeline to carry on the program while the Congress has a chance to study these plans before we make long-term commitments.

This bill contains a section which was offered by me and adopted by the Foreign Affairs Committee without a dissenting vote. The section states that whenever the President decides a recipient country has an agrarian economy, at least 50 percent of the funds provided in the bill for that country shall be so spent that the benefits will reach the people in the villages. If the amendment is retained in the bill, and I sincerely hope it will be, how can its provisions be carried out until the recipient nations are fully aware of this mandate of the Congress? Suppose a country were to receive $400 million in economic aid, and it has an agrarian economy in which 80 percent of the people live in villages. If the aid is to reach the places where people live, the country's plan may have to be drastically revised to meet the requirements of the program.

No one will dispute with me that the purpose of this program is to help the less fortunate peoples in the underdeveloped areas of the world achieve a better and fuller life. And by that I mean all the people and not a thin strata on the top.

That has been our mistake all along. We have been identified with the ruling classes. We have been coddling kings and dictators and protecting the status quo. The status quo for the masses of people in many lands means hunger, pestilence, and ignorance.

There are glaring instances where our aid has helped to make the rich richer and the poor poorer. And we then wonder why the people of the underdeveloped areas of the world do not appreciate the help of Uncle Sam.

Mrs. CHURCH. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I had not planned to speak at this moment on the bill, but I could not sit still and fail to hail the courage and intellectual integrity of the gentleman from California who has offered this amendment. I happen to be one of those who has in time past sometimes supported specific foreign aid measures and who recently voted for the full appropriation then requested to carry out our commitment to the Alliance for Progress. But I have always sensed an inherent weakness in these huge global appropriations that are fed to the Congress each year and accepted by the Congress. In my opinion, the present bill, H.R. 8400, is again a poor substitute to meet the crisis confronting us. It offers again, as I said last year, a wornout tool. The very fact that we are in a time of crisis, Mr. Chairman, accentuates the need for new vision, new implementation, tools bound to be effective, rather than for a continuation of programs that are outdated and that call for—which is worse—the entire abdication of our congressional authority. I would like to point out in support of the amendment offered by the gentleman from California that the authority sought and delegated throughout this bill surpasses any that has ever been sought. I would point out in particular page 52 of the bill H.R. 8400, section 621 of chapter 2, which reads, as follows:

SEC. 621. EXERCISE OF FUNCTIONS.—(a) The President may exercise any functions conferred upon him by this Act through such agency or officer of the United States Government as he shall direct. The head of any such agency or such officer may from time to time promulgate such rules and regulations as may be necessary to carry out such functions, and may delegate authority to perform any such functions, including, if he shall so specify, the authority successively to redelegate any of such functions, to any of his subordinates.

This very fact that the President will be able to delegate authority, including the power to make and direct foreign policy through allocation of funds, points out and accentuates the need for annual congressional review, annual congressional revision, and annual congressional authorization and appropriation in this great and important matter of foreign aid.

Mr. Chairman, I do not think that we can safely relinquish our authority annually to authorize and annually to appropriate. Mr. Chairman, I am inclined to think that it may indeed prove to be a welcome safeguard to the executive branch itself, if they may be able to say in striving to drive—I do not like to use the word "bargain"—but in striving to come to agreement with a recipient country: "There is another authority back home that must be consulted."

An authority responsible in turn to whom? Not to the man in the bureaucracy to whom authority under this bill can be delegated; but if we accept the Saund amendment, authority inherent in Members of the Congress exercising their constitutional right to authorize and appropriate, the right given to them and demanded of them—a right exercised by the Congress in accordance with the mandate of the people of the United States who elected them and to whom they are responsible.

I accept no substitute for the power of the people of this country as represented by the Members of this Congress, and I see only shoals and rocks ahead in the foreign aid program if we further relinquish to bureaucratic control, Mr. Chairman, decisions not only of what shall be spent but of what policies shall be put in being by the money that it spent. I again point out the danger indicated by the gentleman from California, that under the proposed plan in H.R. 8400 there might indeed come a time when we would want to retract or might finally be forced to retract agreements made. This is something that this country has never done and should never be forced to do. Such action moreover would work irreparable damage to our world position and if we did not retract our promises, on the other hand, we would be putting into being power in the hands of those who are hostile to us. We might even thus increase the spread of communism and lose further of the substance of our freedom.

Mr. Chairman, I plead with this House: Do not give up your unique authority not only to authorize annually but to appropriate.

In fact, I am quite sure that when you stood here at the beginning of this Congress and took your oath to uphold the Constitution of the United States, you were indeed giving solemn pledge that you would not surrender any of the rights given and in turn required of you by that Constitution. And of these rights given and in turn required of you, none is stricter or more demanding than the requirement put upon us, in the name of the people, to authorize and appropriate.

Mr. KYL. Mr. Chairman, I ask unanimous consent that the Clerk may again read the amendment offered by the gentleman from California.

The CHAIRMAN. Without objection the substitute amendment offered by the gentleman from California will be read again by the Clerk.

The Clerk read as follows:

On page 7, strike out line 13 and all that follows down through line 7 on page 9, and insert in lieu thereof the following:

"SEC. 202. CAPITALIZATION.—There is hereby authorized to be appropriated to the President not to exceed $1,200,000,000 for use beginning in the fiscal year 1962 to carry out the purposes of this title, which sums shall remain available until expended."

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is with genuine reluctance that I rise in opposition to the amendment offered by my good friend and colleague the gentleman from California [Mr. SAUND]. His amendment would authorize and appropriate on an annual basis beginning with the year 1962, $1,200 million. The bill as reported out by the Foreign Affairs Committee provided for the authorization of $900 million and $300 million under subparagraph (b) of section 202, the anticipated loan and interest repayments. Obviously, the gentleman from California bases his figure of $1,200 million on the figures that were contained in the legislation before us as recommended by the committee. The Saund amendment provides for annual authorization and appropriation. Adequate reasons were presented pointing out that it is necessary to have a continuing program, a long-term program. In order to improve our foreign aid, it is clear the executive departments must be given the tools to make commitments for more than a year.

Frankly, I am surprised that the gentleman would present such an amendment, for I know he is fully aware of the importance long-term programs had and continue to have in India. As a matter of fact, in June of this year, the Consortium of Governments and Institutions agreed to a long-term loan to India amounting to $2,286,000.

Mr. SAUND. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I will yield later.

The United States portion of this agreement for the period 1961–62 is $545 million; and for the period 1962–63 is $500 million, the 2-year total is over $1 billion, in fact $1,045 million.

In addition to the above commitments, the United States has already undertaken to assist India's third plan by making available surplus commodities in the amount of about $1,300 million.

The gentleman from Wisconsin is not opposed to U.S. participation in the long-term loans to India. Obviously India needs the $2¼-billion loan to assist her in the third 5-year plan.

Mr. SAUND. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from California.

Mr. SAUND. Mr. Chairman, I wish to inform the gentleman that I am a citizen of the United States of America and a Member of the U.S. Congress. When I accepted my citizenship papers I forswore my allegiance to the Government of India.

Mr. ZABLOCKI. I am sorry that the gentleman has interpreted my remarks as implying he is not a good citizen of the United States. I selected India as an example in point because that country received the largest amount of loan assistance and the progress made by India deserves due recognition. Further, the gentleman from California not only did not have any objection at the time when long-term loans were made to India, but as a matter of fact, in committee, as I recall it, he was continuously in support of long-term programs. No one testifying before the committee opposed long-term programs or testified that long-term loans are not necessary.

President Eisenhower has requested long-term loans and is on record supporting long-term Treasury financed loans. Ambassador Lodge, the Republican candidate for Vice President just yesterday endorsed, not a 3-year program but for a 5-year long-term Treasury borrowing.

I would like to call attention, particularly to my colleagues on my left, the testimony of Secretary Dillon before the House Foreign Affairs Committee. He said:

I am convinced from my earlier experience in the Department of State that long-term financing authority is an essential tool for the achievement of our foreign policy objectives. I am equally convinced as Secretary of the Treasury that this is the most efficient and least costly method of providing development assistance.

Adequate authority for long-term financing as proposed in the bill will permit both orderly development and effective execution of development lending programs by the administrator of the aid program. Without such authority there will continue to be insistent pressures for stopgap financing to meet crises which could have been prevented, at less cost, by adequate long-range programs.

In my judgment, the inability of the Executive to make long-term commitments has diminished the effectiveness and increased the cost of the foreign aid program. Without adequate assurance of financing for long-term programs to deal with the basic needs of a developing country, there is less incentive for such a country to thoroughly organize its plans or to adopt appropriate measures of self-help. We urge the developing countries to undertake basic and difficult reforms that are essential to development. But such reforms take years to implement and require the support of long-term development programs.

I sincerely hope the Saund amendment will be defeated. In my opinion the compromise amendment which is similar to a proposal I made while the bill was considered in committee.

Mr. ADAIR. Mr. Chairman, I rise in support of the substitute amendment.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from California. Certainly everyone in this Hall realizes we are now dealing with one of the most critical portions of the bill. We realize that this is one of the points upon which the greatest controversy has arisen and, no doubt, will continue to exist until finally resolved.

But, in my opinion, based upon the past record of these programs, this House ought, I repeat, to support the substitute offered by the gentleman from California.

A day or so ago a man who is very knowledgeable with respect to this matter said to me: "If you want to say anything about the development loan portion of this bill, say it now, because you may not have an opportunity to do so for another 5 years if you do not now."

If we are to adopt the amendment offered by the gentleman from Pennsylvania, chairman of the Committee on Foreign Affairs of the House, we might in that connection remark: "Say it now or we may not have an opportunity to say it for another 3 years."

Mr. Chairman, we have a program or a series of programs now which have been in existence since World War II. If that is not long term, I do not know what is. Further evidence that this is

a continuing activity is the fact we have on hand an unexpended balance of $5,400 million. This amount of money is there to continue programs which have been begun. Certainly that indicates the long-term nature of the present legislation.

And, finally, I would like to invite the attention of the Members of this House to the hearings upon this subject. The gentleman from Minnesota [Mr. JUDD], and others quizzed witness after witness and asked them if there was any program which to their knowledge had been discontinued after it had been begun. Not a single one of them could point out an instance in which a program, once begun, had been discontinued.

If this is not long-term planning, I do not know what it is. The executive department has been exercising the prerogatives of long-term planning for many years. They can continue to do it, but they should do it under the scrutiny of the Congress of the United States. Annual authorization and appropriation will not interfere with proper long-term planning. It is said that we have the right to examine closely and frequently these programs. I would say that is more than a right. The Congress has an obligation to examine them.

Repeatedly in the last 2 days it has been pointed out here that we are in a period of rapid change and therefore we need greater authority. I would say, rather, that we are in a period of rapid change and therefore we need the closest possible congressional scrutiny of the vast expenditures called for in this legislation.

So, in summary, here we have programs that have been continued since the end of the Second World War. We have programs which have a large amount of money for continued operation. We have programs with respect to which not a single instance of discontinuation has been pointed out; and, finally, we have the congressional responsibility annually to supervise very closely these programs.

Therefore, Mr. Chairman, I urge with all fervor that we support the substitute amendment of the gentleman from California.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. The gentleman has traveled with me and others on this committee in over 30 countries inspecting these programs and has seen with me projects on mountains and deserts and plains that bear voluminous testimony to the fact that we have always had long-range plans that are still being carried out. I am sure that the gentleman will remember a specific project, still being completed, that we were told had been planned by Harold Stassen, the first Director of the ECA, and had been in process of completion ever since. The plea that we have not had long-range planning, and must, to get such, give up our congressional prerogative is false and misleading. It may not be purposely misleading, but certainly is dangerously so; and the very argument made by my colleague, the gentleman from Wisconsin, that the able judge had in the past supported long-range programs for India is proof that under the present system such planning has been possible and actual.

Mr. PILCHER. Mr. Chairman, I rise in support of the amendment.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. PILCHER. I yield to the gentleman from Virginia.

Mr. HARDY. I would just like to compliment the gentleman from California, Judge SAUND, for his understanding of this program and for the talk that he has made. I think he made a very interesting and informative discussion of his amendment, and I think it is a worthy amendment to support. The gentleman from Wisconsin [Mr. ZABLOCKI] indicated that this $1.2 billion which would be authorized under the amendment of the gentleman from California could not be used for long-term loans. It is not a fact that every cent of it could be used for long-term aid loans if they saw fit to do so?

Mr. PILCHER. That is correct.

Mr. Chairman, I did not intend to make a talk on this bill. I am a Democrat. I made more speeches for Jack Kennedy during the last campaign than any Member of the Georgia congressional delegation, Senators or Congressmen or anybody else. I made 27 speeches from the mountains to tidewater. I represent a district of 350,000 people in south Georgia. I can be loyal to the Democratic Party, but I have got to vote my convictions.

I have got to vote with my people. I am also a small businessman. I have been on this committee for 8 years. I have studied it hard. I have been around the world. I have seen the waste and extravagance in this program.

Mr. Chairman, they talk about long-range programs. We found fertilizer plants in Korea that have been going on there on a long-range basis. We found communications systems in Vietnam that have been on a long-range basis. There is no place in this world where programs have not been going on for years. This amendment does not stop long-range planning.

Mr. Chairman, when the Comptroller General of the United States tells us what is wrong with this program, that it has too much money, it is time for the people to wake up. Our unborn grandchildren are going to be paying the taxes on this program. They will admit down there that they have got twice too many employees, 42,800. I counted 175 employees in one little country working in the ICA program. They were writing one another letters. This was a small program. How silly can we be? We owe the taxpayers of this country a little consideration. This is not going to cut this program one penny. It is not going to cut it one dime. It just says the Congress still holds the reins over this program.

Mr. Chairman, I hope the Members of this Congress will show a little guts and a little thinking on behalf of the people back home, and will vote their honest conviction on this amendment.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have listened to those who are crying out "Vote." I wonder if they want to hear the other side? There is no Member of this House for whom I have a deeper affection or with whom a longer and warmer friendship has existed than the gentlewoman from Illinois [Mrs. CHURCH]. I have deep respect for her. I know, as everybody knows, that she has been against the foreign aid program. She has always voted against it. She has voted her conscience and her conviction, and for that she has earned and she holds the fullest respect of her colleagues, even those who vote differently in the dictate of their consciences and their convictions.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. Certainly I yield to the gentlewoman.

Mrs. CHURCH. If the gentleman from Illinois had been in the Chamber when I spoke, he would have heard me bear testimony to the fact that I voted $600 million to meet our commitment for the Latin American program, within the last few months.

Mr. O'HARA of Illinois. Yes.

Mrs. CHURCH. This was a newly conceived program, as well as a commitment of the United States, I would say to the gentleman. However, I do not want us to engage in unwise commitments that we might later regret.

Mr. O'HARA of Illinois. Has the gentlewoman from Illinois ever voted for the mutual security program?

Mrs. CHURCH. I also said, if the gentleman had been here and had heard me, that I had never voted for these huge global appropriations for foreign aid which I feel deceive the public and are a deception to the Congress when they are reported out.

Mr. O'HARA of Illinois. I have given the gentlewoman from Illinois credit that when President Eisenhower was in the White House, when the great and eloquent Walter Judd and when John Vorys and other great statesmen—Republican statesmen on our committee—voted for the mutual security bill, the gentlewoman from Illinois always voted "No." The gentleman from Indiana, another beloved friend of mine, consistently follows his conscience, but he has always voted against the mutual security bill no matter whether it came in a Republican or Democratic administration. The point I am stressing is that they both are against the mutual security program in any garb, in any form.

Mr. FARBSTEIN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from New York.

Mr. FARBSTEIN. I just wondered if those who feel that if they vote for this amendment they are going to vote for $1,500 million for the rest of this year. If you adopt this amendment, which would authorize $1,200 million together with the $300 million which will be carried over, it will be $1,500 million. If that is what you want it is all right with me.

Mr. O'HARA of Illinois. I merely have one other thing to say, about a man

for whom also I have great affection and great admiration, a man of conscience, but always he has voted against the mutual security program.

Mr. PILCHER. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Georgia.

Mr. PILCHER. With all due regard and respect to my colleague, I must refer him to the record, which will indicate that I supported the foreign aid program until I became a member of the Committee on Foreign Affairs 6½ years ago. As a result of my close association with the program and the facts presented to the committee, I necessarily had to revise my thinking because of the waste indicated.

Mr. O'HARA of Illinois. The gentleman supports my contention. When first he came to the Congress he had voted for the program. Then he goes around the world with the gentlewoman from Illinois [Mrs. CHURCH] and others on a tour of duty and he comes back against the program. So I will say that those supporting the amendment offered by the gentleman from California [Mr. SAUND] all bear the same relation, they are against the program. If the amendment they so militantly support, is adopted, they still will vote against the bill.

Mr. GALLAGHER. Mr. Chairman, I rise in opposition to the amendment that has been offered by the gentleman from California and in favor of the amendment offered by our distinguished chairman. I think our distinguished chairman, who has sat through many weeks of hearings, has offered a compromise proposal in the traditional spirit of this House.

I would like to add one other remark about the control sections of this bill. There is great misunderstanding in regard to Congress' abrogating its control. The fact of the matter is that Congress is not abrogating its control. If we adopt this 3-year proposal as suggested by our chairman, Congress each year would have a right to review, to limit, or to revoke the amount of money that is budgeted by the lending agency, whether or not we agree to the entire proposal. This was under the Government Control Act. There is a history of it. The President may veto a revocation, but if the President does not accept the amount that remains in the bill, in effect he revokes the entire bill itself. He does not have an item veto. So that this is a check and balance on the part of the House. I do urge that we oppose the amendment offered by the gentleman from California and support the overall compromise that has been made in good faith by the chairman of this committee.

Mr. McDOWELL. Mr. Chairman, I rise in opposition to the amendment to the amendment.

Mr. Chairman, much has been said during this debate about congressional control over the foreign-aid program and particularly about the provisions of the bill which is now before us. I would just like to remind the gentlemen who are speaking here time and time again about retaining congressional control, and who now support the amendment offered by the gentleman from California to the amendment offered by the chairman, that we have had this kind of congressional control over the program in the past and it has not in one iota lessened the opposition of those who are here on this floor today eagerly waiting for the opportunity again to cast their votes against foreign aid.

President Kennedy who occupies the White House today, former President Eisenhower who occupied the White House for 8 years before this term, all of the former Secretaries of State, the Joint Chiefs of Staff—past and present—in fact, every responsible member of the Government of this country in the past 10 years have time and again come before committees of the Congress, including the Committee on Appropriations and said over and over again that foreign aid is essential to the security of the United States and more recently they have said in testimony before the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the other body that the principle of long-term authorization and Treasury financing involved in the bill now before us is essential to the success and efficiency of our Foreign Aid program in the future.

Mr. Chairman, I do not believe it is the intention of Members who honestly and sincerely intend in the final analysis to vote for this legislation, which we are now considering—as I say, I do not believe it is their intention to pass legislation which, in the opinion of experts, within the Government and the executive department, cannot succeed as they keep saying over and over again without the long-term planning and the long-term authorization and financing.

Mr. Chairman, I do not believe that is their intention, and yet it would seem that at the first opportunity to register a vote, they are about to take that course. I ask them to think carefully. I plead with them to think carefully because this may be your last opportunity to insure that you have a foreign aid program that has a chance for success and a program where the inefficiencies and waste of the past can be eliminated.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there has been so much said in the last few moments about partisanship and about positions taken by Members who have not supported the mutual assistance programs in the past that I thought, perhaps, this would be a good time for me to say just a few words.

First of all, in order that there may be no misunderstanding as to my position—I shall support the Saund substitute. If that fails, I shall support a substitute which would provide for multiple year authorizations, but for yearly appropriations.

I have talked with high officials of our Government about this program and about the 5-year development loan program, and they have known of my position.

Mr. Chairman, may I now just go back to the days of the 80th Congress in 1947 and 1948, when I was the Republican leader—the majority leader at that time. Mr. Truman was President of the United States. He came to us with requests involving interim aid for France and Italy, aid for Greece and Turkey, and then the Marshall plan. As the Republican leader, I responded to those requests and supported those programs, and I have voted for similar programs consistently since that time.

Now what do we have here?

The principal controversy, as I see it, revolves around the question as to congressional control or continuing authority in connection with the program. Let me go just a step further. In 1957, President Eisenhower, of my party, was the President of the United States. He asked for a 3-year program something like this. The Foreign Affairs Committee reported out a bill that provided for a 3-year program. It came to the floor of the House; an amendment was offered by the gentleman from Alabama [Mr. SELDEN], known as the Selden amendment, to strike out the two subsequent years. I have here the CONGRESSIONAL RECORD of that date. The gentleman from Alabama [Mr. SELDEN] described his amendment in these words:

> My amendment under consideration retains the 1958 Development Loan Authorization, but it eliminates the borrowing authority of $500 million for each of the fiscal years 1959 and 1960.

Shortly after he spoke I announced my position as being in support of the Selden amendment. So the position I take here today is no different than the position I took back there in 1957.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. MORGAN. The position the gentleman took in 1955 was for a long-range development loan program.

Mr. HALLECK. I am sure that is not correct.

Mr. MORGAN. The gentleman voted for a year-to-year program in 1958.

Mr. HALLECK. This is what happened:

In 1957 the Committee on Foreign Affairs reported out a bill that carried a $500 million authorization for an appropriation for fiscal year 1958 and authorized borrowing from the Treasury of $500 million in each of fiscal years 1959 and 1960.

In the House the gentleman from Alabama [Mr. SELDEN] offered an amendment to eliminate this Treasury borrowing—or back-door spending. I supported the gentleman's amendment which was adopted by a voice vote.

After the other body acted, the bill went to conference. The conferees reported out a measure that authorized $500 million for fiscal year 1958 and $625 million for an authorization of an appropriation for fiscal year 1959. I supported this 2-year authorization. But I would remind the House that this is an entirely different proposition from supporting the back-door financing plan as finally brought to this House by the Committee on Foreign Affairs.

I think I have said enough to make it abundantly clear that as far as I am concerned there is no partisanship in the position I take now as there never has been any partisanship in the position I have taken with respect to this

legislation through the years when it was started first when I was the majority leader of the House of Representatives.

As to the so-called compromise, it reduces the period from 5 to 3 years, but that is not a real difference. In principle the provisions for notification otherwise provided in the so-called compromise in my opinion are not effective. On our side of the aisle our policy committee declared in favor of long-range planning, but went on record in opposition to back-door spending and bypassing the appropriations process. The policy committee further expressed its belief that it is essential that Congress retain an annual review of this program. That is what I want. I think it will work, I think it has worked in the past, I think it will work in the future.

Now if you will just let me say this additional word, this matter is now, of course, still under consideration in the other body. They have adopted some language that is similar to the proposal offered by the very fine gentleman from Pennsylvania [Mr. MORGAN]. But this matter ultimately goes on to conference between the other body and our conferees, and I am convinced that out of the conference will come an arrangement by which the best interests and the security of the country can be protected in respect to long-range planning, with which I do not find myself in disagreement, and at the same time protect the prerogatives of the House, the prerogatives and responsibilities of the Congress of the United States.

Mr. BOGGS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California.

Mr. Chairman, I am reluctant, as most of us are, to speak when I am not a member of the committee handling the legislation under consideration. It happens, however, that for a long time I have served as chairman of a subcommittee of the important Committee on Ways and Means dealing with our foreign economic policies, and I serve as chairman of the Foreign Economic Policy Committee of the Joint Committee on Economics. I have had occasion, therefore, to go about and see many of our people in a number of places on this earth.

I was indeed surprised to hear the gentleman from California [Mr. SAUND], for whom I have a profound admiration, talk in generalities about the personnel who represent us throughout the world.

I know very well that there is nothing perfect. I know if we take our body, take our friends and our families, there are many of them we can point to and criticize and find fault with. But it has been my observation that, by and large, all over the world the people working for this program are dedicated people.

Let me give you a few examples. I remember getting off an airplane in Karachi, which was then the capital of Pakistan, the President of which addressed us a few weeks ago. This was only 18 months ago. The transportation was by camel. We could not stay at a hotel because there was no hotel which had sanitary facilities, either water or food, or anything that the human body needs. So I stayed at the home of some friends, who incidentally represented the ICA in that part of the world.

We had made a long journey down from New Delhi to Karachi and we were tired. I stretched out for a moment, then went into the bathroom and brushed my teeth. Later that evening the lady asked me if I had used the water from the top, and I said yes. She was terribly concerned because of hepatitis, which was all over that area. Every drop of water for every purpose had to be boiled.

I cite this as an example of the conditions that these people have to live with. It is easy for us to sit here in Washington, living in comfort, and be critical of many who are dedicating themselves to our country.

Let me give you another example. Iraq has been mentioned here. We got off an airplane in Baghdad. We were taken by one of our men to a hotel there which was abandoned. There was a curfew in town that went into effect at 8 o'clock at night and stayed in effect until dawn each day.

There was nobody in the hotel. Our people lived there practically alone and abandoned.

I remember going to Rangoon where there was only one restaurant in the place, and there the food, I can assure you, was somewhat less than desirable.

I say all this because it demonstrates in a very practical way the difficulties with which we as a great nation are confronted at this time in our history to get people to go to Rangoon, to Baghdad, to Karachi, to the countries of Latin America and live in environments which are entirely different from the environments in which we live in this country; and to suffer the hardships which they must suffer. We are asking a great deal; nevertheless, ever since the institution of this program, I venture to say that the vast majority of them have served with dignity, with honor, and with credit to the United States of America.

Mr. Chairman, I know I am not going to change anyone's mind here. I think the chairman of the Committee on Foreign Affairs, the gentleman from Pennsylvania [Mr. MORGAN], and the members of his committee have labored hard and diligently. I think the compromise which he presented to this body a few moments ago is a well considered, well thought out compromise. It maintains complete congressional control to the satisfaction of any reasonable man. It gives the continuity to the program that is required.

Mr. Chairman, I hope the amendment offered by the gentleman from Pennsylvania [Mr. MORGAN] will be adopted, and that the amendment offered by the gentleman from California [Mr. SAUND] will be defeated.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mrs. KELLY. Mr. Chairman, I move to strike out the last requisite number of words.

Mr. Chairman, I wish to say with all the strength within me that I beg of you to support the amendment offered by the chairman of the Committee on Foreign Affairs, the gentleman from Pennsylvania [Mr. MORGAN]. I pay tribute to him for introducing a compromise. I am also very happy that I paid tribute to him yesterday for his support of a bipartisan foreign policy over the years. I am proud that he supported the request of President Eisenhower in the previous administration just as he is doing this day for President Kennedy.

Mr. Chairman, I feel that this is the most crucial time in the history of the United States. I feel it is no time for laughter at anyone's remarks, but it is a time for real contemplation, as my very good friend from Illinois often remarks. I pay tribute to her for her seriousness in endeavoring to strengthen our security through her speeches, her work on the Committee on Foreign Affairs and her many, many trips abroad with the committee. I pay tribute to the gentleman from Indiana for the same reason.

But, I want to say to you at this time I take second place to none in my bipartisan support as a member of the Committee on Foreign Affairs during the last administration for the past 8 years, as well as the present administration. It was in my office, Mr. Chairman, that the very people to whom I referred saved South Vietnam, at a time when Vietnam in that dangerous area of the world was ready to fall. You will all recall that this was the time that Bao Dai was about to return to power after President Eisenhower had permitted the division of Vietnam. This is the first time I have brought this matter to the attention of the House, and over the years I never used it in any campaign. I mention it only because the gentleman from Minnesota mentioned it at one period. This country is an outpost of democracy in southeast Asia. I only hope and pray that the present government in South Vietnam will be successful.

I want to bring to the attention of the Members of this House a very important provision in this bill. One of the considerations for a development loan is the "extent to which the recipient country is showing a responsiveness to the vital economic, political, and social concerns of its people, and demonstrating a clear willingness to take effective self-help measures."

Now, these loans need long-term planning. This provision will force countries in the most underdeveloped areas of the world to come up with the plans that they need to carry into effect their responsibility as a free people. These reforms are unfamiliar in many of these countries. Governments may stand or fall on their ability to institute the necessary measures. How can we sit back and ask them to have faith in us when those who oppose this amendment refuse to display their faith in these people.

I look back at the fall of France, when we would have paid any amount of money, appropriated, long term or back door, to France in order to prevent the fall of her Government. But, thank God, De Gaulle came into being. Let us hope that by our action and support of the wishes of President Kennedy by giving him that which he requests of us, we may find De Gaulles in other sections

of the world who will put forth democratic processes and democratic procedures that we in this country are endeavoring to protect and secure for all the nations of the world.

Mrs. CHURCH. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. Mr. Chairman, I would like to compliment the gentlewoman from New York [Mrs. KELLY], if I may, for the long fight that she has made for those sections of the world and those free peoples of the world for whom her heart always holds great interest. I particularly would like to pay tribute to her for the tremendous part she played in saving South Vietnam, as I think she did, at the time she brought to the attention of our committee the activity which would have put out of being the present government there. Through her own courage, as well as through her integrity, she managed to save a great country of the free world. I say that without reservation, and I am proud to be on the committee with her.

Mrs. KELLY. I want to thank the gentlewoman for her remarks. However, I say to all of you that no one person can save any country and no one nation can stand alone at this time, or any time. This program which we have before us today is a collective, mutual program. It is necessary for us to continue the program that we have had in the past and improve upon it by adopting the requests of the President.

Mr. GARY. Mr. Chairman, I rise in support of the substitute amendment. Certainly no one in this House will doubt my support and advocacy of the foreign aid program. I agree with many of the things that have been said about this program and its accomplishments. I have supported it through the years because I have felt that it is a necessary part of the defense of the United States of America. Certainly, Mr. Chairman, I yield to no one in my admiration for the chairman of this great Committee on Foreign Affairs. But that is not the question before the Congress at this time. The amendment under consideration does not involve foreign aid. The foreign aid program will go on regardless of how we vote. And we are not discussing today the efficiency of the chairman of the House Foreign Affairs Committee. The point at issue in this amendment is the integrity of the Congress of the United States.

Mr. Chairman, the Constitution has placed upon us certain responsibilities. Are we going to relinquish them to the executive branch of the Government? If so, then we are not worthy of the trust that has been placed in us.

Mr. Chairman, we have two amendments before us. One is the amendment offered by my good friend, the gentleman from California [Mr. SAUND]. The gentleman's amendment will take care of that situation. It will retain the control of this program in the Congress of the United States. The other amendment will not. The other amendment gives the Executive power to withdraw money from the Treasury by loans—which are not loans. I pointed that out as vividly as I was able on yesterday. It will call for no appropriation of money. We bypass the appropriations process. We bypass the Congress, and the Congress will have no opportunity to review any project until after a commitment has been made for that project.

Now, I know some of the Members are interested in long-term planning. It has been pointed out that we already have long-term planning. We have had long-term planning in this program for many years. But if there is any doubt on that point, the amendment offered by the gentleman from California [Mr. SAUND] will certainly permit long-term planning. I do not ask you to take my word for it; let me read to you from a book entitled "An Act for International Development," published by the State Department in support of this bill that we now have before us.

In speaking of long-term planning it says on page 45:

> The same purpose could be accomplished by the technique of a multiyear appropriation.

The gentleman from California [Mr. SAUND] provides for a multiyear appropriation in his amendment. It is what we in the Appropriations Committee call no-year funds. In other words, the money does not have to be spent in the fiscal year in which it is appropriated. His amendment provides for that. It can be spent at any time. So they can make their long-term plans on the basis of his amendment.

The quotation from the State Department book continues:

> However, the technique of borrowing authority is better adapted to an income-producing lending operation which will be used to finance increases in productivity, and in fact has been the techinque most commonly used in the past for financing revolving loan funds.

I pointed out to you yesterday, I think without any contradiction, that this is not an income-producing lending operation we are trying to finance here, for the simple fact that the advancements to foreign governments under this program are not loans. They have even stopped calling them loans, they call them credits. This money that Judge SAUND authorizes to be appropriated in his amendment will be advanced to other countries on a 50-year no-interest basis. No repayments of the principal will be required during the first 10 years, 1 percent of the principal will be repayable during each of the next 10 years, and 3 percent annually during the next 30 years.

I urge you to vote for the amendment offered by the gentleman from California [Mr. SAUND].

Mr. ANFUSO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the mutual security bill, H.R. 8400.

We are all very much aware of the fact that our foreign aid program is a costly one, that mistakes have been made and will continue to be made, that there has been waste in some areas of the world. But we must ask ourselves: How much more costly would it be for us without this program?

The peoples of the free world, including our own people, must be adequately protected and defended against the threats, the aggressions, and the acts of subversion on the part of international communism, and they must know that we are at all times with them. The American people will not have this additional protection and support if we choose to ignore our friends and allies. If we should make the mistake of pursuing a lone course in world affairs, we are doomed. The whole free world will crumble before our eyes within a short time and we shall then remain standing alone to face a hostile world, led by fanatics, ready to pounce on us at a given moment.

When I think of such a possibility, it frightens me. I often wonder whether our people are fully cognizant of what is going on in the world. My fear stems from the fact that some people, including some very intelligent people, still appear to be asleep at this late date, and are not cognizant of the grave danger in which our Nation finds itself today.

The Soviet Union has been at war with us even before she became our ally in World War II. This has not been an openly declared war, but a cold and calculated war of deception and double-dealing, of subversion and infiltration. We, on the other hand, have been proceeding on the premise that we are at peace and that we can negotiate our differences. The result has been that we are losing in various parts of the world, and will continue to lose unless we wake up and put our country—and also our friends and allies—on a war footing. I am not advocating that we undertake a shooting war. I am proposing, however, that we should be prepared and that we should also help prepare our allies to meet the kind of war which is being waged against us now.

We must mobilize our resources and our strength at a faster pace and we must take steps to guard every measure of our security, otherwise, we shall someday find ourselves at a tremendous disadvantage against a ruthless enemy with a single-minded purpose—where one man can push the button aimed at burying us.

The foreign aid bill is one of the ways in which we can help mobilize the strength and the resources of the free world. This is a vital and necessary expense which we must bear in our role as leader of the free world. To shrink from this role, to refuse to assume the responsibilities which destiny has thrust upon us, would be to lose this leadership by default—and with it would go also our security, our freedom, and our future survival.

On June 13, 1961, Gen. Lauris Norstad, the Supreme Allied Commander in Europe, told the House Foreign Affairs Committee:

> The U.S. military assistance program should not be viewed exclusively in terms of military objectives. It makes possible a strong and stable environment within which the nations of NATO can enjoy economic prosperity, political freedom and an ever-increasing degree of cooperation * * * it contributed essential strength to an alliance

which stands as a bulwark against the undiminished threat of Soviet aggression.

And there is also the very apt remark of Walter Lippmann, one of the great journalists of our day, who summarized the need for foreign aid in these words:

The United States can no more refuse to contribute to foreign aid in the world than the richest man in town can refuse to contribute to the Community Chest.

To those among us who say we are spending too much on these programs, it is worth remembering that France and Britain and other nations whom we helped in their rehabilitation efforts in the postwar years are providing assistance today to the new African nations. The French, for example, are this year giving $335 million in aid to countries in tropical Africa, compared with only $23 million which we are giving to these countries. The British are spending over $100 million in aid to Africa south of the Sahara, and—listen to this—Soviet Russia is reported spending $96 million in aid in the same area.

Even smaller and poorer nations today feel a responsibility to help the underdeveloped nations in any way that they can, mostly in technical assistance. Thus, Japan is providing training to Ethiopians; Greece is sending doctors to help Lybia; Switzerland is helping Morocco in reconstructing a devastated town; Israel is providing technical aid to Ghana, Liberia, Nigeria, and Sierra Leone.

Thus, we have a multiplicity of reasons for extending our aid to the free world. We have political and economic reasons, security motives, moral obligations, and also humanitarian reasons. We are asked to authorize $4.3 billion for our foreign aid program during the current fiscal year, which is less than 1 percent of our gross national product and less than 5 percent of the entire budget for the year. When we consider the fact that about 80 percent of this money remains right here in the United States where these countries utilize our grants and loans to purchase military and other equipment, machinery, food, and other essential commodities, then it is not to be regarded as a loss or a giveaway. Nor is it to be regarded as sacrificial giving on our part, since some of it is in the form of loans which are repayable.

And this brings me to the question of long-term financing provided for in this bill. I am in favor of the 5-year program to be financed by Treasury borrowing, because this method will enable us to give the foreign aid program a degree of continuity and maximum effectiveness. Secretary of the Treasury Douglas Dillon has told the House Foreign Affairs Committee that he was convinced "that this is the most efficient and least costly method of providing development assistance."

This method of financing by Treasury borrowing is not something new. We have used it in the past in financing 37 programs under 26 different agencies and departments, such as the St. Lawrence Seaway, the Commodity Credit Corporation, veterans' housing, area redevelopment, et cetera. There is nothing secretive about this method since the withdrawals from the Treasury remain the same as under the annual appropriations system.

At the same time there are certain definite advantages in using this method of financing. It allows long-range perspective in guiding U.S. planning and action in the field of foreign assistance. It makes possible better utilization of free world resources, ours and those of our allies, by applying these funds to important and large-scale projects which would do the most good, rather than using them for short-range, nonessential projects. It also gives the United States a more effective lever to insist upon the social and political reforms needed in some of the countries.

Perhaps the most important advantage to be derived by all concerned is that by providing long-term aid to our allies and to the uncommitted nations, they will be able to plan for several years ahead. These nations will be able to undertake major projects which would contribute to their economic growth and to the improvement of their standard of living. They will be assured that our aid will continue until their plans are fulfilled, and will not be left unfinished.

Congress will not lose control over the foreign aid program by approving this long-range financing system. It will still retain the power to review the program annually, to amend it at any time it desires, to investigate its operations, or even to abolish it if it deems necessary to do so. Any evidences of waste or mismanagement should be sufficient reason for us to take a close look at the program.

The one big mistake many of us are making is that we look upon this as just another piece of legislation. The foreign aid bill this year is emergency legislation and it should be dealt with as such. It is intended to deal with an emergency situation which is growing more serious by the hour. If we are to think of the future of our country and the survival of our Nation—and this should be the true measuring rod for our actions and decisions today—then we must look upon the present situation from a much wider point of view than the cost of our efforts and ways to economize.

Unless we are willing to make sacrifices, unless we are ready to take drastic steps to defend everything this Nation has accomplished in the last two centuries, we are in grave danger of losing everything. If we cannot afford these expenditures, as some maintain, let us remember that we can still less afford to be complacent.

One of the main requisites in a time of national emergency such as this is to give the President the authority to use the power of his office in the best interests of the Nation. In 1957, following the Suez crisis, Congress approved the Eisenhower doctrine to commit our troops and our resources without consulting the Congress in time of emergency. That doctrine was approved by resolution—House Joint Resolution 117—in both Houses of Congress and became public law. A year later, we became involved in a crisis in the Middle East which was of such urgency that President Eisenhower dispatched some 2,500 U.S. marines to Lebanon. In a message to Congress on July 15, 1958, explaining his action, the President declared that American forces have been sent there "to assist the Government of Lebanon in the preservation of Lebanon's territorial integrity and independence, which have been deemed vital to U.S. national interests and world peace." The Nation and the Congress at the time endorsed the President's action.

Now we face an even more dangerous situation on a global scale. If we acceded to giving Eisenhower the power to commit our troops abroad, surely we can give President Kennedy the power to assure our allies that we have every intention of fulfilling our commitments to them over the next 3 years at least to help them develop their economic resources and their strength. Only by building up our strength and that of our allies can we hope to maintain a position of power which will assure our security and the peace of the world.

Congress, for example, has the power to declare war, but we have learned to realize that these are different times and wars in our day are not waged in the traditional manner, nor are they declared in the traditional way. Declaration of war is no longer a factor today. Russia has been waging war against us for the past four decades—and without an official declaration. Congress must realize that these times require emergency action, even if such action should affect our constitutional functions and prerogatives.

Mr. Chairman, our strong support for the foreign aid program will be another way of saying to Khrushchev and his henchmen that we mean business, that we shall keep our commitments to our allies, that we shall build up the strength of the free world, and that we have no intention of giving up our freedom and our way of life to the Communists by default.

Let us give our strong and determined reply as a united nation. Let our action in this Chamber resound in the Kremlin in a clear and unmistakable voice: This is the answer of the free people of America.

Mr. FARBSTEIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it has always been my philosophy as an elected official either to lead those whom I represent, or to reflect their wishes. Because of the greater sources of information available to elected officials, they have the knowledge and the authority to lead. The President of the United States is our leader.

Mr. Chairman, I am satisfied to follow the President of the United States. I have been satisfied to follow the President of the United States whether he was a Republican or a Democrat. When Mr. Eisenhower was President of the United States, he sent a bill to our committee calling for a long-term direct financing, and I supported it in committee. The minority members of the committee similarly supported it. When

this bill came up from the administration calling for 5-year, long-term direct Treasury financing, I supported that too.

Mr. Chairman, the President of the United States knows what is best for our country. The people of the United States feel that he knows what is best for America. If that were not so, he would not be in the position that he holds today. I think it is our bounden duty to follow the President because of the sources of information that he has available to him. The President, in his wisdom, has determined that it is necessary for the future welfare of our country to have the authority for long-term direct Treasury financing.

The Congress, the duly elected representatives of the people, should not refuse this request of the President. It is true that some of us may disagree with him.

With that end in mind we have offered a compromise. Certainly that is something that can be accepted by thinking people without in any way violating their feelings or their ideals. Of course, it has been said that we are going to violate the policies of this Congress, that we are going to lose our control. It has been proven full well during the debate in the last 2 days that that is not so. Certainly through the budgetary appropriations we will be enabled to determine how much is to be expended. We have the right to repeal section 202, the capitalization section of the bill. In that way you can also determine how much is to be expended.

I do not think it is our duty to hamstring the President or any of those who feel it is in the interest of our country to maintain a situation that is necessary.

Mr. McDOWELL. Mr. Chairman, will the gentleman yield?

Mr. FARBSTEIN. I yield to the gentleman from Delaware.

Mr. McDOWELL. Will the gentleman agree that the people of the United States are supporting the President today and that that is especially true in these last weeks? And that they especially support him overwhelmingly in his conduct of our foreign policy?

Mr. FARBSTEIN. If course I agree with the gentleman. There is no question but what the people of these United States support the President in these critical days, and it ill behooves us to take the position that we will not support him. The public opinion of this country favors the position the President thinks is necessary for this country, and I truly feel that it is to our interest, to the country's interest for us to do likewise.

Mr. JONES of Missouri. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I rise in support of the Saund substitute, and I wish to tell you why. We talk about long-term planning. If the plans are wrong, the longer they go the worse they get. During the last few weeks we have had an example of the disregard of the intent of Congress by officials in the Department of State. They operate this program. I want the Congress to appropriate the money at least this time for 1 year, and if their plans are not right we can cut off the moneys.

I think most of us have been here long enough to know that the only deterrent on some of these people is to cut off their funds. I am going to make a brief reference to the disregard by the State Department of the direction of the Congress in the recent extension of the Sugar Act, when we said specifically—and the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY], went into great detail here on the floor to say that we would give special consideration—the House wrote in "preference" but the conferees said "special" consideration—in buying sugar from countries that would buy our surplus agricultural commodities. That was entirely disregarded in the case of Brazil.

As chairman of the Subcommittee on Departmental Oversight I had a representative of the State Department before the committee who said that he was responsible for the action taken. He was one of the most arrogant witnesses I have ever seen. We told him at the time that we felt they had disregarded the instructions of Congress to sell this American wheat to Brazil who wanted to buy it and was willing to pay us dollars for it. He gave as his excuse that he did not think Brazil needed the wheat, that they should buy it from Argentina and other countries like that.

Lo and behold, a few days later we learned that Brazil bought that wheat from Russia. I documented that case in its entirety, and I sent it to the White House a week ago last Friday. I talked to two of the representatives of the White House and their legislative liaison officer. They said, "We are going to talk to the Secretary of State or the Department of State."

I spoke to them yesterday. They said they would have the State Department try to explain it to me. I talked to two State Department people today, and not yet have they admitted they have violated the intent of the Congress. They have not indicated they want to change their attitude.

Mr. Chairman, I appreciate the good people we have in the Department of State, I appreciate the great sacrifice that some of these people have made. But we have a lot of people down there who have been in the State Department since the Truman administration, through the Eisenhower administration; there has been no change in policy. Until I get some assurance we are going to get rid of these people who have no appreciation, no respect, and will not do what the Congress says, I am going to vote to put every restriction on this bill I can.

I have voted for foreign aid before, I am for foreign aid, I want to support it all I can. I am going to support the President. But I cannot support some of the people he has working for him and who are making decisions. He has had some very poor advisers. Until he gets rid of them we are not going to have the kind of program you want. If you want to get this thing on the line, support the Saund substitute amendment, then we can come back next year, and if they have gotten off on the wrong line we can get them back in the crack by the appropriation of funds. That is the only way you are going to do it.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Mississippi.

Mr. COLMER. It is obvious the temper of this House, is it not, is that some kind of a compromise or some kind of an amendment is going to be adopted. Bearing in mind when it comes back from conference it most likely will be weaker than when it left here, is it not the gentleman's opinion we should adopt a strong amendment, like the Saund amendment, because we may get less out of the conference?

Mr. JONES of Missouri. The gentleman is right. We have to show our responsibility, we have to accept the responsibility that we have, and the only way we can do it is by adopting the Saund amendment.

Mr. JENSEN. Mr. Chairman, I rise in support of the Saund amendment.

Mr. Chairman, there are those in this House on both sides of the aisle who will remember the drought and the crop failures in 1933, 1934, and 1935. When we talk about long-term commitments to foreign countries, we must remember that should we have a crop failure in America any year in the future, and it can happen again, our foreign aid would of necessity be brought to a bare minimum or stopped completely. Since our entire economy is generated from the products of mother earth.

You may say, "Oh, we have a great surplus of feed, food, and fiber." But let me remind you that the surpluses we have now in storage even as large as they are will be consumed in 3 months should we have a major crop failure. Would we not look rather ridiculous to the people in foreign lands if we committed ourselves to more than 1 year at a time, if for this or some other reason we could not live up to our commitments to send them neither dollars, feed, food, or fiber.

You may say, "Oh, that will not happen," but let us not forget that the good Lord has been especially kind to us Americans for a quarter of a century by giving us a proper amount of rain and sunshine which produced those bountiful crops. Just how much more we can expect of Him, I ask in all sincerity.

Just as sure as night follows day we will again have these devastating droughts and crop failures and should it come within the next 3 years which the compromise amendment provides, and we could not live up to our commitments to the people across the seas, then we would really lose face and prestige around the world.

Let us think seriously about that, my friends. Let us support the amendment offered by our colleague and adopted patriot from California. It is quite possible that because he did not inherit his citizenship here but came from a foreign land and took our oath of allegiance as he proudly stated a few minutes ago that the gentleman from California [Mr. SAUND] values his American citizenship just a little more than some native-born Americans who take their American citizenship for granted. For that, I honor

him and am proud to call him my friend and colleague.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield.

Mr. JENSEN. I yield to the distinguished gentleman from Mississippi.

Mr. WILLIAMS. The gentleman is a member of the Committee on Appropriations and a very able one. I am certain he is concerned over the Treasury method of capitalization provided in this bill, as I am.

Mr. JENSEN. Indeed, I am.

Mr. WILLIAMS. I would like to call to the attention of the House that article I of section 9 of the Constitution of the United States provides that no money shall be drawn from the Treasury but in consequence of appropriations made by law.

Mr. JENSEN. Right.

Mr. WILLIAMS. That means, of course, after appropriations have been made by the Congress. Now, while the Treasury financing system perhaps may not violate the letter of that provision, I do not think that anyone could reasonably suggest that it does not violate the intent and the spirit of that provision.

Mr. JENSEN. I believe it violates both the spirit and the intent, I will say to my friend.

Now, Mr. Chairman, some may say, oh, if we have a severe crop failure, we will simply increase the Federal debt ceiling, and we will float the necessary bonds to pay the bill. Then I ask, who among you would buy those bonds? If that should come about, God forbid, the dollar in your pocket today might, even before the next 3 years have ended, be worth about a dime in purchasing power. Then the hope of the Communist leaders would come true, and their prediction that the United States of America will spend itself into bankruptcy, and thus fall into their arms like autumn leaves.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. CORMAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CORMAN. Mr. Chairman, I rise to support the committee amendment which calls for commitments from this Nation over the next 3 years. I would not be so bold as to advise my colleagues concerning the proposed methods of financing this aid. It seems to me that abler Members than I have adequately supported the committee's position in this regard. But the argument posed by my esteemed colleague from Iowa disturbs me and seems to have gone unanswered to this point.

He raises the frightening possibility that this Nation may well suffer serious crop losses and food and fiber shortages at any time. If I recall his statement, it was that the Almightly had blessed us with the proper amount of sunshine and rain for several years, but we know not how long this may last.

To attempt to commit ourselves to share with our starving brethren throughout the world for longer than a 1-year period when we face the possibility of pestilence and famine at home is a proposition which justly deserves our attention. But I would humbly refer my colleague and others who are persuaded by this argument to chapter 15, verses 32 to 38, inclusive, of the Gospel of St. Matthew:

32. Then Jesus called his disciples unto him, and said, I have compassion on the multitude, because they continue with me now three days, and have nothing to eat: and I will not send them away fasting, lest they faint in the way.

33. And his disciples say unto him, Whence should we have so much bread in the wilderness, as to fill so great a multitude?

34. And Jesus saith unto them, How many loaves have ye? And they said, Seven, and a few little fishes.

35. And he commanded the multitude to sit down on the ground.

36. And he took the seven loaves and the fishes, and gave thanks, and brake them, and gave to his disciples, and the disciples to the multitude.

37. And they did all eat, and were filled: and they took up of the broken meat and that was left seven baskets full.

38. And they that did eat were four thousand men, besides women and children.

I would suggest that the Almighty who had compassion for the multitude—the Almighty who brushed aside the fears of his disciples and fed 4,000 on 7 loaves and a few fishes—will be disposed to send the right amount of sunshine and the right amount of rain to a nation willing to commit itself to share its food and treasure with today's starving multitude—today, next year, and the years after that.

It seems to me that many factors motivate this aid program. Among them, fear of military aggression, fear of the spread of communism, and a commitment to freedom—but high among the motives of this Nation under God is a concern by each of us for all of our fellow men.

Mr. GOODELL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GOODELL. Mr. Chairman, I rise in support of the substitute offered by the gentleman from California.

It is an atrocious thing how an international crisis can be used to promote an unworthy cause. Yesterday I sat through the full debate and heard a number of speakers say that the international crisis demands back-door financing of the Development Loan Fund. They tell us that development loans can only be effective if they are based on long-term planning. No one denies that simple truth. But then they lose their logic and declare, without convincing substantiation, that the only way they can achieve long-term planning is by back-door financing. Of course the fact is that we have had long-term planning, without back-door financing, in the foreign aid bill from the outset.

I submit that:

First. Congressional scrutiny has in the past exposed a number of abuses in the development program.

Second. Rather then less congressional scrutiny, we need more congressional scrutiny to eliminate waste and corruption.

Third. Long-term commitments, based upon back-door financing, are probably sought primarily because it is our intention to further appease those so-called neutral nations who seek to play us off against Soviet Russia for more and more aid. These countries play hard to get so we will give them more money. We are told that some of these countries may refuse to do their own part, so we had better offer them our aid on virtually a guaranteed basis. No longer will these underdeveloped nations have to worry about the careful watchfulness of Congress. The State Department can give them the money with the guarantee that these recipients of the taxpayers' largess need not worry about future congressional criticisms and oversight.

Mr. Chairman, I have supported mutual security. It is not popular back home, but it is, in my opinion a program that is critical to the survival of the free world. The people have a way of rising unselfishly in support of those who vote for what they sincerely believe to be in the best interests of national security. I hope to be able to vote for the mutual security program this year. I will not so vote, however, unless the taxpayers' money is safeguarded by proper congressional control over development loans on a year-by-year basis.

Mr. Chairman, our distinguished and respected colleague, the gentleman from Maine [Mr. GARLAND] is disabled by illness today. He has asked me to express from the floor of the House today his strong opposition to the back-door financing aspects of this bill. I am sure I speak for the entire House in expressing the earnest hope that our esteemed colleague who serves the people of Maine so ably and aggressively, will soon be back with us. In the meanwhile his presence is sorely missed.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

I do not want to delay the debate, because I think the committee is ready to vote. But, earlier a question was raised as to my having voted for a 2-year program. I checked back in the RECORD. After the Selden amendment was adopted the House went for a 1-year program and the matter was sent to conference. A 2-year authorization came back, but the people on the committee staff tell me—and I am sure they are correct about it—while it was a 2-year authorization program that we supported in the conference report, it provided for annual appropriations by the committee and did not provide for borrowing from the Treasury. That is much different from the proposition we have here today.

Mr. MORGAN. Mr. Chairman, if the gentleman will yield, I did not say anything about that. I spoke solely about the long-range principle involved. And, again in 1959 the gentleman voted for a 2-year development loan program.

STATUS OF APPROPRIATIONS, 1ST SESSION, 87TH CONGRESS

Mr. CANNON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the House and the country may be interested in knowing at this time how much money we are in process of appropriating in the present session. The regular annual supply bills have proceeded far enough for us to give you a very definite idea of how much money has been appropriated to date or will probably be appropriated for this session. I will submit tabulated statements of the regular appropriation bills and of the identified legislative bills carrying back-door provisions. According to the compilation, which is the most authoritative available, the back-door provisions thus far requested in this session in connection with 11 bills, including the pending foreign aid bill, amount to at least $28,670 million. That is the minimum.

The spending budget this year—fiscal 1962—is approximately $88 billion. The spending budget last year was about $81 billion. Shortly, in a couple of years, we will have a budget of $100 billion a year. Now, of course, we are not taking in money enough to pay this. Our national revenues do not meet these expenses. We are spending, and we have been spending during this entire year, every hour, $1 million more than we are taking in. Ever since this session began we have been spending in the red at the rate of $1 million every hour, day and night.

I do not have to tell you what that is leading to. And if we continue to spend at this rate, especially with these back-door provisions, spending will accelerate at an even greater rate.

We already owe the greatest peacetime debt in history. We are now paying the highest rate of interest. We cannot sell our bonds any more at 2 percent. Short-term bonds are drawing the highest rate of interest in the history of the Treasury. Long-term bonds are now selling so low that they pay in excess of 4 percent. This year we paid in interest alone $9 billion. Just 21 years ago the entire Federal budget was less than that.

We have raised the public debt limit seven times since 1954.

Under permission granted, I include two tabulated statements.

Table of appropriation bills, 87th Cong., 1st sess., as of Aug. 15, 1961

[Does not include any back-door appropriation bills]

Title	Budget estimates to House	Amount as passed House	House compared with budget estimates	Budget estimates to Senate	Amount as passed Senate	Senate compared with—		Final conference action	Increase or decrease compare to budget estimates to date
						Budget estimates	House		
1961 SUPPLEMENTALS									
3d supplemental, 1961	$1,299,834,769	$803,506,119	−$496,328,650	$5,339,565,127	$4,637,419,970	−$702,145,157	+$3,833,913,851	$1,694,055,637	[1]−$3,645,509,490
Inter-American program	600,000,000	600,000,000		600,000,000	600,000,000			600,000,000	
4th supplemental, 1961	88,024,000	47,214,000	−40,810,000	88,024,000	47,214,000	−40,810,000		47,214,000	−40,810,000
Total, 1961 supplementals	1,987,858,769	1,450,720,119	−537,138,650	6,027,589,127	5,284,633,970	−742,955,157	+3,833,913,851	2,341,269,637	−3,686,319,490
1962 APPROPRIATIONS									
Treasury-Post Office	5,371,801,000	5,281,865,000	−89,936,000	5,371,801,000	5,327,631,000	−44,170,000	+45,766,000	5,298,765,000	−73,036,000
Interior [2]	782,387,000	753,319,000	−29,068,000	782,387,000	813,399,850	+31,012,850	+60,080,850	779,158,650	−3,228,350
Labor-HEW	4,282,148,081	4,327,457,000	+45,308,919	5,004,131,081	5,161,380,000	+157,248,919	+833,923,000		
Legislative	105,647,577	104,353,335	−1,294,242	136,082,802	135,432,065	−650,737	+31,078,730	135,432,065	−650,737
State, Justice, Judiciary	805,584,202	751,300,050	−54,284,152	805,584,202					
Agriculture	6,089,244,000	5,948,466,000	−140,778,000	6,089,244,000	5,967,457,500	−121,786,500	+18,991,500	5,967,494,500	−121,749,500
Loan authorizations	(612,000,000)	(629,900,000)	(+17,900,000)	(612,000,000)	(725,500,000)	(+113,500,000)	(+95,600,000)	(725,500,000)	(+113,500,000)
Independent offices	8,625,561,000	8,404,098,000	−221,463,000	9,174,561,000	9,098,769,500	−75,791,500	+694,671,500	8,966,285,000	−208,276,000
General Government-Commerce	666,278,000	626,958,000	−39,320,000	666,278,000	650,438,200	−15,839,800	+23,480,200	641,135,800	−25,142,200
Defense	42,942,345,000	42,711,105,000	−231,240,000	46,396,945,000	46,848,292,000	+451,347,000	+4,137,187,000	46,662,556,000	+265,611,000
District of Columbia	(292,438,188)	(268,122,400)	(−24,315,788)						
Loan authorization	(24,000,000)	(29,000,000)	(+4,400,000)						
Federal payment	39,753,000	32,753,000	−7,000,000						
Military construction	1,035,568,000	883,359,000	−152,209,000	1,047,568,000					
Public works									
Mutual security									
Supplemental									
Total, 1962 appropriations	70,746,316,860	69,825,033,385	−921,283,475	75,474,582,085	74,002,800,115	+381,370,232	+5,845,178,780	68,450,827,015	[1]−166,471,787
Total, all appropriations	72,734,175,629	71,275,753,504	−1,458,422,125	81,502,171,212	79,287,434,085	−361,584,925	+9,679,092,631	70,792,096,652	[1]−3,852,791,277
Total, loan authorizations	(636,600,000)	(658,900,000)	(+22,300,000)	(612,000,000)	(725,500,000)	(+113,500,000)	(+95,600,000)	(725,500,000)	(+113,500,000)

[1] Major reductions include 2 items submitted directly to Senate (S. Doc. 19): (1) $2,969,525,000 to restore funds of Commodity Credit Corporation. Entire estimate disallowed in conference; $1,951,915,000 resubmitted for 1962 in budget estimates for Agriculture (H. Doc. 155); (2) $490,000,000 for "Payment to the Federal extended compensation account." Reduction made by Senate. Resubmitted to Senate for 1962 in Labor-HEW bill (S. Doc. 30).

[2] Includes borrowing authority as follows: Budget estimate, $15,000,000; House reported and passed, $10,000,000; Senate reported and passed, $10,000,000.

NOTE.—Indefinite appropriations are included in this table.

New authority to obligate the Government carried in identified legislative bills, 1st sess., 87th Cong. (public debt borrowing, contract authority, use of receipts, and authority to use existing authority)

[Please note that for some bills no amounts are shown; thus the grand totals understate the situation]

Bill and subject	Executive requests		Senate	House	Enacted	Enacted compared with executive requests	
	Full basis	Basis comparable to enacted				Full basis	Comparable basis
1. Veterans' direct loans, multiyear (H.R. 5723; Public Law 87-84) (public debt)	(1)	(1)	$1,050,000,000	$1,050,000,000	$1,050,000,000	+$1,050,000,000	+$1,050,000,000
2. Area redevelopment, multiyear (S. 1; Public Law 87-27) (public debt)	[2] ($300,000,000)	[2] ($300,000,000)	[2] 300,000,000	[2] (300,000,000)	[2] 300,000,000	+300,000,000	+300,000,000
3. Agricultural commodities, sales for foreign currencies, for calendar year 1961 (S. 1027; Public Law 87-28) (contract authority)	[4] 2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000		
4. Special milk program for fiscal year 1962 (S. 146; Public Law 87-67) (contract authority)	[5] 105,000,000	[5] 105,000,000	105,000,000	105,000,000	105,000,000		
5. Special feed grain program for 1961 (H.R. 4510; Public Law 87-5) (contract authority)	(6)	(6)	(6)	(6)	(6)		
6. Housing Act of 1961, multiyear (S. 1922; Public Law 87-70) (public debt and contract authority): (a) FNMA, special assistance (public debt)	750,000,000	750,000,000	750,000,000	[7] 1,550,000,000	[7] 1,550,000,000	+800,000,000	+800,000,000

See footnotes at end of table.

New authority to obligate the Government carried in identified legislative bills, 1st sess., 87th Cong. (public debt borrowing, contract authority, use of receipts, and authority to use existing authority)—Continued

[Please note that for some bills no amounts are shown; thus the grand totals understate the situation]

Bill and subject	Executive requests		Senate	House	Enacted	Enacted compared with executive requests	
	Full basis	Basis comparable to enacted				Full basis	Comparable basis
6. Housing Act of 1961—Continued							
(b) College housing loans (public debt)	$1,350,000,000	$1,000,000,000	$1,350,000,000	$1,200,000,000	[8] $1,200,000,000	−$150,000,000	+$200,000,000
(c) Public facility loans (public debt)	50,000,000	50,000,000	50,000,000	500,000,000	450,000,000	+400,000,000	+400,000,000
(1) Mass transportation loans (public debt)			100,000,000		50,000,000	+50,000,000	+50,000,000
(d) Urban renewal grants (contract authority)	[9] 2,500,000,000	[9] 2,500,000,000	[9] 2,500,000,000	[9] 2,000,000,000	[9] 2,000,000,000	−500,000,000	−500,000,000
(e) Public housing (contract authority):							
(1) Annual contributions	[10] 3,146,000,000	[10] 3,146,000,000	[10] 3,146,000,000	[10] 3,146,000,000	[10] 3,146,000,000		
(2) Demonstration grants	[11] (10,000,000)	[11] (10,000,000)	[11] (10,000,000)		[11] 5,000,000	+5,000,000	+5,000,000
(f) Open space land grants (contract authority)	[12] (100,000,000)	[12] (100,000,000)		[12] (100,000,000)	[12] 50,000,000	+50,000,000	+50,000,000
(g) Mass transportation demonstration grants (contract authority)	[13] (10,000,000)	[13] (10,000,000)	[13] (50,000,000)		[13] (25,000,000)	(+15,000,000)	(+15,000,000)
(h) Farm housing loans (public debt)	[14] 207,000,000	[14] 207,000,000	[14] 207,000,000	[14] 407,000,000	[14] 407,000,000	+200,000,000	+200,000,000
Total, housing bill	8,003,000,000	7,653,000,000	[15] 8,103,000,000	8,803,000,000	8,858,000,000	+855,000,000	+1,205,000,000
Loans	(2,357,000,000)	(2,007,000,000)	(2,457,000,000)	(3,657,000,000)	(3,657,000,000)	(+1,300,000,000)	(+1,650,000,000)
Grants	(5,646,000,000)	(5,646,000,000)	(5,646,000,000)	(5,146,000,000)	(5,201,000,000)	(−445,000,000)	(−445,000,000)
7. Cape Cod National Seashore Park (S. 857; H.R. 5786; Public Law 87-126) (contract authority)	[16] (16,000,000)	[16] (16,000,000)	16,000,000	[16] (16,000,000)	[16] (16,000,000)		
8. Federal aid to airports, 5 years (H.R. 6580; S. 1703; H.R. 8102) (contract authority)	375,000,000			[16] (375,000,000)			
9. Mutual security loans, 5 years (H.R. 8400; S. 1983) (public debt borrowing, use of certain repayments, and contract authority):							
(a) Public debt borrowing for development loans	7,300,000,000						
(b) Use of receipts from old loans for development loans	[17] 1,487,000,000						
(c) Drawdown on Defense stocks and services for military assistance purposes (Defense can incur obligations in anticipation of reimbursement) (sec. 510)	400,000,000						
(d) Use of foreign currencies (sec. 611)	[18]						
Total, mutual security	9,187,000,000						
10. Highway Act of 1961 (H.R. 6713; Public Law 87-61) (diversion of general fund revenues to "trust" fund; contract authority):							
(a) Diversion of ½ of 10 percent tax on trucks, buses, and trailers [19]			1,660,000,000	1,803,000,000	1,660,000,000	+1,660,000,000	+1,660,000,000
11. Agricultural Act of 1961 (H.R. 6400; H.R. 8230; S. 1983; Public Law 87-128):							
(a) 1962 wheat program (use of CCC funds)			[5]	[5]	[5]		
(b) 1962 feed grain program (contract authority and use of CCC funds)			[5]	[5]	[5]		
(c) Agricultural commodities, sales for foreign currencies (contract authority)	[20] 7,500,000,000	[20] $4,500,000,000	[20] 4,500,000,000	[20] 4,500,000,000	[20] 4,500,000,000	−3,000,000,000	
(d) Famine relief (contract authority)	[21] 1,500,000,000	[21] 900,000,000	[21] 900,000,000	[21] 900,000,000	[21] 900,000,000	−600,000,000	
Total, Agricultural Act	9,000,000,000	5,400,000,000	5,400,000,000	5,400,000,000	5,400,000,000	−3,600,000,000	
Grand total (as to amounts listed)	28,670,000,000						

[1] Department endorsed need for some legislation, but no specific request was submitted by the administration. Bill extends over 6 years.

[2] Recommended usual-type authorization of appropriation to 3 revolving funds plus use of receipts derived from operations. House concurred.

[3] For 3 revolving funds plus use of receipts derived from operations.

[4] For calendar year 1961 only (to a total of $3,500,000,000).

[5] Originally submitted as part of the general farm bill, to be financed in this manner for fiscal 1962 and thereafter through the more usual annual advance appropriation.

[6] Amounts not precisely determinable.

[7] Basis for this figure is set out on pp. 54-55, H. Rept. 447.

[8] For 4-year period; full Executive request and Senate bill were for 5-year period.

[9] For 4-year period.

[10] Represents estimated maximum cost of annual contributions for 100,000 units of public housing to be paid out over period 40 to 45 years. See pp. 55-56, H. Rept. 447.

[11] Regular authorization for appropriation in Executive request and Senate bill. House bill made no provision. Bill changed at conference stage to contract authority.

[12] Regular authorization for appropriation. Senate bill made no provision. Bill changed at conference stage to contract authority.

[13] Part of, and included in, item 6(d), urban renewal grant authority.

[14] Executive request and Senate bill proposed a 5-year extension of availability of the uncommitted balance of previous authority otherwise due to expire on June 30, 1961. (Amount variously estimated at $207,000,000 to $235,000,000.) House bill and final version extend such balance and add $200,000,000 additional—limited, however, to a 4-year period. See pp. 57-58, H. Rept. 447.

[15] Excludes $1,200,000,000 carried in Senate bill for veterans direct loans inasmuch as the program is also accounted for in the first bill listed in tabulation.

[16] Regular authorization for appropriation.

[17] Officially estimated at $287,000,000 for 1962 and $300,000,000 for each succeeding year.

[18] Precise amounts not identified.

[19] While technically this is not "New authority to obligate the Government," it has the same effect insofar as general budget totals and results are concerned in that it is, in final effect, the same as an expenditure from the general fund. Amounts shown taken from p. 12, S. Rept. 367. "New authority to obligate the Government" carried in the law, and requested, is $11,560,000,000 for the interstate program over the period through 1972; but it is against the highway "trust" fund, not the general fund. Not shown here are the executive proposals (1) to increase new obligating authority for the A-B-C program; (2) to shift financing of forest and public land highways from the general fund to the "trust" fund; and (3) to redivert aviation gas tax revenues from the "trust" fund to the general fund. They are not shown because action was postponed to a later time.

[20] Enacted and Senate bills for 3 calendar years 1962-64. Full executive request was 5 years 1962-66. House was for 3 years 1962-64 with no limit, but in order to avoid gross distortion of totals and comparisons, $4,500,000,000 is arbitrarily inserted.

[21] Full executive request was for 5 calendar years 1962-66. Senate, House, and enacted bills are for 3 calendar years 1962-64.

The totals are incomplete because some bills are not yet reported and others are pending floor or conference consideration. That is so especially true as to the back-door bills that no grand totals are shown except for the executive branch requests. And as noted, even that total understates the situation by an amount not now authoritatively ascertainable. That is but one of the reprehensible features of the ever-growing back-door practice. They are so certain as to directing additional expenditures but sometimes equally uncertain as to the precise amounts.

This back-door table comes to the astounding total of $28,670 million. That is too low, because as noted, no precise amounts are available for one or two of the bills. And the so-called highway trust fund, no longer financed within the general budget, is not included; the highway bill this session increased the interstate contract authority by $11,560 million over the next 11 years.

Mr. SMITH of Virginia. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I am not in the confidence of the leadership of the House—and that is not funny. But there is a rumor around here that we are going to rise before we vote on this amendment in the hopes that there may be a change of heart before morning.

I just want to express the hope that this Committee will be ready to vote on this. The House is ready to vote on it. I merely rise to express the hope that this Committee will refuse to rise until we get a vote on this proposition.

Mr. ROOSEVELT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I can of course appreciate the value of the strategy of trying to get a vote when you think you are ahead. None of us, I am sure, who are opposed to the amendment offered by the gentleman from California, would not recognize that. Yet I cannot help but say to those who want to vote immediately that I wonder if they have considered not just the local, short-range effect of what we are about to do but what effect it will have on the rest of the world when it is published tomorrow morning. How will it be hailed all around the rest of the world?

I think some of you who were here yesterday will remember that I reminded the Members of this House that Mr. Castro's brother at the meeting in Uruguay predicted that we would do exactly what my very good friend from California wants us to do at this very time. He predicted that we would make, and be unable to make more than, a 1-year commitment, and that is exactly what this amendment would have us do tonight.

On the other hand, does it seem unreasonable to consider the amendment offered by the distinguished chairman of the Committee on Foreign Affairs? I think it is important that we try to review for a minute what the differences are between the amendment offered by the gentleman from Pennsylvania [Mr. MORGAN] and the amendment offered by the gentleman from California [Mr. SAUND]. The differences, of course, are that Mr. SAUND would limit the power of the President to enter into any agreements beyond a total of $1,200 million, and limit the commitment to that agreed upon in fiscal 1962–63 even though the money could be spent until exhausted.

Yes, the President could plan. He could plan all he wanted to plan. But what would be the use of his talking to any representative of any nation knowing that he was limited to that $1,200 million for 1 year? It would completely stultify his effort.

I cannot help but believe that the compromise offered by the gentleman from Pennsylvania [Mr. MORGAN], which cuts down the total amount of appropriation and reduces it to 3 years and brings it back within the cognizance of this House and the other body so that no loan may be made within 30 days until the responsible committees of this House have a chance to act and express their will, is clearly more in the national interest. And that does not play into the hands of our Communist friends. Certainly in these days, while we may debate whether or not we should hold onto these reins, to this responsibility, I think we have also to think of the needs of the situation as we face it, not as partisans, not as Republicans or Democrats, but as Americans who are playing with the very life of our own country.

I would say to my friends, if there is any other Member of the House who has anything he feels he should contribute, I am willing to stay to any hour to listen to him, as I have to this whole debate, for certainly there should be no hurry or any question of trying to steamroller, to give or prevent anybody from giving his view on what probably is one of the most momentous decisions that will be made in our time.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Illinois.

Mr. DERWINSKI. If the gentleman will pardon a personal remark, he referred to the effect our act in supporting the amendment offered by the gentleman from California [Mr. SAUND] might have throughout the world. If we judge all of our acts by the effect they might have on world opinion, many things we do in this Congress, many things we have done in the past month, then perhaps the effect on the opinion of the world when they observe the actions of any Member of Congress in attempting to credit or discredit a committee of Congress should also be taken into account.

Mr. ROOSEVELT. If the gentleman wants to bring in extraneous issues, of course he has that right. But I repeat, the program has not been too well run even though all these years we have had single-year appropriations. The Morgan amendment gives the new administration a chance to prove itself. I believe most Americans would like to see it have the opportunity. I hope you will think it over and support the amendment offered by the gentleman from Pennsylvania [Mr. MORGAN].

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Chairman, I know the hour is late. I should like to call the attention of my colleagues to a saying that Emerson once wrote, "Whoso would be a man must be a nonconformist." I remind you of this saying to illustrate the high regard and deep respect I have for the gentleman from California for offering his amendment today. I also have the highest respect for all of those who have spoken both in support and in opposition to this substitute amendment. The one thing that distinguishes us as Americans and as Members of this body legislative from most other social orders in the world is the fact that we have the right to be different; that we have the right to disagree; we have the right to express our own opinions. I say the debate here has demonstrated there is a variance of opinion on this program in this body. However, while I do not question at all the sincerity of those who would urge the adoption of the amendment offered by the gentleman from California [Mr. SAUND], I should like to submit for your consideration the fact that, in my humble opinion, they are, indeed, in the right church but the wrong pew. I submit the amendment offered by the gentleman from California [Mr. SAUND] would serve to perpetuate the long litany of criticisms and wrongs that have been described in this entire foreign aid program during the last 10 hours of general debate. I do not quarrel with the gentleman from Missouri [Mr. JONES] on his appraisal of this program or his views. I would not quarrel with a single Member of this body who has stood in this well and criticized various aspects of this program. That is why President Kennedy has tried to present to the country and to this body a new approach. Certainly, one of the great problems and one of the great shortcomings of this program over the last 15 years has been that it has not provided for any long-term planning. The Kennedy administration has come forth with a proposal which would bring about order and efficiency, and would reduce to a minimum those aspects of the foreign aid program which up to now have been the cause for a great deal of criticism and have been denounced on both sides. President Kennedy has made a sincere effort to place before the American people a new approach to a program which all of you know could not be totally abandoned at this critical time. We need only to ask ourselves one question—If we were to abandon this foreign aid program in its entirety today, what would we put in its place? What would fill the vacuum that would be left? A vacuum, incidentally, which the Communists would immediately exploit.

We have in this House earlier today demonstrated that we, as responsible Members of the Congress, can rewrite this legislation and can improve it. I congratulate the committee for previously accepting the amendment offered by the gentleman from Iowa [Mr. GROSS]. I think it is a good amendment. I think

it will tighten up this program. I am sure that as we go along, there will be other amendments. The gentleman from Indiana [Mr. HALLECK] said that if the Saund amendment is defeated, he would support a multiyear authorization but single year appropriation provision. Certainly, the Halleck suggestion would be vastly better than the proposal made in this substitute amendment we are now discussing. This substitute amendment will leave us right where we have been for the last 15 years. Those of you who have criticized the foreign aid program should join in defeating the Saund amendment so that the administration can have an opportunity to try to improve the program. Let us give the foreign aid program a new look and see if we can help make it work.

If you accept the Saund substitute amendment, we will be standing in this Congress next year again denouncing the foreign aid program. We will be denouncing the program next year because we will have today voted to perpetuate a system that has proved inoperative over the last 15 years, if this substitute amendment is adopted. I hope the gentleman's substitute amendment is defeated. I hope we will then proceed to write this bill and amend it, if you will as reasonable men and women, but I hope you will amend it in such a way that the bill will serve the best interests of the country and of the free world.

Let us demonstrate to the entire world, including those nations behind the Iron Curtain, that we Americans can put partisan politics aside when it comes to matters involving the survival of freedom. President Kennedy has offered this Congress a bold and imaginative program to improve operation of the foreign aid program. The amendment offered by the chairman of the Foreign Affairs Committee, Dr. MORGAN, guarantees to both Houses of Congress the right to constantly review the program, so that talk of Congress surrendering its prerogatives to the Executive is without foundation. I think President Kennedy should be given an opportunity to put his new approach to a test and for this reason I strongly urge we reject the Saund substitute and adopt the Morgan amendment.

Mr. MORGAN. Mr. Chairman, if the House will be patient, there are probably three more speakers on this amendment. I ask unanimous consent that all debate on this amendment end at 10 minutes to 6.

Mr. COLLIER. Mr. Chairman, reserving the right to object, is that with the understanding that at 10 minutes to 6 there will be a vote?

Mr. MORGAN. No.

Mr. COLLIER. Then I object.

(By unanimous consent the pro forma amendments were withdrawn.)

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, during my remarks yesterday I called attention to the situation that exists throughout the world, of the barbed wire separating the people of East Berlin from those of West Berlin, of Soviet tanks and divisions moving in—we know what that might result in—and of inflammatory conditions.

This bill is being considered in such an atmosphere and at such a time, and with other conditions existing throughout the world certainly not favorable to our country.

I said yesterday that President Kennedy inherited the worst situation throughout the world that any President ever inherited in the history of our country. You Republicans do not like that, do you? Yet it is the truth.

In an effort to arrive at a likely compromise, because reasonable compromise is progress, an amendment has been offered by the distinguished gentleman from Pennsylvania for 3 years direct Treasury financing on development loans. That amendment is a reasonable one, a just one, and a fair one; it is an amendment on which different Members can harmonize their views. It is offered in sincerity and will be supported if adopted.

My friend from California—and we have treated him very kindly—offered an amendment not even as liberal as the Republican proposal. His is a 1-year proposition. The Republicans offered one proposal for 4 years and one proposal for 5 years. So my friend from California is simply not willing to go as far as the Republicans, and yet the Republicans are supporting him.

I said yesterday that bipartisanship is not evidenced by words alone, but by actions too. The rollcall will show where the action is. The rollcall when broken down will show whether bipartisanship consists of words only or is supported by bipartisan action.

The President as the Chief Executive of our country is the sole repository in the field of foreign affairs. God alone knows he has serious problems weighing upon his mind. We all have serious problems weighing upon our minds and in this body we have our individual responsibility and our responsibility as Members of the Congress of the United States.

The problems weighing upon the mind of the President of the United States are so grave, so tremendous, that it takes only a man of great courage to be able to sustain them. President Kennedy has evidenced the courage necessary in his great office, as well as the ability; and, as the Chief Executive of our country, he asks for a 5-year program in order to meet the advantage that the Soviet Union has over us in the same field of what might be termed and what we term development loans.

In an effort to harmonize and maintain the bipartisan relationship that we gave during 8 years to former President Eisenhower—no one can deny that, we Democrats did it—we have offered this 3-year amendment in the hope that Members can harmonize their feelings in order to maintain bipartisan action.

The amendment offered by my friend from California does not even represent one step forward. It is nothing but ordinary legislation and is not even as strong as the offer made from the Republican side.

I hope his amendment will be defeated, and the Morgan amendment adopted.

Mr. MORGAN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, it has been indicated that we were going to move that the Committee rise before a vote on this matter. Let me say that the chairman of the Committee on Foreign Affairs is willing to put this to a vote tonight.

Somebody said during the debate a little while ago that Henry Cabot Lodge, the vice-presidential candidate of the Republican Party, came out yesterday for President Kennedy's long-range program. I am sure everyone in this Hall has read the recent articles by the Republican presidential candidate, Richard M. Nixon. I am sure all of those on the other side have read those articles and know that he also came out for the long-range program with long-range authorization even though subject to annual appropriation.

If you are going to vote your conscience today, I am going to ask you to vote down the Saund amendment. I challenge you to offer your own substitute proposal.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from California [Mr. SAUND] to the amendment offered by the gentleman from Pennsylvania [Mr. MORGAN].

Mr. WILLIAMS. Mr. Chairman, on that I demand tellers.

Tellers were ordered; and the Chairman appointed as tellers, Mr. MORGAN and Mr. SAUND.

The Committee divided and the tellers reported that there were—ayes 197, noes 185.

So the substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment, as amended.

The amendment, as amended, was agreed to.

Mr. MORGAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8400) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, had come to no resolution thereon.

H.R. 8400

Mr. MONAGAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MONAGAN. Mr. Speaker, in his remarks yesterday, the gentleman from Texas [Mr. ALGER] quoted the following excerpt from my separate views in the Report of the House Committee on Foreign Affairs on H.R. 8400:

> No one who has listened to the evidence of negligence, misfeasance, and actual criminality in Laos, in Cambodia, and in Peru, can escape the conclusion that in too many instances the people administering our aid programs have been unequal to their responsibilities and, what is more important, that those officials in the middle ranks of administration who are the real managers of the program have shrunk from making the personnel changes which are essential to proper administration.

These comments are taken out of context and represent a distorted view of my position. In order fully to convey my views, I append herewith a further excerpt from my statement which clarifies my position by expressing a hope that the new administration will take the steps necessary to bring about the administrative reforms that are required for the effective functioning of the mutual security program:

> I have been impressed by the expressed intent of President Kennedy, Secretary Rusk, and Mr. Labouisse to initiate reforms, to recruit competent administrators, and to follow closely the administration of the program. I am hopeful that the new administration will follow through with its expressed promises. Of particular interest to me is the proposal of President Kennedy to recruit competent managerial talent from private industry for a set period of governmental service. In view of this promise and the perilous nature of the times in which we live, the House may be willing to make the changes which H.R. 8400 effects in our existing law.
>
> If, however, we do not have improved administration, closer supervision, and better recruitment in the personnel administering our aid program, the alternative will be increased ineffectiveness and greater and more widespread scandals than any we have hitherto seen.

BETTER MUTUAL UNDERSTANDING THROUGH EDUCATION AND CULTURAL EXCHANGES

Mr. HAYS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS. I have introduced a clean bill, H.R. 8666, to provide for the improvement and strengthening of the international relations of the United States by promoting better mutual understanding among the peoples of the world through educational and cultural exchanges. This bill was reported unanimously to the full Foreign Affairs Committee by the Subcommittee on State Department Organization and Foreign Operations.

The members of the Subcommittee on State Department Organization and Foreign Operations of the Committee on Foreign Affairs join me in the sponsorship of this bill. They are: Hon. EDNA F. KELLY, Democrat, of New York; Hon. CLEMENT J. ZABLOCKI, Democrat, of Wisconsin; Hon. LEONARD FARBSTEIN, Democrat, of New York; Hon. D. S. SAUND, Democrat, of California; Hon. JOHN MONAGAN, Democrat, of Connecticut; Hon. FRANCES P. BOLTON, Republican, of Ohio; Hon. E. ROSS ADAIR, Republican, of Indiana; Hon. HORACE SEELY-BROWN, Jr., Republican, of Connecticut.

Hon. HARRIS B. MCDOWELL, Jr., Democrat, of Delaware, a member of the Committee on Foreign Affairs, also supports this measure. Mr. MCDOWELL had originally introduced a companion bill to the one upon which the subcommittee held hearings.

Our hearings on the original bill, H.R. 5203, were extensive. In addition to witnesses from the executive branch we heard representatives from the educational and cultural fields. Many who could not appear submitted statements endorsing the bill and some of them offered suggestions for improving it.

When the hearings started, I stated that this bill was not a cure-all for the deficiencies in our various exchange programs. Its purpose was to bring some degree of focus and direction to the multiple approaches of the exchange programs. It deals with programs administered principally by the State Department under the authority of several different laws. It leaves untouched similar programs operated by ICA and other Government agencies. During executive consideration of the bill, the subcommittee examined each provision, deleted some, modified others, and added some new language. The final product in our judgment is a strengthened measure. After it has had an opportunity to operate, my subcommittee will study what further legislative action may be necessary to carry out the objectives. The proposals contained in this bill are a necessary first step toward improvement in a vital area of our international affairs.

RESIDUAL FUEL OIL IMPORT CONTROL PROGRAM

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Virginia [Mr. JENNINGS] is recognized for 1 hour.

Mr. JENNINGS. Mr. Speaker, I requested this special order today to discuss the residual fuel oil import control program. It is highly appropriate, I believe, for the House to focus attention upon this program at a time when the entire Nation is concerned with our security. We all know that trying days are ahead. We have been put on notice by Premier Khrushchev that a major test of strength could occur over Berlin this fall. Even if the Berlin crisis is resolved without resort to force, as we all hope, there will remain many serious problems in all parts of the world which threaten the peace.

Therefore, we have no alternative other than to see that our military position remains unassailable and that the national security be strengthened wherever possible.

It is my conviction that the residual oil import control program is essential to national security. The program was instituted in March of 1959 by Presidential proclamation because the President found, on the basis of reports from the Office of Civil and Defense Mobilization and a special Cabinet committee, that imports of residual oil were coming into this country at such a rate as to threaten to impair the national security. In other words, Mr. Speaker, there was an official finding by the Government, at the very highest level, that if imports were not held in check the capacity of the Nation to defend itself in time of peril, such as we are facing today, could be seriously impaired.

It seems to me that a determination such as this, involving the national security and emanating from the White House, cannot be ignored or taken lightly. It is a serious matter. Yet, there are groups in this country which are demanding that all controls be lifted immediately and that unlimited imports of oil be permitted. This would be a highly dangerous course to follow, Mr. Speaker, and one the entire Nation could live to regret. This is not the time to take any action to weaken our security posture.

In time of crisis, the Nation will have to depend upon domestic supplies of fuel to meet emergency needs, just as it always has. We cannot, with any degree of safety, base our mobilization plans upon the assumption that unlimited supplies of foreign oil would be available in times of emergency. We know from the bitter experience of World War II that shipments of oil by oceangoing tanker are highly vulnerable to submarine attack. And in any future military action, we know the Russians will have more and better submarines than the Germans had at the beginning of the last war, and therefore, will be in a much stronger position than were the Germans to disrupt our shipping.

The only reasonable and safe course which those charged with protecting the Nation's security can follow is to see to it that there will be ample fuel available in this country—where it can be transported to points where it is needed without exposing it to attack by enemy action. To assume that the Russian submarine force would not be a serious menace, and that foreign oil could continue to be imported in amounts sufficient to meet the greatly expanded emergency needs of the Nation, would be an open invitation to national disaster. The residual fuel oil import control program is a part of wise mobilization planning.

Unlimited imports of residual fuel oil would play havoc with the domestic fuels industries. It is highly significant, Mr. Speaker, that domestic oil producers, and their organizations, favor stringent controls on residual oil, along with crude oil. The chief spokesman for removal of controls among the oil people are the international oil companies. They are the ones who produce the residual oil in foreign countries and they are the ones who are leading the fight for having controls taken off so they will have an unlimited market for a cheap, foreign produced product.

I represent a major coal producing district. I have seen firsthand what imported residual fuel oil can do to coal

markets on the east coast. It is taking over coal markets. If it should become available in unlimited amounts and at cut-rate prices, we face the very distinct danger that the entire coal market—as much as 135 million tons a year in the east coast—will be lost completely to foreign residual oil.

The loss of a market of this size would have a devastating effect on the coal industry. Production would have to be cut back even further than it is today. There is serious doubt that many companies, denied this large and important east coast market, could continue to operate.

The Nation faces the sobering fact, Mr. Speaker, that if coal production is depressed any further, it is extremely doubtful that it could possibly expand production significantly or rapidly enough to meet emergency needs of the Nation. We must remember that it will fall to the coal industry not only to meet any such expanded emergency needs but also to fill up the considerable fuels gap which would be caused by the cutting off of foreign oil shipments.

This is a sizable order. In World Wars I and II the coal industry was able to step up production by as much as 200 million tons in a comparatively short time. But remember this fact: Today we have a depressed coal industry. Coal mines could not be maintained indefinitely on a standby basis even if the operating companies could afford the tremendous expense involved. The only way the Nation can possibly insure that the coal producing capacity will be available when needed is to see to it that a market for coal is maintained during peacetime.

The President's special Cabinet committee, which made a detailed study of the problem and its effect upon national security, recognized that unreasonable imports of residual fuel oil adversely affect the coal industry's ability to maintain production at safe levels. This committee said the coal industry must, and I quote, maintain a level of operation which will make possible expansion of output, end quote. That is why they recommended, and the President instituted, controls over residual fuel oil imports.

The oil import controls program is a national security measure, Mr. Speaker. There is no question about this. An adequate supply of fuel is one of the Nation's most pressing wartime needs. The fuel must be immediately available. We cannot gamble on foreign oil getting through a submarine blockade in sufficient amounts to keep our defense plants operating at maximum levels. We cannot afford to have our vital defense industries mark time, once the foreign oil supplies are cut off, while we spend a lot of money and a lot of precious time, getting the neglected coal industry back into shape to operate at maximum productive capacity to meet the Nation's needs.

A large segment of the vital east coast industrial complex, which accounts for about 40 percent of the Nation's economic activity, is already dangerously dependent upon foreign oil. We would not have to have a full scale military emergency for the full impact of this dangerous situation to affect the country. A political crisis in Venezuela, or in some of the Middle East countries, could just as effectively deny this residual oil to the east coast as would a war.

If controls were to be removed, there would be a flood of foreign oil to the east coast. There would be extensive price cutting as the big international oil companies compete against each other for a lion's share of the large industrial fuels market which they do not now control. All of this would mean that this vast east coast complex would become even more dependent upon foreign oil as a fuel—so dependent, in fact, that any interruption in supply would bring about immediate shortages.

An acute fuels shortage along the east coast, which under the conditions I have described above, could close vital defense plants and work a great hardship upon less essential consumers of foreign oil, would add to the emergency demands on the coal industry.

I submit, Mr. Speaker, that those groups and individuals who are demanding an immediate end to all controls on residual fuel oil, had better pause in their campaign and think a little bit about the consequences of their proposed action. I hope and trust that we will never reach the stage in this great Nation of ours that our ability to survive in time of crisis will be determined by outside sources. That is the direction in which the opponents of oil import controls would be pointing us if we get rid of controls. Our ability to produce the sinews of war, to remain industrially strong over a long period and to provide the massive amounts of material which a modern war demands would, if these opponents of controls prevail, be decided by how much foreign oil we could import into the Nation. They completely disregard the devastating effect excessive imports could have on our domestic fuels industries, particularly coal.

The opposition to the residual fuel oil control program is concentrated in New England. The New England council has retained the well-known international public relations firm of Hill & Knowlton to spearhead the campaign to bring about the end of controls.

Personally, I believe the New England council and the good people of New England have been taken in by the international oil companies, aided and abetted by those few traffickers in residual oil who have seized the opportunity to make a few extra cents a barrel from their customers while placing the blame on a convenient whipping boy—the import control program. The people of New England are being told constantly that the residual fuel oil control program is costing them millions of dollars each year. The national security aspects of the program are glossed over with a simple statement that controls and national security are not related in any way whatsoever. No authority is offered for this statement, which runs counter to official U.S. policy. We are asked to take the word of some press agent for this.

Those groups and individuals in New England who are determined to bring about an end to import controls contend that without controls they could buy residual oil a great deal cheaper.

This is a lot of poppycock. I challenge anyone from New England to show me that the import controls program has been responsible for higher fuel costs to New England. I would like to remind them that the posted price for cargo or tanker lots of residual fuel oil in Boston is today the same as it was in March of 1959—just prior to the imposition of controls. The cargo price is the meaningful price, Mr. Speaker. If import controls had created shortages, as has been alleged, this fact would be reflected in a higher cargo price. But the posted cargo price today is $2.26 a barrel—the same as it was in March of 1959. And for 7 months during the control period, the posted cargo price was even lower than $2.26. These prices are a matter of record. They cannot be challenged.

If there have been price increases in New England, they have been in prices for smaller lots, and these prices were fixed after the oil reached this country. These price increases would reflect increases in labor, transportation, or perhaps a greater profit for the importers and distributors.

I mention these facts because the alleged increase in fuels costs for New England constitute the only arguments the big oil companies have been able to come up with for the lifting of controls.

I do not believe the residual import control program has penalized New England. But even if it has added $10 million to the fuels costs of the region, as the New England council claims, but which it certainly has not, as I have just pointed out, could not this be considered the price one area of the Nation must pay toward greater national security? Are we to concern ourselves with security only if it does not cost us anything or if it is painless?

Our New England friends devote a lot of their propaganda to make it appear that import controls involve a fight between New England and the coal industry. This is not a regional matter, Mr. Speaker, the Appalachian coalfields against New England. The reasons for controls are far more basic and serious than mere jockeying for economic advantage among regions. The national security is involved.

Residual fuel oil controls are essential to national security. The President and his top level advisers have so found. It would be highly dangerous for controls to be removed.

The Director of the Office of Civil and Defense Mobilization is currently engaged in a review of the residual fuel oil import control program. In view of the worsening international situation and the compelling need for this country to strengthen its security forces, it is inconceivable that he would make any recommendations to increase quotas at this time. If anything, we feel findings will necessitate lowering the quotas. Import controls on residual oil are more important now than they have ever been before. The world is in ferment. We cannot assume that foreign sources of oil will always be available to us. Therefore, controls cannot be removed at this

time and permit such an influx of foreign oil that the ability of the domestic fuels industries will be so undermined that they cannot meet the national security responsibility assigned to it by the President and his top-level advisers. Import controls on residual fuel oil must be retained in the interests of national security and the Nation's welfare.

The effect that residual oil imports have had, even under controls, is easily seen by looking at the unemployment figures from my own district. In the 4 major labor market areas in which my 12 counties are located, there are presently more than 17,750 unemployed, many of them coal miners or workers in coal-related industries. If residual oil controls were completely removed, there would be even larger numbers of unemployed.

Mr. Speaker, I yield to the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Speaker, I wish to compliment my colleague and neighbor, the gentleman from Virginia, on his vigorous stand here today to continue controls on residual oil and urging that they be strengthened. I am delighted to have the opportunity to join with the gentleman from Virginia and others in the House to urge that controls on the importation of residual fuel oil be continued. I am disturbed over the possibility that controls might be removed. If there was ever a time in the history of this country that we need controls, that time is now. Someone somewhere along the line should be thinking about the general welfare of the coal industry and the coal miners. It seems that the opponents of controls make the statement that controls are not related in any way to national security. What would be our predicament if we become involved in another military emergency and supplies of foreign oil are cut off? Perhaps the Office of Civil and Defense Mobilization should give further consideration to this problem. This Office should also take into consideration that under present quotas—and the quotas today are higher than they were a year ago—we find a market for only 155 million tons of domestic coal produced in the first 5 months of this year compared to 182 million tons in a similar period for 1960. Again, I wish to compliment the gentleman from Virginia.

Mr. ROGERS of Texas. Mr. Speaker, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. Mr. Speaker, I compliment the gentleman from Virginia for calling the attention of the House of Representatives and the attention of the Nation to one of the most vital problems of the day, especially in view of the emergency that we face and in view of the tensions that exist today.

Mr. Speaker, I think it is pertinent to the discussion at hand to point out that the exploration for oil in the United States has decreased sharply in recent years and is at a dangerous level. This is further proof that we are becoming increasingly, and precariously, dependent on foreign supplies of fuel to run our giant industries.

I would like to cite the following facts to support my statement:

The number of domestic oil rigs active in 1960 was at a 14-year low.

Total wells drilled in 1960 were at an 8-year low.

U.S. crude oil reserves actually declined in 1960.

Mr. Speaker, I submit that this situation is placing our country in a vulnerable position, and that it is injurious to our national security.

When one of the major sources of energy in this country, domestic oil, is being penalized so heavily so that the few international oil companies can profit by bringing in excessive quantities of foreign oil, it is time that we take a closer look at our policies and regulations. It is time, Mr. Speaker, that we decide whether it is more important that these few companies gain an additional profit, or that our domestic fuels industries remain healthy and in a position to supply us in time of an emergency that is all too apt to arise.

Mr. Speaker, the volume of both crude and residual oil imported into this country has increased sharply every year, even under the present mandatory control program.

It is impossible to separate these two products since a portion of the crude oil imported obviously ends up as residual oil, and the residual oil imported from Venezuela contains a high percent of distillate products.

If controls were completely removed from residual oil imports, experts inform me that it would be an impossible job for the Government to police the industry and prevent large portions of the residual oil from being refined in domestic refineries, causing further damage to the domestic industry.

In my own State, Mr. Speaker, we have a great many wells producing low gravity crude which is suitable primarily for residual fuel and asphalt products. In fact, a spot check of more than 7,000 fields in Texas showed that approximately one-fourth of them were in this category.

Mr. Speaker, Texas crude supplies a significant proportion of the Nation's residual supply, and in 1960 Texas refineries yielded a total of 58.6 million barrels of residual fuel. At the same time, under the liberal residual import restrictions now in effect, the import of residual oil into our own district 3 jumped from 3 million barrels in 1959 to more than 14 million barrels in 1960.

If controls were completely removed from residual oil imports, it would wipe out the market for domestic residual since we cannot compete, from a price standpoint, with the cheap foreign product.

Mr. Speaker, in a time of emergency, Texas, as well as the other great oil producing States, would be called on to supply all of the oil needs of this Nation. We cannot afford, in the interests of our national security, to continue along a course that will eventually wreck this vital segment of an essential industry.

The only sensible action the Government can take at this time, Mr. Speaker, is to continue, and to strengthen, the controls on imports of both crude and residual oil.

Mr. HECHLER. Mr. Speaker, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from West Virginia.

Mr. HECHLER. Mr. Speaker, I commend the gentleman from Virginia for his cogent comments on the effects of imports of residual oil on our national security.

Mr. Speaker, recently the Oil Daily, the authoritative publication of the oil industry, carried an article which is highly pertinent to the discussion this afternoon. The article dated July 12, 1961, makes it clear that the demand for petroleum products, and particularly jet fuel, would in an emergency be much greater than anything this Nation has ever experienced before. We could be sorely pressed to produce from domestic sources the petroleum products a war emergency would demand.

Some opponents of the residual fuel oil control program have argued that in the event of an emergency, and the shutting off of foreign oil supplies, domestic refineries could meet the needs of consumers of residual oil by increasing their refinery runs of residual.

The Oil Daily article contradicts this theory. The trend of oil refining during an emergency would have to be away from residual and toward higher quality products. Any industry which converts to residual oil from coal in the belief that its emergency demands could be met by domestic refineries could be in for a sad disappointment.

There is only one source of additional fuel during an emergency, Mr. Chairman, and that is the domestic coal industry. The coal industry is essential to national security and it must be preserved. The best way of preserving and strengthening the coal industry is by retaining controls on residual fuel oil.

I wish to include the article from the Oil Daily at this point in my remarks:

DEFENSE OFFICIALS EYING OIL SITUATION; REACTIVATE MILITARY PETROLEUM ADVISORY BOARD

(By Jim Collins)

WASHINGTON, July 12.—Top officials of the Defense and Interior Departments are now engaged in efforts to reactivate the Military Petroleum Advisory Board, stirred to action by an impending showdown with the Russians over Berlin, the Oil Daily learned today.

Interior Secretary Udall and Defense Secretary McNamara are "now getting together on the oil problems," one official said.

The issue will probably wind up at the White House for decision in view of dissatisfaction by some members of the former MPAB—which was disbanded 5 years ago because of refusal of the Department of Justice to give positive clearance for MPAB's joint forward estimating operations on oil activities on a worldwide basis.

The issue may have to be resolved by President Kennedy, personally, it is believed. Expectations are that the matter may be taken up at a Cabinet meeting, or among top officials of the three or four interested agencies, including the Department of Justice, in the next few weeks.

Meanwhile, announcement by Deputy Defense Secretary Gilpatric that the Government is now considering calling up military reserve units in the impending Berlin crisis

created ripples of apprehension all the way through military supply system, including the problem of oil products.

As tension increases, it was believed that one of the first steps taken may be to step up the alert operations of the Strategic Air Command, with its fleets of B–52 jet bombers, capable of high-speed deliverability of nuclear weapons in case of any emergency.

These planes, capable of burning half a tank car load of jet fuel in an hour, would impose a substantial requirement on refiners—if any large number is kept in the air at one time.

A dry run of a SAC full alert, at selected bases several years ago resulted in estimates of $1 billion a year needed, additional, to maintain the jet bombers in the air, on a revolving around the clock.

The fuel demands would be fantastic in such a situation, informed officials said. Results of the tests were kept secret, but at that time there was doubt that transportation lines—by rail and pipeline—would be adequate.

Ability of refiners to meet such a preparedness move is not seriously questioned—but requirements out of the middle of the barrel are growing fast and military officials are concerned about the situation in an emergency, down the road.

With trucks, railroads, home heating, commercial and military planes, and other distillate-diesel demands increasing, one top military official told the Oil Daily that "we may have to discuss with the industry installation of convertible equipment that can reverse the gasoline stream and turn out more middle distillates."

This official acknowledged that installation of equipment to do this would be "very expensive," running up to $15 million or more per refinery installation, but the situation is serious enough to require preliminary study within the Defense Department.

During the Korean war, it was pointed out, the military won congressional approval for an $80 million program to step up alkylate production (high-grade component of top aviation gasoline, and valuable during the past few years for motor gasoline quality), but that only about $1.7 million net had actually been spent during the past decade by the Defense Department on the program.

There were indications that some kind of program might be needed on the middle of the barrel, to improve refinery flexibility.

Mr. HECHLER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include an article from the Oil Daily.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BRAY. Mr. Speaker, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Indiana.

Mr. BRAY. Mr. Speaker, I compliment the gentleman from Virginia for taking this strong stand on this question.

Mr. Speaker, several of my distinguished colleagues from both sides of the aisle have commented lucidly and effectively on the damaging effects of the vast flood of foreign residual oil which has been flowing into the United States in recent years. They have clearly defined the damage it has caused to our domestic fuels industries—both coal and petroleum—and have made it clear that if we fail to halt this destructive attack on the only energy sources on which we can depend in case of war with Russia or even under certain political emergency situations which international communism could precipitate, we face nothing less than catastrophe.

They have made most eloquent pleas for a more forceful and realistic import limitation program and have warned against the dire consequences of removing import controls completely which, incredible as it sounds, is actually being urged by some.

With all these statements I am in complete agreement, and I wish the record to so show.

But I should like to go a bit further in my comments on the very crucial issue. I do not feel that we can fully assess the tremendously important situation without recognition of and comment on the violent attacks which have been leveled against all restrictions on oil imports. We owe it to the people of the United States whom we represent in this Congress to consider the nature of these attacks; what is behind them and how much, if any, truth they may contain.

Mr. Speaker, I do not intend these words as a specific criticism of the honest intention of any group or individual. I am sure that many of those who have been so widely quoted in the press in recent weeks, including a few of my distinguished colleagues from New England States, have felt they were honestly reporting facts which were of concern to constituents and consumers in their particular section of the United States.

However, the consistent repetition of misleading figures, the startling similarity in wording of newspaper editorials and comments, and the incredibly fantastic claims which are being used in an effort to convince the public of financial costs of residual import limitation make it very clear that this well financed campaign against the control program is a well organized and determined one.

Let us look at a few of these claims of consumer cost caused by import controls. Actually, the facts show that controls on imports of residual oil have not caused prices to rise at all.

The posted, or quoted price, as published by the authoritative Platt's Oilgram, shows that cargo lot imports of residual can be bought in New York and Boston harbors today for exactly the same price that they could have been purchased in April of 1959, the month when controls were started. And it should be pointed out that prices at that time were at an abnormally low level because for several months prior residual fuel had been coming into the east coast in tremendous volume and sold for dump prices to undercut competition.

The propagandists who are waging this fight against the control program have ignored this fact, however, and base their claims to additional consumer costs on increased markups of a few cents per barrel at the distributor level, increases which cannot be attributed to import controls at all. Even using prices at these tank car and barge levels, however, the facts are that fuel oil costs in New England today are considerably lower than they were for the average of 3 years immediately preceding the control program.

A comparison of prices as published by Platt's shows that, if New England consumers had had to pay in 1960 what they paid on the average during 1956, 1957, and 1958, the 70 million barrels burned last year would have cost at least $17 million more than they actually did.

Despite these facts, however, those fighting to remove controls have claimed that the restrictions have cost consumers many millions of dollars. The New England council, a leader in this fight which has now retained the international public relations firm of Hill & Knowlton to wage their campaign, has asserted that this cost to consumers is $21 million annually. Others have claimed damage from $10 million on up to the fantastic figure of $318 million. There seems to be a contest of sorts underway by Boston newspapers as to which can make the greatest and most exaggerated claim. On July 30, a writer in the Boston Globe asserted—with no explanation as to how he arrived at the figure—that residual controls had cost the Nation's consumers $167 million. And on the same day, the Boston Herald declared editorially that east coast users had in the past year made a "forced contribution to the lagging soft coal industry of $318.7 million" because of the control program. I could not quite figure out from the editorial how this fantastic figure was reached, and I am quite sure no one else can either. Actually, of course, that sum, which they claim is the added cost because of controls, is about double the entire cost of the 70 million barrels of imported residual New England burns annually, at present prices. Nevertheless, the assertion was made, and no doubt believed by many unfamiliar with the real facts.

Mr. Speaker, reasonable restrictions on residual oil are too important to our national security to be willfully destroyed, and such fantastic charges leveled in an attempt to destroy them are not in the public interest of New England, the east coast or the Nation.

Everyone sympathizes with the desires of fuel users to obtain their supplies at the lowest possible price, and we can understand why they are unhappy that importers and distributors of residual oil have increased the markup margin between the price of residual unloaded at ports and the price charged to consumers of barge or tank car lots. However, that does not justify the effort to kill the entire import control program, which is certainly not responsible for the greater dealer markups.

We must face up to the fact that, the international situation being what it is today, we would be no less than criminally negligent if we did not make certain that we have a dependable, secure domestic fuel supply to meet any emergency. Removal of controls on excessive oil imports would seriously impair the ability of domestic coal to meet the demands which would be placed on it almost overnight if the current uneasy peace is broken.

Mr. STAGGERS. Mr. Speaker, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Speaker, I, too, wish to commend the gentleman from Virginia for bringing this very important subject to the attention of the Congress and the attention of the people of the country at this time. It is a fight that we have been waging for some years and I think that now the people of the United States realize the importance of this threat to our own industries.

Mr. Speaker, one of the great strengths of the United States has always been its natural resources. We have, to an extent unknown in most nations of the world, been able to exist on our own products, on the great abundance of resources which God gave to us.

This ability to exist on our own has been important not only domestically, but in our dealings with the other nations of the world. We have never had to fear economic sanctions, have never had to wonder what would happen if an unfriendly nation suddenly shut off a source of supply for some critically needed product.

Mr. Speaker, we are in danger of losing that independence through our present policy of becoming more and more dependent on foreign sources for one of the most important ingredients of an industrialized nation, oil.

Our Nation could not long exist without an adequate supply of coal, gas, and oil, yet we seem to be systematically headed toward the time when our domestic fuels industries will be forced out of business because they cannot compete with the cheaper foreign products.

As many of my colleagues have pointed out, Mr. Speaker, the domestic coal industry has been forced to drastically reduce production and shut down many mines because residual oil imports have driven it out of its traditional markets in the East; the domestic oil and gas producers cannot afford to carry on the exploration needed to insure an adequate supply of those fuels in the future, and many wells are being shut-in because of a lack of demand and others are operating only a few days a month—only 8 days a month in the great oil-producing State of Texas.

It takes little imagination, Mr. Speaker, to see what would happen if this Nation were no longer able to supply its own fuels to meet the demands of our industries.

We would become, in effect, a captive nation. Someone else would be able to tell us what we could, and what we could not, do. We would no longer be the leader of the free world, but would have to sit quietly back and take the dictates of others.

And aside from the international political aspects and danger of such a position, what would happen to us domestically? Not only would we have lost the billions of dollars in annual revenue we now derive from our domestic industries, we would have no control over the amount of fuel we could receive, or the price we would have to pay for it. Free competition, and the law of supply and demand, would no longer be in play. We would be at the control of others, whose interests would not necessarily be the same as ours.

This is the danger we are facing, Mr. Speaker, and it seems to me it is too high a price to pay just so a few international oil companies can gain added profits from their overseas holdings. There can be no question of removing controls on residual oil imports, Mr. Speaker. If anything, those controls should be tightened.

Mr. CHENOWETH. Mr. Speaker, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Colorado.

Mr. CHENOWETH. Mr. Speaker, I commend the gentleman from Virginia on bringing this very important matter to our attention here today. I have had the great pleasure of visiting in the gentleman's district in the State of Virginia and observing his zeal and industry in trying to help the coal mining industry. I compliment the gentleman and join with him in every effort made to help our domestic coal mining industry.

Mr. Speaker, unemployment is still one of the most critical problems facing this country. Millions of persons are unable to find jobs, and large areas of the country have been designated depressed areas because of continued and persistent unemployment.

This is a problem that has far-reaching consequences, Mr. Speaker, that go far beyond the problems of the individuals involved, as serious as those are.

I submit that it is a threat to our national security when vast numbers of Americans are unable to find gainful employment. One group of workers which has been particularly hard hit is the coal miners, and a great deal of the blame for the depressed condition of that vital industry can be laid to the excessive imports of foreign residual oil. I agree with my distinguished colleagues, Mr. Speaker, that it is in the best interests of our national security that controls on residual oil imports be maintained and strengthened.

Colorado is the second largest coal producing State west of the Mississippi. I have the honor of representing a district which has been the largest producer of coal in Colorado. We have reserves of coal sufficient to run our utilities and industries for many years. Yet most of our mines are shut down. Several hundred coal miners are now unemployed in southern Colorado, due to the recent closing of one of our large mines. Las Animas and Huerfano Counties, in the heart of our coal mining area, have been designated eligible for assistance under the Area Redevelopment Act, and everything possible is being done to find employment for these idle miners.

Mr. Speaker, I believe we should maintain a strong and healthy domestic coal mining industry. We will need these mines in case of another national emergency. These mines cannot be opened and closed at will, but must be kept open and in operation.

I will continue to do all I can to assist our coal mining industry. I am anxious to see these unemployed miners back at work. I pledge my full support to every effort that is made to accomplish this objective.

Mr. MOORE. Mr. Speaker, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from West Virginia.

Mr. MOORE. Mr. Speaker, I join with my colleagues in expressing my appreciation to the gentleman from Virginia [Mr. JENNINGS] for taking the time today to further discuss the question of import controls on oil. I know the gentleman has long been diligent in his endeavors in this particular area especially as he has devoted himself to efforts to protect the coal industry and the miners of our country.

Mr. Speaker, my distinguished colleagues have brought out many facts supporting the need for a continuation of controls on residual oil imports, a position with which I am in complete agreement. However, it seems they have overlooked one very important part of the picture, the manner in which Communist Russia is entering the world fuels markets.

Fuel, whether it be coal, gas, or oil, is more than a source of energy in the Russian concept. It is also another method of waging international economic warfare.

There can be no question, Mr. Speaker, but that Russia is attempting to capture the world markets for oil. It is a planned campaign which, if successful, would put the countries of the free world at the mercy of the Kremlin.

There are countless examples to prove this point, but I will cite just two at this time. Italy, one of the cornerstones of our NATO alliance, already is purchasing large quantities of oil from Russia, and Brazil has been negotiating with Russia for some time and has announced that it will purchase oil from whatever source is the cheapest.

There have also been reports that a New York importer has been offering Russian residual oil at well below the price we pay for the Venezuelan product. It is a serious question, Mr. Speaker, as to how long price-conscious consumers will resist this tempting offer.

The Russians know that no nation can exist, certainly no nation can wage war, without an adequate supply of fuel. If they are successful in the campaign to make free world countries dependent on them for their supply of oil, they know that no nation could stand against them.

They also know that no nation which depends on oil which has to be shipped for long distances across the ocean could receive those supplies in time of war. Russian submarines, which are far superior to those used by Germany during World War II, would soon shut off that supply completely.

There can be only one answer for the United States, Mr. Speaker, and that is to insure that we have healthy domestic fuels industries capable, if necessary, of supplying all of our needs. One means of guaranteeing that goal is to continue, and to strengthen, the current controls on residual oil imports.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. JENNINGS. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Speaker, I emphatically and strongly support my

distinguished colleague from Virginia in the statements he has made regarding the necessity of maintaining import controls on residual fuel oil. I think many excellent points have been made both by the able gentleman from Virginia and by our other colleagues regarding the need for the continuation of these controls and their bearing upon national security and the public interest.

Mr. Speaker, I would like to add one additional thought at this time. I think it is entirely possible that some of the people who are fighting so desperately to have these controls removed are merely using this as an opening wedge in a planned campaign to have import controls removed from all oil products, if they are able to persuade the Government that residual controls are not necessary. Then, it seems to me, very likely they will use the same arguments to convince the same people in Government that controls on crude oil and other oil products are not necessary either.

Mr. Speaker, in this connection, to point to the problem in the domestic industry, I call attention to an article I hold in my hand, which appeared in the Sunday, August 13, Tulsa World, which is one of the best informed newspapers in the country on the problems of the oil and gas industry.

This points to the fact that leasing in the United States last year fell 2 million acres, this, in spite of the fact that the principal oil- and gas-producing States increased from 27 to 33 of the 50 States in the Union.

Mr. Speaker, this is certainly a problem of national proportions and clearly it is a problem that affects a very great industry in a majority of the States of the Union.

If it is claimed that the import controls on residual oil have created an economic hardship for consumers on the east coast, particularly the New England States, the same claim can be made as to restrictions on crude oil, which is used in far greater volume than residual.

Whether or not this would be the case, Mr. Speaker, it is a fact that large segments of the domestic petroleum industry are opposed to the removal of oil import controls.

The Independent Petroleum Association of America advised the Oil Import Administration as follows:

> Imports of residual fuel oil can have an adverse effect on the domestic producer of crude oil—reasonable limitations on imports of residual fuel oil serve the interest of national security.

The Texas Independent Producers & Royalty Owners Association warned the Office of Civil and Defense Mobilization that "unlimited influx of residual fuel oil could seriously impair the economics of the entire domestic oil industry and could completely destroy that industry segment which is currently engaged in production of crudes adaptable primarily for residual fuel users."

Mr. Speaker, this body must not permit Government policies to put in jeopardy the two energy industries and sources—coal and domestic petroleum—whose respective productive capacities will largely determine the future security and economic stability of the United States.

Mr. SAYLOR. Mr. Speaker, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. SAYLOR. Mr. Speaker, the gentleman from Virginia [Mr. JENNINGS] is to be congratulated for his leadership in arranging this impressive bipartisan demonstration against a trade policy that creates and perpetuates chronic unemployment and endangers the national security. I am highly encouraged at the response to the gentleman's invitation to participate.

It is my hope that another meeting of this nature can be arranged before the adjournment of this session. I would expect the effort to be supported by our friends from the many other congressional districts which have been exposed to the relentless impact of excessive imports. I am sure that we can count upon our many colleagues from agricultural areas whose markets will eventually be swallowed up by foreign producers if the trend toward free trade is not halted and reversed. Representatives from our great Northwest can report the urgency of protecting fish, lumber, and fruit. The upper Middle West will want to render an account of the damage inflicted upon machine tools, electrical appliances, and numerous other items upon which that area depends for its very subsistence. And we can certainly expect a review of what is happening to America's textile industry and will not be checked unless precautionary measures are invoked posthaste.

Members of Congress from the South have consistently warned against continued erosion of domestic markets as a consequence of this Government's refusal to take effective action against the high volume of textile imports. While I am aware that a study is underway to find a way out without enacting legislation, you know and I know that the issue will not be resolved to the satisfaction of the American people unless Congress reasserts its constitutionally delegated authority in matters of international commerce.

From the large number of complaints registered in the CONGRESSIONAL RECORD against too much foreign textiles and various other commodities, I am confident that we can also look to a good representation among our New England colleagues in our united demand for proper safeguards for U.S. industry and labor.

Without such a display of determined cooperation, I question whether any single area will be able to make noticeable headway. I would admonish against placing any hope whatsoever in the State Department for an adjustment of trade policies in favor of this Nation's economy. At least 180 Members of the House now in office were in Congress a decade ago when the Truman administration was rounding out its last 2 years. By then the philosophy of disregarding America's economic needs in order to promote business and industry abroad was so deeply rooted throughout the State Department that any attempt to utilize reasonable protective devices against injurious imports was looked upon as unpatriotic by that outfit. The same attitude persisted throughout the 8 years of our Republican administration, although the White House finally became so alarmed at what foreign oil was doing to our domestic fuel industries that a voluntary, and later a mandatory, control program was adopted.

Now we are obviously back where we started. The State Department continues along its delirious way and the Department of the Interior, which is responsible for administration of the oil import control program, waited less than 1 month after the inauguration to tender foreign oil shippers a substantial increase in quota allocations.

So let no one be so naive as to assume that the executive department is going to give this country's miners, farmers, fishermen, and manufacturers equality of opportunity with friends in other lands. Ours not to reason why, or at least no one yet has been able to come up with the answer to why America's interests are perennially subordinated to those of just about every other nation in the world.

To save this country from economic ruin requires legislative action. And we will get this kind of action only if we stand together and refuse to permit the executive department to divide us when we object to the many weaknesses in the present foreign trade program. Nor will any single section of the United States benefit through an attempt to impose a double standard of tariffs and quotas.

It is for this reason that I urge my colleagues from New England, in particular, to be present and take part in the next general discussion on foreign trade on the floor of the House. Solutions to problems occasioned by imports are not easy to come by because of the general apathy that usually prevails until hardship and economic misery are widespread. Now that so many regions are effected, it is time that we join hands in a determined and unselfish effort.

Members of the New England delegation can make a distinct contribution toward attainment of our objective by dissuading isolated business groups from that area from continuing to confuse and becloud fundamental considerations in the crusade to protect the jobs of fellow Americans. Failing of this accomplishment, our colleagues must undertake to correct the misunderstandings and misrepresentations calculated to divide our ranks in the quest of more rational trade policies.

A reader of the Boston Herald has sent me two clippings which should be perused carefully by everyone who is sincerely concerned with what imports are doing to the domestic economy. One is entitled "Coal for Throwing Away," from the July 30, 1961, edition. The other is a reply from Stephen F. Dunn, president of the National Coal Association, which in cooperation with the United Mine Workers of America has followed closely and recorded carefully the complete history of residual oil imports and their implications since the flow from alien refineries began its surge shortly after the

close of World War II. I ask that these citations be included at this point:

COAL FOR THROWING AWAY

New England and other east-coast areas have made in the past year a forced contribution to the lagging soft coal industry of $318.7 million.

By means of this forced contribution, the coal industry has succeeded in selling an additional 1.5 million tons of coal.

This is a subsidy at the rate of over $70 a ton.

Representative KEITH has suggested that it would be better all around if 1.5 million tons of coal had been bought at the mines and thrown away.

Coal can be purchased at the mines for $5 a ton. In that way we could have given the coal industry the same amount of lift for only $7.5 million, and saved ourselves $98.7 million.

This insane situation comes as a result of the quota restrictions on the import of residual oil. Residual oil is a negligible factor in the domestic oil industry, but it is very important to New England, where it supplies cheap heat and power in this high cost fuel area.

It has also been given a false importance by the coal industry, which has succeeded in promoting the idea that the Federal curbs on residual imports must be preserved so as to increase the consumption of coal.

The New England Council, the Oil Users Association and the American Public Power Association have joined with the New England delegations in Congress in protesting the quotas to the Office of Civil and Defense Mobilization. The coal industry and its delegations in Congress are fighting to keep the quotas. The OCDM will report to President Kennedy about August 20.

How come we have to pay so much for so little gain for the coal industry?

The import restrictions have increased the price of residual oil by 33 cents a barrel (or almost 14 percent) over the world price. This might be enough to drive users to coal, were it not that conversion from oil to coal is generally very costly and sometimes prohibitive. Most manufacturing companies and buildings using residual for space heating have simply had to pay more for oil.

The increased price for residual has tended to lift the price for other fuels. Utilities like Boston Edison have had to charge consumers more for electricity.

The scarcity of residual and the limited number of suppliers has wiped out competition and invited profiteering. Some importers holding quota tickets can enjoy a 30-cent premium without having to handle a single barrel of oil.

Financially pressed hospitals have been hurt by the quotas, Federal, State, and municipal building heating costs have gone up, consumers of electricity have found their bills higher, the industrial development of New England has been slowed, even home heating has risen in cost because of the side effects of the restrictions.

And for all this not one unemployed coal miner has found a job, the increased use of coal is so slight.

When before have so many had to pay so much for such imperceptible gains for so few?

The coal industry has brought tremendous pressure to bear on the Government to keep the quotas. Only now is New England fighting back with equivalent force. It is a fight we deserve to win—both on its merits and its presentation.

COAL WOULD SAVE NEW ENGLAND FROM HERSELF

To the EDITOR OF THE HERALD:

Perhaps the Herald can help locate the $318.7 million which your July 30 editorial says New England and other east-coast areas contributed to the bituminous coal industry last year by reason of restrictions on the importation of residual fuel oil.

Nobody in the coal industry seems to have seen the money. Perhaps this is because we understand neither your logic nor your arithmetic. The editorial says restrictions on residual oil imports have resulted in the sale of an additional 1.5 million tons of coal, with a value at the mines of $5 a ton. If we accept that premise (we have to start somewhere, though the average value of coal (f.o.b. mines) in 1960 was only $4.73) we find $7.5 million.

But what happened to the other $311.2 million?

Maybe the $311 million went to the oil importers. You say import restrictions have increased the price of residual oil by 33 cents a barrel over the world price, and that the scarcity "has wiped out competition and invited profiteering."

Who are the profiteers? Not the coal industry. I suggest you direct your abuse to the quota-holding importers whom you cite without censure as being able to "enjoy a 30-cent premium without having to handle a single barrel of oil."

Restrictions on residual oil imports were ordered by the President to protect the national security, not the coal industry. Even under controls, shipments of foreign residual oil into the east coast rose from the 1957 level of 172.2 million barrels, the original basis of the restrictions, to 212.7 million barrels in 1960. The fuel shortages of World War II in New England proved the danger of heavy reliance on tanker-borne oil supplies.

If the Herald advocates unrestricted imports of the cheapest available fuel without regard for national security, I can put you on the trail of a bargain. Press reports indicate that a New York firm has been offering oil from Soviet Russia at substantially below the market price. Of course, the Russians might pinch off the supply once our hospitals and factories grew dependent on it, and once other sources of energy had withered away—but meanwhile, look at the money you'd save.

If the folly of this course is apparent, so also is the folly of unrestricted imports of residual oil from the Caribbean along a sea route subject to Soviet submarine blockade.

STEPHEN F. DUNN,
President, National Coal Association.

While the Herald does not indicate that it supports tariffs and quotas for commodities produced within the periphery of Boston, I would assume that such is the case because I have no record of that publication's taking issue with Members of Congress who speak against foreign trade policies destructive of New England industries. I cannot believe that the Herald's propensity for protecting one segment of the country at the expense of another is a true reflection of the feelings of the majority of New Englanders. They are too honest and fair to expect favoritism of this sort.

In order to set the record—and the Herald—straight, it would be advisable for as many Members from New England as possible to be present when the House meets again on this subject. A consensus will be most helpful to the Congress. We will want our friends from Boston and Providence and contiguous communities to stand here on the floor and assure us that the Herald's attitude is not typical. We will want to hear them say: "We most certainly do not think that coal miners and railroaders should be forced to compete with an alien product while our millworkers, clockmakers, textile personnel, and other professional groups are protected by tariffs and quotas. We support whatever revisions in the trade program will get the people of Pennsylvania and West Virginia back to work, and we know that Representatives of all mining States are similarly sympathetic where our own industry and labor are involved"

In response we will assure you that we stand beside you in your efforts to defend the economy of your constituencies. We will not accede to the destruction of your plants and factories. We are with you today and we will be with you when the Reciprocal Trade Agreement Act comes up for renewal next year.

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. NATCHER. Mr. Speaker, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. NATCHER. Mr. Speaker, I want to commend the gentleman from Virginia on the fine statement he has made.

Mr. Speaker, one of the arguments often heard in opposition to the residual fuel oil import program is that controls are causing damage to the economy of friendly nations and, therefore, are complicating our international relations.

Even if this argument were based upon fact, I question whether that alone should be sufficient reason to discontinue a program that is essential from the point of view of our own national security. But in this case, there is no basis at all in this contention, which is usually advanced by spokesmen for the international oil companies who own the concessions in the foreign producing countries about which they are so concerned.

The vast majority of the residual fuel oil imported into this country comes either from Venezuela or from the Netherlands Antilles where it is produced from Venezuelan crude oil. If the oil import program was in reality depressing production in Venezuela and, thereby, the economy of the nation, that fact would be reflected in oil production figures of the country.

But the fact is that crude production in Venezuela during the 1955–60 period rose by 254 million barrels a year. In this same period, oil production in the United States increased by only 91 million barrels. Residual made from Venezuelan crude accounts for about 90 percent of the total amount imported into this country, about 206 million barrels in 1960. In 1958 imports from Venezuela were about 165 million barrels, so there has been a substantial increase under the control program.

It is true that oil production has not increased as fast in Venezuela as it has in some Middle East nations. But this is due to the fact that the international oil companies have chosen to expand production more rapidly in the Middle East than in Venezuela. The companies obviously prefer to exploit their most

doubtful sources first before political upheaval or nationalization might force them out.

It is interesting to note that during the 2 years of import controls—on both crude and residual—U.S. crude production has risen only 1 percent.

Obviously, if the United States threw open its borders to unlimited shipments of oil from abroad, we would see spectacular increases in the production of oil in foreign countries and in shipments to this country.

Right now, it is the residual import control phase of the oil import program which is under attack. If residual controls are removed, however, it will not be just the coal industry which would suffer. Domestic oil producers, already operating at a depressed level, would see their realization for each barrel of crude reduced by virtue of having to sell residual oil in competition with cheap foreign residual. And there is always the very distinct danger that without expensive and difficult policing, imported residual could be further refined here and its products sold in competition with products made from more expensive domestic crude.

If controls on residual are successfully attacked, the next target undoubtedly will be crude oil controls.

Removal of import controls would create a threat to the two domestic fuels industries which provide the great bulk of the Nation's fuels requirements. It seems to me that the national security would be dangerously threatened if these two great industries are so depressed by foreign competition that they are unable to meet the demands for increased production which an emergency would impose upon them.

Mr. HECHLER. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. DENT], and the the gentleman from Maryland [Mr. GARMATZ], may extend their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. DENT. Mr. Speaker, the very real threat of war over Berlin this fall is the most eloquent and compelling argument possible for not only retaining but strengthening the present import control program on residual fuel oil.

The vast industrial complex along the east coast is already dependent to an alarming degree upon imported residual oil. If controls should be ended, as certain individuals and special interest groups are demanding, this dependence upon a foreign fuel would be compounded to a point where enemy action could totally disrupt electric utilities and a wide variety of industrial plants that are absolutely essential to the Nation's defense effort.

It seems to me that when the international situation becomes so serious that the President must ask for a sizable increase in the Defense Establishment and alert the people to the definite possibility of war, it is the height of irresponsibility for these groups and individuals to continue pressuring the Government to end a program which was instituted as a national security measure for the express purpose of preserving and strengthening the domestic fuels industry.

No one will argue that a war could well be decided by the fuel supply readily available to each side. Our domestic fuels industries will be fully capable of meeting the demands of any military emergency provided the import control program is not torn down and imported fuel comes into the country in such amounts that it further destroys the productivity capabilities of domestic industries to expand production rapidly to meet emergency needs.

We must remember that this foreign oil will have to move hundreds of miles across an open sea that will be infested with enemy submarines. Yet, even in the face of a grave international situation, we have people who would remove the oil import control program—so essential to national security—and require vital defense plants to depend entirely upon foreign fuel available only over such a hazardous route. This makes no more sense than it would for our Government to dispense with the production of arms at home and rely upon shipments from abroad in time of emergency.

Our Nation's leaders decided, at a more peaceful period in international affairs, that restrictions on imports of residual fuel oil are necessary in the interests of the Nation's security. To remove those restrictions now, when the situation is vastly more serious than it was when controls were instituted, would be unthinkable.

Mr. GARMATZ. Mr. Speaker, I congratulate the distinguished Member from Virginia for bringing to the attention of the House the matter of residual imports. I would only like to point out that the serious effect residual oil imports is having on national security is not confined to the effect it has on the ability of the domestic fuels industries to rapidly expand production in the event of an emergency.

In every period of great emergency, the railroads of this Nation have been called upon to perform Herculean tasks in transporting the materials of war, and the goods necessary for the life of the United States.

Yet, today, the railroads are in a serious condition. They are facing serious financial losses in their fight against the other forms of public transportation which are, to a large extent, subsidized by the Federal and local governments.

Their rolling stock has declined both numerically and in its condition, and without the guarantee of additional freight tonnage they cannot afford to maintain the equipment, or the crews necessary to operate it, on a standby basis.

Traditionally, coal has been a major factor in the freight revenues of this country's railroads. But, as coal's markets have felt the inroads made by foreign residual oil, these revenues have dropped more than $140 million in the last 10 years.

If the United States should be forced into another world war, or if even a limited war were to disrupt the supplies of foreign oil on which we have, to such a large degree, become dependent, there is a serious question as to whether or not the railroads could handle the greatly increased demand for shipments of coal which would be called for almost overnight. The number of gondola and hopper cars used by the major eastern and midwestern railroads has decreased substantially in recent years, and at the same time the average age of these cars has increased. By 1960, 51 percent of all gondola and hopper cars were 15 years old or older.

This is a matter of national security. We can ill afford at this time to place our reliance on foreign sources for the fuel which our industries so vitally need. Nor can we afford to place ourselves in the position where the domestic fuel, at the time it was most needed, could not be moved to the marketplace.

Mr. Speaker, I heartily agree with the Member from Virginia that the residual oil import control program is essential to national security and must be retained and strengthened.

Mr. SILER. Mr. Speaker, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. SILER. Mr. Speaker, as a Representative of one of the major coal producing States of this country, I would like to address my remarks to the economic damage being done to my State by the excessive imports of residual fuel oil.

As many of my distinguished colleagues have pointed out, the coal industry has already lost east coast markets that amount to more than 20 million tons of annual production, and if import controls on residual oil were completely removed we would be in danger of losing another 135 million tons of annual production to this foreign source of fuel.

This affects not only Kentucky, Mr. Speaker, or the other coal producing States of the Appalachian area, it affects our country as a whole because it threatens our national security. Without a healthy domestic coal industry, as well as a healthy domestic petroleum industry, we would not be in a position to meet the challenge of a war or emergency.

For my colleagues who are not familiar with the economics of the situation, I would like to cite a few facts on what the production of as little as 10 million tons of coal a year means.

The f.o.b. mine value of 10 million tons of coal is approximately $47.7 million. This same tonnage would account for 820,000 man-days of additional employment in the coal mines, which would mean more than $21 million in payrolls. In addition, more than $4 million would be made available for welfare fund benefits to retired or hospitalized miners.

This same increase in production would increase revenues for the railroads operating through the depressed Appalachian area by approximately $25 million, of which half would be in the form of additional payrolls for railroad employees, and the coal mining industry would spend approximately $15 million for such indirect items as mining supplies, rental equipment, and power.

That is a total of more than $110 million a year, Mr. Speaker, based on only 10 million tons of annual coal production. And yet, we are speaking of more than twice that amount of production which already has been lost to residual oil imports, and of 135 million tons of production which would be lost if import controls were completely removed.

This is a potential danger to our country, Mr. Speaker, a danger which we cannot tolerate and still remain strong. I can see no other answer other than the continuation of controls on residual oil imports.

Mr. VAN ZANDT. Mr. Speaker, I am happy to be able to join my distinguished colleagues in this special order today to discuss the effects of the residual oil import control program.

Certainly many telling arguments have been presented for continuation of controls on residual oil, and I cannot believe that the Government would even consider removing those controls, or increasing the amount of residual oil now being brought into this country.

If I may, Mr. Speaker, I would like to review and summarize some of the arguments which have been presented today. Basically, they fall into three categories: what effect the program has had to date; what effect removal of controls would have under peacetime conditions; and the danger to our national security in time of war or emergency if we become too dependent on foreign sources of oil.

The mandatory oil import control program was instituted in March 1959, after 2 years of voluntary controls had proved ineffective. It was determined at that time that the level of residual imports should be held to the 1957 level in the interest of national security. This action was taken by the President, Mr. Speaker, after the Office of Civil and Defense Mobilization, and a special Cabinet committee, had advised the President that imports of residual oil were coming into this country in such quantity as to threaten to impair the national security.

What has happened since that time is common knowledge. In every quota period the Interior Department has listened to the pleas of the international oil companies and increased the quota rates. The amount of residual oil which will be permitted to enter this country, under quota, in the present quota year is more than 40 million barrels above the amount which entered the United States in 1957. And that figure does not take into account, Mr. Speaker, the increased amounts of residual oil which enter this country under bond for ships bunkering—in effect, freeing domestic residual oil for other uses—or the residual oil entering this country from Mexico and Canada under the overland exemption. Shipments from Mexico alone, under this doubtful arrangement, amount to from 10,000 to 30,000 barrels a day, and have run as high as 50,000 barrels a day in recent months.

Mr. Speaker, these greatly increased shipments of residual oil have completely disrupted fuels markets on the east coast and have all but made a mockery of the control program.

As has been so ably pointed out by my distinguished colleagues, residual oil imports have not only affected the coal industry, which has already lost markets of approximately 20 million tons of coal annually. The imports have also had their effect on the domestic oil industry, and domestic oil producers, and their associations, are just as vigorous as the coal industry in fighting for continued controls on residual oil imports.

Even under import controls, Mr. Speaker, the east coast of our country, with its vast industrial complex, has become far too dependent on a foreign source of fuel, a source which could be halted overnight. But what would happen if controls were lifted, and residual oil were permitted to flow into this country in unlimited quantities?

The international oil companies would soon be engaged in a bitter struggle to win and control every market along the Atlantic seaboard, markets which presently account for approximately 135 million tons of annual coal consumption. There would be price wars, and concessions, and residual oil would be sold at any price, initially, in order to capture coal's traditional markets.

But what would happen after these markets were gained, after coal was driven out, and the utilities and industries had converted to equipment that would burn only residual fuel oil? Would the oil still be sold at cutrate prices or, once the international oil companies were secure in their markets, would they start to charge all that the traffic would bear?

It does not take much imagination, Mr. Speaker, to find the answer to that question.

Of course, Mr. Speaker, the question of price is only one part of the problem that would be created by unlimited imports of residual oil. Even more important is the effect this flood of oil would have on our domestic fuels industries. I have already mentioned that residual oil would be in a position to replace the market for some 135 million tons of coal a year. The loss of that annual production would literally wreck the coal industry, would force many companies out of business and add thousands of miners to the relief roles in the already depressed Appalachian region.

The domestic oil producers, already in serious trouble because of the world oversupply of oil, would have to further cut back their production and reduce their exploration for new sources. If this should happen, Mr. Speaker, and it would, we would soon find ourselves in a position where we would not be able to expand either our domestic coal or oil production; we would find ourselves in a position where we would be entirely dependent on foreign sources of supply.

This would be a serious situation, indeed, in peacetime. But it would be a disastrous situation in time of war.

We know from bitter experience, Mr. Speaker, that we could not long depend on fuel which had to be shipped for long distances across the ocean, even if the countries supplying the oil were willing to sell it to us. That is a lesson we learned in World War II, and the Russians have a far greater number of, and far superior, submarines to those with which Germany began the World War.

Our foreign supplies would be completely cut off, Mr. Speaker, and our domestic fuels industries, coal and oil, would not be able to fill the gap as they always have in the past. We would be a highly industrialized nation faced with the tremendous demands of modern warfare, and without the fuel to run our vital industries or supply our military machinery.

Mr. Speaker, the United States must never permit itself to be placed in this position. We must, at all costs, maintain our domestic fuels industries in a healthy position, a position where they can supply our needs whenever they are called on to do so.

If we are to maintain that position, Mr. Speaker, we must continue to control the level of residual oil imports.

MODERNIZING CIVIL SERVICE RETIREMENT

Mr. LATTA. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. MATHIAS] may extend his remarks at this point in the RECORD and revise and extend his remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MATHIAS. Mr. Speaker, I have today introduced for appropriate reference a bill to modernize certain provisions of the Civil Service Retirement Act relating to immediate retirement of Federal employees.

Numerous bills to attain this objective already have been introduced in this session, as in past sessions. I feel that this bill I am now introducing gives direct and far-reaching benefits to Federal employees and will do much to eliminate many of the inequities that presently exist in the civil service retirement system.

Under present law a civil service employee becomes eligible for retirement annuity benefits only after reaching age 55—his benefit payments being reduced by a certain percentage until reaching age 60.

This bill I am now sponsoring, however, will permit retirement of Federal employees after 30 years of service, regardless of their age at such time. If the employee retires between the ages of 55 and 60, there is a maximum of 5 percent reduction in benefit amounts and if the employee retires before age 55, there would be a further 2 percent reduction in annuity payments for each year under such age.

It is my strong opinion that this legislation will bring long-needed improvements to our civil service retirement system.

CONGRESSMAN TOM CURTIS CHOSEN AS "CONGRESSMAN OF THE YEAR" IN SURVEY BY NATIONAL COLUMNIST, HOLMES ALEXANDER

Mr. LATTA. Mr. Speaker, I ask unanimous consent that the gentleman

from New Hampshire [Mr. BASS] may extend his remarks at this point in the RECORD and revise and extend his remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BASS of New Hampshire. Mr. Speaker, the New Hampshire edition of the Boston Herald on August 6 had a feature story on its editorial page entitled "Representative of Year—CURTIS Is Named for Truth-Seeking." I was delighted to read this column by my good friend, Holmes Alexander, the distinguished Washington columnist for the McNaught News Service.

The article has also appeared in major newspapers from coast to coast. Regarding Mr. Alexander's excellent selection of my friend and colleague, TOM CURTIS, it should be noted that Mr. Alexander interviewed scores of Congressmen and their staffs on both sides of the aisle. We Republicans certainly know the outstanding value and leadership of TOM CURTIS. National publications have increasingly spoken of him as a most important and constructive force in the House and as our leading spokesman on economic matters, as the senior House Republican on the House-Senate Joint Economic Committee and a ranking member of the Ways and Means Committee.

However, what is less known, and which Mr. Alexander and other thoughtful newsmen have discovered is the genuine respect and affection our Democratic colleagues feel toward Mr. CURTIS. The great bulk of northern Democratic Congressmen who have often differed with Mr. CURTIS on individual items of legislation spoke up in their interviews about their faith in Mr. CURTIS regarding civil liberties problems, their admiration for his fight to create good procedures for the House and its committees, and his creative work in the field of retraining, and obtaining improvements for working men and women. Our southern Democratic colleagues spoke warmly of his leadership in fighting for sound fiscal policies. One does obtain the feeling after all this that Democratic Congressmen share nearly equally their high regard for the work and thought and dedication of the gentleman from Missouri. Mr. CURTIS although he represents St. Louis County in the Congress is a son of New Hampshire. He is a graduate of Dartmouth College and a member of its board of trustees. We in New Hampshire value the contributions he has made to our State and educational problems.

The publisher of the St. Louis Globe Democrat, Mr. Richard Amberg, wrote on August 6 a paragraph of introduction to the Holmes Alexander column. I think it fitting that Mr. Amberg's thoughtful introduction precede the full text of the Alexander article-survey entitled "TOM CURTIS—Representative of the Year."

TOM CURTIS—REPRESENTATIVE OF THE YEAR

(By Holmes Alexander)

WASHINGTON.—Congressman TOM CURTIS, Republican, of Missouri, and EDDIE HÉBERT, Democrat, of Louisiana, have outlasted all 437 House Members in my elimination test to find the best Representative of 1961. The rival claims to the title may be summarized:

When EDDIE HÉBERT meets socially or officially with the Honorable John F. Kennedy, the President customarily says:

"Well, how much money have you saved us this month?"

As first and present chairman of the House Armed Services Investigating Subcommittee, HÉBERT climaxed several years' work this summer and brought off some major accomplishments, I propose that the President give him a Distinguished Service Medal for the job.

To let the record speak for itself, here is the April 27, 1961, testimony of Joseph Campbell, Comptroller General of the United States, who has acted under this subcommittee's direction:

"Mr. Chairman, in summary, we find that from February 1957 to March 1961 we sent 53 reports to the Congress in which recoveries of increased costs to the Government of $60,965,000 have been effected or recommended. Our records show that of this amount $35,785,000, or about 59 percent, had been recovered through March 1961."

In brief, HÉBERT's subcommittee has ferreted out over $60 million of armed services overcharges, and recovered more than $35 million of these public funds.

While this is a quotable and dramatic contribution, HÉBERT's bid for the year's honors hangs, I believe, upon something more abstract. From 1950–61, he has been an insistent voice of conscience in our military morality.

For years, HÉBERT has been demanding a code of ethics on the conflict of interest in officers and ex-officers who surreptitiously or openly act as salesmen for big business to the Defense Department.

On July 15, 1961, HÉBERT got it. He got it in the form of a Defense Department directive (No. 5500.7) which, if obeyed and gradually improved upon, will save not only men's honor but billions of ill-spent dollars.

CURTIS' RECORD EVEN BETTER

Yet, as good as he is, HÉBERT is nosed out as Representative of the Year by a man with a better record—CURTIS of Missouri.

Not a committee chairman, or the author of household word legislation, or a dealer in melodramatic figures or bizarre personalities, CURTIS lacks public acclaim, but richly deserves it.

Call him a task force commander against falsehood. It is a high calling, one that Voltaire gloried in. As a minority party member, CURTIS often seems to be speaking in rebuttal, but this seemingly negative approach is an optical illusion.

In inveighing against politicoeconomic falsehood, CURTIS is actually campaigning for truth.

Rather than expend my own laudatory adjectives, I now intend to let some of the major Curtis positions assert themselves.

1. New Frontier programs of Federal aid to everything are wrong because they come in the wrong century, to the wrong country, on the wrong arguments.

Socialists, Communists, and other materialists and social planners require an economy of scarcity for their schemes. They call for more production of food and goods, a broader sharing of these products—but the United States of the 1960's cannot possibly be called a land of scarcity. We have surplus crops. We have surplus steel capacity. We have plenty of schools. We have plenty of everything.

The need is not for more, more, more. The need is for better, better, better. The cumbersome Federal bureaucracy increases grossness—but quality, selectivity, and specialization are best achieved as close to home as possible.

2. Dynamism and not, as the state planners say, stagnation is the economic state of the Union. We have 5 million unemployed because our industrialization is so successful. These people could find new jobs if they were trained to do the new jobs of increasing automation.

We have a growing demand on our doctors, hospitals, and drug manufacturers because these medical teammates have been so successful. People live longer. Physical and mental sufferings are relieved. Nothing could be more foolish and knavish than the New Frontier's attempt to socialize the private medical industry which has served us so admirably.

IDEAS RULE THE WORLD

3. Gross national product and disposable personal income are fetish words but phonies. The GNP attempts to add apples and eggs, which can't be done. Is a $1 million steel mill, asks CURTIS, equivalent to $1 million spent on education?

If people get more take-home pay, will they buy more goods? Not necessarily, says CURTIS. Figures in 1959–60 show that people don't use their rising incomes to buy more—they save more.

4. The coalition: Because of his passion for truth, CURTIS flies into a temper whenever he hears or reads that the House of its Rules Committee fails to pass constructive legislation on account of a sinister alliance of southern Democrats and Republicans. The House is freely responsive to its own will. Any implication to the contrary is a big lie.

These are only a fistful of the ideas which CURTIS dispenses during his 18-hour days in committee, in debate, in private meetings, in public addresses. They are, to be sure, only ideas—but ideas rule the world. And right ideas would rule the world rightly.

Because he thinks, because he studies, because he works so effectively, TOM CURTIS is this column's choice as Representative of the Year.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. DEVINE, for 60 minutes, August 17, 1961, and to relinquish the special order he had for today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. CANNON to revise and extend remarks made today in Committee of the Whole and include certain tables.

Mr. MULTER.

(The following Members (at the request of Mr. LATTA) and to include extraneous matter:)

Mr. FINO.

Mr. BOLAND.

Mr. COOLEY and to includes tables.

Mr. CAREY, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $182.25.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 5954. An act making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United

States for the fiscal year ending June 30, 1962, and for other purposes.

ADJOURNMENT

Mr. HECHLER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 9 minutes p.m.) the House adjourned until tomorrow, Thursday, August 17, 1961, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RUTHERFORD: Committee on Interior and Insular Affairs. S. 98. An act to authorize the Secretary of the Interior to provide water and sewage disposal facilities to the Medora area adjoining the Theodore Roosevelt Memorial Park, N. Dak., and for other purposes; without amendment (Rept. No. 949). Referred to the Committee of the Whole House on the State of the Union.

Mr. RUTHERFORD: Committee on Intelor and Insular Affairs. S. 1492. An act to amend the act of March 24, 1948, which establishes special requirements governing the selection of superintendents of national cemeteries; without amendment (Rept. No. 951). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASPINALL: Committee on Interior and Insular Affairs. S. 2245. An act to amend the act granting the consent of Congress to the negotiation of certain compacts by the States of Nebraska, Wyoming, and South Dakota in order to extend the time for such negotiation; without amendment (Rept. No. 952). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. Senate Joint Resolution 76. Joint resolution authorizing the Secretary of the Interior during the calendar year 1962 to continue to deliver water to lands in certain irrigation districts in the State of Washington; without amendment (Rept. No. 953). Referred to the Committee of the Whole House on the State of the Union.

Mr. RUTHERFORD: Committee on Interior and Insular Affairs. H.R. 32. A bill authorizing the establishment of the Fort Smith National Historic Site, in the State of Arkansas, and for other purposes; with an amendment (Rept. No. 954). Referred to the Committee of the Whole House on the State of the Union.

Mr. OLSEN: Committee on Post Office and Civil Service. H.R. 7559. A bill to amend title 39 of the United States Code to provide for additional writing or printing on third- and fourth-class mail; without amendment (Rept. No. 957). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. H.R. 8384. A bill to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce; with amendment (Rept. No. 958). Referred to the House Calendar.

Mr. FASCELL: Committee on Foreign Affairs. H.R. 7763. A bill to provide for planning the participation of the United States in the New York World's Fair, to be held at New York City in 1964 and 1965, and for other purposes; without amendment (Rept. No. 959). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRISON: Committee on Post Office and Civil Service. S. 841. An act to amend the Defense Department Overseas Teachers Pay and Personnel Practices Act, and for other purposes; without amendment (Rept. No. 960). Referred to the Committee of the Whole House on the State of the Union.

Mr. OLSEN: Committee on Post Office and Civil Service. S. 739. An act to amend the Civil Service Retirement Act, as amended, with respect to the method of computing interest earnings of special Treasury issues held by the civil service retirement and disability fund; with amendment (Rept. No. 961). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOLIFIELD: Joint Committee on Atomic Energy. S. 1622. An act to amend the Atomic Energy Community Act of 1955; without amendment (Rept. No. 962). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOLIFIELD: Joint Committee on Atomic Energy. H.R. 6599. A bill to amend various sections of the Atomic Energy Act of 1954, as amended, and the Euratom Cooperation Act of 1958, and for other purposes; with an amendment (Rept. No. 963). Referred to the Committee of the Whole House on the State of the Union.

Mr. ICHORD of Missouri: Committee on Post Office and Civil Service. H.R. 6374. A bill to clarify the application of the Government Employees Training Act with respect to payment of expenses of attendance of Government employees at certain meetings, and for other purposes; with amendment (Rept. No. 964). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. PFOST: Committee on Interior and Insular Affairs. S. 1012. An act to direct the Secretary of the Interior to adjudicate a claim of the Greif Bros. Cooperage Corp. to certain land in Marengo County, Ala.; without amendment (Rept. No. 950). Referred to the Committee of the Whole House.

Mrs. PFOST: Committee on Interior and Insular Affairs. H.R. 3596. A bill to direct the Secretary of the Interior to convey certain lands to Purvis C. Vickers, Robert I. Vickers, and Joseph M. Vickers, a copartnership doing business as Vickers Bros.; with amendment (Rept. No. 955). Referred to the Committee of the Whole House.

Mrs. PFOST: Committee on Interior and Insular Affairs. H.R. 4380. A bill to quiet title and possession to an unconfirmed and located private land claim in the State of Louisiana; without amendment (Rept. No. 956). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BAILEY:

H.R. 8732. A bill to promote the security and welfare of the people of the United States by providing for a program to assist the several States in further developing their programs of general university extension education; to the Committee on Education and Labor.

By Mr. DOYLE:

H.R. 8733. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. KING of Utah:

H.R. 8734. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. LAIRD:

H.R. 8735. A bill to amend title 23 of the United States Code to provide the State of Wisconsin with an additional 400 miles of highways in the National System of Interstate and Defense Highways; to the Committee on Public Works.

By Mr. PIRNIE:

H.R. 8736. A bill to amend section 4 of the act of September 22, 1959, to facilitate the entry of certain relatives of U.S. citizens and lawfully resident aliens; to the Committee on the Judiciary.

By Mr. WHITENER:

H.R. 8737. A bill to amend section 10 of the District of Columbia Traffic Act, 1925, as amended, so as to require reports of collisions in which motor vehicles are involved; to the Committee on the District of Columbia.

By Mr. WHITENER (by request):

H.R. 8738. A bill to amend sections 1 and 5b of chapter V of the Life Insurance Act for the District of Columbia; to the Committee on the District of Columbia.

By Mr. BROYHILL:

H.R. 8739. A bill to regulate the practice of physical therapy by registered physical therapists in the District of Columbia; to the Committee on the District of Columbia.

By Mr. GATHINGS:

H.R. 8740. A bill to provide that imports of cotton products produced in any stage preceding the spinning into yarn shall be charged against the applicable import quota under section 22 of the Agricultural Adjustment Act, as amended, and for other purposes; to the Committee on Ways and Means.

By Mr. HOLTZMAN:

H.R. 8741. A bill to amend the act of April 29, 1941, as amended, to authorize any Federal agency to waive performance and payment bonds, and for other purposes; to the Committee on the Judiciary.

By Mr. MATHIAS:

H.R. 8742. A bill to modernize certain provisions of the Civil Service Retirement Act relating to immediate retirement; to the Committee on Post Office and Civil Service.

By Mr. RIVERS of Alaska:

H.R. 8743. A bill relating to the income tax treatment of cost-of-living allowances received by certain caretakers and clerks employed by the National Guard outside the continental United States, or in Alaska; to the Committee on Ways and Means.

By Mr. SANTANGELO:

H.R. 8744. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. STAGGERS:

H.R. 8745. A bill to amend the Railroad Retirement Act of 1937 to provide reduced annuities to male employees who have attained age 62, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TOLLEFSON:

H.R. 8746. A bill to repeal the cabaret tax; to the Committee on Ways and Means.

By Mr. BATTIN:

H.R. 8747. A bill to authorize the transfer of three units of the Fort Belknap Indian irrigation project to the landowners within the project; to the Committee on Interior and Insular Affairs.

By Mr. KEARNS:

H.R. 8748. A bill to extend for 2 additional years Public Laws 815 and 874, 81st Congress, and the National Defense Education Act of 1958; to authorize assistance to public and other nonprofit institutions of higher education in financing the construction, rehabilitation, or improvement of needed academic and related facilities; and

for other purposes; to the Committee on Education and Labor.

By Mr. DEVINE:

H. Con. Res. 372. Concurrent resolution to establish a joint committee to conduct an investigation and study of the facts and circumstances surrounding the reassignment of Maj. Gen. Edwin A. Walker; to the Committee on Rules.

By Mr. BECKER:

H. Con. Res. 373. Concurrent resolution declaring the sense of the Congress that no further reductions in tariffs be made during the life of the present Reciprocal Trade Agreements Act; to the Committee on Ways and Means.

By Mrs. BLITCH:

H. Con. Res. 374. Concurrent resolution declaring the sense of the Congress that no further reductions in tariffs be made during the life of the present Reciprocal Trade Agreements Act; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 8749. A bill for the relief of Chaim Jaskolka; to the Committee on the Judiciary.

By Mr. BURKE of Massachusetts:

H.R. 8750. A bill for the relief of Giovanni Cillo; to the Committee on the Judiciary.

By Mr. MORRISON:

H.R. 8751. A bill for the relief of Mrs. Josefina V. Guerrero Leaumax; to the Committee on the Judiciary.

By Mr. SHRIVER:

H.R. 8752. A bill for the relief of Annemarie Herrmann; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H.R. 8753. A bill for the relief of Andres O. Pancho and Felix O. Pancho; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Statement of Opposition to H.R. 207

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 16, 1961

Mr. MULTER. Mr. Speaker, I commend to the attention of our colleagues the following statement I made in opposition to H.R. 207, a bill which would further limit the liability of shipowners in accident cases, before the Merchant Marine and Fisheries Committee on August 15, 1961:

STATEMENT OF HON. ABRAHAM J. MULTER, DEMOCRAT OF NEW YORK, BEFORE THE MERCHANT MARINE AND FISHERIES COMMITTEE, U.S. HOUSE OF REPRESENTATIVES, AUGUST 15, 1961

Mr. Chairman, I want to thank you for granting me this opportunity to present my views in opposition to H.R. 207.

H.R. 207 is a bill which would provide that claims arising under the admiralty or maritime law against any ship for personal injury or death (except members of the crew) shall be determined without respect to or based upon any warranty of seaworthiness or breach thereof.

On the surface, Mr. Chairman, this may sound like a fairly unimportant change in an obscure law. The effect of this change, however, is neither unimportant nor would it long remain obscure if the Congress passed this bill. This legislation would eliminate the protection of the shipowner's traditional warranty of seaworthiness from all except seamen.

The antiquated limitation of liability laws already prevent an adequate recovery by injured parties because of a limited fund made available to the victims of a marine disaster. The limiting language contained in the proverbial fine print on the back of a ticket further inhibits the right of recovery.

It seems to me, Mr. Chairman, that commonsense dictates that the shipowner must stand behind the equipment used aboard a ship and—indeed—the ship itself. How can we say that he does not have to provide at least adequate safeguards in the operation of his business? What are we to do with those who suffer injuries as a result of the shipowner's laxness or ignorance? Leave them to find their own remedies? Surely the Congress cannot condone this kind of solution. Is it not more equitable that the loss sustained, when a person lawfully aboard a ship is injured by inadequate or defective equipment, should fall upon the shipowner than upon the injured party?

H.R. 207 would make an inadequate law more reprehensible in its application by encouraging shipowners and stevedoring companies to relax the high standards of care now imposed upon them by the doctrine of seaworthiness in port, and at sea.

It appears, Mr. Chairman, that a change in the law such as that advocated by H.R. 207 would benefit only the insurance companies by limiting the liability of the shipowners.

It seems clear that those who are termed "business invitees," longshoremen, railroad workers, etc., are in the same category as crewmembers. They run the same risks as crewmembers and sometimes greater risks. Passengers also are exposed to risks while aboard ship and the shipowners cannot justifiably escape responsibility for accidents which occur as a result of unseaworthiness.

The enactment of H.R. 207 would undercut the present responsibilities which shipowners must exercise with regard to those who are lawfully aboard their vessels, and I urge the committee to consider a revision of this whole antiquated body of law in the light of present maritime conditions and not take a step backward by reporting out H.R. 207.

Statistics on Employment by the Department of Agriculture

EXTENSION OF REMARKS
OF
HON. HAROLD D. COOLEY
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 16, 1961

Mr. COOLEY. Mr. Speaker, during the recent House debate on the Agricultural Act of 1961, there was some discussion of the number of persons employed by the Department of Agriculture. I did not then have all the facts and figures readily available but now, at my request, Secretary Freeman has supplied the information in detail, including a table. In the interest of keeping the Members of the House informed fully on the activities of the Department of Agriculture, and with the consent of the House, I am placing this material from the Secretary in the RECORD.

The material follows:

During fiscal year 1960, average annual positions in the Department—81,585.

During fiscal year 1961, average annual positions in the Department—85,588.

The original budget submitted by President Eisenhower would have provided average annual positions for 87,609 people. The revised budget of President Kennedy provides for 89,710, or an increase of 4,122 above 1961. That increase was distributed as follows among the major agencies of the Department:

Agricultural Research Service	739
Federal Extension Service	5
Soil Conservation Service	590
Agricultural Marketing Service	399
Foreign Agricultural Service	64
Commodity Exchange Authority	2
Agricultural Stabilization and Conservation Service	−489
Farmers Crop Insurance Corporation	32
Rural Electrification Administration	−1
Farmers Home Administration	37
Office of General Counsel	3
Office of Secretary	3
Office of Information	9
Library	−1
Forest Service	2,732
Total	4,124
Less positions representing employment in other departments under allocation USDA funds	2
Total	4,122

You can see that of this increase, 2,732 or approximately 66 percent, is in the Forest Service, and the bulk of that is in Forest Land Management.

You will note that I have talked in terms of average annual positions so far. Total employment of the Department as of June 20, 1961, amounted to 102,557, an increase of 12,847 above the annual average position figure I've discussed above. This difference is due to the fact that the June 30 figure is a head count and the average annual positions is an average for the entire fiscal year. The 12,847 increase during the June period is accounted for primarily as the result of seasonal employment and part-time employment of the Department, and the bulk of this employment is distributed as follows:

Forest Service	6,373
Soil Conservation Service	881
Agricultural Stabilization and Conservation Service	1,098
Farmers Home Administration	4,414

The large increase in Farmers Home Administration was due to the fact that during the month of June, 4,908 State and county committeemen were required to work that month on approval of loan applications which increased substantially during that period.

U.S. DEPARTMENT OF AGRICULTURE

Average annual positions in appropriations and other funds, fiscal years 1960, 1961, and 1962

[Based on 1962 budget estimates and adjusted for comparability with the 1962 appropriation structure. This table reflects the average annual positions under the appropriations and funds indicated, including those applicable to transfers, allocations, or allotments to organizations other than the agency receiving the appropriation]

	1960	1961 (estimated)	1962 (estimated)		Increase or decrease, 1962 revised budget compared with—	
			Original budget	Revised budget	1961	1962 original budget
Agricultural Research Service:						
Salaries and expenses:						
Research	7,184	7,956	8,546	8,619	+663	+73
Plant and animal disease and pest control	4,877	5,108	5,212	5,212	+104	
Meat inspection	3,172	3,194	3,273	3,273	+79	
Special fund	126	107			−107	
Total, salaries and expenses	15,359	16,365	17,031	17,104	+739	+73
Salaries and expenses (special foreign currency program)	2	5	6	6	+1	
State experiment stations	68	67	72	72	+5	
Total, annual appropriations	15,429	16,437	17,109	17,182	+745	+73
Other funds, including permanent appropriation	938	966	960	960	−6	
Total	16,367	17,403	18,069	18,142	739	+73
Extension Service:						
Federal Extension Service	224	231	235	235	+4	
Other funds	16	20	21	21	+1	
Total	240	251	256	256	+5	
Farmer Cooperative Service:						
Annual appropriation	66	66	66	66		
Other funds	45	44	44	44		
Total	111	110	110	110		
Soil Conservation Service:						
Conservation operations	12,558	12,639	12,816	12,816	+177	
Watershed protection	1,877	2,176	2,318	2,617	+441	+299
Flood prevention	1,267	1,249	1,254	1,254	+5	
Great Plains conservation program	351	335	335	335		
Water conservation and utilization projects	6	1	1	1		
Total, annual appropriations	16,059	16,400	16,724	17,023	+623	+299
Other funds	239	280	247	247	−33	
Total	16,298	16,680	16,971	17,270	+590	+299
Agricultural Conservation Program Service	786	826	826	826		
Agricultural Marketing Service:						
Marketing research and service:						
Marketing research and agricultural estimates	1,696	1,878	1,972	1,972	+94	
Marketing services	3,670	4,129	4,152	4,152	+23	
Total	5,366	6,007	6,124	6,124	+117	
School lunch program	188	207	207	232	+25	+25
Total, annual appropriations	5,554	6,214	6,331	6,356	+142	+25
Other funds, including permanent appropriations	3,246	3,352	3,424	3,609	+257	+185
Total	8,800	9,566	9,755	9,965	+399	+210
Foreign Agricultural Service:						
Salaries and expenses	703	724	741	784	+60	+43
Salaries and expenses (special foreign currency program)	18	17	17	17		
Other funds	109	113	117	117	+4	
Total	830	854	875	918	+64	+43
Commodity Exchange Authority: Annual appropriation	118	124	126	126	+2	
Commodity Stabilization Service:						
Acreage allotments and marketing quotas	826	885	885	885		
Sugar Act program	177	187	187	187		
Conservation reserve	426	296	290	290	−6	
Total, annual appropriations	1,429	1,368	1,362	1,362	−6	
Commodity Credit Corporation (corporate administrative expense limitation)	5,208	5,491	5,009	5,009	−482	
Other funds, including permanent appropriation	480	557	556	556	−1	
Total	7,117	7,416	6,927	6,927	−489	
Federal Crop Insurance Corporation:						
Operating and administrative expenses	689	786	801	801	+15	
Capital and insurance fund	101	122	139	139	+17	
Other funds		1	1	1		
Total	790	909	941	941	+32	
Rural Electrification Administration:						
Annual appropriation	989	964	964	964		
Other funds	1	1			−1	
Total	990	965	964	964	−1	
Farmers Home Administration:						
Salaries and expenses	4,804	4,723	4,765	4,765	+42	
Other funds	406	466	461	461	−5	
Total	5,210	5,189	5,226	5,226	+37	
Office of the General Counsel: Annual appropriation	380	403	406	406	+3	

Average annual positions in appropriations and other funds, fiscal years 1960, 1961, and 1962—Continued

[Based on 1962 budget estimates and adjusted for comparability with the 1962 appropriation structure. This table reflects the average annual positions under the appropriations and funds indicated, including those applicable to transfers, allocations, or allotments to organizations other than the agency receiving the appropriation]

	1960	1961 (estimated)	1962 (estimated)		Increase or decrease, 1962 revised budget compared with—	
			Original budget	Revised budget	1961	1962 original budget
Office of the Secretary:						
Annual appropriation	310	319	322	322	+3	
Working capital fund	263	266	266	266		
Other funds	3	1	1	1		
Total	576	586	589	589	+3	
Office of Information:						
Annual appropriation	114	119	125	125	+6	
Other funds	9	11	11	11		
Total	123	130	136	136	+6	
Centennial observance of agriculture			3	3	+3	
Library:						
Annual appropriation	123	130	143	143	+13	
Other funds	15	18	4	4	−14	
Total	138	148	147	147	−1	
Forest Service:						
Forest protection and utilization:						
Forest land management	12,086	11,730	12,701	13,972	+2,242	+1,271
Forest research	1,763	1,882	2,004	2,118	+236	+114
State and private forestry cooperation	139	142	158	158	+16	
Total	13,988	13,754	14,863	16,248	+2,494	+1,385
Forest roads and trails	3,878	4,367	4,367	4,458	+91	+91
Acquisition of lands for national forests	2	4	3	3	−1	
Total, annual appropriations	17,868	18,125	19,233	20,709	+2,584	+1,476
Other funds, including permanent appropriations	5,009	6,056	6,204	6,204	+148	
Total	22,877	24,181	25,437	26,913	+2,732	+1,476
Total, average annual positions under all funds available to U.S. Department of Agriculture	81,751	85,741	87,764	89,865	+4,124	+2,101
Deduct average annual positions included above representing employment in other departments under allocations from U.S. Department of Agriculture funds	166	153	155	155	+2	
Total, average annual positions for U.S. Department of Agriculture personnel	81,585	85,588	87,609	89,710	+4,122	+2,101
RECAPITULATION						
Included in U.S. Department of Agriculture chapter:						
Total annual appropriations	65,663	67,976	70,299	72,215	+4,239	+1,916
Corporate administrative expense limitation	5,208	5,491	5,009	5,009	−482	
Permanent appropriations	1,631	1,861	1,891	2,076	+215	+185
Other funds	9,028	10,157	10,295	10,295	+138	
Included in other chapters: Other funds	221	256	270	270	+14	
Total	81,751	85,741	87,764	89,865	+4,124	+2,101
Deduct average annual positions included above representing employment in other departments under allocations from U.S. Department of Agriculture funds	166	153	155	155	+2	
Total, average annual positions for U.S. Department of Agriculture personnel	81,585	85,588	87,609	89,710	+4,122	+2,101

La Guardia Memory Lingers

EXTENSION OF REMARKS
OF
HON. WAYNE MORSE
OF OREGON

IN THE SENATE OF THE UNITED STATES

Wednesday, August 16, 1961

Mr. MORSE. Mr. President, several months ago, the Senator from Illinois [Mr. DOUGLAS] spoke to the annual La Guardia Memorial Association luncheon in New York City. His brief remarks were a fine portrait of one of the most remarkable political leaders of our time, Fiorello La Guardia.

I ask unanimous consent that Senator DOUGLAS' eulogy be printed in the RECORD.

There being no objection, the eulogy was ordered to be printed in the RECORD, as follows:

LA GUARDIA: ST. GEORGE AND ST. VITUS

(By Senator PAUL H. DOUGLAS of Illinois)

The life of a politician is ordinarily written in water. He struts and frets his brief hour upon the stage and then, as ephemeral as the fruit fly, vanishes into the mists of time. Like the coral polyps, the more worthy of the species politician may indeed help to add their minute contribution to the rising island of civilization which slowly emerges from the sea, but rarely is this noticed for long. But compared with artists and authors, the politician is normally disparaged while alive and forgotten when dead.

It is quite otherwise, however, with Fiorello H. La Guardia. He still seems vibrantly alive to the generation which knew him, and he is a living tradition to the youngsters who are pressing on behind us. Young men and women, and those not so young, remember his reading the funnies to them over the radio during a newspaper strike. Men still fancy they see the mayor riding firetrucks. He was a modern Haroun Al-Rashid exploring his Baghdad on the subway by night, slipping into flophouses to see how the down-and-outers fared, inspecting gutters to find out if they had been cleaned, and rushing into police stations to see if New York's finest were on the job.

Various sociological explanations have been advanced to explain Fiorello La Guardia's success. He is said to have represented the eastern and urban outcroppings of American progressivism which had hitherto found its chief expression in the Midwest and the West, and previously to have been much stronger in the countryside than in the cities. He is heralded as the John the Baptist of the New Deal, but he, unlike John, did not lose his head even though various Salomes may have danced for it. He is also said to have embodied the revolt of the newer immigration from southern and eastern Europe, notably the Italian and Jewish Americans, against the older immigrant strains from northern Europe.

There is a great deal of truth in all of these explanations. I would even add another one. While most of the so-called native Americans were either holding themselves aloof from the rough and tumble of city politics in a sort of sterile disdain of the newer elements, La Guardia followed an essentially integrating role in which he sought to make each and every group feel that it had an instrument to play in the orchestration of 20th century democracy.

La Guardia was, in fact, a thoroughgoing progressive who believed that Government should be an instrument for human welfare. He believed in an investment in people. He fought for a greater equality of political and economic power so that all men and women might have enough power to be secure but not to have so much as to be able to oppress others. He was, therefore, a distributivist rather than a doctrinaire capitalist or Socialist.

But it is the warm, vivid, and admirable Fiorello that we love and not the sociological abstraction. La Guardia was a chemical

amalgam of many qualities. He was tenderhearted and yet a hard-boiled political realist. He was implacably honest without the slightest touch of self-righteousness. He was brave as a lion with an effervescent energy that was tireless. He had a high sense of the dramatic and loved to act out his part on the center of the stage with the spotlight full upon him while his high-pitched voice squeaked out his political aria followed by an antiphonal in high chorus. He was indeed a cross between St. George and St. Vitus.

La Guardia took on everyone, politicians, the tinhorns, the private utilities, even the newspapers. He was the living embodiment of God's angry man. And while his anger was sometimes misdirected, it generally went right straight to the mark. He gave to New York an administration which was honest, efficient, compassionate and completely unafraid.

The timid and ultragenteel continually criticized La Guardia for his dramatic qualities which they said were unbecoming in a public official. Dramatic he certainly was. He loved the center of the stage and always wanted the spotlight focused fully upon him. This was partly due to his Latin temperament and his love of Verdi's operas, which caused his arch-rival Al Smith, with some show of justice, to refer to him always as "Rigoletto."

But this love for the exaggerated gesture and act was also the cunning tactic of an honest politician, who without firm political or newspaper support, was trying to break through the sound barrier to the people of his beloved city and to convince them that there were great wrongs to right and that Fiorello H. La Guardia was just the man to do it.

And so we revive ourselves in thinking about our tough political Sir Galahad. He gave us all a quickened sense of living—of a courageous living in noble causes, carried out, of course, with imperfections and with much circus hullabaloo, but with a relative success of intent and achievement. He showed us that a politician can be down to earth and realistic yet completely honest, devoted to the underdogs yet considerate of all. Vivid, dramatic, and unafraid, New York and the Nation will never be the same because of him, and the change is all to the good. God bless his memory.

TRIBUTE TO LA GUARDIA

As New York City enters upon a mayoralty-election year, we are pleased to be able to print a tribute to the late Fiorello H. La Guardia by the distinguished U.S. Senator from Illinois, PAUL H. DOUGLAS.

A former member of Chicago's city council, Mr. DOUGLAS is familiar with big city government and the qualifications necessary for outstanding leadership in the executive branch of city government.

Senator DOUGLAS' tribute was delivered at the annual luncheon meeting of the La Guardia Memorial Association, an organization formed by friends and governmental associates of the late mayor to perpetuate his ideals of honest, imaginative and responsive city government.

The National Lottery of Guatemala

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 16, 1961

Mr. FINO. Mr. Speaker, I would like to tell the Members of this House about the national lottery of Guatemala. Guatemala, although a small nation, has the financial wisdom to recognize the worth of a national lottery—and Guatemala profits accordingly.

In 1960, the gross receipts of the Guatemalan national lottery came to some $3 million. The total net income to the Government in that year came to close to $1 million. This income was not earmarked, but was rather put into the general fund.

There is really nothing special about the national lottery of Guatemala, for Guatemala is another of those countries where it is simply assumed that the government will have the intelligence to supervise gambling rather than disregard it. This wisdom, however, has not yet dawned upon the Government of our Nation.

Federal Assistance Necessary To Specially Train Teachers of the Deaf and Handicapped

EXTENSION OF REMARKS

OF

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 16, 1961

Mr. BOLAND. Mr. Speaker, earlier this year I introduced H.R. 5360, a bill which would make available to children who are handicapped by deafness the specially trained teachers of the deaf needed to develop their abilities, and to make available to individuals suffering speech and hearing impairments the specially trained speech pathologists and audiologists needed to help them overcome their handicaps. I was one of the sponsors of similar legislation in the 86th Congress.

The Special House Subcommittee on Education under the chairmanship of Congresswoman EDITH GREEN, of Oregon, held hearings yesterday and today on this legislation. The Senate passed a similar bill on March 3. I sincerely hope that the House will have an opportunity to pass this vitally needed legislation in this session of Congress.

Mr. Speaker, under permission granted, I include my testimony before Chairman GREEN's Special Subcommittee on Education, and an article by Dr. Howard A. Rusk, which appeared in the New York Sunday Times of August 13, 1961, entitled "Loss of Hearing—Part 1: Six Million in Nation Suffer Impairments—Nature of Disabilities Is Little Known," with my remarks:

STATEMENT OF EDWARD P. BOLAND BEFORE SUBCOMMITTEE ON EDUCATION

AUGUST 16, 1961.

Hon. EDITH GREEN,
Chairman, Special Subcommittee on Education, Old House Office Building, Washington, D.C.

DEAR MADAM CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE: I appreciate this opportunity to appear before your subcommittee, this morning, to make my views known on legislation to assist in educating and rehabilitating the handicapped.

As you know, my bill, H.R. 5360, is one of the pieces of legislation under consideration by this committee. My bill would make available to children who are handicapped by deafness the specially trained teachers of the deaf needed to develop their abilities and to make available to individuals suffering speech and hearing impairments the specially trained speech pathologists and audiologists needed to help them overcome their handicaps.

An identical Senate version, sponsored by Senator LISTER HILL (S. 336), was passed by the Senate on March 3. These bills are supported by the four professional organizations in this country which are primarily concerned with the education of deaf children: The Council on Education of the Deaf; the Alexander Graham Bell Association for the Deaf; the Conference of Executives of American Schools for the Deaf; and, the American Instructors of the Deaf.

There has been a critical nationwide shortage of trained classroom teachers of deaf children over the past years, and the shortage of the school year beginning next month, September 1961, will be critical indeed.

One of the outstanding schools specializing in this field is the Clarke School for the Deaf in Northampton, Mass., within my congressional district. Principal George T. Pratt of the Clarke School has told me that there will be a nationwide shortage of 454 qualified teachers of the deaf at the beginning of the 1961–62 school year, an increase of 85 over the shortage of the school year 1960–61. Mr. Pratt obtained these figures by an actual head count from 269 of the 400 schools and classes for deaf children in this country.

While only 177 teachers in this specialty were trained during the last year, there are over 30,000 deaf children of school age. These children will grow up to become useful productive citizens if they can obtain the proper special education. The States have no training facilities to provide properly trained teachers of the deaf. I believe that this must become a Federal responsibility to establish a program of grants-in-aid to nonprofit institutions of higher education to cover the cost of courses and establishing fellowships for qualified persons.

I sincerely hope that the members of the subcommittee will report the bill favorably, so that this legislation can reach the floor of the House and be passed in this session of Congress.

EDWARD P. BOLAND,
Member of Congress.

LOSS OF HEARING—I: SIX MILLION IN NATION SUFFER IMPAIRMENTS—NATURE OF DISABILITIES IS LITTLE KNOWN

(By Howard A. Rusk, M.D.)

Of all types of disabling conditions, hearing loss, the Nation's leading cause of disability, is one of the least understood.

Most of us automatically think of the deaf when we think of hearing loss, for we are aware of their communcation problems. Of the nearly 6 million persons in the United States with impaired hearing, however, only 109,000, or less than 2 percent, are deaf.

The severe problems of the deaf are not to be minimized, and we are usually considerate and understanding of them in our social and business contacts.

Frequently, however, we consider the person with impaired hearing as either slow, inattentive, vague or overaggressive, because we fail to recognize that his behavior is the result of a communication disorder.

As Norton Canfield, M.D., points out in the new public affairs pamphlet, "You and Your Hearing," published earlier this month, the principal types of hearing disorders are conductive deafness and perceptive deafness.

TWO TYPES OF DEAFNESS

Conductive deafness results from interference with the passage of sound to the inner ear. It may be caused by increased stiffness of the tissues of the middle ear, mechanical obstructions, blocking of the Eustachian tubes, scar tissue or excessive bony formation.

Perceptive or nerve deafness involves the inner ear. It may be caused by infection, injury or traumatizing noise.

Other types of deafness are those which are psychogenic in nature or a mixed deafness involving both the conductive and perceptive deafness.

Unfortunately, there has been very little basic research in the cause of deafness until recently. One of the most hopeful approaches is the temporal bone bank program of the Deafness Research Foundation.

Under this program people, are being asked to will their temporal bones for medical research in a series of banks being established in leading medical schools. Such research is greatly needed because of the inaccessibility and minute size of the temporal bone, the smallest bone in the human body. Satisfactory research on the bone in living subjects is most difficult.

A SUPPLY DIFFICULTY

Another problem in research on deafness is the fact that it is very difficult to secure a sufficient supply of diseased ears through autopsy, because people do not die of deafness.

Although hearing problems are found among persons of all ages, there is a striking increase in incidence of hearing disorders around the age of 65.

Rates of impaired hearing per 1,000 persons in the United States are: under age 25, 7.9; ages 25–44, 20.6; ages 45–64, 52.2; ages 65–74, 129.2; and ages 75 and over, 256.4.

In one study of 100 patients in a home for the aged, about one-third were found to have normal hearing and only 7 percent showed severe hearing losses.

Hearing losses due to aging result primarily from arteriosclerotic and degenerative changes in the inner ear.

Studies indicate, however, that about half of the hearing impairments in persons over 50 result from the same causes as among persons under 50.

Because of higher accident rates among men and their greater exposure to noise in industry, the incidence of impaired hearing among men is about one-third higher than among women.

NOISE-INDUCED LOSS

Noise-induced hearing loss has become increasingly important with the expansion of industry and the development of high-speed machines.

Brief exposure, for example, to noise levels of 130 to 140 decibels, such as produced by a jet engine, does not result in damage. The danger comes from frequent and prolonged exposure to such noise.

Within recent years, the development of surgical techniques in the treatment of otosclerosis has resulted in greatly improved hearing for many persons.

One technique is that of fenestration in which a new opening is produced in the inner ear, permitting sound waves to bypass the diseased bone.

STAPES MOBILIZATION

The other technique is stapes mobilization in which the stapes bone is removed and replaced by tissue or part of a vein attached to a stainless steel wire or plastic tube.

Only about 20 percent, however, of all hearing impairments are caused by otosclerosis and permanent improvement results in only one-half of the cases treated. Results when successful are highly dramatic; persons who have been deaf for years frequently gain normal hearing.

Today, many hearing disorders can be improved through treatment. Through early detection of such losses and remedial measures such as hearing aids and lip reading, the damaging emotional, social and vocational sequelae can be prevented.

The most important aspect of hearing conservation is early detection of hearing loss.

Brooklyn's Famed Fighting 14th Regiment

EXTENSION OF REMARKS

OF

HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 16, 1961

Mr. CAREY. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to pay tribute to Brooklyn's famed "Fighting 14th," that New York State Militia regiment which served so bravely during the Civil War. Mr. Bruce Catton, chairman of the New York State Civil War Centennial, has aptly said:

As untested and untried citizen soldiers, these men of Brooklyn stood up so valiantly to the heavy pounding at First Bull Run that they earned for their regiment forever, the motto—"Baptized by Fire." These red-legged devils who volunteered en masse for 3 years' service in the Civil War suffered almost incredible hardships and losses. With a toughness, a discipline, and an esprit de corps seldom equaled in our military history. Brooklyn's red-legged devils fought through from First Bull Run to Spotsylvania.

Brig. Gen. Charles G. Stevenson, the adjutant general of New York and vice chief of staff to the Governor, in an article entitled "Baptized by Fire" gives an account of the participation by the 14th Brooklyn Regiment in the First Battle of Bull Run written from military records. General Stevenson's article was published in the July supplement of the monthly bulletin published by the New York Civil War Centennial Commission. The article states:

One century ago on July 21, in a hot battle on a hill near a winding stream in northern Virginia, 825 men in red and blue earned the motto "Baptized by Fire" for their regiment which has lived ever since in the military history of Brooklyn and Long Island, N.Y. The battle was the First Battle of Bull Run or First Manassas on July 21, 1861. It was the initial large-scale contest of the Civil War.

The regiment was the 14th Brooklyn, New York State Militia, whose successor units in the New York Army National Guard today are: Headquarters and Headquarters Battery, 187th Artillery Group; 1st Howitzer Battalion, 187th Artillery; 2d Gun Battalion, 187th Artillery, all of Brooklyn; and the 1st Medium Tank Battalion (Patton), 142d Armor of Freeport, Bay Shore, and Patchogue, Long Island.

The spirit of the Fighting 14th kindled during the tragic Civil War struggles, has continued as a torch of glowing tradition to these successor units in the New York Army National Guard.

The motto, "Baptized by Fire," was coined by the commander of the Union forces, Brig. Gen. Irvin McDowell. After the 14th had reassembled at Arlington, Va., following the battle, they learned that the number of the regiment had been changed by the State authorities to the 84th New York Volunteers. This aroused a storm of protest from officers and men. An appeal was made to General McDowell. His reply, which was upheld by the Secretary of War, was:

"You were mustered by me into the service of the United States as a part of the Militia of the State of New York known as the 14th. You have been baptized by fire under that number and as such you shall be recognized by the U.S. Government and by no other number."

The 14th Infantry, New York National Guard adopted the motto when that regiment was reestablished after World War I. It has been worn by the 14th and successor units to the present time. Today, it is the motto on the crest of one of the successor units.

The situation prior to the First Battle of Bull Run was this: The Confederates held a position northeast of Manassas, Va., stretching along the high ground west of Bull Run, from the Stone Bridge on the Centreville-Warrenton Pike on the left, to the woods at the Union Mills on the right. The bulk of the Confederate forces was in position at the fords in the center of their line, which was in front of Manassas, the focal point of the defense.

General McDowell, Union Commander in Chief, decided to envelop the enemy left. He entrusted the main effort to two of his four divisions—the 2d and 3d commanded by Cols. David Hunter and Samuel P. Heintzelman, respectively. Tyler's 1st Division was to threaten the center and left at the Stone Bridge and lower fords. Another division, under General Miles, was held in reserve at Centreville.

The operation opened at 2:30 a.m. in the morning of July 21, 1861, when Tyler, Hunter, and Heintzelman moved out of their bivouacs around Centreville, to which they had marched from Arlington, a few days before. After almost 3 hours delay caused by the slowness of the 1st Division in clearing camp, Hunter's 2d Division, composed of the brigades of Burnside and Porter, leading the envelopment, crossed Cub Run on the Warrenton Pike (now U.S. Route 29, Virginia Route 211). They turned north into a wood road a few miles west of Centreville and headed for the ford across Bull Run at Sudley Springs about 3 miles to the north of the Pike.

Burnside's brigade splashed across the run, swung to the left pursuant to McDowell's plan and pushed down the Sudley Springs—Manassas road (now Virginia Route 234). Burnside, with the 71st New York State Militia as the 2d regiment in line, engaged the Confederates who had moved to Matthews Hill to meet him.

The 14th, in Porter's brigade following Burnside, arrived at the ford at about 10 a.m. Following a short rest, the 14th forded Bull Run, marched along an unused railroad grade and came under enemy artillery fire. Porter's brigade formed on the right of Burnside's. The 14th double timed southward towards the front, passed through a small woods and came out in a clearing. They saw Griffin's battery firing at a Confederate battery on Henry House Hill across the Warrenton Turnpike. The men dropped their blanket rolls in the clearing. Led by Lt. W. W. Averill of Colonel Porter's staff, they advanced past the west side of the J. Dogan House to the Pike. The 14th was followed by the 8th New York Militia. They turned east on the Pike and advanced to the Sudley-Manassas Road.

The purpose of this maneuver, as shown by Colonel Porter in his official report after the battle, dated July 25, 1861, was to cut off the retreat of the Confederates who were being beaten back from Matthews Hill by Burnside, assisted by Sykes' battalion of

Regulars and by the 27th New York Volunteers of Porter's brigade. Porter said in his afteraction report:

"The rebels soon came flying from the woods toward the right, and the 27th completed their rout by charging directly upon their center in the face of a scorching fire, while the 14th and 8th New York Militia moved down the turnpike to cut off the retiring force, and to support the 27th, which had lost its gallant colonel (Slocum, who was wounded in the right thigh in this fight) but was standing the brunt of the action with its ranks thinning in the dreadful fire. Now the resistance of the enemy's left was so obstinate that the beaten right retired in safety * * *. The 14th, though it had broken, was soon rallied in rear of Griffin's battery * * *."

Lieutenant Colonel Fowler of the 14th described this first "baptism of fire" of the 14th in an account written in 1883 and published in 1911 in the regimental history. He said:

"On reaching the Sudley Ford Road, which crosses the pike well up the hill toward the Henry House, by some misunderstanding an order was sent to the head of the column to turn to the left in this road instead of to advance up the pike and charge the battery (on the Henry House Hill). From the woods on the far side of the road we received a severe and continuous fire of musketry from a force of the enemy in ambush, who could not be seen. The regiment returned the fire, then broke and reformed behind the fence on the road."

At this moment, as indicated by Colonel Porter's report, an officer of Griffin's battery requested the 14th to support the battery. The regiment changed position and placed itself in rear of the battery which then took position east of the J. Dogan house. The rebel fire was attracted to the red pants of the 14th—with resulting casualties to the artillerymen in front—so the regiment moved 100 yards in front of the battery. For a time, they received the enemy fire, which was high, with little loss. Then, the Confederates, finding that they could not hit the Red Legs any other way, began to ricochet their round shot—in other words, bounce them at the 14th—a hard thing to imagine in these days of high-powered weapons. The Rebel tactic made the position too hot and the regiment was marched a short distance to the Warrenton Pike.

The artillery batteries (Griffin's and Ricketts') were at this time called upon for more strenuous service. They were ordered by General McDowell through Maj. William F. Barry, his chief of artillery, to take position on the Henry House Hill supported by the marines of Porter's brigade and the 11th New York Volunteer Infantry (The Fire Zouaves) of Colonel Heintzelman's 3d Division.

Then, two companies of Col. J. E. B. Stuart's 1st Virginia Cavalry charged the 11th. The Zouaves gave them a scattering fire which emptied a few saddles. A few minutes later a fatal mistake occurred. A Confederate infantry regiment clad in blue emerged from the woods on the right of the batteries. Major Barry advised Griffin that the advancing force was a Federal regiment sent by Heintzelman to support the batteries. The Confederates opened fire at not more than 60 to 70 yards distance and wiped out half of Griffin's and Ricketts' guncrews. The guns were captured.

The Rebel regiment was the 33d Virginia Infantry of the brigade made famous by the name "Stonewall" given to it and its commander, Brig. Gen. Thomas J. Jackson, earlier in the battle by Brig. Gen. Barnard E. Bee of South Carolina.

At about this time, the 14th, according to Colonel Fowler, advanced up the hill "to a position near the woods on the right of the lost batteries."

Porter's after-action report stated:

"Griffin's and Ricketts' batteries were ordered by the commanding general to the top of the hill on our right, supporting them with the Fire Zouaves and Marines, while the 14th entered the skirt of woods on their right to protect that flank and a column composed of the 27th New York, 11th and 5th Massachusetts, 1st Minnesota, and 69th New York moved up toward the left flank of the batteries."

Porter then said the Zouaves broke and fled when fired on by some enemy infantry. Porter went on to say: "The Marines also, in spite of the exertions of their gallant officers, gave way in disorder; the 14th on the right and the column on the left hesitatingly retired, with the exception of the 69th and 38th New York who nobly stood and returned the fire of the enemy for 15 minutes."

In position, near the woods on the right of the lost batteries, Colonel Fowler said that before it was forced to withdraw, the 14th did terrible execution on Confederate reinforcements coming up in column in a ravine or water course.

According to Colonel Fowler, the fire of the Confederate reinforcements, from the front together with a crossfire from the bushes on the right and the shot and shell from the enemy batteries made the position so hot that the regiment was forced to fall back to the foot of the hill.

The Confederates opposing the 14th here were probably the 18th Virginia Infantry commanded by Col. R. E. Withers. In his afteraction report, Colonel Withers said:

"On approaching their [the Federal] position I found a pretty strong force posted in a thicket of pines, in some places almost impenetrable. With a cheer we dashed into the thicket and pushed forward, the enemy retiring as we advanced.

"They were composed principally of the 14th New York Chasseurs, and several of their number were killed and captured by the left wing of my regiment."

The 14th, repulsed after its first climb up the hill, rallied on the Sudley Ford road and advanced a second time to the summit.

On the second advance, the 14th was supported by the battalion of marines in its rear. Colonel Fowler stated that on reaching the top of the hill, his men dropped to the ground; the enemy's volley passed over them and "took effect on the Marines who notwithstanding the earnest efforts, in language more forcible than pious, of their commander, Major Reynolds, broke and ran to the rear, soon followed by the unsupported 14th."

This action by the 14th is substantiated by the after-action report of Maj. John Reynolds of the marines, dated July 24, 1861. He said that he was directed by Colonel Porter "to afford the necessary support of Griffin's battery." In taking this position, he said: "The battalion was exposed to a galling fire."

Then, he continued in his report:

"While holding it (the position in support of Griffin's battery), General McDowell ordered the battalion to cover or support the 14th New York Regiment, which was about to be engaged. The battalion, in consequence, took the position indicated by the general, but was unable to hold it, owing to the heavy fire which was opened upon them."

The 14th reformed on the Sudley Ford road for a third attack, but it had scarcely commenced when a fresh Confederate brigade appeared on its right rear and opened fire.

Colonel Fowler stated that: "On looking to the rear and left every regiment was seen in disordered flight from the field with Sykes' battalion of regulars drawn up in line beyond the turnpike as a rallying point. But everything drifted past them to the rear."

The 14th with the rest of the Union Army left the field generally by the route by which it came. It assembled again the next day—July 22—at the camp it had left in Arlington.

Col. Harry W. Michell who commanded the 14th after the war—from 1885 to 1898—was a private in Company C at Bull Run. He said: "I saw little of the panic at Bull Run of which so much has been written. The 14th kept a perfect formation and marched off the field in good order."

However, Colonel Fowler indicated that the retreat later degenerated into a stampede. He said: "The integrity of regiments and even companies was entirely lost and officers and men drifted to the rear, each on his own account." He expressed his opinion, however, that it was "providential that this defeat occurred. If we had won this battle we would have pushed on to Richmond and a compromise peace would have been arranged, leaving the great question of slavery to be settled at a future day at doubtless greater cost. This encounter did much to create an army, proved that the service was to be no holiday excursion or picnic, and those who came with such expectations found they had mistaken their vocations when brought face to face with the horrors of war and the resignations of officers and * * * desertions of enlisted men soon relieved the army of such useless material."

The regiment lost 2 officers and 21 enlisted men killed in the battle. Ten men died of wounds. Sixty-four men were wounded and 30 captured, including Colonel Wood.

At camp in Arlington, the 14th reorganized. Lieutenant Colonel Fowler said he worked "night and day to the end of making the regiment what it afterward became in the field—one of the most efficient, best drilled and disciplined in the service."

During this period, an interesting situation arose having to do with the regiment's red pants. Colonel Fowler wrote that: "They were worn out and the Army blue had to be substituted until other red pants could be supplied by contract and although the blue looked neat and comfortable, the men were not pleased with them as they would not be found dead without the red pants on. The Government soon supplied the distinctive uniform of the regiment and continued to furnish it during its term of service."

Few regiments wore their distinctive uniform throughout 3 years of active service, as did the 14th.

General Fowler commanded the 14th during the rest of its 3 years' service. He was seriously wounded at the Battle of Groveton, Va., in the Second Bull Run Campaign on August 29, 1862.

Mustered out of service on June 6, 1864, he was brevetted brigadier general for gallant and meritorious conduct. The entire city of Brooklyn paid tribute to him on his death, January 16, 1896. Some years later, a statue of General Fowler was erected. It stands in Fort Greene Park near DeKalb Avenue and Cumberland Street, Brooklyn.

On October 20, 1906, a monument erected by the State of New York was unveiled on a small hill just south of the Warrenton Turnpike (now U.S. Route 29, Virginia Route 211) at Groveton, Va. Although the 14th did not actually fight on this hill at First Bull Run it was heavily engaged there on August 29, 1862, in the Battle of Groveton of the Second Bull Run Campaign.

Originally, the site was not within the limits of the Manassas National Battlefield Park. It became overgrown with weeds, bushes, and trees. In 1949, the New York Legislature appropriated funds to clean up the site, after which, pursuant to a 1950 act of the legislature, it was deeded to the Federal Government together with nearby monuments erected in honor of the 5th New York (Duryee's Zouaves) and 10th New York (National Zouaves) Volunteer regiments. In 1952, the legislature authorized the purchase of additional land surrounding the sites of the

monuments and authorized the land to be deeded by the State to the Federal Government.

As a result of these acts, the monuments and their environs are now located within the confines of the park, which was not the case before. They are properly cared for by the National Park Service.

Mr. Speaker, this very cogent article is of special interest to me, not only because my brother Capt. Dennis J. Carey was a World War II member of the old 14th but by reason of their love of the unit in our borough.

On July 21, 1961, the 100th anniversary of the First Battle of Bull Run or First Manassas a group of over 50 members and friends of the 14th New York Infantry World War Veterans' Association of Brooklyn, N.Y., conducted a rededication of the 14th Brooklyn Monument at Groveton on the Second Bull Run Battlefield. The pilgrimage from Brooklyn to Bull Run was made by chartered bus.

The ceremonies included the presentation of a symbolic deed to some 126 acres on the battlefield from the State of New York to the United States. This land includes the sites of the Brooklyn 14th Monument and the sites of two other New York monuments, those of the 5th New York Volunteer Infantry (Duryee Zouaves) and 10th New York Volunteer Infantry (National Zouaves), together with the surrounding land necessary to incorporate the entire area around the three monuments into the Manassas National Battlefield Park. General Stevenson presented the symbolic deed to Mr. Elbert Cox, Regional Director, Region I of the National Park Service, Richmond, Va., who turned the "deed" over to Mr. Francis F. Wilshin, superintendent of the Manassas National Battlefield Park. The document will be displayed in the museum located in the park headquarters building.

General Stevenson was a prime mover in this project. His interest grew out of a visit he made to the site of the 14th Monument in 1944, and saw at that time the deplorable condition of the monument and its surroundings. General Stevenson lived in Brooklyn for 38 years and served over 13 years in the 14th Infantry, New York National Guard, prior to World War II.

Mr. James F. Evans, former director of New York State parks, was mainly responsible for procuring the passage of the 1950 and 1952 acts of the New York State Legislature under which the land and monuments were deeded to the Federal Government. He was ably assisted by Dr. Albert B. Corey, New York State historian. Dr. Corey and Mr. Evans spoke at the ceremonies on July 21, 1961 as representatives of the New York Civil War Centennial Commission.

The ceremonies were conducted under the auspices of the 14th New York Infantry World War Veterans Association of Brooklyn and the New York Civil War Centennial Commission. Speakers at the ceremonies besides General Stevenson, Dr. Corey, Mr. Evans, Mr. Cox and Mr. Wilshin, were Maj. Gen. Paul M. Booth, The Adjutant General of Virginia who extended greetings to the visitors from the Commonwealth of Virginia; Col. William J. Munday of Brooklyn, president of the 14th New York Infantry World War Veterans Association and Col. Theodore J. Krokus of Brooklyn, national commander of the 27th Division Association, who said in his rededication address:

> Today we rededicate this monument to the men of our regiment, the old 14th, who, on this spot and in this vicinity fought in the cause of national unity and freedom. We honor too, the brave men of the South, who left this battlefield as victors.

Col. James J. Gambee of Lynbrook, Long Island, former colonel of the 14th Infantry, New York Guard, was chairman of the ceremonies.

SENATE

THURSDAY, AUGUST 17, 1961

The Senate met at 11 o'clock a.m., and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Eternal God, Father of our spirits, whose power is unsearchable, in whose will alone is our peace, amid the earthquake, wind, and fire of this violent world, we wait at the day's beginning for Thy still small voice. Give us sensitive ears to listen, teachable minds to learn, and humble hearts to obey.

Here, today, in this Chamber of national deliberation, let some revelation of Thy light fall on our darkness, some guidance from Thy wisdom save us in our bewilderment from false choices.

For our Nation's welfare, grateful for its high traditions, anxious for its present state as the leader in freedom's cause in all the earth, we come with fervent prayer for our national leaders that by their wise decisions this Republic may contribute worthily to mankind's abiding peace.

In the Redeemer's name we pray. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, August 16, 1961, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Floyd R. Gibson, of Missouri, to be U.S. district judge for the western district of Missouri, which was referred to the Committee on the Judiciary.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the following committees and subcommittees were authorized to meet during the session of the Senate today:

The Patents, Trademarks, and Copyrights Subcommittee of the Judiciary Committee.

The Committee on Interior and Insular Affairs.

The Public Lands Subcommittee of the Committee on Interior and Insular Affairs.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON EXPORT CONTROL

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on export control, covering the second quarter of 1961 (with an accompanying report); to the Committee on Banking and Currency.

ESTABLISHMENT OF PARLIAMENTARY ASSOCIATION WITH ORGANIZATION FOR COOPERATION AND DEVELOPMENT

A letter from the Assistant Secretary of State, relating to the establishment of an informal parliamentary association with the Organization for Economic Cooperation and Development (with accompanying papers); to the Committee on Foreign Relations.

REPORT ON COLUMBUS BEND PROJECT, TEXAS

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report on the Columbus Bend project, Texas (with an accompanying report); to the Committee on Interior and Insular Affairs.

PROJECT PROPOSAL UNDER SMALL RECLAMATION PROJECTS ACT OF 1956

A letter from the Assistant Secretary of the Interior, reporting, pursuant to law, on a project proposal from the Haights Creek Irrigation Co., of Kaysville, Utah, under the Small Reclamation Projects Act of 1956 (with accompanying papers); to the Committee on Interior and Insular Affairs.

SESQUICENTENNIAL OF ADMINISTRATION OF PUBLIC DOMAIN AND CENTENNIAL OF HOMESTEAD ACT

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to provide for recognition of the sesquicentennial of the administration of the public domain and the centennial of the Homestead Act (with an accompanying paper); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

STATUS OF PERMANENT RESIDENCE FOR A CERTAIN ALIEN

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a copy of an order granting the application for permanent residence filed by Salim H. Djedda, together with a statement of the facts and pertinent provisions of law as to the subject, and the reasons for granting the application (with accompanying papers); to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROBERTSON, from the Committee on Banking and Currency, without amendment:

S. 1486. A bill to authorize the Comptroller of the Currency to establish reasonable maximum service charges which may be levied on dormant accounts by national banks (Rept. No. 761).

ADDITIONAL EXPENDITURES BY COMMITTEE ON INTERIOR AND INSULAR AFFAIRS—REPORT OF A COMMITTEE

Mr. ANDERSON, from the Committee on Interior and Insular Affairs, reported an original resolution (S. Res. 198) authorizing additional expenditures by the Committee on Interior and Insular Affairs, which was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Interior and Insular Affairs is hereby authorized to expend from the contingent fund of the Senate, during the 87th Congress, $10,000, in addition to the amount, and for the same purposes specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MORTON (for himself and Mr. COOPER):

S. 2432. A bill to amend section 202 of the Federal Property and Administrative Services Act of 1949 to make special provision for the disposal of certain excess real property situated within economically distressed areas; to the Committee on Government Operations.

(See the remarks of Mr. MORTON when he introduced the above bill, which appear under a separate heading.)

By Mr. McCARTHY:

S. 2433. A bill to provide for the improvement and support of mass transportation by tax adjustment; to the Committee on Finance.

By Mr. HRUSKA:

S. 2434. A bill for the relief of Mansour Batarse; to the Committee on the Judiciary.

By Mr. KEATING:

S.J. Res. 125. Joint resolution proposing an amendment to the Constitution of the United States to establish a Commission to determine the inability of a President, or one acting as President, to discharge the powers and duties of the Office of President; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTION

ADDITIONAL EXPENDITURES BY COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. ANDERSON, from the Committee on Interior and Insular Affairs, reported an original resolution (S. Res. 198) authorizing additional expenditures by the Committee on Interior and Insular Affairs, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. ANDERSON, from the Committee on Interior and Insular Affairs, which appears under the heading "Reports of Committees.")

EXTENSION OF NATIONAL DEFENSE EDUCATION ACT OF 1958—AMENDMENTS

Mr. SCOTT (for himself, Mr. CASE of South Dakota, Mr. FONG, and Mr. PROUTY) submitted amendments, intended to be proposed by them, jointly, to the bill (S. 2345) to extend and improve the National Defense Education Act of 1958, and for other purposes, which were ordered to lie on the table and to be printed.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

William E. Scent, of Kentucky, to be U.S. attorney, western district of Kentucky, term of 4 years, vice William B. Jones.

Bernard T. Moynahan, Jr., of Kentucky, to be U.S. attorney, eastern district of Kentucky, term of 4 years, vice Jean L. Auxier.

Joseph V. Conley, of Rhode Island, to be U.S. marshal, district of Rhode Island, term of 4 years, vice Edward L. McCarthy, deceased.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Thursday, August 24, 1961, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

NOTICE OF HEARINGS ON NOMINATIONS OF WILLIAM F. SMITH TO BE U.S. CIRCUIT JUDGE, THIRD CIRCUIT, AND MICHAEL H. SHERIDAN TO BE U.S. DISTRICT JUDGE, MIDDLE DISTRICT OF PENNSYLVANIA

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that public hearings have been scheduled for Thursday, August 24, 1961, at 10:30 a.m., in room 2228, New Senate Office Building, on the following nominations:

William F. Smith, of New Jersey, to be U.S. Circuit judge, third circuit, vice Phillip Forman, retired.

Michael H. Sheridan, of Pennsylvania, to be U.S. district judge, middle district of Pennsylvania, a new position.

At the indicated time and place persons interested in the hearings may make such representations as may be pertinent.

The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

LEGISLATION NEEDED TO REIMBURSE NEW YORK CITY POLICE FOR UNITED NATIONS SERVICE

Mr. KEATING. Mr. President, the 16th session of the General Assembly of the United Nations opens on September 19. There will be a special session before that, commencing on August 21. In view of all the rantings of the Soviets on Berlin, I would not be surprised if Premier Khrushchev turned up again with his shoe in his hand.

The State Department has informed me that Khrushchev has not given any indication, one way or the other, as to what he intends to do. But, following the closing of the border to freedom in East Berlin, and in light of the recent buildup of international tension, it will take some doing to protect Khrushchev and any henchmen from the Soviet Union and its satellites whom he may bring along.

I strongly urge that careful State Department deliberation, ahead of time, be given to the way in which the relevant Federal and State authorities should divide the cost and the responsibility, should the Communist dictators again decide to cross the borders of tyranny, which they, themselves, set up, to attend United Nations' meetings in this free country.

Mr. President, in this connection, I was very happy to learn last week that a subcommittee of the Foreign Affairs Committee of the other body has voted to reimburse the city of New York for a part of the extraordinary costs involved last year in protecting the Russian dictator and his puppet henchmen when they attended the opening of the 15th annual session of the United Nations.

I have for some time urged that the Federal Government bear its part of this burden. I am hopeful that the action of the House subcommittee is a good omen.

On January 17 of this year, I introduced, with my colleague, Senator JAVITS, a bill (S. 475) to reimburse the city of New York for approximately $3 million, which represents the overtime expenses of the special police details necessary to guard Premier Khrushchev. I recognize that the city must bear a part of this cost, as is implied in my bill. But it is clear that the Nation as a whole also has a responsibility in this instance.

Certainly the overtime costs of the New York Police Force, which does not include additional manpower or equipment, can be reasonably attributed to the U.S. Government as host to the United Nations. Both former President Eisenhower and President Kennedy recognized this principle, and specifically recommended some measure of reimbursement to the city of New York.

In a recent editorial, the New York Daily News commented very sharply on this issue. The editors of the News insist that New York City was "shortchanged." The main point of their editorial is that before the next visit of Communist leaders to Lake Success, N.Y., some arrangement must be made as to who should bear the responsibility for their protection and safety. This is indeed a constructive recommendation. The fact that it has taken us so long to get action on Federal legislation to reimburse the city of New York clearly demonstrates the importance of making some preliminary arrangement for a joint Federal-State responsibility for Soviet orbit dictators who attend United Nations' sessions.

Shortly after introducing Senate bill 475, which calls for approximately twice the amount recommended by the administration, I wrote to Secretary of State Dean Rusk, requesting his support for this measure. I urged that in future instances such as this, his Department take steps ahead of time to avoid any possible jurisdictional dispute as to the responsibility for the protection of Communist delegates to the United Nations.

Mr. President, on February 13, I also wrote to the Senator from Arkansas [Mr. FULBRIGHT], chairman of the Senate Foreign Relations Committee, urging speedy action on S. 475. The chairman responded to this letter shortly thereafter, and indicated that as soon as the State Department commented and as soon as the busy calendar of his committee permitted, he would arrange for the consideration of this measure. Now that President Kennedy has supported this principle and the other body has shown an inclination to act, I am hopeful that we in the Senate will shortly be in a position to follow suit.

Mr. President, I ask unanimous consent that a copy of my letter of February 13, 1961, to Secretary Rusk be printed in the RECORD at the conclusion of my remarks. I also ask unanimous consent that the editorial from the New York Daily News of August 12, 1961, be printed at this point in the RECORD.

There being no objection, the letter and the editorial were ordered to be printed in the RECORD, as follows:

FEBRUARY 13, 1961.

The Honorable DEAN RUSK,
Secretary of State,
Department of State,
Washington, D.C.

MY DEAR MR. SECRETARY: On January 17 of this year, I introduced a bill in the Senate to authorize an appropriation of $2,936,000 to reimburse the city of New York for its extraordinary and unprecedented police services in connection with the presence of a number of Communist leaders at the convening of the 15th session of the General Assembly of the United Nations.

As I am sure you know, President Eisenhower, in a special message to the Congress last month, called upon the Congress to authorize $1,500,000 for this purpose. The President's message was prepared in conjunction with both the State Department and the Budget Bureau. I was in touch with the State Department on a number of occasions prior to the President's message, recommending that action be taken to have the Federal Government partially cover the tremendous costs involved in protecting Premier Khrushchev, Fidel Castro, and the several other Soviet leaders who were in New York City last fall. I was pleased that the President recognized the justification of this position, and I am hopeful that the Congress will act favorably on this matter.

It is my understanding that the Senate Foreign Relations Committee, to which S. 475 has been referred, is awaiting further material and information from the State Department on this matter. I am writing you, urging that you support the bill which I introduced and urging, furthermore, that the Department now consider whether or not steps can now be taken to assist the city of New York should Premier Khrushchev return to Lake Success again this year.

I recognize that a certain part of the responsibility for protecting delegates and visitors to the United Nations rests with the city of New York in light of the fact that the city actively sought the location of the United Nations at Lake Success. However, the extraordinary and unprecedented circumstances of last fall go far beyond the responsibility of the city. In part, these costs must be borne by our Nation as a whole, acting in its capacity as leader of the free world and host to the United Nations.

I have been in close touch with officials of the city of New York and particularly with Police Commissioner Stephen P. Kennedy, and I feel strongly on the basis of these contacts that the figure which I have recommended is a realistic and equitable amount.

I hope that you will give this matter your careful study. I shall look forward to hearing from you further with regard to possible steps which could be taken to anticipate another series of events in the city of New York similar to those of last fall should Premier Khrushchev and others decide to again visit Lake Success.

Best personal regards.

Very sincerely yours,

KENNETH B. KEATING.

[From the New York Daily News, Aug. 12, 1961]

KHRUSH'S NEXT VISIT

It cost the city $3,063,500 to protect Khrushchev and other visiting tyrants last year during the tumultuous United Nations General Assembly session. The city has been trying to get the money from the Government ever since.

SHORTCHANGING CITY GOVERNMENT

Now, there is a proposal in the House Foreign Affairs Committee to give the city $1.5 million.

If and when Khrushchev comes here again, the city's proper course is clear. Before consenting to lift one police finger to protect this unwanted, unwelcome guest of the Federal Government and the U.N., the city should insist on a guarantee that Washington will pay every dime of what the security job may cost, period.

THE COLLEGE ACADEMIC FACILITIES AND SCHOLARSHIP ACT

Mr. YARBOROUGH. Mr. President, this morning there appeared at the meeting of the Senate committee on Health, Education, and Welfare the Secretary of the Department of Health, Education, and Welfare, Mr. Ribicoff. At that time he made one of the finest statements I have ever heard in regard to Senate bill 1241, the bill aimed at stimulation of college education, particularly among the most gifted youth of our land. I ask unanimous consent to have his statement printed at this point in the RECORD, together with a tabulation in regard to the estimated number of scholarships and the amount of money allocated to States under the terms of the administration-proposed revision of title II of the National Defense Education Act, and a statement on the physical facilities needs.

There being no objection, the statements and the tabulation were ordered to be printed in the RECORD, as follows:

STATEMENT BY ABRAHAM RIBICOFF, SECRETARY OF HEALTH, EDUCATION, AND WELFARE

I am delighted to accept your invitation to testify today in support of S. 1241, the College Academic Facilities and Scholarship Act. The importance of this measure is attested to by the fact that the distinguished chairmen of the full committe, Senator HILL, and of the Subcommittee on Education, Senator MORSE, along with 12 other Senators, have sponsored this bill.

S. 1241, popularly referred to as the higher education bill, is one of the three key parts of the education program which President Kennedy has recommended. Your committee has held extensive public hearings on the other two bills. In numerous executive sessions you have worked out proposed legislation which is of vital importance to our Nation. The school assistance bill you reported out has already passed the Senate. The National Defense Education Act amendments which you recently reported out are awaiting Senate action.

May I express my admiration for the continued support and hard work members of this committee have given in legislation relating to Federal aid to education. Aid to education is important; it is incumbent upon our Nation to utilize the skills and knowledge of every boy and girl; it is essential that the Congress enact a program of aid to education this year. I pledge you my full cooperation to assist you in any way I can to make education legislation a reality this year.

President Kennedy has described as the "twin goals" of American education: "A new standard of excellence * * * and the availability of such excellence to all who are willing and able to pursue it."

The United States faces a great challenge in the field of higher education. College enrollments are expected to rise by more than 1 million in the next 5 years, an increase of about 30 percent. This so-called tidal wave of students that has already inundated our elementary and secondary schools is fast approaching the gates of the Nation's institutions of higher education. These gates should not become floodgates, holding back the flow of eager young people who aspire

to self-fulfillment and whose abilities the Nation so badly needs. Rather, they should be opened wide to these young people, so that our Nation can convert the challenge of growing numbers into one of the most impressive educational achievements in this Nation's long history of dedication to higher education.

This will require great effort on the part of all citizens. It requires, in addition to increased local, State, and private effort, immediate action by all the people, through their Federal Government. The specific actions called for are assistance to colleges and universities to help them accommodate larger numbers of students without diminishing the quality of instruction and assistance to able but needy youth who might otherwise fail to achieve the fullest development of their intellectual abilities.

Too often discussion of proposals for Federal assistance to institutions of higher education starts from the assumption that such Federal assistance would be a departure from traditional policy and would involve the Federal Government in new activities. This assumption is far from true; it is contradicted by a set of facts that are beyond dispute.

With the passage of the Morrill Act—the Land-Grant College Act—in 1862, nearly 100 years ago; the Federal Government became significantly involved in higher education. In that act the Congress made possible the creation of a new class of educational institutes—colleges, most of which have since developed into full universities, emphasizing instruction in agriculture and the mechanic arts. The institutions called into being by the Morrill Act—68 in all—have continued to enjoy a special relationship to the Federal Government and now are authorized to receive grants for instructional purposes totaling over $14 million annually.

The involvement of the Federal Government in higher education did not end there. Largely as a result of World War II and the cold war that followed, Federal activities affecting institutions of higher education have now reached the point where roughly 20 cents of every dollar spent by colleges and universities comes from Federal sources. In the area of research—one of the vital functions of our higher education institutions—the President's Science Advisory Committee reported recently that the Federal Government is now by far the most important source of funds for research in the universities. In 1957–58 the Federal share in all such research was about 70 percent.

Federal funds now flow to institutions of higher education for purposes ranging from the building of dormitories to the construction of high-energy accelerators, from research into possible cures for cancer to research into better ways of teaching French, from the training of specialists in nuclear medicine to the education of college teachers of English.

The question of whether the Federal Government should play a part in the enterprise of higher education is simply not a real one. The Federal Government has had an important part in that enterprise for 100 years. Its part has grown dramatically in the last 20 years, and the real question that faces us—the one I shall discuss today—is what shall the Federal Government do now, in 1961, to play its part in ways that will contribute to the continued development of a strong and vital system of higher education?

S. 1241 embodies the President's recommendation that the Federal role take the form of assistance both to institutions of higher education and to the students who seek to enroll in these institutions. For the former purpose, he has advocated a program of long-term, low-interest loans for the construction of both dormitories and academic facilities; for the latter, he has recommended a program of Federal scholarships for needy and able American youth. I appear before you today, therefore, to represent the President's sense of urgency for action on these obvious areas of need.

CONSTRUCTION OF ACADEMIC FACILITIES

Title I of S. 1241 would aid colleges and universities directly.

The facts that support the need for prompt assistance to colleges and universities for the construction of physical facilities can be identified very specifically and briefly.

First, the Nation's colleges and universities must spend, between now and 1966, at least $8.6 billion for physical facilities, in order to accommodate increased enrollments and to provide adequate facilities for the numbers of students they now have.

Second, projections of anticipated resources for investment in physical plant by these institutions, taking into account every source of income now anticipated for this purpose, indicate that resources will fall short of facilities needs to the extent of $2.9 billion by 1965, $3.5 billion by 1966, and $5.2 billion by 1970.

It is conservatively estimated that enrollments in higher education will increase from 3,610,000 in the fall of 1960 to 6,006,000 in the fall of 1970. The accommodation of this increase of 2.4 million will cost the Nation's colleges and universities some $15.4 billion for added facilities. In addition, they must remedy present deficiencies.

The plants of our institutions are already strained to capacity. In many of them, three or four students are occupying dormitory rooms designed for two. Approximately 11 percent of the Nation's higher education physical plant is now obsolete and in urgent need of replacement, at a cost of $1 billion. Replacement and renovation costs through the next decade will add another $1 billion.

Many institutions are still using buildings donated by the Federal Government for temporary use after World War II. It is estimated that these constitute about 10 percent of all buildings currently in use on college and university campuses. The point has been reached at which the use of these buildings cannot be continued without mounting danger of serious safety hazards.

But hazards to the physical well-being of the students represent only one element of danger. A far greater danger is the eroding of quality in higher education that comes about when institutions are overcrowded, overloaded, and subjected to costs beyond their ability to find resources. This erosion of quality has already begun, and it will continue unchecked in the decade ahead unless action is taken promptly to avert it.

The problem of accommodating these students is not simply one of providing more chairs and more teachers in more classrooms, or of placing more beds in more dormitory rooms. Higher education grows higher as society's requirements become greater; it probes further into man's capacity for specialized skills and develops more advanced competencies than were required in earlier decades.

The Office of Education has compiled a considerable amount of data that support and amplify the conclusions cited. I would like your permission to insert in the record at the conclusion of my remarks a memorandum on "Physical Facilities Needs of American Higher Education, 1961–70."

Title I of the bill provides for loans to institutions of higher education in order to finance up to three-fourths of the cost of construction, acquisition, or repair of any needed academic facility. The total amount authorized to be available for such loans is $1.5 billion, to be made available over a 5-year period at a rate of $300 million per year.

Loans would be at a rate identical with that of the college housing loan program (3.375 percent). Loans could have a maturity of up to 50 years, but practice is more likely to follow that of college housing loans, where the average maturity is under 40 years.

The program would be administered by the Commissioner of Education, on an application and approval basis. No provision is made for State allotment of funds, but a limit of 12½ percent is placed on the amount of total loans authorized that may be made to institutions in any State.

All accredited public and nonprofit private institutions of higher education would be eligible, so long as they offer work toward the bachelor's degree. Excluded from eligibility would be facilities that are intended primarily for events for which admission is to be charged to the general public.

The President also recommended amendments to extend the college housing loan program. These amendments, extending the program for 4 years at a rate not to exceed $300 million a year, have been enacted as part of the housing law.

These construction loan programs, if fully utilized, would provide the Nation's colleges and universities with funds for physical plant expansion and improvement totaling $2.75 billion over the 5-year period. In our opinion, these funds, when combined with other Federal construction expenditures (such as the proposed medical teaching facilities grant program) would make an important contribution toward closing the projected financial gap to which I referred a minute ago. They would account for about $1 out of every $3 needed to meet projected construction costs. They would thus be a substantial addition to higher education sources of financing, without preempting the role of other traditional sources.

Our projections of need are based upon the assumption of continuing growth of construction aid from traditional sources, including State appropriations, gifts, and grants from alumni, friends, and industry. Even assuming this growth, however, one-third of the Nation's higher education construction needs would go unmet if the Congress did not enact the President's recommendations into law.

The figures speak for themselves. Without the proposed aid, our educational system would be crippled by a deficiency of one-third of needed construction.

SCHOLARSHIPS FOR UNDERGRADUATES

No less urgent and no less compelling in its significance for the Nation's future strength is the need for encouragement and assistance to students of ability who are economically unable to go to college.

Various studies suggest that there are annually about 150,000 youths of outstanding ability who fail to continue their education and that from 60,000 to 100,000 of these would enter college if they could be assisted in surmounting the economic hurdle of higher education costs. This group of superior high school graduates, whose families lack adequate financial resources, constitutes an untapped reservoir of potential leadership we must draw upon if we are to meet our obligations for world leadership and our hopes for economic growth.

Consider for a moment another important set of facts. College and university tuition fees during the past decade have increased approximately 86 percent. The average annual current expenditure of a student attending college and living away from home increased between 1953 and the academic year 1960–61 from approximately $1,200 to $1,650 per student. When this cost is considered in relation to the fact that, in 1959, the median income of heads of families 35 to 54 years of age was $6,140, it is easy to understand why many families with modest incomes find it difficult to send their sons and daughters to college.

The financial burden of a college education is a significant deterrent to the realization of an American ideal—equality of opportunity for all. It is also a deterrent to the meeting of an urgent national need for highly educated people. Failure to reduce

this economic barrier would, therefore, constitute a threat to the welfare of the Nation in hard economic and national security terms, as well as in the realm of national ideals and values.

The financial help that has been available to these students has been too limited, not only in the number of scholarships but in the size of the scholarships. Often, the award is small and fails to do the job that is needed. The proposed Federal scholarship program will provide the largest scholarships to those students most in need of help. It would provide effective scholarships in that the funds available will be sufficient to allow a student to enter college and reach his educational goal.

Many factors, some of which are difficult to isolate, play an important part in determining higher education plans. However, there is considerable evidence that early identification of talented youth and proper guidance, coupled with adequate financial aid, would immediately induce larger numbers of talented but needy youth to develop their full capacities through higher education.

We are making some important progress. Through the programs of the National Defense Education Act we can now identify these youngsters early enough to do something about them; we are improving the guidance services available to them in their schools; and we are seeking to improve the quality of their school work.

In addition, the student loan program provides an opportunity for many of those already in college to help pay for their education costs. To accept the student-loan concept as the sole answer to the problem would, however, mean that in many instances those going to college from the lowest income group would graduate from college with the greatest burden of debt. What is needed now—and S. 1241 would provide it—is a capstone to the larger program of identification and encouragement of the youth.

If our policy is to insure that our best will be given a chance to do their level best—and our national security would seem to demand no less—consideration must be given to providing additional ways of assisting superior, but financially needy, high school graduates to continue with their education. With these considerations in mind, the President has recommended a Federal program of scholarships to able but needy youth.

S. 1241 would amend title II of the National Defense Education Act to establish such a program on a modest scale. It would carry out a basic recommendation of President Kennedy in his recent message to the Congress on education:

"We must assure ourselves that every talented young person who has the ability to pursue a program of higher education will be able to do so if he chooses, regardless of his financial means."

The program is designed to provide during the next 5 years a total of 212,500 undergraduate scholarship awards. It is estimated that the initial 1962 appropriation would provide a total of 25,000 scholarships. These moneys would be allotted to the States on the basis of a formula taking into account in each State the number of students of high school age and the number of high school graduates. I should like to insert in the RECORD a table indicating the State-by-State distribution of these awards.

Each State participating in the program would be asked to establish a scholarship commission broadly representative of the high schools and colleges and of the public. This commission would sponsor within the State a competitive program for high school seniors, each of whom would be competing on the basis of ability and need with other seniors from his own State.

Each State commission, in addition to selecting scholarship winners on the basis of scholastic ability and achievement, would be responsible for determining the degree of financial need of each winner. Stipends would range up to a maximum of $1,000, and it is estimated that the average award would amount to about $700. The total cost of administering the program in each State would be borne by the Federal Government.

Scholarship winners selected under this program would be permitted to use the scholarship grant to help defray educational expenses at the college of their choice and to pursue their own programs of study. The scholarship award would continue for 4 years, leading to a bachelor's degree.

Since tuition fees do not cover the college operating costs, provision has been made to pay an additional sum to the colleges attended by the scholarship students. This cost of education allowance of $350 per year would be paid on behalf of the scholarship student by the Federal Government to the college or university.

The proposed plan of scholarships would implement the efforts already begun under the National Defense Education Act to assist the States and high schools in their programs for the early identification and motivation of talented youth through improved counseling services.

It would provide for a national talent search, to be conducted on a partnership basis by the Federal Government and the States, to discover, encourage, and assist significant numbers of students of high ability who otherwise might be unable to enter college.

It is designed to stimulate and supplement rather than to supplant or discourage additional scholarship assistance by States, corporations, voluntary groups, and other private sources. Actually, the seriousness and size of the problem of erosion of talent warrants vigorous participation by all sectors, public and private, of our society in its solution.

CONCLUSION

Enactment of S. 1241 would be in accord with the urgent recommendations of the President. It is our earnest and sincere hope that your committee will approve this program of construction assistance and of undergraduate scholarships. The adoption of this program will have significant and far-reaching effects not only in permitting our ablest students to continue their education but also in assisting colleges and universities in providing accommodations for additional thousands of students now moving through our secondary schools.

Such a program would be an inspiration to American youth and an added strength to the great national resource of higher education. It would also constitute a ringing declaration of the American people's devotion to the great purposes of our society.

Estimated number of scholarships and amount of money allocated to States under the terms of the administration-proposed revision of title II of NDEA

(1)	Fiscal year 1962		Fiscal year 1966	
	Total scholarships [1] (2)	Amount (3)	Total scholarships [1 2] (4)	Amount (5)
Aggregate, United States	**25,000**	**$17,500,000**	**187,500**	**$131,250,000**
50 States and District of Columbia	24,750	17,325,000	185,625	129,937,500
Alabama	519	363,300	3,889	2,722,300
Alaska	15	10,500	111	77,700
Arizona	160	112,000	1,197	837,900
Arkansas	306	214,200	2,292	1,604,400
California	1,898	1,328,600	14,237	9,965,900
Colorado	234	163,800	1,754	1,227,800
Connecticut	316	221,200	2,367	1,656,900
Delaware	56	39,200	418	292,600
Florida	543	380,100	4,074	2,851,800
Georgia	552	386,400	4,139	2,897,300
Hawaii	109	76,300	817	571,900
Idaho	116	81,200	872	610,400
Illinois	1,332	932,400	9,996	6,997,200
Indiana	681	476,700	5,105	3,573,500
Iowa	449	314,300	3,369	2,358,300
Kansas	328	229,600	2,460	1,722,000
Kentucky	458	320,600	3,434	2,403,800
Louisiana	462	323,400	3,462	2,423,400
Maine	141	98,700	1,058	740,600
Maryland	387	270,900	2,905	2,033,500
Massachusetts	688	481,600	5,160	3,612,000
Michigan	1,124	786,800	8,437	5,905,900
Minnesota	551	385,700	4,130	2,891,000
Mississippi	345	241,500	2,589	1,812,300
Missouri	590	413,000	4,427	3,098,900
Montana	109	76,300	817	571,900
Nebraska	219	$153,300	1,643	$1,150,100
Nevada	33	23,100	251	175,700
New Hampshire	88	61,600	659	461,300
New Jersey	717	501,900	5,374	3,671,800
New Mexico	131	91,700	984	688,800
New York	2,035	1,424,500	15,268	10,687,600
North Carolina	715	500,500	5,365	3,755,500
North Dakota	109	76,300	817	571,900
Ohio	1,329	930,300	9,968	6,977,600
Oklahoma	390	273,000	2,924	2,046,800
Oregon	270	189,000	2,023	1,416,100
Pennsylvania	1,631	1,141,700	12,233	8,563,100
Rhode Island	116	81,200	872	610,400
South Carolina	369	258,300	2,766	1,936,200
South Dakota	111	77,700	833	584,500
Tennessee	531	371,700	3,982	2,787,400
Texas	1,268	887,600	9,513	6,659,100
Utah	150	105,000	1,123	786,100
Vermont	66	46,200	492	344,400
Virginia	522	365,400	3,917	2,741,900
Washington	405	283,500	3,035	2,124,500
West Virginia	337	235,900	2,524	1,766,800
Wisconsin	608	425,600	4,557	3,189,900
Wyoming	52	36,400	390	273,000
District of Columbia	79	55,300	594	415,800
Canal Zone, Guam, Puerto Rico, Virgin Islands	250	175,000	1,875	1,312,500

[1] Based on the assumption that the amount per scholarship in each State will average $700.

[2] Consists of the total new scholarships to be made available for fiscal years 1963–66.

NOTE.—The allocation to each State is estimated on the basis of 1957–58 high school graduates and 1958 population aged 14 to 18.

PHYSICAL FACILITIES NEEDS OF AMERICAN HIGHER EDUCATION, 1961–70

The national objective: To provide adequate physical facilities for the accommodation of every student properly admissible to our colleges, universities, and professional schools in the next decade. This includes all instructional, research, residential, and auxiliary facilities requisite to each institution's performance of its full function.

The achievement of this objective will require major efforts as follows:

1. An increase in residential and service facilities sufficient to accommodate expanded enrollments of both single and married students who live on campus.

2. An increase in instructional facilities—classrooms, laboratories, libraries and equipment—quantitatively sufficient for the needs of expanded enrollments and qualitatively sufficient for the ever-changing requirements of an advancing culture.

3. Rehabilitation, renovation and new construction to wipe out the accumulated backlog of wornout, outmoded, and unsuitable facilities now in use.

4. Expansion of research and graduate instructional facilities and equipment, in keeping with both the growing needs of the Nation for research and for highly trained manpower, and the mounting potential of undergraduate enrollments from which graduate students and research personnel in increased numbers will be drawn.

I. FACTORS AFFECTING FACILITIES REQUIREMENTS FOR HIGHER EDUCATION

The increasing student load

Facilities needs, like staff needs, are related specifically to enrollments, though in neither case is the relationship a direct proportion. Shifts in the proportions of resident and commuting students, of married and single students, and of graduate and undergraduate students will affect facilities needs, as will also modifications in institutional calendars, scheduling, and utilization of space. It has been pointed out that between 1959 and 1970 enrollments in higher education can be expected to increase by about 2 million full-time students. Some idea of the attendant facilities requirements may be gained by multiplying this increase by an estimated average capital investment per (additional) student; say, $6,500.[1] The resulting total, $13 billion, represents a very rough approximation of the cost of expansion dictated solely by increased enrollments, without reference to replacement and renovation costs, or to the cost of special facilities and equipment needed for instruction or research, all of which might easily add another $6 billion. More refined methods will be used to estimate this cost more accurately and to determine the additional facilities costs which should be included.

Specialized equipment and space requirements

The need to accommodate increasing numbers of students accounts for only a part of the upsurge in physical facilities requirements. The provision of special kinds of space and equipment appropriate to particular instructional functions represents a growing burden on the colleges and universities, many of which will need to replace makeshift arrangements they have had to use even in some areas of graduate instruction and research. Proper facilities for graduate level programs, it should be noted, are generally more costly than for undergraduate.

[1] This is a rough estimate derived from the six-State study.

New developments in both subject matter and methods of teaching are continuously generating new needs for physical facilities. The increasing emphasis on foreign language study, for example, will require the construction of language laboratories for the application of new learning techniques. Particularly expensive space and equipment are required in the physical sciences, where knowledge of established subjects is expanding rapidly, and where whole new fields of study are evolving. The purchase and installation of a nuclear reactor today represents an investment of funds greater than would have been spent for a whole scientific establishment a half century ago.

Much attention is being focused also on new media of instruction and on new techniques in the use of special media, such as television and audiovisual devices. While these developments hold some hope for savings in instructional costs, a point we shall discuss later, we must consider also the requirements that such use could generate for specially constructed facilities.

Medical and dental training facilities are currently being utilized to capacity, but the number of physicians and dentists graduating yearly is not sufficient to maintain current standards of service to our increasing population. To maintain a satisfactory population-physician ratio of 757 to 1, the output of physicians would have to expand to 9,600 in 1970, or 2,100 over the 1960 output. It has been estimated [2] that between 14 and 20 new medical schools will have to be built if the existing population-physician ratio is to be upheld. The financial cost involved here is great since the construction of a medical school requires a capital investment of between $10 and $20 million, depending on whether a teaching hospital is already available or must be included in the investment. The factor of urgency also enters into the consideration inasmuch as there is a lag of 10 years between the planning of a school and the production of the school's first graduating class.

Contributing further to the need for medical training facilities is the need for dental schools. According to projections of trends in the supply, the number of dentists in practice in 1975 will total only 96,000, which is about 15,000 fewer than will be needed to assure that dentists will be as widely available as now. To forestall such a shortage will require by 1970 facilities capable of graduating 6,180 dentists annually. This is about 2,700 more per year than are now in prospect, and will require a 75-percent increase in training capacity.[3]

The preparation of many professional and semiprofessional technicians also requires specific kinds of facilities, other than those we have already mentioned in connection with the advanced training of scientists, engineers, physicians, and dentists.

Colleges and universities have increased their organized research activities tremendously since the end of World War II. Approximately 20 percent of total education and general expenditures in 1957–58 went toward the support of organized research. This is twice the percent so expended in 1945–46.[4] Although the major portion of these expenditures is underwritten by foundations, industry, and the Federal Government, the main burden of providing physical facilities needed to carry on research normally falls on the institutions themselves. Since organized research activities are expected to continue to increase, colleges and universities will have to devote a significant portion of their funds to equip, construct, and rehabilitate the facilities in which college and university researchers carry on their work.

Still other factors will influence requirements. More and more institutions are catering to a year-round student enrollment and will have to make additional capital outlays to counteract the more rapid deterioration of buildings and to provide a more satisfactory environment for summer work (e.g., air conditioning), even as they thereby accommodate more students. There is also a need for married student housing and associated auxiliary facilities such as nursery schools, university laboratory schools, health centers, and dining areas.

Special factors relating to residential requirements

The growing numbers of married students on college campuses in recent years has caused institutions to make increased investments in residential facilities for married students. A study by the Association of College and University Housing Officers shows that nearly two out of five institutions responding to their questionnaire have assumed responsibility for married students by constructing at least some of the necessary facilities.

There is ample evidence that colleges and universities consider the accommodation of married students a permanent responsibility. The Office of Education's physical facilities survey reveals that 4.6 percent of college and university expenditures for construction of housing during 1951–55 was for married students. Institutions estimated that during 1956–70, 9.7 percent of the expenditure for housing would be for married students. Since about 2½ times as much residence space is required for a married student as for a single student, and since increasing numbers of married students are attending colleges and universities, proportionate increases in housing expenditures are unavoidable. A factor that further complicates the task of financing residential facilities is the increase in the proportion of woman students in our colleges and universities, since dormitories for women are more expensive to construct than those for men.

Urban universities are faced with the responsibility of providing additional housing for their expanding student bodies, as they increasingly attract undergraduate and graduate students from outside their immediate areas.

Additional residential facilities will be needed by junior colleges, many of which have experienced increased enrollments. As of this date, about 240 of 276 private junior colleges provide some residential facilities for their students, as do also a few of the 391 public junior colleges. States where junior colleges abound, such as California and Texas, estimate that an increasing number of their public junior colleges will need to operate student dormitories. Other States that either are planning or will

[2] Final report of the Secretary's consultants on medical research and education, "The Advancement of Medical Research and Education," U.S. Department of Health, Education, and Welfare, Washington, D.C., June 1958.

[3] Bane, Frank, "Physicians for a Growing America," October 1959, p. 67. U.S. Department of Health, Education, and Welfare, Public Health Service.

[4] Comparison developed from data in the "Biennial Survey of Education in the United States," ch. IV, "Statistics of Higher Education, and Welfare, Office of Education. tion," published edition of 1944–46, and advance data to be published in edition of 1956–58, U.S. Department of Health, Educa-

have to plan dormitories for their public junior colleges are Colorado, Mississippi, and North Dakota.

One decided economic advantage of the community junior college, its proximity to the students' homes, has tended to limit the need for dormitories and other physical facilities in the public junior colleges. Whether the number of junior colleges will continue to increase as rapidly as it has since World War II is not known. However, increase in the number of these institutions will continue to receive prime consideration by States as one method of alleviating the crowded conditions in existing colleges and universities. Students who complete the training available at the community junior college will either terminate their formal education at that point or transfer to a 4-year college or university. Transfer students will then strain the instructional and residential facilities of 4-year colleges.

Although junior colleges offer some opportunity for saving in total plant investment in dormitories, a rapid rate of increase in the number of junior colleges will nonetheless require substantial additional investments in instructional and general facilities.

II. MAGNITUDE OF FACILITIES REQUIREMENTS, 1960–70

Review of related studies

Several research studies conducted at National and State levels furnish important clues to the magnitude of the investment that must be made in the Nation's higher education facilities in the years immediately ahead.

A study made by Long and Black [5] projected 1957–58 enrollments to 1970 and, on the basis of this projection, estimated the additional physical plant facilities that would be required to accommodate the anticipated enrollments. The estimated enrollment increases over the 3,027,029 figure of 1957–58 ranged from a low of 2,017,000 to a high of 2,851,000.

In addition to estimating the needs for expansion of facilities for the period 1957–70, Long and Black considered the cost of replacement of existing substandard facilities. Using a replacement rate of 2 percent per year, they estimated replacement of other than residential facilities to cost $240 million per year and the replacement of residential facilities $80 million per year. Adding the cost of replacement between 1957 and 1970 ($4.32 billion for other than residential and $1.38 billion for residential) to the cost of facilities expansion, they estimated the total amount of funds needed for physical facilities at $12.19 billion to $15.26 billion, exclusive of the cost of additional land, equipment, and campus improvement.

A study published by the Council for Financial Aid to Education in 1959 [6] surveyed the plant needs of 885 leading colleges and universities during the 1957–67 decade. The estimated cost of buildings, equipment, and improvements for the 820 institutions that responded was $6.04 billion. With this figure as a base, it was estimated that the total cost of construction, equipment, and improvements for all higher education institutions during these 10 years would be $11.5 billion, or approximately $3,834 per student increase in enrollment, exclusive of the costs of acquisition and improvement of sites and of deterioration of buildings.

[5] Long, John D., and Black, J. B., "Needed Expansion of Facilities for Higher Education, 1958–70—How Much Will It Cost?" the American Council on Education, Washington, D.C., 1958.

[6] "Nearing the Breakthrough," Council for Financial Aid to Education, New York 17, N.Y., June 1959.

In the second of its five reports of studies [7] dealing with higher education physical facilities, the Office of Education included a chapter on projections of buildings needed through 1970. On the basis of assumptions pertaining to 1970 enrollments, additional instructional and residential needs, construction costs, needed replacement of buildings, rehabilitation of buildings, and normal plant replacement, this report estimated that for 1956–70 the cost of new construction needed to accommodate 2,823,000 additional students by 1970 would be $12.36 billion, or over $824 million per year for the 15-year period. Of the $12.36 billion needed for new construction, it was estimated that approximately $7.06 billion would be needed for instructional, research, general, and auxiliary facilities, and $5.30 billion for residential facilities.

Another Office of Education statistical study [8] indicates that 15 percent of the college facilities first occupied between 1940 and 1957 are unsatisfactory and should be razed. This heavy rate of obsolescence is due largely to the acquisition by colleges of temporary buildings under the Government's surplus disposal program immediately following World War II. Make-do measures during the money shortages of the depression and the materials shortages of the war period have produced a backlog of deferred replacements which cannot be indefinitely prolonged. The same study indicates that 12 percent of the buildings occupied before 1901 and still in use in 1957 should be razed, that 17 percent of those occupied between 1901 and 1920 should be replaced, and that 5 percent of those occupied between 1921 and 1940 are obsolescent. If this requirement for replacement, rehabilitation, and depreciation is projected into the predictable future, a computation based upon probable needs during the period 1958 through 1970 places the estimated cost of such measures at $4,782,650,000, or about $400 million per year. Of the $4.78 billion, $1.40 billion would be required for replacement, $505 million for rehabilitation, and $2.87 billion for depreciation.

In this study it was assumed that colleges and universities were constructing both instructional and residential facilities to accommodate the additional students during the 1956-58 period, but that replacement, rehabilitation, and depreciation would continue to be deferred and that these factors would need to be cared for during the remaining 12-year period, 1958-70. Therefore, the needed construction for accommodating additional students, estimated to cost $12.36 billion, was averaged over 15 years, at $824 million per year. The cost of replacement, rehabilitation, and depreciation, estimated at $4.78 billion, was averaged over 12 years, at $399 million per year. For the 12 years, 1958-70, the average for buildings alone was determined to be in excess of $1.22 billion annually.

The report of the American Council on Education included summary data of research studies made by 15 States. A compilation of the data of six States (Florida, Indiana, Louisiana, Mississippi, New Mexico and Tennessee) that had comparable data in each of the categories was made to obtain an estimate of what the cost per additional student would be to meet the needs by 1970 for residential and other-than-residential facilities. For these six States, it was found that average per student need in other-than-residential facilities would average $1,938 and that the average residential facilities cost per full-time student housed would average $4,635. It is estimated that one out of every three additional students would require housing.

The estimates reached in the studies mentioned naturally differ. They constitute conclusive evidence, however, that the per-student investment in additional facilities required between now and 1970 is great indeed.

Basic assumptions of this report

To determine the cost of needed facilities for any target date in the future is a complex problem in statistical forecasting. The latest comprehensive data on facilities are now 4 years old. The rate of planned construction of new facilities has certainly been modified by the constant forces of obsolescence and depreciation. A further complication is the fact that we must project into the indefinite future a rational balance among the types of facilities to be provided: New classrooms and laboratories, new residence halls, administrative office space, auditoriums, libraries, gymnasiums, hospitals, student unions, and other auxiliary facilities. The proportions in which investment must be divided among these, as well as the total amount required, are dependent upon a wide variety of factors.

Data are reliably established on two important factors to be considered in estimating future building requirements: College-age population and the condition of buildings now in use. The trend in the proportion of college-age population actually in college, while it cannot be forecast with certainty, is reasonably well established, and has already been applied in part 1 of this paper. Other factors needed for making physical facilities cost estimates, such as space per student and cost per construction unit, can be established from data available on State, regional, or national levels. It is difficult, however, to assess to what extent better utilization of existing campuses will affect the total estimated cost, or to what extent the college population of the future will have to be housed. These and many other factors can be used in projecting facilities costs only through arbitrary assumptions based upon the record of the past and one's best judgment as to the future.

The following assumptions have been made in projecting, for the decade ahead, the total cost of necessary expansion and improvement of the facilities of the Nation's institutions of higher education:

1. Student enrollments:

(a) That the percentage of full-time students in the total enrollment will continue to be 75 percent, the same percentage that existed in 1958.

(b) That the 1959–60 full-time enrollment of 2,551,723 will increase to 4,504,500 full-time students by 1970–71, an increase of 1,952,777 full-time students, and that part-time enrollment will increase from 850,574 in 1959–60 to 1,501,500 by 1970–71.

2. Condition of plant:

(a) That because of obsolescence and substandard conditions, 12.3 percent of the instructional buildings and 10.5 percent of residential buildings need to be replaced. The gross area of instructional buildings at present is 408,275,680 square feet, of which 12.3 percent needs replacing. This amounts to an estimated need of 50,217,909 square feet. The gross area of residential buildings is 229,925,000 square feet, of which 24,142,125

[7] Bokelman, W. Robert, and Rork, John B., "College and University Facilities Survey." Part 2: "Planning for College and University Physical Plant Expansion, 1956–70." U.S. Department of Health, Education, and Welfare, Office of Education, Washington, D.C., April 1960.

[8] D'Amico, Louis A., and Higgins, E. Eugene, "College and University Facilities Survey." Part 3: "Inventory of College and University Physical Facilities, December 31, 1957 (A Preliminary Report)." U.S. Department of Health, Education, and Welfare, Office of Education, Washington, D.C.

square feet needs replacing (229,925,000 times 0.105). The total area which needs replacing amounts to 74,360,034 square feet.

(b) That, in addition to the obsolete and substandard buildings mentioned above, 9.8 percent of instructional and related buildings (408,275,680 times 0.098) and 9.1 percent of residential buildings (229,925,000 times 0.091) are presently in rundown condition and functionally obsolete. These need to be returned to satisfactory condition as soon as possible. The number of additional square feet required for instructional and related buildings will amount to 40,011,017; the number for residential, 20,923,175.

3. Instructional facilities requirements:

(a) That a more efficient utilization of all existing instructional facilities, including those which are presently not being used, will provide accommodations for 200,000 full-time students. (This is considered a reasonable inference from the unoccupied space data presented in the "College and University Facilities Survey," pt. 2, p. 3.) This means that instead of planning to provide instructional facilities for 1,952,777 additional full-time students by 1970, it will be necessary to provide for only an additional 1,752,777 (1,952,777 less 200,000).

(b) That each additional full-time student will require an average of 160 square feet of space for instructional and related purposes. (This figure is based on the calculation of 125 square feet per student developed in the Facilities Survey, pt. 2, and is derived by adjusting for inclusion of full-time students only.)

4. Residential facilities requirements:

(a) That any present excess capacity in residential facilities in colleges and universities throughout the country is more than balanced by the serious overcrowding in many other institutions—an inference based on data from page 4 of the Facilities Survey, part 2.

(b) That institutions will continue to provide housing for one-third of the full-time students. This fraction was derived by analysis and extrapolation of residential-enrollment data also in part 2, page 4, of the Facilities Survey. One-third of 1,952,777 (the number of anticipated full-time students by 1970) is 650,926.

(c) That 90 percent of the full-time students will be single. Dormitory accommodations, therefore, will have to be made for 585,833 single students (90 percent of 650,926).

(d) That 10 percent of the additional students furnished institutional-owned housing will be married, as our earlier discussion indicated. (The pertinent data are from part 2 of the Facilities Survey. Accordingly, it is estimated that living accommodations will be necessary for 65,093 married students.

(e) That each additional single student housed in institutional-owned dormitories will require 237 gross square feet of space; each student family, 572 gross square feet (amounts also derived from the Facilities Survey, pt. 3, table 4, p. 12). Therefore, 138,842,421 square feet will be required for single students (585,833 times 237) and 37,233,196 square feet for married students (65,093 times 572). This amounts to a total requirement of 176,075,617 square feet.

5. Construction and related costs:

(a) That construction costs of buildings will remain at the current level, an average of approximately $20 per square foot for all types of buildings (Facilities Survey, pt. 2, table P, p. 77). Although construction costs have increased 43 percent during the past 10 years, 1959 cost figures have been used for the projections of this paper. Other capital costs, including land, equipment and furniture, and campus improvements will cost 50 percent of building construction costs, making a total capital expenditure of $30 per square foot. The 280,444,320 square feet additional space required by 1970 for instructional facilities will cost $8,413,329,600, and the 176,075,617 square feet required for residential facilities will cost $5,282,268,510.

(b) That the cost per square foot for replacement of obsolescent and substandard buildings, instructional and residential, will be $20. The cost for replacing 74,360,034 square feet will amount to $1,486,642,430.

(c) That the cost of returning buildings to satisfactory condition averages 50 percent of the construction cost of new buildings (i.e., $10 per square foot). The cost for rehabilitating 60,934,192 square feet will amount to $609,341,920.

6. Additional total cost (special categories):

(a) That identifiable needs for specialized research-related facilities in medicine, dentistry, agriculture, engineering, and other sciences—over and above the growth assumed for increased enrollments—will require capital outlays in excess of $3 billion. This figure is based on a combination of the estimates of several other agencies concerned with these respective fields.[9]

Factors which may alter the projections: Many unmeasurable influences may turn out to have a marked effect upon the projections resulting from the assumptions stated. Some of these are as follows:

1. Factors that may reduce facilities needs:

More effective space utilization, through changes in scheduling patterns, summer usage, weekend usage.

Development of more economical building materials.

Development of more economical construction techniques.

Advances in building design.

Interinstitutional sharing of facilities.

Increased use of new instructional media such as television and new instructional methods.

2. Factors that may increase facilities needs and costs:

Inflation, as reflected in increased costs.

Additional functions assumed by higher education, e.g., adult education.

Emergence of new areas of study and research.

Accommodation of increased numbers of foreign students.

In considering the possible effects of any of the foregoing innovations in reducing the need for facilities, account must be taken of the delays in communication, the lag in the adoption of new approaches, inevitably associated with human limitations, and the length of time responsible officials will need to give careful consideration to questions of change. They cannot, without abdicating their responsibilities, substitute entirely the experience of others for their own, in matters of capital outlay. Most of these factors, therefore, which now appear as rays of hope on the horizon, are likely to become influential only in the later stages of the projections in question. Factors which may increase facility needs are likewise considered intangible and can be applied only to the longer range projection. Accordingly, projections have been made for both 1965 and 1970.

Estimate of physical facilities costs, 1960 through 1970

The total cost figure (in terms of current cost levels) resulting from the application of the assumptions stated is approximately $18.9 billion by 1970. The following summary shows the cost of physical facilities required for additional students, replacements, and rehabilitation:

Summary of estimated physical facilities costs, 1960 through 1970

Instructional	$12,900,797,950
Additional students	8,413,329,600
Graduate and professional school facilities	3,083,000,000
Medical and dental	1,143,000,000
Research	1,940,000,000
Replacements	1,004,358,180
Rehabilitation	400,110,170
Residential	5,973,784,510
Additional students	5,282,268,510
Replacements	482,284,250
Rehabilitation	209,231,750
Total	18,874,582,460

Cost of buildings needed for additional students

The estimates in the above summary are based on the following computations:

Instructional

Additional full-time students	1,952,777
Less present additional capacity	−200,000
Net additional students requiring physical facilities	1,752,777
Times square feet per student	×160
Total square feet	280,444,320
Cost per square foot	×$30
Total cost	$8,413,329,600

Residential

	Married	Single
Additional students	65,093	585,833
Area per student (square feet)	×572	×237
Area needed (square feet)	37,233,196	138,842,421
Cost per square foot	×$30	×$30
Total cost	$1,116,995,880	$4,165,272,630

	Instructional	Residential
Cost of buildings needing to be replaced:		
Gross area in square feet	408,275,680	229,925,000
Percentage in need of replacement	×.123	×.105
Area needing to be replaced	50,217,900	24,142,125
Cost per square foot	×$20	×$20
Total cost	$1,004,358,180	$482,284,250
Cost of buildings needing rehabilitation:		
Gross area in square feet	408,275,680	229,925,000
Percentage in need of rehabilitation	×.098	×.091
Area needing rehabilitation	40,011,017	20,923,175
Cost per square foot	×$10	×$10
Total cost	$400,110,170	$209,231,750

[9] Figures developed from: National Science Foundation, "Federal Financial Support of Physical Facilities and Major Equipment for the Conduct of Scientific Research," June 1957; "The Advancement of Medical Research and Education" (footnote No. 2); and data provided by Executive Secretary, Association of Land-Grant Colleges.

III. SOURCES OF FACILITIES FINANCING—PAST AND FUTURE

Expenditures for higher education facilities in the past

Expenditures for capital additions by colleges and universities increased rather steadily from 1949 through 1958, except for a slight dip (1952–53) caused by a curtailment of building supplies in the Korean war period. Capital expenditures estimated for 1959 indicate a tapering off from the rate of maximum construction which prevailed in the 3-year period, 1956–58.

In order to provide meaningful comparisons, the 9-year period, 1950–58, of this 11-year period, 1949–59, has been separated into three equal parts to show the sharply increased burden assumed by the colleges and universities in recent years for the provision of physical facilities. Capital expenditures were as follows:

Years	Total capital		Buildings only	
	Total	Annual average	Total	Annual average
1949	$416,831,000	$416,831,000	$313,400,000	$313,400,000
1950–52	1,278,836,000	426,279,000	961,531,000	320,500,000
1953–55	1,718,039,000	572,680,000	1,291,759,000	430,600,000
1956–58	3,165,975,000	1,055,325,000	2,380,432,000	793,000,000
1959 (estimate)	931,000,000	931,000,000	700,000,000	700,000,000
Total	7,510,681,000	682,789,000	5,647,122,000	513,375,000

More than $7.5 billion was spent by colleges and universities for capital additions during the 11 years, 1949–59, at an annual average rate slightly less than $683 million. More was spent during the 3-year period, 1956–58, than in the preceding 6-year period, 1950–55. Expenditures during these 11 years for buildings only were slightly in excess of $5.6 billion.

Over a period of time prior to 1949, colleges and universities spent an average of 75 percent of total capital costs for the construction of buildings and an average of 25 percent for other capital additions such as furniture and equipment, land, landscaping, and campus improvements (utility extensions, walks, roads, and parking areas). For the 11-year period, 1949–59, these other capital items amounted to about 33 percent of the cost of buildings. It is believed that the upward trend in these costs will continue and, as noted in the assumptions, will approximate 50 percent of the total cost of future construction.

Sources of financing used in the past

Probably no other social institution receives funds from so large a variety of sources as does higher education. The construction of residential buildings during the 9-year period, 1951–59, of this 11-year period and the construction of auxiliary buildings during the 4-year period, 1956–59, was significantly enhanced by the college housing loan program. Up to December 31, 1959, 954 loans totaling about $936 million had been approved for residential and auxiliary facilities; bonds awarded to the Federal Government as of that date totaled $730,111,000. Since 1957, about $1 out of every $4 expended by colleges and universities for the construction of buildings has been obtained from the Federal Government under the college housing loan program.

The portion of the Office of Education's "College and University Facilities Survey" that dealt with sources of funds for the construction of buildings during 1951–55, showed that governmental appropriations provided the principal source of funds for the construction of instructional, research, and general buildings. The primary source for residential and auxiliary facilities was revenue bonds. In both instances, gifts and grants were the principal secondary source. Although sources of funds for capital additions, other than buildings, were not gathered in obtaining the data, it is assumed that the principal sources would be governmental appropriations or the revenue bonds, depending on whether the funds were to be used for instructional or residential purposes, and that gifts and grants would be the primary secondary source. Funds obtained from the Housing and Home Finance Agency under the provisions of the college housing loan program were not available for other capital purposes.

Additional data gathered by the Office of Education for its study, "Higher Education Planning and Management Data, 1958–59," indicate changes in the proportion of funds obtained from various sources for the construction of buildings between the period 1951–55 and the academic year 1958–59. Table 1 indicates the trend toward reliance upon the college housing loan program for capital funds for the construction of residential and auxiliary facilities and a trend toward miscellaneous sources and direct tax levies for instructional, research, and general building funds. Of particular significance in table 1 is the percentage decrease, from the period 1951–55 to 1958–59, in the use of current funds for construction purposes.

Expenditures and sources of funds for the future

To meet the projected physical plant expansion needs described on pages 38–39 will require greatly increased effort on the part of the American people. If only the present rate of expenditure were maintained throughout the decade, a deficiency of great proportions would develop.

TABLE 1.—*Sources of funds used to finance capital facilities for the period 1951–55 and the year 1958–59*

[Dollar amounts are in thousands]

Sources	Combined total		Instructional, research, and general				Residential and auxiliary			
	1951–55 average	1958–59	1951–55 average		1958–59		1951–55 average		1958–59	
			Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Total	$395,249	$1,050,000	$259,778	100.0	$586,950	100.0	$135,471	100.0	$463,050	100.0
Governmental appropriations and direct tax levies	141,661	329,840	123,914	47.7	278,810	47.5	17,747	13.1	51,039	11.0
Bonds:										
State and local obligation	22,080	76,957	18,964	7.3	40,500	6.9	3,116	2.3	36,457	7.9
Institutional obligation	5,240	13,265	4,156	1.6	8,217	1.4	1,084	.8	5,048	1.1
Revenue, non-Housing and Home Finance Agency	49,303	67,982	6,494	2.5	15,261	2.6	42,809	31.6	52,721	11.4
Revenue, Housing and Home Finance Agency	18,153	200,364			326	.1	18,153	13.4	200,038	43.2
Gifts and grants	94,421	186,533	66,243	25.5	146,150	24.9	28,178	20.8	40,383	8.7
Current	28,333	38,567	18,444	7.1	22,304	3.8	9,889	7.3	16,263	3.5
Other	36,058	136,491	21,563	8.3	75,390	12.8	14,495	10.7	61,101	13.2

As shown in table 1, however, there is encouraging evidence that certain sources of support are growing and there is ample reason to believe that they will continue to grow. The doubling of gifts and grants for capital facilities, for example, is an evidence of increasing support from the private sector of the Nation's economy, a form of support that can be expected to grow further. An effort has been made to project the future growth of support from existing sources, in order to measure better the actual extent of the facilities gap that may confront the Nation in 1965 and in 1970.

In table 2 are shown anticipated funds to finance capital facilities expansions to 1970, estimated on the basis of financing patterns followed from 1951 to 1959. The principal sources identified are State and local appropriations, gifts, and different types of borrowing. In making this projection, it has been assumed that sources that had declined in recent years would provide as much in the succeeding years as in 1959, that those increasing by an average of 10 percent or less per year from 1951 to 1959 would continue the same rate of increase, and that those that had increased at a greater rate than 10 percent would continue to increase 10 percent per year. This may be an optimistic viewpoint since it appears that investments in capital facilities have declined during the past year.

In this projection it was assumed that the college housing loan program, which has accounted for one-fourth of total expenditures for higher education construction during the past few years, will be extended at the rate of $250 million annually. The Congress has endorsed the principle of Federal assistance for both residential and academic facilities. Differences of opinion regarding

the extent and method of Federal assistance have temporarily deferred action other than extension of the college housing loan program, but it seems likely at the time of this writing that additional Federal programs will be enacted. Direct Federal loans, direct grants for assistance in the retirement of debt, and matching grants are the three principal methods of Federal assistance that have been proposed.

In addition to general construction assistance there are several other established forms of Federal assistance in the construction of academic and/or related facilities. These include: (1) Matching funds for the construction of hospitals connected with colleges and universities under the Hospital Survey and Construction Act of 1946 (Hill-Burton program); (2) disposal of surplus properties—both real and personal—to public and private institutions on a nominal cash and/or donation basis; [10] (3) grants-in-aid to public and private institutions for science research facilities, administered through the National Science Foundation; and (4) grants-in-aid to public and nonprofit institutions for constructing and equipping facilities for research in the sciences related to health (Health Research Facilities Act of 1956).

TABLE 2.—*Projection of sources and amounts of funds for plant expansion, 1960–70*

[Amounts in thousands

Sources	1960	1961	1962	1963	1964	1965
Total	$1,054,420	$1,159,970	$1,225,530	$1,296,790	$1,374,270	$1,458,510
Governmental appropriations and direct tax levies	327,730	356,230	384,730	415,510	448,750	484,650
Bonds:						
State and local obligation	76,190	84,650	93,120	102,430	112,670	123,940
Institutional obligation	13,160	14,460	15,760	17,180	18,730	20,420
Revenue, non-Housing and Home Finance Agency	67,740	72,060	76,380	80,960	85,820	90,970
Revenue, Housing and Home Finance Agency	210,000	250,000	250,000	250,000	250,000	250,000
Total bonds	367,090	421,170	435,260	450,570	467,220	485,330
Gifts and grants	184,670	205,190	225,710	248,280	273,110	300,420
Current	38,430	40,880	43,330	45,930	48,690	51,610
Other	136,500	136,500	136,500	136,500	136,500	136,500

Sources	1966	1967	1968	1969	1970
Total	$1,550,110	$1,649,730	$1,758,090	$1,875,990	$2,004,270
Governmental appropriations and direct tax levies	523,420	565,290	610,510	659,350	712,100
Bonds:					
State and local obligation	136,330	149,960	164,960	181,460	199,610
Institutional obligation	22,260	24,260	26,440	28,820	31,410
Revenue, non-Housing and Home Finance Agency	96,430	102,220	108,350	114,850	121,740
Revenue, Housing and Home Finance Agency	250,000	250,000	250,000	250,000	250,000
Total bonds	505,020	526,440	549,750	575,130	602,760
Gifts and grants	230,460	363,510	399,860	439,850	483,840
Current	54,710	57,990	61,470	65,160	69,070
Other	136,500	136,500	136,500	136,500	136,500

Total:	
1960–65	$7,569,490
1966–70	8,838,190
Grand total, 1960–70	16,407,680

The cost of facilities needed in the 6 years, 1960–65, based upon assumptions previously discussed, will be $9 billion. Institutions may be expected to provide $6.1 billion of this need. Assuming that the requirements to 1965 have been met, the cost of facilities needed in the 5-year period, 1966–70, will be $9.8 billion. Institutions may be expected to provide $7.6 billion of this need. Thus, deficits of $1.5 billion by 1965 and $2.5 billion by 1970 appear to be in prospect. Without the $250 million a year projected for the college housing program, the gaps would be approximately doubled, reaching $2.9 billion by 1965 and $5.2 billion by 1970.

The Nation faces the challenge of providing its youth with the training required to meet the ever-increasing responsibilities of a highly complex world. In order to meet this challenge, it will be necessary to take constructive action in all areas in which deficiencies exist, or in which gaps between needs and anticipated resources are in prospect. In this paper, careful effort has been made to estimate what will be required over a period of 10 years to overcome present and prospective deficiencies in the area of physical facilities in institutions of higher learning. The manner in which this deficit is to be overcome is a problem to be decided by the American people.

THE COLD WAR GI BILL

Mr. YARBOROUGH. Mr. President, the 72d general assembly of the great State of Illinois recently adopted a joint resolution strongly supporting readjustment assistance for our cold war veterans.

The action taken by the Illinois General Assembly makes at least eight States that have adopted resolutions favoring the cold war GI bill for persons serving a substantial tour of active duty in the military after January 31, 1955. The other States urging enactment of the cold war GI bill are: Arkansas, California, Georgia, Kentucky, Hawaii, Mississippi, and New Mexico. I think it worth while to point out, Mr. President, that these 8 States contain a population of over 38 million.

In adopting the resolution favoring readjustment assistance for cold war veterans, the Illinois General Assembly cited the great value the Nation has derived from the World War II and Korean conflict GI bills. The resolution reads:

The education of millions of veterans has contributed to an increase in the level of education of this country and has produced a major national asset in better and more skilled manpower and has done much to improve the economy of our country.

The resolution further states that:

The veteran education program has been an integral factor in strengthening the defense system of our country and the continuation of this program may be justified in terms of our educational ideals and needs.

The citizens of Illinois, residing in one of our fastest growing areas, realize well the value of the previous two GI bills. Statistics compiled by the Veterans' Administration show that 443,000 Illinois veterans took training under the World War II GI bill, and 120,000 received training under the Korean conflict GI bill. The VA estimates that 79,000 Illinois veterans would receive training in the first 5 years of the cold war GI bill.

Mr. President, in the face of mounting support from our States, the increased tensions around the world, and the hundreds of thousands of our citizens being called into military service over the Berlin crisis, it seems only fitting that the Senate pass, with the greatest haste possible, S. 349, the cold war GI bill.

Mr. President, I ask unanimous consent that House Joint Resolution 13, adopted by the 72d General Assembly of the State of Illinois, certified on August 3, 1961, and favoring a readjustment assistance program for cold war veterans, be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

HOUSE JOINT RESOLUTION 13

Whereas millions of veterans of World War II and the Korean conflict have been educated under the provisions of the veterans education program established by the Federal Government; and

Whereas many veterans were able to obtain further education through the benefits of

[10] In the last 3½ years, real property transfers to higher education institutions have had an acquisition cost value of slightly more than $10 million.

the veterans education program which would not have been possible otherwise; and

Whereas the education of millions of veterans has contributed to an increase in the level of education of this country and has produced a major national asset in better and more skilled manpower and has done much to improve the economy of our country; and

Whereas reliable statistics have proved that increased income to veterans resulting from higher education and improved skills will more than reimburse the national treasury of the entire cost of the GI training program by 1970; and

Whereas the President of the United States, by Executive order of January 31, 1955, stopped the educational benefits for persons inducted into the Armed Forces of the United States after February 1, 1955; and

Whereas it is believed that as long as the draft is continued that all persons serving in the Armed Forces should be extended the educational benefits that were granted to veterans serving prior to February 1, 1955; and

Whereas the veteran education program has been an integral factor in strengthening the defense system of our country and the continuation of this program may be justified in terms of our educational ideas and needs; and

Whereas it has been established by reliable statistics that the investment in education for our own American youth will be more than repaid to the public treasury through increased taxes, resulting from higher incomes earned by such veterans: Therefore be it

Resolved by the House of Representatives of the 72d General Assembly of the State of Illinois (the Senate concurring therein), That the General Assembly of the State of Illinois does hereby memorialize the Congress of the United States to extend GI education benefits to all veterans who have entered or who will enter military service on or after February 1, 1955, and that such educational benefits be extended as long as the provision of the draft law shall exist; and that a copy of this resolution be mailed by the clerk of the house of representatives to the President of the U.S. Senate, the Speaker of the House of Representatives of the Congress of the United States and to each Member of the Congress from the State of Illinois.

Adopted by the house April 12, 1961.

PAUL POWELL,
Speaker, House of Representatives.
CHAS. F. KERVIN,
Clerk, House of Representatives.

Concurred in by the senate, June 30, 1961.

SAMUEL H. SHAPIRO,
President of the Senate.
EDWARD E. FERNANDES,
Secretary of the Senate.

Mr. MANSFIELD. Mr. President, is morning business concluded?

The VICE PRESIDENT. Is there further morning business? If not, morning business is closed.

FOREIGN ASSISTANCE ACT OF 1961

The VICE PRESIDENT. Under the order of the Senate, Senate bill 1983 will now be laid before the Senate.

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. MANSFIELD. Mr. President, I yield 40 minutes on the bill to the Senator from South Carolina [Mr. THURMOND].

The VICE PRESIDENT. The Senator from South Carolina is recognized for 40 mintues on the bill.

Mr. THURMOND. Mr. President——

Mr. MANSFIELD. Mr. President, will the Senator from South Carolina yield briefly?

Mr. THURMOND. I am pleased to yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at this time I may suggest the absence of a quorum, that the time required for the quorum call not be charged to any of the allotted time, and that the Senator from South Carolina may retain the floor.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. Then, Mr. President, I now suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. HRUSKA. Mr. President, I yield 8 minutes to the junior Senator from New York.

The VICE PRESIDENT. The Senator from South Carolina has the floor.

Mr. HRUSKA. With the understanding that the Senator from South Carolina will not lose his right to the floor.

Mr. THURMOND. Mr. President, I yield on that condition.

The VICE PRESIDENT. The Senator from Nebraska yields 8 minutes to the Senator from New York, with the understanding that at the completion of the 8 minutes the Senator from South Carolina will be recognized. Is there objection? The Chair hears none, and it is so ordered.

Mr. KEATING. Mr. President, I ask unanimous consent to yield out of my 8 minutes such time as the Senator from Kentucky [Mr. MORTON] may need, with the understanding that the Senator from South Carolina will not lose his right to the floor.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

DISPOSAL OF CERTAIN EXCESS REAL PROPERTY

Mr. MORTON. Mr. President, for myself and my distinguished colleague from Kentucky [Mr. COOPER], I introduce, for appropriate reference, a bill to amend section 202 of the Federal Property and Administrative Services Act of 1949 to make special provision for the disposal of certain excess real property situated within economically distressed areas.

Introduction of the amendment has been occasioned by the interest of the business and commercial leadership of Louisville, Ky., in developing for industrial purposes excess real property now involved in the operation of the Louisville Medical Depot.

The Louisville Medical Depot is one of many installations of our Defense Establishment which the Defense Department has scheduled for deactivation. In the case of the Louisville facility, its operation will be phased out over the next 2 years and its mission transferred to other installations. Closing the depot will result in the loss of 520 jobs and a local payroll of some $3 million annually.

The Louisville Chamber of Commerce is a stanch supporter of economies in government and has frequently taken the position that it is incompatible to advocate government economizing generally and yet oppose it when its own community is affected. In 1957, the Louisville organization vigorously supported deactivation of the Jeffersonville Quartermaster Depot, located in Indiana across the Ohio River from Louisville, despite the loss of 4,300 jobs and an annual payroll of $17 million.

In the Jeffersonville instance, the chamber felt that genuine military economies would result. The probability of any economies accruing to the Federal Government has not been proven to the satisfaction of Louisville interests in the Louisville Medical Depot case. The mission of the depot is simply being transferred to other installations, rather than eliminated, at no demonstrated savings.

It is my understanding that the Defense Department estimates it will cost $10 million to "permanentize" the depot. The Military Affairs Committee of the Louisville chamber made an exhaustive study of "permanentizing" the facility a year ago and came up with a figure of $2.5 million. Subsequently, the committee was advised it could be done for $1.8 million. Assuming the sale of excess unimproved property, with which the amendment is concerned, for $500,000, the net cost to the Federal Government would be $1.3 million.

Economies can only be proven or disproven on a dollars and cents basis, and not vague generalities. I believe that deactivating the Louisville Medical Depot is wholly unwarranted and will not result in any significant economies, if at all. The Defense Establishment has already canceled closing orders for several bases in view of the recent stepup in our defense activities. I hope that the military will restudy its justification for closing the Louisville installation. I have urged that this be done, particularly in light of the great disparity among the dollar estimates just cited, the complete lack of proof that the closing is economically justified, and the prevailing military situation.

Because of the current uncertainty, the Louisville Chamber is spearheading local efforts to develop surplus depot property for industry. It is most anxious to secure release of certain unused and unimproved land as soon as possible so that replacement jobs can be created during the phasing-out period to fill the gap of those being lost. I have been

advised that release of the excess property at this time will in no way impair the operational mission of the depot.

The installation comprises about 400 acres, of which approximately half is unimproved. Of this total unimproved acreage, representatives of the Department of Defense and the General Services Administration, who inspected the property on August 7 and 8, told the Louisville people that 105.6 acres should be released immediately and made available for public sale. The land is prime industrial property. It has water, sewerage, power, excellent drainage, and accessibility to air, water, rail, and highway transportation.

It has been our feeling that present regulations governing disposition of surplus Federal real property under the Property and Administrative Services Act do not give adequate assurances that good industrial property will be released for commercial development or within a reasonable time. As you know, Mr. President, various priorities are established giving public health, education, welfare, and civil defense bodies first claim on surplus property, with private acquisition falling far down on the totem pole.

It is my opinion that to lessen the economic impact of the Defense Department's deactivation program upon Louisville and other communities similarly affected, every provision should be made to first, accelerate disposition of excess Federal property and second, insure that it is made available on a "first" basis to those communities vitally interested in promoting and developing new job opportunities, particularly in labor-distress areas.

The amendment, which I have introduced, would provide that if the real property under military control is declared excess to military needs and is located in an area of substantial or substantial and persistent unemployment, as determined by the Secretary of Labor, it shall be transferred to the General Services Administration for disposal.

The Administrator then has 90 days in which to determine whether the land is suitable for industrial use to increase the area's job opportunities, after which he may proceed, according to current regulations, to sell the property either by public sale or by negotiated sale. The amendment further provides that in the event the Administrator decides the property to be unsuitable for industry or it is not sold for industrial development purposes within 1 year, its disposal reverts to already established procedures.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2432) to amend section 202 of the Federal Property and Administrative Services Act of 1949 to make special provision for the disposal of certain excess real property situated within economically distressed areas, introduced by Mr. MORTON (for himself and Mr. COOPER), was received, read twice by its title, and referred to the Committee on Government Operations.

PROPOSED AMENDMENT TO CONSTITUTION, RELATING TO ESTABLISHMENT OF PRESIDENTIAL INABILITY COMMISSION

Mr. KEATING. Mr. President, from time to time the people and the Congress of the United States have been confronted, due to a serious Presidential illness or injury, with the fact that our Constitution is dangerously ambiguous on the question of what happens when a President is unable to discharge the powers and duties of his office. At times of grave Presidential illness, clamor for a clarifying amendment has been great, but at these very times, action has been hard to achieve, because legislators are reluctant to act, lest it appear that they seek political advantage while the President is incapacitated. The result has been that we still, 172 years after the ratification of the Constitution, are not clear about the procedure for transfering power in case of serious illness or injury to the President.

The need for an amendment clarifying the Constitution on these matters is great, and now is the time for cool and rational consideration. The agreement between President Kennedy and Vice President JOHNSON, announced last week, may provide a stopgap solution to some of the inability problems, but it is in no sense a substitute for the amendment to the Constitution needed to cope effectively with this matter. It is imperative, in these perilous times, in view of the dangerous constitutional ambiguity, to anticipate and agree to procedures in case of Presidential incapacity, but no private agreement can serve the purpose of an amendment or deal with all of the issues raised when a President becomes disabled.

Ad hoc agreements between the principals like those of the last two administrations merely highlight the need for a permanent clarification. It is not right, as a permanent arrangement, that the President and Vice President should be left to establish for themselves the procedures for transferal of Presidential power in times of Presidential incapacity. And, just as important, it is not possible for them to accomplish a permanent solution within the limits of their powers.

Toward a permanent solution to this problem, a joint resolution (S.J. Res. 19) was introduced in the Senate on January 5, 1961, by Senator KEFAUVER, and referred to the Subcommittee on Constitutional Amendments of the Senate Judiciary Committee. On March 9, 5 months ago, the Committee on the Judiciary requested a report from the Justice Department. This report has not yet been received. Instead, the administration offers this private agreement and a supporting legal opinion from the Justice Department. In my opinion, we should continue to press for the administration's position on a constitutional solution to the problem. I might add that my position in this regard has not changed, since it was always my position during the preceding administration that this problem should be resolved by constitutional amendment rather than private agreement between the principals.

It must be admitted that until this year blame for a failure to propose the necessary clarification must have been shared by the executive and legislative branches. However, this year the situation has changed. I know that the subcommittee on constitutional amendments is ready to recommend specific action. Moreover, I believe that the mood in the Senate has changed and that there is a much greater disposition to come to grips with the subject. The administration's advice would be most helpful in expediting action and the recent Presidential agreement might serve as an encouragement to those who have been pressing for a balanced, rational solution.

For 172 years, we have been extremely lucky. Rarely has a President been unable, for any extended period, to answer to the demands of his office. During the Garfield and Wilson administrations, the Government was forced to operate virtually without a Chief Executive for periods of time, but somehow, almost miraculously, these stormy periods were negotiated without disaster. I fervently hope that if another such instance of Presidential inability comes along before action on a constitutional amendment has been taken, we shall be able once again to function until the crisis passes. Indeed, I hope that no future President shall ever be so seriously incapacitated as to be unable to meet the demands of his office. But to bet on such luck is to place this Nation in an unnecessarily perilous position. In this age of supersonic travel and potential nuclear war, we cannot afford to leave the ship of state, even for a brief period, without a firm hand at the tiller. The procedures for a change of command in time of Presidential inability must be as unambiguous and expeditious as possible.

Seldom in our Nation's history has the opportunity been so bright and the demand so clear for this change. The opportunity is bright, because we are as remote from suspicion as to our motives as we will ever be. No one need suspect that those favoring this measure at this time have specific personalities in mind. The demand is clear, because the international situation is so volatile and poses such serious threats to the life and health of any President, and because these dangerous times make it imperative that we have at the head of this country a man who is fully able to execute the responsibilities of the Presidency.

The constitutional ambiguities are many and far reaching. In the event that the President and Vice President are in working harmony, the problems might not be serious. But if there is conflict between these men for any reason, the situation could easily become serious. Who would decide when the President was unable to execute the powers and duties of his office? Would the Vice President take over just the powers and duties? What about his title during this period, and his salary? Who should decide when the period of disability is over,

and what procedures, if any, should there be for review of this decision, whoever makes it? Who is Chief Executive during a President's absence from the country? If a President fails to veto a bill within 10 days, it becomes law without his signature; if the President is absent from the country, do these days of absence count toward the 10 days? Of course, not every eventuality would have to be accounted for in the amendment. A simple enabling clause would probably suffice to clear up related questions. But the need for a basic amendment to deal with the question of procedures and succession is clear.

This is not the time for supporters of a constitutional amendment to hamstring their efforts by quarreling about specific solutions. The details of a solution are of course important, but these considerations pale when compared with the need for a clarifying constitutional amendment of some sort. For many years, I have sponsored an amendment under which a Presidential Inability Commission would be created to determine the inability of the President to discharge his duties in the event that the President cannot or does not so declare himself.

My amendment, as originally framed, provided that the Chief Justice and senior Associate Justice of the Supreme Court be members. Since then, I have received a letter from Chief Justice Earl Warren, advising that members of the Court are opposed, for "insurmountable reasons," to serving on the Commission. In accordance with the request of the Chief Justice, therefore, my resolution will propose a Commission made up of seven members, identical to those previously proposed by me, except for the absence of the Supreme Court representatives. Members of the Commission would include the Speaker of the House, the House minority leader, the Senate majority and minority leaders, the Secretaries of State and the Treasury, and the Attorney General; and the Vice President would serve as nonvoting Chairman.

The Commission would be convened without delay upon receipt of a communication in writing from any three members of the Commission stating that they have cause to believe that the President is unable to discharge the powers and duties of his office. The Commission would seek competent medical advice on the condition of the President, and if at least five members of the Commission held, on the basis of this advice, that the President was unable to perform his duties, the individual next in line of succession to the Presidency would take office as Acting President. Similar proceedings would be instituted by the President whenever he felt able to resume his duties; if the Commission agreed, after seeking competent medical advice, the President would return to office and the Acting President would step down.

Senate Joint Resolution 19 differs from this plan in that it would empower the Vice President, if he was satisfied that the President was unable to discharge the powers and duties of his office and upon obtaining the written approval of a majority of the Cabinet, to assume the office of Acting President. If the President later declares that his inability is terminated and the Acting President challenges his judgment, the pending resolution prescribes that the Vice President and the Cabinet submit the issue to Congress, and if two-thirds of the Members of each House support the judgment of the Acting President, the Acting President shall remain in office until the occurrence of the earliest of the following: (a) The Acting President declares that the President's disability is terminated; (b) the Congress determines by concurrent resolution adopted with the approval of a majority of the Members present in each House that the President's disability has ended; or (c) the President's term ends.

Both of these solutions have much to recommend them. I feel that the Commission idea is on balance superior, but above all, I feel that it is time to do something. I am today introducing the Commission resolution for consideration in an effort to prod some action on this problem. However, I would be willing to support the pending Senate Joint Resolution 19 rather than let this issue slide much longer. I therefore urge the Justice Department to submit, at the earliest possible moment, the report requested, so that the subcommittee can be guided in its action in part by the views of the administration.

Mr. President, I send to the desk my joint resolution, and ask that it be appropriately referred.

I also ask unanimous consent that the text of the joint resolution be printed at this point in the RECORD.

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD.

The joint resolution (S.J. Res. 125) proposing an amendment to the Constitution of the United States to establish a Commission to determine the inability of a President, or one acting as President, to discharge the powers and duties of the Office of President, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as a part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"SECTION 1. In case of the removal of the President from office, or of his death or resignation, the Vice President shall become President for the unexpired portion of the then current term.

"SEC. 2. If the President shall declare in writing that he is unable to discharge the powers and duties of his office, such powers and duties shall be discharged by the individual next in line of succession to the Presidency as Acting President.

"SEC. 3. For the purpose of determining the inability of the President to discharge the powers and duties of the Office of President, if the President does not so declare, there is hereby established a commission to be known as the Presidential Inability Commission (hereinafter called the 'Commission').

"SEC. 4. The Commission shall be composed ex officio of eight members as follows:

"(1) The Vice President shall serve as Chairman of the Commission, but if by reason of death, resignation, removal from office, inability or failure to qualify, there is no Vice President, or if the Vice President shall be acting as President, the individual next in line of succession to the powers and duties of the Office of President, shall serve as such Chairman. The Chairman shall have no vote in the proceedings of the Commission.

"(2) The Speaker of the House of Representatives, but if such Speaker shall be the Chairman of the Commission, the leader in the House of Representatives of the political party having the greatest number of Members of the House of Representatives.

"(3) The leader in the House of Representatives of the political party having the second greatest number of Members of the House of Representatives.

"(4) The leader in the Senate of the political party having the greatest number of Members of the Senate.

"(5) The leader in the Senate of the political party having the second greatest number of Members of the Senate.

"(6) The Secretary of State.

"(7) The Secretary of the Treasury.

"(8) The Attorney General.

"SEC. 5. Five members of the Commission shall constitute a quorum. The concurrence in writing of at least five members shall be required for any action to be taken, or any determination made, by the Commission.

"SEC. 6. Members of the Commission shall serve as such without compensation; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

"SEC. 7. The Chairman shall convene the Commission without delay upon receipt by him of a communication in writing from any three members of the Commission stating that they have sufficient cause to believe that the President is unable to discharge the powers and duties of the Office of President. The Commission shall seek competent medical advice as to the condition of the President and his ability to discharge the powers and duties of his Office. If the Commission shall determine that the President is unable to discharge the powers and duties of the Office of President, such powers and duties shall thereupon devolve upon the individual next in line of succession to the Presidency as Acting President.

"SEC. 8. Whenever, in the opinion of the President, he is able to reassume the powers and duties of the Office of President, he shall so notify the Chairman of the Commission by written communication. Upon receipt of any such communication, the Chairman shall convene the Commission without delay and the Commission shall obtain medical advice as to the condition of the President and his ability to discharge the powers and duties of his Office. If the Commission shall determine that the disability has been removed, and that the President is able to reassume the powers and duties of the Office of President, it shall notify the President and the then Acting President of its decision by written communication, and the President shall forthwith reassume the powers and duties of the Office of President.

"SEC. 9. Whenever any individual is acting as President, or has acted as President, pursuant to the provisions of section 19 of this title, the word 'President', as used in this

section, shall be deemed to refer to that individual and the word 'Presidency', as used in this section, shall be deemed to mean the powers and duties of the Office of President.

"SEC. 10. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission."

EFFECTS OF ANTI-ANTI-COMMUNIST CAMPAIGN WITHIN THE DEPARTMENT OF DEFENSE

Mr. THURMOND. Mr. President, modern warfare is fought with a multitude of weapons. When we think of the diversity of weapons available, we are oriented, unfortunately, to picture the weapons of modern warfare in only two classifications, conventional and nuclear. Mr. President, it is indeed regrettable that our thinking has become so bound by tradition, for the weapons of modern warfare are by no means limited to hardware.

One of the most potent weapons of modern, or total, war is propaganda. This is a weapon, the effectiveness of which has long been recognized, but the potential of which has increased with the technological development of mass communications media. It is an increase in potential at least equal in degree with the increase in explosive power accompanying the development of nuclear power to supplement and possibly replace conventional explosives.

Although the Nazis in World War II demonstrated the effectiveness of the propaganda weapon, it is continually apparent that we in America have not even yet developed a defense against propaganda. It is now being effectively used against us, and its normal potentiality is magnified by our own extreme vulnerability.

Mr. President, there is but one defense against propaganda attacks. That defense is knowledge of the truth. Propaganda, as it is used against us, is based on falsehood, and is often, if not always, shielded by a smoke screen of widely accepted, and even proven, slogans and cliches.

Mr. President, largely as a result of a National Security Council directive issued in 1958, organized efforts were undertaken to establish a defense against communism and particularly against the Communist use of the propaganda weapon. The defense consists of informing the American people, and particularly those in uniform, concerning the total nature of communism and its many methods and weapons of attack, including propaganda. Although this educational program was and is somewhat meager when measured in terms of need, it has been signally effective.

Indeed, our educational efforts on the total nature of communism have alarmed the Communists to the extent that the Communist Party, U.S.A., was instructed to fight such educational programs as its No. 1 priority for action. Typically, the Communist Party, U.S.A., resorted primarily to the weapon of propaganda, to which, despite recent educational efforts, we are still unbelievably vulnerable.

The Communists are by no means amateurs in the use of propaganda. So subtle was the origination of the anti-anti-Communist campaign that few recognized or suspected its origin. Typically, the real purpose of the campaign was camouflaged behind an unchallenged and unchallengeable principle to which all Americans subscribe—the principle that the military should be subject at all times to civilian control and should not usurp policymaking functions from duly constituted civil authority.

Mr. CURTIS. Mr. President, will the distinguished Senator from South Carolina yield?

Mr. THURMOND. I am pleased to yield to the able Senator from Nebraska.

Mr. CURTIS. I thank the courageous and distinguished Senator, who speaks with authority on this subject because of his long and brilliant military career.

I should like to ask the Senator if he feels that the question of what Army officers can say not only to their men but also to the general public involves a very basic issue which transcends all personalities in or out of government.

Mr. THURMOND. I think our people in uniform generally should not speak promiscuously on all subjects, but they are entitled to tell their own military personnel and entitled to tell the civilian population the aims, the methods of operation, and the dangers of the enemy. The enemy today is communism. I feel there is a censorship now being placed upon our military people with regard to expressing themselves concerning our enemy, communism.

Mr. CURTIS. I agree. The official policy which must be determined by the Congress and the Executive involves the maintenance of freedom and the avoiding of censorship, and is something so fundamental it is not involved in personalities. Would the Senator agree?

Mr. THURMOND. Mr. President, I would certainly agree with the statement of the distinguished Senator from Nebraska. After all, our military people are citizens. They have certain rights. I can realize it is inappropriate for them to participate in partisan politics and things of that nature, but that is not the question before us today. There is no foundation to the charge that they are participating in partisan politics. As I shall state in a few minutes, this is a very vital question affecting the right of freedom of speech, but also affecting the vitality of the Nation.

Mr. CURTIS. I thank the Senator. Perhaps the junior Senator from Nebraska has not made his question clear.

In the opinion of the Senator from South Carolina, does this not involve a major policy decision to prevent censorship, far beyond any disagreement we as individual Senators may have, or beyond any utterance we may have made in the past?

Mr. THURMOND. I would certainly agree with the Senator from Nebraska.

Mr. CURTIS. In other words, it is a matter which ought to be debated to find the correct course for the country, and is not merely a disagreemnt between Senators.

Mr. THURMOND. I concur with the distinguished Senator from Nebraska in the statement he has just made.

Mr. CURTIS. In keeping with the spirit that we are not criticizing anyone personally but are talking about a plan of action, I should like to ask the distinguished Senator to yield further so that I may ask unanimous consent to have an editorial, which was published in the Richmond (Va.) News Leader, Wednesday, August 9, 1961, inserted in the RECORD. It is apropos of what the Senator is discussing.

Mr. THURMOND. Mr. President, I am pleased to yield for that purpose.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AFTER THE TWILIGHT

Most of today's editorial page is given over to publication, in full, of the amazing memorandum sent by Senator J. WILLIAM FULBRIGHT, of Arkansas, to the President and the Secretary of Defense about 2 months ago.

In general, the statement denounces American military officers who have sought to educate their troops and the public in the dangers of internal Communist subversion; it offers recommendations for putting a gag on these men. The document was carefully leaked to the New York Times in June. It resulted in the promulgation by the Defense Department on July 10 of a new directive intended to tighten review procedures on all speeches and public relations activities by top generals and admirals. But though rumors of the memorandum's existence were widespread in Washington, it was not until August 2 that South Carolina's Senator STROM THURMOND managed to get his hands on a text. He put it in the CONGRESSIONAL RECORD. Later the same day, Senator FULBRIGHT acknowledged the statement as his own.

Senator GOLDWATER has described the Fulbright memorandum as "the most shocking document I have seen since I have been a Member of the Senate." Senator KARL MUNDT has termed it "a shocking and utterly unrealistic document of abject appeasement."

If Mr. FULBRIGHT himself had not vouchsafed the validity of the accompanying text, we would have suspected some elaborate hoax. It is almost incredible that a U.S. Senator who is chairman of the Foreign Relations Committee could have drafted the document.

Senator FULBRIGHT's purpose is to soften the resistance of the United States to the dangers of communism. He thinks it quite possible that "the principal problem of leadership will be, if it is not already, to restrain the desire of the people to hit the Communists with everything we've got." To suppress that desire, he would gag the militant generals, prohibit their participation in anti-Communist education programs, and smear the knowledgeable foes of communism as "radical rightwing speakers."

Senator FULBRIGHT reveals, throughout his memorandum, a profound contempt not only for top-ranking officers, but also for the people as a whole. Though the overwhelming majority of the officers are college graduates who have traveled widely, he sees little in their education, training, and experience that might equip them for a "proper perspective" of the cold war struggle. His idea is first to muzzle them, and later to wash their brains with liberal soap: They should be "exposed to broader educational opportunities."

As for the people, the Senator distrusts them entirely. If the people had their own way, they might well vote to discontinue

foreign aid. But the people must not be permitted to have their own way. They do not need to be alerted to the menace of the cold war. Rather, the people should be "directed" toward support of the President's program. There are no reasons to believe that military personnel could contribute to this educative process; on the contrary, there is "considerable danger" involved in letting the generals speak.

Talk of subversion. What sort of subversion is going on here?

The Admiral Burkes and General Walkers of this world are fighters, not appeasers. They know and understand the dangers of Communist infiltration in ways that Senator FULBRIGHT will never know or understand them. The officers in command of Army and Navy units know to their bitter dismay how poorly America's young men are equipped—ideologically equipped, patriotically equipped—for the responsibilities that could be thrust upon them in a war with Russia. They know that if soldiers have no idea of what they are fighting for, the soldiers will fight poorly. If troops do not comprehend the evil nature of the enemy, they cannot be expected to wage effective war.

Behind the men in service are the citizens back home. They, too, must be kept alert to what the cold war is all about. And if forums, or seminars, or discussion programs, led by experienced officers, are an aid in maintaining anti-Communist vigilance, why on earth should such programs be undermined or forbidden? The Pentagon already has suppressed one anti-Communist film, "Communism on the Map." It has frowned upon another, "Operation Abolition." These films are too hard on the Communists. The Senator would rather be soft.

Henceforth, the Deputy Secretary of Defense has announced, professional soldiers will be given policy guidance by two civilians, Assistant Secretary Arthur Sylvester and his assistant, Nils Lennartson. They will have charge of seeing to it that the generals in their public appearances confine themselves to defense matters. Sylvester, 61, is a Newark newspaperman, onetime city editor of the Newark News; Lennartson, 46, for a time was a newspaper reporter in Maine, then went into the publicity game, and since 1948 has bounced from one Government public relations office to another. It is ludicrous to suppose that these men have knowledge, education, and global understanding superior to that of an Adm. Arleigh Burke; but their job, from now on, is to gag the admiral and any other officer who might speak rudely of the Reds.

Sometimes we despair of ever gaining victory in the cold war. We despair of winning even a stalemate. When the vigor of Government can be sapped by spineless Senators, when patriotism is mocked as superpatriotism and anti-Communists are derided as professional anti-Communists, a national will toward victory inevitably must die of political anemia. Mr. FULBRIGHT speaks of the twilight struggle. After twilight comes the night; and that is where the Senator's pusillanimous prudence is leading the American Republic.

Mr. CURTIS. I thank the distinguished Senator. I should like to ask the Senator, as a soldier and defender of our country, is not a soldier a better soldier if he is given information; if he understands what the country stands for, what constitutes its greatness, what are the issues in the conflict; and if he is advised as to the nature of the enemy, its trickery and the errors of its philosophy? Will not such a soldier be much more effective than one who is ignored and treated as a robot?

Mr. THURMOND. Mr. President, the distinguished Senator from Nebraska has made a pertinent statement. I commend him for making it. There is no question about the importance to our people in uniform of thoroughly understanding American ideals, what our country stands for; and thoroughly understanding the enemy, including the aims and objectives and the danger of the enemy. Of course, that enemy today is communism.

Mr. CURTIS. Yes. The Senator from Nebraska would be the last individual in the world to say that every Socialist or anyone who tampered with some little socialistic program was a Communist or had any sympathy for the Communists, but the fact remains that the Communists use socialism as one of the weapons to break down confidence in our traditional American system in order to advance their own ideology. When someone speaks out for our traditional American system of individual enterprise and individual responsibility he is not only informing the public and the troops of what the present world struggle is about, but is also making us stronger. Is that not true?

Mr. THURMOND. That is true. I commend the able Senator. I wish more people in the United States had the vision that he does with respect to the importance of the question.

Mr. President, the extent of our vulnerability to subtle propaganda attacks was never more emphatically demonstrated than by the success achieved by the Communist-originated anti-anti-Communist campaign subtly concealed behind a nonexistent conflict between civil authority and military leadership.

In recent days I have taken occasion to document for the record here on the Senate floor the particulars of this anti-anti-Communist campaign, which is focused principally in an attack on our military leaders. Unfortunately, there is still evidence that many are deceived by the cleverly fabricated specter of military usurpation of civil authority.

There is but one way to blunt the edge of the propaganda sword and to dissolve this fabricated specter—and this way is to bring home the facts to the American people. This is a task that is vital, and one to which we should all devote our best energies. None is more urgent.

Mr. President, our military leaders have not attempted, and are not attempting, to violate the unchallenged and unchallengeable principle of civil control over the military. Our military authorities have recognized, however, as have our civilian leaders, that in order to defend ourselves effectively against communism, we must know our enemy. This lesson was brought home emphatically to both civilian and military leaders by the effectiveness of Communist brainwashing techniques on American soldiers during the Korean war. It has been brought home to both civilian and military leaders less emphatically, but repeatedly, by the susceptibility of Americans generally to Communist propaganda in subsequent years.

Mr. President, our leaders, both civilian and military, recognized the need to erect a defense against all of the enemy's weapons, including his psychological weapon, and dutifully undertook to prepare such a defense. Their efforts were pursuant to, and complied with, a policy established by civilian authority, and indeed issued by authority of the National Security Council—not by the Joint Chiefs of Staff or some other military body.

Mr. President, our military leaders have a deep sense of responsibility, engrained into them from the day they swear to defend the Constitution against all enemies, foreign and domestic, by training and practice of their professional careers. They, no less than you and I, are dedicated to high and sound principles, including the preeminence of civil authority over the military.

One of the most criticized of our military leaders, as being too outspoken, is Adm. Arleigh A. Burke, recently retired Chief of Naval Operations. On August 3, 1961, subsequent to his retirement, Admiral Burke appeared at the National Press Club in Washington, D.C., where he was interrogated by newsmen. Admiral Burke at this time was retired, a civilian, in civilian clothes, unrestricted in his remarks by requirements for prior clearance of his comments. The questions directed at him and his responses were reprinted in U.S. News & World Report of August 21, 1961. Mr. President, Admiral Burke replied to questions with picturesque candidness, but not by the greatest stretch of imagination could anyone interpret from Admiral Burke's remarks, when read in context, anything but the highest sense of responsibility, patriotism, and respect for civilian authority. Mr. President, I ask unanimous consent that the text of the article in U.S. News & World Report concerning Admiral Burke's appearance at the National Press Club be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the U.S. News & World Report]

ADMIRAL BURKE SPEAKS OUT ABOUT MUZZLING THE MILITARY

At the heart of a growing debate—

Should military officers be forced to keep silent about the threat of communism?

Where is the border line between patriotic devotion and political affairs—the latter a field traditionally reserved for civilians?

Controversy started with a memorandum by Senator FULBRIGHT, Democrat, of Arkansas, accusing military men of sponsoring "radical rightwing speakers." He urged civilian controls over troop-education programs.

The key question—whether generals and admirals have a duty to speak out—is discussed here by Adm. Arleigh A. Burke in a public appearance just after his recent retirement as Chief of Naval Operations.

FROM THE TRANSCRIPT OF ADMIRAL BURKE'S ANSWERS TO QUESTIONS DURING AN APPEARANCE AT THE NATIONAL PRESS CLUB IN WASHINGTON, D.C., ON AUGUST 3, 1961

Question. In your opinion, Admiral Burke, do you consider it advisable that U.S. military leaders alert their men to the Communist challenge?

Admiral BURKE. It's marvelous the way some people can ask questions with a hooker in it like that. And, could I make a flat and unequivocal statement—yes.

Question. Do you agree with those who say that military officers are being muzzled?

Admiral BURKE. This question of muzzling is a very important thing for the Government.

There are certain things which military men should not say.

There are certain things which, if said, would do harm to the Government.

And those things, all those men in military uniform do not want to say.

Once in a while, they slip—or at least I slipped, and said something that I, perhaps, shouldn't have said. But they don't want to say them.

There's also the possibility of having negotiations about to take place just after a military man makes a speech. And if he doesn't get his speeches cleared, he might make a statement which might do harm for his Government. He doesn't want to do that.

So there's no objection to having speeches cleared. That's the theory, and that's a correct theory.

Now, as a private citizen, I do object sometimes to the interpretation that is put on by some of the people who have these instructions. They interpret them very liberally, and very peculiarly at times. But those things can be ironed out individually at the time.

I do not think that the military leaders are muzzled. I do think that the military have in the past, and will in the future, exercise very great restraint—self-imposed restraint—over what they say.

The question is: How do you make sure that you're not going to say something that will do harm to your Government, and what is "harm to your Government"? And who determines that?

That is always a most difficult thing to overcome, and it won't be overcome by any one group of people, nor at any one time—it's a continuing fight.

Question. What is your view on so-called "right wing" officers in the Pentagon, the National Strategy Seminar Program, and Senator FULBRIGHT's attack on both?

Admiral BURKE. Military officers should be neither right nor left. Military officers, by virtue of their training, are middle-of-the-road people.

We're not blind and dumb and stupid, just to be told what we are to do, whether it's by the whim of somebody else—. We've served a lifetime—those who reach maturity in the service, reach senior ranks—and we've seen a lot of people who fight for the things that we believe in, and we know that rash action can cause serious consequences.

So military officers should not be either too far "right" or too far "left."

When we came into the service, we swore an oath of allegiance—an oath of allegiance to the Constitution of the United States—to uphold the Constitution of the United States and those things which it stands for. We have sworn this oath many, many times throughout our career.

It always is very important, but it starts to become—you start realizing just how important it is.

The security of the United States is the business of military people. They think about that a great deal. Now, what constitutes "security"?

One of the things—the most important thing—that creates security of a country is what's in the heart of a people of a country. What do you believe? What will you stand for? What will you do if you are pushed? Will you stand alone or will you succumb?

A few years ago—well, in the Korean war—we came to the full realization, I think, in the military services, that many of our recruits didn't stand for anything. They had no strong principles.

We found out, too, that those people who really believed in their religion, whatever their religion was—who believed in their country, who believed in their community—were not easily brainwashed. They didn't easily succumb to the Communist pressures.

When patriotism was lacking

But those people who didn't have much of a religion, who didn't believe much in it—who didn't believe in patriotism, who didn't believe much in their communities, who had no standards—could easily be shaken; and they would accept anything for a temporary expedient to get a cigarette. And we've had people who sold their shipmates for a cigarette. People have died for the temporary pleasure of a man.

And then we came to realize that there is a great deal that has been lacking in this country recently—and that's motivation. And the people who are coming into our service didn't have it as much as they should. They wanted to have it, but they didn't have it.

And so we started teaching these youngsters that you have to have high standards, that you have to be able to do things for other people. You don't have to think of yourself. That you have to be willing to do a little bit more than your share, to help somebody else a little bit more than is required. And it worked.

The fact that we can send, from one of the fleets, thousands of men ashore who are proud of being Americans, who uphold with dignity and honor the fact that they are Americans—from the newest recruit to the more senior people—is a wonderful thing to behold. These people believe in what this country stands for. And they really believe it.

This is true not only of the Navy—I know the Navy—but it's also true of the other services. This was important. We have to teach our recruits this, to a large extent. And that's sort of late to teach people.

Need: High principles

Now, there's such a thing as going too far "right" and too far "left." But there isn't such a thing as teaching too much patriotism, or teaching too much of a belief in God, or of teaching too much of high standards.

You can't have low standards and have good people. You've got to have very high standards. And you've got to have high principles.

Now, the next part of this question—should military people speak out on military-policy matters? Of course they should.

Who else knows about military-policy matters as much as the people who have been intimately connected with them? If they don't—if the military should not be able to speak, they shouldn't speak at all.

They shouldn't be required to justify the things before Congress that they have to justify. But either the military people speak or they do not speak. They can't be turned off and on like a faucet.

After you live—and if you live—through a military career, you have certain convictions. Some of them may be wrong, but all people have their convictions. If you're not going to speak on those convictions at one time, you cannot speak on them at another.

So either you've got to keep military people quiet completely—and let somebody else justify all of the things that military people now have to justify—or else they must be permitted to speak their minds on matters which do not do harm to their country, on matters of military policy which they know about.

Mr. THURMOND. Mr. President, although Admiral Burke has been singled out repeatedly for vituperative abuse, particularly in the Worker, the entire Navy has been suffering the brunt of the anti-anti-Communist propaganda campaign for its education program on communism. After reading Admiral Burke's comments at the National Press Club, I personally contacted him and asked him to describe for me the origin, content, and effect of the Navy's education effort on communism and the cold war. His forthright response unequivocally brands as false the propaganda attack which alleges that the Navy has usurped the bonds of civilian control and civilian-made policy in its endeavor to erect a defense against the total nature of communism. This is Admiral Burke's outline of the Navy's efforts, and I quote:

The startling revelation concerning the conduct of American prisoners of war in Korea prompted President Eisenhower to promulgate the code of the American fighting man. This was the initial step which ultimately led to the establishment of the Navy leadership program (general order No. 21). The primary objective of this program is to inculcate those qualities of thinking and character which are essential to the proper performance of duty in the naval service and the maintenance of the highest standards of conduct in accordance with the finest traditions of the Navy and of the Nation. As an integral part of this program, appropriate attention is paid to the rights and responsibilities of citizenship and threat of international communism.

The Chief of Naval Personnel was assigned the responsibility of conducting an Information and Education Program. One of the primary objectives of this program has been to assist naval personnel to comprehend the principles of American democracy and recognize forces which threaten it, understand current issues in national and international affairs, grasp the missions of the Armed Forces collectively and individually, realize the importance of the individual in the American concept of life and his responsibilities and obligations as a military citizen, and appreciate the individual's responsibility in promoting international good will and understanding.

Commanding officers were directed to conduct local programs in support of these objectives. The Chief of Naval Personnel made available for distribution to all commands a great variety of informational material, for example, pamphlets, films, and posters, to be used in these local programs. The following is a sample of some of the subjects covered by this material: "The Armed Forces," "World Affairs," "Citizenship," "The Communist Threat," "Overseas Orientation," "Bill of Rights," "Code of Conduct," "People to People," "Voting." This material was cataloged and disseminated to all commands through special editions of the I. & E. Newsletters.

These programs were designed solely for the purpose of indoctrinating naval personnel. In establishing these programs it was recognized that that part of the program involving the indoctrination of personnel as to the modus operandi of communism, the force threatening the principles of American democracy, could result in some criticism by outside forces who would look upon it as criticism of a particular administration, our school system or the American family institution. However, since military personnel take an oath to support and defend the Constitution of the United States against all enemies, both foreign and domestic, this risk was looked upon as a very necessary ingredient of any orientation program for naval personnel. Furthermore, this was particularly necessary in the case of young recruits entering the Navy, since their education had been neglected to the extent they have little or no appreciation of their responsibility for preserving freedom or any

understanding of the insidious and dangerous threat posed by communism.

The manner in which local programs were conducted varied from command to command. The degree to which these programs were pursued was primarily dependent upon the command attention given to conducting vigorous programs in anticommunism and pro-Americanism. In some instances commands and individuals desiring to pursue a more comprehensive study of this subject sought, from unofficial commercial sources, orientation materials other than those made available by the Bureau of Naval Personnel. Some of the material obtained contained information critical of the present and past administrations. Occasionally, this material was used by commands in their local programs. In some areas these programs were given wide publicity with the result that various civilian groups requested local commands to furnish speakers on this subject. Civilian groups in some areas sponsored alerts and anti-Communist seminars and requested the Navy to provide speakers. The commands which are now under attack for having sponsored anticommunism seminars designed to alert the general public did not in fact sponsor these programs but rather made available base facilities to civilian groups responsible for these programs as a matter of public service. However, it should be emphasized that these were isolated cases. A recent investigation conducted by the Chief of Naval Personnel revealed that over 90 percent of the local command programs were conducted using exclusively the approved material made available by that Bureau. Further, their programs were slanted more toward pro-Americanism rather than anticommunism.

Annual global strategy seminars were established at the Naval War College for selected Reserve officers to enable them to acquire an understanding of the problems confronting the United States in formulating a global strategy to attain our national objectives. Courses of study include: Review of the current world situation, an examination of the major factors affecting global strategy, the threat of international communism, the nature of the protracted conflict, and the resources available in defense of the United States and the free world. Eminent guest speakers and panelists are invited to participate in this program.

The curriculums of the Naval Academy, service schools, and recruit training schools include courses in such subjects as history of Russia, communism—theory and practice, Communist ideology, American democracy—the rights, responsibilities, and privileges of American citizenship.

Vigorous and imaginative efforts are continually being made to provide all naval personnel with suitable training, program and informational materials in the area of anticommunism and related subjects. It is emphasized that it was initiated as, and continues to be, a program directed to Navy personnel. The success of the program and the vigor with which it was pursued made it inevitable that it would spill over into civilian activities. This can only be of benefit to everyone involved and the country as a whole.

Those were the words of Adm. Arleigh Burke, who has just retired as Chief of Naval Operations.

Mr. President, it is beyond my comprehension that any American could find or imagine a threat to the preeminence of civilian authority in this Navy program so ably summarized by Admiral Burke.

Mr. GORE. Mr. President, will the Senator yield?

Mr. THURMOND. I am pleased to yield to the distinguished Senator from Tennessee.

Mr. GORE. Does not the Senator think that there is some danger involved, something that is at least contrary to the usual activity of the military in the United States, in political activities of military commanders which, in the words of Admiral Burke, spill over into civilian activities?

Mr. THURMOND. I do not know of any political activities which have spilled over. In some of these seminars, which were sponsored in local communities, they used some speakers from the so-called right and some from the so-called left. At the Industrial College in Washington some Members of this body who are considered extremely liberal have been used. They have used many people in trying to inform personnel. I see no danger in that. There may have been some instance of a speaker who may have gone a little too far to the left or a little too far to the right. However, here is a great effort by the Navy and a great effort by the Air Force and by the Army to educate their own personnel to the aims and methods of communism and how it operates, and its dangers.

Even if it has on rare occasions spilled over, when it did not amount to anything, it is a byproduct of the effort to accomplish that objective of informing our military personnel, and I think it is essential to the survival of our Nation.

Then, too, many people in uniform have a unique understanding of the enemy. They are trained to anticipate the enemy. They get to know the enemy and how he operates. However, the cold war is no longer a question of the military alone. A great many factors enter into this question—economic, propaganda, subversion, and infiltration. Civilians, as well as the military, must be informed on this important subject.

Mr. GORE. Mr. President, will the Senator yield for a question?

Mr. THURMOND. I am pleased to yield to the distinguished Senator from Tennessee.

Mr. GORE. Essentially, it is not the function of the military, or at least it has never been heretofore regarded as its proper function, to give political instruction to the American people. Americans are drafted into the military service for the purpose of being trained in the defense of their country. I am not sure that we are paying proper respect to the servicemen and their rights if we draft them into the service under the command of someone who will use his position as commanding officer to inject into the minds of these servicemen some particular slant or point of view held by either the commander or speakers, either to the right or to the left, on questions which may be essentially of a domestic political nature, sometimes highly controversial.

If a balanced program of education is undertaken, this would be in one light. There are some serious questions as to whether even this is the proper function of a military commander. However, when the instruction is heavily weighted toward extremism in a particular direction, then it seems to me that it goes beyond a questionable function, and becomes an inadvisable and improper function.

Mr. THURMOND. In fact, we have no question here of political activity by the military. That is the camouflage which is being used to try to divert the people from the main issue, which is not whether the civilian is over the military, nor whether the military leaders are taking advantage of the personnel under them to indoctrinate them politically. If there are isolated cases, they should be revealed and prevented.

I should like to ask the distinguished Senator from Tennessee if he knows of any instance, or if he can cite any instance, in which personnel in uniform have been indoctrinated politically.

Mr. GORE. I can cite to the Senator, although I should prefer to do so in private, instances in which military commanders have said they have undertaken to inject into the minds of the men in their command certain points of view with respect to domestic political questions. To answer the Senator, yes, I can cite instances.

Mr. THURMOND. I shall be glad to have the Senator from Tennessee do so. The American people are entitled to know all the facts. I can tell the Senator frankly there will be much said by me and other Senators before this discussion is finished. In fairness to the American people, I should like the Senator to cite such instances with which he may be familiar, and to do so now. There will not be any embarrassment. If the Senator from Tennessee knows of such instances, the American people are entitled to have that information.

Mr. GORE. The particular instance to which the Senator has referred is one.

Mr. THURMOND. I should like to have the Senator from Tennessee cite the names, so that we can investigate. Then the alleged offenders may have a chance to respond on that point. It should not be allowed to reflect on the military generally.

Mr. GORE. I shall be very glad to consider the advisability of disclosing the information. I wish to be careful not to do an injustice to a commander by hastily citing the name of that commander or the names of other commanders. I do know of instances. I think it is a proper subject of study, not only by Congress but also by the Department of Defense. I shall be very glad to speak to the Senator from South Carolina in confidence when he concludes his address, and show him copies of correspondence. I would not be prepared at the moment to introduce the names of servicemen into the RECORD.

Mr. THURMOND. There is no confidence about this. There is too much censorship now on this subject. So far as I am concerned, I want the American people to know the facts. If our military personnel have made errors, the American people are entitled to know it. If they have not made errors, or if they are isolated, that is a different thing. There is danger in making insinuations and innuendoes about their having done something, as has been done in the press, unless there are facts to bear

out such accusations. If there are facts to bear out such accusations, I request the distinguished Senator from Tennessee to supply the fact, if not today, then on another day, so that we shall have a chance to investigate the allegations he makes. If the allegations are true, they should be pinpointed.

There may be some isolated instance. Suppose there is an isolated instance. There may not be one in a thousand cases. If, however, the activity of the military personnel is for the purpose of informing our civilian personnel about the enemy which wants to dominate the world—communism—then I say it would be worthwhile, even if a little of it occasionally spilled over. So I request the Senator from Tennessee to furnish the information, so that the American people may be familiar with it.

Mr. GORE. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. I am pleased to yield.

Mr. GORE. I cite the statement by Admiral Burke which the Senator has just quoted, in which Admiral Burke said that as a result of such political activities on the part of the military commanders, it became "inevitable that it would spill over into civilian activities."

I ask the Senator, Does he believe it is a proper function of the military to engage in domestic political activities, using their commands for that purpose, using their commands over American servicemen to inject political indoctrination on domestic political subjects which, in the words of Admiral Burke, will inevitably spill over into American political activities?

Mr. THURMOND. The Senator from Tennessee has attempted to read into Admiral Burke's words something which he did not say. Admiral Burke did not say "political activities." He did not say that courses are being given along political or partisan lines. He said "communism and related subjects"; he did not say "political activities."

The connotation which the Senator infers is entirely unwarranted and unfounded, in my opinion.

Mr. CAPEHART. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. I yield.

Mr. CAPEHART. I was under the impression that Congress was appropriating billions of dollars for the purpose of arming ourselves in defense against Russia and communism. Is there anything more important than to teach the men in the military service about the enemy that confronts them, the kind of philosophy which the Communists advocate, and the ways and means the Communists use to overthrow other governments in order to extend communism throughout the world? The Communists have told us to our face that they intend to destroy us.

So far as I am concerned, it ought to be a part of the military indoctrination to instruct the men in the military exactly as to the kind of enemy that confronts them and exactly what communism stands for. I think such instruction ought to be encouraged rather than discouraged.

Mr. THURMOND. I concur in the statement of the distinguished and able Senator from Indiana. I say again that there is nothing more important to the American men in uniform than to have them taught the objectives of communism, the aims of communism, and how it operates through subversion and infiltration. They should be taught how the Communists have taken over other countries: how China was taken over by the Chinese; how Czechoslovakia was taken over by the Czechs; how Poland was taken over by the Poles; how other countries have been taken over from within. So far as I can see, there is no objection to our military officers instructing and informing the men in uniform how communism operates as history documents. They should be taught not only how to shoot the enemy, how to kill Communists in a battle; but also the methods of a cold war, such as we are now undergoing.

All the American people, not only those in uniform, ought to know and understand the many facets of the cold war as it relates to communism.

Mr. MUNDT. Mr. President, will the Senator from South Carolina yield?

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. THURMOND. Mr. President, I was informed by the majority leader that he would grant me such additional time as I needed. I request an extension of time.

Mr. GORE. Mr. President, the time in control of the majority leader was delegated to me. I yield 5 additional minutes to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I cannot finish my remarks in 5 more minutes. The majority leader said he would grant me as much additional time as I wished.

The PRESIDING OFFICER. The Senator from Tennessee is in charge of the time which is under the control of the majority leader.

Mr. THURMOND. After the 5 minutes have expired, I shall ask for more time, because I cannot finish my remarks in 5 minutes.

Mr. GORE. Mr. President, I yield 10 additional minutes to the Senator from South Carolina.

Mr. MUNDT. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. I am pleased to yield to the Senator from South Dakota.

Mr. MUNDT. Inasmuch as the remarks made by Admiral Burke have been quoted out of context, I think they should be placed in the framework of what was actually said. I quote from Admiral Burke's statement in its entirety on related subjects:

> Vigorous and imaginative efforts are continually being made to provide all naval personnel with suitable training, program, and informational materials—

Where?—

> in the area of anticommunism and related subjects.

Admiral Burke then says:

> It is emphasized that it was initiated as, and continues to be, a program directed to Navy personnel.

What program? The program of training naval personnel "in the area of anticommunism and related subjects." It was in that connection that the statement was made. Then Admiral Burke said:

> The success of the program and the vigor with which it was pursued made it inevitable that it would spill over into civilian activities.

Let us hope it does spill over into civilian activities. It is a program which is related to anticommunism and related subjects. It is a program related to the greatest threat Christendom has ever faced. Such an alert program should, of course, spill over into civilian activities. One of the basic facets of the campaign which the Senator from South Carolina is making so vigorously and consistently—and, I may say, judging by my mail, so effectively on the floor of the Senate—is the Pentagon effort now being made to prevent this program from "spilling over into civilian activities."

They are now trying to prevent the military from alerting civilians and their uniformed service people in regard to the true nature of the communistic threat, which threat Americans are now being urged to make sacrifices in order to eliminate and turn back.

So I say this is a great tribute to the effectiveness of the previous program—namely, that it does have some impact on civilian activities and affairs.

But I think the whole statement by Admiral Burke should be quoted, rather than to take part of it out of context.

Mr. THURMOND. I thank the able Senator from South Dakota for his comments, and I also wish to commend him for his deep interest in the importance of informing all Americans who are in uniform and all other American people of the dangers of communism to the United States and its people.

Mr. MUNDT. I should like to summarize by quoting here one part of the statement of Admiral Burke and let me say that I endorse every syllable of it as emphatically as I can:

> This can only be of benefit to everyone involved and the country as a whole.

I say a great big "Amen" to those words of wisdom.

Mr. THURMOND. Mr. President, I am glad to have the Senate begin now to take an interest in this question. The American people want to know the facts. I hope every Member of the Senate will rise on this floor and will state his interest in the prevailing policies and practices. The American people want to know what the Members of the Senate think about this question. My mail is flooded with thousands of letters on this subject; in fact, I have received so many letters that my office cannot answer them, and we have merely had to reply by means of a form letter. The mail on this subject has been coming in great quantities to my office from every State in the Nation.

This most important question concerns the very survival of the American people; and I cannot understand how anyone can object to educating the American men in uniform in regard to the nature of the enemy they have to face.

Mr. President, the American people ought to know how communism has taken over other countries and how it will take over the United States unless our people take definite steps to prevent it. That is what it is really complained that men in uniform have been trying to teach us, and I say we should examine carefully the motives behind the steps to prohibit them from doing so.

Mr. McCARTHY. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. I yield to the distinguished Senator from Minnesota.

Mr. McCARTHY. I thank the Senator from South Carolina for yielding to me.

Let me say that the Senator from South Carolina did not quote Admiral Burke's statement out of context. I think the RECORD should show that the Senator from South Carolina had quoted at least a portion of the text of Admiral Burke's statement, and the Senator from Tennessee simply raised a question regarding one aspect of it, and went on to discuss that particular point.

I would say to the Senator from South Carolina that I do not know of any Member of the Senate who would object to having the members of the Armed Forces taught about the nature of communism.

However, there is some question in regard to what should be considered related subjects.

In Minnesota, at the Wold-Chamberlain Naval Air Base, a program was conducted, although it was not sponsored by the commander of the base, but he lent his name to it; and in the course of the program several persons discussed communism, quite properly. But they also discussed or distributed printed material on "related subjects." And among them there was a large portion of the Democratic programs which I support here in the Congress. For instance, the Tennessee Valley Authority, which I do not consider a danger to America, and social security which is not a threat to the American way of life. At least they distributed pamphlets and brochures which took them up. And, in general, as I recall others opposed to our foreign-aid program. It is difficult for me to understand how our foreign-aid program can be interpreted by anyone as being helpful to communism or to the cause of communism.

All that was done on a Government installation, without official approval, of course, although with what appeared to be approval by the commander of the base.

I communicated with the Secretary of the Navy; and he replied, "We like to make these facilities available to patriotic groups."

Of course I have no objection to that. But I am sure that if the chairman of the Republican Central Committee or the chairman of the Young Republicans had said, "We would like to hold a meeting at the naval air station," the reply would have been, "Oh, no; you are a political group."

But that group, which designated itself a patriotic group, was allowed to use those facilities, whereas if the Young Republicans had said they wanted to hold a meeting at the naval air station, and had asked to be provided with food and with beds at 50 cents a night, permission would have been refused.

But when a group—and I do not deny it is a patriotic group—said, "We want to talk about communism and about its threat to our society," if they had brought in a balanced set of speakers and program, there would have been no objection. But when that meeting was held, apparently under Government auspices and with Government support—and some indirect financial support was given by the Department of Defense, it discussed communism quite properly, but it included evidently domestic issues. I think there is some question as to whether Army and Navy facilities should be used for such discussions; certainly the Armed Forces should discriminate between programs dealing with communism and its threat and a discussion of many programs which any good American can defend in American politics.

I thank the Senator from South Carolina for yielding to me.

Mr. THURMOND. Mr. President, in response to the statement by the Senator from Minnesota, I wish to say that my information is that seminar was conducted by a group of civilians, not military personnel. It was held on the naval airbase. The Senator said it appeared to have the approval of the commanding officer. I do not acknowledge that there is necessarily a basis for such a conclusion, if the commanding officer did not specifically approve it. Those were not military people gathered there for discussion, nor were the speakers military people. It was a meeting of a group of civilians, who were given the use of space on the base.

Mr. McCARTHY. That is quite correct, and that is what I said.

Mr. THURMOND. The meeting was sponsored by a local civilian patriotic organization; and I think the Senator makes a very broad statement when he says the meeting appeared to have the approval of the commanding officer. When a group of civilians discuss in a seminar various questions concerning communism, it is easy to see how they might also discuss socialism and how it might relate to some of the programs of this administration and some of the programs of the previous administration.

The PRESIDING OFFICER. The time yielded to the Senator from South Carolina has expired.

Mr. GORE. Mr. President, I yield 10 additional minutes to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 10 more minutes.

Mr. THURMOND. However, Mr. President, those civilians were discussing the overall picture, and they were trying to understand communism and its every facet.

Mr. McCARTHY. Mr. President, the Senator from South Carolina said I made an unfair statement. I do not know how he can say my statement was unfair. I said the meeting appeared to be sponsored by the commanding officer. He requested authority to have the meeting held there, and he greeted the delegates, and he appeared to be a sponsor of the meeting. I said he should have exercised more discretion before making the facilities available. Certainly if the Republicans or if the Democrats had said they wanted to hold a rally on the base, the commanding officer would have refused. But in the name of fighting communism, he permitted that meeting to be held. But it went, according to report, beyond the question of communism, and dealt with a number of issues which are properly subjects of partisan politics and partisan disagreements.

Mr. THURMOND. In response, Mr. President, I should like to say that a few moments ago the Senator said that what some speakers said appeared to give the impression that the military commander in charge there approved of it. Evidently the Senator meant that was implied because of the fact that the commanding officer did not say anything or speak out. At any rate, that is what I understood the Senator to say. If I am in error, I should like to be corrected.

Mr. McCARTHY. Well, it was his base, and no one forced him to give approval.

Mr. THURMOND. Yes, but he is not authorized to prevent civilians from speaking there or to censor their remarks. Otherwise there would be no freedom of speech.

Mr. MUNDT. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. I yield.

Mr. MUNDT. I think it should be made clear that the Wold-Chamberlain Naval Base, at Minneapolis, does not belong to the commanding officer there; it is not "his base." Instead, it belongs to all the American taxpayers.

Mr. McCARTHY. Of course that is true. But he wrote to Washington, and got permission.

Mr. MUNDT. It may be that it is to be ordered that those who oppose the President's programs are to be denied the use of those facilities, although I am not so sure about that. At any rate, although the base there was under the charge of the commanding officer, it was not his base.

Mr. McCARTHY. I said it was not his base. If necessary, I shall repeat that statement. I said it was not up to him to make the final decision. But I also said that I think the commanding officer should exercise some discretion, and should not allow his name to be used; he should not permit it to appear that he was a cosponsor, and should not request the use of the facilities for an uncertain purpose, and should not have let the publicity which went out about it give the impression that it was under

the sponsorship of the commanding officer of the base.

Mr. THURMOND. I am sure that when the commanding officer was asked to give permission for a meeting of civilians to be held there in regard to the dangers of communism, he had no idea that other programs would be discussed. If at that time some action of the previous administration or some action of the present administration was mentioned, I cannot see how the commanding officer could be held responsible for that.

Mr. GORE. Mr. President, will the Senator yield?

Mr. THURMOND. I am glad to yield to the Senator from Tennessee.

Mr. GORE. With further reference to the quotation from Admiral Burke, I did not, and do not now, wish to quote or to consider any part of the statement which the Senator has quoted out of context. The Senator has quoted liberally and fully from the statement of Admiral Burke. I wish to comment upon that particular portion of the quotation on which I rose earlier to comment, the particular portion of the statement of Admiral Burke which was quoted by the Senator, in which the admiral said that as a result of the successes of these undertakings, it was inevitable that the educational programs conducted by the military would spill over into civilian activities.

The distinguished Senator from South Dakota selected another portion which he wished to emphasize. I am having difficulty finding it.

Mr. MUNDT. To be helpful to the Senator, I was referring to the statement on the bottom of page 8.

Mr. GORE. Where is the portion with respect to related subjects?

Mr. MUNDT. The last paragraph on page 8.

Mr. GORE. Yes. It reads as follows:

> Vigorous and imaginative efforts are continually being made to provide all naval personnel with suitable training, program, and informational materials in the area of anticommunism and related subjects.

I no more undertook to quote something out of context than did the distinguished Senator from South Dakota. The whole quotation is under discussion.

I think the danger in this program arises in the activities of military commanders in exercising their own judgment as to what is a subject matter related to communism.

The distinguished junior Senator from Minnesota has cited the fact that TVA, in one discussion, was regarded as one of those related subjects. I know of an instance in which statism was a subject used by a military commander, and he referred to the men under his command as "my young students."

Statism may be regarded by one man as a subject related to communism. By another, it may not be properly regarded as a subject related to communism. This question, I suggest to the distinguished Senator from South Carolina, cannot be confined to anticommunism or procommunism. He himself suggested earlier in his address that there may have been instances in which military commanders have strayed beyond these particular confines, and that mistakes may have been made. I suggest to him that there is a danger area insofar as political indoctrination is concerned. Insofar as informational programs with respect to communism, its military tactics, its political tactics, are concerned that is one thing. But when it spills over into domestic political questions, and the interpretation of a related subject is left to the particular political bent of a military commander, who may or may not be very well versed in political subjects, then a danger arises.

Mr. THURMOND. I am wondering if the distinguished Senator from Tennessee has read my addresses on this subject, beginning with the address of July 26, or the Worker, the publication of the Communist Party, U.S.A., which is leading the effort in this country to gag the military. Moreover, I can tell the Senator that the issue goes further back than that. It goes back to Russia. I am wondering whether the Senator has seen the August 13 edition of the Worker, Midwest edition, relating to gagging the military, in which the Senator from South Dakota and I have our pictures displayed there as being the rightists in this movement and going too far. I am wondering if the Senator has read the Fulbright memorandum and whether he approves of it. I am wondering if he approves of this sentence in the Fulbright memorandum:

> Fundamentally, it is believed that the American people have little, if any, need to be alerted to the menace of the cold war.

The PRESIDING OFFICER. The Senator's time has again expired.

Mr. GORE. Mr. President, I yield 10 additional minutes to the distinguished Senator from South Carolina.

The Senator has asked me a series of questions. In the first place, I have not read the Worker, but if it contains pictures and generous references to the Senator from South Carolina and the Senator from South Dakota, I shall be glad to peruse it, if the Senator will supply me with a copy.

Second, he says the effort to gag the military goes back to Russia. Mr. President, I submit that is hardly a fair characterization. I submit that the nonpolitical character of the U.S. military is Americanism as basic as the Constitution itself; and if we permit the U.S. military to undertake to instruct the servicemen, whom we draft, under their commands, in domestic political questions which they may consider related to communism, then I say we are permitting the U.S. military to engage in an activity beyond the traditional functions of the U.S. military, and that this is an activity which is not related to Russia, but which spills over into our own domestic political affairs.

The third question the Senator asked me was whether I had read the memorandum submitted by the distinguished junior Senator from Arkansas to the Department of Defense. I have read it, though I do not wish to be committed to a particular sentence which may be cited out of context, or in context. The thrust of the entire memorandum is one of which I approve, because I consider the gravamen of that memorandum to be advice to the President, to the Department of Defense, that military commanders have in some instances been engaged in the injection of political ideology into the minds of men under their command for the service of our country, which involves controversial, domestic political questions. It is in this area that I think the danger arises.

I think the distinguished junior Senator from Arkansas has performed a notable service in calling to the attention of the administration, of the Congress, and of the American people the dangers involved in these activities, which the distinguished junior Senator from South Carolina himself has admitted may upon occasion have gone too far.

Mr. THURMOND. Mr. President, that is incorrect. I have not admitted that they have gone too far.

I should like to ask the distinguished Senator if he said he had not read the Fulbright memorandum, yet he approves of it.

Mr. GORE. I have read it.

Mr. THURMOND. The Senator has read the memorandum. I should like to ask the distinguished Senator another question. I shall quote one sentence and ask him whether he approves or disapproves of this sentence:

> Fundamentally, it is believed that the American people have little, if any, need to be alerted to the menace of the cold war.

Does the Senator approve or disapprove of that particular statement?

Mr. GORE. The Senator has read a single sentence out of a rather lengthy memorandum and has asked me if I approve of that particular sentence. As I understand the sentence, it undertakes to attribute to the American people a degree of intelligence and information which I think they possess. As I understand the sentence, and the memorandum, it refers to the attempts of military commanders to educate the American people. It seems to me that the average American citizen should be presumed to be as well versed in political matters as is the average military commander, whose speciality is the military.

I should have to read the entire page, or the paragraph, dealing with the subject matter to which this particular sentence refers before I would wish to say I approve it or disapprove it.

To the extent that the sentence attributes political awareness to the average American citizen and to the extent that it attributes to the average American citizen a knowledge of the cold war and the dangers of the cold war and the threat of our way of life, I think the American people are aware. They are made more aware every day by the newspapers, the radio, the television, and by public addresses. Many means of communication alert the American citizen to the dangers of the cold war. I think the American people are alerted to the dangers of the cold war. Whether we are sufficiently alerted is a matter of opinion. I think we need to be constantly alert, but I doubt if it is the proper function of our military com-

manders to undertake to give us political education.

Mr. THURMOND. Mr. President, I have not received an answer to my question. I do not know whether the Senator from Tennessee wishes to answer or not. I propounded a simple question. I read a sentence which is clear as crystal. A 7-year-old child can understand it, I think.

The sentence is—

> Fundamentally, it is believed that the American people have little, if any, need to be alerted to the menace of the cold war.

I wonder if the Senator from Tennessee would care to say whether or not he approves of that sentence. I am not trying to embarrass the Senator. I am trying to get his opinion on some of these questions. The American people are interested in the opinions of Senators on these questions.

Mr. GORE. Mr. President, will the Senator yield?

Mr. THURMOND. I am pleased to yield.

Mr. GORE. What is the Senator's interpretation of that sentence? Does the Senator think the American people are not now alerted to the dangers of the cold war, to the menace of the cold war?

Mr. THURMOND. The American people need more information as to the aims of communism, as to the objects of communism, as to the manner in which communism operates, how it has taken over countries through infiltration, and how it has taken them over through subversion. All of this information concerning communism, which is our enemy, should be given to the American people. The statement in the memorandum is:

> Fundamentally, it is believed that the American people have little, if any, need to be alerted to the menace of the cold war.

I say they do need to be alerted. I am wondering how the Senator from Tennessee feels on the question.

Mr. GORE. Mr. President, will the Senator yield?

Mr. THURMOND. I am pleased to yield.

Mr. GORE. Does the Senator believe that the American people are or are not now alerted to the menace of the cold war?

The PRESIDING OFFICER. The time of the Senator has again expired.

Mr. GORE. Mr. President, I yield the Senator 10 more minutes.

Mr. THURMOND. Mr. President, I feel that the American people need to be alerted to a greater extent. They need more information. People are busy with their daily tasks. They read the newspapers occasionally, but the newspapers do not tell of the insidious way in which communism took over China, Czechoslovakia, Poland, and other countries. The American people need to be alerted to the dangers of the cold war. Does the Senator agree?

Mr. GORE. Mr. President, will the Senator yield?

Mr. THURMOND. I yield.

Mr. GORE. I have asked the Senator a simple question, and he has gone all the way to China. Does the Senator believe that the American people, whose sons are now being drafted into the service and are now being alerted in the National Guard for a possible call to duty, are alerted to the menace of the cold war?

Mr. THURMOND. I say they need to be alerted. My answer is that the American people need to be alerted. What is the Senator's answer?

Mr. GORE. My answer is that they are now alerted.

Mr. THURMOND. That is the point on which we disagree completely.

Mr. GORE. Mr. President——

Mr. THURMOND. Mr. President, I should like to ask the Senator another question.

Mr. GORE. Mr. President, will the Senator yield? Let us settle this question first.

Mr. THURMOND. I am pleased to yield.

Mr. GORE. The Senator said the American people are now alerted.

Mr. THURMOND. I did not say they were alerted. I said the American people need to be alerted, contrary to this memorandum, which says:

> It is believed the American people have little, if any, need to be alerted.

Mr. GORE. Mr. President, will the Senator yield?

Mr. THURMOND. I am asking the Senator if he believes that statement in the memorandum? I ask whether or not that is his opinion.

Mr. GORE. Mr. President, will the Senator yield?

Mr. THURMOND. I will yield if the Senator will answer my question.

Mr. GORE. Mr. President, will the Senator yield?

Mr. THURMOND. I am pleased to yield.

Mr. GORE. Perhaps I misunderstood the Senator. If so, I should like to inquire again.

Does the Senator think the American people—or indeed, the people of South Carolina, whom he has the honor and privilege to represent in the U.S. Senate, and whose sons are now being called into service—are alerted to the menace of the cold war?

Mr. THURMOND. I answer the question by saying that I believe the people of South Carolina are usually better informed than the average people. However, I think the people of South Carolina need to be alerted. I think the people of Tennessee need to be alerted. I think the people of all the States need to be alerted to the dangers of the cold war.

I have answered the question. I again ask the Senator from Tennessee whether he believes the American people have little, if any, need to be alerted to the menace of the cold war?

Mr. McCARTHY. Mr. President, will the Senator yield to me?

Mr. THURMOND. No; I have not yielded to the Senator from Minnesota.

Mr. McCARTHY. I may make it easier for the Senator to answer.

Mr. THURMOND. I have yielded to the Senator from Tennessee to answer the question if he cares to do so. There has been a great deal of discussion on this subject. The Senator could easily answer yes or no, as I have done. I answered his question with one word. I ask him if he cares to answer my question.

Mr. GORE. If the Senator will be so kind as to yield for the purpose, I should like to read, not the entire memorandum, but two paragraphs in which the sentence he has quoted appears. Will the Senator yield for that purpose?

Mr. THURMOND. I have no objection. I would be pleased to have the Senator read from the memorandum.

Mr. GORE. I read the following paragraphs:

> This memorandum has not attempted to deal with the basic traditional and constitutional question of military efforts to propagandize the public—although the violation of these concepts alone should be sufficient basis for challenging the National Security Council policy, and its implementation.
>
> Fundamentally, it is believed that the American people have little, if any, need to be alerted to the menace of the cold war. Rather, the need is for understanding of the true nature of that menace, and the direction of the public's present and foreseeable awareness of the fact of the menace toward support of the President's own total program for survival in a nuclear age. There are no reasons to believe that military personnel generally can contribute to this need, beyond their specific, technical competence to explain their own role. On the contrary, there are many reasons, and some evidence for believing that an effort by the military, beyond this limitation, involves considerable danger.

When the full text of these paragraphs is read, it is clearly discernible that the memorandum states that the real need is for an understanding of the true nature of the menace. I believe that the American people are now alerted to the menace of the cold war. I have not received a single letter of protest against my vote for authority to call American servicemen to the service. Are my constituents unalerted to the menace of the cold war when they permit, without protest, National Guardsmen to be alerted and servicemen to be drafted? I say that they are alerted.

With the two paragraphs which the Senator was so kind as to permit me to read, I find myself in agreement.

Mr. THURMOND. Mr. President, the Senator has brought out a point, but he has failed to give the total picture. The American people may be alerted. They are becoming alerted now more than ever as to the danger of the external threat of the Communists in Berlin, because Mr. Khrushchev has divisions around Berlin.

But the point I have made, and am making now, is that the American people have not been sufficiently alerted to such facets as the internal threat. As a result of such insufficiency many nations and millions of people have been taken over by the Communists since the end of World War II. It has been done through subversion, primarily, that those countries have been taken over through infiltration.

I should like to ask the Senator from Tennessee another question.

Mr. GORE. Mr. President, will the Senator yield to me so that we may explore the question we have been discussing?

Mr. THURMOND. I yield.

Mr. GORE. Would the Senator from South Carolina be willing to identify some of the related subjects which he considers subjects properly related to communism, and with respect to which military commanders can give political instructions to men under their command?

Mr. THURMOND. I do not know that instruction has been given in unrelated subjects. Those are not Admiral Burke's words. If the Senator wishes to ascertain from Admiral Burke what his thinking was on the subject, I suggest that he consult Admiral Burke. I believe the admiral would answer the Senator on that point. I have quoted Admiral Burke as to the subject matter of the courses, and I believe they are related.

Mr. GORE. Mr. President, will the Senator yield?

Mr. THURMOND. I yield to the Senator from Tennessee.

Mr. GORE. Does the Senator consider the social security medical aid program a subject on which military commanders could properly give political instructions to servicemen under their command?

Mr. THURMOND. I answer that question by challenging the Senator to cite an instance in which any military man has indoctrinated his military personnel on the subject of social security, medical aid, or other similar questions.

Mr. GORE. Does the Senator consider the subject of the Tennessee Valley Authority a subject related to communism, and therefore a proper subject on which military commanders could give political instructions to men under their command?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GORE. Mr. President, I yield 10 additional minutes.

I use this particular example because the distinguished Senator from Minnesota [Mr. McCARTHY] cited such an instance.

Mr. THURMOND. Mr. President, as I understood the distinguished Senator from Minnesota, he did not say that a military man discussed TVA. I understood him to say that a civilian who attended a seminar mentioned TVA.

Mr. McCARTHY. A civilian, or printed material which was distributed.

Mr. THURMOND. Am I correct or not?

Mr. McCARTHY. The Senator is, I think, correct. But my point was that a commanding officer should not appear to sponsor the activity, give his name to it, and furnish the base for that purpose, provide housing at 50 cents a night, saying, "Go ahead; here are our facilities. Here is my name under which you may use to conduct the program."

It was Clemenceau who said that war was too serious a matter to leave to the generals. I think we are now satisfied that politics is too serious a matter to leave to them also. As this subject develops, I think it will be seen that education is too serious a matter to leave to the generals also.

Mr. THURMOND. Mr. President, the Senator from Minnesota has not said that a general, an admiral, or anyone in uniform has discussed TVA. He has referred to what some civilian said. How can we keep any civilian anywhere at any place from expressing himself on any subject? I think he has a right to express himself.

Mr. McCARTHY. I did not inject anything. In my opening statement I made the point absolutely clear.

Mr. THURMOND. The Senator from South Carolina heard the statement; but it is clear that the Senator from Minnesota was trying to imply that admirals, generals, and men in uniform have approved discussing such programs as TVA and similar programs.

That is the innuendo that has grown out of it.

Mr. McCARTHY. There was no innuendo. I would suggest that the Senator read my remarks, or else have the clerk read them to him.

Mr. THURMOND. I do not have to read them. I heard them here this morning.

Mr. McCARTHY. Then have the clerk read them.

Mr. THURMOND. Has the Senator heard of any general or admiral or anyone else in uniform discuss TVA or any other social program at one of these seminars?

Mr. McCARTHY. I have not been at any of these seminars.

Mr. THURMOND. Then the Senator does not know.

Mr. McCARTHY. Has the Senator been at any?

Mr. THURMOND. Yes.

Mr. McCARTHY. What do they talk about at these seminars?

Mr. THURMOND. About communism, about the aims of communism, about the dangers of communism, about the insidiousness of communism.

Mr. McCARTHY. What is the internal threat in America? Will the Senator tell us about it?

Mr. THURMOND. If the Senator will get the agenda of one of these seminars he will be informed. I suggest that he attend a seminar, as the distinguished Senator from Iowa has attended, and as the distinguished Senator from Delaware has attended. If he will do so, he will be informed on this subject.

Mr. McCARTHY. The Senator from South Carolina has moved in the last few minutes from the threat of external communism to the internal threat. Does he believe it is the responsibility of the military to defend us against what he calls the internal threat of communism? If the Senator believes that is their responsibility, he can only have accepted as a fact that somebody else was failing in his responsibility and that the responsibility should now be transferred to the military. The first and primary responsibility in the tradition of this country is that the military shall defend us against our external enemies.

Mr. THURMOND. The Senator is absolutely incorrect in his conclusion. In 1958 the National Security Council, which is composed of civilians, handed down a directive to alert Americans in uniform and out of uniform on the dangers of communism.

Some of the people who have studied communism and who know it best and are experts on it are the people in uniform. Therefore they were used in a great many of these instances to inform the people. Other speakers also were used. The distinguished Senator from Illinois [Mr. DOUGLAS] has spoken at one of these seminars. The distinguished Senator from Washington [Mr. JACKSON] has spoken at one of these seminars. Others have spoken out—experts who have studied the subject—in an effort to alert the American people on the insidiousness of communism, and how it works, and how it has taken over countries from within. They have also carried on the education of their soldiers, the men in uniform.

I am sure the Senator knows what happened in Korea. I am sure he knows, if he has studied the record, how some of the soldiers who were taken prisoners conducted themselves, and how badly they needed to be informed. That was the purpose, I presume, of this directive in 1958.

I should like to ask the Senator from Tennessee another question, if he would not mind answering it.

Mr. GORE. Mr. President, will the Senator yield?

Mr. THURMOND. I will be glad to yield to the distinguished Senator from Tennessee if he will permit me to propound a question to him.

Mr. GORE. I am not sure that catechizing a Senator on the floor by a Senator having the floor is permitted under the rules of the Senate. However, I shall be glad to respond to the limit of my ability to the question, if I believe it is proper to respond.

Mr. THURMOND. I shall read an entire paragraph from the Fulbright memorandum.

Mr. GORE. It is difficult, of course, to comment on an isolated paragraph, as the Senator knows, and as has already been demonstrated by the warped meaning which a single sentence taken out of context may appear to have.

Mr. THURMOND. I read this paragraph:

> The American people have never really been tested in such a struggle. In the long run, it is quite possible that the principal problem of leaderhip will be, if it is not already, to restrain the desire of the people to hit the Communists with everything we've got, particularly if there are more Cubas and Laoses. Pride in victory, and frustration in restraint, during the Korean war, led to MacArthur's revolt and McCarthyism.

I should like to ask the Senator if he approves of that paragraph.

Mr. GORE. I hardly think it proper for Senators to submit to catechization on the floor of the Senate, as to whether a Senator approves or disapproves of isolated paragraphs in a rather lengthy memorandum. If it is helpful to the Senator, I will be glad to take the time to read the preceding and subsequent paragraphs dealing with this particular subject matter, and then give my views

to him on it. I would be glad to do that for the Senator. I hardly feel justified, however, in submitting to a cross-examination on the floor of the Senate as to an isolated paragraph taken from a long memorandum, without having had the opportunity to consider the context in which the paragraph may appear.

Mr. THURMOND. I thought the paragraph was phrased in very simple English. However, I move on.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. THURMOND. I yield to the distinguished Senator from South Dakota.

Mr. MUNDT. I should like to comment briefly on two statements to which I have listened with some surprise, astonishment, and disappointment. First of all, since no one answered the question which the Senator from Minnesota propounded to the Senator from South Carolina, and so that the question will not appear to be rhetorical, but will have a reply, I should like to answer the question which, if I understood it, was whether the Senator from South Carolina considered it to be among the functions of the military leaders to call attention to the defense against internal communism. Was that the question?

Mr. McCARTHY. No, that is not quite the question.

Mr. MUNDT. Will the Senator rephrase it, then?

Mr. McCARTHY. I asked whether it was the primary responsibility, so far as internal subversion was concerned. That was the general intent of my question. It was whether that was the primary responsibility of the Armed Forces.

Mr. MUNDT. I believe the Senator has now included a new word, "primary."

Mr. McCARTHY. I may have said basic or fundamental. It was a question of what came first.

Mr. MUNDT. The Senator from South Carolina may have overlooked it. It should be answered by one Senator who thinks it should be included among the responsibilities of the military.

Mr. McCARTHY. I asked whether it was in the nature of a residual responsibility.

Mr. MUNDT. I should like to ask the Senator from Minnesota whether he would not agree with this. How in the world are we are going to define internal communism, when communism is an international conspiracy which does not operate internally anywhere?

Mr. McCARTHY. I would say the primary responsibility with regard to internal subversion does not rest with the armed services. It rests with the executive branch of the Government. It rests with Congress to legislate properly. It rests with the FBI. My next step is to say that if we believe this responsibility has not been properly discharged by these officers or agencies, or that they are not measuring up to their obligations in this regard, then we should ask whether the Armed Forces should take over this internal responsibility.

Mr. MUNDT. It is not a question of whether they will take it over, but whether they should be blindfolded and gagged.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GORE. I yield 10 additional minutes.

Mr. MUNDT. The Senator from South Carolina has never said it should be taken over by the military. He has said that they should not be stopped, that they should not be hindered, that they should not be gagged. Apparently the Senator from Minnesota feels that internal communism is some strange paradox which exists in the United States and nowhere else in the world.

Mr. McCARTHY. The Senator knows that I have not said that.

Mr. MUNDT. Mr. President, who has the floor?

Mr. McCARTHY. The Senator is speaking for me. He is stating what I think, so he says.

Mr. THURMOND. I have yielded to the Senator from South Dakota.

Mr. MUNDT. Perhaps it would help the official reporter if only one of us spoke at a time.

Mr. McCARTHY. I would suggest that the Senator stop saying what I feel or think.

Mr. MUNDT. Judging from the statement the Senator from Minnesota has made, I would assume that he would define internal communism as something that ferrets out atomic secrets and delivers them to Moscow. That was done by the international Communist conspiracy or apparatus, supported and financed directly by Moscow. There is no such thing as internal communism divorced from Moscow communism, and I challenge the Senator to give an illustration which is contrary to what I have said.

Mr. McCARTHY. The question of internal communism was not injected by me, but was injected by the Senator from South Carolina. If it is desired to start from that point, we should get the definition of the Senator from South Carolina, because he moved from the external threat, and talked about the internal threat. At that point I raised my question. That is the difference.

Mr. MUNDT. There is no difference, in my opinion.

Mr. THURMOND. The statement made by the Senator from Minnesota is incorrect. I have said that communism is a total threat. It is a military threat; it is an economic threat; it is a political threat; it is a psychological threat; it is a propaganda threat; it is a subversion threat; it is an infiltration threat. It is a total threat externally and internally.

Mr. McCARTHY. I agree with the Senator in that statement.

Mr. MUNDT. I think we have erased one false impression which might have been created, namely, that there is such a thing as internal communism. Apparently the Senator from South Carolina has made some headway, because I believe the Senator from Minnesota [Mr. McCARTHY] would answer that question the same as it has been answered by the Senator from South Dakota and the Senator from South Carolina; namely, that it is part of the function of the military to alert its members not only concerning the threat of communism abroad, but also the threat of communism at home, because in both instances communism is directed by Khrushchev and the Kremlin in Moscow.

Mr. McCARTHY. There is no difference of opinion in that respect. If the Senator from South Dakota had followed what I said earlier, he never would have raised the question. I am concerned about what the military called "related questions." I think this ties very closely into the Fulbright quotation presented by the Senator from South Carolina that the question is not merely one of alerting the people to the threat, but of bringing them to a proper, full understanding of it.

I do not care whether the military says whether it sponsors the program; when anyone begins to tie the TVA, social security, and medical aid into the question of communism and internal subversion, he does not help to bring to the people of the country a clearer understanding of the Communist menace, either from without or within. That is the point I wish to make.

Mr. MUNDT. In all events, we now have an answer to the question, whether he meant it or not, that the Senator from Minnesota asked the Senator from South Carolina: Whether he felt a discussion of internal communism—what takes place in the United States—is appropriate for the military. I am glad we have made enough headway so that there is another Senator who believes, with the Senator from South Carolina and me, that it ought to be a part of the inevitable responsibility of the military, if it is to have associates who know what the war is all about and to motivate them properly.

Now, going to the question of related subjects, I should like to direct my statement to the attention of my dear old friend from Tennessee, because I do not want the permanent RECORD of the United States to go undisputed in connection with a statement he made. I have a sneaking feeling that the CONGRESSIONAL RECORD for today, because of this subject, will become as difficult to obtain in a few days as the CONGRESSIONAL RECORD of the first 3 days during which the Senator from South Carolina in late July opened up this subject, a subject which was not at that time very well ventilated in the news media.

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. MANSFIELD. Mr. President, how much additional time does the Senator from South Carolina wish?

Mr. THURMOND. I should like to finish my speech. As I understood, the time would not be called on me until I had concluded.

Mr. MANSFIELD. Mr. President, I yield the Senator from South Carolina 20 minutes more on his speech.

Mr. MUNDT. Mr. President, I might add——

Mr. GORE. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. I shall not yield any further out of my time until I have concluded my speech.

Mr. MUNDT. The Senator from South Dakota, for some strange reason, has had so many requests for the CONGRESSIONAL RECORD of the days when the Senator from South Carolina [Mr. THURMOND] opened up this subject, that all our supply of those numbers has been exhausted, and all other copies which we could obtain were exhausted. So I believe we are speaking on a very important subject in which there is a vast national interest.

The Senator from Tennessee challenged, it seemed to me, the propriety of some of Admiral Burke's remarks, in which he spoke of "related subjects" I am speaking now of "anticommunism and related subjects." The Senator from Tennessee thought it was inappropriate for admirals or generals to include "statism" as a related subject, and seemed to cast some skepticism on it.

The Senator from South Dakota says that statism is related to communism. There are not many kinds of statism. There is the Socialist state; the Fascist, which used to exist under Mussolini and Hitler; a military dictatorship; and communism. They are all interrelated. All of them have some things in common; namely, they suppress the freedom of the individual and his right of individual ownership and individual initiative.

Quite properly, I believe communism could be defined as socialism in a hurry. The Communist rides in the locomotive, whereas the Socialist rides in the caboose. But they are on the same train, going to the same place, moving toward economic and political perdition as fast as the train can move in that direction. Their movements all follow the same track.

So I submit that statism is a subject related to communism.

Mr. THURMOND. Mr. President, I yield to the Senator from Arizona. After he finishes his statement, I shall finish my statement. Then if I have any time remaining, I shall yield for questions.

Mr. GOLDWATER. Apropos what the distinguished Senator from South Carolina has just said, I wish to make an observation. I do not make it in the nature of a charge against any of my friends on the other side of the aisle or my friends anywhere in the country. However, I do not believe the American people have realized that what the Senator from South Dakota has just said is true. I do not care whether we speak about communism, socialism, egalitarianism, monarchism, dictatorship, or—and forgive me—the New Deal, the Fair Deal, or the New Frontier. They all have one thing in common. By stating that those philosophies have one thing in common, I do not mean to say that the persons who headed the New Deal or who head the New Frontier are Communists. But they must have control. That is one thing which my friends overlook—the common denominator between governments other than governments of free men is control.

We are witnessing in our Government today more and more the realization that control must be had if the programs are to be consummated.

These subjects are related. We cannot blame a general, an admiral, or a Senator, or any other person, for recognizing the danger in the trend which has been followed for 30 long years. I think this is extremely dangerous. I know Senators on the other side of the aisle will disagree with me, but we must recognize the one common denominator—control. Every piece of proposed legislation on which we work in this body and in the other House has in it elements of control over the people.

Mr. THURMOND. I thank the able Senator from Arizona for his statement. I now yield to the distinguished Senator from Iowa. After he has concluded his remarks, I shall complete my address. Then, if I have time remaining, I shall yield further.

Mr. MILLER. I thank the distinguished Senator from South Carolina.

Mr. President, on August 8, 1961, the Washington Post published an article entitled "Pentagon Believes It Has Duty To Educate Public About Reds." The article attempts to set forth the differences in views between the distinguished Senator from South Carolina [Mr. THURMOND] and the distinguished Senator from Arkansas [Mr. FULBRIGHT]. It is a brief article, but it is rather good. However, there are a couple of points in the article which I believe should be commented on, because they are pertinent to what the Senator from South Carolina has been saying. One of the points made by the article is that there was some question regarding the need for seminars. One question is: "Do Americans need to be taught the dangers of communism?"

I find it difficult to believe that such a question could be seriously asked. In my judgment, there is no question about the need at all. It is as basic as anything I know of. The Senator from South Carolina is doing a real service to point out, as strenuously and as consistently as he is doing, that there is a need for Americans to be educated about the dangers of communism.

Another point in the article on which I think comment should be made is that it attempts to gain some of the temper of the Pentagon thinking by referring to individuals. For instance:

> One official who has been investigating the problem says that less than 20 percent of the military officers agree with the view of communism espoused by many of the seminars. The others, who are seldom heard of publicly, see the Communist danger as FULBRIGHT does—primarily international rather than primarily internal.

Mr. President, I myself have spent much time in the Pentagon. I have attended one of those seminars. In fact, the first one which was held at the National War College. I venture the opinion that this statement, based upon what one official, unnamed, has said about the situation is gratuitous and does not at all reflect the thinking in the Pentagon among the officers. As I said in the Chamber the other night, in my judgment the 5-day seminar, known as the First National Strategy Seminar of the Reserve National Guard officers, held in July 1959, at the National War College, was the finest tour of active duty I have ever taken. I found nothing anywhere in that seminar which I think anyone could criticize as being political. I would be the first to suggest that these seminars should avoid subjects that are highly political. I am not at all certain that a military speaker who engages in one of these seminars should talk about medical care for the aged or Federal aid to education. But I do not know of any of them who has been doing so; and if any of them has been doing so, I think it is most unfortunate—and particularly at a time such as this—for anyone in the Pentagon or for anyone in this administration to take a meat-ax approach—to say that because there may have been an abuse or two, the whole thing will be abolished.

I thank the Senator from South Carolina for his statement.

Mr. THURMOND. I thank the Senator from Iowa for his remarks.

Mr. MILLER. Mr. President, I ask unanimous consent that the article published in the Washington Post be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PENTAGON BELIEVES IT HAS DUTY TO EDUCATE PUBLIC ABOUT REDS

(By James E. Clayton)

To some military men, the directives from the Joint Chiefs of Staff in 1958 and 1959 that they should teach the dangers of communism to all Americans came as the chance they had been waiting for.

One Pentagon official said: "There have always been men around here who equate every liberal measure from social security to aid to education with communism. These directives gave them a chance to spread those views before their troops and the general public."

Other military men were and are quite concerned about the import of the JCS directives. One of them said: "The military has no business meddling in domestic politics and that is what some of these officers are doing. The worst thing that could happen to our Armed Forces is for the public to believe that all, or even most, military officers belong to the radical right."

But the effort of some military men to propagandize their own political views is only a part of the explanation of what happened to the Pentagon's plan for cold war seminars. It apparently wanted a series of high level, rational discussions about the problems America faces. It got some of those but it also got some seminars which adopted the radical right's analysis that the major threat to America is internal subversion.

A SENSE OF FRUSTRATION

The rest of the reason lies in the words "frustration" and "simplicity."

Military men have spent years training to fight an enemy. Yet, in a cold war the enemy is elusive and complicated. A sense of frustration sets in and the desire to do something for your country becomes compelling. The JCS directives which authorized the seminars provided an outlet. This was a chance to do something to fight the enemy.

But when an officer sets out to organize a seminar in Arkansas or even in New York, he is faced with two immediate problems. Whom can he get to speak? How can he translate the words he heard at the War College into language his audience can understand?

From the speeches which were delivered at the War College by men like former Secretary of State Dean Acheson and authors Henry A. Kissinger and Herman Kahn, it is clear that the problems America faces are complex and difficult to grasp. The need for simplification is great when the message is being disseminated to troops and to the public.

THE SIMPLE APPROACH

To the man arranging a speaking program, there is readily available a stable of speakers who can simplify the problem. The speakers from the national education program and the Christian anti-Communist crusade, for example, make the problem most simple. They see it in terms of a great struggle against internal subversion alone.

Why do they see it so simply? There are those who sincerely believe that socialism is communism and that America began to move into the Communist orbit when it adopted social security. There are others who find this simple approach an easy way to sell conservative political ideas. There are others who are not convinced that America cannot lose except when someone deliberately chooses to give in.

This last position was explained by D. W. Brogan, a distinguished British historian, who wrote a decade ago: "Many, very many Americans, it seems to me, find it inconceivable that an American policy, announced and carried out by the American Government, acting with the support of the American people, does not immediately succeed. If it does not, this, they feel, must be because of stupidity or treason."

All of which brings us back to the two basic questions the whole problem of cold war seminars raises: Do Americans need to be taught the dangers of communism? If so, should the military do it?

NATURE OF THE MENACE

There is disagreement on both questions. One ranking Pentagon official says: "There are too many people who would rather be Red than dead. They do not really understand communism or they would not feel that way." Another says: "Americans don't need to be educated to the dangers of communism. They know that. They need to be retold the advantages of Americanism."

Senator J. W. FULBRIGHT, Democrat, of Arkansas, says: "Fundamentally, it is believed that the American people have little, if any, need to be 'alerted to the menace of the cold war.' Rather, the need is for the understanding the true nature of that menace * * *." He sees that menace primarily in international rather than in internal terms.

Senator STROM THURMOND, Democrat, of South Carolina, says: "Quite clearly, the postwar years in America prove beyond doubt that Americans, by and large, do not understand communism and its tactics." His theme is that the threat is basically internal.

As to who should do the teaching FULBRIGHT says the military most definitely should not because they do not have the necessarily broad background which would enable them to relate the various aspects of the cold war effort one to the other. The whole tradition of America is against a military program for educating the public, he says.

THURMOND says: "The military leader has the responsibility of informing, not only his troops, but the American public concerning the total nature of the Communist menace." He sees FULBRIGHT'S complaints about the cold war seminars as part of a campaign originated by the Communists to intimidate the military leaders.

OBLIGATION TO EDUCATE

The Pentagon's position, currently, is that under existing directives it has an obligation to educate and it is carrying out that obligation. But it is squelching rightwing programs as quickly as it can and replacing them with its own speakers and its own movies.

Many men in the Pentagon, both civilian and military, are deeply concerned about the seminars and about the Fulbright attack on them. One official who has been investigating the problem says that less than 20 percent of the military officers agree with the view of communism espoused by many of the seminars. The others, who are seldom heard of publicly, see the Communist danger as FULBRIGHT does—primarily international rather than primarily internal, he says.

One fear in the Pentagon is that all the military will be lumped together under a heading "Radical right." This, some officers insist, is grossly unfair. A second fear is that the complaints about the rightwing seminars will bring an end to all seminars. This, they say, is unfortunate.

"We must educate our troops," one Pentagon official said, "but we should educate them to have pride in America and not solely to hate the Communists. It is pride which makes men fight, not hatred."

NEW MOVIE UNDER FIRE

He cites the Defense Department's new movie, "The Challenge of Ideas," as an effort to stimulate pride. But the movie has come under fire from Republican Senators as "namby-pamby" because it makes no one hate the Communists.

This film is being used in troop training programs and will probably be used in public gatherings in place of "Communism on the Map" and "Operation Abolition." And it is likely that these programs will go on unless the National Security Council policy is changed as FULBRIGHT has suggested.

The questions raised by the seminars do not appear to have been answered to everyone's satisfaction, nor is it likely that any answers will satisfy everyone.

Regardless of the answers, the questions will remain:

Do Americans need to be educated about the dangers of communism?

What are those dangers?

If teaching is necessary, should the military teach such a subject in our constitutional system? Are military officers qualified to teach?

Mr. GORE. Mr. President, will the Senator from South Carolina yield for 2 minutes to me?

The PRESIDING OFFICER (Mr. DODD in the chair). Does the Senator from South Carolina yield to the Senator from Tennessee?

Mr. THURMOND. I yield to the Senator from Tennessee, if it is understood that when he finishes, I shall be allowed time in which to complete my address.

Mr. MANSFIELD. Mr. President, I yield 2 additional minutes to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 2 additional minutes.

Mr. GORE. Mr. President, the distinguished junior Senator from Arizona and the distinguished senior Senator from South Dakota have now identified certain subjects which they regard as properly related to communism. One is governmental control cited by the junior Senator from Arizona. This involves control of interstate pipelines, regulation of railroads, radio, and farm programs.

The Senator from South Dakota has said he thinks statism is related to communism.

These illustrate the danger of allowing military commanders to use their uniform, their position, and their commands to give political instruction, not only to servicemen under their command, but also to civilians, on subjects which they may consider properly related to communism.

Many men may differ. I submit that it is not the function of the military to provide political education for the American people or for the men whom we draft under their commands. The proper function of the military is to train men to defend our country and that defense is a military defense.

Mr. President, one closing thought: If I know a Member of the U.S. Senate, who is aware of the menace of the cold war and has stood courageously on the floor of the Senate to identify that menace, and who has led fights to clothe our Government with the authority and the funds with which to meet that menace, it is the junior Senator from Arkansas [Mr. FULBRIGHT]. He is alerted and he does have an understanding of the menace of the cold war.

Mr. THURMOND. Mr. President, I do not know how much time remains available to me; but I wish to have time in which to finish my speech, and I was assured that I would be allowed time in which to finish it. I wish to be sure that any time used now by other Senators is not taken from the time available to me.

The PRESIDING OFFICER. The Senator from South Carolina has 10 minutes remaining.

Mr. THURMOND. Mr. President, I cannot finish my speech in 10 minutes; it will take about 15 minutes. I have not yet finished the speech.

Mr. MANSFIELD. Mr. President, if the Senator from South Carolina will proceed, we shall yield further time, when necessary.

Mr. THURMOND. I thank the Senator from Montana.

Mr. GORE. Mr. President, I thank the Senator from South Carolina for yielding to me.

Mr. THURMOND. Mr. President, despite the absolute lack of foundation for the facet of the anti-anti-Communist campaign directed at military personnel, it has met with far to much success. There is specific evidence that attempts to create the impression that this administration wants anticommunism soft-pedaled have borne fruit. I do not believe for 1 second that the President or responsible officials in the administration want anticommunism soft-pedaled. Once the anti-anti-Communist propaganda campaign is recognized for what it is, it is readily apparent that such an impression did not originate from acts or words of the President or responsible Government officials, but indeed was created by subtle propaganda. Unfortunately, however, Mr. President, when the impression is spread that the administration wants anticommunism soft-pedaled, the result is as disastrous as it would be were the administration, in fact, to have contributed to that impression.

The effect of this insidious campaign within our Military Establishment is

two-pronged. The outward manifestation of the effectiveness of the anti-anti-Communist campaign is illustrated by official changes in policy and directives in the Department of Defense. The sub rosa effects of the same campaign are manifest primarily by an unrevealed, as yet, pattern of censorship.

I have previously called attention to some of the outward manifestations of the effectiveness of the muzzle-the-military aspect of the anti-anti-Communist effort. One manifestation was the memorandum of March 10, 1961, from the Office of the Secretary of Defense which banned the official use of the film "Operation Abolition." Another was the memorandum by the Assistant Secretary of Defense—Manpower—dated April 21, 1961, which prohibited any use by the services of the filmstrip "Communism on the Map." Still another was the change in duties of the Assistant Secretary of Defense for Public Affairs incorporated in Department of Defense Directive No. 5122.5, dated July 10, 1961. There was also the modification of the Defense Department order which "scrubbed" a seminar for Reserve officers living in Central America and South America, scheduled to be conducted in the Panama Canal Zone. Mr. President, not only do these actions demonstrate the effectiveness of this insidious campaign, but, indeed, to those not otherwise informed they lend credence to the belief that the origin of the attitude was official.

Mr. President, it is indeed interesting and enlightening to follow down what can be characterized as a chain reaction from what might appear to be rather unimportant changes in Department of Defense directives. I hold in my hand an Air Force information policy letter for commanders, dated August 1, 1961, issued by the Office of the Secretary of the Air Force. This is obviously a periodical publication. Its own words speak louder about the effectiveness of efforts to gag the military than any words with which I could describe it. I quote:

CONFINING YOUR STATEMENTS TO DEFENSE MATTERS

Secretary of Defense Robert S. McNamara has directed that "in public discussions, all officials should particularly avoid discussion of foreign policy matters, a field which is reserved for the President and Department of State. This long-established principle recognizes the danger that when Defense officials express opinions on foreign policy, their words can be taken as the policy of the Government."

Department of Defense Directive No. 5122.5, July 11, 1961, states that the Assistant Secretary of Defense for Public Affairs shall "provide policy guidance to the Department of Defense on public affairs matters and approve public affairs aspects of actions which have national or international significance in the fields of public information and community relations."

Also, he shall "provide for review of official speeches, press releases, photographs, films, and other information originated within the DOD for public release, or similar material submitted for review by other executive agencies of the Government. This review will be for conflict with established policies or programs of the DOD or of the National Government."

The directive states that: "Instructions to the military departments will be issued through the Secretaries of those departments or their designees."

At a press conference on July 11, Deputy Secretary of Defense Roswell Gilpatric said in regard to the new directive that "the Department of Defense has been concerned since the beginning of this administration by inquiries from the public and the Congress concerning efforts by DOD personnel to indoctrinate the public on nonmilitary matters." He added that "our policy is that military personnel should in their appearances stick to matters within their responsibility."

This policy is not a prohibition against quoting current official statements by Government leaders in your speeches—where the statements are appropriate to an explanation of the military mission and in support of Department of Defense objectives. Your speeches must, of course, continue to be cleared in accordance with AFR 190–6 and AFR 190–12. Guidance on this subject in issues Nos. 12 and 13 (pp. 2 and 3) of volume XV of this letter remains current.

As to internal information dealing with this subject area, guidance in current Air Force directives still applies. Detailed guidance will be found in volume XV, No. 12 of this letter and in AFR 190–16, AFM 190–4, and the July 11 and 25 issues of USAF information program bulletin, which is mailed to information officers.

President Kennedy's important policy message of July 25 will be published in a supplement to the Department of Defense semimonthly, "For Commanders—This Changing World." Key statements in the message should be brought to the attention of Air Force personnel by quotation in Commander's Call and base newspaper commander's columns.

Mr. President, I have difficulty in avoiding the conclusion that this official policy letter for commanders has a smack of intimidation about it. I must also confess that I find within it a germ of paradox, for although initially it cautions military personnel against discussion of any matter other than military, including political matters, it directs as to quoting of the President; and although I think it is appropriate for the President's remarks to be disseminated and quoted, I cannot overlook the possibility that, at least on occasions, the President's remarks might perhaps be tempered with strains of political matters. My impression that a paradox is contained in this publication is bolstered by a subsequent portion of the publication which treats, albeit briefly, our foreign aid program, and again I quote from this publication:

MILITARY AID TO OTHERS TO HELP MEET THREAT

Our military assistance program to help strengthen other countries "demonstrates our purpose far more convincingly than words and declaration," Secretary of Defense Robert S. McNamara told the Senate Foreign Relations Committee recently.

Perhaps some remark on the Senate floor this week led me to believe that our foreign aid program involved a political question, with some measure of controversy surrounding it.

Mr. President, I ask unanimous consent that the Air Force information policy letter for commanders, volume XV, No. 16, dated August 1, 1961, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. Mr. President, the subrosa manifestations of the anti-anti-Communist campaign, focused primarily on gagging the military, is even more dangerous, for its operation is concealed from public view, and by and large, even from the view of responsible officials of the executive branch. Even when witnessed by responsible officials, it is only in minute particulars, and, therefore, not inducive of particular alarm. I refer in this instance to censorship.

Censorship is generally done for security reasons or to make statements consistent with national policy. Recent censorship actions, however, tax the mind of the observer as to the reason for such changes or deletions. Since censorship is done by individuals, interpretation of national policy should be viewed in the light of the individual's thinking and outlook, especially in the Marxist-Socialist-Communist field.

For the past decade there have been numerous stories, accusations and even testimony before the Congress that a hard and extremely influential core of the U.S. governmental bureaucracy has been characterized by a frame of mind which has often been interpreted as pro-Communist, soft on communism, left-wing thinking, Marxist, fuzzy-fringe area socialist thinking, and so forth. This lack of clear-cut definition is often a protection for the adherent to a philosophy that is the antithesis of American democracy, especially if the holder of such philosophy is imbedded in our governmental policy machine. An exposure attempt leaves the accuser literally "hanging on a limb," since he cannot completely fit the frame of mind, or activities, of the accused in the Soviet-Communist mold. Therefore, the questions always arise: What are they and for whom are they working, and why do they think and act as they do?

The answers are simplified when their thinking is analyzed in the sense of Marxism-socialism; allied with the Communists only as far as the Communists adhere to Marx. The pure Marxist-Socialist is against the Soviet-Communists, not because they are Communists, but for precisely the opposite, because they are not communistic. To them, Soviet communism is a violent form of socialism practicing aggressive totalitarianism. They are generally not working for anyone, but their own vested interest and advocating the abstract theory of Marxism-socialism.

Unwittingly, this type person easily falls prey to the well-placed Communist agent. This strange alliance of Marxian philosophers, intentionally or unintentionally, has led to a pattern of censorship, especially in those areas affecting the Sino-Soviet bloc and Communist-socialism. This censorship pattern spills over to the point where it allows no criticism of any Marxist-Socialist-Communist theories or practices. This, in itself, is foreign to our way of life in which we recognize free speech and freedom of the press.

Mr. President, let me make it clear, as have Admiral Burke and others, that no one can have valid objection to a requirement that speeches of Government officials, including the military, be cleared in advance to insure consistency with policy and security requirements. The censorship to which I refer now is not, however, of this type. It fits a pattern, and the pattern is not only alarming, it is frightening. For purposes of illustration, I would like to give 10 examples of the type of material that is being consistently and invariably deleted by the censors from proposed speeches. I shall merely state 10 examples of phraseology which are anathemas to the censors, and the pattern will show for itself:

First. Communist conspiracy directed toward absolute domination of the world.

Second. Soviet infiltration menacing this Nation and extending throughout far corners of the globe.

Third. The steady advance of communism.

Fourth. The Communist challenge.

Fifth. On such theories socialism thrives.

Sixth. Insidious ideology of world communism.

Seventh. Communism encompassing Marxism, Fabian socialism, socialism.

Eighth. Soviets have not relented in the slightest in their determination to dominate the world and to destroy our way of life.

Ninth. Nothing has happened to indicate that the goals of international communism have changed.

Tenth. Today in the face of the worldwide threat of international communism.

Mr. President, I find it difficult to discern how such phrases can violate or flaunt policies established by duly constituted civilian authority in our Government. Why are such statements as these not permitted? Is there some sort of a list of items which are to be censored, or is this merely the work of certain individuals embedded in our governmental structure, but whose surreptitious actions have a damaging effect on this new administration?

Mr. President, the concrete evidence of the success of the anti-anti-Communist campaign, as illustrated by occurrences within our Military Establishment, attests irrefutably to our need for understanding of the total nature of communism and its innumerable methods of attack. Our vulnerability to such campaigns must be eliminated. The damage done by this campaign must be repaired. Public revelation of facts is the sole remedy for our vulnerability. Emphatic action within government can supply the needed repairs. The hour for both is late.

I yield the floor.

EXHIBIT 1

AIR FORCE INFORMATION POLICY LETTER FOR COMMANDERS

Confining your statements to defense matters: Secretary of Defense Robert S. McNamara has directed that "in public discussions, all officials of the Department should confine themselves to defense matters. They should particularly avoid discussion of foreign policy matters, a field which is reserved for the President and Department of State. This long-established principle recognizes the danger that when Defense officials express opinions on foreign policy, their words can be taken as the policy of the Government."

Department of Defense Directive No. 5122.5, July 11, 1961, states that the Assistant Secretary of Defense for Public Affairs shall "provide policy guidance to the Department of Defense on public affairs matters and approve public affairs aspects of actions which have national or international significance in the fields of public information and community relations."

Also, he shall "provide for review of official speeches, press releases, photographs, films, and other information originated within the DOD for public release, or similar material submitted for review by other executive agencies of the Government. This review will be for conflict with established policies or programs of the DOD or of the National Government."

The directive states that: "Instructions to the military departments will be issued through the Secretaries of those departments or their designees."

At a press conference on July 11, Deputy Secretary of Defense Roswell Gilpatric said in regard to the new directive that "the Department of Defense has been concerned since the beginning of this administration by inquiries from the public and the Congress concerning efforts by DOD personnel to indoctrinate the public on nonmilitary matters." He added that "our policy is that military personnel should in their appearances stick to matters within their responsibility."

This policy is not a prohibition against quoting current official statements by Government leaders in your speeches—where the statements are appropriate to an explanation of the military mission and in support of Department of Defense objectives. Your speeches must, of course, continue to be cleared in accordance with AFR 190–6 and AFR 190–12. Guidance on this subject in issues Nos. 12 and 13 (pp. 2 and 3) of volume XV of this letter remains current.

As to internal information dealing with this subject area, guidance in current Air Force directives still applies. Detailed guidance will be found in volume XV, No. 12 of this letter and in AFR 190–18, AFM 190–4, and the July 11 and July 25 issues of USAF Information Program Bulletin, which is mailed to information officers.

President Kennedy's important policy message of July 25 will be published in a supplement to the Department of Defense semimonthly, "For Commanders—This Changing World." Key statements in the message should be brought to the attention of Air Force personnel by quotation in Commander's Call and base newspaper Commander's Columns.

First issue of the publication, dated July 15, dealt with the Congo; the August 1 issue is on Vietnam. It will be followed by an issue on Berlin. Distribution in the Air Force is now being made in very limited numbers to all information officers. Quantity distributed is expected to be increased fourfold in September.

"Hair trigger" response: In a memo to deputies, directors and chiefs of comparable offices in Air Force headquarters, Assistant Vice Chief of Staff Maj. Gen. R. M. Montgomery gave the following advice about the erroneous impression that quick-reaction forces are "hair trigger" forces. The guidance is applicable throughout the Air Force. The June 26 memo:

"Considerable concern has been expressed by agencies outside the Air Force regarding the possibility of an accidental war resulting from the instantaneous and impetuous response of the Air Force to a false warning of enemy attack or by an inadvertent launch. This completely erroneous image of a hair trigger force results from the constant flow of Air Force statements emphasizing the quick reaction capability of our weapon systems, particularly the ICBM's. While their intent is to inform the public as to the state of Air Force readiness, these statements are subject to misinterpretation both here and abroad.

"To present the capability of our systems most accurately and to avoid any false characterization of our forces, the following points should be emphasized in all presentations and conversations concerning Air Force systems:

"All strategic forces are operated under conditions of positive and continued restraint.

"The major portion of the USAF ICBM force, except for a few of the early Atlas missiles, is being hardened and dispersed to 'ride out' an enemy surprise missile attack. This force does not depend upon warning or fast reaction for survival.

"The USAF strategic manned aircraft force maintains a constant alert posture which permits a major portion to be deployed to an 'on station' status in the air. This force can be ordered to the airborne station upon receipt of warning or as a precautionary measure in the face of increased international tension.

"As a result of these measures, both of these forces will have a high degree of survivability from an enemy surprise attack. Neither force depends upon a 'hair trigger' reaction for survival.

"Nothing stated above should be construed to mean that strategic forces cannot react quickly to execute their primary tasks upon receipt of orders from duly constituted authority."

Military aid to others to help meet threat: Our military assistance program to help strengthen other countries "demonstrates our purpose far more convincingly than words and declarations," Secretary of Defense Robert S. McNamara told the Senate Foreign Relations Committee recently.

Pointing to the reasons that dictate continuance of the military assistance program, Secretary McNamara said that we face "strong, resourceful, unscrupulous adversaries ready to take advantage of any show of weakness, indecision, timidity." For evidence of the Communist threat, he said, we have only to examine the pronouncements of Mr. Khrushchev himself.

Secretary McNamara said that the approach to this year's military assistance program reflects the Defense Department's views "of the extensive and manifold threats to the security of the United States and of other free nations."

SERIOUS MENACE TO PEACE

"The Soviet Government * * * threatens to violate its solemn international obligations, to determine unilaterally the fate of millions of Germans without their consent, and to use force against its World War II allies if they do not voluntarily surrender their rights and vital positions.

"The Soviet Government must understand that such a course of action is not only unacceptable, but is a more serious menace to world peace, for which it bears full responsibility before all mankind." From the U.S. reply released on July 18, 1961, to the Soviet Government's aide memoire of June 4, 1961, on Germany and Berlin.

Secretary Zuckert on today's reservist:

"The members of the Air Reserve Forces no longer are a reservoir of manpower, held in abeyance ready to be called to fill needs which might arise in an emergency. They are a truly ready, immediately available, currently contributing, part of our firstline capability.

"These are not ordinary people. They are, first, useful, productive members of the civilian community. Along with their fellow citizens they are the backbone of business, government, industry, and society in

general. But, secondly, these people go beyond the normal demands of citizenship. They voluntarily incur the sacrifices and responsibilities of their homes and businesses, not just whenever their country needs them in emergency, but on a continuing basis.

"They give freely of their time today to assure their fitness to meet the requirements of real and immediate military capability. They give far more than can ever be repaid in money, retirement points, or privileges."

Aerospace rapport: The transit IV–A experimental navigational satellite and the two radiation detecting satellites lofted into space with it on June 29 were launched for the Navy by the Air Force. Air Force was responsible for the launching vehicle, mating of the payload to the vehicle, the launch-powered flight and orbital injection of the satellite. The July 17 issue of Aviation Week contains a detailed unofficial report on the Soviet airshow at Tushino. Aviation Week article describes "three supersonic Soviet bombers, two new delta-wing mach 2-plus interceptors, a jet powered ASW reconnaissance seaplane designed for antisubmarine search and kill missions, a counterplane capable of airlifting 100 troops, an advanced Kamov jet helicopter design and a flying crane."

ARNO H. LUEHMAN,
Major General, USAF,
Director of Information.

Mr. MUNDT. Mr. President, I yield myself 15 minutes from the time on the bill.

Mr. President, first I wish to congratulate the distinguished Senator from South Carolina for the fact that he continues to place before the American people the issues involved in the new censorship program, which has disturbed a great many Americans both in and out of the Congress. I think one only has to look objectively at the list of statements which are now being censored out of the speeches of our men in uniform to realize how far this has gone and how out of hand censorship gets whenever one begins to practice it in time of peace.

For example, as the Senator from South Carolina has pointed out, the following is an example of phraseology which is now being censored out of speeches which are being given by officers in uniform: "Communist conspiracy directed toward absolute domination of the world."

Mr. President, that statement is a matter of fact. Why should that be censored out of any speech? Is this great Senate going to permit that type of thing to happen without the investigation by the Armed Services Committee called for by the resolution of the distinguished Senator from South Carolina? I hope not. That committee rather than the Foreign Relations Committee should concern itself with the policies of the Pentagon.

I do not think these men who are conducting the censorship operation are malicious men, but they are misguided men. I submit that the Armed Services Committee of the Senate has a responsibility to get to the base of it. I understand that is the committee which has the Thurmond resolution. I hope the resolution will be acted upon. If not, I hope some other committee will pick up the responsibility, because it will be reprehensible to have bruited about this country, as shown by the evidence submitted by the Senator from South Carolina, that among other things being censored out is any reference to the fact that the Communist conspiracy is directed toward absolute domination of the world.

Mr. President, if we do not believe that, let us send the foreign aid bill back to the committee. The bill involves a lot of billions of dollars. Why are we spending American money in 101 foreign countries if there is not a conviction that communism is directed toward the absolute domination of the world?

Let us consider the second thing which the Senator from South Carolina says is now being censored out of military presentations. It is this phrase: "Soviet infiltration menacing this Nation and extending throughout far corners of the globe."

Are there people in the peacetime Office of Censorship in the Pentagon who do not believe that? If so, they should be dismissed before the echoes of this speech quit resounding in this Chamber. I call on the Commander in Chief to take a look at the people operating this hapless Office of Censorship, if they insist that our military people make no reference to the fact that Soviet infiltration is menacing this Nation and extends throughout far corners of the globe.

Mr. President, how far can we get in our myopic approach to these problems? We know the people in the Pentagon abominate communism. The President abominates communism. Certainly the President knows of this menace and its conspiratorial nature. If the people in the Pentagon who are operating the peacetime Office of Censorship do not know it, it is too late to teach them. Let us replace them with men who have hair on their chests instead of sawdust in their heads.

The third thing which the censors are trying to censor out is the phrase "the steady advance of communism."

Do the people in the Pentagon not know that communism is advancing? Have they not heard about Laos? Do the people in the peacetime Office of Censorship in the Pentagon not know where Cuba is? If not, it is too late to teach them geography. Let us find some new faces and some new people. This is something on which the President should act, and act now. He cannot escape the responsibility. He is the Commander in Chief. I submit that it is also something on which the Armed Services Committee of the Senate had better act without further delay.

I was not only shocked but I was also terrified to read the documentation by the Senator from South Carolina as to what is now being censored out of speeches. I submit that every American should get a copy of this new censorship code and study it, so that Americans will know what is happening. We are retreating from the Communists on the homefront as fast as a rabbit can run, while making talks about the firm stand we should take abroad.

If what the Senator from South Carolina has submitted is factual, and I am convinced it is, because he is not accustomed to speaking from the top of his head without evidenciary background, another phrase which is being censored out is "insidious ideology of world communism."

Mr. President, do we have pagans in the Pentagon running the peacetime Office of Censorship? Do they not know that the ideology of world communism is antigod, antichrist, antireligious? Do they not know it is atheistic? Do they not know it is totalitarian? Do they not know it would impose upon every person under communism the perils which always confront people who are slaves of a tyrant? Is not this an "insidious ideology"?

Why in the world, in their zeal to establish some kind of peacetime censorship, do these people stop the officers of the Army, the Navy, of the Air Force, and of the Marines, from telling the troops that the ideology of world communism is insidious? Let us have this strange new code of conduct investigated, Mr. President.

Next is a strange statement which is censored out. It is said that our military men must not say something like this:

> Soviets have not relented in the slightest in their determination to dominate the world and to destroy our way of life.

Are they going the second mile? Is the peacetime office of censorship in the Pentagon going to peddle the piffle that the Communists have relented in their determination to dominate the world? Has anybody there, with a big black pencil and censorship power, read anything which Khrushchev has said, which Stalin said, or which Lenin said or wrote? Where do they get the idea that the Communists are retreating? Where do they get the idea that we should not tell the people, who are supposed to be sacrificing their peacetime opportunities and perhaps their lives, that they are fighting in a holy cause because the Communists are trying to dominate the world?

Another item in the ten included in the Senator's list, which the censors say may not be said is:

> Nothing has happened to indicate that the goals of international communism have changed.

The censors say, "Do not let anything appear in the seminars and do not let anything come out in speeches or writings which says there is anything which implies that nothing has happened to indicate that the goals of international communism have changed."

Do these people want us to think the goals of communism have changed? Is that the way to build up morale? Is that the way to have a fighting army? Is that the way to induce people to pay bigger taxes to fight communism, when the people in the Pentagon say, "Do not let anybody believe that there has not been a change and that communism is not backing down"?

Mr. President, this is serious business. This is far more serious than the foreign aid bill. This is a challenge to the country which the country should meet.

I have followed this discussion, off and on, for over 2 weeks. I have said very little, except to ask a few questions, be-

cause I have assumed that the Armed Services Committee of the Senate will look into this matter and find out what are the facts. If the committee does not, or fails or refuses to act, perhaps the Internal Security Subcommittee will do so.

This controversy is tearing the country apart, because there are too many people who refuse to go along with the "timid Tom" approach of the office of peacetime censorship in the Pentagon. The people want to know why they should not be told the facts about the menace of the cold war. The people want to know why the military officers should not help to alert the people. Most of the people, according to my mail, telephone calls and telegrams, believe this is everybody's fight and that everybody should be in it and that the facts should be made available to all.

The Fulbright memorandum, which apparently kicked this all off, reads in part:

> Fundamentally, it is believed that the American people have little, if any, need to be alerted to the menace of the cold war.

(At this point Mr. LAUSCHE took the chair as Presiding Officer.)

Mr. MUNDT. I almost cringed when I read that statement. The statement continues:

> Rather, the need is for understanding the true nature of that menace, and the direction of the public's present and foreseeable awareness of the fact of the menace toward support of the President's own total program for "survival in a nuclear age."

There has been no serious partisanship in our foreign policy that I can recall almost since I came to Congress some 22 years ago. In the House of Representatives I had the pleasure of serving on the House Committee on Foreign Affairs with my dear friend, the distinguished, active, and able majority leader, the Senator from Montana [Mr. MANSFIELD]. He will bear out my statement. We worked together on various problems. We studied foreign problems. Though we differed at times because of our geographical background or personal conviction, there was no partisanship.

What kind of tommyrot is it to say that the only thing that should be heard is the President's voice, that there should be no more discussion? If such an attitude continues, we shall suddenly plunge this whole problem "smack bang" into the bowels of partisanship, which we have not had up to this time. We have been pretty successful in maintaining the peace since the days of the Korean war. Let us not become involved now in trying to say that our American foreign policy is exclusively the property of the party in power or the President in the White House. It has never been so considered; it should not now be so considered. Certainly the men in the military should not be limited to mouthing in repetitious monotony something which has been issued from a White House document.

The distinguished Senator from South Carolina spoke on this point on August 2. At that time he said:

> One cannot escape the implication of this document—referring to the Fulbright document on the Pentagon censorship directive—that the exercise of national sovereignty by the people is undesirable. From such thinking as that which spawned this attack can develop the "Big Brother" controlled society pictured by George Orwell in his book "1984."

The Senator from South Carolina was correct. If we are to try to stop thinking and bar discussion and prevent those in charge of our military activities from speaking up like men, we certainly are backing down a long way from the kind of cold war activity in which we have united and in which we have been engaged for many years.

It is my conviction that our people must be alerted to the menace of the cold war, for only by being alerted to the menace of the cold war can they understand the true nature of the menace. This endeavor need not be keyed to any particular President's program. We had it under Truman, we had it under Eisenhower, and we are now getting it under Kennedy. But, never before has the military been told, "All you can think and all you can say is something poured into your cranium from the White House."

It was never intended that there should be civilian control of the military in the sense that it meant civilian domination of their thinking, that it meant civilian pollution of their political concepts, that it meant they were to become little puppets, pronouncing the political observations of the man in the White House, or their observations in any other field.

It is my conviction that many of our distinguished military officers can help greatly in this effort, and they want to do so. Ever since the wise directive was issued back in 1958, they have been increasingly taking part in alerting Americans to the dangers of the cold war. Since that time we have been developing an increasing resistance, an increasing understanding, and an increasing homogeneity in our approach to defending freedom against the cold war. It is only now that an effort has been made to create a cleavage by a censorship pen that we run into problems and difficulties, because Americans are hard to silence.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUNDT. I yield myself 5 additional minutes.

The question of whether or not military officers are qualified to discuss the menace of the cold war is always hotly debated. It sometimes seems to me that it depends upon whose ox is being gored.

At this time last year, as I recall, a great many Senators on the other side of the aisle had much more faith in military leaders than they seem to have today. I recall hearing on the floor of the Senate much praise for some of our "outspoken" military leaders. That was good, and I joined in it. I wonder what has happened lately. I wonder if anything took place last November to change Senators' attitudes. I wonder if something happened on the 20th of January that suddenly changed the approach of so many Senators on the other side of the aisle to the attitudes, abilities, capacities, and the objectivity of men in uniform.

For approximately 2 years I have served on the National Policy Machinery Subcommittee of the Committee on Government Operations. The committee has been headed by a distinguished friend of mine, a very able Democrat, the former national Democratic chairman, the Senator from Washington [Mr. JACKSON].

We have heard from dozens of distinguished Americans, including several of our military leaders. Throughout almost all our hearings we have heard discussions on the menace of the cold war. Congress appropriated money to hold hearings with that objective.

On June 6, 1960, we heard Admiral Radford. I urge all Senators to obtain and read a copy of the transcript of that hearing. It is available to the public, if anyone wishes to read it. I particularly suggest that a certain part of the subcommittee's hearings be read. A discussion was held between the subcommittee chairman, the Senator from Washington [Mr. JACKSON], and Admiral Radford. The discussion concerned State defense relationships and the possibility of making public use of some of our military officers. The year was 1960; the date June 5.

At one point the Senator from Washington [Mr. JACKSON] told Admiral Radford:

> I am sure you have been impressed as I have in going down to the War College and talking with students. I think in many respects some of the students are as well or better informed than some of our Foreign Service people in the area of diplomacy.

The Senator from Washington [Mr. JACKSON] later asked:

> Don't you feel that there needs to be more and more training in international political problems on the part of staff officers who are working on military plans?

How strange that looks today in the context of the Fulbright memorandum. How strained that attitude in 1960 appears today in the light of the New Frontier of 1961.

Senator JACKSON said:

> I realize the things you refer to have been going on in the past, but there is a change going on. Don't you think that the military should meet it?

To which the admiral replied:

> I think we are meeting it. All the service war colleges, the National War Colleges and the Armed Forces Staff School, are concentrating on training our military officers in the broad field of politicomilitary affairs.

Mr. President, that statement was made in 1960 BC—before censorship. Now, in 1961, they seem to change and say, "Oh, no; military people should have no right to be heard."

Senator JACKSON then said—and with this statement the entire committee agreed—"they are doing an excellent job."

As a matter of general interest, I asked the Army to provide me with figures on the number of generals and colonels who have attended the various schools. They tell me that 51 percent of the generals and 10 percent of the colonels have attended the National War College or its

equivalent; 28 percent of the generals and 26 percent of the colonels have attended the Army War College or its equivalent; 100 percent—estimated—of the generals and 35 percent of the colonels have attended the Command and General Staff College or its equivalent; 10 percent of the colonels have attended the Armed Forces Staff College.

I did not obtain the same information from the other services but the figures, I am sure, would compare with those of the Army.

Let me emphasize that all our hearings have been in connection with a nonpartisan study of national security policy making and its execution in a world of change and challenge. The subcommittee was headed by the then Democratic National Chairman, the Senator from Washington [Mr. JACKSON]. As a Republican who practices his fair share of partisanship, I say that we did a nonpartisan study. No one on either side has criticized the work. We were merely trying to develop a peacetime policy machinery to fight the cold war, which peacetime censorship in the Pentagon proposes to scuttle with a scratch of a pen. We resent it.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The time of the Senator from South Dakota has expired.

Mr. MUNDT. The time of the Senator from South Dakota has now been extended by 5 minutes.

Some time ago I asked the Library of Congress to send me a representative sampling of names of citizens who felt we should alert the American people to the menace of the cold war.

I wondered whether, perhaps, the Senator from South Carolina and the Senator from South Dakota, both being southerners, are unique in our opinion, and perhaps all others, have said, "We have lost the fight against communism. Let us not worry about it at home. Let us pump billions of dollars overseas and assume that communism at home has dropped dead." I was fortified by what I received from the Library of Congress. The Library has not yet been censored. It is still a handmaiden of Congress. Perhaps some Senator or some committee will write to the Library of Congress and say, "Quit answering questions of Republicans." Perhaps the Library of Congress will become the next victim of peacetime censorship.

That is a shorter jump than it was from the happy days of Eisenhower when men could speak out and express themselves, antedating the reprehensible reaction of the Pentagon to the Fulbright memorandum and of yielding to that memorandum in 1961.

The item on the top of the pile, as it was delivered to my office from the Library, was the following quotation from page 179 of "War and Peace in the Space Age," by Lt. Gen. James W. Gavin, now our Ambassador to France. I hope the peacetime censorship will not be made retroactive and that General Gavin will not be called back from Paris and forced to resign because he spoke out as an American when Eisenhower was Commander in Chief and President. General Gavin said:

> I do not, for a moment, agree with Mr. Khrushchev, as he puts it, that our grandsons will be Socialists.

Oh, how some of our friends on the other side of the aisle cringe when we mention socialism and communism, and imply that they have some relationship. Of course they are related. They are tied together, interwoven. They are of mixed blood. They are ideological blood twins.

If anyone does not believe that, ask any Communist. He knows he operates in a Socialist state. Khrushchev uses the words interchangeably. So do all other Communist leaders. Let us not try to brainwash each other by trying to change the English language.

One can be in favor of socialism or against it. If one accepts socialism, he is in the anteroom of communism.

There has never been a completely socialized state in history which did not eventuate either as a Communist state or a bankrupt nation or a military dictatorship.

Some of our squeamish friends on the other side do not like anyone to use the word "communism" and the word "socialism" on the same day unless one brushes his teeth in between using those words. If they can find an exception to the relationship of state socialism and state communism, let them put it into the RECORD.

Perhaps we should have a course of indoctrination in the Senate to bring about a realistic understanding that there is a tie-in and a relationship between these isms.

It is the power of statism—the fact that too few men have had too much power over too many people for too long a time, which has brought the world to the brink of war.

Continuing to quote from General Gavin:

> But if they are not to be, then they must know what they are for.

I like that, too. I like the positiveness of it. For some time we have been trying to get support from the administration for the establishment of a freedom academy, to help people in Government understand what this fight is all about and what Americans are for. Continuing:

> But if they are not to be, then they must know what they are for. And, knowing what they are for, have the courage, vision, and industry to be assertively for it.

There it is, Mr. President. There it is, just as the Library of Congress has sent it to me. This counsel, I say, applies to all, military and civilian leaders alike.

No less a newspaper than the New York Times carried a story on page 15 of the May 27, 1960, edition which quoted Gen. Alfred M. Gruenther as calling "for a better informed public to counter Soviet propaganda successes in underprivileged countries."

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUNDT. I yield myself 5 additional minutes.

That was said in 1960—again "BC," before censorship—by an important and historic character.

Lest I be accused of taking remarks out of context, I ask that this article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GRUENTHER URGES OFFSETTING SOVIET

Gen. Alfred M. Gruenther, president of the American National Red Cross, yesterday called for a better informed public to counter Soviet propaganda successes in underprivileged countries.

"The Communists are too frequently able to convince other people that they are interested in the masses and that we are the materialists," he said at the Metropolitan Club, 1 East 60th Street.

He spoke at a luncheon rally opening the motion picture industry's drive in the 1960 Red Cross fund campaign.

General Gruenther said he saw "little cause for depression" because of the failure of the summit conference in Paris since resolutions to the conflicts arising from the ideological struggle between the Soviet Union and this country would take years.

Asserting rather than he was "optimistic about the future," the general observed no essential change in the balance of power affecting the military, economic, or political fields of both nations.

General Gruenther addressed 150 motion picture leaders, headed by Spyrous Skouras, president of Twentieth Century Fox Film Corp., who will seek to raise $62,500. The Red Cross campaign goal for Greater New York is $5,500,000.

Mr. MUNDT. Mr. President, there appeared another article in the same newspaper, on page 5 of the issue of June 29, 1960, with the headline "A Full 'Cold War' Is Urged By Luce." He is the publisher of Time magazine.

I also ask unanimous consent that this article be printed in the RECORD in full.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A FULL COLD WAR IS URGED BY LUCE—EDITOR ASKS OFFICIAL POLICY; HE CONCEDES A RISK OF PROVOKING HOT WAR

WASHINGTON, June 28.—Henry R. Luce, the editor and publisher, proposed today that the United States make formal declaration—perhaps by Senate resolution—that winning the cold war is the Nation's urgent goal.

Mr. Luce told the Senate Subcommittee on National Policy Machinery that he did not consider peaceful coexistence possible with the Soviet Union and China.

This country should make the decision to win the cold war as soon as possible with the full realization, Mr. Luce said, that it is running an enormous risk—the possibility that a losing Russia might precipitate a hot war.

The editor in chief of Time, Life and Fortune magazines spoke out for a larger defense appropriation, a major Federal fall-out shelter program, and an American diplomatic drive to extend what he called the rule of law in international affairs.

"Our national purpose must be to promote, by every honest means, the establishment of constitutional governments—that is, governments which respond to man's dream of

freedom by giving them freedom under law," Mr. Luce testified.

"By our sucessful progress toward this goal we shall win the 'cold war'," he predicted.

Senator HENRY M. JACKSON, Democrat, of Washington, chairman of the investigative body, asked Mr. Luce whether he approved the Senate's action last week in increasing the defense appropriation bill by about a billion dollars.

Mr. Luce replied he did approve, but: "I wish it were $2 billion."

The editor and publisher said he would define a "cold war" victory as not necessarily one that would overthrow Communist regimes or damage the economic well-being of people in Communist countries.

Such a weakening of the Communist drive, Mr. Luce added, might bring internal changes in Communist nations.

Even with this limited aim, Mr. Luce went on, an American decision to win the "cold war," pursued with greater urgency than is being shown today, involves "the greatest foreseeable risk of total war."

He explained:

"So long as we are only halfhearted about the cold war there is no reason why Soviet communism should turn to total war.

"But when they see they are losing the cold war, then Soviet communism may face the choice of war or disintegration."

Mr. MUNDT. I might say that this latter article is based on hearings of our National Policy Machinery Subcommittee.

Senator DODD of Connecticut is a beloved and widely respected Senator, who has been a courageous leader in helping to alert Americans against communism, and who would answer with the Senator from South Carolina and the Senator from South Dakota affirmatively the question and innuendo by the Senator from Minnesota when he said:

Do you really think military leaders should talk about the internal threat of communism?

Mr. President, you bet they should, or give their jobs to men with sturdier hearts and stronger souls. What did Senator TOM DODD say? In a speech later printed as Senate Document No. 17 of the 87th Congress he said:

We have been losing the cold war partly because we have failed to understand its total character, partly because we have been amateurs fighting against professionals.

When my friend the Senator from South Carolina gets into another colloquy with the distinguished Senator from Tennessee [Mr. GORE] as to whether or not we now have enough knowledge on the part of the public about communism, I suggest that he quote from Senate Document No. 17 the erudition of the resplendent Senator DODD, of Connecticut.

Allen W. Dulles also spoke out. He may be under the censorship ban now, but I understand his days of tenure are limited anyway, so it will not hurt him anymore. They cannot boot him out much before he expects to go anyway. He said in an article published in U.S. News & World Report of September 5, 1960, that "we need far and wide in this country more education on the whole history of the Communist movement."

There is the text for the theme of the Senator from South Carolina the next time he has a debate with the distinguished Senator from Tennessee. That is what Mr. Dulles says. He is the head of the CIA. He has had a great career. He is one Republican who in the eyes of the administration has done his job so well that they are continuing to utilize his talents. I had better quote again what he said:

We need far and wide in this country more education on the whole history of the Communist movement.

Some would say that we do not want to have any Republican testimony. If not, let them go to J. Edgar Hoover. Let them pick at random any spot in his book "Masters of Deceit," or any pronouncement of his. He reiterates that theme over and over again in speech after speech during a lifetime devoted to opposing and exposing communism.

Other distinguished Americans—Senator Goldwater, J. Edgar Hoover, Walter Lippmann, Representative Pucinski, Adm. Arleigh Burke, Maj. Gen. Armistead Meade, David Lilienthal, Robert Strausz-Hupe, William Kintner, John Alsop, and former President Eisenhower, to name a few—have also spoken out and were included on the Library of Congress list.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a splendid article written by Henry J. Taylor entitled "A speech to Remember," printed in the Washington Daily News. It deals with the great forensic triumph of Gen. Douglas MacArthur in his speech at the joint session of Congress which many Members of the Senate were privileged to attend.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A SPEECH TO REMEMBER

(By Henry J. Taylor)

Probably the greatest American speech of our century was Gen. Douglas A. MacArthur's address to Congress on his return from Korea.

Search all others, read this masterpiece again, and you will recall what I mean.

General MacArthur wrote this speech flying in the *Bataan* from San Francisco to Washington to address the joint session the next day, and in longhand, much as Lincoln reportedly wrote the Gettysburg Address on an envelope aboard the train carrying it to immortality.

He could compose it because he understood it. He spoke the truth because he knew it. And when he had finished what he had to say—before the country's elected representatives—he sat down. He snorted proper contempt for the TV time, as if time had anything to do with intellect. He finished a half-hour early.

This speaker's great calling was liberty. Events full of terror and sorrow were at hand. Here was the needed reminder to his countrymen that the people who were in this war all the way were our men who ennoble the high, sharp Korean hills and live on Heartbreak Ridge every day and die.

Here was prophecy as revealing as a beacon light: The role of all southeast Asia in a predicted Soviet global plan to encircle Western Europe and the United States.

Here was hope: The dedication that we will live in a world where those of us who are Americans can be proud; where the statement "Civis Americanus Sum" will command respect everywhere and the conviction that we are worthy to do so.

Here was history tolling like an old and important bell: The mighty warning that mighty America, once having entered this major war, must not let it end in impasse because that would constitute defeat by the Sino-Soviet Communists and forever change the balance of power throughout the entire free world.

It was all spoken in less than 30 minutes and in 3,074 words.

There was no place in this for Arthur Schlesinger, Jr., Theodore C. Sorensen, McGeorge Bundy, or Chester Bowles. In any ghostwriter's barnyard chorus of platitudinous quacking, gobbling, bleating, mooing, neighing, and grunting, are we expected to fancy we are hearing a great speech? I ask you, How can any of these men write a great speech? They lack greatness within themselves, and for that—as General MacArthur said of victory—there is no substitute.

It is a roaring pity that General MacArthur ever was sucked into even the fringes of politics through the back door, the side door or any other door by his admirers, for this was no place for him. His place was on the battlefield. With Lee, he was the greatest combat general ever born of our good earth, and indisputably the greatest field commander among all Allied or Axis belligerents. In fact, where is the record of another, including Napoleon, which outmatches his?

Mr. MUNDT. Mr. President, Henry J. Taylor said:

Probably the greatest American speech of our century was Gen. Douglas A. MacArthur's address to Congress on his return from Korea.

In that statement, I, as a former teacher of speech and as president of the National Forensic League, certainly concur.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD excerpts from the address and the questions and answers given by Admiral Burke to the National Press Club on August 3, in which Admiral Burke addressed himself to some of the subjects which have been discussed in the Senate this morning.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM ADDRESS BY ADM. ARLEIGH BURKE

Thank you very much my friend. There have been a lot of changes in the last few days, and this retirement business is pretty good. I find that my wife is still a very good cook, and I find a lot of other things that are very pleasant. My schedules I can make myself. I can do what I want to do for a change. I can do it when I want to do it. And that's one of the reasons that I'm so particularly happy to be invited to appear to talk before the National Press Club. And the reason is simple, for the members of the press, for you people, for you in this room, through the years have proved themselves singularly effective in safeguarding some of the very fundamental values in the institutions of our way of life, of the American way of life. I've had the privilege and the responsibility of speaking in this room on two previous occasions. And on each occasion I have been impressed, and I'm sure more than you yourselves are impressed, with the importance of this forum. From the earliest days on record, the members of the press have been in the van of the efforts to mold

our Nation and to preserve our Nation's security. Indeed, even before our Nation became a reality, it was Peter Zenger, with courage and determination, who scored an important victory for freedom in the English colonies.

And with the political freedom that was soon to follow, the press exerted a vast and a continuous impact on the trend of national affairs. The Federalist papers, as you know, had a tremendous influence on the final form of our Constitution, and on its ultimate ratification. And surely as our Nation grew, no group of men played a more important role in directing the attentions and the energies of our new Nation than men like Greeley, and Dana, and Reed, and Pulitzer. And thus I feel greatly honored to have this opportunity to speak to the members of the press. You have inherited the proud traditions of your profession. And you also bear the grave responsibilities which those traditions impose.

My own career in the naval services has come to a close, and after 42 years of duty, many years of peace, and some years of war, I am starting my retirement with considerable anticipation, and I know that my long suffering wife shares that anticipation with me. There is no question that retirement brings with it a cetrain sense of relief. I've sailed with the Navy all of my adult life, in fair weather and foul, and as I left the Navy Tuesday, she still remained the finest fighting force that the world has ever seen. I am confident that she will move out smartly in the future under the able leadership of our new Chief of Naval Operations. I have left my Navy duties in the hands of Admiral Anderson, but there are other responsibilities that I can never relinquish, the responsibilities of every citizen in our democracy faces. For no matter what our professions may be, no matter whether we are active or retired, each of us bears the responsibilities of his citizenship. Each of us carries his own share of the responsibilities that are fundamental to our concept of government. Responsibilities that are dictated by conscience and directed by principles.

These responsibilities are not unique in our day. My father and your fathers, all of our forebearers, were required to meet the same type of responsibilities and fortunately for this Republic, history shows that our forebearers met them well, and they met them with wisdom and with the God-given strength that walks hand-in-hand with courage. Each age faces its own conflicts and its own challenges. But the fundamental fact of our age, the fact blurred by neither symbolism nor by rhetoric, is that the future of the free world, the conditions of human life for years to come, are being determined now.

The fate of our country, the future existence of our way of life, depends upon what we as a nation, what we as individual citizens, are willing to do today. And that is why I would like to discuss with you briefly some of the forces that work in this troubled world, and how those forces may well affect the lives of our own generation and of generations to come. Now, I'm not really going to say anything new about those forces this afternoon, nor will I advocate anything that you don't already believe. But I do want to give added emphasis to the seriousness of the present world situation and to the tremendous importance of our taking the steps that President Kennedy called for last week. Clearly astride our path toward a world of justice and order stands a relentless force of communism. A godless ideology that finds its seat of power and center of control in the Soviet Union.

Now one thing is apparent about the leaders of the Soviet Communist State today. They have become confident. Very confident. And with their confidence they have developed arrogance. And that is why they are talking tough. That is why Khrushchev dared to challenge us over Berlin. The reason for this confidence is that some fundamental changes have occurred in Soviet Russia. Particularly in the last 5 or 6 years. Just a little over 40 years ago, communism was virtually confined to a rented room in Zurich, and when the Bolsheviks seized power they had nothing—certainly nothing to be proud of. In every area of the world there were countries with better industries, better schools, better farms, better housing. The Communist leaders felt inferior, and they were inferior. But men like Lenin and Stalin were, above all, realists. They recognized this inferiority. And they developed programs to change matters.

The fantastic cost of these programs, not just in rubles, but in degradation, in deceit, and despair of their own people, was of no consequence. The Communist hierarchy readily accepted the law that the end justifies the means. Programs, purges, persecution, were integral parts of all their 5-year plans. And yet these men were diligent, just as diligent as they were ruthless. They did work hard and they worked with concentration and great singleness of purpose, and now, in the last decade, their plans have begun to pay off. The Soviet emphasis on scientific training, 20 to 30 years ago, gave birth to sputnik, to lunik, and to their man in space.

And this scientific skill, combined with espionage and dogged determination, produced a Soviet missile capability: the rockets which Khrushchev is now rattling at the free world. For the first time in Soviet history they have accomplished something before anyone else. And real accomplishment in any society is the father of confidence, and the Communists now feel that they are better than the rest of the world, and that's one reason why they are confident. But there is another reason which is just as important. The Communists have watched their enemies. They've watched us in the West very closely. They have looked for signs of weakness; for weaknesses in our alliance; for weakness in our decisiveness; for weakness in our will. And the Communists have probed the very soul of the free world to see if we really practice what we preach: if we are really willing to stand up for principles rather than merely spout pious platitudes. They've watched our deeds, and they have ignored our diction, and all too often they have found us wanting. Our words, our beautiful words, trailing off into inaction; our opulence expressing itself in complacency.

Many of the Communist leaders do not now believe that we, the people of the United States, will stand up for our principles, they do not believe that we will risk a fight for what we know is right. Menshikov has expressed this attitude very clearly. He stated that when the chips are down the American people won't fight, they won't fight for Berlin. Of course, he would like to promote just that sort of a notion. And so with the growing arrogance born of their own confidence and of what they think are our weaknesses Khrushchev has thrown the issue of Berlin right squarely in our faces. But in considering Berlin, it is extremely important that we recognize one fact. The future of the half city of Berlin. This bone in Khrushchev's throat is not an issue distinct and separate from the other pressing international issues that confront our Nation. Berlin is isolated geographically, but politically it is intimately related with everything else that is unfolding in the world—with the Communist's aggression in Laos, and South Vietnam, with the Communists exploitation of the situation in Cuba, and their growing pressures that they are exerting throughout Latin America. The question of the freedom or slavery of West Berlin is a very real part of all of our relations with the Sino-Soviet bloc. It is obvious that these relations now are based on challenge and response, whether that challenge and that response be in southeast Asia, in our own hemisphere, or in central Europe or anyplace else in the world.

And our willingness and ability to respond in one area is very directly related to our willingness and ability to meet challenges in other areas. Even if Khrushchev had not chosen to confront us with this issue, at this time, and at this place, or if, in the future, the issue of Berlin becomes not a crisis but an unresolved question, we can be sure that the Communists will still continue to present us with other issues at other times and other places in their drive toward a world empire. And sometimes these issues will be primarily of a military nature and at other times an economic or psychological or political nature, but one thing is certain. The pattern policy of Communist pressure and conflict will continue and they will continue at an accelerated rate as long as they can hope that such a policy will be rewarding.

Naturally, of course, our intentions now are focused on Berlin. Our efforts and our energies are directed toward Berlin, because the issue is related to far more than the hopes and aspirations of 2 million Berliners, far more than to the ultimate reunification of a free Germany. Berlin is a symbol, a symbol of freedom, safeguarded by Western unity and resolve. And the nature of our response can either strengthen that freedom, strengthen that unity, and that resolve, or it can bring an end to our united strength. Our treaties and treaty obligations are all in jeopardy and should we vacillate or falter, the ultimate collapse of NATO, SEATO, and CENTO, of all of our arrangements for mutual security could well be measured in months, if not in weeks.

You can be sure that Khrushchev recognizes the broad import of this crisis. He is initiating the crisis in Berlin. There would be no crisis without his action. He is using this issue to test the free world's stamina, to test our courage, and to test our strength of purpose. He is initiating this test of will, or perhaps it should be more accurately called this test of willingness to stand for principles. Khrushchev perhaps better than many Americans is aware of the profound effect that this issue will have not only on those allied with us in common defense, but just as importantly on the uncommitted nations, on the emergent countries, on those countries who are wavering and faltering, by pressing this question of Berlin in an acute and a threatening form, Khrushchev hopes to impress these countries with the strength and the power of the Communists, and to demonstrate that the way of the future is the Communist way. And with this point in history there is little to gain by examining the wartime circumstances and the subsequent treaty agreements which determined the present status of Berlin.

Nor would it be profitable to reiterate the repeated violations of those agreements by the Communists in an attempt to pry concessions from the West, to test the ability and the will of a free society. It should suffice to say that the Kremlin has been able to exploit this situation for one very simple reason: For the reason that we, perhaps as a gullible nation, trusted them as a wartime ally, and that we failed to recognize that their good words at that time were only a mask for subsequent bad deeds. We overlooked the fact that the favorite Soviet card game is called achkel where the rules make it illegal to deal off the top of the deck, and at this time the Soviets have dealt themselves a very good card indeed, a high trump from the bottom. Now the Communists are trying to force us very simply to knuckle under. They want us to accept their superiority; to back down, to walk back the cat. The complicating fact is that they don't

plan to take over Berlin in just one swallow. As Willy Brandt puts it, the Soviets will use "salami tactics," to slice away freedom one bite at a time, just as they are seeking to do in the rest of the world.

The Communists will surely not confront us with a direct question of Soviet Union supremacy. Because they know that we won't accept that supremacy. But they will use the East German government to serve as their proxy, to gradually erode our legal rights, rights that were obtained not by grant, not by negotiations of the Soviets, the rights that were won by war and confirmed by a series of agreements since 1944. First, they will want us to accept the validity of the German democratic Republic—this nation which is a tyranny neither chosen by the people of that Republic nor responsive to their will. The Communists will make it appear that what is at stake in Berlin is not freedom of West Berlin and Western access, but merely a legal title, a paper transaction with all the rights remaining intact. And in the beginning the status of Berlin may appear unchanged. But with the passage of time the controls will tighten, regulations will become more stringent, and bit by bit we will be forced to pay greater tribute for access to Berlin. Tribute in the form of harassment, difficulties, and delays. The encroachments on our rights will increase and slice by inevitable slice freedom will gradually disappear until one day a city which is now free will be lost to the forces of communism, without any issue ever appearing important enough for us to take a stand, without any Pearl Harbor to galvanize our action. And that is why it is so important that we stand firm now, at the beginning and before the slicing process commences. Certainly we should always be prepared to negotiate with the Soviet Union, on the modalities, on the details of occupation and access to Berlin. That is in keeping with our national policy.

But at the same time we can never negotiate on our fundamental rights in Berlin. We must make it firmly understood that our rights, our obligations, to live up to the treaty obligation that we accepted in regard to Berlin just as our rights and our obligations to freemen everywhere are not subject to negotiation nor are they subject to compromise. Our firmness, of course, will involve substantial risks. They will involve tremendous risks. But we must accept those risks and we must be prepared to do anything and everything that our stand implies. And the irony of this matter is that once the Soviets are convinced that we do mean business, that we will remain in Berlin at all costs, the risks of general war will diminish rather than increase for the Soviets are very well aware of our tremendous strength. They question only our willingness to use it. Our ability to convince our Communist adversaries that we are determined to stand fast will of course depend upon a great deal more than threats or statements of intent or any other kind of words. The credibility of our position will depend essentially on two factors. The first of these is the willingness of the people of the United States to acknowledge and to accept the possibility of a general nuclear war, the willingness to go all the way to win. Only after this decision has been reached and made abundantly clear both at home and abroad can the military decisions be made to handle the situation as it develops. But in times of peace and in times of very definite peril this willingness is very difficult to engender.

The pleasures of an easy summer, the comforts of a thriving economy can well obscure the seriousness of our times. And it is here in this area that you, gathered in this room, can make your most telling contributions to our national security, for it is you, the members of the press, who make our citizens aware of these issues, who can inspire our citizens again with the will to win. Without undue preoccupation with the military aspects, without belligerence or propaganda, without exaggeration or dramatic speculation, you can mobilize the opinions of 180 million people. You can point out the meaning of our commitment. You can discuss the pitfalls and the perils of those commitments, and with such enlightenment will come the individual and the national willingness that will give credence to our words.

Naturally, the credibility of our stand would be seriously impaired should we fail to support our national will with material things, with the military hardware to reenforce our determination to help make our resolution both effective and believable. And I think that's why in his speech last week President Kennedy, when he addressed himself to the problem of Berlin, also called for increased measures to strengthen our military forces, to give us the additional naval power, the additional ground forces and air support, to heighten readiness to prepare us more fully for whatever the future may bring, whether that future will continue to be an uneasy peace or a future darkened by limited or even a general nuclear war.

Knowing the tremendous strength of our military forces, I can assure you that they will be ready for any eventuality. These coming months, and perhaps years, will offer the supreme test of our concept of life, a concept based on the abilities of the sovereign individual, on disciplined individuals motivated by fundamental principles, individuals motivated by a sense of justice, by moderation, and by integrity.

We live in a free world, but we are confronted by a world of coercion, a world where men are disciplined by force, by terror, and by intimidation, and there is only one effective response to this challenge. We must provide our own form of discipline, the discipline that springs from within, self-discipline, and this is the only effective form of discipline possible in a democracy in our form of government, for discipline imposed from some other source by laws or by regulations can have only a limited effect in a democracy. Laws dictate what we should not do, but the vital issues of our time are not a question of what we should not do, but much more what we should do.

When President Kennedy said: "Ask not what your country can do for you, ask what you can do for your country," I believe that was a question to which we, deep down in our hearts, already knew the answers. If we want to preserve our society, we must practice the virtues that we preach. The ones that we praise. We must work harder to enlarge the advantages of free competition. As citizens we must be willing to compete with one another and with the rest of the world, and we must be determined that the United States will win that competition. We must have the will to win, and that's why as a nation we must try to excell. Every worker, every union member, every executive, and every student must reemphasize the high standards of performance that are the backbone of our national strength.

And with every act to improve ourselves and our Nation we must recognize that the very heart of any nation lies in its principles. These principles, our principles, must be the driving force behind our actions and a standard against which those actions are measured, for our principles, and particularly our willingness to stand up for them, made this Nation what it is today. And those same principles and that same willingness will preserve our Nation in the future.

I would like also to express another thought. And this I would like not to direct to Americans, but to those outside of this Nation. To those nations, to those people who may choose to stand with us and also to those nations and those people who may choose to stand against us. In the tragic aftermath of the Second World War, the United States expanded significant energy and resources for the cause of all mankind, with a compassion and understanding which was unique in history. We have aided both friend and foe alike to recover from the destruction brought on by war, and this included Russia. In the interest of dignity and welfare of man, we developed the Marshall plan and other measures to alleviate misery and to raise hope in areas where before there was only despair. We haven't always been successful.

Sometimes we have failed miserably, but we have tried. We have given freely and we have not asked much in return. But there is one thing that we will never give, either willingly or through coercion, and that is our freedom, or the freedom of those who ask for our help.

There have been other men in other eras who misconstrued the temper of our people. The last three wars were started by nations who did not realize that we would fight for our principles. They judged our efforts to promote peace as a sign of cowardice. They looked on our debates as a sign of division. They ridiculed our efforts to help others as do-goodism, which betrayed weakness, and to anyone in our present era who might be prompted to make the same fatal miscalculation, I would urgently suggest that he look to the past before he project himself into his fearful future. Two hundred years ago our forefathers, by recognizing the horrors of war, inevitability of death, understood that people must stand ready to fight for what is right. Despite the passage of time, despite the prosperity of our Nation, America has retained this fundamental conviction, and I am confident that they do stand ready to meet the challenges of the future, whatever they may be. I hope that other nations, other people, will also recognize this stand which Americans will make for their principles. Thank you, gentlemen.

The PRESIDING OFFICER. Thank you, Admiral Burke. We have more than an abundance of questions. We'll try to get through as many as we can, and the first question is a mere formality, we don't ask at all our luncheons, but at certain times it might be appropriate. I might as well clear the air right now. Did the White House clear your speech today?

Admiral BURKE. May I ask the other question? Who is "the White House"?

Question: "Was there anything new in the recent Russian naval show?"

Admiral BURKE. There were a lot of new statements, but there were not many new things that we saw. The Russians stated that they had nuclear-powered submarines with missiles, but they didn't show them. They did show some of their small craft—that's missile-launching small craft—which we had known about before. There wasn't very much new, except for one thing. Some slight fear on their part which made them want to match naval power. Some realization on their part that naval power is important and an effort to show that they would beat naval power with naval power. The Russians are advancing quite fast in naval power as in other areas. So far, they haven't been able to quite match us.

Question: "In your opinion do you consider it advisable that U.S. military leaders alert their men to the Communist challenge?"

Admiral BURKE. You know, it's marvelous the way some people can ask questions with a hooker in it like that. And could I make a flat and unequivocal statement? Yes.

Question: "Do you agree with those who say military officers are being muzzled? Do you feel they should be permitted to speak out on military policy matters?"

Admiral BURKE. I think he has some more like that. This question of muzzling is a very important thing for the Government. There are certain things which military men should not say. There are certain things which, if said, would do harm to the Government, and those things all men, those men in military uniform do not want to say. Once in a while they slip, or at least I slipped and said something perhaps that I shouldn't have said. But they don't want to say them. There is also the possibility of having negotiations about to take place just before or just after a military man makes a speech, and if he doesn't get his speeches cleared, he might make a statement which would do harm for his government. He doesn't want to do that so there is no objection to having speeches cleared. That's the theory and that's a correct theory. Now, as a private citizen, I do object sometimes to the interpretation that is put on by some of the people who have these instructions and they interpret them very liberally, and very peculiarly at times. But those things can be ironed out individually at the time. I do not think that the military are muzzled. I do think that the military have in the past and will in the future exercise very great restraint, self-imposed restraint, over what they say. The question is, How do you make sure that you're not going to say something that will do harm to your government, and what is harm to your government, and who determines that? That is always a most difficult thing to overcome, and it won't be overcome by any one group of people or at any one time, it's a continuing fight.

Question: "What is your view on so-called rightwing officers in the Pentagon, the national strategy seminar program, and Senator FULBRIGHT'S attack on both?"

Admiral BURKE. He printed it, too, I can't recognize the handwriting. Military officers should be neither right nor left. Military officers by virtue of their training are middle-of-the-road people. We're not blind, dumb, stupid, just to be told what we are to do whether it's by the whim of somebody else. We've served a lifetime, those who reach maturity in the service reach senior ranks, and we've seen a lot of people who fight for the things that we believe in and we know that rash action can cause serious consequences. So military officers should not be either too far right or too far left. When we came into the service, we swore an oath of allegiance. An oath of allegiance to the Constitution of the United States, to uphold the Constitution of the United States and those things which it stands for. We have sworn this oath many, many times throughout our career. And it starts to become—it always is very important—you start realizing just how important it is.

The security of the United States is the business of military people. They think about that a great deal. Now what constitutes security? One of the things, the most important thing that creates security of a country, is what's in the heart of the people of the country. What do you believe? What will you stand for? What will you do if you are pushed? Will you stand alone or will you succumb? A few years ago, while in the Korean war, we came to the full realization, I think, in the military services, that many of our recruits didn't stand for anything. They had no strong principles.

We found out, too, that those people who really believed in their religion, whatever their religion was, who believed in their country, who believed in their community, were not easily brainwashed. They didn't easily succumb to the Communist pressures, but those people who didn't have much of a religion, who didn't believe much in it, who didn't believe in patriotism, who didn't believe much in their community, who had no standards, could easily be shaken; and they would accept anything, for a temporary expedient, to get a cigarette. And we've had people who sold their shipmates for a cigarette. People have died for the pleasure, for the temporary pleasure, of a man.

And then we came to realize that there is a great deal that has been lacking in this country recently, and that's motivation. And the people who were coming into our service didn't have it as much as they should. They wanted to have it, but they didn't have it. And so we started teaching these youngsters that you have to have high standards, that you have to be able to do things for other people. You don't have to think of yourself. That you have to be willing to do a little bit more than your share to help somebody else a little bit more than is required. And it worked. The fact that we can send from one of the fleets thousands of men ashore, who are proud of being Americans, who uphold with dignity and honor the fact that they are Americans from the newest recruits to the more senior people is a wonderful thing to behold. These people believe in what this country stands for, and they really believe it. This is true of not only the Navy, I know the Navy—but it's also true of the other services.

This was important. We have to teach our recruits this to a large extent. And that's sort of late to teach people. Now, there is such a thing as going too far right and too far left, but there isn't such a thing as teaching too much patriotism or teaching too much of a belief in God or teaching too much of a high standard. You can't have low standards and have good people. You've got to have very high standards and you've got to have high principles. Now, the next part of this question is, Should military people speak out on military policy matters? Of course they should. Who else knows about military policy matters as much as the people who have been intimately connected with it.

If we should not, if we, the military, should not be able to speak, we shouldn't speak at all. Excuse me, they shouldn't be able to speak at all. They shouldn't be required to justify the things before Congress that they have to justify. But either the military people speak or they do not speak. They can't be turned off and on like a faucet. After you live, and if you live through a military career, you have certain convictions. Some of them may be wrong, but all people have those convictions. If you are not going to speak on those convictions at one time, you cannot speak on them at another. So either you've got to keep military people quiet completely and let somebody else justify all of the things that military people now have to justify, or else they must be permitted to speak their mind on matters which do not do harm to the country, on matters of military policy which they know about.

Question: "Do you believe that there is a likelihood of Gen. Maxwell Taylor becoming the de facto principal military adviser to the President, and if so isn't this a military—isn't this a violation of the National Security Act which makes the JCS the principal military adviser?"

Admiral BURKE. Sometimes I regret eating this very good lunch. Now General Taylor, I am sure, does not intend to replace the Joint Chiefs of Staff as being the principal military advisers to the President by law, by the nature of the business, by the fact that the Joint Chiefs of Staff know more about their services and more about military matters than anybody else. And I can say this with a deep feeling because 3 or 4 days makes a lot of difference in what a man knows.

They must be the principal military advisers to the President no matter what else happens. If they aren't, then the military advice that the President should have he will not receive. Now, I'm sure that General Taylor does not intend to replace the Joint Chiefs of Staff or he does not intend to become the de facto principal military adviser, because he realizes, I think, as much as anybody else, the impossible position which he is in if he attempts that. First, he doesn't have the knowledge at his disposal because a military chief, which I can say freely now, exhibits a great deal of knowledge which is mostly gathered by his staff. The people work very hard to make sure that their chief knows what he's talking about, and if he says something that is wrong, he soon hears about it from his own people. So that there is an organization behind the Chiefs which General Taylor or anybody else who doesn't have that organization cannot have. General Taylor knows this, General Taylor is there and will try to explain to give advice on those things which the Joint Chiefs of Staff should not be called upon to give advice—some military things, minor military things, the explanation of what do you mean by this peculiar language, what does this military thing, how does this thing, fit in with some other thing. But I am very positive that when something really important comes up that my good friend General Lemnitzer will be over to the White House to explain it, either good or bad.

Question: "Admiral, our clock is a little bit behind schedule, so you don't mind going another few seconds. After all you did say one time that the only person who ever got anything done by Friday was Robinson Crusoe. At this question, has the real facts about the May 17 attempted invasion at Cuba been given to the press, and to the public, if not, why not?"

Admiral BURKE. Well, I was very fortunate in being on General Taylor's committee to examine facts about Cuba. I was very fortunate in being a member of the Joint Chiefs of Staff when the Cuban business came about and I was very fortunate in being Chief of Naval Operations at that time. I know a lot about Cuba. I don't suppose that there is any operation that the press knows all the story.

There, particularly, any one member of the press, the group, General Taylor's group, has made an oral report to the President of what they considered to be the important things to be learned from the Cuban affair. That report was given to the President and I do not want to comment on details of the Cuban operation, but I would like to make one statement. That if I were living the Cuban affair over again and in the position in which I was in, the decisions which the Joint Chiefs of Staff made would probably be made again, the recommendations which they submitted would probably be essentially submitted again, but I would not at the same time want to say the Joint Chiefs of Staff were omnipotent, that they had all the answers and knew all the answers.

But the one thing that is very important in an operation, any operation, is that there be a complete and thorough understanding among the various people. This was a new administration, a new group, and it's very difficult to get a group of new people and a group of old people together and have a complete understanding of what you really mean by the words you speak. If I had it to do over again the one thing that I would do better would be to go into the more thorough explanation department and the more, and insist perhaps more than we did on what our recommendations meant. And if I have avoided that question I have been successful.

* * * * *

As long as there are differences of opinion in the Joint Chiefs of Staff, as long as people can say what they believe to be right, as long as they are willing to fight for what they believe to be right, as long as they are willing to accept it, this Republic of ours is in good shape. The day that we get all

people who conform to a single point of view, that day we are in very serious trouble.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. MUNDT. Mr. President, I yield myself 5 more minutes.

In conclusion, let me quote a few words by another distinguished leader in the field of American foreign policy, one for whom I also have an old, established affection. I quote the Senator from Arkansas, speaking in happier days. He said:

> If Mr. Khrushchev must reason, his country has come so far so fast, how much will it forge ahead of us in the future unless we greatly step up our pace in education, weapons, foreign aid, and foreign trade?

The Senator from Arkansas further said:

> Their Commander in Chief complains that "too many generals have all sorts of ideas." Yet mankind moves on ideas.

That was the Senator from Arkansas [Mr. FULBRIGHT] speaking in an era when a Republican sat in the White House, when there was a Republican Secretary of Defense, and before the era of peacetime censorship. Senator FULBRIGHT was then speaking at a time when we were led by men who had faith in the people and gave them all the facts which they needed to make up their minds. Senator FULBRIGHT said—and with this I agree:

> Yet mankind moves on ideas. Men with ideas are the makers and shakers of the world. The larger their number serving the country, the more fruitful and vigorous the country.

He then added:

> I have read many of the statements made by some of our great generals, several of whom I have just mentioned here, and they have persuaded me that they are correct.

Ah, let us return to those happy days of a year ago, when all of us, of all political faiths and convictions, were applauding the efforts, the attitudes, the statements, and the endeavors of the men in the military, instead of trying to censure them.

Then the same distinguished American and Senator from Arkansas [Mr. FULBRIGHT] added:

> The thing which is really distressing to me is that doubt is cast upon the motives of and upon the integrity of our leading businessmen and our leading generals.

I am certain he felt that way then; I am certain that in serious moments he feels that way now. We had better junk the memorandum; we had better abandon the peacetime office of censorship; we had better have an investigation, not to heap opprobrium upon any individual; but we should try to determine what should be our American policy on free speech in this hour of need. How far shall we go in trusting the people? How far shall we go in imparting knowledge and determining whether there is any need at all to muffle the men in uniform?

Mr. President, the concluding quotation from the Senator from Arkansas [Mr. FULBRIGHT] in 1960, in the era of Eisenhower, and speaking as a Democrat about the Republican willingness to let generals speak, is as follows:

> The thing which is really distressing to me is that doubt is cast upon the motives of and upon the integrity of our leading businessmen and our leading generals.

I have quoted that statement again, because I believe I know the Senator from Arkansas well enough to realize that he would rather be associated with that statement of 1960 than with those in his memorandum of 1961. He said:

> We are really in bad shape. It reminds me a little of the time when clergymen, professors, and many others were accused of being subversive.

Mr. President, where will one find that remarkable speech? It is in the CONGRESSIONAL RECORD. I ask the observers of the current scene and students of history and political science to read that earlier speech by Senator FULBRIGHT. It appears in the CONGRESSIONAL RECORD of March 5, 1960. There it is; there it will remain. That, I submit, is the kind of counsel to which we ought to return today.

Mr. THURMOND. Mr. President, will the distinguished Senator from South Dakota yield?

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. MUNDT. Mr. President, I yield myself 2 additional minutes; and I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I take this opportunity to congratulate the able and distinguished Senator from South Dakota for the address he has just delivered. It is one of the ablest addresses I have heard since I became a Member of the Senate. This address will be printed and distributed throughout the land. Every American ought to read it. The able Senator from South Dakota understands the aims, the objectives, and the workings of communism.

I feel that the distribution of this address throughout the country will go far toward enabling our citizens to understand the true workings of communism. Again I congratulate the distinguished Senator from South Dakota upon this excellent address.

Mr. MUNDT. I thank the distinguished Senator.

Mr. President, I yield myself 5 additional minutes. I did not know that what he has said was the purpose of the Senator from South Carolina in asking me to yield.

Stimulated by his hyperbole, however, I have had an idea. I do not get them very often; I have to take them when they arrive. Actually, however, I meant to include in my comments the fact that, in a way, the most serious disservice of the Fulbright memorandum, supplemented by a secret directive by the White House or the Pentagon, is that it tends to verify and validate by collective impact a fraud which the Communist Party has been trying to perpetrate upon the American public since it first came to this country, away back in the days of Ben Gitlow, when he was a Communist. The Communist Party has tried deliberately to plant in the minds of innocent Americans the concept that communism is a political philosophy; that communism is a political party; that the word "Communist" is a political term. Now we see it crop out in a senatorial debate, in newspaper comment, in this directive, and in official memorandums that there are others who believe that communism is, in fact, a political party or a political term. Nothing could be further from the truth. Let anyone who still believes that disabuse himself by reading the writing of Lenin, Marx, or Engles, or the writings of J. Edgar Hoover or Whittaker Chambers, in this country, or any of a host of others who know that the Communist Party is a conspiracy. It is a crime gang. It has no resemblance whatsoever to a political party or to a political philosophy.

By letting the implication go forth that the military should not talk about communism, because to do so is political, tends to build up and verify the fraud that the Communists have been trying to perpetrate for so long. To me, that is a great disservice. It surely serves to give aid and comfort to the enemy.

I read the Daily Worker, to which Senator THURMOND alluded and which contained my picture. The Communists earlier paid their respects to me in connection with the Mundt-Nixon bill. And for my work on the Hiss case. They placed a picket line in front of my home for 6 weeks. They made so many telephone calls to my home that it was necessary for me to disconnect my telephone. That does not concern me. I shall do what I can to help Americans to free themselves from the concept that communism has respectability; that communism is a political philosophy or a political party. Communism is not respectable, and it has no political function other than subversion. Communism is a conspiracy. It is a war. It is a crime gang. It is a mob activity. Communism is run by mobsters who have no political philosophy and no political conviction other than to dominate and domineer. Communism I say again is not a political party.

I do not like to see memorandums and censorship directives based on the concept that to talk about communism is bad because to do so carries some political implication. Communism does not have such political acceptance. Such an order does not make any more sense than if the Pentagon were to say in a memorandum to its officers, "You may not talk about Hades, because Hades has a political implication."

Let us keep the record clear. Communism is a bloody, godless, conspiracy operated by the Communists, who freely proclaim in their official documents that they are taught and trained to lie to capitalists. We wonder why we do not succeed in our negotiations and conferences. Our noble American representatives go to conferences with the Communists and talk for hours with the Communists. They say, "This is what Khrushchev said."

Khrushchev lied to them. Khrushchev is the fountainhead of communism. Communism teaches its adherents to lie to the teeth to non-Communists. That doctrine is in their documents; it is in

their writings. Let us get the facts from the record. Let no one be deceived into thinking that communism is a political party. Let us have no more official documents from the Senate or from the Pentagon which give the erroneous impression that to discuss communism and related subjects is to discuss politics. Rather such discussions are to identify and expose our enemy.

Actually, we are talking about a mental narcotic, a cancerous disease, a leperous libel, a conspiracy dedicated to the destruction of free men everywhere.

Mr. President, I yield back the remainder of my time.

BERLIN: DANGER OF AN INCIDENT

Mr. JAVITS. Mr. President, will the Senator from South Dakota yield 5 minutes to me?

Mr. MUNDT. I yield 5 minutes to the distinguished Senator from New York.

Mr. JAVITS. Mr. President, I shall be brief, but I feel that it is very important for me and for other Senators who feel as I do to say a few words about the present very dangerous situation in Berlin.

Mr. President, there is very grave danger of the occurrence on the border between West Berlin and East Berlin of an incident which would make all our desires and our hopes that this great crisis may somehow be surmounted, in the interest of world peace, come to naught, and would bring in its train a dreadful holocaust which none of us would have the power to control.

Mr. President, in view of what I have seen in the press, I believe it my duty to speak now in regard to this matter.

The anger and frustration of the people of West Berlin and West Germany are widely understood here, in the face of the cruel slamming shut of the door of the Communist prison in East Germany in such fashion that their fellow Germans, relatives, friends, and fellow employees on the western border of Berlin can literally see the door being slammed. Protest and resentment are expected. But incitement to violence, disorder, the use of force, or the expression of fear that the West will not honor its Berlin commitment is neither called for nor constructive.

The chanters and sign carriers of yesterday's West Berlin rally, so critical of the Western allies, had better reread President Kennedy's July 25 speech on Berlin and his message to the Congress which followed it by 1 day. Better yet, and more important, the whole German people had best have the speech and the message well in mind, for perhaps the hotheads cannot be restrained and their chanting and sign carrying will continue, but there will be no harm—as we know from our experience in a free society—if it does not catch on with the people generally.

The West has stood mightily by and has trusted the new Germany to be an integral part of a free Europe struggling for unity and seeking to preserve the security and freedom of the Atlantic community and the whole free world, and to perfect social justice and widespread well-being for all. In the President's address—and in it he made some very important commitments—he said as to West Berlin:

> But the freedom of that city is not negotiable.

He added:

> We seek peace—but we shall not surrender.

Finally he said—and this is most important:

> We do not want to fight, but we have fought before.

There is no question of knowing our commitments in West Berlin. The President made clear that—

> The solemn vow we each of us gave to West Berlin in time of peace will not be broken in time of danger.

He has been backed by the Nation, and his speech has already been implemented by the Congress with almost everything he requested in money and military strength. There is no division among the political parties in this country on that subject.

The risk of war over Berlin remains great and indeed, though we hesitate to use the awful words, the danger of nuclear war. Super powers like the United States and U.S.S.R. cannot bluff about such matters as Berlin. The Western World cannot forget that in this century, two World Wars, with an untold toll of misery and casualties, genocide and physical and moral destruction, started in central Europe.

The policy of the West is a specific commitment for the security of West Berlin and West Germany. Let this not be confused with our general obligations for the success of freedom generally as it relates to the Communist satellites in central Europe, including East Germany. In this country there is a deep feeling that the free world will not back down on Berlin, and that a solution must, and will, be found. Expressions of confidence by the rank and file of the German people are well deserved and can be very helpful, notwithstanding the very understandable anxieties of this hour, which certainly command sympathy here.

We, too, have had experience with the effect of a political campaign on a foreign-policy crisis, and we can testify to the self-discipline required of a nation in such circumstances. At this moment it is not only the most prudent course, but it takes even more strength to show self-restraint than to intervene directly in an area not under free world control, notwithstanding the clear violation of the four power agreements regarding it. I speak of East Berlin. This is a time to integrate and strengthen our resources and to cement western unity on the necessary measures.

There is a time to show self-restraint, though the provocation be great, and there is a time to fight. This is a time to show self-restraint. It is admittedly a difficult hour for the German people; but it is necessary to show self-restraint, and they have every reason to feel confident that 1961 is not 1936, that East Berlin is not the Rhineland, and that the free world has learned well the bitter lesson of Munich. It is a time when it would be very constructive for the German people and in this Chamber I have constantly befriended them, and I hope to continue to do so, and I hope they will always deserve it—to reciprocate a confidence which the West has had in them so often since 1945.

Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Washington Post of August 17, 1961.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BLUSTER AND BACKDOWN

Frustration over the cruelties and crudities imposed upon East Berlin by the Communists is altogether natural. The wish to retaliate against Messrs. Khrushchev and Ulbricht, like the impulse to biff Dr. Castro in the nose, is widespread in this country. There also are signs of it elsewhere.

In West Berlin and West Germany there has been much impatience with the seeming allied inaction in the face of the Communist defiance in closing the border to refugees. The matter has now become an issue in the German election campaign, with Dr. Adenauer and Mayor Brandt, indirectly involving the United States in the swats they trade with one another.

For several important reasons, this frustration cannot be permitted to govern the Western response. Some of the impetuous congressional reactions to incidents with Cuba look pretty silly in retrospect and ought to serve as a reminder. The practical fact is that, short of war, there is relatively little that the West can do about the border closing except to register a strong protest about the violation of freedom of travel in Berlin. The louder we talk about drastic and dramatic Western moves, the more we invite an anticlimax.

This is more than a matter involving German kinship and sentiment. An Allied response must be considered in terms of its effects upon Allied rights in Berlin and upon Soviet actions. As has been pointed out, many of the potential moves are two-edged swords.

To be sure, there are certain actions that the West German Government might take. The Communists are still sensitive on the issue of trade; and trade with East Germany might be embargoed—though at some risk of further embarrassment on Berlin. There are certain other actions that the Allies might take such as prohibiting travel by East Germans in the West or canceling Western exhibits at the Leipzig Fair—though these might appear to be mere fly swats.

Whatever the repression in East Germany, the border closing has had the effect so far of reducing some of the tension aroused by the flood of refugees. It is essential to make clear that the closing does not affect Allied legal rights in the slightest, but an ill-considered Western response could merely "escalate" the Berlin crisis. That might be a chance worth taking if it would free the people of East Germany and serve the Western purpose. The hope, however, is still to negotiate after the German elections a month hence. If there is to be a new episode to the Berlin crisis, we ought to go into it with our eyes open and not be dragged into it.

Finally, the human tragedy apart, the Communist action leaves the Soviet Union at a great propaganda disadvantage before the world. As few other things, it advertises the real nature of the hermit state as a "paradise" in which the inmates must be

restrained at gunpoint. In the absence of practical means of reopening the borders, this alone is a valuable lever for the West.

What this means is that all of us would be wise to keep our indignation to manageable proportions. The great danger of bluster in this situation is that it will seem empty and will create the impression that on the more sinister threat to West Berlin we are prepared to do no more ultimately than flail our hands.

Mr. JAVITS. Mr. President, I yield back the remainder of my time.

PROPOSED AID TO LATIN AMERICAN COUNTRIES

Mr. GOLDWATER. Mr. President, will the minority leader yield time to me?

Mr. DIRKSEN. I yield 5 minutes to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona is recognized for 5 minutes.

Mr. GOLDWATER. Mr. President, this morning there appeared in the Washington Post a very disturbing article in regard to what has been going on at Punta del Este, Uruguay. It is disturbing because this article is the first indication I have seen of the extent to which our Secretary Dillon has gone in connection with agreements affecting our country.

In a moment I shall request unanimous consent to have the article printed in the RECORD, but first I wish to refer briefly to it. It states that, among other things, it has been promised that the United States will work "to reform tax laws, demanding more from those who have most, punishing tax evasion severely, and redistributing the national income in order to benefit those who are most in need, while, at the same time, promoting savings and investment and reinvestment of capital," and from the article it also appears that our representatives pledged that—

The United States, for its part, pledges its efforts to supply financial and technical cooperation in order to achieve the aims of the alliance for progress. To this end the United States will provide a major part of the minimum $20 billion, principally in public funds, which Latin America will require over the next 10 years from all external sources in order to supplement its own efforts.

The United States will provide from public funds more than $1 billion during the 12 months which began on March 13, 1961, when the alliance for progress was announced, as an immediate contribution to the economic and social progress of Latin America.

The United States intends to furnish development loans on a long-term basis, where appropriate, running up to 50 years and at very low or zero rates of interest.

Mr. President, this is a very disturbing piece of news to have dropped in our laps at a time when we are talking about the largest foreign aid program ever suggested in the history of our country.

This article, published today in the Washington Post, indicates that the promises set forth in the article have been made at Punta del Este, Uruguay, by representatives of the United States, although such promises, if they are to be made, should properly be included in a document which would come to the Senate of the United States in the form of a treaty to which the Senate would either give its advice and consent or would fail to give its advice and consent. It is very disturbing to me to find that the administration would have the gall to suggest that the American people provide up to $20 billion in addition to the untold billions of dollars they are already being asked to provide for very questionable purposes.

Mr. President, I now ask unanimous consent to have printed at this point in the RECORD the article entitled "Latin Aid Plan, Charter Due To Be Signed Today," and the article entitled "Economic Conference Statement," both of which appear today in the Washington Post.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

LATIN AID PLAN, CHARTER DUE TO BE SIGNED TODAY

(By Roman Jimenez)

PUNTA DEL ESTE, URUGUAY, August 16.—The United States and 19 Latin American nations tonight approved the proclamation officially launching President Kennedy's alliance for progress program. Cuba hailed the inter-American conference as opening the door for what it called hemispheric peaceful coexistence, but said it will refuse to sign the proclamation.

Ernesto (Che) Guevara, Cuba's economic boss and chief delegate to the Inter-American Economic and Social Conference, was the first to speak after the plenary session approved the proclamation. Guevara abstained in the voting.

The proclamation contains two master documents opening a $20-billion program to narrow the gap between high and low living standards of American nations and to bring about widespread economic reforms.

One, a "Declaration of the People of America," approved Mr. Kennedy's ambitious economic program and calls for "a vast effort to bring a better life to all the peoples of the continent."

A companion document "The Charter of Punta del Este," outlined the needs of the Latin American nations and prescribed measures to remedy the hemisphere's economic sickness.

The Inter-American Economic Conference will end Thursday with the signing of the documents by delegates of the 21 nations attending. Cuba was seen as the only holdout.

Ernesto (Che) Guevara, Cuban delegate, demanded to know whether the United States would include Cuba in the program. His demand was ignored.

Delegates also gave a cold shoulder to a Guevara proposal to open the program to Communist technicians—experts from all over the world.

He also proposed that a promise to promote all sectors of a nation's economy be substituted for a pledge to stimulate private activity.

The amendment failed after the U.S. delegate, Treasury Secretary C. Douglas Dillon, warned that it would be hard for the American public to understand a change which eliminated stimulation of private enterprise.

ECONOMIC CONFERENCE STATEMENT

PUNTA DEL ESTE, URUGUAY, AUGUST 16.—The English text of the Declaration to the Peoples of America to be signed Thursday by the Inter-American Economic Conference:

"Assembled in Punta del Este, inspired by the lofty principles of the Charter of the Organization of American States, by Operation Pan America and the Act of Bogotá, representatives of the American Republics hereby agree to establish the Alliance for Progress: A vast effort to bring a better life to all the peoples of the continent.

"This alliance is founded on the principles that free men working through the institutions of representative democracy can best satisfy man's desires, among other goals, for work, home and land, health and schools. The only system which guarantees true progress is one which provides the basis for reaffirming the dignity of the individual which is the foundation of our civilization.

"Therefore, the countries signing this declaration in the exercise of their sovereignty have agreed to work toward the following goals during the coming years:

"To improve and strengthen democratic institutions through application of the principle of self-determination by the people.

"To accelerate economic and social development to bring about a substantial and steady increase in the average income as quickly as possible so as to narrow the gap between the standard of living in Latin American countries and that enjoyed in the industrialized countries.

"To carry out housing programs both in the city and in the country in order to provide decent homes for the American peoples.

"To encourage, in accordance with the characteristics of each country, programs of integral agrarian reform leading to the effective transformation, where required, of unjust structures and systems of land tenure and use; with a view to replacing latifundia and dwarf holdings by an equitable system of property so that, supplemented by timely and adequate credit, technical assistance and improved marketing arrangements, the land will become for the man who works it: the basis of his economic stability, the foundation of his increasing welfare, the guarantee of his freedom and dignity.

"To wipe out illiteracy; to extend the benefits of primary education to all Latin Americans; and to provide broader facilities, on a vast scale, for secondary and technical training and for higher education.

"To press forward with programs of health and sanitation in order to prevent sickness, fight epidemics, and strengthen our human potential.

"To assure to workers fair wages and satisfactory working conditions; to establish effective systems of labor-management relations and procedures for consultation and cooperation among Government authorities, employers' associations, and trade unions in the interest of social and economic development.

"To reform tax laws, demanding more from those who have most, punishing tax evasion severely, and redistributing the national income in order to benefit those who are most in need, while, at the same time, promoting savings and investment and reinvestment of capital.

"To maintain monetary and fiscal policies which, while avoiding the intoxication of inflation or the mire of deflation, will protect the purchasing power of the many, guarantee where possible price stability, and form an adequate basis for economic development.

"To stimulate private enterprise in order to encourage the development of Latin American economies at a rate which will help them to provide jobs for the growing populations, to eliminate unemployment, and to take their place among the modern industrialized nations of the world.

"To find a rapid and lasting solution to the grave problem created by excessive price fluctuations in the basic exports of Latin American countries on which their prosperity so heavily depends.

"To accelerate the integration of Latin America so as to stimulate the economic and social development of the continent. This process has already begun through the Treaty of Economic Integration of Central America and, in other countries, through the Latin America Free Trade Association.

"This declaration expresses the conviction of the nations of Latin America that these profound economic, social, and cultural changes can come about only through the self-help efforts of each country. Nonetheless, in order to achieve the goals which have been established with the necessary speed, it is indispensable that domestic efforts be reinforced by essential external assistance.

"The United States, for its part, pledges its efforts to supply financial and technical cooperation in order to achieve the aims of the Alliance for Progress. To this end the United States will provide a major part of the minimum $20 billion, principally in public funds, which Latin America will require over the next 10 years from all external sources in order to supplement its own efforts.

"The United States will provide from public funds more than $1 billion during the 12 months which began on March 13, 1961, when the Alliance for Progress was announced, as an immediate contribution to the economic and social progress of Latin America.

"The United States intends to furnish development loans on a long-term basis, where appropriate, running up to 50 years and at very low or zero rates of interest.

"For their part, the countries of Latin America agree to devote a rapidly increasing share of their own resources to economic and social development, and to make the reforms necessary to assure that all share fully in the fruits of the alliance for progress.

"The countries of Latin America will formulate comprehensive and well-conceived national programs for the development of their own economies as the contribution of each one of them to the alliance for progress.

"Independent and highly qualified experts will be made available to Latin American countries in order to assist in formulating and examining national development plans.

"Conscious of the paramount importance of this declaration, the signatory countries declare that the inter-American system is now entering a new phase, where to its institutional, legal, cultural, and social accomplishments will be added, under freedom and democracy, immediate and tangible measures to secure a better life for the present and future generations of this hemisphere.

"The ideas reflected in this declaration point to the magnitude of the content of the approved resolutions, the texts of which constitute the only source that can be referred to in applying the concepts which comprise the establishment of an alliance for progress."

Mr. GOLDWATER. Mr. President, I also ask unanimous consent to have printed in the RECORD a translation of a news article appearing in a Venezuela paper, Universal, written by an economist of that country, Francisco Pereira. The article was translated by William Springer, of the Library of Congress.

I urge my colleagues to read the article. It shows why we are foolish in sending money to Latin America when investment capital is frightened and leaving Latin America in an amount about twice the quantity we intend to shovel out to those countries.

There being no objection, the translation was ordered to be printed in the RECORD, as follows:

ECONOMIC RESTLESSNESS

(Translation from Spanish to English by William Springer)

It has taken only 3 years for the Venezuelan economy, considered all over the world as one of the most solid in South America, to have traveled the road of malaise and enter upon economic collapse which we are all aware of. Some think that the so-called debt of the dictatorship is the main reason for this collapse. But actually this debt has not had any decisive influence on the current income of the treasury. As a matter of fact, the new debt exceeds the debt of the dictatorship paid up to now, as may be seen from the following:

Leaving aside the 2,870 million bolivares estimate as the total amount of the dictatorship's debt made by the comptroller's office, and also the Bs4 billion estimate made by the Ministry of Economy, and taking Bs4,300 million, the highest estimate, and supposing all the outstanding debts of fiscal 1960–61 have been paid, the only unpaid ones are the following:

Charged to the budget of 1961–62	Bs240,000,000.00
Charged to the budget of 1962–63	231,000,000.00
Charged to the budget of 1963–64	87,686,867.71
Total	558,586,867.71

Subtracting this last amount from the total of Bs4,300 million we have Bs3,741,413,132.29 as the amount actually paid.

But since Bs2,400 million already in the National Treasury (Tesoro National) at the beginning of 1958 were used to pay these debts, the difference of Bs1,341,413,132.29 is the amount that actually affected the National Treasury (Fisco).

At any rate, from April 1960 until January 1961 the public debt rose to Bs1,479 million (Bs667 million in the loan of $200,000 and $812 million in Treasury notes), so it can be seen that these new debts exceed the Bs1,341,431,132.29 given above; and so in reality, the National Treasury has merely substituted one debt for another.

If it is admitted that 2,870 million is the total debt of the dictatorship, as stipulated by the National Comptroller's Office, (a difference of 1,430 million from the 4,300 million which was the basis for our estimates) it would mean that the National Treasury had needed Bs1,430,000 less, and would mean an equivalent increase in the indebtedness of the nation since 1958.

This appraisal has not taken into account the new outstanding debts with contractors and individuals, which are important, nor those of the Autonomous Institutes (IAN?), which is about to issue Bs400 million; CVF, LAV, railroads, etc., nor their indorsements, nor does it include the Bs166,750,000 and Bs565,679,562.50 loans authorized by Congress in the process of being obtained.

If this series of debts which has been incurred and others which are being negotiated were accompanied by a proportional increase in the national product, the relation between debts and production would not have changed, meaning that the national economy could bear them, but since such is not the case, the government as well as the people are saddled with the heaviest debts in their history.

What has been the main cause of this serious economic crisis? Doubtless, and in the first place to the deficit in the national budget during the 3 years of civil war 1958, 1959, 1960.

As the most elementary treaties on economics teach, and as we have been told time and again by many economists, industrial and commercial associations, bankers, etc., deficit spending of the budget, that is appropriations exceeding the regular income of the Treasury, has led, as it was inevitable that it should, to the devaluation of our currency, which we are all aware of and which has required the control of exchange.

In an article published on this subject, JLP predicted this situation in El Universal (Feb. 19 and 25, 1960, under the title "The True Economy of Venezuela") and made an appeal to "those responsible for the drafting, approval, and execution of the budget," to "dedicate themselves to secure above everything else, a balance in the current budget and future ones; to prevent the consequences which we have already pointed out." The author's reference here was to scarcity of foreign exchange, to credit restrictions, economic malaise, etc. He foresaw also the loans which we have been obliged to contract, not for extraordinary and productive works, but purely and simply to alternate the staggering deficit of the ordinary budget. This was the purpose of the $200 million loan contracted in the first part of 1960. At the same time an appeal was made to increase the productive capacity of the country, and to activate the potential resources of the nation.

The uncertainty which this deficit spending produced in those who understood economic theory, combined with other measures which have gradually been adopted, such as the repudiation of state debts, the raise in salaries of Government employees to try the false theory of increasing buying power, practically doubling tax, the unrestrained increase of custom's duties on so-called luxuries, the rent control law, the modifications of the laws governing the Central Bank and other banks; all of these factors aroused diffidence in private businessmen and provoked a frank trend to withdraw invested capital.

At the beginning of 1958 there was already an enormous inflation in credit of foreign origin, invested primarily in construction, which caused increasing ability to pay and considerable quantities of capital to circulate through our economy, which was a tonic as long as it lasted. But this very abundance of credit, carried with it the beginnings of all the difficulties which the country was to face somewhat later, but with extreme intensity and seriousness in the construction business, the main beneficiary of these credits.

The first wave of inflation brought on by the salary increases of 1958, by the increase in income tax, with its repercussions on the exploratory activities of the petroleum industry, by protection of certain industries (many of them artificial), produced the impression that the national prices would rise higher than world market prices, and that the difference would slowly but surely, reduce the liquid capital of our commercial balance, but that this loss, at least at the beginning would not put our currency in difficulty, thanks to the enormous international reserves which we had at our disposal in 1958, amounting to 4,493 million at the beginning of that year.

And thus, for economic, political, and social reasons foreign capital gradually returned to its country of origin and national capital went right along with it.

Already at the end of 1959, the value of our money suddenly seemed overvalued. Attention was now turned less to the importance of our metal cover (gleam?) and more was being given to the amount of public costs which was absorbing 31 percent of the national income.

Under these conditions, the payment of the state's contractual commitments could not be taken entirely from the national income, and as the reserves in the treasury were practically the equivalent of only 2

weeks of state appropriations, we had to have recourse not only to ordinary income, but also to national capital, and this in turn was translated into a violent increase in the type of interest.

This was no obstacle to the flight of capital, for the owners were not so much interested in the high interest that they could earn here, as in keeping it intact.

Then, on the heels of the investment and credit frenzy, there followed a brusque contraction of credit and investment.

But let us go on to analyze the principal measure imposed, leading up to this mistrust on the part of owners of our own national capital and owners of foreign capital.

Emergency plan: This has been one of the main causes of public funds being squandered. There are no statistics to determine the exact amount wasted because of this plan, but it can be estimated at the very least as Bs1 billion, and it may be closer to Bs2 billion. This is the amount which has, shall we say, evaporated in this manner. Let us recall that the offer to give work to anyone who wanted it, at a minimum daily wage, caused hundreds of thousands of persons to leave their work in the fields to the serious detriment of agriculture and livestock, and come to the capital and the main cities of the Republic. Harvests of sugarcane, coffee, and less important products etc., were lost for lack of hands. Moreover, this emergency plan personnel not only did not work for the benefit of all, but a large proportion did nothing but go to work on payday for the handout. Thus idle pay was established striking the country in two ways. It not only placed an unjustifiable burden on the national budget, and consequently on the taxpayer, but this personnel was taken away from other activities, where it would have been truly productive, and would contribute to the development of the national economy.

Unfortunately this plan and this evil still exist under other names, and has invaded not only the ministry of public works, but also the autonomous institutes, the states, the municipalities, even private firms, like the telephone company, the city transportation institute (which has said that it does not need even half of its personnel). The taxpayer's money is thus being used in effect to strangle its production, its activities—it is practically suicide.

In this respect, it should be observed that the number of Government employees has risen from a little over 30,000 in 1957 to 125,681 in 1960, with a payroll amounting to a total of Bs1,603,481,500. Moreover, the number of "capataces [slang] and workers" in the employ of the country came to 76,356 in 1960 with an annual payroll of Bs577,793,800. This means an astounding total of 202,037 persons at an annual cost of Bs2,181,275,300 without counting payments for vacations, social loans, etc. In 1957, the appropriations for paying Government employees was estimated at Bs821 million.

The rise in expenses for Government personnel has been so frightful that the Government of the Federal District alone had 16,395 employees last year with a total annual payroll estimated at approximately Bs200 million per year, plus "capataces [?] and workers" costing Bs41,856,000 or a total of almost Bs224,000,000 a year. It should be further observed that the agency had a budget of Bs190 million in 1957 for wages, municipal works, and expenses of all kinds.

If it is kept in mind that the number of employees of the regional government is estimated at 40,000 with an annual cost of more than Bs480 million, the total number of Federal and regional government employees may be placed at 319,937, with an annual payroll of Bs3,313,759,400. This represents one-sixth of the national income, and means that out of every six barrels of oil, sacks of coffee or cocoa, or kilograms of any article produced in Venezuela, one is devoured by the bureaucracy.

We ask ourselves now, is it reasonable and can the country bear it without being seriously affected to have the bureaucracy appropriate a sum which exceeds the total budget of Peru and Mexico, and is almost twice that of Spain or of Switzerland?

Repudiation of state debts: Without doubt the main occupation [sic] of the state is to honor its payments. But yet, there was a case where the state repudiated the long-term loans which it had incurred for construction when financing of this construction had been executed in foreign installments. Public credit thus suffered a severe blow, especially in the foreign credit markets, for not even construction contracts, which had been finished and contracted for by bid, were respected.

This has had repercussions on the rise in construction costs which have to be paid with state bonds.

Public expense budgets of 1958–59 and succeeding fiscal years: The budget for fiscal 1958–59 which was fixed at Bs5,818,400,000 was the main reason for the lack of trust in the stability of the Venezuelan currency, for the previous budget had been only Bs2,800 million, or Bs3,018,400,000 less than the 1958–59 budget.

The current rate of public expenditure, or rather, the relation between the entire current public expenditure and the national income rose from 13 percent to 31 percent, for the national income it rose from Bs18,279 million in 1958 to only Bs18,689 million in 1959, or a mere 2.2 percent, while the public expenditure rose 107 percent. This prodigious increase in the ordinary national expenditure means that out of every three barrels of oil or sacks of coffee or cocoa, or kilograms of every article produced in Venezuela, one must be used to cover the appropriations of every kind in the nation.

In comparison it should be pointed out that the rate of public expenditure in the United States is 17 percent.

All the ministries, with the exception of that of economy, shared in this prodigious increase. It was the beginning of the bloated bureaucracy which today weighs so heavily on the nation.

Remember that the budget deficit in 1958 reached the outrageous sum of Bs1,547 million and that in 1959 there was also a substantial deficit amounting to Bs869 million. These high deficits in the budget are the main reasons for the economic malaise which we are suffering from, in the diminution of international reserves and bank deposits, and in credit restrictions.

Already during the budget for fiscal 1959–60 it was seen that such an excessive budget had to be reduced, and it was lowered to Bs5,068,900.

Because of the enormous outlay induced by the rise in the number of Government employees and their increased wages, the 1959–60 budget demanded a radical change in the Government economic policy which had been established in Venezuela for many years—to step up the economy by construction through the Ministry of Public Works. In 1959–60, in order to effect an apparent balanced budget, the appropriation for the Ministry of Public Works was reduced from Bs2,006,492,082 of the previous fiscal year to only 1,012,308,409, and this situation was aggravated by the high, fixed charges caused by the increase in Government personnel and the raise in their wages.

How could the national economy not suffer from such a tremendous reduction of the national public works budget, which meant a reduction in appropriations for construction from Bs1,245,400,000 in 1958–59 to only Bs573 million in 1959–60?

The effect of this change in policy was already being felt toward the end of 1959, and especially in the first half of 1960, when the crisis became more obvious.

Income tax increase in 1958: Although the deficit spending, to which we referred above, produced a deficit in the 1958 budget of Bs1,547 million as we said before, and aroused great diffidence in the future of our currency among investors, hope persisted among some of them that it would be a passing phenomenon.

Instead, the increase in income tax in December 1958 and made retroactive for the whole year was considered an extremely heavy burden to put on the national economy, for, from then on, and on a permanent basis, the income tax rates were practically doubled.

At first the consequences of this provision were not realized, especially the effect it would have on private industry. Nor did it occur to them that in the long run the borrower has to pay the taxes, and therefore the increase in income tax would fall, later perhaps but very surely on private industry. The outcome was that the burden of this tax increase left little possibility of adequately compensating new capital required for industry, or even that already invested in it.

Let us make a brief analysis of the development of the primary industries of the country.

Let us begin with the petroleum industry.

The increase in taxes on this industry had international repercussions. It changed the traditional and universally accepted system of dividing the profits of the petroleum industry from a basis of 50 percent for the state and 50 percent for the industry, to a new proportion of about 70 percent for the state and 30 percent for the companies.

It has been alleged that the reduction of petroleum exploration in Venezuela diminished primarily because of our policy, hoped for and practiced since 1958, of not granting greater concessions. But the fact of the matter is that with the increase in income tax, the average return on invested capital in the petroleum industry went from 17 percent in 1956 down to 13.1 percent in 1959 and to 11 percent in 1960, while it held steady or even increased in other countries, especially in the Middle East. So, from the beginning of 1959, immediately after the promulgation of the decree law by which income tax was practically doubled, activity in this industry dwindled considerably, as may be seen from the following figures:

Number of crew months in operation

Year	Surface geology	Seismograph	Crew-months of drilling
1956	120	217	240
1957	114	306	372
1958	118	260	348
1959	76	85	240
1960	35	10	144

It may be seen that in 1959 a violent recession in exploratory operations set in, and in 1960 only 30 percent as much surface geology exploration was done as in 1957, 38 percent as much drilling, and only 3 percent as much seismographic exploration, which were undoubtedly suspended after June 1960. This is a truly alarming situation, for the effects of that cessation will have repercussions on production, not immediately, but within the next 5 or 10 years, for the petroleum industry always operates with a maximum anticipation of a decade with respect to the time of production.

This recession in 1959 had repercussions in a brusque and sensitive drop in the increase of our petroleum reserves of that year. Until then they had been growing at a higher rate than production itself, since

the new discoveries had represented—190 percent the amount of the year's production in 1955, 174 percent in 1956, 157 percent in 1957, 126 percent in 1958, and finally 7 percent in 1959. In other words, the new discoveries and developments until 1958 had not only replenished the year's production, but increased the reserves of the previous year. But in 1959 the increase in petroleum reserves was only 75 million barrels, while it had been 1,208 million barrels in 1958, and more than 1,500 million in previous years, as may be seen in the figures which follow, and where it should be noted that the percentage of growth in the Middle East reach 238 percent of the annual production in 1959, and in north Africa it was 803 percent, making a world average of 162 percent.

[In millions of bolívares]

Country	Year	Annual production	Reserves at the end of year	Increase in reserves during the year	
				Quantity	Percentage
Venezuela	1955	788	12.448	1.498	190
Do	1956	900	14.017	1.568	174
Do	1957	1.016	15.615	1.598	157
Do	1958	952	16.800	1.208	126
Do	1959	1.011	16.875	75	7
Middle East	1959	1.679	157.946	4.000	238
North Africa	1959	31	5.109	2.500	803
Russia	1959	919	23.000	1.000	109
United States	1959	2.575	31.719	1.000	38
Other countries	1959	894	21.239	2.930	328
Total	1959	7.109	255.886	11.505	162

NOTE.—It is estimated that new discoveries and developments must be 140 percent of the annual production in order to conserve and develop the production of a country.

On the other hand, it should be noted that to the daily increase of 1,482,000 barrels in world production of petroleum in 1959, Venezuela only contributed 179,000 barrels, while the Middle East contributed 334,000 barrels, Eastern Europe, Russia, and China 334,000 barrels and Canada 55,000 barrels. But in 1960, while Venezuela raised its daily production by only 87,000 barrels (3 percent increase) the Middle East raised it by 656,000 barrels a day (almost 12 percent), reaching a record production level of 5,313,000 barrels a day. The daily increases in Kuwait was 152,000 barrels a day (almost 14 percent), Iraq 115,000 barrels (more than 13 percent) and Iran 126,000 barrels (almost 14 percent), all higher figures than those for Venezuela.

On the other hand, the increase of 57,000 barrels of daily production in Argentina almost equaled that of the 87,000 barrels in Venezuela and those of the Sahara and Russia with 153,000 barrels and 383,000 barrels respectively, exceeded it.

Thus since 1959, Venezuela was replaced by Russia as the second world producer, and in the 2,994,000 barrels a day increase in world production in the years from 1959 and 1960, we have contributed only 250,000 barrels, while the Middle East alone contributed 985,000 barrels and Russia 742,000 barrels.

The Middle East, which today is the most important petroleum exporting area with a daily production of 5,313,000 barrels, keeps up a high rate of development of its petroleum resources. In 1960, it increased in production by 14 percent, against less than 3 percent in Venezuela for the same year.

It should be noted that for many years the Middle East production of oil barely exceeded that of Central and South America, led by Venezuela. Thus, in 1957 the daily production was 3,590,000 and 3,218,000 barrels a day respectively. But since the beginning of 1958 the Middle East production took on an extraordinary increase and reached a 5,313,000 barrel a day production in 1960 (an increase of 1,723,000 barrels a day or a 48-percent increase), while that of Central and South America rose only to 3,481,000 (an increase of 262,000 barrels a day or 8 percent). Venezuela increased its production by 77,000 barrels a day during this period, going from 2,786,000 in 1957 to 2,863,000 in 1960.

If this is what happened to production, it was inevitable that the position of our oil in the world market should go down, and as a matter of fact, the participation of Venezuela in the international market went down 35 to 30 percent between 1955 and 1959, while that of the Middle East retained its position going from 58 percent to 58.5 percent of the total oil business, but registered an increase of 38 percent in the volume exported, taking up primarily the important increases in consumption of the European countries and capturing markets which will be very difficult to acquire later on.

Finally, the net investments in the oil industry which had been growing swiftly each year from 1955, practically leveled off in 1959 as may be seen from the following figures:

In 1955, 5,648 million; 1956, 7,023 million; 1957, 9,001 million; 1958, 9,651 million; 1959, 9,720 million [preliminary data].

But in 1960 for the first time we see a reduction in oil investment in the country which amounted to Bs683 million. This state of affairs will certainly be repeated in 1961 and in the following years, unless exploratory activities are resumed.

In 1959, the increase in petroleum investment in the country was almost Bs70 million, while increases of Bs450 million to over Bs2 billion a year had been common.

These figures prove a correlation between the new investments of international companies and returns obtained in various countries, investments being made, as is logical, where the return was greater. It is natural for the Middle East, splitting dividends between state and companies on a 50–50 basis, develop more rapidly than Venezuela where the state takes almost 70 percent and leaves only 30 percent for the companies. This circumstance alone means a 66.66 percent [sic] greater return on a new investment outside Venezuela, where benefits are divided equally, without taking into consideration further advantages deriving from lower costs.

This easily explains why more than 100 million barrels are expected to be produced in the Sahara this year, against 66 million in 1960, as well as the beginning of production at the end of the year by the Standard affiliate in Liberia, where, moreover, it is said that Gulf has found a very rich oilfield, and Shell, and other companies are engaged in exploration, and the enormous concession acquired recently by Shell on the whole coast of Kuwait, where work is already underway to develop that potential wealth. It also explains the exportation of teams from Venezuela to the Middle East, Argentina, and Brazil. In the last two mentioned countries three and two times as many drilling teams respectively are working as in this country, although their production was 175,000 and 81,000 barrels, respectively, in 1960, against 2,863,000 barrels in Venezuela for the same year, or 6 and 3 percent, respectively, of our production.

As may be seen, oil is no longer the scarce raw material of former times, but rather, thanks to modern technology it is appearing in many new countries (it was just discovered that Spain, too, is resting on a lake of oil, and that its gas deposits are also of great value).

The conservation of oil in the earth for future sale on international markets raises a number of questions, especially when we see a company being formed, as it is, whose purpose is to supply petroleum products, including gas, to the countries of the European Common Market and other neighboring countries, which will probably require the construction of one or two costly oil pipelines under the sea between Gibraltar and Sicily, but whose amortization over a long period of time, will permit very low operating costs.

Keeping our principal export product, which is vital to our economic development, in the ground and at a distance from the centers of consumption, reminds us that the same thing can happen here as did in Great Britain with its famous coal. There it lies in Cardiff, competing in its own land with an imported source of energy.

In a word, this is a case of deficient income return in the international market, which will surely affect the future of the country.

It is said that the reduction in investments in 1959 in the oil industry also occurred in the iror. industry, but there is a certain amount of justification for that inasmuch as the investment of capital to develop an iron enterprise is made at a single stroke and the investment necessarily goes down year by year through the corresponding amortization.

As for other industries, the fact that income tax was nearly doubled means that in 1958 the securing of new capital for investment in industry is hampered by the need to increase the profit rate in sales, so that after the necessary income taxes are paid, the company will still derive sufficient profit to justify its efforts, considering current interest in the money market. In other words:

A company which must pay 45 percent income tax as established by law must make a 20 percent profit on its capital investment, if it intends to pay its stockholders a 9.9 percent dividend—45 percent of 20 is 9, leaving a profit margin of 11.

If we subtract the legal reserve [?] etc. of 10 percent (1.1), we have 9.9 percent to distribute to the stockholders.

This naturally leads to a rise in prices, and therefore, to a rise in the cost of living, which becomes an inflationary spiral.

The law on rent regulation. The most impressive case of insufficient return on capital investment in the internal market of the country is in the construction industry, which is sinking into the deepest morass that it has known in late years. This industry has the highest number of unemployed, in spite of the fact that important technological advances have been introduced, but it suffers, doubtless, from the increase in the rate of interest and from reductions of up to 25 percent on leases which penalize living quarters, while other less necessary articles have not been burdened with special taxes, but on the contrary, have had the benefit of significant incentives.

The important reductions in the regulatory prices contributed without doubt to slow down the urban construction industry further, which was already depressed.

As a consequence of the exceptional legislation aimed against construction, the country has begun a program of "using without amortizing."

In effect the law controlling rent specifies a maximum charge of 12 percent of the value of a multifamily apartment building.

Now it should be realized that an unfurnished apartment of that type has the following expenses:

(a) Administration costs, taxes, water, urban sanitation, elevator, etc., paint and repairs: 2.5 percent.

(b) Depreciation of the building, for a period of over 20 years, represents 60 percent, etc.: 3 percent.

Total: 5.5 percent.

Before paying income tax (form and complementary), this leaves only 6.5 percent for the owner. And often because he does not realize the amortization, he erroneously considers the difference between the income from rent and the expense in administration as the net profit. Thus, inadvertently, he consumes part of his capital investment each year, and contributes to the reduction of capital.

To appreciate the depressed condition of private construction companies since the first of August 1960, the day on which the rent control law was promulgated, it will be enough to list the figures on the metropolitan area of Caracas:

Year	Number of construction permits	Construction	
		M2 (?)	Value in thousands of bolivares
1959	448	392.024	123.443
1960	415	305.813	89.866
1961	147	129.078	66.983

On this basis, the annual value of construction, which in 1959 was almost Bs500 million, was reduced by almost half. Does the state propose to supply the difference in order to reestablish activity at least to the 1959 level? Or would it be better to let the individuals do it, by correcting and modifying the new provisions which initiated the recession?

Increase in import duties on so-called luxury items: At the end of 1959 prohibitive import duties were placed on wine, whisky, cognac, and sweet liqueurs, etc. The practical result of this measure has been the disappearance of imports from the customshouses of the Republic, with a decrease of almost Bs200 million per year in revenue, which is being felt today. On the other hand, smuggling in unsuspected forms has grown to such an extent in whisky alone that the monthly exports from Aruba [1] have increased since then by almost 9,000 cases.

It is not merely a question of prejudicing the revenue by lowering it more than can be expected to be made up for by a reduction in government employee's salaries; but it is also a question of the increasing corruption it is causing, reminding us of the consequences of the dry laws in the United States of America. And this [is happening?] without obtaining the original purpose of the measure which was not to import those so-called luxury items, or to collect large sums of import duties. We might mention that most countries allow these articles to be brought in at a relatively low cost, for merely fiscal reasons.

Modification of the Central Bank of Venezuela, and general bank laws: These laws were modified primarily to allow our issuing institution to negotiate and acquire state securities. We thus have a new inflation prospect, which can be provocated if our issuing bank absorbs, directly or indirectly, through commercial and official banks, state bonds at supposedly competitive prices, but by means of slight modifications of the law, will allow the gradual raising of the amount without limits.

It is clear that the nation cannot go into debt indefinitely, and put fictitious revenue into circulation; and that from reducing or arresting that indebtedness, for whatever reason, a crisis of transition from an artificial partial balance, to a more spontaneous one will arise.

It is needless to remark that the consequences of such an inflation would be translated into successive devaluations of our currency.

Agrarian reform: Although the law, as it has been conceived, seems a good thing for the country, yet its practical application (in the matter of expropriation of estates), (by inverting the priority of expropriations, beginning with those that are in full production and not touching those that are not being cultivated) is turning into a serious threat to the future agriculture and livestock of the country, not only for the agricultural debt, which is being increased, but mainly because of interference with rural properties [invasion de fundas] for the sole purpose of reaping the next harvest, and then abandoning these to interfere with others for the same purpose. Thus reduction in investment is also being fostered in agriculture and livestock, which will have ill effects on the food supply of the Venezuelan people.

It is useless to recall that a large part of the Bs500 million which evaporated in some official institute, was due to the fact that credits intended for seeding at the time of signing, were used instead to purchase imported goods, from jeeps, to refrigerators and other things, even foreign food products.

GENERAL CONSIDERATIONS

The progressive disintegration of the national economy which has been going on for the last 3 years, can be divided into three stages, namely:

First. This stage began with the deficit spending which for reasons we have mentioned above, caused a depression of the worth of chattels and real estate to approximately 50 percent [of original worth], so that the owner of Bs100 worth of goods in 1957, ended the year with only Bs50 worth.

Second. The devaluation of our currency on the exchanges to 72 percent of its previous value (Bs2.35 per dollar), or a devaluation of 27 percent. Thus, our hypothetical owner of Bs100 in 1957, who had seen his value tumble to Bs50 for the first reason, lost another Bs18 because of devaluation, leaving him only Bs32.

Third. If the new taxes being considered in Congress, especially those that touch on dividends, are passed, the owner of shares will undergo another loss which can amount to between 10 and 25 percent or an average of 17.5 percent. Applying this percentage to the Bs32 which were left, coming to Bs5.6, brings the value of our hypothetical owner in 1957 of Bs100 in shares in a Venezuelan company down to only Bs26, in a very short time.

What is the reason for the present paralysis of our private economy? What is the direct or immediate cause of this economic lethargy, which if it continues much longer threatens to sterilize any efforts that might be made to definitively restore our general economy?

The primary cause is the deficit in the budget, as we explained, which entails shortage of capital and credit.

It cannot be doubted that the economic depression which has so severely affected private enterprise, and which still threatens it, will continue having particularly bad effects on our public finances.

How can we truly insure a balanced budget when the revenue from taxes is diluted with the material object of the imposition [?] Direct contributions include only profits and returns—now on the wane, and indirect tribute comes from exchanges that are also reduced and sales volume which is also down.

It is clear that we cannot count on a definite cure of our public finances until the economic situation improves, and a minimum of prosperity is allowed to companies and private finances.

To this end we must, above all, lower the tenor of current public life to an amount that reasonably corresponds to the private profits of the citizens, that is, to the national income, which is more or less equal to the value of production. Every unproductive investment must be suppressed, for they are the reason for having to finance a deficit budget.

The truly important thing in this connection is to assure that private initiative is not hampered by an excess of public activity [bureaucracy] much less through waste by public institutions of the taxes paid by the private ones.

We must produce. It is in vain that we will try to change the distribution if the amount to be divided is not larger or even continues to diminish. In the long run, we would distribute nothing but poverty.

As a consequence of all we have said, we take the liberty of making the following final considerations:

The Venezuelan economy today rests only to a small extent on coffee and cocoa, but to a great extent on the fundamental industries—oil and iron. The black oil industry has entered upon a critical period after the recent suspension of seismological exploration with all its serious consequences; and this explains in part why it is not possible to speak of recovery in Venezuela as long as the activities which are the basis of the future development of the most important product of the country are not resumed.

Over and over again it is stated that the revenue in Venezuela is not high enough. This error disappears when we learn that the volume of public expenditure is absorbing 31 percent of the national income, compared with 17 percent for the United States of America.

It is sheer utopia [sic] to believe that taxes should be imposed as penalties [sic] to distribute wealth, for this sterilizes savings, the essential basis of all economic progress.

An economy which is in the process of complete transformation should be especially concerned with its taxes, for the expansion of the public arena, the cause of inflation, can be arrested only by means of a reduction in taxes. In this manner revenue increases surprisingly because of the alleviation of the expenses, and because people work more and the level of production rises.

Crises arise from a series of errors, from a series of illusions, a series of mistakes. One of the great evils was indebtedness which carried many companies to bankruptcy. Let this serve as an example for the future.

Part of the legislative enactments inspired by concern with social reform and imbued with overweening reformism, has injected a real poison into the Venezuelan economy, and the most evident results have been to discourage all initiative and investment of capital by private concerns.

From any side that one approaches the economic problem: prices, balance of accounts, tax returns, and even unemployment, the remedy is always the same—something that is undesirable—work. But the country today has to choose between more intensive work, and a lower standard of living.

FRANCISCO PEREIRA,
Economist.

[1] Aruba: Netherlands West Indies island off the coast of Venezuela between Maracaibo and Caracas—translator's note.

DEATH OF ED VIEHMAN

Mr. GOLDWATER. Mr. President, just the other day—in fact, the funeral is being held today—one of my oldest and closest friends in this business of politics, Ed Viehman, former Republican chairman of Minnesota, passed away.

Ed was one of the most decent men I ever knew. He was an honest man. He worked hard at politics, and he played politics hard, but he played fair.

Not only the people of Minnesota and the Republican Party are the losers by his death, but all Americans are, because this man was, in every essence, a distinguished Christian gentleman.

I ask unanimous consent that an article in the Minneapolis Star concerning his passing be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

VIEHMAN WAS ONE OF ERA'S MOST FORCEFUL POLITICAL PERSONALITIES

(By Wallace Mitchell)

The death of Ed Viehman, former Republican State chairman, has removed one of the most forceful personalities from recent Minnesota political history.

He died Monday at St. Mary's Hospital in Rochester at 39 of the cancer he had battled stubbornly for 10 months. Funeral services are set for 10 a.m., Thursday, in St. Joseph's Catholic Church at Owatonna, where he had lived for the past 5 years.

A wake will be held at the Viehman home in Owatonna at 1 p.m. Wednesday.

CHARGED INTO POLITICS

He charged onto the Minnesota political scene in 1958 with a verve and bounce that defied anyone to call him anything but Ed. Few persons knew that his full name was George Edwin Viehman, Jr.

It was in 1958 that he drew his first statewide recognition within both Republican and DFL parties by his piloting of the special election victory for ALBERT H. QUIE to fill the First Congressional District post left vacant by the death of Representative August Andresen.

In 1959 he was elected Republican State chairman. In that post he combined the full spectrum of his talents.

Ed turned loose the organizational drive he'd first shown after World War II in beefing up membership of his Richfield American Legion post to win national recognition. He unleashed all his experience as a showman in radio, television, and the stage.

For 12 years he held a variety of positions with radio station WCCO before joining Josten's, Inc., of Owatonna, as sales promotion manager in February 1956.

HARD, SOFT SELL

When he became GOP chairman he applied both "hard" and "soft" sell techniques in pepping up the party. He argued, persuaded, cajoled, pleaded, and sometimes threatened in his incessant demand on party workers to work.

His spur to State Republican organization work drew the GOP National Committee's attention and several times he was called to Washington to outline the program for other State officers.

Ed ran continually at full throttle. He challenged the political opposition at every turn, giving no quarter and asking none. When he had exhausted every mental and physical sinew in a scrap, he rested on a strong religious faith that marked all of his life.

Near the tumultuous close of the 1960 Republican State convention, the ranks-splitting scrap over endorsement for Governor and for the U.S. Senate had Ed frustrated and disappointed in his failure to work out a compromise.

At the luncheon recess before the final convention session he went to his Leamington Hotel suite. He paced the floor briefly.

"Well," he said, "I've done all that I can. And all my life, when I've come to spots like this, I have one retreat—I simply say that the rest is in the hands of the Lord."

FAITH AND POLITICS

He had strong convictions and fought for them. His life then was politics. There was nothing sacrilegious in Ed's linking this faith to the life he was leading in politics.

He fought his fatal illness the same way. He did everything the doctors asked him to do. He was in and out of Mayo Clinic at Rochester. Each month his boss, Daniel C. Gainey, put at Ed's disposal Josten's small, twin-engine airplane. Gainey's pilot, Tommy Walsh, would fly Ed to Madison, Wis., for examination and treatment at Wisconsin General Hospital.

Ed refused to admit even a chance that cancer could lick him. Six weeks ago he exploded when a friend suggested that for a round on the Owatonna Country Club golf course they ride an electric cart.

The day before his final hospital entrance, August 3, he worked a full 10 hours and received a company award for his contribution to the firm's annual sales school that was concluding.

"I'm feeling great," he said that morning, although even then his body must have pounded with pain.

RETIREMENT FROM POST

This massive battling flame was what Minnesota Republicans missed most when last winter he said he would not accept another term as chairman. He said he would devote his time to whipping the cancer that had been detected in October.

He continued to be called on for advice and party help and last June was emcee at the banquet that concluded the annual national convention of Young Republicans in Minneapolis.

Before he moved to Owatonna he was a well-known personality in Minneapolis, where he had grown up and graduated from De La Salle High School. He had started studies for the priesthood at Nazareth Hall Seminary, St. Paul, when World War II erupted and he joined the Navy.

He returned to Minneapolis with his wife, Marjorie, headed Legion Post 435 in Richfield, became active in Minneapolis Chamber of Commerce and aquatennial work, ran unsuccessfully in 1951 for the school board, and organized a State branch of "We, the People."

Even after leaving radio, one of his continuing personal satisfactions was his annual broadcast of the midnight mass on Christmas Eve at St. Olaf's Catholic Church. He did it again last Christmas.

In addition to his wife he is survived by a daughter, Gayle, 16; and sons, Edwin, 11; Thomas, 9; John 7; Michael, 5, and Daniel, 2; and his parents, Mr. and Mrs. George E. Viehman, 2524 Pillsbury Avenue.

A Viehman Memorial Fund is being established by a group of Owatonna residents to assure the education of his children.

EXTENSION OF CIVIL RIGHTS COMMISSION

Mr. DIRKSEN. Mr. President, I yield the distinguished Senator from New York [Mr. KEATING] 2 minutes.

Mr. KEATING. Mr. President, I think Senators will be interested to know that a majority of the Subcommittee on Constitutional Rights of the Committee on the Judiciary has just voted to report my bill (S. 483) to indefinitely extend the life of the Civil Rights Commission, with an amendment limiting the extension to a 2-year period.

I continue to favor an indefinite extension of the Commission. The Commission has done outstanding work. There are manifold problems still deserving of its study. It can make a permanent contribution to our understanding of the paramount issues in the field of civil rights. When its tasks are done or it ceases to perform a worthwhile purpose, the Congress can terminate its existence no matter what period of extension is provided. But an indefinite extension would spare the Commission the biannual uncertainty and harassment with which it has been plagued in the past.

Even a 2-year extension would be infinitely better than a premature death warrant for an agency trying to breathe life into our tradition of equal justice for all Americans. A 4-year extension would be even better, since it would avoid an election-year dispute about the Commission's continuance.

I intend to press for an indefinite extension when the subject is considered by the full Committee on the Judiciary. If my efforts fail there, I will offer a like amendment on the Senate floor.

The administration has given its formal endorsement to an indefinite extension of the Commission, and it is to be hoped that at the appropriate time the administration will use its considerable influence to obtain approval of amendments such as I intend to propose.

This is only one of the urgent civil rights bills which ought to be dealt with before we adjourn this session. This bill may well serve as a vehicle for bringing these other bills before the Senate for action. Certainly, the American people have every reason to expect some progress in the field of civil rights before Congress goes home.

RESUMPTION OF NUCLEAR TESTING

Mr. DIRKSEN. Mr. President, I yield 3 minutes to the distinguished Senator from Utah [Mr. BENNETT].

Mr. BENNETT. Mr. President, next Thursday, August 24, Ambassador Arthur H. Dean will return to Geneva to continue negotiations for an effective and workable nuclear test ban agreement.

Last week in his press conference President Kennedy, in announcing that Ambassador Dean would return to Geneva, said:

His return to Geneva is with our hopes and prayers, and I believe with the hopes and prayers of all mankind who are most concerned about further developments of this deadly weapon. This meeting is most important, most critical, and I am hopeful that we will find a favorable response by those who participate in this negotiation.

No one can disagree with the expressed hopes and prayers of the President, but certainly the record of our dealings and negotiations with the Soviets should clearly indicate that there is little chance that further conferences

will bear fruit. Even if by some remote chance the Communists were finally to agree to some form of a nuclear test ban treaty, what assurances would we have that they would keep such an agreement? In the past they have repeatedly violated other treaties and agreements whenever it served their purpose to do so.

TESTS STILL UNDETECTABLE

The Joint Committee on Atomic Energy recently heard testimony from many distinguished scientists, who expressed pessimism as to our ability to develop satisfactory methods of detecting clandestine nuclear testing. There is little optimism that technical advances will alter this situation in the near future. Consequently, so long as the Russians refuse to accept the principle of inspection as a necessary ingredient of any agreement banning future nuclear testing, we can never be certain that the Soviets are not continuing to test atomic devices. In fact, we can be quite certain in view of our past experiences that the Russians have and will continue to use the stalemate at Geneva to their own personal advantage and to our detriment.

Apparently the special panel on nuclear testing appointed by President Kennedy has arrived at the same conclusion as that reached by the witnesses appearing before the Joint Committee. In commenting on the classified report given to him by the panel, the President had this to say:

I can say that as far as I am concerned this report has made me feel more urgently than ever that without an inspection system of the kind proposed by the United States and the United Kingdom at Geneva, no country in the world can ever be sure that a nation with a closed society is not conducting secret nuclear tests.

In view of the President's convictions on this matter I certain hope that he has given Ambassador Dean a deadline for reaching an accord at Geneva, and if this deadline is not met, then he should order immediate resumption of underground nuclear testing.

FURTHER DELAY IS THREAT TO SECURITY

For nearly 3 years, Mr. President, the United States has been limping along under a self-imposed ban on nuclear testing. During this time we have held over 300 discussion sessions at Geneva in a vain attempt to agree upon language acceptable to the Soviets for a test-ban treaty. Today, we are as far from agreement as when these talks began. Our efforts have lead to abysmal failure as the Russians knew they would. Our patience has been long and fruitless and if we are to extend these negotiations with the Russians further, we should resume controlled underground testing pending an accord. There is nothing to be gained by waiting longer to resume such testing, and in my opinion our freedom and security will be in jeopardy if we do.

MORE CONVERTS TO NECESSITY OF TESTING

It has pleased me in recent weeks to hear more of my colleagues in the Senate urge resumption of atomic testing. In a sense it gives me a feeling of "I told you so," because I am no "Johnny come lately" to this point of view. Two years ago, on August 19, 1959, I delivered a speech in the Senate urging resumption of limited atomic testing either in space or underground, thus assuring against any danger from fallout. Today, after 2 more years of wasted patience, more and more Americans are coming to agree with the position I took then.

FIVE-POINT PROGRAM

Mr. President, I would like to insert at this point in my statement a short excerpt from my speech on the Senate floor 2 years ago, in which I outlined five things that the United States should do. These points are as pertinent now as when they were made 2 years ago, and the urgency of adopting such a program is even greater today:

First. We should announce a fundamental change in our objectives for the Geneva Conference. We should abandon further attempts to reach agreement on a complete ban of all nuclear testing, with its impossible requirement that a foolproof system of detection and inspection be developed and agreed to.

Second. In place of this, we should press for agreement banning atmospheric tests, relying on presently available methods of detection of reveal violations. We should make this agreement for a specific number of years rather than for the indefinite future, so that if and when clean explosives can be developed, they can be tested and used for peaceful purposes.

Third. We should leave all nations with nuclear capabilities free to test atomic and nuclear devices underground and in space and to use their research capabilities to develop safe methods of testing, rather than continue the present sterile search for foolproof detection systems.

Fourth. If the Soviets refuse to agree to such a program, we should announce it as a unilateral policy and break off the present fruitless negotiations. Such a program would have many practical advantages.

(a) By eliminating the risk of poisoning through atmospheric fallout, it would deny to the Soviets the opportunity to use a devastating propaganda weapon.

(b) It would effectively put legitimate human values and aspirations into the scale on the side of tests and further developments rather than in opposition to these natural—yes, inevitable—goals.

(c) It would put the burden of responsibility back on the Soviets, and test the sincerity of their intentions before all the world. The Soviets have wanted a limited approach to the problem; this fits that specification. They say they want to stop all fallout. This plan does that, too. The Russians have opposed every workable idea for effective inspection inside their own country. This program makes such inspection unnecessary.

Fifth. As soon as practicable we should resume testing under safe conditions—underground or elsewhere—to do three things:

(a) We should continue the developments which take us toward the ultimate "clean" weapon.

(b) We should continue to develop new weapons types to round out our arsenal for national defense.

(c) We should provide development and application of nuclear explosives for peaceful uses—of which there are many possibilities—including the exploration of oil shale deposits, which is of vital interest to the people of my State.

PEACEFUL USES OF ATOM

Aside from the fact that resumption of nuclear testing is of vital importance to our military preparedness, it also has great potential for industrial and other peaceful uses. For instance under the AEC program called Project Plowshare we have developed extensive plans for using underground atomic explosions for a great variety of peacetime uses such as digging harbors and canals, mining and extracting of oil from oil shale, conversion of seawater, and use of isotopes for medical and scientific purposes.

The nuclear test ban has kept our atomic scientists in a virtual state of limbo for the past 3 years. While we have been able to carry out limited experiments in our atomic laboratories, we have been prevented from testing many of the new theories and concepts which have been developed because some of these require detonation of nuclear devices of one type or another. Although we now exist in an atomic age, we are by virtue of the moratorium on testing compelled to operate with "horse and buggy" techniques in this comparatively new field.

President Kennedy has repeatedly stressed the theme that "we must get America moving." I sincerely hope that the President will take his own advice and take the necessary steps to get America moving again in the field of atomic testing. We have been derailed and off the track too long as a result of the Geneva stalemate. While I am not an advocate of the New Frontier, this is one frontier I fervently hope we can soon cross over and get our Nation back on the initiative in the field of nuclear research and development.

Mr. President, I ask unanimous consent to insert at this point in the record an excellent editorial from one of Utah's leading newspapers the Deseret News, of August 11, 1961, entitled "On Conducting Nuclear Tests."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ON CONDUCTING NUCLEAR TESTS

Sooner or later President Kennedy must come to a decision on whether to resume nuclear testing.

That the President could be coming to such a decision, slowly and reluctantly, may be indicated by a statement he made yesterday at his weekly news conference.

In that statement, Mr. Kennedy said he is sending Chief Negotiator Arthur Dean back to Geneva, August 24, to resume what the President termed decisive nuclear test ban talks with Russia. President Kennedy said he has received a special scientific report which makes him feel more urgently than ever that only the type of inspection system proposed by this country (an on-the-ground, unvetoable inspection) can guard against secret testing.

In the absence of that special scientific report, one can only speculate as to its contents. But the obvious inference to be drawn from the President's remarks is that it indicates nuclear tests can be conducted in such a way—probably at underground sites—so as to be virtually undetectable.

If that's the case, and it probably is, then it is physically possible for Russia to cheat on the present voluntary moratorium on nuclear testing. Since Russia has broken more than 100 international agreements with other countries, it would be hard to imagine the Soviets suffering any pangs of conscience over breaking what amounts to only a gentleman's agreement.

This line of reasoning is based, of course, on the supposition that the President's special scientific report indicates the feasibility of holding undetectable nuclear tests. But even if this particular report does not indicate this, others do.

For instance, the Berkner Commission appointed by President Eisenhower reported that cheating under a nuclear test ban would be easy. A similar report drawn up by Physicist Kenneth Watson explained how underground tests would reduce shock waves as much as 99.67 percent so that a bomb five times bigger than the one that leveled Hiroshima would register on nearby seismographs as a few sticks of dynamite. Larger bombs would resemble small earthquakes, of which there are thousands a year.

Moreover, Physicist Edward Teller assures us that underground nuclear tests can be conducted without exposing any person to the slightest radioactivity.

This being the case, there is no good reason why the United States should not resume atomic testing if the decisive talks later this month fail to produce a workable, inspectable test-ban agreement.

Such tests are needed to lower the cost and improve the effectiveness of America's nuclear arsenal, and because the present voluntary test ban is playing into Russia's hands by providing it with a tempting opportunity to hold secret tests while the United States sits on its hands.

U.S. security requires that we make one final, firm effort to reach agreement—and then, if that fails, announce we are lifting the voluntary test ban and proceed with underground tests.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. CAPEHART. Mr. President, I believe the pending business is my amendment to reduce the borrowing authority from 5 to 2 years.

I ask unanimous consent to modify my amendment to provide 3 years rather than 2.

The PRESIDING OFFICER (Mr. MILLER in the chair). The yeas and nays have not been ordered on the amendment, so the Senator has the right to modify it.

Mr. CAPEHART. I modify my amendment to read 3 years instead of 2 years.

The PRESIDING OFFICER. The amendment will be so modified.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. I yield.

Mr. LAUSCHE. The Senator's amendment provides for a 3-year authorization, without any requirement for appropriations——

Mr. CAPEHART. There is absolutely no change in the bill except to substitute 3 years for 5 years. Otherwise the bill remains exactly as it is.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. CAPEHART. Five minutes.

Mr. SPARKMAN. Mr. President, has a time limitation been set on this amendment?

The PRESIDING OFFICER. There is a unanimous-consent agreement in effect.

Mr. CAPEHART. This matter has been debated and debated, and talked about and talked about, and written about and written about. The Senate has already disposed of the Byrd amendment, which would have required a yearly appropriation. The House is voting on the foreign aid bill at the moment. It voted yesterday for a 1-year period. So I do not see that we need to take up any further time discussing this matter. I am willing to yield the floor for the moment.

Mr. SPARKMAN. Mr. President——

The PRESIDING OFFICER (Mr. GOLDWATER in the chair). How much time does the Senator from Alabama yield to himself?

Mr. SPARKMAN. Five minutes.

As the Senator from Indiana has said, this matter has been discussed at length. We devoted a great period of time to it in committee. The committee made a recommendation of 5 years.

I may point out that, as far back as 1955, our committee recommended a 5-year program, and we have recommended it on other occasions. If I remember correctly, 2 years ago we recommended a 5-year program.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. AIKEN. A 5-year program was never reported with Treasury financing.

Mr. SPARKMAN. Our first recommendation was to that effect. I believe we did it in the first bill in which we extended that authority, but it was modified on the floor of the Senate.

Mr. AIKEN. I would much prefer a 5-year extension with annual appropriations, but so long as we cannot get it through the Senate, then I think, with Treasury financing in the bill, a 3-year provision would be a much safer proposition.

Mr. SPARKMAN. It seems to me we have written into the bill pretty ample safeguards. It is true the bill does not call for annual appropriations, but it does provide for checking with congressional committees and for overlooking of the program, with the right in the Congress, by concurrent resolution, to stop the program at any time. So it seems to me we have provided very good safeguards.

Mr. AIKEN. I do not agree that the Dirksen amendment provides much in the way of safeguards. Even if the Saund amendment, which was approved in the House yesterday by a teller vote, should remain in the bill, the President would still have greater authority and a much greater sum of money to work with than Presidents have ever had, except perhaps in the years immediately following the war. So the President is going to get far more than a President has ever received before, even if he gets only a 1 year's extension of the program with Treasury financing.

Mr. SPARKMAN. The whole purpose of the extended time is to allow an opportunity within which to develop plans and formulate programs. I have always felt that in many of our domestic programs 5 years would be a suitable period of time to provide, and I have supported such programs.

It seems to me that at this time, when we are going into an extensive lending program, we ought to provide ample time. For that reason, I hope the 5-year provision will be retained.

Mr. AIKEN. Does the Senator have any idea when the Congress will be asked to authorize and make available the $20 billion Mr. Dillon has promised in Latin America? That is in addition to all we may authorize now.

Mr. SPARKMAN. I did not understand that.

Mr. AIKEN. It will not be enough if it is not done.

Mr. SPARKMAN. I noticed that the present distinguished occupant of the chair, Mr. GOLDWATER——

Mr. AIKEN. He is distinguished.

Mr. SPARKMAN. And a very able legislator.

Mr. AIKEN. Very able.

Mr. SPARKMAN. I noticed a few minutes ago the Senator made some comments about the $20 billion and indicated it would be over and above what is to be provided in this program. I do not understand that will necessarily be the case.

Something else we must remember is that the $20 billion is to be made available by participation with private funds, as well as various agencies. The program will include the International Bank, the Export-Import Bank, and various other Government agencies, as well as private investment. I do not believe it is quite fair to say that we are going to spend $20 billion over and above this program. That is not the intent.

The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

Mr. SPARKMAN. Mr. President, I intended to use only 5 minutes, but since most of the time has been consumed by my very good, congenial and able friend on the other side, I believe he will not mind if I yield myself 5 additional minutes, even though I do not intend to use all of that time.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. SPARKMAN. Very briefly, please.

Mr. HOLLAND. The Senator will remember that I supported the Byrd of Virginia amendment because I preferred the 5-year authorization with the yearly appropriations. It seems to me the position of the Senator from Indiana and of the Senator from Vermont is quite sound, in preferring the 3-year basis to the 5-year basis.

I ask the Senator if he has thought of the fact that a 3-year extension would not extend into the next presidential term? In other words, it would not attempt to bind the hands of whoever may succeed our present President. Furthermore, a 3-year extension would find still in the Senate a majority of the present Senate, barring the accidents of life, be-

cause only those who will face election in 1962 either will have been replaced or will have succeeded themselves.

It seems to me to be a far more modest proposal and a far more appropriate action, in keeping with the fact that we should not try to bind those who are to come after us, if we should support the 3-year program instead of the 5-year program. I wonder if the Senator has thought of it from that point of view?

Mr. SPARKMAN. Yes. I think those are practical factors to be taken into consideration. I do not think they are obstacles. We know the previous President asked for a 5-year program. President Eisenhower asked for a 5-year program.

Mr. HOLLAND. He got a 3-year program, did he not?

Mr. SPARKMAN. I know, but he asked for a 5-year program. The Senate committee voted for a 5-year program. The final outcome was a 3-year program, after the conference. The President asked for the borrowing authority, also, but it was not agreed to. There was a compromise worked out.

If I may proceed one step further, our action will not bind succeeding Congresses because of the provision in the bill that the program can be changed at any time by a concurrent resolution. The power of Congress is taken care of.

I should like to make one more point. I shall be glad to yield to the Senator from Florida further, but I am trying to keep in step with the Senator from Indiana by cutting the time short.

The Senator from Florida is a very practical man. His suggestions are practical. I offer a practical suggestion also. The House on its first vote yesterday, which presumably will be confirmed today in a rollcall vote of the full House, voted for a 1-year program. The Senator from Florida knows, if the Senate goes to conference with a 3-year provision and the House goes to conference with a 1-year provision, what we are likely to end up with. If the Senator really believes in a 3-year program, then the Senate ought to vote for a 5-year program in order to have bargaining room.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. SPARKMAN. The Senator from Florida is practical enough to know how these things work in conference. I yield.

Mr. HOLLAND. If the distinguished Senator from Alabama and the equally distinguished Senator from Arkansas, who will be conferees, will assure us they will bring back to the Senate a 3-year bill, the Senator from Florida will not be so anxious to have the 5-year provision replaced.

Mr. SPARKMAN. I could not assure the Senator of that, because he knows how conference committees work. We might have to bring back a 2-year provision. I would not wish to assure the Senator I would bring back a 3-year provision, and then bring back a 2-year provision.

Mr. HOLLAND. Mr. President, will the Senator yield once more?

Mr. SPARKMAN. I yield.

Mr. HOLLAND. I remember well that the former President asked for a longer program. The Congress voted a 3-year program.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SPARKMAN. Mr. President, I yield 1 more minute.

Mr. HOLLAND. The former President thought better of the matter, changed his mind, and decided he had been wrong. He asked the Congress later to proceed on a 1-year basis. I approve of the wisdom shown by the former President in changing his mind. I wish that same degree of judgment still reposed in the Senate.

Mr. SPARKMAN. I do not think the President changed his mind. I think he read the mind of the Congress and got in line with it. I think President Eisenhower today, if he were asked about the question, would say, "By all means a 5-year program would be preferable." He has spoken out, if I remember correctly, in favor of President Kennedy's long-term Treasury borrowing program.

Mr. CAPEHART. Mr. President, I suggest the absence of a quorum, so that we can get enough Senators present to have the yeas and nays ordered.

The PRESIDING OFFICER. From whose time will the time be used to call the roll?

Mr. CAPEHART. Mr. President, I withhold that suggestion and yield 2 minutes to the Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, in the committee I voted first for a 2-year authorization, and when that failed for the 3-year. In my opinion, we ought not to abdicate our responsibility in this important matter. A 3-year authorization will provide money for a sufficiently lengthy period to make plans. There is nothing sacred in the 5-year program.

I do not wish to be a participant in voting for something in which I do not believe solely on the basis that subsequently there will be a compromise and that in the compromise an agreement might be reached to conform to what I wish done now. I do not wish to have anyone ask me to vote for an issue in which I do not believe on the ground that subsequently it will be compromised. I do not do business that way.

I have not done so in the past and do not intend doing so now nor in the future.

Mr. CAPEHART. Mr. President, I yield 1 minute to the able Senator from Connecticut.

NEAR NEW LONDON, CONN., AIR-SEA SEARCH FOR MISSING PLANE AND MEN

Mr. BUSH. Mr. President, I am deeply distressed by an item which appears on the news ticker, as follows:

NEW LONDON, CONN.—A Coast Guard air-sea search for a missing plane and four men moved into its third day at dawn today using "all available craft."

Ships and planes combed the waters from Cape Cod to Old Saybrook, Conn., from sunup to sundown yesterday without finding a trace of a Piper Apache missing since Monday evening on a flight from Block Island to New London.

Little hope remained today for the plane's pilot or the three engineers from the electric boat division of General Dynamics Corp., who were testing secret defense equipment aboard the craft.

Mr. President, I am deeply distressed by the apparent loss of the airplane, missing in the New London area these 3 days past. I extend at this moment my earnest hope it may yet be found, and my deepest sympathy to the families and friends of the men aboard the plane in this moment of great anxiety.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. CAPEHART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. From whose time will the time necessary for the call of the roll be taken?

Mr. SPARKMAN. The time should be equally divided, Mr. President.

Mr. CAPEHART. Equally divided.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CAPEHART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CAPEHART. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. CAPEHART. Mr. President, I yield 3 minutes to the Senator from Vermont.

Mr. AIKEN. Mr. President, since the question was raised with respect to what Secretary Dillon has agreed to, I think it might be well to read excerpts from his declaration at Punta del Este:

UNITED STATES PLEDGES ASSISTANCE

The United States, for its part, pledges its efforts to supply financial and technical cooperation in order to achieve the aims of the alliance for progress.

To this end the United States will provide a major part of the minimum of $20 billion principally in public funds, which Latin America will require over the next 10 years from all external sources in order to supplement its own efforts.

The United States will provide from public funds more than $1 billion during the 12 months which began on March 13, 1961.

We have 6 months left to provide the $1 billion.

The United States intends to furnish development loans on a long-term basis, where appropriate running up to 50 years and at very low or zero rates of interest.

The Senate has authorized the borrowing of $1.7 billion a year. If any Senator can tell us how we would take more than $1 billion a year out of that sum and leave anything for the rest of the world, I should like to know how it could be done.

I ask unanimous consent to have the entire text of the declaration of Punta

del Este printed at this point in the RECORD because, according to the news report, it has already been signed by our representative.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

TEXT OF DECLARATION OF PUNTA DEL ESTE

Assembled in Punta del Este, inspired by the lofty principles of the Charter of the Organization of American States, by Operation Pan America and the act of Bogotá, representatives of the American Republics hereby agree to establish the Alliance for Progress: a vast effort to bring a better life to all the peoples of the continent.

This alliance is founded on the principles that free men working through the institutions of representative democracy can best satisfy man's desires, among other goals, for work, home and land, health and schools. The only system which guarantees true progress is one which provides the basis for reaffirming the dignity of the individual which is the foundation of our civilization.

Therefore the countries signing this declaration in the exercise of their sovereignty have agreed to work toward the following goals during the coming years:

To improve and strengthen democratic institutions through application of the principle of self-determination by the people.

To accelerate economic and social development to bring about a substantial and steady increase in the average income as quickly as possible so as to narrow the gap between the standard of living in Latin American countries and that enjoyed in the industrialized countries.

To carry out housing programs both in the city and in the country in order to provide decent homes for the American peoples.

AGRARIAN REFORM

To encourage, in accordance with the characteristics of each country, programs of integral agrarian reform, leading to the effective transformation, where required, of unjust structures and system of land tenure and use; with a view to replacing latifundia and dwarf holdings by an equitable system of property so that, supplemented by timely and adequate credit, technical assistance and improved marketing arrangements, the land will become for the man who works it the basis of his economic stability, the foundation of his increasing welfare, the guarantee of his freedom and dignity.

To wipe out illiteracy: to extend the benefits of primary education to all Latin Americans; and to provide broader facilities, on a vast scale, for secondary and technical training and for higher education.

To press forward with programs of health and sanitation in order to prevent sickness, fight epidemics, and strengthen our human potential.

To assure to workers fair wages and satisfactory working conditions; to establish effective systems of labor-management relations and procedures for consultation and cooperation among government authorities, employers' associations, and trade unions in the interest of social and economic development.

To reform tax laws, demanding more from those who have most, punishing tax evasion severely, and redistributing the national income in order to benefit those who are most in need, while, at the same time, promoting savings and investment and reinvestment of capital.

ON FISCAL POLICIES

To maintain monetary and fiscal policies which, while avoiding the intoxication of inflation or the mire of deflation, will protect the purchasing power of the many, guarantee where possible price stability, and form an adequate basis for economic development.

To stimulate private enterprise in order to encourage the development of Latin American economies at a rate which will help them to provide jobs for the growing populations, to eliminate unemployment, and to take their place among the modern industrialized nations of the world.

To find a rapid and lasting solution to the grave problem created by excessive price fluctuations in the basic exports of Latin-American countries on which their prosperity so heavily depends.

To accelerate the integration of Latin America so as to stimulate the economic and social development of the continent. This process has already begun through the Treaty of Economic Integration of Central America and, in other countries, through the Latin-American Free Trade Association.

This declaration expresses the conviction of the nations of Latin America that these profound economic, social, and cultural changes can come about only through the self-help efforts of each country. Nonetheless, in order to achieve the goals which have been established with the necessary speed, it is indispensable that domestic efforts be reinforced by essential external assistance.

UNITED STATES PLEDGES ASSISTANCE

The United States, for its part, pledges its efforts to supply financial and technical cooperation in order to achieve the aims of the Alliance for Progress.

To this end the United States will provide a major part of the minimum of $20 billion principally in public funds, which Latin America will require over the next 10 years from all external sources, in order to supplement its own efforts.

The United States will provide from public funds more than $1 billion during the 12 months which began on March 13, 1961, when the Alliance for Progress was announced, as an immediate contribution to the economic and social progress of Latin America.

The United States intends to furnish development loans on a long-term basis, where appropriate, running up to 50 years, and at very low or zero rates of interest.

For their part, the countries of Latin America agree to devote a rapidly increasing share of their own resources to economic and social development, and to make the reforms necessary to assure that all share fully in the fruits of the Alliance for Progress.

The countries of Latin America will formulate comprehensive and well-conceived national programs for the development of their own economies as the contribution of each one of them to the Alliance for Progress.

EXPERTS TO AID PLAN

Independent and highly qualified experts will be made available to Latin American countries in order to assist in formulating and examining national development plans.

Conscious of the paramount importance of this declaration, the signatory countries declare that the inter-American system is now entering a new phase, where to its institutional, legal, cultural, and social accomplishments, will be added under freedom and democracy, immediate and tangible measures to secure a better life for the present and future generations of this hemisphere.

The ideas reflected in this declaration point to the magnitude of the content of the approved resolutions, the texts of which constitute the only source that can be referred to in applying the concepts which comprise the establishment of an alliance for progress.

Mr. FULBRIGHT. Mr. President, I hope that the Senate will not agree to this attempt to cut back at this stage the authorization which the committee has adopted, and which is the principal part of the bill. As has already been said by the distinguished Senator from Alabama, this is the initial stage of the proposed legislation. It would be very improvident if we were to cut it at this early stage, because undoubtedly there will be difficulty in adjusting the House bill with the Senate bill. I hope Senators will not vote to reduce the period at this stage of the consideration of the proposed legislation.

Mr. MANSFIELD. Mr. President, will the Senator yield 1 minute of the remaining time?

Mr. FULBRIGHT. I yield.

Mr. MANSFIELD. I rise to support what the Senator from Arkansas has said. If we wish to save money, if we wish to operate more efficiently and effectively, and if we wish to give the President the authority which he needs, has requested, and must have, I think it would be advisable for us to get behind the Senator from Arkansas and the President and defeat the amendment before us.

Mr. CAPEHART. Mr. President, the amendment we are voting on would reduce the 5-year period to 3 years. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

(At this point Mr. MILLER took the chair as Presiding Officer.)

Mr. CAPEHART. Mr. President, I yield back the remainder of my time.

Mr. FULBRIGHT. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana [Mr. CAPEHART], as modified. All time has been yielded back. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Michigan [Mr. HART] and the Senator from Alaska [Mr. GRUENING] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from Alaska [Mr. GRUENING] would vote "nay."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Maryland [Mr. BUTLER].

If present and voting, the Senator from New Mexico would vote "nay" and the Senator from Maryland would vote "yea."

On this vote, the Senator from Michigan [Mr. HART] is paired with the Senator from Kansas [Mr. CARLSON].

If present and voting, the Senator from Michigan would vote "nay" and the Senator from Kansas would vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Kansas [Mr. CARLSON] is necessarily absent.

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from

Maryland would vote "yea" and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Kansas [Mr. CARLSON] is paired with the Senator from Michigan [Mr. HART]. If present and voting, the Senator from Kansas would vote "yea" and the Senator from Michigan would vote "nay."

The result was announced—yeas 45, nays 50, as follows:

[No. 148]

YEAS—45

Aiken	Eastland	Mundt
Allott	Ellender	Prouty
Beall	Ervin	Robertson
Bennett	Fong	Russell
Bible	Goldwater	Saltonstall
Boggs	Hickenlooper	Schoeppel
Bridges	Holland	Scott
Bush	Hruska	Smith, Maine
Byrd, Va.	Johnston	Stennis
Capehart	Jordan	Talmadge
Case, S. Dak.	Keating	Thurmond
Cotton	Kuchel	Tower
Curtis	Lausche	Wiley
Dirksen	McClellan	Williams, Del.
Dworshak	Miller	Young, N. Dak.

NAYS—50

Anderson	Hickey	Morse
Bartlett	Hill	Morton
Burdick	Humphrey	Moss
Byrd, W. Va.	Jackson	Muskie
Cannon	Javits	Neuberger
Carroll	Kefauver	Pastore
Case, N.J.	Kerr	Pell
Church	Long, Mo.	Proxmire
Clark	Long, Hawaii	Randolph
Cooper	Long, La.	Smathers
Dodd	Magnuson	Smith, Mass.
Douglas	Mansfield	Sparkman
Engle	McCarthy	Symington
Fulbright	McGee	Williams, N.J.
Gore	McNamara	Yarborough
Hartke	Metcalf	Young, Ohio
Hayden	Monroney	

NOT VOTING—5

Butler	Chavez	Hart
Carlson	Gruening	

So Mr. CAPEHART'S amendment was rejected.

Mr. FULBRIGHT Madam President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CAPEHART. Madam President, I call up my amendment designated "7-27-61—A" and ask that it be read.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, at the end of line 24, it is proposed to add the following new sentence:

Not less than 50 per centum of the total principal amount of all loans made under the authority of this section shall be made to borrowers engaged in private enterprise.

Mr. CAPEHART. Madam President, the subject of the amendment has been debated pro and con for many days. It simply provides that 50 percent of all the loans—not loans to any one country, but 50 percent of all loans—must be earmarked for private industry in the respective countries.

Under the bill, all the money could be lent to the foreign governments, but none to private enterprise. Under the amendment, half the money must be lent to private enterprise.

I think the time has come when this body ought to establish the principle that we believe in, wish to promote, and insist upon promoting the private enterprise system, not only in the United States, but also throughout the world. How can we reconcile taking the taxpayers' money under a free enterprise system such as exists in the United States and lending it to other countries for socialistic or communistic purposes?

Under the amendment, 50 percent could be lent to a government to be spent for governmental purposes or to be spent in any other way the government saw fit, but half the money under the amendment would have to be lent to the private enterprise system.

Congress ought to establish the principle that it believes in the private enterprise system. I know there are Senators who will say that this proposal is impractical; it is unworkable; that it cannot be done; that we dare not say to the countries to whom we lend money what they shall do with it. Madam President, if foreign countries do not want our money on that basis, we do not have to lend it to them. We can save a little money, then, for our taxpayers. We can reduce our deficits and our debt. We ought to establish our belief in the free enterprise system as a principle.

How shall we keep the world from going communistic or socialistic if Congress does not establish the principle or the concept that at least half the money we lend to foreign countries must be lent to the private enterprise system? If that is not done, all we shall be doing will be to help to socialize other countries. The first step to communism, in my opinion, is socialization. For the life of me, I cannot understand how any Senator could oppose such a proposal, although I am perfectly willing to tell the Senate that this amendment was rejected in committee. On what basis can we justify not establishing as a principle that we want a portion of the money we lend to be lent to private enterprise?

That is all I have to say about the amendment. Unless other Senators who favor the amendment wish to speak about it, I am ready to vote.

Madam President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. FULBRIGHT. Madam President, I yield myself 5 minutes. The amendment was discussed at great length in the committee. As the Senator from Indiana has already said, the committee decided it was unworkable and could not be administered in any reasonable fashion. If the amendment were to be interpreted literally, it would mean that money could not be lent for a great many purposes which are already functioning today in the United States. It would not be possible to lend money to create a TVA if I correctly understand the Senator's amendment. Money could not be lent, I assume, to an REA, if some other country wished to establish such an agency. Neither could money be lent for many other activities which have, in a sense, been accepted in the United States.

I believe the amendment is wholly unworkable. The sentiment which the Senator proposes is very desirable. I simply remind the Senate that section 601(a) of the bill declares it to be the policy of the United States, where practicable, to foster private enterprise; and wherever our administrators believe it is appropriate, they are instructed to do so, according to the policy statement in the bill. They have done so. The bill provides guarantees designed to encourage and assist private enterprise to operate in the various countries wherever it is possible to do so. I do not believe the Senator's proposal could be administered in any reasonable fashion.

Mr. CAPEHART. Madam President, I yield myself 1 minute. I believe the amendment could be administered. I think it should be administered. How can it be said that it is hard to administer something which we seek to do in order to promote the private enterprise system? I have always been led to believe, and I have been told by representatives of the REA, that the REA is a private enterprise organization; that the cooperatives are private enterprise.

The Senator from Arkansas said it would not be possible under the bill to lend money to the REA. That is not true. Money could be lent to the REA, under the bill, because REA is private enterprise. I have heard REA representatives say so. I agree with them. The REA is a partnership enterprise to the extent that many people own it.

Madam President, for the life of me, I do not understand why we do not have the courage to write such an understanding into the bill. The Senator from Arkansas said that such an understanding is contained in the report. Why do we not say so in the bill, and thus make it easy for the administration to promote the private enterprise system? When has it become difficult to promote the private enterprise system? Why are we in the United States opposed to saying that the money should be lent to the private enterprise system? We shall ruin the private enterprise system throughout the world if Congress does not have the courage to include such an amendment as mine in the bill. Let us make it certain. Let us write it into the law. If we believe in the private enterprise system—and I do, and I know other Senators believe in it—let us say so in the bill. Let us have the courage of our convictions. Let us have as much courage to promote our system as the Communists have when they say, "Our system is better. We will fight for it. The time will come when your grandchildren will live under communism."

Madam President, this is an opportunity for the Senate to legislate its belief in the private enterprise system. Let us say that we are willing to lend money to any country in the world, provided that half the money it takes will be devoted to the private enterprise system. The other half can be spent for governmental purposes. It may be spent for socialistic purposes, if that is what a country wishes to do. I am only speaking about earmarking a certain amount for private enterprise. It need not be 50 percent. It might be 60 percent, 50 percent, or 40 percent. I am interested in the principle involved.

Why have we not the courage to vote for legislation which will state that we believe in the American system of free enterprise, the capitalistic system of government?

Madam President, I am willing to yield back the remainder of my time.

Mr. FULBRIGHT. Madam President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to amendment A of the Senator from Indiana. All time on this question has been used or yielded back, and the yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Alaska [Mr. GRUENING] is absent on official business.

I also announced that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Maryland [Mr. BUTLER].

If present and voting, the Senator from New Mexico would vote "nay" and the Senator from Maryland would vote "yea."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Kansas [Mr. CARLSON].

If present and voting, the Senator from Alaska would vote "nay" and the Senator from Kansas would vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Kansas [Mr. CARLSON] is necessarily absent. If present and voting, he would vote "yea."

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Maryland would vote "yea" and the Senator from New Mexico would vote "nay."

On this vote, the Senator from Kansas [Mr. CARLSON] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Kansas would vote "yea" and the Senator from Alaska would vote "nay."

The result was announced—yeas 33, nays 63, as follows:

[No. 149]

YEAS—33

Allott	Dworshak	Moss
Beall	Eastland	Mundt
Bennett	Ellender	Robertson
Boggs	Ervin	Russell
Bridges	Fong	Schoeppel
Byrd, Va.	Goldwater	Smathers
Capehart	Hickenlooper	Stennis
Case, S. Dak.	Hruska	Talmadge
Cotton	Johnston	Thurmond
Curtis	Jordan	Tower
Dirksen	Miller	Williams, Del.

NAYS—63

Aiken	Engle	Kuchel
Anderson	Fulbright	Lausche
Bartlett	Gore	Long, Mo.
Bible	Hart	Long, Hawaii
Burdick	Hartke	Long, La.
Bush	Hayden	Magnuson
Byrd, W. Va.	Hickey	Mansfield
Cannon	Hill	McCarthy
Carroll	Holland	McClellan
Case, N.J.	Humphrey	McGee
Church	Jackson	McNamara
Clark	Javits	Metcalf
Cooper	Keating	Monroney
Dodd	Kefauver	Morse
Douglas	Kerr	Morton
Muskie	Randolph	Symington
Neuberger	Saltonstall	Wiley
Pastore	Scott	Williams, N.J.
Pell	Smith, Mass.	Yarborough
Prouty	Smith, Maine	Young, N. Dak.
Proxmire	Sparkman	Young, Ohio

NOT VOTING—4

Butler	Chavez	Gruening
Carlson		

So Mr. CAPEHART's amendment was rejected.

Mr. FULBRIGHT. Madam President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. MANSFIELD. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DODD. Madam President, I call up my amendment identified as "8–7–61—B."

The PRESIDING OFFICER. The amendment offered by the Senator from Connecticut will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 56, to add the following:

SEC. 620. ASSISTANCE TO COMMUNIST AND COMMUNIST-CONTROLLED COUNTRIES.—Notwithstanding the provisions of section 614 or of any section of any Act appropriating funds for use under this Act, assistance under any provision of this Act will not be rendered to members of the Sino-Soviet bloc, namely: Albania, Bulgaria, Communist China, Cuba, Czechoslovakia, East Germany, Hungary, North Korea, North Vietnam, Outer Mongolia, Poland, Rumania, and the Union of Soviet Socialist Republics, or to any country controlled by any of the listed countries during the period of this Act.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. DODD. I yield myself 10 minutes.

Mr. President, this amendment is a simple one that can be easily described and easily understood. It would prohibit any of the money authorized in this bill from being used to aid the following Iron Curtain countries: Albania, Bulgaria, Communist China, Cuba, Czechoslovakia, East Germany, Hungary, North Korea, North Vietnam, Outer Mongolia, Poland, Rumania, and the Union of Soviet Socialist Republics.

It would also bar aid to any country which may fall under Red domination during the period of this bill, 5 years.

Last week I described my amendment and the case for it in a speech on the floor of the Senate. A few days ago I sent to every Member of the Senate a letter reviewing the reasons for this amendment. The amendment itself is printed and on the desk of every Senator along with a brief description of it.

The issue it poses is, I think, a simple and basic one.

Shall we tax the American people and draw upon our limited resources to prop up tyrannical Communist satellites in the hope that we may thus wean them away from the Kremlin?

My amendment seeks to reduce this issue to a clear-cut one which removes the ambiguities present in the Battle Act or in the aid to Yugoslavia question.

My amendment has nothing to do with uncommitted nations, or with alleged pro-Communist nations, or with nations that ship strategic goods to the Sino-Soviet bloc.

My amendment has nothing to do with Yugoslavia, which is held by many to be in certain respects an independent Communist state free from Kremlin control.

My amendment is limited strictly to 13 acknowledged Iron Curtain regimes which are named in the amendment itself.

Thus, this amendment affords Senators a vote on the issue of whether our resources and our money and our knowledge should be used to aid Communist regimes which are loyal to, dependent upon, and directed by Moscow or Peiping.

The reasons why I think aid to Communist satellites is wrong are the following:

First, we know the Communist movement is a vast conspiracy to destroy us. Every nation included in my amendment is a part of that conspiracy. Each of these nations is a totalitarian regime which directs all of its resources, all of its imports, however seemingly harmless, toward the eventual goal of world Communist domination.

Every dollar that we send behind the Iron Curtain, every grain of wheat, every parcel of clothing, every piece of equipment and machinery, every particle of technical knowledge and industrial know-how, is promptly melded into the cold-war machine of our enemies to be used against us. Nothing should be plainer or clearer than this.

Second, when we help Communist regimes in any way, we help them to conceal their inability to satisfy the needs and aspirations of people everywhere.

When we help Communist regimes to obscure their basic failures, when we give them food to hide their famines, when we give them trade to overcome their shortages, when we help to relieve the pressure for consumer goods, thus permitting them more leeway in devoting their resources to weapons of war, we only postpone the day when communism will be totally discredited beyond the Iron Curtain and completely unbearable within it.

Third, the historic lesson is that aid to Communist regimes does not wean them away from basic Communist revolutionary philosophy or draw them closer to us. Our long and costly programs of aid to Communist regimes ought to have proved this much to us.

Poland, for instance, while receiving aid from us, has been giving aid to Castro's Communist, anti-American regime in Cuba. Our aid to that country was intended to encourage the Polish regime to be more independent of Moscow. Yet the longer our aid has continued, the more subservient to Moscow the Gomulka regime has become, and the more venal and repressive toward its people, its press, its churches, its schools, its academic world and all elements of its society.

Therefore, on the record of the acts, words, and U.N. votes of Poland, this type of aid has been a gigantic failure and should be stopped.

Fourth, our aid to the Reds not only strengthens them; it weakens us by denying us the resources needed to achieve those objectives necessary to our survival.

In the past, in order to give almost $4 billion to Communist regimes, we have had to skimp on our own defense budget. We have had to deny needed assistance to our fighting allies around the world, and we have had to ignore and neglect underdeveloped nations in Africa, Asia, and South America. We cannot afford to support both sides in the cold war and if we try to do so we shall destroy ourselves.

Fifth, we are now in the midst of an expanding national effort to resist Communist aggression. We are raising our sights all along the line. We are spending billions more for defense, for space technology, for foreign aid. This means that many things we might otherwise do we must forebear. We must develop a system of priorities and many programs that some might think are wise and justified will have to be eliminated.

What can stand lower on our list of priorities than assistance of any kind to Communist satellites?

And so I say to my colleagues again what I said a few days ago on the Senate floor, even if Senators have no philosophic aversion to this kind of aid, even if they do not think it aids our enemies, even if they do not think it deprives ourselves and our friends, I ask them to vote against it on the simple ground that newer and more urgent demands must be met, that to meet these demands we must dispense with other programs, and that financial aid to communism should be the first thing dispensed with.

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

Mr. DODD. Madam President, I yield myself an additional 3 minutes.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 3 additional minutes.

Mr. DODD. Madam President, it may be argued that the President should have a free hand, under his contingency fund, to extend emergency aid to a Red regime that suddenly breaks with the Kremlin. I have advocated in the past, and continue to do so, that there could well be a combination of circumstances under which a satellite revolt against the Kremlin could be successful and which would justify swift American intervention. However, so far as this foreign aid bill is concerned, there is no necessity nor any justification for the President to take such action unilaterally. Emergency assistance to a nation revolting from the Kremlin carries with it the implications of possible general war and such intervention should require the joint participation of the Congress with the President.

My amendment, of course, would in no way restrict the emergency powers which the President has as Commander in Chief, or under Public Law 480, or in conjunction with the United Nations. Those questions are not before us today. But so far as the foreign aid bill is concerned, I think all will agree that it would be a practical impossibility to make any effective use of large sums of money more quickly than the Congress could assemble and authorize such use in a time of emergency.

And so I conclude by saying that there is no practical necessity for the President to have arbitrary power to aid Communist satellites under the foreign aid bill. And I would add that there is no justification for unilateral action by the President without reference to Congress on such a grave matter in time of general emergency.

I believe that this amendment speaks for itself. I have done my best in the last few days to bring it to the attention of Senators, to explain its provisions and to justify it. I am now ready to let my case rest, and I shall ask for the yeas and nays.

Mr. TALMADGE. Madam President, will the Senator yield?

Mr. DODD. I am happy to yield to the Senator from Georgia.

Mr. TALMADGE. I congratulate the able Senator from Connecticut on his amendment. I shall certainly support it. I wondered why the Senator did not include Yugoslavia in the amendment.

Mr. DODD. I left Yugoslavia out for the reason that it is specially provided for elsewhere in the bill. In addition, there are differences with respect to Yugoslavia. Yugoslavia is not exactly the same as some of the other countries I have named in the amendment. It is not completely directed by, completely dominated by, and completely controlled by, the Kremlin, as we all know.

I do not like giving aid to Yugoslavia. I do not make any pretense that I do. I do not like to be put in the position of appearing to make a case for Yugoslavia. I am not doing so.

The PRESIDING OFFICER. The additional time the Senator yielded has expired. Does the Senator yield himself additional time?

Mr. DODD. I yield myself an additional 5 minutes, Madam President.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for an additional 5 minutes.

Mr. TALMADGE. It has always seemed to me utterly inconceivable that we would borrow money we do not have and give it to a Communist country. I have been unable to differentiate in my own mind as between a good Communist country and a bad Communist country. They all seem equally bad to me.

I cannot understand why we should borrow money from generations of Americans yet unborn to give it to Communist countries in an effort to fight communism. I do not see how it makes sense to give aid to Communist countries under the guise of fighting communism.

Mr. DODD. I do not, either.

Mr. TALMADGE. I congratulate the Senator. I shall support his amendment.

Mr. DODD. I thank the Senator from Georgia.

Mr. STENNIS. Madam President, will the Senator yield?

Mr. DODD. I yield to the Senator from Mississippi.

Mr. STENNIS. I congratulate the Senator for a very timely amendment and a most forceful argument, fully explaining the reasons for the need to adopt the amendment, and fully anticipating any points which might be made against it.

I understand the Senator is willing to allow me 5 minutes.

Mr. DODD. I shall be happy to do so.

Mr. STENNIS. I do not ask the time at this time if the Senator has made other promises, but if the Senator has concluded his address, I shall be glad to speak now.

Mr. DODD. Madam President, I yield 5 minutes to the Senator from Mississippi [Mr. STENNIS].

Mr. STENNIS. Madam President, this problem has been before the Committee on Appropriations in a most serious way for several years. After a great deal of concern and consideration of all phases of the problem, I am fully convinced that in this, as well as in other matters that pertain to world affairs, we must follow a harder course and a firmer line than we have followed heretofore. It is inconceivable to me that we can continue to believe that through our desire to help individual people in a country, we can help them without more effectively helping the regime under which they are dominated. I believe it is pure folly to think that we can preserve freedom against the onslaughts of communism by assisting governments that already have their people behind the Iron Curtain.

It must be remembered that any assistance granted on a foreign aid program of this kind can be administered only through the organized government of the country involved, and an honest dictatorship cannot be weakened by giving it money with which it can make itself stronger.

Madam President, I was disappointed when the Senate earlier this year passed the bill, S. 1215, amending the Mutual Defense Assistance Act of 1951 which was enacted during the Korean war and is better known as the Battle Act.

This law placed an embargo on shipments by the United States of armaments and strategic materials to any nation or bloc of nations which threatened America's security. The Battle Act made unlawful the export of our products to the Soviet Union and all countries under its domination. It also prohibited the United States from giving military or economic assistance to any nation which ships strategic or war materials to Communist nations. I think this is a wise law.

Unfortunately, the Senate earlier this year voted, over the objections of many of us, to amend the Battle Act, thus permitting economic and financial assistance to Communist nations, except the Soviet Union and Communist areas of the Far East, whenever the President determines such assistance is important to our security and is satisfied that the people involved will be informed of its source.

I am glad that the House has not passed S. 1215.

The bill now before the Senate permits all restrictions against financial aid to the Communist bloc to be waived by the President up to a total of $250 million annually.

Every schoolboy is aware that the forces of international communism are engaged in a worldwide movement to engulf the free people of the world. We cannot afford to support them in this move; indeed, our whole concept of government and our foreign policy, and that of our allies, is dedicated to the preservation of freedom. For the past 10 years, and more, we have been engaged in a cold war against the forces of communism. This cold war will probably last for a long time.

The American people and, indeed, I believe the people of the free world everywhere, have already proved that they will go to any length and make every sacrifice, financial and otherwise, to remain a free people. It has been proven in this country within the past few days. There have been unanimous votes on the floor of the Senate in favor of the largest peacetime military appropriation bill that has ever been passed in the history of our Nation. The Senate approved the bill, which appropriated more than $46.5 billion, by a unanimous vote.

The American people and, indeed, I believe the people of the free world everywhere will go to any length and make every sacrifice, financial and otherwise, to remain a free people. But it is impossible to explain to those suffering under the yoke of communism, and even our own people, how we can support a Communist government engaged on the other side in the cold war against us.

I realize that in years past, our Government has already rendered financial assistance to certain Communist countries. There are many of us who would like to help the people of these nations, and others, who are suffering in these Communist countries. But it is impossible to do so, in my judgment, without giving greater power to the governments in control of those countries and strengthening their control and enslavement of their people.

The American people cringe at the thought that their tax money, earned by their personal labors, shall be taken from them and poured in this manner to such Communist regimes as Czechoslovakia, East Germany, Hungary, Poland, Rumania, and even Cuba.

Only a few days ago, on the floor of the Senate we appropriated the money to support our national defense program for the coming year. This was the most expensive peacetime national defense program ever presented to Congress. The Senate approved this bill overwhelmingly. There was not a single vote cast against it. We appropriated more than $46½ billion for this program.

The American people are willing to pay any price to protect and preserve their freedom but they should not be called upon to support the free world and at the same time support the forces of communism seeking to take away their freedom.

Thus, on the one hand, we are called upon to build our defense in massive proportions, which we must do, but on the other hand, we are asked to appropriate money to feed the forces of communism against which our defense program seeks to protect us.

I particularly emphasize the soundness of the argument made by the Senator from Connecticut [Mr. DODD]. Should conditions change to the extent that an emergency should exist, in which money is demanded and could be effectively spent, we could return here at the call of the President within hours, eager and anxious to meet such emergency with money or any other aid that we might be able to provide, and which would really help the cause.

I have been so concerned about this problem that in past years I have gone into some of the countries involved with the express purpose of trying to gain a clearer idea of what the situation is, and even though I have visited many fine people on farms, in small factories, and in their shops and stores everywhere, and I have talked to them on a person-to-person basis—through an interpreter, of course—and admire them greatly, nevertheless I am convinced that the effect of this part of the proposed program has been to strengthen the vise within which the people in those countries are clamped and controlled. The longer we provide such assistance, the more hopeless in effect their cause will become.

Again I commend the Senator from Connecticut [Mr. DODD], and appeal to Senators to consider the amendment seriously and vote to support it as an essential part of our program.

Mr. ROBERTSON. Madam President, will the Senator yield?

Mr. DODD. I yield.

Mr. ROBERTSON. I warmly endorse all the sentiments expressed by the distinguished Senator from Mississippi [Mr. STENNIS], as well as those expressed by the Senator from Connecticut [Mr. DODD]. It will give me pleasure to support the amendment.

Mr. STENNIS. I thank the Senator. Under pressure of time, I yield back the remainder of my time.

Mr. DODD. Madam President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 10 minutes remaining.

Mr. DODD. I yield 6 minutes to the Senator from Idaho.

Mr. CHURCH. Madam President, I intend to vote for the pending amendment, which would prohibit the use of any funds authorized by the act for international development to aid members of the Sino-Soviet bloc.

The issue posed is: Should the Congress authorize grants of assistance on a government-to-government basis, to countries subject to Communist governments dominated by Moscow or Peiping?

It should be noted that the pending amendment does not reach person-to-person activities, or those carried on by voluntary associations. If individual Americans wish to contribute food, medical supplies, or even money to individual Poles, Hungarians, or Czechs, their ability to do so will not be impaired by this amendment. It relates only to tax money—that is, to involuntary contributions—and to relations between governments, not individuals, or voluntary associations of individuals.

The key question, then, is whether we can reasonably expect grant assistance to Communist satellite governments to serve our own national interest—and I have concluded that we cannot. I have been in Poland, and I have seen impressive evidence that many of the Polish people harbor good will for us. But a Communist economy is totally organized, and I do not see how it can be denied that any contribution we make to it frees resources or energy which may then be used against us.

Winston Churchill, in the darkest months of the war against Nazi tyranny, was confronted with a similar dilemma—whether to make the effort to deliver food to starving Belgians, in the hope that the oppressor's grip might thus be loosened. He decided against it. And the decision was not based upon any confusion of the Belgian people with the real enemy in occupation, but upon a clearheaded recognition that the food, or the strength it imparted, would be ruthlessly commandeered to serve the Nazi cause. Is not the case of the captive people in Eastern Europe indistinguishable, in principle, from this?

The other side of the coin is that every grant of aid we furnish to Communist countries in the Sino-Soviet bloc must be at the expense of similar or identical aid to some other region. We have made very heavy commitments to South America, to Africa, to Asia, and to other non-Communist countries and regions of the world, in an effort to demonstrate that economic development need not be purchased at the cost of Communist enslavement. In most of these countries, the issue is in doubt, and is hotly contested. Here the need for aid is at least as great as in the captive nations behind the Iron Curtain, and the yield, in terms of our own security, far less dubious.

In sum, it seems to me that the kind of aid covered by this amendment cannot, realistically, help the captive peoples so much as it will help their captors, and that our interests require its application elsewhere in the world we still hope to save from communism.

I shall therefore vote for the pending amendment.

I extend congratulations to the distinguished Senator from Connecticut for offering the amendment at this time.

Mr. DODD. I am grateful to the Senator from Idaho. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes remaining on his amendment.

Mr. DODD. I reserve the remainder of my time.

Mr. FULBRIGHT. Madam President, I yield 5 minutes to the Senator from Tennessee.

Mr. GORE. Madam President, no Senator wishes to spend money of the American taxpayers heedlessly, needlessly, or futilely. No Senator wishes

to spend American taxpayers' money in aid of communism. To the extent that the distinguished junior Senator from Connecticut seeks to accomplish this goal by his amendment I applaud him.

But, Madam President, I submit that the amendment offered by the junior Senator from Connecticut goes beyond that. I call attention to the fact that the amendment names countries, that the amendment names East Germany and prohibits funds contained in this bill to be used in any respect in aid of East Germany; that it names Cuba; that it names Poland.

I am not without hope that the people of Cuba will throw off the Communist yoke which is now fastened upon them. I am not without hope that the people of Cuba will become masters of their fate and that then our country may need rather quickly and may desire overwhelmingly to extend aid to a new and struggling regime.

We see evidence, I submit, that in East Germany the people want to rid themselves of the yoke. They have been fleeing from it. Now the gate is closed to their flight. This surely must increase their unhappiness.

Let us suppose that by some unforeseen set of circumstances, but a very welcome set of circumstances, the President of the United States needs the flexibility to give aid to a new government, which has the approval of the people of East Germany.

If the door is completely closed, if there is no hope for the Polish people to escape their awful burden, if there is no hope for the people of Cuba, and if there is no hope for the people in East Germany, and for the people in other countries, then I am prepared to vote against any aid.

But, Madam President, the fallacy here is that we draw the line and say that no aid shall be given, no encouragement shall be given, no enticement held out for a change.

The Communists make no such rule with respect to peoples affiliated and allied with freedom. They seek to subvert and encourage the overthrowing of these governments. How do we win if we deny the President of the United States the opportunity to encourage, and if, partly as a result of that encouragement, some government, meeting with the approval of the people, out of processes of self-determination, is installed? How can we give aid quickly and effectively?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. FULBRIGHT. I yield 1 additional minute to the Senator from Tennessee.

Mr. GORE. I hope the Senator from Connecticut will not insist upon the rigidity of his amendment. If in the view of the President of the United States a country is completely Communist-controlled, and we do not entertain any hopes for a change in that situation, I am ready to vote with the Senator. However, if the President thinks otherwise, and if there is hope that there is reasonable opportunity, then I would want to give the President flexibility in that regard.

Mr. DODD. Madam President, will the Senator yield?

Mr. GORE. I yield.

Mr. DODD. Would it be acceptable to add to the amendment "unless the President shall determine that such country has withdrawn from the Sino-Soviet bloc"?

I believe that would meet the Senator's objection. I do not believe this is ever going to happen. However, if I understand the Senator's argument, this language would meet his objection. Therefore, I am willing to go down the road another mile with him to add that language.

Mr. GORE. I am inclined to think that this might meet my objection, at least in part. While the debate proceeds, may I come over to the Senator to read the language?

Mr. DODD. I am happy to so modify my amendment.

Mr. KUCHEL. Madam President, on the bill I yield myself 3 minutes. I first desire to ask for the yeas and nays on the amendment, but I withhold the request temporarily.

I understand that there is some conversation going on about the possibility of the author changing his amendment. Has any proposal to amend the Dodd amendment been received at the desk?

Mr. BUSH. Madam President, may I comment on that? I have sent an amendment to the desk.

The PRESIDING OFFICER. The Senator from California has the floor.

Mr. BUSH. Madam President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. BUSH. I have sent to the desk an amendment. I have suggested a modification of the Dodd amendment, which I hope to discuss when the Senator from California has completed his remarks. If my colleague from Connecticut is reluctant to accept the modification I have offered, I shall call up the amendment which I have sent to the desk, and explain it. It would be in the nature of a substitute, and would accomplish exactly the same purpose my able colleague from Connecticut desires to accomplish, but with less restrictive language.

Mr. KUCHEL. Madam President, in my judgment, pending before us is an amendment by which the Senate can right the grievous wrong a majority of its Members made 3 months ago. On May 11, most regrettably, in my view, the Senate approved legislation authorizing the President of the United States to make gifts or loans to the governments of Communist East European satellites.

At the very time that legislation was being debated in the Senate, Mr. Che Guevera, of Communist Cuba, was proclaiming to the world the fact that his government was being materially underwritten, economically, by loans, some interest-free, from Communist countries all around the globe.

Let me recall what Guevera said, with respect to where Cuba was obtaining the financial sinews by which it might carry on its subversion, its intrigue, its propaganda, and its anti-Americanism in this hemisphere. Mr. Guevera proudly proclaimed that his country had received, on the basis of loans, $100 million from Soviet Russia, $70 million from Soviet China, $40 million from Czechoslovakia, $13 million from Poland, $10 million from East Germany, $7 million from Hungary, and $5 million from Bulgaria, for a total of $245 million—rather interestingly enough, the Red Chinese loan was without the requirement that any interest be paid.

The PRESIDING OFFICER. The time of the Senator from California has expired.

Mr. KUCHEL. I yield myself 1 additional minute.

I tried to say, as best I could, on that occasion that we ought not to make moneys from the U.S. Treasury available as gifts or loans to those very Communist governments in East Europe which, at that same moment, were lending money to the degenerate Castro in this hemisphere. I simply say now the Senate made a frightful mistake, in my judgment, when a majority of you passed a bill permitting the U.S. Government to make loans or gifts to the governments of Communist European satellites.

Today Senators have an opportunity to correct the error made then, and to declare that the U.S. Government will not make gifts or loans to Communist nations anywhere around the globe. Why should we? Let the Senate now repudiate its error of last May. Let us vote for this amendment.

Mr. TOWER. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. Who will yield time?

Mr. FULBRIGHT. Madam President, I will yield 10 minutes to the distinguished senior Senator from Connecticut; but I first yield to the Senator from Texas for a parliamentary inquiry.

Mr. TOWER. Madam President, how much time remains on either side?

The PRESIDING OFFICER. The Senator from Connecticut has 4 minutes remaining; the Senator from Arkansas has 18 minutes remaining.

Mr. FULBRIGHT. I yield 5 minutes to the Senator from Connecticut.

Mr. BUSH. Madam President, I should like to have the attention of my colleague from Connecticut. First, I commend him heartily for the amendment which he proposes and for the objectives which the amendment contains. I sympathize thoroughly with those objectives. I am most desirous to support them.

There are two reasons, I suggest to the Senator from Connecticut, which call for a modification of his amendment. The first is that under his amendment the President of the United States would lose his powers under section 614 of the bill. For instance, subsection (b) provides:

> Whenever the President determines it to be important to the national interest, he may use funds available for the purposes of chapter 4 of part I in order to meet the responsibilities or objectives of the United States in Germany, including West Berlin, and without regard to such provisions of law as he determines should be regarded to achieve this purpose.

Subsection (c) of section 614 authorizes the President to use amounts not to exceed $50 million in his discretion; he may use that money as he may see fit.

Mr. DODD. Mr. President, will my colleague from Connecticut yield?

Mr. BUSH. I yield.

Mr. DODD. My amendment has nothing to do with a country like West Germany; so the President would not be hindered at all in assisting West Berlin.

Mr. BUSH. The Senator's amendment does relate to section 614.

Mr. DODD. Yes; but my amendment does not relate to any free country. It directs itself only to Communist countries.

Mr. BUSH. I accept that observation by the Senator; but I think his amendment does deprive the President of his power, under subsection (c), in which he is "authorized to use amounts not to exceed $50 million of the funds made available under this act pursuant to his certification that it is inadvisable to specify the nature of the use of such funds."

Mr. DODD. The amendment merely prohibits the President—any President—from using money to assist Communist countries. That is all it does. If the Senator will make a careful examination of the amendment, he will agree with me, I believe, that that is all the amendment does. It is not a question of this President or that President; the amendment relates to any President.

Mr. BUSH. I understand.

Mr. DODD. Congress is always talking about abdicating its responsibility. This amendment prohibits any President from rendering assistance to Communist countries. I think it should. Congress should be consulted if such a step is to be taken, when there is plenty of time to do so.

Mr. BUSH. I insist that under the Senator's amendment, nothwithstanding the provision of section 614, the President of the United States, whoever he may be, would be deprived of his powers under subparagraph (c). I should not like to see the President deprived of those powers.

Also, I believe there is danger in using the names of the individual countries, as is done in the Senator's amendment. One of those countries, such as East Germany, might break loose. God knows, we all hope they regain freedom over there. I very much fear that if the countries behind the Iron Curtain are specified by name, that might be used as a weapon by the Soviets, through their propaganda machine, to clobber us with the very peoples to whom we are trying to be helpful, and at the street level, so to speak. The Communists could issue publications from their propaganda machine, saying, "See what the Senate of the United States did to you yesterday." I say the Communists could exploit the Senator's amendment against the United States.

Of all the people in the United States, Senator DODD, of Connecticut, would be the last one to want to see that happen. I do not believe there is any Senator who has done more to fight communism than has Senator DODD. No one has done more and so consistently in the cause about which we are speaking than my colleague, my able colleague from Connecticut. So I have no difference with him in objective.

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

Mr. FULBRIGHT. Madam President, I yield 5 minutes more to the Senator from Connecticut.

Madam President, will the Senator from Connecticut yield?

Mr. BUSH. I yield.

Mr. FULBRIGHT. The senior Senator from Connecticut has expressed my views about the amendment. I shall support his proposal. I agree with what the distinguished junior Senator from Connecticut proposes, but I believe the senior Senator from Connecticut has proposed a formula which would be more effective. Two or three other observations might be made, which merely fortify, I believe, the position of the senior Senator from Connecticut.

We hear much about a country like Albania, a small area far removed from the territory of the Soviet Union. At present, Albania is oriented toward Chinese communism. It is possible that something beneficial could happen in Albania. I believe it would be improvident and lacking in foresight to deprive the President of an opportunity, if it should arise, to utilize his powers in such connections as that. As we look back over the past few years of this country's history, we see how quickly some conditions have changed. It would be a great mistake to tie the hands of the President under the provisions of section 620, as it has been offered. I believe the proposal of the senior Senator from Connecticut is well in order and is much more preferable to the amendment of the junior Senator from Connecticut. I shall support the proposal of the senior Senator from Connecticut.

Mr. BUSH. For the information of the Senate—and I invite my colleague's attention to this—I should like to read my amendment, which is as follows:

On page 56, after line 10, insert:

"SEC. 618. Prohibition against furnishing assistance to countries. No assistance shall be furnished under this act to the government of any country which the President determines to be dominated or controlled by the international Communist movement."

That is my amendment. The only difference between my amendment or suggestion and that of my distinguished colleague from Connecticut is that the names of the countries which are considered to be under the domination of the international Communist movement are omitted.

I now make my request directly to the junior Senator from Connecticut and ask if he will accept my proposal as a modification of his amendment.

Mr. DODD. I am sorry to say to the Senator, who is not only my very able colleague, but my very good friend as well, that I cannot accept it. I should like to explain why, but I do not wish to trespass on the Senator's time. I shall do so in the few minutes I have remaining. My colleague knows I have the highest regard and respect for him. I wish I could accept his amendment, but I cannot.

Mr. BUSH. Madam President, will the Senator from Arkansas yield time to the Senator from Pennsylvania [Mr. SCOTT], who wishes to speak in support of my proposal?

Mr. FULBRIGHT. I yield 3 minutes to the Senator from Pennsylvania.

Mr. SCOTT. Madam President, I would not like to see the hands of the President tied, as a matter of fact, by either of these amendments, if that can be avoided. It quite possibly may prove to be the sense of the Senate that one or the other of these amendments should be adopted—in which event I certainly would favor the amendment of the senior Senator from Connecticut [Mr. BUSH]. However, I should like to echo what he has said about the junior Senator from Connecticut [Mr. DODD], with whom I find it possible to agree most of the time. In fact, I do not know anyone who contributes more to sound foreign-policy thinking, as an independent-minded, cogent, and conscientious Member of this body.

I am greatly concerned about the naming of the countries involved and also about the possibility that it would be necessary to wait for Congress to act under such circumstances, because if a revolution broke out—for instance, in Cuba, East Germany, or elsewhere—it might be necessary for the President to act unilaterally. Of course I say this even though it is well known that I am a strong advocate of maintenance of the powers of legislative bodies, and generally I am distrustful of proposals to give too much power to the Presidency. But this situation is a very grave one; and inasmuch as I favor not tying the hands of the President at all in such a situation, if I am given a choice between these two amendments, I would hope—inasmuch as in the amendment of the senior Senator from Connecticut [Mr. BUSH] the countries are not named and discretion is clearly vested in the President—that the amendment of the senior Senator from Connecticut [Mr. BUSH] would be adopted.

Mr. DODD. Madam President, I am grateful to the Senator from Pennsylvania. I wonder whether his concern in regard to the points which he has discussed would be allayed if I were to modify my amendment in the following particulars—namely, by adding at the end of my amendment the following words:

If the President determines such country has withdrawn or is in the process of withdrawing from the Sino-Soviet bloc.

It seems to me the amendment with that modification would give the President all the power, latitude, and discretion he could possibly want.

Let me say that in my amendment I name the countries, because I want that clearly understood. I do not want there to be any doubt about what is meant by the amendment. I am sure the Senator heard me state earlier that we have given over $4 billion to Yugoslavia and Poland; yet today Poland is nearer the

Kremlin than before we gave that money.

The PRESIDING OFFICER. Will the Senator from Connecticut send to the desk his modification of the amendment?

Mr. DODD. Yes, Madam President.

Mr. SCOTT. Madam President, I do have this concern about naming the countries and about the difficulty the President might have in making quick judgment—for instance, perhaps within 60 minutes, for very quick judgment might be necessary—as to whether a country had withdrawn from the Sino-Soviet bloc. For example, in connection with the Cuban invasion, it would not have been possible to determine whether the effort would succeed and whether the situation would clarify, in time for the President to make such an adjudication.

I agree very strongly with the Senator from Connecticut that we are giving too much money to the Communist countries. In fact, I would prefer that we give no money at all to Communist countries, not even, I may say—although I realize that the use of the word in this connection might be subject to misconstruction—not even a red cent.

Mr. DODD. Madam President, will the Senator from Arkansas yield 1 minute to me, so that I may have my modified amendment read?

Mr. FULBRIGHT. I yield 1 minute to the Senator from Connecticut.

Mr. DODD. Madam President, I ask that the modification of my amendment be read.

The PRESIDING OFFICER. The modification of the amendment will be read.

The LEGISLATIVE CLERK. On page 2, in line 2, it is proposed to change the period to a comma, and add: "Unless the President determines that such country has withdrawn or is in the process of withdrawing from the Sino-Soviet bloc."

Mr. BUSH. Madam President, will the Senator from Arkansas yield 2 minutes to me?

Mr. FULBRIGHT. I yield 2 minutes to the Senator from Connecticut.

Mr. BUSH. Madam President, of course the modification improves the amendment and brings the President back into the picture—as is the intention. However, even with the modification, the amendment would deprive the President of his powers under section 614; and even with the modification, the Dodd amendment still contains the provision to which I object, and which I believe to be harmful—namely, in regard to the naming of these countries. I believe that the propaganda machine of the Soviets could clobber us over the head with that, by means of the use of the radio and other propaganda facilities behind the Iron Curtain, and could use it as a weapon with which to discourage very greatly the very persons we are trying to help.

Of course, I know full well that my colleague from Connecticut [Mr. DODD] is the last person in the United States who would wish to have that done. But, Madam President, I do not think I am mistaken when I say that I believe that could happen if this amendment were to be enacted into law. So, if my colleague does not wish to accept the modification I propose, I am disposed to call up my amendment as soon as it is possible and proper to do so, as a substitute for the amendment of my colleague.

Mr. COOPER. Madam President, I should like to ask a question: Would the amendment prohibit the sending of food under Public Law 480, to these countries, in case of famine or other need?

Mr. DODD. No, the amendment has nothing to do with that. That is a very good point, and I am glad the Senator from Kentucky has asked the question; but under the amendment the President would still have full authority to ship food or fiber under Public Law 480.

Similarly, the amendment would have no effect on the powers of the President as Commander in Chief of our Military Establishment. Even with the enactment of the amendment, the President could still exercise all those powers.

That is why I say the President will still have vast powers. The amendment merely provides that no such assistance can be rendered to these Communist countries—which is what they are. Even so, the President will have full authority as Commander in Chief. If anything more than that were involved, I believe we would be on the threshold of war, because I do not believe the Kremlin would then sit idly by; and in that even I believe the Congress would have to be consulted. Of course, it would take only a matter of hours for the Members of Congress to assemble—in view of the speed of modern transportation. In short, it would be possible for Congress to assemble very quickly.

So, Madam President, I have explained the amendment. It is a very simple one.

Mr. COOPER. Madam President, I should like to ask another question.

The PRESIDING OFFICER. Who yields time to the Senator from Kentucky? The time of the Senator from Connecticut has expired.

Mr. MANSFIELD. Madam President, I yield 2 minutes on the bill to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 2 minutes on the bill.

Mr. DODD. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Connecticut will state it.

Mr. DODD. I had not been aware that I had used all my time. I was responding to the Senator from Kentucky [Mr. COOPER], who asked me a question.

The PRESIDING OFFICER. Without objection, the Chair will extend the time of the Senator from Connecticut 3 minutes.

Mr. COOPER. Would the Senator's amendment prohibit assistance which might go to such countries through United Nations organizations to which we have contributed funds, such as the Children's Fund?

Mr. DODD. Not at all. The amendment does not at all effect such a situation or the United Nations or the use of Public Law 480.

Mr. GORE. Madam President, will the Senator from Kentucky yield, so that I may ask a question of the Senator from Connecticut?

Mr. COOPER. I yield.

Mr. GORE. I should like to ask the Senator from Connecticut this question: The modification of his amendment seems to me to improve it. But I respectfully suggest that the President may not be dealing with certainties. The amendment provides:

> If the President determines such country has withdrawn or is in the process of withdrawing from the Sino-Soviet bloc.

Will the Sentaor change that to read, "has withdrawn or may be in the process of withdrawing"?

Mr. DODD. That language is acceptable to me. I think I understand the Senator. I think that is fine.

Madam President, I move to modify my amendment accordingly.

The PRESIDING OFFICER. Is there objection to the modification of the amendment of the Senator from Connecticut? Without objection——

Mr. MUNDT. Madam President——

The PRESIDING OFFICER. Will the Senator from Tennessee please state the language of the modification?

Mr. GORE. As the junior Senator from Tennessee understands, the amendment now proposed by the junior Senator from Connecticut would read as follows after the word "act" on page 2: comma, "unless the President determines that such country has withdrawn or may be in the process of withdrawing from the Sino-Soviet bloc."

Mr. DIRKSEN. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. May the language be repeated?

The PRESIDING OFFICER. The clerk will state the modification.

The LEGISLATIVE CLERK. On page 2, line 2, it is proposed to strike out the period, insert a comma and the following: "unless the President determines that such country has withdrawn or may be in the process of withdrawing from the Sino-Soviet bloc."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. DIRKSEN. Madam President, I yield 5 minutes on the bill to the Senator from South Dakota [Mr. MUNDT].

Mr. MUNDT. Madam President, may I inquire, first of all, whether the pending amendment is the amendment which has been read, to wit, the amendment of the Senator from Connecticut, as modified, or do we have an alternative substitute amendment pending?

Mr. BUSH. I will withhold my substitute until after the time has expired on the pending amendment. I asked the junior Senator from Connecticut if he would accept my amendment as a modification, and he did not wish to do so. So I notify the Senate that I intend to offer it. Does the Senator want to read it?

Mr. MUNDT. No; I know what it says.

As a Republican, when my two delightful friends from Connecticut get into an argument, I am predisposed to be with the senior Senator from Connecticut, who is a fellow Republican, but on this one, since the whole merit of the logic of the question seems to rest with the amendment as modified and resubmitted by the junior Senator from Connecticut [Mr. DODD], I must say I expect to support the Dodd amendment for reasons which seem to me to be pretty clear.

I have no compunctions whatever about setting out the countries we mean. We did it in the resolution denying recognition to Red China. We did not say the Senate votes, 92 to 0, to keep out of the United Nations a certain large Asiatic country where the people have straight hair and a permanent tan. No. We referred specifically to "Red China"—which is right and specific.

I think we ought to name the Communist countries. We know which ones they are. We get to the same goal either way. We hear loose talk about whether Outer Mongolia is or is not communistic or whether Albania is really Communist because a certain individual there has had a few cross words with Khrushchev. Is it a Communist country or not? Let us speak out and say what we mean. This provision gives the President complete latitude not only in the event a country has withdrawn but is endeavoring to or is approaching withdrawal from the Communist bloc. We give the President that latitude.

So far as propaganda impact is concerned, it seems to me the propaganda impact of mentioning those countries is on the side of the free world. I do not think Mr. Khrushchev or other dictators are going to make any political hay by standing up in Red Square or in their country's forum and saying to the people, "You cannot get any of this aid because we are running a Communist country and the Americans do not like our type of government." I think it will be recognized that we are not going to give aid to countries under the Communist bloc. This fact should prove encouraging to freedom-loving people everywhere.

I am tired of seeing the Senate start out manfully to do something, and then whittle it away here and there, and substitute ambiguity here and there, until we finally get nothing but ambiguity which means nothing and which nobody understands. I think we ought to name the countries by name and include them in the prohibition unless and until the President determines they have withdrawn or are in the process of withdrawing from the Sino-Communist bloc.

I hope the Dodd amendment will be approved as modified. He deserves great credit for originating it.

I ask for the yeas and nays on the Dodd amendment.

The yeas and nays were ordered.

Mr. MUNDT. I yield back the remainder of my time.

Mr. DIRKSEN. Madam President, I yield 5 minutes on the bill to the Senator from Texas [Mr. TOWER].

Mr. TOWER. Madam President, I send to the desk an amendment to the pending Dodd amendment, and ask that it be stated.

The PRESIDING OFFICER. Is there objection to the offering of this amendment, since the time on the Dodd amendment has not expired?

Mr. FULBRIGHT. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FULBRIGHT. Has the time on the Dodd amendment expired?

The PRESIDING OFFICER. Two minutes remain on the proponents' side, and 3 minutes on the opposite side.

Mr. FULBRIGHT. Is it not true that a further amendment is not in order until the time on the pending amendment has expired?

The PRESIDING OFFICER. That is the reason why the request has been made for unanimous consent.

Mr. FULBRIGHT. I am ready to yield back the time if the Senator from Connecticut is, so the Senator from Texas can offer his amendment.

Mr. DODD. I wanted to reply to my colleague from Connecticut. I would like to have an opportunity to do that.

The PRESIDING OFFICER. Will the Senator from Texas withhold his amendment while the junior Senator from Connecticut is recognized?

Mr. TOWER. Yes.

Mr. DODD. Madam President, my reasons for not accepting the proposal of my colleague, the senior Senator from Connecticut, are these: First of all, with respect to the point of naming the countries, I have named them because I want to be sure there would be no ambiguity about it. I think the proposal of the senior Senator from Connecticut is ambiguous. It says a country which the President determines. I would like to get away from ambiguity on this question, and I think we ought to nail it down.

I oppose the proposal of my colleague because it merely restricts aid to any "government" of any such country. It opens the aid up to people who may seek to subvert the intention of Congress. Private organizations may try to get loans and grants. It places on the President the touchy, and perhaps unwelcome, task of deciding which country is and which is not controlled by the Communist movement. We in Congress ought to decide the question. That is the purpose of my amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. FULBRIGHT. Madam President, I yield back the remainder of my time.

The PRESIDING OFFICER. The amendment offered by the Senator from Texas [Mr. TOWER] to the amendment of the Senator from Connecticut will now be stated.

The LEGISLATIVE CLERK. It is proposed, on page 1, after the first comma in line 9, to insert "Yugoslavia,".

Mr. TOWER. Madam President, the purpose of my amendment is to stop the use of the American taxpayers' money to further the cause of international communism, which seeks to destroy the freedom we hold dear and to bring all nations under the tyrannical control of the Kremlin.

In support of my amendment, I offer two statements made by Marshal Tito which I found in the CONGRESSIONAL RECORD, volume 106, part 7, page 8521:

> I must say that there is no national communism. Yugoslav Communists are also internationalists. * * * As far as our international obligations as Communists are concerned, I must say the Communists of Yugoslavia have never failed to fulfill them.
>
> Yugoslavia, in time of war, as in time of peace, marches shoulder to shoulder with the Soviet people toward the same goal—the goal of the victory of socialism.

In addition to these statements by Marshal Tito, there is yet another piece of evidence which speaks for itself. I am referring to the so-called "peace manifesto" signed in Moscow in November 1957, by 64 Communist bloc or Communist sympathetic nations, including Yugoslavia.

This document endorsed the foreign policy of the Soviet Union as being "necessary to peace" and urged "cooperation" among the 64 signatory nations in the struggle against the "capitalist monopoly who have a vested interest in war."

Yugoslavia's position in the cold war is clear. They have never been, and are not now, on our side. In any showdown, it is plain that their military power will be alined with Russia against the free world.

I recall a statement made by the distinguished senior Senator from New Hampshire [Mr. BRIDGES] in which he reminded us that scrap iron shipped to Japan prior to World War II came back to us in the bodies of American boys.

Scrap iron is being shipped to Yugoslavia, an avowed enemy, this very day. Within the past week a ship was loaded in the Port of Houston with 8 million pounds of scrap iron bought and paid for by a $5 million foreign aid grant by the International Cooperation Administration.

An unnamed administration spokesman told the press that the Yugoslavia Government had certified that the metal would not be reexported. Since when has a certification by a Communist government been worth much more than the paper on which it is written?

But even if we could assume that Tito would honor the so-called certification it would still be impractical and dangerous to give him this potential war material, because of his stated determination, which I have quoted, to fight on the side of the Soviet Union in event of war. And, too, in view of the established commercial intercourse between Yugoslavia and other Communist bloc nations, we have no assurance that finished goods made from this scrap iron will not be reexported.

I deplore the shipment of scrap iron to Yugoslavia, and I urge the President to put a stop to it.

In order to permanently block such transactions in the future, I urge the adoption of my amendment, and subsequently, the amendment offered by the Senator from Connecticut [Mr. DODD].

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas to the amendment of the Senator from Connecticut.

Mr. MANSFIELD. Madam President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Montana.

Mr. MANSFIELD. Madam President, if I correctly understand the amendment offered by the distinguished Senator from Connecticut, it includes Poland, with which economic relations were undertaken by the previous administration, which have been continued and are now in effect under the present administration.

In general, I would say the same reasoning applies to Yugoslavia, which has been the recipient of assistance both in a military and economic sense under the previous administration as well as, I assume, under the present administration.

I urge my colleagues to give special consideration to the question of inclusion of those two countries, which are the recipients of aid not only under a Democratic administration, but originally, as I recall, under a Republican administration, when such aid was considered in the best interests of the security and welfare of the United States. I hope that in some way those two countries can be eliminated from the proposal, because of the actual situation which exists, which places them apart from other countries enunciated under the amendment.

Mr. FULBRIGHT. Madam President, I yield myself 2 minutes.

A very simple way to accomplish that purpose is to accept the amendment offered by the senior Senator from Connecticut. That is in accord with what the Senator has said. It is in accord with past practices of the legislature not to pick out individual countries and commit them either directly to aid or not to aid. Under any administration we have always followed the principle of not specifying in an aid bill that we are going to give so much to country X and so much to country B and so on down the line. The same reasoning applies to a great extent in this instance.

Nobody is proposing that we give any aid to Communist China or to any of these other countries, with the exception of Yugoslavia. There is a special provision in the bill with respect to Yugoslavia, because it has been considered for some time as not being under the domination of Russia.

The Senator from Texas is entitled to his views. I do not argue with him in respect to that. I only say there is great evidence that Yugoslavia is not completely under the domination of the Kremlin. Yugoslavia shares some similar views with Russia with regard to how to organize society, but there have been many evidences of differences between those countries in many areas.

Yugoslavia is entertaining a meeting this fall at Belgrade of some 20-odd so-called neutral countries. One could condemn them all. One could condemn neutralism, if one wished to do so. There is a difference of opinion on that. Those are countries like India. India will attend the conference. Egypt and many others will attend. I believe Brazil will attend. I would not wish to commit Brazil to attendance, but I think I saw in the newspapers an article stating Brazil had accepted or was contemplating accepting the invitation.

These distinctions are not quite black and white in every case. It is not always easy to determine whether a country is under the domination of international communism. There is a fluidity which always takes place in the situation.

I submit to the distinguished majority leader that the very proper, businesslike, and sensible way to accomplish what he is asking is to agree to the amendment offered by the senior Senator from Connecticut. That will solve the problem.

I dislike to start picking these countries one at a time, because I think then we would get into a very difficult situation.

Mr. MANSFIELD. Madam President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MANSFIELD. I invite the attention of my colleagues to the fact that, so far as I am aware, no funds under any aid act have been going, are now going, or will go, to Albania, to Bulgaria, to Communist China, to Cuba, to Czechoslovakia, to East Germany, to Hungary, to North Korea, to North Vietnam, to Outer Mongolia, to Rumania, or to the Union of Soviet Socialist Republics.

One nation mentioned in the amendment, Poland, is the recipient of aid, and the other nation being considered at the present time is Yugoslavia.

What we are asked to do is to go against the direct recommendation of President Eisenhower in the previous administration and, I would assume, against the direct recommendation of the President of the United States, Mr. Kennedy, in the present administration.

Mr. AIKEN. Madam President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. AIKEN. I believe the loan made to Poland is repayable in dollars with interest. We are selling surplus farm commodities to Poland under Public Law 480.

Mr. MANSFIELD. The Senator is correct.

Mr. AIKEN. As I understand, that would not be affected by the amendment of the Senator from Connecticut. The loan made to Poland I think was made by the Export-Import Bank, but it is repayable in dollars with interest.

Mr. MANSFIELD. Not only were loans made for the surplus wheat sent to Poland, but also for machine parts of various kinds, as well as for certain types of machinery to modernize their coal-mining facilities.

Mr. AIKEN. That is true. I believe some of the dollars which were loaned to Poland have been used to purchase some food commodities which were not in surplus in the United States.

Mr. DODD. Madam President——

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. I merely wish to inquire as to who controls the time.

Mr. FULBRIGHT. Madam President, what is the parliamentary situation at the moment?

The PRESIDING OFFICER. The Senator from Texas [Mr. TOWER] has offered an amendment to the amendment of the Senator from Connecticut [Mr. DODD]. The question is on agreeing to the amendment to the amendment.

Mr. DODD. Madam President, will the Senator from Arkansas yield me 5 minutes?

Mr. FULBRIGHT. I yield the Senator from Connecticut 5 minutes on the bill.

Mr. DODD. I merely wish to respond to the amendment offered by the distinguished Senator from Texas, which would include Yugoslavia, a country to which aid would not be given. When I drew the amendment, I left out Yugoslavia after much thought. I do not believe in aid to Yugoslavia, but I discern that that country is in a different posture from that of the other countries specified in my amendment.

The differences are as follows:

First, Yugoslavia is not a member of the Warsaw Pact, which seems to me to have some significance. Second, I recall that at the time of the Hungarian revolution, at the Budapest outburst, it was Yugoslavia that made it possible for a very large number of Hungarian refugees to be provided for.

Third, I do not believe that the leaders of Yugoslavia are as controlled by Moscow as are leaders in other Communist countries. There is a difference in that respect. I do not think the military personnel are as controlled by the Kremlin as they are in other countries. I do not believe that the civilian officials are as controlled.

Finally, I believe there is difference in this respect, that Yugoslavia trades mostly with the West. That is another difference. I have stated some of the reasons I omitted Yugoslavia from my amendment.

There is an additional reason. Yugoslavia is treated specially and specifically elsewhere in the bill. It seems to me that it would be better to deal with that country when we reach that point in the bill and an amendment directed at and naming Yugoslavia as a country not to receive aid ought to be directed to that section of the bill.

At this point I should like to say something about what our great majority leader said with respect to Poland and Yugoslavia. I do not believe there is anything sacred about the fact that aid to Poland was initiated under the Eisenhower administration. If the majority leader will forgive me for saying so, it amuses me a little because I have heard him speak very severely about other things that the Eisenhower administration did. If it is enough to say that the act was done under the Eisenhower administration, we might as well go home. I do not care who did it. I do not want to be understood as being overly critical or severe with respect to President Eisenhower. I think the policy then was a mistake; I think it is a mistake now.

The point of my amendment is to stop that assistance.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr. MANSFIELD. I can understand the argument advanced by the Senator from Connecticut, because he has been persistent through the years. What he has said is nothing new or is not a conclusion reached on the spur of the moment. But I wished to bring to the attention of the Senate the fact that the program was undertaken under the previous administration. What I said was not said for political reasons. These aid undertakings had been started then, and the present administration sought a continuation of the same type of assistance. My statement was merely an attempt to get the record clear, and not to oppose the distinguished Senator from Connecticut.

Mr. DODD. I did not misunderstand. I wish the majority leader had stated that the assistance had not only started under the previous administration, and had been continued under the present administration, but under both administrations it has been a miserable failure. The country has received more than $1 billion, and they are more against us today than when we started.

They are building a steel mill. If the time arrives when we find ourselves in mortal conflict with communism, that steel mill will be used against us. Everything we do to aid the Communist conspiracy will be to our detriment. That applies to every dollar, every kernel of wheat, and every thread of yarn that we give them. We had better make up our minds about it. We cannot carry water on both shoulders. We cannot be for and against communism. If we are against it, let us say so and vote for my amendment.

Mr. LAUSCHE. Mr. President, will the Senator from Texas yield 5 minutes?

Mr. TOWER. I yield.

Mr. LAUSCHE. I think it must be admitted that our progress with the Communists has not been good. I do not pretend to be able to identify the cause. However, I know that when I think of the fact that our country is giving aid to Communist countries, I reach a sort of block. I become bewildered. I cannot explain to myself the situation in which we are giving aid to countries that are allied against us.

Let us consider the proposal offered by the amendment of the Senator from Connecticut that we discontinue giving aid to Communist countries. I wish to look at it from four facets. What is the psychological impact when we give aid to a Communist government upon first, the people of the particular recipient nation; second, the people and the governments of the world in general; third, the Communist governments receiving the aid; and fourth, the people of our own country.

If I were living in Yugoslavia or Poland and wanted the Communist government to fall, and I learned that the United States sent the country mutual aid, I would grab myself by the head and say, "What does this mean?"

The avowed enemy of the United States is being given aid. I, a humble citizen, am praying that something will happen, and find myself unable to understand. Does the United States want the Communist government to continue in life, or does it stand by its word that communism is a menace to the world?

Mr. BUSH. Mr. President, will the Senator yield for a question?

Mr. LAUSCHE. I do not have much time.

What is the impact upon the people and the governments of the world in general? Let us assume that I was the representative of a government wondering which way to go. Assume that I was leaning toward the free West and the free people of the world. Let us assume further that word came to me that the U.S. Government was giving aid to Communist regimes. Again I would become bewildered. Again I would say, "Are they serious? Do they know what they are doing?"

If the United States is aiding Communist governments, I might as well stay on the sidelines, and be a spectator and a neutral.

What is the impact upon the Communist governments receiving the aid? They can shift their responsibility. They can shift their material resources into equipment of war and use our aid to pacify the people and to tell the people that "the U.S. Government is friendly to us." I cannot subscribe to such a situation.

Finally, what is the impact upon the people of our own country? Let us ponder that question. When I go back to "Mainville," in Ohio, and tell the people that the Communists are a menace to the world, that they are marching forward, that they are daily declaring that they will conquer the world——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LAUSCHE. Mr. President, may I have 3 additional minutes?

Mr. TOWER. I yield 3 additional minutes.

(At this point Mr. HICKEY took the chair as Presiding Officer.)

Mr. LAUSCHE. The citizens of the town might well say to me, "Why are you sending aid to those people?"

How would I answer the question?

I cannot answer. When a citizen says to me, "You are aiding and abetting the enemy. Answer it if you can," I cannot do it. If I tried to do it, I would have to go through a great deal of sophisticated reasoning, all tenuous; and in the end I would not convince myself that I was right.

With respect to the question of including Poland and excluding Yugoslavia——

Mr. BUSH. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. BUSH. The Senator has said that if he were a citizen of a country behind the Iron Curtain and we were sending aid to that country, he would hold his head and cry, "My God, I wonder why they are doing it."

I understand what the Senator has in mind. I wonder whether the Senator wants to eliminate from the bill the possibility that the President might secretly use $50 million in the bill without specifying what it is to be used for. The President would be disarmed, under the Senator's language, from using that money under the terms of his pending amendment.

Mr. LAUSCHE. I am glad the Senator has asked me that question. I heard his remarks 10 minutes ago. He said there may be a revolution in those countries.

Mr. BUSH. Yes.

Mr. LAUSCHE. If we want a revolution to come about in those countries, let us quit sending them help. That is my view.

Mr. BUSH. I agree with the Senator completely. There is no argument between us as to whether we should stop sending aid. The only question is, Who is to determine whether a country is a Communist-controlled country?

Mr. LAUSCHE. I have implicit faith and respect for the Senator of Connecticut. I recognize his concern about our country and his patriotic purpose to aid country and fight communism. I hope we can reach some understanding between the two views. I have doubts about the propriety of identifying the countries. I suggest we ought to be careful, because perhaps before we conclude this session we shall have a sensitive issue before us, and we may not wish to identify a country.

Mr. DODD. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. DODD. My colleague from Connecticut has said three or four times that the use of the $50 million would be impaired, that the President could not use it under my amendment. That is not so. My amendment would not affect that item at all, except with respect to Communist countries.

Mr. LAUSCHE. Mr. President, may I have 2 more minutes?

Mr. TOWER. I yield 2 more minutes to the Senator from Ohio.

Mr. LAUSCHE. If Yugoslavia is included, how can I explain, except to a very well informed person, that there might be some thin difference between Poland and Yugoslavia? How can I tell a Pole in Cleveland that the Poles are not getting it, but the Yugoslavs, my ancestors, are getting it? However, I will forget the personal aspect. How can I explain it? I say either give it to all or give it to none. I am in favor of giving it to none.

Mr. TOWER. I thank the Senator from Ohio for his very eloquent and perceptive comments. We are on very shaky moral grounds in giving aid to a dictator like Tito, who has murdered, pillaged, raped, lied, and cheated, and who is no better than the rest of the Communist tyrants behind the Iron Curtain.

I yield 3 minutes to the Senator from Idaho.

Mr. CHURCH. Mr. President, I have already undertaken to explain the reasons why I shall support the amendment offered by the distinguished Senator from Connecticut. The question that is now before the Senate is whether we should add Yugoslavia to the list of countries contained in the amendment.

If Senators will read the amendment, it will be apparent that every acknowledged Communist country is listed in it with the exception of Yugoslavia. I see no reason why we should leave off the list a country which is clearly controlled by a Communist government, and which has given dubious indication that it is not a part of the Sino-Soviet bloc. Therefore I think that for the sake of consistency alone, if we are to list every other Communist country in the amendment we ought not to make an exception of one Communist country by leaving it out.

The distinguished Senator from Connecticut has indicated that there may be reasons why Yugoslavia should be considered a little differently from the other countries that are unquestionably part of the Sino-Soviet bloc. He has mentioned the fact that Yugoslavia is not a member of the Warsaw Pact. He has mentioned the fact that there may be some evidence that Yugoslavia is not as totally dominated by the Kremlin in its attitude and relations abroad as are the other Communist countries. Finally, he has indicated that Yugoslavia persists in a substantial amount of trade with the Western world.

I concede these points. They are all valid points that might form the basis for a reasonable determination that Yugoslavia is either in the process of withdrawing or has in fact withdrawn from the Sino-Soviet bloc.

However I call the attention of the Senate to the fact that the amendment of the Senator from Connecticut, as modified, provides that should the President determine that any one of these countries either has withdrawn or is in the process of withdrawing from the Sino-Soviet bloc, the President may authorize aid for such country.

Therefore I see no reason why we should not add Yugoslavia. If we do, we shall have all the Communist countries together. Then if the President should determine that Yugoslavia may be in the process of withdrawing, or has in fact withdrawn from the Sino-Soviet bloc, aid could be given.

Mr. DODD. The Senator has raised a very important point. I must say in all candor that it is an entirely valid one. Having accepted the language that I did, which amends my own amendment, it is simple logic to accept the Senator's view.

Mr. CHURCH. Then I would urge the Senator to accept the amendment of the Senator from Texas. I appreciate his remarks.

Mr. DODD. I am ready to accept the suggestion of the Senator from Texas.

The PRESIDING OFFICER. Is there objection?

Mr. FULBRIGHT. The Senator can modify his amendment, can he not, by unanimous consent?

The PRESIDING OFFICER. Does the Senator request unanimous consent to modify his amendment?

Mr. DODD. I ask unanimous consent to modify my amendment by adding the language of the amendment offered by the Senator from Texas.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator so modifies his amendment.

Mr. BUSH and Mr. HOLLAND addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. BUSH. I have sent to the desk an amendment which I now ask to have stated. It is in the nature of a substitute for the Dodd amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 56, after line 17, it is proposed to add a new section, as follows:

SEC. 620. PROHIBITION AGAINST FURNISHING ASSISTANCE TO CERTAIN COUNTRIES.—No assistance shall be furnished under this Act to the government of any country which the President determines to be dominated or controlled by the international Communist movement.

Mr. BUSH. Mr. President, I ask for the yeas and nays on my substitute amendment.

The yeas and nays were ordered.

Mr. BUSH. I yield myself 5 minutes. We have already argued the point at issue here. I merely wish to repeat that the objective of my colleague from Connecticut and my objective are identical. It is to do what is in the best interest of the United States with respect to aid to Communist countries. We are against giving such aid. The whole Senate is against it. My position is based on two objections to the amendment of the junior Senator from Connecticut. First I feel, regardless of his protest, that by his amendment he is depriving the President of authority under section 614 of the bill itself. All this material appears at page 54 of the bill. Among the most important powers is the President's $50 million fund which he may use in a secret way, without accounting, without specifying the nature of the funds.

He may use them in pursuit of the objectives of the bill.

Mr. President, I yield to the Senator from Arkansas as much time as he may wish to comment on that assertion.

Mr. FULBRIGHT. The Senator from Connecticut is quite correct. Section 614 starts at the bottom of page 53 of the bill and continues almost to the bottom of page 54. The amendment of the junior Senator from Connecticut, it will be noticed, eliminates section 614, subsection (c) of which is the section to which the senior Senator from Connecticut refers.

I may say, by way of a little history, that when the amendment was submitted to me, I wrote to the junior Senator from Connecticut and stated that if he would eliminate that particular provision in the bill, and if he would eliminate the reference to Poland—because Poland has had a rather special status in this country's policy, under both administrations; there is nothing new about this—I thought the amendment would be all right. But the junior Senator from Connecticut refused to accept my proposal to eliminate the reference to section 614.

I agree entirely with the senior Senator from Connecticut as to the significance of section 614. I do not disagree at all with the objective of the amendment of the junior Senator from Connecticut, but I believe there are side effects which could possibly be embarrassing to the country and to the administration. I do not believe we ought to assume, in a bill, that the present status of the world with respect to satellites will remain as it is for all time. One of our principal objectives in this and many other bills is to change the existing status. The amendment of the junior Senator from Connecticut more or less assumes that there is no possibility of a change in any of those countries. I do not know what the change will be; but discretion is provided in the bill. As a matter of fact, no aid is provided. The only aid, as has already been stated by the Senator from Vermont [Mr. AIKEN], is in section 614. A very small amount of aid is scheduled for Yugoslavia. The question of Yugoslavia has been argued time after time. Congress has recognized a difference in the relationship between Yugoslavia and Russia and the so-called Communist blocs and Russia.

Mr. BUSH. Mr. President, I yield 2 minutes to the distinguished Senator from Vermont.

Mr. AIKEN. Mr. President, whatever merit the Dodd amendment had, to begin with, has been nullified through the inclusion of Yugoslavia. As now written, the bill includes Yugoslavia as a member of the Sino-Soviet bloc. Yugoslavia might admit being a Communist country, although there has been great retrogression in that respect. However, Yugoslavia would never admit, unless we forced her into doing so, that she is a member of the Sino-Soviet bloc.

In the United Nations, the Soviet bloc is comprised of nine nations. They have nine votes. The Soviet Union is sure of nine votes at all times. Yet Yugoslavia squared off against the Soviet bloc and took the part of the United States against the Soviet bloc. So I cannot think of anything more shortsighted than to designate a country which votes probably half the time with the United States, and against the Communist states, as a member of the Soviet bloc.

Mr. MANSFIELD. The Senator from Vermont makes that assertion on the basis of fact.

Mr. AIKEN. I have seen Yugoslavia do that.

Mr. MANSFIELD. In the last General Assembly of the United Nations, the Senator from Vermont served as a delegate of the United States.

Mr. AIKEN. Cuba did not always vote with the Soviet bloc, either. Many times Cuba abstained; sometimes she voted with the United States. That happened last winter.

When the question of continuing the United Nations Expeditionary Emergency Force to the Holy Land came up, the proposal was bitterly opposed by Russia and the Soviet bloc. Yugoslavia introduced a resolution to continue that expeditionary force to maintain peace in the Holy Land against the bitter opposition of the Russians and the Soviet bloc.

Furthermore, Yugoslavia pays her dues and special assessments to the United Nations. I think that has been true in almost every instance. On the other hand, Russia has refused to pay

her United Nations assessments. There is a vast difference between the Communist countries of the Sino-Soviet bloc and Yugoslavia.

Mr. BUSH. I thank the able Senator from Vermont. He is absolutely correct. If I were the U.S. Ambassador to Poland, and I picked up my newspaper tomorrow morning and saw what the Senate had done today, assuming that the Dodd amendment were not changed in respect to Poland, I would feel very unhappy, indeed. I would think something had been done to make my life in Poland, as a representative of the U.S. Government, considerably more difficult than it is now—and I imagine it is extremely difficult as it is.

Recalling the remarks of the able majority leader [Mr. MANSFIELD] respecting Poland, and recalling the debate that has taken place in the Senate with respect to Yugoslavia, I think it is already apparent that we are treading on dangerous ground when we name all these countries and do not place any confidence in the President of the United States, who is charged under the Constitution with the conduct of the foreign policy of the Nation.

I do not say that the Senate does not have a right to do this, but I think it is much better if we do not always tell everybody what we will do. I think it is much better if the President has some discretion in these matters and can keep our opponents guessing, so to speak. If he sees an opening or a break in the line, let him march through it. That is what I want him to do. I want the President to be free to exercise his judgment and his responsibility in the interest of the foreign policy of our country.

I am wholly in agreement with the objectives of my good friend and colleague from Connecticut. I applaud him for bringing the subject before the Senate. However, I hope the Senate will support my substitute amendment, because I believe it is a much safer and more effective approach to the whole problem.

Mr. President, I yield 1 minute to the distinguished junior Senator from Kentucky.

Mr. DODD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Connecticut will state it.

Mr. DODD. What is the time situation? Who has control of the time in opposition?

The PRESIDING OFFICER. The minority leader controls the time in opposition; and the opposition has a full 30 minutes. The time of the proponents is controlled by the Senator from Connecticut [Mr. BUSH], and he has 22 minutes remaining.

Mr. BUSH. Mr. President, I yield 2 minutes to the Senator from Kentucky.

Mr. MORTON. Mr. President, I support the opinion and the amendment in the nature of a substitute offered by the senior Senator from Connecticut. I share the views of the distinguished junior Senator from Connecticut, and the views of the distinguished junior Senator from Texas concerning aid to Communist countries. However, I think we make a great mistake when we spell out the list.

Years ago, at the inception of the program and in its early stages, the countries were named specifically, especially those in the Near East. But we have departed from that practice. I believe it is a great mistake to name the countries in a bill of this kind. I am certain we can trust the President not to grant aid to Communist countries, unless there is some reason for orientation, such as the votes of Yugoslavia in the United Nations. I think a precedent would be set which would upset the diplomatic applecart if we ever began to list the names of countries in this or similar proposed legislation.

Mr. MANSFIELD. Mr. President, will the Senator from Connecticut yield?

The PRESIDING OFFICER (Mr. HICKEY in the chair). Does the Senator from Kentucky yield to the Senator from Montana?

Mr. MORTON. I yield.

Mr. MANSFIELD. Was the Senator from Kentucky an Assistant Secretary of State under the previous administration when negotiations seeking to bring about some sort of accord with Poland were undertaken, or was the Senator a Member of the Senate at that time?

Mr. MORTON. I think it started just before I came to the Senate.

Mr. MANSFIELD. At least the Senator from Kentucky is aware of the inauguration of those proceedings and the reasons for them, is he not?

Mr. MORTON. Yes. Perhaps we were taking a gamble, and perhaps it was a bad gamble, and perhaps we should quit it. But I do not think we should spell out the names, as is done in this amendment.

Mr. KERR. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield.

Mr. KERR. First, I should like to say that, as I understand, the distinguished junior Senator from Connecticut [Mr. DODD] is opposed to the provision of assistance to the Communist nations which are promoting international communism and opposition and enmity to the United States of America. As I understand, the distinguished senior Senator from Connecticut [Mr. BUSH] seeks the same objective.

Mr. BUSH. That is correct.

Mr. KERR. I share the desire of each Senator that that objective may be attained.

I should like to ask this question: Does not the principal difference between the Bush amendment and the Dodd amendment lie in the fact that the Dodd amendment states that the President shall not provide aid to a certain group of countries, which are named——

Mr. BUSH. That is correct.

Mr. KERR. And the Bush amendment provides:

> No assistance shall be furnished under this Act to the government of any country which the President determines to be dominated or controlled by the international Communist movement.

Mr. BUSH. That is correct.

Mr. KERR. Therefore, if the nations named in the Dodd amendment were found by the President—who certainly is in a position to know—to be dominated or controlled by the international Communist movement, aid to them under this act would be prevented by the Bush amendment, would it not?

Mr. BUSH. That is correct.

Mr. KERR. So the Bush amendment is for the same purpose, in general, and is even broader than the Dodd amendment, is it not?

Mr. BUSH. It could be construed to be broader. It is meant to cover the same ground.

Mr. KERR. But the Bush amendment provides that no assistance shall be furnished under this act to the government of any such country.

Mr. BUSH. That is correct.

Mr. KERR. Whether the countries named in the Dodd amendment or any other such country.

Mr. BUSH. That is correct.

Mr. KERR. So if the President found that any one of the countries named in the Dodd amendment was dominated or controlled by the international Communist movement, aid under this act could not be provided to such country, if this amendment were adopted; is that correct?

Mr. BUSH. That is correct.

Mr. KERR. Or if the President found a country to be dominated by the international Communist movement, even though the country was not named in the Dodd amendment, the Bush amendment would prevent the giving of such aid to that country, would it not?

Mr. BUSH. Yes; the President would prevent it, under my substitute amendment.

Mr. KERR. The amendment states that no such assistance shall be given to any such country.

Mr. BUSH. That is correct. The President must determine that; and when that is determined, it is final.

Mr. KERR. The President is certainly in a position to know.

Mr. BUSH. I think he is.

Mr. KERR. I thank the Senator.

I shall support his substitute amendment, because I think it would accomplish the purpose I have in mind—namely, to provide that none of the assistance made possible under this act shall be furnished to the government of any country which the President determines to be dominated or controlled by the international Communist movement.

Mr. BUSH. I thank the Senator. I think he has clarified the situation very well.

Mr. MOSS. Mr. President——

Mr. BUSH. Mr. President, the Senator from Utah has been waiting, and I now yield to him.

Mr. MOSS. I thank the Senator from Connecticut for yielding to me.

Like the other Senators who have spoken, both the Senators who support the Bush amendment and the Senators who support the Dodd amendment, I feel that our aid should be withheld from Communist countries. So the question is how best to do that job and yet makes sure that there will be sufficient flexibility.

I wish to ask the Senator whether, if the amendment is to list all such countries, Mali and Guinea should also be listed. Many persons say they are

Marxist states and are now dominated by the Soviet Union.

Therefore, is it not better not to attempt to state such countries by name, but merely to indicate the type of country we wish to be excluded from receiving such aid—in short, to state the policy we want followed, inasmuch as the countries in that group may change from year to year.

Mr. BUSH. In my judgment that emphasizes the disadvantage of the naming process followed in the original amendment. I believe the Senator from Utah is correct—namely, that there are other reasons, such as those he has stated, for not listing such countries by name, one after another.

Mr. AIKEN. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield.

Mr. AIKEN. Instead of including Yugoslavia in the list, we cannot very well let Yugoslavia stand alone, because when Greece was threatened with being overwhelmed by the Soviet bloc from the north, Yugoslavia stood between Greece and the Communists, and to this day Yugoslavia has a mutual defense treaty with Turkey and with Greece. Certainly we are not going to try to take action which will be harmful to that arrangement. In the United Nations, Turkey and Greece stand shoulder to shoulder with the United States on every issue. So I believe we should point out that Yugoslavia stood between Greece and her being overwhelmed by the Soviet bloc from the north.

Mr. CARROLL. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. First, Mr. President, let me ask how much time remains under my control.

The PRESIDING OFFICER. Thirteen minutes.

Mr. BUSH. Let me ask whether the Senator from Colorado wishes to support this amendment.

Mr. CARROLL. Yes.

Mr. BUSH. I yield 1 minute to the Senator from Colorado.

Mr. CARROLL. Mr. President, the Senator from Vermont has touched on a very important point. More than 40 Members of this Senate once served in the other body of Congress; and in most cases that was in the period following World War II, when our country promulgated the Truman doctrine and the Greek-Turkish program. Perhaps the chairman of the Foreign Relations Committee can state the amount of money our country has spent to aid Yugoslavia. Did not Yugoslavia help us in connection with the Greek-Turkish program? And through the years has not Yugoslavia been helpful to the United States? It is true that Yugoslavia is communistic. But Yugoslavia, at present, is an important part of an independent communistic movement; that is, not under complete control of the Kremlin.

Is the U.S. Senate today to state in the open record, which would go all over the world, that the United States intends to include Yugoslavia in the group listed in this ill-considered amendment? If so it merely shows the folly of trying to write important foreign-policy legislation on the floor of the Senate, without having had full consideration of proper testimony.

I hope we shall not make such a serious mistake. It seems to me that there are some reasons, valid reasons—and I do not question the motives of the junior Senator from Connecticut [Mr. DODD]—for naming these nations. But I think that amendment goes too far, when Yugoslavia is specifically named. I think that amendment should be rejected. At least, the Bush amendment provides for adequate Presidential leeway in order to achieve what all of us want done.

It is my sincere hope the Bush amendment will be agreed to. I believe we would be making a most serious mistake if we were now to cement Yugoslavia into the Soviet-Sino bloc. I hope we shall not make that fatal mistake.

Mr. BUSH. I thank the Senator from Colorado.

Mr. HICKENLOOPER. Mr. President, will the Senator from Connecticut yield? I wish to ask a question.

Mr. BUSH. I yield myself 2 minutes, and in that time I yield to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HICKENLOOPER. I notice that the Bush amendment provides:

> No assistance shall be furnished under this Act to the government of any country which the President determines to be dominated or controlled by the international Communist movement.

As I read the amendment, it requires that such a finding be made by the President in each case; and, as I interpret the amendment, if the President did not make such a finding, he could furnish the aid, anyway—simply by not making such a finding.

Has the Senator from Connecticut considered the desirability of having the amendment provide:

> No assistance under this Act shall be furnished to any country unless the President has determined that such country is not dominated or controlled by the international Communist movement.

It would require an affirmative finding.

Mr. BUSH. I think that is a very helpful modification.

Mr. HICKENLOOPER. I expect to support the Senator's amendment, but it should be put on a positive basis.

Mr. BUSH. I accept the modification suggested by the Senator from Iowa.

The PRESIDING OFFICER. The yeas and nays having been ordered, unanimous consent is required.

Mr. BUSH. Mr. President, I ask unanimous consent that I may modify my amendment in accordance with the suggestion which has been made, which seeks to do exactly the same thing. It is an improvement in the language.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Mr. BUSH. I send to the desk my modified amendment. I yield back the remainder of my time.

Mr. MANSFIELD. I yield back my time.

Mr. HOLLAND. Mr. President, may I have 3 minutes?

The PRESIDING OFFICER. The minority leader controls the time.

Mr. MANSFIELD. Mr. President, for the chairman of the Foreign Relations Committee, I yield 3 minutes to the Senator from Florida, but before I do, is it my understanding that the time on the amendment of the Senator from Connecticut has been yielded back?

Mr. BUSH. I had yielded it back.

Mr. DODD. Mr. President, I would like an opportunity to answer the arguments of the senior Senator from Connecticut, at the conclusion of the Senator from Florida's remarks.

Mr. HOLLAND. Mr. President, I prefer and shall vote for the Dodd amendment for a reason which I have not heard discussed here, which is that it affirmatively mentions two countries which in my judgment should be mentioned. One of them is Cuba—the other Poland. Just a few weeks ago, the United Nations, with money that had partly come from us, helped Cuba. Just a few days ago Poland helped Cuba. Poland, the recipient of money from us, proceeded to hand our money on to Cuba.

I am glad those two countries, Cuba and Poland, are named in the amendment of the junior Senator from Connecticut, because I think one thing we must remember is that this legislation should appeal to the American public to a degree that it will regain on the public's part some confidence in the foreign aid program.

The people of my State, who are looking almost every day at the 60,000-odd Cuban refugees, many of them miserable and pitiful, know that Cuba is communistic. They know something of the results of communistic Cuba's actions on her expatriates and refugees. They know Cuba has had aid from Poland and the United Nations, which in both cases originally came from our taxpayers.

I think it will strengthen the attitude of Americans toward the foreign aid program if we call a spade a spade here, and make it clear that we shall not allow any of this foreign aid money to be given either to Cuba or to Poland, who as Communist-ruled nations have operated against our interests and with our own money.

So far as the people of my State are concerned, if I know their attitude, so long as there is any question as to whether Cuba, or Poland, after these recent actions, is to get any of these moneys, there is going to be lack of confidence in the whole program.

It is hard enough to enact any foreign aid program; and to enact it in such form as to have surrendered public confidence in it would be exactly the wrong thing for us to do. For the reasons that I have stated, I greatly prefer the amendment offered by the junior Senator from Connecticut [Mr. DODD], because it calls a spade a spade, and bans aid to two Communist nations which have been operating with our money against us, and in the case of Cuba has

sent thousands of pitiful, miserable refugees to the shores of this country.

Mr. FULBRIGHT. Mr. President, I yield 5 minutes to the Senator from Connecticut [Mr. DODD].

Mr. DODD. Mr. President, I wish to answer the arguments of the senior Senator from Connecticut.

First, the Senator from Florida has made a very good point. We hear a great deal of talk about the opinion of people in the world. The question is asked, What will they think if we speak frankly and directly about communism? They will not think well of us—or something of that sort.

As I understand the Senator from Florida, he is saying we had better begin thinking about the opinions of our own people. We are taxing and taxing them. Why are we doing it? We are telling them every day, in this Chamber, and in the other body, and back in our States, "We are sorry that we have to tax you so heavily, but we must do it in order to defeat communism."

That is a good reason. Our people are willing to pay taxes to defeat communism. But if at the same time we tell them, "We are taxing you to give money to Communists, to build steel mills, to provide food to replace what they have taken away from their people for military purposes, to get trade through these funds so they can keep their people a little complacent," I do not want to have to go back and face the people in my State and tell them, "Yes, I voted both to give them aid and to resist them."

What an incongruous situation—perhaps the most fantastic situation in all history—for a great Nation like ours to be pouring billions of dollars into the coffers of those Communist nations and at the same time to be extracting money from our people to defeat those same enemies.

It does not make any sense, by any element of logic, and it cannot be defended, and all the words going around in support of it do not make any difference.

What is the principal reason why I cannot accept the substitute of the senior Senator from Connecticut? He knows that I have great respect and admiration, and, indeed, affection for him. I wish the Senator from Oklahoma and the Senator from Colorado were present. The heart of our difference is I fear that under section 614 the President could waive every other provision of the bill and take the $250 million and do what he pleased with it.

That is precisely why I wrote that language into my amendment. I am sure the Senator from Arkansas, the chairman of the Foreign Relations Committee, will not mind my saying this. He wrote to me and offered to accept my amendment if I would delete reference to section 614. I said in essence, "That I cannot do, because it is the heart and soul of this amendment."

That is the difference. That is why I cannot accept the substitute of my colleague.

I do not want to repose in any President any such authority. I am very devoted to our President, and I do not want my words to be in any way construed as my not having the greatest of trust and faith in him. That is not the point. We are always talking about this country being a nation of laws. Indeed it is. This is the Congress which makes those laws. I do not want any President, any frail human being, to have the power to take our money and give it away to a Communist country.

What is so wrong about naming Communist countries? Will any Senator rise and say the countries mentioned are not Communist countries? What is so wrong about naming them? My amendment would make it clearer, and reduce misunderstanding and doubt. That is why it was done that way.

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

Mr. DODD. I ask for 3 additional minutes.

Mr. FULBRIGHT. I yield 3 additional minutes to the Senator from Connecticut.

Mr. DODD. I have heard eloquent statements to the effect that we have abdicated so much responsibility that this Government of ours is no longer the kind of government built by our Founding Fathers.

I have heard wisemen in this Chamber say that over a score or more of years they have seen whittled away, bit by bit, the constitutional responsibility of this great body. Of course that is so. This amendment is an effort to take back some of the responsibility.

I do not believe our President would resist this. I have heard nothing from the White House asking me to withdraw the amendment. I have heard of White House opposition to other amendments. I do not believe our President finds any fault with this amendment.

The amendment merely says what the Congress thinks ought to be done. It says that none of our money shall go to any of the named countries. We are either in a death struggle or we are not. I believe we are. I believe our fate hangs by a slender thread. The hour is late. This is a time for direct language, for frank talk, for hard decisions.

I wish circumstances were such that we could afford the luxury of taking a chance with Poland. Someone said this afternoon, "Poland has not always voted against us in the U.N. Cuba has not always voted against us in the U.N." Of course that is true, but I tell Senators that in the crucial hour, when the chips are down, Poland will be against us. So will Cuba. So will Yugoslavia. Does any Senator doubt the truth of that statement? Those nations will vote against us. They will fight against us. They will handle the weapons with which Khrushchev will seek to bury us, as he threatens to do.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. DODD. I am pleased to yield.

Mr. PASTORE. I point out to my good friend from Connecticut the rather awkward parliamentary situation in which we find ourselves with respect to the two amendments.

Each of the amendments seeks to accomplish the same objective. So far as I am concerned, I have no objection to the amendment proposed by the senior Senator from Connecticut, although I admit I prefer the amendment suggested by the junior Senator from Connecticut.

If we put the amendment to a vote, many Senators will be placed in the position that they will have to vote against a worthwhile amendment, if we cannot get a second amendment. I ask my good friend from Connecticut if he is thinking about moving to lay on the table the amendment proposed by the senior Senator from Connecticut?

Mr. DODD. I did think of it, but I was advised that this is considered a discourteous thing to do to one's colleague from one's own State.

Mr. PASTORE. Mr. President, will the Senator yield further?

Mr. DODD. I yield.

Mr. PASTORE. It is not discourteous at all. I think it is a proper thing to do.

Mr. DODD. If the senior Senator from Connecticut, my good friend, will not take offense, I shall move to lay his amendment on the table, and I do so move, Mr. President.

Mr. FULBRIGHT. Mr. President, I hope the Senator will withhold that motion.

Mr. DODD. Mr. President, I withhold the motion.

Mr. FULBRIGHT. Does the Senator propose to move to lay the amendment on the table? I was yielding time to the Senator so that he could make his point. The Senator has made several points, upon which I think I should have an opportunity to comment.

Mr. DODD. I did not mean to shut the Senator off. I had no such intention. I withhold the motion.

Mr. FULBRIGHT. The Senator has made a very moving appeal about the constitutional responsibilities of this body. As I understand the Constitution, it gives to the President of the United States primary responsibility for the conduct of our foreign relations. The Senate basically, in most cases—with respect to recognition of countries, recognition of independence, acceptance of ambassadors, and so on—is in a position of advising and consenting; scarcely in a position of dictating to the President.

What the Senator proposes, I think, is to usurp the legitimate function of the President in this particular instance, by tying his hands in advance in a bill passed by Congress. If the bill were finally accepted, it would, of course, tie the President's hands. I do not think there is anything of value to the argument made in that respect.

There are many things of a domestic nature, concerning which we have primary responsibility—agriculture, roads, domestic improvements, and so on—with respect to which I think there has been perhaps a loss of some of our responsibility over the years, or an erosion of our responsibility. The remarks may be appropriate in that respect. I do not think the remarks are appropriate in respect to this issue.

With regard to the position of the President, the Senator stated he knew of no opposition from the President. It never occurred to me that the Senator thought the administration favored his amendment as written. I wrote to him,

as I said before, and expressed our criticism of the amendment; not of the objective of the amendment, but of the terms of the amendment, which specifically named the nations involved and which also would deprive the President of any discretion, an authority the President has had in the past, as he has under the present law.

In order that this may be clear, without any question, Mr. President, I ask unanimous consent to have printed in the RECORD a statement of the position of the executive branch, which I hold in my hand. It is rather long. I do not think it adds anything to what I have already said. I shall read only a sentence or two, but I am willing to read the remainder, if any Senator wishes to have me do so.

The executive branch strongly opposes the amendment as being inconsistent with both the President's program and the Senate's own policy in this matter.

First, the amendment would be contrary to a critical part of the President's program as outlined in his state of the Union address of January 30, 1961.

The last sentence is:

The executive branch is at a loss to understand what conditions would now warrant a repudiation of the President's program and the Senate's recorded policy on this important question.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PROHIBITION ON ASSISTANCE TO SINO-SOVIET BLOC

EXECUTIVE BRANCH POSITION

The executive branch strongly opposes the amendment as being inconsistent with both the President's program and the Senate's own policy on this matter.

First, the amendment would be contrary to a critical part of the President's program as outlined in his state of the Union address of January 30, 1961. In that address, he stated:

"Finally, while our attention is centered on the development of the non-Communist world, we must never forget our hopes for the ultimate freedom and welfare of the Eastern European peoples. In order to help reestablish historic ties of friendship, I am asking Congress for increased discretion to use economic tools in the area wherever this is found to be clearly in the national interest."

The amendment would, for the first time since the inception of the foreign aid program, impose an absolute prohibition on the furnishing of assistance to the satellite countries at the very time that the President has made a special plea for increased authority.

Second, the amendment would be at variance with the Senate's passage of S. 1215 on May 11, 1961. That bill amends the Battle Act so as to permit the President, upon a finding that it is important to the national security, to use authorities not only under the Foreign Aid Act but also under Public Law 480 and the Export-Import Bank Act to furnish nonmilitary assistance to satellite countries. In passing S. 1215, the Senate clearly recognized the need for discretionary authority in the President to respond to situations in these areas.

The executive branch is at a loss to understand what conditions would now warrant a repudiation of the President's program and the Senate's recorded policy on this important question.

Mr. FULBRIGHT. Mr. President, I do not think there is any question about the attitude of the administration. I can only reiterate what I have said with regard to the position of the senior Senator from Connecticut. It has been stated very clearly by the Senator from Kentucky, who has had experience in the executive branch under the previous administration. These things are not all black and white. They are fluid. They shift. That is why the Executive must have discretion.

Once we take the action proposed, if it is in the law there will no longer be any discretion for any kind of a change which may take place. Certainly we have witnessed many dramatic changes in the last several years. The Senator from Oklahoma made it very clear why it is quite possible that some of the countries the Senator from Utah mentioned could easily fall within the criteria proposed to be established by the amendment of the Senator from Connecticut. It could change in that direction. It also could change in the opposite direction. We hope it may change. We hope the situation will be clarified.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I yield.

Mr. SALTONSTALL. Do I correctly understand the Chairman's position to be that he favors the amendment offered by the senior Senator from Connecticut over that offered by the junior Senator from Connecticut; and, second, if the amendment is adopted, he favors writing it into the bill?

Mr. FULBRIGHT. I do. I shall not only support the amendment, but I shall support the amendment as proposed to be amended by the amendment of the senior Senator from Connecticut.

Mr. SALTONSTALL. Is there not another objection to the amendment offered by the junior Senator from Connecticut, that it includes the whole of section 614, instead of section 614(c)?

Mr. FULBRIGHT. I think both of those objections are valid objections, as outlined by the senior Senator from Connecticut.

Mr. ROBERTSON. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I yield for a question.

Mr. ROBERTSON. If the Bush amendment is agreed to, the Senate then will vote on the original amendment as amended by the Bush amendment?

Mr. FULBRIGHT. As amended. That is true. I expect to support that amendment, if the Bush amendment is agreed to.

Mr. ROBERTSON. If the Bush amendment is rejected, the Senate will then vote on the Dodd amendment?

Mr. FULBRIGHT. Then the Senate would vote on the Dodd amendment.

Mr. SALTONSTALL. The Senator is opposed to the Dodd amendment?

Mr. FULBRIGHT. I am not opposed to the objective of the amendment. I am strongly opposed to the method used. I shall vote against that amendment if the Bush amendment is rejected.

Mr. DODD. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. DODD. I wish to be sure I understand. I was not able to hear fully what the Senator from Arkansas said.

If the Bush amendment is agreed to, thereafter will this body have an opportunity to vote on the Dodd amendment?

Mr. FULBRIGHT. Only as amended.

Mr. DODD. As amended?

Mr. FULBRIGHT. That is correct; only as amended.

The PRESIDING OFFICER. The Senate would then vote on the Dodd amendment as amended by the Bush amendment.

Mr. MUNDT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MUNDT. Is the Senator from South Dakota correct in stating that if the Bush amendment is agreed to, the Dodd amendment would be eliminated, because the Bush amendment is an amendment in the nature of a substitute?

Mr. DODD. Mr. President, that is exactly my point. That is what I want to know.

The PRESIDING OFFICER. From the advice given to the Chair, it occurs to the Chair that, for all practical purposes, if the Bush amendment is agreed to, the language substituted by the Bush amendment would eliminate the language of the Dodd amendment. However, I am advised that we will still have to vote on the Dodd amendment, which would contain the language of the Bush amendment. That eliminates the language of the Dodd amendment.

Mr. DODD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DODD. In effect, then, the Senate would vote twice on the Bush amendment?

The PRESIDING OFFICER. That would be the effect.

Mr. DODD. There would then not be a rollcall vote, I assume, on the second vote.

Mr. FULBRIGHT. The yeas and nays have been ordered on both amendments.

The PRESIDING OFFICER. The yeas and nays have been ordered on both amendments. Therefore, unless unanimous consent is requested and granted to eliminate one of the yea-and-nay votes, both yea-and-nay votes will be taken.

Mr. DIRKSEN. Mr. President, how much time remains on the bill?

The PRESIDING OFFICER. Thirty minutes on the opposition side.

Mr. DIRKSEN. On the bill or on the amendment?

The PRESIDING OFFICER. On the amendment.

Mr. FULBRIGHT. The time has been yielded back by both sides on the amendment.

Mr. DIRKSEN. Mr. President, I yield myself 5 mintes on the bill.

Sometimes a postscript to history can bring a little light to the subject that is before us now. When I served in the rather humble capacity of minority whip some years ago, an almost identical question arose. The then President of the

United States was deeply interested, and likewise the then Secretary of State, the late John Foster Dulles. The name of the country particularly involved has been rather freely used here today. I recall the conference that we had at the White House. It was a rather embarrassing and awkward situation for me, but I assured the President of the United States, then the Honorable Dwight Eisenhower, that I would carry the flag. I remember so vividly the controversy and struggle which took place in the Senate Chamber. I shall not regale the Senate about how the battle was won or why I won, but I say that what was carried at that time in the Appropriations Committee bill by way of foreign aid offered me some difficulty, until the Secretary of State came to my office with a huge file. We sat for about an hour. We discussed in detail why he was interested in the matter and why the President of the United States should have free play.

When he had finished I said, "Mr. Secretary, with the facts that you have divulged this afternoon, I shall go into any forum in the land and I think I will win the case for you."

He said, "Well, EVERETT, that is fine. The only difficulty is that you cannot use any of the information that I have disclosed to you this afternoon."

I was not at liberty to disclose the information, and so I struggled in the Senate Chamber like a soldier with a good gun but no ammunition. But the point prevailed. One of the embarrassing things that stemmed from the incident was that one of the publications in the country wrote an editorial, which was widely circulated, with the title "Tito's No. 1 Senator"—and I was it.

That was an embarrassing situation. I said nothing about it until I saw the publisher probably a year later. In a small hour of the morning I revealed to him all the facts and details that were involved in the aid program in this country. Then he said to me, "Why did you not say something about it?"

I said, "I could not. When the Secretary of State said, 'You cannot use what I said to you this afternoon,' my hands were tied."

But it was a good case. I could have presented it in any court of the land, confident as to what the outcome would be. Yet there were facts and circumstances that could not be disclosed.

Under the circumstances that confront us late this evening, I believe that the amendment of the distinguished senior Senator from Connecticut [Mr. BUSH] is preferable. I should like to see a little latitude offered under normal circumstances. I have no objection in spelling out the names of the countries. But who are we to determine whether in any case we have all the facts? Yet when we pronounce a categorical judgment and close the door, one is out of court.

While I disagree with the President of the United States on many things, in this rather sticky and perilous hour, I do not want to multiply his burdens. I do not want to put myself in a position of having to take my own conscience to task at some later time for having made a mistake.

As the chairman of the Committee on Foreign Relations pointed out, to the hands of the President, after all, is committed foreign policy. To him is committed the sword under the Constitution. To us is committed the purse. To the third branch is committed nothing except wisdom and prudence, plus the authority to roll back any unconstitutional provision that may pass Congress and receive the signature of the President.

But in this particular hour I would not put the President in that position. I have been through it once with my own President. I want my course to be consistent, even though it is difficult and embarrassing at times. I know full well what the public reaction will be. But at the moment the President of the United States is still going to call the turn in the field of foreign affairs. Let us not make it too difficult for him.

I will criticize the President as sardonically and as vehemently as any man when I think the time requires it. But I do not want to embarrass the President now, because he is my President as well as that of the whole country. In a time like this, I want to help him, if I can.

I therefore prefer that the amendment of the distinguished senior Senator from Connecticut [Mr. BUSH] may prevail as a substitute, because it will move in the same direction. But it would remove some of the rigidity of action which may cause us trouble in the future.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the distinguished majority leader.

Mr. MANSFIELD. I wish to associate myself wholeheartedly with what the distinguished minority leader has said. In fact, both Senators from Connecticut, each distinguished in his own right, are reaching for the same objective. It is not a matter of objective; it is a matter of how we should reach the objective. Regardless of how Senators vote on the amendments, if we vote for one or the other, I think we would be voting correctly. The question is which amendment is the better and which is the broader. In my opinion, the amendment offered by the senior Senator from Connecticut [Mr. BUSH] is both broader, better, and will achieve the objective as well as could be desired, and is along the same path as the amendment of the Senator from Connecticut [Mr. DODD].

I know something about what the distinguished minority leader has said relative to the position he was placed in concerning a particular country a few years ago. I know something about the abuse and criticism which were his because of the courageous stand which he took. If my memory serves me correctly, I think he had, in effect, to assume the leadership for President Eisenhower on his side of the aisle on that particular issue. I honor him for it, as I have over the years, because I have seen him time and time again while he was the leader of his party in the Senate stand by himself on his side of the aisle for President Eisenhower.

He is a man of courage and wisdom, and I wish to salute him and to corroborate in a small way the little story which he has told this afternoon.

Mr. DIRKSEN. I thank the majority leader.

Mr. FULBRIGHT. Will the Senator from Illinois allow me to commend him for his statesmanlike statement? I certainly do so.

Mr. DIRKSEN. It is a simple story. I have lived through it. It dictates how I must vote. I shall vote for the Bush substitute.

SEVERAL MEMBERS. Vote! Vote!

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. DOUGLAS. What is the motion before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. BUSH] to the amendment of the Senator from Connecticut [Mr. DODD].

Mr. FULBRIGHT. In the nature of a substitute.

Mr. DOUGLAS. Has the tabling motion been withdrawn?

The PRESIDING OFFICER. No tabling motion is pending.

Mr. MANSFIELD. If the Senator from Connecticut [Mr. DODD] wishes me to do so, I am prepared to make a motion to table the Bush amendment.

Mr. DODD. No.

The PRESIDING OFFICER. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator From Alaska [Mr. GRUENING] and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from Texas [Mr. YARBOROUGH] would vote "yea."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Alaska would vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Kansas [Mr. CARLSON] is necessarily absent.

On this vote, the Senator from Kansas [Mr. CARLSON] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Maryland would vote "nay."

The result was announced—yeas 61, nays 34, as follows:

[No. 150]

YEAS—61

Aiken	Boggs	Case, N.J.
Allott	Burdick	Case, S. Dak.
Anderson	Bush	Clark
Bartlett	Byrd, W. Va.	Cooper
Beall	Cannon	Dirksen
Bennett	Capehart	Douglas
Bible	Carroll	Dworshak

Ellender	Magnuson	Prouty
Engle	McCarthy	Proxmire
Fong	McGee	Randolph
Fulbright	McNamara	Saltonstall
Hart	Metcalf	Scott
Hartke	Miller	Smith, Mass.
Hayden	Monroney	Smith, Maine
Hickenlooper	Morse	Sparkman
Humphrey	Morton	Symington
Jackson	Moss	Wiley
Javits	Muskie	Williams, N.J.
Keating	Neuberger	Young, Ohio
Kerr	Pastore	
Long, Mo.	Pell	

NAYS—34

Bridges	Holland	Robertson
Byrd, Va.	Hruska	Russell
Church	Johnston	Schoeppel
Cotton	Jordan	Smathers
Curtis	Kefauver	Stennis
Dodd	Kuchel	Talmadge
Eastland	Lausche	Thurmond
Ervin	Long, Hawaii	Tower
Goldwater	Long, La.	Williams, Del.
Gore	Mansfield	Young, N. Dak.
Hickey	McClellan	
Hill	Mundt	

NOT VOTING—5

Butler	Chavez	Yarborough
Carlson	Gruening	

So Mr. BUSH's amendment to Mr. DODD's amendment was agreed to.

Mr. FULBRIGHT. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. BUSH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now recurs on the modified amendment of the junior Senator from Connecticut [Mr. DODD] as amended by the amendment of the senior Senator from Connecticut. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from Alaska [Mr. GRUENING], the Senator from Georgia [Mr. RUSSELL], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Alaska [Mr. GRUENING], the Senator from Georgia [Mr. RUSSELL], the Senator from Texas [Mr. YARBOROUGH], and the Senator from Louisiana [Mr. ELLENDER] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness. If present and voting, he would vote "yea."

The Senator from Kansas [Mr. CARLSON] is necessarily absent. If present and voting, he would vote "yea."

The result was announced—yeas 93, nays 0, as follows:

[No. 151]

YEAS—93

Aiken	Burdick	Church
Allott	Bush	Clark
Anderson	Byrd, Va.	Cooper
Bartlett	Byrd, W. Va.	Cotton
Beall	Cannon	Curtis
Bennett	Capehart	Dirksen
Bible	Carroll	Dodd
Boggs	Case, N.J.	Douglas
Bridges	Case, S. Dak.	Dworshak
Eastland	Kerr	Pell
Engle	Kuchel	Prouty
Ervin	Lausche	Proxmire
Fong	Long, Mo.	Randolph
Fulbright	Long, Hawaii	Robertson
Goldwater	Long, La.	Saltonstall
Gore	Magnuson	Schoeppel
Hart	Mansfield	Scott
Hartke	McCarthy	Smathers
Hayden	McClellan	Smith, Mass.
Hickenlooper	McGee	Smith, Maine
Hickey	McNamara	Sparkman
Hill	Metcalf	Stennis
Holland	Miller	Symington
Hruska	Monroney	Talmadge
Humphrey	Morse	Thurmond
Jackson	Morton	Tower
Javits	Moss	Wiley
Johnston	Mundt	Williams, N.J.
Jordan	Muskie	Williams, Del.
Keating	Neuberger	Young, N. Dak.
Kefauver	Pastore	Young, Ohio

NAYS—0

NOT VOTING—7

Butler	Ellender	Yarborough
Carlson	Gruening	
Chavez	Russell	

So Mr. DODD's amendment, as amended, was agreed to.

Mr. HICKENLOOPER. Mr. President, on behalf of the Senator from Kansas [Mr. CARLSON], I call up his amendment which is identified as "8–8–61—A," and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 67, at the end of section 625 pertaining to employment of personnel, it is proposed to add the following new subsection:

(i) To the maximum extent feasible officers and employees performing functions under this Act abroad shall be assigned to countries and positions for which they have special competence, such as appropriate language and practical experience.

Mr. HICKENLOOPER. Mr. President, this amendment was submitted to the chairman of the Foreign Relations Committee by the Senator from Kansas [Mr. CARLSON] who is unavoidably absent this afternoon.

The amendment seems to be along the lines of opinions that most Members of the Senate seem to hold; that is to say, the amendment encourages to the maximum extent feasible the sending of officers and employees to areas where they have special competence and special language and practical experience.

I believe there is general agreement that the amendment is a good one.

I now yield to the Senator from Arkansas [Mr. FULBRIGHT], if he cares to comment.

Mr. FULBRIGHT. Mr. President, I have discussed this amendment with the Senator from Kansas. The amendment expresses a policy with which I believe all members of the committee agree, and I believe that all other Senators also agree with it. I think the amendment is a good one. I am very glad to accept it on behalf of the committee.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. FULBRIGHT. I yield back my time.

Mr. HICKENLOOPER. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Iowa [Mr. HICKENLOOPER] on behalf of the Senator from Kansas [Mr. CARLSON].

The amendment was agreed to.

Mr. WILLIAMS of Delaware. Mr. President, on behalf of the Senator from Kentucky [Mr. COOPER] and myself, I call up our amendment identified as "8–16–61—E."

The PRESIDING OFFICER. The amendment offered by the Senator from Delaware for himself and the Senator from Kentucky [Mr. COOPER] will be stated.

The CHIEF CLERK. It is proposed, on page 6, after the period in line 21, to insert the following:

Such notes shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable public debt obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of such notes.

Mr. WILLIAMS of Delaware. Mr. President, I yield myself 5 minutes on this amendment.

I have discussed the amendment with the chairman of the Foreign Relations Committee. I understand he is willing to accept it.

Briefly, the amendment deals with the borrowing authority which is extended to the Development Loan Fund under the bill. In support of the borrowing authority, the Secretary of the Treasury wrote the chairman of the committee and the members of the committee as follows: "Borrowing authority has been used by the Congress to finance more than 20 Federal lending activities beginning with Reconstruction Finance Corporation in 1932 and continuing through," by various actions of the Congress.

It is true we have granted some previous borrowing authority—and I shall not go into the question of whether there should have been borrowing authority or annual appropriations, as would have been provided under the Byrd amendment. The Senate has decided that question by rejecting the Byrd amendment.

However, I have checked the precedents of previous borrowing authority and have found that when agencies have borrowed from the Treasury there has been an obligation on their part to pay interest on the funds which they borrowed.

For example, under the Small Business Act, the Small Business Administration can borrow funds, but must pay interest to the Treasury on the funds which it borrows.

The College Housing Authority, under the Housing Act, must pay interest to the Federal Treasury on the funds which it borrows.

Under the community facilities provisions of the Housing Act, interest must be paid to the Federal Treasury on funds borrowed.

The Commodity Credit Corporation borrows money from the Treasury, but pays interest to the Federal Treasury.

Under the St. Lawrence Seaway Act and the Export-Import Bank Act, those agencies must pay interest on funds borrowed.

This amendment is designed to provide that in the case of funds which will

be borrowed from the Treasury under this bill interest will be paid to the Treasury in line with the formula set forth in these other laws.

I ask unanimous consent that there be incorporated in the RECORD as a part of my remarks a few examples showing how this question is treated in connection with other lending agencies.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The following are examples of provisions of law under which agencies are required to pay interest to the Treasury Department:

SECTION 4(C) OF THE SMALL BUSINESS ACT

(c) The administration shall pay into the miscellaneous receipts of the Treasury, at the close of each fiscal year, interest on the net amount of the cash disbursements from such advances at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding interest-bearing marketable public debt obligations of the United States of comparable maturities.

SECTION 401(E) OF THE HOUSING ACT OF 1950 (COLLEGE HOUSING)

(e) Notes or other obligations issued by the Administrator under this title shall bear interest at a rate determined by the Secretary of the Treasury which shall be not more than the higher of (1) 2½ per centum per anum, or (2) the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the issuance by the Administrator and adjusted to the nearest one-eighth of 1 per centum.

SECTION 203(B) OF TITLE III OF THE HOUSING AMENDMENTS OF 1955 (COMMUNITY FACILITIES)

SEC. 203. (a) Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of such notes or other obligations.

SECTION 4 OF THE ACT OF MARCH 8, 1938 (COMMODITY CREDIT CORPORATION)

SEC. 4. Such obligations shall be in such forms and denominations, shall have such maturities, shall bear such rates of interest, shall be subject to such terms and conditions, and shall be issued in such manner and sold at such prices as may be prescribed by the Commodity Credit Corporation, with the approval of the Secretary of the Treasury.

SECTION 5 OF THE ST. LAWRENCE SEAWAY ACT

SEC. 5. Each such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on current marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of the obligations of the corporation.

SECTION 6 OF THE EXPORT-IMPORT BANK ACT OF 1945

SEC. 6. Each such obligation shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the obligations of the Bank.

Mr. FULBRIGHT. Mr. President, by way of explanation, the amendment was not submitted to the committee, and I had no opportunity to examine it until shortly before the session today.

I was informed that the Treasury had been consulted and had no objection to the amendment.

I am quite frank to admit that I am not at all clear as to what the effect of it will be. However, in view of the statement made by the Senator from Delaware, which statement also was made to me by the clerk of the committee, that the Treasury had no objection to the amendment, I am constrained to take it. I have great reservations in my own mind simply because I am not clear as to what it means. I am willing to take the amendment to conference, but with the understanding that later, in consultation with the Senator from Delaware and the Treasury, we may endeavor more clearly to understand it, and, if there is anything wrong with it, I would like to have the right to discuss with the Senator from Delaware the question as to whether it is workable.

The Senator from Delaware cited examples of domestic borrowing activities with respect to which interest has been paid. I recall that some of the funds were originally advanced without interest. I think I participated in a bill, along about 1937 or 1938, which bill was passed, and which retroactively required—I believe it was the FDIC and the RFC—to pay interest on a formula based upon the average rate of similar outstanding Government securities.

We adopted that policy. I think that was about 1948. But many of our domestic lending operations were not initially required to pay interest. They paid dividends, if earned. I think the TVA did not pay interest originally, but paid into the Government Treasury earnings which may have accumulated. Later we adopted the policy of making all Government agencies pay interest, which I think is a sound principle. I supported it with regard to these particular activities.

As we well know, this particular borrowing authority, while it is for the purpose of making loans repayable in dollars, has as its principal motive not the making of money, but the political implications and political necessity of entering into these activities. That is probably the dominating motive.

I am willing and prepared to take the amendment to conference, but I wish it to be understood that I desire to consult on it with the Treasury, together with the Senator from Delaware, to be sure that it does not conflict with the major objective of the provision for the borrowing authority in this bill. But with that understanding, I am prepared to take the amendment to conference.

Mr. WILLIAMS of Delaware. I appreciate the position of the Senator from Arkansas. As he pointed out, I think he was the author of an amendment several years ago which inaugurated this same policy with respect to the RFC. I congratulate him on that. I am trying to help him continue that same sound practice which he started several years ago.

This amendment is not for the purpose of trying to make money for the Treasury. It merely provides that interest shall be paid to the Treasury under a formula as set forth in connection with what other agencies pay.

I yield back my time.

Mr. FULBRIGHT. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS] for himself and the Senator from Kentucky [Mr. COOPER].

The amendment was agreed to.

LEGISLATIVE PROGRAM—ORDER FOR ADJOURNMENT

Mr. DIRKSEN. Mr. President, I should like to query the majority leader with respect to the rest of the day and also what is contemplated for tomorrow.

Mr. MANSFIELD. Mr. President, in response to the question raised by the distinguished minority leader, it is now almost 6:30 p.m. It will be impossible to conclude action on the bill this evening. So I anticipate that the Senate will adjourn about 7 o'clock tonight. In the meantime, however, I hope other amendments which will be offered will be considered, such as the one by the Senator from West Virginia [Mr. RANDOLPH], and other amendments.

Mr. President, I ask unanimous consent that when the Senate adjourns tonight, it adjourn to meet at 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. For the information of the Senate, when action on the foreign aid bill is concluded—and I hope it will be tomorrow—it is the intention of the leadership to take up the State, Justice, and Judiciary appropriation bill, and after that, such bills as—and these are not necessarily given in sequence—the retraining bill, possibly the Peace Corps bill, the military construction bill, on Monday, uncontested items on the calendar, and, at the request of the Senator from Rhode Island [Mr. PASTORE], because of the time limitation, the bill to amend the Atomic Energy Act of 1954.

In addition, further proposed legislation beyond that to be considered includes the supplemental air carriers bill; H.R. 6765, an amendment to the agreement of the International Finance Corporation; the freight forwarders bill; the extension of Public Laws 815 and 874; and the bill relating to migratory labor.

Mr. DIRKSEN. Mr. President, I wonder if the majority leader can give us some hint as to whether any other yea and nay votes are expected tonight.

Mr. MANSFIELD. There will be no more yea and nay votes tonight, but I hope that at least amendments to which there is no objection will be offered and brought to the attention of the Senate this evening.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. MORSE. I understand the Senate is to convene at 10 o'clock tomorrow.

Mr. MANSFIELD. Yes.

Mr. MORSE. Our subcommittee has hearings scheduled with regard to higher education to begin at 9 o'clock in the morning. I wonder if the minority leader would seek to get some information for me as to whether the witnesses who are being brought in to testify may testify after 10 o'clock. The Senator from Arizona was very helpful to us this morning and permitted us to continue hearings after 11 o'clock.

I do not think it is fair to the witnesses to bring them to this city and not hear their testimony. It is only a matter of hearing the testimony. I shall not now ask unanimous consent for permission for the subcommittee to sit, but I invite attention to the fact that the witnesses are from out of the city. The Senator from Pennsylvania [Mr. CLARK] is bringing a witness from New England. I shall ask unanimous consent tonight, if the information can be obtained before adjournment tonight, or tomorrow morning, for the subcommittee to sit, because I shall be presiding over the hearings beginning at 9 o'clock and should like to be able to continue them.

Mr. DIRKSEN. I shall endeavor to obtain the information without delay.

Mr. MANSFIELD. Mr. President, to be of further assistance, with the concurrence of the distinguished minority leader, I should like to consider the possibility of meeting at 10:30 tomorrow morning rather than 10 o'clock.

Mr. DIRKSEN. That will be fine.

ORDER FOR ADJOURNMENT UNTIL 10:30 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the previous order for adjournment, to 10 a.m. tomorrow, be rescinded, and that when the Senate concludes its deliberations tonight it stand in adjournment to meet at 10:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. MONRONEY. Mr. President, will the Senator yield for a question on the program?

Mr. MANSFIELD. I yield.

Mr. MONRONEY. I did not understand whether, when the Senator announced the scheduling of a certain bill for consideration, he stated a time for consideration of the Federal Aid Airport Act. The act expired June 30. There are no funds and there will be no program until we pass the bill. It has already been passed by the House of Representatives.

Mr. MANSFIELD. I could not give a date now, but I shall ask to have the bill considered as soon as possible. If possible, that will be in the early part of next week. Certainly I hope it will be by the end of the week.

Mr. MONRONEY. I believe there was a nearly unanimous report from the committee on the bill.

Mr. MANSFIELD. If there is no difficulty in regard to the bill, perhaps the Senate could consider it tonight.

Mr. MONRONEY. I would not ask that.

Mr. MANSFIELD. As soon as possible I shall ask to have the bill considered.

Mr. MONRONEY. I thank the distinguished Senator.

Mr. BIBLE. Mr. President, will the distinguished majority leader yield to me?

Mr. MANSFIELD. I yield.

Mr. BIBLE. I previously indicated interest in a District of Columbia revenue measure. I hope that before this session is adjourned the proposed legislation may be enacted. Otherwise, we shall be without money to operate the District of Columbia government. I think we could accommodate ourselves to an overall time limitation of 1 hour. I hope we may have an early scheduling of that bill.

Mr. MANSFIELD. It is most difficult to deny anything to the Senator from Nevada. His wish will be granted.

Mr. BIBLE. I thank the Senator very much, but could the Senator be a little more definite?

Mr. MANSFIELD. Monday.

Mr. BIBLE. Monday?

Mr. MANSFIELD. If the Senator can bring the Senator from Wisconsin [Mr. PROXMIRE] and the Senator from Oregon [Mr. MORSE] into agreement, we shall try to consider it on Monday. That is a tentative date.

Mr. BIBLE. I appreciate even that tentative arrangement. I have conferred with both the Senator from Oregon and the Senator from Wisconsin, and they will accommodate themselves to a time limitation with respect to the District of Columbia revenue measure.

Mr. MORSE. It might as well be disposed of now.

Mr. MANSFIELD. Tonight?

Mr. MORSE. I can start my speech tonight, if the Senator would like to have me do so.

Mr. MANSFIELD. We will let it go over.

Mr. BIBLE. I thank the majority leader.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. RANDOLPH. Mr. President, there is at the desk an amendment intended to be proposed by the Senator from Texas [Mr. YARBOROUGH]. I offer the amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 61, line 13, before the semicolon it is proposed to insert a comma and the following: "and one of whom shall be qualified as a professional engineer and shall be responsible for engineering, construction, and similar operations."

Mr. RANDOLPH. Mr. President, our eminent colleague from Texas is necessarily absent from this forum. He will also be away from Washington tomorrow. At his request the amendment has been called up this evening.

It is my understanding that the senior Senator from Texas has discussed the language of the amendment and the purpose of the amendment with the able chairman of the Committee on Foreign Relations. In order to conserve the time of the Senate, since apparently there has been an agreement in this regard, I ask the chairman of the committee if I am correct in reference to the understanding arrived at earlier.

Mr. FULBRIGHT. Mr. President, I discussed the amendment with the distinguished Senator from Texas. I think the amendment has great merit. I think consideration ought to be given to having someone at that level who has professional engineering experience. We have noted several instances in which we think mistakes in this field have been made.

Mr. RANDOLPH. In Cambodia, for example, the Senator from Texas [Mr. YARBOROUGH] has advised me that he proposed this amendment because the report of investigations of the foreign aid program as printed in hearings of the House of Representatives, some of which have been reprinted in part in the Senate debate of the past few days, clearly demonstrated a lack of professional engineering supervision on several projects of the foreign aid program in several countries and on several missions.

As engineering facilities must necessarily be supplied on a number of vital projects in the program, and as the application of engineering skills is essential to efficient operation of the program, this amendment would serve a vital and practical need.

The Senator from West Virginia is always delighted to cooperate with his esteemed colleague from Texas, and he is in full agreement with the objectives proposed in the amendment by the Senator from Texas.

Mr. FULBRIGHT. I hope this will be a step toward obtaining better qualified administrators of the program in the field. I am willing to accept the amendment.

Mr. RANDOLPH. Mr. President, for the senior Senator from Texas I express appreciation to the chairman of the committee. I wish only to add for the RECORD that the Senator from Texas [Mr. YARBOROUGH] presented this subject matter in certain other language in S. 1983, and he modified the amendment to satisfy the chairman of the Committee on Foreign Relations. As the chairman has said in agreeing to the amendment, there is a need for the employment of those who are qualified in the field of professional engineering.

Mr. FULBRIGHT. Mr. President, I yield back the remainder of my time.

Mr. RANDOLPH. Mr. President, I yield back any time remaining.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment offered

by the Senator from West Virginia [Mr. RANDOLPH] in behalf of the Senator from Texas [Mr. YARBOROUGH].

The amendment was agreed to.

ADDITIONAL JUDICIAL DISTRICT FOR FLORIDA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 717, S. 1824. This measure has been cleared with the minority leader, and, so far as I know, has excellent support.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1824) to create an additional judicial district for the State of Florida, to be known as the Middle District of Florida.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments, on page 2, line 1, after the name "Gadsden", to strike out "Giulchrist" and insert "Gilchrist", and at the beginning of line 10, to strike out "Bakr" and insert "Baker"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 89 of title 28, United States Code, is amended to read as follows:

"§ 89. Florida

"Florida is divided into three judicial districts to be known as the Northern, Middle, and Southern Districts of Florida.

"NORTHERN DISTRICT

"(a) The Northern District comprises the counties of Alachua, Bay, Calhoun, Columbia, Dixie, Escambia, Franklin, Gadsden, Gilchrist, Gulf, Hamilton, Holmes, Jackson, Jefferson, Lafayette, Leon, Levy, Liberty, Madison, Okaloosa, Santa Rosa, Suwannee, Taylor, Wakulla, Walton, and Washington.

"Court for the Northern District shall be held at Tallahassee, Pensacola, Marianna, Gainesville, Panama City, and Live Oak.

"MIDDLE DISTRICT

"(b) The Middle District comprises the counties of Baker, Bradford, Brevard, Charlotte, Citrus, Clay, De Soto, Duval, Flagler, Hardee, Hernando, Hillsborough, Lake, Manatee, Marion, Nassau, Orange, Osceola, Pasco, Pinellas, Polk, Putnam, Saint Johns, Sarasota, Seminole, Sumter, Union, and Volusia.

"Court for the Middle District shall be held at Jacksonville, Ocala, Tampa, Fernandina, and Orlando.

"SOUTHERN DISTRICT

"(c) The Southern District comprises the counties of Broward, Collier, Dade, Glades, Hendry, Highlands, Indian River, Lee, Martin, Monroe, Okeechobee, Palm Beach, and Saint Lucie.

"Court for the Southern District shall be held at Key West, Fort Pierce, West Palm Beach, Miami, and Fort Myers."

SEC. 2. (a) The district judge appointed September 26, 1950, the district judge appointed October 13, 1955, and the district judge appointed March 8, 1961, all for the Southern District of Florida, shall hereafter be designated as district judges for the middle district of Florida.

(b) The district judge for the northern and southern districts of Florida shall hereafter be designated as the district judge for the northern, middle, and southern districts of Florida.

SEC. 3. The table contained in section 133 of title 28 of the United States Code is amended to read as follows with respect to the State of Florida:

"Districts

Florida:	Judges
Northern	1
Middle	3
Southern	3
Northern, Middle, and Southern	1".

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

The question is on agreeing to the committee amendments en bloc.

The amendments were agreed to.

Mr. SMATHERS. Mr. President, I offer a technical amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 3, line 1, it is proposed to strike the word "October" and insert in lieu thereof the word "August."

On page 3 it is proposed to add the following new section:

SEC. 4. This Act shall become effective ninety days after the date of enactment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HOLLAND. Mr. President, I wish to have the RECORD affirmatively show that I not only have no objection to the passage of the bill, but I think it is a wholesome bill. I think we are entitled to another district. There may be some question about the boundaries, but there is ample time to settle that question while it is pending in the other body. I hope the measure will be passed as reported.

The PRESIDING OFFICER (Mr. METCALF in the chair). The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. HUMPHREY. Mr. President, I call up my amendment 8-16-61—H.

The PRESIDING OFFICER. The amendment of the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. On page 57, line 3, it is proposed to insert the following new sentence after the period:

In providing technical assistance under this Act in the field of education, health, housing, or agriculture the head of any such agency or such officer shall utilize, to the fullest extent practicable, the facilities and resources of the Federal agency or agencies with primary responsibilities for domestic programs in such field.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I yield myself 3 minutes. I have discussed the amendment with the chairman of the committee. I am hopeful that he will see fit to accept it. I have also discussed it with representatives of the State Department.

Yesterday, August 16, I submitted the amendment.

The amendment might be called the technical-services-for-peace amendment.

Its purpose is to assure the fullest possible utilization of the domestically oriented Federal Agencies which are most competent to make the greatest possible contribution to U.S. technical assistance abroad.

The amendment merely provides that in the operation of the aid program, rather than always to enlist new personnel and endeavor to build a great body of public servants, the agency shall, wherever it is practicable and feasible, call upon the existing departments of government that have competence in these respective fields. For example, the Department of Agriculture has more competence in the field of conservation, land reform, and certain areas of agricultural redevelopment than any group of people that we could bring quickly into the agency. Therefore we should call upon the Department and use its personnel facilities to the maximum extent practicable.

Of course, the proposal would mean that reimbursement and budgetary arrangements would have to be made, if the amendment were agreed to. The same thing would be true in terms of, let us say, irrigation or reclamation. The same thing would be true in the fields of education, health, housing, and any of the other areas in which technical competence is required.

The Senator from Minnesota believes that we can strengthen the foreign aid program, not merely by bringing additional personnel into a new agency, but also by asking the Federal agencies that have developed a great competence in their respective fields to undertake certain tasks at the request of another and under formal arrangements with the aid agency.

I believe that this is particularly true in the field of international health, in which the U.S. Public Health Service and the National Institutes of Health can assume much of the responsibility, if called upon, to fulfill the general plan and the general program of the aid

agency as it is worked out with the recipient or host country.

I have discussed this subject many times with the leading officers of our Government, including the President of the United States. I feel that it is imperative that the aid agency use the professional trained personnel that this Government already has wherever that personnel is available, wherever it is practicable, and wherever the arrangements can be arrived at between the agency and the international area, and the agency or department in the domestic area.

A KEY ILLUSTRATION—USE OF PUBLIC HEALTH SERVICE

Today, I should like to document the case for this amendment by illustrating the need for it in one particular area.

I refer to health for peace. More specifically, I refer to greater use of the U.S. Public Health Service—the foremost such service in the world today, a uniformed service of which every American should be proud. Yet it is a service which unfortunately is "far out in left field," so far as the technical aid ball game is at present concerned.

PROGRESS TOWARD HEALTH FOR PEACE

Fortunately, progress has nonetheless been made toward health for peace.

Part of this progress is due to amendments to mutual security laws, several of which I am pleased to have personally sponsored in the Foreign Relations Committee.

One of these amendments added what is known as section 104(k) to Public Law 480.

This section authorizes the use of foreign currencies owned or controlled by the United States for the support of scientific research and scientific information—including medical translations abroad.

DECISION AT INTERAMERICAN CONFERENCE

The time is ripe for redoubled effort for health for peace.

Let me note that earlier this week, on August 16, the conferees at Punta del Este, Uruguay, signed the declaration to the peoples of the Americas. Included among the purposes of the Alliance for Progress is the following paragraph:

To press forward with programs of health and sanitation in order to prevent sickness, fight epidemics, and strengthen our human potential.

NINETEEN HUNDRED AND SIXTY-TWO U.N. CONFERENCE

Let me note that in August 1962 there is scheduled to be held a United Nations Conference on the Application of Science and Technology for the Benefit of the Less Developed Areas.

The United Nations Economic and Social Council has approved the idea of this Conference. All that remains is for the United Nations General Assembly to give its approval. One of the purposes of this Conference is the improvement of public health.

It is my hope that this United Nations Conference will thereby move toward some of the health goals which I, for one, had envisioned when I offered resolutions—twice unanimously approved by the Senate—for an international public health and medical research year.

This is part of the background of my current effort for strengthened health for peace.

A BACKWARD STEP IN AID REORGANIZATION

But what do we find? At the very time that the world's peoples are expecting and demanding improved opportunity to help themselves to better health, a step backward may be taken here in Washington. The step will be taken with the best of intentions—and in the name of "good management." Yet, its results may be exceedingly damaging.

At present, there is what is known as the Office of Public Health in the International Cooperation Administration.

Under the new organization of the Agency for International Development, the Office of Public Health is, unfortunately, to disappear. It will be shrunk back to but a single senior expert who will work in an institutional development unit of what is to be called the Office of Development Research and Assistance.

At the same time, the Office of Public Health disappears, the responsibility for public health moves from Washington to four regional bureaus.

Meanwhile, however, here in Washington itself, the United States Public Health Service, the organization which possesses the greatest competence in the world in the administration of public health programs, has and will have no mandate, no responsibility for public health activities abroad.

Public Health Service personnel serve, of course, ICA in Washington and in the field, but only as individuals, not as an integrated effort on the part of the Surgeon General and the Service as a whole.

The status quo is bad enough; it will get worse when the AID bill decentralizes operations to the field. We will end up with four health agencies in the field and one in Washington.

The splintering of effort is not only wasteful, it is inefficient and unsatisfactory.

Recognizing these facts, I have offered the technical services for peace amendment. This amendment would enable the Public Health Service to take on the responsibility of doing that which it is willing, ready, and eager to do. In so doing, it would not infringe in any way on the prerogatives of the Administrator of AID, or the regional administrators. It will not upset unified country planning. It will not in the slightest impair any goal set forth by the President. On the contrary, it will provide the only means by which the President's goals can be fulfilled.

FUTURE STATEMENT ON EDUCATION

What the amendment proposes to do for health, it also proposes to do for education, for housing, and other technical fields.

Namely, it proposes to end the "Paper Curtain" which exists between foreign aid and domestic technical agencies. It proposes to prevent the splintering of effort, the competition for competence which the Nation cannot afford. The supply of skilled technical manpower is too limited in health, education, and in other fields to permit two sets of agencies—one foreign and one domestic—to go their own separate ways.

THE CASE FOR PUBLIC HEALTH

My first point is that the case for public health in America's foreign assistance program is so strong that it needs little repetition.

In probably no other type of American assistance abroad has American humanitarianism been more meaningfully demonstrated to foreign peoples.

There has always been some debate about other types of American oversea assistance. But there has never been debate over sending doctors and nurses abroad to relieve pain, suffering, and premature death, especially in time of disaster.

From the days of the Institute of Inter-American Affairs onward, U.S. bilateral health programs abroad have won resounding support.

But the further fact is that long before there was an official U.S. medical aid program, private American groups were generously assisting the sick abroad. American medical missionaries and American foundations were literally the trailblazers for health in the jungles and the rice paddies, in the deserts, and the mountains of far distant lands.

Later, a wide variety of nonsectarian aid organizations joined in. Together they have written some of the most magnificent chapters in "man's humanity to man."

The inspiring story of Dr. Tom Dooley, Dr. Gordon Seagrave, the Burma surgeon, or of American support to Dr. Albert Schweitzer has circled the world.

In health programs, the United States surpasses manyfold what the Soviet Union has done. The U.S.S.R. is a relative "Johnny come lately," so far as oversea health assistance is concerned.

The U.S. Government probably helped build more hospitals in one country—Ecuador—alone during World War II than the Soviet Union has built in all underdeveloped countries of the world combined in the last 7 years.

But the Soviet Union is now increasingly active in bilateral, as well as in multilateral health efforts.

The American Medical Association has increasingly recognized and responded to the challenge and has provided strong support of U.S. oversea programs.

POLICY DECLARATION ADOPTED BY FOREIGN RELATIONS COMMITTEE

Meanwhile, the U.S. Congress has demonstrated vision and leadership. I should like to recall that in the Mutual Security Act of 1959, Public Law 86–108, the Congress wrote this declaration:

INTERNATIONAL COOPERATION IN HEALTH

SEC. 501. (a) The Congress of the United States recognizes that large areas of the world are being ravaged by diseases and other health deficiencies which are causing widespread suffering, debility, and death, and are seriously deterring the efforts of

peoples in such areas to develop their resources and productive capacities and to improve their living conditions. The Congress also recognizes that international efforts are needed to assist such peoples in bringing diseases and other health deficiencies under control, in preventing their spread or reappearance, and in eliminating their basic causes. Accordingly, the Congress affirms that it is the policy of the United States to accelerate its efforts to encourage and support international cooperation in programs directed toward the conquest of diseases and other health deficiencies.

I am proud to have been the sponsor of this section in the Foreign Relations Committee. At that time, in our committee report, we stated, page 39:

This section is a policy statement recognizing the importance of international health problems and affirming the policy of the United States "to accelerate its efforts to encourage and support international cooperation in programs directed toward the conquest of diseases and other health deficiencies."

This policy is not only humanitarian; it also recognizes that the ravages of disease inhibit economic development through lowering productivity and that, with the increased volume and speed of travel, the attack on disease must be an international endeavor in the self-interest of all concerned.

COMMITTEE APPROVED PHS

In that same report, Senate Report 412, our committee stated, at my suggestion, on page 40:

The committee also looks with favor on the international activities of the U.S. Public Health Service.

The purpose of the present technical services-for-peace amendment is to transform this 1959 endorsement into a real mandate for action by the Public Health Service.

If, however, the Senate now were to reject the amendment, it would in effect be turning its back on section 501(a) of Public Law 86-108. For the fact is that only one organization can effectively bring section 501(a) into reality and that is the U.S. Public Health Service. No matter how much money AID may spend on public health abroad—and it is far too little—AID cannot hope to do an effective job—in the final analysis—without the Public Health Service.

FUNDS IN 1962 FISCAL YEAR

Actually, health funds have never aggregated more than a tiny fraction of U.S. foreign aid totals in any given year. In a foreign aid budget of 3 or 4 billion a year, health totals have ranged around $60 million, counting every type of bilateral and multilateral outlay—that is, through U.S. assessments and contributions to the World Health Organization, Pan American Health Organization, and so forth.

For the 1962 fiscal year, it is expected that the health total may be $64 million. This is investment in human life; it is an investment which will "pay off" in incalculable happiness for untold millions of people.

I ask unanimous consent that a table showing the distribution of overall health expenditures abroad in the 1962 fiscal year under the mutual security program be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Oversea health obligations by activity [1]

[In thousands of dollars]

Type of activity	Fiscal year 1962	Fiscal year 1961
Total [2]	64,039.6	55,882.6
Cooperative services	1,206.5	1,277.5
Malaria eradication	33,162.0	34,765.0
Control of specific diseases (other than malaria)	369.0	408.0
Environmental sanitation	3,682.6	3,358.9
Health facilities, operation of and advisory services to	2,574.5	2,735.0
Training and education	17,247.1	8,378.0
Construction, remodeling, etc., health facilities	1,141.0	815.0
All other health activities	3,878.4	3,306.8
Technical support	778.5	838.4

[1] From country program books fiscal year 1962 budget proposals. Fiscal year 1961 figures are June 30, 1961, obligation estimates made about midfiscal year. Fiscal year 1962 figures represent concurrent USOM estimates of budget needs for coming year.

[2] Includes technical cooperation, special assistance and defense support funding.

EVIDENCE COMPILED BY GOVERNMENT OPERATIONS SUBCOMMITTEE

Mr. HUMPHREY. At this point, let me note this fact: The views which I express are my personal convictions. But they are based in large part on a mass of evidence compiled by a Senate Government Operations Subcommittee, of which I am chairman. This subcommittee is concerned with interagency coordination, economy, and efficiency.

For 3 years, we have amassed evidence on worldwide health problems. This evidence has included data on the division of responsibility between the International Cooperation Administration's health program and the oversea health program of the U.S. Public Health Service.

The question may be asked—"What is the competence of this Senate Government Operations Subcommittee in assembling such evidence?"

For the answer to this question, I invite attention to pages 1221 and following pages of appendix volume III, wherein there was published enthusiastic endorsement by many distinguished health authorities as regards the caliber of our work. From all corners of the Nation have poured in, virtually without dissent, praise of the objective manner in which we have assembled the numerous facts.

Never before, it has been stated by authorities, has so complete a picture of international health activities and expenditures, been presented as has been done by our subcommittee.

It was in August 1958, that the Senate Government Operations Subcommittee first initiated its study of international health research, assistance and rehabilitation. The study was carried out originally pursuant to Senate Resolution 347, 85th Congress.

A total of 11 committee prints have been issued under the study. These included prints on such subjects as the World Health Organization, No. 4; International Rehabilitation, No. 8; the Pan American Health Organization, No. 9; and Veterinary Medical Science and Human Health, No. 11.

Two appendix volumes—parts II and III—were published, containing scores of letters and memorandums received from international health experts.

Let me emphasize that the subcommittee has not presented formal conclusions on this phase. My presentation today represents my personal evaluation, based upon my analysis and that of the staff director, at my request.

HIGH POLICY LEVEL FOR HEALTH

The second point I wish to make is that responsibility must be assigned for health and other technical services at a high enough policy level within AID to do justice by these subjects. To shrink the health functions to a unit of one man or two men in AID and to submerge such a unit within an Institutional Development Unit of the Office of Development Research and Assistance, hardly seems to be appropriate to a challenge of this magnitude.

There needs to be strong policy guidance for world health programs at AID, Washington headquarters. There needs to be a central point of coordination with the vast array of nongovernmental organizations as well as with other Federal agencies concerned with this problem.

Of the other Federal agencies, the principal one is, of course, the Department of Health, Education, and Welfare. This means, in particular, the Surgeon General of the U.S. Public Health Service—a post now eminently occupied by Dr. Luther L. Terry; and it means the Office of the Director of the Division of International Health, now ably filled by Dr. H. van Zile Hyde. Within the Public Health Service, it includes all the oversea activities of the National Institutes of Health, headed very capably by Dr. James A. Shannon.

There is a complex coordination problem within all the units of the Public Health Service, as well as outside the Service within the Department of Health, Education, and Welfare, for example, as regards the Children's Bureau of the Social Security Administration and the Office of Vocational Rehabilitation.

Then, too, I am referring to oversea coordination with other Federal agencies, such as the Department of State and Department of Defense.

And I refer to coordination with the American Medical Association, the Association of Accredited Medical Colleges, the Education Council for Foreign Medical Graduates, the various foundations, the religious organizations which provide foreign assistance and the nonsectarian organizations, which are represented through the American Council of Voluntary Agencies for Foreign Service, Inc., as well as with the voluntary health agencies represented by the National Health Council.

So, the question is, Is a single senior health expert in AID expected to do all this, as well as coordinate and evaluate the AID regional programs?

The task appears impossible; indeed it is impossible.

MESSAGES FROM HEALTH EXPERTS

But now, let America's health experts speak for themselves.

Within the past few weeks, I informed two such experts that it was my intention to discuss this problem in the Senate. I stated that I was concerned about the trend as regards oversea health administration. I told them that I had not been reassured by a response from Mr. Henry Labouisse which attempted—sincerely and helpfully—but nonetheless without success to ease my concern.

Immediately thereafter a flood of messages descended upon my office. I did not solicit these messages. But I welcomed them because they came—and without dissent—from some of the foremost medical and lay experts in the United States.

The physicians represented in this group have credentials virtually unmatched, anyway, as regards experience with oversea health problems.

Deans of schools of public health, for example, are the men on the firing line; it is they who train American doctors to go abroad and who know from first-hand experience the critical problem of shortages of American and foreign personnel. It is they who know about health problems in the emerging countries, both at the "retail" level, so to speak, as regards individual medical care and at the "wholesale" level, as regards mass inoculation, cleaning up water supply, as well as other public health steps for whole populations.

I ask unanimous consent that the texts of the incoming telegrams be printed at this point in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *August 8, 1961.*
Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D.C.:

We are greatly concerned that S. 1983 makes no specific provision for a continuation of international health endeavors. We interpret this as an effort to downgrade health activities in our foreign aid program. We firmly believe it can be demonstrated that health activities are perhaps the most effective means for improving the stature of the United States throughout the world by raising the health standards of the people in foreign nations, which is absolutely essential to their economic development. None of the newly developing nations can possibly assume their place in the world unless first of all the people are healthy. We strongly urge that international health activities be given a prominent position in our foreign aid program and an important part in policy development.

KENNETH WILLIAMSON,
Associate Director, American Hospital Association.

BALTIMORE, MD., *August 7, 1961.*
Senator HUBERT HUMPHREY,
Chairman, Subcommittee on Reorganization, and International Organizations, Senate Office Building, Washington, D.C.:

I am very much concerned that the reorganization in the International Cooperation Administration implied in S. 1983 will have a deleterious effect on international health. The apparent downgrading of the office of public health in ICA will make it impossible to develop strong programs in international cooperation. I fear that health assistance may not be recognized with sufficient status in policymaking to provide adequate aid programing. Already there is evidence that the worldwide malaria eradication program is being handicapped. Only through a strong central health planning unit in the central agency can great harm be avoided. May I urge your support for a strong health program centrally guided at high policy level.

ERNEST L. STEBBINS, M.D.,
Association of Schools of Public Health.

NEW YORK, N.Y.,
August 8, 1961.
Senator HUBERT HUMPHREY,
Chairman, Subcommittee on Reorganization and International Organizations, Senate Office Building, Washington, D.C.:

As an officer of the National Citizens Committee for the World Health Organization I urge that any contemplated change in U.S. policy concerning foreign aid not weaken our efforts to improve the public health throughout the world. Tremendous work is needed to insure that the world is safe from the ravages of disease, which knows no boundaries and to guarantee to all peoples the benefits of basic public health measures without which they can have neither health nor prosperity.

JAMES E. PERKINS, M.D.,
Managing Director, National Tuberculosis Association.

ST. PAUL, MINN.,
August 9, 1961.
Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D.C.:

Understand S. 1983 proposes changes in ICA structure which if effected would remove direction of public health activities from existing Office of Public Health. Believe this action would seriously cripple effective public health program of agency both as to administrative direction and reactions of ministries of health in countries aided by program. Believe current public health program to be one of most important and influential of various activities of agency. Strongly urge all action to prevent any move which will serve to downgrade importance of this program and hope you continue your fight for more effective public health programs as essential elements of foreign policy.

GAYLORD W. ANDERSON,
Director, School of Public Health, University of Minnesota.

BOSTON, MASS.,
August 7, 1961.
Senator HUBERT HUMPHREY,
Chairman, Subcommittee on Reorganization and International Organizations, Senate Office Building, Washington, D.C.:

Delighted to hear you plan to discuss administrative placement of Office of Public Health in Senate foreign aid debate. Proposed health staff representation in Office of Development Research and Assistance is obviously necessary but is in no way a substitute for high level administrative placement which can provide effective coordination essential for strong health program. Up to now our country is far ahead in its service to international health and we must maintain this lead.

HUGH. R. LEAVELL,
President, Association of Schools of Public Health.

NEW YORK, N.Y.,
August 9, 1961.
Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D.C.:

Strongly support your stand that public health activities in the International Cooperation Administration should be at high policy level to insure full utilization of our most effective method of international cooperation. In today's ideological conflict international cooperation in health stands foremost in the minds and hearts of the peoples of the world as an example of America's emphasis on universal opportunity and the dignity and welfare of the individual.

HOWARD A. RUSK, M.D.

NEW YORK, N.Y., *August 9, 1961.*
Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D.C.:

The World Rehabilitation Fund agrees strongly with you that public health should play a major role in the International Cooperation Administration and the current public health program of the International Cooperation Administration should be strengthened and expanded. Through the technological advances of the past decade, the opportunities for bilateral technical assistance in public health to contribute to the announced foreign policy objectives of our Federal Government and particularly to the Alliance for Progress in Latin America are unprecedented. It is ironic that while the Inter-American Economic and Social Conference of Finance Ministers is in progress at Punta del Esta, the Senate should consider reducing the public health program of the International Cooperation Administration. Good health is the foundation of economic progress.

EUGENE J. TAYLOR,
Secretary.

WASHINGTON, D.C., *August 8, 1961.*
Hon. HUBERT HUMPHREY,
Senate Office Building,
Washington, D.C.:

Strongly support and commend your insistence that public health have highest status at policy and operating level in AID, as well as program priority. Experience clearly demonstrates that through its common language and mutual benefit for helper and helped, public health offers unmatched opportunity for collaboration among nations.

MYRON E. WEGMAN, M.D.,
Dean, School of Public Health, University of Michigan, Ann Arbor, Mich.

NEW YORK, N.Y., *August 7, 1961.*
Senator HUBERT HUMPHREY,
Chairman, Subcommittee on Reorganization and International Organizations, Senate Office Building, Washington, D.C.:

Cannot urge too strongly the importance, not only of maintaining but of strengthening our international health work under ICA. Passage of S. 1983 would disrupt much of the good work now underway and contemplated at a time when strengthening of the program is needed on all fronts.

HAZEL CORBIN,
Director,
Maternity Center Association.

JACKSONVILLE, FLA., *August 7, 1961.*
Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D.C.:

From our close contact with South and Central America we are convinced that public health is a very significant instrument of foreign policy. We are apprehensive that S. 1983 does not acknowledge the full potential of public health in foreign diplomat administrative position of public health and allow it to make its destined contribution to world development.

WILSON T. SOWDER, M.D.,
State Health Officer of Florida.

NEW YORK, N.Y., *August 8, 1961.*
Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D.C.:

We understand you will speak concerning implications of S. 1983 in regard to public health. American Public Health Association

wishes to point out importance of health programs as a part of total foreign aid plans. We strongly urge provision of authorization of foreign aid administration.

BERWYN F. MATTISON, M.D.,
Executive Director, American Public Health Association.

CHAPEL HILL, N.C., *August 8, 1961.*
Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D.C.:

As chairman of Subcommittee on Reorganization and International Organizations may you be successful in upholding the position of Office of Public Health in ICA when S. 1983 is debated on Wednesday. With health the lone area upon which so many agree and also as a pillar in any people's well-being it does seem foolish to countenance a reduction in effort.

EDWARD G. MCGAVRAN,
Dean, School of Public Health.

NEW YORK, N.Y., *August 8, 1961.*
Senator HUMPHREY,
Chairman of Subcommittee on Reorganization and International Organizations, Senate Office Building, Washington, D.C.:

I am horrified to hear of plan to downgrade Public Health in ICA as proposed in S. 1983. As I have traveled at request of Indian Government and talked to international health visitors here in New York I have seen how important public health activities are to development in underprivileged countries. Specific recognition of these activities at high level within ICA so as to assure sufficient prestige and resources is essential.

LEONA BAUMGARTNER, M.D.
New York City Commissioner of Health.

BERKELEY, CALIF., *August 8, 1961.*
Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D.C.:

Have real concern about provisions of S. 1983 that would decrease emphasis on health on International Cooperation Administration. This is one of the most important, best received, and least controversial of our international assistance programs. Urge retention of status of public health commensurate with its importance.

MALCOLM H. MERRILL, M.D.,
Director, California State Department of Public Health.

NEW ORLEANS, LA., *August 7, 1961.*
Senator HUBERT HUMPHREY,
Chairman, Subcommittee on Reorganization and International Organizations, Senate Office Building, Washington, D.C.:

We deprecate strongly any weakening of Office of Public Health as proposed in S. 1983. Would urge you to protest this action and would recommend public health be given a position in AID program development in keeping with our recognition of need for strengthening international health work.

J. C. S. PATERSON, M.D., M.R.C.P.,
Director, Division of Graduate Public Health, Tulane University.

NASHVILLE, TENN., *August 8, 1961.*
Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D.C.:

Last summer I had the privilege of visiting ICA health program in India and Indonesia. I was greatly impressed by the contribution in malaria control and medical education and the impact these programs made in these countries. Therefore, may I respectfully question the reorganization planned by the agencies for international development in which experts in the health field are left out of policymaking positions.

JOHN W. PATTERSON,
Vice Chancellor, Medical Affairs, Vanderbilt University School of Medicine.

NEW HAVEN, CONN., *August 7, 1961.*
Senator HUMPHREY,
Chairman, Subcommittee on Reorganization and International Organizations, Senate Office Building, Washington, D.C.:

In wholehearted support of your endeavors in the Senate to give proper recognition to Public Health as an instrument of international policy of the United States; unalterably opposed to S. 1983 which proposes to downgrade Public Health in the International Cooperation Administration. Hope you will vote against this bill and marshal senatorial support to oppose it.

ANTHONY M. PAYNE,
Chairman of Epidemiology, Public Health, Yale University Medical School.

DETROIT, MICH., *August 7, 1961.*
Senator HUBERT HUMPHREY,
Chairman, Subcommittee on Reorganization and International Organizations, Senate Office Building, Washington, D.C.:

Lower status of the office of public health in ICA as proposed in S. 1983 would seriously damage U.S. participation in international activities in ICA. Urge legislation to this end.

WALTER P. REUTHER,
President, International Union, United Automobile Aircraft & Agricultural Implement Workers of America, UAW.

NEW YORK, N.Y., *August 8, 1961.*
Hon. HUBERT HUMPHREY,
U.S. Senate, Senate Office Building, Washington, D.C.:

Public health is basic and vital to educational, agricultural, and economic advancement and also to democratic development in every country. I urge that you persevere in your worthy drive to unequivocally assure very adequate organizational and functional status at not only the regional but also, and more especially, at the Washington headquarters of the Office of Public Health for international health work associated with the International Cooperation Administration.

BASIL O'CONNOR,
President, The National Foundations.

COORDINATION REQUIRED IN WORLDWIDE MALARIA PROGRAM

Mr. HUMPHREY. Let it also be noted that under the proposed AID reorganization, our investment in the worldwide malaria eradication program may be undone.

Despite Mr. Labouisse's reassurance, leading malariologists fear the results of decentralization of malaria policies to the regional AID bureaus.

The fact is that there is probably no single better illustration of the need for worldwide coordinated health effort than in the field of malaria eradication.

Malaria has been described as the worst single public health problem of the human race. The counterattack against malaria has been described as the greatest single assault against a disease ever made in the history of the human race. The U.S. Government has invested tens of millions of dollars in this worthy crusade. The investment has paid off. Superb progress has been made. Hundreds of millions of people have been freed of the danger of this scourge.

Yet, if this battle is to be won, certain countries which have not begun their malaria eradication, or which are only part way in their campaign, must pursue the fight relentlessly. It will do mankind little good to clear up malaria from seven-eighths of a particular region or continent if the other one-eighth is still ridden with anopheles mosquitoes and the malaria parasite. The danger of reinfection will under such conditions persist for the whole region.

I call attention to a task force report by an expert panel on malaria as presented to the International Cooperation Administration on August 1, 1960. The panel was headed by the distinguished former director of the Pan American Health Organization, Dr. Fred L. Soper. On this panel served Dr. Justin M. Andrews, Director of the Institute of Allergy and Infectious Diseases of the National Institutes of Health, and Dr. Louis L. Williams, among others. I quote from the conclusions of this report. It was recommended that:

Centralized control of ICA material eradication funds be continued to insure adequate priorities and coordination; allocation for malaria eradication under normal country program procedures not be made.

The taxpayers of the United States paid for this ICA report. Is the report to become a dead letter, or is it to become a living guide? The answers can only come in the future administration of the AID program.

If a coordinated program is continued the malaria drive will succeed. If coordination fails, the eradication drive will fail.

The following additional facts should be noted:

IMPORTANCE OF PROFESSIONAL HANDLING OF HEALTH PERSONNEL

First. Health has certain unique attributes different from other technical services.

For one thing, in health we are dealing with a scientific community whose educational preparation and overall technical standards are rightly regarded as perhaps the most professional of all the professions. Recruiting, training, evaluating, directing medical doctors as well as other experts in the healing arts should best be entrusted to health experts. Similarly, the policies governing sanitary engineers and related professions require the highest technical competence.

Second. In health we are dealing with a worldwide problem. It has become almost a cliche to say that disease does not stop at national boundaries. If an air passenger boards a plane in Calcutta, a city which has been frequently plagued by cholera, it is just a matter of a few hours before cholera can be introduced into Tokyo, Paris, New York or Buenos Aires.

When it comes to health, the world cannot ignore islands of mass, infectious disease. The disease of one country is of concern to every other country.

The Public Health Service's Division of Foreign Quarantine cannot do the most effective job in keeping disease out of the United States unless mass, communicable disease is stopped in its tracks in the breeding grounds abroad.

PUBLIC HEALTH SERVICE HANDLES INDIAN HEALTH

Third. Unfortunately, the problem of underdevelopment is not foreign to our own country. The situation as regards the health of America's native-born Indians has closely paralleled the plight of many foreign peoples. Only after the U.S. Public Health Service was at last given the responsibility of providing for Indian health has there been marked progress in Indian health. Educating Indians on the reservations in improved health practices and otherwise looking after their medical needs is not dissimilar in many respects to raising the standard of foreign peoples in underdeveloped regions.

SHORTAGE OF PERSONNEL

Fourth. There is an acute shortage of American physicians with all the specialized skills required to serve most effectively in less developed lands.

Fortunately, there is tremendous interest among M.D.'s to serve voluntary groups abroad, especially for short duration. But we do not have an adequate pool of doctors, nurses, and others, possessing the language skills, the close familiarity with foreign cultures and other necessary attributes over and above technical proficiency, as such, and willing to work for the U.S. Government for 2 or 3 years in foreign hardship posts.

We do have many dedicated health workers abroad, but not nearly enough.

There has been comparatively little career incentive for a Public Health Service commissioned officer—active or reserve—to serve abroad, other than the desire to help and to heal. ICA does not have a medical career development program.

These facts are fully substantiated.

STUDY BY DR. LOUIS L. WILLIAMS

As part of its review, the subcommittee arranged for an independent study to be made by a distinguished retired Public Health Service officer, Dr. Louis L. Williams, Jr. Dr. Williams was given a broad mandate to study personnel problems as they confront ICA and the Public Health Service. His report contained an extensive and authoritative analysis which was circulated among the various Federal agencies. Dr. Williams rendered an outstanding public service, in my judgment, by this presentation.

In a subsequent letter to me, Dr. Williams summarized the findings of his report as follows:

The resources of the Public Health Service are not being adequately used by the Government in fulfilling its international responsibilities in the field of health. The International Cooperation Administration, which is responsible for all bilateral international health activities of the United States, has not yet found a method for effectively utilizing the personnel and other resources of the Public Health Service.

The problem arises because the ICA has been unable to develop a career system which will attract, develop and retain a corps of highly qualified physicians, engineers, nurses, and other professional public health workers. There are several reasons for this. First, there has been a chronic shortage of trained public health personnel which has made recruitment difficult. Second, ICA has had to compete with the Public Health Service, State and local health departments, industry and other employers who are able to offer better tenure than that provided in Foreign Service Reserve appointments. Third, career development opportunities are narrow in ICA in comparison with those offered in the Public Health Service and other major employers of public health workers. Fourth, for all practical purposes, ICA has been able to offer only expatriate appointments. This has discouraged many professional public health personnel who would find attractive one or two periods of service overseas, but who want to raise their families and live their lives primarily in the United States.

The Public Health Service career development system offers all the opportunities that are missing in the present ICA personnel system. In addition, the Public Health Service has available research facilities, laboratories, training centers, hospitals, and other resources essential not only for career development but also for backstopping the international health programs of ICA and of the multilateral agencies, the World Health Organization and the Pan American Health Organization.

It is recognized that health is only one of many important bilateral technical assistance programs. The personnel system of ICA, therefore, could not be based solely on the particular needs of its health programs and health staff. In the Public Health Service, on the other hand, the personnel system was specifically designed to meet the needs of health programs and health staff. Moreover, it has been remarkably successful in fulfilling its function.

The report recommends, therefore, that the ICA together with the Public Health Service arrange for the full utilization of the Public Health Service resources, and particularly its career development system, for staffing and carrying out bilateral international health programs. Secondly, the report recommends support be given to the establishment of international regional training institutes under the auspices of WHO and PAHO and with the active collaboration of the Public Health Service and ICA. This is necessary because there still is a serious and chronic shortage of qualified professional public health personnel for the constantly growing national and international health programs.

HISTORY OF OVERSEA HEALTH EFFORTS

In order to make absolutely sure that it was on firm ground, the subcommittee took other survey steps as well. It asked the Public Health Service to prepare a comprehensive history of the background of the American health assistance overseas. A review was prepared by Mr. Harold Ballou, who has had many years' experience in writing on oversea health problems. Mr. Ballou ably described the various cycles through which oversea health programs have developed from the days of the Institute for Inter-American Affairs, the European Cooperation Administration, the Foreign Operations Administration, and the International Cooperation Administration.

The pendulum has tended to swing back and forth as regards responsibility for technical services being vested in the foreign aid agency or the domestically oriented agencies.

CONCLUSION

Now, the time has come for the Congress to make known its position.

Does the Senate, in particular, want two health agencies in the U.S. Government, two education agencies, two housing agencies, or perhaps five—counting the four regional bureaus?

Does Congress want the domestic agencies to be called upon, as at present, for personnel although they have no formal, continuing responsibility to plan, to implement, to evaluate what the personnel are supposed to do abroad?

Does the Senate wish to see better coordination or poorer coordination?

The answers are, I believe, clear. Let us provide for fullest use of the technical resources and competence of, in this instance, the U.S. Public Health Service. That is why the technical services for peace amendment should be adopted.

In so urging, let me note that I am not attempting to speak for the administration. I am not speaking for the Public Health Service. It has not asked for this authority and ICA shows no indication of asking PHS to take it on.

I am speaking for what I believe to be good, efficient, economical administration.

The private health experts who have contacted me have, as noted, addressed themselves to the sound thesis that health needs high policy-level recognition in AID. The experts have not commented upon the ICA-PHS, division, as such.

But I, for one, believe that if their thesis is to receive fullest support, it requires not only that health not be downgraded administratively in AID, but that PHS responsibility be upgraded.

Even if PHS were not given the responsibility which I believe it should have, public health, as a strong identifiable program and organization should and must receive high level recognition in AID.

Soon, the Health, Education, and Welfare Department will have a new Office of Assistant Secretary for International Activities as provided under S. 2073. This bill, as reported by the distinguished senior Senator from Alabama [Mr. HILL] on July 26 from the Committee on Labor and Public Welfare, and as approved on July 27, is a sound response to HEW's expanding international challenges.

The action which I urge today is a corollary and necessary response, as well.

I also wish to note that, particularly in the field of international health, there is a great demand for this sort of activity. I feel that the amendment will strengthen the operation and administration of the program.

Mr. FULBRIGHT. Mr. President, I merely wish to say that the amendment was not submitted to the committee. The committee has had no opportunity to pass upon it. It was called to my attention only recently. Upon its face, however, it seems to me to have great merit as an effort to strengthen the quality of the administration. However, in introducing such questions, there may be unforeseen difficulties. I am willing to take the amendment to conference, but with the understanding that if upon further consideration we may desire to do so, we may amend it. I realize that the agencies have some very good personnel. On the other hand, I do not want the foreign aid program to become a dumping ground for those that the domestic agencies want to get rid of.

They are usually reluctant to get rid of their best personnel. They look for a place to get rid of those who are not quite up to par. Perhaps I shall want some safeguards to the quality of those who would be brought into the agency. I think those who are responsible for making the agency work ought not to be under undue pressure to accept anyone that another agency wishes to give them. They ought to have complete freedom of discretion in choosing those of real quality, because this program itself is very important.

But the principle of utilizing, insofar as possible, those of whom the Senator has spoken, provided they have the proper qualifications, is a good principle. I will take the amendment to conference with that understanding.

Mr. HUMPHREY. The purpose of the amendment is to meet exactly the concern that the committee chairman has.

The amendment is designed to assure that there would be no dumping. At the present time, and in recent years, it has been possible for a domestic agency to release some of its personnel, to be hired by the aid agency or the Foreign Operations Administration or the ICA. Occasionally some of that personnel was sloughed off. We do not want that. I agree with the chairman. We want the very best.

Therefore, the purpose of the amendment is to place upon the domestic agency the responsibility to give, under the supervision of the aid agency, with the standards of the aid agency being imposed and being fulfilled, the most competent of its personnel. I want that point clearly understood.

As a sponsor of the amendment, I wish to say to the chairman of the committee that, if there is any ambiguity in the language, its entire purpose is to insure excellence and to recruit the best to go to the agencies in the Government and ask for their best, not for their least or their worst. I want that point quite clear. I thank the chairman for his acceptance.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. As one of the cosponsors of the amendment, I wish to say to the chairman that I completely agree with his observations. The Senator from Minnesota can be assured that not only will his purpose be carried out, but also I have complete confidence in what the Senator from Arkansas has stated, that when he takes the amendment to conference the Senator from Arkansas will see that it is retained in the bill.

Mr. HUMPHREY. Mr. President, I yield back the remainder of my time.

Mr. FULBRIGHT. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. HUMPHREY].

The amendment was agreed to.

Mr. SMATHERS. Mr. President, I call up my amendment, which is at the desk.

The PRESIDING OFFICER. The amendment of the Senator from Florida will be stated.

The CHIEF CLERK. On page 93, line 20, it is proposed to insert the following:

Insert "451(c)," before "502(a)" and in line 21 insert the following proviso before the semicolon: *"Provided,* That until the enactment of legislation authorizing and appropriating funds for activities heretofore carried on pursuant to sections 405(a), 405(c), 405(d), and 451(c) of the Mutual Security Act of 1954, as amended, such activities may be continued with funds made available under section 451(a) of this Act."

The PRESIDING OFFICER. The question is on the amendment of the Senator from Florida.

Mr. SMATHERS. Mr. President, the administration has carried on a program of assistance, resettlement, and other appropriate activities in behalf of refugees who have come to this country, largely to southern Florida, to escape the Castro regime. This program has been financed from the President's contingency fund authorized under section 451 of the Mutual Security Act of 1954, as amended. Funds for the program are presently made available under the joint resolution of the Congress authorizing expenditures until appropriations have finally been made.

The administration has proposed to the Congress that refugee activity be separated from foreign assistance. To this end, it has submitted legislation which is being considered in the Judiciary Committee of the House of Representatives—H.R. 8291. The authority for such assistance under the foreign assistance program would accordingly be repealed by S. 1983 which embodies the administration's proposals for international development.

If the foreign aid bill—the Act for International Development of 1961—should become law prior to the enactment of refugee legislation, statutory authority for the Cuban program and other refugee programs would terminate for the interval between the enactment of the two laws. To avoid this prospect, I propose an amendment at this time to continue these programs until legislation is enacted for this purpose and ask that it be adopted.

I am satisfied that there is no objection to the amendment. I think primarily there was an inadvertence in the draftsmanship of the measure.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. MORSE. I think the amendment is fair, in view of the problems of Miami and the other parts of Florida, which have received so many refugees and have had such a heavy drain placed on their financial resources. I think the amendment should go to conference.

Mr. SMATHERS. I am grateful to the Senator from Oregon for his comment.

Mr. FULBRIGHT. Mr. President, I have consulted with the distinguished Senator from Florida with respect to the amendment. I think it has merit, and I am prepared to accept it.

The PRESIDING OFFICER. Do both Senators yield back the remainder of their time?

Mr. FULBRIGHT. I yield back the remainder of my time.

Mr. SMATHERS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. SMATHERS].

The amendment was agreed to.

Mr. MONRONEY. Mr. President, I offer my amendment identified as "8-4-61—E."

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 10, after line 3, it is proposed to insert the following new section:

SEC. 206. USE OF THE FACILITIES OF THE INTERNATIONAL DEVELOPMENT ASSOCIATION.—If the President determines that it would more effectively serve the purposes of this title and the policy contained in section 619 (pertaining to newly independent countries), he may lend not to exceed 10 per centum of funds made available for this title to the International Development Association for use pursuant to the International Development Association Act (Public Law 86-565, 74 Stat. 293) and the articles of agreement of the Association.

Mr. MONRONEY. Mr. President, in discussing the general philosophy of the Foreign Assistance Act of 1961, the committee comments that development programs must be clearly related to the long-range goals of a recipient country as defined within a general economic and social development plan. It pointed out that heretofore our programs have been too heavily influenced by military considerations, by impact projects, by temporary and sometimes illusory urgencies. The committee states that this bill seeks to give the aid program new direction, spirit, and purpose and to this end expresses the hope "that a multilateral approach can receive greater emphasis with respect to newly independent countries, especially those in Africa.

This policy decision on the part of the committee is reflected in a specific provision in the bill. Section 619 provides:

Assistance under part one of this Act to newly independent countries which, to the maximum extent appropriate in the circumstances of each case, be furnished through multilateral organizations or in accordance with multilateral planes, on a fair and equitable basis with due regard to self help.

The committees intention in adding this section to the bill is more fully discussed on page 35 of its report. The committee explains the reason for inserting this section as follows:

The purpose of this section is to prevent, insofar as possible, the United States from assuming continuing and increasing obligations through bilateral arrangements with the rapidly emerging new countries of the world. The committee agrees that these countries need help and should have help. But it also believes that this is not, and should not be, the sole or even the major responsibility of the United States. Bilateral arrangements do not necessarily provide the most effective means of extending help and

of accomplishing U.S. objectives. The other developed nations of the world, particularly the members of the Development Assistance Group, also have a responsibility and an interest in seeing the new countries make a success of their ventures into statehood.

The section is deliberately written in broad terms so that it applies to assistance furnished either through multilateral organizations, such as the United Nations or its specialized agencies, or in accordance with multilateral plans, such as might be agreed to by the OECD or, possibly, by some new economic grouping of African nations. It is the intent of the committee that the contributions of other nations be in reasonable proportion to their responsibility and capacity and that the recipient countries should, in all cases, take vigorous and affirmative measures to help themselves and to make the most effective use of the aid they receive.

One multilateral vehicle through which assistance to newly independent countries might be offered is the recently created International Development Association, an affiliate of the International Bank for Reconstruction and Development.

It is particularly appropriate that the committee has recommended the use of the International Development Association for the achievement of these purposes. IDA is largely a creature of the Senate, having been organized as a result of study and consultation undertaken pursuant to Senate Resolution 264 introduced by me in 1958. That resolution, adopted by an overwhelming vote of the Senate, stated the recognition of the Congress of the desirability of promoting a greater degree of international development by means of multilateral loans, and emphasized the objective of insuring that funds for international economic development can be made available by a process which would encourage multilateral contributions for this purpose. In short, the committee in its report has reaffirmed the policy already adopted by the Congress that whenever possible we should provide economic assistance in a way that will produce similar assistance from other countries for the same purpose.

There are two ways in which a part of the funds provided in this bill could be made available for lending by the International Development Association. The United States could propose an increase in its subscription to the fund under article III. This would have the advantage of requiring other members to match the increased subscription proportionately in order to retain their comparative voting rights in the management of the Association. However, I believe that such an increase should be specifically authorized and funds appropriated by the Congress.

The second form which an additional U.S. contribution could take would be a loan of funds to IDA, under the provisions of article V of the articles of agreement, for relending on such terms as the United States might specify. Such loans would be an excellent means to carry out the policy and advance the purposes advocated by the committee.

However, section 5 of the act, authorizing participation of the United States in IDA (74 Stat. 294), provides that the President shall not make a loan or provide other financing to the Association unless Congress by law authorizes such action. Not only is no such specific authorization provided in the bill before us, but the general authority of the President under section 201 of the bill to make loans for development assistance clearly envisions direct loans to particular countries. Other titles of part one of the bill are equally unsuited to carry out the announced policy of the committee.

I therefore submit that the policy and objectives advocated by the committee, which I wholeheartedly support and which the Senate has previously endorsed, cannot be carried out under the present provisions of the bill. It is for this reason that I propose the perfecting amendment which is now before the Senate, to provide clear legal authority to carry out the expressed intention of the committee in its report.

The amendment proposes to add a new section 206 to the bill reading as follows:

SEC. 206. USE OF THE FACILITIES OF THE INTERNATIONAL DEVELOPMENT ASSOCIATION.—If the President determines that it would more effectively serve the purposes of this title and the policy contained in section 619 (pertaining to newly independent countries), he may lend not to exceed 10 per centum of funds made available for this title of the International Development Association for use pursuant to the International Development Association Act (Public Law 86–565, 74 Stat. 293) and the Articles of Agreement of the Association.

This amendment would permit the President to channel up to 10 percent of the funds provided for economic development loans through the International Development Association by making loans to IDA for relending. If the President subsequently determines that we should make an additional subscription under article III, he would still have to ask specific legislative authority for such a step. Such an additional subscription would not be undertaken without extensive prior consultation with other nations, and the requirement for specific congressional approval should work no hardship on the President if he elects to follow that route.

This amendment has been prepared in consultation with the committee staff and with the Department of State, and I have been advised that the Department has no objection to its inclusion in the bill.

I would reiterate what I have said before as to the advantages which come from multilateral lending through the International Development Association rather than direct loans from the United States.

First. By using an international organization we can encourage like efforts by other industrial nations so that a greater share of the burden will be assumed by other nations than have been helped by our assistance in the past.

Second. It permits projects to be reviewed and the loans to be processed by the skilled and experienced staff of the World Bank.

Third. It avoids the situation where the nations being helped come to consider that they have a vested interest in a particular percentage of our foreign aid budget.

Fourth. It increases the likelihood of repayment because the obligation is to an international institution and the country's international credit is involved in their payment record.

Fifth. It avoids all of the undesirable political ramifications which sometimes flow from bilateral aid negotiations.

I ask unanimous consent to include in the RECORD at this point extracts from my remarks on the International Development Association on July 23, 1958, when Senate Resolution 264 was adopted by the Senate, and on June 2, 1960, when the act authorizing U.S. membership in IDA was passed.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the CONGRESSIONAL RECORD, July 23, 1958]

Mr. MONRONEY. Mr. President, Senate Resolution 264 presents the Senate with a simple but vital question: Should it direct a top-level study of the feasibility of establishing, as an affiliate of the World Bank, a new International Development Association to make loans to underdeveloped countries at more liberal terms than are now available?

This resolution expresses the sense of the Senate that such a study should be promptly undertaken by the National Advisory Council on International Monetary and Financial Problems. The Committee on Banking and Currency has favorably reported the resolution, with bipartisan support, and both the State and Treasury Departments have stated formally that they favor its adoption.

TIMELINESS OF SENATE RESOLUTION 264

Consideration of the resolution on the floor of the Senate comes at a time when events in the Arab world are demonstrating the inadequacy of our present programs to achieve stability and safety for newly independent nations. Americans are becoming increasingly convinced that sponsoring military buildup in an effort to discourage external attack, provides a hollow shell of strength, unable to withstand the mounting pressures from within these nations.

This pressure is being generated by what Adlai Stevenson called the revolution of rising expectations. Around the globe captive peoples are in revolt—in revolt against the captivity of poverty, of social immobility, of disease, of national inferiority. These demands for an equitable share of the world's goods, and recognition as a significant force in the world's culture, constitute the basic reality of our age—more basic and more pervading than atoms, or sputniks, or political alliances.

America is the fountainhead of these aspirations. We, above all other nations of the world, should have nothing to fear from this revolution. We must, however, recognize that our safety, and the peace of the world, can be had only through the fulfillment of these aspirations, not through their frustration. It is our responsibility to take the lead in fashioning the instruments, the institutions, through which the hopes of the world's captive peoples may be realized, in an environment of self-respect and mutual help.

The programs of nonmilitary economic aid conducted by the United States since World War II have been addressed to two separate problems: The economic reconstruction of industrial nations which were ravaged by the war; and the economic development of the agrarian countries of Asia, Latin America, and Africa for whom any appreciable industrialization remains a dream for the

future. In each case, we had a political motive, in addition to the humanitarian and economic one—namely, to provide an alternative to the achievement of reconstruction or development by totalitarian methods.

Our efforts were focused first on the reconstruction of Europe under the Marshall plan. These were a brilliant success. More recently we have attempted to apply essentially the same methods in the underdeveloped areas. Here we are on the brink of tragic failure. Our problem remains the same: To provide an alternative to development by totalitarian methods; for they see industrialization as their road of escape from grinding poverty, and they see in the Soviet Union and China the most rapid industrialization of an agrarian economy that the world has known.

There is no need for me to dwell at length on the necessity for foreign capital to supplement the meager accumulation which is possible from the resources of these new nations. This is a problem which Americans can understand because it is one which we, too, faced as a young nation. Now we are the source of capital on which these nations must principally depend, for ours is the economy which is the source of half of the world's goods. We must develop a mechanism to provide the additional capital they require.

NEED FOR A PROGRAM

How have our efforts to meet this need failed? On today's economic frontiers the economic significance of the U.S. aid dollar has been obscured by its political symbolism.

New independence is independence of the most hypersensitive variety. Acceptance of unilateral foreign aid has been represented by extremist political groups within the underdeveloped countries as implying a political commitment to support every position taken by the United States in its cold war with the Soviet Union. Such a commitment is often taken as a betrayal of the aspiration of independence of action common to these newly independent states. Thus that which is an economic necessity has become a political liability.

The other side of the same coin has been equally difficult. Our enemies charge our aid imposes an unacceptable obligation on the recipient. Our friends tend to assume that the obligation is on the giver, and that political support in the cold war entitles them as a matter of vested right to share in the bounty of our foreign aid program. The whole relationship militates against the easy friendship of equals.

The next development was of course inevitable—a competitive Soviet aid program, with the more cynical uncommitted countries happily encouraging the bidding.

In other words, they pit the West against the East in bargaining for aid at special prices, on special terms, or for special commitments. The danger here is that a competitive situation will develop, in which aid will become merely a football in the power struggle between the East and the West.

I believe a conviction is growing in Congress that our economic-aid programs have sometimes produced not friendship and confidence, but rather increased animosity and distrust. While most of us here might agree that popularity was not our primary objective, many Americans have serious doubts as to the success of foreign aid.

There is also a growing conviction that other nations many of which were restored to economic health by our earlier Marshall plan, should begin to bear an increased portion of the common burden and responsibility for the progress of underdeveloped areas.

It was in this general environment that the evolution of our assistance to underdeveloped countries began last year with the creation of the Development Loan Fund. This marked the transition from grants to loans. Moreover, it marked a shift away from the country-program approach to economic assistance, and toward the project developed by the country itself.

Certainly the Development Loan Fund is an improvement, but it is not a final solution to the basic problems which afflict our economic development programs. I submit that the final solution of the problems requires that we provide economic assistance to underdeveloped areas through an international economic institution.

The resolution before the Senate calls for a study with respect to the establishment of such an institution.

Mr. President, in outlining the aims of the resolution, let me enumerate the following:

First. It will provide a source of long-term loans available at a reasonable rate of interest and repayable in local currencies, or partly in local currencies, to supplement International Bank lending activities, and thereby will permit the prompt completion of worthwhile development projects which otherwise could not go forward.

Second. It will facilitate, in connection with such loans, the use of local and other foreign currencies, including those available to the United States through the sale of agricultural surpluses and through other programs.

Third. It will insure that funds for international economic development can be made available by a process which would encourage multilateral contributions for this purpose.

The resolution contemplates that a companion institution to the World Bank be created to perform a related but distinct lending function. It would be designed to provide long-term loans at low rates of interest for basic economic development projects.

I have proposed this particular approach for several reasons:

First. By organizing this new institution as an affiliate of the World Bank, we can take advantage of the very high regard in which the bank is held, both at home and abroad, and greatly increase the likelihood of the acceptance of the new institution.

Second. By organizing it as an affiliate of the Bank we can take advantage of the tremendous talent and experience which are represented in the staff of the Bank, and can put the new organization into operation with the minimum of delay.

Third. The closest possible cooperation between the World Bank and the proposed association would be essential. Today the World Bank must refuse loans for many worthwhile projects which will not pay out. It could, however, finance a substantial part of the cost of these projects if some second-mortgage money, frequently in very small amounts, was available from the International Development Association.

Fourth. By following a pattern of organization similar to that of the World Bank, with control based on stock ownership, we could provide the necessary international character and still could insure that the bank would be operated by those providing the funds, rather than by the borrowers.

I believe this study will indicate that such an association would require a minimum initial capital stock of $1 billion in hard currencies to be provided on the same percentage basis as that of the World Bank, to which the United States has subscribed 34 percent of the total capitalization. It should be emphasized, however, that the amount of the initial capitalization is a matter which would require detailed exploration at the time of the actual organization of such an association.

It has been suggested that additional funds will probably have to be made available for lending by the United States, over and above its subscription to the capital stock of the association. I do not believe this represents any insurmountable problem. Certain amounts of fixed income—for example, the interest received on our previous foreign loans—might be earmarked over a long term for the purchase of debentures of the association. In this way, additional funds could be contributed from the United States without disturbing the multinational nature of stockownership.

Some have expressed doubt that other nations would be willing to increase substantially their present contributions for the development of backward areas. I submit that there is overwhelming evidence to the contrary. Not only have European economists expressed the opinion that more can be done by Europe in this field, but there have been specific proposals for similar undertakings. In this regard it should also be pointed out that the amount of funds committed initially would not be critical in getting such a project launched. To those who may be interested, I commend a study of the subscriptions to the World Bank, the amounts actually paid in, and the magnitude of the lending program which the subscriptions have made possible.

The post-World War II period has been remarkable for the number of countries participating in international financial institutions. Sixty-seven nations are members of both the World Bank and the International Monetary Fund. Seventeen countries participate in the European Payments Union, and 19 nations joined the Colombo plan. Fifty-one governments subscribed to the International Finance Corporation.

An international organization tends to denationalize loan transactions; and it is for this reason that many governments prefer to borrow from the World Bank or a similar international agency, rather than from a single country. The controversy over SUNFED—the Special United Nations Fund for Economic Development—indicated that many nations would prefer international aid. Mr. G. J. N. M. Ruygers of the Netherlands told the United Nations General Assembly, in December 1957, that internationalization of government contributions is the best guarantee against their use for political purposes. And an Indian delegate, Mr. Newab Ali Yawar Jung, expressed the conviction that all sources of capital should be tapped, but thought international bodies the most suitable sources of financial aid, because they obviate possible dangers from expropriation and monopolies.

Representatives of foreign governments have recently offered suggestions indicating a willingness to discuss practicable means of enlarging the corpus of funds available for multilateral loans.

These proposals are so numerous, and emanate from such authoritative sources, that they warrant official study by our Government.

Foreign Minister Giuseppe Pella, of Italy, has suggested that Western countries coordinate their economic development programs in the Middle East. The Pella plan would create a special loan fund, composed of the reimbursements from Marshall plan loans which the United States will begin accruing in 1958, additional contributions from the Marshall plan countries, and other contributions from European countries which did not participate in the Marshall plan.

A plan for a Southeast Asia Development Fund was advanced by Premier Nobusuke Kishi of Japan. His proposal also embraced the principle of multilateral contributions to a development fund.

The 2-year-old Venezuelan offer to participate in a multinational economic development organization, and the recent proposal by Ludwig Erhard, the Deputy Chancellor and Economic Minister of West Germany, also indicate the willingness of other nations to share the burdens of achieving international economic integration.

Some of these proposals have been elaborate in their details, which fact signifies the thoughtfulness and the seriousness with which they are offered. It would seem to be to the advantage of the United States to explore formally with these and other governments the possibilities of translating these proposals into practicable plans to the mutual benefit of all concerned.

I suggest that such an association would have another significant advantage: It would facilitate the use of so-called soft currencies in economic development. I have suggested that such currencies, in addition to the basic capitalization in hard currency, be made available to the association. The United States itself will have literally billions of dollars worth of these currencies, which could be devoted to economic development, if it continues to accumulate them at the present rate from the sale of agricultural surplus under Public Law 480. Since I proposed the International Development Association, I have received tremendous encouragement from men whose experience in the field convinces them that the proposed association would serve a useful and constructive purpose.

I am, of course, fully aware of the limitations on the use of such local currencies. However, they have been used successfully in triangular trade arrangements for development purposes. Their use would be greatly increased in an international mechanism and their usefulness will, of course, increase directly in proportion to our achievements in the economic development of the issuing countries. The currency which is of little value today may be of great value in 10 years.

The policy of using foreign currencies owned by the United States for loans to third nations has previously been authorized by the Congress but there is no adequate mechanism for performing this function. Public Law 480, section 104(d), of the 83d Congress, which permits sale of U.S. farm surpluses for foreign currencies, authorizes the use of these currencies for loans for economic development. The Mutual Security Act, section 402, also authorizes the President to transfer Public Law 480 funds to an international organization.

The U.S. Government now owns approximately $2.5 billion of foreign currencies, but by 1960 it is expected to possess as much as $5 billion. Approximately 50 percent of these funds have been loaned back for terms of from 10 to 40 years, with repayment commencing after the first 4 years. Hence, by 1960 and 1970 our stock of these foreign moneys will vastly increase. In the past the United States has been able to use these local currencies for several worthwhile purposes, but these same purposes are not likely to consume the twofold increase which is contemplated. A State Department memorandum notes that in many cases these funds will be substantially beyond the needs of the United States to cover anticipated U.S. expenditures. If this comes to pass, the fruitful use of such funds will at that time become a problem.

One of the purposes of the European Payments Union was to promote the use of local currencies as a partial substitute for direct foreign aid. The EPU illustrates some things that can be done to maximize the international use of foreign currencies. The EPU began operations in 1950 to relieve some of the foreign exchange shortages of the Marshall plan countries and to assist in promoting conditions under which certain soft currencies might be convertible with other currencies. The Union serves as a mechanism through which member-states channel all payments to one another; in other words, members substitute multilateral payments for bilateral payments. Thus, while one state is short of another's currency it draws on third country currencies in its EPU balance and is not prevented from engaging in necessary foreign trade with any EPU member because of a foreign exchange shortage.

I do not wish to raise any false hopes that these foreign currencies could be used to the extent of their face value. There would doubtless be a great many practical problems involved in using any great amount of foreign currencies in third countries, since most of these currencies are those of underdeveloped areas themselves, which have few goods to spare for export on credit to other countries. Nevertheless, means of increasing their use ought to be thoroughly explored.

I urge the passage of this resolution by the Senate. I urge that the study for which it calls be promptly undertaken.

We have seen the Soviet Union counter and pervert every unilateral effort which we have made to assist in economic development, and the whole problem overcast by suspicion, accusation, and controversy. The world is waiting for leadership in an adequate program of economic development. It is waiting for a dynamic program, which can capture the imagination and stimulate the best efforts of mankind.

I believe that its passage may lead to a new era in international economic development—one in which the nations of the world will renew their joint effort to realize the bountiful promise of today's science and technology, and to distribute that bounty more equitably among the world's peoples. If by this resolution we contribute in even a small way to that objective, we will have rendered great service to our own Nation, to all mankind, and to the cause of world peace.

[From the CONGRESSIONAL RECORD, June 2, 1960]

Mr. MONRONEY. Mr. President, I urge the Senate to pass this bill which would permit the President to accept membership for the United States in the International Development Association. I deeply believe that it represents a constructive step toward world peace.

First. These articles of agreement establish the International Development Association as an affiliate of the International Bank for Reconstruction and Development.

Second. They have provided that each member of the International Bank shall contribute to IDA in the same proportion as their contributions to the Bank and shall have the same voting rights as they have in the Bank.

Third. They provide for additional subscriptions, with the approval of the Association, from an individual member, either in its own currency or currency of another member which it may hold.

Fourth. The articles provide that the Association shall make loans for the economic development of its members to provide financing which is not available from private sources or the World Bank on terms which the recipient could meet.

Fifth. The articles permit the Association to provide loans on terms that seem appropriate in view of the economic position and prospects of the area concerned, and permit it to accept repayment in the currency of the borrower.

Sixth. The Association is made a separate entity, distinct from the Bank, but the articles provide that the President of the Bank shall be ex officio President of the Association.

The International Development Association would provide a new international source of loans for the economic development of underdeveloped areas. It is designed to provide loans on easier terms than those now available, to supplement the lending activities of the International Bank for Reconstruction and Development, commonly called the World Bank. It would satisfy a pressing need for development capital which cannot be provided by the International Bank.

There are two lending institutions of the United States which provide capital for economic development of underdeveloped countries. The Export-Import Bank makes loans primarily to finance exports of U.S. products. Its principal purpose is the encouragement of U.S. trade rather than the economic development of underdeveloped areas. It lends dollars and must receive dollars in repayment. It is therefore limited to loans for projects which will produce immediate earnings of hard currencies sufficient to insure repayment of the dollar loan.

Some time ago the executive branch of our Government and the Congress recognized the need for an institution through which the United States could make capital available to underdeveloped areas for projects which did not have the potential for immediate dollar earnings or which did not involve immediate U.S. exports and so which were not eligible for loans from the Export-Import Bank. This need led to the establishment of the Development Loan Fund, whose loans are repayable largely in the borrower's currency and thus place a much lighter burden on the balance of payments of the borrower than would loans from the Export-Import Bank or from private sources.

The present chairman of the Foreign Relations Committee, Mr. FULBRIGHT, rendered great service in writing those provisions into the law and creating the Development Loan Fund.

The Development Loan Fund has provided loans which could be used to supplement those of the Export-Import Bank and has made it possible for use to assist our friends in developing their resources and their economic potential to a much greater extent. Lately, however, there has been a growing recognition of the fact that the economic development of a good part of the world should not be the sole responsibility of the United States and is beyond the economic capacity of the United States acting alone. I do not mean to suggest that other nations have not given assistance to underdeveloped areas, because they have. But most of this activity has been confined to members of their own commonwealths or former colonies. The International Development Association represents an effort to meet the needs of underdeveloped countries through an institution in which all nations will contribute to the capital in proportion to their ability to do so.

There is also a growing feeling in the Congress that our purposes are accomplished more effectively through an international institution. On today's economic frontiers the economic significance of the U.S. aid dollar has been obscured by its political symbolism.

New independence is independence of the most hypersensitive variety. Acceptance of unilateral foreign aid has been represented by extremist political groups within the underdeveloped countries as implying a political commitment to support every position taken by the United States in its cold war with the Soviet Union. Such representations are false, but in the midst of misleading propaganda, these commitments are often taken as a betrayal of the aspirations for independence of action common to these newly independent states. Thus that which is an economic necessity has become a political liability.

The other side of the same coin has been equally difficult. Unfriendly countries charge that our aid imposes an unacceptable obligation on the recipient, but on the other hand, the recipients of our aid sometimes tend to assume that the obligation is on the giver—that political support in the cold war entitles them as a matter of vested right to

share in the bounty of our foreign aid program. The whole relationship militates against the easy friends of sovereign states.

The next development was, of course, inevitable—a competitive Soviet aid program, with the more cynical uncommitted countries happily encouraging the bidding. In other words, they have pitted the West against the East in bargaining for aid at special prices, on special terms, or for special commitments. The danger here is that a competitive situation will develop, in which aid will become merely a football in the power struggle between the East and the West.

The practical alternative is an international effort at economics development, but here our present institutions are not adequate. Just as the Export-Import Bank is not the complete answer to U.S. efforts in this field, so the International Bank for Reconstruction and Development, the so-called World Bank, is not a complete answer in the international field. The World Bank has made tremendous contributions to the economic development of its members, but it, too, is limited to loans for projects which will produce immediate foreign exchange earnings. The World Bank now finances its operations almost entirely by the private sale of its bonds in the capital markets of the world. Accordingly, because it must sell its bonds to the public, its loans must carry rate of interest and terms of repayment which insure that the Bank's own interest and administrative costs will be met. Many worthwhile projects which can only be carried out if foreign capital is made available, will not produce sufficient earnings in foreign currency soon enough to permit the World Bank to provide all the capital needed. The International Development Association would provide a source of supplementary loans to take up the slack between the funds needed and the amount of the loan which could be made by the World Bank. I cannot emphasize too strongly that there is no source of such supplementary financing today on any large scale except unilateral U.S. loans from the Development Loan Fund.

Another important aspect of the International Development Association is that it could make more efficient use of nonconvertible local currencies in economic development. We have had enough experience now to know that often the goods and services which are needed by an underdeveloped country can be obtained other than from the United States or England or West Germany. To the extent that they can, they can be paid for in currencies other than dollars, pounds or marks. Certainly an international institution staffed by experts from every country of the free world would be more likely to find alternative sources of goods and services which could be purchased with currencies that are not generally convertible.

It is for this reason that the articles of the International Development Association provide that the currency of one member may be made available to the Association for lending to another member. The United States has sold agricultural commodities through Public Law 480 in the amount of $4,159 million. Of this amount, only $3,305 million has been allocated by the Bureau of the Budget for uses specified in the statute. More than half of this represents loans back to the foreign government to which the commodities were sold. The fact that we have failed to find a use for a billion dollars of this currency indicates how difficult it is for the United States to usefully dispose of the tremendous quantity of such currency which we are earning through sales of agricultural products. Surplus currencies from this and other sources could be made available to the International Development Association for lending under arrangements by which we would receive a portion of the income from the loans.

Mr. MONRONEY. Mr. President, since this amendment only facilitates carrying out the expressed intention of the committee and is acceptable to the administration, it is my hope that it can be accepted in behalf of the committee by its chairman.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield to the Senator from New York.

Mr. JAVITS. I should like to state what I have said before. I am sure it bears reiteration. The Senator's initiative with respect to IDA was one of the very interesting aspects of how ideas can develop here and become great and important ventures in our foreign policy. We have had other examples, without regard to party, on both sides of the aisle. We all remember the late Senator Vandenberg as the father of NATO, for example.

I am glad the Senator has brought this amendment before the Senate. I know it will be acceptable, and I am glad it is acceptable. It is the other side of my coin, the amendment with respect to private enterprise. We must use as many new techniques as possible. The idea of using the skilled staff of the World Bank is a critically important technique which will contribute to the efficiency and success of the program.

I merely wanted the Senator to know my view.

Mr. MONRONEY. I thank the Senator very much for his remarks and also for the great help he gave us in the passage of IDA.

Mr. FULBRIGHT. I have studied the amendment. The committee has offered a specific statement with reference to multilateral loans and assistance wherever it is feasible. I believe that the provision of the Senator from Oklahoma is entirely in accord with the spirit of that general policy statement which the committee adopted. I believe it will be an excellent vehicle by which we will be able to make the available funds more effective. It is permissive to the President.

I congratulate the Senator on his initiative in contributing this added tool to the President, wherever it may be useful, and I am sure there will be many places where it will be useful.

Mr. MONRONEY. I thank the distinguished Senator from Arkansas.

The PRESIDING OFFICER. Do the Senators yield back the remainder of their time?

Mr. FULBRIGHT. I yield back the remainder of my time.

Mr. MONRONEY. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. MONRONEY].

The amendment was agreed to.

Mr. MORSE. Mr. President, I offer an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. On page 38, line 4, after "otherwise," it is proposed to insert "and promptly reports such determination to the Senate Committee on Foreign Relations and to the Speaker of the House of Representatives."

Mr. MORSE. Mr. President, a committee amendment to this bill continues the provision in the existing law which require the President to approve the expenditure of funds for military aid for internal security purposes in Latin America. I took the position this year not only that the Presidential finding should be continued, but that when the President decides that money should be used for internal security purposes in Latin America, he should send a statement to the Committee on Foreign Relations and the Speaker of the House of Representatives setting forth his reasons. It is not proposed that we do anything about it, but I believe the President should submit his statement.

The amendment has been discussed with the administration. I explained it when I presented my amendment in committee to continue the requirement of a Presidential finding in this committee. Apparently, when the provision was drafted, through inadvertence on the part of a considerable number of the members of the committee, including the Senator from Oregon, we did not provide draft language to carry out this requirement of a report, which was part of the purpose which the Senator from Oregon had in mind.

I have talked with the Senator from Arkansas [Mr. FULBRIGHT] about the amendment, and understand he has no objection to taking it to conference. I offer the amendment.

Mr. FULBRIGHT. Mr. President, I have discussed the amendment with the Senator from Oregon. He has explained quite clearly its purposes. I think it carries to its completion the idea, really, which was adopted by the committee. I am perfectly willing to accept the amendment.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Oregon [Mr. MORSE].

The amendment was agreed to.

EXECUTIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nomination of George W. Mitchell, of Illinois, to be a member of the Board of Governors of the Federal Reserve System.

The motion was agreed to; and the Senate proceeded to consider executive business.

The PRESIDING OFFICER. If there are no reports of committees, the clerk will state the nomination on the Executive Calendar.

BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM

The legislative clerk read the nomination of George W. Mitchell, of Illinois, to be a member of the Board of Governors of the Federal Reserve System for the remainder of the term of 14 years from February 1, 1948.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. HUMPHREY. Mr. President, I ask that the President be notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith of the confirmation of the nomination.

LEGISLATIVE SESSION

Mr. HUMPHREY. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. CLARK. Mr. President, I desire to make several insertions in the RECORD. I shall require about 10 minutes.

Mr. FULBRIGHT. Mr. President, I yield 10 minutes on the bill to the Senator from Pennsylvania.

CONGRESSIONAL FELLOWSHIP PROGRAM

Mr. CLARK. Mr. President, several days ago the able senior Senator from Minnesota [Mr. HUMPHREY] spoke in the Senate with respect to the fine work which had been done during this session of Congress by the young men and women who are serving Senators under the congressional fellowship program. Unfortunately, I was not in the Chamber at the time, but I should like to express my approval of the remarks by the Senator from Minnesota and other Senators concerning the program and to state that my own congressional fellow, Mr. William Ross MacKaye, who has been with me all summer long, has performed first-class service as a staff assistant in my office.

Mr. President, I ask unanimous consent to have a brief biography of Mr. MacKaye printed at this point in the RECORD.

There being no objection, the biography was ordered to be printed in the RECORD, as follows:

William Ross MacKaye was born in New York City and raised in Washington. He is 27 years old.

He attended the Friends School here in Washington and graduated in 1955 from Harvard with honors in history. As a Rockefeller Bros. theology fellow he studied in 1955–56 at the General Theological Seminary.

In 1956–57 Bill was a layworker at the St. Mary's Episcopal Church, Manhattanville, "a depressed neighborhood" in New York. In 1958 he was No. 2 political writer for the Minneapolis Star.

In 1960 he joined the congressional fellowship program and worked for FRANK THOMPSON in the House until April.

Bill completed a report on the Rules Committee for Rutgers in 1961.

He will begin work for the Bascom Timmons Agency as the Washington correspondent for the Houston Chronicle.

He is married and has two children.

Mr. CLARK. Mr. President, I wish to acknowledge publicly the great assistance these young persons have been doing, and the excellent work they have done in many Senatorial offices. In other years, I have had other assistants under the fellowship program. I commend the foundations which are making this work possible and offer my strong support for it.

In Pennsylvania there has also been a series of internships in practical politics created by a foundation in our State known as the Citizenship Clearing House. During this session of Congress, I have had on my staff two capable young women, Miss Kathleen M. Ibbotson, who attends Penn State University, and Miss Carolyn O. Atkinson, who attends Vassar College, Poughkeepsie, N.Y., as interns for the Citizenship Clearing House. Both these young women have done excellent work.

Both of them served as inquisitors of Senator Scott and me on a television program which was broadcast all over Pennsylvania a few weeks ago. Not only are they attractive young women; they are able and intelligent. I am much gratified to have persons of this sort available, because they can be of great help to a Senator in the work which he must do during the course of a session of Congress.

EARL CLEMENT ATTLEE DISCUSSES THE INTERNATIONAL SITUATION

Mr. CLARK. Mr. President, Senators will recall that earlier this spring Earl Clement Attlee, formerly Prime Minister of Great Britain, came to the United States and spoke at a luncheon of the Committee on Foreign Relations, which the chairman was kind enough to arrange for him. Also Earl Attlee had an interview with the President, during which he indicated his strong support for measures of meaningful disarmament and for efforts to create world peace through the adoption of enforcible world law, under the auspices of the United Nations.

On his return to London, Earl Attlee made an excellent speech about the international situation, emphasizing the point which he had expressed both before the Committee on Foreign Relations and the President, while he was in Washington.

I ask unanimous consent that the text of his remarks may be printed at this point in the RECORD. They appeared originally in Hansard, which is an official publication of both Houses of Parliament in England, and is a rough equivalent of our CONGRESSIONAL RECORD. It is a great privilege to be able to place an excerpt from that fine publication in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE INTERNATIONAL SITUATION

(Debate resumed, 4:22 p.m.)

EARL ATTLEE. My Lords, I think the House is indebted to the noble Lord, Lord Henderson, for his lucid and careful survey. It is not my intentions to cover the same ground, which has already been covered quite adequately. We have heard from the Foreign Secretary a survey of the world, which I think he summed up very adequately when he said we lived in a world of international anarchy—rather lamentable if you consider what we tried to do at San Francisco years ago—and I am not going to refer to the many difficulties in different parts of the world with which he has to deal. I only recall that I am perfectly clear about what was agreed at Potsdam with the Soviet in regard to the status of Berlin, and I would also recall how we had to stand against an attempt to win back West Berlin from communism by blockade, which was defeated by our air forces, British, French, and American.

I am very conscious of the tension which must face the Foreign Secretary in that regard. But when I look at the question of international anarchy I ask myself: What is the opposite of anarchy? And the opposite of anarchy is government. Not merely of ideas about law and order, but positive ideas of government. I should like to see the British Government, and indeed the Governments of the Commonwealth, following up that admirable statement which was issued after the last Commonwealth Conference.

It is anybody's guess what are the effective influences working behind the Iron Curtain. The Foreign Secretary indicated, as it seems to me, that there appears to be a double influence. There is the interest of Russia and the interest of international communism. Always one of the difficulties, I think, in estimating Russia is that they are heirs not only to Marx and Lenin but to Peter the Great, Catherine the Great, and the rest, and we are facing something which is specifically Russian as well as being international communism.

The question we have to ask ourselves is, How far at the present time are the rulers of Russia still bent on trying to overturn Western civilization by force, and how far are they influenced by fear? I think that one of the most potent influences in the world today is fear; not only ambition of conquest or the desire to spread Communist doctrines, but fear. One must remember that Russia has twice been overrun by Germany, and that fear remains. And we may think it ridiculous that they should suspect the West of having desires to overthrow the Communist regime by force, but that is at the back of the Russian mind. Equally, you have fear in the West, particularly in the United States. The question is, How are we to banish fear?

I think that when we look at all these various problems in the world today we must recognize that they are not always a direct result of Russian instigation. But there is no doubt that where there is a sore place it is exacerbated by Russia. It seems to me that until one looks at the overall picture of the world today one does not do much good in trying to get a settlement of particular questions because, every attempt is vitiated by this underlying suspicion and fear. Berlin is related to the strategic position of Russia. You cannot separate disarmament from the question of contest in the world. You cannot even deal with, what seemed at one time the most hopeful of problems, missile warfare—282 times, I think, that committee have met; but they cannot get forward; everything fails.

I remember Sidney Webb saying years ago that when you had problems you did not always cure them by hammering on the bulge because you hammered on the bulge in one place and it came up in another. We have to deal with every question today which faces us. We are living in a world of anarchy, and I am afraid that in all our attempts to deal with these different questions we are still aiming at living in a world

of anarchy. The Foreign Secretary remarked on the infringing of sovereignty. The question which faces the world today is just how far we can allow sovereignty. It is as if we were trying to deal with the problem in this country, as we have had to do in the past, of how far it is possible to have a rule of law enforced by the police without infringing the sovereignty of the individual citizen. In a community like ours, in a dangerous community, you have every day to infringe the sovereignty of the driver of a motorcar in order to prevent still more massacre on the roads. It seems to me that there is need in the world today for a much broader approach on the whole problem of our international relations.

The United Nations has not been successful in ridding the world of the fear of war, just because it was formed at that time on the basis of absolute individual sovereignty. It is my contention that until we depart from that conception of individual absolute sovereignty and soverign states we shall not cure this international anarchy, and until we aim at something wider than the mere holding off for the time being of some particular crisis, like Berlin, we shall be faced, year after year, with a situation of tension. It may be that that is the special desire of the Russian Government; maybe they want to keep the world in a state of tension in order that they may operate in these disturbed waters. But it is also possible, and worth exploring, whether they may not have come to the conclusion—after all they have their internal development; they have their internal problems—that it might be worthwhile to sit down seriously and consider whether we cannot take adequate measures to prevent this continued tension, which everyone knows could at any time bring down the fabric not only of Western civilization but of the Communist world as well.

I have been engaged in talking on this subject with a great many leading people in many countries, and there is a great body of opinion in the world today that realizes that we must get away from anarchy, and that means a degree of world government. When I talk with people they are always waiting for somebody else to take the first step. I have approached all the smaller countries and talked with their Prime Ministers, but it is not quite a job they can do. I have talked with the President of the United States, I have talked with people of a great many countries of the world, but no one is quite willing to take the lead. There are many suggestions that perhaps after all the people best calculated to take the lead in this would be the British Commonwealth of Nations. After all, we in this country have set the world an example of relinquishing sovereignty, as we have done over Asians and Africans. We represent not just one continent or one people of one color; we represent all the continents and all the colors. We are therefore in a position to make an approach, and I would like that lead to be given by us in the United Nations. You cannot get disarmament without security; you cannot get the rule of law without international courts of law. You cannot get international justice without some sanction behind that justice in the form of an international force. That has been illustrated over and over again of recent years where there has been trouble—the absence of power, the absence of an international force, the absence of a tribunal.

I know something of the difficulty, the suspicion in the Russian mentality, but I am convinced that when you take all these problems separately every time you approach them you will be met by suspicion, because this is regarded as just one move in a game of higher politics. It is possible, I think, that one might get to grips with the broader subject, if we could try to make the rule of law a reality in the world. I am not suggesting that we can do it ourselves; I do not believe in a unilateral approach. I do not suggest you can do it with the Russians on the basis of any ethical ideas; I do not think they have them. They have no objective idea of justice or anything else. But it may be that there is enough self-interest there, enough desire, such as we have, for survival, to make that approach.

I should like to see that approach made. I believe that, if it is properly done, you will get a response from governments and a great response from peoples. I think you could make people realize that the kind of world that we are living in must have government; that it is as out of date for a closely linked world like our own to be without government as it would be for a great city like London or a country like Britain to be without government. The same reasons that have compelled us to have government in this country are applicable to the world today. The example of what to do is here. There was anarchy in the streets of London 150 years ago; we cured it by a police force. There was, in the Middle Ages, a state very often of private war between private armies. We cured it by suppression of private armies and the substitution of courts of law. The analogy of what we have done in this little island of ours is what the world needs today. I should like to see our British Commonwealth take the lead.

Mr. CLARK. Mr. President, we are about to consider, I hope in the next week or so, the President's proposal for a disarmament agency for peace and security, which is in the process of being shepherded through the Committee on Foreign Relations by the distinguished Senator from Minnesota [Mr. HUMPHREY] the majority whip. In this connection, I think all Senators will be interested to read Earl Attlee's speech.

CAPITAL FORMATION IN UNDERDEVELOPED NATIONS

Mr. CLARK. Mr. President, capital formation has been one of the most difficult economic problems facing the world's underdeveloped nations. The experiences in Peru of a remarkable Roman Catholic priest, the Reverend Daniel B. McLellan, point to one way in which the people of underdeveloped countries, given the proper assistance, can build capital by pooling their own savings.

Father McLellan, with the assistance of the Credit Union National Association, has encouraged the organization of a whole network of self-helping credit unions in Peru. This splendid venture is described in the July 8 issue of the Saturday Evening Post in an article entitled "Father Dan's Big Adventure." I ask unanimous consent that this article be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CLARK. Mr. President, to these comments I can add only my commendation to Father McLellan and to the Credit Union National Association. Efforts of this kind have achieved fantastic successes with limited means in many of the underdeveloped parts of the world. The 12 million credit union members in the United States and the millions of affiliated credit union members in other parts of the world are making a fine contribution to international well-being. They bring the concept of democracy and cooperative self-help to impoverished people with dramatic results.

I recommend this article and the work which it describes to the attention of the Senate.

EXHIBIT 1

FATHER DAN'S BIG ADVENTURE—HOW THE DARING REVEREND DAN MCLELLAN HAS HELPED RESCUE 1 MILLION PERUVIAN INDIANS FROM POVERTY

(By James Joyce Donahue)

LIMA, PERU.—The old ones among the Quechua Indians, their faces weathered and leathery, remained impassive as the matador advanced to the center of the makeshift arena high in the Andes. Here and there a young Quechua, or a more excitable half-Spanish mestizo, nudged a companion, nodded derisively toward the bullfighter and snorted, "He is loco. He has had too much of the pisco to drink, perhaps? El toro surely will kill him."

The tall, slender, hollow-eyed man in the ring nervously licked a lip as he raised his cape in readiness. The bull was let out. It charged at once. Nimbly the matador sidestepped, then turned swiftly for the bull's recovery and second charge. Success again, but this time the lowered horns came dangerously close to grazing his side as the beast roared by. The tempo increased; the bull's rushes became more furious. His opponent spun around, stumbled and righted himself barely in time to lunge from the path of the onrushing brute. For swirling moments, the matador, with ever more frantic agility, continued to outwit the charging bull by the most precarious of margins.

Suddenly there rose from the crowd mounting cries of "Ole! Ole!"

The old ones relaxed, turned to one another and nodded as if to say, "Yes, he may do."

Then it was all over, and the frustrated bull was driven back into his enclosure. It was not necessary for the matador to kill the bull to prove himself. Here in Peru it is common practice for matadors to fight bulls—by way of brushing up on their cape and footwork—and then allow the bulls to live to fight another day.

For a long interval the bullfighter stood fast in the ring. Then he slowly shuffled to the privacy of a shelter. There he sagged heavily against a mud wall and wished fervently that he did have a king-sized slug of pisco, that most potent Peruvian national drink, to put some fire into legs that seemed to have turned to mush.

Maryknoll Father Daniel B. McLellan—American ex-boxer, poet, magician, missionary extraordinary and now a slightly wobbly matador for a day—contended himself with a big sigh of relief. The priest had won another round in a battle that has captivated all of Peru.

Until that hour of truth in the Andes 7 years ago, about as close as Father McLellan had ever come to a bullring was reading Hemingway. Why, then, this apparently foolhardy act of bravado? As we shall see in following his story, Father McLellan's decision to risk the bullring was simply part of a methodical, resolute campaign. It was and is a campaign to break through a time-encrusted shell of fear and suspicion and win the confidence of 1 million destitute peoples in the mountainous Puno Department of Peru.

Orthodox blandishments had failed abysmally to persuade the Indians to let others help them, and thereby the country. They remained backward, distrustful, and a severe drag on Peru's economic structure. Leaders among the country's non-Indians threw up their hands and flatly declared, "Forget the Indians. The whole thing is hopeless."

And so it was, until the balding, pug nosed machinist's son came down from the towering American Rockies to the even more altitudinous Andes to capture not only the Indians' confidence but also their hearts—and, in an important sense, their pocketbooks as well.

Today as "Uncle Dan," Father McLellan is a living legend in the land of the Incas, where his achievements have been truly remarkable. With a combination of shrewdness, steel will, gentle heart, and a predilection for sometimes rather unclerical derringdo, he has brought vigorous new life and hope to the inhabitants of the harsh, cruel, 12,500-foot-high altiplano of Peru.

He has, from rock bottom scratch, engineered one of the most striking economic developments of our times—a cooperative effort that is having a profound effect on the entire economy of Peru. A United Nations committee has labeled it as the most significant self-help program in Peru's modern history.

In theory the priest's master project was simple enough—a credit union, the first in Peru.

"The plan is inoperable," scoffed the experts in the capital city of Lima. "The Indians of the altiplano are impossible. They cannot read. They know nothing of national affairs. They live unto themselves. They will not help; others have tried. They will scorn you. They keep their money in mattresses and buried in the ground. You will not dig it out."

The experts didn't dig Dan McLellan at all. After 5 years of relentless courtship, he succeeded in wooing 23 Indians who came up with the munificent sum of $30 to form the San Juan Parish Credit Union in the city of Puno in 1955. The results have been electrifying.

Today the San Juan credit union has nearly 5,000 members, with capital of $400,000. That's merely part of the story. The idea soon swept the country, under the guiding hand of Father McLellan. By the end of 1960—in 1958 he was named first national director of the Peru Credit Union League—he had been instrumental in creating 207 credit unions throughout the nation, with many more in the offing.

Millions of dollars in loans are extended annually by these unions. Thousands of once-downtrodden people are being gradually raised to economic stability and a more promising way of life. They have attained new housing, better farms, more sheep and cattle, new businesses, better medical attention, improved schooling, and freedom from lifelong debts and their accompanying feelings of doubt, insecurity, and hopelessness.

Equally important have been the psychological effects of instilling in the people a new feeling of responsibility. They are aware of being an integral and contributing part of the nation and have a burgeoning trust in their future. And this upheaval has become a forceful weapon against the spread of communism in this fertile land.

"I wouldn't have believed it, except I have seen it with my own eyes," exclaimed a Peruvian Congressman addressing his colleagues in session. "That American padre actually has been able to get the Indians to take their money out of hiding and to invest it. Remarkable!"

"Father McLellan has outreached everybody else by a wide margin in his sociological approach to the Indians," a United Nations Andean study group reported following a tour of Peru.

In truth, it took quite a bit of reaching on the part of the American padre. Father Dan's recipe called for painstaking preparations, rigorous work, unflagging enthusiasm. A hard-won insight into the Indian mind taught him that a flair for the big play was necessary if he was to attain his goal. There was little he wasn't prepared to tackle if he thought the caper would help persuade the Indians to allow him to resurrect them from the scrap heap.

In the far reaches of the hills people recount with great gusto how, in the big annual soccer match a few years ago between the Puno team and the Juliaca team—to them, tantamount to Yale-Harvard—"Uncle Dan" put himself into the game, feinted an opponent clear off the field and scored the winning goal for Puno. Puno fans lifted him on their shoulders and trotted around the field after the final whistle. Indians did a folk dance in honor of their "tío" (uncle).

The accolades were well merited. But Father McLellan, who has a passion for truthfulness, told me: "Fortunately, after scoring that goal, I came to my senses and took myself out of the game before I fell flat on my face and everybody realized how dumb lucky I'd been."

The luck of Dan McLellan, however, seems to be a make-it-yourself product. When his Maryknoll superiors dispatched him to Peru in 1950 with the task of restoring the almost moribund religious fervor of the Indians, Father Dan was 34 years old and fresh from 3 years in the Hawaiian missions. That Polynesian wonderland did little to prepare him for the stark reality of Puno. At his first glimpse of the conditions under which the Quechuas and Aymaras—of the same stock whence sprang the fabulous Incas—were living, he was aghast.

Their meager farms, on which Irish potatoes are the principal crop—they were growing in Peru long before Ireland ever heard of them—and their scrawny sheep and cattle had been sorely afflicted by a recent drought. Modern agricultural implements were nonexistent. The Indians lived in mud huts which had absolutely no conveniences and no sanitation and which spawned an incidence of tuberculosis among the highest in the world.

Exploitation long had been the lot of the people—75 percent Quechuas, 15 percent Aymaras, the remainder mestizos. By law, Peruvian banks could not grant them personal loans. To borrow, they had to go to usurers who charged them interest of from 10 to 50 percent a month on the total loan, thus holding the debtors in virtual bondage for most—if not all—of their lives. Their average income was between $100 and $300 a year. Distrusting the banks, which would not give them credit, they hoarded hard-earned funds, so that over the years substantial sums which, properly utilized, could have helped both the Indians and the Peruvian economy, were kept out of circulation. It was hardly surprising that the Indians were sometimes downright hostile toward outside influences. They weren't inclined to welcome Father McLellan, or anyone else, with open arms. Sadly Father Dan tossed his prepared sermons and his expectations of a swift missionary coup out the window.

"People who have hunger in their stomachs," he said, "have no time for the hunger of the soul."

And so Father Dan planned a new approach. First he hastily brushed up on his Spanish and absorbed a smattering of Quechua. He then invited everybody to come to the parish church. The church had been built in 1624, but in recent times precious few worshiped in it.

That first turnout consisted mostly of women, along with some 20 Indian men, who hadn't been to church in many years but who had decided to respond to the priest's call. The men became the butt of ridicule from other Indians who stood in the rear and sneered "Old women, old women" at them. Father McLellan suddenly stopped his welcoming talk, rolled up the sleeves of his cassock, shook a knotted fist at the back of the church and, in weirdly chopped Quechua, challenged:

"Let us all go outside right now and we will soon see who are the old women among us."

He strode down the aisle. There were no takers. Father Dan finished his first brief sermon amid a startled hush.

Later, when he was teaching the young ones the art of boxing, the Indians discovered that, had it come to a showdown, Father McLellan would have been nobody's patsy. As a young man in Denver, he had been a promising amateur boxer, with aspirations of turning professional and, perhaps, someday fighting for the heavyweight crown. Since the latter would have entailed taking on Joe Louis, he shudders when he thinks of that now. In fact, after he had entered the priesthood, he got a close-to-home object lesson on the matter. Among his many friends in the fight game is Billy Conn, who, just before his second fight with the Brown Bomber, wrote to Father McLellan: "As one fighter to another, say a prayer for me."

After Conn's annihilation, Father McLellan ruefully explained, "I'm afraid they were both weak—my prayer and Billy's left."

Born March 10, 1916, Father Dan was the son of Charles, a machinist for the Denver and Rio Grande Railroad, and Margaret Hogan McLellan. The future priest was known as a devil-may-care youngster with a gift of gab. In high school he was quite a ladies' man and a football star. Because of successes as an amateur he had thoughts of a career in the ring. But he gave them up when, one day on his way home, a wind-blown copy of the Maryknoll magazine caught against his leg. He took it home, read it and soon decided to get into the business of fighting hunger, ignorance and suffering—and thereby the devil—in other lands. He was ordained at Maryknoll Seminary in 1942, the same year Joe Louis entered the Army and said, "We'll win, 'cause we is on God's side."

After his opening-round victory over the hecklers on that Sunday in the Andes, Father Dan strove to improve his position with a back-breaking regime. He established a community welfare-and-social service. He conducted a home-economics course which included dressmaking, cooking and child care. He set up a small dispensary. He developed a model farm to demonstrate modern techniques to farmers. He introduced new fertilizers. He distributed clothing, food and medicine. He taught English—often via his own verse—to many Indians. And he had a recreational program encompassing athletics, choral singing, dramatic groups, a library and movies.

"You speak awful," said a 9-year-old Quechua boy to the priest during that period. "If you teach me English, I'll teach you Quechua."

Father Dan happily accepted and later extended his studies under more expert teachers, so that he now is fluent in Quechua as well as Spanish. He also made an intensive study of Indian lore and began a concentrated effort to adapt himself to the Indians' customs. He took pictures of the Indians in their daily routine, and they were tickled to see themselves on slides. No matter what he tried, though, most of the natives remained as cold and distant as their mountain peaks. And so Father McLellan turned to the youngsters.

He took up the study of amateur magic, practiced in every spare moment until he became fairly adept and one day on his weekly visit to the Aymara-populated town of Ichu, not far from Puno, he astounded the boys and girls with card tricks, disappearing coins and pulling rubber rabbits out of a hat. From then on the padre always had a retinue of children following him about and imploring "Can I have a little rabbit, padre?"

Presto. He'd make one appear—he kept himself well stocked at all times—and present it to the youngster. His winning ways

UNIVERSITY OF MICHIGAN LIBRARIES

with the children began to thaw the parents, who started to talk more with the priest.

"Everybody in Puno," Father McLellan told the people of Ichu, "thinks you are very unfriendly. But that is because they do not know you. You are cut off from everyone else. Why don't you have a road to the highway? Then visitors will come. They really wish you well."

After many subsequent discussions with village leaders, Father McLellan finally persuaded them that the townspeople themselves could build the road in a cooperative endeavor. He stirred their local pride. The villagers completed the road in a year. Today there is steady and mutually rewarding traffic between Puno and Ichu.

Father Dan was now making headway, but there still was no mad rush by the natives to embrace him. Something more sensational was indicated.

Now, in Peru a successful bullfighter is adored as something in the nature of a Jack Dempsey, Babe Ruth, and Red Grange all rolled into one. His prestige is incalculable, as the padre was aware. It was while Father Dan was sitting around one night listening to a group of Indians extolling the virtues of the various matadors that he was suddenly hit with the big idea. After recovering from the initial shock of realizing what he was thinking, he took a deep breath and plunged blindly ahead.

"It is nothing, this bullfighting," he sneered and snapped his fingers. "I myself can defeat the bull."

One word led to another, and the elders finally agreed to arrange the unique bullfight described at the outset of this article. His victory in the bull ring gave Father McLellan his needed big breakthrough. The following Sundays the church in Puno and the chapel in Ichu were packed at every service. Father McLellan sent back word to his Maryknoll superiors:

"Thanks to God for the increase, and send an 'Ave' to the Andes so that we may be spiritual enough, strong enough, and work hard enough to take advantage of this wonderful opportunity that seems to be knocking at our door."

With a thought to the temporal plight of the Indians, he added a postscript—"Besides the prayers, we can use some of the long green."

Without waiting for the "long green" to arrive from home, Father Dan decided to attend to this problem himself.

Deep down, behind their aloofness, the Indians had been hungering for a way of life in which they could put their faith. They long had yearned for someone to trust. They now regarded Father Dan as that person. The padre's idea of a credit union was actually a perfect choice. It is geared completely to the ancient customs of the natives. Like their great kin, the Incas, the Peruvian Indians are instinctively collectivists. The individualistic Spaniards, however, had come along to conquer and erase the Indians' living pattern. Father Dan's plan would return them to their former cherished traditions.

He selected a small group of Indians and mestizos, and night after night he instructed them in the basic principles and future rewards of a credit union. Awakening their dormant enthusiasm, he found in them an almost childlike longing to become part of the flow of human progress.

With the approval of the President of Peru, 23 of the padre's pupils founded the Nation's first credit union and elected its officers. It had a capital of S/603, or about $30, at the rate of exchange then current. Private banks were paying 4 percent interest on savings. The credit union offered 6 percent. The union began granting immediate loans. The first borrower was Juan Ticona, from the once isolated community of Ichu. He had saved S/500 and needed S/300 more to purchase a sewing machine. In less than a month he had repaid the entire debt and soon was doing a thriving tailoring business. Other early customers were a doctor who got a loan to buy an X-ray machine, the only one serving a population of 1 million, an Indian who bought an ax to chop wood, and a family who got a mattress after years of sleeping on the ground.

The growth of the union was amazing. From the mountains came old women to stand in the tiny office and laboriously extract lifelong savings of sols from their peticoats. Said one who deposited 3,000 sols, "My son says if I keep it, someone may steal it. Let the padre watch over it, he said, and it will grow."

A reporter for an Arequipa newspaper was a bit puzzled as to why a priest should be concerning himself with matters social and economic. He wanted to know, in short, just why Father Dan was busy saving sols instead of souls.

"Simple," replied the padre. "My work is to save man. Man is neither pure spirit nor pure matter, but a mixture of soul and body. Sorrows and troubles attack man and deprive him of the time and peace needed to bring him closer to God. If we can feed the body, we can then nurture the soul."

By the end of the first year, the union had 291 members and capital of $15,000. It had granted 95 loans, without a single default. It was able to grant investors a 6 percent dividend. In 2 years it granted $150,000 in loans, with a bad-debt loss of only $80.

Officials of the Peruvian Ministry of Public Health came to Father McLellan and asked, "Will you help us as you are helping the Indians?" He promised he would.

He used his 6-month leave, granted every 7 years to Maryknollers, to go to Madison, Wis., for a training course at the headquarters of the Credit Union National Association (CUNA), an international organization of credit unions. He affiliated his own San Juan union with CUNA. He further went to confer on his problems with experts at St. Francis Xavier University in Antigonish, Nova Scotia.

Then he returned to Peru, where appeals began coming to him from all sections of the country. He responded, and credit unions began springing up all over the land. By April, 1957, there were 32 unions in Peru. A year later the number had more than doubled. Now the horizons seem unlimited.

In 1958 Father Dan began a new project—a drive to lift the 40,000 people of Puno, seat of the Puno Department, from their squalid surroundings into "dwellings worthy of human persons."

"Christian family life can hardly exist," he said, "in a small, smoke-filled, one-room, dirt-floor mud hut. Such abominable conditions can only lead to physical, social and moral decay."

His project was a model housing development, in which heat, hot water, up-to-date kitchens and other modern improvements would be supplied—at a minimum price of $1,800. Downpayments could be obtained from the credit union, with monthly payments geared to income. John Turner, a young English architect working in Peru, contributed the design. Common building materials available in Puno were used. The walls, for instance, were of mud brick. Cooperative labor was used to make the whole thing a Puno community program.

Several hundred houses have now been constructed or are under construction, and the project has had a remarkably stimulating effect on the people, and similar programs are now underway in other parts of Peru.

The housing development has contributed in another important way to the welfare of Puno. In the past, the above-average wage-earner would, as soon as he had earned enough money, depart from the depressing surroundings of Puno for greener pastures. Today many of these people are staying in Puno and lending their efforts to improve the lot of the very poor.

Father Dan McLellan today is a trifle embarrassed by all the hurrah over his efforts. But he is convinced that such self-help programs are the key to the future of South America. "If a credit union can succeed in the poverty-ridden Andes, it can succeed anywhere," he said.

Despite his growing responsibilities, the mountain Indians remain Father Dan's true love. An insight into this affection can be gleaned by the fact that, in the midst of nationwide raves over his accomplishments, he wrote back to Maryknoll:

"The big news of the month was the departure of our cook, Juana. She was a good old soul, but the unwary ones who happened to wander into the kitchen and see her preparing a meal suddenly lost their appetites, sometimes for good. We didn't want to fire her, so we finally figured a way to arouse her interest in another job. When she mentioned leaving, we accepted pronto. Gabino, former janitor, took over. That's the great thing about our Indians here. When you need something done, pick a guy who doesn't seem to have more than the winds of the Punas between his ears, ask him to cook, paint or mix cement, and the guy does it. They're priceless."

After 10 years in the Andes, Father Dan McLellan prides himself on being almost Peruvian to the core.

"Who knows?" he said. "Perhaps when I'm buried in the Puno cemetery, I'll be Peruvian enough that the Indians will sprinkle my tomb with pisco and propose a toast to my memory."

That's a pretty safe bet.

Mr. HUMPHREY. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. HUMPHREY. I am happy the Senator has brought this article to the attention of the Senate. I intend this evening to comment on the development of credit unions in Latin America and to speak about the work of Father McLellan. I visited with him at length; in fact, I have here a six-page memorandum which Father McLellan prepared for me. I spent some time with him only about a month and a half ago.

As a result of some conferences I had with the President at the White House relating to the utilization of the cooperative approach in some areas of Latin America, where certain problems are more amenable to cooperative development, there has been a flow of mail into my office from Latin American countries as to the wider use of cooperative programs.

In presenting this article, the Senator from Pennsylvania is again awakening Congress to new ways—if not new ways, then effective ways—of helping the plain people to get even a little help out of some of the massive assistance programs.

Mr. CLARK. I am happy to know of the Senator's interest in this work. I hope I have not stolen any of his thunder.

Mr. HUMPHREY. Not a bit.

Mr. CLARK. I look forward to reading his remarks on this subject in the RECORD tomorrow. Credit unions can make a very real contribution toward the lowering of interest rates in Latin America, an objective which I think we all share and which I hope will come to pass.

CIVIL RIGHTS COMMISSION

Mr. CLARK. Mr. President, as Senators know, the question of extending the life of the Civil Rights Commission will shortly come before the Senate. A House committee has reported a bill which would extend the life of the Commission for 2 years.

In my judgment, this is a quite inadequate extension. I feel quite strongly that we should make this fine body, which over the last several years has proved itself to be a most useful adjunct in the efforts to obtain equal protection under the law for all Americans, a permanent one; and I intend at an appropriate time to offer to any bill which may be brought forward in this regard, an amendment to make that extension permanent, and to make other improvements in the bill as reported by the House, so as to bring it into accord with the measure, jointly introduced in the House by Representative CELLER, and in the Senate by me, dealing with the Civil Rights Commission.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a series of editorials: one entitled "Rights Issue Ahead," published in the St. Louis Post-Dispatch; one entitled "Good Job by Rights Group," from the Milwaukee Journal; one entitled "Guardian of Rights," from the Washington Post; and one from the Wilson Daily Times and the Winston-Salem (N.C.) Journal.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the St. Louis (Mo.) Post-Dispatch, Aug. 8, 1961]

RIGHTS ISSUE AHEAD

Though President Kennedy has decided to postpone civil rights issues in this congressional session, in the interest of getting other legislation passed, there is one rights issue that the administration cannot avoid. The Civil Rights Commission will expire November 8 unless Congress extends its term. The Democratic platform proposed to make the Commission a permanent agency with broadened powers, and while the administration is not now ready to advocate that, it cannot let the agency expire. This is especially so since two recent presidential appointments promise to give the Commission even stronger initiative. Some southerners can be expected to denounce the Commission, but the agency can stand on its 4-year record. The administration will have to stand on its obligations.

[From the Milwaukee Journal, Aug. 11, 1961]

GOOD JOB BY RIGHTS GROUP

The administration apparently still intends not to push any additional civil rights legislation in this session of Congress. But Congress does have a duty to extend the life of the Civil Rights Commission, due to go out of existence this fall.

The Commission, in spite of a rocky start, has been useful in calling the Nation's attention to instances of gross discrimination and in getting something done about it.

Commission action has resulted in two valuable pieces of legislation in the field of voting discrimination. Under one, Federal courts can name referees to help Negroes win the right to vote. Under another, voting records must be preserved to permit their use as evidence in voting cases. The Commission has called public attention to discrimination in voting, housing and education, both North and South. It has studied discrimination against American Indians and Americans of Mexican and Japanese extraction as well as against Negroes.

The Democratic Party platform supported the Commission and proposed that it be made permanent. It should. There is no justification for the timewasting fight it must wage every 2 years to preserve itself.

[From the Washington (D.C.) Post, June 23, 1961]

GUARDIAN OF RIGHTS

Not even the most optimistic libertarian could suppose that the work of the Commission on Civil Rights has been completed. It has been an extremely useful investigator of restraints on citizenship, and there is urgent need for its continuance beyond this fall when its present charter expires.

The continuance ought to be for an indefinite rather than for a limited period. The 2-year extension which has been suggested would be clearly insufficient. It would create nearly insuperable administrative problems, most obvious among them being the difficulty of recruiting personnel for such brief tenure.

We agree with Deputy Attorney General White that the area of the Commission's operations is extremely important. Congress ought to act to give it the means of conducting its operations with maximum effectiveness. This calls for prompt confirmation of the able men who have been nominated as new Commissioners and it calls for an extension long enough to give them a chance to do the vital work entrusted to them.

The 73 to 17 Senate approval of the appointment of Spottswood W. Robinson III to the Civil Rights Commission triggered a debate that had all the roar of a battle even though it was only a minor skirmish.

Dr. Robinson is a Negro. He is dean of the Howard University Law School in Washington, D.C., and in the past he has represented the National Association for the Advancement of Colored People in civil rights litigation.

Southerners like Senator JAMES EASTLAND roared in outrage at the appointment of such an agitator to the Civil Rights Commission. Senator SAM ERVIN, of North Carolina, protested that the approval of Dr. Robinson amounted "to appointing a man to sit in judgment on his own case." Senator ERVIN also said that the Senate "would have risen up in wrath if a White Citizens Council member from the South had been appointed."

Such arguments should not be taken too seriously.

Dr. Robinson very well could suggest to Senator EASTLAND that his agitator claim is a case of the pot calling the kettle black. It all depends on who is agitating whom and for what.

Senator ERVIN's argument that Dr. Robinson will sit in judgment on his own case is specious in that the Civil Rights Commission was created in 1957 as a factfinding agency and it is nothing more than a factfinding agency today. It is an investigative rather than a judicial body and it sits in judgment of no one.

The comparison of Dr. Robinson's appointment with that of the appointment of a White Citizen's Council member also is misleading. The citizens councils, like the Klan, are dedicated to the defiance of plainly defined constitutional law. According to no less an authority than J. Edgar Hoover, the NAACP, with which Dr. Robinson is affiliated, always has operated within the framework of the law.

But the validity of these arguments is not the important thing. What is significant is the fact they were raised and raised with such vehemence. The reasons for this sound and fury are not hard to find.

The Civil Rights Commission will expire on November 8 unless Congress prolongs its life. The platform on which John F. Kennedy campaigned for the Presidency promised (1) to make the Commission a permanent agency and (2) to give it additional powers.

Recently the President has ducked endorsing legislation designed to accomplish these two ends. Members of his administration have spoken out in favor of making the Commission a permanent factfinding body but they have not come out in favor of broadening the Commission's powers.

For the southerners, therefore, the big fight is not one involving the appointment of a Negro to the commission. It is, instead, the fight over the future of the Civil Rights Commission itself. Here the issues are whether the life of the Commission will be extended and, if so, will it be on a temporary or a permanent basis? If the Commission's life is extended, will its present powers be broadened or left much as they now are?

Here is the area where men like Senator ERVIN can find elbowroom for trading. Firm opposition to Dr. Robinson was a part of that process. It was little more than a skirmish on the fringe of the big battle that is yet to be fought.

For our purposes this is important only in that by recognizing the tactics involved we can keep our eye on the ball and not be diverted by some of the antics in the backfield.

Mr. CLARK. Mr. President, I yield the floor.

THE BERLIN SITUATION AND SECRETARY OF STATE RUSK

Mr. MILLER. Mr. President——

Mr. HUMPHREY. Mr. President, I yield to the Senator from Iowa whatever time on the bill he may need.

Mr. MILLER. I thank the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. MILLER. Mr. President, during the past few days there has appeared to be considerable confusion in the minds of the American people and also in the minds of peoples in other parts of the world, particularly those in West Germany, over the attitude of the United States and the Western Powers toward the recent action of the Soviets in closing the border between East Berlin and West Berlin. An example of why this confusion exists is as follows: In the Sioux City, Iowa, Journal of August 14 appears an article entitled "Closing Of East Berlin Border Flagrant Violation, Says Rusk." The article is written by John Hightower, of the Associated Press. In the article it is pointed out, among other things, that the Secretary of State said that the limitiation on travel within Berlin is a violation of the four power status of Berlin and is a flagrant violation of the right of free circulation throughout the city; and in the article it is also stated that Secretary of State Rusk added that the restriction on travel between East Germany and Berlin violates the four-power agreement reached at Paris on June 20, 1949.

I ask unanimous consent that the article be printed at this point in the RECORD.

UNIVERSITY OF MICHIGAN LIBRARIES

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Sioux City (Iowa) Journal, July 8, 1961]

CLOSING OF EAST BERLIN BORDER FLAGRANT VIOLATION, SAYS RUSK

(By John Hightower)

WASHINGTON.—Secretary of State Dean Rusk, backed by President Kennedy, Sunday denounced Red closing of the East Berlin border as a flagrant violation of Soviet agreements with the Western Powers.

The move is being vigorously protested, Rusk said, and he warned the Reds indirectly against tampering with the allied position in West Berlin.

In a statement issued with the approval of President Kennedy, Rusk described the flood of refugees which has been moving through East Berlin into West Berlin as evidence of the failures of communism in East Germany.

He said East Germany's Red leaders now are trying to overcome such failures by the dangerous course of threats against the freedom and safety of West Berlin. The threats in turn have stimulated flights from the East, Rusk added.

Rusk worked at his desk in the State Department Sunday morning conferring with Assistant Secretary Foy D. Kohler, director of European affairs, and other advisers.

Press Officer Joseph Reap told newsmen when he issued the Rusk statement that the United States already has started consultations with the British and French Embassies here on the new flareup in the general East-West crisis over Berlin.

Rusk announced that the Communist violation of East-West agreements respecting Berlin will be the subject of vigorous protest through appropriate channels. Reap said the formal action would be taken by the Western commandants in Berlin in notes directed to the Soviet commander there. And a direct protest to the Soviet Government at Moscow is not being ruled out.

At Hyannis Port, Mass., President Kennedy received a detailed report on the Berlin developments.

U.S. leaders were watching the situation closely, but for the moment, pending further developments, saw nothing more they could do about it. Their main concern is that the frustration of would-be refugees on finding themselves bottled up in East Berlin would explode into riotous protests that might precipitate severe military reprisal.

Apparently, Rusk concluded, that issuance of the statement and other actions taken Sunday morning were all he could do for the time being and he went through with a previously announced plan to go to the Washington-New York baseball game.

Authorities expect that the situation would develop rapidly now in view of the closing of the border between East and West Berlin and it should be known in a day or so how violent the East German popular reaction would be. Some experts thought the climax could come when thousands of East Berliners are prevented from going to their jobs in West Berlin Monday morning.

"Having denied the collective right of self-determination to the people of East Germany," Rusk said, "Communist authorities are now denying the right of individuals to elect a world of free choice rather than a world of coercion. The pretense that communism desires only peaceful competition is exposed. The refugees, more than half of whom are less than 25 years of age have 'voted with their feet' on whether communism is the wave of the future."

Rusk noted that the measures taken so far are aimed at East Berlin and East German citizens and "not at the allied position in West Berlin or access thereto."

But even though the Western position in West Berlin is not directly challenged, Rusk declared, there are agreements among Russia, the United States, Britain, and France which forbid the very actions which the Communists have now taken.

"Limitation on travel within Berlin," Rusk said, "is a violation of the four-power status of Berlin and a flagrant violation of the right of free circulation throughout the city." He added that restrictions on travel between East Germany and Berlin violate a Four Power agreement reached at Paris on June 20, 1949.

Mr. MILLER. I may say, for myself, that as of now I have acquired a deep appreciation of the splendid job the Secretary of State has been doing. However, it appears that many persons are of the opinion that the Secretary of State is the Secretary of State in name only, rather than in fact. It appears that certain officials of this administration are attempting to make foreign policy and to state foreign policy, rather than to permit the Secretary of State himself to do so. An example of why this impression has developed may be found by looking at an Associated Press article which appeared on August 16, in the Washington Evening Star, under a Berlin dateline, following the recent statement by the Secretary of State from which I read a moment ago. This article states, among other things, that the United States, British, and French Governments were at work on notes to the Soviet Government, protesting the restrictions on German movements in Berlin, but that U.S. officials in Washington said privately that no strong countermeasures could be taken because the Red barricade applied only to Communist territory, and that they pointed out that the Communists were, in effect, doing to East Germany only what they did years ago to the rest of the Soviet bloc, and that Western access to West Berlin, by both West Germans and others, so far had not been impaired.

Mr. President, I ask unanimous consent that an excerpt from the article be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star, Aug. 16, 1961]

West German Ambassador Wilhelm Grewe said in Washington last night that measures more than "theoretical" will be taken against the new Red barrier. The Bonn Government announced the lower house of the German Parliament would meet Friday to take its own countermeasures.

The United States, British, and French Governments were at work on notes to the Soviet Government protesting the restrictions on German movement in Berlin. But U.S. officials in Washington said privately that no strong countermeasures could be taken because the Red barricade applied only to Communist territory. They pointed out that the Communists, in effect, were doing to East Germany only what they did years ago to the rest of the Soviet bloc, and that Western access to West Berlin, by both West Germans and others, so far had not been impaired.

Mr. MILLER. Mr. President, such inconsistent statements on the part of other government officials, unnamed, who cannot refrain from making to the press statements which, in effect, undercut the position of the Secretary of State, have caused a great amount of confusion in the minds of the American people and in the minds of other peoples in the world, and has caused West Germans, particularly, to become very much concerned.

Following those two articles, Mr. President, there appears in the Washington Star for today, August 17, a splendid article by the famous columnist David Lawrence. This article is entitled "Compass To Steer Berlin Course." I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COMPASS TO STEER BERLIN COURSE—ABSTRACT ISSUES BELIEVED ENTANGLING WEST'S BASIC LEGAL RIGHT OF ACCESS

(By David Lawrence)

IN EUROPE.—Anxiety and apprehension over the Berlin problem seem more pronounced in America, judging by press reports, than here in Europe.

Maybe they're accustomed over here to the behavior of dictators and to the bluffing tactics that surround an artificially created crisis. But in a period of economic prosperity, the natural tendency also is to indulge in some wishful thinking and to hope the storm clouds will blow over.

The governments themselves, however, are worried. Foreign Ministers and Ambassadors in all the capitals are busy talking a lot to each other, and the telephone lines are crowded with official business.

But notwithstanding all the news articles about "time tables" and "contingency planning" in the official conferences, there seems to be as yet a lack of coordinated policy among the Western powers. It's a sort of wait-and-see kind of approach. It isn't even clear just what is the issue on which the West will risk everything, including war.

For several weeks now the United States has endeavored to impress upon Nikita Khrushchev that there is a point beyond which we will not hesitate to fight for our rights. But, at the same time, this has been coupled with a well-publicized determination to seek "negotiations."

Legal rights of access to Berlin have become entangled, therefore, in all sorts of abstract issues. The Soviet Premier may think he can rely on the strategy of confusion to attain his objectives while the Western allies debate among themselves what concessions to make.

Broadly speaking, what is absent is a spirit of idealism and a willingness to fight, if necessary, for those ideals. There seems to be no compass to steer by—no principle that has been given paramountcy. Instead, the word goes out, for instance, that the Western allies are so afraid of possible revolutions in East Germany that the peoples there have been asked through official American radio broadcasts to keep calm and avoid any disturbances which could lead to the use of force. Observers in West Germany, moreover, are dismayed by an editorial in the New York Times which was carried on the press association wires to European newspapers yesterday and which reads in part as follows:

"While the Soviets seek to stir up revolution and war against us wherever they can—even to the perfidy of the Hitler-Stalin pact—we must seek to discourage anti-Communist revolts in order to avert bloodshed and war. We must, under our own principles, live with evil, even if by doing so we

help to stabilize tottering Communist regimes, as in East Germany, and perhaps even expose citadels of freedom, like West Berlin, to slow death by strangulation."

This is but another way of saying that the United States must avoid encouragement of a revolutionary spirit inside the Communist-dominated countries for fear of distasteful complications. It implies that the West is really afraid to use the most powerful weapon that can be mobilized at present—the public opinion of the afflicted countries whose citizens look to the United States for inspiration at least, if not direct military help.

The Western powers keep haggling among themselves about legal rights in Berlin when the basic issue is the continued enslavement of 16 million human beings in East Germany. There is nowadays a lot in the press about the need for self-determination of half-civilized peoples in Africa, but there seems to be a temerity about proclaiming such a goal for the civilized peoples of Eastern Europe. Already resentment is rising in West Germany, whose people are beginning to feel they are being forsaken by the West.

The true issue is whether the West is going to adopt an attitude of craven acquiescence which will help the Soviet Union "stabilize tottering Communist regimes," and whether the peoples of East Germany and of the other countries behind the Iron Curtain are to be condemned to slow death by strangulation.

It seems tragic that, at a time when President Kennedy has been speaking some brave and courageous words, there should arise hints from some administrative officials in Washington—also reported in the press of Europe—urging the East Germans to be careful not to offend their Communist masters.

Revolutions are unpredictable, and so are their originating causes. But they come about spontaneously when whole nations become desperate and rise up against their tyrannical rulers. Then even foreign armies sometime refuse to shoot down the revolutionaries and, instead, join the revolt.

Above all else, it is risky for the West to appear to cringe before the Communists and to be giving the world the impression that it is afraid to speak up for basic ideals lest captive peoples derive therefrom some hope of liberation. America has rarely failed in the past forthrightly to speak its words of encouragement to peoples anywhere in the world who may be struggling for freedom.

Mr. MILLER. Mr. President, the article points out that the Western Powers appear to be becoming bogged down in legal technicalities over the crisis in Berlin, and appear to be losing sight of the underlying problem of all, which is the freedom of the German people to have their own self-determination, in line with the fundamental agreement of the United Nations' signatories, which include the Soviet Union.

Mr. President, I yield the floor.

DISARMAMENT AGENCY URGENTLY NEEDED

Mr. HUMPHREY. Mr. President, I yield myself 10 minutes on the bill.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 10 minutes.

Mr. HUMPHREY. Mr. President, Roscoe Drummond in Monday's Washington Post made an excellent case for having Congress give prompt consideration and approval to the administration's proposal for establishment of a high-level disarmament agency.

Mr. Drummond relates to Senate bill 2180, to establish a Disarmament Agency for World Peace and Security.

I ask unanimous consent that Mr. Drummond's article be inserted at this point in the RECORD. I also ask unanimous consent that an editorial which appeared in the New York Times of August 17 be printed at this point in the RECORD.

There being no objection, the article and the editorial were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 14, 1961]

DISARMAMENT—AGENCY IS URGENTLY NEEDED

(By Roscoe Drummond)

Can President Kennedy expect to mobilize congressional support for a vast, new more-armaments program, and at the same time mobilize congressional support for a vast, new disarmament program?

If the present need is for an all-out effort to build military strength, is this the time for an all-out effort to get everybody to agree to decrease military strength?

Since the Soviets have rejected any inspection they cannot veto and since we will not accept disarmament we cannot inspect, is this whole disarmament exercise so meaningless that we might as well put it in charge of an office boy?

In other words, should the Senate Foreign Relations Committee lean back and yawn as it takes testimony this week on the proposed new U.S. disarmament agency for world peace and security—or should it sit bolt upright in the conviction that this is urgent, imperative, and significant business?

I believe that creating the proposed disarmament agency is urgent, imperative, and significant business.

My conviction is that the Congress will be making a grave mistake if it passes over this present opportunity to make the cause of world arms control—and disarmament—a major American concern with an agency operating at the highest level of Government, manned by the most competent people the President can command in order to devise the soundest conceivable program.

There are solid reasons why, despite surface appearances to the contrary, the disarmament agency is timely and needed:

1. Disarmament is a worldwide preoccupation. It is a deep and abiding concern for millions and millions of people—and rightly. The prospects of disarmament may be more difficult and more remote than the most wishful think and less difficult and less remote than the most cynical think. It may be as remote and difficult as getting to outer space seemed a decade ago.

2. Discussion and debate on disarmament are not going to be adjourned because there is fighting in Laos, tension in Berlin, or conflict in the Congo. There have been almost continuous disarmament negotiations with the Soviets for the past 4 years. The United States has not been well prepared for these negotiations. It's time we were.

3. Sometimes there has got to be a will and a method to control the horrendous weapons. A balance of military strength is safer than an imbalance but an uncontrolled thermonuclear arms race could explode any time and something like 100 million casualties would be part of the consequences.

4. Of course we won't get disarmament until there is a change of attitude on the part of the Soviets on inspection and control. But regardless of the attitude of the Soviets—even if they only talk about it on Sunday and run away from it on Monday—the United States ought to be ready with the most practicable, thoroughly considered, wisely devised, and workable disarmament program which our best brains can produce. Our position on this matter before the whole world ought to be positive, constructive, and compelling.

John J. McCloy, the President's disarmament adviser and one of the Nation's ablest public servants, and William C. Foster, who will probably succeed him, are convinced that the proposed new disarmament agency is the best means of achieving all these purposes.

[From the New York Times, Aug. 17, 1961]

ARMING TO DISARM

Despite the new armament race precipitated by the Moscow-made Berlin crisis, the Kennedy administration urges Congress, with wide bipartisan support, to create a new Disarmament Agency for World Peace and Security. If that seems ironic at this moment, the irony lies not in the goals enumerated in the agency's very name—that is, to state them in a different order, world peace, security, disarmament. These goals are now questions of life or death for all mankind.

The irony is rather that this new project must be launched in the face, even because of, the new menace emanating from Moscow, where a dictator hurls boastful threats of atomic annihilation against all standing in his way. This menace must be and is being met by increased Western armament designed not to wage war if we can help it but to maintain a balance of power adequate to deter reckless Soviet adventures and prepare the ground for disarmament.

For this menace cannot alter our basic policies and principles which aim, in the words of the United Nations Charter, "to save succeeding generations from the scourge of war." The Berlin crisis can only give new impetus to our long-standing efforts to reach that goal, and the new agency would be both a new proof of our sincerity and a valuable instrument.

Its purpose is to make broad-gaged studies of the complex political, technical, and scientific problems involved in the three goals mentioned, to prepare new disarmament plans and to conduct disarmament negotiations with other nations. It is to be a semiautonomous body of experts whose director would work under the overall direction of the President and, in matters of foreign policy, under the direction of the Secretary of State.

A good foundation for the agency's work is already being prepared by John J. McCloy, the President's disarmament adviser, in the shape of a new far-reaching and comprehensive disarmament plan. But the first task of the agency would be, as it is of the Government now, to break the deadlock on a nuclear test ban and general disarmament, on both of which the Soviets still seek to dictate their own terms in order to escape the first condition of any disarmament with security—namely, effective control.

But the Berlin crisis has again demonstrated that disarmament cannot be accomplished in a vacuum, that before it can even begin there must be at least a lessening of international tensions, and that after this it must go hand in hand with a peaceful solution of the world's major political problems. Disarmament is possible only in a world where peace prevails on the basis of just peace settlements, where the sanctity of international agreements, treaties, and laws is respected, and where an international police force exists adequate to check any aggressor. That goal is still distant but not so distant as to warrant lack of effort to reach it.

Mr. HUMPHREY. Mr. President, I am happy to report that the Senate Foreign Relations Committee has completed its hearings on this proposal,

UNIVERSITY OF MICHIGAN LIBRARIES

which is Senate bill 2180, which I was privileged to sponsor, along with a number of other Senators. Mr. Drummond's article is most timely, in view of the hearings this week by the Senate Foreign Relations Committee on that bill. I hope Congress will recognize the urgency of the enactment of this proposed legislation, and that the bill will be passed and sent to the White House before the adjournment this year. The witnesses strongly encourage such action.

I am also happy to report that Secretary of State Rusk; the former Secretary of State, Mr. Herter; the present Secretary of Defense, through Mr. Gilpatric, speaking for Mr. McNamara; and the former Secretary of Defense, Mr. Thomas Gates, all support this proposed legislation. The former U.S. Ambassador to the United Nations, Mr. Henry Cabot Lodge, supports it vigorously, as does Ambassador James Wadsworth, our special representative at the talks at Geneva on nuclear testing. All the witnesses—and there were many of them, including some of the most prominent persons in the United States—supported this proposed legislation; and the former President of the United States, Dwight Eisenhower, by telegram supported this proposal. In fact, it has had the most amazing support of any piece of legislation that I have ever had anything to do with; and I hope we shall be able to report it quickly, and that the Senate and the other body will act on it, because it will mean a great deal to the United States in the forthcoming session of the United Nations and also in the years ahead.

TAXATION AND COOPERATIVES

Mr. HUMPHREY. Mr. President, during the President's recent courageous address on the Berlin situation, he made a brief reference to cooperatives, in connection with a discussion of our Nation's tax policy. His remarks led to an inquiry by the Cooperative League of the USA.

In response to this inquiry, the President addressed a letter to Mr. Jerry Voorhis, executive director of the Cooperative League of the USA; and Mr. Voorhis has been kind enough to share a copy of this letter with me.

In this letter, the President makes it clear that his remarks were not intended as a new proposal, and dimisses the possibility that any misrepresentations may have been attached to his remarks.

Mr. President, I ask unanimous consent that Mr. Voorhis' letter to the President and the President's reply be printed at this point in the body of the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

COOPERATIVE LEAGUE,
Chicago, Ill., July 26, 1961.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Along with most Americans, I listened with care to your address to the Nation on last evening. It dealt of course with matters of tremendous importance to every man, woman, and child in this country and indeed in the world. In this light, what I am about to write may seem a trivial matter. But to several million anxious Americans, it is far from trivial.

You built your case powerfully for the implementation of a strong stand on Berlin and elsewhere in the world against Communist aggression. You told about the measures you were going to take, what they would cost, ways in which that cost could be most, and the sacrifices each of us must be ready to make.

Then you said, "The tax loopholes I have specified—on expense accounts, oversea income, dividends, interest, cooperatives, and others—must be closed."

The inclusion in that list of the word, "cooperatives," is in my sober judgment the most severe blow that has been struck against cooperatives and their opportunity to serve our Nation's welfare in the last 50 years. This, because it was you who said it.

Most of the people of the United States were listening to you. Very few of them have taken the trouble to read your message on taxation or the statement of the Secretary of the Treasury to the Ways and Means Committee. Cooperatives were the only group of institutions which you mentioned. All the other categories were forms of income. To most people, your remark could only mean that you, the President of the United States, elected by the votes of the fair and liberal-minded people of this country, believe that the one kind of institution in this country which is guilty of failure to pay its taxes and thus to support the efforts of the free world, are the cooperatives.

I fully realize that you did not have anything of this sort in mind when you said what you did. But this cannot change the impact of it. Obviously you could not take time from the all-important matters you were discussing to explain your precise meaning when you included cooperatives among the tax dodgers. But since this was the case, it became also true that for you to include cooperatives in that list was certain to create an utterly false and terribly damaging impression respecting our cooperatives in the minds of your millions of listeners.

I need not remind you of your own exceedingly forthright statements during the campaign about the values of cooperatives in our American economy. As you know, our organization did everything it could to spread those statements far and wide among cooperative membership in this country. Furthermore since the coming to office of your administration, our organization and other cooperative organizations have been called upon to assume heavy burdens and responsibilities in connection with the foreign aid program. We are preparing to devote every resource we can muster for assistance in the development of cooperatives in newly developing countries, as perhaps the best single means of combating communism on the economic front in those countries. All these things we are exceedingly eager to do, and much more, for the cause of freedom which you so eloquently stated last night. And this, as you know, includes our desire to see every cooperative and its patrons pay their full just share of taxes.

But cooperatives in the United States cannot do much of a job of helping to build cooperatives in the less developed countries if they are harassed and weakened at home. Every cooperative in this country faces the competition if gigantic concerns whose monopolistic power becomes greater with each passing year. Well-financed and cleverly planned attacks on cooperatives and deliberate misrepresentation concerning them are presently being carried out by their competitors through some of the most high-powered public relations firms in this country. I can imagine no more effective ammunition being given them than your inclusion of your word, "cooperatives," in the place you included it and in the context of your all-important address of last evening.

Unfortunately cooperatives do not have the resources with which to defend themselves by spending large sums of money on institutional advertising and public information programs. We have, instead, to depend on the word of respected leaders who know the facts and who will carefully state them.

I might feel somewhat differently about all of the foregoing if two facts were not true. The first of these is that, as you know, and as you yourself and the Secretary of the Treasury have clearly stated, cooperatives and their patrons taken as a whole are now paying their full, fair share of taxes. Such revenue loss as may be taking place from minor deficiencies in the law was estimated by the Secretary of the Treasury at only $30 million in his testimony. Clearly this is of small consequence indeed when compared to the loss resulting from the depletion allowances on minerals, for example, which you did not even mention.

The second fact is that our organization and many other cooperative organizations have been endeavoring for years to close the only real "loophole" that exists with respect to the taxation of cooperatives and their patrons.

This I explained fully in the memorandum which I prepared for you at the request of some of your advisers shortly after your election.

Therefore, in my testimony on the tax question, before the Ways and Means Committee this spring, I quoted your own statements about taxation of cooperatives contained in your tax message, and I also quoted at length from the Secretary of the Treasury's statement and proposal, which proposal I supported in my testimony. I did this because I considered your statement and, especially, that of the Secretary's to be excellent, forthright, and clear statements of the facts about present taxation of cooperatives, the principles involved, the special problems of capitalization which cooperatives face, and the corrections needed in making clear the proper tax liabilities of both cooperatives and their patrons. Against this background, you can, I hope, understand why I and everyone else in our organization and related ones feel as we do about your remark of last night.

Had you had time to restate what I assume is still your real position about the taxation of cooperatives; namely, that whatever taxable income is generated either the cooperative or its patron should pay a full tax thereon as most of them now do, there could have been no possible objection on our part.

It may be said that compared to the terrible dangers involved in the Berlin crisis and other world trouble spots, the fate of cooperatives in the United States is of little importance. But I do not believe this is the case, and I am confident that you do not believe it is the case either. If for no other reason, the cooperatives of the United States are of tremendous importance to the free world because in the eyes of the people of the newly developing countries, they represent proof that the United States is not only a Nation of gigantic "capitalistic" corporations, but also a Nation in which millions of people are free to develop their own democratically controlled cooperative businesses to meet their needs. These are the very kind of institutions which these peoples most want in their own countries.

I have written you many letters both before and after your election because of my

intense faith in both you and your administration. Thus far I have never been favored with a personal reply from you. I shall only say that in this case, I earnestly trust I may have such a reply. For the one thing that would, to a degree, help in this situation, would be a letter from you to me restating your real position respecting American cooperatives.

Sincerely yours,

JERRY VOORHIS,
Executive Director.

THE WHITE HOUSE,
Washington, D.C., August 4, 1961.

Mr. JERRY VOORHIS,
Executive Director, the Cooperative League of the USA, Chicago, Ill.

DEAR MR. VOORHIS: I regret that my reference to cooperatives in my address to the Nation on July 25 led to the misinterpretations you mention. This reference was not intended as a new proposal. As you know, the Secretary of the Treasury has suggested that the court decisions which have caused some properly taxable income to go untaxed in the hands of cooperative patrons result in a tax loophole. This led to his recommendation that the law be amended to clarify the intention of Congress. I agree with this proposal and I believe that almost all cooperative organizations support it.

You yourself testified to the merit of this proposal. Except for this deficiency, cooperatives and their patrons have been and are paying their full, just share of the taxes.

There should be no misunderstanding about the administration position. I believe that cooperative enterprises are a valuable part of our American system. In addition, they may be a means of raising living standards and counteracting the influence of communism in other nations. Certainly they should be encouraged.

As I pointed out in my message to the Congress on the problems of agriculture:

"One of the methods by which farmers can increase their bargaining power and thus remedy to some extent their weakness in the marketplace is through the effective operation of their own cooperatives.

"To this end I recommend legislation to reaffirm and protect the right of farmers to act together through their cooperatives in the processing and marketing of their products, the purchasing of supplies, and the furnishing of necessary services."

In addition, as the Director of the International Cooperation Administration pointed out last month, greater emphasis on the development of and assistance to the cooperatives will be among the major objectives of our foreign aid program.

I appreciate very much your calling this matter to my attention so that I may have this opportunity to reaffirm my interest in cooperatives.

Sincerely,

JOHN F. KENNEDY.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. HUMPHREY. Mr. President, earlier today I submitted to the aid bill an amendment, which was adopted, suggesting and directing that the new AID Agency and any of its divisions, departments, and bureaus utilize existing Federal domestic agencies, personnel, and facilities, whenever such is possible, under the technical assistance programs and what we call the social development grants of the aid bill.

As I stated in the course of my presentation, the purpose of the amendment is not to weaken the personnel of the AID Agency, but, rather, to enlist the best personnel and the finest facilities we have in the United States, in order to effectuate the purposes of the foreign-aid program.

I am convinced that we can do much better than we have done. I have visited with Cabinet officers and with other officials of our Government from the White House into the respective departments, as to what I believe is an urgent necessity to improve the foreign-aid program and its administration.

For example, if we are to engage in an agricultural program in, let us say, Latin America, I wish to be sure that the AID Agency will not try to recruit some new agricultural specialists, when there now are within the Department of Agriculture the most competent persons in that field that the United States has to offer. In other words, I wish to make sure that we utilize the personnel, the facilities, and the programs we now have at hand.

I believe this will promote a better program. I think it will be economical, and I think it also will put reliance on existing departments of Government to do their part in promoting our foreign aid program. This is particularly true in education, health, and housing.

I have a feeling that the Department of Health, Education, and Welfare has a significant role to play in bringing about the fulfillment of the objectives of our foreign aid program.

Do not misunderstand me, Mr. President. The foreign aid program must be under the direction of the Secretary of State and under the direct administration of the Administrator. We are not proposing, nor am I proposing, that any domestic department of Government set up the foreign aid program. That program must be prescribed, outlined, administered, and supervised by the Administrator of the foreign aid program known as the AID Agency, under the general direction and guidance of the Secretary of State. However, I believe it is ridiculous and foolhardy not to call upon the existing facilities of our great Government, wherever possible.

The Department of the Interior has people in it who are specialists in the field of erosion control, reclamation, and irrigation, and we ought to call upon the Department of the Interior for help wherever it is needed and helpful and practical.

The U.S. Public Health Service has the confidence of the American medical profession, and we ought to utilize the Public Health Service, its fine officers, the Surgeon General, and his deputies, and the National Institutes of Health, in our program overseas. We ought to emphasize the international health aspects of our foreign policy.

One of the limitations I saw in this bill, on which I commented in committee, was the fact that we did not spell out more specifically the important technical and social development programs that need to be utilized in the foreign aid effort of the United States.

A PROGRAM OF COOPERATIVE DEVELOPMENT FOR AID

I also believe a greater use and development of cooperatives as a vital part of our foreign aid program, particularly in Latin America, is needed. It is desperately needed in many areas. I am not saying cooperatives should be used everywhere, but where the cooperative principle can be used, it ought to be; and where it cannot be, we ought to use other means.

During the hearings by the Foreign Relations Committee, I inquired as to what our Government had been doing in the cooperative effort. I found very little was being done. In fact, only recently the AID program has announced that in its new program it plans to put greater emphasis on cooperatives.

AID—ICA—has announced that its new program will plan greater emphasis on cooperatives. This is good. It is long overdue. For the developing countries, cooperatives represent one of the most important readily available tools for rapid, democratic economic growth. Today cooperatives are either not organized or poorly utilized in most of these countries. The United States has tended to shy away from assistance to cooperatives abroad either because we did not recognize their special advantages for developing countries or because our officials were afraid of criticism from conservative groups in this country.

Cooperatives represent one of those 7-league-boot forward steps which the people of the developing countries can take into the 20th century. They are like supermarkets, low-cost housing, and mass communication media, all of which, if properly used, can bring economic and social advancement to countries where rapid growth is a prerequisite of democratic social order. By helping the developing countries establish the right kind of effective cooperatives, we in the developed countries of Europe and North America can perform a strategic service during the next decade.

I

Why are cooperatives important for the developing countries? These are some of the most important reasons.

First. Cooperatives are an essential part of an effective, integrated rural development program and the largest and most important economic problems in developing countries are rural. It is possible and important to have an agricultural extension service, a rural credit system, research in and development and use of improved seeds, fertilizers, and other agricultural services. However, unless there are strong cooperatives, all of these facilities will not reach enough people fast enough to do the job of agricultural development which is required today. Cooperatives can provide the basic self-help institutional pattern which will enable the developing countries to put improved services and new agricultural technology to effective use.

UNIVERSITY OF MICHIGAN LIBRARIES

Second. Cooperatives can be an effective force in the growth of democratic society. People's groups, working together through cooperatives, can be seed centers which will nourish and support democratic governments.

Third. Cooperatives can be an important tool in land reform programs which are taking place in many developing countries and especially in Latin America. Without land reform which is carefully planned and carried out, it is doubtful that democratic governments will be able to survive in many countries. And without cooperatives, it is doubtful if land reform programs can really operate effectively in most situations.

Fourth. Cooperatives can be effective middle-way economic institutions which are congenial to the social and political environment of many developing countries. However, it is important for the cooperative to be more than a name or a slogan. It must perform genuine services and it must have competent management. The cooperative must produce, in the economic sense. Otherwise, cooperatives can become talking societies, philosophical escapisms for idealistic misfits, or routine Government programs. If such things happen, cooperatives can do more harm than good. They can be easily victimized by ideologically determined leftists and Communists, or they can be vulnerable to criticism by the reactionary forces which are strong in many developing countries. Therefore, for political and economic reasons, it is important for us to help the right kind of cooperatives and try to make them function effectively.

Fifth. The U.S. image abroad will definitely benefit by association with a program to assist cooperatives. Although it is not true, most people in the developing countries believe that the U.S. economy is entirely private enterprise. The fact that we have a sizable cooperative movement in our own country and that we are willing and able to assist in the development of cooperatives abroad will do us good in all of the underdeveloped areas of the world.

II

What should be done to really help cooperatives in developing countries? Programs which will work well vary from country to country, from region to region. The following points should be kept in mind as guidelines in the development of sound programs.

First. Priorities should be established. Everything is important, but first things should be kept first in a program to develop cooperatives. Specifically, this means that in the developing countries, priorities should be given to:

(a) Agricultural credit: An effective program of agricultural credit involves three ingredients: farm planning, extension service, and cooperatives. In short, what the developing countries need is a program of supervised credit operating through local cooperatives.

(b) Marketing, processing, and warehousing cooperatives: If the farmer is to receive the maximum advantage from his production, realized with the assistance of credit cooperatives, he must also have the facility of a marketing, processing, and warehousing cooperative. This will enable him to obtain the maximum economic benefit from his increased output. Also, marketing, processing, and warehousing cooperatives are natural steppingstones to the development of supply cooperatives for farm equipment, fertilizer, seeds, feeds, and so forth.

It may also be noted that in some situations it would be possible to develop marketing, processing, and warehousing cooperatives with the initial use of U.S. surplus commodities—particularly feed grains—which would provide an economic base for the organization of such institutions.

(c) Other types of cooperatives: The development of credit unions, housing, health and other types of consumer cooperatives are also important in many developing countries, particularly in urban areas. They become more viable as the economy gains in strength, which has the best possibility of happening when agricultural and industrial development are synchronized.

Second. Flexible policies should be used. In the developing countries it may be necessary to be flexible about certain policies governing the operation of cooperatives although it is equally important to be firm about certain basic cooperative principles. Cooperatives are a sophisticated form of economic organization in Western developed countries. But this is not so true in developing countries where it is possible and in fact necessary to be flexible about some operational policies of cooperatives. For example:

(a) Financing of cooperatives: In countries where capital resources are limited and individual savings difficult or impossible, it may be necessary for the government to develop means by which it can provide financial assistance to cooperatives. This must be done in a democratic way, consistent with the integrity of independent cooperative organizations.

(b) Democratic service cooperatives versus collectives: A cooperative must always be a democratic service institution which meets the needs of independent farmers, artisans and consumers. It should not become a medium for collectivization. The role of government may be large at the early stage of cooperative development in some of the younger countries, but it must be recognized in law and in practice that the role of government recedes as the cooperatives gain in strength and emerge as truly independent people's institutions.

(c) Cooperative education and training: One essential part of this picture is a sound and effective long-term education and training program for leaders, employees, government officials, and—most important—for members of cooperatives. Failure to recognize and carry out such programs may mean that the cooperatives will succumb to political pressure or that they will be exploited by political groups either of the left or the right. Education and training programs can be sponsored by the government initially although this is one of the first functions which can and should be taken over, financed and controlled by the cooperative movement itself as it gains strength.

Third. Types of programs which can be developed. The following types of programs may be useful in the development of cooperatives. This list is not exhaustive and the order does not necessarily indicate the sequence in which such programs should be undertaken.

(a) Evaluation studies: In a number of countries where the cooperative movement is in an adolescent stage of growth or where it has stagnated, it may be essential to undertake a comprehensive evaluation study of the movement before initiating new activities. Brazil, where such a study has been requested by the Government, is a very good example.

(b) Pilot projects: Frequently the best way to educate is to demonstrate, and this applies to cooperatives. A pilot project carefully planned and carried out over a period of years may offer new insights into the best methods of developing cooperatives. The supervised credit cooperative project in India carried on by the American International Association and the Cooperative League of the USA is a good example of the value of this kind of project.

(c) Education and training programs: Many of the developing countries do not have adequate education and training programs for cooperatives and there cannot be sound, long term growth of the cooperative movement in the absence of such activities. It is most important to help in the establishment of training programs in the countries themselves. For example, Venezuela is ready for and in need of training programs which could be easily integrated into the schools for training practical agricultural workers and home economists.

Sometimes regional training programs will prove to be helpful, using the resources of more developed countries in the area. For example, Japan in the Far East and Puerto Rico in the Americas can be profitably developed as training schools for cooperative leaders in their respective areas.

The United States and its cooperative movement can be helpful as a training venue for a limited number of the more competent leaders from the developing countries. The Cooperative League of the USA proposes to establish a center for cooperative training in the United States which would be available for leaders from all parts of the world. This center would probably be conducted in collaboration with one of our U.S. land-grant colleges. This could be a very useful enterprise. It would also be helpful in preparation and orientation for U.S. cooperative leaders who are going abroad for service.

(d) Use of cooperative specialists: In many developing countries there is a need for carefully selected specialists in particular jobs who come from other parts of the world. Here selectivity and flexibility are extremely important. Ways must be found, for example, to use Canadians or Puerto Ricans, Indians or Filipinos. The experience of U.S. cooperative experts can be helpful, but they will not invariably be suitable for

the kinds of situations which a number of developing countries present.

(e) Capital: The most important and almost universally necessary element in a program for cooperative development may be the availability of funds. Some countries may be more ready than others to use such financial assistance. For example, Costa Rica has a cooperative movement and banking setup which could make immediate use of additional funds. In Brazil there are individual cases of successful cooperatives such as Cotia which could put a loan to productive use.

The pattern of financial assistance developed by the Cooperative League of the USA in Italy through an American-Italian institution known as IFCAI offers a potential example for other countries.

Probably most important of all in this context is the immediate need to provide machinery in the AID and the Inter-American Development Bank, so that these institutions can help to finance the development of cooperatives.

III

How can AID be geared to undertake a cooperative program of the dimensions necessary to create a significant impact in the developing countries during the 1960's? This is an internal question of fundamental importance for AID. Here are a few general thoughts to consider in the formulation of an answer.

First. The first requirement is a clear identification of the importance attached to cooperatives in the new AID organizational structure. A few things have been done in the past by AID's predecessor organizations, but they have been on a sporadic basis and they have been lost in the midst of larger programs of which cooperatives constituted only a small part. There have been some cooperative credit specialists in a few countries and some participant trainees have come to the United States. But now if cooperatives are to be spotlighted as a major feature of our program in developing countries around the world, then this must be symbolized by appropriate offices and personnel in AID headquarters and in each country program. Furthermore, in the new regional centered organization which is contemplated for AID, it will undoubtedly be necessary to have a cooperative section in each of the regional offices.

Second. In the development of a sound cooperative program, a human resources advisory committee, including representatives from agriculture, labor, and cooperatives could be a useful arrangement. This committee would help coordinate programs in these fields which are related in many basic ways.

Third. Because of the special nature of cooperatives, it is very important that to the greatest extent possible they should be promoted on a nongovernmental basis in the developing countries. To help achieve this objective, AID should contract with cooperatives, foundations and universities in this country to assist in the planning and administration of programs in the developing countries. The Cooperative League of the USA and the American International Association have had experience abroad, and these organizations might be particularly helpful.

Fourth. Programs for cooperative development should have a regional character wherever it is possible. Cooperatives have a special history as being part of an international movement. For this reason as well as for others, it would be desirable to have U.S. sponsored cooperative programs undertaken in collaboration with such groups as the Organization of American States, the International Cooperative Alliance—London—and its regional subsidiaries.

CONCLUSION

These ideas on the why, the what, and the how of an expanded program for cooperative development represent preliminary thoughts on what we sincerely believe could be one of the most significant aspects of American foreign aid program during the 1960's. Such a program could give a new flavor and a new enthusiasm to our efforts in many parts of the world, and help win acceptance for the objectives which we have been laboring to achieve for a number of years.

I ask unanimous consent to have printed, at the conclusion of my remarks a report on the use of cooperatives as an instrument of foreign policy, which I requested on June 16, relating to information on the cooperative program in Latin America.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

U.S. PROGRAM WITH COOPERATIVES—LATIN AMERICA

I. THE ROLE OF COOPERATIVES IN THE AID PROGRAM

Greater emphasis on the establishment of or assisting established, cooperatives will be among the objectives of the new AID program.

New concepts of the U.S. foreign economic assistance program which are considered essential to the success of that program include:

1. Insistence upon a greater degree of self-help;

2. A wider sharing by the people in the process and benefits of development; and

3. Participation in cooperative efforts for economic and social progress by private business and other private institutions.

ICA's past experience of technical assistance and training to credit unions and cooperatives reveals the effectiveness of this approach in underdeveloped areas, and suggests that cooperatives can offer an effective means of achieving these goals.

The establishment of cooperatives, in areas where the situation and circumstances are favorable, can provide the opportunity to mobilize the human and other resources of the participating countries on a widely dispersed basis; make possible and encourage the participation of the people of the country in a venture which embodies the aspect of self-help and democratic, social, and economic self-determination; and make them member-shareholders in their own business, the benefits of which are realized and shared by the people.

Recognizing the desirability of such objectives, the Director of ICA has already instituted a full-scale review of cooperative assistance within the agency, aimed specifically at evaluating ICA's cooperative activities of the past, developing a policy statement for guidance to field missions regarding encouragement of the cooperative approach, and outlining a specific action program for greater emphasis on cooperatives within the new AID program.

The importance that the Director attaches to this review is evidenced by the fact that it is being directed from his immediate Office.

In addition to the internal self-appraisal, the working force handling the cooperative review has made plans for seeking the guidance and participation of other governmental and nongovernmental agencies and organizations in carrying out its task.

Participation will be invited from the U.S. Department of Agriculture, the U.S. Department of Labor, HEW, the Food for Peace Office, the Peace Corps, the Organization of American States, the Food and Agricultural Organization of the United Nations, ILO, and other interested agencies.

Discussions already have been held with leaders in the cooperative field in this country regarding selection of a nongovernmental task force representing all phases of cooperative endeavor—credit, housing, agricultural marketing and supply services, and related fields—to assist with the review and development of future cooperative programs.

One of the first steps in this review has been the dispatch of a questionnaire to all mission directors in the field to obtain a country-by-country summary of all existing cooperative programs, as well as the information upon which future program development can be initiated.

AID's expanded and coordinated cooperative development efforts will seek to utilize its own and the experience and resources of all interested government and private agencies in program for underdeveloped areas where the cooperative approach can contribute effectively to the self-help objectives of this country's foreign aid efforts.

While ICA has worked with cooperative programs throughout many areas of the world, the following review of experience with cooperatives in Latin America provides typical examples of what has been done and is now being done in this field.

ICA and its predecessor agencies have had specialists working in the field of agricultural credit and cooperatives in 11 of the 20 Republics during the last 20 years. It is true that the agricultural credit was not always cooperative agricultural credit but the tenets under which programs were launched were such that, if continued and sufficient technical and economic assistance had been provided, many if not all of these programs would have played a major role in developing the cooperative movement a great deal more than it did.

At present, ICA has agricultural credit and cooperative specialists working in Bolivia, Brazil, British Guiana, Chile, Colombia, El Salvador, and Peru. In addition, ICA has housing specialists working in Nicaragua and is initiating a program in cooperative-aided, self-help housing in Ecuador.

In the field of labor, ICA is working in Costa Rica, El Salvador, Chile, and Ecuador. In the last country, the labor specialists are devoting their time and attention to launching the first cooperative labor center for the country in Guayaquil.

Individual success stories from the results of cooperative efforts are indeed striking. In Ecuador, the farmers' association in Cuenca bought and operated their own poultry production and marketing center from the profits of the cooperative. In addition, they in turn sold this unit and purchased the entire grounds, buildings and installation for their own association, and they now maintain their own exposition center. The poultry industry has not lessened in Ecuador but has grown throughout the community and country.

The largest association of farmers in Ecuador now operates its own banana spraying and extension service from funds realized by a tax placed on the export of bananas.

UNIVERSITY OF WISCONSIN LIBRARIES

The farmers' association of Chincha, Peru, opened a 6-mile canal and successfully developed more than 2,000 acres of irrigated land contributing their own time, labor, and money and renting what heavy-duty equipment was necessary.

A group of Indians in a community near Huancayo, Peru, organized the first rural credit association among Indians in Peru 6 year ago. They now purchase their own seed, fertilizer, spray materials, and market cooperatively. Loss of money due to failure to repay has been, for all practical purposes, nil.

The housing cooperative organized around the concept of aided self-help housing in Nicaragua has been extremely successful. The result has been a complete reorganization of the National Housing Institute in Nicaragua providing credit and materials to develop low-income housing similar to that which the pilot program initiated.

The introduction and establishment of the poultry industry in British Guiana, the establishment of the dairy cooperative in Ecuador, the seed production in Chile and Peru; the establishment of a completely recognized bureau for the development of cooperatives in industry, consumer production, and agriculture in Bolivia as the result of the preparation and submission of the new legislation in regards to cooperatives in Bolivia; the establishment of the cooperative housing program in Guatemala, the poultry industry in Panama, the potato producers' association of Canete, Peru, and many other installations and operations can be named.

ICA has long recognized that the primary problem in the development of the cooperative movement in Latin America has been the lack of trained personnel for the operation, management, and administration of cooperatives.

ICA held the First International Seminar on the Development of Agricultural Marketing and Cooperatives in the Western Hemisphere in Jamaica in November 1959. The second of these seminars is being planned for early in 1962.

At the present time, or scheduled to come to the United States early this year, are 25 participants in the field of agricultural credit and cooperatives. More than 886 have been trained in the field of cooperatives by ICA in the last 10 years.

The Government of Brazil has requested the creation of a special technical assistance group to study and reorient its cooperative movement.

The United States has an excellent opportunity to develop the resources of Latin America and at the same time to create a motivation of participation and self-help through cooperatives.

II. AID AGENCY PROGRAM IN COOPERATIVES IN LATIN AMERICA

A. Field personnel: Attached find the biographic data on ICA specialists working in the field of agricultural credit, cooperatives, labor, and the consultant in cooperative housing in Chile.

B. Salaries, consultants, and recruitment:

1. Salaries: The salaries paid in the field of agricultural credit, housing, and labor range from grades FSR–5 $8,755 through FSR–2 $14,900 depending on the background and experience of the person, his responsibilities, the scope and size of the operations in the field, every attempt is made to pay salaries in line with personnel having the same type of responsibilities and operations in private business and in other Government and international agencies. Generally speaking, personnel and consultants are obtained from private business, foundations, universities, and other Government agencies.

2. Consultants: Though a current list of consultants is maintained in each specialized field of agricultural credit, cooperatives, housing, and labor, consultants are not on the payroll except at the time of assignment for specific tasks or to a specific country. Therefore, a list of personnel used as consultants is not being submitted as such personnel may or may not be available for any specific required assignment.

3. Recruitment:

The recruitment policy of the ICA is to endeavor to secure people of as high a caliber as possible and with a long record of successful experience in their respective fields and who are capable of adjusting to working in oversea areas.

Recruitment in agricultural credit and cooperatives is generally carried out by obtaining the desirable personnel directly from cooperatives and credit agencies or from universities or the various divisions within the Department of Agriculture. At present there are only two vacancies in this field in agriculture.

In the field of housing, personnel generally are recruited from the the savings and loan associations or agencies or from These people in addition to having a financing housing throughout the United States. These people in addition to having a financial background usually possess or have had experience in the architectural or the construction fields. At the present 11 positions are being filled, and 13 positions are vacant.

In the field of labor, recruitment is made directly from labor or trade unions, from State and Federal agencies of personnel who are employed in the fields of labor in State and Federal agencies and directly from private industry having large-scale employment. Only one vacancy exists in the Latin American area, but this program is to be expanded as rapidly as possible in those countries requesting assistance in this field.

C. Training:

The United States has in Puerto Rico an outstanding example of the power of cooperatives to train personnel, serve both the consumer and the producer. An additional important factor in training in Puerto Rico is that the key management and administrative personnel speak the language and have much the same cultural background as the people in Latin America.

The cooperative movement in Puerto Rico dates from the early thirties and is now a part of the Government of Puerto Rico with the head of the movement being a member of the Cabinet of the Government of Puerto Rico.

The University of Puerto Rico has already established a strong curriculum in cooperative management and development. This program has long been used by the United States but has been limited in scope due to the lack of funding. It is expected under the new program to expand both short-term seminars in Puerto Rico and to increase the amount of contract funds devoted to the long-term training of participants in the field of cooperatives both in the United States and Puerto Rico.

Fortunately, Puerto Rico's cooperative movement is well capitalized, managed, and covers the entire field of cooperative movement from taxis, industry, housing, consumer, production, fishing, credit, agricultural and cooperative land development programs.

In addition, it is proposed to establish management-administration training teams composed of experienced personnel from Puerto Rico as well as the United States to provide training in operation, management, and administration of cooperatives to go to those countries interested in securing additional technical assistance in the field and at the level of the operating cooperative. It is believed that cooperative groups such as the Cooperative League, International Federation of Agricultural Producers, and others have valuable knowledge and skills that may be utilized in helping develop a sound cooperative movement in Latin America.

It is expected that Brazil, Venezuela, Argentina, Ecuador, and Chile, to name only a few, will take advantage of both types of training.

D. Types of cooperatives:

It is planned to support all types of cooperatives in Latin America including housing, labor, consumer health, credit, and production.

In Latin America it is believed that the use of commodities available under Public Law 480 can be a large asset to the development of any program in agricultural cooperatives. In general and with only rare exceptions, diets in Latin America are deficient in protein. The following proposes a method whereby more protein can be made available to the farm family and at the same time more income accrue due to the stabilization of grain prices at the time of harvest.

A local cooperative would be established as a center for grain storage and feed preparation by undertaking the following program:

1. Determine the availability of grain storage in the area, recondition or build if necessary.

2. Establish an adequate reserve of grain—from Public Law 480—to meet present and potential emergency requirements and include or arrange storage space to permit the storage of locally produced grain when it is available.

3. Establish milling and feed-mixing facilities in connection with storage facilities.

4. Organize the storage, milling, and feed facilities on a cooperative basis with these ultimately being entirely locally owned facilities.

5. Use the combined resources of local capital, U.S. Government financing and the partial financing from interested U.S. cooperatives who would also be interested in providing the services of some of their personnel on a management basis to train, operate, manage, and administrate the local installation until it had repaid its loan. In the majority of instances, it is believed that such personnel would be limited to one director or codirector of such installations.

6. Initially this installation would provide storage, marketing, and limited processing or milling facilities but, in addition, it should carry a line of agricultural equipment, supplies, and materials at standard prices as well as seed, fertilizer, and other items necessary to the area to increase agricultural production.

7. The central storage and milling facilities should provide technical services in line with the products, equipment supplies that it carries.

8. The technical services would not only serve the immediate clientele but would also serve as a training center for personnel from other cooperatives.

9. It would also provide a marketing facility for the locally produced grain and feed and thus remove the low-income farmer from the existence of too much for too low a price at harvesting and too high and not enough crops.

The above offers a positive program of working with the farmer to (1) store his products at a reasonable price, (2) make it available to him in the form of livestock and poultry feed as well as for human consumption, (3) provide a market outlet for his livestock and poultry products, (4) provide him with a method of securing information and service each time he goes to market, (5) enable him to work with the cooperative on a participation basis. He pays for his share of the stock from the earnings of the cooperative based on the volume of sales and purchases he makes each year.

E. Self-help, management, and capital:

Preference will be given to countries that desire to expand or to initiate cooperative programs where such countries will make specific and positive efforts of self-help.

Self-help should include but not be limited to adequate legislation, tax concessions or support, investment capital, sponsorship of adequate training and development programs and the elimination of duplicating services or bureaus.

In addition to the above, every effort will be used to encourage newly organized cooperatives or where the existing cooperatives are being expanded, to accept or request assistance from U.S. cooperatives both in the form of management and investment capital.

It is believed that one of the most effective ways to train is through management and operations. U.S. cooperatives have a reservoir of trained personnel. U.S. cooperatives which are prepared to make an investment in oversea operations will find a large number of cooperatives and countries where management-investment contracts with U.S. cooperatives would be more acceptable than private business.

In addition, the United States will encourage the use of foundations, universities, and other organizations in the cooperative field to plan, evaluate, and develop cooperatives and cooperative programs.

Over and beyond the resources of local capital and capital from the U.S.-owned cooperatives it will be necessary to finance management contracts, training at the field level and to secure additional capital from United States as well as international agencies.

In addition to requests for development loans from established cooperatives to the Inter-American Development Bank, the AID Agency proposes to make available from funds appropriated to the Agency an amount up to $2 million for the development and improvement of cooperatives of all types throughout Latin America.

III. CREDIT UNIONS IN VENEZUELA

ICA has had an extremely limited program in Venezuela. The President has just appointed Ambassador Moscoso to Venezuela and there is to be a completely new program planned and developed in Venezuela with the Venezuelans.

An economic development group is leaving within the month for Venezuela to assist in developing the new program. Cooperatives and credit unions will be a part of the new program. To what extent the Venezuelans would like to use this technique is unknown at present, but the technique has been used before and the AID Agency will encourage its use in order for the United States to become directly identified with the people of Venezuela.

IV. HOUSING IN CHILE AND OTHER LATIN AMERICAN COUNTRIES

The attached report by Mr. Paul Golz answers many questions on cooperative housing in Chile. Mr. Golz worked with the Chileans in drawing up this report. It was submitted in February 1960 and has been instrumental in creating the effective program now being carried out in cooperative housing in Chile. Every principal recommendation made in the report has been put into force by the cooperative housing program in Chile.

The following Chilean co-op members participated in a housing cooperative training program for 2 months, May to July 1960, in the United States under the auspices of ICA: Adriano Rossi, Ruben Jaramillo, Benjamin Nino, Alfredo Cornejo, Octavio Vasquez, and Antonio Guasp.

In addition to its program in Chile, the housing division is at present planning a housing-cooperative training program for the following members from Chile under the auspices of ICA, training to take place in Colombia and Ecuador: Carlos Pulvermuller, Dagoberto Montero Infante, Guillermo Sam Martin Ferrari, and Juan Veloso Castillo.

The largest housing cooperative program under the auspices of ICA is being carried out in Chile. The following Latin American countries also have housing cooperative programs on a smaller scale: Argentina, Colombia, Ecuador, Mexico, Puerto Rico, Peru, and Venezuela.

V. STATE DEPARTMENT AND USIA LABOR OFFICERS IN LATIN AMERICA

There are no officers assigned directly to our embassies in Latin America specifically for purposes of developing cooperatives. However, the normal duties of labor attachés and labor officers assigned to these embassies include reporting on developments in the cooperative field and the provision to cooperative movements of such assistance as they can provide.

In the field of labor in Latin America, our Foreign Service positions include 10 labor attachés (Bogotá, Buenos Aires, Caracas, Guatemala City, Lima, Mexico City, Rio de Janiero, Santiago, São Paulo and Tegucigalpa), 2 assistant labor attachés (Mexico City and Rio de Janeiro), and 2 full-time labor reporting officers (Montevideo and São Paulo). The only vacancy at the present time is in Santiago. The new incumbent for this position is to arrive in Chile in August 1961. The Department has requested two additional labor officer posts for fiscal year 1962 and two additional clerical positions for these officers (for San José and Quito). In view of the House committee action in reducing the overall budget request, the Department is appealing to the Senate this reduction by the House.

In addition to State Department labor officers, the USIA presently has three labor information officers in the field (Caracas, Buenos Aires, and Rio de Janeiro) and is requesting eight additional posts for fiscal year 1962 for Bogotá, Guatemala City, La Paz, Lima, Mexico City, Montevideo, Quito, and Santiago.

VI. STATE DEPARTMENT VACANCIES—BUREAU OF INTER-AMERICAN AFFAIRS

The only important vacancy in ARA itself is the post of Assistant Secretary for Inter-American Affairs to which Ambassador Robert Woodward has been named by the President. It is hoped that early confirmation by the Congress will permit him to assume his duties in the month of July. Other than that vacancy, ARA has only one junior grade officer vacancy and five clerical vacancies.

Of the total American complement of 757 at the oversea posts in the Latin American area, there were 34 vacancies as of May 31, 1961. Of this number, there were 19 officer vacancies and 15 clerical vacancies. These positions are being filled within the next month or so. Oversea vacancies in Latin America thus represent less than 5 percent of authorized positions.

VII. ADDITIONAL STAFFING OF THE ORGANIZATION OF AMERICAN STATES

The staffing pattern for the new activities under the Organization of the American States, made possible through provision of funds from the new inter-American program for social progress, has not yet been formally determined. OAS provision of expert assistance to countries under this program will be considered at the meeting of the Inter-American Economic and Social Council which is scheduled to open in Montevideo on July 15, 1961.

Mr. HUMPHREY. This report is very revealing, and it indicates the need of much more to be done.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. I yield myself 5 more minutes.

ELEVEN CREDIT UNION COOPERATIVES

Mr. President, several months ago it was my privilege to meet and to visit with Father Daniel McLellan, N.M., president of the Federacion Nacional de Cooperativas de Credito del Peru—which is the national federation of credit unions for Peru.

Father McLellan has almost singlehandedly created the credit union movement in Peru. Beginning with one small operation several years ago and with a few dollars of Peruvian soles, Father McLellan has led a movement which now has 112 chartered credit unions and an additional 89 functioning but not yet chartered. The total loan volume of the credit unions, which have been financed completely without U.S. assistance or assistance from the Government of Peru, has now reached an annual volume of more than 103 million soles, with an exchange rate of 26.8 soles to the U.S. dollar. This is a remarkable achievement and surely paves the way for broader expansion of this type of democratic credit institutionalization throughout Latin America.

In a recent memorandum to me, Father McLellan emphasized the critical importance of providing adequate credit for the people of Latin America. This is what he told me:

Not more than 10 percent of the Peruvian people have access to bank credit, which costs about 20 percent a year. The other 90 percent of the Peruvian people have to go to moneylenders who charge from 10 to 50 percent interest a month and usually do not allow amortization in installments.

We felt that it was of the utmost importance to create a source of credit for the people by mobilizing their small savings in credit unions, which provide credit for the necessities of life other than housing and also provide long-term mortgage credit to them through savings and loan associations.

The following is an attempt to give in a short space, a summary of what has been done and it is, we hope, an idea of what can be done if the movement is supported and aided to accelerate its natural process of extension.

We feel that providing credit through the savings of the people is basic to bettering their economy and basic to any realistic foreign aid program. Credit is the tool without which, a man cannot better himself economically. If we educate people to a sense of their human rights, develop their latent talents, arouse their energy and their hopes, and then deny them the tool (money or credit) they need to achieve these ends, we have prepared them for communism.

As we have so clearly seen in the United States, without credit—without the credit extended through our Rural Electrification Administration program and the Farmers Home Administration, and the strengthening of our cooperatives, both credit unions and producer cooperatives in rural America, we could never have achieved even a fraction of what we have accomplished in the development of rural America. I believe that Father McLellan has done a great service for humanity in the work that he has so far accomplished.

The operation of Father McLellan's National Federation of Cooperatives is worth study as we consider extending meaningful aid throughout Latin America.

First of all, the federation intervenes in the formation of new credit unions, and has participated in the formation

UNIVERSITY OF WISCONSIN LIBRARIES

of 198 of the existing 201 credit unions in Peru.

Secondly, the federation offers technical assistance in the form of the training of directors of the credit unions, field assistance, and direct assistance in the formation and organization of new credit unions. Standard forms and a credit union manual are furnished to each credit union as it is formed. Auditing of individual credit union accounts is performed. The federation serves as a legislative arm of the credit unions, working with the Peruvian Legislature in developing legislation concerning cooperatives. The federation operates a central credit union which serves as a credit union of the credit unions as a kind of central bank.

Finally, the federation has served as a training center for the credit union movement in other Latin American countries. Leaders have been trained by the federation, coming from Bolivia, Brazil, and Ecuador.

Indeed, the credit union movement in Bolivia and Ecuador was founded by the federation. Requests for assistance in establishing the credit union movement have been received from Argentina, Uruguay, Paraguay, Bolivia, Ecuador, Venezuela, and Colombia. All of this national operation, with its multitude of activities, is financed by a small budget essentially derived from the credit unions of Peru who pay dues of 12 soles a member per year, of which 9 soles remain with the federation. The relatively small staff of the federation operates on a budget of less than $20,000 a year. Frankly, the tremendous accomplishments of Father McLellan and his group on such a small budget are nothing short of incredible.

I am very pleased and gratified to hear that serious consideration is being given to extending broad credit through the Inter-American Bank to the federation.

This will permit the federation to increase the efforts of the credit unions in developing low-income group housing, improving land use, and improving public water and sanitation.

Father McLellan and the dedicated Peruvians who work with him have also seen the almost desperate need for low-income housing and for the development of savings and loan mutuals in Peru. Consequently, they moved in the fall of 1960 to prepare an application for a charter for an organization known as Mutual El Pueblo, which was chartered on March 1, with 25 members and a deposit of S/110,000—about $410. Already this year, by July 15, the group had risen to 808 members with S/1,628,755 in savings—about $61,000—and by July 15, 3 loans had been made to buy or construct new homes and for home improvements, for a total of S/1,454,000.

It has approved loans waiting for additional capital amounting to a total of S/5,000,000—about $180,000.

What is so remarkable about the record of this credit union-founded mutual is that two other mutuals formed in Peru, one with heavy support from business and industry plus $2 million from the DLF, have not been successful. The first mutual went into bankruptcy due to bad administration. The second mutual had loaned out almost precisely as much in Peruvian soles as the mutual El Pueblo had loaned, despite the heavy input of outside funds. It must be emphasized that the mutual El Pueblo has funded itself entirely from small contributions from its members. In 4 months it has almost equaled the 1½-year volume of the large mutual which had received over $3 million in outside assistance. The point is that the people who formed and managed El Pueblo are the very people who need and want the housing for their friends and neighbors and themselves.

Presently, mutual El Pueblo has a loan application for $5 million to the Inter-American Development Bank. If granted, these funds can be disbursed and people can be in their houses by July of 1962 if funds can be made available this fall.

I can see no better way to make use of the capital of the Inter-American Bank than to such a cooperative-democratic enterprise as mutual El Pueblo and its associated credit unions. This is the way that aid can reach the people directly, and this is a pattern which it would be well for those charged with the conduct of our foreign assistance program to study.

I ask unanimous consent that a document prepared by the American Council of Voluntary Agencies for Foreign Service, Inc., particularly the Committee on Latin America of the American Council, be printed at this point in my remarks, together with the letter signed by Rev. Joseph Gremillion, director, socioeconomic development, of the Catholic Relief Services, National Catholic Welfare Conference, which indicate the great need for what I have been talking about here—credit unions, savings and loan associations, cooperatives, housing, health, availability of credit at low-interest rates, to which the Senator from Delaware [Mr. WILLIAMS] was referring. This is the kind of program we need to get to the people.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CATHOLIC RELIEF SERVICES,
NATIONAL CATHOLIC
WELFARE CONFERENCE,
New York, N.Y., May 1, 1961.

Hon. HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: The New York Times of this morning, page 30, carried an Associated Press story, datelined Washington, April 30, concerning your espousal with the President, "of developing local cooperatives in Latin America to meet the challenge from Castroism and communism."

I hasten to commend this initiative within the framework of the new inter-American socioeconomic development program, set forth under the Act of Bogotá.

Catholic Relief Services, National Catholic Welfare Conference, operates direct relief and self-help programs in 15 Latin American countries. While maintaining American staff personnel in these countries, we operate principally through indigenous voluntary organizations and institutions. As you undoubtedly know, we collaborate closely with the U.S. Government in the distribution of American-donated foods under Public Law 480.

However, we are giving increased attention to socioeconomic development, and in particular to the promotion of credit unions and cooperatives. Toward this end we are collaborating closely with the Credit Union National Association (CUNA), World Extension Department, 1617 Sherman Avenue, Madison, Wis., directed by Mr. Olaf Spetland and Mr. Carlos Matos. Our indigenous counterpart agencies in Peru, Bolivia, Chile, Mexico, Honduras, and the West Indies Federation have been in the vanguard of the local and national movement. Hopeful beginnings have been made in the past year in Venezuela, Brazil, and Ecuador.

In support of the administration's inter-American development program, the 17 voluntary agencies which compose the Committee on Latin America of the American Council of Voluntary Agencies for Foreign Service, Inc., 20 West 40th Street, New York, N.Y., have approved the statement which you find enclosed. May I call your attention to appendix II.

This document, appendix II, is a 5-year credit union expansion program for Latin America proposed by CUNA itself. The voluntary agencies endorse this program. Our own agency, Catholic Relief Services, NCWC, strongly supports and promotes this development program of CUNA. We are working closely with Mr. Spetland and Mr. Matos of the CUNA World Extension Department, Madison, Wis., to stimulate interest in this program among leaders as yourself.

On behalf of our agency I am responsible for interpreting our program regarding other aspects of the Act of Bogotá, as well as the food-for-peace program (with emphasis on work projects) to leaders in the Senate and House. May I arrange an appointment with you for Monday or Tuesday, May 8 or 9, in Washington, to discuss these matters of common interest?

With sentiments of esteem and every good wish, I am,

Sincerely yours,

JOSEPH GREMILLION,
Director, Socioeconomic Development.

AMERICAN COUNCIL OF VOLUNTARY AGENCIES FOR FOREIGN SERVICE, INC., 20 WEST 40TH STREET, NEW YORK, N.Y.

The Committee on Latin America of the American Council of Voluntary Agencies for Foreign Service, Inc., comprises the following agencies, representatives of which have approved the attached statement:

American Friends Service Committee, Inc.; American Fund for Czechoslovak Refugees, Inc.; American Jewish Joint Distribution Committee, Inc.; Brethren Service Commission; Catholic Relief Services-National Catholic Welfare Conference, Inc.; Church World Service, Inc.; Cooperative for American Relief Everywhere, Inc.; Heifer Project, Inc.; Lutheran World Relief, Inc.; Mennonite Central Committee, Inc.; The Salvation Army; Seventh-day Adventist Welfare Service, Inc.; Tolstoy Foundation, Inc.; Unitarian Service Committee, Inc.; United Hias Service, Inc.; World University Service; Young Women's Christian Association of the U.S.A.

APPENDIX II

PROPOSED PROGRAM OF CREDIT UNION NATIONAL ASSOCIATION

1. Objectives:

(a) Assist in the enactment of adequate legislation for the establishment of credit unions in the various countries;

(b) Assist in the establishment of credit unions in Venezuela, Brazil, Colombia, Mexico, Central America, Panama, Ecuador, Bolivia, Argentina, Chile and Peru;

(c) Help the movements in those countries to the point where they can establish their own central organizations of credit unions, and assist these central organizations in

planning adequate development programs; and

(d) Assist these organizations to unite in a worldwide movement.

2. Present situation: Aside from the traditional pawnshops, legal credit for personal use is practically nonexistent in most Latin American countries. There are in some countries governmental organizations which make obligatory deductions for government employees. These organizations or funds extend personal loans to employees, usually within a very restrictive lending policy. Bank credit is not available to workers and employees. Installment selling of furniture and household goods is taking hold in some Latin American countries. Under the present circumstances a good portion of the personal loans come from illegal moneylenders who charge fantastic rates of interest. Rates of 20 percent per week or 1040 percent per year are very common.

On the savings side, there are some savings organizations, principally in large cities. These banks do not carry out an active program for promoting savings among the small farmers or employees. Moreover, most small towns do not have banking services of any kind.

Under these circumstances the credit union movement is making a good start in some countries. There are approximately 800 credit unions already established in Latin America. Rather than discuss the situation in each of these countries we will address ourselves very briefly to the programs presently being carried out in four or five of the Latin American countries.

Peru: The movement started with the organization of the credit union in Puno, Peru. The idea spread with the help of CUNA's Latin American representative who was stationed in Peru from 1956 until December of 1958. When our representative was transferred in 1958, there were 60 credit unions already in operation. Shortly afterward, CUNA assisted in the organization of a Peruvian Federation of Credit Union. Today there are 206 credit unions in Peru, and the movement is growing rapidly. With the cooperation of San Marcos University in Lima a training center has been established there within the Institute of Human Relations. The activities of this center are being supported chiefly by donations received from the movement, and we hope that it will eventually develop into a training center for credit union leaders in all of Latin America. So far programs have been short and limited to leaders from Peru, Bolivia and Brazil. Brazilian leaders presently training at the center are being sponsored by the British Columbia Credit Union League of Canada.

Brazil: One year ago there were no credit unions in Brazil. Due to the interest of some religious groups, staff of the world extension department visited Brazil in November 1959 and planned a modest program for credit union development. Funds donated by the Illinois Credit Union League have enabled us to place a person in charge of the movement in Brazil. Already all basic credit union material has been translated into Portuguese. Ten credit unions have been organized, mainly in the Rio and Sao Paulo areas, and work has been started in the state of Maranhao in northern Brazil. The Cooperative Bank of Brazil is now interested in the program and willing to pay for another employee to be engaged in credit union work. A 15-day seminar for the training of leaders from all Brazilian states is planned for June 1961. As a result of a recent article endorsing credit unions which appeared in one of the leading industrial magazines, numerous requests for assistance have been received from industrial plants interested in credit unions for their employees.

Venezuela: Credit unions started in Venezuela about the same time as in Brazil—March 1960. This time the interest originated with the Venezuelan Government. CUNA staff helped plan and establish a credit union program supported by Government funds. An office for the promotion of credit unions has been established in the Ministry of Labor at Caracas, and CUNA's Latin American representative is devoting a large part of his time to the Venezuela program. Thirty-six Venezuelan leaders were trained at the Fourth International Credit Union Training Conference held in Caracas, October 9–22, 1960. Approximately 30 credit unions are already in operation in Venezuela.

Other countries: Because of the increased interest on the part of Mexican leaders in obtaining our assistance we have moved our Latin American offices to Mexico City. Colombian leaders have also shown great interest, and we will be devoting at least 1 month of staff time to work in this country during 1961.

3. Plan of work: The following summary indicates the number of days to be spent by world extension staff in the various countries of Latin America during 1961. Also listed are the number of major seminars or workshops to be held.

Country	Number of days	1-week seminars	2-week seminars	Workshops
Mexico	142	4		8
Venezuela	125	3		3
Brazil	65		1	
Colombia	22	2		
Panama	17	1		
Argentina	5			
Peru	5			
Chile	5			

Though this effort by world extension staff will mean progress toward the objectives stated above, the size of the job which needs to be done is so overwhelming that it will take years before the impact of the program could be felt in the economy of these countries.

Under item 4 below is a suggested program of financial assistance necessary to intensify the activity during the next 5 years to the point where the credit union movements in many Latin American countries could be self-sustaining and making a substantial contribution to the economies.

4. Assistance necessary for intensified activity during next 5 years:

Training of three additional Brazilians in Peru for a period of 1 month	$2,400
Training in the United States for periods of 1 month to 6 weeks. Part of the expenses to be covered by the credit union movement:	
1 Brazilian	1,300
2 Venezuelans	2,000
2 Peruvians	2,300
2 Colombians	1,800
5 Mexicans	3,620
Total for 5 years	11,020
Appointment of local fieldmen under the supervision of World Extension Department to work in the following countries for the next 5 years (cost figured on yearly basis including average salary of $300 per month plus $200 for travel):	
Mexico, 3 fieldmen	18,000
Brazil, 3 fieldmen	18,000
Colombia, 2 fieldmen	12,000
Peru, 3 fieldmen	18,000
Total for 1 year	66,000
Total cost for 5 years	330,000
(The above salaries could be paid in local currency since it is expected that local personnel will be hired. This would be a progressive program with the fieldmen to be hired as the program develops and the need dictates.)	
Assistance for the support of the Credit Union Training Center in Peru:	
Total for 1 year	$10,000
Total cost for 5 years	50,000
Assistance for the financing of the following leaders' training schools (to be held over the period of 5 years). These will be schools of 1 week duration held in different parts of the countries involved and will bring together voluntary leaders from groups of states or provinces. We have estimated $1,000 per meeting. This includes the support of students (30 to 35) while attending the meetings and some help for travel.	
Country and number of meetings:	
Colombia, 5	5,000
Venezuela, 6	6,000
Peru, 5	5,000
Mexico, 8	8,000
Chile, 2	2,000
Argentina, 2	2,000
Brazil, 8	8,000
Total cost for 5 years	36,000
Additional travel, overhead, material for CUNA's World Extension Department and program coordination:	
Total per year	20,000
Total cost for 5 years	100,000
Grand total for 5-year project	529,420

5. What we could achieve with assistance outlined in item 4 (above):

Brazil: Two hundred credit unions could be organized by the year 1966, and a credit union federation could be in operation. No less than 600 leaders would have been trained in the various States of Brazil. The federation would have organized a supply department where pamphlets and bookkeeping forms would be prepared and made available to the credit unions. The movement would be in a position to carry on from here on its own with advice and occasional assistance from CUNA's World Extension Department.

Mexico: Mexico would have 500 credit unions by the end of 1966 with a Mexican confederation of credit unions. The confederation would be in charge of servicing the credit unions in all the States and would supply them with the necessary materials. The confederation would have its own employees and they would be fully on their own with some technical advice from CUNA's World Extension Department.

Venezuela: There could be 250 credit unions with a wholly independent federation financed by the movement with its own employees in charge of the entire program.

Colombia: This country will have 150 credit unions and an independent federation of credit unions financed by the movement.

Peru: With 650 credit unions, Peru would have become the center of credit union activity in South America. The Credit Union Training Center would be fully developed and accepting students from all Latin America. The movement would be self-sufficient with no additional help required from the outside.

Other Latin American countries: The World Extension Department will continue its regular program for other Latin American countries with time to devote to areas

UNIVERSITY OF WISCONSIN LIBRARIES

such as Argentina, Panama, Ecuador, Bolivia, and some of the Central American countries.

6. Flexibility of this program: The results to be achieved in terms of extent of credit union development will depend on the amount of assistance given to the different countries. This program is flexible enough so that the amount of assistance can be adjusted to the available financial means. For instance, one or two countries could be selected for pilot projects at a fairly low cost. It is important to note that additional expenses for the proposed program will be borne by some of the governments of the countries involved, by CUNA, and by some of the voluntary leaders themselves and by other voluntary organizations.

ADDENDUM TO THE STATEMENT OF THE COMMITTEE ON LATIN AMERICA ON THE NEW INTER-AMERICAN SOCIAL DEVELOPMENT PROGRAM

Following careful examination of the statement, the American Jewish Joint Distribution Committee on March 27 indicated the following preferences in wording to that used in the statement (substitute matter in brackets, deleted matter in italic):

STATEMENT OF THE COMMITTEE ON LATIN AMERICA ON THE NEW INTER-AMERICAN SOCIAL DEVELOPMENT PROGRAM

We, the member agencies of the American Council of Voluntary Agencies for Foreign Service with programs in Latin America, welcome and commend the new orientation of inter-American cooperation as set forth in the Act of Bogotá and the alliance for progress enunciated by President Kennedy in his statement of March 13, 1961. We look forward to further development of the ideas and policies expressed jointly in the Act of Bogotá (Sept. 12, 1960) and Public Law 86–735 (86th Cong., Sept. 8, 1960). We witness further that these current efforts have the strong support of a broad spectrum of the American people, millions of whom are our agency constituents.

Voluntary agencies have for decades constituted a channel by which aid for programs of socioeconomic betterment has flowed from the people of the United States to their neighbors in Latin America. This assistance frequently has been in support of programs of indigenous voluntary groups. During the past fiscal year this people-to-people cooperation has exceeded a value of $20 million.

We, the voluntary agencies associated in the American Council of Voluntary Agencies for Foreign Service, vigorously support this developing Pan-American program, recognizing that the demands of social justice exceed national boundaries, and that socioeconomic advance must be approached on a regional basis by collaboration of nations in what has been so aptly described as an alliance for progress.

Economic development is primarily dependent upon governmental action and business enterprise. Because voluntary efforts originate from and deal with people at the grass roots level, giving us intimate insights into their customs and cultures, often we are able to prepare the way for their more willing acceptance of and fruitful participation in national and regional programs. Voluntary agencies have considerable experience both as to needs and methods of approach and, in consequence, may serve as catalysts in stimulating governmental action affecting social structures on a broader scale. In view of our flexibility and closeness to organic community groupings, families and individuals, we and our indigenous counterparts are in a position to complement the developmental effort of Government agencies.

Therefore, the voluntary agencies are pleased to note the recognition of this role by the Organization of American States and the U.S. Government in their encouragement of our participation in the formulation of the Inter-American program and its implementation.

The agencies perceive that among the most pressing needs in Latin America are [*capital*], agrarian reform, housing, education, and health improvement. In considering these problems, the agencies take this opportunity to list, as a frame of reference, the following concerns:

1. Agrarian reform: Voluntary agencies agree with the public documents cited above that many of Latin America's problems result from rural stagnation and the land tenure system. In the agrarian reform process considerable time elapses before the rural worker can adjust himself to the new pattern of land holding, production and *market* [marketing]. During this period he faces many socioeconomic problems beyond his competence. Through pilot projects, as well as through long-term programs of social assistance, the voluntary agencies can be instrumental, to a considerable degree, in effecting the transition.

2. Food for peace: The voluntary agencies believe that the food for peace program should be regarded in many cases as the initial phase in stimulating development of self-support, especially in conjunction with land reform and rural development, and in coping with the urban problem already created by the dislocation of rural population.

3. Social centers: In the construction of new residential areas arising from slum clearance programs in the major cities of Latin America, it is essential to provide social centers for counseling and assistance to the new *communities, using indigenous personnel trained in social welfare and with a high humanitarian motivation.* [communities, using indigenous personnel with a high humanitarian motivation and trained in social welfare.]

4. Social welfare services: In our ongoing programs, some of the voluntary agencies are already supplying staff and equipment for socioeconomic advance, are preparing people for social or economic change, and are teaching the use of new opportunities and facilities. Examples of these projects in the fields of housing, education, literacy, and health, are listed in Appendix I.

5. Credit unions and investment: [In view of the pressing need for a broad capital base throughout Latin America,] The importance of encouraging saving and investments through credit unions and cooperatives must be emphasized, together with the practical experience in democracy and self-help which results therefrom. (A 5-year program, proposed by Credit Union National Association, and endorsed in principle by the Committee on Latin America, is attached, appendix II.)

6. Migration: While Public Law 86–735 and the Act of Bogotá do not refer specifically to this subject, attention should be called to guided migration as an important factor in economic development, with a view to fulfilling the potentials of Latin America for a larger population.

7. Interprogram coordination: In general, the Inter-American programs should include careful planning of voluntary agency participation in the Food for Peace program, the Freedom From Hunger Campaign, and the Peace Corps. Several position papers on these subjects by the American Council of Voluntary Agencies for Foreign Service have already been submitted to the Government.

Voluntary group endeavor and cooperation with governmental bodies in a spirit of partnership, as practiced in the United States, is weak in many parts of the world. This potential for socioeconomic advance is now appearing with greater strength in Latin America, and should be fostered. U.S. voluntary agencies can be useful in the stimulation of indigenous voluntary agencies. Closer cooperative relationships of governmental, intergovernmental, and voluntary agencies should be encouraged at all levels.

The member agencies of the Council's Committee on Latin America, in view of the foregoing considerations, offer the following recommendations:

1. We recommend that legislation and administrative procedures implementing the act of Bogotá provide the possibility of participation on the part of voluntary agencies and their indigenous counterparts.

2. The people-to-people concept as *concretized* [evidenced] by voluntary agencies, and with wide support from the people of the United States and increasing support from our neighbors to the south, should be given due consideration in developing the inter-American program.

3. Participating Latin American governments [, less experienced than the United States in cooperative endeavor with voluntary agencies,] should be encouraged by U.S. policy to look with favor on voluntary agency programs in their respective countries, and to facilitate wherever possible cooperation among voluntary agencies, as well as between the local voluntary agencies and their U.S. counterparts.

4. Legislation and implementing procedures should provide the possibility of funding certain types of projects of regional scope under voluntary agencies, as, for example, training institutes.

5. A clear administrative channel, preferably a particular desk or *officer, should be designated within the Department of State and the Pan American Union for liaison with voluntary agencies.* [officer, should be designated within the Department of State and within the Pan American Union for liaison with voluntary agencies.]

APPENDIX I

A FEW TYPICAL PROJECTS OF VOLUNTARY AGENCIES

Argentina: In cooperative arrangement with local committees, the American ORT Federation operates 11 vocation training schools for some 300 youth and adults throughout Argentina. Television electronics, metal work, agro-mechanics, and garmentmaking are among the skills being taught.

Bolivia: In Riberalta, population center in a rubber cutting area on the edge of the Amazonian jungle, the Maryknoll Sisters provide a staff of doctors, nurses, and technicians for a 20-bed hospital that is owned by the Bolivian Government. It was built in 1944 with joint funds provided by the United States and Bolivia which continues to provide a minimal annual subsidy. Completely equipped with X-ray and laboratory facilities, this small hospital is the only medical center in a vast area. Its outpatient clinics treat some 60,000 annually. For those too ill to be brought to the clinic, 3,000 medical home visits are made annually. The Sister doctors also make periodic trips along the rivers to treat the sick in small jungle settlements. There is wide preventive service through immunization, health education, maternal and child health services, et cetera. Training of nurse's aids and of laboratory assistants serves to spread some elementary medical knowledge in the general population. A parish social welfare center provides counseling service, promotes self help, gives carefully planned relief, conducts literacy courses, health education, homemaking and family life education classes for women; directs as needed and available, mass distribution of food, clothing, et cetera. The Sisters also conduct two elementary schools and a vocational high school with courses in home arts, home nursing and commercial subjects. In Riberalta the Sisters work under the direction of the Maryknoll Fathers and cooperate

with the national ministries of health, education, and welfare; with two ICA connected agencies, SCISP (public health) and SCIDE (education); also with Catholic Relief Services, CARE, UNICEF, et cetera.

Brazil: Church World Service and Lutheran World Relief have jointly made available a consultant to the Evangelical Confederation of Brazil. His work has fostered indigenous social services and led to the establishment of a Department of Social Welfare in the Confederation. The social welfare undertaking consists largely of house-to-house visitation, consultation with families including diet, health, and job opportunities. In addition to the worker with an office in Rio, assistants are being sought to spread the program through local churches working under regional committees. Special emphasis is given to the underdeveloped northeast and to work in the slums of some of the urban areas, especially Rio. Distribution of food and clothing is also planned.

In northeastern Brazil a self-help agricultural project has been started, primarily through Church World Service funds made available in the disastrous drought of 1958–59 and with leadership from the Presbyterian U.S. Mission under the general sponsorship of the Social Welfare Department of the Evangelical Confederation of Brazil. It comprises irrigation, training in new agricultural methods, development of cash crops and to a limited extent of local industries.

In Sao Paulo, the Tolstoy Foundation, cooperating with local Russian Orthodox parishes, assists in resettlement and counseling services.

Chile: In Santiago and Concepcion and increasingly throughout the earthquake area of central and south Chile, as well as around Antofagasta and other isolated pockets in the north, the Social Welfare Department of the Evangelical Council of Chile, supported by funds from Church World Service and the United Church Women, and from Lutheran World Relief, has developed a diet and health training program in connection with the distribution of relief supplies. Thus, mothers who receive milk, flour and other foods are at the same time being taught proper diet and better hygiene habits for their families. In some areas, courses are given and women who have received instructions are encouraged to pass on what they have learned to others in nearby communities. Four social workers are employed under this program.

In northern Chile, the Calama project will include agricultural, social welfare projects as well as a children's clinic and a training program for small industries. This project will be operated by the social welfare department of the Evangelical Council in Chile, will be sponsored by the World Council of Churches and financially supported by the churches of the world, including Church World Service. It is hoped that it will develop into a pilot demonstration project for the Latin American Continent with special impact on neighboring Bolivia and Peru.

Through its local representatives already assisting with health and welfare programs, the Seventh Day Adventist Welfare Service began a relief and rehabilitation operation immediately following last year's earthquake and tidal wave. Three trucks from New York were in use within weeks of the time that they were requested; in addition, $12,500 cash, two metal warehouses, used clothing, tents, surplus food, and paint were made available. By request of the Government, an offshore island became a special rehabilitation project.

Guatemala: In Alzatate, Jalopa, Catholic Relief Services is supplying a Pelton waterwheel, an electrical generator, a grain-grinding mill, and a lumber saw to this mountain village of 2,000 persons who have organized themselves for community development. The villagers are themselves damming their local stream. Electricity is especially needed for a small clinic, to supply it with light, operate sterilizing equipment, etc., also to operate a radio, loudspeaker, and movie projector for village recreation, education, and cultural expression. The sawmill will add income by turning the pine trees from the mountainsides, part of which are owned by the whole community, into sawn, salable, and transportable lumber, and provide employment for several citizens who at present must leave home many months of the year to seek work.

In Guatemala City the Maryknoll Sisters maintain a cultural center, a program of education of girls, as future mothers and civic leaders, which aims to foster high principles of social living, to develop a strong sense of social justice and to foster zeal for leadership in promoting these ideals. The program has ranged from nursery school through secondary school and has now entered upon teacher training at the college level. In the Department of Huehuetenango, a mountain area with a population that is 98 percent Indian, the sisters operate in three centers—Huehuetenango, Jacaltenango, and San Miguel Acatan, with programs to promote Christian social living, and health programs to serve this area through clinics in the three pueblos.

Mexico: Two well-drilling teams of the American Friends Service Committee are working in Mexico to help bring potable drinking water to rural areas. Community service units are engaged in experimental agricultural work, introduction of beekeeping, scientific chicken raising, and health education projects. An AFSC volunteer is teaching agronomy in the State of Tlaxcala Agricultural School and supervising agricultural experiments in growing hybrid corn and potatoes.

Catholic Relief Services is providing financial and material support to the Comision Nacional del Progresso Rurale, S.A., for its village-level programs of agricultural improvement, home and community development. This includes a nutrition education program in several hundred villages, tied in with distribution of U.S. food. The counterpart agency, Ayuda Social Mexicana, actually directs this far-flung nutrition program, with technical assistance from specialists from Mexico's Department of Agriculture and from FAO. The agricultural and village development is carried on by another counterpart, Organizacion de Campesinos de Accion Catolica. Seeds and other supplies for demonstration plots are obtained from Rockefeller Foundation and other sources. Catholic Relief Services has allotted $8,250 cash for this project in 1961, in addition to administrative costs for food distribution and technical supervision.

A village hospital and treatment center recently dedicated at El Ejido Del Porvenir, Baja California, serving the entire Gudalupe Valley, is the culmination of the Unitarian Service Committee's work in community development with the Ejidatarios since 1949.

The Young Women's Christian Association cooperates with the National YWCA of Mexico in raising health standards, in assisting the rehabilitation of the blind and crippled, and in providing free classes in sewing and cutting for families of leprosy patients, and in encouraging the recognition of women through appointment to high governmental posts.

Paraguay: In the Chaco of Paraguay near the town of Filadelfia, the Mennonite Central Committee is operating an agricultural experimental, extension, and demonstration program jointly with the Mennonite colonies located there. It is supplying two American agriculturalists to the project and there are a number of German Mennonite employees. They are doing experimentation with citrus, pasture grasses, etc., and research in plant diseases. They are also introducing better dairy and beef cattle stock. In recent years the project has been helping to introduce mechanization in the colonies by showing what machines are most useful, how to maintain machinery. Benefits of this agricultural project are evident throughout the three Mennonite colonies with some 8,000 population.

A road is being constructed from Asuncion Northwest through the Chaco to the town of Filadelfia, a distance of 400 kilometers. Later it is planned to continue this road on to the Bolivian border. This is a joint project between the Government of Paraguay, the International Cooperation Administration, the ranchers in that area of the Chaco, and the Mennonites. The Mennonite contribution is a team of about 15 young mechanics and equipment operators, half of them from the United States and half of them from the German Mennonite colonies in Paraguay. This team is assisting in the training of Paraguayans in the operation and maintenance of road equipment. About 300 kilometers of the road to Filadelfia has been completed and it is hoped that this project will be finished by the end of 1961.

East of Asuncion on the main road to Brazil, the Mennonite Central Committee is operating a leprosy hospital and ambulatory program. Five hundred patients in that area are under treatment and the team is examining people constantly in an effort to find new cases. The emphasis is on the ambulatory program so that the patient does not need to be cut off from his normal way of living and family ties. The World Health Organization as well as the Paraguayan Ministry of Health recognize the effectiveness of this approach and have adopted it as a countrywide system.

Peru: In Colonia La Morada, Tenga Maria, 100 families, about 350 individuals, living in the slum area of Lima, formed themselves into a land reclamation and settlement colony in 1958. They obtained a grant of underdeveloped land from the government and moved to the site some 400 miles northeast of Lima, on the eastern foothills of the Andes. They receive technical equipment, medical and social services through the counterpart of Catholic Relief Services, Blessed Martin Parish. The pastor, Father Michael Fitzgerald, has given strong support to the leaders since they first came to him with the plan. The settlers will acquire title to their land if they clear and cultivate one-third of the acreage in 5 years. They hope to be wholly self-subsistent by then. In the interim Catholic Relief Services supplies a good portion of their food needs from U.S. donated stocks. CRS is now exploring ways of multiplying these resettlement schemes, profiting from the experiences to date and enlisting some of the leaders who have pioneered the current project.

In the city of Lima, the Maryknoll Sisters conduct a parish social service center which provides counseling service, group work, health education, family life education; relief for families and individuals; mass distribution of food, clothing, etc., as needed and made available through Catholic Relief Services, UNICEF, etc.; self help the ultimate goal. On the basis of this demonstration of service on a parish level, a diocesan-wide agency is now being set up with sisters already assigned to start work in 1961. Under the leadership of the parish center there has also been developed in Lima a guild of social workers which has conducted workshops and now issues a professional quarterly bulletin. A sister social worker teaches in one school of social work and supervises the field work of students from two such schools. The sisters also cooperate in providing field work experience for home economics.

UNIVERSITY OF MICHIGAN LIBRARIES

The Unitarian Service Committee has initiated a cooperative program with "Hospital Amazonico Albert Schweitzer," a jungle hospital at Pucallpa, whose director, Dr. Theodor Binder, is a disciple of Dr. Albert Schweitzer. Currently the USC is committed to furnishing a water tower which will supply the hospital with running water, to enlisting the services of a surgeon, and other necessary professional staff. USC will also supply donated drugs and other hospital essentials, with the cooperation of various local USC groups.

Regional: The American Fund for Czechoslovak Refugees provides counseling and assistance in resettlement in Argentina, Brazil, Chile, Colombia, and Venezuela.

The American Jewish Joint Distribution Committee's activities in Latin America include: (1) support in cooperation with the Jewish Colonization Association of loan institutions which are the main instruments of rehabilitation for new immigrants. In 1959 AJDC supported six loan institutions, four in Brazil, one in Chile, and one in Uruguay. These institutions granted 398 loans amounting to $105,565, bringing the total number of loans since establishment of these institutions to 1,750, amounting to $509,369. (2) AJDC supports welfare programs in the Dominican Republic and Haiti in behalf of refugees and from Nazi Europe, and also sponsors a land settlement program in the Dominican Republic. (3) *AJDC supervises the expenditure of funds made available by the Conference of Jewish Material Claims against Germany, for homes for the aged, schools, child care, medical aid, social work scholarships, communal rehabilitation, and general relief.* [(3) AJDC supervises the application of funds made available by the Conference of Jewish Material Claims against Germany, for general relief, homes for the aged, schools, child care, medical aid, social work scholarships, and communal rehabilitation.]

CARE provides materials or equipment for a variety of development projects. In the field of agricultural development CARE has supplied materials for 4–H type clubs in all eight countries in Latin America where it operates. It has provided tools for settlers in three countries. It has supported self-help or cooperative housing projects in two countries. Assistance to primary education has been in most of the countries where CARE has missions. Vocational education programs have been particularly well supported. In the health field, in addition to providing first aid kits to many communities in connection with community development projects, CARE has given 10 mobile health units for rural health programs.

Heifer project supplies livestock and poultry throughout Latin America to local groups carrying on agricultural development programs, including 4–H clubs.

The Unitarian Service Committee cosponsors conferences on nutrition on a governmental and intergovernmental basis. This year the USC is planning to cooperate with the Instituto Interamericano del Nino (headquarters at Montevideo) and with concerned governmental authorities, to sponsor three seminars on nutrition—at Santa Fe and Mendoza, Argentina, and at La Paz, Bolivia. The seminars are a fulfillment of two earlier major symposia (of 1958 and 1959) also organized by the USC–IIN where, in the words of the IIN, "technicians of all South American countries were brought together with a group of international experts in order to study general problems of nutrition of the child and family to establish norms and recommendations and also rules of application for any South American country." (The international organizations alluded to were: OAS, FAO, WHO, IICA UNICEF, and ICA.) This is the typical operational pattern for USC's Medical Projects Department; the proposal is initiated by persons of the country concerned; in cooperation USC enlists the aid of eminent doctors with expert knowledge and representatives of intergovernmental organizations. In this instance, the probable result is the establishment of nutrition programs within governmental agencies of Argentina and Bolivia.

United Hias Service is involved in both temporary and permanent housing aid to newcomers to Latin America, especially in Rio de Janeiro and Santos (the port of Sao Paulo) in Brazil and Buenos Aires in Argentina. As a rule, shelter is provided by the local Jewish communities which are reimbursed in part or in full by United Hias Service. The governmental hostel for immigrants in Santos was renovated at the initiative and the financial participation of United Hias. Requirements for permanent housing for newcomers differ in different cities. For instance, in Sao Paulo, the advance payment of three months rent is obligatory. In Rio de Janeiro, such a deposit may be replaced by an adequate guarantee. In Buenos Aires "key money" for an apartment is from $500 to $1,000 per family. The agency arranged for grants and loans for these purposes, through the existing community services and special loan funds.

United Hias Service provides supplementary subsidies for schooling of immigrant children in Latin American countries. Children are accepted free of charge, but the communities in many cases are not equipped to bear the full financial burden which sometimes (for instance in Brazil) means the doubling of the school budget.

United Hias Service cooperates in public health programs throughout Latin America. Medical assistance to immigrants is provided by the health services of the local Jewish communities. As in the case of schooling for children, the budget of the respective clinics are not sufficient and are supplemented by subsidies of United Hias Service. (Examples: Bikur Cholim in Rio de Janeiro, and Policlinica in Sao Paulo, Brazil).

The Young Women's Christian Association, through its Latin-American Training School in Montevideo, prepares candidates for community leadership. Since 1950 the Escuela Tecnica has enrolled 670 persons. Through this training project, staff and volunteers from all parts of Latin America gain experience that enables them to meet the needs of girls and women who are asking for more literacy classes, for mothers' clubs, for health and nutrition and citizenship programs. An exchange program also enables women leaders in Latin America to spend 6 months in the United States observing community service techniques.

Mr. HUMPHREY. I was not happy at some of the reports that came out of some of the Latin American councils. We need social, economic, and political reforms. I want to make it crystal clear that, as one Senator, I shall be watching to see whether our Government insists upon that kind of reform in the recipient nations.

I do not wish to see this foreign aid program go to countries, to governments, and to organizations which will waste the money. The American people are being called upor for heavy financial sacrifices. I shall vote for the program in the hope that it will do the job we say it will do. I wish to give this administration every opportunity to do its job. I know the President and his advisers are now looking for the most competent personnel they can find to conduct the program. Even the most competent person will need a sense of mission. He will have to be willing to say "no" to some countries and to some governments which are unwilling to give any help directly to their people. We shall have to draw the line on those who waste the money or allow corruption to exist. I shall insist, as a one-man watchdog, that the program be carefully supervised. I wish to be sure that these moneys and this aid will get to the people who need them.

Mr. President, the reports are disconcerting. The gap between the rich and the poor in the Republic of Chile last year, for example, widened rather than closed. I have noted the reports that certain governmental officials from some of the countries which are our friends to the south have said they did not wish to be told they had to make reforms. That is too bad. If they do not wish to make tax reforms and political reforms, if they do not wish to meet the crying needs of their impoverished and their poor, then I say the Government of the United States ought to say "no" in terms of any type of cooperation.

We have a right to insist that at least the foreign aid program shall do the job in terms of aiding the great masses of humanity. That is the purpose of the program. The American taxpayers do not favor a program to make the rich richer and the poor poorer. Americans favor a program which will lift the standard of living, a program which will help to promote economic and social progress, a program to make a strong free world.

We shall have it, if we apply ourselves. That is why I fight so hard for the bill and ask my colleagues to vote for it, because I think within the confines of the bill there is the material and there are the finances and the administration necessary to do the job which needs to be done.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

COLORADO RIVER STORAGE PROJECT TRANSMISSION SYSTEM—RESOLUTION AND EDITORIAL

Mr. ALLOTT. Mr. President, the Senate Appropriations Committee will soon be holding hearings concerning the Colorado River storage project transmission system. In this connection, I have two excellent presentations. One is a resolution adopted by the Mountain States Line Constructors Chapter of the National Electrical Contractors Association on May 23, 1961, in favor of the adoption of the proposals of the private electric companies for the construction of these transmission lines. The other, an editorial by Mr. Charles Logas, station manager, KBZZ, La Junta, Colo., which station is owned and operated by Grady Franklin Maples, sets out their reasons for the urging of the adoption of the all-Federal transmission system.

Mr. President, I ask unanimous consent that these two documents be printed at this point in the RECORD in line with requests made of me so that my colleagues may have a better opportunity to study both sides of this question.

There being no objection, the resolution and editorial were ordered to be printed in the RECORD, as follows:

THE MOUNTAIN STATES LINE CONSTRUCTORS CHAPTER OF THE NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION RESOLUTION RELATED TO COLORADO RIVER STORAGE PROJECT TRANSMISSION SYSTEM

Whereas the Bureau of Reclamation is presently constructing the Colorado River storage project, a water development project, in the States of Arizona, Colorado, New Mexico, Wyoming, and Utah; and

Whereas it is planned that the associated transmission system will be constructed by the Bureau of Reclamation; and

Whereas the proposed Federal transmission system will duplicate facilities existing and planned for construction by the regional private utilities who have offered the use of same which would result in substantial savings; and

Whereas this association, the members of which are taxpaying organizations, is against the unnecessary expenditure of Federal funds: now, therefore, be it

Resolved by the Mountain States Line Constructors Chapter of the National Electrical Contractors' Association, That the 87th Congress of the United States consider favorably the many desirable and considerable benefits which would be provided to the citizens and taxpayers of the United States by adoption of the proposals of the private electric companies to deliver Colorado River storage project power over their lines to the customers of the project; and that the Congress of the United States withhold appropriations for transmission lines which will duplicate existing transmission facilities or facilities that the private companies plan to construct which could be used to distribute project power.

RESOLUTION REGARDING PRIVATE OWNERSHIP

Free competitive private enterprise has been the cornerstone of this Nation's progressive, social, and economic development: Therefore be it

Resolved, That the National Electrical Contractors Association, assembled in convention at New York City, do hereby voice the strong opposition of its membership to municipal, State, and Federal ownership in any business, and with particular reference to any public utility in the gas or electrical field, whenever or wherever such governmental entry into such business deprives a qualified private enterprise from developing such business; be it further.

Resolved, That the members of this association will promote and further the interests of private ownership in all conflicting issues within their respective areas by using their best influence as well as their ballots to prevent further encroachment by any government agency into the realm of private industry.

EDITORIAL

This is the editorial voice of radio station KBZZ, Charles J. Logas, reporting.

Usually this radio station finds itself on the side of the fence opposing Federal encroachment on private business. Usually we would be with that group opposing usurpation of power, by the Potomac bureaucrats hundreds and even thousands of miles away from the source of problems they are trying to solve or businesses they are trying to run. Today, however, we find ourselves in the paradoxical position of favoring the Federal Government's construction of key power transmission lines to distribute electricity from Glen Canyon Dam and other generating plants in the Colorado River storage project. This plan was approved by the Bureau of Reclamation, and Secretary of the Interior Fred Seaton under the Eisenhower administration. It was again approved by current Secretary of the Interior Stewart Udall.

Today five private utilities are working diligently, though not quietly, in an attempt to delay the appropriations necessary to construct the lines. It is highly doubtful if such giants in the power field in the Rocky Mountain region as the Public Service Co. of Colorado and its counterparts in Arizona, Utah, New Mexico, and Wyoming are of such an altruistic nature as to simply want to be good guys and deliver service to their poor kin here at the Municipal utilities or at the Southeast Colorado Power Co. And even above profit, the bigger prize of cheaply produced Government power available at dump rate prices appeals to these private utilities. This is not purely an ideological question, or to be sure we would be on the other side of the fence. But this decision of Federal versus private distribution of the power in this instance affects each and every La Junta resident and Colorado citizen in two ways: First, Federal distribution means cheaper power delivered to us here in the Arkansas Valley and second and perhaps even more important, it means greater funds available more quickly for development of new storage facilities for water, one of our most important natural resources. If we are to grow and prosper in Colorado we must have water. To have water necessitates careful planning and rapid construction of more storage projects. The Glen Canyon project calls for 12 additional irrigation projects and construction of water storage reservoirs. Let us not allow a handful of private businesses to endanger future water conservation in Colorado. Write your Congressman and tell him you favor the Bureau of Reclamation's plan for construction and distribution of power from Glen Canyon Dam. This has been the editorial voice of radio station KBZZ, Charles J. Logas, reporting.

DESIGNATION OF DAWSON COUNTY, NEBR., AS A DEPRESSED AREA

Mr. HRUSKA. Mr. President, there has been some amusement and some consternation in my State of Nebraska recently because the Department of Commerce has included on its list of redevelopment areas a dozen Nebraska counties eligible for Federal assistance.

The amusement stems from the fact that at least one of the counties, Dawson, ranks high among all the counties of the United States in the value of marketed farm products and scarcely belongs on any list of needy counties.

In fact, Mr. President, when a new industrial plant recently opened in Cozad, Nebr., which is in Dawson County, it had difficulty finding 250 employees because employment there is very near 100 percent.

The consternation stems not alone from this slight on a State which takes pride in paying its own way, but in the fact that some of its tax dollars are being used to finance a Federal Government which does not seem to be sure of what it is doing.

It has been suggested that the Departments of Agriculture and Commerce get together and decide whether Dawson County needs help from Washington, as Commerce suggests, or whether it is in sound condition, as Agriculture seems to believe.

For the guidance of the Secretaries of those two great agencies, Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Omaha World-Herald of August 10, entitled "Dawson's Depression."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DAWSON'S "DEPRESSION"

We happened to run across some agricultural statistics the other day, and among other things, we noted that Dawson County, Nebr., last year ranked 52d among all the counties of the United States in the value of farm products which were marketed.

The sales tags on all of Dawson County's crops and livestock in 1960 totaled just under $49 million, which figures out to approximately $50,000 per square mile. And that, roughly, amounts to $80 an acre, not excluding Dawson County's urban areas and the sizable chunk of land over which the Platte River exercises a meandering jurisdiction.

Furthermore, we learned that only four counties in Iowa, six in Illinois and one in Colorado did better than that. Not a single county in Missouri, Kansas, Wyoming, South Dakota, and Minnesota came close.

Then we happened to remember that Dawson County has been labeled a "depressed area" by the U.S. Department of Commerce, and we wondered what those experts in Washington were thinking about. The next election, perhaps.

SUPPORT FOR AMERICAN CONTRIBUTIONS TO THE UNITED NATIONS RELIEF AND WORKS AGENCY

Mr. HART. Mr. President, in the past few weeks we have heard and read a great deal about the administration's foreign-aid bill. I should like to comment on a section of the bill—attention to which has not been directed—section 301(c) authorizes the President "to make voluntary contributions on a grant basis to international organizations and programs administered by such organizations on such terms and conditions as he may determine * * *" and authorizes our Government's contributions to the United Nations Relief and Works Agency—UNRWA. This Agency is concerned with relief and assistance to the more than 1 million Palestinian refugees scattered in Jordan, the Syrian region of the United Arab Republic, Lebanon, and the Gaza strip.

"Strangers and afraid in a world they never made"—this describes the tragic plight of these Arab refugees. The general circumstances attending the creation of the Palestinian refugee problem are well known. In 1947, the General Assembly of the United Nations took action which partitioned Palestine, then governed by Great Britain under a League of Nations mandate, and created the independent Republic of Israel. The Republic of Israel was officially proclaimed with the withdrawal of British troops from the area in May 1948. The new state was promptly recognized by the United States, the Soviet Union, and other world powers, but was bitterly opposed by the adjoining Arab States. In the military conflict which followed, most of the Arab population left Israel, and have since lived as refugees in surrounding Arab countries.

Our concern today is with this displaced population of more than 1 million persons which makes the Middle

East one of the world's largest repositories of refugees. It is also one of the most sensitive political areas of the world. Though the solution to the refugee problem lies within the Middle East, the political situation which produced it has bedeviled international relations since the end of World War II.

For the most part the Arab refugees are innocent victims of political, ideological, cultural, social, and economic forces in the region—forces presently charged with large doses of emotionalism, irrationalism, and understandable national aspirations. Though these forces will ultimately be the agents of progress and change which bring to the area, as a whole, a fuller and richer life, for the moment these forces are contributing to the deadlock in a solution to the refugee problem. Added to this is the fact, recently pointed out by Dr. John H. Davis, Director of UNRWA, that the refugee problem is growing rather than diminishing, inasmuch "as the birth rate continues to exceed the combined death rate and the rate at which persons become self-supporting." Today there are nearly 200,000 more persons dependent upon UNRWA than there were when the Agency began operations in 1951.

The most tragic aspect of this development is that an increasing number of the Arab refugees are not only unemployed but are unemployable, primarily because they lack the skills and training for today's jobs. Particularly handicapped in this respect are the young people who have grown to adulthood as refugees. During the 10 years of UNRWA operations there simply have been no funds for other than purely custodial care—the minimal provision of food, clothing, and shelter. Until World Refugee Year and the additional contributions then made available, almost nothing had been done to provide education and vocational training.

Great stress is now being placed by UNRWA on its educational and training tasks among the very large segment of young refugees just reaching maturity. Tremendous and rewarding efforts have already been made by UNRWA in this field. But the task is great and will not be carried forward unless funds are available on a continuing basis. Current plans through June 30, 1963, call for a fivefold increase in vocational training opportunities; a 100-percent increase of university scholarships for entering students; an increase, commensurate with available funds, in the individual grants and loans program for those persons who possess a skill but do not have sufficient funds to make a start on their own; and finally, an improvement in the standards of basic elementary and secondary education, and an expansion of the enrollment capacity which will be in harmony with that of the host country.

A sobering fact which makes the implementation of the UNRWA program mandatory, is that half of the million refugees registered with UNRWA are 16 years of age or under. These refugee youth, Mr. President, are above all yearning to cease being refugees, simply because they are human beings, individual persons possessing hopes and aspirations common to all peoples throughout the world. This uprooted youthful throng must not be underestimated in the impact on the Middle Eastern community.

Such a throng is a potential prey to agitators, and, as an early report of UNRWA indicated, rich and tempting soil for exploitation by those with other motives than the welfare of the refugee—and I would add, the stability of the Middle East.

The question of a solution to the Arab refugee problem is frequently posed, and in the last decade a number of solutions have been suggested by interested persons, governments, and international organizations. But, Mr. President, in view of the brief facts just outlined, and the unfortunate history of the many brilliantly conceived proposals, I think we are deluding ourselves if we assume that a solution can be manufactured and simply imposed upon the situation. The solution must necessarily evolve from within the Middle East itself.

In this connection the leadership and programs of UNRWA are of fundamental importance; for UNRWA programs are helping the Arab refugee in a way which contributes to stability in the Middle East, so that the forces that will shape the future of that area will work in a more orderly fashion. UNRWA programs, therefore, are part of the approach to a solution to the Middle East refugee problem. As such, the role of UNRWA has been succinctly defined by Dr. Davis:

> As I have often stated before, UNRWA itself cannot solve the Palestine refugee problem, nor should it attempt to do so. I believe that UNRWA's role should be (a) to provide relief assistance, including food, health services, and shelter in a manner which meets basic human needs; (b) to provide elementary and secondary [educational] opportunities for refugee children at a level compatible to standards prevailing in host countries; and (c) assist maturing refugee youth to develop in a manner that will enable them to become productive and useful persons.

In addition to the humanitarian aspect of UNRWA's programs, there are also political and social aspects. I reiterate that such programs will not of themselves solve the refugee problem. But as part of the approach to a solution, such programs will place a brake upon the growth of refugee mentality, of frustration and bewilderment, with its powder-keg potentiality for area upheaval and instability. Such programs will also help to create a ready reservoir of trained manpower which in the foreseeable future can be used in the budding economic development of the entire Middle East.

The history of the UNRWA programs indicates, aside from the humanitarian considerations, that they are a stabilizing influence in an overly sensitive area of the world—a factor, I repeat, which is important for the harmonious unfolding of the historical forces shaping the Middle East, and the ultimate solution to the Palestinian refugee problem. Dr. Davis has said, that "the challenge to any and all leadership with respect to the Palestinian problem is to solve the problem with equity, without war, and in a manner which enables the peoples of the Middle East to realize their deep aspirations for independence."

Mr. President, UNRWA is helping to meet this challenge. I urge the Members of the Senate to support the President's foreign aid program now before us, and specifically that section of the bill authorizing a special American contribution to the UNRWA program, as part of the approach to a solution of the Palestinian refugee problem. The implementation of the foreign aid bill should include vigorous action for the economic and social development of the entire Middle East.

The proposed contribution of the United States for fiscal year 1962 is $13.35 million. Some $4.85 million is unobligated from fiscal 1961. This is a justified contribution to a well-run agency whose efforts have been so rewarding, and whose ambitious programs and aims are contributing to the world stability which we seek.

It is true that a solution to the Palestinian refugee problem is perhaps no nearer today than it was a decade and millions of dollars ago. And the appearance of new pressures and forces in the Middle East, both internal and external, makes a final solution more problematical than ever.

Nevertheless, the extreme sensitivity of the area, its present dangers and uncertainties, the pathos of refugee existence, provide a rather unique opportunity—a challenge, I would say—for the nations of the West to assert themselves even more decisively. Mr. President, it would be contrary to the interests of the free world and to the cause of peace and stability in the Middle East, and also a cruel disfavor to the refugees themselves, if we were not to show our active concern and support for UNRWA.

The task of UNRWA is a noble one. As chairman of the Subcommittee on Refugees and Escapees I suggest the Senate recognize the necessity of UNRWA's success. I believe that in the coming year consideration should be given to an even greater contribution to UNRWA operations on the part of the United States. A thorough study should be made of UNRWA's programs and operations, which, together with those of the numerous dedicated voluntary agencies, are contributing significantly to the amelioration of human degradation and to the desired stability in the Middle East.

INDIA MARKS 15TH ANNIVERSARY

Mr. LONG of Hawaii. Mr. President, we hear a great deal about setbacks to democracy in Asia, and perhaps we overlook some of the bright spots. India, for instance, recently marked its 15th anniversary of independence.

Mr. Sushil M. Pathak, vice president, East-West Center Grantees Association, recently wrote an article pointing out India's progress in democracy during the past 14 years. Mr. Pathak is at the East-West Center in Hawaii, authorized and funded by Congress last year to help

promote mutual understanding between the United States and the Asiatic-Pacific areas.

I ask unanimous consent that Mr. Pathak's article, published in the Honolulu Advertiser of August 15, be reprinted at this point in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INDIA MARKS 15TH ANNIVERSARY

(By Sushil M. Pathak)

Today is the 15th Independence Day of India. In 14 years, India has emerged as a bulwark of democracy and freedom in Asia.

While democracies in Asia have been giving place to dictatorships, both of the right and the left, India has an unbroken and glorious record of growing democratic experiment.

On January 26, 1950, the present constitution of India came into force. The preamble of the constitution embodies the resolve of the people of India to secure for all citizens: social, economic, and political justice; liberty of thought, expression, belief, faith and worship; equality of status and of opportunity, and to promote among them all fraternity, assuring the dignity of the individual and the unity of the nation.

It is interesting to note how India has been trying to build democratic procedures and her economic strength internally.

The people of India elect their rulers through free and popular general elections every 5 years.

The first general election was held in 1952 and called by Chester Bowles, then U.S. Ambassador to India, "the largest free election in the world."

India also is a secular state. Every citizen of India has perfect liberty of faith and worship.

Further, India has made sincere and sustained efforts to secure social and economic justice for all its citizens. The age-old social evil of untouchability was the first to be attacked. Anybody practicing untouchability is liable to prosecution.

India has granted special safeguards for the erstwhile depressed classes. Women have been granted the right to divorce. The practice of dowry has been declared illegal. Sincere efforts have been made to eradicate illiteracy.

In order to insure economic justice to the peasants, the zamindari, or landlordism, has been abolished. Now, there is no intermediary between the peasant and the Government.

The most spectacular development has been in the realm of economic growth. By now, India has completed successfully two 5-year plans and is embarking upon the third. Eyebrows have been raised sometimes against economic planning in India.

But, I want to emphasize that planning in India is considered to be the compulsion of its age-old backward economy. As was stated by the Planning Commission of India in 1950, the central objective of planning was "to initiate a process of development which will raise living standards and open out to the people new opportunities for a richer and more varied life."

The first 5-year plan, which was completed in 1956, gave highest priority to agricultural development, along with irrigation and generation of electricity and development of transport and communication.

After the first plan period, the per capita income recorded an increase of 10.8 percent while per capita consumption increased by 8 percent.

The main objectives of the second plan, completed successfully in March 1961, were an increase of 25 percent in the national income and a rapid industrialization with particular emphasis on the development of basic and heavy industries.

On the international scene, India has tried to strengthen the forces of democracy, freedom, and peace through a policy of dynamic nonalinement.

Keeping out of the entanglements of power blocs, India has been making efforts to provide international peace and security, to maintain just and honorable relations between nations, and to encourage settlement of international disputes by arbitration.

In Asia, a silent race is going on between communism and democracy. China represents the Communist way of life, while India embodies the democratic experiment.

Both countries are openly competing in a dramatic contest between the democratic and the Communist way to accomplish Asia's modernization. Therefore, President Kennedy (then Senator) rightly observed in his speech in the Senate on February 19, 1959, that "India is the testing ground of democracy under pressure. It is the hinge of fate in Asia."

India is blessed with a very efficient and trained civil service and a fairly large population of educated elite who have perfect faith in democracy as a way of life.

These point to its cultural and political stability in the future. She has been especially fortunate in having a leader like Mr. Nehru who has a passionate faith in democracy and internationalism. Therefore, there is no doubt that democracy has a bright future in India.

FOREIGN ASSISTANCE ACT OF 1961—AMENDMENTS

Mr. PROUTY submitted amendments, intended to be proposed by him, to the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, which were ordered to lie on the table and to be printed.

IMPACTED AREAS FEDERAL ASSISTANCE PROGRAM—AMENDMENTS

Mr. GOLDWATER. Mr. President, on behalf of myself, and Senators MORTON, COTTON, and CAPEHART, I submit amendments to Senate bill 2393, and ask that they lie on the table for 5 days, so that other Senators who may care to join in sponsoring the amendment may do so. The amendments will extend for 3 years the provisions of Public Laws 815 and 874.

The PRESIDING OFFICER. The amendment will be received, printed, and will lie on the desk, as requested by the Senator from Arizona.

ADJOURNMENT TO 10:30 A.M. TOMORROW

Mr. HUMPHREY. Mr. President, if there is no further business to come before the Senate, pursuant to the order previously entered, I move that the Senate stand in adjournment until 10:30 a.m. tomorrow morning.

The motion was agreed to; and (at 7 o'clock and 22 minutes p.m.) the Senate adjourned, pursuant to the order previously entered, until tomorrow, Friday, August 18, 1961, at 10:30 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate August 17, 1961:

THE JUDICIARY

Floyd R. Gibson, of Missouri, to be U.S. district judge for the western district of Missouri, vice a new position.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 17, 1961:

BOARD OF GOVERNORS OF FEDERAL RESERVE SYSTEM

George W. Mitchell, of Illinois, to be a member of the Board of Governors of the Federal Reserve System for the remainder of the term of 14 years from February 1, 1948.

HOUSE OF REPRESENTATIVES

THURSDAY, AUGUST 17, 1961

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

II Timothy 4: 17: *The Lord stood with me, and strengthened me.*

O Thou infinite and eternal God, who art always surrounding and encompassing us with Thy kind and gracious providence, and in whom we find our inspiration for lofty endeavor and achievement, grant that in these moments of prayer we may be blessed with a clearer understanding of Thy will and a greater sense of Thy presence and power.

We humbly acknowledge that we are frequently tempted to allow our spirit to flag and become fearful and fretful when our way is beset with difficulties and the future is hidden from our eyes.

Give us daily a deeper experience of Thy grace and goodness, inspiring us with the assurance that we are not called upon to stand in our own wisdom and strength alone for Thou hast placed at our disposal Thy divine resources and art asking us to appropriate them by faith.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

CALL OF THE HOUSE

Mr. HAYS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. MILLS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 155]

Blatnik	Kyl	Rousselot
Brooks, La.	McSween	Slack
Celler	Mason	Teague, Tex.
Davis, Tenn.	Miller, N.Y.	Whitten
Garland	Powell	Zelenko
Kearns	Rabaut	

DIGITIZED BY THE INTERNET ARCHIVE IN 2011 WITH FUNDING FROM UNIVERSITY OF MINNESOTA LIBRARIES

The SPEAKER. On this rollcall 416 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

MUTUAL SECURITY ACT OF 1961

Mr. ZABLOCKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 8400) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 8400 with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read through section 202 ending in line 13, page 3 of the bill.

If there are no further amendments to section 202, the Clerk will read.

Mr. CURTIS of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CURTIS of Massachusetts: In section 202 add a new subsection to be numbered (b), and re-letter the other subsections accordingly, to read as follows:

"(b) There is hereby authorized to be appropriated to the President without fiscal year limitation to carry out the purposes of this title not to exceed $1,000,000,000 for the fiscal year 1963, and not to exceed $1,000,000,000 for the fiscal year 1964."

Mr. SMITH of Virginia. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. SMITH of Virginia. Mr. Chairman, in order to see if we can find out where we are at, I would like to know first what becomes of the amendment that was adopted on yesterday. It is in the bill. There is no provision in this amendment which strikes it out. Does it remain in the bill; and if it does not remain in the bill, how does it get out?

The CHAIRMAN. That provision adopted yesterday remains in the bill; and, as the Chair understands the situation, it would not be affected by this amendment. This amendment would be in addition to that which was acted on yesterday.

Mr. SMITH of Virginia. Mr. Chairman, the two amendments are in direct conflict. We have adopted one amendment which says that this shall be for 1 year by direct appropriation, then we adopt another amendment, both of which the Chairman informs us will be in the bill. In the other amendment we made it a 3- or 4-year proposition and cut the appropriation.

Mr. Chairman, I have seen many finaglings going on around here in the matter of adopting bills and amendments, but this is something new to me. I would just like to have an explanation.

Mr. BASS. Mr. Chairman, the gentleman is not speaking to a point of order. He made a point of order against the amendment, but he is not speaking to the point of order.

The CHAIRMAN. The Chair is endeavoring to hear the gentleman.

Mr. SMITH of Virginia. I think maybe the House ought to understand what is going on here. I cannot understand it. I have never seen anything like it before. If the gentleman wants to be more specific, all right. My point of order is this is unprecedented, it cannot be done when the committee has already acted upon the amendment until we go back into the House and have a vote on it in the House to determine whether it is to remain in the bill or stay out of the bill. Here you will have a situation, if my point of order is overruled, where you have two utterly conflicting and contradictory provisions to this same section in the bill. Who is going to be able to interpret it?

Mr. ADAIR. Mr. Chairman, I should like to urge a further point of order against the proposed amendment, first, on the basis that the subject matter of that amendment was acted upon yesterday and therefore it is not appropriate to reopen the matter at this time. Second, if I understood the place in the bill to which it is offered, since we already have a section (b) in there, it would be section (c), and I urge the Chair that it is not germane at that point.

The CHAIRMAN. The Chair is ready to rule.

Mr. McCORMACK. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will be glad to hear the gentleman.

Mr. McCORMACK. While I opposed the Saund amendment, I oppose this amendment as offered. I think the whole paragraph not having been read that it is still in order.

The CHAIRMAN. The Chair is ready to rule.

The gentleman from Massachusetts [Mr. CURTIS] offers an amendment to section 202 of the bill to which the gentleman from Virginia makes a point of order.

Permit the Chair to say that it is not the province of the Chair to rule on whether matters are consistent or not. That is within the judgment of the committee. The amendment adopted yesterday included the deletion of paragraph (b) of section 202 as a part of the amendment. So, the Chair will say that there is at the moment no paragraph (b) in the bill. This is new material. It is germane to the subject of section 202, and the Chair overrules the point of order.

Mr. BECKER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Massachusetts yield for that purpose?

Mr. CURTIS of Massachusetts. I will be glad to.

Mr. BECKER. I would just like to find out, Mr. Chairman, if this amendment increases the amendment that was offered yesterday of $1.2 billion. Does this amendment now increase it to $2.2 billion?

The CHAIRMAN. That is not a parliamentary inquiry. That is a matter for discussion and explanation.

Mr. CURTIS of Massachusetts. Mr. Chairman, the Saund amendment to section 202 adopted yesterday displaced the Treasury borrowing requested by the administration and substituted an authorization of $1.2 billion for the fiscal year 1962.

That figure is exactly the amount requested for 1962 by the administration in section 202, if you include the $300 million in section (b) with the $900 million in section (a). That is all that is now provided for development loans in the bill before the House.

Now, many of us, Mr. Chairman, have stated, and I stated here on the floor a few days ago, that we favored long-range planning. In order to facilitate long-range planning, it seems to me that we need an authorization for more than the coming year.

I call the attention of the House to the fact that my amendment provides only authorizations for further years. If the Committee on Appropriations sees fit not to appropriate these sums when the time comes, it can so decide.

The amendment which I have offered merely adds another provision which could be read along with the Saund amendment. The Saund amendment was to section (a), and my amendment adds section (b):

There is hereby authorized to be appropriated to the President, without fiscal year limitation, to carry out the purposes of this title, not to exceed $1 billion for the fiscal year 1963 and not to exceed $1 billion for the fiscal year 1964.

The two amendments together give a 3-year authorization.

Mr. Chairman, the amount of $1 billion for each of those years is the same amount that has been widely discussed by Members as a possible amendment to replace the Treasury borrowing. You will notice that the administration asked for Treasury borrowing of $1.6 billion in each of those years; to which must be added the $300 million of paragraph (b) of that section, making $1.9 billion.

Mr. Chairman, this authorization which I am offering is for $1 billion in each year, about half what was requested by the administration. That was done, Mr. Chairman, for a twofold purpose. First, to give an indication that the Congress will be willing to go at least this far in those 2 years. Second, to give enough to permit long-range planning for a large number of programs, and at the same time leave enough more to be requested in the future so that the committees of the Congress will have a chance to give these requirements another look. It will obviously be necessary for the administration to come back and ask for more.

Mr. Chairman, having received many letters urging that this long-term planning was necessary, having read reports of all those who have studied this program and have stated that long-range planning is necessary and that the Con-

gress should provide for that, I submit that this is a very proper provision. I hope the House will adopt this amendment.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Massachusetts [Mr. CURTIS], I know has a sincere belief in the long-range program. The Committee on Foreign Affairs worked for 6 long weeks and brought to the floor of the House what it thought was authorization for a good, substantial long-range program. Yesterday, in good faith, I took the floor with what I thought was a reasonable compromise—a 3-year program that retained Treasury borrowing authority—in order to give the President long enough to move ahead along the course he wants to follow in our troubled times.

Mr. Chairman, in view of the parliamentary situation where we have the Saund amendment still in the bill, I believe that the adoption of this amendment would put this House in a very confusing situation. I agree with the gentleman from Virginia [Mr. SMITH]. I think we should be careful as to what we do next. I do not regard this as a reasonable compromise. I feel that the amendment offered by the gentleman from Massachusetts was in good faith, but I think it should be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CURTIS].

The amendment was rejected.

The Clerk read as follows:

SEC. 203. FISCAL PROVISIONS.—(a) All receipts from loans made under and in accordance with this title shall be available for use for the purposes of this title. Such receipts and other funds made available under this title for use for the purposes of this title shall remain available until expended.

(b) The President is authorized to incur in carrying out the purposes of this title obligations which may not at any time exceed the sum of (i) all funds made available and all funds authorized to be made available pursuant to the authority, and subject to the fiscal year limitations, provided in section 202(a), and (ii) all other funds made available for this title.

(c) In carrying out the purposes of this title, the President shall prepare annually and submit a budget program in accordance with the provisions of sections 102, 103, and 104 of the Government Corporation Control Act, as amended (31 U.S.C. 847–849).

SEC. 204. REPORTS.—At the close of each quarter of the fiscal year, the President shall submit to the appropriate committees of the Congress a report of activities carried out in such quarter under this title, including appropriate information as to the amount of loans made under section 201(a), and notes issued under section 202(a), as well as any undertakings which have committed the United States Government to future obligations and expenditures of funds.

Mr. CURTIS of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CURTIS of Massachusetts: In the first line of section 204 immediately after the word "reports" insert "(a)."

At the end of section 204 insert the following:

"(b) In any case in which the amount of a proposed loan under this title exceeds $5,000,000 in the aggregate such loan shall not be made and no agreement obligating the United States to make such loan shall be entered into unless thirty days earlier a full and complete report with respect to the purposes and terms of the proposed loan shall have been made to the Committees on Foreign Relations of the Senate and Foreign Affairs of the House of Representatives and the Committees on Appropriations of both Houses.

"(c) It is the primary intent and purpose of the above paragraph (b) to provide the Congress with full information on all proposals in which there is a substantial national interest: *Provided, however,* That if the President certifies that any such report will be adverse to the national security then by action of the said committees the filing thereof may be waived.

"(d) When an authorization is submitted to the committees named in paragraph (b) of this section, any of said committees is empowered to report a concurrent resolution to terminate such authorization and such resolution shall be of the highest privilege.

"(e) The chairmen of the aforesaid committees are directed to employ all necessary competent and skilled personnel to evaluate such reports and make recommendations to the entire committee."

Mr. CURTIS of Massachusetts. Mr. Chairman, this is very similar to the amendment offered by my distinguished chairman, the gentleman from Pennsylvania, yesterday. You remember that yesterday he offered an amendment to cut down the number of years in which programs were authorized from 5 to 3, and he also included an amendment requiring reports to four committees of the Congress before any loan of over $10 million should be consummated. That is substantially the Saltonstall amendment in the Senate, as changed by the Dirksen amendment and passed by the Senate 2 days ago.

Mr. Chairman, I have no doubt that this provision would come out of the conference without House action, but I think we need this amendment. I hope the House will also put this same provision in the bill so that then there will be no doubt of what will happen in the conference.

Mr. Chairman, this amendment is word for word the amendment adopted in the Senate. The purpose of it is to give the committees of the Congress some chance to look at these programs before they are enforced.

The Congress during these past years does not have adequate control over these lending programs. They look at what has happened after it has happened.

Mr. Chairman, this amendment gives the appropriate committees a chance for a preview before these things happen. Reports submitted to the Senate committee—and as you know the Senate committee secured elaborate reports—have recommended that something like this is necessary.

Several Members of the House recently, including the gentleman from New York [Mr. LINDSAY], spoke of the need for this. In order to indicate the need, I ask you whether the Congress now has sufficient control over these lending programs.

Did the Congress have control over foreign-aid expenditures when the U.S. Government constructed on Formosa a sparsely traveled mountain highway that is practically impassable more than half of the year because of typhoons?

Did the Congress have control over foreign-aid expenditures when the U.S. Government constructed in Cambodia a winding jungle highway that cost $30 million?

Did the Congress have control over foreign-aid expenditures when the United States constructed in Korea—and I am looking at some of the Members on the other side of the aisle who journeyed all the way to Korea, and I was with them, and together we saw this particular construction job—and, to continue, did the Congress have control over foreign-aid expenditures when the U.S. Government constructed in Korea an elaborate modern fertilizer plant that cost $40 million, which could not be used for many months because of the inadequate power supply?

Mr. Chairman, I could go on and on. I can say, in all sincerity, it is my belief that if some of these programs had been submitted to the Appropriations Committees of both Houses, and to the committees of both Houses having jurisdiction over foreign affairs, some of these mistakes would not have been made.

Mr. Chairman, we have all promised that we are going to try to police this program. We believe in it—we admit mistakes have been made. We say we are going to do everything possible to see that these mistakes do not happen in the future.

So, Mr. Chairman, this is merely proposing something that has been long debated and accepted in the other body—something that was offered in a slightly different form on this floor yesterday by the distinguished chairman of our committee.

Mr. Chairman, I sincerely hope that the committee will see fit to adopt this amendment.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

First, Mr. Chairman, I want to say to my colleague, the gentleman from Massachusetts, this is very different from the amendment I offered yesterday. Also, I want to tell the House that with the adoption of the Saund amendment on yesterday, there is no longer any excuse for this type of oversight amendment. Under the Saund amendment there will be annual appropriations which will be handled as are all other appropriations by the Committee on Appropriations of the House. This committee has always done a thorough job. There is no need for this type of congressional oversight.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Minnesota.

Mr. JUDD. I agree with the chairman of our committee. If the projects, which the gentleman from Massachusetts recited, had been presented to us in the committee with a month in which to examine and pass judgment on them, we probably would not have disapproved any one of them, because we would not have known enough about them to discover the weakness or unsoundness in them. The advocates of a particular project would have presented their case

convincingly, and almost certainly it would have been approved. The thing wrong in most cases has generally not been in the concept of the project, but bad engineering or bad construction, and we could not have foreseen that. The net result would not be a real screening of the projects ahead of time, and, in fact would be to make the Congress responsible in advance for mistakes that are made later. I think the amendment should be defeated.

Mr. CURTIS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Massachusetts.

Mr. CURTIS of Massachusetts. Mr. Chairman, I ask the chairman of our committee this question. If he feels that the committees of the Congress have adequate control of these spending programs at the present time, does it not follow that the members of the committees are responsible for some of these mistakes that have been made?

Mr. MORGAN. The committees of the House have a responsibility for supervision over these programs.

Mr. JUDD. The kind of supervision over this program which the gentleman from Massachusetts properly is trying to achieve is a function of the Inspector General's office which we reinstated with redefined and greater power, including the power to go into foreign assistance projects, and operations on the ground. Wherever he finds one badly administered he will have authority to stop it, subject only to its being restarted by order of the Secretary of State. This is the way to stop mistakes while they are happening. I do not believe that you can expect the committees of this House to study each individual project all around the world with sufficient care to be able to give advance approval.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. HAYS) there were—ayes 10, noes 99.

So the amendment was rejected.

The Clerk read as follows:

SEC. 205. DEVELOPMENT LOAN COMMITTEE.—The President shall establish an interagency Development Loan Committee, consisting of such officers from such agencies of the United States Government as he may determine, which shall, under the direction of the President, establish standards and criteria for lending operations under this title in accordance with the foreign and financial policies of the United States.

Mr. LINDSAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LINDSAY: Page 10, line 18, strike out "of such" and insert in lieu thereof the following: "of (1) the Chairman of the Export-Import Bank, (2) the Assistant Secretary of State for Economic Affairs, (3) the Secretary of the Treasury, (4) the Under Secretary of the Treasury or an Assistant Secretary of the Treasury, as designated by the Secretary of the Treasury, (5) the Director of the Office of Development Financing, (6) the Secretary of Commerce, and (7) the Chairman of the Federal Reserve Board, and such additional".

Mr. LINDSAY. Mr. Chairman, I recognize that under the Saund amendment, amendments which affect the development loan aspect of this bill are at the moment academic. But in the event there should be a reversal of the Saund amendment I want to make sure that certain provisions are contained in the bill.

As the Committee knows, this section of the bill provides for a Development Loan Committee consisting of such officers from such agencies as the President may determine. The function of this Committee would be to establish standards and criteria for lending operations in accordance with the foreign and financial policies of the United States.

In the administration's summary presentation book it is anticipated that the Committee will consist of the Administrator of the Agency for International Development, plus the following: The Chairman of the Export-Import Bank; the Assistant Secretary of State for Economic Affairs; an Assistant Secretary of the Treasury; and the Director of the Office of Development Financing.

The amendment I propose simply provides that the composition of the Committee be made a part of the statute and not left solely to the President's discretion and that there be representatives on the Committee from agencies other than the State Department. The Secretary of the Treasury should be included. In fact there should be two representatives of the Treasury Department. If we are involved in the lending business it only makes sense to have people who are experts on the Lending Committee. A representative of the Federal Reserve Board should be included. The Secretary of Commerce should be a member. I will assume that it is important to get the maximum benefit from experience and competence in the field of international finance. Therefore the membership of this particular committee should include men from other agencies who have experience and competence in this field of international finance and development loans in particular. I believe the Congress is entitled to the assurance that the men appointed to this Committee come from the ranks of those who have had financial experience and who can advise the Secretary of State wisely.

This is not to say that the Secretary of State would not include as members of the Committee the gentlemen who hold the offices I have mentioned. But I think that we are entitled to know that he will. The Secretary of State may appoint any others he might wish, as the bill now provides, but he must at least appoint the ones that are listed in my amendment.

Mr. Chairman, I ask that the amendment be supported.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. LINDSAY].

Mr. Chairman, the Committee that is provided is an advisory committee. The amendment offered by the gentleman from New York would make mandatory, for example, that the Secretary of the Treasury, the Secretary of Commerce, and the Chairman of the Federal Reserve Board be members. Those gentlemen already have a lot of duties to perform. This would mandatorily give them another duty which they perhaps cannot have the time for.

I would not object to the amendment too much, and I do not think the committee would, if it gave permission for them to designate somebody. But this is mandatory. I believe the Secretary of State will call on the Secretary of the Treasury to give him one of his experts. I think the objective of the gentleman is achieved, but I do not like to see a mandatory provision put in, saddling additional duties on Cabinet Officers who are now overwhelmed with the duties they have.

Mr. Chairman, I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LINDSAY].

The question was taken; and on a division (demanded by Mr. LINDSAY) there were—ayes 55, noes 91.

So the amendment was rejected.

The Clerk read as follows:

TITLE II—DEVELOPMENT GRANTS

SEC. 211. GENERAL AUTHORITY.—The President is authorized to furnish assistance on such terms and conditions as he may determine in order to promote the technical and economic development of economically underdeveloped friendly countries and areas, with emphasis upon assisting the development of human resources. In so doing, the President shall take into account (1) whether the activity gives reasonable promise of contributing to the development of educational or other institutions and programs directed toward social progress, (2) the consistency of the activity with, and its relationship to other development activities being undertaken or planned, and its contribution to realizable long-range development objectives, (3) the economic and technical soundness of the activity to be financed, (4) the extent to which the recipient country is showing a responsiveness to the vital economic, political, and social concerns of its people, and demonstrating a clear willingness to take effective self-help measures, (5) the possible adverse effects upon the United States economy, with special reference to areas of substantial labor surplus, of the assistance involved, and (6) the desirability of safeguarding the international balance of payments position of the United States. If the President finds that assistance proposed to be furnished under this part would have a substantially adverse effect upon the United States economy, or a substantial segment thereof, the assistance shall not be furnished.

SEC. 212. AUTHORIZATION.—There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1962 to carry out the purposes of section 211 not to exceed $380,000,000, which shall remain available until expended.

Mr. ADAIR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ADAIR: On page 12, line 9, strike out "$380,000,000" and insert in lieu thereof "$330,000,000".

Mr. ADAIR. Mr. Chairman, my amendment would strike $50 million from the development grant section of this bill. It is as simple as that. If there are those who feel there is too much money in this bill, and I am one

such, here is an opportunity to vote for the removal of $50 million.

The Executive request in this connection was for $380 million. That was not reduced by the committee. The committee left in the bill the full amount that the Executive had requested.

Now, this money will be used, of course, in a variety of ways. It will be used in part to continue programs already begun in a number of nations throughout the world. It will be used also in part to begin new programs throughout the world. I point out to the members of this committee that this is grant aid.

If you desire to save $50 million with respect to this bill, then I would urge that you support the amendment which I have offered.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I dislike very much to oppose the amendment of my good friend, the gentleman from Indiana [Mr. ADAIR]. I think he knows that he and I have agreed in times past that there has been too much money in this bill. On previous occasions I have offered amendments to cut it. The fact of the matter is that in committee I offered an amendment which was adopted, to cut $80 million out of another section of the bill. But, I would implore you not to cut the development grant section of all the sections.

There has been a lot of criticism in the way foreign aid has been administered, and a lot of that criticism has been justified, and I have been one who has criticized it. But, much of the criticism finally has been directed at the fact that the money has been applied to the wrong places. The money has been spent in many cases to provide great arms equipment for underdeveloped countries who were in no position to support such a program. The development grant section proposes to attack the problem at the grassroots. It is that part of the bill where you go into underdeveloped countries and you attack the problem of disease, illiteracy, all of the things which cause these countries to be a fertile ground for communism.

Now, there is no question that in years past we have spent too much money on arms, and I am not going to mention the countries by name, because that would not do any good. But, we have seen a situation where we have poured arms into an underdeveloped country to the extent that the military machine became the dictator and thwarted and destroyed exactly what we were trying to do. This is the program that attacks it by democratic principles. It is the program that tries to show these people how democracy works. This is the program where you go in and really show what you can do and why the American system is a better system. Consequently, if you want to cut the bill, I would say that this would be the last section that I would like to see cut.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Minnesota.

Mr. JUDD. I want to express entire agreement with the gentleman from Ohio. This is the money for carrying on the technical assistance program, what was called the point 4 program. If the members will look at the committee report on page 26, they will see how much of the total amount is already programed and, in many cases, committed for ongoing programs of education, improved agriculture, health, and so on.

This is the place in the bill where we provide aid to people themselves; $259 million of the $380 million is necessary to carry on existing programs. We have said we are for long-range planning and programs and we will accomplish that in this field by retaining this item.

Mr. HAYS. This is a thing the committee has been trying to encourage the ICA people to do more of, and less of the things that did not produce dividends.

Does the gentleman from New Jersey desire me to yield to him?

Mr. FRELINGHUYSEN. I was just going to agree with the gentleman from Ohio. The gentleman from Minnesota [Mr. JUDD] has already pointed to the language in the committee report on pages 25 and 26, which demonstrates that this money, in large part, is to be made available for ongoing projects.

Mr. HAYS. I appreciate the gentleman's remarks and I urge the committee to defeat this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. ADAIR].

The amendment was rejected.

Mr. ROOSEVELT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to call attention of the committee to the fine part of the committee report on page 11 which has to do with Palestinian-Arab refugees, and particularly to that part of that section which reads:

> Under difficult circumstances Israel has achieved impressive economic development, so that for the first time in 10 years, grant assistance has not been programed for Israel.

It is certainly a fine day when any nation can point to such progress in the circumstances through which the world is going. I hope my colleagues will agree that we congratulate Israel, and congratulate the committee on this report.

Mr. Chairman, I am further impressed by a statement which the committee has made on page 11 of its report dealing with the question of the Arab refugees from Palestine.

The committee has stated:

> The committee regrets that only limited progress has been made to solve the problem of the Palestine Arab refugees. Some progress has been made within recent years because refugees who have acquired skills have found employment and have been absorbed in the local economy. The United Nations Relief and Work Agency now plans to expand the vocational training program in order to stimulate employment of the refugees, and part of the funds included in this year's authorization for the U.S. contribution to UNRWA are to be used for this vocational training program. Nevertheless, progress toward a final solution remains regrettably slow. The only favorable developments during the past year were (1) real progress in the rectification of UNRWA relief rolls, and (2) an expanded program of vocational training. While the committee continues to support the program, it is of the opinion that more vigorous action is needed to bring the refugee problem to an acceptable and early solution. The committee believes that the vast majority of the refugees will eventually have to be resettled in lands where there is room and opportunity for them.

This statement is of importance because it emphasizes resettlement as the logical and proper solution of the refugee problem. It is necessary to speak frankly on this issue, and I congratulate the committee for having done so.

Unfortunately this issue has become obscured by propaganda, and hundreds of thousands of innocent men, women, and children have become prisoners of that propaganda. Many people who are unfamiliar with what happened in 1947, have been led to believe that these refugees were driven out of Israel and that they have a right to return to that country under the terms of a U.N. resolution.

Those who recall the 1947–48 struggle and who are familiar with its history know that the Arab countries refused to accept the U.N. 1947 decision. They went to war against it; they tried to prevent Israel from coming into existence; they encouraged the Arabs of Palestine to leave the country in the belief that they would soon win the war and be able to return to take over the whole country. There would not have been a single Arab refugee if the Arab leaders had accepted the 1947 U.N. resolution.

It is also important to emphasize that the Arabs still refuse to make peace with Israel. They refuse to negotiate with her. They still insist that the Arab refugees have a right to return to Israel—not to live as law abiding citizens of that state—but to take over the country and establish an Arab State.

The Arabs are demanding compliance with a 1948 U.N. resolution, which did, in fact, say that the refugees should be allowed to go back or get compensation for their property. But that resolution also talked about a peace settlement, to which the Arabs have never been willing to agree.

Under these circumstances, it has always seemed to me that resettlement of the Arab refugees in Arab countries is the only sensible and practical and fair solution. There are 11 Arab countries; they have about 3½ million square miles, they have 78,500,000 people. That is a population density of 22.5 people per square mile. There is but one Israel, with only 8,000 square miles, with 2,100,000 people, and with a population density of 263 per square mile.

It should also be realized that about 450,000 Jews have come out of the Arab countries during this period, and have been settled in Israel. Since the State of Israel took Jewish refugees from the Arab countries, the Arab States should be as humanitarian to their own people and accept and resettle the Arab refugees from Israel.

The doctrine of resettlement has been applied in almost all refugee problems

since World War II. I know of no substantial repatriation of refugees anywhere. There is no reason to believe that Israel should be an exception to this rule, especially when the Arabs persist in a state of war against Israel.

Now it is interesting to notice that the language of the House committee report urging resettlement is similar to the language of the Democratic platform of 1956 and 1960. I happen to believe that platform declarations should be honored, and I am glad to see that the House committee has adopted this language.

For it appears that the administration needs to be reminded of this language. In recent weeks, it has been reported that the administration is associating itself with the Arab demand that Israel accept the principle of repatriation and agree to permit the Arab refugees to have freedom of choice in advance of a peace settlement. I am convinced that this is unrealistic. No country in the world would or could permit outsiders—hostile outsiders—to decide its immigration policies. No country in the world would permit itself to be penetrated by hostile invaders. I do not understand why the administration is accepting the line.

I am sure that the administration is moved by the highest considerations in this matter. But I am afraid that the full implications have not been thoroughly considered, and that the dangers of the current policy have not been weighed. It is a gamble with the security and survival of Israel, and I am afraid that it suggests the appeasement of the 1930's.

I know that it will be argued that in supporting the Arab claim to repatriation we are doing nothing more than subscribing to a 13-year-old U.N. resolution. That is debatable. I have previously pointed out that the 1948 resolution is never fully quoted, that it provided for a peace settlement and that any refugee repatriation was envisaged in the context of a general settlement. But that resolution has become meaningless and obsolete because of 13 years of war.

We will never move to a solution if we remain paralyzed by past attitudes. If there is something wrong with our Near East policy, it is that we give lip service to dead resolutions. We should move on to a more realistic position. I had hoped that a new administration would recognize the importance of this. I am afraid that it has not.

All this, of course, is relevant to our discussions here today. The Mutual Security Act makes provision for continuing contributions to the UNRWA for the rehabilitation of the Arab refugees. I personally support this appropriation, and I believe that a majority of Congress concur. But all of us would like to see an end to these grants, and early progress to a final solution. That is why I am on my feet. The policy adopted by the administration may serve only to prolong the displacement of the refugees. By emphasizing repatriation, the administration may be encouraging them to believe that they should insist on it, and refuse to consider resettlement, which is the only reasonable and practical course.

I hope the administration will reconsider its attitude, and I am glad that the House committee has brought this matter to the attention of the House.

The Clerk read as follows:

Page 12, line 11:

"SEC. 213. ATOMS FOR PEACE.—The President is authorized to use, in addition to other funds available for such purposes, not to exceed $2,000,000 of the funds available for the purposes of section 211 for assistance, on such terms and conditions as he may determine, designed to promote the peaceful uses of atomic energy outside the United States.

"SEC. 214. AMERICAN SCHOOLS AND HOSPITALS ABROAD.—(a) The President is authorized to use, in addition to other funds available for such purposes, funds made available for the purposes of section 211 for assistance, on such terms and conditions as he may specify, to schools, libraries, and hospitals outside the United States founded or sponsored by United States citizens and serving as study and demonstration centers for ideas and practices of the United States, or as centers for medical treatment, education, and research, as the case may be.

"(b) The President is authorized to use, notwithstanding the provisions of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.), foreign currencies accruing to the United States Government under any Act, for purposes of subsection (a) of this section, and for assistance, on such terms and conditions as he may specify, to hospitals outside the United States founded or sponsored by United States citizens and serving as centers for medical treatment, education, and research."

Mr. DERWINSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DERWINSKI of Illinois: On page 13, immediately after line 12, insert the following:

"(c) As a demonstration of good will on the part of the people of the United States for the Polish and Italian people, the President is authorized to use foreign currencies accruing to the United States Government under any act, for assistance on such terms and conditions as he may specify, in the repair, rehabilitation, improvement, and maintenance of cemeteries in Italy serving as the burial place of members of the armed forces of Poland who died in combat in Italy during World War II."

Mr. DERWINSKI. Mr. Chairman, this amendment was discussed with individual members of the Foreign Affairs Committee yesterday. The purpose of this amendment is to provide whatever funds the President may deem necessary to rehabilitate the cemeteries in Italy, containing approximately 4,000 graves of the Polish army troops that fought in Italy in World War II. Unfortunately, the surviving members of that Polish army no longer have any representation from any government. The Polish Communist Government is not interested in them, and there is no such thing any more as a free Polish Government.

Mr. Chairman, as I visualize this amendment, it would be a symbol of the appreciation of the American public of the wartime services of these men who, despite their heroic efforts, were not permitted to reestablish freedom in their homeland. I can visualize, for example, the Voice of America making effective use of this action to show the constant attention and appreciation of the American public of the services rendered by our allies in World War II. I honestly believe this is an extremely practical and sound amendment, and I do hope it will receive committee support.

Mr. Chairman, these men, first released from Soviet concentration camps, fought throughout Europe in the cause of freedom. Among the saddest marks of history were the conferences at Teheran and Yalta in placing Poland, their native country, under Soviet domination while Polish troops in Italy were performing their most heroic sacrifices. Surely, the very least we owe the memory of these heroic soldiers, our allies, is to perpetuate the hallowed ground in which they lie, and from a very practical standpoint, this gesture of American respect and appreciation to the Polish wartime contribution will do more for the spirit of the Polish people than the aid our Government is now providing the Communist rulers of Poland.

Mr. Chairman, I include in my statement a digest of an article from the April 1961, issue of Better Homes and Gardens which contains a graphic description of the conditions in the Polish Army cemetery at Monte Cassino:

A GI RETURNS TO THE GREAT BATTLE AREAS OF EUROPE

(By Paul E. Deutschman)

Cassino, when you reach it, is also unrecognizable except for the contours of the land surrounding it: Monte Cassino and Monte Cairo and the Liri Valley and the Rapido River beyond. The ground inside the town has been raked clear of the rubbled houses and ditches and roofless cellers where, across the narrow streets, the Germans faced first the Americans and British, and later the Indians, Poles, and New Zealanders.

This is a completely new town of squat, rather ugly, Mediterranean-colored buildings and broad flashy blocks of flats. On the main street, there is a new, strikingly modern church, San Antonio, with a corner of its old, destroyed predecessor forming part of its eastern wall. Opposite this, behind arcades, is a large, proud combination shopping center-housing development.

But the side streets toward the river are unpaved, and the new houses there, sitting in hard mud, already have a crumbling, soon-to-be-slum look that may be due to the hot sunshine or merely to shoddy material.

Behind everything, there is Monte Cassino-Hill 516—terraced with ruins and with perhaps a half-dozen new villas on its lower slopes. And in the distance, looming high over the town and the valley, is the rebuilt abbey, looking almost too new and too white and unattainable still, but no longer a prize of ruins to be crept toward inch by inch.

The new winding, windswept road up to the abbey has a sign saying it was built in 1955. Halfway up, you stop at a jutting point, cement lined now, where you are certain an "88" once parked. Down below, the town is flat and open, with the people in it, now as then, like sitting ducks in a shooting gallery.

Further on, you pass an empty cellar, 50 feet deep, fully of rocks and rubble. You can imagine a machinegun being parked here, but now, judging from the old fireplaces, tin cans, and papers, it is used by picnickers and lovers seeking privacy.

Finally, you turn a wide bend of road and are in the parking area of the abbey. You wander through the hushed, marble-floored courtyard, the three cloisters, the Paradise Loggia, Basilica, and Cathedral Church, feel-

ing as if you had stumbled into a better, more beautiful, and much more meaningful world than the one outside. Everything is an exact duplicate of the unbombed past, and you are overwhelmed at every step by the art treasures and the love and patience that went into their re-creation. But there is a disturbing newness here, as if perhaps another thousand years of monks living and praying on the premises are needed before the abbey becomes its old self again.

A few hundred yards below the abbey is a small sign saying, "Polish Cemetery." The free Poles were the ones who finally stormed and captured the remains of the abbey, and you walk for about a half mile past a jangly-belled donkey, two cows feeding in the bushes, and two gypsylike peasant women who hardly glance at you, to what is undoubtedly the most heartbreaking sight of your trip.

A graveled path leads up to a simple stone pillar with a cross on top. A growth of mimosa trees forms an impressive cross of greenery beside an altar, flanked by two Polish eagles, with 10 coats of arms on its front. Below is a plot of perhaps 500 graves.

But there is no caretaker here, and the altar has sightseers' names scratched on it (happily, no American ones). The graves are literally falling away into the earth. The crosses and flat stones are of inferior marble, and some in half; others have been eaten away by the weather so that you can barely make out the names engraved on them. Most of the men, you notice, died on May 12, 1944. Two of the crosses have faded bits of colored ribbon hanging from them, undoubtedly signifying medals. The gate has a pair of brave stone eagles on either flank, but they are corroded with holes. Underneath, there is a flame—like the Eternal Flame at Arlington or under the Arch of Triumph in Paris—but it is unlit, and there are three weatherworn wreaths alongside. You cannot help but contrast this Polish memorial with all others you have seen—and realize that there is inequality even in death.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from New York.

Mr. BARRY. Is the gentleman aware that under section 612 of the bill $100 million of foreign currencies accruing under this act or any other law are made available to the President for whatever use he wants to make of them?

Mr. DERWINSKI. Yes. I discussed this matter with the committee staff, and I was advised that it would be much more practical to single out this item with an amendment, and that it would be acceptable.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Minnesota.

Mr. JUDD. I favor the gentleman's amendment. I think this is one of the places where without the use of any additional funds, because the foreign currencies are already available, we can send word of encouragement and hope to people behind the Iron Curtain whose sons fought and died side by side with our own in Italy in defense of freedom. We honor their dead and show them they are not forgotten. I cannot see any reason why this amendment should not be adopted.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Is it the intent that foreign currencies accruing to the U.S. Government under any act be used, or only foreign currencies in Italy?

Mr. DERWINSKI. I am perfectly willing to have it adjusted to whatever is most practical. If there is anything in my amendment which is not of a practical nature, I would appreciate a perfecting amendment.

Mr. ZABLOCKI. I think the intent of the amendment, to improve those cemeteries, that are now in an unfortunate state of care, is an excellent one, but I wonder if we could obtain agreement from the Italian Government for the use of foreign currencies for that purpose.

Mr. DERWINSKI. I am sure the gentleman will agree that at least if we move ahead with this amendment we can explore the proposition of whatever cooperation and adjustment is necessary.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Ohio.

Mr. HAYS. The amendment is permissive? There is nothing mandatory in it?

Mr. DERWINSKI. No. The amendment authorizes the President to use foreign currencies accruing to our Government under any act and leaves the details up to him.

Mr. ZABLOCKI. Mr. Chairman, I am authorized by the chairman to advise the gentleman from Illinois that the committee will accept the amendment.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. EDMONDSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to address a question to the committee. A great many Members of the House have been deeply interested in Project Hope and the great work it has been carrying out in Indonesia and the Far East. I should like to know if the authorization contained in section 214 for use of funds set up in sections 211, 212, and 214, would provide authority to use these funds in support of Project Hope where necessary.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Ohio.

Mr. HAYS. The gentleman had the kindness to ask the question of the committee a few minutes ago. I discussed this matter with the chairman and other members of the committee. I am authorized to say that in our opinion the language definitely would apply to this project.

Mr. EDMONDSON. I thank the gentleman.

The Clerk read as follows:

SEC. 215. LOANS TO SMALL FARMERS.—It is the policy of the United States and the purpose of this section to strengthen the economies of underdeveloped friendly nations, and in friendly nations where the economy is essentially rural or based on small villages, to provide assistance designed to improve agricultural methods and techniques, to stimulate and encourage the development of local programs of self-help and mutual cooperation, particularly through loans of foreign currencies for associations of operators of small farms, formed for the purpose of joint action designed to increase or diversify agricultural productivity. The maximum unpaid balance of loans made to any association under this section may not exceed $25,000 at any one time; and the aggregate unpaid balance of all loans made under this section may not exceed $25,000,000 at any one time.

Mr. UTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. UTT, of California: On page 13, strike out all of lines 13 through 24 and on page 14 strike all of lines 1 through 3.

Mr. UTT. Mr. Chairman, I offer this amendment for several reasons, not the least among which is the saving of $25 million.

I call the attention of the committee to the fact that this is a very loosely drawn section. There are very few guidelines in it.

I would think it would open the door to the greatest boondoggle that has ever been presented to the world. There is no definition of what a small village is or what an association is. It might be two men. It might be a man and his wife. It refers to an economic unit. Nobody knows what an economic unit is in America let alone throughout the entire world. Does this mean one caribou and one hectare in order to farm a little rice? Or just what does it mean to make somebody eligible to receive $25,000 of the American taxpayer's money?

I would not be so concerned about this if it were not for the fact that this is the first time in the history of this legislation that we have inserted in the title the words "social development." This program started out to rebuild the war-torn countries and to put them again on their feet. Now we have moved over into what we call social development. Actually, what we are doing is assisting the U.S.S.R. in Sovietizing the entire world in order to make socialism the national program of every country even though so far we have been unable to socialize America in spite of what some of the people want to do. My concern arises from the fact that it is the intention of this country to impress socialism upon these foreign nations, and I refer here to a letter written on the 14th day of May by our President to the President of Bolivia, President Estenssoro, in which he refers to the fact that they want to advance a great deal of money to Bolivia in order to help the Bolivian economy. He said "I am prepared to send a special representative to assist in carrying forward the program." He said "these projects which are really in an advanced state of preparation will make an immediate contribution to your economy." He said "we have already made a contract to loan $3.5 million to buy urgently needed machinery for your nationalized mining system."

Now, you have to remember, Bolivia is 75 percent nationalistic—all mines, all oil, and practically 70 percent of the production of the Bolivian country is nationalized. So we want to assist in that plan.

He further says "that we will advance $2 million to finance a highway on top of your 16 billion bolivars."

They quote what Bolivia is going to pay in bolivars but they quote what we are going to pay in dollars. Let me say to you that 16 billion bolivars amounts to $800,000. That is all that they are putting up and we would put up $2 million. It looks like one of these one horse and one rabbit deals that we are contributing to that country. The bolivar in Bolivia has shrunk from 100 to 1 in the last 10 years under this great socialistic program of Bolivia. A 10,000 bolivar banknote can be purchased in La Paz for 35 cents. Ten years ago, it cost $50. So in 10 years, under this great scheme of socialization, they have destroyed the economy of Bolivia and there is nothing in this bill that is going to help these underdeveloped countries.

Then he goes on to say that the Bolivian revolution will be the pattern for all Latin America to follow.

I do not know whether the President understands or not that Bolivia has had more than 100 revolutions in the last 50 years and that it may have 100 more within the next few years, and to say that the system of nationalization of all of the industries of that country is going to be the pattern of all Latin America is evidence of the fact that other countries are going to have to nationalize if they expect to get money from the American Government.

Mr. Chairman, I urge the adoption of the amendment.

Mr. SAUND. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this section was adopted at my request by the committee, by a unanimous vote, and this same section was a part of the bill last year. This is nothing new this year. I shall read one paragraph of the committee report relative to this section, which I wrote myself, then I will explain the purpose of the amendment.

> The U.S. Government owns local currencies in many countries where the needs of loan assistance to small farmers is urgent. These loans will be made in the name of the U.S. Government, and will demonstrate in a realistic way the deep desire of the American people to help build the economic strength at the grassroots level in friendly countries. It is hoped that this program will serve as a model to inspire wider efforts along these lines by other countries.

In the first place, the moneys mentioned in this section are local currencies, and not dollars. I will tell you where the idea first came to me. More than 40 years ago when I was in India and I had to wait 6 months before I could get my passport to come to the United States, there were two things I did during that time in my small village; one was to have the license of a liquor store revoked, and the second was to help set up two cooperative banks under the authority of the Government of the Punjab at that time in my small village. When I went back there after 37 years they told me those small institutions were still in existence and had helped hundreds of poor farmers get from under the clutches of the moneylenders.

We have millions of dollars worth of local currencies in many countries of the world available for our use. The setup I propose will make it possible to lend money to small farmers' associations. I emphasize small farmers. That is why I put in the limitation of $25,000 loan to any one association.

Mr. UTT. Mr. Chairman, will the gentleman yield?

Mr. SAUND. I yield to the gentleman from California.

Mr. UTT. Let me ask the gentleman whether these currencies are not generated by reason of these vast and massive spending programs the United States has throughout the world, and that originally they have their roots in the American taxpayers' pockets?

Mr. SAUND. I agree with the gentleman, but the fact remains that the local currencies are already there and we can spend them for the benefit of the people at the grassroots level where it will do the most good. This section confines it to be used by small farmers' associations.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. SAUND. I yield.

Mr. ZABLOCKI. I want to congratulate the gentleman from California, Judge SAUND, the sponsor of this amendment in committee. I want to commend him for his interest in small farmers.

The bulk of local currencies generated in many countries are a result of the sale of farm surpluses under Public Law 480.

The gentleman from California [Mr. UTT] stated this would lead to socialization. Will the gentleman from California [Mr. SAUND] agree with me that it is just the opposite? Aid to small farmers will not encourage socialism; in fact, it prevents socialism. The program gives the small farmer an opportunity to obtain farm implements, better seeds, and the fertilizer he so badly needs. I am sure the gentleman will agree with me that his proposal will strengthen the small farms, encourage cooperatives, and prevent socialization and collectivization of farms. I want to congratulate the gentleman for championing this proposal. I hope the amendment striking this section will be defeated.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. SAUND. I yield.

Mr. FASCELL. Is it not true that this amendment was thoroughly discussed in the committee, thoroughly discussed with the administration, and the administration is perfectly satisfied with the policy set forth in this section?

Mr. SAUND. That is very correct.

Mr. FASCELL. Mr. Chairman, will the gentleman yield further?

Mr. SAUND. I yield.

Mr. FASCELL. Does not the gentleman also believe that as a matter of national policy that this country should indicate in every way it can its interest in the masses of the people rather than solely in large industrial projects and to do it without socialization, but with strong emphasis on individual enterprise and initiative?

Mr. GROSS. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I am sure everyone in this House wants to do everything they can for small farmers, for small people everywhere. I would be glad to see these country currencies used for this purpose, but the fault with this is that you are embarking upon a program you cannot live with later on. Can you envisage what is going to happen when you start out in India to take care of the small farmers of that country? I understand there are some 400,000 villages in India. There are not enough country currencies and counterpart funds to begin to finance this program. Can you envisage what is going to happen when the French peasants who are now in trouble want these so-called loans from this Government, or the peasants in Iran, Pakistan, Afghanistan, and Indonesia to name a bare few? You are not going to have enough country currencies to go around. Then you will have to turn to American dollars or you will have some more discontent; more of this international blackmail that follows the discontent of those who do not get what somebody else is getting somewhere else in the world. That is the fault with this program.

I would be glad, I say again, if these country currencies were used to help agriculture in these countries. But I know what you are embarking upon, and you will rue the day that you ever started it.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Is the gentleman's objection to this program that it is not big enough?

Mr. GROSS. My objection is you do not really know what you are doing here. You are opening the door wide. You are going to have to come in with American dollars, good hard dollars, if there are any hard American dollars left. You are going to have to come in with dollars. You have not enough country currencies or counterpart funds in the world to take care of this program once it gets underway.

Mr. ZABLOCKI. The gentleman of course knows this provision was in the bill last year?

Mr. GROSS. I do not care what was in the bill last year or the year before or 10 years before that. We are dealing with legislation pending before us today.

Mr. ZABLOCKI. Can the gentleman give the House a better way of utilizing these foreign currencies?

Mr. GROSS. No. I am not on your committee, but there must be a better way than to open this kind of a door. The gentleman knows, if he knows anything about farmers, whether they be in America or in a foreign country, they want to have what the neighbor has if they can find some way to obtain it.

Let us not deceive ourselves with this thing. This program is not right. As the gentleman from California asked, Where is the language to define a village, how many people in an association, what criteria, what yardstick are you going to use here?

Mr. ZABLOCKI. I am sure the gentleman from Iowa will want to leave something to the Administrator to exercise his judgment on. As to the effectiveness of the program, read the committee report, pages 28 and 29.

Mr. GROSS. I can read. What I am saying is that the law you propose to pass here, or this section of the law, is weak. It does not define the terms that we ought to have defined.

Mr. ZABLOCKI. What should it have?

Mr. GROSS. At least you could define what a village is; you could define what an association is, and whether this money is to go to rich or poor.

Mr. BEERMANN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Nebraska.

Mr. BEERMANN. You say that they would like to have what every farmer wants. There are farmers who do not want to have the kind of socialism that they are trying to force upon us.

Mr. GROSS. I appreciate that, too.

Mr. UTT. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from California.

Mr. UTT. Is it not true that the amount of money in this section would provide for only 1,000 villages? You say there are 400,000 villages in India alone, and if you take in the entire world, there would be 5 or 10 million villages. This would help only a small number.

Mr. GROSS. Only an infinitesimal fraction of the foreign farmers that would be demanding help under this provision.

Mr. HAYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think this section of the bill is one of the most hopeful parts of the bill. There is $8 billion, roughly, in local currencies that we own around the world. This proposes to say the we use three-thousandths of 1 percent of the local currencies that we own to try again to get down to the grass roots of the problem that is causing the Communists to have successes where we have failures.

Now, I do not know how many villages there are in the world, and I do not know how far this program will go. But, it will only go if it works; it will only go if it does some good. And, with these foreign currencies that we have around the world—and there is plenty of it—you could double, you could triple, quadruple these programs. The idea, and I think the sound one is, that if you improve the economy of these countries, if you improve the economy of these villages, they, in turn, will be able to spread that prosperity from one village to another, and certainly, if you want these countries to be customers of ours, if you want them to be able to take their place in the family of nations, you have to attack this problem of poverty at the grass roots. You cannot do it by building big irrigation projects only. You cannot do it by making loans to big corporations.

The gentleman from Iowa made a big point of the fact that there are no criteria set up. I want to say to the gentleman that when we started loaning money to not only people abroad but in our own country, there were no criteria set up in the law. You cannot write every single provision in the bill. You have to let the Administrator set up the criteria. And, I think with this local currency of $25 million—I repeat, three-thousandths of 1 percent of the local currencies that are available to our Government around the world—that you certainly cannot go very far wrong, and it ought to be put to work. There is nothing worse than sterile capital, and this foreign currency that we own is just as sterile as it can be, because it is not working for us and it is not working for anybody else. Now it is proposed to put a little of it to work.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Iowa.

Mr. GROSS. What are you going to do in the countries where you have no foreign currencies?

Mr. HAYS. Well, obviously that is a pretty easy question to answer. Where we do not have it, it does not come under the program.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Pennsylvania.

Mr. WALTER. It is not a fact that these local currencies are increasing constantly?

Mr. HAYS. That is correct. As I said before, it is sterile money; it is not earning anything; it is not working for anybody; it is not doing anything. Here is a chance to put a little of it to work to help these people help themselves, and I do not think the United States can lose anything.

Mr. KEARNS. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Pennsylvania.

Mr. KEARNS. The gentleman has made a very fine statement here today. I think the gentleman from Ohio has been interested in many things that I am interested in. I think the gentleman from Ohio has been interested in cultural things like I have. I have seen our participation wasted abroad. I have seen it dissipated here. Now, I am not going to vote for the bill. I will tell you that right now. You could not even doctor it up where I would vote for it. But, I will tell you one thing: I think you have been sincere and I think you have tried to do everything you can, but yesterday, when I had an amendment up on page 5 for the chanceries, you objected to it. Now I have to go back to my own Committee on the District of Columbia.

Mr. HAYS. Well, that is where it belongs. You bring the bill up here and I will vote for it, but it does not properly belong in this bill.

I think you have a good proposition. Bring it in and I will be with you.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. HAYS. Yes; I will be glad to yield to the gentlewoman.

Mrs. KELLY. Is it not true that the largest amount of the local currencies accrued and which are being used under the act come from the sale of Public Law 480 commodities?

Mr. HAYS. It comes from the sale of American agricultural products abroad. The money, as I said before, is sterile and is not being used. At the risk of being repetitious, I again say I think we ought to put some of it to work.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Iowa.

Mr. KYL. Can the gentleman tell us the total amount of foreign currencies which we have at the present time?

Mr. HAYS. I do not know the exact amount, but I am told that it is in excess of $8 billion.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Minnesota.

Mr. JUDD. Has it not been our experience in our own country as well as in other countries where we have been carrying on this program that the biggest problem in the rural areas is lack of credit?

Mr. HAYS. That is right.

Mr. JUDD. The money changers charge farmers up to 6 percent a month for money to carry them through to the next harvest or for seed. Wherever we have been able to get credit at a reasonable rate to our farmers in this country, and the same applies to farmers abroad, they have been able to carry on their operations, increase their production, and their purchasing capacity. That is the way to get broad economic development moving—from the bottom up.

Mr. HAYS. The gentleman is exactly right. I saw some figures some place a year or two ago which reflected that 90 percent of the farm failures in the United States were caused by the lack of insufficient capital on which to operate.

Mr. JUDD. And this foreign currency cannot be used for anything else if we do not use it for this purpose?

Mr. HAYS. That is right.

Mr. FINDLEY. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I think the Members are probably under the impression at this point that if this section remains in the bill we will be able to use about $9 billion in foreign currencies accumulating under Public Law 480. As I understand the mechanism through which these foreign currencies are accumulated, they are placed in our ownership under agreements which specify the uses for which these currencies may be spent. I do not pretend to be an expert on Public Law 480, but I do not believe that the purpose set forth in this section is one of the approved uses of Public Law 480 funds.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I gladly yield to the gentleman from Ohio.

Mr. HAYS. The uses of these currencies are subject to negotiation with any country. Certainly I should think that any country that wanted to improve its agricultural economy would be glad to have this negotiated and have it approved—that this would be one of the uses. It is open to negotiation at any time.

Mr. FINDLEY. But it is true, nonetheless, that the effect of passing this bill would not immediately make that $8 billion in local currencies available?

Mr. HAYS. If the gentleman will yield further, of course not. It would only make $25 million available.

Mr. FINDLEY. And, if that amount can be negotiated?

Mr. HAYS. The gentleman is exactly right; negotiated on a country-by-country basis.

Mr. FINDLEY. I have another question of the gentleman for clarification purposes: The language on page 28 of the committee report leaves some doubt in my mind as to whether the money spent under this section is actually limited to local currencies accumulated under such laws as Public Law 480, or whether the section is, perhaps, so loosely drawn that new dollars from the American taxpayer might be used to cover this section? I ask the question for clarification.

Mr. HAYS. I will say to the gentleman that under the language we could use American dollars, but we will make a little legislative history right here, right now. Of course, it is the intent of the committee that they use local currencies.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Minnesota.

Mr. JUDD. I think it is true that dollars could be used under the language; but that is not the intent, and the language should be tightened in conference. The section had two objectives: One was to give a directive to the administrators of these programs to pay more attention to the rural areas. Constantly we have to urge this on the administrators in many countries who seem to prefer to build steel mills, bridges, or other big projects, rather than do grassroots work.

The second half of the section urges efforts to achieve this objective "particularly through loans of local currencies." But even if dollars were spent, it would not increase the total expenditures from the American taxpayers' pockets in that any such dollars would have to be taken away from something else in this bill. There is no additional appropriation of money authorized by this section. That is one reason some of the people do not like to use the funds for small rural projects. They would rather spend such money as they have for big projects than for the simpler things from many of which we believe the people would receive a good deal more benefit. But in any event the section will not cost the taxpayer anything additional.

Mr. GROSS. So we finally have the grudging admission that American dollars can be used in this program, but to what extent nobody knows except for the $25 million limitation, and I am not sure that has any meaning in the light of the foreign currencies that can be spent.

Mr. HAYS. I thought I made it perfectly clear that the language does say that, but it is the intent of the committee that we use local currencies, because we have local currencies where this program has a chance of working and is needed.

Mr. FINDLEY. I would like to make a little more legislative history. Is it the intent of the committee that funds under this section not be used in experimenting in communal-type farming such as failed so miserably in Red China and elsewhere?

Mr. HAYS. I think it is the intent of the committee that that not be done. I think it is a good thing to have it here in the RECORD.

Mr. FINDLEY. I thank the gentleman.

Mr. HAYS. Of course, that does not mean to say we are against cooperatives, because the language talks about cooperatives, but we are certainly against forcing on these people communism or communal villages such as they have in Communist China or, for that matter, collectives, and so on, as they have in Soviet Russia.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. UTT].

The amendment was rejected.

The Clerk read as follows:

SEC. 216. VOLUNTARY AGENCIES.—(a) In order to further the efficient use of United States voluntary contributions for relief and rehabilitation in countries and areas eligible for assistance under this Act, the President is authorized to use funds made available for the purposes of section 211 to pay transportation charges from United States ports to ports of entry abroad, or, in the case of landlocked countries, to points of entry in such countries, on shipments by the American Red Cross and United States voluntary nonprofit relief agencies registered with and approved by the Advisory Committee on Voluntary Foreign Aid.

(b) Where practicable the President shall make arrangements with the receiving country for free entry of such shipments and for the making available by that country of local currencies for the purpose of defraying the transportation cost of such shipments from the port of entry of the receiving country to the designated shipping point of the consignee.

Mr. JOHANSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to direct the attention of the House to a statement broadcast this morning over the NBC "Today" program by Mr. Theodore Tannenwald, Jr., who I understand is a special assistant to the Secretary of State. Mr. Tannenwald was interviewed regarding the circumstances of the action taken in this House yesterday with respect to the Saund amendment.

I am going to preface my comment by saying that whenever any of my colleagues happen to agree with my views on any issue I am perfectly happy to attribute statesmanship and wisdom to them for their agreement. On the contrary, whenever any of my colleagues in their wisdom differ with me, I attribute nothing but the highest motives to them, and I certainly am unwilling even in thought to suggest that they are guilty of political expediency or political cowardice. My point is that Mr. Tannenwald, speaking today as the special assistant to the Secretary of State, saw fit to inform the American people that those House Members—and it happened on yesterday that they were the majority of this House—who differed with the administration's program are in substantial degree activated and motivated by political expediency and political cowardice.

I call your attention particularly to these words from the transcript of the statement of this special assistant to the Secretary of State in answer to a question during the interview this morning. He first said he believed the American people were ahead of the House as far as the feeling on the foreign-aid program is concerned. By what occult power he reached that conclusion, I am not sure. But he also said by way of explaining some of this opposition that:

> It is perfectly true that these Representatives represent people within a district as distinct * * * from a whole State * * * and very often local pressures and local feelings bring themselves to the foreground. For example, I am sure I know that there are many Representatives who come from a district where there may be a strong feeling against foreign aid and who are unsure of themselves in that district in terms of being reelected.

Now I can construe that statement as nothing more than the attribution of political expediency and political cowardice to any Member of this House who presumes to be so bold as to vote contrary to the recommendations, if not of the administration, at least the recommendations and views of this special assistant to the Secretary of State. I should like to record in this House my profound resentment to this comment and to this attribution of unworthy motives to my colleagues.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I yield to the gentleman from Michigan.

Mr. FORD. On August 4, Mr. Arthur Krock, who is one of the most distinguished columnists in the country today, writing for the New York Times, took the position that the administration was wong in its desire to have back-door spending for development loans. On August 9, Mr. Tannenwald, acting as the special assistant to the Secretary of State, castigated Mr. Krock and accused him of errors, omissions in his August 4 piece—and very deliberately took him to task. Last Wednesday, I prepared a letter in response to Mr. Tannenwald which the gentleman from Washington [Mr. PELLY] placed in the RECORD. I believe it was in the RECORD for Thursday. This letter set the record straight and defended Mr. Krock's viewpoint.

Unfortunately, the letter in its original form was too long for use by the New York Times. It was condensed and it is in the New York Times today in response to Mr. Tannenwald. Mr. Tannenwald seems to be the self-appointed spokesman for the Secretary of State in these matters. If the record is properly read, Mr. Tannenwald is guilty of omissions, errors, and what appear to be half truths. I personally hope and trust that the record will be straightened out and that Mr. Tannenwald, if he represents

the Secretary of State, will be sufficiently reprimanded by his boss.

Mr. JOHANSEN. I thank my colleague.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman and members of the committee, inasmuch as my district, the Fourth of Michigan, is just to the west of the Third District, represented by the very able gentleman from Michigan [Mr. JOHANSEN], who just addressed you, who is always consistent and mindful of his constituent's thinking and interests, and just south of the Fifth District, represented by the very well qualified and aggressive gentleman and member of the Committee on Appropriations from Michigan [Mr. FORD], and inasmuch as they are just, in age, you might say, boys compared to some other Members of the House, including your humble servant, permit me to remind them—I guess that is not just the right word—but I want to express my sympathy, soothe their injured feelings, lessen their righteous indignation, and just suggest they do not feel too badly. They have both been here long enough to know that inevitably we get criticism for whatever we may do. It is my hope they will not grieve too much about or because of the publications to which they just referred, written more than likely by some self-satisfied individual who never was elected by popular vote to any office. Criticism, abuse, vilification, all go with public office.

If they really feel hurt, just think of my situation. Here yesterday, one of my very dear friends and colleagues, my next-door neighbor in the New House Office Building, the gentleman from Michigan [Mr. BROOMFIELD] gave a talk on the floor. He is a member of the Committee on Foreign Affairs, and I did what I could as a member of the Committee on Committees to get him there, because it was understood—rightly or otherwise—that he was a conservative, had no inclination to become familiar with striped pants, cocktail parties given by the State Department or representatives of foreign governments.

An effort was even made to persuade my colleague [Mr. BROWN] and some others who were on the Committee on Committees that the gentleman had not been sold on thinking first of other people—that he thought first of the interests of our folks. The gentleman finally was named to the Committee on Foreign Affairs.

I thought at the time from what the gentleman from Michigan [Mr. BROOMFIELD] said that he was a conservative. Perhaps that was an unjustifiable assumption on my part. Hence my apology to the gentlemen from Ohio [Mr. BROWN] and any other members of the Committee on Committees if they feel misled. Yesterday the gentleman from Michigan [Mr. BROOMFIELD] made a talk which is well worth reading because of what he did not say. You will find it on page 16039 of the CONGRESSIONAL RECORD.

Mr. Chairman, I hope you will personally read it and that Members of the House will read it carefully. I read it the second time this morning. I first had the idea that he was speaking in favor of the bill before us—and based his remarks on what he had learned as a member of the committee.

I thought it was on the issue now before us, on the foreign aid or mutual security bill. I discovered that the gentleman's talk was not about the pending bill. The gentleman used his 5 minutes to praise, to eulogize that wonderful man, the gentleman from Minnesota [Mr. JUDD]—and I agree with him; I do not know anyone who disagrees with him in anything he said in praise of the gentleman from Minnesota except the final conclusion: That is, come weal or woe, hell or high water, we should honor his idol. After he expressed his admiration for Mr. JUDD, he suggested that those of us who opposed this bill had our heads in the sand.

No one in this House has greater admiration for the ability, sincerity, patriotism, or devotion to what he thinks to be his duty for the gentleman's guide than have I; but some just do not agree when it comes to conclusions. Among other things the gentleman from Michigan said:

> If we are lucky, once in a lifetime we have the privilege of meeting a person who epitomizes just about everything we could hope to see in a human being.
>
> We are very privileged to have a person of this undoubted character among us. Of course, I am speaking of the gentleman from Minnesota, Representative WALTER JUDD.

Mr. Chairman, I, too, bow my head in humility. I recognize superior ability in many fields in learning, eloquence, as well as the rapid use of words—the power to hold an audience—sway a crowd in many, many fields, but not one iota in devotion to duty, sincerity of conviction, or love of my own people and country. My egotism and self-respect do not permit me to ask the young and handsome gentleman from Michigan for a guide. The fine people of the Fourth Michigan District give me sound advice even on occasion when not requested.

Our adviser added referring again to his mentor:

> He has devoted his life to God, to country, and to healing the ills of his fellow men. His service in Congress has been exemplary. He is admired by his colleagues on both sides of the aisle. He has been listened to by Presidents of both political parties. When he speaks, he who is wise listens.

All of which I can and do accept. But none of what has just been said calls upon me to blindly accept what the gentleman from Minnesota advocates and he would be the first, unless I misjudge him, to agree.

Obviously my very dear young friend in his not too long ago youth may be thinking of the old hymn we used to sing with such fervor, "I will follow where he leads me—I will follow all the way."

But we were then singing of Christ, not of mortal man.

Then the gentleman from Michigan calling attention to December 7, 1941, the day of the Pearl Harbor attack, said:

> I wonder what Dr. JUDD's critics were doing on that day, at that time. I wonder if they were warning of the dangers our Nation faced. I wonder if they fully saw what was taking place in Japan, if they would have realized its significance if they had seen.

Well, I was on a transportation boat coming from Norfolk to Washington, and that is more than the author of the Marshall plan, which seems to be the gentleman's bible, ever told us. He was asked many times where he was when the news came but we never learned.

And where in any record did the gentleman's inspiration, so to speak, advise anyone of that attack on Pearl Harbor?

The gentleman then goes on to suggest that had we listened to Dr. JUDD "the shape of world history might have been decidedly different." Maybe so. But, my dear young friend, we did listen and we did follow, though not all the way. And the answer we have.

This bill, after 14 years, a contribution of $106 billion, and threatened danger on every front.

As the gentleman's source of guidance told us yesterday, though it does not yet appear in the RECORD, but he said it in substance.

We are today in greater danger of war than ever before. Yes, my dear young friend, we did—a majority did follow—just a part—not all the way—and we now have the result.

My young friend added:

> More than any man in this Chamber, Dr. JUDD realizes that the national symbol of our Nation is the eagle, not the ostrich.

Sure; and oratorically the gentleman my colleague wishes me to follow has pulled more of the tail feathers out of the eagle than anyone I know. Nor have the wing feathers of independence and national security been spared.

Said my colleague:

> More than any man in this Chamber he realizes the folly of planting our head in the sand and leaving our tail in the air.

So far as I know, no opponent of this plan has had his head in the sand, or his tail in the air. We have Republicans on the gentleman's committee who are sincerely opposed to this plan and presumably the gentleman will admit that at least some of them are able to do their own thinking.

That is all nonsense so far as I am concerned. I have never voted for foreign aid, never intend to; so I have not been doing any hiding. And there are others of like mind. With the real intent and purpose of the gentleman from Minnesota [Mr. JUDD], which is to have a better world, I fully agree, but with his conclusions as to the method I just cannot go along.

I know Mr. JUDD's good qualities as do all of us. I will double what is said in praise of his many outstanding virtues. But that does not mean he does my thinking. While serving the Lord, while he had many—and he has today many of the same characteristics and desires and objectives that I think Christ had—and I recall that Christ submitted to crucifixion, but as I get the argument and this policy, supported for so long by the gentleman from Minnesota, the result

would crucify many of our people, and to that I cannot agree—and I do not mean political crucifixion either.

My young friend, knowing there are several fishermen in the House and I try to be one, observed:

Let us not go fishing while the world around us boils in turmoil and upheaval.

I know of many things more harmful than fishing—as for example going on junkets at Government expense.

In answer to the gentleman's disparaging reference to fishermen, he said fishermen ought to be here. Permit me to say I am one; I have been here—and there are a number of other fishermen here in the House who are always on the job, and I call the gentleman's attention to the fact that, if I remember right, Christ called on a couple of fishermen to help Him out.

Seventy years ago, because I had not learned a lesson, that teacher, Mary Stewart, made me stand and write on the blackboard a verse. How did it start? I am looking around the House for the gentleman from Iowa—yes, there he sits over there. Mr. SCHWENGEL—he knows more verses, I think—just think—than any of us. I wonder if he cannot help me out with that famous admonition from Shakespeare. One line starts out: "First to thine own self"?

Mr. SCHWENGEL. "To thine own self be true"?

Mr. HOFFMAN of Michigan. Yes; "first," leave out that word. "To thine own self be true."

Mr. SCHWENGEL. "And it must follow as the night the day."

Mr. HOFFMAN of Michigan. Yes. "And it must follow as the night the day, thou canst not then be false to any man."

Is that it?

Mr. SCHWENGEL. The gentleman is right.

Mr. HOFFMAN of Michigan. I thought so. I put it in the RECORD yesterday. That is the creed I have to go by.

Mr. BOLLING. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I rise to read from an excellent and pertinent editorial in the Kansas City Star, which is published in Kansas City, Mo. Its publisher is a gentleman named Roy Roberts. It is a very good Republican paper. This article is entitled "Test To Measure Your Congressman."

TEST TO MEASURE YOUR CONGRESSMAN

The time of testing is at hand for every Member of the U.S. House of Representatives. This week the House is expected to vote on the crucial loan program for underdeveloped countries. On this issue the vote of each Congressman is profoundly important. The shift of a few votes one way or the other may determine the course of history.

The loan program has been proposed as the chief weapon of the United States in this critical stage of the cold war. Soviet Russia is now making its big drive in the underdeveloped countries. The forces of communism prey on poverty and economic stagnation. If the Communist drive is to be stopped the United States must meet it head on in the underdeveloped countries.

The loan plan is focused on the core of the need, which is development. It would permit the U.S. Government to get behind long-range projects and stay with them over a period of years. It is an effort to apply U.S. business methods to the old aid problem. One purpose is to get away from the old giveaway idea. This is a plan to hit where the American dollars can do the most good and on a loan basis that should bring at least a large share of them home again in future years.

At issue is an honest effort to set up the soundest possible program. Former President Eisenhower asked for a similar plan and was turned down by Congress. Now it is attracting the strongest opposition among the aid proposals of this administration.

We assume that some Congressmen are sincerely convinced that their opposition is justified. But, the fact is, most of the opposition is political. Some of it is tied to party and factional politics. Most of the opposition comes from House Republicans and southern Democrats.

Some Congressmen from this part of the country are counting their mail. Opponents always write the most letters and the violent letters. There is no question that many citizens have been disturbed over poorly conceived aid projects in the past and prodigious giveaway. We have heard of no public uprising against the proposed shift to loans and business methods.

Yet it appears that some Congressmen hear only the frustrated public outcry and they are afraid. These are men elected to posts of high responsibility in one of the most critical periods of history.

The American voters have their own responsibilities to their country in this time that tries the souls of men. We suggest this is a time for them to keep records on the votes of the men they send to Washington. Before the next election American voters will have a year in which to consider each Congressman's votes in the light of events.

The voters may well consider the importance of statesmanship that puts the Nation and support of the free world ahead of political party. And whatever their views on the foreign aid issue today, we believe most Americans respect one quality above all others. The quality is courage.

Mr. FRELINGHUYSEN. Mr. Chairman, I move to strike out the requisite number of words in order to inquire about the purpose of the gentleman from Missouri in reading an editorial appearing in a Kansas City newspaper.

As I understand it, the basic purport of the editorial was that much of the opposition to the proposed financing of this development loan program is political in nature. I fail to see the justification for an argument of this kind. I fail to see it if it is enunciated by the President of the United States, I fail to see it if it is enunciated by the majority leader of the House, and I fail to see it if it is enunciated in an editorial from a Missouri newspaper.

The fact of the matter is that the Republican members of the Committee on Foreign Affairs almost unanimously opposed the Treasury financing method proposed, not because we were Republicans but because we felt very strongly that this method of providing development loans over a period of years would result in an unnecessary and unwise transfer of authority from the legislative branch to the executive branch of the Government. It is because we are deeply concerned with developing and maintaining a sound program that we are reluctant to agree to this particular method.

In my opinion, it is thoroughly objectionable to state that any of us are approaching this from a bipartisan viewpoint. Reading of this editorial tends to complicate further what is already admitted to be a complicated matter. I think it is regrettable that this editorial should be brought up at this time.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from Kansas.

Mr. AVERY. I observe that the gentleman from Missouri [Mr. BOLLING] characterized the Kansas City Star as being strictly a Republican paper.

I would like to state for the record that the Kansas City Star has always pursued an independent policy. They have prided themselves in that role. And to support that observation I might add that in their wisdom they urged the reelection of the gentleman from Missouri [Mr. BOLLING], who just addressed the House.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, as long as Members are reading editorials and other material into the RECORD on foreign policy and foreign aid, I would like to read briefly to you from a speech by a well-known American, one whose name all of you know, a speech that was made 10 years ago. When I have concluded the short excerpt I shall read, if any of you care to guess who made the speech I will be glad to entertain the guess.

Listen to what this gentleman says:

We have never wanted a part of other people's scrapes. Today we have them and just why, nobody quite seems to know. What business is it of ours to support French colonial policy in Indochina or to achieve Mr. Syngman Rhee's concepts of democracy in Korea? Shall we now send the Marines into the mountains of Tibet to keep the Dalai Lama on his throne? We can do well to mind our business and interfere only where somebody threatens our business and our homes.

The policy I suggest, moreover, gives us a chance economically to keep our heads above water. For years, I have argued the necessity for not burdening ourselves with unnecessary debts. There is no surer way to destroy the basis of American enterprise than to destroy the initiative of the men who make it. We will, of course, continue to have to pay and to pay heavily for our defense. But what have we now in hand for the billions that we have spent abroad? We can no longer afford this luxury; we dare not afford its consequences to our own security. Those who recall 1932 know too easily the dangers that can arise from within, when our own economic system fails to function. If we weaken it with lavish spending either on foreign nations or in foreign wars, we run the danger of precipitating another 1932 and of destroying the very system which we are trying to save.

An Atlas, whose back is bowed and whose hands are busy holding up the world, has no arms left to deal with his own defense. Increase his burdens and you will crush him, or attack him from behind and he cannot turn to defend himself. This is our present posture. It strangles our might.

Any guesses as to the gentleman who made that speech?

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I would think, perhaps, the mellifluent and eloquent style would indicate that was written by Senator John F Kennedy.

Mr. GROSS. The gentleman came close. The speech was delivered at the University of Virginia Law School forum, Charlottesville, Va., Tuesday, December 12, 1950, by the Honorable Joseph P. Kennedy, former Ambassador to Great Britain.

Mr. COLLIER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had not intended to take the floor at this point, but since the gentleman from Missouri read an editorial on the floor presuming to indicate that some of us who have opposed foreign aid do so for purposes other than our own convictions and consciences, I think it would be well to remind you all, as you well know, that there probably have been 40,000 editorials written in regard to the foreign-aid program both pro and con over the past 10 years. And if we were to indulge in reading all of these editorials and opinions of the writers of these editorials, we could stay until possibly October 15 or 16 before getting to the next session of this bill.

But, in order to sort of balance things up and leave the impression that I desire to, I submit that we all know that there are differences of opinion in editorial policy. And, I respect the views of all editorial writers. Hence, I should like to read another editorial into the RECORD to illustrate the point. This editorial is from a Midwest newspaper; I know not whether it is pro-Democrat, pro-Republican, or independent; it makes little difference. But, here is part of that editorial which you can accept for what it is worth:

While we have poured out $80 billion in foreign aid, something like three-quarters of a billion people have been drawn into the Communist empire, and a similar number have moved away from anticommunism to a species of procommunism.

I will not impose upon the time of the Members here with the full editorial, but it goes on to make some other pertinent observations about the program:

That foreign aid has little or nothing to do with fighting communism is demonstrated by the fact that each year millions of dollars are actually given to Communist countries themselves.

Incidentally, I intend to offer an amendment to this bill to cover that point a little later.

On May 11 of this year, for example, the Senate passed a bill allowing the President to give aid to Communist nations other than the Soviet Union and Red China.

Is this combating communism? Is this the burden which the American people must take up in order to do their duty? The hypocrisy of the argument defies belief.

It is past time that the swollen foreign-aid bureaucracy in Washington and around the globe was cut in half. If the administration is interested in combating communism, it can start doing it by standing up to the Kremlin over Laos, Outer Mongolia, Cuba, and Berlin; when it has done those things, it will have a better understanding of duty—and know that it has nothing to do with foreign aid.

Mr. WHITENER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WHITENER. Mr. Chairman, during my service in the Congress I have consistently opposed foreign aid expenditures. I have felt that the vast sums of money which we have appropriated through the years have not served to enhance the prestige of the United States abroad or win for our country stanch allies in our struggle with communism.

I believe, therefore, that during the course of debate on H.R. 8400 we should give some thought to the economic health of the United States and the effect that foreign aid expenditures are having upon our economy and the financial integrity of the American dollar.

The Legislative Reference Service of the Library of Congress advises me that for the past 21 years the U.S. Government has appropriated on an average of about $40 in foreign aid expenditures for every man, woman, and child in this country. Out of each $40, $32 has been given either as a gift or for military and economic grants. Only $8 of the $40 spent each year for every man, woman, and child in this country is committed as a loan to be repaid.

The United States is faced today with a national debt in excess of $290 billion. Year after year we have witnessed the executive branch of our Government calling upon the Congress to increase the debt ceiling in order to meet the operating costs of our Government. When we realize that since July 1, 1940, the United States has spent in excess of $130,240,313,000 in foreign aid, we get some idea of the inescapable relation between foreign aid expenditures and the increasing burden of our national debt.

We have become so addicted to deficit spending that we do not take into consideration the harm we are doing to our own economic structure and the birthright of succeeding generations by the tremendous sums we spend each year. I believe, therefore, Mr. Speaker, that it is time for the Congress to pause and reflect upon a few basic facts vital to the survival of our way of life. In our effort to solve the problems of the world through the expenditure of dollars which we do not have but must borrow against future generations of Americans yet unborn we are undermining the economic stability of the United States. We are slowly but surely falling into the economic trap which the Communists have so long prophesied would be our ultimate end. Time and again the Communists have said, and we have totally disregarded their warning, that the United States would spend itself into a condition where the only course of action left open to the American people would be socialism, and ultimately communism.

Foreign aid is a vast and complex matter which is not fully understood by the American people and which, I am afraid, has implications which are not fully comprehended by those who so strongly advocate it. We have spent vast sums of money in our foreign aid programs in 97 out of the 110 nations of the world. This money has been spent on every type of project from the building of a textile mill in Ethiopia to the building of a cement plant in Korea. We have spent the taxpayers' dollars without regard to whether the recipient nations were staunch allies, neutrals, or Communist states. With equal fervor we have given money to our great anti-Communist friend Greece, to neutralist India and Indonesia, and to Communist Poland and Yugoslavia. The more money we have spent on foreign aid the less influence we have had in the United Nations and other international organizations.

Some of the nations with whom we have been so generous have been the first to vote against our interests in the U.N. and to criticize before the world our efforts to combat communism. Our foreign aid program has not been realistic in the past, it is not realistic at the present time, and there is nothing that I can find in the present bill that indicates that it will be realistic in the future.

As an example I would like to call to the attention of the House a grave situation existing in the United States by reason of our inability to face up to the danger to some of our basic industries caused by the increasing flow of imports reaching our shore. During my service in the Congress I have done all within my power to impress upon the executive department the necessity for affirmative action to halt or limit textile imports which are doing so much to destroy the American textile industry. I have pointed out to the Congress and the executive department the fact that foreign aid dollars have gone to construct and rehabilitate textile plants abroad. These plants have in turn shipped tremendous amounts of textile products to the United States and thus have entered into direct competition with taxpaying American textile plants.

The inevitable result of such an arrangement will be a continued decline in the American textile industry. We cannot compete with low-wage mills in Ethiopia, the Sudan, and many other parts of the world. I think it is significant to note at this point that through the Development Loan Fund we have constructed a textile mill in Ethiopia at a cost of $500,000, a nylon plant in Korea at a cost of $3,200,000, and a textile mill in the United Arab Republic at a cost of $1 million. The United Arab Republic cannot be classed as a staunch ally of ours in the struggle against communism. And Ethiopia, the traditional friend of the United States, is openly flirting with the Communist bloc.

Mr. Chairman, the United States must get down to the economic and political realities of life if our freedom is to survive. Somehow we must come to the realization that dollars will not buy friends nor insure our survival. We were told in the beginning when the Marshall plan was adopted that foreign aid was a temporary program to restore the war-ravaged economy of Europe. Year after year, however, we have been called

upon to further extend foreign aid operations. What in the beginning was to be a temporary economic tool against communism has in reality become, I am afraid, a permanent fixture in our government. Thus it is not hard to understand why the proponents of H.R. 8400 want to see written into the measure the 5-year loan provision.

Mr. Chairman, I am afraid that sometimes we do not give the American people credit for keeping up with what is going on in their Government. On the question of foreign aid I sincerely believe that they are ahead of many of their public officials. The American people are not satisfied with the way their tax dollars have been spent abroad. They have found it hard to understand why our prestige has slipped and why there has been an upsurge in Communist strength during a period in which their Government has taxed and borrowed billions of dollars for foreign aid programs.

Mr. Chairman, the Constitution of the United States provides:

> No money shall be drawn from the Treasury but in consequence of appropriations made by law.

I firmly believe that for the Congress to abdicate its control over foreign aid expenditures for a period of 5 years, or even 2 years, would be in contravention of this constitutional mandate. I have observed that wherever the Congress has relinquished its constitutional powers to the executive department the inevitable result is confusion, waste, and violence to our constitutional structure. We have only to witness what has happened in the field of international trade.

Under the Reciprocal Trade Agreements Act the Congress has given to the executive department a mandate over the foreign trade of the United States. The result has been increased, and in many instances disastrous, competition from abroad. Instead, therefore, of further abdicating our constitutional power I believe that we should give serious thought to recapturing the authority we have delegated to the Executive in many areas of our national life. And in that connection, we should certainly begin by recapturing our constitutional authority over foreign trade.

I cannot, therefore, Mr. Chairman, support a blank check foreign aid program. If enacted, H.R. 8400, in my opinion, will further weaken the economic structure of the United States, accelerate our great national debt, and fail, as have our other foreign aid programs, in winning friends for the United States and in halting the spread of communism.

A strong United States, economically and militarily, is the best hope of mankind in the struggle against communism. Let us halt the waste of our resources throughout the world in a feeble effort to combat communism by squandering the taxpayers' dollars.

Mr. WRIGHT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think it might be fitting at this time were we all to place this debate in its proper perspective. I think it is unfortunate that any aspersion may have been cast upon the courage or the integrity of any Member of the House. Certainly it is wholly improper for any of us to arrogate to ourselves the almighty wisdom of presuming to judge another Member's motives, for when we do that we play God. I accord to those who disagree with my views on this bill the same assumption of sincerity which I hope they accord to me.

Thus I cannot presume to speak for anyone else, but for myself only. For me to vote against this mutual security bill would be sheer political expediency, because I am convinced in my mind that it is a necessary part of the defense framework of this Nation and a necessary part of our struggle in this titanic conflict in which history will decide whether the future shall belong to freemen or to slavemen.

Still I am willing to concede that there are others, certainly equally as sincere and in many cases far more intelligent than I, who examine the same problems, study the same facts, and arrive at different conclusions.

In this respect I think probably the very best criterion I have read for the deliberate judgment of a representative was written by an English statesman named Edmund Burke who sympathized with the aspirations of the American colonists. Because of this, at that particular moment in history, he found himself quite unpopular with a large body of his own constituents. They petitioned him very vigorously to change his position. Part of Burke's answer, which is recorded for us in his famous letter to the electors of Bristol, truly deserves to be described as a democratic classic. Burke said:

> Certainly, gentlemen, it ought to be the happiness, the glory of a Representative to live in the strictest union, the closest correspondence, and the most unreserved communication with his constituents. Their wishes ought to have great weight with him; their opinions high respect; their business, unremitting attention. It is his duty to sacrifice his repose, his pleasure, his satisfactions to theirs, and above all, ever, and in all cases, to prefer their interests to his own.
>
> But his unbiased opinion, his mature judgment, his intelligent conscience, he ought not to sacrifice to you, to any man, or to any set of men living. These he does not derive from your pleasure—no, nor from the law and the Constitution. They are a trust from providence, for the abuse of which he is deeply answerable. Your Representative owes you not his interest only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion.

Most of us have pondered seriously this year, as in previous years, while this bill has been before us. It is never a pleasant thing to authorize the expenditure of moneys which must be raised through taxes on our constituents. In this instance, there is the further difficulty of rather widespread public criticism and a lack of complete public understanding. The failures of the program are better publicized than its successes. The inexcusable blundering in the administration of the effort in Laos and in Peru, for example, have made sensational reading. I am glad they have been exposed to public view. The public is entitled to know of them. But they do not tell the whole story.

The Congress in considering the continuation of the program is not unlike the head of an American family who sputters and fumes over the cost of his insurance program. As he totals up the annual cost of his life insurance, his home insurance, his automobile insurance, he sees very little tangible benefit. He thinks of other things for which the money could be spent rather than in insurance premiums. Often he is tempted to wonder if he can afford to continue his insurance program. But then he knows that he cannot afford to be without it.

Much has been said of a very extreme nature on both sides regarding this program and the decision that faces us. We have heard expressions which would lead to the conclusion that the program, with all the money we have spent, and some of it tragically wasted, has been a total failure. Let us look at it in the sweep of history. Has it been a total failure or has it achieved some lasting good?

In the 13 years, approximately, since NATO was inaugurated, not one single inch of European soil has fallen to the Communists. Since World War II some 40 nations have emerged to independence. They were up for grabs in this worldwide power struggle. Most of them have lined up on our side against the Russians. For every one that has fallen prey to the Communist lure, we could name 5 or 6 that have successfully fended it off. Western Europe was helped to recovery and today receives no economic aid but helps us shoulder the burden by extending economic assistance to underdeveloped nations. These seem to be strong indications that the program has done some good.

Who would have thought 8 years ago that we had a chance to save India? Yet today this monolithic nation of 450 million is slowly developing a viable economy and definitely lining up with the free world. All of Asia is comparing India with China to see which will emerge as leader of the Far East. Can there be any doubt that we have a continuing stake in India's success?

What about all of the dire predictions regarding Nasser's UAR only 3 years ago? Yet the cool, patient efforts of our aid endeavors seem to have brought this tumultuous Arab nation to the verge of total alliance with the West.

Why did the Huks fail to achieve their purpose of throwing the Philippines into the Soviet orbit? The mutual security program had something to do with that. Likewise, how did we assist the successful overthrow of the existent Communist regime in Karala State in India? The mutual security program played a vital part. These are a few examples of the successes of our aid efforts in sensitive areas of the world. Why have we not heard of these successes? Why is it that all we hear and read about are the flascos, and the instances of maladministration?

The lion's share of the so-called foreign aid effort, of course, has gone to the

maintenance of our own military position abroad. There seems relatively little public awareness of this fact, but Members of Congress know that approximately two-thirds of the funds have been directly involved in our defense posture.

Mutual security in this sense means nothing more nor less than collective defense. It is the free world's answer to the military might of international communism, before which no small nation could successfully stand alone. Through it we have established alliances with 42 independent nations who want to stay free, and have activated some 250 military defense bases which form a web of steel around the Soviet bloc.

Has it worked? Well, since the inauguration of NATO, the Soviets have not gained a single inch of European soil. This seems to indicate that it has worked. The Russians are sufficiently convinced of its effectiveness that they have tried every technique from threats to bribery to break it up, fortunately, to no avail. They apparently believe it has worked, to the benefit of freemen, and to their own detriment.

Our military leaders, testifying before the Foreign Affairs Committee, have stated that had it not been for the regional defense alliances supported under this program, Russia would have been free to take over one little country after another, and world war III might by now have occurred. Theirs is a measured judgment, and their judgment is that from a military standpoint it is not only successful but necessary.

Mutual security is not, as some believe, a one-way street. During the past 10 years the United States has contributed some $24 billion to the mutual defense effort. In that same period, our allies have contributed $166 billion in military expenditures of their own. Last year, they contributed more than 5 million ground troops to the defense of the free world. Their fliers manned 30,000 aircraft. about half of which are jets.

Yes, we have furnished a great deal of this equipment. We have given money in defense support to make it possible for Turks, Greeks, Koreans, and Formosans to man our equipment.

What would be the alternative if we were to cut it out entirely? Surely the alternative would be to draft many more American boys, perhaps 5 million more, to get the same level of defense. Since one Formosan soldier can be maintained for $163 a year and an American serviceman will cost us $4,000 a year, the cost would be multiplied many times.

To put it another way, if we had to supply the same level of defense without any help from these allies, the total cost for manpower, materiel, and equipment would probably come to something like $160 billion a year more than we now are spending, and our taxes would be about three times what they are today.

Has it failed utterly? Of course we can point to those countries that have fallen under the Communist web. We can point to North Korea, we can point to Castro's Cuba, we can point to other few failures, and there have been failures. There will undoubtedly be others, in spite of our very best efforts. But let us learn from those failures.

We can point to the $30 million highway in Cambodia that cost twice the original estimate and already needs repairs. We can point to the Korean fertilizer plant that could not be used for almost a year because of the inadequate power supply. We can point to the sawmill in Iran that took so long to put into operation. Let us profit by these mistakes.

We also could point to the American-financed loans through the Export-Import Bank which permitted the necessary modernization of the Iranian railroads which the war had left in shambles. Today 153 General Motors diesel engines operate on time, and old payments due on the loan are met on schedule.

We could point to the malaria infested jungles of the fertile Rapti Valley of Nepal which had long prevented its productive use. Under American supervision the menace was extinguished and today the valley exhibits the beauty of cultivated nature. It is often called by the inhabitants the American Valley, a magnificent monument to this country's unselfishness.

The record is long and substantial—from commercial egg plants in Lebanon to pure milk programs in Paraguay, from industrial facilities in Guatemala to educational facilities in Ethiopia, from pure water in Teheran to medical schools in Indonesia. Not all of them have been blunders. Many have stabilized and strengthened nations that want to stay free.

We could point to the successes our past programs have helped to fruition in India, a 42-percent growth in gross national product since 1955; in Pakistan, a 61-percent increase in industrial production since 1955; in the Philippines, a 100-percent increase in electric power. The Russian orbit covets the independent status of each of these nations. Each has been subjected to powerful Communist pressures, and each has resisted.

The program, admittedly, has not been an unqualified success. Few things are in this imperfect world. The President is striving to improve it and make it more effective. His program will require greater efforts at self-help on the part of the recipient nations. It will shift the major emphasis from grants to loans and require their repayment in American dollars. It will evoke still greater sharing of the financial load by European nations. I think it deserves a chance.

This struggle in which we are engaged is not a short one to be quickly won or lost. The question of which side ultimately wins may not be resolved for a generation or more. This is no time to quit the game, to surrender by default. We all are in the same world together. Its fate is our fate, its future ours. We can win the long struggle, for right is on our side, if we do not tire of the effort.

Mr. DORN. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed for 2 additional minutes and to revise and extend my remarks.

Mr. HOFFMAN of Michigan. Reserving the right to object, Mr. Chairman, may I withdraw my statement that I am going to object to any extra time?

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. O'HARA of Illinois. Mr. Chairman, will the gentleman yield?

Mr. DORN. I gladly yield to my distinguished friend from Illinois.

Mr. O'HARA of Illinois. I should like to hear from one of the greatest orators in America for not 7 minutes but 10 minutes.

Mr. DORN. I thank the able gentleman from Illinois.

Mr. Chairman, I thank the distinguished gentleman from Michigan [Mr. HOFFMAN] for his gracious courtesy.

Mr. Chairman, the House yesterday thrilled the people of this Nation by upholding our oath to support the Constitution of the United States. It is my earnest hope that we will further encourage those who believe in representative government by standing firm when the roll is called.

The people of the United States are desperately looking for some sign of resistance to totalitarianism at home and abroad. We have over the years been gradually adopting a totalitarian form of government in the name of resisting communism and dictatorship around the world. A stupendous bureaucracy has been created to spend the taxpayers' money with little congressional control. This is a dangerous threat to the cause of freedom everywhere.

Mr. Chairman, if we vote to relinquish scrutiny and control over the foreign aid program for 5 years, this would be a vote of no confidence in ourselves; it would be a vote of no confidence in our time-honored institutions; it would be a vote of no confidence in the people or in our representative form of government. I believe the foreign aid program should be carefully scrutinized and controlled by this Congress and reviewed every single year it is in operation. I believe coming before the Congress annually will help the program. I do not believe the foreign aid program can possibly succeed if we relinquish our control and right to annually appropriate money. We are trying to sell freedom and democracy to the world. We cannot sell freedom and representative government by creating an authoritarian bureaucracy who do not answer to the Congress or to the people.

It is time for us to let the world know that there is a Congress in the United States responsible to the Constitution and responsible to the taxpaying citizens. This is the story the world needs to know. We cannot sell this story of representative government and free enterprise through bureaucratic administration by officials not directly responsible to the people.

Yes, it will help this program for the Congress to review it annually and appropriate annually. It will help the President in his administration of it. It

will aid in better management, in better auditing, and more careful dispensation of the funds.

Frankly, I believe there are many Members of this House who know as much about the administration of this foreign-aid program as the administrators of it downtown and in foreign lands. I believe the members of our experienced and able Foreign Affairs Committee are experts in this field. They want to see it succeed and they will aid in its successful operation if consulted annually. Likewise, I have every confidence in the Appropriations Committee of this House. They are just as capable, just as honest, just as sincere and patriotic as the unelected administrators of this program. Yes, Mr. Chairman, the Members of this House by practical experience in dealing with people, and with business, and with labor are just as capable of evaluating this aid program as the administrators downtown or in foreign lands. I believe in representative government. I believe in our great Foreign Affairs Committee and in our great Appropriations Committee. The more these committees are consulted, the better this program will be. I sincerely believe that if this program is to be remotely successful, we must appropriate annually and we must exercise some control over this program.

Representative government is on trial all over the world. If we are to admit right here in this Congress our inabilty to legislate and appropriate, then the cause of freedom everywhere will suffer. Again, Mr. Chairman, may I repeat for emphasis we cannot defeat or even check totalitarianism by adopting its methods here in the greatest legislative body on earth.

Congress is not infallible. We have made mistakes, but I believe we have made less mistakes in the field of foreign policy than the executive branch operating through a vast, almost uncontrolled bureaucracy.

Let us turn to the pages of history—some recent unfortunate history. Congress provided funds for arms for Nationalist China. State Department officials withheld those defense funds. Soon afterward our Nation's allies were forced to leave the mainland of China because they did not have the means to stay and fight—a tragic bureaucratic decision contrary to the will of Congress. If I recall correctly, South Korea was voted similar defense funds by the Congress. Our bureaucrats held up those funds and high appointive Government officials made the statement that South Korea was out of our periphery of defense." Only a short time later the Red hordes from the North and West swooped down on our ally and friend, South Korea. In these instances Congress was right—the bureaucrats were wrong. Congress was more responsive to the desire of people to live and to be free.

I was in this House when the Congress passed a 70-group Air Force. We passed this 70-group Air Force over the vigorous opposition of the defense planners and the bureaucrats who believed at that time that Russia was a backward nation and no threat to the free world in this generation. These bureaucratic advisers prevailed upon the President to impound the money we appropriated for the 70-group Air Force. The Korean war came and found our country again unprepared. We had to appropriate money for a 123-group Air Force. We lost precious time, unnecessary lives, and billions of dollars. The Congress was right about the 70-group Air Force—the bureaucrats were wrong.

Another great example, Mr. Chairman, selected from the many, was the Connally amendment. The world planners, the bureaucrats, and the dreamers were wrong—Congress was right. When adopting the United Nations Charter the Connally amendment retained and preserved the sovereignty of our American citizens.

Today we are only asking to maintain our constitutional right to pass on the appropriations and check the activities of those in the field spending this aid money. Foreign aid has been administered by a joint effort—by the Congress, by the President, and by the men in the field. Any inefficiency in the operation of the program cannot be charged to Congress. We have made past programs more efficient and by continuing annual appropriations and annual review, working with the President and the administrators, we will have a better program in South America and throughout the world.

Turn with me, Mr. Chairman, to the greatest civilizations in the past history of the world. The Roman Republic was an example of progress and good government. The Roman Republic lasted for half a millennium—500 years. Many historians attribute the decline of Rome to the fact that the Roman Senate delegated its power to the Roman emperors and to a vast ever-growing, ever-expanding Roman bureaucracy. The Roman emperor became a god. Who could deny the whims and desires of a god? Who could refuse the slightest wish of this deity? The Roman Senate became a rubberstamp and Roman citizenship lost its honored meaning. The sanctity of Roman office holding from the lowest rank of local administrators to the tribunes themselves became merely a means to provide "bread and the circus" for the noncitizens who flocked to the city. Yes, Mr. Chairman, when the great Roman Senate in the years following Cicero surrendered its power to the Roman emperor and the bureaucrats, the Roman Republic was dead forever and the decline and fall of Rome assured. The ancient Greek democracy fell the same way as the Roman Empire, through a gradual erosion of the power of its elected representatives.

After the adoption of the Magna Carta, the English Parliament became an institution of authority and justice. It epitomized the hope and aspirations of freemen. This Parliament degenerated into a body of yes-men under the reign of the Tudors and Stuarts. Only the contest for the New World saved England from the fate of Rome.

Mr. Chairman, history is on the side of those of us who voted yesterday to retain our constitutional power to appropriate. If this body ever becomes a Hitlerian Reichstag, dancing to the tune of bureaucrats, then freedom will be gone forever in the United States and throughout the world.

This Congress is a great institution. It has served the people wisely and well since the Constitution was adopted 174 years ago next month. In the name of the American people, on behalf of the people of South America, and for freedom loving people everywhere let us today maintain and preserve the power of this great institution—the Congress of the United States.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The Clerk read as follows:

TITLE III—INVESTMENT GUARANTIES

SEC. 221. GENERAL AUTHORITY.—(a) In order to facilitate and increase the participation of private enterprise in furthering the development of the economic resources and productive capacities of economically underdeveloped friendly countries and areas, the President is authorized to issue guaranties as provided in subsection (b) of this section of investments in connection with projects, including expansion, modernization, or development of existing enterprises, in any friendly country or area with the government of which the President has agreed to institute the guaranty program. The guaranty program authorized by this title shall be administered under broad criteria, and each such project shall be approved by the President.

(b) The President may issue guaranties to United States citizens, or corporations, partnerships, or other associations in which the majority beneficial interest is held by United States citizens:

(1) assuring protection in whole or in part against any or all of the following risks:

(A) inability to convert into United States dollars other currencies, or credits in such currencies, received as earnings or profits from the approved project, as repayment or return of the investment therein, in whole or in part, or as compensation for the sale or disposition of all or any part thereof,

(B) loss of investment, in whole or in part, in the approved project due to expropriation or confiscation by action of a foreign government, and

(C) loss due to war, revolution, or insurrection, or due to any sanction which is imposed by any government against the government of the area where the project is located and which materially adversely affects the continued operation of the project:

Provided, That the total face amount of the guaranties issued under this paragraph (1) outstanding at any one time shall not exceed $1,000,000,000; and

(2) where the President determines such action to be important to the furtherance of the purposes of this title, assuring against loss in whole or in part of a loan investment due to nonpayment for any reason, or assuring against loss in whole or in part of any other form of investment due to such risks as the President may determine, upon such terms and conditions as the President may determine: *Provided*, That the total face amount of the guaranties issued under this paragraph (2) outstanding at any one time shall not exceed $100,000,000: *Provided further*, That no payment may be made under this paragraph (2) for any loss arising out of fraud or misconduct on the part of the investor: *Provided further*, That this authority shall continue until June 30, 1964.

(c) No guaranty shall exceed the dollar value of the investment made in the project with the approval of the President plus

actual earnings or profits on said investment to the extent provided by such guaranty, nor shall any guaranty extend beyond twenty years from the date of issuance.

(d) The President shall make suitable arrangements for protecting the interests of the United States Government in connection with any guaranty issued under section 221(b) including arrangements with respect to the ownership, use, and disposition of the currency, credits, assets, or investment on account of which payment under such guaranty is to be made, and any right, title, claim, or cause of action existing in connection therewith.

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: On page 15, line 12, after "citizens," strike out "or corporations, partnerships, or other associations in which the majority beneficial interest is held by United States citizens", and insert "corporations, partnerships, and associations."

Mr. VANIK. Mr. Chairman, the purpose of this amendment is simply to strike from the bill a new provision which extends the privilege of the guarantee under this bill to corporations in which a majority of American citizens may have a beneficial interest. As the bill is now written it would encourage the creation of corporations which would be chartered in countries that are so-called tax havens, and permit them to enjoy the benefits of the guarantee under this act without contributing as taxpayers.

It seems to me that we should make every effort to close up the runaway of American capital into tax-haven areas; and, certainly, where an activity or a corporation is profiting or benefiting under the provisions of this act, and enjoys a guarantee, the minimum we ought to require is that it report as an American corporation and that its profits and income be subject to the American internal revenue laws.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Michigan.

Mr. MEADER. I may have misunderstood the gentleman's amendment, but I think the effect of it is to guarantee all corporations, partnerships, and associations, whether they be U.S. citizens or be foreigners. I think the language the gentleman has in his amendment would open this wide by the guarantee of a program of French or British corporations, or any other foreign corporations.

Mr. VANIK. The amendment I have offered simply substitutes new language to provide that the President may issue guarantees to U.S. citizens, corporations, partnerships, and associations. It does not say anything about foreign corporations or foreign partnerships or foreign associations.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Ohio.

Mr. HAYS. Will the gentleman ask unanimous consent to have his amendment reread, because I did not understand it?

Mr. VANIK. Mr. Chairman, I ask unanimous consent that my amendment may be reread.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk reread the Vanik amendment.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Virginia.

Mr. HARDY. I think I fully understand the gentleman's purpose, and I am in agreement with it, but would it not be possible under the language which the gentleman has proposed for a U.S. corporation fully owned by foreigners to secure guarantees under his language?

Mr. VANIK. That is true, but at the same time, as U.S. corporations they will be subject to closer scrutiny by the Treasury Department. This would be impossible if they were corporations chartered by tax-haven countries.

Mr. HARDY. I would not want to subscribe to that language. If he would continue the requirement that the majority of beneficial interest be held by U.S. citizens, I think it would be a worthwhile amendment.

Mr. VANIK. If that language remains in the bill it would authorize American citizens to have a majority or beneficial interest in a corporation chartered in Liberia or Nassau or some place else, and then escape the American tax collector.

Mr. HARDY. The gentleman is correct. The gentleman's language would permit foreigners to come here and set up a U.S. corporation for the purpose of securing the guarantee.

Mr. VANIK. Foreigners can do that under American law at the present time, but as American corporations they are subject to American laws, to the laws regulating American income.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Ohio.

Mr. HAYS. The rereading of the amendment has cleared up the doubt I had in mind. I did not understand at the first reading that the word "or" is striken out, but since it is and it is made to apply to U.S. citizens, U.S. corporations and U.S. associations, that makes it different.

Mr. VANIK. I thank the gentleman.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Iowa.

Mr. GROSS. Would this cover corporations doing business in this country, in the United States?

Mr. VANIK. No. The provisions would apply to corporations doing business under this act abroad. It would not apply to corporations doing business in this country.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the investment guarantee program is one of the strongest features in the mutual security bill. Indeed it is the program that holds the greatest promise of the gradual lifting of the cost of foreign aid to the Government since, as more and more private business on its own initiative goes into the foreign fields, the burden on the American taxpayer is more and more lessened.

I would refer the committee to the public hearings of the Subcommittee on Africa, of which I am chairman, as to the wide activities of private U.S. organizations on the continent of Africa. One of the witnesses was the president of the Olin Mathieson Chemical Corp., which has a total investment of over $150 million in Guinea. All of this money came from American private lenders and not 1 cent came from the Government. To raise the money Olin Mathieson pledged its own credit. Olin Mathieson is only one of many private businesses operating on their own capital not only in Africa but in other countries throughout the world. Obviously, it is in the interest of the United States that such private investments in foreign lands should be encouraged.

The President's Commission on National Goals reported last November that "broader guarantees and incentives will be needed to induce the required volume of private investment."

I might say to the committee that I have been interested in the guarantee investment program since its inception in the 81st Congress. The matter then was under the jurisdiction of the Committee on Banking and Currency, of which I was a member. It was a program intended to give Federal guarantees on an insurance basis against the risk of convertibility, expropriation, and war. In the 10 or more years of the existence of the program it has operated with a guarantee authority of $1,100 million and up to date it has had no losses and has a very substantial reserve from the accumulations of the premiums paid in.

This year it is proposed to broaden the program and to extend to a safe extent the coverage. This is all important if we are to have a larger participation by private business in the development of the new nations. I might say that I have given very careful scrutiny to all the proposed changes since, as one of the fathers of the program, I have a natural interest in guarding against any increases in coverage that might endanger the stability of the program.

It so happens that some of the corporations operating in the foreign field on a large scale, while they are owned in greater part by American citizens for various reasons are not chartered in this country. The gentleman from Ohio [Mr. VANIK] is rightfully concerned that no device of foreign charterings should give exemption to corporations from paying the full share of taxes levied upon American chartered corporations. But this is a matter that is entirely unconnected with the provision in the mutual security bill that we are now considering. The fact is that this is American money. It is American money going abroad in the adventure of developing foreign

lands, and with the hope, of course, of making a legitimate profit. It should be borne in mind that this is insurance, which is paid for by the premiums of the insured, and as a matter of fact the Federal Government is making a substantial profit.

I cannot see where in this connection it makes the slightest difference whether a corporation is chartered in the United States or elsewhere. The matter of corporation taxation is in an entirely different area. What we want, and what we must have if ultimately foreign aid is to stand on its own feet without help from the Government, is that private business and private capital should take up the job.

Mr. Chairman, I hope that the amendment offered by my good friend from Ohio [Mr. VANIK] will be defeated.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I am inclined to agree with the gentleman from Illinois. It seems to me, though I am not expert in this field, that the language which is now sought to be stricken, in which the majority interest is held by U.S. citizens, is a restriction over the present regulations. But, it does seem to me that we need to allow guarantees to be issued to other identities than those directly chartered in the United States.

Mr. O'HARA of Illinois. Where the majority interest is American interest; American capital.

Mr. FRELINGHUYSEN. That is right.

Mr. O'HARA of Illinois. Of course, the gentleman knows this is only insurance. Premiums are paid for this. It is a program in which we have not suffered 1 cent of loss. I think it has done a terrific job for us.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. Certainly.

Mr. ADAIR. The gentleman will recall, as I do, that in a series of hearings recently held before the African Subcommittee of the Committee on Foreign Affairs a number of businessmen testified as to the value of these provisions in the law. Businessman after businessman came in and said that without this they could not have conducted the affairs of their business and expansions abroad as they would have wished. Therefore, I join the gentleman in his opposition to the proposed amendment.

Mr. O'HARA of Illinois. I know that the gentleman from Indiana, who is an invaluable member of the subcommittee, will join me in suggesting to our colleagues that they read the hearings of our African Subcommittee which covers the operations of private capital in Africa.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Ohio.

Mr. VANIK. I would like to submit to my friend from Illinois, whose judgment I respect so widely on these affairs, that certainly the Canadian Government ought to provide such guarantees as are necessary for the Canadian corporation. It seems to me if the American taxpayer is expected to provide the protection that this section provides, that the least we ought to require is that we have under jurisdiction the corporate body which is participating and that the corporate body which is participating be taxed to help pay off some of the tremendous obligations that these guarantee sections may entail. This is a tremendous obligation to the U.S. Government, which is unlimited in time.

Mr. O'HARA of Illinois. My good friend from Ohio overlooks the fact that the United States, instead of having tremendous obligations to pay off, is actually making a profit on the program.

Mr. GALLAGHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, while I can certainly understand the gentleman's purpose in offering this amendment, I believe that the net effect of the amendment would be to eliminate the guarantee from U.S.-owned subsidiaries in foreign countries. At the same time it leaves the guarantee applicable to foreign corporations which have their charter based in the United States. I therefore oppose the amendment.

Mr. HAYS. Mr. Chairman, I move to strike the requisite number of words.

It seems to me, Mr. Chairman, there is some misunderstanding about exactly what the proposed amendment, offered by the gentleman from Ohio, does. As I understand it, it does restrict this to American corporations; that is, they must be chartered in the United States. A majority of the stock can be owned by somebody else, but what I think the gentleman is trying to get at is the fact that they have to be chartered here and pay their taxes here. As far as I am concerned, I had just as soon bar U.S. subsidiaries in other countries which are set up for the purpose of evading U.S. taxes from the provisions of this act. If they want to benefit from them, let them come into the United States, let them be a U.S. corporation and let them abide by the laws which all of the rest of U.S. corporations have to abide by.

Mr. Chairman, I will yield to the gentleman from Ohio to ask him if that is the purport of his amendment.

Mr. VANIK. That is exactly the effect of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VANIK].

The amendment was agreed to.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS of Iowa: On page 16, strike all of lines 1 through 6.

Mr. GROSS. Mr. Chairman, first of all, I would like to ask someone on the Foreign Affairs Committee if President Kennedy has been successful in getting any foreign countries, as he said he would do in the campaign last fall, and again in one of his numerous messages to Congress this spring, to come up with substantial increases in their contributions in behalf of this foreign giveaway program? Can anybody answer that? Has any foreign country come forward?

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes, I yield to the gentleman.

Mr. GALLAGHER. Yes. I can cite several countries; principally the Federal Republic of Germany that this year is putting $1 billion into the development lending program.

Mr. GROSS. That is one. Do you have two?

Mr. GALLAGHER. Yes. France has a program also.

Mr. GROSS. France has what?

Mr. GALLAGHER. France has a program also.

Mr. GROSS. It is difficult for me to believe the French are going to do much.

Mr. GALLAGHER. They are going to increase their foreign aid.

Mr. GROSS. How about the British? Will they come up with anything?

Mr. GALLAGHER. The British have a program, too. They are joining the multilateral program.

Mr. GROSS. It is interesting to hear that the British are really coming into the handout program for foreigners, because they are now borrowing $2 billion from the International Monetary Fund. Not only that, but Congress has suspended all payments of principal and interest on the debt which they owe to this country. Whose money are the British using for handout programs for foreigners?

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. HAYS. I do not want the gentleman to get both of us in over our head in this financial business, but the British are putting up money in the sterling area. The money they are borrowing is to protect their monetary position from the dollar drain in the unfavorable balance of trade which they have had in the dollar areas of the world. This gets pretty complicated. I want to say to my colleague that I do not want him to get us in over our heads, but that is the program. The British program is designed and directed to those parts of the world which are in the sterling bloc and which they can help without the deterioration of their foreign-exchange system and the dollar system.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman very briefly.

Mr. JUDD. Japan has adopted a very substantial program of economic and technical assistance to countries in southeast Asia, providing them with Japanese ships, Japanese machinery and Japanese personnel, and so forth, using their own money.

Mr. GROSS. Mr. Chairman, now to my amendment. I do not understand why we should be insuring American corporations going abroad against losses due to war, revolution, or insurrection, and this weird coverage, "or due to any sanction which is imposed by any government against the government of the area where the project is located and which materially adversely affects the continued operation of the project."

What is the meaning of that? Could we have an illustration of who would be protected under that provision?

Mr. HAYS. Will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. HAYS. First, this is not retroactive and, second, these people pay for this insurance. The fund at the moment has made a $7 million profit. What is the alternative of trying to get American capital to go out and venture and do a job that will pick up part of the chips?

Mr. GROSS. Why should we guarantee anyone against losses by virtue of war? We do not guarantee an American manufacturer or industrialist in this country against losses as the result of war. He could not afford to buy such insurance.

Mr. HAYS. We certainly did it during the last war. We had that so that the American manufacturers could buy insurance just as corporations can buy it under this program.

Mr. GROSS. Does the gentleman say that American manufacturers can today buy insurance to protect themselves against loss by bombings? If so, what would the premium be?

Mr. HAYS. They cannot do it today because we do not have a program, but they could do it in World War II. Presumably if another war came, we would have war-risk insurance.

Mr. GROSS. How can we justify the obligation of such a program in foreign countries?

Mr. HAYS. I think the answer to that is very obvious, because the likelihood of war or revolution in these underdeveloped countries is much greater than the likelihood of war in the United States. We are trying to get these people to invest their money there.

Mr. GROSS. I am talking about war. Sure. You have insurrections and revolutions in the bill this year, and I believe for the first time. Why should we guarantee in any foreign country for losses for these reasons?

Mr. HAYS. Because there is more likely to be a war in the Congo than there is in the United States. I think that is self-evident.

Mr. GROSS. Does not the gentleman think these people ought to take their own risks on war and civil strife?

Mr. HAYS. I think they take a good deal of risk on their own. They put their money in there, they take the risk of making a profit, and they buy their insurance. They pay for that.

Mr. O'HARA of Illinois. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have had this program for much over 10 years and always its available coverage has included loss occasioned by war. There is no change in that at all. The coverage, however, has been extended to include insurrections and revolutions, which of course, are in the nature of civil wars. It was proposed to include loss resulting from civil strife, and this I opposed, as I had in the past, because civil strife could be anything from a fist fight between two men. The committee unanimously agreed and the civil strife inclusion was stricken. On the other hand, revolutions and insurrections really are wars, and the program always has insured against war and up to date we have not lost a cent. We actually have made money.

I trust the amendment will be defeated.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Pennsylvania.

Mr. DENT. Something worries me on the wording of the section, where it states: "due to any sanction which is imposed by any government against the government of the area where the project is located and which materially adversely affects the continued operation of the project."

Just recently in the international news there was a story carried about the possible action of Chile against the two mining companies which are the two major industries of Chile, and which are American-owned. I notice it is not affecting this particular contemplated action in Chile, but would it be possible where the government issues an adverse order such as is contemplated in Chile, where they must increase their production by 40 percent whether or not they have a market, or subject themselves to expropriation of their property? Would this then in the future give to an American investor the right to claim damages under this particular section of the law?

Mr. O'HARA of Illinois. I am afraid the gentleman has left me little time for reply. If I understand the facts correctly, the gentleman from Pennsylvania has cited a typical case covered by this insurance.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Minnesota.

Mr. JUDD. I want to make this additional point: Nobody should think that these investment guarantees are for the benefit primarily of the companies. We are trying to get private capital to go into the countries. We need their money, their managers, their know-how, and their skills, in order to improve the capacities of those countries.

Now if private agencies do not go in with their money, we will have to increase the amount of Government money in this bill. So it is a question between the American Government doing it, paying the whole cost, and getting private companies to do it, with possible cost to the American taxpayers if war or revolution occurs. So those Members who want most to reduce the cost of the foreign-aid program, certainly should be for this program of investment guarantees.

Mr. O'HARA of Illinois. Mr. Chairman, I know the gentleman from Minnesota agrees with me that the investment guaranty program is one of the strongest parts of the bill. It has never been a matter of controversy in our committee.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman.

Mr. GROSS. Why should we insure the Ronson Lighter Co. in France or the American Motels Corp. in Italy or the Knott Hotel Corp. in England?

Mr. JUDD. We do not insure them now.

Mr. GROSS. We certainly do.

Mr. JUDD. We did for a while, but we changed that by insisting that guarantees should be given only for projects in so-called underdeveloped countries. That was taken care of several years ago.

Mr. GROSS. Do you mean we do not insure pharmaceutical companies in Italy?

Mr. JUDD. No, we do not insure them now. This authorizes investment guarantees only to companies investing money in underdeveloped countries.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

The Clerk read as follows:

SEC. 222. GENERAL PROVISIONS.—(a) A fee shall be charged for each guaranty in an amount to be determined by the President. In the event the fee to be charged for a type of guaranty authorized under section 221(b) is reduced, fees to be paid under existing contracts for the same type of guaranty may be similarly reduced.

(b) All fees collected in connection with guaranties issued under this section, under sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and under section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (22 U.S.C. 1509(b)(3)) (exclusive of fees for informational media guaranties heretofore or hereafter issued pursuant to section 1011 of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1442) and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended), shall be available for meeting management and custodial costs incurred with respect to currencies or other assets acquired under guaranties made pursuant to section 221(b) of this part, sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (exclusive of informational media guaranties), and shall be available for expenditure in discharge of liabilities under guaranties made pursuant to such sections, until such time as all such property has been disposed of and all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this section.

(c) In computing the total face amount of guaranties outstanding at any one time for purposes of paragraph (1) of section 221(b), the President shall include the face amounts of outstanding guaranties heretofore issued pursuant to such paragraph, sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended, but shall exclude informational media guaranties.

(d) Any payments made to discharge liabilities under guaranties issued under section 221(b) of this part, sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (exclusive of informational media guaranties), shall be paid first out of funds specifically reserved for such payment pursuant to the proviso to the second sentence of section 222(e), and thereafter shall be paid out of fees referred to in section 223(b) as long as such fees are available, and thereafter shall be paid out of funds, if any, realized from the sale of currencies or other assets acquired in connection with any such

guaranties as long as such funds are available, and finally shall be paid out of funds realized from the sale of notes issued under section 413(b)(4)(F) of the Mutual Security Act of 1954, as amended, and section 111(c)(2) of the Economic Cooperation Act of 1948, as amended.

(e) All guaranties issued prior to July 1, 1956 (exclusive of informational media guaranties) and all guaranties issued under section 202(b) of the Mutual Security Act of 1954, as amended, may be considered, and all other guaranties shall be considered for the purposes of section 3679 (31 U.S.C. 665) and section 3732 (41 U.S.C. 11) of the Revised Statutes, as amended, as obligations only to the extent of the probable ultimate net cost to the United States Government of all outstanding guaranties. The President shall, in the submission to the Congress of the reports required by section 632 of this Act, include information on the operation of this title. Funds obligated in connection with guaranties issued under section 221(b) of this part, sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (exclusive of informational media guaranties), shall constitute a single reserve, together with funds available for obligation hereunder but not yet obligated, for the payment of claims under all guaranties issued under such sections: *Provided,* That funds obligated in connection with guaranties issued prior to July 1, 1956, and guaranties issued under section 202(b) of the Mutual Security Act of 1954, as amended, shall not, without the consent of the investor, be available for the payment of claims arising under any other guaranties. Funds available for obligation hereunder shall be decreased by the amount of any payments made to discharge liabilities, or to meet management and custodial costs incurred with respect to assets acquired, under guaranties issued pursuant to section 221(b) of this part, sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (exclusive of informational media guaranties), and shall be increased by the amount obligated for guaranties as to which all liability of the United States Government has been terminated, and by the amount of funds realized from the sale of currencies or other assets acquired in connection with any payments made to discharge liabilities, and the amount of fees collected, under guaranties issued pursuant to such sections (exclusive of informational media guaranties).

SEC. 223. DEFINITION.—As used in this title—

(a) the term "investment" includes any contribution of capital commodities, services, patents, processes, or techniques in the form of (1) a loan or loans to an approved project, (2) the purchase of a share of ownership in any such project, (3) participation in royalties, earnings, or profits of any such project, and (4) the furnishing of capital commodities and related services pursuant to a contract providing for payment in whole or in part after the end of the fiscal year in which the guaranty of such investment is made; and

(b) the term "expropriation" includes any abrogation, repudiation, or impairment by a foreign government of its own contract with an investor, where such abrogation, repudiation, or impairment is not caused by the investor's own fault or misconduct, and materially adversely affects the continued operation of the project.

TITLE IV—SURVEYS OF INVESTMENT OPPORTUNITIES

SEC. 231. GENERAL AUTHORITY.—(a) In order to encourage and promote the undertaking by private enterprise of surveys of investment opportunities, other than surveys of extraction opportunities, in economically underdeveloped friendly countries and areas, the President is authorized to participate in the financing of such surveys undertaken by any person as defined in section 233(a), on such terms and conditions as he may determine: *Provided,* That his participation shall not exceed 50 per centum of the total cost of any such survey. The making of each such survey shall be approved by the President and the government concerned.

(b) In the event that a person who has undertaken a survey in accordance with this title determines, within a period of time to be determined by the President, not to undertake, directly or directly, the investment opportunity surveyed, such person shall turn over to the President a professionally acceptable technical report with respect to all matters explored. Such report shall become the property of the United States Government, and the United States Government shall be entitled to have access to, and obtain copies of, all underlying correspondence, memorandums, working papers, documents, and other materials in connection with the survey.

SEC. 232. AUTHORIZATION.—There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1962 to carry out the purposes of this title not to exceed $5,000,000, which shall remain available until expended.

SEC. 233. DEFINITIONS.—As used in this title—

(a) the term "person" means a citizen of the United States or any corporation, partnership, or other association in which the majority beneficial interest is held by United States citizens; and

(b) the term "survey of extraction opportunities" means any survey directed (i) to ascertaining the existence, location, extent, or quality of any deposit of ore, oil, gas, or other mineral, or (ii) to determining the feasibility of undertaking operations for the mining or other extraction of any such mineral or for the processing of any such mineral to the stage of commercial marketability.

TITLE V—DEVELOPMENT RESEARCH

SEC. 241. GENERAL AUTHORITY.—The President is authorized to use funds available for this part to carry out programs of evaluation and research into the process of economic development in economically underdeveloped friendly countries and areas, into the factors affecting the relative succcess and costs of development activities, and into the means, techniques, and such other aspects of development assistance as he may determine, in order to render such assistance of increasing value and benefit.

Mr. MEADER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MEADER: On page 23, immediately below line 18, insert the following:

"SUBTITLE A—GENERAL AUTHORITY"

And immediately below line 2, on page 24, insert the following:

"SUBTITLE B—COMMISSION ON OVERSEAS INVESTMENT AND TRADE

"Findings and declaration of purpose

"SEC. 251. The Congress finds that the dynamic competitive free-enterprise system which has flourished in the United States can raise standards of living and promote internal strength and stability in other free countries, thereby increasing their capacity to resist aggression, stimulating international trade, and contributing to the growth of free economic and political institutions. These goals can be achieved in large measure through encouraging and facilitating the investment of private capital in other free countries to develop their resources and improve their productivity. Numerous impediments now exist, however, which inhibit the investment of private capital and the conduct of trade and commerce throughout the free world. It is the purpose of this subtitle to discover ways to overcome these obstacles and make the fullest use of free private enterprise, subject to proper restraints to prevent overreaching and unfair exploitation, in promoting mutual security, economic vigor, and individual liberty in the free world.

"Establishment of commission; duties

"SEC. 252. (a) COMMISSION ESTABLISHED.—There is hereby established a bipartisan commission to be known as the Commission on Overseas Investment and Trade (in this subtitle referred to as the "Commission").

"(b) DUTIES OF COMMISSION.—In conformity with the findings and in furtherance of the purpose declared in section 251, the Commission, after a complete study and investigation, shall formulate and recommend to the President and the Congress specific programs and policies calculated to encourage and facilitate the investment of private capital in free countries outside the United States, and the conduct of trade and commerce in such countries, and between such countries and other free countries, including the United States. The study and investigation by the Commission shall include a study of the operation of the programs of foreign assistance conducted by the United States, with a view to determining the impact of such programs upon investment of private capital in other free countries. The Commission shall give particular attention to developing programs and policies calculated to eliminate or minimize the restrictions, hazards, and other impediments, foreign and domestic (including monopolistic and restrictive trade practices) which inhibit such investment, trade, and commerce, and to provide incentives for such investment, trade, and commerce.

"Membership of the Commission

"SEC. 253. (a) NUMBER AND APPOINTMENT.—The Commission shall be composed of fourteen members as follows:

"(1) Ten appointed by the President of the United States, four from the executive branch of the Government and six from private life;

"(2) Two Members of the Senate appointed by the Vice President; and

"(3) Two Members of the House of Representatives appointed by the Speaker.

"(b) POLITICAL AFFILIATION.—Of each class of members, not more than one-half shall be from each of the two major political parties.

"(c) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

"Organization of the Commission

"SEC. 254. The Commission shall elect a Chairman and a Vice Chairman from among its members.

"Quorum

"SEC 255. Eight members of the Commission shall constitute a quorum.

"Compensation of members of the Commission

"SEC. 256. (a) MEMBERS OF CONGRESS.—Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

"(b) MEMBERS FROM THE EXECUTIVE BRANCH.—The members of the Commission who are in the executive branch of the Gov-

ernment shall each receive the compensation which he would receive if he were not a member of the Commission, plus such additional compensation, if any, as is necessary to make his aggregate salary $20,500; and they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

"(c) MEMBERS FROM PRIVATE LIFE.—The members from private life shall each receive $50 per diem when engaged in the performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

"Staff of the Commission

"SEC. 257. The Commission shall have the power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil-service laws and the Classification Act of 1949, as amended.

"Certain laws inapplicable to Commission and its staff

"SEC. 258. The service of any person as a member of the Commission, the service of any other person with the Commission, and the employment of any person by the Commission, shall not be considered as service or employment bringing such person within the provisions of section 281, 283, or 284 of title 18 of the United States Code, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

"Expenses of the Commission

"SEC. 259. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this subtitle.

"Powers of the Commission

"SEC. 260. (a) COMMITTEES.—The Commission may create such committees of its members with such powers and duties as may be delegated thereto.

"(b) HEARINGS AND SESSIONS.—The Commission, or any committee thereof, may, for the purpose of carrying out the provisions of this subtitle, hold such hearings and sit and act at such times and places, and take such testimony, as the Commission or such committee may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before any committee thereof.

"(c) OBTAINING OFFICIAL DATA.—The Commission, or any committee thereof, is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this subtitle; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, or any committee thereof, upon request made by the Chairman or Vice Chairman of the Commission or of the committee concerned.

"(d) SUBPENA POWER.—The Commission, or any committee thereof, shall have power to require by subpena or otherwise the attendance of witnesses and the production of books, papers, and documents; to administer oaths; to take testimony; to have printing and binding done; and to make such expenditures as it deems advisable within the amount appropriated therefor. Subpenas shall be issued under the signature of the Chairman or Vice Chairman of the Commission or committee and shall be served by any person designated by them. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (U.S.C., title 2, secs. 192–194), shall apply in the case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section.

"Expiration of Commission

"SEC. 261. The Commission shall cease to exist on June 30, 1963."

Mr. MEADER. Mr. Chairman, the particular passages of the bill that have just been read, the investment guarantee, survey of investment opportunities, and section 241 on development research are some of the most valuable features of this legislation.

It has long been my contention that the job of economic development is primarily the task of individual citizens and the business community through voluntary business organizations; that the role of the Government is to facilitate the development of economic resources by private capital.

Mr. Chairman, I call the attention of the Committee to a document of the U.S. Department of Commerce which is a little over a year old, entitled "U.S. Business Investments in Foreign Countries." This is a very well-done work, and it shows that as of 1960 the total book value of U.S. capital investments in oversea areas is nearly $30 billion. Unfortunately, a great deal of that investment is in Canada, almost one-third of it is in petroleum facilities, and very little of it is in what would be regarded as the underdeveloped areas.

I feel that natural economic forces would operate to develop underdeveloped areas without expense to our Government, and in fact, by increasing the tax base of our Government, if our agencies could create a climate in these areas which need to be developed, which would be attractive not only to U.S. capital but to private capital of other nations.

In my judgment, that problem has not been solved and we have not even made an approach to solving it. Section 241 provides for research or study with much the same purpose as the commission which I think should be created; but the study would be conducted by the bureaucracy itself. I believe there needs to be an independent agency.

This study commission would be of the type of the Hoover Commission, a 14-man commission, with representation of two Members from the Senate, two Members from the House, four members from the executive branch of Government, and six members from private life. It would be a bipartisan commission.

That commission would have the stature to criticize the activities of our present agencies abroad, where they are doing something which inhibits the investment of private capital or where they fail to do something which would encourage investment of private capital. If you leave it to the bureaucracy to study and criticize itself, you cannot expect to make much progress. So it seems to me if we really mean business about enlisting the talent and the capital of the American business community and the business communities of other nations, in this job of economic development of underdeveloped areas, and if we mean to do it in the tradition of free enterprise rather than in socialistic government ownership and operation of industry and commerce of other countries, then this is the intelligent way to go about it.

Mr. Chairman, I hope that this amendment will receive the favorable consideration of the Committee on Foreign Affairs. I have provided the committee with a copy of my amendment in advance.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Michigan did provide the Committee on Foreign Affairs with a copy of this amendment today. The committee has not had a chance to study all the implications of this rather lengthy amendment. The gentleman introduced this as a bill in the House on August 15, 1961, just this week. It is possible that the amendment has some merit, but I do not think the mutual security bill of 1961 is the place for this amendment.

This amendment sets up a special commission of 14 members, as the gentleman has outlined in his presentation, some on the Executive payroll and some consultants at $50 per diem. I think maybe it would be best for the Committee on Foreign Affairs to study this and, if necessary, give the gentleman from Michigan a hearing on the bill. I am sure this matter is important enough to go through the regular procedure and be referred to the committee.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Michigan.

Mr. MEADER. Mr. Chairman, this bill, although it was introduced only this week, is similar to legislation which I previously have introduced. I have appeared on mutual security legislation in previous years to urge this approach to the study before the Committee on Foreign Affairs. I point out that there are studies required under existing law which have been deleted by the pending bill, H.R. 8400. I call attention to the bracketed material under paragraphs (c) and (d) on page 140 of the committee report. Those studies that were previously made by the Department of Commerce were useful, but I do not think that they were or could possibly be as useful as a study by an independent agency that was not beholden to one the departments of Government.

Mr. MORGAN. I think if the gentleman will turn to page 38 of the bill, section 601 "Encouragement of free enterprise and private participation," he will find that assistance to private investors is pretty well covered already in the bill. I can assure the gentleman that the Committee on Foreign Affairs will be glad to give the bill consideration as soon as time is available.

Mr. Chairman, I ask that the amendment be defeated.

Mr. GALLAGHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would just like to add that this would add an unnecessary expenditure to the bill. The language that the chairman pointed out on page 38 in

effect does precisely what the gentleman has suggested in his bill, and we do have legislative intent as well as executive intent to encourage the very thing that the gentleman has suggested by this legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. MEADER].

The amendment was rejected.

The Clerk read as follows:

CHAPTER 3—INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 301. GENERAL AUTHORITY.—(a) When he determines it to be in the national interest, the President is authorized to make voluntary contributions on a grant basis to international organizations and to programs administered by such organizations on such terms and conditions as he may determine, in order to further the purposes of this part.

(b) Contributions to the United Nations Expanded Program of Technical Assistance and the United Nations Special Fund for the calendar years succeeding 1961 may not exceed forty per centum of the total amount contributed for such purpose (including assessed and audited local costs) for each such year.

(c) In determining whether or not to continue furnishing assistance for Palestine refugees in the Near East through contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the President shall take into account (1) whether Israel and the Arab host governments are taking steps toward the resettlement and repatriation of such refugees, and (2) the extent and success of efforts by the Agency and the Arab host governments to rectify the Palestine refugee relief rolls.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I should like to ask someone on the committee again if it is impossible to get this 40-percent contribution to the United Nations expanded program of technical assistance and the United Nations Special Fund down to 33⅓ percent or less. Is there any indication that we may ever expect that?

Mr. MORGAN. Is the gentleman talking about the United Nations expanded program of technical assistance?

Mr. GROSS. Yes.

Mr. MORGAN. The contribution is 40 percent; the gentleman wants it less than that?

Mr. GROSS. Why not?

Mr. MORGAN. I am sure the gentleman from Minnesota [Mr. JUDD] can answer the question.

Mr. GROSS. The gentleman from Minnesota is a pretty good spender; I guess he can.

Mr. JUDD. This United Nations program was set up to provide incentive, if you wish, for other countries to join us, to match us in providing certain types of technical development to less developed countries. We had been paying practically the whole cost, doing most of the job for a long time. Now many of them are becoming increasingly willing to put in their money too. They are willing now to provide up to 60 percent, while we are still providing 40 percent. Is it not better for us to pay 40 percent, rather than up to 80 or 90 or 100 percent? Our hope has been that the program would grow to a total of about $250 million a year of which our 40 percent contribution would be $100 million. At that point, our share should be reduced, but it still is 40 percent. The other countries have thus far been able or willing to make available only $60 million, making the total roughly $100 million.

Mr. GROSS. How many other countries are involved in this?

Mr. JUDD. Practically all the underdeveloped countries of the world. There is a council of 18 countries consisting of 9 contributing countries and 9 receiving countries. That council works out the programs for various countries, this year 42 of them, upon the request of the individual countries.

Mr. GROSS. Is this United Nations Special Fund the same agency that made a loan to Castro's Cuba just recently?

Mr. JUDD. It was not a loan.

Mr. GROSS. Then he was given $1,100,000, or some such amount?

Mr. JUDD. The Special Fund authorized an expenditure of $1.1 million over a period of 5 years for an agricultural research program in Cuba.

Mr. GROSS. This was after we broke diplomatic relations with Cuba, was it not?

Mr. JUDD. I am not sure.

Mr. GROSS. Yes; it was after we broke diplomatic relations with Cuba.

Mr. JUDD. Everyone is opposed to helping Castro, but we cannot always have our own way in international organizations. There is no way that I know of whereby we can completely control an international organization.

Mr. GROSS. Of course not; so let us join some more of these leeching international organizations so that we can put in 40 percent to their 60 percent.

Mr. JUDD. One million one hundred thousand dollars out of a budget of close to $100 million will go for this project for Cuba during the next 5 years. The other $99 million a year, roughly, will be going to countries that are not Communist controlled.

Mr. GROSS. If we cannot keep money out of Castro's hands—we do have some representation in this organization—if we cannot keep money out of his hands, how are we going to keep money out of any other Communist country? If the foreigners who outvote us in this organization determine that they want to give some money to some Communist country, how can we prevent it? We were sandbagged by these same people with respect to Castro.

Mr. JUDD. As a matter of fact, I am told there has never been a vote taken in this Executive Council, partly because there are, for example, Israeli representatives and Arab representatives; there are representatives of Communist and non-Communist countries. Neither side has been willing on the record to vote for money to the opposition. So the decisions have been informal in order to get work done. The staff prepares and recommends programs, carefully screened, and each time the Council has adopted them without a record vote. Otherwise even this program of technical assistance would be fragmented by the political issues that divide the world. The charter of the Special Fund says that it is not a political organization and that political tests cannot be applied. Our delegate to the Special Fund opposed this Cuba project on an economic basis.

Mr. GROSS. I know the entire story. Still, this man Paul Hoffman went ahead and handed the money over to Castro, along with the others.

Mr. JUDD. No; the money does not go to Castro.

Mr. GROSS. It goes to Cuba; what is Cuba but Castro?

Mr. JUDD. It goes for a research program in agriculture.

Mr. GROSS. Let us not split hairs. One of these days the American people are going to awaken to what is being done to them by the Congress in shoveling out billions in this fashion. When they do awaken it is going to be a rough day for some people who have been voting for all this foolishness and worse.

The Clerk read as follows:

SEC. 302. AUTHORIZATION.—There is hereby authorized to be appropriated to the President for use, in addition to funds available under any other Act for such purposes, for the fiscal year 1962 to carry out the purposes of this chapter not to exceed $153,500,000.

SEC. 303. INDUS BASIN DEVELOPMENT.—In the event that funds made available under this Act (other than part II) are used by or under the supervision of the International Bank for Reconstruction and Development in furtherance of the development of the Indus Basin through the program of cooperation among South Asian and other countries of the free world, which is designed to promote economic growth and political stability in South Asia, such funds may be used in accordance with requirements, standards, or procedures established by the Bank concerning completion of plans and cost estimates and determination of feasibility, rather than with requirements, standards, or procedures concerning such matters set forth in this or other Acts; and such funds may also be used without regard to the provisions of section 901(b) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1241), whenever the President determines that such provisions cannot be fully satisfied without seriously impeding or preventing accomplishment of the purposes of such programs: *Provided*, That compensating allowances are made in the administration of other programs to the same or other areas to which the requirements of said section 901(b) are applicable.

CHAPTER 4—SUPPORTING ASSISTANCE

SEC. 401. GENERAL AUTHORITY.—The President is authorized to furnish assistance to friendly countries, organizations, and bodies eligible to receive assistance under this part on such terms and conditions as he may determine, in order to support or promote economic or political stability.

SEC. 402. AUTHORIZATION.—There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1962 to carry out the purposes of this chapter not to exceed $481,000,000, which shall remain available until expended.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 26, line 15, strike the figure "$481,000,000" and insert "$300,000,000".

Mr. GROSS. Mr. Chairman, I am sure that no amendment cutting any substantial funds out of this bill will be

adopted. I am laboring under no illusions whatever. The sham battle has been fought over the backdoor financing. We are going right on now to pass the bill with all the money in it that the committee came out with. Make no mistake about that.

This $481 million as it stands in the bill is one of several contingency funds to the President to be spent as he elects to spend it. Turn over to page 51 if you want to understand how this is to be spent and read the language to be found on that page of the bill. Let me read it to you:

Whenever the President determines it to be important to the national interest, he may use funds available for the purposes of chapter 4 of part I in order to meet the responsibilities or objectives of the United States in Germany, including West Berlin, and without regard to such provisions of law as he determines should be disregarded to achieve this purpose.

Complete disregard of any law. I have never read such a provision in a bill before the House.

Mr. JUDD. It is in the existing Mutual Security Act.

Mr. GROSS. Then it certainly ought to be out. There is hardly a paragraph in this bill that does not delegate to the President authority that ought to be retained by Congress.

Mr. JUDD. The point is we are dealing with an unusual situation in Germany and West Berlin.

Mr. GROSS. Yes, you are always dealing with an unusual situation in the matter of foreign giveaways. And you are always willing in these bills to give a President unconscionable delegated power.

Mr. JUDD. The language in this bill is almost identical with existing language, except that last year it had a ceiling of $7 million, something like that, and this year we did not put in a ceiling because, as I think the gentleman knows, it is not very wise to do so in so fluid and explosive a situation.

Mr. GROSS. So the President can disregard any law and spend $481 million. If Members of the House vote for this bill with all this delegated authority, they ought to equip themselves with rubber stamps.

As I said before, I have no hope that there are going to be any cuts in this bill that will have any meaning. I do not intend to argue the point any more or take the time of the House. I say again that we are simply watching a sham battle.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is a section that includes the old defense support program of the existing act. This includes the money for the eight countries that practically surround the Soviet border. Fifty-five percent of this money goes to Korea, Vietnam, Turkey, and Pakistan. These 4 countries have over 2,150,000 in their military forces. This is a good investment for this country.

The committee looked this over very, very carefully. The Executive originally asked for $581 million. The committee screened the program of every country that obtained assistance under this program, and the committee cut the program by $100 million, taking into consideration the uncertainties of the requirements of Korea, Laos, and other countries. This is a substantial cut. I am sure that the proposed cut of $181 million will definitely cripple the 22 countries receiving assistance under this authorization.

Also this program includes our base rights money for countries where our big Strategic Air Command bases are scattered in Europe and the Mediterranean area. This is a very important authorization and I ask the committee to vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The amendment was rejected.

The Clerk read as follows:

SEC. 403. SPECIAL PROVISION.—The President shall take appropriate measures to assure the use of counterpart funds. In cases where any commodity is to be furnished on a grant basis under arrangements which will result in the accrual of proceeds to the recipient country from the import or sale thereof, such assistance shall be furnished only if the recipient country shall have agreed to establish a Special Account, and

(1) deposit in the Special Account, under such terms and conditions as may be agreed upon, currency of the recipient nation in amounts equal to such proceeds; and

(2) make available to the United States such portion of the Special Account as may be determined by the President to be necessary for the requirements of the United States: *Provided*, That such portion shall not be less than 10 per centum in the case of any country to which such minimum requirement has been applicable under any Act repealed by this Act.

CHAPTER 5—CONTINGENCY FUND

SEC. 451. CONTINGENCY FUND.—(a) There is hereby authorized to be appropriated to the President for the fiscal year 1962 not to exceed $300,000,000 for use by the President for assistance authorized by part I in accordance with the provisions applicable to the furnishing of such assistance, when he determines such use to be important to the national interest.

(b) The President shall keep the appropriate committees of the Congress currently informed of the use of funds under this section.

Mr. ADAIR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ADAIR: On page 27, line 14, strike out "$300,000,000" and insert in lieu thereof "$250,000,000".

Mr. ADAIR. Mr. Chairman, this is an amendment which would remove $50 million from this bill. It would take that amount of money from the contingency fund of the President. The President, or the executive branch, had asked originally for $500 million for this fund. The committee reduced it to $300 million. My amendment would further reduce it to $250 million. In last year's legislation, we first appropriated for the contingency fund the amount of $150 million. This was for both economic and military activies. Thereafter, that amount was increased by an additional $100 million to make a total appropriation of $250 million. In addition to that, the President subsequently, under the authority granted to him, transferred $30 million to this fund, to make a total last year of $280 million—most of which, I am informed, was spent. I repeat, that sum was for both military and economic purposes.

Members of the House will observe that this provision now before us relates only to part I; that is, to the economic sections of the bill. Elsewhere in the bill there is other authority with respect to the military. For example, in section 510, there is authority for the President to withdraw annually up to $400 million from our military stocks and use them as he may deem wise within the provisions of the law.

So I am saying to the Members of this House that there is a very considerable increase of available money or credit over existing law.

Just let me read from the red book entitled "The Act for International Development," which a number of Members have received, what last year's money was spent for. It is first pointed out that some of it was used for a number of the newly emerging African States. Then, I read:

These funds were used to provide extraordinary assistance to Turkey and Korea where new governments wished to introduce economic reforms and stabilization programs. Other uses of these funds were to meet a portion of the costs of an international consortium which was organized to support a reform along liberal lines of the Yugoslav foreign exchange and trading system—

This is what your money went for last year. To continue:

to make an initial contribution in support of the Indus Basin development plan; to contribute to a multilateral effort to help Bolivia break out of a period of economic stagnation; and to finance an increase in our contribution to the United Nations technical assistance program and Special Fund required as a result of increases in pledges by other governments. Particularly acute economic crises in Guatemala, Haiti, Honduras, and Panama all lead to unanticipated claims for U.S. assistance of a high order of urgency.

Then it continues with other programs.

Mr. Chairman, I say to the Members of this House that here is a reduction of money that can be made in this program without any adverse effect upon the program. It still leaves in various points in this bill a great deal more latitude than the President has had in previous legislation. He still has all rights of transferability which are in existing legislation, so if he should need more money he can reach here and there into other funds and take it.

I urge the Members, if they wish to make economies where they can be properly effected, to support this amendment to remove $50 million from this contingency fund.

Mr. SCRANTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to ask a couple of questions of the gentleman from Indiana, or the chairman of the committee, the gentleman from Pennsylvania [Mr. MORGAN].

Yesterday, or perhaps it was the day before, I asked a few questions and still

am not clear on this contingency fund provision. I ask the gentleman from Indiana if it is true that besides this contingency fund of $300 million which, if I understand correctly, can be used for economic purposes, there is in addition under section 510, $400 million in drawdown military items which the President may use for military assistance. Is that correct?

Mr. ADAIR. That is true.

Mr. SCRANTON. In addition, the gentleman alluded, the last time he spoke, to an additional $100 million. Is that the $100 million of counterpart funds?

Mr. ADAIR. When I spoke previously I did make reference to $100 million of local currency, and that is the $100 million referred to in section 612.

Mr. SCRANTON. Does that mean, then, that there is available to the President a total of $800 million.

Mr. ADAIR. It does mean that.

Mr. SCRANTON. No more than that, not another 50?

Mr. ADAIR. The 50 with respect to which the President does not have to account would become a part of the $800 million.

Mr. SCRANTON. Therefore in this bill the total amount of money and defense items in actual dollars or foreign currencies the President would have for contingency use for military or economic purposes is a total of $800 million. Is that correct?

Mr. ADAIR. That is correct.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. SCRANTON. I yield.

Mr. GALLAGHER. I might point out that the $400 million flexibility clause pertains to the Executive having authority to go back of the military equipment. So it is not in dollars.

Mr. SCRANTON. Yes, but it is reimbursable, is it not, in a later budget; is that correct?

Mr. GALLAGHER. In the future it would be, yes.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. SCRANTON. I yield to the gentleman from Illinois.

Mr. COLLIER. What disposition was ever made of the money appropriated under the old Middle East doctrine, only a portion of which was used back in 1957? Is that embraced in some fund which is available to the Executive?

Mr. ADAIR. It is my understanding that the unused balance of that money went back to the Treasury. I would want to verify that and make a correct statement in the RECORD.

Mr. COLLIER. Can any one over here give me an answer?

Mr. MORGAN. Repeat the question.

Mr. COLLIER. I want to know whether the money appropriated under the old Middle East doctrine and the balance that was not used has been returned to the Treasury, or is this an existing fund which is available to the President also?

Mr. SCRANTON. Apparently they do not know.

Mr. MORGAN. I do not have that information. The gentleman should address his question to a member of the Committee on Appropriations.

Mr. SCRANTON. Does the gentleman from Indiana intend to offer an amendment in regard to section 510?

Mr. ADAIR. I believe an amendment will be offered. I think the gentleman from Indiana will not offer it.

Mr. LAIRD. Mr. Chairman, I intend to offer an amendment to section 510 when we reach that section of the bill.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Indiana.

Mr. Chairman, this is a further cut in the contingency fund. The Executive originally asked for $500 million. The committee cut the request by $200 million because we felt that the Executive did not fully justify the amount of $500 million. They proposed that half of it would be programed by the director of the foreign aid operation and the other half would be subject to direct control by the President, plus the fact that in the year 1961 the Executive had a contingency fund of $150 million to which was added an additional supplemental appropriation of $100 million. He made use of the transferability clause to transfer $30 million from military assistance into the contingency fund. We are convinced on the basis of careful hearings that a contingency fund of around $300 million would be justified. To cut it an additional $50 million will certainly jeopardize the program and tie the Executive's hands in trying to take care of the unforeseen emergencies that we can be sure will occur in various parts of the world during the fiscal year 1962.

Mr. ADAIR. Is it not true that the $280 million, to which we both referred, went for both military and economic purposes?

Mr. MORGAN. That is correct, sir; but a very small proportion of it went for military purposes.

Mr. Chairman, I ask that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. ADAIR].

The question was taken; and on a division (demanded by Mr. ADAIR) there were—ayes 55, noes 85.

So the amendment was rejected.

Mr. JONES of Missouri. Mr. Chairman, I ask unanimous consent to return to section 301 for the purpose of offering an amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. HAYS. I object, Mr. Chairman.

Mr. THOMPSON of New Jersey. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I regret that I was not present in the committee during an earlier part of the debate today at which point the gentleman from Missouri [Mr. BOLLING] read an editorial from a Kansas City newspaper. I think my colleagues from New Jersey, particularly the gentleman from New Jersey [Mr. FRELINGHUYSEN], a member of the great committee which is handling this legislation, might consider it valuable if I were to read into the RECORD at this point an editorial from the Newark Evening News, a Republican newspaper, in which it says:

> The surprisingly overwhelming defeat in the Senate of the Byrd amendment, offered in an attempt to shackle the administration's foreign aid program, was indeed impressive. But the battle is by no means over. With final debate scheduled in both Chambers this week, there are still major hurdles, especially in the House where opposition to foreign spending has traditionally been strong.
>
> The administration's program is anchored to President Kennedy's request for authority to finance long-term loans for economic development to have-not nations. This would obviate the necessity of annual haggling with Congress over such appropriations. The Byrd amendment would have cut the heart out of the Kennedy program.
>
> The amendment's defeat was accomplished with the aid of some Republicans. But their valuable help probably will be at the price of an administration concession.

Mr. GROSS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. It is contrary to the rules of the House to mention the vote of a Senator in the House.

The CHAIRMAN. The gentleman is correct. The gentleman from New Jersey will proceed in order.

Mr. THOMPSON of New Jersey. The editorial continues:

> The House, where all Federal revenue bills must originate, is understandably jealous of any measure that might undermine its power over the national purse strings. Therefore, it may be more reluctant than the Senate to allow what the foreign-aid bill's foes describe as back-door spending. But it's a risk that Congress must be willing to take, particularly in the light of what is now happening in Berlin.

Now, members of the committee, there is in New Jersey and in Virginia this year a gubernatorial election; Virginia's is virtually over, New Jersey's is not. A former member of President Eisenhower's Cabinet is running for Governor of New Jersey, and I understand that former President Eisenhower is coming to New Jersey to campaign for him. It is going to be very interesting in light of the fact that all of our distinguished friends on the other side of the aisle from New Jersey who did vote are alleged to have voted for the Saund amendment. It is going to be very interesting to see how much time General Eisenhower is going to have to devote in New Jersey to explain the action of our Republican delegation with respect to a bipartisan mutual security bill. The former President is an advocate of President Kennedy's proposal of this proposition.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of New Jersey. I would be delighted to yield to the gentleman.

Mr. FRELINGHUYSEN. Mr. Chairman, I would like to ask the gentleman from New Jersey [Mr. THOMPSON] just what this line of reference is supposed to prove. The gentleman is inaccurate in his facts with respect to his statement

regarding the voting yesterday in the New Jersey delegation. Furthermore, by these statements, he is violating the rules of the House. Is the gentleman suggesting that those Members of the New Jersey delegation who voted in favor of the amendment offered by the gentleman from California [Mr. SAUND] are attempting to shackle the foreign aid program?

Mr. THOMPSON of New Jersey. Yes. As a matter of fact, the gentleman knows that the amendment which he and his Republican colleagues supported yesterday was to the right of anything that even Senator BYRD has proposed. I just wanted to call attention to the situation and to the fact that the gentleman and his New Jersey Republican colleagues who voted have abandoned the principles which they so stalwartly espoused during the last administration.

Mr. FRELINGHUYSEN. Mr. Chairman, I regret very much to see this cheap kind of partisanship. It is an unjustified approach to question the motives of those who are earnestly and deeply disturbed about the proposed financing of a program of this kind. I, myself, as the gentleman may have noticed in the RECORD, if he was not present on the floor, favor long-term commitments and planning. In fact I suggested as an alternative that we might consider the possibility of a multiyear authorization and possibly multiyear appropriations.

Mr. THOMPSON of New Jersey. Oh, but the gentleman, in order to reach his alternative, should have voted the other way yesterday and then voted for the more reasonable proposal.

Mr. FRELINGHUYSEN. Mr. Chairman, I object to the gentleman's comments, and his insinuations that I am in any way seeking to shackle this program.

Mr. THOMPSON of New Jersey. The legislative deportment of my colleague, the gentleman from New Jersey [Mr. FRELINGHUYSEN] is impossible to reconcile with the long-range objectives of the foreign assistance. What a pity. What a great pity, when the gentleman from New Jersey [Mr. FRELINGHUYSEN] seeks to demean the President's proposal as being cheap, political "trickyism."

Mr. JONES of Missouri. Mr. Chairman, I move to strike the last word.

Mr. Chairman, a few minutes ago I requested unanimous consent to offer an amendment. I made the mistake of not contacting the chairman of the committee, for which I apologize. I had this amendment ready at the time we were some ways back, and I was called outside the Chamber. In the meantime this section was passed as the Clerk read the bill.

Mr. Chairman, I do want to take this opportunity to tell you what I propose to do, and then I intend to renew my request.

Turning back to page 24, to line 12, it says:

> Contributions to the United Nations expanded program of technical assistance and the United Nations Special Fund for the calendar years succeeding 1961 may not exceed 40 per centum of the total amount contributed for such purpose (including assessed and audited local costs) for each such year.

Then in the next paragraph, Mr. Chairman, it makes reference to the Palestinian refugees in the Near East who are being supported under contributions to the United Nations Relief and Works Agency, or UNRWA. I was proposing that the 40-percent limitation be expanded to include all of the U.N. funds. I feel that the United States is being most generous when we contribute 40 percent of any fund of the United Nations. This last year we contributed 70 percent of the cost of the UNRWA program. The United Kingdom contributed 18 percent, and the other nations of the United Nations contributed 12 percent. That might not have been so bad, except when I inquired about how we were expending the money, I found that they were using our cash to buy wheat from Canada, Australia, and other countries, and were buying very little from the United States, giving as the reason that our price was too high.

Mr. Chairman, I think we have an opportunity to correct this, and for that reason I would like, if for no other reason but to get some information on this subject, to renew my request to refer back to this section in order to offer an amendment to try to correct this situation.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri [Mr. JONES] that we turn back to section 301 for the purpose of his offering an amendment?

Mr. JUDD. I regret, Mr. Chairman, that I am constrained to object.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Michigan.

Mr. FORD. I am not entirely certain, but I believe I am correct that if the gentleman cannot get this unanimous consent, that he may well have an opportunity under our parliamentary rules to handle the situation, if he is so disposed to offer an amendment when the mutual security appropriation bill comes to the floor of the House several weeks hence.

Mr. JONES of Missouri. I think if this amendment is offered and adopted at that time that we might reduce other appropriations in other areas, too. I think a few years ago in an appropriation will be limited to the amount of expenditure or contribution to any of these funds to one-third. I am not trying to reduce this appropriation from 40 percent down to one-third, as I might be inclined to do, but I am trying to make the contribution to all of these funds have the same limitation. I am sorry that the gentleman from Minnesota felt constrained to object.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. HOFFMAN of Michigan. The amendment, as far as I have heard it, seems to sound like a good amendment.

Mr. JONES of Missouri. I would not offer any other kind.

Mr. HOFFMAN of Michigan. I do not think the gentleman would, although he might offer some I could not support. But if we cannot get a chance now to vote on it, would it be helpful in order to explain this thing to have the bill go over until tomorrow, so we could finally learn what is in the bill?

Mr. JONES of Missouri. I think we are going over to tomorrow, anyway, according to my observation. I do not think we will get through here tonight.

Mr. HOFFMAN of Michigan. Maybe Saturday?

Mr. JONES of Missouri. Saturday might be a good day to vote on it.

The Clerk read as follows:

CHAPTER 6—ASSISTANCE TO NATIONS HAVING AGRARIAN ECONOMIES

SEC. 461. ASSISTANCE TO NATIONS HAVING AGRARIAN ECONOMIES.—(a) It is the policy of the United States and the purpose of this part to secure for the peoples of economically underdeveloped countries and areas a better and fuller life, and to establish programs of assistance which meet the needs of individuals and families who, impatient with their present status, are undergoing a revolution of rising expectations.

(b) In order to accomplish the purposes of this section and wherever the President determines that the economy of any country is in major part an agrarian economy, at least 50 percent by dollar value of all assistance furnished under this part to such country in each fiscal year shall be furnished through programs which directly or indirectly reach the people in such country who are engaged in agrarian pursuits or who live in the villages or rural areas in such nation, including programs which will assist them in the establishment of indigenous cottage industries, in the improvement of agricultural methods and techniques, and which will encourage the development of local programs of self-help and mutual cooperation.

Mr. HOEVEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take the floor to gain some information. Earlier this afternoon we considered section 215 on page 13 as it relates to loans to small villages and to provide assistance to small farmers. That is the loan provision. Now, as I understand it, section 461 provides for grants. It seems to me that we now provide both loans and grants to the same people. Am I correct in that assumption?

Mr. SAUND. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from California.

Mr. SAUND. This section was put in by request of the committee. It was put in there without a dissenting vote. The purpose of this section is very simple, and extremely important. This refers to both loans and grants.

Mr. HOEVEN. Is it a duplication of effort?

Mr. SAUND. No, it is not. Let me explain what it is. This is a much bigger approach than the other section the gentleman referred to. This may include hundreds of millions of dollars in any one single country. All it does is this. Suppose country A is to receive $400 million, and it has an agrarian economy. What this section then says is that the money should be so spent that it will be of benefit to the villages where the people actually live.

Mr. HOEVEN. As I understand it any small village can get both a loan and a

grant. What does the gentleman mean by an indigenous cottage industry?

Mr. SAUND. We are granting money in large sums, as I stated before, $400 million, and that money will be used for building large factories, maybe a steel factory, maybe a dam or something else. My impression is that the people in the villages do not receive the benefit. That is the reason we are having these political upheavals. This will make it possible to spend the money so that the people in the villages do receive the dollar benefits and we will uplift their standards.

Mr. HOEVEN. Mr. Chairman, listen to this—and I read beginning on line 25, page 27:

It is the policy of the United States and the purpose of this part to secure for the peoples of economically underdeveloped countries and areas a better and fuller life, and to establish programs of assistance which meet the needs of individuals and families who, impatient with their present status, are undergoing a revolution of rising expectations.

These are high sounding words. Does this mean a bottle of milk on every doorstep, all over the world? Does this mean a one-world welfare program? In my judgment the entire section should be stricken from the bill. It does seem to me that we are going far afield in the apparent drift toward a one-world welfare program.

The Clerk read as follows:

PART II

Chapter 1—Short title and policy

SEC. 501. SHORT TITLE.—This part may be cited as the "International Peace and Security Act of 1961".

SEC. 502. STATEMENT OF POLICY.—The Congress of the United States reaffirms the policy of the United States to achieve international peace and security through the United Nations so that armed force shall not be used except for individual or collective self-defense. The Congress hereby finds that the efforts of the United States and other friendly countries to promote peace and security continue to require measures of support based upon the principle of effective self-help and mutual aid. It is the purpose of this part to authorize measures in the common defense against internal and external aggression, including the furnishing of military assistance, upon request, to friendly countries and international organizations. In furnishing such military assistance, it remains the policy of the United States to contiue to exert maximum efforts to achieve universal control of weapons of mass destruction and universal regulation and reduction of armaments, including Armed Forces, under adequate safeguards to protect complying nations against violation and evasion.

The Congress recognizes that the peace of the world and the security of the United States are endangered so long as international communism and the countries it controls continue by threat of military action, by the use of economic pressure, and by internal subversion, or other means to attempt to bring under their domination peoples now free and independent and continue to deny the rights of freedom and self-government to peoples and countries once free but now subject to such domination.

In enacting this legislation, it is therefore the intention of the Congress to promote the peace of the world and the foreign policy, security, and general welfare of the United States by fostering an improved climate of political independence and individual liberty, improving the ability of friendly countries and international organizations to deter or, if necessary, defeat Communist or Communist-supported aggression, facilitating arrangements for individual and collective security, assisting friendly countries to maintain internal security, and creating an environment of security and stability in the developing friendly countries essential to their more rapid social, economic, and political progress. The Congress urges that all other countries able to contribute join in a common undertaking to meet the goals stated in this part.

Finally, the Congress reaffirms its full support of the progress of the members of the North Atlantic Treaty Organization toward increased cooperation in political, military, and economic affairs. In particular, the Congress welcomes the steps which have been taken to promote multilateral programs of coordinated procurement, research, development, and production of defense articles and urges that such programs be expanded to the fullest extent possible to further the defense of the North Atlantic area.

Mr. UTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to make inquiry of the chairman or the minority ranking member of the Committee on Foreign Affairs, with reference to section 502, which reads:

The Congress of the United States reaffirms the policy of the United States to achieve international peace and security through the United Nations.

I am wondering, in view of that policy, why the Berlin situation has not been referred to the United Nations rather than to bilateral or trilateral or quadrilateral discussions between the nations involved rather than turning it over to the United Nations which, apparently, we have so much faith in? Can someone answer that question? Everyone is pointing to somebody else or, apparently, there is no answer. I realize it is too late to offer an amendment to the previous section which I had intended to do at the conclusion of the remarks by our colleague, the gentleman from Iowa [Mr. HOEVEN]. But, I would like to ask the gentleman from California [Mr. SAUND] a question with reference to section 461 to which I wanted to offer an amendment to strike, but it came too late.

Would the gentleman explain to me and point out what is meant by a revolution of rising expectations? I have had it within my own home occasionally, but I would like to have it explained from the international standpoint.

Mr. SAUND. I tell my genial friend from California that the entire purpose of this program is to help the people in other countries of the world help themselves. We are giving massive assistance in the tune of billions of dollars to build factories and dams to help raise the standard of living so they may have a better and fuller life.

Mr. UTT. Can the gentleman give me any idea as to how many billions of dollars it would take to raise the living standard of 2, 3, or 4 billion people throughout the world?

Mr. SAUND. We cannot furnish enough money to raise their standard of living, but we can help them to help themselves. I know when I started in business somebody helped me a little; I developed my own business and I have been making a living myself ever since. That is what we are trying to do under this program; that is the entire purpose of this bill.

Mr. UTT. I wonder whether we have the money to do it. We seem to think of counterpart funds as though it were not money. I say it is money. The simple answer is it was generated through the sale of surplus commodities under Public Law 480. Who bought that surplus food originally? Whose money is it that bought the food that created the counterpart funds throughout the world?

Mr. SAUND. I do not want to usurp the prerogatives of the chairman of the committee or other senior members of the committee. I just happen to be the author of this particular section. I can say that my purpose in introducing this section was to help the little fellow. We have been giving massive aid to these countries with which they have built large and small industrial plants. But in some countries we have seen the rich grow richer and the poor grow poorer. My purpose is that at least 50 percent of the benefits should reach down where most of the people live which is in the villages of countries with agrarian economies. It is my desire to spread out the benefits where they should go, thereby avoiding revolutions, frequently occurring in some underdeveloped countries.

Mr. UTT. Would it be proper to call this new program the Saund program, not spelled with an "o" but with an "a"?

Mr. SAUND. The gentleman is giving me a little too much credit. My only thought in introducing this section was to make it apply to countries in the underdeveloped areas. My aim is to try to raise the standard of living of these people. If we can do that I think we will have really accomplished something worthwhile.

Mr. UTT. Theoretically, attractive though it is, I think it is not a good program to initiate at this time.

Mr. Chairman, I yield back the balance of my time.

The Clerk read as follows:

CHAPTER 2—MILITARY ASSISTANCE

SEC. 503. GENERAL AUTHORITY.—The President is authorized to furnish military assistance on such terms and conditions as he may determine, to any friendly country or international organization, the assisting of which the President finds will strengthen the security of the United States and promote world peace and which is otherwise eligible to receive such assistance, by—

(a) acquiring from any source and providing (by loan, lease, sale, exchange, grant, or any other means) any defense article or defense service;

(b) making financial contributions to multilateral programs for the acquisition or construction of facilities in foreign countries for collective defense;

(c) providing financial assistance for expenses incident to participation by the United States Government in regional or collective defense organizations; and

(d) assigning or detailing members of the Armed Forces of the United States and other personnel of the Department of Defense to perform duties of a noncombatant nature, including those related to training or advice.

SEC. 504. AUTHORIZATION.—There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1962 not to exceed $1,800,000,000, and for the

fiscal year 1963 such sums as may be necessary, to carry out the purposes of this part, which sums shall remain available until expended.

SEC. 505. UTILIZATION OF ASSISTANCE.—(a) Military assistance to any friendly country shall be furnished solely for internal security, for legitimate self-defense, to permit the recipient country to participate in regional or collective arrangements or measures consistent with the Charter of the United Nations, or otherwise to permit the recipient country to participate in collective measures requested by the United Nations for the purpose of maintaining or restoring international peace and security.

(b) To the extent feasible and consistent with the other purposes of this part, the use of military forces in economically underdeveloped friendly countries in the construction of public works and other activities helpful to economic development shall be encouraged.

SEC. 506. CONDITIONS OF ELIGIBILITY.—(a) In addition to such other provisions as the President may require, no defense articles or defense services shall be furnished to any country unless it shall have agreed that—

(1) It will not, without the consent of the President—

(A) permit any use of such articles or services by anyone not an officer, employee, or agent of that country.

(B) transfer or divulge, or permit any officer, employee, or agent of that country to transfer or divulge, such articles or services, as the case may me, by gift, sale, or otherwise, or

(C) use or permit the use of such articles or services for purposes other than those for which furnished;

(2) It will maintain the security of such articles or services, and will provide substantially the same degree of security protection afforded to such articles or services by the United States Government;

(3) It will, as the President may require, permit continuous observation and review by, and furnish necessary information to, representatives of the United States Government with regard to the use of such articles and services, other than those acquired by purchase or exchange; and

(4) Unless the President consents to other disposition, it will return to the United States Government for such use or disposition as the President considers in the best interests of the United States, such articles, other than those acquired by purchase or exchange, which are no longer needed for the purposes for which furnished.

(b) In addition to such other provisions as the President may require, no defense articles or defense services shall be furnished to any country at a cost in excess of $1,000,000 in any fiscal year unless the President determines—

(1) that such country conforms to the purposes and principles of the Charter of the United Nations;

(2) that such defense articles or defense services will be utilized by such country for the maintenance of its own defensive strength and the defensive strength of the free world;

(3) that such country is taking all reasonable measures, consistent with its political and economic stability, which may be needed to develop its defense capacities; and

(4) that the increased ability of such country to defend itself is important to the security of the United States.

SEC. 507. SALES.—(a) The President may furnish defense articles from the stocks of the Department of Defense and defense services to any friendly country or international organization, without reimbursement from funds made available for use under this part, if such country or international organization agrees to pay the value thereof in United States dollars. Payment shall be made in advance or, as determined by the President to be in the best interests of the United States, within a reasonable period not to exceed three years after the delivery of the defense articles, or the provision of the defense services. For the purposes of this subsection, the value of excess defense articles shall be not less than (i) the value specified in section 644(m)(1) plus the scrap value, or (ii) the market value, if ascertainable, whichever is the greater.

(b) The President may, without requirement for charge to any appropriation or contract authorization otherwise provided, enter into contracts for the procurement of defense articles or defense services for sale to any friendly country or international organization if such country or international organization provides the United States Government with a dependable undertaking (i) to pay the full amount of such contract which will assure the United States Government against any loss on the contract, and (ii) to make funds available in such amounts and at such times as may be required to meet the payments required by the contract, and any damages and costs that may accrue from the cancellation of such contract, in advance of the time such payments, damages, or costs are due.

SEC. 508. REIMBURSEMENTS.—Whenever funds made available for use under this part are used to furnish military assistance on cash or credit terms, United States dollar repayments, including dollar proceeds derived from the sale of foreign currency repayments to any agency or program of the United States Government, shall be credited to the current applicable appropriation, and shall be available until expended solely for the purpose of furnishing further military assistance on cash or credit terms, and, notwithstanding any provision of law relating to receipts and credits accruing to the United States Government, repayments in foreign currency may be used to carry out this part.

SEC. 509. EXCHANGES.—Defense articles or defense services transferred to the United States Government by a country or international organization as payment for assistance furnished under this part may be used to carry out this part, or may be disposed of or transferred to any agency of the United States Government for stockpiling or other purposes. If such disposal or transfer is made subject to reimbursement, the funds so received shall be credited to the appropriation, fund, or account funding the cost of the assistance furnished or to any appropriation, fund, or account currently available for the same general purpose.

SEC. 510. SPECIAL AUTHORITY.—(a) The President may, if he determines it to be vital to the security of the United States, order defense articles from the stocks of the Department of Defense and defense services for the purposes of part II, subject to subsequent reimbursement therefor from subsequent appropriations available for military assistance. The value of such orders under this subsection in any fiscal year shall not exceed $400,000,000. Prompt notice of action taken under this subsection shall be given to the appropriate committees of the Congress.

(b) The Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursements in amounts equivalent to the value of such orders under subsection (a) of this section. Appropriations to the President of such sums as may be necessary to reimburse the applicable appropriation, fund, or account for such orders are hereby authorized.

Mr. LAIRD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAIRD: Page 36, line 20, strike out "The President" and insert in lieu thereof "During the fiscal year 1962, the President".

On page 37, lines 1 and 2, strike out "in any fiscal year" and insert in lieu thereof "in the fiscal year 1962".

Mr. LAIRD. Mr. Chairman, section 510 of this bill gives the President of the United States continuing authority to transfer up to $400 million each year from the U.S. defense program to the foreign aid program.

On page 32 of this bill we authorize an appropriation of $1,800 million in military assistance for the fiscal year 1962. In addition, this emergency transfer authority is provided on page 36, section 510, for the President to transfer from the Defense Department up to $400 million worth of supplies and equipment under the military assistance program.

Those of us on the Defense Appropriations Committee spend many months listening to testimony of the Department of Defense on their procurement budgets for each fiscal year. A transfer in the amount of $400 million is indeed a large transfer. To merely take from appropriations made available to the Department of Defense and transfer these appropriations or military supplies purchased with these appropriations to the military assistance program without approval by the Congress is a grant of too much power to the executive branch of our Government.

It seems to me that this authorization should be limited to 1 fiscal year. This amendment of mine does just this. I personally believe that the authority is too broad and should be deleted from the bill altogether. But in view of the present international situation, in view of the position taken by the Committee on Foreign Affairs, I offer this amendment in a spirit of compromise.

I hope the committee will accept my amendment and give the President this grant of authority for just 1 year. It is my hope that the committee will not renew this request in next year's authorization bill.

Mr. MORGAN. Mr. Chairman, I have examined the gentleman's amendment.

This is a new section in the bill, the military contingent fund. I feel that the gentleman is very fair. This section should be examined every year.

May I say that we have assurances that no money will be used under this section except in the security of the country. But so far as the chairman of the committee is concerned, I am glad to accept the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. LAIRD].

The amendment was agreed to.

Mr. PELLY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have sought recognition in order to engage in a short colloquy with the author of this amendment. First, I want to say that I will support the amendment. But, I do want to remind the members of the committee that in the Constitution it provides that no appropriation, in connection with the raising or supporting of armies shall be for a longer term than

2 years. And, I think that in that spirit of the Constitution we should support the gentleman's amendment. In essence the amendment would limit continuing defense spending.

Mr. LAIRD. Mr. Chairman, if the gentleman will yield, I thank the gentleman, and I appreciate the chairman of the Committee on Foreign Affairs and the committee's accepting this amendment. I believe that it is proper and will give us much better control over this program.

Mr. FORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask the chairman of the Committee on Foreign Affairs if he has received a communication from the Secretary of Defense indicating that certain notification procedures would be followed at the time any withdrawals were made from our Department of Defense stocks.

I might add that during an appearance before our Subcommittee on Foreign Affairs appropriations I discussed this matter with Secretary of Defense McNamara. He was familiar with the procedures we have with the defense subcommittees about reporting any reprograming. He indicated in the responses to some questions by me that "We do not desire to have unlimited expenditures open to us." The members of his staff subsequently talked to me about working out some reasonable procedures. It was my understanding that he wrote a letter to the chairman, the gentleman from Pennsylvania [Mr. MORGAN] and to the gentleman from Louisiana [Mr. PASSMAN] setting forth certain procedures which would be followed to be sure that the responsible committees in the Congress were notified of these withdrawals.

Mr. MORGAN. Mr. Chairman, if the gentleman will yield, the gentleman from Pennsylvania will state that to his knowledge he has not yet received the letter. The bill on page 37, lines 2 and 3, specifically states that:

Prompt notice of action taken under this subsection shall be given to the appropriate committees of the Congress.

But, the committee has not yet received any letter from the Secretary of Defense outlining the procedures to be followed, as mentioned by the gentleman from Michigan.

Mr. FORD. It is my understanding that Mr. McNamara is agreeable to such procedure. If he has not written to the gentleman from Pennsylvania, I am sure he will, because there was no reluctance on his part to agree to that procedure.

Mr. MORGAN. I am glad to have that assurance, because I feel certain it is a further guarantee that this section will not be abused by the Pentagon.

The Clerk read as follows:

SEC. 511. RESTRICTIONS ON MILITARY AID TO LATIN AMERICA.—(a) The value of grant programs of defense articles for American Republics, pursuant to any authority contained in this part other than section 507, in any fiscal year beginning with the fiscal year 1962, shall not exceed $60,000,000: *Provided*, That an amount equal to the amount by which the foregoing ceiling reduces the program as presented to the Congress for the fiscal year 1962 shall be transferred to and consolidated with the appropriation made pursuant to section 212 and shall be used for development grants in American Republics.

(b) Internal security requirements shall not, unless the President determines otherwise, be the basis for military assistance programs for American Republics.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Does this section of the bill in any way involve Guatemala?

Mr. HAYS. Mr. Chairman, if the gentleman will yield, it would involve Guatemala as well as any other Latin American republic. The Department of Defense in their presentation to the committee said that they would like to use $60 million for armaments in Latin America. There was a limitation in the old law which limited them to $55 million in any one year for Latin America.

They were questioned by the gentleman from Ohio who is now speaking as to whether they could live if the old law were changed to give them the $60 million ceiling, and they said they could. That is the reason for the $60 million. This applies to the whole general area of Latin America.

Mr. GROSS. I asked the question because I read in the paper last night or yesterday morning that the President of Guatemala has told the officials of his government that too many of them have mistresses and they would have to get rid of them.

Is that prevalent throughout Latin American countries, and what effect does that have upon the underdeveloped common people, the impoverished, that this bill is supposed to help?

Mr. HAYS. Well, I would like to say to the gentleman, believe it or not, that I have never been in Latin America or even in Central America. It is an intriguing subject. If the gentleman would want to introduce a resolution, I would be glad to head a committee to investigate it.

Mr. Chairman, I would say to the gentleman in all seriousness, if the gentleman will yield——

Mr. GROSS. I did not expect the gentleman would have any personal experience with this sort of thing.

Mr. HAYS. The gentleman, unfortunately, has never had such experience. But I will say to the gentleman that I have been concerned, and many of the members of the House Foreign Affairs Committee have been concerned, with the fact that we feel that in Latin America the money that we want to use to help the people has not in the past gotten down to the people and may not in the future get down to them. That is one of the reasons for several of the sections in this bill, to try to insure that the money which we use will go to the village level and help the people where they need to be helped.

Mr. GROSS. While the gentleman from Ohio is on his feet, I wonder if he can tell me by what authority Secretary Dillon went down to South America, to the meeting in Uruguay, and pledged this country to dump $20 billion into that area in the next 10 years? By what authority did he do that?

Mr. HAYS. In the first place, if the gentleman will read beyond the headlines, and I will admit that the headlines are misleading indeed, in all fairness to Secretary Dillon, I do not think he made that pledge in the first place.

In the second place, if the gentleman can show me any documentary evidence that he did, then the gentleman from Ohio would have to say that he had no authority, except if he is able to persuade Congress to do it. As I read the article carefully, he pledged $1 billion immediately and said that over a 10-year period there would be forthcoming from governments and from private investors and from other nations, in his estimation, $20 billion.

Mr. GROSS. How could he pledge private investors or this Government or any other government to put $20 billion into South America in a 10-year period?

Mr. HAYS. He could not pledge them at all, except he made the statement that he thought this would happen. I do not think he had any authority for any pledge. As I say, in fairness to Secretary Dillon, I do not think he made any such pledge.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Now, Mr. Chairman, if I may have the attention of my colleague from Iowa, I will attempt to explain this.

Mr. GROSS. You have my undivided attention.

Mr. HOFFMAN of Michigan. I can explain this situation to which the gentleman calls attention by telling the gentleman of this old incident. It will be tiresome to other Members, but I know the gentleman from Iowa will enjoy it.

One time, 50 years ago, I was charged as a public official with the enforcement of the State and local law. Sitting in my office while a Fourth of July celebration was going on down below, I saw a crowd which gathered down on the street. Apparently one of the gentlemen, who was a little under the influence, raised quite a disturbance. The sheriff was standing there. He was a big fellow—some 6 feet 2 inches, and built in proportion—but he did not want to mix in trouble. He was good natured, easy going. The deputy sheriff, Jim Barney, was a little man. But like the gentleman from Iowa [Mr. GROSS], he knew his duty, never shirked, had a lot of courage, and he parted the crowd, went in there and took this drunk by the collar, pulled him out, and took him to the jailhouse.

When the jury trial came on, drunk and disorderly was the charge; the question was raised as to the legality of the arrest. Defending the officer, I said, "Jim Barney, what authority did you have to make the arrest?" Because the offense was committed in his presence he had authority under common law as well as under the statute, but he said: "I had a writ of grabation." He grabbed the offender by the collar and dragged him out.

That is the way the State Department treats the Congress—It just inserts itself into all our activities. It just grabs power and spends money—though there

is no real authority to do so—and the Congress takes it—

That my friend from Iowa [Mr. GROSS] is what happens and why. We lack what you and I would or might refer to as "guts." Spoken of if at all by the educated gentleman from Minnesota [Mr. JUDD] and other international intellectuals as "intestinal fortitude."

Mr. HAYS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the gentleman from Pennsylvania referred to me, apparently. I do not know what he was talking about. I was going to ask him if we could make a date early, at 6 o'clock some morning, so he could explain it to me.

Mr. KEARNS. You set the date.

Mr. LINDSAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I should like to ask a few questions of the Committee on Foreign Affairs, about military aid in general and particularly military aid to Latin America. In the last campaign the former administration's foreign policy with respect to foreign aid was particularly attacked because of emphasis on military aid over economic aid. This was particularly true in respect of Latin America. But when the present President of the United States came before the Congress in a special message to ask for additional authorizations and appropriations for foreign aid, the military aspects were increased by a very substantial proportion.

In section 511 of this bill the ceiling on military assistance for Latin America is raised by $5 million from what it has been heretofore. The distinguished gentleman from Ohio, I know, has been among those who have been very critical of the policies and procedures under which military aid was funneled into Latin America and Central America. On a theoretical basis, this certainly could not make us any friends and sometimes so frightened our friends in that part of the world that they turned against us. I wish the Committee on Foreign Affairs could explain to me why, at this point, it is necessary to increase the military aid to Latin America, and why there is so much emphasis on military assistance in the whole bill.

Mr. HAYS. I was very reluctant to go along with it, but the Department of Defense made quite a case for it and they gave us a specific breakdown. It was in the secret presentation books. The gentleman knows that the gentleman from Ohio has been very concerned about this. In fact, I was the author of the original amendment. But they did convince me that $5 million more above the present ceiling would not make a great difference.

Mr. LINDSAY. I would be interested in knowing, Mr. Chairman, what it was that the Department of Defense and/or State said to the gentleman that made him change his mind when my understanding has been that heretofore he has been for a lesser amount of military aid to Latin America?

Mr. HAYS. The gentleman is absolutely correct. But last year we put a limit on at the figure that the Department of Defense asked. They did it again this year and they convinced us that the aid was going to be along the lines of mutual security and not for internal security. I think I can say to the gentleman, without revealing anything that I should not reveal, that it would be in the line of submarine-detection equipment, sonar equipment, missile-tracking stations, and so forth. Therefore, the gentleman from Ohio was persuaded that the arms would not be used in a revolution to keep one government in power or throw another government out, or in war between any of the states down there. I still have a good deal of concern about it, but I think this amendment being in there will restrict it to a reasonable approach.

Mr. LINDSAY. I thank the gentleman.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Minnesota.

Mr. JUDD. The thing that convinced me that we should change our policy to some extent on this matter was the testimony that the armed forces of most of these Latin American countries have changed in character in the last few years. Originally, some of them were more or less private armies of oppressive dictators who used them to keep themselves in power. We did not want to hold up such dictators. During the last decade, substantial numbers of the officer corps of most of these armies have been brought to the United States and have been given better training, both there and in our military schools. They come from the rank and file of their peoples. They are concerned about the well-being of their people. They have absorbed democratic ideas. They are the strongest, and, probably the stablest elements in those countries. So the danger today is not so much that our arms will be used to keep oppressive dictators in power, as that without proper arms in the hands of reasonably reliable national armies, as against the private armies of the past, there will be more of the recent leftwing coups, endangering the whole hemisphere.

That was the main testimony that convinced me that it was in our interest to change our policy to this minor extent.

Mr. LINDSAY. I thank the gentleman. But when was it that this interesting metamorphosis took place?

Mr. JUDD. It has taken place over the last few years.

Mr. LINDSAY. Only a year ago, we were listening to attacks on the military aid aspect of this whole program as having corrupted practically the entire program in Latin America.

Mr. JUDD. It is a cumulative thing. Little by little the development and training of these officers, bringing them here, building on their middle-of-the-road perspective, and giving them forward-looking ideas, have seeped through to the point that now our officials there believe these are the most important groups to back the key elements. I wish the gentleman would read the testimony of General O'Meara and his associates, beginning on page 45 of the hearings.

The CHAIRMAN. The time of the gentleman has expired.

Mrs. KELLY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to say to the gentleman from New York, in reference to his statement that there was too much of an increase in the military assistance provisions of this bill, that I, for one, have long been of the opinion that there should be military increases in the bill for the reason that in the past there has been too much emphasis on the deterrent aspects of this and not enough on the conventional weapons. I hope that through this method, we may be able to obtain more conventional weapons which at this time, I think, we realize are needed throughout the world.

Mr. LINDSAY. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY. I yield to my colleague, the gentleman from New York.

Mr. LINDSAY. I appreciate and respect the views of my colleague from New York but, evidently, the gentlewoman did not listen to the promises that were made to the American public by her candidate for the Presidency during the last campaign when he attacked the high priority given to the military aspects of this program over the economic aspects. The statement was made over and over again by those who were supporting President Kennedy to the effect that there must be additional increases in long-range planning for economic development and a deemphasis on military assistance.

Mrs. KELLY. I would like to say to the gentleman from New York that no one listened to the remarks of the present President more than I did, and no one was a greater supporter of the President from the very beginning than I was. I am fully aware of what he said. But, I feel that he was not too familiar with what had taken place in the previous administration. Therefore, his eyes were opened to the situation when he took office.

Mr. HAYS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I would like to say further to the gentleman from New York [Mr. LINDSAY] that I just looked up the figures for 1960. While we did increase the amount of military aid by $5 million, the percentage is much less of the amount spent for Latin America next year than the $55 million was of the amount given to Latin America in 1960, so I do not think the total percentagewise in either case is of very great significance.

Mr. LINDSAY. But they are figured on a different basis.

Mr. HAYS. I mean as compared with past years.

Mr. LINDSAY. We have the percentage of the entire program.

Mr. HAYS. You have not the percentage in this bill for the entire program.

Mr. LINDSAY. As compared with past years.

Mr. HAYS. This year it is roughly 40 percent, and the total is down.

Mr. LINDSAY. I think if the gentleman examines it he will find that there

is practically no difference in the ratio at all.

Mr. HAYS. There is a difference in the ratio if you do not include the $400 million of transferability that the President has.

Mr. LINDSAY. That is the point.

Mr. HAYS. That is the point I am trying to cover it by saying it is of course only if the President does not have to use it. The trend has been, not only in this administration, but in the last 2 or 3 years of the previous administration, the Foreign Affairs Committee kept hammering on the subject that we ought to get down to the grassroots and we ought to deemphasize this military aid, that we ought to emphasize economic aid. The trend is wholly in that direction.

Mr. LINDSAY. I hate to disagree with the gentleman but that is not quite borne out.

Mr. HAYS. That is not the case at all. The gentleman agrees with your objective, and your objective is the same as mine, but the gentleman is also realistic enough to know that you are not going to have this thing decided in 1 year or 2 years, but I think we are moving in the way the gentleman and I would like to move.

Mr. FASCELL. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I do not like to do any finger pointing, but it cannot be fairly said that this administration is responsible for the military aid situation in Latin America. Study after study by experts outside of the Congress, and studies by our own committees of this Congress has indicated over a number of years that we thought that the military assistance in Latin America ought to be deemphasized. This declaration is written in our committee reports. The last administration in its budget requested an increase in military assistance for Latin America. The full committee went along with this because they were convinced that the changing situation brought about by Communist pressures made it necessary.

The facts are that this administration has decided to go along with the presentation of the last administration on this particular monetary item, but this does not necessarily mean a permanent change of its policy.

Mr. LINDSAY. Does the gentleman say that $5 million is not a sizable increase?

Mr. FASCELL. This is a $5 million increase over last year.

Mr. LINDSAY. Then the gentleman agrees with me.

Mr. FASCELL. I might not disagree on the increase.

The Clerk read as follows:

PART III

Chapter 1—General provisions

SEC. 600. GUARANTEES OF FREEDOMS.—Since it is the objective of the people of the United States to attain a peaceful world where freedom of the individual and the dignity of man are recognized, and where the State is the servant and not the master of its citizens, it is the desire, hope, and anticipation of the Congress that countries receiving assistance under this Act guarantee to their people freedom of speech, freedom of religion, and freedom of the press.

Mr. DOLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLE: On page 38, strike out all in line 7 after the word "citizens", and the words "anticipation of the Congress that", in line 8 and insert on line 9 after the word "Act" the word "shall".

Mr. DOLE. Mr. Chairman, as a freshman Member of Congress, I am rather reluctant to offer an amendment. If the plan is adopted as proposed by the administration, however, I may not have another chance to talk about foreign aid, so I take this time to offer a very simple amendment which should be acceptable to all.

I merely ask that we follow the first amendment of our Constitution and make it a requisite that those countries receiving our assistance shall guarantee freedom of speech, freedom of the press, and freedom of religion to their people.

I see no reason for objection to the amendment. We all campaigned on the theory this is a free country, that we have freedom of the press, freedom of religion, and freedom of speech. Here is an opportunity to encourage those people to accept our views and also to encourage those basic freedoms so often expounded by Members of this body.

I certainly hope that the amendment will be agreed to.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Iowa.

Mr. GROSS. I commend the gentleman from Kansas for his amendment. The words the gentleman seeks to eliminate and the word that he seeks to include would take out the weasel words that we have before us now. But the sponsors of this bill will conjure up some argument to the effect that this will not be pleasing to the people who are going to be the beneficiaries of the billions that will be handed out under the provisions of this bill.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, since the committee had no opportunity to examine the gentleman's amendment, would the gentleman mind if we asked unanimous consent to have the amendment reread so that we may see exactly what words are stricken?

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk reread the Dole amendment.

Mr. DOLE. Mr. Chairman, as amended, the provision would simply read:

Since it is the objective of the people of the United States to attain a peaceful world where freedom of the individual and the dignity of man are recognized, and where the State is the servant and not the master of his citizens, that countries receiving assistance under this act shall guarantee to their people freedom of speech, freedom of religion, and freedom of the press.

Mr. HAYS. I think the objectives of the gentleman are desirous, but I am at a loss to know how you are going to police it, if it becomes a part of the act. According to Khrushchev, he guarantees the people all of these things now. At least he says he does, although we know he does not. Personally, I am wondering if it will have any meaning.

Mr. DOLE. It would have some. It is the desire, hope, and anticipation of the people living in my district that we stop some of this spending. We certainly do not get anywhere by spending American dollars for grants and loans to countries not guaranteeing basic freedoms.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Minnesota.

Mr. JUDD. What would the gentleman suggest we do in a case like Korea which is still in a state of war? Or Vietnam? When we were at war, did we guarantee our own people full freedom of speech and freedom of the press? No, we did not. This Congress passed a War Powers Act which restricted these freedoms. Berlin may not be too far from war now. It is unreasonable to try to require or even expect countries at war to guarantee these freedoms. We ourselves do not guarantee these freedoms when we are at war.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Illinois.

Mr. COLLIER. Do I understand in time of war this makes it difficult to have freedom of religion?

Mr. JUDD. I did not say freedom of religion.

Mr. COLLIER. I just wanted to get it straight.

Mr. JUDD. I specified freedom of the press and freedom of speech. What the gentleman from Kansas is trying to do is wonderful; we can lead, guide, counsel, and nudge in countries which are critical to our own interests, but we cannot coerce.

Mr. DOLE. I thank the gentleman. I just want to stop the fostering of communism and socialism with our taxpayers' dollars.

Mr. GROSS. What is the purpose of this program?

Mr. DOLE. I have not found out; you see, I am just a freshman, and do not know.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. DOLE. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. The gentleman is not alone. There is not anybody else, so far as I can discover, who knows what it is all about either.

Mr. DOLE. While we shy away from suggesting countries who receive our dollars should guarantee their people freedoms of speech, press, and religion on the idealistic ground, we do not want to coerce—let me ask, coerce whom? Certainly not the people of countries receiving our "aid" as they yearn, fight, kill and are killed grasping for freedom. Certainly not Americans who have sacri-

ficed their lives and billions of dollars to insure these freedoms. No, not these, but the despots, the tyrants, the dictators and the would-be rulers of the world.

It is indeed strange that our great country would perpetuate by dollars the very forms of government foreign to the basic concepts of our Constitution. If "aid" were withheld from countries not recognizing the basic rights and freedoms of its citizens we might learn very quickly who our friends are in this world. While Russia follows the policy "heads I win, tails you lose," we frantically attempt to make aid available to all, friend and foe alike. While Russians orbit the earth we orbit the taxpayers. Our "shotgun" aid has contributed heavily to any space supremacy Russia may now enjoy for while we have spent $84 billion, or more, Russia has expanded only about $3 billion, mostly loans.

American taxpayers have a right to be confused. Russians have reaped the benefit of space successes worth more in propaganda to emerging nations than our billions in aid. While we have poured out billions the Communists have spent their money advancing in space and increasing military strength—while we attempted to dominate with dollars, Russia dominates with propaganda—when Russia rattles the saber we unlock the Treasury—while we talk tough about Berlin the Communists make gains in Cuba, Brazil, Laos—while Russia crushes free people we raise funds to send Dictator Fidel Castro tractors—while the Commerce Department approves sales of surplus foods to Communists and support grows within the administration for recognition of Outer Mongolia and Red China, regulations to permit easier flow and distribution of Russian propaganda throughout our country are relaxed and stern notes are issued to Castro about hijacking U.S. planes.

It appears obvious to me Russia has let us foot the bill all over the world and fatten up many countries for Communist conquest. Communists know free world economy rests on a sound dollar and that world domination could be achieved by collapse of the capitalistic system.

Let us make foreign aid an instrument of freedom, and tell the world's peoples we will no longer subsidize governments who fail to guarantee the basic freedoms. This would be a victory for freedom and bitter defeat for the Khrushchevs and Castros of the world.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HAYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to speak to the author of the amendment.

I might say to the gentleman I hope I will not be misunderstood by mentioning this on the floor. But, I am very distressed about the situation in Korea. I am not too happy with the present Government of Korea as an individual. But, it is the only government they have at the moment and up to this hour today. It is against the Communists that have not gone over to their side. Now, I do not know whether the gentleman is aware of it or not, but his amendment would involve our pulling out of Korea at once because, unless they change, unless they rewrite the edicts they have handed down, we would have to pull out; we would have no alternative. Maybe that is a good thing. I have thought a time or two that that would be the thing to do, although in my reflective moments I realize we cannot. We are stuck there whether we like it or not. Now, I do not know what the gentleman would do in a case like that. His amendment would require us to pull out of there immediately.

Mr. DOLE. Mr. Chairman, if the gentleman will yield, it seems to me rather ridiculous, although I am an inexperienced Member of this body to spend billions upon billions of dollars fostering and perpetuating something that we do not believe in in this country. Now, there are 58 freshman Members of this House, and unless we stand up and be counted, we will not have a chance to speak.

Mr. HAYS. The gentleman is perfectly within his rights in standing up and speaking, but when I first came here I made a speech within a month or so, and someone took me out in the cloakroom and said, "Look, don't you know that new Members are supposed to be seen and not heard?" "Well," I said, "this is one new Member that if he is not heard now, will not be back to be seen any more." So, I have no objection to that. I applaud the gentleman. I like to see the new Members get up and talk. But, the point is, while I agree with the objectives of the gentleman, and I feel as strongly as the gentleman does, we have to face up to the practical situation. I still have not had an answer to what the gentleman would do, when his amendment would make us pull out of Korea. I do not know the answer, but I know if his amendment stays in there, that is the situation we are faced with.

Mr. DOLE. We have the same guarantee provisions in our Constitution, and sometimes there are violations of those guarantees, but we still guarantee freedom of religion and freedom of the press in this country.

Mr. HAYS. The gentleman is putting it on a different plane now. He says, "All right. Put it in, and if they violate it, do not pay any attention to it." Now, that is the situation he is in.

Mr. MEADER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MEADER as a substitute for the amendment offered by Mr. DOLE:

On page 38, line 7, after the first comma, strike out the remainder of line 7, all of line 8, and through the word "Act" on line 9 and insert in lieu thereof the following: "It is the purpose of this Act to encourage countries receiving assistance under this Act to".

Mr. MEADER. Mr. Chairman, I hope maybe I can get an amendment agreed to in this committee.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Ohio.

Mr. HAYS. I will say to the gentleman from Michigan that the committee held a rather quick consultation, and we will be happy to accept the gentleman's amendment. Before the gentleman sits down, I would like to add, in addition to Korea—it is not my intention to name countries here—but I think if the amendment offered by the gentleman from Kansas would prevail, we would have to pull out of Spain and two or three other countries I could name who do not give these valuable guarantees, and I do not think the gentleman wants to do that. I think the amendment offered by the gentleman from Michigan is a strong amendment. I think it conveys the desire of the Congress, and I think we can live with it. We will be glad to accept it.

Mr. GALLAGHER. Mr. Chairman, I agree that the committee would accept this amendment, but I would also like to point out that we would have to remove ourselves from Korea, Pakistan, Thailand and Jordan. We may continue to expect this sort of development, but they are not at this stage yet. I think the gentleman's amendment is going to urge them to do more.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Iowa.

Mr. KYL. Mr. Chairman, here we have contradictions, which is one of the problems that arise under foreign aid legislation. Suppose we support a government which does not guarantee these rights to the people? Is not this the place where we generate a lot of hate or antagonism toward the United States, because we support the government which holds the people in a state which we do not approve?

Mr. MEADER. I think there is a great deal to what the gentleman from Iowa [Mr. KYL] says, but I also want to point out that each country is proud of its own sovereignty, and for us to arrogate unto ourselves a dictatorial imposition upon their management of their own affairs would be bad, and I do not think we should do it.

Mr. DOLE. They would not have to take the money.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from New York.

Mr. LINDSAY. I should like to have the language of the amendment read, or at least the section as it now reads, so that we may have the full information.

Mr. MEADER. I will read the section, as amended:

SEC. 600. GUARANTEES OF FREEDOMS.—Since it is the objective of the people of the United States to attain a peaceful world where freedom of the individual and the dignity of man are recognized, and where the state is the servant and not the master of its citizens, it is the purpose of this act to encourage countries receiving assistance under this act to guarantee to their people freedom of speech, freedom of religion, and freedom of the press.

Mr. DOLE. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Kansas.

Mr. DOYLE. Can the gentleman tell me the difference between the word "encourage" and the words "desire, hope, and anticipation"?

Mr. MEADER. I think there is a substantial difference. But I think the effect of the gentleman's amendment might be dangerous, as it was worded. I concur in his purpose, and that is why I sought merely to use language which I thought would accomplish the objective, without being so rigid that it might raise all kinds of problems.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from New York.

Mr. LINDSAY. Mr. Chairman, is it the purpose of the act to do this? The purpose of the act is to implement the foreign policy of the United States, and the foreign policy of the United States in regard to one country and in regard to another country may be something quite different. The purpose of the act is not what the gentleman says. I think I would be quite wary about this substitute, as I would be about the amendment itself.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Indiana.

Mr. ADAIR. With respect to the purpose of the act, I would call the attention of the gentleman from New York to the fact that it is a bill to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development. It is more than a military program.

Mr. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from New York.

Mr. HOLTZMAN. I should like to say to my friend that it is the very heart of the purpose of our foreign policy to encourage all these things, because if we ever do accomplish this, then we will have the problem conquered and licked. I agree that the gentleman's amendment is more substantial than the original one.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Ohio.

Mr. HAYS. I would go further and say that in the very first paragraph there is stated:

> It is the sense of the Congress that (1) peace depends on wider recognition of the dignity and interdependence of men and (2) survival of free institutions in the United States can best be assured in a worldwide atmosphere of freedom.

Certainly, the gentleman's amendment is aimed toward that end. So, I think it fits in with the purpose of the act.

Mr. MEADER. I thank the gentleman.

Mr. ALGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had not intended to participate in this debate because there are very few amendments of the nature that are being offered that could make this bill palatable to me, but I think now, since this matter has come up, I want to compliment the gentleman from Kansas for giving the gentleman speaking the first word of encouragement he has had in a long time.

In the course of the debate I have heard on both sides of the aisle, I would like to make the debate just that more interesting. My position involves the agonizing reappraisal what will bring peace and give us real leadership in the world today, right now. I would not give a million dollars or a thousand dollars or a penny except to those nations that are dedicated to the way of life of the United States, which is for freedom and justice and free enterprise, not socialism, not communism, not fellow travelers, and make this absolutely clear. Other nations do not have to take our money. Someone suggested that by this amendment we are dictating. We are not dictating. We are saying, "If you want the taxpayers' money that goes into the U.S. Treasury, you will sponsor freedom, and this includes freedom of speech and free enterprise, and providing you do not join the Communist bloc." I would simply say to the rest of the world, "We are not trying to buy you away from communism and we know our money alone is not going to keep you from going Communist. Further than this, we are not going to give money to socialists and neutralists who are not on our side, and who may quickly fall on the other side of the fence from us."

I had given up. I have put my remarks in the RECORD every day. I do not have the optimism of the gentleman from Iowa. I did not want to stand up here and get beaten over the head every day in this foreign aid debate because you will not change the bill. But I tell you, the people of the United States are sick and tired of this aid. I think they are tired of putting their money down the rathole of countries that do not stand with us in principle. I say it is time that we listen to the people of the United States. I am as sure as I stand here, and you can vote it or otherwise prove me wrong as you wish, but I believe the people of the country have had enough of the Communists, Socialists, and neutralists, so far as our giving them money is concerned. Let them guarantee freedom of the press, religion, and speech if they take our money. They do not have to take our money. We do not have to aid our enemies.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. ALGER. I yield to the gentleman from Minnesota.

Mr. JUDD. I am just as tired of paying taxes to carry on this program as anybody else. Do you think we enjoy bringing this before you each year? Nobody wants or likes to carry that burden. But when we are living in a world where our very survival is at stake——

Mr. ALGER. May I say to the gentleman that I think this program gives aid to the enemy. While I respect his views, I thing this program is actually feeding the Socialist and Communist menace that is troubling the world.

Mr. JUDD. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, it seems that many here have the general idea that this is a philanthropic program, and that we are doing it just to help others. They say charity begins at home. Of course, charity begins at home. But this is not charity. This is to save America, too. They need us; we need them. We need their manpower, we need their bases, we need their territory, their harbors, their airports. This is for the defense of the United States.

Some say it is too big a program for peacetime. Of course, it is too big a program for peacetime. This is not peacetime.

I will not take second place to anybody in my concern for the well-being of our country and our people. I will not accept the suggestion that in trying to do this, we are just recklessly throwing away the resources of the American people. Rather, we are using them to try to save America, in order to have a world in which we can stay free. America cannot remain free alone in the kind of world that exists today. I hope people abroad do not read some of the things that are said here in debate, because they might say, "Okay, United States of America, go your own way," and just where would we be before very long? I do not think we are big enough, strong enough, and good enough to take on the management of the whole world. But we can help mightily if we are willing to be a partner. We have to live together, and we can, with all who want to stand with us to preserve the independence of all of us, whether or not they have exactly the same traditions of personal freedom as we. We cannot be quite so abusive of other people as some tend to be.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Pennsylvania.

Mr. WALTER. In view of the fact that over 80 percent of the money that will be appropriated will be expended in the United States, can the gentleman give us any indication what would happen to our economy in the event this huge purchasing power was finally eliminated?

Mr. JUDD. Of course, it would disrupt our own economy and increase unemployment. I get letters the same as all the rest of you, saying, "Why do you not cut out or cut down this foreign aid program? Then you could raise my social security allowance, or we could have more money for hospitals, schools, highways, or to reduce the taxes, and so on." I can only answer, "I am sorry, but if we were to cut out the foreign aid program, we would not have more money available to increase those benefits; we would have less. Without the forces and bases overseas which this program makes possible, we would immediately have to expand our own armed forces to such an extent that our military budget would be increased by a larger amount than this program costs; and we would have less security. We would have less to reduce your taxes or the national debt."

You hear people say that we are giving away or spending all of these bil-

lions of dollars abroad. That is not so either. We are not spending billions of dollars abroad. Most of the money is spent here. What we are sending abroad is not money, but American commodities, goods, machinery, weapons, and services for which American workers and farmers and manufacturers get paid. This is part of our overall national economy today; it is not just a charitable operation out of the goodness and generosity of our hearts. It does do good to other peoples, to be sure. But is it sensible to refuse to do what is good for our country, just because it is also good for other countries?

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to my colleague on the committee, the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I simply want to associate myself with the remarks of the gentleman from Minnesota. I have never in my life known a more dedicated man to the cause of Americanism. So far as I am concerned, I want the RECORD to show that the gentleman from Minnesota, in my judgment, is truly one of the great Americans of our time. He is a dedicated patriot and I am delighted to stand up on the floor of this Congress and join him in every argument in every department.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, I, too, want to join in the remarks made by my colleague, the gentleman from Florida, about the gentleman from Minnesota. The gentleman from Minnesota [Mr. JUDD] and I sit across the table in the committee room. Many times we have disagreed and sometimes pretty hotly. But, I have never been one at any time to question his Americanism. I think it comes with poor grace for the gentleman from Texas, of all the people in the House of Representatives, to make the statement he did, that the gentleman from Minnesota is aiding the enemy. I might just go further and say, it comes with poor grace for the gentleman from Texas to bleed for the taxpayers.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Texas.

Mr. ALGER. Did the gentleman from Minnesota think I was questioning his patriotism?

Mr. JUDD. I did not get that impression and I am sure the gentleman from Texas did not have that intention.

Mr. ALGER. Would the gentleman not give me the right to disagree with him?

Mr. JUDD. Surely, the gentleman from Texas has the right to disagree.

Mr. ALGER. Mr. Chairman, I would remind the gentleman from Ohio who seems to be one of the vigorous dissenters in this House that others of us have that same right.

Mr. JUDD. Mr. Chairman, may we get back to the main issue here.

We are trying by this program to help keep the world free, a world in which the United States itself may remain free. I have a couple of grandchildren now, and I would like to be able to turn this country over to them strong and healthy and free, so that they, too, can be free. Heavy as our taxes are, we can stand those taxes. But we cannot stand the disintegration of our country or the disintegration of our security. That is why we are working constantly and hard to improve this program. We, on the committee, know it has weaknesses, even more than do the rest of you. But it will not solve the problem to scrap it. Our task is to tighten it up so that it can do better the job that needs so desperately to be done in this divided and dangerous world.

Mr. STRATTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Texas [Mr. ALGER] said a moment ago that this aid is going to go to Socialist and Communist countries. I would like to point out to Members of the House, as the gentleman from Ohio [Mr. HAYS] pointed out a moment ago, that if the amendment of the gentleman from Kansas [Mr. DOLE] is accepted, as the gentleman from Texas has urged, then all of the military aid that is going to Spain would have to be eliminated and we would have to move out of our great air bases in Spain and we would have to move out of our great naval base at Rota, Spain.

Mr. Chairman, witnesses before the House Committee on Armed Services have made it perfectly clear that the air and naval bases we now occupy in Spain are absolutely essential to the defense of this country. Indeed if, God forbid, the Soviets should begin to move in Europe in connection with the current Berlin situation, it might well be that we could only find a really firm defensive position behind the Pyrenees in Spain.

So Mr. Chairman, when the vote comes on the amendment by the gentleman from Kansas, it ought to be perfectly clear that we are really voting on whether we intend to back up a strong and effective military defense against communism on the continent of Europe or whether we want to gut that defense by adopting the amendment of the gentleman from Kansas.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from New York.

Mr. BARRY. I want to associate myself with the remarks of the gentleman, a member of the Committee on Armed Services, and I want to point out further or to ask the gentleman if he has not had testimony before his committee, as we have had testimony before the Foreign Affairs Committee, to the effect that our foreign aid dollars contribute to the maintenance of over 2 million men who are freedom fighters in the armies of the countries which we support? I also ask him if it is not true that a 2-million-man army at our annual cost of $3,950 per U.S. soldier would cost us $7,900 million annually? Our total foreign aid cost is far less than the cost to maintain an army of that size to say nothing of the use of military bases we have throughout the world, the use of which goes to the heart of our defense posture not only of ourselves but of the entire free world.

I would like also to ask what would happen to our economy were 2 million men taken away from industrial jobs to maintain an army 2 million larger than our present Army? What would be the productive loss to this Nation?

Mr. STRATTON. I might say to my colleague and friend from New York that it is indeed true, as he has said, that we do support, through these various programs, troops in other countries which are found to be useful in the defense of our own security.

Now, with regard to the specific importance of our military bases in Spain, I might say I listened with great interest last year when I visited Spain to a very eloquent account of the effectiveness of our military assistance program in Spain from a former Republican Governor of Connecticut, a former Member of this House, and the brother of the distinguished 1960 Republican vice presidential candidate, Hon. John Davis Lodge. Ambassador Lodge eloquently defended the military significance of the program in Spain which the gentleman's amendment would now completely gut.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield.

Mr. GALLAGHER. Several weeks ago there was a gentleman here, Mr. Ayub, from Pakistan, who said that if this amendment were adopted he could not get 1 red cent to assist in our defense.

Mr. DOLE. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield.

Mr. DOLE. I do not like to bring in personal references, but I was one of many who know in a personal way what sacrifice for freedom means. I spent 39 months in a hospital as a result of fighting for freedom, and I know a lot of people who are in the same situation. Ten or twelve years later we come back as Members of Congress and see some people who do not believe in our form of government accept our money and use it against us. I am against enabling them to do so.

Mr. STRATTON. I may say to the gentleman from Kansas that I yield to no one in my own support of freedom of speech or freedom of the press, but I would also say that I think it is important for this country to survive, and one way for us to survive is to maintain military bases in countries that are friendly to us; and perhaps as the months go by we can indeed succeed, as the substitute offered by the gentleman from Michigan [Mr. MEADER] contemplates, in leading these countries to a greater respect for these freedoms to which we as Americans are all so deeply committed.

Mr. Chairman, I yield back the balance of my time.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am informed by my colleagues here that a member of this committee standing on the floor of this House did say of Dr. JUDD, a great and certainly a most patriotic American, and relentless foe of communism, an outstanding member of the Foreign Affairs

Committee, that he aided and abetted the enemy. If that statement was made, Mr. Chairman, the words should be taken down, and the Member, if he did make them as reported, and intending to reflect upon the patriotism and loyalty of a colleague, should either apologize in the well of this Chamber or be expelled from this House.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Michigan to the amendment offered by the gentleman from Kansas.

Mr. ZABLOCKI. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ZABLOCKI. Has not the substitute been accepted?

The CHAIRMAN. Not by the Committee of the Whole.

The question is on the substitute offered by the gentleman from Michigan to the amendment offered by the gentleman from Kansas.

The substitute amendment was agreed to.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Kansas as amended by the substitute.

The amendment as amended was agreed to.

The Clerk read as follows:

SEC. 601. ENCOURAGEMENT OF FREE ENTERPRISE AND PRIVATE PARTICIPATION.—(a) The Congress of the United States recognizes the vital role of free enterprise in achieving rising levels of production and standards of living essential to economic progress and development. Accordingly, it is declared to be the policy of the United States to encourage the efforts of other countries to increase the flow of international trade, to foster private initiative and competition, to discourage monopolistic practices, to improve the technical efficiency of their industry, agriculture, and commerce, and to strengthen free labor unions; and to encourage the contribution of United States enterprise toward economic strength of economically underdeveloped free countries, through private trade and investment abroad, private participation in programs carried out under this Act (including the use of private trade channels to the maximum extent practicable in carrying out such programs), and exchange of ideas and technical information on the matters covered by this section.

(b) In order to encourage and facilitate participation by private enterprise to the maximum extent practicable in achieving any of the purposes of this Act, the President shall—

(1) make arrangements to find, and draw the attention of private enterprise to, opportunities for investment and development in economically underdeveloped free countries and areas;

(2) accelerate a program of negotiating treaties for commerce and trade, including tax treaties, which shall include provisions to encourage and facilitate the flow of private investment to, and its equitable treatment in, free countries and areas participating in programs under this Act; and

(3) seek, consistent with the national interest, compliance by other countries or areas with all treaties for commerce and trade and taxes, and take all reasonable measures under this Act or other authority to secure compliance therewith and to assist United States citizens in obtaining just compensation for losses sustained by them or payments exacted from them as a result of measures taken or imposed by any country or area thereof in violation of any such treaty.

Mr. LINDSAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LINDSAY: On page 39, immediately below line 4, insert the following:

"(b) There shall be in the Agency primarily responsible for administering part I of this Act, an Office of Private Development, headed by one of the officers provided for in section 622(a)(3), to assist in carrying out the provisions of subsection (a) of this section."

And on line 5 of page 39 strike out "(b)" and insert in lieu thereof "(c)".

Mr. LINDSAY. Mr. Chairman, this act places great emphasis on participation by the free enterprise system in oversea development, the development of underdeveloped countries.

If the members of the committee will turn to the next page of the bill, they will see there is a whole section on small business, section 602, which reads as follows:

Insofar as practicable and to the maximum extent consistent with the accomplishment of the purposes of this Act, the President shall assist American small business to participate equitably in the furnishing of commodities, defense articles, and services (including defense services) financed with funds made available under this Act.

This is very desirable and I applaud the emphasis that has been put on the participation of private enterprise in this bill.

In the past, I may say, there has been provision in the legislation for an Office of Small Business in connection with this program. That has been abolished under this bill. It seems to me highly desirable that there be an office in the State Department, the function of which is to see to it that private enterprise is brought into this area wherever and whenever possible. This does not mean additional personnel, because the amendment specifically provides that the officer heading up this office shall be one of those for which provision has already been made.

Mr. Chairman, I shall not take the full 5 minutes on this amendment. I think it is important. Too often there is identification of responsibility. We should make special provision that what is intended in this section of the act, and the following section, be carried out. Unless there is a pinpointing of responsibility to see to it that private enterprise is used wherever possible for foreign aid purposes, it will not receive the attention it deserves.

I would hope that the committee would see fit to agree to this amendment.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Florida.

Mr. FASCELL. As I understand it, what the gentleman is seeking to do is to provide administrative details with respect to emphasis on private enterprise as laid down in the legislation?

Mr. LINDSAY. That is correct. But I do not like the words "administrative details." I think the concept ought to be written into the statute. The State Department must do exactly what the committee members, members of the Committee on Foreign Affairs, intended when they wrote this section into the bill.

Mr. FASCELL. Under present law and under present administrative practices, there is a director of private enterprise who has been carrying out the functions, responsibilities, and duties under this section. As far as I know, there is no uneasiness or disturbance about not following these policies or procedures. While I am in sympathy with the objectives of the gentleman's amendment, I see no necessity for putting it in the act.

Mr. LINDSAY. This amendment came about in part because of meetings and conferences I have had with businessmen and foreign affairs experts that have been dealing in this area over the years.

Why is it that an office that was established for this purpose, confined as it was to small business, has been abolished in this bill? I cannot see that the amendment does anything but further the purpose of the committee.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Michigan.

Mr. MEADER. There is an office now under a deputy director for private enterprise, but unfortunately a Mr. Cotter DePaul, who was the object of attack by the gentleman from Ohio [Mr. HAYS] and who was found incompetent by the Hardy committee, was the chief investment development officer in that division. I do not have too much confidence in these bureaucrats encouraging capital investment myself.

Mr. LINDSAY. You will agree that we ought to pinpoint the responsibility.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman has taken this language almost bodily from the old section providing for an Office of Small Business. The way I interpret the gentleman's amendment, he sets up a new office, headed by a supergrade. I think this just makes more bureaucratic machinery. If the gentleman will look in the report, in the last paragraph, he will see that discretion to perform these functions is left to the President. I feel that the amendment is not necessary.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I will not take the 5 minutes, but I was very much interested in some of the colloquy a little while ago on the part of the gentleman from Minnesota—I am sorry he is not here—and some of the other members of the committee. After listening to that conversation I wondered whether this was a foreign aid bill or an aid bill for the United States.

The gentleman from Pennsylvania [Mr. WALTER] said something to the effect that 80 percent of this money is

spent in the United States and therefore makes a big contribution to our economy. Have we gotten ourselves in the fix in this country where we have to borrow billions of dollars and spend them on foreign giveaways in order to support the economy of this country? Is that what we stand for? If so, let us have prosperity unlimited; let us double or triple this bill, if this is what supports the economy of this country, and if we can call this fiscal sanity.

Mr. WALTER. Mr. Chairman, if the gentleman will yield, would the gentleman support a bill if it provided for the expenditure of twice as much?

Mr. GROSS. No, because I just do not think there is any responsibility in that kind of financing. Moreover, I know that the responsibility of the taxpayers is to produce 100 percent of the money, not 80 percent.

Mr. WALTER. I understood that that was what the gentleman was advocating.

Mr. GROSS. Not at all. I never voted for one of these bills and I do not intend to now. Then we heard again about the cheap foreign troops; that we have got to do this because we can buy some cheap foreign troops somewhere in the world. Let me point out to you that the French Foreign Legion is for sale. Anybody can have it since the army revolt in Algeria. The French want to get rid of it. They might even give it away. The gentleman from Minnesota [Mr. JUDD] says that American citizens can pay the taxes to take care of this huge giveaway program. I do not know whether we can or not. We have not tried. We went $13 billion in the hole in 1959, and we have been going in the hole ever since. Does anybody know whether we can pay the taxes to take care of these foreign aid bills or not? No one supporting this bill is advocating a tax increase to take care of the deficit to which it will make a heavy contribution.

Mr. MEADER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to direct the attention of the committee to section 621 on pages 52 and 53 of the bill which has a bearing upon the amendment pending offered by the gentleman from New York [Mr. LINDSAY].

In those few words, constituting only 10 lines in the bill, we in Congress will have vested in the President the authority to create the agency through which this program will be administered, and from time to time to reorganize it as he sees fit.

Mr. Chairman, we had seven reorganization plans before us in this session reorganizing various independent boards and commissions which aroused a great deal of controversy. But we will never need to worry about setting up the Office of Private Investment or any other feature of this agency once we have adopted this bill with section 621 in it, because from now on, without limit, we have vested in the President the power to set up the organizational structure of the agency administering this program and to change it as he sees fit from time to time.

Mr. Chairman, I must say I wish the Foreign Affairs Committee—and I have read enough of the hearings to be satisfied that they have tried to do a dedicated job, as well as they could—had been able to write the law setting up the organizational structure of this agency and also to put some criteria in this bill which would insure that we had competent personnel to operate this agency.

Mr. Chairman, something has got to be done about the personnel in this agency, or the foreign aid program is never going to get on the track. We are going to make practically no progress in achieving our objectives.

I regret that we seem about to give the President a blank check to organize and reorganize the agency, because I know very well that the President will not have time to do it; it will be done by the bureaucracy which will perpetuate itself and reorganize itself as it sees fit.

Mr. Chairman, there was an article in this morning's Washington Post entitled "Kennedy Directs ICA Search for Top AID Administrators," which prompts me to make some comments about the personnel in charge of our foreign aid expenditures. The article indicates that the Kennedy administration is making an extensive search for competent people for top positions in the new aid agency which the President will be authorized to establish by H.R. 8400. The article indicates that a task force is searching for people of stature and ability to fill key positions, namely the four regional offices, the Far East, south Asia, Near East-Africa, and Latin America, and 75 directors of operation missions in the countries where foreign aid programs are underway.

Now, I applaud this effort on the part of the administration because it is clear to me that until there is a thorough shakeup of the personnel administering our aid program, progress toward our objectives abroad will not be achieved regardless of the amount of money we provide, any more than it has been in the past.

There is one completely erroneous statement in the article regarding "Stassenization" of the aid program when the Eisenhower administration took over in 1953 and Harold E. Stassen was appointed the head of the aid agency which, by Reorganization Plan No. 7 of 1953, was given autonomous status under the new title, "Foreign Operations Administration."

The article falsely asserts that "Stassenization" consisted in the discharge of highly competent, qualified employees and their replacement by political hacks. The facts were quite to the contrary. "Stassenization" consisted in the elimination of many competent businesslike, clear thinking, dedicated administrators and the consolidation in power of the "fuzzy-wuzzies." Let me give an example.

Mr. George Knutsen had been in charge of the machinery and special projects branch of ECA pretty much from the beginning of the Marshall plan. Mr. Knutsen, during the war, was vice chairman of the War Department Renegotiation Board, and prior to that time, had had considerable experience in the financial, engineering, and accounting world. His particular function was to approve projects, and the machinery and equipment for the rebuilding of the industrial complex of devastated Europe at a time when such machinery and equipment was in short supply and heavy demands were being made for reconversion in this country. Mr. Knutsen's job was to see that requests were honored only to the extent that they would provide for sound development. I, personally, know that he worked nights and Saturdays with very little assistance and tried to insist upon some commonsense in the program.

Mr. Knutsen had the misfortune, along with Mr. Bernard Van Rensselaer, to be called before the Senate Appropriations Committee and in response to questions, testified that he believed the end use check procedure of the ECA was inadequate and unsatisfactory, so that we could not determine with any reliability whether the aid we furnished was actually being used for the purposes for which it was given.

Mr. Stassen, although he had in writing praised the work of Mr. Knutsen, followed the recommendations of the hard core of "fuzzy-wuzzies" who gained even greater power under Mr. Stassen than they had enjoyed under his predecessors, and fired George Knutsen. "Stassenization" was the process of sloughing off, or getting rid of competent, hardheaded, businesslike people, and solidifying the power of the bureaucratic do-gooders, whose primary penchant seems to be to get rid of vast sums of money without regard to sound engineering, sound economics, or logical thinking.

I include the entire article at this point in my remarks:

[From the Washington Post, Aug. 17, 1961]

KENNEDY DIRECTS ICA SEARCH FOR TOP AID ADMINISTRATORS

(By Julius Duscha)

Within the quiet confines of the State Department, decisions are being made which would have more effect on the foreign aid program than action on Capitol Hill.

Far from the ringing oratory of the Senate and the House and the frantic maneuvering in the corridors, a tiny task force in the International Cooperation Administration is hunting for men rather than votes.

This search, like the one on Capitol Hill, is being personally supervised by President Kennedy, who regards the staffing of the foreign aid program as one of the most important tasks before his administration.

TOP-RATE PLATOON SOUGHT

The ICA task force hopes to have a platoon of first-rate administrators ready to step into the key jobs of the new Agency for International Development (AID) once it is established by Congress.

AID would be the latest in a succession of foreign aid agencies that began in 1948 with the European Cooperation Administration which ran the Marshall plan.

The President and some of his key White House and State Department advisers are giving the staffing of AID so much attention because ICA has never recovered from its "Stassenization" 8 years ago.

"Stassenated" ICA employees—and the phrase is still current in the agency—were men and women, many of them highly qualified, who were pushed aside or out for purely political reasons when the Eisenhower administration took office in 1953.

Harold E. Stassen was the first Eisenhower administrator of the foreign aid program under President Eisenhower. Stassen took over at the height of the McCarthy hysteria.

Republicans not only had been critical of foreign aid, but the businessmen and out-of-office politicians who came to Washington, like perennial presidential candidate Stassen, were suspicious of everyone who held office during the preceding 20 long years of Democratic control of the White House.

In the case of ICA, however, the agency became a haven for hacks, disappointed officeholders, misfits, and malcontents.

Mr. Kennedy is determined to revitalize the foreign aid program with men whose first qualification is administrative ability rather than political servitude.

At the White House level Daniel Fenn, Mr. Kennedy's new personnel staff man, and Ralph Dungan, one of Mr. Kennedy's most trusted advisers, are working closely with an ICA task force headed by William Dentzler, a young Yale Law School graduate with experience in Army intelligence work.

They are scouring the country for foreign aid administrators, using methods far more thorough than those followed by the Kennedy search-for-talent team which helped to staff the administration.

File folders are being filled with biographical information on prospective foreign aid administrators as well as with estimates about the men from at least 10 qualified persons.

The key jobs include four regional administrators, mission heads in 75 countries where foreign aid programs are underway and top technical posts in the United States.

NOW EMPLOYS 8,000

ICA now employs 8,000 persons, 7,000 of whom are overseas. Most of the ICA employees are technicians concerned with such problems as education, health, industrialization, public administration, and transportation.

In a country such as India ICA has up to 200 persons working under the direction of a mission chief.

So either a regional administrator or the director of a program in a single country needs to have a first-class intellect, a great amount of integrity, negotiating know-how, considerable political sagacity, a working knowledge of economics, managerial ability, and an understanding of the region or the country for which he will be responsible.

CAPABLE MEN SCARCE

For all this the Government pays $20,500 a year to a regional administrator and usually from $17,000 to $20,000 annually for a mission chief. The four regions are the Far East, south Asia and the Near East, Africa, and Latin America.

And, as one man close to the search for administrators noted, the United States is actually an underdeveloped area itself as a source for manpower to aid underdeveloped countries, so limited has American experience been in this area.

So the task force is searching universities, foundations, corporations, banks, the State Department, and even the ICA itself for the top talent that AID desperately needs.

The President has also enlisted the aid of a citizen committee headed by Thomas B. Watson, Jr., the president of International Business Machines, to seek out qualified administrators from the world of business.

And one U.S. Ambassador told Henry R. Labouisse, the new ICA Administrator, that he even went through his guestbook to help recall names of possible candidates for AID jobs.

Mr. Chairman, probably the core of the bureaucracy is Dr. Dennis A. Fitzgerald, whose current title is Deputy Director for Operations, and who has survived all of the various vicissitudes accompanied by the variety of alphabetical designations of the foreign aid program. This bureaucracy, by getting rid of the competent people and solidifying the incompetents, over the years has achieved a monolithic character which is, for all practical purposes, impervious to any outside efforts to change it. There has been a succession of directors of the foreign aid program—Hollister, Smith, Riddleberger, now Labouisse—but the bureaucracy has gone on growing stronger with each change of director and growing continually fuzzier and more incompetent.

One of my friends in the organization quite aptly said that the aid agency is being run by three ghosts—Hoffman, Harriman, and Stassen. Each reorganization, each shakeup, each exposure of bungling seems to have no other result than further entrenchment and greater power in the fuzzy-wuzzies. I think every Member of the House should read the colloquy between the gentleman from Ohio [Mr. HAYS] and the new Director of the aid organization, Mr. Labouisse, appearing on pages 693 through 696 of the hearings on the Mutual Security Act of 1961. I incorporate this passage at this point in my remarks:

Chairman MORGAN. Mr. Hays.

Mr. HAYS. Mr. Labouisse, everybody who has been up here made a big issue about this long-term financing, and I notice that you also stress it, and say that you cannot make long-range plans without it.

How do you think the Pentagon makes long-range plans? They only get year-to-year financing.

Mr. LABOUISSE. That is true, but I would think that if the Pentagon didn't get all the money it asked for, it would have to cut back on its materiel or its manpower, and we wouldn't know how serious that cut was until they had occasion to use it.

Mr. HAYS. The final judgment of how much money you get is that of Congress, not of your organization. You realize that, don't you?

Mr. LABOUISSE. Certainly. That is why we are here.

Mr. HAYS. In other words, it seems to me, and I can't get away from this—I will ask you this: How many people have you fired since you have been director down there?

Mr. LABOUISSE. How many people have I fired?

Mr. HAYS. Yes.

Mr. LABOUISSE. The reason I am hesitating, there is a question between how many people you have fired and how many you have let go.

Mr. HAYS. All right, how many have you gotten rid of?

Mr. LABOUISSE. All I can think of at the present moment—I can look into this more precisely—I can think of four, but this I can check.

Mr. HAYS. Four out of how many?

Mr. LABOUISSE. Four out of a total organization of Americans would be—we have in total about 6,000 Americans.

Mr. HAYS. Do you share the belief of practically every Member of the House and Senate that this organization is full of—I will be very kind—incompetent people?

Mr. LABOUISSE. I think that the organization has some incompetent people in it. I don't think it is full of incompetent people, no. I think there are a great many very good people in it. They have had difficult times. Some of them may be doing wrong jobs, but I don't think it is full of incompetent people, very definitely not.

Mr. HAYS. That convinces me, then, probably that I should vote against the whole program if you really feel that way, because I was told that you were going to clean this organization up, and get it back on the track, and it hasn't been doing much of a job. Most of us are convinced of that.

Mr. LABOUISSE. I think it has to be reorganized. I think we have to get new personnel; we have to make changes in existing personnel; and I think it does have to get back on the track; but I don't think that means that it is full of incompetent people.

Mr. HAYS. Well, of course, I am not in a position to——

Mr. LABOUISSE. There are a lot of people who work for this organization who are extremely dedicated, hard-working people, and very able, all up and down the line.

Mr. HAYS. My personal thinking, Mr. Labouisse, is that since the Marshall plan days, since you moved out of a civilization that you could work in with technical assistance, that they had to know how to use, and moved into the underdeveloped field, this program has been a miserable, utter failure. I can't point my finger, and I am a student of this program, to one successful thing that you have done on a countrywide basis. You might have had a few little individual successes—I am speaking of your organization and not you—but in country after country after country you have had waste, you have had mismanagement, you have had the wrong approach, you have had downright thievery. I have had people tell me out in the field that if there could be some arrangement for the thieves to get what the people were getting, and the other way around, it would be a better program, and yet you say there are not very many incompetents in it. What is the answer?

Mr. LABOUISSE. I said in reply to your question, Mr. HAYS, that this organization in my opinion was not full of incompetents, and I don't think it is full of incompetents. I think there have been some improper dealings, and any time these improper dealings are brought to light, proper action is taken.

If prosecution is justified, they are prosecuted. If they should be fired, they have been fired.

Mr. HAYS. That isn't in the record. Mr. Hardy's committee pointed to people who had been engaged in improper dealings. This organization that you are now the head of moved them to some other country where they couldn't be gotten to. They weren't fired.

I pointed my finger to one down in the Department of State who was definitely engaging in improper dealings, and he was moved in your organization and put in charge of a Latin American country.

Mr. LABOUISSE. If what you say is true, this is certainly an improper thing.

Mr. HAYS. How long have you been the head of this organization?

Mr. LABOUISSE. Since the first of March.

Mr. HAYS. Four months, and you have gotten rid of four people.

Mr. LABOUISSE. I said four people that I could think of offhand. I obviously don't know how many people throughout the whole organization have been gotten rid of at this time.

Mr. HAYS. Unless the Congress has some idea there is going to be a wholesale reorganization, you are going to have trouble getting this bill through. I am a friend of the program, and like to be. I have voted for it every year for 12 years, but unless I can get some assurance that some of these—and I am again being very kind, using the word "incompetents"—are going to go, some of these political appointees are going to come home, then I am just going to vote "no" on the whole business, because I disagree with the League of Women Voters who say—and

one women wrote to me today and said, "Oh, this program is bad. It hasn't worked very well, but you can't cure it by cutting off the money."

I say that is the only way you can cure it.

Mr. LABOUISSE. I don't want to have a misunderstanding. I want to come back to what you originally said, that the agency was full of "incompetents," and I do not share that word.

Mr. HAYS. If that phrase "full of incompetents" bothers you, I will say it has more than its fair share.

Mr. LABOUISSE. I think there are incompetents in it, and I think no one denies it. As I have indicated, one of the purposes we have in mind is to cure this and get the right people doing the right jobs. If there are incompetents I would be the first one to say they ought to go, but I don't feel I can condemn anyone or everyone, without knowing the facts. We are going to look into this. There are people abroad and in Washington who should go. We are trying to recruit the proper people.

With respect to whether the agency has done any good since the Marshall plan, I can't quote chapter and verse because I haven't been with it, and I don't know all the details of it, but I would venture to say if it hadn't been for foreign aid in the last 10 years, the world would be a very much different place from our point of view than it is right now.

I think that India has benefited greatly from U.S. assistance. I think that Taiwan has benefited greatly from U.S. assistance. I think that Turkey and Greece have. I think a great number of countries have.

Mr. HAYS. Of course, Turkey and Greece were in the original Marshall plan, and I will buy that.

About India, I don't know, firsthand, too much about it. I have heard some good reports and some bad reports. In Taiwan you are getting on pretty debatable ground there when you get into that one.

Mr. LABOUISSE. It is a question of whether or not you think it is a country you want to give assistance to, but——

Mr. HAYS. I had a fellow come back from there, and he was a little bitter on one of your projects. He came into my office, and he said, "I didn't get the bid, and I will tell you—I went out to see why I didn't get it, and they told me I was 30 percent too low." He said, "I said, 'What do you mean 30 percent too low?' " and they said, "There are six Chinese that have to have 5 percent on this, and there is no place in your bid to give them 5 percent, and so we didn't buy it."

You must know that graft is a way of life in Taiwan, don't you?

Mr. LABOUISSE. I know that graft is a way of life in a great many places, and I abhor it. It is very unfortunate, but it is a fact of life in some places, and we want to avoid it.

If there is graft, however, in any operation by our people, and I ever find out about it, or you can show it to me, I can assure you the man will be fired immediately.

Mr. HAYS. We pointed out to your predecessor after lengthy hearings in which the chairman participated, exactly what was going on, and after stalling for a year they awarded the contract, where we showed them they were going to do what they did do, put in 30 percent for the grafters, and a few percent for themselves.

Don't be surprised if I am a little disillusioned with this organization.

Mr. LABOUISSE. This organization is a new one to me. You may know more about it than I do, but I can say if at any time it comes to my attention—either you can bring it to my attention, or anyone else—that there is graft or improper action on the part of any of our officials, I can assure you there will be remedial action taken immediately.

Mr. HAYS. Thank you.

Incidentally, at this point I wish to pay tribute to the gentleman from Ohio [Mr. HAYS] because he, so far as I know, is the only one in the executive or legislative branch of our Government who has been able to make even the slightest dent in the monolithic bureaucracy which is ICA.

A few weeks ago, the press carried a story crediting the gentleman from Ohio [Mr. HAYS] with having gotten rid of Mr. Carter DePaul, who was Chief, Investment Development Division, Office of Deputy Director for Private Enterprise, at the time of his resignation. Typically, aid agency spokesmen denied that Mr. HAYS' ultimatum had anything to do with Mr. DePaul's separation.

Who was Carter DePaul? He was the first mission director for the aid program in Laos, and, according to testimony before the Hardy committee, had a great deal to do with fixing the exorbitant level of aid for that small, underdeveloped country, which the committee found actually harmed, rather than advanced, the objectives of our program, as set forth in the following conclusions in the committee's report on the aid program in Laos.

CONCLUSIONS

1. Giving Laos more foreign aid than its economy could absorb, hindered rather than helped the accomplishment of the objectives of the mutual security program.

2. Excessive cash grants forced money into the Lao economy at a faster rate than it possibly could be absorbed, causing:

(a) An excessive Lao Government foreign exchange reserve, reaching at one point $40 million, equal to a year's aid.

(b) Inflation, doubling the cost of living from 1953 to 1958.

(c) Profiteering through import licenses and false invoices, which made possible the purchase of U.S. cash-grant dollars for 35 kip. Those dollars could be resold in the free market for as much as 110 kip.

For Mr. Depaul's performance in Laos, he was advanced in responsibility in the Washington office of ICA.

A more recent example is the case of Mr. Rey Hill, who was mission director in Bolivia from August 11, 1958, to March of 1961. Mr. Hill, in my opinion, did an outstanding job in Bolivia in the face of most difficult circumstances. He reduced the total cost of the program from $26 million in 1958 to around $17 million in 1960 and in that 2-year period cut the American staff from around 135 to 52, and took the position that too much U.S. aid had enabled the Government of Bolivia to put off facing realities and inaugurating reforms which, without so much U.S. dollar aid, they would have been compelled to undertake, even though their reforms would have been politically unpopular. One of the accomplishments during Mr. Hill's service was to stabilize the currency.

But, according to one of my colleagues on the Foreign Affairs Committee, Mr. Hill was too tough in Bolivia, so in March of this year they brought him to Washington and made him regional director for Latin America. But, he was too tough in that position also, so the powers that be in ICA decided to send Mr. Hill to the boondocks by making him mission director in Jordan. But, an hour before Mr. Hill was to be sworn in as mission director, the gentleman from Ohio [Mr. HAYS] called downtown and the decision to get rid of Mr. Hill was reversed. Nevertheless, Mr. Hill is leaving his position on August 25 to return to the Ford Foundation and another good man has been ejected by the monolithic bureaucracy.

How President Kennedy's task force can find competent people to staff the aid program in the face of the consistent history of promotion and entrenchment of incompetents and firing or easing out of intelligent, dedicated, patriotic, able, businesslike administrators is beyond me.

Another example, which is described in the Hardy committee's report on Peru, was the entrenchment of the Mission Director in Peru, John R. Neale, and his protection by Ambassador Achilles and Latin American Regional Director Rollin S. Atwood.

Our former colleague from Oregon, Sam Coon, was appointed Deputy Director under Mr. Neale in 1957, but was never permitted by Mr. Neale to perform his proper functions as Deputy Director. However, he could not help but notice deficiencies and improper activities in the Peruvian aid program, which he duly called to the attention of superior officials, specifically Mr. Achilles in Peru and Mr. Atwood and the Director of ICA in Washington, Mr. Smith. Through obstructing investigations and audits, Mr. Neale was protected and continued in office long after he should have been discharged. Later, he was permitted to resign, retaining retirement benefits. Meanwhile, Mr. Coon was disciplined for his temerity to suggest that our aid money should be spent in a businesslike fashion.

Mr. Chairman, we will never get our aid program on the track until there is a complete overhauling of the personnel administering the program. I wish the Kennedy administration well in what seems to be a sincere effort to accomplish this objective, but in the light of 8 years of experience with similar efforts I am skeptical, and if I had to bet, I would put my money on the survival and further entrenchment of the monolithic bureaucracy which has successfully repulsed every effort to reform it.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Ohio.

Mr. HAYS. I appreciate the kind things which the gentleman from Michigan has said, and I would not want to take any credit at all. I did just what the committee backed me up on to do, the subcommittee of which I am the chairman—the Subcommittee on Personnel. But I think unless we give somebody the opportunity of reorganizing this and getting rid of some of these people who are under civil service, you will never get rid of them.

Mr. Chairman, I would say to the gentleman, for whatever it is worth, that the Subcommittee on Personnel is going to be looking down their throats from here on in. We have told them that we are not going to quit when Congress adjourns. We are going to have a few hearings and ask some pretty pertinent

questions about some of the people. I have given them the names and have told them what we think about them. We told them we think there ought to be some changes made. I said, however, do not get ready to come up to an executive hearing, because it is not going to be an executive hearing; it is going to be a public hearing, and you can explain all. That is the reason they got rid of the gentleman in question, and that is the reason I think they are going to get rid of a few more. But I do think they need the ability to reorganize and remove some of these people.

The President himself told me that he wants to reorganize and install some responsible people for the country missions and for the chiefs of missions in the areas where this has broken down. I think if the gentlemen are given a chance they will do the job. If they do not, I will be the first to join the gentleman in bringing about a change.

Mr. MEADER. I certainly hope they do. I refer the Members of the House to pages 693 to 696 of the mutual security hearings, which you have before you, and in which the gentleman from Ohio [Mr. HAYS] did a very forthright job in letting Mr. Labouisse know he was expected to do some house cleaning down in this foreign-aid agency.

Mr. HAYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I call the attention of the gentleman to an article I read this morning in the Washington Post. It is headed "Kennedy Directs ICA Search for Top AID Administrators."

It then states:

Far from the ringing oratory of the Senate and the House and the frantic maneuvering in the corridors, a tiny task force in the International Cooperation Administration is hunting for men rather than votes.

This search, like the one on Capitol Hill, is being personally supervised by President Kennedy, who regards the staffing of the foreign aid program as one of the most important tasks before his administration.

I have a great deal of confidence in this article because the President said exactly these words to me some 4 or 5 weeks ago.

Mr. MEADER. I am familiar with the article. When we get back in the House I intend to ask unanimous consent to include the entire article. I have some comments on one passage where he refers to staff utilization, which I do not believe he correctly described. Then I also want to insert, if the gentleman has no objection, the pages from the record of the hearings where the gentleman interrogated the new head of the agency.

Mr. HAYS. The gentleman has no objection to that extension. I would hope, at least, that the gentleman's remark about the staff utilization would be in line with my feeling. I think both of us feel about the same about that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LINDSAY].

The amendment was rejected.

The Clerk read as follows:

SEC. 601. ENCOURAGEMENT OF FREE ENTERPRISE AND PRIVATE PARTICIPATION.—(a) The Congress of the United States recognizes the vital role of free enterprise in achieving rising levels of production and standards of living essential to economic progress and development. Accordingly, it is declared to be the policy of the United States to encourage the efforts of other countries to increase the flow of international trade, to foster private initiative and competition, to discourage monopolistic practices, to improve the technical efficiency of their industry, agriculture, and commerce, and to strengthen free labor unions; and to encourage the contribution of United States enterprise toward economic strength of economically underdeveloped free countries, through private trade and investment abroad, private participation in programs carried out under this Act (including the use of private trade channels to the maximum extent practicable in carrying out such programs), and exchange of ideas and technical information on the matters covered by this section.

(b) In order to encourage and facilitate participation by private enterprise to the maximum extent practicable in achieving any of the purposes of this Act, the President shall—

(1) make arrangements to find, and draw the attention of private enterprise to, opportunities for investment and development in economically underdeveloped free countries and areas;

(2) accelerate a program of negotiating treaties for commerce and trade, including tax treaties, which shall include provisions to encourage and facilitate the flow of private investment to, and its equitable treatment in, free countries and areas participating in programs under this Act; and

(3) seek, consistent with the national interest, compliance by other countries or areas with all treaties for commerce and trade and taxes, and take all reasonable measures under this Act or other authority to secure compliance therewith and to assist United States citizens in obtaining just compensation for losses sustained by them or payments exacted from them as a result of measures taken or imposed by any country or area thereof in violation of any such treaty.

Mrs. BOLTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. BOLTON:

On page 39, line 18, strike out the word "and".

On page 40, line 2, strike out the period and substitute "; and".

On page 40, after line 2, insert the following:

"(4) wherever appropriate carry out programs of assistance through private channels, and to the extent practicable in conjunction with local private or governmental participation, including loans under the authority of section 201 to any individual, corporation, or other body of persons."

Mrs. BOLTON. Mr. Chairman, private enterprise, we all recognize, is the way in which a great deal can be done in the world in making important contributions to our overseas assistance program. This is an expression of congressional urging to the Executive to avail itself of the skills and abilities of our private companies by implementing this lending activity through private channels. Small amounts of assistance to private companies can be an important impetus to our effort. I do not propose any specific ground rules. Such would not be possible or desired. The essence of my proposal is that the Executive shall use his judgment in harnessing the resources of American business. This is a clear statement of policy of what the Congress wants to encourage, the role of private enterprise in fostering economic development abroad. It complements the language the committee has adopted dealing with investment guarantees. The language has already been adopted by the other body.

Mr. ADAIR. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield to the distinguished gentleman from Indiana.

Mr. ADAIR. Mr. Chairman, I commend the gentlewoman for introducing this amendment. We have spoken a great deal here today, and in the days just past, about our desire to foster and improve the private enterprise system. The amendment offered by the gentlewoman from Ohio would accomplish just that.

Mr. Chairman, I urge that the amendment be adopted.

Mrs. BOLTON. I thank the gentleman.

Mr. SEELY-BROWN. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield to the distinguished gentleman from Connecticut.

Mr. SEELY-BROWN. Mr. Chairman, I think the amendment offered by our colleague, the gentlewoman from Ohio, provides a very real opportunity for some of our underdeveloped nations to see private enterprise at work.

Mrs. BOLTON. I thank the gentleman.

Mr. CHIPERFIELD. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield to the distinguished gentleman from Illinois [Mr. CHIPERFIELD].

Mr. CHIPERFIELD. Mr. Chairman, I, too, favor this amendment and urge its adoption.

Mrs. BOLTON. I thank the gentleman.

Mr. LINDSAY. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield to the distinguished gentleman from New York.

Mr. LINDSAY. Mr. Chairman, I commend my colleague, the gentlewoman from Ohio [Mrs. BOLTON]. This amendment was sponsored in the other body by the very able senior Senator from New York. It is an important amendment and goes far in the direction of accomplishing the purposes about which I spoke in my remarks a little earlier.

Mr. MONAGAN. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield to the distinguished gentleman from Connecticut.

Mr. MONAGAN. Mr. Chairman, I must say that this is a most interesting and constructive suggestion that our colleague, the gentlewoman from Ohio [Mrs. BOLTON], has made, as we, in the committee, have learned from experience to expect from her.

A short time ago the gentleman from Michigan [Mr. MEADER] spoke somewhat in the same vein, it seems to me, when he pointed out that private enterprise could by going into these fields eventually save large scale expenditures on the part of the Government. I wonder if that is not part of the message that the gentlewoman from Ohio has in mind in connection with this amendment?

Mrs. BOLTON. I thank the gentleman. That, of course, is the basic feature of the amendment.

Mr. MONAGAN. I am happy to say I am authorized on the part of the committee to accept this amendment.

Mrs. BOLTON. I thank the gentleman very much.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Ohio [Mrs. BOLTON].

The amendment was agreed to.

The Clerk read as follows:

SEC. 602. SMALL BUSINESS.—Insofar as practicable and to the maximum extent consistent with the accomplishment of the purposes of this Act, the President shall assist American small business to participate equitably in the furnishing of commodities, defense articles, and services (including defense services) financed with funds made available under this Act—

(1) by causing to be made available to suppliers in the United States, and particularly to small independent enterprises, information, as far in advance as possible, with respect to purchases proposed to be financed with such funds;

(2) by causing to be made available to prospective purchasers in the countries and areas receiving assistance under this Act information as to such commodities, articles, services produced by small independent enterprises in the United States; and

(3) by providing for additional services to give small business better opportunities to participate in the furnishing of such commodities, articles, and services financed with such funds.

SEC. 603. SHIPPING ON UNITED STATES VESSELS.—The ocean transportation between foreign countries of commodities and defense articles procured out of local currency funds made available or derived from funds made available under this Act or the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691 and the following), shall not be governed by the provisions of section 901(b) of the Merchant Marine Act, 1936, or any other law relating to the ocean transportation of commodities and defense articles on United States flag vessels. Sales of fresh fruit and the products thereof under this Act shall be exempt from the requirements of the cargo preference laws (Public Resolution 17, Seventy-third Congress, and section 901(b) of the Merchant Marine Act, 1936, as amended).

SEC. 604. PROCUREMENT.—(a) Funds made available under this Act may be used for procurement outside the United States only if the President determines that such procurement will not result in adverse effects upon the economy of the United States or the industrial mobilization base, with special reference to any areas of labor surplus or to the net position of the United States in its balance of payments with the rest of the world, which outweigh the economic or other advantages to the United States of less costly procurement outside the United States.

(b) No funds made available under this Act shall be used for the purchase in bulk of any commodities at prices higher than the market price prevailing in the United States at the time of purchase, adjusted for differences in the cost of transportation of destination, quality, and terms of payment.

(c) In providing for the procurement of any surplus agricultural commodity for transfer by grant under this Act to any recipient country in accordance with its requirements, the President shall, insofar as practicable and when in furtherance of the purposes of this Act, authorize the procurement of such surplus agricultural commodity only within the United States except to the extent that such surplus agricultural commodity is not available in the United States in sufficient quantities to supply the emergency requirements of recipients under this Act.

(d) In providing assistance in the procurement of commodities in the United States, United States dollars shall be made available for marine insurance on such commodities where such insurance is placed on a competitive basis in accordance with normal trade practice prevailing prior to the outbreak of World War II: *Provided*, That in the event a participating country, by statute, decree, rule, or regulation, discriminates against any marine insurance company authorized to do business in any State of the United States, then commodities purchased with funds provided hereunder and destined for such country shall be insured in the United States against marine risk with a company or companies authorized to do a marine insurance business in any State of the United States.

Mr. MORGAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 8400) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, had come to no resolution thereon.

LYNN (MASS.) SUNDAY POST—ONLY 18 MONTHS OLD—BUT THE LARGEST SUNDAY PAPER IN POPULOUS ESSEX COUNTY

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, I cite the growth and accomplishments of the Lynn Sunday Post, published in the city of Lynn, Mass., as an example of success through cooperation that is inspired by our free-enterprise system.

As a rule, only the big cities are able to maintain Sunday papers, which are also circulated among hundreds of neighboring communities. From time to time, men have discussed the possibility of starting up a paper to serve the Sunday readers of their smaller city, and adjacent towns in the county. But few have had the courage to put their idea to the practical test, for it requires money, organization, and hard work—a combination that overwhelms everyone but experienced newspapermen who love their challenging profession.

When one paper in Lynn was merged with its daily competitor, veteran staffmen found themselves without a job. On a financial "shoestring," backed by competence in their field and the determination to make good, they took the risk venture, and so the infant Sunday Post was born.

Faithful readers of the daily paper that had vanished, admiring the pluck of the displaced newsmen, gave them encouragement and support. This was a beginning, but the infant had to learn to walk and grow up and become self-reliant by the quality of its service to subscribers.

Because the men of the Lynn Sunday Post would rather do newspaperwork than anything else, they gave that extra effort and enthusiasm that cannot be denied.

The Lynn Sunday Post was a wide-awake paper from the opening gun.

With an attractive layout, and containing brisk, readable stories on late-breaking news, spiced with the flavor of local happenings, it won favorable attention and increasing patronage week by week.

In the short space of 18 months the Sunday Post has become the largest publication in Essex County, and the third largest journal, daily or Sunday, on the north shore of Massachusetts.

Despite the stiff competition from the Sunday papers of nearby Boston, it has increased its circulation to 12,000 families with a readership of 48,000 persons.

This amazing success story has been officially confirmed by the Audit Bureau of Circulation, an independent, nonprofit organization which exists solely for the purpose of conducting authoritative audits and examinations of newspaper circulation records.

The August 13 edition of the Lynn publication proudly announces that "Sunday Post Now ABC Newspaper."

This means that it has been elected to membership in the ABC, a nationwide organization established by advertisers, advertising agencies, and publishers to insure dependable statements to buyers of advertising space and to give publishers full credit for legitimate circulation statements.

Congratulations to the plucky newsmen who pooled their talents and indomitable spirit to create the Lynn Sunday Post, and within 18 months developed it into a flourishing paper that is a minor miracle in the history of modern journalism.

HOUSE MEETS AT 11 O'CLOCK AUGUST 18

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

Mr. HOFFMAN of Michigan. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

Mr. HALLECK. If the Speaker, will indulge me for a moment, I think in view of the request which was made by the majority leader, and in order that there be a complete understanding, the majority leader spoke to me about coming in at 11 o'clock tomorrow. I discussed it with the members of the committee on this side. It was agreeable to them. I would hope that the gentleman from Michigan would see fit to withdraw his objection so that we could come in tomorrow early, because many of us would like to conclude this matter tomorrow, if at all possible.

Mr. HOFFMAN of Michigan. Mr. Speaker, inasmuch as I always follow the leadership on our side, I ask unanimous consent to withdraw my objection.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMUNIST PARTY OF THE UNITED STATES OF AMERICA, PETITIONER, v. SUBVERSIVE ACTIVITIES CONTROL BOARD

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. DOYLE] is recognized for 45 minutes.

Mr. DOYLE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include the majority opinion in a decision by the Supreme Court of the United States in a case entitled "Communist Party of the United States of America, petitioner, against Subversive Activities Control Board," and so forth; also to include an article that appeared in the Los Angeles Times by Robert Kennedy, Attorney General of the United States; certain text from the Supreme Court brief filed by the Subversive Activities Control Board; certain excerpts from the text of the Subversive Activities Control Board relating to the Control Act of 1950 and of 1954.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DOYLE. Mr. Speaker, on June 5, 1961, the Supreme Court of the United States by its majority opinion in the case of Communist Party of the United States of America, petitioner, against Subversive Activities Control Board, declared as the law of the United States, relating to the Communist Party of the United States of America, a procedure which when made effective by enforcement thereof is, in my opinion, a very timely and potent deterrent to the illegal and subversive activities of the Communist Party in the United States and of its members.

That this majority opinion by the Supreme Court of the United States hit this subversive agent of Soviet Moscow, and its subversive members where it vitally hurts, is evidence of the fact as reported in the daily press immediately following the pronouncement of that decision wherein Gus Hall, the general secretary of the Communist Party in the United States, is reported to have firmly announced in New York headquarters of the Communist Party that said party would not in any way comply with the registration order required by the Supreme Court decision which said Gus Hall is reported to have said to be a "form of suicide." The people of the United States are specifically put on notice that in this connection I wish to include in my remarks an article appearing in the Los Angeles Daily Times under dateline Washingon, D.C., on June 11, 1961, entitled "Bob Kennedy Says Reds Can't Beat Court Ruling":

BOB KENNEDY SAYS REDS CAN'T BEAT COURT RULING

WASHINGTON.—Attorney General Kennedy Saturday told the American Communist Party in effect it cannot win in its announced plan to defy the Supreme Court of the United States.

The Court, in a historic decision last Monday, ruled the party must register with the Justice Department as a foreign-dominated and foreign-financed group, and disclose its membership rolls.

At the same time, the Court held that membership in the party—with knowledge of its aim for violent overthrow of this Government and active participation in that aim—is a punishable crime.

FORM OF SUICIDE

Gus Hall, the party's general secretary, formally announced in New York a few days later the party will not comply in any way with the registration order, which he describes as a form of "suicide," which would subject the registered membership lists to possible prosecution under the individual membership decision.

Attorney General Kennedy held a press briefing on the decision in which he said his department is prepared to take every necessary step required to bring about Communist Party compliance with the Supreme Court order.

He made public a prospective timetable for these actions and in answers to questions made these salient points:

LEGAL ENTITY

The party can register as ordered and so continue as a legal entity in this country.

If it refuses to register, it will face criminal prosecution and the imposition of fines of $10,000 a day for each failure to register—a process which he conceded would probably quickly bankrupt the party.

The penalties for a failure to comply with the Supreme Court order might also involve the same kind of fine and 5 years imprisonment for party leaders, which might well make the organization an impotent shell.

The Attorney General made it clear that in his view the party has had about all of the constitutionally guaranteed "due process of law" in connection with the registration issue, since that issue involved some 10 years of litigation after passage of the 1950 Internal Security Act.

BOARD'S FINDINGS

The Subversive Activities Control Board held that under the Internal Security Act American communism is simply a tool of international communism with headquarters in the Soviet Union. Referring to the Board's finding, Kennedy said:

"The control of the Communist Party in the United States is no longer a matter of charges and accusations, but a matter of judicial finding. The Communist Party of the United States has had its day and in fact, its years in court.

PUBLIC IMAGE

"The Communist Party of the United States has made every effort to promote a public image of a legitimate political party, sincerely interested in issues for their own sake. However, in fact, it always has been under the discipline of a foreign country and has been a tactical means of advancing both the short- and long-range interests of the Soviet Union."

In connection with this Highest Court opinion, however, I wish to inform the House that the attorneys for the Communist Party have, since the pronouncement of the decision, obtained postponement of the effective date for registration in the decision required until further hearing is had, which will presumably occur during the near at hand October term of the Supreme Court.

In taking the time of this great legislative body to call attention to this U.S. Supreme Court decision, I do so for the following reasons:

First. This decision emanates from the Highest Court in the United States, and as the Court in the decision relates, it culminates several years of back and forth consideration of the subject matter between the Court and courts of appeal and the Subversive Activities Control Board and the Communist Party in the United States.

Second. Because a number of Members of this legislative body have asked me about the decision and its effect on the Communist Party and on the work of the House Committee on Un-American Activities, of which, as you know, Mr. Speaker, I have now been a member going on 15 years.

Third, Because several Members have asked me to relate the creation and functions of the Subversive Activities Control Board which made the findings against the Communist Party of the United States, petitioners, and which findings were confirmed by the U.S. district courts, and which were finally affirmed by the Supreme Court of the United States in this decision.

Fourth. It appeared to me from these inquiries made to me by Members that the jurisdiction and functioning of the Subversive Activities Control Board, the respondent in this case, is not a matter of common knowledge to Members.

Fifth. Also, Mr. Speaker, I take this occasion to identify to the membership two undeniable facts, which stand out indelibly and as clear as crystal in this Highest Court decision, which two facts are, first, that the constitutionality of the Subversive Activities Control Act of 1950, and the Communist Control Act of 1954, which amended the Subversive Activities Control Act, both of which acts were creations of the U.S. Congress, are constitutional. Second, Mr. Speaker, while certain other House committees contributed much to the firm foundation of this High Court decision, and thus to the basic law of the land, I naturally am especially pleased to call attention to the fact that, from use of the investigations, findings, reports, and legislative recommendations to this Congress body from the House Committee on Un-American Activities came legislation to which the High Court has expressly referred in its decision, and which it has incorporated in its decision, and which clearly helped enable the Court to find that these congressional bills which became public laws are constitutional.

Mr. Speaker, I cite this as a fact at this particular time, so that the Members of this legislative forum, which enacted this legislation which has finally been found as constitutional, together with all others who read the decision,

to know for a fact that the tax dollars expended and often unpleasant and difficult duties to perform have not been in vain. Furthermore, that we may take heart and encouragement against subversive communism within our borders.

Mr. Speaker, because I have asked unanimous consent and obtained approval to incorporate in the RECORD the text of the Supreme Court majority decision, and also some pertinent material about the Subversive Activities Control Act of 1950, and as amended by the Communist Control Act of 1954, and wherein the case references made by the High Court are also included in the text of the Supreme Court decision as hereinafter set forth, my further brief remarks do not include the case citations.

And, since it is the final findings of the Subversive Activities Control Board which were affirmed and held constitutional by the Supreme Court of the United States in this case, I am sure it is pertinent to take a few minutes to give you pertinent information about the functioning of the Subversive Activities Control Board, preliminary to my further remarks about this Supreme Court decision itself. Therefore, reading from a memorandum to me dated August 10, 1961, from Mr. Frank R. Hunter, Jr., General Counsel of the Subversive Activities Control Board, he states as follows:

MEMORANDUM TO CONGRESSMAN CLYDE DOYLE, 23D DISTRICT, CALIFORNIA, AUGUST 10, 1961, FROM FRANK R. HUNTER, JR., GENERAL COUNSEL, SUBVERSIVE ACTIVITIES CONTROL BOARD

The Subversive Activities Control Board is a five-member Board appointed by the President with the advice and consent of the Senate to terms of 5 years, and continuing thereafter until a successor has been qualified. One of the members is designated Chairman by the President. Not more than three of the members can be of the same political party.

The Board is assisted in its duties by a small staff composed primarily of attorneys, clerks, and stenographers and typists. The total number of employees during each of the last few years has averaged less than 30, including an assistant to each member, 4 or 5 attorneys, a clerk's office to handle the dockets and records in formal proceedings, and 2 or 3 administrative clerks. Hearing examiners are engaged as the work requires.

Under the act a comprehensive plan is set forth for dealing with Communist organizations and with their members. Whenever the Attorney General has reason to believe that any organization is one of the three types of defined Communist organizations, or any individual is of the kind covered by the act, he is required to bring a proceeding before the Board for the holding of hearings and appropriate determinations. The Board also has jurisdiction to grant relief from the further application of the act to organizations or individuals under proper circumstances.

The Board is in essence a court. Its decisions may be appealed to the U.S. court of appeals with opportunity for review by the Supreme Court upon certiorari. An order of the Board, after proper proceedings, is a prerequisite to the several consequences which the act applies to Communist organizations and their members. The Board has no investigatory powers and does not itself initiate the cases before it or enforce compliance with its orders. The members and staff assistants are engaged on a full-time basis to perform the duties incident to holding hearings, examining witnesses and receiving evidence, compelling the attendance and testimony of witnesses and the production of relevant documents, and defending decisions and rulings of the Board in appellate court review.

Each party to Board proceedings (the Attorney General and an organization or individual) is entitled to be represented by counsel, to present evidence in its behalf, and to cross-examine witnesses, all in open public hearings. The Board is required to make a report in writing setting forth its findings as to the facts in each proceeding brought before it, to issue and serve appropriate orders upon the parties, and to publish its determinations in the Federal Register.

The Board sits as a body to hear arguments and thereafter to consider the record and briefs and prepare its ultimate decision. Hearings for the taking of evidence may be conducted by one or more members of the Board or by a designated hearing examiner. It has been possible to date for the individual members themselves to conduct the evidentiary hearings in all but one proceeding. The Board member or examiner prepares and serves a recommended decision and the parties are thereafter heard by the full Board on exceptions thereto and on legal issues raised. With due regard to the necessities of the parties, Board hearings may be held anywhere in the United States.

Board proceedings have been rather extensive and protracted. In the one proceeding which resulted in an order against the Communist Party of the United States, the formal record that had to be read and considered consisted of over 14,000 pages of stenographic transcript and over 500 exhibits, many of book length. The report of the Board setting forth its findings as to the facts and rulings on legal questions covered 240 pages. The records in 11 cases where appeals are now pending in the court of appeals by organizations found by the Board to be Communist-front organizations aggregate over 42,000 pages of transcript and over 3,000 exhibits.

Summarized, the five-member Board serves in a quasi-judicial capacity in adversary proceedings involving organizations alleged to be Communist organizations. The Board does not itself initiate the proceedings nor does it have any functions in the subsequent enforcement of its orders.

Mr. Speaker, in studying the brief by the Subversive Activities Control Board before the Supreme Court, said Board set forth the following six questions in its court brief which, in its judgment, were before the Court for decision:

1. Whether the Subversive Activities Control Act of 1950, as amended, is unconstitutional on its face or as applied in this case (petitioner's question 1).

2. Whether the order of the Subversive Activities Control Board rests upon a proper construction and application of the act (petitioner's question 2).

3. Whether the order of the Board is supported by the preponderance of the evidence (petitioner's question 3).

4. Whether it was error to refuse to strike all of witness Budenz' testimony because it was not possible for the witness, due to illness, to be subjected to cross-examination with the use of his statements to the FBI on the Starobin and Childs-Weiner matters (petitioner's question 4).

5. Whether, in the particular circumstances, petitioner was entitled to the production of statements by the Attorney General's witnesses relating to their direct testimony (petitioner's question 5).

6. Whether the court below, having sustained the ultimate finding of the Board as supported by other findings and by the preponderance of the evidence, erred in refusing to remand because a subsidiary finding of the Board lacked evidentiary support (petitioner's question 6).

It appears to me, Mr. Speaker, that the Supreme Court decision approved the position of the Board in every major contention of the Board and expressly found in the last paragraph of its decision as follows:

The Constitution does not prohibit the requirement that the Communist Party register with the Attorney General as a Communist-action organization pursuant to point 7.

I herewith file with my remarks material furnished me by the Subversive Activities Control Board in connection with the Supreme Court case I am discussing:

PART I.—THE SUBVERSIVE ACTIVITIES CONTROL ACT OF 1950

On September 23, 1950, the 81st Congress enacted the Subversive Activities Control Act, providing for the establishment of a bipartisan Board of five members appointed by the President by and with the advice and consent of the Senate, one of whom is designated by the President as Chairman. The Board is charged with the duties of hearing and determining—

(a) Whether organizations alleged by the Attorney General to be either Communist action or Communist front, as defined in section 3 (3) and (4) of the act, are such;

(b) Whether unregistered individuals whom the Attorney General alleges should have registered are in fact required to register under section 8 of the act;

(c) Whether organizations (or individuals) which, after having registered and later made application to the Attorney General for release from registration, are entitled under section 13(b) to the relief sought.

World Communist Movement: Section 2 (1) of the act contains findings by Congress that there exists a world Communist movement which, in its origin, its development, and its present practice, is a worldwide revolutionary movement. The purpose of this movement, the act goes on to state, is, by treachery, deceit, infiltration into other groups, espionage, sabotage, terrorism, and any other means deemed necessary, to establish, through the medium of a worldwide Communist organization, a Communist totalitarian dictatorship in countries throughout the world.

The findings assert that the movement has a following in the United States of many thousands of persons.

Definitions: Section 3(3) of the act defines a Communist-action organization as any organization in the United States (other than an accredited diplomatic mission) which—

(a) Is substantially directed, dominated, or controlled by the foreign government or foreign organization controlling the world Communist movement; and

(b) Operates primarily to advance the objectives of the world Communist movement, referred to in section 2.

Section 3(4) defines a Communist-front organization as any organization in the United States which is substantially directed, dominated, or controlled by a Communist-action organization, and is primarily operated for the purpose of giving aid and support to a Communist-action organization, to a Communist foreign government, or to the world Communist movement.

Due process: The act specifies that Board proceedings shall be conducted publicly and provides to parties, among other measures of constitutional due process, the right of counsel, the availability of the Board's power to subpena witnesses, the right of

cross-examination, and the right to rebut evidence. The Board's rules and regulations provide (in accordance with section 16 of the act) that all hearings are to be carried on within the provision of the Administrative Procedure Act.

In securing compliance with its subpenas, the Board may resort to the U.S. district courts.

Criteria: Certain criteria are provided for the Board's guidance in determining whether organizations alleged by the Attorney General to be Communist action or Communist front are such in fact (sec. 13).

In proceedings involving alleged Communist-action organizations eight criteria are applicable (sec. 13(e)) and they are:

(1) The extent to which the organization's policies are formulated and its activities carried out pursuant to directives or to effectuate policies of the foreign government or organization which controls the world Communist movement; and

(2) The extent to which the organization's view and policies do not deviate from those of the foreign government or organization which controls the world Communist movement; and

(3) The extent to which the organization receives financial or other aid from that foreign government or organization; and

(4) The extent to which the organization sends it members or representatives to any foreign country for instruction or training in the principles, policies, strategy, or tactics of the world Communist movement; and

(5) The extent to which the organization reports to a Communist government or organization; and

(6) The extent to which the organization's leaders and members are subject to the disciplinary powers of such Communist government or organization; and

(7) The extent to which the organization resorts to secret practices to promote its objectives or to conceal foreign domination; and

(8) The extent to which leaders or members of the organization consider the allegiance they owe to the United States as subordinate to their obligations to the government controlling the world Communist movement.

With reference to a Communist-front organization, there are four criteria (sec. 13(f)), as follows:

(1) The extent to which those active in the management of the alleged Communist front are active in the management of or represent a Communist-action organization, a Communist government, or the world Communist movement; and

(2) The extent to which the alleged "front" gets support, financial or otherwise, from a Communist-action organization, from a Communist government, or from the world Communist movement; and

(3) The extent to which the funds, resources, or personnel of the alleged "front" are used to further or promote the objectives of a Communist-action organization, a Communist government, or the world Communist movement; and

(4) The extent to which positions taken or advanced by the alleged "front" on matters of policy do not deviate from those of a Communist-action organization, a Communist government or the world Communist movement.

Procedure: After issue has been joined on the pleadings the case is assigned to a Board member or hearing examiner for the taking of evidence. Upon conclusion of a hearing, the Board member or hearing examiner presiding submits to the Board a recommended decision. The parties may then file written exceptions and orally argue them, whereupon the Board makes a written determination and issues an order either requiring registration or dismissing the Attorney General's petition, the order not becoming final until exhaustion of judicial review.

Judicial reveiw: Either party to a proceeding, if aggrieved by the finding and order, may, within 60 days, on petition to the U.S. Court of Appeals for the District of Columbia, obtain a review by that court, or should it so order, by the appellate court in the area of the appellant's domicile (sec. 14).

Such review may encompass all the evidence and may result in the Board's decision being affirmed, set aside, or the case being remanded to the Board for further action. The Board's findings of fact are declared conclusive if found by the court to be supported by a preponderance of the evidence. The judgment and decree of the court are subject to review by the U.S. Supreme Court upon certiorari.

Penalties: Any willful evasion of or noncompliance with a final Board order becomes punishable, upon court conviction, by a maximum fine of $10,000 in the case of organizations, and of the same fine or a maximum 5 years' imprisonment, or both, in the case of individuals.

As regards registration, each day of noncompliance may be treated as a separate offense.

The enforcement of Board orders is a function of the Attorney General.

PART II—THE COMMUNIST CONTROL ACT OF 1954

On August 16, 1954, the 83d Congress enacted the Communist Control Act of 1954, which, among other provisions, amended the Subversive Activities Control Act to include organizations believed by the Attorney General to be Communist infiltrated.

A Communist-infiltrated organization is defined as any organization (other than Communist-action or Communist-front) which is (a) substantially directed, dominated, or controlled by an individual or individuals who are, or within 3 years have been, actively engaged in aiding or supporting a Communist-action organization, Communist foreign government, or the world Communist movement; and (b) is serving, or within 3 years has served, as a means for either aiding or supporting such organization, government, or movement, or impairing the military strength of the United States or its industrial capacity to furnish logistical or other material support to the Armed Forces of the United States.

Affiliates in good standing with labor organizations whose policies and activities have been directed to opposing communism are presumed, prima facie, not to be infiltrated.

When a decision of the Board finding an organization to be Communist infiltrated becomes final by operation of law, that organization, if it be a labor union, thereafter becomes ineligible to—

(1) Act as representative or bargaining agent of any employees within the meaning or for the purposes of sections 7 and 9 of the National Labor Relations Act;

(2) Make, or obtain any hearings upon, any charge under section 10 of such act; or

(3) Exercise any other right or privilege, or receive any benefit, substantive or procedural, provided by such act for labor organizations.

If the union was previously certified an employee representative by the National Labor Relations Board, the NLRB, when the SACB finding becomes final, shall, on petition of not less than 20 percent of the union membership, conduct new elections to determine whether the employees desire different representation.

Within 6 months after a determination that an organization is Communist infiltrated, the organization may, on application to the Board, obtain a new determination as to whether the previous determination should be rescinded.

PART III—MEMBERSHIP OF THE BOARD

The original act (section 12(a)) provided terms varying from 1 to 3 years for the initially appointed members, with subsequent terms fixed at 3 years, and also provided that no more than three of the five members be of the same political party.

On August 5, 1955, the President signed Public Law 254, 84th Congress, cited as the Subverse Activities Control Board Tenure Act. This amended the original act to provide that Board members could continue to serve beyond the expiration of their terms until their successors were appointed and qualified, and (with the exception of one immediate appointment) fixed the terms of subsequently appointed Board members at 5 years.

As of June 30, 1960, the membership comprised:

Dorothy McCullough Lee of Oregon, appointed to a term expiring August 9, 1961, Chairman (Republican).

Francis A. Cherry of Arkansas, reappointed to a term expiring March 4, 1965 (Democrat).

Thomas J. Donegan of New York, reappointed to a term expiring April 9, 1962 (Independent).

James R. Duncan of Virginia, reappointed to a term expiring August 9, 1964 (Democrat).

Vacancy.[1]

EXCERPTS FROM THE BOARD BRIEF BEFORE THE SUPREME COURT

I

We give a brief review of the Act's historical setting in the hope that it will assist the Court in its task of weighing the merits of petitioner's arguments. Just as an examination of the problem or evil which evoked the passage of legislation is a sound guide to its purposes and meaning.

* * * * *

Consideration of the problems which called the legislation involved here into being will tend to show, we believe, the reasonableness of the basic scheme of the Act, particularly as applied to the petitioner, and thus to refute the contention that it arbitrarily invades basic constitutional liberties. Rarely has there been a more intense study of methods of dealing with a particular evil than that which preceded and produced the Subversive Activities Control Act of 1950.

Following World War I, the powerful totalitarian political movements of Communism, National Socialism, and Fascism developed in Russia, Germany, and Italy. The success of the so-called Fifth-Column groups in Europe during the 1930's indicated the vulnerability of republican forms of government to conspiracies guided from outside the country involved, ready to seize total power by illegal means as soon as the time became propitious.

* * * * *

As early as 1930, investigations were conducted by Congressional committees into Communist propaganda and activities in the United States and considerable testimony directed to this issue was adduced in various cities of the United States. See Internal Security Manual, Sen. Doc. No. 47, 83d Cong., 1st Sess. (1953), pp. 216–217. In 1934, the investigation was extended to Nazi propaganda activities. Id., pp. 217–218. During the years 1930–1940, it was shown that the alien political philosophies of the right and left had created divided loyalties in this country. For example, William Z. Foster, the

---

[1] R. Lockwood Jones of Oklahoma resigned effective Mar. 1, 1960 (Republican). Edward Cleaveland Sweeney of Illinois took office as his successor on July 11, 1960, appointed for consecutive terms expiring Aug. 9, 1960, and Aug. 9, 1965 (Republican).

leader of the Communist Party of the United States, testified in 1931 that the "more advanced workers" in this country "look upon the Soviet Union as their country" (Hearings before a Special Committee to Investigate Communist Activities in the United States, H.R., 71st Cong., 2d Sess., part I, vol. 4, p. 384).

Also significant were the 1939 hearings before the House Committee on Un-American Activities, in which the testimony of such witnesses as Benjamin Gitlow and Earl Browder, as well as a mass of documentary evidence, tended to show the subservience of the American Communist Party to the Soviet Union (Hearings before a Special Committee on Un-American Activities, H.R., 76th Cong.)

Congress was informed that these "conditions" governed the relationship between the American Communist Party and the International (Hearings before a Special Committee on Un-American Activities, H.R., 76th Cong., 1st Sess.)

* * * * *

Thus, by 1939, there was a mass of oral and documentary evidence collected by the House Committee on Un-American Activities over the previous nine years, from which it could be concluded that both the Communist International and the Communist Party of the United States were devoted to the establishment of a proletarian dictatorship by force and violence, and that the American Communist Party was completely controlled both as to policy and leadership by the Soviet Union through the Communist International.

Congress endeavored to deal with this problem in several ways.

* * * * *

In 1938, Congress enacted the Foreign Agents Registration Act, c. 327, 52 Stat. 631, 22 U.S.C. 611–621, requiring the registration of any individual or organization acting as the domestic agent of a foreign principal and requiring information as to the identity of the principal and the terms of the contract. The committee reports on the bill which became that Act both stated as follows (H. Rept. 1381, 75th Cong., 1st Sess., pp. 1–2; S. Rept. 1783, 75th Cong., 3d Sess., pp. 1–2):

"Incontrovertible evidence has been submitted to prove that there are many persons in the United States representing foreign governments or foreign political groups, who are supplied by such foreign agencies with funds and other materials to foster un-American activities, and to influence the external and internal policies of this country, thereby violating both the letter and the spirit of international law, as well as the democratic basis of our own American institutions of government.

* * * * *

"This required registration will publicize the nature of subversive or other similar activities of such foreign propagandists, so that the American people may know those who are engaged in this country by foreign agencies to spread doctrines alien to our democratic form of government, or propaganda for the purpose of influencing American public opinion on a political question.

* * * * *

"We believe that the spotlight of pitiless publicity will serve as a deterrent to the spread of pernicious propaganda. We feel that our people are entitled to know the sources of any such efforts, and the person or persons or agencies carrying on such work in the United States."

* * * * *

On October 17, 1940, Congress passed the so-called Voorhis Act, c. 897, 54 Stat. 1201 (now 18 U.S.C. 2386), requiring the registration, inter alia, of any organization "subject to foreign control which engages in political activity."

* * * * *

The House Committee on the Judiciary, in its report on the bill which became the Voorhis Act, said with respect to the purposes of the bill (H. Rep. No. 2582, 76th Cong., 3d Sess., p. 1):

"Freedom of political expression is a fundamental principle of democracy. A serious problem arises, however, where political organizations exist in a democracy which are substantially controlled or directed by a foreign power and seek to pursue a policy in a democracy like the United States for the benefit of that foreign power."

* * * * *

It soon became apparent that there were also difficulties in the enforcement of the Voorhis Act.

* * * * *

While it was originally anticipated that both the Communist Party and the German-American Bund would have to register under the Act (H. Rep. No. 2582, 76th Cong., 3d Sess., p. 2), the restricted meanings given to the terms "subject to foreign control" and "political activity" by the Act itself made avoidance of registration possible through the device of a claimed divorcement. For example, the Communist Party, at its 1940 convention, adopted a resolution which provided, inter alia (C.P. Ex. 13, p. 15):

"That the Communist Party of the U.S.A., in Convention assembled, does hereby cancel and dissolve its organizational affiliation to the Communist International, as well as any and all other bodies of any kind outside the boundaries of the United States of America, for the specific purpose of removing itself from the terms of the so-called Voorhis Act, which originated in the House of Representatives as H.R. 10094, which has been enacted and goes into effect in January 1941, which law would otherwise tend to destroy, and would destroy, the position of the Communist Party as a legal and open political party of the American working class * * *."

This disaffiliation and its stated purpose are not disputed by petitioner. Its spurious character was demonstrated by the testimony in this case.

* * * * *

After the cessation of hostilities in World War II, events occurred and facts were uncovered which tended to show more clearly the nature and dimensions of the danger. Communist regimes were established in several countries other than the Soviet Union, and elsewhere Communist parties attained considerable strength.

* * * * *

It was found from documents emanating from the Soviet Embassy that the Communist International, or Comintern, the dissolution of which had been announced in Moscow in 1943, continued to exist and to be active in espionage work on this continent (id., pp. 37–41). The report quoted a statement by Gouzenko that (id., p. 37):

"The announcement of the dissolution of the Comintern was probably the greatest farce of the Communists in recent years. Only the name was liquidated, with the object of reassuring public opinion in the democratic countries. Actually the Comintern exists and continues its work * * *."

Investigations in the United States by congressional agencies led to similar conclusions. * * * It was found that the Soviet Union established organizations in the United States ostensibly for commercial purposes, but actually to act as a funnel for intelligence work (id., pp. 5–7, 15). Testimony by former Communist agents showed that Communist espionage groups had successfully infiltrated certain strategic areas of the Government and maintained liaison with Soviet Embassy officials.

* * * * *

Espionage agents were believed to have obtained highly confidential data regarding nuclear experiments in progress at the radiation laboratories of the University of California, and regarding atomic energy experiments in a laboratory at Columbia University at an early stage. (The Shameful Years, etc., op. cit., supra, pp. 31, 35.) Later, after the passage of the Subversive Activities Control Act, atomic and radar information was proved to have been passed to the Soviet Union by an international group.

* * * * *

Thus, Congress had reason to believe, in September 1950, that the dissolution of the Communist International in 1943 had been merely a subterfuge and that there remained in existence a world Communist movement which endangered the security of the United States. This was the problem with which Congress undertook to deal in the Subversive Activities Control Act of 1950.

The Subversive Activities Control Act was the final distillate, after more than two years of study, of a number of different bills. Efforts were made to remove objectionable features from early drafts and to define with precision the terms employed without leaving the remedial legislation vulnerable to the kind of calculated avoidance that had been the prime weakness of previous registration statutes.

The so-called "Mundt-Nixon" bill (H.R. 5852, 80th Cong., 2d Sess.) was introduced in the House and referred to the Committee on Un-American Activities on March 15, 1948 (94 Cong. Rec. 2893). As amended and reported out, Section 8 of the bill provided for registration with the Attorney General by "Communist political organizations" and "Communist-front organizations." The Attorney General was authorized under Section 13, either on his own initiative or at the request of either House of Congress, to make an investigation and conduct hearings to ascertain whether an organization was required to register.

In its report on the bill, the Committee on Un-American Activities cited the fact that the Foreign Agents Registration Act of 1938 and the Voorhis Act of 1940, while "directed against both Nazis and Communists, had "proved ineffective against the latter, due in part to the skill and deceit which the Communists have used in concealing their foreign ties."

* * * * *

The report also indicated that ten years' investigation by the Committee had established (*id.*, p. 2)—

"(1) That the Communist movement in the United States is foreign-controlled; (2) that its ultimate objective with respect to the United States is to overthrow our free American institutions in favor of a Communist totalitarian dictatorship to be controlled from abroad; (3) that its activities are carried on by secret and conspiratorial methods; and (4) that its activities, both because of the alarming march of Communist forces abroad and because of the scope and nature of Communist activities here in the United States, constitute an immediate and powerful threat to the security of the United States and to the American way of life."

The Senate Judiciary Committee, to which the House bill was referred, sought the advice of several prominent lawyers and the then Attorney General as to the constitutionality of the bill (see 94 CONGRESSIONAL RECORD 9028).

* * * * *

The Internal Security Act, of which the Subversive Activities Control Act is a constituent part (Title I), was passed on September 23, 1950, over the President's veto. Both the House and Senate committee reports reemphasized the pressing need for bringing Communist organizations out in the open through the medium of registration requirements.

* * * * *

The report further noted that the Committee had rejected proposals to outlaw the Communist Party or to make membership therein illegal per se, and emphasized that the "Communist organization of the United States" was not made guilty of any offense by reason of the enactment of the Act (id., p. 5).

* * * * *

Finally, Congress found (Sec. 2(15))—

"The Communist movement in the United States is an organization numbering thousands of adherents, rigidly and ruthlessly disciplined. Awaiting and seeking to advance a moment when the United States may be so far extended by foreign engagements, so far divided in counsel, or so far in industrial or financial straits, that overthrow of the Government of the United States by force and violence may seem possible of achievement, it seeks converts far and wide by an extensive system of schooling and indoctrination. Such preparations by Communist organizations in other countries have aided in supplanting existing governments. The Communist organization in the United States, pursuing its stated objectives, the recent successes of Communist methods in other countries, and the nature and control of the world Communist movement itself, present a clear and present danger to the security of the United States and to the existence of free American institutions, and make it necessary that Congress, in order to provide for the common defense, to preserve the sovereignty of the United States as an independent nation, and to guarantee to each State a republican form of government, enact appropriate legislation recognizing the existence of such world-wide conspiracy and design to prevent it from accomplishing its purpose in the United States."

I include as a part of my remarks the Supreme Court decision.

SUPREME COURT OF THE UNITED STATES—NO. 12, OCTOBER TERM, 1960

(*Communist Party of the United States of America, Petitioner, v. Subversive Activities Control Board.*—On Writ of Certiorari to the U.S. Court of Appeals for the District of Columbia Circuit, June 5, 1961.)

Mr. Justice Frankfurter delivered the opinion of the Court.

This is a proceeding pursuant to section 14(a) of the Subversive Activities Control Act of 1950 to review an order of the Subversive Activities Control Board requiring the Communist Party of the United States to register as a Communist-action organization under section 7 of the act. The Court of Appeals for the District of Columbia has affirmed the Board's registration order. Because important questions of construction and constitutionality of the statute were raised by the party's petition for certiorari, we brought the case here (361 U.S. 951).

The Subversive Activities Control Act is title I of the Internal Security Act of 1950, 64 Stat. 987, 50 U.S.C. section 781 et seq. It has been amended, principally by the Communist Control Act of 1954, 68 Stat. 775, and certain of its provisions have been carried forward in sections of the Immigration and Nationality Act adopted in 1952, 66 Stat. 163, 8 U.S.C. sections 1182, 1251, 1424, 1451. A brief outline of its structure, in pertinent part, will frame the issues for decision.

Section 2 of the act recites legislative findings based upon evidence adduced before various congressional committees. The first of these is:

"There exists a world Communist movement which, in its origins, its development, and its present practice, is a worldwide revolutionary movement whose purpose it is, by treachery, deceit, infiltration into other groups (governmental and otherwise), espionage, sabotage, terrorism, and any other means deemed necessary, to establish a Communist totalitarian dictatorship in the countries throughout the world through the medium of a worldwide Communist organization."

The characteristics of a "totalitarian dictatorship," as set forth in subsections (2) and (3) are the existence of a single, dictatorial political party substantially identified with the government of the country in which it exists, the suppression of all opposition to the party in power, the subordination of the rights of the individual to the state, and the denial of fundamental rights and liberties characteristic of a representative form of government. Subsection (4) finds that the direction and control of the "world Communist movement" is vested in and exercised by the Communist dictatorship of a foreign country; and subsection (5), that the Communist dictatorship of this foreign country, in furthering the purposes of the world Communist movement, establishes and utilizes in various countries action organizations which are not free and independent organizations, but are sections of a worldwide Communist organization and are controlled, directed, and subject to the discipline of the Communist dictatorship of the same foreign country. Subsection (6) sets forth that

"The Communist-action organizations so established and utilized in various countries, acting under such control, direction, and discipline, endeavor to carry out the objectives of the world Communist movement by bringing about the overthrow of existing governments by any available means, including force if necessary, and setting up Communist totalitarian dictatorships which will be subservient to the most powerful existing Communist totalitarian dictatorship. Although such organizations usually designate themselves as political parties, they are in fact constituent elements of the worldwide Communist movement and promote the objectives of such movement by conspiratorial and coercive tactics, instead of through the democratic processes of a free elective system or through the freedom-preserving means employed by a political party which operates as an agency by which people govern themselves."

In subsection (7) it is found that the Communist organizations thus described are organized on a secret conspiratorial basis and operate to a substantial extent through Communist-front organizations, in most instances created or used so as to conceal their true character and purpose, with the result that the fronts are able to obtain support from persons who would not extend their support if they knew the nature of the organizations with which they dealt. Congress makes other findings: that the most powerful existing Communist dictatorship has caused the establishment in numerous foreign countries of Communist totalitarian dictatorships, and threatens to establish such dictatorships in still other countries (10); that Communist agents have devised ruthless espionage and sabotage tactics successfully carried out in evasion of existing law (11); that the Communist network in the United States is inspired and controlled in large part by foreign agents who are sent in under various guises (12); that international travel is prerequisite for the carrying on of activities in furtherance of the Communist movement's purposes (8); that Communists have infiltrated the United States by procuring naturalization for disloyal aliens (14); that under our present immigration laws, many deportable aliens of the subversive, criminal or immoral classes are free to roam the country without supervision or control (13). Subsection (9) finds that in the United States individuals who knowingly participate in the world Communist movement in effect transfer their allegiance to the foreign country in which is vested the direction and control of the world Communist movement. Finally, in section 2(15), Congress concludes that—

"The Communist movement in the United States is an organization numbering thousands of adherents, rigidly and ruthlessly disciplined. Awaiting and seeking to advance a moment when the United States may be so far extended by foreign engagements, so far divided in counsel, or so far in industrial or financial straits, that overthrow of the Government of the United States by force and violence may seem possible of achievement, it seeks converts far and wide by an extensive system of schooling and indoctrination. Such preparations by Communist organizations in other countries have aided in supplanting existing governments. The Communist organization in the United States, pursuing its stated objectives, the recent successes of Communist methods in other countries, and the nature and control of the world Communist movement itself, present a clear and present danger to the security of the United States and to the existence of free American institutions, and make it necessary that Congress, in order to provide for the common defense, to preserve the sovereignty of the United States as an independent nation, and to guarantee to each State a republican form of government, enact appropriate legislation recognizing the existence of such worldwide conspiracy and designed to prevent it from accomplishing its purpose in the United States."

Pursuant to these findings, section 7(a) of the act requires the registration with the Attorney General, on a form prescribed by him by regulations, of all Communist-action organizations. A Communist-action organization is defined by section 3(3) as

"(a) any organization in the United States (other than a diplomatic representative or mission of a foreign government accredited as such by the Department of State) which (i) is substantially directed, dominated, or controlled by the foreign government or foreign organization controlling the world Communist movement referred to in section 2 of this title, and (ii) operates primarily to advance the objectives of such world Communist movement as referred to in section 2 of this title; and

"(b) any section, branch, fraction, or cell of any organization defined in subparagraph (a) of this paragraph which has not complied with the registration requirements of this title."

Registration must be made within 30 days after the enactment of the act, or, in the case of an organization which becomes a Communist-action organization after enactment, within 30 days of the date upon which it becomes such an organization; in the case of an organization which is ordered to register by the Subversive Activities Control Board, registration must take place within 30 days of the date upon which the Board's order becomes final. Section 7(c). Registration is to be accompanied by a registration statement, which must contain the name of the organization and the address of its principal office; the names and addresses of its present officers and of individuals who have been its officers within the past 12 months, with a designation of the office held by each and a brief statement of the functions and duties of each; an accounting of all moneys received and expended by the organization during the past 12 months, including the sources from which the moneys were received and the purposes for which they were expended; the name and address of each individual who was a member during the past 12 months; in the case of any officer or member required to be listed and who uses or has used more than one name, each name by which he is or has been known; and a listing of all printing presses and machines and all printing devices which are in the

possession, custody, ownership, or control of the organization or its officers, members, affiliates, associates, or groups in which it or its officers or members have an interest. Section 7(d). Once an organization has registered, it must file an annual report containing the same information as is required in the registration statement. Section 7(e). A registered Communist-action organization must keep accurate records and accounts of all moneys received and expended, and of the names and addresses of its members and of persons who actively participate in its activities. Section 7(f).

Section 7(b) requires the registration of Communist-front organizations, defined as those substantially directed, dominated, or controlled by a Communist-action organization and primarily operated for the purpose of giving aid and support to a Communist-action organization, a Communist foreign government, or the world Communist movement. Section 3(4). The procedures and requirements of registration for Communist fronts are identical with those for Communist-action organizations, except that fronts need not list their nonofficer members.[1] In case of the failure of any organization to register, or to file a registration statement or annual report as required by the act, it becomes the duty of the executive officer, the secretary, and such other officers of the organization as the Attorney General by regulations prescribes, to register for the organization or to file the statement or report. Section 7(h). Any individual who is or becomes a member of a registered Communist-action organization which he knows to be registered as such but to have failed to list his name as a member is required to register himself within 60 days after he obtains such knowledge; and any individual who is or becomes a member of an organization concerning which there is in effect a final order of the Subversive Activities Control Board requiring that it register as a Communist-action organization, but which has not so registered although more than 30 days have elapsed since the order became final, is required to register himself within 30 days of becoming a member or within 60 days after the registration order becomes final, whichever is later. Section 8. Criminal penalties are imposed upon organizations, officers, and individuals who fail to register or to file statements as required: Fine of not more than $10,000 for each offense by an organization; fine of not more than $10,000 or imprisonment for not more than 5 years or both for each offense by an officer or individual; each day of failure to register constituting a separate offense. Individuals who in a registration statement or annual report willfully make any false statement, or willfully omit any fact required to be stated or which is necessary to make any information given not misleading, are subject to a like penalty. Section 15.

The Attorney General is required by section 9 to keep in the Department of Justice separate registers of Communist-action and Communist-front organizations, containing the names and addresses of such organizations, their registration statements and annual reports, and, in the case of Communist-action organizations, the registration statements of individual members. These registers are to be open for public inspection. The Attorney General must submit a yearly report to the President and to Congress including the names and addresses of registered organizations and their listed members. He is required to publish in the Federal Register the fact that any organization has registered as a Communist-action or Communist-front organization, and such publication constitutes notice to all members of the registration of the organization.

Whenever the Attorney General has reason to believe that any organization which has not registered is an organization of a kind required to register, or that any individual who has not registered is required to register, he shall petition the Subversive Activities Control Board for an order that the organization or individual register in the manner provided by the act. Sections 12, 13(a). Any organization or any individual registered, or any individual listed in any registration statement who denies that he holds office or membership in the registered organization and whom the Attorney General, upon proper request, has failed to strike from the register, may, pursuant to designated procedures, file with the Subversive Activities Control Board a petition for cancellation of registration or other appropriate relief. Section 13(b).

The Board, whose organization and procedure are prescribed, sections 12, 13(d), 16, is empowered to hold hearings (which shall be public), to examine witnesses and receive evidence, and to compel the attendance and testimony of witnesses and the production of documents relevant to the matter under inquiry. Section 13 (c), (d). If after hearing the Board determines that an organization is a Communist-action or a Communist-front organization or that an individual is a member of a Communist-action organization, it shall make a report in writing and shall issue an order requiring the organization or individual to register or denying its or his petition for relief. Section 13 (g), (j). If the Board determines that an organization is not a Communist-action or a Communist-front organization or that an individual is not a member of a Communist-action organization, it shall make a report in writing and issue an order denying the Attorney General's petition for a registration order, or canceling the registration of the organization or the individual, or striking the name of the individual from a registration statement or annual report, as appropriate. Section 13 (h), (l).

The party aggrieved by any such order of the Board may obtain review by filing in the Court of Appeals for the District of Columbia a petition praying that the order be set aside. The findings of the Board as to the facts, if supported by the preponderance of the evidence, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material, the court may order such additional evidence to be taken before the Board, and the Board may modify its findings as to the facts, and shall file such modified or new findings, which, if supported by the preponderance of the evidence, shall be conclusive. The court may enter appropriate orders. Its judgment and decree shall be final, except that they may be reviewed in this Court on writ of certiorari. Section 14(a). When an order of the Board requiring the registration of a Communist organization has become final upon the termination of proceedings for judicial review or upon the expiration of the time allowed for institution of such proceeding, the Board shall publish, in the Federal Register, the fact that its order has become final, and that publication shall constitute notice to all members of the organization that the order has become final. Sections 13(k), 14(b).

Section 13(e) of the act provides that—

"In determining whether any organization is a 'Communist-action organization,' the Board shall take into consideration—

"(1) the extent to which its policies are formulated and carried out and its activities performed, pursuant to directives or to effectuate the policies of the foreign government or foreign organization in which is vested, or under the domination or control of which is exercised, the direction and control of the world Communist movement referred to in section 2 of this title; and

"(2) the extent to which its views and policies do not deviate from those of such foreign government or foreign organization; and

"(3) the extent to which it receives financial or other aid, directly or indirectly, from or at the direction of such foreign government or foreign organization; and

"(4) the extent to which it sends members or representatives to any foreign country for instruction or training in the principles, policies, strategy, or tactics of such world Communist movement; and

"(5) the extent to which it reports to such foreign government or foreign organization or to its representatives; and

"(6) the extent to which its principal leaders or a substantial number of its members are subject to or recognize the disciplinary power of such foreign government or foreign organization or its representatives; and

"(7) the extent to which, for the purpose of concealing foreign direction, domination, or control, or of expediting or promoting its objectives, (i) it fails to disclose, or resists efforts to obtain information as to, its membership (by keeping membership lists in code, by instructing members to refuse to acknowledge membership, or by any other method); (ii) its members refuse to acknowledge membership therein; (iii) it fails to disclose, or resists efforts to obtain information as to, records other than membership lists; (iv) its meetings are secret; and (v) it otherwise operates on a secret basis; and

"(8) the extent to which its principal leaders or a substantial number of its members consider the allegiance they owe to the United States as subordinate to their obligations to such foreign government or foreign organization."

Similarly, section 13(f) enumerates a set of evidentiary considerations to guide the inquiry and judgment of the Board in determining whether a given organization is or is not a Communist-front organization.

---

[1] By the Communist Control Act of 1954, 68 Stat. 775, the Subversive Activities Control Board is given jurisdiction to determine, in proper proceedings, whether any organization is a Communist-infiltrated organization, defined as (A) an organization substantially directed, dominated, or controlled by an individual or individuals who are, or who within 3 years have been actively engaged in, giving aid or support to a Communist-action organization, a Communist foreign government, or the world Communist movement, (B) which organization is serving or within 3 years has served as a means for giving aid or support to any such organization, government or movement, or for the impairment of the military strength of the United States or its industrial capacity to furnish logistical or other material support required by its Armed Forces. Evidentiary matters relevant to this determination are prescribed for the consideration of the Board. Communist-infiltrated organizations are not required to register with the Attorney General, but are required to label their publications mailed or transmitted through instrumentalities of interstate or foreign commerce, and their communications broadcasts, and are deprived of Federal income tax exemption, of certain benefits under the National Labor Relations Act as amended, etc.

Under sec. 13A(h), added to the Subversive Activities Control Act of 1950 by the Communist Control Act of 1954, 68 Stat. 775, 779, the provisions depriving labor organizations of National Labor Relations Act labor-union benefits apply to labor organizations determined by the Board to be Communist-action or Communist-front, as well as Communist-infiltrated, organizations (50 U.S.C. (sec. 792a(h)).

UNIVERSITY OF MICHIGAN LIBRARIES

When an organization is registered under the act, or when there is in effect with respect to it a final order of the Board requiring it to register, section 10(1) prohibits it, or any person acting in behalf of it, from transmitting through the mails or by any means or instrumentality of interstate or foreign commerce any publication which is intended to be, or which it may be reasonably believed is intended to be, circulated or disseminated among two or more persons, unless that publication, and its envelope, wrapper, or container bear the writing "Disseminated by [the name of the organization], a Communist organization." Section 10(2) prohibits the organization, or any person acting in its behalf, from broadcasting or causing to be broadcast any matter over any radio or television station unless the matter is preceded by the statement: "The following program is sponsored by [the name of the organization], a Communist organization." Under section 11 of the Act, the organization is not entitled to exemption from Federal income tax under section 101 of the 1939 Internal Revenue Code, and no deduction for Federal income-tax purposes is allowed in the case of a contribution to it. It is unlawful for any officer or employee of the United States, or of any department or agency of the United States, or of any corporation whose stock is owned in a major part by the United States, to communicate to any other person whom such officer or employee knows or has reason to believe is an officer or member of a Communist organization, any information classified by the President as affecting the security of the United States, knowing or having reason to know that such information has been classified. Section 4(b). It is unlawful for any officer or member of a Communist organization knowingly to obtain or receive, or attempt to obtain or receive, any classified information from any such Government officer or employee. Section 4(c). When a Communist organization is registered or when there is in effect with respect to it a final registration order of the Subversive Activities Control Broad, it is unlawful for any member of the organization, knowing or having notice that the organization is registered or the order final, to hold nonelective office or employment under the United States or to conceal or fail to disclose that he is a member of the organization in seeking, accepting, or holding such office or employment; and it is unlawful for him to conceal or fail to disclose that he is a member of the organization in seeking, accepting, or holding employment in any defense facility,[2] or, if the organization is a Communist-action organization, to engage in any employment in any defense facility. It is unlawful for such a member to hold office or employment with any labor organization, as that term is defined in section 2(5) of the National Labor Relations Act, as amended, 29 U.S.C. 152, or to represent any employer in any matter or proceeding arising or pending under that act. Section 5(a)(1). It is unlawful for any officer or employee of the United States or of a defense facility, knowing or having notice that the organization is registered or a registration order concerning it final, to advise or urge a member of the organization, with knowledge or notice that he is a member, to engage in conduct which constitutes any of the above violations of the act, or for such an officer or employee to contribute funds or services to the organization. Section 5(a)(2). When a Communist organization is registered or when there is in effect with respect to it a final registration order of the Subversive Activities Control Board, it is unlawful for a member of the organization, with knowledge or notice that it is registered or the order final, to apply for a passport, or the renewal of a passport, issued under the authority of the United States, or to use or to attempt to use a U.S. passport; and in the case of a Communist-action organization, it is unlawful for any officer or employee of the United States to issue or renew a passport for any individual, knowing or having reason to believe that he is a member of the organization. Section 6. Aliens who are members or affiliates of any organization during the time it is registered or required to be registered, unless they establish that they did not have knowledge or reason to believe that it was a Communist organization, are ineligible to receive visas, are excluded from admission to the United States, and, if in the United States, are subject to deportation upon the order of the Attorney General. Immigration and Nationality Act, sections 212(a)(28)(E), 241(a)(6)(E); 66 Stat. 163, 185, 205; 8 U.S.C. 1182(a)(28)(E), 1251(a)(6)(E).[3] No person shall be naturalized as a citizen of the United States who is or, with certain exception, has within 10 years immediately preceding filing of his naturalization petition been, a member or affiliate of any Communist-action organization during the time it is registered or is required to be registered, or a member or affiliate of any Communist-front organization during the time it is registered or required to be registered unless he establishes that he did not have knowledge or reason to believe that it was a Communist-front organization. Immigration and Nationality Act, section 313(a)(2)(G), (H), (c); 66 Stat. 163, 240, 241; 8 U.S.C. 1424(a)(2)(G), (H), (c). If any person naturalized after the effective date of the act[4] becomes within 5 years following his naturalization a member or affiliate of any organization, membership in which or affiliation with which at the time of naturalization would have precluded his having been naturalized, it shall be considered prima facie evidence that such person was not attached to the principles of the Constitution and was not well disposed to the good order and happiness of the United States at the time of naturalization, and in the absence of countervailing evidence, this shall suffice to authorize the revocation of naturalization. Immigration and Nationality Act, section 340(c); 66 Stat. 163, 261; 8 U.S.C. 1451(c). Service in the employ of any organization then registered or in connection with which a final registration order is then in effect is not "employment" for purposes of the Social Security Act, 70 Stat. 807, 839; 42 U.S.C. 410(a)(17), and chapter 21 of the Internal Revenue Code of 1954, 70 Stat. 807, 839; 26 U.S.C. 3121(b)(17), if performed after June 30, 1956.

Section 4(f) of the Subversive Activities Control Act of 1950 provides that neither the holding of office nor membership in any Communist organization by any person shall constitute per se a violation of penal provisions of the act or of any other criminal statute, and the fact of registration of any person as an officer or member of such an organization shall not be received in evidence against the person in any prosecution for violations of penal provisions of the act or any other criminal statute. Section 32 provides:

"If any provision of this title, or the application thereof to any person or circumstances, is held invalid, the remaining provisions of this title, or the application of such provision to other persons or circumstances, shall not be affected thereby."

I

This litigation has a long history. On November 22, 1950, the Attorney General petitioned the Subversive Activities Control Board for an order to require that the Communist Party register as a Communist-action organization. The party thereupon brought suit in the District Court for the District of Columbia, seeking to have the proceedings of the Board enjoined. A statutory three-judge court denied preliminary relief, *Communist Party of the United States* v. *McGrath*, 96 F. Supp. 47, but stayed answer and hearings before the Board pending appeal. After this court denied a petition for extension of the stay, 340 U.S. 950, the party abandoned the suit. Hearings began on April 23, 1951, and ended on July 1, 1952.[5] Twenty-two witnesses for the Attorney General and three for the party presented oral testimony; 507 exhibits, many of book length, were received; the stenographic record, exclusive of these exhibits, amounted to more than 14,000 pages. On April 20, 1953, the Board issued its 137-page report concluding that the party was a Communist-action organization within the meaning of the Subversive Activities Control Act, and its order requiring that the party register in the manner prescribed by section 7.[6] Pending disposition in the Court of Appeals for the District of Columbia of the party's petition for review of the registration order, the party moved in that court, pursuant to section 14(a),[7] for leave to adduce additional evidence which it alleged would show that three witnesses for the Attorney General, Crouch, Johnson, and Matusow, had testified perjuriously before the Board. The court of appeals denied the motion and affirmed the order of the Board, one judge dissenting. *Communist Party of the United States* v. *Subversive Activities Control Board*, 223 F.

[2] Under sec. 5(b) the Secretary of Defense is authorized and directed to designate and proclaim a list of facilities with respect to the operation of which he finds that the security of the United States requires the application of the controls prescribed by the act.

[3] The proviso respecting alien members of Communist fronts is: "* * * unless such aliens establish that they did not have knowledge or reason to believe at the time they became members of or affiliated with such an organization (and did not thereafter and prior to the date upon which such organization was so registered or so required to be registered have such knowledge or reason to believe) that such organization was a Communist organization."

The provisions of sec. 212(a)(29)(C) of the Immigration and Nationality Act, 66 Stat. 163, 186, 8 U.S.C. sec. 1182(a)(29)(C), also exclude aliens who the consular officer or the Attorney General knows or has reasonable ground to believe probably would, after entry, join, affiliate with, or participate in the activities of an organization registered or required to be registered.

[4] Sec. 25 of the Subversive Activities Control Act of 1950 provided: "If a person who shall have been naturalized after January 1, 1951," etc.

[5] During the course of proceedings before the Board, the party had again instituted suit in the district court to enjoin continuation of the hearings because of alleged bias of the hearing panel and because of the Senate's failure before adjournment to confirm the nomination of one member of the Board, who consequently withdrew from the panel. This second injunction suit was dismissed on motion of the Board on February 15, 1952.

[6] S. Doc. No. 41, 83d Cong., 1st sess.

[7] Sec. 14(a) provides: "If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material, the court may order such additional evidence to be taken before the Board and to be adduced upon the proceeding in such manner and upon such terms and conditions as to the court may seem proper. The Board may modify its findings as to the facts, by reason of the additional evidence so taken, and it shall file such modified or new findings."

2d 531. Finding that the party's allegations of perjury had not been denied by the Attorney General, and concluding that the registration order based on a record impugned by a charge of perjurious testimony on the part of three witnesses whose evidence constituted a not insubstantial portion of the Government's case could not stand, this court remanded to the Board "to make certain that [it] bases its findings upon untainted evidence." 351 U.S. 115, 125.

On remand the party filed several motions with the Board seeking to reopen the record for the introduction of additional evidence. These were denied. A motion in the court of appeals for leave to adduce additional evidence was similarly denied, except that the Board was granted permission to entertain a motion concerning the party's offer to show that another of the Attorney General's witnesses, Mrs. Markward, had committed perjury with regard to a specified aspect of her testimony. The Board granted the party's motion; hearings were reopened; Mrs. Markward was cross-examined. Motions by the party for orders requiring the Government to produce certain documents relevant to the matter of her testimony were denied. On December 18, 1956, the Board issued its 240-page modified report. It found that Mrs. Markward was a credible witness, made new findings of fact, and, having expunged the testimony of Crouch, Johnson, and Matusow, reaffirmed its conclusion that the party was a Communist-action organization and recommended that the court of appeals affirm its registration order. That court, while affirming the Board's actions in other regards, held that the party was entitled to production of several documents relating to Mrs. Markward's testimony, and remanded. *Communist Party of the United States* v. *Subversive Activities Control Board*, 254 F. 2d 314. The scope of this remand was enlarged by subsequent orders requiring the production of recorded statements made to the FBI by the Attorney General's witness Budenz, the existence of these recordings having become known to Government counsel and to the Board only at this time. These statements related to Budenz' testimony at the original hearings concerning the "Starobin letter" and the "Childs-Weiner conversation." Motions pursuant to section 14(a) seeking the production of other Government-held documents—memoranda furnished to the Government by the Attorney General's witness Gitlow, and recordings made by the FBI of interviews with Budenz—were denied.

On second remand, the documents specified by the orders of the court of appeals were made available to the party. The hearing was reopened before a member of the Board sitting as an examiner. When the illness of Budenz made impossible his recall for cross-examination in connection with the documents produced, the examiner denied the party's motion to strike all of Budenz' testimony, but did strike so much as related to the Starobin and Childs-Weiner matters. After reevaluating the credibility of Budenz and Markward, and affirming the action of its examiner in striking only that portion of Budenz' testimony which concerned the Starobin letter and the Childs-Weiner conversation, the Board reexamined the record as a whole and issued its modified report on second remand—its findings of fact consisting principally of the findings contained in its first modified report, with a few deletions—again concluding that the Communist Party of the United States was a Communist-action organization, and again recommending that its order to register be affirmed. The same panel of the court of appeals affirmed the order, at the same time denying the party's motion under section 14(a) for an order requiring production of all statements made by Government witnesses and now in the possession of the Government, 277 F. 2d 78, the dissenting judge again dissenting in part. It is this decision which is now before us for review.

II

The Communist Party urges, at the outset, that procedural rulings by the Board and the court of appeals constitute prejudicial error requiring that this proceeding be remanded to the Board. Before reaching the statutory and constitutional issues which this case presents, we must consider these rulings.

(a) The Board's refusal to strike all testimony of the witness Budenz: At the original hearing before the Board, Budenz testified during almost 2 days on direct examination and 5 days on cross-examination. His testimony fills more than 700 pages. Of these, 8 pages of direct and 30 pages of cross-examination relate to the Starobin letter; 2 pages of direct and 10 pages of cross-examination relate to the Childs-Weiner conversation. Motions to require production of reports or statement by Budenz to the FBI on these two subjects were denied at that time by the Board. After this court's remand, the motions were repeated and again denied. The court of appeals affirmed the denial of the motions on the ground that there did not then appear to be in the possession of the Government any such reports or statements. Subsequent to the court's remand on other grounds, however, Government counsel for the first time discovered in the FBI files mechanical transcriptions of interviews with Budenz concerning the Starobin and Childs-Weiner matters. Counsel reported this discovery to the court of appeals, which thereupon enlarged the scope of remand to require the production of all "statements," as defined in 18 U.S.C. 3500, made by Budenz to the FBI relating to these matters. The question of the propriety of these various rulings on the party's motions for production is not now before us.

After an inspection of the FBI recordings in camera by a member of the Board sitting as an examiner, excerpts relating to the Starobin letter and Childs-Weiner conversation were furnished to the party. The party sought to recall Budenz for further cross-examination in light of these statements. Upon receipt of a letter from Budenz' personal physician stating that, because of a serious heart condition, it would imperil Budenz' health to appear, the member-examiner caused an independent physical examination of the witness by a heart specialist. The specialist confirmed that cross-examination might seriously affect Budenz' health or cause his death, and counsel for the Government and the party agreed that the witness was unavailable for recall. The party then moved that all Budenz' testimony be stricken, on the grounds that its unreliability was shown by his prior statements and that cross-examination which, with the aid of the recordings produced, might permit the party to discredit Budenz entirely, had been rendered impossible by delay for which the Government was responsible. The examiner denied the motion, but granted an alternative motion to strike so much of Budenz' testimony as concerned the Starobin letter and the Childs-Weiner conversation. The Board and the court of appeals have affirmed these rulings. The party argues that they are error.

The Childs-Weiner conversation concerns an interview in New York at which Budenz, Childs, and Weiner discussed the financing of the Midwest Daily Record, a party newspaper then edited by Budenz. At the hearing before the Board, Budenz testified that Childs had asked Weiner if money couldn't be got from abroad, and that Weiner replied that normally it might, but that the channels of communication had been broken for the time being, that perhaps they might be reestablished so that money could come. Budenz testified that although it was not definitely stated what Weiner meant by "abroad," Budenz' familiarity with the term as used by party members led him to believe that it meant from Moscow." In the recordings produced by the Government made during a series of FBI interviews in 1945, Budenz did not mention this incident, although he did advert to the financing problems of the Daily Record and to trips which he made to New York to seek funds for it. Asked whether he had seen any indication of funds coming from Russia, Budenz replied: "The only indication would be is that in addition to Krumbein as treasurer, Weiner still maintains a certain general supervisory control over finances." Budenz explained that Weiner was trusted financially, and again mentioned that Weiner's being a super financial person was indicative of the source of money. He did not relate any specific conduct of Weiner's which rendered his status indicative. In an interview in 1946, as reported in an office memorandum prepared by an FBI agent, Budenz stated that he "could recall only one instance wherein it was indicated that the Soviet Union might be sending money": this was the Childs-Weiner conversation in New York. Childs had asked Weiner, the memorandum stated, whether he didn't expect a consignment "from across the sea?"

"Weiner immediately changed the subject matter, indicating that he did not want to discuss the question of transmission of Soviet funds in the presence of Budenz, even though Budenz was a trusted Communist. Budenz concluded from the remark that was made that funds were actually being sent to this country at that time by the Soviet Union for propaganda purposes."

An FBI document based on an interview with Budenz in 1947 describes the incident as follows:

"Childs suggested that Weiner try to get some money from Moscow to finance the paper. Weiner stated that he had temporarily lost his contacts in Moscow, hence, he could not do anything."

Finally, in a 1950 interview, as recorded in an office memorandum, Budenz related:

"Childs asked that funds be advanced him by Weiner from the reserve fund [large sums of money held in bank accounts "in reserve for Moscow" or earmarked for Communist organizations] and Weiner advised that he didn't have any at that time as his communication system had temporarily broken down. Budenz took this to mean that Weiner's source of supply was from foreign countries, particularly Russia."

The "Starobin letter" was an alleged communication from Starobin, a Daily Worker correspondent at the United Nations Conference in San Francisco in 1945, which Budenz had opened and of which he had read only a part before it was taken from him and transmitted to certain higher-ups at the Daily Worker. The letter was purportedly received at about the time of the appearance in a French Communist journal of an article by Jacques Duclos, severely criticizing the reorganization of the Communist Party of the United States as the Communist Political Association under Earl Browder in 1944, a reorganization apparently marked by an ideological shift away from the more revolutionary Marxist-Leninist principles, and toward a doctrine of peaceful Soviet-American coexistence. At roughly the same time, Budenz was instructed to reprint the Duclos article in the Daily Worker; shortly thereafter, the Communist Political Association was reconstituted as the Communist Party, U.S.A., Browder was ousted, and the party, in the words of its new national chairman, William Z. Foster, "suddenly reverted to its basic Communist principles." Budenz testified at the hearing that "in this letter Mr. Starobin stated that D. Z. Manuilsky (a Ukrainian delegate to the

conference and an important Communist figure) * * * had expressed indignation at the fact that the American party had not criticized the American leaders, that is, in the Government, more severely, and that the American party should observe more carefully the guidance and the counsel of the French Communists." The FBI recordings produced pursuant to the remand order of the Court of Appeals show that in 1945 interviews with the FBI, Budenz had spoken of "private communications sent from Starobin to us," in connection with the ideological shift which marked the end of the Browder collaborationist policy. He did not then speak specifically of the Starobin letter as he described it in his testimony. In response to a question by his FBI examiner, Budenz agreed that Starobin himself was not an important enough figure to inaugurate a change of policy. This colloquy followed:

"Question. Do you think then that the instructions relative to this change of policy that Starobin and Fields must have received came from the Russian delegation? Oh, you said maybe Manuilsky, the Ukrainian delegate?

"Answer. Sure, sure, I mean—after all, they got the atmosphere there. In fact I mentioned Manuilsky very much, because definitely he is a figure in the CI.

"Question. He certainly is.

"Answer. He used to lay down the law like a general, you know, to his troops."

In 1946, Budenz reported to the FBI that in a letter from the San Francisco Conference, Starobin advised that " 'the French comrades have the line and the support of the Soviet Union—and the French comrades blasted Stettinius and the United States delegation, and therefore Starobin directed that the Party in this country should immediately blast Stettinius and the United States delegation.' Budenz stated that in this letter Starobin inferred [sic] that he and/or his associates at the conference had conferred with Manuilski regarding this question, and that the changed policy was predicated upon Manuilski's instructions as well as on advice received from French Communists at UNCIO." Testifying in that same year before the House Committee on Un-American Activities, Budenz quoted the Starobin letter as relating that the French comrades asserted there should be more of an attack upon Stettinius by the American Communists, and that this was likewise the opinion of Comrade Manuilsky.

In ruling on the party's motion to strike all of Budenz' testimony because of his unavailability for cross-examination in light of these earlier statements, the Board took account not only of the similarities and variations of the witness' several accounts of the Starobin and Childs-Weiner matters, but also of Budenz' responses under extensive cross-examination on all subjects of his testimony at the initial hearing; of the substantial corroboration of Budenz' testimony by other evidence in the administrative record; and of the failure of the party to attempt to rebut that testimony, which was specific and detailed. The Board found that the prior statements produced did not demonstrate, in the context of the "pertinent circumstances of record, that Budenz' Starobin and Childs-Weiner testimony was deliberately false, and also that, assuming arguendo such testimony were false, all Budenz' evidence would not thereby be discredited. It concluded that "the fair disposition of the question" was to strike Budenz' testimony only on the two subjects as to which failure of timely production of prior statements had deprived the party of effective cross-examination. The court of appeals, independently reviewing the record, affirmed the Board's refusal to strike, finding that the discrepancies among the various versions of the Starobin letter and Childs-Weiner conversation incidents "are not such as to indicate perjury, much less the habit of perjury essential to be shown to taint all the witness' testimony" (277 F. 2d, at 82).

The considerations relevant to the party's contention that all of Budenz' testimony must be expunged are first, the extent to which his prior statements to the FBI compared with his testimony in the present proceedings discredit him as a witness and impugn his testimony in its entirety, and, second, the extent to which, on the whole record, it appears that the inability to cross-examine Budenz in light of those prior statements had prejudiced the party. These are questions which can best be answered by those entrusted with ascertaining the fact; that is, the tribunal that conducts the hearing and passes judgment on the reliability of the witness in light of his total testimony and its relation to the more than 14,000 pages, exclusive of exhibits, of the administrative transcript. Wide discretion would be left to a trial judge and not less must be left to an agency like the Board in a matter of this kind—a matter of adjusting the process of inquiry to the exigencies of a particular situation as they appear to administrators immediately acquainted with the course of proceedings. On this record we cannot say that both the hearing examiner and the Board abused that discretion, or that the Court of Appeals erred in affirming their rulings. In saying this, we do not ignore the argument of the party that the deprivation of its opportunity to cross-examine Budenz on the basis of his prior statements is the "fault" of government counsel. Suffice that we find no basis for overruling the determinations below that the Government is not to be charged with an attempt unfairly to hamper the party's presentation of its case. We would not, therefore, be justified in holding that evidence should have been struck which the Board found otherwise probative, inherently believable, and not discredited despite 5 days of cross-examination by the party, and which the Court of Appeals found unexceptionable.

(b) The Board's refusal to order production of the Gitlow memorandums: In 1940 Gitlow, who had been during the years prior to 1929 a high official of the Communist Party, turned over to the FBI a quantity of documents and papers pertaining to the party. Shortly thereafter he dictated a series of memorandums explaining and interpreting them. At the original hearing in the present proceeding, Gitlow, testifying for the Attorney General, identified a number of these documents, which were then put in evidence, and described their contents and significance. The party moved the Board for an order requiring that the Attorney General produce the explanatory memorandums. The motion was denied. In its first petition in the court of appeals to review the order of the Board, the party assigned the Board's refusal to order the production of documentary evidence as error; but it did not mention the Gitlow memorandums in the argument portion of its brief, nor, apparently, in oral argument. The point was not among the questions presented in the petition for certiorari in this Court in 1955 and was not relied on in the briefs here. After our remand, the party again moved the Board to order production of the memorandums. The Board again refused. The court of appeals, in its second opinion reviewing the Board proceedings, held that the ruling by the Board declining to order production could not be corrected on petition to review the Board's order. Relying on *Consolidated Edison Co.* v. *Labor Board*, 305 U.S. 197, the court said that the party's exclusive remedy was to move the court of appeals, under section 14(a) of the act, for leave to adduce additional evidence, and that failure to make such a motion at the time when the Board refused to order the documents produced barred the party from later challenging the action of the Board. After the second remand, the party did make a motion pursuant to section 14(a) seeking the Gitlow memorandums. This the court refused, holding that the party's procedural error could not be cured nunc pro tunc.

We may assume arguendo, without deciding the point, that the Board erred in refusing to order the Gitlow memorandums produced at the original hearing. But we do not reach the question of the applicability of the Consolidated Edison case to this situation. It is too late now for the party to raise this error of the Board. That error could have been raised here 5 years ago. Had it been raised then, we could have ordered it cured at the time of the first remand to the Board. The demands not only of orderly procedure but of due procedure as the means of achieving justice according to law require that when a case is brought here for review of administrative action, all the rulings of the agency upon which the party seeks reversal, and which are then available to him, be presented. Otherwise we would be promoting the sporting theory of justice, at the potential cost of substantial expenditures of agency time. To allow counsel to withhold in this Court and save for a later stage procedural error would tend to foist upon the Court constitutional decisions which could have been avoided had those errors been invoked earlier.[8] We hold

[8] A totally different situation was presented in *Ballard* v. *United States*, 329 U.S. 187, in which is was held that a litigant who had been a party respondent in a case previously here on certiorari had not lost his right to complain of error in the selection of a jury by failing to argue the error as an independent ground for sustaining the first decision of the court of appeals, holding in his favor on other grounds.

Reference is also made to cases in which this Court has exercised its power to control the course of litigation immediately before it—a power which finds an appropriate exercise in the avoidance of premature constitutional adjudication. But the rule which petitioner urges, which would permit saving for a possible later stage in the proceedings errors available but not raised in this Court on review of administrative action, far from enhancing the Court's ability to give effect to the policy of deferring unnecessary constitutional decision, would impede that policy. For it would allow the agencies and lower courts, after our remand, to consider potentially dispositive contentions which, had they been brought to our attention, might have derailed issues on which decision turned.

The reason for demanding that all available issues be raised in the orderly course of administrative review proceedings is made particularly evident by the circumstances of this case. This was a litigation already 5 years old when it first came here. Unusually extensive hearings and argument had been had before the Board and exhaustive briefing and argument before the court of appeals. The petition for certiorari, a document of 93 pages plus appendixes, presented 10 major questions and innumerable subsidiary points. Yet the matter of the Gitlow memoranda, which it is now argued looms so large in the context of this extraordinarily lengthy and complex proceeding, was not raised, and not raised by highly experienced lawyers who vigorously contended every step of the litigation. We remanded on other grounds and now—after 5 more years have passed, after the Board and the court of appeals have each twice more reconsidered this steadily growing record—we are asked to reverse on a ground which the party had every opportunity to bring here but which it abandoned. To ig-

UNIVERSITY OF MICHIGAN LIBRARIES

that the Communist Party abandoned its claim of error in the Board's denial of its motion to require the Gitlow documents produced, by failing to raise that question in its previous petition for certiorari here. Of course, it could not resurrect that claim by repeating the same motion before the Board after our remand.

(c) Denial by the court of appeals of the party's motions for orders requiring production of all statements by the witness, Budenz, and of all statements by all witnesses for the Attorney General: On February 14, 1958, after this case had been remanded to the Board for the second time, and more than 5½ years after the termination of the initial hearings, the party moved the Court of Appeals, under section 14(a), for an order requiring production of all recordings, notes and memoranda made by the FBI of interviews with Budenz, insofar as these related to his testimony at the hearings. On April 14, 1959, after the Board had considered the record for the third time and written its third opinion, the party filed a second motion in the court of appeals, seeking production of all statements by all Government witnesses relating to their testimony. A motion of similar scope had been made before the Board on second remand in December 1958. The court denied these motions as untimely. We cannot say that in doing so it abused its discretion.

With reference to the Budenz records, the party seeks to excuse its delay by pointing out that not until early in February 1958, did it discover that the FBI had made mechanical transcriptions of interviews with this witness. The party was misled, it argues, at the time of the original Board hearings, into believing that no prior statements by Budenz were in the possession of the Government. The short answer to this may be found in the transcript of Budenz' replies to questions of counsel for the party during his testimony on cross-examination.[9]

Although the party might not have known of the disc recordings made of the Budenz interviews, it knew that notes or records had been taken of those interviews by the FBI. Indeed the party sought production of such reports, insofar as they related to the Starobin letter and the Childs-Weiner conversation, by motions made to the Board at the time Budenz testified. Had similar motions been made with regard to other aspects of Budenz' testimony, or with regard to other witnesses, and had the Board denied those motions, this issue could have been brought here on review 5 years ago.[10] If production had been ordered, presumably all statements by Budenz would have been found. Statements by others, if they existed, would have been found. We cannot say that the court of appeals was clearly wrong in holding that at the time these motions were made it was too late to remand to the Board and require production of documents in order to reopen cross-examination of witnesses who testified in 1951 and 1952.

III

We come to the Communist Party's contentions that the Board and the court of appeals erred in their construction of the act and in their application of it, on the facts of this record, to the party. It is argued that both elements of the statutory definition of a Communist-action organization in section 3(3) of the act—what have come in the course of this litigation to be known as the "control" and "objectives" components—were misinterpreted below; that the Board misconceived the nature of each of the eight evidentiary considerations directed to its attention by section 13(e) as pertinent to its determination whether an organization is or is not a Communist-action organization; that the Board misapplied the phrase "world Communist movement" in section 2; and that the Board erred in taking account, as relevant to that determination, of conduct of the party prior to the date of the act. The court of appeals is said to have erred in failing to remand to the Board after striking one of its subsidiary findings as unsupported by the evidence. Finally, it is contended, the record as a whole does not support by the preponderance of the evidence, as required by section 14(a), the conclusion that the party is a Communist-action organization within the correct meaning of that phrase.

A. The "control component": Under section 3(3) of the act an organization cannot be found to be a Communist-action organization unless it is "substantially directed, dominated, or controlled by the foreign government or foreign organization controlling the world Communist movement." The party asserts that this requirement is not satisfied by any lesser demonstration than that the foreign government or foreign organization controlling the world Communist movement exercises over the organization an enforcible, coercive power to exact compliance with its demands. The court of appeals disagreed, holding that in the circumstances of this record a consistent, undeviating dedication, over an extended period of time, to carrying out the programs of the foreign government or foreign organization, despite significant variations in direction of those programs was sufficient. The Subversive Activities Control Board has not, in its reports, articulated any other understanding of the standard, and since its final factual determination was made after the court of appeals had put this definitive gloss on section 3(3), we must attribute to it acceptance of the court's interpretation.

We agree that substantial direction, domination, or control of one entity by another may exist without the latter's having power, in the event of noncompliance, effectively to enforce obedience to its will. The issue which the Communist Party tenders as one of construction of statutory language is more sharply drawn in the abstract sphere of words than in the realm of fact. It is true that the court of appeals compendiously expressed its understanding of the party's conduct over a course of 30 years, as revealed by this record and as found by the Board, in terms of "voluntary compliance." Opposing this phrase, the party insists that the statute demands "enforcible control." But neither of these verbalisms was used by Congress, and neither has an invariant content. Nor has the language of the statute: "substantially directed, dominated, or controlled." Each of these notions carries meaning only as a situation in human relationships which arises and takes shape in different modes and patterns in the context of different circumstances.

The statute, as amended, uses the same phrase three times. A Communist-action organization must be one substantially directed, dominated, or controlled by a foreign government or foreign organization of a designated kind. A Communist-front organization must be one substantially directed, dominated, or controlled by a Communist-action organization. Section 3(4). A Communist-infiltrated organization must be one substantially directed, dominated, or controlled by an individual or individuals

---

nore the abandonment would be a most artificial, decision-shrinking abuse of the wise rule of putting on decisions of constitutional scope. Avoidance of such decisions, however compelling a policy within the limitations of ordered judicial regularity, ought not to be countenanced by grafting an ad hoc exception onto a generally applicable rule of appellate procedure and permitting particular litigants to avail themselves of otherwise uncognizable points. No decision of this Court can be found which in similar circumstances authorizes disregard of all that has transpired over 10 years of litigation so as to allow petitioner to make waste the half of it by resuscitating a long-stale claim.

[9] "Question. Did you give [the Starobin letter incident] to * * * the FBI.

"Answer. I am satisfied I gave it to the FBI. I couldn't say definitely, but the FBI question me about everything I write and say, and also about many other things. They question me, and I answer their question.

"Question. Were your answers reduced in writing?

"Answer. As a matter of fact, I do know now, since you mention it, that I did give this to the FBI.

"Question. In writing?

"Answer. No, not in writing.

"Question. Was it taken down by a stenographer?

"Answer. No, not by a stenographer. They never do that, except in rare cases.

"Question. Was a report written up and then shown to you afterwards?

"Answer. No. That never happens.

"Question. So all you did was simply have an oral conversation about this incident?

"Answer. Yes, that is all.

* * * * *

"Question. Was it recorded?

"Answer. I judge so. It was taken down.

"Question. It was taken down?

"Answer. Yes. I mean, it wasn't by a stenographer, but by an FBI agent.

"Question. It was taken down by an agent?

"Answer. Right.

"Question. Was it taken down in shorthand or longhand, or what?

"Answer. Longhand.

"Question. When?

"Answer. That I don't know. The reason I recall it, counselor, if I may say so, is because in connection with my book, everything that was in my book was gone over by the FBI, either before or after its publication.

* * * * *

"When I say 'gone over,' I mean the information was given to them."

[10] The party did move, at the original Board hearing, for the production of certain reports by particular Government witnesses which, it may be, would be comprehended among those sought by its 1959 motion for "All statements * * * which were made by witnesses who testified for the Attorney General at the administrative hearing and which relate to the subject matters of their testimony." As in the case of the Gitlow memorandum, the question of the Board's denials of these motions was not raised in the petition for certiorari here in 1955, and has thus been waived. We note that one such motion was adverted to in a footnote in the party's brief in this Court at that time, in connection with its argument that the Board erred in relying on the testimony of Scarletto; this and a similar footnote reference to denial of the party's motion for production of statements of Budenz concerning the Starobin letter were the only mentions in the party's 224-page brief of motions for production denied by the Board. These were plainly insufficient to raise the issue here. Supreme Court rules 23, subdiv. 1(c), 40, subdiv. 1 (d)(2).

Nor can we agree that the party was excused from the necessity of making appropriate motions before the Board, respecting documents which it wanted produced, because similar motions with respect to other documents had previously been denied. Especially in administrative proceedings of this length and complexity, it is important that a party bring his particular requests explicitly to the attention of the agency and the reviewing courts.

engaged in giving aid or support to a Communist-action organization, Communist foreign government, or the world Communist movement. Section 3(4A). Variations of this language also occur. Subsection 13(e)(1) refers to "the foreign government or foreign organization in which is vested, or under the domination or control of which is exercised, the direction and control of the world Communist movement." Subsection 2(5) relates that the action organizations established by the Communist dictatorship in which is vested the direction and control of the world Communist movement are sections of a worldwide Communist organization and are "controlled, directed, and subject to the discipline of [that] Communist dictatorship." Manifestly, the various relationships among nations, organizations, movements, and individuals of which the act speaks will take a multiplicity of forms. A foreign government "dominates" or "controls" the "direction" of the world Communist movement through very different means and in very different ways than one organization "dominate" or "controls" another, or than an individual "dominates" or "controls" an organization. These differences do not deprive the concepts "domination" and "control" of ample meaning. Throughout various manifestations these concepts denote a relationship in which one entity so much holds ascendancy over another that it is predictably certain that the later will comply with the directions expressed by the former solely by virtue of that relationship, and without reference to the nature and content of the directions. This is the sense we find in the opinions expounding the decisions of the court of appeals. The reports of the Board evidence a similar understanding.

Nothing in the committee reports pertinent to the Internal Security Act of 1950, or in what was said by Congressmen in charge of its passage, affords a gloss on "substantially directed, dominated, or controlled," as used in section 3(3). There is nothing to indicate that Congress meant that phrase to have any arcane, technical meaning. Its reach is suggested, however, by comparison with a cognate enactment, the so-called Voorhis Act of 1940, 54 Stat. 1201, now 18 U.S.C. section 2386, requiring the registration with the Attorney General of, inter alia, certain organizations "subject to foreign control."[11] Section 1(e) of that act, 54 Stat. 1202, provided that—

"An organization shall be deemed 'subject to foreign control' if (1) it solicits or accepts financial contributions, loans, or support of any kind, directly or indirectly, from, or is affiliated directly or indirectly with, a foreign government or a political subdivision thereof, or an agent, agency, or instrumentality of a foreign government or political subdivision thereof, or a political party in a foreign country, or an international political organization, or (2) its policies, or any of them, are determined by or at the suggestion of, or in collaboration with, a foreign government or political subdivision thereof, or an agent, agency, or instrumentality of a foreign government or a political subdivision thereof, or a political party in a foreign country, or an international political organization."

The committee report on the House bill from which the Subversive Activities Control Act derived indicates that its enactment was occasioned, in part, by the inadequacy of existing legislation. Although the Voorhis Act had been directed "against both Nazis and Communists," it had "proved largely ineffective against the latter, due in part to the skill and deceit which the Communists have used in concealing their foreign ties." (H. Rept. 2980, 81st Cong., 2d sess. 2; see also H. Rept. 1844, 80th Cong., 2d sess. 5). It is reasonable to infer that Congress intended the registration provisions of the 1950 act to be applicable, at the very least, to organizations concerning which a showing of "control" was made which would have brought the organization under the registration provisions of the Voorhis Act. And the 1940 act, by its explicit definitions, did not require what the party signifies by "enforcible" control.

The subjection to foreign direction, domination, or control of which section 3(3) speaks is a disposition unerringly to follow the dictates of a designated foreign country or foreign organization, not by the exercise of independent judgment on the intrinsic appeal that those dictates carry, but for the reason that they emanate from that country or organization. No more apt term than domination or control could be used to describe such a relationship. The nature of the circumstances which bind an organization to unwavering compliance may be diverse.

They may consist, of course, of the sort of enforcible power over the organization's members which an employer has over an employee—the power to compel obedience by threat of discharge. But they may also consist of other incidents which assure that the organization will unquestioningly adhere to the line of conduct appointed for it. Some of these incidents are suggested by the evidentiary considerations which Congress has enumerated in section 13(e) of the act—foreign financial or other aid whose menaced withdrawal may serve as an instrument of influence, section 13(e)(3); subjection to, or recognition of, personal disciplinary power of the designated foreign organs by the leaders or a substantial number of the members of an organization, section 13(e)(6); obligations in the nature of allegiance owed to those foreign organs by an organization's leaders or a substantial number of its members. (Section 13(e)(8).) Other incidents may involve other forces felt by individuals or groups to be compelling: a recognition of mastery, for example, which makes criticism itself a severe sanction. The existence of direction, domination, or control in each instance is an issue of particular fact. The question whether in the case of a given organization such a compulsion or impulsion arises from the complex of ties which link it to a foreign government or organization that it will, because of those ties alone, adhere in its conduct to decisions made for it abroad, is one which Congress has committed, in the first instance, to an expert trier of fact. Since the determination that an organization is or is not a Communist-action organization is largely a matter of the working out of legislative policy in multiform situations of potentially great variety, the "construction" of the statute which ensues from its application to particular circumstances by the administrative agency charged with its enforcement is to be given weight by a reviewing court. *Cf. Labor Board* v. *Hearst Publications, Inc.*, 322 U.S. 111. Our decision in *Rochester Telephone Corp.* v. *United States*, 307 U.S. 125, is especially apposite here.

The case involved the question whether one communications corporation controlled another for purposes of section 2(b) of the Communications Act of 1934, 48 Stat. 1065, providing that the Federal Communications Commission should not have jurisdiction over any carrier "engaged in interstate or foreign communication solely through physical connection with the facilities of another carrier not directly or indirectly controlling or controlled by * * * such carrier." Refusing to set aside an order based on the Commission's finding that the New York Telephone Co. controlled the Rochester Telephone Corp., we said: "Investing the Commission with the duty of ascertaining 'control' of one company by another, Congress did not imply artificial tests of control. This is an issue of fact to be determined by the special circumstances of each case. So long as there is warrant in the record for the judgment of the expert body it must stand" (Id., at 145–146).

While under section 14(a) of the Subversive Activities Control Act, providing that the findings of the Board as to facts shall be conclusive if supported by the preponderance of the evidence, a stricter standard of reexamination is set than that to which administrative findings are ordinarily subject, we cannot in this case say that the Board—and, in affirming its order, the Court of Appeals—have misapplied the act. Neither its written report nor the opinion of the court below support the party's interpretation of them. They do not hold, as the party suggests, that conformity which stems from nothing more than ideological agreement satisfies the requirements of section 3(3). What they do hold is that "the definition of a Communist-action organization was not intended by the Congress to be restricted to organizations which are subject to enforcible demands of the Soviet Union.

An organization or a person may be substantially under the direction or domination of another person or organization by voluntary compliance as well as through compulsion. This is especially true if voluntary compliance is simultaneous in time with the direction and is undeviating over a period of time and under variations of direction. If the Soviet Union directs a line of policy and an organization voluntarily follows the direction, the terms of this statutory definition would be met" (254 F. 2d 314, 319).

This must be read in the context of the facts of record in this proceeding. Since the determinative issue of the meaning of "substantially directed, dominated, or controlled," and the constitutional questions which the construction of this statutory language raises, are to be determined essentially on the basis of the assignment of legal significance to the Board's findings of fact, those findings must be allowed to speak for themselves. They can neither be summarized nor fairly conveyed in bits and pieces. Their large scope and critical importance necessitates and justifies burdening this opinion with more extensive quotation than is customary in cases where summaries of the record may more meaningfully be made. The Board wrote:

"The present world Communist movement was first manifested organizationally by the formation in March of 1919 in Moscow, Russia, of the Third Communist International. As this event is recorded in the 'History of the Communist Party of the Soviet Union' * * * it was 'on the initiative of the Bolsheviks, headed by Lenin,' that the First Congress of Communist Parties was called in Moscow, the work of which 'was guided by Lenin'; and, 'Thus was founded an international revolutionary proletarian organization of a new type—the Communist International—the Marxist-Leninist International.'

* * * * *

"One year later, July 17–August 7, 1920, the Second Congress of the Communist International adopted and promulgated its theses and statutes, setting forth its aims and purposes as later herein detailed, and described itself as 'a single universal Communist party, of which the parties operating in every country form individual sections.' * * *

"A 'statute' of the Comintern insured that it would serve the interests of Russia by providing:

" 'The Communist International fully and unreservedly upholds the gains of the great

[11] A committee report pertinent to that act, H. Rept. No. 2582, 76th Cong., 3d sess. 1, described the organizations at which it was directed as those "substantially controlled or directed by a foreign power."

proletarian revolution in Russia, the first victorious Socialist revolution in the world's history, and calls upon all workers to follow the same road. The Communist International makes it its duty to support with all the power at its disposal every Soviet Republic, wherever it may be formed.' * * *

* * * * *

"The Communist International was in fact a world Communist Party, organized and controlled as to policies and activities by the Soviet Union, consisting of the various Communist Parties of the countries throughout the world, which constituted its sections. With headquarters in Moscow, it embodied an elaborate organizational structure, related to implementing the basic strategy and tactics of Marxism-Leninism. * * * There was no North American Bureau, but the political bureau of respondent acted in that capacity, supervising the Communists in Canada, Cuba, Mexico, and others down to the Panama Canal.

"The Soviet Union was the leader of the Communist International, exercising control over its policies and activities. The Communist Party of the Soviet Union had five votes to one each for the other larger parties in the executive committee of the Comintern (ECCI), which respondent in a 1934 resolution acknowledged to be the general staff of the world revolutionary movement giving unity and leadership to the Communist Parties of the world. * * * The Government of the Soviet Union financed the Comintern. All of the heads of the Comintern who were identified in the record were leading members of the Communist Party of the Soviet Union.

* * * * *

"Respondent joined this international Communist organization shortly after it was constituted and admittedly until 1940 participated therein * * * [R]espondent recognized that its membership therein subordinated any national interests. * * *

* * * * *

"Further, that complete and total allegiance and dedication was demanded in affiliation with the Comintern, and was acknowledged and in turn stressed by respondent, is also shown by its 'program':

"'* * * * The Communist International is an organization for waging class warfare for the liberation of the working class; there can be no reservations in endorsement and affiliation with it. Loyalty "with reservations" is treachery. Endorsement and defense of Soviets in Russia, with failure to advocate the Soviet form of proletarian dictatorship in the United States is hyprocrisy.'

* * * * *

"Fundamental to the world Communist movement were the 21 'conditions of admission to the Communist International' promulgated in its 'theses and statutes' in 1920. * * * Uncontradicted testimony and documents establish that these 'conditions' were endorsed and accepted by respondent and were binding upon it.

* * * * *

"Condition No. 12 required the party to be formed upon the basis of democratic centralism, stressing that only when possessed of an 'iron discipline' * * * will it be able to fully and thoroughly carry out its duty as part of the world Communist movement. Condition No. 20, in order to aid control, required that two-thirds of all committee members and members of central institutions consist of comrades who have made open declarations as to their desire to join the Comintern. Condition No. 11 required an inspection of personnel and the removal of unreliable elements from parliamentary party fractions, and condition No. 13 required a systematic check of personnel to remove petty bourgeois elements which may have infiltrated a party. Condition No. 16 made binding upon the party all resolutions of the Comintern, and condition No. 21 made liable to exclusion from the party anyone who rejected the theses and conditions of the Third Communist International.

* * * * *

"As to specific policies and programs, condition No. 15 required the maintenance of a program in accordance with the resolutions of the Comintern.

* * * * *

"Another aspect of the conditions was to make the allegiance of a section party and its members to the Comintern, and hence to the Soviet Union paramount to any other. For example, condition No. 14 obligates every member party of the Comintern 'to render every possible assistance to the Soviet Republics in their struggle against all counter-revolutionary forces.' It directs the member parties to use legal and illegal means to obstruct military efforts against the Soviet Union.

* * * * *

"These 21 conditions were never changed by the Communist International and were enforced and implemented by respondent and used to educate its members. Considerable documentary material of record also established that respondent fully complied with and fulfilled the requirements of membership in the Communist International and faithfully followed and carried out its instructions and directives.

* * * * *

"The Communist International was formally dissolved as such in 1943, at which time the United States and the Soviet Union were military allies. One reason given for this formal dissolution by Stalin was that it would remove the foundation for 'Fascist' charges that the Soviet Union was meddling in the internal affairs of other nations.

* * * * *

"The world Communist movement, under the hegemony of the Soviet Union continued, notwithstanding the 'dissolution' of its organizational form embodied in the Communist International. * * [T]he world Communist movement, intact in the basic orientation, policies, and programs discussed above, continued via the Cominform and by Communist Parties not formally affiliated with it, such as respondent.

* * * * *

"Respondent, although never formally a member of the Cominform, has * * * remained dedicated to 'proletarian internationalism,' Marxism-Leninism, and the policies and programs of the world Communist movement as continued by the Cominform.

* * * * *

"We have previously set forth that respondent joined the Communist International shortly after it was constituted and admittedly participated therein until 1940. Respondent offered no substantial evidence concerning this period of its activities, contending that this period is irrelevant, primarily because of an announced disaffiliation from the Communist International in 1940. The circumstances of the disaffiliation * * * show that there was no fundamental or significant change in respondent's relationship to the world Communist movement.

* * * * *

"The oral testimony and official documents of respondent and of the Comintern show that respondent was under the complete control and direction of the Comintern. Gitlow was a top official of respondent and in the late 1920's a member of the Executive Committee of the Communist International. He stated unequivocally that the Comintern controlled all major policies of respondent. Kornfeder, also a functionary of respondent and who attended the Sixth Congress of the Comintern held in Moscow, corroborated this stating that he knew of no instance during his experience, which lasted until 1934, when respondent deviated from Comintern instructions. Nowell, based on personal experience as a member of respondent and personal contact with the Comintern, as well as what he was instructed while attending the Lenin School in Moscow in 1932, stated that the decisions of the Comintern were binding on respondent. Honig testified to Comintern directives which were carried out by respondent.

"Among the specific instances of record, much of which is uncontroverted documentary material, showing the control exercised over respondent by the Comintern were: a Comintern decision in 1924 which resulted in the amalgamation of various Communist factions in the United States into the single Communist Party; a decision by Joseph Stalin in 1929, adopted by the Comintern, which expelled certain top officials of respondent and designated other individuals as leaders of respondent; advance approval by the Comintern for the holding of Communist Party conventions in the United States; Comintern instructions in 1927 that respondent charge the United States and Great Britain with intervention in Chinese affairs and to attack Chiang Kai-shek; Comintern decision directing respondent to work for the formation of a farmer-labor party in the United States and a subsequent change directing respondent to go into elections with the Communist Party ticket; and, advance approval by the Comintern of members of respondent who were sent to training schools in Moscow.

* * * * *

Respondent makes much of the fact that it disaffiliated from the Communist International in 1940. There was no dispute that respondent in 1940 announced its disaffiliation for the stated purpose of avoiding registration as a foreign agent under the Voorhis Act of October 17, 1940. An issue is the effect of the disaffiliation.

* * * * *

The Browder report makes clear that the disaffiliation was but an expediency to avoid registration under the Voorhis Act and contains nothing which negatives an intent to continue as before the principle of proletarian internationalism. Various passages of Browder's report indicate an intent to end only the formal and organizational connection with the Communist International but not to alter the preexisting fundamental relationship. Illustrative of this is that the report states the disaffiliation would not even be considered if it were thought that it would cause the party to waiver or vacillate in carrying out the internationalism founded by Marx and Engels, and brought to its great, historically decisive victories under the leadership of Lenin and Stalin, and to which the life of every Communist is unconditionally consecrated. * * * Also, the Browder report, by characterizing the Voorhis Act as an extreme example of the most vicious and oppressive exceptional laws indicates that the organizational disaffiliation was in accord with a Comintern condition that in every country where, in consequence of martial law or of other exceptional laws, the Communists are unable to carry on their work lawfully, a combination of lawful and unlawful work is absolutely necessary.

* * * * *

"The 1929 reorganization followed a solution dictated by Stalin, which was adopted by the Comintern, and accepted by respondent. Lovestone, Gitlow, and others were deposed as leaders of respondent and the leadership placed in a group which included William Z. Foster, present national chairman. The reorganization of respondent was due to a factional dispute which was a reflection of a struggle in the Communist Party of the Soviet Union and in the Communist International between forces led by

Stalin and those led by Bukharin. The Foster faction in respondent, representing a minority of only about 10 percent, supported Stalin whereas the Lovestone-Gitlow faction, representing about 90 percent, sided with Bukharin. Notwithstanding this, respondent complied with the Stalin-dictated solution. The record contains no evidence of subsequent material organizational changes until May of 1944 when respondent's name was changed to the Communist Political Association then changed back in 1945 to the name Communist Party. The change to 'CPA' was in the year following the dissolution of the Comintern and, like the announcements on that dissolution, the change was assertedly to promote a peaceful coexistence of the United States and the Soviet Union. While operating under the name 'Communist Political Association,' there was a deemphasis on the more militant principles of Marxism-Leninism and the current publications of the Party put forward the so-called Teheran line. No evidence was presented by respondent to show a break with the basic principles of the international Communist movement. The leadership of respondent remained the same.

"Relevant to the reconstitution of respondent under the name Communist Party, the record shows that in April of 1945 Jacques Duclos, a spokesman for the world Communist movement, issued a statement the substance and effect of which was that it was a mistake to dissolve the Communist Party of the United States.

* * * * *

"After preparation throughout the party, respondent was reconstituted as the Communist Party of the United States of America. Earl Browder, for departing from the orthodoxy of Marxism-Leninism, was branded a 'revisionist' and 'deviationist' and deposed as the leader. Foster took over as national chairman. Otherwise those who had been officials and leaders of the CPA and the party before that, with a few minor exceptions, remained the officers and leaders of the reconstituted Communist Party. Upon taking over as national chairman, Foster pointed out the necessity for reemphasizing the revolutionary line of Marxism-Leninism. In a report to the reconstitution convention, subsequently published in Political Affairs, Foster declared 'Our party has suddenly reverted to its basic Communist principles' and 'As never before, we must train our party in the fundamentals of Marxism-Leninism.'

* * * * *

"As previously found, Foster became a leading officer in respondent in 1929 as a result of a Soviet Union directive. He has been a national chairman since the 1945 reconstitution. A prior letter of his to respondent's national committee in which he opposed Browder's policies had been suppressed from respondent's membership but his position set forth in the letter was approved in the Duclos statement while Browder's policies were condemned. For a number of years prior to respondent's announced disaffiliation from the Communist International, Foster was an an [sic] official of the International. He has been to the Soviet Union on numerous occasions on party business.

* * * * *

"In addition to Foster, a number of respondent's other present leaders have been functionaries of respondents since the time of the Communist International, have been to the Soviet Union on party business, and have been indoctrinated and trained in the Soviet Union on Communist strategy and policies. These leaders have taught in party schools, written for the party press, and spoken at party meetings, on various phases of Marxism-Leninism, including the leading position of the Soviet Union, proletarian internationalism, and the necessity of revolutionary overthrow of imperialist nations, particularly the United States.

* * * * *

"The continuance in office of Moscow-trained leaders of respondent who were functionaries during the period that respondent was an open member of the open, formal organization of the world Communist movement, and the absence of any substantial evidence showing a repudiation by respondent's leaders of the program and policy of the world Communist movement, as well as the fact that Marxism-Leninism continues to be basic to respondent, are all probative of the issues herein.

* * * * *

"The reorganization of respondent's leadership pursuant to Stalin's solution for the 1929 factional dispute was supervised by a Soviet Union representative sent to the United States for that purpose. A number of individuals were identified as having in the past been in the United States as representatives from the Soviet Union to supervise the carrying out of various policies, programs, and activities by respondent. Respondent's acceptance of the authority of these foreign representatives was required by the rule of the Communist International that:

"'The ECCI [executive committee] and its Presidium have the right to send their representatives to the various sections of the Communist International. Such representatives receive their instructions from the ECCI or from its Presidium, and are responsible to them for their activities. Representatives of the ECCI have the right to participate in meetings of the central party bodies as well as of the local organizations of the sections to which they are sent. Representatives of the ECCI are especially obliged to supervise the carrying out of the decisions of the world congresses and of the executive committee of the Communist International.'

* * * * *

"Eisler is the only foreign representative shown by the record to have been in the United States subsequent to the announced dissolution of the Communist International. Respondent ceased open affiliation with the Comintern to avoid identification as a foreign representative in the United States and the Comintern as an open organization was dissolved in 1943 for Soviet tactical reasons. The absence of further showing as to foreign representatives does not itself, in the context of the record, indicate any change in respondent's nature or character.

* * * * *

"Respondent's policies, programs, and activities were originally formulated and carried out pursuant to directives of the foreign leadership of the world Communist movement. Such policies, programs, and activities of respondent have been consistently applied throughout respondent's existence in the United States without change or repudiation. Various tactical fluctuations in emphasis have followed those laid down by the world Communist movement. An examination of respondent's current activities shows respondent is still pursuing policies enunciated by the Soviet Union through the Communist International.

* * * * *

"Respondent's witnesses were unable to cite a single instance throughout its history where, in taking a position on a question which found the views or policies of the Soviet Union and the United States Government in conflict, the CPUSA had agreed with the announced position of the United States; nor could they show a single instance when the CPUSA had disagreed with the Soviet Union on any policy question where both respondent and the Soviet Union have announced a position.

"The testimony of Dr. Mosely and documents submitted through him embraced a tremendous area of international questions on which respondent and the Soviet Union have taken positions. * * * The uniformity is constant and on a wide variety of questions, and is corroborated by other evidence of record.

"It is a material consideration in viewing the spread of this evidence spanning 30-odd years that respondent, for the first 20 such years in this area of activity, was required by the 'conditions' for membership in the Communist International to conform to the 'program and decisions' of the Comintern in its 'propaganda and agitation' * * * that during the years since 1943 respondent has without a single exception, as before, continued to adhere to the views and policies of the Soviet Union; and that its witnesses when asked to do so were unable to show conflict in any of these policies. This is strong evidence that the preexisting relationship between respondent and the Soviet Union continued as before, notwithstanding the formal dissolution of the Comintern by the Soviet Union."

It is on the basis of these detailed findings that the Board and the court below predicated their conclusion that the Communist Party was substantially directed, dominated, or controlled by the Soviet Union. We cannot hold that they erred in the construction of the statute and in finding that the facts shown bring the party within it.

B. The "objectives component": Section 3(3), defining a Communist-action organization, requires a finding that the organization "operates primarily to advance the objectives of [the] world Communist movement as referred to in section 2 of this title." Although asserting that the reference to section 2 is unclear, the party offered in the court of appeals a construction of this requirement which defines the objectives of the world Communist movement as (a) overthrow of existing government by any means necessary, including force and violence, (b) establishment of a Communist totalitarian dictatorship, (c) which will be subservient to the Soviet Union. See section 2 (1), (2), (3), (6). We need not now determine whether this interpretation, insofar as it implies that an organization must operate to advance all of these objectives in order to come within the act, is correct. Certainly, the elements which the party has isolated are, singly or collectively, the major "objectives" described in section 2. The court of appeals accepted the party's analysis arguendo, and its judgment affirming the order of the Board rests on its conclusion that the party operates to advance all three of these objectives. This conclusion is supported by the findings of the Board. It adopts the interpretation most favorable to the party.

Within the framework of these definitions, the court of appeals held sufficient to demonstrate the Communist Party's objective to overthrow existing government the finding of the Board that the party advocates the overthrow of the Government of the United States by force and violence if necessary. The party argues that this finding is inadequate to satisfy the conception of overthrow embodied in section 2 (1) and (6); that under the compulsion of the first amendment the act must be read as reaching only organizations whose purpose to overthrow existing government is expressed in illegal action or incitement to illegal action; that advocacy of the use of violence "if necessary" amounts at most to the promulgation of abstract doctrine, not incitement. Section 2(1) recites that the purpose of the world Communist movement is "by treachery, deceit, infiltration * * * espionage, sabotage, terrorism, and any other means deemed

UNIVERSITY OF MICHIGAN LIBRARIES

necessary, to establish a Communist totalitarian dictatorship in the countries throughout the world through the medium of a worldwide Communist organization." Section 2(6) recites that Communist-action organizations endeavor to carry out the objective of the world Communist movement by bringing about the overthrow of existing governments by any available means, including force if necessary. * * *" We think that an organization may be found to operate to advance objectives so defined although it does not incite the present use of force. Nor does the first amendment compel any other construction. The Subversive Activities Control Act is a regulatory, not a prohibitory statute. It does not make unlawful pursuit of the objectives which section 2 defines. In this context, the party misapplies *Yates* v. *United States* (354 U. S. 298), and *Dennis* v. *United States* (341 U.S. 494), on which it relies. See *Barenblatt* v. *United States* (360 U.S. 109); *Uphaus* v. *Wyman* (360 U.S. 72); *American Communications Assn.* v. *Douds* (339 U.S. 382).

C. The evidentiary consideration of section 13(e); the striking by the court of appeals of a subsidiary finding under section 13(e)(7): Section 13(e) prescribes that in determining whether any organization is a Communist-action organization, the Board shall take into consideration the extent of its conduct in eight enumerated dimensions. Accordingly, the Board made basic findings of fact in each, and on them based conclusions. The party attacks each conclusion as based upon a misinterpretation or misapplication of the statutory considerations.

As to three of these considerations upon which the Board placed substantial reliance in its determination that the Communist Party is controlled by the Soviet Union and operates primarily to advance the objectives of the world Communist movement—the extent to which its policies are formulated and carried out and its activities performed pursuant to directives or to effectuate policies of the Soviet (sec. 13(e)(1)), the extent to which its principal leaders or a substantial number of its members are subject to or recognize the disciplinary power of the Soviet (sec. 13(e)(6)), and the extent to which its principal leaders or a substantial number of its members consider the allegiance they owe to the United States as subordinate to their obligations to the Soviet (sec. 13(e)(8))—the party contends that the conclusions of the Board are not supported by its findings of fact. We have considered the Board's report and find the party's contention without merit.

As to three other considerations—the extent to which an organization receives financial or other aid from the foreign government or foreign organization controlling the world Communist movement (sec. 13(e)(3)), the extent to which it sends its members to a foreign country for instruction and training in the principles, tactics, etc., of the world Communist movement (sec. 13(e)(4)), and the extent to which it reports to the foreign government or foreign organization controlling the world Communist movement (sec. 13(e)(5))—the Board found, respectively, that the Communist Party had received financial aid from the Soviet Union and the Comintern, and had sent its members to the Soviet Union for training, prior to about 1940, but that there was no evidence that these activities continued after that time, and that the Communist Party, upon occasion, reports to the Soviet. From a reading of its modified report on second remand, it does not appear that the Board relied on these three findings to support its ultimate determination; rather it regarded them as inconclusive, except insofar as Soviet financial aid to the party during the period before it became a going organization could be considered a "tile in the mosaic," and insofar as foreign-trained party members themselves served as instructors in party schools in the United States at later times when there was no evidence of continued foreign training as such. The party argues that the Board's findings required it to conclude that evidence pertinent to the considerations of section 13(e)(3), (4), and (5) tended to negate a finding that the party was foreign controlled. We cannot say that the basic findings of the Board compelled that conclusion and precluded its own. The Board, directed by Congress to consider the extent to which an organization engages in certain classes of conduct, was not, of course, obligated to make findings in each dimension which would be conclusive of the ultimate issues before it. It was required only to consider each of these dimensions—this it has painstakingly done—and, on the whole record before it, to appraise the probative force of the evidence in each dimension. See *Secretary of Agriculture* v. *Central Roig Ref. Co.*, (338 U.S. 604; 96 CONGRESSIONAL RECORD 14530–14534; cf. id., at 13764, 15634). The Board has explained in detail the factors which urged it to take the view it has taken of the evidence concerning financial aid, foreign training and reporting. We cannot say that on the basis of all its findings it accorded inadmissible weight to these considerations.

By section 13(e)(2), the Board is directed to consider, in determining whether a given organization is a Communist-action organization, "the extent to which its views and policies do not deviate from those of [the] * * * foreign government or foreign organization" directing the world Communist movement. In connection with this consideration, Dr. Philip Mosely, professor of international relations at Columbia University and director of the University's Russian Institute appeared as an expert witness for the Attorney General. He enumerated some 45 major international issues during 30 years with respect to which, his testimony indicated, there had been no substantial difference between the announced positions of the Soviet Union and the Communist Party.[12]

As to each issue, documents representative of the respective views of the Soviet and the party were identified by Dr. Mosely and put into the record as exhibits. Both the Board and the court of appeals credited Dr. Mosely's testimony and placed significant reliance on it in concluding that the Communist Party is substantially dominated by the Soviet Union.

The party urges two contentions relating to this aspect of the case. The first is that the Mosely evidence has no tendency to prove nondeviation, within the meaning of section 13(e)(2), and no rational relevance to the ultimate issue of Soviet domination of the party, because Dr. Mosely did not establish that as to each of the international issues concerning which Soviet Union and party views coincided, the announced Soviet position antedated that of the party,[13] nor did Dr. Mosely testify that the coincidence of views evidenced parroting of the Soviet position by the party—indeed, he expressly declined, as a matter of expert judgment, to draw any inference from the coincidence alone with respect to the reasoning processes by which the party arrived at its views. The party contends that under section 13(e)(2) the Board was not authorized to consider evidence merely of sameness of policy, but that sameness would become relevant only after the Attorney General had shown that the party took its position subsequent to, and not independently of, the announced policy of the Soviet. Second, the party argues that the Board erred in refusing to let it show, both by cross-examination of Dr. Mosely and by proffered original evidence, that many other, assertedly non-Communist groups and individuals also expressed, contemporaneously with the Soviet Union and the party, views identical to those in which the two concurred—and, further, that the views were correct.

We do not agree that the Board was not entitled to consider and evaluate evidence of a consistent identity of policies of an organization and the Soviet Union until the Government had shown the temporal antecedence of the Soviet's position and negative the possibility that independent reasoning processes brought about the identity. Here the Board found that the coincidence of policies extended over a vast area of subject matter, was absolutely invariant during more than 30 years—the entire life of the party—and was unbroken even in the face of sharp reversals in the Soviet's views. Section 13(e)(2), directing the Board to consider the extent of nondeviation, does not purport to establish a litmus test of domination or control, requiring some fixed minimum level of policy parroting. This requirement is satisfied by consideration of whatever is logically relevant in this regard. Of course, the Government would have established a stronger case had it shown not only identity of views on more than 40 issues, but also that the Soviet's view had always led and the party's always followed, and that the similarity could not conceivably be the result of autonomous application of similar basic philosophical principles. But this is no reason to say that the Board could not consider, and form its judgment on, the showing that the Government did make in the present proceeding. Certainly, if the act contained no section 13(e), Dr. Mosely's testimony would be both relevant and significantly probative with respect to the issue of Soviet domination of the party.

To hold that section 13(e)(2) makes it a condition precedent to Board consideration of this long-continued, totally unwavering identity of policy lines, that the Attorney General also establish such elusive determinants as the dates of birth of the policies and the ratiocinative processes by which they came into being, we would have to find that by section 13(e)(2) Congress meant to limit, and severely limit, the evidences of Soviet domination of which the Board could take

[12] Among these were the League of Nations; the Russo-Finnish War, 1939; the Hitler-Stalin Nonaggression Pact, 1939; attitude toward World War II before and after the German attack on the Soviet Union; dissolution of the Communist International, 1943; West Germany; the Italian election of 1948; North Atlantic Pact; control of atomic energy; election of Yugoslavia to the United Nations Security Council, 1949; Cardinal Mindszenty case, 1949; United Nations action in Korea; Communist China's intervention in Korea, 1950; seating of Communist China in the United Nations; peace treaty with Japan, 1951; peace in Korea.

[13] The party points out that with respect to a major portion of the paired sets of exhibits put in through Dr. Mosely, the documents demonstrating the Communist Party's position bear earlier dates than those demonstrating the Soviet Union's position. These exhibits were offered only as illustrative of the views which Dr. Mosely testified—his expert opinion being based on a far wider selection of readings—were those taken approximately contemporaneously by the Soviet and the party in each instance. The Government expressly disclaimed any attempt to establish chronological sequence between the announced positions of the two.

account. The structure of section 13(e) will not bear that construction.[14]

With respect to the rulings precluding the party from showing certain facts which would have tended to establish that the views in which it paralleled the Soviet Union were correct views, or were reached independently, or were also held by other persons, we do not think that the Board abused its discretion. The questions which the party sought to ask Dr. Mosely on cross-examination relating to the correctness of the party's views were of two sorts. The first involved matters of value judgment of opinion, capable of interminable debate but incapable of proof, and which, the Board might reasonably have found, would have added little to the record beyond the witness's personal views.[15] The second sort called for answers of a more objective kind, but related in general to the truth or falsity of particular, detailed assertions of fact selected out of the various documents which the Attorney General had put in evidence as illustrative of the party's policies.[16]

Since in testifying as to the nature of those policies Dr. Mosely had relied on a wide background of study of party writings, of which the exhibits put into the record were only exemplary, and since even with reference to those particular exhibits Dr. Mosely's testimony rested upon an expert analysis of each article read as a whole—its general tenor, deriving from its use of language, its selection of facts reported, its argumentative and exhortative parts, if any—litigation of the truth vel non of individual statements of fact might well have been regarded by the Board as promising to lead into distracting inquiries regarding marginal or remote issues—what in a court would constitute res inter alios acta—incommensurate with the materiality of the evidence produced. Objections to both kinds of questions were, in the Board's discretion, properly sustained. As for the question which the party attempted to put to Dr. Mosely concerning approximately half of the international issues which he discussed, whether in each case an informed American observer, in the exercise of independent judgment and sensitive to the best interests of the United States, might not also reasonably have arrived at the view held by the party and the Soviet,[17] the question was not improperly disallowed as beyond the permissible scope of cross-examination.

Dr. Mosely did not purport on direct examination to establish the thought processes or the political processes by which the Soviet and the party arrived at their positions, but only that the positions were identical. The party was permitted to show, and two of its witnesses testified, on both direct and cross-examination, that the policies of the party were adopted in the autonomously reasoned belief, in each case that a particular policy was sound and in the best interests of the American people. The Board, in its modified reports, took account of and evaluated this testimony. It was not prejudicial that the party was not allowed to use the Government's expert witness to negative causal connections which his testimony for the Government did not seek to show.

The party also argues that it should have been permitted to demonstrate, by cross-examination of Dr. Mosely and by original evidence, that many other persons than the Soviet and the party held views similar to those on which the two agreed. We cannot hold that the Board erred in excluding these showings. They took two forms. First, with respect to some 25 international issues, the question was put to Dr. Mosely whether many non-Communist commentators did not also support the view expounded by the party.[18]

A similar question was asked of a witness for the party concerning one more issue. Second, with respect to somewhat more than 30 issues, the party offered to establish, by questioning Dr. Mosely and by documents proffered in evidence, that particular named individuals and groups had concurred in the views of the party on each individual issue.[19] The most that the party could have proved, had it been allowed to make the offered showings was that on the subject of each specific, isolated 1 among the 45 international issues enumerated, a considerable number of persons not Soviet-dominated, took positions parallel to those of the Soviet and the party. This is only to be expected in the case of issues of this character. The party never offered to show, despite wide latitude allowed by the hearing panel in making proffers after similar proffers had been previously disallowed, that a continuing, substantial body of independent groups and persons concurred with the party on a significant aggregate number of policies among the 45. Of the particular sources mentioned in the party's separate questions and offers of proof, the greatest number of issues with reference to which a single source recurs—the New York Times, or individuals writing in the Times—is 10 or less, and in most cases the agreement shown is with only a portion of the party's position. No other source occurs more than roughly half a dozen times; most, two or three times.[20] On the basis of these proffers, the Board's rulings did not amount to an abuse of the discretion which it must be allowed in the conduct of its hearings to avoid opening the sluices to litigation of the views of a multitude of third parties.

Section 13(e)(7) requires the Board to consider the extent to which "for the purpose of concealing foreign direction, domination, or control, or of expediting or promoting its objectives," an organization engages in specified secret practices or otherwise operates on a secret basis. In its original report the Board concluded that the Communist Party engages in secret practices for both these purposes. The court of appeals, in its first opinion, held that the finding of secret practices was warranted, but that the Government had not established by the preponderance of the evidence the purpose of the practices. Although no new evidence on the point was taken on remand, the Board again found in its two

---

[14] The committee reports and other authoritative legislative history pertinent to section 13(e)(2) are unilluminating in this connection. It is significant that on the occasion of a proposed House amendment which have deleted the similar nondeviation consideration now found in section 13(f)(4) of the act (pertaining to Communist-front organizations), Mr. Nixon, who had been a leading proponent of the legislation in its several forms, argued that "if this particular standard is stricken out, it would be virtually impossible in many cases to get sufficient evidence before the Subversive Activities Control Board to justify a finding that an organization was a Communist front" 96 CONGRESSIONAL RECORD 13764. The implication is that Mr. Nixon, and presumably other proponents of the enactment, regarded the section 13 (e) and (f) evidentiary considerations as expanding the scope of evidentiary matters of which the Board might take account in determining whether organizations met the definitions of section 3 (3) and (4). The proposed amendment was defeated after debate in the course of which all Congressmen seemed tacitly to assume that nondeviation involved a question of identity of policies, not of causal connection between policies. Id., at 13765–13768. And see id., at 14531–14533, 15194.

[15] E.g., "The article denounces the Japanese invasion of Manchuria as a clear and unprovoked act of aggression against China, does it not? * * * Was [that] * * * not the opinion of every right-thinking person at that time?" "Is it not the universal opinion of every informed observer that the Greek monarchy is a reactionary, Fascist, and corrupt regime?" "Is it not true that virtually every commentator on an analysis of the Italian elections in 1948 has expressed the opinion that there was widespread American intervention and interference in these elections? * * * Was there not widespread interference on the part of the United States in that election?" "Was not this U.S. intervention in Formosa a violation of the Cairo Agreement on Formosa?" "Did not this policy [sending American troops beyond the 38th parallel in Korea] prove to be disastrous both militarily and politically? * * * And was it not paid for in thousands of U.S. lives?"

[16] E.g., concerning Attorney General's exhibit No. 284, a 13-page editorial:

"Question. Petitioner's exhibit 284 is an article entitled, 'Wall Street's War Against the Korean People,' is that not correct?

"Answer. Yes, it is the subtitle of an editorial article.

"Question. Now, I call your attention to page 11. Does not the author there say that broad democratic reforms were introduced in North Korea including universal sufferage [sic], the secret ballot, and equal status for women, and that the land was distributed to the peasants and that industry was nationalized and that the 8-hour day and social insurance were introduced, and child labor abolished and a system of public education introduced? Are these not correct statements of fact?"

[17] This question was put in a number of forms. The most typical is the following:

"In your opinion, could an informed American observer basing his views on what is the best interest of the American people reasonably and sincerely conclude, one, that Mr. Malik's proposal was a great service to the cause of peace and in the best interests of the American people as well as all of the people of the world; two, that the representatives of the American Government attempted to frustrate Mr. Malik's proposal but were forced into truce negotiations by the overwhelming desire of the people; and three, that American representatives by provocative conduct and various pretexts attempted to cause the breakdown of armistice negotiations in Korea?"

[18] E.g., "Professor, is it not a fact that many non-Communist commentators and observers have expressed the view that the American proposals for international control of atomic energy were designed to make it impossible for the Soviet Union to accept them and that the American plan had no real chance of adoption? Would it not be accurate to state, Professor, that there was a very large and broad measure of agreement among the people and many of the leaders of both the Soviet Union and the United States on the need for the prompt establishment of a second front in Europe?"

[19] E.g., "Is it not a fact, Professor, that the Federation of American Atomic Scientists urged that the United States abandon its proposal for the international ownership of atomic raw materials in the bulletin published by that organization in March 1950?"

[20] One name appears in connection with six issues, writers in the New York Herald Tribune in connection with seven, President Franklin Roosevelt and George Bernard Shaw three each, etc. Instances in which the New York Times and the New York Herald Tribune are referred to merely as sources for the printed texts of speeches or statements by statesmen, officials, etc., are not included in this count.

modified reports that the purpose of the practices was to promote the objectives of the Communist Party.[21] In its third opinion the court of appeals again held the finding as to purpose unsupported by the preponderance of the evidence. Nevertheless, holding that the whole record supported the Board's conclusion that the Communist Party was substantially directed, dominated, or controlled by the Soviet Union, it rejected the party's contention that the striking of this one subsidiary finding as to purpose of secret practices required remand of the proceeding to the Board.

We think that the circuit court did not err in refusing to remand the case on that ground. Cf. *Labor Board* v. *Newport News Shipbuilding & Dry Dock Co.* (308 U.S. 241). In the summaries of its modified reports, the Board did not rely on, or even refer to, the finding of secret practices. Thus this case is unlike *Securities & Exchange Comm'n* v. *Chenery Corp* (318 U.S. 80), and *Labor Board* v. *Virginia Electric & Power Co.* (314 U.S. 469), in which proceedings were remanded to administrative agencies when this Court found unsupportable the grounds upon which the agencies had expressly rested the orders reviewed. Where a court of appeals strikes as not sustained by the evidence a subsidiary administrative finding upon which the agency itself does not purport to rely, it would be an unwarranted exercise of reviewing power to remand for further proceedings. *Labor Board* v. *Reed & Prince Mfg. Co.* (205 F. 2d 131 (C.A. 1st Cir.)). Remand would be called for only if there were a solid reason to believe that without that subsidiary finding the agency would not have arrived at the conclusion at which it did arrive. Reading the modified reports of the Board in the present case—reports written after the court of appeals had once held the finding as to the purpose of the party's secret practices unsupported—this Court cannot conclude that the court of appeals was wrong in regarding the finding stricken as one to which the Board did not attach weight and which did not influence its determination.

D. The Board findings as to the world Communist movement; evidence of past practices; the preponderance of the evidence: Under the act an organization may be found to be a Communist-action organization only if the relations specified in the "control" and "objectives" components of section 3(3) exist between it and the "world Communist movement referred to in section 2. * * *" In the present proceeding, the Board, after recognizing that "in section 2 of the act Congress has found the existence of a world Communist movement and has described its characteristics," set forth its own description, based on the evidence presented in this record, of contemporary Communist institutions in their international aspect, and particularly of the role of the Soviet Union in those institutions. The party argues that because this description does not duplicate in all details that of section 2 of the act, the world Communist movement to which the Board found that the Communist Party bore the required statutory relationship is not the world Communist movement referred to in section 2.

But the attributes of the world Communist movement which are detailed in the legislative findings are not in the nature of a requisite category of characteristics comprising a definition of an entity whose existence vel non must be established, by proving those characteristics, in each administrative proceeding under the act. Congress has itself found that that movement exists. The legislative description of its nature is not made a subject of litigation for the purpose of ascertaining the status of a particular organization under the act. The Attorney General need not prove, in the case of each organization against whom a petition for a registration order is filed, that the international institutions to which the organization can be shown to be related fit the picture in every precise detail set forth in section 2.

The only question, once an organization is found to have certain international relations, is one of statutory interpretation—of identifying the statutory referent. Are the institutions involved in those relations the "world Communist movement" to which Congress referred? We are satisfied from the Board's report that the "world Communist movement" to which its findings related the Communist Party was the same "world Communist movement" meant by Congress.

The party contends that the Board and the court below erred in relying on evidence of conduct in which it engaged prior to the enactment of the act to support their conclusion that it is presently a Communist-action organization. This must be rejected. Where the current character of an organization and the nature of its connections with others is at issue, of course past conduct is pertinent. Institutions, like other organisms, are predominantly what their past has made them. History provides the illuminating context within which the implications of present conduct may be known.

Finally, the party asks that we reexamine the evidence adduced before the Board and review the Board's findings of fact. The court of appeals, made thoroughly familiar with this record by three such reexaminations, has held that the Board's conclusions, as expressed in its modified report on second remand, are supported by a preponderance of the evidence. We see no reason why still another court should independently reappraise the record. We have declined to do this in the case of other agencies as to whom reviewing power on the facts has been vested in the courts of appeals, and we find no purpose to be served in departing now from this settled policy of appellate review. *Labor Board* v. *Pittsburgh Steamship Co.* (340 U.S. 498); *Labor Board* v. *American National Ins. Co.* (343 U.S. 395); *Federal Trade Commission* v. *Standard Oil Co.* (355 U.S. 396).

IV

The party's constitutional attack on the Subversive Activities Control Act of 1950 assails virtually every provision of this extended and intricate regulatory statute. The registration requirement of section 7, by demanding self-subjection to what may be deemed a defamatory characterization and, in addition, disclosure of the identity of all rank-and-file members, is said to abridge the first amendment rights of free expression and association of the Communist Party and its adherents. See *N.A.A.C.P.* v. *Alabama* (357 U.S. 449); *Bates* v. *Little Rock* (361 U.S. 516); cf. *Thomas* v. *Collins* (323 U.S. 516); *Joint Anti-Fascist Refugee Committee* v. *McGrath* (341 U.S. 123). The party's officers, it is asserted, who by filing a registration statement in its behalf evidence their status as active members of the party, are required to incriminate themselves in violation of the fifth amendment, as are the individual members who must register themselves under section 8 if the party fails to register or fails to list them. Cf. *Blau* v. *United States* (340 U.S. 159); *Quinn* v. *United States* (349 U.S. 155). The provision that Communist organizations label their publications is attacked as a prior restraint on, and such sanctions as denial of tax exemption are attacked as a penalty on the exercise of, the party's constitutionally protected freedom of speech. Cf. *Talley* v. *California* (362 U.S. 60); *Speiser* v. *Randall* (357 U.S. 513).

The various consequences of the party's registration for its individual members—prohibition of application for and use of passports, disqualification from government or defense-facility employment, disqualification from naturalization, subjection to denaturalization, proscription of officership or employment in labor organizations—are said to deny those members due process of law by, in effect, attainting them by association, cf. *De Jonge* v. *Oregon* (299 U.S. 353); *Wieman* v. *Updegraff* (344 U.S. 183), and by subjecting them to potential criminal proceedings in which the nature of the organization, membership in which is an element of various offenses, may not be judicially tried. Many of the statute's provisions are challenged as unconstitutionally vague, and it is said that the establishment of an agency, the Subversive Activities Control Board, whose continued existence depends upon its finding the Communist Party a Communist-action organization within the meaning of the act, necessarily biases the agency and deprives the party of a fair hearing. In fact, the party asserts, the statute as written so particularly designates the Communist Party as the organization at which it is aimed, that it constitutes an abolition of the party by legislative fiat, in the nature of a bill of attainder. The provisions must be read as a whole, it is said; and when so read, they are seen to envisage not the registration and regulation of the party, but the imposition of impossible requirements whose only purpose is to lay a foundation for criminal prosecution of the party and its officers and members, in effect "outlawing" the party.

Many of these questions are prematurely raised in this litigation. Merely potential impairment of constitutional rights under a statute does not of itself create a justiciable controversy in which the nature and extent of those rights may be litigated. *United Public Workers* v. *Mitchell* (330 U.S. 75); *International Longshoremen's Union* v. *Boyd* (347 U.S. 222). Even where some of the provisions of a comprehensive legislative enactment are ripe for adjudication, portions of the enactment not immediately involved are not thereby thrown open for a judicial determination of constitutionality. "Passing upon the possible significance of the manifold provisions of a broad statute in advance of efforts to apply the separate provisions is analogous to rendering any advisory opinion upon a statute or a declaratory judgment upon a hypothetical case." *Watson* v. *Buck* (313 U.S. 387, 402). No rule of practice of this Court is better settled than "never to anticipate a question of constitutional law in advance of the necessity of deciding it." *Liverpool, New York & Philadelphia S.S. Co.* v. *Commissioners* (113 U.S. 33, 39); *Arizona* v. *California* (283 U.S. 423); Mr. Justice Brandeis, concurring, in *Ashwander* v. *Tennessee Valley Authority* (297 U.S. 288, 341). In part, this principle is based upon the realization that, by the very nature of the judicial process, courts can most wisely determine issues precisely defined by the confining circumstances of particular situations. See *Parker* v. *County of Los Angeles* (338 U.S. 327); *Rescue Army* v. *Municipal Court* (331 U.S. 549). In part it represents a conception of the role of the judiciary in a government premised upon a separation of powers, a role which precludes interference by courts with legislative and executive functions which have not yet proceeded so far as to affect individual interests adversely. See the note to *Hayburn's* case (2 Dall. 409); *Massachusetts* v. *Mellon* (262 U.S. 447). These considerations, crucial as they are to this Court's power and obligation in constitutional cases, require that we delimit at the outset the issues which are properly before us in the present litigation.

This proceeding was brought by the Attorney General under section 13(a) of the Subversive Activities Control Act seeking an order of the Board that the Communist Party register as a Communist-action organization pursuant to section 7. The Board

[21] It expressly declined to find a purpose to conceal foreign control.

has issued such an order, in accordance with section 13(g)(1), which is here reviewed under section 14(a). The effect of this order is to require the party to register and to file a registration statement within 30 days after the order becomes final, section 7(c)(3), upon paying of fine up to $10,000 for each day of failure to register. When the order becomes final, other consequences also ensue, for the party, for its members and for other persons. Certain acts of the party—distributing its publications through the mails or through the instrumentalities of interstate or foreign commerce, or causing matter to be broadcast by radio or television, without the required identification—are prohibited, section 10, and tax exemption is denied it, section 11. Specified acts of its members—e.g., applying for or using a U.S. passport, holding Government or defense-facility employment, holding labor union office or employment—are forbidden, sections 5 and 6, and those members are definitely subject to certain disqualifications—if aliens, they may not enter the United States, may be deported, may not be naturalized, may in some circumstances be denaturalized, with qualifications (8 U.S.C. 1182, 1251, 1424, and 1451).

Employment by the party is not "employment" for purposes of the Social Security Act, as amended, 42 U.S.C section 410; contributions to the party are not tax deductible, Subversive Activities Control Act of 1950, section 11. Acts by third parties with regard to the party or its members—the contributing of funds or services to the party by government or defense-facility personnel, issuance of passports to party members—are, under specified circumstances, prohibited, sections 5, 6. All of these consequences depend upon action taken subsequent to the time when the registration order becomes final. Some depend upon action which is, at best, highly contingent.[22] The question is which, if any of these consequences are now before us for constitutional adjudication, as necessarily involved in the determination of the constitutionality of the Board's registration order.

A closely similar issue was presented to this Court in *Electric Bond & Share Co.* v. *Securities & Exchange Commission* (303 U.S. 419). That was a statutory suit brought by the Securities and Exchange Commission to enforce against certain utility holding companies the provisions of sections 4(a) and 5 of the Public Utility Holding Company Act of 1935, 49 Stat. 803. The act, like the Subversive Activities Control Act, was a statute of many intricate and interlocking sections, with a severability clause. Its fifth section provided that holding companies, as defined, might register with the Commission and file a registration statement containing specified information; unless such a company registered within the time fixed, section 4(a) subjected it to what the Court referred to as the "penalty for failure to register": criminal liability for engaging in business in interstate commerce; or for selling, transporting, owning or operating utility assets for the transportation of gas or electricity in interstate commerce; or for using the mails or instrumentalities of interstate commerce to distribute or acquire utility securities, or to negotiate, make, or take any step in performing, service, sales or construction contracts for public utility or holding companies; or for owning, controlling or holding voting stock in any subsidiary engaging in any of these activities.[23]

Once a holding company registered, prescribed consequences ensued, some automatic,[24] some requiring the initiation of further proceedings by the Commission. It was unlawful for any registered holding company or any subsidiary company of a registered holding company to sell or offer for sale any security of the holding company from house to house, or to cause any officer or employee of a subsidiary company to sell such a security; it was unlawful for any registered holding company to borrow or to receive any extension of credit from any public utility company in the same holding-company system; it was unlawful for any registered holding company or any subsidiary of such a holding company to make any contribution in connection with the candidacy, nomination, election, or appointment of any person for or to any office or position in Federal, State, or municipal government or to make any contribution to any political party; all contracts made in violation of any provision of the act were void.

Other transactions of registered companies were prohibited unless approved by the Commission, and under the "simplification" provisions of section 11, the Commission was required to take steps to break up the holding company systems of registered holding companies.

The Commission sued for and the district court granted, an injunction restraining companies of the electric bond and share system from operating in violation of section 4(a) until they had either registered under section 5 or ceased to be holding companies.[25] A cross bill by the companies seeking a declaratory judgment that the act was unconstitutional in its entirety was dismissed. When the case came here, the companies argued that the scheme of the act was a single, integrated whole; that the registration sections, which were the mechanism by which holding companies were subjected to the statute's various regulatory provisions, could not be separately considered; and that the unconstitutionality of the regulatory provisions invalidated the registration requirement.

The Court affirmed the decree, but on the basis of a deliberate abstention from consideration of any but the registration section, section 5, as enforced by the sanctions of section 4(a). Noting that if the statute's severability clause were given effect, the registration obligation could be validly enforced even though any or all of the "control" provisions applicable to registered companies were unconstitutional, and finding in the legislative history nothing to indicate that the various regulatory sections "were intended to constitute a unitary system, no part of which can fail without destroying the rest," 303 U.S., at 438–439, the Court declined to decide the broad constitutional questions pressed upon it. Likewise, the district court's dismissal of the cross bill was sustained:

"By the cross bill, defendants seek a judgment that each and every provision of the act is unconstitutional. It presents a variety of hypothetical controversies which may never become real. We are invited to enter into a speculative inquiry for the purpose of condemning statutory provisions the effect of which in concrete situations, not yet developed, cannot now be definitely perceived. We must decline that invitation." Id., at 443.

Not until 8 years later were some of these other related, important questions, at last properly presented, decided.[26]

The decision in *Electric Bond & Share* controls the present case. This act, like the one involved there, has a section directing that if any of its provisions, or any of its applications, is held invalid, the remaining provisions and other possible applications shall not be affected. The authoritative legislative history clearly demonstrates that a major purpose of the enactment was to regulate Communist-action organizations by means of the public disclosure effected by registration, apart from the other regulatory provisions of the act.[27] Such is, of course, the very purpose of the severability clause. This being so, our consideration of any other provisions than those of section 7, requiring Communist-action organizations to register and file a registration statement, could in no way affect our decision in the present case. Were every portion of the act purporting to regulate or prohibit the conduct of registered organizations (or organizations ordered to register) and of their members, as such, unconstitutional, we would still have to affirm the judgment below. Expatiation on the validity of those portions would remain mere pronouncements, addressed to future and hypothetical controversies. This is true with regard to those sections of the act which prescribe consequences legally enforcible against the Communist Party once a final registration order is in effect against it—the "labeling" and tax-exemption denial provisions of sections 10 and 11. These are analogous to the proscription of specified credit transactions, or specified security sales, or specified political contributions, by the Public Utility Holding Company Act considered in *Electric Bond & Share*.

Although they become operative as soon as a registration order is made final, their application remains in a very real sense problematical. We cannot now foresee what

---

[22] For example, before an individual may be subjected to the penalties of sections 8 and 15(a)(2), the party must have failed to register, or failed to list him as a member, and he must subsequently have failed, within the allotted time, to register himself.

[23] It was evident that the prohibitions of section 4(a) were so comprehensive that, as pointed out in the brief for the holding companies, "it (was) * * * quite impossible for holding companies to continue in business, unregistered, in the face of these prohibitions." Nor could the companies cease to be holding companies, since section 4(a) made unlawful, under penalty up to $200,000, the distribution or public offering of utility securities by unregistered holding companies through the mails or instrumentalities of interstate commerce, or the sale of securities by such companies with reason to believe that those securities would be distributed or made the subject of public offering through the mails or instrumentalities of interstate commerce. No doubt for this reason the Court regarded section 4(a) as a penalty for failure to register, rather than as an independent regulatory scheme for unregistered holding companies. See 303 U.S., at 439, 442, 443. A decree requiring the holding companies to comply with sections 4(a) and 5 was, in effect, a decree compelling it to register.

[24] Sec. 3 of the act authorized the Commission to exempt from any provision or provisions of the act certain described classes of holding companies. It was evident from the nature of electric bond and share, as developed in that litigation, that it did not come within any of these categories, and the Court did not mention sec. 3 in its opinion.

[25] The decree was without prejudice to any rights which the companies might have at law or in equity after registration, and left the companies free to challenge the validity of any provisions of the act other than secs. 4(a) and 5. In the present proceeding, of course, the Board's order does not operate to foreclose the Communist Party, or any other person adversely affected by provisions of the Subversive Activities Control Act, from subsequently challenging in appropriate proceedings other of the act's provisions than those requiring the registration of Communist-action organizations.

[26] See *North American Co.* v. *Securities & Exchange Comm'n* (327 U.S. 686).

[27] See S. Rept. No. 2369, 81st Cong., 2d sess., 4; H. Rept. No. 2980, 81st Cong., 2d sess., 3; H. Rept. No. 1844, 80th Cong., 2d sess., 2, 5; see also 96 CONGRESSIONAL RECORD 14174, 14237, 14256–14257, 14297, 14598.

effect, if any, upon the party the denial of tax exemption will have. We do not know whether the party now has, or whether it will have at any time after a Board order goes into effect, any taxable income, or, indeed, any income whatever. We do not know that, after such an order is in effect, the party will wish to utilize the mails or any instrumentality of interstate commerce for the circulation of its publications. We cannot guess the nature of whatever publications it may wish to circulate, or their relation to the purposes and functions of the party. These circumstances may be critical for constitutional determination. It will not do to discount their significance by saying, now, that no difference in circumstances will effect a different constitutional result—that the principles relevant to a determination of the validity of these statutory provisions do not depend upon the variations in circumstances in which they are potentially applicable. For this analysis presupposes that we now understand what are the relevant constitutional principles, whereas the reason of postponing decision until a constitutional issue is more clearly focused by, and receives the impact from, occurrence in particular circumstances is precisely that those circumstances may reveal relevancies that abstract, prospective supposition may not see or adequately assess.

These considerations are equally appropriate in the case of those sections of the act which proscribe specified conduct by members of an organization concerning which a final registration order is in effect, or which impose obligations upon them, or which subject them to described disabilities under certain circumstances. It is wholly speculative now to foreshadow whether, or under what conditions, a member of the party may in the future apply for a passport, or seek Government or defense-facility or labor-union employment, or, being an alien, become a party to a naturalization or a denaturalization proceeding. None of these things may happen. If they do, appropriate administrative and judicial procedures will be available to test the constitutionality of applications of particular sections of the act to particular persons in particular situations. Nothing justifies previsioning those issues now.

But the party argues that the threat, however indefinite, of future application of these provisions to penalize individuals who are or become its members, affiliates, or contributors, will effectively deter persons from associating with it or from aiding and supporting it. Thus, the provisions exercise a present effect upon the party sufficiently prejudicial to justify its challenging them in this proceeding. In support of this contention, the party cites cases in which we have held that litigants had "standing" to attack a statute or regulation which operated to coerce other persons to withdraw from profitable relations or associations with the litigants. See, e.g., *Joint Anti-Fascist Refugee Committee* v. *McGrath* (341 U.S. 123); *Pierce* v. *Society of Sisters* (268 U.S. 510); *Buchanan* v. *Warley* (245 U.S. 60); *Truax* v. *Raich* (239 U.S. 33); cf. *N.A.A.C.P.* v. *Alabama* (357 U.S. 449); *Bates* v. *Little Rock* (361 U.S. 516).

But these cases purported only to discuss what issues a litigant might raise, not when he might raise them. That a proper party is before the court is no answer to the objection that he is there prematurely. In none of the cases cited was the constitutional issue decided on a record which showed only potential deterrence of association with the litigant on the part of an unnamed and uncounted number of persons. In the Refugee Committee case, three organizations sued for injunctive or declaratory relief, challenging their inclusion of the Attorney General's list as Communist organizations. Each alleged that it had already suffered injury as a result of the listing: that contributors had withdrawn support, that persons had refused to take part in fund-raising activities, that members had resigned. The case came here on the pleadings, and we held such allegations sufficient as against a motion to dismiss. In *Pierce* v. *Society of Sisters, supra,* private schools were permitted to attack a State compulsory public-education statute: their complaints had alleged that because of the law, students who otherwise would have continued in attendance at the schools had withdrawn.[28] In *Buchanan* v. *Warley, supra,* a contract had been made, performance refused, and the State courts had denied enforcement on the ground of the challenged ordinance; and in *Truax* v. *Raich, supra,* in which an alien employee sued to enjoin enforcement of a statute requiring certain classes of employers to retain not less than 80 percent native-born citizens or qualified electors, Raich's employer had been arrested for violation of the statute and Raich had been threatened with immediate discharge. In *Terrace* v. *Thompson* (263 U.S. 197), both landowners and a prospective tenant brought suit to enjoin enforcement of a State statute forbidding aliens to hold land and providing that land transferred to aliens should be forfeit to the State. The complainants alleged that they were prepared to enter into a lease and would have done so but for the statute.

The present proceeding differs from all of these. The record here does not show that any present members, affiliates, or contributors of the party have withdrawn because of the threatened consequences to them of its registration under the Subversive Activities Control Act, or that any prospective members, affiliates, or contributors have been deterred from joining the party or giving it their support. We cannot know how many, if any, members or prospective members of the party are also employees or prospective employees of the Government or of defense facilities or labor unions, or how many, if any, contributors to the party hold Government or defense-facility employment. It is thus impossible to say now what effect the provisions of the act affecting members of a registered organization will have on the party. Cf. *New Jersey* v. *Sargent* (269 U.S. 328). To pass upon the validity of those provisions would be to make abstract assertions of possible future injury, indefinite in nature and degree, the occasion for constitutional decision. If we did so, we would be straying beyond our judicial bounds. Of course, the party may now assert those rights of its members, such as that of anonymity, which are allegedly infringed by the very act of its filing a registration statement, and which could not be otherwise asserted than by raising them here. *N.A.A.C.P.* v. *Alabama, supra; Bates* v. *Little Rock, supra.* But the rights of its members, as potentially affected by the Act, to receive and use, passports, seek and hold certain employment, be naturalized, are not of this category. We limit our consideration to the constitutionality of section 7 as applied in this proceeding.

V

The constitutional contentions raised by the party with respect to the registration requirement of section 7 are (A) that that requirement, in the context of the act, in effect outlaws the party and is in the nature of a bill of attainder; (B) that compelling organizations to register and to list their members on a showing merely that they are foreign dominated and operate primarily to advance the objective of the world Communist movement constitutes a restraint on freedom of expression and association in violation of the first amendment; (C) that requiring party officers to file registration statements for the party subjects them to self-incrimination forbidden by the fifth amendment; (D) that the act violates due process by legislative predetermination of facts essential to bring the Communist Party within the definition of a Communist-action organization, and that the evidentiary elements prescribed for consideration by the Board bear no rational relation to that definition; (E) that in several aspects the act is unconstitutionally vague; and (F) that the Subversive Activities Control Board is so necessarily biased against the Communist Party as to deprive it of a fair hearing.

A. "Outlawry" and attainder: Our determination that in the present proceeding all questions are premature which regard only the constitutionality of the various particular consequences of a registration order to a registered organization and its members, does not foreclose the party from arguing—and it does argue—that in light of the cumulative effect of those consequences the registration provisions of section 7 are not what they seem, but represent a legislative attempt, by devious means, to "outlaw" the party. The registration requirement, the party contends, was designed not with the purpose of having Communist-action organizations register, but with a purpose to make it impossible to register, because of the onerous consequences of registration, and thus to establish a pretext for criminal prosecution of the organization and its members. The act is said to be aimed particularly at the Communist Party as an identifiable entity, intending to punish it, and in this aspect to constitute a bill of attainder prohibited by article I, section 9, clause 3 of the Constitution.

Of course, "only the clearest proof could suffice to establish the unconstitutionality of a statute on such a ground." *Flemming* v. *Nestor* (363 U.S. 603, 617). No such proof is offered here. The act, on its face, gives no indication that the registration provisions were not intended to be complied with. None of the consequences which attach to registration, whatever may be their validity when weighed separately in the constitutional balance, is so devoid of rational relation to the purposes of the act as expressed in its second section that it appears a mere pressuring device meant to catch an organization between two fires. Section 2 recites that the world Communist movement, whose purpose is to employ deceit, secrecy, infiltration, and sabotage as means to establish a Communist totalitarian dictatorship, establishes and utilizes action organizations. The act requires such organizations to register and to label their communications, and prohibits their members from Government, defense-facility and certain labor, organization employment. Section 2 sets forth that Communist-action organization are sections of a worldwide Communist movement and that international travel of its members and agents facilitates the purposes of the movement.

The act restricts the ingress and access to U.S. citizenship of alien members of Communist-action organizations and deprives all members of the use of U.S. passports. Section 2 finds that Communist-action organizations purpose to overthrow the Government of the United States by any available, necessary means. The act forbids government and defense-facility employees to support such organizations, and withdraws from the organizations and their contributors certain tax exemptions. None of this is so lacking in consonance as to suggest a clandestine purpose behind the registration provisions. Nor does the legislative history contain any such suggestion. Rather, the committee reports on the bills from which the act derived express an object "to require the Communist movement in the United States to operate in the open rather than underground," and "to expose the

[28] See also *Columbia Broadcasting System, Inc.*, v. *United States* (316 U.S. 407); *Truax* v. *Corrigan* (257 U.S. 312).

Communist movement and protect the public against innocent and unwitting collaboration with it." [20]

It is true, as the party asserts, that bills had been introduced in Congress that would have applied to the Communist Party by name,[20] and it is no doubt also true that the form which the Subversive Activities Control Act finally took was dictated in part by constitutional scruples against outlawing of the party by "legislative fiat." [21]

It is probable, too, that the legislators who voted for the act in its final form expected that the Communist Party, if it continued to engage in the activities which had been reported to Congress as characterizing its past conduct, would be required to register under section 7.[22] From this the party would have us conclude that the act is only an instrument serving to abolish the Communist Party by indirection. But such analysis ignores our duty of respect for the exercise of the legislative power of Congress, and, more specifically, ignores the crucial constitutional significance of what Congress did when it rejected the approach of outlawing the party by name and accepted instead a statutory program regulating not enumerated organizations but designated activities. We would be indulging in a revisory power over enactments as they come from Congress—a power which the framers of the Constitution withheld from this Court—if we so interpreted what Congress refused to do and what in fact Congress did; that is, if we treated this act as merely a ruse by Congress to evade constitutional safeguards. Congress deemed it an attempt to achieve its legislative purpose consistently with constitutional safeguards.[23]

Whether it has done so—the issue which is now before us—is to be determined by the manner in which the enactment works in its practical application. "So long as Congress acts in pursuance of its constitutional power, the Judiciary lacks authority to intervene on the basis of the motives which spurred the exercise of that power." *Barenblatt* v. *United States* (360 U.S. 109, 132). *Oklahoma ex rel. Phillips* v. *Atkinson Co.* (313 U.S. 508); *Sonzinsky* v. *United States* (300 U.S. 506); *McCray* v. *United States* (195 U.S. 27). The true and sole question before us is whether the effects of the statute as it was passed and as it operates are constitutionally permissible.

The act is not a bill of attainder. It attaches not to specified organizations but to described activities in which an organization may or may not engage. The singling out of an individual for legislative prescribed punishment constitutes an attainder whether the individual is called by name or described in terms of conduct which, because it is past conduct, operates only as a designation of particular persons. See *Cummings* v. *Missouri* (4 Wall. 277); *Ex parte Garland* (4 Wall. 333). The Subversive Activities Control Act is not of that kind. It requires the registration only of organizations which, after the date of the act, are found to be under the direction, domination, or control of certain foreign powers and to operate primarily to advance certain objectives. This finding must be made after full administrative hearing, subject to judicial review which opens the record for the reviewing court's determination whether the administrative findings as to fact are supported by the preponderance of the evidence. Present activity constitutes an operative element to which the statute attaches legal consequences, not merely a point of reference for the ascertainment of particular persons ineluctably designated by the legislature.

The fact that activity engaged in prior to the enactment of the legislation may be regarded administratively and judicially as relevant to a determination that an organization is presently foreign controlled and presently works to advance the objectives of the world Communist movement, does not alter the operative structure of the act. The incidents which it reaches are nonetheless present incidents. The past is pertinent only as probative of these. In this proceeding the Board has found, and the court of appeals has sustained its conclusion, that the Communist Party, by virtue of the activities in which it now engages, comes within the terms of the act. If the party should at any time choose to abandon these activities, after it is once registered pursuant to section 7, the act provides adequate means of relief. As often as once a year it may apply to the Attorney General for cancellation of registration, and in the event of his refusal to remove it from the register and to relieve it from the duty of filing annual statements, it may petition the Board for a redetermination of its amenability to the registration requirements of the act, pursuant to a hearing which, again, is subject to judicial review, sections 13 (b), (i), (j), 14(a). Far from attaching to the past and ineradicable actions of an organization, the application of the registration section is made to turn upon continuingly contemporaneous fact; its obligations arise only because, and endure only so long as, an organization presently conducts operations of a described character.

Nor is the statute made an act of "outlawry" or of attainder by the fact that the conduct which it regulates is described with such particularity that, in probability, few organizations will come within the statutory terms. Legislatures may act to curb behavior which they regard as harmful to the public welfare, whether that conduct is found to be engaged in by many persons or by one. So long as the incidence of legislation is such that the persons who engage in the regulated conduct, be they many or few, can escape regulation merely by altering the course of their own present activities, there can be no complaint of an attainder. It would be ingenuous to refuse to recognize that the Subversive Activities Control Act of 1950 was designed to reach the Communist Party's operations as then reported to Congress—operations in which, the Board has found, the party persists. But to base a determination of constitutionality on this design would be to confuse the occasion of legislation with its operative effect and consequently to mistake decisive constitutional determinants. No doubt, the activity whose regulation the act seeks to achieve is activity historically associated with the Communist Party. From its legislative study of the Communist Party, Congress concluded that that kind of activity was potentially dangerous to the national interest and that it must be subjected to control. But whatever the source from which the legislative experience and instruction derived, the act applies to a class of activity only, not to the Communist Party as such. Nothing in this offends the constitutional prohibition of attainder.

B. The freedoms of expression and association protected by the first amendment. The Communist Party would have us hold that the first amendment prohibits Congress from requiring the registration and filing of information, including membership lists, by organizations substantially dominated or controlled by the foreign powers controlling the world Communist movement and which operate primarily to advance the objectives of that movement: the overthrow of existing government by any means necessary and the establishment in its place of a Communist totalitarian dictatorship (secs. 3(3), 2(1)(6)). We cannot find such a prohibition in the first amendment. So to find would make a travesty of that amendment and the great ends for the well-being of our democracy that it serves.

No doubt, a governmental regulation which requires registration as a condition upon the exercise of speech may in some cir-

---

[20] S. Rept. No. 2369, 81st Cong., 2d sess. 4. See note 27, supra.

[20] See H.R. 1884, 80th Cong., 1st sess. (prohibiting party members from filing as candidates for elective office); H.R. 2122, 80th Cong., 1st sess. (making party membership unlawful); H.R. 4422, 80th Cong., 1st sess. (requiring registration of party members as agents of a foreign principal); H.R. 4482, 80th Cong., 1st sess. (disqualifying political parties affiliated with the Communist Party from the ballot); H.R. 5852, 80th Cong., 2d sess. (requiring the registration of "Communist-front" organizations; defining "Communist-front" as including the Communist Party).

[21] H. Rept. No. 2980, 81st Cong., 2d sess. 5; H. Rept. No. 1844, 80th Cong., 2d sess. 6; S. Rept. No. 1358, 81st Cong., 2d sess. 9.

[22] See H. Rept. No. 2980, 81st Cong., 2d sess. 1–2; S. Rept. No. 1358, 81st Cong., 2d sess. 5; cf. H. Rept. No. 1844, 80th Cong., 2d sess. 1; 96 CONGRESSIONAL RECORD 13765, 14233, 14585.

[23] See, e.g., S. Rept. No. 1358, 81st Cong., 2d sess. 9:

"The committee gave serious consideration to the many well-intentioned proposals which were before it which attempted to meet the problems by outlawing the Communist Party. Proponents of this approach differed as to what they desired. Some wanted to bar the Communist Party from the ballot in the elections. Others would have made membership in the Communist Party illegal per se.

"The committee believes that there are several compelling arguments against the outlawing approach. There are grave constitutional questions involved in attempting to interfere with the rights of the States to declare what parties and individuals may qualify for appearance on the ballot. To make membership in a specifically designated existing organization illegal per se would run the risk of being held unconstitutional on the grounds that such an action was legislative fiat.

"Among other policy considerations which militate against this type of approach are the following:

"(1) Illegalization of the party might drive the Communist movement further underground, whereas exposure of its activities is the primary need.

"(2) Illegalization has not proved effective in Canada and other countries which have tried it.

"(3) If the present Communist Party severs the puppet strings by which it is manipulated from abroad, if it gives up its undercover methods, there is no reason for denying it the privilege of openly advocating its beliefs in the way in which true political parties advocate theirs. In politics as well as sports, there are certain rules of the game which must be obeyed. Daggers are out of order on the American playing field. Undercover methods and foreign direction cannot be tolerated on the political field.

"This legislation does not constitute, therefore, a fiat. The Communist Party of the United States is not made guilty of any offense by reason of the enactment of the provisions of this act. If, however, the Communist Party of the United States or any other party now in existence or to be formed operates in such a way that it comes within the definitions and performs activities which are proscribed under the act, then the legislation will apply to it. * * * If such a party changes its characteristics, then the objectives sought by the committee will have been accomplished."

cumstances affront the constitutional guarantee of free expression.[34] *Thomas* v. *Collins* (323 U.S. 516). In that case, the Court held that a State could not constitutionally punish for contempt a public speaker who had addressed a labor organization meeting in violation of a straining order prohibiting him from soliciting memberships in a labor union without having first registered as a paid labor organizer and secured an organizer's card.

The decision was a narrow one, striking down the registration requirement only as applied to the particular circumstances of the case, id., at 541–542—that is, to an individual who, as the Court several times insisted, had come into the State "for one purpose and one only—to make the speech in question." Id., at 533; see also id., at 521, 526.[35] Since this speech was the sole incident of Thomas' conduct upon which the State relied in asserting that he was an "organizer" and thus required to register as such, the the Court regarded the statute, in this application, as basing the obligation to register upon speech activity alone.[36] "So long as no more is involved than exercise of the rights of free speech and free assembly," the Court said, "it is immune to such a restriction." Id., at 540. The present statute does not, of course, attach the registration requirement to the incident of speech, but to the incidents of foreign domination and of operation to advance the objectives of the world Communist movement—operation which, the Board has found here, includes extensive, long-continuing organizational, as well as "speech" activity. Thus the Thomas case is applicable here only insofar as it establishes that subjection to registration requirements may be a sufficient restraint upon the exercise of liberties protected by the first amendment to merit that it be weighed in the constitutional balance.

Similarly, we agree that compulsory disclosure of the names of an organization's members may in certain instances infringe constitutionally protected rights of association. *N.A.A.C.P.* v. *Alabama* (357 U.S. 449); *Bates* v. *Little Rock* (361 U.S. 516); *Shelton* v. *Tucker* (364 U.S. 479). But to say this much is only to recognize one of the points of reference from which analysis must begin. To state that individual liberties may be affected is to establish the condition for, not to arrive at the conclusion of, constitutional decision. Against the impediments which particular governmental regulation causes to entire freedom of individual action, there must be weighed the value to the public of the ends which the regulation may achieve. *Schenck* v. *United States* (249 U.S. 47); *Dennis* V. *United States* (341 U.S. 494); *American Communications Assn.* v. *Douds* (339 U.S. 382).

In the N.A.A.C.P. and Bates cases, this Court examined the circumstances under which disclosure was demanded, and concluded that "whatever interest the State may have in obtaining names of ordinary members has not ben shown to be sufficient to overcome [the] * * * constitutional objections to the production order." *N.A.A.C.P.* v. *Alabama* (357 U.S., at 465). In the N.A.A.C.P. case, the attorney general of Alabama had brought an equity suit to enjoin the association from conducting further activities within, and to oust it from, the State on the grounds of its noncompliance with Alabama's foreign-corporation registration statute.

The Attorney General sought, and the State court ordered, production of lists of the association's rank-and-file members as pertinent to the issues whether the NAACP was conducting intrastate business in violation of the statute, and whether the extent of that business justified its permanent ouster from the State. Noting that the association had admitted its presence, and conduct of activities in Alabama during almost 40 years and that it had offered to comply in all respects with the qualification statute, we said that "we are unable to perceive that the disclosure of the names of [NAACP's] * * * rank-and-file members has a substantial bearing" upon any issue presented to the Alabama courts. Id., at 464. *Bates* v. *Little Rock, supra,* involved the conviction of custodians of records of branches of the NAACP for failure to comply with provisions of local regulations which required organizations operating within the municipality to file with a municipal official, inter alia, financial statements showing the names of all contributors to the organizations. These regulations were amendments to ordinances levying license taxes on persons engaging in businesses, occupations, or professions within municipal limits.

Finding that the occupation taxes were based on the nature of the activity or enterprise conducted, not upon earnings or income, and, moreover, that there had been no showing that the NAACP branches were engaged in activity taxable under the ordinances, or had ever been regarded by tax authorities as subject to taxation under the ordinances, the Court concluded that: "In this record we can find no relevant correlation between the power of the municipalities to impose occupational license taxes and the compulsory disclosure and publication of the membership lists of the local branches of the National Association for the Advancement of Colored People" (361 U.S., at 525). Thus, these cases hold that where the required making public of an organization's membership lists bears no rational relation to the interest which is asserted by the State to justify disclosure, and where because of community temper publication might prejudice members whose names were revealed, disclosure cannot constitutionally be compelled.

Shelton v. *Tucker, supra,* did not involve legislation which, as a means of regulating an appropriately defined class of organizations whose activities menaced the public welfare, required those organizations to reveal their members. It involved an Arkansas statute which, conversely, as an incident of the State's attempt to control the activities of a class of individuals—the teachers in its public schools and publicly supported institutions of higher learning—required the individuals to disclose the associations to which they belonged. The statute's purported justification lay in its furtherance of the State's effective selection of teaching personnel; to subserve this end, it attempted to "ask every one of its teachers to disclose every single organization with which he has been associated over a 5-year period" (364 U.S., at 487–488). The Court, finding that "many such relationships could have no possible bearing upon the teacher's occupational competence or fitness" (id., at 488), and hence that "the statute's comprehensive interference with associational freedom goes far beyond what might be justified in the exercise of the State's legitimate inquiry into the fitness and competency of its teachers (id., at 490), struck the legislation down. Again, the ratio decidendi of the decision was the absence of substantial connection between the breadth of disclosure demanded and the purpose which disclosure was asserted to serve.

The present case differs from *Thomas* v. *Collins* and from NAACP, Bates and Shelton in the magnitude of the public interests which the registration and disclosure provisions are designed to protect and in the pertinence which registration and disclosure bear to the protection of those interests. Congress itself has expressed in section 2 of the act both what those interests are and what, in its view, threatens them. On the basis of its detailed investigations Congress has found that there exists a world Communist movement, foreign controlled, whose purpose it is by whatever means necessary to establish Communist totalitarian dictatorship in the countries throughout the world, and which has already succeeded in supplanting governments in other countries. Congress has found that in furthering these purposes, the foreign government controlling the world Communist movement establishes in various countries action organizations which, dominated from abroad, endeavor to bring about the overthrow of existing governments, by force if need be, and to establish totalitarian dictatorships subservient to that foreign government. And Congress has found that these action organizations employ methods of infiltration and secretive and coercive tactics; that by operating in concealment and through Communist-front organizations they are able to obtain the support of persons who would not extend such support knowing of their true nature; that a Communist network exists in the United States; and that the agents of communism have devised methods of sabotage and espionage carried out in successful evasion of existing law. The purpose of the Subversive Activities Control Act is said to be to prevent the worldwide Communist conspiracy from accomplishing its purpose in this country.

It is not for the courts to reexamine the validity of these legislative findings and reject them. See *Harisiades* v. *Shaughnessy* (342 U.S. 580, 590). They are the product of extensive investigation by committees of Congress over more than a decade and a half.[37] Cf. *Nebbia* v. *New York* (291 U.S. 502, 516, 530).

---

[34] We need not consider now the decisions in which this Court has struck down regulations requiring not merely registration but the securing of a license, issued either at the arbitrary discretion of licensing officials or by the application of licensing standards so broad or uncertain as to permit arbitrary action by officials, as prerequisite to the right to speak. E.g., *Staub* v. *Baxley* (355 U.S. 313); *Superior Films, Inc.* v. *Department of Education* (346 U.S. 587); *Gelling* v. *Texas* (343 U.S. 960); *Joseph Burstyn, Inc.* v. *Wilson* (343 U.S. 495); *Niemotko* v. *Maryland* (340 U.S. 268); *Kunz* v. *New York* (340 U.S. 290); *Largent* v. *Texas* (318 U.S. 418); *Cantwell* v. *Connecticut* (310 U.S. 296); *Schneider* v. *State* (308 U.S. 147); *Hague* v. *CIO* (307 U.S. 496); *Lovell* v. *Griffin* (303 U.S. 444). The present statute has no such licensing provision.

[35] After the speech, Thomas had also solicited one individual, by name, to join the union. The Court declined to decide whether such a solicitation, apart from the speech, might constitutionally have been made the basis of punishment for contempt. 323 U.S., at 541. The State court's order adjudging Thomas in contempt imposed a single sentence for both "solicitations," and the Court therefore regarded the statute, in this application, as restraining and punishing Thomas "for uttering, in the course of his address, the general as well as the specific invitation." Id., at 529.

[36] This is clear from the Court's reliance on *De Jonge* v. *Oregon* (299 U.S. 353).

[37] Among the committee reports, see the following: Investigation of Communist propaganda, H. Rept. No. 2290, 71st Cong., 3d sess.; investigation of Nazi and other propaganda, H. Rept. No. 153, 74th Cong., 1st sess.; investigation of un-American activities and propaganda, H. Rept. No. 2, 76th Cong., 1st sess.; investigation of un-American propaganda activities in the United States, H. Rept. No. 1476, 76th Cong., 3d sess.; investigation of un-American propaganda activities in the United States, H. Rept. No. 1, 77th Cong., 1st sess.; special report on subversive activities aimed at destroying our representative form of Government, H. Rept.

We certainly cannot dismiss them as unfounded or irrational imaginings. See *Galvan* v. *Press* (347 U.S. 522, 529); *American Communications Assn.* v. *Douds* (339 U.S. 382, 388–389). And if we accept them, as we must, as a not unentertainable appraisal by Congress of the threat which Communist organizations pose not only to existing government in the United States, but to the United States as a sovereign, independent Nation—if we accept as not wholly unsupportable the conclusion that those organizations "are not free and independent organizations, but are sections of a worldwide Communist organization and are controlled, directed, and subject to the discipline of the Communist dictatorship of [a] * * * foreign country," section 2(5)—we must recognize that the power of Congress to regulate Communist organizations of this nature is extensive. "Security against foreign danger is one of the primitive objects of civil society," James Madison wrote in The Federalist (No. 41). "It is an avowed and essential object of the American Union. The powers requisite for attaining it must be effectually confided to the Federal councils." The Federalist (Wright ed. 1961) 295. See also "The Federalist" (Nos. 2–5), id., at 93 et seq. Means for effective resistance against foreign incursion—whether in the form of organizations which function, in some technical sense, as agents of a foreign power,[28] or in the form of organizations which, by complete dedication and obedience to foreign directives, make themselves the instruments of a foreign power—may not be denied to the national legislature. "To preserve its independence, and give security against foreign aggression and encroachment, is the highest duty of every nation, and to attain these ends nearly all other considerations are to be subordinated. It matters not in what form such aggression and encroachment come. * * *" *The Chinese Exclusion Case* (130 U.S. 581, 606). See also *Perez* v. *Brownell*, (356 U.S. 44); *Ex parte Quirin* (317 U.S. 1); *Hines* v. *Davidowitz* (312 U.S. 52); *United States* v. *Curtiss-Wright Export Corp.* (299 U.S. 304, 315–322); *Mackenzie* v. *Hare* (239 U.S. 299, 311); *Fong Yue Ting* v. *United States* (149 U.S. 698); Mr. Justice Bradley, concurring in the *Legal Tender* cases (12 Wall. 457, 554, 556).

Of course, congressional power in this sphere, as in all spheres, is limited by the first amendment. Individual liberties fundamental to American institutions are not to be destroyed under pretext of preserving those institutions, even from the gravest external dangers. But where the problems of accommodating the exigencies of self-preservation and the values of liberty are as complex and intricate as they are in the situation described in the findings of section 2 of the Subversive Activities Control Act—when existing government is menaced by a worldwide integrated movement which employs every combination of possible means, peaceful and violent, domestic and foreign, overt and clandestine, to destroy the government itself—the legislative judgment as to how that threat may best be met consistently with the safeguarding of personal freedom is not to be set aside merely because the judgment of judges would, in the first instance, have chosen other methods. Especially where Congress, in seeking to reconcile competing and urgently demanding values within our social institutions, legislates not to prohibit individuals from organizing for the effectuation of ends found to be menacing to the very existence of those institutions, but only to prescribe the conditions under which such organization is permitted, the legislative determination must be respected. *United Public Workers* v. *Mitchell* (330 U.S. 75); *American Communications Assn.* v. *Douds, supra.*

In a number of situations in which secrecy or the concealment of associations has been regarded as a threat to public safety and to the effective, free functioning of our national institutions Congress has met the threat by requiring registration or disclosure.[29] The Federal Corrupt Practices Act, enacted in 1925, 43 Stat. 1070, 2 U.S.C., sections 241–245, requires all political committees (organizations accepting contributions or making expenditures to influence the election of candidates for designated national offices in two or more States, or branches of national committees) to have a chairman and a treasurer, and makes it the duty of the treasurer to keep detailed financial accounts and to file with the Clerk of the House of Representatives periodic statements containing, inter alia, the names and addresses of all persons contributing more than $100 to the commitee during any year. *Burroughs* v. *United States*, 290 U.S. 534, sustained that statute against the claim that Congress lacked constitutional power to regulate such political organizations; the Court found ample authority in congressional power "to preserve the departments and institutions of the general government from impairment or destruction, whether threatened by force or by corruption." Id., at 545. The Federal Regulation of Lobbying Act, 60 Stat. 839, 2 U.S.C., sections 261–270, applies to any person who solicits or receives money or anything of value to be used principally, or if the person's principal purpose is, to influence the passage or defeat of legislation by Congress. It requires any person receiving any contributions or expending any money for the purposes of influencing the passage or defeat of legislation to file with the Clerk of the House quarterly statements which set out the names and addresses of each person who has made a contribution of $500 or more not mentioned in the preceding report. It also requires that any person who engages himself for pay for the purpose of attempting to influence the passage or defeat of legislation, before doing anything in furtherance of that objective, register with the Clerk of the House and the Secretary of the Senate, and state in writing, inter alia, his name and address and the name and address of the person by whom he is employed, and in whose interest he works. These paid lobbyists must file quarterly reports of all money received and expended in carrying on their work, to whom paid, for what purposes, the names of publications in which they have caused any articles to be published, and the proposed legislation they are employed to support or oppose; this information is to be printed in the CONGRESSIONAL RECORD. In *United States* v. *Harriss*, 347 U.S. 612, we held that the first amendment did not prohibit the prosecution of criminal informations charging violation of the registration and reporting provisions of the act. We said:

"Present-day legislative complexities are such that individual Members of Congress cannot be expected to explore the myriad pressures to which they are regularly subjected. Yet full realization of the American ideal of government by elected representatives depends to no small extent on their ability to properly evaluate such pressures. Otherwise the voice of the people may all too easily be drowned out by the voice of special interest groups seeking favored treatment while masquerading as proponents of the public weal. This was the evil which the Lobbying Act was designed to help prevent.

"Toward that end, Congress has not sought to prohibit these pressures. It has merely provided for a modicum of information from those who for hire attempt to influence legislation or who collect or spend funds for that purpose. It wants only to know who is being hired, who is putting up the money, and how much." Id., at 625.

The Foreign Agents Registration Act, first enacted in 1938, 52 Statute 631, and since several times amended, provides, as now set forth in 22 U.S.C., sections 611–621, that agents of foreign principals must register with the Attorney General and file periodic registration statements (which are to be held by the Attorney General open to public inspection) containing, among other information, the registrant's name, a comprehensive statement of the nature of the registrant's business, a complete list of the registrant's employees and a statement of the nature of the work of each (unless this requirement is waived by the Attorney General), the name and address of the registrant's foreign principals, with further information as to the principals' character, ownership, and control, the names and addresses of all persons other than a registrant's foreign principal who contribute to the registrant in connection with specified activities of the registrant, and detailed financial accounts. Such agents must also file with the Attorney General and the Librarian of Congress, and must label as emanating from a registered agent of a foreign principal, and mark with the name of

---

No. 2748, 77th Cong., 2d sess.; sources of financial aid for subversive and un-American propaganda, H. Rept. No. 1996, 79th Cong., 2d sess.; investigation of un-American activities and propaganda, H. Rept. No. 2233, 79th Cong., 2d sess.; investigation of un-American activities and propaganda, H. Rept. No. 2742, 79th Cong., 2d sess.; the Communist Party of the United States as an agent of a foreign power, H. Rept. No. 209, 80th Cong., 1st sess.; report on the Communist Party of the United States as an advocate of overthrow of Government by force and violence, House committee print, 80th Cong., 2d sess.; report of the Committee on Un-American Activities to the U.S. House of Representatives, 80th Cong., House committee print, 80th Cong, 2d sess.; Soviet espionage within the U.S. Government (second report), House committee print, 80th Cong., 2d sess.; the strategy and tactics of world communism, H. Doc. No. 619, 80th Cong., 2d sess., and (country studies) H. Doc. No. 154, 81st Cong., 1st sess.; annual report of the Committee on Un-American Activities for the year 1949, H. Rept. No. 1950, 81st Cong., 2d sess.; report on atomic espionage, H. Rept. No. 1952, 81st Cong., 2d sess. For a bibliography of published committee hearings during this period, see internal security manual, S. Doc. No. 47, 83d Cong., 1st sess. 216–223.

[28] See the Foreign Agents Registration Act, 52 Stat. 631, as amended, 22 U.S.C. 611–621.

[29] Compare 18 U.S.C. 612 (prohibiting the publication or distribution of written statements concerning candidates for designated national elective offices unless such statements contain the names of the persons or associations responsible for the publication or distribution and in the case of associations, the names of their officers); 37 Stat. 553, as amended, 39 U.S.C. 233–234 (prescribing the withdrawal of second-class mailing privileges from publications which do not file with the Postmaster General, and publish in the second issue of the publication printed after filing, a statement setting forth the names of the publication's editors, publishers, managers and owners, and, if the owners are corporations, the names of stockholders and other security holders; and prohibiting the printing, by publications enjoying second-class privileges, of paid advertisements not marked as such), sustained against first amendment challenge in *Lewis Publishing Co.* v. *Morgan*, 229 U.S. 288; Communications Act of 1934, sec. 317, 48 Stat. 1089, 47 U.S.C. 317 (requiring, in the case of all matter broadcast by radio for which a valuable consideration is paid by any person, an announcement that the matter has been paid for by such person).

the agent and the principal, any political propaganda transmitted in the U.S. mails or through any instrumentality of interstate or foreign commerce. In addition, title 18, United States Code, section 2386, derived from the so-called Voorhis Act of 1940, 54 Statute 1201, requires the registration with the Attorney General of organizations subject to foreign control which engage in political or civilian military activity (as those terms are defined in the section), organizations which engage in both political and civilian military activity (as defined), and organizations whose purpose is the overthrow of government by the use or threat of force or violence or military measures. Organizations required to register must report, inter alia, the names and addresses of their officers, branch officers and contributors, a detailed description of their activities, and a detailed statement of assets, and must file copies of publications which they issue or distribute; registration statements must be kept up to date and are to be open for public examination. Committee reports pertinent to the Subversive Activities Control Act of 1950 state that the necessity for the legislation derived in part from the difficulty of enforcing the Foreign Agents Registration and Voorhis Acts against Communist organizations "due in part to the skill and deceit which the Communists have used in concealing their foreign ties." [40]

Certainly, as the Burroughs and Harriss cases abundantly recognize, secrecy of associations and organizations, even among groups concerned exclusively with political processes, may under some circumstances constitute a danger which legislatures do not lack constitutional power to curb. In *New York ex rel. Bryant* v. *Zimmerman*, 278 U.S. 63, this Court held that the due process clause of the 14th amendment was not offended by a State statute requiring filing with the Secretary of State of the constitution and bylaws, rules and regulations, membership oath, roster of members and list of officers of every association of 20 or more members having as a condition of membership an oath. The statute made it unlawful to become or remain a member of such an association with knowledge that it had failed to comply with the filing requirement. Exceptions for labor unions and benevolent orders indicated that the measure was directed primarily at the Ku Klux Klan. Compelling disclosure of membership lists and other information by organizations of the character of the Klan, the Court found, was reasonable both as a means for providing the government of the State with knowledge of the activities of those organizations within its borders, and because "requiring this information to be supplied for the public files will operate as an effective or substantial deterrent from the violations of public and private right to which the association might be tempted if such a disclosure were not required." Id., at 72. It was the nature of the organization regulated, and hence the danger involved in its covert operation, which justified the statute and caused us to distinguish the Bryant case in *NAACP* v. *Alabama*, *supra*, 357 U.S., at 465.[41] In *NAACP* and *Bates* v. *Little Rock*, *supra*, as we have said, there was no showing of any danger inherent in concealment, no showing that the State, in seeking disclosure, was attempting to cope with any perceived danger. Nor was this kind of danger—arising when secrecy itself is made an active instrument of public harm—put forth to justify the statute which was held invalid in *Shelton* v. *Tucker*, *supra*.

Congress, when it enacted the Subversive Activities Control Act, did attempt to cope with precisely such a danger. In light of its legislative findings, based on voluminous evidence collected during years of investigation, we cannot say that the danger is chimerical, or that the registration requirement of section 7 is an ill-adjusted means of dealing with it. In saying this, we are not insensitive to the fact that the public opprobrium and obloquy which may attach to an individual listed with the Attorney General as a member of a Communist-action organization is no less considerable than that with which members of the National Association for the Advancement of Colored People were threatened in NAACP and Bates. But while an angry public opinion, and the evils which it may spawn, are relevant considerations in adjudging, in light of the totality of relevant considerations, the validity of legislation that, in effecting disclosure, may thereby entail some restraints on speech and association, the existence of an ugly public temper does not, as such and without more, incapacitate government to require publicity demanded by rational interests high in the scale of national concern. Where the mask of anonymity which an organization's members wear serves the double purpose of protecting them from popular prejudice and of enabling them to cover over a foreign-directed conspiracy, infiltrate into other groups, and enlist the support of persons who would not, if the truth were revealed, lend their support (see sec. 2 (1), (6), (7)), it would be a distortion of the first amendment to hold that it prohibits Congress from removing the mask.

These considerations lead us to sustain the registration provisions of section 7, as not repugnant to the first amendment, insofar as they require Communist-action organizations to file a registration statement containing the names and addresses of its present officers and members. The requirement that persons who were officers or members at any time during the year preceding registration must be listed, see section 7(d) (2), (4), is a reasonable means of assuring that the obligation to list present members and officers will not be evaded. For reasons which do not require elaboration, the requirement that a registering organization list the aliases of officers and members (see sec. 7(d)(5)) must also be sustained. Nor do we find that section 7(d)(3), requiring a financial accounting, or section 7(d)(6),[42] requiring a listing of all printing presses in the possession or control of the organization or its members, violates first amendment rights. Disclosure both of the financial transactions of a Communist-action organization and of the identity of the organs of publication which it controls might not unreasonably have been regarded by Congress as necessary to the objective which the act seeks to achieve: to bring foreign-dominated organizations out into the open where the public can evaluate their activities informedly against the revealed background of their character, nature, and connections. Of course, printing presses may not be regulated like guns. That generalization gets us nowhere. On the concrete, specific issue before us, we hold that the obligation to give information identifying presses, without more and as applied to foreign-dominated organizations, does not fetter constitutionally protected free expression. No other kind of regulation is involved here. As to the penalties for failure to register (see sec. 15(a)), which the party attacks as exorbitant and oppressive, these are not now before us. They have not yet been imposed on the party and may never be. *United States* v. *Harriss*, 347 U.S. 612; *United States* v. *Wurzbach*, 280 U.S. 396.

It is argued that if Congress may constitutionally enact legislation requiring the Communist Party to register, to list its members, to file financial statements, and to identify its printing presses, Congress may impose similar requirements upon any group which pursues unpopular political objectives or which expresses an unpopular political ideology. Nothing which we decide here remotely carries such an implication. The Subversive Activities Control Act applies only to foreign-dominated organizations which work primarily to advance the objectives of a world movement controlled by the government of a foreign country. See sections 3(3), 2(4). It applies only to organizations directed, dominated, or controlled by a particular foreign country, the leader of a movement which, Congress has found, is "in its origins, its development, and its present practice, * * * a worldwide revolutionary movement whose purpose it is, by treachery, deceit, infiltration into other groups, * * * espionage, sabotage, terrorism, and any other means deemed necessary, to establish a Communist totalitarian dictatorship in the countries throughout the world through the medium of a worldwide Communist organization." Section 2(1). This is the full purported reach of the statute,[43] and its fullest effect. There is no attempt here to impose stifling obligations upon the proponents of a particular political creed as such, or even to check the importation of particular political ideas from abroad for propagation here. The act compels the registration of organized groups which have been made the instruments of a long-continued, systematic, disciplined activity directed by a foreign power and purposing to overthrow existing government in this country. Organizations are subject to it only when shown, after administrative hearing subject to judicial review, to be dominated by the foreign power or its organs and to operate primarily to advance its purposes. That a portion of the evidence upon which such a showing is made may consist in the expression of political views by the organization does not alter the character of the act or of the incidents to which it attaches. Such expressions are relevant only as probative of foreign control and of the purposes to which the organization's actions are directed. The Board, in the present proceeding, so understood the act. The registration requirement of section 7, on its face and as here applied, does not violate the first amendment.

(c) Self-incrimination of the party's officers: Section 7 (a) and (c) requires that organizations determined to be Communist-action organizations by the Subversive Activities Control Board register within 30 days after the Board's registration order becomes final. Registration is to be accompanied by a registration statement, prepared in such manner and form as the Attorney General, by regulations, prescribes. Section 7(d). The form which, pursuant to this authority, the Attorney General has prescribed requires that registration statements "shall be signed by the partners, officers, and directors, including the members of the governing body of the organization." 28 CFR section 11.200; Department of Justice Form ISA–1. If the organization fails to register or to file a registration statement, it is the duty of the executive officer, the secretary, the president,

[40] H. Rept. No. 2980, 81st Cong., 2d sess. 2; H. Rept. No. 1844, 80th Cong., 2d sess. 5.

[41] One aspect of the constitutional attack on the New York statute in the Bryant case was that the "liberty" protected by the due process clause comprehended freedom to form harmless associations and engage in nonviolent associational activity.

[42] Added by an act of July 29, 1954, 68 Stat. 586.

[43] See S. Rept. No. 2369, 81st Cong., 2d sess. 4; H. Rept. No. 2980, 81st Cong., 2d sess. 3; S. Rept. No. 1358, 81st Cong., 2d sess. 3, 5, 8; H. Rept. No. 1844, 80th Cong., 2d sess. 2; 96 CONGRESSIONAL RECORD, 13731, 14171–14173.

or chairman, the vice president or vice chairman, the treasurer, and the members of the governing board, council, or body, to register the organization by filing a registration statement for it within 10 days after the expiration of the 30-day registration period allowed the organization. See 28 CFR section 11.205, issued pursuant to section 7(h) of the act. The party contends that these requirements cannot be imposed and exacted consistently with the self-incrimination clause of the fifth amendment. Officers of the party, it is argued, are compelled, in the very act of filing a signed registration statement, to admit that they are party officers—and admission which we have held incriminating. *Blau* v. *United States*, 340 U.S. 159; cf. *Quinn* v. *United States*, 349 U.S. 155. What is required is said to be not merely the production of documents kept in an official capacity for the party, see *McPhaul* v. *United States*, 364 U.S. 372; *United States* v. *White*, 322 U.S. 694; *Wilson* v. *United States*, 221 U.S. 361, but individual action by the officers which, by establishing a connection between the officers and the documents, in effect convicts the officers out of their own mouths. Cf. *Curcio* v. *United States*, 354 U.S. 118.

Manifestly, insofar as this contention is directed against the provisions of section 7 (h) and 23 CFR, section 11.205, requiring that designated officers file registration statements in default of registration by an organization, it is prematurely raised in the present proceeding. The duties imposed by those provisions will not arise until and unless the party fails to register. At this time their application is wholly contingent and conjectural. Cf. *Alabama State Federation of Labor* v. *McAdory*, 325 U.S. 450.[44]

We find that the self-incrimination challenge to section 7 (a) and (d), as implemented by the Attorney General's regulations and forms, is also premature at this time. The privilege against self-incrimination is one which normally must be claimed by the individual who seeks to avail himself of its protection. *Vajtauer* v. *Commissioner of Immigration*, 273 U.S. 103; *United States* v. *Murdock*, 284 U.S. 141; *Rogers* v. *United States*, 340 U.S. 367; see also *Smith* v. *United States*, 337 U.S. 137, 147–148; *United States* v. *Monia*, 317 U.S. 424, 427. We cannot know now that the party's officers will ever claim the privilege. There is no indication that in the past its high-ranking officials have sought to conceal their identity, and no reason to believe that in the future they will decline to file a registration statement whose whole effect, in this regard, is further to evidence a fact which, traditionally, has been one of public notice. Within 30 days after the Board's registration order becomes final, the party's officers may file signed registration statements in the form required by form ISA–1. Or they may file statements claiming the privilege in lieu of furnishing the required information. If a claim of privilege is made, it may or may not be honored by the Attorney General. We cannot, on the basis of supposition that privilege will be claimed and not honored, proceed now to adjudicate the constitutionality under the fifth amendment of the registration provisions. Whatever proceedings may be taken after and if the privilege is claimed will provide an adequate forum for litigation of that issue.

The party contends, however, that under the Subversive Activities Control Act there will be no opportunity for its officers to claim the fifth amendment privilege without, at the same time, giving up all the protection which the fifth amendment secures them. Persons who come forward to make the claim, it is said, will as much reveal themselves to the Attorney General as officers of the party as if they had in fact filed a registration statement. But it is always true that one who is required to assert the privilege against self-incrimination may thereby arouse the suspicions of prosecuting authorities. Nevertheless, it is not and has never been the law that the privilege disallows the asking of potentially incriminatory questions or authorizes the person of whom they are asked to evade them without expressly asserting that his answers may tend to incriminate him. *State* v. *Kemp*, 126 Conn. 60, 9 A. 2d 63; *O'Connell* v. *United States*, 40 F. 2d 201 (C.A. 2d Cir.); *In re Knickerbocker Steamboat Co.*, 139 F. 713 (D. C. S. D. N. Y.); *In re Groban*, 99 Ohio App. 512, 135 N. E. 2d 477, aff'd, 164 Ohio St. 26, 128 N. E. 2d 106, aff'd, 352 U.S. 330; *Allhusen* v. *Labouchere*, L. R. 3 Q. B. D. 654; *Fisher* v. *Owen*, L. R. 8 Ch. D. 645. And see *United States* v. *Hiss*, 185 F. 2d 822 (C.A. 2d Cir.); *Commonwealth* v. *Granito*, 326 Mass. 494, 95 N. E. 2d 539. In *United States* v. *Sullivan*, 274 U.S. 259, this Court sustained a conviction for failure to file an income tax return, despite the defendant's objection that answers called for on the return would have incriminated him. Mr. Justice Holmes, for a unanimous Court, wrote that "If the form of return provided called for answers that the defendant was privileged from making he could have raised the objection in the return, but could not on that account refuse to make any return at all. * * * [I]f the defendant desired to test that or any other point he should have tested it in the return so that it could be passed upon. He could not draw a conjurer's circle around the whole matter by his own declaration that to write any word upon the government blank would bring him into danger of the law." Id., at 263–264. This would, of course, be the normal rule. Perhaps Sullivan is distinguishable, however, from the situation of registration under the Subversive Activities Control Act. Tax returns must be filed generally, and answers to tax return questions may involve any of a wide variety of activities, whereas the obligation to file a registration statement compels a few particular individuals to come forward, to identify themselves, and to suggest, at least, their connection with a relatively limited potential sphere of criminal conduct. Then, too, in Sullivan, Mr. Justice Holmes assumed that some, at least, of the answers to the questions on the tax return would not have been incriminating, whereas in the case of the registration statement, any claim of the privilege would involve the withholding of all information; thus, there is, presumably, a greater governmental interest in having the privilege claimed specifically on the form in the tax-return circumstances. To suggest these possible distinctions is to recognize that the applicability of the Sullivan principle here may raise novel and difficult questions as to the reach of the fifth amendment—questions which should not be discussed in advance of the necessity of deciding them. See *Peters* v. *Hobby*, 349 U.S. 331, 338. The stage at which that decision will become necessary, if at all, is the stage at which Sullivan itself was decided: when enforcement proceedings for failure to register are instituted against the party or against its officers. See *People* v. *McCormick*, 102 Cal. App. 2d Supp. 954, 228 P. 2d 349.

In arguing that the issue is not now premature, the party cites *Boyd* v. *United States*, 116 U.S. 616, for the proposition that, where a statute compelling the production of potentially incriminating information allows the exercise of the fifth amendment privilege only under circumstances which effectively nullify the amendment's protection, the statute may be held "unconstitutional and void," not merely unenforcible in cases in which a proper claim of privilege is made. Assuming arguendo that this proposition is correct, the most that can be drawn from it of pertinence to the present case is that, in a prosecution of the party for failure to register, or in a prosecution of its officers for failure to register the party, the Court would have to determine whether the subversive Activities Control Act is a statute which, like the statute in Boyd, unconstitutionally circumscribes the effectual exercise of the privilege. Obviously, such a determination would never have to be made if an enforcement proceeding were never brought—either because party officials registered pursuant to section 7 (a) and (d) without complaint, or because they did choose to assert the privilege in some form in which it could be recognized. The Boyd case involved a statute providing that in proceedings other than criminal arising under the revenue laws, the Government could secure an order of the court requiring the production by an opposing claimant or defendant of any documents under his control which, the Government asserted might tend to prove any of the Government's allegations. If production were not made, the allegations were to be taken as confessed. On the Government"s motion, the district court had entered such an order requiring the claimants in a forfeiture proceeding to produce a specified invoice. Although the claimants objected that the order was improper and the statute unconstitutional in coercing self-incriminatory disclosures and permitting unreasonable searches and seizures, they did, under protest, produce the invoice, which was, again over their constitutional objection, admitted into evidence. This Court held that on such a record a judgment for the United States could not stand, and that the statute was invalid as repugnant to the fourth and fifth amendments. In Boyd, production had been ordered, objected to, and, the Court held, unconstitutionally compelled. There is nothing in the case which justifies advisory adjudication of self-incrimination questions prior to the time when a demand for information has been, at the least, made and resisted.

(d) Legislative predetermination of adjudicative fact: It is next asserted that the act offends the due process clause of the fifth amendment by predetermining legislatively facts upon which the application of the registration provisions to the Communist Party depends. Two arguments are made in this regard. The first is that although section 3(3), defining a "Communist-action organization," purports to require findings that an organization is controlled by "the foreign government or foreign organization controlling the world Communist movement referred to in section 2" and operates primarily to advance, the objectives "of such world Communist movement as referred to in section 2," the existence of a world Communist movement, its direction by the government of a foreign country, and the nature of its objectives are "found" by Congress in section 2, and may not be litigated in proceedings before the Board. Thus, an organization is precluded from showing operative facts which would take it out of section 3(3): viz, that there is no world Communist movement, or that, if there is, it is not controlled by a foreign government, or that it does not have the objectives attributed to it by section 2. The second argument is that the Board was in effect foreclosed from finding that the party was not a Communist-action organization by the declarations, in section 2 (9), (12), and (15), that there are in the United States individuals who knowingly and willfully participate in the world Communist movement, that there is a Communist network in the United States, and that the "Communist movement in the United States is an organization." Given these "facts," it is asserted, nothing is left to the Board but to supply the name

[44] A fortiori we do not reach at this time the question of the validity of sec. 8 of the act. See note 22, supra.

of the organization—a name which, the party contends, is obvious. Further, it is pointed out, Congress in 1954, prior to the Board's final determination in this proceeding, enacted the Communist Control Act, 68 Stat. 775, 50 U.S.C. section 841 et seq., which declares in its second section:

"The Congress hereby finds and declares that the Communist Party of the United States, although purportedly a political party, is in fact an instrumentality of a conspiracy to overthrow the Government of the United States. * * * [T]he policies and programs of the Communist Party are secretly prescribed for it by the foreign leaders of the world Communist movement. * * * [I]ts role as the agency of a hostile foreign power renders its existence a clear present and continuing danger to the security of the United States."

The Board could not, therefore, the party argues, find that the Communist Party was not a Communist-action organization without contradicting Congress.

First. We have held, supra, that the congressional findings that there exists a world Communist movement, that it is directed by the Communist dictatorship of a foreign country, and that it has certain designated objectives, inter alia, the establishment of a Communist totalitarian dictatorship throughout the world through the medium of a worldwide Communist organization, section 2(1), (4), are not open to reexamination by the Board. We find that nothing in this violates due process. Under section 3(3) of the act, an organization may not be found to be a Communist-action organization, unless it is shown to be, first, "substantially directed, dominated, or controlled by the foreign government or foreign organization controlling the world Communist movement referred to in section 2. * * *" The only operative function of section 2 in this respect is to designate what Congress meant by "world Communist movement," "the foreign government," etc. The characteristics of the movement and the source of its control are not to be established by the Attorney General in proceedings before the Board, nor may they be disproved. But this is because they are merely defining terms whose truth, as such, is irrelevant to the issues in such proceedings. They are referrents which identify "the foreign government" to which section 3(3) adverts. The Board, construing the statute, concluded that that foreign government was the Soviet Union. We affirm that construction.

The statute, then, defines a Communist-action organization in terms of substantial direction, domination, or control by the Soviet Union. The Government offered evidence to show that the Soviet Union substantially directed, dominated, or controlled the Communist Party. The party had an opportunity to rebut this showing, and it attempted to do so. The Board found that the Government's showing was persuasive; it issued a 240-page report so concluding; and the court of appeals affirmed. None of the operative facts were "predetermined," except in the sense in which any statute, as construed, designates the nature of the facts pertinent to issues which may be litigated under it. If, in future years, in a future world situation, the Soviet Union is no longer the foreign country to which section 2 (1) and (4), fairly read in their context, refer—so that substantial domination by the Soviet Union would not bring an organization within the terms of section 3(3)—that, too, will be a matter of statutory construction which no "findings" in the statute foreclose. The Board or a reviewing court will be able to say that the "world Communist movement," as Congress meant the term in 1950 (and whether or not there really existed, in 1950, a movement having all the characteristics described in section 2), no longer exists, or that country X or Y, not the Soviet Union, now directs it. A similar process of adjudication is required under section 3(3)(a)(ii), the "objectives" component of the definition of a Communist-action organization.

It provides that, in order to be found a Communist-action organization, an organization must be shown to operate "primarily to advance the objectives of such world Communist movement as referred to in section 2. * * *" What those objectives are is made clear by the terms of section 2 itself. They are there described in detail. Whether they are in fact the objectives of some "world Communist movement" which in fact exists may not be litigated, because the question is irrelevant. Whether the particular organization against whom the Attorney General files a petition for a registration order operates primarily to advance those objectives is the pertinent issue under the statute, and this issue may be litigated. That is all that due process requires.

The decisions cited by the *Party, Tot* v. *United States*, 319 U.S. 463; *McFarland* v. *American Sugar Ref. Co.*, 241 U.S. 79; *Manley* v. *Georgia*, 279 U.S. 1; *Western & Atlantic R. Co.* v. *Henderson*, 279 U.S. 639; and see *Bailey* v. *Alabama*, 219 U.S. 219, have no application here.

These cases involved statutes which, purporting to attach legal consequences to one set of facts, created a rebuttable presumption of the existence of that set of facts which arose upon proof of other facts having, this Court found, no rational relation to the facts upon which the statutory consequences turned. The Subversive Activities Control Act, however, does not define a Communist-action organization as one which operates primarily to advance whatever objectives are actually held by the world Communist movement, leaving these objectives as facts to be proved. It finds that the particular objectives set out in section 2 are those of the world Communist movement and requires the registratior of certain foreign-dominated organizations which operate primarily to advance those objectives. One, and only one, set of facts is in issue under section 3(3)(a)(ii): whether a particular organization does or does not operate primarily to advance those objectives; and, as to this, the legislation "predetermines" nothing.

Second. We do not find that the congressional assertions in section 2 (9), (12), and (15), that there exist in the United States individuals dedicated to communism, a "Communist network," a "Communist movement," and a Communist "organization," deprive the party of the fair hearing which due process of law requires. Fairly read, these findings neither compel nor suggest the outcome in any particular litigation before the Board. They do not create the impression that there is a single Communist-action organization in the United States, still less that the Communist Party is "it." Nor can we hold that the findings of section 2 of the Communist Control Act of 1954 unconstitutionally prejudice the party. It is not suggested that these were enacted with a purpose to influence the then pending proceedings in the present case. Rather, they are a portion of legislation deemed necessary by Congress pursuant to its continuing duty to protect the national welfare. Nowhere in the extensive modified reports of the Board nor in the opinions of the court of appeals are the 1954 legislative findings considered. While we must, of course, assume that the Board was aware of them, we cannot say that their very annunciation by Congress—in the absence of any showing that the Board took them into account—foreclosed or impaired a fair administrative determination.

The other constitutional questions raised by the party have been carefully considered, but do not call for detailed discussion. And we must decline, of course, to enter into discussion of the wisdom of this legislation. The Constitution does not prohibit the requirement that the Communist Party register with the Attorney General as a Communist action organization pursuant to section 7.

The judgment of the court of appeals is affirmed.

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from Ohio.

Mr. DEVINE. First, I would like to compliment the gentleman from California for his continued efforts as a member of the House Committee on Un-American Activities for his valiant fight against communism on the domestic level.

May I ask this question: Is it the usual practice on the part of the Supreme Court of the United States, after a decision is rendered in a case of this nature, to then grant a long period, such as in this case 3 or 4 months, for them to decide whether or not they were right in the first instance?

Mr. DOYLE. Well, I can answer the gentleman that it is an established practice. It is nothing unusual for the Supreme Court of the United States or any other high court to grant a reasonable time for rehearing or for a consideration on whatever motion is before it before the judgment becomes effective.

Mr. DEVINE. I believe the gentleman will agree with me that the Supreme Court of the United States is, of course, the court of last resort and that this particular legislation had been in the courts, I believe, if I am not mistaken, for a period of 7 years. Ultimately they did reach this decision which would require the Communist Party to reveal its members. This decision is most refreshing, and I was wondering whether granting this unusual time was an unusual procedure.

Mr. DOYLE. Not at all. It is very usual. In fact, it is common practice in a decision especially where, as in this case, it involves the constitutionality of certain laws. There was a great deal at issue in this case, I will say to the gentleman.

Mr. NORBLAD. Mr. Speaker, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from Oregon.

Mr. NORBLAD. I would like to compliment my colleague from California for the excellent and outstanding statement he has made today.

Mr. DOYLE. I thank the gentleman from Oregon.

MAJ. GEN. EDWIN A. WALKER, U.S. ARMY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. DEVINE] is recognized for 60 minutes.

Mr. DEVINE. Mr. Speaker, this will be a change of pace from the important legislation the House has been considering today concerning the Mutual Security Act. I think, however, the subject matter of my remarks in this special order are perhaps of equal importance.

I intend to address the membership on the subject of the removal of Maj. Gen. Edwin A. Walker as the commanding officer of the 24th Infantry Division, U.S. Army, stationed in critical Germany.

I may say this is the first time in over 2½ years I have been a Member of this body that I have taken a special order on any subject. But I think a rank injustice has been done a very important member of our military, a high-ranking officer.

At the outset, let us examine for a moment: Who is General Walker?

Edwin A. Walker was born on November 10, 1909, at Center Point, Tex. He was appointed to the U.S. Military Academy at West Point on July 1, 1927, from Texas. He graduated in 1931.

He had a very distinguished service during the time he has been in the military forces. From December 1939 to November 1941, he was battery commander, 2d Battalion, 13th Field Artillery Regiment, at Schofield Barracks, T.H.

From May 1943, to November 1945, he was commanding officer of the 3d Regiment, 1st Special Service Force, in Alaska and Italy; commanding officer, 1st Special Service Force, Italy, France, and Germany; commanding officer, 474th Infantry Regiment, 3d Army, Germany, and commanding officer, Task Force A, Olso, Norway.

Thereafter, from October 1950 to August 1951, he was assistant commandant, Ranger Training Command, Fort Benning, Ga. He trained ranger companies, airborne, one for each division, including Korea.

He had the fortunate or unfortunate experience of being the chief, U.S. Army military district at Little Rock, Ark., during the period from August 1957 to October 1959.

Since October 1959, until he was removed in April of this year, he was commanding general, 24th Infantry Division, Augsburg, Germany.

He is not an armchair soldier, as you can see.

He has received the Silver Star, the Bronze Star with oak leaf cluster, the Combat Infantryman's Badge, second award, the Senior Paratrooper Badge, the Legion of Merit with cluster, the Commendation Ribbon, the Korean Unit Citation, the Korean Service Medal, the Asiatic Pacific Medal, the American Defense Medal, the United Nations Service Medal, the World War II Victory Medal, the Europe, Africa, and Middle East Medal, the American Campaign Medal, the Army of Occupation Medal, and the National Defense Service Medal.

In addition to that he has received the French Croix de Guerre in December 1943, the Norwegian Order of St. Olav, 1946, the Order of the British Empire, 1945, and the Korean Ulchi Medals with gold and silver star.

Now, I do not know General Walker. I never had heard of him prior to the incident which I am relating. When I did hear of it, however, I became disturbed and started to make some inquiries. Among other inquiries I directed a letter to the Pentagon on June 29 of this year making a general inquiry, and I made this statement, which I still feel applies today:

> I continue to be amazed at the demand for freedom of expression, freedom of thought, and freedom of speech for those advocates of wild, radical, liberal leftist line and their stanch supporters through the American Civil Liberties Union and other such organizations.
>
> Yet, on the other hand, if someone dares to speak for constitutional government or patriotism, he is immediately throttled, threatened, transferred, or repudiated.

One report here says that General Walker is an authentic American hero with an outstanding record of 30 years' service to his country as a professional soldier and patriot. Even the Army's report in the case contains the statement that "no one can question General Walker's sincerity of purposes." In spite of his record, he was treated shamefully by his superiors. Why? This report states he instituted a successful pro-American troop indoctrination program in his own division, reportedly the only American division capable of entering the line immediately in case of hostilities in Europe. Now, with the Berlin crisis worsening week by week, General Walker has been taken from command of this combat division. The morale of his troops has suffered a severe blow and a demise of the problue program has left a gap which will be difficult to fill.

What is the problue program? I never heard of it before. I have learned it is this: In teaching the troops of this great Nation about what goes on in this world, it was suggested that he take an anti-Communist line. General Walker is not a negative person. He said:

> Let us not talk anti; let us be positive. Let us be pro. Let us be for something.

"Problue" means pro-American, patriotic, anti-Red. That is the very thing for which he was charged by a newspaper, if it could actually bear that name; something called the Overseas Weekly, with doing something that was wrong. What about this Overseas Weekly? It is referred to by members of the service as the oversexed weekly. Why? Because it deals in such things as pictures that perhaps border on being pornographic. One report I received here says that this is what precipitated the controversy which resulted in General Walker's suspension and transfer from his command.

Paul Harvey in an article on June 2 described it as a "slime mongering, girlie stripping scandal sheet called the Overseas Weekly; a smutty leftwing tabloid."

The gentleman from Arkansas [Mr. ALFORD], who I see on the floor of the House this afternoon, described the attack on the general as having been engineered by a "salacious overseas pink sheet which was banned from distribution to our Armed Forces on complaint of a chaplain's committee."

This is further contained in this report:

> For a period of more than 2 years prior to the announcement of the admonition of General Walker by the Army, the Overseas Weekly and its staff had been refused accreditation by the Department of Defense.

This meant that the paper should not have been allowed to be sold on the Army Stars and Stripes newsstands overseas during that period. Nevertheless, it was so sold. I will ask the question, why?

Another question is directed here. Who in the Pentagon looked the other way while this was going on? We ask the question, why? And another question: Why did the Department of Defense accredit the publisher of the paper and two minor members of her staff the week preceding the admonishment of General Walker? Why? Why was it so imperative, this report asks, that this foul, discredited sheet be protected and coddled by direction from the very heads of Government, while a great and gallant soldier was stripped of his command, and denied a well-merited promotion to a command, in his own home State, and limited to an administrative post in Germany until such time as the Army civilian heads could safely demote him even still further?

One thing that is very difficult to understand, one thing that created my curiosity is why General Walker was relieved of his command prior to the institution of any investigation. It is very difficult to understand about a man who has this tremendous record. Here is another report on "What kind of man is General Walker?" This appeared in a column by a Mr. Holmes Alexander who has a syndicated column across this Nation. He wrote this:

> At the outbreak of World War II, he volunteered for extrahazardous duty and trained with a Canadian group for special action in ski, mountain, amphibious, and airborne fighting, at Helena, Mont. As a regimental commander in this special force, he served in the Aleutians, and later in Italy, France, Germany, and Norway * * * his preceding the famous battle of Cassino * * *. He spent 20 months in the Korean conflict, as regimental commander, deputy chief of prisoner of war affairs, senior adviser to the crack Republic of Korea 1st Corps.

On August 1 of this year, Mr. Speaker, I directed a letter to the Honorable CARL VINSON, chairman of the Committee on Armed Services of the House of Representatives, after having conducted what I considered an independent investigation in an effort to determine the true facts. As I say, I do not know General Walker. I had never heard of him before newspaper reports of this incident. I thought I was getting the run-around from the Department of Defense and other places. I directed a letter actually to the General himself asking him if he felt he was in a position to throw some light on what I describe as this general "fiasco." I might say this, that I do not feel at liberty at this time to reveal the contents of the reply received from General Walker. He did indicate that he felt he was not in a position to speak fully at this time but some of the comments that he wrote to me actually were pathetic.

Here in this great country of ours, here where we have freedom of speech, a major general of the U.S. Army did not feel free to speak. What was his crime?

I directed this letter on August 1. I said this to Chairman VINSON, of the House Armed Services Committee:

DEAR MR. CHAIRMAN: Scores of people have written their Congressmen demanding an investigation to determine the true facts relative to the allegations made against Maj. Gen. Edwin A. Walker.

And if I may interpolate, I have received many, many letters, and I know many of my colleagues, such as the gentleman from Iowa [Mr. KYL], the gentleman from Illinois [Mr. MICHEL], the gentleman from Illinois [Mr. COLLIER], and others, have told me of numbers of letters that they have received from the citizens of this Nation demanding to know what are the true facts. They are trying not to judge the case by themselves. They want to know the facts. They want to be able to reach an independent conclusion as to whether or not this great American has been injudiciously treated.

Now to go on with this letter:

On April 25, 1961, I requested a report on this matter from the Secretary of Defense, Robert S. McNamara. Brig. Gen. C. R. Roderick acknowledged this request on April 27, 1961.

The following day Lt. Col. William A. Hunter also acknowledged my request and stated that the Secretary of the Army had directed the Commander in Chief, U.S. Army Europe, on April 17, 1961, to transfer General Walker from command of the 24th Infantry Division in Germany to Headquarters, U.S. Army Europe, pending the outcome of an official investigation of reported statements and actions of General Walker.

A month passed with no further report, and I made another request for reports of the investigation on May 26, 1961.

Thereafter, a mimeographed sheet dated June 12, 1961, which, incidentally, is on the same date I directed a letter to the President, issued by the Office of the Chief of Legislative Liaison, was received, a copy of which I attach to my letter to Chairman VINSON:

This mimeographed report is a self-explanatory formal announcement of the admonishment of Maj. Gen. Edwin A. Walker for making derogatory statements about prominent Americans; further, that his actions exceeded the limits of propriety for an officer of the Army.

Mr. KYL. Mr. Speaker, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from Iowa.

Mr. KYL. Lest there be any misunderstanding by anyone reading the RECORD, the gentleman mentioned a few moments ago a letter received from General Walker.

Mr. DEVINE. Yes.

Mr. KYL. I think it might be well to state at this point that there is nothing in this letter from the general which would be deemed improper by even his most severe critics.

Mr. DEVINE. That is most correct. I believe I have shown this letter to the gentleman from Iowa and he is fully aware of what he said.

Further quoting from the letter:

These unsupported conclusions with no corroborating facts resulted in telephone conversations and finally on June 29, 1961, I directed another letter, this time to Col. V. L. Bowers, Secretary Army, Chief Legislative Liaison, specifically requesting "the specific charges in detail, the source of complaint, copies of the Overseas Weekly articles that gave rise to the investigation, a copy of the speech referred to heretofore, the results of the investigation, and General Walker's side of the story." On July 19, 1961, Lt. Col. James Campbell hand delivered a letter from Maj. Gen. H. A. Gerhardt, a copy of which is attached hereto and marked exhibit 2. This letter enclosed Thermofax copies of the publication the Overseas Weekly dated April 16 and April 23, 1961, which are available to you on request.

The key sentence in this letter, in my opinion, appears at the bottom of page 1 and says, "no substantial evidence was revealed that General Walker had referred to former President Harry S. Truman, Dean Acheson, and Eleanor Roosevelt as 'definitely pink' as alleged by the Overseas Weekly, but it was established that he had stated or inferred that these prominent persons are leftist-influenced or affiliated."

The top paragraph on page 2 of the reference letter is also significant. You will note, however, that this letter ignores most of the questions contained in my request on June 29, 1961.

Meanwhile, I have been in touch with Maj. Gen. Edwin A. Walker and he, for reasons best known to himself, declines to shed further light on the overall picture. It doesn't take much imagination to see that he has been effectively muzzled either by the Army, the Secretary of Defense, or someone else in higher authority.

Mr. Chairman, the American people demand and are entitled to know the facts in this case. Members of Congress are also entitled to know whether the Secretary of the Army or someone else in high authority acted hastily and injudiciously in relieving General Walker of his command.

Mr. FISHER. Mr. Speaker, will the gentleman yield?

Mr. DEVINE. I am happy to yield to the gentleman from Texas. If I am not mistaken, the gentleman from Texas represents the district which is the residence of General Walker.

Mr. FISHER. The gentleman is correct.

First, I want to say I completely share the gentleman's estimation of General Walker. I am pleased to know of the interest that has been expressed here and the information that has been developed during the gentleman's remarks relating to this incident which is the subject of your discussion. It happens that General Walker is a constituent of mine. He was born and reared in the district which I represent. His mother and his brother live there now. They are highly respected people. I feel, as I am sure the gentleman does, and as he has indicated in his talk, that now, of all times, this country needs to make the very best use of the best talent that is available in the military services because of the world situation as it has developed. It is admitted by all concerned, including the report on the investigation, that General Walker is an outstanding combat leader.

Gen. Mark Clark, whom many of us know personally and who also comes from Texas, in his report was quoted as saying:

General Walker's past military and combat record is commendable. No one can question General Walker's sincerity of purpose.

He is only 51 years of age. The gentleman from Ohio has already outlined some of his combat record, which I think I can say without hesitation probably is the most outstanding record of anyone his age in the entire U.S. Army today. I think the record reflects that. He has received practically all the decorations that can be awarded to a combat leader. He has demonstrated his qualities of leadership time after time in the field of battle.

Therefore, I want to join with the gentleman in expressing the hope that now that the dust is settled, after this investigation and report, the Army will get around to assigning General Walker to a command in keeping with his talents and with his past record. The times are too perilous to waste a talent like this. It seems to me imperative that the question of an assignment which would make the maximum and best use of General Walker's capabilities and his combat leadership should be decided in the very near future. At least that is my hope.

I recently received a letter from the Secretary of the Army in reply to an inquiry I made about General Walker in which, among other things, he said:

General Walker is presently assigned to an important position related to the planning and supervision of Army operations in Europe.

That is fine. I am sure whatever he is doing is being done well.

Beyond doubt and above everything I hope that the Secretary of the Army, the Secretary of Defense, and the President, if he should be consulted further about it, will see to it that General Walker is given an assignment that will make the very best use of his remarkable combat leadership talents.

Again I want to thank the gentleman for this privilege of joining him in his commendation that is due General Walker. The times, as I said before, are too perilous for us to be involved too much in what I think are these petty complaints about General Walker that were exposed by a salacious, discredited newspaper in Europe that was barred from being sold on the newsstands in the military installations by the general who was in command at Heidelberg. Finally it was permitted to resume only after agreement was made that they would clean it up, and there is not much indication that it has been cleaned up. So I regard a lot of these things as rather petty and relatively unimportant.

In these times of peril certainly it is no time to be making decisions not to use the quality of the leadership such as General Walker has, or having that related in any way to these things that the gentleman has referred to that happened in Europe a few months ago exposed by this discredited weekly.

So, in conclusion, I want to again express the hope that now that the dust has settled after this investigation and report has been made, in view of the situation in Berlin, as has been so well described by the President, and in this time of peril let us all hope that they will take another look at this and give to General Walker an assignment where the very

best of his talents may be used most effectively, and that certainly is in a position of leadership in connection with our combat troops.

Mr. DEVINE. I thank the gentleman for his contribution.

Mr. JUDD. Mr. Speaker will the gentleman yield?

Mr. DEVINE. I yield.

Mr. JUDD. Is it not rather ironical that just this afternoon we have been debating how we could help other countries, some of them very friendly, how we could help them develop and save their freedoms while distinguished and heroic leaders of our own Armed Forces are being denied freedom of speech on matters that affect the survival of our country? It is not General Walker, but the Army leadership who are on trial today, and I hope that they will move rapidly to correct the situation into which they have brought the leadership of the Armed Forces of our country.

Mr. DEVINE. I agree with the distinguished gentleman from Minnesota. It is most ironical.

In reply to my request for an investigation to the chairman of the Armed Forces Committee, I received a letter dated August 14. I ask unanimous consent that it may be included in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

(The letter referred to follows:)

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., August 14, 1961.

Hon. SAMUEL L. DEVINE,
House of Representatives,
Washington, D.C.

DEAR MR. DEVINE: I have just returned to my office from a short absence and wish to acknowledge your letter of August 1 concerning Maj. Gen. Edwin A. Walker.

You outline the series of actions which you have taken with reference to this matter and conclude by requesting an immediate investigation of the whole General Walker episode.

This committee has followed this matter closely since its inception. Initially it was necessary to await the completion of the investigation by a specially appointed Inspector General, Lieutenant General Brown. You will recall that Gen. Bruce Clark, who commands the Army forces in Europe, selected Lieutenant General Brown as a special Inspector General for the purpose of this investigation.

I am sure you know that verbatim Inspector General reports are not made available to the public. However, I requested and received a classified summary of the report, in this case. That summary contained the basis for the action which was taken by the Secretary of the Army.

I fully realize that General Walker is an able and loyal officer. Certainly, neither of these points are in controversy. The only point in controversy is whether or not General Walker was sufficiently guilty of an abuse of discretion as to justify the verbal admonishment which he received. The special Inspector General, finding the decision of General Clark and the concurrence of the Secretary of the Army were in accord in approving the actions which were taken with reference to General Walker.

While we both recognize that many are in disagreement with that decision, it cannot be disputed that the Secretary of the Army had full authority to reach that decision. While I share your feelings that General Walker has made a fine military record, I do not feel that any good purpose would be served by instituting the investigation which you request.

Sincerely yours,

CARL VINSON,
Chairman.

Mr. DEVINE. To that letter I immediately replied on August 15 to the chairman, as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 15, 1961.

Hon. CARL VINSON,
Chairman, Committee on Armed Services,
House of Representative, Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to your letter dated August 14, 1961, in which you decline to conduct an investigation concerning the removal of Gen. Edwin A. Walker as commanding officer of the 24th Infantry Division because you "do not feel that any good purpose would be served by instituting the investigation * * *."

It is with regret that I learned of your decision, and I am accordingly introducing a concurrent resolution in the House tomorrow, August 16, requesting the establishment of a joint committee to conduct a full and complete investigation.

Further, I have reserved a special order at the end of legislative business on that date, at which time I expect to explore this overall problem. You may wish to be on the floor at that time as I shall undoubtedly mention your letter declining this investigation.

Very truly yours,

SAMUEL L. DEVINE.

On the same date I directed a letter to the Honorable RICHARD B. RUSSELL, chairman of the Armed Services Committee, U.S. Senate, sending him a complete file of my correspondence concerning this matter, and suggesting that perhaps that body might, through that committee, wish to initiate an independent investigation.

On yesterday I introduced House Concurrent Resolution 372 to establish a joint committee to conduct a hearing and complete investigation and study of the facts and circumstances surrounding the removal of the general. This resolution reads as follows:

Resolved by the House of Represeniatives (the Senate concurring), That there is hereby established a joint committee which shall conduct a full and complete investigation and study of the facts and circumstances surrounding the removal of Major General Edwin A. Walker as Commanding General of the Twenty-fourth Infantry Division, and his reassignment to other duties. The members of the joint committee shall report to their respective Houses as promptly as possible the results of their investigation and study, together with such recommendations as the joint committee may deem advisable.

SEC. 2. (a) The membership of the joint committee shall consist of five Members of the Senate appointed by the President of the Senate, and five Members of the House of Representatives appointed by the Speaker of the House of Representatives. In each instance not more than three Members shall be of the same political party. Vacancies in the membership of the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as in the case of the original appointments. The joint committee shall select a chairman and a vice chairman from among its members, and shall determine the number of members necessary to constitute a quorum for the transaction of business.

(b) The joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places, within or outside the United States, to require, by subpena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. Subpenas may be issued under the signature of the chairman of the joint committee or any member of the joint committee designated by him, and may be served by any person designated by such chairman or member.

(c) The joint committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and clerical and stenographic assistants as it deems necessary and advisable, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1949 for comparable duties. The joint committee is authorized to utilize the services, information, facilities, and personnel of the departments and establishments of the Government.

(d) Expenses of the joint committee shall be paid from the contingent fund of the House, on vouchers signed by the chairman thereof and approved by the Committee on House Administration.

Now, as an offshoot of this, I have received a lot of correspondence. Apparently, one of the wire services carried this story in the Stars and Stripes overseas. Of course I find it necessary at this time to protect the authors of these two letters, which I am going to read in part to you, but it does give an idea of how some people feel who have been associated with this patriotic American.

This first letter is undated. I received it about the 13th of this month:

DEAR MR. DEVINE: I read the inclosed article in the Stars and Stripes and was delighted to see that someone is seeking the facts of the General Walker case.

As a former member of the ——— Division, I feel that I am familiar with the case. I was chagrined when General Walker was relieved without an investigation. The basis of the relief was an article in the Overseas Weekly, the poorest excuse for a newspaper I have ever seen.

I have been in Germany for ——— months as a member of the U.S. Army, during which time I have scrutinized this paper. Whenever possible news of American forces is reported as to cast disfavor upon all aspects of our Army.

This paper has succeeded, to a degree, in perpetuating an attitude of "Go Home Yankee" among the Germans by being a decrier of our inequities; creating a nonmoral atmosphere among our troops by publication of immoral photographs and articles; confusing and misleading our soldiers by distortion and clever phrasing of the news and reporting of half-truths; demeaning the officer corps by continuous and sensational reporting of wrongdoings by officers.

I request that you make a careful analysis of this weekly. I realize your disadvantage in not knowing our situation and that you cannot fully evaluate the effect this paper has on our young men. However, I can assure you that this is not literature parents desire that their sons read. Many dependent parents prohibit their children from reading this paper.

Nothing can be said for the program General Walker conducted in the ——— Division but that it was outstanding. It was established to instill patriotism in our soldiers and to show them who their enemy is and how he operates. Remember, "know your enemy"?

For this he was persecuted; he should have been praised.

Being a former FBI agent, you have probably heard J. Edgar Hoover say that any man in a high position who chooses to fight communism will be hurt. I no longer doubt the veracity of this. General Walker is not our only citizen who has been hurt.

Congratulations, sir, for standing up to be counted. It seems that everyone else is "running scared."

Sincerely yours,

——— ———.

This is signed by an officer.

Here is another quite short letter, dated the 6th of this month, again from an oversea post office number:

DEAR SIR. I have noted in the Stars and Stripes you have demanded a congresssional hearing for General Walker.

He says further:

I think this whole deal just plain stinks. You are right in thinking that General Walker is muzzled and gagged so that he can say nothing. So is everyone else, and I do mean everyone.

And a blank day of a blank month:

I leave Germany on a certain ship for a certain port to receive my discharge shortly. I should get there about (blank) at which time (omit).

As soon as possible after that I would like to see you on this matter. I feel that I can be of help but at present I can say nothing.

I hope you will say nothing of this letter and will answer as soon as you can so I will be able to make my plans early.

I might say that I have corresponded further with him, however, not using the letterhead of the U.S. Congress.

I might also say that the junior Member of the other body from the State of South Carolina has pursued this matter from a different aspect. There is a great deal of information contained in the CONGRESSIONAL RECORD of June 26.

It tells a great deal about not only the General Walker situation itself but other aspects concerning the general muzzling of the military, and certain memorandums that was issued by another member of the other body which would indicate that the military service should not teach or promote anti-Communist films and discussions, the reason for which I find difficult to understand, and they refer to those that do stand up for patriotism as the "radical right."

A portion of the RECORD of July 26 says this, which I will quote. Relating to the general attack by Communists to discredit military leaders, it says:

Possibly the beginnings of the attack, other than in Pravda itself, was a slander sheet called the Overseas Weekly, which apparently has as its primary purpose the general discrediting of U.S. servicemen and their leadership in Europe, particularly those of the 24th Infantry Division. As a particular target, the Overseas Weekly undertook a campaign against the anti-Communist indoctrination course of the 24th Division and its commander at that time, Maj. Gen. Edwin Walker.

It is significant that although the Overseas Weekly has been charged with being subversive by many persons that the only investigation has been directed at General Walker and not the vicious slander sheet which dances to the tune of leftwing causes and gives its most prominent display to "girlie cheesecake" pictures and sensational GI crimes in its publication area, so near the Iron Curtain.

Despite the softly worded conclusions contained in the Department of Defense release on the General Walker incident, it is apparent that the campaign of the Overseas Weekly against the indoctrination program and General Walker was a great success for the Communists. Just how successful can be gleaned from a letter written by a company grade officer of the 24th Division to National Review and published in the May 6 issue of National Review.

Mr. Speaker, I do not intend to enlarge upon this much further at this time except to say this: It seems to me that the people of America are entitled to know the true facts concerning the release of General Walker from his command in Europe. As I say, I do not know the gentleman. I never heard of him before this particular incident. Maybe he is wrong. I do not think he is wrong. I am not going to prejudge him. But, I think we should know the facts, and that is why I have introduced this particular resolution requesting an impartial investigation.

Mr. COLLIER. Mr. Speaker, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from Illinois.

Mr. COLLIER. I want to commend my colleague from Ohio for bringing this matter to the attention of the House. I think it is of sufficient import to have it brought to the attention of the House as a special order of business. Now, I have received quite a number of letters from interested constituents in my district who sought information, many of whom did not attempt to, as the gentleman from Ohio said, prejudge the matter. They did so, however, because the charges as outlined were somewhat vague and because the original charges were, in fact, found to be not true.

And because certain alleged associations subsequently were even denied in the report from the Department of the Army, I think that we owe it to General Walker, and for that matter to every man in the armed services, to a review in this case.

To the knowledge of the gentleman from Ohio a review of this case has not been granted by the Army; is that correct?

Mr. DEVINE. I have no information to that effect. All I know is based on newspaper accounts and my correspondence with the Department of Defense to the effect that he was relieved of his command prior to the investigation. The admonition was, as I understand it, verbal, which is of no significance in military circles, as a lesson to other persons in the military not to take this type of tack in connection with your program for your military personnel.

Mr. COLLIER. More detailed information on the charges which have been portrayed in a somewhat vague manner have been requested by certain Members of Congress, as I understand it?

Mr. DEVINE. That is correct.

Mr. COLLIER. What reason has been given, if the gentleman knows, for not revealing this detailed and specific information?

Mr. DEVINE. Well, according to the letter which I incorporated in the RECORD here from Chairman VINSON, it indicated that he had had access to some material from the Department of Defense which I believe he described as classified.

Mr. COLLIER. The precedent of reviewing information in the Department of the Army files has already been established, if my memory serves me correctly, in the now famous Harmon and Abramowitz cases. Here the Supreme Court reviewed the military files; and in those cases, as the gentleman will remember, ruled that these two exservicemen were entitled to "nothing less than an honorable discharge," notwithstanding the fact that this was not the type of discharge they were originally given. Therefore, I would offer only this observation: that there has already been established, as a result of these two cases, the precedent of review of the military files and, in fact, a reversal by the Supreme Court of a military ruling in a matter of this nature.

Mr. Speaker, I thank the gentleman for yielding.

Mr. DEVINE. I appreciate the contribution which the gentleman from Illinois has made.

Mr. ALFORD. Mr. Speaker, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from Arkansas.

Mr. ALFORD. Mr. Speaker, I wish to take this opportunity to commend the gentleman from Ohio for his sincere efforts in behalf of General Walker, a personal friend of mine. I had the opportunity of knowing General Walker when he was stationed in Little Rock, Ark., under very trying and difficult circumstances. The conduct of this outstanding general officer and hero of the wars of this country is a record that very few have surpassed in this great country.

Mr. Speaker, General Walker was widely known in that area in the brief time that he was stationed there in command of military forces for his strong stand for Americanism, all patriotic endeavors, and for the information he tried to convey to all those around him relative to the Communist menace, the very enemy this great legislative body has been directing its arguments against this afternoon in the debate on the floor of the House relative to the mutual security program, or foreign aid.

Mr. Speaker, many of the Members of the House who are strong proponents argue that this program of foreign aid combats international communism. The hour is growing late, and I do not propose to go into all the facets here. I did have the opportunity of being the first Member of the House of Representatives to call attention to this very great miscarriage of justice in branding a man quilty of something before he even had an investigation or a trial. Then, the worst crime of all, it would seem to any intelligent individual knowledgeable in this field, of this distinguished combat general, was that he was a patriot.

The issue of civilian control over the military again has been raised in this

Congress. The principle of military subordination to civilian control has been extended by some to include activities which seem to involve matters of conscience.

There has been a prominent Member of Congress who has called attention to the fact that we need to have civilian control of the military. If the gentleman from Ohio would permit me to inject this, I would like to point out that it was civilian control that precipitated the action of the United States of America in Korea in the so-called police action. I would also like to point out that it was civilian control that precipitated the action of the use of Federal troops at Little Rock in violation of the Constitution of the United States, which resulted in the assignment of the very general officer against whom smear tactics have been used in this instance.

Anyone who knows General Walker personally—and I have had many letters from businessmen, military associates, officers who have served with him, and enlisted men who have served under his command—one such letter I placed in the RECORD because this young fellow directed his remarks to the whole problue program. He felt so keenly about this that in his letter to me he stated that he felt so keenly about General Walker's activities in this matter that he would do this despite any action that would be taken against him, including that of court-martial.

I say this is a very questionable affair. I commend the gentleman from Ohio on his resolution, and I hope that some real action will come of this.

Relative to the Overseas Weekly, which I did say on the floor of the House was a salacious publication, I would ask this question: Is it true that one of the individuals who is high in the management of the Overseas Weekly is also high up in the management of Radio Swan, that was so active in revealing the troops of the Cuban exiles who were invading Cuba recently. It is common knowledge here among some people, or the talk is common among Members of this House, that Radio Swan tipped off to the Castro forces the fact that these Cuban forces were going to invade the island. I ask the question, Is it true that one of the managers of this station, or part owners, is also one of the owners of the Overseas Weekly? If it be true, I would respectfully suggest to this House that it calls for a full-scale investigation.

I say to you, Mr. Speaker, that we have heard here all this week high-sounding phrases about combating international communism, and here is a distinguished combat officer, and the only crime he has committed is fighting international communism by informing his troops and their dependents. What on earth goes on here in the land of the free and the home of the brave, if a man who has been decorated time and again for fighting the enemies of America has to be smeared and denied an assignment to which he was to be assigned. It was common knowledge he would probably have been assigned to a post that would have resulted in a third star on the shoulders of this brave officer.

In today's RECORD I have also submitted a copy of an article that was a part of this Communist international meeting in New York City in 1921, and they have not changed their policy, in which the Communist Party and the Communist international meeting in New York City in 1921 encouraged their Communist comrades in smearing or otherwise downgrading the military leadership of the countries in which they are working.

Mr. Speaker, if the gentleman from Ohio will permit me, as part of this discussion I would like to quote from a copy of a telegram to the President of the United States as follows:

TELEGRAM TO THE PRESIDENT OF THE UNITED STATES

As one who has personally visited the command of Maj. Gen. Edwin A. Walker, 24th Infantry Division, Augsburg, Germany, as recent as July 1960, and as one who has firsthand knowledge as to the orientation program instituted for the troops by General Walker on the aims and purposes of international communism, based on official directives and existing Army regulations, I wish to protest with all the vigor possible the filthy smear attempt of the salacious, privately owned publication called The Overseas Weekly, against one of America's greatest combat generals, Edwin A. Walker. Mrs. Bundy and I have been house guests of the general for 1 week at a time. We are thoroughly familiar with the security indoctrination program of the command. The Overseas Weekly is run by a group of questionable characters, some of whom have been engaged in activities which need to be exposed to the American public. If the time has come in the history of this Nation that a filthy publication, which deals in lurid sex appeals to members of the American Armed Forces, can successfully remove a great American general from his command, then it is time that we stop all attempts to combat the evil forces which are seeking to take us over. I will gladly appear under oath at any time to discuss the indoctrination program of the 24th Infantry Command which has no connection with the John Birch Society but rather is based on U.S. Government publications.

EDGAR C. BUNDY,
General Chairman, Church League of America, Major, USAFR.

Mr. Speaker, I realize the hour is late, but on a matter as serious as this and on which there is so much discussion in the Congress relative to civilian control of the military, I would respectfully call the attention of the Members of this House to material that has been inserted in the RECORD in the past 2 days in particular relative to the position of the Communist Party in editorials appearing in the Communist Daily Worker of this country relative to this very subject. I submit to the membership of this House that it is a great paradox, indeed, when we debate all week on how we are going to spend billions of dollars combating international communism and, yet, we see the end of the brilliant career of a great, dedicated American general whose only crime is love of country.

Mr. DEVINE. I thank the gentleman. The sinister implications, as revealed by the gentleman from Arkansas, again demand investigation be made into all aspects of this overall picture.

Again I say to my colleagues, there is always a great hue and cry for an investigation when someone is accused of being a little left of center or having questionable sympathies. But when a man stands up and fights for America and for patriotic constitutional government, we do not hear a peep out of these people who are usually do-gooders and bleeding hearts.

Mr. SCHADEBERG. Mr. Speaker, will the gentleman yield?

Mr. DEVINE. I am glad to yield to my colleague.

Mr. SCHADEBERG. Mr. Speaker, I associate myself with the remarks of my distinguished colleague. He is definitely right when he says we have legitimate questions that beg answers regarding the discourtesy, and what I believe to be the outright injustice visited upon General Walker. As a chaplain on active duty in the Navy during World War II, and during the Korean police action and in the Racine Naval Reserve in Wisconsin, I gave lectures on character guidance and moral leadership training which included remarks about communism in the effort to help our young men to understand the true nature of the enemy.

I know from experience it is very difficult, because there are many roadblocks placed in one's path when one is trying to speak out against communism and for America. But be that as it may, I wish to add—and I add this as a warning—that if we Members of the House permit by default unjustified attacks upon the people we represent, or are silent partners with those we feel at least have authority to silence our great men—and I understand there are other citizens, thousands of them, who are presently being silenced, who happen to be working in various departments of our Government—how long will it be that we who share membership in this House will have the privilege of speaking the facts, to deny one the right to speak out for America and for freedom, perhaps all who desire to speak out for American freedom.

Mr. DEVINE. I thank the gentleman for his contribution.

I would like again to invite the attention of the Members to the remarks of the junior Member from South Carolina of the other body which appeared in the RECORD of July 26, and several days thereafter, because he has done a tremendous research job on this whole matter.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from Ohio.

Mr. LATTA. I would like to commend my colleague from Ohio. I know he has worked many many hours on acquiring this material. I know he has gone into it very thoroughly. He has brought facts to the House that should have been brought out some time ago. I know that he has worked diligently for an investigation of this matter and I certainly hope that his efforts will not be in vain. I want to add that I urge personally

that those officials whom he has requested to take charge of this investigation read his remarks and give this general the hearing that he deserves.

Mr. DEVINE. I thank the gentleman.

Mr. Speaker, I yield back the balance of my time.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

THE BONDS OF CUSTOM

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. STAGGERS. Mr. Speaker, in an age of speed, behavior follows stimulus unhesitatingly. The rapid succession of events impels immediate reaction, whether rational or irrational. There seems to be no time for the calm assessment of consequences and the adaptation of action to permanent principles and policies. In the helter-skelter of the moment, the need for improvisation seems compelling. We go on from one act to the next with no clear sight of the ultimate end of it all. In seeking a nebulous future we ignore the plain precepts of history, which admonish that the essential nature of man does not change over night. "The thing that hath been, it is that which shall be; and that which is done is that which shall be done," said the Preacher more than 2,500 years ago. Shall we be amazed and confounded when the cumulative effect of our innovations leaves that part of the world in which we act in still greater confusion, then? To expect any other result is the vain dream of a political amateur. And in the field of foreign influence, the United States is a rank amateur.

The position of world leadership supposedly thrust on us by developments over the last 50 years is an anomalous one. And in the rush and hurry of seizing what seems to be both an opportunity and a responsibility, we have not taken time out to set a realistic goal for the sum of our efforts, nor made an accurate measure of our capabilities to achieve that goal. In some vague sort of way, we take it for granted that if we act wisely and quickly we can lift a large portion of the globe from despotism, misery, ignorance and poverty in a generation or less. And we have persuaded many that this is not only our intention but our duty.

The address of the President of Pakistan before the joint session of Congress recently is evidence of this. The expedients which we expect to employ—and which we are expected to employ—are large grants of money and technical assistance. These constitute an irresistible force to put the world to rights. Unfortunately, they are directed against an immovable object of centuries of habit and custom. What does history teach is the result of such an encounter?

Some two centuries ago the Frenchman, Montesquieu, after 20 years of research and contemplation, produced a work which is still a monument to his genius and power of analysis. He called it the spirit of laws, and in it he endeavored to trace the motives and causes for the various forms of social organization, despotic, monarchical, or republican, established over the earth during the course of recorded time:

> Mankind are influenced by various causes: by the climate, by the religion, by the laws, by the maxims of government, by precedents, morals, and customs; whence is formed a general spirit of nations.

Of these influences, the last named are the most difficult to change. They determine the character of the several nations, whether vicious or virtuous. The form which the government actually assumes in any nation is fixed inevitably—perhaps immutably—by the character of the people:

> Solon being asked if the laws he had given to the Athenians were the best, he replied, "I have given them the best they were able to bear."

Of the influences named above, Montesquieu was inclined to think that geography and climate were the determining factors in the formation of habits and customs. Especially in the torrid zones, the debilitating effects of heat produce a physical and mental lassitude hostile to the kind of effort that is necessary to preserve a people from despotism. But in temperate climes he found too many exceptions to admit of a general rule:

> Jornadez the Goth called the north of Europe the forge of the human race. I should rather call it the forge where those weapons were framed which broke the chains of southern nations. In the North were formed those valiant people who sallied forth and deserted their countries to destroy tyrants and slaves, and to teach men that, nature having made them equal, reason could not render them dependent, except where it was necessary to their happiness.

Whatever may be the actual causes of differences between various groups of the human race, it is evident that differences exist. They have increased in significance through a long drawn out process which we call a civilizing process. Where the differences are the most pronounced the people have achieved a standard of living relatively free from hunger, disease, and oppression by tyrants. This standard has been achieved only through the expenditure of untold effort and thought. The less developed peoples now ask for the same standard as a free gift. Yet they say, with Montesquieu, "Let them leave us as we are; our indiscretions joined to our good nature would make the laws which should constrain our sociability, that is, which would compel us to act differently—not at all proper for us." This is practically what the President of Pakistan said in explaining the circumstances under which his government finds itself immersed in a sea of troubles, political and economic.

The position of world leadership into which the United States has been thrust following the last world war is due more to its economic strength than its military strength. This is something totally new in world history. Previously, economic strength in a nation has followed rather than preceded military success. The victorious state aggrandized its economic power by seizing the resources and the productive capacities of the conquered peoples. The United States developed its vast productive output internally. Many reasons have been given for our preeminence in this respect, with the accent generally placed on the extensive natural resources of a single nation spread over half a continent. Too little importance has been attached to the genius and the industry of our people. To put it plainly, the United States has grown rich and powerful because we have devoted practically our entire energy to the accumulation of wealth. In other words, our customs and our habits, more importantly than our resources and our laws, conduce to an overwhelming extent and variety of production. In the matter of domination, we are without experience. We scarcely dominate ourselves, let alone other peoples.

So, in our new position of world leadership, we are ignorant of any suitable procedure except to raise the living standards of the rest of the world to something approximating our own level. It is assumed that if we can do this, we will remove the cause of tensions and avert tendencies toward destructive conflicts. It is not necessary to argue here that much of world unrest is due to poverty. Granting that, it is still not clear that if every nation in the world were as strong economically as we are, there would be no more wars. People would find something else to fight about. They always have. Nevertheless, poverty is deplorable in its own right. The sensibilities of the American people are shocked at the thought of starvation in areas where there might, under proper conditions, be plenty. Our instinctive humanity urges us to alleviate that tragedy, if we can.

It is fair to assume that the foreign policy of the United States, so far as it is explicit and coherent at all, is activated by a desire to dispel poverty, disease, misery and despotism everywhere. Let us consider what we are up against.

A recent pamphlet issued by the State Department estimates that two-thirds of the world suffers from hunger. The United States has 6 percent of the world's population. That is, for every individual in the United States, there are 11 individuals elsewhere who need help. The present productive output, measured in terms of American dollars, in these unfortunate underdeveloped lands is an average of $130 per capita. In the United States it is $2,700, more than 20 times as high. How can such a multitude of people scale the towering mountain of difference that separates their condition from ours? Two-thirds of the world's population numbers roughly 2 billion people. To bring them to a position comparable to ours, they would need to raise their gross

productive capacity from some $260 billion to $5,400 billion. Obviously, any contribution we could make, by distribution of our own dollars among them, would be insignificant. The change, if any occurs, must be effected internally.

The first great necessity is to find some way to teach underdeveloped peoples how to produce more food. Our assistance in such a project could take the form of instruction directly to the people themselves or through an agency of the local government. It is frequently charged that when we try to operate through native government officials the beneficial results do not reach down to the people, but are wasted by graft and corruption. Often projects designed to make land use more profitable are permitted to lie around unused by a populace unaccustomed to them, and expensive equipment rusts away without benefit to anyone.

Presumably, we could not embark on any sort of program without the permission and to some extent the participation of the local government. Suppose, however, that such permission were obtained, and an American farmer were chosen to instruct a group of natives in the American way of producing food. He would choose a suitable tract of land, bring in his machinery and equipment, prepare the soil, plant his improved and tested seed, cultivate his crop and keep it free from destructive pests, and bring in his harvest in due course. Suppose also that he carefully explained every step of the process, with his reasons for each procedure. How many such demonstrations would be required to fix his teaching on the minds and habits of his pupils? The experience of missionaries from many of the Western churches using the same general plan of action does not warrant hope of much success.

In Kenya, which is soon to achieve independence from British control, white settlers were induced by the British Government to take up farmland in that colony. They made an outstanding success of the venture, and the rich land was so productive that though the whites in the area number only one to every hundred of the natives, they produce some 90 percent of the area's food. When the British withdraw, the whites will lose their land and possessions, and the natives will still be ignorant of how to feed themselves. Sir Roy Welensky, Prime Minister of Rhodesia and Nyasaland, another British dependency in the same circumstances as Kenya, complains bitterly that the British put their hands to the plow and are now turning back. The British, says he, deliberately set out to teach the natives how to govern themselves, and now they are withdrawing before the job is finished.

Sir Welensky insists that grants-in-aid, whether from the United States or elsewhere, are useful only as temporary expedients in desperate situations. Attempts to instruct the natives in appropriate farming methods have had few results, though continued over two generations or more. His prescription is what he calls a massive program of universal education. What we mean by education is in reality a deep reformation of personal habits and customs. It is not accomplished solely or even importantly in the institution we call a school. It must involve a complete revolution in the individual's whole way of thinking and acting. Apparently, we have a paradox: we cannot educate a people until we change their customs; and we cannot change their customs until we educate them.

The State Department has some comprehension of the difficulties in providing effective aid. Its pamphlet comments:

> To get countries on a true development basis will require the full mobilization of the energies of all the people. Neither growth nor political stability will be achieved unless all segments of their societies feel they have a stake and a participating role in their country's progress. The decisions on internal reform must, of course, rest with the recipient countries; but we can, and plan to, offer inducements through our aid program to make it attractive for them to undertake internal change.

The questions are: What inducements will be attractive to those who alone have the power to undertake such changes and who presently profit from existing conditions; and, how rapidly could changes, if undertaken, overcome the age-old customs of people fixed in the habits of centuries?

Any farmer knows that a small fraction of an inch of rain on a parched cornfield does little to alleviate the drought. About all it does is to encourage the weeds. And there are plenty of weeds in the garden of international assistance. The $5 or $6 billion of aid proposed as our contribution, huge as it seems to us, is a tiny drop in comparison with the need. Even if supplemented by a corresponding liberal appropriation from the other developed nations of the West, the total will still be exceedingly small.

In the early weeks of this year, the Peace Corps aroused astonishing interest in the United States. It was hailed as a means by which we could bring practical instruction directly to the people in need of it. In the months intervening, enthusiasm has cooled. More than 11,000 applicants responded to the first call for volunteers. When qualifying tests were given a few weeks ago, only 5,000 took the tests. Of these, fewer than 400 have been selected for training, and only 175 are actually in training. It is hoped that 500 Peace Corps members can be put in the field by the end of 1961. Projects have been approved by Colombia, Tanganyika, Chile, the Philippines, Ghana, and St. Lucia Island. It is now estimated that a Peace Corps member will require a maintenance cost of $9,000 per year, $3,000 of which will go for administrative and overhead costs. But overseas the Peace Corps idea is being criticized as having "do-gooder" connotations, and that it will be a cloak for new "American imperialism." From southeast Asia comes the word that they want solid industrial help, not community projects, and that they are "losing interest in the idea of Americans working on a village level." Latin America suggests that: "What we need is professional and technical help, not idealistic amateurs. Good will is a fine thing, but a Boy Scout approach is not enough." In Western Europe, they take a calm, polite view of the idea, but do not expect too much.

It seems necessary to come to the conclusion that the right approach to the problem of improving the living conditions of undeveloped peoples has not yet been found. American aid applied to rebuilding the industrial systems of Western Europe after the war was highly successful because the people were accustomed to an industrial society. Applied elsewhere, it seems to have run up against habits and customs that resist change, and to have resulted in increasing dissatisfaction and antagonism with whatever the United States proposes to do.

Montesquieu, too, was concerned with this problem more than 200 years ago. He observes that:

> Liberty itself has appeared intolerable to those nations who have not been accustomed to it.

Yet he argues:

> It is very bad policy to change by law what ought to be changed by custom.

He is inclined to feel that the best hope for a country bound down to poverty and misery by despotism is to be conquered by a more enlightened nation:

> When a government has arrived at that degree of corruption as to be incapable of reforming itself, it would not lose much by being newly molded.

The United States rejects this approach to the solution of the problem. The colonizing nations of Western Europe, England, France, Spain, Belgium, tried it for several centuries. Their ventures were terminated in numerous instances by colonies who cultivated the habit of thinking and working for themselves. Today all colonies are being abandoned, except by Communist powers. It is not yet clear whether foreign rule was in fact beneficial to dependencies. At least some of the colonies are being abandoned because the cost of doing what needs to be done in them is greater than the returns from colonization. De Gaulle frankly states that Algiers is not worth to France what it costs.

Colonies given their independence before they are trained in habits of responsible government tend to lapse into greater misery. If foreign domination is tyrannical, the domestic variety becomes even more despotic:

> Whoever is able to dethrone an absolute prince has a power sufficient to become absolute himself.

This is abundantly evident in Cuba. Beginning with the Spanish-American War, the United States has intervened on several occasions in that troubled island. On each occasion it tried to set up a stable government and then withdrew. Local customs have not permitted autonomy to succeed. In Africa, Sir Welensky argues:

> There is no means of guaranteeing the rights of minorities anywhere if the majority haven't the basic instinct and the right thinking in that direction. This is true whether it is in the United States or in the

heart of central Africa. Because, in spite of your Bill of Rights, in spite of everything else contained in the declarations that are made, if the majority decide that they are not going to honor it, they won't honor it. Now, you can have the most highfalutin constitutions, you can write in the greatest safeguards; but, if the people are not trained and educated to honor these things—and you can do it only by education, there are no other ways of doing it—then there are no guarantees.

These considerations cast considerable gloom over the outlook for a better world among underdeveloped peoples. They do not constitute an argument for the abandonment of our foreign aid proposals, nor even for a reduction in the sums we should devote to that purpose. Wisespread misery is a challenge to our humanity and our Christianity. But the challenge cannot be met by the mere appropriation of money. Somehow we must get under the crust of ancient custom in undeveloped lands, and find some way to inculcate that "education" which is essential to prosperity and stability. It is an administrative problem, and not a legislative one. Until it is solved we can expect only continued disappointment and frustration. It calls for continued and dogged perseverance if we accept the principle that right is right and must ultimately prevail.

THE FEDERAL ROLE IN EDUCATION

Mr. LATTA. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BARRY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BARRY. Mr. Speaker, never before in our history has there been so widespread appreciation as there is today of the importance of education in our national life. Today, there is a general realization that the future of our Nation and our Western civilization directly depends upon the quality and availability of educational opportunity. There is the great awakening to the realization that our national survival—and the survival of free institutions everywhere on earth—depends upon the product of schools and colleges in the free world.

When considered in this context, it is enormously important that every one of us—and particularly those who formulate education policy in our State legislatures and in the Congress—are directed toward strengthening and improving the American system of education.

In reaching this objective, I believe certain principles to be sound and progressive and summarize them as follows:

First. The basic responsibility for providing education rests with the State government, communities, and private groups; and Federal control or direction of education must be avoided at all costs.

Second. There is a continuing but increasingly profound national interest in education which makes it appropriate for the Federal Government to assist in strengthening and improving education.

Third. Federal programs, therefore, must be designed to assist States and communities and public and private institutions of higher education to overcome educational needs which must, in the national interest, be fulfilled, but which oftentimes the State, local, and private actions alone are insufficient to meet national needs in education.

Fourth. The role of the Federal Government, therefore, is to assist States and communities and educational institutions to meet educational needs without weakening State, local, and private responsibility and without substituting Federal funds for traditional sources of educational finance. We should make dead certain that Federal aid stimulates additional educational effort.

THE EISENHOWER POLICY

During the last 8 years, Federal policies based upon these principles have worked remarkably well to improve education. Inherent in these principles is the assumption that once our citizens understand the needs of education they will make the necessary decisions to supply those needs. That is why the 83d Congress in 1954 approved Mr. Eisenhower's request which launched a national program of State education conferences that led to a White House Conference in December of 1955. During this year of far-reaching effort—in which all 48 States and 4 territories took part—500,000 citizens met in over 4,000 State and local education conferences to discuss school needs and to make recommendations for action at every level to meet those needs. This culminated in the White House Conference at which 2,000 educators and interested laymen from every State and territory met to pool their accumulated knowledge and to make recommendations.

One of the principal recommendations of the White House Conference was that the Federal Government undertake a program of temporary assistance to States and local school districts to help overcome the shortage of public school facilities which had accumulated as a result of 20 years of depression and war followed by a huge upsurge in the birthrate. It was agreed that the States could meet their current needs for additional facilities if they could once overcome this shortage. Otherwise, it was apparent that a whole generation of schoolchildren would suffer the adverse effects of overcrowded classrooms, double shifts, and antiquated facilities. Accordingly, the President—Eisenhower—recommended that the Congress authorize such Federal assistance over a period of 4 or 5 years. He made this recommendation and submitted his program to the Congress in 1955, 1956, 1957, 1959 and recommended it again last year. During all these years the Democrat-controlled Congress delayed this action. Year after year the Democrats turned down the President's proposals to aid education.

Had the President's recommendations been accepted in 1956 or 1957, it would have meant that the classroom shortage—142,000 elementary and secondary public school classrooms in 1960—would have been eliminated by now.

In 1956, Mr. Eisenhower appointed a committee to study the needs of education beyond the high school level. From the work of this committee—headed by a distinguished citizen of New York, Devereux C. Josephs—and out of the continuing studies of the Department of Health, Education, and Welfare, there was developed the recommendations that the President—set forth in a special message to Congress—which led to the enactment of the National Defense Education Act of 1958. This act authorized a variety of interrelated programs designed to assist States, communities and institutions of higher learning to strengthen and improve education in ways important to the national security. The National Defense Act of 1958 is a 4-year act, and it is aimed at stimulating action to permanently improve the quality and availability of education. The act is aimed at achieving these results:

First. Encourage able students to go to college and remain in college by making financial assistance available to those who need it, thus lessening the appalling loss of talent caused by able students dropping out of academic work after high school graduation.

Second. Improve counseling and guidance services available to schoolchildren and to extend modern testing techniques so that we can identify able students and encourage them to complete their education.

Third. Improve instruction—and facilities and equipment—in modern foreign languages, science, and mathematics in our elementary and secondary schools; and to increase our knowledge of vital but little-taught foreign languages at the college level.

Fourth. Expand programs of graduate education in all fields in order that we may have an adequate number of fully qualified college teachers.

Fifth. Stimulate additional research in the educational use of modern techniques of communication.

Sixth. Assist in the development of area vocational schools within States devoted to the training of technical and scientific personnel at a subprofessional level.

Seventh. Expand the science information services of the National Science Foundation.

Eighth. Improve State educational statistics services.

These programs are aimed at helping educators and others to do a better job in meeting pressing educational needs. They are proving extremely successful and worthwhile, although they are only in their third year of operation. This year the Federal Government will spend $171 million for these programs. The National Defense Education Act embodies and exemplifies the Republican philosophy of helping education to do its vital job without Federal control, and without Federal invasion of State, local and private responsibility.

What else has the Federal Government done in education under a Republican administration? Let us look at a few representative items:

First. Under an act of the 83d Congress—the Cooperative Research Act—the U.S. Office of Education spent over $3 million in 1960 to finance research in basic problems in education; in learning, in effective teaching techniques, in the

education of superior and retarded students, and other basic professional education problems.

Second. The vital educational programs of the National Science Foundation—fellowships and science teacher institutes—have been enormously expanded. Federal expenditures for these purposes were less than $3 million annually in 1953 to over $60 million last year.

Third. The budget of the U.S. Office of Education has been increased from less than $4 million annually to over $12 million in 1960, and the work of that office has been greatly strengthened.

Fourth. Overall, Federal expenditures in support of education at all levels—exclusive of expenditures for veterans' education and training which naturally became less in the last few years—have been substantially increased. For example, in 1950–51 the Federal Government spent about $800 million for programs in support of education, exclusive of the GI bill costs. By 1956–57, these expenditures had increased to $1.2 billion, excluding payments to veterans and for 1959–60 Federal expenditures were considerably higher.

Last year, Mr. Eisenhower recommended a school construction program under which the Federal Government would annually pay one-half the principal and interest coming due on $3 billion of school bonds issued by local school districts that need schools and need financial help to build them. The States would pay the other half of the costs. These Federal payments would stretch over the 20–30-year life of the school bonds, but would enable the districts to build the schools within a 5-year period in which the Federal-State commitments would be made. This proposal was rejected by the Democrat-controlled 86th Congress despite its obvious merit.

Another of Mr. Eisenhower's recommendations which did not receive enthusiastic support was one designed to assist private and public institutions of higher learning to build the dormitory and classroom and other facilities they must have to accommodate the virtual tidal wave of college enrollments during the next few years. At present, Federal assistance is limited to low-interest loans for dormitory construction only—college housing loan program—made available under the Housing Act. The proposal sponsored an outright Federal grant of 25 percent of the cost of construction of all types of college facilities.

None of these programs or proposals would put the Federal Government in the position of taking over responsibility for financing education. They are designed to help and encourage State and local governmental and private agencies to do this job—as they have traditionally done it.

THE KENNEDY POLICY

How does the Kennedy approach differ from the Eisenhower policies in education? Basically, they differ in this way: The Kennedy program would commit the Federal Government to paying a substantial and permanent share of the cost of education in every State—regardless of whether the State itself is meeting educational obligations.

This is not in the best interest of education for several reasons:

First. It is completely unreasonable to believe that the Federal Government would undertake this financial responsibility on a permanent basis without also, sooner or later, assuming an equal responsibility for the administration, control, and direction of education.

Second. It would weaken the basic support upon which our public schools must depend—the financial support of local and State governments. Any such massive and permanent Federal intervention in education would effectively shift the financial responsibility from local and State sources. This could not help but impede efforts and initiative to make the necessary decisions on a State and local level to adequately support education. Even worse—the real strength of our system of education is in the interest and understanding of citizens at a local level which results in their resolving to take the necessary steps to have good schools.

Mr. Kennedy has cited classroom shortage as a major issue in proposing his aid to education program. A glance at U.S. Office of Education figures reveal a reduction in classroom shortage from 370,000 to 142,000 between 1954 and 1960 without benefit of a Federal-aid program. In addition, the population projections of the Census Bureau indicate that the peak of educational needs in terms of population growth has already been reached, and that this ratio will decline during the next decade. In proportion to our population growth, attendance at public elementary and secondary schools has been decreasing, while college school attendance has been increasing.

The President's program also provides an opening wedge for Federal control over teachers' salaries. This, despite the fact that during the past 30 years teachers' salaries rose by 106 percent as compared to 91 percent for all persons working for wages and salaries and only 73 percent for Government civilian employees. It also must be recognized that a large proportion of our public school teachers are women and all surveys on the subject show that women teachers average higher earnings than other women college graduates or professional workers.

Our public schools have increased their teaching staff proportionately faster than enrollment and the number of pupils per teacher has been consistently reduced. Since 1900 the number of public school pupils rose 140 percent, the number of teachers 250 percent, and the pupil-teacher ratio was reduced by 11.2—from 35.6 pupils per teacher to 24.4 for 1960–61. If the percentage of college students seeking a teaching career merely remains stable over the next decade, the number of newly graduated teachers will almost double. Pupil enrollment, on the other hand, will increase far less—20 percent as compared with a 46-percent rise during the last decade.

The President claims that his proposal is designed to give aid to those who need it most. The facts of the matter are quite to the contrary.

Out of 45 States that replied to a questionnaire dispatched by the Office of Education in 1959, 15 States reported having districts, which although needing additional classrooms had reached their borrowing limits and had no access to other funds. There were 237 such districts, most of them small, out of a national total over 40,000 districts—showing that one-half of 1 percent of all the school districts in the Nation, legally lacked financial means to build needed schools.

Under the Kennedy proposal, high-income States will pay the largest share of the cost of his program and receive the smallest allocations despite the fact that they represent the greatest increase in school enrollment. On the other hand the low-income States that will contribute least to financing the program and receive far larger sums in their allocations—have had the smallest growth in pupil enrollment.

For example, our own State of New York, according to the Office of Education's 1960 survey, has a net schoolroom need of about 10,200. Texas requires 809 new schoolrooms. During the 3-year initial program under the administration's bill, New York State, although paying far more than Texas in financing the program, will receive considerably less in allocation although its classroom needs are 12 times as great.

The determination of school problems properly belongs with the State and local communities—which have done a tremendous job in coping with the backlog problem caused by the depression, World War II, and the Korean conflict.

Where school districts lack the means to cope with their financial obligations because the Federal taxing authority has preempted State and local sources of revenue—the Federal Government should be compelled to restore to the States and localities tax resources which it has taken away.

SUBSTITUTE FOR KENNEDY PROPOSAL

Every U.S. citizen who owns real estate pays a real property tax to his local community government—a substantial part of which is used to meet local elementary and secondary school needs. There is a legislative proposal pending before the Congress which provides that every taxpayer who pays a school tax on his real property or as a part of his real estate tax shall be permitted to subtract from the Federal income tax which he owes, the full amount of such school property tax, or such proportion of it as will result in a total additional tax benefit to these taxpayers of between $3 and $4 billion.

Under the present Federal income tax law, State and local school taxes are deductible from gross income but the amount actually saved by the taxpayer depends on his Federal income tax bracket. For example, a taxpayer who had paid $200 in school taxes as part of his local real property tax on his home, and is in the 20-percent Federal income tax bracket, realizes a saving of $40. The new proposal would retain this pres-

ent practice but in addition would permit the taxpayer to take a $100 credit against what he owes Uncle Sam, that is, against his net Federal income tax. Hence, instead of a saving of $40, the homeowner under this proposal would save $140 of the $200 he paid in school taxes on his home. Of course, if the taxpayer's school tax were less than $100 he would be permitted to save in total no more than the actual amount of his school tax. The tax credit would be available to real property-school taxpayers whether they itemize their Federal income tax returns or take the standard deduction.

The advantages of this approach are overwhelming:

First. The tax benefits provided would go directly to approximately 40 million taxpayers, including about 34 million homeowners, who with their families constitute almost 90 percent of our population.

Second. With the Federal Government completely excluded from the program, there would be no danger of Federal control over education. Depending on State law, each community itself, or the State, would be the final judge of how much more it would like to spend on its educational needs than it is currently spending.

Third. The funds made available to the taxpayers are greater than the sums contemplated under any of the other Federal aid to education measures which are seriously being considered; they would be even greater than the sums recently recommended by President Kennedy's task force headed by President Hovde of Purdue University.

Fourth. Because of the complete exclusion of the Federal Government, there would be no expanded bureaucracy, no Federal administrative costs, and every dollar of tax money thus made available would purchase a full dollar's worth of school aid if the community decided to expand its expenditures for education.

Fifth. Inasmuch as the tax resources of every State and locality would be substantially increased under this proposal, each would have ample funds to provide for its own school needs as it chooses, for who knows better what these needs are than the citizens of the States and localities themselves.

Sixth. The so-called richer States would not be required to help finance the school needs of the allegedly poorer States, for under this proposal every State would have sufficient funds to meet its school needs out of its own resources. Rich State A would not be required to pay to the Federal Government in taxes twice or three times as much as it gets back in Federal school aid while poor State B was receiving back in Federal aid two or three times the amount of tax money it paid to the Federal Government as its share of financing the Federal school aid program.

Seventh. Under other proposed Federal school aid measures, those States that have fully met their school needs would not, if given a free choice, expand their school facilities during the next few years; yet they would nevertheless be compelled to pay their share in Federal taxes to finance the program. The only way these States could recover any of the money thus extracted from them under these various proposals would be to accept the Federal grants and use them to expand their school facilities. The result would be the highly uneconomic and wasteful extension of school facilities in many areas where such extension is unnecessary and where other more urgent needs exist and must perforce remain unsatisfied. Under this proposal, the use made of their money is not dictated to the taxpayer by the bureaucrats in Washington—it is determined by the taxpayers themselves, that is, by the parent, the citizen, the local school board, and the community or the State.

Eighth. Any objection to this proposal based on the assertion that it would bite into the Federal Treasury is equally applicable to any of the other measures presently under consideration. This proposal would lead to a good look at the Federal budget and the discovery of many items of less importance, or even of no importance, which could be readily eliminated with no ill effects on the public welfare.

Ninth. If unemployment does not decrease and business continues to falter, this proposal will provide the necessary tax relief which some of the proponents of expanded Federal aid programs assert to be necessary to stimulate the economy.

Tenth. The preemption of State and local tax resources by the Federal Government would be diminished, and thus an important step would be taken in contracting big Central Government and strengthening State and local government.

It has been determined that our major education crisis is occurring at the higher education level. In coping with this problem I have followed the same tax credit approach. My bill—H.R. 5589—would allow a tax credit for income spent on education by any taxpayer either for his own tuition or for anyone he may wish to help educate. To keep it equitable the rate would be uniform for all at the lowest Federal income tax rate of 20 percent. The person in the lower tax brackets would obtain the same tax benefits as persons in all other brackets. It would only apply for tuition up to $1,200 a year, and would be applicable to all recognized educational institutions.

Money now spent on other less essential things would be encouraged to be spent in this vital field of the education of our people, and would assist many of our young people who are now prevented from going to college because their parents cannot afford it.

The average cost of college education is $1,550 per year for each student. Among middle income families, 80 percent hope to send their children to college but only half of these families ever do. With my proposed moderate tax incentive assistance plan many more families in the middle income bracket will channel the money they now spend on less important things to the education of their children or themselves. Federal tax revenue saved in this legislation would be directly funneled into education and would create a 4-to-1 Federal incentive program. In other words, for every dollar the Government gave up in tax receipts $4 would be contributed by the people privately and voluntarily resulting in much greater expenditure by parents for better education of their children which otherwise would not be made. The effect of this would be to increase private investment by our people in the future of the country. A nobler use for our national income is difficult to conceive. Moreover, this legislation would impartially broaden the educational base among all accredited schools of our Nation without any danger of Federal controls.

Certainly an incentive to educate our people is as important or more important than an incentive to produce barrels of oil or shoe machinery or to entertain prospective business clients at night clubs. Should there be a tax incentive for expense accounts but none to educate our children? This is precisely the situation under the present tax laws. I say it should be changed—and now.

This substitute program should obviate the necessity of Federal aid becoming a constitutional issue which could divide the Nation.

MUTUAL SECURITY ACT AMENDMENTS

Mr. LATTA. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BECKER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BECKER. Mr. Speaker, I have listened for 3 days to the debate and the arguments on the amendments to the Mutual Security Act, a bill, H.R. 8400. I have read this bill and made many notations as well as having read the reports of the majority and the minority.

For 8 years, I have supported mutual security, but more particularly, because I felt the need for military support of allies in various parts of the world. However, as long ago as 1953, I advocated the reduction each year of the dollar and economic benefits under this program in order to reduce this year by year for a period of 5 years and call a halt to this type of spending.

Each year, when this debate comes on the floor, we are told of unusual situations that we must fight the Communist conspiracy and so I have tried with many of my colleagues to point out that although we were spending billions of dollars every year, we were certainly not gaining, but losing. I have opposed in this legislation, the billions of dollars being spent on so-called neutral countries who have, on many occasions, taken side with the Communist leaders of the Kremlin and against our position. I have also violently opposed aid that we have given to Communist countries such as Yugoslavia, and while I am sympathetic to the economic aid to Poland, nevertheless, we find now that part of this aid is being funneled through to Castro's Communist Cuba. This, of course, I oppose.

Further than that, this bill this year is no longer one of mutual security but it is one that is now building toward a welfare world. The original concept was to rehabilitate war-torn countries after World War II. Many of these countries are built up far and beyond the economies enjoyed prior to World War II. Now, the proponents of this legislation say that we must help underdeveloped countries and the new emerging nations. Well, Mr. Speaker, if we are going to get the same results from these efforts as we have in the past, I cannot see the benefits of proceeding, by creating a one world welfare program.

Years ago, in my observance of the billions we have spent abroad, and by personal trips through these countries, I ascertained beyond the shadow of a reasonable doubt, that our money was going to make the rich richer and the poor still poorer. This is still evident today. We have helped build up an elite in countries that previously had a handful of wealthy people.

Now, while we are in the process of debating this bill, the Secretary of the Treasury of the United States is in South America and has, without the consent of the Congress of the United States promised $20 billion for South America without having even taken this matter up with the Congress who has the responsibility to act and appropriate on behalf of the American people. Further, regarding the South American program, on May 14 of this year 1961, President Kennedy sent a message to the President of Bolivia in South America, in which he promised financial aid that would be used for the nationalization of mines and industries in Bolivia. Further in that message, the President stated that we were supporting social reform and that the pattern of Bolivia could be used perhaps in other countries of South America. So, Mr. Speaker, while we are trying to foster and continue a free enterprise system in the United States, the taxpayers' money is now to be used to the extent of $20 billion to foster nationalization of industries in South America. This, of course, no American can understand, and I am sure that our citizens, if they had any idea of what is going on, would express themselves even more violently than expressions that have been made to me in many letters that I have received.

What good are these billions we are spending over the world, to do for us, in the eyes of neutral, uncommitted nations when they learn day by day that we are doing business as usual with countries who are our sworn enemy, such as Soviet Russia. We are issuing export licenses to ship surplus foods from the United States to Russia. We are issuing export licenses and shipping strategic tools to Soviet Russia. Is not it reasonable to assume that the countries we are trying to win over to our side, could only laugh and say "What kind of a deal is this, when the United States has broken diplomatic relations with Castro's Communist Cuba while at the same time permitting Cuba to export some $50 million of goods to the United States and paying for them in American dollars." As I said in the beginning, I have voted for this program in the past with a fond hope that we would reduce them and gradually retire this program. Instead, I find now that we are going beyond all reason to help support every nation in the world, old, as well as new. I do not believe that by the widest stretch of my imagination that the United States, economically, can afford to do this now or in the future. With a national debt of $300 billion on which the interest alone our taxpayers are forced to pay amounting to $10 billion a year. It would not be half so bad if the proponents of this and other welfare state legislation would have the courage to stand up and say we are going to tax you, the American people, now for these programs, but instead they do not have the courage to take this action but are willing to foster this tremendous burden upon our children, grandchildren, and great-great grandchildren of the future. What will the generations have in the years to come when they may want some progress and programs of their own to pay for with their money. I can only say now they will have nothing but debts to pay for mistakes we are making in the world today. Khrushchev said, "We will bury you." I am afraid it looks as though we do not need Khrushchev's help.

PERSONAL EXPLANATION

Mr. LIBONATI. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. RANDALL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. RANDALL. Mr. Speaker, reference is made to the CONGRESSIONAL RECORD of Thursday, August 10, 1961, and in particular to rollcall No. 143 and rollcall No. 145, both being quorum calls, which were not answered, and to rollcall No. 144, being a call for yeas and nays on the conference report of H.R. 7851, being the Department of Defense appropriations bill for 1962.

We submit for the RECORD that the reason for our absence was that we were in our home district on official business as the only Member of Congress from the greater metropolitan area of Kansas City, Mo., to appear by invitation and discuss pending legislation at the national convention of the United Association of Pipefitters. This association meets at 5-year intervals and twice in succession has brought its convention to Kansas City, Mo.

Had we been in Washington, we would have answered "present" to rollcall Nos. 143 and 145, and on rollcall No. 144, would have voted in the affirmative. Since every Member present voted in the affirmative, it was impossible to indicate following the rollcall by means of a pair how we would have voted if present. However, on rollcall No. 105 on June 28, 1961, when this same bill was under consideration by the House, we were present and voted in the affirmative.

AN INTERNATIONAL SEMINAR ON THE FREE SOCIETY TO BE HELD IN ATHENS, GREECE, OCTOBER 23 THROUGH 27, IN THE GREEK PARLIAMENT BUILDINGS

Mr. LIBONATI. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. BRADEMAS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BRADEMAS. Mr. Speaker, the sealing by the East German Communists this week of the West German border is a brutal and dramatic demonstration of the difference between a closed totalitarian society and a free, open society.

Barbed wire, tanks, and armed troops stand ready to keep East Germans who desire to live in freedom from crossing over to the other side. Those of us who have the good fortune to know the blessings of liberty should this week appreciate these blessings still more.

In the tense time that marks our world today, troubled anew by the challenge of Communist power, it is fitting that we should think again about the meaning of a free society. It is for this reason that I am glad to take note of a forthcoming international seminar in which leading scholars and thinkers will discuss some of the problems facing freemen.

KHRUSHCHEV THREATENS ACROPOLIS

By ironic coincidence, Premier Khrushchev a few days ago directed one of his ruthless threats of nuclear devastation at the city which will be the cite of this seminar, Athens, Greece. In a talk with the Ambassador of Greece in Moscow, the Soviet Premier denounced Greece's membership in NATO and warned that he would "not have mercy" on the Acropolis if he found it necessary to order a nuclear strike.

As the Washington Post said this week:

> To this bit of verbal vandalism and the suggestion that Greece save itself by withdrawing from NATO, Prime Minister Caramanlis has given an appropriate response that merits admiration in the West: "It may well be within Mr. Khrushchev's power, as he claims, to destroy the Acropolis. It is not within his power, however, to destroy the ideals symbolized by that sacred rock—ideals whose power is far greater than that of his missiles."

It is therefore most appropriate that the seminar will be held in the city and in the land which we regard as the cradle of democracy and will be conducted in the buildings of the Greek Parliament.

The Seminar on the Free Society will take place from October 23 to 27, 1961, under the sponsorship of the Center for the Study of Democratic Institutions, a unit of the Fund for the Republic, Inc., in cooperation with the U.S. Department of State and the Royal Government of Greece. The seminar has been organized as the result of an invitation by the Greek Government. The activities of the seminar will be led by Dr. Robert Maynard Hutchins, president of the Fund for the Republic, and a group of associated scholars and jurists.

TENTATIVE LIST OF PARTICIPANTS

The fundamental purpose of the seminar is to encourage wider discussion of democratic institutions and government by law. Among the participants will be scholars, jurists, businessmen, and government officials.

In addition to Dr. Hutchins, the tentative list of participants includes: Arnold Toynbee, historian; Mortimer Adler, philosopher; Bertrand de Jouvenel, French political theorist; Raymond Aron, French writer; Harry S. Ashmore, editor in chief of the Encyclopaedia Britannica and Pulitzer winner; William H. Benton, publisher of the Encyclopaedia Britannica; Dean Z. Cowen, faculty of law, University of Melbourne, Australia; Justice William O. Douglas, U.S. Supreme Court; Prof. A. L. Goodhart, of Oxford, English authority on the development of law; Paul G. Hoffman, Director of United Nations Special Fund; Philip Jessup, American member of the World Court; Zafrullah Khan, Pakistani member of the World Court; Heinrich Kronstein, of Frankfurt University, Germany, and his associate, Prof. Helmut Coing; Lee Loevinger, Assistant U.S. Attorney General, Antitrust Division; Prof. J. Messner, of the University of Vienna; John Courtney Murray, S.J., editor of Theological Studies, Woodstock College, Md.; Dr. Isidor I. Rabi, Higgins professor of physics, Columbia University, and Nobel Prize winner; Walter Schaefer, chief justice of the Supreme Court of Illinois; Dr. George N. Shuster, former president of Hunter College and assistant to the president of the University of Notre Dame; Myint Thein, Chief Justice of the Supreme Court of Burma; and Sir Maurice Bowra, classical scholar, Oxford University.

There will be representatives of the business community who will be selected by business organizations as being potentially most productive in their participation and contributions to the seminar and the aims of the seminar.

It is anticipated that the group of scholars and jurists will include 40 people. It is also anticipated that the business community group would include about 60 people.

TEENAGERS TO WRITE ESSAYS ON "FREEDOM"

The Chicago committee for the seminar in Athens is, I believe, also to be greatly commended for arranging to invite two Chicago teenagers, a boy and a girl, to attend the seminar in Athens. In order to qualify for the invitation, the two young people must live within 150 miles of Chicago and must write a letter to an imaginary teenager living in Russia on the subject of "Freedom." These letters, not to be more than 500 words, must be submitted to the committee not later than September 25. The letters will be judged on the basis of their originality and their expression of what it means to live in a free society.

The organizing committee for the seminar in Chicago, Ill., is under the chairmanship of a distinguished financier, Mr. Christopher Janus of Bache & Co. Other members of the Chicago committee are: Edward H. Weiss, cochairman; Valerie V. Tull, secretary; and Hon. Jean Belliard, John L. Bennett, Howard R. Conant, Edmond I. Eger, John L. Manta, Howard R. Medici, John Nuveen, George E. Phillips, Hon. Stephanos Rocanas, Norman Ross, Armund J. Schoen, Lyle M. Spencer.

CHICAGO LEADERS TO JOIN SEMINAR

The scholars will prepare statements of their views and the discussions will be stenotyped with a view to publication.

Mr. Speaker, at this point in the RECORD, I should like to include an article describing the Seminar on the Free Society from the Chicago Daily News:

CRADLE OF DEMOCRACY—30 CHICAGO LEADERS TO JOIN FREEDOM PARLEY IN GREECE

A group of the free world's leading citizens, including 30 from Chicago, will attend a Seminar on the Free Society this autumn in Greece.

The meeting is planned to counteract, at least in part, Communist propaganda in the cold war.

The conference, significantly in the birthplace of democracy, will be attended by scholars, jurists, and other figures of legal and academic stature.

It will be held October 23 to 27 in Athens in the Greek Parliament buildings. It is sponsored by the Greek Government, the U.S. State Department, and the Center for the Study of Democratic Institutions, a unit of the Fund for the Republic, Inc.

Christopher G. Janus, Chicago financier and cultural leader, is one of the seminar's sponsors.

"Some of the people in the State Department felt that there has been so much comment about Communist achievement, so much feeling that communism is 'the wave of the future,' that they felt this, in part, will be an answer," Janus said.

Discussions at the seminar will cover such areas as law, democracy, the future of the West, and similar political, cultural, and philosophic areas.

King Paul of Greece and Queen Fredrika will participate in several symposium activities.

A high point of the conference will be an address October 27 before the Greek Parliament by Robert Maynard Hutchins. The former University of Chicago chancellor, now president of the Fund for the Republic, will summarize conference accomplishments.

Mr. Speaker, at a time when freedom is being subjected to greater strains than in all the history of mankind, it is reassuring that in the ancient city of Athens, freemen will gather to consider again the lasting values which characterize the meaning of "The Free Society."

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. O'HARA of Illinois, for 1 hour, on Thursday, August 24, 1961.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MEADER to revise and extend the remarks he made during general debate this afternoon and include extraneous matter.

Mr. THOMPSON of New Jersey to revise and extend the remarks he made today in the Committee of the Whole and to include a newspaper article.

(The following Members (at the request of Mr. LATTA) and to include extraneous matter.)

Mr. FINO.
Mr. ROUDEBUSH.
Mr. PILLION.
Mr. KEARNS.
Mr. JOHANSEN.
Mr. MATHIAS.
Mr. WILSON of California.

(The following Members (at the request of Mr. LIBONATI) and to include extraneous matter:)

Mr. HERLONG.
Mr. THOMPSON of New Jersey.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on August 16, 1961, present to the President, for his approval, a bill of the House of the following title:

H.R. 5954. An act making appropriations for the Treasury and Post Office Departments, and the Tax Court of the United States for the fiscal year ending June 30, 1962, and for other purposes.

ADJOURNMENT

Mr. LIBONATI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock p.m.), under its previous order, the House adjourned until tomorrow, Friday, August 18, 1961, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1232. A letter from the Secretary of the Interior, transmitting a report on the Columbus Bend project, Texas, pursuant to the Reclamation Project Act of 1939 (53 Stat. 1187) (H. Doc. No. 227); to the Committee on Interior and Insular Affairs, and ordered to be printed with illustrations.

1233. A letter from the Secretary of Labor, transmitting a draft of a proposed bill entitled "A bill to amend and clarify the reemployment provisions of the Universal Military Training and Service Act, and for other purposes"; to the Committee on Armed Services.

1234. A letter from the Secretary of Labor, transmitting a draft of a proposed bill entitled "A bill to amend and clarify the reemployment provisions of the Universal Military Training and Service Act, and for other purposes"; to the Committee on Armed Services.

1235. A letter from the Secretary of Commerce, transmitting the 56th quarterly report, covering the second quarter 1961, as required under the Export Control Act of 1949; to the Committee on Banking and Currency.

1236. A letter from the Assistant Secretary of the Interior relative to an application for an increase in a loan relating to the Haights Creek Irrigation Co. of Kaysville, Utah, pursuant to 71 Stat. 48; to the Committee on Interior and Insular Affairs.

1237. A letter from the Assistant Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to provide for recognition of the sesquicentennial of the administration of the public domain and the centennial of the Homestead Act"; to the Committee on the Judiciary.

1238. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of the order suspending deportation in the case of Margarito Gomez, A5420979, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

1239. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of an order granting the application for permanent residence filed by Salim H. Djedda, A10257014, pursuant to the Refugee Relief Act of 1953; to the Committee on the Judiciary.

1240. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DOWDY: Committee on the Judiciary. S. 1990. An act to amend section 1362 of title 18 of the United States Code so as to further protect the internal security of the United States by providing penalties for malicious damage to certain communications facilities; without amendment (Rept. No. 965). Referred to the House Calendar.

Mr. DONOHUE: Committee on the Judiciary. S. 1653. An act to amend title 18, United States Code, to prohibit travel or transportation in commerce in aid of racketeering enterprises; with amendment (Rept. No. 966). Referred to the House Calendar.

Mr. ROGERS of Colorado: Committee on the Judiciary. S. 1656. An act to amend chapter 50 of title 18, United States Code, with respect to the transmission of bets, wages, and related information; with amendment (Rept. No. 967). Referred to the House Calendar.

Mr. HOLTZMAN: Committee on the Judiciary. S. 1657. An act to provide means for the Federal Government to combat interstate crime and to assist the States in the enforcement of their criminal laws by prohibiting the interstate transportation of wagering paraphernalia; with amendment (Rept. No. 968). Referred to the House Calendar.

Mr. JONES of Alabama: Committee on Public Works. H.R. 8357. A bill to amend the act entitled "An act for the organization, improvement, and maintenance of the National Zoological Park"; without amendment (Rept. No. 969). Referred to the Committee of the Whole House on the State of the Union.

Mr. POWELL: Committee on Education and Labor. H.R. 8028. A bill to provide Federal assistance for projects which will evaluate and demonstrate techniques and practices leading to a solution of the Nation's problems relating to the prevention and control of juvenile delinquency and youth offenses and to provide training of personnel for work in these fields, and for other purposes; with amendment (Rept. No. 988). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. H.R. 8603. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide for public information and publicity concerning instances where competitors submit identical bids to public agencies for the sale or purchase of supplies, equipment, or services, and for other purposes; with amendment (Rept. No. 989). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. S. 705. An act for the relief of Norman T. Burgett, Lawrence S. Foote, Richard E. Forsgren, James R. Hart, Ordeen A. Jallen, James M. Lane, David E. Smith, Jack K. Warren, and Anne W. Welsh; without amendment (Rept. No. 970). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 1443. An act for the relief of Mrs. Tyra Fenner Tynes; without amendment (Rept. No. 971). Referred to the Committee of the Whole House.

Mr. LIBONATI: Committee on the Judiciary. H.R. 1361. A bill for the relief of James M. Norman; with amendment (Rept. No. 972). Referred to the Committee of the Whole House.

Mr. LIBONATI: Committee on the Judiciary. H.R. 1434. A bill for the relief of Wade H. Ashley, Jr.; without amendment (Rept. No. 973). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 1527. A bill for the relief of Mrs. Josephine Dubins; without amendment (Rept. No. 974). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 5859. A bill for the relief of Harold A. Saly; without amendment (Rept. No. 975). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 6080. A bill for the relief of Eileen L. Broe; with amendment (Rept. No. 976). Referred to the Committee of the Whole House.

Mr. LIBONATI: Committee on the Judiciary. H.R. 6216. A bill for the relief of Theodore T. Reilmann; with amendment (Rept. No. 977). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 7264. A bill for the relief of M. C. Pitts; with amendment (Rept. No. 978). Referred to the Committee of the Whole House.

Mr. LIBONATI: Committee on the Judiciary. H.R. 7473. A bill for the relief of Albert R. Serpa; without amendment (Rept. No. 979). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 8625. A bill for the relief of Dennis H. O'Grady; without amendment (Rept. No. 980). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 8626. A bill for the relief of Wilfrid M. Cheshire; without amendment (Rept. No. 981). Referred to the Committee of the Whole House.

Mr. MACGREGOR: Committee on the Judiciary. H.R. 1377. A bill for the relief of Nicholas E. Villareal; with amendment (Rept. No. 982). Referred to the Committee of the Whole House.

Mr. PETERSON: Committee on the Judiciary. H.R. 4194. A bill for the relief of Mrs. Ann W. Edwards; without amendment (Rept. No. 983). Referred to the Committee of the Whole House.

Mr. MACGREGOR: Committee on the Judiciary. H.R. 4876. A bill for the relief of Mary C. Atkinson; without amendment (Rept. No. 984). Referred to the Committee of the Whole House.

Mr. LIBONATI: Committee on the Judiciary. H.R. 7326. A bill for the relief of E. La Ree Smoot Carpenter; with amendment (Rept. No. 985). Referred to the Committee of the Whole House.

Mr. PETERSON: Committee on the Judiciary. H.R. 8662. A bill for the relief of Jose Fuentes; without amendment (Rept. No. 986). Referred to the Committee of the Whole House.

Mr. LIBONATI: Committee on the Judiciary. H.R. 5559. A bill for the relief of Ralph E. Swift and his wife, Sally Swift; with amendment (Rept. No. 987). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FRIEDEL:

H.R. 8754. A bill to amend the Internal Revenue Code to provide a deduction for payment of redeemable ground rents; to the Committee on Ways and Means.

By Mr. BENNETT of Michigan:

H.R. 8755. A bill to amend the Railroad Retirement Act of 1937 to provide reduced annuities to male employees who have attained age 62, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BUCKLEY:

H.R. 8756. A bill to establish a U.S. Disarmanent Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. CELLER:

H.R. 8757. A bill to amend the antitrust laws to authorize leagues of professional football, baseball, basketball, and hockey teams to enter into certain television contracts, and for other purposes; to the Committee on the Judiciary.

By Mr. LESINSKI:

H.R. 8758. A bill to amend the provisions of law relating to longevity step increases for postal employees; to the Committee on Post Office and Civil Service.

By Mr. PIRNIE:

H.R. 8759. A bill to amend the act of December 24, 1942, to exempt from taxation in the District of Columbia certain real property of the Italian American War Veterans of the United States, Inc.; to the Committee on the District of Columbia.

By Mr. ROUSH:

H.R. 8760. A bill to authorize the establishment of the Indiana Dunes National Monument; to the Committee on Interior and Insular Affairs.

By Mr. ST. GERMAIN:

H.R. 8761. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. SPENCE:

H.R. 8762. A bill to amend the Small Business Act to increase the amount available for regular business loans thereunder; to the Committee on Banking and Currency.

By Mr. STEED:

H.R. 8763. A bill proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. VINSON:

H.R. 8764. A bill to amend and clarify the reemployment provisions of the Universal Military Training and Service Act, and for other purposes; to the Committee on Armed Services.

H.R. 8765. A bill to amend and clarify the reemployment provisions of the Universal Military Training and Service Act, and for other purposes; to the Committee on Armed Services.

By Mr. HOLTZMAN:

H.R. 8766. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. JONAS:

H.R. 8767. A bill to help maintain the financial solvency of the Federal Government by reducing nonessential expenditures through reduction in personnel in various agencies of the Federal Government by attrition, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ADDABBO:

H.R. 8768. A bill to amend section 601 of the Federal Aviation Act to require identification markings on the underside of the wings of certain aircraft; to the Committee on Interstate and Foreign Commerce.

H.R. 8769. A bill to amend section 601(a) of the Federal Aviation Act of 1958 to give the Administrator of such agency authority to prescribe standards relating to the suppression of noise created by the operation of aircraft; to the Committee on Interstate and Foreign Commerce.

By Mr. CRAMER:

H.R. 8770. A bill to insure that certain approved routes on the Interstate System in the State of Florida shall not be affected by State construction of the Sunshine State Parkway as a toll road; to the Committee on Public Works.

By Mr. MATHIAS:

H.R. 8771. A bill granting the consent of Congress to the Potomac Electric Power Co. for the construction of a dam on the Potomac River; to the Committee on Public Works.

By Mr. O'NEILL:

H.R. 8772. A bill to amend the Railroad Retirement Act of 1937 to provide reduced annuities to male employees who have attained age 62, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RIVERS of South Carolina:

H.R. 8773. A bill to amend section 265 of the Armed Forces Reserve Act of 1952, as amended (50 U.S.C. 1016), relating to lumpsum readjustment payments for members of the Reserve components who are involuntarily released from active duty, and for other purposes; to the Committee on Armed Services.

By Mr. STAGGERS:

H.R. 8774. A bill to increase the opportunities for training of physicians, dentists, and professional public health personnel, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KEARNS:

H.J. Res. 532. Joint resolution to provide certain incentives for the repair, improvement, renovation, and restoration of residential property under the tax laws of the District of Columbia, to provide that existing housing in urban renewal areas in the District of Columbia shall be rehabilitated, restored, and preserved in all possible cases, and for other purposes; to the Committee on the District of Columbia.

By Mr. LIBONATI:

H.J. Res. 533. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. PIRNIE:

H.J. Res. 534. Joint resolution amending the joint resolution of March 2, 1931, in order to provide for the printing of the proceedings of the national encampments of the Italian American War Veterans of the United States, Inc.; to the Committee on House Administration.

By Mr. ASHMORE:

H.J. Res. 535. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. SANTANGELO:

H.J. Res. 536. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. DELANEY:

H. Res. 420. Resolution to authorize the Committee on Interstate and Foreign Commerce to conduct an investigation and study of the effect of aircraft noise on persons and property on the ground; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHMORE (by request):

H.R. 8775. A bill for the relief of Dr. Vasant G. Yadav; to the Committee on the Judiciary.

By Mr. DONOHUE:

H.R. 8776. A bill for the relief of Luigi Mario DeSimone; to the Committee on the Judiciary.

By Mr. HOLLAND:

H.R. 8777. A bill for relief of Lt. Liu Ching Chiu, his spouse, and minor child; to the Committee on the Judiciary.

By Mr. INOUYE:

H.R. 8778. A bill for the relief of Mrs. Sabina R. Caberto; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 8779. A bill for the relief of George B. Olmstead; to the Committee on the Judiciary.

H.R. 8780. A bill for the relief of Dr. Carl F. Romney; to the Committee on the Judiciary.

H.R. 8781. A bill for the relief of Walter Singlevich; to the Committee on the Judiciary.

By Mr. OSTERTAG:

H.R. 8782. A bill for the relief of Yu Jang; also known as Lee Hong Ying or Lee Koo; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

206. Mrs. ST. GEORGE presented a resolution of the Board of Supervisors of the County of Rockland, N.Y., requesting amendment of welfare laws to provide for more local authority in administration, which was referred to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

The National Lottery of Norway

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 17, 1961

Mr. FINO. Mr. Speaker, I would like to tell the Members of this House about the national lottery of Norway. In addition to the lottery, Norway also benefits from semiofficial football pools, which I would like to mention.

In 1960, the gross receipts of the national lottery came to $14 million. The Government is obliged to pay out about two-thirds of the gross receipts in prizes, so that the Government's net profit in 1960 was close to $5 million.

Norway's football pools are controlled by the Government. They are operated by a semipublic company. The football pools are not an end in themselves but a means benefiting science and sport.

Interestingly enough, the football pools are supervised by the Norwegian Ministry of Education and Church Affairs. In Norway, it is recognized that the best way to control gambling is to admit its existence and seek to channel it. Are we too firmly in the clutches of hypocrites to escape the same realization?

H.R. 7057—Bill To Provide Tax Depletion Rate for Clay Products

EXTENSION OF REMARKS

OF

HON. RICHARD L. ROUDEBUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 17, 1961

Mr. ROUDEBUSH. Mr. Speaker, depletion bill, H.R. 7057, will be considered by this body on Monday, August 21, 1961, under suspension of rules.

This bill will provide an equitable tax depletion rate for the clay products industry.

I have made many appearances in recent months in support of this measure. My activities in behalf of H.R. 7057 have also included numerous meetings with interested individuals of the clay industry and conference with many of my colleagues here in the House to enlist their support for this much-needed legislation.

There can be no question of the urgent need for passage of H.R. 7057. Without equitable treatment regarding depletion allowances, it is feared the clay products industry faces financial ruin.

The industry is composed of small, independent businesses, which compete with each other under highly competitive conditions and, therefore, it is traditionally an industry that operates with a very small margin of profit.

Consequently, any factor that creates for one of these businesses a substantial disadvantage in comparison with its competitors may well prove disastrous to that business.

These small industries are scattered throughout the United States, with 653 plants owned by 511 taxpayer companies, located in 49 of the 50 States.

In Indiana alone we have 82 of these small clay products plants, which can be found in almost each of our 92 Hoosier counties.

Approximately 6,500 persons are employed by the clay industry in Indiana, and these residents face the specter of unemployment if the Congress does not

grant their industry an opportunity to meet competition of related industries which are enjoying Federal tax advantages granted by the Internal Revenue Service.

In the Sixth Congressional District, which I represent in the House, we have approximately 1,000 persons gainfully employed by the clay industry.

I would like to list for the record the clay industry firms of my congressional district, which will benefit from equitable taxation allowances under H.R. 7057:

Montgomery County—American Vitrified Products Co., Crawfordsville; Hydraulic Press Brick Co., Crawfordsville.

Fountain County—Hydraulic Press Brick Co., Veedersburg; Chicago Fire Brick Corp., Attica; Rostone Corp., Riverside; Poston Herron Brick Co., Attica.

Parke County—Dee-Clay Products Co., Bloomingdale; Clay City Pipe, Rockville.

Vermillion County — Architect Ceramic Corp.; Cayuga Brick Co.

Vigo County—Terre Haute Vitrified Brick Works.

Members of the clay industry in Indiana have reported to me in recent months that several plants have been forced to close their doors and lay off their workers due to taxation inequities that restrict their ability to compete.

I am also informed by officials of this industry that there is actual bankruptcy facing more of these backbone firms if the terms of the Internal Revenue Service rulings are carried out.

Instead of closing their doors and releasing their workers, these Indiana clay industry firms would prefer, and in some instances have, to improve and enlarge their plant facilities, distribute accumulated earnings in the form of dividends to shareholders, hire more employees and keep the selling prices of their products as low as possible in order to try to meet the competition of newly developed building materials.

For example, since 1951 the price of steel has increased by 66 percent, the price of cement by 45 percent, but the price of brick and tile has increased only 27 percent.

In the face of constantly rising costs, the miners of brick and tile clay have been able to keep their selling prices relatively low only because they were relying on the Government's assurance that they would receive a depletion allowance equal to 5 percent of the selling price of their burned brick and tile.

However, regardless of whether the brick and tile clay miners have reduced their surplus funds to a minimum because of expenditures for plant expansion, or because of distributions of surplus in the form of dividends, or merely because they charged less for their burned clay products than they otherwise would have done, the result is the same.

They have reduced their surplus funds to a minimum, and they have established no large contingent reserves for taxes because the Internal Revenue Service promised depletion deductions.

Now economic chaos in the industry and insolvency is threatened under the Internal Revenue Service's recent decision to disallow depletion deductions.

In addition to these hardships, the depletion disallowance for the brick and tile clay industry only smacks of discrimination and unfairness to one of the oldest and most reliable industries.

I am certain that the House Members recognize the jeopardy that faces the clay products industry and will vote prompt approval of H.R. 7057.

Hitting the Nail on the Head

EXTENSION OF REMARKS
OF
HON. CHARLES McC. MATHIAS, JR.
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 17, 1961

Mr. MATHIAS. Mr. Speaker, one of my predecessors in this House, who now represents our State of Maryland in the Senate of the United States, the Honorable J. GLENN BEALL, has made some very timely remarks on a subject which is of concern to every Member of this House. The constitutional division of governmental power between the State and local governments on the one hand and the Federal Government on the other is a fundamental element of our political structure which is subjected to great pressures by the rapidly changing times in which we live. But the swift tide of national and world events is not the only moving force behind the changes in the Federal nature of this country. I believe that a recent statement of the distinguished Senator from Maryland and the subsequent comment of the Catoctin Enterprise, a newspaper of Thurmont, Md., in the Sixth Congressional District, will shed a great deal of light on the decision which must be made regarding this problem.

Senator BEALL said:

SOCIALISM OR AMERICANISM?—WE MUST CHOOSE

When we demand Federal aid for virtually everything, we are refusing to take care of things which are our personal or local responsibility and are aiding the cause of socialism. We shall be moving for strength of character and constructive initiative, and away from creeping socialism, when we stop requesting nonessential new programs and Federal expenditures, when we revitalize our State and local governments, and when we assert the fundamental freedoms and independence which are our heritage.

The editorial inspired by this statement comments:

[From the Catoctin Enterprise, Aug. 11, 1961]

HITTING THE NAIL ON THE HEAD

The final paragraph of Senator BEALL'S "Senate Cloakroom" Letter, which appears on another page this week, is of such vital import that every citizen and taxpayer should read it. Not that the Senator's entire letter is uninteresting. Indeed far from it. But this last paragraph, headed "Socialism or Americanism? We Must Choose.", is of immense concern just now when the public is beginning to look to the Federal Government for help in almost every conceivable phase of local governmental operation.

Senator BEALL writes that "when we demand 'Federal aid' for virtually everything, we are refusing to take care of things which are our personal responsibility and are aiding the cause of socialism." There can be little doubt that he is right. Yet the difficulty seems to be in convincing the general taxpaying public that it is worth making sacrifices locally in order to avoid the socialistic trend. Federal aid to education is one example. We have stated repeatedly that we are opposed to Federal aid to education, but that we believe it to be inevitable. We believe it to be inevitable because experience in the educational field has convinced us that the people simply will not pay the taxes locally which are necessary in order to provide the types of schools and the brand of education necessary to the present age. They would rather have the Federal Government extract from them even more taxes than are necessary for this purpose, and return only a portion of the money, than pay out the necessary funds voluntarily themselves.

In other words, although they would perhaps not admit it, they would rather have a moderate form of socialism and be robbed blind by the Federal Government than step up boldly with their eyes open, and pay down what is necessary to secure the services they need. They will pay for these services, but only if they are forced to do so. What a sad commentary on the intelligence and good judgment of the American public.

Of course, all these funds cannot come from real estate taxes, and perhaps that is one of the underlying reasons for local feeling in this regard. If the counties and the State were permitted more tax powers by the Federal Government, then perhaps people would be more willing to raise whatever funds they need by means of these taxes. But it is doubtful that such permission will be granted easily by Washington, for Uncle Sam needs money too, and retaining a portion of each dollar that reaches him before he bestows his benefactions upon local governmental communities enables him to keep his own Treasury solvent.

Minutemen Support House Joint Resolution 447 in War Against Communism

EXTENSION OF REMARKS
OF
HON. JOHN R. PILLION
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 17, 1961

Mr. PILLION. Mr. Speaker, each and every time this Nation has found itself in a perilous situation or actually in a war, it has always been the American citizen who has pulled this country up by the bootstraps and met the challenge head on.

On June 12, I introduced in the House, House Joint Resolution 447 calling for a declaration of war against the 98 Communist Parties of the world.

Almost immediately, thousands of ordinary citizens throughout the country offered their help in support of this resolution. Lt. Col. Frederick A. Kibbe, USAR, retired, and Mr. Douglas R. Voorhees, of Fort Lauderdale and Miami, Fla., respectively, are outstanding examples of the courageous attitude being taken by so many of our citizens in these perilous times. Colonel Kibbe and Mr. Voorhees,

both members of the Florida Minutemen, organized a drive to have House Joint Resolution 447 printed in a number of Florida newspapers in order that other citizens might be made aware of the imminence of the Communist threat.

To date, the Florida Minutemen have been successful in having the resolution published in five Florida dailies with an aggregate circulation of over one-half million. In addition, the Minutemen have published and distributed more than 8,000 reprints of the House Joint Resolution 447 to various schools, groups, and individuals.

I wish to extend my sincere appreciation to these loyal Americans who are helping other citizens to transform their feelings, convictions, and patriotic desires into effective action.

Colonel Kibbe and Mr. Voorhees are to be highly commended for their unselfish devotion to the task of awakening the people of this Nation to the fact that we are at war with the international Communist conspiracy.

Justice Clark Bids Bar Group Act To Halt Antitrust Violations

---

EXTENSION OF REMARKS
OF
HON. FRANK THOMPSON, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, August 17, 1961

Mr. THOMPSON of New Jersey. Mr. Speaker, Supreme Court Justice Tom C. Clark, in a significant speech before the antitrust section of the American Bar Association, warned recently that stiff criminal penalties for aggravated violations of the antitrust laws would probably become commonplace.

He suggested that lawyers might best serve their clients and the national interest if they borrowed from the medical profession and adopted a policy of "preventive law," thus insuring more wholehearted compliance with the laws against monopoly and illegal competition.

Justice Clark declared that in 1961:

For the first time in Sherman law history reputable, top-level businessmen were sentenced and served a term in jail. One of the lawyers in addressing the court at the time of sentencing his client said: "Why punish these men? It's a way of life. Everybody's doing it."

In sum he concluded that no one would sentence a reputable businessman to jail with common crooks. Neither the National Association of Manufacturers nor the chamber of commerce ever reprimanded an indicted member company. In truth many saw nothing wrong in them.

But certainly every lawyer and every businessman knew that the conduct engaged in by these electrical manufacturers was a crime punishable by a jail sentence, by a fine, or both.

Lawyers, I believe, can have a large part in making sure it will not happen again. They can borrow from the technique of the doctor who has developed a preventive medicine program for his patients. Lawyers must adopt the same principle of a preventive law program that will make certain that hard-core violations of the act will at least be eliminated.

If [they] do not, more businessmen may find themselves in jail.

I include here the text of my bill, H.R. 4176, to provide additional punishment for corporate officers violating the antitrust laws, and to provide that such officers may be barred for not more than 1 year from serving in such corporate capacity.

I include, too, an article from the New York Times of August 9, 1961, and a letter I have received from the distinguished and indefatigable vice president of the National Federation of Independent Business, George J. Burger, the ablest representative small business has ever had:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That whoever is convicted of any violation of the antitrust laws may, in the discretion of the court, in addition to any other punishment provided by law, be barred for not more than one year from serving, directly or indirectly, in the capacity of officer, director, executive, legal counsel, or in any similar capacity with any corporation or corporations convicted in the same proceeding, and serving with any corporation engaged in interstate commerce, and from directly or indirectly receiving any compensation, remuneration, or other consideration therefor, or by way of indemnification for being so barred.

SEC. 2. For the purposes of this Act the term "antitrust laws" has the meaning assigned to such term in the first section of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, and includes the Federal Trade Commission Act.

NATIONAL FEDERATION
OF INDEPENDENT BUSINESS,
Burlingame, Calif., August 9, 1961.

Hon. FRANK THOMPSON, Jr.
House Office Building,
Washington, D.C.

MY DEAR CONGRESSMAN THOMPSON: Early in the present Congress when I conferred with you as to the advisability of reintroducing legislation to amend the antitrust laws—such legislation was introduced in the 2d session of the 86th Congress by you—I stated that the need for such legislation to strengthen the antitrust laws was even more necessary than ever before. That is, if we are to have respect and obeyance to the antitrust laws from all segments of our economy.

Bear in mind, my action in the first instance was confirmed by the nationwide membership of the national federation in the 50 States, now numbering 171,947, all independent business and professional men, all individual members.

You agreed with our request resulting in reintroduction of the bill in the present Congress, H.R. 4176. Your bill provides for removal of officers for violation of the antitrust laws.

From its inception the national federation has made its No. 1 objective to protect the free enterprise system and independent business, through vigorous consistent enforcement of the antitrust laws in all segments of our economy. Our action was confirmed in our public appearances before the respective platform committees of both the Democratic and Republican National Conventions 1948, 1952, 1956, and 1960. In fact that was the first recommendation, in each instance, that we made to the respective platform committees.

The importance of your legislative action as outlined in H.R. 4176 is most necessary when one stops to review the remarks of Mr. Justice Clark before the American Bar Association in annual convention in St. Louis, Mo., August 8, 1961, "Justice Clark Bids Bar Group Act To Halt Antitrust Violations."

Because of the importance of his remarks I am attaching herewith a clipping from the New York Times of August 9, and would it be possible to insert it in the CONGRESSIONAL RECORD? I believe such action would furnish important information to many of your colleagues as to Justice Clark's views.

Finally, Congressman, we did not call the turn wrong when we advised the House Small Business Committee in 1948 that antitrust violations were more rampant both at the local and national level than ever in the history of our Nation.

Thanking you for your usual cooperation in behalf of small business.

GEORGE J. BURGER,
Vice President.

JUSTICE CLARK BIDS BAR GROUP ACT TO HALT ANTITRUST VIOLATIONS

(By Cabell Phillips)

ST. LOUIS, August 8.—Supreme Court Juctice Tom C. Clark warned today that stiff criminal penalties for aggravated violations of the antitrust laws would probably become commonplace.

He suggested that lawyers might best serve their clients and the national interest if they borrowed from the medical profession and adopted a policy of "preventive war." This, he said, would insure more wholehearted compliance with the laws against monopoly and illegal competition.

Justice Clark was the principal luncheon speaker at the antitrust section of the American Bar Association, whose annual convention entered its second day here today. The sessions will continue through Friday.

In other groups meetings today James M. Landis, special assistance to President Kennedy an organization of the regulatory agencies, pleaded for continued reform in the administration of these agencies. Postmaster General J. Edward Day stated the case for postal rate increases, Assistant Secretary of State Harlan Cleveland urged a cooperative attitude toward the work of the United Nations. And a panel on criminal law debated the probable efficacy of the Attorney General's new attack on organized crime racketeering.

FORTY-FIVE HUNDRED MEMBERS AT HAND

The convention has brought more than 11,000 visitors to this city, approximately 4,500 of whom are A.B.A. members. More than a dozen different sections and panels on specialized problems of the legal professions are in session at any given time during the morning and afternoon hours and hotel facilities separated by as much as 3 or 4 miles have been pressed into use.

In his address Justice Clark traced the slow evolution of antitrust enforcement from its earliest application under President Theodore Roosevelt when it scandalized many right-thinking people, including Justice Oliver Wendell Holmes, through two decades of desuetude during the 1920's and 1930's to the present. In 1961, he said, there began a new record.

"For the first time in Sherman Law history," he went on, "reputable top-level businessmen were sentenced and served a term in jail. One of the lawyers in addressing the court at the time of sentencing his client said: 'Why punish these men? It's a way of life. Everybody's doing it.'"

"In sum he concluded that no one would sentence a reputable businessman to jail with common crooks. Neither the National

Association of Manufacturers nor the chamber of commerce ever reprimanded an indicted member company. In truth many saw nothing wrong in them.

"But certainly," Justice Clark continued, "every lawyer and every businessman knew that the conduct engaged in by these electrical manufacturers was a crime punishable by a jail sentence, by a fine or both.

"Lawyers, I believe, can have a large part in making sure it will not happen again. They can borrow from the technique of the doctor who had developed a preventive medicine program for his patients. Lawyers must adopt the same principle of a preventive law program that will make certain that hard core violations of the act will at least be eliminated.

"If [they] do not, more businessmen may find themselves in jail."

Justice Clark's talk was regarded as one of the "toughest" heard so far at the convention and there was considerable comment about it today among the delegates.

LOBBIES UNDER ATTACK

Mr. Landis, in his address to the section on administrative law, castigated lobbies and other special interest groups for seeking to cripple or defeat the plans for reorganizing the Federal regulatory agencies.

Such proposals on which he has worked as a special assistant to President Kennedy have gone to Congress in the form of proposed actions under the Reorganization Act of 1949. Two have been accepted in modified form and two have been rejected.

Referring specifically to the defeat of the proposal for reforms in procedures of the Federal Communications Commission, Mr. Landis said:

"An analysis of that event throws considerable light on the general problem of administrative reorganization. All the networks, the National Association of Broadcasters, the Federal Communications bar, opposed this reorganization plan.

"Their opposition stemmed not from a belief that the plan would not work but that it would work too well. Their fears related to the potentiality that the license renewal requirements might really be made workable.

Tomorrow's Public Servants

EXTENSION OF REMARKS

OF

HON. A. S. HERLONG, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 17, 1961

Mr. HERLONG. Mr. Speaker, in the face of all the problems which have confronted this Congress, it is refreshing for me to know that at the center for practical politics, Rollins College, in my district, a distinguished program is being carried on as a contribution to America's public leadership. Just let me mention a few of the young men who this summer have been engaged in strenuous internships to train their skills and test their capabilities.

Howell W. Van Gerbig, Jr., grandson of Ogden Mills, a former Secretary of the Treasury, is in Japan, studying the relationship of Japan's economic objectives to foreign policy. Mr. Van Gerbig, as you know, is himself a leading metropolitan golf amateur from Long Island and Palm Beach. Robert K. Brown, Springfield, Mass., has been working in the personnel offices of the New York Port Authority and is writing a manual on public personnel administration. Thomas Donnelly, Pittsburgh, Pa., is completing a study of the constitutions of the Americas and this fall will issue a collection of documents with organizational charts. Douglas Baxendale, Swansea, Mass., is engaged in making an economic study of Greater Fall River, looking forward to making contributions toward its industrial growth. Richard Rhodes, of Winter Park, Fla., is in personnel in the city of Orlando. And Rohn Lady, who was elected to the council of the town of Casselberry, Fla., at the age of 21, is serving as the administrative officer of the center for practical politics, coordinating studies which are in progress dealing with the central Florida region.

This kind of preparation of tomorrow's leaders by resultful internships is an encouraging sign of the times with a global reach.

Defensive Problems

EXTENSION OF REMARKS

OF

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 17, 1961

Mr. WILSON of California. Mr. Speaker, I would like to call the attention of this body to an editorial that appeared in the August 7 edition of Aviation Week magazine. This contains an admonishment to each of us here in the Congress, to the President and most directly to the Secretary of Defense. This critically analyzes the current and future status of the Air Defense posture of the United States in the light of the three new supersonic strategic bombers exhibited in sufficient quantities to guarantee volume production by the Soviets on July 9, and each armed and equipped with air-to-surface missiles of such ranges as to render our perimeter defenses, totally ineffective.

Under unanimous consent I include this editorial to be entered into the RECORD at the conclusion of my remarks.

Mr. Speaker, offensive and defensive weapons are inescapably tied together, they are interrelated and they are inseparable. Because of leadtimes, and other technical considerations it is constantly essential that we maintain a family of offensive weapons in the various stages of their life cycle. By the same token it is equally essential that we have a similar family of defense weapons in the same stages. Our inventory aircraft, in this dynamic field of technological advancement, must at all times be of sufficient superiority over those of our potential foe to insure success. In other words, our offensive weapons must exceed the capabilities of his defensive weapons and, at the same time, our defensive weapons must exceed the capabilities of his offensive weapons. Our failure to do this is an open invitation to aggression and in the days of thermonuclear bombs to total annihilation.

Where do we stand in the light of these truisms? What hypothetical study, what abstract analysis, what intuitive hunch has led us to our present status—a state of affairs that violates every principle of warfare that have been proven in every battle since Alexander the Great? Beginning at the end of June 1961 our air defense began a decline in both quality and quantity that is as inevitable as the passage of time and as inescapable as taxes. On that day the last all-weather interceptor was delivered to the U.S. Air Force. From that day on, Mr. Speaker the erosion has begun. Mr. Holtz calls it a combination of faulty intelligence and wishful thinking, I call it criminal negligence.

The conferees of both Houses provided $100 million in the fiscal year 1961 defense appropriations bill for the contained procurement of F–106 all-weather interceptors. This money was not used. There are no moneys requested in the fiscal year 1962 Defense Department budget request for this purpose. We now find ourselves confronted with a possible air offensive from the south—a direction that has been totally neglected. The implications of the supersonic buildup in the Soviet supersonic strategic air force are explicit. The standoff capabilities represented by their air-to-surface missiles is explicit. The implications of the appropriations request to provide $207 million for American citizens to dig holes in the ground are explicit. The implications of the tone and content of Mr. Khrushchev's fireside chat are explicit.

WHAT CAN WE DO?

The Secretary of Defense gives every evidence that he will recommend against the use of the funds unanimously appropriated by the Congress for the continued production of manned strategic bombers. Our only supersonic long-range manned bomber, the B–58, will be allowed to wither and blow away. The development of the B–70 will be slowed down. Our deterrent capability offensively begins its decline when this decision is made. This makes it all the more mandatory that we take every conceivable means to enhance the caliber and quantity of our air defense system. Unfortunately we canceled the development of the F–108 long-range interceptor. We cannot reinitiate this program without chaos. We can, however, if we act with dispatch, restart the production of our most advanced all-weather interceptor, the F–106. We can order improved versions with increased speed and range and improved fire-control systems and improved missiles which are capable of meeting the threat. These can begin to be delivered years before a newly designed fighter could be available. The interceptors procured in the interim to insure production continuity can be used to replace much needed attrition losses, to provide for our southern border and to provide for all-weather defensive capability along greater defense in depth. We can enhance the all-weather defensive capabilities of our NATO allies and our allies in SEATO nations to contain the ever increasing threat of the Soviet SAC, the Communist China SAC, and the budding Indonesian SAC.

I have pointed out these things before, Mr. Speaker. I have predicted the state

of affairs which now confronts us. We must insist, in deference to our responsibilities to provide for the common defense,, in deference to our wives and children, in deference to our responsibilities to the people of the United States and the free world, that the executive department act with dispatch to insure our existence in the future.

DEFENSIVE PROBLEMS

(By Robert Hotz)

The problem of using offensive military weapons offers a wide choice of possibilities that can be tailored in many fashions to suit the varying national policies and purposes of the countries concerned.

For example, the fact that the Soviets are building a second generation of supersonic long-range bombers does not necessarily mean that the best U.S. policy lies in pursuing a similar course. It may be prudent to continue to bolster B–52 and B–58 strength for the immediate future to insure that there is no possibility of a deterrent gap before large numbers of solid-fueled missiles can take over the major portion of that role. But it is becoming increasingly obvious that the development of the mach 3 B–70 bomber offers only marginal possibilities for major military advantage for the time period into which it has now slipped.

Although the Air Force is clinging to the B–70 project with emotional fervor, many people are raising the question whether the substantial funding now being poured into the B–70 program could not be invested with more profit to the defense posture in some other, considerably more advanced methods of waging long-range offensive warfare. This is a debate that is likely to grow in intensity as the inexorable technical logic of this situation backs the blue-suited emotions into a tight corner.

When it comes to the problems of defense, however, there is no choice available except to counter the enemy's weapons. The kind of defense that this country builds is of necessity determined by the kind of weapons the Soviets develop to wage offensive warfare. Among the prime requisites in building adequate defensive forces yesterday to beat the enemy's offensive capability of today are accurate intelligence and intelligent foresight. It is always too late to research, develop, produce and deploy a defensive system if you wait until the enemy reveals his new offensive equipment, even in prototype form.

Thus, it is obvious that we should have been working on a defensive system against Soviet ICBM's even before we got the first intelligence confirmation that they had indeed embarked on the development of this type of weapon. Unfortunately, our ICBM defense effort has been confined to the single channel of the Nike-Zeus approach, plus a rather thinly funded broad research study sponsored by ARPA. It is impossible to determine at this point in technology whether a successful defense can be developed against the ICBM. But history records that no "invulnerable"weapon has ever been developed and that an effective counter always appears, with its appearance timed in direct ratio to the amount of effort devoted to its development.

The current scale of our ICBM defense effort suggests that it should be increased in intensity and expanded in scope. For an effective ICBM defense offers the strong possibility of achieving strategic checkmate in a single move. The country that first develops and demonstrates an effective defense against ICBM's can rule the international roost for that period in the foreseeable future until new types of offensive weapons emerge to make the ICBM obsolete.

Although we get only faint sniffs of the Soviet effort at developing an anti-ICBM system, it would be foolish to assume that they are not pushing this program to the limit of their available technical resources. As a nation of chess players, the significance of this move could hardly be lost on the Soviet leaders.

In the same vein, we should be devoting considerable effort today to developing defensive capability against weapons that may eventually be deployed through space, even though it is not yet clear exactly in what form the space offense will emerge as a genuine threat some years hence. Such projects as the Air Force Saint (satellite interceptor) represent a sound forward step toward solving the defensive problems of tomorrow, even though its details sound like science fiction to the taxpayer today.

But one area in which we find ourselves in serious defensive difficulty is the old-fashioned business of air defense against manned bombers. Based on a combination of faulty intelligence and wishful thinking, our national leaders of some years ago convinced themselves that the Soviets had abandoned manned bomber development and that it was safe to let our air defense system deteriorate into eventual obsolescence.

There is still some effort at the top level in the Pentagon to dismiss the Soviet supersonic bomber and tanker developments with the hackneyed Detroit-manufactured sneers of "The Russians aren't 10 feet tall," and "How do we know these new Russian bombers aren't just prototypes built to fool us into going in the wrong direction?" This was the same sort of malarkey pedaled by the Central Intelligence Agency after the 1956 Tushino air show. Despite the protestations of Messrs. Dulles and Khrushchev, the Soviets have continued development of manned flying machines across the entire technical spectrum from supersonic bombers to helicopters and convertiplanes.

It is against the threat of the new Soviet supersonic bombers with their high-speed jet tanker support, combined with the old Bear and Badger bomber fleet equipped with standoff missiles of sufficient range to avoid Nike-Hercules and make the Bomarc B and the F–106 systems of marginal effectiveness, that our defenses are critically weak. We once had adequate military plans to counter this future threat with the long-range F–108 mach 3 interceptor and a modernized SAGE and DEW-line system. But all of these plans were scrapped on the ground that no such future threat would exist.

In our current preoccupation with the development of a variety of technically sound new offensive weapons, we should not neglect a more intensive and intelligent evaluation of our future defensive requirements than we have devoted to this area in the past.

Answers to Tannenwald

EXTENSION OF REMARKS

OF

HON. AUGUST E. JOHANSEN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, August 17, 1961

Mr. JOHANSEN. Mr. Speaker, at the close of my remarks on the floor today regarding the gratuitous insult to Members of the House offered this morning on NBC's "Today" television show by Theodore Tannenwald, Jr., special assistant to the Secretary of State, my colleague from Michigan [Mr. FORD] directed attention to still another officious lobbying effort on the part of this special assistant.

In this earlier venture, Mr. Tannenwald took on the eminent columnist, Mr. Arthur Krock, in a letter published in the New York Times. His effort has prompted the apt and tart comment by Mr. Krock that this "subordinate official on the heavily populated assistant level considers it within his function and responsibility to act as high policy spokesman and debater in the public press."

Under permission to extend my remarks, I enclose a letter from Congressman FORD published in today's New York Times in response to Mr. Tannenwald's brash contradiction of testimony by two Cabinet officers. I also enclose Mr. Krock's comments today on the same matter:

FUNDS FOR FOREIGN AID—ISSUE TAKEN WITH TANNENWALD ON BORROWING AUTHORITY PROVISO

To the EDITOR OF THE NEW YORK TIMES:

It is appalling that a high official of the administration such as Theodore Tannenwald, special assistant to the Secretary of State, would make some of the statements he does in his August 9 letter to you denouncing Arthur Krock's August 4 column as "omitting a number of pertinent facts and not stating accurately other facts," about the 5-year back-door borrowing provision in the administration's foreign-aid bill.

Mr. Tannenwald is in some respects guilty of what he deplores. He even put himself in direct opposition to testimony of his superiors. And he hangs on legalisms and indulges in technicalities.

Mr. Tannenwald correctly notes that, as now written, the legislation requires the President annually to submit a budget to Congress under the Corporation Control Act showing how the funds are to be used, etc. Then he says:

"The President will not be able to obligate or spend these funds until Congress has enacted an authorization in an appropriation bill for the use of the funds."

SECRETARY DILLON'S TESTIMONY

Many Members of Congress regard this as opposite to what Treasury Secretary Dillon told the Senate Committee on Foreign Relations in the following exchange:

"Senator WILLIAMS. As I understand it, and I think we ought to get this clear, you come back each year and report to Congress, but you do not need any additional action on the part of the Congress to get the money if we approve this bill as it is written; is that correct?" "Secretary Dillon: That is correct."

I fail to see how both Secretary Dillon and Mr. Tannenwald can be right.

Mr. Tannenwald indulges the obvious when he asserts that Congress would have full legal power to limit the use of these funds. Of course it would. It is a rare occasion when the Congress is without raw legal power—note the word "legal"—to change its mind and amend a law in practically any way it deems appropriate. But hanging on legalisms here substantially begs the question—certainly where delicate and far-reaching arrangements with sovereign foreign nations are involved.

His superior, Secretary Rusk, told the House Committee on Appropriations that: "As a matter of the law and the Constitution, it [Congress] would have the same control. However, I would be less than candid if I did not say that the exercise of that control by the Congress on an annual basis would be a more serious step in terms of

our commitments and relations with other governments than would be true under the present arrangement."

LIMITING EXPENDITURES

This question of control by Congress is so crucial to the understanding and consideration of the proposition that I again quote from Secretary Dillon. He was asked what would be the situation if Congress decided to cut a part of the $8.8 billion but in the meantime under long-range programing, commitments had been made with foreign countries. Could Congress then limit expenditures below what had been committed? Dillon said:

"I would like to be perfectly clear on that, Senator. Congress does have the authority to limit it, and could limit it, but it would have the effect of the United States not living up to its commitments. So I believe there would be very strong pressure on Congress not to have the United States default on a commitment which it had legally made."

In the face of that statement, Mr. Tannenwald says Mr. Krock was incorrect when he suggested that if Congress were to limit or terminate the previously granted borrowing authority the United States would be in default in its foreign aid commitments. Then hanging on technicalities, he concludes that "there could be no question of a default." Secretaries Rusk and Dillon say otherwise.

Mr. Tannenwald insists it is not true, as Mr. Krock states, that:

"Since technically the executive could commit in 1 fiscal year the entire $8.8 billion Congress had given it for 5 years, there conceivably could be no money left for Congress to recapture."

Once again, let's see what Secretary Dillon says: "Mr. Passman: In effect, the executive branch could if it should so determine, commit the entire $8.8 billion during fiscal year 1962 on a conditional basis?" "Secretary Dillon: They could commit $1,187 million firmly, and they could commit the rest of it conditionally." "Mr. Passman. It could be committed, nevertheless?" "Secretary Dillon. Conditionally, it could be."

In conclusion, this long-term financing proposition, and some others similar to it and now rather commonly known as backdoor financing, raises questions vital to the orderly processes of representative Government. The Congress, as the elected representatives of the people, has but one certain way effectively to control the Government. That is the power of the purse.

So when such a proposition as the pending $8.8 billion, 5-year borrowing authority is submitted above all things we must know its full dimensions and characteristics before we finally vote. Do what we will—but know what we are doing.

GERALD R. FORD, Jr.,
Representative, Fifth District, Michigan.

WASHINGTON, *August 10, 1961.*

IN THE NATION—MIXED SIGNALS AND DUTIES ON THE NEW FRONTIER

(By Arthur Krock)

Whatever may be the final form of the administration's foreign-aid bill, the determined efforts in the Senate and House to retain more committee control over, and reduce, the expenditure of the $8.8 billion the President wants to finance long-term development loans reveal the depth of the disbelief in Congress that the effects of the proposal merely would be to institute sound business practices in the program. The questioning of high officials by congressional committee members inevitably discloses the potential apparatus of a 5-year legislative loss of control of the loaning activity that could be regained only at the default of commitments already made in the name and on the honor of the United States.

Perhaps Congress ultimately will agree, as in other instances it has, to this fundamental self-limitation on its constitutional power of the purse over annual Government spending and commitments of future spending. But, if so, in this case that will not be because of the lawyers' quibbles and bureaucratic technicalities by which administrative agents and floor spokesmen in Congress have sought to obscure this inevitable consequence. Substantial approval will have been given dispite these attempts to gloss over the realities.

The causes will be three in particular: (1) The President's total involvement of his political fortunes and his personal prestige with the fate of his loans plan; (2) its intrinsic merit as sound administrative procedure; (3) the new and recurring international crises which require that his national leadership shall not be cast in the serious doubt he deliberately risked by almost equating congressional action on his development loan program with a vote of personal and official confidence in his conduct of U.S. foreign policy.

THE BOWERY ARGUMENT

The strategy of this final pressure on Congress has been organized to the point where every event abroad, every vote in Congress on the foreign aid program, is cited by members of his Cabinet as a reason why Congress should authorize a 5-year Treasury fund for development loan projects on which the President can draw without further legislative action. This tactic, and the personal and patronage politics the President has played to get the votes of Members who doubt or oppose his plan, are wholly legitimate, and no invention of the Kennedy administration. Alfred E. Smith approvingly described these pressures as the Bowery argument which the American political system often makes it necessary for men in office to employ for high purposes.

Evasion or concealment of the actual meaning and effects of actions urged on Congress by the President also represent no innovation of the Kennedy administration. Therefore the letter typical of such an endeavor, which was published on this page last week from Theodore C. Tannenwald, Jr., a special assistant to Secretary of State Rusk, was traditional. In attacking as ignorant and uninformed an analysis of the President's long-term loan proposal that appeared in this space on August 4, Tannenwald was merely resorting to the bureaucratic device of asserting that plainly labeled interpretation and estimate had been represented as accomplished mathematical facts.

A response to this letter from Representative GERALD R. FORD, JR., of Michigan, published on this page today, sufficiently exposes the basic flaws in its construction. And FORD, an undeviating Republican supporter of foreign aid, demonstrates by documentation that the analysis of the loan proposal's effects made by Secretary Rusk's special assistant conflicts head on with testimony by his chief and Secretary Dillon before congressional committees.

But the Tannenwald letter was an innovation in another important respect. It reveals that the profusion and duplication of top authority grants by President Kennedy make this the first administration in which a subordinate official on the heavily populated special assistant level considers it within his function and responsibility to act also as high policy spokesman and debater in the public press. This is an expansion for him of an assignment to lobby for the foreign aid bill at the Capitol.

That is a risky combination of duties, assigned or assumed, particularly when its byproduct is a public denial of legislative effects which have been conceded by Government superiors. Possibly that is why it has not previously been undertaken.

Urban Renewal in the District of Columbia Can Be Made More Humane and Vastly Improved and Strengthened by Providing Tax Abatement, and by Protecting Good Structures and Those That Can Be Salvaged as Was Done So Ably in the Georgetown Section of the Nation's Capital, and Millions of Dollars in Taxes Can Be Saved

---

EXTENSION OF REMARKS
OF
HON. CARROLL D. KEARNS
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, August 17, 1961

Mr. KEARNS. Mr. Speaker, once again I am compelled to voice my concern for the needless destruction of buildings and sites of local or national historical or architectural interest and the disruption of balanced neighborhoods in the name of urban renewal. This is not offered as an overall criticism of the urban renewal program in the District of Columbia. Instead, I want to focus attention on the need for less emphasis on demolition and complete clearance and greater effort toward rehabilitation and conservation of neighborhoods which perform positive functions for their inhabitants. There is documentation to support the contention that too little attention has been given to the human side of urban renewal; and that historically significant areas, such as the one destroyed by the southwest urban renewal project in the District of Columbia have been swallowed up by inappropriate development. It is my belief that this documentation should serve as a warning to us and as an inducement to review the policies and regulations which have permitted this perversion of so essential and vast a program as urban renewal.

In an attempt to increase emphasis on rehabilitation and conservation we are first in need of a better definition of a slum. An editorial in the July 22, 1961, Saturday Evening Post alleges:

> In cities from coast to coast, areas of historic interest, pleasing architecture and gracious living are being condemned as substandard, blighted, deteriorating or plain slum. * * *
>
> Something of the sort is threatened for the West Greenwich Village area in New York City. Fourteen blocks in the most charming part of the city have been designated as a "blighted area," although the people who live there include normal middle-class families with better-than-average incomes, artists, small-business operators, working people of many races—the kind of people you find in any American community which has had a long and natural development. The delinquency rate is low; real estate valuations and taxes have been steadily rising—a uniquely blighted area.

I can cite an example even closer to home. I have reference to the Adams-Morgan urban renewal project. This is a project which is worthy of note, for it truly exemplifies citizen interest in renewal, upgrading, and preservation of a

stable community. Nevertheless, there are some features of which I am critical, and I have tried to assist the Kalorama Citizens Association in its efforts to have these features corrected. A part of the plan for the Adams-Morgan urban renewal project is to demolish one side of Lanier Place NW., for the purpose of erecting a parking lot. Lanier Place is an attractive residential street which contains predominantly substantial houses, some of which are valued as high as $75,000. Surely this does not constitute a slum area which must be removed to be replaced by a parking lot.

In spite of citizen dissatisfaction and the fact that the Adams-Morgan urban renewal project is the first urban renewal project in the District which emphasizes conservation and rehabilitation of existing properties, officials have refused to change the plan for clearing Lanier Place to establish this parking area. The HHFA has already approved an application for Federal planning advance funds, and has made a capital grant of more than $460,000. Here again is an example of the inappropriate use of some of the funds made available for urban renewal.

The West Greenwich Village area referred to by the Saturday Evening Post parallels on a smaller scale the kind of restoration we have witnessed in old Georgetown. Many of the West Greenwich Village residents have invested heavily in the repair and modernization of fine old brownstones, contributing to the creation of a stable, attractive neighborhood. Clearly, this is the kind of citizen action and interest which is basic to urban renewal. It should be encouraged. It should not be ignored in deference to the bulldozer approach of complete demolition and rebuilding. The taxpayers should not be required to underwrite this kind of social injustice and economic waste.

One city planner who has conducted on-site studies of the effects of urban renewal operations on site tenants, concludes that while urban renewal and rehousing of slum dwellers are necessary and desirable objectives, the means for achieving them are often ill chosen in relation to these objectives:

> Redevelopment should be pursued primarily for the benefit of the community as a whole and of the people who live in the slum area, and not for that of the redeveloper or his eventual tenants.
>
> For example, objectives such as attracting middle- and upper-income citizens back from the suburbs, contributing potential shoppers to a declining central retail area, creating symbols of community revival; or providing more statusful surroundings (and parking lots for powerful community institutions (are extraneous objectives).[1]

I am in wholehearted agreement with the attitude stated by this city planner, and I sincerely regret the fact that so few of the members of his profession share this humane and sensible point of view. I can only hope that in the not too distant future more city planners, urban renewal agency executives, and other Government officials will see the wisdom of achieving the true objectives of urban renewal—the rehousing of slum dwellers and the upgrading of neighborhoods, through conservation and rehabilitation.

In an appearance before Subcommittee No. 1 of the House Committee on the District of Columbia, I submitted a statement in support of a proposed revision of the District of Columbia Redevelopment Act of 1945, the statute under which the urban renewal operations of the District of Columbia are conducted. At that time I proposed the following change in language in the Redevelopment Act of 1945:

> Notwithstanding any other provision of this act (1) housing (including structures of historic or general significance) which is not substandard in any project area shall be preserved and shall not be demolished or included in the acquisition and assembling by the Agency of the real property in such area; and (2) the owner of any substandard housing (including structures or sites of historic or general significance) in the project area which can be rehabilitated or restored to good condition shall be encouraged and assisted by the Agency to undertake and carry out such rehabilitation or restoration, and such housing (or structures or sites) shall not be demolished or included in the acquisition and assembling by the Agency of the real property in such area unless such owner, after having had a reasonable time following notification by the Agency to complete such rehabilitation or restoration has failed to do so; and in the case of any such failure the Agency, after acquiring such housing (or structures or sites) shall itself provide for the rehabilitation or restoration thereof whenever it determines that such rehabilitation or restoration is desirable or appropriate, and shall dispose of such housing within a reasonable time on such terms as it may consider to be reasonable and in the public interest.

Briefly, my proposal has as its objective the preservation of all sound structures—residential or other—and the avoidance of depredation of buildings or sites possessing local or national historical or architectural interest which should be preserved as a part of our country's history. I also proposed that the Housing Act of 1949, as amended, likewise be revised to include this language. A similar proposal was among the recommendations of the 1960 tax policy study undertaken by the Citizens Housing and Planning Council of New York. This group also suggested that code enforcement be used as a tool for reducing the cost of urban renewal, and the council proposed that once a firm decision has been made to acquire a specific area for urban renewal, owners of substandard properties be given the choice between prompt rehabilitation or equally prompt demolition.

The Housing Act of 1961 contains several tools for use in conserving and rehabilitating basically sound housing. It is my hope that these instruments will be used to the greatest possible extent. Properly used, and conscientiously administered, the new home improvement loan program and the liberalized FHA insurance provisions can help stem the spread of blight; rehouse low- and middle-income families in housing which they can afford; and prevent the needless demolition of homes and other buildings, and the disruption of neighborhood ties and associations. However, it does not provide for the retention of all sound structures in urban renewal project areas, as does my proposal.

Studies conducted by ACTION (American Council to Improve Our Neighborhoods)—and other groups—both private and public—have documented the fact that rehabilitation of sound structures is usually less costly than new construction on the same site. Thus, there is a distinct cost advantage in rehabilitation.

In view of our anticipated population growth and the estimate of experts that from 4 to 6 million dwelling units sink below acceptable standards or are demolished every decade, positive steps are required now to prevent a reduction in our overall housing supply. William L. C. Wheaton, a well-known city planner, has estimated that, through rehabilitation, some 400,000 existing dwelling units may be saved from destruction or dilapidation every year. This constitutes another concrete advantage to be gained by a step up in rehabilitation efforts.

The two advantages mentioned—reduction of the cost of urban renewal and saving housing units—are economic gains which could be achieved through rehabilitation. There is also a social benefit of major significance which could be derived from an emphasis on conservation and rehabilitation of slum areas—I have reference to the preservation of established, balanced neighborhoods.

I would like to call the attention of this body to the philosophy of an editorial which appeared in the July 21, 1961, issue of Life magazine; it may provide some food for thought. The editorial was a commentary on a recent brochure published for the Citizens' Housing and Planning Council of New York, written by that eminent housing expert, Miss Elizabeth Wood. Miss Wood recommended that public housing developments be designed to help the lower income people to learn to be self-policing via "community morale." Life magazine observes that Miss Wood "urges that public housing projects be adorned with pubs, candy stores, loitering places, and other amenities of community life. Instead of strict rules and keep-off-the-grass signs, she would provide places for the teenagers to drink pop and play records while their parents drink beer and play boccie nearby. A concierge would be at their service in the lobby."

The magazine editorial concludes:

> Here surely is a reason to stop and think before we let the bulldozers loose on our remaining slums. Many salvageable slums are already well equipped with saloons, candy stores, loitering places, and a humming community life. * * *
>
> The housing problem requires many different solutions; but the roles of the bulldozer, the big project, and the professional housers have long been overdone. If some rents have to be subsidized, it can surely be done without creating economic ghettos which, whether bleak or pretty, are no more democratic than the other kind. Tax reforms, better incentives, for private landlords, easier credit for rehabilitation—there

[1] Herbert J. Gans, "The Human Implications of Current Redevelopment and Relocation Planning" (February 1959, Journal of American Institute of Planners).

are many ways we can stop slums from developing, and so nourish the living communities of real people that make our great cities worth saving.

During this session of the Congress I introduced a bill in the House which sought to allow homeowners to deduct from their income tax payments the expenses incurred in modernization and rehabilitation of their homes, and to permit an accelerated rate of amortization of the costs of such repairs and improvements. It is my contention that this incentive to homeowners is a step which the Congress and the Internal Revenue Bureau should not hesitate to take. There are others who share this view.

For example testimony before the Housing Subcommittee of the Senate Banking and Currency Committee this year revealed the deep concern of mayors and housing officials over the continuation of tax practices which tend to perpetuate the slums rather than eliminate them. Richard L. Strout, reporting on these hearings in the May 11, 1961 Christian Science Monitor stated that planning authorities charged "that today's municipal taxes harness the profit motive backward."

The slumlord who buys property and lets it deteriorate, they charge, is benefited by taking a depreciation allowance. If he sells for less than he paid he gets a tax rebate. If the same man tried to improve his slum dwelling by painting or renovating it, he would be taxed higher on the higher value.

Similarly a University of Wisconsin law professor, Arthur D. Sporn, has concluded that "within our legal system the depreciation allowance provisions of Federal and State income tax laws, as they apply to rental housing may be promoting the persistence and spread of slums."

Professor Sporn based his conclusion upon a thorough study of the depreciation provisions of the Federal income tax law and legislation and other activity aimed at slum clearance in the United States. His study revealed that depreciation rules encourage irresponsible and deleterious operation of rental housing; discourage investment in new housing; and contribute to the shortage of building sites for new housing.

I was particularly interested in Mr. Sporn's analysis of the consequences of our failure to revise our tax regulations. Says Mr. Sporn:

In the case of slum housing the public subsidy that contributes to the maintenance of values, and hence to the level of capital investment being recovered through depreciation, comes from at least three separate sources: from the relief and other welfare payments made to tenants by welfare and other public agencies, part of which goes toward payment of rent; from the furnishing of municipal services at excessive costs; and from purchases made in condemnation proceedings.[1]

Surely a dynamically progressive country such as ours, built upon honesty, integrity, and individual enterprise, and having as one of its motivating principles "the greatest good for the greatest number," cannot afford the continuation of practices which thwart progress, and benefit the few at the expense of the many.

In taking the actions which I have proposed in my two bills, we would not be setting an uncharted course. Washington's Georgetown, Boston's Beacon Hill, New York's Sutton Place—all are living proof that renewal through rehabilitation can be successful. Australia's and New Zealand's experiences with land value taxation has proved that tax abatement on building improvements can be effective.

If slum clearance and rehousing of slum dwellers are worthy objectives—and I am convinced that they are—they must be encouraged. This we can do by not penalizing those who improve their property by levying taxes on these improvements, and by promoting continuous urban renewal through tax abatement, emphasis on rehabilitation procedures as opposed to complete demolition and clearance of slum areas. Last, but by no means least, we can prevent the destruction of historic sites and the disruption of community life which has had so detrimental an impact on thousands of families.

I ask that you join me in urging this administration to do everything possible to improve the housing for all American families, to preserve the symbols of our country's history, and to promote neighborhood improvement and stability through rehabilitation of existing housing and the provision of adequate community facilities.

I have today introduced a House joint resolution which provides tax abatement for the improvement of residential property, and, at the same time, protects good housing as well as housing which can be salvaged.

This measure will literally save tens of millions of dollars. If it had been in effect it would have made unnecessary the expenditure of the major part of the $90 million which is the expected final cost of the Southwest urban renewal project, and it would have made unnecessary the loss of taxes from business and residential property in the Southwest urban renewal project which is another major and hidden cost of the present type of urban renewal programs being carried on in the District of Columbia.

Third, it would have been much more humane, had it been in effect, and would not have contributed to the spreading of slums throughout the District of Columbia as the present program has. Here is the second major hidden cost of the present type of urban renewal program.

[1] Sporn, Arthur D.: "Some Contributions of the Income Tax Law to the Growth and Prevalence of Slums." Columbia Law Review, vol. 59, Nov. 1959: 1026–1036.

HOUSE OF REPRESENTATIVES

FRIDAY, AUGUST 18, 1961

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

The last words of the book of Ecclesiastes: *For God shall bring every work into judgment with every secret thing, whether it be good, or whether it be evil.*

O Thou God of our forefathers and all their succeeding generations, may we now give ourselves completely to the promptings and control of Thy holy spirit and keep our own desires and decisions in abeyance until we know and feel what Thy will is for us.

Enlighten our minds with Thy truth and warm our hearts with Thy love and may every selfish and debasing thought to which we may have given harbor, be forever taken away.

May we never espouse any legislation, or champion any undertaking which is not in line with Thy wise and beneficent purpose nor shrink from making any sacrifice which Thy holy will may demand of us.

Grant that at the close of the day we may merit the benediction of Thy peace and have within us the testimony of our conscience that we have not done anything on which we dare not ask Thy blessing.

Hear us in the name of our blessed Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1824. An act to create an additional judicial district for the State of Florida, to be known as the Middle District of Florida.

The message also announced that the Vice President had appointed the Senator from California [Mr. KUCHEL] as a delegate to the Interparliamentary Union meeting to be held in Brussels, Belgium, September 14–22, 1961, in place of the Senator from Indiana [Mr. CAPEHART], excused.

PUBLIC WORKS

The SPEAKER laid before the House the following communication, which was read and referred to the Committee on Appropriations:

AUGUST 17, 1961.

The Honorable SAM RAYBURN,
Speaker of the House,
The Capitol,
Washington, D.C.

MY DEAR MR. SPEAKER: Pursuant to the provisions of section 7(a) of the Public Buildings Act of 1959, the Committee on Public Works of the House of Representatives approved on August 15, 1961, prospectuses for the following public building projects which were transmitted to this

committee from the General Services Administration:

Location and type:

Massachusetts, Harvard area, OCDM region 1, emergency operation center.

Texas, Dallas, courthouse and Federal office building.

Sincerely yours,

CHARLES A. BUCKLEY,
Member of Congress, Chairman, Committee on Public Works.

REREFERRAL OF EXECUTIVE COMMUNICATION

Mr. MURRAY. Mr. Speaker, I ask unanimous consent that Executive Communication No. 1214, relating to the Federal Employees' Compensation Act Amendments of 1960, be rereferred from the Committee on Post Office and Civil Service to the Committee on Education and Labor.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

REPLY TO THE HONORABLE NELSON A. ROCKEFELLER

Mr. BOW. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BOW. Mr. Speaker, I have today received a telegram from the Honorable Nelson A. Rockefeller, Governor of the State of New York. I think it would be well for the Governor to confine himself to messages to the New York State legislators and not become involved in matters pending in the U.S. House of Representatives. It would, perhaps, be proper for him to express his opinion to the members of the New York delegation.

But when he attempts to assert leadership in opposition to a great majority of the Republican Members of Congress, it is my opinion that he shows evidence of not wanting to be a member of the Republican Party.

Under unanimous consent, Mr. Speaker, I include herewith a copy of my reply to his telegram:

Hon. NELSON A. ROCKEFELLER,
Governor of the State of New York,
Albany, N.Y.:

The survival of this Nation and the free world depends upon a strong economy and fiscal responsibility under the Constitution. Your suggestion disregards constitutional mandates and makes ineffective the separation of the powers of the three branches of Government. I am sure you cannot tell me of a single project that has failed because of the yearly review of Congress. Your position in this matter, in my opinion, eliminates you from consideration in any position of leadership in the Republican Party. I shall support and urge others to support the Saund amendment.

FRANK T. BOW,
Member of Congress.

CALL OF THE HOUSE

Mr. HAYS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 156]

Barry	Holifield	Randall
Blatnik	Kearns	Shelley
Brooks, La.	Mason	Sheppard
Celler	Miller, N.Y.	Slack
Davis, Tenn.	Moulder	Teague, Tex.
Dominick	Patman	Wilson, Calif.
Garland	Powell	
Harrison, Va.	Rabaut	

The SPEAKER. On this rollcall, 414 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MUTUAL SECURITY ACT OF 1961

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 8400) to promote the foreign policy, security, and general welfare of the United States by assisting people of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 8400, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through section 604, line 3, page 43 of the bill. Are there any further amendments to section 604?

Mr. STRATTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STRATTON of New York: On page 41, line 23, immediately after the period insert the following new subsection (b) to section 604 to read as follows:

"The President shall require, as a term or condition of any assistance furnished under this Act, that to the maximum extent practicable, funds made available under this Act which are used for the purchase of materials or supplies shall be utilized for the purchase of only such materials or supplies as have been produced in the United States in labor market areas designated by the Secretary of Labor as areas suffering from not less than 6 per centum of unemployment."

And renumber succeeding subsections accordingly.

Mr. STRATTON. Mr. Chairman, this is a mutual security program that we are debating today in this committee. It is a program in which we help other people and at the same time help ourselves.

Mr. Chairman, a document was circulated to the members of the committee some days ago which pointed out that in the past 20 years during which we have been engaged in mutual security operations some 60 percent of a total of $130 billion spent for this purpose over these 20 years has actually been spent for the purchase of materials and supplies within the United States.

Mr. Chairman, the distinguished gentleman from Pennsylvania, [Mr. WALTER] mentioned on the floor of the House yesterday during the Committee debate that some 80 percent of the funds made available in this present bill would be spent in the United States. When we are back in the House, Mr. Chairman, I intend to insert in my remarks a study prepared by the Legislative Reference Service of the Library of Congress which details the actual breakdown of the amount of these funds that have come back into our own economy.

Mr. Chairman, at the same time that we have been helping our own economy it is no secret that we are experiencing difficulties in this economy. We have pockets of unemployment distress. Earlier in this session of Congress we passed a distressed-areas bill to help these communities attract new industry into them and put people back to work. Certainly this was an important and an effective piece of legislation. I was one of its coauthors. But it seems to me, Mr. Chairman, that it would be even more helpful for us to utilize the funds that are already being spent in this country under Government-supported programs as much as possible in these areas of distress and unemployment, so that we can help them get back on their feet without the necessity for the expenditure of additional funds.

Mr. Chairman, this bill does provide that the funds it provides, insofar as possible, shall be spent in the United States. This is the real meaning of section 604 to which my amendment addresses itself. The bill also provides in some two other places that insofar as possible we shall not lend money to foreign countries if such loans would have an adverse effect on unemployment areas in our own country. But these, Mr. Chairman, are purely negative provisions. The amendment that I am submitting now is a positive proposal that to the "maximum extent practicable" funds expended in the United States under this program be expended in labor surplus areas. This is not a straitjacket.

It does not direct the Administrator to spend all of the funds in distressed areas. It does not provide for any cost differential which has been included in similar "distressed areas" amendments which have been proposed earlier to other legislation. It says merely that to the maximum extent practicable the funds shall be directed into labor surplus areas. My amendment is not designed to take business away from any State or from any section, but simply would set up a standard and a guide for the administration of the aid program so that those distressed areas which are seeking to help themselves can also profit in a fair and reasonable way from the 80 percent of the funds in this bill which are going to be expended in the United States of America. This seems to me to be an entirely reasonable and sensible provision. It sets a guide for the administration of the program which we do not presently have in law. It puts into the bill a positive,

rather than a negative, standard. I think that, insofar as it makes it possible for us to help ourselves at the same time that we are helping our friends across the seas, this is an amendment that will make this foreign aid program be a genuine "alliance of progress."

Mr. Chairman, I urge the adoption of the amendment.

Mr. Chairman, I ask unanimous consent to extend my remarks in the body of the RECORD and include certain extraneous matter on foreign aid.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Chairman, under leave to extend my remarks I include herewith a study prepared by the Legislative Reference Service of the Library of Congress at my request outlining procurement statistics with regard to the procurement of foreign aid materials within the United States since 1940. Following that, I include a tabulation prepared by the Department of State as an addendum to the publication, "Foreign Aid: Facts and Fallacies," which outlines the distribution by states of ICA procurement for estimated military assistance procurement in the United States from July 1958 through June 1960. Finally, I include a further study prepared at my request also by the Library of Congress covering per capita costs in the United States for foreign aid for the past 20 years.

The material referred to above follows:

PROCUREMENT OF U.S. FOREIGN AID MATERIALS IN THE UNITED STATES SINCE 1940

It should be stated clearly that the foreign aid program is not without cost, and these costs must be justified by the benefits which accrue to the recipient countries and the indirect advantage which the United States derives from these benefits. The benefits to the United States are primarily the profitable purchases from industry, mines, and agriculture and the wages directly attributable to these foreign aid activities.

It could be stated categorically that shipments of goods and services under our foreign aid programs have not been confined merely to those goods produced by depressed U.S. industries, those suffering from a slackened domestic market or merely surplus agricultural products.

Foreign aid programs have taken not only surplus commodities, be they economic or military, but in many instances they have comprised items for which real sacrifices have been made. Foreign aid has not been a glorified public works program. The direct effects of the total aid program have had most beneficial results on the U.S. economy, but apart from these, the foreign aid program should be viewed primarily in terms of its effectiveness in implementing the foreign policy of the United States.

In 1956 the National Planning Association estimated that since the inception of the Marshall plan in 1948, foreign aid took about 1.5 percent of this country's total industrial, agricultural, and mining production each year. During the same period foreign aid expenditures also averaged about 9.4 percent of total U.S. Government expenditures. Similiarly, it was estimated that approximately 600,000 workers have been employed each year in the United States directly and indirectly as a result of foreign aid expenditures.

Although the annual total of aid disbursed by the United States has fluctuated during the years, the approximate amount of aid money spent in the United States for goods and services has remained above two-thirds of annual availabilities. In the summary presentation for fiscal year 1962 concerning the Act for International Development the State Department makes the succinct statement: "In no year has less than two-thirds of the amount of U.S. economic aid been spent within the United States. Today, with policies in effect designed to maximize purchases in the United States the proportion spent here is estimated to be 80 percent."

During the war and postwar periods from July 1, 1940, through June 30, 1960, the United States extended to foreign countries and international organizations total aid amounting to $130,240,313,000.

The question has arisen as to what percentage of this total has actually been spent within the United States, resulting in benefits to our industry and agriculture, and what the trend of such expenditures has been through the years.

Actually the 20-year aid period should be divided into the war and postwar periods. During the war period July 1, 1940–June 30, 1945, the United States extended aid (mostly lend-lease) to the value of $49,223,859,000. As the arsenal of democracy, the United States supplied the Allies from her storehouse of food and industrial goods and war materiel. The few small loans that were made, resulted also in the expenditure for goods originating in the United States. Thus one can safely assume that fully 100 percent of the aid extended during the war years resulted in the expenditure of the total aid within the United States and the resultant purchases were then shipped overseas.

During the postwar period comprising July 1, 1945, through June 30, 1960, an additional amount of $81,016,454,000 in aid was disbursed by the United States. This aid was in the form of grants, both economic and military, and in the extension of credits and loans.

In the latter category, net loans were made by various agencies totaling $18,653,651,000. Reliable estimates as to the percentage spent in the United States are not available, but from the very nature of these loans it can be estimated that the major percentage was spent for goods and services originating in the United States. A rough estimate would result in the following:

Export-Import Bank loans: $7 billion; 100 percent spent in the United States.

British loan: $3.75 billion; 100 percent spent in the United States.

Surplus property sales: $1.5 billion; 100 percent from United States.

Mutual Security Act loans, (DLF, program loans, deficiency materials) $2.9 billion; 10 percent in United States.

Prior grants into credits: $2.3 billion; 100 percent in United States.

Lend-lease credits: $0.4 billion; 100 percent in United States.

Occupied areas commodity programs: $0.3 billion; 100 percent in United States.

Loans by RFC by Eximbank: $0.5 billion; 100 percent in United States.

Miscellaneous: $0.4 billion; 10 percent in United States.

On a weighted average, therefore, around 83 percent of all loans were spent in the United States for goods and services and about 17 percent was distributed overseas.

Another form of credit aid was the sale of surplus farm commodities since 1953 to the tune of over $6 billion. This total was spent in the United States.

On the grant side the adjusted total amounted to $62,362,803,000 if account is taken of the $2,256,654,000 previously given as grants, but subsequently renegotiated and charged as loans. This latter total comprised both lend-lease and civilian supplies.

On the military side, aid rendered totaled $26,765,957,000. This comprised military supplies and services from the United States, vessel loans, lend-lease to China, Greek-Turkish aid of military supplies, Chinese naval and military aid, certain military equipment loans and contributions to multilateral construction programs. Although the totals are available the breakdown of procurement in the United States and the trend of such purchases during the years are not unclassified. To show the extent of procurement in the United States, the Department of Defense advised that from 1950 through 1960 approximately $25.8 billion of military aid was expended overseas. Of this total $3.8 billion was spent in offshore procurement, NATO supplies, weapons production and research development.

On a weighted average, therefore, around 85 percent of all military assistance was spent for materiel and services in the United States and about 15 percent was spent in cash overseas.

On the economic grant side, aid rendered amounted to $37,853,700,000. A rough estimate of direct expenditures in the United States would result in the following:

Economic and technical aid (mutual security programs): $23.1 billion; 65 percent from United States.

Farm products disposals: $0.3 billion; 100 percent from United States.

Famine and urgent relief: $0.5 billion; 100 percent from United States.

Agricultural commodities by private agencies: $1.1 billion; 100 percent from United States.

Civilian and relief supplies: $5.8 billion; 100 percent from United States.

UNRRA, refugees and children: $2.9 billion; 90 percent from United States.

Lend-lease—postwar civilian supplies: $1.2 billion; 100 percent from United States.

Post-UNRRA supplies and services: $0.3 billion; 90 percent from United States.

Interim aid—Franch, Italy, Austria: $0.6 billion; 100 percent from United States.

Greek-Turkish civilian aid: $0.1 billion; 100 percent from United States.

Philippine rehabilitation: $0.6 billion; plus or minus 50 percent from United States.

Chinese stabilization: $0.1 billion; (?) from United States.

Miscellaneous (American Red Cross, Yugoslavia aid, foot and mouth disease, highways, refugees, Palestine relief, Korean relief, multilateral programs): $1.2 billion; plus or minus 50 percent from United States.

Even at a conservative estimate less than $10 billion (9.4) of total economic aid was spent overseas as U.S. dollars. The rest was spent for goods and services from the U.S. industrialist, farmer, miner, and shipper.

Again, on a weighted average, therefore, around 75 percent of all economic grants was spent for goods and services in the United States, and 25 percent in offshore procurement of goods and services.

In the context of discussing the overall totals of foreign aid, attention is often directed only to the procurement policies incidental to aid under the Marshall plan. If only this aspect of foreign aid is looked at, then all procurement resulting in benefit to the United States only amounts to approximately 65 percent as noted in the previous table. That figure is also used in arriving at the overall percentage of foreign aid funds spent here and overseas.

In this regard the International Cooperation Administration has compiled commodity expenditures cumulatively by source of

purchase for the period April 3, 1948, through March 31, 1961, as follows:

Commodity group	Total expenditures	Procurement in United States	Percent of total
	Billions	*Billions*	
All items	$20.225	$13.158	65
Foodstuffs	4.312	3.053	71
Feeds and fertilizers	1.240	.871	70
Fuel	2.645	1.048	40
Cotton	2.673	2.673	100
Raw materials and semi-finished products	4.660	1.787	38
Machinery and vehicles	3.664	2.926	80
Miscellaneous	1.031	.799	78

One other aspect of interest in the current foreign aid discussions is the trend of procurement of materials in the United States for oversea assistance. To establish the trend for military procurement, economic purchases, and the finalization of procurement for all loans granted would be well-nigh impossible as the overlapping between the granting of dollar availabilities for foreign aid and the actual procurement of materials and services for the sums granted or borrowed depends on the supply of goods and their manufacture. The time lapse cannot be readily established. However, the ICA has now been able to establish the trend insofar as their commodity procurement was concerned for the period April 3, 1948, through December 1960, as follows:

Fiscal year	Total commodity	Export purchase in United States	Percent of total
	Billions	*Billions*	
1949	$4.030	$2.537	63.0
1950	3.215	2.241	69.7
1951	2.242	1.673	74.6
1952	1.617	1.175	72.7
1953	1.257	.917	73.0
1954	1.123	.836	74.4
1955	.986	.781	79.2
1956	1.043	.707	67.8
1957	1.236	.709	57.4
1958	1.013	.524	51.7
1959	.964	.457	47.4
1960	.867	.361	41.6
1961-December 1960	.414	.153	37.0
1949 to Dec. 31, 1960	20.013	13.072	65.3

Since the commodity procurement of Marshall plan goods for foreign aid has decreased substantially since the inception of the mutual security program in 1951, it is evident that the overall procurement of military materiel, merchandise, and farm products under the various loan programs as well as the purchases of commodities under the economic programs have averaged far higher than the 66 percent as stated initially. This figure actually applied only to one segment of economic aid and did not include military expenditures, lend-lease for 5 years, loan purchases, sale of surplus farm products, and large-scale relief supplies.

The following are the net U.S. grants and credits since 1940. These figures do not allow for subsequent reconciliation for errors and extended programs:

Net U.S. foreign grants and credits since 1940

[In billions of dollars]

1940-45	49.224
1946	4.731
1947	5.791
1948	5.046
1949	6.054
1950	4.530
1951	4.471
1952	5.043
1953	6.352
1954	4.938
1955	4.541
1956	4.911
1957	5.075
1958	4.834
1959	4.601
1960	4.076
1961 to December 1960	2.088

One could say that it should not be difficult to interpret a trend of procurement in the United States bearing in mind that 85 percent of all military supplies originated in the United States; that 83 percent of all loans granted went for purchases in the United States; that of all economic aid, 75 percent was procured in the United States and that the commodities bought by ICA absorbed 65 percent of the cash available for such purchases. In this latter instance, the percentage of fluctuation since the inception of the Marshall plan has been enumerated. Procurement of such commodities has been of a decreasing order. It is axiomatic, therefore, that larger proportions of all other types of aid were procured domestically. Suffice to say that foreign aid has certainly stimulated U.S. industry, agriculture, mining, and shipping; and, above all has proved its benefits to the 77 nations who are still currently the recipients of such aid.

Foreign Aid: Facts and Fallacies

The table below supplements the one on pages 44 and 45, which shows ICA commodity procurement by State.

Estimated military assistance procurement in the United States, by State (July 1958 through June 1960)

[In millions of dollars]

Alabama	21
Alaska	18
Arizona	20
Arkansas	2
California	525
Colorado	22
Connecticut	27
Delaware	7
District of Columbia	11
Florida	74
Georgia	23
Hawaii	30
Idaho	7
Illinois	62
Indiana	37
Iowa	17
Kansas	49
Kentucky	13
Louisiana	7
Maine	4
Maryland	46
Massachusetts	134
Michigan	132
Minnesota	31
Mississippi	4
Missouri	36
Montana	3
Nebraska	15
Nevada	2
New Hampshire	5
New Jersey	127
New Mexico	15
New York	247
North Carolina	58
North Dakota	2
Ohio	85
Oklahoma	15
Oregon	4
Pennsylvania	95
Rhode Island	2
South Carolina	16
South Dakota	7
Tennessee	15
Texas	110
Utah	24
Vermont	3
Virginia	33
Washington	100
West Virginia	1
Wisconsin	21
Wyoming	9
Total	2,373

U.S. Per Capita Foreign Aid

Each year, for the last 21 years, the U.S. Government has paid out an average of about $40 for every man, woman and child in aid to foreign governments and international organizations. These are tax dollars paid in as Federal revenue by the American individual and corporate taxpayer. Out of each $40, $32 were given either as gift or military and economic grants. The other $8 were in the form of loans to be repaid with interest over a specified period. A sizable share of these loans, however, is on a long-term basis and repayments need not be in dollars—foreign currencies are acceptable. What percentage of these long-term loans will eventually turn out in fact to be gifts cannot now be foreseen. During the period July 1, 1940, through June 30, 1960, the net aid disbursed amounted to $130,240,313,000. This total represents gross aid minus amount of reverse grants received by the United States and loans repaid during the period. At least 66 percent of this net aid was spent in the United States for machinery, food and raw materials resulting in income to our industries and agriculture.

The 20-year period is divided into the war and postwar eras. During the war period July 1, 1940, through June 30, 1945, the United States rendered aid to its allies of $49,223,859,000 During the postwar period, aid, comprising military, economic and technical assistance, as well as credits and loans, amounted to $81,016,454,000.

During this last fiscal year—July 1, 1960, through June 30, 1961—a total of $12,473,967,000 was available for disbursement. These funds stemmed partly from an undistributed carryover of $7,636,417,000, newly appropriated availabilities, and foreign currencies generated by the sale of our surplus farm products. Most of the carryover funds were substantially committed in continuing programs or in tentative agreements not yet fully finalized. It was estimated that during this last fiscal year about $5.2 billion would be distributed.

In addition to the funds mentioned, the United States has also made payments totaling $4,949,168,000 to the five major international monetary institutions. Such are the International Monetary Fund, the International Bank for Reconstruction and Development, the International Finance Corporation, the Inter-American Development Bank, and the International Development Association.

A related factor of concern to the American taxpayer is the amount of interest paid out annually on that portion of the national debt attributable to our foreign assistance programs. No attempt is made here to assess the total of such interest as the amount depends on too many imponderables. Conceivably, if no aid were given, other projects for which the Treasury has to borrow funds, could be financed out of current income. It is, however, impossible to cast up a final balance of aid versus national security, internal preparedness against Communist subversion, raising living standards in underdeveloped areas and fulfilling our world leadership obligations.

The tabulations in this statement, to be used in compiling per capita totals by State and congressional districts, have been developed in response to many congressional requests for some approximate totals to indicate the approximate magnitude of our foreign aid borne by counties or by States as part of our national contributions.

It must be noted that the per capita estimates are derived solely by apportioning the aid on the basis of population only and do not take into account variations in income or in foreign-aid expenditures in particular States, counties or districts.

All population figures for States, counties and towns are in accordance with the census of April 1, 1960—national total 179,323,175. This total does not include members of our Armed Forces and dependents overseas, crews of American vessels at sea or overseas, American citizens in foreign countries or inhabitants of Puerto Rico, the Virgin Islands,

and other outlying areas under the American flag.

The five per capita figures used in the five tabulations for each State, congressional district, county, county seat, or city over 10,000 inhabitants are as follows:

1. War and postwar total—period July 1, 1940 to June 30, 1960: $130,240,313,000.

Per capita figure: $726.2882.

2. War total—Period July 1, 1940 to June 30, 1945: $49,223,859,000.

Per capita figure: $274.4980.

3. Postwar total—Period July 1, 1945 to June 30, 1960: $81,016,454,000.

Per capita figure: $451.7902.

4. Total to international banking institutions: $4,949,168,000.

Per capita figure: $27.5991.

5. Aid available—carryover and new funds for fiscal year beginning July 1, 1960: $12,473,967,000.

Per capita figure: $69.5613.

Sources: "20 Years of U.S. Foreign Aid, 1940–60," by Hermann Picker, Legislative Reference Service, Library of Congress, Washington, D.C., March 21, 1961; "Foreign Grants and Credits by the U.S. Government," Office of Business Economics, U.S. Department of Commerce, Washington, D.C., November 1960 and June 1961.

Mr. MORGAN. Mr. Chairman, I rise to ask the gentleman from New York [Mr. STRATTON] some questions. Will the gentleman assure the committee that his amendment will not have any effect on the movement of industry from one State to another State?

Mr. STRATTON. Mr. Chairman, I can assure the gentleman that the wording of the amendment only sets a guide or a standard for the administration of the act. The wording, that procurement in unemployment areas shall be done to the "maximum extent practicable," I think leaves the decision entirely in the hands of the Administrator. I would assume that the Administrator would not be engaged in moving existing industry from one State to another. This is certainly not the intention of the amendment; but simply to give him a guide in channeling procurement under the terms of the bill, to give orders to existing industry in this country which are not being fully used.

Mr. MORGAN. There is direction to administer this program so as to assist surplus labor areas in three sections of this bill already. It is in the development loan section, section 201. It is also stated specifically in the development grant section, section 211 and is already included in section 604, to which the gentleman's amendment applies. Will the gentleman give his reasons why it should be reinserted in the bill in this section?

Mr. STRATTON. I tried to point out in my earlier remarks that the present wording in the bill is a negative wording. It would protect unemployment areas from the adverse effects of loans to foreign countries that might produce goods that would compete with industries in unemployment areas in this country. My amendment would simply provide positively that insofar as foreign countries are procuring materials in this country under the aid program, we ought to see that at least a fair share of this business is channeled specifically into depressed areas. This is a positive aid rather than a kind of negative protection which is now in section 211 of the bill.

Mr. MORGAN. The gentleman thinks that the words "to the maximum extent practicable" gives sufficient flexibility to the amendment, and that industry that is now in a certain State will not be under pressure to move as a result of this amendment?

Mr. STRATTON. Absolutely.

Mr. FRELINGHUYSEN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I should like to ask the gentleman from New York [Mr. STRATTON] a few questions. The language on page 41, section 604, would seem on the face of it to provide adequate protection such as the gentleman says his amendment also would provide. I refer specifically to the fact that funds which are made available may be used for procurement outside the United States only if the President determines that such procurement will not result in adverse effects upon the economy of the United States, with special reference to any labor surplus areas.

Does that not provide sufficient protection for distressed area? Would not the change in the language which the gentleman is suggesting result specifically in the necessity to change present procurement practices in this country, and to channel procurement to areas that are distressed? Is that not the basic intent of the amendment?

Mr. STRATTON. I might say to the gentleman, as I tried a moment ago to say to the distinguished chairman of the committee, that the language that has just been referred to is an essentially negative provision. It says that you shall not grant a loan to a foreign country if the effect of that loan is going to be adverse to a distressed area in this country.

Mr. FRELINGHUYSEN. The gentleman is mistaken. The language I am referring to is with respect to procurement outside the United States.

Mr. STRATTON. I read to the gentleman line 17 on page 41:

> Funds will be made available only if the President determines that such a procurement will not result in adverse effects upon the economy.

And so forth.

Mr. FRELINGHUYSEN. "With special reference to any areas of labor surplus."

Mr. STRATTON. That is right. If I may say so, I represent the glove industry area. What this provision says is that we will not give a loan to France to build a factory to make gloves if it is going to complicate the glove makers' problem in Gloversville. Now my amendment does not say that. It says if we are going to give money to Iran to buy gloves—I do not know how much they need gloves over there, but let us assume they do—then we will try to channel at least some of the procurement of those gloves into the depressed area of Gloversville. It is a different approach.

Mr. FRELINGHUYSEN. I regret to say I cannot agree with the gentleman's contention that this has anything to do with whether we should provide funds to allow a foreign country to develop glove manufacture. This has nothing to do with loans at all. It seems to me the language in section 604 provides adequate protection. This amendment, if it applies at all, should not be included at this point. This does not have anything to do with the advisability or type of loans which we might make to foreign countries which would result in unfair competition with depressed areas in this country.

Mr. STRATTON. I have no objection to this wording; I am simply trying to add a positive requirement. Therefore, this amendment of mine is added to section 604 as it now stands. It is a somewhat different approach from the wording that the gentleman has referred to. Instead of saying that we do not want our procurement of materials overseas to have an adverse effect on our unemployment areas, we are telling the Administrator to buy goods in the United States, with a fair share for the unemployment areas.

Mr. FRELINGHUYSEN. This amendment would be inadvisable. It would result in the necessity for transferring our procurement to areas that are depressed. The present language is adequate for the general purposes of preventing procurement outside the United States that affects industries in this country.

Mr. STRATTON. This does not involve any change in existing procurement, it simply sets standards for additional procurement in the future. These new orders can then go not only to those areas that are prosperous but also, to the extent that the Administrator determines practicable, into areas in which there is substantial unemployment.

Mr. BAILEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to commend the distinguished gentleman from New York for offering this proposal. I have before me a sheet entitled "Foreign Aid: Facts and Fallacies." Since this has to do with procurement, I should like to call attention to the fact that as to my State of West Virginia, which has the largest percentage of unemployment of the labor force, from July 1958 through June 1960 the ICA bought in West Virginia $1 million worth of goods compared to $110 million in Texas, $127 million in New Jersey, $247 million in New York, $525 million in California, $134 million in Massachusetts, and $132 million in Michigan.

The purpose of the gentleman's amendment is to help the distressed areas. We have the best illustration here that that procurement is not going to the distressed areas. I urge the Members of the House to approve the gentleman's amendment.

Mr. HECHLER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER. Mr. Chairman, I commend the gentleman from New York [Mr. STRATTON] for offering his amendment. I believe this amendment would help the economy of the entire Nation. From time to time, Mr. Chairman, I have called attention to the fact that West Virginia is being shortchanged. Various individuals seem to think that just because we have passed an area redevelopment bill, this means that West Virginia is somehow being excessively favored with Federal contracts.

I would like to call attention to the table which is printed at page 15757 of the August 14 CONGRESSIONAL RECORD, tabulating the estimated military assistance procurement in the United States, by States. In this tabulation, out of a total military assistance of $2,373 million, only $1 million has been procured in the State of West Virginia. Mr. Chairman, this is a disgraceful record, because West Virginia stands 50th among the 50 states in the amount of military assistance procurement. West Virginia has been shortchanged again, and it is only through the passage of an amendment such as the pending one proposed by my colleague, the gentleman from New York [Mr. STRATTON] that this shameful record can be reversed. For the Nation to be prosperous, all sections and regions must be prosperous. I hope that this amendment will be adopted.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, because, as I know, every individual Member of this House goes all out to do a good job, do the thing that is best for the country, I can understand the purpose of the gentleman who offered this amendment.

We were told on Monday last by the chairman of this committee that 85 percent of the money was spent in the United States. On a breakdown, I notice that $135 million of that went to Michigan, I suppose most of that to the industrial plants in Detroit and other cities. Naturally they want the business and the jobs that come from Government spending.

Not only would this amendment, if adopted, require the money to be spent here in the United States, but someone in the administration to whom the authority would be delegated would be at liberty to redraw the industrial production map of the Nation. We are again delegating power by this amendment. I do not know how far down the line this authority will go to pick the places where the money should be spent so it might be to build new industries in competition with established plants now doing Government work.

The thought comes to me—the gentleman from West Virginia [Mr. BAILEY] is always and properly interested in his people and I am always interested in Michigan, even though I do not live anywhere near Detroit—are we to take the factories out of Detroit or other localities which are doing Government work and which are doing a good job and are we to send that production for example, to the State of West Virginia where they do not have any factories to do that kind of work and where they do not know anything about how to do it? Are we to teach new employees in new places to take over just to get others off the unemployment rolls? It does not seem to me that that is the thing to do. Coming from Michigan, naturally, while I sympathize with West Virginia people, I just cannot go along and oppose—I assume, it would be Mr. Reuther and Mr. Goldberg in wanting to retain the jobs up there for the CIO or perhaps in line with the latest rulings of the NLRB, the employees as well as the plant would be moved to West Virginia. If the move would put Detroit workers out of work, they could not pay their dues and that is where we get our political opposition from. Let me repeat. I know the purpose of the gentleman is fine, and his answer probably is—"oh, well, this does not do that, it just says 'when practicable' "—that is it; is it not—that is what you are going to say at to who decides—who decides—someone down in the organization, way down—maybe at the bottom who may want to help but who would only make the situation worse. I do not suspect the gentleman who decided where the jobs should be created would have any political ideas in mind when he distributes these jobs. Would it not be a consideration to give or place these jobs where they would get the most votes? Of course, there is nothing of that kind—you do not intimate that in any way. I just do not believe we should delegate the authority to anyone—I do not care who does the redistribution of these orders to rearrange our industrial pattern.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, if the gentleman would notice, the amendment provides for unemployment areas of 6 percent or more, and I am sure the factories in Detroit to which the gentleman refers would be taken care of under my amendment. I hope the gentleman will support it.

Mr. HOFFMAN of Michigan. Oh, no, no. They have such an unemployment load up there now caused in part by the people who are coming in from the outside who are attracted by the high wages that the automobile manufacturers pass on to us as purchasers of automobiles. They have unemployment trouble of their own.

Mr. STRATTON. Exactly, so under my amendment we would be able to help Detroit.

Mr. HOFFMAN of Michigan. But the administration already has the Detroit and the Wayne County vote through Mr. Reuther so they would not be doing anything to lighten that load—they would be wasting money. They would be the orders, and money would go into some new territory. No, no, there is no one so dumb in this administration that he will spend any money getting votes where he already has them. The money is going to the best new market where they can get the most for the favors granted. I do not believe in redistribution of industry by bureaucrats who may be politically minded.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. SISK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have the greatest sympathy in the world for my friends in West Virginia and certain other parts of our country, but we have fought the battle of the depressed areas bill around here for a number of years. I might say to my good friend, I supported the depressed areas legislation. I have spoken in favor of that legislation on the floor, but it seems just a bit odd to me that every time major legislation comes up we seem to have to go back to that particular battle. I recall only a few short weeks ago, when the gentleman from Michigan [Mr. FORD] and I both took the floor here against a similar proposal on the defense appropriation bill. I certainly am concerned when we attempt in all these important pieces of legislation to delegate or actually in this instance require that the President make an appraisal of the labor market, and go to what seems to me to be great lengths to determine certain depressed areas before we may proceed with the program.

Now I would like to ask the gentleman from New York who proposes the amendment a question or two, if I may. It seems to me, his language is quite strong here. He says the President "shall require." I normally would think, that the word "may" would be strong enough. He indicates flexibility. But, certainly, as I read his amendment, it does not sound flexible to me. Does the gentleman mean to say there is to be complete flexibility? How far is he talking about going when he speaks of "maximum extent practicable"? Would the gentleman interpret that language for me?

Mr. STRATTON. Mr. Chairman, if the gentleman will yield, I might say to my good friend from California that I would be happy to accept any language which would accomplish the same purpose as I have in mind. It is my understanding of the English language that the words "to the maximum extent practicable" mean that you are telling the Administrator of the act "Try to help these fellows as much as you think you properly can." If the Administrator thinks it would not be practicable to help them at all, then he has the perfect right not to help them. And, if the Administrator thinks it ought to go to one area, he would have that right. But, we are giving him a guide or standard, something he does not now have.

Mr. SISK. Is not this requiring substantially increased duties on the part of the Administrator, having to do with going into certain areas, making a determination as to surplus labor, unemployment, having to do with the economic requirements of various areas?

Mr. STRATTON. Oh, no. This material is all available now, and I am sure that these various depressed areas have already made known their interest in procurement under the terms of this act. The position of the aid people has always been in the past that there is

absolutely no requirement for the Administrator even to consider this point. All we would do with my amendment would be incorporate in the law a guide or standard when it comes to procurement, so that the Administrator must take into account, to the "maximum extent practicable," the problems of unemployment areas.

Mr. SISK. I appreciate the gentleman's defense of his community, and I appreciate the statement of the gentleman from West Virginia [Mr. BAILEY]. But, I do feel strong that this is not good legislation, to become involved in that type of an amendment to every piece of major legislation that is brought to the floor. I am simply desirous that we do everything that we can to assist the gentleman from West Virginia. I am fully aware of the depressed condition of his State as well as some of the other areas of our country, but it seems to me that there is plenty of language already in the present proposed legislation to take care of the situation which the gentleman is concerned with. I would hope that this amendment would be defeated.

Mr. BASS of New Hampshire. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, my State of New Hampshire could not possibly qualify under this amendment because, fortunately, our unemployment ratio is under 6 percent and has been for some time. There is same vague and very sweeping language in this amendment which gives me great concern, and I should like to direct one or two questions to the gentleman from New York along this line.

We have in our State a number of important industries that have procurement contracts under this program. I could name a good many specific examples. My question is this: If your amendment is adopted, would it not require the Administrator of this foreign aid program to channel procurement contracts from industries in my State of New Hampshire to a depressed area?

Mr. STRATTON. Mr. Chairman, if the gentleman will yield, there would certainly be no such requirement. The effect of the amendment would simply be to provide a standard or a guide for the Administrator that when we go out and buy something else that we try to channel a reasonable portion of that into unemployment areas. The gentleman from California expressed concern about this amendment. Frankly, under the present arrangement, the State of California has been getting something like $525 million or a billion in procurement compared to $200 million for New York State.

The amendment is simply to try to give all States a fair break. The gentleman's amendment under these provisions gets, in my recollection, something in the nature of $2 million or $3 million.

Mr. FRELINGHUYSEN. In connection with the amount of money that goes to various States for foreign aid purposes, I would like to point out that the State of New York has had by far the lion's share of the total. It amounts to $2,130,015,149 from January of 1954 to June of 1960.

If the amendment offered by the gentleman from New York were adopted it might well lead to a reduction in the amount which is presently going to his own State. It might go to New Hampshire. It might go to New Jersey. In any event it would severely restrict the situation which presently prevails and which seems to me to be desirable in a domestic program.

Mr. BASS of New Hampshire. What concerns me about this amendment is this, the language directs the Administrator to channel contracts "insofar as practicable" into these depressed areas. Now, it is certainly "practicable" to take a contract away from say, the Joy Manufacturing Co. in my State of New Hampshire, which manufactures coal mining machinery, and give it to a similar industry in some other State that is distressed. This situation would apply to all other districts where unemployment is under 6 percent. I would think the Members in those districts would be greatly concerned by the implications of this amendment. It could well result in actually making some of our areas into distressed areas.

Mr. STRATTON. In our unemployment area, in the depressed areas, the Government has already taken specific steps for the purpose of easing the situation. If my recollection is correct, the gentleman was concerned about this in connection with the distressed areas bill to find a practical and sensible way to be of some help to unemployment areas without additional cost to the Government itself.

Mr. BASS of New Hampshire. I have great sympathy and concern with the problem of these depressed areas, but I do not think it is right to use the foreign-aid program as an instrument to help one area at the expense of another, and that is the effect of this amendment, as I understand it.

Mr. LINDSAY. Mr. Chairman, if the gentleman will yield.

Mr. BASS of New Hampshire. I yield.

Mr. LINDSAY. Further along the lines indicated by the gentleman from New Jersey [Mr. FRELINGHUYSEN] for the fiscal year July 1959 to June 1960, New York received $197,590,751 of foreign-aid expenditures. Texas was the second largest with $36,655,131. My friend from New York knows perfectly well we have a bipartisan effort in New York to see to it that we get all the procurement business that we can. His amendment would damage that effort.

Now the gentleman refers to a set of figures in which he argues that California receives the largest share of procurement dollars. The amounts referred to by the gentleman from New York refer to estimated military assistance procurements in the various states. These expenditures are made as a part of the overall defense procurements. The Administrator of this act would not be able to redirect expenditures for these military procurements since the military requirements under this bill are met from existing Defense Department stocks and are not to any extent specifically procured for this program. Therefore, I must point out to the gentleman from New York that the net effect of his amendment would be to allow the Administrator to take the present purchases being made in New York State under the ICA program at the rate of $200 million annually and redirect these purchases to other States. This could be very damaging to New York State.

Mr. GROSS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. GROSS moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. GROSS. Mr. Chairman, I take this time to say that on Tuesday afternoon during general debate, the gentleman from Massachusetts [Mr. MCCORMACK], in one of his usual dissertations in behalf of this multibillion-dollar foreign giveaway bill, posed a series of what he called fair and pointed questions to Members of the House. These are to be found on page 15817 of the CONGRESSIONAL RECORD.

When I asked him to yield, in the belief that he wanted answers to what he called his fair questions, his response was:

I know your position. You are opposed to everything.

He refused to yield.

Two or three minutes later he spoke of the wisdom Members of Congress displayed in voting additional billions this year for the direct defense of this Nation.

Again I asked the gentleman to yield in order that I might advise him that I had voted for these defense appropriations. I thought that if there was any charitable blood in his veins he might spare me just one small drop.

The gentleman's reply:

No good can come from any colloquy on this bill I might have with the gentleman from Iowa. The gentleman's mind is simply closed to logic and reason on this bill.

Again he refused to yield.

Now let us see whether the self-painted halo of logic and reason glitters so brightly over the profile of the gentleman from Massachusetts.

In an exchange almost immediately thereafter with the gentleman from Minnesota [Mr. JUDD], we find the following:

Mr. MCCORMACK. A man should always do what his conscience dictates.

Yet on the following afternoon, Wednesday, when the gentleman from California [Mr. SAUND], in good conscience, offered his amendment to strike out the back-door financing provision, the concession to conscience made by the gentleman from Massachusetts, took flight to parts unknown.

Among other things he said:

My friend from California—and we have treated him very kindly—offered an amendment not even as liberal as the Republican proposal.

What did "we have treated him very kindly" have to do with the logic and reason of the gentleman from California in offering his amendment? Was he supposed to park his conscience on a shelf to gather dust while being taken by the hand and led down some dead end political alley?

Mr. Chairman, the gentleman from Massachusetts says he hopes some day to see me vote yes on a bill. He needs only the CONGRESSIONAL RECORD for this session of Congress to satisfy his longing.

Mr. Chairman, when the gentleman from Massachusetts says my mind is closed to logic and reason, I would question in the light of the foregoing, whether he has anything more than a speaking acquaintance with the two words.

The CHAIRMAN. The question is on the motion offered by the gentleman from Iowa [Mr. GROSS].

The motion was rejected.

Mr. DENT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to call your attention to the fact that this is a foreign-aid bill aimed primarily, as I understand it, outside of the military end, to the aid of underdeveloped areas, underdeveloped because they are depressed. There can be some consideration given to a situation that we find ourselves in whereby the very spending of this particular Government has created depressed areas in this country.

For instance, let us take a little gander at the past generation and its historic effect on once great industrial States. Pennsylvania, which has now the dubious distinction of being No. 2 from the bottom in the economic standing of the States of this great Nation, at one time was No. 1, at the top, and held that particular position for better than a century. The real cause for the depressed situation in Pennsylvania is simply because the Government in its spending has unwisely put most of its eggs in one basket.

I do not blame the gentleman from California for defending the State of California. He gave credit to the gentleman from New York for trying to defend his State. But the fact is that the State of California in the last biennial standing under this particular act received a total of $525 million of expenditures, which is exactly 25 percent of the total money spent within the confines of the United States of America under this legislation. It has been said that 80 percent of this money will be spent here in America. If that is the case, then the gentleman's amendment is in proper order, because in the last biennial report we have spent less than 50 percent of the funds in the United States, so if we are now going to spend 80 percent there is certainly room in additional expenditures within the confines of the country to give some sort of lift and help to these areas which have been made depressed simply because of the spending policy of the U.S. Government and the tax money collected in the entire country.

Mr. Chairman, I do not want to prolong this, but the same gentlemen who are here fighting to protect public expenditures and keep them within the confines of their States opposed an amendment offered upon this floor to give to the coal areas of our country the same consideration that they demand for themselves, and have written into the Defense Act, particularly, that textiles and cotton products cannot be purchased outside the confines of the United States. Yet when we had a product that is in overabundance in my State, with unemployment beyond any other figure in any area of the country, when we tried to restrict the purchase of coal to the confines of these United States, it was defeated by the same gentlemen who are now demanding that we continue to spend 25 percent of the taxes collected in Pennsylvania in the State of California.

Mr. Chairman, the once great State of Pennsylvania has lost six Congressmen in this generation. It has lost them because their families have been forced to move to places like California, which has gained eight Congressmen during this particular reapportionment of the membership of this House; only because this Government has insisted on favoring certain areas for political reasons at times with the expenditure of publicly collected moneys.

Mr. Chairman, the State of Pennsylvania at one time was the No. 1 State in tool steel in America, the No. 1 State in steel production in America, and the No. 1 State in textile production in America not too long ago, within the lifetime of the speaker on this floor. We have lost that, not because we haven't the initiative. We have lost it because the working men in that State had reached a state of a standard of living higher than many other of the great States of this Union.

Mr. Chairman, the gentleman from New Hampshire [Mr. BASS] mentioned the Joy Manufacturing Co. The Joy Manufacturing Co. is a Pennsylvania corporation, initiated and commenced in Pennsylvania. The production that the gentleman from New Hampshire now enjoys from the movement of production by Joy to New Hampshire is because the wage levels in his State are lower than they are in the State of Pennsylvania.

Remember that Joy Manufacturing Co. makes coal mining machinery and New Hampshire has not any coal mines while Pennsylvania has coal mines; true, we are not mining too much coal. This too can be traced to the fact that the State of New Hampshire represented by Mr. BASS uses imported residual oil while depending upon Pennsylvania's coal mines for orders for coal mining machinery from Pennsylvania.

Mr. McDOWELL. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I see no restrictive possibility in the language of this amendment. I could point to numerous places in this bill where there is similar language, suggesting and directing the Administrator to give consideration to various subjects in those sections. The language is exactly the same in this amendment. I think it is necessary in this legislation, in all legislation carrying large appropriations. It is necessary to fully emphasize the problem of unemployment in this country, wherever it may be.

Mr. Chairman, I happen to come from a State which is suffering more than 6 percent unemployment today. A defense plant has been closed in my State. This action was begun in the last administration and concluded in this administration. This was a defense plant under a private enterprise contract. It was decided that the work there, to the tune of some $400 million or $500 million, would be carried on by the Army Ordnance Department rather than to have the contract with private enterprise. So I know the conditions of unemployment that exist. I think it is necessary that we place every possible emphasis on this issue.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. McDOWELL. I yield to my distinguished colleague from West Virginia.

Mr. BAILEY. Mr. Chairman, may I advise my colleagues that I got into this argument today because I lost an opportunity yesterday when the distinguished gentleman from Missouri [Mr. JONES] was attempting to offer an amendment, which was blocked by a speech by a member of the committee. He was talking about the contribution that the United States makes to the United Nations. What I would like to get into the RECORD in this situation, if the gentleman will bear with me long enough, is what developed recently in connection with a recent decision of the U.S. Tariff Commission, a unanimous decision, to order the restoration of reductions in the import duties on sheet glass. In West Virginia we produce 57 percent of the sheet glass produced in this country. During the last 30 months the imports of sheet glass have gone up 354 percent, let me remind you.

The incident which I would like particularly to get into the RECORD is this. Eighteen months ago a machine-producing company in Clarksburg sold to South Korea and to Formosa nine modern glass pulling machines—the modern method of producing sheet glass—at a cost of better than $14,000 each. And I should like to say for the record here that I have the proof that the glass machine company in Clarksburg was paid by the United Nations $140,000 plus for the purchase of those machines. We put up, at present, 70 percent of the cost to run the United Nations. And yet you will not come along with the idea of helping a depressed area whose depression can be laid directly at the door of this Government through its activity in the field of international trade.

Mr. Chairman, I thank the gentleman for yielding.

Mr. MEADER. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I am not sure that the debate on this amendment, animated as it may have been, will go very far in raising the prestige and the stature of this body in the eyes of the American public. Here we are debating whether Michigan

or California or West Virginia or New York is going to profit by the expenditures of this program.

But this debate does serve to point out the fallacy of one argument in favor of this bill, namely, that it is a full employment bill.

I have voted for foreign aid, but never on the basis that it would provide full employment in the United States. I have voted for it for the purpose of helping to strengthen areas threatened by international communism and to build up economic and political stability in those areas so that they could resist it.

It is said that 80 percent of this $4 billion plus will be spent in the United States and that it will provide, somebody estimates, 700,000 jobs. But let me show you how fallacious that argument is. That $4 billion is extracted from the pockets of the American taxpayers. They are the ones who produce the wealth. It is either taken in the form of taxes or debt that we will saddle upon future generations. If that money were left in the hands of the American people it would be invested or spent and provide just as many jobs as if we turn it over to Uncle Sam and then he spends it.

Mr. JOHNSON of Maryland. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am wondering whether the amendment will accomplish what the sponsor desires, and I would like to ask him one or two questions. I should like to refer to section 631 which is the waiver section. It gives power to the President under Executive orders to exercise prerogatives in such procurements. He has exercised that in the past. We have now an Executive order. I am wondering whether the gentleman's proposal, in view of the waiver section, will do what the gentleman expects or intends it to do.

Mr. STRATTON. I am not quite sure where the gentleman finds any difficulty. If there is any provision in section 631 that would make it practicable to try to give business to a State like New York or West Virginia or any other depressed area, then certainly my amendment would make it possible for the Administrator to keep in mind the section to which the gentleman refers.

Mr. JOHNSON of Maryland. Does the gentleman know that at this time there is an Executive order requiring procurement in the United States for goods under this program?

Mr. STRATTON. I am aware that there is such an order channeling most of this procurement in the United States, but what I am trying to propose is that we write into the law a provision that as far as procurement is channeled into the United States a fair and reasonable share of it should go to these areas that should be helped. I do not think that would conflict with any other provision in the bill. I am sure that the standard of practicability which I have included in my amendment would protect the Administrator.

Mr. JOHNSON of Maryland. The gentleman realizes that under the waiver section there is a right of Presidential order which is very broad under which he can handle the entire program of procurement, which he has attempted partially to do.

Mr. STRATTON. The point is, this may be a broad area of leeway for the President or the Administrator, but the fact of the matter is that there is nothing in the law itself that encourages any concern for these depressed areas. This is what I have been told repeatedly in talking to the people in ICA in the past. I think we ought to get congressional intent spelled out clearly as a guideline and a standard within the provisions of the President's broad authority.

Mr. JOHNSON of Maryland. As I understand, under the President's authority there is now an Executive order as to the program, that the procurement of goods must be in America. It has not gone as far as the gentleman's amendment proposes, but there is the authority under section 631. Therefore, there is some conflict, as I see it, between the gentleman's amendment and the waiver clause of section 631.

Mr. STRATTON. I do not think there is any conflict at all. This simply goes a step further than the section to which the gentleman referred. There is a provision in the bill that these materials shall be purchased as much as possible in the United States. The President also has broad additional powers in the section to which the gentleman has referred. But that is no guide or standard that suggests that any of them ought to be purchased in any degree at all from unemployment areas. So my amendment adds a broad standard for the Administrator of the bill. I have talked to the people in ICA in the past about unemployment areas without making any dent whatsoever. They just do not seem to be interested in unemployment areas. I sometimes wonder if they even know they exist. I think if we put a couple of words to this effect into the bill now, so there may be a little more concern down there, and when requests from some of the areas we represent are up for consideration in the future they will not be completely ignored.

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and on this section close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. RYAN].

Mr. RYAN. Mr. Chairman, at this point is a substitute amendment in order?

The CHAIRMAN. A substitute for the amendment?

Mr. RYAN. Yes.

The CHAIRMAN. It would be in order.

Mr. RYAN. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. RYAN, of New York, as a substitute for the amendment offered by Mr. STRATTON, of New York: On page 41, line 23, after the period, insert the following new subsection (g):

"In using the funds for procurement under this act, the Administrator shall be guided by the desirability of assisting labor market areas designated by the Secretary of Labor as areas suffering from not less than 6 per centum unemployment."

Mr. RYAN. Mr. Chairman, the purpose of my amendment, I think, would accomplish the objectives of the gentleman from New York without unduly restricting the President. It sets forth a guideline which will guide the Administrator. In other words, it provides that in making procurements the Administrator shall be guided by the desirability of assisting depressed areas, labor surplus areas; but it does not, as the amendment for which it is offered as a substitute does, require that the President make this determination. I do not believe the words which are included in the amendment offered by my colleague from New York, to wit, "to the maximum extent practicable" offer the necessary flexibility. I think we can meet the question of the depressed areas, with which I am in sympathy, and at the same time free the President's hand and not unduly bind him. Therefore, I urge the adoption of the substitute amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. SAYLOR. Mr. Chairman, the amendment which has been offered by the gentleman from New York [Mr. STRATTON], I think, will determine whether or not the Members of the House are interested in the primary purpose of this bill. This bill is supposed to help the people in those areas that are depressed and underprivileged in all parts of the world. One of the principal complaints that have been levied against the administration of this measure has been that those who favor it are perfectly willing to help people in the four corners of the world, but they will not help anyone at home. Now the Good Book says "Charity begins at home." This amendment by the gentleman from New York [Mr. STRATTON] provides that in spending the money that is collected from the taxpayers of this country that the Administrator of the ICA shall be charitable to those in our own country who live in areas of labor surplus of more than 6 percent. It directs that the purchases of supplies and equipment for our oversea requirements where at all practicable shall be purchased in labor surplus areas. Certainly, the amendment offered by the gentleman from New York [Mr. STRATTON] should be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. KING].

Mr. KING of Utah. Mr. Chairman, I rise in opposition to the amendment. I am sorry that so many of the speakers in debating this question have seen fit to make reference to specific States and specific allocations of ICA procurements to those States. The clear implication of this line of argumentation is that all we need do is to look at this foreign-aid allocation sheet which has been made available to us by the committee, and to

determine whether our particular State or district is under or over the national average. If it is under the average, we vote for the amendment, and if it is over the average, we vote against it. To me, this is a fallacious approach to a proposed piece of legislation as significant and as important as this.

My objection to the amendment, Mr. Chairman, is that it does not give to the Administrator the standards that are necessary to enable him to intelligently administer the provisions of the act. I find no definition for the key-word "practicable." In absence of such definition, the Administrator would be required to read into that word whatever his particular philosophy happened to be. If he is interested first and foremost, and I hope he would be, in seeing that our foreign aid program is administered in a businesslike way, and with a view to requiring that we get maximum returns on our dollars spent, then, of course, his philosophical approach will influence his definition of the word "practicable."

On the other hand, if he is primarily interested in helping depressed areas, then he will put an entirely different interpretation on the word "practicable." I think that it is unfair and unwise to put him in a position of having to choose between conflicting philosophies. This is the prerogative of Congress alone. If it be argued that it is always presumed that the Administrator of a program should administer it in the most businesslike way, then he would have no latitude to favor depressed areas, if to do so was unbusinesslike, and the amendment would serve no purpose. Nothing herein said is to be construed as my disfavoring depressed area legislation. I have supported such legislation. I feel that such legislation should not be mixed in with mutual security legislation, however, to do so presents us with a conflict of objectives which could only weaken, and therefore discredit, the law itself.

I therefore urge that this amendment not be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. GRAY].

Mr. GRAY. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York [Mr. STRATTON].

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. CORMAN].

Mr. CORMAN. Mr. Chairman, it seems to me that we did go through this same argument on defense procurement. I think we get to the heart of the issue when we decide whether or not we believe in fair and free competitive enterprise or whether we want to write in something else. Now, it seems to me that none of us, parochially, can ask for any more than the same set of rules; we can ask only that Government contracts shall be awarded on an open, competitive basis. That is all we in California ask. And, I think the American taxpayer is entitled to no less. As my esteemed colleague from Minnesota [Mr. JUDD], said yesterday, it is an expensive and sometimes painful program. But it is essential for the preservation and expansion of freedom in this world. I submit that we owe it to the taxpayers to operate this and all other Government undertakings with the maximum possible efficiency. The economic success of this Nation is proof of the fact that such is accomplished by free and fair competition.

As to the depressed areas bill, which I supported, I agree that the national welfare is served by giving to such areas the tools to renew and rebuild their industrial capacity. Unemployment any place in this Nation hurts every other part of the Nation. But the philosophy of that legislation was to create new productive capacity, new employment and new wealth. We in California laud the accomplishment of those benefiting by that legislation. We welcome you as competitors, just as we welcome you as customers. But as American taxpayers we do feel justified in asking for fair and equal rules in competition for Government contracts, so that we may insure the accomplishment of the Nation's objectives with the fewest tax dollars.

My esteemed colleague from Pennsylvania made considerable comment about the growth of California. In another context his remarks would be welcomed by both myself and the chamber of commerce. Certainly we are proud of our growth—in population, productive capacity and living standards, of our capacity to deliver the materiel to win war and to preserve peace. But I would respectfully submit to my colleague that this growth has not come without intelligent planning, sacrifice and hard work; for example, the Nation's third largest city must bring its water 300 miles from the mountains. We have converted swampland into one of the world's finest and busiest harbors. In my county we have had to build enough new homes and schools and public facilities, we have had to create enough new jobs, to absorb 160,000 new people every year.

In all equity it would seem that our good friends in the East would be willing to compete with us without preferential treatment.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, listening to the remarks of the gentleman from California, who just preceded me, bringing in the question of taxpayers, maybe we better vote to destroy the entire program if we are taking into account the interests of the taxpayers. I spoke previously in support of the amendment offered by the gentleman from New York, [Mr. STRATTON]. I said it was a sensible approach. I think the soft spots in our economy have been created by governmental action and by the action of this Congress itself. Here is an opportunity to bring relief to some of these distressed areas, and I hope it will be the sense of the members of this committee to approve the amendment offered by the gentleman from New York.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. STRATTON].

Mr. STRATTON. Mr. Chairman, I just want to urge again the adoption of my amendment, simply because I believe it is a constructive way to help our depressed areas. We have all heard Members on this floor object to make-work, leaf raking, and boondoggling, and even the expenditure of funds earmarked specifically to help distressed areas. Now here is an expenditure of Government funds that is going to be made anyway, and my amendment simply sets up a standard to try to channel it, so far as possible and so far as practicable, in the extensive areas of our country that need help the most. The gentleman from New York [Mr. LINDSAY], read some figures here a moment ago suggesting that New York was the No. 1 State profiting from foreign-aid procurement and claimed that my amendment would take this business away from New York. I might say that the State Department pamphlet entitled "Facts and Fallacies," has an enclosure showing estimated military assistance procurement in the United States from July 1958 through June 1960. New York State procurement is indicated to be $247 million while California's is $525 million. I am just suggesting that we in New York State ought to get a little better break if we would only take into account the fact that New York has such a substantial number of unemployment areas.

Incidentally, the substitute amendment offered by the gentleman from New York [Mr. RYAN], is certainly well intentioned, but I do not think we ought to soften the language of my amendment any further. It still gives all sorts of leeway to the Administrator, as I have pointed out, and if we expect those people down in the bureaus to give our intentions any consideration at all, we shall have to spell them out in words of one syllable.

Mr. Chairman, I urge the adoption of the amendment in its original form.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MORGAN] is recognized to close the debate.

Mr. MORGAN. Mr. Chairman, I ask for a vote on the amendment and yield back the balance of my time.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from New York [Mr. RYAN].

The substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from New York [Mr. STRATTON].

The question was taken; and on a division (demanded by Mr. STRATTON) there were—ayes 50, noes 87.

Mr. STRATTON. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the amendment was rejected.

Mr. HIESTAND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, three points in our long discussion have not adequately been stressed; I consider them very vital and important.

First, the American people do not want increased foreign aid. This has been borne out by hundreds of thousands of replies to many Members' questionnaires to the constituency. The district I represent is cosmopolitan—workers, labor

union members, housewives, scientists, engineers, and ranchers. For 9 years, they have consistently voted against more foreign aid, in one way or another. I have varied the questions slightly, but the will of the people opposing, varied from 77 percent up to this year's 86 percent in opposition to more foreign aid, and most simply do not want it. Many Members tell me their own questionnaires reveal the same opinion.

Now, this is not at all selfish. The American people are compassionate, and they would put with a lot in order to defeat the Communist conspiracy.

But, Mr. Chairman, they are fed up with this vast foreign aid program, distributing our taxpayers' savings all around the world to 97 countries. It cannot—simply cannot—be well administered. It could only be worse if the present State Department and ICA management continues. Mr. Chairman, it was and is a dismal failure. It simply does not work. The people we have aided the most are now anti-American, and the idea that we can upset the trend of civilization in a few years the people believe is the height of folly. The American people simply do not want foreign aid.

The real issue here, however, was stressed yesterday by the gentleman from South Carolina [Mr. DORN]. This is a demand for tremendously increased power on the part of the Executive, and a demand that the Congress, elected by the people, turn over to the Executive the greatest grant of power in our history. It is a demand that we give them authority to manage this vast program without any strings attached and no chance to look after the management of the people's hard-earned savings. This is not only a grant of tremendous power to the President. No one man can manage as vast a program as this. It simply has to be managed by the State Department and the ICA, the same officials who have bungled and mismanaged all these years, the bureaucrats—most of them dating back to the Truman management—Acheson, Bowles, Rusk, Harriman, Nitze, Kennan, Bohlen and many others. Now we have the same old bureaucrats managed by these people, plus Schlesinger, Rostov, Stevenson, Tubby, McGhee. This great grant of power is not only to the President, but to this bunch of people, the direct managers who have built these boondoggles all over the world, and certainly we are worse off in our struggle with the Communists than ever before. They have steadily spread their spheres of influence and control around the world in spite of everything this bunch of bureaucrats could or would do. A high, responsible, fiscal official recently said: "The biggest trouble with the foreign aid program is too much money." I personally have seen our foreign aid officials in various parts of the world trying to force our dollars into countries where they could not possibly be well spent.

On the other hand, Congress must share this responsibility because we voted them funds and authority. But, was it Congress that encouraged and financed Castro in his rise to power? Was it Congress that authorized that ill-starred invasion attempt in Cuba? Was it Congress that put so much money into Laos or Bolivia? It was this bunch of bureaucrats who seek virtually to run the world. Here we have the same bunch petitioning for tremendous additional power to make the same kind of horrible mistakes. We the elected representatives of the people must not abdicate this power. The vote supporting the amendment of the gentleman from California must be supported on the rollcall. The American people will be watching our vote.

Then, there is a third point that has been little stressed and seems to be little understood. Foreign aid is the most highly inflationary part of our Federal spending. This is because, although most of the money may be spent right here, the goods and services are being shipped overseas with no dollars coming back into the economic stream. What does this do? It decreases the supply of goods and services here without, a corresponding decrease in demand—and that is a vital and important inflationary pressure.

As we swing into a greater boom economy, inflation will become a more and more serious threat. It is a threat to the integrity of the American dollar, the purchasing power of the housewife's dollar and a drain on our gold supply. It is a major responsibility of whom? The State Department bureaucrats? No. But, of the Congress—the elected representatives of the people.

We have no right to abdicate this power to the Executive. I hope we stand fast on our decision for the amendment, and that the rollcall will sustain the Congress of the United States and the House of Representatives as patriots sworn to uphold the Constitution of the United States. The amendment must be sustained by rollcall.

Mr. ALFORD. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the trend of the debate on the last amendment on which we voted pointed up one of the greatest fallacies of the foreign aid bill. This debate and the actions of some well-known people in the country points up the real struggle in this Nation in dramatic fashion. It is not the Republican Party versus the Democratic Party. Our fight here is ideological instead of political. There is nothing personal in this. We can disagree without being disagreeable. But there are those who believe that this is, in fact, the ideological fight of a one world Socialist philosophy versus the constitutional tenets espoused by our Founding Fathers. We believe sincerely it is the program of the internationalists versus those who feel they are defending the Constitution of the United States.

I have here a copy of a telegram from the Governor of the State of New York. It was in the 86th Congress that he pled for the preservation of States rights under the Constitution of the United States on the question of the Port Authority of New York.

When we go back in the House from the Committee of the Whole, Mr. Chairman, I shall ask unanimous consent to include the full statement by the Governor of the State of New York, Mr. Rockefeller.

Furthermore I am reliably informed by friends of mine on the Democratic side of the House that the Honorable James A. Farley called long distance to several Members last evening. So this is beyond politics. We see the international bankers stepping into this field. I am concerned when I hear colleagues like the distinguished gentleman from Pennsylvania and the distinguished gentleman from New York, and others, speak out on behalf of the working people of this country.

But when we see the spectacle of the Governor of the State of New York, Nelson Rockefeller, injecting himself here, and Jim Farley injecting himself here, in the business of the House of Representatives, I think this should be an eye opener to the people of this country as to the type of program with which we are dealing.

Mr. Chairman, I voted against this program. I am not against all foreign aid. I want a revision of this unreasonable and unconstitutional program. I want it to be realistic. Let us bring it home to the people. Let us plead and work in the House of Representatives for the people who are paying the tax bill.

Mr. Chairman, in the final statement of this telegram, it says:

> I urge you to vote to reverse the adoption of the crippling Saund amendment.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. ALFORD. I yield to the gentleman from Michigan.

Mr. JOHANSEN. Mr. Chairman, I want to make this discussion truly bipartisan. I should like permission to say to the gentleman and to the House that I have wired the distinguished Governor of New York expressing the view that his telegram is tragically ill advised; that the only thing that the Saund amendment cripples is the bureaucracy's campaign to pressure Congress into abdicating its constitutional responsibility and authority, and that I deeply regret that Governor Rockefeller has identified himself with this campaign. I have assured the Governor that I shall vote, if it is any concern of his, to sustain the Saund amendment.

Mr. ALFORD. I thank the gentleman from Michigan.

Mr. Chairman, I would leave with this one final statement.

There are those of the House who are deeply concerned. Who are the people who continually espouse this program? We can call it what we want. It is the Council on Foreign Relations, or, as some properly call it, the invisible government. I close with a quotation from Gilbert's "H.M.S. *Pinafore*":

> Things are seldom what they seem, skimmed milk masquerades as cream.

Mr. ALGER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take the floor as a rather natural followup of a colloquy here yesterday, I am pleased to see the gentlemen present whose names were mentioned. Of course, all Members, in

a sense, are involved. I am particularly interested because of yesterday's disagreement, and I want to be sure that I can express these views on the floor of this House.

Since one of the gentlemen concerned knows my feelings toward him and that if I ever questioned his motives I would apologize. But let no man here think, any of my colleagues, even though some men like to cut down other men in debate, that I intend to yield. Mr. Chairman, I want to develop an objection which I have to this program, so I will not take time on many other provisions of which I do not approve. I do have other objections, however.

Mr. Chairman, in this regard, I want to call the attention of my colleagues to the RECORD of Wednesday on page 16037 where I develop at length some dozen reasons why I disapprove of this method of foreign aid. Also, I gave seven courses of action needed now. There are parts of foreign aid I am for. Second, Mr. Chairman, yesterday on page 16218 of the CONGRESSIONAL RECORD the colloquy in question can be reread by those concerned. I do not want that colloquy to destroy the thought I was trying to present fully. As you can see, I am not reading. I am just speaking my thoughts. I say that when we give aid to Communist Tito, to Poland and other Communists, indeed, to Socialists, like Nehru and those of India, we are giving aid to our enemies. I would quote to you what Justice Douglas said that I think is found in the report on page 109:

> The underdeveloped nations that received our aid are mostly worse off for it * * *. The main impact of American foreign aid was to widen the gulf between rich and poor, helping to create the vacuum into which the Communists easily move.

I did not say that; Justice Douglas said it. I do not know how extensively he attributes this to the growth of communism in the world. My point is that when we give money to the Communists and Socialist governments, we are aiding the philosophies and governments that are determined to destroy us. We will either win the fight or we will lose the fight. There will not be peaceful coexistence, which is a Communist line.

I want us to win the fight. You want us to win, of course. No one yields to anyone else in patriotism. But I am appealing to you, my colleagues, and saying that I am expressing the view of that portion of the American public that thinks that when a taxpayer's money is taken from him and then given to a Communist or Socialist government, and I say even to a neutral government, we are undercutting our own position and paying for it with our own money.

So I say, in the name of the American taxpayer who is sick of pouring out money to a dedicated enemy, let us gird ourselves and, as I said yesterday, not give a penny to these governments. When the gentleman from Kansas [Mr. DOLE] took the floor, I was so pleased to hear a Member say that we should not give a cent to any nation that does not guarantee to its people certain freedoms, freedom of election, freedom of press, freedom of speech, freedom of religion. I say, let us now make that agonizing reappraisal. Shall we take our airbase out of Spain, or shall we get out of Korea? Of course, we should, if that is what it takes to stop subsidizing an alien philosophy. Let us say that we will aid only dedicated friends, not our enemies, not the neutrals. This is what we should do instead of pouring out our money to nations that are dedicated to destroy the freedom and form of government that protects all of us.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. ALGER. I am glad to yield to the gentleman.

Mr. FINDLEY. Mr. Chairman, I should like to commend the gentleman for his remarks. In my opinion, the high point of this foreign aid debate was reached yesterday in the discussion of the amendment offered by the gentleman from Kansas which would guarantee that no money would be spent under foreign aid for any nation which did not guarantee free speech and free press to its people. The amendment of the gentleman from Kansas [Mr. DOLE] would have taken out the drift and the contradictions from foreign aid. It would have redirected this program into a powerful force for foreign aid and would have won applause from freedom-loving people around the world.

Mr. ALGER. I thank the gentleman. Mr. Chairman, I do not know if I have said anything that would suggest that my words should be taken down; but if they had that implication, I hope that they will be taken down, and I say to you again that when we give aid to the Communists and to the Socialists, we are aiding our enemy.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield further?

Mr. ALGER. I yield.

Mr. FINDLEY. Would the gentleman consider it an unreasonable restraint on the Executive to enumerate the Communist nations, including Poland and Yugoslavia, as being among those nations we do not want to receive any money under foreign aid?

Mr. ALGER. I wish the administration would, but I do not think that this bill will accomplish that. I think the proponents of foreign aid on this floor today and during this debate believe in their hearts that we are winning the fight against communism and socialism, by subsidizing them. And that is what disturbs me.

Mr. FINDLEY. I will say to the gentleman that I intend to offer such an amendment.

Mr. YOUNGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have listened to most of this debate, but there is one question that to my mind has not been given adequate consideration. It is, Where is all of this money coming from? This bill involves about $12.3 billion in total, about four times the amount that has been authorized in any other one year. According to the chairman of the Committee on Appropriations we are today spending at least $1 million an hour more than we are taking in. It is estimated that we will have a deficit in the fiscal year 1962 of $8 billion.

That is inflationary. It cannot help but be inflationary.

We heard a lot during the campaign about the flow of gold out of the United State, and how it was going to be stopped. According to the figures that were released yesterday, in the first quarter of this year the outgo of gold amounted to $1,100 million on an annual basis, and for the second quarter of this year $1,800 million a year. This bill we are considering today is certainly going to add materially to the outgo of gold from this country.

I should like to have as much emphasis placed on the Ways and Means Committee as to how we are going to raise this money as we have had placed on the Members to vote the money, because if we do not balance the budget we are doing a great injustice to every citizen who holds savings or who has bought U.S. savings bonds, because we are going to diminish the purchasing power of their savings.

In addition to all of this, I should like to ask a question of our very fine chairman to this effect: Is there anything in this bill to take care of the $20 billion to which Mr. Dillon has obligated this country in his recent talk at the Uruguay conference?

Mr. MORGAN. I may say to the gentleman from California that Mr. Dillon did not promise $20 billion of U.S. aid.

Mr. YOUNGER. Then we understand the gentleman to mean that Secretary Dillon had no authority to obligate this country for $20 billion?

Mr. MORGAN. I do not think he obligated this country. He talked about a $20 billion figure in Latin America, but it included funds from countries in Western Europe, from countries like Japan, New Zealand, and others around the world. The figure included private investment and loans from the World Bank, as well as financing by the Inter-American Development Bank.

Mr. GROSS. Did he promise, pledge, or commit?

Mr. YOUNGER. That is exactly what I am trying to find out. I read in the newspapers that there was a commitment and a definite promise made at the conference that we would participate in the $20 billion. I would like to have the record clear. Maybe the gentleman from Ohio [Mr. HAYS] can clear it up.

Mr. HAYS. I think Mr. Dillon did say that we would participate, but he did not say we were committed to $20 billion. He did say, as I read the dispatches, that in his opinion it would take $20 billion over the next 10 years to do the job that needed to be done in Latin America, part of which was to come from this country, part of which was to come from other countries, and part of which was to come from private investment from this country and other countries and, I think, if I recall the reports, a great portion of it should come from the private investment of the Latin Americans themselves; so that the $20 billion, as I understand it, was an overall figure.

Mr. YOUNGER. Then the gentleman feels there has been no commitment made on the part of this country?

Mr. HAYS. I do.

Mr. BARRY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in answer to the gentleman from California with reference to the balance of payments, I refer to page 598 of the hearings, the testimony of Secretary Dillon:

I am especially interested in the relationship of foreign assistance to our balance of payments. The program proposed is consistent with our efforts to achieve and sustain overall balance in our international payments. I wish to emphasize that it is the form in which aid is extended, rather than the amount to be provided, which is most relevant to this question. We will continue under the new program to place primary emphasis on the purchase of U.S. goods and services by aid recipients. The preponderant part of the foreign aid expenditures will be spent in the United States. Such expenditures, which are accomplished by American exports, have no adverse impact on our balance of payments.

Then he goes on to say that the fact that foreign assistance has been largely accompanied by an outflow of American exports is not understood by those who would curtail foreign economic assistance.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. In reply to the gentleman, I would like to read Mr. Dillon's statement. He said:

Looking to the years ahead, and to all sources of external financing—from international institutions, from Europe and Japan as well as from North America, from new private investments as well as from public funds—Latin America, if it takes the necessary internal measures can reasonably expect its own efforts to be matched by an inflow of capital during the next decade amounting to at least $20 billion. And most of this will come from public sources. The problem, I am convinced, will not longer lie in shortages of external capital, but in organizing effective development programs so that both domestic and foreign capital can be put to work rapidly, wisely, and well.

The amount that he discussed as to the United States was $1 billion—about $300 million will come from the $500 million which this House voted last year and an amount of about the same magnitude will come from sales of surplus agricultural products under Public Law 480 program. The rest is available from the Development Loan Fund and other mutual security funds.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the most valuable right we have in our America is the right to think and to disagree without the penalty of the loss of the friendship and confidence of those with whom we disagree. I was satisfied with the statement made by the gentleman from Texas. Yesterday, I was told—I had not heard the remarks—that he had said something reflecting on the loyalty and patriotism of a distinguished member of the Committee on Foreign Affairs, a great American, who was the keynote speaker at the Republican National Convention. In his earlier years, he had been a medical missionary and I know of no one in all America who is fighting more relentlessly against any form of communism. Now when I was told that someone had reflected upon his patriotism and his loyalty, I could not remain silent in justice to one I so highly esteem. I was careful to avoid mention of names. I said I had been told a member of the committee had said so-and-so, and I thought if he had used those words with intent to reflect upon the loyalty or patriotism of Dr. JUDD that he should apologize and in his failure to apologize should be expelled from the House.

I did not think for a moment that any Member of this House would intentionally question the loyalty or patriotism of any of his colleagues. But if in the heat of debate something had been said with unintended implications, I thought it should be cleared up in revision of remarks before publication or in other manner. If any Member intended to reflect upon the patriotism or loyalty of a colleague, and I am sure there is none such among us, then should be a time of parting. In this I am confident all my colleagues agree. What the gentleman from Texas has done today satisfies me. I am very glad he has cleared it up, and I thank the gentleman from Texas for making his frank statement. I do not agree with him in his position. His philosophy and mine are not the same. He is against the foreign aid program. But he has his convictions and those I respect. I have my convictions. I am very glad he made the statement he did here.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, what the gentleman from Illinois—my very dear friend who originally came from the southwestern corner of Michigan; that is, before he went to Chicago—said is found on page 16220 of the CONGRESSIONAL RECORD.

Now, the gentleman was very careful to use the little word "if." He said:

If that statement was made, Mr. Chairman, the words should be taken down, and the Member, if he did make them as reported, and intending to reflect upon the patriotism and loyalty of a colleague, should either apologize in the well of this Chamber or be expelled from this House.

Now, I understand the gentleman from Illinois found that the gentleman from Texas [Mr. ALGER] did not make any statement which reflected upon anyone's patriotism and loyalty. Is that not right?

Mr. O'HARA of Illinois. I do not know what the gentleman from Texas said in his address. Many times we say things in the heat of a debate that have implications we do not intend.

Mr. HOFFMAN of Michigan. Pardon me for interrupting, but your statement just read is found on page 16220 of the RECORD. The gentleman from Texas did not say anything that reflected upon the loyalty or patriotism of any Member. I am getting into this because some reading the gentleman's statement might overlook that little word "if." We do the best we can and state our firm convictions, as I think we have the right to do. Does the gentleman agree?

Mr. O'HARA of Illinois. Certainly.

Mr. HOFFMAN of Michigan. Certainly it is right, but we do not have to swallow everything just because it comes from, at the moment, a politically prominent individual. As an example, I do not have to take the advice of the Governor from New York whose wires we received this morning.

Mr. O'HARA of Illinois. The gentleman from Michigan and the gentleman from Illinois are in complete agreement on our right to do our own thinking and to agree or disagree with our friends as we like.

Mr. HOFFMAN of Michigan. I know you are sincere. I acknowledge your kindly feeling toward all of us. My only purpose is to say again, which should not be necessary, that I do not feel called upon to answer the Governor from New York, one of the leaders of my party, or to follow him when he tells me what to do though I respect his advice. Nor do I follow the admonition of my next door neighbor, the gentleman from Michigan [Mr. BROOMFIELD], I go along with the leader of this House who says that if one has a conscience, he should follow it.

Mr. O'HARA of Illinois. Does the gentleman from Michigan always follow the Republican leadership of the House?

Mr. HOFFMAN of Michigan. Oh, now, you know better than that. Follow it. When they ask me to withdraw a point of order on a quorum call or something like that, which does not amount to anything, sure, I will follow them, but when it comes to a matter of principle I do not listen to them at all. I listen to the folks who, in my judgment, know best. Maybe I am influenced by the fact that we are reelected by the home folk. I follow them always, unless they want something that I think is injurious to the welfare of the people as a whole.

Mr. O'HARA of Illinois. The gentleman from Michigan who represents the district where the gentleman from Illinois was born knows that the gentleman from Illinois loves him.

Mr. HOFFMAN of Michigan. And I love you. As the gentleman from Alabama so often says, "Everything is made for love."

The Clerk read as follows:

SEC. 605. RETENTION AND USE OF ITEMS.—(a) Any commodities and defense articles procured to carry out this Act shall be retained by, or upon reimbursement, transferred to, and for the use of, such agency of the United States Government as the President may determine in lieu of being disposed of to a foreign country or international organization, whenever in the judgment of the President the best interests of the United States will be served thereby, or whenever such retention is called for by concurrent resolution. Any commodities or defense articles so retained may be disposed of without regard to provisions of law relating to the disposal of property owned by the United States Government, when necessary to prevent spoilage or wastage of such commodities or defense articles or to conrerve the usefulness thereof. Funds realized from any disposal or transfer shall revert to the respective appropriation fund, or account used to procure such commodities or defense articles or to the appropriation, fund, or account currently available for the same general purpose.

(b) Whenever commodities are transferred to the United States Government as repayment of assistance under this Act, such commodities may be used in furtherance of the purposes of this Act in accordance with the provisions of this Act applicable to the furnishing of such assistance.

SEC. 606. PATENTS AND TECHNICAL INFORMATION.—(a) Whenever, in connection with the furnishing of assistance under this Act—

(1) an invention or discovery covered by a patent issued by the United States Government is practiced within the United States without the authorization of the owner, or

(2) information, which is (i) protected by law, and (ii) held by the United States Government subject to restrictions imposed by the owner, is disclosed by the United States Government or any of its officers, employees, or agents in violation of such restrictions, the exclusive remedy of the owner, except as provided in subsection (b) of this section, is to sue the United States Government for reasonable and entire compensation for such practice or disclosure in the district court of the United States for the district in which such owner is a resident, or in the Court of Claims, within six years after the cause of action arises. Any period during which the United States Government is in possession of a written claim under subsection (b) of this section before mailing a notice of denial of that claim does not count in computing the six years. In any such suit, the United States Government may plead any defense that may be pleaded by a private person in such an action. The last paragraph of section 1498(a) of title 28 of the United States Code shall apply to inventions and information covered by this section.

(b) Before suit against the United States Government has been instituted, the head of the agency of the United States Government concerned may settle and pay any claim arising under the circumstances described in subsection (a) of this section. No claim may be paid under this subsection unless the amount tendered is accepted by the claimant in full satisfaction.

Mr. ROUDEBUSH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROUDEBUSH: On page 45, after line 11, insert the following:

"(c) Funds appropriated pursuant to this Act shall not be expended by the United States Government for the acquisition of any drug product or pharmaceutical product manufactured outside the United States if the manufacture of such drug product or pharmaceutical product involves the use of, or is covered by, an unexpired patent of the United States which has not previously been held invalid by an unappealed or unappealable judgment or decree of a court of competent jurisdiction without license of the owner thereof."

Mr. ROUDEBUSH. Mr. Chairman, the purpose and intent of this amendment is most simple, and I believe I can quickly clarify its necessity.

Every year, American drug manufacturers spend millions of dollars in research and development to determine new processes and new products. This is fundamentally the method by which new medicines and new drug products reach our markets.

The Government recognizes this fact by the issuance of patents to protect the company or individual who develops these new products, and in practically every nation in the world such patents can also be filed, and if accepted by the patent offices of that nation, then the manufacturers acquire similar protection against the pirating of his methods, his formula, or his patented product in such foreign nation.

Patent laws vary from country to country. For example in Italy the patent laws do not provide protection for medical formulas or processes in medical manufacture, therefore the American pharmaceutical manufacturer cannot file or receive a patent to protect processes they have invested heavily in to perfect.

The ironical factor is this: By taking advantage of these differences in patent laws, a foreign manufacturer can pirate a duly patented formula of an American manufacturer—can proceed to make this product—then undersell on the market the very product developed and patented by an American manufacturer, without violating any patent laws of any nation.

I am aware of the fact that we cannot legislate for every country in the world. By this amendment I am not attempting to do so. I am only attempting to prevent the expenditure of the American taxpayers' money to purchase products made abroad—using formulas and patents pirated from American owners.

Has this happened in the past? May I say that the U.S. Government has compounded this lack of ethics by being the largest purchaser of such products? The resultant loss of employment by American workmen alone is appalling. I would call the attention of my colleagues in the States of Maryland, New York, New Jersey, Pennsylvania, Michigan, Indiana, and California to the tremendous pharmaceutical manufacturing installations in their areas.

May I repeat—the sole purpose of this amendment is to protect American-owned patents in countries where such American manufacturers cannot secure bona fide patents to guarantee their rights.

The only protection that the amendment offers is of preventing our Government from buying products manufactured abroad, using patents pirated or stolen from their American owners.

This is a good amendment, and I hope you will support it.

The drug imports are pirated versions of American health savers purchased by the VA at prices far below those asked by domestic producers.

The Government, for example, bought 180,000 units of tetracycline from the Italian firm of Farmochimica Cutolo-Calosi at a cost of $794,000 lower than that asked by an American firm, Charles Pfizer & Co., of Terre Haute, Ind.

Pfizer had developed the drug at a considerable cost over several years. Because Italy does not respect drug patents, the Italian firm was able to adopt the American process and manufacture tetracycline tablets at rockbottom prices.

Farmochimica Cutolo-Calosi offers the drug in Italy, however, at virtually the same price set by American firms in the United States. This has led the Treasury Department to open an investigation to see whether the U.S. antidumping law is being violated.

Italian drug pirating is a major business, as the following ad from Chemical Engineering News will show:

PROCESSES WANTED

Foreign drug manufacturer seeks information or consulting services for production of antibiotics, vitamins, steroids and pharmaceutical chemicals, by microbiological and synthetic organic techniques. Products will be sold only in foreign countries where patents do not apply. All replies held in strictest confidence. Unusually attractive compensation. Write to representative presently in United States, Dr. Angelo Mancuso, 15 Bergen Boulevard, Fairview, N.J.

Fairview, incidentally, is located on the New Jersey side of the George Washington Bridge. It is within a short distance of the Lederle, Squibb, and Merck Laboratories.

Mr. HARVEY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. ROUDEBUSH. I yield to my colleague from Indiana.

Mr. HARVEY of Indiana. I rise to compliment my colleague from Indiana because of the forceful statement he has made and to associate myself with him. I hope this amendment will be accepted by the Committee.

Mr. ROUDEBUSH. I thank my colleague for his observation.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. ROUDEBUSH. I yield to the gentleman from Florida.

Mr. FASCELL. Does the gentleman's amendment affect any pending litigation?

Mr. ROUDEBUSH. It does not.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment. This amendment may be a good proposal, but the committee did not have an opportunity to study it. The committee has no way of knowing its merits or the consequences that might result from it or how the amendment would affect the aid program. It involves a highly technical matter of international patent law and international agreements, and rights relating to patents. I believe the House should not act on the proposal until the House Foreign Affairs Committee or some other House committee had an opportunity to hold hearings and study its full implications. It is my understanding this amendment not only affects the sale of pharmaceutical products to foreign countries receiving aid under this program but also affects U.S. manufacturers and their oversea markets.

Mr. HARVEY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Indiana.

Mr. HARVEY of Indiana. I think the gentleman is being unduly alarmed. I am not an authority on the subject, but as I heard the amendment read it is very clear cut, in that it only applies to the purchase of pharmaceutical drugs by our own Government, and it says in essence that these drugs will not be purchased from some pharmaceutical company located abroad that pirates the patents or formulas of our own companies in the United States.

Mr. ZABLOCKI. The committee is not prepared to advise the House how the gentleman's amendment will affect the

program or to what extent under our aid program pharmaceutical products are supplied. The gentleman will agree that we do not have a monopoly on medicines. I suggest the gentleman introduce legislation, then his proposal would be referred to the proper committee which will have an opportunity to hold hearings and pass on this matter in an orderly procedure.

Mr. ROUDEBUSH. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Indiana.

Mr. ROUDEBUSH. I spoke to the chairman of the gentleman's committee to some extend since mutual aid has been on the floor here. I discussed this problem with him. I have discussed it with Members on the minority side. The only thing this amendment does is merely stop the purchase by the U.S. Government with funds under this act of drugs made abroad from pirated formulas of the American manufacturer. If we are going to give the American businessman a break, this is the place to do it. This only has to do with drugs and pharmaceutical products. It does not legislate for any other country. It simply protects the American manufacturers from the piracy of their formula abroad by foreign manufacturers. That is all it does.

Mr. ZABLOCKI. It may do more than that. I do not know. I believe the responsible procedure in this House is for us to defeat the pending amendment.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Michigan.

Mr. JOHANSEN. I thought I understood my able friend, the gentleman from Pennsylvania [Mr. WALTER], to mention something yesterday afternoon to the effect that this program of foreign aid was tremendously important because of its contribution to the economy of the country.

It seems to me that the amendment that has been offered is in the interest of the economy of this country, and I cannot understand the problem that is posed by the committee on this very obvious amendment.

Mr. ZABLOCKI. I can assure the gentleman from Michigan that the pharmaceutical products shipped under this legislation to countries abroad are to every extent possible manufactured in this country. As Mr. WALTER said, 80 percent of the products received by the countries abroad are manufactured in this country.

Mr. ROUDEBUSH. I would like to point out that the American Government today is the largest purchaser of these drugs from these manufacturers. Italy, for instance, does not have any law covering the production of medicine; therefore, we patent a drug. Italy comes over, picks up the patent and sells it back to the Government.

Mr. ZABLOCKI. Unfortunately the gentleman did not present the amendment to the committee so that it could be considered during the hearings and given proper study. Why has not the gentleman introduced legislation?

Mr. ROUDEBUSH. The gentleman has introduced legislation in the form of H.R. 684.

Mr. ZABLOCKI. It was referred to what committee?

Mr. ROUDEBUSH. The Committee on the Judiciary.

Mr. ZABLOCKI. That is where this problem belongs. The proposal does not belong in a foreign aid bill.

Mr. ROUDEBUSH. I anticipated no opposition to the amendment.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, in view of the stories this morning about the drug companies being indicted for overcharge, this amendment ought not be agreed to without hearings, without any real knowledge of what it does. The gentleman has introduced a bill. If he makes a case, that is one thing, but to try to put it in here is completely out of place.

Mr. ZABLOCKI. Because the amendment was presented at a late hour and the committee did not have an opportunity to study it, I ask that the amendment be voted down.

Mr. HALL. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this is not an unfamiliar situation. I think we are getting in a three-way pass of the ball. This came up in the Armed Services Committee hearings, and I am sure Members on the floor will support this. We were told that it would come up in connection with the foreign aid hearings. Now we have it passed to the Committee on the Judiciary. I think it is time that we rose to an understanding of this situation. It is true, in fact, Mr. Chairman, that we do not even have to have these delicately and highly technical drugs compounded overseas in nations such as Italy, or any other nation. Actually, a dummy corporation can be formed overseas. They can buy some of the material in bulk from here and ship it overseas, package it under a foreign label, outside of the patent laws of the United States of America. They can then ship it back here and pay a lug, import duties, and still sell it to our own U.S. Government or others, and much more reasonably, according to the "Buy American" laws and everything else, than we can research it, manufacture it, and develop it in the United States. It certainly is right, correct, and well, regardless of what is said in the papers today, just as a basic fact of the American economy, that we could at this time write in some legislation to protect not only our workers, not only our researchers and developers, but some of the corporations that have made America great in this country, by such legislation as this simple, nonrestricting amendment.

Mr. Chairman, I strongly recommend that it do pass.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. HALL. I yield to the gentleman from Michigan.

Mr. JOHANSEN. Would the gentleman agree with reference to whatever is reported on the front page today that there is still, even for drug companies, a presumption of innocence until guilt is proved?

Mr. HALL. I would certainly agree to that.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. HALL. I yield to the gentleman from Washington.

Mr. PELLY. Mr. Chairman, I would like to call to the attention of the gentleman from Wisconsin to this. He just made the remark that if he had only thought of it earlier, he would have raised a point of order against this. He could have done that but I remind the gentleman from Wisconsin [Mr. ZABLOCKI] that this rule under which we are considering this legislation waives points of order. Many of us would have liked to raise points of order.

Mr. ZABLOCKI. If the gentleman will yield, the gentleman knows that the rule does not waive points of order to the amendments.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. HALL. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. I certainly have sympathy with the feelings of the gentleman on this subject, especially with reference to some of the problems in regard to Italy. However, if this did have the gravity that the gentleman attaches to it, then I fail to see why during 7 weeks of hearings on this bill that not once was this matter brought before the committee. I think it is just too complex a subject and that there are too many serious responsibilities that we would assume, without our having the proper jurisdiction in this matter. I do hope that the gentleman will allow this to take its natural course before the Judiciary Committee and that we not put it in this bill today.

Mr. HALL. I say to the gentleman that no one believes in orderly procedure and due process any more than the gentleman from Missouri, but this has, as I said in my opening remarks, been bandied about from pillar to post, and I think it is time that we struck a blow for liberty. Vote "aye" for this simple amendment, and we can strike such a blow.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I fail to see where the argument of the gentleman from Missouri [Mr. HALL] has much bearing on this amendment at all. He made a remark again about components of drugs being shipped to Italy, manufactured into drugs and then shipped back into the United States and sold to American citizens. Certainly, by no stretch of the imagination, as I understand the amendment, and I only heard it read, would this control that kind of business at all, or procurement by the Government in this country. So I think the thing to do, if the gentleman has a case—and from what I understood there is a question about the facts that the gentleman

from Missouri is talking about—the place to handle it is in proper legislation, and not try to attach it onto the foreign aid bill where it is not germane.

Here it would not do what the gentleman wants. Nobody on the committee was given the opportunity of knowing anything about it until the Chairman was handed a copy of the amendment a little earlier today.

Mr. ROUDEBUSH. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman.

Mr. ROUDEBUSH. A copy of the amendment was handed to the chairman, I think, 2 days ago, but not later than yesterday. It was not today. I would like to point out just once again that the only thing this amendment does is to make it necessary that the funds expended under this act for any pharmaceutical products would be by purchases from the holders of duly owned patents of American manufacturers.

Mr. HAYS. Does the gentleman foresee, if they had to buy a drug from one manufacturer and another wrote a letter saying that it infringed on his patent, that the Administrator would be in difficulty? Where would the Administrator be then?

Mr. ROUDEBUSH. I do not anticipate that that would happen.

Mr. HAYS. The way these drug companies operate, if half the things in the newspapers are true, I would expect many things could happen.

Mr. ROUDEBUSH. I would point out that what we are trying to prevent is the flooding of our markets by drugs from foreign manufacturers, fabricated according to formulas, developed and patented by American drug companies.

Mr. HAYS. But the gentleman's amendment does not take care of that situation. If that is the big problem, I suggest that we have proper legislation. If that is the problem, I shall support it. But I do not think it can be done in this bill.

Mr. ROUDEBUSH. All I am trying to do is to stop money under this act from being spent for drugs pirated from patents of American manufacturers who have duly developed these processes.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman.

Mr. BARRY. I think the gentleman brought his case to the Committee on Foreign Affairs yesterday or the day before by presenting his amendment to the committee, and the staff should have had a chance to work on this matter.

Mr. HAYS. I will say to the gentleman that the staff did work on it and said that in that short period of time they were unable to develop the implications of the amendment; and the gentleman from Wisconsin [Mr. ZABLOCKI] just said that in his remarks.

Mr. BARRY. If we approve this amendment now there will be sufficient time between now and the conference, and if by that time this matter is decided to be extraneous and does not belong in the foreign-aid bill, they will certainly know it.

Mr. HAYS. What the gentleman is saying now is, let us throw in everything and we will work it out in conference. I do not think that will do the gentleman from Indiana [Mr. ROUDEBUSH] very much good. I do not think that is really what he wants.

Mr. Chairman, I hope the amendment will be defeated.

Mr. BARRY. I urge adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana.

The question was taken, and on a division (demanded by Mr. ZABLOCKI) there were—ayes 87, noes 66.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 607. FURNISHING OF SERVICES AND COMMODITIES.—Whenever the President determines it to be consistent with and in furtherance of the purposes of part I and within the limitations of this Act, any agency of the United States Government is authorized to furnish services and commodities on an advance-of-funds or reimbursement basis to friendly countries, international organizations, the American Red Cross, and voluntary nonprofit relief agencies registered with and approved by the Advisory Committee on Voluntary Foreign Aid. Such advances or reimbursements which are received under this section within one hundred and eighty days after the close of the fiscal year in which such services and commodities are delivered, may be credited to the current applicable appropriation, account, or fund of the agency concerned and shall be available for the purposes for which such appropriation, account, or fund is authorized to be used.

SEC. 608. ADVANCE ACQUISITION OF PROPERTY.—(a) The President is authorized to maintain in a separate account, which shall, notwithstanding section 1210 of the General Appropriation Act, 1951 (64 Stat. 765), be free from fiscal year limitation, $5,000,000 of funds made available under section 212, which may be used to pay costs of acquisition, storage, renovation and rehabilitation, packing, crating, handling, transportation, and related costs of property classified as domestic or foreign excess property pursuant to the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471 et seq.), or other property, in advance of known requirements therefor for use in furtherance of the purposes of part I: *Provided*, That the amount of property classified as domestic excess property pursuant to the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471 et seq.), held at any one time pursuant to this section shall not exceed $15,000,000 in total original acquisition cost. Property acquired pursuant to the preceding sentence may be furnished (i) pursuant to any provision of part I for which funds are authorized for the furnishing of assistance, in which case the separate account established pursuant to this section shall be repaid from funds made available for such provision for all costs incurred, or (ii) pursuant to section 607, in which case such separate account shall be repaid in accordance with the provisions of that section for all costs incurred.

(b) Property classified as domestic excess property under the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471 et seq.), shall not be transferred to the agency primarily responsible for administering part I for use pursuant to the provisions of part I or section 607 unless (1) such property is transferred for use exclusively by an agency of the United States Government, or (2) it has been determined in the same manner as provided for surplus property in section 203(j) of the Federal Property and Administrative Services Act of 1949, as amended, that such property is not needed for donation pursuant to that subsection. The foregoing restrictions shall not apply to the transfer in any fiscal year for use pursuant to the provisions of part I of amounts of such property with a total original acquisition cost to the United States Government not exceeding $35,000,000.

SEC. 609. TRANSFER BETWEEN ACCOUNTS.—Whenever the President determines it to be necessary for the purposes of this Act, not to exceed 10 per centum of the funds made available for any provision of this Act may be transferred to, and consolidated with, the funds made available for any other provision of this Act, and may be used for any of the purposes for which such funds may be used, except that the total in the provision for the benefit of which the transfer is made shall not be increased by more than 20 per centum of the amount of funds made available for such provision.

SEC. 610. COMPLETION OF PLANS AND COST ESTIMATES.—(a) No agreement or grant which constitutes an obligation of the United States Government in excess of $100,000 under section 1311 of the Supplemental Appropriation Act, 1955, as amended (31 U.S.C. 200), shall be made for any assistance authorized under titles I and II of chapter 2 and chapter 4 of part I—

(1) if such agreement or grant requires substantive technical or financial planning, until engineering, financial, and other plans necessary to carry out such assistance, and a reasonably firm estimate of the cost to the United States Government of providing such assistance, have been completed; and

(2) if such agreement or grant requires legislative action within the recipient country, unless such legislative action may reasonably be anticipated to be completed in time to permit the orderly accomplishment of the purposes of such agreement or grant.

(b) Plans required under subsection (a) of this section for any water or related land resource construction project or program shall include a computation of benefits and costs made insofar as practicable in accordance with the procedures set forth in circular A-47 of the Bureau of the Budget with respect to such computations.

(c) To the maximum extent practicable, all contracts for construction outside the United States made in connection with any agreement or grant subject to subsection (a) of this section shall be made on a competitive basis.

(d) Subsection (a) of this section shall not apply to any assistance furnished for the sole purpose of preparation of engineering, financial, and other plans.

SEC. 611. USE OF FOREIGN CURRENCIES.—Except as otherwise provided in this Act or other Acts, foreign currencies received either (1) as a result of the furnishing of nonmilitary assistance under the Mutual Security Act of 1954, as amended, or any Act repealed thereby, and unobligated on the date prior to the effective date of this Act, or (2) on or after the effective date of this Act, as a result of the furnishing of nonmilitary assistance under the Mutual Security Act of 1954, as amended, or any Act repealed thereby, or (3) as a result of the furnishing of assistance under part I, may be sold by the Secretary of the Treasury to agencies of the United States Government for payment of their obligations outside the United States, and the United States dollars received as reimbursement shall be deposited into miscellaneous receipts of the Treasury. Foreign currencies so received which are in excess of the requirements of the United States Government in payment of its obligations outside the United States, as such requirements may be determined from time to time by the President, shall be available for the authorized purposes of part I in such amounts

as may be specified from time to time in appropriation Acts.

Mr. MEADER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to address a question to the Committee with respect to the use of foreign currencies. I heard yesterday, and I believe it was the gentleman from Ohio [Mr. HAYS] who used this figure, that we own some $8 billion worth of foreign currencies. My question is, Does section 611 authorize that $8 billion, or whatever the amount may be, to be used for this act in addition to the dollar amounts the bill authorizes and in addition to the surplus property provided for in the previous section?

Mr. HAYS. No; it does not.

Mr. MEADER. Just how many dollars worth of foreign currency does section 611 add to the dollar amounts and other sources of funds for carrying out the purposes of this act?

Mr. HAYS. This section provides that these foreign currencies may be sold by the Secretary of the Treasury to other agencies of the U.S. Government for payment of their obligations. What it does actually is save dollars, because they pay dollars for the foreign currencies instead of spending the dollars, and they pay the dollars to the Treasury. So what it involves is trading to the Treasury U.S. dollars for foreign currencies which the Treasury owns, whenever it is possible to do that.

Mr. MEADER. Let me read to you the matter on page 50, from line 2 to the remainder of the section, and ask what that means:

> Foreign currencies so received which are in excess of the requirements of the United States Government in payment of its obligations outside the United States, as such requirements may be determined from time to time by the President, shall be available for the authorized purposes of part I in such amounts as may be specified from time to time in appropriation acts.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. That language specifically spells out that the only amounts available for this section are those available to the United States and that are in excess to U.S. requirements.

I should like to correct the gentleman's understanding as to the amount of U.S.-owned foreign currencies. As the gentleman knows this foreign currency is mostly derived from sales of agricultural surpluses under Public Law 480. As of June 30, 1961, the amount is not $8 billion, it is $3,689 million. All of these currencies if used are subject to appropriation.

Mr. MEADER. I am glad to have that statement.

Mr. ZABLOCKI. Of the above amount, $2,490 million can be used only for loans and grants for mutually beneficial purposes in the country as agreed upon as a condition of sales. The excess which this particular section would make available to the President is $813 million.

Mr. MEADER. The effect of section 611 is to add to the authorization of this bill approximately $800 million for the purposes of part I, but it is subject to being appropriated by the Appropriations Committee?

Mr. ZABLOCKI. Only for the purposes of this act. It would not make any other sums available.

Mr. HAYS. Further, this language spells out the fact that they cannot use foreign currencies without appropriation, for the purposes of this act, in the amount authorized if the Appropriations Committee appropriates it.

Mr. MEADER. In other words, section 611 does authorize an additional $800 million if it is appropriated by the Appropriations Committee?

Mr. HAYS. Lines 6 and 7 specifically say, "shall be available for the authorized purposes of part I."

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Iowa.

Mr. GROSS. I really would like an answer to the gentleman's question to the gentleman from Ohio [Mr. HAYS] as to whether yesterday he stated there was $8 billion of these funds. Today, it is $3 billion. What is it—$3 billion or $8 billion?

Mr. HAYS. I will say to the gentleman that is one of the big problems we have. I do not know, I will tell you. I said yesterday, if you read my remarks, that I have been told there are $8 billion.

Mr. GROSS. I have read the same thing.

Mr. HAYS. I do not know where the figure $3 billion and something comes from. I really do not know where the figure $8 billion comes from. It depends on what accountant you are talking to at the moment.

Mr. GROSS. There you are. That is the foreign aid bill.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Illinois.

Mr. COLLIER. I understand that in a week or so we will be getting a bill which will call for some $40 million for the operation of the Peace Corps. Is it possible that in those countries where the counterpart funds have been accumulated and in the use of foreign currencies that the cost of the operation or the maintenance of the members of the Peace Corps in these various nations can be used from these accumulated sums?

Mr. MEADER. Is the gentleman asking me that question—because I do not know.

Mr. COLLIER. I am asking anyone who has the answer because I do not know either.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Ohio.

Mr. HAYS. As I understand it, the gentleman is asking, Will the Peace Corps be financed out of foreign currency?

Mr. COLLIER. I say, would it be possible? I am sure at this point no one knows how it will be financed. I am just attempting to secure information to determine whether or not there is a possibility that part of the requested appropriation can be cut down and serve the same purpose by using these tremendous accumulations of funds for the maintenance of these young folks in these nations where the funds are accumulating.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAYS. Mr. Chairman, I move to strike out the requisite number of words in order to answer the gentleman's question.

The answer to the gentleman's question is, and I think I can speak for the committee, we hope a great many of the expenses of the Peace Corps will be financed out of local currency rather than dollars. Let me say this about local currency—you talk about counterpart funds and you talk about foreign currencies. They are actually two different things. Both of them are foreign currencies. I will also say to you—somebody made the remark and I do not know if it got in the RECORD or not—it was sort of an aside remark—"That is the foreign aid bill for you."

Let me say to you, the bulk of foreign currencies that we own today did not come from the foreign aid bill, but from Public Law 480 which was a bill passed here from the Committee on Agriculture to dispose of our surplus products and our surplus agricultural products which were sold abroad for local currencies. We have fantastic amounts, and I think that leads to some of the confusion not only on the part of Members but others about just exactly what we do own in foreign currencies because, if you talk about counterpart funds, it would depend on what foreign currencies you had in mind. These foreign currencies are being generated from day to day and every time they come up with a set of figures, the figures are different.

Mr. COLLIER. Knowing that these are two different funds—do I understand that such expenses as might be incurred can be taken out of either of the two funds?

Mr. HAYS. I would think so.

Mr. COLLIER. I thank the gentleman.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentlewoman from New York.

Mrs. KELLY. Mr. Chairman, I will make this statement.

There are billions of dollars worth of foreign currencies that have accrued at the present time. The amount of foreign currencies that is in excess is only that which our Government determines it can use in X number of years. In Spain alone, to take a country where a great deal of foreign currency has accrued to our credit, there is none in excess for the simple reason that we have many of our forces there and we are anticipating using up all of these funds within the next few years. So there is no foreign currency in excess there in spite of the fact that there are billions of dollars worth of accrued currency charged to the credit of the United States.

I would like to repeat this in regard to Public Law 480. Seventy percent of the currencies accrued under Public Law 480 are returned by Spain for use by the United States. In other parts of the world only 10 percent. And, it is this percentage which makes the difference between counterpart and local currencies.

Mr. HAYS. I thank the gentlewoman. Of course, she has pointed out something that might help to clarify this. Now, the other 90 percent, I think I ought to say, is subject to expenditure by those countries only with the approval of the United States. So, you might say it is a jointly held currency, and that, again, is a complicating factor.

Mrs. KELLY. Mr. Chairman, if the gentleman will yield further, at the present time there is a serviceman in this country, one known to all members of the Committee on Foreign Affairs, a former Air Force liaison officer. Now, he is here because he has established in Spain a most perfect program for the use of foreign currencies. I will say that under his program the Government sells to the serviceman for dollars the amount of foreign currency he will need during the months for his use and his expenditures, and in this way we are using the local currencies in that country. I understand the services are going to adopt it in all other countries where we have accrued amounts of foreign currencies.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. For the record I thought we ought to make clear that under Public Law 480 as of June 30 1961, there was available a total of $3,689 million in U.S.-owned foreign currencies. Of that amount roughly $2.5 billion can be used only for loans and grants, for purposes mutually agreed upon. This leaves roughly $1.2 billion remaining, of which $813 million is excess to U.S. requirements, and that is available in currencies in only 7 countries: Burma, India, Israel, Pakistan, Poland, United Arab Republic, and Yugoslavia. So, we are somewhat limited in the availability of funds for this purpose.

Mr. HAYS. I thank the gentleman, and I agree with him, except that somebody makes a decision as to what is excess, and I do not know whether they have the nonexcess programs included.

The Clerk read as follows:

SEC. 612. SPECIAL AUTHORITIES.—(a) The President may authorize in each fiscal year the use of funds made available for use under this Act and the furnishing of assistance under section 510 in a total amount not to exceed $250,000,000 and the use of not to exceed $100,000,000 of foreign currencies accruing under this Act or any other law, without regard to the requirements of this Act, any law relating to receipts and credits accruing to the United States, any Act appropriating funds for use under this Act, or the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.), in furtherance of any of the purposes of such Acts, when the President determines that such authorization is important to the security of the United States. Not more than $50,000,000 of the funds available under this subsection may be allocated to any one country in any fiscal year.

(b) Whenever the President determines it to be important to the national interest, he may use funds available for the purposes of chapter 4 of part I in order to meet the responsibilities or objectives of the United States in Germany, including West Berlin, and without regard to such provisions of law as he determines should be disregarded to achieve this purpose.

(c) The President is authorized to use amounts not to exceed $50,000,000 of the funds made available under this Act pursuant to his certification that it is inadvisable to specify the nature of the use of such funds, which certification shall be deemed to be a sufficient voucher for such amounts.

Mr. ADAIR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ADAIR: On page 50, line 16, insert "or" after "United States" and on lines 17 and 18, page 50, strike out "or the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.)."

Mr. ADAIR. Mr. Chairman, this proposed amendment is the one which relates to the Battle Act. If my amendment is adopted, the President, under the special authority given him by section 612, would not have the authority to waive the Battle Act. It would remove from him that power.

Now, I am sure that Members recall the provisions of the Battle Act. But, just for the sake of the record, permit me to read some of the provisions of that act and see why, in my opinion, we should deny the President the right to waive this law.

The Battle Act provides in part:

The Congress of the United States * * * declares it to be the policy of the United States to apply an embargo on the shipments of arms, ammunition, and implements of war, atomic energy materials, petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics, and all countries under its domination.

That is part of what the Battle Act provides. It continues:

It is further declared to be the policy of the United States that no military, economic, or financial assistance shall be supplied to any nation unless it applies an embargo on such shipments to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination.

Here was a law passed to insure the security of the United States. If we leave in this legislation the words which I have asked to be stricken, the President of the United States may waive with respect to $250 million and $100 million of local currency those salutary restrictions which are there for the protection and preservation of the United States of America.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentlewoman from Ohio.

Mrs. BOLTON. I would like to ask the Members to pay strict attention to this amendment, for it is probably one of the most important parts of this whole bill. Without this we shall surrender our rights to say who shall buy or what shall be sold to many countries. I hope all will listen thoughtfully.

Mr. ADAIR. Mr. Chairman, we still give to the President under this section considerable authority to waive other provisions of law. He can waive the provisions of this bill and the amendments thereto; he can waive any act appropriating funds for the purposes of this act, including interim or temporary appropriations as well as regular appropriation acts and amendments thereto; and he can waive any law relating to receipts and credits accruing to the United States and amendments thereto.

Therefore, I point out to the Members of this House that we would leave ample authority in the hands of the President to waive restrictions with respect to this title—involving possibly $350 million. We owe it to our Nation and we owe it to the citizens of this country to retain the provisions of this act which was passed in 1951, the so-called Battle Act. It is designed to prevent the strengthening of the Communist countries, to prevent the strengthening of those countries which would do us injury and which are the potential enemies of our country.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from California.

Mr. BALDWIN. I want to congratulate the gentleman for offering this amendment. I do not think there is anything of greater concern to the citizens of the United States than some of the reports we are receiving that the Government is considering plans that involve the waiver of the Battle Act. I congratulate the gentleman for offering this amendment, and certainly give it my full support.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Indiana.

Mr. Chairman, the authority given the President to use $250 million within his discretion, notwithstanding the Battle Act, is not new legislation. President Eisenhower had that authority and, in my opinion, used it effectively. At this time, when we are in a crisis in Berlin, when we are hoping to effectively fight communism, it is in our national interest to give the President the authority and the flexibility to meet developments.

Subparagraph (b) of section 612 reads:

Whenever the President determines it to be important to the national interest, he may use funds available for the purposes of chapter 4 of part I in order to meet the responsibilities or objectives of the United States in Germany, including West Berlin, and without regard to such provisions of law as he determines should be disregarded to achieve this purpose.

Of course not any of us desire to spend the taxpayers' money in the aid of communism, but I am positive we all agree today more so than ever it is necessary

to follow a policy of action, not reaction. In the past it appeared that we reacted only when the Communists would take a step. The critics charged that in effect, the Communists were dictating our foreign policy. Under this authority the President can, when he deems it advisable to, take positive action and move in. We know that the Soviets move in to overthrow governments. The Communists never hesitate to infiltrate, subvert, and overthrow governments. For example, they moved into Cuba and we became very much alarmed when they succeeded.

I like to compare the fight against communism to putting out a fire. Naturally fire can be extinguished by pouring gallons of water on it, and if enough water is poured long enough the fire may be put out. But the most effective way to put out a fire is to try to get at the cause of the fire. It is common practice to break into the roof, enter through the side, front door, or back door in order to get inside and put out the fire. In effect this is just what we are authorizing the President to do, permitting him to do what the Soviets are doing.

The Communists are most adept at infiltration. Their successes to a great degree are due to their use of this method. It would be most unfortunate at this time, in my opinion, if the special authority granted to past President Eisenhower should now be denied to President Kennedy.

Subsection 612 provides:

> The President may authorize in each fiscal year the use of funds made available under this bill and the furnishing of assistance under section 510 of this bill both in an amount not to exceed $250 million.
>
> The amount of money which may be allocated to any one country under this authority is limited to $50 million. This requirement prohibits the use of funds to furnish assistance, pursuant to Presidential waiver, directly to any country of a value exceeding $50 million in any fiscal year.

If there was a sudden development in an African country or in East Germany or in East Berlin, the President could not react if this authority will be denied.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Indiana.

Mr. ADAIR. Certainly there is no one in this body who has greater loyalty or patriotism than has the gentleman from Wisconsin now addressing us. He says that we want to fight communism. I must ask him, Is the way to fight communism by giving them money, by giving them munitions of war, by giving them strategic materiel, which would be permitted if we waived the provisions of the Battle Act? If we keep those munitions away from them we will be weakening them, and that is the way to cut down communism.

Mr. ZABLOCKI. The past administration has not abused the waiver of the Battle Act authorized under this section.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mrs. KELLY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to tell my colleagues that over the years I have been in complete support of this amendment. I am one of the authors of the Mutual Security Control Act. I have introduced this amendment within the committee for a number of years, and I endeavored this year in the committee to strike this particular section from the law, but I failed.

Mr. Chairman, I am sorry that over the years, and particularly in the past 8 years, this law, the Mutual Security Control Act has been weakened. They began to weaken this law in 1953 when they removed from the restricted list many items that were formerly called strategic. So for the past 8 years, under the previous administration, this law has been weakened. It was weakened because those who joined us as allies demanded that they be permitted to trade with nations behind the Iron Curtain. Therefore, the United States as one of the 18 members in this voluntary organization which regulated trade with the Communist dominated empire was forced to recede and permit greater trade. That is the principle involved in the Mutual Security Control Act. I feel that this particular section which is the amendment, should be stricken. In January the leaders of the Communists told us that they were going to bury the free world through a failure in our economic system. I believe all Members are in possession of the new Communist manifesto—the directive of December 8 and the speech of January 6—in which Khrushchev said that the U.S.S.R. will surpass the United States economically in the next few years. I feel that by giving any aid to any nation behind the Iron Curtain will be helping the U.S.S.R. do what they have told us they are going to do.

I feel we should not give to any government our economic surplus, although I have in the past voted to give to the people of those countries our economic surplus, to prevent starvation in time of famine, and in that way show that our system is the better system. We can show them that private enterprise is the system of the free world and is the system that will succeed. I feel that aid to these countries within the Communist empire will relieve Russia of the responsibility of defending the failure of their economic system. If we give our surpluses to these countries behind the Iron Curtain we would have the right to distribute them, and therefore I support the amendment of the gentleman from Indiana.

Mr. PELLY. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY. I yield to the gentleman from Washington.

Mr. PELLY. Mr. Chairman, it seems to me that many of the so-called nonstrategic materials which we are shipping behind the Iron Curtain actually and in fact are of a strategic value, and I support this amendment. It seems to me, by interpretation, we have been sending many things which certainly have given aid and military comfort to the enemy.

Mrs. KELLY. You are saying "we." You mean the United States, too?

Mr. PELLY. Yes.

Mrs. KELLY. I agree with the gentleman.

Mr. PELLY. We were sending railroad equipment, ball bearings, and many other items.

Mrs. KELLY. That has been declared nonstrategic by the administration.

Mr. PELLY. If the gentlewoman will yield further, I have been seeing the lists of items on which the Secretary of Commerce has been issuing export licenses, and they include railroad equipment and many items which I am sure are helping the Communist bloc in a military way. Actually all goods shipped behind the Iron Curtain are helping the Soviets.

Mr. GALLAGHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this flexibility had been retained by President Eisenhower in all previous bills. The last administration had it for 8 years, and I see no reason why we should give the present President any less flexibility in dealing with this matter. It is very complex and far too important to deal with in this manner, and as such I urge that the amendment will be defeated.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I first would like to direct a question to the gentleman from Indiana who proposed the amendment: Could the gentleman inform the House as to the difference between the language in section 612, and his proposal, and the status of S. 1215, the Senate bill, which completely revoked the Battle Act, which completely revoked the Battle Act, which I understand is before the gentleman's committee?

What is the difference in S. 1215 and the language in section 612?

Mr. ADAIR. It has been some time since I have read S. 1215 so I would wish to restudy it before making a full and final answer, but my recollection is that S. 1215 is broader in scope.

Mr. DERWINSKI. I wonder if the chairman of the committee or any member of the committee would be able to advise me on that point.

Mr. GALLAGHER. What is the question?

Mr. DERWINSKI. Does the Foreign Affairs Committee have before it S. 1215, the Senate bill which completely revokes the Battle Act? What is the status of that bill? And what is the difference between S. 1215 and the language here in section 612?

Mr. ADAIR. Will the gentleman yield to me at this time?

Mr. DERWINSKI. I yield to the gentleman from Indiana.

Mr. ADAIR. As I understand, I think the gentleman has probably answered his own question by the wording of it. My recollection of S. 1215 is that it rather completely abrogates the Battle Act.

Mr. MORGAN. Mr. Chairman, if the gentleman will yield to me, I believe the gentleman is completely wrong; it does not wipe out the Battle Act, S. 1215 merely gives the President greater discretion.

Mr. DERWINSKI. Mr. Chairman, the issue before us was well put by the gen-

tlelady from New York [Mrs. KELLY]. Any time we trade with a Communist country, whether it be the Soviet Union proper or its smallest satellite, we are working with a tightly knit economic group; any aid we give, directly or indirectly, for example, to Albania is of assistance to the Soviet Union. Any aid we give to Yugoslavia is of assistance to the Soviet Union. I think the gentleman from Indiana has a most practical amendment. I do not believe that the attitude or the operation of the previous administration with relation to the Battle Act or any part thereof has any pertinence at this time. I think the gentleman's amendment should receive vigorous support.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman.

Mr. ZABLOCKI. Since the gentleman mentioned Albania, I am sure he is aware that there are difficulties there at the present time with the Soviet Union. If the situation should develop so that by some assistance we could not only wean away Albania but turn Albania toward the free world, does not the gentleman believe the President would be justified in expending funds for that purpose?

Mr. DERWINSKI. Yes.

Mr. ZABLOCKI. But this amendment would not permit him to do that.

Mr. DERWINSKI. If the gentleman will permit, if there is a sudden change in the Albanian Government, then the only Albanian Government we could effectively deal with and support to the benefit of the United States would be an anti-Communist government. If we get a change in party hierarchy, that is just another group of Titos who milk us supposedly because they are not deep red, they are just pink.

Mr. ZABLOCKI. If the gentleman will yield further, does the gentleman agree that the situation in Albania is one where there is some difficulty between Albania and the Soviet Union; and he realizes that there is a possibility that Albania can be weaned away?

Mr. DERWINSKI. I should hope that would be the case.

Mr. ZABLOCKI. How do we deal with partisans in Albania should it develop that there is a situation in which we might be able to assist?

Mr. DERWINSKI. We could assist them if they are conducting anti-Communist activities against the present Albanian Government. If there are partisans there, we ought to be assisting them now.

Mr. ZABLOCKI. If the amendment prevails, the President would not be able to use his discretion; he would not have the flexibility.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield.

Mr. GALLAGHER. Mr. Chairman, to clarify the point, I should like to point out that this legislation has been in existence for the last 8 years. This does not affect the Battle Act that the other body has passed a bill waiving. This merely gives authority to the President that has existed for 8 years to spend $250 million without the provisions of the Battle Act. So this has been in existing legislation. It just has not continued.

Mr. DERWINSKI. Mr. Chairman, the Battle Act, technically known as the Mutual Defense Assistance Control Act, became law on October 26, 1951. It has never been amended. While there had been considerable sentiment for such a law prior to its enactment, it was the Korean war which provided the stimulus necessary to secure its passage.

The clear intent of Congress was to insure that the American taxpayer neither directly nor indirectly was contributing to the support of the military strength or the economy of any country within the Soviet bloc of Communist countries.

As early as 1948, Congress had enacted legislation designed to limit or prohibit the export of war materials to Iron Curtain countries from nations receiving U.S. aid. Such a provision was included in the Foreign Assistance Act of 1948, and another was added to a supplemental appropriation bill in 1950. A third provision was enacted in 1951. This was sponsored by Senator James Kem, Republican, of Missouri, and was included as an amendment to the Third Supplemental Appropriation Act of 1951. The Kem amendment prohibited economic or financial aid—but not military aid—to any nation exporting military equipment or materials used for military production to the Russian bloc. The restrictions applied when the Armed Forces of the United States were actively engaged in hostilities while carrying out United Nations decisions. Exceptions to the embargo could be made by the U.S. National Security Council, which subsequently suspended operation of the amendment, calling it against the best interests of the United States. While President Truman signed the appropriation bill which included the amendment, he called for its prompt repeal. Congress then enacted the Mutual Defense Assistance Control Act—H.R. 4550—commonly called the Battle Act, as its sponsor was Representative Laurie C. Battle, Democrat, of Alabama.

As we know, Mr. Chairman, most recently, in 1958 and again in 1959, then-Senator John F. Kennedy attempted to broaden the power of the President to extend economic and financial assistance to certain Communist satellite nations if he deems it important to the national security. In 1958, Senator Kennedy's proposal, considered as an amendment to the Mutual Security Act, was defeated by one vote. A year later, a similar measure introduced as a separate piece of legislation was first passed by voice vote, then on a motion to reconsider, the bill was passed 49 to 40, September 10, 1959. Following Senate passage, the bill was referred to the House Foreign Affairs Committee, but it received no further action.

Mr. Chairman, any attempt to estimate properly the advisability—or the contrary—of amending the Battle Act must, of necessity, involve personal and practical considerations regarding both our foreign policy and our foreign aid program. Without these two factors providing the "climate," a discussion is purely academic.

If one assumes first that increased foreign aid to the peoples behind the Iron Curtain will result in proportionately increased desire of those peoples to break away from the Soviet grip, then, Mr. Speaker, the supporters of S. 1215 who use this as the basis for their argument are correct.

The facts, however, simply do not support this proposition. In truth, these arguments favoring passage of S. 1215 present one of the most outstanding examples of political and historical naivete since Neville Chamberlain signed the 1938 Munich Pact giving away the Sudetenland in the hope that it would bring peace.

During the past few years, reports that all is not well within the satellite countries came to the United States via the Central Intelligence Agency and individual analysis, but never from the governments themselves. Currently, however, the situation is different. Communist governments themselves have admitted certain crises—that in agriculture is a most cogent example, and it is becoming more and more obvious that the U.S.S.R. is having its own economic difficulties. In Rumania, a certain very limited freedom has been granted as a pacifier to a restless population. The same case exists in Poland. Advocates of S. 1215 claim that U.S. aid at this time will encourage these nations to break with Russia.

Mr. Chairman, I maintain that such aid would only serve to lessen the economic strain on Russia and give her badly needed time to retrench, to build her overall strength, to enmesh more firmly the conquered nations within the Soviet bloc, and to prepare for new conquests among the uncommitted nations.

In very simple English, Mr. Chairman, no member of this body would now propose that we undertake any giant military operation that would free these nations. Furthermore, we know that there is no way that this could be accomplished from within without an economic cost that would be staggering. Because of these facts, I am unwilling to see us reduce our own economic potential by engaging in the foolishness which this measure would permit and thereby assist the Kremlin in accomplishing its evil design. Mr. Khrushchev has said, "We'll bury you." If we permit our own economy to be taxed to the breaking point, Mr. Khrushchev may well be right. It is as easy to bury us economically as atomically.

I am sure that the Members of this body are familiar with the famous 5-year plans instituted in Soviet Russia in 1928. If Communist published statistics are to be accepted, the first goals were met in 4 years instead of 5, the second was also successful. The third was largely inoperable because of World War II. In 1946, the fourth plan began and was directed toward recouping war losses and rebuilding industry. The fifth plan continued to emphasize industry but also was geared to military preparation with very limited attention paid to consumer goods.

After a little more than a year, the sixth plan was suddenly scrapped, and Mr. Khrushchev announced to the world the boldest venture in Communist expansion yet to be undertaken. According to the theory expressed by the Soviet Premier, a "historic world victory of socialism"—Nikita Khrushchev, speech, January 27, 1959—will be achieved in 1970 because Russian production growth is faster than that of the United States. Even while forecasting domination through "peaceful competition with capitalism," Mr. Khrushchev made no effort to hide his real intention; namely, Communist domination of the world:

The world Socialist system will produce over half of the total world industrial output. By this the superiority of the world system of socialism over the world system of capitalism in material production, in the decisive sphere of human activity, will be insured.

Plainly this indicates a goal of Communist economic predominance and a goal of a worldwide Communist order. Nor has the role of Russian satellites been overlooked in this comprehensive plan. The 7-year plan adopted by the 21st Congress of the Communist Party of the Soviet Union in January 1959, makes this abundantly clear:

The international significance of the 7-year plan is in the fact that its fulfillment means a further consolidation of the might of the world system of socialism.[1]

The Soviet Union considers it to be its prime task to continue promoting the greater unity of Socialist countries, the development of close economic and cultural connections still greater solidarity.[2]

Realistically, Mr. Chairman, the picture of U.S. aid helping the captive countries to break with their Communist masters is as black as the Styx. In this 7-year plan, Premier Khrushchev has announced clearly his intention of binding the U.S.S.R. and her satellites into a common group. The government at Moscow has never deviated from this intention since 1945, and the noose is being drawn tighter with every passing month. That Russia would allow any interference with this plan is unthinkable. She is still in a position to forbid it. She is still in a position to dictate her wishes to the Euro-Soviet bloc.

It is true that Russia is experiencing some economic difficulty at the moment. I have mentioned this earlier, and I shall say it again; the fact remains that any help given to ease the present burden is only a boost for the masters, not for the unwilling slaves.

Mr. Chairman, there is much more that I could add, but I urge you to support the amendment of the gentleman from Indiana at this point and should the Foreign Affairs Committee approve S. 1215, I will be prepared to present voluminous information to give you the facts and figures that should be in your possession before final determination of S. 1215.

[1] Seven-year plan, ch. VI, par. 3, January 1959.

[2] Final resolution of 21st Congress of Communist Party of the Soviet Union, pt. IV, January 1959.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, let me ask the gentleman from Indiana this question: Without his amendment, for all practical purposes the effectiveness of the Battle Act will be scuttled?

Mr. ADAIR. Two hundred and fifty million dollars and the one hundred million dollars in foreign currencies.

Mr. GROSS. Yes. I am surprised the gentleman from Wisconsin would oppose the amendment, which seeks to maintain what is left of the effectiveness of the Battle Act which provided originally and ought to provide today against the sale of strategic materials to Communist countries, the penalty being that a country would be deprived of assistance if it did sell strategic materials.

Mr. ZABLOCKI. The gentleman from Wisconsin would never condone the selling of strategic materials to a Communist country, not even to a neutralist country that would lean Communist. I want to point out that the provisions of this amendment would prevent the President from assisting a country in any commodity.

Mr. GROSS. And why not if they are selling to the Communists and still accepting our charity? I know that President Eisenhower did nullify the Battle Act and I know what to expect unless this amendment is adopted. I heard the gentleman's statement in opposition to the amendment. It is not necessary to repeat it. Let us adopt the amendment. If we do not take this positive action and maintain some semblance of effectiveness under the Battle Act, then let us repeal it altogether and get rid of the bureaucrats downtown that are administering this toothless wonder.

Mr. PELLY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have asked for this time to try to clear up in my mind whether or not the $50 million in paragraph (c) of section 612 is included in the $250 million in paragraph (a).

Mr. ADAIR. In my opinion, the $50 million in subsection (c) would not be affected by my amendment.

Mr. PELLY. I am wondering about that particular $50 million, because it seems to me it seeks to waive the Constitution. As I read this, it allows the President to spend this money without any report to the Congress at all. I would not want to know personally what this $50 million was spent for, but I think the appropriate committees of Congress should have some report.

Mr. ADAIR. I quite agree with the gentleman that we ought to know for what it is to be spent, but too often we do not. Committees of Congress have made inquiry in the past and have not been fully informed as to how such funds have been expended under this type of legislation.

Mr. PELLY. Would the gentleman explain why, as I understand it, there is $800 million which it is discretionary with the President of the United States to spend, but those sections, as I understand, say that the President shall keep the appropriations committees of Congress informed. However, this section it seems to me is quite contrary to the Constitution, which states that a regular statement and account of the receipts and expenditures of all public moneys shall be published from time to time.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. May I point out that subsection (c) is an authorization for a full amount which is replenished when it is in any part depleted. This section has been in the mutual security bill since 1948. This is a fund at the exclusive disposal of the Executive.

Mr. PELLY. Would it not be proper for the President to keep the Members of Congress informed, as provided in the Constitution?

Mr. GALLAGHER. These funds are secret. However, the President does discuss these expenditures with those Members of Congress who are privileged to know about it.

Mr. MORGAN. This $50 million is not an annual authorization, it is cumulative. I am told that since the beginning of the mutual security program only about $8 million has been spent out of this $50 million.

Mr. PELLY. I am very happy to hear the President does keep the Members of Congress informed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. ADAIR].

The question was taken; and on a division (demanded by Mr. ZABLOCKI) there were—ayes 85, noes 95.

Mr. ADAIR. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. ADAIR and Mr. ZABLOCKI.

The Committee again divided and the tellers reported that there were—ayes 139, noes 139.

So the amendment was rejected.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 51, lines 3, 4, and 5, strike out the language which reads as follows: "and without regard to such provisions of law as he determines should be disregarded to achieve this purpose." and insert in lieu thereof the following: "in accordance with existing law."

Mr. GROSS. Mr. Chairman, I call the attention of the members of the committee to unbelievable language to which the amendment refers. In this provision it says that—

Whenever the President determines it to be important to the national interest, he may use funds available for the purposes of chapter 4 of part I—

At least $481 million—

without regard to such provisions of law as he determines should be disregarded.

It will be said that this provision already is in the law.

Mr. HAYS. That is correct.

Mr. GROSS. This is power that no President ought to have, to disregard

any law. This makes the $481 million which is contained in chapter 4 another contingency fund for the President, to be disposed of as this one without regard to any law. This is an unconscionable delegation of power and I do not care whether it has been in the law for 1 year, 5 years, or 15; it ought not to be continued.

If this absolute delegation of power is to be given the President to spend nearly a half-billion dollars in this one trouble spot in the world for purposes completely unknown and unspecified to Members of Congress then we may as well supply ourselves with rubber stamps.

It makes no difference whether this is designed for the Berlin situation. There can be trouble tomorrow or next week in a dozen other places. Are we then to hand a President, any President, vast sums of money and tell him there is not one legal restraint, not a single check and balance on what he does with the money?

This is an unholy and unwarranted delegation of power which I predict will come back to haunt those who condone it.

Mr. Chairman, I have no doubt as to the fate of this amendment for those who support this giveaway program seem determined to also turn over untrammeled power to the executive branch of government.

I yield back the balance of my time.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am just as anxious to get to a vote on this bill as anybody else, but I am not anxious enough to get to a vote to be in such a hurry that I would destroy the possibility of the United States winning in this crisis over Berlin.

This authority has been in the law all along, and I know some of the things that have been done with the money. This gives the President the power that Khrushchev already has, to meet Khrushchev on his own ground. He can do anything that is necessary in Berlin without regard to any provisions of law to win this struggle; and if there is anybody in this Chamber who does not think that the future of the United States is not hinged on what happens in West Berlin, then he does not know much about international affairs, because if we lose this struggle we do not have a chance to keep any of the uncommitted people or even the committed people of the world on our side.

If it is necessary to go out and get somebody, and to pay them, slip through the lines and blow up something in East Berlin, I am hell-bent for giving the President authority to do it. I say to you that if you want to win against these Communists you have got to meet them as somebody said, on their own ground, and you have got to use their methods against them where necessary.

I think the President of the United States, whatever his name may be, Eisenhower, Kennedy, or even if it had been Nixon, I would have been down here defending this provision, because what the President does and what he may be able to do without actually going to war over West Berlin may mean the difference between a nuclear war on this planet and not having a nuclear war.

I do not mind some of the amendments put in the bill for political reasons, but I do not think the gentleman from Iowa put this in for any political reason.

Mr. GROSS. I did not.

Mr. HAYS. I think the gentleman believes that way, but with all the high regard I have for his sincerity I think this amendment should be defeated by the unanimous vote of this Committee.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Minnesota.

Mr. JUDD. I want to concur wholeheartedly with what the gentleman from Ohio has said. The language in the section is clear that its purpose is to enable the President "to meet the responsibilities or objectives of the United States in Germany, including West Berlin." If there is one place in the world today where the President of the United States should not be shackled, this is the place.

Mr. HAYS. Can you imagine if this Congress should vote in favor of this amendment how the newspapers would banner headlines that the House of Representatives gave a substantial vote to tie the hands of the President and tie this country's hands in trying to win this crisis in Berlin?

I hope this amendment will be unanimously defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken; and on a division (demanded by Mr. HAYS) there were—ayes 12, noes 183.

So the amendment was rejected.

The Clerk read as follows:

SEC. 613. CONTRACT AUTHORITY.—Provisions of this Act authorizing the appropriation of funds shall be construed to authorize the granting in any appropriation Act of authority to enter into contracts, within the amounts so authorized to be appropriated, creating obligations in advance of appropriations.

SEC. 614. AVAILABILITY OF FUNDS.—Except as otherwise provided in this Act, funds shall be available to carry out the provisions of this Act as authorized and appropriated to the President each fiscal year.

SEC. 615. COORDINATION WITH OTHER FREE NATIONS AND ORGANIZATION OF AMERICAN STATES.—The President shall provide for the coordination of programs of assistance carried out under this Act with programs of assistance being carried out by other free countries, and by the Organization of American States and other international organizations.

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: Page 52, line 4, introduce a new section 616, as follows:

"SEC. 616. ECONOMIC ASSISTANCE TO LATIN AMERICA.—Economic assistance to Latin America pursuant to chapter 2 of part I of this Act shall be furnished in accordance with the principles of the Act of Bogotá signed on September 13, 1960, and in order to carry out the policies of this Act and the purposes of this section, the President shall when requested by a friendly nation and when appropriate, assist in fostering measures of agrarian reform, including colonization and redistribution of land, with a view to ensuring a wider and more equitable distribution of the ownership of land."

And renumber the following sections.

Mr. Chairman, we have just considered an amendment revolving about the critical situation in West Berlin. The whole world watches developments in West Berlin, watching the movements of the great powers as they deploy in an attempt to find a basis for some kind of agreement. We hope and expect that such an agreement will be forthcoming. It is unthinkable the world should be plunged into a nuclear war.

Berlin holds our attention today, but that is only because the smoldering fire which marks so many trouble spots in the world has suddenly flamed up fiercely there. Similar flame ups could occur in a number of other areas throughout the world, and it is of vital importance that Berlin does not cause us to overlook what must be done in these. One of the most important of such areas is Latin America.

During the last 6 months almost every national periodical in this country has published a series of articles relating to the growing turmoil throughout Latin American and concluding that the area deserves our most serious attention. The latest of this group of articles appeared in Look magazine recently and the last of these declared that Latin America was not lost yet. The word "yet" is emphasized.

Today in Uruguay our representatives have just concluded discussions to implement the Act of Bogotá, discussions which are of vital importance to our Nation in rebuilding the good-neighbor policy we enjoyed many years ago and which has deteriorated so greatly in the last few years. It is most unfortunate that the press of events in other areas of the world diverted us from maintaining close contact with our friends in Latin America. For too long our national policy has tended to take our friends in Latin America for granted.

It is essential that we move immediately to reconstruct a close, friendly relationship with our sister Republics to the south, and we are on our way. We now have the opportunity to establish firm bonds of friendship with the nations of Latin America through the Act of Bogotá and through President Kennedy's dramatic and farsighted alliance for progress program.

Mr. Chairman, the single most dramatic and certainly, one of the most important issues of social reform in all the Latin American countries today is that of agrarian reform. President Kennedy himself pointed this out in a message to the Congress on March 13, 1961. He said:

It is clear that the Bogotá program cannot have any significant impact if its funds are used merely for the temporary relief of conditions of distress. Its effectiveness depends on the willingness of each recipient nation to improve its own institutions, make necessary modifications in its own social patterns, and mobilize its own domestic resources for a program of development.

For example, the uneven distribution of land is one of the gravest social problems in many Latin American countries. In some nations 2 percent of the farms account for three-fourths of the total farm area. And in one Central American country, 40 percent of the privately owned acreage is held in one-fifth of 1 percent of the number of farms. It is clear that when landownership is so heavily concentrated, efforts to increase agricultural productivity will only benefit a very small percentage of the population. Thus if funds for improving land usage are to be used effectively they should go only to those nations in which the benefits will accrue to the great mass of rural workers.

If this bill is to have any significance in Latin America, if the social progress contemplated by the Act of Bogotá is to have any backing in purpose and substance, if we mean what we say that the United States stands ready and willing to help the people of Latin America to conquer the ancient enemies of mankind: poverty, disease, hunger, and oppression, then we must declare that we favor programs for a more equitable utilization of land. We must adopt this amendment.

Mr. Chairman, on August 1, I made a speech on the subject of land reform in Latin America and sent it to a good friend in Peru. He is a native Peruvian, bright, well educated, and completely devoted to the best interests of his country. I received a letter from him a few days ago and let me read what he says on this subject:

I was very happy to hear from you, and also because I see that your interest in Latin America is still going on. We need now more than ever the kind of friends like you. I must congratulate you on account of your speech in the House because you touched there the heart of the matter. In our countries, land reform may not be the most important thing to do right now—is a problem connected with great many others—but it is and it has been for quite long time already, the symbol of an authentical reform. The prevailing situation in our countries is such an unfair thing; especially in connection with the landownership where it is the most obviously showed. You know the figures, but in my way of thinking there is yet the psychological aspect which is the more important, because for us to see those incredible big farms owned by a few people that have never had the least concern for the destiny not only of the country but even for the people who work for them and that they have seen living in the most painful misery. For us, I can tell you this, there can't be a real change unless there is a redistribution of land. You see it is like the Chateau of the Bastille, it didn't have any real value, but its destruction was the first step, the one you take even before start talking. Avoiding to take it would be for us only the proof that the powerful interests of the landowners are still on the control of everything despite all the beautiful words.

We, you and us, we must do now something bold, if not is very difficult to imagine what is going to happen * * * the social conditions or economical situation has deteriorated very much—even that with the growing population our standards have reached an alltime low. But is the spiritual side of the matter that worries me. Everyone has in his inner self reached to the conclusion that now there is the time for a change, an upsurge, the time to assume a historical destiny for all these people that have been for centuries looking at the show going on. And as you can well imagine that is the best state of mind to be enjoyed by the Communists and fellow travelers, and they are working hard on it.

Mr. Chairman, this is the time for action. This is the time for the Congress, representing the people of the United States, to declare that it favors efforts made by our neighboring sister republics in Latin America to take steps to correct the economic and social inequities caused by grossly unfair and monopolistic landholdings. As one of our experts in land reform stated:

As an American I am disturbed to find my country almost everywhere identified with supporting the groups opposed to any real modification of land tenure. Our domestic land policies and our own history seem to me to be directly opposed to taking this "preserve the status quo" position. There is no reason that the Communists should take all of the credit for supporting land reform. After all, one of the most devastating criticisms to be found anywhere of the system of large semifeudal estates is to be found not in Marx but Adam Smith's "Wealth of Nations."

Mr. Chairman, we ought to be thinking positively in connection with our relationship with our sister republics. Let us not be guilty of halfheartedness. Half-help is of no great value, and may actually be harmful. I am not talking about funds in this respect. Funds are important and we have been generous. Moreover, it is essential that the other nations to the alliance assume their share of financial responsibility, and our help should be predicated upon their willingness to meet their responsibility. But if they do indicate their determination to work for changes in new social structure, if they show they want a system of fair taxation, if they want to correct their system of land tenure by positive action, we should cooperate with them. That is what my amendment seeks. I urge its adoption.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. The committee has examined this amendment and we find no objection to it.

Mr. YATES. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. YATES].

The amendment was agreed to.

The Clerk read as follows:

SEC. 616. TERMINATION OF ASSISTANCE.—Assistance under any provision of this Act may, unless sooner terminated by the President, be terminated by concurrent resolution. Funds made available under this Act shall remain available for a period not to exceed twelve months from the date of termination of assistance under this Act for the necessary expenses of winding up programs related thereto.

SEC. 617. ASSISTANCE TO CUBA.—No assistance shall be furnished under this Act to Cuba unless the President determines that such assistance is in the national and hemispheric interest of the United States.

Mr. FASCELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FASCELL: On page 52, line 14, after the period insert the following:

"As an additional means of implementing and carrying into effect the policy of the preceding sentence, the President is authorized to establish and maintain a total embargo upon all trade between the United States and Cuba."

Mr. FASCELL. Mr. Chairman, the amendment I think is very simple, very clear and very necessary. It merely authorizes the President of the United States to establish and maintain a total embargo on all trade between the United States and Cuba.

Mr. Chairman, in anticipation of those who might say that there exists——

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the distinguished chairman of the Committee on Foreign Affairs.

Mr. MORGAN. Mr. Chairman, I want to say that the committee has no objection to the amendment of the gentleman.

The CHAIRMAN. Without objection, the amendment is agreed to.

There was no objection.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to my colleague from Florida.

Mr. ROGERS of Florida. Mr. Chairman, I have an amendment which I would like to offer to this section. Has a vote been taken on this last amendment?

The CHAIRMAN. Yes; it has been agreed to.

Mr. MEADER. It has been agreed to?

The CHAIRMAN. The Chair put the question on the amendment, and by unanimous consent the amendment was agreed to.

Mr. MEADER. Mr. Chairman, I was on my feet seeking to make a parliamentary inquiry before the action was taken on the amendment.

The CHAIRMAN. The Chair can withdraw that, if the gentleman desires.

Mr. MEADER. Mr. Chairman, I would like to reserve the right to object, if there was unanimous consent.

The CHAIRMAN. The Chair will withdraw the unanimous consent by which the amendment was agreed to.

Mr. MEADER. I wish to make a parliamentary inquiry. I have an amendment to section 617 which would strike out the language on lines 12, 13, and 14.

The CHAIRMAN. The gentleman can still offer that amendment.

Mr. MEADER. That is what I wanted to find out.

Mr. ROGERS of Florida. Mr. Chairman, I have an amendment at the desk.

The CHAIRMAN. The Chair has not disposed of the amendment offered by the gentleman from Florida [Mr. FASCELL]. Does anyone else desire to be heard on that amendment?

If not, without objection, the amendment of the gentleman from Florida [Mr. FASCELL] is agreed to.

There was no objection.

The CHAIRMAN. Does the gentleman from Florida [Mr. ROGERS] have an amendment?

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida: Page 52, line 12, immediately after

"Cuba" insert the following: "or to any country which furnishes assistance to Cuba".

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment to this bill to section 617. Section 617 prohibits assistance to Cuba. My amendment would simply prohibit assistance to any country which in turn furnishes assistance to Cuba.

Now, Mr. Chairman, the United States has broken diplomatic relations with the Castro government. We have terminated the sugar quota, which amounted to a very generous subsidy to the Cuban Government, and formally declared that Castro's government is a clear and present danger to the security of this hemisphere. That has been done officially by our Government. Castro's Communist regime has insulted the United States in a manner which knows no precedence in the history of this Nation.

Mr. Chairman, this distinguished committee is well aware of the nature of the present Cuban regime, and judiciously made provision in the bill to prohibit assistance to Cuba. It is so stated in this section.

Mr. Chairman, I am urging that we extend the committee's action and deny assistance to any country which may assist Cuba. Why should we do indirectly what we will not do directly? Why should we assist Cuba through a third country? Adoption of this amendment will make it clear that this Congress does not and will not give aid and comfort to Red Castro.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman.

Mr. ASHLEY. I am wondering, inasmuch as the President has the constitutional responsibility for the conduct of the foreign affairs of our Government, if the gentleman has explored this matter with the White House or with the Department of State to determine whether they desire this extension of authority which the gentleman's amendment would give them.

Mr. ROGERS of Florida. I think the gentleman can find the answer by reading the rest of the amendment. The paragraph as written by the committee says:

No assistance shall be furnished under this Act to Cuba unless the President determines that such assistance is in the national and hemispheric interest of the United States.

This is to state the congressional intent by a positive statement; that we do not want to give aid to Cuba, we do not want to give a gift or a loan to another country and have them turn right around and make a gift or a loan to Cuba. I think this is the type of action that this Congress wants to take, by making such a positive statement.

Mr. KITCHIN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman.

Mr. KITCHIN. I would like to ask the author of the amendment a question with reference to interpretation of "assistance." I have been informed that we have a letter from an official of the State Department that Poland recently loaned to Cuba the equivalent of $12 million at 2½ percent interest for a 5-year period for the purpose of constructing a battery factory, a shipyard, and a nail factory. Probably technically that is a loan and not assistance, but the purpose of the loan is certainly to be of assistance to an enemy of ours. The interpretation of the word "assistance" comes into play at this moment, and I would like to ask the gentleman what his interpretation is.

Mr. ROGERS of Florida. I think it would be the same type of assistance given under this bill; in other words military or economic assistance in the nature of a grant or a loan. Those types of assistance would definitely be barred.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. PELLY. This whole foreign aid bill is one that has a section on loans to certain foreign countries and I want to commend the gentleman. I certainly support the gentleman's amendment.

Mr. ROGERS of Florida. I thank the gentleman.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentlelady.

Mrs. KELLY. How would this amendment affect our relationship with Canada?

Mr. ROGERS of Florida. In what degree?

Mrs. KELLY. We have a defense pact with Canada. Our closest allegiance is with Canada in defense of the Western Hemisphere.

Mr. ROGERS of Florida. I think that unless the President determined otherwise, Canada would not get money under this bill in grant or gift if they are giving grants or loans to Cuba.

Mrs. KELLY. Or hemispheric defense.

Mr. ROGERS of Florida. Or hemispheric defense.

Mr. JOHANSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JOHANSEN. Is an amendment to the amendment in order?

The CHAIRMAN. A proper amendment may be offered to the amendment.

Mr. MEADER. Mr. Chairman, I offer a substitute for the amendment of the gentleman from Florida.

The Clerk read as follows:

Amendment offered by Mr. MEADER as a substitute for the amendment offered by Mr. ROGERS of Florida: On page 52, line 12, after "Cuba" strike the remainder of line 12, all of lines 13 and 14 and insert a period.

Mr. MEADER. Mr. Chairman, my amendment would make "section 617, assistance to Cuba," read as follows:

No assistance shall be furnished under this act to Cuba.

Period.

The gentleman from Florida [Mr. ROGERS] adds assistance from other countries to Cuba but leaves this nebulous phrase, "unless the President determines that such assistance is in the national and hemispheric interest of the United States."

Are we going to permit the President of the United States to determine that it is in the national interest of the United States or the hemispheric interest of the United States to give aid to Castro and Cuba?

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Ohio.

Mr. HAYS. I can see some merit in the gentleman's amendment, but I would like to have it do one thing, that is, say that no assistance shall be furnished under this act to the present Government of Cuba. Suppose a revolution occurred there, a new government came in a government that would do something for the people of Cuba, a democratic government, one which would overthrow the present government. Would this bar assistance to them? If the gentleman would modify his amendment to that extent, I think it would be desirable. I do not want to see our hands tied so that we could not help get rid of Castro.

Mr. MEADER. Mr. Chairman, I ask unanimous consent to so modify my amendment.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Amendments offered by Mr. MEADER as a substitute for the amendment offered by Mr. ROGERS of Florida: Insert before the word "Cuba" the words "the present government of" and after "Cuba" strike out the remainder of the section.

The CHAIRMAN. Without objection, the amendment will be so modified.

There was no objection.

Mr. RIVERS of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield.

Mr. RIVERS of South Carolina. The gentleman has already won his amendment and, though it took a speech out of my system, I am glad he offered the amendment, because Cuba is part and parcel of the Red Communist empire and a military base of Russia. Cuba is a military base, and believe you me, it is in business.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Michigan.

Mr. JOHANSEN. I want to commend the gentleman for accepting the addition of this phrase limiting the restriction to the present government. The amendment which I proposed to offer contained that very provision.

Mr. Chairman, I ask unanimous consent to extend my remarks at the conclusion of the remarks of the gentleman from Michigan.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Kentucky.

Mr. CHELF. Mr. Chairman, I want to commend the gentleman for his very fine and splendid amendment.

Since the Marshall plan was conceived years ago I have tried conscientiously to support every foreign-aid program. The only vote that I have cast against this program was really a protest vote against the Senate raising the House figure a few years ago.

Due to world conditions—World War II, the Korean war, and the various crises that have arisen in connection with the cold war since World War II—frankly I have been afraid to vote against this legislation.

At the present time the United States has an indebtedness of approximately $280 billion. I am told that nearly $100 billion of debt has been created through our foreign-aid programs since the Marshall plan. We were told then emphatically that such was to be for only 5 or 6 years' duration. We were informed that it was to get Europe up off of its back. This legislation did restore Europe and saved it from communism because it put food in the stomachs, clothes on the backs, roofs over the heads, and a song in the hearts of those who suffered the ravages of war. However, at the present, West Germany, Japan, and other nations never had it so good. As I have said, the primary object, intent, and purpose of the original Marshall plan was to get Europe back on its feet but, unfortunately, by listening to all of our do-gooders in the State Department, these handouts in foreign aid have increased from the few nations in Europe to a total of 97 countries. How stupid can we get? It all reminds me of a man's relatives and all of his neighbors coming uninvited into his home in such numbers that they literally push the family out of their home into the backyard. Any household breadwinner simply cannot take on all of his friends and neighbors to support.

Truly most of Europe and the other 97 nations are broke. They know it—and admit it—and all are seeking our financial aid. On the other hand we here in this country owe $280 billion. We are broke—do not know it—could not care less—and are throwing money around like we are in a psycho ward.

Yes, we are spending money that we do not have on people we do not know to impress people who hate our very guts. America needs this 5-year plan like a plowhorse needs roller skates. Imagine our being in debt $280 billion and still waltzing up to the Treasury seeking more funds to try to appease our fair-weather friends throughout the world. Friendship cannot be purchased. It must be won through respect and leadership—and leadership, in my estimation, is not throwing the taxpayers' money around. This only creates disrespect, jealously, and contempt.

As I understand this bill it seeks a 5-year plan on the premise that foreign aid that is to go to the recipient countries cannot be accepted by them on the basis of just 1 year. How do you like that? They are telling us how they will accept our charity. Every consideration is given to those who accept our aid but no plans have been made should the United States, God forbid, emerge with crop failures, financial reverses or other calamities that could plague us. It is the bureaucrats, autocrats and all of those other rats downtown who do not have anything else to do but to sit up nights figuring ways to spend the taxpayers' money that is keeping this Nation from paying off its huge debt and from enacting legislation on the domestic front that would aid our own people. These "soudo" executive leaders in the striped pants have done a great job in selling Presidents Truman, Eisenhower, and Kennedy.

With our financial commitments costing us $1 million every hour of the day, we had better take a careful look at this program, especially since we are informed by those who have made a study of it that it is inundated with graft and waste.

I am quite cognizant of conditions that exist in the world today with respect to communism. However, we absolutely cannot continue to spend ourselves blind like a drunken Bowery bum on skid row.

I greatly admire President Kennedy. I fought hard for him in the past election, although Kentucky went 80,000 against him, he did extremely well in my congressional district which lies in the heart of the Bible Belt in Kentucky. I not only respect President Kennedy but I consider him to be one of my very good friends. We served together 4 years in the House. I have only the highest praise and commendation for him because I know he has a tough job to do.

I have consistently supported him all this year. I also have the highest praise for my dear friend, Dr. TOM MORGAN, chairman of the Foreign Affairs Committee. We came to Congress together back in January 1945. He is doing a wonderful job and is to be congratulated.

Due to my respect for the President and the chairman of this committee, plus the additional fact the world is in such a grave unsettled condition, I have come to the conclusion that I shall support this bill but only with the Saund amendment. I take this course of action because I want the Congress to continue to hold the checkbook and to be able each year to check on this program. The Congress has always been responsible to our commitments each year and has always appropriated money for the program. Remember the old adage "beggars cannot be choosers"—therefore we should run this program in the best interests of America and not to suit the whims of our State and military leaders who have been far too generous with the American taxpayers' money.

I am informed that there is approximately $10 billion that is unexpended for the fiscal years of 1960 and 1961. Yes—there is more than enough money in the kitty now to run foreign aid for several years without the appropriation of one additional dollar. This is another argument against the so-called 5-year plan.

This foreign aid is not a loan—it is a gift and let us not kid ourselves about it. My bank loans me money at 6 percent and takes the interest out in advance, yet we do not charge any interest on money that will cost us $17 billion in interest before it is paid back. This particular aid program could go on for 50 years and if it did, not a dime is required to be repaid within the first 10 years. Yet, I am afraid to vote for it because of our financial condition in this country and I am afraid not to vote for it because of world conditions. However, as I have said before, I cannot bring myself to vote for any authorization legislation except on a year-to-year basis because I am sick to the quick of our striped pants boys committing our Government to the giving of alms. If they would attend fewer cocktail parties and take a little time to read the Bible they would learn that the Master on the shores of Galilee once said, "The poor will be with us always." There is not enough money in all of the countries of the world to completely correct or abolish this fact of life.

In conclusion I urge all of you who are thinking of voting against foreign aid to remember that we are living in perilous days. Cuba, Laos, the Congo, and Berlin are all a tinderbox. Vote for the bill but keep the Saund amendment intact. It will help America to crank our financial buckets up out of the well of indebtedness.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Iowa.

Mr. HOEVEN. Mr. Chairman, I want to commend the gentleman for offering this amendment. I had a similar amendment at the desk phrased exactly as the amendment proposed by the gentleman from Michigan.

It is heartening to find that Secretary Dillon on yesterday, after signing the 8,000-word Charter of Punta del Este declared that Cuba will never benefit from the alliance "as long as the Government of Cuba remains under the control of a foreign power, namely, the Soviet Union."

I am thoroughly in accord with his amendment and urge its adoption.

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Ohio.

Mr. DEVINE. With respect to the words "the present Government of Cuba" it should be quite clear that it is intended to refer to the present Government of Cuba at the time of the enactment of this law, because otherwise "the present Government of Cuba" might be construed as referring to whatever government was in control at any time.

Mr. MEADER. I think everybody should understand that this means the Castro government.

Mr. SELDEN. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Alabama.

Mr. SELDEN. Mr. Chairman, I offered the amendment in the committee which included the language in the bill now before us. The words "unless the President determines that such assistance is in the national interest of the United States" were included so that if the present Communist government of Cuba changes, we could then assist the Cuban people. The amendment of the

gentleman from Michigan would accomplish the same objective and I therefore support it.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield.

Mr. ROGERS of Florida. As I understand the gentleman's amendment, he has done away with the provision which would prohibit aid to other countries which may offer aid to Cuba.

Mr. MEADER. My amendment was a substitute for the language of the amendment offered by the gentleman. That is correct. My language would not include his words. I did so intentionally, because I believe that the gentleman's provision might lead to all sorts of problems with all sorts of South American countries that might be doing business with Cuba in some way or other which might yet be interpreted as assistance.

Mr. JOHANSEN. Mr. Chairman, section 617 of H.R. 8400, the administration's foreign aid bill, states:

ASSISTANCE TO CUBA.—No assistance shall be furnished under this Act to Cuba unless the President determines that such assistance is in the national and hemispheric interest of the United States.

I favor inserting the comma after the word "Cuba," deleting the rest of the sentence, and adding the words "as long as that country remains under the present government."

I see no reason whatsoever, no plausible excuse, why we should not nail this one down tight.

I see a great many reasons why we should not tolerate in this section the sweeping, qualifying phrase "unless the President determines that such assistance is in the national and hemispheric interest of the United States."

I point out that only a dozen lines later in this bill the President is authorized to delegate the exercise of any functions conferred upon him by this Act, even to the third and fourth degree of subordinates.

It is obvious, therefore, that the phrase in section 617, "unless the President determines" actually means "unless the faceless, anonymous, unaccountable State Department bureaucracy determines."

After the all-too-hasty State Department bureaucracy's recognition of Castro's regime in 1959; after the invasion fiasco; after the tractors-for-Castro farce; in view of the current Castro-Guevera effort to crowd up to the foreign aid trough, and in view of some of the characters in the bureaucracy who will be running around with bits and pieces of Presidential authority under this act, I want to be very sure that the door is shut so far as possible aid to the present Cuban regime is concerned—shut and securely locked.

Might I point out to any of my colleagues who tremble in the prospect of the Congress asserting this minimum of legislative authority, that this House last May, by a 404 to 2 vote, adopted a concurrent resolution stating among other things that "the present Government of Cuba offers a clear and present danger to the spread of political liberty, economic development, and social progress through all the republics of this hemisphere."

Why should we not completely lock the door of possible American foreign aid to Communist Castro?

Or if we do dare to exercise this minimum of legislative courage and authority, will someone in the bureaucracy tell us that this is a dangerous and harmful inflexibility?

Will we have on our desks tomorrow morning another telegram from the Governor of New York demanding that we reverse our adoption of a crippling amendment?

What do these meddling busybodies and back-seat drivers want of this Congress by way of further abdication?

Does the bureaucracy want us to come hat in hand begging permission to take this one little step so that we may save what remaining pride and self-respect we have?

Are we to ask them for permission to play-act the role of the Congress of the United States which once was, under the Constitution, the repository of all legislative powers?

How is it that the bureaucracy can exercise more and more unchecked power, can blunder and bumble unchallenged, while we, the supposed elected representatives of a sovereign people, must act with hesitation and timidity, when we dare to act at all, lest in our human fallibility we hamper or embarrass or cripple their grandiose plans?

Why are power and authority and controls safe and effective and constructive only when they are surrendered to the frustrating dictatorship of anonymous unaccountability which is the bureaucracy?

So far as I am concerned, I would sooner surrender my seat in this House, or sooner face certain defeat at the hands of my electorate, than cooperate in acquiescing to this dictatorship and to sycophants in high office who seek to use their influence to lobby the Congress into abdication.

Mr. ROGERS of Florida. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to the substitute amendment for this reason. I feel if this country is going to do any good in trying to carry on a program and an alliance for progress in South America, we should establish some ground rules in the beginning, one of which should be that we are not going to give loans and grants of American dollars to governments in South America and have them turn around and give a grant or a loan to Cuba. We have refused to aid Castro's government by the very language that this committee, after study, decided that we should refuse such assistance or aid to Cuba. I think we ought to take time here for a moment and decide what we are doing. We have already heard discussions that Brazil may decide to give a loan or give some credit to Cuba. Well, if they are in such financial shape that Brazil decides it can give a grant to carry on a Communist government in this hemisphere, then I do not want us making loans and giving grants to Brazil. Now why not have that understood in the beginning as this Government starts on what, evidently, is going to be a large program.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Ohio, a member of the committee.

Mr. HAYS. I think the gentleman ought to be a realist and realize that it seems, at least in my judgment, that the House is going to adopt the substitute amendment. If the gentleman wants to accomplish the objectives of his amendment, if he would rewrite the amendment and offer it to section 618 with the proviso—"unless the President determines"—which was in the original language, then I think he would have a chance to offer the amendment and have it considered on its merits. I am trying, of course, to be helpful to the gentleman and to be realistic about it. I think the temper of the House is to adopt an amendment which says: "No aid to the present Government of Cuba—period," and thereby the gentleman's amendment will go down the drain. I would suggest to the gentleman, if he wants to have his amendment considered on its merits that he rewrite it and offer it to section 618 which, in my opinion, would be the correct place and thereby he can accomplish the objectives he has in mind and get his amendment before the committee and have it considered on its merits.

Mr. ROGERS of Florida. I thank the gentleman from Ohio.

Mr. Chairman, I ask unanimous consent to add on page 52, line 12, after the word "Cuba" the words "or to any country which furnishes assistance to Cuba."

Mr. Chairman, this in effect would do exactly the thing we want to accomplish.

The CHAIRMAN. Does the Chair understand that the gentleman from Florida is asking unanimous consent for the modification of the substitute amendment?

Mr. HAYS. Mr. Chairman, reserving the right to object, and I do not like to object, but the language that the gentleman has now offered does just exactly what nobody wants to do. It prohibits him from doing business with any country in Latin America that may be remotely doing any business with Cuba. I do not think we want to tie the President's hands that tight. If the gentleman would offer his amendment with a waiver provision in it, that would be one thing, but if he offers an ironclad amendment which handcuffs the administration completely, that is another thing. There has been a great deal of talk here, Mr. Chairman, about people voting their consciences. I do not like to say to some country in Latin America, "You cannot come under the Act of Bogotá and you cannot come under the Act of Punto del Este unless you do certain things"—which were not in the language and not in the agreement that was signed.

Mr. ROGERS of Florida. May I say this to the gentleman. I would urge the House to adopt the amendment which I offered which gives the President the right, if the Government of Cuba

changes, to let them qualify again. However, I am not so concerned that the Government of Cuba is going to turn overnight before this Congress meets again, and I think we are weakening our position to accept the substitute amendment and not put a prohibition on aid to countries which, in turn, are willing to give aid to Cuba.

I hope you will vote for the amendment I offer.

The CHAIRMAN. Does the gentleman from Florida withdraw his unanimous-consent request?

Mr. ROGERS of Florida. I do, Mr. Chairman.

Mr. MARSHALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hope the struggling and underdeveloped nations of the world will look to Cuba today. Here, in this hemisphere, we are putting the masters of the Kremlin to a test before the eyes of the entire world. In this island and in our own time, we can compare the meaning of democracy and of communism and judge them by their fruits.

Who came to the aid of the Cuban people in the crucial hour of revolt against Spanish slavery? Who gave meaning to their declaration of independence by supplying the armed might necessary to unseat the Spanish Governors? It was the United States. We did not seek to turn a Spanish colony into an American colony. As soon as Spain gave up all claims to Cuba, we withdrew, committed by law to respect the independence of the Cuban people.

We made no military claim but offered instead the helping hand of genuine friendship. With both public and private assistance, we helped the people of Cuba build an economy that could support the political and social advances they sought.

Now they have been betrayed into a new slavery by their leaders and their island has become a colony of the Kremlin.

As a Member of the House of Representatives, I challenge these new masters to match our gift to the Cuban people—the political independence and economic growth they enjoyed as our friends.

This is a time of testing before the whole world. The glittering Communist promise held out to the small nations can be measured here in deeds, not words.

Are the Cuban people more free? Are they better housed and better fed? Are there better markets for their production? Is there hope for decent and well-ordered family life and community life? Is there freedom of speech, freedom of the press and assembly, freedom to worship?

These are the questions the Cuban people must ask themselves. These are the questions that the peoples of the emerging nations must ask themselves. We can hope that they will not be beguiled by Communist words but will apply the sterner test of truth in deed.

I defy Mr. Khrushchev and his entire colonial empire to accept this challenge. Let them attempt to match the contribution we have made to the people of Cuba and let the people of Cuba and the people of the world compare the results. Let us apply the test in all of its aspects—political, social, economic, and moral. Let the world judge who is guilty of colonialism and aggression.

Let the people of Cuba compare the results of 1898 with the results of 1958. Let them also know that we only wish for them the independence they so fervently sought and that we are still willing to help them as we were willing in 1898.

Mr. JOHANSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to direct some questions to the author of the substitute amendment, the gentleman from Michigan [Mr. MEADER]. I strongly support the substitute, and indicated my intention, had he not done so, to introduce it. But, in order to be very clear as to the legislative intent and history of this amendment, am I correct in understanding that by the term "present Government of Cuba" is meant precisely what was meant in House Concurrent Resolution 226 which was adopted, I believe, on May 16, in which it was stated, among other things, that the Caracas declaration of solidarity denounces the domination or control of the political institutions of any American State by the international Communist movement? Does the gentleman agree that the term "present Government of Cuba" means any government of Cuba dominated by the international Communist conspiracy?

Mr. MEADER. I would so interpret it, and I wish to point out that the following section, following the one to which my amendment applies; namely, section 618, is a flat prohibition against assistance to any country or area dominated or controlled by the international Communist movement.

Mr. JOHANSEN. And it is the gentleman's intention that this be clearly a declaration against the present Government of Cuba and any in the future which continues to be dominated by this Communist conspiracy?

Mr. MEADER. The gentleman is correct.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Michigan [Mr. MEADER], to the amendment offered by the gentleman from Florida [Mr. ROGERS].

The substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. ROGERS], as amended by the substitute.

The amendment as amended by the substitute was agreed to.

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida: On page 52, after line 14, add the following:

"(c) No assistance shall be furnished under this act to any country which furnishes assistance to the present Government of Cuba unless the President determines that such assistance is in the national and hemispheric interest of the United States."

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. MORGAN. The committee has no objection to the amendment.

Mr. ROGERS of Florida. I thank the gentleman.

The CHAIRMAN. Without objection the amendment will be agreed to.

There was no objection.

The Clerk read as follows:

SEC. 618. PROHIBITION AGAINST FURNISHING ASSISTANCE TO CERTAIN COUNTRIES.—No assistance shall be furnished under this Act to any country or area dominated or controlled by the international Communist movement.

Mr. DENT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DENT: On page 52, line 16, insert "(a)" immediately before "No assistance", and immediately below line 18 on page 52, insert the following:

"(b) No assistance may be furnished under this Act to any country or area for any program or project involving the production of any article, product, or commodity (including increased production thereof) unless the President finds that any imports into the United States from such country or area of articles, products, or commodities of the type to be produced by reason of such program or project will be only in such amounts as are necessary to meet domestic requirements in the United States not otherwise met from sources within the United States."

Mr. DENT. Mr. Chairman, I believe all of us recognize now, if we had not recognized it before, the really permanent nature of the so-called assistance program. I have read and heard statements made by men in high place in this Government to the effect that there is no foreseeable end to the assistance program.

In this particular amendment there is no restraint placed upon world trade, export or import, with any nation regardless of how much assistance they get, unless the product produced by mining, manufacturing, or farming, is one already produced in overabundance and surplus in this country.

You may think this amendment would act as restraint of trade or has some relationship to the reciprocal trade agreements program. That is not true. What I am trying to do is to protect American jobs. You can easily find by looking over the record the type of project provided for under this act. I have not time to give you the complete rundown of products that have been introduced into our marketplaces from production facilities built completely with American taxpayers' money which are produced in this country in surplus.

Just as a beginning, take, for instance, right now we are on the eighth appeal before the Tariff Commission by the cement-producing companies of Pennsylvania and New York because of dumping cement into the United States by plants built with foreign aid money. Right here in this rundown in the CONGRESSIONAL RECORD, page 15558, you will find 11 or 12 new cement plants that are being built and dumping procedures that have been licked one country after another by the cement people. But there are 105 nations each of them applying for cement factories, and by the time

we win—and we have won six antidumping cases against these countries—by the time we win 105 cases there will not be a cement plant left in the United States.

These are not big employment units, these are not big businesses, but they are the sustaining business and industry in the communities that have a single industry economy.

A glass plant was built in Korea with foreign aid funds. A glass company in Parkersburg, W. Va., one of the largest fabricators of glass products in the country, has quit buying any glass from the Pittsburgh Plate Glass Co., right across the street from it, because it can buy its glass from this Korean factory at 12½ cents a pound less than it can buy it in this country. There are other types of plants also.

There is a coke oven being set up. It is included in here; $14,500,000 is being spent to develop the coal industry of Turkey. I do not object to that. I want them to develop the coal industry of Turkey, but I want the Turks to use the coal or to sell it to somebody else. Do not sell it to the Pittsburgh Steel Co., do not sell it to the plants in this country.

Do you think that is farfetched? If you can haul glass and cement from Korea, you can haul coal from Turkey. We have built into the American economy an admitted permanent, chronic unemployment of 3½ million Americans because the President of the United States has said if he can reduce the present 6.7 percent of unemployment to 4 percent, he will be satisfied that we have reached an economic status that this country can live with. The 4 percent unemployment, basic productive unemployment in America, has been built in simply because we have been and still are the greatest promoters on the face of the earth. We have promoted West Germany into the world's greatest economy; we have promoted Japan into one of the greatest trading nations of the world. We are promoting other countries today.

Go ahead and do it, but do not take the tax money of our people and build plants, the products of which come back into the United States.

Mr. ZABLOCKI. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. ZABLOCKI as a substitute for the amendment offered by Mr. DENT: On page 52, line 18, insert the following:

"(b) No assistance shall be furnished under part I of this Act for construction or operation of any productive enterprise in any country unless such country has agreed that it will establish appropriate procedures to prevent the exportation for use or consumption in the United States of more than ten percent of the annual production of such facility during the life of the loan. In case of failure to implement such agreement by the other contracting party, the President is authorized to establish necessary import controls to effectuate the agreement. The restrictions imposed by or pursuant to the preceding sentence may not be waived by the President except in cases where he determines that such waiver is in the national security interest."

Mr. ZABLOCKI. Mr. Chairman, my substitute differs very slightly from the proposal of the gentleman from Pennsylvania. Briefly, it simply provides that a recipient country must agree to a 10 percent limitation of exports for use or consumption in the United States of the annual production of any productive enterprise aided under the foreign aid program.

Mr. Chairman, if the gentleman from Pennsylvania has no objection, the chairman of the Committee on Foreign Affairs has authorized me to state the committee will accept the substitute.

Mr. DENT. Mr. Chairman, I will be happy to accept any part of the pie I can get. I will take it.

Mr. ZABLOCKI. Mr. Chairman, I want to take a few minutes to commend the gentleman from Pennsylvania. The gentleman's subcommittee has held lengthy hearings on this subject and the gentleman has worked untiringly to prevent excessive competition from foreign imports.

LIMITATIONS UPON ASSISTANCE

The President will have at his disposal during the coming years large sums of money available for Development Loan Fund operations alone. This money will be lent to underdeveloped countries:

Payable as to principal and interest * * * on such terms and conditions as he (the President) may determine in order to promote the economic development of less developed countries and areas, with emphasis upon assisting long-range plans and programs designed to develop economic resources and increase productive capacities.

The promotion of the economic development of the less developed countries by increasing productive capacities means the establishment on a large scale of manufacturing industries in the recipient countries. The products of these industries will have to find markets.

The questions which must be confronted squarely are: Whether the United States is to be the chief market for the products of these new industries, financed by U.S. taxpayers, and if so, what will be the consequences.

Since there are no conditions in the proposed bill regarding the reexport of these products to the United States and since the United States has consistently promoted the doctrine of free trade as the panacea for world economic ills, it is logical to conclude that a great percentage of the production of these U.S.-financed industries may well be competing with the products of U.S. manufacturers, in a few short years, in world markets, as well as in the U.S. market.

If events should take such a turn, and certainly there is good reason to expect they will, what would be the consequences? First of all, we must keep in mind the scale of the proposed aid program. Over the next 5 years it is proposed to spend over $8 billion solely for the development of economic resources and the increasing of productive capacities. Such a vast amount of capital can generate literally thousands of industries. It must be borne in mind that these industries will be established with the most technologically advanced machinery available and in many instances with a great deal of automated equipment.

Moreover, it must be remembered that aside from U.S. funds channeled directly through our own foreign aid programs there are a number of international aid funds heavily supported by the United States to which the underdeveloped countries may turn for loans. These loans may be used for many purposes, especially to establish what the economists call infrastructural facilities to make the economic development of the country balanced and orderly. Examples of infrastructural facilities are good roads and highways, railroads, plentiful power facilities, adequate communications—telephone, telegraph, radio—and so forth.

The U.S. commitment to these various international organizations is $17.5 billion, of which approximately $12.5 billion of the authorizations have already been paid. The detailed breakdown of U.S. participation in international aid funds follows:

Current status of U.S. participation in international aid funds (other than mutual security appropriations)

[In millions of dollars]

	Total authorized	Total U.S. authorization	Total U.S. paid in
International Bank for Reconstruction and Development (World Bank)	21,000	6,350	635.0
International Development Association	1,000	320	73.6
International Finance Corporation	100	35	35.0
International Monetary Fund	15,000	4,125	4,125.0
Export-Import Bank of Washington	7,000	5,700	7,000.0
Inter-American Development Bank	813	350	30.0
IADB Fund for Special Operations	146	100	50.0
Inter-American Fund for Social Progress,[1] fiscal year 1961	500	500	500.0
ICA rehabilitation for Chile, fiscal year 1961	100	100	100.0
Total	45,659	17,580	12,548.6

[1] Breakdown: $394,000,000 to Inter-American Development Bank, $100,000,000 to International Cooperation Administration, and $6,000,000 to Organization of American States.

The balance of the U.S. subscription to the International Bank for Reconstruction and Development—the World Bank—of $5.725 billion is on call to meet the Bank's obligations if required. The International Development Association—IDA—is a new affiliate of the World Bank for financing economic growth in the less developed countries. The authorized capital of the IDA is $1 billion; the United States has paid in $73.6 million of a $320 million authorization.

The International Finance Corporation—IFC—deals exclusively with private business. Its purpose is to further economic growth in the developing member countries by investing—without Government guarantees—in productive enterprises in association with private capital and management. As of January 31, 1961, investment commitments had been made in 35 enterprises in 17 countries amounting to $42 million. The United States has already paid in the total authorized subscription of $35 million.

The Export-Import Bank operates under a lending ceiling of $7 billion, all U.S. funds. There is also the International Monetary Fund which has as its aim the promotion of international monetary cooperation and the expansion of world trade. Also not to be forgotten are the Inter-American Development Bank—IADB—and the IADB Fund for Special Operations with a total authorized capital of $959 million.

Furthermore, we will be exporting our managerial and technical skills to educate and train these peoples how to operate such plants efficiently. Title II—Development Grants provides in section 211 that: the President is authorized to furnish assistance on such terms and conditions as he may determine in order to promote the technical and economic development of economically underdeveloped friendly countries and areas, with emphasis upon assisting the development of human resources. Development grants in the amount of $380 million are authorized for appropriations to carry out the purposes of section 211 which consist of, among other things, the educational, technical, and professional training of the peoples in the recipient countries.

We see then that the United States will be exporting the capital to establish the most modern and automated factories, will supply the technical training and develop the managerial skills necessary to the efficient operation of the plants established and, furthermore, will supply the market. There will be nothing to prevent these industries from reexporting as much of their production as they wish to the United States. The only obstacle that these U.S.-financed industries would face would be U.S. tariffs. Such tariffs would not present an insuperable obstacle since "approximately one-half, by value, of all merchandise value of all merchandise imports now enter the United States duty free. Currently, over one-half of U.S.-dutiable imports are subject to rates not higher than 10 percent, and another one-third of such imports enter at rates between 10 and 20 percent." Moreover, U.S. manufacturers may run into high tariff walls in the recipient countries which will claim such tariffs are necessary to the protection of their young economy. Given these circumstances can U.S. manufacturers compete? It would seem that they could not. There is a major gap between U.S. wages and those of the rest of the world. The average wage per hour in the United States is approximately $2.40 per hour—not including fringe benefits—whereas in Nigeria it is 8.3 cents per hour for unskilled workers and 14.3 cents per hour for skilled workers; in Ghana, 9.7 cents per hour; in India, 9.9 cents per hour; in Brazil, 55 cents per hour; in Mexico, 32.4 cents per hour; in Argentina, 38.9 cents per hour; in Colombia, 13.7 cents per hour; in Japan, 33.4 cents per hour; in Venezuela, $1.17 per hour in the manufacturing industries. Given technological identity the differentiating factors in the cost per unit of any product will be: Labor costs, power costs, cost of raw materials, transportation costs, and taxes.

Formerly the wage gap was bridged by U.S. technological superiority which resulted in greater efficiency and productivity per man and by greater capital investment per U.S. worker. But the industries which will be established with U.S. aid funds will be the technological equivalents of, if not superior to, their U.S. counterparts.

Many industries in this country are seriously in need of modernization and retooling, but because the depreciation rates allowed by the present tax system have not been generous enough many manufacturers have continued longer than they should with obsolete machinery. There exists a terribly vicious circle in this whole predicament. More generous depreciation rates have not been forthcoming because of the Government's need to maintain and increase revenues. Part of this need is due to such very programs as the proposed foreign aid bill. Yet the American corporate taxpayer is expected to subsidize his future competitors in more up-to-date, automated factories than he can afford partially because of a tax structure which does not permit him rapid depreciation of new machinery.

The U.S. foreign aid program has as its aim the economic strengthening of the underdeveloped countries as well as their political stability, but these objectives cannot be long sustained at the expense of the vitality of the U.S. economy. It is a desirable goal that these underdeveloped areas develop their own regional markets and that their consuming capacity be increased. This will not be accomplished if U.S. aid money is used to establish industries which produce primarily for the American market. In order to insure that the desired results of the U.S. aid program will be achieved and at the same time U.S. manufacturers will not be forced to subsidize their own competitors the following amendment to the foreign aid bill is submitted:

Amendment to H.R. 8400, offered by Mr. ZABLOCKI: on page 52, after line 18, insert the following:

"SEC. 619. LIMITATION UPON ASSISTANCE FOR PRODUCTIVE ENTERPRISES.—No assistance shall be furnished under part I of this Act for construction or operation of any productive enterprise in any country unless such country has agreed that it will establish appropriate procedures to prevent the exportation for use or consumption in the United States of more than 10 per centum of the annual production of such facility during the life of the loan. In case of failure to implement such agreement by the other contracting party, the President is authorized to establish necessary import controls to effectuate the agreement. The restrictions imposed by or pursuant to the preceding sentence may not be waived by the President except in cases where he determines that such waiver is in the national security interest."

This substitute amendment is very similar to a provision in the Boggs bill (H.R. 5) which was approved by the House Ways and Means Committee and passed the House on May 18, 1960. The Boggs bill gave certain tax concessions to private investors to encourage private investment abroad, provided, however, that such a foreign business corporation did "not derive more than 10 percent of its gross income from the sale of articles which are sold by it for ultimate use, consumption, or disposition in the United States." The intention of the Boggs bill—which the House approved—was to stimulate private enterprise in this country to make investments in the underdeveloped countries with the purpose of developing local markets and improving economic conditions in those countries. The purpose of the Boggs bill was not to encourage private enterprise to go abroad and take advantage of cheaper and more pliable labor and lower transportation and raw material costs in order to undercut the domestic U.S. manufacturers. The same problem exists in public investment of tax money; the same remedy should certainly be provided.

Without an amendment such as the one here proposed there is no protection against the wholesale importation into the U.S. market of products financed by U.S. foreign aid. Our foreign aid programs should not be allowed to force economic suicide upon domestic manufacturers.

I urge the adoption of the substitute to this amendment.

Mr. MONAGAN. Mr. Chairman, I ask unanimous consent that the Clerk reread the substitute amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The Clerk reread the substitute amendment offered by Mr. ZABLOCKI.

Mr. COLLIER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLLIER. Mr. Chairman, as I understand this amendment, does it strike the now existing language on lines 16, 17, and 18, or is it a new section?

The CHAIRMAN. It would be a new paragraph in that section. It would not eliminate any language.

Mr. COLLIER. It would follow the existing language?

The CHAIRMAN. It follows line 18.

The question is on the substitute amendment offered by the gentleman from Wisconsin [Mr. ZABLOCKI] to the amendment offered by the gentleman from Pennsylvania [Mr. DENT].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. DENT] as amended by the substitute amendment offered by the gentleman from Wisconsin [Mr. ZABLOCKI].

The amendment as amended was agreed to.

Mr. FASCELL. Mr. Chairman, I ask unanimous consent that all Members be permitted to revise and extend their remarks on the amendments to section 617.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. EDMONDSON. Mr. Chairman, I want to congratulate the able gentleman from Florida [Mr. FASCELL] upon offering this amendment, and to express my support for it.

As an expression of congressional feeling and conviction in support of a total embargo upon trade with Cuba, I believe this amendment will assuredly have the overwhelming support of the American people.

I am certain of this fact: the people of the Second Congressional District of Oklahoma will feel a great deal better about this authorizing legislation if it carries with it an authorization for total and immediate embargo—and the sooner that embargo is imposed, the better.

Mr. CASEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASEY: On page 52 on line 18 strike the period and add the following: "including specifically but not limited to the following countries:

"Peoples Republic of Albania,
"Peoples Republic of Bulgaria,
"Peoples Republic of China,
"Czechoslovak Socialist Republic,
"German Democratic Republic (East Germany),
"Estonia,
"Hungarian Peoples Republic,
"Latvia,
"Lithuania,
"North Korean Peoples Republic,
"North Vietnam,
"Outer Mongolia—Mongolian Peoples Republic,
"Polish Peoples Republic,
"Rumanian Peoples Republic,
"Tibet,
"Federal Peoples Republic of Yugoslavia,
"Cuba, and
"Union of Soviet Socialist Republics."

Mr. CASEY. Mr. Chairman, I ask unanimous consent that the word "Cuba" be stricken from my proposed amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas that the gentleman's amendment be so modified?

There was no objection.

Mr. CASEY. Mr. Chairman, it has been said that this particular section as originally written will exclude any aid to Communist countries. But I call the attention of the Members to the fact that this section reads:

Any area dominated or controlled by the international Communist movement.

Mr. Chairman, I am concerned about how those who administer this program interpret that. It has been pointed out, and I pointed it out on the floor of this House the other day, that we are continuing to give aid to Yugoslavia. At this very moment they are loading scrap iron in my home port of Houston. It is destined for Yugoslavia. Where is it going? It is probably going first to a steel mill or one that is being upgraded with $8.5 million that we have loaned them in March of this year.

Mr. Chairman, if anyone thinks that the ultimate product from that steel mill is not going to help the Communist program I think they would be utterly stupid. Let me point this out to the membership of the House. The State Department now considers that Yugoslavia is not part of the international Communist movement. They admit "Yes, they are Communists, but they are local Communists. They are not under the control of the Soviet Union."

Are we fighting all Communists or are we just fighting one group of Communists? This list of countries is a list furnished to me that anyone can get from the Library of Congress, of the Communist bloc. They include these very countries I have listed.

I see no reason why we should continue to give aid to any of these countries in any form—loan, grant, or what have you, if we are trying to fight the Communists on every front.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. CASEY. I yield to the gentleman.

Mr. CRAMER. Mr. Chairman, I agree with the gentleman's objective wholeheartedly, but I understand that the gentleman made a request that Cuba be eliminated from the list of those countries which, according to line 18, section 618, is a "country or area dominated or controlled by the international Communist movement."

I realize that, previously, in section 617 we provided that no assistance shall be furnished under this act to Cuba. But in section 618 we are defining Communist-dominated nations. We do not say in section 617 that we consider Cuba a Communist-dominated nation.

I wish the gentleman would reconsider his request that Cuba be withdrawn from the list of the countries in his amendment that are a "country or area dominated or controlled by the international Communist movement." I am fearful, if that is not done, the interpretation of the action of this House would be that Cuba is not a country dominated or controlled by the international Communist movement. And yet that was what we were trying to get at in section 617.

So I would like to ask the gentleman if he would reconsider his withdrawal of Cuba from his amendment, because I should like to support his amendment.

Mr. CASEY. I would say to the gentleman that I thought that we had kicked Cuba around pretty well and I did not want to get my amendment all fouled up with Cuba. Also I would say that the listing of the countries in my amendment does not mean that we cannot prohibit support to any other country that is not listed. My amendment names specifically these countries but it says not limited thereto.

Mr. CRAMER. Mr. Chairman, will the gentleman yield further?

Mr. CASEY. I yield further.

Mr. CRAMER. I am in wholehearted sympathy with what the gentleman is attempting to do. But reading the legislative record, where the gentleman specifically included Cuba as a Communist-dominated nation and now has removed Cuba from his amendment, it could lead only to the conclusion that in our opinion Cuba is not a Communist-dominated nation. I, for one, would not want to be a party to such a construction. So I would like to ask the gentleman if he will reconsider his request and reinclude Cuba in that list.

Mr. CASEY. Mr. Chairman, I ask unanimous consent to withdraw the modification of my amendment previously requested.

The CHAIRMAN. Without objection, the modification of the gentleman's amendment is withdrawn.

There was no objection.

Mr. CASEY. Mr. Chairman, if any Members get any ideas that countries we have been assisting have not been some of these very countries named, I refer them to the reference that I made last Monday in the RECORD.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we are all in agreement with the objective of the amendment. Certainly we are in sympathy with what the gentleman from Texas intends to do. There is no objection to his purpose. I believe, however, the colloquy that has just taken place between the gentleman from Texas and the gentleman from Florida is the best argument that the amendment should be defeated. The provision in the bill, section 618, subparagraph (a) covers the situation adequately. As was earlier stated in the debate, section 618 flatly prohibits furnishing assistance to certain countries that are Communist. I hope the amendment will not prevail.

Mr. CASEY. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield.

Mr. CASEY. If I recall correctly the gentleman's questions of Assistant Secretary Kohler, if he considered Yugoslavia part of the Communist bloc, his answer was "No."

Mr. ZABLOCKI. That is correct.

Mr. CASEY. I certainly do not agree with him. And these people are the ones who are going to interpret this bill.

Mr. ZABLOCKI. I hope the gentleman is not implying that I agree with Assistant Secretary Kohler in this instance.

Mr. CASEY. No, sir; I am not implying that. But I am saying that Mr. Kohler made that answer and he is one of those who is going to interpret this bill. He is going to be one of the chief administrators of the bill and he is going to continue to give aid to Yugoslavia if my amendment is not adopted.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield.

Mr. GALLAGHER. I believe there is a strong constitutional question involved here, that the Executive has the authority to designate those nations we will recognize in whatever capacity it may be.

I believe that we are all united in our approach to communism, as shown in section 618, which is a new section in the bill, that no assistance shall be furnished under this act to any area

that is dominated or controlled by international communism. I therefore feel this includes nations now Communist and new nations which might become Communist would be left out.

Mr. ZABLOCKI. I thank the gentleman for his observation. It was stated clearly in debate that there is a probability that certain countries in Africa may become Communist. By enumerating the countries, as the gentleman's amendment proposes, would by omission exclude any that may become Communist dominated.

Mr. FINDLEY. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the high point of the foreign aid debate was reached yesterday during the discussion of the amendment offered by the gentleman from Kansas [Mr. DOLE]. The Dole amendment would have limited foreign aid to nations which guarantee free speech, free press, and freedom of religion. Unhappily, the amendment failed but it did point up the most fundamental issue in foreign aid: indiscriminate spending, which, in some cases, has actually strengthened the international Communist conspiracy.

The Dole amendment would have taken the drift and contradictions from foreign aid. It would have redirected this program into a powerful force for freedom, and would have won applause from freedom-loving people around the world.

The amendment now before the House is not as far reaching as the Dole amendment, but it moves in the same commendable direction. It would deny funds to any country under Communist domination, and names the Communist countries.

It was stated eloquently and accurately yesterday that we are at war with the international Communist conspiracy. It is high time those in charge of foreign aid are alerted to that fact. It is high time we deny foreign aid to the enemy.

What irony that we have poured $514 million into Communist Poland and over $2 billion into Communist Yugoslavia on the thin, transparent argument that these governments are less bloodthirsty than other elements of Red banditry. These countries play the propaganda organ as skillfully as Khrushchev himself, and when it suits Communist purposes, and then only, do they play "I Love You Truly". Is there ever a moment in which it is wise to join forces with the Communists? I invite your reflection on the period of lend-lease when about $11 billion in American tax dollars helped to build the Communist war machine in Russia. Even then Stalin was conspiring to enslave Eastern Europe, and our dollar aid later helped him accomplish that purpose.

This amendment would forbid use of American tax dollars to aid the enemy. A vote for this amendment is a vote to keep Communist hands out of the pockets of American taxpayers. A vote against this amendment is a vote to give the State Department a free hand to repeat the tragic errors of the past.

Mr. CASEY. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Texas.

Mr. CASEY. I wonder if the gentleman noted the Associated Press report on July 13 of this year in which the Foreign Minister of Yugoslavia and the Foreign Minister of the Soviet Republic were reported to have had a love feast, so to speak, in which they said, "We are happy to announce that we are in full accord on international policy." I wonder if the gentleman noticed on the same date the Associated Press report in which the Foreign Ministers of Poland and Outer Mongolia announced that they were in full accord with the policies of the Soviet Republic. Then I wonder if the gentleman will not agree with me that we do need to define specifically some of these countries, without including any new ones, which this amendment would do.

Mr. FINDLEY. I thank the gentleman for that information, and certainly concur in his remarks.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Illinois.

Mr. DERWINSKI. I wish to commend my colleague, the gentleman from Illinois. He is absolutely correct in his analysis of the situation in Yugoslavia. Any aid to the Tito government is equivalent to aid to Khrushchev. I think it is about time the House really put its foot down and said, "We shall not give aid to Yugoslavia." I think the gentleman from Illinois and the gentleman from Texas are to be commended for taking this vigorous stand.

Mr. FINDLEY. I thank the gentleman.

Mr. BRUCE. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Indiana.

Mr. BRUCE. Mr. Chairman, I also rise to commend the gentleman from Illinois and the gentleman from Texas for defining exactly what we mean to do. I, for one, and my constituents according to my mail and the visits I have had back home are sick and tired of taking out of one pocket and putting into another any aid to the Communist conspiracy by foreign aid to the Communist countries. It is a deception. As far as Yugoslavia is concerned, if you go back and study the role of a third force in this, Yugoslavia is playing it beautifully. Look at their votes in the United Nations and elsewhere. They have sided with no one but Russia.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GALLAGHER. Mr. Chairman I move to strike out the last word.

Mr. Chairman, I agree with the gentleman that we should never join forces with communism anywhere. But this amendment restricts this provision to certain nations, those that we have recognized as Communists. It might well be that in the future, other nations may go Communist—we hope not. I think we should leave this to the discretion of the Department of State. The gentleman said he had no confidence in the recent State Department. I certainly have a great deal of confidence in the present State Department and as I said, I do hope that we will allow the State Department to make the determination as to who is Communist and who is not. If we provide in this bill for merely these countries who are listed, we will by exclusion omit future countries that may be dominated by communism.

Mr. Chairman, I hope the amendment is voted down.

Mr. CASEY. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from Texas.

Mr. CASEY. Did the gentleman listen closely to the amendment? It absolutely says right here, specifically, the countries listed but not limited thereto. This certainly will not prohibit them from using their prerogative in determining if any new countries are falling into the Communist bloc. They certainly have shown by their record that they need to be pointed out to them in some situations, namely, Yugoslavia and Poland.

Mr. GALLAGHER. Let me say to the gentleman just as respectfully as he asked me if I listened—I will ask the gentleman if he has read section 618 which says:

> No assistance shall be furnished under this Act to any country or area dominated or controlled by the international Communist movement.

We are against communism in any country—past, present, and future.

Mr. CASEY. Mr. Chairman, will the gentleman yield so that I may answer him?

Mr. GALLAGHER. I yield to the gentleman from Texas.

Mr. CASEY. I agree with you that that is exactly as it read. But who is interpreting the language—the very man who says he does not think that Yugoslavia is part of the Communist program and part of the Communist bloc. If he is going to interpret this, I want to read him the intent of the Congress and point out to him just who is Communist, if he does not know it.

Mr. GALLAGHER. I have more confidence in the President of the United States than the gentleman.

Mr. CASEY. I have the utmost confidence in the President but not in Mr. Coulter, when he does not recognize that Yugoslavia is in the Communist bloc.

Mr. GALLAGHER. The constitutional authority is vested in the President of the United States to make such a determination, and we should not deprive him of that authority and discretion.

Mr. COLLIER. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

> Amendment offered by Mr. COLLIER as a substitute for the amendment offered by Mr. CASEY: In Section 618, on page 52, strike all after the word "any" on line 17 through line 18 and insert therein "nation with a Communist controlled government".

Mr. COLLIER. Mr. Chairman, first let me say I commend and congratulate the gentleman from Texas for his amendment here. I want to make it very clear I am supporting his position in this matter all the way. However, I have some reservation as to the wording

of his amendment because it spells out these nations; and I can fully understand from what he said on the floor why he feels it is necessary to spell them out.

At the same time a nation that might have a Communist controlled government today might not have one tomorrow. The phraseology of my substitute would certainly clarify that without spelling out any particular nation either for judgment at the present time or judgment in the future.

Section 600 of this bill, which sets forth the objectives of the United States in connection with the legislation before us, speaks of freedom of the individual and the dignity of man and the guarantees of free expression. It speaks of the State being the servant of the people rather than vice versa.

And, referring to the argument made by the gentleman from New Jersey, a member of the committee, how in the world can anyone say that Yugoslavia, simply because it is not construed to be part of the international Communist movement, fits into the phraseology of section 600 of this bill?

I have letters here from people who came from Yugoslavia. I have a letter from a man here who received a letter from his brother over there, and he would have no reason to put some of the things in this letter which were not true; a letter which I am willing to document. It refers to the fact that there is no such thing as freedom in Yugoslavia today. Why attempt to dilly-dally with language by attempting to circumvent the definition of "communism" by adding the word "international" and by adding the word "movement" before and after the vital word "communism." Where is the moral interpretation of what we are trying to do in this law if we are willing to subsidize Communist countries with dollars from the same till as those we are attempting to buy freedom with? I say it is time to take a stand on this and tell the people here at home and abroad that we do not intend to finance communism no matter where it is, at whatever level it is, or, in fact, any corner of the world.

Mr. Chairman, I urge the adoption of the amendment.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. I mentioned no countries. I said this is a determination that should be made by the Executive. If you are excluding these countries, what about nondemocratic countries that are not necessarily Communist but are opposed to democracy and the United States? Let the President make the determination, whatever it is. That is his prerogative.

Mr. COLLIER. If the gentleman had listened to my argument, he would have known that I did not spell out any particular country, but in the amendment I said a nation with a Communist-controlled government. And, I say that as between the State Department, the Executive, and this Congress, if we cannot honestly establish what a Communist-controlled government is, then the whole bill is of no value, anyway.

Mr. GALLAGHER. I am sure we can, and I think the proper people will. I think we should properly designate any country against democratic principles.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. I yield to the gentleman from Illinois.

Mr. FINDLEY. It is with great pains that I must say that I am in opposition to the substitute amendment, because I fear that it would still not accomplish the objective that the gentleman seeks. How would his new language force the State Department to redefine Yugoslavia as a Communist nation?

Mr. COLLIER. Because of the mere fact that in referring to communism as it exists anywhere in the world the words "international" and "movement" are inserted to confuse the basic issue. For that very reason my amendment would foreclose a false interpretation, in my opinion, as to what really we all know as communism. I do not think anyone, not even in the State Department, would attempt to construe the language as I have amended it in any manner other than to achieve the purposes which we are trying to achieve in this amendment today.

Mr. FINDLEY. It seems to me that this bill would not force the State Department to redefine Yugoslavia as a Communist nation, and I urge the Members who are opposed to further foreign aid to Yugoslavia and Poland to vote against this substitute and for the original amendment.

Mr. COLLIER. I disagree. I do not believe anyone in the State Department would construe Yugoslavia as having anything but Communist government.

Mr. PUCINSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in opposition to both the substitute and the original amendment.

Mr. Chairman, I will place my record of anti-Communist activity in the well of this House and let every single person in this country look at it. There can be no question where I stand on this issue. In 1952, I had the great honor of writing the first indictment against the Soviet Union and international communism for committing one of the most atrocious crimes ever recorded in civilized history when the Communists massacred 15,000 Polish Army officers in the Katyn Forest during World War II.

As regards Cuba and its Communist leaders, more than a year ago I helped to organize a committee which is today beaming the truth into Cuba with standard wavelength radio broadcasts nightly to tell the Cuban people the full gory details of the Communist conspiracy that has taken over that country.

So my record of anti-Communist action is crystal clear. But I tell you that by adopting either of these amendments you are going to put this Nation in the position where the people who are resisting communism at every opportunity and whom we are going to need the most if we stand firm on Berlin will be forced to turn against us.

You know and I know that there is not a single person in Poland who would tolerate Gomulka or his Communist henchmen one single minute if he had the opportunity to get rid of them; and the same can be said about Hungary and Lithuania, the same thing can be said about Bulgaria, Czechoslovakia, the same thing can be said about Albania and all these other captive nations. Not a single Communist government could survive anywhere in the world if the people had their right to self-determination. These amendments would not hurt the Communists but rather the people whom they hold in bondage through force.

Is there any question in your mind about the effort of the people of Poland in World War II when they gave the Allies the first information about the Nazi V–1 and V–2 rockets? Where do you think the Allies got the information to bomb those rocket installations in Germany and bring World War II to a successful conclusion? They got this information from the Polish underground, the same Polish underground which is resisting communism in Poland today. Oh, yes, it is easy to get up and stand in this well and say "I am against communism." We are all against communism, every single one of us; but the fact remains that this program can be successful in our struggle against international communism only so long as it remains in the hands and the judgment of the President.

Are you saying that you do not believe the President? Are you saying that you do not trust the President? Are you going to give living meaning to the John Birch Society which would try to make a Communist out of Mr. Eisenhower, by saying you do not trust the President of the United States in carrying out this program? I say that I have great respect for Mr. Eisenhower, I have great respect for Mr. Kennedy, I have great respect for anyone who sits in the executive branch of the Government. I say this program gives him the latitude to use his own best judgment. I do not know what information the President has to base his decisions for assistance to these countries but I have enough confidence in my President's integrity to believe that if he says these loans are needed, his decision is based on serving the best interest of America.

You can denounce this program but we are not going to solve the problems of the world right here on the floor of the House. This is a vast problem and I pray the President can help solve it. But I can just see what will be the reaction of 30 million people in Poland who today, despite the fact that their church is being torn asunder by the Communists, despite the fact that they do not have the liberties they fought for in World War II, despite the fact of their great personal hazard, they continue their resistance to their Communist leaders imposed on them by force and deceit. Yes, Mr. Chairman, I can see what an impression it is going to make on those heroic and freedom-loving people when this Congress leaves today and says "We are not going to help you."

I say this, Mr. Chairman, we are dealing with people. Governments come and go; and as I stand in this well today I am as certain as I am certain that the sun will rise tomorrow, that Gomulka and those Communists around him are going to fall; they must fall of their own oppression as history shows all dictators must fall; but the fact remains that the people of Poland will survive, just as they have survived various periods of oppression during that nation's 1,000-year history. Any help through this program that we give to these oppressed people, sooner or later will come back to us when they have a chance to show their appreciation, their loyalty and dedication as they have in years past, to the cause of freedom, and the dignity of man, and democracy.

Therefore, Mr. Chairman, I hope this House will reject these amendments. I know the easiest thing in the world is to vote for these amendments, but these are the moments that take courage, these are the moments that require that you as legislators, as the men and women who represent the best interests of America, should think deeply and act wisely. I do not question the sincerity of the gentlemen who offer these amendments, for I am sure they are sincere, but I do hope they will join us and reject both amendments.

There is no American that I know of, including myself, who would not be willing to even risk his life in this struggle against godless communism. But there are many ways to fight communism. Who is today to say which is the most effective? It is for this reason that I hope we Americans will continue to give our President the tools with which to fight international communism on all fronts. It is difficult to believe that we here in Congress would so completely bind our President's hands that he could not choose the most effective way to drive communism back.

Mr. Chairman, he is my President, he is your President, he is President for all Americans, irrespective of party affiliation. I have the highest confidence in President Kennedy. By rejecting these amendments, let us demonstrate to the entire world our complete support and confidence in our President's leadership. I hope the amendments will be rejected.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Illinois [Mr. COLLIER] to the amendment offered by the gentleman from Texas [Mr. CASEY].

The substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. CASEY].

The question was taken; and on a division (demanded by Mr. HAYS) there were—ayes 124, noes 86.

Mr. GALLAGHER. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was agreed to.

Mr. WILLIAMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS: On page 52, line 16, insert (a) immediately before "No assistance," and after line 18 on page 52, insert the following:

"(b) No assistance shall be furnished under this Act to any country whose mission to the United Nations votes after the date of enactment of this Act for the seating of the Communist Chinese in the United Nations."

Mr. WILLIAMS. Mr. Chairman, since World War II our foreign policy has been drifting without direction on a sea of dollars, like a ship without a rudder.

During this cold war, instead of speaking softly and carrying a big stick, we have been screaming to high heaven and carrying a toothpick.

The purpose of my amendment is to give Uncle Sam a shillelagh in place of the toothpick.

Let us see what we have done. In this bill we have already accepted language on page 5 which expresses in three paragraphs that it is the sense of Congress that Red China should not be admitted to the United Nations.

We have expressed that it is the sense of Congress that the Republic of China should be supported.

Mr. Chairman, if we turn to page 10 of the committee report we will see the statement that if this is voted into law once more, it will be the 17th time that this Congress has so expressed its convictions on the Red China issue, if they are, indeed, convictions.

Mr. Chairman, there was a lot of talk in the House yesterday and several pages of the CONGRESSIONAL RECORD were filled with colloquies on courage. If it is your conviction that Red China should not be seated in the United Nations as you have said some 17 times, then this amendment will test the courage of your conviction. Whether some will admit it or not, our first and sole responsibility is to the people of the United States of America. The people of the United States of America are getting tired of being taxed in order to subsidize every country in the world, whether they kick us in the teeth or not.

Mr. Chairman, this amendment speaks for itself. I hope that the House will have the courage of its conviction, which has been expressed 17 times, and that we will show to the world that we mean what we say when we say it.

The people of America are depending on us to give this program some direction. This is our chance to do that.

Mr. GALLAGHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I certainly sympathize and agree with the aims of the gentleman when he says that we should substitute a shillelagh for a toothpick—I agree. But I do not think we should substitute a shillelagh for a head that should think. I believe that is what this amendment would do. It would be an unwarranted interference with the foreign policy of every country that is presently our ally. It would be aimed primarily at purchasing votes by saying "We will not give you foreign aid unless we get your vote on this issue in the United Nations."

Does the gentleman feel we should buy votes? Then, we ought to get another program. We have humanitarian aims in this bill, and we have mutual security purposes in this bill. I am opposed to Red China—the admission of Red China to the United Nations—the President is on record as being opposed to the admission of Red China, but we certainly should not use this vehicle as a way to kill this bill.

I know the gentleman is opposed to the admission of Red China. There is no one here who is for the admission of Red China that I know of. But yet we are for this bill. The gentleman is not for this bill, nor does he agree with the purposes of this bill. I respect his right, but I do not believe that we should interfere with the foreign policies of every country. Take, for instance, Pakistan. No one can question that Pakistan is our ally. President Ayub said he would fight for us far more than any other people would. But if we adopt this amendment we would have to cut off aid to Pakistan, and at the same time cut off supplying one of our strongest allies. We would do likewise to many more of our allies.

Mr. Chairman, if the gentleman's purpose is to be against the admission of Red China, then he should realize that this amendment would do more to swing the votes of uncommitted neutral nations than anything I know of. This would influence greatly the election of Red China to the United Nations in lieu of the Formosan Government that now sits there. We would positively drive every neutral and every uncommitted nation into the support of Red China merely to display their independence, which this amendment would deprive them of. It would, if adopted, be a patent attempt to bribe our way into support for our position. It would deprive us of our integrity and self-respect, and cause disgust for our position in world affairs. This amendment is aimed at killing this bill and if it is adopted, it would evidence an abrogation of good sense and national eminence.

Mr. JUDD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I doubt that anyone here will think that I am in favor of the admission of Communist China to the United Nations. But surely this amendment is not the way to keep her out. In fact, I cannot think of many things that would do more to produce that very undesirable result than the passage of this amendment.

No one of you can dictate my votes on any issue, and I cannot dictate your votes on any issue. None of us is so foolish as to try. What would happen inside of you if I were to try to order how you vote, or to use our relations—social, business, and other—as a weapon, a string, a club, to try to coerce you into voting as I wish? The effect would be to drive you in the opposite direction. Even if you were half inclined to be for my position; you would properly rebel against my attempt to dictate how you conduct your own affairs. You would turn against me, to show your own independence and to maintain your self-respect.

It is the same with nations. No matter how friendly or sympathetic they may

be, they are not going to surrender to us their sovereign right to make up their own minds. No country talks more about national sovereignty and insists more loudly that there shall be no impairment of it than does the United States of America. Let us not be so short-sighted as to stimulate the very reaction against our views on Red China that the author of the amendment wants to prevent.

Our vote on this is not a test of our courage, it is a test of our judgment. What is the best way to accomplish the objective that the gentleman from Mississippi [Mr. WILLIAMS] seeks to accomplish and which I also have been working in every possible way to accomplish, and which I am sure we will accomplish at the coming session of the U.N., if we do not violently rock the boat as this amendment most assuredly would do.

The assumption or the philosophy behind the amendment is essentially the same as that behind some that we considered yesterday; that we are carrying on the foreign aid program as a favor to other countries, and if they do not do as we say we will withhold this favor.

Mr. Chairman, this program is not a series of favors to other countries. It is an attempt to develop strong partners in a terrible world struggle against ourselves. We seek to pool the strength and resources and manpower and wills of all free peoples, to unite them with us against Communist China and Communist expansionism, wherever it is.

To pass this amendment would wreck the United Nations, of course. I would expect the other Members promptly to vote to admit Communist China, and I would have less respect for them and their national pride if they did not vote that way under such a threat from us. It would be better frankly, just to pass a resolution to withdraw the United States from the United Nations right now, than to adopt an amendment attempting to dictate how sovereign governments, 99 of them, shall vote or not vote in that parliament of the world.

I hope very much that sober judgment will prevail and that we will vote down the amendment offered by my friend from Mississippi.

Mr. ALFORD. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman.

Mr. ALFORD. Mr. Chairman, I have heard the distinguished gentleman from Minnesota make some very fine addresses on the subject of communism. I have heard him say time and time again, and I heartily agree, that Communists act like Communists.

Mr. JUDD. That is right.

Mr. ALFORD. We heard in the well of this House Ayub Khan say in effect that if we did not vote this program his nation would go Communist.

Mr. JUDD. He did not say anything of the sort.

Mr. ALFORD. He did not?

Mr. JUDD. No. I examined his statement very carefully.

Mr. ALFORD. I would say to the gentleman that it was my impression that he led this House to believe that that would be the end result.

Mr. JUDD. When a man speaks as he spoke, or as I am speaking and the gentleman is speaking now, without a prepared manuscript, sometimes he is not as precise as he would be otherwise. President Ayub sought to explain the predicament of his country. His people are trying to resist Communist pressures upon Pakistan, and he said that if they are given the right kind of assistance in that struggle, they can resist those pressures, from without and within. But if they are left without such assistance, there is no certainty that they will be able to resist the pressures. It was not a threat; it was a blunt description of a hard fact.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. The gentleman from Arkansas [Mr. ALFORD] mentioned what President Ayub Khan had to say. I have in my hand a copy of a transcript of a "Meet the Press" program, dated Sunday, July 16, 1961, in which, prefacing a question asked him by Miss Frederick, President Ayub stated that he was in favor of admitting China to the United Nations. But he went on to say that it was his hope that the people in America would have a united view. Miss Frederick then asked him this question:

> Even if that united view is opposed to having the People's Republic of China represented in the United Nations?

President Ayub's answer was:

> I say whatever view you have, do see that as many of you as possible support it.

Can the gentleman suggest a better way to get these countries to support our position? If dollars are to be our ammunition in this cold war, let us stop shooting with a scattergun and make sure we are aiming our weapon at the enemy.

Mr. JUDD. There are several good weapons with which to prevent Red China's admission. And one of the things that troubles our allies, as you just quoted, is the appearance of grave disunity among ourselves. To which American voice are they to listen?

The best way, in my judgment, is to have our delegation at the United Nations convince a majority of the members to vote to make Red China's admission an important matter. Red China would then require a two-thirds vote in the General Assembly to be admitted. And it cannot possibly get two-thirds of the votes in the foreseeable future, unless we drive countries away from us. If it is made a procedural matter it requires only a majority vote in the General Assembly.

Now, if our representatives in the United Nations really want to keep Communist China out, and will work to explain the good reasons for our position, they will not have trouble in persuading a majority of the other countries to make this an important question. For surely there is no more important matter before the United Nations than whether to admit Red China under the pretense that it is a peace-loving member of civilized society, and bring another powerful enemy into the U.N.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(By unanimous consent, Mr. JUDD was allowed to proceed for 2 additional minutes.)

Mr. JUDD. Mr. Chairman, we must recognize that there are various reasons that determine how some countries vote on a question like this. Some countries in earlier years recognized Communist China before they realized what sort of an outlaw it was. A country like ours so many of whose leaders believed for so long that the Chinese Communists were simple agrarian reformers certainly ought to be a little understanding of the same error made by others. If the question is a simple vote for or against admitting Red China, it would be hard for them to vote against admitting a regime with which they themselves have established diplomatic relations.

But if you ask those same governments, and I am speaking from some knowledge, whether they will vote to make admission an important question, you will find that many of them will do so. Having voted to make it an important question, which will require a two-thirds majority to admit Communist China, they will then vote for admission, knowing that a two-thirds majority cannot be obtained. The United States has plenty of influence in the U.N., you may be sure. It is a matter of playing our cards skillfully and with due regard for the pride and "face" of other governments. For us to say, as this amendment would, that if they do not do what we want, we will pick up our marbles and break off common projects that are valuable to us as well as to them, is to defeat ourselves. An amendment of this sort is not the right or effective way to accomplish the good objective we all have in mind and inevitably would, in my opinion, grievously hurt our own country. So I hope the amendment will be defeated.

Mr. ALFORD. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Arkansas.

Mr. ALFORD. Does the gentleman agree or not agree that this is a voluntary program? These nations do not have to accept the money.

Mr. JUDD. They do not have to accept it, and they also do not have to work with us in ways exceedingly important to our national security. Actually it frequently is we who are urging them to do certain things to build their strength in ways that will help us, as well as them, to stay free. I repeat, this is not a program to do favors for other countries; it is a program to increase the capacity of nations that have the will to defend their newly won independence but which today are not yet strong enough to do it. If they are better able to defend their freedom, that accomplishes what they want; it helps accomplish what we want—a world made up predominantly of free nations, differing on certain things, but standing together on the essential things against a common enemy.

Mr. RIVERS of South Carolina. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, during this entire week I have neither sought nor received recognition from the Chair. I tried to listen to some of the advice and oratory which emanated from this microphone and that microphone.

My objective is to stop the admission of Red China to the U.N. at all costs. I do not care what those costs are. Do you know what will happen to Formosa, to the Philippines, to Korea, to Pakistan, and the rest of Asia when Red China walks into New York? You will never see them again. The minute Red China walks into the United Nations, we should walk out of the United Nations, if not before, and then get the United Nations out of New York and America.

There are a lot of nations being born today. They are being born in wedlock and they are being born out of wedlock, and they are all headed for the United Nations. That same outfit is getting ready to outvote you and me and put Red China into the United Nations, do not make any mistake about that.

The distinguished gentleman from Minnesota, Dr. JUDD, who is an acknowledged authority on this and many other subjects, has told you that this is not in our interest alone, this is in the interest of trying to give these people self-respect.

I want to say this to you, as far as I am concerned, I subscribe to John F. Kennedy's statement that our primary interest is, after all, the security of the United States. That is my business.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. RIVERS of South Carolina. I will be glad to yield to the gentleman, if I can get some more time. The gentleman knows I would be tickled to death to yield to him. Seldom do I encroach on your time.

Mr. Chairman, now to continue. If 180 million people in America ask you to voice their interests, what is wrong with that? What is wrong with voicing their interests? That is what you are getting $22,500 a year for—to represent those 400,000 people in your district and together we represent 180 million Americans. Now make no mistake about it—there should not be any neutrals in the fights against communism. If there is, I do not want him to get any of my dough—believe you me. If there is any neutral, he is not my friend, as they say in my country. We cannot believe in these noncommitted nations. As the gentleman from Arkansas has said, you do not have to take this money, but if you do we are not going to tolerate your voting to stab us in the heart in New York and the United Nations. That is how simple this thing is. This is a good time—and I do not take your time—I do not want any of your time—I want to vote and get this thing over with because you are going to lose a lot of this in conference anyway. A lot of these high-sounding things that you think you won today, you are going to lose in conference. But let us go on record right now—let us not be a bunch of children. For 21 years I have walked up and down this aisle, and you can tell it too by looking at me. But let me tell you this. This is a good time to go on record for or against the concept that an American has a right to live. I want to live. However, foreign aid is not going to save us. Foreign aid will be with us for a long time. You know that and I know that.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. RIVERS of South Carolina. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. I think the gentleman is doubtless going to vote for the bill and, of course, the gentleman wants to express his thoughts. The gentleman is going to cast his vote on the final passage; can we be assured of his vote?

Mr. RIVERS of South Carolina. Despite your genius as a doctor, you cannot conjecture what RIVERS is going to do. However on this bill I shall vote against it.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. RIVERS of South Carolina. Mr. Chairman, I ask unanimous consent to address the House for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. RIVERS of South Carolina. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. The gentleman from South Carolina has certainly given the doctor a real tough case to diagnose.

Mr. HOFFMAN of Michigan. Mr. Chairman, I reserve the right to object—I want to ask the gentleman, are you going to give us some more like what you just have given us? I withdraw my reservation of objection.

Mr. RIVERS of South Carolina. A lot of people have found out that it is better not to fool with me when I am trying to make a talk.

Mr. JUDD. Mr. Chairman, will the gentleman now yield?

Mr. RIVERS of South Carolina. I yield to the gentleman from Minnesota.

Mr. JUDD. To boil this down, the objective of the gentleman and myself and all of us is to keep Red China out of the U.N.

Mr. RIVERS of South Carolina. Go ahead—time is fleeting.

Mr. JUDD. The question is, What is the best way to accomplish that objective?

Mr. RIVERS of South Carolina. Vote for this amendment.

As I said a while ago—and, Mr. Chairman, I decline to yield further, I am finished yielding now—as I said a while ago, I am not going to take any more of your time, but this is a good time to cast your vote on the side of what you think separates the men from the boys. Let us tell these noncommitted nations—here we stand. If you want to join up with us, OK. If you do not, keep your hands out of our pockets. God help America.

Mr. JOELSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to this amendment because it is a cruel amendment. It is aimed at human beings in the world who are caught in the middle of a power play—human beings who are caught in the middle of an international struggle for power about which they can do nothing. If it passes, you are going to say to a hungry African kid, "You will starve if your leader lets Red China into the U.N." And, you are saying to the Arab kid with flies on his eyes, "You will suffer, you will be tortured if your leader votes to let Red China into the U.N." And you are saying to the Asiatic mother, "You can watch your kid die; you can watch the infant mortality rate grow and grow if your leader votes to let Red China into the U.N." How will we look in the eyes of the world if we adopt such a course? I, for one, am not going to be a party to such international political blackmail, and I urge my colleagues to vote down this amendment.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. JOELSON. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. We have heard several speeches on this subject and I think it is far more important that we act against communism than merely making speeches against communism.

Mr. JOELSON. I agree.

We have heard many times ringing phrases about freedom. We hear "give me liberty or give me death," but I tell you we have to bring to the people of the world the choice between liberty and death. We cannot offer them only death, which is what this amendment would do.

Mr. WILLIAMS. Mr. Chairman, if the gentleman will yield, I quite agree that we should take action, and I am tired of voting these sense of Congress resolutions when they do not mean anything, and my amendment is intended to take that action.

Mr. JOELSON. I heard a very decent human being yesterday, the gentleman from Minnesota, say that charity is not involved here, because he was on the defensive. I say that charity is involved here. I read years ago that there are three virtues: faith, hope, and charity, and of these the greatest is charity. And, I have faith in America. I have faith in the future, but beyond everything I like this bill because it has charity. And, I think we had better let the people of the world know that we are not looking for anything. We want to do something for them. That is the way we are going to fight communism in the world today.

Mr. HAYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think I share the frustrations of most of the Members of this House in the fact that we do not win every battle on the international scene. But, I say to you that if you adopt this amendment today you drive right out the window any chance of one of the best armies in Asia being on our side.

Now, I know the gentleman from Mississippi pretty well. And, if I told him

"If you do not vote for the civil rights bill we are going to spend $250,000 in your district to defeat you." If there was any doubt about it, he would be sure to vote against it to show his independence. That is exactly the kind of a blackjack or shillelagh which he proposes to use.

You remember that great leader, Mr. Ayub, who stood up here and told us he was on our side, but does he want us to tell him "You will either knuckle down and vote the way the Americans tell you in the United Nations or else." I think it is time we stop playing politics about this thing. I do not know whether you realize it or not, but you just voted an amendment here which makes it impossible, if it stays in the bill, for the President to help anybody who might rise up against the Communist regime in Hungary, as Imre Nagy did a few years ago. The countries were named as countries. You did not hear about the Communist government in Hungary. It was just Hungary. Now, if you have got any confidence in your Republican keynote speaker—and I tell you, I hated every minute he was making that speech, because he was hurting us Democrats, but I have confidence in his integrity. He has been on this committee longer than I have, and he knows the effect of this amendment. And, while I may disagree with him in the political arena, while I may disagree with him on the committee occasionally, and some times more than occasionally, on this fundamental issue I do not expect there is anybody in this body who has more right to speak about Communist China than Dr. JUDD. And, I would ask you new Members on the Republican side to pay a little bit of attention to what he says.

I know you are frustrated, and so am I, but do not forget that a lot of us over here, including the Speaker, came down in this well and fought against crippling amendments for the previous administration; and I am not going to stand here today and say that General Eisenhower is responsible for the Communist government in Cuba—because he is not—any more than I am going to say he is responsible for the Communist government in Iraq. They happened under his administration in spite of the best efforts he could make. If you think the American people are so unsophisticated and so illiterate that you can come in here and treat these things lightly and then when these calamities happen say that it was those characters in Washington, where do you think you are? I will say to the gentleman from South Carolina who got lost a little bit ago and asked: "Where am I?" that he was right in the middle of Charleston, S.C. That is all right, for he is a good friend of mine, and I hope he will invite me down to Charleston. I might make a speech for him if it would do any good, but I am sure he would not need it. Maybe I will invite him up to my district to make a speech for me.

Mr. RIVERS of South Carolina. I will do it.

Mr. HAYS. I thank the gentleman.

I understand everybody's feelings after the frustration we have experienced on this bill. None of us want Red China in the United Nations, but I think this amendment would rivet beyond doubt her chances of getting in. You have to be courageous, you have to use a little courage, you have to use a little imagination. I do not think there is any Member of this House who would permit himself to be bludgeoned into a situation, not even the gentleman from Indiana [Mr. WILSON].

Mr. WILSON of Indiana. If the gentleman will yield, I would just like to ask if he will come up to my district and make a speech for me.

Mr. HAYS. If the gentleman thinks it will do any good, I will.

Mr. WILSON of Indiana. I think it would.

Mr. HAYS. I will take you up on that. The gentleman may be surprised.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent Mr. HAYS was allowed to proceed for 1 additional minute.)

Mr. HAYS. The gentleman from Mississippi who offered this amendment has told you that no matter what you put in it he is not going to vote for the bill; so he is going to offer his amendment. Now, if you adopt it he is going to vote against his own amendment and the bill. What kind of legislating is that?

Mr. WHITTEN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, there are many of us here who are opposed to this bill. With 15 years' experience and $100 billion dished out in foreign aid, we are convinced that this program is making bad matters worse. It is now not merely a question of whether it does good or bad but that it is proving dangerous to our security.

Therefore I expect to vote against this bill. Though I am against the bill, it still leaves me and each of you also with an obligation, if we are to have such a program, to see at least that it is less dangerous than it might otherwise be, and that it is as good as we can make it. Let me reason with you a minute.

Every Member I have heard speak in support of this measure admits the condition of the United States in the world is at its most dangerous point in many, many years. With all the foreign aid we have had provided under various guises and names, our international situation has deteriorated to an extremely low level while that of Russia has improved comparatively.

Let us face it. What has Russia done on the other side? Simply this: If they help anybody they require them to be on the Russian team; and we, so help me, have always insisted to practically all nations that "we will help you but you really do not have to help us at all." Now, if you put two competing forces out against each other, each trying to outdo the other, and one—Russia—says, "If you want my help you will have to help me," and the other—the United States—says, "I will help you and you do not have to help me," which is going to obtain the greatest dependable strength? The answer is evident: it will be that country which requires cooperation. If you should not believe my answer in the abstract, look at proof; you have 15 years of evidence. We are in worse shape in more countries than ever before in our history.

This amendment takes nothing away from any country, it merely sets up a condition for our assistance. In effect, we would say, "If you cannot help us against communism, do not make application."

I agree with the gentleman from South Carolina. After 15 years of dissipating $100 billion, only to get worse off, it is time that we count noses. One of the primary reasons, I repeat, that Russia has continued to gain more and more and more of the world is because she has required that the recipients cooperate and help Russia.

Is it not silly for us, after 15 years of this experience of helping them willy-nilly, whether or not, to continue to help friend and foe, and neutral all alike?

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I cannot yield to my good friend at the moment.

May I say the gentleman from Minnesota is one of the most attractive people. I never saw a man who could hypnotize himself more readily. I believe he would vote for this bill whatever you put in it or added to it, just as I would vote against it in view of where it has carried us.

I yield to the gentleman from Minnesota now.

Mr. JUDD. I think the gentleman is not quite accurate in saying that the Soviet Union helps only those countries that cooperate with and help Russia. It is giving aid to Pakistan, to Turkey, to Iran, none of which cooperates with or helps Russia. The Communists made a massive effort in Greece and lost out. But they did not give up. They are still working to get in with new aid programs.

They are giving help to any number of countries which are not willing to associate themselves with the Soviet Union. That is one way they try to win over those countries.

Mr. WHITTEN. I am on Defense Appropriations. I hear the inside on this matter too. The Soviet Union has required cooperation and tied strings to their assistance in all places where they have provided aid; the first is that funds advanced have to be repaid. They have not made grants, they have made loans, which has done more, in my opinion, to increase their threat to us.

Mr. Chairman, I am opposed to this program. By getting our Nation involved in everything, every place, we have gotten where apparently we cannot defend ourselves. This program leaves us holding more local currency than any single holder of currency in most of the countries we aid, money that we cannot use under the law and which such foreign country cannot use without our approval. Thus we are the bone of contention in local politics and in the internal affairs in every country in the world, which would let us in. It means that just as soon as the "outs" get in, they turn on us.

I repeat what I said yesterday. The reason our Nation has not been able to do anything toward standing up to Castro is that we have spread ourselves so thinly around the world, have made so many commitments we cannot successfully defend, we are afraid to protect ourselves on our own doorstep.

Can you not imagine how ridiculous we look to South and Central America, when we put up with Castro and Cuba and run out and offer them $600 million, now $20 billion if they will not join Castro.

This great Nation which announced the Monroe Doctrine, and made it stick, has come to a poor state.

We should be ashamed to read Washington's Farewell Address in the House of Representatives. We have violated every warning it gives, and are about to destroy our Nation in the process.

I hope you will adopt this amendment of my colleague, JOHN BELL WILLIAMS. It will at least identify those who mean to support us against communism. We need to know.

Mr. EDMONDSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments to this section of the bill close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EDMONDSON. Mr. Chairman, this is the first time I have taken the well on this bill, and I do so with some reluctance, because I certainly do not want to be misunderstood by any of the patriotic and well-intentioned Members of this body who have spoken in support of the pending amendment.

I am certain in my own mind that the gentleman from Mississippi believes that this amendment will help to keep Red China out of the United Nations. I am certain in my own mind that the gentleman from South Carolina feels the same way. They may be right, I may be wrong, but in my own honest judgment, the psychology of this approach is completely wrong.

There may be some parts of the country in which you can go to an individual or to a community and say: "You vote the way I say you should vote or we are going to take out the money for this dam."

There may be some communities where you can go and say: "You vote for me for Congress or you do not get a post office."

There may be some places in this country where you can go to the farmers and say: "You vote for me for Congress or I am going to see that your soil conservation payments are cut off."

But the people in Oklahoma do not think that way, and I do not believe the people of most of the States of the Union feel that way, I do not believe that most of the people of the world operate and think that way. If you want to get their support on the issue of Red China, and all of us want to win the fight on this vital issue, in my judgment the worst thing you can do is to stand over others with a club and say: "Vote with us or we are going to club you."

If the man has dignity and if the man has pride and if the man has manhood in him, he is going to resent that kind of approach. I say to you that we ought to have the men with manhood and the men with dignity and the men with pride casting their votes against Red China without having a cloud over them as they vote that says, "Is he voting this way because he believes it, or is he voting this way to keep American aid?"

Mr. Chairman, let us not put our friends in the United Nations in that kind of position. Let us not put our friends who stand beside us and fight against the admission of Red China and fight for that in which we believe in the position of being accused by the Castros and the Khrushchevs of selling their vote in the United Nations. Let us give them a chance to stand up in their pride and out of their conviction and vote with us on this issue. I believe we can win this issue in the United Nations if we fight it on its merits, if we fight it as honorable men and if we do not try to bribe or buy our friends. If we take this thing to the people in the United Nations on the basis of the merits of the question that Red China should not be in the U.N. because Red China is an outlaw nation, we can win it on that basis, and we should win it. Let us not cloud our victory by attempting to buy the votes in the United Nations.

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. EDMONDSON] has expired; all time has expired.

Mr. TABER. Mr. Chairman, I ask unanimous consent that the amendment may again be reported.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk again reported the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WILLIAMS].

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. WILLIAMS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. WILLIAMS and Mr. HAYS.

The Committee divided, and there were—ayes 102, noes 212.

So the amendment was rejected.

Mr. HOSMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOSMER: On page 52, line 18, strike out the word "movement" and insert the word "conspiracy".

Mr. HOSMER. Mr. Chairman, section 618 states:

No assistance shall be furnished under this Act to any country or areas dominated or controlled by the international Communist movement.

I propose to change the language to "the international Communist conspiracy."

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. We have no objection to the amendment.

Mr. HOSMER. I thank the gentleman.

The CHAIRMAN. Without objection, the amendment is agreed to.

There was no objection.

Mr. YOUNGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to clear up a point that I raised before, and I should like to have the attention of the chairman of the committee.

I hold in my hand a copy of the document that was signed in Uruguay. It was stated by the chairman and by the gentleman from Ohio [Mr. HAYS] that there was no pledge made. Let me read you the words of the document that was signed. I would like to read this phrase from that document, which has been signed by our representatives:

To this end, the United States will provide a major part of the minimum of $20 billion, principally in public funds, which Latin America will require over the next 10 years from all external sources in order to supplement its own efforts.

If that is not a pledge that the United States will provide, I do not know what it is. As you recall, not long ago I was in this well and I raised the point then as to who was wagon boss of the New Frontier. This is another example of who is the wagon boss. Is Congress? Or can anybody in the executive branch pledge this country and then come back and say, "We want the appropriation made." I am pleased to clear the record in this respect.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. Congress still controls the purse strings. He made no definite commitment. We discussed this in some detail yesterday.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield to the gentleman from Ohio.

Mr. HAYS. I was just called out to the phone, and I understand the gentleman mentioned that I said something or other about this. I would repeat that, as I read what Secretary Dillon said, he said over the next 10 years this amount of money——

Mr. YOUNGER. This is the document that was signed. I just read from it. It says:

To this end, the United States will provide a major part of the minimum of $20 billion, principally in public funds—

That was the document that was signed.

Mr. HAYS. What is the rest of it, sir?

Mr. YOUNGER. The rest of it reads:

which Latin America will require over the next 10 years from all external sources in order to supplement its own efforts.

Mr. HAYS. Mr. Chairman, if the gentleman will yield, did he read "principally in private funds"?

Mr. YOUNGER. No; it reads:

The United States will provide a major part of the minimum of $20 billion, principally in public funds.

Mr. HAYS. If Secretary Dillon said that, that is his opinion. But I think principally it will be private funds.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield to the gentleman from Michigan.

Mr. JOHANSEN. In response to the comment of the chairman of the committee that the Congress still controls the purse strings, I will ask the gentleman if the Congress still controls the good name and faith and honor of the United States, if a commitment made by a Cabinet officer is subsequently of necessity broken by the Congress.

Mr. YOUNGER. I think that speaks for itself.

Mr. LIPSCOMB. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield to the gentleman from California.

Mr. LIPSCOMB. Do I understand you are reading from the text of the declaration that Mr. Dillon signed?

Mr. YOUNGER. That is correct, as furnished by the Department of State and released on August 16.

Mr. LIPSCOMB. Would you mind reading the next paragraph?

Mr. YOUNGER. The next paragraph says:

The United States will provide from public funds more than $1 billion during the 12 months which began on March 13, 1961, when the Alliance for Progress was announced as an immediate contribution to the economic and social progress of Latin America.

Mr. LIPSCOMB. The last time the gentleman had the floor, I believe he asked the chairman of the committee if there was any money in this bill to supplement the declaration that was signed yesterday in Uruguay.

Mr. YOUNGER. And he replied that there was none.

Mr. MORGAN. There is money already appropriated that still is to be spent. This was authorized last year. There is about $50 million of economic assistance planned for fiscal 1962 to come out of funds authorized in this bill.

Mr. YOUNGER. The $600 million was passed about 2 months ago.

Mr. MORGAN. The appropriation was passed at that time. I am talking about the authorization which was passed last year. It was my understanding that this is the program referred to in the colloquy between the gentleman from California and myself.

Mr. LIPSCOMB. Do I understand that the billion dollars to be obtained for the South American and Latin American countries by March of next year was included in the previous authorization?

Mr. YOUNGER. That I cannot answer. Perhaps, the chairman can answer that.

Mr. GALLAGHER. Three hundred and eighty-nine million dollars of it was included and the other was from Public Law 480 and the additional $500 million was the amount that this Congress authorized previously.

Mr. YOUNGER. I will read the entire document as follows——

The CHAIRMAN. The time of the gentleman from California [Mr. YOUNGER] has expired.

DEPARTMENT OF STATE, AUGUST 16, 1961

Following is the full text of the Declaration to the Peoples of America on the Alliance for Progress, approved on August 16, and to be signed on August 17 by the special meeting of the Inter-American Economic and Social Council, in Punta del Este, Uruguay.

Assembled in Punta del Este, inspired by the lofty principles of the Charter of the Organization of American States, by Operation Pan America, and the Act of Bogotá representatives of the American Republics hereby agree to establish the Alliance for Progress: a vast effort to bring a better life to all the peoples of the continent. This alliance is founded on the principle that freemen working through the institutions of representative democracy can best satisfy man's desires, among other goals, for work, home and land, health and schools. The only system which guarantees true progress is one which provides the basis for reaffirming the dignity of the individual which is the foundation of our civilization. Therefore the countries signing this declaration in the exercise of their sovereignty have agreed to work toward the following goals during the coming years:

To improve and strengthen democratic institutions through application of the principle of self-determination by the people.

To accelerate economic and social development to bring about a substantial and steady increase in the average income as quickly as possible so as to narrow the gap between the standard of living in Latin American countries and that enjoyed in the industrialized countries.

To carry out housing programs both in the city and in the country in order to provide decent homes for the American peoples.

To encourage, in accordance with the characteristics of each country, programs of integral agrarian reform, leading to the effective transformation, where required, of unjust structures and systems of land tenure and use; with a view to replacing latifundia and dwarf holdings by an equitable system of property so that, supplemented by timely and adequate credit, technical assistance and improved marketing arrangements, the land will become, for the man who works it, the basis of his economic stability, the foundation of his increasing welfare, and the guarantee of his freedom and dignity.

To wipe out illiteracy; to extend the benefits of primary education to all Latin Americans; and to provide broader facilities, on a vast scale, for secondary and technical training and for higher education. To press forward with programs of health and sanitation in order to prevent sickness, fight epidemics, and strengthen our human potential.

To assure to workers fair wages and satisfactory working conditions; to establish effective systems of labor-management relations and procedures for consultation and cooperation among government authorities, employers' associations, and trade unions in the interests of social and economic development.

To reform tax laws, demanding more from those who have most, punishing tax evasion severely, and redistributing the national income in order to benefit those who are most in need, while, at the same time, promoting saving and investment and reinvestment of capital.

To maintain monetary and fiscal policies which, while avoiding the intoxication of inflation or the mire of deflation, will protect the purchasing power of the many, guarantee the greatest possible price stability, and form an adequate basis for economic development.

To stimulate private enterprise in order to encourage the development of Latin American countries at a rate which will help them to provide jobs for the growing populations, to eliminate unemployment, and to take their place among the modern industrialized nations of the world.

To find a rapid and lasting solution to the grave problem created by excessive price fluctuations in the basic exports of Latin American countries on which their prosperity so heavily depends.

To accelerate the integration of Latin America so as to stimulate the economic and social development of the continent. This process has already begun through the Treaty of Economic Integration of Central America and, in other countries, through the Latin American Free Trade Association.

This declaration expresses the conviction of the nations of Latin America, that these profound economic, social, and cultural changes can come about only through the self-help efforts of each country.

Nonetheless, in order to achieve the goals which have been established with the necessary speed, it is indispensable that domestic efforts be reinforced by essential external assistance.

The United States, for its part, pledges its efforts to supply financial and technical cooperation in order to achieve the aims of the alliance for progress. To this end, the United States will provide a major part of the minimum of $20 billion, principally in public funds, which Latin America will require over the next 10 years from all external sources in order to supplement its own efforts.

The United States will provide from public funds more than $1 billion during the 12 months which began on March 13, 1961, when the alliance for progress was announced, as an immediate contribution to the economic and social progress of Latin America.

The United States intends to furnish development loans on a long-term basis, where appropriate running up to 50 years and at very low or zero rates of interest. For their part, the countries of Latin America agree to devote a rapidly increasing share of their own resources to economic and social development, and to make the reforms necessary to assure that all share fully in the fruits of the alliance for progress.

The countries of Latin America will formulate comprehensive and well-conceived national programs for the development of their own economies as the contribution of each one of them to the alliance for progress. Independent and highly qualified experts will be made available to Latin American countries in order to assist in formulating and examining national development plans. Conscious of the paramount importance of this declaration, the signatory countries declare that the inter-American system is now entering a new phase, where to its institutional, legal, cultural, and social accomplishments will be added, under freedom and democracy, immediate and tangible measures to secure a better life for the present and future generations of this hemisphere.

The ideas reflected in this declaration point to the magnitude of the content of the approved resolutions, the texts of which constitute the only source that should be referred to in applying the concepts which comprise the establishment of an alliance for progress.

The Clerk read as follows:

CHAPTER 2—ADMINISTRATIVE PROVISIONS

SEC. 621. EXERCISE OF FUNCTIONS.—(a) The President may exercise any functions conferred upon him by this Act through such agency or officer of the United States Government as he shall direct. The head of any such agency or such officer may from time to time promulgate such rules and regulations as may be necessary to carry out such functions, and may delegate authority to perform any such functions, including, if he shall so specify, the authority successively to redelegate any of such functions, to any of his subordinates.

(b) Notwithstanding the provisions of section 642(a), the Development Loan Fund, the International Cooperation Administration, and the Office of the Inspector General and Comptroller shall continue in existence for a period not to exceed sixty days after the effective date of this Act, unless sooner abolished by the President. There shall continue to be available to each such agency and office during such period the respective functions, offices, personnel, property, records, funds, and assets which were available thereto on the date prior to the effective date of this Act.

(c) On the date of the abolition of the Development Loan Fund, the President shall designate an officer or head of an agency of the United States Government carrying out functions under part I to whom shall be transferred, and who shall accept the assets of, assume the obligations and liabilities of, and exercise the rights established or acquired for the benefit of, or with respect to, the fund as the date of abolition and not otherwise disposed of by this Act. In addition, on such date the President shall designate such officer or head of agency as the person to be sued in the event of default in the fulfillment of the obligations of the fund, and shall transfer to such officer or head of agency such offices, entities, functions, personnel, property, and records of the fund as may be necessary.

(d) On the date of the abolition of the International Cooperation Administration, the President shall transfer to an officer or head of an agency of the United States Government carrying out functions under part I such offices, entities, functions, personnel, property, records, and funds of such agency, not otherwise disposed by this Act, as may be necessary.

(e) On the date of the abolition of the agencies referred to in subsections (c) and (d) of this section, the President shall designate an officer or head of an agency of the United States Government carrying out functions under part I to whom shall be transferred, and who shall accept the assets of, assume the obligations and liabilities of, and exercise the rights established or acquired for the benefit of, or with respect to, the Export-Import Bank of Washington related to the loans made by the Bank pursuant to section 104(e) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(e)). In addition, on such date the President shall designate such officer or head of agency to be sued in the event of default in the fulfillment of such obligations of the Bank, and shall transfer to such office or head of agency such records of the Bank as may be necessary.

SEC. 622. STATUTORY OFFICERS.—(a) The President may appoint, by and with the advice and consent of the Senate, twelve officers in the agency primarily responsible for administering part I, of whom—

(1) one shall have the rank of an Under Secretary and shall be compensated at a rate not to exceed the rate authorized by law for any Under Secretary of an executive department;

(2) two shall have the rank of Deputy Under Secretaries and shall be compensated at a rate not to exceed the rate authorized by law for any Deputy Under Secretary of an executive department; and

(3) nine shall have the rank of Assistant Secretaries and shall be compensated at a rate not to exceed the rate authorized by law for any Assistant Secretary of an executive department.

(b) Within the limitations established by subsection (a) of this section, the President may fix the rate of compensation, and may designate the title of, any officer appointed pursuant to the authority contained in that subsection. The President may also fix the order of succession among the officers provided for in paragraphs (2) and (3) of subsection (a) of this section in the event of the absence, death, resignation, or disability of the officers provided for in paragraphs (1) and (2) of that subsection.

(c) Any person who was appointed, by and with the advice and consent of the Senate, to any statutory position authorized by any provision of law repealed by section 642(a) and who is serving in one of such positions at the time of transfer of functions pursuant to subsections (c) and (d) of section 621 may be appointed by the President to a position authorized by subsection (a) of this section on the date of the establishment of the agency primarily responsible for administering part I, without further action by the Senate.

(d) Notwithstanding the provisions of section 642(a)(1) and 642(a)(2), any person who, on the date prior to the effective date of this Act, held an office or a position authorized pursuant to sections 205(b), 527(b), and 533A of the Mutual Security Act of 1954, as amended, and Reorganization Plan Numbered 7 of 1953, may continue to hold such office or position, subject to the discretion of the head of the agency primarily responsible for administering part I, for a period of not more than sixty days following the effective date of this Act.

(e)(1) In addition to the officers provided for in subsection (a) of this section, there shall be in the Department of State an officer with the title of "Inspector General, Foreign Assistance," who shall be appointed by the President, by and with the advice and consent of the Senate. In addition, there shall be one Deputy Inspector General, Foreign Assistance, and two Assistant Inspectors General, Foreign Assistance, who shall be appointed by the President, and such other personnel as may be required to carry out the functions vested in the Inspector General, Foreign Assistance, by this subsection. Notwithstanding any other provisions of law, such of the personnel employed under the authority of section 533A of the Mutual Security Act of 1954, as amended, as the Inspector General, Foreign Assistance, may designate, and such of the property, records, and funds of the office established by such section 533A as the Inspector General, Foreign Assistance, may deem necessary, may be transferred to the office of the Inspector General, Foreign Assistance. The Inspector General, Foreign Assistance, shall receive compensation at the rate of $20,000 annually; the Deputy Inspector General, Foreign Assistance, shall receive compensation at the rate of $19,500 annually, and each Assistant Inspector General, Foreign Assistance, shall receive compensation at the rate of $19,000 annually.

(2) The Inspector General, Foreign Assistance, shall report directly to the Secretary of State and shall have the following duties and responsibilities:

(A) He shall arrange for, direct or conduct such reviews, inspections and audits of programs being conducted under part I of this Act and of the Peace Corps as he considers necessary for the purpose of ascertaining the efficiency and the economy of their administration, their consonance with the foreign policy of the United States, and the attainment of their objectives.

(B) For the purpose of ascertaining the extent to which programs of assistance being carried out under part II of this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, are in consonance with the foreign policy of the United States, are aiding in the attainment of the objectives of this Act, and are being carried out consistently with the responsibilities with respect thereto of the respective United States chiefs of missions and of the Secretary of State, as well as the efficiency and the economy with which such responsibilities are discharged, he shall arrange for, direct or conduct such reviews, inspections and audits of programs of assistance under part II of this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, as he considers necessary.

(3) The Inspector General shall maintain continuous observation and review of programs with respect to which he has responsibilities under paragraph (2) of this subsection for the purpose of—

(A) determining the extent to which such programs are in compliance with applicable laws and regulations;

(B) making recommendations for the correction of deficiencies in, or for improving the organization, plans or procedures of, such programs; and

(C) evaluating the effectiveness of such programs in attaining United States foreign policy objectives and reporting to the Secretary of State with respect thereto.

(4) In order to eliminate duplication and to assure full utilization of existing data, the Inspector General, Foreign Assistance, shall, in carrying out his duties under this Act, give due regard to the audit, investigative and inspection activities of the various agencies, including those of the General Accounting Office and of the military Inspectors General.

(5) For the purpose of aiding in carrying out his duties under this Act, the Inspector General, Foreign Assistance, shall have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material of the agencies of the United States Government administering part I or part II of this Act, the Peace Corps or the Agricultural Trade Development and Assistance Act of 1954, as amended. All agencies of the United States Government shall cooperate with the Inspector General, Foreign Assistance, and shall furnish assistance upon request to the Inspector General, Foreign Assistance, in aid of his responsibilities.

(6) The Inspector General shall have authority to suspend all or any part of any project or operation with respect to which he has conducted or is conducting an inspection, audit or review provided he first has given written notice to the Secretary of State. Any such suspension shall remain effective until such program or part thereof is ordered resumed by the Inspector General, Foreign Assistance, or by the Secretary of State. This paragraph shall not apply to part II of this Act, and with respect to the Agricultural Trade Development and Assistance Act of 1954, as amended, shall apply only to projects and operations administered by the Secretary of State.

(7) Expenses of the Inspector General, Foreign Assistance, with respect to programs under part I or part II of this Act and the Peace Corps shall be charged to the appropriations made to carry out such programs, and with respect to programs under the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be charged to funds available under the authority of this Act. Such expenses shall not exceed $2,000,000 in any fiscal year. The Inspector General, Foreign Assistance, may make expenditures (not in excess of

$2,000 in any fiscal year) of a confidential nature when he finds that such expenditures are in aid of inspections, audits or reviews under this subsection. A certificate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by the Inspector General, Foreign Assistance, and every such certificate shall be deemed a sufficient voucher for the amount therein specified.

SEC. 623. EMPLOYMENT OF PERSONNEL.—(a) Any agency or officer of the United States Government carrying out functions under this Act is authorized to employ such personnel as the President deems necessary to carry out the provisions and purposes of this Act.

(b) Of the personnel employed in the United States to carry out part I or coordinate part I and part II, not to exceed eighty-five may be appointed, compensated, or removed without regard to the provisions of any law, of whom not to exceed fifty-five may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended (5 U.S.C. 1071 et seq.), and of these, not to exceed ten may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year: *Provided*, That under such regulations as the President shall prescribe officers and employees of the United States Government who are appointed to any of the above positions may be entitled, upon removal from such position, to reinstatement to the position occupied at the time of appointment or to a position of comparable grade and salary. Such positions shall be in addition to those authorized by law to be filled by Presidential appointment, and in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

(c) Of the personnel employed in the United States to carry out part II, not to exceed eight may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended, and of these, not to exceed three may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year. Such positions shall be in addition to those authorized by law to be filled by Presidential appointment, and in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

(d) For the purpose of performing functions under this Act outside the United States the President may—

(1) employ or assign persons, or authorize the employment or assignment of officers or employees by agencies of the United States Government, who shall receive compensation at any of the rates provided for the Foreign Service Reserve and Staff by the Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.), together with allowances and benefits thereunder; and persons so employed or assigned shall be entitled, except to the extent that the President may specify otherwise in cases in which the period of employment or assignment exceeds thirty months, to the same benefits as are provided by section 528 of that Act for persons appointed to the Foreign Service Reserve, and the provisions of section 1005 of that Act shall apply in the case of such persons, except that policymaking officials shall not be subject to that part of section 1005 of that Act which prohibits political tests; and

(2) utilize such authority, including authority to appoint and assign personnel for the duration of operations under this Act, contained in the Foreign Service Act of 1946, as amended, as the President deems necessary to carry out functions under this Act; and such provisions of the Foreign Service Act of 1946, as amended, as the President deems appropriate shall apply to personnel appointed or assigned under this paragraph, including in all cases, the provisions of section 528 of that Act: *Provided, however*, That the President may by regulation make exceptions to the application of section 528 in cases in which the period of the appointment or assignment exceeds thirty months: *Provided further*, That Foreign Service Reserve officers appointed or assigned pursuant to this paragraph shall receive within-class salary increases in accordance with such regulations as the President may prescribe.

(e) The President is authorized to prescribe by regulation standards or other criteria for maintaining adequate performance levels for personnel appointed or assigned pursuant to paragraph (2) of subsection (d) of this section and section 527(c)(2) of the Mutual Security Act of 1954, as amended, and may, notwithstanding any other law, separate employees who fail to meet such standards or other criteria, and also may grant such personnel severance benefits of one month's salary for each year's service, but not to exceed one year's salary at the then current salary rate of such personnel: *Provided*, That in carrying out this subsection, no political test shall be required or taken into consideration, nor shall there be any discrimination against any person on account of race, creed, or color.

(f) Funds provided for in agreements with foreign countries for the furnishing of services under this Act shall be deemed to be obligated for the services of personnel employed by the United States Government as well as other personnel.

SEC. 624. EXPERTS, CONSULTANTS, AND RETIRED OFFICERS.—(a) Experts and consultants or organizations thereof may, as authorized by section 15 of the Act of August 2, 1946, as amended (5 U.S.C. 55a), be employed for the performance of functions under this Act, and individuals so employed may be compensated at rates not in excess of $75 per diem, and while away from their homes or regular places of business, they may be paid actual travel expenses and per diem in lieu of subsistence at the applicable rate prescribed in the standardized Government travel regulations, as amended from time to time. Contracts for such employment with such organizations, employment of personnel as experts and consultants, not to exceed ten in number, contracts for such employment of retired military personnel with specialized research and development experience, not to exceed ten in number, and contracts for such employment of retired military personnel with specialized experience of a broad politico-military nature, not to exceed five in number, may be renewed annually.

(b) Service of an individual as an expert or consultant under subsection (a) of this section shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, or 284 of title 18 of the United States Code, or of section 190 of the Revised Statutes (5 U.S.C. 99), or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States Government, except insofar as such provisions of law may prohibit any such individual from receiving compensation in respect of any particular matter in which such individual was directly involved in the performance of such service. Nor shall such service be considered as employment or holding of office or position bringing such individual within the provisions of section 13 of the Civil Service Retirement Act, as amended (5 U.S.C. 2263), section 212 of Public Law 72–212, as amended (5 U.S.C. 59a), section 872 of the Foreign Service Act of 1946, as amended, or any other law limiting the reemployment of retired officers or employees or governing the simultaneous receipt of compensation and retired pay or annuities.

(c) Notwithstanding section 2 of the Act of July 31, 1894, as amended (5 U.S.C. 62), any retired officer of any of the services mentioned in the Career Compensation Act of 1949, as amended (37 U.S.C. 231 et seq.), may hold any office or appointment under this Act, but the compensation of any such retired officer shall be subject to the provisions of section 212 of Public Law 72–212, as amended.

(d) Persons of outstanding experience and ability may be employed without compensation by any agency of the United States Government for the performance of functions under this Act in accordance with the provisions of section 710(d) of the Defense Production Act of 1950, as amended (50 U.S.C. app. 2160(b)), and regulations issued thereunder.

SEC. 625. DETAIL OF PERSONNEL TO FOREIGN GOVERNMENTS.—Whenever the President determines it to be in furtherance of the purposes of this Act, the head of any agency of the United States Government is authorized to detail or assign any officer or employee of his agency to any office or position with any foreign government or foreign government agency, where acceptance of such office or position does not involve the taking of an oath of allegiance to another government or the acceptance of compensation or other benefits from any foreign country by such officer or employee.

SEC. 626. DETAIL OF PERSONNEL TO INTERNATIONAL ORGANIZATIONS.—Whenever the President determines it to be consistent with and in furtherance of the purposes of this Act, the head of any agency of the United States Government is authorized to detail, assign, or otherwise make available to any international organization any officer or employee of his agency to serve with, or as a member of, the international staff of such organization, or to render any technical, scientific, or professional advice or service to, or in cooperation with, such organization.

SEC. 627. STATUS OF PERSONNEL DETAILED.—(a) Any officer or employee, while assigned or detailed under section 625 or 626 of this Act, shall be considered for the purpose of preserving his allowances, privileges, rights, seniority, and other benefits as such, an officer or employee of the United States Government and of the agency of the United States Government from which detailed or assigned, and he shall continue to receive compensation, allowances, and benefits from funds appropriated to that agency or made available to that agency under this Act.

(b) Any officer or employee assigned, detailed, or appointed under sections 625, 626, 629, or 622(e) of this Act is authorized to receive under such regulations as the President may prescribe, representation allowances similar to those allowed under section 901 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1131). The authorization of such allowances and other benefits and the payment thereof out of any appropriations available therefor shall be considered as meeting all the requirements of section 1765 of the Revised Statutes (5 U.S.C. 70).

SEC. 628. TERMS OF DETAIL OR ASSIGNMENT.—Details or assignments may be made under section 625 or 626 of this Act of section 408 of the Mutual Security Act of 1954, as amended—

(1) without reimbursement to the United States Government by the foreign government or international organization;

(2) upon agreement by foreign government or international organization to reimburse the United States Government for

compensation, travel expenses, and allowances, or any part thereof, payable to the officer or employee concerned during the period of assignment or detail; and such reimbursements (including foreign currencies) shall be credited to the appropriation, fund, or account utilized for paying such compensation, travel expenses, or allowances, or to the appropriation, fund, or account currently available for such purposes;

(3) upon an advance of funds, property, or services by the foreign government or international organization to the United States Government accepted with the approval of the President for specified uses in furtherance of the purposes of this Act; and funds so advanced may be established as a separate fund in the Treasury of the United States Government, to be available for the specified uses, and to be used for reimbursement of appropriations or direct expenditure subject to the provisions of this Act, any unexpended balance of such account to be returned to the foreign government or international organization; or

(4) subject to the receipt by the United States Government of a credit to be applied against the payment by the United States Government of its share of the expenses of the international organization to which the officer or employee is detailed or assigned, such credit to be based upon the compensation, travel expenses, and allowances, or any part thereof, payable to such officer or employee during the period of detail or assignment in accordance with section 627.

SEC. 629. MISSIONS AND STAFFS ABROAD.—(a) The President may maintain special missions or staffs outside the United States in such countries and for such periods of time as may be necessary to carry out the purposes of this Act. Each such special mission or staff shall be under the direction of a chief.

(b) The chief and his deputy of each special mission or staff carrying out the purposes of part I shall be appointed by the President, and may, notwithstanding any other law, be removed by the President at his discretion. Such chief shall be entitled to receive (1) in cases approved by the President, the same compensation and allowances as a chief of mission, class 3, or a chief of mission, class 4, within the meaning of the Foreign Service Act of 1946, as amended, or (2) compensation and allowances in accordance with section 623(d), as the President shall determine to be appropriate.

SEC. 630. ALLOCATION AND REIMBURSEMENT AMONG AGENCIES.—(a) The President may allocate or transfer to any agency of the United States Government any part of any funds available for carrying out the purposes of this Act, including any advance to the United States Government by any country or international organization for the procurement of commodities, defense articles, or services (including defense services). Such funds shall be available for obligation and expenditure for the purposes for which authorized, in accordance with authority granted in this Act or under authority governing the activities of the agencies of the United States Government to which such funds are allocated or transferred.

(b) Any officer of the United States Government carrying out functions under this Act may utilize the services (including defense services) and facilities of, or procure commodities and defense articles from, any agency of the United States Government as the President shall direct, or with the consent of the head of such agency, and funds allocated pursuant to this subsection to any such agency may be established in separate appropriation accounts on the books of the Treasury.

(c) In the case of any commodity, service, or facility procured from any agency of the United States Government to carry out part I, reimbursement or payment shall be made to such agency from funds available to carry out such part. Such reimbursement or payment shall be at replacement cost, or, if required by law, at actual cost, or at any other price authorized by law and agreed to by the owing or disposing agency. The amount of any such reimbursement or payment shall be credited to current applicable appropriations, funds, or accounts, from which there may be procured replacements of similar commodities, services, or facilities, except that where such appropriations, funds, or accounts are not reimbursable except by reason of this subsection, and when the owning or disposing agency determines that such replacement is not necessary, any funds received in payment therefor shall be deposited into the Treasury as miscellaneous receipts.

(d) Except as otherwise provided in sections 507 and 510, reimbursement shall be made to any United States Government agency, from funds available for use under part II, for any assistance furnished under part II from, by, or through such agency. Such reimbursement shall be in an amount equal to the value (as defined in section 644(m)) of the defense articles or of the defense services (other than salaries of members of the Armed Forces of the United States), or other assistance furnished, plus expenses arising from or incident to operations under part II. The amount of such reimbursement shall be credited to the current applicable appropriations, funds, or accounts of such agency.

(e) In furnishing assistance under this Act, accounts may be established on the books of any agency of the United States Government or, on terms and conditions approved by the Secretary of the Treasury, in banking institutions in the United States, (i) against which letters of commitment may be issued which shall constitute recordable obligations of the United States Government, and moneys due or to become due under such letters of commitment shall be assignable under the Assignment of Claims Act of 1940, as amended (second and third paragraphs of 31 U.S.C. 203 and 41 U.S.C. 15), and (ii) from which disbursements may be made to, or withdrawals may be made by, recipient countries or agencies, organizations, or persons upon presentation of contracts, invoices, or other appropriate documentation. Expenditure of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditure of funds of the United States Government: *Provided*, That such expenditures for commodities, defense articles, services (including defense services), or facilities procured outside the United States may be accounted for exclusively on such certification as may be prescribed in regulations approved by the Comptroller General of the United States.

(f) Credits made by the Export-Import Bank of Washington with funds allocated thereto under subsection (a) of this section or under section 522(a) of the Mutual Security Act of 1954, as amended, shall not be considered in determining whether the Bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945, as amended (12 U.S.C. 635e).

(g) Any appropriation or account available to carry out provisions of part I may initially be charged in any fiscal year, within the limit of available funds, to finance expenses for which funds are available in other appropriations or accounts under part I: *Provided*, That as of the end of such fiscal year such expenses shall be finally charged to applicable appropriations or accounts with proper credit to the appropriations or accounts initially utilized for financing purposes: *Provided further*, That such final charge to applicable appropriations or accounts shall not be required in the case of expenses (other than those provided for under section 635) incurred in furnishing assistance by the agency primarily responsible for administering part I where it is determined that the accounting costs of identifying the applicable appropriation or account to which such expenses should be charged would be disproportionate to the advantages to be gained.

SEC. 631. WAIVERS OF CERTAIN LAWS.—(a) Whenever the President determines it to be in furtherance of the purposes of this Act, the functions authorized under this Act may be performed without regard to such provisions of law (other than the Renegotiation Act of 1951 as amended (50 U.S.C. App. 1211 et seq.), regulating the making, performance, amendment, or modification of contracts and the expenditure of funds of the United States Government as the President may specify.

(b) The functions authorized under part II may be performed without regard to such provisions as the President may specify of the joint resolution of November 4, 1939 (54 Stat. 4), as amended.

(c) Notwithstanding the provisions of sections 3544(b) and 8544(b) of title 10 of the United States Code, personnel of the Department of Defense may be assigned or detailed to any civil office to carry out this Act.

SEC. 632. REPORTS AND INFORMATION.—(a) The President shall, while funds made available for the purposes of this Act remain available for obligation, transmit to the Congress after the close of each fiscal year a report concerning operations in that fiscal year under this Act.

(b) The President shall, in the reports required by subsection (a) of this section, and in response to requests from Members of the Congress or inquiries from the public, make public all information concerning operations under this Act not deemed by him to be incompatible with the security of the United States.

(c) None of the funds made available pursuant to the provisions of this Act shall be used to carry out any provision of this Act in any country or with respect to any project or activity, after the expiration of the thirty-five day period which begins on the date the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation, appropriations, or expenditures under this Act, has delivered to the office of the head of any agency carrying out such provision, a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in its custody or control relating to the administration of such provision in such country or with respect to such project or activity, unless and until there has been furnished to the General Accounting Office, or to such committee or subcommittee, as the case may be, (1) the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested, or (2) a certification by the President that he has forbidden the furnishing thereof pursuant to such request and his reason for so doing.

(d) In January and July of each year, the President shall notify the appropriate committees of the Congress of all actions taken during the preceding six months under this Act which resulted in furnishing assistance of a kind, for a purpose, or to an area, substantially different from that included in the presentation to the Congress during its consideration of this Act or any Act appropriating funds pursuant to authorization contained in this Act, or which resulted in obligations or reservations greater by 50 per centum or more than the proposed obliga-

tions or reservations included in such presentation for the program concerned, and in his notification the President shall state the justification for such changes. In addition, the President shall promptly notify the appropriate committees of the Congress of any determination under sections 303, 609, 612(a), or 612(b).

(e) All documents, papers, communications, audits, reviews, findings, recommendations, reports and other material which relate to the operations or activities of any agency of the United States Government administering part I or part II shall be furnished to the General Accounting Office and to any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation or appropriation for, or expenditures of, such agency, upon request of the General Accounting Office or such committee or subcommittee as the case may be.

SEC. 633. GENERAL AUTHORITIES.—(a) Except as otherwise specifically provided in this Act, assistance under this Act may be furnished on a grant basis or on such terms, including cash, credit, or other terms of repayment (including repayment in foreign currencies or by transfer to the United States Government of commodities) as may be determined to be best suited to the achievement of the purposes of this Act.

(b) Except as otherwise specifically provided in this Act, the President may make loans, advances, and grants to, make and perform agreements and contacts with, or enter into other transactions with, any individual, corporation, or other body of persons, friendly government or government agency, whether within or without the United States, and international organizations in furtherance of the purposes and within the limitations of this Act.

(c) It is the sense of Congress that the President, in furthering the purposes of this Act, shall use to the maximum extent practicable the services and facilities of voluntary, nonprofit organizations registered with, and approved by, the Advisory Committee on Voluntary Foreign Aid.

(d) The President may accept and use in furtherance of the purposes of this Act money, funds, property, and services of any kind made available by gift, devise, bequest, grant, or otherwise for such purpose.

(e) Any agency of the United States Government is authorized to pay the cost of health and accident insurance for foreign participants in any program of furnishing technical information and assistance administered by such agency while such participants are absent from their homes for the purpose of participation in such program.

(f) Alien participants in any program of furnishing technical information and assistance under this Act may be admitted to the United States if otherwise qualified as nonimmigrants under section 101(a)(15) of the Immigration and Nationality Act, as amended (8 U.S.C. 1101(a)(15)), for such time and under such conditions as may be prescribed by regulations promulgated by the Secretary of State and the Attorney General.

(g) In making loans under this Act, the President—

(1) may issue letters of credit and letters of commitment;

(2) may collect or compromise any obligations assigned to, or held by, and any legal or equitable rights accruing to, him, and, as he may determine, refer any such obligations or rights to the Attorney General for suit or collection;

(3) may acquire and dispose of, upon such terms and conditions as he may determine, any property, including any instrument evidencing indebtedness or ownership, and guarantee payment against any such instrument;

(4) may determine the character of, and necessity for, obligations and expenditures of funds used in making such loans and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to corporations of the United States Government; and

(5) shall cause to be maintained an integral set of accounts which shall be audited by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions as provided by the Government Corporation Control Act, as amended (31 U.S.C. 841 et seq.).

(h) A contract or agreement which entails commitments for the expenditure of funds made available under titles II and V of chapter 2 of part I and under part II may, subject to any future action of the Congress, extend at any time for not more than five years.

(i) Claims arising as a result of operations under this Act may be settled, and disputes arising as a result thereof may be arbitrated, on such terms and conditions as the President may direct. Payment made pursuant to any such settlement, or as a result of an arbitration award, shall be final and conclusive notwithstanding any other provision of law.

(j) The provisions of section 955 of title 18 of the United States Code shall not apply to prevent any person, including any individual, partnership, corporation, or association, from acting for, or participating in, any operation or transaction arising under this Act, or from acquiring any obligation issued in connection with any operation or transaction arising under this Act.

SEC. 634. PROVISIONS ON USES OF FUNDS.—(a) Appropriations for the purposes of or pursuant to this Act (except for part II), allocations to any agency of the United States Government, from other appropriations, for functions directly related to the purposes of this Act, and funds made available for other purposes to the agency primarily responsible for administering part I, shall be available for—

(1) rent of building and space in buildings in the United States, and for repair, alteration, and improvement of such leased properties;

(2) entertainment (not to exceed $25,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act);

(3) insurance of official motor vehicles or aircraft acquired for use in foreign countries;

(4) rent or lease outside the United States of offices, buildings, grounds, and quarters, including living quarters to house personnel, and payments therefor in advance for longer than one year; maintenance, furnishings, necessary repairs, improvements, and alterations to properties owned or rented by the United States Government or made available for use to the United States Government outside the United States; and costs of fuel, water, and utilities for such properties;

(5) expenses in connection with travel of personnel outside the United States, including travel expenses of dependents (including expenses during necessary stopovers while engaged in such travel), and transportation of personal effects, household goods, and automobiles of such personnel when any part of such travel or transportation begins in one fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during the same fiscal year, and cost of transporting automobiles to and from a place of storage, and the cost of storing automobiles of such personnel when it is in the public interest or more economical to authorize storage.

(b) Not to exceed $1,500,000 of the funds available for assistance under this Act (other than title I of chapter 2 of part I) may be used in any fiscal year to provide assistance, on such terms and conditions as are deemed appropriate, to schools established, or to be established, outside the United States whenever it is determined that such action would be more economical or would best serve the interests of the United States in providing for the education of dependents of personnel carrying out activities authorized by this Act and dependents of United States Government personnel.

(c) Funds made available under section 212 may be used for expenses (other than those provided for under section 635) to assist in carrying out functions under title I of chapter 2 of part I, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691 et seq.), and under the Act to Provide for Assistance in the Development of Latin America and in the Reconstruction of Chile, and for other purposes (22 U.S.C. 1942 et seq.) performed by the agency primarily responsible for administering part I.

(d) Funds made available for the purposes of part II shall be available for—

(1) administrative, extraordinary, and operating expenses; and

(2) reimbursement of actual expenses of military officers detailed or assigned as tour directors in connection with orientation visits of foreign military personnel, in accordance with the provisions of section 3 of the Travel Expense Act of 1949, as amended (5 U.S.C. 836), applicable to civilian officers and employees.

(e) Passenger motor vehicles, other than one such vehicle for the official use (without regard to the limitations contained in section 5 of Public Law 63–127, as amended (5 U.S.C. 78(c)(2)) and section 201 of Public Law 85–468 (5 U.S.C. 78a–1) of the head of the agency primarily responsible for administering part I, may be purchased for use in the United States only as may be specifically provided in an appropriation or other Act.

SEC. 635. ADMINISTRATIVE EXPENSES.—There is hereby authorized to be appropriated to the President for the fiscal year 1962 not to exceed $49,000,000 for necessary administrative expenses of the agency primarily responsible for administering part I.

CHAPTER 3—MISCELLANEOUS PROVISIONS

SEC. 641. EFFECTIVE DATE.—This Act shall take effect on the date of its enactment.

SEC. 642. STATUTES REPEALED.—(a) There are hereby repealed—

(1) Reorganization Plan Numbered 7 of 1953;

(2) the Mutual Security Act of 1954, as amended (except sections 402, 405(a), 405(c), 405(d), 408, 411(d), 414, 417, 502(a), 502(b), 523(d), 536, 537(a) (2), (3), (4), (5), (7), (8), (11), (12), (13), (14), (15), (16), and 537(e));

(3) section 12 of the Mutual Security Act of 1955;

(4) sections 12, 13, and 14 of the Mutual Security Act of 1956;

(5) section 503 of the Mutual Security Act of 1958;

(6) section 108 of the Mutual Security Appropriation Act, 1959;

(7) section 501(a), chapter VI, and sections 702 and 703 of the Mutual Security Act of 1959, as amended; and

(8) section 604 and chapter VIII of the Mutual Security Act of 1960.

(b) References in law to the Acts, or provisions of such Acts, repealed by subsection (a) of this section shall hereafter be deemed to be references to this Act or appropriate provisions of this Act.

(c) The repeal of the Acts listed in subsection (a) of this section shall not be deemed to affect amendments contained in such Acts to Acts not named in that subsection.

SEC. 643. SAVING PROVISIONS.—(a) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken, or entered into under authority of any provision of law repealed by section 642(a) shall continue in full force and effect until modified by appropriate authority.

(b) Whenever provisions of this Act establish conditions which must be complied with before use may be made of authority contained in, or funds authorized by, this Act, compliance with, or satisfaction of, substantially similar conditions under Acts listed in section 642(a) or Acts repealed by those Acts shall be deemed to constitute compliance with the conditions established by this Act.

(c) Funds made available pursuant to provisions of law repealed by section 642 (a) (2) shall, unless otherwise authorized or provided by law, remain available for their original purposes in accordance with the provisions of law originally applicable thereto, or in accordance with the provisions of law currently applicable to those purposes.

(d) No provision of this Act shall affect, or be deemed to affect, except as the President may determine, the agency within the Department of State known as the Peace Corps, nor any of the functions, offices, personnel, property, records, and funds available thereto on the date prior to the effective date of this Act, pending the enactment of legislation for the Peace Corps or the adjournment of the first session of the Eighty-seventh Congress, whichever is earlier.

SEC. 644. DEFINITIONS.—As used in this Act—

(a) "Agency of the United States Government" includes any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment of the United States Government.

(b) "Armed Forces" of the United States means the Army, Navy, Air Force, Marine Corps, and Coast Guard.

(c) "Commodity" includes any material, article, supply, goods, or equipment used for the purposes of furnishing nonmilitary assistance.

(d) "Defense article" includes—

(1) any weapon, weapons system, munition, aircraft, vessel, boat, or other implement of war;

(2) any property, installation, commodity, material, equipment, supply, or goods used for the purposes of furnishing military assistance;

(3) any machinery, facility, tool, material, supply, or other item necessary for the manufacture, production, processing, repair, servicing, storage, construction, transportation, operation, or use of any article listed in this subsection; or

(4) any component or part of any article listed in this subsection; but

shall not include merchant vessels or, as defined by the Atomic Energy Act of 1954, as amended (42 U.S.C. 2011), source material, byproduct material, special nuclear material, or atomic weapons.

(e) "Defense information" includes any document, writing, sketch, photograph, plan, model, specification, design, prototype, or other recorded or oral information relating to any defense article or defense service, but shall not include Restricted Data and formerly Restricted Data as defined by the Atomic Energy Act of 1954, as amended.

(f) "Defense service" includes any service, test, inspection, repair, training, training aid, publication, or technical or other assistance, including the transfer of limited quantities of defense articles for test, evaluation, or standardization purposes, or defense information used for the purposes of furnishing military assistance.

(g) "Excess defense articles" mean the quantity of defense articles owned by the United States Government which is in excess of the mobilization reserve at the time such articles are dropped from inventory by the supplying agency for delivery to nations or international organizations as grant assistance under this Act.

(h) "Function" includes any duty, obligation, power, authority, responsibility, right, privilege, discretion, or activity.

(i) "Mobilization reserve" means the quantity of defense articles determined to be required, under regulations prescribed by the President, to support mobilization of the Armed Forces of the United States Government in the event of war or national emergency.

(j) "Officer or employee" means civilian personnel and members of the Armed Forces of the United States Government.

(k) "Services" include any service, repair, training of personnel, or technical or other assistance or information used for the purposes of furnishing nonmilitary assistance.

(l) "Surplus agricultural commodity" means any agriculture commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either publicly or privately owned, which is in excess of domestic requirements, adequate carryover, and anticipated exports for United States dollars, as determined by the Secretary of Agriculture.

(m) "Value" means—

(1) with respect to excess defense articles, the gross cost incurred by the United States Government in repairing, rehabilitating, or modifying such articles;

(2) with respect to nonexcess defense articles delivered from inventory to nations or international organizations as grant assistance under this Act, the standard price in effect at the time such articles are dropped from inventory by the supplying agency. Such price shall be the same standard price used for transfers or sales of such articles in or between the Armed Forces of the United States Government, or, where such articles are not transferred or sold in or between the Armed Forces of the United States, the gross cost to the United States Government adjusted as appropriate for condition and market value; and

(3) with respect to nonexcess defense articles delivered from new procurement to nations or international organizations as grant assistance under this Act, the contract or production costs of such articles.

Military assistance programs and orders shall be based upon the best estimates of stock status and prevailing prices; reimbursements to the supplying agency shall be made on the basis of the stock status and prices determined pursuant to this section. Notwithstanding the foregoing provisions of this section, the Secretary of Defense may prescribe regulations authorizing reimbursements to the supplying agency based on negotiated prices for aircraft, vessels, plant equipment, and such other major items as he may specify: *Provided*, That such articles are not excess at the time such prices are negotiated: *And provided further*, That such prices are negotiated at the time firm orders are placed with the supplying agency by the military assistance program.

SEC. 645. UNEXPENDED BALANCES.—Unexpended balances of funds made available pursuant to the Mutual Security Act of 1954, as amended, are hereby authorized to be continued available for the general purposes for which appropriated, and may at any time be consolidated, and, in addition, may be consolidated with appropriations made available for the same general purposes under the authority of this Act.

SEC. 646. CONSTRUCTION.—If any provision of this Act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of this Act and of the applicability of such provision to other circumstances or persons shall not be affected thereby.

SEC. 647. DEPENDABLE FUEL SUPPLY.—It is of paramount importance that long-range economic plans take cognizance of the need for a dependable supply of fuels, which is necessary to orderly and stable development and growth, and that dependence not be placed upon sources which are inherently hostile to free countries and the ultimate well-being of economically underdeveloped countries and which might exploit such dependence for ultimate political domination. The agencies of government in the United States are directed to work with other countries in developing plans for basing development programs on the use of the large and stable supply of relatively low cost fuels available in the free world.

PART IV

SEC. 701. Section 1 of the Defense Base Act, as amended (42 U.S.C. 1651), is further amended as follows:

(1) In paragraph (5) of subsection (a), strike out "(other than title II of chapter II thereof)" and substitute "or any successor Act (other than a contract financed by loans repayable in United States dollars, unless the Secretary of Labor, upon the recommendation of the head of any department or other agency of the United States, determines such contract should be covered by this section)".

(2) In subsection (e) strike out "June 30, 1958, but not completed on July 24, 1959" and substitute therefor "but not completed on the date of enactment of any successor Act to the Mutual Security Act of 1954, as amended".

SEC. 702. In paragraph (4) of section 101(a) of the War Hazards Compensation Act, as amended (42 U.S.C. 1701), strike out "(other than title II of chapter II thereof)" and substitute therefor "or any successor Act (other than a contract financed by loans repayable in United States dollars unless the Secretary, upon the recommendation of the head of any department or agency of the United States, determines such contract should be covered by this section)".

SEC. 703. (a) Section 305 of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.) is amended to read as follows:

"SEC. 305. There is hereby authorized to be appropriated to the Department of State such sums as may be necessary from time to time to carry out the objectives of this Act."

(b) The amendment to section 305 of the Mutual Defense Assistance Control Act of 1951 effected by subsection (a) of this section shall not be deemed to affect the repeal of laws effected by that section prior to such amendment.

SEC. 704. Section 104(e) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(e)), is amended by substituting "such agency as the President shall direct" and "agency" for "the Export-Import Bank" and "bank", respectively.

SEC. 705. Section 5 of the joint resolution to promote peace and stability in the Middle East (22 U.S.C. 1964) is amended by substituting "whenever appropriate" for "within the months of January and July of each year".

SEC. 706. The Act to provide for assistance in the development of Latin America and in the reconstruction of Chile, and for other purposes (22 U.S.C. 1942 et seq.), is amended by adding a new section 4 reading as follows:

"General provisions

"SEC. 4. (a) Funds appropriated under sections 2 and 3 of this Act may be used for

assistance under this Act pursuant to such provisions applicable to the furnishing of such assistance contained in any successor Act to the Mutual Security Act of 1954, as amended, as the President determines to be necessary to carry out the purposes for which such funds are appropriated.

"(b) Of the funds appropriated under section 2 of this Act not more than $800,000 shall be available only for assisting in transporting to and settling in Latin America selected immigrants from that portion of the Ryukyuan Archipelago under United States administration."

SEC. 707. The Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.), is further amended as follows:

(1) In the second sentence of section 701, strike "to the extent that space is available therefor"; substitute "members of family" for "spouses"; and add before the period "or while abroad".

(2) Amend section 872 by striking out subsections (b) and (c) and inserting in lieu thereof the following:

"(b) When any such retired officer or employee of the Service is reemployed, the employer shall send a notice to the Department of State of such reemployment together with all pertinent information relating thereto, and shall pay directly to such officer or employee the salary of the position in which he is serving.

"(c) In the event of any overpayment under this section, such overpayment shall be recovered by withholding the amount involved from the salary payable to such reemployed officer or employee, or from any other moneys, including his annuity, payable in accordance with the provisions of this title."

(3) In section 911, add the following new paragraphs (9) and (10):

"(9) the travel expenses of officers and employees of the Service who are citizens of the United States, and members of their families, while serving at posts specifically designated by the Secretary for purposes of this paragraph, for rest and recuperation to other locations abroad having different environmental conditions than those at the post at which such officers and employees are serving, provided that such travel expenses shall be limited to the cost for each officer or employee and members of his family of one round trip during any continuous two-year tour unbroken by home leave and two round trips during any continuous three-year tour unbroken by home leave;

"(10) the travel expenses of members of the family accompanying, preceding, or following an officer or employee if, while he is en route to his post of assignment, he is ordered temporarily for orientation and training or is given other temporary duty."

(4) Amend section 933(a) to read as follows:

"(a) The Secretary may order to the continental United States, its territories and possessions, on statutory leave of absence any officer or employee of the Service who is a citizen of the United States upon completion of eighteen months' continuous service abroad and shall so order as soon as possible after completion of three years of such service."

(5) Amend section 942 to read as follows:

"SEC. 942. TRAVEL FOR MEDICAL PURPOSES.—In the event an officer or employee of the Service who is a citizen of the United States or one of his dependents, requires medical care, for illness or injury not the result of vicious habits, intemperance or misconduct, while stationed abroad in a locality where there is no qualified person or facility to provide such care, the Secretary may, in accordance with such regulations as he may prescribe, pay the travel expenses of such person by whatever means he shall deem appropriate, including the furnishing of transportation, and without regard to the Standardized Government Travel Regulations and section 10 of the Act of March 3, 1933, as amended (60 Stat. 808; 5 U.S.C. 73b), to the nearest locality where suitable medical care can be obtained. If any such officer, employee, or dependent is to ill to travel unattended, or in the case of a dependent too young to travel alone, the Secretary may also pay the round-trip travel expenses of an attendant or attendants."

SEC. 708. Section 2 of the Act of July 31, 1945, as amended (22 U.S.C. 279a), is hereby amended to read as follows:

"SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be required for expenditure under the direction of the Secretary of State, for the payment by the United States of its proportionate share in the expenses of the Organization: *Provided*, That the percentage contribution of the United States to the total annual budget of the Organization shall not exceed 33.33 per centum."

SEC. 709. The first section of the Act entitled "An Act to authorize participation by the United States in the Interparliamentary Union", approved June 28, 1935, as amended (22 U.S.C. 276), is amended by striking out "$33,000" and "$15,000" and inserting in lieu thereof "$48,000" and "$30,000", respectively.

Mr. GRIFFIN. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and be printed in the RECORD, and be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. Are there any amendments to section 622?

Mr. MURRAY. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. MURRAY: On page 57, beginning on line 4, strike out "In addition" and all that follows down through "subsection" in line 10 on page 57 and insert in lieu thereof the following:

"In addition, there shall be a Deputy Inspector General, Foreign Assistance, who shall be appointed by the President, and such other personnel as may be required to carry out the functions vested in the Inspector General, Foreign Assistance, by this subsection."

And on page 57, line 18, strike out "The Inspector General" and all that follows down to and including all of line 23 and insert: "The Inspector General, Foreign Assistance, shall receive compensation at the rate of $19,000 annually; and the Deputy Inspector General, Foreign Assistance, shall receive compensation at the rate of $18,500 annually."

Mr. MURRAY. Mr. Chairman, the amendment which I propose at page 57 of the bill is the first of two amendments which I will offer with respect to provisions of the bill establishing additional high-level Federal positions and the salaries for the positions.

The effect of the amendment is twofold. First, it will fix the salaries of the Inspector General, Foreign Assistance, and the Deputy Inspector General, Foreign Assistance, provided for by the bill, at $19,000 and not to exceed $18,500, respectively—the salary levels for the comparable existing positions under the Mutual Security Act of 1954. Second, it will remove from the bill the two Assistant Inspectors General, Foreign Assistance, which represent two additional highly paid jobs. Section 162(e) of the bill specifies salaries of $20,000 for the Inspector General, Foreign Assistance; $19,500 for the Deputy Inspector General, Foreign Assistance; and $19,000 for the two Assistant Inspectors General, Foreign Assistance. If, after this legislation shall have been enacted, the need for the higher salaries and the additional positions is presented to the Post Office and Civil Service Committee it will receive every due consideration.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, of course, it has always been my impression that the supergrade positions in the Foreign Service have always been under the jurisdiction of the Committee on Foreign Affairs. Under this new aid program the President has promised, at a press conference held last week, that he is going to improve the administration of the program by bringing in some new people to run it. This bill creates 18 new supergrades. As I understand it, the gentleman's amendments eliminate these 18 new supergrade positions.

Two years ago this House voted overwhelmingly to establish an inspector general to improve the control of this program. Many of you read an editorial appearing in the Washington News very recently which complimented the committee on its work in setting up this operation with a high level staff.

This bill creates four statutory positions for the Inspector General. The gentleman's amendment eliminates two of them.

We now have 45 supergrade positions under section 527(b) of the old Mutual Security Act. This bill increases the number to 63.

If we are going to have a program that will operate well—we have listened now to 3 days of criticism about the operation of this program—here is an opportunity to make the program work by provision for a real inspector general who is given a high enough rank to do his job and is made directly responsible to the Secretary of State. This position is intended to provide proper policing to the program. The foreign aid program has always been deficient in supervision.

I ask for a vote against the amendment offered by the gentleman from Tennessee.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Minnesota.

Mr. JUDD. Would it be good judgment for us to cut down one deputy inspector general in a worldwide operation of this magnitude and thereby achieve a saving of $19,000 or so a year and lose perhaps hundreds of millions of dollars? This inspector general with expanded powers can be the best way to tighten up this program and reduce the weaknesses, the waste, and corruption wherever it exists. I would rather add money and an additional top man to this provision than to anything else in the bill if we are to get the better operation that we all want to have.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Ohio.

Mr. HAYS. I would like to point out, Mr. Chairman, that this inspector general which we created—and this was, I think, the unanimous decision of the committee—has the power to shut down any project any place, in any part of the world, if he finds the thing is not going correctly, and it can only be started again by the Secretary of State. In other words, we put the burden right on the Secretary of State to make sure that it gets to the Secretary's attention. They say the previous inspector general could not get the ear of the Secretary. I think we ought to have this language by all means.

Mr. MORGAN. This is the real policeman in this program. If the amendment offered by the gentleman from Tennessee carries, you will really hurt the policing of this program.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield.

Mr. HARDY. I would just like to make this observation: This is a key spot in this agency. If this will help get better people in this inspector general's shop then I would be for it.

Mr. JAMES C. DAVIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, as the gentleman from Tennessee, chairman of the House Committee on the Post Office and Civil Service just stated, this is one of two amendments that affect this section of the bill. The other will come on pages 61 and 62.

Basically, the purpose of these two amendments is to retain in the House Committee on the Post Office and Civil Service jurisdiction over fixing pay under the Classification Act, the pay of positions of this kind and to keep the lid on the constantly increasing requests for supergrade positions and to top positions throughout the various agencies of the Government.

I do not know how familiar you are with the history of these supergrade positions. They were started originally in 1949. At that time there were 400 of these supergrade positions, just 12 years ago. In the intervening 12 years the number of supergrade positions has grown to 2,096.

The Manpower Utilization Subcommittee, of which I am chairman, is now holding hearings on H.R. 7377, which asks for 1,100 more of these supergrade positions. It is our responsibility to hold these hearings. The last hearing we held was from 10 to 11 o'clock this morning. We have hearings set for next week.

We cannot hold the lid on these supergrade positions and these top positions of the kind which are involved in this amendment if other committees are going to come here asking for supergrade positions in bills of this kind.

I told the chairman of this committee the agency should come before our subcommittee, which is now holding hearings, and justify these positions. If they do justify them they will get the positions. We have held these hearings every year. We have satisfactorily allotted supergrade positions to every agency which needs them, and we will do the same with this agency here.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. JAMES C. DAVIS. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. The Executive is not for this Inspector General's office, and I am sure the Executive is not going to come before the gentleman's committee and request any supergrade positions. The Inspector General is a foreign aid policeman.

Mr. JAMES C. DAVIS. No. I differ entirely with the gentleman, but he is entitled to his opinion.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. JAMES C. DAVIS. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I would like to compliment the chairman of our Manpower Subcommittee, who has worked hard and who has always responsibly reviewed additional supergrades. It was only a few moments ago that we heard one of the members of the Foreign Affairs Committee instruct this body to go to the proper committee and get authority.

We are saying to our fellow Members that this authority is in the Committee on Post Office and Civil Service, where it belongs. Is that not correct?

Mr. JAMES C. DAVIS. We are doing our dead level best to keep the lid on these supergrade positions, as it must be kept on unless it just bursts out all over the place. As I said, the subcommittee of the full Committee on Post Office and Civil Service will allot every position of this kind, every supergrade position which needs to be allotted. But we cannot do it, we cannot perform our responsibility if these committees come in and with bills of this kind get supergrades which are not provided in the regular procedure.

I realize, of course, that in this legislation there seems to be a tendency to bypass all of the normal procedures, bypass the Committee on Appropriations in the Congress, go to the back-door financing method, bypass even the Committee on Foreign Affairs, and deprive the Congress of any jurisdiction or control whatsoever over this program.

This is an important matter and I urge the Members to vote for this amendment and the one which will follow.

Mr. HAYS. Mr. Chairman, I rise in opposition to the pending amendment.

I want to straighten out one thing. The gentleman from Georgia and his committee has no jurisdiction whatsoever over Foreign Service officers and Foreign Service personnel. I do not care how much somebody on the other side gets up and says he agrees with the chairman. You are moving out of your jurisdiction, which has been clearly defined.

I managed on the floor last year a bill involving the Foreign Service, yet nobody from the gentleman's committee claimed they had jurisdiction over Foreign Service personnel at that time. A great many of these people are Foreign Service personnel on loan.

This Inspector General is the one guarantee this Congress has. As the Chairman said, this is the arm of the Congress, the service which will be checking on the Executive. This is a position that we created to try to see that the Congress is kept informed.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for a chance to speak on the issue. Nobody was asking to take authority away from the Foreign Affairs Committee. We were talking about supergrade positions which basically are reviewed by the Post Office and Civil Service Committee. The Manpower Utilization Committee were only asking that they have the chance to review this. Our committee has not refused proper pay for people who deserve it.

Mr. Chairman, the point is this: The gentleman from Georgia [Mr. JAMES C. DAVIS] has raised a very important point. If you build into this bill a precedent which establishes supergrades in the foreign aid bill—supergrades will be in every single bill that comes before this Congress. I think they should be reviewed by the proper committee, by the chairman on your side of the aisle, the gentleman from Georgia [Mr. JAMES C. DAVIS] who is the chairman of the Manpower Subcommittee. I think he is correct.

Mr. HAYS. Mr. Chairman, I say to the gentleman that this is not establishing any precedent.

Mr. ROUSSELOT. I think it is.

Mr. HAYS. We have created supergrades in the Foreign Service Act for a long time, and we expect we will continue to do it for a long time after both you and I are gone. This is no precedent at all. This is merely a matter of where you have supervision over this act.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Minnesota.

Mr. JUDD. Actually, the Committee on Foreign Affairs is not establishing a precedent in this action; it is following the long-standing precedent that the Civil Service Committee handles all matters, including grade and pay, for domestic and civil service employees and the staffs of the regular Government agencies. However, the State Department professional personnel has always been under separate legislation, the Foreign Service Act. This bill is in accord with the proper and traditional jurisdiction of Foreign Service personnel. It keeps them where they belong, and civil service personnel where they belong.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield further?

Mr. HAYS. I yield to the gentleman.

Mr. ROUSSELOT. We are talking about supergrade positions. It is my understanding, if I am reading the rules of the House correctly, that our Manpower Utilization Committee reviews the supergrade jobs, and I think we should retain this right; otherwise it will be written into any of the bills that come before Congress. The position under discussion is not a Foreign Service spot.

Mr. HAYS. The gentleman has made that point a half-dozen times. The point at issue is that the Foreign Service Act employees are not covered by the gentleman's committee. They never have been, and there is no reason why we should yield jurisdiction to the gentleman's committee to review them at this time.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. TABER. Mr. Chairman, would the gentleman yield to me for a question?

Mr. GROSS. Yes, I gladly yield to my friend from New York.

Mr. TABER. Two years ago or perhaps 3 years ago the position of Inspector General was created. Instead of its being effective in cleaning up that situation, the situation kept getting worse and worse.

Mr. GROSS. I thank the gentleman for his comment.

The gentleman from Ohio [Mr. HAYS] and the gentleman from Minnesota [Mr. JUDD] say that the Foreign Affairs Committee handles the pay of employees in the State Department; is that correct?

Mr. JUDD. If the gentleman will yield, that is true of Foreign Service personnel, but not the so-called Foreign Service staff such as the stenographers, clerks, and so on, who are under the jurisdiction of the Post Office and Civil Service Committee because they are civil service employees. However, the Foreign Service personnel are not civil service employees.

Mr. GROSS. Does the gentleman recall the pay act of last year?

Mr. JUDD. I do not remember for sure whether it had anything to do with the pay of these employees.

Mr. GROSS. Well, I will supply the gentleman with the answer.

Mr. JUDD. That is right; I recall it.

Mr. GROSS. They were all in there, were they not?

Mr. JUDD. Yes, they were all put in, and we thought it was a mistake.

Mr. GROSS. Why did you not protest it when the pay bill came on the House floor from the Post Office and Civil Service Committee? You did not raise any objection last year, as to committee jurisdiction, so why do you raise an objection now?

Mr. JUDD. The matter of pay increases has been handled both ways, I think, through the years. I am sure the better way is to keep the two separate.

Mr. GROSS. I cannot recall in my 13 years of service on the House Post Office and Civil Service Committee, until last year, when the Post Office and Civil Service Committee handled the pay for employees within the State Department.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. HAYS. I would say to the gentleman that the pay of the employees of Members of Congress was in there. They are not handled by your committee. They are handled by the House Administration Committee.

Mr. GROSS. Certainly they were in there, but where was your jurisdictional protest last year?

Mr. HAYS. That is what I am trying to tell you. Any time you get generous enough to raise anybody's pay, I am not going to protest.

Mr. GROSS. The gentleman from Iowa did not vote for it. The gentleman from New York [Mr. TABER] put his finger on a spot that ought to be explored further—the Inspector General who is to be installed in the State Department, subject to the orders of the Secretary of State.

In other words, the Inspector is going to inspect himself. There was an Inspector General in the State Department last year. What did he do about Parsons, the former Ambassador to Laos, who loused up Laos? What happened to Parsons? You talk about getting better men—he has been sent to his reward by the Kennedy administration by being made Ambassador to Sweden. What about the man Atwood, also in the State Department, who testified as to the good character of Neale who was fired as Director of the ICA mission in Peru? Where is he today? He has a nice, fat job in the Inter-American Bank.

Where is Achilles who also tried to whitewash the Peru scandals? He, too, has gone to his reward by heading up the new operations unit for the Kennedy administration that the gentleman talked about yesterday on the House floor. I shudder to think of how much money the Government and Congress spent on sending investigators to Peru to uncover that foreign-aid mess. Then Achilles and Atwood came before the gentleman's subcommittee—I am referring to the gentleman from Virginia [Mr. HARDY]—and testified to the good work and character of the man who wrecked the program or did his best to wreck the program in Peru.

President Kennedy was asked about these men, Parsons, Atwood, and Achilles, the other day at his press conference by the correspondent for the Des Moines Register, Clark Mollenhoff.

The President singled out two of them and said there was no question of their "integrity."

I cannot say that any of them stole any money, but integrity goes beyond financial dealings. There is such a thing as moral integrity. Yet the President could only say that he did not question the integrity of two of these three discredited employees who have been kicked into better jobs in the Government.

Where in all of this was the Inspector General we hear so much about?

Mr. DERWINSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am only going to take a minute to point out that I happen to be a member of the subcommittee serving under the gentleman from Georgia [Mr. DAVIS]. We are making rapid progress in studying the bill H.R. 7377. We are making rapid progress in coordination with all the agencies who have appeared before us. We are not going to hurt the operations of the foreign aid agency, whatever its new title happens to be. We are not going to do anything to interfere with this bill. We feel we are absolutely right in asking that our committee's prerogatives be respected, and I think we should support the gentleman from Georgia in his amendment.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield.

Mr. GALLAGHER. I would like to point out that the Parsons situation existed prior to the appointment of the Inspector General and it was one of the reasons he was appointed. We were trying to eliminate inefficiency and corruption.

Therefore, I oppose the amendment.

Mr. DERWINSKI. The gentleman is not directing himself to the remarks that I made. He is answering the remarks of the gentleman from Iowa [Mr. GROSS]. The point here is that we have a committee of the Congress which has been working for over a month. You have heard the chairman state that he is going to give the super grades that are necessary in the judgment of the committee. I think the amendment is in order and I urge its support.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. MURRAY].

The question was taken; and on a division (demanded by Mr. DAVIS of Georgia) there were—ayes 105, noes 140.

So the amendment was rejected.

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close at 5:35.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HARDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARDY: On page 60, line 25, omit period after the word "Act" and add the following: "*Provided*, That such appropriations shall not be charged with such expenses after the expiration of a thirty-five-day period which begins on the date the General Accounting Office, or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation, appropriations, or expenditures under the Act, has delivered to the Office of the Secretary of State a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material which relates to the operation or activities of the Inspector General, Foreign Assistance, unless and until there has been furnished to the General Accounting Office, or to such committee, or subcommittee, as the case may be, the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested, and the waiver authority in section 612(a) of this Act and the provisions of section 632(c) of this Act shall not apply to this subsection."

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from Ohio.

Mr. HAYS. Is this similar to the language in the present law?

Mr. HARDY. This is similar to the language which was put in when the Inspector General's Office was first authorized. I noticed that the committee left

that language out of the bill this time. It only incorporates a couple of provisions to prevent paying for these employees under other sections of the law.

Mr. HAYS. Is this the language that helped the gentleman's subcommittee get information?

Mr. HARDY. Without this language we would not have gotten the information necessary to write the Peruvian Report.

Mr. HAYS. We have conferred with the committee, and the committee will accept the amendment.

The CHAIRMAN. Without objection, the amendment is agreed to.

There was no objection.

Mr. MURRAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURRAY: On page 61, strike out lines 16 through 23 and insert the following:

"(b) Of the personnel employed in the United States to carry out this Act, not to exceed seventy may be appointed, compensated, or removed without regard to th provisions of any law, of whom not to exceed forty-five may be compensated at rate higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended (5 U.S.C. 1071 et seq.), and of these not to exceed fifteen may", and on page 62, strike out lines 11 through 21, and redesignate the following subsection accordingly.

Mr. MURRAY. Mr. Chairman, the amendment which I propose at page 61 of H.R. 8400 is the second of the amendments which I have indicated I intend to offer.

This amendment, like the other, will continue the existing numbers and salaries of top management and administrative positions now provided by law for the program to be replaced by the program under this bill. The amendment will eliminate the provision in the bill for an increase of 18 in positions which may be paid salaries above the highest regular grade—grade GS–15—of the Classification Act of 1949, as amended. These additional positions under the bill could be paid salaries up to $18,500, which is the maximum supergrade rate of the Classification Act.

Positions in this level of responsibility and salary are squarely within the jurisdiction of the Post Office and Civil Service Committee and any need for increases in the number of such positions should be presented to that committee, where they will receive all due and appropriate consideration in the light of the need of each particular agency and the overall requirements of the Government.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have been through this argument on the floor of the House several times on this bill. Somebody on the other side yesterday read an article from the paper which I had mentioned, in which the President is reported as having a group recruiting personnel. I want to tell you a story of something that happened this week. I think it is very pertinent, and has a great deal of bearing on this question.

I had to visit me in my office a man who is the head of the department of agricultural engineering in one of the great universities in the Far West. He is a $60,000-a-year man. Now you might wonder about a professor being paid that much, but he gets $300 a day as a consultant for some of the great American corporations in the field of agricultural engineering. He went out to Korea to make a study of a project out there that they were proposing to build. He came into my office and said:

Mr. HAYS—

I did not know him—he was brought in by one of our California colleagues—he said:

I want to tell you, if you would fire the 500 people out there and put 10 competent top-grade agronomists in their places, you would get twice as much for the money that you are spending.

Now I believe that. I said to him, "Well, Doctor, can you recruit them for me—can you recruit them?" I said, "If you can recruit them, I will be glad to recommend them." He said, "Oh, there is the rub. There is the rub. The people I would want to recruit to go out there would not be willing to work for the salary that they would be paid."

Now what we are doing here is giving 15 additional supergrades, hoping that we can recruit some tough-minded, hard-nosed administrators who will go in there and root out some of the incompetents. This man said to me that these people out in Korea are all decent Americans, but a lot of them have no business doing the job that they are doing. He said, "They do not have the competence." I find that this kind of situation exists in other places. All of us have complained repeatedly, and with justification, about the maladministration of this act and all we are asking here is for the tools to do the job. I want to tell you something, as chairman of the Subcommittee on State Department Personnel, I will be the first one to squawk if they do not get the job done. I am not going to be partisan about it. I am not going to cover up for anybody. I know that under the previous administrations, we had people in jobs that they could not fulfill. We are asking for the tools here to recruit the kind of people that will do the job. I told the President the other day, and he agreed, "What you need are tough-minded people who do not care whether they make friends or whether they do not make friends. That is what you need in this organization. You want people who will go in there and clean out the deadwood and do the job."

If a man is not doing his job, then call him in and say, "Look, do you want to resign or do I file charges against you for incompetence?" If we got a few people like that in the administration of this program, it would be better. You know and I know that the bill is going to pass. You know and I know that we are going to spend a lot of money for this. It would seem to me to be pennywise and pound foolish to cut out these few top people who may—and I use the word "may" advisedly—if we find the right people, mean the difference between getting something for our money and not getting much for our money.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from California.

Mr. ROUSSELOT. Then you feel that by passing on these supergrades, we will be able to rid this program of the incompetents; is that correct?

Mr. HAYS. Well, I hope we will be able to make a start at it.

Mr. ROUSSELOT. Are you willing to stake your reputation on that—that we will be able to get them out?

Mr. HAYS. I did not say anything about staking my reputation. I said I would watch over it as best I could, and I will say to the gentleman, it is easy for the gentleman to stand up and make generalizations just as it is easy for me, and as I have done. It is easy for the gentleman to stand up and make generalizations, but if the gentleman knows of an incompetent, if he knows of a dishonest person, if he knows of someone who is not doing his job or is a Communist, if he will report the name to my committee, whether he brings in evidence or not, we will make an investigation and we will do our best to get rid of him.

The gentleman from Michigan gave me more credit than I deserve yesterday in debate on this bill, referring to a certain person, but I did make a fight on him, and I said to the Administrator, "If you do not get rid of this fellow, you will have to come in in open session, with newspapers present, and tell us why you are keeping him." And, I propose to do that with anybody else. But, I am not staking my reputation that I can clean up this agency or any other agency, because it might go beyond my ability in the time necessary to try to do it.

Mr. JAMES C. DAVIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this amendment does not cover the same kind of employment as the one just voted on a moment ago, which was offered by the gentleman from Tennessee [Mr. MURRAY]. This amendment involves 63 supergrade positions, including the creation of 18 new supergrade positions at a total cost of $1,122,000. The amendment would hold the supergrades at the current level of 45 and would save in this bill $312,000.

Now, as I stated to you a moment ago, the responsibility for supergrade positions rests in the House Committee on Post Office and Civil Service and has throughout the years. This is not the same kind of position as was involved in the amendment offered a moment ago when we were talking about the Inspector General.

Now, these are civilian personnel and compensation matters that can only be given proper consideration in the light of the overall requirements of the Government and by the committee which has been assigned responsibility for such overall requirements under the Legislative Reorganization Act of 1946. The substantive committee concerned is, of course, the Post Office and Civil Service Committee.

The difficulty of exercising sound judgment in carrying out our committee responsibility is compounded and the

state of the personnel and compensation laws is rendered chaotic by legislative measures such as this one, that totally disregard legislative procedure and the orderly consideration of Government personnel requirements. The administration has submitted, through the chairman of the U.S. Civil Service Commission, an official recommendation for additional supergrades and executive positions at high salaries which purported to represent the needs of the executive branch this year. A bill was introduced by the chairman, the gentleman from Tennessee [Mr. MURRAY], H.R. 7377, to carry out the administration's proposal, and that bill provides over 800 additional top-pay jobs. It is now being considered by the Manpower and Utilization Subcommittee. And, as I stated here a moment ago, our last hearing was held this morning from 10 o'clock until 11. Our next hearing will be next week. We are moving along with our responsibility under this bill and under the Legislative Reorganization Act.

And, again, I tell you that we cannot carry out those responsibilities if other legislation such as this is going to come along and add supergrade positions over and above those which the executive department through the Civil Service Commission has asked us to provide in H.R. 7377.

I want to point out to you that this is a proposition which can upset our efforts to properly control Government employment. In the 12 years since 1949 when supergrades were first created and when there were 400, they have grown to 2,096 in 1961.

It is a matter of a good deal of importance. I realize that the hour is late and I do not want to impose on your time and patience, but this amendment ought to be adopted.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. JAMES C. DAVIS. I yield.

Mr. ROUSSELOT. Whereas on the previous amendment considered a few moments ago there was some doubt as to the jurisdiction of the Manpower Utilization Subcommittee, in this particular instance there is absolutely no doubt. These are not Foreign Service career positions, these are not statutory; these supergrade jobs are clearly the responsibility of the Committee on Post Office and Civil Service. The Foreign Affairs Committee can run roughshod over us because you may feel you have the votes to win, but remember as individual members you may sometime find yourself in a situation where the jurisdiction of your own committee will be taken away from you, unless you vote favorably for this amendment. Consideration of these supergrades correctly belongs to the Post Office and Civil Service Committee.

I favor the Davis amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

Mr. JAMES C. DAVIS. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers, Mr. MURRAY and Mr. HAYS.

The Committee divided, and the tellers reported that there were—ayes 147, noes 130.

So the amendment was agreed to.

Mr. GROSS. Mr. Chairman, I have four amendments to offer dealing with the same subject. I ask unanimous consent that they may be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. GROSS: On page 58, in line 5, strike out "and of the Peace Corps".

On page 59, in line 25, strike out "the Peace Corps".

On page 60, in line 21, strike out the words "and the Peace Corps".

On page 87, strike out lines 5 through 12.

Mr. GROSS. Mr. Chairman, I hope the chairman of the House Foreign Affairs Committee and the minority side will accept this amendment. There is no reason for any reference to the Peace Corps in this bill for there is legislation pending now before the House Foreign Affairs Committee to provide permanent status for that outfit.

Mr. Chairman, in nearing the end of consideration of this bill let me say that it is the worst foreign giveaway bill that will be approved in my 13 years in Congress. It fairly reeks with delegations of power to the Chief Executive. There is scarcely a section of this bill that does not contain some delegation of authority or power to the President to spend money or to set aside or disregard laws.

The gentleman from Ohio [Mr. BROWN], when he spoke on the rule which made this bill in order, pointed out that there are some 50 or 60 provisions delegating enormous powers to the President to spend and otherwise exercise authority that no Congress should surrender.

This is thoroughly bad legislation.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes, I yield to the gentleman.

Mr. JOHANSEN. Is it not true that in this bill the authority of the President to delegate his authority is granted even to the third and fourth degrees removed?

Mr. GROSS. There is no question of that.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the gentleman's amendment although I am not sure I fully understand it. Does it strike out subsection (d) completely?

Mr. GROSS. Section (d) on page 87. On page 87 strike out lines 5 through 12.

Mr. GALLAGHER. Section (d)?

Mr. MORGAN. The gentleman started out with section (d). What was the purpose of striking out the section?

Mr. GROSS. I thought I was striking out only the reference to the Peace Corps.

Mr. MORGAN. Well, the gentleman is striking out the whole section which will authorize the volunteers now in training to keep going during the time after the old Mutual Security Act is repealed by this bill and before the new Peace Corps legislation is passed.

Mr. GROSS. Well, would that be bad?

Mr. MORGAN. It certainly would.

Mrs. BOLTON. Mr. Chairman, may I ask the chairman of my committee this question: I thought that the Peace Corps existed under an order of the President.

Mr. MORGAN. That is correct.

Mrs. BOLTON. Until that order is rescinded and this House acts on the Peace Corps, it exists, I would think.

Mr. MORGAN. Mr. Chairman, I feel that section (d) has a functional purpose to keep the executive functions of the Peace Corps going until this House decides whether it is going to be a permanent Peace Corps. I think there are about 450 volunteers in training around at various universities. There will be legislation on the floor of the House within a week or 10 days which will decide whether the Congress is going to set up a permanent Peace Corps.

Mr. Chairman, I object to the gentleman's amendment.

Mr. JAMES C. DAVIS. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Georgia.

Mr. JAMES C. DAVIS. I want to ask the gentleman this question: Would the gentleman state to this Committee now that if the amendment of the gentleman from Iowa prevails that the Peace Corps would be dropped? Is that what the gentleman said?

Mr. MORGAN. No; it would not be dropped.

Mr. JAMES C. DAVIS. That is what I thought. You did not mean to tell us that.

Mrs. BOLTON. It exists because of a Presidential order.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as I understand it, the gentleman wants to strike section (d) of the section on page 87. Is that the intent of the gentleman from Iowa, may I ask?

Mr. GROSS. Whatever it takes to get the Peace Corps out of this bill, that is what I want to do.

Mr. HAYS. I do not think the gentleman is doing what he wants to do, because let me read that section:

(d) No provision of this Act shall affect, or be deemed to affect, except as the President may determine, the agency within the Department of State known as the Peace Corps, nor any of the functions, offices, personnel, property, records, and funds available thereto on the date prior to the effective date of this Act, pending the enactment of legislation for the Peace Corps or the adjournment of the first session of the Eighty-seventh Congress, whichever is earlier.

I think that is a limitation. Does the gentleman want to strike it out?

Mr. GROSS. Yes, I want to strike it out.

Mr. HAYS. In other words, he can go ahead with the Peace Corps whether we enact anything in this Congress or not; that is what the gentleman is saying.

Mr. GROSS. Well, he probably will.

Mr. HAYS. Well, I hope he does.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 76, noes 143.

So the amendment was rejected.

Mr. WALTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER: Page 79, lines 15 to 22, inclusive, strike out subsection (f) and insert new subsection (f) to read, as follows:

"(f) Alien participants in any program of furnishing technical information and assistance under this Act may be admitted into the United States, if otherwise admissible under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), as nonimmigrants defined in section 101(a)(15)(H) of such Act, in such category of said paragraph (H) as may be prescribed by regulations promulgated by the Secretary of State and the Attorney General."

Mr. WALTER. Mr. Chairman, this amendment is technical in nature and designed solely to make the language pertaining to the admission of foreign participants in one of the technical information and assistance programs authorized by the bill before us, consistent with the definitions of the basic immigration code.

The committee report states on page 85 that the language of section 633(f) of the bill H.R. 8400 is patterned after section 201(a) of the Information and Educational Exchange Act of 1948, as amended. It has, unfortunately, the same deficiencies which that provision had.

I am glad to note that the House Committee on Foreign Affairs has now corrected the deficiencies and recommends, in H.R. 8666, the new educational exchange bill, which will come before the House shortly, new and proper language as recommended in a report filed by myself in behalf of the Committee on the Judiciary on July 17 of this year. The number of that report is House Report No. 721.

The principal deficiency of the provision relating to entry of foreign exchange personnel as contained in a 1952 amendment to the Smith-Mundt Act consisted of the incomplete and therefore improper reference to section 101(a)(15) of the Immigration and Nationality Act. That section defines nine different categories of nonimmigrants classified in its paragraphs (A) through (I). Briefly described, the classes of nonimmigrants specified in that section of the Walter-McCarran Act are as follows:

Class:	*Paragraph designation*
Diplomatic and associated personnel	(A)
Visitor	(B)
Alien in transit	(C)
Crewman (seaman or airman)	(D)
Trader under a treaty	(E)
Student	(F)
International organization delegate or official	(G)
Specially qualified person, temporary worker or trainee	(H)
Representative of foreign information media	(I)

Aliens contemplated to be admitted under section 633(f) of the bill before us, which this amendment would rephrase, fits perfectly into paragraph (H) and as to their specific classification in one of the separate three categories specified in that provision, it appears proper to leave that determination to the Secretary of State and the Attorney General. The administrative determination will depend, of course, on the nature of duties assigned to each of the entering foreign participants in our technical assistance programs.

I hope that my amendment, simply making a noncontroversial provision of this bill consistent and compatible with our immigration laws, will be adopted

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Chairman, the committee has no objection to the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALTER].

The amendment was agreed to.

Mr. FASCELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FASCELL: On page 77, line 3, strike out "(1)", and on page 77, line 5, strike out the comma and all that follows through line 7 and insert a period.

Mr. FASCELL. Mr. Chairman, this amendment is very simple. It is an amendment to the section dealing with the delivery of information from the executive branch to the Congress, to the appropriate committees of the Congress, and to the General Accounting Office. This particular section provides a fund cutoff in the event that the information which is requested is not delivered. The language which is stricken provides that such information may not be delivered if on certification by the President he forbids the furnishing thereof.

There is ample provision otherwise to do this. I see no necessity for providing this authority by statute. It has been abused.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Virginia who has had experience with this particular type of certification.

Mr. HARDY. I thank the gentleman. This is the kind of thing we need to do. We ought to strike out the certification. It was not in the bill which we originally passed. It was written in in conference. It is unnecessary. It has hampered the work of our subcommittee and it ought to be eliminated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. FASCELL].

The amendment was agreed to.

Mr. LINDSAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LINDSAY: On page 67, line 12, insert "(a)" immediately before "Whenever," and immediately below line 21, on page 67, add the following new subsection:

"(b) To the maximum extent practicable officers and employees performing functions under this Act abroad shall be assigned to countries and positions for which they have special competence, such as appropriate language and practical experience."

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Chairman, this amendment was adopted in the other body. I think it is a good amendment, and I have no objection to it.

Mr. LINDSAY. I thank the gentleman.

Mr. Chairman, there have been disagreements expressed in this Chamber as to how we should finance our foreign aid programs. But, I think that we would all agree that no matter how these programs are financed they are doomed to failure unless they are staffed and administered by personnel of the highest possible caliber.

In these critical times there is an urgent need for the men and women who represent our country abroad to possess the necessary qualities which will inspire the trust and confidence of the peoples in the countries in which they serve. I am sure that we would all agree that these qualities include leadership, dedication, knowledge, judgment, experience, and the ability to communicate in the foreign language of the country to which they are assigned.

I believe that it is equally important that wherever and whenever possible the men and women performing functions under this act shall be assigned to countries and positions for which they have special competence, such as appropriate language and practical experience.

Language proficiency is only one of the special talents which can lead to better understanding and the greater success of our foreign aid programs. When we consider the fact that in Korea only 10 out of 280 American Foreign Service employees assigned to that country possess minimum proficiency in the primary and secondary languages of the country or that in Afghanistan, to cite another example, only 11 out of 131 have attained minimum proficiency in either Persian or French which are the primary and secondary languages of the country, we can realize that our national interests could be served to better advantage at these posts and others throughout the world if further development of language skills were encouraged among the personnel serving our country overseas.

I have cited language proficiency because it is a measurable quality. It is far more difficult to properly assess qualities of judgment, dedication, and leadership which are qualities of equal if not greater importance.

I have introduced this amendment in the hope that this act will embody a clear statement of the feelings of Congress on these important matters. I think that the statement contained in this amendment is one to which all of us can subscribe. No such statement is presently contained in this act.

I know that the members of the Foreign Affairs Committee have worked long and tirelessly in cooperation with the State Department in the unceasing effort to encourage men and women of excellence to serve our country abroad. I know they have worked hard to make

sure that personnel are assigned to countries and positions for which they have special competence, such as appropriate language and practical experience.

I wish to commend the committee for their fine efforts in this area and express the earnest hope that they will join with me in urging the adoption of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

Mr. CLARK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLARK: Page 57, line 6, strike out "two" and insert "three," and after the word "assistance" in line 7 insert the words "one of whom shall be responsible for inspection of engineering, construction, and operations, and shall be qualified as a professional engineer."

Mr. MORGAN. Mr. Chairman, the committee has no objection to the amendment.

Mr. CLARK. Mr. Chairman, in the past 10 years, ICA has spent approximately $60 billion on foreign economic assistance. Of this amount, $20 billion or one-third was for some type of engineering and/or construction for a wide range of public works projects. If military assistance were to be transferred to the Department of Defense budget, then the percentage of ICA expenditures for engineering and construction would be sharply increased. Yet, the organization setup of ICA neither requires or currently possesses at a policymaking level a man with a professional engineer's training and background.

In contrast to this situation, other major Federal agencies with large appropriations for public works have, without exception, a high-level engineer.

This amendment is suggested for your consideration that there be created at the Assistant Inspector General level, a post for an Assistant Inspector General for Engineering, Construction and Operations. This man could be properly supported by two principal assistants, one with the title of Chief Engineer, and the other Chief of Operations.

It is true that in some of the division offices of ICA/W there are engineers and engineering divisions, but the overall supervision is divided. The Division of Industrial Resources is headed by an engineer, but he cannot function properly because all engineering and construction handled by the agency does not come under his authority; even the contracting procedures for these engineering and construction projects are handled by another ICA division—Office of Contract Relations—that does not have an engineer on its top-level staff. This is also true of the ICA Transportation Office. ICA has been severely criticized for not having a standard type of contract for the performance of like services. The present procedures can be greatly improved by the elimination of a Contract Division and the transfer of these responsibilities to the deputy for engineering and construction. Such responsibilities are normal engineering functions and handled in the manner here recommended by such agencies as the Corps of Engineers, the Bureau of Yards and Docks, Bureau of Public Roads, State highway departments, GSA, and FAA. For efficient operation and proper administration of all engineering and construction contracts, a top-level engineer with both engineering and construction experience should have final responsibility.

In the past few years ICA/W has had much criticism by investigating committees of Congress, by the general public and by engineering firms and construction contractors and this is mostly due to the fact that the agency does not have a chief engineer to properly administer this function.

By establishing an Assistant Inspector General for Engineering, Construction, and Operations with a chief engineer, the Assistant Inspector General would have a qualified person who could handle all of his engineering and construction responsibilities, for ICA, and any other operations under his administration needing these services. DLF—the Development Loan Fund—has already recognized the importance of their engineering and construction responsibilities and has a chief engineer in that organization.

There are a number of qualified and capable professional engineers now working in ICA and DLF, but the U.S. Government is not getting full benefit of their services rendered, for the large amount of money expended on their salaries, due to the improper organization of engineering and construction responsibilities. It must be admitted that in many instances, engineering responsibilities and the exercise of engineering judgment has been delegated to and performed by persons having no engineering training or experience.

The establishment of an Office of Engineering, Construction, and Operations will present no big problem as there are already a number of high caliber professional engineers in ICA and DLF.

The above recommendations conform to the declared position of such national professional organizations as the American Society of Civil Engineers, National Society for Professional Engineers, American Institute of Consulting Engineers, the American Road Builders Association, Associated General Contractors of America, and the International Road Federation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. CLARK].

The amendment was agreed to.

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida: On page 78, immediately below line 8, insert the following:

"(f) The President shall include in his recommendations to the Congress for programs under this Act for each fiscal year a specific plan for each country receiving bilateral grant economic assistance whereby, wherever practicable, such grant economic assistance shall be progressively reduced and eventually terminated."

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. This is the same amendment as the gentleman offered to the bill last year?

Mr. ROGERS of Florida. It is.

Mr. MORGAN. Identically the same?

Mr. ROGERS of Florida. I believe so.

Mr. MORGAN. The committee has no objection to the amendment.

Mr. ROGERS of Florida. Mr. Chairman, as has been stated by the distinguished chairman of the Foreign Affairs Committee of the House, Dr. MORGAN, loans totaled 30 percent of the mutual security program in 1961, and loans will equal approximately 40 percent of the total aid program this year. Certainly this is an improvement—by moving away from a giveaway program to loans. It is my feeling that this trend away from gifts and grant assistance to loans was spurred by adoption in the last Congress of an amendment to the mutual security bill which I offered in the House and which Senator MANSFIELD offered in the Senate. This amendment directed the President to conduct a country-by-country study of those countries now receiving bilateral grant assistance and to present to the Congress a specific plan whereby such gift assistance would be progressively reduced and terminated.

Adoption of this amendment marked the first positive expression of congressional intent that gift and grant assistance be cut down. Also, this amendment had the support of President Kennedy during his service in the other body.

Pursuant to the amendment, the report was filed by Secretary Dillon, who was then Under Secretary of State. Some encouraging words were found therein, and particularly encouraging were the plans to terminate within 5 years more than half of the 22 economic grant programs underway at that time.

Mr. Chairman, as a result of the specific planning employed in Secretary Dillon's report, requests for gift and grant assistance in the year following adoption of the amendment amounted to a reduction of $115 million over the previous year. This amendment was adopted in effect for fiscal year 1960 only. We need to impress those in charge of the foreign aid program that the Congress wants this gift and grant program constantly studied in order to progressively reduce it and eliminate it.

The bill before us calls for $861 million in development grants and supporting assistance grants. I am pleased to note that the committee used its wisdom by reducing these requests $100 million, a further sign that steps are being implemented to reduce this form of aid. I urge adoption of this amendment by the 87th Congress, and stress that its enactment is the intent of the Congress that these grant and gift programs will be progressively reduced and terminated.

Mr. RYAN. Mr. Chairman, on August 16, I voted against the Saund amendment on the teller vote. I agree fully with President Kennedy who yesterday emphasized the importance to this Nation of a long-term foreign aid program. At this point in the RECORD, I include the statement of President

John F. Kennedy issued on August 17, 1961:

Long term authorization of development loans, as earlier recommended by President Eisenhower, is essential to making certain that our foreign aid program is both efficient and effective. At a time when Secretary Dillon is about to sign our long-range pledge to Latin America, when Asia and Africa are poised between economic development and chaos, when Mr. Khrushchev is probing the West for any sign that our resolve is weakening, I cannot believe that the bipartisan support always given this program is at this crucial moment to be abandoned. I strongly urge the Members of the House, by reversing this afternoon's vote, to demonstrate that this Nation is still united in its determination to meet its responsibilities and halt the spread of communism and Castroism by every available means. For 8 years the Democrats in both Houses gave President Eisenhower overwhelming support in every major vote on foreign policy and foreign aid. It is urgent that this bipartisan principle be maintained in this crucial hour of the Nation's history.

Yesterday the New York Herald Tribune editorially supported the President and strongly opposed the action of the House when it voted for the Saund amendment and to kill the proposal for long-term financing. I include at this point in the RECORD that editorial:

[From the New York Herald Tribune, Aug. 17, 1961]

FOREIGN AID: GIVE THE PRESIDENT AUTHORITY HE NEEDS

The foreign aid bill has been having a rough time in Congress this week.

The cruelest blow came late yesterday, when the House voted 197–185 to kill the plan for long-range lending authority.

But even the Senate—traditionally more hospitable to foreign aid than the House—lopped $800 million off the 5-year lending fund and $250 million off the President's request for military aid. Earlier the Senate had adopted a Dirksen amendment which, while it left in the program the Treasury-borrowing authority on which its long-range charter rests, opens the way for future congressional haggling that could prove diplomatically embarrassing.

The Dirksen amendment is similar to others proposed earlier. It gives the administration 5-year authority to borrow directly from the Treasury for development loans, but requires that 30-day notice of any loan over $5 million be given to the appropriations and foreign affairs committees of both Houses of Congress.

Any of these committees could report a concurrent resolution opposing the loan. If the resolution passed both Houses within the 30 days, the loan would be dead.

The aim is to preserve traditional congressional authority over the development loan program. But the effect could be damaging. Politics have been played with foreign aid too often in the past. Even though the actual passage of such a concurrent resolution is unlikely, the mechanics of committee hearing and discussion offer a ready-made temptation to antiaid Congressmen to pick up a few headlines by making another country's development projects a domestic political football.

There has been waste and maladministration of aid in the past, but this has not been for any lack of congressional authority. Part of this waste, in fact, has been due to the hand-to-mouth, year-to-year uncertainty which was largely Congress' fault.

Long-range planning is essential to any efficient scheduling of economic development loans, which are the only form of aid for which the President has asked authority to borrow directly from the Treasury. This planning is impossible if he has to come to a frequently hostile Congress every year with hand outstretched.

Loans for the economic development of backward but struggling countries are as good an investment as America can make. Our own security is inseparable from their needs and ambitions. President Kennedy has shown a hardheaded understanding of both the possibilities and the pitfalls of foreign aid. Congress ought to give him the authority he needs to administer it in the most effective way, and ought to provide the money to do the job that so desperately needs doing.

Yesterday's House action was a bitter disappointment. But the vote is reversible on a rollcall. There is a chance that vigorous last-minute salesmanship by the administration could still carry the day.

What the long-term provision badly needs at this point is some strong Republican support. Such support would be a credit to the party and a service to the Nation. Foreign development aid has been a stepchild of Congress long enough.

I agree that the Saund amendment has crippled the President's program. For that reason, I cannot vote for this bill if the Saund amendment is retained. I hope that, after the House and Senate have met in conference and reported back a foreign aid bill, a provision will be included for long-term financing, and, at the very least, the Saund amendment will be deleted. In any event, there is no reason for me to support this watered-down version, which would imply approval of the Saund amendment, before the conference report is brought to the House when the foreign aid program will be before us for final passage.

Mr. RANDALL. Mr. Chairman, I rise in support of H.R. 8400 although our observations and comments will not change the views of anyone. It is doubted if during all this long debate the viewpoint of any single Member has been changed. The purpose of this appearance then is to state our position for the record, or, as they say in law, to keep the exceptions preserved.

We have always felt that a Member of Congress should vote the viewpoint of his constituents as faithfully as he can and reflect the majority viewpoint of his area by his action on the floor. Of course, there is always the additional obligation for a Member to make certain that his peoples' preferences and his area's viewpoint are not against or inconsistent with the national interest, but are generally in line with the well-being of our country as a whole.

In former years, mail in opposition to the mutual security authorizations and appropriations has been heavy. This year, it has been about evenly divided. We point out, however, that we had the good fortune the past weekend to visit our home district and were privileged to attend a meeting where there were persons from six of the seven counties in the Fourth Missouri District, as well as others from western Missouri living outside the district. These were leaders of their organizations and in turn, represented many not in attendance. Knowing the issue which would come to the House floor this week, we especially inquired of those present how they felt about mutual security in 1961. To our surprise, from the areas where opposition had been pronounced in other years, we received the answer that in the face of present world conditions, economic and military assistance becomes a necessity. From these we talked with, there was particular emphasis placed upon assistance to Central and South America to prevent the spread of Castro's influence into these areas.

We think we should report that while support for the Latin aid program was pronounced, there was an equally strong protest against any further assistance going to those countries which have maintained present affiliations with or exhibit friendliness toward the Soviet Union. These objections were rather vehement in tone.

This week we listened to the debate on the Mutual Security Act of 1961 and although we are not a member of the Committee on Foreign Affairs, we have tried to study the issues as carefully as was possible for one not a member of the committee which had devoted so much of its time to this subject matter.

We were favorably impressed with the arrangement of this year's bill into four parts, the first two of which are designated as "acts," each bearing a short title. Part I may be cited as "Act for International Development" which provides the authority for programs of economic assistance to other nations. Part II has a short title, "International Peace and Security Act of 1961" which authorizes military assistance to foreign countries. Parts III and IV do not have separate short titles, but include a variety of general and miscellaneous projects applicable generally and including reference to parts I and II.

We are pleased with the elimination of some of the confusion of other years and note the 1961 bill for the first time in the history of such legislation, makes a clear division between the economic and military assistance provisions, thus emphasizing the positive and peaceful intentions of the economic measures.

Mr. Chairman, the need for the action which will stem from this bill should be apparent to any thinking person. In the field of economic assistance, the world is changing very rapidly. In Africa, 18 new states have become independent in the last 18 months. One billion people—one third of the world population—have changed their form of government in the last 15 years. They are now in the process of trying to acquire a new national identity. They need help. The trouble is they need it so badly they will try to get it from whatever source makes the best offer and the Communist bloc is very busy trying to expand itself throughout the world by means of increased aid programs. Maybe you did not realize it, but in 1960, the Communists allocated $1.17 billion for aid to a total of 24 non-Communist countries, the biggest shares to India, United Arab Republic, and Indonesia.

But with the amounts we have provided in aid since World War II, we have been able to give assistance to 70 countries during the past 15 years. The amount requested by the President for

fiscal year 1962 in terms of our gross national income, is only one-half of 1 percent—or by another comparison, is only 3 percent of the total Federal budget for fiscal year 1962. Over the years, the United States has met its responsibility as leader of the free world and the wealthiest country in modern society. The dramatic Marshall plan and point 4 and OECD are examples. The need for economic action today is equally clear.

Turning to the needs on the military front, in our opinion, this ties in very closely with economic aid, because a new or young nation needs help in establishing their security both against internal subversion and external aggression, and there must be military security in a nation before the economic aid program can be wholly effective.

Reviewing again the good things about H.R. 8400 as reported by the House Foreign Affairs Committee, the unification of ICA and DLF into an AID Agency means simpler management by a single agency both in Washington and in the regional offices in the field. It was argued that one of the advantages of the 5-year borrowing authority—from the Treasury—would allow long-range perspective permitting concentration on major long-range plans rather than short-range projects.

In spite of all the arguments that were presented, congressional control of this long-range borrowing authority, in our opinion, will be preserved. Everybody who gives the matter just a little bit of reflection and who would pause to think just a moment would know any authorizing legislation can be amended at any time. It is further provided that criteria be set up for these loans and quarterly reports be submitted by the President to the Congress. There is another piece of legislation which has been on the books for a long while called the Government Corporation Control Act which would be made applicable to this bill under section 203C. It would become mandatory that the Appropriations Committee of both Houses give yearly approval to a proposed budget submitted to them annually by the Agency for International Development. This budget would have to show both obligations and expenditures for the coming year.

My colleagues, this is the very thing that during our first year in the Congress we argued for back in 1959 when the first mutual security authorization bill we listened to came up for debate. Though we failed them, if this provision is enacted into law, there will be a budget and there will be an accounting under the provisions of the Government Corporation Control Act as applied to this program.

The blueprint of the development loan program provides most wisely that these loans be repaid in U.S. money and thus by this dollar repayment provision, undue accumulation of unused foreign currencies would be avoided which has happened under past programs that called for 75-percent repayment in local currencies. Another provision which seems to have a lot of merit would be to allow all unobligated funds to carry over as available resources for the following year, instead of the old practice of reversion to the Treasury because, under the old system there was an end-of-the-year rush to obligate funds and a slipshod administration and relaxation of standards developed. Development grants are provided for under a human resources development program. And we note that an investment survey is provided for and this program was given $5 million for the first experimental year to carry out investment feasibility studies by private organizations. This very worthwhile purpose is to increase private and especially small business involvement in underdeveloped areas.

In our opinion, another very important provision is for development research in that the President is authorized to use for research purposes any of the funds allowed in the economic aid section of the bill.

Finally we were glad to observe that the House version of the bill constitutes quite an improvement over the Senate version in that there is plainly spelled out opposition to admission of Red China or recognition of the Communist regime by the United States.

Mr. HALPERN. Mr. Chairman, in the current age of new nationalism and rising expectations among peoples all over the world, our foreign-aid programs are among the major instruments of foreign policy and national purposes. The Foreign Affairs Committee's high standard of work, its willingness to make every effort to examine all points of view fairly and at length, and its clear sense of moral dedication provide the American people with strong assurances that these extremely important aid programs will be conducted and planned wisely to achieve the maximum effect in terms of American goals

Mr. Chairman, I would like to state first that I am in basic agreement, as I have just indicated, with the principle and policy of foreign aid, and I believe it is very important for our Nation to continue these programs There are, throughout the world, in Asia, in Africa, in South America, even still in Europe, people who have been living at the brink of poverty, waging an unremitting struggle for their daily bread, frequently losing that struggle. Many of them inhabit politically established nations; others are just emerging into national and political consciousness. We want our foreign-aid programs to operate in such a way as to help these peoples achieve, if not an affluent society immediately, at least a standard of living that permits individuals to feel human dignity and pride, and that will make for independent, stable and increasingly democratic forms of government.

It is no secret that we have dual motives in giving aid. On the one hand, our human sympathy with those who need help encourages us to hold out the hand of aid. On the other hand, our desire to prevent the proliferation of Soviet influence, and the encroachment of Soviet power on peoples not within the Communist orbit, encourages us to hope that our aid will enable such peoples to stay out of the Soviet grasp.

For these reasons, and with these objectives, I strongly support continuation of the foreign-aid programs, and at a sufficiently high level of assistance and broad sensible programing to achieve the desired results. It may be—in fact, it almost certainly is true that better use could be made of foreign-aid funds, that waste and inefficiency could be eliminated, that we could get more "development for the dollar" out of our "dollars for development."

In connection with the problem of getting the most out of our dollars for development, there are two innovations in this legislation, H.R. 8400, on which I should like to comment.

One is the proposal to unify many of the operations of the foreign-aid program by centering them under one authority, instead of leaving dozens of different agencies each with partial responsibility. I am in strong and thorough agreement with this concept. There are parallels in other aspects of our governmental operations which point to the soundness of the proposed new policy.

Our Defense Establishment, for example, is centered in a single Department of Defense, headed by a civilian Secretary directly responsible to the President. Think what chaos there would be if each different operational branch of the services and each major division within them were an entirely separate and independent agency. It is true that in dollars, our foreign aid programs are only about one-tenth the size of our military programs. They are, nevertheless, of vital importance to us in waging peace as our Defense Department dollars are in the waging of war.

I should like to point out that I have long advocated a coordinated foreign aid program. In this connection, in the current session I introduced a bill, H.R. 7406 to coordinate our foreign aid operations under the direction of an Under Secretary of State for Foreign Aid. This measure is not dissimilar to the President's foreign aid message of March 22. I would have liked to have seen the provisions in the administration's bill, as submitted and as approved by the committee, more inclusive and in full keeping with the President's original concept. The principle of coordination is commendable and, despite the fact that this provision in H.R. 8400 falls short of that objective, I feel it is a long step in the right direction. I trust that the committee will continue its activities in this field and will take further steps to include other vital aspects of our foreign aid program within the framework of this new AID office. Surely, many of the functions of these agencies are vital to our foreign aid program and have important effect on our foreign aid policy. In this regard, I urge the committee in its future deliberations to give due consideration to the provisions of my bill H.R. 7406, to which I have just referred.

The second major point which I wish to make is that our foreign aid program should not be directed solely at developing affluent societies abroad, but rather toward joining economic growth and well-being with the development and strengthening of democratic institutions in recipient countries. There is no

question but that the President's announced policy of social justice in the administration of foreign aid is excellent—and can go far toward assuring that our aid money is used effectively and that the American philosophy of freedom and justice and the dignity of the individual is advanced. Surely morality is equally important as economic advancement. American ideas and ideals must have equal currency with our loan funds and grants.

Mr. Chairman, on a number of occasions, as our colleagues are aware, our foreign aid money and national prestige, despite our good intentions and sincerity, has undoubtedly been misused by our refusal to insist on "necessary internal reforms," to quote the President in his March 22 message, and wise use of funds. The Members of this House realize as fully as I do the details of this allegation. There is little doubt, for example, that public reports have created a widespread impression that we have put $300 million into Laos with hardly any visible effect, that our aid in many places—in South America, for example—has simply helped maintain an unpopular dictator by providing him with more arms money to use against popular movements, that in other places—in Asian nations, for instance—the money has been siphoned off into the pockets of corrupt local officials or profiteers, has not helped the people and has given them the impression that we are in league with the corrupt officials.

An aid program that operates in this way—even only occasionally as is the case with our own, I am sure—actually can undermine its objectives and our national purposes as I understand them. It means that millions of dollars that could have been used effectively elsewhere are siphoned away. In the second place, it means that instead of winning friends for this Nation and for democracy, we stand to lose friends by giving the mistaken impression that we are allied with venal or corrupt officials or despotic rulers.

For all these reasons, Mr. Chairman, I was pleased when the President in his March 22 message put great emphasis on reforms being undertaken by recipients of U.S. foreign aid. This principle is clearly reflected in the bill before us. Commendably, H.R. 8400 gives clear and unequivocal endorsement to this high principle of reform as a concomitant of aid. I trust in carrying out its administration, the executive department will decisively adhere to this doctrine.

Mr. DOWDY. Mr. Chairman, the time is drawing near when we shall vote on this foreign aid authorization bill. This program has been going on for many years, and is proven to be a fallacy. Its end result, if not its purpose, is to drag down America from her position as a strong and wealthy nation to the level of the most miserable and weak of the world's nations. I have neither supported nor condoned, at any time, any of these proposals for that very reason.

As an American who loves America, the thought of any action which harms or weakens our great Nation repulses me.

I am not deluded by the claim that we can give away our resources, and in so doing, bring the other 120 nations up to our high living standard. Were we to give the last dollar—the last asset of America—to the other nations, their living standards would not be raised an observable amount, even though our gifts were allowed, by the foreign governments, to reach their people.

When I hear claims from deluded individuals, who really think these foreign aid gifts are charity, and are used to feed hungry and destitute people, it makes me sad. The truth is, the gifts are made to the governments, and if any of it gets to the people, it is sold to them. Their people, being destitute, cannot buy, so the gifts go to the foreign bureaucrats, who enrich themselves at the expense of the U.S. taxpayer.

In 1798, France had been interfering with our commerce. We sent three Commissioners to Paris, but the French refused to negotiate unless we would first pay tribute, or a bribe, in the amount of $250,000. Our Commissioners refused, saying, "Millions for defense, but not 1 cent for tribute." That should be our maxim today, yet now, our actions indicate that our Government operates under the theory, "Billions for defense, and additional billions for tribute."

Last week, we appropriated billions for defense—today, we are debating, and apparently will authorize billions for tribute.

The Bible reveals that in ancient times it was customary for princes of weak states to pay annual tribute to stronger neighbors, in the form of gold, silver, jewels, and slaves. In more recent years, gangsters demanded tribute from small businesses and individuals in return for protection against destruction. The practice has not, however, been restricted to biblical eras, nor to areas of gangster terrorism. Even today, America is paying tribute to 90 of the world's 121 nations for their lipservice allegiance and whispered wishful hopes for good will.

America, the strongest Nation on the face of the earth, has poured $85 billions into international tribute since the end of World War II, in a vain effort to buy friendship with gold.

What fools we mortals be, not to have long since learned, freedom cannot be bought at any price, yet may be sold for paltry sums.

Here, in America, we continue to have our ups and downs. The cost of living goes up—retail sales go down. Taxes reach staggering new highs—while employment dips. Cost of foreign aid doubles and redoubles—American prestige abroad tumbles to ridicule and slander. Fort Knox takes on an atmosphere of Mother Hubbard's cupboard—as our gold declines and foreign gold accounts treble. Exports of U.S.-made products fall while imports from foreign factories, financed with U.S. dollars, spiral.

We have long since reached the stage in our international relations wherein the status quo has proven unsatisfactory. To continue our present spending programs can lead only to national bankruptcy and spell the end of our freedom system. There is absolutely no justification for the extension of a program so long shown to be rife with defeat and failure.

America cannot afford to stand still or go backward; we must move forward in our efforts to maintain our position of leadership in the cause of freedom, with a program designed to avoid the pitfalls of present policies, divorcing ourselves from the fallacious theories calling for payment of tribute, and with the apparently deliberate purpose of giving away our national resources.

I believe it is the will of the people—a mandate—that we cease to compound our erroneous reflections of weakness, and in their place substitute a positive program founded on the principles that have forged America into an indissoluble union of States; a proven program of means to the end of liberty; a pattern for those nations who desire to be free. We must look to our own needs as a first priority; revitalize the tenets of the Monroe Doctrine in behalf of hemispheric solidarity, and offer the rest of the world a living proof that liberty and justice are enjoyed only by those who would, of their own volition, cast off their shackles, defy their tyrants, unite in purpose, and prove their desire for peace and freedom with action, not whispered words from forked tongues.

In America's younger days, as a weak Nation, inhabited by brave men, we could count a number of instances when our Nation showed vigor in standing against any nation which dishonored our flag—Tripoli, Morocco, France, Great Britain, as well as others.

I say we are still a vigorous and brave people, and should pay neither blackmail, nor ransom, nor tribute to any foreign government, dictator or potentate. Americans are not craven cowards; we should demand the respect to which we are entitled; it cannot be bought.

This bill should be defeated.

Mr. SAYLOR. Mr. Chairman, while I will under no circumstances agree to extending indiscriminately U.S. tax funds under the name of foreign aid, I recognize a meritorious point in the way that the administration presented this latest model to the Congress. By formally appealing for a long-term program, today's perpetrators of the foreign aid follies officially concede that they themselves actually see no stopping point for these highly expensive economic pills which in the past have been sugar-coated with promises that, if sufficiently liberal doses were made available to the patient, he would recover quickly. Now, however, donors to the economic blood bank are being asked to provide promissory notes that transfusions may be continued over the long haul regardless of the severity of the benefactor's anemia.

We have the admission that supporters of this embezzlement of U.S. Treasury funds, which was initiated as a sure-fire, short-term, quick-acting cure for ailments the world over, do not know how to put a stop to it.

I have used the term "embezzlement" advisedly. The Dukes Corp., nationally known private investigating organiza-

tion which has saved clients many millions of dollars by bringing to light dishonest operations of employees, has a virtual library of information on the development of tendencies to embezzle. The average individual in these files could not by any means have been considered one of criminal instincts at the outstart of his wrongdoing. He needed a little money to get him over a hard spell. He would replace it as quickly as he could. By failing to record cash sales or through a miscellany of bookkeeping manipulations, he discovered that it would be unnecessary to repay the company, particularly since there were always other places that seem more demanding on his finances.

When taking of another's funds or property comes so easy, progressively bigger pilferings usually result. At least the guilty person sees no reason to reduce his volume of take. He can always rationalize his crimes by convincing himself that this income merely contributes to closing the gap between what he is worth and what he is being paid.

Dukes' investigators find that those whose misdeeds are exposed early are very often grateful for the disclosures. Given the chance to compensate for their wrongdoing, many become better employees and contribute years of valuable service to a firm. The other extreme exhibits those persons whose indiscreet and immoral activities of this nature are not discovered until involvements have reached staggering sums. These are the cases you read about. The banker in Iowa, the loan company official in Norfolk, the lumber clerk in New England—their crimes reached such proportions as to draw national headlines. How much better for all considered had their companies the foresight to take better precautions against the more latent undesirable frailties of its employees. A most effective way of encouraging crime is failure to discourage. To discourage ambition and industry is to encourage idleness.

Now, Mr. Chairman, how much longer are the taxpayers of the United States expected to carry the burdens of so many of the nations of the world? After these many years of handing out the billions upon billions of dollars chargeable to the earnings of American citizens who will inherit this Nation's responsibilites long after present generations have gone to their reward, how in Heaven's name can anyone make these new demands upon a nation that is already almost $300 billion in debt? Where does the money come from for fulfillment of the promises that you expect us to make?

Ours are a generous people. America has never failed to respond to the needs of fellow men in any catastrophy. To attempt to link the program under consideration here today with a genuine emergency is, however, entirely fallacious. The U.S. Government undertook this alms-giving project on the assumption that it would enable countries whose economy had been injured by the impact of a costly war to expedite business and industrial recovery. Last week marked the 16th anniversary of the end of World War II. The current campaign is, of course, based on the supposition that a multibillion-dollar foreign-aid bill must be passed if communism is to be deterred. The State Department has prepared numerous items of propaganda to support its contention that Congress should accede to the demands for keeping open the pipelines from our Treasury to other world capitals. One of the familiar references used in the State Department's program to influence Congress is that no nation which has received substantial aid from this country has fallen into the clutches of communism. Since there is no explanation of how much money is considered substantial, it is hard to dispute this particular assertion. The fact is that the State Department's interpretation of Communist advances should not be assumed to reflect the attitude of the general populace of this Nation. The State Department, let it be remembered, has made it possible for Communist Yugoslavia to receive almost $1 billion of U.S. money since 1946. Communist Poland has been one of our beneficiaries; in fact Poland has, through our gifts, been able to improve her industrial techniques to such extent that she has become a serious competitor in many world markets.

I am not going to attempt to challenge the whole philosophy of this program which I say is akin to perpetuating and encouraging embezzlement on a worldwide scale. I contend that the United States can least afford to adopt the likes of what the administration has sent up here to Capitol Hill. I know that the majority of people of Pennsylvania cannot afford this extravagance. Why are the residents of chronic surplus labor areas to be stripped further of their buying power?

The predicament applies to every salaried worker. It works an even more difficult hardship upon the pensioner, the social security recipient, and others whose income is stationary over the years. I ask my colleagues to think of these groups before deciding to make another contribution to the cause of inflation.

I have said that I do not intend to go into the philosophy of these perennial gift offers. I want to raise only one more question and then I shall relinquish the floor. What are the purveyors of foreign aid doing about Russia's new invasion of free world markets? What are you doing to make certain that the Soviet is not going to profit by our largesse? Let me offer just one commodity as a case in point.

The Kremlin is expanding its oil production at a rapid rate. The world's largest capacity long-distance pipeline is being constructed to move Red oil through satellite countries and into an outlet at the West Europe Iron Curtain borderline. Another pipeline will carry large volumes of crude to Italian refineries. Supertankers are under construction to transport Soviet petroleum to far-away places and some not so far, including many countries whose palms are extended as we debate the foreign-aid program. I have not seen any provision herein to make certain that none of these would-be recipients of extended foreign aid will not take Russian-produced oil. Indications are that Red petroleum is going as fast as it gets to the market. It is so competitive, in fact, that the big Dutch-Anglo-American producers in the Middle East have already begun to warn that steps must be taken to meet this challenge.

I do not think that such a serious matter is going to be resolved, or that the problem will become less difficult, by blanketing Soviet oil customers with U.S. banknotes. A much better purpose could be served if those bills were held right here in this country to help stifle the spiraling price trend that threatens our whole economy. A much better purpose would be served if we took note of the fact that those non-Communist countries who are buying Russian oil are playing with Red fire and would be subject to a breakdown in fuel supplies if the Kremlin decided for any reason to turn off the spigot. In the light of those possibilities, every dollar that we can save should be held right here in order that we will be financially able to get through whatever international crisis which may lie ahead. We must keep our own domestic industries strong and make certain that no energy gap will develop under emergency conditions.

Commit ourselves to many more years and many more billions of tossing the taxpayers' money in all directions?

Ridiculous, Mr. Chairman. Far better that we keep our economy fit and our powder dry. How much is our own defense structure going to cost us in the next 4 or 5 years? I do not know. You do not know. Then how in the world does any thinking person on either hemisphere, regardless of how greedy he may be, expect us to make the kind of commitments contained in this fantastic scheme?

Mr. RHODES of Pennsylvania. Mr. Chairman, I rise in support of H.R. 8400, which implements a new start in our mutual security programs.

There is no doubt in my mind that historians of the future will look upon the decision which we make today as one of the most crucial decisions taken by the U.S. Congress in the second half of the 20th century.

The crisis which this legislation attempts to treat is certainly not a new one, Mr. Chairman. It is quite similar to the crisis which this Congress faced 13 years ago when all of Europe appeared on the verge of falling into the Communist orbit. At that time our old and faithful allies were weak and divided, insecure and discouraged, and ripe and ready for rapid Communist coup d'etats.

But the American people did not remain idle in the wake of this threat. With a bold and daring program, initiated by a Democratic President, and acted upon by a Republican Congress, the American people responded to this great challenge, and today Europe stands as one of the most prosperous, abundant, and avowedly anti-Communist areas in the world today.

It was the Marshal plan, Mr. Chairman, which enabled our allies abroad to rebuild their industry and their homes, and once again become prosperous and

peace-loving nations. Today, the nations of Europe represent 200 million allies in the fight for human freedom and world peace.

But the crisis today exists not in Europe where men are secure and free. It exists in all of the vast underdeveloped areas of the world where nearly 1½ billion people live in hunger, poverty, illiteracy, and the starkest insecurity.

The crisis today does not exist in Paris, Bonn, or Berlin. It exists in the jungles of Laos, far-off villages of India, and in the great feudal estates which populate so many of the underdeveloped countries.

In all of these areas of the world, the great majority of these people must exist on yearly incomes of approximately $120 a year. Their life expectancy is, at best, 36 years, and only about one-third of their children are now enrolled in schools.

To be sure, Mr. Chairman, the threat to the freedom and independence of these people comes not from the marching armies of Nikita Khrushchev or the legions of Mao Tse-tung. It comes from the misery, the depression, the hunger, and despair upon which trained Communist agents and agitators can sow their seeds of distrust, subversion, civil war, and ultimate takeover.

If these people are to have no hope or confidence in their own leaders, or in their own future and aspirations, there is little that our military arms and might can do to keep these people on the side of the free. If our arms and might only entrench more firmly oriental despots and reactionary interest groups, there is little hope that these nations will remain for long in the Western or even neutral camp.

The need of these people is more than arms, though arms they do need. In some areas it consists of a bowl of rice, in others, a new school, in others, a new sewerage system or perhaps a small plot of land for a hungry peasant and his family.

If we can help these people to help themselves in providing these necessities of life, I am sure that in these underdeveloped lands, as in Europe, the appeals of the Communist cadres will again fall on dead and listless ears. If we, with our technical assistance and our moral support, can instill in these people a sense of hope in their future and confidence in their leaders, three-fourths of the battle against communism will have been won. Communists have never come to power where men are imbued with confidence, self-reliance, and some measure of economic security.

I strongly believe, Mr. Chairman, that as formidable as this task may appear, as long as the road may be ahead of us, we must begin. If our help to these people—as large or small as it may be—will help maintain our own security, is it not well worth the price, to say nothing of the humanitarian values involved?

In many of these nations effective internal reforms by themselves will be a vital first step in winning the confidence and hope of the common people. By providing a fairer distribution of arable land and the national income, millions of people will face the future with renewed faith. By providing an adequate and equitable tax structure, the leaders of these developing nations will have much of the needed capital to begin impressive projects of their own or to implement our assistance.

In a great number of cases we can be of assistance to these nations by helping them to take stock of their own natural resources and other assets, by assisting them in improving agricultural techniques, by providing enough food for the people until their new techniques can take effect, and by providing them with special personnel or Peace Corps members who will help to train the needed teachers, doctors, public health officials, civil servants, engineers, technicians, and so many other skilled personnel who are almost totally lacking in these countries.

This is where we can begin, Mr. Chairman.

Once these nations are well on their way in meeting these basic prerequisites of a modern industrial society, we can then lend them long-term, low-interest loans and encourage our businessmen to invest their capital in larger developmental projects for these nations.

Once they are moving well along the way, and once their people have faith and hope in the future—communism will lose ground as it did in Europe, and in Japan, and in every other nation of the world where the common people began to fill their stomachs and feel that tomorrow would bring a better world for their families and their children.

But let us look at the other side of the coin, Mr. Chairman. Let us suppose that we fail to lend a helping hand to these people in need. Let us suppose that all of these people go the way of Castro and Soviet satellites. Let us suppose that all of southeast Asia, all of India, all of Africa, and all of Latin America were to be slowly engulfed in the Communist empire. Where would we stand as a free and independent nation?

I am sure that I need not remind the Members of this body of the importance of these nations to our own national security and welfare. We depend upon many of these nations for many strategic materials. Right now we are importing 100 percent of our tin, 96 percent of our ferromanganese, 96 percent of our beryllium, 100 percent of our natural rubber, 94 percent of our asbestos, 100 percent of our copra, and 91 percent of our chromium.

And what about so many other things which we take for granted as essentials of our everyday living—thinks like cocoa, coffee, tea, spices, and silk.

I trust that the Congress will not lose sight of the main objective of this mutual security program. There are those who sincerely believe in fortress America and in isolating our country from the rest of the world.

Unknowingly, of course, they are playing into Communist hands, for the Communists want to isolate America. It is part of their plan for world domination.

The vote on this legislation today is a part of the cold war conflict. Let us support President Kennedy. Let us back his program to give economic aid, military might, and moral strength to the free world in a common cause against Communist totalitarianism and tyranny.

Mr. SCOTT. Mr. Chairman, I am supporting President Kennedy's foreign-aid program in the form he has requested. And if and when we come to the consideration of a House-Senate conference report on this legislation, I shall support it.

In the months since it took office, the Kennedy administration has sought the advice of technical experts, business leaders and able people of long experience in world affairs in analyzing our foreign-aid program. It has taken a new look at every aspect of our past programs and the situations with which we are confronted in various parts of the world.

The House Committee on Foreign Affairs has also worked for months in reappraising this program. And the present bill, referred to as the Mutual Security Act of 1961, is the result of these intensive studies. The conclusions of these experienced observers are entitled to our thoughtful and most respectful consideration.

It should be noted that the 1961 act is practically a complete revision and rewrite of the former Mutual Security Act and undertakes to provide for the correction of many indicated defects in previous acts.

I am convinced that President Kennedy is determined to make our foreign-aid program more realistic and effective as a means of supporting and promoting the cause of freedom throughout the world and particularly in those countries receiving aid. Whether we like the principle of foreign aid or not, we must face the fact that aid to more than 70 foreign countries over a period of several years has become symbolic of the desire and will of the United States to support and promote the cause of freedom throughout the world.

As a matter of principle, under normal circumstances I am strongly inclined to be conservative.

Under normal conditions, the people of my congressional district, I believe, expect me to be cautious in voting for huge appropriations of public funds and to be reluctant to vote for the surrender of any prerogatives reserved by the Constitution to the people or to the Congress.

At the present time, however, normal circumstances and conditions do not prevail in the world. It is my conviction that we are now in a period of crisis which contains all of the ingredients of worldwide catastrophe.

We are living in an emergency of almost inconceivable proportions and seriousness. When faced by emergencies in our private affairs we often find it necessary to take actions that we would not take under normal conditions. Over and over again, experience has demonstrated that emergencies require emergency action.

In supporting the President's foreign-aid program as submitted to Congress,

I am not abandoning my conservative principles but I am recognizing the state of emergency in which we live and indicating my sincere belief that the President should have every weapon he thinks will be helpful to him in the fight against world communism.

I do not like our foreign-aid program as it has been administered in previous years, and have never supported it because I have not considered it conducive to the defense or best interests of our country.

Neither do I like the fact that today "a sense of impending disaster pervades the world."

I do not want to ever feel that I have failed to support any measure that might in any degree have contributed to our country's defense and security.

Feeling that the pending Mutual Security Act or foreign-aid program holds a measurable promise of added strength to our position in a restless and troubled world, I am supporting it in the form requested by the President or in whatever final form in which it may be presented to us.

Being faced by a critical emergency and dangers of incalculable proportions directly affecting our national survival, it is the height of folly to simply do nothing until it can be definitely ascertained that a given course of action will solve our problem.

We cannot afford to demand complete assurance that the President's new foreign-aid program will be 100-percent successful. I am satisfied that it will not. But it must be considered worth the price if it makes only an appreciable contribution to our country's defense and security.

It should be noted that President Kennedy's program differs in many important respects from previous foreign-aid programs:

Instead of a scattergun or haphazard plan, the administration proposes to give assistance only to those countries having self-help programs for social and economic reform—to those which have plans that appear to be reasonably workable—and which are themselves willing to make some sacrifices to achieve stabilized social and economic systems.

We now have the benefit of hindsight and can correct some of the mistakes made in the past in the administration of this program.

President Kennedy and his administration are pledged to, first, seek higher caliber officials to staff and manage the program; second, tighter screening of projects with the view of restricting aid to those giving reasonable promise of success; third, examination of future projects by type in the light of past experience in specific areas; fourth, insistence upon planned programs before money is loaned—loans to be repayable in dollars rather than local currencies; fifth, insistence that recipient countries make genuine efforts to help themselves; sixth, attention to priorities; that is, giving first attention to mass or grassroot needs; seventh, closer coordination of our assistance with any that may be furnished by other countries, and to insist that other countries contribute a reasonable amount according to their means; eighth, emphasis upon development rather than support; ninth, better procurement and auditing practices to minimize waste and inefficiency; tenth, increased efforts to encourage private enterprise in underdeveloped nations; eleventh, more businesslike planning and supervision of projects; twelfth, more specific and better defined authority and responsibility for projects; thirteenth, improved standards and procedures for the award and administration of contracts.

I do not believe that Khrushchev will back down on his threat to sign a separate peace treaty with East Germany, thus aggravating an already explosive situation. The concrete wall he has thrown up between East and West Berlin to contain any who may seek freedom is symbolic of the slavery he would impose upon all mankind. His threat to bury us and his prediction that our grandchildren will live under communism daily takes on more significance. I dare not discount these threats or to minimize Russian capability of carrying them out.

It must be remembered, too, that the Berlin crisis is only one of many trouble spots in the world today, any one or more of which may at any time become acutely critical.

The debate on this bill has been long; some of the speakers have been positive and prescient in their arguments pro and con; both sides of the debate have in some instances resorted to exaggeration for effect, a perfectly legitimate and ethical tactic. But however strongly individuals may cling to their personal views, it is certain that there is not one Member of the Congress who knows whether the President's foreign-aid program, if enacted, will or will not be worth its price.

My record in Congress is generally conservative. I have been seriously concerned about our huge and increasing national debt, on which nothing is being paid, and have opposed extravagant Federal spending.

We cannot afford to appropriate public funds for extravagant and unnecessary purposes. But we can well afford to appropriate billions of dollars for a program that promises only partial success when our national safety is involved. I do not say that it will, but this program may contribute heavily to our national defense and security; it may make only a small contribution; it may or may not be a factor in saving the lives of thousands and even millions of people. I do not know; you do not know. If we win the cold war our victory and winnings will be immeasurable; if we lose the cold war our dollars will be worthless anyway.

For these and other reasons the Mutual Security Act of 1961 has given me more genuine concern than any piece of legislation the Congress has considered during my brief service here. My decision to support it is my own, free of influence or pressure from any source, and reflects my conviction that the people of my district desire, and that the best interests of our country require and fully justify, a departure from precedents and procedures followed under normal circumstances.

I am convinced that this is the most critical and dangerous period in the history of mankind and that we will have to make many, many sacrifices in the years just ahead in order to preserve our system of government and our way of life. We certainly cannot nonchalantly go on doing "business as usual" and simply wish communism away. The proposed foreign-aid program is expensive, and it may not do all that we hope it will. But if it will help a little it will be worthwhile.

All that we can do, all that we have, is not too great a price to pay for security against world communism.

Mr. WHARTON. Mr. Chairman, I have listened with interest to the proponents of the administration who claim that unless our system of annually appropriating funds, as provided by the Constitution, is changed this year, neither the United States nor nations we intend to help can plan or carry out their projects effectively.

Now why the sudden switch? No case has been cited where a program or a project started has been interrupted because of a lack of funds. We have been carrying on long-range planning for years under our present foreign aid program without back-door financing. In Greece, for example, 21 of 45 projects were from 2 to 5 years. In Ethiopia, 42 of 45 projects were for 2 to 15 years, it has been reported.

On the other hand, many of us are concerned over reports that the administration in contemplating stepped-up aid to Communist nations. Poland is as closely alined to Moscow as ever and yet scheduled to receive one of the biggest chunks of the new aid program. And what do they do with it—the Poles are reported to have recently sent $13 million in aid to Castro's Cuba, and have pledged more if needed. There is also talk of additional aid to the Czechs, notwithstanding the fact that this country has sent millions of dollars worth of military equipment to Cuba. I need not dwell on the sorry spectacle of our long and expensive attempts to aid the latter, here almost in sight of our own mainland.

I am heartily in favor of assisting the so-called underdeveloped areas of the world in such things as medicine, sanitation, and education, which I feel should be our primary objectives. The notion that the main weapon against communism is a higher living standard, and that we can pour fantastic sums into these areas in order to prevent them from turning Red, is utter nonsense. Long experience has certainly established that fact to the satisfaction of any fair and disinterested mind. Each year, we have been assured that there will be a house cleaning in the administration of foreign aid, and that only sensible and feasible projects will be undertaken henceforth. Unless, and until, foreign aid is placed under a firm and businesslike administration, I shall continue to vote against it. I am sure that its defeat, in view of the substantial

carryover funds at this time would not be as world shattering as our liberal friends would have us believe.

In the face of the Berlin crisis, prompting billions in new defense expenditures, there is a feeling that the administration is attempting to move too fast, too far, and too soon on too many projects. And that too little attention has been paid to policing up areas where obvious mistakes have been made in the past.

Even under the Saund amendment, President Kennedy is offered $1.2 billion in appropriated development loan money for this year, which is all he asked. In my opinion, he should settle for that and be pleased that so much is offered, even if there is a chance that broader authority might be forced through a reluctant Congress in the final compromise version of the bill. If he comes back next year with a plain record of reform and progress, he need not worry about future financial support.

Mr. WESTLAND. Mr. Chairman, the Mutual Security Act of 1961 has been passed by this body 287 to 140. I was one of those Members who voted for the bill. Also, I was one of the Members who voted for all amendments that called for reductions which, I believe, would have trimmed unnecessary fat from the program.

These amendments included a cut of $50 million from the development grant authorization, the reduction by $181 million of the authorization for the President's supporting assistance fund, a reduction of $50 million in the President's contingency fund, and the deletion of the provision of $25 million for loans to small farmers in friendly foreign nations. In each case the amendments were rejected.

Mr. Chairman, the people of the district I represent generally support the mutual security program. This year 80 percent of those who answered my questionnaire said that they favor continuation by the United States of its mutual security program of economic and military assistance to countries outside the Soviet bloc. I have received a few letters, however, that ask why it is necessary to assist foreign nations when we could use the money for other purposes here at home. I believe that these are people who do not understand that about 80 percent of the money we spend for foreign aid is spent in this country, not abroad.

This money is used to purchase American goods such as machinery, timber products, cement, 106-millimeter recoilless rifle shells, fishery products, as well as milk, cheese, and other farm products. The items I have cited as examples, Mr. Speaker, are all commodities that are produced in my own district. These are American-made products that provide employment and wages for Americans. When we send products to other countries, we are not only helping those nations, but are also helping ourselves.

Another point concerns the benefits of the program in terms of the military support we receive. Many of the nations that receive aid from us maintain military forces which make a vital contribution to our mutual defenses. If we were forced to maintain an Army large enough to replace the armies of our friends, the costs would be much greater than the costs of this program.

So, Mr. Chairman, I believe the mutual security program works two ways. It helps our friends and it helps us. This is why I have supported it in the past and vote for it today.

The CHAIRMAN. All time for debate has expired.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. Mr. Chairman, would it be in order for me to proceed for 1 minute in order to inquire of the majority leader as to the program for next week, the purpose being, of course, to inform the Members while they are here, because many of them are leaving.

The CHAIRMAN. The Chair will entertain that request.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to strike the unanimous consent order heretofore entered and to proceed for 1 minute.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Chairman, may I ask the majority leader if he can give us information as to the program for next week?

Mr. McCORMACK. On Monday the Consent Calendar will be called.

There are 22 suspensions, as follows:

H.R. 7057, brick and tile clay.

S. 1656, crimes and offenses, wire communications for gambling.

S. 1657, crimes and offenses, transmission of gambling paraphernalia.

S. 1653, prohibit travel or transportation aid of racketeering enterprises.

H.R. 8384, crimes aboard aircraft in air commerce.

H.R. 7916, extend saline water program.

H.R. 2470, Lincoln Boyhood National Memorial.

H.R. 32, Fort Smith National Historic Site.

H.R. 7061, postal service, compensatory time.

H.R. 7532, postal service, broader fund collection.

H.R. 7021, Federal employees, provide quarters, household furniture.

H.R. 1010, Federal employees, promomotions.

S. 739, Civil Service Retirement Act, public debt obligations.

H.R. 8599, amend Atomic Energy Act—Euratom.

S. 1622, to amend the Atomic Energy Community Act of 1955, as amended.

S. 606, research on shell fisheries.

H.R. 8028, Juvenile Delinquency and Youth Offenses Control Act of 1961.

H.R. 7763, U.S. participation, New York World's Fair.

H.R. 8723, amend Welfare and Pension Plans Disclosure Act.

H.R. 8141, revise library depository laws.

H.R. 8603, amend Federal Property and Administrative Services Act, identical bids.

H.R. 8341, authorize safety study, mines, Secretary of the Interior.

On Tuesday the Private Calendar will be called, also three bills from the Committee on Ways and Means, which the chairman will call up by unanimous consent. They are H.R. 641, tariff, beta ray spectrometer, free entry; H.R. 6145, taxes, reduced credit provisions, postponement; and H.R. 6371, retirement income credit.

I have also programed for Tuesday the bill H.R. 468, clarifying the Fugitive Felon Act, on which a rule has been granted.

I make the usual reservation that conference reports may be brought up at any time, and that any further program will be announced later.

I understand the Rules Committee will meet next week and may report out some more rules. In that event, there will be a further announcement.

Mr. HALLECK. As I understand, there are a few appropriation bills yet to be disposed of. In the hope that we might adjourn sine die before too long, I would hope we might move those bills and any other matters that might be disposed of, so that we will not have to stay here too much longer.

Mr. WILLIAMS. If the gentleman will yield, may I ask the gentleman from Massachusetts if the airline hijacking bill is one of those bills scheduled for suspension?

Mr. McCORMACK. That is correct, that is the bill, H.R. 8384, to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce.

The CHAIRMAN. If there are no further amendments under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 8400) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, pursuant to House Resolution 414, he reported the bill back to the House with sundry amendments, adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mrs. CHURCH. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentlewoman opposed to the bill?

Mrs. CHURCH. In its present form, I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mrs. CHURCH moves to recommit the bill (H.R. 8400) to the Committee on Foreign Affairs.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. ADAIR. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 287, nays 140, not voting 10, as follows:

[Roll No. 157]

YEAS—287

Addabbo	Downing	Kastenmeier
Addonizio	Doyle	Kee
Albert	Dulski	Keith
Anfuso	Dwyer	Kelly
Arends	Edmondson	Keogh
Ashley	Elliott	Kilburn
Aspinall	Ellsworth	Kilday
Auchincloss	Everett	King, Calif.
Avery	Evins	King, N.Y.
Ayres	Fallon	King, Utah
Bailey	Farbstein	Kirwan
Baldwin	Fascell	Kluczynski
Barrett	Feighan	Kornegay
Barry	Fenton	Kowalski
Bass, N.H.	Finnegan	Kunkel
Bass, Tenn.	Flood	Kyl
Bates	Fogarty	Lane
Beckworth	Ford	Langen
Bell	Fountain	Lankford
Bennett, Fla.	Frazier	Lesinski
Blatnik	Frelinghuysen	Libonati
Boggs	Friedel	Lindsay
Boland	Fulton	Loser
Bolling	Gallagher	McCormack
Bolton	Garmatz	McDowell
Boykin	Gary	McFall
Brademas	Gathings	Macdonald
Breeding	Giaimo	MacGregor
Brewster	Gilbert	Machrowicz
Bromwell	Glenn	Madden
Brooks, Tex.	Goodell	Magnuson
Broomfield	Goodling	Mahon
Broyhill	Granahan	Mailliard
Buckley	Gray	Marshall
Burke, Ky.	Green, Oreg.	Martin, Mass.
Burke, Mass.	Green, Pa.	Mathias
Byrne, Pa.	Griffin	Matthews
Byrnes, Wis.	Griffiths	May
Cahill	Gubser	Meader
Cannon	Hagen, Calif.	Merrow
Carey	Halleck	Miller, Clem
Celler	Halpern	Miller, George P.
Chamberlain	Hansen	Miller, N.Y.
Chelf	Harding	Milliken
Chenoweth	Hardy	Mills
Chiperfield	Harvey, Mich.	Moeller
Clark	Hays	Monagan
Coad	Healey	Montoya
Cohelan	Hébert	Moorhead, Pa.
Conte	Hechler	Morgan
Cook	Henderson	Morrison
Cooley	Herlong	Morse
Corbett	Holifield	Mosher
Corman	Holland	Moss
Cramer	Holtzman	Multer
Curtin	Horan	Murphy
Curtis, Mass.	Hosmer	Natcher
Curtis, Mo.	Huddleston	Nelsen
Daddario	Ikard, Tex.	Nix
Dague	Inouye	Norblad
Daniels	Jarman	Nygaard
Dawson	Joelson	O'Brien, Ill.
Delaney	Johnson, Calif.	O'Brien, N.Y.
Dent	Johnson, Md.	O'Hara, Ill.
Denton	Johnson, Wis.	O'Hara, Mich.
Derounian	Jones, Ala.	Olsen
Diggs	Jones, Mo.	O'Neill
Dingell	Judd	Osmers
Donohue	Karsten	Ostertag
Dooley	Karth	Patman
Pelly	St. Germain	Teague, Calif.
Perkins	Santangelo	Thomas
Peterson	Saund	Thompson, N.J.
Philbin	Schneebeli	Thompson, Tex.
Pike	Schweiker	Thornberry
Pirnie	Schwengel	Toll
Powell	Scott	Tollefson
Price	Scranton	Trimble
Pucinski	Seely-Brown	Tupper
Quie	Selden	Udall, Morris K.
Rains	Shelley	Ullman
Randall	Sheppard	Vanik
Reifel	Shriver	Van Zandt
Reuss	Sibal	Vinson
Rhodes, Ariz.	Sisk	Wallhauser
Rhodes, Pa.	Smith, Iowa	Walter
Riehlman	Smith, Miss.	Watts
Rivers, Alaska	Spence	Weis
Roberts	Springer	Westland
Robison	Stafford	Whalley
Rodino	Staggers	Wickersham
Rogers, Colo.	Steed	Widnall
Rooney	Stratton	Wright
Roosevelt	Stubblefield	Yates
Rostenkowski	Sullivan	Zablocki
	Taylor	Zelenko

NAYS—140

Abbitt	Forrester	O'Konski
Abernethy	Gavin	Passman
Adair	Grant	Pfost
Alexander	Gross	Pilcher
Alford	Hagan, Ga.	Pillion
Alger	Haley	Poage
Andersen, Minn.	Hall	Poff
	Harris	Ray
Anderson, Ill.	Harrison, Wyo.	Reece
Andrews	Harsha	Riley
Ashbrook	Harvey, Ind.	Rivers, S.C.
Ashmore	Hemphill	Rogers, Fla.
Baker	Hiestand	Rogers, Tex.
Baring	Hoeven	Roudebush
Battin	Hoffman, Ill.	Roush
Becker	Hoffman, Mich.	Rousselot
Beermann	Hull	Rutherford
Belcher	Ichord, Mo.	Ryan
Bennett, Mich.	Jennings	St. George
Berry	Jensen	Saylor
Betts	Johansen	Schadeberg
Blitch	Jonas	Schenck
Bonner	Kearns	Scherer
Bow	Kilgore	Shipley
Bray	Kitchin	Short
Brooks, La.	Knox	Sikes
Brown	Laird	Siler
Bruce	Landrum	Smith, Calif.
Burleson	Latta	Smith, Va.
Casey	Lennon	Stephens
Cederberg	Lipscomb	Taber
Church	McCulloch	Teague, Tex.
Clancy	McDonough	Thompson, La.
Collier	McIntire	Thomson, Wis.
Colmer	McMillan	Tuck
Cunningham	McSween	Utt
Davis, James C.	McVey	Van Pelt
	Mack	Weaver
Davis, John W.	Martin, Nebr.	Wharton
Derwinski	Michel	Whitener
Devine	Minshall	Whitten
Dole	Moore	Williams
Dorn	Moorehead, Ohio	Willis
Dowdy		Wilson, Ind.
Durno	Morris	Winstead
Findley	Moulder	Young
Fisher	Murray	Younger
Flynt	Norrell	

NOT VOTING—10

Davis, Tenn.	Garland	Rabaut
Dominick	Harrison, Va.	Slack
Fino	Mason	Wilson, Calif.

So the bill was passed.

The Clerk announced the following pairs:

Mr. Harrison of Virginia with Mr. Fino.
Mr. Rabaut with Mr. Wilson of California.
Mr. Davis of Tennessee with Mr. Garland.
Mr. Slack of Mr. Dominick.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the bill H.R. 8400.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AMEND THE COMMUNICATIONS ACT OF 1934

Mr. HARRIS submitted a following conference report and statement on the bill (S. 2034) to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions.

COMMITTEE ON EDUCATION AND LABOR

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor have until midnight tonight to file a report on the bill H.R. 8723.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ADJOURNMENT UNTIL MONDAY, AUGUST 21

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY NEXT WEEK

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that Calendar Wednesday of next week be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ECONOMY IN GOVERNMENT AIR TRANSPORTATION

Mr. YOUNGER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. YOUNGER. Mr. Speaker, I would like to direct the attention of the Congress to a specific area of military procurement where clear-cut savings in taxpayers' funds are possible. It involves the procurement of air transportation by the Department of Defense in areas served by certificated air carriers which receive subsidy help from the Government.

The local-service airline industry, for example, performs a vital service for smalltown America, and links most of

the Nation's smaller communities with the large metropolitan areas and trunk airline routes. Because of the unique nature of this service—short-haul and low traffic density—it is not yet self-sustaining. It requires Federal subsidy under a program consistently endorsed by the Congress.

The Civil Aeronautics Board, which administers this program, has said that the subsidy is really to the communities which otherwise could not generate a volume of traffic adequate to support continued airline operations.

The local-service carriers have the seats and cargo space to take on additional traffic. And the way the Government's subsidy program works, the more traffic taken on, the greater the revenues and the lower the subsidy bill gets. As traffic gets heavier and the subsidy bill decreases, these carriers become stronger in terms of service to the public, the postal service, and the national defense. Thus, the country gains the objective of the subsidy program with less subsidy dollars.

One way we can assist immediately in helping to accomplish this desirable result is through our military procurement offices.

The Air Force, for example, has on very recent past occasions contracted with carriers not serving a specific area to come into that area and transport its traffic virtually alongside the certificated local-service airlines. On the surface, the Air Force appears to be getting this service from the outside carrier cheaper—perhaps the result of the lowest bid.

But the real fact is that the government winds up paying twice—once through the subsidy to the carrier certificated to serve the area and once to the low-bidding outside carrier.

Actually, even if no subsidy were being paid to the carrier certificated to serve an area—as is actually the case with most of our national air transport system—it is more in the public interest for the Air Force, or any other agency of Government, to support the certificated national system. In those few cases where subsidy is paid, however, it makes no sense at all to ignore the regular service and pay twice with taxpayers' funds.

Some simple arithmetic, I think, will make this point perfectly clear. Suppose the CAB is paying a local carrier $1 million in annual subsidy—that is the amount between what the carrier takes in in commercial revenues and the cost of performing the service and earning a reasonable return. At the same time, the Air Force needs to move traffic in the area served by that carrier.

Let us assume, keeping our arithmetic simple, the lowest bid for the Air Force contract is $500,000. If the winning bidder is an outside carrier—that is, one other than the local carrier mentioned—it means the Government pays a total of $1.5 million—the $1 million in subsidy and the $500,000 paid by the Air Force under its contract with the outside carrier.

But what if the Air Force used the regularly scheduled carrier in that area. The transportation may cost the Air Force more under the carrier's tariffs—which, incidentally, must be approved by the Civil Aeronautics Board. Let us say it cost the Air Force $600,000, or $100,000 more than via the outside carrier.

This money would result in almost a proportionate decrease in the carrier's subsidy requirements. Thus, instead of the Government paying $1 million in subsidy to the carrier, it would pay only around $400,000. This, plus the $600,000 paid by the Air Force, would mean a total cost to the Government of about $1 million. And that is a clear saving of a half million dollars to the taxpayer compared with bringing in an outside carrier.

Now these figures I have used are not representative. For the sake of clarity I purposely kept them small. In actual practice the subsidy bill is usually larger, the Air Force contracts are larger, and, of course, the potential savings to the taxpayer larger.

There have been several occasions of this nature in recent months where savings of this type could have been accomplished. One involved Pacific Air Lines, a far western local-service carrier. Although it serves virtually all the points for which the Air Force has a transportation need, the contract was given to another carrier. My concern has nothing to do with the choice of carriers made by the Air Force. I am sure the carrier that won the contract is a very efficient and capable operator.

But my concern does have to do with the fact that an opportunity to meet the Air Force requirement and, at the same time, save some taxpayers' money, was passed up. I am told that about $1 million could have been saved if the regular local-service line had been used by the Air Force in this case.

In another case the Air Force entered a contract for $813,000 for service between Washington, D.C., and two points in Virginia. The contract went to a carrier other than Piedmont Airlines, which is the regularly scheduled local-service airline in that area. Obviously, the contract would have pared a substantial amount from the $4 million-plus subsidy bill of Piedmont. Instead, it simply added to it—the Government and the taxpayer, in effect, paid twice.

If there is any doubt as to the advantages of supporting the regularly scheduled carrier in such instances, an example involving the Navy should dispel it. Several years ago the Navy operated its own air transport service in Alaska and the Aleutian Islands. It was operated alongside a small certificated carrier that was essential to the area and receiving subsidy at the time.

The Navy, however, discontinued its operation in favor of using the regular airline. The result was the airline became self-sufficient, and was able to expand its operations to the benefit of the public, the Navy, and the Government at large.

I would hope, particularly at this critical time, that the Civil Aeronautics Board and the Defense Department would look into this area and develop a consistency of policy which would not only save taxpayers money but, at the time, strengthen our common carrier air transport system.

THE SUPREME COURT DECISION AGAINST COMMUNIST PARTY

Mr. DOYLE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DOYLE. Mr. Speaker, I desire to respectfully call to the attention of all my colleagues the fact that on yesterday, under special orders, I briefly discussed the decision in June of the U.S. Supreme Court in the case of the Communist Party of the United States of America, petitioner, against Subversive Activities Control Board, under which the Communist Party of the United States was ordered to register, as result of the several years of hearings on this subject before the Subversive Activities Control Board.

In connection with my remarks about the decision, I also included some material I am sure will be of value to all of the Members describing the functioning of the Subversive Activities Control Board, and quoted from its brief before the Supreme Court on this very important case. I also included for the information of all the Members the text of the majority opinion of the Court in the above indicated case. One of the matters I related in my remarks was the fact that not only had the Subversive Activities Control Board used and relied upon the investigative and legislative activities of several of the House and Senate committees, but that it had relied upon and used the work of the House Committee on Un-American Activities as one of its foundation stones, in my opinion.

Mr. Speaker, furthermore, the decision of the Supreme Court, in this history-making case in our fight against subversive communism, in its opinion, adopted a substantial portion of the findings of the Subversive Activities Control Board, including the text of more than one report and recommendation of the House Committee on Un-American Activities, as part of the reasons for said Court establishing by its decision the constitutionality of the functioning of the Subversive Activities Control Board, and of the Court's requirement, as set forth in this decision, that it was constitutional to require the Communist Party to register.

I commend to each and every Member of this great legislative forum a careful reading of this very important decision by the highest Court in our land. Said decision appears in the CONGRESSIONAL RECORD for August 17, 1961, beginning at page 16226 and extending to and including page 16249.

THE LATE GEN. W. BEDELL SMITH

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes, and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, with the death of W. Bedell Smith, the world was deprived of a great man, an efficient and capable officer, an astute diplomat, a personage extraordinaire. Honored throughout his lifetime by his own and foreign governments, as well as by numerous colleges and universities, it is only right that he be so honored in death.

For his directness and simplicity, his courage, and understanding, Great Britain awarded to him the Order of the Bath, Knight Grand Cross, and the Order of the British Empire. He became a Grand Officer of France, holder of the Legion of Honor and Croix de Guerre. Russia so honored him with its Order of Kutuzov, first class. The list would continue with honors and decorations from the Netherlands, Belgium, Poland, Czechoslovakia, Luxembourg, Brazil, Morocco, and Tunisia. This is certainly an impressive array of awards to be presented to any one person. But perhaps even more impressive are the honorary degrees which educational institutions in the United States bestowed upon him, one who had received only a high school diploma for scholastic studies—Colgate University, Butler University, Pennsylvania Military College, Duquesne University, Hofstra College, Amherst College, Wesleyan University, Washington and Jefferson College, University of New Hampshire, and the University of South Carolina.

Although General Smith received many decorations from his own government, including several Distinguished Service Medals, the National Security Medal, and the Legion of Merit, Presidents Roosevelt, Truman, and Eisenhower so honored him, because of his qualities and capabilities, by appointing him Chief of Staff under General Eisenhower during the Second World War, Ambassador to Moscow, Director of the Central Intelligence Agency, and Under Secretary of State.

Coming from Indianapolis, W. Bedell Smith enlisted as a private in the Indiana National Guard. As a second lieutenant during the First World War, he served in Europe and was wounded in battle. At the outset of the Second World War, Major Smith, as was his rank then, was appointed to the Army General Staff. It was an easy step from that position to become General Eisenhower's Chief of Staff during the European campaign that saw the defeat of Italy and Germany. It also fell to General Smith to sign the unconditional surrender of Germany.

His knowledge of European affairs and his experiences with Russians encouraged President Truman to appoint Major General Smith, as he then was, Ambassador to Russia. His observations as Ambassador have been published in his book, "My 3 Years in Moscow." It was Ambassador Smith who predicted a long period of tension between Russia and the United States when he said:

We are forced to a continuing struggle for a free way of life that might extend over a period of many years.

He also stated:

We can't allow ourselves to become hysterical about the situation, neither can we afford to let ourselves be lulled into a false sense of security. For there is no security.

With these prophetic words, President Truman must have realized that here was a person who understood the Russians and their way of thinking. And so it was with reluctance that President Truman accepted Ambassador Smith's proffered resignation in 1949. But General Smith was not permitted to continue his army career. His appointment to the directorship of the Central Intelligence Agency came the following year. In this position General Smith remained until President Eisenhower appointed him Under Secretary of State.

In October 1954, General Smith retired from active governmental service, a full general, an esteemed personage, and a highly informed author. During his active retirement as president and chairman of the American Machine & Foundry Atomics, Inc., and a member of the boards of directors of NBC and RCA, General Smith kept in touch with world affairs in the advisory capacity to the governmental administration.

The entire career of Gen. Walter Bedell Smith shows that he dedicated his life unstintingly to our Government and in a most outstanding manner. General Smith, a great American, will always occupy prominent pages in the history of our country. A gentleman of deep faith, of love of God, possessed of nobility of character, he was truly one of God's noblemen, and throughout his entire life he set an example for all others to follow, inspiring all others to be better men and women spiritually, and also better Americans.

Bedell Smith was one of my most valued friends. I benefited very much from his counsel and his advice. I shall always treasure the memory of our close friendship.

Mrs. McCormack joins with me in extending to Mrs. Smith and her loved ones our profound sympathy in their great loss and sorrow.

In my remarks I include a fine editorial which appeared in the Washington Post of August 11, 1961, which echoes the high regard which we all had for our late departed friend, Gen. Walter Bedell Smith:

GEN. WALTER BEDELL SMITH

Walter Bedell Smith was that all too rare of men, a topnotch military organizer who distinguished himself equally in high civilian political responsibility. What made this possible was his enormous breadth of intellectual curiosity. General Smith on occasion could be as much a martinet as the Army's starchiest product, but he was never the prisoner of any environment or system of thinking. He had a constantly probing, restless mind and a remarkable toughness of character that his often frail body in no way concealed.

"Beedle" Smith always was too modest to take any credit for the success of his wartime superior, Gen. Dwight D. Eisenhower. But without a competent chief of staff the best commander is lost; and "Beedle" Smith's competence was far more than routine. With reason he was called the general manager of the campaign in Western Europe. As Marquis Childs has written of him:

"Carrying a crushing weight of detail through the war, he also had the capacity to say no and say it bluntly and abruptly in his rasping cavalry sergeant's voice. He was not a West Point graduate, but had served in the Army since 1917, was wounded in action in France during World War I, and combined a somewhat broader professional background than Eisenhower's with highly developed intellectual interests."

President Truman made "Beedle" Smith Ambassador to the Soviet Union, where his hard-minded appraisals were especially valuable at a time when the wartime glow had dissolved. He played an important part in settlement of the Berlin blockade when the Soviets finally called it off. Later he helped shape the new Central Intelligence Agency in its formative years.

As Under Secretary of State at the beginning of the Eisenhower administration, "Beedle" Smith again played a chief of staff role with courage, balance, and perception. He envisaged his job as that of alter-ego to John Foster Dulles, and when the arguments were finished he strived to carry out what he thought Mr. Dulles wanted. Some of his administrative decisions in the State Department, particularly on loyalty matters, were classic for their no-nonsense honesty. It was when he was left to make the best of a bad position at the 1954 Conference on Indochina that he sagely observed: "Diplomacy has rarely been able to gain at the conference table what cannot be gained or held on the battlefield"—an apt remark the wisdom of which President Kennedy has come to appreciate.

This candid, encyclopedic military diplomat was in the tradition of George Marshall. He was, in the best sense of that sometimes hackneyed term, "a dedicated man and a selfless servant of his country."

UPHOLD THE CONSTITUTION

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. ALGER], may extend his remarks at this point in the RECORD, and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. ALGER. Mr. Speaker, in observing the speed with which some rush to destroy the part of the Constitution that reads, "No money shall be drawn from the Treasury, but in consequence of appropriations made by law"—article I, section 9—I am constrained to believe that there is a concerted attempt to destroy the Constitution in entirety.

None of us here have sworn to uphold the Constitution of Laos, West Germany, nor that of Outer Mongolia.

All of us have solemnly sworn to uphold the Constitution of the United States. Not just a small part of that Constitution, nor yet a large part. We swore a sacred oath to uphold all of it.

Our Constitution is a living memorial to James Madison. He wrote it. He fought for it. He lived within it.

James Madison said, in a speech before the Virginia Convention, on June 16, 1788:

Since the general civilization of mankind, I believe there are more instances of the abridgement of the freedom of the people by gradual and silent encroachments of those in power than by violent usurpations.

James Madison was a statesman. James Madison was a patriot. More

than this—he was, as I look about me today—a prophet.

Let us prevent the Constitution which Madison helped to create from being whittled away piecemeal.

IMMEDIATE ACTION REQUIRED TO SAVE SMALL DAIRYMEN

Mr. LANGEN. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. HARVEY], may extend his remarks at this point in the RECORD, and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. HARVEY of Indiana. Mr. Speaker, for 3 years past the House Small Business Committee has been making extensive investigations into and studies of trade practices which are prevalent in the dairy industry and which are slowly but surely strangling all of the small dairymen who compete, in any way, with the large nationwide processors and distributors of dairy products.

Overwhelming evidence has been accumulated showing the appalling effect of price discrimination in the destruction of free competition and the creation of monopolies in the dairy industry. Investigations have disclosed that many of the dairy giants are selling milk and other dairy products at prices below cost, with resultant elimination of the small business competitors, at the same time that they are selling the same products at a much higher price in other areas of the country, thereby subsidizing their below-cost sales. Many small dairies have been forced out of business by such practices within a month or two after their inception. In some areas where nationwide distributors have gained monopoly control of prices, the public is paying more than it did for milk products before competition was eliminated.

Two of my constituents, who are operating small dairies in my district, have complained to the Small Business Committee with respect to these unfair trade practices. With leave to revise and extend my remarks, I would like to include in the RECORD, the following letters addressed by my constituent to the Small Business Committee and referred to me because of my known great interest in the welfare of all the small businessmen whom I represent:

AUGUST 5, 1961.

Subject: Milk industry in Indianapolis and Indiana.

Hon. WRIGHT PATMAN,
Chairman, Select Committee on Small Business, U.S. House of Representatives, Washington, D.C.

DEAR SIR: The State of Indiana, 10 years ago, had 359 licensed milk plants or processors and now 157 with no chain processors lost during this period of time. This information can be substantiated through Purdue University at Lafayette, Ind., who license all dealers in the State. The failures with the processors no doubt are made up of the following: Unable to meet the mighty competition; some inefficient operation; and other causes that can be obtained from the Dairy Division Economist, Purdue University.

In Indianapolis during the past 10 years, 8 milk processors have sold, 4 to independent and 4 to chain processors, leaving a total of 10 processors, with 2 large chains, Borden and Kroger, and 8 independents who are struggling along on account of the low, low prices with the supermarket food store chains and the financial aid and the assistance from the large chain milk processors. All of this keeps the dairy industry in a turmoil and certainly confuses the ultimate consumer, the public. In addition to the Indianapolis processors, we have Beatrice, National Dairies, Dean Milk Co., and Dairymen's Co-op, coming to this city.

We firmly believe that with some of the ridiculous prices, even giving dairy products away, published in our local papers and mailers sent direct to the home, that the main purpose of all of this is to drive the independents entirely out of business. Now we do not want to leave the impression that the independents do not try to meet some of the unfair trade practices, but unfortunately they cannot last long on account of their limited financial position in comparison to the mighty chain milk processors and chain food stores.

Several years ago we anticipated the future growth of the population in Indianapolis and the metropolitan area and started to modernize, gearing our dairy plant for anticipated growth of the community which would naturally mean an increase in sales of all dairy products. This area has had a 30-percent consumer growth in the past 10 years and a goodly number of the 30 percent are great milk drinkers—the children. Instead of increasing with the population after our modernization plan dating back to at least 1956, we have had a loss in sales due entirely to the football practices of selling milk and ice cream below cost, giving merchandise away, special discounts, and most any kind of sales practices that disrupt ethical marketing, appearing to be the forerunner of a great monopoly in the dairy business by the mighty chain dairies and chain food stores. We independents cannot survive with conditions existing as they are today for any great length of time. The public as a whole is so price conscious and confused with the low, low prices of milk and other dairy products in reading the advertisements in the daily papers and the mailers they receive at home, that they think the legitimate dealer is taking undue advantage of them, which we are not. Therefore, with the constant hammering of low, low prices, the per capita consumption has been greatly reduced. The final answer will be reduced consumption of farm dairy products, independent processors or small business gone by the wayside and the mighty chains will have full control with lower farm prices and higher consumer prices.

We cannot exist indefinitely under conditions as they are today.

Our purchases of milk are under Federal milk market order. We have had the Federal trade examine our Indianapolis situation in addition to an informal hearing held by a representative from the Select Committee on Small Business. We are enclosing recent publications and be assured each week we get a new surprise in low, low dairy products prices; however, some do not advertise in the papers but sell close to our raw milk product cost.

We need some kind of rules for the game that everyone in the dairy industry can understand. We hope your good Committee on Small Business can obtain the necessary legislation to preserve the dairy industry, both large and small, be they interstate or intrastate. If the Government can regulate the price we pay to the farmer and bring us in under a Federal order which we do not object to, certainly there can be some ethical practices legislated to preserve the business that we have been trying to operate on a sound basis over a period of many years.

Sincerely yours,

BANQUET ICE CREAM & MILK CO.,
H. T. PERRY, *Vice President.*

Enclosures:

July 26, 27, 28, and 29, 1961: Haboush Supermarket—Borden's milk three half gallons for 99 cents.

July 19, 1961: Borden's milk given away at Standard Food Stores with a $10 purchase at the Southern Plaza only. They have many stores in Indianapolis.

July 26, 1961: Borden's milk given away with a $10 purchase at the Eagledale Shopping Center.

July 10 through 16, 1961: Borden's fresh milk 49 cents a gallon with a $5 purchase. This was mailed and takes in five of their stores, also note ice cream 59 cents a gallon with $5 purchase.

July 27, 1961: The Big Ten Markets—milk 69 cents per gallon.

July 27, 1961: Walt's Supermarkets—Borden's sherbets 29 cents for a quart.

July 27, 1961: 7–11 Markets, Frazier's milk 59 cents per gallon.

July 27, 1961: Joe Guidone Arlington Supermarkets—Maplehurst fresh milk—three half gallons for 99 cents.

July 27, 1961: Goodwin and Westfall Food Giant—Polk's milk—29 cents per half gallon with $5 purchase.

Kroger Co., Stop and Shop, Marsh Foodliners, and several other chains were quiet this past week, but come Thursday, August 3, 1961, there will be retaliation and at this time only the papers know the price.

GOLDEN GUERNSEY FARMS, INC.,
Indianapolis, Ind., August 4, 1961.

Hon. WRIGHT PATMAN,
Chairman, Select Committee on Small Business, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN PATMAN: First, we wish to say a sincere thanks for your continuing concern in the matters effecting small business. Your leadership is truly valued.

In support of the need for proposed legislation now being considered, the record of our market in Indiana is briefly described. According to records available, of the 343 licensed handlers of milk in Indiana in 1951, only 155 remain active today—1961. The others have been driven to economic sacrifice by selling out or to economic ruin if they were unable to find a buyer. Most has been caused by the devastating piracy acts of the chain dairies and chain food merchants.

Great economic pressure is applied by the chainstores, frequently causing dairies to accept terms that lead to insolvency. This the independent dairy cannot endure. In this area, Marsh Food Stores and Kroger Food Stores operate their own dairies. While the Great Atlantic & Pacific Tea Co. and the National Tea Co. and other chains buy from the chain dairies. These same forces have fought with every weapon at their command to prevent the enactment of State legislation which would outlaw the unfair trade practices. While all of this is going on, the retail delivery of milk to the homes is being undermined and destroyed. Published studies report the importance of retail delivery to the attainment of the highest milk utilization.

The chainstores give milk away with other purchases and since their supply is obtained from the chain dairy, the independent is considered a decadent culprit for asking a price on his milk products. The just value of such a beneficial product is distorted, and during the past 36 months of chaotic conditions, the per capita consumption of milk has shown a substantial decline.

The present practices of making secret discounts and special rebates, together with the excessive extension of credit—6 months on purchases and substantial unsecured loans at low interest rates by the financially powerful may eventually cause our demise. The situation in Indiana is so bad, with the chain merchants and chain dairies presently operating in the State depressing the dairy industry, that the market value of existing independent dairies has been destroyed.

Other chain dairy operators are known to have refused to buy any business in Indiana because of the lack of profit potential under existing conditions. The success of your work is our only hope.

Very sincerely yours,

G. L. MCFARLAND,
Secretary.

TRUTH IN LENDING LEGISLATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 20 minutes.

Mr. HALPERN. Mr. Speaker, I rise to call the attention of this House to an important measure now pending before the House Banking and Currency Committee of which I am privileged to be a member. I refer to the legislation commonly known as the truth in lending bill which affects the average American consumer and the economy of our Nation. It is my fervent wish that my colleagues on both sides of the aisle let their views be known on this issue to the distinguished chairman and to the committee.

The other body recently completed full-scale hearings on Senate bill 1740, bringing out invaluable, factual data and views which I feel give ample justification for favorable action on the legislation.

As sponsor of companion legislation to S. 1740, my bill being H.R. 7013, I was particularly pleased that the Subcommittee on Production and Stabilization of the Senate Banking and Currency Committee agreed to hold these hearings and thereby give every opportunity for all viewpoints to be heard on this important issue.

I want to express my commendation to the distinguished Senator from Illinois, PAUL H. DOUGLAS, for his tireless, determined efforts to correct one of the gravest consumer problems directly affecting a vast portion of our population and, in turn, the economy and stability of our Nation. I was privileged to have been associated with the distinguished Senator in the sponsorship of this legislation in the 86th Congress, and to have joined him in the present Congress by introducing H.R. 7013 which is identical with S. 1740.

Considerable strides forward have been made since the introduction of the bill last year. Ample opportunity has been given to all sides for a full study and evaluation of the legislation. The hearings to which I refer provided the opportunity for the presentment of the fullest views, reports, and conclusions of all concerned. I am certain that complete evaluation of the problem will be given by the committees in both bodies and I fervently hope that the committees will act, without delay, in bringing the issue before the current session of Congress.

Mr. Speaker, since introducing H.R. 10340 in the 86th Congress, I have become even more convinced that this kind of legislation is necessary. I restudied the problem; I reviewed every aspect of the legislation—the pros, the cons—and have concluded that its enactment is essential. That is why I introduced H.R. 7013 this year. That is why I commend the committee for holding hearings on the subject and why I welcome this opportunity to contribute my own views to the testimony.

Mr. Speaker, a true interest and credit carrying charge disclosure law will protect the public against the credit deceptions that have brought misery to so many families. Installment purchasing abuses are the biggest consumer gyp of our times. With some $52 billion in consumer credit, exclusive of mortgages, outstanding in this country, it's obvious this represents a tremendous portion of our economy and that regulatory legislation is needed to inform the borrower of the full extent of his commitment.

Too often the average person is unaware of the full amount of the total costs he must pay when he borrows or buys on time. The borrower, whether it be a direct loan, or for a home, a car, a television set, or any other appliance, or acquisition of property, is entitled to know how much his total cost is going to be. And this should be mandatory, in writing, and as simple as possible.

Few lenders or installment sellers tell the consumer the true and actual rate except on mortgages. Not a single State requires all lenders or sellers to tell the true rate except in specified instances. They may state the rate as a monthly percent on the unpaid balance. But, 3 percent per month charged by a small loan company is a true 36 percent per year. The 1½ percent monthly charge by department stores or mail-order houses is a true 18 percent.

They may state that the rate is a percent of the original debt but a bank that charges $6 per $100 annually charges a true rate close to 12 percent per annum. A finance company that charges 7 percent on the original balance for a car loan really charges you about 14 percent annually. When you pay back every month you owe an average of only about one-half the original debt. Say you buy a used car and have a balance of $600. The dealer sets a finance charge of 15 percent, a typical rate on used cars, you agree to pay in 12 monthly installments and the finance charge should be $90, but your average debt during those 12 months is $325. The true per annum rate is 28 percent.

Unfortunately, it is not always that simple to figure the true rate. Many contracts run for 12 months—relatively easy to figure—but many may be for 6, 9, 18, or 36 months. Surveys have shown that buyers rarely can tell the true rate when the payments are more or less than 12 months. Or, sellers may merely tell you the amount of credit fee in dollars. An auto insurance company says you can pay one-third of this premium now and the balance after 60 days for a small extra charge. The small charge actually amounts to a true annual rate of 15 percent.

The latest device is not to disclose the monthly interest or discount rates, tricky enough as they are. Sellers say, "You can buy this refrigerator for as little as $10 a month." There is no mention of how much finance charge this includes or even the price of the article itself. When you put your money in a bank it states interest it pays you as a true rate, for example, 3½ or 4 percent a year. But when you borrow, the amount of interest you pay the same bank is stated as a discount rate—about one-half the true rate.

All the varied ways of stating finance charges and interest rates due to the lack of disclosure requirements pave the way for tragic deceptions. The case of a Memphis, Mich., family which has come to my attention tragically illustrates this example. A wife recently wrote to her husband's union as follows:

A couple of months ago my husband brought home two cards for a free drawing of a freezer and a turkey. I sent them in. A Mr. A. came to the house and said he was sorry I didn't win the freezer. Some old couple won it. He said he would like to explain the company's food plan to us. He had a wonderful gift of gab. Now we're in trouble and wonder where all this will lead.

He explained how we would save on our food if we bought their freezer and the food from them. We signed a blank contract which he filled out later. Here's the contract:

First contract

Upright freezer, 20 cubic feet	$699.50
Sales tax	20.99
Total selling price	720.49
Less downpayment	25.00
Amount unpaid on cash price	695.49
Plus time-price differential	186.93
Total contract time balance	882.42

We would be paying $907.42 for a freezer only, in 130 weekly installments of $6.79.

Second contract

Food	$300.00
Sales tax	9.00
Total selling price	309.50
Plus time differential	13.50
Total contract time balance	322.50

The food is to be paid for in 21 weeks' installments of $15.36. This man never told us we would have to pay all that interest. He said we could pay $22.15 for 21 weeks, could reorder again for 21 weeks and at the end of 2½ years we could say the freezer didn't cost us a cent because we saved on food. The food is only meat and some canned goods and doesn't take care of all the staples one uses.

This poor family is being charged a true rate of 21 percent on the freezer and is even paying interest on the sales tax and its food.

Another example brought out by the Credit Union National Association concerns a San Francisco workingman who wrote:

I am married with four children and another expected. My wife and I went to buy a station wagon. We walked into the lion's

mouth. We told the salesman we could pay only $60 a month. With my trade-in and cash I had a total of $750 to put down. The salesman came up with this deal: "You pay $60 a month for 10 months, and then refinance and pay $60 for another 36 months. I am going to keep $100 of your downpayment in reserve for when you refinance. You pay us on the side $60 in 30 days and in the following 10 months, another $110."

This was in addition to the $60 to the bank. I didn't realize it but he was tricking me into an $87-a-month payment.

The next day I saw it more clearly and told them I didn't want the car. I was threatened that they would make me borrow the money from a finance company. I went through with the deal, figuring that I would pay $87 for only 10 months. But the dealer didn't tell me that it would cost me $250 in interest for the 10-month period. The whole incident has put a terrific burden on me. The balance on the contract at time of purchase was $3,132.

Thus, Mr. Speaker, you can see how this man was tricked into buying a car for $3,882 that he could not afford. The deal was so involved it's virtually impossible to figure out how much true interest he is paying. I know I need not elaborate any further. The committees of both bodies, I am sure, have been presented with ample facts and figures to prove how borrowers are duped or misled by interest rates and finance charges when signing consumer credit contracts.

The proposed new law under consideration would go a long way toward correcting these abuses by requiring credit branches to tell the truth about the cost of credit. It would make lenders and dealers tell you both the true annual interest rates and the total finance charges, including fees, service costs and discounts and other charges when you borrow or buy on time. It would require before the transaction is consummated a clear, written statement setting forth the total amount of each charge to be borne by the borrower and the percentage that such amount bears to the outstanding principal obligation or unpaid balance expressed in simple terms of interest.

No longer, then, could the credit grantor merely say that the loan costs you "only 3 percent a month" or "you pay only 7 percent" or "you can buy this car for just $60 a month."

If lenders and dealers are required to tell the simple truth the public will know how much interest and charges it pays and can compare these rates with those charged by others. In other words, when the consumer goes into a transaction, he will do so with his eyes wide open. It is important to note that the proposed law does not tell any creditor that he cannot levy the charges in question. All it does is simply require that the consumer be fully informed how much he is paying and what for.

If the consumer buys a car on time, the monthly payments would have to be broken down to show what part is for the auto, what part is for the service fees, what part is for interest, what the rate of interest is, and so forth. This certainly seems reasonable enough.

Mr. Speaker, I said the bill would promote economic stability. I believe this point requires further explanation. The cost of credit, as we realize, normally rises in boom times and drops in periods of recession or depression. Under classic economic rules, these fluctuations in credit costs should help to stabilize the economy. High credit costs in boom times would restrain credit purchases while low costs in a recession would encourage credit buying. But, because of the confusing array of credit charges which confront them, consumers, unfortunately, are seldom aware of the actual costs. Thus, most of the stabilizing effect of changes in credit costs now is lost.

I repeat, Mr. Speaker, the provisions of this bill are vital. With the kind indulgence of the House I would like to sum up by stating my full conviction that the legislation would (a) promote economic stability and thus help to prevent depressions; (b) protect consumers against fraud, deception, and gouging on credit transactions; (c) stimulate competition among merchants and vendors; (d) have little or no effect on the average use of consumer credit; and (e) not be burdensome to business nor interfere with normal business activities.

THE MULTIBILLION-DOLLAR GIVEAWAY OF SPACE PROGRESS TO PRIVATE MONOPOLY

Mr. HAGAN of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. LANE] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANE. Mr. Speaker, communications satellites, orbiting the earth, will be phones in space. Later on they will provide worldwide TV relays that will enable the viewer at home to see events as they happen anywhere on this planet.

It is estimated that this service will be doing billions of dollars worth of business within 10 to 15 years. The race is on to see who will corner this market.

The Federal Communications Commission is under pressure from every segment of the communications industry, singly or in groups, all battling for the prize which is ownership and control of the communications satellite system with the power and the profit that will flow from it.

The average American cannot understand why his Government, which has invested billions in the research and development of satellites, and will continue to do so until the satellite system is effective, is thinking of turning it over to a group of American international communications companies, under the domination of one.

This field of progress, developed by the U.S. Government and financed out of taxes paid by the American people, should not be given to the ownership, operation, and control of private corporations.

Little thought has been given to its impact on foreign relations. At a time when the policy of our Government is to discourage the formation of, or to break up industrial combinations that kill off competition, it is contradicting itself by sanctioning the development of a supermonopoly. This giant control is bound to clash with the legitimate interests of other nations.

The tremendous lobbying effort that is going on behind the scenes to put this grab across before the public awakens to its dangerous implications, is the reason why Congress should air this situation, thoroughly.

Dr. Dallas W. Smythe, who was chief economist of the Federal Communications Commission from 1943 to 1948, has proposed Government rule in his recent testimony at hearings conducted by the Antimonopoly Subcommittee of the Senate Small Business Committee.

He recommended a communications satellite authority, owned by the Government. It would be a carrier's carrier for all domestic and foreign communications companies. Private companies would lease radio space from this authority, competing in the usual way for the available business.

Eventually this authority would be superseded by an authority of the United Nations before communications satellites become another battleground in the cold war, with the United States and Russian systems vying with each other in ways which would be damaging to all nations.

The spatial network belongs to all the people of this planet. For the sake of peace, it cannot be entrusted to an all-powerful private monopoly or consortium, that, by its very nature, places the profit motive above all other considerations.

Space communication satellites require Government launching and tracking facilities. They inevitably involve other nations and other forms of government.

In the public interest of all, they should be under the authority and control of the U.S. Government at the beginning, and eventually under the authority of the United Nations.

Shall the corporations own outer space?

They have been most vocal in opposition to every program of Government designed to promote some measure of economic justice within the framework of our free enterprise system. They ridicule such progress as giveaways.

But when they see the opportunity to get for themselves the multibillion-dollar giveaway of the fortune invested by Americans through their Government in the development of space satellites their hunger becomes insatiable.

Shall private monopoly again become more powerful than representative government as it was in times past?

Not if the American people and the Congress wake up to the multibillion-dollar giveaway that is in the works.

EDUCATION FOR AMERICAN FREEDOM, INC.

Mr. HAGAN of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. LESINSKI] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LESINSKI. Mr. Speaker, it has come to my attention that a group of patriotic Americans from various walks of life are holding a Freedom School at the University of Detroit in Detroit, Mich., August 28 through September 1, 1961, for the purpose of indoctrinating themselves to the dangers of communism.

I have always maintained that we in America should be completely apprised of the intent, direction, and ultimate designs of the Communists leadership in Moscow. The seminars at the Freedom School will be of great value to all, especially if the participants use the information they gain to inform other loyal Americans about the dangers we can expect from the Communists.

I want to commend the participants in Education for American Freedom, Inc., the organization which arranged the Freedom School, for their unselfish dedication to the protection of the American ideals of life.

Among the speakers are many prominent Americans well known for their outspoken and fearless opposition to communism and all that it stands for.

RESIDUAL FUEL OIL IMPORTS AND THEIR IMPACT UPON OUR NATIONAL SECURITY

Mr. HAGAN. Mr. Speaker, I ask unanimous consent that the gentlewoman from West Virginia [Mrs. KEE], may extend her remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mrs. KEE. Mr. Speaker, the gentleman from Virginia [Mr. JENNINGS] has performed a fine public service in discussing the matter of residual fuel oil imports and their impact upon our national security. I heartily endorse his assertion that import controls are essential to national security and should be retained.

There is one additional point which I think should be made, Mr. Speaker. No individual or group supporting controls wants to cut off completely the shipments of residual oil to this country.

In the first place, our international trade relations require that we permit Venezuela and other friendly nations to find a market in this country for a part of their residual oil production. In the second place, there are plants and buildings along the east coast equipped to burn only residual fuel oil and imports to meet these requirements must be continued.

But the thing which worries me, and others interested in the problem, is the fact that even under controls imports are increasing at a rate of about 10 percent a year. It is difficult for me to see how anyone can seriously claim, in view of this continued increase in imports, that imports have been held so low they cannot meet minimum requirements.

When controls were instituted in March of 1959, imports were tied to the level of 1957, which was a year of high industrial activity and in which residual imports were at a record level. Unfortunately, the 1957 base year apparently has been abandoned by those who administer the program. For example, in 1957 imports of those categories of residual oil under quotas amounted to 128 million barrels. Comparable imports increased to 155 million barrels in 1960 and in the permissible quotas for the year beginning last April were set at 168 million barrels. This is an increase of 40 million barrels over the 1957 level.

In addition, imports which do not come under the import control program and can be brought into the country freely without a quota have increased another 37 million barrels or more a year, and much of bonded oil contributes to the total general market volume by replacing controlled residual and freeing it for other uses.

In other words, Mr. Speaker, the supply of imported residual fuel oil during the little more than 2 years the control program has been in operation have increased by 77 million barrels over and above the figure which the Government originally adopted as fair and reasonable.

As to complaints by New England that the import control program has created a dangerous shortage of fuel in the area, which in turn has forced prices higher, listen to this. Almost all of the imported residual oil goes into district I, which comprises almost all of the East Coast States, including New England. About 70 percent of all the residual oil consumed in New England is imported.

Mr. Speaker, those of us who urged the Government to impose import restrictions on residual fuel oil and who have followed the program carefully feel that increases of this size over and above the base year are nullifying the purposes of the program. If the amount of imports continue to increase at the rate of 10 percent a year, it will not be long before the program becomes absolutely meaningless.

The program was started to restrict the importation of residual fuel oil to a level which would not impair the ability of the domestic fuel industries to expand production to meet the needs of an emergency. Each 4.2 barrels of residual fuel oil which is imported into the country replaces 1 ton of coal. Each barrel of imported residual fuel oil fills a market that could have been supplied by domestic fuels.

The increase of 77 million barrels of residual in the current quota year, over and above the base period, is the equivalent of almost 20 million tons of coal. If this foreign oil had not been imported consumers would have continued using domestic fuels. Naturally, they will switch to cheap foreign residual oil if it is available in abundant supply.

The intent of the import control program was not to permit the importation of as much cheap oil as the east coast could possibly use. Its purpose was to restrict the total amount of oil to safe and reasonable levels. I cannot see how anyone can regard a control program with a built-in escalation clause which permits automatic increases of 10 percent a year effective or capable of achieving its announced purpose.

If the residual fuel oil import control program is essential to national security—and I firmly believe it is—then the administration of the program must be tightened up. The increases in imports each year must be stopped and the program must be returned to a more realistic and effective basis. To continue the program on the present basis will result in the same glut of foreign produced oil which forced the Government to act in the first place to protect the domestic fuels industries in the interest of security.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DOMINICK (at the request of Mr. HALLECK), through August 22, on account of critical illness in his family.

Mr. BURKE of Kentucky, for Monday, August 21, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HALPERN, for 20 minutes, today.

Mr. BRAY (at the request of Mr. LANGEN), for 15 minutes, on August 23.

Mrs. MAY (at the request of Mr. LANGEN), for 1 hour, on August 28.

Mr. PATMAN, for 30 minutes, on next Tuesday, and to revise and extend his remarks, and to include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. VINSON and to include a letter from the Secretary of Defense.

Mr. FULTON and to include extraneous matter.

Mr. MATHIAS.

Mr. BELL.

Mr. BRADEMAS.

(The following Members (at the request of Mr. LANGEN) and to include extraneous matter:)

Mr. ALGER.

Mr. FINO.

Mr. HOSMER.

Mr. JOHANSEN.

Mr. KEITH.

Mr. WESTLAND.

Mr. BERRY.

(The following Member (at the request of Mr. HAGAN of Georgia) and to include extraneous matter:)

Mr. POAGE.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1824. An act to create an additional judicial district for the State of Florida, to

be known as the Middle District of Florida; to the Committee on the Judiciary.

ADJOURNMENT

Mr. HAGAN of Georgia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 13 minutes p.m.), under its previous order, the House adjourned until Monday, August 21, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1241. A letter from the Acting Administrator, Foreign Agricultural Service, U.S. Department of Agriculture, transmitting a report concerning agreements concluded during July 1961 under Public Law 480, 83d Congress, as amended, pursuant to Public Law 85-128; to the Committee on Agriculture.

1242. A letter from the Secretary of Commerce, transmitting a report of the activities as of June 30, 1961, relating to providing aviation war risk insurance, pursuant to the Federal Aviation Act of 1958; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DAVIS of Tennessee: Committee on Public Works. S. 48. An act to authorize the Secretary of the Army to modify certain leases entered into for the provision of recreation facilities in reservoir areas; without amendment (Rept. No. 990). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Alabama: Committee on Public Works. H.R. 3019. A bill to provide for the construction of a fireproof annex building for use of the Government Printing Office, and for other purposes; without amendment (Rept. No. 991). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 6371. A bill to amend section 37 of the Internal Revenue Code of 1954 with respect to the limitation on retirement income; with amendment (Rept. No. 992). Referred to the Committee of the Whole House on the State of the Union.

Mr. TOLL: Committee on the Judiciary. H.R. 6496. A bill to make the Commission on Civil Rights a permanent agency in the executive branch of the Government; with amendment (Rept. No. 995). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee of conference. S. 2034. An act to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions; (Rept. No. 996). Ordered to be printed.

Mr. POWELL: Committee on Education and Labor. H.R. 8341. A bill to authorize the Secretary of the Interior to conduct a study covering the causes and prevention of injuries, health hazards, and other health and safety conditions in metal and nonmetallic mines (excluding coal and lignite mines); without amendment (Rept. No. 997). Referred to the Committee of the Whole House on the State of the Union.

Mr. POWELL: Committee on Education and Labor. H.R. 8723. A bill to amend the Welfare and Pension Plans Disclosure Act with respect to the method of enforcement and to provide certain additional sanctions, and for other purposes; without amendment (Rept. No. 998). Referred to the Committee of the Whole House on the State of the Union.

REPORT OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. H.R. 5054. A bill for the relief of Wolfgang Stresemann; with amendment (Rept. No. 993). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 7707. A bill for the relief of Andrew Telesfor Kostanecki; with amendment (Rept. No. 994). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H.R. 8783. A bill to provide a uniform policy and procedure for the withdrawal, reservation, or restriction of public lands, including lands of the Outer Continental Shelf, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BATTIN:

H.R. 8784. A bill to authorize the Commodity Credit Corporation to make sales of feed grain including wheat in emergency areas at the same price as sales of such commodities may be made to Iron Curtain countries; to the Committee on Agriculture.

By Mr. BECKER:

H.R. 8785. A bill to provide for Federal payment of the employers' contribution to State employee retirement systems on behalf of civilian employees of the National Guard; to the Committee on Armed Services.

By Mr. BETTS:

H.R. 8786. A bill to amend the Internal Revenue Code of 1954 to provide that amounts paid to a minister for moving expenses shall be excluded from gross income; to the Committee on Ways and Means.

By Mr. BROOMFIELD:

H.R. 8787. A bill to create a National Peace Agency and to prescribe its functions; to the Committee on Foreign Affairs.

By Mr. CELLER:

H.R. 8788. A bill to amend section 601(a) of the Federal Aviation Act of 1958 to give the Administrator of such Agency authority to prescribe standards relating to the suppression of noise created by the operation of aircraft; to the Committee on Interstate and Foreign Commerce.

By Mr. COOK:

H.R. 8789. A bill to assist in the promotion of economic stabilization by requiring the disclosure of finance charges in connection with extension of credit; to the Committee on Banking and Currency.

H.R. 8790. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. GLENN:

H.R. 8791. A bill to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GOODLING:

H.R. 8792. A bill to authorize the coinage of 50-cent pieces in commemoration of the 100th anniversary of the delivery of Lincoln's immortal address at Gettysburg; to the Committee on Banking and Currency.

By Mr. HARDY:

H.R. 8793. A bill to amend section 313 of the Budget and Accounting Act, 1921, to require the furnishing of certain efficiency records and other material to the Comptroller General of the United States; to the Committee on Government Operations.

By Mr. HEMPHILL:

H.R. 8794. A bill to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HIESTAND:

H.R. 8795. A bill to amend section 215 of the Immigration and Nationality Act to require that certain information appear on the face of travel documents issued to minor children; to the Committee on the Judiciary.

By Mr. JARMAN:

H.R. 8796. A bill to provide for the establishment of a national cemetery in the State of Oklahoma; to the Committee on Interior and Insular Affairs.

By Mr. KEARNS:

H.R. 8797. A bill to amend the law relating to zoning in the District of Columbia so as to require that chanceries and other business-type buildings of foreign governments conform to the zoning regulations applicable to domestic commercial establishments; to the Committee on the District of Columbia.

By Mr. KILGORE (by request):

H.R. 8798. A bill to amend section 7 of the Administrative Expenses Act of 1946, as amended; to the Committee on Government Operations.

By Mrs. MAY:

H.R. 8799. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. PELLY:

H.R. 8800. A bill to amend section 2 (3) of the National Labor Relations Act so as to extend the coverage of such act to members of the crews of certain fishing vessels; to the Committee on Education and Labor.

By Mr. STAGGERS:

H.R. 8801. A bill to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas (by request):

H.R. 8802. A bill to amend title 38 of the United States Code to provide for waiver of indebtedness to the United States in certain cases arising out of default on loans guaranteed or made by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. TOLLEFSON:

H.R. 8803. A bill to amend the Agricultural Act of 1956, as amended, and the Agricultural Act of 1949, as amended, to prohibit the subsidized export of any agricultural commodity to Communist nations and to prohibit sales by the Commodity Credit Corporation of any agricultural commodities to such nations; to the Committee on Agriculture.

H.R. 8804. A bill to include as creditable service, for purposes of the Civil Service Retirement Act, certain unused sick leave to the credit of an employee; to the Committee on Post Office and Civil Service.

H.R. 8805. A bill to amend the Annual and Sick Leave Act of 1951 to provide lump-sum payment for the unused sick leave to the

credit of an officer or employee immediately prior to his separation from the service on retirement; to the Committee on Post Office and Civil Service.

By Mr. WHITTEN:

H.R. 8806. A bill to amend title IV of the Social Security Act to permit Federal grants for aid to dependent children to be made thereunder even though the parents or other relatives with whom such children are living are required to perform services in a work relief program as a condition of such aid; to the Committee on Ways and Means.

By Mr. BARRY:

H.R. 8807. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for the cost of constructing certain civil defense facilities; to the Committee on Ways and Means.

By Mr. HAYS:

H.J. Res. 537. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. SHELLEY:

H.J. Res. 538. Joint resolution relating to reimbursement of transportation expenses for Members of the House of Representatives, and for other purposes; to the Committee on House Administration.

By Mr. LAIRD:

H. Con. Res. 375. Concurrent resolution declaring the sense of the Congress that no further reductions in tariffs be made during the life of the present Reciprocal Trade Agreements Act; to the Committee on Ways and Means.

By Mr. PHILBIN:

H. Con. Res. 376. Concurrent resolution declaring the sense of the Congress that no further reductions in tariffs be made during the life of the present Reciprocal Trade Agreements Act; to the Committee on Ways and Means.

By Mr. RIVERS of South Carolina:

H. Con. Res. 377. Concurrent resolution expressing the sense of the Congress with respect of the South Carolina State Student Legislature; to the Committee on the Judiciary.

H. Res. 421. Resolution expressing the sense of the House of Representatives with respect to the South Carolina State Student Legislature; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: A memorial of the Legislature of the State of Texas, memorializing the Congress of the United States to congratulate the President of the United States for his great leadership to safeguard the freedom of our country; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of Texas, memorializing the President and the Congress of the United States to support measures which have been introduced and any other legislation which would institute proper controls over the manufacture, distribution, and transportation of barbiturates, amphetamines, and other similar dangerous drugs; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Texas, memorializing the President and the Congress of the United States to amend the Federal Social Security Act in 1961 so as to make it possible for this group of aged recipients of old age assistance to receive this increase in benefits without the resulting decrease in old age assistance; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HOSMER:

H.R. 8808. A bill for the relief of Barbara Coloma Sabio; to the Committee on the Judiciary.

H.R. 8809. A bill for the relief of Teresa Novelo de Tapia and Jose Alberto Tapia; to the Committee on the Judiciary.

By Mr. HULL:

H.R. 8810. A bill for the relief of the B Amusement Co. (Robert H., J. C., Kenneth and Mrs. J. R. Bowers) and others; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 8811. A bill for the relief of Maria Donzella; to the Committee on the Judiciary.

By Mr. PHILBIN:

H.R. 8812. A bill for the relief of James W. Boyer, Jr.; to the Committee on the Judiciary.

SENATE

FRIDAY, AUGUST 18, 1961

The Senate met at 10:30 a.m., and was called to order by Hon. THOMAS J. DODD, a Senator from the State of Connecticut.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

God of our fathers and our God, grant that those who here minister in this temple of governance may meet this day's duties and responsibilities with the constant remembrance of the great traditions wherein they stand and of the shining cloud of witnesses which at all times surrounds them.

May a sense of the Eternal colour all the thoughts and endeavors of those who serve here on this high hill of the national life.

May a realization of Thy presence guide all our decisions and permeate our wills' most inward citadel.

Be Thou with us in our silence and in our speech; in our haste and in our leisure; in companionship and in solitude; in the freshness of the morning and in the weariness of the evening, crowning all with Thy "well done" as faithful servants. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 18, 1961.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. THOMAS J. DODD, a Senator from the State of Connecticut, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. DODD thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 17, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 17, 1961, the President had approved and signed the following acts:

S. 54. An act to grant 81 acres of public domain to the Cocopah Indians in Arizona;

S. 82. An act for the relief of Naoko Ishiwatari White;

S. 207. An act for the relief of Jean Goedicke;

S. 435. An act for the relief of Knud Erik Didriksen;

S. 489. An act for the relief of Dellarose J. Dowler;

S. 539. An act to make nationals, American and foreign, eligible for certain scholarships under the Surplus Property Act of 1944, as amended;

S. 614. An act to authorize the use of Commodity Credit Corporation owned surplus grain by the States for emergency use in the feeding of resident game birds and other resident wildlife; to authorize the use of such surplus grain by the Secretary of the Interior for emergency use in the feeding of migratory birds, and for other purposes;

S. 763. An act to authorize annual appropriation to reimburse Commodity Credit Corporation for net realized losses sustained during any fiscal year in lieu of annual appropriations to restore capital impairment based on annual Treasury appraisals, and for other purposes;

S. 809. An act to authorize the transfer of a Bureau of Reclamation bridge across the Colorado River near Needles, Calif., to San Bernardino County, Calif., and Mohave County, Ariz.;

S. 825. An act for the relief of Vasiliki Yeannakopoulos;

S. 881. An act to revise section 4166 of the Revised Statutes (46 U.S.C. 35) to permit documentation of vessels sold or transferred abroad;

S. 944. An act for the relief of Mr. Najm Boulos Rihani;

S. 1065. An act to provide for the disposal of certain Federal property on the Minidoka project, Idaho, Shoshone project, Wyoming, and Yakima project, Washington, and for other purposes;

S. 1067. An act to authorize and direct the transfer of certain Federal property to the government of American Samoa;

S. 1294. An act to supplement and amend the act of June 30, 1948, relating to the Fort Hall Indian irrigation project, and to approve an order of the Secretary of the Interior issued under the act of June 22, 1936;

S. 1373. An act for the relief of Giuseppa Lanza Lascuola; and

S. 1673. An act for the relief of Blagoje Popadich.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on the Judiciary.

(For nominations this day received, see the end of Senate proceedings.)

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON AGREEMENTS CONCLUDED UNDER TITLE I OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

A letter from the Acting Administrator, Foreign Agricultural Service, Department of Agriculture, reporting, pursuant to law, on agreements concluded during July 1961 under title I of the Agricultural Trade Development and Assistance Act of 1954, with the Governments of Yugoslavia, Paraguay, Republic of Vietnam, Turkey, and Republic of China (Taiwan) (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORT ON PROVISION OF AVIATION WAR RISK INSURANCE

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on the provision of aviation war risk insurance, as of June 30, 1961 (with accompanying papers); to the Committee on Commerce.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Texas; to the Committee on Finance:

"SENATE CONCURRENT RESOLUTION 21

"Whereas the 87th Congress of the United States amended the Federal Social Security Act by Public Law 87–64, which amendments are cited as 'Social Security Amendments of 1961'; and

"Whereas said amendments increased the minimum social security benefits payable $33 to $40 per month; and

"Whereas the Congress of the United States made the increase in benefits effective September 1, 1961, in contrast to the usual pattern of making amendments effective October 1; and

"Whereas it was the intent of the Congress of the United States to increase the standard of living and purchasing power of the retired or disabled insured worker; and

"Whereas said act was a part of the President's plan of making significant improvements in the social security programs; and

"Whereas Congress, by increasing said benefits and making same effective September 1, 1961, did so with the view of providing basic protection of these aged retired and disabled workers against the hardships which too frequently are visited upon the aged and disabled; and

"Whereas thousands of aged retired workers are recipients of old-age assistance, as well as social security benefits, since the amount received through social security is, in many instances, inadequate to provide basic necessities for the aged; and

"Whereas a vast majority of the aged recipients of old-age assistance, who are also receiving social security benefits, receive either the minimum or, at least, a reduced amount of social security; and

"Whereas the Congress of the United States in liberalizing the social security benefits and increasing the minimum amount from $33 to $40 did so with the view of increasing the standard of living and purchasing power of all those aged retired workers affected; and

"Whereas the States are required by the Department of Health, Education, and Welfare, the Federal agency administering the Social Security Act, and the Federal act, itself, to consider social security benefits as income in calculating the amount of old-age assistance; and

"Whereas by considering as income the raise in the social security benefits received by old-age assistance recipients, this results in reduced old-age assistance grants in amounts comparable to the raise received in the social security benefits; and

"Whereas this does not increase the standard of living and purchasing power of the old-age assistance recipients who also receive social security benefits, but leaves them in the same status that they were prior to the increase in social security benefits; and

"Whereas people receiving only social security receive the benefit of the increase which, although not an intentional and deliberate act of Congress, does result in discrimination against the old-age assistance recipients who receive no benefits by reason of the increase; Now, therefore, be it

"Resolved by the Senate of the State of Texas (the House of Representatives concurring), That the 57th Texas Legislature, in first called session, go on record as memorializing the Congress of the United States for the passage of the Social Security Amendments of 1961, thereby increasing the standard of living and purchasing power of some of the aged retired and disabled workers and by making said increases effective September 1, 1961; and be it further

"Resolved, That the Senate of the State of Texas and the House of Representatives urge the Congress of the United States to make it possible through Federal legislation for the States to eliminate the consideration of the increase in benefits from social security in accordance with the Social Security Amendments of 1961 and to thereafter disregard the increase in social security benefits in computing the income available to old-age assistance recipients, thus making it possible for old-age assistance recipients who are also receiving social security benefits, to receive the same treatment and consideration as those persons who are not old-age assistance recipients and who receive the total benefit of any increases made available by the Congress of the United States in the form of social security; and be it further

"Resolved, That the Senate of the State of Texas and the House of Representatives endorse this principle and request the Congress of the United States to amend the Federal Social Security Act in 1961 so as to make it possible for this group of aged recipients of old-age assistance to receive this increase in benefits without the resulting decrease in old-age assistance; and be it further

"Resolved, That copies of this resolution be sent to the President of the United States, the Vice President of the United States, and to each member of the Texas delegation in the Congress of the United States.

"BEN RAMSEY,
"President of the Senate.
"JAMES A. TURMAN,
"Speaker of the House.

"Attest:

"CHARLES SCHNABEL,
"Secretary of the Senate.
"DOROTHY HALLMAN,
"Chief Clerk of the House."

A concurrent resolution of the Legislature of the State of Texas; to the Committee on Labor and Public Welfare:

"SENATE CONCURRENT RESOLUTION 12

"Whereas a thoroughly researched and well-written series of recent articles in the Houston Post has brought to public attention a distressing social problem of national importance in the illicit distribution and transportation of barbiturates and amphetamines, two types of dangerous and habit-forming drugs; and

"Whereas these timely and enlightening articles described the relative ease with which these potent drugs can be obtained by persons not authorized to possess them; and

"Whereas it has become increasingly apparent that laxity in controls over the manufacture, distribution, and use of these drugs poses a threat to the health, safety, and welfare of the Nation; and

"Whereas present Federal law has been proved inadequate to provide proper regulation of the production and distribution of these drugs and to insure that they are marketed and used only for legitimate medical purposes; and

"Whereas legislation has been introduced in Congress which would strengthen controls on barbiturates and amphetamines: Now, therefore, be it

"Resolved by the Senate of the 57th Legislature of Texas (the House of Representatives concurring), That the Texas Legislature petition and request Vice President LYNDON B. JOHNSON, Speaker SAM RAYBURN, and members of the Texas delegation in Congress to support the measures which have been introduced and any other legislation which would institute proper controls over the manufacture, distribution, and transportation of barbiturates, amphetamines and other similar dangerous drugs; and be it further

"Resolved, That copies of this resolution be sent to Vice President Johnson, Speaker Rayburn, U.S. Attorney General Robert Kennedy, Senator Ralph Yarborough, Senator John Tower, and to each member of the Texas delegation in the House of Representatives of the Congress of the United States.

"BEN RAMSEY,
"President of the Senate.
"JAMES A. TURMAN,
"Speaker of the House.

"Attest:

"CHARLES SCHNABEL,
"Secretary of the Senate.
"DOROTHY HALLMAN,
"Chief Clerk of the House."

A concurrent resolution of the Legislature of the State of Texas; ordered to lie on the table:

"SENATE CONCURRENT RESOLUTION 16

"Whereas President Kennedy, in a radio and television broadcast to the people of America, set forth certain steps to be taken to safeguard the freedom of our country; and

"Whereas President Kennedy reaffirmed the great principles set forth in 1823 in the Monroe Doctrine that the United States will resist any attempt of foreign powers to extend their systems of government or control in this hemisphere; and

"Whereas the Texas Legislature and the people of Texas stand 100 percent behind our great President in his fight against communism and all those who seek to overthrow our form of government: Now, therefore, be it

"Resolved, by the Senate of Texas (the House of Representatives concurring), That the Texas Legislature congratulate the President of the United States for his great leadership; and be it further

"Resolved, That a copy of this resolution be sent to the President and Vice President of the United States; to the Speaker of the

House of Representatives, and to all Members of the Congress from Texas.

"BEN RAMSEY,
"President of the Senate.
"JAMES A. TURMAN,
"Speaker of the House.

"Attest:

"CHARLES SCHNABEL,
"Secretary of the Senate.
"DOROTHY HALLMAN,
"Chief Clerk of the House."

CONSIDERATION FOR MILWAUKEE INDUSTRIES IN AWARDING DEFENSE CONTRACTS—RESOLUTION

Mr. PROXMIRE. Mr. President, the Common Council of Milwaukee recently adopted a resolution requesting full consideration for Milwaukee industries in awarding defense contracts, and urging local industries to compete for such contracts. I ask unanimous consent that the resolution be printed in full in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION REQUESTING FULL CONSIDERATION FOR MILWAUKEE INDUSTRIES IN THE AWARDING OF NATIONAL DEFENSE CONTRACTS AND URGING LOCAL INDUSTRIES TO COMPETE FOR SUCH CONTRACTS

Whereas the Department of Defense spends approximately $14 billion each year for the procurement of supplies and equipment from private corporations; and

Whereas many industries within the city of Milwaukee either do produce or are capable of producing the types of supplies and equipment which are purchased regularly by the Department of Defense; and

Whereas these same Milwaukee industries have, however, received a disproportionately small share of the contracts awarded by the Department of Defense; and

Whereas a more equitable allotment of defense contracts to industries located in Milwaukee would assure the Department of Defense of receiving top quality materials at fair competitive prices, enhance the local economy by stimulating full production and employment, and reimburse said local industries to some extent for the substantial tax revenues which they now pay to the Federal Government: Therefore be it

Resolved by the Common Council of the City of Milwaukee, That it hereby requests the Department of Defense to give greater consideration to industries located within Milwaukee in taking competitive bids and in negotiating contracts for supplies and equipment; and be it further

Resolved, That the common council hereby advises and urges Milwaukee industries to participate more actively in the procurement programs of the Department of Defense to the end that they may receive a greater proportion of the contracts awarded by that agency; and be it further

Resolved, That a certified copy of this resolution be forwarded by the city clerk to Senators WILEY and PROXMIRE and to Congressmen REUSS and ZABLOCKI.

Attest:

STANLEY J. WITKOWSKI,
City Clerk.

LEASE AND TRANSFER OF TOBACCO ACREAGE ALLOTMENTS—INDIVIDUAL VIEWS—REPORT OF A COMMITTEE (S. REPT. NO. 762)

Mr. HOLLAND. Mr. President, from the Committee on Agriculture and Forestry, I report favorably with amendments, the bill (H.R. 1022) to amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments, and I submit a report thereon. I ask unanimous consent that the report be printed, together with the individual views of the Senator from Kentucky [Mr. COOPER].

The ACTING PRESIDENT pro tempore. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Florida.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Arthur M. Davis, of Arizona, to be U.S. district judge for the district of Arizona; and

Rex B. Hawks, of Oklahoma, to be U.S. marshal for the western district of Oklahoma.

By Mr. KEFAUVER, from the Committee on the Judiciary:

Bailey Brown, of Tennessee, to be U.S. district judge for the western district of Tennessee.

By Mr. ERVIN, from the Committee on the Judiciary:

John D. Larkins, Jr., of North Carolina, to be U.S. district judge for the eastern district of North Carolina.

By Mr. CARROLL, from the Committee on the Judiciary:

William H. Terrill, of Colorado, to be U.S. marshal for the district of Colorado.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LAUSCHE:

S. 2435. A bill for the relief of Vittoria C. Cenderelli (nee Cesternino); to the Committee on the Judiciary.

By Mr. MANSFIELD:

S. 2436. A bill to transfer certain land in the District of Columbia to the Secretary of the Interior for administration as a part of the National Capital parks system, and for other purposes; to the Committee on the District of Columbia.

By Mr. LONG of Hawaii (for himself, Mrs. NEUBERGER, and Mr. KEATING):

S. 2437. A bill to amend section 6 of the act entitled "An act to amend the Immigration and Nationality Act, and for other purposes," approved September 11, 1957 (71 Stat. 640); to the Committee on the Judiciary.

(See the remarks of Mr. LONG of Hawaii when he introduced the above bill, which appear under a separate heading.)

By Mr. BOGGS:

S. 2438. A bill to amend section 5899 of title 10, United States Code, to provide permanent authority under which Naval Reserve officers in the grade of captain shall be eligible for consideration for promotion when their running mates are eligible for consideration for promotion; to the Committee on Armed Services.

By Mr. LONG of Louisiana (for himself and Mr. ELLENDER):

S. 2439. A bill authorizing construction of certain flood control improvements on the Red River in Natchitoches and Red River Parishes, La.; to the Committee on Public Works.

By Mr. LONG of Hawaii (for himself and Mr. GRUENING):

S. 2440. A bill to extend the application of certain laws to American Samoa; to the Committee on Interior and Insular Affairs.

By Mr. MOSS:

S. 2441. A bill for the relief of Ginseppe Stracquadanio; to the Committee on the Judiciary.

By Mr. LONG of Hawaii (for himself and Mr. BURDICK):

S. 2442. A bill to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. LONG of Hawaii when he introduced the above bill, which appear under a separate heading.)

By Mr. CHURCH (for himself, Mr. CARLSON, Mr. KEFAUVER, and Mr. SMATHERS):

S. 2443. A bill to designate the stadium authorized to be constructed by the District of Columbia Stadium Act of 1957, as amended, as "Walter Johnson Stadium"; to the Committee on the District of Columbia.

(See the remarks of Mr. CHURCH when he introduced the above bill, which appear under a separate heading.)

CONCURRENT RESOLUTION

EXPRESSION OF SENSE OF CONGRESS AS TO CREATION OF A HOUSING AND URBAN DEVELOPMENT UNIT AS A SPECIALIZED AGENCY OF THE UNITED NATIONS

Mr. SPARKMAN submitted a concurrent resolution (S. Con. Res. 38) to express the sense of Congress as to the creation of a Housing and Urban Development Unit as a specialized agency of the United Nations, which was referred to the Committee on Foreign Relations.

(See the above concurrent resolution printed in full when submitted by Mr. SPARKMAN, which appears under a separate heading.)

AMENDMENT OF SECTION 6 OF THE IMMIGRATION AND NATIONALITY ACT

Mr. LONG of Hawaii. Mr. President, I introduce, for appropriate reference, a bill which would simply extend until June 30, 1963, the provision of section 6. act of September 11, 1957, as amended, which recently expired on June 30, 1961. I am pleased that my distinguished colleagues, the Senator from Oregon [Mrs. NEUBERGER], and the Senator from New York [Mr. KEATING], both of whom have been keenly alert to our Nation's need for consistent, equitable, and humane immigration laws, have joined me in sponsoring the proposed extension.

This bill would permit for another 2 years the admission of tubercular aliens, otherwise qualified for admission, who are the spouses, children, or parents of U.S. citizens, or of aliens who have been lawfully admitted for permanent residence or who have been issued immigrant visas. All of the safeguards that the Attorney General had originally been authorized to prescribe would be retained.

From the initial approval of the tuberculosis waiver on September 11, 1957, until May 31, 1961, a total of 3,677 persons have been admitted, each of whom would otherwise have been unable to join his or her immediate family in the United States.

Mr. President, I ask unanimous consent to insert in the CONGRESSIONAL RECORD at this point in my remarks a table compiled by the Immigration and Naturalization Service which presents a breakdown of these 3,677 immigrants according to relationship.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Tubercular aliens admitted to the United States as immigrants under waiver authorized by sec. 6, act of Sept. 11, 1957—Sept. 11, 1957 to May 31, 1961

Type of relationship:	*Number of immigrants*
Spouse of U.S. citizen	1,713
Child of U.S. citizen	158
Parent of U.S. citizen	324
Spouse of resident alien	489
Child of resident alien	114
Parent of resident alien	221
Spouse accompanying immigrant to United States	484
Child accompanying immigrant to United States	116
Parent accompanying immigrant to United States	58
Total	3,677

Mr. LONG of Hawaii. Mr. President, as a few simple calculations will show, 2,686 of the 3,677 total are spouses who have been permitted to join their husbands and wives, and thereby to maintain a normal married existence.

As a cosponsor of S. 1809, I have already expressed my support for the permanent integration of the tuberculosis waiver provision into the Immigration and Nationality Act of 1952, as amended. Because more time is apparently required before a thoroughly deliberated revision of the immigration act will be forthcoming, I believe we should act now to insure that the family unity preserved by the tuberculosis waiver provision should not end, but be continued.

Since the proposed extension would authorize the admission of immigrants who are limited in number, but who are so very important to the welfare and happiness of their immediate relatives; and since adequate safeguards have been prescribed over the past 4 years to insure that they will be properly treated and will not become public charges, I respectfully request the Senate's favorable consideration of this bill.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2437) to amend section 6 of the act entitled "An act to amend the Immigration and Nationality Act, and for other purposes," approved September 11, 1957 (71 Stat. 640), introduced by Mr. LONG of Hawaii (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. KEATING. Mr. President, I am pleased to join as a cosponsor of this legislation to extend the tuberculosis waiver provisions of the Immigration and Nationality Act for a 2-year period.

As the distinguished Senator from Hawaii has indicated, adequate safeguards have been provided in the administration of this law to insure proper health standards. The purpose of this legislation is to aid in uniting families who would otherwise be excluded under the provisions of the present law. The number of parents, spouses, and children eligible for admission to the United States under this program is not large. However, the joy that will be brought to the hearts of separated families will be immeasurable.

REVISION OF FORMULA FOR APPORTIONING CASH ASSISTANCE UNDER NATIONAL SCHOOL LUNCH ACT

Mr. LONG of Hawaii. Mr. President, on behalf of myself and the junior Senator from North Dakota [Mr. BURDICK], I introduce, for appropriate reference, a bill as a substitute to S. 347, which I introduced January 11, and to S. 1469, which Senator BURDICK introduced on March 29. At that time I pointed out the inequities of the present school lunch aid formula caused by distribution of Federal funds to States on the basis of the number of children of school age. S. 347 would change the formula so that actual, rather than potential, participation in the program would be the primary basis for distribution of funds, and the bill we introduce today would also accomplish this desirable end.

The principal reason for introducing a new bill is that the administration, in reviewing S. 347, suggested some changes that would, in my view, strengthen the measure. In addition, the Congress has now appropriated additional funds for the school lunch program under Public Law 87-112. These additional moneys will make the formula of this bill eminently workable, in that the new, more equitable allocation can be made while at the same time insuring that Federal participation will be in significant amounts in all States.

The Department of Agriculture has drafted this new bill, with which I fully concur, and which reflects the administration's recommendations as submitted by President Kennedy in his agricultural message to the Congress. I feel its enactment will go far toward full achievement of desirable nutritional goals for our children.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2442) to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act, and for other purposes, introduced by Mr. LONG of Hawaii (for himself and Mr. BURDICK), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

Mr. BURDICK. Mr. President, the purpose of the bill which the Senator from Hawaii [Mr. LONG] and I offer is to increase the effectiveness of the national school lunch program in areas in which it is most needed. This can be accomplished by a revision of the formula used for apportionment of funds, which is outlined in the body of the bill.

The formula now in effect has led to discrepancies among the States that violate the intended purposes of the National School Lunch Act. Cash assistance ranges all the way from a minimum of less than 2 cents to a maximum of 9 cents in different States. This is because school-age population and per capita income are the factors in the formula now used with a total disregard of the number of meals served. If two States have equal school-age population and equal per capita income, they are allocated equal amounts of money. If one State serves twice as many meals as the other, it would be able to reimburse the local school districts only half as much as the other State. A State which provides school lunch services for a large percentage of its schoolchildren is penalized relatively in the distribution of funds.

Our proposed bill provides that funds shall be apportioned among the States on the basis of the number of lunches served in each State in the preceding year. The lower income States would receive relatively more per meal than average or above-average income States through applying a value of 5 to each lunch served in average or above-average States and a higher value—up to 9—in below-average income States. A State's need would still be determined by equating its per capita income with that of the per capita national income. Also, a 1-year transition period is provided. During that year, one-half of the funds made available for apportionment would be apportioned under the formula now in effect and one-half under the new formula proposed in this bill. The division of funds between public and nonprofit private schools within a State would be based upon the relative number of lunches served in each class of school in the preceding year.

A new section would be added to the National School Lunch Act which would provide for an additional appropriation of funds to provide special help to especially needy schools. Considerable administrative flexibility is provided to the Department in developing the new program. However, the percentage of free meals served to needy children would be one of the principal criteria for selecting the schools to receive such assistance.

I do not feel it is necessary here to argue the merits of the school lunch program, for the program has already received the sanction of this body. Also, I would like to point out that since the appropriation has already been made for the program, no increase in cost to the Federal Government is involved. Our bill is designed simply to see that fair and equitable use of available funds is made—that those States which have the greatest need will receive a portion of the funds responsive to their needs.

I earnestly commend your favorable consideration of this legislation.

DESIGNATION OF DISTRICT OF COLUMBIA STADIUM AS THE "WALTER JOHNSON STADIUM"

Mr. CHURCH. Mr. President, on behalf of myself, the junior Senator from Kansas [Mr. CARLSON], the senior Senator from Tennessee [Mr. KEFAUVER], and the junior Senator from Florida [Mr. SMATHERS], I introduce, for appropriate reference, an amendment for the District of Columbia Stadium Act of 1957, designating the stadium authorized to be constructed as "Walter Johnson Stadium."

On July 24 I spoke on the floor of the Senate suggesting that the new District of Columbia Stadium be named the "Walter Johnson Stadium." Senator CARLSON and Senator KEFAUVER associated themselves with my suggestion. I have since received several letters including one from the Honorable JOHN L. MCMILLAN, chairman of the House of Representatives District of Columbia Committee, supporting my proposal. I also received letters from personal friends of Walter Johnson.

In addition to these letters, several favorable articles were written by the most widely read of all newspapermen—the sportswriters. In addition to the article by Morris Siegel in the July 24 issue of the Washington Daily News, several articles have appeared in the Idaho newspapers, including one by Tom Morrison, sports editor of the Idaho State Journal and another by Bill Davis of the Idaho Daily Statesman.

Mr. President, I ask unanimous consent to have these two excellent articles included in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the articles will be printed in the RECORD.

The bill (S. 2443) to designate the stadium authorized to be constructed by the District of Columbia Stadium Act of 1957, as amended, as "Walter Johnson Stadium," introduced by Mr. CHURCH (for himself and other Senators), was received, read twice by its title, and referred to the Committee on the District of Columbia.

The articles presented by Mr. CHURCH are as follows:

[From the Idaho State Journal, July 27, 1961]

ON THE SIDELINES

(By Tom Morrison)

A number of Idaho Senators have found publicity through the sports pages.

Former Senator Herman Welker talked the Washington Senators into signing a youngster from Payette, Idaho, to a $30,000 bonus contract. Welker's protege, Hermon Killebrew, is having his best season since joining the majors. "Killer" is hitting at a solid .330 clip and has blasted 30 home runs. His runs-batted-in total is among the tops in the American League.

Glen Taylor was known for his guitar playing ability but at one time received quite a bit of publicity in Alabama as an equestrian.

Senator William Borah has a mountain named after him in the Gem State and although it might not be too tough to climb for an expert alpinist or Sir Hilary, it is a good jaunt for a novice.

Now, Senator FRANK CHURCH has wandered off the political path into the sports world. Senator Church wants to name the new $22 million Washington stadium after one of the most famous baseball players of all time, Walter "The Big Train" Johnson, who lived in Weiser.

CHURCH's idea is a good one. Johnson has been regarded as one of the greatest pitchers ever and he did plenty for the Washington Senators.

"The Big Train" played for the Nats for 21 years and the record books are full of Johnson's accomplishments.

Whether CHURCH's interest in Johnson is merely academic or there is a touch of politics doesn't matter. CHURCH is an Idahoan and so was Johnson for a few years, although probably the two never met.

Senator CHURCH was born July 25, 1924, which makes him 37 years old and when the bells were tolling the new arrival of FRANK CHURCH in Boise in 1924 Walter Johnson was pitching the Senators to their first pennant.

Of course, you didn't have to watch Johnson hurl to recognize his greatness. It's all in the books and there are plenty of eyewitnesses around to testify the "Big Train" wasn't a myth, but everything the statistics show.

He hurled 414 victories for a team generally in the second division; pitched 56 consecutive scoreless innings; struck out more batters than anybody, 3,497; won 16 consecutive games; pitched 3 shutouts in 4 days plus more mound accomplishments than we have room to list here.

But here's the rub. Although Johnson went from Weiser, Idaho, to the Washington Senators, he is not a native Idahoan. He was born in Humboldt, Kans. Johnson never achieved any fame in Idaho, but like the potato, was harvested in Idaho and that's good enough for Senator CHURCH.

Johnson had a great windup. So has Senator CHURCH. He tossed some verbal phrases at the Republican Party as keynoter of the Democratic Convention in Los Angeles that had the sting of the "Big Train's" fast ball. Idaho's junior Senator has twirled a few curve balls that have had some of the heaviest hitters in the Senate striking out.

We go along with CHURCH and think "Walter Johnson Stadium" would be a tribute to the great hurler who gave Washington a few moments of glory in the American League.

Whether they follow with CHURCH's idea or not doesn't seem to matter. Senator CHURCH in years to come will probably have a number of things named after him. His name is probably as well known now as Johnson, Borah, Taylor, or Welker and he isn't a baseball player, alpinist, equestrian, or scout, but an ambitious young politico who could become one of the great men of his generation.

As Morris Siegel, writing in the Washington Daily News said, "Will those opposed please signify by saying nay?"

SCENE IN SPORTS

(By Bill Davis)

NAMES SUGGESTED

Several names have been suggested for the new athletic stadium to be completed this fall in Washington, D.C. Among them are the names of famous sports figures. A Texan wants the new plant called "Sammy Baugh Stadium." Idaho Senator FRANK CHURCH has proposed that it be named after Walter (Big Train) Johnson. CHURCH's idea prompted Washington Daily News sportswriter Morris Siegel to devote a full column to the idea. The Washington author heartily endorses CHURCH's suggestion.

Siegel says, "Unless you hate nice guys and loathe great athletes you'll find it awful tough to buck the good Senator's suggestion. In all of Washington's sports history, nobody, but nobody, is better remembered than the 'Big Train,' who hung around for 21 years on the Griffith payroll."

The author delves briefly into Johnson's tremendous feats, including 414 victories, 56 consecutive scoreless innings, 16 straight triumphs, 3 shutouts in 4 days and 3,497 strikeouts. He adds that there are scores of eyewitnesses who will attest to the fact that the "Big Train" was not a myth, but everything the statistics show.

CHURCH told the Senate that not only are the people of Idaho proud that Johnson went to Washington from Idaho, but "We think that the whole country, especially people in the District of Columbia area, also have great reason to be proud of Walter Johnson."

The Johnson name may or may not be affixed to the new stadium upon completion. Officials could do a lot worse in picking a name as fans of the "Big Train" are legion. Certainly if baseball executives such as Wrigley, Griffith, Comisky, et al. can have parks named after them, Washington could name an athletic plant after one of its most immortal heroes.

EXPRESSION OF SENSE OF CONGRESS AS TO CREATION OF A HOUSING AND URBAN DEVELOPMENT UNIT AS A SPECIALIZED AGENCY OF THE UNITED NATIONS

Mr. SPARKMAN. Mr. President, I submit a concurrent resolution to provide for the establishment of a specialized agency of the United Nations on housing. I ask unanimous consent that the concurrent resolution and a statement pertaining thereto be printed at this point in the RECORD.

The ACTING PRESIDENT pro tempore. The concurrent resolution will be received and appropriately referred; and, without objection, the concurrent resolution and statement will be printed in the RECORD.

The concurrent resolution (S. Con. Res. 38) is as follows:

Whereas food, health, and shelter are essential for human well-being and as an economic basis for world peace; and

Whereas the people can provide these basic needs for themselves most effectively when they have access to the know-how and resources which can be mobilized in their own countries in cooperation with other peoples through the United Nations; and

Whereas the United Nations has made an important beginning in constructively and effectively mobilizing the efforts of the world to solve the needs for food and health through the establishment of the Food and Agriculture Organization (FAO), the World Health Organization (WHO), and other specialized agencies devoted to the solution of specific problems; and

Whereas the lack of adequate housing is one of the world's most pressing needs with millions of people living in slums or inadequate housing; and the achievement of the universal goal of a decent home for every family would bring greater economic stability, freedom, health, and increased productivity; and

Whereas many of the techniques and resources for meeting at least part of these housing needs already exist and could readily be mobilized for effective use in bringing better housing to more people if the machinery for such international cooperation were available; and

Whereas the United Nations has demonstrated its interest in housing through conferences of the International Labor Organization (ILO), aid to farm housing by the

Food and Agriculture Organization (FAO), and some technical assistance programs through the headquarters and area organizations, but has never had the manpower, resources, or machinery to give a high priority to housing; and

Whereas it is the policy of the United States to use the resources of the United Nations wherever and whenever possible to achieve the goals of enduring peace and higher standards of living: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States—

(1) hereby expresses its interest in the greater use of the facilities of the United Nations to expedite housing and provide technical assistance and guidance for the production of homes in suitable living environments; and

(2) requests the President through the United States delegation to the United Nations to place before the Economic and Social Council of the United Nations for its consideration a proposal or proposals for a major United Nations program in housing; and

(3) proposes consideration of the establishment of a specialized agency for Housing and Urban Development comparable to the World Health Organization (WHO) and the Food and Agriculture Organization (FAO), which agency shall (a) assemble and make available to all member countries information with respect to existing techniques, results of research, and other information on housing; (b) stimulate an expanded program of technical assistance in housing; (c) assist member nations in the formation of financial institutions, both private and governmental, which can mobilize the credit resources for housing; and (d) call upon the World Bank, International Finance Corporation, International Development Association, Development Loan Fund, and other agencies to advise and assist such specialized agency in meeting housing needs.

The statement presented by Mr. SPARKMAN is as follows:

STATEMENT BY SENATOR SPARKMAN ON PROPOSAL FOR THE ESTABLISHMENT OF A SPECIALIZED AGENCY OF THE UNITED NATIONS ON HOUSING

In meeting the basic needs of mankind, the three most fundamental needs are food, health, and shelter. The lack of adequate housing has long been recognized as one of the world's most pressing problems. This is true in developed and newly developing countries alike. It is estimated that even in highly developed countries like the United States, one-fourth of the people are ill-housed. It is probably true that as few as one-tenth of the people in the newly developing countries are adequately housed. To mobilize world opinion and world action to meet the needs in food and health, the United Nations has founded specialized agencies for food (FAO) and health (WHO). The problem of housing, however, has been so great that many of the larger member nations have been reluctant to try to meet the void. The time has now come to mobilize world action to solve the problems of shelter as well. This can best be done by establishing a United Nations housing organization.

There are two basic approaches. One is the provision of technical assistance, and the other is the creation of financial agencies which can facilitate the financing of new housing developments. In many of the countries of the world, cooperative housing organizations have been created to help meet that need. In other countries, specialized agencies of government have been established to create financing facilities. Some of these have been direct loan agencies. It has been discovered, however, that in some countries where private capital has been reluctant to go into the housing field, a system of government mortgage insurance has provided the financial stability to insure the private agencies against risk in the mortgage field. The Federal Housing Administration in the United States, with 25 years of experience in this field, and the more recently created Federal National Mortgage Association illustrate what can be done with such Government assistance.

Increased attention is being brought to bear on housing problems through technical assistance and the Development Loan Fund. The bilateral approach to world problems in general, and housing in particular, is inadequate if the great needs of the world are to be met. We must mobilize self-help as well as assistance if the countries of the world are to meet their own housing needs.

THE FUNCTIONS OF THE U.N. HOUSING ORGANIZATION

Work of the new specialized agency would in fact be of assistance to all countries in the world, for the agency should undertake a full-scale program in the housing field.

The first function, of course, would be the collection of information about housing developments and housing problems in the member nations of the U.N. This is being done to some extent by the International Labor Organization at the present time.

The second function would be research in the techniques of construction, land planning, architectural developments, and building materials; also research in the area of finance.

A third function would be the creation of financing organizations within each country to mobilize national, state, and local capital.

The fourth function would be one of financial backstopping of these national programs through the United Nations. Such financial programs could be carried on either through the World Bank, the International Development Association, or kindred organizations. It might also be sponsored by an international reinsurance organization which would carry forward to the United Nations level the insurance of mortgages now undertaken by national organizations like the Federal Housing Administration in the United States.

In international affairs timing is of particular importance. In the early years of the United Nations it might have been impossible for the nations of the world to join hands in solving the basic housing needs of mankind. The experience of the United Nations to date, however, has indicated the very great success which can be accomplished by mobilizing the brainpower and manpower and resources of the world to meet a specific problem. The work of the United Nations Food and Agriculture Organization has helped to ease the problems of hunger although it has not solved these problems. The work of the World Health Organization has cut back some of the world's worst man-killing and child-killing diseases—diseases which have undermined the health and welfare of many nations.

The time has come for the United Nations now to turn its attention to the problem of housing. I hope to interest the Senate of the United States and the new administration in taking leadership in this field as we have in other fields. I am considering introducing a concurrent resolution which would indicate the intention of the Congress that we start now to mobilize world efforts toward the solution of housing problems.

ESTABLISHMENT OF NATIONAL WILDERNESS PRESERVATION SYSTEM—AMENDMENTS

Mr. ALLOTT (for himself, Mr. BENNETT, Mr. BRIDGES, Mr. CAPEHART, Mr. CASE of South Dakota, and Mr. HICKEY) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 174) to establish a National Wilderness Preservation System, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. ALLOTT (for himself, Mr. BENNETT, Mr. BRIDGES, Mr. CAPEHART, Mr. CASE of South Dakota, Mr. DWORSHAK, Mr. FONG, Mr. HICKEY, and Mr. HOLLAND) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 174, supra, which was ordered to lie on the table and to be printed.

Mr. ALLOTT (for himself, Mr. BRIDGES, Mr. CAPEHART, Mr. CASE of South Dakota, and Mr. DWORSHAK) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 174, supra, which was ordered to lie on the table and to be printed.

Mr. ALLOTT (for himself, Mr. BENNETT, Mr. BRIDGES, Mr. CAPEHART, Mr. CASE of South Dakota, Mr. DWORSHAK, Mr. HICKEY, and Mr. HOLLAND) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 174, supra, which was ordered to lie on the table and to be printed.

AMENDMENT OF FEDERAL AIRPORT ACT—AMENDMENTS

Mr. BARTLETT. Mr. President, I submit amendments, intended to be proposed by me, to the bill (S. 1703) to amend the Federal Airport Act so as to extend the time for making grants under the provisions of such act, and for other purposes, and ask that they be printed and lie on the table and be printed in the RECORD.

Within 11 months of the date the Pribilof Islands were acquired from Russia, the killing of fur seals was forbidden by act of Congress of July 27, 1868. Seven months later, on March 3, 1869 (15 Stat. 348), the islands of St. Paul and St. George were declared to be a "special reservation for Government purposes" and all persons were forbidden to land thereon without permission of the Secretary of the Treasury. This status as a special reservation has been continued to the present time, although the law has been rewritten. The text of the 1869 act was codified in section 1959 of the Revised Statutes. In 1910—Public Law 146 of the 61st Congress—the language was changed slightly and in its revised form exists today by reason of its reenactment in the so-called Fur Seal Act of 1944, which reads, in part, as follows:

The Pribilof Islands, including the islands of Saint Paul and Saint George, Walrus and Otter Islands, and Sea Lion Rock, in Alaska, are declared a special reservation for Government purposes. It shall be unlawful for any person other than natives of the said islands and officers and employees of the Fish and Wildlife Service to land or remain on any of those islands, except through stress of weather or like unavoidable cause or by the authority of the Secretary, and any person found on any of those islands contrary to the provisions of this section shall be summarily removed and shall be

deemed guilty of a misdemeanor, punishable by a fine not exceeding $500 or by imprisonment not exceeding six months, or by both fine and imprisonment (February 26, 1944, ch. 65, 6, 58 Stat. 102).

Under the existing Federal Airport Act, Federal agencies are permitted to apply for airport discretionary funds in Alaska, Hawaii, Puerto Rico, the Virgin Islands, or in, or in close proximity to, a national park, national recreation area, or national monument, or in a national forest. S. 1703 as reported, provides for the first time that the States of Alaska and Hawaii be brought under the same formula as applies to the other States, and Federal agency applications for discretionary funds for airport projects would no longer be permitted except as they might relate to national parks, recreation areas, monuments, or forests.

Extensive research has disclosed that the term "a special reservation for Government purposes" which was used in establishing the Pribilof Islands, wholly administered by the Federal Government through the Department of the Interior, is probably applied exclusively to this particular reservation.

The amendments I propose would permit the Interior Department to apply for discretionary funds "in a special reservation for Government purposes." Because this term has been used to describe no reservation other than the Pribilof Islands, the effect of these amendments would no doubt be confined to this area.

The national airport plan contains a recommendation for a much needed 4,000-foot runway on St. George Island in the Pribilofs to accommodate DC-3 equipment. The islands are the site of the great fur-seal industry in Alaska carried out under international treaty. Without the amendments here proposed the need for the runway might otherwise not be fulfilled.

The ACTING PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table, and, without objection, the amendments will be printed in the RECORD.

The amendments are as follows:

On page 5, between lines 15 and 16, insert the following:

"(c) Paragraph (3) of section 6(b) of such Act (49 U.S.C. 1105(b)(3)) is amended by striking out 'and national forests' and inserting in lieu thereof 'national forests, and special reservations for Government purposes'."

On page 5, line 16, redesignate subsection (c) of the bill as subsection (d).

On page 9, line 13, before the period, insert a comma and "and by inserting before the period at the end thereof a comma and 'or a special reservation for Government purposes' ".

PROMOTION OF FOREIGN COMMERCE OF THE UNITED STATES—AMENDMENT

Mr. SPARKMAN. Mr. President, I submit an amendment to S. 1729, a bill to protect the foreign commerce of the United States, and for related purposes. The amendment is submitted on behalf of myself and the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL].

In that connection, the bill contains a brief authorization for the Secretary of Commerce to "develop and organize the facilities of the Department of Commerce for the promotion of floating exhibits of the U.S. export commodities."

The Senate Small Business Committee has held hearings on the question of floating trade ships. We are impressed, unanimously, with the results that seem possible if American products are well exhibited in distant countries and ports. It is for that purpose that the ranking minority member of the Committee on Small Business has joined with me in submitting the amendment.

The Senator from Massachusetts [Mr. SALTONSTALL] intended to be here and to make a few remarks on this subject. In his absence, I ask unanimous consent that the amendment, together with a statement by the Senator from Massachusetts be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table; and, without objection, the amendment and statement will be printed in the RECORD.

The amendment and statement are as follows:

On page 6, line 24, strike out line 24 and on page 7 strike out lines 1 through 5 inclusive, and insert in place thereof the following:

"(8) to develop, organize, promote, and conduct a program of trade fairs and floating trade fairs, designed to show and sell the products of U.S. business and agriculture, large and small, in the commercial centers and ports of the world, said program to include the acquisition, conversion, construction, or lease of a suitable vessel or vessels, and the operation thereof by the Government or private enterprise in such manner as the Secretary may deem most economical and effective in carrying out the purposes of this Act;".

STATEMENT BY SENATOR SALTONSTALL

I am happy to join with my distinguished colleague from Alabama, the chairman of our Small Business Committee, in supporting this important amendment to S. 1729.

This new legislation mentions floating trade fairs in passing, but we feel that a subject of such great importance to our foreign commerce deserves more attention, deserves clearer authority.

Senator SPARKMAN and I joined in the filing of Senate Joint Resolution 73, and the adoption of our amendment will accomplish the same purpose. We also joined in sponsoring S. 1379, a major provision of which called for an Office of Foreign Trade in the Small Business Administration. I am delighted to report to the Senate that this idea has been approved already by that agency, and is in operation without further statutory direction. This Office can greatly expand the usefulness of this agency, particularly in encouraging small business participation in foreign trade.

We feel that floating trade ships can be of great value also to U.S. businesses, both large and small.

I hope that the Senate will find merit in this creative proposal, and will wish to join with Senator SPARKMAN and me in incorporating this useful provision into the Engle bill.

CONVERSION OF NATIONAL SERVICE LIFE INSURANCE POLICIES—AMENDMENTS

Mr. MORTON. Mr. President, I submit, on behalf of myself and the senior Senator from Delaware [Mr. WILLIAMS], an amendment to the bill H.R. 856, Senate Calendar No. 669, to amend section 704 of title 38, United States Code, to permit the conversion or exchange of policies of national service life insurance to a new modified life plan. I ask that it be printed and lie on the clerk's desk.

Unless this amendment is adopted, I am afraid that there will be no legislation passed at this session of the Congress to increase the rates of service-connected disability compensation for our disabled veterans. Legislation to achieve this worthy objective has run into a parliamentary snag which is most unfortunate. I think we all agree that a cost-of-living increase for disabled veterans is long overdue.

H.R. 856 as it passed the House dealt only with an insurance matter. It provided for a new type of permanent plan national service life insurance to be offered primarily to World War II term policyholders. The Senate Finance Committee added two amendments to the bill. The first amendment introduced by my distinguished colleague, the junior Senator from Louisiana [Mr. LONG], restores for 2 years after January 1, 1962, the eligibility of certain veterans to apply for national service life insurance. The second amendment which I introduced provides increases in the rates of service-connected disability compensation to reflect the changes which have occurred in the cost of living since the last compensation increase in 1957. It also more adequately compensates the seriously disabled veterans.

H.R. 879 as it passed the House contained these same increases in compensation. The Senate reduced these increases to the amount requested by the Administration. The Senate also added to H.R. 879 the same Long amendment that has been added to H.R. 856. H.R. 879 passed the Senate and now lies on the Speaker's desk in the House of Representatives.

The House Veterans' Committee has repeatedly turned down measures similar to the Long amendment. Incidentally, this amendment is identical to S. 977 and similar legislation has passed the Senate under the sponsorship of my good friend from Louisiana on five separate occasions.

The distinguished chairman of the House Veterans' Affairs Committee has made it clear that he will not instigate any action in conference or otherwise on any bill containing the so-called Long amendment. Therefore, it is apparent that we have arrived at a parliamentary impasse. The only way that I can see to break this logjam is for the Senate to adopt my amendment to H.R. 856.

The service-connected disabled veterans of this country will bear the brunt of our stubbornness, if we fail to move this bill along with my amendment.

Why should those who have been crippled in combat suffer additional hardship because we in the Congress are engaged in a parliamentary hassle on a completely unrelated matter?

There is no need for me to discuss either the merits or demerits of S. 977. Similar legislation has been supported by as many as 70 Senators in the past. Let us vote it up or down on its merits and let the House do likewise. Let us not further delay the long overdue additional compensation to our disabled veterans by trying to incorporate the substance of S. 977, which is controversial.

I recognize the fact that my good friend from Louisiana feels somewhat frustrated that his proposition which has five times passed the Senate has never come to a vote in the House. Nevertheless, since I recognize his great sympathy toward the disabled veterans of our country, I trust that he will not interpose an objection to my amendment. I also hope that the majority leadership will, at the first opportunity, call up the bill, H.R. 856, for action on the floor of the Senate. We are now in the closing weeks of this session of Congress and, if we are to do something for those who so nobly served their country, we must, in my opinion, follow the procedure which I have just outlined.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and will lie on the table.

DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1962—AMENDMENTS

Mr. KEATING (for himself and Mr. SCOTT) submitted amendments, intended to be proposed by them, jointly, to the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, which were ordered to lie on the table and to be printed.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENT TO APPROPRIATION BILL FOR DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES

Mr. MANSFIELD (for himself and Mr. DIRKSEN) submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph (1) of rule XVI for the purpose of proposing to the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, the following amendment; namely, on page 36, line 16, before the period insert a colon and the following: *"Provided,* That section 104(b) of the Civil Rights Act of 1957 is amended by striking out 'four years from the date of the enactment of this Act' and inserting in lieu thereof 'September 9, 1963' ".

Mr. MANSFIELD (for himself and Mr. DIRKSEN) also submitted an amendment, intended to be proposed by them, jointly, to House bill 7371, making appropriations for the Department of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. JAVITS (for himself, Mr. CASE of New Jersey, Mr. KEATING, and Mr. SCOTT) submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, the following amendment; namely, on page 36, after line 16, insert the following:

"That part III of the Civil Rights Act of 1957 (71 Stat. 637) is amended by adding at the end thereof the following new section:

" 'SEC. 123. (a) Whenever the Attorney General receives a signed complaint that any person is being deprived of, or is about to be deprived of, the equal protection of the laws, and whenever the Attorney General certifies that, in his judgment, commencement of litigation by such person (1) may create the danger of injury to the person, family, or property of the complainant or of any other person with standing to bring such litigation, or any counsel retained for purposes of such litigation, or (2) may create the danger of economic sanctions against the complainant or any other person named in (1), the Attorney General is authorized to institute for or in the name of the United States a civil action or other proper proceeding for relief, including an application for a permanent or temporary injunction, restraining order, or other order.

" '(b) Whenever an action has been commended in any court of the United States seeking relief from the deprivation of the equal protection of the laws, the Attorney General in the name of the United States may intervene in the action with all the rights of a party thereto if he certifies that, in his judgment, the maintenance of the action may result in any of the injuries or economic sanctions set forth in subsection (a).

" '(c) Nothing in this section shall be construed to deny, impair, or otherwise affect any right or authority of the Attorney General under existing law to institute or intervene in any action or proceeding.

" '(d) In any proceeding under this section the United States shall be liable for costs the same as a private person. The district courts of the United States shall have jurisdiction of proceedings instituted pursuant to this section and shall exercise the same without regard to whether the party aggrieved shall have exhausted any administrative or other remedies that may be provided by law.' "

Mr. JAVITS (for himself, Mr. CASE of New Jersey, Mr. KEATING, and Mr. SCOTT) also submitted an amendment, intended to be proposed by them, jointly, to House bill 7371, making appropriations for the Departments of State and Justice, the judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. JAVITS (for himself, Mr. CASE of New Jersey, Mr. KEATING, and Mr. SCOTT) submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, the following amendment; namely, on page 36, after line 16, insert the following:

"That the Congress finds that the requirement that a poll tax or other tax be paid, or that any property qualification be met, as a prerequisite for voting or registering to vote at primaries or other elections for President, Vice President, electors for President or Vice President, or for Senator or Member of the House of Representatives, is not and shall not be deemed a qualification of voters or electors voting or registering to vote at primaries or other elections for said officers, within the meaning of the Constitution, but is and shall be deemed an interference with the manner of holding primaries and elections for said national officers, an abridgement of the rights and privileges of citizens of the United States, a tax on such rights and privileges, an obstruction of the operations of the Federal Government, and an impairment of the republican form of government.

"It shall be unlawful for any State, municipality, or other governmental authority or any subdivision thereof, or for any person, whether or not acting on behalf of any State, municipality, other governmental authority or subdivision thereof, to levy, collect, or require the payment of any poll tax or other tax or to impose a property qualification as a prerequisite for registering to vote or voting in any primary or other election for President, Vice President, elector for President or Vice President, or Senator or Member of the House of Representatives, or otherwise to interfere with or prevent any person from registering to vote or voting in any such election by reason of such person's failure or refusal to pay or assume the obligation of paying any poll tax or other such tax or meeting any property qualification. Any such levy, collection or requirement, and any such tax or property qualification, shall be invalid and void insofar as it purports to disqualify any person otherwise qualified from voting at such primary or other election.

Mr. JAVITS (for himself, Mr. CASE of New Jersey, Mr. KEATING, and Mr. SCOTT) also submitted an amendment, intended to be proposed by them, jointly, to House bill 7371, making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. KEATING (for himself, Mr. JAVITS, Mr. CASE of New Jersey, and Mr. SCOTT) submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other

purposes, the following amendment; namely, at the proper place in the bill insert the following:

"That (a) the Congress recognizes that (1) prior to May 17, 1954, the Constitution of the United States had been interpreted as permitting public schools to be segregated on racial grounds provided such schools afforded equal educational opportunities; (2) on May 17, 1954, the Supreme Court of the United States ruled that under the fourteenth amendment to the Constitution segregated education is inherently unequal; (3) the Constitution as interpreted by the Supreme Court of the United States is the supreme law of the land; (4) State and local governments and agencies which had relied upon the "separate but equal" doctrine are now obligated to take steps toward the elimination of segregation in their public schools; and (5) many of these governments and agencies are faced with serious financial and educational problems in making the necessary adjustments in their existing school systems.

(b) It is therefore the intent of Congress and the purpose of this Act to assist State and local governments and agencies in carrying out their constitutional obligations by sharing certain of the additional expenditures directly occasioned by desegregation programs and by providing information and technical assistance in connection therewith.

SEC. 2. (a) For the purpose of assisting State and local educational agencies which, on May 17, 1954, maintained segregated public schools to effectuate desegregation in such schools in a manner consistent with pertinent Federal court decisions, there are hereby authorized to be appropriated for each fiscal year such sums as the Congress may determine.

(b) Appropriations under this subsection shall be available for grants to help finance—

(1) costs incurred by local educational agencies in the provision of supervisory or administrative services, pupil placement, school social worker, or visiting teacher services, and other special, nonteaching, professional services, the need for which is occasioned by the desegregation of their public schools, and

"(2) costs incurred by State agencies in developing and carrying out State policies and programs for desegregation in public schools, including technical assistance to local educational agencies in connection therewith.

"SEC. 3. (a) The Commissioner of Education (hereinafter called the 'Commissioner') shall for each fiscal year allot to each State, from the sums appropriated pursuant to section 2 for such year, an amount which bears the same ratio to such sums (or to such larger sum as may be specified in the Act making the appropriation) as the member of students who attended segregated public schools in such State during the school year 1953–54 bears to the number of students who attended such schools during such year in all the States. The number of students who attended segregated public schools in each State during the school year 1953–54 shall be estimated by the Commissioner on the basis of the best available data on the average daily attendance of local educational agencies during such school year.

"(b) From a State's allotment under subsection (a) for a fiscal year the Commissioner shall, except as otherwise provided in subsection (e), pay to such State an amount equal to one-half of the expenditures of local educational agencies in carrying out the purposes specified in section 2(b)(1) under applications approved by the State agency pursuant to the State plan approved under subsection (c), and one-half of the expenditures of such State agency in carrying out the purposes specified in section 2(b)(2) under such plan, including its expenditures in administering the State plan. Payments under this subsection and subsection (e) shall be made from time to time by the Commissioner on the basis of estimates of amounts to be expended in a quarter or other period or periods determined by him, with necessary adjustments on account of any overpayment or underpayment for any prior period or periods.

"(c) A State plan shall be approved by the Commissioner for purposes of this Act if such plan—

"(1) designates the State educational agency to administer or supervise the administration of the plan, or designates another single agency of the State for such purpose and in such case provides methods for effective coordination between such agency and the State educational agency;

"(2) sets forth the methods and criteria for approving applications of local educational agencies for funds under this title, and describes the activities to be carried on by the State agency with the aid of funds under this title;

"(3) provides such accounting, budgeting, and other fiscal methods and procedures as are necessary for the proper and efficient administration of the State plan;

"(4) provides that the State agency will make such reports to the Commissioner, in such form and containing such information, as are reasonably necessary to enable the Commissioner to assure expenditure of grants under this title solely for the purposes for which made and otherwise to perform his functions under this title.

"(d) Whenever the Commissioner after reasonable notice and opportunity for hearing to the State agency administering or supervising administration of the State plan approved under subsection (c), finds that—

"(1) the State plan has been so changed that it no longer complies with any of the requirements of subsection (c), or

"(2) in the administration of the plan there is a failure to comply substantially with any such requirement,

the Commissioner shall notify such State agency that no further payments will be made to the State under this Act (or, in his discretion, that further payments to the State will be limited to parts of or programs under the plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, the Commissioner shall make no further payments to such State under this Act (or shall limit payments to parts of or programs under the State plan not affected by such failure).

"(e) If the Commissioner determines, with respect to any State for which an allotment has been made under subsection (a) for any fiscal year, that such State will not for such year submit and have approved a State plan under subsection (c), the Commissioner shall, notwithstanding the provisions of subsection (b), pay to local educational agencies, with applications approved by him under this subsection, one-half of the expenditures of such agencies during such year in carrying out the purposes of section (2)(b)(1), but such payments may not exceed, in the aggregate, the State's allotment for such year. The Commissioner shall by regulation prescribe criteria and procedures, for approval and withdrawal of approval of applications under this Act, which will, in his judgment, best effectuate the purposes of this Act.

"SEC. 4. For purposes of this Act—

"(1) The term 'public school' means a public school which provides elementary or secondary education, as determined under State law, but does not include a school of any agency of the United States.

"(2) The term 'segregated public school' means a public school to which students on May 17, 1954, could not, under the constitution or laws of the State in which such schools are located or under ordinances or rulings of the appropriate local educational agency pursuant to such constitution or laws, be admitted without regard to race or color.

"(3) The term 'State educational agency' means the State board of education or other agency or officer primarily responsible for the State supervision of public schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

"(4) The term 'local educational agency' means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a city, county, township, school district, or political subdivision in a State; and includes any State agency which directly operates and maintains public schools.

"SEC. 5. (a) The Commissioner shall collect and disseminate such information on the progress of desegregation in the public schools in the several States as may be useful to educational and other public officials, agencies, and organizations in effecting desegregation in such schools.

"(b) The Commissioner shall, upon request, provide information and technical assistance to State or local officials, which will aid them in developing plans and programs for effecting desegregation in public schools, and, upon request of such officials, shall initiate or participate in conferences dealing with the educational aspects of problems arising in connection with efforts to comply with applicable court desegregation decisions or decrees.

"(c) The Commissioner may delegate to any officer or employee of the Office of Education any of his powers and duties under this Act, except the promulgation of regulations.

"(d) No appropriations may be made pursuant to subsection (2) for any fiscal year ending after June 30, 1964. Prior to the close of January 1963, the Secretary of Health, Education, and Welfare shall submit to the Congress a full report of the administration of this Act, together with his recommendations as to whether it should be extended and as to any modification of its provisions he deems appropriate.

"(e) There are hereby authorized to be appropriated such sums as may be necessary to administer the provisions of this Act."

Mr. KEATING (for himself, Mr. JAVITS, Mr. CASE of New Jersey, and Mr. SCOTT) also submitted an amendment, intended to be proposed by them, jointly, to House bill 7371, making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

NOTICE CONCERNING NOMINATION BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Archie Craft, of Kentucky, to be U.S. marshal for the eastern district of Kentucky, vice Curtis Clark.

On behalf of the Committee on the Judiciary, notice is hereby given to all

persons interested in this nomination to file with the committee, in writing, on or before Friday, August 25, 1961, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARING ON NOMINATION OF LUTHER L. BOHANON TO BE U.S. DISTRICT JUDGE, FOR THE NORTHERN, EASTERN, AND WESTERN DISTRICTS OF OKLAHOMA

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, August 25, 1961, at 10:30 a.m., in room 2228 New Senate Office Building, on the nomination of Luther L. Bohanon, of Oklahoma, to be U.S. district judge, for the northern, eastern, and western districts of Oklahoma, vice William R. Wallace, deceased.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

NOTICE OF HEARING ON NOMINATION OF FLOYD R. GIBSON TO BE U.S. DISTRICT JUDGE, WESTERN DISTRICT OF MISSOURI, A NEW POSITION

Mr. LONG of Missouri. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Monday, August 28, 1961, at 9:30 a.m., in room 2228 New Senate Office Building, on the nomination of Floyd R. Gibson, of Missouri, to be U.S. district judge for the western district of Missouri, a new position.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. SCOTT:

Proclamation by Gov. David L. Lawrence, of Pennsylvania, dated August 15, 1961, designating the week of August 14, 1961, as Home Study Week.

THE TUNISIAN CRISIS

Mr. MANSFIELD. Mr. President, at the present time a difficult situation exists between Tunisia and France over the French-occupied naval base of Bizerte in Tunisia. It is to be hoped that this delicate and dangerous situation can be amicably adjusted, to the end that the forbearance and the understanding shown by President Bourguiba over the past several years since Tunisia became an independent nation may be understood in a broad light, and that this problem may be brought to a satisfactory conclusion.

So far as we are concerned, this country is placed in an extremely difficult position, because we are friendly with both President de Gaulle, who represents the French Republic, and Mr. Bourguiba, who is the President of Tunisia. Both, on their records, are strong friends of the West. If the problem goes to the U.N., where very likely it will go, I hope that, regardless of the outcome, both nations will accept the decision with the degree of maturity of which they are both capable.

I ask unanimous consent that an editorial entitled "Not Going Overboard," published in the Baltimore Evening Sun of August 18, 1961, be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NOT GOING OVERBOARD

If he has been accurately reported, President Bourguiba of Tunisia has wisely undertaken to dispel the notion that, because of the bitter dispute with France, he is leading his country toward an entanglement with Russia. To be sure, he said Tunisia's and Russia's interests coincided on the matter of the French naval base at Bizerte—both wish it evacuated, for different reasons of course. But Mr. Bourguiba said publicly, "We are not throwing ourselves into the arms of the Red Bear." In fine, he accepts and welcomes Russian aid so far but apparently no further.

This accords with the belief that President Bourguiba is a knowing man. As was shown by his order for the "blockade" of Bizerte and his 24-hour demand on France, he is capable of serious misjudgment, but he is far too intelligent to mistake Russia's intentions or to fall in with Moscow save when it serves some Tunisian purpose in a limited way. After all, he is the same man who earlier told his Parliament that "Once the Iron Curtain drops there is no escaping from communism. On the other hand, it is always possible to leave the Western camp."

That he is still able to look with reason upon his problems, even problems involving the highly charged emotions of nationalism and anticolonialism, is also suggested by what he had to say about the United States and France. He chose to recall and praise American help in 1958 and he was careful to say that he understood President Kennedy had "used all means of pressure at his disposal" to try to persuade France to give up Bizerte. Whether that understanding is correct of not, the statement shows Mr. Bourguiba remembers friendly actions and is able, even in a time of crisis, to credit the United States with good intentions.

It is indeed very unlikely that such a man would turn blindly to Mr. Khrushchev and Russia. He probably remembers whatever is his country's version of the observation that who sups with the devil needs a long spoon. Now the things he needs to make sure of are that his spoon is long enough and that Tunisia itself doesn't end up a part of the meal.

TRIBUTE TO SENATOR HAYDEN BY THE LEAGUE OF WOMEN VOTERS OF THE UNITED STATES

Mr. MANSFIELD. Mr. President, earlier today it was the privilege of the distinguished minority leader and most of the Members of this body to attend a ceremony honoring our distinguished colleague, Senator HAYDEN, of Arizona. The ceremony was held by the League of Women Voters of the United States, who wished to take note of the fact that Senator HAYDEN is the only person still in the Congress who voted "yea" when the joint resolution proposing the 19th—or woman suffrage—amendment was passed in both Houses in 1919 and sent to the States for ratification.

He was then a Member of the House of Representatives, of which he became a Member February 19, 1912, 5 days after his State was admitted to the Union. His service to the Congress has been continuous since then. His last day in the House was March 3, 1927, his first day in the Senate, March 4, 1927.

Not only did Senator HAYDEN support the woman suffrage amendment in the 66th Congress, but he was chairman of the steering committee for the amendment in the House when his party was in the majority in the 65th Congress. It was passed by the House that year, 1918, by the required two-thirds vote, but the Senate vote, while favorable, was a little short of the necessary two-thirds. The following year the amendment received the necessary congressional approval.

The valiant fight of women to win full and equal suffrage was waged for 72 years—1848 to 1920—before victory was won. Some few States granted full suffrage to women in the meantime. Senator HAYDEN is justifiably proud of the fact that his State of Arizona was one of the first to give its women full suffrage. That was in 1912, some 8 months after he entered Congress. Senator HAYDEN had been a member of the first Democratic State Convention held in Arizona and a member of the platform committee of that convention. In such capacity he successfully moved that the Democratic Party platform include a statement pledging the right to vote for women. Subsequently, when the first State Legislature of Arizona was organized, this original recommendation of Senator HAYDEN was adopted.

I share such pride in the record of my own State, for in 1914 it, too, granted full suffrage to the women of Montana. All together there were only 15 States which gave full suffrage to women prior to enactment of the 19th amendment; but I must amend this statement to include Alaska, for, though not a State until 1959, as a territory it gave women full suffrage in 1913.

A national official of the League of Women Voters, in presenting Senator HAYDEN today with a book about the congressional history of the woman suffrage amendment, quoted a passage describing him as "easily the most popular Member of the House, a big, shy man who had been sheriff in a tough county of his State." It is hard to picture CARL

HAYDEN as a two-gun man in a television western, but he has always been quick on the draw in verbal battles in the House, and in the Senate, and has won the respect of all of us—and, more—our affection. The record also indicates that Senator HAYDEN and the women of this country have been members of a mutual admiration society for a very long time.

His service to the Nation has been as unbroken as his service in the Congress and to his State. Gentle but firm, convinced and convincing, of strong faith and great works, he has devoted his life to the substance of which American history has been made over the past 50 years. He has served longer in the Congress than any Member in American history. He is truly a statesman. We salute him.

Mr. DIRKSEN. Mr. President, it is rather interesting to contemplate the history of this country and the great issues that have been presented from time to time to claim the attention of Congress, and to note that somehow all the fulminations and resistance were not enough to stop some of these great events from being engrossed into the Constitution and into the law of the country.

One example is in the field of child labor. When Senator Beveridge proposed the child labor law, I think Woodrow Wilson went on record as saying that the measure was obviously absurd. But notwithstanding the pontifications of editorial writers and speakers, we knew that finally, as a matter of right, it had to come.

I recall from my reading of history that one of the greatest American lawyers, Joseph Choate, inveighed against the income tax, and said, "This is the march of communism complete." Notwithstanding that fact, the income tax law was finally grafted into the Constitution of the United States.

It was my pleasure to know a sweet old lady here, the widow of John A. Logan of my own State. She was very much interested in pure food legislation. I went back and read some of the Senate debates long ago when, under the impulses of Dr. Harvey Wiley, who was advising President McKinley, Congress finally enacted the first legislation dealing with pure food, notwithstanding the great and thunderous speeches that were made in opposition.

The same was equally true of woman suffrage. The subject engrossed the attention of the country for nearly 75 years.

Yet it found its way into the Constitution. One sometimes wonders why. I think there is a very simple reason. It is the moral force behind human progress, which will prevail every time. One need only to define where the moral truth really is to determine when a matter that engages the attention of the lawmakers over a long period of time will find its way into the being of the country and then to the statute books of the Nation.

So Senator HAYDEN allied himself with the suffrage cause. Is there any reason for this distinction between men and women, when we think of the perception and capacity of women, in view of their dominant interest in children and in schools, any reason why they should not exercise the right of suffrage and help to determine the destiny of the country?

It was bound to come.

So it is rather interesting to think back upon his advocacy and leadership in that field. That is the character of the man.

I have often said that the greatest moral force in the world is one right-thinking gentle person. We have such a person in CARL HAYDEN. I served with him when he was chairman of the Appropriations Committee. I have never seen the flush of anger upon his face; nor have I ever heard from him any harsh or strident utterances, even if he did not agree with a proposal that was before him. That is just the mark of a gentle soul; and a gentle soul is the reflection of a great and impeccable character, which, when it shines in its own place, becomes the greatest force in the world.

I presume every lawmaker at one time or another has wondered how he could best reconstruct our society and make it better. There is a simple answer. He cannot reconstruct society without reconstructing the individuals who make up society. So, as every individual's light gently shines, I think he makes the greatest contribution to progress that can come from any force that we can identify.

It has been our privilege to enjoy the sweet fellowship of a very humble man from Arizona, whose name is CARL HAYDEN, whose gentility is a hallmark of this great body.

I count myself deeply enriched by his friendship and the opportunity to serve with him and to pay testimony to the great and enduring contributions he has made to his country.

SERIOUS ILLNESS OF FORMER SENATOR AND SUPREME COURT JUSTICE MINTON

Mr. HARTKE. Mr. President, I announce to the Senate the serious illness of a distinguished former Member of this body, Hon. Sherman Minton, who yesterday suffered a cerebral hemorrhage and is now in the hospital. A few minutes ago, I checked with Justice Minton's doctor and learned that the Justice is somewhat better. He was sitting on his porch, in the sun, recuperating from a broken ankle, when the cerebral hemorrhage occurred.

I know that Senators share my anxiety over the health of this great and learned individual, who has served not only in this body, but also upon the Supreme Court of the United States. He served in both forums with dignity, energy, ability, intelligence, and compassion for those with whom he dealt. He worked zealously for his State and his Nation. "Shay" Minton has never let illness interfere with his duty as he saw it, to his Nation or to the people.

Three years ago he journeyed more than 300 miles, together with former President Truman, to help open my campaign when I ran for the Senate. He had just left a sickbed before attending that meeting.

I know that his concern continues to be for the welfare of the Nation. His whole span of service in the Government, especially with his colleagues with whom he had the pleasure to serve in the Senate, was one of great usefulness to the Nation.

TOBACCO PRICES

Mr. TALMADGE. Mr. President, expressions of concern by Georgia tobacco farmers about a sudden, drastic downturn in tobacco prices last week prompted the junior Senator from Georgia to request the chairman of the Senate Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER], to send a committee investigator to survey the situation.

The investigator has reported that he could find no legitimate explanation for the price break, which, in many instances, averaged as much as 10 cents a pound. While he noted extreme competition among buyers for the tobacco, he found with few exceptions that they were refusing to bid at top price of higher than 66 cents a pound.

Although no definitive evidence of collusion was established by this cursory investigation, Mr. President, the implications of its findings are highly disturbing to me. Competition is essential to a healthy, free enterprise economy, and whenever factors are injected which serve to restrain it, it is a cause for alarm.

The junior Senator from Georgia feels most strongly, Mr. President, that practices which thwart competition and circumvent the orderly processes of free enterprise must be exposed and stamped out. It is out of that conviction that the junior Senator from Georgia expects to follow closely future developments on the Georgia-Florida tobacco market and will, if those developments warrant, request a full-scale investigation of the situation by the Senate Committee on Agriculture and Forestry.

THE AMERICAN POULTRY INDUSTRY

Mr. TALMADGE. Mr. President, it is a basic economic fact that a man in business must be able to sell his products for more than it costs him to produce them if he is to stay in business.

It is that fact which is at the root of the dire economic straits in which the American poultry industry finds itself today. Overproduction has depressed the market for poultry below the cost of production and the situation has become so grave that, unless something is done soon to give the industry some relief, its future will be jeopardized.

The problem is of particular concern to my State of Georgia, which leads the Nation in the production of broilers. The livelihood of thousands of Georgia farmers and their families is dependent upon early and effective action to solve it.

After careful study of the problem, Mr. President, I am convinced that any solution must have as its basis the elimination of the cause of overproduction—the surplus of laying hens in breeding flocks. It is out of that conviction that I have recommended that the Secretary of Agriculture immediately initiate studies leading to an early purchase program to buy from 6 to 8 million such hens for consumption in the school lunch program.

For the future welfare of the poultry industry and the thousands of Americans directly dependent upon it for their existence, I earnestly hope such action will be taken at the earliest possible date.

I ask unanimous consent, Mr. President, that the text of my letter to Secretary of Agriculture Orville L. Freeman setting forth my recommendation be printed herewith in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AUGUST 17, 1961.

The Honorable ORVILLE L. FREEMAN,
Secretary of Agriculture, Department of Agriculture, Washington, D.C.

DEAR MR. SECRETARY: As you are aware one of the most distressing problems confronting American agriculture today is the worsening economic plight of the poultry industry. Overproduction has depressed broiler prices well below the cost of production and, unless some effective plan to alleviate the situation is devised and implemented soon, the same or even worse conditions will prevail in 1962.

Based on the best available information, the estimated 90 million laying hens in breeding flocks will produce from 8 to 12 percent more broilers and layers next year than the market can absorb if farmers are to receive a sufficient return to stay in business. That fact makes it clear that unless steps are taken immediately to reduce the number of laying hens in breeding flocks and thereby eliminate the threat of future overproduction the future of the poultry industry will be jeopardized.

I have given long and serious thought to the problem and have conferred with knowledgeable authorities about it. I have reached the conclusion that the approach offering the most promise of immediately alleviating the distress of the poultry industry would be for the Department of Agriculture to initiate a section 32 purchase program to buy from 6 to 8 million laying hens now in breeding flocks for use in the school lunch program. I respectfully urge that the Department of Agriculture begin an immediate study with a view toward undertaking such a program within the next 60 days.

Such an approach would have the result of reducing the number of chicks available for broiler production next year as well as an immediate effect of strengthening current broiler prices. It also would permit breeding flock producers the advantage of taking capital losses in making their 1961 tax returns.

It is my considered opinion that the owners of breeding flocks would welcome such a program as an immediate means of adjusting their production more in balance with demand and of stabilizing the poultry market. I am sure they recognize, as do we, that nothing but disaster can result from prolonged continuation of present conditions within the poultry industry.

I hope you will agree with me that it is essential that speedy action be taken and I shall be deeply grateful for a report on whatever steps are taken in this connection. My staff and I are at your service for the development of any data which may be needed in conjunction with your consideration of this matter.

With kindest personal regards, I am,

Sincerely,

HERMAN E. TALMADGE.

ARMAMENT AND DISARMAMENT

(At this point Mr. TALMADGE took the chair as Presiding Officer.)

Mr. PROXMIRE. Mr. President, a little more than a year ago, standing at this desk in the Senate, the former Senator from Massachusetts, now the President of the United States, John F. Kennedy, delivered an eloquent, moving speech on the relationship between military strength and foreign policy. The phrase uttered by the former Senator from Massachusetts, now the President, which rings in my memory, was a quotation from Winston Churchill:

We arm to parley.

The purpose of our armament—yes, the purpose of our whole defense program and the purpose of the immense burden which is placed on the backs of the American people—is to achieve peace in the world. Within the past few days, an ironic and contradictory situation has arisen, on which the Milwaukee Journal has commented in its lead editorial, and on which the New York Times, also, has commented: that is, that after having submitted a record peacetime budget, the Kennedy administration has now turned to a disarmament program. As the Milwaukee Journal says:

Actually, there is nothing contradictory about it. As Secretary of State Rusk said in supporting the measure before the Senate Foreign Relations Committee, the military buildup and now the Berlin crisis make it all the more urgent that we have an agency to pursue strong, patient, and sincere efforts in behalf of disarmament.

The editorial concludes:

To assure peace, the United States must be militarily strong. But it must simultaneously seek ways to end the costly and perilous arms race and to settle international differences under law.

The New York Times comments:

The irony is rather that this new project must be launched in the face, even because of the new menace emanating from Moscow, where a dictator hurls boastful threats of atomic annihilation against all standing in his way. This menace must be and is being met by increased Western armament designed not to wage war if we can help it but to maintain a balance of power adequate to deter reckless Soviet adventures and prepare the ground for disarmament.

The Times concludes:

But the Berlin crisis has again demonstrated that disarmament cannot be accomplished in a vacuum, that before it can even begin there must be at least a lessening of international tensions, and that after this it must go hand in hand with a peaceful solution of the world's major political problems. Disarmament is possible only in a world where peace prevails on the basis of just peace settlements, where the sanctity of international agreements, treaties, and laws is respected, and where an international police force exists adequate to check any aggressor. That goal is still distant, but not so distant as to warrant lack of effort to reach it.

Mr. President, it seems to me that while there is important and proper emphasis on the defense of our Nation, we must not lose sight for a minute that we do, indeed, "arm to parley." The purpose of these movements is to achieve a peaceful, free world.

Mr. President, I ask unanimous consent that the two editorials be printed at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Milwaukee Journal]

PREPARING FOR PEACE

It may seem ironic that after adopting a record peacetime military budget of $46.7 billion Congress should turn to President Kennedy's proposal to create a full-time U.S. disarmament agency.

Actually, there is nothing contradictory about it. As Secretary of State Rusk said, in supporting the measure before the Senate Foreign Relations Committee, the military buildup and now the Berlin crisis make it all the more urgent that we have an agency to pursue strong, patient, and sincere efforts in behalf of disarmament.

"We must provide ourselves and our children with an alternative to the threat of massive thermonuclear destruction," said the Secretary.

For former President Eisenhower came welcome support, contained in a letter read by disarmament adviser John McCloy. Under Eisenhower disarmament studies were expanded, but the new organization would be still more extensive.

The agency would be similar to the national peace agency that has been urged by Representative KASTENMEIER, Democrat, of Watertown. It would carry on research in disarmament and arms control, develop plans, and provide our negotiators with expertness in an extremely complicated field. It would prepare America to take advantage of a break in the cold war, just as the military buildup prepares the Nation against a hot war flareup.

To assure peace, the United States must be militarily strong. But it must simultaneously seek ways to end the costly and perilous arms race and to settle international differences under law.

[From the New York Times, Aug. 17, 1961]

ARMING TO DISARM

Despite the new armament race precipitated by the Moscow-made Berlin crisis, the Kennedy administration urges Congress, with wide bipartisan support, to create a new Disarmament Agency for World Peace and Security. If that seems ironic at this moment, the irony lies not in the goals enumerated in the Agency's very name—that is, to state them in a different order, world peace, security, disarmament. These goals are now questions of life or death for all mankind.

The irony is rather that this new project must be launched in the face, even because, of the new menace emanating from Moscow, where a dictator hurls boastful threats of atomic annihilation against all standing in his way. This menace must be and is being met by increased Western armament designed not to wage war if we can help it but to maintain a balance of power adequate to deter reckless Soviet adventures and prepare the ground for disarmament.

For this menace cannot alter our basic policies and principles which aim, in the

words of the United Nations Charter, "to save succeeding generations from the scourge of war." The Berlin crisis can only give new impetus to our longstanding efforts to reach that goal, and the new Agency would be both a new proof of our sincerity and a valuable instrument.

Its purpose is to make broad-gaged studies of the complex political, technical, and scientific problems involved in the three goals mentioned, to prepare new disarmament plans, and to conduct disarmament negotiations with other nations. It is to be a semiautonomous body of experts whose Director would work under the overall direction of the President and, in matters of foreign policy, under the direction of the Secretary of State.

A good foundation for the Agency's work is already being prepared by John J. McCloy, the President's disarmament adviser, in the shape of a new far-reaching and comprehensive disarmament plan. But the first task of the Agency would be, as it is of the Government now, to break the deadlock on a nuclear test ban and general disarmament, on both of which the Soviets still seek to dictate their own terms in order to escape the first condition of any disarmament with security; namely, effective control.

But the Berlin crisis has again demonstrated that disarmament cannot be accomplished in a vacuum, that before it can even begin there must be at least a lessening of international tensions, and that after this it must go hand in hand with a peaceful solution of the world's major political problems. Disarmament is possible only in a world where peace prevails on the basis of just peace settlements, where the sanctity of international agreements, treaties, and laws is respected, and where an international police force exists adequate to check any aggressor. That goal is still distant but not so distant as to warrant lack of effort to reach it.

DEATH OF FORMER REPRESENTATIVE HOWARD J. McMURRAY, OF WISCONSIN

Mr. PROXMIRE. Mr. President, the recent death of a distinguished former Representative from Wisconsin, Howard J. McMurray, recalls to mind that Mr. McMurray also was a professor at the University of Wisconsin. The Capital Times, of Madison, Wis., has published an editorial praising Mr. McMurray and his excellent record. I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

McMURRAY'S HISTORIC ROLE IN THE COURSE OF STATE POLITICS

Howard J. McMurray, whose sudden death at Albuquerque, N. Mex., has shocked his many friends in Wisconsin, was a colorful and dynamic political figure here during the period that he engaged in active politics.

A political science teacher, he moved into active politics and was elected to Congress from the State's fifth district. That was the beginning of a career that was to change the course of Wisconsin political history.

In 1946 McMurray sought unsuccessfully to persuade Senator Robert M. La Follette, Jr., who was then considering abandoning the Progressive Party, to run for reelection as a Democrat. La Follette made the biggest mistake of his political career and moved back into the Republican Party. The decision ended his career.

McMurray ran for the Democratic nomination for Senator. He and La Follette, both of whom had a progressive outlook, split the liberal vote with the result that an obscure circuit judge from Appleton won the Republican nomination against La Follette and went on in a Republican landslide to the U.S. Senate. His name was Joe McCarthy.

Storms swirled about McMurray in the academic world, too. He had taken leave of absence as a political science teacher at the university to run in the 1946 senatorial campaign. When he applied for reinstatement he received the endorsement of the political science department, the college of letters and science, and the president of the university.

But the board of regents, made up of Republican big businessmen, turned thumbs down with some strained argument that he would use his classes to indoctrinate his students with his liberal beliefs.

He left the State and active politics and was again leading a quiet and distinguished academic life as chairman of the department of government and citizenship at the University of New Mexico when death came.

The editor of the Capital Times had an opportunity 2 years ago on a trip to Arizona to lunch with him and review the colorful history he made in Wisconsin politics.

His treatment in Wisconsin is a black mark against this State. Our political life lost a colorful and useful contributor when he left.

DEPARTMENTS OF STATE, JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1962

Mr. JAVITS. Mr. President, I wish to announce that I shall move to amend the appropriation bill for the Departments of State, Justice, the Judiciary, and related agencies so as to restore the budgeted requests made by the administration, except for the amounts concurred in by the agency. This item may come up later in the day. Hence, my announcement at this time.

I also hope that Senators will read the proceedings with respect to the U.S. Information Agency, in the light of its critical importance today, beginning at page 551 of the hearings.

METROPOLITAN OPERA 1961 SEASON CANCELED, SO FAR—THE MET MUST OPEN

Mr. JAVITS. Mr. President, the announced cancellation of the Metropolitan Opera 1961 season, and the decision to break off negotiations with the union on account of a demand, by only 91 members of the orchestra—the Met has hundreds of other employees—is a real tragedy and very likely a disgrace for the whole Nation. The Metropolitan Opera, as the New York Herald Tribune says this morning, is not merely a private theater on the corner of 39th Street and Broadway:

> It is a showcase for a side of American life that the world needs to know more about.

The Metropolitan Opera is a theater; it is a real public institution in the truly national sense.

The closing of this great national cultural institution—if it does close in 1961; and that would be a real tragedy—can be attributed in the national sense to the absence of a program of Federal aid to the arts. Three major arts proposals are before the Senate at this time: the one for an advisory committee; one for grants to States; and my own proposal for a U.S. Arts Foundation, which is analogous to the British and Canadian Arts Councils. Whichever we choose, if we were in that position now, as is practically every other important nation in the world, the Federal Government would have been able to step into the Metropolitan Opera situation in an effective, affirmative way, and the Met would never have had to cancel its season.

The bill for a U.S. Arts Foundation, such as the one I have proposed, would have made it possible to avert this national catastrophe of the Metropolitan's season's cancellation.

It provides $10 million a year from the Federal Government for the entire country as subventions for worthwhile performances and showings. It is most important as a first step in obtaining from the Federal Government recognition of its responsibility for the encouragement of American culture. Spent in conjunction with matching funds from interested and producing public or private—but nonprofit—agencies in the performing and visual arts, this modest Federal appropriation could stimulate the creation of as much as $50 million in non-Government activity on behalf of the arts.

We are behind the times. The gap in terms of culture because of the absence of a national program for that purpose is as great in this field as is our space gap and other gaps, which we are just discussing now. But beyond that—and I hope Congress will repair that situation, as evidence of the very sad, serious situation of the Met—and I speak now through the only forum which I have, which is the floor of the Senate, to both labor and management in New York, and to people who respect, enjoy, and revere the Metropolitan Opera, and all the people of the country who have heard the Met, now, for 22 years through various types of broadcasts.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. MANSFIELD. I yield an additional minute to the Senator from New York.

Mr. JAVITS. Mr. President, I address this appeal, as I say, to my fellow New Yorkers and to the people of the country, especially to the managing directors, so many of whom are my friends, of the Metropolitan Opera, and to the unions, whom I know very well, too. They are not operating or negotiating a private contract in the normal way, without having tremendous overriding public consequences which will ensue from their failure to agree. However, it is not yet too late. There is always hope; and where there is hope, there is life.

I hope the Met and the people associated with it will realize their obligation to the Nation at a time like this, when a matter of this kind can be capitalized and used to such great advantage by our enemies, and will agree to have a Met season in 1961.

In any case, the situation urgently requires action by the Nation to have a national arts program, as does every other major civilized nation on earth, including our stalwart sister democracies of Great Britain and Canada.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "The Met Must Open," published in the New York Herald Tribune of today, August 18, 1961, and an article entitled "Met Says Season Is Impossible" published in the New York Times of August 18, 1961.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, Aug. 18, 1961]

THE MET MUST OPEN

The Metropolitan Opera's decision to break off contract negotiations, call off the 1961–62 season, and deprive New York of its opera this year, simply cannot be permitted to stand.

The Met is far more than a private theater on the corner of Broadway and 39th. It is one of this country's great cultural institutions. It is a showcase for a side of American life that the world needs to know more about. It has a unique status in this country which is reflected in public contributions, foundation assistance, tax exemption. It is a theater that has to be run with a sense of public obligation.

It is perfectly true, as the Met management asserts, that the wage demands presented by the musicians' union are exorbitant. But the way to counter such demands is by negotiation. And there has been very little of this in the contract talks that have been going for weeks, despite the best efforts of city and Federal conciliators.

General Manager Rudolf Bing's departure for Europe while talks were still going on was extremely unfortunate for it contributed to the impression that the Met was not especially concerned whether it had a 1961–62 season or not. Mr. Bing has been a welcome visitor to these shores as manager of the Met, and at the time of the greatest crisis of his regime we believe he belongs right here.

We simply cannot believe that it is necessary to call off this Metropolitan season two and a half months in advance. Judging by their public statements, the star singers are more than ready to go on. All the unions except the musicians' are signed up, and the musicians say they're ready to compromise—which, incidentally, they've been much too long doing. And the Met need have no fear of losing its audience when it does open.

So we refuse to accept this decision by the Met's board of directors—affecting hundreds of employees, affecting the musical public, affecting the cultural status and stature of the United States—as final.

If the ordinary means of conciliation and mediation have failed, let there be recourse to extraordinary channels—not excluding the White House itself.

The Metropolitan Opera is too valuable to lose, even for a season. If it cannot save itself, others must.

[From the New York Times, Aug. 18, 1961]

MET SAYS SEASON IS IMPOSSIBLE; CITY AND UNION ALLEGE BAD FAITH

(By Stanley Levey)

The Metropolitan Opera said yesterday a 1961–62 season was no longer a possibility and broke off negotiations with a union representing its orchestra members.

The announcement and the action apparently extinguished any flickering hopes raised in the last week that somehow the opera and the union—local 802 of the American Federation of Musicians—could patch up their differences over a new contract and get on with the show.

These hopes had been kept alive despite the Metropolitan's announcement on August 7 that it had canceled its coming season. After appeals from President Kennedy, Secretary of Labor Arthur J. Goldberg and Mayor Wagner both sides made a fresh, but unsuccessful, attempt at negotiation.

The union and the city's labor commissioner, Harold A. Felix, who has been trying to mediate the dispute, immediately accused the Metropolitan of bad faith. The union charged that the opera was responsible for the loss of more than 700 jobs.

Al Knopf, vice president of local 802, accused the opera's three-man negotiating team of having gone through "an elaborate waltz without ever having any intention of having a 1961–62 season."

He said the time had come "for a complete change in the way the opera is run and for getting some people in management who will be responsible to the Metropolitan, to the public, to everyone."

Mr. Felix said the opera's agreement "to sit down and negotiate at Mayor Wagner's request in an effort to save the 1961–62 season was given with questionable intention." He charged both sides with having acted "to the detriment of the public interest and the city's prestige."

Yesterday's breakdown was a result of the union's insistence that it have assurances of a 1962–63 season before further discussion and the Metropolitan's unwillingness to make such a guarantee.

The opera said it would be happy to negotiate for the 1962–63 and subsequent seasons and it asked Jacob R. Mandelbaum of the Federal Mediation and Conciliation Service to arrange a bargaining session. The union had nothing to say about such negotiations. Mr. Mandelbaum said he had no immediate plan to call the parties together.

The Metropolitan on August 7 said it had been forced to cancel the coming season because of local 802's "exorbitant demands." Originally the union sought a weekly pay rate of $268. It then reduced its demand to $248. Later it announced that all demands were negotiable and that it was prepared to make concessions.

The Metropolitan offered to continue last year's weekly pay scale of $170.13, with raises of $3 a week in each of the next two seasons. It offered other benefits that, with the wage proposal, would mean a total increase of 14 percent.

SEASON CANCELED

Since the Metropolitan Opera House was opened on October 22, 1883, only one season has been canceled. That was in 1895, when a fire destroyed the stage.

Francis G. Robinson, assistant business manager of the opera, was asked what would be done with the great auditorium in the absence of opera. He said it would be rented to "bona fide organizations."

Last year the Metropolitan had a deficit of $840,000. All but $63,000 of this was wiped out by contributions from the public. Herman Kravitz, the Met's business administrator, said the loss this year, without a season, would be about $400,000, not including revenue from rentals.

Mr. Kravitz estimated the Metropolitan would have to rent the house for 20 weeks to wipe out the anticipated deficit.

Mr. Robinson said prepaid subscriptions from opera lovers amounted at this time to about $200,000. He reported many subscribers had written to ask that their subscription be regarded as contributions. About $5,000 has been realized in this way, he said.

SIX HUNDRED TO BE LAID OFF

Mr. Robinson said that more than 600 employees—members of the chorus, stage hands, press personnel, maintenance workers, cleaners and orchestra members and stagehands—had been given notice and would be laid off. However, he announced that he and Rudolf Bing, the general manager, as well as Robert Herman, the artistic administrator; Mr. Kravitz, 18 members of the administrative staff and 27 maintenance workers would be kept on the payroll.

"Mr. Bing has been asked to organize the 1962–63 season," he explained, "and we [pointing to Mr. Herman, Mr. Kravitz, and himself] have the 1962–63 contract to negotiate."

Mr. Knopf called attention to Mr. Bing's absence from the negotiations. He said:

"If the Met had any idea of saving the 1961–62 season, Mr. Bing would not be in Europe now at such a crucial time. If he had been at all sincere he would have been here right now negotiating."

Mr. Bing left for Europe shortly after making the original announcement of cancellation.

Mr. Knopf said he did not believe the opera's assertion that it could not stage a season this year because it had lost a number of stars. The opera has said 27 of its 117 artists have canceled arrangements, but it has refused to identify the 27.

MANAGEMENT CRITICIZED

"The union," said Mr. Knopf, "was desperately working to save the 1961–62 season, which was the very reason these meetings were called. The Metropolitan management was patiently fooling us, the public, its employees, the mayor, Secretary Goldberg, and President Kennedy. Again I say that the Metropolitan management closed the opera."

Another casualty of yesterday's developments was a plan offered by Mr. Felix on Wednesday to submit the dispute to arbitration. Mr. Robinson said the proposal had been rejected by the executive committee of the Metropolitan Opera Association yesterday morning.

Mr. Knopf said the union would have accepted the idea "so long as the binding character of the award was conditioned on a 1961–62 season." If there were no season, the award would not be binding, he added.

DISARMAMENT KEY ANSWER IN WORLD TORMENTED BY CRISES

Mr. YOUNG of Ohio. Mr. President, while the tensions of Berlin and other trouble spots dominate the headlines, behind the headlines responsible officials from both sides of the Iron Curtain are striving to find answers to the overriding question of our time—the question of disarmament and world peace.

Recently, a series of meetings has been held between John J. McCloy, President Kennedy's disarmament adviser, and Deputy Foreign Minister Valerian Zorin, Soviet representative to the United Nations, in an effort to work out an agenda and principles for resumption of the 10-nation disarmament conference.

The results of these meetings, and other negotiations to which they will lead, could well determine the fate of the world.

Mr. McCloy has announced that the United States soon will be prepared to

present for the first time a comprehensive plan for disaramament which will form the basis for further negotiations with the Soviet Union. It is to be hoped this program will fall somewhere between the Soviet Union's unattainable proposal for total and general disarmament over a 4-year period and prior U.S. positions which have stressed agreement on effective controls before agreement on principle.

Only a position between the two would be practical, realistic, and achievable.

The hope we cherish is that finally definite disarmament agreements, including provisions for adequate safeguards and enforcement, can be reached. Of course, to be effective, such agreements must include Red China as well as the Soviet Union.

Mr. President, for more than a decade the world has teetered on the edge of nuclear disaster. Vast arsenals of the most devastating weapons ever devised by man have been stockpiled by major powers.

According to informed scientists, the United States has stockpiled more than 1,000 hydrogen bombs and could readily produce 50,000 more. There is reason to believe that the Soviet Union has an equal arsenal and an equal potential.

In the near future, Red China will possess nuclear arms. France already has nuclear capability. In fact, nuclear capability appears within reach of many small nations. It is no longer a monopoly of the major powers.

Unless this futile arms race is stopped, even more terrifying weapons will be developed, and someday, almost inevitably, they will be used. The history of the 20th century to this good hour demonstrates that every arms race has ended in war.

We must apply the brakes now before we plunge over the precipice into the most terrible of all wars—indeed, perhaps, the final war.

Mr. President, in my view, behind the bluster and bombast of Soviet leaders lies an earnest desire to halt the leapfrog game of the arms race, where first one nation, then the other, is ahead. I assert Soviet leaders know full well there can be no victory in nuclear war, for the spoils of victory would be nothingness.

I believe the people of the Soviet Union seek peace and want disarmament and that they, as we, wish to devote their energies and resources to improving their standard of living.

But to speak disarmament is easier than to achieve it. We must be prepared for long, tedious—often discouraging—negotiations. We must be prepared to compromise. We must find a common language with our antagonists to reach the common goal of disarmament and a reduction of cold war tension.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. YOUNG of Ohio. I ask for 1 additional minute.

Mr. MANSFIELD. I ask unanimous consent that the Senator from Ohio may proceed for an additional minute.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and the Senator from Ohio may proceed.

Mr. YOUNG of Ohio. I thank the majority leader.

Mr. President, it is for us, as Senators of the United States, confronted with awesome responsibilities, to do our utmost to advance mankind's hopes for a disarmed world which can live in peace.

Soon, I hope we shall be considering President Kennedy's proposal to establish a U.S. Disarmament Agency which will be charged with research and planning for a workable disarmament program.

Certainly, the Senate, which voted without dissent for a budget of $46 billion for arms, cannot reasonably oppose an appropriation of only $6 million for a Disarmament Agency, for we all realize that the only final guarantee of mankind's survival is peace and that the shelter of strength which our military might provides cannot stand forever.

The Disarmament Agency would represent a modest beginning toward an essential goal, and we would rely on it to untangle the complex problems which disarmament presents.

It is a beginning we must make, for if it achieves its goal we shall be repaid a thousandfold with relief, with security, with safety, and with the comforting assurance that mankind will not commit the final and irrevocable insanity of self-destruction in nuclear war.

VIEWS ON SOCIAL SECURITY RETIREMENT TEST

Mr. KEATING. Mr. President, one of the aspects of the social security system which has long been of great interest to me is the so-called retirement test, whereby a person between the ages 65 and 72 loses his benefits if he continues to work.

I have always felt that the test is discriminatory and unfair. It undermines the spirit of many of our senior citizens, and often prevents them from leading active and useful lives after they have reached age 65. I have introduced a bill which would completely eliminate the earnings test. While we have been nibbling away at this ceiling for many years, Congress has not come to grips with this issue and provided more realistic and equitable treatment of all of the beneficiaries of our social security system.

Recently, Mr. Jimmy Jemail, "The Inquiring Fotographer" of the New York Daily News, conducted a poll as to whether the earnings limit should be removed. His poll reflects the views on both sides of this question. It indicates an impressive knowledge on the part of the people queried about the issues involved and about the basic character of our social security programs.

Mr. Jemail's column is a valuable means by which to focus attention on key issues. In light of the widespread interest in Congress in the social security earnings test, I ask unanimous consent that Mr. Jemail's column be printed at the conclusion of my remarks. I only regret that the smiling faces captured on film by Mr. Jemail cannot be printed in the CONGRESSIONAL RECORD. The penetrating and attentive expressions of the always alert New Yorkers who were selected for this poll are indeed a tribute to the strength and character of the Empire State.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Daily News, Aug. 14, 1961]

THE INQUIRING FOTOGRAPHER

(By Jimmy Jemail)

THE QUESTION

Should a person be permitted to collect his social security at 65, even if he wants to continue working at his regular salary?

WHERE ASKED

Along Gerard Avenue, Bronx.

THE ANSWERS

Leslie Green, Marion Avenue, insurance agent: "Yes. When a man has contributed to social security for years and supported the Government in other ways, he has a right to a degree of independence at 65. Most men are not able to make provisions for retirement and they must continue working if they can."

Melvin N. Halperin, Gerard Avenue, corporation secretary: "No. Social security is for the general good. A man who continues to work after 65 is contributing to the welfare of the less fortunate. However, since retirement age has been reduced to 62, he should collect at 69 instead of 72 if he continues to work."

Peter Yaro, Bellerose, Queens, bank official: "I would rather see the law made more flexible and benefits expanded. If a man continues to work and contribute to social security after 65, his pension should be larger on retirement. If he takes the small pension at 65, he probably has to do some work anyway to make ends meet."

C. J. Trebing, Harrison, N.Y., retired manufacturer: "Yes. He will at least get a portion of what he has contributed over the years. How much can he possibly collect after he is 72? The present regulation is unfair."

Sol Nichols, Phelan Place, Bronx, retired: "No. The rates are too low to permit it and I imagine they would have to be half again as high to provide full pensions to all who continue to work after 65. Social security is for those who actually retire and make room for others."

Robert Rose, Bronx, sales representative: "Yes. It's highly unfair to make a man wait until he is 72. How much longer can he live after he's 65? I heard of a man who continued working after 65 and collected social security at 72. He died 6 months later."

ANTI-AMERICAN FEELINGS AND TREND TOWARD COMMUNISM IN MEXICO

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter dated July 21, 1961, from Leo M. Roy, president, Comite Norteamericano Pro-Mexico, A.C., regarding anti-American feelings and a trend toward communism in Mexico.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMITE NORTEAMERICANO PRO-MEXICO, A.C.
Atenas 42-602, Mexico, July 21, 1961.

TAKE IT FROM US—WE LIVE HERE

DEAR FRIEND: Just a year ago we wrote you about rumors spreading north of the Rio Grande concerning anti-American feelings and a trend toward communism in Mexico.

We U.S. citizens who live in Mexico and know the situation firsthand want to bring you up to date, because the rumors—and they are vicious rumors—have been intensified this year.

First, we must admit there have been some minor incidents, but mostly so insignificant they were hardly noticed down here. These incidents, the malicious rumor spreading are truly the work of paid agents of certain foreign powers, who exaggerated them out of all proportion for publicity purposes abroad.

These agitators are making every effort to disrupt the friendship between Mexico and the United States, to frighten tourists out of coming here, and to alarm investors. Their efforts will surely be repeated since this is a long-term campaign to cause a break between our two countries. And if you believe them, you are playing into the hands of the Communists. You will be doing just what they desire.

We need Mexico's friendship, which is traditional. We share a border over 1,600 miles long, without forts or guns, where friendship and mutual respect have been the byword for generations. Mexico is one of the United States of America's best customers. Our exports to and imports from Mexico are extremely important to both nations. In turn, Mexico needs our friendship and understanding, she needs our tourists, who spend about $650 million here every year.

If the Communists succeed in doing what they are trying to do, we both lose. Mexico will be hard hit economically and standards of living will drop. You well know that a country with great poverty and unemployment could be a pushover for the Communists.

So let's get the picture straight:

Mexico today is a good friend. It is not Communist. The government of President Adolfo López Mateos is striking back at the Communists, has gone out of its way to make clear its friendship for the United States. In an address delivered on June 7, 1961, in which he pulled no punches, the President said: "* * * my government will repress the excesses of demagogic persons or groups of the right or of the left who, working outside the framework of the Constitution, would attempt to dismember the life of the nation and violate constitutional order."

And just last week former President Abelardo Rodriguez declared: Mexico denounces foreign doctrines being propagated on this continent which endanger the liberty of free peoples."

At no time have the Mexican people been other than friendly. Nowhere will you find such courtesy, friendliness and good will. There is a remote possibility you may see a "Cuba sí, Yankees no" sign, but you may also see them in Washington, New York, San Antonio. Here they are the work of professional agitators, deliberately trying to create bad feelings, acting without the support or sympathy of the Mexican people or their government.

We know. We live here, and are close to developments. We have our homes and businesses in Mexico. We attend the churches of our choice, our children go to the schools we like.

The Comité, without prejudice or ulterior motives, by its vote of confidence reaffirms its belief that a cordial and lasting bond of friendship exists between our two countries.

And we ask you not to let the Communists hoodwink you. The next time you see a headline shrieking "Anti-American Riot in Mexico," read the full story. It will probably say that only a few individuals were involved, and that they were led by known agitators, that no Americans were molested, that the government stepped in and broke it up.

Such a "riot" definitely does not represent "anti-American" feeling on the part of the people themselves. We who live here may not even hear about it until we read it in our hometown papers from the States.

Visit Mexico. See for yourselves what the wonderful country has to offer. Let's all help keep Mexico where it belongs, one of the free and democratic nations of the world.

Sincerely yours,
LEO M. ROY, *President.*

PRICE FIXING AND MONOPOLY IN ANTIBIOTIC DRUGS

Mr. MORSE. Mr. President, a news story in the Wall Street Journal today reports on the indictments returned by a grand jury against a number of drug manufacturing firms and their top executives on charges of fixing high prices and monopolizing the manufacture, distribution, and sale of antibiotic drugs.

Reference is made in this report to my able colleague, the senior Senator from Tennessee [Mr. KEFAUVER], and to the findings before his Antitrust and Monopoly Subcommittee.

It is my conviction that the relentless work and thorough investigation by Senator KEFAUVER and the committee and staff played a large part in leading the Justice Department to bring about these indictments. The full transcript of the findings of Senator KEFAUVER's committee was made available to the Justice Department and contained many shocking revelations about exorbitant prices charged for products which cost only a fraction to manufacture.

I would like to take this opportunity to vigorously commend Senator KEFAUVER for his tireless efforts in uncovering the facts about lack of price competition in the drug manufacturing industry and ask unanimous consent that the Wall Street Journal article which points to this achievement be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Aug. 18, 1961]

THREE ANTIBIOTICS FIRMS CHARGED WITH PRICE FIXING—PFIZER, AMERICAN CYANAMID, BRISTOL-MYERS AND THREE TOP EXECUTIVES ARE INDICTED—COMPANIES DENY ALLEGATIONS

The Justice Department announced the indictment of three leading drug companies and their top executives on charges of fixing high prices and monopolizing the manufacture, distribution and sale of so-called wonder antibiotic drugs.

The three-count criminal indictment, returned by a grand jury in New York, named as defendants Chas. Pfizer & Co., Inc., and its president and chairman, John E. McKeen; American Cyanamid Co. and its chairman, Wilbur G. Malcolm; and Bristol-Myers Co. and its president, Frederic N. Schwartz. The companies have headquarters in New York.

The indictment also named two companies as alleged coconspirators but not as defendants: Olin Mathieson Chemical Corp., parent of E. R. Squibb & Sons, New York, and Upjohn Co., Kalamazoo, Mich.

All the defendants emphatically denied the charges. American Cyanamid, citing numerous, lengthy investigations of the drug industry by arms of the Government, called the indictment harassment.

The Justice Department described Pfizer, American Cyanamid, and Bristol-Myers as the three largest manufacturers of antibiotic drugs, together accounting for about 70 percent of the annual business. It was estimated that all 1959 retail sales of antibiotics totaled $250 million.

BROAD-SPECTRUM ANTIBIOTICS

The indictment involves the manufacture, distribution and sale of three broad-spectrum antibiotics, those widely used in the treatment of infectious diseases and substantially interchangeable in medical use. They are:

Aureomycin, manufactured and sold exclusively by American Cyanamid through its Lederle Laboratories division under a patent issued in 1949. Aureomycin was the first of the broad-spectrum antibiotics, coming on the market in 1948.

Terramycin, manufactured and sold exclusively by Pfizer under a patent issued in 1950 and put on the market in that year.

And tetracycline, manufactured by Pfizer, American Cyanamid, and Bristol-Myers under a patent issued to Pfizer in 1955. The drug is also sold by Squibb and Upjohn. The five companies use these brand names: Achromycin for American Cyanamid, Tetracyn for Pfizer, Polycycline for Bristol-Myers, Steclin for Squibb, and Pannmycin for Upjohn.

The first count of the Sherman Act indictment charges the defendants, but not the asserted coconspirators, with conspiring to restrain trade; the second and third counts allege monopolization and conspiracy to monopolize the manufacture, distribution, and sale of broad-spectrum antibiotics. The maximum penalty on each count is $50,000 and a year in prison for each individual and $50,000 for each corporation.

The indictment comes 8 days after the Federal Trade Commission announced a broad inquiry into the pricing and advertising practices of the drug manufacturing industry.

KEFAUVER FINDINGS PARALLELED

Justice Department officials said in Washington they began presenting evidence to the New York grand jury in 1960. They added that much of the information "parallels" the findings of the Senate Antitrust Subcommittee headed by Senator KEFAUVER, Democrat, of Tennessee, which has been investigating the drug industry off and on for some time. These officials refused to say whether additional antitrust actions in the drug field might be forthcoming, however.

Yesterday's indictment charged that the alleged conspiracy was designed to confine the manufacture of tetracycline to Pfizer, American Cyanamid and Bristol-Myers; to restrict the sale of tetracycline products to these three companies, plus Squibb and Upjohn; and to insure that the sale not only of tetracycline but of all broad-spectrum antibiotic products would be at "substantially identical and noncompetitive prices."

The Government submitted a long list of what it called the effects of the alleged conspiracy:

"Patients, retail druggists, wholesalers, private and tax-suppported hospitals, and Government agencies have been deprived of

the benefits of competition and have been compelled to pay noncompetitive and unreasonably high prices for broad-spectrum antibiotic products."

Pfizer and American Cyanamid have been able to maintain substantially identical, noncompetitive and unreasonably high prices of Terramycin products and Aureomycin products without any price competition from tetracycline products.

The three manufacturers and Upjohn and Squibb have been able to maintain substantially identical, noncompetitive and unreasonably high prices on all broad-spectrum antibiotics sold by them.

Pfizer, American Cyanamid and Bristol-Myers have been able to make unreasonably high profits in their sales of broad-spectrum antibiotics.

A court test of the validity of Pfizer's tetracycline patent has been prevented; the introduction of improvements by other companies in broad-spectrum antibiotics has been precluded and research has been hampered; and all other pharmaceutical companies wanting to enter the broad-spectrum field have been blocked.

INDICTMENT CHARGES

The indictment charged that the conspiracy among Pfizer, American Cyanamid and Bristol-Myers began in November 1953, and stemmed from competing applications for the newly developed tetracycline, filed with the U.S. Patent Office by each of the three concerns. Until then, the Government said, American Cyanamid's Aureomycin and Pfizer's Terramycin dominated broad-spectrum antibiotic sales, accounting for about 92 percent in 1953, and prices of the two drugs had been substantially identical and noncompetitive since October 1951.

"Pfizer and (American) Cyanamid knew that tetracycline was directly competitive with Terramycin and Aureomycin," the indictment said, and "* * * represented a threat to the continuation of their dominant positions and unreasonably high profits. * * *"

"Pfizer and Cyanamid also knew," the indictment continued, "that unless one of them could obtain a patent on tetracycline, prices of broad-spectrum antibiotics could become competitive."

Thus, the Government charged, American Cyanamid helped Pfizer win the tetracycline patent. Pfizer, in turn, licensed American Cyanamid and Bristol-Myers to manufacture tetracycline and agreed to exclude all other companies, the Government alleged.

But Bristol-Myers' sales force was very small at the time, the Government said. So Upjohn and Squibb, each with large sales forces, were brought into the arrangement, the Government charged, with both companies agreeing to buy all their bulk tetracycline from Bristol-Myers.

IDENTICAL PRICES CHARGED

The Justice Department said the five companies each introduced tetracycline "at prices which were substantially identical with each other and which conformed to the noncompetitive prices of Terramycin products and Aureomycin products in effect as of November 1953." These prices were maintained until at least July of last year, the Department said. It also charged the companies with withholding pertinent information and otherwise misleading the Patent Office prior to its decision giving Pfizer the tetracycline patent.

In New York Mr. Schwartz of Bristol-Myers said, "We emphatically deny that we have ever conspired to fix prices or have ever been a party to any action, conspiracy, or agreement in violation of the antitrust laws. This action will be vigorously defended with confidence that our conduct will be completely vindicated."

American Cyanamid said in a statement that "the Government will be forced to make its case upon a series of inferences. This company has made absolutely no admissions of any antitrust violations. On the contrary, we have repeatedly asserted and continue to assert our complete innocence.

"We deeply respect our Government and the processes of law. We feel, however, that 10 years of investigations by its agencies and departments have turned up only some very dubious inferences. This latest development, in our opinion, amounts to harassment."

Pfizer stated it denies emphatically "any price fixing, restraint of trade, or monopolization." It said there has been "vigorous competition" in production and marketing of the drugs involved in the case. Pfizer said it got a patent on tetracycline lawfully and justifiably, and only after the U.S. Patent Office weighed carefully the pertinent facts and applicable principles of patent law.

REVISION OF FEDERAL ELECTION LAWS

Mr. LONG of Missouri. Mr. President, earlier this week, the junior Senator from Nevada [Mr. CANNON], chairman of the Senate Privileges and Elections Subcommittee, introduced for himself and the other members of the subcommittee S. 2426 to revise the Federal election laws.

It is my understanding that this bill has been reported by the subcommittee to the Committee on Rules and Administration with a favorable recommendation.

The subcommittee is to be congratulated for the responsible manner in which they have handled this important legislation. Having a number of bills to revise our election laws before them, they held 5 days of hearings and sat for hours in executive session marking up the bill on which they took final action.

S. 2426 would make several significant changes in the present election laws. It recognizes the present-day cost of campaigns by raising the limits on expenditures by candidates to a realistic level. The bill also raises to a realistic level the limitation on the amount a political committee which operates in two or more States can spend.

With respect to the reporting provisions of present law, the bill would have the salutary effect of requiring the filing of reports within the State. This would make the reported information more readily available to interested persons. This provision certainly works to the benefit of the people's right to know where campaign money is coming from and for what it is being spent.

The last major change in present law which would be made by this bill is without doubt the most significant. The bill would establish an income tax credit for political contributions. The taxpayer could claim as a credit against his income tax 50 percent of his political contributions. However, $10 would be the maximum credit allowed. This provision would stimulate political contributions up to $20. The combined effect of the tax incentive and the official endorsement of political contributions as an activity of good citizenship should greatly extend the base of campaign financing. It would be a major step forward in promoting active participation by more Americans in our elective process. The subcommittee is to be particularly commended for including this provision in the bill.

Mr. President, S. 2426, through these changes, would certainly improve the present law. However, there are a number of improvements not included in the bill which I believe need to be made.

Many years ago, Congress adopted the policy that the people had a right to know about campaign financing; however, due to the limited reporting required, this policy has never been fully realized. The law does not require reports on the financing of primaries nor does it require political committees that operate in only one State to report even though they support Federal candidates. These gaps have allowed a major part of campaign financing to go unreported. These gaps have prevented the people from having a complete picture of campaign finances.

S. 2426 does not make any changes in this area. It is my hope that the Senate Rules Committee will give full consideration to the need to further amend the reporting provisions of present law and will adopt the necessary amendments before reporting the bill to the Senate.

There is one other change which I would suggest. Under present law, there is no overall limitation on the amount a person can contribute. In my opinion, we should not allow any one person to exercise an unlimited monetary influence on the elective process. The present limitation is no limitation. I would hope that the full committee would also give consideration to the establishment of an overall limitation. The Senate last year adopted an amount of $10,000 and I would recommend this amount.

Mr. President, while I am most pleased with the action of the subcommittee, I hope that action will be taken to include these further changes which are necessary to make our election laws really effective.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Is there further morning business? If not, morning business is closed.

FOREIGN ASSISTANCE ACT OF 1961

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate at this time and be made the pending business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. PROUTY. Mr. President, I call up my amendment identified as "8–17–61—D," and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Vermont will be stated.

The LEGISLATIVE CLERK. On page 11, between lines 7 and 8, it is proposed to insert the following:

(c) In any case in which the amount of a proposed grant, or other assistance with respect to any project, under this title exceeds $5,000,000 in the aggregate such grant or other assistance shall not be made or furnished, and no agreement obligating the United States to make such grant or furnish such assistance shall be entered into, unless thirty days earlier a full and complete report with respect to the purposes and terms of the proposed grant or other assistance shall have been made to the Committees on Foreign Relations of the Senate and Foreign Affairs of the House of Representatives and the Committees on Appropriations of both Houses. The provisions of subsections (e) to (g), inclusive, of section 201 of this Act shall be applicable with respect to reports made under this subsection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont.

Mr. PROUTY obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from Vermont yield, so that I may yield time on the bill to the Senator from Connecticut [Mr. DODD], with the proviso that the Senator from Vermont will not lose his right to the floor and that the time available to him on his amendment will not be decreased in any way by this arrangement?

Mr. PROUTY. Certainly.

Mr. MANSFIELD. Mr. President, I so request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROUTY. I am very happy to cooperate.

Mr. MANSFIELD. Mr President, at this time I yield 40 minutes on the bill to the Senator from Connecticut [Mr DODD]. However, I find that only 33 minutes remain available to those on this side. Therefore, I ask unanimous consent that the total amount of time on the bill be extended 1 hour, from 6 hours to 7 hours, to be divided equally between both sides.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DODD. I thank the majority leader.

BERLIN: THE IMPERATIVE NEED FOR ACTION

Mr. DODD. Mr. President, on Tuesday, August 15, the three allied commanders in Berlin filed a protest with the Soviet commandant against the East German action in sealing the frontier which separates East Berlin from West Berlin.

Having just come from Berlin, I confess that I was gravely disappointed by our failure to react in any way for 3 whole days to this flagrant violation of treaties and of human rights.

This is a contingency that could have easily been foreseen. It is a contingency which, in fact, has been the subject of frequent discussion in the press of the free world. I had taken it for granted, as, I assume, many other people did, that the Western allies, after all their discussions, had a plan prepared to meet this contingency. Our failure to react for 3 days, however, proves, or at least suggests, two things that can only serve to encourage the Kremlin to further provocations. It suggests, first, that we had no plan ready to meet this contingency. Second, it suggests that the NATO alliance is incapable of an immediate, united, affirmative response to Soviet actions on Berlin.

I was just as gravely disappointed by the tone of the protest, when it finally did come. To say that it was totally inadequate would be an understatement. The protest, in my opinion, was so weak, so toothless, so completely incommensurate with the crime that had been committed that it was nothing short of dangerous.

I may add that the text of the second protest, printed in this morning's newspapers, while its language was slightly improved, on essential matters was as weak, toothless, and wholly inadequate as was our first protest.

Wednesday's New York Herald Tribune reports that West Berlin officials were "dismayed" and "amazed" at the weakness of the Allied note "and that the West Berlin population was disheartened." It spoke of a "crisis of confidence" between the 3 million West Berliners and the Western allies.

Newspapers reported indignant mass demonstrations in West Berlin. The demonstrators, according to the Herald Tribune, carried banners which read: "Are we being betrayed by the West?" "We are indignant over the lack of action. Is it all only promises?" "Paper protests do not stop tanks." "Ninety hours without action. Doesn't the West know what to do?" "We demand toughness." "Kennedy to Berlin." "We demand an economic boycott."

The distinguished New York Herald Tribune correspondent, Gaston Coblentz, made this comment on the note:

The message appeared likely to help convince Soviet Premier Nikita S. Khrushchev that he is on the right track in contending that Western declarations of willingness to fight for Berlin are a "fairy tale."

Mr. President, we have been warned on every side that the Berlin crisis may lead to war. I am convinced that it will not lead to war if we can persuade Prime Minister Khrushchev that we mean business when we say that we will fight, if necessary, to defend the freedom of Berlin.

On the other hand, there is a very serious chance of war by miscalculation if Khrushchev believes that the West will back down again, as it has in the past, that it is not irrevocably committed to the defense of Berlin.

Perhaps the most disturbing thing I learned during my recent visit last weekend to Europe is that Khrushchev apparently does not take our declarations on Berlin seriously. He is convinced that the United States is divided, that the NATO alliance is divided, that the West talks big but acts little.

I report this to the Senate on the very highest authority.

It is from this standpoint that the allied note on Berlin is particularly dangerous.

Perhaps our most precious, single asset in Berlin is the incredible morale of the people of West Berlin. Berlin will not long remain free if Western troops are withdrawn or if we accept the Soviet proposal to convert Berlin into a so-called free city. But the Berlin situation can also culminate in catastrophe if, through inadvertence, or through timidity, or through lack of understanding, we take any action which seriously weakens the morale of the West Berliners and their confidence in the future.

This is a fact which was underscored to me by every American and German in Berlin with whom I had occasion to discuss the situation. One of the most senior Americans in Berlin, for example, said to me that he would oppose the recall of American dependents in Berlin because of the shattering effect that such a move would have on the morale of the populace. "Once this morale is gone," he said to me, "then Berlin is gone."

But apparently no one stopped to think of the impact that the Allied note of August 17 and allied inaction would have on the morale of the West Berliners.

According to accounts in some Western newspapers, Washington and London are disposed to feel that Khrushchev has given them a major propaganda victory by his intemperate action in Berlin. But the New York Times of yesterday's date quoted one West Berlin official as saying:

A few more victories like this and we can pick up.

Mr. President, every time we fail to live up to our commitments, every time we limit ourselves to oral protest when the situation calls imperatively for action, every time we give the impression of weakness or hesitation, we fortify Khrushchev's beliefs that the West will "chicken out" if he pushes things to the brink of a showdown.

Unfortunately, since the terrible days of the Hungarian revolution, we have given Khrushchev far too many reasons for believing that we are incapable of decisive action.

The Hungarian revolution was without question the greatest opportunity the West has had to force the Kremlin back to its prewar frontiers and to reestablish a stable political balance in Europe. The satellite empire was seething with discontent. Poland and East Germany, in particular, stood on the very brink of explosion. The Red army units stationed in Hungary had, in the first phase of the fighting, given indications of massive disaffection. Thousands of them, in fact, had gone over to the side of the Hungarian freedom fighters with their weapons. The Kremlin itself, as Khrushchev has publicly admitted, was

aware of the gravity of the crisis and was divided on the course to be followed.

But instead of taking action to support the heroic freedom fighters of Hungary, we limited ourselves to pious declarations of sympathy.

We took no action to make it clear to the world that we accepted the government of Imre Nagy as the legitimate Government of Hungary.

We took no action to force the seating of Nagy's newly appointed delegates to the United Nations.

We did not, as we should have done, insist on the immediate dispatch to Hungary of a corps of United Nations observers.

We did not warn the Kremlin that any new attempt to intervene in Hungary would have the gravest repercussions.

We did not take diplomatic advantage of this situation, as we might have done, by urging negotiations on self-determination for the captive peoples of Europe, in exchange for concessions from the West.

It would have been bad enough if we had been completely inactive. But our guilt went further than this—and so history will say. In almost so many words, President Eisenhower assured the Kremlin that we looked upon Eastern Europe as its legitimate sphere of influence and that we had no intention of intervening.

The result was that those voices in the Kremlin which urged caution were overruled by the Khrushchev faction, which urged military action. The Soviet troops, which had been withdrawn from Hungary after their first inglorious defeat by the Hungarian freedom fighters, were sent pouring back into Hungary in a surprise attack, supported by a force of 5,000 tanks.

And while the Hungarian people fought against the massed Soviet tanks with rifles and homemade grenades and their bare fists, and while 20,000 of them perished in the streets of Budapest alone, we still did nothing.

I can think of no more dismal moment in our entire history. I believe that Bishop James Pike spoke for a considerable part of the American people when he said in a sermon in New York:

> The blood of the Hungarian people is on our hands.

This was an instance where historical retribution was quick to follow. For the fact is that we are paying for our inaction in Hungary in the present Berlin crisis. There would, I venture to say, have been no Berlin crisis at all had we followed the course of resoluteness in Hungary.

In the Berlin crisis we are paying, too, for our inaction in Laos. In the early days of the Laos crisis, Khrushchev apparently was still uncertain about our reaction. He felt his way gingerly because he apparently believed that we might take the action we had committed ourselves to take through our membership in SEATO and through our repeated declarations that we would defend Laos.

The first Soviet planes that flew into Laos brought only benzene. We did nothing.

The next group of planes that flew in brought small-arms munitions. Still we did nothing.

The next group of planes brought artillery and artillery ammunition; and still we did nothing.

Finally, when they were convinced that we would take no action no matter how great the provocation, the Soviet airlift to Laos brought in Communist military personnel. At this point they knew that Laos was theirs for the taking.

Our failure to back up the Cuban freedom fighters was inevitably construed by Khrushchev as another evidence of weakness and indecision. Khrushchev must have compared our inaction in this case with the action he himself would certainly have taken had he been confronted with a situation in reverse on his own frontier.

The nuclear test ban moratorium is another instance where we have been long on words and short on action.

On December 29, 1959, President Eisenhower announced that, in view of the lack of progress at Geneva, the United States would not renew the moratorium, but would reserve the right to resume testing with proper notice to the international community. Since that time, we have declared on at least three or four occasions that we would make a final effort to reach an agreement at Geneva, and that, if this effort failed, we would have no alternative but to resume testing. This was the position taken by both candidates in the election of last year.

Instead of giving ground at Geneva, the Soviets have withdrawn concessions to which they previously agreed, and now insist on a complete power of veto through a three-man directorate. On this they are so obdurate that there is next to no hope they will budge from it.

But in the face of the hardening Soviet insistence on the veto, in the face of the mounting scale of their threats and aggression and subversion, we still shrink from the decisive act of resuming testing. We stand there like a mouse, petrified by a serpent that is about to devour it.

If war should erupt over Berlin, it will be a war of miscalculation, a war that neither we nor the Soviets want. But, to a far greater extent than we realize, such a war would be the consequence of our failure to act in Hungary and Laos and Cuba, of our failure to act on the nuclear test ban moratorium, and, more immediately, of our failure to take any action in response to Khrushchev's monstrous action in Berlin.

I am convinced that we will not back down on Berlin. I know that this conviction is shared by Chancellor Adenauer and the leaders of the West German Government. I have every reason to believe that it is also shared by our other NATO allies.

This is all to the good. But it is not enough. It is just as important to convince Khrushchev that we mean business as it is to convince our allies that we mean business. And it is here that we have failed.

Mr. President, in the few months that remain to us before the Berlin crisis comes to a head, it is essential that we do everything in our power to convince Prime Minister Khrushchev that we mean it when we say that we are prepared to fight over Berlin, to convince him that we have the capacity for decision and the capacity for action, if need be.

The flabbiness of our protest over the sealing off of East Berlin, the serious delay in issuing it, the total avoidance of action, will have precisely the contrary effect.

Mr. President, to illustrate my point, I ask unanimous consent to have printed in the RECORD at this point the brief text of the allied protest note of August 15.

There being no objection, the note was ordered to be printed in the RECORD as follows:

UNITED STATES, BRITISH, AND FRENCH COMMANDANTS' PROTEST

During the night of August 12–13 the East German authorities put into effect illegal measures designed to turn the boundaries between the west sectors of Berlin and the Soviet sector into an arbitrary barrier to movement of German citizens resident in East Berlin and East Germany.

Not since the imposition of the Berlin blockade has there been such a flagrant violation of the Four Power agreements concerning Berlin. The agreement of June 20, 1949, in which the U.S.S.R. pledged itself to facilitate freedom of movement within Berlin and between Berlin and the rest of Germany, has also been violated.

In disregard of these agreements and of the wishes of the population of this city, for the welfare of which the four powers are jointly responsible, freedom of circulation throughout Berlin has been severely curtailed.

Traffic between the east sector and the western sectors of Berlin has been disrupted by the cutting of S-bahn (elevated) and U-bahn (subway) service, the tearing up of streets, the erection of roadblocks and the stringing of barbed wire.

In carrying out these illegal actions, military and paramilitary units, which were formed in violation of Four Power agreements and whose very presence in East Berlin is illegal, turned the Soviet sector of Berlin into an armed camp.

Moreover, the East German authorities have now prohibited the many inhabitants of East Berlin and East Germany who were employed in West Berlin from continuing to pursue their occupations in West Berlin. They have thus denied to the working population under their control the elementary right of free choice of place of employment.

It is obvious that the East German authorities have taken these repressive measures because the people under their control, deeply perturbed by the threats on Berlin recently launched by Communist leaders, were fleeing in large numbers to the West.

We must protest against the illegal measures introduced on August 13 and hold you responsible for the carrying out of the relevant agreements.

Mr. DODD. Mr. President, Gaston Coblentz, in his article in the Herald Tribune quoted a typical Berlin reaction as follows:

> Well, the first five paragraphs tell the Communists what they already know—that they have sealed off East Berlin. The last paragraph says rather politely that they really should not have done it.

I am in complete agreement with this evaluation.

There are those who say that we can take no action, and others who say that we should take no action in reply to this new Communist provocation, because any action we took would increase the tensions and increase the danger of war.

But there are many measures we can take and should take which would in no way increase the danger of a military confrontation.

The first group of measures are in the realm of propaganda and information.

Wednesday's New York Times carried an account of the massive effort the Kremlin is making to win the neutrals over to its side on the Berlin issue. But if there was ever a situation that the free world could utilize to underscore the difference between democracy and communism, between freedom and slavery, it is the situation that exists in divided Berlin.

When I was in Berlin last weekend, I asked whether USIA had ever made a documentary film on the refugee influx and the Marienfelde reception center. I said, "Here is a golden opportunity, with a cast of characters the like of which has never been known before." I was told that they had had such a film in mind for some time but that it had not yet been made. Now it is too late to make this film, because the refugee influx has been reduced to a mere trickle.

Mr. JAVITS. Mr. President, will the Senator yield very briefly, since I know the time is limited.

Mr. DODD. I yield.

Mr. JAVITS. I should like to ask the Senator to please be on the floor later today when we discuss the appropriation for the USIA, because it bears very markedly on what the Senator is saying.

Mr. DODD. Yes.

Mr. JAVITS. Uncle Sam now, I think, is a man with a big stick and a small voice. We are the people who make it so. I hope the Senator will pitch in on that fight.

Mr. DODD. I shall, indeed. I am grateful to the Senator from New York. I agree with him entirely.

Mr. President, think of the millions of dollars which have been poured into this Agency. The exodus of pitiful refugees has been going on for years. Not once has it occurred to the Agency to make a documentary film—or, if it occurred to them, they never made it.

But the world must be told, with all the energy and emphasis at our command, about what is going on in Berlin.

I believe that we should immediately, within a matter of days, organize a massive airlift of newspapermen and journalists from all over the world to beleaguered Berlin, so that Latin Americans and Africans and Asians and newspapermen from other areas can see with their own eyes the difference between freedom and communism within the confines of a single city, so that they can see the barbed wire and the tanks and all the instruments of terror which the Communists must use to prevent their people from seeking freedom, so that they can speak to the scores of thousands of refugees still in Berlin and get from them the story of Communist tyranny.

What a wonderful blow we could strike for the free world, at an infinitesimal fraction of the cost of our foreign-aid program.

I believe we should offer these trips to Berlin to correspondents of all the non-Communist countries, on an expenses paid basis, telling them that they will be free to go where they will and speak to whom they will in West Berlin, and encouraging them to seek entry into East Berlin so that they can report firsthand on both sides.

There were several thousand correspondents present in Paris when Khrushchev blatantly disrupted the summit conference and delivered his tirade against President Eisenhower. Let us see to it that there are at least an equal number of correspondents on hand in Berlin as eyewitnesses to the greatest crime Khrushchev has committed since his bloody suppression of the Hungarian revolution.

The second group of measures are of an economic nature. While we do not want to shoot off all our ammunition in reply to this initial challenge, there are important economic measures we could take immediately that would still leave us with plenty of economic measures in reserve.

As a first measure I believe that, acting in concert with our Western allies, we should immediately suspend all shipments of machine tools and chemical processing equipment to the entire Soviet bloc. This would account for approximately 50 percent of their imports from the West.

The Soviets have had a few spectacular technological successes which have been highly publicized in the West. But, despite these successes, a careful reading of the Soviet press reveals that their machine tool industry suffers from a chronic inability to produce high precision equipment.

That is why the Soviets have been buying this equipment from us. That is why, last January and February, some of us had to make a fight to prevent a large quantity of high precision miniature ball-bearing machines from being shipped to the Soviet Union. Fortunately, the hearings held by the Subcommittee on Internal Security forced the cancellation of the license for the export of these machines to the Soviet Union.

To help overcome their difficulties, the Soviets are avidly shopping for such equipment in this country, in England, in France, in Italy, in West Germany, wherever they can get it.

With the exception of a few very special items, we obligingly make all of this equipment available to them.

This is the most dangerous kind of folly. Since the Soviets threaten us with war, since there is a very serious chance that their threats and aggressions may actually result in war, I propose that we terminate this folly forthwith by suspending all shipments of machine tools and chemical processing equipment until the Soviets cease to threaten the peace and consent to a durable settlement in Europe based on the essential principle of self-determination.

By doing so, we would be hitting the Kremlin where it hurts most. We would be giving them a convincing demonstration of our capacity for action. We would greatly enhance our bargaining position in future negotiations. And we would be endowing our statements of intent on the Berlin crisis with the essential quality of credibility.

The East German quisling regime has threatened to impose a blockade on West Berlin if economic sanctions are taken against it. I think we should warn the miserable puppets of the Pankow Government and their masters in the Kremlin that if any such measure is taken we shall respond to this with a total embargo on all trade to the Soviet bloc.

There are also graduated measures that we can take in the realm of diplomacy. The Kremlin has endeavored to endow the forcible division of Berlin with the appearance of East European approval. It has done this by calling together all its quisling regimes of the Warsaw Pact and ordering them to sign a joint proclamation supporting the action of the East German authorities.

The satellite regimes, as everyone knows, are completely without popular support. While they are dependent on the Kremlin, they are very concerned about American recognition because, in the eyes of their people, this recognition gives them a thousand times more status than Soviet recognition.

Let me say at this point that I do not believe we should have recognized any one of them. I am sure, and sadly sure, we shall live to rue the day. But nevertheless the situation is that today they do enjoy recognition.

As a warning to the satellite regimes, I should like to propose that, while not withdrawing recognition at this point, we recall our Ambassadors to these countries for an indefinite period. And we should let them know that, if they engage in further provocative actions under the bidding of the Kremlin, we reserve the right to take further diplomatic sanctions.

I am convinced that this action would make a profound impression on the people of West Germany, on the peoples of the satellite countries, and even on the quisling politicians who must endeavor to strike a balance between the demands of the Kremlin and the limits of popular endurance.

Finally, I believe we should take action through the United Nations, but only a certain and particular kind of action.

One way or another, the issue is bound to come before the United Nations. Since this is so, I think it is better that we should take the initiative rather than leave it to either the neutralist or Communist bloc.

I am completely opposed to the proposal that the entire matter of Berlin be referred to the United Nations for settlement. If we did this, we should be abdicating the rights which are ours by virtue of conquest and by virtue of the previous Four Power agreements on Berlin. We should be setting a precedent

which would automatically bring into question all of the rights acquired under other treaties, the moment any signatory to any treaty decided that he wanted it abrogated or else rewritten in his favor. It would be an abdication of sovereignty over the conduct of our foreign affairs.

If the issue of Berlin is raised at the United Nations, it should be raised on the ground that it constitutes a threat to the peace of the world. It should be raised on this ground and this ground only.

We should, in connection with raising the matter, prepare a white paper setting forth the essential facts about the Berlin situation since the close of World War II. We should ask the General Assembly to look into the Kremlin's violations of the right of self-determination for the German people, to look into its action in artificially fostering a crisis which threatens the peace of the world, to look into its arbitrary and brutal action in cutting the city of Berlin in half, and to look into the causes of the mass exodus of refugees from the East Zone.

What could more properly be the concern of the United Nations?

Finally, I believe that if the forthcoming meeting between Ambassador Dean and Ambassador Tsarapkin produces nothing better than the same old Soviet insistence on the right to veto, we should announce forthwith that we are planning to conduct underground nuclear tests, and we should set forth our reasons to the world in a white paper that details the history of the test ban negotiations, the record of Soviet intransigence, the record of our own very great concessions in an effort to achieve agreement, and the record of Soviet perfidy and violated agreements.

This again would be action, as opposed to talk. Because of the confusion that we have helped build up on the question of the test ban, we might lose something in terms of the esteem of the uncommitted countries. But what we might lose would be insignificant compared with the psychological impact this would have on the Kremlin.

To recapitulate my proposals, I believe there are five actions we can take to persuade the Kremlin that we do have the will and the capacity for decisive action.

First, I propose that we organize a massive airlift to Berlin of thousands of journalists and correspondents from all over the world. We might call this the truth airlift.

Second, I proposed that we immediately suspend shipment of all machine tools and chemical processing equipment to the Soviet bloc, and warn them that further aggression will result in further economic sanctions.

Third, I propose that we recall our Ambassadors from the satellite countries for an indefinite period, and warn them that further complicity in the Kremlin's aggressions will result in further diplomatic sanctions.

Fourth, I propose that we raise the issue in the United Nations, and demand that a special commission be set up to examine into the question of self-determination for the German people and the reasons for the mass influx of refugees from East Germany.

Fifth, I propose that we resume testing forthwith if the impending meeting between Ambassadors Dean and Tsarapkin fails to budge the Kremlin from its insistence on the veto.

There are bound to be negotiations with the Kremlin. If we fail to take action of any kind, if we confine ourselves to verbal protests over each Soviet provocation, we shall go to the conference table gravely handicapped, because we shall have no quid pro quo to offer in demanding that the Soviets retreat from all those actions they have taken that are in violation of the occupation statute and the Four Power agreement on Berlin. From such a conference we shall inevitably emerge the loser.

But worse still, if we fail to take action, we greatly increase the chances of war by miscalculation.

I believe the proposals I have presented here are realistic. I believe they would in no way increase the danger of a military clash. I believe that, taken in concert, they would persuade the Kremlin that we mean business about Berlin, and that democracies are not effete and incapable of action. I believe that, in the long run, a course of action such as I have outlined is the one sure way to defend Berlin and the one sure way to preserve the peace.

Mr. President, we cannot escape the fact that Khrushchev judges us not by our words but by our actions. We must draw the necessary conclusions from this. Because history, too, will judge us by our deeds rather than by our words.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article from the New York Times for Thursday, August 17, captioned "West Berliners in Angry Mood Against Allies, Bonn, and Reds," and an article from the New York Herald Tribune for the same date entitled "Berliners Cry Betrayal."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 17, 1961]

WEST BERLINERS IN ANGRY MOOD AGAINST ALLIES, BONN, AND REDS—FRUSTRATED CITIZENS AND PRESS ASSAIL WEST'S FAILURE TO ACT STRONGLY AND ADENAUER'S SLUR UPON BRANDT

BERLIN, August 16.—The West Berliners were an angry people today—angry with the Western Powers responsible for the city's security, angry with the West German Government, and angry with the Communists across the closed intercity border.

They were also a frustrated people—frustrated because the anger that has been boiling inside them since the Communists split the city with barbed wire and tanks over the weekend has found no outlet.

No one even tried to hide the anger. It was directed at the allies because their reaction has so far been confined to a protest note to the Soviet Union.

It was directed at the West German Government in general and at Chancellor Adenauer in particular for what most West Berliners considered an unwarranted personal attack on their mayor, Willy Brandt, by a public allusion to the mayor's illegitimate birth.

NEWSPAPERS ARE FRANK

Newspapers, the man in the street, and even officials, who asked only that their names not be used, gave way to their feelings openly.

The independent Morgenpost wrote:

"Many had expected quicker and more effective action by the West. Are protests in letters really adequate to the task?"

The mass-circulation Bild Zeitung covered its entire front page with a huge headline saying, "The East Acts—and the West? The West Does Nothing."

The headline was over pictures of the Western leaders with these comments:

"President Kennedy keeps silent. * * * Macmillan goes hunting. * * * And Adenauer insults Brandt."

In a front-page editorial, Bild Zeitung said:

"We entered the Western alliance because we believed this would be the best solution for Germany as well as for the West. The majority of Germans, the overwhelming majority, is still convinced of this.

"But this conviction is not strengthened if some of our partners, at a moment when the German cause is in great danger, coolly declare: 'Allied rights have not been touched.'

"The German cause is in the greatest danger. Three days already, and so far nothing has happened apart from a paper protest by the allied commandants.

"We are disappointed."

Der Tagesspiegel, a quieter-voice paper, summed it up in a four-panel cartoon.

The central character of each panel is a man labeled "led the West." He first admonishes Stalin for hitting him with a club labeled "Germany's division," saying, "Once more and I'll take out my big stick," and he repeats the same words as Premier Khrushchev belabors him with "Hungary" and Walter Ulbricht, the East German Communist leader, with the "closing of the intercity border."

The fourth panel shows the bruised and battered man by himself, and the caption is "And so on?"

"A tragedy goes on in Berlin, but * * * the German Bundestag [Parliament] was not convened in the first 24 hours. Not one mayor in West Germany called his people to a demonstration. Not even 2 minutes of silence were observed.

"And the worst of all is that at this moment the election campaign [West Germany's parliamentary election will be held September 17] dominates. The Federal Chancellor insults Berlin's first citizen."

POSTERS BELABOR WEST

At a mass protest demonstration against the border closing today, West Berlin workers carried revealing posters.

This is what some of the posters said:

"Ninety hours without action. Doesn't the West know what to do?"

"Be quiet, people are sleeping here."

"Kennedy to Berlin."

"The East has challenged the West. The West cannot just protest."

"Munich 1938—Berlin 1961?"

"Better dead than Red."

"To the Western Powers: You can't stop tanks with paper."

All this added up to a crisis of morale in West Berlin, and allied officials here knew it. The courage of West Berliners in standing up to Soviet threats has been an essential element in allied planning. The question being asked here today was whether this had been forgotten.

Dispatches from Washington reporting the administration as believing it has gained an important propaganda victory out of the border closing have been printed by most

papers here and read with astonished disbelief.

"A few more victories like this and we can pack up," said one bitter West Berlin official.

What the West needed, according to officials here, was to show that it could react quickly, effectively, and unitedly.

[From the New York Herald Tribune, Aug. 17, 1961]

BERLINERS CRY "BETRAYAL"

(By Gaston Coblentz)

BERLIN, August 16.—A crowd of 250,000 West Berliners booed Western inaction in the Berlin crisis and called for retaliation against the Communists at a huge protest rally today in front of the West Berlin City Hall.

Mayor Willy Brandt said in a bitterly worded address that he has "openly" told President Kennedy in a letter that "Berlin expects more than words" and awaits some form of Western political counteroffensive.

At Washington, the White House said Mayor Brandt's message had not been received, and that there would be no comment on it. At Bonn, West German Chancellor Konrad Adenauer defended the Western Powers against criticism of their "inactivity," United Press International reported. He said, "In a real crisis, the Western Powers would act with all due force."

Openly dissatisfied with the Western response to the Communists' sealing off of the East Berlin border, the West Berliners carried posters to the rally which said:

"Are we being betrayed by the West?"

"We are indignant over the lack of action. Is it all only promises?"

"Paper protests do not stop tanks."

"Ninety hours without action. Doesn't the West know what to do?"

"We demand toughness."

"Kennedy to Berlin."

"We demand an economic boycott."

Mayor Brandt himself used language virtually as strong as the posters when he said the issue was whether Berlin was to become "another Munich"—that is, whether it would be the occasion of an appeasement of the Communist powers comparable to the appeasement of Nazi Germany in 1938.

He warned that the morale of West Berlin, a vital factor in the Berlin crisis, will only be as good as the morale of the rest of the free world.

To reassure his uneasy audience, he stressed that the West's reaction to the latest Communist moves in East Berlin did not mean that the Western Big Three have backed down on their solemn and repeatedly reasserted pledges to defend West Berlin.

"Our freedom is not directly menaced," he added.

APPLAUSE IS FEEBLE

However, these assurances evoked only feeble and uncertain applause from the crowd.

Shortly before the rally, the Soviet Union rejected a protest made on August 3 by the Western commandants in Berlin against East German efforts to stop the escape of thousands of refugees. The allied protest said these efforts were a violation of Four Power agreements for freedom of movement throughout Berlin.

Col. A. V. Solovyev, the Russian commandant in East Berlin, dismissed the Western protest with the adjectives "absurd," "meddling," "distorted" and "completely inappropriate."

"Your demands cannot be taken seriously if you intend with your letter to extend to democratic Berlin [East Berlin], the capital of the sovereign German Democratic Republic [East Germany], the outmoded occupation regime artificially maintained by the occupation authorities in West Berlin."

In an exceptionally cynical passage, Colonel Solovyev said:

"The commandant of Soviet troops does not meddle, as the allied commandants (in West Berlin) probably know, in the affairs of the German Democratic Republic and its capital. It would be absurd to expect us to aid such meddling attempts by other states."

JEERS AT WEST'S VIEW

Colonel Solovyev ridiculed the Western assertion that all of Berlin is still subject to Four Power agreements between the Western Big Three and Russia. He said that the West should know from earlier Soviet notes that Moscow regards the Four Power accords as no longer operative.

Just before the mammoth city hall rally, the East German Communists brought heavy new military reinforcements up to the East Berlin border to drive off West Berlin demonstrators if necessary.

The Communists clearly considered it possible that thousands of persons might march from the city hall to the border and cause trouble at the Brandenburg Gate or elsewhere.

At the Potsdamer Platz, situated nearer than the Brandenburg Gate to the city hall, they lined up tanks, armored cars and water-cannon trucks and concealed 400 troops with submachine guns in the adjacent subway station on the Communist side.

However, partly as a result of warnings by Mayor Brandt and of severe West Berlin police precautions to prevent Western crowds from assembling at the border, no attempt was made to stage a major demonstration.

In his address, Mayor Brandt made these announcements and appeals:

1. He said that West Berlin will make it financially impossible for West Berliners who have been working for key Communist enterprises in East Berlin, including prominent figures employed in the East Berlin theater, to continue such employment.

2. He appealed to all East Berlin and East German officials and military officers not to lose their humanity despite the totalitarian measures upon them in their Communist state.

"Do not let yourselves be made into scoundrels," he said. "Show human conduct whenever it is possible. Above all, do not shoot at your fellow countrymen."

3. He said he had discussed the new situation in Berlin this morning with Gen. Bruce C. Clarke, commander in chief of the U.S. Army in Europe, who arrived here from his Heidelberg headquarters and toured the border with the mayor.

In addition, Mr. Brandt said he will consult here during the next 2 days with the Ambassadors of the United States, Britain and France in West Germany.

4. He called on West Berlin's friends in the free world to keep placing new orders with Berlin industry and to strengthen West Berlin's business and other ties with the West rather than allow them to weaken.

5. He said that he will fly to Bonn Friday to address a special session of the West German Parliament. He bitterly criticized the Parliament for its timidity in having bowed to Communist threats and failed to hold its customary annual symbolic session in West Berlin for the last year and a half.

"Their caution has not paid off, as we have seen. Instead, it has emboldened the other side and heightened its appetite," Mr. Brandt said.

6. He called on all West German and West Berlin businessmen to boycott next month's Leipzig Fair in East Germany.

"Those who want to make business out of this situation should stay over there if they go," Mr. Brandt said. "We do not want to lay eyes on them again."

Earlier in the day, an unexplained power failure occurred in East Berlin, conceivably the result of sabotage.

It crippled all subway, elevated and trolley lines in the Communist sector of the city for an hour and also halted West Berlin elevated train traffic.

The elevated system in both parts of the city is operated by the Communists, although Mr. Brandt said that he will confer with the Western commandants here tomorrow about ending this arrangement. He said that, among other things, this would "prevent the Communists from using West Berlin elevated train revenues to buy barbed wire for the Brandenburg Gate."

Mr. DODD. I also ask unanimous consent to have printed at this point in the RECORD an article by Flora Lewis in this morning's Washington Post, in which she discusses some other concrete actions that might be taken in the present Berlin situation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WEST BERLIN, U.S. VIEWS SEEN IN SHARP CONFLICT

(By Flora Lewis)

BERLIN, August 17.—The sharp conflict of judgment between West Berlin and Washington on reaction to Sunday's armed Communist operation here has been made visible to the world.

Essentially, it revolved on the question—What could the West do that would not lead to war?

As seen from here, Washington's considered answer was nothing except a delayed protest for the record.

Berlin's belief is that a choice of one or more of a sizable list of possible measures was available.

Many of the measures had been used before as reprisal for far less drastic Communist action. Others were available but had not been tried.

No responsible person in Berlin thought that use of any or all of the limited reprisals available would have succeeded in forcing Communist tanks to withdraw or in reopening the streets of Berlin.

But the judgment here was that counteraction regardless of its immediate effectiveness was essential to demonstrate continued allied presence and interest in Berlin.

It was obvious that the Communists had calculated they would have to pay some price for success in sealing off the city, and they were prepared to pay it.

All indications here are that they were just as surprised to discover that this seems to be bargain-basement time for obtaining at least part of the East's objectives in Berlin as the West was surprised by the sudden decisiveness of the East.

WEST BERLINERS ASTOUNDED

And West Berliners were astounded to discover the seeming poverty of the allied political arsenal—or the unwillingness to look inside and choose.

At a time when much has been said about the need for strengthening the West's capability for conventional warfare, so as to prevent "escalation" to nuclear weapons in case of limited conflict, it appeared that there were no conventional weapons at hand in the field of politics.

Washington's answer to the crucial question of what could be done seemed to imply that in the cold war over Berlin, the West was limited to the choice of political hydrogen or nothing, not even a cap gun.

The West Berlin Government proposed a number of specific measures. Some were disapproved, some remain possibilities, and one was finally approved on Wednesday—an end to the exchange subsidy for West Berliners working in the East.

In addition, West Berlin officials felt that a number of other measures deserved at least serious consideration, although it was not up to West Berlin to propose them officially since they involved allied or West German action.

MEASURES LISTED

These measures included:

Immediate protest to the Russians by the allied commandants. On May Day, the commandants protested within 24 hours the presence of East German armed forces parading through East Berlin in violation of Four Power agreements. This week, the protest required high-level approval in allied capitals and was therefore delayed 3 days.

Announcement that the West German Parliament would meet shortly in West Berlin to demonstrate solidarity with the Berliners. The proposal was rejected by Bonn.

Allied refusal to continue issuing travel documents required by East Germans for travel to the West. Only official East Germans, serving the Communist interests, were able to get their own regime's permission to travel, so the chance of working hardship on innocent bystanders was minimal. The documents were denied for a period last year as an allied reprisal for East German chicanery. They are now being issued.

Closing the offices of the East German Communist Party in West Berlin. The West German Socialist Party has been able to keep offices in East Berlin, but their people have been deprived of any chance to work effectively and have now been cut off from any contact with their superiors in the West which is not the case for the Communists.

Taking over the West Berlin part of the city's elevated railway system. East Germany was given responsibility for the whole system under original Berlin agreements and receives all revenues.

Strengthening allied garrisons in Berlin. In Geneva in 1959, the allies offered to reduce their garrisons as part of a settlement rejected by the Russians. This is likely to be a point in any new compromise. If the garrisons had been increased this week, there would have been something to bargain away without loss of strength.

Stationing a token allied force on the sector border to show visibly that West Berlin had its defenders. Twenty jeep loads of military police would have made an important difference to morale. The allies have a legal right to stand on the border in force. Yet only the West Berlin riot police were ordered out on the Western side.

Quick arrival of some important personalities in West Berlin—preferably an American Cabinet minister. Appointment of Gen. Lucius Clay as American commandant, however complicated it might have appeared in Washington, would have meant a great deal to West Berliners who point out that Marshal Ivan Konev, his old opposite number, has returned to his postwar position in East Germany.

There was also a list of possible and relatively moderate measures outside Berlin:

Since rupture of trade between East and West Germany has apparently been reserved by the West as a retaliation against any future Communist barring of access to West Berlin, punitive trade measures short of a rupture or complete embargo were available. These included withholding a few specific but vital goods such as special machine parts or certain special types of steel and banning shipment of West German and possibly allied goods for exhibition at the Communists' important Leipzig industrial fair.

Rotation of at least a regiment of the allied Berlin garrison to demonstrate emphasis on the right of military access.

Bonn's declaration that the pending Soviet-West German cultural agreement would be ruled out of further consideration unless Moscow agreed to Bonn's right to speak for West Berlin and include its territory in any such accord.

Introduction of a resolution in the United Nations condemning the Communist action as a breach of human rights.

SPEED, CLARITY SOUGHT

West Berlin's view was that clarity and speed of allied reaction mattered more than its specific effect, since the whole allied effort on Berlin recently has been officially described as an attempt to convince Khrushchev that the West is able and determined to make a stand here.

There were bound to be reasonable arguments for and against any particular one of the possible ways of reacting. Yet there was a choice. The complete failure to react has, in Berlin's view, given the Communists ready new confidence in themselves and strengthened Khrushchev's belief that the West really would back out of Berlin if only it can find sufficient excuse, such as an urgent choice between war and peace.

As one Berliner, recalling Hitler's series of armored political victories put it, "the appetite comes with eating."

In the past few days, the Communists have issued warnings against Western countermeasures. Because of the timing, it has become possible for the East to treat any coming Western retaliation as a new hostile initiative, rather than as a reprisal reckoned as the price of Communist action.

The immediate question remaining now is whether the West still considers West Berlin a four-power city, in which the Russians have rights, despite the fact that East Berlin has been formally and forcibly incorporated into East Germany.

Obviously this is the undecided question which has kept the allies from choosing some of the possible countermeasures.

Mr. DODD. I am deeply grateful to our generous, gentle, wise, and able majority leader for allowing me to have this opportunity to speak this morning on this extremely critical subject.

Mr. MANSFIELD. Mr. President, I wish to express my thanks to the distinguished Senator from Connecticut, and to say that he always has a worthy subject upon which to address the Senate and for Senators to cogitate upon.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. PROUTY. Mr. President——

Mr. MANSFIELD. Mr. President, will the Senator yield briefly without losing his right to the floor?

Mr. PROUTY. I yield.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Chair understand that the time for the quorum call is to come from neither side?

Mr. MANSFIELD. The time may be taken from this side.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUSH. Mr. President, will the Senator yield me 3 minutes?

Mr. PROUTY. I yield 3 minutes.

Mr. BUSH. Mr. President, as though in the morning hour, I call attention to an article which appeared on page 13 of yesterday's edition of the Washington Star, August 17, entitled "Debt Payments Offset Trade Balance Decline." The article has to do with the balance-of-payments position. It is an Associated Press article, which starts as follows:

The Nation's balance-of-payments position showed a basic deterioration in the April–June quarter but this was disguised by advance repayments of debts owned by three foreign governments.

Choosing to look at the bright side, the Commerce Department yesterday issued a preliminary report which said the troublesome payments situation "showed a substantial improvement during the second quarter."

However, officials said the country's international financial position actually worsened, if you ignore the unusual $650 million ahead-of-schedule payments made by the three foreign nations.

I ask unanimous consent that the entire article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DEBT PAYMENTS OFFSET TRADE BALANCE DECLINE

The Nation's balance-of-payments position showed a basic deterioration in the April–June quarter, but this was disguised by advance repayments of debts owed by three foreign governments.

Choosing to look at the bright side, the Commerce Department yesterday issued a preliminary report which said the troublesome payments situation showed a substantial improvement during the second quarter.

However, officials said the country's international financial position actually worsened, if you ignore the unusual $650 million ahead-of-schedule payments made by the three foreign nations.

This underlying deterioration was the more worrisome because it reflected a drop in exports and an increase in imports.

The balance of payments represents the difference between the amount which Americans spend, lend, and invest abroad and the amount received from foreign sources. Last year there was a payments deficit of $3.8 billion, which lead to a record loss of U.S. gold.

While the deficit has been greatly reduced this year, it still is substantial.

Ignoring the advance debt payments, the April–June deficit was at an annual rate of about $1.8 billion. This compared with a first quarter rate of $1.1 billion.

However, if the debt payments are included in the calculation, the United States can claim a payments surplus of about $60 million for the second quarter—the first surplus since 1957.

While the Commerce Department report emphasized this side of the coin, one expert said anyone looking at the situation from the standpoint of policymaking should take the less optimistic figures.

The advance debt payments were $590 million from West Germany, $40 million from the Netherlands, and $20 million from the Philippines.

Mr. BUSH. Mr. President, I call attention to this situation, which is most unfortunate, as we are in the middle

of great debate and a very important occasion with respect to the foreign aid bill, which has a very profound effect upon the balance-of-payments proposition.

One reason why I voted against the 5-year termination proposal and for the 3-year termination proposal on the DLF program is that I was worried, and I am still worried, about the effect of this whole program upon the balance-of-payments situation, which is one of tremendous importance to this country and to the whole free world, which depends upon us because the dollar is the strongest currency in the whole free world. Much depends upon the integrity of the dollar, and among the things which depends upon it is the security of the United States and of the other free nations.

So I hope Senators and Members of the House will read the article published by the Associated Press concerning this very pressing matter.

SEGREGATION IN INTERSTATE BUS TRAVEL

Mr. JAVITS. Mr. President, I yield myself 1 minute on the bill by permission of the minority leader. I wish to call attention to the pendency before the Interstate Commerce Commission of a request for regulations which will seek at long last to end segregation in bus terminals and everything connected with interstate bus transportation.

Some time ago I introduced into the CONGRESSIONAL RECORD a letter from the ICC explaining its proposed procedure on this subject. These regulations are absolutely essential to give legal basis for the elimination of this blot on the American escutcheon, discrimination against foreign travelers and domestic travelers as well.

The ridiculous efforts to pretend that this discrimination applies only to intrastate passengers are a defiance to our good sense and judgment and make a laughingstock of our concepts that affect the Constitution.

Every Senator who feels deeply on this subject should in his own way evidence his feeling to the ICC that such regulations must be adopted.

I ask unanimous consent that an editorial on this subject published in the New York Times of today be printed in the RECORD at this point in my remarks. Never again should we allow any traveler at home or abroad feel that even in interstate travel, between States, Negroes must take a back seat.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INTEGRATION AND THE ICC

The Justice Department has been trying to get the Interstate Commerce Commission to adopt new rules against segregation in interstate bus travel. The object is to integrate rest rooms, waiting rooms, and restaurants in all bus terminals for interstate travelers. The bus companies would also have to put up signs on their interstate buses saying that "Seating on this vehicle is without regard to race, color, creed, or national origin."

In theory, no matter how the law is interpreted, the ICC could not compel the companies to integrate facilities used only by intrastate travelers. In practice it is no doubt impossible to make all accommodations freely available to persons whose journeys take them over State lines but not to those who do not cross State lines. Some southern bus stations already carry signs saying, respectively, "For intrastate white" and "For intrastate colored." St. John Barrett, speaking for the Justice Department, called this procedure a subterfuge and a device.

If the ICC thinks it cannot push integration as far as Attorney General Robert F. Kennedy wants it to do and if the States regard the proposed integration as an invasion of their State laws and local customs, the matter will have to go back into the courts and perhaps up to the Supreme Court. That, of course, is what the courts are for. But it does not seem that compulsory segregation in any kind of interstate travel can last many years longer. The current of our generation is too much against it.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum and ask that the time for it not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROUTY. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROUTY. Mr. President, last Tuesday the Senate adopted by a substantial vote the Dirksen amendment which relates to development loan funds. The amendment I am proposing this morning relates to development grants. If the amendment is approved I shall offer another amendment which relates to supporting assistance. All told, there is about $845 million involved. In order that Senators may be refreshed concerning the Dirksen amendment, let me explain very briefly what the amendment I am offering this morning would do.

First. Whenever the executive branch plans to make grants for a given project—or purpose—which in the aggregate exceed $5 million it would be required to notify the Committees on Foreign Relations of the Senate and Foreign Affairs of the House of Representatives and the Committees on Appropriations of both Houses.

Second. The notice to the four congressional committees would be accompanied by a full and complete report of the purposes and terms of the proposed grant at least 30 days before the grant is intended to be made.

Third. If the President certifies that any such report will be adverse to the national security, the four congressional committees may, in their discretion, waive the filing of the report.

Fourth. Each of the four congressional committees cited above is empowered to report a concurrent resolution to terminate authorization of the proposed project and the resolution shall be of the highest privilege.

Fifth. The chairmen of the Committees on Appropriations and the chairmen of the Committees on Foreign Relations and Foreign Affairs are directed to employ necessary skilled personnel to evaluate reports on development grants and make recommendations to the respective committees.

I might reiterate here that if the amendment is adopted I shall offer a second amendment which will apply to supporting assistance.

When we adopted the Dirksen amendment we were concerned with loans which in theory, at least, are supposed to be paid back at some indefinite time in the future. Now we are concerned with grants, money which will never be returned. It seems to me that if we felt it was desirable and necessary to scrutinize the loan program, it is certainly even more important that we give careful consideration to the so-called giveaway programs.

Let me explain that I am not engaged in an exercise in redundancy, which may be suggested by reason of the fact that these programs are subject to the annual appropriation and authorization procedures. We have had that same procedure over the years, and we have found time and time again evidences of waste, extravagance, and even stupidity in the administration of many of these programs. In other words, Congress has had control over the overall program, but practically no control as to how the money is to be spent. That was one reason why I found it necessary to vote against the amendment offered by the very distinguished Senator from Virginia [Mr. BYRD]. He provided for a 5-year authorization and annual appropriations, however we would still have had no control over the individual projects and programs for which the money was to be spent.

My amendment, together with the one offered by the distinguished minority leader, will give us that control. We will exercise the control before the money is spent, not afterward, as has been the case, when it is too late to do anything about it. I believe the Dirksen amendment goes much farther than many people realized at the time it was passed. I am sure any administration which has a modicum of political sagacity—and I am told the present administration is not weak in that respect—is going to give serious consideration, and, I believe, will refuse to carry out programs which are not agreeable to a majority of the members of the Appropriations Committees, because they realize that they must play ball with those committees, not only in the foreign-aid field, but also in the domestic field.

Therefore, I believe the Dirksen amendment is a real landmark so far as control is concerned. Let me reiterate

that we are controlling the money before it is spent. I am sure the congressional committees which are referred to in the amendment are composed of some of the smartest, ablest, and most dedicated men in both Houses of Congress.

They will consider programs simply from the administration standpoint, but they will also make certain that some programs, or all of them, can be justified before they are approved. It seems to me that that is the commonsense approach, one which will work to the advantage of the American people.

In addition, a program of about $845 million is involved, which is already authorized for the current fiscal year. This is money which will never come back. In my judgment, it is high time that Congress knew what money was planned to be spent and for what it is to be spent.

I remember well the 6 years I served on the House Committee on Foreign Affairs. Representatives of administrative agencies would come before us and give us information in broad general terms. This was equally true of the last administration, as well. We did not know exactly what the money was to be appropriated for. We knew that some programs did not require all the money which was sought, but we could not pinpoint where the cuts should be made. So when the agencies went before the Committee on Appropriations, that committee would make cuts pretty much on the same basis.

I remind Senators, as I did last week, that the Senate Committee on Appropriations, in 1959, spent a total of 35½ hours on the so-called foreign-aid bill, but spent only 1 day in marking it up. In the House, the Committee on Appropriations has the equivalent of two staff members engaged in surveying this program. The same is true of the Senate. The Senate Committee on Appropriations has only two staff members who have been given the responsibility to study this vast program, involving billions of dollars.

The Dirksen amendment implicity suggested that the committee chairmen should obtain additional staff personnel in order that they could screen the programs and requests for foreign-aid money very carefully. It may be said that that need not be done, because there are annual authorizations and annual appropriations with respect to particular programs. However, I think such a proposal as mine would work out in such a way that the administrators of the programs would come before the authorization committees and then before the Committees on Appropriations having the projects pretty well defined, with the result that much time and effort would be served.

It may never be necessary for the administration to submit these programs to the committees, except for a brief period, because the programs will be so completely explained at the time of the authorization.

Mr. BUSH. Mr. President, will the Senator from Vermont yield?

Mr. PROUTY. I yield.

Mr. BUSH. Does the Senator provide a dollar limitation on the items?

Mr. PROUTY. Five million dollars.

Mr. BUSH. The same as in the Dirksen amendment?

Mr. PROUTY. The same as in the Dirksen amendment. It is identical with the Dirksen amendment, except that it relates to the current program, and another will relate to the assistance program, which involves $845 million. I think it is a sound amendment, something which the people of the country can support.

Mr. COTTON. Mr. President, will the Senator from Vermont yield?

Mr. PROUTY. I yield.

Mr. COTTON. I commend the Senator for his amendment and also for his very lucid, presentation. I am happy to associate myself with him in the offering of the amendment. I think it is a reasonable, carefully drawn, realistic amendment, one which will not in any way handicap the foreign aid policy, but will actually aid it—aid not only in its administration, but in regaining some of the public support which it has been losing. I hope the Senator's amendment will prevail.

Mr. PROUTY. I am grateful to the distinguished Senator from New Hampshire. I agree with him absolutely that the adoption of the amendment will restore public confidence, and congressional confidence, perhaps, in this program. That confidence has been lost today. It was lost during the Eisenhower administration, and it has been lost during the Kennedy administration.

I think this is one way actually to help the administration, by supporting a workable, realistic, honest, straightforward program.

I have supported the foreign aid program ever since becoming a Member of Congress. I intend to vote for the passage of the bill. I have no desire whatsoever to hamstring it or stultify it in any shape or manner. Nevertheless, I think it is in the interest of the American people and of the administration to have Congress exercise a much greater degree of control over the funds before they are spent than has been true in the past.

Mr. COOPER. Mr. President, will the Senator from Vermont yield?

Mr PROUTY. I yield.

Mr. COOPER. I was glad to hear the Senator's speech. When a similar amendment was before the Senate a few days ago, relating to the development loan fund, I voted against it. I did so on the thesis that the congressional review of specific projects was not a task for the Congress, and that their validity was the responsibilty of the administration and its foreign aid agency. I had the idea that after the executive branch had spent time negotiating and coming into agreement with other countries regarding specific programs, and perhaps had negotiated with third countries, contributions to the programs, it would be a rather doubtful process to bring the proposed loans before the Senate and the House for consideration and for approval or disapproval. I think it an Executive, rather than a legislative function to administer the foreign aid program. I could foresee that the debate and discussion of a particular program in a particular country by the Senate and House might revolve around considerations not applicable to the conduct of foreign policy, which is the responsibility of the President.

I was surprised that the administration left the position it had taken. It had taken a position against the proposal for congressional review. The chairman of the Committee on Foreign Relations took the floor and said he approved congressional review and voted for it. As the administration changed its position—and it did—I shall change mine, and I shall vote for the Senator's proposal.

Upon reflection, congressional review may not have the adverse effect which I had contemplated. It may establish standards and warnings which will lead the administration to present and enforce a better program.

When we have finished with the bill and have done all possible to write legislation making it possible and have a more effective aid program, the success of the foreign aid program will rest at last with the executive branch—upon its careful planning, upon its review of the plans and projects proposed by other countries, and upon its efforts to secure contributions by other countries, for the United States cannot bear the entire burden.

I will support the amendment of the Senator from Vermont.

Mr. PROUTY. I am grateful to the distinguished Senator from Kentucky for his support and for his logical, well-reasoned justification for his position and mine.

Let me cite what happened in the House, when the House, by a teller vote, restored the annual authorization and appropriation feature.

That was offered by one who, I believe, is still a member of the Foreign Affairs Committee of the House. He was born in India, and is now a naturalized American. Naturally, he has a sentimental interest in the part of the earth where he was born. He is concerned with the problems which exist in the underdeveloped countries. But I believe probably out of a sense of sheer frustration at his inability and the inability of the other members of the committee to obtain specific information and details concerning these programs, he felt compelled to take the action he did in the House of Representatives.

If the members of the committee are frustrated and concerned over the lack of information available to them, it is no wonder that the American people, or at least a large segment of them, are opposed to this program as a matter of principle, particularly when they read of the many examples of extravagance, waste, and poor administration which have been evident for so many years.

I think the amendment of the Senator from Illinois will shed a great deal of light on the program, and it may

gain the support of the American people when they know that Congress has full details and information about what is going on and how the money will be spent, before it has been spent.

Mr. President, I reserve the remainder of the time available to me.

Mr. FULBRIGHT. Mr. President, I am unable to see any justification for application of the principle of the Dirksen amendment, which was adopted in regard to the lending program, to the regular appropriation part of the program. I want it clearly understood that there is a distinction between applying that provision about oversight to the lending part of the program and applying it to the procedure under the Appropriations Committees, particularly when the Appropriations Committees would have control of it under the Government Corporation Control Act.

This amendment would subject the grant-aid support and assistance part of the program to this further check, and that would create very serious mechanical and bookkeeping problems for the committees.

I think we can trust the Appropriations Committees to evaluate these programs, as they have been doing all along. I can see no reason or justification at all for adding this further burden in connection with the administration. I believe the amendment involves an effort to go far beyond the legislative function in this field. I do not see why we should attempt gradually to infringe upon the executive functions, any more than we would like to see the executive infringe upon the legislative functions. Furthermore, I see no benefit whatever to be obtained by applying this proposal to the regular, annual appropriations of funds.

Mr. BUSH. Mr. President, will the Senator from Arkansas yield?

The PRESIDING OFFICER (Mr. HICKEY in the chair). Does the Senator from Arkansas yield to the Senator from Connecticut?

Mr. FULBRIGHT. I yield.

Mr. BUSH. Under the annual appropriation process to which these grants in aid are subjected under the bill—and that is correct, is it not?

Mr. FULBRIGHT. Oh, yes.

Mr. BUSH. Under that process, is it not necessary that the individual projects which are subject to grants in aid by the ICA be reviewed in advance by the Appropriations Committees?

Mr. FULBRIGHT. It is, customarily. Very large books are presented to the Foreign Relations Committee, as well as the Appropriations Committee, setting out just what the program is for each country, and the amount, and the projects, whether in the military field or in the economic field; and both committees go over that material each year.

Mr. BUSH. In the opinion of the Senator from Arkansas, does the Prouty amendment contemplate that any different information would be given to these committees, as compared to that which now is given to the Foreign Relations Committee?

Mr. FULBRIGHT. If I correctly understand the amendment, it is not so much concerned with the giving of information in the first instance; but under the amendment, as I understand it, after having gone through the usual process and after having had approval, first by means of the authorization bill, and later from the Appropriations Committee, then, before there could be any final signing on the dotted line, it would be necessary to go through the process again—for instance, for a third time, we might say, after all that had been done in each House; and before it was finalized and finally agreed to, it would have to be submitted again to the committee, for its approval.

Mr. BUSH. So on the third time around, so to speak, the committees would be obtaining the same information which it already had had, and on which it had acted; is that correct?

Mr. FULBRIGHT. So far as I can determine, it would be the same. Perhaps that would be on the theory that if something is done twice, it is twice as good, and if it is done three times, it is three times as good. Perhaps some would propose that it be done four times. But I see no merit to be obtained by burdening the administration with such a multiplicity of reports.

So far as my committee is concerned, we go over the reports once, and I think that is sufficient. I see no justification for having more.

The procedure proposed by the amendment is not comparable to that in connection with the lending program, which is on a lending basis and a 5-year authorization basis. In connection with a lending program it is not possible to state in advance every loan that will be made. Neither could a bank do so. That will depend on the applicants, and so forth. So although I was not enthusiastic about it, there was some justification for application of the Dirksen amendment to the lending program. But I see no justification for its application in connection with this part of the program.

Mr. SYMINGTON. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. SYMINGTON. Is it not true that there are some 127 members, all told, of the four committees in question?

Mr. FULBRIGHT. I believe that is the total number.

Mr. SYMINGTON. Therefore many Members of Congress will have examined these matters previously. Should not those who want to see this money used for something besides the redtape of government be especially concerned about the pending proposal?

Mr. FULBRIGHT. Yes. It strikes me that this amendment would amount to an attempt to second guess all the engineers' estimates and all the little calculations made as an administrative matter. I honestly do not believe the committees are equipped in the same way—and I do not want to have them so equipped—that the State Department is equipped to examine all the individual items in these programs. Routine procedures for checking have already been set up. We have an inspector general and a comptroller, and the expenditures are subject to audit by the General Accounting Office, and so forth. So I believe we would be going entirely too far in connection with checking, if were to include the provision now proposed.

Mr. SYMINGTON. In addition, after approval by the Foreign Relations Committee, following the normal hearings, would not the second check, now proposed, in effect involve a legislative check on an executive matter?

Mr. FULBRIGHT. I think that would be what it would amount to.

I cannot see any benefit to be had from the amendment, and I can anticipate that many problems would be caused by it. It would merely slow up the program. Already, one of the primary complaints about our entire program has been that it is so slow that the countries finally give up in disgust, and say, "We do not have time to wait any longer."

On the other hand, the Russians say, "We give you a credit," and later they work out the details in connection with the barters and exchanges for what they may buy.

But already our program takes around 2 years for the completion of a major operation, particularly for loans, in many cases. So this provision would hamper the program, it seems to me, entirely unnecessarily. I can see no particular benefit which would accrue to the Congress from it.

Mr. SYMINGTON. Mr. President, I should like to associate myself with the remarks made by the able Senator from Arkansas. In trips around in recent years, I have found that the redtape involved in carrying out much of this program worked to the mutual disadvantage of both the country in question and the United States. I would oppose applying to the grant and assistance field the procedure pertinent to loans in the Dirksen amendment.

With all due respect to the able Senator from Vermont, I think it is unnecessary. It simply duplicates what is already to be done, and it would add to what so many object to, namely, the administrative cost of the program itself.

Mr. PROUTY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Vermont.

Mr. PROUTY. I saw the large books to which the Senator has referred when I was on the House Foreign Affairs Committee. They were marked "Secret." We were not allowed to take them out of the office to study them. The programs have been presented in very general categories. We were never able to get some details. Otherwise, we would not have had brought to light some of the incidents which were almost scandals.

I think the net effect of my amendment will be that when the agencies appear before the Senator's committee they will spell out the programs, because they will know if they fail to do so they will be called on the carpet later on. Certainly that would be true when they appeared before the Appropriations Committee.

I think the net effect of my amendment will be to give the authorizing

committees a great deal more information than is available under the present system. I think it will save money. I think it will make as certain as we possibly can that the program will be for the benefit of the recipient country, as well as our own.

Mr. FULBRIGHT. There is nothing standing in the way of any member of the Appropriations Committee demanding every last detail of the administration of every last project. There is no inhibition presently. If the Senator did not get any information he thought he would like to have had, there was no reason why he could not have demanded it as a member of the committee.

What the Senator is talking about is taking over the administration of the program here in the Congress. It is necessary to have 5,000 or 6,000 people to administer the program, and there are all kinds of engineers, experts, and so forth. I do not see what more the Appropriations Committee or the Foreign Relations Committee can do. If the members of the committee want to ask, for example, in relation to an item of $50 million for military aid, how many guns or tanks will be furnished——

Mr. PROUTY. My amendment does not involve military assistance.

Mr. FULBRIGHT. Very well; supporting assistance. Members of the committee can ask how many trucks, how much food, how many drugs are involved. The witnesses will tell what their program is. They do not hold back, if the Senators really want to know. Most committees do not want to bother with all that detail. They want to know the general policy, what the program is, what is intended to be accomplished by the program. If it is an irrigation project, they generally describe the kind of program; that so much land can be rehabilitated if they are given so much money. If the Senator wants to ask what the level of the drainage ditch is and how deep the water is, the witnesses will tell him to the best of their ability.

Mr. PROUTY. The Senator knows that is not the idea.

Mr. FULBRIGHT. I do not know what else.

Mr. PROUTY. The Senator knows that every witness appearing before the committee is trying to sell the program. All a Senator has to do is read the testimony to ascertain that we get practically no information. The Senator made a zealous effort to get it on many programs, but he did not succeed, insofar as the record shows.

Mr. FULBRIGHT. I do not quite understand the last statement.

Mr. PROUTY. We give away billions of dollars of the American taxpayers' money. I think they have a right to know, and I think Members of Congress should know.

Mr. FULBRIGHT. They do know. There is no secret about it. The members of the committee can get the information, if they want to know.

Mr. PROUTY. Why do all these fool mistakes take place?

Mr. FULBRIGHT. I will tell the Senator why. It is not because members of the committees did not know what was in the program. I can give as an example the famous incident with regard to a road project. It did not happen because they did not know about the road. Two or three elements were involved. The principal element was that the contractor was unreliable. He did not do what he was supposed to do. I was told the contractor did not live up to his obligation to get the proper material to build a proper base for the road. It would have cost more to go several miles farther in order to get a certain kind of rock. He used a type rock which leached out under heavy rains. It was a case of mistaken judgment.

That reminds me of what is wrong with the new trolley car to the New Senate Office Building. That mistake did not occur because we did not know of the plans or did not have blueprints, but someone made the wrong kind of judgment, and designed either the trolley or the track in the wrong way. It is a mess.

Mr. PROUTY. We can do something about that, but we cannot do something about the other projects.

Mr. FULBRIGHT. I wish they would do something about it.

Mr. COTTON. Mr. President, will the Senator yield one moment?

Mr. FULBRIGHT. I yield.

Mr. COTTON. I admire the Senator so much and his argument is so cogent, but what an unfortunate illustration.

Mr. FULBRIGHT. The Senator from Vermont was talking about why these programs go wrong. It is an apt illustration.

Mr. COTTON. Every time I ride on that trolley from now on, I am going to think of how our foreign aid program is administered. [Laughter.]

Mr. FULBRIGHT. I have never pretended the foreign aid has been administered with infallible judgment. I used the illustration of the trolley car only to show that it is not only in foreign aid that we get serious mistakes of judgment. It happens to be characteristic of all activities we do. They are not all bad, but occasionally some of them are. That is one illustration.

The old trolley was an admirable piece of engineering, and I hope it stays here. Someone did very well on its design 45 years ago.

Mr. PROUTY. We are getting off the track right now.

Mr. FULBRIGHT. I know we are. The Senator from Vermont is trying to cure a lack of good judgment by a provision for the furnishing of reports. They are irrelevant. We do have faulty judgment in the administration of the program. If the Senator can give me the formula to use so we will get the most competent engineers working on it, who will never make mistakes, I will support it.

Mr. PROUTY. I am not talking about engineers. I was in Teheran some years ago. A very expensive water infiltration plant had been built. No one had thought to determine how the water was going to be distributed, or even if there was any water there. I saw that with my own eyes. If someone had appeared before the Senator's committee, or the Appropriations Committee, a Senator probably would have asked him, "What about this plant? How are you going to distribute the water? Is there water available?" I am sure Senators would not have approved a loan of that character.

Mr. FULBRIGHT. And if the committee had had the engineer before it and that question had been asked him, does the Senator think he would have said, "Yes, Mr. Senator. There is no water there, but we are going to do it"? The Senator would not have said, "Do not do it." It was a case of misjudgment. There are plenty of misjudgments in the administration of the program. What the Senator is trying to do is take over the administration of it. I do not think it is a function this body can perform.

Mr. PROUTY. I think it is high time it was improved.

Mr. FULBRIGHT. I do, too.

Mr. PROUTY. Or the American people are going to be fed up with it.

Mr. FULBRIGHT. The President has given his word that he will do everything he can to see that it is improved.

Mr. PROUTY. I do not think he can.

Mr. FULBRIGHT. I know the Senator does not have the confidence in the President that I do, but the American people supported him.

Mr. PROUTY. I mean every President. I was not referring to the present President.

Mr. FULBRIGHT. The best thing we can do is support him; but that is not going to prevent bad judgment.

Mr. PROUTY. One other thing the Senator has failed to point out is that these grants remain in effect as long as the money is available. They are not subject to annual appropriations, and Congress has no control whatsoever, in my judgment, and perhaps that is equally true of the administration, over the development grant or supporting assistance, which involves nearly $1 billion this year.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LONG of Louisiana. The Senator from Arkansas well knows that the junior Senator from Louisiana has voted against this program for a long time in protest of poor administration that oftentimes results in ineffectual use of the money.

As one member of the committee I must say to the chairman, in all fairness, I have never experienced any difficulty in finding out what the agency has done with the money. As a matter of fact, I doubt if many Senators know what can be found in the books I have before me.

For any Senator who wishes to go through them, I have before me more than 1,000 pages of classified information about the program. Some pages have hundreds of figures. Every one of these figures represents a decision, or a great number of decisions, which somebody had to make. Frankly, I have looked into some of these things on occasion. We can look at the books, to

see everything the agency did, and to see whether we think it was right or wrong.

As a practical matter, this is a worldwide program. If one had a lifetime to spend in only a year, one could not find out everything which is presently available to be known about all of these decisions, and the various considerations involved in the making of the decisions.

The junior Senator from Louisiana on one occasion served as the chairman of a military construction subcommittee. That subcommittee dealt only with what the United States was building for our own armed services. This Senator went all over the world at that time, looking at the projects, climbing the towers, inspecting runways and a multitude of various structures. As a practical matter, I was in no position to second guess much of what the Army Engineers and the Air Force were doing in building these projects all around the world.

That particular project I investigated represented only a fraction of the size and complexity of this program. As a practical matter, I challenge anybody to fully familiarize himself with what is in these 1,000 pages much less the hundreds of thousands of pages of information that supports these documents. It is all marked "secret," but it is all available to any Senator who wishes to study it.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. SYMINGTON. The point the able Senator from Louisiana is making is that there is a vast amount of detail already available. I sympathize with the desire of the Senator from Vermont, but he is asking the Congress to follow what, based on my experience, would be a most unbusinesslike method. Additional jobs would be required. Hundreds of people would have to work on the information in the executive branch. After it was all done, we would get no more information than what already is available. Is that the Senator's point?

Mr. LONG of Louisiana. That is correct.

Mr. SYMINGTON. His point is well taken.

Mr. LONG of Louisiana. I invite any Senator to look at these books. There are, no doubt, over 10,000 figures in them. Perhaps there are as many as 50,000 figures.

Let us consider one figure alone, for plans for loans and grants on food for peace in a particular country. It says 5.2. That means $5,200,000. One could get enough information to write a book about that figure alone, and there are 10,000 figures like that.

There is no Senator, much less a full committee, who can familiarize himself with all of the details involved for these items.

The result of doing what the Senator requests would be only that the agency would haul to the Congress barrels and barrels of information. We would never be able to go into all of that detail, and it would be simply a part of the waste in the foreign aid program.

Mr. FULBRIGHT. That is correct. It would cost a lot of money.

Mr. LONG of Louisiana. It would cost a lot of money for something completely futile and useless. Nobody can wade through all of this information and know what is in the 1,000 pages in detail enough to second guess the fellow who is making the decision, much less be able to go through barrels and barrels of information—enough to fill this Chamber—to second guess the men who are making the decisions.

Mr. FULBRIGHT. The Senator is absolutely correct. There may be waste in the foreign aid program, but I do not wish to have the Congress take on the responsibility of contributing to it any more than is necessary.

Mr. PROUTY. Mr. President, will the Senator yield?

Mr. FULBRIGHT. Mr. President, may I ask what is the status of the time?

The PRESIDING OFFICER. The Senator from Arkansas has 7 minutes remaining.

Mr. FULBRIGHT. How much time is left for the proponents?

The PRESIDING OFFICER. The proponents have 12 minutes remaining.

Mr. FULBRIGHT. The Senator may use his own time, if he cares to do so.

Mr. PROUTY. Mr. President, I do not wish to take much more time. I point out again, as a former member of the House Committee on Foreign Affairs, I know how the programs have been presented. I have seen the books which the distinguished Senator from Louisiana has on his desk. I know how little information is provided in many instances. These projects are treated on a large, broad, categorical basis. It is difficult, if not impossible, for members of the committee to get detailed information, or even information in reasonable detail.

I think it is high time that the Congress exercised a greater responsibility as to the administration and the execution of this program than it has exercised heretofore. I feel very certain that once the Agency knows it will have to present the information eventually, it will do so when it appears before the authorizing committees and the Appropriations Committees.

If we are going to exercise any fiscal control over the program, I think this is one way to accomplish it. I consider this to be no different in principle from the amendment offered by the distinguished minority leader last Tuesday, which was adopted in the Senate. The only difference is that his amendment concerned itself with funds which in theory will be repaid at some time, and my amendment concerns itself with funds which we are giving away. We can call it charity or whatever we wish, but I think it is even more important that we know how the money is being spent than was true in the case of the loans.

Mr. President, unless some Senator wishes to be heard, I am willing to yield back the remainder of my time.

Mr. FULBRIGHT. Mr. President, are both amendments offered en bloc?

Mr. PROUTY. No; I have offered only the first amendment.

Mr. FULBRIGHT. The amendments are the same in principle, are they not?

Mr. PROUTY. They are.

Mr. FULBRIGHT. The Senator does not wish to offer them en bloc? I thought we could save some time.

Mr. PROUTY. I am willing to do so.

Mr. FULBRIGHT. Mr. President, if that is agreeable, I would ask unanimous consent that the amendments be considered en bloc.

Mr. PROUTY. Mr. President, I think I would prefer to have a vote on the grants first. I shall take no time in discussing the second amendment.

Mr. President, I yield back the remainder of my time.

Mr. FULBRIGHT. Mr. President, I yield back any time remaining on my side.

Mr. PROUTY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Vermont. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD], the Senator from California [Mr. ENGLE], the Senator from North Carolina [Mr. ERVIN], the Senator from Alaska [Mr. GRUENING], the Senator from Michigan [Mr. HART], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from Alaska [Mr. GRUENING], the Senator from Michigan [Mr. HART], and the Senator from Texas [Mr. YARBOROUGH] would each vote "nay."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Maryland would vote "yea."

On this vote, the Senator from California [Mr. ENGLE] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from California would vote "nay," and the Senator from New Hampshire would vote "yea."

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from North Carolina [Mr. ERVIN]. If present and voting, the Senator from Virginia would vote "yea," and the Sena-

tor from North Carolina would vote "nay."

Mr KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Kansas [Mr. CARLSON], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from California [Mr. ENGLE]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from California would vote "nay."

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from New Mexico would vote "nay."

The result was announced—yeas 30, nays 59, as follows:

[No. 152]

YEAS—30

Aiken	Curtis	Miller
Allott	Dirksen	Mundt
Beall	Dworshak	Prouty
Bennett	Eastland	Russell
Boggs	Fong	Schoeppel
Bush	Goldwater	Scott
Capehart	Hickenlooper	Thurmond
Case, S. Dak.	Hruska	Tower
Cooper	Johnston	Williams, Del.
Cotton	Kuchel	Young, N. Dak.

NAYS—59

Anderson	Humphrey	Morton
Bartlett	Jackson	Moss
Bible	Javits	Muskie
Burdick	Jordan	Neuberger
Byrd, W. Va.	Keating	Pastore
Cannon	Kefauver	Pell
Carroll	Kerr	Proxmire
Case, N.J.	Lausche	Randolph
Church	Long, Mo.	Robertson
Clark	Long, Hawaii	Smathers
Dodd	Long, La.	Smith, Mass.
Douglas	Magnuson	Smith, Maine
Ellender	Mansfield	Sparkman
Fulbright	McCarthy	Stennis
Gore	McClellan	Symington
Hartke	McGee	Talmadge
Hayden	McNamara	Wiley
Hickey	Metcalf	Williams, N.J.
Hill	Monroney	Young, Ohio
Holland	Morse	

NOT VOTING—11

Bridges	Chavez	Hart
Butler	Engle	Saltonstall
Byrd, Va.	Ervin	Yarborough
Carlson	Gruening	

So Mr. PROUTY'S amendment was rejected.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed.

Mr. COTTON. Mr. President, on behalf of my senior colleague from New Hampshire [Mr. BRIDGES], I call up an amendment identified as "8-9-61—A," and ask that it be reported.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 56 between lines 17 and 18, insert the following:

SEC. 620. PROHIBITION OF ASSISTANCE TO COUNTRIES TRADING WITH COMMUNIST BLOC.—Notwithstanding any other provision of law, no assistance shall be furnished under this Act to any country which exports, or knowingly permits the exportation, to the Union of Soviet Socialist Republics or any country (including Communist China, North Korea, and Cuba) the Government of which is dominated or controlled by the Union of Soviet Socialist Republics, of any arms, armaments, munitions, and those items of strategic significance in the production of implements of war or of any other articles or commodities found by the National Security Council to be contrary to the security interests of the United States.

Mr. COTTON. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. KUCHEL. Mr. President, how much time remains on the minority side.

The PRESIDING OFFICER. 122 minutes.

Mr. KUCHEL. I yield 4 minutes to the Senator from South Dakota.

"WHAT IS MAN—THAT THOU ART MINDFUL OF HIM?"

Mr. CASE of South Dakota. Mr. President, the world may be about to witness once more a demonstration of the spirit that is in man. Faced with the prospect of conflict between East and West, the slow flow of refugees from East Germany into East Berlin and thence into West Berlin for airlift into West Germany became a stream. Then totalitarian government cracked down and dammed the stream.

But the people trickle through.

Last Tuesday Senator DODD, of Connecticut, gave the Senate his moving, eyewitness account. He said:

> Yesterday I stood at the Brandenburg Gate. It was a scene of turmoil, tragedy and the raw reality of underlying issues and bitter emotions that have brought us to the edge of the precipice. Through the eerie light and the deafening clamor of surging, shouting people, the cleavage between the East and West, between slavery and freedom, loomed up; barbed wire strung on 8-foot poles, clusters of Russian armed vehicles loaded with troops, guns held at the ready. I visited the refugee center—people of all ages, old and young, mothers and babies, penniless, homeless. What is it that moves men and women to leave their homes, to swim rivers and canals, to risk being shot at and to risk terrible punishment if apprehended?

In his message on the state of the Union, on January 6, 1959, President Eisenhower said:

> It is of the utmost importance that each of us understand the true nature of the world struggle now taking place.
>
> It is not a struggle merely of economic theories, or of forms of government, or of military power. The issue is the true nature of man.
>
> Either man is the creature whom the psalmist described "as a little lower than the angels," crowned with glory and honor, holding dominion over the works of his Creator; or man is a soulless, animated machine to be enslaved, used, and consumed by the state for its own glorification.
>
> It is, therefore, a struggle which goes to the roots of the human spirit, and its shadow falls across the long sweep of man's destiny. This prize, so precious, so fraught with ultimate meaning, is the true object of the contending forces in the world.

Mr. President, today in my judgment, the danger of war over the situation is not a deliberate decision, either by Khrushchev and Ulbricht or by the Western Powers. War, if it should come within the next 60 days, is more likely to be the outgrowth of some border incident. A scuffle, a shot, a soldier stoned, "massed fire" to disperse a crowd, and the torch could be lit. But it should not be.

Steps are being taken on both sides to avoid incidents. Governments on both sides have indicated there will be a conference, although probably not until after the German elections of September 17.

In the meantime, the United Nations will meet in New York. Also, both sides will be getting men, guns, ships, and planes in place, and Ambassadors will be exploring peaceful possibilities.

And all the while, the German people on both sides of the barbed wire will be thinking—brooding, perhaps. The human spirit will take only so much. In 1953, it erupted when people in Leipzig and Dresden, with bare fists, attacked tanks and threw rocks at armed troopers.

Mr. President, by events like these, the great epochs of human history are marked. By the part each one plays in times like these is made his contribution to human destiny.

Mr. DODD. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield.

Mr. DODD. I commend the Senator from South Dakota for the speech he has made. I believe one of the most eloquent, completely moving answers that could be made is the answer given in the statement of former President Eisenhower. The Senator from South Dakota has given us all an uplift this morning by reminding us of the deathless words of President Eisenhower. It would be well for all of us in the country, besides those in the Chamber, to recall those words. They ought to be reprinted throughout the land and spread across the world.

Mr. CASE of South Dakota. I appreciate the comment of the Senator from Connecticut. I thought the speech of the Senator from Connecticut the other day was a most eloquent, effective answer to those who have questioned whether great speeches are made in the Senate these days. The speech made the other day by the junior Senator from Connecticut was moving, eloquent, and effectual. It will go down in history as one of the great speeches made in the U.S. Senate.

Mr. DODD. I thank the Senator from South Dakota.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. COTTON. Mr. President, on behalf of my colleague, the distinguished senior Senator from New Hampshire

[Mr. BRIDGES], who is unavoidably detained from the Senate today, I offer his amendment designated "8-9-61—A." The amendment prohibits mutual security assistance to countries trading in strategic materials with the Communist bloc. I should like to read the statement prepared by the author of the amendment, the senior Senator from New Hampshire [Mr. BRIDGES], in explanation of his proposal. The statement is as follows:

"This amendment is not a complicated one. It is similar in intent to a provision contained in the Battle Act.

"It provides that no assistance be furnished under this act to any nation which exports the following to the Soviet Union, Red China, North Korea, Cuba, or any country with a government which is dominated or controlled by the U.S.S.R.:

"(1) Arms, armaments, munitions, and items of strategic significance in the production of implements of war, or

"(2) any articles or commodities found to be contrary to this country's security interests by the National Security Council.

"The Battle Act, as I mentioned, contains similar language but it provides for the termination of aid under these circumstances only after the administrator of the act makes such a recommendation. This amendment would automatically disallow assistance to a country violating the export restrictions which I have mentioned.

"Then, too, we must bear in mind that a bill has already passed the Senate—over my opposition, I might add—which would amend the Battle Act and nullify much of its effectiveness. My amendment would write a safeguard into the mutual security authorization bill itself and it would permit the National Security Council to determine those commodities other than war materials which should not be exported to the Communist bloc.

"In the judgment of the senior Senator from New Hampshire, this is a very logical and necessary amendment. We have labeled our foreign aid program 'Mutual Security,' and I believe we should make every effort to carry out the intent of the law.

"Certainly our security receives no mutual benefit through the shipment of vital materials of war to Soviet Russia or any of her puppet regimes. It appears to me to be patently unsound from a defense standpoint for the United States to permit her foreign-aid dollars to be translated into munitions or other materials which would benefit our Communist enemies in their constant effort to conquer the world.

"I am sure that good Americans everywhere would oppose the direct shipment of strategic materials from this country to the Communist bloc. I see little difference in the United States providing mutual security assistance to a third party which, in turn, is providing vital materials to Russia, Red China, Cuba, or other Communist areas.

"The senior Senator from New Hampshire has supported foreign aid in the past and he is prepared at present to support a reasonable and sound program of mutual security provided that every safeguard is employed to keep this program beneficial to the cause of freemen.

"We have reached a point where our international problems will not permit the luxury of naivete in our dealings with the Communist bloc.

"If we are to recognize that we are engaged in a life and death struggle; if we are prepared to believe that the goal of international communism is to enslave the world; and if we are to dedicate ourselves to winning this struggle for survival; then we can strike a significant blow for the cause of freedom by writing into the mutual security authorization bill the language which I am now proposing."

Mr. President, that is the statement which was prepared to be delivered by the senior Senator from New Hampshire in support of this important amendment. In his absence, for reasons over which he has no control, I have offered his amendment at his request and on his behalf. But I wish to make it clear that I am offering the amendment on my own behalf as well, because I am completely and wholeheartedly in favor of the adoption of the amendment.

Mr. President, there are, and from time to time there have been, holes in the Battle Act. They have expanded to the point that the United States is no longer completely safeguarded in the matter of having the taxpayers' money and resources used to get strategic materials—war materials, if you please—directly into the hands of our enemies.

The pending bill contemplates the use of billions upon billions of dollars in an effort to bolster up the cause of freedom and strengthen the hands of freemen and free nations everywhere in the world. It is our solemn duty to make sure that every possible safeguard is provided in this measure. At this point I would emphasize what was emphasized in the statement made by my senior colleague from New Hampshire [Mr. BRIDGES], the author of the amendment, namely, this amendment writes those safeguards into the law. It brings into the picture not only the Administrator of foreign aid, but also the National Security Council. It plugs up the loopholes. It could not possibly militate against any true friend of freedom, and I emphasize that point. The amendment will provide to the people of the United States added assurance that as we advance into this new stage of providing assistance, we are doing so resolutely, intelligently, firmly, and with the intention of making every dollar count for the cause in which all of us believe and to which all of us are dedicated.

Mr. CASE of South Dakota. Mr. President, will the Senator from New Hampshire yield for a question?

Mr. COTTON. I am very glad to yield for a question from the Senator from South Dakota.

Mr. CASE of South Dakota. I have just been examining the text of the amendment, because I was wondering whether the prohibition against the furnishing of assistance to any country which exports such items to the Union of Soviet Socialist Republics or to any country dominated or controlled by that union applies to the entire scope of the bill. Upon examining the text of the amendment, I find that it would not apply to economic assistance, which, it seems to me, would be rather difficult to police. But as I read the amendment, it would ban such assistance to any country which exports, or knowingly permits the exportation, to any of the Communist bloc countries, "of any arms, armaments, munitions, and those items of strategic significance in the production of implements of war or of any other articles or commodities found by the National Security Council to be contrary to the security interests of the United States."

Is that a correct interpretation of the amendment?

Mr. COTTON. That is correct, and I thank the distinguished Senator from South Dakota for his observation. In other words, the words "other articles or commodities," which could constitute a catchall, and ordinarily might extend the application of the amendment to a field difficult to police, are restricted by the fact that the articles or commodities must be found by the National Security Council "to be contrary to the security interests of the United States." So the prohibition would apply only in specific instances in which that situation was crystal clear and in which it was found by the National Security Council—the highest and the most expert authority in such matters—that the country in question had actually provided military assistance to Communist bloc countries.

Mr. CASE of South Dakota. I think this is an important point, because clearly under existing conditions we do not wish to provide assistance to countries which export to Communist-bloc countries arms, armaments, munitions, and items of strategic significance in the production of implements of war. Inasmuch as the amendment will apply the test to items in that category, the amendment will apply the test to articles which are found by the National Security Council to be contrary to the security interests of the United States; and thus it seems to me that the amendment is in the security interest of the United States.

Mr. COTTON. It is so much so that it is my sincere hope that the amendment will be accepted. I cannot conceive that it would not be accepted by the managers of the bill.

Mr. President, I reserve the remainder of the time available to me on the amendment.

Mr. SPARKMAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Alabama will state it.

Mr. SPARKMAN. On this amendment, are 30 minutes available to each side?

The PRESIDING OFFICER. That is correct.

Mr. SPARKMAN. How much time has the Senator from New Hampshire used?

The PRESIDING OFFICER. Eleven minutes.

Mr. SPARKMAN. I wonder whether the Senator from New Hampshire would agree to enter into an agreement to

shorten even more the time available on this question.

Mr. COTTON. I am quite willing to cooperate in expediting the debate. But if the amendment is not to be accepted or if certain points are to be raised against it, I would not like to preclude myself from having an opportunity to answer. A little later I might be willing to enter into such an agreement.

Mr. SPARKMAN. Very well.

Mr. President, I propose to be brief. I think all of us are familiar with the substance and the intent of this amendment. It contains an important item which I believe should be considered very carefully.

Of course, the same issue has been raised before, on other occasions. The general statement of the amendment is in line generally with the Battle Act, and I believe the Senator from New Hampshire so stated. But there is one exception which is quite material. The Battle Act was passed by the Congress in 1951, and, if I recall correctly, was amended in 1956, and was also amended by the Senate on May 11 of this year. In every instance, this issue has come up. In the Battle Act there is a reservation which gives the President of the United States the right to waive this prohibition against trading with Communist bloc countries, provided he finds it is in the interest of our own national security to waive it. The vital part of the pending amendment would take away from the President the right to waive that prohibition.

The amendment reads in part as follows:

> Notwithstanding any other provision of law, no assistance shall be furnished under this act to any country which exports or knowingly permits the exportation—

To one of the Iron Curtain countries, and so forth.

The words "nothwithstanding any other provision of law" would eliminate the right of the President to waive the prohibition, and I believe we should have that point in mind.

In short, the amendment, if adopted, would be a long step backward.

Mr. CHURCH. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. CHURCH. Suppose the Government of Brazil were to have permitted a single shipload of material which the National Security Council regards as strategic to have been sent to Poland, let us say, if this amendment were adopted, would it not mean that any aid we might want to extend to non-Communist Brazil, which is in our own hemisphere, would automatically be prohibited?

Mr. SPARKMAN. Yes, it would be cut off. The President could not waive it, if the amendment were adopted.

Mr. CHURCH. Then, would it not follow that, should the amendment be adopted, we would be handcuffing the President in dealing, not with Communist countries, but with any non-Communist country, whenever it allows a single item that our National Security Council might have listed as strategic to be shipped to any Communist nation?

Mr. SPARKMAN. The Senator is correct. The Senator refers to the National Security Council determining if it is a strategic item. Remember that the National Security Council does not make the determination as to the particular item, shipload, or transaction. The way it has operated in the past, and I am sure it will be in the future, is that a list of strategic items, materials, and equipment is made up. The items placed on that list are prohibited under the Battle Act.

In the past, though I think it has been cleared up by now, there was considerable difference between Great Britain and the United States as to what constituted strategic items. If I remember correctly, there was a time when we held that medical supplies and similar items constituted strategic items, whereas Great Britain took the stand that they were not strategic items. The same ruling applied to materials that might be used for textiles, rubber, or products of that kind.

We know we had difficulty, under the Battle Act, with friendly countries in southeast Asia that sold war rubber. Ceylon was one country in particular.

Let me remind the Senator that during the years the Battle Act has been in existence, the President has acted 31 times. Thirty-one determinations have been made. I remember a case, which was rather noted at the time, in which Denmark badly needed coal. We could have supplied that coal to Denmark. She was not able to pay for it, but she had an old ship that Poland wanted. I believe it was a tanker. Poland was willing to swap coal for the ship. The President decided it was not only to the advantage of Denmark, one of our friends in the family of nations, but also to the advantage of the United States for that transaction to be allowed to go through. Therefore, the President waived. I am not sure whether it was President Truman or President Eisenhower. It was in the early days, so I believe it was President Truman. But there have been 31 determinations, and out of those 31 I daresay practically all were made by President Eisenhower during his administration. Most of them have been minor cases, in which, perhaps due to a misunderstanding or due to pressures of trade, items have been sold to Iron Curtain countries by countries friendly to us.

Remember, the cutoff here is not a cutoff from the Communist countries; it is a cutoff from our friends.

Mr. CHURCH. That is the very point I desired to emphasize. The policy sought to be established by the amendment has already been written into the Battle Act. We have provided in the Battle Act, first, for an embargo upon shipment by the United States of arms or strategic materials to any Communist country. Second, there is a prohibition against extending aid to any non-Communist country that trades in strategic materials with Communist countries. But we have provided—in order not to handcuff the President, so that he may deal in an effective way with the non-Communist world—a waiver which gives the President the necessary flexibility to use his judgment in assessing the weight to be given each case where a particular country may have traded in particular items.

If this amendment is adopted, we eliminate entirely the judgment factor, the necessary discretion. The impact of the amendment does not relate to the Communist world; it relates to the non-Communist world, where our purpose is to make this program as effective as possible. Why straitjacket ourselves in our struggle against communism?

Mr. SPARKMAN. The Senator is correct. Let me remind the Senator that it was on May 11 of this year that the Battle Act was extended again. We reviewed the whole act at that time. We had a yea-and-nay vote, and the Senate confirmed the right of the President to waive in such cases.

Let me remind the Senator from Idaho that it is not a simple waiver that is contained in the Battle Act. The President cannot waive simply because he wants to waive. He must find that such waiver is in the interest of our own security.

I also call to the attention of the Senator from Idaho the fact that during the time the 31 different waivers have been made, practically all of them, which have been within the last 8 years, have involved friendly countries, such as Belgium, Denmark, Italy, Japan, Turkey, and other friendly nations which could be named. They are countries upon whom we depend in the struggle for freedom in the world.

Mr. CHURCH. But if the proposed amendment had been written into the law at the time the President exercised his right of waiver under the Battle Act, none of these friendly countries could have received any further aid from the United States. Is that correct?

Mr. SPARKMAN. Such aid would have been cut out automatically. The Senator is correct.

I hope the Senate will do today what it has done on several different occasions in the past, defeat the proposal which would take away flexibility and not take away from the President of the United States the right to waive when he finds it to be in the national interest to do so.

I reserve the remainder of my time.

Mr. COTTON. Mr. President, this colloquy has been most interesting, and the word "flexibility" covers a multitude of sins. Let there be no misunderstanding by the Senate as to what this amendment does, in what way it differs from the Battle Act, and in what way it differs from the act that was passed last May.

In the first place, this amendment would bind the ICA, through law, to halt aid when restrictions on trade with Communist nations are violated. Under the Battle Act, if a country receiving mutual security assistance shipped tanks to Russia, aid to that country could not be stopped unless Mr. Labouisse, Director of the ICA, made the recommendation.

Notwithstanding all this talk about leaving it to the President and all this talk about flexibility, what this amendment really does—and this is the bones

and guts of the amendment—is to provide that the National Security Agency, and not the Director of the ICA, shall determine these matters.

In the second place, under the Battle Act, and certainly under the act of May 11—which, incidentally, passed the Senate by only 7 votes, and is at present resting in the House—unless the Director of the ICA affirmatively recommends or calls for the ceasing of aid to the country that is exporting munitions of war to one of our potential enemies, then the aid goes on automatically.

That, Mr. President, is a situation we cannot afford to have continue as we open the spigot and pour more billions of dollars into this field.

I was interested that the distinguished Senator from Alabama referred so much to the action of the Senate on May 11. A lot of water has gone under the bridge since May 11. There is not a single Senator in this body who does not recognize we are faced today with a more critical situation in the cold war than we faced when that bill passed.

Far be it from me to conjecture or to comment on the attitudes of Senators, but I should be willing, almost, to stake my life on the fact that if the Senate were voting today on the bill passed on May 11 the result would be different. I am further quite sure that bill never will see the light of day in the House of Representatives, and if it is so, thank God for it.

If those who oppose the amendment feel so strongly about the authority of the President of the United States, I am surprised they have not suggested an amendment to the amendment which would give the President more latitude. Let there be no mistake. We are debating now whether the Director of the ICA will be the person who will take the initiative to stop such a practice, or whether the Congress of the United States will make it the law of the land that any latitude or any flexibility—I am speaking now only for the junior Senator from New Hampshire, and I cannot speak for the senior Senator—shall be confined to the President himself.

The very fact that the amendment brings in the National Security Council in this grave hour makes it, in my opinion, a worthy and meritorious amendment.

I yield back the remainder of my time, Mr. President.

Mr. SPARKMAN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment offered by the Senator from New Hampshire. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. PROUTY (when his name was called). On this vote I have a live pair with the distinguished senior Senator from New Hampshire [Mr. BRIDGES]. If he were present and voting he would vote "yea." If I were at liberty to vote I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from Louisiana [Mr. ELLENDER], the Senator from California [Mr. ENGLE], the Senator from North Carolina [Mr. ERVIN], the Senator from Michigan [Mr. HART], the Senator from Louisiana [Mr. LONG], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from Louisiana [Mr. ELLENDER], the Senator from Louisiana [Mr. LONG], and the Senator from New Mexico [Mr. CHAVEZ] would each vote "nay."

On this vote, the Senator from California [Mr. ENGLE] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from California would vote "nay," and the Senator from Maryland would vote "yea."

On this vote, the Senator from North Carolina [Mr. ERVIN] is paired with the Senator from Michigan [Mr. HART]. If present and voting, the Senator from North Carolina would vote "yea," and the Senator from Michigan would vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Kansas [Mr. CARLSON], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from California [Mr. ENGLE]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from California would vote "nay."

The pair of the Senator from New Hampshire [Mr. BRIDGES] has been previously announced. If present and voting the Senator from Kansas [Mr. CARLSON] would vote "yea."

The result was announced—yeas 43, nays 45, as follows:

[No. 153]

YEAS—43

Allott	Eastland	Proxmire
Beall	Fong	Robertson
Bennett	Goldwater	Russell
Bible	Hickenlooper	Schoeppel
Boggs	Holland	Scott
Bush	Hruska	Smathers
Byrd, Va.	Johnston	Smith, Maine
Capehart	Jordan	Stennis
Case, S. Dak.	Keating	Talmadge
Cotton	Kuchel	Thurmond
Curtis	Lausche	Tower
Dirksen	McClellan	Williams, Del.
Dodd	Miller	Young, N. Dak.
Douglas	Morton	
Dworshak	Mundt	

NAYS—45

Aiken	Hayden	Metcalf
Anderson	Hickey	Monroney
Bartlett	Hill	Morse
Burdick	Humphrey	Moss
Byrd, W. Va.	Jackson	Muskie
Cannon	Javits	Neuberger
Carroll	Kefauver	Pastore
Case, N.J.	Kerr	Pell
Church	Long, Mo.	Randolph
Clark	Long, Hawaii	Smith, Mass.
Cooper	Magnuson	Sparkman
Fulbright	Mansfield	Symington
Gore	McCarthy	Wiley
Gruening	McGee	Williams, N.J.
Hartke	McNamara	Young, Ohio

NOT VOTING—12

Bridges	Ellender	Long, La.
Butler	Engle	Prouty
Carlson	Ervin	Saltonstall
Chavez	Hart	Yarborough

So the amendment was rejected.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MILLER. Mr. President, I call up my amendment identified as "8-16-61—D."

THE PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 56, following section 619, add the following section:

SEC. . ASSISTANCE TO NATIONS IN ARREARS IN UNITED NATIONS PAYMENTS.—In order to encourage preservation of the financial solvency of the United Nations which is being threatened by the failure of some member nations to pay currently their assessments and/or contributions to the United Nations, assistance under the provisions of this Act (other than military assistance, supporting assistance, and the Contingency Fund) shall not be furnished the government of any nation which is more than one year in arrears in its payments of said assessments and/or contributions unless the President determines that said government has given reasonable assurance of paying (independently of such assistance) all such arrearages and placing its payments of said contributions and assessments on a current basis.

Mr. MILLER. Mr. President, I send to the desk an amendment to my amendment, and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On line 1, page 2 of the pending amendment it is proposed to strike out "one year" and to insert in lieu thereof "two years".

Mr. MILLER. Mr. President, I so modify my amendment.

The PRESIDING OFFICER. The Senator's amendment will be modified accordingly.

Mr. MILLER. I yield myself 15 minutes. First I should like briefly to explain the amendment by pointing out that the amendment does not affect military assistance, support assistance, or the President's contingency fund. In effect it relates only to development loans and grants. The amendment, furthermore, does not affect in any way loans or grants to private individuals or to private corporations; it affects only loans or grants to governments, more particularly those governments which are more than 2 years in arrears in their assessments and contributions to the United Nations.

In the case of those governments, incidentally, who are in arrears 2 years or more in their assessments and contributions to the United Nations, loans and grants can still be made if the President determines that a particular government has given reasonable assurance of paying its arrearages and to place its assessments and contributions to the United Nations on a current basis, provided that this be independent of the loans and grants it receives under the

program. Needless to say, I do not believe that the American taxpayers should be called upon to pay the assessments and contributions of other members in the United Nations either directly or under the guise of a development loan or grant.

The pending amendment is entirely relevant to the bill before the Senate. I invite the attention of Senators to page 4, line 8 of the bill, where it is declared that the policy of Congress is to recognize the importance of the contribution of the United Nations and its specialized agencies in the attainment of the objectives of the pending bill; indeed, we even urge all other countries able to contribute to join in a common undertaking to meet these goals. This would include, of course, the common undertaking of the United Nations.

The amendment, therefore, is entirely relevant to the bill because it seeks to strengthen the weakest link in the United Nations today; namely, its financial solvency.

The delinquent accounts of the United Nations amount to almost $17 million, running through 1959. Running through December 31, 1960, the delinquent accounts amount to almost $47 million. As of July 1, 1961, the delinquent accounts total $188,624,000.

I ask unanimous consent that at this point in my remarks there may be incorporated in the RECORD a statement on the collections of contributions as of June 30, 1961, published by the United Nations Secretariat.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON THE COLLECTION OF CONTRIBUTIONS AS AT JUNE 30, 1961

STATEMENT

I. Advances by member states to the working capital fund for 1961.
II. Contributions to the United Nations regular budget for 1961.
III. Arrear contributions payable by member states to the United Nations regular budget for 1959 and 1960.
IV. Assessments in respect of the United Nations Emergency Force special account for 1961.
V. Arrear assessments payable by member states to the United Nations Emergency Force special account for 1957, 1958, 1959, and 1960.
VI. Assessments in respect of the Congo ad hoc account for the period January 1 to October 31, 1961.
VII. Assessments in respect of the Congo ad hoc account for the period July 14 to December 31, 1960.
VIII. Summary of contributions due and received as at June 30, 1961.

NOTES

1. Under General Assembly resolutions 1575(XV) and 1583(XV), voluntary contributions to the United Nations Emergency Force special account for 1961 and the Congo ad hoc account for 1960 shall be applied to reduce by up to 50 percent the assessment of certain member states as indicated in the two resolutions at the request of the member states concerned, made prior to March 31, 1961. As a number of the member states concerned have indicated that they may wish to benefit from the reduction but have not yet received definite instructions from their governments, the allocation of the voluntary contributions pledged has not yet been finally established. The present position will be seen from the statements IV and VII of this document.

2. Invoices, when received for services rendered in connection with the contingents provided by certain states to UNEF and ONUC will be set off against the unpaid contributions of those states.

I. Advances by member states to the working capital fund for 1961 (established under General Assembly Resolutions 1586 (XV), 1373 (XIV), and 1552 (XV))

[In U.S. dollars]

Member states	Total advances for 1961	Credit re transfer of surplus A/C for 1957 and 1958	Cash advances received	Balance due
Afghanistan	15,000	648	14,352	
Albania	10,000	431	9,569	
Argentina	277,500	11,979	265,521	
Australia	477,500	19,317	428,183	
Austria	107,500	4,640	102,860	
Belgium	325,000	14,029	310,971	
Bolivia	10,000	431	9,569	
Brazil	255,000	11,007	243,993	
Bulgaria	40,000	1,727	38,273	
Burma	20,000	863	19,137	
Byelorussian Soviet Socialist Republic	117,500	5,073	112,427	
Cambodia	10,000	431	9,569	
Canada	777,500	33,561	743,939	
Ceylon	25,000	1,079	23,921	
Chile	67,500	2,914	64,586	
China	1,252,500	54,066	1,198,434	
Colombia	77,500	3,346	74,154	
Costa Rica	10,000	431	9,569	
Cuba	62,500	2,698	57,372	2,430
Czechoslovakia	217,500	9,388	208,112	
Denmark	150,000	6,475	143,525	
Dominican Republic	12,500	540	11,960	
Ecuador	15,000	648	14,352	
El Salvador	12,500	540	11,960	
Ethiopia	15,000	648	14,352	
Federation of Malaya	42,500	1,835	40,665	
Finland	90,000	3,885	86,115	
France	1,600,000	69,066	1,530,934	
Ghana	17,500	756	16,744	
Greece	57,500	2,482	55,018	
Guatemala	12,500	540	11,474	486
Haiti	10,000	431	8,800	769
Honduras	10,000	431	9,569	
Hungary	105,000	4,533	100,467	
Iceland	10,000	431	9,569	
India [1]	615,000	26,547	588,453	
Indonesia	117,500	5,073	112,427	
Iran	52,500	2,267	50,233	
Iraq	22,500	971	21,529	
Ireland	40,000	1,727	38,273	
Israel	35,000	1,511	33,489	
Italy	562,500	24,281	538,219	
Japan	547,500	23,634	523,866	
Jordan	10,000	431	9,569	
Laos	10,000	431	9,569	
Lebanon	12,500	540	11,960	
Liberia	10,000	431	9,569	
Libya	10,000	431	9,569	
Luxembourg	15,000	648	14,352	
Mexico	177,500	7,662	169,838	
Morocco	35,000	1,511	32,128	1,361
Nepal	10,000	431	9,569	
Netherlands	252,500	10,900	241,600	
New Zealand	105,000	4,533	100,467	
Nicaragua	10,000	431	9,569	
Norway	122,500	5,288	117,212	
Pakistan [1]	100,000	4,317	95,683	
Panama	10,000	431	9,569	
Paraguay	10,000	431	9,569	
Peru	27,500	1,187	26,313	
Philippines	107,500	4,640	102,860	
Poland	342,500	14,784	327,716	
Portugal	50,000	2,158	47,842	
Rumania	85,000	3,669	81,331	
Saudi Arabia	15,000	648	14,352	
Spain	232,500	10,036	222,464	
Sudan	15,000	648	14,352	
Sweden	347,500	15,000	332,500	
Thailand	40,000	1,727	38,273	
Tunisia	12,500	540	11,960	
Turkey	147,500	6,367	141,133	
Ukrainian Soviet Socialist Republic	450,000	19,425	430,575	
Union of South Africa	140,000	6,044	133,956	
Union of Soviet Socialist Republics	3,405,000	146,981	3,258,019	
United Arab Republic	80,000	3,454	73,436	3,110
United Kingdom of Great Britain and Northern Ireland	1,945,000	83,958	1,861,042	
United States of America	8,127,500	350,834	7,776,666	
Uruguay	30,000	1,296	27,538	1,166
Venezuela	125,000	5,396	119,604	
Yemen	10,000	431	8,800	769
Yugoslavia	87,500	3,777	83,723	
Total	25,000,000	1,079,158	23,910,751	10,091
Guinea	10,000		10,000	
Cameroun	10,000			10,000
Central African Republic	10,000			10,000
Chad	10,000			10,000
Congo (Brazzaville)	10,000			10,000
Congo (Leopoldville)	10,000			10,000
Cyprus	10,000			10,000
Dahomey	10,000			10,000
Gabon	10,000			10,000
Ivory Coast	15,000			15,000
Madagascar	15,000			15,000
Mali	10,000			10,000
Niger	10,000			10,000
Nigeria	52,500			52,500
Senegal	15,000			15,000
Somalia	10,000			10,000
Togo	10,000			10,000
Upper Volta	10,000			10,000
Grand total	25,237,500	1,079,158	23,920,751	237,591

[1] An advance of $790,000 was made in 1946 by undivided India to the Working Capital Fund. After division, the advances to be made by India and Pakistan separately were $650,000 and $140,000 respectively. The question whether India should receive credit for the total advance of $790,000 or whether India and Pakistan should share proportionately is the subject of consultations between the 2 governments. In the meantime the sum of $140,000 is held in suspense.

II. Contributions to the United Nations regular budget

[In U.S. dollars]

Member states	Gross amount of contributions	Total credits [1]	Cash receipts	Balance due
Afghanistan	41,217	4,568	36,649.00	
Albania	27,478	2,732		24,746.00
Argentina	762,517	99,688		662,829.00
Australia	1,229,644	153,879	537,882.50	537,882.50
Austria	295,389	29,362	53,991.00	212,036.00
Belgium	893,038	106,373	716,816.91	69,488.09
Bolivia	27,478	4,571		22,907.00
Brazil	700,691	69,650		631,041.00
Bulgaria	109,912	10,926		98,986.00
Burma	54,956	5,462	49,494.00	
Byelorussian Soviet Socialist Republic	322,867	32,093		290,774.00
Cambodia	27,478	2,732		24,746.00
Canada	2,136,421	253,826	1,882,595.00	
Ceylon	68,695	6,829	61,866.00	
Chile	185,477	25,421		160,056.00
China	3,441,630	368,669		3,072,961.00
Colombia	212,955	21,169		191,786.00
Costa Rica	27,478	2,732		24,746.00
Cuba	171,738	22,981		148,757.00
Czechoslovakia	597,648	84,983	15,000.00	497,665.00
Denmark	412,171	53,175	358,996.00	
Dominican Republic	34,348	4,139	30,209.00	
Ecuador	41,217	4,311	32,781.86	4,124.14
El Salvador	34,348	4,097		30,251.00
Ethiopia	41,217	4,097		37,120.00
Federation of Malaya	116,782	11,608		105,174.00
Finland	247,303	24,582	111,361.00	111,360.00
France	4,396,493	515,030	3,881,463.0	
Ghana	48,087	4,780		43,307.00
Greece	157,999	22,453		135,546.00
Guatemala	34,348	3,852		30,496.00
Haiti	27,478	3,896		23,582.00
Honduras	27,478	3,010		24,468.00
Hungary	288,520	28,679		259,841.00
Iceland	27,478	2,732	24,746.00	
India	1,689,902	230,002	1,319,900.50	139,999.50
Indonesia	322,867	32,093		290,774.00
Iran	144,261	18,102		126,159.00
Iraq	61,826	7,901	3,922.00	50,003.00
Ireland	109,912	10,926	98,986.00	
Israel	96,173	9,559		86,614.00
Italy	1,545,642	153,640	1,269,450.00	122,552.00
Japan	1,504,425	149,543	1,354,882.00	
Jordan	27,478	2,732		24,746.00
Laos	27,478	2,732		24,746.00
Lebanon	34,348	3,414		30,934.00
Liberia	27,478	2,732		24,746.00
Libya	27,478	2,732		24,746.00
Luxembourg	41,217	5,369	35,848.00	
Mexico	487,736	52,605		435,131.00
Morocco	96,173	9,559		86,614.00
Nepal	27,478	2,732		24,746.00
Netherlands	693,822	91,822	602,000.00	
New Zealand	288,520	39,104	249,416.00	
Nicaragua	27,478	2,887		24,591.00
Norway	336,607	43,393	293,214.00	
Pakistan	274,781	27,314	107,467.00	140,000.00
Panama	27,478	4,111	1.00	23,366.00
Paraguay	27,478	2,732		24,746.00
Peru	75,565	9,723		65,842.00
Philippines	295,389	29,362	133,013.50	133,013.50
Poland	941,124	122,555		818,569.00
Portugal	137,390	13,657	123,733.00	
Rumania	233,564	23,217		210,347.00
Saudi Arabia	41,217	4,097	37,120.00	
Spain	638,865	63,505		575,360.00
Sudan	41,217	4,097	1.08	37,118.92
Sweden	954,863	118,247	836,616.00	
Thailand	109,912	19,120	90,792.00	
Tunisia	34,348	3,414	30,934.00	
Turkey	405,302	46,137		359,165.00
Ukrainian Soviet Socialist Republic	1,236,514	122,912	20.40	1,113,581.60
Union of South Africa	384,693	57,942	326,751.00	
Union of Soviet Socialist Republics	9,356,287	944,892	2,552.00	8,408,843.00
United Arab Republic	219,825	26,054	41,033.04	152,737.96
United Kingdom of Great Britain and Northern Ireland	5,344,487	646,390	3,523,572.75	1,174,524.25
United States of America	22,332,810			22,332,810.00
Uruguay	82,434	13,107		69,327.00
Venezuela	343,476	37,580		305,896.00
Yemen	27,478	2,732		24,746.00
Yugoslavia	240,433	42,177	80,000.00	118,256.00
Total	68,695,203	5,257,740	18,355,076.54	45,082,386.46
Guinea	27,478	2,732	21,746.00	3,000.00
Cameroun	27,478	2,667		24,811.00
Central African Republic	27,478	2,667		24,811.00
Chad	27,478	2,667		24,811.00
Congo (Brazzaville)	27,478	2,667		24,811.00
Congo (Leopoldville)	27,478	2,667		24,811.00
Cyprus	27,478	2,667		24,811.00
Dahomey	27,478	2,667		24,811.00
Gabon	27,478	2,667	24,811.00	
Ivory Coast	41,217	4,000		37,217.00
Madagascar	41,217	4,000		37,217.00
Mali	27,478	2,667		24,811.00
Niger	27,478	2,667		24,811.00
Nigeria	144,261	14,000		130,261.00
Senegal	41,217	4,000		37,217.00
Somalia	27,478	2,667		24,811.00
Togo	27,478	2,667		24,811.00
Upper Volta	27,478	2,667		24,811.00
Total	69,347,807	5,321,143	18,401,633.54	45,625,030.46
Contributions payable for 1960 by the member states admitted at the 15th session of the General Assembly:				
Cameroun	2,287			2,287.00
Central African Republic	2,287			2,287.00
Chad	2,287			2,287.00
Congo (Brazzaville)	2,287			2,287.00
Congo (Leopoldville)	2,287			2,287.00
Cyprus	2,287			2,287.00
Dahomey	2,287			2,287.00
Gabon	2,287		2,287.00	
Ivory Coast	3,431			3,431.00
Madagascar	3,431			3,431.00
Mali	2,287			2,287.00
Niger	2,287			2,287.00
Nigeria	12,008			12,008.00
Senegal	3,431			3,431.00
Somalia	2,287			2,287.00
Togo	2,287			2,287.00
Upper Volta	2,287			2,287.00
Total	52,032			52,032.00
Grand total	69,399,839	5,321,143	18,403,920.54	45,674,775.46

[1] Credits resulting from (1) the Tax Equalization Fund ($4,671,677) and (2) the transfer of League of Nations assets ($649,466).

III. Arrear contributions payable by member states to the United Nations regular budget for 1959 and 1960

1960 CONTRIBUTIONS

[In U.S. dollars]

Member states	Gross amount of contributions	Total credits [1]	Cash receipts	Balance due
Albania	23,320	2,720	19,811.00	789.00
Argentina	647,130	99,514	474,395.90	73,220.10
Bolivia	23,320	4,607		18,713.00
Byelorussian Soviet Socialist Republic	274,010	31,960	242,042.00	8.00
China	2,920,830	367,243		2,553,587.00
Colombia	180,730	21,317	158,987.00	426.00
Costa Rica	23,320	2,720	14,679.01	5,920.99
Cuba	145,750	22,956		122,794.00
Guatemala	29,150	3,933		25,217.00
Haiti	23,320	3,884		19,436.00
Honduras	23,320	2,998		20,322.00
Hungary	244,860	28,418		216,442.00
Israel	81,620	9,615	50,000.00	22,005.00
Morocco	81,620	9,425	81.00	72,114.00
Nicaragua	23,320	2,875	4,686.25	15,758.75
Paraguay	23,320	2,720		20,600.00
Uruguay	69,960	13,263		56,697.00
Yemen	23,320	2,720		20,600.00
Total	4,862,220	632,888	964,682.16	3,264,649.84

[1] Credits resulting from (1) the Tax Equalization Fund and (2) the League of Nations assets.

III. Arrear contributions payable by member states to the United Nations regular budget for 1959 and 1960—Continued

1959 CONTRIBUTIONS

[In U.S. dollars]

Member states	Gross amount of contributions	Total credits [1]	Cash receipts and credits re adjustment of cash advances to working capital fund	Balance due	Member states	Gross amount of contributions	Total credits [1]	Cash receipts and credits re adjustment of cash advances to working capital fund	Balance due
Bolivia	24,600	4,399	6,771.00	13,430.00	Hungary	258,300	26,742	100,000.00	131,558.00
China	3,081,150	344,776	2,088,438.29	647,935.71	Paraguay	24,600	2,538	6,611.00	15,451.00
Guatemala	30,750	3,656	23,926.00	3,168.00	Total	3,468,600	388,629	2,247,141.29	832,829.71
Haiti	24,600	3,702		20,898.00					
Honduras	24,600	2,816	21,395.00	389.00					

[1] Credits resulting from (1) the Tax Equalization Fund and (2) the League of Nations assets.

IV. Assessments in respect of the United Nations Emergency Force special account for 1961

[In U.S. dollars]

Member states	Assessments for 1961	Reductions under Resolution 1575 (XV)	Credits from tax equalization fund for 1959	Amount received	Balance	Member states	Assessments for 1961	Reductions under Resolution 1575 (XV)	Credits from tax equalization fund for 1959	Amount received	Balance
Afghanistan	11,287	5,643.50	60		5,583.50	Union of Soviet Socialist Republics	2,562,085		13,628		2,548,457.00
Albania	7,524		40		7,484.00	United Arab Republic	60,196		320		59,876.00
Argentina	208,804	104,402.00	1,111		103,291.00	United Kingdom of Great Britain and Northern Ireland	1,463,511		9,594	1,090,438.00	363,479.00
Australia	336,721		1,791	167,241.50	167,688.50	United States of America	6,115,519				6,115,519.00
Austria	80,888		430		80,458.00	Uruguay	22,574	11,287.00	120		11,167.00
Belgium	244,546		1,301	200,000.00	43,245.00	Venezuela	94,056	47,028.00	500		46,528.00
Bolivia	7,524		40		7,484.00	Yemen	7,524		40		7,484.00
Brazil	191,874	95,937.00	1,021		94,916.00	Yugoslavia	65,839	32,919.50	350		32,569.50
Bulgaria	30,098		160		29,938.00	Subtotal	18,811,197	1,614,941.00	69,470	4,010,417.00	13,116,369.00
Burma	15,049	7,524.50	80		7,444.50						
Byelorussian Soviet Socialist Republic	88,413		470		87,943.00	Guinea	7,524		40		7,484.00
Cambodia	7,524	3,762.00	40		3,722.00	Cameroun	7,524				7,524.00
Canada	585,028		3,112	581,916.00		Central African Republic	7,524	3,762.00			3,762.00
Ceylon	18,811	9,405.50	100	9,305.50		Chad	7,524	3,762.00			3,762.00
Chile	50,790	25,395.00	270		25,125.00	Congo (Brazzaville)	7,524				7,524.00
China	942,441	471,220.50	5,013		466,207.50	Congo (Leopoldville)	7,524	3,762.00			3,762.00
Colombia	58,315	29,157.50	310		28,847.50	Cyprus	7,524	3,762.00			3,762.00
Costa Rica	7,524	3,762.00	40		3,722.00	Dahomey	7,524	3,762.00			3,762.00
Cuba	47,028		250		46,778.00	Gabon	7,524	3,762.00		3,762.00	
Czechoslovakia	163,658		871		162,787.00	Ivory Coast	11,287	5,643.50			5,643.50
Denmark	112,867		601	112,266.00		Madagascar	11,287	5,643.50			5,643.50
Dominican Republic	9,406		50		9,356.00	Mali	7,524				7,524.00
Ecuador	11,287	5,643.50	60	5,583.50		Niger	7,524	3,762.00			3,762.00
El Salvador	9,406	4,703.00	50		4,653.00	Nigeria	39,504	19,752.00			19,752.00
Ethiopia	11,287	5,643.50	60		5,583.50	Senegal	11,287	5,643.50			5,643.50
Federation of Malaya	31,979	15,989.50	170		15,819.50	Somalia	7,524				7,524.00
Finland	67,720		360		67,360.00	Togo	7,524	3,762.00			3,762.00
France	1,203,916		6,404	1,197,512.00		Upper Volta	7,524				7,524.00
Ghana	13,168	6,584.00	70		6,514.00	Total	18,989,898	1,681,719.50	69,510	4,014,179.00	13,224,489.50
Greece	43,266	21,633.00	230		21,403.00						
Guatemala	9,406	4,703.00	50		4,653.00	Assessments payable for 1960 by member states admitted at the 15th session of the General Assembly:					
Haiti	7,524	3,762.00	40		3,722.00	Cameroun	444				444.00
Honduras	7,524	3,762.00	40		3,722.00	Central African Republic	444				444.00
Hungary	79,007		420		78,587.00	Chad	444				444.00
Iceland	7,524	3,762.00	40		3,722.00	Congo (Brazzaville)	444				444.00
India	462,756	231,378.00	2,462		228,916.00	Congo (Leopoldville)	444				444.00
Indonesia	88,413	44,206.50	470		43,736.50	Cyprus	444				444.00
Iran	39,504	19,752.00	210		19,542.00	Dahomey	444				444.00
Iraq	16,930		90		16,840.00	Gabon	444			444	
Ireland	30,098		226	29,872.00		Ivory Coast	666				666.00
Israel	26,336		140		26,196.00	Madagascar	666				666.00
Italy	423,252		2,251		421,001.00	Mali	444				444.00
Japan	411,965	205,982.50	2,257	203,725.50		Niger	444				444.00
Jordan	7,524		40		7,484.00	Nigeria	2,332				2,332.00
Laos	7,524		40		7,484.00	Senegal	666				666.00
Lebanon	9,406	4,703.00	50		4,653.00	Somalia	444				444.00
Liberia	7,524	3,762.00	40		3,722.00	Togo	444				444.00
Libya	7,524		40		7,484.00	Upper Volta	444				444.00
Luxembourg	11,287		60	11,227.00		Subtotal	10,102				9,658.00
Mexico	133,560		711		132,849.00						
Morocco	26,336	13,168.00	140		13,028.00	Grand total	19,000,000	1,681,719.50	69,510	4,014,623	13,234,147.50
Nepal	7,524	3,762.00	40		3,722.00	Amount of voluntary contributions not yet applied for reductions, pending final implementation of requests from member states		253,280.50			
Netherlands	189,993		1,011	188,982.00							
New Zealand	79,007		420	78,587.00		Amount of voluntary contributions pledged		1,935,000.00			
Nicaragua	7,524	3,762.00	40		3,722.00						
Norway	92,175		490	91,685.00							
Pakistan	75,245	37,622.50	400		37,222.50						
Panama	7,524	3,762.00	40		3,722.00						
Paraguay	7,524	3,762.00	40		3,722.00						
Peru	20,692		110		20,582.00						
Philippines	80,888	40,444.00	430		40,014.00						
Poland	257,714		1,371		256,343.00						
Portugal	37,623		200	37,423.00							
Rumania	63,958		340		63,618.00						
Saudi Arabia	11,287		60		11,227.00						
Spain	174,944		931		174,013.00						
Sudan	11,287		60		11,227.00						
Sweden	261,476		1,391		260,085.00						
Thailand	30,098	15,049.00	160		14,889.00						
Tunisia	9,406	4,703.00	50	4,653.00							
Turkey	110,986	55,493.00	591		54,902.00						
Ukrainian Soviet Socialist Republic	338,602		1,801		336,801.00						
Union of South Africa	105,343		560		104,783.00						

V. Arrear assessments payable by member states to the United Nations Emergency Force special account for 1957, 1958, 1959, and 1960

[In U.S. dollars]

1960 ASSESSMENTS

Member states	Assessments for 1960	Credits from special financial assistance	Credits from tax equalization fund for 1958	Amount received	Balance due
Afghanistan	11,991	5,995	70		5,926.00
Albania	7,994	3,997	46		3,951.00
Argentina	221,831	110,916	1,321		109,594.00
Bolivia	7,994	3,997	58		3,939.00
Bulgaria	31,976	15,988	162		15,826.00
Byelorussian Soviet Socialist Republic	93,929	46,965	545		46,419.00
Chile	53,959	26,980	336		26,643.00
China	1,001,239	5,635	5,807		989,797.00
Colombia	61,953	30,977	417		30,559.00
Costa Rica	7,994	3,997	46		3,951.00
Cuba	49,962	24,981	302		24,679.00
Czechoslovakia	173,868	86,934	951		85,983.00
El Salvador	9,992	4,996	70		4,926.00
Ethiopia	11,991	5,995	128		5,868.00
Greece	45,965	22,983	220		22,762.00
Guatemala	9,992	4,996	81		4,915.00
Haiti	7,994	3,997	46		3,951.00
Honduras	7,994	3,997	46		3,951.00
Hungary	83,936	41,968	452		41,516.00
India	491,627	245,813	3,361		242,453.00
Iraq	17,986	8,993	139		8,854.00
Jordan	7,994	3,997	46		3,951.00
Lebanon	9,992	4,996	58		4,938.00
Liberia	7,994	3,997	46		3,951.00
Libya	7,994	3,997	46		3,951.00
Mexico	141,892	70,946	788		70,158.00
Morocco	27,979	13,989	139		13,851.00
Nepal	7,994	3,997	46		3,951.00
Nicaragua	7,994	3,997	46	987.75	2,963.25
Pakistan	79,939	39,970	626		39,343.00
Panama	7,994	3,997	58		3,939.00
Paraguay	7,994	3,997	46		3,951.00
Peru	21,983	10,992	174		10,817.00
Philippines	85,935	42,967	464		42,504.00
Poland	273,792	136,896	1,762		135,134.00
Rumania	67,948	33,974	568		33,406.00
Saudi Arabia	11,991	5,995	81		5,915.00
Spain	185,859	92,929	1,287		91,643.00
Sudan	11,991	5,995	128		5,868.00
Ukrainian Soviet Socialist Republic	359,727	179,863	2,086		177,778.00
Union of Soviet Socialist Republics	2,721,932		15,786		2,706,146.00
United Arab Republic	63,951	31,976	498		31,477.00
Uruguay	23,982	11,991	185		11,806.00
Venezuela	99,924	49,962	487		49,475.00
Yemen	7,994	3,997	46		3,951.00
Total	6,664,936	1,476,517	40,101	987.75	5,147,330.25

1959 ASSESSMENTS

Member states	Assessments for 1959	Credits from tax equalization fund for 1957	Amount received	Balance due
Afghanistan	9,123	31		9,092.00
Albania	6,082	20		6,062.00
Argentina	168,776	596		168,180.00
Bolivia	6,082	26		6,056.00
Bulgaria	24,328	71		24,257.00
Byelorussian Soviet Socialist Republic	71,464	245		71,219.00
Chile	41,053	153	5,631.00	35,269.00
China	761,771	2,620		759,151.00
Colombia	47,135	189		46,946.00
Costa Rica	6,082	20		6,062.00
Cuba	38,012	138		37,874.00
Czechoslovakia	132,284	428		131,856.00
El Salvador	7,602	31		7,571.00
Ethiopia	9,123	56		9,067.00
Greece	34,971	124		34,847.00
Guatemala	7,602	36		7,566.00
Haiti	6,082	20		6,062.00
Hungary	63,861	234		63,627.00
India	374,043	1,514	94,759.04	277,769.96
Iraq	13,684	61		13,623.00
Jordan	6,082	20		6,062.00
Lebanon	7,602	26		7,576.00
Liberia	6,082	34	5,865.00	183.00
Libya	6,082	20		6,062.00
Mexico	107,956	392		107,564.00
Nepal	6,082	20		6,062.00
Panama	6,082	26		6,056.00
Paraguay	6,082	20		6,062.00
Peru	16,725	76		16,649.00
Poland	208,309	795		207,514.00
Rumania	51,697	255		51,442.00
Saudi Arabia	9,123	36		9,087.00
Spain	141,407	581		140,826.00
Sudan	9,123	56		9,067.00
Ukrainian Soviet Socialist Republic	273,690	943		272,747.00
Union of Soviet Socialist Republics	2,070,921	7,116		2,063,805.00
United Arab Republic	48,656	224		48,432.00
Venezuela	76,025	219		75,806.00
Yemen	6,082	20		6,062.00
Total	4,892,968	17,492	106,255.04	4,769,220.96

1958 ASSESSMENTS

Member states	Assessments for 1958	Amount received	Balance due
Afghanistan	15,000		15,000
Albania	10,000		10,000
Argentina	285,000		285,000
Bolivia	12,500		12,500
Bulgaria	35,000		35,000
Byelorussian Soviet Socialist Republic	117,500		117,500
China	1,252,500		1,252,500
Costa Rica	10,000	2,075	7,925
Cuba	65,000		65,000
Czechoslovakia	205,000		205,000
El Salvador	15,000		15,000
Ethiopia	27,500		27,500
Greece	47,500		47,500
Hungary	97,500		97,500
Iraq	30,000		30,000
Jordan	10,000		10,000
Lebanon	12,500	5,169	7,331
Libya	10,000		10,000
Mexico	170,000		170,000
Nepal	10,000		10,000
Panama	12,500		12,500
Paraguay	10,000		10,000
Peru	37,500		37,500
Poland	380,000		380,000
Rumania	122,500		122,500
Saudi Arabia	17,500		17,500
Spain	277,500		277,500
Sudan	27,500		27,500
Ukrainian Soviet Socialist Republic	450,000		450,000
Union of Soviet Socialist Republics	3,405,000		3,405,000
United Arab Republic:			
Egypt	87,500		87,500
Syria	20,000		20,000
Venezuela	105,000	55,641	49,359
Yemen	10,000		10,000
Total	7,400,000	62,885	7,337,115

V. Arrear assessments payable by member states to the United Nations Emergency Force special account for 1957, 1958, 1959, and 1960—Continued

[In U.S. dollars]

ASSESSMENTS FOR THE FINANCIAL PERIOD ENDING DEC. 31, 1957

Member states	Total assessments	Amount received	Balance due	Member states	Total assessments	Amount received	Balance due
Afghanistan	8,814	6,000	2,814	Panama	7,345	6,056	1,289
Albania	5,876		5,876	Paraguay	5,876		5,876
Argentina	171,869		171,869	Peru	22,034	15,000	7,034
Bolivia	7,345		7,345	Poland	229,159		229,159
Bulgaria	20,565		20,565	Rumania	73,448		73,448
Byelorussian Soviet Socialist Republic	70,510		70,510	Saudi Arabia	10,283		10,283
China	755,048	200,000	555,048	Spain	167,462		167,462
Cuba	39,662	27,000	12,662	Sudan	16,159		16,159
Czechoslovakia	123,393		123,393	Ukrainian Soviet Socialist Republic	271,759		271,759
Ethiopia	16,159		16,159	Union of Soviet Socialist Republics	2,050,676		2,050,676
Greece	29,379		29,379	United Arab Republic:			
Hungary	67,572		67,572	Egypt	52,883		52,883
Iraq	17,627	12,000	5,627	Syria	11,752		11,752
Jordan	5,876		5,876	Yemen	5,876		5,876
Libya	5,876		5,876				
Mexico	102,828	70,000	32,828	Total	4,378,987	340,056	4,038,931
Nepal	5,876	4,000	1,876				

VI. Assessments in respect of the Congo AD ECC account for the period Jan. 1 to Oct. 31, 1961

[In U.S. dollars]

Member states	Gross amount of assessments	Reductions under par. 8 of resolution 1619 (XV)	Amounts received	Balance	Member states	Gross amount of assessments	Reductions under par. 8 of resolution 1619 (XV)	Amounts received	Balance
Afghanistan	59,435	47,548		11,887	New Zealand	416,047		416,047	
Albania	39,624	31,699		7,925	Nicaragua	39,624	31,699		7,925
Argentina	1,099,554	879,643		219,911	Norway	485,389		485,389	
Australia	1,773,155			1,773,155	Pakistan	396,236	316,989		79,247
Austria	425,953			425,953	Panama	39,624	31,699		7,925
Belgium	1,287,766			1,287,766	Paraguay	39,624	31,699		7,925
Bolivia	39,624	31,699		7,925	Peru	108,965	87,172		21,793
Brazil	1,010,401	808,321		202,080	Philippines	425,953	340,762		85,191
Bulgaria	158,494	126,795		31,699	Poland	1,357,107	678,554		678,553
Burma	79,247	63,398		15,849	Portugal	198,118	158,494		39,624
Byelorussian Soviet Socialist Republic	465,577			465,577	Romania	336,800			336,800
Cambodia	39,624	31,699		7,925	Saudi Arabia	59,435	47,548		11,887
Canada	3,080,733			3,080,733	Spain	921,248	736,998		184,250
Ceylon	99,059	79,247		19,812	Sudan	59,435	47,548		11,887
Chile	267,459	213,967		53,492	Sweden	1,376,919			1,376,919
China	4,962,853	2,481,427		2,481,426	Thailand	158,494	126,795		31,699
Colombia	307,083	245,666		61,417	Tunisia	49,529	39,624		9,905
Costa Rica	39,624	31,699		7,925	Turkey	584,448	467,558		116,890
Cuba	247,647	198,118		49,529	Ukrainian Soviet Socialist Republic	1,783,061			1,783,061
Czechoslovakia	861,813			861,813	Union of South Africa	554,730			554,730
Denmark	594,354			594,354	Union of Soviet Socialist Republics	13,491,828			13,491,828
Dominican Republic	49,529	39,624		9,905	United Arab Republic	316,989	253,591		63,398
Ecuador	59,435	47,548		11,887	United Kingdom of Great Britain and Northern Ireland	7,706,785			7,706,785
El Salvador	49,529	39,624		9,905	United States of America	32,204,061			32,204,061
Ethiopia	59,435	47,548		11,887	Uruguay	118,871	95,097		23,774
Federation of Malaya	168,400	134,720		33,680	Venezuela	495,295	396,236		99,059
Finland	356,612			356,612	Yemen	39,624	31,699		7,925
France	6,339,772			6,339,772	Yugoslavia	346,706	277,365		69,341
Ghana	69,341	55,473		13,868					
Greece	227,836	182,269		45,567	Subtotal	99,058,936	14,552,748	2,119,861	82,386,327
Guatemala	49,529	39,624		9,905	Guinea	39,624	31,699		7,925
Haiti	39,624	31,699		7,925	Cameroun	39,624	31,699		7,925
Honduras	39,624	31,699		7,925	Central African Republic	39,624	31,699		7,925
Hungary	416,047	332,837		83,210	Chad	39,624	31,699		7,925
Iceland	39,624	31,699		7,925	Congo (Brazzaville)	39,624	31,699		7,925
India	2,436,850	1,218,425	1,218,425		Congo (Leopoldville)	39,624	31,699		7,925
Indonesia	465,577	372,462		93,115	Cyprus	39,624	31,699		7,925
Iran	208,023	166,418		41,605	Dahomey	39,624	31,699		7,925
Iraq	89,153	71,322		17,831	Gabon	39,624	31,699		7,925
Ireland	158,494	126,795		31,699	Ivory Coast	59,435	47,548		11,887
Israel	138,682	110,946		27,736	Madagascar	59,435	47,548		11,887
Italy	2,228,826			2,228,826	Mali	39,624	31,699		7,925
Japan	2,169,391	1,084,696		1,084,695	Niger	39,624	31,699		7,925
Jordan	39,624	31,699		7,925	Nigeria	208,023	166,418		41,605
Laos	39,624	31,699		7,925	Senegal	59,435	47,548		11,887
Lebanon	49,529	39,624		9,905	Somalia	39,624	31,699		7,925
Liberia	39,624	31,699		7,925	Togo	39,624	31,699		7,925
Libya	39,624	31,699		7,925	Upper Volta	39,624	31,699		7,925
Luxembourg	59,435	47,548		11,887					
Mexico	703,318	562,654		140,664	Total	100,000,000	[1] 15,305,596	2,119,861	82,574,543
Morocco	138,682	110,946		27,736					
Nepal	39,624	31,699		7,925					
Netherlands	1,000,495			1,000,495					

[1] A voluntary contribution from the United States of America will be offset against the deficit of $15,305,596 resulting from the implementation of the provisions of par. 8 of resolution 1619 (XV).

VII. Assessments in respect of the Congo ad hoc account for the period July 14–Dec. 31, 1960

[In U.S. dollars]

Member states	Gross amount of assessments for 1960	Reductions under Resolution 1583 (XV)	Amounts received	Balance
Afghanistan	29,059	14,529.50		14,529.50
Albania	19,373			19,373.00
Argentina	537,594	268,797.00		268,797.00
Australia	866,031		433,465.50	433,465.50
Austria	208,257			208,257.00
Belgium	629,615			629,615.00
Bolivia	19,373			19,373.00
Brazil	494,005	247,002.50		247,002.50
Bulgaria	77,491			77,491.00
Burma	38,746	19,373.00		19,373.00
Byelorussian Soviet Socialist Republic	227,630			227,630.00
Cambodia	19,373			19,373.00
Canada	1,506,232		1,506,232.00	
Ceylon	48,432	24,216.00	24,216.00	
Chile	130,766	65,383.00		65,383.00
China	2,426,438			2,426,438.00
Colombia	150,139	75,069.50		75,069.50
Costa Rica	19,373	9,686.50		9,686.50
Cuba	121,080			121,080.00
Czechoslovakia	421,358			421,358.00
Denmark	290,591		290,591.00	
Dominican Republic	24,216			24,216.00
Ecuador	29,059	14,529.50		14,529.50
El Salvador	24,216	12,108.00		12,108.00
Ethiopia	29,059	14,529.50		14,529.50
Federation of Malaya	82,334	41,167.00		41,167.00
Finland	174,355			174,355.00
France	3,099,642			3,099,642.00
Ghana	33,902	16,951.00		16,951.00
Greece	111,393	55,696.50		55,696.50
Guatemala	24,216	12,108.00		12,108.00
Haiti	19,373	9,686.50		9,686.50
Honduras	19,373	9,686.50		9,686.50
Hungary	203,414			203,414.00
Iceland	19,373	9,686.50	9,686.50	
India	1,191,425	595,712.50	595,712.50	
Indonesia	227,630	113,815.00		113,815.00
Iran	101,707	50,853.50		50,853.50
Iraq	43,589			43,589.00
Ireland	77,491		77,491.00	
Israel	67,805	33,902.50		33,902.50
Italy	1,089,718			1,089,718.00
Japan	1,060,659	530,329.50	530,329.50	
Jordan	19,373			19,373.00
Laos	19,373			19,373.00
Lebanon	24,216	12,108.00		12,108.00
Liberia	19,373	9,686.50	9,686.50	
Libya	19,373			19,373.00
Luxembourg	29,059			29,059.00
Mexico	343,866			343,866.00
Morocco	67,805			67,805.00
Nepal	19,373	9,686.50		9,686.50
Netherlands	489,162		489,162.00	
New Zealand	203,414		203,414.00	
Nicaragua	19,373	9,686.50		9,686.50
Norway	237,316		237,316.00	
Pakistan	193,728	96,864.00		96,864.00
Panama	19,373	9,686.50		9,686.50
Paraguay	19,373	9,686.50		9,686.50
Peru	53,275	26,637.50		26,637.50
Philippines	208,257	104,128.50		104,128.50
Poland	663,517			663,517.00
Portugal	96,864			96,864.00
Rumania	164,668			164,668.00
Saudi Arabia	29,059			29,059.00
Spain	450,417			450,417.00
Sudan	29,059	14,529.50		14,529.50
Sweden	673,203			673,203.00
Thailand	77,491	38,745.50		38,745.50
Tunisia	24,216	12,108.00	12,108.00	
Turkey	285,748	142,874.00	142,874.00	
Ukrainian Soviet Socialist Republic	871,774			871,774.00
Union of South Africa	271,219			271,219.00
Union of Soviet Socialist Republics	6,596,425			6,596,425.00
United Arab Republic	154,982			154,982.00
United Kingdom of Great Britain and Northern Ireland	3,768,002		3,768,002.00	
United States of America	15,745,211		15,745,211.00	
Uruguay	58,118	29,059.00		29,059.00
Venezuela	242,159	121,079.50		121,079.50
Yemen	19,373			19,373.00
Yugoslavia	169,512			169,512.00
Total	48,431,904	2,891,385.00	24,075,497.50	21,465,021.50
Guinea	19,373			19,373.00
Cameroun	2,131			2,131.00
Central African Republic	2,131	1,065.50		1,065.50
Chad	2,131	1,065.50		1,065.50
Congo (Brazzaville)	2,131			2,131.00
Congo (Leopoldville)	2,131	1,065.50		1,065.50
Cyprus	2,131	1,065.50		1,065.50
Dahomey	2,131	1,065.50		1,065.50
Gabon	2,131	1,065.50	1,065.50	
Ivory Coast	3,245	1,622.50		1,622.50
Madagascar	3,245	1,622.50		1,622.50
Mali	2,131			2,131.00
Niger	2,131	1,065.50		1,065.50
Nigeria	11,285	5,642.50		5,642.50
Senegal	3,245	1,622.50		1,622.50
Somalia	2,131			2,131.00
Togo	2,131	1,065.50		1,065.50
Upper Volta	2,131			2,131.00
Grand total	48,500,000	2,910,419.00	24,076,563.00	21,513,018.00

NOTE.—Amount of voluntary contributions not yet applied for reductions, pending final implementation of requests from member states, $989,581. Amount of voluntary contributions pledged, $3,900,000.

VIII. Summary of contributions due and received as at June 30, 1961

[Amounts in U.S. dollars]

	Total amount assessed	Amount received (including credits)	Percent received	Balance due
Working Capital Fund	$25,237,500	$24,999,909.00	[1] 99.06	$237,591.00
1959 contributions	61,500,000	60,667,170.29	[2] 98.65	832,829.71
1960 contributions	58,347,514	55,082,864.16	[3] 94.40	3,264,649.84
1961 contributions	69,347,807	23,725,063.54	[4] 34.19	45,674,775.46
1960 contributions for new member states [5]	52,032			
UNEF 1957 assessments	15,028,988	10,990,057.00	73.13	4,038,931.00
UNEF 1958 assessments	25,000,000	17,662,885.00	70.65	7,337,115.00
UNEF 1959 assessments	$15,205,000	$10,435,779.04	68.63	$4,769,220.96
UNEF 1960 assessments	20,000,000	[6] 14,852,669.75	74.26	5,147,330.25
UNEF 1961 assessments	18,989,898	[7] 5,765,852.50	30.35	13,234,147.50
1960 assessments for new member states [8]	10,102			
Congo 1961 assessments	100,000,000	[9] 17,425,457.00	17.43	82,574,543.00
Congo 1960 assessments	48,500,000	[9] 26,986,982.00	55.64	21,513,018.00

[1] Corresponding figure on June 30, 1960: 97.65 percent.
[2] Corresponding figure on June 30, 1960: 97.09 percent.
[3] Corresponding figure on June 30, 1960: 94.08 percent.
[4] Corresponding figure on June 30, 1960: 29.81 percent.
[5] Under financial regulation 5.2(e), this amount is applied as an adjustment to the amount of the appropriations for 1961.
[6] Includes credits from special financial assistance of $3,475,000.
[7] Includes credits of $1,681,719.50 to be offset by voluntary contributions pledged.
[8] This total amount represents credits to be offset by voluntary contributions.
[9] Includes credits of $2,910,419 to be offset by voluntary contributions pledged.

Mr. MILLER. It is amazing that there has not been more attention given to the problem of the financial solvency of the United Nations. However, within the last year there has been increasing attention given to it, both in the press and to a limited extent by Congress itself. At this point in my remarks I ask unanimous consent to have incorporated in the RECORD an editorial published in the Washington Post on November 24, 1960, entitled "A Bankrupt U.N?"

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A BANKRUPT U.N.?

It would be a dreadful commentary upon the sense of world responsibility if the principal agency of international security were allowed to go broke. That is a very real possibility for the United Nations, as Secretary General Hammarskjold has warned pointedly in his appeal for $20 million in cash by the end of the year. The problem is magnified by the failure of many nations to contribute toward the extraordinary expense of maintaining 18,000 soldiers and a corps of technical experts in the Congo. There has been even less response to Mr. Hammarskjold's call for a $100 million economic fund for the Congo.

Perhaps part of the difficulty lies in the polarization that has developed in Mr. Khrushchev's effort to trisect the U.N. More of the reluctance probably stems, however, from

misgivings over the uncharted course and lack of fixed terminus of the U.N. operation in the Congo. The U.N. is indeed embarked upon something new in world history. But the alternative—various national interventions—would surely be more perilous and more costly.

No relief may be expected from the Communist bloc; the Soviet Union and its satellites have reneged upon assessments for the U.N. Emergency Force in the Near East and have served notice that they will pay nothing toward the U.N. effort in the Congo. By the same token, although the United States might extend additional emergency help, it would be bad policy for the U.N. to depend upon American succor. This country already furnishes a third of the U.N. budget; and it is limited by law to no more than 40 percent of the Congo expenses. By no reasonable construction should the United States assume more of the burden.

But the problem must be met, and soon. The first requirement is for the General Assembly itself to recognize the urgency of the problem. The second is for member governments to demonstrate their appreciation of the importance of the international organization in just this type of situation. The ultimate security of the smaller powers would suffer the most if the U.N. were compelled to liquidate its activities in bankruptcy.

Mr. MILLER. Mr. President, the key sentences in the editorial are:

It would be a dreadful commentary upon the sense of world responsibility if the principal agency of international security were allowed to go broke. That is a very real possibility for the United Nations, as Secretary General Hammarskjold has warned pointedly in his appeal for $20 million in cash by the end of the year.

In the New York Times of April 2, 1961, there appears an excellent article written by Mr. Thomas J. Hamilton, entitled "U.N. Money Problem." I ask unanimous consent that it may be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.N. MONEY PROBLEM—SOVIETS SEEK A FINANCIAL VETO BY REFUSING TO SHARE CONGO COSTS

(By Thomas J. Hamilton)

The financial crisis in the United Nations resulting from the organization's intervention in the Congo has now emerged as the most important issue confronting the General Assembly.

The financial outlook would be bleak enough if only the Congo operation were involved. However, the United Nations was already confronted with a similar unwillingness to pay the bills for the Emergency Force that was sent to the Gaza Strip in 1956 after the Suez crisis.

The Emergency Force costs the United Nations $19 million a year, less than one-sixth of the minimum estimate of $120 million for the Congo force for 1961.

The combined deficit, according to experts on United Nations finances will reach $80 million by the end of 1961, even if the United States continues to pay just under 50 percent of the Congo and Gaza operations. Since the anticipated deficit is more than the total ordinary budget for 1961, the implications are obvious.

Put in simplest terms, the question is whether the Western coalition, which in the early years exercised political control of the United Nations and paid most of the bills, will continue to put up the money after its loss of political control to the newly independent states of Africa and Asia.

CONTRIBUTION BY UNITED STATES

In the early days of the organization the late Senator Arthur H. Vandenberg, who had done so much to win Republican support for the United Nations, made an all-out fight to reduce the U.S. assessment. As a result the United States is now assessed 32.51 percent of the United Nations budget, compared with 39.89 percent in 1946.

The American assessment and assessments imposed upon the three allies who hold permanent seats on the Security Council—Britain, France, and Nationalist China—account for more than half the revenues of the United Nations. The other North Atlantic Alliance powers, together with two important allies of the United States in the South Pacific, Australia and New Zealand, pay another 10 percent. The 20 Latin American countries, also our allies, pay a total just under 5 percent.

If one includes the assessments imposed on Asian allies, notably Japan, Pakistan and the Philippines, the democratic world accounts for more than two-thirds of the revenues of the United Nations.

Moreover, the Western allies—in particular the United States, Britain and Canada—are the mainstays of the United Nations agencies paid for by voluntary subscription, not by assessment. For example, the United States pays for about 70 percent of the relief program for Palestine Arab refugees.

The assessments imposed on the Soviet Union, which paid only 6.62 percent in 1946, have increased but still do not accurately reflect that country's economic advances. The Soviet assessment, including the assessment for the Ukraine and Byelorussia, which together give the Soviet Union three votes in the United Nations, is now 15.89 percent.

AFRO-ASIAN ROLE

However, the United Nations has more and more come under the control of the Asian and African countries, which now constitute nearly half of the 99 members. Despite their speeches emphasizing the high regard in which they hold the United Nations, these members pay little to its support. The Asian countries, including the allies of the United States, pay about 13 percent. The 26 African members pay a combined total of 2¼ percent.

If one excludes the Union of South Africa, the whole of Africa pays the United Nations less than do two of the smallest European members, Denmark and the Netherlands.

More than half the African members (along with a number of Asian and Latin-American states) pay the United Nations minimum assessment of 0.04 of 1 percent. In 1960 each of these states could discharge its entire financial responsibility to the United Nations (regular budget, working capital fund, emergency force, and the Congo) for less than $45,000.

Some financial experts say, in fact, that, if one takes into account that the United Nations has various out-of-pocket expenses, such as payment of the traveling expenses of delegates to the General Assembly, the minimum-assessment countries cost the organization more than they pay.

The United States, which has one vote just like all of the other members, paid or donated $40 million last year for the United Nations Congo operation alone.

The Kennedy administration, despite its objection to Mr. Hammarskjold's reappointment of Mr. Dayal as his representative in the Congo, indicated last week that it would again bail out the Congo operation.

However, it is certain that the organization will never again take such an important and expensive step as the Congo intervention without the complete approval of the Soviet Union. As one Western expert put it, in fact, the Soviet Union is now trying to exercise a "financial veto" by demanding that appropriations for the Congo operation be voted by the Security Council (where it has the direct veto), not the General Assembly.

ASSEMBLY HOLDS PURSE

Although the United Nations Charter clearly assigns entire responsibility for money matters to the Assembly, the Soviet campaign has made some headway, especially among the African and Asian countries that share Soviet dislike for Mr. Hammarskjold's actions. The United States has felt it necessary to give ground, and now favors an arrangement whereby the permanent members of the Security Council would pay higher assessments for such "security" operations as the Congo.

Whether this induces the French or the Latin Americans to pay their assessments remains to be seen. The liquidation of the Congo force, as suggested the other day by Uruguay, may be the end result. This, of course, is precisely what the Soviet Union is demanding.

Certainly, it is obvious that the Soviet Union, having brought the long-developing financial crisis to a head, is shrewdly exploiting it to weaken the United Nations.

Mr. MILLER. Mr. President, the significant point of the whole article is in the opening paragraph, which reads:

The financial crisis in the United Nations resulting from the organization's intervention in the Congo has now emerged as the most important issue confronting the General Assembly.

On April 17, 1961, there appeared in the New York Times an article entitled "Effort To End U.N. Fiscal Crisis To Be Deferred Until Next Fall," written by Mr. Robert Conley. I ask unanimous consent that the article may be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EFFORT TO END U.N. FISCAL CRISIS TO BE DEFERRED UNTIL NEXT FALL—DIPLOMATS FAVOR A FRESH START IN NEW ASSEMBLY SESSION—SEEK A STOPGAP MEANS OF MEETING CONGO COSTS

(By Robert Conley)

UNITED NATIONS, N.Y., April 16.—Attempts to resolve the United Nations financial crisis at this session of the General Assembly have been abandoned in favor of a fresh start next fall.

With only 5 working days to go, diplomats believe there is not enough time left to try to get the Soviet-bloc countries and France to reconsider their refusals to pay any part of the costs of the United Nations military operations in the Congo. These operations have brought about the heaviest financial burden the United Nations has ever faced.

The French and Communist-bloc refusals, added to the reluctance of the Russians and most Arab States to pay for the Emergency Force still posted in the Middle East, threaten to leave the world organization with a $100 million deficit by the end of 1961.

All that is hoped for now is a stopgap method of meeting as much as possible of this year's Congo bill, which amounts to about $10 million a month.

The change in tactics is expected to become apparent in the Assembly's Budgetary Committee tomorrow as the members step up their drive toward Friday's scheduled adjournment.

Pakistan and Tunisia are preparing a resolution calling on the members to meet their assessments toward the $100 million required for military expenses in the first 10 months of 1961.

FULL REEVALUATION PLANNED

Although the prospects are that little more than half of this actually will be paid, they

hope at least enough money will be received to keep the operations going until the Assembly can return in September and devote its full energies to a detailed reevaluation of the United Nations whole financial structure.

In their prepared resolution, the two sponsors, acting for an undisclosed number of other Asian and African countries, also attacked Belgium as "the state with direct responsibility" for the near collapse of the Congo.

They called upon the Brussels government to contribute a substantial amount of extra cash beyond its regular share to help meet the bill.

To ease the burden further for poorer nations, Pakistan and Tunisia will appeal for similar added contributions from wealthier countries in general and from the five permanent members of the Security Council in particular. These five are the United States, the Soviet Union, Britain, France, and Nationalist China.

Instead of a new financing program, Pakistan and Tunisia will make use of the pattern set in last year's appropriation of $48,500,000 for costs in the Congo.

Their resolution would continue the special Congo account, stress that the assessments carry a binding legal obligation on governments to pay and spread the burden among the organization's 99 members according to their usual standard of assessment.

However, the need for extra contributions, both as an emergency means of filling the gap left by the Soviet and French refusals to pay and as a way of lowering the payments of underdeveloped countries, will be stressed.

The reductions, to the extent they are made possible by extra donations, would be in three categories of priority:

First, members at the bottom of the assessment scale that normally pay 0.04 to 0.25 percent of any bill would be entitled to a reduction of up to three-quarters of their total.

Next, nations in the 0.25- to 1.25-percent range of assessments would be entitled to similar reductions if they received United Nations technical assistance last year.

Finally, payments from other countries receiving technical assistance, starting at the 1.25-percent level and proceeding upward, would be reduced by up to half.

Pakistan and Tunisia, at the same time, will tell the committee that the permanent Council members have "a special responsibility for the maintenance of international peace and security" and for financing the necessary action to meet threats, since the Council is the only body here that can order a military operation.

Mr. MILLER. Mr. Conley points out:

The French and Communist-bloc refusals, added to the reluctance of the Russians and most Arab states to pay for the emergency force still posted in the Middle East, threaten to leave the World Organization with a $100 million deficit by the end of 1961.

Mr. President, in the Christian Science Monitor of June 26, 1961, there appeared another excellent article on this problem, written by Mario Rossi.

I believe it proper to point out that the article draws attention to the fact that the United Nations is giving serious consideration to the problem of how to finance the implementation of its primary responsibility—the maintenance of international peace and security.

Mr. Rossi points out:

The problem is urgent because the organization is steadily running deeper into debt because of the failure of certain states to meet their obligations.

I ask unanimous consent that this article may be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DEFICIT GROWTH CONCERNS U.N.

(By Mario Rossi)

UNITED NATIONS, N.Y.—The United Nations is giving serious consideration to the problem of how to finance the implementation of its primary responsibility—the maintenance of international peace and security.

The problem is urgent because the organization is steadily running deeper into debt because of the failure of certain states to meet their obligations.

A 15-member group set up by the General Assembly last pring to consider the question of the administrative and budgetary procedures of the United Nations, including methods for covering the cost of peacekeeping operations, recently held its first meeting.

The group will consult with the Advisory Committee on Administrative and Budgetary Questions and the Committee on Contributions.

HIGHER SHARES ASKED

The latter, in a report to the General Assembly issued June 23, recommended that 22 countries, including the Soviet Union, be asked to pay a slightly higher share of the cost of running the U.N. for the 3-year period 1962–64.

It also proposed that 37 countries, including the United States, pay a somewhat smaller share of the expenses.

The regular budget is not the one, however, that causes most concern.

Most countries pay their contributions more or less when due. Also the Soviets take care of their share promptly. The largest single debtor is Nationalist China, which owes over $4 million for the 1959 and 1960 budgets. Another $1,500,000 is owed by several of the smaller Latin American countries and by Hungary.

But the question becomes very serious when the organization has to tackle the problem of covering the cost of peacekeeping operations.

PAY OFTEN WITHHELD

A number of countries have the habit of refusing to pay for operations approved by a competent organ of the U.N. but to which they object.

In the case of the U.N. Emergency Force which has kept the peace between Israel and Arabs since 1957, for example, the Soviet bloc and the Arab countries have taken the view that the operation was the result of the Israeli-Anglo-French attack against Suez and that therefore the Western countries are exclusively responsible for carrying the expenses.

As a consequence the UNEF budget will be in the red for over $30 million before the end of the year.

The situation of the Congo operation is even more serious.

Nearly $22 million is still due for 1960. The expenses to the end of October of this year have been assessed at $100 million, but the Soviet bloc, the Casablanca countries (Morocco, Ghana, Guinea and the United Arab Republic), France, and a number of Latin American countries have announced that they do not intend to pay their share. This represents an amount of about $30 million.

ONE HUNDRED MILLION DOLLARS IN RED?

Before the end of the year, therefore, U.N. may find itself in the red for about $100 million.

For an organization with a regular budget of some $60 million this is a staggering amount.

It is precisely this problem that the General Assembly has asked the 15-member working group to examine. Its task is not going to be easy.

The Soviets have made it clear that extraordinary expenses and all other expenses directly connected with the maintenance of international peace and security should be placed in an account separate from the regular budget.

NEGOTIATIONS DEMANDED

They propose, furthermore, that all extra budgetary expenses should be effected "on the basis of a separate agreement among states members of the United Nations which are directly interested in the implementation of these measures, and which have indicated their consent to participate in such financing."

The language is clear: the Soviets will refuse to contribute financially to operations to which they object.

The Soviets and the Eastern European countries are not alone in taking this attitude.

Mr. MILLER. In the Wall Street Journal of November 21, 1960, appears a very detailed and excellent article written by Mr. Ed Cony, pointing out that the Congo's costs were adding to the U.N.'s growing financial troubles.

Significant is this part of the article:

UNCLE SAM'S SHARE

Almost inevitably, U.S. dollar grants toward running the U.N. and its varied adjuncts have risen each year. This year, Uncle Sam has poured some $115 million into U.N. coffers, a lavish figure alongside the Russian contribution of $18 million.

The U.N. has been working toward a goal of having no nation saddled with more than 30 percent of the cost of running the parent organization. In line with this policy, the Soviet assessment for the U.N.'s regular budget has been gradually increased from 7.4 percent of the total in 1947 to 15.89 percent this year while the U.S. share has been whittled from 39.8 percent to 32.51 percent in 1961.

However, this comparison overlooks the many voluntary contribution operations conducted under U.N. auspices. When these grants are figured in, Uncle Sam is still footing 41 percent of the total U.N. bill compared to about 6 percent for Russia, which when left to itself is proving an exceedingly tightfisted donor. The Soviet annual outlay for the U.N. Children's Fund, for instance, is only 2.41 percent of the total, against 48 percent given by the United States. And in the World Health Organization's malaria eradication program, Uncle Sam puts up 91 percent of the money needed every year against 2.75 percent from Russia.

Mr. President, I ask unanimous consent that the entire article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONGO'S COSTS ADD TO THE U.N.'S GROWING FINANCIAL TROUBLES—REDS WON'T HELP; UNITED STATES NOW PAYS 41 PERCENT OF TOTAL BUDGET; NEW NATIONS OF LITTLE AID

(By Ed Cony)

UNITED NATIONS, N.Y.—Russia, beaten back in its attempt to paralyze the United Nations politically by replacing Secretary General Hammarskjold with a triumvirate of administrators, may still succeed in hobbling the organization by the simple tactic of withholding financial support.

The problem is expected to come to a head within a matter of weeks when the U.N.'s so-called Fifth Committee, which does its financial planning, tackles the big job of dig-

ging up the extra funds needed for the U.N.'s military and economic aid operations in the Congo. The committee's recommendations eventually go to the General Assembly for approval.

Russia already has made it clear that it doesn't intend to contribute a single ruble to the upkeep of the U.N. forces in the Congo. The Soviet position is that the U.N. troops are being used to prevent what the Russians consider the legitimate Congo Government—that of Patrice Lumumba—from functioning.

THE BIG SQUEEZE

Russia's abstention will put an added burden not only on the United States but on the other big dues-paying members of the U.N.—Great Britain, France, Nationalist China, Canada, India, Italy, and Japan. While the United States stands ready to play its traditional role of angel for the U.N., the extra financial burden may prove irksome for some of the other members. At last yearend, China, for example, was more than a year in arrears in paying even its regular assessments; it owed nearly $5 million.

The Congolese special assessment is expected to amount to a minimum of $200 million in 1961. In addition, the committee somewhere must find enough cash to reimburse member nations for their contributions of men and materials to the Congo made in 1960. From the beginning of U.N. operations in the Congo in May through December 31, the cost of the program is expected to reach $66 million. On top of all this is the ever-increasing task of just paying for the regular functions of the U.N. and its specialized agencies, rising lately at a $20-million-a-year pace.

Even the U.N.'s most fervent supporters have begun to express alarm at the voracious growth in its cash needs. When 1960 began, the organization and its affiliated agencies were budgeted to spend about $280 million this year. Next year, thanks largely to the Congo, this bill promises to jump to about $500 million.

GOING INTO DEBT?

Already the U.N. contemplates going into debt to get enough spending money for next year. The organization has never quite come to this point before, although last year the Secretary General did have to dip temporarily into funds originally allocated for technical assistance to underdeveloped nations in order to pay current bills.

Says a U.N. fiscal officer: "Last year, because of the possibility we'd be short of cash, the Secretary General also was authorized to borrow short-term money from member governments. A few days ago, Mr. Hammarskjold asked for authority to borrow from 'other available sources'—obviously commercial and private lenders."

Any borrowing from commercial sources probably would take the form of short-term bank loans. Wall Street investment men are decidedly lukewarm about the attractiveness of any possible long-term U.N. bond issue because of the shakiness of its financial structure, which leans heavily on voluntary contributions from more generous and wealthier nations because of the inadequacy of dues collections from member countries.

TOGO AND UPPER VOLTA

Meanwhile, the 16-nation growth in U.N. membership to 99 this year has done little to add solidity to the organization's finances; obviously little can be expected from such newcomers as Dahomey, Togo, and Upper Volta. Membership assessments against these and other small nations are at a rate of 0.4 percent of the U.N.'s annual budget, or roughly $23,320 each this year.

These assessments are for the "regular" U.N. budget, about $65 million this year, which goes largely to paying the salaries of 4,000 civilian employees and keeping up the Secretariat in New York and other U.N. offices throughout the world.

In addition, each of the U.N.'s nine specialized agencies, such as UNESCO, the Food and Agriculture Organization and the International Labor Organization, levies assessments of its own. Collectively these budgets are about equal to that of the U.N. itself this year.

A third group of operations is supported entirely by voluntary contributions and this year is running up a collective tab of approximately $130 million. Lumped into this category are technical assistance programs, aid for refugees and children, and special World Health Organization activities for malaria control and development of community water supplies.

UNCLE SAM'S SHARE

Almost inevitably, U.S. dollar grants toward running the U.N. and its varied adjuncts have risen each year. This year, Uncle Sam has poured some $115 million into U.N. coffers, a lavish figure alongside the Russian contribution of $18 million.

The U.N. has been working toward a goal of having no nation saddled with more than 30 percent of the cost of running the parent Organization. In line with this policy, the Soviet assessment for the U.N.'s regular budget has been gradually increased from 7.40 percent of the total in 1947 to 15.89 percent this year while the U.S. share has been whittled from 39.8 percent to 32.51 percent in 1961.

However, this comparison overlooks the many voluntary contribution operations conducted under U.N. auspices. When these grants are figured in, Uncle Sam is still footing 41 percent of the total U.N. bill compared to about 6 percent for Russia, which when left to itself is proving an exceedingly tight-fisted donor. The Soviet annual outlay for the U.N. Children's Fund, for instance, is only 2.41 percent of the total, against 48 percent given by the United States. And in the World Health Organization's malaria eradication program, Uncle Sam puts up 91 percent of the money needed every year against 2.7 percent from Russia.

RUBLE FOOLISH

The American taxpayer can take a measure of comfort from this situation, according to some U.N. diplomats. They argue that Russia's reluctance to pay its fair share of U.N. costs hurts the Soviet's standing with other nations. It's a case, they believe, of the Russians being kopeck wise and ruble foolish.

What if the U.N. demands the Russians pay part of the Congo bill? The Russians simply will ignore the command. There is precedent for such intransigence. The U.S.S.R. and her satellites are $14 million in arrears in paying their share for the United Nations emergency force for the Middle East. These troops have been trying since 1956 to keep the peace along the Gaza Strip separating Israel from the United Arab Republic.

Originally the U.N. tried to finance this force by voluntary contributions from member nations. But volunteers were slow to step forward. So it resorted to assessing member countries to secure part of the $20 million it costs annually to keep Israelis and Arabs from each others' throats.

The Soviet Union has refused to pay one cent toward the U.N. force. The Russian rationale for this stand: the Middle East force was set up by the General Assembly after a Russian veto in the Security Council and therefore was illegal. Also the Russians contended that any U.N. expenses in connection with the Israeli-Arab dispute must be borne by the aggressor countries, the United Kingdom, France, and Israel.

The U.N. so far has been helpless in its efforts to make the Russians pay. The U.N. Charter does provide that any nation which falls behind in its payments by an amount equal to 2 full years' assessments shall automatically lose its vote in the General Assembly. But since the Soviets are pretty much paid up on their other assessments it will be several years at the rate things are going now before they fall a full 2 years behind.

Mr. MILLER. Mr. President, the distinguished Senator from Vermont [Mr. AIKEN], issued a supplementary report to the Committee on Foreign Relations in February of this year. The title of his report is "The United States in the United Nations. 1960—A Turning Point." The Senator from Vermont set forth some very interesting facts with respect to this financial problem. Among other things, he said:

Since the failure of several nations to pay their assessments had seriously impaired the working capital fund of the United Nations, it appeared necessary to authorize the Secretary General to borrow funds with which to carry on.

A resolution submitted to the Fifth Committee—

The Fifth Committee is the budget committee of the United Nations—

would have authorized the Secretary General to borrow from special funds available for programs sponsored by the United Nations, from member governments, or from other available sources, meaning commercial lending agencies.

The delegate from India moved to strike out the authority to borrow from private sources. He was supported by Russia and several other states. The motion was defeated in committee by a narrow margin. The General Assembly, however, sustained the Indian motion and as of now the Secretary General can only borrow from United Nations special funds at prevailing rates of interest and from member governments.

During the debate in the Fifth Committee, I pointed out that the United States does not have the authority to make loans to the United Nations whereupon one supporter of the Indian motion suggested that special legislation could be enacted for this purpose.

I would not look with favor upon congressional action to permit the U.S. Government to make loans to the United Nations to cover deficits caused by Russia's failure to meet just and equitable assessments. If we start on this course, we will find that not only Russia but possibly other countries will refuse to meet assessments secure in the knowledge that the United States will make up the deficit.

That is precisely the reason for this amendment. I do not want the American taxpayers to make up the deficits in the United Nations, directly or indirectly, through the foreign-aid program, in the form of development loans or grants. This is precisely the problem which the Senator from Vermont [Mr. AIKEN] referred to in his report to the Committee on Foreign Relations. The Senator from Vermont, in his report, continued:

Furthermore, we would find that loans made on a temporary basis would soon lose their temporary status and become permanent and uncollectible.

It is possible that those governments which objected to commercial borrowings will be willing to make the necessary loans to the United Nations. If so, this would be a welcome solution but I would not like to see the United States start the practice of assuming responsibility for the arrearages of other nations, especially those countries

which blandly announce that they do not intend to pay anyway.

One very discouraging feature of the United Nations session was the apparent feeling among so many have-not nations that it is the duty of the large countries and particularly the United States to bear the cost of bringing their social and economic standards up to a level with ours.

Too many of them seem to forget how long it took us to reach our present levels, and how we got where we are.

Too many of them also ignore the fact that every dollar we contribute to raising the standards of developing nations has to be earned or borrowed. The fact that we have gone so heavily in debt to help them does not seem to make much of an impression on some of them.

Mr. President, finally in a report known as "Staff Study No. 6, Subcommittee on the United Nations Charter," published in the 83d Congress, 2d session, in December 1954, the distinguished senior Senator from Wisconsin [Mr. WILEY], in a preface, states.

In addition to our payments to the regular U.N. budget the United States makes contributions to so-called voluntary programs such as the Korean reconstruction program and the International Children's Fund. Our contributions in these cases have ranged as high as 70 percent of the total budgets. Even with these heavy payments from the United States, other nations have lagged in their contributions.

That, Mr. President, was back in 1954.

The PRESIDING OFFICER. The time of the Senator from Iowa has expired.

Mr. MILLER. I yield myself 5 additional minutes.

Mr. President, in this report, in the introductory comments, I find the following statement:

It is often said that the veto is the greatest single problem facing the United Nations. But money is the lifeblood of any organization. And the financial problems the U.N. has encountered—although less spectacular—have proven almost as difficult and, in some ways, even more complex.

The report continues:

Article 17 bestows upon the General Assembly far-reaching authority to apportion the expenses of the U.N. among the members. At the same time, it places upon the members an international legal obligation to meet these expenses in the manner agreed upon by the Assembly.

Further, the report states:

Article 19 imposes a penalty upon members which fall seriously behind in their financial contributions to the Organization. Any member whose arrears equals the amount of the contributions due from it for the 2 preceding years loses its vote in the General Assembly.

Mr. President, apropos this rule, I point out that Soviet Russia has interpreted the rule to mean that it applies only to the regular assessments but does not apply to such as the Congo operations fund or the Middle East fund. So by this interpretation, Soviet Russia seeks to continue to come into the United Nations, to thump the table, to vote against us, to vote, in effect, to tear out the heart of the United Nations, and to hope for the financial insolvency of this great Organization.

There is one more point in the report to which I wish to call attention. On page 16 it is stated:

There is a disturbing tendency among many states, some of which are in fairly sound financial condition, to discuss, to vote, and not to contribute. One of the compelling needs of the U.N. today is the development among the members of a deeper sense of individual and collective responsibility for a successful completion of multilateral programs launched by the Organization.

Mr. President, this report was written 7 years ago. I submit, in view of the report from the United Nations Secretariat, which has already been placed in the RECORD, that the time is long past due for us to do our best to have other members of the United Nations, who have not been doing so, face up to their financial obligations. Shall this new foreign aid program be administered in a way which will encourage or discourage the other members of the United Nations to meet their financial obligations?

I say that it would be most unfortunate for our foreign aid program if it developed a reputation of being administered under a policy under which, in effect, it would be said, "Pay your United Nations dues and assessments, or do not pay them, or do not even have any intention of paying them. Whatever you do about that will not make a bit of difference. Just come to Uncle Sam, and you will get your grants or your loans."

Mr. President, I do not believe this amendment will in any way impede this program. The amendment has nothing to do with military assistance or supporting assistance or the President's contingency fund.

As regards some member nations which are having a difficult time, I invite attention to the fact that military assistance and supporting assistance are the principal parts of our foreign assistance program for them.

Furthermore, the amendment has nothing to do with development loans or grants to private individuals or private corporations. The amendment relates only to governments which do not have the financial responsibility to enable our President to make a determination that there is reasonable assurance that they intend to meet their obligations to the United Nations.

Mr. President, without yielding the remainder of the time available to me, I now yield the floor.

Mr. SPARKMAN. Mr. President——

The PRESIDING OFFICER (Mr. METCALF in the chair). How much time does the Senator from Alabama yield himself?

Mr. SPARKMAN. I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 10 minutes.

Mr. SPARKMAN. Mr. President, so far as the objective stated by the distinguished Senator from Iowa is concerned, I am in complete sympathy with it. I should like to see the members of the United Nations keep entirely up to date in the payment of their assessments.

A good many years ago, back in 1950, it was my privilege to serve as a delegate to the United Nations, although I was not a member of the Fifth Committee. Senator Henry Cabot Lodge was then a member of that Committee; but on one occasion he was ill, and I represented our country on the Fifth Committee, and this matter was there the subject of a presentation.

It is always difficult to keep the payment of dues to the United Nations entirely up to date, and I was very hopeful that a device to make that possible would be provided. But, Mr. President, that should be done by the United Nations, not by means of an aid program of the United States. We should not set ourselves up as the dues collector for the United Nations.

The Senator from Iowa stated that his amendment has relevancy to the pending bill. As a matter of fact, I think the amendment is irrelevant, in the real sense of the word, because it deals with the collection of dues to the United Nations; and we ought not pose before the world as the dues collector for the United Nations.

In addition, let us remember that one criticism which the Sino-Soviet bloc has directed against the United Nations through the years has been that—so that bloc alleges—the United Nations is a tool of the United States. That allegation places us in a difficult position, at times. Certainly we must avoid giving to the world the appearance that we believe we own the United Nations and that we intend to run it. We can lift our voice in the proper channels in the United Nations and can urge the adoption by the United Nations of machinery for the collection of the dues; and that should be done, and the payments should be kept up to date.

Mr. MILLER. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. MILLER. I appreciate the comments made by the Senator from Alabama. But does he realize that this problem has been becoming increasingly worse for the last 7 years?

Mr. SPARKMAN. Yes.

Mr. MILLER. How much longer must we wait for this matter to be handled in the United Nations, before we make any effort?

Mr. SPARKMAN. I join the Senator from Iowa in recognizing that the problem has become difficult. But the place to deal with the problem is in the United Nations, not in the U.S. Congress.

Of course I was aware of that problem when I was a delegate there.

By the way, Mr. President, our skirts are not entirely clean in connection with that situation, for we have not always paid our dues up to date. I do not recall that we were ever 2 years behind in paying them, but from time to time we have been in arrears.

I do not know how many countries would be affected by the amendment of the Senator from Iowa, now that he has changed it. But I have a list of the countries which would have been affected under the original draft of his amendment, or at least it is a partial list, if not a complete one.

By the way, I should like to call attention to the fact that the amendment of the Senator from Iowa applies not only to assessments, but also to voluntary contributions or voluntary offers. When the General Assembly of the United Nations meets during the fall of each year, from time to time voluntary contributions are received from various countries, or perhaps they are received at other times. But they are not assessments at all. However, the amendment would also apply to them, even though there is no obligation whatever on the part of the country which makes the voluntary offer to go through with it. It has always been recognized that if some development prevents such a country from going through with its voluntary contribution, that can end it. In other words, such contributions are voluntary offers. The United States makes them, too. But of course it is always understood that such an offer on behalf of the United States is subject to approval by our Congress. Yet I believe that under the language of this amendment, if we were one of those countries, we would be covered by the amendment, or we might be.

Under the amendment as originally offered, when we consider only the item of the United Nations emergency forces in the Suez dispute and in the Gaza Strip, we find that a considerable number of countries were more than 1 year in arrears. Frankly, I do not know how many of them are as much as 2 years in arrears, because the list to which I now refer was drawn up in connection with the amendment as originally drafted. But I now read that list:

Afghanistan, Argentina, Bolivia, Chile, China, Colombia, Costa Rica, El Salvador, Ethiopia, Greece, Guatemala, Haiti, India, Iraq, Jordan, Lebanon, Liberia, Libya, Mexico, Nepal, Panama, Paraguay, Peru, Saudi Arabia, Spain, Sudan, Yemen, and Iron Curtain countries.

So, Mr. President, at the very time when we are trying to develop a program in conjunction with the Latin American countries, 12 of the 20 Latin American Republics would be denied aid, under the provisions of this amendment.

Mr. MILLER. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. MILLER. The Senator from Alabama has said that 12 of the Latin American countries would be denied aid——

Mr. SPARKMAN. I said they would have been, under the Senator's amendment as originally drafted. I have also said that I do not know whether all 12 of them are 2 years in arrears.

Mr. MILLER. Well, for the sake of argument let us refer now to countries 1 year in arrears. I have taken great pains to point out that my amendment affects only development loans under this bill, and does not affect the $500 million Latin American aid program.

Mr. SPARKMAN. I realize that, and development loans are what we are going to be dealing with primarily in Latin America. Development loans are the essence of the Latin American program.

Mr. MILLER. I would like to call the Senator's attention to the fact that my amendment does not deny any aid. Furthermore, does the Senator realize that my amendment still would not deny any aid to those countries if our President received a reasonable assurance that they were planning to pay their arrearages? Is not that fair?

Mr. SPARKMAN. Why should the President of the United States be the collector of dues for the United Nations? It simply does not make any sense, and I believe the amendment ought to be rejected on that premise alone. We ought not to hold ourselves out as a collection agency for the United Nations, and the President of the United States ought not to be singled out as a bill collector.

I admire the Senator from Iowa. I count him as a friend. But I wish he had not offered this amendment, because I really believe it is a bad amendment and should be defeated.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. SPARKMAN. Yes. I am ready to yield the floor.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MILLER. Mr. President, I yield myself 2 minutes.

I return the compliment of the Senator with the same sincerity. I may say that I am well aware of the fact that the Senator is unhappy that this amendment has been offered. I find it difficult to understand his unhappiness. He is talking about our becoming bill collectors. That expression is a kind of cliche. We are not trying to collect any bills. What we are doing is saying in the first place, if a country is 2 years or more in arrears—if it has not been a good enough member to pay for the last 2 years, and if it is not willing to give a reasonable assurance that it plans to do so, it is going to risk the financial stability of the United Nations, which we support.

Implicit in this is a deep concern that if those countries do not pay, the people in Alabama are going to pay, and the people in Iowa are going to pay. It seems to me they are pretty well concerned about this.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MILLER. I yield myself 1 more minute.

One of two things will happen. Either Uncle Sam and the taxpayers back home are going to pay or the United Nations will go out of existence, because the United Nations cannot be run without the lifeblood which is the revenue received from the member nations.

I have not made it arbitrary. I have left it to the President to make a determination which I think is reasonable. I am not trying to place any undue pressure on any nation. I think this is a fair and just provision, not only to the people back home who otherwise have to pay the bills, but to the other members of the United Nations.

Mr. SPARKMAN. Mr. President, I yield myself 2 minutes.

I have now a list of countries that in 1959 were in arrears 2 years in dues. The following countries were 2 years in arrears: Bolivia, one of the Latin American Republics; Nationalist China, to whom we give so much aid as a bulwark in our Western defense line against communism; Guatemala, another Latin American Republic; Haiti, another Latin American Republic; Honduras, another Latin American Republic; Hungary; Paraguay, another Latin American Republic.

The following countries were 2 years in arrears as of 1960: Albania, Argentina, Bolivia, Byelorussia, Nationalist China, Colombia, Costa Rica, Cuba, Guatemala, Haiti, Honduras, Hungary, Israel, Morocco, Nicaragua, Paraguay, Uruguay, and Yemen.

I repeat what I said at the beginning—I do not believe the amendment belongs in the bill.

Mr. MILLER. Regarding the list from which the Senator has just read, does not the Senator find it inconceivable that any of those countries who are in good faith and are willing to repay long-term American loans will not be willing to give assurance that they propose to find a method of paying their assessments?

Mr. SPARKMAN. I certainly hope they will, but the place to get that assurance is in the United Nations, and it is not for the United States to get it. That is the point I make. This is a United Nations problem.

Mr. MILLER. But when they do not do that and are delinquent for 2 years, how are we going to get them to pay?

Mr. SPARKMAN. Certainly, it is not up to us to collect the dues.

Mr. MILLER. If they do not have enough sense of financial responsibility to pay their bills in the United Nations, how can we expect them to have enough financial responsibility to pay the long-term loans that we propose to make to them?

Mr. SPARKMAN. I can talk about that and talk about how we are going to try to develop those countries by the use of these loans. Many of these countries have not been able to pay their bills just because they do not have the money, just as an average citizen gets behind in the payment of his bills. Many of these countries have gotten behind for just that reason.

I do not think the amendment of the Senator belongs in this bill, and I hope the Senate will reject it.

Mr. MILLER. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. MILLER. I yield myself 2 more minutes.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

Mr. MILLER. I cannot overly emphasize the fact that in this amendment is the provision that the President, by determining that a government has given reasonable assurance of paying up its debts, can assure that it will receive loans and grants. It does not even have to give such reasonable assurance, and it can still receive military assistance,

supporting assistance, and payments out of the President's contingency fund.

I am very much aware of the position of the Nationalist Chinese Government with respect to United Nations payments, but I also invite the attention of the Senator to the fact that practically all our assistance to the Nationalist Chinese is in the form of military and supporting assistance. So this amendment will not bother them at all.

Furthermore, with respect to the underdeveloped countries, and assuming for the sake of argument that they are in such a tight pinch that they cannot make any payments and are more than 2 years in arrears, if we are going to give them development loans and grants in order to build those nations up, it seems to me they ought to be willing to give assurance that as their economy is built up and as this program helps them develop their economies, they will agree to pay their U.N. dues. If they are not willing to do that, I find it very difficult to believe that they are going to be in good faith with respect to our assistance.

I find it inconceivable to take two nations, one being paid up currently, and the other far behind in its payments, and give them equal treatment. That will discourage other nations and put them under the impression that the United States will aid them whether they are paid up or not.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MILLER. I yield myself 1 more minute.

I think the amendment will strengthen the bill. I do not think it will bother any nation that is in good faith. I think it will strengthen the United Nations. At a time when we are told that the No. 1 problem before the United Nations is its financial solvency, I think we ought to take a little action that will register the U.S. Senate as being very much opposed to those nations who are lagging behind in their payments, but ready and willing to help those nations who in good faith are meeting their obligations to the United Nations and are making their contributions.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment offered by the Senator from Iowa [Mr. MILLER], as modified. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from North Carolina [Mr. ERVIN], the Senator from Michigan [Mr. HART], the Senator from New Jersey [Mr. WILLIAMS], the Senator from Texas [Mr. YARBOROUGH], and the Senator from Arizona [Mr. HAYDEN] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. ERVIN], the Senator from Michigan [Mr. HART], the Senator from New Jersey [Mr. WILLIAMS], the Senator from Texas [Mr. YARBOROUGH], and the Senator from Arizona [Mr. HAYDEN] would each vote "nay."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Maryland [Mr. BUTLER].

If present and voting, the Senator from New Mexico would vote "nay" and the Senator from Maryland would vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Kansas [Mr. CARLSON], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Maryland would vote "yea" and the Senator from New Mexico would vote "nay."

If present and voting the Senator from Kansas [Mr. CARLSON] would vote "yea."

The result was announced—yeas 24, nays 66, as follows:

[No. 154]

YEAS—24

Beall	Dworshak	Mundt
Bennett	Eastland	Russell
Boggs	Fong	Schoeppel
Byrd, Va.	Goldwater	Scott
Capehart	Hickenlooper	Thurmond
Case, S. Dak.	Hruska	Tower
Curtis	Johnston	Williams, Del.
Dirksen	Miller	Young, N. Dak.

NAYS—66

Aiken	Hartke	Metcalf
Allott	Hickey	Monroney
Anderson	Hill	Morse
Bartlett	Holland	Morton
Bible	Humphrey	Moss
Burdick	Jackson	Muskie
Bush	Javits	Neuberger
Byrd, W. Va.	Jordan	Pastore
Cannon	Keating	Pell
Carroll	Kefauver	Prouty
Case, N.J.	Kerr	Proxmire
Church	Kuchel	Randolph
Clark	Lausche	Robertson
Cooper	Long, Mo.	Smathers
Cotton	Long, Hawaii	Smith, Mass.
Dodd	Long, La.	Smith, Maine
Douglas	Magnuson	Sparkman
Ellender	Mansfield	Stennis
Engle	McCarthy	Symington
Fulbright	McClellan	Talmadge
Gore	McGee	Wiley
Gruening	McNamara	Young, Ohio

NOT VOTING—10

Bridges	Ervin	Williams, N.J.
Butler	Hart	Yarborough
Carlson	Hayden	
Chavez	Saltonstall	

So Mr. MILLER's amendment, as modified, was rejected.

Mr. GRUENING. Mr. President, I call up my amendment 8-16-61—G, and ask that it be read.

The PRESIDING OFFICER (Mr. PELL in the chair). The amendment of the Senator from Alaska will be stated.

The LEGISLATIVE CLERK. On page 5, line 24 it is proposed to strike out the period and insert the following: "and on condition that, if any portion of the funds loaned are used for the purpose of making loans within the recipient country, the interest charged by the borrower shall not exceed the interest charged by the United States by more than 5 per centum per annum."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska.

Mr. GRUENING. Mr. President——

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. GRUENING. Five minutes.

Mr. President, it was announced from Punta del Este, Uruguay, that the administration expects at times to make loans to Latin American countries at no interest rate at all, and at times with deferment of principal payments for as much as 10 years. The loans may be for 50 years.

The people of the United States are borrowing money in order to carry on the foreign aid program. They are going even deeper into debt for that purpose. We are borrowing money from our own people at 3¾ percent or 4 percent. It will cost us a good many billion dollars to make the proposed no-interest loans over a period of 50 years. Tables supporting that statement have been printed in the RECORD. We have all had a chance to read them.

We know that it is the custom in some countries to charge interest rates of 15, 20, 25, and even as high as 36 percent. It seems to me that we ought to write some protection into the bill for the American people who are being asked to finance this multibillion-dollar foreign aid program.

The amendment proposed to the Williams amendment by the chairman of the committee, which is now a part of the bill, provides:

> Funds made available to carry out this title shall not be loaned or reloaned at an interest rate considered excessive by the Department Loan Committee established by section 205, but in any event no higher than the legal rate of interest of the country in which the loan is made.

It seems to me that disaster might well lie therein, because the legal rate in some of the recipient countries is six, seven, and eight times the rate which we will ask, and perhaps infinity times the amount, if the loan is made with no interest to be charged as Secretary Dillon has indicated will be done.

I do not see how we can go back to our own people and tell them that we are borrowing money at 4 percent and relending it at no percent when on top of that we will permit the people who are receiving our money to relend it at any rate they please, provided that it is the legal rate of interest of the recipient country, which may be as high as 20, 25, or 36 percent.

This matter was amply discussed on the floor on Wednesday, and I gave my reasons for offering this amendment. So I will not now delay the Senate by repeating them. The chairman of the committee objects to it, but I still feel that in some form a restriction should be placed in the bill. If the Senate wishes to include a clause which will give the President permission to override this condition under a certain special circumstance when he finds it necessary to do so and to report this circumstance in each case to the Senate, I shall not object. However, it seems

that we must give some protection to our own people and put some provision in the bill to provide that these usurious rates which are the custom in many Latin American countries shall not be allowed in relending our funds.

I ask for the yeas and nays.

EAST GERMAN TROOPS IN BERLIN

Mr. SPARKMAN. Mr. President, I yield 5 minutes to the Senator from Pennsylvania.

Mr. SCOTT. Mr. President, I rise for the purpose of making inquiry of the distinguished assistant majority leader with regard to the situation in East Berlin. If the assistant majority leader is prepared to answer my question, which turns on the quadripartite treaty under which the four powers occupy Berlin, I would like to ask the distinguished Senator from Minnesota if it is not a fact that the East German military troops are in East Berlin in violation of solemn treaties, and what does he feel the American Government should do about this, if anything? I would like to have the Senator comment on this.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SCOTT. I yield.

Mr. HUMPHREY. This question, I am sure, arises because of an informal discussion which a number of Senators have had with a very distinguished expert in the field of foreign policy, Dr. Hans Morgenthau, who spoke to a group of Senators last evening, and also today spent some time with the Senator from Pennsylvania, the Senator from Kentucky [Mr. COOPER], the Senator from New Jersey [Mr. CASE], the Senator from Delaware [Mr. BOGGS], myself, and other Senators.

During the discussion we were interrogating the distinguished professor as to some of his views relating to Central Europe and East Germany, particularly the Berlin situation.

In direct response to the Senator's question, it has been my feeling, and I have said so both to the Government and in private conversations, that on Sunday last when the barbed wire and other barricades were placed across the East Berlin-West Berlin boundary, these impediments to the free flow of traffic and individuals were placed there not by the Russian troops—they have a right to be in their sector of Berlin—and were not placed there by the East Berlin police, which also under the four-power agreement have a right to be there—but they were placed there by the Army of East Germany.

Under the four-power agreement the army of East Germany has no right whatever to be in any sector of Berlin—British, American, French, or Russian. The Army of East Germany has no legal right to be in East Berlin or West Berlin.

The Senator is correct when he points out that this is a violation of the four-power agreement. I mentioned to the Senator this noon that when I visited East Berlin a little more than a month ago, a picture was taken as I was visiting there, and as I was talking to an East German soldier. Every newspaper in Europe carried that picture entitled "U.S. Senator Discovers Violation."

Mr. SCOTT. The East German soldier was in East Berlin. Is that correct?

Mr. HUMPHREY. He was in East Berlin. It is possible that this soldier may have been on a visit to the city. However, there were many soldiers, and I saw them there at the time.

I believe that our Government should have on Sunday called upon Khrushchev, or through our commandant in Berlin upon the Russian commandant, to disarm the East German troops or call for their immediate withdrawal; and there is still time to do that. I think that should have been done, and I still think it should be done.

A week has transpired now, but I believe we should still insist upon the fulfillment of our treaty obligations and our rights. Someone will say, "Well, what good will it do?"

First of all, it will point out that the violation is not only the barbed wire between East and West Berlin, which is violation within itself; that the violation is not a matter only of closing off the flow of refugees, which is a violation, but that the major violation is the fact that East German soldiers, not police, are conducting military operations, for all practical purposes, in the Berlin area.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SPARKMAN. I yield 3 more minutes to the Senator from Pennsylvania.

Mr. HUMPHREY. I would suggest to our fellow Americans that sooner or later we ought to stop talking about East Berlin and West Berlin: this is Berlin. In 1949 an agreement was signed which prohibited East German troops, or, in fact, the troops of any country, to be in the Berlin sector, aside from British, French, American, and Russian troops. These latter troops are entitled to be there. They are in there because of victory in World War II.

I believe our Government ought now, this week, call upon Mr. Khrushchev, if he wishes to alleviate the tension and possibility of a riot or revolution, to ask for a withdrawal of the East German troops at once, and to disarm them and take them back over the boundary on the East German sector.

This is required, Mr. President. I do not believe that our legal status is improved by condoning this kind of flagrant violation.

Whether this will do any good in terms of their being withdrawn, at least it will do good in terms of substantiating our legal rights, and, by the way, the rights of the Russians, too. The Russians have a right to be there. East German troops do not have a right to be there. I feel strongly about it. I believe this request should have been made. I do not think it is too late now, over this weekend, for such request to be made. It should be made and could be made of the Soviet Government.

Mr. SCOTT. I thank the Senator from Minnesota. It was to elicit his view that I asked him the question. I feel exactly the same way. We hear many complaints from the country to this effect: "What are we doing about Berlin, for example?"

It seems to me that when we have an opportunity to put ourselves in the proper legal position, and thus pass the ball back to Khrushchev, who is fanning not only the flames of crisis but deliberately ignoring treaties, our Government ought to take this stand, and put the burden on Mr. Khrushchev, whether he acts or not. It should be made quite clear that not only are East German troops illegally in Berlin, but that West German troops have not been put in West Berlin. This action on the part of the East German troops is clearly in violation of the quadripartite agreement. I hope, as the Senator suggests, our administration will act. There is still time. It is an excellent idea.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SPARKMAN. Mr. President, I yield 2 more minutes to the Senator from Pennsylvania.

Mr. HUMPHREY. This suggestion is not provocative. It is not served as any ultimatum. Neither the Senator from Pennsylvania nor the Senator from Minnesota is suggesting in this colloquy that we bring in West German troops.

Mr. SCOTT. That is correct.

Mr. HUMPHREY. If East German troops can be barracked in Berlin, West German troops have the same right. I believe Congress has a responsibility here and the point we are making is that if we are going to talk about legal rights in Berlin, let us talk about all of them, and not just about some of them.

There will be a little nibbling away. It may not do any good, but at least the assertion will keep the record clear.

Mr. SCOTT. I thank the Senator from Minnesota. I yield to the Senator from New York.

Mr. KEATING. Mr. President, I associate myself completely with the views expressed by the distinguished Senator from Pennsylvania [Mr. SCOTT] and the distinguished Senator from Minnesota [Mr. HUMPHREY]. Congress has a responsibility. It is one, perhaps, of advice and guidance, but the people of the Nation are, I believe, becoming increasingly impatient with this situation. Certainly our legal rights are perfectly clear. We must emphasize that to the world. It should have been done before now. Too much time may elapse before our legal rights are stated. I join in the hope that our Government will immediately assert our right and prerogatives in Berlin.

Mr. SCOTT. I thank the Senator from New York. I yield back the remainder of my time.

Mr. SCOTT subsequently said: Mr. President, I ask unanimous consent that an editorial entitled "Even the Soldiers Jump the Wire," published in the Philadelphia Inquirer of August 18, 1961, be printed at the end of my earlier remarks, during the colloquy I had with the distinguished Senator from Minnesota [Mr. HUMPHREY], the assistant majority whip.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

EVEN THE SOLDIERS JUMP THE WIRE

The East German soldiers bolting through the steel ring around East Berlin into the haven of the West furnish the sharpest illustration yet of the Soviet defeat acknowledged by the sealing off of the Communist border.

Armed men assigned to guarding the barricades and preventing the escape of East Germans are themselves fleeing to freedom. Khrushchev has locked the gates too late; all the world knows that where men and women can squeeze through the barbed wire, they will continue to get out of the prison camp which has been made out of East Germany.

The sealing of the border has shown with dramatic force that the Germans in the puppet state are desperately restless under Communist rule. If the only way to keep them inside East Germany is by means of barricades, and guards shooting to kill, it is evident that they cannot be relied upon by their wardens as allies at a time of crisis.

The shattering political and psychological defeat suffered by Soviet Russia in having to lock the Brandenburg Gate is the all-important factor in this development. It should not be overshadowed for a moment by the clamor from some West Berliners, led by Mayor Willie Brandt, for "action instead of words" by the Western Powers in retaliation against the closing down of the border inside Berlin.

Brandt's letter to President Kennedy demanding a tough U.S. policy and his expressed fears at a West Berlin rally that a new Munich is building up have to be considered in the context of his election campaigning. He is running against Chancellor Adenauer for the latter's long-held office, and he could not resist the chance of collecting a few votes by means of a fiery speech on the border situation.

It is noticeable that Brandt, as well as Adenauer—who had at first urged a break in trade with the Soviet bloc—have cooled off after their initial, and apparently political, outbursts.

In a speech at Bonn, the Chancellor warned against upsetting allied unity and stated that the "real crisis is still to come." And Brandt was quick to applaud the Big Three protests delivered to Moscow on Thursday for what he termed their "right language."

Their language was that of firmness and of upholding what is legal against the arbitrary illegality of the Soviet move in East Berlin, without being the language of recklessness and bravado.

The barricading of the Berlin border is palpably a violation of the Four-Power occupation agreements and of the 1949 agreement reaffirming Four-Power control of Berlin. So is the dispatch of East German armed forces to the Soviet sector of Berlin.

The United States, France, and Britain have warned Khrushchev that his unilateral infringement of the Four-Power status of Berlin can only increase existing tensions and dangers. Their declaration that they expect the Soviets to lift the barriers it has erected may appear oversanguine, but Moscow has retreated before this in its harassment measures in Berlin, and it may do so again, once it recognizes the massive propaganda setback it has sustained from imprisoning all East Germans behind barbed wire.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

Mr. SPARKMAN. Mr. President, I call up my amendment in the nature of a substitute for the pending amendment and ask that it be stated.

The PRESIDING OFFICER. Time on the original amendment must be yielded back before the second amendment can be called up.

Mr. SPARKMAN. I will yield back my time on the original amendment, if the Senator from Alaska will yield back his time.

Mr. GRUENING. Mr. President, I yield back my time on the amendment.

The PRESIDING OFFICER. All time has been yielded back The amendment in the nature of a substitute offered by the Senator from Alabama will be stated.

The LEGISLATIVE CLERK. On page 5, line 24, it is proposed to strike out the period and insert the following: "and on condition that funds made available to carry out this title shall not be loaned or reloaned at an interest rate considered excessive by the Development Loan Committee established by section 205 but in any event no higher than the legal rate of interest of the country in which the loan is made."

Mr. SPARKMAN. Mr. President, this amendment is identical with the language offered as a substitute for the language of the amendment of the distinguished Senator from Delaware [Mr. WILLIAMS] the other day, when he proposed a maximum rate of 8 percent. It is identical with the language contained in the conference report when appropriations were made for the Latin American Development Loan Fund. The Senate voted for this language only 3 days ago as a substitute. I hope it will do so again. It is a reasonable provision. It is much better, in my opinion, than the amendment proposed by the Senator from Alaska.

Mr. GRUENING. Mr. President, with all due respect, I say that the amendment just offered by the Senator from Alabama is a complete nullification of the language of the amendment I offered in an effort to restrict usurious rates of interest from being charged on loans which will have been made by the United States to Latin American countries and which will continue to be made under this amendment offered by my good friend from Alabama.

Mr. SPARKMAN. Mr. President, the distinguished Senator from Alaska and I argued this very question when the Williams amendment was before the Senate a few days ago. I stated my argument then. I am certain the Senator remembers it. I do not consider this amendment in the nature of a substitute to be a nullity or a nullification.

I again call attention to the fact that the bill contains an amendment which requires the application of the Bogotá agreement in the administration of aid to Latin America. That is the area where this proposal would have its principal effect. It is written into the bill. One of the principles or specifications in the Bogotá agreement is for a reappraisement of interest rates. The United States intends to do everything it possibly can to reduce interest rates to a reasonable point. However, I do not believe we have any right to dictate to a country the rate of interest that it must place on its statute books.

Mr. GRUENING. The declarations in the Bogotá agreement are vague and general declarations of principle. They are not worth the paper they are written on as far as specific compliance is concerned.

Mr. SPARKMAN. I do not agree with the Senator from Alaska. They are written on paper, but I believe that since they are on paper, they are intended to be what they are called—agreements.

Furthermore, I believe this provision written into the bill—section 618—is not merely something which has been put on paper. I believe it represents the intent of the U.S. Senate. When the House adopts it, I believe it will represent the sentiment of Congress. When the President signs the bill, I think it will be the policy of the U.S. Government. I think the provision does have a meaning and will result in favorable action.

Mr. GRUENING. The language of the substitute amendment of the Senator from Alabama legalizes, for all intents and purposes, the usurious rates of interest which the countries have charged and under his amendment can continue to charge.

Mr. SPARKMAN. I simply cannot accept that viewpoint.

The PRESIDING OFFICER. The 5 minutes of the Senator from Alabama have expired.

Mr. SPARKMAN. Mr. President, I did not realize I had yielded myself 5 minutes. However, I yield myself 5 minutes more.

Mr. GRUENING. We shall make loans to Latin American countries under circumstances never before known. It is planned to make loans which will extend for 50 years at no interest rate. We may be certain that if that is done for one country, it will be done for all countries, because we cannot discriminate. One country will contend that since a loan on those generous terms was made to another country, with no repayment of principal for 10 years, it must get equal treatment. With the borrower, that is, the United States, borrowing the money at 3¼ to 4 percent, the total amount of the difference between the rate at which the money is borrowed by us and the rate which will be charged to those to whom we lend will result, in 50 years, in a cost of billions of dollars to the American people.

If, as the Senator from Alabama says, the Bogotá agreement provides for such a policy as he has stated, why not spell it out specifically in the bill and afford the opportunity to the foreign borrowers to make a 5-percent profit on every loan they will make of our funds?

The Senator from Alabama says that a country cannot be compelled to change its interest rate. We will not be compelling it to do so; we will simply be saying that on the money which we lend, at whatever interest charge, the

country may not charge more than 5 percent more when it relends the money. I think that is a perfectly reasonable and fair proposition. If the alliance for progress is to work, we must put teeth into it.

I hope the amendment in the nature of a substitute offered by the Senator from Alabama will not prevail.

Mr. SPARKMAN. Mr. President, I am willing to yield back the remainder of my time.

Mr. GRUENING. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Alabama. [Putting the question.]

The ayes appear to have it.

Mr. GRUENING. Mr. President, on this amendment, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

The yeas and nays were not ordered.

Mr. PASTORE. Mr. President, I ask unanimous consent that the yeas and nays be ordered on this amendment.

Mr. SPARKMAN. Mr. President, the majority leader and the minority leader have both stated on various occasions that they do not approve of the granting of the yeas and nays by unanimous consent.

Mr. PASTORE. Mr. President, additional Senators have entered the Chamber. I renew the request for the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Minnesota will state it.

Mr. HUMPHREY. Is the vote about to be taken, a vote on the Sparkman amendment in the nature of a substitute?

The PRESIDING OFFICER. The vote will be upon the amendment in the nature of a substitute offered by the Senator from Alabama.

Mr. HUMPHREY. So Senators who opposed the amendment offered by the Senator from Alaska [Mr. GRUENING] will vote "yea" on the Sparkman amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Alabama [Mr. SPARKMAN] for the amendment offered by the Senator from Alaska [Mr. GRUENING]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG of Hawaii (when his name was called). On this vote I have a pair with the senior Senator from New Mexico [Mr. CHAVEZ]. If the senior Senator from New Mexico were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from North Carolina [Mr. ERVIN], the Senator from Michigan [Mr. HART], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

On this vote, the Senator from Michigan [Mr. HART] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from Michigan would vote "yea," and the Senator from New Hampshire would vote "nay."

I further announce that, if present and voting, the Senator from North Carolina [Mr. ERVIN] would vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Kansas [Mr. CARLSON], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Michigan [Mr. HART]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from Michigan would vote "yea."

If present and voting the Senator from Maryland [Mr. BUTLER] and the Senator from Kansas [Mr. CARLSON] would each vote "nay."

The result was announced—yeas 38, nays 53, as follows:

[No. 155]

YEAS—38

Bartlett	Jackson	Moss
Bible	Kefauver	Muskie
Byrd, W. Va.	Kerr	Neuberger
Church	Long, Mo.	Pastore
Engle	Long, La.	Pell
Fulbright	Magnuson	Randolph
Gore	Mansfield	Smathers
Hartke	McCarthy	Smith, Mass.
Hayden	McGee	Sparkman
Hickey	McNamara	Symington
Hill	Metcalf	Wiley
Holland	Monroney	Williams, N.J.
Humphrey	Morse	

NAYS—53

Aiken	Dirksen	Miller
Allott	Dodd	Morton
Anderson	Douglas	Mundt
Beall	Dworshak	Prouty
Bennett	Eastland	Proxmire
Boggs	Ellender	Robertson
Burdick	Fong	Russell
Bush	Goldwater	Schoeppel
Byrd, Va.	Gruening	Scott
Cannon	Hickenlooper	Smith, Maine
Capehart	Hruska	Stennis
Carroll	Javits	Talmadge
Case, N.J.	Johnston	Thurmond
Case, S. Dak.	Jordan	Tower
Clark	Keating	Williams, Del.
Cooper	Kuchel	Young, N. Dak.
Cotton	Lausche	Young, Ohio
Curtis	McClellan	

NOT VOTING—9

Bridges	Chavez	Long, Hawaii
Butler	Ervin	Saltonstall
Carlson	Hart	Yarborough

So Mr. SPARKMAN's substitute for Mr. GRUENING's amendment was rejected.

Mr. GRUENING. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. McNAMARA. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRUENING. Mr. President, the question now is on my amendment; is it not?

The PRESIDING OFFICER. It is.

Mr. GRUENING. I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have already been ordered, and the Clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG of Hawaii (when his name was called). On this vote I have a pair with the Senator from New Mexico [Mr. CHAVEZ]. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." Therefore I withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from North Carolina [Mr. ERVIN], the Senator from Michigan [Mr. HART], the Senator from Arizona [Mr. HAYDEN], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ], is absent because of illness.

I further announce that, if present and voting, the Senator from North Carolina [Mr. ERVIN], the Senator from Michigan [Mr. HART], the Senator from Arizona [Mr. HAYDEN], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Kansas [Mr. CARLSON], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

If present and voting, the Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], and the Senator from Kansas [Mr. CARLSON] would each vote "yea."

The result was announced—yeas 74, nays 16, as follows:

[No. 156]

YEAS—74

Aiken	Ellender	Morton
Allott	Engle	Moss
Anderson	Fong	Mundt
Beall	Goldwater	Muskie
Bennett	Gore	Neuberger
Boggs	Gruening	Pastore
Burdick	Hickenlooper	Prouty
Bush	Hill	Proxmire
Byrd, Va.	Holland	Randolph
Byrd, W. Va.	Hruska	Robertson
Cannon	Humphrey	Russell
Capehart	Johnston	Schoeppel
Carroll	Jordan	Scott
Case, N.J.	Keating	Smith, Mass.
Case, S. Dak.	Kefauver	Smith, Maine
Church	Kerr	Stennis
Clark	Kuchel	Symington
Cooper	Lausche	Talmadge
Cotton	Long, Mo.	Thurmond
Curtis	Magnuson	Tower
Dirksen	McCarthy	Wiley
Dodd	McClellan	Williams, Del.
Douglas	McNamara	Young, N. Dak.
Dworshak	Miller	Young, Ohio
Eastland	Morse	

NAYS—16

Bartlett	Javits	Pell
Bible	Long, La.	Smathers
Fulbright	Mansfield	Sparkman
Hartke	McGee	Williams, N.J.
Hickey	Metcalf	
Jackson	Monroney	

NOT VOTING—10

Bridges	Ervin	Saltonstall
Butler	Hart	Yarborough
Carlson	Hayden	
Chavez	Long, Hawaii	

So Mr. GRUENING's amendment was agreed to.

Mr. GRUENING. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JOHNSTON. I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. MUNDT. Mr. President, for myself and certain other Senators, I offer my amendment designated "8-4-61—A."

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 102, after line 13, it is proposed to insert the following:

PART V

TITLE VII—AMENDMENTS TO PUBLIC LAWS 815 AND 874

Extension of temporary provisions of Public Law 815

SEC. 801. (a) The first sentence of section 3 of the Act of September 23, 1950, as amended (20 U.S.C. 633), is amended by striking out "1961" and inserting in lieu thereof "1964".

(b) Subsection (b) of section 14 of such Act is amended (1) by striking out "1961" each time it appears therein and inserting in lieu thereof "1964", and (2) by striking out $40,000,000" and inserting in lieu thereof "$60,000,000".

(c) Paragraph (15) of section 15 of such Act is amended by striking out "1958-1959" and inserting in lieu thereof "1961-1962".

Extension of temporary provisions of Public Law 874

SEC. 802. The Act of September 30, 1950, as amended (20 U.S.C. 236-244), is amended by striking out "1961" each time it appears in sections 2(a), 3(b), and 4(a) and inserting "1964" in lieu thereof.

Extension of laws to American Samoa

SEC. 803. (a) The Act of September 30, 1950, as amended (20 U.S.C. 236-244), is amended by inserting "American Samoa," after "Guam," each time it appears in sections 3(d), 6(c), and 9(8).

(b) The Act of September 23, 1950, as amended (20 U.S.C. 631-645), is amended by inserting "American Samoa," after "Guam," in section 15(13).

Mr. MUNDT. Mr. President, the amendment brings before the Senate some unfinished business; namely, the problem of meeting the challenge confronting the school authorities of this country who are operating public schools in impacted areas. The amendment is cosponsored by the following Senators: The Senator from Illinois [Mr. DIRKSEN], the Senator from New Hampshire [Mr. BRIDGES], the Senator from California [Mr. KUCHEL], the Senator from Florida [Mr. HOLLAND], the Senator from Iowa [Mr. MILLER], the Senator from Texas [Mr. TOWER], the Senator from New Hampshire [Mr. COTTON], the Senator from North Dakota [Mr. YOUNG], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Wisconsin [Mr. WILEY], the Senator from Florida [Mr. SMATHERS], the Senator from Ohio [Mr. LAUSCHE], the Senator from Connecticut [Mr. BUSH], the Senator from Maryland [Mr. BEALL], and the Senator from Pennsylvania [Mr. SCOTT]. I invite attention to the fact that the Senator from Pennsylvania [Mr. SCOTT] has asked that his name be added as a cosponsor.

The issues must be pretty clear cut by this time, because we have discussed this subject off and on for approximately 3 months. This is the third or fourth attempt to get this proposed legislation acted on in time to be effective for the current school year. In the last attempt we lost by a 37-to-47 vote on a straight up-and-down vote. We have also had the measure before us at a time when a two-thirds vote was required because a motion to suspend the rules was necessary. We have had to contend with various parliamentary maneuvers, for the measure has been laid on the table, returned to the committee, and set aside.

But those who really want to do something for the impacted school areas of this country have an opportunity to do so now—on the 18th day of August—at a time when school administrators are meeting in committees and are confronted with their immediate problems. I believe my State is typical of others. I have been told that in my State it may be necessary to call a special session of the legislature to try to find some way to meet these problems, which are growing.

For example, there is the increased strength we have added to the Armed Forces, which always brings an increase in the impacted areas problem.

The previous strength of the Army was authorized at 875,000. It is now authorized to be 1,008,000, including an increase of 23,600 Reserve units alerted but not yet called to active duty. The Navy figures are projected at 2,800 junior officers and 24,000 enlisted men, who will be involuntarily retained between now and June 1962.

The Air Force figures are as follows: present authorized strength, 824,900, with an active duty increase of 28,700. The National Guard increase would be 34,617, for a total of 88,227.

Mr. President, Senators are sufficiently mature, practical, and realistic with respect to what is involved in this issue. There may be a few who feel that there should not be any aid to the impacted areas, but a sizable contingent feels that the proposed legislation should again be defeated so as to be used as a club to compel reluctant Senators and Representatives to vote for some kind of general Federal aid to education bill. I deplore this attitude.

First, the amendment I have called up would give us the earliest opportunity to let it be known where we stand in providing aid for impacted school areas.

Second, the amendment would provide the most direct and positive opportunity. We have been alerted to the fact that the steady gain in strength of Senators voting for the proposal in the yea and nay votes, or some other happy incident, has finally caused the committee to report a bill which, in separate legislation, would extend the impacted area legislation for a single year. Our proposal would extend it for 3 years.

I am sure that the majority leader expects to call up the separate bill for action next week, in the event that we are again defeated in our effort to provide a 3-year extension now. But at that time, no one can be sure what will occur.

The report which the committee has issued on this impacted area aid is rather interesting. On page 3 we find:

> It is the view of the majority of the committee that a 1-year extension of the impacted area legislation is warranted upon the basis of the justification presented in the following sections of the report. It is further the considered judgment of the majority of the committee that only a 1-year extension of the program at this time is advisable. This position is based upon the belief that the special needs of the impacts areas should be related to the provisions of a general Federal aid to education measure designed, as was title I of S. 1021, to provide broad-purpose financial assistance to school districts through the educational agencies of the 50 States.

Let it be said, therefore, that we know what we are doing, because we have been warned officially and have been advised that the purpose of cutting the proposed legislation down to a 1-year term is to cause reluctant Members of the Senate and the House to vote for some long-term form of overall Federal aid to education legislation.

There may be good and valid reasons for voting for a bill to provide general Federal aid to education, but I submit that one such reason is not to force Senators who do not want to do so to vote for such a general bill in order to obtain the aid to which they are entitled for their impacted areas.

I invite the attention of Senators to that statement because it is on page 3 of the committee report, which was issued on August 16. The ink is almost fresh on the report. Many Senators may not have had an opportunity to read the report. There is a camel-shaped cloud in the sky which everyone who wants to know can see. The storm warnings are out. The committee favors a 1-year limitation. So next year the club will be there again and the threat revived.

I also point out that the measure now before us provides an opportunity to vote for aid to the impacted areas without having a challenge confronting us that the measure would have to be strained through the Rules Committee of the House. I make that statement because the amendment would be attached to legislation which the President would sign. It would be attached to legislation which would pass the Congress. It would be attached to legislation which would not encounter any sticky business going through the Rules Committee. The amendment is one clear-cut provision that for the next 3 years Senators can provide the Federal assistance to the impacted areas in their States that they require.

I ask unanimous consent to have printed at this point in the RECORD a table showing the amount of money for impacted areas which goes into each of the 50 States of the Union, because this is serious and urgent business.

There being no objection, the table was ordered to be printed in the RECORD.

TABLE I.—*State summary of eligible applicants and entitlements, secs. 2, 3, and 4, respectively, Public Law 874, as amended, and eligible average daily attendance, secs. 3 and 4 (entitlements to financial assistance, as of Oct. 31, 1960, for current expenditure purposes for fiscal year 1960)*

State	Number of eligible applicants	Sec. 2, net entitlement	Sec. 3										Sec. 4		Total net entitlement [1]
			Number of pupils in ADA			Entitlement						Average local contribution rate for 3(c)(1) (3(a)+½3(b))	Number of pupils in ADA 4(a) 1st-year assistance	Net entitlement	
			3(a)	3(b)	3(c)(4)	3(a)	3(b)	3(c)(4)	Total	Deductible funds	Net entitlement				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Alabama	53	----------	3,076	44,586	----------	$502,095	$3,638,887	----------	$4,140,982	$41,888	$4,099,094	$163.23	----------	----------	$4,099,094
Alaska	19	----------	9,894	9,143	----------	4,579,609	1,374,382	----------	5,953,991	53,101	5,900,890	411.60	----------	----------	5,900,890
Arizona	102	----------	10,177	13,890	2,649	2,061,346	1,672,783	$159,692	4,090,458	77,534	4,012,924	218.09	513	$197,084	4,210,008
Arkansas	37	$10,192	1,927	7,080	----------	314,544	577,834	----------	892,378	341	892,037	163.23	----------	----------	902,229
California	498	70,240	31,260	229,494	----------	6,661,196	25,039,764	----------	31,811,988	626,355	31,185,633	217.12	----------	----------	31,255,873
Colorado	68	----------	4,256	28,883	1,323	1,200,740	3,801,295	21,468	5,023,503	117,910	4,905,593	267.52	278	78,454	4,985,047
Connecticut	45	----------	706	10,632	----------	216,786	1,375,653	----------	1,596,439	16,752	1,579,687	264.94	151	52,861	1,632,548
Delaware	9	----------	----------	1,927	----------	----------	209,956	----------	209,956	4	209,952	217.91	----------	----------	209,952
Florida	18	24,359	4,138	46,775	----------	675,445	3,817,542	----------	4,492,987	826	4,492,161	163.23	1,234	277,736	4,794,256
Georgia	75	----------	2,390	51,684	----------	391,587	4,216,723	----------	4,608,310	24,604	4,583,706	163.23	883	118,175	4,701,881
Hawaii	1	----------	11,995	24,992	----------	1,957,944	2,039,722	----------	3,997,666	800	3,996,866	163.23	----------	----------	3,996,866
Idaho	36	----------	2,385	7,992	----------	641,752	795,327	----------	1,337,079	17,681	1,319,398	209.54	----------	----------	1,319,398
Illinois	92	70,974	4,500	11,061	----------	1,395,589	1,588,357	----------	2,983,946	33,446	2,950,500	297.49	----------	----------	3,021,474
Indiana	101	46,873	876	6,457	680	170,237	567,697	6,567	744,501	18,784	725,717	179.79	357	99,606	872,286
Iowa	24	----------	313	3,540	----------	96,952	551,130	----------	652,286	321	651,965	311.13	----------	----------	651,965
Kansas	181	15,266	4,874	27,865	----------	1,136,771	3,339,898	----------	4,476,669	102,655	4,374,014	238.04	----------	----------	4,389,280
Kentucky	47	6,502	109	13,241	----------	18,444	1,158,904	----------	1,177,348	32,321	1,145,027	174.95	----------	----------	1,151,529
Louisiana	9	----------	1,393	6,877	----------	227,379	561,266	----------	788,645	15,885	772,760	163.23	----------	----------	772,760
Maine	71	----------	2,729	8,371	----------	672,805	859,540	----------	1,552,235	1,627	1,550,608	221.61	43	9,748	1,560,356
Maryland	15	----------	5,534	71,529	----------	998,334	6,451,916	----------	7,450,250	25,074	7,425,176	180.40	----------	----------	7,425,176
Massachusetts	154	----------	3,618	29,926	----------	1,049,757	4,256,111	----------	5,305,868	51,291	5,254,577	285.55	----------	----------	5,254,577
Michigan	50	----------	906	8,540	----------	169,411	794,131	----------	963,542	5,036	958,506	186.16	----------	----------	958,506
Minnesota	28	----------	1,612	1,207	----------	305,200	114,260	----------	419,460	19,150	400,310	189.33	----------	----------	400,310
Mississippi	22	----------	1,548	13,080	----------	245,853	1,038,682	----------	1,284,535	4,948	1,279,587	158.82	----------	----------	1,279,587
Missouri	118	30,217	2,296	15,737	----------	413,545	1,628,100	----------	2,041,645	7,760	2,033,885	200.86	425	138,692	2,202,794
Montana	63	----------	3,836	4,036	----------	1,031,437	478,681	----------	1,510,118	89,141	1,420,977	257.96	----------	----------	1,420,977
Nebraska	35	5,278	2,026	7,929	----------	582,575	1,111,383	----------	1,693,958	3,681	1,690,277	282.77	332	68,952	1,764,507
Nevada	11	----------	3,607	5,445	----------	679,739	513,055	----------	1,192,794	41,806	1,150,988	188.45	----------	----------	1,150,988
New Hampshire	35	----------	1,235	4,604	----------	376,502	667,646	----------	1,044,148	----------	1,044,148	295.21	----------	----------	1,044,148
New Jersey	127	----------	3,471	18,187	----------	863,736	2,438,877	----------	3,302,613	41,377	3,621,236	262.85	486	161,804	3,423,040
New Mexico	49	----------	10,905	28,899	----------	1,843,489	2,442,686	----------	4,286,175	173,584	4,112,591	169.05	----------	25,134	4,137,725
New York	161	2,496	2,809	25,242	----------	752,807	3,780,833	----------	4,533,640	47,589	4,486,051	293.82	875	301,432	4,789,979
North Carolina	32	----------	3,337	19,665	----------	543,097	1,606,560	----------	2,149,657	15,284	2,134,373	163.23	----------	----------	2,134,373
North Dakota	28	967	1,028	1,600	----------	217,395	159,985	----------	377,380	1,688	375,692	206.44	----------	----------	376,659
Ohio	148	33,209	1,431	37,014	----------	250,745	4,150,162	----------	4,441,699	121,508	4,320,191	220.73	----------	----------	4,353,400
Oklahoma	323	23,459	7,759	41,087	----------	1,600,596	4,786,629	----------	6,387,225	21,563	6,365,662	225.68	518	109,526	6,498,647
Oregon	77	----------	886	5,909	----------	220,862	758,595	----------	979,457	144,626	834,831	255.03	----------	----------	834,831
Pennsylvania	150	237,132	754	34,768	----------	144,607	4,152,229	----------	4,296,836	8,878	4,287,958	236.90	----------	----------	4,525,090
Rhode Island	21	----------	1,621	7,851	----------	471,116	1,117,760	----------	1,588,876	7,040	1,581,836	286.46	----------	----------	1,581,836
South Carolina	32	5,309	3,267	30,035	----------	533,273	2,451,306	----------	2,984,579	41	2,984,538	163.23	----------	----------	2,989,847
South Dakota	56	9,243	3,251	5,096	996	942,918	731,644	29,865	1,729,546	6,704	1,722,842	288.77	38	12,081	1,744,166
Tennessee	45	5,348	1,153	22,883	----------	188,205	1,867,596	----------	2,055,801	98,382	1,957,419	163.23	----------	----------	1,962,767
Texas	244	6,200	13,811	100,852	----------	2,623,530	8,232,150	----------	10,877,226	128,497	10,748,729	168.99	----------	----------	10,754,929
Utah	11	----------	1,391	17,468	----------	227,053	1,425,652	----------	1,652,705	1,284	1,651,421	163.23	----------	----------	1,651,421
Vermont	5	----------	80	379	----------	28,930	55,036	----------	83,966	10,098	73,868	311.56	----------	----------	73,868
Virginia	45	----------	5,237	108,435	----------	1,041,346	11,823,624	----------	12,879,484	12,059	12,867,425	216.38	----------	----------	12,867,425
Washington	194	----------	10,355	62,483	----------	1,881,513	5,649,302	----------	7,530,815	71,944	7,458,871	181.04	----------	----------	7,458,871
West Virginia	5	----------	26	1,320	----------	4,244	107,732	----------	111,976	7,580	104,396	163.23	----------	----------	104,396
Wisconsin	34	----------	390	2,591	----------	220,962	349,412	----------	570,374	15	570,359	260.98	----------	----------	570,359
Wyoming	15	----------	1,136	3,096	----------	434,202	322,762	----------	757,054	99,143	657,911	282.06	----------	----------	657,911
Guam	1	----------	2,399	3,358	----------	391,589	314,871	----------	706,460	47,112	659,348	163.23	----------	----------	659,348
Virgin Islands	1	----------	155	690	----------	25,301	56,314	----------	81,615	4,185	77,430	163.23	----------	----------	77,430
Total	3,821	603,264	200,368	1,295,931	5,648	44,128,180	133,022,297	217,592	[3] 177,601,844	2,499,903	175,301,941	208.82	6,133	[3] 1,651,375	177,556,580

[1] Net entitlement figures from table 1; may be changed on basis of additional information.

[2] Includes $433,775 for subsec. 3(f) applicants.

[3] Includes $25,134 for subsec. 4(a) 2d-year assistance, New Mexico, and $15,327 for subsec. 4(d), Missouri; other entitlements shown are for subsec. 4(a) 1st-year assistance.

Mr. MUNDT. I submit that the next reason we should vote for this amendment, cosponsored by Democrats and Republicans alike, is the fact that no amendments can be added to the impacted areas legislation if the amendment is agreed to. Already the warning is out that if, as, and when the new committee bill for extension is brought before the Senate next week, the distinguished senior Senator from Michigan proposes to offer an amendment which would make it a general aid to education bill as far as construction is concerned.

Another distinguished Senator has said that if, as, and when the proposed legislation is brought before the Senate next week, he proposes to offer an amendment containing his version of what should be in the National Defense Aid to Education Act.

So if we want an opportunity to approve without delay a measure which contains the clearcut issue for a period of 3 years, it seems to me we should vote affirmatively on the amendment. It is important that we act upon it at this time.

I do not know whether the President would sign or veto a separate bill for impacted areas were we to delay and pass such a bill. The reason I do not know is that the President's closest adviser in the field has said he does not know. I quote the statement made by Hon. Abraham Ribicoff, speaking on this very subject. He said:

> It would be tragic if Congress votes funds for schools crowded by children of Federal employees but ignores the rest of President Kennedy's school aid program.

In the press conference later on the reporters asked him whether or not the President would veto the bill if it were to be passed as separate legislation. He said he is uncertain whether he would recommend that the President veto any separate legislation renewing the popular aid to impacted area education legislation.

He is uncertain. The President is uncertain. I am uncertain. Members of the Senate must be uncertain. A certain way, a positive way, a definite way to provide impacted aid to education legislation, is to vote for it now in this amendment providing a 3-year extension, where we know it will be signed by the President and cannot be bottled up in the House.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. MUNDT. I am happy to yield to my colleague from South Dakota.

Mr. CASE of South Dakota. The Senator is making a very important

speech. I know from personal knowledge that superintendents and school districts generally in my State are very definitely up against a very real problem in connection with contracts which have to be signed, or which they are now trying to close, for the new school year, which will start in a few days. They must decide whether the contracts are to be for 6 months or 8 months or 9 months, for example. Unless these impacted areas know what they can count on, they cannot make contracts, and cannot be sure that they will have money with which to pay teachers. Some of these districts have reached the legal limits of their indebtedness. I hope the amendment will be adopted at this time. I hope my colleague will ask for the yeas and nays on the amendment.

Mr. MUNDT. I appreciate the contribution which my distinguished colleague has made. I shall ask for the yeas and nays.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. MORSE. I should like to address a parliamentary inquiry to the Chair.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. Would a motion to lay on the table be affected by the Senator asking for the yeas and nays at this time? I believe I know the answer, but I wish to make the record clear. The question is: Does asking for the yeas and nays in any way affect a subsequent motion to lay on the table?

The PRESIDING OFFICER. Absolutely not.

Mr. MUNDT. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. BUSH. I compliment the Senator for bringing this matter to the attention of the Senate. It is very important for this legislation to be brought up at this time. I have been much distressed by rumors and even signs that the impacted area bill is being kicked around in a political way. I deplore that. I think this is one of the most important bills that we have been passing from year to year since I have been in the Senate.

I strongly favor such a measure. I do not see how we can expect the impacted areas to bear the enormous extra burden that has been thrust upon them by the entrance of Federal activities and Federal industries and populations that are brought there day after day, which puts a very heavy burden not only on their schools but also on their services and streets and sewerage and water systems and everything else.

The bill under consideration, to which the Senator is offering his amendment, provides for a great deal of help to education. The alliance for progress, of which we have read so much in the newspapers, certainly has for one of its principal aims aid to education in Latin America. It seems very strange that we cannot take cognizance of this pressing situation in the United States when we are so conscious of the need for improving education in the friendly countries to the south of us.

I hope the Senate will act favorably on the subject at this time. Fortunately, we do not have to have a suspension of rules.

Mr. MUNDT. That is correct.

Mr. BUSH. Therefore, a majority of the Senate will indicate whether we intend to give relief to these impacted areas, which we have been giving in the past, and thus remove the uncertainties which have been plaguing them, and permit them to go ahead and make plans in an orderly way.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. MUNDT. I yield to the Senator from Kansas, one of the coauthors of the amendment.

Mr. SCHOEPPEL. I am glad that the Senator from South Dakota has seen fit to call up this amendment at this stage of the proceedings on the pending measure. I wish to associate myself completely with what the distinguished Senator from Connecticut [Mr. BUSH] has said with reference to the amendment. This is a problem that does not confine itself to any particular area or State, or just a few States. The situation touches practically every State of the United States wherein we have military installations of any type, and we have them all over the country.

As was so aptly said, I am sure every Senator knows that there has been a desire to hold back this much needed and this very important type of legislation for the sole purpose of obtaining enough votes for another educational measure.

This problem is getting to the point where many school districts do not know where to turn. Many teachers are in the situation of not knowing whether to sign contracts or whether to resign and look for work elsewhere. I am sure that if the people of this country knew exactly the reasons why the legislation is being held up, we might get some action. I commend the Senator from South Dakota for bringing his amendment to the floor of the Senate. Let us attach it to the pending bill. We are adding hundreds of millions of dollars for the same kind of educational programs abroad. What is wrong with doing it at home?

Mr. MUNDT. The Senator from Kansas has made one of his typical hard-hitting statements. I thank him for his contribution. I propound a parliamentary inquiry, in view of the one propounded by the Senator from Oregon, which implies that he might have in mind the possibility of offering a motion to lay this amendment on the table. I want to know whether under our unanimous-consent agreement the Senator has the right to move to lay the amendment on the table before all time for debate on the amendment has expired. Some of the cosponsors wish to speak in support of the amendment. I do not want to hold the floor, and I do not want to exclude them.

Mr. MORSE. I would not think of doing it until all time had expired. I believe the majority leader will make the motion.

Mr. MUNDT. Then I shall be very glad to yield the floor and yield time to other cosponsors of the amendment.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield.

Mr. MUNDT. I yield.

Mr. WILLIAMS of Delaware. I believe that the Senator's amendment is very appropriate on the pending bill. Under the foreign aid program in fiscal year 1958 we spent $23,139,000 for education in foreign countries. In fiscal year 1959 we spent $41,987,000. In fiscal year 1960 we spent $16,938,000. In the first 6 months of the fiscal year 1961 we spent $22,799,000. If we can contribute American taxpayers' money to education abroad, certainly we can meet our own obligations at home.

Mr. MUNDT. The Senator is absolutely correct. Under an amendment which the Senate adopted yesterday, which had been offered by the Senator from Minnesota [Mr. HUMPHREY], and which was accepted by the chairman of the committee—and I think it was a wise amendment—we are expanding educational activities of the foreign aid program abroad by bringing to them the administrative capacities and the personnel of the Department of Health, Education, and Welfare.

It seems to me it would be a strange paradox if the Senate, while expanding educational aid abroad, by the device of a parliamentary trick to lay it on the table, did not provide any aid for the education of children in impacted areas, when they need it so desperately and when the legislation to provide it has expired.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an editorial published in the Washington Daily News entitled "Intimidating School Votes." The headline tells the story, but the gory details are in the small print.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

INTIMIDATING SCHOOL VOTES

Schemers for federalized public education, temporarily blocked in Congress, are threatening economic reprisals which fall little short of blackmail.

To coerce votes for $2.5 billion in general school subsidy, they are threatening to withdraw aid to the impacted areas. They insist the two be tied in the same package.

Impacted areas include districts whose schools have been swamped by children whose parents have moved in to work for Government installations. There have been abuses of the system, sought to be corrected by our last two Presidents, but the principle is just. Lacking this customary aid, these school districts would be in severe trouble. Some would not be able to operate.

And since the districts are widely scattered, the threat puts heavy pressure on many Congressmen.

While some of the poorer States need help and all have to sacrifice to pay for good schools, the propaganda concerning a national education emergency is a fake. School expenditures have grown many times faster than enrollments. Average teaching loads have been reduced and teacher salaries,

though still low, are rising considerably faster than the national average.

Injustice to gifted teachers remain, but hardly can be corrected so long as pay and recognition are linked to college degrees, rather than individual proficiency—a system comparable to gaging musical genius by the number of lessons taken.

As an obvious vote-catching device, the school subsidy bill provides cash for the wealthy States, as well as the poor, again emphasizing the obvious fundamental aim of this campaign which is gradually to take control of the schools away from the local boards and turn it over to professional educator-bureaucrats. This would be accomplished through regulations which are bound to accompany subsidies.

If there were sincere desire to ease local school tax burdens, this could be accomplished without either Federal subsidies or Federal controls. Remission of a few excises, such as the taxes on telephone service, would permit the States to reimpose them and raise their own money. But this would bypass the Federal bureaucrats and is not even being considered.

Mr. MUNDT. I ask unanimous consent that the whole interview with Mr. Ribicoff may be placed in the RECORD. The Secretary implies very clearly that the President would veto a separate piece of legislation for impacted areas if he followed the advice of his Secretary for Health, Education, and Welfare.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RIBICOFF RAPS AID TO IMPACTED SCHOOL DISTRICTS

WASHINGTON.—It would be tragic if Congress votes funds for schools crowded by children of Federal employees but ignores the rest of President Kennedy's school aid program, according to Welfare Secretary Abraham Ribicoff.

However, Ribicoff Sunday avoided saying whether he would recommend that Kennedy veto any separate legislation, renewing the popular aid to impacted areas—school districts crowded by children of civil service and military workers.

Last week the Senate Labor and Welfare Committee approved a 1-year extension of the program, and some administration backers said it spelled the end of the remainder of Kennedy's school program.

Ribicoff said on a national radio-TV program that "it would be tragic just to take care of those people who have need in impacted areas."

Chairman ADAM CLAYTON POWELL, Democrat, of New York, of the House Education Committee had quoted Kennedy as saying he would veto any separate bill extending the impacted areas program.

An effort is being made in the House to combine aid to impacted areas with the administration's program for college construction and scholarships. However, that would still leave a lot of the Kennedy program bottled up in the House Rules Committee.

Mr. SCOTT. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I yield.

Mr. SCOTT. I feel certain the Senator from South Dakota would be interested to know that at other times when the Senator has offered to other bills his proposal to provide the kind of urgent assistance to impacted areas, which virtually all Members of Congress, I believe, agree is desirable, the argument has been made against the Senator's proposal that it was offered only to kill the bill. I know that is not the Senator's intent any more than it was the intent of those who supported him to kill any other legislation.

I ask the Senator if it is not true that such an argument could not be assessed against the Senator's proposal to attach this measure to the foreign aid bill, in view of the fact that if his propsal becomes a part of the foreign aid bill, it could hardly be said, in all honesty, that its inclusion would cause any Member of this body or of the other body to vote against the foreign aid bill; because by the inclusion of a good thing, which most Members of both bodies of Congress are believed to favor, certainly it could not be said that by being so included it is intended to kill the bill, but rather to achieve a desirable purpose.

Mr. MUNDT. The Senator from Pennsylvania argues with excellent logic and outstanding ability. Adoption of our amendment would be good legislation. It might even pick up a vote or two for the advocates of foreign aid. Certainly it will not drive any votes for foreign aid away.

Mr. SCOTT. A further argument has been made by persons whom I have heard, and who have favored broad welfare programs. When asked if it is not possible to slow down some of these programs—to sacrifice, indeed, some of the things which many persons believe to be desirable, in view of the exigencies of the national defense and the national security—the answer has been made to me and to others that education provisions are offered to bills for the purpose of strengthening the national security and the national defense. That is why, according to the proponents of the original education bill, for example, they could not bring themselves to support a lesser bill. Therefore, if the greater amount is in the interest of national security and strengthens our economy by educating our children, would not a lesser amount be, by the same reasoning just as important and certainly a step toward achieving an improvement in educational standards?

Mr. MUNDT. That would logically follow. I agree with the Senator. We are trying, on both sides of the aisle, to meet an immediate problem in a sure and certain manner, a manner which has no susceptibility of a Presidential veto, no possibility of being bottled up in the Rules Committee, and no possibility of being encumbered by other amendments which would invoke new controversies and either delay or defeat passage of impacted area legislation. This is a clean, clear, positive manner of getting the job done now.

Whether the vote comes on a motion to lay on the table, or by a vote for or against our amendment, it will be possible to vote for aid to impacted school areas; or we can vote on the measure itself. The effect will be the same.

Mr. HOLLAND. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. Mr. President, I yield 5 minutes on the bill to the Senator from Florida. The Senator from Florida is one of the earliest, most persistent, and most persuasive advocates of the type of action which we are seeking to take today. It is a pleasure not only to yield to him, but also to be associated with him in advocating what I consider to be a highly meritorious proposal.

Mr. HOLLAND. Mr. President, first I thank the distinguished Senator from South Dakota for his kind words.

Second, I remind every Member of the Senate that he learned at his mother's knee and his father's knee the axiom that it is always good practice to be just before being generous.

The Senate is considering a bill which proposes to be generous to foreign nations to the extent of almost $5 billion this year, besides its implications for future years. Now we have a request, so ably sponsored by the Senator from South Dakota, to be just, with a small fraction of that amount, to something like 3,000 school districts located in every State of the Union and in each of the territories, because it is a matter of simple justice for Uncle Sam to pay a part of the school bill for the education of children of military or civilian personnel at the various bases. Those children have been added by Federal operations to the school load of communities throughout the Nation. There is no doubt about that. We now have a chance to be just to some of our own people before we are generous to others.

As compared with measures for general aid to schools, the contrast is the same. In the case of impacted areas, where the defense effort has contributed to the pupil load of the schools, there is the necessity of being just. In the case of paying Federal money to States and to schools in general, we have an invitation to be generous, though perhaps not quite to the extent of the $5 billion which is proposed to be provided for foreign aid.

I think the pending bill is an appropriate place to which to attach the amendment, because foreign aid is a part of our defense activities. The bill would not be before us if it were not for the necessity of providing for our own defense.

Congress has just appropriated more than $46 billion for this year's support of our defense. The less than $5 billion which is proposed under the bill to go to nations which we hope will stand with us, some of whom are pledged to stand with us, is a supplement to our own defense effort. The impacted school areas situation is a result of our own defense effort. It has somewhat the same close relation to our defense effort that the whole foreign aid program also bears.

The schools in my State will begin to open about 2 weeks from now. The beginning of the school year is around September 1, and schools will begin to open from then on and for the next few days until all of them will be open. School administrators in the most heavily impacted areas, where almost 50 percent of the children come from families connected with the great defense plants, such as the Guided Missile Base at Cape Canaveral and the great Eglin Air Force Base, do not know what to do. Much of their property has been taken off the tax rolls, and the communities are financing themselves to the limit

which the constitution permits them to tax for school operations. They are willing to carry a percentage of the extra load, but it will not be possible for them to carry the entire load, whether or not the amendment shall be adopted. Let it be made clear that the entire bill for the education of children who attend schools in defense impacted areas will not be paid by the Federal Government, but somewhat less than 50 percent of it, if the amendment shall be adopted.

I say it is completely wrong for us not to practice simple fairness and justice by assuring the school authorities and the parents and children that they can count with assurance upon Federal supplementation of their school revenue to which they have been accustomed, and which is, after all, a matter of fairness and justice.

What is the other horn of the dilemma? If Congress does not provide these funds, Uncle Sam will have to establish in his defense bases schools for which he will have to pay 100 percent of the cost. That will be a vastly larger amount than what is proposed to be appropriated by the amendment.

Mr. President, it seems to me that every consideration of justice and of propriety requires that the Senate adopt this amendment, and indicates that we are appropriately considering adding this amendment at a proper place.

I hope the amendment will be adopted, and I congratulate the Senator from South Dakota for offering it.

Mr. MUNDT. I thank the Senator from Florida.

Mr. President, let me ask whether the opposition desires to use time at this point?

Mr. FULBRIGHT. Mr. President, I yield 5 minutes to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon [Mr. MORSE] is recognized for 5 minutes.

Mr. MORSE. Mr. President, I rise to speak against the amendment. However, I should like to say that if I could believe all the words I have heard recently, I would be greatly encouraged by the new recruits we have in the Senate, this afternoon, for Federal aid to education legislation. Apparently we now have in this impacted aid field at least, Members who are willing to have the Federal Government in part pay the teachers' salaries, pay the janitors, and pay for the maintenance of the schools. They seemingly are willing to purchase the chalk and other supplies for those schools as well as to pay all the other expenses of the schools in the Federal impacted areas. I am sure that many do not realize that this is really an overall Federal aid to education program.

But let us come to grips with the parliamentary strategy of this matter. Many are now making a plea for adding this impacted area provision to a foreign aid bill. I say, respectfully, that the amendment has no place in the foreign aid bill. Many who support it do so although they voted against Senate bill 1021. I do not know whether those votes are difficult to explain to their constituents or not. I point out that Senate bill 1021, which has already been passed by the Senate, contains impacted areas provisions.

But now let me make a report on behalf of the committee which is under the chairmanship of the great Senator from Alabama [Mr. HILL], which has jurisdiction over this subject matter and which has done, I believe, a remarkably fine job in dealing with it.

At the present time there is pending before the Senate the Hill-Morse impacted areas bill, Senate bill 2393, from which the Senator from South Dakota quoted a sentence here and a sentence there. Let me say—and the Senator from Alabama will verify what I now say—that the Senate will act on Federal impacted area legislation before it adjourns. The Senate will act on it directly, based on a report from the committee which has jurisdiction. It should not act in a situation when it is confronted with the kind of limitation which faces the Senate this afternoon, under the unanimous-consent agreement which now is in effect.

Mr. President, what many do not like to agree to is the proposal that the Federal impacted area program be blanketed in for the next 3 years, without any modification. I direct this comment particularly to such good friends of mine in this Chamber as the Senator from Virginia [Mr. BYRD], because it is a fact that the Federal impacted area program has now become very spotty, from the standpoint of being able to justify the full amount of the expenditures in some of the districts.

This program has been on the statute books for a good many years, and conditions in some of the affected communities may have changed, perhaps to the degree that we no longer can fully justify the current amount of the expenditures in some of the districts.

In Senate bill 1021 we provide for extending the program; and we did it—and the record in that respect is clear—over the opposition of the administration, which wanted to taper off the program, because although the record shows that in some districts sound economy calls for tapering it off, yet in other districts the conditions which exist call for continuation of the payment of the full amount.

The committee said, in effect, "We shall recommend that Public Laws 815 and 874 be extended, but at the end of 18 months the committee will require that the administration submit a detailed study in regard to the impacted areas. This study will permit us to find out to what extent the evidence shows there is sound justification for the original recommendation of the administration that the program be substantially reduced."

Senators who serve on the committee know that I led the fight in the committee against the proposal to taper off the program. As the Senator from Pennsylvania [Mr. CLARK] knows, we went to the White House. I presented there our case against a blanket reduction of the program, because the original proposal of the administration was to cut back many benefits. I said then that such a curtailment was not justified, in view of the evidence.

The PRESIDING OFFICER. The time yielded to the Senator from Oregon has expired.

Mr. MORSE. May I have another 5 minutes?

Mr. FULBRIGHT. Mr. President, I yield an additional 5 minutes to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for an additional 5 minutes.

Mr. MORSE. I thank the Senator from Arkansas.

Mr. President, we, therefore, notified the administration that we would include in the proposed legislation a provision to the effect that at the end of 18 months the administration would have to submit to us a detailed study to justify any proposals for modification of the program.

The proposal now before us is for a blanket extension for another 3 years. I wish to say to Senators such as the Senator from Virginia [Mr. BYRD] that in some instances such an extension cannot be justified from the standpoint of sound economy. For example, I refer to certain school districts which really are more impacted with children than those in areas in which there are Federal installations, if we consider the real needs of the schoolchildren served by those school districts. I refer, for example, to schools which are so crowded that some of the classes are doubled up or held in basements or on auditorium stages or in other buildings in the community. Such school makeshifts are necessary because of the extremely crowded and child-impacted conditions of those areas even though those areas do not happen to be federally impacted areas.

This is a mixed problem. That is why the committee favored the proposal to have S. 1021 the Hill-Morse bill, which calls for a 3-year extension, considered in light of the facts which are brought out in the course of the study which is to be made. Without such a study, only a limited 1-year extension, such as proposed in S. 2393, should be considered.

Now let us consider the next phase of this problem. We must face up to it, and not try to "kid" either the public or ourselves. I say respectfully that this provision should not be included in the foreign-aid bill. We should not run the risk of the loss of a single vote for the foreign-aid bill in the House of Representatives because of the addition of this amendment to the bill—a development which conceivably might occur. We must realize that the foreign-aid bill deals with an entirely different subject matter, and we cannot justify attaching this amendment to the foreign-aid bill on the basis of the contention that the President would not dare veto the foreign-aid bill. Mr. President, what kind of legislative standard is that? I wish to ask my Democratic friends whether they wish to treat the President in that way. Do they propose to support some provision which will call for action which would amount to "ganging up" against the President?

Mr. President, Senators do not have to worry about the position of President Kennedy on impacted area legislation. I will speak for him on this matter right now, and I wish to say that Senators should not "buy" the argument that the President may veto a federally impacted area bill. The President has become convinced, in my judgment, about the soundness of the position taken by the Senate committee concerning Federal impacted area legislation. He recognizes that we must pass Federal impacted area legislation; and his administration will have 18 months in which to show, if it can, that there needs to be any modification in connection with this program of aid for federally impacted areas.

But, Mr. President, I wish to say to all Members of the Senate that no Senator can justify a vote in favor of adding this amendment to the foreign-aid bill, on the basis of any proposal to put the President in such a position that he could not veto such federally impacted area legislation because Senators know he would not veto the foreign-aid bill. Mr. President, I say the President will not veto the federally impacted areas bill as prepared on the basis of the position the committee has taken.

The PRESIDING OFFICER. The additional time yielded to the Senator from Oregon has expired.

Mr. FULBRIGHT. Mr. President, I yield 5 more minutes to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 5 more minutes.

Mr. MORSE. Mr. President, now let us consider the third point I wish to mention. I do not care whether a Senator is a Democrat or is a Republican, so far as this point is concerned. In any case, I think Senators will agree that as we approach the close of the session, if the House of Representatives will use its procedures—which I say respectfully should be changed, but we must realize that they are still the procedures of the House of Representatives—to get the House Rules Committee to bring some aid-to-education legislation to the floor of the House, so that the will of the people can be expressed there, through the votes of a majority of the Members of the House of Representatives, the Senate will cooperate.

I did not know I was going to have to discuss this matter, but I think we ought to put it on top of the table. Efforts are being made every day, and great progress is being made, between the administration, represented by the Secretary of Health, Education, and Welfare, the leadership of the Senate, represented by the Senator from Montana [Mr. MANSFIELD] and the Senator from Minnesota [Mr. HUMPHREY] and the Senate committee, to work out what has been referred to in the newspapers as a program which will in no way violate the principles and policies of the program on education that we have been advocating here in the Senate. But it may be that we will not adopt the whole program at this time. We will move toward the final adoption of it, we hope, next year.

I want to say particularly to the Democrats, I think you ought to help the administration and the leadership of the Senate, and of the House, to give time to see what can be done to bring forth what might be called a package program on education.

We are not committed in the Senate on this matter. We have simply said we will take a look at what the House is willing to offer. It is now the move of the House in regard to this matter.

Remember, if the Senate adopts the pending amendment this afternoon, it will disrupt the whole program now underway of seeking to find a fair legislative settlement and compromise of the education program. This is a program which is a part of the Democratic Party's program, and which is a part of the Democratic Party's platform. In regard to it, I think we ought to have every opportunity to present some legislation for final vote by both Houses, and signature by the President, before we adjourn.

That is the picture. There is no need to put this amendment on the pending bill in order to have assurance that we shall be able to vote on this question before we adjourn.

My majority leader sits here. My whip sits here. Let them deny what I am going to say now. They will not only not deny it, but they will back up my statement. I assure Senators they will have their chance to vote on Federal aid to impacted areas before we adjourn; but I also ask, in view of all the work we have been trying to do on this very difficult subject, that they give us the additional time we need to work out what can be called a fair legislative program on this matter.

Mr. President, let me make it very clear there is no doubt about the fact that when the impacted areas legislation comes before the Senate, some Senators may want to offer amendments to it. That is a part of our legislative process. Senators can vote against the amendments if they do not agree with them. They can vote against the House program and defeat it. Senators will have an opportunity to cast their votes without using this method of legislating, attaching a rider which should not be attached to the bill at all.

I sincerely hope that, when the motion to lay on the table is subsequently made, we shall dispose of the matter this afternoon. We can then come back to join forces together on the Hill-Morse bill on federally impacted areas legislation.

Mr. DIRKSEN. Mr. President, I yield myself 5 minutes on the bill.

Notwithstanding the eloquent statement made by the distinguished Senator from Oregon, I doubt whether he has stated the real issue which will come before the Senate. I speak now with some timidity, but I think I speak with truth at the same time, for when the Federal impacted areas bill, now on the Senate Calendar, comes before this body, I am authentically advised an amendment will be offered, and that amendment will be the bobtailed or streamlined school bill, providing for construction of classrooms, embodying the sum of $625 million.

No later than 1:30 today, I made inquiry of the distinguished Senator who I thought was going to offer that amendment, and he told me unequivocally that he intended to offer it. So at once the impacted areas bill becomes encumbered with a new school bill drafted in the Department of Health, Education, and Welfare. So the situation is complicated. I have heard no one state yet that the National Defense Education Act will not be offered as an amendment also.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JAVITS. I should like to inform the minority leader that I will offer the National Defense Education Act for a year's extension, but I should also like to inform him that I am not going to wait. If this is the pending business, and it is not tabled, I will offer it to this measure.

Mr. DIRKSEN. Well, I am glad the distinguished Senator from New York merely fortifies my case that it will be offered, and that, if it does not prevail on this bill, it will be offered on the impacted areas bill.

So you see, Mr. President, you have your choice of an impacted areas provision on this bill or the National Defense Education Act, to which the very distinguished Senator from Arizona has a whole fist full of amendments. We shall be quite a while in disposing of them, because they are going to be discussed at great length, and I am going to help discuss them, because I was still on the Labor and Public Welfare Committee when this legislation was in the process of formation, and I developed some familiarity with it. So take your choice, Mr. President—take impacted areas today standing by itself or take impacted areas legislation later complicated with National Defense Education Act and complicated with a $625 million school bill. The question will then be, if it prevails, and the amendments prevail and they go to the House, what finally happens to the impacted areas bill, in view of the rather interesting parliamentary situation that exists in the House?

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. AIKEN. I am of the opinion that the Senate has already passed a Federal aid-to-education bill which provided for construction and other uses of the funds. Am I mistaken?

Mr. DIRKSEN. No; the Senator is quite correct.

Mr. AIKEN. But the Senate has not passed an impacted areas bill.

Mr. DIRKSEN. Yes, it has.

Mr. CLARK. Mr. President, if the Senator will yield, it certainly has.

Mr. DIRKSEN. Yes; it was passed.

Mr. AIKEN. I missed the impacted areas bill somewhere. It has been a long time since we passed it.

Mr. DIRKSEN. Yes, it has.

Mr. AIKEN. And it is getting near time for schools to reopen, is it not?

Mr. DIRKSEN. It is.

Mr. AIKEN. I knew we had passed a Federal aid-to-education bill.

Mr. DIRKSEN. It has been so far back, may I say to the distinguished Senator from Vermont, that, as the lawyers say, the memory of man runneth not to the contrary. So that is a long time.

Mr. President, get that bill encumbered, and then what? It will have to go back to the House. One objection can force it to go to the Rules Committee to get a rule for further consideration. And then where are we? We just start up hill and then go down again. I think the simple thing to do today is approve the Mundt amendment. Let us get it out of the way. Then if proposals are made for a $625 million classroom bill and a national defense education bill involving a tremendous expansion of the authority now contained in the existing law, everything is lost, and the school districts depending on the provisions involved in this amendment will be frustrated once more.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. I yield myself 2 more minutes.

This is no unusual procedure, to be sure. The one is a domestic undertaking pure and simple. It is to be attached to a bill which deals with matters in the international field. It will not be very difficult to get them properly put in the proper place in the code when the time comes.

Let us do the wise and prudent thing. Let us get the impacted area of business out of the way once and for all, and not get into a hassle in which a complicated bill will go back to the House of Representatives, will go back to the Committee on Rules. Like the noble king of France, we shall have marched up the hill and then marched down again. I prefer to march up the hill today, Mr. President, and to stay there. The Mundt amendment is a good way to do it.

Mr. FULBRIGHT. Mr. President, I yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I intend to make a motion to table the amendment offered by the distinguished Senator from South Dakota. I notified the Senator of that a half hour or so go.

Were I in the Senator's shoes, I would undertake the very same policy the Senator from South Dakota is pursuing with respect to this and previously proposed legislation to which he has sought to attach the impacted areas amendment. Were he in my shoes, I am certain he would follow the same policy I am pursuing.

The Senator has 5 minutes remaining on his amendment. If he desires to use that time I shall withhold my motion to table.

Mr. JAVITS. Mr. President, will the Senator yield to me for a few minutes?

Mr. MUNDT. I should like to use about 3 minutes of my time.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the distinguished Senator from New York.

Mr. MANSFIELD. Mr. President, I have the floor. I am willing to yield to the Senator from New York, if he would like to have me do so.

Mr. JAVITS. I should like to have 2 or 3 minutes.

Mr. MANSFIELD. I am willing to yield 2 minutes to the Senator of the remaining time. The Senator from Arkansas has control of the time, however.

Mr. FULBRIGHT. I yield to the Senator from New York. How much time does the Senator wish to have?

Mr. JAVITS. I think the opposition has some additional time.

Mr. FULBRIGHT. I will yield 5 minutes to the Senator from New York.

Mr. MANSFIELD. Mr. President, I think I said that in about 5 minutes I would offer a motion to table the amendment, if the Senator from South Dakota wished to use his time. I hope we can get to a vote before long.

Mr. FULBRIGHT. Mr. President, I yield 5 minutes to the Senator from New York.

Mr. JAVITS. I will take only 2 minutes.

Mr. President, with all of the talk about the impacted areas legislation, it is agreed that we are trying to look after the interests of some three-fourths of the congressional districts of this country. That alone, it would seem to me, should give us pause. I do not think it would look good to the country for us to be tying this provision onto the foreign aid bill because it will serve the interests of three-fourths of the congressional districts, or whatever the number may be. We should consider the problem in relation to the total obligation to the country.

I am a member of the committee. I voted for the 18 months extension. I think that is absolutely sound. I am ready to vote to extend the impacted areas legislation for that period of time.

But, Mr. President, we also owe an obligation to the country, and that is especially true of those of us who talk about a $47 billion defense appropriation. We know that the defense appropriations depend upon having adequate personnel to spend the money intelligently, yet we do not seem to be willing to add the National Defense Education Act—not in any enlarged or expanded or arguable form, but simply as it is—to the impacted areas legislation.

If the Senate carries through on the amendment, I shall offer a motion to include that proposed legislation, if the motion to table fails.

Mr. President, I think all of us will have to admit that if we do not extend the National Defense Education Act this year, about 120,000 meritorious college students will be unable to get their loan provisions next year, and the fellowship program will collapse. Even the Department of Health, Education, and Welfare has come to that conclusion.

Mr. President, I respectfully submit the question. I know these folks are going to have the impacted areas legislation, and they should have it. Exactly as they resent the idea that they are being held at the point of a gun with the statement, "We do not wish to pass impacted-areas legislation unless you are ready to go along with a general education bill," I hope very much that the situation will not be reversed completely and that an extension of the impacted-areas legislation which would be improvident will not be simply rammed through for 3 years, without any provision for review, because people wish to avoid acting upon the obligation not to their own districts alone but also to the country, in terms of something like the National Defense Education Act.

I hold no brief for the McNamara amendment. We shall all be able to vote "yea" or "nay" on that. I am talking now about the single, individual obligation not alone to the impacted areas but also to the Nation, which comes under the National Defense Education Act. I respectfully submit that question to my colleagues.

Mr. GOLDWATER. Mr. President, will the Senator yield to me?

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the distinguished Senator from Arizona.

Mr. GOLDWATER. I think 3 minutes will be enough.

In response to the remarks of my distinguished friend from New York, I wish to say there is a very good reason for this body giving adequate study to the proposal which will be made that we reinstate the National Defense Education Act for another year.

Mr. President, I do not know if my colleagues have read the inventory which I put into the RECORD of this body some time ago, but 72 percent of the scholarships given under the National Defense Education Act had nothing at all to do with national defense. Seventy-two percent of those scholarships were given in the humanities. We have learned that a great number were given in the field of theology. One group of fellowships was given in the study of Brahminism.

Only three fellowships have been given in the area of nuclear science. Only three fellowships have been given in aeronautical science.

Mr. President, this law has been abused.

I do not blame the incumbent Department of Health, Education, and Welfare for the abuse. I think the abuse has been shared by both Republican and Democratic administrations.

The National Defense Education Act has contributed practically nothing to the defense of this country or to the provision of more highly trained scientists or more highly trained engineers. If we merely reenact that act for another 2 years in its present form, we shall continue the abuse. If we enact it in the form in which it came from the committee, we shall continue the abuse.

Mr. President, this really is not a defense education act. It is a "humbug" operation by which anybody who seeks a fellowship to study anything known to man can get it from the Federal Government. If we wish to talk about a National Defense Education Act which will provide more scientists and more engineers, which will provide people who are skilled in modern foreign languages, then let us put some limitations into the

act. We were not able to get anything written into the act in the debates in the subcommittee or in the full committee, to provide for that.

I think it will be a very dangerous step which the Senator from New York will take when he offers an amendment which would extend the life of that act. Simply looking at the statistics should convince anybody that the act has made practically no contribution to the effort we were supposed to make; namely, the addition of skilled scientists and engineers in this particular field.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. JAVITS. I thank my colleague for his customary courtesy.

Does not my colleague agree with me that should my amendment appear pertinent, if the pending amendment is not tabled, we shall have an hour to discuss the pros and cons of the National Defense Education Act? I stated to my colleagues for information, it is my intention to offer an amendment to extend the act, as it is, for 1 year.

Mr. GOLDWATER. If my friend from New York thinks I can discuss that act in 1 hour, he has more respect for my brevity than I have. I have amendments enough to that act alone to require my presence on the floor for at least a full week.

I have nothing at all to object to as to the goal of the act. I think that any member of the subcommittee or of the full committee who sat, as I did, and listened to weeks and weeks of testimony, would have to admit that the act is, at its best, a shell game. We do not know under what walnut shell we are going to find the scientists. In fact, I doubt if that particular key will ever be found.

We have not followed the intent of the act. We have provided scholarships in every subject known to man, except those we need, in the fields of science and engineering.

As I say, I propose to offer many amendments to that particular act, even if it does not come up in the form of an amendment to the impacted areas legislation.

I have one further word in closing. I hear the phrase often used that the impacted areas approach is a Federal aid to education approach. I suppose if one wished to stretch his imagination and say that the Federal Government pays the bill, one might agree. I do not. The impacted areas bill, purely and simply, is an in-lieu-of-tax proposal.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GOLDWATER. May I have 2 more minutes?

Mr. DIRKSEN. I yield the Senator 2 more minutes.

Mr. GOLDWATER. It is an in-lieu-of-tax proposal whereby the Federal Government pays the school district for services which have been performed. The Federal Government does not pay the entire amount. For example, in my State of Arizona we know that the Indian Bureau is paying only 69 percent of the amount involved in educating the Indian children. The Bureau does not pay that in advance. It is paid for a contract accomplished.

The bill has no controls written into it. I believe the distinguished Senator from Minnesota [Mr. HUMPHREY] was most instrumental in passing the bill. He and I were engaged in several Congresses together in an effort to get in-lieu-of-tax money to do the same things in the national parks, national monuments, and so forth.

I think the bill is a perfectly proper measure to which to attach the amendment. We have learned that it may be looked upon with disfavor by the people in the country, because we would favor three-quarters of the congressional districts. I think the country would look with just as much disfavor on the attempt to make the impacted areas measure a loaded sixgun placed at the head of every Senator and Representative who is interested in Federal aid to education, the National Defense Education Act, and so forth. It goes two ways. I would rather think that we were taking care of the impacted areas situation today than that we shall have a gun placed at our heads with the statement, "Do this or else."

Mr. MUNDT. Mr. President, I believe Senators are about ready to vote on the amendment. We have discussed the issue over and over again. I wish merely to comment briefly on one or two of the statements made by the opposition.

I noticed that the distinguished Senator from Oregon [Mr. MORSE] stated that he would promise us that the President would not veto the proposed impacted area legislation should it pass as separate legislation. I have no reason to challenge the basis upon which he speaks for the President on this question. I have merely put into the RECORD what the Cabinet member in charge of the program, Mr. Ribicoff, said. I will not argue the point.

But I somewhat question his other argument, when he became purely partisan and said, "I want to address my fellow Democrats." Thereupon he turned his back on the Republican family on this side of the aisle, whom he used to recognize, and with whom he once fraternized as a member of our group. I believe he used to occupy the seat which I now occupy. He said, "I want Democrats to know that they owe this to the President and to the leadership. They owe it to them to support their program, because this is what they want to do in the field of Federal aid to education."

I do not believe that too many Senators in the Democratic ranks make decisions governed by some political obligation which they may or may not have to the administration, the President, or the party. I hope not, because such action would place the entire procedure of the Senate on a very shabby basis, if we were to respond to purely partisan appeals or pressures. I express the opinion that if we would stick long enough with the Senator from Oregon [Mr. MORSE], perhaps he would be using the same argument on us over here on this side of the aisle in another 8 years. We rejected the argument when he made it over here. I hope you will reject it now that he makes it from the Democratic side of the aisle.

I want Senators to look on the amendment as the basis of a real opportunity to consider not our responsibility to the leadership, not the debt that we owe to the President, but the debt which Senators owe to their own constituents, their taxpayers, their school children and school administrators who live in the impacted areas, who need to know now what kind of school situation they will confront 2 short weeks from now.

I think it is clear from the discussion we heard from the Senator from New York [Mr. JAVITS], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Arizona [Mr. GOLDWATER] that if we wait until next week, we shall find this impacted area issue encumbered by all kinds of amendments. Its future will thus be seriously jeopardized.

This is our last sure, certain, clear, clean, positive opportunity to vote impacted area legislation, for the next 3 years up or down. A vote to defeat a motion to lay on the table is a vote for impacted areas legislation. A vote to agree to the motion to lay on the table is an action to take many reckless risks of having the issue encumbered with all kinds of amendments, with the ultimate destination of the proposed legislation left in the lap of the gods.

Mr. President, I yield back the remainder of my time.

Mr. FULBRIGHT. Mr. President, I yield 1 minute to the distinguished majority leader, and then I shall yield back the remainder of my time.

Mr. MANSFIELD. Mr. President, on page 14 of the calendar, under Calendar Order No. 719, S. 2393, is the following:

A bill to extend for 1 year the temporary provisions of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas and to provide for the application of such laws to American Samoa.

The bill was reported on August 15. I assure my distinguished friend from Arizona that this particular bill will not be taken up before next Thursday.

Mr. President, I move to lay on the table the amendment of the Senator from South Dakota.

Mr. FULBRIGHT. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion of the Senator from Montana. All time has been yielded back. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from North Carolina [Mr. ERVIN], the Senator from Michigan [Mr. HART], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the

Senator from North Carolina [Mr. ERVIN]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from North Carolina would vote "nay."

On this vote, the Senator from Michigan [Mr. HART] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from Michigan would vote "yea," and the Senator from Maryland would vote "nay."

On this vote, the Senator from Texas [Mr. YARBOROUGH] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Indiana would vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Kansas [Mr. CARLSON] and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is detained on official business.

If present and voting the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kansas [Mr. CARLSON] would each vote "nay."

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from Michigan [Mr. HART]. If present and voting, the Senator from Maryland would vote "nay," and the Senator from Michigan would vote "yea."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Texas [Mr. YARBOROUGH]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Texas would vote "yea."

The result was announced—yeas 51, nays 40, as follows:

[No. 157]

YEAS—51

Anderson	Hartke	Metcalf
Bartlett	Hayden	Monroney
Bible	Hickey	Morse
Burdick	Hill	Moss
Byrd, W. Va.	Humphrey	Muskie
Cannon	Jackson	Neuberger
Carroll	Javits	Pastore
Case, N.J.	Kefauver	Pell
Church	Kerr	Proxmire
Clark	Long, Mo.	Randolph
Dodd	Long, Hawaii	Smathers
Douglas	Long, La.	Smith, Mass.
Ellender	Magnuson	Sparkman
Engle	Mansfield	Stennis
Fulbright	McCarthy	Symington
Gore	McGee	Williams, N.J.
Grüening	McNamara	Young, Ohio

NAYS—40

Aiken	Fong	Prouty
Allott	Goldwater	Robertson
Beall	Hickenlooper	Russell
Bennett	Holland	Schoeppel
Boggs	Hruska	Scott
Bush	Johnston	Smith, Maine
Byrd, Va.	Jordan	Talmadge
Case, S. Dak.	Keating	Thurmond
Cooper	Kuchel	Tower
Cotton	Lausche	Wiley
Curtis	McClellan	Williams, Del.
Dirksen	Miller	Young, N. Dak.
Dworshak	Morton	
Eastland	Mundt	

NOT VOTING—9

Bridges	Carlson	Hart
Butler	Chavez	Saltonstall
Capehart	Ervin	Yarborough

So the motion to lay on the table Mr. MUNDT's amendment was agreed to.

Mr. MORSE. Mr. President, I move to consider the vote by which the motion to table was agreed.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SPARKMAN. Mr. President, I send forward an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 99, after line 13, insert the following new section:

SEC. 647. DEPENDABLE FUEL SUPPLY.—It is the sense of the Congress that the United States Government should work with other countries to maximize the use and reliance upon of the large and stable supply of relatively low-cost fuels available in the free world.

(At this point Mrs. NEUBERGER took the chair as Presiding Officer.)

Mr. SPARKMAN. Madam President, the language that has been submitted has been drafted in cooperation with, and is acceptable to, the executive department. I have discussed the amendment with the chairman of the committee, and he tells me he is willing to accept it.

Mr. FULBRIGHT. Madam President, I have discussed the amendment with the distinguished Senator from Alabama. It is a statement of policy with which I believe every Senator would be in agreement. I am willing to accept the amendment.

Mr. SPARKMAN. Madam President, I yield back the remainder of my time.

Mr. FULBRIGHT. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Alabama.

The amendment was agreed to.

Mr. DIRKSEN. Madam President, I offer an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 56, between lines 17 and 18, it is proposed to insert the following:

SEC. 620. Prohibition on aid to certain countries indebted to United States citizens. No assistance shall be provided under this Act to the government of any country which is indebted to any United States citizen who has exhausted available legal remedies and which debt is not denied or contested by such government.

Mr. DIRKSEN. Madam President, a number of facts impel me to offer the amendment. I shall not mention the name of any country, in order to avoid embarrassment. I presented this question to the Committee on Foreign Relations when it was taking testimony on the bill.

The first case concerns the sale of a steel plant to a country which is a recipient of foreign aid. The cost of the plant was $2,400,000. The steel plant was supplied by a firm in Chicago. The cost was covered by the guarantee of a bank which was totally owned by the recipient country. After a time, there remains by way of a payment on the steel plant the sum of $900,000.

The sum is now in default, and it appears that no effort is being made or will be made to reimburse the U.S. company for the remaining $900,000. Representations have been made to the State Department. Representatives of the company have gone to the capital city of the country in question and have consulted with its officials. They were finally advised that because of a revolutionary junta in the country, any payment would have to be approved by a committee which spoke for the revolutionary movement.

This is a rather singular situation. In view of the fact that Mr. Dillon has been in Latin America, giving assurances that billions of dollars will be supplied, in the hope that U.S. capital can be invested abroad, and that we can expand our business, I do not know how business can be expanded if U.S. companies sell abroad and then cannot get their money in payment. That is notably true when the Government is a participant in the deal. It distinguishes the transaction, of course, from a private debt, because in this case the guarantee for payment was made by a bank owned by the recipient government.

The second case, and the one I brought to the attention of the Committee on Foreign Relations, related to a contractor and an architect who, in 1953, negotiated a contract with the recipient country, which last year received $12 million in foreign aid and was hopeful that it could get $20 million.

The work in question was consummated and was accepted. The contract cost, in the first instance, was around $2,900,000. The sum of $290,000 in principal and interest remains, for which the contractor and architect are at present indebted to the bank in Illinois. But they cannot get their money. It is an amazing thing, after all the effort was made, that only token payments are made. I raised the question with the Ambassador five different times. I discussed it with the former Secretary of State. I have discussed it perhaps half a dozen times with the present Secretary of the Treasury. I have discussed it with a distinguished American citizen who, in Washington, serves as general counsel for the company. There are assurances and assurances; but assurances do not pay the bill. The creditors are paying interest on the note.

It is astonishing that U.S. citizens are asked to pay taxes, a portion of which will be used to render foreign aid to the very country which is indebted to them for a contract which inured to the benefit of the recipient government, because in this case it enabled the building of 325 houses. The houses are owned by the recipient government. That government collects the rent. There is a provision in the contract that unpaid balances shall be a lien upon the rents. The rents are being collected today. The housing project was a government venture; yet that government has not

seen fit to pay the U.S. citizens. At the same time, that government is asking for larger and larger sums out of the coffers of the International Cooperation Administration.

The intent of the amendment is that whenever such a contract has been entered into, and the benefits inure to the recipient government, not to a private citizen, the U.S. Government ought to make some showing of denying aid until that government has been asked why it does not pay its bill, because, as a government, it has been the beneficiary of the contract.

Mr. FULBRIGHT. Madam President, I heard the testimony of the distinguished minority leader before our committee, and I thought his case had great merit. It appeals to me, and I am sympathetic with the position he takes. I have worked with him in trying to find proper language for the purpose he has in mind. Some technical difficulty is involved in trying to attain an objective of this sort, in connection with the foreign aid bill; and I am sure the Senator from Illinois recognizes that.

I am disposed to accept the amendment and take it to conference. I think the language of the amendment would be technically acceptable; but I should like to reserve the right, in consultation with the conferees and with the Senator from Illinois, to make any necessary changes, if some technical difficulty is found to exist.

However, I think the purpose of the amendment is very worthy. Certainly it is not intended to have the aid bill used as a means of collection, and we are not trying to use this means to determine whether such claims are legitimate. But as the Senator from Illinois has explained, these are cases in which the Government does not in any way contest or deny the indebtedness. So it seems to me there is no excuse for a refusal to pay. But of course we must be careful not to have such a provision of the aid bill used in connection with questions as to which there may be a real contest. I am sure the Senator from Illinois agrees as to that.

Mr. DIRKSEN. Of course I do, Madam President.

I should like to make the further point that if we do not take some action in this field, ultimately some governments abroad may take the position, "It is not necessary for us to pay the citizens of the United States what we owe them. We can go there and can buy whatever we wish, and get what we can, and then forget to pay half of the bill, and we will not be bothered about that, and it will not impair our efforts to secure foreign aid from the United States." That is what that situation amounts to, and that is why the inclusion of this amendment is imperative.

Mr. FULBRIGHT. I agree. Of course we do not wish to leave the impression that many governments have done this sort of thing; but apparently a few have. Therefore, I am willing to accept the amendment.

Mr. HUMPHREY. Madam President, will the Senator from Arkansas yield?

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Minnesota?

Mr. FULBRIGHT. I yield.

Mr. HUMPHREY. I am familiar with the testimony in the case the Senator presented, and there are one or two other cases in which the merits are clear and unmistakable. So I am pleased that the Senator has drafted this language, and I am pleased to know that the chairman of the committee will accept it. But I wish the RECORD to show clearly that the Senator is not alone in this endeavor, even though he has taken the lead in connection with the inclusion of language which will result only in simple justice.

Mr. KEATING. Madam President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. KEATING. As the Senator has said, although the practice is not a general one, nevertheless there have been such instances. So I am very happy that this language has been arrived at, because, as the Senator from Arkansas has said, even one case of this sort is too many. So I am glad the language has been agreed upon.

Mr. DIRKSEN. Madam President, I yield back the remainder of my time.

Mr. FULBRIGHT. Madam President, I do likewise.

Mr. DODD. Madam President, has the amendment now been accepted, or does further time remain on the amendment?

The PRESIDING OFFICER. The Chair understands that all remaining time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Illinois. [Putting the question.]

Mr. MORSE. Madam President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. I understand that the Senator from Connecticut [Mr. DODD] wishes to make a brief statement, if any time is still available on the amendment.

The PRESIDING OFFICER. All remaining time on the amendment has been yielded back.

Mr. FULBRIGHT. Madam President, I did not know that the Senator from Connecticut wished to speak at this point. If he does, I shall yield time on the bill to him.

Mr. MORSE. My purpose is to have time on the bill yielded to the Senator from Connecticut, who wishes to make a statement at this point; and I ask unanimous consent that time be yielded to him at this point.

The PRESIDING OFFICER. Is there objection?

Mr. DIRKSEN. Madam President, I yield 5 minutes on the bill to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 5 minutes.

Mr. DODD. I thank the Senator from Illinois for yielding this time to me.

Madam President, I think the inclusion of this amendment would only add fuel to the fire, in connection with such difficulties. Many persons in my State have been having difficulty in collecting from foreign governments, and I have received letters from some of them. I should like to see them paid, but I have grave doubts that the way now proposed is the proper way to go about it. In fact, I think the step now proposed is a very dangerous one. No matter how heart rending or sympathy arousing such matters are, international courts and other kinds of machinery have been established for their adjudication. So I do not know why such an amendment should be added to the foreign aid bill, which already contains many provisions that I am not too happy about, and omits some provisions which I believe should be included.

Therefore, Madam President, before the vote is taken on the amendment, I wish to go on record as stating that I do not think the inclusion of the amendment constitutes a wise practice, and I hope the amendment will not be adopted, for I am opposed to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DIRKSEN].

The amendment was agreed to.

CONTINUATION OF LIFE OF CIVIL RIGHTS COMMISSION

Mr. KUCHEL. Madam President, I yield myself 3 minutes on the bill.

The PRESIDING OFFICER. The Senator from California is recognized for 3 minutes on the bill.

Mr. KUCHEL. Madam President, yesterday the Subcommittee on Constitutional Rights voted to report Senate bill 843, which had been introduced by the Senator from New York [Mr. KEATING]. That bill would continue the life of the Commission on Civil Rights. However, the committee voted for the inclusion of an amendment which would limit the extension of the Commission's activities to 2 additional years.

I rise to congratulate the Senator from New York for introducing this piece of legislation and for doggedly and successfully fighting for it. It should have been brought to the floor long before now. It was promised in the platform of the Democratic Party as well as in the platform of the Republican Party. But it was KEN KEATING who brought it over its first hurdle.

I also congratulate the Subcommittee on Constitutional Rights which, by a split vote, approved the bill.

So far as I am concerned, I hope the Judiciary Committee will take prompt action on the bill, so that the Senate will have an opportunity to fulfill a commitment made to the American people by both the major political parties, and will pass the measure, which our colleague on this side of the aisle has introduced. This Commission has done great work. It is nonpartisan in character. It will expire shortly, unless we pass the Keating bill. I repeat, I urge the Judiciary Committee to send it to the Senate.

FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. FULBRIGHT. Madam President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 92, in line 24, it is proposed to insert "(a)" before "There".

On page 93, after line 8 insert the following new subsection (b):

(b) There is hereby authorized to be appropriated to the Secretary of State such amounts as may be necessary from time to time for administrative expenses which are incurred for functions of the Department of State under this Act and unrepealed provisions of the Mutual Security Act of 1954, as amended, or for normal functions of the Department of State which relate to such functions.

Mr. FULBRIGHT. Madam President, this amendment is offered because of an oversight. Normally we have carried in the Mutual Security Act the authorization for the appropriations necessary for the administration of this act. But, for some reason unknown to me, this year the administration omitted it from this measure, and decided to include it in the regular appropriation bill. But that was objected to in the House. This amendment merely includes in the bill the necessary authorization for the appropriations for the administrative costs and expenses. That is all the amendment does.

Madam President, I yield back the remainder of the time available to me on the amendment.

Mr. DIRKSEN. Madam President, I yield back the time available to me on the amendment.

The PRESIDING OFFICER. All remaining time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Arkansas [Mr. FULBRIGHT].

The amendment was agreed to.

Mr. HUMPHREY. Madam President, I have an amendment at the desk, which I call up at this time and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 3, line 23, following the word "themselves," to insert the following: "encourage the development and use of cooperatives, credit unions and savings and loan associations;".

Mr. HUMPHREY. Mr. President, I have discussed this amendment with the chairman of the committee. It is proposed, in the statement of policy in the bill merely to give some guidelines to what is, I am sure, an intent of the Agency, but I wanted to make sure it was spelled out, because the credit union program, the cooperative program, particularly in the field of agricultural production and the savings and loan associations, are going to be very much needed.

Last evening I placed in the RECORD a description of the efforts of the AID administration and the Department of State along these lines, but I wanted to spell the policy out so there would be no doubt of it in the administration of the law.

Mr. LAUSCHE. Madam President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LAUSCHE. Did the Foreign Relations Committee act upon this proposal?

Mr. FULBRIGHT. Not directly. This is an addition to the catch-all statement of policy, about which there was a long debate and discussion. All the Senator proposes to do is add these further items in the policy statement. They were not included at the time. I have no objection to the addition of these other items. In my opinion, these are fine expressions. They do not mean anything except as an expression of policy.

Mr. ANDERSON. Madam President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ANDERSON. Does this amendment provide that if material is bought in countries receiving aid, the material must be bought from a cooperative?

Mr. HUMPHREY. No. There is a long list in the bill relating to private enterprise. What we are trying to do by the amendment is avoid what has happened in the past when those in the Government have opposed, and have not encouraged the development and formulation of savings and loan associations, credit unions, and cooperatives. They have not only encouraged the policy, but, in fact, discouraged the formulation of such groups. For example, in Peru it happened with regard to the farmers in terms of production cooperatives.

This provision is not exclusive. These are guidelines to make sure that such methods also are included within the framework of the purposes of this particular legislation, and they are certainly within the purposes of the United States.

Mr. ANDERSON. I know, but I wonder why we should tell them to have cooperatives and savings and loan associations.

Mr. HUMPHREY. We do not tell them. We tell AID that these are not excluded, but that they may be included. There is a reason for it. When I asked the Department of State what had been done in terms of credit unions, which is the only way many of these people with low incomes can be helped, and with respect to cooperatives, the Department said, "Nothing." I asked how many people were working on it. The Department said, "None." This is a tragic mistake. I want to be sure that they will not be excluded.

Mr. ANDERSON. Is it not the province of a particular country to decide whether it shall have a credit union or not?

Mr. HUMPHREY. Of course. I am glad the Senator has brought this matter up. We are not forcing anything upon anyone. We are merely saying to the AID organization, if there is such a program and if such a country asks for cooperation in such a program, it will be within the purview of this act to extend that form of assistance.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LAUSCHE. Is there anything in the bill to prevent their doing it?

Mr. HUMPHREY. Not a thing.

Mr. LAUSCHE. Why highlight this enterprise when no other kind of business enterprise is emphasized? Why mention cooperatives if we do not mention others?

Mr. HUMPHREY. If the Senator wants to add others, I shall be glad to agree to include them.

Mr. LAUSCHE. I do not think they should be added. I do not think we should tell those countries what they should do.

Mr. HUMPHREY. We are not telling them what they should do. We are telling our own Government, which has rejected such operations. Our own Government has said to a company, "Go down there and build a steel plant," but when a recipient government wanted some activity in the field of, let us say, a cooperative for little farmers who were producing some grain, for example, our Government said, "We do not do anything about that. We are sorry."

Mr. COOPER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. COOPER. I support the amendment offered by the Senator from Minnesota. I give my reasons. First, I think these institutions are good in themselves. They have been good in this country. I think they would be good in other countries.

Second, I think they would teach people in countries that have not had much experience in democratic practices, and give them a chance to develop some experience in democratic processes in institutions like these.

I wish to tell the Senator about a conversation I had not so long ago with a very distinguished gentleman. I am glad I had the opportunity to talk with him. I refer to Professor Toynbee. We were talking about giving aid to countries where the people had had no experience in democratic ideas or practices. He said in his view one of the best ways to give them practical experience was from the bottom in institutions where they could practice democratic ideas and processes. He mentioned cooperatives as one such institution.

I shall support the amendment of the Senator from Minnesota.

Mr. HUMPHREY. I thank the Senator.

Mr. LAUSCHE. Mr. President, will the Senator yield to me?

Mr. HUMPHREY. I yield.

Mr. LAUSCHE. I should like to read the declaration of policy to the Members

of the Senate and to demonstrate how clumsy this proposal will appear in the bill. Nowhere in the declaration of policy have we identified any single type of enterprise. If the Senate will bear with me for a moment, I should like to read from the declaration of policy:

> The Congress of the United States reaffirms its belief that peace in the world increasingly depends on wider recognition, both in principle and in practice, of the dignity and interdependence of man, and that the survival of free institutions in the United States can best be assured in a worldwide atmosphere of expanded freedom. To this end, the United States has in the past provided assistance to help strengthen the forces of freedom by aiding peoples of less developed countries of the world to develop their resources and improve their living standards, to realize their aspirations for justice, education, dignity, and respect as individual human beings, and to establish responsible governments. The Congress declares it to be a primary necessity, opportunity, and responsibility of the United States, and consistent with its traditions and ideals, to renew the spirit which lay behind these past efforts, and to help make a historic demonstration that economic growth and political democracy can go hand in hand to the end that an enlarged community of free, stable, and self-reliant nations can reduce world tensions and insecurity. In addition, the Congress declares that it is the policy of the United States to support the principles of increased economic cooperation and trade among nations, freedom of the press, information, and religion, freedom of navigation in international waterways, and recognition of the right of all private persons to travel and pursue their lawful activities without discrimination as to race or religion.

I shall not read the remainder of the statement of policy. I merely wish to point out that nowhere in the declaration of policy is it stated that we shall give specific attention to banks, corporations, building associations, or cooperatives. We have left it open. Now the Senator proposes to emphasize separate enterprises—credit unions and cooperatives. I believe in credit unions. I believe in cooperatives. But in this bill we should not emphasize, and that is what is sought to be done.

I point out at this time that for 4 years I have been listening to the proposition that we shall not dominate what these nations are doing as a condition to the granting of aid. Suddenly there is a change. Yesterday I read the declaration that was signed by the Secretary of State.

My own reaction was that we practically tell them exactly what they must do. I am afraid the chickens will come home to roost from the declaration which I read yesterday. I do not feel there is any special advocate of what our economy ought to be who ought to dominate the thinking in the declaration of policy.

Under the language of the bill, the administration could give aid to cooperatives and credit unions.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LAUSCHE. There is no need for specifically designating them.

Mr. HUMPHREY. Madam President, I yield myself 3 minutes.

I invite the attention of my colleague to page 38 of the bill, part III, section 601, entitled "Encouragement of Free Enterprise and Private Participation."

The Congress seeks to lay down, in unmistakable language, what we intend to have done under the terms of the bill. I agree with that.

We had no hesitancy in saying:

> The Congress of the United States recognizes the vital role of free enterprise in achieving rising levels of production and standards of living essential to economic progress and development. Accordingly, it is declared to be the policy of the United States to encourage the efforts of other countries to increase the flow of international trade, to foster private initiative and competition, to discourage monopolistic practices, to improve the technical efficiency of their industry, agriculture, and commerce, and to strengthen free labor unions; and to encourage the contribution of United States enterprise toward economic strength of less developed countries, through private trade and investment abroad, private participation in programs carried out under this act (including the use of private trade channels to the maximum extent practicable in carrying out such programs), and exchange of ideas and technical information on the matters covered by this subsection.

All the amendment provides is that when there is a desire on the part of the host government to have some of these institutions, which have meant so much to the development of our free economy and of our free way of life, they can receive aid from our Government in that effort, in the interest of the program.

Why did the Senator from Minnesota present the amendment? Because of the history. Because of the testimony given before the committee. The testimony before the committee was that there were no people working in the area described by my amendment.

Furthermore, the Senator from Florida [Mr. SMATHERS] offered a very good amendment the other night, calling upon the Government to guarantee loans of savings and loan associations. I am for that. I think it is marvelous.

There should be no ambiguity. I have discussed this problem with responsible officials. Rather than having someone in the Department of State say, "You cannot do this," I suggest that we should spell it out in the language, and say that it is at least permissible. The amendment would not make it mandatory. It would be permissible.

I hope to goodness the Senate will not say, in answer to the collectivization which exists in the field of agriculture in particular, "Let us not develop cooperatives. Let us not encourage them."

This surely is the free way of life. Yesterday Senators placed in the RECORD considerable evidence as to the important necessity for this kind of activity. We have heard arguments about rates of interest. A credit union means more to a farmer in the back country of South America than some big national bank. That is where he can get money.

I should like to have the Government of the United States go on record as providing for these things, if it seems to be feasible. This will be left under the jurisdiction of those who will administer the program.

I had no intention of stirring up such a protest. I cannot imagine anybody being against these things unless he wishes to be against Mother's Day and the Fourth of July.

Mr. DIRKSEN. Madam President, I yield 5 minutes to the distinguished Senator from New Mexico [Mr. ANDERSON].

Mr. ANDERSON. Madam President, I assure the Senator from Minnesota that I am not against Mother's Day or the Fourth of July, but those who examine these questions find themselves in disagreement. The language of the amendment is: "encourage the development and use of cooperatives, credit unions, and savings and loan associations;".

The language in the bill, to precede the language of the amendment, is:

> In order to achieve these basic goals, to the extent practicable, assistance should be based upon well-conceived plans; be directed toward the social as well as economic aspects of economic development; be responsive to the efforts of the recipient countries to mobilize their own resources and help themselves;

Mr. HUMPHREY. There is a semicolon after the word "themselves." It says "help themselves;". That spells out the kinds of activities to be engaged in. One kind of activity is the encouragement of the development and use of cooperatives, credit unions, and savings and loan associations.

Mr. ANDERSON. I have not been in every country on earth, but I used to have quite a few contacts with people from other parts of the earth. Not every country starts, as an official government function, to encourage cooperatives, credit unions, and savings and loan associations.

The basis upon which the language is sought to be put in the bill is that we must encourage these things, that assistance should be based upon these things. If assistance is to be based on the encouragement of the development and use of cooperatives, credit unions, and savings and loan associations, much of it might also be based upon the development of free enterprise in some of these countries.

Mr. HUMPHREY. There is a whole chapter in the bill on that subject. Section 601 deals with it.

Mr. ANDERSON. Why did not the Senator from Minnesota offer the language in that section?

Mr. HUMPHREY. I think perhaps the Senator is correct. I am willing to transfer it to that particular point. The Senator may have a very valid point.

Mr. ANDERSON. That is my only point. I do not believe all the concentration should be on the cooperatives.

Mr. HUMPHREY. I think the Senator has made a very valid point. I wish to modify my amendment, Madam President, to have it apply to part III of the bill, chapter 1, under the general provisions. The amendment would appear at page 38, line 15, after the word "competition."

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

Mr. HUMPHREY. I think it more appropriately fits into that section.

Mr. ANDERSON. I believe it does more appropriately fit there.

Mr. HUMPHREY. The Senator from New Mexico is always able, intelligent, persuasive, and convincing.

Mr. LAUSCHE. Madam President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield 5 minutes to the distinguished Senator from Ohio.

Mr. LAUSCHE. The Senator from Minnesota read from section 601 for the purpose of demonstrating the logic of his presentation that we ought specifically to identify the groups in this section, and that there is a specific identification of business in the section. There is not a single type of business identified in section 601, which appears on page 38 of the bill. The declarations are general. There is one canopy, and all businesses come beneath it. That is the way it ought to be.

Now it is sought specifically to say, "Put the spotlight on savings and loan associations, cooperatives, and credit unions."

I ask the question, Why put a spotlight on them? Why not identify banks, partnerships, cooperatives, and every other conceivable type of business?

Mr. HUMPHREY. Because we have.

Mr. LAUSCHE. Why is there a preferance given to these three?

Mr. HUMPHREY. May I reply?

Mr. LAUSCHE. When the Senator identifies these three he casts an aspersion upon all others. When it is said that special attention should be given to savings and loan associations it is said, in effect, that lesser attention should be given to banks. When it is said that special attention should be given to credit unions, it is likewise said that lesser attention should be given to other lending institutions.

I cannot go along with that proposal. I think a serious mistake will be made if that is done. I believe I have had enough practice in law to know what it means to designate specifically. There is a Latin maxim, "Expressio unius est exclusio alterius." The maxim means, "The naming of one man implies the exclusion of another."

That is the weakness in this presentation. That is all I have to say. I have finished.

Mr. AIKEN. Madam President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. I am fully in sympathy with the proposal of the Senator from Minnesota [Mr. HUMPHREY] that we use credit unions, cooperatives, and other similar agencies to the best advantage in assisting foreign countries. But I think they are all covered in the bill as it is now.

Mr. HUMPHREY. I think they are.

Mr. AIKEN. Every State in the Union recognizes a cooperative or a building and loan association as a private industry, as it certainly is. I believe they are covered anyway. I shall vote for the Senator's amendment, if it comes to a vote, but I think we are using building and loan associations, credit unions, and other forms of cooperatives now to an increasing degree in Latin America, and that is the area we are thinking of right now. I think they are covered, if it is the intent of the committee—as I am sure it was the intent of the committee—that these types of private industry should be used and recognized.

Mr. HUMPHREY. Madam President, I hope the amendment can be taken to conference. If any language needs to be amended for purposes of clarification, if it is felt that it is too exclusive, I surely would like to have such clarification made. The bill is not without specifics. Marine insurance is mentioned in the bill. Housing is mentioned in the bill. Savings and loan associations are mentioned in the bill. I refer to the Smathers amendment. I think all of that is very good. I hope that we take into consideration what has been the practice in the past, which is an effort to release our Government from this type of activity. The only reason I offer the amendment is that we did the same thing in respect to the Latin American aid program. There was no hullabaloo about it. I thought it should be in this program. I still think it should be in the program. I hope we can take the amendment to conference and make it satisfactory.

Mr. FULBRIGHT. Madam President, I agree with the Senator from Vermont. I think the activity referred to is private enterprise. The subject is covered by general language, but I have no objection to specifically mentioning it, because there are other examples in the bill. I am perfectly willing to take the amendment to conference.

Mr. DIRKSEN. Madam President, there has been considerable feeling about the subject. It has been suggested to me that perhaps there should be a yea-and-nay vote on the question. If there is no demand for a yea-and-nay vote, certainly I will let it go by and rely entirely on the statement of the chairman of the Committee on Foreign Relations that the subject will have further consideration when the bill gets to conference.

Mr. FULBRIGHT. Madam President, I yield back the remainder of my time.

Mr. HUMPHREY. Madam President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. HUMPHREY].

The amendment was agreed to.

Mr. DIRKSEN. Madam President, on behalf of the distinguished Senator from New Hampshire [Mr. BRIDGES], who is unavoidably absent from the Senate, I offer an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 56, between lines 17 and 18, it is proposed to insert the following:

SEC. 620. PROTECTION OF DOMESTIC ECONOMY.—No loan or grant shall be made under this Act for the construction, maintenance, or operation of any plant or facility for the production of goods or commodities which are in direct or indirect competition with goods or commodities produced in the United States, or which are intended for export to the United States.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois on behalf of the Senator from New Hampshire.

Mr. DIRKSEN. Madam President, at the outset I should like to submit a brief statement which the Senator from New Hampshire [Mr. BRIDGES] left with me, and then I should like to make some observations on the amendment. I shall not take long. I ask unanimous consent that the statement of the Senator from New Hampshire be printed at this point in the RECORD in connection with the amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BRIDGES

The purpose of this amendment is easily defined. It is to protect American industry, particularly those firms which have already been hard hit by excessive low-cost imports, from still further unfair competition which our foreign aid dollars would help to create.

There is hardly a State in the Union which is not affected by this problem. Industries throughout the country are suffering from an inability to compete with products from low-wage countries. There has been considerable sentiment expressed in this body in favor of granting some relief to these industries, either through the use of quotas or equalizing tariffs.

If we permit foreign aid dollars to be used to construct, operate, or maintain plants which are producing goods in direct competition with American industry, we are merely compounding our errors. We find ourselves in the position of taxing struggling domestic concerns in order to further enlarge the club which is already bludgeoning them.

We have labeled this bill mutual security. I think the dollars which we are now authorizing should be expended in such a way that they will be mutually beneficial, not only to the countries we are trying to help, but also to ourselves. I submit that we are heading in the wrong direction when by spending these dollars we help to drive any portion of American industry into bankruptcy.

I do not believe that the taxpayers of the United States should be compelled to subsidize cheap foreign competition. Such subsidization will eventually permit the complete seizure of certain American domestic markets and cause irreparable injury to American farmers, manufacturers, and taxpayers.

Mr. DIRKSEN. Madam President, I am thoroughly mindful that this is a controversial amendment. I only want to spell out its genesis, because it relates to a field in which sooner or later we shall have to do something.

I could make the discussion very personal. In my hometown is a starch plant, which grinds corn and converts it into starch, glucose, molasses, and all the other derivatives of corn. An identical plant exists in Argo, Ill. There is another plant at Kansas City, and another at Edgewater, N.J. There are plants all over the country that grind surplus corn and convert it into derivatives, even converting it into spiritus frumenti of 90 proof. But that is not involved here.

There are competitive products that come in from other countries. The real competition with starch derived from corn, wheat, and potatoes is tapioca. Tapioca is a tropical product grown in nearly every country in the Tropics. The amount of tapioca imported into the United States in recent times has jumped by leaps and bounds. In the years 1952 to 1954 only 65 million pounds were imported, but in 1960 the amount had jumped to 330 million pounds.

When we talk about surplus corn and the products of the farmer, I point out that tapioca is a displacing commodity, because it displaces the derivatives of corn.

One can multiply the products affected by the amendment. My notion in offering the amendment is this: How in good conscience can we say to a starch company incorporated in the United States, "First, you pay a corporate income tax; second, all your people who come within the proper bracket pay an individual income tax. Then we shall use part of your taxes and we shall pledge your credit to go off to a tropical country and build a plant to dry tapioca starch so that it may be sent to the United States to be in competition with the starch produced from the products of your own soil."

Does such a statement make sense? The International Cooperative Administration—I shall not name the company—last November put forth a dollar financing program for a starch drying plant. I am sure that the workers, the managers, and operators of the American starch plant do not like it.

I fought this battle years ago. Senators may not know it, but I think it is still true that the adhesive which keeps a stamp stuck to a letter is made not from cornstarch, not from wheat starch, and not from potato starch, but from tapioca starch that is shipped here by vessels from areas thousands of miles away.

If the countries want to produce the cassava root—tapioca starch—it is perfectly all right. I have no objection. If they want to send it to the United States, it is perfectly all right, except that I quarrel about the fact that it comes in duty free, and has been coming in duty free as long as I can remember.

So we have American starch plants. How can they compete with such operations? Give the tapioca plants a little while and the operation will double. If we are to use the taxpayers' money to build starch drying plants, I suppose some of our own will go out of business. Then, of course, the men who have jobs in the plants in our country, and receive a livelihood out of which they pay taxes to their Government, will be in our hair.

These incidents can be multiplied any number of times. I can understand when it is said that what we are asked to do is to enact a kind of indirect tariff. I have the names of several countries in which this activity is now occurring. I wonder how long the competition will continue? When we see increases occurring now, how in good conscience can we say to the people in Peoria, Argo, and Decatur, Ill., "Do not bother us now. We are going to take your money so that ICA will have enough credit and enough cash to build a plant far away from here so that the products can come in and compete with the product that flows from your factory."

Sooner or later we must come to grips with this problem. It is serious. We need not limit the problem to starch. We can apply it to every commodity. We can apply it to shoe plants. Shoes are sent into the United States in competition with American-manufactured shoes. In all good nature and conscience, how long can we say to our people, "Divvy up your money, and when we get it, we will use part of it to build a competing plant 10,000 miles away, and because the product comes in duty free, we are going to let it take its course, and perhaps it will put you out of business."

They put up the money to put themselves out of business. That is the principle that is involved.

I believe that somehow, somewhere, we must draw the line. That is what this amendment is intended to do.

Mr. FULBRIGHT. Madam President, I hesitate to seek to match the eloquence of the great Senator from Illinois in this field. This is not a new field. This question has been argued certainly since the beginning of our country as a Nation. I can only say that there is another side to this question. On balance, our exports are still greater than our imports. The only way people can buy our exports is by selling us something. Perhaps they do sell us some starch, but they also buy soybeans from Illinois and automobiles from Detroit, and they buy other commodities as well. They buy cotton from my State, and they buy rice, and so on. This is all a part of international trade.

The amendment would merely mean that we could not carry on any program at all. I do not know of any better way to destroy the foreign-aid program than by adopting the amendment. Of course, it would be much simpler and recognizable to say, "We hereby repeal the foreign-aid program." I cannot think of anything that would not be either directly or indirectly in competition in the world market with something that we might produce, unless, perhaps, it is some exotic fruit such as bananas. I do not know whether they are raised in Hawaii or not.

I do not believe that we could even promote technical assistance if it enlightened someone and taught him to read and write and thus enabled him to become an engineer, because the manufacturer of shoes or something else would be indirectly in competition with the United States.

There is nothing that could be done under the bill that would not be eliminated if the amendment were adopted. This is a complete return to—what shall I say? high protectionism? No, it goes further than that. It would stop completely all international trade.

Mr. LONG of Louisiana. Madam President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LONG of Louisiana. The Senator mentioned bananas. I was formerly under the impression than mangoes were not produced in the United States. I hope the Senator had the good fortune of receiving some mangoes recently called Smathers mangoes, produced by a firm which had been helped by Senator SMATHERS, of Florida, to promote this fine product.

Mr. FULBRIGHT. They were the best mangoes I had ever tasted. I have tried to persuade the Senate Restaurant to put them on the menu, but they have refused to do so. I wrote them a letter asking them to do it.

However, under the language of the amendment, we could not assist a country to build any kind of plant to increase any kind of its agricultural production that I can think of which would not be indirectly, at least, in competition with this country.

This is somewhat in the nature of a return to what we tried to do under the Smoot-Hawley tariff. I do not believe the results are very happy when we try to do that.

Painful as it is—and I have some companies in my State—this is not the way to do something about it. Certain companies in my State are complaining. At the moment one in particular is crying its eyes out about the importation of ceramics from Japan. I am very sympathetic. I do not mean to say that something does not have to be done about it. I think some reasonable form of quotas or limitations must be developed in certain cases. However, I do not believe we can return to a complete stoppage of international trade. On balance, as I say, this country still has a favorable balance of trade. The deficit in our payments is not caused because we have not sold more abroad than we have bought. We still do, by a very substantial margin. The deficit arises from other obligations that we have undertaken aside from trade.

The amendment would be absolutely destructive of the bill. I certainly cannot accept it. We would not have any bill if the amendment were incorporated into it and enforced as it is written, because there is nothing we could do that would not be indirectly competitive with some of the products made in this country.

I do not wish to prolong this argument. We have found by experience that there are temporary periods of great distress in some individual industries. There is even disaster in some. However, those countries which have developed the most industrially and otherwise eventually have become our best customers. I refer to such countries as Canada and Japan. Japan, while it is causing trouble in certain specific industries, is still our best customer in respect to many other very important products manufactured in this country.

That is the way events have worked out. The problem is somewhat along the same line as the problem our northern friends had in New England. They protested that any loan being made by RFC to finance the building of a factory of any kind in the South was destructive of industry in New England. It has not proved to be that way. Some specific industries in New England have declined, but other, more profitable ones,

have taken their place. Today New England has not suffered relatively as much as has the general economy of this country.

We have argued this subject for years. We believe the experience of the past 20 years has justified the validity of our argument, and that New England was wrong.

I cannot accept this amendment. I certainly hope to be able to dispose of it without a yea-and-nay vote. However, I am prepared to ask for one if necessary.

Mr. DIRKSEN. The distinguished chairman of the Foreign Relations Committee has failed to put the emphasis where it ought to be placed. If we are to summarize it, we should put it in the mouth of an American businessman who addresses himself to Congress and says in effect, "What right have you, by virtue of legislative and taxing authority, first to take taxes out of my corporate pocket and out of my individual pocket and use the money to go 10,000 miles from home and build a plant to produce a commodity and then have it come back here duty free, which in essence starts to put me out of business and diminishes my market?"

That is quite a different thing. He has a legitimate gripe. Businessmen are beginning to gripe. We are hearing more and more complaints. That would be true of shoes also. What would a shoe company say—there are a great many of them at home—if we subsidized the building of a shoe plant far from home with cheap labor, and then allowed shoes to come to this country and be sold in competition with shoes that are manufactured here, often brought in duty free, or at a duty which is advantageous to the importer?

Mr. AIKEN. I believe the Senator's amendment is worded wrong. We should have restrictions on the amount of the products that can be resold in the United States. The wording of the amendment is so strict that we could not even lend money for a shoe plant in Venezuela if that plant sent any of its shoes into Colombia, or even if it sold them in its own country, if some American concern wanted the business, because that would be competition.

Furthermore, the amendment is worded so tightly that we could not lend money to construct a sugar mill or a sisal mill in the Philippines if it were desired to export any of the products to the United States. The amendment is too tightly worded.

Mr. DIRKSEN. The Philippines come under a special act.

Mr. AIKEN. We must devise some plan, because the situation is serious. We have been paying bonuses for exporting industry and capital from the United States. We must find a way to check it. So far, most of it has gone to Western Europe. Our competition has largely come from Western Europe. At the same time, Western Europe has always been our best customer up to now. However, if the contemplated trade restrictions are put into effect, we shall certainly have to protect ourselves against them and their adverse impact on fair competition. I hope the Senator will continue to work for some protection for American producers along this line. However, I believe that this amendment is too strict.

Mr. FULBRIGHT. This is the type of bill that should go before the Committee on Finance for its regular consideration in connection with the question of tariffs and the protection of industry. This is an extremely difficult problem. It will become worse. With the development of the Common Market, and with Great Britain joining and the other seven going along with it, if we do not use our heads carefully and our best brains, we shall be faced with a much worse situation in the near future.

I guarantee the Senator that this proposal is not the answer to the problem. The amendment would not solve the problem at all. Some much wiser approaches will be required. I do not know what the answer is, but I foresee now that within a short period we shall be faced with much more serious competition than confronts us today from a market of 325 to 350 million people, who are the most skilled and highly industrialized people in the world. They will offer real competition. I am not so certain that we may not have to join them if we cannot compete with them. I do not know whether we can hold our own with them. The situation is difficult. My State of Arkansas is similarly affected. A number of factories in my State suffer from such competition. But the Senator's amendment is not the way to deal with the problem.

The adoption of the amendment would mean a complete nullification of the whole program. The motive for most of the foreign developments is the national security. We support foreign countries to enable them to withstand the onslaughts of communism. That was the dominating thought in the Marshall plan. We did not recreate the industrial capacity of Western Europe merely to compete with us or because we wanted competition, but because, as between alternatives, either we had to let the countries of Western Europe go down the drain and become satellites of communism or we had to strengthen them. Necessarily, as we have strengthened them, we have created some competitors, and so we have had to pay the price. However, on balance, heavy as the price may be, it was worth it, because those people are independent and are devoted to the same ideals of society as we are. That was what was involved.

Mr. DIRKSEN. Madam President, I have only one further comment to make. I do not place the emphasis entirely on economic grounds. A moral consideration is involved. Here is a man who, by virtue of prudence, saved enough money to build a plant. As time went on, through his wise and prudent management, the plant began to grow.

Then, suddenly, out of a clear sky, he discovered that his government was taking his tax money—in part, at least—and was spending it 10,000 miles from home in order to build a plant to compete with him. How in the name of good conscience and good morals can that be justified? It is not a question of economics alone.

Finally, if the competition becomes rough enough, he will be put out of business. He can go back in the corner, in all his bitterness, and say he spent a lifetime with his family, saving to build a plant to enrich himself and enrich his fellow citizens. But what happened? His government has put him out of business. If that is not an immoral undertaking, then I have no name for it.

Mr. CURTIS. Madam President, I thank the distinguished Senator from Illinois. I concur in what he has said. I hope he will pardon me if I call his attention to a fact which he omitted. It is a very important factor.

Mr. DIRKSEN. There are many factors. Time does not permit a discussion of all of them.

Mr. CURTIS. While the Government was taking tax money away from the man who built the factory, taking it from his corporate and his personal funds, in order to create competition, it was also taking tax money out of the pay envelopes of every person who worked for him, in order to build the competition.

The difficulty does not stop there. Following World War II, U.S. taxpayers financed a former munitions maker in Italy to enable the production by him of motorcycles, motorscooters, and the like. The industry in the United States came to Congress and asked to have the tax removed, because they were industrious. Congress granted this request. As the distinguished minority leader has stated, the working people of the United States, as well as the capital itself, are being taxed not only to assist foreign industry, but to establish it initially. The assistance of foreign competition by the United States cannot be defended on moral grounds.

The fact that the opponents of the amendment say it is too stringent is a compliment to the drafters of the amendment. That indicates that it will work.

The illustration with respect to sugar is not apropos at all. Sugar is covered by special legislation. There is no way the Committee on Finance can reach this problem, because the Committee on Finance has nothing to do with either authorizing or appropriating funds for foreign aid. I sometimes wish the distinguished Senator from Virginia [Mr. BYRD], the chairman of the committee, and his ranking Republican colleague, the distinguished Senator from Delaware [Mr. WILLIAMS], were in charge of foreign-aid legislation, but they are not. There is nothing the Committee on Finance can do about the problem, as was suggested by the distinguished Senator from Arkansas.

Mr. DIRKSEN. Madam President, I add one observation, in the light of the statement of the Senator from Nebraska. Every Senator has received many letters to the effect that the Export-Import Bank and the Treasury have now established a new principle; namely, that when a U.S. corporation goes abroad for the purpose of meeting competition, its

foreign subsidiaries are regarded as having been established for tax evasion purposes. That is it. The Government "gets" them going and coming.

I shall not ask for a yea-and-nay vote on the amendment. If some other Senator wishes to do so, that is agreeable to me. I desired to make the case, because the case is going to be with us.

We hear talk about "structural unemployment." It is about as high now as it was 12 months ago. More people are coming into the labor market, but there is no leveling of unemployment. Unemployment now goes under the euphonious title of "structural unemployment." How do we meet that? Only by production and by the capacity to sell in our own markets. In proportion as it is displaced, it will be possible to climb up on the unemployment problem very quickly.

So I emphasize over and over again that I do not care about the imports that come in and the exports that go out. That is not the question. When the taxpayers' money is taken and sent abroad to build plants to compete with our domestic manufacturers, and the domestic manufacturers are put out of business, that is what is involved.

Mr. BENNETT. Madam President, will the Senator from Illinois yield me 3 minutes?

Mr. DIRKSEN. I yield 3 minutes to the Senator from Utah.

PITFALLS IN THE PRESENT FOREIGN-AID BILL

Mr. BENNETT. Madam President, the final vote on the foreign-aid bill, which is expected in the Senate today, is going to be a test of the determination of Congress to retain control over the international commitments of this Government.

Never before in our history have we been faced with quite the choice we are faced with on this bill, which, because of the defeat of the Byrd amendment, grants the executive virtually limitless authority to control the pattern of spending of billions of dollars in foreign nations with no effective controls by Congress.

The administration has insisted that without the authority to make long-term plans, absolutely free of any congressional review, foreign aid cannot be effective. As a matter of fact, there is nothing in the present arrangement to prevent long-term planning. True, there are limitations which prevent lump-sum handouts, to be spent over a long period of years, but the planning of these projects can be done on a long-term basis, with annual appropriations geared to the current need.

The back-door financing feature of the foreign-aid bill is just one disquieting aspect of this legislation. In addition, there are other reasons for taking a more careful look at this bill. The action taken this week at the Punta del Este Conference, in committing this Nation to the expenditure of upwards of $20 billion for aid to Latin America over the next 10 years, without having first made sure of congressional approval, was a disconcerting development. In effect, we have now been given an ultimatum by the administration to accept this commitment in full, or to risk the charge that the United States would be backing down on its promises if we fail to give the administration everything it asks for.

In connection with Latin America particularly, there is one development which I think must be given careful consideration before we begin pumping large-scale aid into these countries. I refer to the fact that investors living in Latin America are failing to invest in the future of their own countries, and are sending much of their capital to Europe and elsewhere for investment. In fact, they are doing this at such a rate that it is doubtful that we can pour enough money into Latin America to offset this outflow of local capital. To me, this indicates a need for a more effective type of aid than direct government-to-government grants and loans, which should be of a temporary nature and which should gradually taper off and disappear as economic stability is achieved by the recipients of the aid.

In view of this fact, serious consideration should be given to ways of encouraging existing private Latin American capital to remain there, so that U.S. investment in Latin America could be an addition and not merely a replacement in building up the economic resources of the continent. If this could be assured, channeling of our assistance through their own free enterprise system would insure more careful spending. I am sure no privately owned company would be guilty of the waste which has been revealed in the economic aid programs in such countries as Laos, Cambodia, and Peru.

Above all, we must be sure that we do not weaken either our traditional American economic philosophy or the American economy itself through unwise economic foreign aid programs. The greatest single weapon we have in the cold war—and the greatest weapon we would have in a shooting war—is the strength of the American economy. If permitted to become a permanent and ever-increasing drain on American tax dollars, the foreign-aid program cannot help but weaken our economy. The gold outflow which caused so much alarm last winter was slowed down temporarily, but it has already begun to increase again. Foreign aid is an important factor in that outflow of gold. A cutback in the total volume of foreign aid, and a wiser administration of the program, could very well be of more longrun advantage to all of the free nations than a program which threatens to erode the economic rock to which the free world is anchored. Because under this bill the power of Congress to review and control it is reduced, I cannot support it.

The PRESIDING OFFICER. Is the remaining time yielded back?

Mr. DIRKSEN. Madam President, on this amendment there is some disposition to request the yeas and nays. As for myself, I do not care.

Mr. PASTORE. Madam President, I hope the yeas and nays will not be ordered. The amendment relates to a problem which has disturbed us very greatly for years. The industry has been facing the greatest difficulties, and, of course, it is urgent that the necessary action be taken.

But I hope the request for the yeas and nays on the question pertaining to this amendment will be withdrawn, for this is neither the time nor the place to press for them.

Mr. DIRKSEN. Madam President, I merely wish to say that I am not disposed to request the ordering of the yeas and nays. My anxiety is to have a solution of the problem reached.

Mr. PASTORE. I agree with the Senator from Illinois.

Mr. DIRKSEN. We have done all too little about it. Yet we proceed on this immoral course in connection with our own industries.

Mr. PASTORE. But I think the Senator from Illinois realizes that the amendment is much too stringent at this time.

Mr. DIRKSEN. It could be.

Mr. PASTORE. Perhaps at this juncture we could well have a statement of policy, but I hope a yea-and-nay vote will not be taken on this amendment at this time.

Mr. COTTON. Madam President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. COTTON. Madam President, I am constrained to agree. I wish to say that I have served for several years on the subcommittee of which the distinguished Senator from Rhode Island is the chairman, and we have been deeply interested in this problem. The Senator from Rhode Island, along with the distinguished Senator from North Carolina, the other member of the subcommittee, has rendered conspicuous service in this field, and he has done so earnestly and constantly, as have the rest of us. I believe he is right in saying that the issue should not be forced to a yea-and-nay vote in this instance.

I had hoped that the amendment might be adopted, even though such a course might seem to amount to parliamentary maneuvering. Nevertheless, it has been indulged in since almost the earliest days. I had also hoped that the amendment might be taken to conference, as a little object lesson and warning which might have some impact on the handling of the problem in future days.

But I can understand that so highly important a measure as this foreign aid bill, which has required so much long, hard work, both in committee and on the floor, should not be used as a vehicle for that endeavor, meritorious though it may be.

I agree with the Senator from Rhode Island that this question has very wisely been brought to our attention, but I hope there will not be a yea-and-nay vote on it at this time.

Mr. DIRKSEN. Madam President, I must state that I am not attempting to use this measure as a vehicle for an unrelated amendment. This amendment goes directly to the funds authorized by the bill to be appropriated, and also to the purpose for which they will be employed. So if this amendment is not germane to the pending bill, I do not know what the word "germane" means.

Mr. PASTORE. I agree. My objection, however, is to the timing. As a matter of fact, our negotiators are going to Tokyo, next week, in order to work out the voluntary quota which has been proposed by the President in order to relieve the textile industry in the United States.

So I am glad the suggestion has been made today; and at least all are now alert to the need for this action. When Senators vote to give such aid, they vote to export the jobs of American citizens.

However, I hope the yeas and nays will not be ordered on this question. At the moment we do not wish to disclose how strong our hand is.

Mr. COTTON. Madam President, I apologize for using the word "vehicle." But I hope that in the very near future the measure will be used as a club, because this is what we must do.

The PRESIDING OFFICER. The Chair understands that on this question the yeas and nays have been requested. Is there a sufficient second?

The yeas and nays were not ordered.

Mr. KEATING. Madam President——

Mr. DIRKSEN. Madam President, I yield 4 minutes to the distinguished Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 4 minutes.

Mr. KEATING. Madam President, I feel in conscience bound to mention briefly a matter which relates to one aspect of the bill.

The PRESIDING OFFICER. The Senator from New York.

PRINCIPLES NEEDED TO COMPLEMENT A STRONG FOREIGN ASSISTANCE PROGRAM

Mr. KEATING. Madam President, the United States has traditionally and consistently taken a firm stand in the matter of human rights. It alarms me that the executive and the legislative branches of the Government seem rather reluctant to state these rights strongly and vigorously, and to uphold them with consistency, especially in the present period of international crises.

The preamble to the Senate version of the foreign aid bill disappoints me, because, although it does refer to the principles of freedom of the seas and nondiscrimination, an amendment added by the Foreign Relations Committee vitiates to a great extent the effect that this reference to principles might have. The preamble states, in rather weak language:

> In addition, the Congress declares that it is the policy of the United States to support the principles of increased economic cooperation and trade among nations, freedom of the press, information and religion, freedom of navigation in international waterways, and recognition of the right of all private persons to travel and pursue their lawful activities without discrimination as to race or religion.

The committee amendment declares that in the administration of these principles the United States will "avoid taking sides in any controversy between countries having friendly relations with the United States while urging both sides to adjudicate the issues involved by means of procedures available to the parties."

In short, Mr. President, this clause says the United States will do nothing to uphold the principles for which we have battled for years. If we are going to do more than wave these words like insignificant handkerchiefs in a turbulent sea, if we are going to do more than issue euphemistic but meaningless platitudes, if we are going to stand up for the rights we have always supported, we must demonstrate a truly organic, fully integrated policy which puts our principles into practice.

It has been argued that attempts to bring pressure upon countries to live up to the principles and objectives of the American people are in no way relevant to the foreign-aid program.

Madam President, is it possible, in this complex age, to have any program of the Government put into a vacuum, and isolated from the streams of policy? Can we make an intelligent overall policy in such a light? If we divorced all of our individual programs from the overall aspects of our policy, we would soon have a chaos of atomized contradictions. Madam President, in matters of government, all programs are necessarily part of an overall Government effort. All programs should reflect the Government's total policy. This is definitely true of the foreign-aid program. Any other view of our assistance program would be inconsistent with its very objectives and the objectives of American foreign policy. We must look at foreign-aid programs carefully, so that our individual programs widen the main streets of our Government's policy, rather than end in a series of blind alleys. We must correlate and integrate our total policy, so that our traditional stands on human rights are strongly expressed, and so that our present programs do not work at loggerheads with one another.

Madam President, the foreign-aid bill is an Act for International Development, stressing long-range goals and delineating broad perspective on international problems and American policy. A shortsighted view of a long-range goal can lead us down an ominously dark corridor to confusion.

The inclusion of this do-nothing policy clause vitiates the entire purpose of long-range planning for international development and understanding. It is contrary to the stated policies of helping the peoples of the world to realize their aspirations for justice, dignity, and respect as individual human beings, when we virtually encourage nations to continue the hindering and discriminatory tactics that we have abhorred in the past.

Madam President, this is a case of principles. But both the language and the administration of these principles should concern us. The bill must be administered in such a way as to give effect to these principles.

At present, of course, there is a situation in which these principles specifically apply; namely, denial by the United Arab Republic of the right of freedom of navigation in the Suez Canal and Arab discrimination against American Jews in regard to the recognition of the right of private persons to travel and pursue their lawful activities without discrimination as to race or religion. The U.S. Government provides assistance to both the United Arab Republic and Israel, but it is clearly contradictory to attempt to help one nation while another nation, also a recipient of U.S. aid, is trying to undermine the development of the first nation. Such a state of affairs is contradictory to the entire thinking behind the Act for International Development of 1961.

The unequivocal language of the 1960 Mutual Security Act, which the Senator from Illinois [Mr. DOUGLAS] and I introduced, called for action to prevent any violations of international law.

The administration has seemed strangely reluctant to give full and strong implementation to this amendment in last year's bill. If we do not strengthen and enforce the rights implicit in this amendment, we shall be abandoning our traditional principles and abrogating the lawful responsibilities we have assumed.

We must administer a total policy, a total program, which is in accord with, and protects, American principles and American persons. We must enunciate and enforce these principles with a strong statement of policy in foreign aid, as well as elsewhere.

Madam President, the strongest nation in the world should not follow a do-nothing policy where American principles, United Nations principles and decisions, and principles of international law are involved.

Madam President, I should like to call the attention of the Senate to the preamble of H.R. 8400, now before the other body. H.R. 8400 contains a combination of the statements of policy found in the mutual security laws of 1959 and 1960. The bill states:

> (e) It is the sense of the Congress that inasmuch as—
>
> (1) the United States favors freedom of navigation in international waterways and economic cooperation between countries; and
>
> (2) the purposes of this Act are negated and the peace of the world is endangered when countries which receive assistance under this Act wage economic warfare against other countries assisted under this Act, including such procedures as boycotts, blockades, and the restriction of the use of international waterways; and
>
> (3) any attempt by foreign countries to create distinctions because of their race or religion among American citizens in the granting of personal or commercial access or any other rights otherwise available to United States citizens generally is repugnant to our principles; assistance under this Act and the Agricultural Trade Devolpment and Assistance Act of 1954, as amended, shall be administered to give effect to these principles, and, in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this Act or arising under the Agricultural Trade Development and Assistance Act of 1954, as amended, these principles shall be applied, as the President may determine, and he shall report on measures taken by the administration to insure their application.

This is a strong, reasonable statement, which contains the significant clause—

> Assistance under this Act and the Agricultural Trade Development Act of 1954, as

amended, will be administered to give effect to these principles.

To integrate our programs, policies, and principles effectively, I believe that the preamble prepared by the House Foreign Affairs Committee is necessary.

Madam President, I hope that when this bill goes to conference, this will be one place where the House language will prevail, and that the House conferees will not yield to accept the watered-down, largely meaningless language which the Senate committee has brought to us.

Mr. JAVITS. Madam President, will my colleague yield to me?

Mr. KEATING. I am glad to yield.

Mr. JAVITS. I thank my colleague.

My colleague [Mr. KEATING] and the Senator from Illinois [Mr. DOUGLAS] fought a very good fight and won what I regard as an outstanding victory. Certainly the fruits of that victory should be preserved and must be preserved. At that time I was in Europe, engaged on NATO business. Prior thereto, my colleague [Mr. KEATING] and I fought very hard to have steps taken to end discrimination against American citizens, including those who serve in our Armed Forces—in particular, those stationed at the Dhahran Airbase, in Saudi Arabia, who had been discriminated against because of their religious faith.

I join my colleague on this issue, and I compliment him on the statement he just now made and on the valiant fight he made and won; and I also join him in urging the committee to accept the language used by the House of Representatives, rather than what I consider to be the rather diluted version the Senate committee has included in regard to what was done in 1950 and 1960 in connection with these matters.

Mr. KEATING. I thank my colleague.

Mr. BUSH. Madam President, will the Senator from New York yield to me?

Mr. KEATING. I yield.

Mr. BUSH. I am glad the Senator from New York has raised this question. I congratulate him on his presentation of it, and I associate myself with the views he has expressed in regard to the action which takes place on this matter when the conference is held.

I also congratulate the Senator from New York on his efforts to accomplish the end for which he has fought so long, and I applaud his continued integrity on this issue.

Likewise I associate myself with the views the senior Senator from New York has just expressed on the matter.

Mr. KEATING. I thank the Senator from Connecticut very much.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. DIRKSEN. I yield back my time.

Mr. FULBRIGHT. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DIRKSEN].

Mr. WILLIAMS of Delaware. Madam President, I ask for a division.

On a division, the amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. COTTON. Madam President, I ask unanimous consent to have a statement, prepared by the Senator from New Hampshire [Mr. BRIDGES], printed in the RECORD following the third reading of the bill. The Senator from New Hampshire is unavoidably absent at this time, and he had preferred to make a statement on the bill just after its third reading and prior to its passage.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BRIDGES

As I have listened to the lengthy debate on this foreign aid authorization legislation, I have had many mixed feelings. I have heard convincing arguments favoring various aspects of the bill—and I have heard convincing arguments against various other aspects of the bill. I have tried to search my conscience, evaluate the arguments, and cast the votes which, in my opinion, are the ones that will best serve this country.

All of us know that this country—and indeed the world—is in a critical situation today. I will not belabor that point. And I am sure that all in this Chamber agree with me when I say it is the duty of all of us to do our part to help the country—and the world—out of this situation. Many times it is difficult to know just where the path to "out" lies. That decision rests with each of us individually.

By my evaluations, my votes, and my amendments—three of which have been adopted by the Senate, I have tried to make this bill more into what I think will be best for all involved. I have tried to make this bill more selective, more effective—and I have tried to eliminate unnecessary waste.

Since the days of the inauguration of the Marshall plan in 1948, I have been a friend to any reasonable foreign aid programs. Oftentimes, foreign aid is thought of as a relatively new undertaking in this world. This is not true, for foreign aid is as old as this Nation itself. Foreign aid was well known to George Washington and indeed vital to the success of our Revolution. Only at that time, the pendulum was on the other end of the swing—we were the ones receiving foreign aid. France came to our aid with money and supplies. One may wonder if Washington could have successfully led this country in winning its freedom and independence without this foreign aid.

In the opinion of many, the United States has three good reasons for aiding the other peoples of the world. It is our humaritarian tradition. It serves American needs for markets and raw materials. It helps to preserve the freedom of other nations against attempts by international communism to exploit and dominate them, indirectly promoting the security of the United States in a free world.

In some situations our foreign aid programs have been successful. The Marshall plan, designed to rebuild the economies of the countries of Western Europe, was highly successful. In almost all arguments presented in favor of foreign aid this success of the Marshall plan is cited as a case in point. The Marshall plan was unquestionably a gamble, a definite risk. Fortunately for us, and the world, it was a gamble that paid off.

I do not think that this foreign aid bill is the best one that can come out of this Congress by any means. And, as I said earlier, I have done my best by the means available to me to change the bill into more what I would like to see. The period of modification, change, and amendment has now passed. We are now faced with the final problem—the passage of the bill.

Foreign aid programs recently have been lumped collectively under one common name in the vernacular—mutual security. The word "mutual" is the key. We may or may not be helping the other countries of the world by our aid; we may or may not be helping our own country by our giving. But, if growth, development, and security are attained, they are "mutual." It is "mutual" security for the whole world.

As Abraham Lincoln said, "Let us have faith that right makes might, and in that faith, let us to the end, dare to do our duty as we understand it."

Because of that, because all of us can only vote for or against the bill as it now stands, and in the interest of this country, I am going to cast my vote in favor of passage of this legislation. As I cast my vote, however, I will be praying that only the good results will come from this program. I will be praying that the necessary guidance will be given us to avoid all the many bad results that could come from the program.

Mr. BUSH. Madam President, I shall vote for S. 1983, the proposed Act for International Development of 1961, because I believe that foreign aid is an unavoidable responsibility and a central instrument of the foreign policy of the United States in this time of world tension.

Grave concern was aroused in my mind by the bill as initially proposed by the Kennedy administration. It called for excessive dollar amounts of foreign aid, and for too great a delegation of power to the executive branch of the Government.

Fortunately, some of the more glaring defects of the bill have been corrected during the course of debate on the Senate floor. An example was the adoption by a unanimous Senate vote of an amendment I sponsored which provides that no assistance under the act may be given to any country unless the President has determined that such country is not dominated or controlled by the international Communist movement. While it still contains provisions to which I object, the bill has been sufficiently improved so that I can vote for it with a clear conscience.

The major controversy over the bill arose because of the proposed financing of a $8.8 billion Development Loan Fund through direct borrowings from the Treasury over a 5-year period.

The distinguished senior Senator from Virginia [Mr. BYRD] proposed an amendment which while authorizing the fund on a 5-year basis would have required annual appropriations. Although I share Senator BYRD's distaste for so-called back-door financing, and have opposed it on several occasions when other legislation was under consideration, I became convinced during the debate that the appropriations process was an inadequate method for insuring proper congressional control over the Development Loan Fund.

There have been widely publicized failures in our foreign-aid program—failures which have received far more public attention than the considerable successes it has achieved. But all the instances of waste and mismanagement which have been brought to light—in Laos, Peru, Iran, Korea, and Cambodia, to cite only those most often mentioned recently—occurred while the program was subject to annual appropriations.

The Appropriations Committees of the House and Senate have done good work in exposing some of the weaknesses in the foreign-aid program, but the exposures came after the mistakes had been made. The committees, in effect, were in the position of seeking to lock the barn door after the horse had been stolen.

Accordingly, with Senators SALTONSTALL, KEATING, and others, I sought to find a way by which Congress could maintain control of the Development Loan Fund before the executive branch entered into substantial commitments. Our efforts eventually bore fruit with Senate adoption of the Dirksen-Fulbright amendment, a merging of proposals made by the distinguished minority leader and the distinguished chairman of the Committee on Foreign Relations which I suggested on the Senate floor. The amendment, in effect, gives Congress a 30-day advance review of proposed loan commitments in excess of $5 million and a veto power over such loans if it disapproves.

Thus, Congress retains effective supervision over the new program contemplated by the Development Loan Fund. Additionally, the Appropriations Committees of the Congress retain their traditional power over administrative expenses of the DLF. All other programs in the bill will be financed by the appropriations process, and as a result will be, of course, subject to the authority of the Appropriations Committees.

During debate, it became evident that the dollar amounts requested by the administration were excessive and, in some instances, beyond the capacity of the executive branch to expend or commit economically and efficiently. Therefore, I joined with a majority of the Senate, representing both sides of the aisle, in supporting amendments which reduced the Development Loan Fund by $800 million and funds for military assistance by $250 million. I also voted to limit the borrowing authority for the DLF to 3 years, but this amendment failed of adoption.

Although I would have preferred a larger cut in the Development Loan Fund and voted for a reduction of $1.5 billion proposed by Senator LAUSCHE, of Ohio, the reductions which have been accomplished do make the bill more satisfactory.

As I have said, I am aware of the widespread criticism of foreign aid and the too frequent evidences of mismanagement, ineffectiveness, and waste in its operation. The answer to such criticism is not to terminate the program, but to improve it. The responsibility for improvement lies chiefly with the administration. But the Congress must scrutinize the whole program more closely.

S. 1983 offers the administration an opportunity to make our foreign-aid programs work better. This effort deserves bipartisan support. Accordingly, I shall vote for the bill.

Mr. FULBRIGHT. Madam President, I ask unanimous consent to have printed in the RECORD at this point a telegram received by me from Mr. William R. Burke, national commander of the American Legion.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *August 18, 1961.*

J. WILLIAM FULBRIGHT,
Chairman, Senate Foreign Relations Committee, U.S. Senate, Washington, D.C.:

During the past 6 months as national commander of the American Legion, I have personally visited the world fronts where freedom of mankind faces the greatest crisis in civilized history. I have seen the deplorable crushing tactics employed by world Soviet communism and from three experiences I am convinced that there can be no price tag on freedom.

As the most powerful defender of freedom in the world, we must make sure we take the steps necessary to secure that freedom from jeopardy forever. The foreign-aid program proposed by President Kennedy is an extension of actions we began over a decade ago. If it is necessary we pledge ourselves further we must do so. Proof of this is evident in our recently organized North and South American "alliance for progress" effort.

The American Legion, 3 million strong, has supported necessary foreign aid during the past three national conventions, with but one reservation, that of being unalterably opposed to any aid to communistic nations or their satellites.

May I urge you to support the foreign-aid legislation now before the Senate and the House of Representatives so that it may be properly effective and thus offer enemies of freedom further evidence that we will not turn back from Berlin or Cuba or the Far East no matter what the cost.

WILLIAM R. BURKE,
National Commander.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. FULBRIGHT. Madam President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Madam President, the Senate has almost completed a week and a half of consideration of the foreign-aid bill.

I think great credit is due to the distinguished Senator from Arkansas [Mr. FULBRIGHT] for the diligence, integrity, energy, and devotion to duty which he has shown. He is truly one of the great chairmen of the Foreign Relations Committee in the history of the Senate. I think great credit also is due to all the members of the Foreign Relations Committee, both Republicans and Democrats, who sat through the hearings, to the distinguished minority leader, who has been so kind and cooperative during the course of the debate, and to the entire membership of the Senate, who have shown understanding and tolerance.

We are now on the verge of a final vote on the foreign aid program. The bill, in its present form, is substantially that which was reported by the committee. I think it is a good bill which, if it is generally sustained in the House, points the way to significant improvement in the effectiveness of the aid program and the saving of public funds on this enterprise in the years ahead.

However, I think we should bear in mind that, with this bill, we will have merely paved the way. On other occasions we have thought that we had set the course for major improvement, only to discover later that little had changed. In point of fact, the major action we have taken, that is, the new method of long-range financing upon which so much of the hope for emendation is based, affects directly only a segment of the aid program. It affects only loans to other nations which are repayable to us. I would caution, therefore, against expecting very much from the change which we have made in this aspect of the program unless there are far-reaching changes in other aspects. Of this aid authorization, $1.2 billion is involved in the Development Loan Fund. The difficulties of the aid program, in the past, have rarely been associated with loans, but, rather, with grants which form the major part of this $4 billion aid bill—the part which is not repayable, the part for which we shall go on making annual appropriations. The basic problems of the aid program, Madam President, go much deeper than how we may finance lending operations. They go largely to the grant aspect of this program.

I base this observation, Madam President, on years of participation in committees in hearings on foreign aid. I have watched old spokesmen for the program go and new spokesmen arrive—Republicans and Democrats both. I have listened to any number of Presidential messages and debates on this subject. I have inquired in depth into the program in special and subcommittee study, as one Senator trying to do his job.

As the Senate knows, I have been critical of foreign aid for a long time. I remain critical. I remain critical even though the legislation this year is sponsored by an administration of my own party.

I remain critical not because improvement cannot flow from the revisions in the act which have been engineered by the Committee on Foreign Relations. I remain critical because the following conclusion has become steadily more inescapable over the years: The Congress can alter this program drastically or abolish it with a meat ax, but no matter how this act is drawn or redrawn, legislation can never provide more than a small part of a discriminating answer to the difficulties of foreign aid. What matters far more in finding that kind of answer is how the program is fitted into our foreign policies and how effective those policies are in the first place. What matters far more is how the aid program is carried out in the enormous detail of administration, day in and day out, month in and month out, year in and year out.

In these terms, Madam President, there is not yet an assurance of a new approach to foreign aid. There is not yet an assurance that foreign aid will be shaped to the purposes of foreign policy rather than continue as a kind of soporific of our diplomacy. There is not yet an assurance that the realistic possibilities of aid will be separated from the jumble of illusory expectations and that these possibilities alone will be pursued with vigor and dispatch. There is not yet an assurance that the complex, costly, cumbersome overadministration of the program will be made more effective.

There is not yet assurance on any of these points for the simple reason that performance alone, not words, can provide such assurance. And, at this point in a new administration there can only be the words, the promise that changes—essential changes—will be made in foreign aid, not the performance itself. That promise, indeed, is to be found in the President's message. It is to be found in the informed efforts of the Committee on Foreign Relations to give the President the kind of legislation which he must have to bring about the essential changes.

On the basis of that promise, I support fully the legislation which the committee has reported and the bill as it may be approved by the Senate.

In all frankness, a promise of change, alone, might not have been sufficient to persuade me to this position except in present circumstances. Does the Senator from Montana support it, then, only because he happens to be majority leader? Is he under some obligation to support it because he is speaking for the administration in the Senate? As the Senate knows, I have had occasion recently to speak, not as majority leader, but as a Senator from Montana, on the Berlin question. I should not hesitate to speak again in that same capacity on this matter or any other, if it seemed to me necessary do so.

No, Madam President, I support this measure not because I happen to be majority leader. I support it because I believe an aid program, altered in concept and in administration, is vital to the security and welfare of the Nation. And it should be noted, Madam President, that the word "vital" does not appear very frequently in my remarks in the Senate.

If I am prepared to support this program on the promise of change rather than insisting upon the actuality of change, it is because two decades of participation have taught me something of the operations of this Government. Every experienced Member of this body knows that an orderly alteration in an undertaking of the magnitude and complexity of the aid program is not going to be brought about in 6 months or a year. That is the case no matter how farsighted or determined may be the political leadership of this administration or any other.

The simple truth is that the aid program which was presented to Congress this year is not significantly different in substance from that of the previous year, despite the change in party shingles on the door to the executive branch. It is different only in its promise of change, and that is the only way in which it can be different at this time. The simple truth is that the preponderant detail of this year's program was drawn up last year under the last administration and by essentially the same permanent civil and military officials.

This simple truth must be noted, Madam President, not in criticism of the previous administration, nor of the incumbent administration, nor of the permanent functionaries. This simple truth must be noted because we must call the cards honestly if we are to recast the aid program so that it will indeed serve the interests of the Nation more effectively.

What this simple truth means is that the previous administration recognized and the present administration has confirmed, on an initial examination of the state of foreign relations, that the interests of the Nation in the world require the aid program to continue.

My own view is that there is a second truth which we need to recognize. It is that the aid program must continue, but in an altered form, as countless informed critics—many in this body—have noted time and again. And to these two observations, I would add a third: The alterations in the aid program, if they are to safeguard rather than disrupt the interests of the Nation, can only be promised at this time of the new administration. If they were more than promised, if they were changes signed, sealed, and delivered at this point, they would probably be either insignificant changes or devastating changes.

Believe me, Madam President, no Member of this body is more convinced than the Senator from Montana, the majority leader, of the need for change in the aid program. I am not unaware of the high content of futility, confusion, inertia, waste, and worse, which has existed in this program for a long time.

It is understandable that some, seeing these shortcomings, year after year, are moved to apply this year, the drastic remedy of abolition. On this ground, there will undoubtedly be votes cast against final passage of the bill.

And there will be others who will see only the expenditure abroad of $3 or $4 billion of the taxpayers' money. They will be moved to opposition on this ground, their opposition deepened by a scattering of examples of wasteful or luxurious undertakings in this country or abroad, financed by the aid program. They will be appalled and, properly so, particularly as they contrast examples of extravagance abroad with the backlog of unfilled needs at home or the deficit in the budget. And they, too, will be moved to vote against the bill on final passage.

That, of course, is the privilege of every Senator, to vote against this bill.

In all honesty, I should like nothing more than to be able to tell the citizens of my State and the Nation that I had just voted to cut $3 or $4 billion of spending out of the budget. Even more, I should like to be able to tell them that I had performed this feat without affecting adversely a single Federal service to any State.

I could do that if I cast a vote against the foreign aid bill. It would not be an untruth. It would be, rather, a fraction of the truth. I would not have told the whole story. I would have to add, if I wished to tell the whole story, that I had voted to save these $3 or $4 billion on foreign aid at the gravest risk to the security of the Nation. I would have to tell them that in voting against foreign aid, I had also voted to bring about drastic upheavals in South Korea, in South Vietnam, in Formosa, in Turkey, in Iran, and Bolivia, and at least the gravest of political difficulties in Thailand, Pakistan, Spain, and Greece, and other nations. I would have to tell them that I had created a situation whereby there would be no choice but to watch many of these situations collapse or to send U.S. combat forces into them to try to shore them up.

Nor would that yet be the whole truth. I should have to add that I had voted for catastrophic economic dislocations and famine, disease, and pestilence in many free nations and, also, for a worldwide financial panic whose effects would be most acutely felt in Japan and Western Europe but whose repercussions would reach even into the United States.

Finally, I would have to tell the citizens of my State and the Nation that I had voted to close American military bases in many parts of the world and to undermine the whole system of alliances by which, for a decade or more, we have sought to defend the security of the Nation and to keep open the prospects for freedom in peace in large areas of the world.

And after having listed all these consequences of my vote against this bill, I would still have to admit that I had not told quite the whole story. A postscript would be necessary. I would have to say that I acted to bring about these drastic consequences at a time when a new administration was just beginning to grasp the reins of direction over the sprawling bureaucracy of this Government, at a time when this new administration was confronted with a whole series of ripening international crises building even at this very moment toward an apex at Berlin.

It might be that I would not wish to burden the citizens of the Nation with this long and vexatious account of the consequences of my vote against foreign aid. It might be that I would find no point in stuffing them with these troublesome facts of international life in our times. In that case, I could save their time and mine, spare their nerves and mine, if I told them merely that I had saved them $3 or $4 billion by my vote on foreign aid, and then did my part for the security of the Nation by insisting that the President use no diplomacy whatsoever but simply stand still at Berlin and stop the Communists wherever they appeared, whether in Laos, South Vietnam, the Congo, or Patagonia.

Exaggeration, Madam President? I do not think so. Is there anyone in this body who does not believe that the most

drastic political consequences would flow from a sudden cessation of grants of aid to Korea, Vietnam, Formosa, Turkey, Iran, Bolivia, Thailand, Pakistan, Spain, and Greece? And is the Senate not aware that of the total of $3 billion-odd in grants of military and economic assistance, originally sought in this legislation by the executive branch, $1.5 billion was earmarked for just these 10 nations while the remainder of the grants was scattered in relatively small amounts among more than 50 other nations?

I shall not play upon the fears of the Senate by saying that all these countries will go to the Communists if we do not pass this measure.

The Senate can be assured, however, that in some instances it is no idle fear. What I do say to the Senate is that these 10 nations, and a few others, are the crux of the grant aspect of this program. It is these nations which have developed a direct and heavy dependence upon American aid. It is these nations which would be affected to their very vitals by sudden termination of the program. What I do say to the Senate is that the entire position of these nations and their relationship with the United States would undergo a sudden and incalculable change if this bill were not passed.

What kind of make-believe world are we living in if we can lead ourselves to believe that the situation, at least in the 10 nations I have enumerated, would not alter virtually overnight and our relations with them turn upside down if we were to withdraw the kingpin of aid? And what is a vote against this bill but a vote to withdraw the kingpin?

Some will see clearly these consequences. But they will assert that it is better to face the collapse of the situations and other worldwide repercussions rather than to go on with this unsatisfactory device of aid and the continued drain on our resources which it entails. I respect the honesty of that position, but I most respectfully disagree with it. I disagree with it because I do not believe this Nation can long anchor its life of freedom and plenty in a vast sea of hopeless human misery, political chaos and deepening tyranny. In the world which we now know, a world in which the greater part of the governments are still either allied with us, friendly, or, at worst, indifferent, we are compelled to military expenditures on our own Armed Forces which consume 60 percent of the budget of this Government, about $50 billion annually. What would that percentage be, in a world in which the greater part were allied elsewhere, hostile, or, at best, indifferent? Eighty percent of the budget? Ninety percent? How many billions, then, for defense, $60 billion? $70 billion? $80 billion? Living day in and day out in a military camp, mobilized at constant readiness for an attack upon us, how far would we ourselves have moved from freedom? And what, then, of the spending in Washington? Spending, not for the unemployed or for the aged or for schools or for roads or for the countless other human needs of this Nation; but spending for the dubious privilege of maintaining an uncertain foothold on the edge of a hostile world.

No, Madam President, I cannot see that the answer to the patent shortcomings of the aid program lies in the drastic surgery of total excision. I cannot see it, for I see as the only alternative in present international circumstances something approaching a garrison state in this Nation. If there is any other alternative, it seems to me that it is a responsibility on the part of those who advocate this remedy to enlighten those of us who do not.

May I say that I can understand the concern of some Members who are persuaded to this solution of abolition of aid. I share the concern without endorsing the solution. And I stress to the Senate that there are grounds, enormous grounds, for concern in the manner in which the aid program has unfolded in recent years.

Who in this body should not feel concern when in country after country, after years of this program since the Marshall plan, grants of aid from this Nation remain the critical factor in maintaining internal stability, and the end of this process is not yet in sight? We use words loosely, Madam President, if we call this condition by any name other than a form of dependency. And it is not in the interest of this Nation or freedom that any other nation remain indefinitely in a state of dependency on aid grants from the United States. It is not in the interests of the peoples of the recipient nations.

Who in this body should not feel concern when hundreds of millions of aid goes to governments which have not met or are unwilling to meet honest tests of public acceptance in their own countries? Who in this body should not feel concern when the gap between the luxurious life of the few in and around governments and the poverty-stricken life of the millions in aid-receiving nations does not begin to close and, all too frequently, the beneficial impact of the bulk of our assistance is limited to the few?

Who in this body should not feel concern at the manner in which the military aid program has developed? In theory, military aid ought to be bound up directly with our own defense needs. At least, it began that way, Madam President. It began with what seems to me to have been a reasonable strategic relationship with free nations involved in the defense of the Atlantic region, and with certain key countries elsewhere—a total of perhaps 15 or 20 nations at the outside. But military aid during the last few years has sprawled into about 50 nations, and often brought in its wake the need for massive infusions of economic grants to support military establishments, built and sustained by military aid. It has sprawled in, with all the costly trappings of bureaucracy, and it has immersed us inevitably in the internal affairs of nation after nation whose connection with our military defense is often vague or nonexistent.

From a concept of close strategic relationship with our defense, military aid has now moved to an enlarged base of justification which equates the maintenance of internal stability in nations almost everywhere on the globe with our security. That, in my opinion, is a most dangerous doctrine, particularly in nations where the gross and longstanding neglect of human needs has created situations of inevitable and massive internal instability.

We must ask, Madam President: Is this intelligent strategy or is it simply Parkinson's law with a vengeance? Is any member of this body familiar with even one government which, having requested military aid, was refused it on the grounds that there was no clear connection with our defense? Surely there must be one nation somewhere in this world which seeks military aid but whose relationship to our defense is so remote that it does not warrant the expenditure of millions of dollars of taxpayers' funds for equipping its armed forces.

We must ask, Have we underwritten our own security by this process? Or have we undermined our security by a wholesale and indiscriminate commitment of the prestige and resources of this Nation in this obscure land or that which may come within the eager reach of bureaucracy?

These questions should indeed bring concern in the Senate. They give striking cause for concern when we consider them, specifically, in connection with the situation in Laos. I have some first-hand familiarity with that situation. I was there when in 1953 there were only two American officials in the entire country. I watched the haphazard wholesale bureaucratic involvement, not of one agency but of several, deepen over the years. I urged time and again against this course. But the bureaucracy grew and the millions of dollars in grants multiplied in 1955, 1956, 1957, 1958, 1959, and 1960. This growth helped to tighten the noose around an effective policy. It helped to smother the possibility of a sensible diplomacy of limited contact with this remote situation by involving this Nation ever more deeply in Laotian internal affairs. We gave Laotian leaders labels—some correct, some incorrect—and then became obsessed with the labels we gave them. And now, 7 years later, after the steady flow of thousands of civilian and military officials, after the parade of private contractors building this or that at millions of dollars of cost, after the pilgrimage of inspectors, consultants, and what-not, more than $350 million of the tax money of the American people later, we are back to diplomacy in Geneva in an effort to find a solution to this situation which has become far more difficult to deal with than it was when the involvement began.

And should the Senate not be concerned by the events in Korea? Can we feel anything else but concern when we recall the great sacrifices of Americans, Koreans, and others to keep South Korea free and see now where we have arrived? It is 8 years after these great human losses culminated in the truce in 1953. It is $4 billion in grants after the truce in South Korea.

What has been wrought by this immense effort, Madam President? We must ask that question. We can no longer sweep the doubts under the rug. We cannot take umbrage in shifting the responsibility elsewhere. For if there is any area in the world where our influence, the influence of the aid program has been immense and overwhelming it has been South Korea during the last 7 or 8 years.

We know what was achieved by the conflict, Madam President; the hope of freedom was kept alive in South Korea. But what has been done with the years since this achievement?

What has been wrought out of the billions of aid since the truce? We must ask that question, even though the Communists are poised across the border at the 38th parallel. It is no answer to say that in a critical situation of this kind or in Laos or in others, the less said the better and then go on in the same pattern. We cannot accept silence on these burning questions. We cannot ignore these matters any longer.

There are grave risks in speaking out at a time of confrontation with the Communists in Korea no less than elsewhere, but the gravest risk of all is to find in this confrontation an excuse for not examining and correcting our own shortcomings.

Korea has revealed a dangerous pattern into which the aid process is interwoven in certain underdeveloped nations. The pattern is this: Poverty and want, instability, Communist or other pressures, U.S. aid, public corruption, weak civilian government, the response of military dictatorship.

The pattern is stark and clear in Korea but its applicability is by no means confined to that buffeted nation. We will ignore the implications of that pattern only at our own peril, only at great cost in wasted aid, only at the risk of repeated blows to the stature, the dignity, and ultimately the safety of this Nation. I say to this Senate, that if the only answer that freedom can give to communism is the dead end of military junta then we have given no answer at all. And it borders on the disgraceful to suggest in the land of the Declaration of Independence, and the Constitution, in a land which fought through World War II, without doing violence to the rights of its citizens, that this is the only answer which can be given.

For a moment in historic time, the last-ditch device of military dictatorship may give a respite from both the threat of communism and frustration with the complexities of freedom but the tide of history will not wait much longer than that moment. No matter how grim the circumstances, we will either divorce ourselves from or change this pattern, of which the aid program has become an interwoven element, or we will face the gravest of consequences in the years ahead. The answer to communism is responsible freedom and not some other form of tyranny in the name of anticommunism or any other "ism." If we are to use the device of foreign aid at all, we had better see to it that those who administer it understand that elementary truth.

Let me make clear that I do not mean every nation receiving aid must reproduce the forms of freedom which have evolved in this Nation or Western Europe. But there are certain fundamentals of freedom which cannot be ignored without robbing the word of its meaning. There must be the expressed consent of those governed and the right of peaceful dissent. There must be respect and safeguards for the dignity of the human personality. Where these do not exist, freedom does not exist, and in these situations, the aid program treads on dangerous grounds, particularly in its massive military and economic aspects, regardless of how worthy may be its objectives.

Madam President, I could cite case after case for concern with the aid program. I could note this road project or that, crumpling in some obscure country a year or two after millions were spent to complete it. I could refer to evidences of unbridled incompetence or extravagance, of improper practices, of expensive experts piled on expensive experts—scurrying back and forth and producing unused reports flowing in an endless stream to files and storage warehouses, of any number of other specific and expensive faults.

Errors of this kind can be made in foreign aid, Madam President, some excusable, some inexcusable. I dare say that in this respect, the agency which administers the aid program has not been much different than a score of others and under far more difficult circumstances. But these errors do not go to the heart of the matter as it confronts the Senate.

But the heart of the matter is that foreign aid cannot be terminated abruptly without producing the most catastrophic consequences for this Nation. And the heart of the matter, too, is that foreign aid must change or, in the end it may still produce catastrophic consequences for this Nation.

Time is running out, Madam President, in which to convert this program into a certain asset for freedom and for the security of this Nation.

It seems to me that we shall have a better chance, perhaps a last chance, to bring about this conversion if we grasp, now, at the beginning of a new administration, some of the lines of essential alteration. Indeed, changes of this nature are suggested in the President's message and the committee's report. If I may summarize and elaborate, I would suggest that the revision of this program needs be built on these premises:

First. Aid grants—as distinct from loans or point 4 technical assistance—ought to be most carefully used as a direct supplement of our foreign policies. We must seek constantly, through diplomatic initiatives, the adjustment of this Nation's role in and relations with changing and evolving parts of the world, adjustments which will permit a reduction in grants of military and economic aid, without jeopardizing peace or security. We must not rest content with any existing situation whose stability is heavily dependent on the indefinite continuance of this form of assistance from the United States.

Second. Military aid must shrink in orderly fashion until it becomes again what it was originally intended to be, a direct and vital strategic link in the military defense of this Nation. Except in these terms, it seems to me that this program rests on most tenuous grounds. We must, indeed, question whether it is in our interests or in the interests of the people of recipient countries if this aid serves only vaguely as a link in our defense and very specifically as an instrument for promoting internal stability in other lands.

In short, what I am suggesting is that we must actively discourage, not encourage, other governments from seeking or depending upon military aid from this Nation. This aid should be extended with the greatest reluctance and caution and not with an eagerness to plunge this Nation into the internal affairs of others. I know there is risk in this course. This country or that may fall to a government which is Communist or otherwise antagonistic toward us. But it ought to be clear by now that that risk remains even if we do supply military aid, as witness Cuba, Vietnam, and Laos.

Governments which do not meet the reasonable needs of their peoples cannot long endure. If they fall, the consequences to this Nation are likely to be far more adverse in those countries which have been supplied with significant military aid than in those which have not.

Third. Where we are deeply immersed in supplying grants of economic or supporting aid of one kind or another, year in and year out, we must act to reduce and end this dependency, not in a day, not in a year, but as rapidly as possible. This is partly the task of creative diplomacy, as I have already indicated. But it is also the task of a wise, dedicated, and indefatigable administration of the aid program itself, with the object of ending the dependency. We must develop, together with recipient nations, clear-cut, finate, and definable objectives for grants of aid. We must insist upon sacrifices on the part of those who can make them in the recipient nations, sacrifices which match those of our own people who foot the bill for aid. We must develop plans of action which induce an ever-increasing imput of initiative and effort on the part of recipients and a steady reduction in aid grants on the part of this Nation.

Fourth. We must reexamine the present complex of what are the small and essentially altruistic expressions of the aid program, namely, our large contributions to the total funds for the United Nations technical assistance and related activities, the point 4 technical assistance program and the new Peace Corps concept. All of these efforts have great merit in themselves but one would hope that we shall make certain that we use to best advantage the tens of millions of dollars that flow through these separate channels in terms of maximum advantage to the nations into which they

flow and, in terms of long-range good will. If there is one part of the aid program which should act to kindle warm, human, friendly contact between the people of this Nation and people elsewhere, it is this type of activity.

Fifth. In our own interests as well as in the interests of peace we must encourage and welcome the widest possible international participation in assisting underdeveloped nations to move forward more rapidly in economic and social progress. We are trying to do that, of course, with respect to Western Europe. But there is room for more giving in some of the nations of that region. Indeed there is room for more giving on the part of nations everywhere.

In this connection, it should be noted that there was a time, not very long ago, when the mere prospect of Soviet assistance to non-Communist countries was viewed as little short of disastrous on the part of those who administered our own aid affairs. The Congress was spurred to appropriations for the aid program on the grounds that we had to compete with the Russians in this process. Yet the Russians have given aid to India. They have given aid to Egypt and elsewhere and the world has not collapsed in any of these places. Indeed, there seems to be even a measure of correlation between the presence of Soviet aid administrators in, and the improvement of our relations with, certain nations in Asia and Africa.

It seems to me utterly essential that the people of this Nation not be pressured into larger appropriations for the aid program by this tactic. The tactic not only undoes much of the intrinsic worth of the program by giving it a motivation which is transparent even to children, but it places this Nation in the position of being pressured into ever larger grants of aid.

We must do what must be done in foreign aid, not on the basis of a competition with the Soviet Union to see who can get their first with the most wide-open hand. We must do what must be done on the basis of what reasonably serves the interests of the people of this Nation and the people of recipient nations, what serves freedom and peace. Other nations must act as they see fit. If they believe it really serves their interests to accept Soviet aid and they get it, I see no cause for panic on our part.

These observations would seem to be so elementary as not to require discussion in the Senate. Yet, it is evident that much that is elementary needs discussing if this program is to be improved.

Sixth. Finally, Madam President, grants of military and economic aid, particularly, must be administered as instruments of foreign relations on the basis of policies determined first and last by the President and the Secretary of State. Our diplomacy must be free to, and must be spurred to seek to reduce the need for this aid. It must cease to serve as a kind of spearhead or errand boy for the introduction of this type of assistance into more and more nations.

There is something wrong with the kind of eagerness to make aid the first rather than the last resort of diplomacy—as typified in the news story which I now read to the Senate:

WILLIAMS PROFFERS AID—SAYS HELP WILL BE STUDIED IF ASKED BY AFRICAN AREAS

FRANCISTOWN, BECHUANALAND, August 15.—G. Mennen Williams, Assistant Secretary of State for African Affairs, said here today the United States would consider giving financial aid to the British protectorates of Bechuanaland, Swaziland, and Basutoland if it was requested.

I do not believe that nations or, in this instance, protectorates should be placed in a position where they are told that, if they request aid it will be forthcoming. Rather, it should be on the basis of need and in accord with our foreign policy and on the basis of their request, not on ours.

Within the administrative structure of the aid program itself there must be a complete overhaul of concepts, techniques, and, if necessary, of personnel in order to make certain that the program does become a controlled instrument of policy in fact as well as in words. And, finally, if aid is to be an effective instrument, there must be a vast simplification and streamlining of the administrative processes themselves.

Madam President, in my opinion, changes along these basic lines must be achieved and they must be achieved promptly. Our security is at stake. Our stature as a responsible and prudent nation is at stake. Prevention of the waste of enormous amounts of public funds is at stake.

Some may inquire, then, why should the Senate not have acted now to save more of these funds by cutting the authorization reported by the committee? And indeed, why should the Senate not have proceeded on the floor to write into law these basic changes which I have been discussing?

I revert to what I said at the outset of my remarks. I am satisfied, Madam President, that, generally, what the Foreign Relations Committee has done with this bill constitutes what can be prudently and wisely done by legislative action at this time. I would not hesitate to accept the combined judgment of that group of men against any other, including the past or present administrators of this program, as to what legislation will be most useful. Their year-in, year-out consideration of this measure has given them an understanding and knowledge of aid programs which is unexcelled in this body or in this Government.

The balance of the task of alteration, as I see it, must be carried out by the President and the administration. With a new President and a new administration, the opportunity for constructive change does exist. The President is prepared and determined to do the job that must be done. It is essential that he have every reasonable opportunity to do it. If Senators—regardless of party—desire that this program be altered, as clearly it must be altered, if Senators desire that significant amounts of public funds be saved in the years ahead, without jeopardy to the Nation's security and interests, they will support this bill.

Madam President, I have spoken, today, at great length and with the utmost frankness. I hope that in doing so I have not given personal offense to anyone in the Senate, the administration, or in friendly nations abroad. Certainly that was not my intention. But there comes a time, when it is necessary to risk misunderstanding in order to further a greater understanding, when facing facts must take precedent over saving face. That time, I believe, is now, for the foreign aid program.

Mr. FULBRIGHT. Madam President, I shall not detain the Senate long.

First, I wish to thank the majority leader for his kind references. I also wish to express my appreciation to the members of the committee who sat through very long hearings and gave great assistance on the floor. I express especial appreciation to our staff. I consider the staff of the Foreign Relations Committee to be exceptionally talented and devoted. The staff has done excellent work on all the technical aspects, as well as substantively.

I think the Senate, in considering the bill—which I realize is one of the most distasteful and difficult bills to justify to constituents—on all important matters has reached the right conclusion in every important decision submitted to it. I congratulate the Senate, and I express appreciation for the way the Senate has handled the bill.

Mr. HUMPHREY. Madam President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HUMPHREY. Madam President, I commend the Senator from Arkansas and also join in the tribute paid to the staff. Of those who worked on the bill, surely none gave more of his time, energy, talent, and indeed, very life, than did the Senator from Arkansas. I know quite well this was a very difficult undertaking for him.

Mr. FULBRIGHT. I thank the Senator from Minnesota.

THE NEW DEPARTURE IN INTERNATIONAL COOPERATION—AID BY OTHER COUNTRIES

Mr. HUMPHREY. Madam President, during the course of this debate many divergent views have been expressed. It is understandable that in evaluating a program having such far-reaching implications, affecting the present and future course of our foreign relations, bearing a relationship to the future world balance of power, and affecting the living conditions of millions of people throughout the world, it is necessary and wise that with these vital interests at stake, the issues be exposed to searching scrutiny by the Congress. I would hope that in our search for the most effective and meaningful methods for harnessing our talents and our resources to this task of economic growth in the less-fortunate countries of the world, that in our concern for efficiency, our concern for high-caliber personnel, our concern for maximum increases in growth rates per unit of input; that in our concern for effective methods whereby the Congress may scrutinize the continuing progress of

these programs; that in the many other issues pertaining to detail, we do not lose sight of the bearing this has to our national security; to our long-range national political and economic and humanitarian interests in aiding the growth of the emerging nations.

I would also hope that we duly recognize the United States is not alone in this great effort. We should recognize that the other industrial countries have borne an increasing share of the financial burden as they themselves have recovered from the ravages of the Second World War. It would have been unthinkable a century ago, that stronger nations should pool their resources, combine their efforts, to assist in the uplift of weaker nations. Something has taken place in the world which gives reason to believe that mankind, through applied intelligence, cooperation, and the concerted application of our talents might in time create a world which is free from poverty, illiteracy, hunger, stagnant economies, and the breeding grounds for Communist revolution.

We should recognize that the American people are not alone in making some sacrifices to attain these goals. Through the United Nations specialized agencies, the Food and Agriculture Organization, the World Health Organization, the expanded technical assistance program, and the Special Fund, almost 100 different countries are channeling a portion of their resources and skilled manpower in a cooperative effort to bring human betterment where it is needed. For many years the countries of the British Commonwealth, effectively and without ostentation, have carried out large-scale assistance programs through the Colombo plan. Most of the countries of Europe are now engaged in bilateral assistance programs, and through the Development Assistance Committee of the OECD are coordinating their programs.

The United States, Canada, and other more industrialized countries are also participating in this effort for a coordinated approach. Japan, likewise, has been increasingly active in granting development assistance, particularly to the countries of the Far East, south and southwest Asia. It is gratifying and heartwarming, even to note that many of the countries receiving assistance in turn are granting assistance to their neighbors.

Because we are sometimes prone to look upon this program as a monopoly of the United States, I suggest that it will be both sobering, challenging, and supporting evidence of a new concept of international relations to place in the RECORD a summary of the extent to which other countries are engaged in assistance programs. I ask unanimous consent to insert in the RECORD at the conclusion of these remarks: First, a summary of official assistance granted by the OECD countries and Japan to the less-developed countries during the period 1956–59; second, a summary of their private investment in less-developed countries during the same period; and, third, a description of the major aid programs of other countries, prepared by the Legislative Reference Service.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. HUMPHREY. Madam President, these summaries indicate, for example, that during the period 1956 to 1959 the OECD countries and Japan (excluding the United States) granted assistance amounting to some $5.1 billion. For the countries other than Japan and Canada, the assistance grants amounted to 0.48 percent of their GNP as compared to 0.52 percent for the United States—Japan 0.25 percent of GNP; Canada 0.17 percent of GNP. During the period 1956 through 1959 private investment in the less developed countries by the OECD industrialized countries—excluding the United States and Canada—amounted to $2.6 billion, as compared to $3.3 billion in private investment by the United States.

Madam President, there is one dominant change from the past in the new approach under this legislation. It is the recognition and insistence that from this time forward aid in the growth and development of less-fortunate countries must be a cooperative undertaking. The program places a strong emphasis upon a maximum participation of the more developed countries in this great effort. Administratively, a special office has been established to coordinate our programs with those of other industrial countries; to concert our operations with the more developed countries, with each bearing a just share of the cost consistent with its resources and capacity. The program, likewise, makes a major departure from the past by insisting upon a maximum cooperative effort and initiative on the part of the recipient countries. This requirement is in no sense an attempt to "attach strings" to our aid. Instead of imposing any "strings" or compromising limitations upon the independence of the recipient countries, the new requirements are rather that the countries themselves take steps to lay the foundations for more extensive freedoms and social justice for their peoples. The countries are called upon to initiate sound plans for development in lieu of haphazard, piecemeal or superficial projects.

The legislation provides that if the countries request assistance in developing sound plans, specialists in planning and programing will be made available for this purpose. The United Nations Technical Assistance Administration is also prepared to provide specialists in economic and social planning. Under this new departure the recipient countries are called upon to take the initiative in removing these economic and social inequalities which now constitute a barrier to progress. It is acknowledged that the requirements will vary from country to country; that these changes in economic and social structures will take time, but a start must be made. There can be no hope for progress until these barriers are removed. At the very minimum, the program envisages that recipient countries will take steps to increase the literacy rate; to lay the groundwork for bridging the wide disparty between the few extremely wealthy and the masses of extremely poor; to redistribute land in those instances where a form of feudalism and serfdom still exists. It is assumed that governments will take measures to insure that the present usurious interest rates—now amounting to as much as 70 percent per annum in some countries—be replaced by agricultural and other credits at reasonable rates. As a condition precedent to assistance, it must be assumed that if this concept of "self-help, maximum use of local resources and maximum level of well-being" is to have any meaning, the recipient governments would exert a real and substantial effort to bring tangible benefits to all the people, not just the privileged few. It would mean an effort to establish fair and just taxation and a vigorous enforcement of taxation; to press forward with education programs on the basis of equality of privilege; to press forward with health and sanitation programs for all the people; to eliminate the graft and corruption which in many countries is so evident in government; and, to move in the direction of giving the people an increasing voice in government.

Madam President, the history of man is well documented with instances of military cooperation in time of war. Indeed there have been instances of economic cooperation in time of peace. But now for the first time in history we see the beginnings of a new concept in international relations. Never before has there been such a manifestation of cooperation between the powerful nations and the weak nations, the large nations and the small, the industrial nations and the nonindustrial, to build a world in which human betterment is the rightful heritage of all peoples. After thousands of years this concept is an emerging reality. In part it may be the result of the awesome prospects of nuclear holocaust. In part it may be a realization that islands of poverty and disease and unrest have a way of affecting the entire human race. In part it may be a realization that in an expanding world economy and rising levels of human betterment the entire human race becomes the beneficiary. I believe that this new concept of mutual responsibility for human betterment is now coming of age. It cannot be stopped. It is propelled not only by the wants of the impoverished but by the realization on the part of the powerful nations that only through continuing cooperation between the strong and the weak, toward a better world, can we be saved from the alternative which hangs as a nightmare over the human race. In this light, I think that the time has come to stop thinking about this worldwide cooperative effort as something which we can stop or should stop 1 year, 2 years, or 5 years from now. Even 50 years from now the ultimate security for the human race may hinge upon this concerted, cooperative mass movement for human betterment. I say then, that apart from all reasons of improved planning and programing which

have been advanced, in the long light of history we should recognize the merit and necessity of establishing an organization with a perspective for the long pull, operating within a framework which will permit the most effective operations.

I hope that we do not lose sight of the basic fact that whatever we do here is not an isolated act of the U.S. Congress but is part of an emergent ground swell of worldwide cooperative efforts. What we do now sets the stage for the security and well-being of the human race.

EXHIBIT 1

Official assistance to the less-developed countries by OECD countries and Japan

[Dollars in millions]

	1956	1957	1958	1959	1956–59
Austria:					
GNP	$4,238	$4,665	$4,938	$5,264	$19,105
Aid	$2	$1	$6	$4	$13
Aid as percent of GNP	0.05	0.02	0.12	0.08	0.07
Belgium-Luxembourg:					
GNP	$10,860	$11,650	$11,616	$12,000	$46,126
Aid	$17	$24	$23	$52	$116
Aid as percent of GNP	0.16	0.21	0.20	0.43	0.25
Denmark:					
GNP	$4,461	$4,769	$4,918	$5,270	$19,418
Aid	$3	$1	$4	$5	$13
Aid as percent of GNP	0.07	0.02	0.08	0.09	0.07
France:					
GNP	$37,513	$41,867	$47,532	$51,000	$177,912
Aid	$487	$639	$787	$954	$2,867
Aid as percent of GNP	1.30	1.53	1.66	1.87	1.61
Germany:					
GNP	$46,048	$49,905	$52,929	$56,645	$205,527
Aid	$21	$46	$78	$107	$253
Aid as percent of GNP	0.05	0.09	0.15	0.19	0.12
Ireland:					
GNP	$1,510	$1,588	$1,630	$1,710	$6,438
Aid	----------	$1	$1	$1	$2
Aid as percent of GNP	----------	0.06	0.06	0.06	0.03
Italy:					
GNP	$23,414	$25,088	$26,638	$27,970	$103,110
Aid	$16	$16	$31	$17	$81
Aid as percent of GNP	0.07	0.06	0.12	0.06	0.08
Netherlands:					
GNP	$8,610	$9,315	$9,592	$10,175	$37,692
Aid	$33	$34	$41	$43	$151
Aid as percent of GNP	0.38	0.37	0.43	0.42	0.40
Norway:					
GNP	$3,725	$3,950	$3,894	$4,100	$15,669
Aid	$1	$2	$3	$4	$10
Aid as percent of GNP	0.03	0.05	0.08	0.10	0.06
Portugal:					
GNP	$1,945	$2,015	$2,071	$2,135	$8,166
Aid	$7	$5	$4	$21	$38
Aid as percent of GNP	0.36	0.25	0.19	0.98	0.47
Sweden:					
GNP	$9,470	$10,245	$10,623	$10,850	$41,188
Aid	$3	$12	$4	$10	$29
Aid as percent of GNP	0.03	0.12	0.04	0.09	0.07
Switzerland:					
GNP	$6,846	$7,355	$7,593	$8,000	$29,794
Aid	$1	$1	$3	$1	$5
Aid as percent of GNP	0.01	0.01	0.04	0.01	0.02
United Kingdom:					
GNP	$57,960	$61,328	$63,484	$65,700	$248,472
Aid	$208	$243	$264	$356	$1,070
Aid as percent of GNP	0.36	0.40	0.42	0.54	0.43
Total, above countries:					
GNP	$216,600	$233,740	$247,458	$260,819	$958,617
Aid	$799	$1,025	$1,247	$1,575	$4,648
Aid as percent of GNP	0.37	0.44	0.50	0.60	0.48
United States:					
GNP	$419,200	$442,500	$441,700	$478,000	$1,781,400
Aid	$2,144	$2,343	$2,415	$2,438	$9,340
Aid as percent of GNP	0.51	0.53	0.55	0.51	0.52
Canada:					
GNP	$30,182	$31,773	$32,509	$34,700	$129,614
Aid	$28	$46	$88	$57	$219
Aid as percent of GNP	0.09	0.14	0.27	0.16	0.17
Japan:					
GNP	$24,650	$28,050	$27,750	$30,000	$110,450
Aid	$16	$15	$205	$41	$277
Aid as percent of GNP	0.06	0.05	0.74	0.14	0.25

NOTES

1. GNP figures are at current market prices. The figures for 1959 are estimated.
2. Both the GNP and aid figures have been converted to dollars at current exchange rates.
3. Aid figures are based primarily on actual expenditures. For all the countries they include: (*a*) net official grants, (*b*) gross official bilateral loans of 5 years or over, (*c*) official contributions and subscriptions to international organizations paid during the period (i.e., net IBRD subscriptions, IFC capital contributions, contributions to the EEC Development Fund, net contributions to United Nations technical assistance and relief agencies). For the United States, the increase in U.S. holdings of local currencies derived from Public Law 480, title I sales is included to reflect the transfer of resources. For Japan, the yearly breakdown on gross official bilateral loans of 5 years or over is estimated. Reparations payments have not been included.
4. This definition of assistance has not been accepted by the countries involved and has no international standing.

Source: Exec. Rept. 1, U.S. Senate, 87th Cong., 1st sess.

Private investment in the less-developed countries by OECD countries and Japan

[Dollars in millions]

	1956	1957	1958	1959	1956–59
Austria	----------	----------	----------	----------	----------
Belgium	$24	−$2	$74	[1] $32	[1] $128
Denmark	[1] 5	[1] 5	[1] 5	[1] 5	[1] 20
France	[1] 215	[1] 220	[1] 209	[1] 206	850
Germany	25	47	80	44	196
Ireland	0	0	----------	----------	----------
Italy	6	26	4	35	70
Luxembourg	----------	0	0	----------	----------
Netherlands	[1] 22	[1] 21	[1] 24	[1] −5	[1] 62
Norway	None	----------	2	----------	3
Portugal	[1] 14	[1] 15	[1] 15	[1] 15	[1] 59
Sweden	$13	$12	$18	$19	$62
Switzerland	42	16	16	24	98
United Kingdom	230	275	315	[1] 245	1,065
United States	892	1,395	649	[1] 440	[1] 3,376
Canada	[1] 24	[1] 24	[1] 3	[1] 29	[1] 80
Japan	13	17	24	18	72
Total for industrialized OEEC countries, not including the United States and Canada	596	635	762	620	2,613

[1] Estimated.

Source: International Cooperation Administration.

ROLE OF THE UNITED NATIONS IN THE ECONOMIC AND SOCIAL DEVELOPMENT OF UNDERDEVELOPED NATIONS WITH EMPHASIS ON THE 1950–60 PERIOD

TABLE OF CONTENTS

I. United Nations technical assistance.
  (a) Technical assistance in regular U.N. work programs.
  (b) U.N. Expanded Program of Technical Assistance (EPTA).
  (c) The U.N. special fund.
II. International financing organizations.
  (a) The World Bank.
  (b) The International Finance Corporation.
  (c) The International Development Association.
III. The United Nations Children's Fund.
IV. General summaries.

The United Nations and its agencies help promote economic and social development in underdeveloped countries in two principal ways: through technical assistance and through development loans. In addition, certain kinds of equipment and supplies are provided, principally through the United Nations Children's Fund.

I. United Nations technical assistance [1]

Since the initial meeting of the United Nations General Assembly in 1946, programs to provide technical assistance, especially to lesser-developed countries, have constituted a major part of U.N. activities. Technical assistance projects range from a single expert spending a few months in a country advising on the solution of specific technical problems in an individual enterprise, or a single fellow studying a particular manufacturing process or administrative technique, to a large regional training center or a preinvestment survey combining many forms of assistance over a period of years. This technical assistance is provided as part of the regular work programs of the U.N. Secretariat and several of the specialized agencies, as well as under the U.N. Expanded Program for Technical Assistance (EPTA) and the U.N. Special Fund. The United Nations and some of the specialized agencies administer their own regular programs and also carry out the projects of the expanded program and the U.N. Special Fund.

[1] This section is a partial summary of U.S. Department of State. Technical assistance programs of the United Nations. Intelligence Report No. 4825, Mar. 14, 1961.

The costs of the technical assistance components of the regular work programs of the U.N. Secretariat and the specialized agencies are included in the regular budgets of these organizations and are financed from assessments levied on the member governments. In contrast, the expanded program and the U.N. Special Fund are financed from voluntary contributions of member governments. Recipient governments usually cover a substantial part of the local currency costs incurred by the UN technical assistance programs.

The Special Fund differs from the expanded program in several important respects. The latter finances a large number of separate projects annually, many of which are of small scope, while the former concentrates its finances on a relatively small number of comparatively large projects, including surveys designed to facilitate investment.

Specifically, United Nations technical assistance is currently provided:

(1) as part of the regular work programs of: the U.N. Secretariat, including the Bureau of Technical Assistance Operations (UNTAO) and the Office of Public Administration; the International Labor Organization (ILO); the World Health Organization (WHO); the U.N. Educational, Scientific and Cultural Organization (UNESCO); and the International Atomic Energy Agency (IAEA);

(2) under the U.N. Expanded Program of Technical Assistance (EPTA) through UNTAO, ILO, WHO, UNESCO, IAEA, the U.N. Food and Agriculture Organization (FAO), the International Civil Aviation Organization (ICAO), the International Telecommunications Union (ITU), and the World Meteorological Organization (WMO); and

(3) from the U.N. Special Fund through UNTAO, ILO, FAO, UNESCO, ITU, WHO, ICAO, WMO, and the International Bank for Reconstruction and Development (IBRD).[1]

In addition, some of the above mentioned U.N. organizations also arrange technical assistance for which the requesting country pays in full, that is "technical assistance for payment."

A. Technical Assistance in Regular U.N. Work Programs

The International Labor Organization and other international agencies predating World War II had been providing technical assistance on a limited scale for a long time. Several of the postwar United Nations specialized agencies began to receive soon after their founding, requests from the less-developed countries for assistance in their respective fields of competence. Since important aspects of the needs manifested did not fall within the jurisdiction of any agency, the United Nations itself was called upon for help. Thus, a United Nations regular program of technical assistance was established by a series of specific U.N. General Assembly resolutions. It includes projects on certain phases of economic development, social welfare services, human rights, and narcotics control. Programs in public administration were also established by specific General Assembly resolutions and include training and research projects, and the provision of operational and executive personnel (OPEX).

Under the latter program, qualified experts are provided to governments, at their request, to perform operational and executive functions as temporary members of the civil services of the requesting government. These experts are paid the regular salary for their position by the host government, plus a supplement by the U.N. to equate the salary with that received by equivalent U.N. experts. They occupy posts with direct authority in the operation of the host government, in contrast to other U.N. technical assistance programs under which experts play only an advisory or training role. They are, however, also expected to train nationals to fill their jobs. The OPEX program was undertaken on an experimental basis in 1959 and in 1960 was made continuing, with an appropriation for 1961 of $850,000. Table 1 shows the experts on duty under OPEX by country of placement and country of nationality as of June 1, 1960.

Technical assistance has continued to account for an important part of the regular work programs of some of the autonomous U.N. specialized agencies, namely, of the International Labor Organization, the United Nations Educational, Scientific, and Cultural Organization, the World Health Organization, and the International Atomic Energy Agency. Expenditures for each of these U.N. regular technical assistance programs have increased significantly during recent years.

B. U.N. Expanded Program of Technical Assistance (EPTA)

When President Truman made his famous inaugural address in 1949 proposing a point 4 program of economic development and technical cooperation, members of the United Nations eagerly seized upon it to enlarge their own technical assistance program. In the fall of 1949 the U.N. General Assembly approved an expanded program of technical assistance (EPTA).

Donor countries pay their voluntary contributions into the EPTA special account. These contributions are made without limitation as to use. For the launching of the expanded program in 1950 through 1960, pledges to the EPTA special account have totaled the equivalent of $267 million. The U.S. pledge has been conditioned so as not to exceed a specified percentage of the total contributions. This percentage has been decreased from 60 percent during the initial years of the program to 40 percent since 1959. Total contributions to the expanded program have increased each year with the exception of 1959.

Since its initiation in 1950, the equivalent of more than a quarter of a billion dollars has been spent under this program. Approximately 81 percent of this amount has been spent directly for projects and the remainder has gone for operational and administrative support. More than 135 countries and territories have received technical assistance in the 10 years the program has been operating. One hundred and five of these have received the services of experts. These experts have been recruited from 80 different countries. One hundred and fourteen countries have been hosts to fellows.

During 1960 the program provided some 2,375 experts, bringing to more than 9,000 the total number of experts since the program began. More than 2,000 fellows were training abroad during 1960 under program grants, making a total of more than 18,000 fellowships awarded since 1950.[2] Table 2 gives a breakdown of expenditures under the expanded program for direct project costs by type of assistance and number of experts and fellowships, 1955 through 1962 (1960–62 prospective). Table 3 lists the fellowships awarded under the expanded and regular programs, 1956–59, and table 4 lists the experts assigned under the two programs for the same period.

C. The U.N. Special Fund

Toward the end of 1958 the United Nations established the Special Fund to provide—over and above the aid given through the expanded program—systematic and sustained assistance in fields essential to the integrated economic and social development of the less-developed countries. The Special Fund finances a limited number of relatively large projects in the form of surveys, research or training. It is largely an extension of the U.N. Expanded Program of Technical Assistance designed to provide a further means for facilitating new capital investment of all types by creating conditions which would make such investment either feasible or more effective.

The Special Fund became fully operative during 1960. The total cost of the 115 projects that had been approved by its governing council as of December 1960 amounted to $220 million, of which the Special Fund will contribute a total of $91 million, or approximately 40 percent. The remaining $129 million is to be borne by those countries or territories benefiting from the projects. Recipient countries are in all cases expected to bear the costs of all local goods, services, and facilities. Table 5 gives a breakdown by region and country of the projects approved, through December 21, 1960, and table 6 summarizes the projects by region.

II. International financing organizations

A. The World Bank

The first of the postwar international agencies to be established with a principal interest in economic development was the International Bank for Reconstruction and Development, commonly known as the World Bank

It had its origins in a United Nations Monetary and Financial Conference held in 1944 and began its operations in late 1945. Among its purposes was that of the encouragement and development of productive facilities and resources in the less-developed countries. It was to promote private foreign investment and when private capital was not available on reasonable terms, to supplement private investment by providing, on suitable conditions, finance for productive purposes out of capital funds raised by it, and its other resources.

The Bank's initial emphasis was on the urgent problems of reconstruction. When the European recovery program came into full operation in 1949–50 the Bank turned the greater part of its resources to the financing of productive projects in the less developed areas of the world. The majority of the Bank's development loans have been for basic facilities such as power, transportation, heavy industry, and irrigation and land reclamation, which are prerequisites for increased productivity in wide sectors of the borrowing countries' economies.

The World Bank, with 66 member countries, has a capital of over $19 billion made up by subscriptions to its stock. The paid-in portion of this capital is about $2 billion. The U.S. subscription is $6,350 million of which $635 million represents paid-in capital. Other free world industrialized countries have paid-in subscriptions of $635 million.

Table 7 gives a summary of World Bank loans classified by purpose and area, as of June 30, 1960, and table 8 breaks the loans down by country, program, or project, and amount as of March 31, 1961.

B. The International Finance Corporation

For help in financing private enterprise, an International Finance Corporation was organized as an affiliate of the World Bank and began functioning in 1956. The purpose of the Corporation is to encourage the growth of productive private enterprise, particularly in the less-developed areas, by investing in association with private investors where sufficient private capital is not available; by serving as a clearinghouse to bring investment opportunities, private capital, and experienced management together; and by helping to stimulate the productive

[1] These are the executing agencies for the U.N. Special Fund projects approved during 1959 and 1960. Other specialized agencies may become executing agencies for the projects to be approved in the future.

[2] United Nations Review, vol. 8, No. 2, February 1961: 47–48.

investment of private capital, both domestic and foreign.

Although most member countries of the Bank are also members of the International Finance Corporation, and the two institutions are closely associated, IFC has its own separate funds, management, and staff, and it operates independently. Its investments take the form of fixed-interest loans which carry additional rights—to participate in profits, an option to purchase shares, or sometimes a combination of both. The funds of the IFC are not large. It has a subscribed capital of a little over $96 million. By the end of February 1961 it had invested $42 million in 37 enterprises in 17 countries. But, in addition, for every dollar invested by IFC, private sources had invested more than $3.

Table 9 gives a summary of the commitments of the International Finance Corporation as of February 28, 1961.

C. The International Development Association

The latest member of the United Nations family of lending agencies is the International Development Association (IDA), a new affiliate of the World Bank. Many of the developing countries need further external capital to finance their priority programs in amounts greater than they can afford to repay on conventional terms. This is the justification for the establishment of the IDA: to make it possible for these countries to go on borrowing from abroad and so press forward with their development plans in the face of debt servicing difficulties.

The association only began its operations in November 1960, so the pattern of its lending has yet to be set. Its charter is very flexible and it is authorized to lend on almost any terms, provided that they impose a lighter burden on the borrower's balance of payments than conventional loans, and for a wide range of purposes. For instance, IDA may make interest-free loans for long periods—perhaps 50 years.

IDA is wholly administered by the Bank and, although its funds are separate, its management and staff are the same. If all the members of the World Bank join the IDA, its subscriptions will total the equivalent of $1 billion to be paid in over a period of several years. The U.S. subscription amounts to $320 million and that of the other industrialized free world nations to about $440 million. Subscriptions of the 46 members which had joined as of June 1961 came to the equivalent of $868 million, the bulk of which was from the United States.

Table 10 lists the initial subscriptions to IDA.

III. The United Nations Children's Fund

The United Nations International Children's Emergency Fund (UNICEF) was established by the U.N. General Assembly in December 1946, to aid needy children, nursing mothers and pregnant women in countries devastated by war. Initially, the Children's Fund confined its activities almost entirely to Europe but after war-created needs had been met the emphasis shifted from Europe to the underdeveloped countries. In 1950 the U.N. General Assembly placed UNICEF on trial as a permanent agency, with certain long-range functions involving the strengthening of maternal and child welfare services, mass health campaigns, and child-feeding programs, and with the short-range function of emergency aid. In 1953 the United Nations Children's Fund was established as a permanent agency.

UNICEF aid is classified in five major categories:

(a) Health services include assistance to basic permanent health services for children, especially aid to networks of maternal and child health centers and environmental sanitation programs integrated wherever possible into the health services. Some aid has also been given for care and rehabilitation of handicapped children and care of premature infants.

(b) Family and child welfare services include social services for children and homecraft and mothercraft projects.

(c) Disease-control projects are designed to control or eradicate diseases affecting large numbers of children.

(d) Nutrition projects are of four main types:

(i) Child feeding schemes for which UNICEF provides dried skim milk for distribution to children and mothers through maternal and child health centers, schools, and other channels.

(ii) Nutrition education and related activities: To help improve child nutrition, UNICEF provides aid for school and community gardens, fish culture, raising of poultry and small animals, home food preservation and storage; training of nutrition workers; and nutrition surveys to establish facts on which practical projects can be based.

(iii) Milk-conservation schemes are aided by UNICEF in order to stimulate local production of safe milk and make larger quantities of milk available to children and pregnant and nursing women, particularly in low-income groups.

(iv) Other high-protein food development: UNICEF is collaborating with FAO and WHO and the Rockefeller Foundation to develop new types of high-protein foods for children which can be produced locally, and distributed at low cost, such as fish-flour, oilseed press-cake flours, and soybean products.

(e) Emergency aid for the relief of children and mothers in critical areas in time of disaster.

UNICEF operates no projects of its own within countries. Apart from general help in the planning of projects, UNICEF aid takes the form of equipment and supplies not locally available (such as insecticides, antibiotics, drugs, vaccines, clinic equipment, powdered milk, dairy plant equipment, and vehicles), material help for the training of national personnel (such as teaching materials and stipends for trainees), and engineering assistance for milk and other food conservation.

Table 11 shows government pledges and contributions by years to UNICEF and table 12 lists the countries and territories assisted by UNICEF and the projects which have been assisted. Table 13 illustrates, for the year 1959, the sources of UNICEF's funds and the nature of its expenditures.

IV. General summaries

Two general summaries attached herewith provide an overall perspective of the amounts spent by the various international organizations in helping countries needing assistance. Table 14 lists estimated expenditures by the United Nations, the specialized agencies, the United Nations Children's Fund and the International Atomic Energy Agency on economic and social activities for the period 1946–60 (1959–60 estimates). It includes expenditures under the regular budgets, the expanded program and the Special Fund. Table 15 lists assistance from international organizations by year, country, and region for the period 1947–60, and includes expenditures by the World Bank, the International Finance Corporation, the U.N. technical assistance program (regular and expanded, of the U.N. and its agencies) and the U.N. Special Fund.

LATIN AMERICA—HOUSING

Mr. HUMPHREY. Madam President, I wish to commend the distinguished Senator from Florida, Senator SMATHERS, on the adoption of his amendment to the foreign aid bill Wednesday and I am pleased to be associated with the amendment.

The amendment will provide for the first time U.S. assistance in Latin America to set up FHA-type investment guarantees in the field of private home building. The amendment earmarks an initial $15 million for the purpose of creating pilot or demonstration private housing projects in the Latin American area. This is the assigned minimum, but not to be interpreted as the ceiling amount.

With the guarantees as set forth in this amendment, it will now become possible for working class people in these countries to obtain long-term retail financing similar to that which has made it possible for so many of our citizens to become responsible homeowners.

This amendment also follows the President's expression that Latin American countries must now show evidence that they are willing to undertake self-help measures. Along these lines, the Colombian people through their largest industrial organization ANDI have undertaken a large-scale national housing project.

In Chile extensive changes have been made in laws affecting banking and mortgages to make available financing for great masses of that country's population.

Guatemala, through its program by the ICIV, is doing the same thing on an even larger scale.

However, this is not enough in view of the facts set forth by the International Cooperation Agency which points out that only one new house is being built for every 16 persons added to the population in Latin America, while here at home the ratio is one house for every 3 persons added.

The most important effect this amendment will have upon our overall efforts to aid our neighbors to the south is that the field of housing is unique, in that when we help to build homes, we create so much more than simply shelter. By housing people we create a tremendous individual sense of responsibility on the part of the homeowner and of course we create jobs, flow of materials, new wealth through wages and profits, and, from an international viewpoint, we help to strengthen other national currencies.

This program, in a broad sense, will also help us to obtain considerable investment capital from our own private enterprise sources and to a greater degree will also serve to discourage flight of capital in many of our neighboring countries because of the U.S. guarantees.

If we lead the way in this particular field, it is certain that these other nations will follow our lead and gradually adopt their own programs of this kind until our help in this direction will no longer be needed.

We are convinced that this must be done by us because, as the record will show, that without our know-how and experience in this type of financing and without the help of members of our

private enterprise community in fields of savings and loan banks, mortgage and servicing firms, our neighbors will have difficulty in executing FHA-type programs for a long time to come.

Again I wish to commend the distinguished Senator from Florida for his foresight and efforts in getting this worthy amendment adopted.

FURTHER FACTS IN THE CASE FOR THE TECHNICAL SERVICES FOR PEACE AMENDMENT

Yesterday, August 17, the Senate agreed to my amendment 3–16–61—H to the Foreign Assistance Act of 1961.

I term this amendment the "technical services for peace" amendment. It states:

In providing technical assistance under this Act in the field of education, health, or housing the head of any such agency shall utilize, to the fullest extent practicable, the facilities and resources of the Federal agency or agencies with primary responsibilities for domestic programs in such field.

I should like to present this additional statement, so that the Senate-House Conference Committee will have the clearest possible understanding of the issue involved.

PURPOSE OF AMENDMENT

The "technical services for peace" amendment says, in effect:

Give a mandate to the so-called old-line departments to assist in technical service abroad. Give them more responsibility to help recruit, to train, to assist in planning in the international phase of their domestic program. Keep final policy decisions, of course, in AID Washington headquarters and in AID regional bureaus. But relieve AID of the mass of personnel activities which can better be performed by the domestically oriented agencies.

This is the goal of the amendment which the Senate approved yesterday. It is entirely consistent with President Kennedy's goal of high priority for strengthening human resources. It is an amendment to attain excellence in oversea personnel. It is an amendment for interagency coordination, for economy and efficiency.

AMENDMENT SHOULD COVER ALL TECHNICAL FIELDS

There are many more fields of technical assistance that I had time to cover yesterday. I cited four fields as illustrative: education, health, housing, and agriculture. But the listing in my statement and in the amendment is not intended to be inclusive.

I would urge, therefore, that the conference committee in retaining the amendment would spell out additional technical fields, such as agriculture, engineering, transportation, and so forth. The words "such as" should precede the detailed listing of the various fields, so that no specialty is arbitrarily excluded.

THERE ARE NOW TWO FOREIGN DEPARTMENTS OF AGRICULTURE

Consider the situation now with respect to international agriculture. Right now, the U.S. Department of Agriculture has extensive foreign programs. There are 79 agricultural attachés and assistant attachés in over 58 countries of the world.

Meanwhile, however, there are, under the International Cooperation Administration, 1,300 agricultural personnel overseas. Nine hundred of these are direct-hire personnel; 400 are under contract, including 200 under university contracts. Over 60 countries are represented in the ICA agricultural programs.

For the last 8 years, however, the Department of Agriculture has had little if any responsibility as regards the ICA agricultural programs. Prior to the onset of the Foreign Operations Administration in 1953, the situation was the reverse. But ever since, we have had, in effect, two foreign Departments of Agriculture—one in ICA and one in the Department of Agriculture.

This Nation cannot afford the situation of two technical agencies—one domestic and one foreign—in all these specialties.

ISSUE FACING CONFERENCE COMMITTEE

The Senate-House conference committee can remedy the situation. By adopting the amendment and writing a clear-cut mandate in the conference report, it can, first, make certain that there is but one boss in foreign aid—the AID Administrator in Washington and the chief of mission in the field, but, simultaneously; and second, make certain that responsibility for technical backstopping is placed where it can best be discharged; namely, in the Cabinet, departments, and agencies.

DETAILS ON EDUCATION FOR PEACE

Now, let me point out that, as I stated yesterday, one of the strongest cases for the "technical services for peace" amendment can be made in connection with "education for peace."

The chairman of the Foreign Relations Committee [Mr. FULBRIGHT] has made so profound a contribution to the role of international education that the subject does not need extensive elaboration on my part.

Now, let me summarize the need and opportunity for giving the U.S. Office of Education a mandate to do more of what it is capable of doing in international education.

EDUCATION

The United States must, in my judgment, strengthen its activities in international education. This requires, in my view, not less than three types of action:

First. The Congress should provide a mandate in S. 1983 for the U.S. Office of Education to make its maximum contribution abroad.

Second. The Department of State must make certain that there is in each U.S. Embassy abroad an educational specialist. Whether he is called educational attaché or educational officer, this individual should be strongly qualified to communicate from the American educational community to the foreign educational community and vice versa.

Third. The Office of the Assistant Secretary of State for Educational and Cultural Activities should be encouraged and supported as a strong coordinating force at the policy level in Washington on interagency efforts in international education.

Of these three objectives, only the first is intended to be served by the amendment which the Senate approved yesterday. I urge the other two objectives, however, simultaneously.

LIMITED SUPPLY OF MANPOWER

As to my amendment, it must be recalled that the manning of international education programs inevitably affects the supply of educational resources available in this country. Similarly, the successful operation of the oversea programs requires the most expert professional assistance. Therefore, the Secretary of Health, Education, and Welfare should be represented at the highest level at which international education policy is formulated. In addition, the Office of Education should be given substantial responsibilities in operating those parts of international education programs which function inside the United States. The Office of Education should aid in the recruitment of personnel and should provide other advice and services to those programs which are operated by other branches of the Federal Government. And, finally, the professional resources of the Office of Education should be available to any other part of the Government for the review of the effectiveness of any of their educational programs.

The role of the Office of Education, as defined above, will provide the Federal Government with the most effective use of its professional resources, without in any way limiting the responsibilities of the Department of State for determining foreign policy. My amendment will prevent unbridled competition for limited resources as between domestic and international needs. And it will enable the American educational system to make its most effective contribution to the success of American foreign policy.

Now, let me set forth, first, a list of the various reasons for enabling the U.S. Office of Education to participate more directly in the development and formulation of oversea education programs, and second, a list of the disadvantages of the status quo; that is, the shortcomings of the arbitrary division of responsibility between the International Cooperation Administration and the U.S. Office of Education.

REASONS FOR THE U.S. OFFICE OF EDUCATION TO PARTICIPATE DIRECTLY IN THE DEVELOPMENT AND FORMULATION OF OVERSEA EDUCATION PROGRAMS

First. The Office of Education is the U.S. Government agency which covers all aspects of education. It has a large specialized staff covering teacher education, vocational education, literacy training, and other aspects of education which frequently enter into aid programs overseas. With specialized personnel, the Office of Education could participate in planning developmental programs with the knowledge that all aspects of education are adequately covered.

Second. The responsibility for education overseas cannot be separated from education's domestic tasks. The principles of education, good practices, and

techniques are the same wherever they operate.

Third. The Office of Education has close working arrangements with organized education groups such as teachers associations, vocational education groups, social studies organizations, higher education, elementary and secondary education, and many others. It is from these working groups that personnel can be drawn to serve overseas either in full time or consultative capacity.

Fourth. The Office of Education is, I understand, prepared to recruit and to assign all of the educators who work in oversea programs. The Office will also be prepared to plan assignments in this country for all groups of foreign teachers and leaders who come to this country for educational experience.

Fifth. For long or short assignment periods overseas the staff of the Office of Education can frequently serve overseas in a rotating capacity, thus bringing specialized experience to the field and enriching their service here at home on their return.

Sixth. The Office is prepared to carry on research in methods and techniques to promote a more rapid development in education of the emerging programs in other countries. Some of the programs, as for example that in comparative education, continually carry on research on the educational systems and developments in other countries, which can be utilized for long-range planning programs. In addition, the program of foreign area study in the universities, now subsidized by the National Defense Education Act, can provide training for oversea work.

Seventh. As time goes on the oversea operation of the Agency for International Development will need to be more closely correlated with the aid and development programs of international agencies. The Office has close working ties with those international bodies which afford educational programs overseas.

Eighth. The staff of the Office of Education is competent and available to make periodic evaluations of education overseas and to provide an estimate of the tangible demands on American education for personnel and material. If this is not done by 1970, when 6 million American young people will be eligible for our colleges and universities, there may be no room for foreign students. A constant examination of expected demands for such services is required.

DISADVANTAGES OF THE STATUS QUO IN THE PRESENT FUNCTIONS AS BETWEEN THE OVERSEA PROGRAMS AND THE OFFICE OF EDUCATION ACTIVITIES

First. The Office of Education does not now make the initial plans or act in a continuing capacity in the planning and carrying out of the aid program for a given country. Therefore, the Office does not have an immediate check on the numbers or types of persons required on anything except the mere statement of the ICA office. Furthermore, persons sought for special competence by the Office of Education staff are frequently found to have been placed in and dissatisfied with entirely different assignments from those for which they were recruited.

Second. The Office is not now called upon to survey programs in operation. Therefore, it does not know at first hand what expansion of activities would be required. No long-range planning of facilities and persons can be done.

Third. At the present time nominations of eligible candidates are made by the Office of Education. The final decision and in fact the interviews and check of qualifications themselves are made by the agency responsible for the programs.

Fourth. There is now no definite schedule of evaluations of the effectiveness of programs in which the Office of Education can participate. Therefore, there is no practical way of interpreting its own effectiveness in recruiting and otherwise participating in the total program.

Fifth. The Office of Education now is assigned only a part, an unknown part, of the foreign teachers brought here for training. Therefore, much confusion results from attempts to place a group in a certain university, only to find that the ICA itself has placed another group there, using all available resources.

THE COMMUNIST DANGER

I know that I need not remind the Senate in detail that education is one of the most crucial battlegrounds in the cold war. The Soviet Union would no doubt like to make every university, every secondary, every primary school in every developing country of the world a breeding ground for communism.

Meanwhile, in Moscow, the so-called Peoples' Friendship University, which has been called "Lumumba University" is literally spreading a dragnet for foreign students.

The Soviets hope to have 3,000 to 4,000 students from Asia, Africa, and Latin America enrolled in this new Moscow University within a few years.

I ask unanimous consent that the first part of the study which will be published by the Office of Education's Office of International Relations on Soviet programs in international education be printed at this point in my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

THE PEOPLE'S FRIENDSHIP UNIVERSITY AND INTERNATIONAL EDUCATION IN THE U.S.S.R.

(By S. M. Rosen, specialist in comparative education for Eastern Europe, U.S. Office of Education)

SCOPE OF SOVIET PROGRAMS IN INTERNATIONAL EDUCATION

Soviet programs in international education are diversified and impressive. Some of the programs are already substantial. Others are in the process of considerable expansion. The most notable new development has been the expansion of university facilities for the training of Africans, Asians, and Latin American students, but the growth of other Soviet programs of international education have not been neglected. The scope of these programs may be indicated by the following nine citations:

1. Higher education: In 1959 the U.S.S.R. Minister of Higher Education reported that more than 13,000 undergraduate and graduate students from 40 countries are attending colleges in the Soviet Union at present. (Perhaps 1,000 of these students were from underdeveloped countries.) Present enrollment of foreign students is more than double of what it was a decade ago. In 1958, 415 Soviet undergraduates and graduates were studying in foreign countries.

2. Production training: The chairman of the U.S.S.R. State Committee for Cultural Relations With Foreign Countries reported that in 1958, 216 foreign citizens were undergoing production training in the U.S.S.R. and 254 Soviet citizens were undergoing production training in other countries. It is likely that these numbers have considerably increased in the past 2 or 3 years.

3. Exchanges with United States: Soviet educational exchanges with the United States, while small, are growing. The first joint agreement on exchanges in the cultural, technical and educational fields, signed in January 1958, allowed for 20 students to be exchanged in the academic year 1958–59 and 30 in 1959–60. The actual numbers exchanged varied somewhat from these figures. A new exchange agreement in November 1959 allowed for expansion of the student exchange to 30 persons in 1960–61 and 50 persons in 1961–62. The U.S.-U.S.S.R. exchange agreement will be renegotiated this fall for academic years 1962–63 and 1963–64. The agreements also include exchanges of educational delegations, and the Soviet Union has been very active in exchanging educational delegations with countries throughout the world.

4. International summer school: In June 1960 the U.S.S.R. announced the formation of an international summer school to be held on the southern coast of the Crimea. The summer courses in 1960 would be attended by over 100 students from various countries. Top Soviet writers, scientists, and cultural leaders would participate in the seminars.

5. The intourist program: The orientation in the Soviet Union provided for tourists by trained and skillful intourist guides is a well-developed program having educational as well as less formal objectives. Perhaps half a million or more foreign visitors to the U.S.S.R. are exposed to this orientation each year.

6. Book distribution abroad: In 1959 the Soviet Union published over 30 million books of 830 titles in 26 foreign languages for dissemination to non-Communist countries. These books were either distributed free or sold far below cost, most of them to Asia, Africa, and Latin America.

7. Soviet technicians abroad: The number of Soviet specialists stationed abroad to render aid in technical training programs is suggested by the following data: During the first half of 1957, more than 2,000 technicians from the U.S.S.R., Eastern Europe, and China worked for a month or more in 19 developing non-Communist countries. More than 80 percent of these technicians worked in Egypt, Syria, India, and Afghanistan, most of them in development projects, the others in military assistance.

8. Other facets of technical aid: The U.S.S.R. has assisted in the establishment of technical institutes in such countries as India, Burma, and Egypt. Involved in this assistance is the training of foreign technicians in the U.S.S.R., as indicated by the following Soviet news item broadcast last October:

"In accordance with a Soviet-Indonesian agreement, a technical institute will be built on the Island of Ambon with Soviet help. A group of Indonesian teachers, headed by Mechanical Engineer Ras Homutra has arrived in Odessa. The Indonesian teachers who will teach in the technical institute will study Odessa's higher educational establishment, in particular teaching methods and the organization of experimental laboratory classwork."

Students from underdeveloped countries may receive extensive specialized training in various Soviet higher technical institutes,

such as the Tashkent Institute of Agriculture in the central Asian Uzbek Republic.

9. Research on education abroad: The Soviet Union has stepped up its research on foreign educational systems. Before 1956 the RSFSR Academy of Pedagogical Sciences had a department limited to references and information on schools abroad, called the Department for the Study of Foreign Practice and Information. At the end of 1955 the activities and organization of the department underwent radical changes, according to its new director. It was transformed into a research department and its official name was changed to Department of Contemporary Education and School Abroad. In addition to publications of this department, the large libraries of the Soviet Union receive a wide range of foreign educational literature.

Mr. HUMPHREY. This paper focuses on the latest innovation in international education in the U.S.S.R., the People's Friendship University—Universitet Druzhby Narodov—established in 1960 specifically for the training of students from Asia, Africa, and Latin America. The name of the school was lengthened to Peoples' Friendship University named for Imenii Patrice Lumumba, immediately after the death of the Congolese leader in February 1961. Soviet sources have subsequently referred to the school on occasion as Lumumba University. The research materials collected for this paper have been supplemented by firsthand observation of the university and discussions with the prorector, other members of the university's staff, and students in March of this year.

ADDING TO NUCLEUS OF SKILLED PERSONNEL

The Communist effort at indoctrination and subversion underlines the urgency of U.S. educational programs abroad.

But even if the Communist danger did not exist, it is clear that a massive effort is necessary on our part to enable the emerging countries to combat illiteracy, to improve vocational skills, to strengthen their nucleus of teachers, administrators, engineers, doctors, attorneys, and all the other specialists necessary to help a new nation raise its living standards.

There is one agency in the U.S. Government which is designed to contain the highest competence in the educational profession, per se, and that is the U.S. Office of Education. Under amendment 8–16–61—H, it would receive the necessary green light to bring to bear its competence on foreign educational needs.

Mr. HICKENLOOPER. Madam President, will the Senator yield?

Mr. DIRKSEN. I yield 3 minutes to the Senator from Iowa.

Mr. HICKENLOOPER. As a member of the Committee on Foreign Relations, I voted against the bill when it was reported out of the committee. I voted against the bill mainly because of the provision relating to back-door spending, and that method of getting money out of the Treasury for the loan fund. I have advocated emphasis on loans rather than gifts for many years. Therefore, I am not against the loan principle. Back-door spending is still provided in the bill, and I am still opposed to it. There are other provisions in the bill, however, which I think are essential, such as military provisions and certain technical cooperation provisions.

All in all, I wish to make clear that I do not believe we can cut off international cooperation with a sharp knife at this time. I think it must continue for a period of time. While there are certain provisions in the bill to which I am definitely opposed, I expect to vote for the bill in its final passage with those reservations, and with the reservations that I can support measures to correct the proposed legislation as the bill goes through, either in conference or otherwise.

I make my explanation only because a vote against the bill could be interpreted as a vote for the termination of all international cooperation, which I think would be futile in these days of tension. But a vote for the bill does not by any means indicate that I approve of all the provisions in the bill. To certain of the provisions—and certainly the back-door financing provision—I am still adamantly opposed, and will continue to oppose them.

Mr. DIRKSEN. Madam President, I yield myself 1 minute, and then I will yield back the remainder of my time.

I will vote for the bill. It will be a significant vote. However, it will not be nearly so significant as will be the vote on the conference report.

The House of Representatives has passed a so-called 1-year, direct appropriation bill, which will come in direct conflict with the Senate bill in conference. What the conference committee will report back remains to be seen. I shall reserve indicating my vote on the conference report until it is laid before the Senate.

I am unhappy about the fiscal provisions of the bill and its method of financing, but a bill cannot go to conference unless it is passed by both the Senate and the House, and the conferees have an opportunity to express their will about it, and then send a report back for final passage. The vote on the conference report will be the important vote. I shall vote for the bill today with the understanding, of course, that I may change my mind when the conference report comes back.

Madam President, I yield back the remainder of my time, and I am prepared to vote.

Mr. FULBRIGHT. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from North Carolina [Mr. ERVIN], the Senator from Michigan [Mr. HART], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Michigan [Mr. HART] would each vote "yea."

On this vote, the Senator from North Carolina [Mr. ERVIN] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from North Carolina would vote "nay," and the Senator from Minnesota would vote "yea."

On this vote, the Senator from Texas [Mr. YARBOROUGH] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Indiana would vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Kansas [Mr. CARLSON] and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is detained on official business.

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Texas [Mr. YARBOROUGH]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Texas would vote "yea."

If present and voting, the Senator from New Hampshire [Mr. BRIDGES], the Senator from Maryland [Mr. BUTLER], the Senator from Kansas [Mr. CARLSON], and the Senator from Massachusetts [Mr. SALTONSTALL] would each vote "yea."

The result was announced—yeas 66, nays 24, as follows:

[No. 158]

YEAS—66

Aiken	Gore	Metcalf
Allott	Gruening	Miller
Anderson	Hartke	Monroney
Bartlett	Hayden	Morse
Beall	Hickenlooper	Morton
Boggs	Hickey	Moss
Burdick	Hill	Muskie
Bush	Holland	Neuberger
Byrd, W. Va.	Humphrey	Pastore
Cannon	Jackson	Pell
Carroll	Javits	Prouty
Case, N.J.	Keating	Proxmire
Church	Kefauver	Randolph
Clark	Kerr	Scott
Cooper	Kuchel	Smathers
Cotton	Lausche	Smith, Mass.
Dirksen	Long, Mo.	Smith, Maine
Dodd	Long, Hawaii	Sparkman
Douglas	Magnuson	Symington
Engle	Mansfield	Wiley
Fong	McGee	Williams, N.J.
Fulbright	McNamara	Young, Ohio

NAYS—24

Bennett	Goldwater	Russell
Bible	Hruska	Schoeppel
Byrd, Va.	Johnston	Stennis
Case, S. Dak.	Jordan	Talmadge
Curtis	Long, La.	Thurmond
Dworshak	McClellan	Tower
Eastland	Mundt	Williams, Del.
Ellender	Robertson	Young, N. Dak.

NOT VOTING—10

Bridges	Chavez	Saltonstall
Butler	Ervin	Yarborough
Capehart	Hart	
Carlson	McCarthy	

So the bill (S. 1983) was passed.

The title was amended, so as to read: "A bill to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the

world in their efforts toward economic development and internal and external security, and for other purposes."

Mr. FULBRIGHT. Madam President, I ask unanimous consent that the bill, as passed, be printed and the Secretary be authorized to make technical changes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FULBRIGHT. Madam President, I move to reconsider the vote by which the bill was passed.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to table was agreed to.

DEATH OF JUDGE LEARNED HAND

Mr. KEATING. Madam President, word has just come of the death this afternoon of one of the great jurists of all time, Hon. Learned Hand. His name is identified with many of the great milestones in the development of the law in this century. He will be remembered in history for his outstanding contributions to our understanding of the law and the administration of justice.

I extend my personal sympathy to the members of Judge Hand's family in their moment of sorrow.

Mr. JAVITS. Madam President, Learned Hand is a respected name in the law. He was one of the truly giant figures of all time in jurisprudence. The country, the world, and the people have lost a great advocate. I join with my colleague, the distinguished junior Senator from New York [Mr. KEATING], in sending condolences not only to the family and friends of Judge Learned Hand, but to all mankind, as well.

ORDER FOR ADJOURNMENT TO 11 A.M. ON MONDAY NEXT

Mr. MANSFIELD. I ask unanimous consent that when the Senate adjourns tonight, it adjourn to meet at 11 o'clock a.m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Madam President, I should like to ask the distinguished majority leader about the schedule for the remainder of the day and also for Monday, and as far into next week as he can foresee the situation.

Mr. MANSFIELD. There will be no further voting tonight.

On Monday the Senate will consider the measures on the Calendar to which there is no objection.

After that, the Senate will proceed to consider the State-Justice appropriation bill.

For the information of the Senate, the distinguished minority leader and I have filed a notice, which is at the desk, that we will move to suspend the rule to offer an amendment to that bill, to extend the life of the Civil Rights Commission.

Mr. JAVITS. Madam President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. JAVITS. I also have filed a notice to suspend the rule, and I will propose either one or both of two civil rights amendments, one relating to part 3, and the other making the poll tax unlawful.

Mr. MANSFIELD. The Senator has that right.

Mr. KEATING. Madam President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. KEATING. I have also sent to the desk a motion to suspend the rule to provide technical assistance to school districts. I am also sending to the desk two amendments to the amendment offered by the distinguished majority leader, one to provide for an indefinite extension of the Civil Rights Commission, and the other for an extension of 4 years, instead of 2.

Mr. MANSFIELD. Does the Senator refer to the impacted areas school bill?

Mr. KEATING. No. The Senator from South Dakota has that in mind, I believe. What I have in mind has to do with technical assistance to schools which are sincerely trying to comply with the Supreme Court decision. It is a well-known issue in the Senate.

Mr. MANSFIELD. Following that, the military construction appropriation bill will be taken up.

Then—and this meets with the approval of the distinguished minority leader—the Senate will consider Calendar No. 722, S. 2391, to amend various sections of the Atomic Energy Act of 1954, and the Euratom Cooperation Act of 1958, and for other purposes, and the following measures:

Calendar No. 626, S. 1991, relating to the occupational training, development, and use of the manpower resources of the Nation.

H.R. 4785, relating to State employee retirement payments. Following that, although not necessarily in this order, such bills as Calendar No. 682, S. 2000, to provide for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower.

Calendar No. 664, S. 1969, to amend the Federal Aviation Act of 1958, as amended, to provide for a class of supplemental air carriers, and for other purposes.

Calendar No. 671, S. 1130, to amend title 2 of the Public Health Services Act to authorize grants for improving domestic agricultural migratory workers' health, service, and conditions.

Calendar No. 675, S. 1124, to provide certain payments to assist in providing improved educational opportunities for children of migrant agricultural employees.

If any other measures are to be considered, I shall, of course, clear them with the minority leader before making an announcement.

NEW FARM HOUSING PROGRAM

Mr. SPARKMAN. Madam President, for years I have recognized the need for programs which would help our rural families obtain better housing. In 1949, I sponsored legislation to provide housing loans to farm families. This legislation became title V of the Housing Act of 1949. Since 12 years ago when the first loan under the act was approved to help an Alabama farmer finance a new dwelling for his family, nearly 48,000 farm families across the country have borrowed more than $325 million to construct, remodel, or otherwise improve homes and other farm service buildings.

The farm housing program has been a great program. And within a very short time the benefits of this program will be available to all families living in rural areas, even though they may not be engaged in farming. The Farmers Home Administration is now implementing title VIII, the rural housing section of the omnibus housing bill which was signed into law by President Kennedy on June 30. In the near future, Farmers Home Administration will be sending detailed rural housing loanmaking instructions to each of its 43 State offices and 1,450 county offices across the country.

I strongly supported the rural housing provisions contained in title VIII of the Housing Act of 1961. I am happy to see that the agency is able to get this new program into action so quickly. I predict that progress in improving rural housing will be one of the most significant forward steps made by this administration in bettering conditions in our rural areas.

Under the provisions of title VIII, eligible rural families can use housing loans to construct, repair, and remodel dwellings and other essential service buildings. The loans bear 4 percent interest and are repayable over periods up to 33 years. Approximately $430 million will be available for these loans over the next 4 years.

Title VIII also authorizes the Farmers Home Administration to make small home improvement loans without taking a mortgage on the farm for security. This will cut down loan closing costs and will speed up loanmaking.

Lessees of farms are eligible for building loans under certain circumstances.

Domestic farm labor stands to benefit from this legislation too since for the first time the Farmers Home Administration may insure loans which will provide them with housing and related facilities. These loans may be made to farm owners, associations of farmers, State and local government units, and nonprofit associations. Under this insured loan program, funds are provided by private lenders. The Farmers Home Administration deducts an administrative charge for making and servicing the loans and guaranteeing their repayment to the private lender.

The new housing legislation authorizes up to $250,000 per year for research in farm housing needs, design, and construction. I understand that the FHA is already moving rapidly to, first, analyze the housing information contained in the agriculture census of 1959 and the population census of 1960 to determine the adequacy of existing farm housing and the nature and extent of current and future needs for housing, second, study the economic problems faced by low-income farmers and other persons who

need better housing and are eligible under the law but who cannot afford the price, and third, investigate ways to improve the design, utility, comfort, and construction of farm housing including the use of new building materials.

Title VIII of the Housing Act of 1961 will be soundly administered by the Farmers Home Administration. One can substantiate this by taking a look at the Agency's 12-year record in the farm housing field. Repayments have been excellent. Losses written off to date total about three one-hundredths of 1 percent.

In Alabama, as of June 30, 1961, 3,083 loans totaling $21,878,161 have been made. Although these loans are made for periods up to 33 years, one-fifth of them have already been repaid. Others still in debt are meeting their installments even faster than the rate requires.

Rural families applying at the local office of the Farmers Home Administration for title VIII housing loans may be assured of the finest in treatment and the best in service. The county supervisor who talks to each applicant has experience in planning a home, supervising its construction, and budgeting the income to meet the payments. He can talk facts instead of theory because he has plenty of practical day-to-day experience in making all types of loans. He can point to a number of homes in the community financed by Farmers Home and tell how long it took to construct them, cost per square foot of living space, and best types of building materials.

During the stages of construction, the county supervisor inspects the home to see that the building plans and specifications are being adhered to. This inspection service guarantees a properly constructed home to the borrower and assures the Government that there is sound security behind the loan.

Under title VIII the county committeemen of the Farmers Home Administration will continue to determine who is eligible for loans. Because these men have lived in the community for years, they know the needs for housing and they will make certain that the benefits of the act go only to those for whom the benefits are intended. The county committee fills an important gap here because the law requires that these rural housing loans be made only to those who are unable to obtain adequate financing from other sources.

Rural families need and deserve decent, safe, and sanitary housing as much as city families do.

The kind of rural housing program authorized by title VIII will help keep our rural population well dispersed instead of causing them to move into already overcrowded cities.

It helps improve the countryside by substituting neat, attractive, livable homes for shacks.

It gives families something to live for, helps them to view life from a fresh perspective, encourages them to participate more fully in community life.

It provides job opportunities for carpenters, electricians, and bricklayers.

It helps local business; increases the volume of sales of building materials and related items by lumberyards, hardware stores, building supply dealers, and others.

In the years ahead, the new rural housing program will make a major contribution to the betterment of living conditions in our rural areas.

In his housing message early this spring, President Kennedy pointed out that almost a fifth of the occupied houses in rural areas of America are so dilapidated that they must be replaced.

Adequate credit as provided for in title VIII of the 1961 Housing Act will help rural families overcome this housing hardship.

Our communities, our States, and our country stand to benefit from this progress. I am pleased that I helped to develop programs which will bring this progress. It also pleases me to point out that the providing of a sound housing program for rural families is just another example of how our forward-looking administration is facing the needs of the present, thereby eliminating some of the problems which would otherwise plague us in the future.

FORTIETH ANNIVERSARY OF WOMAN SUFFRAGE—TESTIMONIAL TO SENATOR HAYDEN

Mr. MOSS. Madam President, this morning I participated in an event which was not only pleasant but was most gratifying both to me and to the women of the State of Utah.

The event was pleasant because it was built around a surprise party given by the League of Women Voters for the distinguished senior Senator from Arizona [Mr. HAYDEN] to commemorate the 40th anniversary of woman suffrage and to thank Senator HAYDEN—the only Member of the 87th Congress who was also a Member of the historic 66th Congress and voted "yea" on the woman suffrage amendment.

The event was gratifying because I would not have been invited had I not represented one of the original 15 full-suffrage States—the States which had given women suffrage before the 19th amendment was passed. I felt therefore that I was standing in for our valiant pioneer women who won the vote, and for our latter day women who have made such good use of it, when I attended the commemoration ceremonies this morning.

Utah women won the vote 50 years before national suffrage. It was granted to them by action taken by the Territorial legislature in 1870 and reaffirmed when the Territory became a State in 1896.

I know that my neighboring State of Wyoming claims the glory of being the first Territory to give women the vote, and I will do nothing to diminish the luster of this accomplishment. But, actually, women voted first in Utah. It happened this way. The Legislature of the Territory of Wyoming passed a bill conferring the franchise upon women in 1869, and it was promptly signed by a bachelor Governor.

Then early in 1870 the Legislature of the State of Utah passed a similar bill, and our Governor affixed his signature to it on February 12.

Shortly after that time some of our municipalities had an election, and it is reported that in Salt Lake City, in particular, a number of women availed themselves of their newly acquired prerogative and went to the polls to vote. It was not until several months later that an election was held in Wyoming, and women ventured into the polling places.

The earliest attempt to elect a woman to an important office also occurred in Utah. Mrs. Emmeline B. Wells was nominated for treasurer at the county convention in Salt Lake City in 1878. She received the vote of the entire delegation, but the statute including the word "male" was held to debar women from holding political offices. The next Territorial legislature passed a law erasing the word from the statutes, but the Governor did not sign the bill, I am sorry to say.

From this early strong beginning, the women of Utah have continued down through the years to take a prominent place in our political life. Our State and county governments are filled with elected women officials, we always have a substantial representation of women in our State legislature, and we have sent one woman to Congress—Judge Reva Beck Bosone. Only yesterday Utah produced an Assistant Secretary of Labor—Mrs. Esther Peterson. And our Utah chapters of the League of Women Voters produce some of the best informed and most civic minded people in the State.

On this date when we are commemorating the 40th anniversary of the ratification of the suffrage amendment by the 36th State, I also want to mention that Utah was no laggard in that battle either. Again we were among the first 15—becoming on September 30, 1919, the 13th State to ratify the amendment giving all women over 21 in this country the right of suffrage.

So I have many reasons for being pleased that the League of Women Voters did not let this anniversary pass without commemorating it and without giving his colleagues an opportunity to pay homage again to the distinguished senior Senator from Arizona—senior not only in the length of his stay in the Congress, but in wisdom and in service to his country.

As we look back over 40 years of woman suffrage we find that most of the threatened events which were predicted have not materialized. Women have voted not as women but as citizens, dividing along the same orthodox party lines as men. They are steadily increasing in numbers, and the Gallup poll now shows that more women vote in national elections than do men. They also continue to increase their numbers in our national legislative body—in the 87th Congress women have reached their peak—19 in the House and the Senate. Particularly, I comment on the ability and devotion to duty of my two lady colleagues, the Senator from Maine [Mrs. SMITH] and the Senator from

Oregon [Mrs. NEUBERGER], who certainly must be counted among the best informed, most hard working, and most effective Members of the U.S. Senate. Their charm and graciousness as lovely ladies does not detract from their effectiveness as Senators representing two great States on our Atlantic coast and our Pacific coast.

I think we can be sure that the full potential of the power of women in elective office has not yet been felt, and that in the future women will assume even greater responsibilities.

COMMENDATION OF SECRETARY DILLON

Mr. SMATHERS. Madam President, Secretary Dillon should be commended for the manner in which he conducted himself and represented the United States at the recent conference at Punta del Este, in Uruguay. I am proud that he was able, as our representative, to restrain himself under the gibes and taunts directed at him by Che Guevara, who represented the Communist country of Cuba. He performed an inestimable public service in the best interest of the people of the United States and the Western Hemisphere.

I was delighted that at the end of the session Secretary Dillon announced that under no conditions would the Communist dominated Government of Cuba, under Fidel Castro, participate in the Alliance for Progress.

I am certain the taxpayers of the United States do not wish to pay huge sums of money for the economic development of any country in Latin America when that country, in any fashion whatever, is under the control or domination of a Communist government.

I thought Secretary Dillon performed a magnificent service. He deserves the commendation of all Members of Congress. I hope, now that the economic part of the Alliance for Progress is out of the way, that the United States will take the leadership in calling together the Organization of American States for the purpose of redefining the political problems which confront not only the United States but also the countries of Latin America. Certainly there must be a redefinition of the term "intervention," because it is obvious today that there can be Communist intervention and a Communist takeover from within a country. That, of course, can be just as damaging and just as complete a victory for communism as if invading troops marched across a border. Yet according to present terms and conditions there is no way in which such action can be called intervention.

I am certain that all who believe in freedom and liberty recognize that it is intervention by the Communists and that there must be some way to effectively cope with this type of situation. I hope our Government will now take prompt action in the political field, as it has done so excellently in the economic field.

Mr. MUNDT. Madam President, I had reserved some time on the foreign-aid bill, in order to make a statement just prior to the passage of the bill. My purpose at that late hour was not to attempt to influence votes, but it was primarily in order to have time to express my views for the RECORD on the basic issues involved. However, when I found that some Senators wished to be able to leave in time to catch early evening planes at about that time, I decided as a courtesy to them to make my speech after the vote was taken—in short, to speak at this time, rather than then.

Madam President, it seems to me that when we come to grips with the issues in this legislation, both in connection with the conference report and in the following years, certain basic matters must be considered.

Year after year I have voted for some type of foreign aid; I have done so almost without exception for nearly two decades. So it was with some difficulty and much soul-searching that I arrived at the conclusion I announced earlier in the debate—namely, that if, in fact, the back-door spending provisions were to be included in the bill, and if, in fact, they would mean relinquishment of the power of Congress over the purse in connection with foreign aid, on the basis of that issue and its attendant implications I would have to vote in the negative on the final rollcall. And of course that is what I did.

Because it may well be that we have some reason to hope that the more salutary and more responsible action taken by the House of Representatives in connection with the Saund amendment to the foreign-aid bill conceivably may result in having the conference committee include in the conference report some provision for continuation of the congressional power of the purse in connection with the provision of foreign aid, I wish to state now that such a development will be most welcome to me. If such improvements come out of conference I shall again at that time vote to support the foreign aid program. However, at this time I must state my position on the bill as it now stands. We do not now know whether the conference report will improve the bill or make it worse. Hence I refuse to vote for what I now consider to be a bad bill in the faint hope that the conference committee may make it a good bill. I shall reexamine my position when we learn what comes out of conference.

In commenting on the bill which has been before the Senate, I wish to state, Madam President, that it seemed to me the bill contained much more demerit than merit.

Of course, I take the position as all Senators realize, that, even if the Senate had voted unanimously against the bill, by the first part of next week the committee very properly would have had before us again some other foreign aid proposal; and if the Senate today had rejected this specific bill, I believe the measure which would have come before us next week for continuation of foreign aid would have been such that it would have contained provisions which would have given Congress the right to examine the appropriations annually, and would have provided more, rather than less, congressional control of the program. I believe that in that way we would have strengthened, rather than weakened, the entire foreign policy program of the United States. Thus we should keep in mind this vote was not whether to terminate or continue foreign aid. The issue was, Should Congress surrender its control over it? And, Should foreign aid now be considered as a permanent program?

Madam President, I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, a statement I made in the course of a newsletter to the folks in South Dakota. The statement explains my position on the entire controversy of back-door spending in connection with foreign aid.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

CONGRESS FACES ITS MOST COSTLY DECISION: FOREIGN AID PACKAGE

Much will be said and written the next few weeks on the overall subject of foreign aid and its various ramifications. Since 1941, this has been an important factor of our "bipartisan foreign policy." Its total cost to America's taxpayers, in all forms, has hit a total of around $100 billion.

It all began in the 77th Congress with the passage of H.R. 1776, the so-called Lend-Lease Act. At the conclusion of World War II, it assumed new and novel forms: billions to Britain; aid to Greece and Turkey; the Marshall plan; UNRRA; unilateral and multilateral aid and armament programs; ECA; ICA; etc. In one way or another, dollar diplomacy — billion-dollar diplomacy — has been a major part of our foreign policy for the past two decades. There has been tremendous waste. In some areas and in some eras it has done good, much good. In others, it has done much harm, damaged our prestige and weakened our position. And like all Government projects it has followed the formula of costing more and more year after year.

Recognizing the disenchantment in Congress over results and the growing conviction that the same medicines will not cure every patient in the world, that persisting with the same prescription fails to recognize the physical fact that both human bodies and "bodies politic" grow immune to any treatment too frequently taken or injected, the Kennedy administration faces a dilemma. It must either come up with new concepts in foreign policy or win a final battle for the old formula, which would not require an annual renewal, because opposition in all quarters to "more of the same" is rapidly increasing.

It has been hoped the White House and the new Secretary of State would come up with a new program, a new plan, a new formula upon which to build an effective foreign policy. Instead it appears the push will simply be on to get a 5-year extension of the same old, expensive formula. This Senator believes such a long-term projection of a formula which is failing would be unwise.

I would or shall support adequate funds for another year of this dollar diplomacy despite its high cost. The reason: We cannot operate without a foreign policy and the new administration may require—and deserves—time to develop some new ideas and to suggest some new approaches. In my opinion, however, asking for 5 years is too much, too expensive, and too fraught with failure.

A 5-year package would decrease the supervision and control of Congress over this global spending program which experience

clearly indicates should have increased supervision and control by Congress. It would discourage rather than encourage such new approaches as insisting on such acts of cooperation or achievement as, for example: (1) demonstrations of a willingness to utilize a partnership approach by joining our money with local funds to attain desirable goals; (2) support of free world positions in the councils of the mighty and at the U.N.; (3) acceptance of loans instead of grants with regular interest payments and at least fractional amortization payments; (4) development of private ownership opportunities for growth and employment instead of using American aid to establish socialized activities in foreign countries; (5) methods for "getting our aid down to the people" rather than having so much of it short circuited by remaining in the hands of the politically powerful or the economically privileged; and, (6) programs for reenforcing the help our dollars provide abroad by social, political, and economic reforms so that recipient countries no longer provide tax havens for their very rich and caste systems for their very poor.

The foregoing six suggestions for "getting more for our aid dollars abroad" are not final, nor finished, nor fixed. They are merely suggestions of the type of new concepts which must be developed if "dollar diplomacy" of the multibillion-dollar type is to continue and if it is to get concrete, constructive results.

These recommendations are indicative of the reforms I believe must be made if we are not to be drained white while trying to keep the world from turning Red. They indicate weaknesses to be corrected, changes to be made, lessons to be learned from experience, and new approaches to be considered.

Cordially yours,

KARL E. MUNDT,
U.S. Senator.

DO WE STAND OR RUN?

Mr. LONG of Louisiana. Madam President, today the junior Senator from Kentucky [Mr. MORTON] submitted an amendment which proposes to strike out of a House bill which had been reported to the Senate by the Senate Finance Committee an amendment originally submitted by me, on behalf of myself and 29 other Senators, which would have offered to the veterans of World War II and the veterans of the Korean war an opportunity to renew or to take out their national service life insurance if they had previously failed to take it out when it was available. The Senate has passed on this matter by unanimous votes on approximately five occasions. My understanding is that the position taken by the Senator from Kentucky is that the House will not accept this provision.

I am not at all convinced that the House will not accept this amendment if the House has an opportunity to vote directly on it.

There has been some discussion as to whether the House did vote on this matter. On a number of occasions the chairman of the House Committee on Veterans' Affairs has requested unanimous consent to bring up a certain measure which included this provision, and a condition of his unanimous-consent request might have been that the House disagree to the Senate amendment. However, the House has never been accorded an opportunity, in the full sense of the word, to vote on this measure, in that the measure has never been permitted to be brought up on the floor of the House under a parliamentary situation in which those who support the measure would be in a position to explain to the House the side of the veterans, as opposed to the side of the insurance companies, in connection with this argument. In fact, Madam President, I have in my files letters from approximately 50 Members of the House of Representatives who pledge their support to the amendment the Senate has adopted.

In this particular instance the chairman of the House committee has written to the chairman of the Senate Finance Committee and has informed him that if the Senate insisted on adopting the same amendment that it had adopted by unanimous votes on a number of other occasions, the chairman of the House committee would not request a conference on the disagreeing votes of the two Houses, but would insist that the measure including the amendment be considered no further.

It was the attitude of the Senate Finance Committee that the Senate cannot bow down to an attempted veto in advance by a single Member of the House, in opposition to the will of the entire U.S. Senate; that to do so would establish an extremely bad precedent—in short, if, after the Senate had unanimously agreed to such an amendment, it would permit members of a House committee or even the chairman of a House committee to take the position that the representatives of the House would not even discuss the matter with the Senate conferees, after the Senate had a number of times previously taken a unanimous position in regard to the amendment.

Madam President, later I shall discuss this matter further. But at this time I wish to state that I am satisfied that it can be resolved with the comity and courtesy which one House owes the other. I am satisfied it will be resolved in that fashion, and I believe that will be done during this session.

But, Madam President, there are certainly ways in which the Senate can inform a Member of the House who has a certain position, by virtue of seniority and power in his committee, and also by virtue with his influence with the leadershp of the House, that a single Member of the House cannot be permitted to reserve unto himself a veto of action taken unanimously by the U.S. Senate. It is possible to persuade a powerful and respected committee chairman that a single Member of the House or a single House committee cannot impose upon the Senate the House rule of limited debate and the House rule of limitation on amendments; that is what would result in this instance if the Senate failed to accept the challenge under these circumstances.

In such circumstances the Senate must take action to keep the House from becoming embarrassed by the mandate of one of its own Members, because obviously it was intended by the Founding Fathers that the two Houses act jointly on legislation, rather than permit one House to impose its rules or procedure upon the other House.

In other words, to paraphrase the old song, "It Takes Two To Tango," if one partner refuses to dance, there is no point in thinking that the one who wishes to dance can still succeed in dancing the tango while the other is standing still.

So it is very important to point out that after the Senate voted unanimously on the amendment, and after the Senate Finance Committee voted to accept the challenge, I am very much disappointed to find that one member of the Senate committee now proposes to back down, after the entire committee had voted to stand up like men.

But, Madam President, I believe the Senate will understand this issue when it is presented. I will discuss it at greater length in the future and explain that we are being asked to establish a precedent with which the Senate cannot live if the Senate is to remain a coequal body with the House of Representatives.

In view of the fact that I expect to discuss this matter at some future date, with the consent of the chairman of the Committee on Finance, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a letter addressed to the Senator from Virginia, Hon. HARRY FLOOD BYRD, chairman of the Committee on Finance, from the chairman of the House Committee on Veterans' Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. LONG of Louisiana. I believe when Senators study this matter they will see it is an important issue which the Senate must face up to and which it cannot escape.

As I have said, I shall discuss this matter in some detail at a later date, and point out the significance and impact of the decision which the Senate will be required to make in due course.

I have no doubt that, when Senators realize what is involved, they will vote to maintain the Senate as a coequal body of the Congress of the United States.

EXHIBIT 1

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., March 6, 1961.

Hon. HARRY FLOOD BYRD,
U.S. Senator,
Chairman, Committee on Finance,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BYRD: Today the House again passed the bill, H.R. 856, which seeks to provide for the conversion or exchange of World War II national service life insurance policies to a new modified life plan, thus offering this group an opportunity to obtain insurance on which premiums will remain constant throughout the life of the policy.

This bill is identical to H.R. 11045, which passed the House in the 86th Congress and which was amended by the addition of the so-called Long amendment when it was reported by the Committee on Finance last year.

The junior Senator from Louisiana has inserted material in the CONGRESSIONAL RECORD under date of February 16, 1961, the net

result of which is to criticize me in particular and this committee in general for its handling of this subject—the so-called Long amendment. I endeavored to set the RECORD straight in the issue of February 22.

With all due modesty I think that I have been exceptionally fair to the junior Senator from Louisiana in affording him every opportunity for the favorable consideration of his proposal, despite the fact that I was, and still am, opposed to the substance of this proposition.

It seems to me that a matter of this importance should be handled in the normal legislative way; that is, that hearings should be held and the matter should be considered on its merits rather than placed as a rider on a bill which is not related to the subject under discussion. As you know, this has happened each time that the so-called Long amendment has passed the Senate. It has never been the subject of hearings and it has never been a subject which has been debated or considered on its merits alone.

I am writing with all due respect and in no effort whatsoever to influence or suggest the course of action which you or your committee should follow, but nevertheless to express the hope that the substance of the Long amendment will not be added to H.R. 856, or to any other bill which the Committee on Veterans' Affairs has reported and sent to the Committee on Finance for consideration. If this occurs I feel that I must say that I will be constrained to object on that ground alone and I will not take the matter up or ask for a conference between the two Houses if an amendment is added containing the Long proposal. I say this with all due respect for you and your great committee. I believe that you will understand the reasons for my writing this letter.

Sincerely yours,

OLIN E. TEAGUE,
Chairman.

AMERICAN AIR PROGRESS, INCLUDING SCHEDULED TRANSPORT AND GENERAL AVIATION, REVIEWED FOR NATIONAL AVIATION DAY, 1961

Mr. RANDOLPH. Madam President, tomorrow is the 90th anniversary of the birth of Orville Wright, the first man to successfully fly an airplane. It is also National Aviation Day, a day on which the U.S. flag flies in salute to the Wright brothers and the other countless thousands that have contributed and are contributing so much to aviation progress.

Perhaps none of us can truly grasp what that first flight of Orville Wright opened up for mankind, because the universe holds many mysteries still to be discovered and explored. But the fact that we know that our limitations, if they exist at all, are somewhere out there in space, is testimony itself to the breadth of aviation's potential.

Certainly, Orville and Wilbur Wright handed us more than another form of transportation. They gave us a new freedom that, despite the tremendous gains that are made each year, always seems to be just dawning on us.

Our astronauts are traveling over 5,000 miles an hour, over 100 miles above the earth, and experiencing the weird sensation of weightlessness as the fingers of gravity begrudgingly loosen their grip on man. A decade ago, we would have looked upon these feats as perhaps the supreme accomplishment. Today, while thrilled with each new achievement, we nevertheless look upon each as a sort of proving run for something more spectacular.

The poet Inez George Gridley many years ago captured with prophetic beauty the challenge of the future in these lines:

NO WORDS ARE BORN
(By Inez George Gridley)

Beyond the parapets of outer space
Some young Magellan of the future skies
Will steer a course in that incredible voyage
Past doldrum seas of purple nothingness
While constellations flare and new suns rise.
His canvas filled with opalescent flame
Will ride the hurricane, the cosmic fire
To unimaginable lands without a name.
Vasco da Gama, straining eyes to see
The first faint line of thin and wind-lashed coast,
Was dauntless kin to this explorer, who
Will bring his brave and battered hull to rest
In that far harbor, on that chartless sea,
In worlds so foreign that no words are born
Lucid enough to tell the tale to me.

Mr. President, the greatness of aviation, however, is not confined to the spectacular alone. It flourishes rather on its ability to satisfy man's yearning for a better way of life.

Thus, we have in America today a vast national air carrier system that this year will transport some 60 million passengers—men, women, teenagers, small children, and babies—at speeds approaching the speed of sound. How fantastic it would have seemed, just a few years back, to consider an aged couple or a mother with babe in arms traveling over 600 miles an hour, 5 to 6 miles off the earth's surface. Today, it is not fantastic, it is commonplace, it is our way of life.

Our airliners can now cross the continent in 5 hours, the Atlantic Ocean in 6 or 7, halfway around the world in a day. Before long, perhaps within the next decade, the airlines will be flying us in supersonic planes. Current plans are for aircraft that will go three times the speed of sound, or about 2,000 miles per hour. Then we will be crossing the continent in an hour and a half, the Atlantic in 2 or 3 hours. A nonstop flight around the earth at that speed would consume about half a day.

That, too, will become our way of life.

At the heart of this progress, bridging the gap between seemingly incredible aviation and space advances and everyday public usefulness, is our national air transport system.

On this National Aviation Day, 1961, it is appropriate to comment briefly on the development and progress of this industry which has maintained world commercial aviation leadership for the United States from the start.

Some 22 years ago when it was my privilege to introduce in the House of Representatives the Senate joint resolution which led to the establishment of the first National Aviation Day in 1939, our airline industry was full of promise but ranked far behind trains and buses in terms of traffic. In fact, the relatively few passengers that traveled by air in those days did so largely because of emergencies or the novelty of flying.

By 1950, the airlines had become more important but still ranked well behind trains and buses, accounting for 14.2 percent of total intercity passenger miles moved by common carriers. During the 1950's, however, a revolution in travel took place. The airlines surpassed railroads and buses and, by 1960, accounted for 49.3 percent of the intercity passenger miles or about as much as railroads and buses combined.

Over that period, passengers carried by the U.S. certificated airline industry increased from 1,800,000 in 1939 to 19,200,000 in 1950 and to 57,700,000 in 1960.

In 1939, the total volume of express and freight carried by the airlines was less than 3 million ton-miles. By 1960, express volume had grown to 58,900,000 ton-miles and freight totaled 644 million ton-miles. Mail ton-miles increased from 8.6 million in 1939 to 240 million ton-miles in 1960.

In the most recent 10-year period, the airlines fleet increased from 1,000 planes to 1,900 as of December 31, 1960. Numbers alone do not tell the real story. For example, included in the 1960 total are 224 pure jet aircraft, each capable of doing about three times the work of the largest piston-engined planes. Also included are 246 propjets. The total jet-powered fleet at the end of 1960 of 470 planes thus accounted for about one-fourth the entire fleet but was carrying about one-half the total traffic.

The tremendous fleet modernization program of the airlines continues this year. An additional 118 pure jets and 39 propjet planes will swell the jet-powered fleet to 627 by yearend. And hundreds of millions of dollars have been committed by the airlines for additional jets to be delivered in the 1962–65 period.

The total investment of the airlines in new jets and ground facilities is running well over the $3 billion figure.

The continuing progress of the airlines is reflected also in constantly rising employment. Back in 1939, the industry employed about 13,000 people. By 1950, the number had increased to 82,786; by 1960, it reached 166,408.

In addition, several hundred thousand additional jobs have been created in related businesses. Many areas of the United States have realized a new economic and cultural birth, thanks to the growing common carrier airline system.

Airline progress has also been emphasized by, and to a large extent is attributable to, the airlines' traditional "hold the line" policy on fares. In a period when the price of just about everything went sky high, airline fares remained relatively constant. In fact, the fare per passenger mile in 1956 was actually below the fare level of 1938—5.28 cents in 1956 compared with 5.32 cents in 1938.

Steady increases in the costs of material and manpower to the airlines to produce their product dictated the need for upward adjustments by 1957. Despite several increases in the past few years in basic fares, the average domestic fare for all airline services at the end of 1960 was little more than a half cent per mile higher than in 1938. And it

is most significant that over 53 percent of the passenger traffic carried by the airlines is coach traffic, that is, traffic moving at fares of 5 cents per mile or less—well under the fares available in 1938.

In addition, the certificated airlines are experimenting widely with low promotional fares to attract new travelers—those who are either not traveling or using our overburdened highways—to sustain the airline growth and progress so vital to our country.

The tremendous progress of this industry, however, has been dampened by inadequate earnings in recent years. I am confident that ways will be found to improve earnings since they are the key to continued progress and continued progress in aviation is a national "must."

But airline management efforts in this regard must be supported by Government action in removing obstacles to true economic strength for the airlines.

The Congress, the regulatory bodies, and the administrative branch must also approach thoughtfully any moves that will sap the strength of this industry.

The certificated airlines—there are 56 of them—carry a heavy public responsibility imposed upon them in the certificates awarded by the Government in line with the national aviation policy established by Congress in 1938.

These carriers, comprising our common carrier airline system, are obligated by law to provide the public with safe and adequate service. They cannot avoid, suspend or abandon service to a single town without the express permission of the Civil Aeronautics Board. They must serve the weak routes with the strong—they must fly their schedules on the poor traffic days as well as the good traffic days.

Their fares and rates for passenger, freight, express, and mail service are subject to the strict regulations of the CAB. Within the regulatory framework, there is a high degree of competition; in some cases, too much, it would seem.

The needs of the carriers comprising this system, just as with our entire common carrier transportation system, is for more traffic. Each new passenger generated, each additional pound of cargo, is vital to closing the gap between the negligible earnings situation of the carriers and the higher level found necessary by the CAB. Last year the domestic trunklines fell $118 million short of the fair earnings level which CAB reported is required.

I am confident that the Members of this Congress will point the way for the entire Government to encourage the traffic buildup so desperately needed by the common carrier airlines and where merited to other categories of service.

With such an approach, I am confident that the maximum advantages of aviation and space technology will be brought to public usefulness in a minimum of time.

The record of aviation in the United States would not be complete, however, without inclusion of the story of general aviation also. Of the 110,503 registered civil aircraft in the United States at the end of 1960, 108,461, or more than 98 percent, were in the category of general aviation—that is, aircraft used for private, business, or commercial purposes other than airline transport.

General aviation aircraft carry more people than the airlines, fly more hours each year, and utilize all of the country's civil airport facilities. In addition, it is important to note a fact which even many aviation-minded people overlook—that of the approximately 10,000 multiengined civil aircraft in the United States 77.9 percent are in the general aviation fleet, operated by individuals and business firms. General aviation has indeed long since passed beyond the popular impression of sport flying and light-plane activity, and has become a factor of fundamental importance in air transportation and in our national economy.

This is most clearly revealed in the growth of general aviation reported for the 5-year period from 1954 to 1959 in the FAA Statistical Handbook of Aviation, 1960 edition. In 1954, the total aircraft operations in general aviation were 7,755,000; in 1959, total operations had increased to 14,669,000, for an increase of 89 percent.

The safety record of general aviation—compiled over a greater period of time—is equally dramatic. In 1940 the accident fatality rate in general aviation was 7.3 fatalities per 100,000 hours flown; in 1950 this had been decreased to 5.2 per 100,000 hours; and at the end of the next decade, in 1960, the fatality rate was less than half that of 1940, or 3.34 per 100,000 hours.

In view of this remarkable record of growth in operations and in safety in the field of general aviation, it is appropriate that the National Aeronautic Association, the oldest aviation organization in America, through its executive director, Ralph V. Whitener, has written me that this year's observance of National Aviation Day should "call the Nation's attention to the importance of aviation to our cultural and economic progress and to the national security. Today's headlines dramatically point out the need for this country to continually press ahead in the field of flight."

Madam President, the citizens of West Virginia are developing, in cooperation with air carriers, an improved pattern of intrastate and interstate service. Daily schedules by local service airlines operate through airports at Beckley, Bluefield, Clarksburg-Fairmont, Charleston, Elkins, Huntington, Martinsburg—to begin soon—Morgantown, Parkersburg, and Wheeling. The local service carriers are Allegheny, Piedmont, and Lake Central. The trunk carriers serving our State are American, Eastern, and United.

On tomorrow, in my home city of Elkins, the leaders of aviation in West Virginia will come together to hear an address by Mr. Boyd, Chairman of the Civil Aeronautics Board.

ADJOURNMENT TO MONDAY AT 11 A.M.

Mr. RANDOLPH. Madam President, pursuant to the order which has been previously entered, I move that the Senate adjourn until 11 a.m. on Monday next.

The motion was agreed to; and (at 7 o'clock and 20 minutes p.m.), under the order previously entered, the Senate adjourned until Monday, August 21, 1961, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate, August 18, 1961:

THE JUDICIARY

Luther L. Bohanon, of Oklahoma, to be U.S. district judge for the northern, eastern, and western districts of Oklahoma, vice William R. Wallace, deceased.

U.S. MARSHAL

Archie Craft, of Kentucky, to be U.S. marshal for the eastern district of Kentucky, vice Curtis Clark.

EXTENSIONS OF REMARKS

"Carousel"

EXTENSION OF REMARKS
OF
HON. ALPHONZO E. BELL, JR.
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, August 18, 1961

Mr. BELL. Mr. Speaker, one of my neighbors when I was living in Beverly Hills was Jan Clayton who, on Monday, will open at the Carter Barron Amphitheater in the Rogers and Hammerstein musical "Carousel."

Miss Clayton and her leading man, John Raitt, were the original stars in this musical comedy when it was first presented on Broadway some 17 years ago.

Certainly it must mean a great deal to anyone connected with the theater to be indentified with a production which almost from the time of its opening became a show business legend. But to have contributed so importantly to the making of that legend, as Jan Clayton and John Raitt have done, is to move into that select circle of great men and women of the stage whose enduring contributions to the theater will always be remembered.

So it is that we can look forward to the Carter Barron production next week not as an opportunity for an evening of pleasant nostalgia, but rather as a wonderful opportunity to see "Carousel" as presented by two stars who have come to show us what it was like on that magic evening when this show became part of Americana.

Home Study Week

EXTENSION OF REMARKS
OF
HON. HUGH SCOTT
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES
Friday, August 18, 1961

Mr. SCOTT. Mr. President, an historic milestone in the field of home study has just been passed with the enrollment by International Correspondent Schools of Scranton, Pa., of its 7,000,000th student—Mr. Herbert Eggleston of Chesterland, Ohio.

In recognition of this unique achievement by ICS, oldest and largest home study institute in the Nation, and of the continuing contribution that accredited correspondence school instruction makes to the upgrading of job skills for millions of Americans, the week of August 14 has been proclaimed as "Home Study Week."

Many nationally famous leaders in Government, business, and labor once studied with ICS including the distinguished senior Senator from Missouri, Mr. Symington; Commerce Secretary Hodges; the late Philip Murray; and Charles E. Wilson, former president of General Electric. And since it was founded some 70 years ago in Scranton, ICS has been the leader in an important field of education which today, according to the National Home Study Council, is utilized by some 2 to 3 million men and women in this country.

Home study is recognized as both a popular and a practical educational tool by some 85 percent of the ICS student body of 125,000 active students who are studying material directly related to their present jobs. ICS's 7,000,000th student is typical of many in the Nation's work force who want to better their own standard of living by qualifying for jobs requiring technical skills in growing demand by U.S. industry. A machinist trainee today, "Mr. Seven Million" is studying to become an engineer, His determination to improve himself through a course of self-instruction led him to enroll with ICS and thus become symbolic of so many of our workers, regardless of age, who have the initiative and ambition to train themselves so that as they get ahead, they will be playing a more meaningful role in our Nation's technological march of progress. At this point, I ask unanimous consent to insert the Home Study Week proclamation in the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

PROCLAMATION: HOME STUDY WEEK

Whereas the continuing emphasis on education in all its aspects is vital to the national economy and the development and the future of this country and its citizens; and

Whereas an increasing number of Americans of all ages seek to further their educational preparation and thereby achieve greater value as citizens through home study; and

Whereas correspondence courses have proved to be a vital branch of learning, enabling millions of people to realize their ambitions; and

Whereas International Correspondence Schools has just enrolled its 7,000,000th student, who personifies the vast number of resourceful people who have taken the initiative to increase their knowledge through home study;

Therefore, I, David L. Lawrence, Governor of the Commonwealth of Pennsylvania, do hereby proclaim the week of August 14, 1961, as Home Study Week in recognition of the contribution of International Correspondence Schools to the public welfare.

Given under my hand and the great seal of the State of Pennsylvania at the city of Harrisburg, August 15, 1961.

DAVID L. LAWRENCE.

Attack on Military Leaders Helps Anti-Anti-Communist Campaign

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Friday, August 18, 1961

Mr. ALGER. Mr. Speaker, the following news item from the Washington Evening Star, quoting our distinguished colleague, Senator STROM THURMOND, is of vital concern to all of us. Senator THURMOND is doing his country an invaluable service in exposing the attacks on our military leaders, and the attempts to muzzle them when they speak out against the Communist conspiracy which is threatening to destroy us. Our military men, who are in the best possible position to know the real extent of Communist subversion, must not be denied the first principle of our free society, the freedom of speech. The people are clamoring for the right to know so that they may be in a position to help battle subversion and we cannot deny the people all available information. I must agree with Senator THURMOND that the muzzling of our military men can only make the job of the anti-anti-Communists easier.

THURMOND TIES REDS TO ANTIMILITARY DRIVE
(By the Associated Press)

Senator THURMOND, Democrat, of South Carolina, said today that Communists originated an "anti-anti-Communist campaign subtly concealed behind a nonexistent conflict between civil authority and military leadership."

The campaign, he said in a speech prepared for Senate delivery, is focused principally "in an attack on our military leaders."

"There is specific evidence that attempts to create the impression that this administration wants anticommunism soft pedaled have borne fruit," said Senator THURMOND.

"I do not believe for 1 second that the President or responsible officials in the administration want anticommunism soft pedaled," he said and added:

"However, when the impression is spread that the administration wants anticommunism soft pedaled, the result is as disastrous as it would be were the administration, in fact, to have contributed to that impression."

Referring to censorship of military men's speeches, Senator THURMOND said, "This censorship pattern spills over to the point where it allows no criticism of any Marxist-Socialist-Communist theories or practices."

He said the "effect of this insidious campaign within our Military Establishment is two pronged. The outward manifestation of the effectiveness of the anti-anti-Communist campaign is illustrated by official changes in policy and directives in the Defense Department. The sub rosa effects * * * are manifest primarily by an unrevealed, as yet, pattern of censorship."

Brief Notes on the B–70 Bomber

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, August 18, 1961

Mr. HOSMER. Mr. Speaker, the B–70 is a large airplane in the range of a 707 or DC–8 airliner. It is designed to replace the slower, lower flying B–52 as the basic backbone of the Strategic Air Command—SAC.

Its function is to deliver nuclear or thermonuclear bombs over any Russian city or other military target as a retaliatory or offensive measure. The size of the bomb bay permits the use of conventional bombs.

Its range is intercontinental. It can take off from the United States and fly nonstop to any Russian target. Current policy of SAC, of course, is to have loaded bombers in the air at all times—refuelling at the SAC bases surrounding Russia. Its speed will be 2,000 miles per hour. This speed is faster than the speed of a high-powered rifle bullet. The flying time from Los Angeles to New York would be 1 hour and 40 minutes. It would fly at 70,000-feet altitude which places it above the capabilities of conventional weapons. It is powered by six new-type high-thrust jet engines. It has a crew of four—pilot, copilot, bombardier, navigator and defense operator. The crew cabin is pressurized and no protective clothing is required of the crew. It has a highly sophisticated bombing and navigation system which utilizes star tracking for position and search radar for identifying the target.

Methods are employed to jam or confuse enemy radar seeking to locate the plane. It will employ decoys to lead antiaircraft missiles away from the bomber. The bomber does not depend on any fighter support. Defensive measures are effective for a single aircraft—effectiveness increases with the number of aircraft. Speed alone is defensive—if it takes 2 minutes to identify and locate the bomber, it is 60 miles closer to target before a weapon is fired.

A manned bomber has the following advantages over intercontinental ballistic missiles:

First. Better accuracy as man can sight directly on target and correct all accumulated navigation errors.

Second. It can be recalled after starting the mission.

Third. With SAC planes airborne at all times, it will be impossible to destroy a sizable portion of the planes "on the ground" in an initial attack.

Fourth. Certain operational failures can be corrected by the crew in flight.

Fifth. Flexibility in route selection and speed, tactics, maneuverability, altitude and use of defensive measures all enhance the probability of a successful bombing on target.

Sixth. Bombers could be a very effective show of force in the event of extremely critical situations. B–70's could be circling targets within 3 hours of notification.

Seventh. Manned aircraft have reconnaissance and surveillance capability.

STATUS

The current contract calls for the building of three planes without many of the electronic systems such as the bomb-nav and defense systems.

The parts for the first ship are now being built and the assembly departments have been set up and are operating.

Incidentally, the B–70 is currently the only new plane under development by the USAF at this time.

FUTURE

First. The B–70 configuration could easily grow into a mach 3—2,000 miles per hour—commercial passenger transport.

Second. Nuclear engines could be added when available to increase the range and length of sustained flight of the B–70.

Third. The B–70 could be used as a recoverable booster for space launches.

Telegram From Governor Rockefeller

EXTENSION OF REMARKS
OF
HON. AUGUST E. JOHANSEN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Friday, August 18, 1961

Mr. JOHANSEN. Speaker, under permission to extend my remarks, I enclose the text of a telegram I have today received from the Honorable Nelson A. Rockefeller, Governor of New York, and my reply thereto:

NEW YORK, N.Y., *August 17, 1961.*
Hon. AUGUST JOHANSEN,
House Office Building,
Washington, D.C.

I am taking the liberty of sending you this wire because I deeply believe that this Nation's program of assistance in strengthening the forces of democracy is vital to the survival of freedom. I consider it is essential, in terms of our own interests that our aid program be placed on a basis permitting long-range planning, which has had bipartisan endorsement. This will not only enable us to assist more effectively in orderly economic growth of developing nations to the end that they may remain free, but will also assure maximum usefulness of the U.S. contribution to the developing multilateral aid program of the free world. We must face the reality of our responsibilities as leader of the free world. The long and relentless struggle with communism must be sustained if freedom is to live. In light of the above, I urge you to vote to reverse yesterdays adoption of the crippling Saund amendment.

NELSON A. ROCKEFELLER.

AUGUST *18, 1961.*
Hon. NELSON A. ROCKEFELLER,
Governor of New York,
Albany, N.Y.

In my judgment your telegram of this date is tragically ill-advised. The only thing the Saund amendment cripples is the bureaucracy's campaign to pressure Congress into abdicating its constitutional responsibility and authority. I deeply regret that you associate yourself with this campaign. I shall vote to support the Saund amendment.

Congressman AUGUST E. JOHANSEN.

Governor Rockefeller's Telegram

EXTENSION OF REMARKS
OF
HON. JACK WESTLAND
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Friday, August 18, 1961

Mr. WESTLAND. Mr. Speaker, I received a telegram from one of the best-known individuals in the Nation today, Nelson A. Rockefeller, urging me to vote to reverse adoption of the Saund amendment. That I will not do.

First, Mr. Speaker, although the gentleman from California is a member of the majority where I am a member of the minority, I believe his amendment expresses the thinking of the Republican Party and expresses the thinking of the people of my district and the Nation.

I believe in the concept of long-range planning, Mr. Speaker; however, I can see no reason why it is necessary to give the administration or any other agency the authority to borrow from the Treasury in the manner the administration proposes and in the manner Mr. Rockefeller supports.

I firmly believe we can have long-range planning and still finance the program by the traditional method of annual appropriations.

Mr. Speaker, the telegram I received refers to bipartisan endorsement of this legislation. This endorsement, Mr. Rockefeller implies, has existed for some time. I believe Mr. Rockefeller does not know what he is talking about. I have never heard of any bipartisan support of back-door spending.

I agree with Mr. Rockefeller that if freedom is to live the long and relentless struggles with communism must continue. But, the outcome of this struggle depends to a great extent upon the wisdom expressed by this body.

Certainly, Mr. Rockefeller can judge the issues from his chair in Albany by reading and listening to reports of the various media, but I doubt that his conclusions can be as valid as those reached here in the House of Representatives where firsthand facts and the pros and cons have been discussed and weighed.

Mutual Security: H.R. 8400

EXTENSION OF REMARKS
OF
HON. E. Y. BERRY
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Friday, August 18, 1961

Mr. BERRY. Mr. Speaker, I shall vote against H.R. 8400 for several reasons.

First, according to the uncontroverted figures the Department now has over $5½ billion unexpended, a large part of which is unallocated. At a time when defense and domestic spending is at an all-time high, this is enough to provide necessary assistance to friendly needy countries.

Second, this bill gives to the President power, authority, and control that no head of any free nation should be given. It was demonstrated this week that long-term authority is not needed. Without this authority Secretary Dillon signed a 10-year contract in South America.

Third, it has been admitted on the floor of this House a dozen times that foreign aid dare not be stopped because 80 percent of it will be spent in the United States creating jobs and business opportunities and preventing unemployment. If it is intended as depressed-area legislation let us name it "depressed-area legislation" and not attempt to give the idea that it is a program to assist friendly foreign countries.

Fourth, the program to date has not been a success. No one denies the wanton waste, mismanagement and failures occasioned by bureaucrats who many times are more interested in making a record than in making a friend.

Fifth, How can the United States hope to make friends by attempting to force its so-called democratic form of government on other peoples when those same peoples can see that our form of government is no longer democratic but socialistic and those people do not want that any more than they want communism?

Sixth, I believe it is time that we quit apologizing for being a capitalist nation. Offer capitalism an opportunity in these low-income countries not through Government doles, but through guarantees that the might of the United States will protect their properties from confiscation. It is capitalism that built this Nation and will continue to build it if it is not plowed under by the spenders, wasters, and "welfare staters."

Our money doled out through local governments, which simply build strong centralized governments stronger, will not raise the standard of living in these countries any more than this same program has raised the standard of living on the Indian reservations of this country. Both follow the same pattern of sordid failure.

When we start backing up our capitalistic form of government in other countries, with the same enthusiasm the Communists back up their system, then we will begin to have a foreign policy

which means something and which will accomplish the purpose this dole program is supposed to accomplish.

I am just as proud of what our industry has done for these countries and what it can do, if it is not fenced in, as any Russian is of what he has done for these countries, yet we do not seem to support these advances by Government activities and protection.

Do we really believe in capitalism or do we just tolerate it so we can milk it and pour the cream down the Socialist ratholes of the world?

Mary Cort Schreiner, of Pennsylvania: Civic Leader and Patriot

EXTENSION OF REMARKS
OF
HON. JAMES G. FULTON
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Friday, August 18, 1961

Mr. FULTON. Mr. Speaker, Mary Cort Schreiner, Mrs. Samuel A. Schreiner, of 42 St. Clair Drive, Mount Lebanon, Allegheny County, Pa., bravely faced the end of her career on August 3, 1961 at the age of 77 years. The passing of this outstanding citizen of western Pennsylvania should be noted here for future generations, because through more than half a century of active and devoted service to her Nation, church, and community, Mrs. Schreiner exemplifies the best in the tradition of voluntary citizenship responsibility, and civic work that has made our great American success in self-government. I compliment Mary Schreiner on her indestructible courage, enthusiasm, and fine personality.

Since Mary Schreiner came to the rural South Hills section of Allegheny County as a bride in 1910, Mrs. Schreiner has proudly listed her occupation as homemaker. She considered it her primary task to create a happy and secure home for her husband and three children. Yet she managed to find time for active participation in a wonderful list of civic enterprises that have helped mold the face of not only her own community, but the entire greater Pittsburgh area.

Mount Lebanon, now one of the Nation's leading surburban communities, with a population of over 35,000 and an assessed valuation of $112 million was little more than a handful of houses, scattered at the foot of a century-old country church, when the township's first organization meeting was held in the Schreiner home on February 6, 1912. In subsequent years, while her husband served as the township's attorney and solicitor, Mrs. Schreiner set about organizing the community's women for civic work and intellectual progress. The first need in those early days of few communications was a way for the women to keep up with intellectual life of the Nation. Mrs. Schreiner was one of the founders and later president of the continuing serious study group, the Women's Fortnightly Review. Later, she was active in helping to organize the present large and active, Women's Club of Mount Lebanon. This club's fine community contributions are numerous over the years. Mrs. Schreiner in her club work was particularly active in the planting program that turned the open cornfields on which Mount Lebanon was built into today's pleasant, tree-shaded top residential area. During her tenure as president, the women's club erected the present large club building which has been a valuable community center for social, civic, and cultural activities.

Mary Schreiner's horizons and activities were not limited to her home community. During both World War I and II, she served her country as truly as any soldier in uniform. In World War I, she was chairman of food conservation and Liberty bond sales for Mount Lebanon. In World War II she took on a full-time job as volunteer executive head of the Allegheny County block plan for war services under the Office of Civilian Defense—a task which involved the recruitment, training, and direction of 10,000 women. In addition, Mrs. Schreiner was Allegheny County vice chairman of the Material Conservation Committee for which service she was cited by the Pennsylvania State Council of Defense and Gov. Edward Martin. These wartime jobs were so demanding of Mrs. Schreiner's time and energy that her husband once ruefully remarked, "I have only one wife to give for my country."

After the war, as a member of the first committee on Smoke Control of the Allegheny Conference on Community Development, Mrs. Schreiner became one of those concerned citizens whose efforts have brought about a clean, pleasant city and county in the once smoky and smog-covered Pittsburgh area. Concerned as much about human interests as environmental problems she was an active member of the Allegheny County Civic Club, the Blood Bank Committee of the Red Cross, and the board of the Volunteer Bureau of the Health and Welfare Federation.

Mrs. Schreiner was obviously endowed with a great capacity for leadership. Vibrant, articulate, and tireless, she worked for her convictions and for countless civic and charitable programs. She believed that no democratic society could function without citizens who were well informed and intelligently partisan. In pursuit of the first objective, she worked with, and served as president of the Legislative Council of Western Pennsylvania. In pursuit of the latter, she was a guiding spirit and served as president and a leading member of the Mount Lebanon Council of Republican Women.

Mary Schreiner's citizenship was, in fact, such an integral part of her personality that her pastor, the Reverend Dr. Cary N. Weisiger III felt moved to include the following statement in his message at the time of the memorial service for her at the Mount Lebanon United Presbyterian Church:

Mary Cort Schreiner had a strong conviction about civic righteousness, and, as you all know, expressed that conviction clearly. She was a member and supporter of many organizations. She was a booster of good causes. She was a patriot. She cared about her community and country. She had strong political views which were passionately held and freely expressed.

Mary Schreiner's life well serves as an inspiration and a model for the future and for these days so critical that the President has issued a call upon all Americans for more self-sacrifice and service. By making civic duty a daily task and enthusiastic responsibility throughout all her active years, Mrs. Schreiner points the way toward keeping our Republic in order, and making civic progress a challenging, rewarding and successful enterprise for all of our citizens.

Mary Schreiner believed in civic integrity and public virtue and gave her friends and fellow citizens her sincere conviction that it is all worth while. She was a stout supporter and was on the firing line quite frequently. Her cheerful spirit and enthusiasm, her hearty willingness to work, her civic endeavor and accomplishments are a lasting legacy to our community, State, and Nation.

Project Apollo

EXTENSION OF REMARKS
OF
HON. HASTINGS KEITH
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Friday, August 18, 1961

Mr. KEITH. Mr. Speaker, Monday I visited the headquarters of Project Mercury at Langley Field, Va., which was the management center for this Nation's first ventures into manned space flight—the historic suborbital journeys of Commander Shepard and Captain Grissom.

My interest in operations at Langley was stimulated by two newspaper articles which appeared over the weekend. The first, in Saturday's Boston Herald, called attention to the fact that the city of Fall River and town of Hingham, both in my district, are among several locations in Massachusetts under consideration by the Massachusetts Citizens Committee for the location of the National Aeronautics and Space Administration's Project Apollo research and development command center, a proposed $60 million installation. It has been brought to my attention more recently that the port city of New Bedford is also qualified and interested in consideration as a site for the space project. The second article, on the front page of the New York Times the following day, was a somewhat critical account of developments in our space program during the 3 months that have elapsed since the President issued his dramatic call for a race to the moon. It was titled, "Capital Worried by Lags in Plans on Race to Moon."

My trip to Langley was necessarily brief, but worthwhile, as I can report that I am satisfied Project Apollo is moving ahead rapidly and without unnecessary delay. I was tremendously impressed with what I saw at Langley

Field and with the director of the Space Task Group, Robert Gilruth, and other project officials I met there. The public should be assured we are making real progress in the space race.

As an example, I learned that bids have already been invited on the moonshot's multimanned spacecraft, the highly advanced vehicle that will carry three men to the moon, land them and return them safely to earth. Specifications are the result of 18 months of painstaking research and hard study within the NASA family.

The advanced planning for this massive national adventure was carried out, I might add, during a period when NASA—still less than 3 years old—was conducting experiments with earth satellites, space probes, sounding rockets and, of course, the two successful Mercury-Redstone firings. Thus far during the calendar year 1961, NASA has recorded an average of one major experiment a month in its manned-flight program.

Before Project Apollo can move into its next phase, however, it is necessary that the site for its command post be selected. Special NASA study groups are now preparing final basic site criteria. From available preliminary information, it is obvious that several communities in Massachusetts are superbly suited to serve and house such a headquarters.

It is important that we realize this national goal of putting an American manned space vehicle on the moon will not only require the talents and technical know-how of thousands of scientists and engineers, but the aggregate resources of our industrial and academic communities. Massachusetts is proud of the role that its industrial, technical, and educational institutions have played and are now playing in this country's space program and in particular Projects Mercury and Apollo. Much of the navigational and guidance systems, for the lunar project, for example, will be developed at Massachusetts Institute of Technology, while study contracts for portions of Project Apollo have been awarded to Lincoln Laboratories in Massachusetts.

Because of its complex of specialized electronics and other highly technical industries, its outstanding educational facilities and availability of skilled manpower, plus an elaborate rail, air, and sea transportation network, Massachusetts is equipped to contribute to an extraordinary degree to the success of our race to the moon.

The National Lottery of Italy

EXTENSION OF REMARKS
OF
HON. PAUL A. FINO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, August 18, 1961

Mr. FINO. Mr. Speaker, I should like to tell the Members of this House about the national lotteries of Italy. The Italian Government operates several lotteries and thus realizes important revenues.

In 1960, the lotteries brought in a total of $72 million. The profit of the Government amounted to close to $40 million. These revenues are not earmarked for any specific purposes, but are rather directed to the Italian treasury.

Italy's profitable lottery is another of the many lotteries bringing very real benefits to the nation in question—benefits made possible by the wisdom of governments refusing to let hyprocrites stifle and smother needed advances.

Subsidized Farm Products

EXTENSION OF REMARKS
OF
HON. CHARLES McC. MATHIAS, JR.
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Friday, August 18, 1961

Mr. MATHIAS. Mr. Speaker, on June 29 I called the attention of the House to the now famous June 22 decision of the Department of Commerce to permit sales of subsidized farm products to be made to Communist-bloc nations. Since that time much has been said in this Chamber, in the public press, and by officials of the executive branch on this subject. For the information of Members of the House, I am submitting a letter which I received from the Honorable Edward Gudeman in response to my remarks on the floor on this subject and my response to his letter:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., August 17, 1961.

Hon. EDWARD GUDEMAN,
Acting Secretary of Commerce, Department of Commerce, Washington, D.C.

DEAR MR. SECRETARY: I wish to acknowledge your letters of July 21 and 27 in reference to the sale of subsidized surplus agricultural products to Russia.

None of the reasons that you advanced for the sale of these products touches upon the principle objection to them; that is, our foreign policy with respect to the international Communist conspiracy. There are increasing indications that the cold war will continue on the economic front for many years and this does not seem to me to be the way to employ a major economic weapon. In my opinion it does much to reduce our chances of eventual victory in this area.

There should be a distinction made between ordinary trade with Communist countries and the sale of subsidized products. Whatever arguments may be made in support of ordinary trade do not pertain to subsidized sales which have the effect of a grant of American tax dollars to the purchaser.

The argument that these commodities are readily available from other countries is not convincing. By the same logic you could be offering to sell jet bombers to Red China.

I accept with thanks your offer to supply me with the full details of export licenses issued for sale of these commodities to Communist countries and acknowledge receipt of the reports to date. In accordance with your letter of July 27, I assume that you will note the classification placed upon such information. I reserve the right, in the public interest, to reopen the question of executive privilege in assigning such classifications should it become necessary.

Sincerely,

CHARLES McC. MATHIAS, Jr.

THE SECRETARY OF COMMERCE,
Washington, D.C., July 27, 1961.

Hon. CHARLES McC. MATHIAS, Jr.,
House of Representatives,
Washington, D.C.

DEAR MR. MATHIAS: Your comment in the CONGRESSIONAL RECORD of July 24, has just been called to my attention. Unfortunately, my letter of July 21 has caused a misunderstanding on the question of disclosing names and addresses of exporters of subsidized surplus agricultural products to the Soviet bloc. Upon rereading, I can see how this occurred, given the juxtaposition of a sentence repeating your request and the subsequent sentences concerning our willingness to supply certain data to you.

After careful consideration and discussion with Congressman Moss, it was decided that it would not be in the national interest to disclose the names of exporters receiving licenses. A copy of the Secretary's letter to Congressman Moss is enclosed for your convenience. As stated in that letter, the Department is now making daily reports on export licenses issued, giving the commodity involved, the value or volume of the intended shipment, and the country of destination.

I am sure you recognize that there are conflicting interests concerning the publication of names of licensees, and it would be easy to justify either disclosure or nondisclosure through broad generalities. The specifics of the problem are more difficult to handle, yet it is with these that the Secretary must deal. It must be kept in mind that only a small percentage of total U.S. exports are now subject to our licensing controls and that there is no publication of the names of exporters involved in regular unlicensed commercial export trade. The Secretary's decision to withhold the names of licensees was based on the facts that the names of exporters of nonlicensed items are not publicly available and that disclosure would provide competitors (both United States and foreign) with information which they could not otherwise obtain. To give names would be discriminatory, and to give out names of only licensees exporting to the Soviet bloc would be even more arbitrary and discriminatory. These facts had to be balanced against the general desirability of providing the public with information about Government actions. We think that the procedure of providing the important information of commodity, value, and destination on a daily basis appropriately satisfies both considerations.

In view of your interest, I am placing your name on the mailing list for the daily reports. Any shipment of surplus agricultural commodity would, of course, be included as items in the daily reports. But, to date, we have not received any application for a license to export subsidized commodities.

We have been concerned to make certain that the procedures under which licenses are granted insure a careful consideration of applications for export to the bloc. This Department relies upon the advice and consultation of several departments member to an interagency committee. This change in policy on subsidized agricultural commodities was not "made at the instigation of certain unnamed exporters" as you state was reported in the press. The decision to permit the sale of these commodities to the Eastern European Soviet bloc was made after careful consideration of all factors involved, and certain conditions were imposed on the sales:

1. The sale of such commodities would be at prevailing world market prices.

2. The sale of such commodities to the Eastern European countries would be authorized only on condition the purchasers would pay in convertible currency or in dollars.

3. Exporters would be required to obtain commitments from the importers in the bloc countries to the effect that the commodities would not be reexported to another country.

Given these conditions, purchasers in Eastern European countries would not obtain any advantage pricewise because the commodities would be authorized for export only at prevailing world market prices. And, it is clearly evident that the sale of subsidized agricultural commodities to Eastern European countries grants to those countries no greater advantage in military terms than they have received and would receive from the sale of unsubsidized agricultural products (and concerning the latter category there are not and have not been, as you know, any export restrictions). Further, these same commodities are readily available from other producing countries. From the standpoint of the United States, we could anticipate advantage to this country in terms of a potentially larger market for disposal of surplus agricultural products, and as everyone knows the United States still has very grave and serious problems in handling—marketwise and otherwise—agricultural products which we produce and which cannot be sold in the domestic market.

We recognize there are differences of opinion as to whether there should be any trade whatever between the United States and Soviet bloc countries. Some people undoubtedly hold the view that there should be absolutely no trade whatever with the Soviet bloc. For those with this basic opinion any decision to export commodities or items to the Soviet Union is always suspect regardless of the specific factors involved.

I should like to conclude by stressing that the Secretary has previously made clear to Members of Congress that any time a committee or Congressman in the exercise of his official duties wants to have the full and complete details on any export license application or action by the Department, this will be made available to the committee or Congressman on a confidential basis—that is, with the understanding that the same standard of confidentiality which the Department applies to itself would also be followed by the committee or Member of Congress. I wanted to mention this so as to make clear that Secretary Hodges is doing everything possible to insure that the public is informed as to the basic action taken by the Department of Commerce—but without interfering unduly with private business activity; and further, that any Member of Congress has available to him any information that he needs or desires for official purposes concerning the Department of Commerce.

I am extremely sorry that my letter misled you and will be glad to reply to any further questions.

Sincerely yours,

EDWARD GUDEMAN,
Acting Secretary of Commerce.

Common Market Dangers to United States

EXTENSION OF REMARKS
OF
HON. W. R. POAGE
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Friday, August 18, 1961

Mr. POAGE. Mr. Speaker, the United States exports almost $5 billion worth of farm commodities annually. This is tremendously important to our internal economy and to our balance-of-payments position with other nations. A threat now is posed to our export markets for farm products by Britain's plan to join the European Common Market. The nature of this danger was concisely and forcefully presented by the gentleman from North Carolina, HAROLD D. COOLEY, chairman of the House Committee on Agriculture, in an article published last Sunday by the Washington Star and by the Raleigh (N.C.) News & Observer. This penetrating discussion, by such an authority as Chairman COOLEY, should have the widest possible circulation and attention. Therefore, with the consent of the House, I am inserting this article in the RECORD.

The article follows:

COMMON MARKET DANGERS TO UNITED STATES

(By Hon. HAROLD D. COOLEY, of North Carolina)

American agriculture is watching with mixed emotions recent Common Market developments in Europe. U.S. farmers, like most people in this country, feel that the free world would be strengthened by close economic and political ties among all the Western European countries. At the same time they fear, with some reason, that U.S. agricultural exports to Western Europe will be greatly reduced if present Common Market trade proposals become effective.

For American farmers the stakes are big. In 1960, U.S. farm product exports to the six Common Market countries—France, West Germany, Italy, Belgium, the Netherlands, and Luxembourg—had a value of $1.1 billion.

Now there is possibility of a merger between the Common Market and members of the rival Outer Seven group—the United Kingdom, Norway, Sweden, Denmark, Switzerland, Austria, and Portugal. Our farm product exports to these seven countries in 1960 amounted to $700 million.

EXPORTS TO MARKET AREAS

Altogether, then, exports to the Common Market-Outer Seven countries last year amounted to $1.8 billion, or about 40 percent of our total agricultural shipments. These prosperous countries provide an outlet for the bulk of our commercial agricultural exports for dollars. Many important commodities are involved, including cotton, tobacco, wheat, feed grains, fats and oils, poultry products, and fruits.

A few days ago Prime Minister Macmillan announced the decision of the British government to seek full membership in the Common Market. At the same time it was announced in Geneva that other members of the Outer Seven group would also seek membership or association with the Common Market.

Mr. Macmillan referred to negotiations which must take place before merger can be effected. He noted that the negotiations must recognize the needs of British agriculture, the Commonwealth, and other members of the Outer Seven.

Unless present protectionist proposals with respect to farm products are modified, membership of the United Kingdom in the Common Market would have further serious implications for American agriculture.

EXAMPLE OF WHEAT

For example, wheat now enters the United Kingdom duty free. But United Kingdom membership in the Common Market would mean the imposition by the United Kingdom of an unlimited variable import levy on wheat. France, of course, as a wheat producer and Common Market partner, would get first crack at the British wheat business. France would export wheat to Britain on a duty-free basis, but the United States would not. And depending upon the way membership negotiations go, there is a possibility that the Commonwealth wheat producers, particularly Canada and Australia, would also gain a preference or advantage over the U.S. wheat in the British market.

This valuable export outlet for American food and fiber can be maintained and even expanded if there is adherence to the letter and the spirit of the general agreement on tariffs and trade. These Common Market Outer Seven countries, like the United States, are signatories to the agreement, generally referred to as GATT. This agreement, entered into freely and willingly by all signatories, spells out a liberal policy. It is aimed at expanded world trade on a multilateral nondiscriminatory basis, as moderate levels of tariffs, not only for individual countries, but also for customs unions, such as the Common Market. It provides that in the formation of a customs union the overall level of protection shall not be any higher than it was in the member countries prior to the formation of the union.

However, under current Common Market proposals, a number of important U.S. farm products would be subject to protective devices of one type or another. For example, proposed unlimited variable import levies on grains, pork, poultry, and eggs would make it impossible for fixed levels of protection to be negotiated. In the case of some commodities for which fixed tariffs are proposed, special market regulations, preferences for oversea or associated territories, and quantitative emergency restrictions are planned. Fixed tariffs on some other products would be set at unduly high levels. These plans can only be described as trade restrictive rather than trade expansive.

U.S. tobacco producers are deeply involved in the effects of these plans.

TOBACCO IS INVOLVED

Under Common Market rates now proposed, the duty on practically all imports of U.S. leaf tobacco, because of higher quality and prices, would be at the maximum level—equivalent to 19.1 cents a pound. But most tobacco imports from other competing areas would be assessed the minimum rate—13.2 cents. This is a difference of about 6 cents in favor of competing leaf. This differential, plus the fact that tobacco from associated oversea territories can enter duty free, could cause the United States to lose as much as 50 percent of its sales to Common Market countries. It is important to remember in this connection that in 1960 the Common Market countries bought 136 million pounds of U.S. tobacco equal to 27 percent of total U.S. tobacco exports.

British membership could mean increased competition for other commodities exported by the United States. Tobacco is one of those commodities. British membership could well mean the gaining of Common Market preference for the Flue-cured tobacco produced by Rhodesia, Canada, and India—the three largest Flue-cured competitors of this country. Preferential treatment to the Commonwealth also would sharply reduce U.S. fruit exports.

The United Kingdom is our largest single oversea market for farm products. But the other six countries of the Outer Seven group are, in the aggregate, important to us as customers. Their membership or association in the Common Market—under present agricultural protection plans—would mean more problems for U.S. farmers.

THE U.S. AIMS

The American Government is seeking actively to protect the legitimate interests of U.S. farmers. Representations have been made repeatedly to emphasize our position

in the case of tobacco, feed grains, poultry, fruit, and other commodities. We have taken advantage of every opportunity to drive home the importance of the export market to our agricultural economy.

The United States has not been unreasonable in its requests for fairplay from the Common Market. We want to be able to support the Common Market wholeheartedly. It has a great potential for good. To the extent that the Common Market promotes increased levels of economic activity in Western Europe, a higher standard of living will result. With that improved living standard will come increased demands for farm products. What we as an exporting Nation seek—and have a right to expect—is access to and a share of the expanding market. That is in accord with the spirit of the general agreement on tariffs and trade.

Secretary of Defense's Reply to Question Raised by Hon. Steven B. Derounian, of New York

EXTENSION OF REMARKS
OF
HON. CARL VINSON
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Friday, August 18, 1961

Mr. VINSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement I received from the Secretary of Defense, the Honorable Robert S. McNamara.

On July 31, 1961, during the debate on Senate Joint Resolution 120, the resolution to authorize the President to order Ready reservists to active duty, I engaged in the following colloquy with the gentleman from New York, Hon. STEVEN B. DEROUNIAN:

Mr. DEROUNIAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask a question of the chairman of the Committee on Armed Services. I am disturbed over the recent charge by the chairman of the Committee on Education and Labor that according to his investigator there is some discrimination in the armed services of the United States because of race, creed, color, or national origin. Would the gentleman assure me that he will look into this on his own responsibility to make sure that this is not happening, or if it is, that immediate corrective measures will be taken through the President of the United States to assure equal status and equal treatment for all members of the armed services?

Mr. VINSON. In view of the question the distinguished gentleman from New York has propounded to me, as chairman of the Committee on Armed Services, I will advise you and advise the Members of the House and the public that I shall on tomorrow morning address a communication to the Secretary of Defense requesting information along the line of the gentleman's question to me and I will be delighted to give it to the public and I will be happy to send the gentleman a copy of the letter.

Mr. DEROUNIAN. I thank the gentleman.

Accordingly, I wrote to Hon. Robert S. McNamara, Secretary of Defense, on August 1, 1961, requesting that he furnish me a full reply to the question raised by the gentleman from New York. That reply has been received and is as follows:

THE SECRETARY OF DEFENSE,
Washington, August 5, 1961.

DEAR MR. CHAIRMAN: This is in reference to your letter to me of August 1, 1961, in which you included a colloquy between yourself and Congressman DEROUNIAN with respect to alleged discrimination in the armed services of the United States because of race, creed, color, or national origin.

Mr. DEROUNIAN's statement is in broad terms and we have been unable to identify any specific charge by the chairman of the Committee on Education and Labor on this subject which would pertain to the Department of Defense as a whole. From time to time, Mr. POWELL has forwarded to the military departments complaints that have been made to him by individuals alleging discrimination. Each of these complaints has been promptly investigated and replies made to Congressman POWELL advising him as to our findings and corrective action taken if such was called for.

The policy of the Department of Defense is that there shall be equality of treatment and opportunity for all persons in the armed services without regard to race, color, religion, or national origin. This policy stems from Executive Order No. 9981, signed by President Truman on July 26, 1948, and we are happy to report that this policy has been fully implemented in the Active Establishment.

There have been suggestions that this policy should be enforced with respect to the National Guard. It is a fact that there are several States, in which State laws, practices, and customs result in segregation of Negroes in the National Guard and preclude equality of treatment because of race. Since World War II, however, there has been significant advance in the integration of Negroes into formerly all white National Guard units. This has been accomplished by the modification of both statutes and practices which formerly precluded integration in several States.

With respect to those States where progress as yet has not been made the problem admittedly is complicated. When the National Guard is in an inactive status or as the language of the Constitution provides when not "called into the actual service of the United States," there are constitutional and statutory provisions which make the attainment of racial integration much more difficult than in the Active Forces where the Federal authorities have the direct exclusive authority to require integration. The National Guard, in an inactive status, is composed of State forces serving under the command of the several Governors. In the event that the threat to the security of the United States should require the necessary action to call any or all the National Guard units into active service, the policy of integration which presently obtains for the active service would, of course, apply also to the National Guard units on active duty.

It is possible that the remark by Mr. DEROUNIAN pertains to the considerations mentioned in the foregoing paragraphs. There has also been a complaint that there is discrimination within the National Guard Bureau. This allegation is currently under careful scrutiny by the Department of Defense and I assure you that such corrective action as may be called for will be taken. Although Mr. POWELL has not written to me on this matter, I am advised that members of his office staff have discussed the allegation with representatives of the National Guard Bureau and members of my staff.

In summary, Mr. Chairman, may I assure you that the Department of Defense wholeheartedly supports the national policy with respect to equality of treatment and opportunity for all persons in the armed services. Each instance of alleged discrimination is promptly investigated and, if appropriate, corrective action is taken within the authority at my disposal.

I appreciate your interest in this matter and it is a pleasure to be able to provide you with this information.

Sincerely yours,

ROBERT S. MCNAMARA.

A Special Report on Juvenile Delinquency, WMCA Radio, New York, August 11, 1961

EXTENSION OF REMARKS
OF
HON. JOHN BRADEMAS
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, August 18, 1961

Mr. BRADEMAS. Mr. Speaker, too seldom, perhaps, are Members of Congress confronted with the human aspects of the problems with which they are called upon to deal in legislation. A few weekends ago, members of the Subcommittee on Special Education, the chairman of which is the distinguished gentlewoman from Oregon [Mrs. GREEN], traveled to New York City to see for ourselves conditions in some of the high crime neighborhoods of the city.

Our subcommittee had been holding hearings on H.R. 8028, a bill that both Mrs. GREEN and I have introduced for the purpose of helping combat juvenile delinquency and on which the House of Representatives is scheduled to vote on Monday, August 21.

I feel sure I speak for my colleagues who made the trip when I say that my awareness of the seriousness of juvenile delinquency and my concern that we undertake effective countermeasures were both sharpened by the experience of the trip. We talked on the streets with young people and also with staff members of the New York City Youth Board who work with them.

On one night of the visit, newsmen of radio station WMCA accompanied the Members of Congress and the New York Youth Board staff persons who served as our guides and taped a documentary broadcast entitled, "A Special Report on Juvenile Delinquency." Because this program seems to me to be an outstanding example of radio journalism in the public service and because it deals with such an important subject, I believe that Members of Congress will be interested to read excerpts from the transcript of that documentary broadcast.

Although the printed record cannot evoke the sights and sounds of the tension we saw, the words of these young people on the streets of New York City are harshly eloquent testimony of an increasingly serious problem in American life.

The transcript follows:

A SPECIAL REPORT ON JUVENILE DELINQUENCY, PRESENTED BY WMCA, THE VOICE OF NEW YORK, BROADCAST FRIDAY, AUGUST 11, 1961

ANNOUNCER. Last month a special subcommittee of the U.S. House of Representatives

toured some of the worst slum neighborhoods in New York City. The committee's mission: to observe youth gang behavior here as a guide in preparing a Federal law to curb juvenile delinquency. Next week the full Education and Labor Committee of the House of Representatives will consider this legislation, which was cosponsored by Congresswoman EDITH GREEN, of Oregon, chairman of the subcommittee which visited New York, and Congressman JOHN BRADEMAS, of Indiana.

WMCA accompanied Mrs. GREEN on her tour 2 weeks ago and recorded her recent speech in Washington on the need for the new law. The subcommittee's experience on the sidewalks of New York, and that speech, constitute a powerful story of juvenile delinquency as it exists in New York and a hopeful plan for both the Nation and New York to stem the alarming growth of youthful violence, crime, and human waste.

Here then is that story and, following it, the plan proposed in Congress by Representatives EDITH GREEN and JOHN BRADEMAS.

NARRATOR. Friday, the 21st of July, had been the hottest day of the year in New York. In the Williamsburgh section of Brooklyn, angry challenges to battle had been passing back and forth all day long between two of the roughest juvenile gangs in town: the Black Diamonds and the Quintos. The corner of White and Segal Streets was Quinto territory, and shortly after 9 o'clock in the evening the Quintos had beaten off the enemy in their first skirmish of the night. There were to be more.

It was during this lull in the battle that Congresswoman EDITH GREEN, of Oregon, and Congressman JOHN BRADEMAS, of Indiana, arrived at White and Segal Streets. Mrs. GREEN was chairman of a subcommittee charged with reporting on an administration bill aimed at curbing juvenile delinquency. BRADEMAS was a fellow member of the same subcommittee. They had come to inspect juvenile gang behavior in a neighborhood so notoriously depressed that even the people who live there call it "The Bottom." The Quintos quickly sensed that they were on display, and their hostility was obvious. As they clustered around the corner lamppost, Mrs. GREEN tried to find out what made them tick:

Mrs. GREEN. What do you do in the summertime when you're not in school?

KID I. Hang around the block—there ain't nothing else to do.

Mrs. GREEN. How about you?

KID II. Who, me?

Mrs. GREEN. I talked to you before.

KID II. No; you ain't talked to me—you talked to my brother.

Mrs. GREEN. Your brother?

KID II. Yeah.

Mrs. GREEN. Are you at school now?

KID II. No.

Mrs. GREEN. Have you finished?

KID II. No.

[Many kids' voices in background.]

Mrs. GREEN. How far did you go?

KID II. Eleventh—there were too many girls in that school, man—I was a boy-lover.

[Laughs and jeers from other kids.]

KID II. Hey, get off my back, baby.

KID III. Only thing I need is a bunch of girls and I'll be happy in a job and I'll be straight for the rest of my life.

KID II. You're already straight.

KID III. That's all I need. My name is James Fennimore Cooper, the famous writer, you know.

KID II. And my name is David Taylor, better known as "Teach."

[Again, many kids' voices in background.]

Mrs. GREEN. Let me talk to this boy. How old are you?

KID IV. Thirteen.

Mrs. GREEN. Thirteen, and you are in school?

KID IV. Uh huh.

Mrs. GREEN. You're in the what grade, the eighth grade?

KID IV. Ninth.

Mrs. GREEN. The ninth grade—what do you do in the summertime?

KID IV. Hang around the block, like everybody else.

NARRATOR. Congressman BRADEMAS was talking meanwhile to another group of Quintos at a nearby corner when he and some of the people in his party heard a chorus of angry voices from the surrounding windows and fire escapes. He told WMCA's Dan Meenan, the only reporter who'd gone along on this tour:

Mr. BRADEMAS. There was real tension in the air. I remember a young lady in our group was standing there talking to me when suddenly a pop bottle came down and hit her on the head. And I understand that as Mrs. GREEN was about ready to get into a car, the Congresswoman who is chairman of our subcommittee, when a group of youngsters from another gang came marching down the street looking for a fight with some of the Quintos, and they were headed off only by the quick thinking of the youth board street gang worker who saw them and went over and talked to them and calmed them down.

NARRATOR. The gang members who had descended on Mrs. GREEN and those with her just as she'd been about to leave White and Segal Streets were members of the Black Diamonds, heading for their second rumble of the evening with the Quintos. The city youth board worker who headed off the Black Diamonds, sent them back to their own territory and conceivably saved Mrs. GREEN and her party from being mobbed, was a 21-year-old graduate student at New York University, working full time with the New York City Youth Board. He had grown up himself in exactly this environment. Lawyer Fields, youth board worker, told WMCA's Meenan:

Mr. FIELDS. The situation in the area now is rather tense because the groups have begun to move more freely from one area to the other, and whenever groups begin to move from one area to the other, it automatically makes every area a tense area because you never know when another group will come into the area.

DAN MEENAN. You've had two killings in your neighborhood since the first of the year, right?

Mr. FIELDS. Right.

DAN MEENAN. What gangs were involved in those two?

Mr. FIELDS. The Black Diamonds and the Quintos.

NARRATOR. These were the gangs onto whose already bloody battlefield the Congressmen had ventured this hot and troubled night in Williamsburgh. As Mrs. GREEN and BRADEMAS watched, WMCA's Meenan talked to Quintos. What exactly, he said, was their quarrel with the Black Diamonds about?

QUINTOS. They wanted to get a big rep or something like that. They want the whole neighborhood. They want everything, you know, around here. They want this to be their territory, you know? That's what they want.

NARRATOR. It was apparent, however, that the aggression had not been entirely one-sided. Tonight's battle in fact had apparently stemmed from a Quinto's having taken away the girl friend of a high-ranking member of the Black Diamonds. And all of the Quintos were taking pride in that conquest.

QUINTOS II. We take all their girls and whatnot, you know, and they don't go for it. [Laughing.] They don't like the name, Quintos. That's all there is to it.

Mr. MEENAN. How many members do the Black Diamonds have?

QUINTOS. Oh, they have about 50 or 60.

Mr. MEENAN. And how many do you have?

QUINTOS. Uh, we have about 300 or so.

Mr. MEENAN. You're one of the better known gangs in Brooklyn.

QUINTOS. That's right.

[Cheers from background—Yea, Quintos.]

NARRATOR. Hostility was the hallmark of the Quintos. Hostility not just toward their rivals, the Black Diamonds, but toward the entire world that wasn't Quinto. Hostility toward the Congressmen. Hostility, in fact toward all adults and especially toward the police. The Quintos obviously felt deeply injured by all of those in authority around them.

QUINTOS. You know what? A boy got stabbed up in school and a cop was looking right at him and they ain't said nothing. And they just watch. And after the fight is over, they come around and ask us what's happening. And then they make us—they get us against the wall and search us.

NARRATOR. One of the favorite boasts of the gang member is that a cop stood him up against a wall, searched him, and found him, as the gang members put it, clean. No weapons, no narcotics, in his pockets. Juvenile gang members rarely have either of these in their possession except when they're about to use them. The weapons and narcotics carriers for the gangs are usually their girl auxiliaries, and the girls are valuable in this respect because all of the youths know that policemen are not permitted to search girls.

At White and Segal Streets when the Congressmen were there, the girls of the Quintos kept in the background and would not talk to anyone. A former member of a girl's gang auxiliary, however, did speak to the Congressmen. Eighteen years old today, employed as a switchboard operator with an insurance firm, she had already made her break with the gangs but she understood them well:

FIRST GANG GIRL. I know a few cases of girls that do carry weapons for the boys, and some of them—but, the girls that I hang out with, they don't go as far as prostitution, and they don't use narcotics. But, they will conceal weapons for the boys. They'd rather hold them and endanger their own reputations and their own moral standings, than rather see the boys get in trouble.

NARRATOR. WMCA's Meenan asked whether the gang girls in this neighborhood often become pregnant:

FIRST GANG GIRL. Yes, they do. Very frequently.

Mr. MEENAN. Well, how frequently? How many in your area?

FIRST GANG GIRL. Well, to this day, I'd say five girls, so far.

NARRATOR. Another former gang girl from another neighborhood talked of the boys who not only use but push narcotics.

SECOND GANG GIRL. There are young fellows who sell the stuff and, they seem to influence the other young fellows too, because the money they make, they make sometimes $500 a week just selling the stuff, and they waste all that money on themselves. Of course, they dress and they give this example to the other young fellows, and they make it seem so easy to have all this, you know, just by selling the stuff, you know, so that every day, you know, more fellows come in contact with them, and if they can convince them, they'll be selling it too.

NARRATOR. This girl, once a member of a gang auxiliary, had also made her break and is a clerk today in a business firm. She still lives, however, in the neighborhood she described to Meenan as——

SECOND GANG GIRL. Junkie Paradise. That's what they call it where I live—Junkie Paradise. You just walk down the

streets and they're all over the place—all over.

Mr. MEENAN. What do they look like when they're on the streets and they're high? What do they do?

SECOND GANG GIRL. Oh, they're a little sleeplike [laugh] and their eyes are bloodshot, and they stand up like holding up the building—so they sit around waiting for the guy who's going to give them the stuff. Or, they're usually eating candy. They go to the bakery all the time. They hang out in front of the grocery store. I don't know—they look like people who are very sick.

NARRATOR. Girls like these who'd fought their way out of the social trap, created by the street gangs, for so large a part of the youth in neighborhoods like "The Bottom" are the pride of the city's youth workers. A 19-year-old boy, tough as nails, who just a few years ago had been a gang leader in Williamsburgh, was home for the summer from a college in North Carolina to which Youth Board Worker Fields had helped him win a scholarship. The boy told Meenan:

REFORMED GANG KID. None of my friends carry anything in their pockets at all.

Mr. MEENAN. Why is this, because the police bust them so often?

REFORMED GANG KID. No, it's not that. It's just that the boys that I stay with have grown out of this thing. They have no need for it because they don't go looking for any trouble. And if trouble comes their way, they can handle theirselves with their hands. I think that's the best way to handle yourself, anyway, if you have to get into any trouble—use your hands.

NARRATOR. To the surprise of the visiting Congressmen the boy said flatly that gang warfare in Williamsburgh used to be worse.

REFORMED GANG KID. When I was about 12 years old, it was very bad—very, very bad. In fact, it was much badder than it was now—than it is right now, at the present. It's getting worse. It's starting to go right back to it now. It would—it would go right back to it now, if they didn't have the supervisors, the different supervisors for the different people that, you know, help the kids.

NARRATOR. The chief rival of "The Bottom" for the title of the worst slum in Brooklyn, is the Bedford-Stuyvesant area, and this was the next stop on the schedule of Mrs. Green, Brademas, and Meenan. In the courtyard of Junior High School 57, they met Ed Allen, youth board supervisor for the Bedford-Stuyvesant area. Only a few hours earlier, right where they were standing, a boy had been killed. Allen told them how it happened:

Mr. ALLEN. At approximately, I believe, about 6:30 p.m., several members of a loosely knit group called the Imperial Lords were sitting down in the park at Public School 57. They were watching some kids play handball. At this point, they approached one of the kids that was playing handball, and asked him for a dime. The kid refused them a dime. At this point, a friend of the fellow who refused him a dime tried to intervene and asked what was going on and they asked him what pitch did he have involved in this incident, and they jumped on this fellow because he asked and they beat him to death—they stomped him to death—with their feet.

NARRATOR. Mrs. GREEN was shocked by the story. Allen, though by no means insensitive, had obviously grown accustomed to events like this:

Mr. ALLEN. Unfortunately, killings around here are not unique. They don't seem to care too much about it.

Mrs. GREEN. How long have you worked in this area?

Mr. ALLEN. I've worked in this area for 1 year.

Mrs. GREEN. How many killings have you been aware of, or know that have happened?

Mr. ALLEN. I've experienced—in Bedford-Stuyvesant—I'm not speaking for the entire Borough of Brooklyn—since I've been here, there have been six to seven killings.

NARRATOR. The former girl gang member reacted pretty much as Allen did.

FORMER GIRL GANG MEMBER. Seems that they just don't care about anybody else but themselves—that to take another's life is not very important.

Mr. MEENAN. There were other boys and girls in the schoolyard when this happened. Why didn't they pitch in and try and prevent it?

FORMER GIRL GANG MEMBER. Well, they were afraid that if the ones that lived in that section—they were afraid that the boys would get them or tell somebody to come after them if they had tried to prevent this killing.

NARRATOR. Earlier, in talking to the Quintos, Meenan had found the same matter-of-fact feeling about homicide when he asked one of the leaders if any of his pals had been killed lately.

QUINTOS IV. Yeah. Two

Mr. MEENAN. When?

QUINTOS IV. I think about 2 months ago—a couple of months ago. Something like that. And—around four of them shot—in the leg, or something like that, or arm.

Mr. MEENAN. Were they bushwhacked or was this in a gang fight?

QUINTOS IV. A gang fight.

NARRATOR. After talking to some of the boys and even the adults hanging around Junior High School 57, Congressman BRADEMAS told Meenan:

Mr. BRADEMAS. Talking to some of these kids about that murder, they were a little bit cocky and a little bit arrogant about it, as if, well that's the way it is—you take a few chances here—if somebody gets killed, so what?

NARRATOR. For the gentleman from Indiana at the end of the evening's tour, this had obviously been an eye-opening experience.

Mr. BRADEMAS. We have juvenile delinquency in Indiana, I know. But, it's a far different situation from what it is here in New York, when it really is like seeing dynamite lying there on every street corner that you go by. It's like going out onto a battlefield, when we walked around, because we expected a real war to break out anywhere we went.

NARRATOR. For Congresswoman GREEN, there'd been something even more shocking than the youth violence she'd been confronted with that evening.

Mrs. GREEN. I was, of course, shocked by the killing of this boy over 10 cents. But, I am more concerned and more shocked by what seems to me almost a hopelessness on the part of the hundreds of young people to whom we talked, whom we saw, and I suppose this could be multiplied by the thousands, who were unemployed, who had not finished high school and therefore, could not expect to get jobs in a society that is demanding more and more skills—lack of recreational areas, youngster after youngster who said, "Nothing to do except stand around on the street corners."

NARRATOR. The same note of primary concern, not so much about violence as about indolence, was sounded by a member of the youth board who'd accompanied the Congressmen. He was Robert Cooper, director of the board's street gang projects for the Borough of Brooklyn. Said Cooper:

Mr. COOPER. A teenage homicide makes headlines and this is what stays in people's minds. I rather think of the thousands of teenagers whom I know whose lives are empty, dull, pointless—kids without much hope, kids who never find any real satisfaction, youngsters who are just drifting aimlessly, having no place to go. This to me is just as tragic as a few youngsters being killed.

NARRATOR. In a country where nearly 5 million adults are unemployed, just what can Government do to help underprivileged and undertrained youths to get a foothold among the usefully employed? Speaking for New York City, Cooper could point to a number of experimental programs which embody hope:

Mr. COOPER. The Youth Board, for example, spent a good part of this spring trying to involve business and industry in specific programs to provide more jobs for teenagers this summer. This is a fairly new program and it hasn't actually caught hold yet, but you have to have a beginning, and the beginning in this direction has been made.

NARRATOR. Congresswoman GREEN and Youth Board Member Cooper were obviously thinking along similar lines. To both of them, it was the lack of opportunity for useful work which condemned so much of the youth of areas like Bedford-Stuyvesant and "The Bottom" to hang around uselessly once they'd finished school, or once school was out for the summer, and eventually drift into gang activities for want of anything better to do. Of the administration bill which her subcommittee was planning to submit to Congress, Mrs. GREEN said.

* * * * *

Mrs. GREEN. This legislation, first of all, provides for the training of more personnel, probation officers, juvenile court judges, social workers such as these dedicated people with whom we've talked—ones working out on the streets with the gangs of New York, and other cities. There simply are not enough trained workers in many fields.

And, secondly, the bill provides for research and demonstration projects. There has been much discussion on the need for a study, for example, of school dropouts and what effect this has on the increase of juvenile delinquency.

I think that a study needs to be made of the laws in the various States in regard to the employment of young people. I'd like to see a work-study program for these school dropouts—young people who have no skills and who often are prevented from working by law, or, who, because they have no skills, simply cannot find a job. What effect does this have on delinquency?

More research needs to be done, I think, on the possible early identification of the potential juvenile delinquent. Is it possible to identify this delinquent at, say, the kindergarten or the first grade level?

We simply do not know the answers to a lot of these questions. We hope also to provide Federal leadership in the comprehensive mobilization of community resources, and at the same time have a highly coordinated effort on the part of all departments and agencies of the Federal Government that are concerned with this. However, I would mention one word of caution and that is that no one should be misled that the Federal Government alone can take on its shoulders the responsibility for the million and more young people who come to the attention of the police and the courts each year. It cannot do the job of the community, the agencies, the schools, and even more important, the job that needs to be done by the church and the parents. It can offer leadership, but it cannot supplant the multitude of independent efforts which must go into any successful attack on juvenile delinquency.

No less than the combined efforts of all is required if we are going to cope with a problem that has grown to national dimensions, but is still best understood in terms of the

single unloved, poorly educated, unemployed youngster, who has nothing to do and just no place to go.

NARRATOR. From Congresswoman EDITH GREEN, of Oregon, you have heard a proposal for Federal support to the campaign against juvenile delinquency. This measure, which has the support of the Kennedy administration as well as broad backing from members of both political parties, is only a very modest beginning to a program which deserves the attention of government at every level, from the Halls of Congress down to every city hall in the land.

As you have heard on this program, a careful study of the specific requirements of New York City was part of the preparation for presenting this bill. It is a bill aimed at making useful and happy Americans out of boys and girls who are currently headed toward lives of frustration, violence, and in some cases, serious crime.

As Mrs. GREEN has said repeatedly, the authors of the bill do not have all the answers to juvenile delinquency. The plain fact is that nobody does. Mayor Wagner doesn't. The youth board doesn't. Police Commissioner Murphy doesn't. Certainly the gang members themselves don't, but in their conversations with Congressmen GREEN and BRADEMAS just a few weeks ago, they gave—however raucously—an important clue. Most of them, offered a job and the prestige, the sense of being useful, the having something constructive to do and the money that goes with it, would jump at the opportunity. In America today, those opportunities come only to those who are trained for them, and even so they are often hard to come by.

The aim of the administration bill on juvenile delinquency is to find ways of preventing potential delinquents from getting into trouble, ways of training them for jobs in our society and of helping them to get such jobs.

WMCA believes that no domestic program of the U.S. Government is more important than this. If you agree, write to your Congressman and urge him to support House bill 8028 when it comes to a vote on the floor. It's a bill aimed at helping the underprivileged youth of all America, and no community will profit more under it than will our own city of New York. The bill again is House bill 8028. Write your Congressman and let him know that you want it passed. This is Cameron Cornell speaking.

SENATE

MONDAY, AUGUST 21, 1961

The Senate met at 11 o'clock a.m., and was called to order by Hon. LEE METCALF, a Senator from the State of Montana.

Rev. Irving Benson, C.B.E., D.D., minister, Wesley Methodist Church, Melbourne, Australia, offered the following prayer:

Creator Spirit and our Father, we thank Thee for the privilege and responsibility of living in lands where the fresh air of freedom blows. Reveal clearly to us Thy will, wherein are peace and power, and guide and gird us to do it above all things. Grant us the royalty of inward serenity which comes from living close to Thee.

Quicken us with Thy grace, so that with gay hearts and good courage we may be diffusers of life, giving Thee thanks always for all things.

Bless this Senate, O Lord, we pray, and give to Thy servants the glory of the lighted mind and make them great in this time for greatness. Bless this dear land and all lands, and may the nations see that men should brothers be and form one family this wide world o'er—in the spirit of Jesus Christ, our Lord. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 21, 1961.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. LEE METCALF, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. METCALF thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, August 18, 1961, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection——

Mr. CLARK. Mr. President, reserving the right to object, I wish to propound a parliamentary inquiry: If the reading of the Journal is objected to, must the proceedings in connection with the reading of the Journal then proceed without parliamentary interjection?

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is correct.

Mr. CLARK. Mr. President, a further parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania will state it.

Mr. CLARK. If the reading of the Journal is commenced, is it in order during the reading of the Journal for the majority leader to renew his request for unanimous consent that the reading of the Journal be dispensed with?

The ACTING PRESIDENT pro tempore. A unanimous-consent request is always in order.

Mr. CLARK. It may be interjected in the middle of the reading of the Journal?

The ACTING PRESIDENT pro tempore. At any time during the reading of the Journal a unanimous-consent request to dispense with the further reading of the Journal would be in order.

Mr. CLARK. Mr. President, I object.

The ACTING PRESIDENT pro tempore. Objection is heard, and the Journal will be read.

The legislative clerk proceeded to read the Journal of the proceedings of Friday, August 18, 1961.

During the reading, on request of Mr. CLARK, and by unanimous consent, the further reading of the Journal was dispensed with.

LEGISLATIVE PROGRAM — NOTICE OF SESSIONS ON SATURDAYS AND ON LABOR DAY

Mr. MANSFIELD. Mr. President, for the information of the Senate, I think I should at this time state that, beginning this week, the Senate can anticipate being in session every Saturday from now on. I make this announcement after consultation with the minority leader and other Members of the Senate.

For the further information of the Senate, there will be a session on Labor Day.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, has the unanimous-consent request to dispense with the further reading of the Journal been agreed to?

The ACTING PRESIDENT pro tempore. Yes; further reading of the Journal was dispensed with.

Mr. MANSFIELD. Under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection——

Mr. CLARK. Mr. President, I object, and I call for the regular order under rule VII.

The ACTING PRESIDENT pro tempore. Presentation of petitions and memorials is in order; reports of committees are in order.

Mr. CLARK. Mr. President, it is my understanding that messages from the President, reports and communications from the heads of departments——

The ACTING PRESIDENT pro tempore. Debate is not in order. Is the Senator from Pennsylvania presenting a report from a committee?

Mr. CLARK. I am raising a point of order as to whether the Chair is faithfully following rule VII, in view of the statement therein that the Presiding Officer shall lay before the Senate messages from the President, reports and communications from the heads of departments, and other communications addressed to the Senate, and such bills, joint resolutions, and other messages from the House of Representatives as may remain upon his table from any previous day's session undisposed of.

I request that the Presiding Officer ask the Parliamentarian whether any such documents are presently at the desk, and therefore require reference to the Senate, under rule VII.

The ACTING PRESIDENT pro tempore. There are no Executive communications at the desk. There are pending Senate bills with House amendments. Under the practice that has been adopted, they are not laid before the Senate unless there has been a request from the floor.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. CLARK. Without respect to the practice, is this not a violation of rule VII?

The ACTING PRESIDENT pro tempore. The Parliamentarian informs the Chair it has been the practice for many years to have bills referred by request from the floor, because it would be impossible for the Senate to know what disposition should be made of them until a committee has acted.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. CLARK. I suggest to the Chair for appropriate ruling that no practice of the Senate can stand in the way of the explicit procedure provided for in rule VII, and I ask the Chair to invoke the regular order and to invoke rule VII as written.

MRS. TAKIMI YAMADA

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate a message from the House of Representatives.

The legislative clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES, U.S.,
August 8, 1961.

Resolved, That the bill from the Senate (S. 19) entitled "An Act for the relief of Mrs. Takimi Yamada", do pass with the following amendment:

"Strike out all after the enacting clause and insert: 'That, the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Mrs. Takimi Yamada. From and after the date of the enactment of this Act, the said Mrs. Takimi Yamada shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.' "

The ACTING PRESIDENT pro tempore. Without objection, further action on this matter will be temporarily postponed.

MARIA ROSARIO BARRENA-VILLACHICA, MARIA DOLORES VILLAR SALINAS, ANGELA CASANOVA CABELLO, CARMEN GUENAGA ANCHUSTEGUI, AND FLORA CASALS PONS

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate a message from the House of Representatives.

The legislative clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES, U.S.,
August 8, 1961.

Resolved, That the bill from the Senate (S. 85), entitled "An Act for the relief of Maria Rosario Barrena-Villachica, Maria Dolores Villar Salinas, Angela Casanova Cabello, Carmen Guenaga Anchustegui, and Flora Casals Pons", do pass with the following amendments:

"Page 1, line 4, strike out 'Maria Rosario Barrena-Villachica,'.

"Amend the title so as to read: An Act for the relief of Maria Dolores Villar Salinas, Angela Casanova Cabello, Carmen Guenaga Anchustegui, and Flora Casals Pons.' "

Mr. CLARK rose.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. CLARK. What is the paper which the clerk has just read?

The ACTING PRESIDENT pro tempore. A Senate bill that passed the House with amendments.

Mr. CLARK. A further parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. CLARK. Is discussion or debate of the Senate bill presently in order?

The ACTING PRESIDENT pro tempore. When a motion is made regarding the amendments, such motion is debatable.

Mr. CLARK. A further parliamentary inquiry, Mr. President. What is it proposed to ask unanimous consent to do in connection with the present paper, and what was the unanimous-consent request agreed to a moment or two ago?

The ACTING PRESIDENT pro tempore. The Chair proposed to have the paper laid on the table and further action postponed until a motion made from the floor by the committee chairman or a member of the appropriate committee would have the bill properly referred.

That is in accordance with the long-standing custom of the Senate.

Mr. CLARK. A further parliamentary inquiry, Mr. President.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. CLARK. Would it be in order for any Member of the Senate to make such a motion?

The ACTING PRESIDENT pro tempore. Yes. Any Member of the Senate could make such a motion.

Mr. CLARK. Would such a motion be subject to unlimited debate?

The ACTING PRESIDENT pro tempore. Of course a motion to table would not be debatable, but certain motions would be debatable under the rules of the Senate.

Mr. CLARK. A further parliamentary inquiry, Mr. President.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. CLARK. Would it be in order at this point to suggest the absence of a quorum?

Mr. JAVITS. Mr. President, would the Senator withhold that?

The ACTING PRESIDENT pro tempore. That would be in order.

Mr. JAVITS. Would the Senator withhold? Will the Senator yield to me so that I may propound a parliamentary inquiry?

Mr. CLARK. I would prefer to make the motion and then to withdraw it, so that I may confer with the Senator, to see what he has in mind.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I ask unanimous consent that I may be permitted to speak for not in excess of 15 minutes, and I alert my colleagues to the fact that if unanimous consent is granted I shall then make no further efforts to slow down the action of the Senate.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. McCLELLAN. Mr. President——

Mr. JAVITS. Mr. President——

Mr. McCLELLAN. Mr. President, reserving the right to object——

The ACTING PRESIDENT pro tempore. The Senator from Arkansas reserves the right to object.

Mr. McCLELLAN. Do I correctly understand that if the unanimous-consent request is granted it constitutes an action of business in the Senate and, therefore, a quorum call would be in order?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. McCLELLAN. I thank the Presiding Officer.

Mr. JAVITS. Mr. President——

Mr. WILLIAMS of Delaware. Mr. President, I object.

Mr. JAVITS. Mr. President——

The ACTING PRESIDENT pro tempore. The Senator from Delaware reserves the right to object?

Mr. WILLIAMS of Delaware. Mr. President, I reserve the right to object, if the Senator from New York wishes to make an inquiry.

Mr. JAVITS. I wish the Senator would, because I did wish to propound a parliamentary inquiry, so that we might understand the situation.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. JAVITS. If a motion were made relating to the bill which the clerk has reported as coming from the House with amendments, could that motion be withdrawn by the movant?

The ACTING PRESIDENT pro tempore. The motion could be withdrawn by the mover unless the Senate had taken some action.

Mr. JAVITS. I understand.

The ACTING PRESIDENT pro tempore. Or the yeas and nays had been ordered.

Mr. JAVITS. A second aspect of the parliamentary inquiry: In the debate which would ensue upon that motion could all Senators who so desired speak? The right would not be confined to the mover?

The ACTING PRESIDENT pro tempore. It would be open to debate, under the rules of the Senate, to every Senator who wished to participate.

Mr. JAVITS. Third, Mr. President: Notwithstanding that a Senator had the floor, would he be deprived of the floor when the hour of 1 o'clock arrived, under subparagraph 3 of the rule VII?

The ACTING PRESIDENT pro tempore. The Senator who had the floor when the hour of 1 o'clock arrived would not be deprived of the floor. However, usually the unfinished business would be laid before the Senate, but at this time there is no unfinished business, so the Senator would continue on the floor after the morning hour had been concluded.

Mr. JAVITS. I shall not object, Mr. President, I was simply trying to clarify the situation.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. WILLIAMS of Delaware. Mr. President, I object.

The ACTING PRESIDENT pro tempore. The Senator from Delaware objects.

Mr. CLARK. Mr. President, I believe I have the floor.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. CLARK. A parliamentary inquiry, Mr. President.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. CLARK. Having the floor, in view of the present parliamentary situation, am I at liberty to speak without limitation on the bill which has been laid before the Senate by the clerk?

The ACTING PRESIDENT pro tempore. The House amendment has been laid before the Senate. The Senator can make one of five motions. He can make a motion to refer to committee, he can make a motion to amend the amendment, he can make a motion to agree to the amendment, he can make a motion to disagree and send the bill to conference, or he can make a motion to table; but the Senator cannot speak on the amendment until he has made one of those motions.

Mr. CLARK. Mr. President, I move that the bill be referred to the appropriate committee, and I wish to speak on my motion.

The ACTING PRESIDENT pro tempore. The motion is to refer the House amendment to the appropriate committee.

Mr. CLARK. The Presiding Officer is correct. I now desire to speak on the motion.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania.

Mr. CLARK. Mr. President, the somewhat comical proceedings which I have forced upon the Senate during the last few minutes are in reality deadly serious, because they reveal, by example, how utterly ridiculous and unrealistic are the present rules of the Senate, with special reference to how absurd those rules are at the opening of a Senate session. Had I so desired it would have been possible for me, as a single Senator, to require the reading in full of the Journal, an utterly useless and time-wasting procedure invoked in recent years only for purposes of delay by those who desired to prevent the Senate from taking action. Had I so desired I could have insisted on a live quorum, and a series of live quorums, at any time during the reading of the Journal.

When the majority leader moved, after further reading of the Journal had been dispensed with on my motion, to follow the usual practice with respect to the morning hour, and I objected, it must have become clear that the usual practice under the morning hour is entirely illegal under the rules of the Senate. It is perhaps worthy of note that this little-used parliamentary procedure threw even our distinguished, able and beloved Parliamentarian into temporary disarray. The strict proceedings under rule VII have so seldom been invoked in recent years that no one can wonder that prompt and clear rulings were not immediately forthcoming.

I congratulate my good friend the Parliamentarian on the rulings which he eventually made, and which at this point result in my holding the floor, I am sure to the annoyance of most, if not all, Senators. May I say to those few Senators who are in the Chamber that I have no intention of obstructing the normal methods of procedure in the Senate for more than a few minutes additional time. But it has occurred to me—and I so advised the majority leader a week or two ago—that it would be desirable to bring to the attention of Senators, and perhaps through them to the country at large, the sad situation in which present Senate rules place this body, even when an overwhelming majority of Senators are keenly desirous of moving forward with the business of the day and, one may hope, getting back to our States, our wives, and our families following adjournment in the not-to-distant future. And yet this little exercise, unpopular though it may be, will, I trust, serve to remind the Senate and the country of the critical need of modernizing the rules of the Senate, not only rule XXII, but many other rules along the general lines which I have suggested in this body on other occasions.

There are pending before the Subcommittee on Rules of the Committee on Rules and Administration, presided over by our beloved President pro tempore, the Senator from Arizona [Mr. HAYDEN], a series of nine proposed rules changes which I submitted at an earlier date in the session, and upon which I spoke at some length during the closing days of the last session of the 86th Congress.

I have been afforded a most courteous and full hearing before that subcommittee on the proposed rules changes. Many Senators have written to the chairman of that subcommittee endorsing some or all of the proposed rules changes. The hearings before the subcommittee have been printed under date of June 16. The hearings have been closed. The subcommittee has not met to determine whether to report favorably to the full committee any or all of the proposed changes. But I am assured by the chairman of the subcommittee—a man whose word is, of course, his bond—that an executive session of the subcommittee will be called in the near future, at which time appropriate action will be taken by the subcommittee, consisting of the Senator from Arizona [Mr. HAYDEN], the Senator from Nevada [Mr. CANNON], and the Senator from New York [Mr. KEATING].

The majority leader has announced that in conformance with the pledge which he and the minority leader both gave to the Senate at the time when, by a vote of 50 to 46, proposed changes in rule XXII were referred to the Committee on Rules and Administration last January instead of being disposed of on its merits at that time by the Senate, he will bring a proposed change in rule XXII to the Senate before adjournment.

I commend the majority leader and the minority leader for their expressed intention to meet the commitment which they gave the Senate last January. It is always wise to meet one's commitments; and I know of no two Senators upon whom one can rely more thoroughly to meet theirs, when they are given as explicitly as was done in this case, than the majority leader and the minority leader.

In all candor, it occurs to me that there is little chance that a worthwhile change in rule XXII can be accomplished under the parliamentary situation with respect to rules which presently govern this body. I hope I am mistaken. I shall support the majority leader wholeheartedly in his effort to bring about a change in rule XXII. I fear he will fail if it is necessary to invoke cloture against a filibuster to prevent voting on a rules change. If he does fail, any significant effort to change rule XXII would have to go over until the opening session of the 88th Congress in January of 1963. I make that statement because the arguments which were advanced last January appear to make clear, as a matter of constitutional parliamentary law, that the Senate at the start of a new Congress may change its rules by majority vote, and has the power by majority vote on motion to bring about such rules changes, without unlimited debate, but only at the beginning of the first session of a new Congress. Under existing procedures I fear that the proposed action of the majority and the minority leaders holds little hope for success at this session.

Again I say I hope I am mistaken. I shall support them both in their efforts to bring about a vote on the merits of a change in rule XXII. If they should be successful, the change would probably not be one which I would propose, although in all likelihood I shall vote for it. It would provide for a vote of 60 percent for cloture, whereas I personally favor 51 percent for cloture. But that is perhaps a detail.

The other changes in the Senate rules which I have offered are not of the same magniture as a change in rule XXII.

But they are of great importance in enabling the Senate to act in the national interest when a majority of the Senate is ready for action.

The first proposed change which would appear to me hardly subject to dispute

would provide that rule III, subsection 1, should be amended to read as follows:

The Presiding Officer having taken the chair, and a quorum being present, motions to correct any mistakes made in the entries of the Journal of the preceding day shall be in order, and any such motion shall be deemed a privileged question, and proceeded with until disposed of. Unless a motion to read the Journal of the preceding day, which is nondebatable, is made and passed by majority vote, the Journal shall be deemed to have been read without actual recitation and approved.

I hope we can make that rule change before we adjourn this session, in the interest of eliminating a bit of obsolete procedure which does this body no credit.

Similarly, the havoc which a strict enforcement of rule VII, dealing with the morning hour, can inflict upon the Senate, if one Senator wishes to create that havoc, must be obvious from the somewhat tortured proceedings under that rule in which we are engaged this morning. I have deliberately refrained from taking full advantage of my privilege as a Senator under rule VII this morning because I do not wish unduly to delay the Senate in the conduct of important state business. However, I call to the attention of my colleagues in the Senate the proposed amendment to rule VII, which I have offered, and which is presently pending before the Subcommittee on Standing Rules of the Senate of the Committee on Rules and Administration. That amended rule, if my resolution is adopted, would read as follows:

Resolved, That rule VII of the Standing Rules of the Senate (relating to morning business) is amended by adding at the end thereof the following new paragraph:

"3. One hour, if that much time be needed, shall be set aside for the transaction of morning business on each calendar day at the opening of proceedings or, if the Senate is in continuous, around-the-clock session, at noon. The period for morning business may be extended upon motion, which shall be nondebatable, approved by majority action. No Senator may address the Senate for more than 3 minutes during the period for morning business, unless he has obtained leave by unanimous consent to address the Senate for a longer time."

There are seven other proposed changes to the rules now pending before that subcommittee. I shall not discuss them at length at this time. However, four of the most important ones would deal, first, with invoking a rule of germaneness by majority action when important business is under consideration by the Senate. I would not have the rule of germaneness apply automatically at all times, but I would put it within the power of the majority leader, or indeed of any Senator, to move to invoke the rule of germaneness at any time it became apparent, not that the pending business was being filbustered, but merely that the expeditious conduct of vital business was being interfered with by Senators who were unwilling to permit the Senator to come to a vote until they had had their say on an entirely irrelevant matter. I believe it is one of the great functions of the Senate to discuss freely and fully all matters of importance before the country, and, indeed, before the world. The proposed rule of germaneness would not interfere with that privilege, but it would provide that when the Senate is getting down to business that that business shall be completed before irrelevant, immaterial, and discursive subjects are brought into the debate.

The next rule which I have in mind to modify is a clear abuse, in my opinion, of the individual rights and liberties of individual Senators. That is the rule which provides that no committee may meet while the Senate is in session except by unanimous consent; nor can any such committee even hold public hearings. That rule, in my judgment, has been invoked—legally invoked, to be sure—by the distinguished Senator from Arizona and the distinguished Senator from Illinois, thereby unduly delaying consideration of important educational legislation pending before the Committee on Labor and Public Welfare. I repeat that the Senators were quite within their rights under the present rule. I repeat also that the present rule cannot be justified under any conceivable theory of American parliamentary practice.

I have often referred on the floor to the desirability of explicitly spelling out in our appointment of conferees what was the practice in the Senate when the issue was raised, but a practice all too often ignored in the performance. That is the rule that a majority of the Senate conferees must have represented by their votes on the floor of the Senate, the views of a majority of the Senate with respect to any matter in dispute with the House. I shall not dwell any longer on that rule. I believe most of my colleagues are familiar with the desirability of changing that rule.

The last rule which I would refer to at this time would be one which would provide uniform rules of procedure for all committees, so that a majority of any committee could at any time call a meeting, determine an agenda, cut off debate after reasonable discussion, and vote whether or not to amend a pending bill, and whether or not to send that bill with or without amendments to the floor of the Senate.

In mentioning these six rules I do not wish to be understood as abandoning the other three rules. The only reason I do not mention the others is that I do not desire to detain the Senate any longer.

I say to the majority leader that I am about to yield the floor. If the Senator from Montana desires to renew his motion with respect to the 3-minute limitation on speeches during the morning hour, I shall not object.

The ACTING PRESIDENT pro tempore. Does the Senator from Pennsylvania withdraw his motion to refer the bill?

Mr. CLARK. I withdraw the motion.

Mr. MANSFIELD. I appreciate the Senator's statement.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills and joint resolution of the Senate:

S. 98. An act to authorize the Secretary of the Interior to provide water and sewage disposal facilities to the Medora area adjoining the Theodore Roosevelt National Memorial Park, N. Dak., and for other purposes;

S. 702. An act to authorize the Secretary of Agriculture to exchange certain lands in the State of Wyoming with the town of Afton, Wyo.;

S. 841. An act to amend the Defense Department Overseas Teachers Pay and Personnel Practices Act, and for other purposes;

S. 848. An act to authorize the Secretary of Agriculture to convey a certain parcel of land to the town of Tellico Plains, Tenn.;

S. 883. An act to extend the application of the Federal Boating Act of 1958 to the Commonwealth of Puerto Rico, the Virgin Islands, and Guam;

S. 1222. An act relating to documentation and inspection of vessels of the United States;

S. 1289. An act to amend sections 337 and 4200 of the Revised Statutes of the United States so as to eliminate the oath requirement with respect to certain export manifests;

S. 1492. An act to amend the act of March 24, 1948, which establishes special requirements governing the selection of superintendents of national cemeteries;

S. 1697. An act to approve the amendatory repayment contract negotiated with the Huntley Project Irrigation District, Montana, to authorize its execution, and for other purposes;

S. 1873. An act to amend the act entitled "an act to authorize the Commodity Credit Corporation to donate dairy products and other agricultural commodities for use in home economics courses," approved September 13, 1960 (74 Stat. 899), in order to permit the use of donated foods under certain circumstances for training college students;

S. 2079. An act to retrocede to North Carolina jurisdiction over the southern, eastbound lanes of North Carolina Highway 24, and the eastern, northbound lanes of U.S. Highway 17, as these highways traverse and parallel Camp Lejeune, N.C.;

S. 2187. An act to implement the provisions of the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954;

S. 2245. An act to amend the act granting the consent of Congress to the negotiation of certain compacts by the States of Nebraska, Wyoming, and South Dakota in order to extend the time for such negotiation; and

S.J. Res. 76. Joint resolution authorizing the Secretary of the Interior during the calendar year 1962 to continue to deliver water to lands in certain irrigation districts in the State of Washington.

The message also announced that the House had passed the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic development and internal and external security, and for other purposes, with an amendment, in which it requested the concurrence of

the Senate; that the House insisted upon its amendment to the bill, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MORGAN, Mr. ZABLOCKI, Mr. BURLESON, Mrs. BOLTON, and Mr. JUDD were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 7035) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. FOGARTY, Mr. DENTON, Mr. CANNON, Mr. LAIRD, and Mr. TABER were appointed managers on the part of the House at the conference.

LIMITATION OF DEBATE

Mr. MANSFIELD. I renew my unanimous consent that statements in connection with the transaction of morning business be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the following committees were authorized to meet during the session of the Senate:

The Indian Affairs Subcommittee of the Committee on Interior and Insular Affairs.

The Subcommittee on Metropolitan Area Problems of the Committee on the District of Columbia.

The Committee on Government Operations on tomorrow, Tuesday, August 22, 1961.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, for action on nominations under the heading "New Reports."

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate messages from the the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The ACTING PRESIDENT pro tempore. If there be no reports of committees, the nominations on the Executive Calendar under "New Reports" will be stated.

U.S. DISTRICT JUDGES

The Chief Clerk proceeded to read sundry nominations of U.S. district judges.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations of U.S. district judges be considered and agreed to en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are agreed to en bloc.

U.S. MARSHALS

The Chief Clerk proceeded to read sundry nominations of U.S. marshals.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered and agreed to en bloc.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered, and the nominations are agreed to en bloc.

Mr. MANSFIELD. I ask unanimous consent that the President be notified at once of the confirmation of the nominations today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate return to legislative session.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON REAPPORTIONMENT OF AN APPROPRIATION

A letter from the Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of Agriculture for "Marketing research and service," Agricultural Marketing Service, for the fiscal year 1962, has been apportioned on a basis which indicates the necessity for a supplement estimate of appropriation; to the Committee on Appropriations.

UTILIZATION OF VOLUNTEERS FOR ACTIVE POLICE DUTY IN THE DISTRICT OF COLUMBIA

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to authorize the Commissioners of the District of Columbia to utilize volunteers for active police duty (with an accompanying paper); to the Committee on the District of Columbia.

REPORT ON REVIEW OF SELECTED ACTIVITIES OF FEDERAL-AID HIGHWAY PROGRAM IN STATES OF MICHIGAN AND WISCONSIN

A letter from the Assistant Comptroller General of the United States, transmitting, pursuant to law, a report on the review of selected activities of the Federal-aid highway program in the States of Michigan and Wisconsin, Bureau of Public Roads, Department of Commerce, dated August 1961 (with an accompanying report); to the Committee on Government Operations.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. ALLOTT, from the Committee on Interior and Insular Affairs, with amendments:

S. 724. A bill to direct the Secretary of the Interior to convey certain lands to Purvis C. Vickers, Robert I. Vickers, and Joseph M. Vickers, a copartnership doing business as Vickers Bros. (Rept. No. 763).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BENNETT:

S. 2444. A bill to provide for the establishment of a regional research center for rural redevelopment; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. BENNETT when he introduced the above bill, which appear under a separate heading.)

By Mr. HART:

S. 2445. A bill for the relief of Dr. Emiliana San Diego Anselmo; and

S. 2446. A bill for the relief of Wojciech Antoni Drogoszewski; to the Committee on the Judiciary.

By Mr. BENNETT (for himself and Mr. Moss):

S. 2447. A bill to provide for a bridge across Lake Powell in the State of Utah as part of the Glen Canyon unit of the Colorado River storage project; to the Committee on Interior and Insular Affairs.

By Mr. YOUNG of North Dakota:

S. 2448. A bill to authorize the Department of the Air Force to make equitable contribution to the cost of the improvement of streets adjacent to the Air Force hospital in Minot, N. Dak., and for other purposes; to the Committee on Armed Services.

PROPOSED REGIONAL RESEARCH CENTER FOR RURAL DEVELOPMENT AT RICHFIELD, UTAH

Mr. BENNETT. Mr. President, it is common knowledge that during the past several decades there has been a migration from farm to city throughout the entire Nation. In Utah, for example, 13 of its 29 counties have lost population since 1950. All of them are rural counties; they comprise nearly half of the land area of my State. This has come at a time when our total State population has increased nearly 30 percent. In addition, 6 of the 16 Utah counties which gained in total population over the decade 1950–60 showed decreases in their rural areas. Of the remaining 10 counties, the rural areas of 3 barely held their own in the population changes from 1950 to 1960. Thus a total of 22 of Utah's 29 counties either lost population or failed to increase their rural population over the period 1950 to 1960. These 22 counties comprise three-fourths of the land area of Utah. This is typical of nearly all States.

Mr. President, I ask unanimous consent to have printed in the RECORD, a

table showing the area and population of Utah counties, urban and rural, for the years 1960 and 1950.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Area and population of Utah counties, urban and rural: 1960 and 1950

[Minus sign (—) denotes decrease]

County	Land area in square miles, 1960	1960 population	1950 population	Percent increase, 1950 to 1960		
				Total	Urban	Rural
The State	82,339	890,627	688,862	29.3	48.3	—6.5
Beaver	2,587	4,331	4,856	—10.8		—10.8
Box Elder	5,594	25,061	19,734	27.0	72.7	3.0
Cache	1,175	35,788	33,536	6.7	26.2	—12.9
Carbon	1,470	21,135	24,901	—15.1	—20.7	—9.6
Daggett	708	1,164	364	219.8		219.8
Davis	268	64,760	30,867	109.8	265.2	—22.3
Duchesne	3,260	7,179	8,134	—11.7		—11.7
Emery	4,442	5,546	6,304	—12.0		—12.0
Garfield	5,217	3,577	4,151	—13.8		—13.8
Grand	3,602	6,345	1,903	233.4		—12.6
Iron	3,300	10,795	9,642	12.0	23.5	—8.0
Juab	3,412	4,597	5,981	—23.1	—14.2	—32.1
Kane	4,105	2,667	2,299	16.0		16.0
Millard	6,648	7,866	9,387	—16.2		—16.2
Morgan	610	2,837	2,519	12.6		12.6
Piute	753	1,436	1,911	—24.9		—24.9
Rich	1,022	1,685	1,673	0.7		0.7
Salt Lake	764	383,035	274,895	39.3	48.3	—11.4
San Juan	7,884	9,040	5,315	70.1		70.1
Sanpete	1,597	11,053	13,891	—20.4		—20.4
Sevier	1,932	10,565	12,072	—12.5	4.8	—21.7
Summit	1,857	5,673	6,745	—15.9		—15.9
Tooele	6,911	17,868	14,636	22.1	25.6	18.6
Uintah	4,476	11,582	10,300	12.5	28.5	6.3
Utah	1,998	106,991	81,912	30.6	38.9	—0.9
Wasatch	1,194	5,308	5,574	—4.8		—10.1
Washington	2,425	10,271	9,836	4.4	12.5	—2.5
Wayne	2,489	1,728	2,205	—21.6		—21.6
Weber	549	110,744	83,319	32.9	36.4	13.7

Mr. BENNETT. Mr. President, today more than 36 percent of all farm families have incomes of less than $2,000 a year and 75 percent have incomes of less than $5,000 per year. This has created some serious problems in many areas. To partially cope with these problems, former Secretary of Agriculture Ezra Taft Benson introduced in 1955 the rural development program. Since that time it has done a good job of aiding many rural farming areas undergoing necessary economic readjustments.

This program has now been grouped together with the rural phase of the depressed areas bill passed earlier this year under the office of rural areas redevelopment in the Department of Agriculture. The specific aims of the original rural development program, as outlined by Secretary Benson when he initiated the program, are: first, to expand industry and widen the range of off-farm jobs in areas with many small, low-production farms; second, to help families having the desire and ability to stay in farming gain necessary land, tools, and skills; and, third, to help younger rural people obtain adequate education and, especially, improved job skills.

To these basic goals are now added loan and grant programs under the Area Redevelopment Act enacted earlier this year. One phase of that program relates to rural depressed areas.

Because of the great need for rural research, I propose that a Western Regional Rural Research Center be established at Richfield, Utah, and I am today introducing a bill to that effect. From this central location, service can be efficiently and economically offered to the Western States.

Such a center would conduct studies in problems of unemployment and underemployment in many rural communities. One of the important functions of this center would be to prepare and analyze data on manpower, agricultural, natural, and other resources in selected agricultural communities to determine the extent to which these resources are being utilized. The program would be geared to the search for new economic opportunities for western rural Americans.

Such a center would be useful in determining methods of improving farm incomes, both directly and through the location of new business enterprises.

In developing new opportunities for employment within an area, two different lines of attack are suggested for research. One is the more common approach of studying local natural resources, including farm production, with the intention of not only increasing production and utilization of these resources but also of bringing more of the processing of such production into the area.

Since rural development research is not entirely agricultural, the center should be authorized and directed to develop projects in cooperation with agencies which have both a direct and indirect interest in both agricultural and nonagricultural phases of the total problem.

Too often some important resources are overlooked in the quest for new jobs. For example, the low-production farm areas often have underdeveloped recreational resources and tourism which have a potential for employing large numbers of persons within the area. Some communities may have other unique opportunities for utilizing local skills or resources.

An inventory must be made of the present and potential labor force in an area. The search for new industrial and service opportunities must be geared to the composition of the local labor force. If the potentially available employees are mainly high school graduates and persons over 40 years of age because the in-between age groups have left the area, the types of jobs and industries planned for the area should be those which can used, or even prefer, such persons. If the area has a large number of persons with clerical training or potentiality, firms providing some of the service functions such as insurance may be attracted to the area. It should be emphasized that this inventory of the local community should include nonfarm as well as farm residents.

At the outset, the professional staff should cover at least four areas of inquiry with at last one researcher of Ph. D. level in each area. One top-level researcher should have training and experience in farm management with knowledge of intensive enterprises. Another should be capable of analyzing processing plants and the types and sizes of facilities required. A third should be able to study the labor resources of the area and to determine the most effective use of such resources. The fourth should be a rural sociologist who can study the social problems of adjustment and determine the more effective means for solving such problems within the areas studied. The program should be supplemented by vocational training facilities run by the States. Adequate funds for financing graduate study should be provided. In addition to the cost of secretarial and clerical employees, travel, equipment and supplies, funds should be available for financing a number of cooperative projects at universities within the region served.

Richfield, Utah, is an ideal location for such a center. This city of 4,412 population is located in the heart of central Utah, being near the geographical center of the State. But, also this is the approximate center of the 11 western continental States of the United States. This city is both the cultural and business center of several large agricultural counties on all sides. The location of such a center in this community would provide leadership, research and initiative for the entire Western area and would result in a new surge of rural development. However, the findings of such an operation would not be limited to Utah or to the western region, but will serve a useful national purpose.

Richfield at the present time is already the location of an important district rural development office of Utah, operated under the direction of the extension service of Utah State University. Office space is available at reasonable prices. A labor force of high-caliber workers is in good supply and a training program of vocational occupations is offered at the local high school.

In addition to the geographical location of Richfield, it is also within easy reach of four colleges in southern and central Utah—Carbon College at Price; Snow College at Ephraim; the College of Southern Utah at Cedar City; and Dixie College at St. George. And not far distant is Brigham Young University, the largest university in the intermountain West. In addition, the central location of Richfield is within the easy access of colleges and universities throughout the West.

The details of staffing such a research center can be worked out in consultation with the extension service and with the Office of Rural Areas Development of the Department of Agriculture. But, irrespective of the staff located at the center, research work can be handled at most of the nearby colleges and universities, and consultants can be called in from business and farm communities.

It is my conviction that a research center for rural development would serve a vital purpose in ascertaining the specific causes in a scientific manner of the decline of our rural counties. But, more important, it would serve to discover means for reinvigorating our rural communities, which are the backbone of our Nation. We cannot let our rural communities die. The material, spiritual and moral fiber of our Nation is at stake. I urge speedy action on this bill.

It should be noted in passing that such a center could be established by the Secretary of Agriculture, under broad powers given him for administration of research programs. Or it could be established by congressional action. I am introducing my bill so as to open up both possible avenues of approach.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2444) to provide for the establishment of a regional research center for rural redevelopment, introduced by Mr. BENNETT, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

HIGH UINTAS WILDERNESS AREA—AMENDMENTS

Mr. BENNETT. Mr. President, I send to the desk amendments which would establish a new 241,000-acre wilderness area in northeastern Utah. The area will be called the High Uintas Wilderness Area.

At the present time, the Forest Service is administering this majestic tract of mountainous land as a primitive area.

My amendments are offered to the wilderness bill, S. 174, which unfortunately does not include the spectacular High Uintas area in the wilderness system created by the bill. Rather, S. 174 provides for a lengthy, 10-year review period to determine the suitability of primitive areas for inclusion in the wilderness system. This is fully justified in the case of other primitive areas, since few of them have been reviewed to determine whether or not they should be elevated to wilderness status. They were set aside by Executive order without such a review.

In contrast, I am advised by the Forest Service that the High Uintas Primitive Area has already been extensively reviewed and that, with the exception of certain minor boundary adjustments, it is fully deserving of wilderness status. Having personally visited this magnificent area on several occasions, I fully concur in that judgment. Therefore, my amendment is intended to give immediately full protection and an added status to the High Uintas Primitive Area.

My amendments will have no effect on existing grazing rights in the area. I have checked with the Utah Mining Congress and am informed that the area has no known mineralization of any consequence.

The High Uintas Primitive Area is located in the western part of the Uinta mountain range in northeastern Utah. On the south of the divide it includes the headwaters of the North Fork of Duchesne, Rock Creek, Lake Fork, and Yellowstone Creek. On the north side it includes the headwaters of Henry's Fork, East and West Forks of Smith's Fork, East and West Forks of Black's Fork, and the East Fork and Stillwater Fork of the Bear River drainages.

The Uinta Mountains rise gradually above the plateau countries to the north and south and at Kings Peak, the highest point in Utah, reach an elevation of 13,498 feet above sea level. The summit of this mountain range, which extends for 28 miles within the primitive area, forms a high, rugged, broken region with many peaks and precipitous slopes. The lowest point within the primitive area is 8,500 feet, but well over three-fourths of the territory is above 10,000 feet. All the main canyons within the boundaries of the area head near the crest of the range and descend to the north or south. All of the large canyons have the characteristic U-shaped form due to glaciation. The upper portions have been scoured out by ice, but their middle and lower portions contain heavy morainic deposits.

The average annual precipitation ranges between 20 and an estimated 40 inches. The region undoubtedly has the highest precipitation in Utah. The growing season is short, and freezing temperatures occur from September through June.

The Uinta Mountains are unique in that they constitute the highest range in Utah, and are the only prominent range running east and west in the United States. They contain many areas rich in scenic, geological, biological, and recreational interest. Six of the peaks attain elevations over 13,000 feet, five of which are within or on the border of the primitive area.

Over 350 lakes and the many high, rugged peaks make this region singularly wild and picturesque, both in form and coloring. In the higher portions of the range where the forest growth is extremely scanty, it gives the effect of desolate grandeur. In the lower basinlike valleys, which support coniferous trees, a view of one of the numerous mountain lakes offers a spectacle of rare beauty, with its deep clear water and fringe of meadowland set in the somber frame of pine forests. There are a number of broad amphitheatrical basins containing attractive lakes enclosed by high walls of colorful reddish-purple rock.

The plant life of the primitive area is representative of the flora of the Uinta Mountain Range and varies from mountain-shrub type on the low south exposure near Moon Lake at 8,500 feet to a true alpine type above the timberline on the areas over 11,000 feet, offering an unusual opportunity for botanical studies.

Among the tree species lodgepole pine predominates. Engelmann spruce, limber pine, alpine fir, Douglas-fir, Colorado blue spruce, aspen, cottonwood, mountain-maple, and other trees are also found here.

No detailed list of the plants found within the primitive area has been prepared. The mountains are, however, rich in native species of grasses, grasslike plants, flowers, shrubs, and trees. It is estimated there are over 500 different kinds of plants present here. Of special interest are the numerous species of alpine plants, many of which occur in Utah only in the higher portions of the Uinta Mountains.

Numerous deer and some elk make this their summer home. In addition, an occasional moose is found in the mountain meadows and a small band of bighorn sheep inhabits the area above timberline. Other animals to be found in the area include coyote, bobcat, lynx, mountain lion, black and brown bear, marten, beaver, mink, pika or rock rabbit, marmot, and pine and flying squirrels.

Fishing is good to excellent in the many lakes and streams throughout the area. Most of the lakes are regularly stocked and laws and regulations regarding fishing are set by the Utah Fish and Game Department. Principal species to be found are the native cutthroat, eastern brook, rainbow, and German brown trout.

In conclusion, Mr. President, I sincerely hope the Senate will adopt my amendments to S. 174, together with the Allott and other important amendments.

The ACTING PRESIDENT pro tempore. The amendments will be received, printed, and will lie on the table.

DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1962—AMENDMENTS

Mr. CLARK. Mr. President, I send to the desk four amendments which I propose to offer to the amendment proposed by the Senator from Montana [Mr. MANSFIELD] and the Senator from Illinois [Mr. DIRKSEN], to House bill 7371, making appropriations for the Departments of State and Justice, the judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, dealing with the subject of the life expectancy of the Civil Rights Commis-

sion; and I intend to call up the amendments in the event the rule is suspended and the proposed amendment of the Senator from Montana and the Senator from Illinois is brought before the Senate for action in connection with one of the appropriation bills. In the event the rule is not suspended, I shall propose these amendments to some other piece of proposed legislation later in the session.

I ask that the amendments be printed, and also that a summary of the amendments be printed in the CONGRESSIONAL RECORD.

The ACTING PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table; and, without objection, the summary will be printed in the RECORD.

The summary presented by Mr. CLARK is as follows:

SUMMARY OF CLARK AMENDMENTS TO H.R. 7371 RELATING TO THE CIVIL RIGHTS COMMISSION

The sixth and final legislative pledge in the civil rights section of the 1960 Democratic platform read as follows:

"The new Democratic administration will broaden the scope and strengthen the powers of the (Civil Rights Commission) and make it permanent.

"Its functions will be to provide assistance to communities, industries, or individuals in the implementation of constitutional rights in education, housing, employment, transportation, and the administration of justice."

The Clark amendment would fulfill this pledge by making the Civil Rights Commission a permanent Federal agency with strengthened factfinding powers and a new directive to act as a "national clearinghouse for civil rights information." The amendment would effect six changes in the provisions relating to the Commission in the Civil Rights Act of 1957, as amended:

1. The Commission would be made permanent by eliminating the September 9, 1961, termination date in existing law. Thereafter the Commission would be required to file reports of its activities annually or more frequently at its own discretion or the discretion of the President (sec. (d)).

2. One member would be added to the Commission (making a total of seven members) and staggered 3-year terms would be provided (sec. (a)).

3. The maximum compensation of commissioners and appointed consultants, not to exceed 12 in number at any time, would be increased from $50 to $75 per diem (secs. (b) and (e)).

4. The Commission would be authorized in its discretion to reimburse State advisory committees for travel expenses, stenographic services, and subsistence incurred in the performance of Commission-approved function (sec. (f)).

5. Commission officers and employees specifically designated by the Civil Rights Commission would be authorized, in addition to the commissioners themselves, to administer oaths and take statements of witnesses (sec. (g)).

6. The Civil Rights Commission would be directed "to serve as a national clearinghouse for civil rights information, and to provide advice and technical assistance to communities, industries, or individuals, upon request from such parties in respect to due process of law and equal protection of the laws, including but not limited to the fields of voting, education, housing, employment, the use of public facilities, transportation, and the administration of justice" (sec. (c)).

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1962

Mr. MUNDT (for himself, Mr. DIRKSEN, Mr. BRIDGES, Mr. KUCHEL, Mr. HOLLAND, Mr. MILLER, Mr. TOWER, Mr. COTTON, Mr. YOUNG of North Dakota, Mr. SCHOEPPEL, Mr. WILEY, Mr. LAUSCHE, Mr. BUSH, Mr. BEALL, and Mr. SCOTT) submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, the following amendment; namely, on page 36, after line 8, insert the following:

"TITLE VII—AMENDMENTS TO PUBLIC LAWS 815 AND 874

"Extension of temporary provisions of public law 815

"SEC. 801. (a) The first sentence of section 3 of the Act of September 23, 1950, as amended (20 U.S.C. 633), is amended by striking out '1961' and inserting in lieu thereof '1962'.

"(b) Subsection (b) of section 14 of such Act is amended (1) by striking out '1961' each time it appears therein and inserting in lieu thereof '1964', and (2) by striking out '$40,000,000' and inserting in lieu thereof '$60,000,000'.

"(c) Paragraph (15) of section 15 of such Act is amended by striking out '1958–1959' and inserting in lieu thereof '1961–1962'.

"Extension of temporary provisions of public law 874

"SEC. 802. The Act of September 30, 1950, as amended (20 U.S.C. 236–244), is amended by striking out '1961' each time it appears in sections 2(a), 3(b), and 4(a) and inserting '1962' in lieu thereof.

"Extension of laws to American Samoa

"SEC. 803. (a) The Act of September 30, 1950, as amended (20 U.S.C. 236–244), is amended by inserting "American Samoa," after 'Guam,' each time it appears in sections 3(d), 6(c), and 9(8).

"(b) The Act of September 23, 1950, as amended (20 U.S.C. 631–645), is amended by inserting 'American Samoa,' after 'Guam,' in section 15(13)."

Mr. MUNDT (for himself and other Senators) also submitted an amendment, intended to be proposed by them, jointly, to House bill 7371, making appropriations for the Departments of State and Justice, the judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Excerpts from an address delivered by him over radio station WGN, Chicago, Ill., relating to the Berlin situation.

SECOND ANNIVERSARY OF HAWAIIAN STATEHOOD

Mr. FONG. Mr. President, today marks the second anniversary of that memorable day 2 years ago when Hawaii officially joined the Union of States, adding the fiftieth star to our Nation's flag and a new dimension to our country's geography.

It is most seemly and opportune to express appreciation on behalf of the people of Hawaii to the citizens of our sister States who so warmly welcomed us into this grand federation of States.

In these first two years of statehood, we in Hawaii have striven mightily to justify your faith in us. In our first election after the Hawaii statehood bill was enacted, 93 percent of our voting population went to the polls. This very high percentage was duplicated just last fall in our first Presidential election.

With these elections came full realization that, at long last, Hawaii had voice in national legislation and national programs. We no longer are victims of Federal taxation without representation. We no longer are excluded from some Federal programs. Our Hawaii citizens have greater opportunities to serve in Government posts, and our Hawaii youth, to be appointed to service academies.

As a full-fledged State, Hawaii now is represented abroad at official Government functions, such as Argentina's anniversary last year and the Inter-Parliamentary Conference in Canada and the hydroelectric inspection in Scandinavia this year, to which functions it was my honor and privilege to attend.

In my work here as a Senator, it has been very gratifying to me to discover the vast good will, respect, and friendship the people of Hawaii long ago earned among their fellow Americans. Likewise, it has been very gratifying to discover the people of our sister States evince sympathetic understanding of Hawaii's needs and problems. I have found a widespread disposition on the part of my colleagues in Congress and of officials in the executive branch to consider favorably matters of importance to Hawaii.

As a result, in these 2 years there has been considerable legislative and administrative progress. Congress passed the Hawaii Omnibus Act which amended 54 sections of Federal law so that Hawaii is now treated on a basis of equality with other States. Congress included Hawaii in the Interstate and Defense Highway construction program for the first time. Congress provided funds to reestablish a badly needed Department of Commerce Field Office in Hawaii, and created a new U.S. Travel Service to increase the number of foreign visitors traveling in America, which will unquestionably benefit Hawaii.

Congress authorized establishment in Hawaii of a Center for Cultural and Technical Interchange between East and West, and authorized funds in lieu of a land grant under the Morrill Act for for the University of Hawaii.

Congress approved construction of a breakwater to protect the city of Hilo from tidal wave disaster such as devastated the area last year, and Congress granted approval to watershed projects to protect the Waianae area residents and farmers against annual flooding.

Congress approved construction of a new Federal building in Honolulu; extended the Sugar Act, which controls Hawaii's quota; approved funds for Kona coffee research; enacted my amendment providing farm long-term, low-interest farm housing loans to farmer-lessees; and established the Nation's newest national park on Maui, Haleakala National Park.

Under Statehood Act provisions, the Federal Government has returned to our land-scarce State 24.7 acres, and more than 100 acres await only signature to effect similar transfer. Last year, the Post Office began airlifting first-class mail between Honolulu and the west coast and between the islands of our State.

These are but a few of the actions taken at the Federal level which have materially benefited Hawaii and for which we tender our gratitude.

Yes, these have been 2 good years for Hawaii. The mere fact of statehood endowed us with an aura of stability in the eyes of mainlanders who showed great new interest in settling there and in investing capital. To many, Hawaii offers a new frontier for exploration. In these 2 years, Hawaii's economy expanded measurably, with high employment until today we have one of the lowest unemployment rates in the Nation.

We in Hawaii are not complacent, however. We are exerting great efforts to put Hawaii's economy on an even more sound basis to insure our continuing steady growth in the years ahead. I know I speak for all the people of Hawaii in pledging our energies to work always with our fellow Americans toward greater progress not only for us but for our entire—and equally important—Nation toward peace with justice for the world.

Mr. President, Hawaii's spirit of aloha, which is the spirit of friendship, of understanding, of hospitality, of respect, and of tolerance is an exportable product. As a State we will be able to export it in a greater measure. Already the peoples of the world are beginning to understand that this spirit of aloha is indeed the essential element to bring the peace which we all hope will come to mankind.

Mr. JAVITS. Mr. President, will the Senator from Hawaii yield?

Mr. FONG. I yield.

Mr. JAVITS. I should like to join in congratulating Hawaii on 2 years of statehood. The Nation is proud to have Hawaii in the Union. Also we are very proud of Hawaii's Senator FONG, on this side of the aisle, and Senator LONG, on the other side of the aisle, who exemplify for us the unique qualities of our empire in the Pacific, and who today are making contributions of the greatest interest to our country.

I am particularly pleased that Hawaii has sent us Senator FONG, because he so eloquently embodies in his own person a demonstration of the progress which is possible under the great American system for all people, whatever may be their origin—and that includes me, as the Senator knows.

Mr. FONG. I thank the distinguished Senator from the great State of New York for his kind and laudatory statement. We in Hawaii appreciate his remarks. We should like to see him in Hawaii soon.

Mr. JAVITS. I thank the Senator from Hawaii.

Mr. FONG. Mr. President, in observing Hawaii's second anniversary of statehood, I desire once again to pay tribute to my good friend and colleague, the junior Senator from Hawaii, OREN E. LONG. Without regard to partisanship, we have been able to work together harmoniously on matters of concern to the people of Hawaii. It has been a great pleasure to be associated with him in the service of our State.

I would be remiss if I did not also express my very deep gratitude for the friendly advice and counsel of my other Senate colleagues who have been unsparing in their assistance and unstinting in their good will to me, a very junior Senator in this distinguished body. As we say in Hawaii, "Mahalo for your kokua": Thanks for your help. I am confident our association in the future will continue harmonious as we all labor in the vineyard for our country and our countrymen.

NOMINATION OF GENE HAL WILLIAMS, OF WEST VIRGINIA, TO BE BRIGADIER GENERAL

Mrs. SMITH of Maine. Mr. President, the distinguished Governor of West Virginia recently went to Maine and made some rather specific remarks about me. I ask unanimous consent that a news report published in the August 15, 1961, issue of the Portland, Maine, Evening Express be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATOR SMITH'S EFFORT TO BLOCK PROMOTION HIT

BELGRADE.—The Governor of West Virginia says Senator MARGARET CHASE SMITH'S campaign to block the promotion of his State's adjutant general to brigadier general in the Army Reserve is unjustified and contrary to Senate custom.

"I don't follow her, picking on West Virginia, especially on an outstanding general like General (Gene Hal) Williams," said Democratic Gov. William W. Barron, who is vacationing here.

The Republican Senator from Maine questioned Williams' qualifications Friday, contending his active duty in the military service was insufficient for the promotion. Six other Senators joined her in delaying the promotion.

Barron said Mrs. SMITH is trying "to make an example." He said such promotion is customary for the adjutant general of a State, and that if the Senate wants to make new policies concerning promotions, notice should first be served on the Governors.

Mrs. SMITH of Maine. Mr. President, I am delighted to have the Governor visit our beautiful State of Maine, and I welcome his constructive criticism. I have asked that this news report be placed in the RECORD so that the Senators might have the benefit of the Governor's views, and I look forward to making specific replies to him in the debate on the Williams nomination.

ADDRESS BY VICE PRESIDENT JOHNSON TO PEOPLE OF WEST BERLIN

Mr. GORE. Mr. President, the distinguished Vice President of the United States, the Honorable LYNDON B. JOHNSON, has performed a signal service in traveling to Berlin, there to state to the people of Berlin and the people of the world the position and the determination of the United States to maintain and defend the freedom of the people of West Berlin. His message was eloquent. His message bespoke the will of the President and the people of the United States.

I ask unanimous consent to have printed at this point in the RECORD the remarks by Vice President JOHNSON upon his arrival in Berlin, his address to the House of Representatives, and the remarks which he made to the people.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

ARRIVAL STATEMENT OF VICE PRESIDENT LYNDON B. JOHNSON

I am deeply moved by the warmth of your welcome. This gallant city has become an inspiration to the entire free world.

Divided, you have never been dismayed. Threatened, you have never faltered. Challenged, you have never weakened. Today, in a new crisis, your courage brings hope to all who cherish freedom and is a massive and majestic barrier to the ambitions of tyrants.

As the personal representative of President Kennedy and the American people, I have come here to salute your courage, to honor your faith in freedom, and to assure you that your friends remember their debt to you and in these new emergencies will never forget their obligations to you. Standing together and working together, you shall prevail. This city will continue to be the fortress of the free because it is the home of the brave.

As one measure of our constant and continuing commitment to your freedom, President Kennedy, just before my departure from Washington, authorized an immediate increase in the American garrison here in West Berlin and at this moment these additional U.S. troops are on their way to join you here. I think you will also rejoice that the President has sent with me your old friend and champion, Gen. Lucius Clay, who remembers the dark days that once faced Berlin and the courage that broke that earlier Colamunist challenge. The brave people of Berlin will understand the significance of these actions—and we hope their meaning will not be lost upon the rulers of East Germany and the Soviet Union.

In this threatened city we can never forget the suffering and the heroism of the people in East Berlin who have now been

forced into a bondage that mocks the essential rights of free men and women. They are the victims of tyranny but their protests have rung round the world and have shamed the cruel dictatorship before the indignant judgment of mankind. An iron curtain now divides this city but it cannot hide the misery and brutality imposed by these harsh and illegal decrees.

The tyrants have divided Berlin but they have united us, and we will be separated neither by Communist tricks nor Communist threats. That is the pledge I bring to you from America.

Our meeting here today is more than a greeting between devoted friends, more than a gesture of goodwill in a time of danger. It is even more than a festival of freedom. It is a meeting of dedication which pledges us anew to stand at your side amid all these storms and anxieties.

I am here in the name of the President and the American people to reassure you that we remember your ordeals, we honor your fortitude, and we are with you in the determination to defend the high and holy cause of human freedom.

LEGISLATIVE STATEMENT OF VICE PRESIDENT LYNDON B. JOHNSON

I have come to Berlin by direction of President Kennedy.

He wants you to know—and I want you to know—that the pledge he has given to the freedom of West Berlin and to the rights of Western access to Berlin is firm. To the survival and to the creative future of this city we Americans have pledged, in effect, what our ancestors pledged in forming the United States: "Our lives, our fortunes, and our sacred honor."

I come here at a moment of tension and danger—in your lives, the lives of my countrymen, and the common life of the free world.

A barrier of barbed wire has been thrown across your city. It has broken for you—and more important—for your brethren to the East—vital human and communal ties—ties that reach back into the lives of families and friends and into the long life of this great city.

I understand the pain and outrage you feel.

I understand the anger you feel as the Communist authorities and their hirelings congratulate themselves on having throttled the flow of men, women, and children who could stand it no longer and have come to the West, even at the cost of abandoning their homes, the familiar places, and all they had created.

What a victory they claim. What a failure they prove.

I tell you the Communists congratulate themselves too soon.

Stop for a moment and consider what this crisis is about.

This crisis has arisen because of a massive fact of history. The freemen of Germany—both here and in West Germany—have succeeded in these years since the end of the war beyond our most optimistic hopes. I am not referring only to their economic success which all the world knows and admires. They succeeded in far more important ways. They have built a vital democratic life. They have accepted with admirable self-discipline restraints on their military establishment. They have played a great constructive role in making a United Europe. They are now coming to play a major role on the world scene—from India to Bolivia.

Meanwhile, in East Germany there has been a terrible and tragic failure. Despite every instrument of force and propaganda, despite every asset of German skill and German resources, the Communists have not been able to create a life to which men can commit their talents, their faith, and the future of their children.

Make no mistake. This fact of history is well understood in the Kremlin. What they are trying to do now is to interpose barbed wire, bayonets, and tanks against the forces of history.

In the short run, the barbed wire is there; and it will not go away by a wave of the hand. But in the long run this unwise effort will fail. Lift your eyes from these barriers and ask yourselves: Who can really believe that history will deny Germany and Berlin their natural unity? Who can really believe that the German people will choose communism after what they have seen on German soil?

This is a time, then, for confidence, for poise, and for faith—for faith in yourselves.

It is also a time for faith in your allies, everywhere throughout the world. This island does not stand alone. You are a vital part of the whole community of freemen. Your lives are linked not merely to those in Hamburg, Bonn, and Frankfurt. They are also linked with those who live in every town of Western Europe, Canada, and the United States, and with those on every continent who live in freedom and are prepared to fight for it.

I repeat: this is a time for confidence, for poise, and for faith—qualities with which you have associated the name of your city—from one end of the world to the other—since 1945.

What President Kennedy said on July 25 to his fellow countrymen I now say to you: "With your help and the help of other freemen, this crisis can be surmounted. Freedom can prevail—and peace can endure."

TEXT OF JOHNSON STATEMENT ON EVE OF DEPARTURE FROM WEST BERLIN

I have just seen the soul of a city and a people that will never submit to conquest.

I am going home to tell the President and the people of America that the Western Powers—the United States, French and British—have never had better or braver allies than we have in the citizens of this city. For many years this city, which has worn its tribulation like a crown of glory, has compelled our admiration.

Let me tell you, in this message of gratitude and farewell, what will live forever in my memories of Berlin and what I will try to convey to my fellow citizens of America.

As I looked intc the faces and hearts of so many thousands of Berliners, I could not fail to be profoundly touched by both the warmth and courage I saw everywhere about me.

A city which can exhibit such spirit in adversity can never be bullied into the surrender of its freedom.

Of course I also saw eyes filled with tears, but they were noble tears, for I noticed that this chord of deep emotion always was touched when Berliners referred with gratitude to America's friendship with Germany, or spoke with indignation of the suffering of their brothers in East Germany.

A city which can be of good heart in an hour of danger, and which cries only over the sorrows of its brothers and its neighbors, can never be broken by the cruelty of Communist power.

I shall tell my fellow Americans that I have seen the fruits of democracy in West Berlin and in Bonn. For I have seen the people, in their countless thousands, participate in a tribute to freedom, and I have addressed the freely elected members of a free parliamentary assembly.

In East Berlin, communism has produced a legacy of suffering and servitude. In West Berlin, the power of freedom has produced a harvest of hope.

As I leave for my own country with its traditions of freedom, I salute with honor and gratitude the great-hearted people of West Berlin, the city of unconquerable freedom.

Mr. JAVITS. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. JAVITS. I wish to call attention to a most important factual analysis of Berlin which was published in the New York Times yesterday. The Senator from Tennessee has spoken of the eloquent words of the Vice President, and I wish to join with him in congratulating the Vice President. That tradition has always been maintained in this Chamber. The Vice President has rendered extraordinarily fine service in representing our country creditably in such tense incidents as those which are now taking place in Berlin.

I should like to add to that statement that underlying the situation respecting Berlin are also hard facts. The very interesting analysis of Berlin, published in yesterday's New York Times, contains a detail of Berlin's economy as it bears upon the position of Berliners in fighting for their freedom. The article demonstrates that Berlin now has become the largest German industrial center and fashion center, as well as a great manufacturing center. The value of West Berlin's product this year, in industry alone, will be more than $2,613,150,000.

Second, the article states that business between East Berlin and West Berlin is infinitesimal. Whereas West Berlin does 80 percent of its business with West Germany, it does only about 1 percent of its business with East Germany.

Third, the article shows why Berliners have been so strongly opposed to the free city concept. It is, they say, because the East Berliners wish to reorient their whole commercial relationship, so that it will move east, instead of west. This would put the city in a deep depression, even if the move succeeded, because it would take years to carry out the program.

I think this statement gives us the rockbottom basis in fact as well as the strong feeling we have concerning policy and diplomacy, and the strong feeling of sentiment toward maintaining the agreements to which Vice President JOHNSON gave voice over the weekend.

I should like to add my tribute in acknowledgment of the notable service rendered by Gen. Lucius Clay, who accompanied Vice President JOHNSON, and who is an outstanding expert in this field. I am certain his presence was most helpful. Also, I believe Ambassador Boland and our Foreign Service officers should be paid a tribute for the competence and excellence of their assistance.

Mr. GORE. I should like to suggest to the Senator from New York that we join, too, in expressing appreciation to the people of Berlin, who by their own tumultous reception of Vice President JOHNSON demonstrated their own faith in democracy and their determination to be free.

Mr. JAVITS. I thoroughly agree with the Senator from Tennessee, and join

him in pointing out that in view of the history of West Germany in three wars since 1870 and in view of the fact that now Germany is dedicated to the pan-European ideal, we have every reason to appreciate the demonstration of confidence over the weekend by the people of Berlin in the free peoples of the world.

I thank the Senator from Tennessee for his comment; and ask unanimous consent that the article to which I have referred be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WEST BERLINERS THRIVE ON CRISIS—EXPANSION OF ECONOMY HAS ACCELERATED AS SOVIET PRESSURE HAS RISEN—INDUSTRIAL JOBS CLIMB—ROLE AS SHOWCASE OF FREE ENTERPRISE SYSTEM IS FOUND SIGNIFICANT

(By Brendan M. Jones)

Economics of closely entwined with the ideological conflict that has arisen with renewed Soviet pressures on West Berlin.

The high level of prosperity, even the degree of luxury, that has been developed in the western part of the old German capital is far from being solely the product of subsidies and other aid. In the years immediately following the end of the blockade in 1949, outside aid was vital to West Berlin's economy.

But, in recent years, expansion of new industry and export-import trade has made the West Berlin economy increasingly self-sustaining. Hard work, private enterprise and exceptionally good economic organization have been mainly responsible for this achievement.

Economically, West Berlin has seemed to thrive on crisis. Since late 1958, when Soviet Premier Khrushchev made his demands proposing a free-city status for Berlin, economic expansion of the Western Zone has accelerated.

TIGHT LITTLE ISLAND

Despite its isolation 110 miles within Communist East Germany, West Berlin has managed to become not only an outpost of democracy but a tight little island economically. West Berlin, in fact, is the largest German industrial center in terms of total employment and, according to some authorities, in the value of total production.

In this respect, West Berlin has continued the traditional position of the former capital as the chief center of employment and business. A major difference is that today employment in West Berlin consist mainly of industrial jobs rather than government civil service and commercial jobs, as formerly.

It has been evident that the Soviet desire to change the present status of West Berlin stems possibly as much from its economic prosperity as from political or security considerations. As a "showcase" of freedom, economic and political, West Berlin has obviously tended to discredit the Communist system.

Aside from the issues of Western occupation rights and rival ideologies, there is good reason to question whether West Berlin would be a center of crisis if it were not so prosperous.

By Communist, or even Western, standards, West Berlin's prosperity is something of a classical paradox. The western part of the city has a population of 2,200,000 and an area of 185 square miles. This compares with a population of 1,100,000 and an area of 155 square miles in East Berlin.

West Berlin has no natural resources. Even stone and earth for construction purposes must be imported along with other raw materials, fuels and a large proportion of food. Unlike other metropolitan centers, West Berlin has practically no mutually advantageous exchange of produce and goods with a surrounding rural area. Except for rail, truck, barge and air transportation links, it is, economically speaking, an island.

Yet West Berlin had a total turnover (value of production and services) last year equivalent to $6,385 million. This compared with $5,958 million in 1959 and with $1,781 million in 1950, the first full year after the blockade.

Manufacturing industries, formerly a lesser part of the total economy, have in recent years become the major source of employment. Of a total working force of nearly 1 million, more than 300,000 persons are employed in industry. Of last year's total turnover, industry accounted for $2,613,150,000, or 41 percent. In 1959, its percentage of the total was 37.5 percent, while in 1950 it was 28 percent.

Electric and electronic products constitute the largest industry. They account for 29 percent of all West Berlin manufactures and represent 12 percent of total electrical and electronics goods production of West Germany.

INDUSTRIES ARE DIVERSE

Food processing, textiles and machinery are among the other leading West Berlin industries. There is also a great diversity of output in chemicals, optics, machine tools, precision machinery, ceramics, transportation (including river craft), leather goods, porcelain and china, and the graphic arts. West Berlin's garment industry accounts for 46 percent of the total West German supply of women's clothing.

In addition to recent efforts to become a major fashion center, West Berlin also has been successful in the field of motion picture production. Output recently has climbed to 40 motion pictures a year and provided an important new source of export earnings.

Probably as much as planning and enterprise, export-import trade has been a keystone of West Berlin's economic progress. The largest part of this exchange has been with the Federal Republic, but in recent years, West Berlin's products, including large engineering units as well as consumer goods, have found markets in Western Europe and throughout the world.

TRADE BALANCE CLOSE

Last year, exports exceeded $2 billion and, for the first time since West Berlin's trade has been recorded separately, they were in close balance with imports. By contrast, exports of goods in 1950 were less than $300 million, while imports were more than twice this amount.

Some 80 percent of exports and about 87 percent of imports were accounted for in exchanges with the rest of West Germany. Only 1.1 percent of exports went to East Germany, which accounted also for only 2.3 percent of imports, chiefly in low-grade coal. Trade with the rest of the Communist bloc amounted to 1.3 percent, both in exports and imports.

The United States has provided an increasing market for West Berlin exports, accounting for about $30 million worth last year, compared with $1,500,000 in 1950.

The low volume of trade with East Germany and the rest of the Communist area may be attributed to a number of causes. Most obvious is the political division, which has produced a blockade and similar restrictive measures, including currency control, to discourage any interchange by the Communist area with West Berlin.

VULNERABILITY NOTED

For all its viability, West Berlin's economy is still a vulnerable point, particularly in respect to high dependency on export-import trade. It is probably for this reason that West Berliners have no desire for the Soviet "free city" plan.

Under this plan, it is proposed that the Communist countries would largely take over the role of chief customers and suppliers to West Berlin. The transfer, according to the plan, would be effective by a guarantee of immediate large orders to industry, as high as $1 billion in a single year. In the view of West Berliners, the magnitude of the changeover is such that it would take years to accomplish.

To West Berliners generally, the Soviet economic proposals appear not merely impossible but untrustworthy. They are regarded as the means to an end of West Berlin as it now exists.

Mr. WILEY. Mr. President, I, too, wish to join in complimenting the Vice President. I read the speech he made to the people of Berlin, and I thrilled to it. Then I saw the pictures on television and in the newspapers, showing how the people of Berlin responded to his presence. I think he has done an outstanding job, and I am one of those who praise him for doing it.

Mr. COOPER. Mr. President, as a Member of the Senate, of the minority party—and as a citizen—I congratulate the Vice President for his conduct, his action, and for the speeches he made in West Germany and West Berlin.

I thought that his speeches rang with a Churchillian quality. But greater than his language, eloquent as it was, the Vice President spoke for the President, and for the United States with truth and courage.

He reaffirmed the determination of the United States to defend its rights, and the freedom of the people of West Berlin.

I am certain that he gave renewed strength to the people of West Berlin and West Germany, and we hope an understanding to the Soviet Union of our determination.

As I have said before in the Senate the declaration of our basic position respecting Berlin positions which are not negotiable was necessary. I believe it necessary also for the administration, for the President, who has primary and ultimate responsibility, to review carefully every aspect of the situation in West Germany and Berlin—as it applies to the United States, to our war allies, to West Germany and Berlin, and to the Soviet Union—to determine the matters upon which we can negotiate, preserving our rights and commitments honorably, and at the same time lessening and avoiding incidents which could lead inexorably to nuclear war.

The Vice President has done a great service for our country and the world.

THE FOREIGN AID BILL

Mr. WILEY. Mr. President, I have listened to much of the debate in regard to the foreign-aid bill, and I have read some to which I have not listened. None of it seems to stress the important fact, which is that the world is teetering on the brink of war. No one seems to ask, "What is the importance of this particular measure as a deterrent to war?"

We know that Khrushchev threatens a showdown between the Western alliance

and the Communist world over Berlin. Now he has isolated East Berlin. Over the weekend, Vice President JOHNSON has visited West Berlin, has spoken to the people there, and has received an extremely cordial reception.

Millions of people in our own country and elsewhere are asking whether war can be avoided—because of the changed nature of the world, geographically, and from a weapons standpoint.

Mr. President, in my first speech on the foreign-aid bill on Saturday, August 6, I discussed this situation.

People are praying that war will not come. The issue now has been narrowed down to whether there shall be long-term financing or, as it has been called, back-door financing, by the Executive.

Much has been said on the subject. Thus, it has been stated that in providing borrowing authority for the development lending program, Congress is giving up its constitutional responsibility.

This is simply not the case.

Sections 102, 103, and 104 of the Government Corporation Control Act specifically preserve the congressional controls on programs financed in this fashion. Admittedly, an element of restraint is introduced with regard to possible limitations of the lending program. But it is congressional self-restraint. It is self-imposed, and it is always within the power of the Congress to abolish its self-imposed restraint.

The net effect of section 104 of the Government Corporation Control Act is to shift the burden of responsibility for revising a Treasury borrowing program from the Executive to the Congress. In other words, the Congress, under this law, must find clear, affirmative reasons for changing the course of a program that it has approved and enacted into law.

It was conceded that Congress "has in the past made several grants of borrowing authority." But, "in nearly every instance it has granted such authority only where it might reasonably be expected that the amount of money borrowed would be repaid in full as to principal and interest." In other words, it was said, "Congress has granted to the President the right to make sound profitable investments."

As to the first point, page 11, paragraphs 1 and 2 of the committee report, read as follows:

As of December 31, 1960, foreign loans disbursed under mutual security and related legislation have amounted to nearly $3 billion. There have been no defaults or delinquencies on these transactions. However, in the case of three countries who received loans under the mutual security program, there have been deferrals of payments of principal and interest for a specific period. As for the Development Loan Fund, while there have been delays in payments on some loans, none of the DLF borrowers has defaulted on loan repayment.

Since beginning its activities in 1934, the Export-Import Bank has authorized loans and credits totaling about $11.4 billion (as of December 31, 1960). During this period, the Bank has written off losses of less than three one-hundredths of 1 percent of this total. In addition, the prospects for repayments on loans to three countries—Bolivia, Cuba, and Haiti—are doubtful. However, even if the entire $100 million total of these loans were deemed irretrievable, maximum losses would be only nine-tenths of 1 percent of the Export-Import Bank's total authorizations.

With regard to the Development Loan Fund, to which special reference was made in the argument, I might add that 110 loans have been negotiated, and the funds made available.

The repayments on 93 of these loans are "current," or on schedule. In the case of four of the loans, there have been agreed delays, but no defaults. Repayments are not yet due on the other 13.

Beginning on page 116 of the committee hearings on the aid bill, there appear a series of tables illustrating outstanding U.S. loans to other countries and the estimated repayment schedules. The categories of loans covered include: "Mutual security program"; "Development Loan Fund"; "Surplus properties, war assets and lend-lease"; "German settlement loan"; "British loan." Loans that are in arrears are indicated by footnotes. There appear to be six of these. Two are lend-lease loans to the Soviet Union and to Czechoslovakia. One involves facilities on mainland China, and was arranged prior to the Communist takeover. The Republic of China Government on Taiwan is opposed to having the loan written off, and makes some token payments. All six of the loans that are in arrears are in the surplus properties, war assets, and lend-lease category.

The suggestion that the development loans contemplated in this program do not represent "sound profitable investments" puzzles me. If the suggestion means that they will not return a profit to the U.S. Treasury, I am inclined to agree. But a dollar profit is hardly the objective of this program. If it means that these loans will not profit the developing societies for whom they are intended, then I am in strong disagreement. I believe that this program is our best hope of assisting countries to grow and to develop institutions that will enable them to preserve their independence, and will assist in keeping the world from going over the brink.

It was suggested that the administration does not need long-term authority, because it receives most of the aid money it needs in appropriated funds. It is also said that on the basis of official figures for fiscal years 1955 through 1961, "the administrations in those years have received an average of between 80 and 90 percent of their original requests for mutual security appropriations." I have not looked into those figures, but I do know that from the outset, total Development Loan Fund appropriations have averaged about 30 percent less than amounts authorized.

The Secretary of the Treasury testified that "legislative authority to make a multiyear commitment will provide an incentive to other industrialized countries to join with the United States in providing aid to developing areas."

It was said that "the Western European countries, with perhaps the exception of Germany, are just not in a position to afford any continuing large amounts of foreign aid."

The fact is that Western Europe's economic growth rate is exceeding our own by a good margin; that Western Europe has begun to export development capital to newly independent countries; that a major objective of American foreign policy is to encourage a greater effort in this direction by Western European countries; that a fundamental purpose of the Organization for Economic Cooperation and Development is to provide a mechanism for distributing on a more equitable basis the aid responsibility of the prosperous countries.

The idea is to encourage these countries to make proportionately comparable contributions to the less-developed societies. As Secretary Dillion has suggested, our willingness to undertake long-term commitments should serve as an incentive.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement by Henry Cabot Lodge on the foreign-aid bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON THE FOREIGN-AID BILL BY HENRY CABOT LODGE

Passage of the foreign-aid bill directly affects the vital interests of America. In fact, this legislation is, in its way, as important as the support of our diplomatic service or of our military establishments.

It is a commonplace that communism uses economic aid on a long-range basis as a device for subverting the developing countries.

We Americans, on the other hand, should extend our help to these countries on a totally different basis—because our finest American traditions bid us to care deeply for the well-being of humanity. We must not come as conspirators, but as partners.

We should also make it possible for those conducting the program to operate on a long-range basis, which is made possible by the well-safeguarded provisions for 5-year loans.

In that way, we will get more for our money; we will best frustrate the efforts of the Communists to outmaneuver us; and we will best be able to live up to our American tradition of generous neighborliness.

I hope, therefore, that the House will pass the bill.

PROMPT ACTION NEEDED ON AID

Mr. MUSKIE. Mr. President, one of the most critical and far-reaching legislative issues at this session of Congress has been the Act for International Development, now awaiting conference action to adjust the differences between the versions passed in the two Houses.

It is imperative that this legislation become law as early as possible; and, in my opinion, it is essential that the law contain the long-term financing authority provided in the Senate version of the bill.

One of the best editorial comments on this issue appeared in the August 19, 1961, edition of the Lewiston Daily Sun, of Lewiston, Maine. In order that these thoughtful observations may gain as wide attention as possible, I ask unanimous consent to have the editorial printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FOREIGN AID PLANNING VITAL

Congress should shake down its thinking, then act promptly to provide a basis for long-range planning in the important field of foreign aid.

From the start of the congressional session, the President has emphasized that the foreign aid program which he envisioned had as its very foundation the factor of long-range planning. He labeled that program "probably the most vital piece of legislation in the national interest" at the current session.

While Congress has been in general agreement with the need for the foreign aid program, and its importance in the continuing battle against communism in the world, it has been more than hesitant to authorize the President to borrow slightly more than $7 billion during the coming 5 years to finance development loans to other countries. This has been in spite of the fact that the proposal contained provisions which would safeguard the funds, as well as retained a congressional voice in their allocation.

Now no one would want to give the President carte blanche with the huge fund which actually extends beyond his own term in office. On the other hand, if each Congressman is to add his own version of the proper strings to attach to the long-term program, it will become so wound up in the strings that it never will be able to operate.

It is important to note that even though the proposal calls for borrowing over a 5-year period, a budget for each year must be submitted to Congress. Moreover, a Senate amendment provides that all loans of $5 million or more first must be reported to Congress, then held up 30 days to allow time for a veto by it should the lawmakers object.

A planned program of foreign aid is the major weapon America has to contribute in the battle against Communist expansion in the underdeveloped countries of the world. If such a program is to operate at maximum effectiveness its directors must be able to plan more than 12 months ahead. America's failure to act can only open the door for the Communists.

Congress has done its part in making sure that there are sufficient safeguards to protect use of the long-range funds.

Now it should act without further delay.

ROGER MARIS

Mr. YOUNG of North Dakota. Mr. President, North Dakota is one of the smaller States populationwise, nevertheless, we have had more than our proportionate share of outstanding citizens. Our people seem to have a way of succeeding, no matter what walk of life they pursue.

One of these outstanding North Dakotans is Roger Maris, of Fargo, who last year won the American League award for the most valuable player in baseball. This weekend he hit his 49th home run. It is apparent now that he may well break Babe Ruth's home run record of 60. I predict he will break this record by September 20.

Some of the Senators present today will remember that about 5 years ago, when Roger Maris was making his debut in major league baseball with the Cleveland Indians, several of us entertained him at a luncheon here in the Vandenburg Room. Everyone seemed impressed with this clean-cut, typical American young man. It was apparent then that he would make a real record for himself in baseball.

Mr. President, I ask unanimous consent to have printed as a part of my remarks an article by a distinguished sportswriter, Eugene Fitzgerald, published in the August 17 issue of the Fargo Forum. The article is entitled "Roger Maris Has His Side of Stories Told About Him."

The ACTING PRESIDENT pro tempore. The correction will be made.

Is there objection to the request that the article be printed in the RECORD?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KEEPING IN LINE—ROGER MARIS HAS HIS SIDE OF STORIES TOLD ABOUT HIM

(By Eugene Fitzgerald)

Roger Maris, an outstanding challenger for Babe Ruth's record of 60 home runs, has been in the athletic spotlight a long time.

Well-meaning fans have nettled the Yankee slugger, who has no particular liking for adulation, being unlike Ruth in this respect.

Roger had one all-consuming ambition. He wanted to be a baseball player, his father, Rudy, mechanical supervisor for the Great Northern Railway here, says. As he grew older, Roger altered his ambition to loftier heights. His ambition was to be a major league baseball player.

Roger's coach at Shanley, Sid Cichy, who also handled Roger in American Legion baseball briefly, regards Maris as the greatest natural athlete he has handled on Deacon teams.

Cichy agrees that references to Roger's scholastic record were grossly exaggerated.

Cichy hedges on whether he thinks Roger could have been better in football than in baseball. Cichy believes, however, that Roger could have been a good professional football player had he chosen his career in that field.

Roger had college football offers. Oklahoma was at its height when Roger appeared at Norman. He was highly regarded by the Sooner coaches.

Whether Roger had doubts about making it scholastically, or whether it was the Sooner coaches has never been made quite clear. But after 10 days in the Oklahoma football camp there was no doubt about his playing ability. Anyway, Roger never gave college a try.

Roger's brother Rudy, 15 months older, was graduated from NDSU in mechanical engineering with a scholastic record well above average.

Roger's desire to shun the spotlight and his manner with sportswriters may be patterned after Ted Williams, his boyhood idol.

Roger's experiences with sportswriters, however, are not as unpleasant as was the case of Williams in a town where writers from six daily newspapers were trying for something different from the great outfield star.

Maris is often extremely outspoken.

Roger has exemplary habits. He's never missed a game except for injuries. He's played when he felt he shouldn't have been in the lineup. He's also asked to play when his injuries were still not healed.

Roger's family is his first concern. He dislikes baseball because it keeps him from his family during the playing season.

He was unhappy about being traded to the Yankees because he liked Kansas City for his home.

But now he's considering moving to the New York area for business reasons which demand his presence in the big town the year around.

The Marises are expecting a fourth child, possibly before the baseball season ends, and a bigger home may be a necessity within a few years.

Roger regrets probably more than Fargo people who want to claim him as a home product that Fargo has gotten little mention in reference to his exploits.

His birthplace was Hibbing, Minn., and he lives in Raytown, Mo., a Kansas City suburb. Some misunderstanding Fargoans have blamed Maris for not giving Fargo credit for his rise to fame in baseball.

Actually, in the Yankee records, Maris has listed Fargo as his birthplace, an indication of his love for the town where he was an American Legion baseball star, launched his professional career, and starred as a Shanley football, basketball, and track athlete.

That Maris resents any reference to Hibbing was indicated even before he went to the Yankees and earned Most Valuable Player recognition for the American League in his first year.

The family name was changed legally from Maras to Maris.

A sports column in a Hibbing newspaper made reference to the fact that Roger hasn't been completely cooperative with fans from the Iron Range town. They say he has gone "high hat."

Roger couldn't possibly have known too many Hibbing people. He left there when he was 7, lived in Grand Forks for 3 years and then moved to Fargo with his family.

Roger's opposition to being fawned over has been misinterpreted. He has his side, the same as the Hibbing people who charged him with having gotten the big head since going to the Yankees.

The convivial crowd which made the report to the Hibbing paper had insisted on going to Roger's room in a Minneapolis hotel late at night after Maris had played a game against the Twins. Roger wanted his rest. He left instructions with the hotel switchboard to say he was out.

As for a Fargo street being named after him, Maris would probably be the last to want it. He'd rather be left alone.

I like to think I had something to do with getting Roger ready for the situations he faces now.

In 1953, when he was a rookie with the Fargo-Moorhead Twins, I heard his story en route from Daytona Beach, Fla., to New Orleans.

He was told there was nothing he could do about it, that there was a price to be paid for being good.

But he's better than I figured he'd be. In fact, he's better than even he must have figured he'd be, even with his supreme confidence.

THE URUGUAY CONFERENCE OF THE ORGANIZATION OF AMERICAN STATES

Mr. CURTIS. Mr. President, one of the Nation's outstanding daily newspapers is the Omaha World-Herald. In its issue of Tuesday, August 15, it published an editorial in which it discussed the Conference of American Economic and Finance Ministers, recently held in Uruguay. The editorial is very challenging, and should have the attention of the Senate and of the public. I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GUEVARA'S VICTORY

While the world has been looking at the newly erected Communist barricades in East

Berlin these past few days, communism has been making spectacular gains in the Western Hemisphere.

The key figure at the Conference of American Economic and Finance Ministers in Uruguay has been Maj. Ernesto "Che" Guevara, who may be the most intelligent and possibly the most effective Communist in this half of the globe.

His accomplishments at the Conference have been spectacular.

Guevara already has headed off an emergency conference of the Organization of American States to consider the fate of Cuba. This so-called spanking meeting was requested by the United States.

He has pursued what other Latin American delegates call "a conciliatory attitude" by asking that Communist Cuba be included in the U.S. projected $20 billion handout for Latin America.

And most astonishing of all, he has won the open support of Brazil, the No. 1 power in Latin America, for this outrageous request.

Thus a meeting which was ostensibly designed to build hemispheric strength to keep out communism turned into a forum in which Communist Guevara won friends and influenced Latin American governments.

No matter what face-saving devices may be used to try to save Uncle Sam from diplomatic defeat, the defeat has been real and it has been substantial. To be sure, the Latin American republics seemed willing to accept Uncle Sam's proffered $20 billion, but they also seemed willing to accept Communist Cuba as a partner in saving the hemisphere from communism, which makes a mockery of the whole enterprise and leaves the United States looking like a dupe and a fool.

However, if Major Guevara chose to do so he could cite a precedent. He could point out that the United States for years has been passing out aid money to Communist Poland and Communist Yugoslavia as a part of its effort to defeat communism in Europe. American aid to Communist Cuba to defeat communism in the Western Hemisphere would simply be an extension of that historic folly.

BERLIN CLAMP SHATTERED LOVELY SOVIET VISION

Mr. WILEY. Mr. President, a strong deterrent power provides a protective shield, behind which the West is challenged to compete against the Communist system.

The big question is, Can it be done successfully?

From all evidence, the answer is, "Yes"; it not only can be done, but is happening now.

Unfortunately, the oft-repeated bragging of Mr. Khrushchev and his cohorts, however, has created a kind of "triumph psychosis" for the Reds, and a "defeatist psychosis" for the West.

We must now dispel this illusion.

The padlocking of East Berlin, for example, represents a major defeat against the Reds. Particularly, this is a strong refutation that life under communism is one of "hope, promise, and fulfillment."

Yesterday, the Washington Post published a thoughtful article by Murrey Marder entitled "Berlin Clamp Shattered Lovely Soviet Vision."

Reflecting upon the Berlin situation, as well as the significance of Khrushchev's program for the upcoming 22d Red party congress, I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BERLIN CLAMP SHATTERED LOVELY SOVIET VISION

(By Murrey Marder)

("We must conduct our affairs in such a way that no one should be able to say that the Bolsheviks are imposing their system and that they carry it to Berlin on their bayonets."—Excerpt from remarks of V. I. Lenin, 1919, in presenting his program for building a Socialist society in the Soviet Union.)

Two faces of communism, a face of hope and a face of doom, have been turned alternately upon the world since the Communist manifesto of 1848.

The doomsday words are primarily for enemies, the hope primarily for friends; a mixture of the two serves the uncertain ones in between.

Next October 17 in Moscow, when the third party program in the whole history of Soviet communism is proudly presented to the 22d Soviet Communist Party congress (the first program since Lenin's in 1919), the emphasis will be overwhelmingly on hope. The Soviet Communist Party is completely convinced that world opportunities for the advancement of communism wholly outweigh the dangers.

A SMOOTHER HELMSMAN

The 1848 manifesto (which envisioned the birth of communism in such industrially advanced societies as Germany, France, and England, and least of all in Russia) in its most bristling portions served warning on the world:

"A specter is haunting Europe—the specter of communism. Let the ruling classes tremble at a Communist revolution. The proletarians have nothing to lose but their chains. They have a world to win."

The spirit of these shock words by Karl Marx and Friedrich Engels represented the mood in which communism was constructed in the brutalizing days of Joseph Stalin, when force was the chief instrument of the grossly altered Soviet version of scientific Marxism.

Marx's and Engels' less-belligerent phrases, and many of the cautioning words of Lenin, were generally disdained until Nikita Khrushchev put his more subtle hands on the Soviet helm after Stalin's death in 1953. Communism gained a new face, a new style, and new opportunities.

Now the Soviet Union, at a pinnacle of power, with a Communist domain stretched tenuously over one-third of the globe, is embarking on the final ideological phase of Marxism-Leninism. Russia is preparing to take the first steps from socialism to true communism, although the ultimate route to the ideological goal remains unmarked and untimed.

RED SPRINGTIME

"A mighty unifying thunderstorm marking the springtime of mankind is raging over the earth," proudly, confidently, and awesomely proclaims the 50,000-word draft program for the coming congress. This meeting is planned as a climactic moment both in the life of miner's son Nikita Khrushchev and in the life of the Communist bloc.

Casting an avaricious eye around the globe, the Kremlin sees:

"The Socialist revolution in European and Asian countries has resulted in the establishment of the world Socialist system. A powerful wave of national liberation movements is sweeping away the colonial system of imperialism."

"Our goals are peaceful and majestic," said Khrushchev in commenting on the party program. He held out the project of a still better and more beautiful life which will bestow on the globe the most just society in which there will be neither poor nor rich, and there will be not even a trace of envy or, even less so animosity * * * man will be brother to another man and not a wolf, as it is in the capitalist world, where everyone is trying to snatch a small or a big lump from his neighbor * * * one of the deepest and mightiest popular movements in the entire history of mankind will develop the earth."

ECHO OF HUNGARY

Then suddenly, last Sunday, as though emerging from a cubby of an era past, tanks and machineguns and barbed wire shattered the vision. Despite Lenin's admonition, the Communists were seen openly trying to carry their system "to Berlin on their bayonets."

Not since Hungary, in 1956, had force been so graphically evident as an ingredient of the Communist recipe for creating a more just world of brothers.

From a Communist standpoint, the 1956 revolt in Hungary was a dire emergency which threatened an immediate loss of a Communist regime and a breach in the whole bloc. It was put down bloodily and mercilessly.

What happened in East Berlin last Sunday was something much different. In a real sense, it was the culmination of an experiment, which had been underway for years, and which failed. It showed that even in a nation packed with Soviet troops, communism had to use a padlock.

Despite all the Kremlin's talk of "self-determination" and "peaceful coexistence," a Communist society could not maintain itself in an East Germany where the inhabitants had some choice of whether to stay or to flee. The experiment was ordered ended; Russia slammed and locked the door.

A DOUBTFUL RESULT

In the case of East Berlin, as in that of Hungary, the West simply stood by, but the circumstances were very different and the climax of the Berlin crisis is yet to come. The Western Powers, especially the United States, are hopeful that the blunt ending of the experiment will carry a sustained world impact into the further stages of the Berlin crisis and the struggle beyond.

That hope, however, is hardly likely to be fulfilled significantly. Human memory is short; the Sino-Soviet bloc's ability to obfuscate is inexhaustible.

To much of the world, the word Berlin has meaning only to the degree that it involves war; the rights or wrongs of a debate between the two superpowers, the United States and the Soviet Union, have the most marginal impact on the masses in the Middle East, Asia, Africa, or even Latin America. Their first interest is bread, not liberty. The new Soviet program is shrewdly attuned to this distinction.

"FREEBIES" ARE NOT NOVEL

Most Western experts who have studied the program which is to be the Soviet bible for the next 20 years have found it surprisingly conservative.

It promises, by 1980, "free" apartments, schooling, medical services, public transport, water, heat, gas, factory and farm meals; "the world's shortest work week" and "highest paid working day"; abolition of taxes; reduction of prices; free maintenance of those unable to work, and other enticements. But the experts have found no major innovation. By paying for personal necessities out of public funds in a system where it controls the total economy, setting all costs and wages, the Soviet Union can put a "free" tag on just about anything it wants to.

"The pledges are not quixotic," the London Economist concluded, "but a projection of current trends."

The Kremlins' vision of the new program, said the Economist, "seems to owe more to chartered accountancy than to a revolutionary imagination. The few indicators for 1980 that are offered—such as the planned sixfold increase in gross industrial output or the crude steel capacity of 250 million tons—are almost exact projections of rates of growth in recent years."

Whether the Soviet Union can sustain that growth level once it has lost the relative advantage of growth piled atop backwardness is debatable.

THEIR HUNGRY BROTHERS

This is not to imply, however, that because the program is unsensational to Western experts, it is insignificant. It is highly important in the world struggle, for many reasons.

The underdeveloped nations of the world are the real targets of the 20-year program. "Fraternal alliance" with "the people who have thrown off colonial or semicolonial tyranny" is listed as "a cornerstone" of Soviet global policy.

"The joining of the efforts of the newly free peoples and of the peoples of the Socialist countries" in a "mighty front which expresses the will and strength of two-thirds of mankind can force the imperialist (capitalist) aggressors into retreat."

"The privileged citizens of the Western World," the Economist noted, "will be willing to pay a certain price for the supreme luxury of free political choice," but "to the millions in the backward countries, the Soviet success story of poverty to riches within the span of a man's life, if it comes true, will certainly look dazzling."

The vision of a man in 1980 working a 30-hour week with up to 4 weeks' vacation, living in a free apartment with just about everything free but food (partially free) and clothing, and free education and services for his children, is potent propaganda.

HINGES ON PEACE

Will it happen, though? There is the overall qualification: "The set program can be fulfilled with success under conditions of peace." There are also lesser conditions.

Soviet agriculture, which is much more than a Berlin bone in the throat or decayed tooth to Khrushchev, especially protrudes its shortcomings in such phrases as, "The state farms have a long way to travel in their development," and, "When the collective farmers see for themselves that their supplementary individual farming is unprofitable, they will give it up of their own accord."

The United States, of course, is the main whipping boy of the program. America is condemned for everything from "spurious professions of freedom and democracy" to "performing the function of world gendarme" and "launching aggressions." Yet its economic standards are still cited as the ones to be overcome, although the condition of the capitalist worker is still said to be "deteriorating."

From an ideological standpoint, the program puts a distinctive Soviet stamp on the development of world communism. Communist China is almost brushed aside.

"The only new contribution to the theory of international communism," said Soviet affairs analyst Edward Crankshaw in the London Observer, "lies in the final formulation of Moscow's attitude toward nationalist revolutions and liberation movements among the backward countries.

"The Chinese wanted, and still want," said Crankshaw, "to assist only those which aline themselves at once with communism. The new program lays down the theoretical basis which justifies help being given to non- or even anti-Communist leaders of excolonial states."

In the Soviet Union itself, the party program declares, "The state which arose as a state of the dictatorship of the proletariat, has become a state of the entire people." The "dictatorship of the working class will cease to be necessary before the state withers away." Until that "complete victory of communism," the state organization will remain.

"The transition to communism means the fullest extension of personal freedom and the rights of Soviet citizens," the program declares. It introduces limitations on tenure of office, however—with wide-open exceptions. Presidium members of the central committee "as a rule" will be limited to three terms except for "particular party workers" of high authority and ability, who can serve longer.

To the world at large, the program reiterates Soviet communism's conviction that its global aims can be achieved "without world war," although "revolutions" of every sort are encouraged. Peace is undoubtedly required if the program is to be fulfilled. But it is a Soviet version of peace, with intensification of the struggle to bury capitalism.

Premier Khrushchev, in a speech made after the program was published, bluntly suggested that while once the United States had the capacity to use nuclear blackmail against the Soviet Union, Soviet might has now turned the tables. The late Secretary of State John Foster Dulles, Khrushchev said bitterly, employed a "position of strength" policy which was "barefaced atomic blackmail."

Khrushchev continued: "But it had to be reckoned with at the time because we did not possess sufficient means of retaliation; and if we did, they were not as many and not of the same power as those of our opponents. But today the situation has changed radically" although "the Soviet Union is not threatening anyone."

Khrushchev's face of hope for the compliant, and face of doom for those who try to "force their philosophy, their way of life, on us," look with new confidence out of the Soviet charter for 20 years of struggle to come.

A WELCOME AND A WARNING UPON THE APPROACHING INDEPENDENCE FOR THE PEOPLE OF BRITISH GUIANA

Mr. WILEY. Mr. President, a sister country, on the northeast tip of South America—is taking today a long stride toward independence. The people of British Guiana are going to the polls to pick a legislative assembly which will run the country's internal affairs, and will eventually, in a year or two, take over that nation's foreign affairs.

For the people of British Guiana, this is an important day. We who have fought for our independence from British rule some 170 years ago, welcome the Guianas into the community of the free nations in this hemisphere. Liberty has been a hard-earned right for the people of this hemisphere. Liberty is always hard to earn. Consequently, we must be always careful lest we give it up for the promise of nonexistent panaceas—Marxist or otherwise. To the people of British Guiana I want to say therefore: you have at last earned your liberty—make sure you guard it diligently.

The United States has committed itself to an extensive program of economic and social development in this hemisphere. It is our belief that this program will help bring speedily the economic and social benefits of democracy to Central and South America. Yet, it is clear that progress in this hemisphere can be achieved only through continuous devotion to hard labor, to individual sacrifice and to inter-American cooperation. Demagogic pursuits and inter-American incitement do not provide the answer.

Some of the political observers fear that British Guiana is ripe for a Cuba-type adventure. The people of British Guiana have had many years of social and economic exploitation. About 70 percent of them are illiterate. Many of the economic assets of the country are controlled by foreign monopolies. It is feared also that the leading candidate in today's election, Dr. Cheddi Jagan, is Marxist-oriented. It is said that he made frequent expressions of warm praise for Fidel Castro and Nikita Khrushchev and has levelled harsh criticism at the United States and Britain. It is reported that Dr. Jagan has said on occasions that "the United States has joined the battle against us."

I want to stress today to the people of British Guiana that the United States will never join the battle against the people of Central and South America in their struggle for economic and social betterment. We have pledged to the people of this hemisphere our full support. Yet, at the same time, we must warn them that there are no easy and magic remedies for ages-old social and economic ills. We must work hard for progress. It does not make good sense to sacrifice individual liberty—as it is done in Cuba—in order to achieve some speedy economic gains. We, in this country, have tried to bridge together economic growth and individual liberty. It took us a long time to reap the fruits of our efforts. This experience we are ready to make available to our neighbors on this hemisphere.

But while making this commitment for the improvement of the lot of the people in this hemisphere, we must direct our warnings to the Russian Communists and their allies: we will not stand for their meddling in the affairs of this hemisphere. We stand ready to make certain that the Cuban police state is not repeated in British Guiana. We stand ready to make sure that the individual remains free to strive for economic and social improvements in a free society.

I ask unanimous consent at this point of my remarks to have printed in the RECORD an article which appears today in the Wall Street Journal and entitled "British Guiana Vote May Set Up First Red Regime in South America."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRITISH GUIANA VOTE MAY SET UP FIRST RED REGIME IN SOUTH AMERICA—LEFTIST DR. JAGAN IS FAVORITE IN ELECTION TODAY; SOME SEE CLOSER TIES WITH CASTRO

(By James N. Wallace)

GEORGETOWN, BRITISH GUIANA.—This sweltering tropical colony on the northeast shoulder of South America today takes a long stride toward independence—and perhaps an equally long sidestep to the left.

A bitterly contested election is picking a legislative assembly for the British colony that will run its internal affairs immediately and take over its foreign affairs as well when complete independence is achieved a year or

so from now. But the real interest, particularly in other cold-war conscious capitals, is in the political future of Dr. Cheddi Jagan, a Marxist-minded 42-year-old east Indian dentist who heads the Peoples Progressive Party (PPP). Dr. Jagan has frequently expressed warm praise for Fidel Castro and Nikita Khrushchev while speaking harshly of the United States and Great Britain.

There seems little doubt Dr. Jagan will come out on top in today's election. Foreign observers here believe his party will win at least 18 of the 35 assembly seats. Under the British parliamentary system this will make PPP Leader Jagan the country's first Prime Minister.

"A COMMUNIST ADVENTURER"

Forbes Burnham, top man of the People's National Congress (PNC), a Negro-oriented party and the only serious opposition group, openly labels Dr. Jagan "a Communist adventurer." Connecticut's conservative Senator THOMAS J. DODD also recently warned that there is serious danger that a Communist regime will be set up here if Dr. Jagan wins.

Dr. Jagan has a stock answer for these charges: He declares that all anticolonialists from Nehru and Nkrumah to Sukarno and Lumumba, have been called Communists, and "if they are, I take my place beside them gladly." Born on a sugar estate, he makes no secret of his hatred of the plantation system.

Some people here rate Dr. Jagan as a thoroughgoing Socialist reformer and neutralist but nothing more. They believe he would seek aid from both East and West, meanwhile talking a strong anti-Western line, but wouldn't take this country nearly as far along the road to the Kremlin as Premier Castro has taken Cuba.

Apart from ideology, today's election may hinge on the increasingly bitter racial division in the colony. The population breakdown is about 270,000 East Indians (descendants of imported laborers brought here to relieve the manpower shortage after Britain abolished slavery in its colonies early in the last century), 190,000 Africans, 13,000 whites, and a scattering of other races, including Chinese. "Race is the key element here," says one local observer. "People are going to vote race and there are more Indians than Africans so Jagan has the edge."

There were at least two clashes between police and Guianan crowds yesterday, United Press International reported. Near one of Dr. Jagan's village headquarters, 16 people were arrested after a crowd of 300 stoned a mobile police patrol and wounded three constables. Another crowd, in a sugar area, injured three more policemen with stones.

SUGAR AND BAUXITE

Guiana's economy is oriented mainly to sugar, bauxite, and rice. Canada gets about 70 percent of the bauxite it uses in making aluminum from Guiana. Aluminium, Ltd., a Canadian concern with many U.S. stockholders, has $70 million invested in mines and processing facilities here. Reynolds Metals Co. also gets small quantities of bauxite here and is building up its operations.

Most of the country, which covers 83,000 square miles and is about the size of Minnesota, is undeveloped. Nearly all the colony's 560,000 people live on 5 percent of the land along the Atlantic coast. "They don't really know what resources they have in the interior," says one businessman here.

Regardless of how large a majority Dr. Jagan piles up in today's election, it is doubtful that he will attempt any drastic revision in government policies immediately. Britain retains at least a theoretical veto over extremist actions and could stall off independence if leftist developments became too pronounced. This happened once before, in 1953, when Dr. Jagan won a similar election. The British acted speedily, suspending the constitution, "to prevent Communist subversion of the government and a dangerous crisis both in public order and in economic affairs." Dr. Jagan was forced out of office and later he and his plump American-born wife, Janet, were thrown into jail for several months.

The British then set up a Guianan Government in which locally elected officials play a part but in which the British-appointed Governor General had the controlling power. Dr. Jagan's PPP Party won the majority of seats in the nation's legislative council in elections in 1957 and the irrepressible political leader then became Minister of Trade and Industry.

Now Britain apparently is determined not to interfere with the completion of the transition to independence and the formation of a Jagan government unless it goes to the wildest extremes. For one thing, sending British warships into Georgetown's palm-rimmed harbor would be a vastly different matter than it was 8 years ago. The world has become more fervently anticolonialist since then, and Britain has enough troubles without borrowing more for the sake of an unprofitable dependency in the Western Hemisphere.

Moreover, there is considerable feeling in London, based partly on what are regarded as American miscues in Cuba, that opposition or interference here without the most serious provocation would be the surest way to push Dr. Jagan into partnership with Castro and the Kremlin.

Political analysts here say they've been unable to detect any Castro effort to interfere in the election—but that could be because the Fidelistas figure things are going satisfactorily for them anyway.

Some of Dr. Jagan's foes profess to see an ominous portent of closer future ties to Havana in the recent deal he negotiated with the Castro government to sell $2.4 million worth of lumber, railroad ties, and power-line poles to Cuba. Total Guianan timber exports to all countries last year amounted to $2.1 million. There's also a considerable rice trade between this colony and Cuba. About 30,000 tons is scheduled to be delivered to Cuba this year, plus 36,000 tons in each of the next 5 years. However, it's hard to read too much political significance in this trade; surplus rice is bursting local warehouses and so far the Cubans are proving worthwhile customers, meeting their payments on the dot.

Physically this country wouldn't make too important a Castro stronghold on the South American mainland. Though Guiana borders both Brazil and Venezuela, its links with these countries are barred in most places by jungle and wasteland. Rough roadways dwindle into jungle paths; some rivers cut across the borders but they're almost impassable and even Georgetown is relatively isolated. "It's far easier to ship guns from Havana to any place in Latin America than it would be from here," says a local businessman.

But a Castroite or Communist advance onto the mainland would make useful Red propaganda elsewhere in the world. Also Communist advances here would open more communication channels to the English-speaking islands of the Caribbean than Cuba now provides. The U.S. concern about what happens here is much more closely oriented to these political imponderables than to any possible increase in opportunities for outright Red infiltration and subversion.

Dr. Jagan, as the campaigning has progressed, has been taking a stronger anti-American line, flaying the United States for meddling in the Guianan election. "The United States of America has joined the battle against us," he says. "Events in Russia and Cuba have made the (American) fear of communism almost psychopathic."

However, he has carefully avoided any reference to nationalizing business or industry. And his wife Janet, who some consider the party's master planner, says, "We admire Fidel Castro but his programs do not necessarily apply to British Guiana."

The principal opposition party, Mr. Burnham's People's National Congress, calls itself Socialist but strictly anti-Communist. A third party, the United Force, is headed by a wealthy white brewer and businessman, Peter D'Aguiar. He's also stanchly anti-Communist, but the United Force is not expected to win more than a small handful of legislative seats.

MORE ON THE ALASKA ECONOMY

Mr. BARTLETT. Mr. President, I recently commented on an article in the July 27 issue of the Wall Street Journal which made some unjustified conclusions about the soundness of the Alaska economy. That article unfavorably compared interest rates on a recent general obligation bond issue in Alaska with interest rates on a similar issue in North Carolina, and went on to state that there is a greater risk involved in owning Alaska bonds because Alaska lacks the maturity of its sister State in the South, because its State government is largely untried, and its natural resources largely undeveloped. Using the high interest rate as an index for the economic situation as a whole, the article went on to suggest that the Alaska economy is swimming in deep and troubled waters.

In a speech before the Senate on August 8, I rejected this article's conclusions. I said then that contrary to the Journal's implications, the first test of the State's credit was pronounced a major success by financial consultants and State officials alike. Both Governor Egan and State Commerce Commissioner A. H. Romick were highly gratified with the results of the Alaska issue.

John W. de Milhau, vice president of the Chase Manhattan Bank, was also saddened by the Journal's conclusions, and as a leader in the financial world he is eminently qualified to judge. Since the issue is of great concern to Alaska's reputation, I read the pertinent parts of a letter written on August 9 to Governor Egan by Mr. de Milhau:

I am sorry that we were not the successful bidder for the State of Alaska bonds that were sold recently. You received an excellent bid that demonstrates the faith of the financial community in your State. As you may be aware we purchased, yesterday, $6,836,000 Anchorage city and school district bonds and we have been making good progress in the distribution of this issue. The prices for the long bonds represented a decrease in yield and therefore an improved price of about one-fourth of 1 percent over the sale of a year ago. This again is a reflection of added confidence in our new State.

I was very happy to see the reply you made to the unfortunate article which appeared in the Wall Street Journal. It's too bad that an uninformed writer is permitted such prominence.

PROPOSED CLOSING OF SHIPYARDS

Mr. WILLIAMS of Delaware. Mr. President, in today's issue of the Washington Daily News appears a very interesting article entitled "Don't Give Up the Shipyard—Naval Maneuver Gets J.F.K. Off Hook."

I now read the article:

[From the Washington Daily News, Aug. 21, 1961]

DON'T GIVE UP THE SHIPYARD—NAVAL MANEUVER GETS J.F.K. OFF HOOK

What does a President do when his Defense Secretary decides to close down a big defense installation in his own home State?

Like many lesser men, he calls for help.

That's what President Kennedy did last week when he learned that Defense Secretary Robert S. McNamara had decided to phase out the Boston Naval Shipyard, along with the Philadelphia and San Francisco shipyards.

Mr. Kennedy apparently was bothered by the decision to shut down the shipyard in his very own bailiwick. But he remained obviously reluctant to reverse the decision.

Looking around for help, he finally landed on Representative JOHN F. SHELLEY, a tough but personable 55-year-old onetime labor leader, wartime Coast Guard officer and longtime Democratic Representative from San Francisco.

CORNERED

Mr. SHELLEY, cornered by Mr. Kennedy during a tour of the White House with his wife and children, was told of the planned closing from what he later was to describe as an "unmistakably reliable source."

"But, Mr. President, they can't do that," Mr. SHELLEY exploded.

"Well, why don't you go to work on it," Mr. Kennedy reportedly answered.

The onetime truckdriver did exactly that.

He crossed party lines to get the help of Senator THOMAS H. KUCHEL, the effective Republican whip from California, and Representative WILLIAM S. MAILLIARD, his Republican colleague from San Francisco. He also was assisted by California's razor-tongued Democratic Senator, CLAIR ENGLE.

Mr. SHELLEY and his staff got on the phone and alerted San Francisco leaders to the danger of losing the shipyard which, with its more than 7,000 employees, is the city's biggest employer.

PROTESTS

Within hours, Defense Secretary McNamara was deluged with telegrams and telephone calls protesting the planned closure.

In the past all such protests resulting from "rumors" that a military installation was to be closed have been answered with a denial that any such action was under consideration "at this time." The denial, however always has been qualified with the warning that all military bases are "constantly under study" as to the importance to the defense effort.

Last week, however, the White House chose not to deny the report but to declare that the recommendation to close the three shipyards had been rejected by the President himself because of the Berlin crisis.

The statement made it clear that Mr. SHELLEY's fears were real and his protest against the planned closure was based on actual recommendation.

Once the word of the President's decision was out, a jubilant Mr. SHELLEY sat back in his office as congratulatory calls poured in from his colleagues and from San Francisco.

His greatest moment came, however, when Mr. McNamara called and said laughingly: "Next time I'd like to have you on my side."

Mr. President, I most respectfully suggest that the President of the United States has set a very poor example of fiscal responsibility when he overrides a decision of his own Secretary of Defense to close certain shipyards in Massachusetts and California, especially when his intervention is based not on their need, but, rather, because one of the shipyards which the Secretary of Defense proposed to close happened to be in his State of Massachusetts.

This method of the President of the United States undercutting his own Secretary of Defense by generating the support of the California delegation fools no one. It merely demonstrates that when the President in his inaugural address suggested that we "Ask not what our country can do for us, but rather what we can do for our country," he forgot another popular maxim, "What is sauce for the goose is also sauce for the gander."

MONEY SYSTEMS

Mr. BUSH. Mr. President, I ask unanimous consent that the article which I hold in my hand may be printed following my remarks in the body of the RECORD.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BUSH. Mr. President, I call attention particularly to this article from the Wall Street Journal today because it deals with a situation which is growing very rapidly in importance. The article starts off by saying:

The world is seeing these days the development of an international paper money system resembling the paper money systems long since developed within nations.

The article states that they will be the subject of debate at the annual meeting of the International Monetary Fund in Vienna next month.

I may say parenthetically I intend to go to that meeting as an observer from the Senate, because I think this subject particularly, and other subjects which will be discussed there relevant to this subject, will be of vital importance to the United States.

The article points out that:

Almost every commercial crisis of the past couple of centuries has been accompanied by a deep slash in the amount of paper money outstanding in the nation affected, and most such crises were caused at least in part by the excess issuance of paper money during the boom phases that preceded the crises.

We have seen this happen in so many countries in our lifetime. We saw it in Germany after World War I. We saw it in China, where, in a short period of 12 years, from 1936 to 1948, the value of the Chinese dollar went from 4 Chinese to 1 American dollar down to 5 million Chinese dollars to 1 American dollar, due to the issuance of paper money.

In a period of a few years, before Frondisi came into office and bravely stemmed the tide, we saw the Argentine peso under the Peron regime go from 4 pesos to a dollar to 72 pesos to a dollar.

We have seen the same thing happen in France and other countries.

So I seriously commend the reading of this article to Members of the Senate and the House of Representatives. I hope it may help us to appreciate the importance of the whole question, which involves our balance of payment problems, and likewise the balance of our own income and outgo, which we call the budget of the Government of the United States.

[Exhibit 1]

THE OUTLOOK: APPRAISAL OF CURRENT TRENDS IN BUSINESS AND FINANCE

The world is seeing these days the development of an international paper-money system resembling the paper-money systems long since developed within nations. And, as in the case of the national systems, the new machinery has developed "bugs." These will be the subject of debate at the annual meeting of the International Monetary Fund in Vienna next month.

Paper-money systems are always in danger of being abused, in the form of issuance of too much paper. Such excess issuance generally results, in one way or another, from loans made to finance speculation at rising prices in one or many commodities, or in stocks, rather than from loans that finance production—though even production loans can grow excessively. Almost every commercial crisis of the past couple of centuries has been accompanied by a deep slash in the amount of paper money outstanding in the nation affected, and most such crises were caused at least in part by the excess issuance of paper money during the boom phases that preceded the crises.

Nevertheless, in spite of these recurrent breakdowns, people have always refused to abandon the use of paper money once they got accustomed to it. They always found it too convenient to give up. Instead, after each crisis they tried to write new safeguards against excessive use of paper. Some of the safeguards worked, some didn't.

Generally speaking, the most dependable safeguards lay in education of sellers and lenders on how to make loans or sales on reasonable terms, and how to enforce their claims if trouble arose. In the past 30 years, for example, lenders have increasingly required that loans of all kinds (except those of only a few months' duration) be repaid gradually through regular amortization, rather than waiting until maturity to enforce the whole claim. This method has proved both workable and highly successful.

The extension of the paper-money idea into the international field—aside from credits to finance exports, which are very old—has taken the form of adoption, mostly since World War II, of the so-called gold-exchange standard. Whereas central banks used to depend on nothing but some proportion of gold as backing for their national currencies, they now count, as part of their reserves, their holdings of other currencies, such as the U.S. dollar, which are considered as good as gold because they can be turned into gold on demand.

Holdings of such other currencies arise through normal trade: A French manufacturer sells ties here, gets paid with a check on a U.S. bank, and turns in the check to the French central bank in exchange for francs. The central bank then may buy gold from our Treasury, or it may prefer to leave the money here, perhaps invested in U.S. Treasury securities, thus earning interest on it.

The "bug" that is causing the current debate is that this practice means some of the very same gold, that continues to be used as backing for U.S. currency, is also now used as backing for the French currency. This double usage begins to take on serious proportions when the Nation with the good-as-gold currency (including both citizens and Government) persistently spends more

abroad than it takes in. As a result of a decade of deficits in the U.S. balance of payments, foreigners (not just central banks) have accumulated here $21 billion of potential calls on our gold supply. But our gold stock totals only $17.5 billion. Exaggerating somewhat, it may be said that our whole gold supply is now subject to double usage.

Obviously, a halt has to be called somewhere, or some day the good-as-gold currency will become no better than wallpaper. In that case it would cease to be of any use as a reserve currency. The cures being proposed to obviate such a disaster run along four main lines.

The first recommended cure is for the United States to do all in its power to eliminate the constant excess of its outpayments over receipts. That is a fundamental on which everyone agrees. Without it, nothing will work. With it, almost anything will work.

A second proposed cure is a joint international boost in the price of gold, to twice or more the present $35 an ounce. That would, for instance, make our $17.5 billion gold reserve worth $35 billion or more, substantially overshadowing the $21 billion of potential foreign claims upon it. But, aside from the inherent dishonesty of such a writing down of our debts, it seems unlikely that a cut in the value of our currency in terms of one commodity, gold, could be achieved without a corresponding fall in the currency's value in terms of all other commodities. That is, all other prices would probably rise too, and we'd soon be back where we started.

A third proposed cure is the abandonment of the gold-exchange standard, through repayment of the debts, such as the billions we owe to foreign central banks, over a long period of years. Under this scheme, the world would thereafter return to a strict regime of settlement of all international debts in gold.

Doubtless that would work, but it would be a very long and very painful process, so painful that it would be politically impossible. One might as well ask for the abandonment of the banking and paper money system of the United States and a return to payments in nothing but coin.

The fourth proposed cure is a sort of internationalization of the problem. The functions of the International Monetary Fund would be expanded, somewhat as our Federal Reserve System was set up to ease and equalize banking stresses between various regions of the United States. Actually, this would amount to a further extension of the international paper money system. The idea, with many possible variations, will be given consideration at the IMF meeting in September.

But whether it or some other scheme is adopted, nothing will eliminate the need for each nation to make sure its balance of payments doesn't fall out of line too far and too long.

GEORGE SHEA.

PUBLIC POLICY AND MILITARY RESPONSIBILITY—ADDRESS BY SENATOR FULBRIGHT

Mr. MANSFIELD. Mr. President, the distinguished chairman of the Senate Committee on Foreign Relations, Senator J. W. FULBRIGHT, of Arkansas, today delivered an address to the opening session of the National War College and the Industrial College of the Armed Forces. His subject was "Public Policy and Military Responsibility."

As my colleagues in the Senate know, this subject has been discussed on a number of occasions on the floor of the Senate in recent weeks. The Senator from Arkansas has raised some very fundamental questions about the relationship between military forces in the United States and civilian government. I commend his speech to my colleagues.

His remarks are broader even than the title of his speech suggests, because he discusses some of the events of recent years which have tended to influence our thinking, not only on domestic policy but on foreign policy as well.

Because of the importance of these remarks, I ask unanimous consent that they be printed in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SPEECH BY SENATOR J. W. FULBRIGHT AT THE OPENING SESSION OF THE NATIONAL WAR COLLEGE AND THE INDUSTRIAL COLLEGE OF THE ARMED FORCES—PUBLIC POLICY AND MILITARY RESPONSIBILITY, AUGUST 21, 1961

The extreme difficulty of defining the proper relationship between military and civilian authorities in a democracy derives basically from the stubborn refusal of the world of reality to accommodate itself to the tidy compartments of theoretical logic. It has always been difficult, and in the modern world of nuclear weapons and cold war it is all but impossible, to separate military problems from general policy; to designate one neat area labeled "questions of military policy to be decided by generals" and an altogether separate area of "questions of politics to be left to the politicians."

David Lloyd George once declared "there is no greater fatuity than a political judgment dressed in a military uniform." The reply might well have been: "No, except a military judgment dressed in civilian clothes." The real answer, if not in Lloyd George's time then certainly in our own, is that the problems of national security are so inseparably related to problems of diplomacy, economics, and technology that lines cannot be drawn and decisions must be made jointly. The politician must acquire knowledge and sensitivity to every aspect of national security, including the military, while military officers are under a heavy obligation to bring to the performance of their tasks much of the wisdom of history and statecraft.

The military profession is now involved intimately in national policy processes. This involvement is not the result of any conscious quest for political power on the part of the military but rather the inevitable product of the new worldwide commitments of the United States and of the revolution in military technology. Power in a democracy is inseparable from responsibility. Accordingly, the Military Establishment is under the most compelling obligation to exercise the power which has been thrust upon it with wisdom and restraint.

There has been considerable public and rather vitriolic discussion and controversy in recent weeks regarding a memorandum which I submitted to the President and to the Secretary of Defense concerning the sponsorship by military personnel of public meetings primarily devoted to highly controversial political issues. I have been more than a little surprised that this private memorandum has aroused such animated arguments about the involvement of the military in politics and above all has brought into question the principle of civilian control of the Military Establishment.

This latter principle, rooted in our Constitution and in many centuries of Anglo-Saxon tradition, has served the Republic well. It is indispensable to the preservation of democratic government, and it is equally indispensable to the preservation of the professional integrity and effectiveness of the military. As President Kennedy pointed out in his press conference on August 10, nothing would do more grave damage to the prestige and integrity of the Armed Forces than their embroilment in transitory partisan controversies.

The memorandum which I submitted to the Secretary of Defense was based upon my strong belief in these principles. Its purpose was certainly not to silence military officers who choose to express their own views in public and who are subject to the discipline of their superiors and their own sense of duty and propriety. Nor was the memorandum prepared for the purpose of criticizing private individuals or organizations for holding or promulgating any opinions whatsoever. There is no question of the right of groups of private citizens, such as chambers of commerce, to organize programs of any character, to select speakers freely, and to discuss any topics they choose. The memorandum was directed solely at the impropriety of officers of the armed services permitting their prestige and official status to be exploited by persons with extreme views on highly controversial political issues.

The memorandum set forth instances of military sponsorship of attacks by radical extremists on the policies of our Government. The point cannot be overstressed that it is not these verbal attacks which are at issue, but their sponsorship by military authorities. These acts of official sponsorship are far more significant than the few cases in which military officers—often retired or Reserve officers—took the platform themselves.

Nor does it matter whether the extremist views expressed were those of the left or of the right. The instances cited in the memorandum happened to be cases which reflect the extremism of the right. I would have been equally concerned had I known of military participation in attacks from the extreme left.

Nor was I concerned with disciplining individuals or groups. It is the constitutional right of all Americans, civilian and military, to hold whatever political views they are led to by conviction and conscience, be they moderate or extreme. Military men in their official status, however, are committing not only themselves as individuals but the prestige of the armed services when they promote or appear to sponsor partisan political meetings. They are therefore doing a disservice both to the American people and to the armed services when they lend their support to any groups or organizations which espouse policies that run counter to those of the Commander in Chief of the Armed Forces and which have the effect of generating distrust and suspicion among our people.

The memorandum contained a specific recommendation that the Defense Department issue general directives to bring under overall control the activities of military officers in lending the weight of their official status to organized expressions of extremist opposition to the policies of our Government. No disciplinary action against individuals was called for. The primary objective of my recommendation was to insure that military personnel adhere to the obligation, which is inherent in their duty as soldiers, to refrain from public expressions of criticism of the overall political policies, as distinguished from the technical military policies, of the Government and of their Commander in Chief.

Wherever there is power there is the possibility that it will be used and the danger that it will be misused. This assumption, expressed in Lord Acton's maxim that "power corrupts, and absolute power corrupts absolutely," is common to all effective

democracies. This principle is one of instinctive distrust of power itself wherever it exists. It has nothing to do with the motives of any group or individual who may wield it. It has been directed against big business, big labor, and big government, and now, inevitably, it is directed against our big Military Establishment.

There are powerful barriers in the United States to the rise of a political military establishment—the country's long history of antimilitarism; the recruitment system which creates a corps of officers nurtured in this history; the officer rotation system; the strong bonds of our professional soldiers to the political and social values of the democratic society from which they are drawn; and, finally, the longstanding tradition, which is tightly woven into the whole fabric of American military custom, that the officer corps should be nonpolitical.

The roots of the American military tradition lie deep in the history of the Western World, particularly that of the English-speaking countries. Since the emergence of the modern state system in Europe, and perhaps even further back in the Middle Ages, the military, like the church, in most Western countries has enjoyed special status, prestige, and perquisites. With its special privileges went special responsibilities. Like the church, the military, in the United States, Great Britain, and other countries, gradually discovered that the retention of its special status and its effectiveness in performing its mission were best served by rigorous absention from the controversies and intrigues of politicians. There emerged thus a tradition of disciplined abstention from political activity. In the few instances in the modern history of the West in which this tradition did break down, the military, like the church in similar circumstances, found itself beset by hostile reactions and the weakening of public confidence.

The military remains in accord with the basic values of our society. There are no fundamental disagreements, such as prevail in France, for example, between the professional soldier and the rest of society with respect to the written and unwritten rules—the general political consensus—of our society. Generally the military profession is a fair representation of all of the major elements of American society. The principle of civilian supremacy thus remains intact even in the face of an enormous expansion in the power and influence of the Armed Forces.

In the most democratic of societies, however, there are differences in spirit and mood between the professional soldier and the politician or statesman. The politician must move tentatively in an atmosphere in which goals and means often become mixed. Only in the most general terms does he have predefined objectives, and excessive precision will only make movement difficult. The soldier works differently. His objectives are defined clearly in advance; he will then state his requirements and dispose his forces so as to gain the object. As one student of military affairs recently expressed it: "In military arrangements flexibility is a necessary evil and ambiguity may easily cost lives; in politics flexibility is the first rule and ambiguity an essential instrument."

In considerations such as these lie the wisdom and justification for civilian supremacy and military professionalism. As long as democratic government is honest and efficient and as long as the military adhere to nonpolitical professionalism there can be no impairment either of democratic institutions or of the integrity of the Military Establishment.

The problem of maintaining military obedience to civilian authority is fortunately not one which in any basic sense threatens such settled communities as the United States or Great Britain. Nonetheless, by reason of the differences in training and outlook between the soldier and the politician, the possibility of mutual distrust or even hostility is ever present in a time of grave threats to the national security. Our military leaders are experts in the complex technical questions of national defense. Their counsel, with its admirable qualities of expedition and decisiveness, is indispensable to political leaders. Politicians, on the other hand, must concern themselves with a wide variety of nontechnical factors, including the interplay of diverse interests in a pluralistic society. This involves interminable bargaining and compromise—a process which may often strike military experts as inefficient or even dangerous to national security. In the higher reaches of the defense hierarchy, the expert who knows what should be done finds himself at the mercy of the politician who knows what can be done.

Under these circumstances, it can readily be understood that dedicated and patriotic soldiers are subjected at times to a great temptation to descend into the arena of political conflict. Few of our military leaders have done so—a fact which evidences their wisdom as well as their restraint. The few who have raised their voices in public partisan controversy have inadvertently done a disservice both to the American people and to the Military Establishment itself.

The effectiveness of our armed services depends upon the maintenance of their unique prestige and integrity. These will remain intact only so long as the services adhere to their tradition of nonpolitical professionalism. No group or institution can participate in political debate without itself becoming an object of partisan attack. It is precisely because of its status as a nonpolitical institution that the military in the past has enjoyed the virtually unanimous support of the American people and has thus been beyond partisan assault. It will be recalled that the late Senator McCarthy, who succeeded in frightening or humiliating many reputable groups and individuals, took a fatal step toward his own undoing when he directed his irresponsible charges against the U.S. Army. The prestige of the Army was such that the people rallied to its defense. It is my hope that the armed services will never yield to misguided temptations which can only shatter the high esteem in which they are held. The preservation of that esteem is essential to the success of the Armed Forces in fulfilling their assigned mission and essential also, therefore, to the defense of the Republic.

The appeal of certain ideas espoused by the radicals of the right is not difficult to understand. To a nation beset by onerous challenges and responsibilities, they offer deceptively quick and simple solutions. They tell us that we have only to proclaim our dedication to total victory over world communism and to root out subversives—real and imaginary—at home and our problems will be solved. They tell us that our system of alliances and our military and economic commitments abroad are unnecessary and dangerous, that they somehow "play into the hands of the Communists." Instead, they offer us clear and simple solutions—ringing declarations about foreigners and rooting out the disloyal at home. And those who disagree with them, they say, are "soft on communism."

It seems to me that it is these extremists who are advocating a soft approach. Their oversimplifications and their baseless generalizations reflect the softness of those who cannot bear to face the burdens of a continuing struggle against a powerful and resourceful enemy. A truly tough approach, in my judgment, is one which accepts the challenge of communism with the courage and determination to meet it with every instrumentality of foreign policy—political and economic as well as military, and with the willingness to see the struggle through as far into the future as may be necessary. Those who seek to meet the challenge—or, in reality, to evade it—by bold adventures abroad and witch hunts at home are the real devotees of softness—the softness of seeking escape from painful realities by resort to illusory panaceas.

The most astonishing of the propositions of the radical right is their contention that the internal Communist menace is the primary problem of the cold war. They thus credit a wretched handful of Communists in the United States with greater power and influence than the Soviet Union and Communist China with their vast military and political power. I think that this viewpoint is patently absurd. It reflects an amazing lack of confidence in the wisdom and good sense of the American people and their ability to identify and reject Communist propaganda. If this proposition were true, we would be wasting billions of dollars on the Armed Forces themselves, funds which instead should be transferred to the FBI to fight internal subversion. In fact, the FBI has for years received all of the funds it has requested of the Congress. The internal danger exists and requires constant vigilance, but it would be a tragic irony if in false and panic-stricken mistrust of our own free society we were to neglect the overriding danger—that of worldwide Sino-Soviet imperialism.

Implicit in much of the propaganda of the radical right is the assumption that our free society is permeated with corruption and decay. It is said, for example, that the schools and churches of this country are infiltrated with Communists. I recently received a propaganda sheet from an organization which calls itself "conservative" that declared among other things that "Any Member of Congress who votes for foreign aid should be defeated for participating in an act of treason." I do not understand how an organization can be regarded as conservative that in effect charges the majority of the Members of every Congress since World War II and three Presidents with treason.

Extremist and irresponsible pronouncements are being widely heard in the land. In a recent speech at a Fourth-Dimensional Warfare Seminar in Pittsburgh, sponsored by the Chamber of Commerce of Greater Pittsburgh in cooperation with various local military organizations, a retired rear admiral developed the theme that American foreign policy since World War II has consistently played into Soviet hands, that the United States is militarily incapable of surviving surprise Soviet attack, and that negotiations with the Russians for disarmament are in fact appeasement. In a speech last week a prominent elected official denounced Mr. Kennedy's bunch of muddle-minded advisers. Contending that our foreign assistance program aided the Communist case, he assailed as irresponsible elements those who favor the independence of the emergent nations of the world. And he declared that it was fatuous nonsense for American foreign policy to take cognizance of some nebulous thing we call world opinion.

The extremists of the right call themselves conservative. In my judgment their views are not conservative, but radical—radical because they fail to distinguish between democratic social progress and totalitarian communism, regarding the former as a step toward the latter. The true conservative is one who wishes to conserve the historic values of our society. He recognizes that the world does not stand still and that, because it does not, we must at times modify and reform traditional practices through orderly processes of change in order to adapt them to new conditions. Social progress is thus

seen to be the indispensable means of preserving traditional values in a changing world.

Far from being a step toward communism, social progress through orderly and constitutional procedures is one of the best defenses against communism. The reforms which were undertaken in the United States in the 1930's are believed by many to have thwarted the Communist movement which might have thrived on the mass suffering caused by the depression. Governmental action, for example, in the creation of the TVA, or the Arkansas River development program, is not, in my opinion, a step toward communism. We are now encouraging the nations of Asia, Africa, and Latin America to undertake basic economic and social reforms because experience has shown that social progress is the key to stability and popular support for governments, and that these in turn form the most solid barriers to Communist penetration.

Those who have faith in our free people and our free institutions must dismiss the wild charges of extremists as malicious and absurd. Only if our society is in an advanced state of disintegration is it as susceptible to Communist infiltration as the radicals of the right contend. I, for one, believe that our free society is strong and stable, and that it is strong because it is free. Because this is so, we need not be fearful of Communist propaganda. The American people can be counted upon to reject it as they have always rejected totalitarian doctrines.

Those who contend that our free society is permeated with corruption and subversion are in fact espousing a line that the Communists themselves would be the first to applaud.

Indeed, the radicals of the right, whose avowed intent is to save our society from destruction, are painting the same picture of ineptitude and decay that the Communists, whose aim is the destruction of our society, would want the American people to believe.

There is a tendency in the history of democratic nations for overly emotional groups and individuals to react to threats from foreign totalitarian powers by permitting themselves to entertain illusions regarding totalitarian forms of an opposite tendency. Thus, for example, when we were threatened by the right-wing totalitarianism of Nazi Germany, a few Americans suddenly professed to see democratic virtues in the Communist absolution of the left. Now that we are endangered by Communist imperialism instead, a few Americans have fallen prey to the delusion that the radicalism of the right is not totalitarian at all but is in reality the true philosophy of freedom.

It is my belief that all forms of radical extremism, left or right, are anathema to freedom and democracy. Indeed, the totalitarian left and the totalitarian right have far more in common with each other than either does with genuine democracy. The unholy alliance of left and right is an old combination in certain countries of continental Europe. Together they have formed the "disloyal oppositions" which have beleaguered the democratic center in postwar France and Italy. It is illuminating to note that the Weimar Republic in Germany was destroyed by Nazis and Communists acting in league for their common purpose of destroying the democratic republic. The experience of these countries reveals that the totalitarianism of the left and the totalitarianism of the right have a single common bond; their shared hostility to democracy and freedom.

The United States has been virtually free throughout its history of the destructive presence of a powerful disloyal opposition. With the exception of a few marginal groups, our political parties and our people have shared a virtually unanimous faith in constitutional government and free institutions. We have enjoyed the immense benefits of political consensus among a people who were born free and who never in their history have had a serious or prolonged flirtation with any form of absolutism.

It is this incontestable fact of history that reduces the shrill charges of the radical right, and of the radical left as well, to palpable nonsense.

Now as in the past the success of our national policies must be rooted in the basic unity and consensus of the American people. This consensus, in a time of overriding danger, must of necessity consist in unified national support of our elected leaders, and especially the President of the United States, the Commander in Chief of our Armed Forces "Although the rod of fire may be passed about," wrote the historian Herbert Feis, "it comes back to him. It is his 'yes' or 'no' that settles history." The President alone, in his role as teacher and moral leader, can arouse the American people from apathy and indifference and inspire them to the efforts and sacrifices that must be made if we are to survive in this century of peril. In the past the American people have never failed to unite behind their chosen leaders to overcome external dangers. By their wreckless charges that the evils that threaten our survival are not external but are within our society, the extreme rightwingers generate distrust and suspicion and, in so doing, threaten to shatter the basic unity of the American people and to undermine the consensus in which vigorous and successful national policies must be rooted.

The problem was admirably expressed in a recent editorial which appeared in the conservative Arizona Daily Star of Tucson, Ariz. "It is one of the unfortunate characteristics of American life" the editorial pointed out, "that too many of our good citizens and government officials have a definite inclination to think in terms of reckless absolutes, when it comes to foreign policy. Americans like to think in terms of freedom and democracy, as if they were something that could be bequeathed automatically by us to all nations of the world. Similarly, we are prone to boast and threaten and talk in terms of total war. If it is not that, we must have total peace. Tragically, we think that by total war we can bequeath to the world total peace." The editorial further pointed out that "There is a vast difference between telling the masters of the Kremlin that we will stand by our rights in Berlin with all of the might and power our country can mobilize, and in making irresponsible threats. It is one thing to make war to defend our rights; it is quite another thing to go out on another futile crusade, and expect total victory to give us what we want."

Americans, unfortunately, tend to take a single-factor approach to world politics. Prior to World War II, we thought of international relations too much in moral and legal terms. Since 1945 we have increasingly shifted our thoughts to the terms of military strength and balance-of-power alliances. Actually, a successful foreign policy has many facets—military, political, economic, cultural, moral, and ideological. All of these must be used, not independently and consecutively, but interdependently and simultaneously. Realism in world politics consists in knowing how and when to shuffle the various factors in the face of changing dangers and opportunities.

No one understood the subtleties and complexities of foreign policy better than Winston Churchill, who wrote: "Those who are prone by temperament and character to seek sharp clear-cut solutions of difficult and obscure problems, who are ready to fight whenever some challenge comes from a foreign power, have not always been right. On the other hand, those whose inclination is to bow their heads, to seek patiently and faithfully for peaceful compromise, are not always wrong. On the contrary, in a majority of instances, they may be right, not only morally but from a practical standpoint. How many wars have been averted by patience and persisting good will. How many wars have been precipitated by firebrands. How many misunderstandings which led to wars could have been removed by temporizing."

The realities of American foreign policy lie in the fact that the world has undergone revolutionary changes since World War II and that the end of this historical upheaval is not yet in sight. To live in a world of revolution, and to attempt to shape the forces of change toward constructive purposes requires patience, discipline, and sustained effort. Only by the cultivation of these qualities can the American living in the 1960's hope to escape the defeatism and despair that arise when initial efforts fail to produce total victory.

The basic principles of American foreign policy for a world in permanent revolution were shaped in the years immediately following World War II, or more specifically, in the spring of 1947 in what has been called the 15 weeks. During those weeks, the historic principles of American foreign policy were radically overhauled. The landmarks of that transformation were the Truman doctrine and the Marshall plan. Through these instruments the United States acknowledged its permanent involvement in the affairs of the world. The responsibilities of the United States were now extended beyond the confines of the Western Hemisphere to the far outposts of the free world.

The revolution in American foreign policy was expressed in the policy of containment, which implied the permanent commitment of American resources around the perimeter of the Soviet empire. The Marshall plan implied the involvement of the United States in world affairs in an even more intimate way. The United States now recognized its responsibility to help nations which were threatened with economic disaster and, beyond that, its responsibility to help develop a viable international economic and political order.

These were days of imagination and innovation in our foreign policy. The crisis of the 1960's derives from our failure to adapt the now classic policy forms of 1947 to new conditions and new challenges.

The conditions of the world have been greatly altered since the immediate postwar period. Four fundamental changes have occurred.

First. The balance of military power has changed radically. In the years following the war we forged a system of alliances which, with our monopoly of atomic power, provided substantial protection for the nations threatened by Communist imperialism. That protection has now diminished and it has been replaced by a highly unstable nuclear stalemate, which Winston Churchill has called the "balance of terror."

The second great transformation of recent years is the impressive recovery of Western Europe to booming economic well-being and substantial political stability as well. The military dependence of Western Europe on the United States remains, while in the political field it has diminished and economic dependence has all but ended.

The third significant change has been a fundamental alteration in Soviet foreign policy. Ten years ago, one of the greatest assets of our own foreign policy was the heavyhanded tactics of Stalin. Whenever Western efforts slackened or Western unity cracked, Stalin could be counted upon to

take some drastic action which would galvanize the West to renewed efforts and unity. Khrushchev's foreign policy is of a quite different nature. His tactics are far more varied. Besides using diplomatic and military pressures wherever these seem promising from his point of view, Khrushchev seeks to subvert the entire non-Communist world through the impact of Soviet power and economic and technological accomplishments. The Khrushchev approach is more skillful, more insidious, more subtle, and, therefore, far more challenging to the nerves, the patience, the resourcefulness, and the dedication of the West.

The fourth overriding change of our time is the rise of the former colonial and semicolonial nations of Asia, Africa, and Latin America. These nations, most of which are uncommitted and all of which are caught up in the emotional fervor of nationalism, are now the great prize in the struggle between East and West. Their political and economic stability, and their continuing freedom from Communist subversion and domination, are now among the foremost objectives of our foreign policy.

It is against the background of these great transformations that we must reassess the foreign policy of the United States for the decade ahead. The crisis of our foreign policy at present derives from the failure to devise adequate responses to these four great changes in the world situation.

The policies devised in 1947 have been largely successful. With only a few exceptions the power of the Soviet Union and of Communist China have been militarily contained. Such losses as have been suffered are counterbalanced, and perhaps more than counterbalanced, by the growing unification of the resurgent nations of Western Europe and by the gradual development of a broader Atlantic community consisting of nations which possess a great preponderance of world resources and industrial productivity.

We must now focus our efforts on the insidious challenges of psychological penetration, of political subversion, of economic conquest, of the use of foreign aid and trade as political weapons. To meet these threats we have already begun to devise, and we must now go on to perfect, new and varied instruments of foreign policy that go far beyond containment and military alliances.

Foreign policy in our time is inseparable from domestic policy. It is more accurate to think of every aspect of public activity as part of national policy. How we conduct ourselves in Cuba, Laos, Berlin, or Montevideo are indicative of our maturity or lack of maturity as a nation. But our neglect of education, our tolerance of criminal activity, our impulsive reactions to the criminal hijacking of an airplane are also indicative of our maturity or lack of it, of the trustworthiness of our national—or foreign—policy, and of the integrity of our "national style."

We must view the nation not as a set of compartments in which foreign and domestic affairs are neatly divided but rather as a unified whole. And in this view of things, we must understand that it is only as we are ready to sacrifice many of our personal and group interests and predilections that we have a chance of surviving as a society, not by luck but by our own efforts. In short, it is our character as a people, rather than any arid collection of predetermined formulas and prescriptions, that will determine our capacity to meet the Communist challenge.

The overriding question is whether this Nation is prepared to accept the permanent and inescapable responsibilities of having become a major power. We have clung too long to our youth as a Nation, during which our foreign policy consisted in a series of exhilarating and successful adventures. Our history—from the minutemen to the Alamo, from the conquest of the West to the charge up San Juan Hill—was an unbroken chronicle of victory and success. But that was in the days of our youth and we live now in a far more difficult and more dangerous world—a world in which we must come of age. Neither God nor nature has preordained the triumph of our free society and it would be a tragic mistake to assume the inevitability of our survival.

History plays cruel tricks. It allowed us to believe that the triumphs of our past were the product of our vigor and resourcefulness alone. What we failed to perceive in our past was the presence of another element—the element of an improbable run of luck—the luck of a rich and unspoiled continent far removed from the centers of power politics and world conflict.

That immunity from the conflicts and afflictions of the Old World ended 50 years ago.

Woodrow Wilson knew it. He perceived the ultimate fact of this century of American history—not that America must come out into the world but that the world had come in on America. "There can be no question," he said in his address to the Senate of July 10, 1919, "of our ceasing to be a world power. The only question is whether we can refuse the moral leadership that is offered us, whether we shall accept the moral leadership that is offered us, whether we shall accept or reject the confidence of the world."

America rejected the confidence of the world in 1919. We preferred to count on a continuation of the good luck that had never before failed us. It was a thoughtless and unsuccessful gamble for which both we and the world have already paid an incalculable price. Nonetheless, there are those among us who are still bemused with the dazzling illusions of our lost youth.

Our prospects have narrowed greatly since the lost opportunity of 40 years ago. I do not know how long it will be before they finally dim into darkness if we do not finally reconcile ourselves to the burden of continuing and onerous responsibility in a harsh and dangerous world. Our power is inseparable from continuing trusteeship, and this trusteeship, as Wilson perceived, derives not from choice but from inescapable compulsions—"the compulsion of honor, the compulsion of interest, and the compulsion of humanity. * * *"

Our proper objective as a nation must be, as it was to Woodrow Wilson, "to make a society instead of a set of barbarians out of the governments of the world." Advancement toward this objective will require persistent effort in the face of inevitable frustrations. More fundamentally it will require the cultivation of qualities that are associated with maturity rather than youth—qualities of wisdom as well as resourcefulness, persevering determination as well as righteous dedication, and, perhaps most of all, moral courage in place of adolescent bravado.

The purpose of our foreign policy is the very gradual improvement of human life on earth. Our success is not guaranteed and if our efforts are to be coherent and sustained, we must accept this fact with sobriety and serenity. Besides patient and continuous effort we must bring to the task a little of a sense of mission—and I emphasize "little." A consuming messianism will surely lead us to false hopes and frustration, while action without purpose is action without meaning or hope. But a little of a sense of mission can guide us—unencumbered by either extravagant hopes or unwarranted despair—toward worthy and attainable objectives.

These are not easy counsels. But they are, I think, counsels of reality. We must learn, among other things, that there are limits to foreign policy and limits to the objectives which a nation can hope to realize in the world—even so powerful a nation as the United States. One of the principal lessons of the two World Wars of the 20th century is that wars, even when they end in total victory, generate more problems than they solve. We must come to grips with the fact that there are no final and complete immediate solutions, that while some problems can be solved, others can only be alleviated or deferred while we wait for deeply rooted trends and gradually changing circumstances to reduce present tensions and to foster the conditions for solutions and accommodations that cannot now be foreseen.

Our national purpose is a process to be advanced rather than a victory to be won. That process is the defense and expansion of our democratic values, the furtherance of which rest ultimately on the wisdom, the maturity of judgment, and the moral fiber of a society of free individuals. The cultivation of these qualities and the advancement of the democratic process, both in our own internal affairs and in international relations, are the responsibility of every individual in a free society. If we are to meet the challenges of our time, we must reject the false and simple solutions of irresponsible extremists who cannot, or will not, accept the world as it is. We must instead dedicate ourselves to the national purpose with fortitude and discipline. These are the imperatives of military responsibility, as indeed they are imperatives for all Americans.

THE CALENDAR

Mr. MUSKIE. Mr. President, I ask unanimous consent that the Senate proceed to consider the measures on the calendar, beginning with Calendar No. 682, Senate bill 2000.

The ACTING PRESIDENT pro tempore. Without objection, the request is agreed to. The measures on the calendar, beginning with Calendar No. 682, will be stated.

BILL PASSED OVER

The bill (S. 2000) to provide for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower was announced as first in order.

Mr. MUSKIE. I ask that the bill go over, inasmuch as it is not properly a calendar item.

The ACTING PRESIDENT pro tempore. Objection is heard, and the bill will be passed over.

EMERGENCY EVACUATION PAY ADVANCES TO MILITARY DEPENDENTS FROM OVERSEAS

The bill (H.R. 7724) to provide for advances of pay to members of the armed services in cases of emergency evacuation of military dependents from oversea areas, and for other purposes, was considered, ordered to a third reading, was read the third time, and passed.

PAYMENTS FOR DAMAGE DUE TO AIRCRAFT OR MISSILE ACCIDENTS

The Senate proceeded to consider the bill (H.R. 7934) to authorize the Secretaries of the military departments to make emergency payments to persons who are injured or whose property is

damaged as a result of aircraft or missile accidents, and for other purposes, which had been reported from the Committee on Armed Services with an amendment, on page 2, line 2, after the word "of", where it appears the first time, to strike out "$2,000" and insert "$1,000".

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

BILLS PASSED OVER

The bill (H.R. 4785) relating to withholding for State employee retirement disability, and death benefit system purposes, on the compensation of certain civilian employees of the National Guard, was announced as next in order.

Mr. KEATING. Mr. President, I request that this bill go over.

The ACTING PRESIDENT pro tempore. The bill will go over.

The bill (H.R. 6103) for the relief of the Stella Reorganized School R–I, Missouri, was announced as next in order.

Mr. MUSKIE. Over, by request.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

ELWOOD BRUNKEN

The bill (S. 631) for the relief of Elwood Brunken was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Elwood Brunken of Tripp, South Dakota, such sum as the Secretary of Agriculture determines the said Elwood Brunken would have been entitled to receive under his crop insurance policy with the Federal Crop Insurance Corporation for crop losses sustained by him in 1959 had the croplands on which such losses were sustained not been determined (after such losses were sustained) to be noninsurable by the Federal Crop Insurance Corporation. In determining the amount the said Elwood Brunken would have been entitled to receive, the Secretary of Agriculture shall subtract an amount equal to the amount refunded to the said Elwood Brunken by the Federal Crop Insurance Corporation on account of insurance premiums paid by him for the years 1958 and 1959.

HOWARD B. SCHMUTZ

The bill (S. 651) for the relief of Howard B. Schmutz was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Howard B. Schmutz, of Salt Lake City, Utah, the sum of $1,242.50. The payment of such sum shall be in full satisfaction of all claims of the said Howard B. Schmutz against the United States for reimbursement of one-half of the costs incurred by him in constructing two reservoirs on federally owned land in reliance upon the approval by the Agricultural Stabilization Committee of Mohave County, Arizona, of his application for Federal sharing of the costs of constructing such reservoirs under the agricultural conservation program for 1959: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

GIOVANNA VITIELLO

The bill (S. 1787) for the relief of Giovanna Vitiello was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Giovanna Vitiello, shall be held and considered to be the natural-born alien child of Antonio Vitiello, a citizen of the United States: *Provided,* That the natural parents of the said Giovanna Vitiello shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

JOHANN CZERNOPOLSKY

The bill (S. 1880) for the relief of Johann Czernopolsky was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(6) of the Immigration and Nationality Act, Johann Czernopolsky may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such Act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided,* That unless the beneficiary is entitled to care under chapter 55, title 10, United States Code, a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act: *Provided further,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

FARES SALEM SALMAN HAMARNEH

The bill (S. 1906) for the relief of Fares Salem Salman Hamarneh was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Fares Salem Salman Hamarneh, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Sami Khalaf Hamarneh, citizens of the United States: *Provided,* That the natural parents of the said Fares Salem Salman Hamarneh shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SONJA DOLATA

The Senate proceeded to consider the bill (S. 233) for the relief of Sonja Dolata, which had been reported from the Committee on the Judiciary, with an amendment on page 1, line 11, after the word "Act," to insert a colon and *"And provided further,* That unless the beneficiary is entitled to care under the Dependents' Medical Care Act (70 Stat. 250), a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act," so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraph (1) of section 212(a) of the Immigration and Nationality Act, Sonja Dolata may be issued an immigrant visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such Act: *Provided,* That this Act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act: *And provided further,* That unless the beneficiary is entitled to care under the Dependents' Medical Care Act (70 Stat. 250), a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

YOUNG JEI OH AND SOON NEE LEE

The Senate proceeded to consider the bill (S. 547) for the relief of Young Jei Oh and Soon Nee Lee, which had been reported from the Committee on the Judiciary, with an amendment, in line 8, after the word "the", to strike out "beneficiary" and insert "beneficiaries", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor children, Young Jei Oh and Soon Nee Lee, shall be held and considered to be the minor alien children of Mr. and Mrs. Robert J. Riddell, citizens of the United States: *Provided,* That no natural parent of the beneficiaries, by virtue of such parentage, shall be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

MAX HALECK

The Senate proceeded to consider the bill (S. 1234) for the relief of Max Haleck, which had been reported from the Committee on the Judiciary, with an amendment, in line 6, after the numerals "1900", to insert a comma and "and shall further be held to be within the purview of section 325 of the said Act, and he may be naturalized in any court having naturalization jurisdiction", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Max Haleck shall be held to have been born in American Samoa, and be regarded as residing therein on February 16, 1900, and shall further be held to be within the purview of section 325 of the said Act, and he may be naturalized in any court having naturalization jurisdiction.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

HELEN HAROIAN

The Senate proceeded to consider the bill (S. 1355) for the relief of Helen Haroian, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, notwithstanding the provision of section 212(a)(6) of the Immigration and Nationality Act, Helen Haroian may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act: *And provided further,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

ERNEST MORRIS

The bill (H.R. 1290) for the relief of Ernest Morris was considered, ordered to a third reading, read the third time, and passed.

MRS. ERNEST HAY

The bill (H.R. 1612) for the relief of Mrs. Ernest Hay, Wamego, Kans., was considered, ordered to a third reading, read the third time, and passed.

CAPT. LEON B. KETCHUM

The bill (H.R. 2656) for the relief of Capt. Leon B. Ketchum was considered, ordered to a third reading, read the third time, and passed.

PHOTOGRAPHIC REPRODUCTION OF BUSINESS RECORDS

The bill (H.R. 3227) to amend section 1732(b) of title 28, United States Code, to permit the photographic reproduction of business records held in a custodial or fiduciary capacity and the introduction of the same evidence was considered, ordered to a third reading, read the third time, and passed.

ROBERT A. ST. ONGE

The bill (H.R. 4030) for the relief of Robert A. St. Onge was considered, ordered to a third reading, read the third time, and passed.

JOE KAWAKAMI

The bill (H.R. 7610) for the relief of Joe Kawakami was considered, ordered to a third reading, read the third time, and passed.

U.S. DISPLAY CORPORATION

The Senate proceeded to consider the bill (H.R. 5179) for the relief of the U.S. Display Corporation, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 1, after the word "claim," to insert a colon and *"Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to, or received by, any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

EARL GUPTON

The Senate proceeded to consider the bill (H.R. 6453) for the relief of Earl Gupton, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 1, after the word "Act", to insert "in excess of 10 per centum thereof".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

RELIEF OF CERTAIN MEMBERS OF THE UNIFORMED SERVICES

The Senate proceeded to consider the bill (H.R. 6244) for the relief of certain members of the uniformed services erroneously in receipt of family separation allowances, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, at the beginning of line 3, to strike out "That the members" and insert "That members and former members".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended, so as to read: "An Act for the relief of certain members and former members of the uniformed services erroneously in receipt of family separation allowances."

BILLS PASSED OVER

The bill (H.R. 4317) to amend the Internal Revenue Code of 1954 and in corporate therein provision for the payment of annuities to widows and certain dependents of the judges of the tax courts of the United States, was announced as next in order.

Mr. MUSKIE. Mr. President, Calendar No. 706, H.R. 4317, and following measure, Calendar No. 707, H.R. 7371, making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, are not items to be considered on a calendar call, and should go over.

The ACTING PRESIDENT pro tempore. Both measures will be passed over.

SIMPLIFICATION OF PAYMENT OF CERTAIN JUDGMENTS AND SETTLEMENTS

The bill (H.R. 6835) to simplify the payment of certain miscellaneous judgments and the payment of certain compromise settlements was considered, ordered to a third reading, was read the third time, and passed.

CHARLES H. BIEDERMAN

The bill (H.R. 4640) for the relief of the estate of Charles H. Biederman was considered, ordered to a third reading, was read the third time, and passed.

ELIMINATION OF RIGHT OF APPEAL FROM SUPREME COURT TO PUERTO RICO TO THE COURT OF APPEALS FOR THE FIRST CIRCUIT

The bill (H.R. 7038) to eliminate the right of appeal from the Supreme Court of Puerto Rico to the Court of Appeals for the First Circuit was considered, ordered to a third reading, was read the third time, and passed.

BILLS PASSED OVER

The bill (H.R. 2883) to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes, was announced as next in order.

Mr. KEATING. Over, Mr. President.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1005) to amend section 10 and section 3 of the Federal Reserve Act, and for other purposes, was announced as next in order.

Mr. MUSKIE. Over, by request.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

NATIONAL BANK BRANCHES IN FOREIGN COUNTRIES

The bill (S. 1771) to improve the usefulness of national bank branches in foreign countries was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 25 of the Federal Reserve Act, as amended, is amended by adding the following new paragraph at the end thereof:

"Regulations issued by the Board of Governors of the Federal Reserve System under this section, in addition to regulating powers which a foreign branch may exercise under other provisions of law, may authorize such a foreign branch, subject to such conditions and requirements as such regulations may prescribe, to exercise such further powers as may be usual in connection with the transaction of the business of banking in the places where such foreign branch shall transact business. Such regulations shall not authorize a foreign branch to engage in the general business of producing, distributing, buying or selling goods, wares, or merchandise; nor, except to such limited extent as the Board may deem to be necessary with respect to securities issued by any 'foreign state' as defined in section 25(b) of this Act, shall such regulations authorize a foreign branch to engage or participate, directly or indirectly, in the business of underwriting, selling, or distributing securities."

REPEAL OF OBSOLETE PROVISIONS OF LAW FOR MINTS AND ASSAY OFFICES

The bill (S. 2130) to repeal certain obsolete provisions of law relating to the mints and assay offices, and for other purposes, was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3495 of the Revised Statutes, as amended (31 U.S.C. 261), is amended to read as follows:

"SEC. 3495. The different mints and assay offices shall be—

"First. The mint of the United States at Philadelphia.

"Second. The mint of the United States at Denver.

"Third. The United States assay office at New York.

"Fourth. The United States assay office at San Francisco."

SEC. 2. Section 3558 of the Revised Statutes, as amended (31 U.S.C. 283), is amended to read as follows:

"SEC. 3558. The business of the United States assay office at San Francisco shall be in all respects similar to that of the assay office at New York, except that no gold or silver shall be refined. The Officer in Charge shall be allowed the amount of necessary and bona fide wastage as determined by the Secretary of the Treasury but not to exceed that provided for the melter and refiner in section 3542 of this title, for wastage incurred in the casting of fine gold and silver bars. Such wastage allowance shall not apply to deposit operations."

SEC. 3. The following obsolete provisions of law are repealed:

(a) Section 344 of the Revised Statutes (31 U.S.C. 252).

(b) Section 3497 of the Revised Statutes, as amended (31 U.S.C. 264).

(c) Section 3498 of the Revised Statutes, as amended (31 U.S.C. 265).

(d) Section 3499 of the Revised Statutes, as amended (31 U.S.C. 268).

(e) Section 3500 of the Revised Statutes (31 U.S.C. 269).

(f) Section 3502 of the Revised Statutes (31 U.S.C. 254, 271).

(g) Section 3504 of the Revised Statutes, as amended (31 U.S.C. 266, 272).

(h) Section 3556 of the Revised Statutes, as amended (31 U.S.C. 280).

(i) Section 3557 of the Revised Statutes, as amended (31 U.S.C. 282).

(j) Section 3559 of the Revised Statutes, as amended (31 U.S.C. 284).

(k) Section 3560 of the Revised Statutes, as amended (31 U.S.C. 285).

(l) Section 3561 of the Revised Statutes, as amended (31 U.S.C. 286).

(m) Act of February 20, 1895 (ch. 105, 28 Stat. 673; 31 U.S.C. 262, 283).

DISSOLVE FEDERAL FACILITIES CORPORATION

The bill (H.R. 7864) to dissolve Federal Facilities Corporation, and for other purposes, was considered, ordered to a third reading, was read the third time, and passed.

STATUS OF RETIRED CIRCUIT AND DISTRICT JUDGES

The Senate proceeded to consider the bill (H.R. 5255) to clarify the status of circuit and district judges retired from regular active service, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, after line 22, to insert a new section, as follows:

SEC. 4. That paragraphs (1) and (2) of section 2(e) of the Act entitled "An Act to provide for the appointment of additional circuit and district judges, and for other purposes", approved May 19, 1961 (Public Law 87-36), are amended by inserting before the word "occurring" where it appears in each such paragraph the word "thereafter".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended, so as to read: "An Act to clarify the status of circuit and district judges retired from regular active service, and for other purposes."

BILLS PASSED OVER

The bill (S. 2393) to extend for 1 year the temporary provisions of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas and to provide for the application of such laws to American Samoa, was announced as next in order.

Mr. MUSKIE. Mr. President, Calendar No. 719 (S. 2393) and Calendar No. 720, a bill (S. 1729) to promote the foreign commerce of the United States, and for related purposes, are not items to be considered on a calendar call, and should go over.

The ACTING PRESIDENT pro tempore. Both measures will be passed over.

AUTHORIZE THE PRESENTATION OF DISTINGUISHED FLYING CROSS TO MAJ. GEN. BENJAMIN D. FOULOIS, RETIRED

The Senate proceeded to consider the joint resolution (S.J. Res. 108) to authorize the presentation of the Distinguished Flying Cross to Maj. Gen. Benjamin D. Foulois, retired.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that a statement by the Senator from Arizona [Mr. GOLDWATER] on Senate Joint Resolution 108 be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR GOLDWATER

In support of my resolution, Senate Joint Resolution 108, which would authorize the presentation of the Distinguished Flying Cross to Maj. Gen. Benjamin D. Foulois, retired, I would like to quote portions of an article which appeared in the January 1960 issue of the Airpower Historian. This article is entitled "Military Aviation in Texas, 1913–17," and was written by Mr. William C. Pool. This excellent recount of this era in our aviation history describes in some detail the service of General Foulois. As Mr. Pool has set down these words better than I can, I quote the following portion of this article:

"On March 6, 1915, Capt. Benjamin D. Foulois was sent to San Antonio by the War Department to prepare plans and estimates for the buildings and roads of the new aviation base. Foulois completed his task, drawing 10 floor plans, completing the detailed drawings of the proposed hangars, machine shop, administrative buildings, and roads, and filed his report in the Office of the Chief Signal Officer on May 1, 1915. The plans and specifications were opened on June 20 and a decision was made to build two corrugated iron hangars housing five airplanes each. Actual construction work at the base was commenced in the summer of 1915 and the new field was ready for occupation before the new year.

"Meanwhile another event contributed greatly to the future of Army aviation. On July 18, 1914, the 2d session of the 66th U.S. Congress gave official sanction to the Army's wings by writing into law H.R. 5304 (Public Law 143), creating the Aviation Section of the Signal Corps of the Army. The new section replaced the Aeronautical Division and was charged with 'the duty of operating or supervising the operation of all military aircraft, including balloons and airplanes.' Then the new law went on to limit the size of the Aviation Section to 60 officers and 260 enlisted men. A milestone in the history of Army flying had been passed.

"While Congress debated the creation of an aviation section and the plans for the San Antonio Aviation Center were in the process of completion, revolutionary disturbances and civil strife in Mexico continued to threaten the peace and security of the United States. This turmoil south of the Rio Grande gave the pilots based at the Signal Corps Aviation School, North Island, several chances to use their skills. On April 24, 1914, orders were received at North Island to mobilize 5 pilots, 30 enlisted men, and 3 airplanes of the 1st aero

squadron for field service at Galveston. In response to this request, a detachment left San Diego via the Santa Fe Railroad for duty with the 2d Division. The group, designated as company A, 1st aero squadron, was commanded by Benjamin D. Foulois and included Townsend F. Dodd, W. R. Taliaferro, Thomas DeWitt Milling, and J. E. Carberry, and Alda G. Wilde, Medical Corps. The men remained at Galveston until July 13, 1914, and, since they missed the last troop transport for Veracruz by one day, did no flying during their 4-month stay at Galveston. The airplanes were never uncrated.

"The following April Byron Q. Jones and Thomas Milling were ordered to proceed from North Island to Brownsville, Tex., for duty in connection with the border patrol. Jones and Milling, accompanied by eight enlisted men and one airplane (a Martin T-'O' Curtiss 75) left North Island on April 14, 1915, and arrived at Brownsville 3 days later. Since the express car carrying the airplane and extra equipment was attached to the same train, the two pilots lost little time in establishing their camp on the west end of the Cavalry drill field at Fort Brown. Jones made the first flight on April 20, and later in the day both Jones and Milling went aloft in attempts to gather intelligence concerning the pattern of trenches around the Mexican city of Matamoras. On landing, the pilots reported that they had been fired on from the ground by both machineguns and rifles, insisting, at the same time, that they had not crossed the Rio Grande during the flight. On the same afternoon, Lieutenant Jones taxied the Martin airplane into a deep ditch, causing structural damage that could not be repaired in the field. After some delay, Capt. Arthur S. Cowan came to the Brownsville pilots' rescue and expressed another airplane to Fort Borwn. The new aircraft was uncrated, assembled, and flown on several uneventful occasions before Lt. Col. Sam Reber, acting chief signal officer, asserted that 'the necessity for its presence had passed' and ordered the Brownsville detachment to return to San Diego. Jones, Milling, and the enlisted detachment arrived at North Island on May 27, 1915, after a month and a half on the Rio Grande.

"On July 26, 1915, the 1st Aero Squadron, under the command of Captain Foulois and including 15 officers, 85 enlisted men, and 8 new Curtiss JN-2's, left the Signal Corps Aviation School at North Island for Lawton, Okla., to report for fire-control duty with the field artillery at Fort Sill. It was understood by all of the personnel that once the Fort Sill assignment had been completed, the 1st Aero Squadron would move on to its permanent base at the new San Antonio Aviation Center. Thus the Fort Sill journey was a part of a major transfer plan designed to culminate in the activation of a new base.

"No sooner had the 1st Aero Squadron established camp at Fort Sill than the pilots began voicing their grievances against the Curtiss JN-2 (the famous Jenny) airplane. The eight JN-2's had been delivered from the factory only a few days before the squadran left North Island and represented the nearest thing to a tactical aircraft that the Signal Corps had possessed. Even the veteran pilots were strangers to this newest type of airplane; therefore, they tended to regard it with some suspicion and distrust. To make matters worse, no sooner had the planes been uncrated and assembled at Fort Sill than Lt. R. B. Sutton crashed under mysterious circumstances. Three days after the Sutton accident, a detachment of 4 officers (Morrow (CO), Jones, Christie, and Harms), and 15 enlisted men were ordered to proceed from Fort Sill to Brownsville, Tex., for another period of border patrol work. The Brownsville detachment carried two JN-2's, a White truck, two spare engines (90-horsepower Curtiss V-8's), and miscellaneous ordnance supplies.

"On arriving at Brownsville on August 18, 1915, Lt. J. C. Morrow wired the chief signal officer that the field used by Jones and Milling earlier in the year was 'too small for safety with the present machines because of their poor climbing ability,' suggested the use of a larger but rougher field nearby, and asked that two smaller airplanes (training planes) be shipped to Brownsville from North Island. The chief signal officer, evidently provoked by the Brownsville pilots, replied that the detachment could use its discretion in choosing a suitable field but that the Curtiss JN-2's were 'service machines and none others will be furnished.' This curt reply from Washington did little to soften the discontent present in the Brownsville personnel.

"On August 26, 1915, Lt. Byron Q. Jones, accompanied by Lt. J. C. Morrow, flew a 30-mile mission from Brownsville to Santa Maria, Tex., in search of a band of Mexican bandits reported to be in the area. After reaching an altitude of about 1,000 feet, the JN-2 in which Jones and Morrow were riding went into a sideslip and lost approximately 150 feet in altitude as pilot Jones fought with his controls. A few days later Jones and Arthur R. Christie left the ground with the intention of climbing to about 500 feet for Very pistol practice. While flying in rough and puffy air at an altitude of 1,100 feet, the airplane, without warning, dropped to 950 feet. Although the loss of altitude was probably the result of nothing more serious than a severe downdraft caused by thermal hearing, the two Signal Corps pilots were thoroughly alarmed. When a similar loss of altitude occurred at 4,500 feet, Jones and Christie decided to get the JN-2 back on the ground as soon as possible. To complete the cycle of grievances, Lt. H. W. Harms returned from the mission along the Rio Grande on September 2 and reported that he failed to finish his assigned task 'because of the poor manner in which the plane handled in the rough air.'

"The climax to the Brownsville discontent with the JN-2 came on September 5, 1915, when Lt. J. C. Morrow and Pvt. Adam Khuen-Kryk took off from the Brownsville field, climbed in a straight course to an altitude of about 200 feet, started a shallow banking turn to the left, went into either a spiral or a spin, and struck the ground with terrific impact at a 40-degree angle of descent. Morrow, who had been on aviation duty about 2 years, was described as 'one of the most experienced and skillful of the Army pilots,' hence the Signal Corps implied that the accident must be attributed to the 'faulty qualities on the machine.'

"A few days later Byron Jones and H. W. Harms were sent to the Massachusetts Institute of Technology to study aeronautical engineering, and Townsend Dodd and Robert Willis arrived at Brownsville as replacements. The controversy over the airworthiness of the JN-2 continued to be the major topic of conversation. To add to an already serious situation the artillery officers assigned to the squadron as observers (for reconnaissance and fire direction) now stated that 'only in time of war and in case of absolute necessity' would they be willing to fly in the Curtiss JN-2 airplane. Thus originated a controversy that lingered until the entry of the United States into World War I.

"During the first week in November 1915, the 1st Aero Squadron's mission at Fort Sill neared an end and plans were made to move the entire squadron from the Oklahoma reservation to Fort Sam Houston. According to the plans drawn up by Foulois, the move would be made by (1) a motortruck convoy carrying the headquarters, engineering, and supply sections, and (2) a mass cross-country flight of the six remaining Curtiss JN-2's with stops at Wichita Falls, Fort Worth, Waco, Austin, and San Antonio. Sgt. Stephen J. Idzorek, chief electrician, and Sergeant Westermark were sent on ahead of the rest of the squadron as pathfinders.

"The first lap of the cross country got underway on November 19, 1915, as six JN-2's left the ground at Fort Sill with Wichita Falls (some 45 air miles to the south) as their destination. At this time the squadron was composed of 15 officers ad only 19 enlisted men. Captain Foulois and Lts. Thomas Milling, Carleton G. Chapman, J. E. Carberry, T. S. Bowen, and Ira A. Rader were at the controls of the six airplanes. After experiencing 'choppy air currents over the Red River area,' the flying section of the squadron arrived at Wichita Falls on the afternoon of November 19. The motor transport section arrived before night and the mechanics went to work by torchlight and the light furnished by their portable powerplant.

"The next day (November 20) found the six pilots, followed by their motor convoy on the ground, on the way to Forth Worth. Sergeants Idzorek and Westermark had already selected 'the Ryan pasture at the end of the Evans Avenue carline' as the Forth Worth landing field. The Wichita Falls to Fort Worth flight was made difficult by a crosswind from the west that tended to cause the pilots to drift east of their course. Approximately 3,000 persons were on hand to greet the Army fliers as they landed on the Ryan pasture. The squadron, 'flying in pairs one above the other,' had maintained an altitude between 5,000 and 6,000 feet and were 'numb with cold' when they stepped out of their machines at Forth Worth. In describing the flight, the Fort Worth Record reported that:

"After being cross-swept by a strong gale from the Southwest for the entire distance of 100 miles airline, the six airplanes comprising the 1st Aero Squadron of the U.S. Army, commanded by Capt. B. D. Foulois, arrived in Fort Worth from Wichita Falls, and successfully landed about a minute apart on a pasture near the city. The trip was made in exactly 2 hours, the first airplane landing at 11:14 a.m. This completes the second leg of a cross-country flight the squadron is making from Fort Sill, Okla., to its permanent station at Fort Sam Houston at San Antonio. The aviators and machines will remain in Fort Worth until Monday morning when they will start from the Ryan pasture to Waco, their next landing place.

"After a weekend in Fort Worth, the squadron flew on to Waco on November 22, arriving at the central Texas city at 10:30 a.m. Again the pilots reported that they suffered from the cold in spite of extra pairs of trousers, flannel shirts, sweaters, heavy gloves, and headguards. The Waco landing was made on the Huckabee farm, half a mile west of the end of the Huaco Heights carline. While in Waco, the pilots were entertained by the Rotary Club. In an address to the club, Captain Foulois stressed the importance of military preparedness. in the United States and emphasized the need for more and better airplanes by saying that: 'We have been several years in building 53 airplanes for the Army. Our active squadron now on the way to San Antonio totals six. To show the insignificance of such a force, more than that number are destroyed every day in the European War.'

"A strong wind was blowing out of the east when the pilots of the 1st Aero Squadron left Waco on their Austin flight on November 23. Shortly after takeoff, J. E. Carberry failed to correct for wind drift, identified the wrong town, and led four of the airplanes west of course. As a result, Carberry landed at Kingsland, Foulois and Rader, also lost, came down at Lampasas, and Chapman

landed in a field near Burnet; only Bowen and Milling arrived at Austin on schedule and landed on an 80-acre field north of the State Insane Asylum." The other four pilots, needless to say, were delayed several minutes by their forced landings en route. Although the Waco to Austin flight was made in heavy haze, the primary reason for getting lost can be found in the poor quality of maps in use at the time. It is significant that the entire flight from Fort Sill to San Antonio was made with the aid of postal maps on which no landmarks were shown.

"The last leg of the flight, Austin to Fort Sam Houston, was planned for November 24 but the squadron was detained in Austin until November 26 by cold weather, rain, and high winds. After the delay, the squadron left its Austin landing field early on November 26 and made the short hop to San Antonio without any further difficulty. On arrival at Fort Sam Houston, the six planes landed 'in the vicinity of the old hangars on the cavalry drill field a little to the northeast of the wireless tower at the Army post.' Temporary housing arrangements were made until the hangars, shops, and quarters could be completed at the new base on the Austin Post Road. A few days later, the San Antonio Express pointed out that the 1st Aero Squadron, Signal Corps, U.S. Army, comprised six flying sections (the Curtiss JN's), a transport section, a supply section, an engineering section, and a headquarters section. The cross-country flight from Oklahoma to Fort Sam Houston had been made with the loss of only one motor truck, destroyed by a gasoline fire while the squadron spent the night at Fort Worth.

SERVICE IN MEXICO, 1916

"The Signal Corps aviation detachments that were ordered to the Rio Grande region on numerous occasions between 1913 and 1915 punctuated the mounting tension that existed in relations between the United States and Mexico. Revolutionary turmoil and disturbances, centering in part in the northern Mexican states, were reflected in lawless acts along the international boundary, and after the American seizure of the Mexican port of Vera Cruz in 1914, these depredations increased in intensity. During 1915 the trouble became more acute as German agents endeavored to force U.S. intervention in Mexico, and along the border apprehensive Americans heard whispers of the San Diego plan to call for the revolt of Mexican nationals in the United States against 'Yankee tyranny.'

"The thefts, raids, and murders on both sides of the Rio Grande promised a crisis of first magnitude, which came in January, 1916, when 15 American mining engineers, entering the state of Chihuahua under orders from President Venustiano Carranza to reopen the American-owned mines, were taken from their train and massacred at Santa Ysabel by the followers of Francisco Villa. The murders went unpunished and a large force of Villa-inspired bandits roamed at will in the mountains of northern Mexico. Then, on March 9, 1916, Villa's forces crossed the international boundary to attack the town of Columbus, N. Mex., killing from 17 to 19 Americans and causing wholesale destruction of property. Two days later, in the face of an aroused public opinion, President Woodrow Wilson ordered American troops to cross the border and take Villa dead or alive.

"When the Columbus incident brought about U.S. intervention in Mexico (or, as President Wilson phrased it, the punitive expedition) the 1st Aero Squadron was stationed at its new headquarters north of Fort Sam Houston. On March 12, 1916, Captain Foulois was instructed to prepare the squadron for immediate field service with the Army in Mexico, and the San Antonio Express, a bit overenthusiastically, reported that the airplanes would not be shipped to El Paso and Columbus, N. Mex., but would fly the distance. The Galveston News expressed the opinion that the Signal aviation detachment would finally have a chance to prove its worth, since the expedition into Mexico, 'will be notable from the military standpoint for two reasons. It will furnish the first opportunity for the U.S. Army to test the efficiency of its fourth arm, the aero service, under actual war conditions. Also it will be the first military campaign in which the U.S. Army has employed the wireless in directing troop movements.'

"During the day and night of March 12–13, the 1st Aero Squadron completed preparations to leave Fort Sam Houston for El Paso and Columbus. Motortrucks were busy carrying guns and ammunition from the armory to detachment headquarters. Unofficial sources reported that 25 airplane guns and 65,000 rounds of ammunition were being carried along. Eight Curtiss JN–2 airplanes were dismantled and crated for shipment by rail and the officers and enlisted men hastily packed their essential equipment. The personnel of the squadron (10 officers and 80 enlisted men) entrained for the 'Mexican front' on March 13, 1916. At this time the muster roll included Captain Foulois, commanding officer, Capt. Townsend F. Dodd, and Lts. Joseph E. Carberry, Thomas S. Bowen, Carleton G. Chapman, Herbert A. Dargue, Robert H. Willis, Ira A. Rader, Walter G. Kilner, and Edgar S. Gorrell. The San Antonio Express reported: 'The principle Mexican development at Fort Sam Houston yesterday [March 13] was the departure for the front of the 1st Aero Squadron, U.S. Army, commanded by Capt. B. D. Foulois. Eight airplanes, 80 men, and 10 officers were sent. These will be used as scouts with the expeditionary force against Villa.'

"Two days later the 1st Aero Squadron arrived at Columbus and the troubles of the young Air Force began when it moved southward to the Casas Grandes-Colonia Dublan area on March 19, 1916. On the first day all eight Curtiss JN–2's started into Chihuahua, but not a single airplane arrived at Casas Grandes. One returned to Columbus because of engine trouble, four landed at Las Ascencion (a village approximately halfway between Columbus and Casas Grandes), and the other three pilots, separated by darkness, came down at Ojo Caliente, Janos, and Pearson, Mexico. The following day (March 20) six of the airplanes arrived at Casas Grandes. After landing at Ojo Caliente, Lt. Edgar S. Gorrell was forced to repair minor damages to his JN–2 before continuing toward his destination. Lt. Robert H. Willis, not so fortunate as Gorrell, abandoned his badly damaged airplane at Pearson and made his way to Casas Grandes on foot. Anxious to see service, Captain Dodd (pilot) and Captain Foulois (observer) took off from Casas Grandes in a reconnaissance mission in the general direction of Cumbre Pass in the Sierra Madre Mountains. About 25 miles south of Casas Grandes they found that they were not able to get over the foothills because strong whirlwinds and vertical air currents prevented the low-powered Curtiss JN–2 from gaining sufficient altitude. On the same day Lt. T. S. Bowen encountered a whirlwind while attempting a landing at Casas Grandes, completely wrecking another airplane (the second in 2 days of operations). The Bowen accident was described in the San Antonio Express in the following article:

" 'An airplane, one of the six to arrive yesterday, was partially wrecked in a 50-foot fall. The pilot, Lt. T. S. Bowen, was injured but not fatally. Lieutenant Bowen suffered a broken nose and other slight injuries.

" 'Lieutenant Bowen was attempting to take to the air under difficulties. The wind was high and showed a tendency to whirl. Several attempts of the aviators to fly had been frustrated by wind conditions. Finally, Bowen went up, but when 50 feet in the air his plane took a dip and plunged almost straight to the ground.'

"On the same day, the Express reported:

" 'The record these machines have made on this, their first warfare work, is termed "bad, very bad." Altitude and topography are against them, as well as their maximum speed ability, which is comparatively low, being about 70 miles an hour with the wind.'

"In summary, operational losses after 2 days of flying in Mexico included two Curtiss JN–2's lost, and two pilots missing (Gorrell and Willis had not arrived at Casas Grandes). It seems that Willis reached camp sometime during March 21, but Gorrell did not arrive until the following day. The tardy pilot (Gorrell), after exhausting his gasoline supply, had landed in rough terrain some 25 miles north of Casas Grandes. He secured some gasoline from a truck convoy, repaired the JN–2 and flew on to Casas Grandes. Lieutenant Gorrell, described as 'typical of the men of the upper air,' had the following story to tell concerning his hardships:

" 'We started south 8 days ago. Darkness came when we were about halfway to our destination. We had planned to land in the vicinity of Asunción. Lieutenant Willis and I, however, were flying at about 300 feet or more above the heights at which the others flew and missed the landing. Ahead we saw a light that looked like a camp and we flew to it. We learned too late that a forest fire had misled us.

" 'Willis flew north looking for a landing place, and I circled to the westward. I finally was forced to land because there was no oil and no gasoline for my engine.

" 'It was almost as if God had piloted. I couldn't have gone further and I landed in the only open ground for miles. I didn't learn this, however, until the following morning. It was too dark to see when I landed. I heard dogs barking and saw the dim lights of adobe shacks. That spelled "Mex" to me and I didn't want to meet them. To either side I could see peaks of mountain ranges, running east and west. I decided to make for the northern range near where I though our troops to be.

" 'On my hands and knees, to avoid being seen, I crawled for hours. About 2 o'clock I made the hills and slept until sunrise. That was noonday. I wanted to get west to the roadway. At noon, with the water half gone from my canteen, I felt weakness. My map showed that I was not more than one-third of the way. There was no sign of water and I turned back.

" 'The sun seemed to burn through my clothes. I took off my skullcap and it burned all the more. Ahead I seemed to see a lake full of cool, splashing water, with waves and whitecaps. I started to run and the beautiful disappeared. I tried my canteen, but it was empty. The wild fear that comes over a man when he is facing something he can't understand, seized me. I threw my canteen away because it was useless. In my mind, though, was a picture of a saw-toothed mountain far, far away. I plunged.

" 'Several times I fell and lay stupefied. I don't remember how often, but each time, when my senses came back, the vision of the saw-toothed mountain was ahead. It seemed a haven. My eyes bulged. My ears hummed. My tongue stuck to the dry, rasping roof of my mouth. I knew that I was dying, but I knew, too, that I must not die.

" 'Finally darkness came and a bone eating chill settled over me. I fell, my face landing in a waterhole. I doused my head in the water. I splashed it over my burning shoulders. I washed in it to cool my feet. Then I lay down on the bank with my feet still in the water and slept. A feeling that

I was freezing to death awoke me. I got up and beat my hands against my body to bring back the circulation. And then crawling, not to avoid the Mexicans, but because my feet were too sore to carry me, I started back to my machine.'

"Although the International News Service correspondent probably added a great deal to Gorrell's story, it would appear that the young pilot had a rather difficult time before meeting a friendly Mexican who guided him toward an American patrol and a gasoline supply. While the JN–2 airplanes seemed to be underpowered for the task in Mexico, General Funston, nevertheless, ordered eight new airplanes on March 24, 1916. The War Department replied that no additional airplanes could be provided at that time because 'every machine the Army possesses is with the Pershing expedition.' The Signal Corps Aviation School at North Island could not be drawn on as a source because all of the airplanes there were trainers as distinguished from service planes.

"While aerial operations in northern Mexico were hampered considerably by altitude, high winds, duststorms, and snow, the JN–2's of the 1st Aero Squadron were unusually active during the last week in March. On March 25, Lt. Townsend F. Dodd flew from the advanced field headquarters near Colonia Dublán to Columbus, N. Mex., a distance of 165 air-miles. On arriving at Columbus, Dodd reported a serious shortage of food. On the following day, the War Department announced that only two of the eight airplanes taken to Mexico were serviceable, two had been destroyed and four were undergoing repairs. It is significant, however, that at this time General Pershing was using airplanes extensively as message carriers, and most of the flights from Casas Grandes north to Columbus were relatively safe trips because of the absence of mountains. A summary of operations during the last few days of March lists the following flights:

"March 27: Seven flights between Columbus (N. Mex.), (Colonia) Dublán, and El Valle with mail and dispatches.

"March 28: Lieutenant Dargue (plane No. 43) flies from (Colonia) Dublán to Bachineva-Namiquipa-Santa Ana and return to Namiquipa. Lieutenant Chapman (plane No. 53) from El Valle east and south for 110 miles and return to El Valle.

"Six other flights by five planes between Columbus (N. Mex.)—(Colonia) Dublán—El Valle—Namiquipa with mail and dispatches.

"March 30: Three flights with three planes between Columbus, N. Mex., Dublán, and El Valle with mail and dispatches.

"March 31: Nine flights by four planes between (Colonia) Dublán, El Valle, Namiquipa, and San Geronimo with mail and dispatches. Severe rain, hail, and snowstorms are encountered, causing several forced landings away from the base at (Colonia) Dublán until the storms passed.

"Captain Foulois, realizing the inferior quality of the Army's service airplanes, remarked, as a part of his report of operations, that: 'The six airplanes now in use have been subjected, for nearly 10 months, to severe weather conditions, in Oklahoma and Texas, exposed to rain, high winds and severe cold weather conditions.'

"As a result of these months of field service, all airplanes have been subject to severe wear and tear. With the present extreme field service conditions every machine is liable, at any day, to be placed out of commission as unfit and too dangerous for further field service.

"These airplanes are not capable of meeting the present military needs, incident to this expedition. Their low power motors and limited climbing ability with the necessary military load makes it impossible to safely operate any one of these machines in the vicinity of the mountains which cover the present theater of operations.

"The entire commissioned and enlisted personnel of this organization are exerting every effort to maintain all airplanes in the best possible condition for further field service, but even the united efforts of the entire technical ability in this command cannot make these airplanes suitable to meet the present military needs.

"Foulois went on to make an urgent appeal that his organization be supplied at the earliest possible moment with at 'least 10 of the highest powered, highest climbing and best weight carrying airplanes' that could be purchased in the United States. On April 3, 1916, the wrath of the Army pilots in Mexico found its way to the front pages of the New York World in an article headed, 'Handicapped by Officials Here, Aviators in Mexico Tell World,' and subheaded 'Risking Lives 10 Times a Day But Are Not Given Equipment Needed, Says Captain Foulois,' and 'Criminal To Send Men Up Under Such Conditions, Lieutenant Dargue Avers.' The sensational article stated that the officers of the squadron were emphatic in their declaration that, 'they have failed to receive cooperation in their service in the present campaign,' that 'the aviation system * * * has been badly bungled in Washington,' and that 'politics, personal ambition, and utter lack of knowledge of aviation' were responsible for the poor results achieved by the squadron in Chihuahua. The reporter, B. C. Utecht, told of having talked with Captain Foulois and Lieutenants Gorrell, Carberry, Dargue, Willis Chapman, and others, and 'all agreed that they had not had a square deal.' The article went on to argue for airplanes with greater load capacities, more power, and greater stability for operations in mountainous regions.

"This unofficial and unauthorized news release, needless to say, brought severe reactions from high Army circles. The Secretary of War forwarded the clipping to the Commanding General, Southern Department, for a report as to whether or not the officers named were responsible for the interview. General Funston, in turn, sent the letter to the Adjutant General in the field recommending an investigation to determine whether the World correspondent with the punitive expedition wrote the article, and if he did, whether or not the story passed the censor. Foulois lost no time in denying the quotation attributed to him and stated that he had not at any time given any newspaper correspondent an interview in connection with aviation matters of the Army. Chapman and Carberry also disclaimed knowledge of the source of the statement. A full-scale investigation conducted by the inspector general of the expedition revealed that the correspondent, B. C. Utecht, did not submit the article in question to the censor but sent it out in violation of regulations. Utecht, therefore, was labeled untrustworthy, his pass was withdrawn, and his bond declared forfeited. In all probability the World reporter had been informally briefed by members by the 1st Aero Squadron prior to his writing of the article. The aviators at last got their plight before the newspaper public.

"In the midst of the New York World furor the 1st Aero Squadron moved from the Casas Grandes-Colonia Dublan area to a new advanced base in the Namiquipa-San Geronimo sector. The transfer took place on April 5, 1916, and the squadron had four JN–2's in operation at the time. Two days later two airplanes carrying Dargue, Foulois, Dodd, and Carberry flew from squadron headquarters to Chihuahua City, Mexico, with duplicate dispatches from Marion H. Letcher, the U.S. consul. A general alarm sounded when the two airplanes appeared over the city and circled for a landing; the residents of Chihuahua probably feared a bombing raid. By arrangement, Dargue and Foulois were to land south of the city while Carberry and Dodd were scheduled to come down north of town. After landing, Foulois climbed out of the machine and directed Dargue to fly north of the city and land near the other airplane. Foulois then started walking toward town. As Dargue was taking off he was fired on by the troops of the Mexican garrison and the plane was punctured by the bullets. Foulois, hearing the firing, ran to the scene of action. The firing stopped but Foulois was arrested and carried to jail, followed by a mob of several hundred men and boys. After considerable delay Foulois established contact with the American consul and a certain Colonel Miranda, chief of staff to General Gutierrez, military governor of Chihuahua and supporter of the Carranza Government. The general immediately ordered Foulois released.

"In the meantime Townsend Dodd had entered the town from the north with the duplicate dispatches. Carberry and Dargue were left to guard the airplanes, which were soon surrounded by natives and Carranzistas bent on destruction. The native population, evidently in not too happy a state of mind, attempted to rip the fabric of the American machines with knives and to remove bolts and nuts from both planes. Several holes were burned in the wings of Dargue's machine with cigarette butts. As the crowd became more and more insulting, Carberry took off and flew to the American smelters nearby. Dargue, with the same idea in mind, took off in a hail of stones, but before he could cover any distance the top section of the fuselage blew off, damaging the stabilizer and causing an immediate landing on the same field filled with hostile Mexicans. Dargue then stood off the angry crowd, ducking stones all the while, until rescued by the arrival of a Mexican guard in pursuance of orders from General Gutierrez. Repairs were made during the night and the four Americans left Chihuahua City the next day at 5:30 a.m., thus avoiding another hostile mob.

"On April 8, 1916, after only a few days at Namiquipa, the advanced base of the 1st Aero Squadron was moved to San Antonio, Mexico, a small town between Chihuahua and Guerrero. Operating from San Antonio, the airplanes of the squadron became more useful to the Army ground troops because of the lower altitudes and open country—the rugged mountains had been left behind while others were located south of the Chihuahua-San Antonio sector. On April 11, Herbert A. Dargue and Edgar S. Gorrell flew from San Antonio, Mexico, to Columbus, N. Mex., stopping at Colonia Dublan. This 315-mile flight was made in 4 hours and 10 minutes. The pilots carried a fake report of the death of Francisco Villa. On the same day Lt. Carleton G. Chapman was captured at Santa Rosalia after a reconnaissance flight and was hustled off as temporary prisoner to be interviewed by the officer of the local Carranza garrison. During his absence from the airplane his field-glasses, goggles, and considerable ammunition were stolen by the native soldiers.

"During the next few days reconnaissance and communication missions were flown daily. On April 13 Foulois flew to Chihuahua where he learned of the Parral engagement and received from the military governor at Chihuahua the ultimatum demanding the withdrawal of American troops. On the following day (April 14) Lts. Herbert A. Dargue and Edgar S. Gorrell made a reconnaissance flight of more than 315 miles over territory from Columbus, N. Mex., to Boca Grande, Pulpit Pass, Oxaca Pass,

Cerretos, Janos, Ascencion, and return to Columbus. This flight by Dargue and Gorrell is described as 'an unofficial American distance record for two pilots.' On the same day, far to the south, Lt. Ira Rader damaged his airplane landing on rough ground some 100 miles from the nearest American base. Rader was forced to abandon his plane and join the infantry column commanded by Maj. Robert L. Howze near Ojito.

"On April 15, 1916, Dargue and Gorrell returned to their advanced base of operations from the Columbus headquarters—covering the 415-mile distance with two stops. On April 17, squadron headquarters were moved to Namiquipa and routine reconnaissance flights continued.

"The story book adventures of the pioneer aviators in Mexico continued on April 19, 1916, when Lts. Robert Willis and Herbert A. Dargue, flying a routine reconnaissance mission between San Antonio, Mexico, and Chihuahua City, crashed on the side of a mountain. Willis, pinned under the wreckage, suffered a severe scalp wound and a bruised ankle. The wreckage of the Curtiss JN-2 was burned according to orders and although 'it was not anticipated that the green mountains would take fire * * * one of the largest forest fires in Mexico took place as the result, the mountains burning for fully 40 miles.' Dargue and the injured Willis then walked 60-odd miles to San Antonio, experiencing 'constant suffering and hardship' on the journey. They arrived at their base on April 21 and three days later proceeded by automobile to Namiquipa.

"The campaign in northern Mexico was nearing an end. On April 20, 1916, the 1st Aero Squadron was ordered to return to Columbus, N. Mex., to receive new airplanes. Of the eight carried into Mexico, only two were in commission during the third week in April and these were 'in such condition as to be unsafe for further field service.' On April 20, therefore, the battered old JN-2's were flown to Columbus to be condemned and destroyed.

"In the main the serious work of the 1st Aero Squadron has ended. During the military operations in Mexico, March 13–August 15, 1916, the squadron completed 540 flights covering more than 19,000 miles carrying mail and messages and doing reconnaissance and photographic work. In general, America's first aviation effort was not entirely successful. This was not because the young aviators lacked courage and ability, but because their airplanes failed in mountain and desert operations. In fact, the Villa expedition, failing utterly in its primary objective, exhibited to the world such a lamentable unpreparedness for war that it encouraged Mexicans of all groups, including Carranza, to resist American demands, however reasonable.

"The 1st Aero Squadron was based at Columbus, N. Mex., until August 5, 1917, when it left the border for the European theater of operations. On May 13–16, 1916, several new pilots reported to the squadron from the Signal Corps Aviation School at North Island. The new group included Capt. John F. Curry and Lts. Ralph Royce and Roy S. Brown. On July 13–14, another group—including Lts. B. M. Atkinson, H. S. Martin, John B. Brooks, and Carl Spaatz—arrived at Columbus. All of these newcomers joined the squadron too late to see service in the Mexican operations.

"When the United States entered World War I in April 1917, the Aviation Section, Signal Corps of the Army, consisted of only 65 officers, 35 of whom were rated as flying officers, and only slightly more than 1,000 enlisted men. The Aviation Service, soon to become the Air Service of the Army, was on the eve of its first period of rapid expansion, and as the role of air power increased, so did the role of the Southwestern States in military aviation."

The ACTING PRESIDENT pro tempore. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution (S.J. Res. 108) ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Air Force is hereby authorized and directed to present the Distinguished Flying Cross to Major General Benjamin D. Foulois (AO1590), United States Air Force, retired, in recognition of his extraordinary and heroic achievements in aerial flight while serving with the air arm of the Army from 1908 to 1935, and in recognition of his outstanding contributions to military aviation during that period. As Chief of the Air Service, American Expeditionary Force, during World War I and later as Chief of the Army Air Corps from 1931 to 1935 he was highly instrumental in developing the fledgling air arm of the United States from its infancy to a position of power and prestige.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 2391) to amend various sections of the Atomic Energy Act of 1954, as amended, and the Euratom Cooperation Act of 1958, and for other purposes, was announced as next in order.

Mr. MUSKIE. Mr. President, this is not an item to be considered on a call of the calendar, and should go over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1927) to amend further the Federal Farm Loan Act and the Farm Credit Act of 1933, as amended, and for other purposes, was announced as next in order.

Mr. MUSKIE. Mr. President, Calendar No. 723, S. 1927, and Calendar No. 724, a bill (S. 1908) to provide for a national hog cholera eradication program, should go over. They are not matters to be considered on a call of the calendar.

The ACTING PRESIDENT pro tempore. Both measures will be passed over.

The bill (H.R. 1021) to extend for 2 years the definition of "peanuts" which is now in effect under the Agricultural Adjustment Act of 1938 was announced as next in order.

Mr. KEATING. Over.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1037) to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities, was announced as next in order.

Mr. MUSKIE. Over, by request.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S.J. Res. 51) authorizing the creation of a commission to consider and formulate plans for the construction in the District of Columbia of an appropriate memorial to the memory of Woodrow Wilson, was announced as next in order.

Mr. MUSKIE. Mr. President, this is not an item to be considered on a call of the calender, and should go over.

The ACTING PRESIDENT pro tempore. The joint resolution will be passed over.

NATIONAL ARMED FORCES MUSEUM ADVISORY BOARD

The bill (H.R. 4659) to establish a National Armed Forces Museum Advisory Board of the Smithsonian Institution, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

INCREASED EXPENDITURES FOR COMMITTEE ON ARMED SERVICES

The resolution (S. Res. 189) increasing the limit of expenditures for hearings before the Committee on Armed Services was considered and agreed to, as follows:

Resolved, That the Committee on Armed Services hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-seventh Congress, $10,000 in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946.

RESOLUTION PASSED OVER

The resolution (S. Res. 141) to express the sense of the Senate on time for holding national conventions for nominations of President and Vice President was announced as next in order.

Mr. MUSKIE. Mr. President, it is the view of the calendar committee that this resolution is not an item to be considered on a call of the calendar. It should go over.

The ACTING PRESIDENT pro tempore. The resolution will be passed over.

PAYMENT OF WITNESS FEES

The resolution (S. Res. 197) relating to the payment of witness fees was considered and agreed to, as follows:

Resolved, That witnesses summoned to appear before the Senate or any of its committees shall be entitled to a witness fee rated at not to exceed $16 for each full day spent in traveling to and from the place of examination and for each full day in attendance. A witness shall also be entitled to reimbursement of the actual and necessary transportation expenses incurred by him in traveling to and from the place of examination, in no case to exceed 12 cents a mile for the distance actually traveled by him for the purpose of appearing as a witness.

ADDITIONAL FUNDS FOR OFFICIAL REPORTERS OF DEBATES OF THE SENATE

The resolution (S. Res. 196) authorizing additional funds for the Official Reporters of Debates of the Senate was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate is hereafter authorized and directed to pay to the Official Reporters of Debates of the Senate such sums as may be necessary for

obtaining, by contract, assistance as required during each session of Congress, not to exceed $10,000, such payments to be made from the contingent fund of the Senate.

PAUL C. JOHNSON, JR.

The resolution (S. Res. 195) to pay a gratuity to Paul C. Johnson, Jr., was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Paul C. Johnson, Junior, son of Paul C. Johnson, an employee of the Senate at the time of his death, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

BILL PASSED OVER

The bill (S. 1563) to authorize the conveyance of certain lands within the Clark Hill Reservoir, Savannah River, Ga.-S.C., to the Georgia-Carolina Council, Inc., Boy Scouts of America, for recreation and camping purposes, was announced as next in order.

Mr. MUSKIE. Over, by request.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

FEDERAL ASSISTANCE TO GUAM, AMERICAN SAMOA, AND THE TRUST TERRITORY OF THE PACIFIC ISLANDS

The bill (S. 1742) to authorize Federal assistance to Guam, American Samoa, and the Trust Territory of the Pacific Islands in major disasters was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsections (b) and (c) of section 2 of the Act entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes", approved September 30, 1950 (64 Stat. 1109), as amended, are amended to read as follows:

"(b) 'United States' includes the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"(c) 'State' means any State in the United States, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands."

SEC. 2. Section 3 of the said Act is amended by inserting in clause (d), after the words "replacements of public facilities of" the words "States and".

NATIONAL ZOOLOGICAL PARK

The bill (S. 2295) to amend the act entitled "An act for the organization, improvement, and maintenance of the National Zoological Park," was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act entitled "An Act for the organization, improvement, and maintenance of the National Zoological Park", approved April 30, 1890 (26 Stat. 78), is amended by inserting immediately after "administer" the following: "and improve".

MODIFICATION OF THE PROJECT MISSISSIPPI RIVER

The bill (H.R. 4660) to authorize modification of the project Mississippi River between Missouri River and Minneapolis, Minn., to damage to levee and drainage districts with particular reference to the Kings Lake Drainage District, Missouri, was considered, ordered to a third reading, was read the third time, and passed.

DORMANT ACCOUNTS OF NATIONAL BANKS

The bill (S. 1486) to authorize the Comptroller of the Currency to establish reasonable maximum service charges which may be levied on dormant accounts by national banks was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) any national banking association may, in accordance with such regulations as the Comptroller of the Currency shall prescribe, take, receive, reserve, or charge on any dormant account a reasonable service charge which is not in excess of such rate or charge as the Comptroller of the Currency shall by regulation establish.

(b) Sections 5239 and 5198 of the Revised Statutes of the United States, as amended (12 U.S.C. 93, 94), shall be applicable to violations of this Act and the regulations established thereunder.

SEC. 2. This Act shall take effect on the sixtieth day after the date of its enactment.

Mr. YARBOROUGH subsequently said: Mr. President, earlier today the Senate passed S. 1486, the bill relating to service charges on dormant accounts in national banks. I ask unanimous consent that an excerpt from the committee report be printed at the appropriate place in the RECORD.

There being no objection, the excerpt from the report (Rept. No. 761) was ordered to be printed in the RECORD, as follows:

S. 1486 would authorize the Comptroller of the Currency to establish reasonable maximum service charges which may be levied by national banks on dormant accounts. The bill authorizes the Comptroller to prescribe regulations relating to these service charges, including maximum charges which may be made.

It is customary for banks to impose service charges on accounts in order to compensate them for the services rendered in connection with such accounts. These charges vary from bank to bank and from account to account and are established as a matter of contract between the bank and the depositor.

When an account becomes dormant and deposits and withdrawals cease, the bank's services with respect to the account naturally diminish. And in most States after a bank account has been dormant for a specified period of years the account escheats to the State.

Evidence was presented to the committee to the effect that in a substantial number of cases the States' interest in these dormant accounts under escheat laws has been and is being frustrated by service charges imposed by national banks on dormant accounts unreasonable in relation to the services rendered in connection with the dormant accounts—in some cases continuance of service charges appropriate in connection with active accounts and in other cases increased service charges. When such practices occur in State banks the State regulatory authorities have ample authority to prevent them. However, in the case of national banks the States are unable to do so. S. 1486 would make it clear that the Comptroller has authority to issue regulations imposing maximum service charges on dormant accounts in order to prevent national banks from engaging in such practices.

It is the committee's understanding and intention that the regulations issued by the Comptroller of the Currency will contain appropriate definitions of what constitutes a dormant account, both with respect to the types of activity and the time periods involved, in addition to prescribing the specific maximum service charge or charges.

The committee obtained reports on the bill from the Treasury Department, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation. Each of these agencies stated that it would have no objection to the enactment of the bill. The committee held a hearing on the bill on July 10, 1961, pursuant to notice given in the CONGRESSIONAL RECORD. Testimony in support of the bill was received. No objections to enactment of the bill have been made known to the committee.

CHANGES IN EXISTING LAW

Paragraph (a) of the bill is a new provision and does not amend or repeal existing law.

Paragraph (b) of the bill would make applicable to violations of the proposed law and of regulations thereunder the following provisions of law:

Title 12, U.S.C., section 93 (U.S.R.S., sec. 5239): If the directors of any national banking association shall knowingly violate, or knowingly permit any of the officers, agents, or servants of the association to violate any of the provisions of this title, all the rights, privileges, and franchises of the association shall be thereby forfeited. Such violation shall, however, be determined and adjudged by a proper circuit, district, or territorial court of the United States, in a suit brought for that purpose by the Comptroller of the Currency, in his own name, before the association shall be declared dissolved. And in cases of such violation, every director who participated in or assented to the same shall be held liable in his personal and individual capacity for all damages which the association, its shareholders, or any other person, shall have sustained in consequence of such violation.

"Title 12, U.S.C., sections 94 (U.S.R.S., sec. 5198): Suits, actions, and proceedings against any association under this title may be had in any circuit, district, or territorial court of the United States held within the district in which such association may be established or in any State, county, or municipal court in the county or city in which said association is located having jurisdiction in similar cases."

Mr. YARBOROUGH. Mr. President, in addition to the reasons stated in the report for the approval of the bill, another reason is the protection of accounts for the owners of accounts. The report states that in a substantial number of cases the interest of the States in the dormant accounts under escheat laws has been frustrated by service charges imposed by national banks on dormant accounts. However, one of the great needs was to protect depositors and heirs

of depositors in instances where banks were charging an exorbitant deposit fee on accounts and service charge accounts, and thereby were working a hardship on the private depositors.

BILL PASSED OVER

The bill (H.R. 1022) to amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments was announced as next in order.

Mr. KEATING. Over by request.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

That completes the call of the calendar.

HOG CHOLERA ERADICATION PROGRAM

Mr. MUSKIE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 724, S. 1908.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1908) to provide for a national hog cholera eradication program.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Maine.

The motion was agreed to, and the Senate proceeded to consider the bill.

Mr. TALMADGE. Mr. President, I ask unanimous consent to have a statement explaining the bill printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXPLANATION OF S. 1908

Hearings were conducted by the Subcommittee on Agricultural Research and General Legislation. The witnesses were unanimous in their support of the bill.

This bill directs the Secretary of Agriculture to first, initiate a national hog cholera eradication program in cooperation with the States; second, restrict the interstate movement of virulent or other hog cholera virus as necessary; and third, establish a committee to advise on the program.

Hog cholera is an acute, contagious disease that is usually fatal. First recognized in the United States about 130 years ago, it has spread to all swine-producing areas of the country and occurs in each State. The annual cost of hog cholera to the Nation's swine producers is estimated at $40 to $60 million. This includes losses from death on the farm, condemnation or slaughter, and the continuing costs of vaccination. It does not include the losses of potential foreign pork markets. Eleven countries now ban or restrict imports from this country because of hog cholera.

The Department of Agriculture recommends the adoption of this bill. It believes that a program started now can successfully eradicate hog cholera.

Under the program provided for by the bill, the States would assume the responsibility for enforcement of State laws and regulations pertaining to the report of diseases, quarantining of infected and exposed premises, and other intrastate measures. The Federal Government would share in the payment of indemnities and would undertake responsibility for the enforcement of Federal laws and regulations.

The bill would make it clear that the Department of Agriculture would have authority to control the interstate movement of hog cholera virus. The use of fully virulent virus is no longer needed for immunizing swine and its use is now prohibited in 38 States and Puerto Rico.

The Advisory Committee would consist of 11 members selected from the swine and related industries, State, and local governments, professional and scientific groups, and in addition 1 member from the Department of Agriculture to serve as chairman. The Committee would advise the Secretary with respect to the initiation of the eradication program and the development of plans for procedure for carrying it out. Members would not be compensated except for expenses.

The cost of the program is estimated at about $4 million for the first year and $10 million a year for another 4 or 5 years. This is a modest price to pay for the eradication of a disease which now costs the country between $40 and $60 million. Producers and others are anxious to cooperate in this program and to get it started now. The Department says it has the knowledge necessary to eradicate this disease, and some of the States have already appropriated funds for an eradication program.

Mr. SYMINGTON. Mr. President, S. 1908, a bill to provide for a national hog cholera eradication program, as introduced by the distinguished junior Senator from Georgia, Senator TALMADGE, has been placed on the calendar for consideration by the Senate.

This bill provides for a Federal-State cooperative campaign to stamp out hog cholera. It is of considerable interest to the farmers of Missouri.

It has been estimated that this disease costs our farmers some $60 million a year. This program would provide virulent serum to be substituted for a dead virus-type vaccine. It has already been undertaken in 38 States.

Eleven countries now prohibit the importation of pork. Canada has warned that it will impose similar limitations if the disease is not wiped out in the United States.

My own State of Missouri—one of the major pork-producing States—would benefit from this legislation. Our State legislature, like the other States, would have to provide funds—for matching purposes—to pay indemnities to owners of slaughtered hogs under the proposed eradication program.

I urge Senate approval of this important measure.

Mr. President, I ask unanimous consent that a statement by Mr. Don Thomason, commissioner of agriculture, State of Missouri, in support of S. 1908, be inserted in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY DON THOMASON

After reviewing Senate bill 1908, I recommend favorable consideration for the following reasons:

1. It is basic, yet adequate, for the development of a national cooperative effort between the Federal and State agencies.

2. The disease of hog cholera is costing the industry an amount in excess of the estimated $50 million annually.

3. Its eradication is essential for the expansion of foreign markets for our pork and pork products.

4. While the control and eradication of hog cholera, as well as other contagious and infectious diseases is basically the responsibility of the several States, the fact remains that cholera cannot be eradicated without Federal participation and cooperation, particularly in the area of the interstate movement of swine and pork products.

5. National legislation and Federal participation is essential for uniformity in program development.

6. There is support from all segments of the swine industry for the eradication of hog cholera.

7. There is no question but that the swine industry of Missouri will support a cooperative program for the eradication of hog cholera.

The ACTING PRESIDENT pro tempore. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1908) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to safeguard the health of the swine herds of the Nation, to prevent the spread of hog cholera, to decrease substantially the estimated $50,000,000 annual loss from hog cholera, to expand export markets for pork and pork products now restricted on account of hog cholera, and to otherwise protect the public interest, the Secretary of Agriculture is hereby directed (1) to initiate a national hog cholera eradication program in cooperation with the several States under the provisions of section 11 of the Act of May 29, 1884, as amended (21 U.S.C. 114a), and related legislation, and (2) to prohibit or restrict, pursuant to the authority vested in him under the provisions of section 2 of the Act of February 2, 1903, as amended (21 U.S.C. 111), the interstate movement of virulent hog cholera virus or other hog cholera virus to the extent he determines necessary in order to effectuate such eradication program.

SEC. 2. (a) The Secretary of Agriculture is authorized and directed to establish an advisory committee composed of (1) eleven members selected from representatives of the swine and related industries, State and local government agencies, professional and scientific groups, and the general public, and (2) one member selected from the officers and employees of the Department of Agriculture who shall serve as chairman of the Committee. The Committee shall meet at the call of the Secretary.

(b) It shall be the function of the Committee to advise the Secretary with respect to the initiation of the national hog cholera eradication program referred to in the first section of this Act, and with respect to the development of plans and procedures for carrying out such program.

(c) Committee members other than the chairman shall not be deemed to be employees of the United States and shall not be entitled to compensation, but the Secretary is authorized to pay their travel and subsistence expenses (or per diem in lieu thereof) in connection with their attendance at meetings of the Committee.

DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1961

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 707, H.R. 7371, and that the bill be laid before the Senate and made the unfinished business.

The ACTING PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 7371) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

Mr. JAVITS. Mr. President, will the Senator withhold his request for a minute?

Mr. MANSFIELD. I withhold the suggestion briefly, without losing my right to the floor.

Mr. JAVITS. I have an amendment to the appropriation bill, which I announced the other day, which deals with the U.S. Information Agency and has nothing to do with the other problem, which may take a good deal more time. I wondered what would be the convenience of the Senator as to debate on that?

Mr. MANSFIELD. If the Senator from New York will indulge me, I suggest that ought to be offered later in the afternoon, after the chairman of the committee has taken over and gotten action on the committee amendments and related matters.

Mr. JAVITS. I thank the Senator.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum with the understanding that I shall not lose my right to the floor.

The ACTING PRESIDENT pro tempore. With that understanding the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF FARM LOAN ACT AND FARM CREDIT ACT.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 723.

The ACTING PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1927) to amend further the Federal Farm Loan Act and the Farm Credit Act of 1933, as amended, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill (S. 1927) to amend further the Federal Loan Act and the Farm Credit Act of 1933, as amended, and for other purposes, which had been reported from the Committee on Agriculture and Forestry, with amendments, on page 3, line 4, after the word "permit", to strike out "but no additions thereto shall be made which would increase such reserves above 5 per centum of loans outstanding at the end of the fiscal year)" and insert "until such reserves equal or exceed 3½ per centum of loans outstanding at the end of the fiscal year beyond which 3½ per centum further additions to such reserves are not required but may be made)"; in line 14, after the word "bank", to insert "and"; after line 14, to strike out:

(3) by inserting in the first paragraph of section 41 thereof (12 U.S.C. 1134c) immediately before the semicolon at the end of clause "(a)" the following: ", but no loan shall be made to any such cooperative association unless at least 75 per centum, or such higher per centum as the board of directors of a bank for cooperatives determines, of the voting rights are held by agricultural producers or other cooperative associations eligible to borrow from such bank" and by substituting in the second paragraph of said section 41 for the words "as defined in the Agricultural Marketing Act, as amended," the words "eligible for loans under the foregoing provisions of this section";

On page 4, after line 2, to strike out:

(4) by inserting in the first paragraph of section 34 thereof (12 U.S.C. 1134j) immediately before the semicolon at the end of clause "(a)" the following: ", but no loan shall be made to any such cooperative association unless at least 75 per centum, or such higher per centum as the board of directors of the central bank determines, of the voting rights are held by agricultural producers or other cooperative associations eligible to borrow from such bank" and by substituting in the last paragraph of said section 34 for the words "as defined in the Agricultural Marketing Act, as amended," the words "eligible for loans under the foregoing provisions of this section"; and

And, at the beginning of line 16, to strike out "(5)" and insert "(3)"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 12 of the Federal Farm Loan Act, as amended (12 U.S.C. 771), is amended—

(1) by substituting "a fixed number of one or more installments each year" for "a fixed number of annual or semiannual installments" in paragraph "Second" thereof; and

(2) by substituting in the fourth sentence of paragraph "Sixth" thereof the following for all that comes after "but no such loan shall be made to a corporation": "unless the principal part of its income is derived from farming operations and unless owners of stock in the corporation assume personal liability for the loan to the extent required under rules and regulations prescribed by the Farm Credit Administration.".

(b) Section 202(c) of the Federal Farm Loan Act, as amended (12 U.S.C., supp. II, sec. 1033), is amended by changing the word "five" to the word "seven".

SEC. 2. The Farm Credit Act of 1933, as amended, is amended—

(1) by adding the following subsection to section 5 thereof (12 U.S.C. 1131i):

"(f) The revolving funds created by subsections (a) and (e) of this section are hereby combined into a single revolving fund which shall be available for all purposes for which both such funds were heretofore available, and reference in any provision of law to the revolving fund created by said subsection (a) or said subsection (e) shall be deemed a reference to the single revolving fund created by this subsection.";

(2) by changing section 22(a) thereof (12 U.S.C. 1131f(a)) to read:

"(a) Each production credit association shall, at the end of each fiscal year, apply the amount of its earnings for such year in excess of operating expenses (including provision for valuation reserves against loan assets in an amount equal to one-half of 1 per centum of loans outstanding at the end of the fiscal year, to the extent that earnings for the year in excess of other operating expenses permit, until such reserves equal or exceed 3½ per centum of loans outstanding at the end of the fiscal year beyond which 3½ per centum further additions to such reserves are not required but may be made), first, to the restoration of the impairment, if any, of capital; and, second, to the establishment and maintenance of a surplus account, the minimum amount of which shall be prescribed by the Federal intermediate credit bank."; and

(3) by adding the following subsection to section 36 thereof (12 U.S.C. 1134l):

"(d) Notwithstanding any other provision of this Act, in the case of liquidation or dissolution of any present or former borrower from a bank for cooperatives, the bank, may, in accordance with rules and regulations prescribed by the Farm Credit Administration, retire and cancel any capital stock or allocated surplus and contingency reserves or other equity interest, in the bank owned by such borrower at the fair book value thereof, not exceeding par, and, to the extent required, corresponding shares and allocations or other equity interests held by the regional bank in the central bank shall be retired.".

Mr. MUSKIE. Mr. President, this bill was passed over on the call of the calendar because of a question raised with the calendar committee bearing upon a statement made in the report. The Senator from Florida [Mr. HOLLAND] is present and is willing to make the information in this regard part of the RECORD. I should like to direct a question to him, if I may.

Mr. HOLLAND. Mr. President, I shall be happy to respond, if I can, to any question the Senator from Maine may have.

Mr. MUSKIE. Mr. President, at the bottom of page 10 and the top of page 11, there appears a statement in the report from the Treasury Department, as follows:

In summary, it appears that appropriate bad debt reserves for production credit associations can best be resolved on an administrative basis; that the proposed statutory 5 percent reserve ceiling cannot be justified from the viewpoint of a logical and equitable application of the income tax law even when taking into account the large loss experience of lending institutions during the economic collapse of the 1930's; and that enactment of a 5 percent reserve ceiling for production credit associations, if used as a precedent for comparable lending institutions, would entail revenue losses substantially in excess of $1 billion.

The question which arose in the calendar committee was as to that tax impact suggested by the section of the report. I should appreciate having the Senator's comments.

Mr. HOLLAND. I am very happy to respond to that question, Mr. President.

In the first place, the bill would amend various sections relative to the Farm Credit Administration units, in furtherance of the purpose which we entered into in 1953, to have all those units pass under the control of the growers who were using them. The one section which seems to have brought any difficulty is the one referred to by the distinguished Senator from Maine. That section would permit the production credit associations to set up a bad debt reserve of 3½ percent of their outstanding loans on a basis of transferring to that reserve one-half percent each year until the reserve is completed.

The subject matter is one that has brought on a great deal of trouble and litigation. There have been 23 suits in the Federal district courts relative to the reserves set up by production credit associations, which now, in most cases, belong entirely to the growers who are using them. Of the 488 associations, I believe now there are only 13 in which there is any Federal capital still invested. These suits are referred to on page 10 of the committee report. If the distinguished Senator will look at that page, I think he will see a rather brief statement appearing in the third paragraph on that page, which I shall read into the RECORD:

> In such actions brought by 23 of the associations, the courts allowed the claims of 17 associations in full; in 3 cases a substantial part of their claims were allowed; and only in 3 cases were the additions claimed disallowed in total. These decided cases are summarized at pages 77–79 of the hearings on S. 1927 under the heading "Percentages of Outstanding Loans Accepted by Courts as Appropriate for Bad Debt Reserves of Production Credit Associations in Passing on Additions Thereto To Be Allowed as Deductions for Federal Income Tax Purposes." In one case, the court allowed the association accumulated bad debt reserves of only 3 percent of outstanding loans even though more was claimed. For other associations, accumulations as high as 4.09, 3.76, 4.15, 3.88, 4.33, 4.65, 4.76, and 4.49 percent of outstanding loans were allowed by the courts as bad debt reserves. Smaller accumulations were involved for most of the associations because they had not yet built up their reserves any further for the years in dispute. Inasmuch as such court decisions now have delineated what are deemed reasonable bad debt reserves for the production credit associations, it is considered that the associations should not have to continue to resort to court actions to sustain deductions made for bad debt reserves. Such a procedure is costly and time consuming not only to the associations but also to the United States which is represented by the Department of Justice in such actions. The reasons for specifying in the law the amounts which the production credit associations are to add to their bad debt reserves each year were gone into at length in the hearings on S. 1927.

As the bill was originally drafted by the Farm Credit Administration and introduced by the distinguished Senator from Louisiana [Mr. ELLENDER], the chairman of our committee, it would have provided for an authorization of reserves to the extent of 5 percent of the outstanding loans. The committee, on seeing the record of these 23 suits, noting that so many of them were in the area between 3½ percent and 5 percent, decided that, as a matter of caution, we should approve the establishment of a reserve of 3½ percent, with the provision in the bill that if higher reserves were needed, under the method of doing business of any particular production credit association, such higher reserve could be agreed upon between the association and the Commissioner of Internal Revenue.

Earlier than our drafting of the amendment, which is now in the bill, and which we think is entirely reasonable, the question had been submitted to the Department of the Treasury. The submission brought forth the letter from which the distinguished Senator from Maine has quoted, in part. If the Senator will look at the report, he will see the entire letter of the Treasury Department set forth on page 17 and following to the middle of page 20. It is a letter addressed to the Senator from Louisiana [Mr. ELLENDER] from Stanley S. Surrey, Assistant Secretary. However, the Senator will note that on page 19, the place at which this "$1 billion dream" came into the picture, there appears the following:

> At the present time, the average reserve ceiling of commercial banks employing the bad debt reserve formula amounts to 2.4 percent of eligible loans. It is estimated that, if a 5-percent reserve ceiling were applied to commercial banks, the consequent loss to Federal revenues would amount to well over $1 billion over a short period of time, plus a substantial continuing revenue loss as the banks increased their outstanding loans.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. MUSKIE. The first point that ought to be made is that the bill provides for 3½ percent rather than 5 percent.

Mr. HOLLAND. The Senator is correct. Furthermore, to bring about any such great loss as Mr. Surrey indicates in his letter would require not only a 5 percent reserve, but also would require that the reserve be made applicable to commercial banks, which he mistakenly refers to in the paragraph which the Senator has read into the RECORD as "similar institutions." They are not similar institutions, because the commercial banks lend from deposited funds, funds which are deposited by their customers, whereas the production credit associations lend entirely from borrowed funds, on which they can have only a small markup in the interest rate under the law.

Mr. MUSKIE. Mr. President, will the Senater yield?

Mr. HOLLAND. I yield.

Mr. MUSKIE. What, if any, would be the impact of this specific provision with respect to the lending institutions covered by it upon tax revenues?

Mr. HOLLAND. It would be completely negligible, because the courts have repeatedly upheld reserves greater than 3½ percent. What we are trying to do is to establish a figure which would give repose to these organizations—488 of them—which exist for only one purpose. I was about to add that whereas commercial banks can lend for many purposes, these institutions, which lend only borrowed money, can lend for only one purpose, and that is the production of agricultural crops on a short-term basis, so the production credit associations are in no sense comparable to commercial banks. The committee, with what I thought was an excess of caution, reduced the 5-percent reserve figure to 3½ percent. Of course, it applies only to the production credit associations. As the Senator has already noted, in many instances the courts have upheld reserves over 3½ percent in actually litigated cases.

Mr. MUSKIE. Mr. President, I express my appreciation to the distinguished Senator from Florida. He has answered to my satisfaction the questions which were raised by the calendar committee.

Mr. HOLLAND. I thank the distinguished Senator.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a general explanation of the bill, which I shall not weary the Senate by reading, but merely place it in the RECORD as an explanation of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HOLLAND

This bill makes several technical changes in the laws relating to the cooperative credit system regulated by the Farm Credit Administration.

Two of these changes relate to the Federal land banks. The Federal land banks are the long-term real estate lending agencies of the farm credit system. They are entirely borrower owned. The first of the amendments relating to the Federal land banks permits installment payments on loans made by the banks to be scheduled more frequently than semiannually. The law now provides that each mortgage shall contain an agreement providing for the repayment of the loan on an amortization plan by means of a fixed number of annual or semiannual installments. Where the borrower's income is received on a monthly basis or some other basis more frequently than semiannually, as is the case for instance with milk producers, a monthly or other repayment schedule may be preferable to an annual or semiannual schedule. The bill would permit the most suitable arrangement to be made.

The second amendment relating to the Federal land banks would make it easier for a farm which had incorporated to obtain a loan. Many family farms are incorporated today for a variety of purposes. For instance, incorporation makes it easier to divide up the various interests among the children when the parents die. At present Federal land banks may make loans to corporations only where the owners of 75 percent of the stock are actually farming on the land and owners of a like amount of stock assume personal liability for the loan. Thus if the stock should descend to two sons in equal parts and only one of them remains on the farm the Federal land bank could not make a loan to the corporation. The bill would amend this to permit a loan to a farming corporation if the owners of stock in the corporation assume personal liability for the loan to the extent required under the rules and regulations prescribed by the Farm Credit Administration.

Three of the changes made by the bill relate to the intermediate credit agencies; namely, the Federal intermediate credit banks and the production credit associations.

At present the maximum maturity for loans or discount by the Federal intermediate credit banks is 5 years. The bill would make this 7 years. Experience has shown that while maturities of 2 to 5 years are satisfactory in most cases of loans made for such purposes as purchases of livestock and heavy equipment, improvement of farm buildings, and installation of bulk milk tanks, the banks at times encounter individual cases in which a 6- or 7-year maturity is needed to liquidate the obligation.

The second amendment relating to the intermediate credit agencies would combine the revolving funds available for subscription by the Government to the stock of the production credit associations and the Federal intermediate credit banks. At present there is a revolving fund of $60 million available for subscription to the capital stock of production credit associations, and a revolving fund of $70 million authorized for subscription to the capital stock of the Federal intermediate credit banks. Of the latter $70 million authorized revolving fund, only $40 million has actually been made available and the increase to $70 million is to be made with proceeds from the retirement of the last $30 million of Government-owned stocks in the credit banks at January 1, 1957. Only a small portion of the $60 million revolving fund is needed for the production credit associations. However, the Federal intermediate credit banks may have greater needs than can be supplied by the revolving fund now available to them. The law prescribes that the debentures and similar obligations issued for a Federal intermediate credit bank and other borrowings may not exceed 10 times the surplus and paid-in capital of the bank. As the banks expand their business in order to meet farmers' needs for intermediate credit, it is therefore necessary that they issue additional stock. As of March 1, 1961, investments in the capital stock of the credit banks out of the revolving fund totaled $19,350,000, and it is estimated that an additional $5,500,000 will be needed through the rest of this year, leaving $15,150,000 of the original $40 million available after this year. The production credit associations obtain their funds by discounting notes with the Federal intermediate credit banks. The most effective way, therefore, of providing the production credit associations with needed funds is to permit use of both revolving funds for the purchase of stock in the Federal intermediate credit banks, thereby expanding the base for borrowing by the Federal intermediate credit banks and increasing their ability to discount the notes of the production credit associations.

The third change made by the bill with respect to intermediate credit agencies relates to the production credit associations. With the committee amendment, it requires them to set aside from each year's earnings an amount equal to one-half percent of their outstanding loans for a bad debt reserve until such reserve equals 3½ percent of outstanding loans, after which increases in the reserve are permitted, but not required. At present the law permits the establishment of a bad debt reserve without limitation and without requirement as to the setting up of any specific amount. The production credit associations were not subject to Federal income taxes so long as the United States held any class A stock in them. At present the Government holds class A stock in only 13 associations out of a total of 488, so that the remaining 475 associations are now subject to Federal income tax. The first of the associations to file Federal income tax returns began doing so in 1945. Since that time the Internal Revenue Service has questioned the reasonableness of the bad debt reserves of the associations in a great number of cases. Twenty-three associations have brought suit against the Government to recover the amount of taxes paid as a result of the disallowance of bad debt reserve deductions by the Internal Revenue Service. In 17 of these 23 cases the courts allowed the associations' claims in full. In three cases the courts allowed a substantial part of the associations' claims, and in only three cases were the claims disallowed in total. The courts have allowed bad debt reserves as high as 4.76 percent of outstanding loans. The bill, by requiring the production credit associations to accumulate a bad debt reserve of 3½ percent of outstanding loans, would be legislatively determining a reasonable bad debt reserve for production credit associations which ought to be determinative of the question of reasonableness for the purpose of the Federal income tax laws as well. In view of the fact that a number of courts have allowed bad debt reserves in excess of 3½ percent, the reasonableness of a reserve of this amount should hardly be subject to question.

The bill as introduced prescribed a maximum bad debt reserve of 5 percent. In view of the objections of the Internal Revenue Service, whose letter is set out in the committee report, the committee has recommended a required bad debt reserve of 3½ percent and a permissive bad debt reserve above that without limit. In the case of bad debt reserves above 3½ percent then, the law would be left as it now is and the reasonableness of the excess would be for administrative determination.

The last change by the bill relates to the banks for cooperatives and would permit the retirement of the interests in any bank for cooperatives held by a cooperative which is liquidated or dissolved. Cooperative associations borrowing from banks for cooperatives are required to purchase class C stock in the bank. Such stock may also be issued to the cooperative as a patronage dividend. The cooperative is also allocated an interest in the surplus and contingency reserves of the bank which eventually is payable in class C stock. Class C stock may not be retired until after all class A stock owned by the Government is retired and all class B stock owned by investors issued in the same or earlier fiscal years is retired. It will be some years before such interests are retired and the proceeds can be paid to the holders. When that time comes any interests of former borrowers who have liquidated or dissolved will present a very difficult problem unless the banks are permitted to retire and cancel their interests upon dissolution.

As introduced the bill also contained another provision which would have permitted the banks for cooperatives to make loans to cooperatives, even though only 75 percent of their voting rights were held by farmers. At present the requirement is 90 percent. For the reasons stated in the report the committee thought this provision might not be wise and has recommended its deletion from the bill.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendments.

The amendments were agreed to.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. McCLELLAN. What bill is before the Senate?

The ACTING PRESIDENT pro tempore. S. 1927.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes.

Mr. McCLELLAN. Mr. President, the Committee on Appropriations has reported to the Senate, by unanimous vote, the bill H.R. 7371 covering fiscal year 1962 appropriations for the Departments of State and Justice, the judiciary, and related agencies.

The bill provides total appropriations of $761,452,550. This is an increase of $10,152,500 over the House bill and $15,077,560 over the 1961 appropriations, but is $44,131,652 under the revised estimates for fiscal 1962.

The committee determined that the additional sum over the amount recommended by the House was essential to adequately provide for the additional needs of these departments and agencies in fiscal year 1962 and would enable the State Department and U.S. Information Agency to expand their programs in highly critical areas, especially in Africa and Latin America.

The committee held 15 days of hearings, and over 1,200 pages of testimony were taken. Every consideration was given to each restoration requested and the justifications presented in support thereof. In measuring the need for additional funds, the committee was deeply mindful of the heavy responsibilities presently imposed upon these offices, particularly in the light of mounting world tensions. At the same time, the committee was mindful of the necessity for curtailing or eliminating nonessential expenditures and conserving U.S. dollars where practicable.

The details of the changes recommended by the committee are set forth in the report which is on each Member's desk, and I shall only briefly outline the more significant changes made in the House bill.

For the Department of State, $5,217,000 was added to the House bill. Of this amount, $2,750,000 is for "Salaries and expenses" of the Department and Foreign Service. About $1 million is allowed to strengthen the security activities and the balance is to expand such items as the language training program, the trade expansion program, and so forth. Also provided is $1,600,000 in the "Special foreign currency program" for international educational exchange activities. This will provide a total appropriation of $35,200,000—$27 million in the regular dollar appropriation and $8,200,000 in the "Special foreign currency program." With funds previously appropriated, this will permit an exchange program of $43,957,985 for fiscal 1962. Members of the Senate will be interested

to know that the committee provided $150,000 for the U.S. Citizen Commission on NATO, which together with authorization to use not to exceed $122,130 of the unused funds provided in fiscal 1961, will make available $272,130 to meet the Commission's estimated fund requirements for its operation this year.

For the Department of Justice, the committee recommended, except in one instance, the House allowance, as the Attorney General and his assistants indicated satisfaction with the amounts approved in the various appropriations for the Department. In the appropriation for "Buildings and facilities," the committee approved the additional sum of $250,000, or about one-half of the sum needed to advance the planning program of a new psychiatric center which will be required in the not too distant future because of the increased number of mental patients now in Federal institutions.

For the judiciary branch, only $567,000 was added and this sum was for "Salaries and expenses" of referees, because of the huge increase in bankruptcy cases, up 18 percent over a year ago. This expense is not from public funds but from accumulations in the special bankruptcy account.

For the "U.S. Information Agency," the committee recommended that $4,118,500 be added to the House bill to provide a total appropriation of $138,901,000 for the six items controlled by the Agency. The Agency had asked the committee to restore $13,115,500, but the committee felt the net increase of $4.1 million would be sufficient until the Agency had had an opportunity to reevaluate and reappraise many of its present programs, to bring about better utilization of personnel, display more initiative and aggressiveness in attacking the evils of communism, and report to the committee its accomplishments.

Included in the increase, is the sum of $3.5 million for "Salaries and expenses," and of this amount, the sum of $1.7 million is added in the regular dollar appropriation and $1.8 million is added in the "Special foreign currency" appropriation. The $1.8 million is to cover the costs of regular USIA programs in those countries where the United States owns Public Law 480 funds in excess amounts, and which programs were previously funded from the regular dollar appropriation. This transfer merely increases the utilization of excess foreign currencies and saves U.S. dollars.

The committee also allowed an increase of $1,220,500 in the "Special international program" for trade fairs and trade missions.

An additional $398,000 for the item "Acquisition and construction of radio facilities" was provided to cover the full cost of $3,958,000 for an expanded relay station in the United Kingdom.

For the operation of the "Informational media guarantee program," the committee recommended $1,500,000. Although this was a reduction of $1 million under the House recommendation, together with funds already in the program, it will still permit the Agency to carry out what the committee believes to be an adequate program this fiscal year. The Director of the Agency, Mr. Edward R. Murrow, is presently undertaking a thorough study to determine the effectiveness of this program, and until that study is completed, the committee felt that the suggested appropriation would be sufficient.

As I previously indicated, the committee was unanimous in its approval of the bill as reported, and, accordingly, I recommend approval of the measure.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill as thus amended be regarded for purposes of amendment as original text, provided that no point of order shall be considered to have been waived by reason of agreement to this order.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. MANSFIELD. Does the Senator yield?

Mr. McCLELLAN. I yield.

Mr. MANSFIELD. Have all committee amendments been agreed to?

The ACTING PRESIDENT pro tempore. No.

Mr. JAVITS. Reserving the right to object—and I reserve the right only so that I may ask the Senator a question, because I know the Senator from Montana wishes the floor immediately. I assume the Senator knows that I will move to restore the items for the USIA. If he does not know that, I now state so to him.

Mr. McCLELLAN. The Senator will move to restore everything, with respect to all items?

Mr. JAVITS. No. I will move to restore what the Agency sought to have restored and which the committee did not restore, with the exception of two items, the foreign currency item of $1,800,000, which the committee took care of, and also the item with respect to psychiatric examinations, on which I agree with the committee.

I should like to ask the Senator, as a basis for that ultimate motion, which will come, as I understand, according to the preference of the majority leader, after the civil rights matter has been disposed of, what was the reason for giving the Agency $1,700,000 over and above the amount the House allowed, under the item "Salaries and expenses"? I do not recall the Senator dealing with that in his general statement.

Mr. McCLELLAN. With respect to the dollar appropriations, the agency asked for the restoration of $8,050,000.

Mr. JAVITS. That is correct.

Mr. McCLELLAN. The committee felt that $1,700,000 was sufficient to be added to the House allowance of $110 million. Some of the factors which we considered, which bore weight with respect to what the committee finally recommended, was that the Agency admitted that in the House allowance there was $4,800,000 to meet increased program needs, including urgent needs in Africa and Latin America. The House had already allowed a substantial amount for that purpose.

Another reason was that the $1,800,000 was to enable the transfer of certain expenses to a special foreign security program.

Another was the availability during the fiscal year of at least $250,000 by reason of the Agency's planned reduction of programs in western Europe.

It was felt that many other programs justified a reevaluation of personnel through realinement and reassigning, so as to increase effectiveness. It was felt that these things should be done before any additional appropriations were made. In other words, there ought to be a further opportunity, before increases in appropriations are made, to ascertain whether additional appropriations are necessary.

The committee, after hearing testimony on the subject, and after discussions with Mr. Murrow, felt that this was the proper course to pursue if we were to be good stewards of the Treasury's resources.

Mr. JAVITS. Would the Senator from Arkansas say that the feeling in the committee was in any way analogous to the sense of urgency which has been demonstrated by Congress with respect to military appropriations lately?

Mr. McCLELLAN. I do not believe there is any doubt that every member of the committee is fully cognizant of the urgency of world affairs today. However, the committee is not of a mind to panic; it is not inclined to yield to pressures for some kind of crash program without a proper evaluation of it.

The committee feels that Congress is in session most of each calendar year, and certainly enough funds are provided in the bill to justify a full year's program of planning for spending. If deficiencies should arise at any time, the practice has always been, and will continue to be, I assume, so long as there is a Congress, that when Congress returns, the agency may ask for more funds. An opportunity will be afforded, not only with respect to this bill, but, I assume, with respect to all appropriation bills, to consider future requests, as the situation may arise, for additional funds.

I do not know whether the Senator from New York agrees with me, but I feel that these amounts ought to be held down, because we can always anticipate additional requests. Simply to grant requests for funds, without any sense of conserving resources, without any thought of trying to effectuate economy or trying to get value received for what is spent, is not a proper approach. I may be wrong, but that is my philosophy. I would not be willing to cut one dime from the bill at any point—whether it be for the Department of State, the Department of Justice, the Judiciary, or the information services—if I thought that dime would purchase at least 9 cents in value. I would wish to purchase at least that much; otherwise I would want to start trimming the request.

I believe a better program and better administration will result if we keep a tight line on the spending and take a look at the program more often, than if

we simply grant every request and say, "Here is is, spend it, and come back later for more."

Mr. JAVITS. I shall, of course, debate the issue with the Senator. I do not propose that broad scale restorations be made without reasons for them. I believe I have prepared the case thoroughly and can give the Senate definite reasons why a number of items should be restored to the bill. I am interested in the question of urgency, because the basis upon which I shall proceed is that in respect of the USIA there is urgency in this time of crisis, when we have enlisted the military forces and have been generous in providing the administration with even more money than it wished to obtain.

I shall not detain the Senate now; I simply wished to get the rationale of the committee, and the chairman has given that to me. I thank the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I do not presume that the committee is always correct in its judgment. I am certain the chairman is not always right. I assume there are areas in the bill in which there is reasonable justification for debate and perhaps differences of opinion. However, I reassure the Senator from New York that the committee conscientiously examined into these items and weighed them against the needs for the expenditures, as well as against their justification and the judiciousness, keeping in mind, as I have just stated, that certainly the money which is appropriated will carry the agencies until January, in any field, anywhere. If such an emergency arises as the Senator believes may require extra steam and extra power in a crash program, so to speak, that can be taken care of.

Mr. JAVITS. In 1957, I had the very same argument with the Senator from Texas, who is now the Vice President. It is not possible to put on extra steam and extra power in this particular type of situation on an interim basis. I shall develop that thesis. I know the Senator's fairness of mind, because my dealings with him and his committee have always been helpful. I look forward to our opportunity to debate the issue later.

Mr. SALTONSTALL. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield.

Mr. SALTONSTALL. I may say to the Senator from New York that, together with the chairman of our subcommittee, I attended almost all of the hearings on the USIA appropriation. Mr. Murrow was most courteous and very frank. The subcommittee devoted more time to the appropriation for that committee than to all the other parts of the bill together. I came away with the feeling that while perhaps we were cutting down pretty close, Mr. Murrow said he wished to make his agency more efficient and wished to eliminate waste. He said he was willing to take $250,000 out of the European program. He left the impression that if he needed more money, he would not hesitate to come to Congress. However, he is a new administrator, and I believe he made a very good impression on all of us in his statement that he would try to make the program much more efficient.

Mr. JAVITS. I thank the Senator from Massachusetts.

Mr. McCLELLAN. I thank the distinguished Senator from Massachusetts.

Mr. HRUSKA. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield.

Mr. HRUSKA. I associate myself with the thoughts advanced by the Senator from Massachusetts. It was my pleasure to attend most of the hearings on the bill, many of them on this particular subject. I, too, felt that the Administrator, Mr. Murrow, was advancing not only new ideas and telling us of some of his plans for a revision of the program, but also his specific reactions to the fashion in which some of the programs had been administered in the past. It was my definite feeling that he was not disappointed at the revision of the amount which had been requested in the revised appropriation, having in mind the thought that it would be possible to observe, as it progressed, the success and the effectiveness of the plans and ideas for revision which he advanced from time to time, and that subject to that experience and subject to the committee's reaction which would be encountered, he would come at a later time, if necessary, to secure a supplemental appropriation for any of these respective items?

Mr. SALTONSTALL. That is my understanding.

Mr. McCLELLAN. At this point I should like to join the distinguished Senator from Massachusetts and the distinguished Senator from Nebraska in stating that Mr. Murrow made what I thought was a very favorable impression on the committee. Frankly, I can say that from the very beginning I had confidence in Mr. Murrow—not only in his ability, but I also thought he would have in mind the very purpose to try to do an effective job and perhaps to make some corrections in this program, to the end that it will be more effective as well as more economical; and I am not at all persuaded that Mr. Murrow is too unhappy with the treatment the committee accorded him. I believe it may be a help to him to have this reduction made at the moment, so he can make those who are associated with him have a sense of responsibility, and know, too, that it is expected that this Agency will organize itself and will so administer this program as to get better results, let me say, than those gotten in the past. I think that is his objective, and I am sure that is what I sensed to be the sentiment of the committee as it went over the facts and heard the testimony in support of this appropriation.

The ACTING PRESIDENT pro tempore. Without objection, the request of the Senator from Arkansas with respect to the committee amendments is agreed to.

Mr. McCLELLAN. Mr. President, the Chair has ruled, as I understand, that my request that the committee amendments be considered en bloc be agreed to has been agreed to?

The ACTING PRESIDENT pro tempore. Yes.

Mr. McCLELLAN. Then, Mr. President, the committee amendments have now been adopted, have they?

The ACTING PRESIDENT pro tempore. Yes, the committee amendments are agreed to.

The amendments agreed to en bloc are as follows:

On page 3, line 16, after the word "aids", to strike out "$132,000,000" and insert "$134,750,000".

On page 4, line 21, after the word "exceed", to strike out "$1,273,000" and insert "$1,373,000".

On page 5, line 10, after the word "expended", to strike out "$4,500,000" and insert "$5,300,000".

On page 7, line 9, after the word "of", to strike out "$60,000" and insert "$100,000".

On page 8, line 1, after "(44 U.S.C. 111)", to strike out "$125,000" and insert "$150,000, in addition, not to exceed $122,130 to be derived by transfer from the appropriation for fiscal year 1961, and".

On page 12, line 10, after the word "Congress", to strike out "$1,896,000" and insert "$1,938,000".

On page 13, at the beginning of line 10, to strike out "$1,650,000" and insert "$1,783,000".

On page 13, line 20, after the word "expended", to strike out "$6,000,000" and insert "$8,200,000".

On page 22, line 7, after the word "account", to strike out "$1,800,000" and insert "$2,050,000".

On page 29, at the beginning of line 4, to strike out "$2,290,000" and insert "$2,455,000".

On page 29, line 10, after the word "exceed", to strike out "$4,010,000" and insert "$4,412,000".

On page 32, line 15, after the word "organizations", to strike out "$110,000,000" and insert "$111,700,000", and in line 19, after the word "exceed", to strike out "$100,000" and insert "$120,000".

On page 34, line 9, after the word "sections", to insert "104(f)"; in line 10, after the word "expended", to strike out "$7,500,000" and insert "$9,300,000", and at the beginning of line 13, to strike out "for the purposes of section 104(f)".

On page 34, line 18, after the numerals "1956", to strike out "$7,382,500" and insert "$8,603,000"; in line 20, after the word "of", to strike out "$30,000" and insert "$50,000", and in line 21, after the word "representation", to insert a colon and *"Provided further*, That the unexpended balance of funds heretofore appropriated under the heading 'President's Special International Program' shall be merged with funds appropriated hereunder and accounted for as one fund."

On page 35, line 12, after the word "States", to insert a colon and *"Provided further*, That the unexpended balance of funds heretofore appropriated under the heading 'Special Foreign Currency Program' shall be merged with funds appropriated hereunder and accounted for as one fund".

On page 35, line 23, after the word "otherwise", to strike out "$7,150,000" and insert "$7,548,000".

On page 36, line 12, after "(22 U.S.C. 1442)", to strike out "$2,500,000" and insert "$1,500,000".

The ACTING PRESIDENT pro tempore. The bill is open to further amendment.

Mr. MANSFIELD. Mr. President, pursuant to the notice given by me on Friday last, on behalf of the minority leader and myself, I move that paragraph 4 of rule XVI of the Standing Rules of the Senate be suspended, for

the purpose of proposing to the pending measure, House bill 7371, the amendment which is at the desk.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 36, in line 16, before the period, it is proposed to insert a comma and the following:

Provided, That section 104(b) of the Civil Rights Act of 1957 is amended by striking out "four years from the date of the enactment of this Act" and inserting in lieu thereof "September 9, 1963".

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Montana.

Mr. KEATING. Mr. President, will the Senator from Montana yield, so that I may propound a parliamentary inquiry?

Mr. MANSFIELD. I yield.

Mr. KEATING. Mr. President, I desire to propound a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from New York will state it.

Mr. KEATING. Do I correctly understand that if the motion to suspend the rule is adopted, the amendment which the distinguished majority leader has proposed will be open to germane amendment?

Mr. McCLELLAN. Mr. President, I did not understand the request.

Mr. MANSFIELD. Mr. President, will the Senator from New York please repeat his inquiry?

The ACTING PRESIDENT pro tempore. Will the Senator from New York repeat his inquiry?

Mr. KEATING. Yes. My parliamentary inquiry is as follows: If the motion to suspend the rule is adopted, will the amendment which the distinguished majority leader and the distinguished minority leader have proposed be open to germane amendment thereof?

The ACTING PRESIDENT pro tempore. It will.

Mr. KEATING. And such amendment can be brought about by majority vote?

The ACTING PRESIDENT pro tempore. The question of germaneness will be submitted to the Senate; and the Senate by majority vote can adopt an amendment.

Mr. KEATING. That is to say, the question of germaneness will be submitted to the Senate, and the decision will be made by the Senate by majority vote?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. KEATING. If the amendment is found to be germane, the amendment itself will be acted on by majority vote, will it?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. KEATING. Is the Chair able to state whether the amendments designated "8-18-61—I" and "8-18-61—J" are germane?

The ACTING PRESIDENT pro tempore. The Chair would not wish to rule on a hypothetical case. The Chair's ruling will be made when an amendment is submitted. But the Senate itself will pass on the question of germaneness of amendments, when they are offered.

Mr. KEATING. I thank the Chair.

Mr. McCLELLAN. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield for a question.

Mr. McCLELLAN. I desire to propound a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas will state it.

Mr. McCLELLAN. I understand that the Chair has ruled that only germane amendments to the amendment of the Senator from Montana would be in order.

The ACTING PRESIDENT pro tempore. That is correct; that is under the rule.

Mr. McCLELLAN. And amendments which did not refer in some way to extension of the life of the Commission or to the original act creating the Commission would not be germane, I assume.

The ACTING PRESIDENT pro tempore. In the opinion of the Chair, they would not be germane, under the conditions stated by the Senator from Arkansas.

Mr. McCLELLAN. I thank the Chair. I wanted that clarification made.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

Mr. MANSFIELD. I yield.

The ACTING PRESIDENT pro tempore. The Senator from New York will state the parliamentary inquiry.

Mr. JAVITS. Mr. President, is it not true that if amendments are ruled not germane, they may nonetheless be proposed by the vehicle of suspension of the rule, as the Senator from Montana has proposed, if notice has been given, as required by the rule?

The ACTING PRESIDENT pro tempore. That is correct, if proper notice has been given.

Mr. JAVITS. I thank the Chair.

Mr. RUSSELL. Mr. President, I did not hear either the parliamentary inquiry or the response made by the Chair. I should like very much to understand what was said.

Mr. JAVITS. I asked whether it will also be in order to call up other amendments, by way of suspension of the rule, which may not be ruled germane to the amendment proposed by the Senator from Montana, if notice has been given with respect to such suspension. And the Chair, as I understood, replied "Yes."

Mr. RUSSELL. And a two-thirds vote would be required to suspend the rule. Is that correct?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. MANSFIELD. Mr. President, I hope the Senate will act favorably on the amendment proposed by the distinguished minority leader [Mr. DIRKSEN] and myself. The Civil Rights Commission is due to expire very shortly. I hope this amendment may be proposed, and I hope extraneous amendments will not be considered at this time, but, instead, will be proposed in due process and in due order.

Mr. McCLELLAN. Mr. President, at this point will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. McCLELLAN. By extraneous amendments, does the Senator from Montana mean other amendments which might be extraneous to the bill—amendments in the nature of legislation which would not be germane to the pending amendment?

Mr. MANSFIELD. They might or might not be germane to the pending amendment, but I would point out that if we become involved to too great an extent, we shall be here, I believe, perhaps until Columbus Day, perhaps until Thanksgiving, or perhaps beyond then. And we have a great deal of important business to attend to. All one needs do is examine the calendar.

So I hope this amendment will be adopted by the Senate, and that then the Senate will turn its attention to other business, such as the State Department appropriation bill and other measures which will be pending thereafter.

Mr. McCLELLAN. Did I correctly understand the majority leader to state that he believes the amendment he has proposed should be adopted to the pending appropriation bill, but that he believes that amendments dealing with subject matters other than extension of the life of this Commission should be deferred, at least for the present, and that no attempt should be made to attach them to this bill, but that they should come up in connection with some other bill or in due course of the legislative process?

Mr. MANSFIELD. The Senator from Arkansas is correct. "Defer" is the correct word.

Mr. JOHNSTON. Mr. President, I believe the majority leader also meant to say that the amendment he has offered, on behalf of himself and the minority leader, should be adopted, he believes, and no attempts should be made at this time to add other legislation on this subject to the pending bill. Is that correct?

Mr. MANSFIELD. That is correct, although I must point out that every Senator has the privilege to do what he thinks best.

Mr. JOHNSTON. But that is how the majority leader feels and how the minority leader feels?

Mr. MANSFIELD. That is the way I feel.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. MANSFIELD. I yield.

Mr. JAVITS. What assurance does the Senator have, on this very motion which the Senator has made, which is debatable, that, without cloture, we shall not be here until Columbus Day?

Mr. MANSFIELD. I have no assurance of that, but I hope we will dispose of the pending business, get on to what is other appropriate business, and in time, bring up the proposed change in rule XXII.

Mr. JAVITS. Would the Senator care to state at this time his intention with regard to tabling any of these amendments other than his own?

Mr. MANSFIELD. I shall propose to table them.

Mr. JAVITS. I certainly support the Senator's motion. I think it is very urgent that the life of the Commission be extended. I do not agree with the amendment, but I think the question needs to be opened up, and I see no objection to opening it up this way. But may I ask the Senator why he chose this route, which calls for a two-thirds vote, instead of bringing up the bill reported by the Judiciary Committee?

Mr. MANSFIELD. It was not reported by the Judiciary Committee; it was reported by a subcommittee; and, if my information is correct, it never would have been reported by the full Judiciary Committee. So, in an attempt to get action, I discussed this matter with the minority leader, and we felt this was the only way to get action before the Commission went out of existence.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. KEATING. In order that there may be no mistake about the record as regards the members of the Judiciary Committee, it is my opinion, and I believe it is well founded, that a majority of the Judiciary Committee would report that bill if the opportunity were given to them.

Mr. MANSFIELD. If the opportunity were given to them—under certain circumstances. There are always conditions. The Senator is very practical, and he is a practical politician. He knows what would have happened, and that this was the only way to bring the question to the floor with any assurance that the tenure of the Civil Rights Commission would be extended. Otherwise it would go out of existence.

Mr. KEATING. I do not want my remarks to be construed as being in criticism of the majority leader and minority leader for seeking this vehicle. I think we could perhaps have gotten a bill out of the Judiciary Committee, but I recognize the obstacles which exist there, for reasons known also to the majority leader.

As the Senator knows, I favor an extension of the Commission, and shall, of course, support the motion which the majority leader has made, and have proposed amendments, which, in due course, if the motion is granted, we can discuss, as to whether the life of the Commission should be extended 2 years, 4 years, or whether there should be an indefinite extension.

Mr. RUSSELL and Mr. JAVITS addressed the Chair.

Mr. MANSFIELD. I yield to the Senator from New York.

Mr. JAVITS. As I understand the situation, the appropriation for the Civil Rights Commission will carry it only until November of this year. Would it be the Senator's intention, should he be successful, to seek to increase that appropriation, so the additional life of the Commission might be cared for, in terms of the regular appropriations, to the end of the fiscal year?

Mr. MANSFIELD. Of course. I do not believe in doing something only for its symbolic value. If we do anything, I think, we may as well implement it. That was my intention, and I know it was the intention of the distinguished minority leader.

Mr. JAVITS. I wanted the RECORD to be clear as to what he was doing. I am not being critical of him. I shall support him in this motion. I wanted to be sure so the RECORD would be clear.

Mr. MANSFIELD. The Senator is never critical. His suggestions are always helpful.

Mr. RUSSELL. Mr. President——

The ACTING PRESIDENT pro tempore. The Senator from Georgia.

Mr. RUSSELL. A number of Senators have been propounding "iffy" questions as to what will happen and what they propose to do when rule XVI is suspended and the Senate agrees to adopt an amendment extending the life of the Civil Rights Commission.

This is certainly a case of counting the chickens before they are hatched. I would remind Senators that the rules of the Senate are designed to protect appropriation bills against legislative forays of this kind and that it requires a two-thirds vote to suspend rule XVI before this amendment can be in order for consideration to the bill.

There is considerable objection to extending the life of the Commission again. It has already been extended once and there will be determined objection to suspending rule XVI in order to bring this amendment before the Senate. I wish to remind Senators that it is a very dangerous precedent to cast aside the rules of the Senate protecting appropriation bills from legislation.

There are a number of us in the Senate who think that this Commission is unconstitutional and was proposed in the first instance for political purposes. Any valid purpose that its original sponsors may have had in mind should have been long since served during the many years that it has been in existence. We were told in the first instance that this organization was temporary and for a specific purpose. However, there were some of us at that time who, in opposing the creation of the Commission, predicted that it would become a political football and that the bureaucrats and employees of the Commission would seek to make it a permanent agency of Government.

I am seriously opposed to this very extraordinary proposal to again suspend the rules to keep this organization alive. This is one of the agencies of Government that we can well dispense with. I have also noted that a plethora of amendments will be brought forward by the distinguished Senators from New York, either to the extension proposition or in an attempt to suspend the rules and make this appropriation bill a legislative catchall for any legislative proposal which has political appeal.

Before proceeding further with this matter, I think we should have a live quorum here in the Senate and I, therefore, suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 159]

Aiken	Fong	Monroney
Allott	Fulbright	Morse
Anderson	Gore	Morton
Bartlett	Gruening	Moss
Beall	Hart	Mundt
Bennett	Hartke	Muskie
Bible	Hayden	Neuberger
Boggs	Hickenlooper	Pastore
Burdick	Hickey	Pell
Bush	Hill	Prouty
Butler	Holland	Proxmire
Byrd, Va.	Hruska	Randolph
Byrd, W. Va.	Humphrey	Robertson
Cannon	Jackson	Russell
Capehart	Javits	Saltonstall
Carlson	Johnston	Schoeppel
Carroll	Jordan	Scott
Case, N.J.	Keating	Smith, Mass.
Case, S. Dak.	Kerr	Smith, Maine
Church	Kuchel	Sparkman
Clark	Lausche	Stennis
Cooper	Long, Hawaii	Symington
Curtis	Long, La.	Talmadge
Dirksen	Magnuson	Thurmond
Dodd	Mansfield	Tower
Douglas	McCarthy	Wiley
Dworshak	McClellan	Williams, N.J.
Eastland	McGee	Williams, Del.
Ellender	McNamara	Yarborough
Engle	Metcalf	Young, N. Dak.
Ervin	Miller	Young, Ohio

Mr. HUMPHREY. I announce that the Senator from Tennessee [Mr. KEFAUVER], the Senator from Missouri [Mr. LONG], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of illness.

The Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

The Senator from New Hampshire [Mr. COTTON] is detained on official business.

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair). A quorum is present.

TOBACCO ACREAGE ALLOTMENTS

Mr. HOLLAND. Madam President, during the call of the calendar, Calendar No. 739 (H.R. 1022) was passed over by request, and with my complete approval, my understanding being that the distinguished Senator from Kentucky [Mr. COOPER] wished to be in the Chamber when the subject was discussed. The Senator from Kentucky is now in the Chamber, and I understand from him that it is agreeable to consider the bill at this time.

Mr. COOPER. The Senator is correct.

Mr. HOLLAND. Madam President, I ask unanimous consent that the pending business be temporarily set aside, and that the Senate proceed to consider the bill (H.R. 1022), which was placed at the foot of the calendar.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

There being no objection, the Senate proceeded to consider the bill (H.R. 1022) to amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments, which had been reported from the Committee

on Agriculture and Forestry, with amendments, on page 1, at the beginning of line 8, to insert "(other than a burley tobacco acreage allotment)", and on page 2, at the beginning of line 5, to insert "In the case of Maryland (type 32) tobacco, no farm shall be eligible for lease of allotment from the farm unless at least 75 per centum of the allotment for the farm was actually planted during each of the years 1960 and 1961."

Mr. HOLLAND. Madam President, the bill would authorize the leasing of tobacco acreage allotments only for the crop years 1962 and 1963 in the same county, and not to exceed a total leasing of 5 acres in all to any farm. The reason for the provision is that the expense of installing an irrigation plant is so large that only by combining some of the very small allotments in certain parts of the Tobacco Belt can production proceed economically. I understand that there is no objection. In committee, exclusions were made at the request of two industries affected. The first was that burley tobacco was eliminated from the coverage of the bill.

The second exclusion from the bill, which is made at the request of the Maryland tobacco industry, relates to Maryland tobacco, which is a separate type. The transfer and lease in that case is limited to farms which had planted at least 75 percent of their allotments in each of the years 1960 and 1961.

I ask unanimous consent that there be printed at this point in the RECORD a short explanation of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HOLLAND—EXPLANATION OF H.R. 1022

This bill would authorize the leasing of tobacco acreage allotments only for the crop years 1962 and 1963. However, it would be inapplicable with respect to burley tobacco acreage allotments, and in the case of Maryland (type 32) tobacco allotments, leasing would be limited to those farms which had planted at least 75 percent of their Maryland tobacco allotments in each of the years 1960 and 1961.

The leasing of tobacco acreage allotments would be permitted only between farms in the same county and not more than 5 acres would be permitted to be leased and transferred to any farm.

A number of safeguards were included in the bill by the House of Representatives as a result of the testimony before the House Committee on Agriculture, and as a result of the recommendations of the Department of Agriculture. Some of these safeguards are as follows:

1. Both farmers involved must be in the same county and the lease must be filed with, and approved by, the county committee.

2. If the normal yield for the farm to which the allotment is being transferred exceeds the normal yield of the farm from which the transfer is being made by more than 10 percent, the transferred allotment will be adjusted downward in the same ratio as the difference in yields.

3. Not more than 5 acres of allotment may be leased and transferred to any farm.

4. Only farms already having tobacco allotments for the same kind of tobacco are eligible to lease allotments.

5. The acreage is considered as having been produced on the farm from which the allotment is transferred for purposes of future allotments and referendum voting rights.

6. The bill applies only to the 1962 and 1963 crops.

In addition, the Senate Committee on Agriculture and Forestry, at the request of producers of burley and Maryland tobacco, amended the bill to exclude burley tobacco, and in the case of Maryland tobacco limit the transfer and lease from farms which had planted at least 75 percent of the allotment in each of the years 1960 and 1961.

Mr. COOPER. Madam President, the Senator from Florida has made a fair and correct statement of the purposes of the bill. When the Committee on Agriculture and Forestry met to consider the recommendation of the subcommittee which had studied H.R. 1022, I moved that burley tobacco acreage allotments be excluded from the operation of the bill. The full committee adopted my amendment, and burley tobacco is excluded in the amended bill H.R. 1022 which is before the Senate as Calendar Order No. 739.

Since this bill is important to the burley tobacco growers, as well as to all other tobacco growers, I desire to make a brief statement explaining my purpose in offering the amendment to exclude burley tobacco.

H.R. 1022, which would authorize the transfer of a tobacco acreage allotment, under certain limitations and conditions, from a farm which has earned the allotment, to another farm which has earned a tobacco acreage allotment, is a departure from the principle which has obtained since 1938, when the Agricultural Adjustment Act was enacted. That principle is that the acreage allotment "runs with the land," rather than with an individual—as has been held by the Federal courts—and that the crop must be cultivated on the land on which the allotment has been earned.

Although this is a departure from this principle of our tobacco program—a program which has worked well and perhaps better than any other farm program—I cannot say now what its ultimate effect would be on the tobacco program, whether good or bad. But because it would involve a sharp change from principles which have worked well, and because I think Senate hearings should have been held to obtain the views of tobacco growers and their farm organizations, I moved in the Senate Committee on Agriculture and Forestry that burley tobacco be excluded from the operation of this amendment to the Agricultural Adjustment Act of 1938.

I must say in all fairness to the committee that I was not able to be present when the subcommittee first considered the House bill, although I had asked to have the opportunity to present my views, and did so, when the bill was taken up by the full committee.

Mr. HOLLAND. Madam President, will the Senator yield?

Mr. COOPER. I yield.

Mr. HOLLAND. I think the RECORD should show that the Senator was necessarily absent because of illness at the time the subcommittee considered this bill, and that we appreciate his graciousness in permitting the subcommittee to go ahead with its consideration in his absence.

Mr. COOPER. The Senator is correct and, as always, fair and generous. I wished to make clear that there was no lack of diligence on the part of the subcommittee. I was the one who was not present, and my absence was because of illness.

Since the bill authorizes the transfer of tobacco allotments for other types of tobacco, burley growers, who are excluded from this bill, will have the opportunity to observe whether the transfer of leases would be valuable or harmful to their program, and will have the chance to ask that the leasing proposal be adopted for burley in future years, or to ask that the transfer of burley acreage allotments continue to be forbidden, as my amendment provides.

I ask unanimous consent to have printed in the RECORD at this point the minority views which I filed to the committee report on H.R. 1022.

There being no objection, the minority views were ordered to be printed in the RECORD, as follows:

VIEWS OF SENATOR COOPER

This bill for the first time would permit farmers, who have agreed to limit production of a basic crop under the Agriculture Adjustment Act of 1938, to arrange among themselves for the acreage alloted to each of two or more farms to be grown by one of them on a single farm. It is limited to tobacco, and to the leasing rather than the sale of farm allotments. For the next 2 years, a farmer having a tobacco allotment on his farm could lease up to 5 additional acres of allotment assigned to other farms within the county, and grow tobacco on the combined acreage. In recording the production history kept for each farm, which determines the farms entitled to have a tobacco allotment, the shifted tobacco will be credited to the farm from which the allotment is leased as if it had been planted there, and will not accrue to the farm where it is actually grown. Voting rights in the program referendum will be preserved for the farmers who lease their farm's tobacco allotment to be grown by others in 1962 or 1963.

I made the motion, which was accepted by the Senate Committee on Agriculture and Forestry, to strike burley tobacco from the bill passed by the House of Representatives. I did so because I believed that this step, which represents a sharp change in the concept of our farm programs, deserved the most careful examination in Senate hearings—in order to define the problems to which the bill may be directed, examine alternatives and their possible effects, maintain the objectives of the program, and safeguard its successful operation. Although I have been the coauthor of several laws under which the tobacco program now operates—including that which provides price supports fixed at 90 percent of parity—I am not as familiar with the problems of other types of tobacco. I do know about tobacco production in Kentucky, where the chief tobacco produced is burley, and that the present burley program is successful and accepted by farmers. I think it is better to see how the leasing of allotments works with Flue-cured and the dark tobaccos before it is considered for burley. My principal reasons follow:

DANGER OF CONCENTRATION

One argument made for this bill is that small farmers will lease the additional acreage needed to give them a better farm operation. But the result of leasing could be the

opposite, concentrating the wealth-producing tobacco acreage on big farms in the best section of each county. Farmers from whom the allotment is leased will want cash, not kind—for they can grow the tobacco, or lease or rent their farm and share in the crop, now. The successful bidders for leases are likely to be the people with cash—having good land, tobacco barns, sizable allotments, and an efficient operation ready for expansion.

SMALL FAMILY FARMS DEPEND ON TOBACCO

Another argument made for the bill is that it will help preserve the family farm. In my view, the bill may have the opposite effect. Under the terms of the House bill, for example, farms already having double the average burley allotment (1 acre) could triple their acreage by leasing 4 or 5 additional acres. Leasing may encourage the movement of this enterprise, on which many farm families depend as their major cash crop, to farms already having the largest tobacco allotments. After the small family farm leases away its tobacco acreage, it will be less attractive for them to work the remainder of the farm, and for the family to stay on the farm.

ALLOTMENTS ARE BASED ON FARM PRODUCTION HISTORY

My third objection is that this bill changes the basis on which acreage is allotted. The act of 1938 based allotments on the history of production on specific tracts of land and on the efforts of a farmer on that land year after year. The courts have held that the right accrues to the land, not the individual—that the allotment "runs with the land" and is not tied to the farmer; every allotment notice for crops under quotas states that the allotment is for the farm and not the individual. Leasing, however, gives the right to determine who shall grow the tobacco to the individual; what may become a kind of Government production license will be transferred for cash to farmers who have not established the history of production to secure this right in addition to their own allotment.

Many farmers in every State have not been able to secure a tobacco allotment. They have been told that allotments are based on the history of production on each farm. Those who have no allotment, and who are quite willing to pay for the right, may now contend that they should be permitted to lease allotments also, and that the system is undemocratic.

Advocates of the bill insist that they vigorously oppose the sale of allotments. However, the Secretary of Agriculture has recommended not only the leasing but also, and preferably, the sale of all crop allotments. It seems to me that leasing is a step which takes away the arguments of congressional intent against the buying and selling of these rights conferred by law. Of course, Congress can change the law. But it ought to do so only after careful thought as to what its program objectives are, what principles shall be followed, and what is fair to all farmers.

DANGER OF SURPLUS PRODUCTION

Finally, the purpose of the act of 1938 is to hold production within limits proclaimed by the Secretary of Agriculture according to criteria fixed by Congress, in order to preserve good prices. Under this bill, the transfer of allotments to farms having yields up to 10 percent greater than the farms for which the allotments were established would not be penalized. Surely those paying cash for the leased allotments would expect to move them to better land, and to maximize yields with fertilizer and irrigation. Further, allotments now unused would come into production. As we have all learned so well, even a 5-percent excess supply can upset markets, drive down prices, and create a surplus which could endanger the stable system we have established in the tobacco program—a successful program providing 90 percent of parity to growers without loss to the public.

ADDITIONAL SAFEGUARDS NEEDED

Farmers can lease or rent land having an allotment and grow additional tobacco now, provided they are willing to grow the tobacco on the farm to which the acreage is allotted. If the objective of this bill is to help family farms, or to avoid the hardship of renting small separated allotments which are uneconomic or difficult to work in scattered locations, or to avoid forcing the purchase of farms used solely for their tobacco allotment, it could have been better devised. For example, small farms might be permitted to lease from others nearby an acreage related to the size of their present allotment, but not more than would result in a combined acreage larger than a practical family farm operation—say 3 acres for both their own and the leased allotment, in the case of burley.

Tobacco farmers now enjoy a carefully balanced price support and production control program, which on the whole is working well. I do not object to trying to improve that program. But in this case I think there should be full consideration of the leasing proposal by burley growers and their farm organizations prior to its adoption by the Congress.

JOHN SHERMAN COOPER.

Mr. COOPER. Madam President, I take no issue with my fellow committee members, who represent States which produce Flue-cured, Dark tobacco, and other types of tobacco in greater volume than does Kentucky. But Kentucky produces more burley tobacco than does any other State, and more than all other States combined. It is the cash crop of most of our farmers. It is basic to agriculture in Kentucky, and indeed to business in a great part of our State.

During my service in the Senate I have worked to protect and improve our tobacco program in harmony with tobacco farmers and with Members of our Kentucky congressional delegation. Because of my deep interest in the tobacco program, and in the welfare of our tobacco farmers, I asked that burley tobacco be excluded from this proposal. As I have said, experience or hearings at a later date may demonstrate that a somewhat similar amendment should be adopted with respect to burley tobacco. But I would prefer, and I believe our burley growers would prefer to consider the matter fully, and observe the way it may affect other tobacco programs, before applying it to burley tobacco.

Mr. JAVITS. Madam President, I have no desire to interfere with the passage of the bill, but I wished to speak for 5 or 6 minutes on civil rights. If the Senator wishes me to yield so that the bill may be passed, I shall ask unanimous consent that I may yield for that purpose.

Mr. HOLLAND. I would appreciate that, unless there is other comment to be made on the bill—and I know of no opposition whatever to the bill—which will help some very small operators, who in their own counties may be allowed to accumulate acreage up to 5 acres so that they may have an economic production.

Mr. BYRD of Virginia. Madam President, I merely wish to say that the tobacco growers of Virginia are very much in favor of the bill. The allotments have become so small that many growers cannot make a crop. I hope the bill will pass.

Mr. HOLLAND. The statement of the Senator from Virginia is characteristic of the whole area which is called the Flue-cured area. I know of no opposition to the bill. I hope the bill will pass.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments. Is there objection to agreeing to the committee amendments en bloc?

There being no objection, the committee amendments were agreed to en bloc.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 1022) was read the third time and passed.

DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes.

Mr. JAVITS. Madam President, I have in mind making a brief statement as to how I see the present situation as it relates to civil rights legislation and the provision, which is now being proposed, to extend the life of the Civil Rights Commission.

We all know what the rules of the Senate permit. We know that they permit the adding of amendments to any bill. Yet the self-discipline of the Senate is such that it is that only amendments which have at least some relation to the subject of a bill will be adopted. Especially is this true with reference to civil rights legislation. It is only when there is an appropriate framework of civil rights legislation to which such amendments may be added that that is done at all.

It will be remembered that at one time, in 1960, we provided for a set time when the Senate would debate civil rights legislation. There was a clear understanding in the form of a statement by the majority leader that at a time certain such legislation would be brought before the Senate, and that statement was made during the previous session. That is not the situation which confronts us today.

What we are confronted with is that this is probably the last chance for the enactment of any civil rights legislation at this session of Congress. I say respectfully—and I have supported the administration on many parts of its program, and as a result have been much criticized because of my support, but that does not worry me, if I am doing the

right thing—that we note today a striking dereliction in responsibility on the part of the Kennedy administration, in sharp contrast with the strong record made by the Department of Justice, under the administration of the President's brother, the Attorney General, in the civil rights field. This dereliction has been the administration's failure to seek essential civil rights legislation from Congress.

It has been said, and with some feeling—and the record certainly would seem to indicate it—that there has been in effect a campaign of appeasement, of the South and that that campaign of appeasement continues. The question naturally arises, with respect to the administration, whether this is because there are so many key positions occupied by a number of southern legislators in relation to other parts of the President's program. This failure to seek essential civil rights legislation from Congress has occurred despite the freedom riders and sit-in emergencies, which have even led to violence and rioting in some Southern States; despite continued flagrant discrimination in buses and in airport and bus terminals; despite innumerable blockages in large areas of the South against any implementation of the Supreme Court mandate to segregate the public schools, blockages which have brought the entire program almost to a halt.

I feel I must say that none of us who feels this way condones any denial of equal opportunity wherever it may occur, whether it be in a Southern State or in my own State of New York or in other States. In my own State of New York we have had school segregation litigation, which has been decided by the Federal court and in our own courts. The fact is that in order of magnitude there is no comparison between the two situations at all. Secondly, in my State, as in other Northern States, the whole machinery of government, from the Governor down, is organized and dedicated to eliminate barriers to equal opportunity, whereas in many of the Southern States the situation is precisely the reverse.

Let us look at the figures.

The latest statistical summary by the Southern Education Reporting Service shows that now, in the eighth year after the Supreme Court decision of 1954, only 6.9 percent of all the Negro pupils in the Southern States are in an integrated situation. And this percentage includes the District of Columbia, West Virginia, Delaware, and other States where desegregation was almost completed within 2 years of the Court decision. Since 1956, progress has been painfully slow. As of now, four States—Alabama, Georgia, Mississippi, and South Carolina—have no Negro pupils attending schools with white children. Louisiana has one Negro child in a white school. In five other States—Arkansas, Florida, North Carolina, Tennessee, and Virginia—less than 1 percent of the Negro children are attending schools with white children. Thus, in 10 Southern States, either there has been no school desegregation at all or only minuscule progress has been made.

Madam President, this is 7 years after the Supreme Court decision.

That is the background against which we now have the spectacle of an effort to ram through only a 2-year extension of the Federal Civil Rights Commission, which expires on November 9, under an extraordinary and little-used Senate procedure to attach a legislative rider to an appropriation bill for the State and Justice Departments, thus imposing the requirement of a two-thirds vote.

Without any illusions as to what can be accomplished, but at least to give the Senate the opportunity to do what should be done with respect to civil rights legislation, my colleague from New York, Senator KEATING, has already announced his plan with respect to such legislation. The Senator from Pennsylvania [Mr. CLARK] has also filed an amendment. Perhaps other Senators also will move into this situation.

I am submitting amendments to eliminate the archaic poll tax restriction on voting, still existing in Alabama, Arkansas, Mississippi, Virginia, and Texas; and to grant authority to the Attorney General to initiate civil suits in representative cases to enforce civil rights, including school desegregation cases.

With respect to the much-maligned part 3, to give the Attorney General much needed power, I shall speak on that subject when it comes my time to propose the amendment, and to join in the debate.

Based upon the record which has been made in the Federal courts, and the denial of the opportunity to the Attorney General to intervene in school segregation cases, and the general attitude of the courts, there is an absolute need for this power, which has been denied. I might say, too, if we gave a so-called safety valve to the dissidents, it would no doubt remove a great deal of provocation to acts of anarchy which have occurred.

I wish to close upon this note. I believe the situation which the country faces, in which we are thwarted and keep from debating and passing essential civil rights legislation in Congress, because the administration does not feel this is the kind of "must" legislation which it must put on a high priority list, is an intolerable situation, especially as we look upon the world situation and see how any lag by us in the effort to afford equal opportunity for all is prejudicial to the interest of our position in many areas of the world.

We will now have in this debate, for however long it may last, a last chance, notwithstanding the difficulty of the two-thirds voting rule, and the other problems which are engendered by this situation, which would not be present if we were considering a bill to which an amendment could be added by majority vote.

Nonetheless, this is our last chance at this session to get any meaningful civil rights legislation, legislation which is so urgently needed, considering the domestic and world situations. It is sad, indeed, that these efforts must be cast in the framework in which we find ourselves, and not get backing from the administration, which they so much deserve. Civil rights, I repeat, should have been one of the highest priority "must" items on the administration's legislative list throughout 1961.

I say, finally, that this is but the curtain raiser, the prelude, to another battle yet to come, the battle to amend the Senate rules of debate which permit of filibuster. That is yet to come. Let every Senator understand clearly that the precedent which will be established in this debate on the extension of the life of the Civil Rights Commission and other civil rights legislation will have much to do with whether we make a meaningful change in the rules. If this curtain raiser is auspicious, then there is an auspicious frame of reference for a meaningful change in the rules. If it is not, then I fear we are in—those of us who believe as I do in respect of these matters—for grave disappointment in that regard, too.

Mr. McCLELLAN. Madam President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. McCLELLAN. I am not at all surprised—but I am rather disappointed—to hear the Senator malign the South again in his remarks, as he frequently does.

Is it the Senator's idea that the appropriation bill now being considered should be made the vehicle for all so-called civil rights legislation, and that we ought to fight that issue out here and now even if it takes all summer?

Mr. MANSFIELD. Madam President, will the Sentaor from New York yield before he answers the question? The chairman of the Committee on Foreign Relations, the distinguished junior Senator from Arkansas [Mr. FULBRIGHT], desires to transact an important piece of business.

Mr. JAVITS. I yield for that purpose.

FOREIGN ASSISTANCE ACT OF 1961

Mr. FULBRIGHT. Madam President, I ask that the Chair lay before the Senate the amendment of the House of Representatives to the bill (S. 1983).

The PRESIDING OFFICER (Mrs. NEUBERGER in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes, which was, to strike out all after the enacting clause, and insert:

That this Act shall be cited as "An Act for Peace and Mutual Progress With Justice and Freedom for All".

PART I

Chapter 1—Short title and policy

SEC. 101. SHORT TITLE.—This part may be cited as the "Act for International Development of 1961".

SEC. 102. STATEMENT OF POLICY.—(a) It is the sense of the Congress that (1) peace depends on wider recognition of the dignity and interdependence of men, and (2) survival of free institutions in the United States

can best be assured in a worldwide atmosphere of freedom.

(b) The Congress approves the efforts of the peoples of other lands who are striving to establish and develop politically independent and economically viable units, to increase their technical knowledge and skills, and to improve ways of living by methods which reflect the popular will, and to realize aspirations for justice, for education, and for dignity and respect as individual human beings.

(c) The peace of the world and the security of the United States are endangered so long as international communism continues to attempt to bring under Communist domination peoples now free and independent and to keep under domination peoples once free but now subject to such domination. It is, therefore, the policy of the United States to continue to make available to other free countries and peoples, upon request, assistance of such nature and in such amounts as the United States deems advisable and as may be effectively used by free countries and people to help them maintain their freedom.

(d) It is the sense of the Congress that those countries which have been assisted in their recovery should, in the future, share with the United States to a greater extent the financial burden of providing aid to those countries which are still in need of assistance of the type provided under this Act.

(e) It is the sense of the Congress that inasmuch as—

(1) the United States favors freedom of navigation in international waterways and economic cooperation between countries; and

(2) the purposes of this Act are negated and the peace of the world is endangered when countries which receive assistance under this Act wage economic warfare against other countries assisted under this Act, including such procedures as boycotts, blockades, and the restriction of the use of international waterways; and

(3) any attempt by foreign countries to create distinctions because of their race or religion among American citizens in the granting of personal or commercial access or any other rights otherwise available to United States citizens generally is repugnant to our principles;

assistance under this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be administered to give effect to these principles, and, in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this Act or arising under the Agricultural Trade Development and Assistance Act of 1954, as amended, these principles shall be applied, as the President may determine, and he shall report on measures taken by the administration to insure their application.

(f) The Congress of the United States recognizes that the progress of free peoples in their efforts to further their economic development, and thus to strengthen their freedom, is important to the security and general welfare of the United States. It is the policy of the United States to strengthen friendly foreign countries by encouraging the development of their economies through a competitive free enterprise system; to minimize or eliminate barriers to the flow of private investment capital and international trade; to facilitate the creation of a climate favorable to the investment of private capital; and to assist, on a basis of self-help and mutual cooperation, the efforts of free peoples to develop their economic resources and free economic institutions and to increase their productive capabilities in agriculture as well as in industry.

(g) Assistance shall be based upon sound plans and programs; be directed toward the social as well as economic aspects of economic development; be responsive to the efforts of the recipient countries to mobilize their own resources and help themselves; be cognizant of the external and internal pressures which hamper their growth; and should emphasize long-range development assistance as the primary instrument of such growth.

(h) The Congress reaffirms its belief in the importance of regional organizations of free peoples for mutual assistance, such as the North Atlantic Treaty Organization, the Organization of American States, the South East Asia Treaty Organization, the Central Treaty Organization, and others, and expresses its hope that such organizations may be strengthened and broadened, and their programs of self-help and mutual cooperation may be made more effective in the protection of the independence and security of free people, and in the development of their economic and social well-being, and the safeguarding of their basic rights and liberties.

(i) It is the sense of the Congress that—

(1) it supports the President in his affirmation that the United States shall continue to meet its commitments to the people and Government of the Republic of China and shall continue to support that Government as the Representative of China in the United Nations;

(2) the United States shall continue to oppose the seating of the Chinese Communist regime and the Outer Mongolia People's Republic regime in the United Nations so long as those regimes persist in defying the principles of the United Nations Charter; and

(3) the United States supports the President in not according diplomatic recognition to the Chinese Communist regime or to the Outer Mongolia People's Republic regime.

Chapter 2—Development assistance

Title I—Development Loans

SEC. 201. GENERAL AUTHORITY.—(a) The President is authorized to make loans payable as to principal and interest in United States dollars on such terms and conditions as he may determine, in order to promote the economic development of economically underdeveloped friendly countries and areas, with emphasis upon assisting long-range plans and programs designed to develop economic resources and increase productive capacities. In so doing the President shall take into account (1) whether financing could be obtained in whole or in part from other free-world sources on reasonable terms, (2) the economic and technical soundness of the activity to be financed, (3) whether the activity gives reasonable promise of contributing to the development of economic resources or free economic institutions or to the increase of productive capacities in furtherance of the purposes of this title, (4) the consistency of the activity with, and its relationship to, other development activities being undertaken or planned, and its contribution to realizable long-range objectives, (5) the extent to which the recipient country is showing a responsiveness to the vital economic, political, and social concerns of its people, and demonstrating a clear willingness to take effective self-help measures, (6) the possible effects upon the United States economy, with special reference to areas of substantial labor surplus, of the loan involved, and (7) the desirability of safeguarding the international balance of payments position of the United States. If the President finds that a loan proposed to be made under this part would have a substantially adverse effect upon the United States economy, or any substantial segment thereof, the loan shall not be made. Loans shall be made under this title only upon a finding of reasonable prospects of repayment.

(b) The authority of section 609 may not be used to decrease the funds available under this title, nor may the authority of section 612(a) be used to waive the requirements of this title.

SEC. 202. CAPITALIZATION.—(a) There is hereby authorized to be appropriated to the President not to exceed $1,200,000,000 for use beginning in the fiscal year 1962 to carry out the purposes of this title, which sums shall remain available until expended.

(c) Except as otherwise provided in this part, the United States dollar assets of the Development Loan Fund which remain unobligated and not committed for loans repayable in foreign currencies on the date prior to the abolition of the Fund shall be available for use for purposes of this title.

SEC. 203. FISCAL PROVISIONS.—(a) All receipts from loans made under and in accordance with this title shall be available for use for the purposes of this title. Such receipts and other funds made available under this title for use for the purposes of this title shall remain available until expended.

(b) The President is authorized to incur in carrying out the purposes of this title obligations which may not at any time exceed the sum of (i) all funds made available and all funds authorized to be made available pursuant to the authority, and subject to the fiscal year limitations, provided in section 202(a), and (ii) all other funds made available for this title.

(c) In carrying out the purposes of this title, the President shall prepare annually and submit a budget program in accordance with the provisions of sections 102, 103, and 104 of the Government Corporation Control Act, as amended (31 U.S.C. 847–849).

SEC. 204. REPORTS.—At the close of each quarter of the fiscal year, the President shall submit to the appropriate committees of the Congress a report of activities carried out in such quarter under this title, including appropriate information as to the amount of loans made under section 201(a), and notes issued under section 202(a), as well as any undertakings which have committed the United States Government to future obligations and expenditures of funds.

SEC. 205. DEVELOPMENT LOAN COMMITTEE.—The President shall establish an interagency Development Loan Committee, consisting of such officers from such agencies of the United States Government as he may determine, which shall, under the direction of the President, establish standards and criteria for lending operations under this title in accordance with the foreign and financial policies of the United States.

Title II—Development Grants

SEC. 211. GENERAL AUTHORITY.—The President is authorized to furnish assistance on such terms and conditions as he may determine in order to promote the technical and economic development of economically underdeveloped friendly countries and areas, with emphasis upon assisting the development of human resources. In so doing, the President shall take into account (1) whether the activity gives reasonable promise of contributing to the development of educational or other institutions and programs directed toward social progress, (2) the consistency of the activity with, and its relationship to other development activities being undertaken or planned, and its contribution to realizable long-range development objectives, (3) the economic and technical soundness of the activity to be financed, (4) the extent to which the recipient country is showing a responsiveness to the vital economic, political, and social concerns of its people, and demonstrating a clear willingness to take effective self-help measures, (5) the possible adverse effects upon the United States economy, with special reference to areas of substantial labor surplus,

of the assistance involved, and (6) the desirability of safeguarding the international balance of payments position of the United States. If the President finds that assistance proposed to be furnished under this part would have a substantially adverse effect upon the United States economy, or a substantial segment thereof, the assistance shall not be furnished.

SEC. 212. AUTHORIZATION.—There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1962 to carry out the purposes of section 211 not to exceed $380,000,000, which shall remain available until expended.

SEC. 213. ATOMS FOR PEACE.—The President is authorized to use, in addition to other funds available for such purposes, not to exceed $2,000,000 of the funds available for the purposes of section 211 for assistance, on such terms and conditions as he may determine, designed to promote the peaceful uses of atomic energy outside the United States.

SEC. 214. AMERICAN SCHOOLS AND HOSPITALS ABROAD.—(a) The President is authorized to use, in addition to other funds available for such purposes, funds made available for the purposes of section 211 for assistance, on such terms and conditions as he may specify, to schools, libraries, and hospitals outside the United States founded or sponsored by United States citizens and serving as study and demonstration centers for ideas and practices of the United States, or as centers for medical treatment, education, and research, as the case may be.

(b) The President is authorized to use, notwithstanding the provisions of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.), foreign currencies accruing to the United States Government under any Act, for purposes of subsection (a) of this section, and for assistance, on such terms and conditions as he may specify, to hospitals outside the United States founded or sponsored by United States citizens and serving as centers for medical treatment, education, and research.

(c) As a demonstration of good will on the part of the people of the United States for the Polish and Italian people, the President is authorized to use foreign currencies accruing to the United States Government under any Act, for assistance on such terms and conditions as he may specify, in the repair, rehabilitation, improvement, and maintenance of cemeteries in Italy serving as the burial place of members of the armed forces of Poland who died in combat in Italy during World War II.

SEC. 215. LOANS TO SMALL FARMERS.—It is the policy of the United States and the purpose of this section to strengthen the economies of underdeveloped friendly nations, and in friendly nations where the economy is essentially rural or based on small villages, to provide assistance designed to improve agricultural methods and techniques, to stimulate and encourage the development of local programs of self-help and mutual cooperation, particularly through loans of foreign currencies for associations of operators of small farms, formed for the purpose of joint action designed to increase or diversify agricultural productivity. The maximum unpaid balance of loans made to any association under this section may not exceed $25,000 at any one time; and the aggregate unpaid balance of all loans made under this section may not exceed $25,000,000 at any one time.

SEC. 216. VOLUNTARY AGENCIES.—(a) In order to further the efficient use of United States voluntary contributions for relief and rehabilitation in countries and areas eligible for assistance under this Act, the President is authorized to use funds made available for the purposes of section 211 to pay transportation charges from United States ports to ports of entry abroad, or, in the case of landlocked countries, to points of entry in such countries, on shipments by the American Red Cross and United States voluntary nonprofit relief agencies registered with and approved by the Advisory Committee on Voluntary Foreign Aid.

(b) Where practicable the President shall make arrangements with the receiving country for free entry of such shipments and for the making available by that country of local currencies for the purpose of defraying the transportation cost of such shipments from the port of entry of the receiving country to the designated shipping point of the consignee.

Title III—Investment Guaranties

SEC. 221. GENERAL AUTHORITY.—(a) In order to facilitate and increase the participation of private enterprise in furthering the development of the economic resources and productive capacities of economically underdeveloped friendly countries and areas, the President is authorized to issue guaranties as provided in subsection (b) of this section of investments in connection with projects, including expansion, modernization, or development of existing enterprises, in any friendly country or area with the government of which the President has agreed to institute the guaranty program. The guaranty program authorized by this title shall be administered under broad criteria, and each such project shall be approved by the President.

(b) The President may issue guaranties to United States citizens, corporations, partnerships and associations:

(1) assuring protection in whole or in part against any or all of the following risks:

(A) inability to convert into United States dollars other currencies, or credits in such currencies, received as earnings or profits from the approved project, as repayment or return of the investment therein, in whole or in part, or as compensation for the sale or disposition of all or any part thereof,

(B) loss of investment, in whole or in part, in the approved project due to expropriation or confiscation by action of a foreign government, and

(C) loss due to war, revolution, or insurrection, or due to any sanction which is imposed by any government against the government of the area where the project is located and which materially adversely affects the continued operation of the project:

Provided, That the total face amount of the guaranties issued under this paragraph (1) outstanding at any one time shall not exceed $1,000,000,000; and

(2) where the President determines such action to be important to the furtherance of the purposes of this title, assuring against loss in whole or in part of a loan investment due to nonpayment for any reason, or assuring against loss in whole or in part of any other form of investment due to such risks as the President may determine, upon such terms and conditions as the President may determine: *Provided*, That the total face amount of the guaranties issued under this paragraph (2) outstanding at any one time shall not exceed $100,000,000: *Provided further*, That no payment may be made under this paragraph (2) for any loss arising out of fraud or misconduct on the part of the investor: *Provided further*, That this authority shall continue until June 30, 1964.

(c) No guaranty shall exceed the dollar value of the investment made in the project with the approval of the President plus actual earnings or profits on said investment to the extent provided by such guaranty, nor shall any guaranty extend beyond twenty years from the date of issuance.

(d) The President shall make suitable arrangements for protecting the interests of the United States Government in connection with any guaranty issued under section 221 (b), including arrangements with respect to the ownership, use, and disposition of the currency, credits, assets, or investment on account of which payment under such guaranty is to be made, and any right, title, claim, or cause of action existing in connection therewith.

SEC. 222. GENERAL PROVISIONS.—(a) A fee shall be charged for each guaranty in an amount to be determined by the President. In the event the fee to be charged for a type of guaranty authorized under section 221(b) is reduced, fees to be paid under existing contracts for the same type of guaranty may be similarly reduced.

(b) All fees collected in connection with guaranties issued under this section, under sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and under section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (22 U.S.C. 1509(b)(3)) (exclusive of fees for informational media guaranties heretofore or hereafter issued pursuant to section 1011 of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1442) and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended), shall be available for meeting management and custodial costs incurred with respect to currencies or other assets acquired under guaranties made pursuant to section 221(b) of this part, sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (exclusive of informational media guaranties), and shall be available for expenditure in discharge of liabilities under guaranties made pursuant to such sections, until such time as all such property has been disposed of and all such liabilities have been discharged of have expired, or until all such fees have been expended in accordance with the provisions of this section.

(c) In computing the total face amount of guaranties outstanding at any one time for purposes of paragraph (1) of section 221(b), the President shall include the face amounts of outstanding guaranties theretofore issued pursuant to such paragraph, sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended, but shall exclude informational media guaranties.

(d) Any payments made to discharge liabilities under guaranties issued under section 221(b) of this part, sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (exclusive of informational media guaranties), shall be paid first out of funds specifically reserved for such payment pursuant to the proviso to the second sentence of section 222(e), and thereafter shall be paid out of fees referred to in section 222(b) as long as such fees are available, and thereafter shall be paid out of funds, if any, realized from the sale of currencies or other assets acquired in connection with any such guaranties as long as such funds are available, and finally shall be paid out of funds realized from the sale of notes issued under section 413(b)(4)(F) of the Mutual Security Act of 1954, as amended, and section 111(c)(2) of the Economic Cooperation Act of 1948, as amended.

(e) All guaranties issued prior to July 1, 1956 (exclusive of informational media guaranties), and all guaranties issued under section 202(b) of the Mutual Security Act of 1954, as amended, may be considered, and all other guaranties shall be considered for the purposes of section 3679 (31 U.S.C. 665) and section 3732 (41 U.S.C. 11) of the Revised Statutes, as amended, as obligations only to the extent of the probable ultimate

net cost to the United States Government of all outstanding guaranties. The President shall, in the submission to the Congress of the reports required by section 632 of this Act, include information on the operation of this title. Funds obligated in connection with guaranties issued under section 221(b) of this part, sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (exclusive of informational media guaranties), shall constitute a single reserve, together with funds available for obligation hereunder but not yet obligated, for the payment of claims under all guaranties issued under such sections: *Provided*, That funds obligated in connection with guaranties issued prior to July 1, 1956, and guaranties issued under section 202(b) of the Mutual Security Act of 1954, as amended, shall not, without the consent of the investor, be available for the payment of claims arising under any other guaranties. Funds available for obligation hereunder shall be decreased by the amount of any payments made to discharge liabilities, or to meet management and custodial costs incurred with respect to assets acquired, under guaranties issued pursuant to section 221(b) of this part, sections 202(b) and 413(b)(4) of the Mutual Security Act of 1954, as amended, and section 111(b)(3) of the Economic Cooperation Act of 1948, as amended (exclusive of informational media guaranties), and shall be increased by the amount obligated for guaranties as to which all liability of the United States Government has been terminated, and by the amount of funds realized from the sale of currencies or other assets acquired in connection with any payments made to discharge liabilities, and the amount of fees collected, under guaranties issued pursuant to such sections (exclusive of informational media guaranties).

(a) the term "investment" includes any contribution of capital commodities, services, patents, processes, or techniques in the form of (1) a loan or loans to an approved project, (2) the purchase of a share of ownership in any such project, (3) participation in royalties, earnings, or profits of any such project, and (4) the furnishing of capital commodities and related services pursuant to a contract providing for payment in whole or in part after the end of the fiscal year in which the guarantee of such investment is made; and

(b) the term "expropriation" includes any abrogation, repudiation, or impairment by a foreign government of its own contract with an investor, where such abrogation, repudiation, or impairment is not caused by the investor's own fault or misconduct, and materially adversely affects the continued operation of the project.

Title IV—Surveys of Investment Opportunities

SEC. 231. GENERAL AUTHORITY.—(a) In order to encourage and promote the undertaking by private enterprise of surveys of investment opportunities, other than surveys of extraction opportunities, in economically underdeveloped friendly countries and areas, the President is authorized to participate in the financing of such surveys undertaken by any person as defined in section 233(a), on such terms and conditions as he may determine: *Provided*, That his participation shall not exceed 50 per centum of the total cost of any such survey. The making of each such survey shall be approved by the President and the government concerned.

(b) In the event that a person who has undertaken a survey in accordance with this title determines, within a period of time to be determined by the President, not to undertake, directly or indirectly, the investment opportunity surveyed, such person shall turn over to the President a professionally acceptable technical report with respect to all matters explored. Such report shall become the property of the United States Government, and the United States Government shall be entitled to have access to, and obtain copies of, all underlying correspondence, memoranduma, working papers, documents, and other materials in connection with the survey.

SEC. 232. AUTHORIZATION.—There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1962 to carry out the purposes of this title not to exceed $5,000,000, which shall remain available until expended.

SEC. 233. DEFINITIONS.—As used in this title—

(a) the term "person" means a citizen of the United States or any corporation, partnership, or other association in which the majority beneficial interest is held by United States citizens; and

(b) the term "survey of extraction opportunities" means any survey directed (i) to ascertaining the existence, location, extent, or quality of any deposit of ore, oil, gas, or other mineral, or (ii) to determining the feasibility of undertaking operations for the mining or other extraction of any such mineral or for the processing of any such mineral to the stage of commercial marketability.

Title V—Development Research

SEC. 241. GENERAL AUTHORITY.—The President is authorized to use funds available for this part to carry out programs of evaluation and research into the process of economic development in economically underdeveloped friendly countries and areas, into the factors affecting the relative success and costs of development activities, and into the means, techniques, and such other aspects of development assistance as he may determine, in order to render such assistance of increasing value and benefit.

Chapter 3—International organizations and programs

SEC. 301. GENERAL AUTHORITY.—(a) When he determines it to be in the national interest, the President is authorized to make voluntary contributions on a grant basis to international organizations and to programs administered by such organizations on such terms and conditions as he may determine, in order to further the purposes of this part.

(b) Contributions to the United Nations Expanded Program of Technical Assistance and the United Nations Special Fund for the calendar years succeeding 1961 may not exceed forty per centum of the total amount contributed for such purpose (including assessed and audited local costs) for each such year.

(c) In determining whether or not to continue furnishing assistance for Palestine refugees in the Near East through contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the President shall take into account (1) whether Israel and the Arab host governments are taking steps toward the resettlement and repatriation of such refugees, and (2) the extent and success of efforts by the Agency and the Arab host governments to rectify the Palestine refugee relief rolls.

SEC. 302. AUTHORIZATION.—There is hereby authorized to be appropriated to the President for use, in addition to funds available under any other Act for such purposes, for the fiscal year 1962 to carry out the purposes of this chapter not to exceed $153,500,000.

SEC. 303. INDUS BASIN DEVELOPMENT.—In the event that funds made available under this Act (other than part II) are used by or under the supervision of the International Bank for Reconstruction and Development in furtherance of the development of the Indus Basin through the program of cooperation among south Asian and other countries of the free world, which is designed to promote economic growth and political stability in south Asia, such funds may be used in accordance with requirements, standards, or procedures established by the Bank concerning completion of plans and cost estimates and determination of feasibility, rather than with requirements, standards, or procedures concerning such matters set forth in this or other Acts; and such funds may also be used without regard to the provisions of section 901(b) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1241), whenever the President determines that such provisions cannot be fully satisfied without seriously impeding or preventing accomplishment of the purposes of such programs: *Provided*, That compensating allowances are made in the administration of other programs to the same or other areas to which the requirements of said section 901(b) are applicable.

Chapter 4—Supporting assistance

SEC. 401. GENERAL AUTHORITY.—The President is authorized to furnish assistance to friendly countries, organizations, and bodies eligible to receive assistance under this part on such terms and conditions as he may determine, in order to support or promote economic or political stability.

SEC. 402. AUTHORIZATION.—There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1962 to carry out the purposes of this chapter not to exceed $481,000,000, which shall remain available until expended.

SEC. 403. SPECIAL PROVISION.—The President shall take appropriate measures to assure the use of counterpart funds. In cases where any commodity is to be furnished on a grant basis under arrangements which will result in the accrual of proceeds to the recipient country from the import or sale thereof, such assistance shall be furnished only if the recipient country shall have agreed to establish a Special Account, and

(1) deposit in the Special Account, under such terms and conditions as may be agreed upon, currency of the recipient nation in amounts equal to such proceeds; and

(2) make available to the United States such portion of the Special Account as may be determined by the President to be necessary for the requirements of the United States: *Provided*, That such portion shall not be less than 10 per centum in the case of any country to which such minimum requirement has been applicable under any Act repealed by this Act.

Chapter 5—Contingency fund

SEC. 451. CONTINGENCY FUND.—(a) There is hereby authorized to be appropriated to the President for the fiscal year 1962 not to exceed $300,000,000 for use by the President for assistance authorized by part I in accordance with the provisions applicable to the furnishing of such assistance, when he determines such use to be important to the national interest.

(b) The President shall keep the appropriate committees of the Congress currently informed of the use of funds under this section.

Chapter 6—Assistance to nations having agrarian economies

SEC. 461. ASSISTANCE TO NATIONS HAVING AGRARIAN ECONOMIES.—(a) It is the policy of the United States and the purpose of this part to secure for the peoples of economically underdeveloped countries and areas a better and fuller life, and to establish programs of assistance which meet the needs of individuals and families who, impatient with their present status, are undergoing a revolution of rising expectations.

(b) In order to accomplish the purposes of this section and wherever the President determines that the economy of any country is in major part an agrarian economy, at least 50 percent by dollar value of all assistance furnished under this part to such country in each fiscal year shall be furnished through programs which directly or indirectly reach the people in such country who are engaged in agrarian pursuits or who live in the villages or rural areas in such nation, including programs which will assist them in the establishment of indigenous cottage industries, in the improvement of agricultural methods and techniques, and which will encourage the development of local programs of self-help and mutual cooperation.

PART II

Chapter 1—Short title and policy

SEC. 501. SHORT TITLE.—This part may be cited as the "International Peace and Security Act of 1961".

SEC. 502. STATEMENT OF POLICY.—The Congress of the United States reaffirms the policy of the United States to achieve international peace and security through the United Nations so that armed force shall not be used except for individual or collective self-defense. The Congress hereby finds that the efforts of the United States and other friendly countries to promote peace and security continue to require measures of support based upon the principle of effective self-help and mutual aid. It is the purpose of this part to authorize measures in the common defense against internal and external aggression, including the furnishing of military assistance, upon request, to friendly countries and international organizations. In furnishing such military assistance, it remains the policy of the United States to continue to exert maximum efforts to achieve universal control of weapons of mass destruction and universal regulation and reduction of armaments, including armed forces, under adequate safeguards to protect complying nations against violation and evasion.

The Congress recognizes that the peace of the world and the security of the United States are endangered so long as international communism and the countries it controls continue by threat of military action, by the use of economic pressure, and by internal subversion, or other means to attempt to bring under their domination peoples now free and independent and continue to deny the rights of freedom and self-government to peoples and countries once free but now subject to such domination.

In enacting this legislation, it is therefore the intention of the Congress to promote the peace of the world and the foreign policy, security, and general welfare of the United States by fostering an improved climate of political independence and individual liberty, improving the ability of friendly countries and international organizations to deter or, if necessary, defeat Communist or Communist-supported aggression, facilitating arrangements for individual and collective security, assisting friendly countries to maintain internal security, and creating an environment of security and stability in the developing friendly countries essential to their more rapid social, economic, and political progress. The Congress urges that all other countries able to contribute join in a common undertaking to meet the goals stated in this part.

Finally, the Congress reaffirms its full support of the progress of the members of the North Atlantic Treaty Organization toward increased cooperation in political, military, and economic affairs. In particular, the Congress welcomes the steps which have been taken to promote multilateral programs of coordinated procurement, research, development, and production of defense articles and urges that such programs be expanded to the fullest extent possible to further the defense of the North Atlantic Area.

Chapter 2—Military assistance

SEC. 503. GENERAL AUTHORITY.—The President is authorized to furnish military assistance on such terms and conditions as he may determine, to any friendly country or international organization, the assisting of which the President finds will strengthen the security of the United States and promote world peace and which is otherwise eligible to receive such assistance, by—

(a) acquiring from any source and providing (by loan, lease, sale, exchange, grant, or any other means) any defense article or defense service;

(b) making financial contributions to multilateral programs for the acquisition or construction of facilities in foreign countries for collective defense;

(c) providing financial assistance for expenses incident to participation by the United States Government in regional or collective defense organizations; and

(d) assigning or detailing members of the Armed Forces of the United States and other personnel of the Department of Defense to perform duties of a noncombatant nature, including those related to training or advice.

SEC. 504. AUTHORIZATION.—There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1962 not to exceed $1,800,000,000, and for the fiscal year 1963 such sums as may be necessary, to carry out the purposes of this part, which sums shall remain available until expended.

SEC. 505. UTILIZATION OF ASSISTANCE.—(a) Military assistance to any friendly country shall be furnished solely for internal security, for legitimate self-defense, to permit the recipient country to participate in regional or collective arrangements or measures consistent with the Charter of the United Nations, or otherwise to permit the recipient country to participate in collective measures requested by the United Nations for the purpose of maintaining or restoring international peace and security.

(b) To the extent feasible and consistent with the other purposes of this part, the use of military forces in economically underdeveloped friendly countries in the construction of public works and other activities helpful to economic development shall be encouraged.

SEC. 506. CONDITIONS OF ELIGIBILITY.—(a) In addition to such other provisions as the President may require, no defense articles or defense services shall be furnished to any country unless it shall have agreed that—

(1) It will not, without the consent of the President—

(A) permit any use of such articles or services by anyone not an officer, employee, or agent of that country,

(B) transfer or divulge, or permit any officer, employee, or agent of that country to transfer or divulge, such articles or services, as the case may be, by gift, sale, or otherwise, or

(C) use or permit the use of such articles or services for purposes other than those for which furnished;

(2) It will maintain the security of such articles or services, and will provide substantially the same degree of security protection afforded to such articles or services by the United States Government;

(3) It will, as the President may require, permit continuous observation and review by, and furnish necessary information to, representatives of the United States Government with regard to the use of such articles and services, other than those acquired by purchases or exchange; and

(4) Unless the President consents to other disposition, it will return to the United States Government for such use or disposition as the President considers in the best interests of the United States, such articles, other than those acquired by purchase or exchange, which are no longer needed for the purposes for which furnished.

(b) In addition to such other provisions as the President may require, no defense articles or defense services shall be furnished to any country at a cost in excess of $1,000,000 in any fiscal year unless the President determines—

(1) that such country conforms to the purposes and principles of the Charter of the United Nations;

(2) that such defense articles or defense services will be utilized by such country for the maintenance of its own defensive strength and the defensive strength of the free world;

(3) that such country is taking all reasonable measures, consistent with its political and economic stability, which may be needed to develop its defense capacities; and

(4) that the increased ability of such country to defend itself is important to the security of the United States.

SEC. 507. SALES.—(a) The President may furnish defense articles from the stocks of the Department of Defense and defense services to any friendly country or international organization, without reimbursement from funds made available for use under this part, if such country or international organization agrees to pay the value thereof in United States dollars. Payments shall be made in advance or, as determined by the President to be in the best interests of the United States, within a reasonable period not to exceed three years after the delivery of the defense articles, or the provision of the defense services. For the purposes of this subsection, the value of excess defense articles shall be not less than (i) the value specified in section 644(m)(1) plus the scrap value, or (ii) the market value, if ascertainable, whichever is the greater.

(b) The President may, without requirement for charge to any appropriation or contract authorization otherwise provided, enter into contracts for the procurement of defense articles or defense services for sale to any friendly country or international organization if such country or international organization provides the United States Government with a dependable undertaking (i) to pay the full amount of such contract which will assure the United States Government against any loss on the contract, and (ii) to make funds available in such amounts and at such times as may be required to meet the payments required by the contract, and any damages and costs that may accrue from the cancellation of such contract, in advance of the time such payments, damages, or costs are due.

SEC. 508. REIMBURSEMENTS.—Whenever funds made available for use under this part are used to furnish military assistance on cash or credit terms, United States dollar repayments, including dollar proceeds derived from the sale of foreign currency repayments to any agency or program of the United States Government, shall be credited to the current applicable appropriation, and shall be available until expended solely for the purpose of furnishing further military assistance on cash or credit terms, and, notwithstanding any provision of law relating to receipts and credits accruing to the United States Government, repayments in foreign currency may be used to carry out this part.

SEC. 509. EXCHANGES.—Defense articles or defense services transferred to the United States Government by a country or international organization as payment for assistance furnished under this part may be used to carry out this part, or may be disposed

of or transferred to any agency of the United States Government for stockpiling or other purposes. If such disposal or transfer is made subject to reimbursement, the funds so received shall be credited to the appropriation, fund, or account funding the cost of the assistance furnished or to any appropriation, fund, or account currently available for the same general purpose.

SEC. 510. SPECIAL AUTHORITY.—(a) During the fiscal year 1962, the President may, if he determines it to be vital to the security of the United States, order defense articles from the stocks of the Department of Defense and defense services for the purposes of part II, subject to subsequent reimbursement therefor from subsequent appropriations available for military assistance. The value of such orders under this subsection in the fiscal year 1962 shall not exceed $400,000,000. Prompt notice of action taken under this subsection shall be given to the appropriate committees of the Congress.

(b) The Department of Defense is authorized to incur, in applicable appropriations, obligations in anticipation of reimbursements in amounts equivalent to the value of such orders under subsection (a) of this section. Appropriations to the President of such sums as may be necessary to reimburse the applicable appropriation, fund, or account for such orders are hereby authorized.

SEC. 511. RESTRICTIONS ON MILITARY AID TO LATIN AMERICA.—(a) The value of grant programs of defense articles for American Republics, pursuant to any authority contained in this part other than section 507, in any fiscal year beginning with the fiscal year 1962, shall not exceed $60,000,000: *Provided*, That an amount equal to the amount by which the foregoing ceiling reduces the program as presented to the Congress for the fiscal year 1962 shall be transferred to and consolidated with the appropriation made pursuant to section 212 and shall be used for development grants in American Republics.

(b) Internal security requirements shall not, unless the President determines otherwise, be the basis for military assistance programs for American Republics.

PART III

Chapter 1—General provisions

SEC. 600. GUARANTEES OF FREEDOMS.—Since it is the objective of the people of the United States to attain a peaceful world where freedom of the individual and the dignity of man are recognized, and where the State is the servant and not the master of its citizens, it is the purpose of this Act to, encourage countries receiving assistance under this Act to guarantee to their people freedom of speech, freedom of religion, and freedom of the press.

SEC. 601. ENCOURAGEMENT OF FREE ENTERPRISE AND PRIVATE PARTICIPATION.—(a) The Congress of the United States recognizes the vital role of free enterprise in achieving rising levels of production and standards of living essential to economic progress and development. Accordingly, it is declared to be the policy of the United States to encourage the efforts of other countries to increase the flow of international trade, to foster private initiative and competition, to discourage monopolistic practices, to improve the technical efficiency of their industry, agriculture, and commerce, and to strengthen free labor unions; and to encourage the contribution of United States enterprise toward economic strength of economically underdeveloped free countries, through private trade and investment abroad, private participation in programs carried out under this Act (including the use of private trade channels to the maximum extent practicable in carrying out such programs), and exchange of ideas and technical information on the matters covered by this section.

(b) In order to encourage and facilitate participation by private enterprise to the maximum extent practicable in achieving any of the purposes of this Act, the President shall—

(1) make arrangements to find, and draw the attention of private enterprise to, opportunities for investment and development in economically underdeveloped free countries and areas;

(2) accelerate a program of negotiating treaties for commerce and trade, including tax treaties, which shall include provisions to encourage and facilitate the flow of private investment to, and its equitable treatment in, free countries and areas participating in programs under this Act;

(3) seek, consistent with the national interest, compliance by other countries or areas with all treaties for commerce and trade and taxes, and take all reasonable measures under this Act or other authority to secure compliance therewith and to assist United States citizens in obtaining just compensation for losses sustained by them or payments exacted from them as a result of measures taken or imposed by any country or area thereof in violation of any such treaty; and

(4) wherever appropriate carry out programs of assistance through private channels, and to the extent practicable in conjunction with local private or governmental participation, including loans under the authority of section 201 to any individual, corporation, or other body of persons.

SEC. 602. SMALL BUSINESS.—Insofar as practicable and to the maximum extent consistent with the accomplishment of the purposes of this Act, the President shall assist American small business to participate equitably in the furnishing of commodities, defense articles, and services (including defense services) financed with funds made available under this Act—

(1) by causing to be made available to suppliers in the United States, and particularly to small independent enterprises, information, as far in advance as possible, with respect to purchases proposed to be financed with such funds;

(2) by causing to be made available to prospective purchasers in the countries and areas receiving assistance under this Act information as to such commodities, articles, services produced by small independent enterprises in the United States; and

(3) by providing for additional services to give small business better opportunities to participate in the furnishing of such commodities, articles, and services financed with such funds.

SEC. 603. SHIPPING ON UNITED STATES VESSELS.—The ocean transportation between foreign countries of commodities and defense articles procurred out of local currency funds made available or derived from funds made available under this Act or the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691 and the following), shall not be governed by the provisions of section 901(b) of the Merchant Marine Act, 1936, or any other law relating to the ocean transportation of commodities and defense articles on United States flag vessels. Sales of fresh fruit and the products thereof under this Act shall be exempt from the requirements of the cargo preference laws (Public Resolution 17, Seventy-third Congress, and section 901(b) of the Merchant Marine Act, 1936, as amended).

SEC. 604. PROCUREMENT.—(a) Funds made available under this Act may be used for procurement outside the United States only if the President determines that such procurement will not result in adverse effects upon the economy of the United States or the industrial mobilization base, with special reference to any areas of labor surplus or to the net position of the United States in its balance of payments with the rest of the world, which outweight the economic or other advantages to the United States of less costly procurement outside the United States.

(b) No funds made available under this Act shall be used for the purchase in bulk of any commodities at prices higher than the market price prevailing in the United States at the time of purchase, adjusted for differences in the cost of transportation to destination, quality, and terms of payment.

(c) In providing for the procurement of any surplus agricultural commodity for transfer by grant under this Act to any recipient country in accordance with its requirements, the President shall, insofar as practicable and when in furtherance of the purposes of this Act, authorize the procurement of such surplus agricultural commodity only within the United States except to the extent that such surplus agricultural commodity is not available in the United States in sufficient quantities to supply the emergency requirements of recipients under this Act.

(d) In providing assistance in the procurement of commodities in the United States, United States dollars shall be made available for marine insurance on such commodities where such insurance is placed on a competitive basis in accordance with normal trade practice prevailing prior to the outbreak of World War II: *Provided*, That in the event a participating country, by statute, decree, rule, or regulation, discriminates against any marine insurance company authorized to do business in any State of the United States, then commodities purchased with funds provided hereunder and destined for such country shall be insured in the United States against marine risk with a company or companies authorized to do a marine insurance business in any State of the United States.

SEC. 605. RETENTION AND USE OF ITEMS.—(a) Any commodities and defense articles procured to carry out this Act shall be retained by, or upon reimbursement, transferred to, and for the use of, such agency of the United States Government as the President may determine in lieu of being disposed of to a foreign country or international organization, whenever in the judgment of the President the best interests of the United States will be served thereby, or whenever such retention is called for by concurrent resolution. Any commodities or defense articles so retained may be disposed of without regard to provisions of law relating to the disposal of property owned by the United States Government, when necessary to prevent spoilage or wastage of such commodities or defense articles or to conserve the usefulness thereof. Funds realized from any disposal or transfer shall revert to the respective appropriation, fund, or account used to procure such commodities or defense articles or to the appropriation, fund, or account currently available for the same general purpose.

(b) Whenever commodities are transferred to the United States Government as repayment of assistance under this Act, such commodities may be used in furtherance of the purposes of this Act in accordance with the provisions of this Act applicable to the furnishing of such assistance.

SEC. 606. PATENTS AND TECHNICAL INFORMATION.—(a) Whenever, in connection with the furnishing of assistance under this Act—

(1) an invention or discovery covered by a patent issued by the United States Government is practiced within the United States without the authorization of the owner, or

(2) information, which is (i) protected by law, and (ii) held by the United States Government subject to restrictions imposed by

the owner, is disclosed by the United States Government or any of its officers, employees, or agents in violation of such restrictions, the exclusive remedy of the owner, except as provided in subsection (b) of this section, is to sue the United States Government for reasonable and entire compensation for such practice or disclosure in the district court of the United States for the district in which such owner is a resident, or in the Court of Claims, within six years after the cause of action arises. Any period during which the United States Government is in possession of a written claim under subsection (b) of this section before mailing a notice of denial of that claim does not count in computing the six years. In any such suit, the United States Government may plead any defense that may be pleaded by a private person in such an action. The last paragraph of section 1498(a) of title 28 of the United States Code shall apply to inventions and information covered by this section.

(b) Before suit against the United States Government has been instituted, the head of the agency of the United States Government concerned may settle and pay any claim arising under the circumstances described in subsection (a) of this section. No claim may be paid under this subsection unless the amount tendered is accepted by the claimant in full satisfaction.

(c) Funds appropriated pursuant to this Act shall not be expended by the United States Government for the acquisition of any drug product or pharmaceutical product manufactured outside the United States if the manufacture of such drug product or pharmaceutical product involves the use of, or is covered by, an unexpired patent of the United States which has not previously been held invalid by an unappealed or unappealable judgment or decree of a court of competent jurisdiction without license of the owner thereof.

SEC. 607. FURNISHING OF SERVICES AND COMMODITIES.—Whenever the President determines it to be consistent with and in furtherance of the purposes of part I and within the limitations of this Act, any agency of the United States Government is authorized to furnish services and commodities on an advance-of-funds or reimbursement basis to friendly countries, international organizations, the American Red Cross, and voluntary nonprofit relief agencies registered with and approved by the Advisory Committee on Voluntary Foreign Aid. Such advances or reimbursements which are received under this section within one hundred and eighty days after the close of the fiscal year in which such services and commodities are delivered, may be credited to the current applicable appropriation, account, or fund of the agency concerned and shall be available for the purposes for which such appropriation, account, or fund is authorized to be used.

SEC. 608. ADVANCE ACQUISITION OF PROPERTY.—(a) The President is authorized to maintain in a separate account, which shall, notwithstanding section 1210 of the General Appropriation Act, 1951 (64 Stat. 765), be free from fiscal year limitation, $5,000,000 of funds made available under section 212, which may be used to pay costs of acquisition, storage, renovation and rehabilitation, packing, crating, handling, transportation, and related costs of property classified as domestic or foreign excess property pursuant to the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471 et seq.), or other property, in advance of known requirements therefor for use in furtherance of the purposes of part I: *Provided*, That the amount of property classified as domestic excess property pursuant to the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471 et seq.), held at any one time pursuant to this section shall not exceed $15,000,000 in total original acquisition cost. Property acquired pursuant to the preceding sentence may be furnished (i) pursuant to any provision of part I for which funds are authorized for the furnishing of assistance, in which case the separate account established pursuant to this section shall be repaid from funds made available for such provision for all costs incurred, or (ii) pursuant to section 607, in which case such separate account shall be repaid in accordance with the provisions of that section for all costs incurred.

(b) Property classified as domestic excess property under the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471 et seq.), shall not be transferred to the agency primarily responsible for administering part I for use pursuant to the provisions of part I or section 607 unless (1) such property is transferred for use exclusively by an agency of the United States Government, or (2) it has been determined in the same manner as provided for surplus property in section 203 (j) of the Federal Property and Administrative Services Act of 1949, as amended, that such property is not needed for donation pursuant to that subsection. The foregoing restrictions shall not apply to the transfer in any fiscal year for use pursuant to the provisions of part I of amounts of such property with a total original acquisition cost to the United States Government not exceeding $35,000,000.

SEC. 609. TRANSFER BETWEEN ACCOUNTS.—Whenever the President determines it to be necessary for the purposes of this Act, not to exceed 10 per centum of the funds made available for any provision of this Act may be transferred to, and consolidated with, the funds made available for any other provision of this Act, and may be used for any of the purposes for which such funds may be used, except that the total in the provision for the benefit of which the transfer is made shall not be increased by more than 20 per centum of the amount of funds made available for such provision.

SEC. 610. COMPLETION OF PLANS AND COST ESTIMATES.—(a) No agreement or grant which constitutes an obligation of the United States Government in excess of $100,000 under section 1311 of the Supplemental Appropriation Act, 1955, as amended (31 U.S.C. 200), shall be made for any assistance authorized under titles I and II of chapter 2 and chapter 4 of part I—

(1) if such agreement or grant requires substantive technical or financial planning, until engineering, financial, and other plans necessary to carry out such assistance, and a reasonably firm estimate of the cost to the United States Government of providing such assistance, have been completed; and

(2) if such agreement or grant requires legislative action within the recipient country, unless such legislative action may reasonably be anticipated to be completed in time to permit the orderly accomplishment of the purposes of such agreement or grant.

(b) Plans required under subsection (a) of this section for any water or related land resource construction project or program shall include a computation of benefits and costs made insofar as practicable in accordance with the procedures set forth in circular A–47 of the Bureau of the Budget with respect to such computations.

(c) To the maximum extent practicable, all contracts for construction outside the United States made in connection with any agreement or grant subject to subsection (a) of this section shall be made on a competitive basis.

(d) Subsection (a) of this section shall not apply to any assistance furnished for the sole purpose of preparation of engineering, financial, and other plans.

SEC. 611. USE OF FOREIGN CURRENCIES.—Except as otherwise provided in this Act or other Acts, foreign currencies received either (1) as a result of the furnishing of nonmilitary assistance under the Mutual Security Act of 1954, as amended, or any Act repealed thereby, and unobligated on the date prior to the effective date of this Act, or (2) on or after the effective date of this Act, as a result of the furnishing of nonmilitary assistance under the Mutual Security Act of 1954, as amended, or any Act repealed thereby, or (3) as a result of the furnishing of assistance under part I, may be sold by the Secretary of the Treasury to agencies of the United States Government for payment of their obligations outside the United States, and the United States dollars received as reimbursement shall be deposited into miscellaneous receipts of the Treasury. Foreign currencies so received which are in excess of the requirements of the United States Government in payment of its obligations outside the United States, as such requirements may be determined from time to time by the President, shall be available for the authorized purposes of part I in such amounts as may be specified from time to time in appropriation Acts.

SEC. 612. SPECIAL AUTHORITIES.—(a) The President may authorize in each fiscal year the use of funds made available for use under this Act and the furnishing of assistance under section 510 in a total amount not to exceed $250,000,000 and the use of not to exceed $100,000,000 of foreign currencies accruing under this Act or any other law, without regard to the requirements of this Act, any law relating to receipts and credits accruing to the United States, any Act appropriating funds for use under this Act, or the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.), in furtherance of any of the purposes of such Acts, when the President determines that such authorization is important to the security of the United States. Not more than $50,000,000 of the funds available under this subsection may be allocated to any one country in any fiscal year.

(b) Whenever the President determines it to be important to the national interest, he may use funds available for the purposes of chapter 4 of part I in order to meet the responsibilities or objectives of the United States in Germany, including West Berlin, and without regard to such provisions of law as he determines should be disregarded to achieve this purpose.

(c) The President is authorized to use amounts not to exceed $50,000,000 of the funds made available under this Act pursuant to his certification that it is inadvisable to specify the nature of the use of such funds, which certification shall be deemed to be a sufficient voucher for such amounts.

SEC. 613. CONTRACT AUTHORITY.—Provisions of this Act authorizing the appropriation of funds shall be construed to authorize the granting in any appropriation Act of authority to enter into contracts, within the amounts so authorized to be appropriated, creating obligations in advance of appropriations.

SEC. 614. AVAILABILITY OF FUNDS.—Except as otherwise provided in this Act, funds shall be available to carry out the provisions of this Act as authorized and appropriated to the President each fiscal year.

SEC. 615. COORDINATION WITH OTHER FREE NATIONS AND ORGANIZATION OF AMERICAN STATES.—The President shall provide for the coordination of programs of assistance carried out under this Act with programs of assistance being carried out by other free countries, and by the Organization of American States and other international organizations.

SEC. 616. ECONOMIC ASSISTANCE TO LATIN AMERICA.—Economic assistance to Latin America pursuant to chapter 2 of part I of this Act shall be furnished in accordance with the principles of the Act of Bogotá signed on September 13, 1960, and in order

to carry out the policies of this Act and the purposes of this section, the President shall, when requested by a friendly nation and when appropriate, assist in fostering measures of agrarian reform, including colonization and redistribution of land, with a view to ensuring a wider and more equitable distribution of the ownership of land.

SEC. 617. TERMINATION OF ASSISTANCE.—Assistance under any provision of this Act may, unless sooner terminated by the President, be terminated by concurrent resolution. Funds made available under this Act shall remain available for a period not to exceed twelve months from the date of termination of assistance under this Act for the necessary expenses of winding up programs related thereto.

SEC. 618. ASSISTANCE TO CUBA.—No assistance shall be furnished under this Act to the present government of Cuba. As an additional means of implementing and carrying into effect the policy of the preceding sentence, the President is authorized to establish and maintain a total embargo upon all trade between the United States and Cuba.

(c) No assistance shall be furnished under this Act to any country which furnishes assistance to the present government of Cuba unless the President determines that such assistance is in the national and hemispheric interest of the United States.

SEC. 619. PROHIBITION AGAINST FURNISHING ASSISTANCE TO CERTAIN COUNTRIES.—(a) No assistance shall be furnished under this Act to any country or area dominated or controlled by the international Communist conspiracy including specifically but not limited to the following countries: Peoples Republic of Albania, Peoples Republic of Bulgaria, Peoples Republic of China, Czechoslovak Socialist Republic, German Democratic Republic (East Germany), Estonia, Hungarian Peoples Republic, Latvia, Lithuania, North Korean Peoples Republic, North Vietnam, Outer Mongolia—Mongolian Peoples Republic, Polish Peoples Republic, Rumanian Peoples Republic, Tibet, Federal Peoples Republic of Yugoslavia, Cuba, and Union of Soviet Socialist Republics.

(b) No assistance shall be furnished under this Act for construction or operation of any productive enterprise in any country unless such country has agreed that it will establish appropriate procedures to prevent the exportation for use or consumption in the United States of more than ten percent of the annual production of such facility during the life of the loan. In case of failure to implement such agreement by the other contracting party, the President is authorized to establish necessary import controls to effectuate the agreement. The restrictions imposed by or pursuant to this section may not be waived by the President except in cases where he determines that such waiver is in the national security interest.

Chapter 2—Administrative provisions

SEC. 621. EXERCISE OF FUNCTIONS.—(a) The President may exercise any functions conferred upon him by this Act through such agency or officer of the United States Government as he shall direct. The head of any such agency or such officer may from time to time promulgate such rules and regulations as may be necessary to carry out such functions, and may delegate authority to perform any such functions, including, if he shall so specify, the authority successively to redelegate any of such functions, to any of his subordinates.

(b) Notwithstanding the provisions of section 642(a), the Development Loan Fund, the International Cooperation Administration, and the Office of the Inspector General and Comptroller shall continue in existence for a period not to exceed sixty days after the effective date of this Act, unless sooner abolished by the President. There shall continue to be available to each such agency and office during such period the respective functions, offices, personnel, property, records, funds, and assets which were available thereto on the date prior to the effective date of this Act.

(c) On the date of the abolition of the Development Loan Fund, the President shall designate an officer or head of an agency of the United States Government carrying out functions under part I to whom shall be transferred, and who shall accept the assets of, assume the obligations and liabilities of, and exercise the rights established or acquired for the benefit of, or with respect to, the fund as of the date of abolition and not otherwise disposed of by this Act. In addition, on such date the President shall designate such officer or head of agency as the person to be sued in the event of default in the fulfillment of the obligations of the fund, and shall transfer to such officer or head of agency such offices, entities, functions, personnel, property, and records of the fund as may be necessary.

(d) On the date of the abolition of the International Cooperation Administration, the President shall transfer to an officer or head of an agency of the United States Government carrying out functions under part I such offices, entities, functions, personnel, property, records, and funds of such agency, not otherwise disposed of by this Act, as may be necessary.

(e) On the date of the abolition of the agencies referred to in subsections (c) and (d) of this section, the President shall designate an officer or head of an agency of the United States Government carrying out functions under part I to whom shall be transferred, and who shall accept the assets of, assume the obligations and liabilities of, and exercise the rights established or acquired for the benefit of, or with respect to, the Export-Import Bank of Washington related to the loans made by the Bank pursuant to section 104(e) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(e)). In addition, on such date the President shall designate such officer or head of agency to be sued in the event of default in the fulfillment of such obligations of the Bank, and shall transfer to such office or head of agency such records of the Bank as may be necessary.

SEC. 622. STATUTORY OFFICERS.—(a) The President may appoint, by and with the advice and consent of the Senate, twelve officers in the agency primarily responsible for administering part I, of whom—

(1) one shall have the rank of an Under Secretary and shall be compensated at a rate not to exceed the rate authorized by law for any Under Secretary of an executive department;

(2) two shall have the rank of Deputy Under Secretaries and shall be compensated at a rate not to exceed the rate authorized by law for any Deputy Under Secretary of an executive department; and

(3) nine shall have the rank of Assistant Secretaries and shall be compensated at a rate not to exceed the rate authorized by law for any Assistant Secretary of an executive department.

(b) Within the limitations established by subsection (a) of this section, the President may fix the rate of compensation, and may designate the title of, any officer appointed pursuant to the authority contained in that subsection. The President may also fix the order of succession among the officers provided for in paragraphs (2) and (3) of subsection (a) of this section in the event of the absence, death, resignation, or disability of the officers provided for in paragraphs (1) and (2) of that subsection.

(c) Any person who was appointed, by and with the advice and consent of the Senate, to any statutory position authorized by any provision of law repealed by section 642(a) and who is serving in one of such positions at the time of transfer of functions pursuant to subsections (c) and (d) of section 621 may be appointed by the President to a position authorized by subsection (a) of this section on the date of the establishment of the agency primarily responsible for administering part I, without further action by the Senate.

(d) Notwithstanding the provisions of section 642(a)(1) and 642(a)(2), any person who, on the date prior to the effective date of this Act, held an office or a position authorized pursuant to sections 205(b), 527(b), and 533A of the Mutual Security Act of 1954, as amended, and Reorganization Plan Numbered 7 of 1953, may continue to hold such office or position, subject to the discretion of the head of the agency primarily responsible for administering part I, for a period of not more than sixty days following the effective date of this Act.

(e)(1) In addition to the officers provided for in subsection (a) of this section, there shall be in the Department of State an officer with the title of "Inspector General, Foreign Assistance," who shall be appointed by the President, by and with the advice and consent of the Senate. In addition, there shall be one Deputy Inspector General, Foreign Assistance, and three Assistant Inspector Generals, Foreign Assistance, one of whom shall be responsible for inspection of engineering, construction and operations, and shall be qualified as a professional engineer, who shall be appointed by the President, and such other personnel as may be required to carry out the functions vested in the Inspector General, Foreign Assistance, by this subsection. Notwithstanding any other provisions of law, such of the personnel employed under the authority of section 533A of the Mutual Security Act of 1954, as amended, as the Inspector General, Foreign Assistance, may designate, and such of the property, records, and funds of the office established by such section 533A as the Inspector General, Foreign Assistance, may deem necessary, may be transferred to the office of the Inspector General, Foreign Assistance. The Inspector General, Foreign Assistance, shall receive compensation at the rate of $20,000 annually; the Deputy Inspector General, Foreign Assistance, shall receive compensation at the rate of $19,500 annually, and each Assistant Inspector General, Foreign Assistance, shall receive compensation at the rate of $19,000 annually.

(2) The Inspector General, Foreign Assistance, shall report directly to the Secretary of State and shall have the following duties and responsibilities:

(A) He shall arrange for, direct or conduct such reviews, inspections and audits of programs being conducted under part I of this Act and of the Peace Corps as he considers necessary for the purpose of ascertaining the efficiency and the economy of their administration, their consonance with the foreign policy of the United States, and the attainment of their objectives.

(B) For the purpose of ascertaining the extent to which programs of assistance being carried out under part II of this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, are in consonance with the foreign policy of the United States, are aiding in the attainment of the objectives of this Act, and are being carried out consistently with the responsibilities with respect thereto of the respective United States chiefs of missions and of the Secretary of State, as well as the efficiency and the economy with which such responsibilities are discharged, he shall arrange for, direct or conduct such reviews, inspections and audits of programs of assistance under part II of this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, as he considers necessary.

(3) The Inspector General shall maintain continuous observation and review of programs with respect to which he has responsibilities under paragraph (2) of this subsection for the purpose of—

(A) determining the extent to which such programs are in compliance with applicable laws and regulations;

(B) making recommendations for the correction of deficiencies in, or for improving the organization, plans or procedures of, such programs; and

(C) evaluating the effectiveness of such programs in attaining United States foreign policy objectives and reporting to the Secretary of State with respect thereto.

(4) In order to eliminate duplication and to assure full utilization of existing data, the Inspector General, Foreign Assistance, shall, in carrying out his duties under this Act, give due regard to the audit, investigative and inspection activities of the various agencies, including those of the General Accounting Office and of the military Inspectors General.

(5) For the purpose of aiding in carrying out his duties under this Act, the Inspector General, Foreign Assistance, shall have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material of the agencies of the United States Government administering part I or part II of this Act, the Peace Corps or the Agricultural Trade Development and Assistance Act of 1954, as amended. All agencies of the United States Government shall cooperate with the Inspector General, Foreign Assistance, and shall furnish assistance upon request to the Inspector General, Foreign Assistance, in aid of his responsibilities.

(6) The Inspector General shall have authority to suspend all or any part of any project or operation with respect to which he has conducted or is conducting an inspection, audit, or review provided he first has given written notice to the Secretary of State. Any such suspension shall remain effective until such program or part thereof is ordered resumed by the Inspector General, Foreign Assistance, or by the Secretary of State. This paragraph shall not apply to part II of this Act, and with respect to the Agricultural Trade Development and Assistance Act of 1954, as amended, shall apply only to projects and operations administered by the Secretary of State.

(7) Expenses of the Inspector General, Foreign Assistance, with respect to programs under part I or part II of this Act and the Peace Corps shall be charged to the appropriations made to carry out such programs, and with respect to programs under the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be charged to funds available under the authority of this Act: *Provided,* That such appropriations shall not be charged with such expenses after the expiration of a thirty-five day period which begins on the date the General Accounting Office, or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation, appropriations, or expenditures under the Act, has delivered to the Office of the Secretary of State a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material which relates to the operation or activities of the Inspector General, Foreign Assistance, unless and until there has been furnished to the General Accounting Office, or to such committee, or subcommittee, as the case may be, the document, paper, communication, audit, review, findings, recommendation, report, or other material so requested, and the waiver authority in section 612(a) of this Act and the provisions of section 632(c) of this Act shall not apply to this subsection. Such expenses shall not exceed $2,000,000 in any fiscal year. The Inspector General, Foreign Assistance, may make expenditures (not in excess of $2,000 in any fiscal year) of a confidential nature when he finds that such expenditures are in aid of inspections, audits or reviews under this subsection. A certificate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by the Inspector General, Foreign Assistance, and every such certificate shall be deemed a sufficient voucher for the amount therein specified.

SEC. 623. EMPLOYMENT OF PERSONNEL.—(a) Any agency or officer of the United States Government carrying out functions under this Act is authorized to employ such personnel as the President deems necessary to carry out the provisions and purposes of this Act.

(b) Of the personnel employed in the United States to carry out this Act, not to exceed seventy may be appointed, compensated, or removed without regard to the provisions of any law, of whom not to exceed forty-five may be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act of 1949, as amended (5 U.S.C. 1071 et seq.), and of these, not to exceed fifteen may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year: *Provided,* That under such regulations as the President shall prescribe officers and employees of the United States Government who are appointed to any of the above positions may be entitled, upon removal from such position, to reinstatement to the position occupied at the time of appointment or to a position of comparable grade and salary. Such positions shall be in addition to those authorized by law to be filled by Presidential appointment, and in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

(c) For the purpose of performing functions under this Act outside the United States the President may—

(1) employ or assign persons, or authorize the employment or assignment of officers or employees by agencies of the United States Government, who shall receive compensation at any of the rates provided for the Foreign Service Reserve and Staff by the Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.), together with allowances and benefits thereunder; and persons so employed or assigned shall be entitled, except to the extent that the President may specify otherwise in cases in which the period of employment or assignment exceeds thirty months, to the same benefits as are provided by section 528 of that Act for persons appointed to the Foreign Service Reserve, and the provisions of section 1005 of that Act shall apply in the case of such persons, except that policymaking officials shall not be subject to that part of section 1005 of that Act which prohibits political tests; and

(2) utilize such authority, including authority to appoint and assign personnel for the duration of operations under this Act, contained in the Foreign Service Act of 1946, as amended, as the President deems necessary to carry out functions under this Act; and such provisions of the Foreign Service Act of 1946, as amended, as the President deems appropriate shall apply to personnel appointed or assigned under this paragraph, including in all cases, the provisions of section 528 of that Act: *Provided, however,* That the President may by regulation make exceptions to the application of section 528 in cases in which the period of the appointment or assignment exceeds thirty months: *Provided further,* That Foreign Service Reserve officers appointed or assigned pursuant to this paragraph shall receive within-class salary increases in accordance with such regulations as the President may prescribe.

(d) The President is authorized to prescribe by regulation standards or other criteria for maintaining adequate performance levels for personnel appointed or assigned pursuant to paragraph (2) of subsection (d) of this section and section 527(c)(2) of the Mutual Security Act of 1954, as amended, and may, notwithstanding any other law, separate employees who fail to meet such standards or other criteria, and also may grant such personnel severance benefits of one month's salary for each year's service, but not to exceed one year's salary at the then current salary rate of such personnel: *Provided,* That in carrying out this subsection, no political test shall be required or taken into consideration, nor shall there be any discrimination against any person on account of race, creed, or color.

(e) Funds provided for in agreements with foreign countries for the furnishing of services under this Act shall be deemd to be obligated for the services of personnel employed by the United States Government as well as other personnel.

SEC. 624. EXPERTS, CONSULTANTS, AND RETIRED OFFICERS.—(a) Experts and consultants or organizations thereof may, as authorized by section 15 of the Act of August 2, 1946, as amended (5 U.S.C. 55a), be employed for the performance of functions under this Act, and individuals so employed may be compensated at rates not in excess of $75 per diem, and while away from their homes or regular places of business, they may be paid actual travel expenses and per diem in lieu of subsistence at the applicable rate prescribed in the standardized Government travel regulations, as amended from time to time. Contracts for such employment with such organizations, employment of personnel as experts and consultants, not to exceed ten in number, contracts for such employment of retired military personnel with specialized research and development experience, not to exceed ten in number, and contracts for such employment of retired military personnel with specialized experience of a broad politico-military nature, not to exceed five in number, may be renewed annually.

(b) Service of an individual as an expert or consultant under subsection (a) of this section shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, or 284 of title 18 of the United States Code, or of section 190 of the Revised Statutes (5 U.S.C. 99), or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States Government, except insofar as such provisions of law may prohibit any such individual from receiving compensation in respect of any particular matter in which such individual was directly involved in the performance of such service. Nor shall such service be considered as employment or holding of office or position bringing such individual within the provisions of section 13 of the Civil Service Retirement Act, as amended (5 U.S.C. 2263), section 212 of Public Law 72–212, as amended (5 U.S.C. 59a), section 872 of the Foreign Service Act of 1946, as amended, or any other law limiting the reemployment of retired officers or employees or governing the simultaneous receipt of compensation and retired pay or annuities.

(c) Notwithstanding section 2 of the Act of July 31, 1894, as amended (5 U.S.C. 62), any retired officer of any of the services mentioned in the Career Compensation Act of 1949, as amended (37 U.S.C. 231 et seq.), may hold any office or appointment under this

Act, but the compensation of any such retired officer shall be subject to the provisions of section 212 of Public Law 72–212, as amended.

(d) Persons of outstanding experience and ability may be employed without compensation by any agency of the United States Government for the performance of functions under this Act in accordance with the provisions of section 710(b) of the Defense Production Act of 1950, as amended (50 U.S.C. app. 2160(b)), and regulations issued thereunder.

SEC. 625. DETAIL OF PERSONNEL TO FOREIGN GOVERNMENTS.—(a) Whenever the President determines it to be in furtherance of the purposes of this Act, the head of any agency of the United States Government is authorized to detail or assign any officer or employee of his agency to any office or position with any foreign government or foreign government agency, where acceptance of such office or position does not involve the taking of an oath of allegiance to another government or the acceptance of compensation or other benefits from any foreign country by such officer or employee.

(b) To the maximum extent practicable officers and employees performing functions under this Act abroad shall be assigned to countries and positions for which they have special competence, such as appropriate language and practical experience.

SEC. 626. DETAIL OF PERSONNEL TO INTERNATIONAL ORGANIZATIONS.—Whenever the President determines it to be consistent with and in furtherance of the purposes of this Act, the head of any agency of the United States Government is authorized to detail, assign, or otherwise make available to any international organization any officer or employee of his agency to serve with, or as a member of, the international staff of such organization, or to render any technical, scientific, or professional advice or service to, or in cooperation with, such organization.

SEC. 627. STATUS OF PERSONNEL DETAILED.—(a) Any officer or employee, while assigned or detailed under section 625 or 626 of this Act, shall be considered, for the purpose of preserving his allowances, privileges, rights, seniority, and other benefits as such, an officer or employee of the United States Government and of the agency of the United States Government from which detailed or assigned, and he shall continue to receive compensation, allowances, and benefits from funds appropriated to that agency or made available to that agency under this Act.

(b) Any officer or employee assigned, detailed, or appointed under sections 625, 626, 629, or 622(c) of this Act is authorized to receive under such regulations as the President may prescribe, representation allowances similar to those allowed under section 901 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1131). The authorization of such allowances and other benefits and the payment thereof out of any appropriations available therefor shall be considered as meeting all the requirements of section 1765 of the Revised Statutes (5 U.S.C. 70).

SEC. 628. TERMS OF DETAIL OR ASSIGNMENT.—Details or assignments may be made under sections 625 or 626 of this Act or section 408 of the Mutual Security Act of 1954, as amended—

(1) without reimbursement to the United States Government by the foreign government or international organization;

(2) upon agreement by the foreign government or international organization to reimburse the United States Government for compensation, travel expenses, and allowances, or any part thereof, payable to the officer or employee concerned during the period of assignment or detail; and such reimbursements (including foreign currencies) shall be credited to the appropriation, fund, or account utilized for paying such compensation, travel expenses, or allowances, or to the appropriation, fund, or account currently available for such purposes;

(3) upon an advance of funds, property, or services by the foreign government or international organization to the United States Government accepted with the approval of the President for specified uses in furtherance of the purposes of this Act; and funds so advanced may be established as a separate fund in the Treasury of the United States Government, to be available for the specified uses, and to be used for reimbursement of appropriations or direct expenditure subject to the provisions of this Act, any unexpended balance of such account to be returned to the foreign government or international organization; or

(4) subject to the receipt by the United States Government of a credit to be applied against the payment by the United States Government of its share of the expenses of the international organization to which the officer or employee is detailed or assigned, such credit to be based upon the compensation, travel expenses, and allowances, or any part thereof, payable to such officer or employee during the period of detail or assignment in accordance with section 627.

SEC. 629. MISSIONS AND STAFFS ABROAD.—(a) The President may maintain special missions or staffs outside the United States in such countries and for such periods of time as may be necessary to carry out the purposes of this Act. Each such special mission or staff shall be under the direction of a chief.

(b) The chief and his deputy of each special mission or staff carrying out the purposes of part I shall be appointed by the President, and may, notwithstanding any other law, be removed by the President at his discretion. Such chief shall be entitled to receive (1) in cases approved by the President, the same compensation and allowances as a chief of mission, class 3, or a chief of mission, class 4, within the meaning of the Foreign Service Act of 1946, as amended, or (2) compensation and allowances in accordance with section 623(d), as the President shall determine to be appropriate.

SEC. 630. ALLOCATION AND REIMBURSEMENT AMONG AGENCIES.—(a) The President may allocate or transfer to any agency of the United States Government any part of any funds available for carrying out the purposes of this Act, including any advance to the United States Government by any country or international organization for the procurement of commodities, defense articles, or services (including defense services). Such funds shall be available for obligation and expenditure for the purposes for which authorized, in accordance with authority granted in this Act or under authority governing the activities of the agencies of the United States Government to which such funds are allocated or transferred.

(b) Any officer of the United States Government carrying out functions under this Act may utilize the services (including defense services) and facilities of, or procure commodities and defense articles from, any agency of the United States Government as the President shall direct, or with the consent of the head of such agency, and funds allocated pursuant to this subsection to any such agency may be established in separate appropriation accounts on the books of the Treasury.

(c) In the case of any commodity, service, or facility procured from any agency of the United States Government to carry out part I, reimbursement or payment shall be made to such agency from funds available to carry out such part. Such reimbursement or payment shall be at replacement cost, or, if required by law, at actual cost, or at any other price authorized by law and agreed to by the owning or disposing agency. The amount of any such reimbursement or payment shall be credited to current applicable appropriations, funds, or accounts, from which there may be procured replacements of similar commodities, services, or facilities, except that where such appropriations, funds, or accounts are not reimbursable except by reason of this subsection, and when the owning or disposing agency determines that such replacement is not necessary, any funds received in payment therefor shall be deposited into the Treasury as miscellaneous receipts.

(d) Except as otherwise provided in sections 507 and 510, reimbursement shall be made to any United States Government agency, from funds available for use under part II, for any assistance furnished under part II from, by, or through such agency. Such reimbursement shall be in an amount equal to the value (as defined in section 644(m)) of the defense articles or of the defense services (other than salaries of members of the Armed Forces of the United States), or other assistance furnished, plus expenses arising from or incident to operations under part II. The amount of such reimbursement shall be credited to the current applicable appropriations, funds, or accounts of such agency.

(e) In furnishing assistance under this Act, accounts may be established on the books of any agency of the United States Government or, on terms and conditions approved by the Secretary of the Treasury, in banking institutions in the United States, (i) against which letters of commitment may be issued which shall constitute recordable obligations of the United States Government, and moneys due or to become due under such letters of commitment shall be assignable under the Assignment of Claims Act of 1940, as amended (second and third paragraphs of 31 U.S.C. 203 and 41 U.S.C. 15), and (ii) from which disbursements may be made to, or withdrawals may be made by, recipient countries or agencies, organizations, or persons upon presentation of contracts, invoices, or other appropriate documentation. Expenditure of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditure of funds of the United States Government: *Provided*, That such expenditures for commodities, defense articles, services (including defense services), or facilities procured outside the United States may be accounted for exclusively on such certification as may be prescribed in regulations approved by the Comptroller General of the United States.

(f) Credits made by the Export-Import Bank of Washington with funds allocated thereto under subsection (a) of this section or under section 522(a) of the Mutual Security Act of 1954, as amended, shall not be considered in determining whether the Bank has outstanding at any one time loans and guaranties to the extent of the limitation imposed by section 7 of the Export-Import Bank Act of 1945, as amended (12 U.S.C. 635e).

(g) Any appropriation or account available to carry out provisions of part I may initially be charged in any fiscal year, within the limit of available funds, to finance expenses for which funds are available in other appropriations or accounts under part I: *Provided*, That as of the end of such fiscal year such expenses shall be finally charged to applicable appropriations or accounts with proper credit to the appropriations or accounts initially utilized for financing purposes: *Provided further*, That such final charge to applicable appropriations or accounts shall not be required in the case of expenses (other than those provided for under section 635) incurred in furnishing assistance by the agency primarily responsible for administering part I where it is determined that the accounting costs of identifying the applicable appropriation or

account to which such expenses should be charged would be disproportionate to the advantages to be gained.

SEC. 631. WAIVERS OF CERTAIN LAWS.—(a) Whenever the President determines it to be in furtherance of the purposes of this Act, the functions authorized under this Act may be performed without regard to such provisions of law (other than the Renegotiation Act of 1951 as amended (50 U.S.C. App. 1211 et seq.)), regulating the making, performance, amendment, or modification of contracts and the expenditure of funds of the United States Government as the President may specify.

(b) The functions authorized under part II may be performed without regard to such provisions as the President may specify of the joint resolution of November 4, 1939 (54 Stat. 4), as amended.

(c) Notwithstanding the provisions of sections 3544(b) and 8544(b) of title 10 of the United States Code, personnel of the Department of Defense may be assigned or detailed to any civil office to carry out this Act.

SEC. 632. REPORTS AND INFORMATION.—(a) The President shall, while funds made available for the purposes of this Act remain available for obligation, transmit to the Congress after the close of each fiscal year a report concerning operations in that fiscal year under this Act.

(b) The President shall, in the reports required by subsection (a) of this section, and in response to requests from Members of the Congress or inquiries from the public, make public all information concerning operations under this Act not deemed by him to be incompatible with the security of the United States.

(c) None of the funds made available pursuant to the provisions of this Act shall be used to carry out any provision of this Act in any country or with respect to any project or activity, after the expiration of the thirty-five day period which begins on the date the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation, appropriations, or expenditures under this Act, has delivered to the office of the head of any agency carrying out such provision, a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in its custody or control relating to the administration of such provision in such country or with respect to such project or activity, unless and until there has been furnished to the General Accounting Office, or to such committee or subcommittee, as the case may be, the document, paper, communication, audit, review, finding, recommendation, report, or other material so requested.

(d) In January and July of each year, the President shall notify the appropriate committees of the Congress of all actions taken during the preceding six months under this Act which resulted in furnishing assistance of a kind, for a purpose, or to an area, substantially different from that included in the presentation to the Congress during its consideration of this Act or any Act appropriating funds pursuant to authorizations contained in this Act, or which resulted in obligations or reservations greater by 50 per centum or more than the proposed obligations or reservations included in such presentation for the program concerned, and in his notification the President shall state the justification for such changes. In addition, the President shall promptly notify the appropriate committees of the Congress of any determination under sections 303, 609, 612(a), or 612(b).

(e) All documents, papers, communications, audits, reviews, findings, recommendations, reports and other material which relate to the operations or activities of any agency of the United States Government administering part I or part II shall be furnished to the General Accounting Office and to any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation or appropriation for, or expenditures of, such agency, upon request of the General Accounting Office or such committee or subcommittee as the case may be.

(f) The President shall include in his recommendations to the Congress for programs under this Act for each fiscal year a specific plan for each country receiving bilateral grant economic assistance whereby, wherever practicable, such grant economic assistance shall be progressively reduced and eventually terminated.

SEC. 633. GENERAL AUTHORITIES.—(a) Except as otherwise specifically provided in this Act, assistance under this Act may be furnished on a grant basis or on such terms, including cash, credit, or other terms of repayment (including repayment in foreign currencies or by transfer to the United States Government of commodities) as may be determined to be best suited to the achievement of the purposes of this Act.

(b) Except as otherwise specifically provided in this Act, the President may make loans, advances, and grants to, make and perform agreements and contracts with, or enter into other transactions with, any individual, corporation, or other body of persons, friendly government or government agency, whether within or without the United States, and international organizations in furtherance of the purposes and within the limitations of this Act.

(c) It is the sense of Congress that the President, in furthering the purposes of this Act, shall use to the maximum extent practicable the services and facilities of voluntary, nonprofit organizations registered with, and approved by, the Advisory Committee on Voluntary Foreign Aid.

(d) The President may accept and use in furtherance of the purposes of this Act money, funds, property, and services of any kind made available by gift, devise, bequest, grant, or otherwise for such purpose.

(e) Any agency of the United States Government is authorized to pay the cost of health and accident insurance for foreign participants in any program of furnishing technical information and assistance administered by such agency while such participants are absent from their homes for the purpose of participation in such program.

(f) Alien participants in any program of furnishing technical information and assistance under this Act may be admitted into the United States, if otherwise admissible under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.), as nonimmigrants defined in section 1017(a)(15)(H) of such Act, in such category of said paragraph (H) as may be prescribed by regulations promulgated by the Secretary of State and the Attorney General.

(g) In making loans under this Act, the President—

(1) may issue letters of credit and letters of commitment;

(2) may collect or compromise any obligations assigned to, or held by, and any legal or equitable rights accruing to, him, and, as he may determine, refer any such obligations or rights to the Attorney General for suit or collection;

(3) may acquire and dispose of, upon such terms and conditions as he may determine, any property, including any instrument evidencing indebtedness or ownership, and guarantee payment against any such instrument;

(4) may determine the character of, and necessity for, obligations and expenditures of funds used in making such loans and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to corporations of the United States Government; and

(5) shall cause to be maintained an integral set of accounts which shall be audited by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions as provided by the Government Corporation Control Act, as amended (31 U.S.C. 841 et seq.).

(h) A contract or agreement which entails commitments for the expenditure of funds made available under titles II and V of chapter 2 of part I and under part II may, subject to any future action of the Congress, extend at any time for not more than five years.

(i) Claims arising as a result of operations under this Act may be settled, and disputes arising as a result thereof may be arbitrated, on such terms and conditions as the President may direct. Payment made pursuant to any such settlement, or as a result of an arbitration award, shall be final and conclusive notwithstanding any other provision of law.

(j) The provisions of section 955 of title 18 of the United States Code shall not apply to prevent any person, including any individual, partnership, corporation, or association, from acting for, or participating in, any operation or transaction arising under this Act, or from acquiring any obligation issued in connection with any operation or transaction arising under this Act.

SEC. 634. PROVISIONS ON USES OF FUNDS.—(a) Appropriations for the purposes of or pursuant to this Act (except for part II), allocations to any agency of the United States Government, from other appropriations, for functions directly related to the purposes of this Act, and funds made available for other purposes to the agency primarily responsible for administering part I, shall be available for—

(1) rent of buildings and space in buildings in the United States, and for repair, alteration, and improvement of such leased properties;

(2) entertainment (not to exceed $25,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act);

(3) insurance of official motor vehicles or aircraft acquired for use in foreign countries;

(4) rent or lease outside the United States of offices, buildings, grounds, and quarters, including living quarters to house personnel, and payments therefor in advance for longer than one year; maintenance, furnishings, necessary repairs, improvements, and alterations to properties owned or rented by the United States Government or made available for use to the United States Government outside the United States; and costs of fuel, water, and utilities for such properties;

(5) expenses in connection with travel of personnel outside the United States, including travel expenses of dependents(including expenses during necessary stopovers while engaged in such travel), and transportation of personal effects, household goods, and automobiles of such personnel when any part of such travel or transportation begins in one fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during the same fiscal year, and cost of transporting automobiles to and from a place of storage, and the cost of storing automobiles of such personnel when it is in the public interest or more economical to authorize storage.

(b) Not to exceed $1,500,000 of the funds available for assistance under this Act (other than title I of chapter 2 of part I) may be used in any fiscal year to provide assistance on such terms and conditions as are deemed appropriate, to schools established, or to be

established, outside the United States whenever it is determined that such action would be more economical or would best serve the interests of the United States in providing for the education of dependents of personnel carrying out activities authorized by this Act and dependents of United States Government personnel.

(c) Funds made available under section 212 may be used for expenses (other than those provided for under section 635) to assist in carrying out functions under title I of chapter 2 of part I, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691 et seq.), and under the Act to Provide for Assistance in the Development of Latin America and in the Reconstruction of Chile, and for other purposes (22 U.S.C. 1942 et seq.) performed by the agency primarily responsible for administering part I.

(d) Funds made available for the purposes of part II shall be available for—

(1) administrative, extraordinary, and operating expenses; and

(2) reimbursement of actual expenses of military officers detailed or assigned as tour directors in connection with orientation visits of foreign military personnel, in accordance with the provisions of section 3 of the Travel Expense Act of 1949, as amended (5 U.S.C. 836), applicable to civilian officers and employees.

(e) Passenger motor vehicles, other than one such vehicle for the official use (without regard to the limitations contained in section 5 of Public Law 63–127, as amended (5 U.S.C. 78(c)(2)) and section 201 of Public Law 85–468 (5 U.S.C. 78a–1) of the head of the agency primarily responsible for administering part I, may be purchased for use in the United States only as may be specifically provided in an appropriation or other Act.

SEC. 635. ADMINISTRATIVE EXPENSES.—There is hereby authorized to be appropriated to the President for the fiscal year 1962 not to exceed $49,000,000 for necessary administrative expenses of the agency primarily responsible for administering part I.

Chapter 3—Miscellaneous provisions

SEC. 641. EFFECTIVE DATE.—This Act shall take effect on the date of its enactment.

SEC. 642. STATUTES REPEALED.—(a) There are hereby repealed—

(1) Reorganization Plan Numbered 7 of 1953;

(2) the Mutual Security Act of 1954, as amended (except sections 402, 405(a), 405(c), 405(d), 408, 411(d), 414, 417, 502(a), 502(b), 523(d), 536, 537(a) (2), (3), (4), (5), (7), (8), (11), (12), (13), (14), (15), (16), and 537(e));

(3) section 12 of the Mutual Security Act of 1955;

(4) sections 12, 13, and 14 of the Mutual Security Act of 1956;

(5) section 503 of the Mutual Security Act of 1958;

(6) section 108 of the Mutual Security Appropriation Act, 1959;

(7) section 501(a), chapter VI, and sections 702 and 703 of the Mutual Security Act of 1959, as amended; and

(8) section 604 and chapter VIII of the Mutual Security Act of 1960.

(b) References in law to the Acts, or provisions of such Acts, repealed by subsection (a) of this section shall hereafter be deemed to be references to this Act or appropriate provisions of this Act.

(c) The repeal of the Acts listed in subsection (a) of this section shall not be deemed to affect amendments contained in such Acts to Acts not named in that subsection.

SEC. 643. SAVING PROVISIONS.—(a) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions issued, undertaken, or entered into under authority of any provision of law repealed by section 642(a) shall continue in full force and effect until modified by appropriate authority.

(b) Wherever provisions of this Act establish conditions which must be complied with before use may be made of authority contained in, or funds authorized by, this Act, compliance with, or satisfaction of, substantially similar conditions under Acts listed in section 642(a) or Acts repealed by those Acts shall be deemed to constitute compliance with the conditions established by this Act.

(c) Funds made available pursuant to provisions of law repealed by section 642(a)(2) shall, unless otherwise authorized or provided by law, remain available for their original purposes in accordance with the provisions of law originally applicable thereto, or in accordance with the provisions of law currently applicable to those purposes.

(d) No provision of this Act shall affect, or be deemed to affect, except as the President may determine, the agency within the Department of State known as the Peace Corps, nor any of the functions, offices, personnel, property, records, and funds available thereto on the date prior to the effective date of this Act, pending the enactment of legislation for the Peace Corps or the adjournment of the first session of the Eighty-seventh Congress, whichever is earlier.

SEC. 644. DEFINITIONS.—As used in this Act—

(a) "Agency of the United States Government" includes any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment of the United States Government.

(b) "Armed Forces" of the United States means the Army, Navy, Air Force, Marine Corps, and Coast Guard.

(c) "Commodity" includes any material, articles, supply, goods, or equipment used for the purposes of furnishing nonmilitary assistance.

(d) "Defense article" includes—

(1) any weapon, weapons system, munition, aircraft, vessel, boat, or other implement of war;

(2) any property, installation, commodity, material, equipment, supply, or goods used for the purposes of furnishing military assistance;

(3) any machinery, facility, tool, material, supply, or other item necessary for the manufacture, production, processing, repair, servicing, storage, construction, transportation, operation, or use of any article listed in this subsection; or

(4) any component or part of any article listed in this subsection; but

shall not include merchant vessels or, as defined by the Atomic Energy Act of 1954, as amended (42 U.S.C. 2011), source material, byproduct material, special nuclear material, or atomic weapons.

(e) "Defense information" includes any document, writing, sketch, photograph, plan, model, specification, design, prototype, or other recorded or oral information relating to any defense article or defense service, but shall not include Restricted Data and formerly Restricted Data as defined by the Atomic Energy Act of 1954, as amended.

(f) "Defense service" includes any service, test, inspection, repair, training, training aid, publication, or technical or other assistance, including the transfer of limited quantities of defense articles for test, evaluation, or standardization purposes, or defense information used for the purposes of furnishing military assistance.

(g) "Excess defense articles" mean the quantity of defense articles owned by the United States Government which is in excess of the mobilization reserve at the time such articles are dropped from inventory by the supplying agency for delivery to nations or international organizations as grant assistance under this Act.

(h) "Function" includes any duty, obligation, power, authority, responsibility, right, privilege, discretion, or activity.

(i) "Mobilization reserve" means the quantity of defense articles determined to be required, under regulations prescribed by the President, to support mobilization of the Armed Forces of the United States Government in the event of war or national emergency.

(j) "Officer or employee" means civilian personnel and members of the Armed Forces of the United States Government.

(k) "Services" include any service, repair, training of personnel, or technical or other assistance or information used for the purposes of furnishing nonmilitary assistance.

(l) "Surplus agricultural commodity" means any agriculture commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either publicly or privately owned, which is in excess of domestic requirements, adequate carryover, and anticipated exports for United States dollars, as determined by the Secretary of Agriculture.

(m) "Value" means—

(1) with respect to excess defense articles, the gross cost incurred by the United States Government in repairing, rehabilitating, or modifying such articles;

(2) with respect to nonexcess defense articles delivered from inventory to nations or international organizations as grant assistance under this Act, the standard price in effect at the time such articles are dropped from inventory by the supplying agency. Such price shall be the same standard price used for transfers or sales of such articles in or between the Armed Forces of the United States Government, or, where such articles are not transferred or sold in or between the Armed Forces of the United States, the gross cost to the United States Government adjusted as appropriate for condition and market value; and

(3) with respect to nonexcess defense articles delivered from new procurement to nations or international organizations as grant assistance under this Act, the contract or production costs of such articles.

Military assistance programs and orders shall be based upon the best estimates of stock status and prevailing prices; reimbursements to the supplying agency shall be made on the basis of the stock status and prices determined pursuant to this section. Notwithstanding the foregoing provisions of this section, the Secretary of Defense may prescribe regulations authorizing reimbursements to the supplying agency based on negotiated prices for aircraft, vessels, plant equipment, and such other major items as he may specify: *Provided*, That such articles are not excess at the time such prices are negotiated: *And provided further*, That such prices are negotiated at the time firm orders are placed with the supplying agency by the military assistance program.

SEC. 645. UNEXPENDED BALANCES.—Unexpended balances of funds made available pursuant to the Mutual Security Act of 1954, as amended, are hereby authorized to be continued available for the general purposes for which appropriated, and may at any time be consolidated, and, in addition, may be consolidated with appropriations made available for the same general purposes under the authority of this Act.

SEC. 646. CONSTRUCTION.—If any provision of this Act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of this Act and of the applicability of such provision to other circumstances or persons shall not be affected thereby.

SEC. 647. DEPENDABLE FUEL SUPPLY.—It is of paramount importance that long-range economic plans take cognizance of the need for a dependable supply of fuels, which is necessary to orderly and stable development and growth, and that dependence not be placed upon sources which are inherently hostile to free countries and the ultimate well-being of economically underdeveloped countries and which might exploit such dependence for ultimate political domination. The agencies of government in the United States are directed to work with other countries in developing plans for basing development programs on the use of the large and stable supply of relatively low cost fuels available in the free world.

PART IV

SEC. 701. Section 1 of the Defense Base Act, as amended (42 U.S.C. 1651), is further amended as follows:

(1) In paragraph (5) of subsection (a), strike out "(other than title II of chapter II thereof)" and substitute "or any successor Act (other than a contract financed by loans repayable in United States dollars, unless the Secretary of Labor, upon the recommendation of the head of any department or other agency of the United States, determines such contract should be covered by this section)".

(2) In subsection (e) strike out "June 30, 1958, but not completed on July 24, 1959" and substitute therefor "but not completed on the date of enactment of any successor Act to the Mutual Security Act of 1954, as amended".

SEC. 702. In paragraph (4) of section 101(a) of the War Hazards Compensation Act, as amended (42 U.S.C. 1701), strike out "(other than title II of chapter II thereof)" and substitute therefor "or any successor Act (other than a contract financed by loans repayable in United States dollars unless the Secretary, upon the recommendation of the head of any department or agency of the United States, determines such contract should be covered by this section)".

SEC. 703. (a) Section 305 of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.), is amended to read as follows:

"SEC. 305. There is hereby authorized to be appropriated to the Department of State such sums as may be necessary from time to time to carry out the objectives of this Act."

(b) The amendment to section 305 of the Mutual Defense Assistance Control Act of 1951 effected by subsection (a) of this section shall not be deemed to affect the repeal of laws effected by that section prior to such amendment.

SEC. 704. Section 104(e) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(e)), is amended by substituting "such agency as the President shall direct" and "agency" for "the Export-Import Bank" and "bank", respectively.

SEC. 705. Section 5 of the joint resolution to promote peace and stability in the Middle East (22 U.S.C. 1964) is amended by substituting "whenever appropriate" for "within the months of January and July of each year".

SEC. 706. The Act to provide for assistance in the development of Latin America and in the reconstruction of Chile, and for other purposes (22 U.S.C. 1942 et seq.), is amended by adding a new section 4 reading as follows:

"GENERAL PROVISIONS

"SEC. 4. (a) Funds appropriated under sections 2 and 3 of this Act may be used for assistance under this Act pursuant to such provisions applicable to the furnishing of such assistance contained in any successor Act to the Mutual Security Act of 1954, as amended, as the President determines to be necessary to carry out the purposes for which such funds are appropriated.

"(b) Of the funds appropriated under section 2 of this Act not more than $800,000 shall be available only for assisting in transporting to and settling in Latin America selected immigrants from that portion of the Ryukyuan Archipelago under United States administration."

SEC. 707. The Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.), is further amended as follows:

(1) In the second sentence of section 701, strike "to the extent that space is available therefor"; substitute "members of family" for "spouses"; and add before the period "or while abroad".

(2) Amend section 872 by striking out subsections (b) and (c) and inserting in lieu thereof the following:

"(b) When any such retired officer or employee of the Service is reemployed, the employer shall send a notice to the Department of State of such reemployment together with all pertinent information relating thereto, and shall pay directly to such officer or employee the salary of the position in which he is serving.

"(c) In the event of any overpayment under this section, such overpayment shall be recovered by withholding the amount involved from the salary payable to such reemployed officer or employee, or from any other moneys, including his annuity, payable in accordance with the provisions of this title."

(3) In section 911, add the following new paragraphs (9) and (10):

"(9) the travel expenses of officers and employees of the Service who are citizens of the United States, and members of their families, while serving at posts specifically designated by the Secretary for purposes of this paragraph, for rest and recuperation to other locations abroad having different environmental conditions than those at the post at which such officers and employees are serving, provided that such travel expenses shall be limited to the cost for each officer or employee and members of his family of one round trip during any continuous two-year tour unbroken by home leave and two round trips during any continuous three-year tour unbroken by home leave;

"(10) the travel expenses of members of the family accompanying, preceding, or following an officer or employee if, while he is en route to his post of assignment, he is ordered temporarily for orientation and training or is given other temporary duty."

(4) Amend section 933(a) to read as follows:

"(a) The Secretary may order to the continental United States, its territories and possessions, on statutory leave of absence any officer or employee of the Service who is a citizen of the United States upon completion of eighteen months' continuous service abroad and shall so order as soon as possible after completion of three years of such service."

(5) Amend section 942 to read as follows:

"SEC. 942. TRAVEL FOR MEDICAL PURPOSES.—In the event an officer or employee of the Service who is a citizen of the United States or one of his dependents, requires medical care, for illness or injury not the result of vicious habits, intemperance or misconduct, while stationed abroad in a locality where there is no qualified person or facility to provide such care, the Secretary may, in accordance with such regulations as he may prescribe, pay the travel expenses of such person by whatever means he shall deem appropriate, including the furnishing of transportation, and without regard to the Standardized Government Travel Regulations and section 10 of the Act of March 3, 1933, as amended (60 Stat. 808; 5 U.S.C. 73b), to the nearest locality where suitable medical care can be obtained. If any such officer, employee, or dependent is too ill to travel unattended, or in the case of a dependent too young to travel alone, the Secretary may also pay the round-trip travel expenses of an attendant or attendants."

SEC. 708. Section 2 of the Act of July 31, 1945, as amended (22 U.S.C. 279a), is hereby amended to read as follows:

"SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be required for expenditure under the direction of the Secretary of State, for the payment by the United States of its proportionate share in the expenses of the Organization: *Provided*, That the percentage contribution of the United States to the total annual budget of the Organization shall not exceed 33.33 per centum."

SEC. 709. The first section of the Act entitled "An Act to authorize participation by the United States in the Interparliamentary Union", approved June 28, 1935, as amended (22 U.S.C. 276), is amended by striking out "$33,000" and "$15,000" and inserting in lieu thereof "$48,000" and "$30,000", respectively.

Mr. FULBRIGHT. Madam President, I move that the Senate disagree to the amendments of the House; agree to the request of the House for a conference; and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mrs. NEUBERGER in the chair) appointed Mr. FULBRIGHT, Mr. SPARKMAN, Mr. HUMPHREY, Mr. MANSFIELD, Mr. MORSE, Mr. HICKENLOOPER, Mr. AIKEN, and Mr. CARLSON conferees on the part of the Senate.

DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes.

Mr. JAVITS. Madam President, I shall reply to the distinguished senior Senator from Arkansas [Mr. MCCLELLAN] on two points: First, I did not choose this method, with respect to the extension of the life of the Civil Rights Commission or any other civil rights legislation. It was chosen by the leadership—apparently by the leadership both of the majority and the minority. I must accept conditions as I find them. I feel I would be derelict in my duty to my constituents, just as the Senator from Arkansas, I am certain, feels very strongly about his own position, if I did not make the case plus an effective effort in response of these civil rights matters within the frame of reference afforded to us by the leadership. It is the leadership's choice.

My colleague, the distinguished Senator from New York [Mr. KEATING], has made it clear that he believes a bill could have been reported by the Committee on the Judiciary, in which case there would have been a regular debate upon a regular bill with relation to this subject. Also, the leadership could have proposed to amend any bill before the Senate, in respect to the extension of the life of the Civil Rights Commission—not an appropriation bill—which would have been much simpler for Senators like

myself, because it would not have required a suspension of the rules or anything else. I would have welcomed that. I agree with the Senator from Arkansas. I believe it is a great mistake to have tried to accomplish this purpose in an appropriation bill. However, again, life being what it is, this is the frame of reference which has been presented to us. I have no choice in the matter except to stay my hand; and that I cannot do in good conscience.

My second point is this. The Senator from Arkansas says I am maligning the South. I must say it would be a strange day, indeed, when one maligned a section of the country if one felt, in good and honest faith, that it was necessary to pass legislation in order to see the Constitution, as interpreted by the Supreme Court, enforced in that section of the country.

I would appreciate having the Senator from Arkansas examine everything I have ever said, including what I have just said, in order to point out to me precisely where I have maligned the South. If I have maligned the South, I would be the first to apologize, because I do not believe it is fair to malign in any way any section of our country.

I view with great sadness the fact that the vestiges of a great war, in which so many Americans have lost their lives, still persist in a part of our Nation after 100 years. I think this is tragic.

I have acted affirmatively on many pieces of legislation, such as in the field of Federal aid to education and Federal aid to distressed areas, as has my colleague, the distinguished Senator from New York [Mr. KEATING]. We voted as we did, even though we knew that New York would pay $4 or $5 for every dollar it received, but realizing that the main benefit would go to the Southern States, which were States of very low income. I was proud to vote that way, even though it put my head upon the political block as a result. It was my duty to vote as I did. The South is a great, growing, vital, honorable place in our country. I feel that the one social vestige which remains there, a vestige completely archaic in our social order, is something which all the people of the country in all good conscience must help in some way or other to end. This has been my effort during all the time I have served in Congress. In all the efforts I have made, I have always relied very heavily upon law and upon courts. It seems to me that the most remote reach from the idea of coercion is when all we try to do is to give authority to the courts, after hearing both sides, and after appeals, and after every conceivable safeguard of the law, where men are mounted not against private litigants, but against the power of law, against the power of the whole State, with the Attorney General of the State and the appropriations of the State taking one side of the controversy.

That is all I have ever contended for; that is all I shall contend for in this debate.

Whatever may be the opinion of the Senator from Arkansas [Mr. MCCLELLAN], and he knows I have the greatest regard and respect for him, as I have for all other Senators, I do not believe that what I am seeking to do represents a maligning of the South. I sincerely hope the Senator will not persist in feeling that I do.

Mr. MCCLELLAN. Madam President, will the Senator from New York further yield?

Mr. JAVITS. I yield.

Mr. MCCLELLAN. I cannot help the feeling that the Supreme Court decision really made no difference in this situation whatsoever. The same things were said about the South before the Supreme Court decision, and are still being said about the South.

I should like to get the Senator's clarification. He says he is compelled to take this action by reason of the choice of the leaders of the Senate. I understand it to mean that he is compelled to bring up his other amendments on which he proposes to ask for a suspension of the rules because of the choice made by the leadership of the Senate. I think I understood correctly the leadership of the majority to say that he did not wish and did not seek to have presented, and he hoped there would not be presented, the other amendments dealing with the so-called civil rights issue. He hoped that it would be possible to confine the issue to the motion now pending to suspend the rules for the purpose of extending the life of the Civil Rights Commission. If I was correct in my understanding that that is what the majority leader said, then I fail to follow the logic of the Senator from New York when he says he is compelled to take this action because of the choice of the leadership.

Mr. JAVITS. As we live in this Chamber, and as experience has shown, in order to get anything done on any issue, it is necessary to move within the frame of reference when that issue is pertinent to what Senators are thinking about and what they expect to act upon. The Senator from Arkansas may not have been in the Chamber at the moment, but in my affirmative remarks a little while ago, I made it very clear that even in so informal a way as fixing a date, which obviously the majority leader could not control, nor would I expect him to, when Senators could bring up an amendment of a civil rights nature by way of a bill, by tacit approval, placed on the calendar. This was done, and actually resulted in a civil rights law. It is the same in this case. We all know that if I tried to bring up a civil rights measure on a foreign aid authorization bill or on some other bill on the calendar, immediately deep concern would be expressed. It would be asked, "Why suddenly bring this very hot, highly debatable issue up, an issue which will take days and days, weeks and weeks, to debate, when there is no reason for intruding on this bill or that bill, even if it is a private immigration bill?"

So all of us know it is necessary to wait until the door is opened by the leadership, in connection with a particular subject, before one can hope to get a hearing or to get serious consideration of the subject; and this is the first time at this session that the leadership—the leadership on both sides, incidentally—has brought up any matter in relation to civil rights. So unless one puts forward one's ideas on the subject at this time, they are very unlikely to get a hearing at this session.

Mr. MCCLELLAN. Madam President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. MCCLELLAN. I have followed very closely the Senator's explanation of how he feels he comes "under the compulsion of the leadership." But again I call attention to the fact that the leadership which he says he is following, specifically requested that the items referred to by the Senator from New York not be brought up at this time. So I do not see how the two can be reconciled, and I believe the Senator from New York is in error.

Mr. JAVITS. I see the Senator's point now; but it is very difficult to follow both the leadership and the compulsion of the leadership. I think the leadership has failed to do its duty in connection with this matter at this session, but I am following the compulsion of the leadership.

Mr. MCCLELLAN. The Senator from New York also criticizes the President of the United States, I believe.

Mr. JAVITS. I do.

Mr. MCCLELLAN. I do not believe that is very pleasing to many Senators. I do not believe there has been a President in the history of the United States who has done so much to advance civil rights in the same length of time, as John Kennedy has done since he has been President of the United States. Again I say the distinguished Senator from New York is in error when he offers such a criticism. I think he is unfair and unjust to the administration; and, again, I think it was not fair to the leadership when the Senator said he had no choice, and that he is following the choice of the leadership, because the leadership on the majority side certainly tried to implore the Senator from New York not to insist upon his amendments at this time.

Mr. JAVITS. I shall conclude by saying that I am following a frame of reference created by compulsion. I have been very quick and very ready to applaud the administration with respect to its actions through the Department of Justice; and I said that earlier in my remarks, and I repeat it now. But I also say I do not believe the administration is doing what needs to be done for the country, if it allows this period and this situation to pass without obtaining from Congress legislation which in my view is essential in this situation, considering the disorders and the other problems we face. I am more than willing—as I think I have shown on many occasions—to support, approve, and applaud the action of the administration in this area and in other areas when I think it is doing what needs to be done for the country. But I would be less than honest if I were not critical at a time when I feel criticism is deserved in this area or in any other area. That is the present situation.

Mr. McCLELLAN. Madam President, will the Senator from New York yield further to me?

Mr. JAVITS. I yield.

Mr. McCLELLAN. I do not necessarily agree with all the actions the President has taken in this area, and certainly I do not agree with the distinguished Senator from New York as to the wisdom or appropriateness of the action he indicates he is going to take. Of course we have a right to disagree. But, Madam President, after the efforts made by this administration and the purpose it has demonstrated by affirmative action to try to advance the cause of civil rights, as the administration interprets them and sees them, I certainly think the President of the United States and his administration ought to be defended on that score. It should be praised and not condemned by those who advocate so-called civil rights.

Mr. JAVITS. Madam President, let me say this is not a matter of being grateful to any person or to any administration. This is a matter which is of the highest order of importance to our country. Let me say, too, that we are likely to stand here and debate these things very coolly; and there are many things—whether it be the payment of taxes or the levying of taxes or the making of appropriations or authorizations—which can be considered fairly dispassionately. One either favors more taxes or more appropriations, or he does not; or one either favors certain authorizations, or he does not. But let us understand that here we are talking about rather serious matters which have erupted into riots, and people have been hurt, and there has been anarchy in whole communities, and Federal troops have had to be called in to restore order. So we are talking about rather inflammable material.

Therefore, when I say what I do about the administration, it is not with disrespect, but it is with deepest appreciation of the progress which has been made in connection with the litigation phase by the Department of Justice. But, somehow or other, for reasons best known to the administration, Congress has not been approached at all in regard to the passage of even what I consider to be necessary laws in this highly inflammable and highly dangerous situation. And, as one Senator, I shall take the opportunity which is presented to me—and this is that opportunity, and in my opinion there will be no other at this session—to try to do something substantive about it.

Madam President, I yield the floor.

Mr. MANSFIELD. Madam President, I call the attention of the distinguished Senator from New York to the fact that while no civil rights legislation may be proposed by the administration at this time, nevertheless it is the intent, and has been the practice and procedure of the administration, to use the Executive authority which rests with it on the basis of two civil rights laws already passed by the Congress; and I believe that, by and large, the administration, through the use of the Executive authority, has made great progress all over the country in advancing the cause of civil rights.

Mr. JAVITS. Madam President, will the Senator from Montana yield, to permit me to make an observation?

Mr. MANSFIELD. I yield.

Mr. JAVITS. It is very difficult to make these delicate refinements. But I think the Senator from Montana will understand when I say I am not critical in a personal sense of the President or of the Senator or of anyone else. But I am critical of the policy; and I have my views about the policy; and I take such action as my conscience and my duty impel, with respect to the policy.

I do not think we should confuse happiness about fine things which were done with the fact that certain things were not done. I know the Senator is not confusing them, but I think to some extent such confusion was evidenced by the remarks of the Senator from Arkansas. I am grateful and delighted that the Department of Justice has moved strongly and effectively; but I do not think that should disqualify me from taking the position in regard to the administration that I take, if I feel there has been dereliction in the performance of duty in regard to legislation.

Mr. MANSFIELD. Madam President, the Senator from New York has addressed himself, as always, cogently and with clarity. I wish to say that certainly he has the right he has stated, and certainly he should continue to exercise it as he believes he should; and I recall that the Senator has not been remiss in giving credit to the administration for trying to do things in the field of civil rights, through the exercise of the Executive powers.

Mr. JAVITS. I thank the Senator from Montana.

Mr. HILL. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 160]

Aiken	Fong	Monroney
Allott	Fulbright	Morse
Anderson	Gore	Morton
Bartlett	Gruening	Moss
Beall	Hart	Mundt
Bennett	Hartke	Muskie
Bible	Hayden	Neuberger
Boggs	Hickenlooper	Pastore
Burdick	Hickey	Pell
Bush	Hill	Prouty
Butler	Holland	Proxmire
Byrd, Va.	Hruska	Randolph
Byrd, W. Va.	Humphrey	Robertson
Cannon	Jackson	Russell
Capehart	Javits	Saltonstall
Carlson	Johnston	Schoeppel
Carroll	Jordan	Scott
Case, N.J.	Keating	Smith, Mass.
Case, S. Dak.	Kerr	Smith, Maine
Church	Kuchel	Sparkman
Clark	Lausche	Stennis
Cooper	Long, Hawaii	Symington
Curtis	Long, La.	Talmadge
Dirksen	Magnuson	Thurmond
Dodd	Mansfield	Tower
Douglas	McCarthy	Wiley
Dworshak	McClellan	Williams, N.J.
Eastland	McGee	Williams, Del.
Ellender	McNamara	Yarborough
Engle	Metcalf	Young, N. Dak.
Ervin	Miller	Young, Ohio

The PRESIDING OFFICER. A quorum is present.

Mr. McCLELLAN. Madam President, I regret exceedingly the turn of events in the Senate today. I had anticipated that the bill, the pending business, which is a regular appropriation bill, would be brought up and that there might be some differences of opinion on some particular items of the bill. I anticipated that there might be at least some brief discussion and possibly a vote on one or two of the amendments that were germane and actually dealt with some appropriation provision of the bill. Notwithstanding such discussion as might very well have developed and would, of course, have been quite appropriate, I could well foresee that we might dispose of the bill this afternoon and thus move on tomorrow at least to other important business of the Senate that is awaiting action and disposition before this session of Congress can come to a close—for it will come to a close—someday.

When I learned that possibly there would be offered an amendment or a motion to suspend the rule and permit the extension of the life the Civil Rights Commission, I thought there was some prospect that the leadership might arrive at an arrangement which would, after some time had been used to express individual views, enable the Senate to move on to the disposition of the bill.

I can truly say that I am surprised—and that is a very mild term for my reaction—that there would be such motions and amendments as it has now been announced will be proposed to the bill. After some 23 years of service in Congress, perhaps I should not have been surprised, but I confess that I am. I believe there are presently only five amendments pending with notices of intent to move to suspend the rule and have the amendments considered for adoption as amendments to the bill; I do not think I shall be further surprised if further amendments are now proposed in the same fashion, dealing, perhaps, with other subjects than civil rights. I was surprised at the proposed action. But when we stop and consider what this will do to orderly procedure and to the orderly legislative processes of this body, I think before we shall have concluded we will realize that this is not the best way to legislate.

If there was a real emergency, if the safety and security of our country, or something on that order, were at issue before the Senate, I believe we would probably have a unanimous vote of the Senate to suspend the rule and consider and agree to any amendment or any legislative provision that might be indicated as necessary, advisable, or desirable to protect our country and to meet any crisis or emergency of that order that might arise.

But if this action is to become a precedent—if, whenever an appropriation bill is placed before the Senate, even if the leadership, as in this case, think in their wisdom that it is probably necessary or advisable to secure the adoption of a legislative proposal on an appropriation bill by the process of suspending the rule—and I do not question the sincerity of either of our leaders in this instance—when they come to that

conclusion and take such action on a question concerning which they may consider some temporary exists in order to meet the situation, it could open a Pandora's box and become an invitation to each Senator to bring out his pet theme in the form of an amendment to an appropriation bill. If that is the kind of precedent we are setting—and I think it is, for we already have the evidence of it, because the leadership has agreed on the amendment and we already have four others presented to take the same course and follow in the same process—it is regrettable.

Conceding the sincerity and the devotion to ideals as each Senator who may offer such a motion as he sees them, and who may seek to have a legislative proposal adopted on an appropriation bill, I say that there are other Senators, in fact, a number of other Senators, who will have some legislation in mind, who have bills already pending in the Senate. They too have not yet been able to get action. They feel just as deeply and cherish the ideals and principles involved in their legislation just as much as do the Senators who now propose to make the appropriation bill pending before the Senate a vehicle for carrying their legislative cargo to its hoped for destination; and they have just as much right to offer those bills as amendments and I anticipate that some of them will undertake to do just that on this appropriation bill.

When that is done, when that becomes a practice in the Senate, when the rule no longer means anything except an occasion to seize upon an opportunity to legislate in this fashion, we shall have opened a Pandora's box. If it requires a vote on every bill that might be thus offered as an amendment to appropriation bills, on bills which have not been acted on, I can foresee some difficulty ahead of us in getting appropriation bills passed by the Senate.

I am not criticizing the leadership, who feel that here is one instance where there is a law that is about to expire with respect to which they feel there is some justification for the course of action they are here taking. While I may disagree with them and disapprove the law that they seek to extend, no doubt they have some measure of justification for their action. However, if those of us who have other legislation in mind, which is serious to us, with which we are very much concerned and to which we are devoted and to which we subscribe very much, and are anxious to have passed, as anxious as some of our colleagues are who are offering other amendments now, take the same action, it will be a long while before we get appropriation bills through the Senate hereafter. I am not speaking about just the pending bill. I mean too those that may follow hereafter. It may very well be said by some of us then, "We won't give you any money unless we can get my bill passed."

Mr. EASTLAND. Madam President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. EASTLAND. Does the Senator agree that there are some of us who think that Mexican labor should be brought into this country without limit and without the tremendous expense that the American farmer has to pay to get Mexican labor; and that there is just as much justification for offering an amendment to the pending bill which would bring into this country Mexican labor, as there is with respect to some other amendments that are going to be proposed?

Mr. McCLELLAN. There is certainly a far greater economic loss and certainly far more suffering, and possibly even greater mental anguish resulting from the failure to enact that kind of legislation, than there would be resulting from a failure to enact the legislation that is being proposed in this intended amendment.

Mr. EASTLAND. Does not the Senator agree that the agricultural economy of the Midwest depends on Mexican labor, and that if we were to bring the Mexican laborers into the country without the dictates of AFL–CIO, the American farmer would make more money, and would not the pending bill be the correct vehicle upon which to place such a provision, if we are to legislate in the manner now being proposed?

Mr. McCLELLAN. The Senate will have to resolve that issue. It is a simple issue. There is nothing complicated about it. If it is good for the goose, it ought to be good for some ganders also, and I would see no reason why we should not get a little bit of the corn too as well as the grass in the field. I believe it is wrong to legislate in this fashion. Our predecessors in the Senate thought it was the wrong way to legislate. They adopted rules which would protect against this kind of procedure. They adopted rules which are intended to preserve the dignity of this august body. Under these rules, all legislation proposed can have and does have through the processes established and prescribed, the consideration not only of individual Senators, but also the collective judgment of the Senate.

We are now about to break down what I regard as a proper and appropriate safeguard of the legislative processes—processes that can be pursued with order and circumspection.

We now have before us the pending motion to suspend the rule. I will not vote for the motion to suspend the rule, but, as I pointed out, the leadership, who are honest, conscientious Senators, feel, in obedience to what they conceive to be their duty, they should launch upon this course to prevent a statute from expiring. I do not recall the date when the act expires, but it will expire before Congress reconvenes. So I say there may be some justification for that course of action. I have no doubt that those who preceded us in the Senate, who formulated rule XVI of the Senate and who adopted it had in mind such a situation as this, which might arise whereby, in the interest of the country as a whole, it might be necessary in an emergency to protect, defend, safeguard, and preserve our national security, and that therefore such a procedure might well be needed and thus be followed in such a crisis or serious emergency.

Madam President, I cannot believe that those who wrote that rule ever intended that it should be exploited and used to make appropriation bills the vehicle for every bill that a Senator wishes to have enacted but which he has not been able to have reported by a committee and has not been able to get through the processes and procedures established by the rules on legislation measures. If that is how the rules are to be exploited by practices in the Senate and precedents established by the Senate, it will not serve the purposes for which it was adopted.

Appropriation measures are vital. Suppose this amendment had been offered to a Defense Department appropriation bill. It might just as well have been placed on that bill as on the pending bill. Suppose it had been placed on the Defense Department appropriation bill, in which we were seeking to provide money to strengthen, enlarge, and expedite the procurement of weapons in order to build military strength and protect America and her allies. That might just as well have been done It was said by the proponents of the amendment that they did not choose to select that bill; they chose to select this one. But the next time they might select the Defense Department—the armed services appropriation bill. There is not a thing in the world to prevent them from doing so.

Madam President, we are today moving toward setting of a dangerous precedent in this body.

Mr. HILL. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield.

Mr. HILL. Does not this appropriation bill provide funds for the Department of State?

Mr. McCLELLAN. It does. It also provides funds for the Department of Justice, the judiciary, and the U.S. Information Service. It is an important bill.

Let us assume it would be possible to do without a State Department—we cannot, of course; we still could not do without an arsenal and weapons of war. They are needed. We must have them. We might wait until next year to carry on diplomatic relations But we must have the weapons of war when they are needed. We cannot wait until the enemy attacks. We must have the weapons before he attacks. We must have them ready today, not a year after a war starts, if we expect to defend the country.

Yet it is proposed to follow the procedure of the process which is now being employed over a dubious civil rights issue, about which there is serious and honest disagreement throughout the country. It is proposed to take this means to initiate legislation in a field which is so highly controversial.

Mr. HILL. Mr. President, will the Senator from Arkansas further yield?

Mr. McCLELLAN. I yield.

Mr. HILL. Is it not true that it is to the State Department officers and other personnel of that Department to whom we must look in this hour, in the hope that we will not have to use the weapons of defense or the weapons of war?

Mr. McCLELLAN. The distinguished Senator from Alabama is so correct.

Those weapons are needed. We who love peace in the world—and the membership of this body does, as do all Americans—know that peace is the highest hope and supreme aspiration of mankind. All Americans and all mankind, taking mankind collectively, excluding a few would-be dictators and world conquerors, feel that the highest aspiration of mankind is peace.

Yes, we need the State Department. We need the U.S. Information Service. We need the courts of law and justice to enable the United States to be strong; to enable the United States, if it can do so, to avoid war and to avoid the necessity of using the armaments which we are compelled to provide for the national defense, because we could not feel secure in a world where international bandits are at large and are spewing their venom, from day to day, about how they intend to bury other people—meaning us. We cannot be indifferent to that. We must prepare for adequate defense.

Thus we are not only procuring weapons; we are not only building armaments and an arsenal for our defense; but we are trying to take all precautions possible. We are using every means of a peaceful approach, in the way of negotiations and diplomatic relations. We are trying to bring the world to its senses, before it is again plunged into a holocaust.

Yes, these agencies are needed. These appropriations are needed. There should be no reason why this bill cannot be passed as expeditiously as other appropriation bills have been passed. The Senate probably can pass it even with this one amendment attached to it. I disagree with the amendment. But I say again that if one Senator proposes to use this means as a vehicle for his pet measure, then there is no reason why every Senator should not do the same thing, and thus impede the proper function, in my judgment, of this body, rather than to hasten action on a bill such as this and which is so vital to the Nation.

Mr. DOUGLAS. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield.

Mr. DOUGLAS. I think it is the intention of the Senator from Arkansas to expedite action on the bill, and certainly it is the intention of the Senator from Illinois to do so, and could not that be accomplished if a unanimous-consent agreement were obtained to limit debate on any amendment to 30 minutes? Would the Senator from Arkansas agree to that? Then amendments could be called up and discussed, and could be voted on quickly. There would be no need for lengthy discussion.

Mr. McCLELLAN. Madam President, to me, that suggestion sounds like "coexistence" that we hear so much about. I do not propose to surrender.

Mr. DOUGLAS. Do I understand the Senator from Arkansas to say he would not agree to limit debate on any amendment, but would reserve the right of unlimited debate? If that is so, certainly it would not be the proponents of these amendments who would be preventing action upon an appropriation bill.

Mr. McCLELLAN. The Senator from Illinois wishes always to distort the meaning of the Senator from Arkansas. Of course I mean these bills and amendments should be debated. I do not think the Senator from Illinois should vote on them harum-scarum without knowing what he is doing. I hope, during the course of today, to enlighten the Senator and get him to help us preserve the great principles which are involved in this issue.

Mr. EASTLAND. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield.

Mr. EASTLAND. Does not that request come with ill grace, when we have just had a filibuster by the senior Senator from New York [Mr. JAVITS], who stated his side of the case? Now the Senator from Illinois desires to cut off any other argument on this side of the question. If that is fair, God help this country.

Mr. McCLELLAN. I feel certain the distinguished Senator from Illinois does not mean to be unfair. He simply gets so worked up over these things that he likes to act quickly. But it takes a little time to deliberate and legislate conscientiously. That is what I wish to do on this bill. All these extraneous amendments are efforts to convert an appropriation bill into a Pandora's wagon to haul off all legislative cargo that each Senator may wish to get to its destination. We should not do that. I hope we will not do it.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. LONG of Louisiana. I believe the Senator from Arkansas recognizes, along with some of the rest of us, that even the distinguished Senator from Illinois [Mr. DOUGLAS] might not want to have this amendment tacked on to the bill after only a half hour's debate.

Mr. McCLELLAN. I have seen that happen. I have seen Senators of all political complexions find time, when it was not convenient for them at all to do so, to seek to stop debate.

Mr. LONG of Louisiana. That is not usual for the Senator from Illinois.

Mr. McCLELLAN. Of course, if I did here now what some other Senators have done, it would be called a filibuster.

Mr. LONG of Louisiana. Does not the proposal for a limitation of debate depend on whether one wishes to see a bill passed?

Mr. McCLELLAN. We all know the practical side of issues in the Senate. We can also be very serious. I ascribe to other Senators who disagree with me in most instances, unless they give me some indication otherwise, the same degree of sincerity and conviction in the position they take.

I see a little politics creep out now and then on both sides of the aisle. I would not say that never happens. I might have trouble remembering exactly when but I may have been slightly motivated by politics on rare occasions. There is nothing seriously wrong with that.

The point I make is that I ascribe to other Senators the same high objectives and purposes, according to their convictions and understanding, that I take for myself. However, I disagree with some of those purposes. I would be derelict in my duty, particularly since I am in charge of this bill, if I did not try to defend the integrity of the legislative process as it is spelled out and as it is provided by the rules of the Senate.

The action being undertaken here, with such a deluge of legislative amendments being offered to this appropriation bill, is not wholesome; it is not the proper way to legislate.

There might be other situations in which such action could be justified. Those who wrote this Senate rule anticipated that such situations might develop in the course of congressional action, and they have been well and wisely provided for.

Madam President, I would not want to have the rule repealed. I am not condemning the rule, as such. It should remain in effect. There may be occasions when it will be definitely and seriously needed, and we cannot afford to dispense with it.

But, as I have pointed out, I do not want to see the rule converted into a vehicle which will be used to haul any and all kinds of cargo, whenever a Senator might decide he wished to have his pet bill attached to an appropriation bill.

Mr. LONG of Louisiana. Madam President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield.

Mr. LONG of Louisiana. For instance, I have in mind a measure in which I am deeply interested. For a number of years I have helped sponsor it and have encouraged other Senators to join in sponsoring it and to join in the attempt to have it enacted into law; and on a number of occasions the bill has been passed by the Senate unanimously. The difficulty has been in getting the measure brought to a vote in the House of Representatives. So I should like to ask the Senator from Arkansas this question: If the procedure referred to is to be followed, might some parliamentary advantages be gained by adding this measure to an appropriation bill—in other words, by following the same procedure which has been proposed here?

Mr. McCLELLAN. Well, in that connection, the Senate is now faced with four or five amendments which have been called up in connection with carrying out the ideas of some Senators as to what should be the course of action on their special bills. Such Senators have not been able to get their particular bills taken up by the Senate at this session, and thus they seek to have them attached as riders to this appropriation bill.

I am not condemning Senators nor now discussing the merits of their respective proposals. I can, of course, argue the merits or the demerits of some of the proposals which are sought to be attached to this appropriation bill. But if the measure of the Senator from Louisiana has any merit at all—and it certainly has a great deal of merit—certainly it is as much entitled to be attached to this appropriation bill as is any of the other measures which have been referred to and proposed to be

placed on as amendments to this appropriation bill.

Incidentally, I have a bill which has been passed three or four times by the Senate, and the last three times it was passed by the Senate by unanimous vote. It is a fine bill, and in my judgment it provides something that is very much needed at this time of economic strain, when we are faced with the necessity of reducing expenditures wherever that is possible, in order that we may conserve our economic resources and concentrate them on national defense. Thus, it is important that excessive spending be eliminated and that we try to make sure that the proper appropriations are made, and that the tax funds are spent in line with such appropriations. In short, the bill I have in mind will help the Appropriations Committees find out about all such matters. I believe the bill is a good one.

For years there has been on the statute books a law which established the Joint Committee on Internal Revenue Taxation. That joint committee has experts who try to find the proper means of raising tax funds for the Treasury. I believe we need some counseling and some searching, and someone to help the taxpayers in the field of determining how best to spend the Government's funds, how to avoid overspending, how to avoid spending excessively. We need such a measure enacted into law; and on a number of occasions the Senate has agreed to that. But the House has not passed that bill. Therefore, would it be a good idea to load that bill, too, onto this appropriation bill? Perhaps it is the thing to do, if the appropriation bills are to be made vehicles for the enactment of a great deal of legislation which various Senators regard as most meritorious, but which they have not been able to get the House to consider, or have not been able to get out of committee in the Senate.

If that is what the rules of the Senate and the legislative process here are to degenerate into—in other words, if they are to be exploited to such an extent as to make them meaningless and not permitted to afford and provide the proper protection which they were intended to provide, in order to preserve the dignity of this body and preserve the necessary propriety of procedure, if that is what is to be done, let it be done for all such proposals, rather than let advantage of the situation be taken in the interest of only one bill. In that event, this will not be the only time when such advantage will be sought.

Probably every Senator has some bill which, if he could have his way about the matter, if he did not think it would be violating the best order of procedure, he would be very glad to have attached to this appropriation bill; and then he could go back home and could say to his constituents, "Boys, do you know what I did? By jove, they got up the State Department-Department of Justice appropriation bill, and I slipped my bill onto it, and then they had to take mine as well as that appropriation bill, if they were going to get any money appropriated for those two Departments. So they just had to take my bill to drain Slough Pond, at Moccasin Corner."

In short, that procedure can be run into the ground, if that is what Senators wish to do.

But we now have before us one amendment which the leadership has agreed to, and for which there probably is some justification. I disagree about it, and I will vote against it. But, Madam President, we should not issue an invitation to tack on to this appropriation bill every bill which some Senator thinks is a good one and thinks is worth enacting into law. I believe we must resolve this issue on that basis.

After all, if various Senators are successful in adding many such measures as legislative amendments to this appropriation bill, although I cannot predict with certainty what the other body will do, nevertheless in conference if the conferees for the other body maintain and say as they should, in my judgment, that in order to maintain the dignity of the House they will not permit this kind of procedure to prevail. They might accept this one amendment that the leadership has agreed to—although I cannot speak for them—they might very well think this amendment acceptable under the circumstances to which I have referred, inasmuch as the law is about to expire. But I do not believe the House of Representatives—which has the prerogative, under the Constitution, of initiating revenue measures—will ever let the Senate to so abuse the appropriation process as to cause a deterioration of legislative integrity that after an appropriation bill comes from the House of Representatives to the Senate, it may be converted into a vehicle for the enactment of any measure a Senator may wish to tack onto it, even following a two-thirds vote to suspend the rule. I may be in error, but I do not believe the other body will permit that to happen. Before I shall believe it, I shall have to see it. But Madam President, I do not believe the House will ever permit that to be done. I hope it will not agree to it.

Madam President, I can discuss these amendments one by one; and I can say a great deal about them, if I need to, and perhaps I should.

Mr. HILL. Madam President, will the Senator from Arkansas yield to me?

Mr. McCLELLAN. I yield.

Mr. HILL. Is it not true that the Senator from Arkansas and his committee have taken 1,213 pages of testimony in connection with this appropriation bill?

Mr. McCLELLAN. That is true. I think we had 15 days of hearings. I think representatives of the departments and agencies involved will tell Senators that the committee tried to have thorough hearings and good hearings, and I believe the agencies, the responsible officials of the agencies, whose appropriations are involved in this bill are today generally satisfied with the results. I do not suppose they are completely satisfied. Perhaps they should not be. Maybe in some areas we were a little deficient in not providing all the funds that they requested, or in providing more funds than they requested. I am sure our judgment is not infallible. But I am sure they think they were fairly treated. That may be an issue here, or will become an issue.

I understand an amendment, or some amendments, will be offered to increase the amounts in some areas of the bill. That is a legitimate procedure. It would be a highly proper proposal. From whatever source such an amendment comes, and whether to increase the amount the committee allowed in the bill or to reduce the amount, it presents a legitimate and proper issue, and one that ought to be resolved, and resolved without any serious controversy. There may be a rollcall vote on it. But, whatever happens, whether the amount is increased a little, or decreased a little, or remains as the committee provided, nobody is going to be seriously unhappy, and no rule of the Senate will have been abused or misused or diverted into an instrumentality to bypass, in a sense, the proper processes of securing the enactment of legislation other than by an appropriation bill.

Mr. HILL. Madam President, will the Senator yield further?

Mr. McCLELLAN. I yield.

Mr. HILL. Is it not true, too, that the Senator and his committee spent many hours studying the testimony, weighing the testimony, giving most careful consideration to what the witnesses had to say, and careful consideration to all the facts and matters presented, and it is as a result of all that careful deliberation and careful weighing and consideration that the committee now brings this bill to the floor of the Senate?

Mr. McCLELLAN. That is true. The Senator may recall, too, that even after the hearings were held, it was 10 days, or perhaps 2 weeks, before the subcommittee met to mark up the bill. Then some time elapsed between that time and the time the full committee met to mark up the bill. I believe there were only one or two amendments adopted in the full committee. One increased the amount of funds to be made available from carryover funds, which had already been appropriated.

Then I believe there were some minor amendments with respect to language. There may have been another amendment with respect to money, but I think that was the only one where money was involved.

It was my first time to serve as chairman of an appropriations subcommittee. I undertook to perform that duty with some misgivings as to whether I would be able to steer the committee or handle the matter so as to come out with a unanimous vote. I did not know. But I was highly gratified that the members of the committee, after hearing the testimony and studying the record, were almost unanimous on every item in the bill as recommended by the committee.

As I recall, there were only one or two, perhaps three, amendments that were voted on in subcommittee on which there was any actual difference of opinion. I was highly gratified that we were able to get out a bill that was generally satis-

factory, not only to the committee membership of both the subcommittee and the full committee, but likewise to the agencies and heads of agencies that were involved.

So while we thought our labors were very good—and I do not think they have been seriously challenged yet—we now find the bill being used for legislative purposes.

We did not study the legislative issues, Madam President. They were not before us. We held no hearings on the advisability or desirability of legislation. The committee, therefore, has not spoken, and it is not speaking, in approval of legislation. It simply devolves upon each member of the committee, since we had no opportunity to take action, and there was no such issue before us, to speak for himself with respect to this question.

Whatever course of action each member of the committee may take, he cannot take it upon the record made by the committee in the discharge of its duties or responsibilities. I say to the Senate that the committee discharged its responsibility, and I do not believe any Member of the Senate will challenge that statement. We discharged our responsibility and offered to do what it was our responsibility to do in an appropriations bill. As it was our duty not to do, we did not hear testimony that might have been presented, or that some witnesses would have liked to have presented, in support of legislative proposals.

Madam President, another question is raised. If the procedure we are now asked to adopt and follow in this instance is to become the practice of the Senate, then it may become a very wise thing, I may say to my colleagues on the Appropriations Committee, and not only a wise, but a necessary thing, for the committee to try to anticipate what bill in the Senate a Member is going to try to attach to the appropriation bill when it reaches the floor for consideration, and hear testimony on it.

Are we as an Appropriations Committee, with that anticipation, if it develops to be the practice, to become also a legislative committee?

It is not fair to the Appropriations Committee to say to it that it is their job to consider appropriations, to study budget requests for spending, make recommendation to the Senate as to how much should be spent, either the amount requested in the budget or some lesser amount, or increase the amount, as we sometimes do, but the Senate establishes a precedent and tells the committee, "Well, you had better get on guard. You had better anticipate that when the bill gets to the floor of the Senate, notwithstanding the fact that you are denied the right to consider legislation with which you are not confronted, you have got to take it in your bill"—notwithstanding the fact that we agree we must keep appropriation bills, under the rules of the Senate, clean from legislative matters in the Appropriations Committee.

The duties of the committee, as well as its jurisdiction, are involved, unless there is a special emergency, a special situation with regard to a given legislative issue, which would warrant a suspension of the rules. I say that no such situation obtains in this Chamber at the present, and it certainly does not so obtain with respect to all the other proposed amendments, save and unless one might apply it to the one proposal to extend the life of the Civil Rights Commission, which will expire. There are those who feel very strongly about that. Some feel there is such an emergency, perhaps, as to justify including a provision on an appropriation bill, but one cannot say that is true of the other proposals, because they have not been enacted into law or reported by the committee. There is no expiration date involved.

The Congress is here. Senators have been elected by the people of the United States. If those issues are so vital and so important to the welfare of the country and to the welfare of our people a lot of us will not remain in the Senate long if we do not try to help pass them. They are not that important. They are before us and are subject to—or ought to be subject to—the regular legislative process.

If we are going to start following the practice of putting these things on appropriation bills, whether or not there is any actual emergency, simply to try to get them passed, when some Senator or some group of Senators wishes to have that done, then we shall be breaking down what I regard to be one of the protections which preserve the function, the jurisdiction, the dignity and the prestige of our committee system.

Mr. JORDAN. Madam President, will the Senator yield?

Mr. McCLELLAN. I am happy to yield to the distinguished Senator from North Carolina.

Mr. JORDAN. I have studied the hearings the committee held. It seems to me there were exhaustive hearings on practically everything brought before the committee. As the Senator so ably said a while ago, the committee could not hear everybody on every subject.

I noticed one of the subjects taken up in the hearings was the trade fair exhibit program of the Office of International Trade Fairs. I could easily understand why somebody might wish an amendment of one kind or another, such as the Senator pointed out a few minutes ago, if it were germane. There are some who have traveled in some countries who seem to think well of our trade fairs. Some people think they are wonderful, while other people think they are very sorry. Some people think there ought to be more money provided, and some people think there ought to be less money provided. That is a question which could easily be debated for a long time.

I am like the Senator from Arkansas. I do not think these proposals have any business being attached to an appropriation bill.

Mr. McCLELLAN. In those instances when the committee increased the amount of the appropriations authorized over what the House had granted, we were fully cognizant of the fact that there were some who favored greater amounts and there were others who felt, as the Senator has indicated, that possibly no real good came from the program. The committee considered those questions.

I have served on the Appropriations Committee for a few years, and I believe it is no secret that we in the Senate more often increase the amounts allowed by the House than we decrease them. Seldom does the Senate Committee on Appropriations recommend a decrease.

Mr. JORDAN. The amounts have been increased in regard to these agencies and departments.

Mr. McCLELLAN. We have increased the amounts. I point out to the Senate that we hear the proposals the second time.

The representatives of departments and agencies, or department heads and their staffs, go before the House Appropriations Committee and make their case. They leave it to the discretion and the judgment of the House committee to provide funds. They do not always get all they would like to have. At times, I think, the House may cut the budget estimates too severely.

These representatives then come to the Senate sort of reenforced, let us say. Perhaps they bring all the information they can get, even more than was submitted to the House. They bring this information to the Senate Committee on Appropriations and present it to us and ask that certain funds be restored.

In some instances, I think the restoration is justified. At times the situations have changed since the testimony was given in the House. It is true that we in the Senate have a second look at the problem. Sometimes the House may have cut too deeply. We sometimes restore the funds.

I am one of those who have been regarded—and I take some pride in it and do not mind it at all—as being a conservative, as being one who is not a spender but one who tries to economize in Government. I do not mind that criticism, though there are times when I think the agencies have not been provided sufficient funds, as in this instance. Perhaps the House was not as generous with the money, in making the appropriations, as it should have been.

I also find there are instances when I agree with the House and, if I had my way, would cut the amounts.

The point I make is that this is the appropriations process of the Senate.

These pending proposals before the Senate to suspend the rule are an intrusion—in a sense, a trespass—upon the prerogatives of the appropriating authority of the Congress.

I do not believe this procedure should be indulged in, Madam President, except when there is some unusual or extraordinary circumstance which may indicate a definite requirement that the rule actually be suspended.

Mr. HILL. Madam President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield for a question.

Mr. HILL. Is it not true that if the Senator's committee had put legislation on the appropriation bill, whether it happened to be the proposed legislation embodied in one of the amendments now before the Senate or any other proposed legislation, if the bill had been brought to the Senate with such a legislative amendment on it the bill would have been subject to a point of order and, if the point of order were made, not only would that action kill the amendment but also the entire bill would have to be recommitted to the Senate Committee on Appropriations?

Mr. McCLELLAN. The Senator is correct. I recall an instance some years ago when that actually happened in this body, since I have been a Member of the Senate. I am sure the Senator recalls that. It may have happened on other occasions, but I remember one instance.

Madam President, the Chamber of the Senate is not the only place where the appropriations process is asked to legislate on an appropriation bill. The Appropriations Committee gets such requests many times, in the Appropriations Committee rooms. We try not to do that unless we feel there is such an emergency as to justify the suspension of the rules.

We could very well have placed proposals on this bill. If one judged this simply upon the basis of whether one favored or did not favor a particular proposal, one could very well, in the Appropriations Committee, add legislative proposals to an appropriation bill. Perhaps some could have been placed on this bill.

The Appropriations Committee has had experience with this problem over the years. This body has, also. Over the years we have found that the rules as they are now with respect to legislation on appropriation bills are not only necessary but also indispensable to the proper processes of appropriations, if we are going to preserve the integrity of the Appropriations Committees of the Congress.

Mr. LONG of Louisiana. Madam President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield to the distinguished Senator from Louisiana.

Mr. LONG of Louisiana. The Senator recognizes, does he not, the fact that when the Senate itself insists on placing amendments on an appropriation bill which the committee did not feel it should consider, it is in some sense regarded as something of a chastisement of the committee—that the committee should have given consideration to the problem and should have been in a position to give the Senate a recommendation with respect to a proposal of that sort?

Mr. McCLELLAN. The Senator is correct—unless there should develop such a crisis or emergency that it would become in the interest of the country as a whole, the general welfare, and necessary to the preservation and security of our country that the rule be suspended. Otherwise I do not know what we would do to an Appropriations Committee. Who has the heart to go to the Appropriations Committee and try to measure up to the standards prescribed by the rules of the Senate? If we tear down the rules the minute we come into the Senate Chamber, why be meticulous about them? Why be discerning and conscientious in an effort to bring in a clean bill if we are to be chastised the minute we reach the Chamber for having done the very thing the rules require of the committee?

If we start this practice, we shall be asking the Committee on Appropriations to tag on to an appropriation bill every kind of legislative kitetail that anyone can think of.

The problem is serious. I ask Senators to think of what we are now asked to do. If we establish the practice as a precedent, I know how I will feel. If we are to be chastised in the Senate Chamber, if legislation on appropriation bills is to be permitted, why not start adding a great many measures in the Appropriations Committee? We shall then have a crazyquilt situation. That is not the right way to legislate or the best way to do so. Time and experience have proved that the system we now have is the wise and best system.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. LONG of Louisiana. If such procedure is to be pursued in the Senate, would that not start a precedent which would lead to the Appropriations Committee itself bringing out committee amendments in violation of Senate rules with a motion to suspend the rule and add the amendments to its own bills?

Mr. McCLELLAN. That is the point I have tried to emphasize.

As I have said to the Senator, why would there be any incentive left for me, the chairman of the full Appropriations Committee, the Senator from Arizona [Mr. HAYDEN], the chairman of the Committee on Labor and Public Welfare, the Senator from Alabama [Mr. HILL], or the chairman of any other subcommittee or full committee to try to preserve the integrity of the appropriation process, if having done so, we come to the Senate Chamber, the parent body, and are chastised for having done so?

The problem is serious. If we have no standards to guide us, any standards to repair to in time of controversy and storm—for there are and always will be controversies in a democracy in which we have freedom of speech and can say what we think, what we favor, and what we oppose, we will jeopardize a great deal more than what we are trying to promote and advance as worthwhile.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. LONG of Louisiana. The Committee on Appropriations is usually regarded as one of the most powerful of committees. Most of us regard the committee as the most powerful committee in the Senate. It has 27 members, far more than the average committee.

Usually those Members are among the most senior, most powerful in this body. If the procedure suggested is to be established whereby the Committee on Appropriations will consider not only appropriations to carry out the functions of the Government, authorizing the expenditure of money for programs that other committees have recommended, but will also consider all the substantive legislation which other committees have a responsibility to consider and undertake, and to take affirmative action on such measures if the Appropriations Committee thinks they are wise, although other committees charged with the responsibility of looking into those matters may not so consider them, will we not be establishing a precedent by which the Appropriations Committee will be called upon by the Senate to invade the responsibilities of every other committee?

Mr. McCLELLAN. Again I come back to the point. We would either have standards to guide us and standards which we would observe in order to insure the propriety of our own processes of legislation and appropriation or we would not. Through rules that have been tried, tested, and proved to be true and worthwhile, we have such standards and procedures. Contrasted with that procedure, are we now, for the sake of what I regard—though others do not—as a rather dubious issue, going to break down those standards and say that they will no longer serve in this instance, and thus establish a precedent that whenever the senior Senator from Arkansas, for example, has a bill that he has not been able to get enacted into law, he can follow the suggested procedure? I have introduced a very good bill, as I told the Senate a while ago.

It passed the Senate four times, three times by unanimous vote. I think it is a good bill. It was actually sponsored by more than 60 Senators, by more than two-thirds of the membership of this body. It is a good bill. If that is the criterion by which we would act upon a good bill which has the support and sponsorship of a great number of Senators, and which received the unanimous support of the Senate, we can act accordingly. Are we going to say by the proposed action, "The senior Senator from Arkansas and the Senator from Louisiana have tried with bills which they think are good bills, which passed in this body, to enact legislation."

If that is the way to legislate, then the Senate is inviting the senior Senator from Arkansas and the junior Senator from Louisiana [Mr. LONG] to say, "Tag your bills onto the appropriation bill." We will go over to the House and say, if we want to be really obstinate—and some of us have a little Irish in us and at times we become a little obstinate, I must confess. "You want an appropriation bill? Here it is. Join us." What is the term that we use? "Recede." We would say to the House of Representatives, "Recede, and we can get this appropriation bill out."

As the senior Senator from Illinois said a while ago, "We can expedite the bill." Do Senators know what that term means? It means surrender. We can tell the House to surrender, and expedite the bill. That is not a good way to legislate. The House will not be impressed with such tactics.

Mr. JORDAN. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. JORDAN. The bill the Senator from Arkansas mentioned as having passed the Senate four times is, he believes, a good bill. He knows it is a good bill, because it passed the Senate four times.

Mr. McCLELLAN. I have that much confidence in the Senate. A group of respected and able men from all over the Nation would hardly make a unanimous mistake three times on a bill such as the one of which I spoke.

Mr. JORDAN. But the Senator from Arkansas does not think it would be proper to tie it to the appropriation bill now before the Senate?

Mr. McCLELLAN. I do not, unless we are going to legislate in that fashion. That is the point I am trying to settle right now. I do not believe it is a good way to legislate.

Mr. JORDAN. I do not think so either, and that is exactly what the Senator from Arkansas has said.

Mr. McCLELLAN. I have made the point over and over. I am trying to make Senators stop and realize what is about to happen.

Mr. JORDAN. What the Senator is saying is that it does not make any difference how good an amendment is; if it does not belong on the pending bill, it should not be added. Is that not right?

Mr. McCLELLAN. Unless there is an extraordinary situation which compels such action. That situation does not exist with respect to the pending bill. I can understand that there might be a situation in which it might be necessary to suspend the rule for that purpose. However, on a highly controverted issue, when there is an opportunity for us to follow proper legislative processes, I believe that to follow such a procedure as is proposed would be to break down the rules which have protected us all these years. By doing so we would start using a process by which any Senator who had a pet bill could say, "It must be handled in this fashion."

Madam President, I will let the RECORD reflect my sentiments, and I do it in all charity and with all due deference to every colleague in the Senate who may have a different opinion than I have on this question. I respectfully disagree with those who hold a contrary opinion. I take this position because it is right. We are challenged with a kind of procedure which, in my opinion, would destroy what we have built and sustained all these years, which has served the country well, which has upheld the dignity of the Senate, and which has prevented extraneous matters from polluting the stream of the appropriation process, which we need to preserve.

I had thought that long before this we would be discussing some of the amendments which are to be proposed. I am a little reluctant to do so. I thought I would take 15 minutes to discuss this subject. It seemed that would be a reasonable length of time. I believe I have exceeded that time. Since I have done so, I may as well mention some of the other amendments which are to be proposed. One of them seems to bring up the Supreme Court issue. Good Lord, are we never going to get rid of that issue? Who wants to talk about it? But maybe we should talk about it, Madam President. I could make a political speech about it at any time.

Nearly a hundred years ago the Supreme Court said what the Constitution provided. However, that was back in the days when the Court was composed of Jurists who were well learned in the principles and rudiments of American jurisprudence and had the courage to construe the Constitution for what it is and for what it says. They did not yield to political pressures. But that was a long time ago. Since then we have become smart. We have a Court now of men who know more than the great men of the past knew. Of course this is the 20th century. This is the modern day. If the present Jurists had founded this Nation, no doubt they could have done a much better job; or could they?

What is the law of the land? There are differences of opinion about that. However, if the Court decision in the school cases is right, then I can say the law of the land is what the Court says it is today only, because tomorrow the Supreme Court can say "It ain't." And "ain't" it will be. The issue is just that simple. Court-made law of the land is not constitutional law. Court-made law is the law of man. That is what it amounts to.

If the Court can change its mind every other day, we shall have a different law almost every morning at breakfast. If the Court can change precedents of 100 years, it can change them again in 5 years or in 6 years.

I will not with my vote place my stamp of approval upon that sort of judicial practice. Others may. I will not. That is what we are to be asked to do today. I bring this question up to emphasize what is attempted to be done here. It will require a little debate in the Senate—and I can talk quite a bit about it—before the Senate will put its stamp of approval on that Supreme Court decision. That is what the amendment would do. I read from the amendment:

> The Congress recognizes that (1) prior to May 17, 1954—

That is the date of the Supreme Court decision—

> the Constitution of the United States had been interpreted—

By whom? By the Supreme Court—

> as permitting public schools to be segregated on racial grounds provided such schools afforded equal educational opportunities.

That had been the construction. That had been the law of the land. We hear a great deal about obeying the law of the land. Do not Senators believe that the Supreme Court, as well as a Senator, and as well as a citizen, should obey that law?

They did not think much of the law of the land, and made a new one. Now they are asking us to place our stamp of approval on it. I will not do it. I will not vote for any such thing. Prior to that time, for a hundred years or more, that had been the law of the land. Congress did not change it. The Constitution did not change it. If the law of the land has been changed, who changed it? It was changed by court-made law. It was not changed by the Constitution, or by an act of Congress.

Other learned men, judicious, devoted patriots, who loved their country, interpreted the Constitution prior to May 17, 1954. It was not a "happenstance." It was not something that just happened. It was something that learned jurists and lawyers all over the land had said and believed in; and they acted accordingly.

However, expediency apparently intervened. Now we are asked to help remake the law of the land by in effect ratifying the erroneous May 17, 1954, decision of the Supreme Court. By amending the Constitution? No. That is too slow a process. We must hasten things. We must act fast. This whole procedure is to hasten, to act hurriedly, on a crash fashion. It does not matter about processes, or the integrity of the processes. We are told we have an emergency. The Supreme Court changed the law of the land, which had been in existence for a hundred years. Now we must ask the Senate to be a rubberstamp, to say that something is right, when it was wrong in the first place. The Senate's saying it was right will not make it so.

> On May 17, 1954, the Supreme Court ruled that under the 14th amendment to the Constitution segregated education is inherently unequal.

No other Court had ruled that way. We had lived with and been governed by opposite rulings. In my area everyone was happy about it. We were moving along. In some instances in my State we had already desegregated. If we call that social progress, we were making it, but under peaceful processes, under the improvement of race relations, under deference and respect for each other, not by force, not by changing the law of the land overnight.

I read further:

> The Constitution as interpreted by the Supreme Court of the United States is the supreme law of the land.

If we say it about the present Court, why would it not be true about the decisions of the Court that this 1954 decision overruled? Is it not kind of silly, when we stop to think of it? We are expected to say, "This is the law of the land because the Court said so." The present Court had to say that what the other Court said was not the law of the land, in order for its decision to become the law of the land. I will not put my stamp of approval on that sort of monkeyshine business. I know many other Senators who will not do it.

If the Senate expects to do it—if the Senate should do it—if it thinks in good conscience it should do it—then it ought not to do it on an appropriation bill; it ought to do it openly and aboveboard, and in a battle royal under the rules of the Senate, where the proposal can stand on its own and be fought out on its own merits, so that every Senator

may vote his sentiments upon it. That is the way it should be done. This proposal should be debated a long time before it is ever adopted. The country ought to know what kind of precedent we are setting, if we do things in this way.

I will not do it. To me, the very fact that we are asked to affirm and ratify what the Supreme Court did is quite significant. Someone is worried. Someone wants someone else to share the blame. I will not become a culprit. I will not join them. I think the Court decision was wrong. I will not say it was right simply to please someone who is now disturbed about what has happened. I will not go on record in that way. I do not believe the Senate should. But if it does, it should act on a clear-cut issue, not try to load down an appropriation bill, providing funds for the normal and proper functions of the Government, with this sort of approach, and this sort of burden.

Mr. JORDAN. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. JORDAN. Is this not one of the times that the Supreme Court has ever asked the Senate to approve one of its decisions? I do not suggest it is the first time, but is it not one of the times?

Mr. McCLELLAN. I am sorry; I cannot answer the Senator's question because I do not have the statistics of historical information which would enable me to answer the question accurately and correctly. I simply say the Supreme Court ought to stand on its own feet. There are three separate and distinct branches of the Government. Why should it want to have Congress agree to what the Court has done or to approve it? Why should the Court want us to say that we approve it?

Mr. JORDAN. The next time the Court renders a decision, it might want Congress to approve it.

Mr. McCLELLAN. Suppose Congress said it disapproved?

Mr. JORDAN. Pretty soon the Court will be asking Congress both to write and to approve the laws.

Mr. McCLELLAN. Suppose the Supreme Court says that a law is unconstitutional and wants Congress to approve or rubberstamp its decision. The day after tomorrow they may want the Congress to approve a law which we may think is unconstitutional. To me, it simply does not make sense.

Why should the Supreme Court have to run to the Senate to be fortified or reinforced with the Senate's approval of something the Court has done? Is the Court shaky about it? Are some questions beginning to arise in their minds about what this decision may have done or may be doing to the unity and strength of America? Today America is not stronger by reason of that erroneous Court decision. America's internal strength is not what it should have been, in my judgment. This is the time when the United States needs great unity and strength. I think that remark applies very much to this subject.

I had not meant to get into this discussion. There is no occasion for it. This is not the time or the place for it. But the proposed amendment is here, and I am in charge of this bill. For the present, I am honored to be in charge of it. I am trying to defend the appropriation process. I am trying to fight against the establishment of a precedent to break down the standards. I want to keep the procedures that get appropriations when they are needed for what they are intended, and without having them hampered and hindered or hobbled and strangled with extraneous matters such as this.

State and local governments and agencies have relied upon the separate-but-equal doctrine. They have a right to rely on it. The Supreme Court has led them to rely on it. Those who now take the position that what the present Supreme Court said is the law of the land must admit that the States which relied upon the Supreme Court were pursuing and observing the law of the land when they made their plans and passed their laws accordingly. When did that doctrine cease to be the law of the land? When a manmade edict was issued. Then it was no longer the law of the land. The Supreme Court changed the law of the land. It had been the law of the land for 100 years.

We as citizens and Senators are supposed to observe the law of the land. But the Supreme Court Justices, feeling they have an undue privilege, say, "We are privileged. We can change the law of the land. Our predecessors on this Court"—men who graced the Supreme Court for the past 100 years, Mr. President—"were wrong. They were nincompoops who did not know what they were doing. We will fix this up." And they did fix it up. Now they want us to help them nail it down. I will not be a party to it.

We had a right to rely on the separate-but-equal doctrine. The Court said it was the law of the land, and we relied upon it, and we observed it.

We respected it, so long as the Supreme Court respected it. But this Supreme Court no longer respects it. It has changed, and no longer observes that doctrine. Now the Court directs what a citizen should not do. They tell a U.S. Senator what he should not do. Still they want the Senate to rubberstamp and approve what they do. Shall we do that, or shall we let the Court stand on its own? Why should the Court ask us or anyone else ask us to reinforce its decisions? In the first place, I will not reinforce it, because I disagree with it. But even if I did agree with it, I would feel that the Court had a serious doubt, otherwise, it would not be asking us to approve its action. There is something wrong; otherwise, we would not be asked to take this action.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. HOLLAND. The Senator recalls, of course, that the school decision is based upon the 14th amendment to the Federal Constitution.

Mr. McCLELLAN. I do.

Mr. HOLLAND. The Senator remembers also that section 5 of the 14th amendment reads as follows:

> The Congress shall have power to enforce, by appropriate legislation, the provisions of this article.

Has Congress ever enforced the provisions of the 14th amendment by appropriate legislation?

Mr. McCLELLAN. I believe the people—the public—have observed it. We followed what had been said by the Supreme Court was the law of the land. We certainly have observed it. Congress did not take any affirmative action to implement the provision to which the Senator from Florida has alluded, but the Court stepped in and, in effect, usurped the very power which was conferred upon Congress, not upon the Court. The constitutional amendment does not say that the Supreme Court shall rule upon this question and direct how it shall be implemented, or when.

The Supreme Court says that since Congress has not taken any action, and although the people are respecting what the Court's decisions have been, and although the people have been observing what the Court's predecessors have said is the law of the land, notwithstanding that, the Court will step in and legislate and implement by edict and decree. That is exactly what the Supreme Court did. No one can contend that the Supreme Court did otherwise. That is exactly what it did. The Supreme Court is undertaking to make district courts implement or supplement its decision.

Assuming that is done—and it has been done, although I think it is wrong—the Senate should not be asked to condone that wrong and to take affirmative action to condone it. I shall not join in such an attempt; I shall oppose it. I want this RECORD to show that at least one Senator in his feeble way—although I am sure other Senators will do likewise—will stand on this floor and will make this RECORD for all posterity to read, so as to show that there were in the Senate Members who were not swayed, intimidated, or coerced by usurped power exercised by a court, without constitutional right, in an attempt to change the law of the land, and then in an attempt to crack a whip, as it were, and say, "You have to comply with it, or else the bayonets will be placed at your backs." And that was done, Mr. President. There are U.S. marshals who should have performed that service, if it was to be performed. But, instead, bayonets were put at the backs of the people there. Why? Because they still believed that what had been the law of the land for 100 years was still the law of the land, and they did not think the Court was correct. And they had a right to be suspicious and to suspect when the very Court that said to them, "You have to obey the law of the land at the point of bayonets," sought to upset and violate the law of the land by overruling the law of the land. But as citizens and as sovereign States they were told they had to obey it at the point of bayonets.

Mr. HOLLAND. Mr. President, will the Senator from Arkansas yield?

The PRESIDING OFFICER (Mr. HICKEY in the chair). Does the Senator from Arkansas yield to the Senator from Florida?

Mr. McCLELLAN. I am glad to yield.

Mr. HOLLAND. Of course the Senator from Arkansas is right when he says Congress has never taken action to enforce the provisions of the 14th amendment of the Constitution, which contains a provision requiring Congress to take—if any action of the sort is to be taken—action "to enforce, by appropriate legislation, the provisions of this article."

But such action has never been taken. Instead, the Court has attempted to take the action, through its 1954 decision and its subsequent decisions.

I wonder whether it could be the motive of the Senators who are attempting to have Congress rubber stamp that 1954 opinion of the Court to have the protection of congressional action provided, in the hope that such action would create greater confidence in the country than the Court's decision in 1954 and the following Court decisions have created.

Mr. McCLELLAN. I am sure—and I believe I have so indicated in my previous remarks—that there are those, possibly on the Court, and others in this body, who may have applauded the decision, by reason of the fact that they felt the objectives of the decision were desirable. But I am persuaded that down in the recesses of conscience today, doubts linger and grow and agitate and irritate to such an extent that now this action is proposed on the floor of the Senate, in an attempt to drag the Senate of the United States into the matter and secure its approval, so they can say, "Well, whatever we did, even if it was wrong, at least the Senate now has approved it, and now there is congressional approval of it."

Mr. HOLLAND. Is it not true that they are trying to make a rubber stamp of Congress, in connection with this matter, by reversing the procedure that is covered by the provision of the 14th amendment itself?

Mr. McCLELLAN. Well, this is an attempt to use a rubber stamp, not to use the Constitution, to obtain approval of what the Court did. This is simply an attempt to obtain rubber-stamp approval of something which seemed to conform to the Court's idea either of political expediency or of whatever other predicate the Court based the decision on. I do not know what that may have been. I have never understood the decision. I have never understood how a decision involving the Constitution of the United States can be predicated on the philosophy of some psychologist or someone who, I suppose, did not know any law and never tried to know any law. In fact, the decision was based more on mythology than on any other kind of "ology," and it does not make sense.

Yet now it is proposed that the Senate be dragged in. Congress has not acted; but if they succeed in their attempt, they will be able to say, "Of course it is legal now, because now Congress has acted, under the Constitution." Obviously this attempt is not one to use a direct approach. Instead, it is a subterfuge to get Congress to take some action that will tend to lend a little dignity or a little character, let us say, to what has already been done.

But, Mr. President, I do not propose, in the exercise of what little responsibility I have here, to take any part in the granting of it. I am going to do what I can to have such approval withheld, because I do not think the Court's decision was right, in the first place, and I do not wish to be a party to the approval of what I think is wrong. Even if some Members of the Senate were to vote to ratify whatever may be the effect and the burden of the Court's decision, that still would not make it right; and even if all the angels of heaven claimed it was right, their claims would not make it conform to the Constitution.

The question now before us is whether the Senate should be dragged into this situation. Mr. President, why should the Senate be dragged into it? Let the Court's decision stand on its own feet. The Court did that, and let the Court now defend it. Why should I or why should the Senator from Florida now help the Court defend it? I do not believe the Court's decision was right, and I am confident that the Senator from Florida does not believe the decision was right. Therefore, why should Congress now be dragged into it?

There may be some who will wish to go along with the attempt. I do not know what the outcome will be. But I do know that as long as the CONGRESSIONAL RECORDS for today and for the remaining days of the session are preserved, the views of at least one Senator will be shown so clearly and so distinctly and, I trust, with sufficient penetration, that no one will misunderstand his position. Mr. President that is what I intend to do.

There is a future and a destiny ahead, somewhere, for America. America can cling to the basic principles upon which she was founded, and can survive and be supreme and be preeminent throughout the ages. In my judgment, America cannot desert and cannot betray the integrity and the virtue of the fundamental principles upon which she was founded. She cannot raise anchor and drift into uncharted seas. She cannot follow a course that will not have the supports, the guidelines, and the standards upon which she was built, and upon which she has grown and prospered.

Mr. President, do we dare do it? We should consider what has happened to countries that did. None of them exists today.

So these principles are important and have great meaning. There may be times when it may seem to some convenient to do something else. But many things which may seem convenient will not stand the test of time. Certainly the action now proposed will not stand the test of time. I do not know how soon the test will come; but when it does come, what is now proposed will not stand the test.

So, Mr. President, we should not attempt to establish the precedent here sought. In fact, this proposal would establish two precedents: First, that of violating, in my judgment, unnecessarily the integrity of the appropriation process, and thus establishing a precedent which would invite a repetition of such action; and when the repetitions occurred they would be like snowballs; they would grow larger and larger, and there would be more and more of them as time passed.

Second, we are asked to establish the precedent of having the Senate rubberstamp a decision of the Supreme Court about which there is grave doubt, notwithstanding the fact that the Court may be able to preserve and enforce it. Certainly there is doubt about it, or else this proposal would not be before us now. Certainly someone is seeking to have the Court comforted a little by having this proposal adopted by the Senate, so that then it could be said that the Court did right, when actually the Court did wrong. But, Mr. President, I am not willing to be a party to such an attempt or to such action.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield.

Mr. HOLLAND. Does it not seem to the Senator that the situation may be something like this: That the decision, coming without the benefit of congressional action, has backed the horse into the stall with his wrong end to the feed trough, and he is not thriving very well, and the advocates want to get congressional help in turning the horse around so he can get to the feed trough and become a normal, thriving, healthy animal? Is not that the situation?

Mr. McCLELLAN. The truth is they have got the wrong end where it is embarrassing. That is the truth of it. That is why they are seeking to get a little help here. That is the view I take of it.

Mr. President, I could talk about this from now until the new moon and not get through. I do not really want to talk that long, but I want to say a few more words.

Let me read from the amendment:

> State and local governments and agencies which had relied upon the "separate but equal" doctrine are now obligated to take steps toward the elimination of segregation in their public schools.

That simply is asking this body to say, notwithstanding the fact that the Supreme Court usurped powers which were clearly vested in Congress by the Constitution, and the 14th amendment thereto, and had overruled the precedents of the Court for 100 years: "State and local governments and agencies are now obligated to take steps toward the elimination of segregation in their public schools."

Why? Because nine wise men decided that nine plus nine other men who had preceded them were not wise, and they ought to upset all they have said and done. They said, "Being wise men, we upset them. We change the law now and we tell you now you have an obligation to do what we tell you to do."

Theoretically, that is true. But I think I also have an obligation as a citizen of this country and as a Senator, and I think my people think I have such an obligation to them, if I think something is wrong, as I think this is wrong, to protest it.

If we still have freedom of speech in this country, I shall have the right, and I shall claim the right to do it with impunity, so long as I speak my views with respect and deference. I say I do that. I think the Court made an awful mistake, and I am going to point it out. I am not going to silently acquiesce and be a party to degrading the Senate, as I think it will be doing to itself—the Court cannot make us do it—if we put a stamp of approval now on a decision of the Court which violated the Constitution in the first place, and which, in the second place, distorted the true construction of the Constitution in order to overrule the law of the land which had been in existence for 100 years.

I am not going along with that. I am not going along with such processes. I do not believe in that sort of procedure. If there is anything we need in America today, it is stability. We need more stability in our fiscal affairs than we have. We had a little recession last year. People almost got panicky. What happened to our gold reserves? We did not have enough margin. A couple of million unemployed, a small recession, and we get jittery. Some people say that a debt of almost $300 billion does not mean much. I do not know, but there is one thing certain in my judgment: We must keep confidence in the integrity of the Government, and confidence in the stability, security, and soundness of its fiscal policies. Otherwise, we are going to have financial problems, and perhaps financial chaos. I say we need stability, so people can rely upon their Government hopefully and with reassurance. And, Mr. President, we need stability in court decisions as well.

Cannot the people rely upon what the Court says today about the Constitution of the United States? Can we no longer rely on what it says today as being what it will say tomorrow? Do we not wonder whether it will say the same thing tomorrow that it said today?

There was a time when lawyers in this country could consult the cases and reports. They knew the Constitution. They could pretty well advise a client what the law was and could fairly well, with some measure of assurance, advise a client as to what a court likely would decide the law to be in a given case. I say to you, Mr. President, today there is not that stability. The Court itself has become confused. In my judgment, it does not agree with itself. Look at the 5 to 4 opinions from time to time on vital issues. Yet we are being asked now to approve a decision of the Court overruling the law of the land that had been in existence for a hundred years.

It is proposed that we take steps to eliminate segregation of public schools. Where white and colored wanted to mix and go to school, I have never objected to their doing so. I think they have a right to do it, and I defend that right. But I also think each race has a right, if it desires to, to be unto itself. And I defend that right. That is the principle which is involved in some of these controversies.

I continue to read from the amendment:

Many of these governments and agencies are faced with serious financial and educational problems in making the necessary adjustments in their existing school systems.

I have heard the South referred to here today, and I reply that I have heard the South maligned before by the Senior Senator from New York and by others.

I have said, for the South, and I say it again: We were getting along well. We were making progress. Both races were happy. Those who think they are being great friends of one race as against the other, or even to both races, I think have made a mistake. I think real progress has been retarded and not advanced. That is my view.

It is said that there is a financial problem. This is followed by the statement that there is difficulty in making the necessary adjustments.

Mr. President, the difficulty is not financial. The difficulty is that people have pride. Many colored people have pride. They have great pride in their race, and justly so. That race has made tremendous progress. I applaud them. There are those in that race who feel that both races, their race and the white race, are better off with segregated schools. They are honest in that belief. There are white people who feel the same way. They feel that there has been an imposition to an extent by reason of the fact that the Court presumed to legislate in this field and changed the law of the land overnight, and ordered them to do that which they had determined, under their rights, they did not desire to do. That is a prerogative which was theirs, a prerogative they should still have, which should not have been taken away from them.

The great problem is not so much financial, with respect to how to become adjusted, but a problem of frustration, of "what does this mean?" We now have a court telling both the white and the colored races what to do, contrary to the true provisions of the Constitution.

We now see a court stepping in to change the law of the land from what it had been for 100 years. Overnight the Court tells us. "Now you have a duty and an obligation to obey us."

Yes, Mr. President, there is some problem, but it is not so much a financial problem as it is spiritual, mental, and physical. That is where the real problem is. That is where the principal frustration is, not in any financial adjustment.

The amendment goes on:

It is therefore the intent of Congress and the purpose of this Act to assist State and local governments and agencies in carrying out their constitutional obligations by sharing certain of the additional expenditures directly occasioned by desegregation programs and by providing information and technical assistance in connection therewith.

I suppose that is a kind of commendatory thing, in a way, to have such an attitude and such a spirit. It is said, "Yes; we disrupted your life. We tore you apart financially, spiritually, mentally, and physically. We made you distressed, so we ought to come to your aid. We will now put salve on that injury with some money."

Mr. JORDAN. And with some pamphlets.

Mr. McCLELLAN. With some money, and some pamphlets to tell how to do it. It is a sad commentary on America, where we have freedom and where people are supposed to have individual liberty, when we are confronted with a situation such as this.

Next we come to section 2. I do not know how much is involved. I suppose this is to justify Federal aid to education, for one thing, and to salve or to pacify. That is not the exact word. It is to make them feel a little bit better about the situation, with the statement, "While we are giving them money we will help them build better schoolhouses, raise teachers' salaries, and so forth." It is an effort to palliate. It is an endeavor to put people into a better humor, to make them feel a little better than they felt when they were stabbed. "As we pull the knife out, it will feel better."

SEC. 2. (a) For the purpose of assisting State and local educational agencies which, on May 17, 1954, maintained segregated public schools to effectuate desegregation in such schools in a manner consistent with pertinent Federal court decisions—

We come back to that issue, do we not? To use an old term, We are "bent" on seeing it done.

there are hereby authorized to be appropriated for each fiscal year such sums as the Congress may determine.

Legislation on an appropriation bill? Let us throw away the legislative committees. Let us join the Appropriations Committee and hereafter let the Appropriations Committee do everything. I tell Senators that we shall have a whale of a job. We may as well make this whole body a Committee on Appropriations, if we take this step. In the House of Representatives there is a Committee of the Whole to consider legislation. If we are going to follow this practice, we may as well make the entire Senate a Committee of the Whole, to consider appropriations, to let every Senator jam in whatever little legislative proposals he favors. Then we will all show proper deference to each other.

The amendment provides:

There are hereby authorized to be appropriated for each fiscal year such sums as the Congress may determine.

There is no limited sum, but any amount.

(b) Appropriations under this subsection shall be available for grants to help finance—

(1) costs incurred by local educational agencies in the provision of supervisory or administrative services, pupil placement, school social worker—

We are supposed to provide social training now. We get the colored and the white races together, and we are supposed to socialize them with Federal

money. We are going to get them all up on their social duties, so that hereafter this will be a perfect union. We have to wait to see about that—

or visiting teacher services, and other special, nonteaching, professional services, the need for which is occasioned by the desegregation of their public schools, and—

Well, along with the social worker will come a visiting teacher, and other special nonteaching people.

I wonder what kind of service that is going to be? Here it is, so stated, nonteaching services. That comes under the educational system. It is nonteaching under the educational system. That is something.

Mr. President, we shall have to go into this and look into it before we vote on it. It does need some explanation, it seems to me.

"Nonteaching" is one word. The phrase is "special, nonteaching, professional services."

Nonteaching, professional services, the need for which is occasioned by the desegregation of their public schools.

All of this is brought about by the desegregation of the public schools. We are now asked to step in with Federal money and to plaster the thing over to make it look better. Let us take a look at that.

(2) costs incurred by State agencies in developing and carrying out State policies and programs for desegregation in public schools, including technical assistance to local educational agencies in connection therewith.

Mr. President, the amendment I am reading from is 8 pages long, and I have only finished reading 2⅓ pages. I have been going hurriedly. I have not really done justice to all that I have read in my comments. I realize that. I was trying to expedite the procedure, in the hope that consideration of the bill might be concluded this afternoon. I doubt if it can. Other Senators wish to speak. Perhaps the Senate will wish to transact other business this evening, before the recess.

I shall place a mark on the amendment, at the end of the second paragraph on page 3, where I reached in my comments, and I shall stop for the present. I may wish to resume. I do not know in what direction this unusual proceeding will go, and therefore I do not waive my rights or abandon any duties I may have, either presently or hereafter, to make comments on other provisions of this particular proposed amendment.

Neither do I waive my right, in closing these remarks this afternoon on this point, to discuss the subject further. I declare my intention to discuss such amendments as are proposed now or will be proposed to the bill under a suspension of the rule. I think they ought to be discussed. I think a real study, analysis, and searching inquiry as to what effect the amendments would have, if enacted, would be in order. We would be derelict in our duty if we do not give them a pretty good screening, and express some opinion as to the impact they will have should they become law.

I close by going back to the original proposition I made, and it is basic. It is the first thing to consider. Are we now going to adopt the practice in this body of legislating on an appropriation bill when there is no emergency and no particular circumstance which would create an extraordinary situation? If we are going to take bills that have not gotten through committee and make them the basis of attaching amendments to an appropriation bill, again I say I can well foresee that almost any bill that has not moved with speed and expedition through the legislative committees will be eligible hereafter for this sort of procedure. I regret to see such a course. I think it will do something to the integrity and dignity of this body. I hope it will not be done.

Tomorrow, after deferring to other Senators, I shall be ready to resume where I left off. I left off almost in the beginning of the things that can be said and that should be said about this procedure and some of the proposed amendments.

Mr. MUNDT. Mr. President, as Senators know, for several weeks—in fact, for months—I have been among those who have been endeavoring to have enacted by the Senate legislation to provide for Federal assistance to education for impacted areas. Last Friday we tried in a yea-and-nay vote, and we came encouragingly close to having the provision added to the foreign aid bill. At an earlier time we tried to have the provision enacted as an amendment to an appropriation bill, and after having duly served notice on the Senate so we could have a motion to suspend the rules, I was disappointed at that time by the action of the Senate, which said that it did not want to engage in the practice of legislating on an appropriation bill.

Consequently, I was somewhat discouraged from trying again to have this important piece of urgent legislation enacted as an amendment to an appropriation bill, and had, in fact, abandoned any hope of trying to do so or any expectation of making the effort on the pending bill.

But I was surprised in reading the morning RECORD to find that there is a disposition on the part of some Senators at this point to start legislating on appropriation bills, and by a study of the sponsorship of the particular effort which is now before the Senate, I was not only surprised to find the identity of some of the Senators but also at the same time encouraged, because some of those who only a week ago had proclaimed violently against legislating on an appropriation bill, had voted against such a practice, and had moved to lay my amendment on the table, I now find are enthusiastically waving the flag for precisely the same kind of legislative procedure which I had endeavored to get the Senate to adopt in connection with impacted areas. Apparently, there has been a great change of attitudes.

That being the case, I think I can look forward with reasonable expectancy, certainly, that those who are supporting the present effort to legislate on an appropriation bill in the field of civil rights, if they succeed in the attempt, will find themselves almost compelled by all the rules of consistency to support a similar effort at this time on the part of those of us who believe that we should delay no longer in providing educational aid to the impacted areas to help them meet the educational challenges they now confront.

Consequently, in accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 1 of rule XVI for the purpose of proposing for myself and Senators DIRKSEN, BRIDGES, KUCHEL, HOLLAND, MILLER, TOWER, COTTON, YOUNG of North Dakota, SCHOEPPEL, WILEY, LAUSCHE, BUSH, SCOTT, and BEALL, an amendment for the purpose of proposing on the bill, H.R. 7371, to make appropriations for the Departments of State, Justice, and Judiciary, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes, the following amendment, namely, that on page 36, after line 8, add a new title VII. I now send that proposed amendment to the desk and ask that it be printed, together with my notice to suspend the rule.

The PRESIDING OFFICER. The amendment will be received and appropriately referred.

Mr. MUNDT. As I said, I had not intended to offer the amendment at this time because I had about concluded, on the basis of the action that the Senate earlier took, that it had no disposition this year, at this hour, to legislate upon an appropriation bill. But when I found included among those who now propose the legislate on an appropriation bill the very Senators who have been disclaiming any desire to do so, naturally, being an optimist at heart, I felt the fires of encouragement burning within me, in the conviction that if they succeed in their effort to legislate on an appropriation bill in the field of civil rights, which affects some people, certainly they will then support our effort to legislate on an appropriation bill in a field which affects everyone, because this impacted area legislation is a subject of vital concern to taxpayers and schoolchildren in every State of the Union.

I do not believe that Senators will bury themselves in a sea of inconsistency by voting for the one effort and then saying, "Oh, no, we would not legislate on an appropriation bill in some other area, namely, the one to provide aid to impacted areas in education."

So while I have no way of looking into a crystal ball to determine what the vote will be on this first attempt, or who will support it, I certainly believe that I have the right to be shored up with optimism and confidence that those who vote to suspend the rules in the first instance would certainly vote to suspend the rules in the second instance. Thus, if in fact, we decide that in the first instance we shall suspend the rules and legislate on an appropriation bill in the field of civil rights—and I do not decry the importance of legislation in that field—then surely, on the same bill, we shall feel compelled to suspend the rules by the same type of action in order to pass this urgent piece of proposed legislation, which should have been passed 90 days

ago, because the schools of America are opening in a week or two. Tomorrow in Washington there is a meeting of school superintendents from around the country who are desperate because this important legislation has not been passed. Thus, I feel impelled under this new set of circumstances to reintroduce our proposal to provide school aid to the federally impacted areas.

We have had notice served upon us that, as a separate piece of legislation, aid to education in impacted areas will be brought up some time this week, but it looks as though we are headed for a rather long and exhaustive debate on the appropriation bill. It was not brought up today, as I had hoped it might be. I think I can deduce that it is not likely to be brought up tomorrow as separate legislation. Nobody now knows when it will be brought up. On top of that, we have been served with notice again that if it is brought up as a separate legislation, there are those in this body who are determined to offer amendments to it, which they have a perfect right to do, and to include the general overall Federal aid for education legislation, and to include their particular senatorial versions of what kind of National Defense Education Act we might have, and also to include other amendments, which can so encumber this clean effort to provide Federal aid to education to impacted areas that inevitably it would run into the same difficulties in the Rules Committee of the House which it has already encountered, because this kind of legislation, encumbered by associate bills, is already within the Rules Committee of the House where it has been stymied for many weeks.

I have made only one change in our amendment, in order to make it easier for my colleagues to vote for the bill at this time, if in fact we are now going to adopt the policy of suspending the rules to legislate upon an appropriation bill. I have no deep personal convictions one way or another on that legislative procedure. I think Senate rules should serve the Senate rather than function to stymie it. However, I have made, as I say, a simple change to provide this aid to impacted areas for but a single year, because the chairman of the committee which reported the bill has suggested that they would rather have it for one year, so that they could study the whole subject during the next year.

I make these introductory remarks at this time, so that those who are vitally interested in providing aid to education in impacted areas may be on notice that they will have the opportunity to vote for it, on the pending bill, provided the leadership and a majority of Senators decide by their action on the previous vote that legislating on an appropriations bill is the kind of procedure they want to have followed in the Senate. If that is the decision made on the civil rights amendments I shall expect those who favor such a method there to support of course, our subsequent and similar effort to enact a renewal of the legislation providing financial aid to the federally impacted school districts. If it is sauce for the goose, it is surely also sauce for the gander.

AUTHORIZATION FOR COMMITTEE MEETING DURING SENATE SESSION TOMORROW

Mr. MANSFIELD. Mr. President, I may have made the request before; if not, I ask unanimous consent that the Committee on Government Operations may be permitted to sit during the session of the Senate tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR EASTLAND AT THE CONCLUSION OF THE MORNING HOUR TOMORROW

Mr. EASTLAND. Mr. President, I ask unanimous consent that at the conclusion of the morning hour tomorrow, I may address the Senate on the pending subject.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes.

Mr. HILL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HICKEY in the chair). The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

[No. 161]

Aiken	Fong	Monroney
Allott	Fulbright	Morse
Anderson	Gore	Morton
Bartlett	Gruening	Moss
Beall	Hart	Mundt
Bennett	Hartke	Muskie
Bible	Hayden	Neuberger
Boggs	Hickenlooper	Pastore
Burdick	Hickey	Pell
Bush	Hill	Prouty
Butler	Holland	Proxmire
Byrd, Va.	Hruska	Randolph
Byrd, W. Va.	Humphrey	Robertson
Cannon	Jackson	Russell
Capehart	Javits	Saltonstall
Carlson	Johnston	Schoeppel
Carroll	Jordan	Scott
Case, N.J.	Keating	Smith, Mass.
Case, S. Dak.	Kerr	Smith, Maine
Church	Kuchel	Sparkman
Clark	Lausche	Stennis
Cooper	Long, Hawaii	Symington
Curtis	Long, La.	Talmadge
Dirksen	Magnuson	Thurmond
Dodd	Mansfield	Tower
Douglas	McCarthy	Wiley
Dworshak	McClellan	Williams, N.J.
Eastland	McGee	Williams, Del.
Ellender	McNamara	Yarborough
Engle	Metcalf	Young, N. Dak.
Ervin	Miller	Young, Ohio

The PRESIDING OFFICER (Mr. PELL in the chair). A quorum is present.

Mr. HILL. Mr. President, I congratulate the senior Senator from Arkansas for the address he has delivered on the floor this afternoon. It was a beautiful exhibition of ability, logic, and eloquence.

As the Senate knows, most of the time when Senators expect to address the Senate they have some time in which to give some thought to what they shall say. Often they spend hours, days, and even weeks, preparing their addresses for the floor of the Senate. Sometimes they will even call on the Legislative Reference Service of the Library of Congress for some particular information, data, or material they think may be helpful to them.

The motion now pending before the Senate to suspend the rule to make in order the continuation of the Civil Rights Commission came so quickly and with so little notice that it was evident the distinguished Senator from Arkansas had no opportunity to prepare his speech. Yet I must say it was one of the most magnificent efforts I have ever seen in my long years as a U.S. Senator; and I congratulate him.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. McCLELLAN. I thank the distinguished Senator for his complimentary references to my remarks. If they impressed him, I assure him that they were deeply sincere, and it was sincerity rather than eloquence that motivated me to express my views on the situation which now prevails in the Senate.

Mr. HILL. Certainly, there is nothing more eloquent than sincerity; and if the Senator had not been one of the most able Members of this body, he would not have been able to make the presentation he did this afternoon. I warmly and heartily congratulate him.

The Senator, in his address, discussed fully the precedent we would be setting here in suspending the rules and making it in order to consider legislation on this appropriation bill. Senators who, like the Senator from Alabama, are members of the Appropriations Committee, know how rigid is the rule prohibiting legislation on appropriation bills. They know the strong reason for the rule. As was brought out earlier today, if the Senate Committee on Appropriations reports a bill with legislation on it, that legislation is subject to a point of order. If the point is made, the legislation not only goes off the bill, but under the rules of the Senate, the bill automatically goes back to the Senate Committee on Appropriations. So it not only kills the legislation, but acts, really, as a matter of disapproval on the part of the Senate of the action of the Appropriations Committee in even attempting to bring to this body legislation on an appropriation bill.

Surely, it was the thought of those who wrote the rules of the Senate many years ago, and those who through the years have sustained and supported the rules, that there should be no legislation on appropriation bills, that appropriations should be considered of themselves and on their own merits and, as we know happens, after long and thorough hearings.

For example, with reference to the appropriation bill making appropriations for the Departments of State and Justice, the Judiciary, and related agencies,

the subcommittee of the Appropriations Committee of which the distinguished Senator from Arkansas is chairman held many days of hearings on the bill, and the testimony of witnesses constitutes some 1,215 pages.

After the subcommittee had concluded its hearings, it carefully weighed and considered the testimony, thought through the different items of the appropriation bill, and only after the most careful consideration and deliberation was the bill presented to the full committee by the subcommittee. The full Appropriations Committee further considered the bill. After careful consideration, the bill was reported to the Senate.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. HILL. I am glad to yield to the Senator from Mississippi for a question.

Mr. EASTLAND. Of course, the Senator knows that the Judiciary Committee is charged with the duty of holding hearings and considering all amendments to the bill which are pending under a notice of the suspension of the rules. Does not the Senator think the Judiciary Committee, under the normal legislative process, should have an opportunity to consider the proposals before the Senate considers them?

Mr. HILL. The Senator from Alabama certainly thinks so. It is a definite encroachment upon the jurisdiction of the Judiciary Committee to attempt to attach this proposed legislation to an appropriation bill.

The Senator knows that appropriation bills must be passed. Unless those bills pass there will be no funds for the payment of salaries and wages of individuals and for carrying on the various facets of operation of our Government. These bills must pass. They do pass.

If we were to open the door so that a Senator can attach proposed legislation to an appropriation bill, it would be an easy thing for every Senator to do, knowing that if he could get his bill attached to an appropriation bill there would be no question about the bill passing.

Mr. EASTLAND. Mr. President, will the Senator yield further?

Mr. HILL. I yield further to the Senator from Mississippi.

Mr. EASTLAND. This is sought to be done without consideration by any committee of the Senate which is charged with the duty of considering the proposal.

Mr. HILL. Certainly when it is sought to be put on an appropriation bill which has been reported by the Appropriations Committee, there has not been one iota of consideration, not one single second of consideration by the Appropriations Committee. No testimony has been taken before the committee. No witnesses have been heard on the proposal. No one has appeared before the committee to give the committee the facts. There has not been any consideration whatever by the Appropriations Committee. The Appropriations Committee has had no opportunity to deliberate on any of the proposals presented.

Mr. EASTLAND. I will tell the distinguished Senator that the Judiciary Committee has not yet had an opportunity to consider these proposals. Is it good legislative procedure to offer amendments without having them considered by a committee of the Senate?

Mr. HILL. It is not. The legislative committee which has jurisdiction over the particular piece of proposed legislation should have an opportunity to consider it, to bring in witnesses, to hear testimony, to get all the facts available with reference to the particular piece of proposed legislation. After considering the testimony, after considering the evidence before the committee, after weighing all of the facts, the committee is in a position to make a recommendation to the Senate as to what it thinks the Senate should do with reference to the particular proposal.

Mr. EASTLAND. Is it not true that in every legislative body in the world the proper committee is supposed to consider proposed legislation reported to that parliamentary body?

Mr. HILL. That is exactly correct. That is the purpose of having committees.

Mr. EASTLAND. Are we not violating that principle in considering these proposals without the semblance of a hearing?

Mr. HILL. That is the very purpose of having committees, with definitely prescribed jurisdiction, so that the committee which has jurisdiction over the proposal can bring in witnesses, adduce testimony, and hear all the presentations of the witnesses. After doing so, the committee members can sit down and carefully consider all the evidence, all the facts, and bring in a well considered and intelligent report to the Senate to guide the Senate in its deliberations.

Mr. EASTLAND. The procedure which the distinguished Senator from Alabama has outlined is a procedure of wisdom, is it not?

Mr. HILL. It certainly is.

Mr. EASTLAND. It is a procedure of order, is it not?

Mr. HILL. It is, indeed.

Mr. EASTLAND. Any other system would be a system of mob rule, would it not?

Mr. HILL. It would, indeed. The reason behind this procedure has been affirmed, reaffirmed, confirmed and ratified throughout the years.

From the very beginning of the Congress of the United States we have had what we speak of as the committee system, the system which the Senator from Mississippi has so well pointed out. Both the Senate and the House of Representatives have used this system to receive the benefit of the wisdom and the reasoning of committees.

Mr. EASTLAND. Any other system is a system of "We have the votes—forget what is right—we are going to pass it—call the roll."

Mr. HILL. Any other system, of course, is not an orderly system, and it is not a recognition of the procedures we have followed ever since Congress came into being. It would be a strong arm enforced upon this body, because there happens to be a majority who would vote for such a procedure.

Mr. President, 4 years ago I opposed creation of the Civil Rights Commission as an unwarranted invasion of our States rights and States sovereignty. Two years later, on the same grounds and in view of its record, I opposed extension of its life until November of this year.

I rise again today to emphasize that I am unalterably opposed to the proposal now before us to again extend the life of the Civil Rights Commission as an agency in the executive branch of our Federal Government.

We know that the Commission is now almost 4 years old. It has made a very definite record. It has antagonized a large number of people. It has assumed a very definite role and has been guided by an identifiable philosophy. We have gleaned from the tenor of its activities a personal predilection of certain of its members; a predilection in favor of forcing the integration of the races on the people of our States, against their wishes and strong feelings to the contrary.

The result of the actions of this Commission has been to divide our people, to separate them, to turn them one against another.

Surely in this crucial hour in the history of our country we need a united people. We need to have the people marching all one way. We need to have the people standing side by side, not divided or separated. Certainly Senators would agree that nothing could bring more joy to the heart of Premier Khrushchev of Russia than to see our people divided, to see them separated, to see them turning one against the other.

Mr. President, I now refer to the 1959 report of the Civil Rights Commission. We have had no report from the Commission since that time.

The Commission has not seen fit to send to Congress any more recent report. It has not seen fit to make a report to the Senate before consideration of this question of the extension of the life of the Commission. As we know, the 1959 report of the Civil Rights Commission is the source of the recommendation that Federal registrars be appointed by the President to interfere with and harass our local and State registrars and voting officials. While I think we all believe that all properly qualified American citizens should have the right to vote, I could not disagree more with the Commission's proposal to place in the hands of the Federal Government such a vital part of our election process, a part so carefully reserved to our States by the Founding Fathers of our American Republic. I cannot think of a better reason to abolish this Commission than the caustic flavor of the Commission's own recommendation for the use of Federal registrars in our election process. The capricious scheme adopted in the 1957 and 1960 Civil Rights Acts is bad enough. But let me emphasize that the provisions of the 1957 and 1960 acts fall far short of the recommendations of the Civil Rights Commission. To set the record straight as to what the Commission advocates, I should like to review briefly our law with respect to the conduct of

elections. We know that the second section of article I of the Constitution of the United States provides that the House of Representatives shall be composed of Members chosen every second year by the people of the several States, and that the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature. Unmistakably and clearly, without any doubt or dispute, the Constitution provides for the States themselves to establish qualifications for electors.

The delegates to the Constitutional Convention, which met in Philadelphia, who gave us our Constitution, knew what the States' qualifications were. They came to that Convention as representatives of the several sovereign States. The States they represented thought they had provided the soldiers, weapons, materiel, and all the things that were necessary for the winning of the Revolutionary War and independence from the British Crown, and for the establishment of the sovereignty of the several States on the American Continent. Those delegates to the Constitutional Convention knew what the voting qualifications of the States were. Therefore, when they wrote into the Constitution that the qualifications for electors of the Members of the House of Representatives should be the qualifications——

Mr. ERVIN. Mr. President, will the Senator yield for a question?

Mr. HILL. I yield to my friend from North Carolina for a question.

Mr. ERVIN. Would the Senator from Alabama permit me to ask a question of the Chair, with the understanding that he will not lose his right to the floor?

Mr. HILL. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from North Carolina with the understanding that I will not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ERVIN. I wish to make a unanimous consent request; namely, that the able and distinguished Senator from Alabama may yield to me for the purpose of permitting me to give notice of a motion to suspend the rules for the purpose of sending forward certain proposed amendments, with the understanding that he will not thereby lose his right to the floor.

The PRESIDING OFFICER. Is there any objection? The Chair hears none, and it is so ordered.

Mr. ERVIN. Mr. President, in my opinion, while this is an unfortunate way in which to legislate, there are certain laws which should be enacted, and if we are going to resort to this method, two of the most pressing ones will be in the form of amendments I will propose.

One amendment would set aside the effect of the ruling in Mallory case, and make it possible, when a man voluntarily and freely confesses that he has committed a crime, for the courts not to be so solicitous about his acquittal as to deny the prosecution of the right to introduce his voluntary confession of guilt.

The other amendment would restore the doctrine of preemption to its proper place by a reenactment of the rule of interpretations. So pursuant to the granting of the unanimous-consent request, I send forward a notice of a motion to suspend the rules to amend the pending bill so as to make an amendment to the rule of preemption, and also a notice of motion to suspend the rules so as to amend the pending bill and to authorize the law to be, as it was for 150 years, that voluntary confessions of crimes shall be admissible in evidence. I ask that the two amendments be printed in the RECORD.

The PRESIDING OFFICER. The notices will be received and printed in the RECORD.

Mr. ERVIN. I thank the able and distinguished Senator from Alabama for his graciousness in yielding to me.

Mr. HILL. Mr. President, I am delighted to yield to the distinguished Senator from North Carolina, who is an able and outstanding lawyer, having served on the supreme court of his own State. He has been outstanding as a lawyer in this body. I have often referred to him as "my lawyer." Surely any client is happy to yield to his lawyer. He knows that when he is in trouble and needs advice or counsel, he calls upon his lawyer. When he wants to stay out of trouble, or if he gets into trouble and wants to get out, he seeks his lawyer for the kind of counsel and help that the lawyer must have. So it is a pleasure for me always to yield to the distinguished Senator from North Carolina.

At the time I yielded to the distinguished Senator from North Carolina I had brought to the attention of the Senate the provision of section 2 of article I of the Constitution, which provides that the House of Representatives should be composed of Members chosen every second year by the people of the several States, and electors in each State should have the qualifications requisite for electors of the most numerous branch of the State legislature.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. HILL. I yield for a question.

Mr. EASTLAND. Does the distinguished Senator know that at hearings of the Committee on the Judiciary, when the nominations of members of the Civil Rights Commission were considered for confirmation, and the nominations were reported by the Judiciary Committee, several of the nominees under oath stated that they had no authority to go into the field of school integration, that their jurisdiction was limited to voting rights, and principally to gather facts and figures connected therewith, and that since that time, against their sworn word, they have expanded their activities into school integration and other areas of the police power of the State?

Mr. HILL. The distinguished Senator is the chairman of the Senate Committee on the Judiciary, and was the chairman of that committee at the time the members of the Civil Rights Commission appeared before the Senate Committee on the Judiciary and made the statements to which the Senator from Mississippi has just adverted. Of course, he is absolutely right in what he says as to the testimony, as to the statements, and as to the declarations they made when they appeared before the Committee on the Judiciary. He is also absolutely correct that they have gone into all these matters of school desegregation and all the other matters to which the Senator has adverted.

Mr. EASTLAND. Is there any reason why they should not be called back for confirmation, if this amendment should succeed and the Commission is continued for 2 more years?

Mr. HILL. There is not only no reason why they should not be called back, but they should be called back and the Senate asked to confirm them.

Mr. EASTLAND. The Senate recently was in opposition to the position taken by the distinguished Senator from Alabama, and it was in opposition to the position taken by the Senator from Mississippi. Since that time we have secured information on the staff director which places him in a very peculiar light. I believe the Senate should have an opportunity to pass upon him, and that we would be negligent in our duty as Senators unless we called him back, if he is to be reconfirmed.

Mr. HILL. The Senate Judiciary Committee should have the opportunity to call back this man for a full and complete statement from him with respect to the information which the distinguished chairman of the committee says the committee now has before it with reference to the director.

Mr. President, I had been speaking about the second section of article I of the Constitution, which provides that the qualifications for electors in each State shall be the qualifications requisite for electors of the most numerous branch of the State legislature.

I emphasize at this time that as late as 1913, when the 17th amendment to the Constitution was adopted, that amendment duplicated, and today duplicates the language of article I, section 2 of the Constitution by providing that electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legisture.

Again, as late as 1913, it is clear that to the States was reserved the right, the power, the authority, the jurisdiction to establish qualifications of electors.

Moreover, the fourth section of article I of the Constitution provides:

> The times, places, and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legislature thereof.

Mr. EASTLAND. Mr. President, will the Senator yield for a unanimous consent request?

Mr. HILL. With the understanding that I do not lose my right to the floor, I yield to the distinguished Senator from Mississippi, so that he may make his request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EASTLAND. I ask unanimous consent that tomorrow, following the

conclusion of the morning hour, I have unanimous consent to address the Senate on the pending question.

Mr. JAVITS. Mr. President, reserving the right to object, I did not hear precisely what the Senator requested.

Mr. EASTLAND. Merely that I shall follow the Senator from Alabama tomorrow.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. I wish the Senator would withhold that request for a few moments, so that I may consult with some of my associates, to consider whether there is any reason why we should object. I see no reason now to object, but I am not prepared to consent at this point. If the Senator would withhold his request for a few moments, I would appreciate it.

Mr. EASTLAND. Very well.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. HILL. I yield to the distinguished Senator from North Carolina.

Mr. ERVIN. The Senator from Alabama has been reading from great historic constitutional landmarks in the history of the sovereignty of the States. Does not the Senator from Alabama recall that three members of the Civil Rights Commission; namely, the three who are still serving and who are to continue to serve, made a recommendation that the Congress and the States do away with these historic constitutional landmarks defining the qualifications for electors and write into the Constitution a provision under which an idiot would be given the absolute constitutional right to vote, provided he was not locked up in an institution for the mentally ill on the day of registration and election?

Mr. HILL. The Senator is exactly correct. I well remember that when the Senator from North Carolina made his very logical and incisive speech on this question, in February or March of 1960, he made this point with great emphasis and with great elucidation, and not one Senator on the floor dared to rise to question those declarations.

Mr. ERVIN. I ask the Senator from Alabama if the members of the Civil Rights Commission who made the recommendation were not distinguished educators of this Nation.

Mr. HILL. They certainly have that reputation.

Mr. ERVIN. I ask the distinguished Senator from Alabama if in addition to recommending that the Constitution be amended so as to give an idiot the absolute right to vote, they also recommended that the Constitution be amended so as to allow illiterate persons to have the absolute constitutional right to vote.

Mr. HILL. The Senator is exactly right.

Mr. ERVIN. I ask the distinguished Senator from Alabama if they did not also recommend that the Constitution be amended so that the States of the Union would be denied the right, which they have always enjoyed under the Constitution, to deny the ballot to persons convicted of felonies.

Mr. HILL. The Senator is correct. If we had adopted the recommendation of the Commission, as the Senator says, all the States would have been denied the right to deny the ballot to a person convicted of a felony.

Mr. ERVIN. If Congress by two-thirds majority vote, and the States by three-fourths had been foolish enough to implement their recommendation, it would now be written into the Constitution of the United States that a convicted felon, even one who was convicted of treason against his own country, would have the absolute right to vote in any election held for any purpose in any one of the 50 States, provided he could escape from the penitentiary on registration day and on election day long enough to register and get to the polls.

Mr. HILL. A traitor would have the right to vote in any one of the 50 States, and no one could do anything about it.

Mr. ERVIN. Does the Senator from Alabama think that Congress should prolong the life of a body which has made recommendations of this character to the Congress?

Mr. HILL. The Senator from Alabama certainly does not think it should be prolonged, and that is the reason why the Senator from Alabama is on the floor this afternoon protesting the extension of the life of the Civil Rights Commission.

Mr. ERVIN. I will ask the Senator from Alabama one more question, to summarize what I have asked him. Did not three of these Commissioners make the recommendation that a 23d amendment be added to the Constitution giving the absolute right to vote to any person having the age prescribed by State law, and the length of residence prescribed by State law, provided he had a living, physical body, with or without intelligence, and with or without character?

Mr. HILL. The Senator is absolutely correct; whether he had competency or had incompetency; whether he had character or no character, under the recommendations of the Commission, if they had been carried out, that would be the law today.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. HILL. I ask unanimous consent that I may yield to the distinguished Senator from Mississippi, without losing my right to the floor, so that he may address a question to the Senator from North Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EASTLAND. The distinguished Senator from North Carolina referred to three members of the Commission. Will the Senator read into the RECORD the names of the three Commissioners who made the recommendation to which the Senator has referred?

Mr. ERVIN. As I remember all of them made that recommendation with the exception of former Governor Carlton of Florida, Dean Storey, of Texas, and former Governor Battle, of Virginia.

Mr. EASTLAND. Who does that mean?

Mr. ERVIN. It means that Chairman Hannah, Father Hesburgh, and, I believe, Dean Johnson made the recommendation.

Mr. EASTLAND. Then, the vote was 3 to 3?

Mr. ERVIN. Yes.

Mr. EASTLAND. It could not have been a vote of the entire Commission?

Mr. ERVIN. No; it was half the Commission.

Mr. HILL. Mr. President, at the time I yielded to the distinguished Senator from North Carolina and the distinguished Senator from Mississippi, I had referred to section 4 of article I of the Constitution, which provides:

> The times, places and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legislature thereof, but the Congress may at any time by law make or alter such regulations, except as to the places of choosing Senators.

Obviously, the authors of this section intended for the States to have primary authority and responsibility with respect to the conduct of elections for Members of Congress.

Let me emphasize at this point that such power of control as was given by this section extends only to the manner of elections and not to the qualifications of the electors. The Federal power over the times, places, and manner of holding elections certainly does not include the power of saying who shall vote. This power was carefully reserved to the States in accordance with section 2 of article 1.

Only in the form of a qualified reservation was Congress given even the authority to make or alter State regulations prescribing the times, places, and manner of holding elections for Senators and Representatives. But one may ask, if Congress was not given direct responsibility, for what purpose was it given secondary authority. Provided we are interested in the intention of the framers of the Constitution, the question, happily, is answered by Alexander Hamilton in article No. 9 of the Federalist. He begins his discussion of the power of Congress to regulate elections by saying at the outset:

> The natural order of the subject leads us to consider, in this place, that provision of the Constitution which authorizes the national legislature to regulate, in the last resort, the election of its own members. Its propriety rests upon the evidence of this plain proposition, that every government ought to contain in itself the means of its own preservation.

Hamilton emphasized that the Constitution had left to the national authority a right to interpose with respect to elections as a last resort, when extraordinary circumstances might render that interposition necessary to its preservation. With respect to regulation of State elections, Hamilton declared:

> Suppose an article had been introduced into the Constitution, empowering the United States to regulate the elections for the particular States, would any man have hesitated to condemn it, both as an unwarrantable transposition of power, and as a premeditated engine for the destruction of the State governments?

This is exactly what the Civil Rights Commission's recommendation would

have the Federal Government do. It would have the Federal Government assume primary responsibility for the conduct of elections. The voting referee provision of the 1960 Civil Rights Act is bad enough without any provision for Federal registrars.

We have already had one sad experience in this regard. The first excursion of Congress into the field of supervising State election officials came with the Reconstruction Act of May 31, 1870. That act provided a comprehensive system of election supervisors. Supposedly the measure was aimed at the Southern States; but, most important, its authority was used by its author, John I. Davenport, to create and perpetuate a scandalous political machine in the State of New York. This legislative miscarriage came to be known as Davenport's law, and the nefarious practice of Federal supervision of elections acquired the name "Davenportism." In 1894, following gross abuse, Congress finally laid Davenport's law to rest in the dreamless dust of tongueless silence.

What I am opposed to is a retreat to "Davenport's law." But we would have just that if we accepted the Commission's recommendation for Federal registrars.

There are a number of Federal laws which adequately secure the right to vote. For example, section 594 of title 18 of the United States Code provides that whoever intimidates, threatens, coerces, or attempts to intimidate, threaten, or coerce, any other person for the purpose of interfering with the right of such person to vote or to vote as he may choose, or of causing such other person to vote for, or not to vote for any candidate for Federal office, shall be fined or imprisoned, or both. In addition, there are other Federal laws which protect the right to vote. But any provision for Federal registrars to do the job would only lead us back through the horrible problems of the past.

Since establishment of the Constitution, and even before then, the States have provided election laws, appointed officers for their proper execution, and provided the machinery of election. They have prescribed duties for such officers, and have imposed penalties for the failure to discharge these duties.

It is clear, however, that the Civil Rights Commission has no respect for our time-honored system of conducting elections in this country. The basic philosophy evidenced by the staff of the Civil Rights Commission during its activities over the past 4 years constitutes a threat to our dual system of government. This philosophy itself embodies the dilemma of its most ardent sponsors—they have no respect for our established State institutions, yet they would have the same institutions operate in accordance with their own ideas.

I know of no document that more fully expresses the prevailing philosophy of the Commission than its 1959 report. Its next comprehensive report, as we all know, is due September 9; and I only regret that we do not have this report before us during this debate. Concerning the spirit of the 1959 report, I agree wholeheartedly with the statement of former Gov. John S. Battle, of Virginia, who at that time was a member of the Commission. Governor Battle said:

> I must strongly disagree with the nature and tenor of the report. In my judgment, it is not an impartial, factual statement, such as I believe to have been the intent of Congress, but rather, in large part, an argument in advocacy of preconceived ideas in the field of race relations.

The words of Governor Battle express my feelings exactly. In his eloquence he has conveyed his conclusion, and my conclusion, and the conclusion of a large number of people, that the Commission goes about its work with a closed mind; that it is receptive to only one line of thought; and that it appears incapable of being impartial.

The Commission is not now, and has not been, the impartial, factfinding agency it was set up to be. It is not impartial at all. It is an advocate. The staff members of the Commission have made the Commission an advocate of their own preconceived ideas in the field of race relations. And these very ideas are anathema to a very large number of people in this country.

The fact that a former counsel and adviser for the NAACP was recently appointed to the Commission is at least a positive indication that no change is in sight.

Their basic idea, to which I take exception, is the idea that improvement of the lot of minority groups in this country can only come, or will best be secured, through massive Federal intervention in the name of civil rights. This idea stands in bold relief in the concluding passage of the 1959 report, at page 549, and reads as follows:

> To eliminate discrimination and demoralization, some dramatic creative intervention by the leaders of our national life is necessary.

Instead of finding facts, the staff of the Commission has spent its time assembling arguments and historical analyses in advocacy of its preconceived ideas. Instead of doing the things it was intended by Congress to do—and to which I was opposed then, as now, because they constitute an invasion of the rights of the States—the Commission has begun far below the level of its intended responsibility, and has degenerated into performing the self-appointed job of a private pressure group. In short, the Commission has created a lengthy record which, viewed in its most favorable light, can be said to be no more than a waste of time and money.

As Senator ERVIN, the able and distinguished senior Senator from North Carolina, declared 2 years ago—and I may add that, from all that I can ascertain, his broad, concise, and penetrating observation 2 years ago, concerning the Commission, remains equally valid today:

> When all is said, the report of the Commission leaves me with the abiding conviction that the staff of the Commission is inseparably wedded to the proposition that Americans ought not to have the freedom to select their own associates, and that all possible governmental powers ought to be diverted from their primary functions to that of compelling the involuntary association of the races.

Senator ERVIN's splendid statement only serves to emphasize the fact that the Commission has never explored alternatives, and has moved in only one direction—the direction of its own preconceived ideas.

Mr. President, let us abolish this Commission; let us have an end of it on the 9th of November.

Mr. President, I am advised that the distinguished majority leader, the senior Senator from Montana [Mr. MANSFIELD], is ready at this time to move that the Senate take a recess. With that understanding, and with the further understanding that I shall be recognized tomorrow in order to address myself further, and no doubt more fully, to the subject of the proposed extension of the life of the Civil Rights Commission, I shall now yield the floor, so that the distinguished Senator from Montana may make his motion that the Senate take a recess.

Mr. MANSFIELD. Mr. President, first, let me say that the Senate can stand only so much education in one afternoon; and the distinguished senior Senator from Alabama [Mr. HILL] has been so intellectual in his thoughts and so vigorous in his exposition that I believe we need time to cogitate and find out just what he was saying, and to renew our acquaintance, once again, with Mr. Davenport.

Mr. HILL. Mr. President, since the distinguished Senator from Montana assures me that he is going to cogitate and use his great powers to think this matter through, both with his head and with his heart, I yield to him at this time.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

TEXAS LEGISLATURE CONGRATULATES PRESIDENT KENNEDY ON GREAT LEADERSHIP

Mr. YARBOROUGH. Mr. President, the Senate of the 57th Texas Legislature, the House concurring, has passed a resolution congratulating the President of the United States for his great leadership and for reaffirming the principle that the United States will resist attempts of foreign powers to extend their systems of government or control in this hemisphere.

By this action, the Texas Legislature and the people of Texas let it be known that they stand solidly behind our great President in his fight against communism and all those who, by their actions, pose a threat to our own form of government.

I ask unanimous consent of the Senate that this fine expression of loyalty, which typifies the unity that gives our Nation its strength, be printed in the RECORD.

There being no objection, the resolution was ordered to lie on the table, and to be printed in the RECORD, as follows:

SENATE CONCURRENT RESOLUTION NO. 16

Whereas President Kennedy, in a radio and television broadcast to the people of Ameri-

ca, set forth certain steps to be taken to safeguard the freedom of our country; and

Whereas President Kennedy reaffirmed the great principles set forth in 1823 in the Monroe Doctrine that the United States will resist any attempt of foreign powers to extend their systems of government or control in this hemisphere; and

Whereas the Texas Legislature and the people of Texas stand 100 percent behind our great President in his fight against communism and all those who seek to overthrow our form of government: Now, therefore, be it

Resolved, by the Senate of Texas (the House of Representatives concurring), That the Texas Legislature congratulate the President of the United States for his great leadership; and, be it further

Resolved, That a copy of this resolution be sent to the President and Vice President of the United States; to the Speaker of the House of Representatives, and to all Members of the Congress from Texas.

BEN RAMSEY,
President of the Senate.
JAMES A. TURMAN,
Speaker of the House.

I hereby certify that Senate Concurrent Resolution No. 16 was adopted by the senate on July 26, 1961.

CHARLES SCHNABEL,
Secretary of the Senate.

I hereby certify that Senate Concurrent Resolution No. 16 was adopted by the house on July 26, 1961.

DOROTHY HALLMAN,
Chief Clerk of the House.

TEXAS LEGISLATURE ASKS PEP PILLS CONTROL LEGISLATION

Mr. YARBOROUGH. Mr. President, the 57th Texas Legislature has passed a resolution requesting support for any legislation pending in the Congress which would institute proper controls over barbiturates, amphetamines, and other similar dangerous drugs.

Mr. Jim Mousner of the Houston Post recently wrote a hard-hitting series of articles on the distribution of so-called pep pills. He disclosed how these drugs are misused by both adults and teenagers with tragic results.

This series was printed in the CONGRESSIONAL RECORD of July 17, 1961, on pages 12683–12686 on my request.

It is clear that the shipment of these dangerous and often harmful drugs through the mails in interstate commerce presents a hazard that demands Federal legislative action for more effective controls.

The Senate and House of Representatives of Texas are to be commended for this resolution, further emphasizing the need for proper controls over dangerous drugs.

I ask unanimous consent that the Texas Concurrent Resolution No. 12 be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

SENATE CONCURRENT RESOLUTION No. 12

Whereas a thoroughly researched and well-written series of recent articles in the Houston Post has brought to public attention a distressing social problem of national importance in the illicit distribution and transportation of barbiturates and amphetamines, two types of dangerous and habit-forming drugs; and

Whereas these timely and enlightening articles described the relative ease with which these potent drugs can be obtained by persons not authorized to possess them; and

Whereas it has become increasingly apparent that laxity in controls over the manufacture, distribution, and use of these drugs poses a threat to the health, safety, and welfare of the Nation; and

Whereas present Federal law has been proved inadequate to provide proper regulation of the production and distribution of these drugs and to insure that they are marketed and used only for legitimate medical purposes; and

Whereas legislation has been introduced in Congress which would strengthen controls on barbiturates and amphetamines: Now, therefore, be it

Resolved by the Senate of the 57th Legislature of Texas (the House of Representatives concurring), That the Texas Legislature petition and request Vice President LYNDON B. JOHNSON, Speaker SAM RAYBURN, and members of the Texas delegation in Congress to support the measures which have been introduced and any other legislation which would institute proper controls over the manufacture, distribution, and transportation of barbiturates, amphetamines, and other similar dangerous drugs; and be it further

Resolved, That copies of this resolution be sent to Vice President Johnson, Speaker Rayburn, U.S. Attorney General Robert Kennedy, Senator Ralph Yarborough, Senator John Tower, and to each Member of the Texas delegation in the House of Representatives of the Congress of the United States.

BEN RAMSEY,
President of the Senate.
JAMES A. TURMAN,
Speaker of the House.

I hereby certify that Senate Concurrent Resolution No. 12 was adopted by the senate on July 27, 1961.

CHARLES SCHNABEL,
Secretary of the Senate.

I hereby certify that Senate Concurrent Resolution No. 12 was adopted by the house on August 2, 1961.

DOROTHY HALLMAN,
Chief Clerk of the House.

DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1962—AMENDMENT

Mr. CLARK submitted an amendment, intended to be proposed by him, to the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, which was ordered to lie on the table and to be printed, and to be printed in the RECORD, as follows:

On page 36, line 16, strike "$302,000" and insert "$888,000".

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS TO APPROPRIATION BILL FOR DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES, 1962

Mr. ERVIN submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes the following amendment; namely, between lines 21 and 22 on page 37 add a new section appropriately numbered reading as follows:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of rule 5 of the Rules of Criminal Procedure for the United States District Courts or any other rule or statute of like purport, a voluntary admission or a voluntary confession of an accused shall be admissible against him in any criminal proceeding or prosecution in the courts of the United States or of the District of Columbia, and the finding of the trial court in respect to the voluntariness of the admission or confession shall be binding upon any reviewing court in the event it is supported by substantial evidence."

Mr. ERVIN also submitted an amendment, intended to be proposed by him to House bill 7371, making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. ERVIN submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, the following amendment; namely, between lines 21 and 22 on page 37 add a new section appropriately numbered reading as follows:

"'§ 7. Preemption—Federal and State statutes

"'No Act of Congress shall be construed as indicating an intent on the part of Congress to occupy the field in which such Act operates, to the exclusion of all State laws on the same subject matter, unless such Act contains an express provision to that effect, or unless there is a direct and positive conflict between such Act and a State law so that the two cannot be reconciled or consistently stand together.'

"(b) The analysis of chapter 1 of title 1 of the United States Code is amended by inserting at the end thereof the following new section:

"'7. Preemption—Federal and State statutes.'

"SEC. 2. (a) Chapter 115 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"'§ 2392. Enforcement of State statutes

"'Except to the extent specifically provided by any statute hereafter enacted by the Congress, the enactment of (a) any provision of law contained in this chapter or in chapter 37, 67, or 105 of this title, (b) the Subversive Activities Control Act of 1950, (c) The Communist Control Act of 1954, or (d) any other Act of Congress heretofore or hereafter enacted which prescribes any criminal penalty for any act of subversion or sedition against the Government of the United States or any State of the United States, shall not prevent the enforcement in the courts of any State of any statute of such State prescribing any criminal penalty

for any act, attempt, or conspiracy to commit sedition against such State or the United States, or to overthrow the Government of such State or the Government of the United States.

"'As used in this section, the term "State" includes any State of the United States and the Commonwealth of Puerto Rico.'

"(b) The analysis of chapter 115 of title 18, United States Code, is amended by inserting at the end thereof the following new item:

"'2392. Enforcement of State statutes.'"

Mr. ERVIN also submitted an amendment, intended to be proposed by him to House bill 7371, making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. McCLELLAN submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, the following amendment; namely, on page 36, after line 16, insert the following:

"Title I of the Labor-Management Reporting and Disclosure Act of 1959 (73 Stat. 519), is amended by adding at the end thereof the following new section:

"'CIVIL ACTIONS BY ATTORNEY GENERAL

"'SEC. 106. (a) Whenever the Attorney General receives a signed complaint that any person is being deprived of, or is about to be deprived of, any right secured by the provisions of this title, and whenever the Attorney General certifies that, in his judgment, commencement of litigation by such person (1) may create the danger of injury to the person, family, or property of the complainant or of any other person with standing to bring such litigation, or of any counsel retained for purposes of such litigation, or (2) may create the danger of economic sanctions against the complainant or any other person named in (1), the Attorney General is authorized to institute for or in the name of the United States a civil action or other proper proceeding for relief, including an application for a permanent or temporary injunction, restraining order, or other order.

"(b) Whenever an action has been commenced in any court of the United States seeking to enforce any right secured by the provisions of this title, the Attorney General in the name of the United States may intervene in the action with all the rights of a party thereto if he certifies that, in his judgment, the maintenance of the action may result in any of the injuries or economic sanctions set forth in subsection (a).

"(c) Nothing in this section shall be construed to deny, impair, or otherwise affect any right or authority of the Attorney General under existing law to institute or intervene in any action or proceeding.

"(d) In any proceeding under this section the United States shall be liable for costs the same as a private person. The district courts of the United States shall have jurisdiction of proceedings instituted pursuant to this section and shall exercise the same without regard to whether the party aggrieved shall have exhausted any administrative or other remedies that may be provided by law."

Mr. McCLELLAN also submitted an amendment, intended to be proposed by him to House bill 7371, making appropriations for the Departments of State, and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. McCLELLAN submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, the following amendment; namely, on page 36 after line 16, insert the following:

"'JOINT COMMITTEE ON THE BUDGET

"'SEC. 138. (a) There is hereby created a joint service committee, to be known as the Joint Committee on the Budget (hereinafter in this section called the "joint committee") to be composed of fourteen members as follows:

"'(1) Seven Members who are members of the Committee on Appropriations of the Senate, four from the majority party and three from the minority party, to be chosen by such committee; and

"'(2) Seven Members who are members of the Committee on Appropriations of the House of Representatives, four from the majority party and three from the minority party to be chosen by such committee.

"'(b) No person shall continue to serve as a member of the joint committee after he has ceased to be a member of the committee from which he was chosen, except that the Members chosen by the Committee on Appropriations of the House of Representatives who have been reelected to the House of Representatives may continue to serve as members of the joint committee notwithstanding the expiration of the Congress. A vacancy in the joint committee shall not affect the power of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as the original selection, except that (1) in case of a vacancy during an adjournment or recess of Congress for a period of more than two weeks, the members of the joint committee who are members of the committee entitled to fill such vacancy may designate a member of such committee to serve until his successor is chosen by such committee, and (2) in the case of a vacancy after the expiration of a Congress which would be filled from the Committee on Appropriations of the House of Representatives, the members of such committee who are continuing to serve as members of the joint committee, may designate a person who, immediately prior to such expiration, was a member of such committee and who is reelected to the House of Representatives, to serve until his successor is chosen by such committee.

"'(c) The joint committee shall elect a chairman and vice chairman from among its members at the first regular meeting of each session: *Provided, however,* That during even years the chairman shall be selected from among the members who are Members of the House of Representatives and the vice chairman shall be selected from among the members who are Members of the Senate, and during odd years the chairman shall be selected from among the members who are Members of the Senate and the vice chairman shall be selected from among the members who are Members of the House of Representatives.

"'(d) The joint committee may make such rules respecting its organization and procedures as it deems necessary: *Provided, however,* That no measure or recommendation shall be reported from the point committee unless a majority of the committee assent.

"'(e) It shall be the duty of the joint committee—

"'(1)(A) to inform itself on all matters relating to the annual budget of the agencies of the United States Government, including analytical, investigative, audit, and other reports on Federal operations prepared by the General Accounting Office pursuant to section 312 of the Budget and Accounting Act, 1921, the Government Corporation Control Act, and section 206 of the Legislative Reorganization Act of 1946, and by other Federal agencies; (B) to provide the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate with such information on items contained in such budget, and the justifications submitted in support thereof, as may be necessary to enable said committees to give adequate consideration thereto; (C) to consider the President's messages on the state of the Union and the Economic Report, to consider all information relating to estimated revenues, including revenue estimates of the Department of the Treasury and the Joint Committee on Internal Revenue Taxation, to consider essential programs, and to consider changing economic conditions; and (D) to report to the Appropriations Committees of the House of Representatives and the Senate its findings with respect to budget estimates and revisions in appropriations required to hold expenditures to the minimum consistent with the requirements of Government operations and national security;

"'(2) to recommend to the appropriate standing committees of the House of Representatives and the Senate such changes in existing laws as may effect greater efficiency and economy in government;

"'(3) to make such reports and recommendations to any standing committee of either House of Congress or any subcommittee thereof on matters within the jurisdiction of such standing committee relating to deviations from basic legislative authorization, or to appropriations approved by Congress which are not consistent with such basic legislative authorization, or to cutbacks in previously authorized programs which require appropriations, as may be deemed necessary or advisable by the joint committee, or as may be requested by any standing committee of either House of Congress or by any subcommittee thereof;

"'(4) to report to the Committees on Appriations of the House of Representatives and the Senate at the beginning of each regular session of the Congress the total estimated costs of all programs and projects authorized by the Congress, together with estimated costs of such programs and projects during the fiscal year underway, the ensuing fiscal year, and subsequent fiscal years, and to make such interim reports as may be deemed advisable.

"'(f) The joint committee, or any subcommittee thereof, shall have power to hold hearings and to sit and act anywhere within or without the District of Columbia whether the Congress is in session or has adjourned or is in recess; to require by subpena or otherwise the attendance of witnesses and the production of books, papers, and documents; to administer oaths; to take testimony; to have printing and binding done; and to make such expenditures as it deems necessary to carry out its functions within the amount appropriated therefor. Subpenas shall be issued under the signature of the chairman or vice chairman of the committee and shall be served by any per-

son designated by them. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (U.S.C., title 2, secs. 192–194) shall apply in the case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section.

"'(g) The joint committee shall have a staff director, an associate staff director, and such other professional, technical, clerical, and other employees, temporary or permanent, as may be necessary to carry out the duties of the joint committee. Such employees shall be employed without regard to the civil-service laws, and their compensation shall be fixed without regard to the Classification Act of 1949, as amended. The staff director shall be appointed by and responsible to the members of the party of which the chairman of the joint committee is a member, and the associate staff director shall be appointed by and responsible to the members of the opposition party. No person shall be employed by the joint committee unless the members appointing him have favorably considered the data with respect to him submitted by the Federal Bureau of Investigation after a thorough investigation of his loyalty and security.

"'(h) The joint committee shall make available members of its staff to assist the staffs of the Committees on Appropriations of the House of Representatives and of the Senate and the several subcommittees thereof during the periods when appropriation bills are pending.

"'(i) Professional and technical employees of the joint committee, upon the written authority of the chairman or vice chairman, shall have the right to examine the fiscal books, documents, papers, and reports of any agency of the United States Government within or without the District of Columbia, and data related to proposed appropriations incorporated in the annual budget transmitted by the President.

"'(j) The annual budget of the United States shall henceforth include a special analysis of all active long-term construction and development programs and projects authorized by the Congress, showing for each the total estimated cost, and the actual or estimated expenditures during prior fiscal years, the current fiscal year, the ensuing fiscal year, and subsequent fiscal years. All grant-in-aid programs shall be included in this analysis, in a separate grouping, showing under the heading "Subsequent Fiscal Years" for grants of indefinite duration the estimated annual cost for a ten-year period. Upon request of the joint committee, any agency shall submit to the Appropriations Committees of the House of Representatives and the Senate estimates for proposed appropriations on an annual accrued expenditure basis.

"'(k) Qualified members of the staff of the Bureau of the Budget shall, at the request of the Committee on Appropriations of the House of Representatives or the Senate, or any subcommittee thereof, be assigned to attend executive sessions of the subcommittees of the Appropriations Committees and to explain the content and basis of proposed appropriations.

"'(l) The Comptroller General of the United States shall, at the request of the chairman of the Joint Committee on the Budget, make such investigations and reports with respect to any agency as will enable such joint committee to give adequate consideration to items relating to such agency which are contained in the budget as submitted by the President, and the justifications submitted in support thereof; and, for this purpose, the Comptroller General is authorized to employ technical and professional personnel without regard to the civil service laws, rules, or regulations, and fix their compensation without regard to the Classification Act of 1949, as amended.

"'(m) When used in this section, the term "agency" means any executive department, commission, council, independent establishment, Government corporation, board, bureau, division, service, office, officer, authority, administration, or other establishment, in the executive branch of the Government. Such term includes the Comptroller General of the United States and the General Accounting Office, and includes any and all parts of the municipal government of the District of Columbia except the courts thereof.

"'(n) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section. Appropriations for the expenses of the joint committee shall be disbursed by the Secretary of the Senate upon vouchers signed by the chairman or vice chairman.'

"SEC. 2. Section 133 of the Legislative Reorganization Act of 1946, as amended, is amended by adding at the end thereof the following new subsection:

"'(g)(1) All bills and joint resolutions authorizing appropriations reported from committees of the Senate or the House of Representatives shall be accompanied by reports in writing, which shall be printed; and there shall be included in each such report or in an accompanying document an estimate from the department or other agency of the legislative, executive, or judicial branch of the Government primarily concerned of the probable cost of carrying out the legislation proposed in such bills or resolution over the first five-year period of its operation or over the period of its operation if such legislation will be effective for less than five years. If the chairman of the committee determines that no existing department or agency is primarily concerned with the legislation, the estimate shall be made by the Bureau of the Budget.

"'(2) Estimates received from departments or agencies under this subsection may be submitted by the committees to the Bureau of the Budget for review, and such reviews, when practicable, shall be included in the reports or accompanying documents before said bills and joint resolutions are reported.

"(3) The Joint Committee on the Budget shall maintain compilations of all such estimates, and semiannually shall print those compilations (together with any comment of the Bureau of the Budget) for the information of the Congress.'

"SEC. 3. Section 139 of the Legislative Reorganization Act of 1946, as amended, is amended by adding at the end thereof the following new subsection:

"'(e) The Joint Committee on the Budget is authorized to recommend that joint hearings be held by the Committees on Appropriations of the House of Representatives and the Senate, and of subcommittees thereof; but such joint hearings shall not affect the power of the respective committees, and of subcommittees thereof, to conduct separate additional committee hearings, and shall not affect the independence of committee deliberations and decision. The chairman of each such joint hearing shall be the chairman of the Committee on Appropriations, or of the appropriate subcommittee thereof, of the House in which the bill is pending at the time of the hearing, and the vice chairman shall be the chairman of the Committee on Appropriations of the other House, or of the appropriate subcommittee thereof.'"

Mr. McCLELLAN also submitted an amendment, intended to be proposed by him to House bill 7371, making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. McCLELLAN submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, the following amendment, namely, on page 36, after line 16, insert the following:

"ENFORCEMENT OF RIGHTS OF MEMBERS OF LABOR ORGANIZATIONS

"That section 102 of the Labor-Management Reporting and Disclosure Act of 1959 (Public Law 86–257, 73 Stat. 523) is amended to read as follows:

"SEC. 102. Any person whose rights secured by the provisions of this title have been infringed by any violation of this title may bring a civil action in a district court of the United States for such relief (including injunctions) as may be appropriate or may complain in writing to the Attorney General of the United States that his rights under this title have been violated. Upon receipt of such complaint, the Attorney General shall investigate the complaint and if he has reason to believe that such violation has occurred and has not been remedied he shall bring a civil action in a district court of the United States for such relief (including injunctions) as may be appropriate. Any such action against a labor organization shall be brought in the district court of the United States for the district where the alleged violation occurred, or where the principal office of such labor organization is located. The bringing of any such action by the Attorney General, unless such action is dismissed without prejudice on motion of the Attorney General, shall constitute a waiver by the complainant of any right of action he may have under this title for any violation thereof which was specifically alleged in the action or proceeding initiated by the Attorney General."

Mr. McCLELLAN also submitted an amendment, intended to be proposed by him to House bill 7371, making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, which was ordered to lie on the table and to be printed

(For text of amendment referred to, see the foregoing notice.)

Mr. THURMOND submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph (4) of rule XVI for the purpose of proposing to the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, the following amendment; namely, at the proper place in the bill insert the following:

"That (a) chapter 1 of title 1 of the United States Code is amended by adding at the end thereof the following new section:

"'§ 7. Preemption—Federal and State statutes.'

"'No Act of Congress shall be construed as indicating an intent on the part of Congress to occupy the field in which such Act operates, to the exclusion of all State laws on the same subject matter, unless such Act

contains an express provision to that effect, or unless there is a direct and positive conflict between such Act and a State law so that the two cannot be reconciled or consistently stand together.'

"(b) The analysis of chapter 1 of title 1 of the United State Code is amended by inserting at the end thereof the following new section:

"'7. Preemption—Federal and State statutes.'

"SEC. 2. (a) Chapter 115 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"'§ 2392. Enforcement of State statutes:

"'Except to the extent specifically provided by any statute hereafter enacted by the Congress, the enactment of (a) any provision of law contained in this chapter or in chapter 37, 67, or 105 of this title, (b) the Subversive Activities Control Act of 1950, (c) the Communist Control Act of 1954, or (d) any other Act of Congress heretofore or hereafter enacted which prescribes any criminal penalty for any act of subversion or sedition against the Government of the United States or any State of the United States, shall not prevent the enforcement in the courts of any State of any statute of such State prescribing any criminal penalty for any act, attempt, or conspiracy to commit sedition against such State or the United States, or to overthrow the Government of such State or the Government of the United States.

"'As used in this section, the term "State" includes any State of the United States and the Commonwealth of Puerto Rico.'

"(b) The analysis of chapter 115 of title 18, United States Code, is amended by inserting at the end thereof the following new item:

"'2392. Enforcement of State statutes.'"

Mr. THURMOND also submitted an amendment, intended to be proposed by him to House bill 7371, making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. THURMOND submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph (4) of rule XVI for the purpose of proposing to the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, the following amendment; namely, at the proper place in the bill insert the following:

"That section 1 of title 28, United States Code, is amended by adding at the end thereof the following new paragraphs:

"'No person shall be appointed after the date of enactment of this paragraph to the office of Chief Justice or Associate Justice unless, at the time of his appointment, he has had at least five years of judicial service. As used in this paragraph "judicial service" means service as an Associate Justice of the Supreme Court, a judge of a court of appeals or district court of the United States, or a justice or judge of any court of a State having appellate or general jurisdiction.

"'No person shall be appointed after the date of enactment of this paragraph to the office of Chief Justice or Associate Justice unless, subsequent to the most recent appointment of a Chief Justice or Associate Justice from the judicial circuit of the United States of which such person is a resident, there shall have been appointed a Chief Justice or Associate Justice from each of the other judicial circuits of the United States.'

"SEC. 2. (a) The caption of section 1 of title 28, United States Code, is amended to read as follows:

"'1. Number of justices; quorum; qualifications.'

"(b) The analysis of chapter 1 of title 28, United States Code, is amended by striking out

"'1. Number of justices; quorum.',

and inserting in lieu thereof

"'1. Number of justices; quorum; qualifications.'."

Mr. THURMOND also submitted an amendment, intended to be proposed by him to House bill 7371, making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. THURMOND submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph (4) of rule XVI for the purpose of proposing to the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the Judiciary and related agencies for the fiscal year ending June 30, 1962, and for other purposes, the following amendment; namely, at the proper place in the bill insert the following:

"That section 453 of title 28 of the United States Code is amended to read as follows:

"'§453. Oaths of justices and judges

"'Each justice or judge of the United States shall take the following oath or affirmation before performing the duties of his office: "I, , do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and I will administer justice without respect to persons, and do equal right to the poor and to the rich, and that I will faithfully and impartially discharge and perform all the duties incumbent upon me as . So help me God.'"

"SEC. 2. The amendment made by the first section of this Act shall be applicable only with respect to justices and judges taking office after the date of its enactment.

Mr. THURMOND also submitted an amendment, intended to be proposed by him to House bill 7371, making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. THURMOND submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph (4) of rule XVI for the purpose of proposing to the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, the following amendment; namely, at the proper place in the bill insert the following:

"DECLARATION OF POLICY

"SECTION 1. (a) The Congress hereby finds and declares that maintenance of a competitive enterprise economy and a free market for goods and services is essential to continued economic growth and prosperity of the Nation; that laws heretofore enacted prohibit combinations and conspiracies among producers and suppliers of goods and services which are in restraint of interstate trade or commerce or tend to create monopolies; that the immunity of labor unions from these statutory prohibitions has permitted them to form powerful combinations and enter into arrangements which severely limit competition, impose restraints upon trade and commerce, and permit the parties to such combinations and arrangements to exercise monopolistic controls over production costs and the use and distribution of products and services in a number of essential industries; that such combinations and arrangements impair collective bargaining and deny to the consuming public the benefits of effective competition, increased production, new and improved products, and lower prices for goods and services; that such combinations and arrangements are no less damaging to the national economy and the general welfare than similar combinations and arrangements between producers and suppliers of goods and services; and that, in order to protect the public interest, such combinations and agreements formed and entered into by labor organizations must be prohibited.

"(b) It is the purpose and policy of this Act to promote the full flow of commerce, to provide orderly procedures for protecting the flow of commerce and preventing restrictive practices or arrangements which may impede the flow of commerce, to preserve the right of employees to form and join labor unions and to engage in concerted activities necessary to carry out the legitimate objects of their union, and to protect the rights of individual employees, employers, and the public in their relations with labor unions whose activities affect commerce.

"SEC. 2. It shall be unlawful and contrary to the public policy of the United States for any labor organization in concert with any other labor organization (whether or not affiliated with the same national or international union), or with any employer or other person, to engage in any action, plan of action, arrangement, or combination in restraint of trade or commerce or which may tend to create a monopoly.

"SEC. 3. It shall be unlawful and contrary to the public policy of the United States for any labor organization to strike or engage in any other course of action for the purpose of inducing, persuading, or compelling any employer in an industry affecting commerce (1) to enter into or become a party to any action, plan of action, arrangement, or combination in restraint of trade or commerce, or (2) to accede to, grant or otherwise put into effect any demand for wages or other terms or conditions of employment made pursuant to any combination, agreement, conspiracy, or understanding entered into with any other labor organization (whether or not affiliated with the same national or international union).

"SEC. 4. For the purposes of this Act, no action or plan of action, including strikes, picketing, and boycotts, undertaken by an individual labor organization in furtherance of or in relation to any purpose of such organization and which is not undertaken or carried out in concert with any other

labor organization or with any employer or other person, shall be deemed to be in restraint of trade or commerce.

"SEC. 5. Notwithstanding any other provision of law, any district court of the United States shall have power to prevent and restrain any labor organization from any violation of the provisions of this Act."

Mr. THURMOND also submitted an amendment, intended to be proposed by him to House bill 7371, making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

RECESS UNTIL 10:30 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I move that the Senate stand in recess until 10:30 tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 2 minutes p.m.) the Senate took a recess until tomorrow, Tuesday, August 22, 1961, at 10:30 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate August 21, 1961:

U.S. DISTRICT JUDGE

William H. Becker, of Missouri, to be U.S. district judge for the western district of Missouri, vice Albert A. Ridge, elevated.

BUREAU OF CUSTOMS

M. Singleton Garrett, of Virginia, to be collector of customs for customs collection district No. 14, with headquarters at Norfolk, Va.

Daniel W. McKinnis, Jr., of Tennessee, to be collector of customs for customs collection district No. 43, with headquarters at Memphis, Tenn.

IN THE ARMY

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3298.

To be first lieutenants

Ammons, David C., O89026.
Amos, John O., O91739.
Apostle, Basil N., O85478.
Atkins, Sumner W., Jr., O84119.
Avillar, Frank M., O89693.
Bahniuk, Edward M., O91152.
Balkovetz, Fred W., O85479.
Banks, John W., Jr., O84943.
Barnwell, Marion LeW., O83851.
Barrow, John P., O85721.
Barrus, Rollin L., O88334.
Beasley, William A., O88335.
Beavers, Eldon L., O87473.
Beck, John A., O88565.
Berman, Leo, O86998.
Bogenrife, Richard E., O85484.
Boles, John L., O85485.
Boles, Wayne T., O85906.
Bosking, William H., 2d, O85486.
Boulware, Jefferson T., Jr., O85128.
Braun, Paul A., O84957.
Brown, Charles S., Jr., O87692.
Browning, David B., Jr., O85492.
Buczek, Richard C., O91780.
Bunij, Edwin W., O85494.
Cain, Morton G., O89884.
Carey, Norman C., O85497.
Cercy, James C., O92174.
Chancellor, Robert L., O84138.
Clark, Howard W., O89788.
Clark, Richard McC., O89192.
Clarke, Joseph R., O85508.
Collamore, Jerry A., O89834.
Cooney, Terence P., O89044.
Corbett, Harvey T., O85511.
Cortelli, Richard J., O89978.
Cox, Ronald D., O91757.
Crawford, George S., O85512.
Creighton, Francis W., O85513.
Crowe, Robert E., O85514.
Crowl, Ronald C., O88037.
Darby, Barney D., Jr., O86044.
Dast, William A., O91804.
Davenport, Robert L., O90045.
Davenport, William H., O87722.
David, Ronald C., O88361.
Davis, Charley B., O91806.
Davis, Paul L., O85517.
DePace, Anthony J., O85521.
Decker, Gilbert F., O87724.
Doehle, Douglas A., O91812.
Dougherty, George J., O91228.
Dygert, George H., O88373.
Elkins, Donald W., O84980.
Emery, James S., O87735.
Errickson, Robert B., O86123.
Farley, Dennis S., O89205.
Fasolo, Anthony V., O85533.
Featherstone, Edward M., O88060.
Filipkowski, William F., Jr., O85164.
Finch, James T., O91822.
Fisher, Luke C., Jr., O85534.
Fitzsimmons, John E., O91203.
Forbes, Maynard C., O84986.
Frazier, Robert L., O85540.
Funderburk, Raymond E., O85171.
Gear, Edward R., O84991.
Gerding, Charles C., O85544.
Good, William K., Jr., O85546.
Greene, Robert P., O85547.
Griffith, James E., O85550.
Gross, Gerald D., O84995.
Haddock, Raymond E., O84996.
Hair, Henry H., 3d, O90020.
Hamby, Jerrell E., O85418.
Hancock, James B., O92198.
Hanson, Charles K., O85177.
Hardwick, Willis C., O85556.
Hardy, John D., O87777.
Hastings, Clark W., O89502.
Hayton, Samuel L., O88092.
Helbling, James J., O85561.
Henry, Charles W., Jr., O86246.
Herr, Edward L., O92065.
Herzbrun, Lon S., O85000.
Hessler, Thomas J., O85566.
Hicks, Gerald DeA., O91868.
Hixon, Jerry F., O85570.
Hohl, Richard E., O85571.
Hollis, Tommy G., O91273.
Howard, Joe, O85574.
Hurley, William P., Jr., O88751.
Hutchison, Howard H., Jr., O85577.
Hyers, James E., O85006.
Ingram, Samuel T., O85578.
Jackson, Lacy M., O85189.
Jankiewicz, Edward J., Jr., O88756.
Johnsen, Allen L., O85581.
Johnson, Harold E., O91887.
Johnson, John W., O86330.
Jolly, Donald H., O90130.
Jones, Harry A., O85582.
Jones, Martin A., O85583.
Joyce, John P., O89347.
Kaplan, Kenneth, O86347.
Kearney, William M., O85586.
Kenworthy, John H., O90155.
Kernan, Michael F., O85015.
Kesterson, Charles R., O90147.
Kilgore, Jack E., O91502.
Kirkpatrick, Elwood C., O85018.
Koepfer, Donald J., O86382.
Kolasheski, Richard F., O85592.
La Marched, Bertrand, O88777.
Lamb, Richard D., O85786.
Landrum, Donald J., O85596.
LeCroy, James A., O85603.
Lewis, Homer, Jr., O90325.
Ligon, John L., O85605.
Loftus, William K., O85201.
Lord, Frederick J., Jr., O90211.
Love, Richard M., O87841.
Lovvorn, Robert H., O85610.
Ludgewait, Herbert H., O91753.
Lunt, Robert G., O85612.
Lynn, Ira I., O87842.
MacAlister, James M., O85791.
Mackey, Billy O., O85614.
Mairs, Robert J., 3d., O85616.
Mapp, William R., O89355.
Marks, Max G., O89356.
McCrary, Richard F., O91834.
McHugh, Charles W., O88823.
McInnes, Thomas J., O88286.
Meadows, Kenneth D., O92096.
Mezins, Nikolajs, O85793.
Miley, John R., O86524.
Miller, Millis A., O84227.
Mineo, Nicholas A., O85047.
Mitchell, Radcliffe G., Jr., O91954.
Monty, James M., O85218.
Moore, Powell A., O85715.
Morton, James O., O85627.
Muirhead, Thomas H., O87986.
Nance, Nelson T., O88456.
Nowak, Leonard G., O85633.
O'Bryan, Michael F., O91659.
Odell, Ersal D., O91481.
Olson, Frederick N., O85634.
Ostrowidzki, Joseph, O85442.
Pasco, Allen, O85635.
Pawlik, Eugene A., Jr., O86617.
Peeps, Richard D., O87880.
Person, James L., O86625.
Pound, Bruce W., O91356.
Preppernau, Paul DeC., O85640.
Quattlebaum, Charles W., O85643.
Quinlan, Patrick J., O85644.
Ramey, Harold M., O85645.
Rebholz, Edward S., O85647.
Reid, Thomas F., O89480.
Reneau, Joseph S., O91363.
Rhen, Thoms A., O91988.
Richards, Gerald T., O85651.
Richardson, Odie B., Jr., O92243.
Riggs, Gary A., O90674.
Roberts, Claude W., 3d, O85652.
Roeming, Frederic E., O86697.
Rogers, Frederick T., O91367.
Rogers, Richard L., O85655.
Rougeau, James L., O90439.
Rutledge, Leslie E., Jr., O82930.
Samoy, Raymond M., O83779.
Sauer, Jack L., O84265.
Schorr, Gerard J., O85662.
Schroder, Romayne E., O88916.
Schuette, Ronald W., O85250.
Schwab, Don A., O85083.
Scott, Walter J., O92007.
Shaffer, Malcolm S., O86748.
Sharp, John B., O85800.
Skidmore, John D., O90491.
Slater, Paul A., O87618.
Smith, Allen D., O85667.
Smith, Billy V., O86777.
Smith, Duane N., O85669.
Smith, Robert A., O89383.
Smith, Robert T., Jr., O85261.
Solomon, Irwin E., O85262.
St. Amant, Joseph F., O87926.
Starley, Vernon B., O85672.
Stewart, Alexander G., O90361.
Strandes, Peter K., O90525.
Swan, Sinclair O., O83015.
Swinson, Benjamin L., O91401.
Talkington, Thomas E., O90163.
Thoma, Charles J., O89390.
Thomas, Robert H. B., O88974.
Thompson, Billie F., O85679.
Tipka, John W., O86861.
Tomberlin, John R., Jr., O91710.
Townley, Robert R., O85274.
Turner, Peter J., O89303.
Turner, Rex M., Jr., O88509.
Vanhooser, Carroll T., O85686.
Vanhooser, David P., O85687.
Vanlandingham, Robert E., O85688.
Wagner, Robert C., O85689.
Warmath, Julius G., O85384.

Wasson, James V., O85694.
Webb, James R., O88223.
Wesel, Robert M., O86925.
Wickstrom, Charles J., O85700.
Wilbanks, Ronald H., Jr., O92043.
Wilkinson, Tary D., O85701.
Williams, Billy D., O85702.
Wolfe, Rodney D., O87978.
Wood, Merrill F., O87979.
Wright, Dean W., O91432.
Zimbrick, Duane E., O85712.
Zumbro, Harold D., O85714.

To be first lieutenant, Women's Army Corps

Thornton, Dorothy J., L584.

To be first lieutenants, Medical Service Corps

Anderson, Leroy S., O84118.
Bennett, Winston R., O87475.
Boston, Lester E., Jr., O88576.
Boyer, John W., O91557.
Burton, Nelson, L., O85960.
Cobbs, John R., O85738.
Dix, Richard A., O85523.
Fain, Ronald A., O84983.
Fletcher, Oliver K., Jr., O88679.
Hubbart, James A., O92070.
Keim, Walter H., O89232.
Kelling, George H., O85589.
Lamport, James E., O92084.
Madden, John T., Jr., O88281.
Moore, Douglas E., O86539.
Murray, Robert E., O92101.
Norris, Jimmy R., O92104.
Picha, Norbert O., O88876.
Rieflin, James W., O82906.
Roles, Robert H., O91676.
Scanlan, William H., O88914.
Sorem, David N., O88951.
Wunder, William H., O89016.

To be first lieutenants, Army Nurse Corps

Dorman, Joyce R. M., N3017.
McLeod, Darlene K., N2982.
Rairden, Carol A., N2995.
Villa, Georgianna, N3003.

The following-named person for appointment in the Regular Army by transfer in the grade specified, under the provisions of title 10, United States Code, sections 3283, 3284, 3285, 3286, 3287, 3288, and 3292:

To be first lieutenant, Judge Advocate General's Corps

Danilek, Donald J. (QMC), O83697.

The following-named persons for appointment in the Regular Army of the United States, in the grades specified under the provisions of title 10, United States Code, sections 3283, 3284, 3285, 3286, 3287, and 3288:

To be lieutenant colonel

Shroeder, Melvin W., O311770.

To be majors

Edgar, Joseph S., O1166476.
Hulse, Melvin N., O885796.
Price, James F., O2005626.
Shannon, William J., O1303556.

To be captains

Fuesel, Stanislaus J., O2030502.
Goff, John E., O1925707.
Hale, James N., O2263583.
Johnson, Eugene M., O1931208.
Lloyd, Harold G., O980343.
Porter, Robert C., O1939872.
Quint, Alvin M., O2263252.
Scott, Edward M., O4004505.
Spence, Elmer D., O2098764.

To be first lieutenants

Goncz, Joseph P., O2289750.
Pease, Charles T., O4042026.
Westhoff, William J., O4057712.

To be second lieutenants

Brenner, Donald R., O5508122.
Bryan, Charles T., O5409731.
Chunco, William R., O5002125.
Crafton, Walter H., O5308113.
Harris, Douglas R., O5904718.
McCaig, Tom H., O5404895.
Shorter, Charles H., O5510390.
Tracy, Lawrence L., O2299219.
Wilson, Gifford D., O5402062.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of title 10, United States Code, sections 3283, 3284, 3285, 3286, 3287, 3288, 3289, 3290, 3291, 3292, and 3294:

To be captains, Dental Corps

Boegel, Paul N., O4055604.
Gardner, Robert J., O5701496.
Gore, Eugene, O4073753.
Jacoway, John R., O3001426.
McConnell, Richard J., O5501314.
Stanford, Hilton, Jr., O4007135.

To be captain, Judge Advocate General's Corps

Overholt, Hugh R., O2292000.

To be captains, Medical Corps

Callahan, Donald M.
Chamberlin, Martin R., O2041630.
Felder, James P., O5703128.
Inglis, William D., O4002663.
McClelland, Ellis F., O5301065.
Reiley, Carlton G., O2289711.
Shambaugh, George E., O5501175.
Trock, Samuel, O2305701.
Tuthill, Dallas B., O2201184.

To be first lieutenants, Army Medical Specialist Corps

McDowell, Joyce, M3065.
Santos-Espada, Carmen G., R5826210.

To be first lieutenants, Judge Advocate General's Corps

Adamkewicz, Edward S., Jr., O2296260.
Anderson, Jarrett S., O5702245.
Garner, James G., O2287785.
Scheff, Richard P., O5404457.
Stavron, Steven S., O5302506.

To be first lieutenant, Dental Corps

Uotinen, Kyesti G., O5004845.

To be first lieutenants, Medical Corps

Dyke, Charles J., O2298246.
Holmes, Keith D., O2298145.
Ramer, Barry M., O2298136.
Stubbs, Joe C., Jr., O2305799.
Watson, Ralph J., O2300737.

To be first lieutenants, Medical Service Corps

Giroux, Arthur R., O2284017.
Linder, William W., O2287924.
Murphy, John W., O4075657.

To be first lieutenant, Veterinary Corps

Jorgensen, Robert R., O2298188.

To be second lieutenant, Army Nurse Corps

Tresselt, Elizabeth E., N5407142.

To be second lieutenants, Medical Service Corps

Andersen, Jon D., O5513531.
Berchin, Richard J., O5006880.
Cundiff, David E., O5410560.
Griffith, Ronald H., O5306832.
Harris, Jesse J., Jr., O5204975.
Hatfield, William K., O2298125.
Heitzman, Lawrence J., O2298105.
Johnson, Harry D., O5305951.
Lopez, Ramon M., O2303629.
Murphy, Thomas W., O5513295.
Orr, Charles W., O5401988.
Osius, Richard J., O2305752.
Shamboar, Robert A., O2304962.
Webber, James A., O5512732.

The following-named distinguished military students for appointment in the Regular Army of the United States, in the grade and corps specified, under the provisions of title 10, United States Code, sections 3283, 3284, 3285, 3286, 3287, 3288, and 3290:

To be second lieutenants, Medical Service Corps

Carestia, Ralph R.	Talbot, Wilburn D.
Mural, Roger N.	Turpin, William P., IV
Saunders, Harold D.	Wahl, George H.

The following-named distinguished military students for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 3283, 3284, 3285, 3286, 3287, and 3288:

Allen, Gordon W.	Nelson, John F.
Belenski, Alexander B.	Obermann, William R.
Berner, Ronald E.	Olshansky, Irwin
Carter, Thomas F., Jr.	Ozaki, Lawrence M.
Darcy, Richard E.	Phillips, Billy J.
Duval, Dennis A.	Phipps, Allen M.
Egstad, Sharron H.	Poist, Joseph E.
Halbritter, Frederick P.	Rippee, Eldon T.
	Runey, Dennis I.
Hanson, Frederick A.	Schutter, Daniel W.
Hay, Ronald J.	Shum, Ronald M.
Henthorn, Richard E.	Stone, Randolph
Horton, James M.	Thomas, Everett R.
Jones, Thomas L.	Walters, David L.
Kerwin, Kenneth H., II	Weisser, Roland J., Jr.
	Welch, William A.
Lipinski, Robert H.	Wright, Raymond P.
Lupi, Frank	Wrightstone, Jay W.
Mattison, Edward B.	Yeaney, Jerry D.
McAlister, Billy J.	Young, Richard F.
Miller, Robert L.	

CONFIRMATIONS

Executive nominations confirmed by the Senate August 21, 1961:

U.S. DISTRICT JUDGES

John D. Larkins, Jr., of North Carolina, to be U.S. district judge for the eastern district of North Carolina.

Arthur M. Davis, of Arizona, to be U.S. district judge for the district of Arizona.

Bailey Brown, of Tennessee, to be U.S. district judge for the western district of Tennessee.

U.S. MARSHALS

William H. Terrill, of Colorado, to be U.S. marshal for the district of Colorado for the term of 4 years.

Rex B. Hawks, of Oklahoma, to be U.S. marshal for the western district of Oklahoma for the term of 4 years.

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 21, 1961

The House met at 12 o'clock noon.

Rev. Raymond E. Cardwell, Community Methodist Church, Arlington, Va., offered the following prayer:

Eternal God, our Heavenly Father, who hast created all the nations and established them upon this good earth:

We praise Thee for the glorious heritage of faith and freedom that is ours; for the good land, rich and wide and beautiful, that Thou hast allotted to us; and for the principle of democracy that gives us government by the people's chosen representatives.

Preserve our Nation, we pray, from others' hostilities and our own foolishness; endue us with our forefathers' love for civil and religious liberty; teach us to love one another as Christ has loved us; and grant to our legislators and leaders here assembled a determination to learn the facts and to discern the truth to the end that wisdom may rule in these Halls; that active good will may characterize our Nation's policies; and that peace among the peoples of the earth may come in our time.

In the name of the Saviour we humbly pray. Amen.

THE JOURNAL

The Journal of the proceedings of Friday, August 18, 1961, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1983. An act to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic development and internal and external security, and for other purposes.

APPROPRIATIONS FOR DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, 1962

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7035) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1962, and for other purposes, with amendments of the Senate thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

Mr. GROSS. Mr. Speaker, reserving the right to object, this same request was objected to previously; is that not so?

Mr. FOGARTY. That is correct.

Mr. GROSS. And at that time, the gentleman from Wisconsin [Mr. LAIRD], a member of your subcommittee, asked several questions. Have those questions been answered; has the gentleman from Wisconsin been able to obtain the information that he was seeking from the various departments downtown?

Mr. FOGARTY. Our colleague, the gentleman from Wisconsin [Mr. LAIRD], is present on the floor and he can answer the gentleman's question.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Mr. Speaker, on August 3, I objected to sending this bill to conference. I sent a letter to the President of the United States and also to the Secretary of Health, Education, and Welfare, Mr. Ribicoff, and on August 15 I placed letters responding to my inquiries in the CONGRESSIONAL RECORD. On the 15th of August, I had further meetings with the Secretary of Health, Education, and Welfare and with the people in charge of the budget affairs of that Department. As late as this morning, further information was made available to me. The Department is supporting its budget request as submitted to the Congress. The Department objects to the increases which were added in the Senate. The position of the White House and of the Department of Health, Education, and Welfare has been made very clear. Their position is that they support the budget and are opposed to increases over it. I believe it would be proper at the present time for us to go to conference. If we run into difficulties in conference, as one member of the committee of conference, if I am appointed as a conferee on the part of the House, I would certainly have no hesitancy to bring items back in disagreement so that the Members of the House would have full opportunity to work their will on this very important appropriation bill.

Mr. GROSS. Mr. Speaker, with that assurance from the gentleman from Wisconsin, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

The Chair hears none and appoints the following conferees: Messrs. FOGARTY, DENTON, CANNON, LAIRD, and TABER.

MUTUAL SECURITY ACT

Mr. MORGAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1983) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic development and internal and external security, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MORGAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MORGAN: Strike out all after the enacting clause of S. 1983 and insert the provisions of H.R. 8400 as passed.

The amendment was agreed to.

The bill was ordered to be read a third time and was read the third time and passed.

A similar House bill, H.R. 8400, was laid on the table.

A motion to reconsider was laid on the table.

Mr. MORGAN. Mr. Speaker, I move that the House insist on its amendment and request a conference with the Senate.

The motion was agreed to.

The SPEAKER. The chair appoints the following conferees: Messrs. MORGAN, ZABLOCKI, BURLESON, JUDD, and Mrs. BOLTON.

JUDGE LEARNED HAND

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, a most exemplary judge has passed away, Judge Learned Hand. He was 87 years old at death, toiling to the last. While the candle burned he felt there was much work to be done—51 years of those 87 were spent on the Federal bench.

His was a life of devotion to the law.

He knew the wisdom of the ages. He could pierce the veil of the future.

We of the present profited immeasurably.

His cogent, clear, concise opinions were quoted the world over.

He was called the 10th man of the Supreme Court.

His genius, like a flashlight, illumined and dispersed the darkness of doubt and error.

True judgment is not unlike godliness. His judgment was true.

COMMITTEE SESSIONS DURING GENERAL DEBATE TODAY

Mr. McCORMACK. Mr. Speaker, at the request of the gentleman from California [Mr. ROOSEVELT] and the gentleman from Pennsylvania [Mr. DENT], I ask unanimous consent that the Special Subcommittee on Labor and the Subcommittee on the Impact of Imports and Exports on American Employment of the Committee on Education and Labor may be permitted to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CONSENT CALENDAR

The SPEAKER. This is the day for the call of the Consent Calendar. The Clerk will call the first bill on the calendar.

PRACTICABILITY OF ADOPTING THE METRIC SYSTEM

The Clerk called the bill (H.R. 2049) to provide that the National Bureau of Standards shall conduct a program of investigation, research, and survey to determine the practicability of the adoption by the United States of the metric system of weights and measures.

The SPEAKER pro tempore [Mr. WALTER]. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, this bill calls for the appropriation of half a million dollars for a so-called study of whether this country should go on the metric system. The Bureau of Standards can tell us for the price of a telephone call or a postage stamp, the Director being available, whether it is practical for this country to go on the metric system.

I suggest to the authors of this bill that they present legislation to fix a firm date in view of the fact that 90 percent of the countries of the world are on the metric system, that they fix a firm date, say 5 years from now, to put this country on the metric system.

I have no quarrel with the purpose of the bill; I have every quarrel with the expenditure of half a million dollars to study something that I insist does not need to be studied.

Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

REVISING LAWS RELATING TO DEPOSITORY LIBRARIES

The Clerk called the bill (H.R. 8141) to revise the laws relating to depository libraries.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, since this bill is listed among the suspensions, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

FUGITIVE FELON ACT

The Clerk called the bill (H.R. 468) to amend section 1073 of title 18, United States Code, the Fugitive Felon Act.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

WAIVER OF COLLECTION OF ERRONEOUS PAYMENTS

The Clerk called the bill (H.R. 4131) to authorize the waiver of collection of certain erroneous payments made by the Federal Government to certain civilian and military personnel.

Mr. GROSS. Mr. Speaker, reserving the right to object, could we have an explanation of this bill? It is my understanding that it may involve a considerable amount of money, and that there is a retroactive provision in the bill.

Mr. LANE. Yes, it goes back to June 30, 1950, the Korean war period. May I say, Mr. Speaker, the purpose of the proposed legislation is to authorize the Comptroller General upon the recommendation of the department or agency concerned, to waive overpayments or erroneous payments made to Government employees or servicemen.

PREVIOUS ACTION

A similar bill, H.R. 7529, passed the House last Congress.

AMENDMENTS

The committee amendments were formulated on the basis of the information gained by the committee in its consideration of the previous bill, the new reports received this Congress, and the testimony presented a hearing held on H.R. 4131 and related bills this session. The amendments are designed to effectuate the basic purpose of equitable waiver of overpayments in deserving cases by restating the language of the bill in as clear a manner as possible and by providing the necessary procedural provisions to guide in the operations under the bill.

BACKGROUND

This bill is based in a large degree on the experience gained by the committee in connection with its consideration of private relief bills providing for the relief of individuals who were required to reimburse the Government for overpayments innocently received. The provisions of the bill would make it possible to extend relief to persons who receive payments of this type, and would make it possible for that relief to be extended in a uniform and fair manner. The cooperation between the department involved and the Comptroller General contemplated by the bill is intended to insure that each case will receive a fair and complete consideration in accordance with Government-wide standards.

SECTION SUMMARY

Section 1: The basic section providing for authority in the Comptroller General upon recommendation of the department-basis-equity and good conscience.

Section 2: Retroactive application to June 30, 1950 (Korean war period). Two-year period for application for relief.

Section 3: $150 limited authority in department itself for waivers.

Section 4: Class claims-groups of similar overpayments in amounts over $50,000 will not be acted upon by the Comptroller General until the congressional committees have had 60 days to consider the matter.

Section 5: Savings clause which will insure that enactment of H.R. 4131 will not disturb existing authority for waiver under other laws, for example, Veterans' Administration.

The committee feels that this relief should be granted to those persons who receive payments of this type and would make it possible for that relief to be extended in a uniform, fair, just, and equitable manner.

Mr. GROSS. Let me ask the gentleman this question. On page 13 of the report it is stated:

Since a waiver in the case of any individual overpayment of a class will be urged as a precedent for waiver of all overpayments of the same class and as the effect of the waiver is to burden the taxpayers with the cost of the erroneous payments, we believe that before any kind of waiver action is finally effective in such cases the appropriate committees of Congress should have an opportunity to express their views in the matter.

Is it provided in the bill that the proper committees of the Congress will have the opportunity to scrutinize these payments?

Mr. LANE. That is right, it is.

Mr. HOFFMAN of Michigan. Does this take care of those cases where the Government has made an overpayment and there is nothing out of which the Government can collect for the repayment?

Mr. LANE. If the Department recommends that the amount be paid and it is agreeable to the Comptroller General, those can be taken care of. May I say to the gentleman those are the so-called hardship cases in which the Government is satisfied after going in and making an investigation of the finances that these payments can be written off.

Mr. HOFFMAN of Michigan. I certainly would like to see something of this sort go through because where the Government cannot collect there is no use wasting four times the amount involved trying to collect where there is no fund out of which they can make the payment.

Mr. LANE. Under the provisions of the bill we allow a claim of $150 to be written off by the Department, because it will cost too much to collect the claim anyway.

Mr. GROSS. Mr. Speaker, with the assurance of the gentleman that the proper committees of Congress will have an opportunity to scrutinize these payments that amount to a total of some $5 million, I withdraw my reservation of objection.

Mr. LANE. I may say to the gentleman from Iowa that is in section 21 of the bill in which Congress has the last say on those claims that run up into added amounts.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, (a) That the Comptroller General, upon the recommendation of the heads of departments, agencies, or establishments concerned, or such subordinates as they may designate, and a showing that collection would be against equity and good conscience, may waive indebtedness growing out of erroneous payments of money to any civilian employee of the Government or to any member of the military or naval forces of the United States.

(b) As used in this Act the term "Employee" shall include any civilian officer or employee or former civilian officer or employee of the Government and any member or former member of the military or naval forces of the United States.

(c) The relief provided herein shall apply to indebtedness growing out of erroneous payments made after June 30, 1950.

(d) This Act shall not apply in any case where the indebtedness may be remitted, or its recovery waived, under sections 4837(d) and 9837(d), of title 10, United States Code; section 3002(a), of title 38, United States Code; sections 10, 11, and 13 of the Dependents Assistance Act of 1950 (64 Stat. 796, 797); or any other provision of law.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That except while the claim is pending for collection with the Attorney General, the Comptroller General of the United States upon the recommendation of the head of the department, agency, or establishment concerned, or such subordinate as he may designate, and upon a showing that collection would be against equity and good conscience may waive indebtedness growing out of erroneous payments of money to or on behalf of any civilian employee of the United States or dependent of such a civilian employee or to or on behalf of a member or dependent of a member of the uniformed services of

the United States incident to such employment or service. Financial hardship may be considered as an element tending to support a showing that collection would be against equity and good conscience.

"SEC. 2. The provisions of this Act apply to indebtedness growing out of erroneous payments made after June 30, 1950. A request for waiver, under the authority of section 1 of this Act, with respect to indebtedness as to which written notice thereof was given the debtor by the department, agency, or establishment concerned must be received by the department, agency, or establishment or the Comptroller General within two years after the date of such notice or the date of enactment of this Act, whichever is later.

"SEC. 3. The heads of departments, agencies, or establishments concerned or such subordinates as they may designate, may waive any indebtedness not exceeding $150 in amount of the type which may be waived under this Act, and this authority is to be exercised in accordance with regulations issued by the Comptroller General.

"SEC. 4. Notwithstanding the provisions of section 1 of this Act, the Comptroller General may not effect or refuse a waiver of an indebtedness which he determines to be one of a class of similar indebtedness if in his opinion the aggregate amount of all indebtedness of the class may exceed $50,000 unless he has made a report to the appropriate committees of Congress giving the details of the indebtedness and his proposed action, and that report has been before the appropriate committees for a period of sixty days. In computing the sixty-day period specified in this section any days between adjournment sine die and the convening of the Congress shall be excluded.

"SEC. 5. This Act does not apply in a case where recovery of indebtedness may be waived under sections 4837(d), 6161, and 9837(d) of title 10, United States Code; section 3102(a) of title 38, United States Code; sections 10, 11, and 13 of the Dependents Assistance Act of 1950 (64 Stat. 796, 797, 50 U.S.C. App. 2213); or any other provision of law."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFER OF THE U.S. VESSEL "ALASKA"

The Clerk called the bill (H.R. 3788) to provide for the transfer of the U.S. vessel *Alaska* to the State of California for the use and benefit of the department of fish and game of such State.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed to donate and convey to the State of California, for the use and benefit of the department of fish and game of such State, all right, title, and interest of the United States in and to the United States vessel Alaska. Such vessel is presently being operated by such department under a ten-year operating agreement entered into on June 22, 1957, between such department and the Secretary of the Interior, and has been extensively repaired and refitted for use as a biological research vessel at the expense of such State.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INTERNATIONAL CONVENTION FOR THE PREVENTION OF POLLUTION OF THE SEA BY OIL

The Clerk called the bill (H.R. 8152) to implement the provisions of the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, to implement the provisions of the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954, may be cited as the "Oil Pollution Act, 1961".

DEFINITIONS

SEC. 2. As used in this Act, unless the context otherwise requires—

(a) The term "convention" means the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954;

(b) The term "discharge" in relation to oil or to an oily mixture means any discharge or escape howsoever caused;

(c) The term "heavy diesel oil" means marine diesel oil, other than those distillates of which more than 50 per centum, by volume distilled at a temperature not exceeding 340 degrees centigrade when tested by American Society for Testing of Materials standard method d. 158/53;

(d) The term "mile" means a nautical mile of 6,080 feet, or 1,852 meters;

(e) The term "oil" means persistent oils, such as crude oil, fuel oil, heavy diesel oil, and lubricating oil. For the purposes of this legislation the oil is an oily mixture of one hundred or more parts of oil in one million parts of the mixture shall be deemed to foul the surface of the sea;

(f) The term "person" means an individual, partnership, corporation, or association; and any owner, operator, agent, master, officer, or employee of a ship;

(g) The term "prohibited zones" means the zones described in the schedule to this Act as modified by notices, if any, of extension or reduction issued by the Secretary;

(h) The term "Secretary" means the Secretary of the Army;

(i) The term "ship" means a seagoing ship of American registry except:

(1) ships for the time being used as naval auxiliaries;

(2) ships of under five hundred tons gross tonnage;

(3) ships for the time being engaged in the whaling industry;

(4) ships for the time being navigating the Great Lakes of North America and their connecting and tributary waters as far east as the lower exit of the Lachine Canal at Montreal in the Province of Quebec, Canada.

SEC. 3. (a) Subject to the provisions of sections 4 and 5, the discharge by any person from any ship, which is a tanker, within any of the prohibited zones of oil or any oily mixture the oil in which fouls the surface of the sea, shall be unlawful.

(b) Subject to the provisions of sections 4 and 5, any discharge by any person into the sea from a ship, other than a tanker, of oily ballast water or tank washings shall be made as far as practicable from land. As from July 26, 1961, paragraph (a) of this section shall apply to ships other than tankers as it applies to tankers, except that the prohibited zones in relation to ships other than tankers shall be those referred to in the schedule.

SEC. 4. Section 3 shall not apply to—

(a) the discharge of oil or of an oily mixture from a ship for the purpose of securing the safety of the ship, preventing damage to the ship or cargo, or saving life at sea; or

(b) the escape of oil, or of an oily mixture, resulting from damage to the ship or unavoidable leakage, if all reasonable precautions have been taken after the occurrence of the damage or discovery of the leakage for the purpose of preventing or minimizing the escape;

(c) the discharge of sediment—

(i) which cannot be pumped from the cargo tanks of tankers by reason of its solidity; or

(ii) which is residue arising from the purification or clarification of oil fuel or lubricating oil: *Provided,* That such discharge is made as far from land as is practicable.

SEC. 5. Section 3 shall not apply to the discharge from the bilges of a ship—

(a) of any oily mixture, during the period of twelve months after the United States accepts the convention;

(b) after the expiration of such period, of an oily mixture containing no oil other than lubricating oil.

SEC. 6. Any person who violates any provision of this Act, except sections 8(b) and 9, or any regulation prescribed in pursuance thereof, is guilty of a misdemeanor, and upon conviction shall be punished by a fine not exceeding $2,500 nor less than $500, or by imprisonment not exceeding one year, or by both such fine and imprisonment, for each offense. And any ship (other than a ship owned and operated by the United States) from which oil is discharged in violation of this Act, or any regulation prescribed in pursuance thereof, shall be liable for the pecuniary penalty specified in this section, and clearance of such ship from a port of the United States may be withheld until the penalty is paid, and said penalty shall constitute a lien on such ship which may be recovered in proceedings by libel in rem in the district court of the United States for any district within which the ship may be.

SEC. 7. The Coast Guard may, subject to the provisions of section 4450 of the Revised Statutes, as amended (46 U.S.C. 239), suspend or revoke a license issued to the master or other licensed officer of any ship found violating the provisions of this Act or the regulations issued pursuant thereto.

SEC. 8. (a) In the administration of sections 1–12 of this Act, the Secretary may make use of the organization, equipment, and agencies, including engineering, clerical, and other personnel, employed under his direction in the improvement of rivers and harbors and in the enforcement of laws for the improvement of rivers and harbors and in the enforcement of laws for the preservation and protection of navigable waters. For the better enforcement of the provisions of said sections, the officers and agents of the United States in charge of river and harbor improvements and persons employed under them by authority of the Secretary, and officers and employees of the Bureau of Customs and the Coast Guard, shall have power and authority and it shall be their duty to swear out process and to arrest and take into custody, with or without process, any person who may violate any of said provisions: *Provided,* That no person shall be arrested without process for a violation not committed in the presence of some one of the aforesaid officials: *And provided further,* That whenever any arrest is made under the provisions of said sections the person so arrested shall be brought forthwith before a commissioner, judge, or court of the United States for examination of the offenses alleged against

him; and such commissioner, judge, or court shall proceed in respect thereto as authorized by law in cases of crimes against the United States. Representatives of the Secretary and of the Bureau of Customs and Coast Guard of the United States may go on board and inspect any ship in a prohibited zone or in a port of the United States as may be necessary for enforcement of this Act.

(b) To implement article VII of the convention, ship fittings and equipment, and operating requirements thereof, shall be in accordance with regulations prescribed by the Secretary of the Department in which the Coast Guard is operating. Any person found violating these regulations shall, in addition to any other penalty prescribed by law, be subject to a civil penalty not in excess of $100.

SEC. 9. (a) There shall be carried in every ship an oil record book in the form specified in the schedule to this Act. In the event of discharge or escape of oil from a ship in a prohibited zone, a signed statement shall be made in the oil record book, by the officer or officers in charge of the operations concerned and by the master of the ship, of the circumstances of and the reason for the discharge or escape.

(b) If any person fails to comply with the requirements imposed by or under this section, he shall be liable on conviction to a fine not exceeding $1,000 nor less than $500 and if any person makes an entry in any records kept in accordance with this Act which is to his knowledge false or misleading in any material particular, he shall be liable on conviction to a fine not exceeding $1,000 nor less than $500 or imprisonment for a term not exceeding six months, or both.

SEC. 10. The Secretary may make regulations for the administration of sections 3, 4, 5, 8(a), and 9.

SEC. 11. (a) The Secretary may make regulations empowering such persons as may be designated to go on board any ship to which the convention applies, while the ship is within the territorial jurisdiction of the United States, and to require production of any records required to be kept in accordance with the convention.

(b) Should evidence be obtained that a ship registered in another country party to the convention has discharged oil in any prohibited zone, such evidence should be forwarded to the State Department for action in accordance with article X of the convention.

SEC. 12. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEC. 13. If a provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the remainder of the Act and the application of such provision to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

SEC. 14. Nothing in this Act or in regulations issued hereunder shall be construed to modify or amend the provisions of the Oil Pollution Act, 1924 (33 U.S.C. 431–437), or of section 89 of title 14, United States Code.

SEC. 15. This Act shall become effective upon the date of its enactment or upon the date the United States becomes a party to the convention, whichever is the later date.

With the following committee amendments:

On page 2, line 14, delete the word "is" and insert in lieu thereof the word "in".

On page 2, line 14, after the words "an oily mixture of", insert the words "less than".

On page 2, line 15, delete the words "or more".

On page 2, line 16, after the words "mixture shall", insert the word "not".

On page 2, line 21, delete the words "the schedule to" and insert in lieu thereof the words "section 12 of".

On page 7, line 7, delete the words "the schedule to" and insert in lieu thereof the words "section 13 of".

On page 8, between lines 9 and 10, insert the following two new sections 12 and 13:

"SEC. 12. (a) Subject to paragraph (c) of this section, the prohibited zones in relation to tankers shall be all sea areas within 50 miles from land, with the following exceptions:

"(1) THE ADRIATIC ZONES

"Within the Adriatic Sea the prohibited zones off the coasts of Italy and Yugoslavia respectively shall each extend for a distance of 50 miles from land, excepting only the island of Vis.

"(2) THE NORTH SEA ZONE

"The North Sea Zone shall extend for a distance of 100 miles from the coasts of the following countries: Belgium; Denmark; the Federal Republic of Germany; the Netherlands; and the United Kingdom of Great Britain and Northern Ireland, but not beyond the point where the limit of a 100-mile zone off the west coast of Jutland intersects the limit of the 50-mile zone off the coast of Norway.

"(3) THE ATLANTIC ZONE

"The Atlantic Zone shall be within a line drawn from a point on the Greenwich meridian 100 miles in a north-northeasterly direction from the Shetland Islands; thence northward along the Greenwich meridian to latitude 64 degrees north; thence westward along the 64th parallel to longitude 10 degrees west; thence to latitude 60 degrees north, longitude 14 degrees west; thence to latitude 54 degrees 30 minutes north, longitude 30 degrees west; thence to latitude 44 degrees 20 minutes north, longitude 30 degrees west; thence to latitude 48 degrees north, longitude 14 degrees west; thence eastward along the 48th parallel to a point of intersection with the 50-mile zone off the coast of France: *Provided,* That in relation to voyages which do not extend seaward beyond the Atlantic Zone as defined above, and which are to points not provided with adequate facilities for the reception of oily residue, the Atlantic Zone shall be deemed to terminate at a distance of 100 miles from land.

"(4) THE AUSTRALIAN ZONE

"The Australian Zone shall extend for a distance of 150 miles from the coasts of Australia, except off the north and west coasts of the Australian mainland between the point opposite Thursday Island and the point on the west coast at 20 degrees south latitude.

"(b) Subject to paragraph (c) of this section the prohibited zones in relation to ships other than tankers shall be all sea areas within 50 miles from land with the following exceptions:

"(1) THE ADRIATIC ZONE

"Within the Adriatic Sea the prohibited zones off the coasts of Italy and Yugoslavia respectively shall each extend for a distance of 20 miles from land, excepting only the Island of Vis. After the expiration of a period of three years following the application of prohibited zones to ships other than tankers in accordance with section 3(b) of this Act the said zones shall each be extended by a further 30 miles in width unless the two Governments agree to postpone such extension. In the event of such an agreement, the convention provides for notification to be given accordingly to the Intergovernmental Maritime Consultative Organization by said Governments not less than three months before the expiration of such period of three years and for notification to be given to all contracting Governments by the Intergovernmental Maritime Consultative Organization.

"(2) THE NORTH SEA AND ATLANTIC ZONES

"The North Sea and Atlantic Zones shall extend for a distance of 100 miles from the coasts of the following countries: Belgium; Denmark; the Federal Republic of Germany; Ireland; the Netherlands; and the United Kingdom of Great Britain and Northern Ireland, but not beyond the point where the limit of a 100-mile zone off the west coast of Jutland intersects the limit of the 50-mile zone off the coast of Norway.

"(c) With respect to the reduction or extension of the zones described above effectuated under the terms of the convention, the Secretary of the Army shall give notice thereof by publication of such information in notices to mariners issued by the U.S. Coast Guard and U.S. Navy.

"SEC. 13. (a) The Secretary shall have printed separate booklets which set forth instructions and spaces for inserting information as follows:

"(1) FOR TANKERS

"(A) Date of entry.

"(B) Ballasting of and discharge of ballast from cargo tanks:

"(i) Identity numbers of tank(s).

"(ii) Type of oil previously contained in tank(s).

"(iii) Date and place of ballasting.

"(iv) Date and time of discharge of ballast water.

"(v) Place or position of ship.

"vi) Approximate amount of oil-contaminated water transferred to slop tank(s).

"(vii) Identity numbers of slop tank(s).

"(C) Cleaning of cargo tanks:

"(i) Identity number of tank(s) cleaned.

"(ii) Type of oil previously contained in tank(s).

"(iii) Identity numbers of slop tank(s) to which washings transferred.

"(iv) Dates and times of cleaning.

"(D) Settling in slop tank(s) and discharge of water:

"(i) Identity numbers of slop tank(s).

"(ii) Period of settling (in hours).

"(iii) Date and time of discharge of water.

"(iv) Place or position of ship.

"(v) Approximate quantities of residue.

"(E) Disposal from ship of oily residues from slop tanks and other sources:

"(i) Date and method of disposal.

"(ii) Place or position of ship.

"(iii) Sources and approximate quantities.

"(F) Signature of officer or officers in charge of the operations concerned and signature of the master.

"(2) FOR SHIPS OTHER THAN TANKERS

"(A) Date of entry.

"(B) Ballasting, or cleaning during voyage, of bunker fuel tanks:

"(i) Identity number of tank

"(ii) Type of oil previously contained in tank.

"(iii) Date and place of ballasting.

"(iv) Date and time of discharge of ballast or washing water.

"(v) Place or position of ship.

"(vi) Whether separator used: if so, give period of use.

"(vii) Disposal of oily residue retained on board.

"(C) Disposal from ship of oily residues from bunker fuel tanks and other sources:

"(i) Date and method of disposal.

"(ii) Place or position of ship.

"(iii) Sources and approximate quantities.

"(D) Signature of officer or officers in charge of the operations concerned and signature of the master.

"(3) FOR ALL SHIPS

"(A) Date of entry.

"(B) Accidental and other exceptional discharges or escapes of oil:

"(i) Date and time of occurrence.

"(ii) Place or position of ship.

"(iii) Approximate quantity and type of oil.

"(iv) Circumstances of discharge or escape and general remarks.

"(C) Signature of officer or officers in charge of the operations concerned and signature of the master.

"(b) The booklet shall be furnished free to all seagoing ships of American registry subject to this Act. The provisions of section 140 of title 5, United States Code, shall not apply. The ownership of the booklet shall remain in the United States Government. This booklet shall be available for inspection as provided in this Act and for surrender to the United States Government pursuant to regulations of the Secretary."

On page 8, line 10, delete "12." and insert in lieu thereof "14."

On page 8, line 13, delete "13." and insert in lieu thereof "15."

On page 8, line 18, delete "14." and insert in lieu thereof "16."

On page 8, line 22, delete "15." and insert in lieu thereof "17."

The committee amendments were agreed to.

Mr. ROGERS of Florida. Mr. Speaker, I rise to support this legislation. It offers a sound solution to a problem which is growing worse, and for that reason I urge its enactment.

In a world which becomes more technical by the day, we find our natural resources becoming progressively scarce. We are now conscious of our forests, and have enacted measures to conserve them. Our wildlife are preserved by law, and reckless misuse of most natural resources is prohibited. The ocean is one resource which is only partially protected from neglect.

This legislation would honor certain requirements designed to protect the seas from the effects of petroleum products. By establishing regulations for the transfer of these products, fish and other marine life would be further conserved, and damage to our shores would be prevented.

This bill has merit because it offers protection not only from the U.S. shipping lines, but also from the flagships the world over. We in Florida would be grateful for its enactment because it will bring about a curb on the harm done by leakage and spillage of oil. Though port authorities have done a good job in controlling this problem, some responsibility does lie with the Federal Government within territorial waters. This oil has been known to kill fish, thereby affecting a major Florida industry, and has also endangered the tourist industry by harming Florida beaches and bathing waters.

I am hopeful that the House will act with favor upon this needed legislation, and by so doing offer further protection for its valuable resources.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DOCUMENTATION AND INSPECTION OF VESSELS OF THE UNITED STATES

The Clerk called the bill (S. 1222) relating to documentation and inspection of vessels of the United States.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the laws of the United States relating to documentation and inspection of vessels of the United States, a vessel enrolled and licensed, or licensed as a vessel of the United States to engage in the fishery, shall not be deemed to be used in employment for which not licensed, and shall not be considered as engaged in the transportation of freight for hire, solely because such vessel occasionally takes on board on the high seas and transports without a monetary consideration to a port of the United States, the catch of another fishing vessel of the United States.

Mr. ROGERS of Florida. Mr. Speaker, I rise in support of this legislation and urge that it be given serious consideration by the House.

This bill is similar to H.R. 5889, which I introduced earlier in the session. Its purpose is to allow a vessel licensed as a fishing vessel to accept the cargo of another fishing vessel on the high seas. The bill would allow this transfer to occur without affecting the licenses of either vessel.

Under existing law, the vessels engaged in shrimping activities in the Obregon-Campeche bank of the Gulf of Mexico do so at great disadvantage. This area is located a minimum distance of 400 miles from U.S. shores, and a one-way trip from the United States to the Campeche area requires a minimum of 40 hours. This area is rich in shrimp, and fishing would be more profitable for American shrimpers if some provision for transfer of their catch could be arranged.

Fishing activities are limited to nighttime, and, of course, shrimp are highly perishable. The legislation before us would allow returning shrimpers to accept the catch of those remaining without violating their original fishing licenses or getting new cargo licenses.

The legislation clearly defines the exemption from Government inspection and manning requirements which in general might otherwise weaken the present laws establishing these requirements. Furthermore, the legislation has complete approval of the Departments of Interior, Commerce, and the Treasury, and its enactment would be at no cost to the Federal Government.

Mr. KILGORE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KILGORE. Mr. Speaker, this legislation is designed to legalize the practice of American fishermen that has been going on for years, id est, that of returning each other's catch to port. This practice is particularly adapted to the operation of the shrimp fishery of the Gulf of Mexico. The legislation would allow a U.S. fishing vessel operating under an enrolled license, to return the catch of another U.S. fishing vessel to a port in the United States without being held under existing customs law to have violated its enrolled license. Since existing customs regulations allow such a privilege to fleet owners whose boats operate under an enrolled license, this bill would only extend this privilege to small operators who own only one or two vessels.

The legislation is needed to allow freshly caught seafood to be delivered to market while still of fresh and desirable quality. Fishing vessels that have exhausted their provisions must return to their home port for reprovisioning, and on such occasion take on board and return the current catch of other fishing vessels operating in the same area. This practice allows vessels with adequate provisions to remain on the fishing grounds for extended periods of time. There is no preset pattern to such an operation. Therefore, a vessel captain does not know until departure time from the fishing grounds whether or not he will be asked to return the catch of other vessels.

In the Senate companion bill, S. 1222, passed by the Senate May 26, there was an amendment suggested by the Treasury Department for clarification that inserts the following language in lines 8 through 11 of the original bill, which reads "shall not be considered as engaged in the transportation of freight for hire, solely because such vessel occasionally takes on board on the high seas and transports without a monetary consideration to a port of the United States, the catch of another fishing vessel of the United States."

Evidently, this was desirable from the Bureau of Customs viewpoint to make clear that a U.S. vessel enrolled and licensed in the mackerel fishery should keep, as its chief occupation, that of a fishing vessel and not engage in the transporting of seafoods under such license as its chief occupation. Since there is no preset pattern to such activity as is envisioned in H.R. 682, the word "occasionally" as used in the amendment of the Senate bill shall be construed to mean "incidentally" as in reference to its regular fishing activity. In such case a vessel could foreseeably return the catch of other vessels on two or more successive return trips to its own port, but the vessel would have been engaged primarily in fishing between such trips. Bearing in mind that these vessels stay at sea for as long as 60 days, it would appear that such a definition for "occasionally" would completely fill the needs of the industry.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COAST AND GEODETIC SURVEY COMMISSIONED OFFICERS ACT OF 1948

The Clerk called the bill (S. 685) to amend the Coast and Geodetic Survey Commissioned Officers Act of 1948, as amended, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the

Coast and Geodetic Survey Commissioned Officers Act of 1948 (33 U.S.C. 853a–853r), as amended, is further amended by:

(a) Adding at the end of section 2 a new subsection reading as follows:

"(e) The total number of officers on active duty as authorized by law may be temporarily exceeded provided that the average number on active duty for the fiscal year shall not exceed the authorized number."

(b) Amending section 6(a) to delete the proviso added by the Act of June 21, 1955 (ch. 172, 69 Stat. 169, sec. 4).

(c) Redesignating section 12 as section 13.

(d) Adding a new section 12 reading as follows:

"SEC. 12. (a) Temporary appointment in the grade of ensign may be made by the President alone, provided such temporary appointment will be terminated at the close of the next regular session of the Congress unless confirmed by the Senate.

"(b) Officers in the permanent grade of ensign may be temporarily promoted to and appointed in the grade of lieutenant junior grade by the President alone whenever vacancies exist in higher grades.

"(c) When deemed necessary or desirable by the Secretary of Commerce to be in the best interest of the service, officers in any permanent grade may be temporarily promoted one grade by the President alone provided such temporary promotion will terminate upon the transfer of the officer to a new assignment, and further provided the number of officers holding temporary promotions under authority of this subsection shall not exceed the whole number nearest 1½ per centum of the total number of officers authorized to be on active duty."

(e) Redesignating section 13 as section 14, striking the word "thirty" and submitting the word "twenty" in lieu thereof.

(f) Redesignating sections 20 and 21 as sections 21 and 22, respectively.

(g) Adding a new section 20 reading as follows:

"SEC. 20. Notwithstanding the provisions of section 209 of the Act of June 30, 1932 (ch. 314, 47 Stat. 405; 5 U.S.C. 73c) when any commissioned officer of the Coast and Geodetic Survey is ordered to make a permanent change of station, one motor vehicle owned by him for his personal use may be transported to his new station on a Government-owned vessel or as otherwise authorized by law. Expenses incurred by virtue of this subsection shall be payable from the appropriation available for transportation of household effects."

(h) Adding a new section 23, as follows:

"SEC. 23. (a) Original appointments may be made in grades up to and including lieutenant after passage of a mental and physical examination given in accordance with regulations prescribed by the Secretary of Commerce: *Provided*, That the President, under such regulations as he may prescribe, may revoke the commission of any officer appointed under this section during his first three years of service if he is found not qualified for the service.

"(b) Any person appointed under authority of this section shall be placed on the lineal list of active duty officers in a position commensurate with his age, education, and experience in accordance with regulations prescribed by the Secretary of Commerce.

"(c)(1) For the purposes of basic pay any person appointed under this section to the grade of lieutenant or lieutenant (junior grade) shall be considered as having, on date of appointment, three years or one and one-half years service, respectively.

"(2) If a person appointed under this section is entitled to credit for the purpose of basic pay under other provision of law which would exceed that authorized by subsection (c)(1) he shall be credited with that service in lieu of the credit provided by subsection (c)(1)."

SEC. 2. Section 1(r) of the Civil Service Retirement Act, as amended (5 U.S.C. 2251 (r)), is further amended by inserting after "the Regular Corps or Reserve Corps of the Public Health Service", the phrase "or, after June 30, 1961, as a commissioned officer of the Coast and Geodetic Survey,".

SEC. 3. Section 304(c) of the Career Compensation Act of 1949, as amended (37 U.S.C. 254(c)), is further amended by inserting the words "or as Director of the Coast and Geodetic Survey" after the words "Surgeon General of the Public Health Service."

SEC. 4. Section 3(A) of the Act of August 10, 1956, as amended (33 U.S.C. 857(a)) (70A Stat. 618) is further amended by redesignating subsection 8 as subsection 9 and adding a new subsection 8 reading as follows:

"(8) Sections 2731, 2732, and 2735, property loss incident to service."

With the following committee amendment:

On page 4, lines 18 and 19, delete ", after June 30, 1961,".

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

AUTHORIZING SECRETARY OF THE TREASURY TO ISSUE CERTIFICATES OF HONORABLE DISCHARGE

The Clerk called the bill (H.R. 2292) to authorize the Secretary of the Treasury to issue certificates of honorable discharge in lieu of certificates of disenrollment to certain persons who served as temporary members of the U.S. Coast Guard Reserve during World War II.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WEAVER. Mr. Speaker, at the request of certain Members, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

PANAMA CANAL COMPANY

The Clerk called the bill (H.R. 3156) to make the Panama Canal Company immune from attachment or garnishment of salaries owed to its employees.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (d) of section 248 of title 2, Canal Zone Code, as added by section 2 of the Act of June 29, 1948 (62 Stat. 1078) is amended to read as follows:

"(d) May sue and be sued in its corporate name, but no attachment, garnishment, or similar process shall be issued against salaries or other moneys owed by the Company to its employees".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADMINISTRATION OF THE FISHERY LOAN FUND

The Clerk called the bill (H.R. 206) to facilitate administration of the fishery loan fund established by section 4 of the Fish and Wildlife Act of 1956, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, apparently this bill provides for the improvement of the administration of defaults on loans for the building of fishing trawlers. I doubt very much that the situation with respect to loans to commerical fishermen, particularly of New England, is going to help very much until this administration takes some action to shut off the import of frozen fish. Despite the Federal loan program to overhaul and build new fishing trawlers, we will more and more default until some of the free traders in Congress have a change of heart and impose realistic tariffs on the frozen fish coming into this country.

Mr. Speaker, I would like to direct the attention of my good friend, the distinguished majority leader [Mr. McCORMACK] to that situation that besets the New England fishing industry by reason of foreign imports.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purpose of facilitating administration of, and protecting the interest of the Government in, the fishery loan fund established by section 4 of the Fish and Wildlife Act of 1956 and any related type of activities relating to fisheries for which the Department of the Interior is now or may hereafter be responsible, the Secretary of the Interior, notwithstanding any other provision of law, may hereafter administer, complete, recondition, reconstruct, renovate, repair, maintain, operate, charter, assign, or sell upon such terms and conditions as he may deem most advantageous to the United States, any vessel, plant, or other property acquired by him on behalf of the United States and arising out of any fishery loan or any related type of activity by the Secretary of the Interior. The Secretary may use any of the applicable funds in each particular instance for the aforesaid purposes.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELIMINATION OF OATH REQUIREMENT ON EXPORT DECLARATIONS

The Clerk called the bill (S. 1289) to amend sections 337 and 4200 of the Revised Statutes of the United States so

as to eliminate the oath requirement with respect to certain export manifests.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4200 of the Revised Statutes of the United States (46 U.S.C. 92) is amended—

(1) by striking out "oath" in the first two sentences and inserting in lieu thereof "certification";

(2) by striking out "upon oath" in the third sentence and inserting in lieu thereof "by certification"; and

(3) by striking out that portion of the fourth sentence preceding the proviso and inserting in lieu thereof "The certifications shall be in writing".

SEC. 2. That section 337 of the Revised Statutes of the United States (15 U.S.C. 174) is amended by striking out "oath" in the third sentence of the paragraph numbered "Fifth" and inserting "certification".

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SECOND-CLASS MAILINGS OF CERTAIN PUBLICATIONS

The Clerk called the bill (H.R. 4975) to permit the entry and mailing as second-class mail of publications of elementary and secondary institutions of learning, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4355(a) of title 39 of the United States Code is amended—

(1) by striking out the word "or" immediately following the semicolon at the end of subparagraph (8);

(2) by striking out the period at the end of subparagraph (9) and inserting in lieu of such period a semicolon and the word "or"; and

(3) by adding at the end thereof the following new subparagraph (10):

"(10) by any public or nonprofit private elementary or secondary institution of learning or its administrative or governing body.".

With the following committee amendment:

Page 2, line 5, insert the word "published" immediately before "(10)".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDE QUARTERS FOR CIVILIAN OFFICERS

The Clerk called the bill (H.R. 7021) to authorize Government agencies to provide quarters, household furniture and equipment, utilities, subsistence, and laundry service to civilian officers and employees of the United States, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the head of each department, independent establishment, and Government corporation may, under such regulation as the President may prescribe and where conditions of employment or availability of quarters warrant it, provide, either directly or by contract, civilian officers and employees stationed in the United States, its territories and possessions, the Commonwealth of Puerto Rico, and the Trust Territory of the Pacific Islands, with quarters (Government owned or leased), household furniture and equipment, utilities, subsistence, and laundry service.

SEC. 2. Rental rates for any Government owned or leased quarters provided under authority of section 1 of this Act, or occupied on a rental basis under authority of any other provision of law, and charges for any furniture and equipment, utilities, subsistence, and laundry service made available in connection with the occupancy of such quarters, shall be based on the reasonable value thereof to the officer, employee, or member of the uniformed services concerned, in the circumstances under which furnished. Such rates and charges shall be determined in accordance with such regulations as the President may prescribe, and the amounts thereof shall be paid by or deducted from the salary of such officer, employee, or member of the uniformed services, or otherwise charged against them.

SEC. 3. Whenever, as an incidental service in support of a Government program, any Government owned or leased quarters, and any related furniture and equipment, utilities, subsistence, and laundry service are provided, under specific Government direction, to any person who is not an officer or employee of the Government or a member of the uniformed services, the rates and charges therefor, which shall be paid or otherwise accredited to the Government, shall be determined in accordance with section 2 of this Act.

SEC. 4. No civilian officer, employee, or member of the uniformed services, shall be required to occupy Government owned or leased rental quarters unless the head of the agency concerned shall determine that necessary service cannot be rendered or property of the United States cannot be adequately protected otherwise.

SEC. 5. Section 2 of this Act shall not be construed as repealing or modifying any provision of law which may authorize the provision, without charge or at specified rates, or any of the items enumerated in section 1 of this Act, to any specific civilian officer or employee, or to any class of such officers or employees, or to such officers or employees under emergency conditions or to members of the uniformed services.

SEC. 6. Section 3 of the Act of March 5, 1928 (45 Stat. 193 (5 U.S.C. 75a)), is repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMPENSATORY TIME OWING TO DECEASED POSTAL EMPLOYEES

The Clerk called the bill (H.R. 7061) to amend title 39 of the United States Code to provide for payment for unused compensatory time owing to deceased postal employees, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, since this bill is scheduled under suspensions, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

FUNDS RECEIVED BY POST OFFICE DEPARTMENT

The Clerk called the bill (H.R. 7532) to amend title 39 of the United States Code relating to funds received by the Post Office Department from payments for damage to personal property, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2203 of title 39 of the United States Code is amended by adding at the end thereof the following new subjection:

"(c) Collections from the following shall be credited by the Postmaster General to current applicable appropriations of the Department and shall be available for expenditure for the purpose of such applicable appropriations—

"(1) Payments for damage to Government-owned personal property under custody and control of the Department;

"(2) Rent paid by private concerns for space in buildings acquired by the Department under the provisions of section 2102 and 2103 of this title;

"(3) Payments made by contractors for services performed for them by postal personnel; and

"(4) Fines, penalties, and refunds resulting from nonperformance or inadequate performance under contracts with the Department."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

POSTAGE RATES ON FILMS UNDER 16 MILLIMETERS

The Clerk called the bill (H.R. 2587) to extend the postage rates for books and other educational materials to 8-millimeter films and 8-millimeter film catalogs for educational use.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4554(a) of title 39 of the United States Code is amended by striking out "(2) 16-millimeter films and 16-millimeter film catalogs except when sent to commercial theaters;" and inserting in lieu thereof "(2) 8-millimeter and 16-millimeter films and 8-millimeter and 16-millimeter film catalogs except when sent to commercial theaters;".

(b) Section 4554(c) of such title is amended by striking out "16-millimeter films," and inserting in lieu thereof "8-millimeter and 16-millimeter films,".

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That section 4554(c) of title 38, United States Code, is amended by striking out '16-millimeter films,' and inserting in lieu thereof '16-millimeter and smaller size films,'."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill to extend the postage rates on library materials to films under 16 millimeters in size and film catalogs thereof."

A motion to reconsider was laid on the table.

APPLYING FEDERAL BOATING ACT OF 1958 TO PUERTO RICO, VIRGIN ISLANDS, AND GUAM

The Clerk called the bill (S. 883) to extend the application of the Federal Boating Act of 1958 to the Commonwealth of Puerto Rico, the Virgin Islands, and Guam.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Boating Act of 1958 (72 Stat. 1754; 46 U.S.C. 527–527h) is amended as follows:

(1) Paragraph numbered (5) of section 2 is amended to read:

"(5) The term 'State' means a State of the United States, the Commonwealth of Puerto Rico, the Virgin Islands, Guam and the District of Columbia."

(2) Sections 3(a), 8(c), and 13 are amended by striking out the words "its Territories" and substituting the words "the Commonwealth of Puerto Rico, the Virgin Islands, Guam" in place thereof.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HAWAII VOLCANOES NATIONAL PARK

The Clerk called the bill (S. 1317) to change the designation of that portion of the Hawaii National Park on the island of Hawaii, in the State of Hawaii, to the Hawaii Volcanoes National Park, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective July 1, 1961, the portion of the Hawaii National Park situated on the island of Hawaii, established and administered pursuant to the Act of August 1, 1916 (39 Stat. 432), as amended and supplemented, shall be known as the Hawaii Volcanoes National Park.

With the following committee amendment:

Page 1, line 3, strike out the words "July 1, 1961," and insert in lieu thereof "upon the enactment of this Act,".

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONTRACT WITH THE HUNTLEY PROJECT, MONTANA

The Clerk called the bill (H.R. 7114) to approve the amendatory repayment contract negotiated with the Huntley Project Irrigation District, Montana, to authorize its execution, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 1697, be considered in lieu of the House bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There being no objection, the Clerk read the Senate bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the contract with the Huntley Project Irrigation District, which was negotiated by the Secretary of the Interior pursuant to subsection (a) of section 7 of the Reclamation Project Act of 1939 (53 Stat. 1187) and approved as to form by the Department of the Interior on November 20, 1959, is hereby approved for execution, and the Secretary is authorized to execute and perform the same on behalf of the United States.

SEC. 2. The 1956 reclassificattion of lands of the Huntley Project Irrigation District is approved.

SEC. 3. There shall be deducted from the total cost of the Huntley project and from the construction charge obligation of the Huntley Project Irrigation District, contingent upon execution of the contract with the Huntley Project Irrigation District, approved in section 1 hereof, the amount of the unmatured construction charges against the two thousand five hundred and thirty acres found to be permanently unproductive by the 1956 reclassification of lands.

SEC. 4. All costs and expenses incurred by the United States in negotiating and completing the contract approved under section 1 of this Act and in making the investigations in connection therewith shall not exceed the sum of $13,000, and shall, contingent upon the final confirmation and execution of that contract, be nonreimbursable and nonreturnable under the Federal reclamation laws.

SEC. 5. This Act is declared to be a part of the Federal reclamation laws as those laws are defined in the Reclamation Project Act of 1939, supra.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 7114) was laid on the table.

ERADICATION OF HOG CHOLERA

The Clerk called the bill (H.R. 7176) to provide for a national hog cholera eradication program.

Mr. WEAVER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

PROTECTION OF MARINE MAMMALS ON THE HIGH SEAS

The Clerk called the bill (H.R. 7490) for the protection of marine mammals on the high seas, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in recognition of the desirability of the conservation of the polar bear, sea otter, and walrus within or upon the high seas outside of territorial waters of the United States, the Secretary of the Interior is authorized in his discretion to take action, consistent with the purposes and provisions of this Act, to protect, conserve, and manage the aforesaid species, hereafter referred to as "marine mammals": *Provided,* That the application of the regulatory powers and the provisions of this Act shall be limited to the citizens, nationals, and other persons subject to the jurisdiction of the United States on or over the high seas outside of territorial waters of the United States and the property of such persons. The provisions of this Act shall govern hereafter the taking, possession, and transportation of marine mammals on the high seas by such persons.

SEC. 2. (a) Unless and except as permitted by this Act, or in accordance with regulations issued by the Secretary as hereafter authorized, it shall be unlawful to take, attempt or take, possess, transport, sell, offer to sell, purchase, or offer to purchase, any of the aforesaid marine mammals, or any part thereof;

(b) It shall be unlawful for any person, in violation of this Act, needlessly to destroy any marine mammal or needlessly to abandon or waste the usable portions of any such marine mammal, or to waste or to abandon the hide, fur, or skin of such mammal where such hide, fur, skin, or other part thereof has commercial value and its sale is permitted;

(c) The possession of any marine mammal or part thereof in circumstances prohibiting such possession shall, in any action constitute prima facie evidence that it was taken, possessed, bought, sold, or transported, as the case may be, in violation of the provisions of this Act or the regulations relating thereto.

(d) Any guns, traps, nets, aircraft, vessel, vehicles, paraphernalia, or other personal property used in or in aid of a violation of this Act or the regulations relating thereto may be seized; and all marine mammals, or parts thereof, taken, possessed, transported, imported, or exported contrary to the provisions of this Act or the regulations relating thereto may be seized by any officer or person authorized to enforce this Act or regulations thereunder. Upon conviction of the offender, or upon judgment that the same were being used or were taken, possessed, or transported in violation of this Act, such properties may be forfeited to the United States and disposed of as directed by the court; and, if sold, the proceeds of sale shall be disposed of as miscellaneous receipts; and

(e) In addition to the foregoing provisions and other requirements of this Act, the Secretary is authorized in his discretion to issue such regulations and to take such regulatory or conservation measures as he may deem advisable to carry out the purposes and provisions of this Act; and a violation of the regulations of the Secretary shall constitute a violation of this Act.

SEC. 3. (a) Any district court of the United States shall have trial jurisdiction with respect to all offenses and actions regardless of the place of origin of the particular offense or violation;

(b) The judges of the United States district courts and United States Commissioners may, upon proper oath, or affirmation showing probable cause, issue such warrants or

other process as may be required for enforcement of this Act and the regulations issued pursuant thereto.

(c) It shall be the duty of United States attorneys, as required in the particular circumstances and regardless of the place of origin of the particular offense, to prosecute or to assist in the prosecution of actions and proceedings that are called for in the enforcement of this Act and the regulations issued pursuant thereto:

(d) Any authorized employee of the Department of the Interior, any United States marshal or deputy United States marshal, any enforcement officer of the Treasury Department, and any other person authorized by the Secretary to enforce this Act, shall have the power, without a warrant or other process, to arrest any person to which this Act is applicable committing in his presence or view a violation of this Act or of the regulations issued thereunder, and to take such person for examination or other appropriate action before a justice or judge or other official in accordance with section 3041, title 18, United States Code; and

(e) Such authorized employee of the Department of the Interior, United States marshal, deputy United States marshal, enforcement officer of the Treasury Department, or any other person authorized by the Secretary to carry out enforcement activities hereunder shall have the power, without a warrant or other process to search any vessel subject to the jurisdiction of the United States, and if as a result of such a search he has reasonable cause to believe that such vessel or any person on board is engaging in operations in violation of the provisions of this Act, or the regulations issued pursuant thereto, to arrest such person.

(f) The Secretary is authorized to cooperate with and utilize such voluntary and other assistance by Federal, State, or other public agencies and the personnel thereof in order to carry out any of the purposes of this Act as he may deem appropriate. Any Federal agency that is in a position to render assistance hereunder, and can render such assistance without unduly restricting its activities, is hereby directed to provide such assistance to the Secretary in carrying out the purpose of this Act.

SEC. 4. Any person who violates any provisions of this Act or any order or regulation issued pursuant thereto, is guilty of a misdemeanor and upon conviction thereof shall be fined not more than $1,000, or a year in jail, or both.

SEC. 5. This Act shall be known as the "Marine Mammals Act."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAND EXCHANGE WITH AFTON, WYO.

The Clerk called the bill (S. 702) to authorize the Secretary of Agriculture to exchange certain lands in the State of Wyoming with the town of Afton, Wyo.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of Agriculture is authorized to convey by quitclaim deed the following described tract of land situated in Lincoln County, Wyoming: Commencing at a point which is 6 rods east and 10 rods north from the southwest corner of lot 4, block 20, of the Afton, Wyoming, townsite; thence east 4 rods, thence north 5 rods, thence west 4 rods, thence south 5 rods, to the point of beginning, containing 0.125 acre, subject to the reservation of an easement for a right-of-way for a road, 1 rod in width, across the north side of said tract.

(b) In exchange for the land to be conveyed pursuant to the provisions of subsection (a) the Secretary of Agriculture is authorized to accept on behalf of the United States the conveyance in fee simple, subject to such outstanding rights and reservations as he determines will not interfere with the purposes for which the land is being acquired, of other land in the State of Wyoming: *Provided,* That the value of the land to be conveyed to the United States shall be not less than the value of the land granted in exchange as determined by the Secretary of Agriculture.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CELEBRATION OF THE AMERICAN PATENT SYSTEM

The Clerk called the resolution (H.J. Res. 499) authorizing a celebration of the American patent system.

There being no objection, the Clerk read the joint resolution as follows:

Whereas there occurred on July 4, 1961, the one hundred and twenty-fifth anniversary of the enactment of the Patent Act of 1836 which created the present examination system for the grant of patents and which established the United States Patent Office as a separate and distinct bureau; and

Whereas there will be granted in the year 1961 the three millionth patent since the enactment of this Patent Act; and

Whereas the patent grant is a traditional incentive for the promotion of the progress of the useful arts thereby contributing notably to the well-being of people everywhere; and

Whereas encouragement of invention is essential to the continued economic and technological development of this Nation, particularly in the light of our international relationships and obligations; and

Whereas it is fitting that this anniversary of this important Patent Act and the establishment of the Patent Office which proved so advantageous to this country and to the other countries of the world should be observed: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Commerce and the Commissioner of Patents and such other persons or groups as they may designate be authorized to make suitable arrangements for an appropriate observance to show the improvement role of the American patent system and the United States Patent Office in the growth and progress of the United States of America; and be it further

Resolved, That the President of the United States be requested to designate the week of October 15, 1961, as "The American Patent System Week", to invite a general public commemoration of an event which has proved to be so important to this Nation and to the world.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REIMBURSEMENTS BETWEEN APPROPRIATIONS OF THE BUREAU OF THE CENSUS

The Clerk called the bill (H.R. 7416) to authorize the Bureau of the Census to make appropriate reimbursements between the respective appropriations available to the Bureau, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subchapter I of chapter I of title 13, United States Code, is amended by adding at the end of such subchapter the following new section:

"§ 14. Reimbursement between appropriations

"Subject to limitations applicable with respect to each appropriation concerned, each appropriation available to the Bureau may be charged, at any time during a fiscal year, for the benefit of any other appropriation available to the Bureau, for the purpose of financing the procurement of materials and services, or financing activities or other costs, for which funds are available both in the financing appropriation so charged and in the appropriation so benefited; except that such expenses so financed shall be charged on a final basis, as of a date not later than the close of such fiscal year, to the appropriation so benefited, with appropriate credit to the financing appropriation.".

(b) The table of contents of such subchapter I is amended by adding

"14. Reimbursement between appropriations."

immediately below

"13. Procurement of professional services.".

SEC. 2. The amendments made by the first section of this Act shall be effective with respect to each fiscal year which begins on or after July 1, 1961.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BURIAL FLAG FOR VETERANS OF MEXICAN BORDER SERVICE

The Clerk called the bill (H.R. 1098) to amend section 901 of title 38, United States Code, to provide that a flag shall be furnished to drape the casket of each deceased veteran of Mexican border service.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 901 of title 38, United States Code, is amended by adding at the end thereof the following:

"(c) For the purposes of this section, the term 'veteran of any war' includes any veteran who served in the active military or naval service during the period beginning on January 1, 1911, and ending on April 5, 1917, in Mexico, on the borders thereof, or in the waters adjacent thereto."

With the following committee amendment:

On page 1 strike out all of lines 4 through 9 inclusive and insert in lieu thereof the following: "by—

"(1) Inserting after the phrase 'veterans of any war' in subsection (a) thereof, the phrase 'or of Mexican border service'; and

"(2) Adding at the end thereof the following new subsection—

"'(c) For the purpose of this section, the term "Mexican border service" means active military, naval, or air service during the period beginning on January 1, 1911, and

ending on April 5, 1917, in Mexico, on the borders thereof, or in the waters adjacent thereto.'"

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

APPROVAL OF COURSES UNDER WAR ORPHANS' EDUCATIONAL ASSISTANCE ACT

The Clerk called the bill (H.R. 5939) to amend chapter 35 of title 38, United States Code, to provide that after the expiration of the Korean conflict veterans' education and training program, approval of courses under the war orphan's educational assistance program shall be by State approving agencies.

There being no objection, the Clerk read the bill as follows:

Be is enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 35 of title 38, United States Code, is amended by adding at the end thereof the following:

"SUBCHAPTER VII—STATE APPROVING AGENCIES

"§ 1771. Designation

"(a) Unless otherwise established by the law of the State concerned, the chief executive of each State is requested to create or designate a State department or agency as the 'State approving agency' for his State for the purposes of this chapter after the date for the expiration of all education and training provided for in chapter 33 of this title. Such agency may be the agency designated or created in accordance with section 1641 of this title.

"(b)(1) If any State fails or declines to create or designate a State approving agency, the provisions of this chapter which refer to the State approving agency shall, with respect to such State, be deemed to refer to the Administrator.

"(2) In the case of courses subject to approval by the Administrator under section 1772 of this title, the provisions of this chapter which refer to a State approving agency shall be deemed to refer to the Administrator.

"§ 1772. Approval of courses

"(a) An eligible person shall receive the benefits of this chapter while enrolled in a course of education offered by an educational institution only if (1) such course is approved as provided in this chapter by the State approving agency for the State where such educational institution is located, or by the Administrator, or (2) such course is approved (A) for the enrollment of the particular individual under the provisions of section 1737 of this title or (B) for special restorative training under subchapter V of this chapter. Approval of courses by State approving agencies shall be in accordance with the provisions of this chapter and such other regulations and policies as the State approving agency may adopt. Each State approving agency shall furnish the Administrator with a current list of educational institutions specifying courses which it has approved, and, in addition to such list, it shall furnish such other information to the Administrator as it and the Administrator may determine to be necessary to carry out the purposes of the chapter. Each State approving agency shall notify the Administrator of the disapproval of any course previously approved and shall set forth the reasons for such disapproval.

"(b) The Administrator shall be responsible for the approval of courses of education offered by any agency of the Federal Government authorized under other laws to supervise such education. The Administrator may approve any course in any other educational institution in accordance with the provisions of this chapter.

"§ 1773. Cooperation

"(a) The Administrator and each State approving agency shall take cognizance of the fact that definite duties, functions, and responsibilities are conferred upon the Administrator and each State approving agency under the educational programs established under this chapter. To assure that such programs are effectively and efficiently administered, the cooperation of the Administrator and the State approving agencies is essential. It is necessary to establish an exchange of information pertaining to activities of educational institutions, and particular attention should be given to the enforcement of approval standards, enforcement of enrollment restrictions, and fraudulent and other criminal activities on the part of persons connected with educational institutions in which eligible persons are enrolled under this chapter.

"(b) The Administrator will furnish the State approving agencies with copies of such Veterans' Administration informational material as may aid them in carrying out this chapter.

"§ 1774. Reimbursement of expenses

"The Administrator is authorized to enter into contracts or agreements with State and local agencies to pay such State and local agencies for reasonable and necessary expenses of salary and travel incurred by employees of such agencies in (1) rendering necessary services in ascertaining the qualifications of educational institutions for furnishing courses of education to eligible persons under this chapter, and in the supervision of such educational institutions, and (2) furnishing, at the request of the Administrator, any other services in connection with this chapter. Each such contract or agreement shall be conditioned upon compliance with the standards and provisions of this chapter.

"§ 1775. Approval of accredited courses

"(a) A State approving agency may approve the courses offered by an educational institution when—

"(1) such courses have been accredited and approved by a nationally recognized accrediting agency or association;

"(2) credit for such course is approved by the State department of education for credit toward a high school diploma;

"(3) such courses are conducted under sections 11–28 of title 20; or

"(4) such courses are accepted by the State department of education for credit for a teacher's certificate or a teacher's degree. For the purposes of this chapter the Commissioner of Education shall publish a list of nationally recognized accrediting agencies and associations which he determines to be reliable authority as to the quality of training offered by an educational institution and the State approving agencies may, upon concurrence, utilize the accreditation of such accrediting associations or agencies for approval of the courses specifically accredited and approved by such accrediting association or agency. In making application for approval, the institution shall transmit to the State approving agency copies of its catalog or bulletin.

"(b) As a condition to approval under this section, the State approving agency must find that adequate records are kept by the educational institution to show the progress of each eligible person. The State approving agency must also find that the educational institution maintains a written record of the previous education and training of the eligible person and clearly indicates that appropriate credit has been given by the institution for previous education and training, with the training period shortened proportionately and the eligible person and the Administrator so notified.

"§ 1776. Approval of nonaccredited courses

"(a) No course of education which has not been approved by a State approving agency pursuant to section 1653 or 1775 of this title, which is offered by a public or private, profit or nonprofit, educational institution shall be approved for the purposes of this chapter unless the educational institution offering such course submits to the appropriate State approving agency a written application for approval of such course in accordance with the provisions of this chapter.

"(b) Such application shall be accompanied by not less than two copies of the current catalog or bulletin which is certified as true and correct in content and policy by an authorized owner or official and includes the following:

"(1) Identifying data, such as volume number and date of publication;

"(2) Names of the institution and its governing body, officials and faculty;

"(3) A calendar of the institution showing legal holidays, beginning and ending date of each quarter, term, or semester, and other important dates;

"(4) Institution policy and regulations on enrollment with respect to enrollment dates and specific entrance requirements for each course;

"(5) Institution policy and regulations relative to leave, absences, class cuts, makeup work, tardiness and interruptions for unsatisfactory attendance;

"(6) Institution policy and regulations relative to standards of progress required of the student by the institution (this policy will define the grading system of the institution, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress and a description of the probationary period, if any, allowed by the institution, and conditions of reentrance for those students dismissed for unsatisfactory progress. A statement will be made regarding progress records kept by the institution and furnished the student);

"(7) Institution policy and regulations relating to student conduct and conditions for dismissal for unsatisfactory conduct;

"(8) Detailed schedules of fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;

"(9) Policy and regulations of the institution relative to the refund of the unused portion of tuition, fees, and other charges in the event the student does not enter the course or withdraws or is discontinued therefrom;

"(10) A description of the available space, facilities, and equipment;

"(11) A course outline for each course for which approval is requested, showing subjects or units in the course, type of work or skill to be learned, and approximate time and clock hours to be spent on each subject or unit; and

"(12) Policy and regulations of the institution relative to granting credit for previous educational training.

"(c) The appropriate State approving agency may approve the application of such institution when the institution and its nonaccredited courses are found upon investigation to have met the following criteria:

"(1) The courses, curriculum, and instruction are consistent in quality, content, and length with similar courses in public schools and other private schools in the State, with recognized accepted standards.

"(2) There is in the institution adequate space, equipment, instructional material, and instructor personnel to provide training of good quality.

"(3) Educational and experience qualifications of directors, administrators, and instructors are adequate.

"(4) The institution maintains a written record of the previous education and training of the eligible person and clearly indicates that appropriate credit has been given by the institution for previous education and training, with the training period shortened proportionately and the eligible person and the Administrator so notified.

"(5) A copy of the course outline, schedule of tuition, fees, and other charges, regulations pertaining to absence, grading policy, and rules of operation and conduct will be furnished the eligible person upon enrollment.

"(6) Upon completion of training, the eligible person is given a certificate by the institution indicating the approved course and indicating that training was satisfactorily completed.

"(7) Adequate records as prescribed by the State approving agency are kept to show attendance and progress or grades, and satisfactory standards relating to attendance, progress, and conduct are enforced.

"(8) The institution complies with all local, city, county, municipal, State, and Federal regulations, such as fire codes, building and sanitation codes. The State approving agency may require such evidence of compliance as is deemed necessary.

"(9) The institution is financially sound and capable of fulfilling its commitments for training.

"(10) The institution does not utilize advertising of any type which is erroneous or misleading, either by actual statement, omission, or intimation. The institution shall not be deemed to have met this requirement until the State approving agency (A) has ascertained from the Federal Trade Commission whether the Commission has issued an order to the institution to cease and desist from any act or practice, and (B) has, if such an order has been issued, given due weight to that fact.

"(11) The institution does not exceed its enrollment limitations as established by the State approving agency.

"(12) The institution's administrators, directors, owners, and instructors are of good reputation and character.

"(13) The institution has and maintains a policy for the refund of the unused portion of tuition, fees, and other charges in the event the eligible person fails to enter the course or withdraws or is discontinued therefrom at any time prior to completion and such policy must provide that the amount charged to the eligible person for tuition, fees, and other charges for a portion of the course shall not exceed the approximate pro rata portion of the total charges for tuition, fees, and other charges that the length of the completed portion of the course bears to its total length.

"(14) Such additional criteria as may be deemed necessary by the State approving agency.

"§ 1777. Notice of approval of courses

"The State approving agency, upon determining that an educational institution has complied with all the requirements of this chapter, will issue a letter to such institution setting forth the courses which have been approved for the purposes of this chapter, and will furnish an official copy of such letter and any subsequent amendments to the Administrator. The letter of approval shall be accompanied by a copy of the catalog or bulletin of the institution, as approved by the State approving agency, and shall contain the following information:

"(1) date of letter and effective date of approval of courses;

"(2) proper address and name of each educational institution;

"(3) authority for approval and conditions of approval, referring specifically to the approved catalog or bulletin published by the educational institution;

"(4) name of each course approved;

"(5) where applicable, enrollment limitations such as maximum numbers authorized and student-teacher ratio;

"(6) signature of responsible official of State approving agency; and

"(7) such other fair and reasonable provisions as are considered necessary by the appropriate State approving agency.

"§ 1778. Disapproval of courses

"(a) Any course approved for the purposes of this chapter which fails to meet any of the requirements of this chapter shall be immediately disapproved by the appropriate State approving agency. An educational institution which has its courses disapproved by a State approving agency will be notified of such disapproval by a certified or registered letter of notification and a return receipt secured.

"(b) Each State approving agency shall notify the Administrator of each course which it has disapproved under this section. The Administrator shall notify the State approving agency of his disapproval of any educational institution under chapter 31 of this title."

SEC. 2. Section 1735 of title 38, United States Code, is amended (1) by striking out "An" in subsection (a) and inserting in lieu thereof "Until the date for the expiration of all education and training under chapter 33 of this title, an"; (2) by inserting immediately after "this section" in subsection (a) the following "or subchapter VII of this chapter"; (3) by inserting immediately after "section 1656" in subsection (b) the following "or section 1778"; and (4) by striking out subsection (c).

SEC. 3. Section 1736 of title 38, United States Code, is amended (1) by inserting "(a)" immediately before "The Administrator"; (2) by striking out "or any of the standards and criteria of sections 1653 and 1654 of this title"; and (3) by adding at the end thereof the following:

"(b) Until the date for the expiration of all education and training under chapter 33 of this title, the Administrator may discontinue the educational assistance allowance of any eligible person if he finds that the course of education in which the eligible person is enrolled fails to meet any of the standards and criteria of sections 1653 and 1654 of this title."

SEC. 4. Section 1737 of title 38, United States Code, is amended by striking out "Notwithstanding the provisions of subsections (b) and (c) of section 1735 of this title, the" and inserting in lieu thereof "The".

SEC. 5. The analysis of chapter 35 of title 38, United States Code, is amended by adding at the end thereof the following:

"SUBCHAPTER VII—STATE APPROVING AGENCIES

"1771. Designation.
"1772. Approval of courses.
"1773. Cooperation.
"1774. Reimbursement of expenses.
"1775. Approval of accredited courses.
"1776. Approval of nonaccredited courses.
"1777. Notice of approval of courses.
"1778. Disapproval of courses."

With the following committee amendments:

On page 5, line 9, strike out all of lines 9, 10, and 11.

On page 5, line 12, strike out "3" and insert "2".

On page 5, line 14, strike out "4" and insert "3".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INCREASED DEPENDENCY AND INDEMNITY COMPENSATION FOR CERTAIN VETERANS' WIDOWS

The Clerk called the bill (H.R. 6969) to amend section 417 of title 38, United States Code, to provide that death pension may be paid in lieu of dependency and indemnity compensation in certain cases involving service-connected deaths occurring after December 31, 1956.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 417(b) of title 38, United States Code, is amended by striking out "or death pension".

SEC. 2. The amendments made by this Act shall take effect as of the first day of the first calendar month which begins after the date of its enactment.

With the following committee amendments:

On page 1 strike out lines 3 and 4 and insert in lieu thereof the following:

"That (a) section 412, title 38, United States Code, is amended by inserting '(a)' immediately before 'In the case of any veteran' and by adding at the end of the section the following new subsection:

"'(b) In any case where the amount of dependency and indemnity compensation payable under this chapter is less than the amount of pension which would be payable under chapter 15 of this title had the death occurred under circumstances authorizing payment of death pension, the Administrator shall pay dependency and indemnity compensation in an amount equal to such amount of pension.'

"(b) The following provisions of title 38, United States Code, are each amended by striking out 'section 412' each place it appears and inserting in lieu thereof 'section 412(a)': Sections 107, 411(d)(1), 415(g)(1), 422(c), and 503(3).

"(c) Section 422(a) of title 38, United States Code, is amended by striking out '412(2)' and '412(3)' and inserting in lieu thereof '412(a)(2)' and '412(a)(3)', respectively, and by striking out 'section 412' and inserting in lieu thereof 'section 412(a)'.

"SEC. 2. Increased benefits provided by this Act shall be payable from the effective date of the Act in the case of any person receiving dependency and indemnity compensation on such date only if application therefor is filed in the Veterans Administration within one year from such date and evidence of entitlement is of record or received within one year from the date of request therefor."

On page 3, line 1, strike out "2" and insert "3".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended to read: A bill to amend title 38, United States Code, to increase dependency and indemnity compensation in certain cases.

A motion to reconsider was laid on the table.

REVOLVING SUPPLY FUND OF THE VETERANS' ADMINISTRATION

The Clerk called the bill (H.R. 8414) to amend section 5011 of title 38, United States Code, to clarify the authority of the Veterans' Administration to use its revolving supply fund for the repair and reclamation of personal property.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5011(a) of title 38, United States Code, is amended by—

(1) changing the parenthetical clause in the first sentence to read: "(including procurement of supplies, equipment, and personal services and the repair and reclamation of used, spent, or excess personal property)"; and

(2) inserting in paragraph (3) immediately after the words "operation of the fund, including" the following: "property returned to the supply system when no longer required by activities to which it had been furnished,".

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

DONATIONS FOR COLLEGE HOME ECONOMICS CLASSES

The Clerk called the bill (S. 1873) to amend the act entitled "An act to authorize the Commodity Credit Corporation to donate dairy products and other agricultural commodities for use in home economics courses," approved September 13, 1960 (74 Stat. 899), in order to permit the use of donated foods under certain circumstances for training college students.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to authorize the Commodity Credit Corporation to donate dairy products and other agricultural commodities for use in home economics courses", approved September 13, 1960 (74 Stat. 899), is amended by striking out the period at the end of such Act and inserting in lieu thereof a comma and the following: "including college students if the same facilities and instructors are used for training both high school and college students in home economics courses."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAND CONVEYANCE TO THE STATE OF WYOMING

The Clerk called the bill (H.R. 3879) to authorize and direct the Secretary of Agriculture to convey to the State of Wyoming for agricultural purposes certain real property in Sweetwater County, Wyo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized and directed to convey by quitclaim deed to the State of Wyoming, without cost, the real property constituting the Farson Pilot Farm land and known as farm unit numbered W–18, Eden Valley project, Sweetwater County, Wyoming, more particularly described as follows:

An irregular tract of land situated in lots 1, 2, 3, and 4, and the southwest quarter, and the west half southeast quarter of section 1, and lot 1 and east half southeast quarter of section 2, and the east half northeast quarter of section 11, and the northwest quarter of section 12, township 24 north, range 107 west of the sixth principal meridian, Wyoming, more definitely described as follows:

Beginning at the quarter corner common to sections 1 and 12, township 24 north, range 107 west;

South 00 degrees 03 minutes west 2,633.4 feet along the north quarter section line of section 12 to a brass cap monument, the center quarter corner of section 12, the southeast corner of farm unit W–18;

South 89 degrees 41 minutes west 2,634.8 feet along the west quarter section line of section 12 to the quarter corner common to sections 11 and 12;

South 89 degrees 52 minutes west 1,320.2 feet along the east quarter section line of section 11 to a brass cap monument, the east sixteenth center corner of section 11, the southwest corner of farm unit W–18;

North 00 degrees 02 minutes west 450.4 feet along the east sixteenth section line of section 11 to an iron pin on the south right-of-way line of United States west side lateral wasteway;

North 00 degrees 02 minutes west 132.6 feet along the east sixteenth section line of section 11 and along the west right-of-way line of United States west side lateral wasteway to a point on the north right-of-way line of United States west side lateral wasteway;

North 00 degrees 02 minutes west 2,054.9 feet along the east sixteenth section line of section 11 to a brass cap monument, the east sixteenth corner common to sections 2 and 11;

North 00 degrees 01 minutes west 2,255.1 feet along the east sixteenth section line of section 2 to an iron pin on the centerline of county road right-of-way;

North 00 degrees 01 minutes west 38.8 feet along the east sixteenth section line of section 2 to a brass cap monument on the north right-of-way line of county road;

North 00 degrees 01 minutes west 338.8 feet along the east sixteenth section line of section 2 to a brass cap monument, the east sixteenth center corner of section 2;

North 00 degrees 01 minutes east 944.7 feet along the east sixteenth section line of section 2 to a brass cap monument, the east sixteenth corner on the north boundary of section 2, the northwest corner of farm unit W–18;

North 88 degrees 51 minutes east 158.2 feet along the north section line of section 2, township 24 north, range 107 west to the south quarter corner of section 31, township 25 north, range 106 west;

North 89 degrees 51 minutes east 1,161.3 feet along the north section line of section 2, township 24 north, range 107 west to the north section corner common to sections 1 and 2, township 24 north, range 107 west;

North 89 degrees 51 minutes east 778.6 feet along the north section line of section 1, township 24 north, range 107 west to a brass cap monument on the north right-of-way line of county road;

North 89 degrees 51 minutes east 63.2 feet along the north section line of section 1, township 24 north, range 107 west to an iron pin on the centerline of county road right-of-way;

North 89 degrees 51 minutes east 425.0 feet along the north section line of section 1, township 24 north, range 107 west to an iron pin on the west right-of-way line of United States sublateral W–26;

North 89 degrees 51 minutes east 219.3 feet along the north section line of section 1, township 24 north, range 107 west to the south section corner common to sections 31 and 32, township 25 north, range 106 west;

South 89 degrees 46 minutes east 425.5 feet along the north section line of section 1, township 24 north, range 107 west to an iron pin on the east right-of-way line of United States drain W–7;

South 89 degrees 46 minutes east 716.0 feet along the north section line of section 1, township 24 north, range 107 west to the north quarter corner of section 1, township 24 north, range 107 west;

South 89 degrees 46 minutes east 478.4 feet along the north section line of section 1, township 24 north, range 107 west to an iron pin on the south right-of-way line of United States west side lateral wasteway;

South 89 degrees 46 minutes east 746.3 feet along the north section line of section 1, township 24 north, range 107 west to an iron pin on the west right-of-way line of United States west side lateral;

South 89 degrees 46 minutes east 112.1 feet along the north section line of section 1, township 24 north, range 107 west to a brass cap monument on the east right-of-way line of United States west side lateral, the northeast corner of farm unit W–18;

South 27 degrees 09 minutes west 151.6 feet along the east right-of-way line of United States west side lateral to a point on the south right-of-way line of United States west side lateral;

South 27 degrees 09 minutes west 160.8 feet to a brass cap monument;

South 01 degrees 03 minutes east 3,272.6 feet to a brass cap monument on the south section line of section 1;

South 89 degrees 16 minutes west 1,241.8 feet along the south section line of section 1 to the point of beginning heretofore described and containing in all 664.12 acres, more or less.

Such property shall be conveyed under such conditions as in the opinion of the Secretary of Agriculture will assure the use of such property in the cooperative agricultural demonstrational work of the Department of Agriculture and the State of Wyoming. The conveyance of such property shall contain a reservation to the United States of all oil and gas in the land, together with the right to prospect for, mine and remove the same under such regulations as the Secretary of the Interior may prescribe.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAND CONVEYANCE TO THE TOWN OF TELLICO PLAINS, TENN.

The Clerk called the bill (H.R. 4821) to authorize the Secretary of Agriculture to convey a certain parcel of land to the town of Tellico Plains, Tenn.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 848, be considered in lieu of the House bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized and directed to convey by quitclaim deed to the town of Tellico Plains, Tennessee, all right, title, and interest of the United States in and to a certain tract of land, together with any improvements thereon, consisting of approximately 0.20 of an acre, in the town of Tellico Plains, Tennessee, known as the Fred Lee tract (621), such tract, which is no longer required by the United States Forest Service, having been previously conveyed by such town to the United States without consideration (by deed dated June 16, 1931) for use by the United States Forest Service.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 4821) was laid on the table.

CONVEYANCE OF REVERSIONARY RIGHTS TO JASPER COUNTY, GA.

The Clerk called the bill (H.R. 4939) to provide for the conveyance of all right, title, and interest of the United States in a certain tract of land in Jasper County, Ga., to the Jasper County Board of Education.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Reserving the right to object, Mr. Speaker, I have several questions concerning this bill. First of all, was this land donated to the Federal Government or bought by the Federal Government?

Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

LAND CONVEYANCE TO FREMONT COUNTY, WYO.

The Clerk called the bill (H.R. 6193) to authorize the Secretary of Agriculture to convey certain lands in the State of Wyoming to the county of Fremont, Wyo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized and directed to convey by quitclaim deed, without consideration, to the county of Fremont, Wyoming, all the right, title, and interest of the United States in and to lot 5, block 14, of the original townsite of Lander, Fremont County, Wyoming.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

PROVIDING FOR THE ESTABLISHMENT OF THE LINCOLN BOYHOOD NATIONAL MEMORIAL IN THE STATE OF INDIANA

The Clerk called the bill (H.R. 2470) to provide for the establishment of the Lincoln Boyhood National Memorial in the State of Indiana, and for other purposes.

Mr. WEAVER. Mr. Speaker, at the request of a Member who is absent today, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

LAND EXCHANGE BELTSVILLE RESEARCH CENTER

The Clerk called the bill (H.R. 3920) to authorize an exchange of land at the Agricultural Research Center.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is hereby authorized to convey by quitclaim deed to Fred C. Knauer all right, title and interest of the United States in and to a parcel of land in the Granary area of the Agricultural Research Center in Prince Georges County, Maryland, situated south of the Powder Mill Road and east of the right-of-way of the Baltimore and Ohio Railroad and other property owned by the said Fred C. Knauer containing 1.66 acres, more or less; and to accept in exchange therefor a conveyance in fee simple to the United States of a tract of land owned or to be acquired by the said Fred C. Knauer described as lots 1 and 2, in block 8, in the Chestnut Hills Development, in Vansville District, Prince Georges County, Maryland, containing 0.6345 of an acre: *Provided,* That the appraised value of the Federal property to be conveyed shall not exceed the value of the property to be acquired from the said Fred C. Knauer.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

LAND CONVEYANCE TO THE STATE OF IOWA

The Clerk called the bill (H.R. 4682) to authorize the Secretary of Agriculture to sell and convey certain lands in the State of Iowa to the State of Iowa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture is authorized to sell and convey to the State of Iowa, by quitclaim deed, at not to exceed the acquisition price to the United States, subject to all outstanding rights, all the right, title, and interest of the United States to those certain tracts of land containing approximately 4,749 acres of land, more or less, located in Van Buren, Lee, Appanoose, and Davis Counties, Iowa, which is more fully described as being all of that land in:

A. Van Buren County:

1. Township 69 north, range 10 west, section 36, containing 60 acres of land, more or less.

2. Township 69 north, range 9 west, section 31, containing 40 acres of land, more or less.

3. Township 68 north, range 8 west, section 25, containing 300 acres of land, more or less.

B. Lee County:

1. Township 67 north, range 7 west, section 4, containing 40 acres of land, more or less.

2. Township 67 north, range 7 west, section 6, containing 380 acres of land, more or less.

3. Township 67 north, range 7 west, section 7, containing 30 acres of land, more or less.

4. Township 67 north, range 7 west, section 16, containing 160 acres of land, more or less.

5. Township 67 north, range 7 west, section 17, containing 240 acres of land, more or less.

6. Township 67 north, range 7 west, section 20, containing 150 acres of land, more or less.

7. Township 67 north, range 7 west, section 21, containing 160 acres of land, more or less.

8. Township 67 north, range 7 west, section 26, containing 80 acres of land, more or less.

9. Township 67 north, range 7 west, section 33, containing 160 acres of land, more or less.

10. Township 67 north, range 7 west, section 34, containing 160 acres of land, more or less.

11. Township 67 north, range 7 west, section 35, containing 200 acres of land, more or less.

12. Township 67 north, range 7 west, section 36, containing 160 acres of land, more or less.

13. Township 66 north, range 7 west, section 1, containing 533 acres of land, more or less.

14. Township 66 north, range 6 west, section 25, containing 120 acres of land, more or less.

C. Appanoose County:

1. Township 70 north, range 16 west, section 10, containing 240 acres of land, more or less.

2. Township 70 north, range 16 west, section 17, containing 80 acres of land, more or less.

3. Township 70 north, range 16 west, section 24, containing 180 acres of land, more or less.

4. Township 70 north, range 16 west, section 26, containing 120 acres of land, more or less.

5. Township 70 north, range 16 west, section 27, containing 30 acres of land, more or less.

6. Township 70 north, range 16 west, section 34, containing 80 acres of land, more or less.

7. Township 70 north, range 16 west, section 35, containing 160 acres of land, more or less.

8. Township 70 north, range 16 west, section 36, containing 160 acres of land, more or less.

9. Township 69 north, range 16 west, section 1, containing 80 acres of land, more or less.

D. Davis County:

1. Township 70 north, range 15 west, section 7, containing 216 acres of land, more or less.

2. Township 70 north, range 15 west, section 15, containing 60 acres of land, more or less.

3. Township 70 north, range 15 west, section 16, containing 40 acres of land, more or less.

4. Township 70 north, range 15 west, section 19, containing 290 acres of land, more or less.

5. Township 70 north, range 15 west, section 21, containing 20 acres of land, more or less.

6. Township 70 north, range 15 west, section 22, containing 20 acres of land, more or less.

With the following committee amendments:

Page 1, lines 4 and 5, strike the words "not to exceed the acquisition price to the United States" and insert in lieu thereof the words "fair market value as determined by him".

Page 1, line 8, change "4749" to "4649".

Page 1, lines 9 and 10, strike "which is more fully described as being all of that land".

Page 2, strike lines 1 through 4, inclusive.

Page 2, line 5, change the number on the subparagraph to 1.

Page 2 immediately following line 17, insert a new subparagraph:

"6. Township 67 north, range 7 west, section 18, containing 1.48 acres of land, more or less."

Pages 2, lines 18, 20, 22, and 24, change the numbers on the subparagraphs to 7, 8, 9, and 10, respectively.

Page 3, lines 1, 3, 5, 7, and 9, change the numbers on the subparagraphs to 11, 12, 13, 14, and 15 respectively.

Page 3, line 9, change "25" to "6".

Page 4 immediately following line 11, insert:

"4. Township 70 north, range 15 west, section 19, containing 40 acres of land, more or less."

Page 4, lines 12, 14, and 16, change numbers of subparagraphs to 5, 6, and 7, respectively.

Page 4, following line 17, add a new section as follows:

"SEC. 2. If within two years from the date on which the Director of the State Conservation Commission of the State of Iowa is advised by the Department of Agriculture of the fair market value of the described lands as determined by the Secretary of Agriculture, the State has not entered into firm agreement with the Secretary for the purchase of all such lands as herein authorized, the Secretary is authorized thereafter to sell the described lands to the highest bidder, after adequate public notice, but at not less than the fair market value as determined by him."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended to read: "A bill to authorize the Secretary of Agriculture to sell and convey certain lands in the State of Iowa."

A motion to reconsider was laid on the table.

MICROFILMING OF PAPERS OF PRESIDENTS

The Clerk called the bill (H.R. 6667) to amend the Act of August 16, 1957, relating to microfilming of papers of Presidents of the United States, to remove certain liabilities of the United States with respect to such activities.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to organize and microfilm papers of Presidents of the United States in the collections of the Library of Congress", approved August 16, 1957 (Public Law 85–147; 71 Stat. 368), is amended by adding at the end of the first section thereof the following new sentence: "Neither the United States nor any officer or employee of the United States shall be liable for damages for infringement of literary property rights by reason of any activity authorized by this Act."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RETROCESSION OF JURISDICTION TO THE STATE OF NORTH CAROLINA OF AREA WITHIN CAMP LEJEUNE, N.C., UTILIZED AS PUBLIC HIGHWAYS

The Clerk called the bill (S. 2079) to retrocede to North Carolina jurisdiction over the southern, eastbound lanes of North Carolina Highway 24, and the eastern, northbound lanes of U.S. Highway 17, as these highways traverse and parallel Camp Lejeune, N.C.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby granted to the State of North Carolina a retrocession of jurisdiction over the area within Camp Lejeune, North Carolina, utilized by the State of North Carolina for the southern, eastbound lanes of North Carolina Highway 24, as specifically referred to in Document Numbered NOy (R)–49273, and over the area within Camp Lejeune, North Carolina, utilized by the State of North Carolina for the eastern, northbound lanes of United States Highway 17, as specifically referred to in Document Numbered NOy (R)–65515, to the extent that all laws of the State, as well as all laws of the United States, shall be applicable thereon and the United States and the State shall exercise concurrent jurisdiction thereover.

SEC. 2. The retrocession of jurisdiction provided for in the first section of this Act shall take effect upon acceptance thereof by the Legislature of the State of North Carolina.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

CHANGING NAME OF HYDROGRAPHIC OFFICE TO U.S. NAVAL OCEANOGRAPHIC OFFICE

The Clerk called the bill (H.R. 8045) to change the name of the Hydrographic Office to U.S. Naval Oceanographic Office.

The SPEAKER pro tempore (Mr. WALTER). Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I have only one question. If this bill is enacted, will it in any way affect the present personnel of this Office?

Mr. GEORGE P. MILLER. They will not be affected in any way and, I believe, that is definitely stated in the report. Twenty years ago the name "Hydrographic Office" was a good name, but "Oceanographic Office" is more descriptive and embraces the type of work that the Office does today.

Mr. GROSS. I am sure that that is not stated specifically in the report that there will be no changes whatever in this Office.

Mr. GEORGE P. MILLER. For the most part, there will be no changes in the personnel.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 639 of title 10, United States Code, is amended by striking out the word "Hydrographic" and inserting the words "United States Naval Oceanographic" in place thereof in—

(1) the chapter heading;

(2) the catchline and first and second sentences of section 7391;

(3) the catchline and clause (1) of section 7392;

(4) the catchline and subsections (a) and (b) of section 7393; and

(5) section 7394.

(b) The chapter analysis of chapter 639 of title 10, United States Code, is amended by striking out the following items:

"7391. Hydrographic Office: establishment and duties.

"7392. Hydrographic Office: maps, charts, and books.

"7393. Hydrographic Office: pilot charts."

and inserting the following item in place thereof:

"7391. United States Naval Oceanographic Office: establishment and duties.

"7392. United States Naval Oceanographic Office: maps, charts, and books.

"7393. United States Naval Oceanographic Office: pilot charts."

SEC. 2. The analyses of subtitle C and part IV of subtitle C of title 10, United States Code, are each amended by striking out the following item:

"639. Hydrographic Office and Naval Observatory---------- 7391"

and inserting the following item in place thereof:

"639. United States Naval Oceanographic Office and Naval Observatory---------- 7391".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RECOGNIZING OFFICIALLY SAN DIEGO AS THE BIRTHPLACE OF NAVAL AVIATION

The Clerk called the concurrent resolution (H. Con. Res. 208) to officially recognize San Diego, Calif., as the birthplace of naval aviation.

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the concurrent resolution be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

AUTHORIZING THE SECRETARY OF COMMERCE TO ACCEPT GIFTS AND BEQUESTS OF PERSONAL PROPERTY FOR THE U.S. MERCHANT MARINE ACADEMY

The Clerk called the bill (S. 880) to amend section 216 of the Merchant Marine Act, 1936, as amended, to authorize the Secretary of Commerce to accept gifts and bequests of personal property for the U.S. Merchant Marine Academy.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 216 of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1126), is amended by inserting at the end thereof a new subsection (c) to read as follows:

"(c)(1) The Secretary of Commerce may accept, hold, administer, and spend gifts and bequests of personal property made on the condition that it be used for the benefit of, or for use in connection with, the United States Merchant Marine Academy. Gifts and bequests of money and the proceeds from the sales of property received as gifts shall be deposited in the Treasury in the fund called 'United States Merchant Marine Academy general gift fund'. The Secretary may disburse funds deposited under this subsection for the benefit or use of the Merchant Marine Academy subject to the terms of the gift or bequest. If a gift is made for a specific purpose and that purpose is accomplished without exhausting the entire amount of the gift, then unless the donor has manifested a different intention, the Secretary may disburse the residue of the gift for a purpose that in the judgment of the Secretary, or his delegate, is as close as practical to the specific purpose for which the gift was made.

"(2) For the purpose of Federal income, estate, and gift taxes, property that is accepted under this subsection is considered as a gift or bequest to or for the use of the United States.

"(3) Upon the request of the Secretary of Commerce, the Secretary of the Treasury may invest, reinvest, or retain investments of money or securities comprising any part of the United States Merchant Marine Academy general gift fund in securities of the United States or in securities guaranteed as to principal and interest by the United States. The interest and benefits accruing from those securities shall be deposited to the credit of the United States Merchant Marine Academy general gift fund, and may be disbursed as provided in this subsection."

With the following committee amendments:

On page 1, line 5, delete "(e)", and insert in lieu thereof "(g)".

On page 1, line 6, delete "(e)", and insert in lieu thereof "(g)".

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMITTING THE APPOINTMENT OF U.S. NATIONALS TO THE MERCHANT MARINE ACADEMY

The Clerk called the bill (H.R. 29) to amend section 216(b) of the Merchant Marine Act, 1936, as amended, to permit the appointment of U.S. nationals to the Merchant Marine Academy.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (1) of section 216(b) of the Merchant Marine Act, 1936, as amended (46 U.S.C., sec. 1126(b)), is amended by inserting before the period at the end of the third sentence thereof a colon and the following words: *"Provided,* That a candidate nominated by the Governor of American Samoa shall not be denied admission by reason of his being a national but not a citizen of the United States: *Provided further,* That the foregoing proviso shall not be construed to permit any such person who is a national but not a citizen of the United States to be entitled to any office or position in the United States merchant marine by reason of his graduation from the Academy until such person shall have become a citizen".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE SHIP MORTGAGE ACT, 1920, WITH RESPECT TO ITS APPLICABILITY TO CERTAIN VESSELS

The Clerk called the bill (H.R. 2308) to amend the Ship Mortgage Act, 1920, with respect to its applicability to certain vessels.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (a) of subsection (D) of the Ship Mortgage Act, 1920 (46 U.S.C. 922), is amended by striking out "of less than two hundred gross tons" and inserting in lieu thereof "of less than fifty gross tons".

(b) The amendment made by subsection (a) of this section shall not apply to (1) any mortgage in existence on the date of enactment of this Act, or (2) to any mortgage placed on such vessel after the date of enactment of this Act under a mortgage on such vessel in existence on the date of enactment of this Act, so long as such existing mortgage remains undischarged.

With the following committee amendments:

On page 1, line 6, delete "fifty" and insert in lieu thereof "twenty-five".

On page 1, line 9, after "(2)", delete "to".

On page 1, line 10, delete "such", and insert in lieu thereof "a".

On page 1, after line 13, add the following new section:

"SEC. 2. Paragraph (a) of section 1101 of title XI of the Merchant Marine Act, 1936 (46 U.S.C., sec. 1271), is amended to read as follows:

"'(a) The term "mortgage" includes a preferred mortgage as defined in the Ship Mortgage Act, 1920, as amended, on any vessel of the United States (other than a towboat, barge, scow, lighter, car float, canal boat, or tank vessel, of less than two hundred gross tons), and a mortgage on such a vessel which will become a preferred mortgage when recorded and endorsed as required by the Ship Mortgage Act, 1920 (as amended;'"

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING THE SECRETARY OF INTERIOR TO NOMINATE CITIZENS OF THE TRUST TERRITORY OF THE PACIFIC ISLANDS TO BE CADETS AT THE MERCHANT MARINE ACADEMY

The Clerk called the bill (H.R. 3296) to authorize the Secretary of Interior to nominate citizens of the Trust Territory of the Pacific Islands to be cadet midshipmen at the U.S. Merchant Marine Academy.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Commerce is authorized to permit, upon designation of the Secretary of the Interior, not to exceed four persons at a time from the Trust Territory of the Pacific Islands to receive instruction in the United States Merchant Marine Cadet Corps and at the United States Merchant Marine Academy at Kings Point, New York. The persons receiving instruction under authority of this Act shall receive the same pay, allowances, and emoluments, to be paid from the same appropriations, and subject to such exceptions as shall be jointly agreed upon by the Secretary of Commerce and the Secretary of the Interior, shall be subject to the same rules and regulations governing admission, attendance, discipline, resignation, discharge, dismissal, and graduation as cadet midshipmen at the Merchant Marine Academy appointed from the United States; but such persons shall not be entitled to appointment to any office or position in the United States merchant marine by reason of their graduation from the Merchant Marine Academy.

With the following committee amendment:

On page 2, line 6, delete "cadet-midshipmen" and insert in lieu thereof "cadets".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to authorize the Secretary of Interior to nominate citizens of the Trust Territory of the Pacific Islands to be cadets at the United States Merchant Marine Academy."

A motion to reconsider was laid on the table.

INCREASING CERTAIN LIMITATIONS IN PAYMENTS ON ACCOUNT OF OPERATING-DIFFERENTIAL SUBSIDY

The Clerk called the bill (H.R. 6309) to amend title VI of the Merchant Marine Act, 1936, as amended, in order to

increase certain limitations in payments on account of operating-differential subsidy under such title.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the third sentence in the first paragraph of section 603(c) of such Act, as amended (46 U.S.C. 1175), is amended to read as follows: "Such payments on account shall in no case exceed 90 per centum of the amount estimated to have accrued on account of such subsidy, except that, with respect to that part of the subsidy relating to any particular voyage, an additional 5 per centum may be paid to the contractor after such contractor's audit of the voyage account for such voyage has been completed and the Secretary of Commerce has verified the correctness of the same."

With the following committee amendment:

On page 2, after line 2, add the following new section:

"SEC. 2. This amendment shall take effect on and after July 1, 1962."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ENCOURAGING THE CONSTRUCTION AND MAINTENANCE OF AMERICAN-FLAG VESSELS BUILT IN AMERICAN SHIPYARDS

The Clerk called the bill (H.R. 6732) to amend the Merchant Marine Act, 1936, as amended, to encourage the construction and maintenance of American-flag vessels built in American shipyards.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 901(b) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1241) is hereby amended by inserting at the end thereof the following:

"For purposes of this section, the term 'privately owned United States-flag commercial vessels' shall not be deemed to include any vessel which, subsequent to the date of enactment of this amendment, shall have been either (a) built outside the United States, (b) rebuilt outside the United States, or (c) documented under any foreign registry, until such vessel shall have been documented under the laws of the United States for a period of three years."

With the following committee amendment:

On page 2, at the end of line 3, delete the period and quotation mark and insert in lieu thereof a colon and the following proviso: *"Provided, however,* That the provisions of this amendment shall not apply where, (1) prior to the enactment of this amendment, the owner of a vessel, or contractor for purchase of a vessel, originally constructed in the United States and rebuilt abroad or contracted to be rebuilt abroad, has notified the Maritime Administration in writing of its intent to document such vessel under United States registry, and such vessel is so documented on its first arrival at a United States port not later than one year subsequent to the date of the enactment of this amendment, or (2) where prior to the enactment of this amendment, the owner of a vessel under United States registry has made a contract for the rebuilding abroad of such vessel and has notified the Maritime Administration of such contract, and such rebuilding is completed and such vessel is thereafter documented under United States registry on its first arrival at a United States port not later than one year subsequent to the date of the enactment of this amendment."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING EXPENDITURES FROM CAPITAL RESERVE FUNDS FOR RESEARCH, DEVELOPMENT AND DESIGN EXPENSES AND THE PURCHASE OF CONTAINERS

The Clerk called the bill (H.R. 6974) to amend section 607(b) of the Merchant Marine Act, 1936, as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of section 607(b) of the Merchant Marine Act, 1936, as amended, is hereby amended to read as follows:

"The contractor may, with the consent of the Board, pay from said fund any sums owing but not yet due on notes secured by mortgages on subsidized vessels, and may also pay from said fund, with the consent of the Board, contributions toward research, development and design expenses incident to new and advanced ship design, machinery and equipment."

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That the last sentence of section 607(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1177(b)), is amended by inserting before the period at the end thereof a comma and the following: 'and may also pay from such fund, with such consent and upon terms and conditions which the Secretary of Commerce shall by regulation prescribe to give priority to the foregoing purposes of the fund (and with respect to any transfer of funds from the special reserve fund, to give priority to the purposes of that fund) and to carry out the purposes of this Act, amounts contributed toward research, development, and design expenses incident to new and advanced ship design, machinery and equipment'.

"The contractor may also make disbursements from the capital reserve fund (1) for the purchase of cargo containers, delivered after June 30, 1959, of a type approved by the Administrator for use in connection with any of the contractor's subsidized vessels, (2) for the payment of the principal of any indebtedness incurred for such containers, or (3) to reimburse the contractor's general funds for expenditures for such purchases or payments. Such cargo containers to the extent paid for out of the capital reserve fund shall be treated as vessels for the purpose of deposits and withdrawals from the capital reserve fund under this section 607, and the regulations and closing agreements relating thereto, except that the depreciation on such cargo containers shall be based upon the life expectancy used for such containers in the determination of 'net earnings' under paragraph (d)(1) of this section 607."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FURTHER AMENDING SECTION 201 (I) OF THE FEDERAL CIVIL DEFENSE ACT OF 1950, AS AMENDED, AND FOR OTHER PURPOSES

The Clerk called the bill (H.R. 8383) to further amend section 201(i) of the Federal Civil Defense Act of 1950, as amended, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 201(i) of the Federal Civil Defense Act of 1950, as amended, is further amended by inserting after the first proviso the following: *"Provided further,* That retroactive financial contributions which were otherwise approvable, approved and made to the States prior to June 30, 1960, to carry out the purposes of this subsection are hereby ratified and affirmed;".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMIT DISBURSING OFFICER TO ENTRUST FUNDS

The Clerk called the bill (H.R. 8570) to amend title 10, United States Code, to permit disbursing officers of an armed force to entrust funds to other officers of an armed force.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 10, United States Code, is amended as follows:

(1) Chapter 165 is amended—

(A) by adding the following new section at the end thereof:

"§ 2773. Accountability for public money: disbursing officers; agent officers.

"Under such regulations as the Secretary concerned may prescribe, any officer of an armed force accountable for public money may entrust it to another officer of an armed force to make disbursement as his agent. Both the officer to whom money is entrusted under this section, and the officer who entrusts the money to him, are pecuniarily responsible for that money to the United States. Regulations prescribed under this section by the Secretaries of the military departments must be approved by the Secretary of Defense."; and

(B) by adding the following new item at the end of the analysis:

"2773. Accountability for public money: disbursing officers; agent officers."

(2) Section 4833 is repealed.

(3) The analysis of chapter 453 is amended by striking out the following item:

"4833. Accountability for public money: disbursing officers; agent officers."

(4) Section 9833 is repealed.

(5) The analysis of chapter 953 is amended by striking out the following item:

"9833. Accountability for public money: disbursing officers; agent officers."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OFFICE OF EMERGENCY PLANNING

The Clerk called the bill (H.R. 8406) to further amend Reorganization Plan No. 1 of 1958, as amended, in order to change the name of the Office established under such plan, and for other purposes.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. PELLY. Mr. Speaker, reserving the right to object, and I do not intend to object, because I am inclined to go along with Mr. Shakespeare when he said that, "that which we call a rose by any other name would smell as sweet" or something like that, but I do take this means of calling the attention of the Members of the House to the fact that I think there seems to be some politics in connection with this civil defense program. In the Pacific Northwest and elsewhere there have been five regional civil defense directors that have been supplanted or are being supplanted, and the explanation given by the Associated Press is, "That Frank B. Ellis, National Director of the Office of Civil and Defense Mobilization, would have more confidence in men of his own selection to work in close association with him and with Governors of the States they cover." Mr. Speaker, we had the assurance of the President last November when he said, "I do not want our national security colored by considerations of politics." He also has said, "All appointments, both high and low, will be made on the basis of ability."

Yet the Seattle Times says:

> This sounds very much as if personal and partisan politics will characterize the civil-defense reorganization. If this proves to be the case, it will be highly unfortunate.

The particular director of my district, Philip D. Batson, it happens, was appointed under a Republican administration, but he is a career employee and has served well and has unusual qualifications both in policing and civil defense fields.

As the Times article says:

> It happens that these advancements came to him under Republican administrations, but if partisan politics ever tinged his operations in any of these posts, we never have heard of it.

Mr. Speaker, I just want to say that these civil defense removals under all the circumstances will be very difficult to explain other than on the basis of politics.

I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Reorganization Plan Numbered 1 of 1958, as amended, is further amended by striking out "Office of Civil and Defense Mobilization" wherever appearing therein and inserting in lieu thereof "Office of Emergency Planning."

SEC. 2. Any reference in any other law to the Office of Civil and Defense Mobilization shall, after the date of this Act, be deemed to refer to the Office of Emergency Planning.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DESIGNATING THE NEW LOCK ON THE ST. MARYS RIVER AT SAULT STE. MARIE, MICH., AS THE JOHN A. BLATNIK LOCK

The Clerk called the bill (H.R. 947) to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock.

Mr. WEAVER. Mr. President, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

NATIONAL TROPICAL BOTANIC GARDEN

The clerk called the bill (H.R. 5628) to provide for a study and investigation of the desirability and feasibility of establishing and maintaining a National Tropical Botanic Garden.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I would like to know in what other States we are proposing to establish a botanical garden. Why should we spend taxpayers' money to establish a botanical garden in the State of Hawaii?

Mr. INOUYE. Mr. Speaker, if the gentleman will yield, we have many hundreds of people in Hawaii who are presently raising funds to establish and sustain this project. We are just requesting that an amount be spent not exceeding $5,000 for a feasibility study, because the Federal Government has the facilities for such study.

Mr. GROSS. I will say to my good friend from Hawaii that the $5,000 for a study is probably less than the camel's nose under the tent. Next we will have a bill for $50,000 or $100,000 to establish a botanical garden in Hawaii. I will say to the gentleman from Hawaii that there is going to have to be a lot of $5,000 savings to take care of the foreign giveaway bill that the House passed the other day. There will have to be real tightening of belts somewhere, someplace, and I cannot see spending $5,000 to investigate the feasibility of a botanical garden in the great State of Hawaii.

Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

DISPOSAL FACILITIES TO MEDORA AREA, NORTH DAKOTA

The Clerk called the bill (S. 98) to authorize the Secretary of the Interior to provide water and sewage disposal facilities to the Medora area adjoining the Theodore Roosevelt National Memorial Park, N. Dak., and for other purposes.

There being no objection the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to afford adequate facilities to persons visiting Theodore Roosevelt National Memorial Park, and to enhance the setting of the park entrance and further the interpretive program of the park through encouraging the preservation and restoration of the pioneer cattle town of Medora, North Dakota, and its associations with Theodore Roosevelt, by non-Federal endeavors in accordance with house concurrent resolutions "T" and "U" of the 1959 Session Laws of the State of North Dakota, pages 878 and 879, the Secretary of the Interior is authorized to modernize the water and sewage facilities of the village of Medora adjoining the park, in the manner hereinafter provided.

SEC. 2. The Secretary of the Interior is authorized to construct, operate, and maintain, on rights-of-way donated for the purpose and in such manner as he shall consider to be in the public interest, water supply and sewage disposal systems to serve Federal and non-Federal properties in the said Medora area, and he may make existing Federal systems available to serve such properties: *Provided,* That non-Federal users of the systems shall comply with standards of use prescribed by the Secretary and shall be charged rates sufficient to recover a pro rata share of depreciation and costs of operation and maintenance of the systems plus interest on the Federal investment in the systems. Funds obtained from such non-Federal users of the systems shall be deposited in the Treasury of the United States as miscellaneous receipts, with the exception that the Secretary may consider as appropriation reimbursements, to be credited in the appropriation current at the time received, such amount of the aforesaid collections, as may be necessary to reimburse, on a pro rata basis, appropriated operating funds expended for maintenance and operation costs of the systems.

SEC. 3. Construction of the facilities authorized herein shall not be undertaken or use of existing Federal systems authorized until at least 80 per centum of the potential non-Federal users, as defined by the Secretary of the Interior, are committed to connecting to said water and sewage systems and until there shall have been reached an agreement with the duly authorized officials of the village of Medora, by which the village is obligated to adopt and enforce a zoning ordinance which complies with standards prescribed by the Secretary for the purpose of preserving the historic character of Medora and affording a park-like setting in the vicinity of the park and the entrance thereto.

SEC. 4. There are authorized to be appropriated for the construction of these facilities such sums as may be required therefor, not to exceed $100,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SELECTION OF SUPERINTENDENTS OF NATIONAL CEMETERIES

The Clerk called the bill (S. 1492) to amend the act of March 24, 1948, which establishes special requirements governing the selection of superintendents of national cemeteries.

There being no objection the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act of March 24, 1948 (ch. 143, 62 Stat. 84; 24 U.S.C. 275) is amended to read as follows: "Superintendents of national cemeteries shall be selected from among meritorious and trustworthy persons who served in the Armed Forces of the United States, and who either were retired for physical disability, or were discharged or released therefrom under honorable conditions and are entitled to receive compensation for disability under the laws administered by the Veterans' Administration."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMPACTS BY STATES OF NEBRASKA, WYOMING, AND SOUTH DAKOTA

The Clerk called the bill (S. 2245) to amend the act granting the consent of Congress to the negotiation of certain compacts by the States of Nebraska, Wyoming, and South Dakota in order to extend the time for such negotiation.

There being no objection the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of the Act entitled "An Act granting the consent of Congress to the negotiation by the States of Nebraska, Wyoming, and South Dakota of certain compacts with respect to the use of waters common to two or more of said States", approved August 5, 1953 (67 Stat. 365), as amended, is amended further by striking out "eight years" and inserting in lieu thereof "ten years".

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELATING TO NEGOTIATION OF CERTAIN COMPACTS

The Clerk called the resolution (S.J. Res. 76) authorizing the Secretary of the Interior during the calendar year 1962 to continue to deliver water to lands in certain irrigation districts in the State of Washington.

Mr. SAYLOR. Mr. Speaker, reserving the right to object, I wish to address a question to the chairman of the Committee on Interior and Insular Affairs. This is an unusual proceeding that is involved in this act—proclamation law requires that before water can be delivered to a reclamation project after the development period there must be a repayment contract. This is the second year we have had to extend the delivery of water because the Department has not been able to negotiate and sign a satisfactory compact with these water users.

Is it the intention of the Committee on Interior and Insular Affairs to continue year after year to grant this special privilege to the people who live in this area of the Columbia Basin project?

Mr. ASPINALL. As far as the committee is concerned, or at least speaking for the chairman, it has no intention of year after year allowing delivery of water to either of these three districts unless contracts have been negotiated and executed.

My friend the gentleman from Pennsylvania is mistaken to a slight extent when he says that no water can be delivered until a contract is signed. The fact is that there is a development period that permits the delivery of water, but at the end of the development period the users must begin to pay, and previous to the year during which payment must first be paid a contract for repayment should be executed.

The gentleman is correct when he states that we had this matter before us during the last Congress when we granted certain extensions.

As far as I am concerned, this is the last extension I intend to support for either of these three districts in this great Columbia Basin area. I understand there is one district that is ready and willing to sign immediately, but the other two have held off. The governing principle of irrigation law in this respect is that the users must pay as much annually as they are able to pay to discharge the cost of the construction. If this legislation is passed we shall see to it that from now on these districts either sign contracts for repayment or that further deliveries of water be cut off.

Mr. SAYLOR. This is an unusual situation that exists in that area. The people who live on these projects in the Columbia Basin must realize that they and all other landowners in reclamation projects are required by law to pay to the extent of their ability. The reclamation law provides for a variable repayment contract for that part of the costs allocated to reclamation and the balance of the costs will be charged to the power users. That is all that the former Secretary of the Interior asked for and all that the present Secretary of the Interior is asking these people to do.

I would like to give formal notice that if the people on these projects do not comply with the request of the Secretary of the Interior I shall resist the extension of any further delivery of water without a signed contract.

Mrs. MAY. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Pennsylvania a question. But first, I would like to state that, as a Representative of the Fourth Congressional District of the State of Washington wherein lies the Columbia Basin project, I fully understand the thinking behind the comments made by both him and the distinguished chairman of the committee, Mr. ASPINALL. I would like to take this opportunity to assure them that those of us who are so concerned with the continued development of the Columbia Basin project do understand thoroughly that the committee insists that we meet our responsibilities on this project as regards an amendatory repayment contract within the coming year. May I point out that in asking for a deferment of these drainage charges we are not asking for preferred treatment. In this respect the question that I direct to the gentleman from Pennsylvania for purposes of his information is: does he realize that this is not a forgiveness of charges but a deferment of the required payment until May 1, 1963? In the meantime, if amendatory repayment contracts are executed, and if these contracts receive congressional approval then these drainage charges as deferred under this bill would be capitalized as part of project construction costs and paid over a 50-year period. If new contracts are not executed by the beginning of the 1963 irrigation season the Columbia Basin water users would be required by the Department of the Interior to pay the 1962 drainage charges with interest as well as the 1963 drainage charges before they receive delivery of water in 1963.

The Department of the Interior is presently working on an amendatory repayment contract which they will present for negotiations to the water users of the Columbia Basin on or about September 1. It is felt that this plan will include provisions which will result in the equitable solution of the many serious issues involved in continuing the development of this important reclamation project. I assure my colleagues on the Committee of Interior and Insular Affairs that the Department of the Interior has pledged that these provisions will be consistent with sound reclamation policy and law. To create the proper atmosphere for negotiating these contracts and getting them approved by the water users before submission for congressional approval next year, we are in serious need of this proposed deferment action which would remove the irritating pressure of the upcoming drainage charge to be levied on the farmers of the basin area.

The Columbia Basin project, although beset with difficult problems is a sound project that has already contributed much to the general welfare of America and has an even greater potential in resources to deliver to our Nation in the future. The continued orderly development of this area can be assured only when and if we obtain a permanent solution to the Columbia Basin repayment contract controversy. The passing of this deferment legislation is an important first step toward that permanent solution. I thank the gentlemen from Colorado and from Pennsylvania for their understanding of and their sympathy with the unique and special problems which beset us on the Columbia

Basin project and offer my cooperation in working with them in resolving these problems in the best interest of the future of reclamation everywhere.

Mr. GROSS. Mr. Speaker, further reserving the right to object, I am only sorry I did not know of this situation when the foreign handout bill was before the House last week. We might have taken care of these American farmers under that bill. If Federal funds are used to construct an irrigation project in Peru or in some other foreign country, there would not be a threat to shut off the water and therefore the livelihood of any farmer in Peru, Uruguay or Cambodia if they could not pay their bills, if any. I am sorry I did not know this situation existed last week so that I might have offered an amendment to the giveaway bill to see that the American farmers would get at least equal treatment with foreigners.

The SPEAKER pro tempore. Is there objection to the present consideration of the Senate joint resolution?

There being no objection, the Clerk read the Senate joint resolution as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That pending completion of the amendatory repayment contracts with the Quincy-Columbia Basin Irrigation District, the East Columbia Basin Irrigation District, and the South Columbia Basin Irrigation District, State of Washington, to the extent the Secretary of the Interior during the calendar year 1962 constructs necessary drainage facilities on the Columbia Basin project which are charged as a part of the cost of operation and maintenance as provided in the third sentence of article 7 of the existing repayment contracts with said districts, the Secretary is authorized to the extent of costs thereof to waive the provisions of articles 30(a) and 30(b) of said contracts and to deliver water during the calendar year 1962.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FORT SMITH NATIONAL HISTORIC SITE, ARK.

The Clerk called the bill (H.R. 32) authorizing the establishment of the Fort Smith National Historic Site, in the State of Arkansas, and for other purposes.

Mr. GROSS. Mr. Speaker, since this bill has been scheduled for consideration under suspension of the rules, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

ADDITIONAL WRITING OR PRINTING ON THIRD AND FOURTH CLASS MAIL

The Clerk called the bill (H.R. 7559) to amend title 39 of the United States Code to provide for additional writing or printing on third and fourth class mail.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the present section 4555 of title 39, United States Code, be designated subparagraph (a) and a new subparagraph (b) be added as follows:

"(b) There may be enclosed with, attached to, or endorsed upon third and fourth class mail, either in writing or otherwise, the instructions and directions for the use thereof."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

U.S. PARTICIPATION IN THE NEW YORK WORLD'S FAIR

The Clerk called the bill (H.R. 7763) to provide for planning the participation of the United States in the New York World's Fair, to be held at New York City in 1964 and 1965, and for other purposes.

Mr. HOFFMAN of Michigan. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Speaker, the gentleman from Iowa was on his feet seeking recognition.

Mr. GROSS. It is in connection with the bill we are presently considering.

Mr. HOFFMAN of Michigan. No. 265?

Mr. GROSS. No. H.R. 7763.

Mr. HOFFMAN of Michigan. We have an amendment to that bill.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, a parliamentary inquiry. Which bill?

The SPEAKER pro tempore. The bill we are presently considering.

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. GROSS. What is the number of the bill we now have under consideration?

The SPEAKER pro tempore. The bill to be considered is S. 841, No. 266 on the calendar.

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Two hundred and twenty-three Members are present, a quorum.

AMENDING TEACHERS PAY AND PERSONNEL PRACTICES ACT

The Clerk called the bill (S. 841) to amend the Defense Department Overseas Teachers Pay and Personnel Act, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7(d) of the Defense Department Overseas Teachers Pay and Personnel Practices Act (5 U.S.C. 2355(d)) is amended by inserting after the words "he shall", the words ", except for reasons beyond his control and acceptable to the Department of Defense,".

SEC. 2. Section 7 of the Administrative Expenses Act of 1946, as amended (5 U.S.C. 73b–3), is amended by inserting in the first proviso after the words "his appointment", and in the second proviso after the word "concerned", the words "or, in the case of a person employed in a teaching position (other than as a substitute) in the Department of Defense under the Defense Department Overseas Teachers Pay and Personnel Practices Act (5 U.S.C. 2351, and the following), for a minimum period of one school year as determined under such Act,".

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAYMENT OF EXPENSES OF ATTENDANCE OF GOVERNMENT EMPLOYEES AT CERTAIN MEETINGS

The Clerk called the bill (H.R. 6374) to clarify the application of the Government Employees Training Act with respect to payment of expenses of attendance of Government employees at certain meetings, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 4 of the Government Employees Training Act, as amended (5 U.S.C. 2303(a)), is amended to read as follows:

"(a)(1) This Act shall not apply to—

"(A) the President or Vice President of the United States,

"(B) any corporation under the supervision of the Farm Credit Administration of which corporation any member of the board of directors is elected or appointed by private interests, and

"(C) any individual (except an officer of the Coast and Geodetic Survey in the Department of Commerce) who is a member of the uniformed services as defined in section 102(a) of the Career Compensation Act of 1949, as amended, during any period in which he is receiving compensation under title II of such Act.

"(2) Except for the purposes of subsection (b) of section 19 of this Act and that part of subsection (a) of such section which relates to payment of travel, subsistence, and other expenses incident to attendance at meetings, this Act shall not apply to—

"(A) the Foreign Service of the United States under the Department of State,

"(B) the Tennessee Valley Authority, and

"(C) any individual appointed by the President by and with the advice and consent of the Senate (other than a postmaster) or by the President alone, unless such individual is specifically designated by the President for training under this Act.".

With the following committee amendments:

Page 2, line 6, strike out "and".

Page 2, immediately following line 6, insert the following:

"(C) the Tennessee Valley Authority, and".

Page 2, line 8, strike out "(C)" and insert in lieu thereof "(D)".

Page 2, strike out lines 14 to 17, inclusive, and insert in lieu thereof the following:

"(2) Except for the purposes of subsections (a), (b), and (c) of section 19 of this Act, this".

Page 2, line 22, after the comma insert "and".

Page 2, line 23, strike out—

"(B) the Tennessee Valley Authority, and".

Page 2, line 24, strike out "(C)" and insert in lieu thereof "(B)".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. This concludes the eligible bills on the calendar.

INTERNATIONAL CONVENTION FOR THE PREVENTION OF THE POLLUTION OF THE SEA BY OIL

Mr. BONNER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill S. 2187, a bill similar to H.R. 8152, passed earlier today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, to implement the provisions of the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954, may be cited as the "Oil Pollution Act, 1961".

SEC. 2. DEFINITIONS.—As used in this Act, unless the context otherwise requires—

(a) The term "convention" means the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954;

(b) The term "discharge" in relation to oil or to an oily mixture means any discharge or escape howsoever caused;

(c) The term "heavy diesel oil" means marine diesel oil, other than those distillates of which more than 50 per centum by volume distills at a temperature not exceeding three hundred and forty degrees centigrade when tested by American Society for the Testing of Materials standard method D. 158/53;

(d) The term "mile" means a nautical mile of six thousand and eighty feet or one thousand eight hundred and fifty-two meters;

(e) The term "oil" means persistent oils, such as crude oil, fuel oil, heavy diesel oil, and lubricating oil. For the purposes of this legislation, the oil in an oily mixture of less than one hundred parts of oil in one million parts of the mixture, shall not be deemed to foul the surface of the sea;

(f) The term "person" means an individual, partnership, cooperation, or association; and any owner, operator, agent, master, officer, or employee of a ship;

(g) The term "prohibited zones" means the zones described in section 12 of this Act as modified by notices, if any, of extension or reduction issued by the Secretary;

(h)) The term "Secretary" means the Secretary of the Army;

(i) The term "ship" means a seagoing ship of American registry except—

(1) ships for the time being used as naval auxiliaries;

(2) ships of under five hundred tons gross tonnage;

(3) ships for the time being engaged in the whaling industry;

(4) ships for the time being navigating the Great Lakes of North America and their connecting and tributary waters as far east as the lower exit of the Lachine Canal at Montreal in the Province of Quebec, Canada.

SEC. 3. (a) Subject to the provisions of sections 4 and 5, the discharge by any person from any ship, which is a tanker, within any of the prohibited zones of oil or any oily mixture the oil in which fouls the surface of the sea, shall be unlawful.

(b) Subject to the provisions of sections 4 and 5, any discharge by any person into the sea from a ship, other than a tanker, of oily ballast water or tank washings shall be made as far as practicable from land. As from July 26, 1961, paragraph (a) of this section shall apply to ships other than tankers as it applies to tankers, except that the prohibited zones in relation to ships other than tankers shall be those referred to in the schedule.

SEC. 4. Section 3 shall not apply to—

(a) the discharge of oil or of an oily mixture from a ship for the purpose of securing the safety of the ship, preventing damage to the ship or cargo, or saving life at sea; or

(b) the escape of oil, or of an oily mixture, resulting from damage to the ship or unavoidable leakage, if all reasonable precautions have been taken after the occurrence of the damage or discovery of the leakage for the purpose of preventing or minimizing the escape;

(c) the discharge of sediment—

(i) which cannot be pumped from the cargo tanks of tankers by reason of its solidity; or

(ii) which is residue arising from the purification or clarification of oil fuel or lubricating oil,

Provided, That such discharge is made as far from land as is practicable.

SEC. 5. Section 3 shall not apply to the discharge from the bilges of a ship—

(a) of any oily mixture, during the period of twelve months after the United States accepts the convention;

(b) after the expiration of such period, of an oily mixture containing no oil other than lubricating oil.

SEC. 6. Any person who violates any provision of this Act, except sections 8(b) and 9, or any regulation prescribed in pursuance thereof, is guilty of a misdemeanor, and upon conviction shall be punished by a fine not exceeding $2,500 nor less than $500, or by imprisonment not exceeding one year, or by both such fine and imprisonment, for each offense. And any ship (other than a ship owned and operated by the United States) from which oil is discharged in violation of this Act, or any regulation prescribed in pursuance thereof, shall be liable for the pecuniary penalty specified in this section, and clearance of such ship from a port of the United States may be withheld until the penalty is paid, and said penalty shall constitute a lien on such ship which may be recovered in proceedings by libel in rem in the district court of the United States for any district within which the ship may be.

SEC. 7. The Coast Guard may, subject to the provisions of section 4450 of the Revised Statutes, as amended (46 U.S.C. 239), suspend or revoke a license issued to the master or other licensed officer of any ship found violating the provisions of this Act or the regulations issued pursuant thereto.

SEC. 8. (a) In the administration of sections 1–12 of this Act, the Secretary may make use of the organization, equipment, and agencies, including engineering, clerical, and other personnel, employed under his direction in the improvement of rivers and harbors and in the enforcement of laws for the improvement of rivers and harbors and in the enforcement of laws for the preservation and protection of navigable waters. For the better enforcement of the provisions of said sections, the officers and agents of the United States in charge of river and harbor improvements and persons employed under them by authority of the Secretary, and officers and employees of the Bureau of Customs and the Coast Guard, shall have power and authority and it shall be their duty to swear out process and to arrest and take into custody, with or without process, any person who may violate any of said provisions: *Provided,* That no person shall be arrested without process for a violation not committed in the presence of some one of the aforesaid officials: *And provided further,* That whenever any arrest is made under the provisions of said sections the person so arrested shall be brought forthwith before a commissioner, judge, or court of the United States for examination of the offenses alleged against him; and such commissioner, judge, or court shall proceed in respect thereto as authorized by law in cases of crimes against the United States. Representatives of the Secretary and of the Bureau of Customs and Coast Guard of the United States may go on board and inspect any ship in a prohibited zone or in a port of the United States as may be necessary for enforcement of this Act.

(b) To implement article VII of the convention, ship fittings and equipment, and operating requirements thereof, shall be in accordance with regulations prescribed by the Secretary of the Department in which the Coast Guard is operating. Any person found violating these regulations shall, in addition to any other penalty prescribed by law, be subject to a civil penalty not in excess of $100.

SEC. 9. (a) There shall be carried in every ship an oil record book in the form specified in section 13 of this Act. In the event of discharge or escape of oil from a ship in a prohibited zone, a signed statement shall be made in the oil record book, by the officer or officers in charge of the operations concerned and by the master of the ship, of the circumstances of and the reason for the discharge or escape.

(b) If any person fails to comply with the requirements imposed by or under this section, he shall be liable on conviction to a fine not exceeding $1,000 nor less than $500 and if any person makes an entry in any records kept in accordance with this Act which is to his knowledge false or misleading in any material particular, he shall be liable on conviction to a fine not exceeding $1,000 nor less than $500 or imprisonment for a term not exceeding six months, or both.

SEC. 10. The Secretary may make regulations for the administration of sections 3, 4, 5, 8(a), and 9.

SEC. 11. (a) The Secretary may make regulations empowering such persons as may be designated to go on board any ship to which the convention applies, while the ship is within the territorial jurisdiction of the United States, and to require production of any records required to be kept in accordance with the convention.

(b) Should evidence be obtained that a ship registered in another country party to the convention has discharged oil in any prohibited zone, such evidence should be forwarded to the State Department for action in accordance with article X of the convention.

SEC. 12. (a) Subject to paragraph (c) of this section, the prohibited zones in relation to tankers shall be all sea areas within fifty miles from land, with the following exceptions:

(1) THE ADRIATIC ZONES.—Within the Adriatic Sea the prohibited zones off the

coasts of Italy and Yugoslavia respectively shall each extend for a distance of fifty miles from land, excepting only the island of Vis.

(2) THE NORTH SEA ZONE.—The North Sea Zone shall extend for a distance of one hundred miles from the coasts of the following countries—

Belgium,
Denmark,
the Federal Republic of Germany,
the Netherlands,
the United Kingdom of Great Britain and Northern Ireland;

but not beyond the point where the limit of a one hundred-mile zone off the west coast of Jutland intersects the limit of the fifty-mile zone off the coast of Norway.

(3) THE ATLANTIC ZONE.—The Atlantic Zone shall be within a line drawn from a point on the Greenwich meridian one hundred miles in a north-northeasterly direction from the Shetland Islands; thence northward along the Greenwich meridian to latitude 64 degrees north; thence westward along the 64th parallel to longitude 10 degrees west; thence to latitude 60 degrees north, longitude 14 degrees west; thence to latitude 54 degrees 30 minutes north, longitude 30 degrees west; thence to latitude 44 degrees 20 minutes north, longitude 30 degrees west; then to latitude 48 degrees north, longitude 14 degrees west; thence eastward along the forty-eighth parallel to a point of intersection with the fifty-mile zone off the coast of France: *Provided*, That in relation to voyages which do not extend seaward beyond the Atlantic Zone as defined above, and which are to points not provided with adequate facilities for the reception of oily residue, the Atlantic Zone shall be deemed to terminate at a distance of one hundred miles from land.

(4) THE AUSTRALIAN ZONE.—The Australian Zone shall extend for a distance of one hundred and fifty miles from the coasts of Australia, except off the north and west coasts of the Australian mainland between the point opposite Thursday Island and the point on the west coast at 20 degrees south latitude.

(b) Subject to paragraph (c) of this section the prohibited zones in relation to ships other than tankers shall be all sea areas within fifty miles from land with the following exceptions:

(1) THE ADRIATIC ZONES.—Within the Adriatic Sea the prohibited zones off the coasts of Italy and Yugoslavia respectively shall each extend for a distance of twenty miles from land, excepting only the Island of Vis. After the expiration of a period of three years following the application of prohibited zones to ships other than tankers in accordance with section 3(b) of this Act the said zones shall each be extended by a further thirty miles in width unless the two Governments agree to postpone such extension. In the event of such an agreement, the Convention provides for notification to be given accordingly to the Intergovernmental Maritime Consultative Organization by said governments not less than three months before the expiration of such period of three years and for notification to be given to all contracting governments by the Intergovernmental Maritime Consultative Organization.

(2) THE NORTH SEA AND ATLANTIC ZONES.—The North Sea and Atlantic Zones shall extend for a distance of one hundred miles from the coasts of the following countries:

Belgium,
Denmark,
the Federal Republic of Germany,
Ireland,
the Netherlands,
the United Kingdom of Great Britain and Northern Ireland,

but not beyond the point where the limit of a one-hundred-mile zone off the west coast of Jutland intersects the limit of the fifty-mile zone off the coast of Norway.

(c) With respect to the reduction or extension of the zones described above effectuated under the terms of the Convention, the Secretary of the Army shall give notice thereof by publication of such information in Notices to Mariners issued by the United States Coast Guard and United States Navy.

SEC. 13. (a) The Secretary shall have printed separate booklets which set forth instructions and spaces for inserting information as follows:

(1) FOR TANKERS.—
(A) Date of entry.
(B) Ballasting of and discharge of ballast from cargo tanks.
(i) Identity numbers of tank(s).
(ii) Type of oil previously contained in tank(s).
(iii) Date and place of ballasting.
(iv) Date and time of discharge of ballast water.
(v) Place or position of ship.
(vi) Approximate amount of oil contaminated water transferred to slop tank(s).
(vii) Identity numbers of slop tank(s).
(C) Cleaning of cargo tanks.
(i) Identity numbers of tank(s) cleaned.
(ii) Type of oil previously contained in tank(s).
(iii) Identity numbers of slop tank(s) to which washings transferred.
(iv) Dates and times of cleaning.
(D) Settling in slop tank(s) and discharge of water.
(i) Identity numbers of slop tank(s).
(ii) Period of settling (in hours).
(iii) Date and time of discharge of water.
(iv) Place or position of ship.
(v) Approximate quantities of residue.
(E) Disposal from ship of oily residues from slop tanks and other sources.
(i) Date and method of disposal.
(ii) Place or position of ship.
(iii) Sources and approximate quantities.
(F) Signature of officer or officers in charge of the operations concerned and signature of the master.

(2) FOR SHIPS OTHER THAN TANKERS.—
(A) Date of entry.
(B) Ballasting, or cleaning during voyage, of bunker fuel tanks.
(i) Identity number of tank.
(ii) Type of oil previously contained in tank.
(iii) Date and place of ballasting.
(iv) Date and time of discharge of ballast or washing water.
(v) Place or position of ship.
(vi) Whether separator used: if so, give period of use.
(vii) Disposal of oily residue retained on board.
(C) Disposal from ship of oily residues from bunker fuel tanks and other sources.
(i) Date and method of disposal.
(ii) Place or position of ship.
(iii) Sources and approximate quantities.
(D) Signature of officer or officers in charge of the operations concerned and signature of the master.

(3) FOR ALL SHIPS.—
(A) Date of entry.
(B) Accidental and other exceptional discharges or escapes of oil.
(i) Date and time of occurrence.
(ii) Place or position of ship.
(iii) Approximate quantity and type of oil.
(iv) Circumstances of discharge or escape and general remarks.
(C) Signature of office or officers in charge of the operations concerned and signature of the master.

(b) The booklet shall be furnished free to all seagoing ships of American registry subject to this Act. The provisions of section 140 of title 5, United States Code shall not apply. The ownership of the booklet shall remain in the United States Government. This booklet shall be available for inspection as provided in this Act and for surrender to the United States Government pursuant to regulations of the Secretary.

SEC. 14. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SEC. 15. If a provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the remainder of the Act and the application of such provision to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

SEC. 16. Nothing in this Act or in regulations issued hereunder shall be construed to modify or amend the provisions of the Oil Pollution Act, 1924 (33 U.S.C. 431–437), or of section 89 of title 14, United States Code.

SEC. 17. This Act shall become effective upon the date of its enactment or upon the date the United States becomes a party to the convention, whichever is the later date.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The proceedings by which the bill H.R. 8152 was passed were vacated, and that bill was laid on the table.

TAX TREATMENT OF CERTAIN CLAYS AND SHALE

Mr. IKARD of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7057) relating to the application of the terms "gross income from mining" and "ordinary treatment processes normally applied by mine owners or operators in order to obtain the commercially marketable mineral product or products" to certain clays and shale for taxable years beginning before December 14, 1959.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the decision of the Supreme Court of the United States in United States against Cannelton Sewer Pipe Company (1959) (364 U.S. 76), the terms "gross income from mining" and "ordinary treatment processes normally applied by mine owners or operators in order to obtain the commercially marketable mineral product or products" as used in paragraphs (1) and (2) of section 613(c) of the Internal Revenue Code of 1954 as in force for taxable years beginning before January 1, 1961 (and the corresponding provisions of the Internal Revenue Code of 1939), in their application to the terms "shale" and "clay" as used in paragraphs (3), (5)(A), and (6) of section 613(b) of the Internal Revenue Code of 1954 (or corresponding provisions of the Internal Revenue Code of 1939) shall, for any taxable year beginning before December 14, 1959, be treated as having a meaning consistent with the principles set forth in the decisions of the United States Court of Appeals for the Fifth Circuit in the United States against Cherokee Brick and Tile Company (1955) (218 F. 2d 424) and United States against Merry Brothers Brick and Tile Company (1957) (242 F. 2d 708) (certiorari denied, 355 U.S. 824).

The SPEAKER pro tempore. Is a second demanded?

Mr. BYRNES of Wisconsin. Mr. Speaker, I demand a second.

Mr. IKARD of Texas. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. IKARD of Texas. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and that all Members may have 5 legislative days in which to revise and extend their remarks with reference to this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. IKARD of Texas. Mr. Speaker, the bill, H.R. 7057, which was unanimously approved by the Committee on Ways and Means, is, I am certain, of particular interest to many Members. It deals with the determination of the base upon which percentage depletion is to be computed for brick and tile clay and other clays and shale for taxable years beginning before December 14, 1959. The bill does not change any rates of depletion nor is it concerned with what the base should be for percentage depletion for any future years. In order for the Members of the House to understand the reasons for this bill as well as its intent and purpose, a brief review of the development of the problem seems necessary.

Under the law as it existed during the years that would be affected by this bill, the depletion base for minerals such as clay was determined by reference to the value of the first commercially marketable product obtainable after the application to such minerals of the ordinary treatment processes normally applied by mine owners and operators. The terms used in the law led to much litigation as to the proper depletion base for these minerals. The Treasury, on one hand, contended that the first commercially marketable product was the mined clay in its raw or natural state. This view, of course, would have resulted in the lowest possible depletion allowance.

On the other hand, clay mine owners and producers contended that the first commercially marketable product was their finished product, such as brick or tile, and that the value of such finished product was the base provided by the law upon which to compute the depletion allowance. Computing this allowance with respect to the value of the end or finished products, of course, resulted in a higher depletion allowance.

During the period covered by this bill, an almost unbroken line of court cases held in the case of brick and tile clay that the first commercially marketable clay product was the end or finished product. This line of cases culminated in 1957 with the Supreme Court's denial of certiorari in circuit court of appeals cases that had held for the taxpayer on this point. Shortly thereafter, the Internal Revenue Service publicly and officially announced that it was taking steps to dispose of pending litigation in accordance with the principles announced in the circuit court decisions as to which the Supreme Court had denied certiorari.

Some 2 years later, however, the Supreme Court granted certiorari in the Cannelton Sewer Pipe case dealing with fire clay. This case is now interpreted by the Treasury as requiring that the base upon which clay depletion must be computed under prior law, for years not closed by the statute of limitations, is the value of the mineral in its raw or natural state. The retroactive application of the principles announced in this case would have a severe financial effect on the clay industry which properly followed the prior court cases and the Internal Revenue Service's announcement based on these cases.

Upon a review of the record, the committee concluded that in the period before the granting of certiorari by the Supreme Court in the Cannelton case, the miners of clay, where the end product was the first commercially marketable product, were fully justified in basing their claimed percentage depletion on the value of the end or finished product. Moreover, in the case of brick and tile clay, it is clear that, with insignificant exceptions, the finished product is the first commercially marketable product. This conclusion is warranted because of the long line of court cases upholding percentage depletion on the finished product and because of the official statement issued by the Internal Revenue Service that it intended to follow the principles enunciated in the circuit court cases in which the Supreme Court had denied certiorari. Also, this conclusion is warranted by the fact that the Internal Revenue Service had, prior to the granting of certiorari in the Cannelton case, settled many cases on the basis of computing percentage depletion on the value of end or finished products in the clay area.

That percentage depletion could be taken on the selling price of the end product in the case of certain clays was made most clear by the fact that in the past Treasury witnesses before the Committee on Ways and Means have urged changes in the law in this area. Furthermore, the recommendations contained in successive budget messages have urged changes in the laws in this area for similar reasons. As a result of these considerations, the Committee on Ways and Means unanimously reported this bill which provides, in effect, that principles consistent with those applied in the leading circuit court cases prior to the granting of certiorari in the Cannelton case on December 14, 1959, should be applied in determining depletion bases for clay in taxable years beginning before that date. Thus, where, in accordance with the principles of these cases, the finished clay or shale product is the first commercially marketable product, percentage depletion for these past years, to the extent that they are not closed by the statute of limitations or otherwise, will be based upon the value of the finished or end product.

To attempt to retroactively apply the Treasury interpretation of the Cannelton decision to past open years of taxpayers who are miners of brick and tile and other clay or shale would be highly inequitable. As I have pointed out, a number of cases have already been settled on the principles announced in the prior court cases.

Moreover, retroactive application of the Treasury interpretation of the Cannelton case would work hardship on many clay and shale miners because of the irrevocable decisions that they have made—based upon the then official interpretation of the law—as to prices to charge for their products, the commitment of funds for plant expansion, the use of profits for dividend distributions, and so forth. All of these decisions for years to which the bill would apply were made on the assumption that the judicial and Internal Revenue Service interpretations of what this depletion base was justified reliance thereon.

To retroactively impose a tax in these cases would have serious consequences in the clay and shale industry because it is traditionally an industry of many small independent businesses which do not have large financial resources to fall back upon in the event of an adverse determination of their tax liability for a number of past years.

I strongly urge that equal treatment of these clay miners and producers for the past period should warrant our support here. These producers, no matter what is to be the base for percentage depletion in future years, should be able for the past years to rely on the word of the Government as to what the law was at that time—and by word of the Government I mean the decisions of the court and the official releases of the Internal Revenue Service setting forth the interpretation of the law for the guidance of the brick and tile clay and other clay and shale industries.

Mr. BREEDING. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. BREEDING. Mr. Speaker, it is important for the House to pass H.R. 7057 to clear up the confusion which currently surrounds the percentage depletion for shale and clay. There have been conflicting court decisions, with the Supreme Court interpreting the law insofar as these products are concerned in a manner that is contrary to the vast majority of previous court decisions.

The Internal Revenue Service has insisted on revising its regulations in accordance with the Supreme Court decision and this has led to many involved and lengthy disputes with taxpayers.

Under the terms of the bill now before the committee, taxpayers will be allowed a percentage depletion based upon the value of the finished product. The effect of the bill would be to restore the position of these two products for taxation purposes to the position they enjoyed before the Supreme Court ruled otherwise, and in variance with a long list of other court decisions.

Mr. Speaker, this proposed legislation is important to the district I represent. Efforts were made to work out this problem through administrative action, but these were unsuccessful. Until legislation along these lines is passed, there will be hanging over the

head of the brick and tile industry the threat of having to pay the Federal Government additional taxes which had been withheld in good faith and in accordance with existing law.

Subsequent amendments to the tax laws, together with a ruling of the Internal Revenue Service, completely confused the situation and threatened to impose an intolerable financial burden upon many companies using shale and clay to produce finished products.

Let me cite the experience of just one company as an example of why this legislation is needed. This company was started in a predominately agricultural area to help balance the area's economy. Residents of the area financed the plant. All of the earnings and its depletion allowance have been plowed back into the business to buy new equipment and improve the competitive position of the plant.

Under the present IRS ruling, the depletion allowance for this firm has been reduced to a point where it is meaningless. I am afraid this firm cannot continue its operation and expansion, which has meant so much to the community, without the relief the bill provides.

There are a number of other going concerns in the district I represent which are also threatened. It is interesting to note, Mr. Speaker, that officials of the unions representing the employees at the plants are wholeheartedly supporting the legislation because they realize that if something is not done their jobs will be in jeopardy.

I urge the House to pass this bill. It is urgently needed to save those industries in western Kansas which are based upon clay—a valuable natural resource which is now being used to good advantage to provide jobs for our people. By passing this bill, we will only be restoring the depletion allowance to shale and clay to the position it held prior to a change in the rules.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. One hundred and fifty-seven Members are present, not a quorum.

Mr. MILLS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 158]

Alford	Griffin	Pilcher
Alger	Hardy	Pillion
Andersen, Minn.	Harrison, Va.	Powell
	Harsha	Quie
Bell	Hébert	Rabaut
Blatnik	Jennings	Reece
Boggs	Jonas	Shelley
Brooks, La.	Jones, Ala.	Sheppard
Buckley	Karth	Shipley
Burke, Ky.	Kearns	Sibal
Chamberlain	Kee	Slack
Curtis, Mo.	Kilburn	Thomas
Davis, Tenn.	Kitchin	Thompson, La.
Dominick	Lesinski	Thompson, N.J.
Donohue	Morrison	Westland
Fino	Moulder	Whalley
Ford	O'Neill	Widnall
Glenn	Osmers	Willis
Granahan	Philbin	Wilson, Calif.

The SPEAKER pro tempore. On this rollcall 379 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

TAX TREATMENT OF CERTAIN CLAYS AND SHALE

The SPEAKER pro tempore. The gentleman from Texas [Mr. IKARD] is recognized.

Mr. IKARD of Texas. Mr. Speaker, I yield to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Speaker, this is one of the rare occasions on which I find myself in agreement with the judgment of the Committee on Ways and Means. We have numerous plants in West Virginia in the tile and brick industry. The majority of those producers have written me urging that I support this legislation. I want to appeal to my colleagues to suspend the rules and pass this legislation, because it is wholesome, and beneficial.

Mr. PERKINS. Mr. Speaker, will the gentleman yield?

Mr. IKARD of Texas. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Speaker, I rise in support of H.R. 7057. More than 50 percent of the brick and clay workers in the area that I represent are unemployed at the present time. Practically all of the deep mine clay operations are closed down in the Carter-Rowan-Boyd County area and two of our brick operations have closed down because of the lack of demand for the product.

I understand that North American in Boyd County recently made an announcement that they intend to close their firebrick plant. I certainly hope that some relief may be afforded in H.R. 7057 that will enable the industry to keep not only the North American plant open in Boyd County, but that the plants that have closed down may be reopened in the Seventh Congressional District where we have so much unemployment. Mr. Speaker, I am glad to sponsor H.R. 8572 which is a companion bill to H.R. 7057.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. IKARD of Texas. I yield.

Mr. EDMONDSON. Mr. Speaker, I wish to compliment the gentleman from Texas and the Committee on Ways and Means for bringing out this worthwhile and needed piece of legislation. It is urgently needed to prevent a serious tax inequity. I certainly support it and I hope it will be overwhelmingly adopted.

Mr. DENTON. Mr. Speaker, will the gentleman yield?

Mr. IKARD of Texas. I yield to the gentleman from Indiana.

Mr. DENTON. I want to associate myself with the remarks made by the gentleman from Texas [Mr. IKARD], and to congratulate the Ways and Means Committee for bringing out this legislation. There has been great hardship caused by the decision in the Cannelton Sewer Pipe Co. That company is in the district I represent, and I know this legislation is badly needed, and will insure fairplay by the Government.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. IKARD of Texas. I yield to the gentleman from Texas.

Mr. WRIGHT. I, too, want to associate myself with the remarks of the gentleman from Texas [Mr. IKARD] and to congratulate the Committee on Ways and Means for bringing this bill before us today. This is nothing but simple equity for a great many American citizens whose livelihood is directly involved in an important American industry. These people have faithfully paid their taxes for all these years in a manner and upon a basis which had been repeatedly upheld by the courts, and in a manner specifically honored by Treasury Department directives. For the Government to apply a subsequent court ruling retroactively and require these citizens to go back now and raise additional taxes for those years would be to break faith with them and to perpetrate a flagrant inequity. As I stated, I associate myself with the remarks of the gentleman from Texas.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. IKARD of Texas. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I want to identify myself with the statement made by the gentleman from Texas, and I desire to congratulate the Committee on Ways and Means for the fine job that committee has done in this matter.

Mr. HEMPHILL. Mr. Speaker, will the gentleman yield?

Mr. IKARD of Texas. I yield to the gentleman from South Carolina.

Mr. HEMPHILL. Mr. Speaker, I want to compliment the distinguished gentleman from Texas for bringing out this legislation. I have some knowledge of this kind of procedure which the Internal Revenue has engaged in. A taxpayer sets up his books on a certain ruling, then finds that the Internal Revenue Service has made a change in its rules, therefore a change in the whole tax structure. This is not fair, and I compliment the gentleman and associate myself with him. I intend to vote for the passage of this legislation.

I support this legislation and urge its passage.

Mr. McVEY. Mr. Speaker, will the gentleman yield?

Mr. IKARD of Texas. I yield to the gentleman from Kansas.

Mr. McVEY. I wish to identify myself with the remarks made by the gentleman from Texas; also to congratulate the Committee on Ways and Means on this commendable piece of legislation. I, too, have clay industries in my district which need this legislation. Regardless of this fact it is fair and just.

Mr. KNOX. Mr. Speaker, will the gentleman yield?

Mr. IKARD of Texas. I yield to the gentleman from Michigan.

Mr. KNOX. Mr. Speaker, this legislation is needed in this field in order to clarify the question of taxes, which has been changed due to long litigation. I want to support my colleague from

Texas, a member of the Committee on Ways and Means, for having this legislation presented to us today.

Mr. Speaker, there is no question that legislation is needed to qualify the achievement of tax liability for the period from 1959 back as far as 1951 in the case of products of brick and tile clay and shale.

Legislation is made necessary by the confusion and conflict that arose from court decisions almost universally interpreting the law one way until reversed by the Supreme Court decision handed down on July 27, 1960, in United States against Cannelton and administrative practices by the Treasury Department opposing and then concurring in the lower court decision and then relying on Cannelton to again reverse its administrative practices.

Percentage depletion was made available to clay in 1942 and in subsequent years additional kinds of clay have been added to the list of items on which a depletion allowance is available. Brick and tile clay was added to the depletion list in 1951. The question before us today is not whether or not depletion will be available with respect to clay, but is instead a question of the cutoff point or the depletion base to which the depletion percentage will be applied for the purpose of computing tax liability. The range of possibilities in this area is from the raw clay to the finished product. The lower court decision to which I have previously referred tended to treat the finished brick and tile product as the first commercially marketable product and therefore the point at which the depletion allowance would apply. As I have said the Internal Revenue Service concurred in these court decisions and issued a directive to the effect that it would settle cases on the basis of the finished product. The decision in the Cannelton case changed the Treasury policy and the Treasury Department is now endeavoring to force taxpayers to settle with respect to open years on a basis that is considerably less favorable than the basis the Treasury Department previously found acceptable.

The legislation now before us is concerned with the proper basis for depletion purposes with respect to brick and tile clay and shale for taxable years beginning before December 14, 1959—the date on which the Supreme Court granted certiorari in the Cannelton Sewer Pipe case. The effect of this legislation is to grant to the brick and tile clay products the depletion treatment for those years that the lower courts said they were entitled to and that the Internal Revenue Service agreed they were entitled to. For that reason it is appropriate that this legislation should be passed.

I would observe that I have introduced a bill which would amend the depletion provisions of the Internal Revenue Code so as to clarify the status of taxpayers affected by depletion allowance controversies. The purpose of my bill is to allow prospectively the mining process of crushing, grinding, and separating of the ore or mineral from waste, in the case of ores or minerals which are consistently sold in the form of a crude mineral product. My bill would also provide a definition of pulverization and would allow an election by the taxpayer with respect to the retroactive application of the provisions of my bill. My legislative proposal, H.R. 8474, would be of benefit to the brick and tile clay producers, limestone producers, and other taxpayers who presently find the Treasury Department resisting their endeavors to include mining processing within the depletion bases.

Mr. Speaker, I, of course, support the passage of H.R. 7057. I refer to the bill which I introduced, H.R. 8474, only for the fact of noting the existence of further problems in this depletion area and calling attention to the fact that I will, at the appropriate time, urge the consideration of my bill insofar as the problem with which it deals is not corrected by the legislation before us today.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. IKARD of Texas. I yield to the gentleman from Arkansas.

Mr. HARRIS. Mr. Speaker, I should like to compliment the gentleman and the great Committee on Ways and Means for the consideration that has been given to this problem—and for reporting this bill. It should be approved unanimously by the House and Congress.

The gentleman is well aware of the interest manifested by many Members of Congress, and the fact that there has been a very large group of Members of the House, a large majority of the House, composed of the Clay Products Congressional Committee of which I have the privilege and responsibility of serving as chairman. The committee sent a resolution to your legislative committee on this problem, realizing the terrific impact of action under the present procedure by the Internal Revenue Bureau.

Mr. Speaker, I should like to ask unanimous consent to revise and extend my remarks, and to include the resolution which the special committee adopted and transmitted to the Committee on Ways and Means, which briefly describes the problem on which we seek equity and just treatment, and to include a list of names of the Members of Congress, consisting of over 200 Members of Congress on both sides, who sponsor and join in cooperation with the Committee on Ways and Means on this legislation under consideration and in full support of it.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

RESOLUTION IN SUPPORT OF H.R. 7057 AND H.R. 7150 TO RELIEVE GROSS INEQUITIES IN CLAY PRODUCTS INDUSTRY

Whereas the clay products industry of the United States composed of hundreds of small businesses has in determining its depletion allowance relied upon more than 50 decisions of the U.S. Federal courts together with Technical Information Bulletin No. 62, issued by the Internal Revenue Service following the denial of certiorari by the U.S. Supreme Court of a group of cases on this issue; and

Whereas the Supreme Court in *United States v. Cannelton Sewer Pipe Company* (364 U.S. 76, decided June 27, 1960) expressly distinguished its decision in that case from all previous decisions referred to herein; and

Whereas the Internal Revenue Service is now seeking to collect taxes over a period of several years on the basis of its interpretation of the decision in the Cannelton case referred to above; and

Whereas such action of the Internal Revenue Service would cause extreme hardship and uncertainty as well as seriously threatening bankruptcy for many small businesses; and

Whereas efforts to remedy this burden on the clay products industry and its taxpayers by administrative action have failed, threatening further multiplicity of court cases; and

Whereas a gross inequity is about to be imposed on this industry which would cause grave injustices; and

Whereas H.R. 7057 by Mr. IKARD of Texas and H.R. 7150 by Mr. BETTS, of Ohio, have been introduced to resolve this issue and provide justifiable relief: Now, therefore, be it

Resolved, That the Committee on Ways and Means of the House of Representatives is respectfully requested to consider immediately and favorably report forthwith said proposed legislation for enactment.

LIST OF MEMBERS WHO SUPPORTED THE COMMITTEE ON WAYS AND MEANS IN THE CLAY INDUSTRY CASE

SENATORS

ALLOTT, GORDON, Republican, of Colorado.

BEALL, J. GLENN, Republican, of Maryland; BURDICK, QUENTIN N., Democrat, of North Dakota.

CAPEHART, HOMER E., Republican, of Indiana; CARLSON, FRANK, Republican, of Kansas; CHAVEZ, DENNIS, Democrat, of New Mexico; COOPER, JOHN SHERMAN, Republican, of Kentucky; CURTIS, CARL T., Republican, of Nebraska.

DIRKSEN, EVERETT M., Republican, of Illinois.

EASTLAND, JAMES O., Democrat, of Mississippi; ELLENDER, ALLEN J., Democrat, of Louisiana; ERVIN, SAM, Democrat, of North Carolina; ENGLE, CLAIR, Democrat, of California.

FULBRIGHT, J. W., Democrat, of Arkansas.

HARTKE, VANCE, Democrat, of Indiana; HICKENLOOPER, BOURKE B., Republican, of Iowa; HILL, LISTER, Democrat, of Alabama; HRUSKA, ROMAN L., Republican, of Nebraska.

JORDAN, B. EVERETT, Democrat, of North Carolina.

KEFAUVER, ESTES, Democrat, of Tennessee; KERR, ROBERT S., Democrat, of Oklahoma; KUCHEL, THOMAS H., Republican, of California.

LAUSCHE, FRANK J., Democrat, of Ohio.

MCCLELLAN, JOHN L., Democrat, of Arkansas.

MILLER, JACK, Republican, of Iowa; MONRONEY, A. S. MIKE, Democrat, of Oklahoma; MORTON, THRUSTON B., Republican, of Kentucky.

RUSSELL, RICHARD B., Democrat, of Georgia.

SCHOEPPEL, ANDREW F., Republican, of Kansas; SMATHERS, GEORGE A., Democrat, of Florida; SPARKMAN, JOHN J., Democrat, of Alabama; STENNIS, JOHN, Democrat, of Mississippi.

TALMADGE, HERMAN E., Democrat, of Georgia; THURMOND, STROM, Democrat, of South Carolina.

YARBOROUGH, RALPH W., Democrat, of Texas.

REPRESENTATIVES

ALBERT, CARL, Democrat, of Oklahoma; ABBITT, WATKINS M., Democrat, of Virginia; ABERNETHY, THOMAS G., Democrat, of Mississippi; ALEXANDER, HUGH Q., Democrat, of North Carolina; ALFORD, DALE, Democrat, of Arkansas; ALGER, BRUCE, Democrat, of Texas; ASHBROOK, JOHN M., Republican, of Ohio; ASPINALL, WAYNE, Democrat, of Colorado;

AVERY, WILLIAM H., Republican, of Kansas; AYRES, WILLIAM H., Republican, of Ohio.

BAKER, HOWARD H., Republican, of Tennessee; BECKWORTH, LINDLEY, Democrat, of Texas; BEERMANN, RALPH F., Republican, of Nebraska; BELCHER, PAGE, Republican, of Oklahoma; BERRY, E. Y., Republican, of North Dakota; BETTS, JACKSON, Republican, of Ohio; BOLTON, FRANCES P., Republican, of Ohio; BLATNIK, JOHN A., Democrat, of Minnesota; BOGGS, HALE, Democrat, of Louisiana; BONNER, HERBERT C., Democrat, of North Carolina; BOW, FRANK T., Republican, of Ohio; BRAY, WILLIAM G., Republican, of Indiana; BREEDING, J. FLOYD, Democrat, of Kansas; BREWSTER, DANIEL B., Democrat, of Maryland; BROMWELL, JAMES E., Republican, of Iowa; BROOKS, OVERTON, Democrat, of Louisiana; BROWN, CLARENCE J., Republican, of Ohio; BURLESON, OMAR, Democrat, of Texas.

CASEY, BOB, Democrat, of Texas; CHELF, FRANK, Democrat, of Kentucky; CHENOWETH, J. EDGAR, Republican, of Colorado; COAD, MERWIN, Democrat, of Iowa; COLMER, WILLIAM M., Democrat, of Mississippi; CONTE, SILVIO O., Republican, of Massachusetts; COOLEY, HAROLD D., Democrat, of North Carolina; CUNNINGHAM, GLENN, Republican, of Nebraska; CURTIS, THOMAS B., Republican, of Missouri.

DENTON, WINFIELD K., Democrat, of Indiana; DEROUNIAN, STEVEN B., Republican, of New York; DEVINE, SAMUEL L., Republican, of Ohio; DOLE, ROBERT, Republican, of Kansas; DOMINICK, PETER H., Republican, of Colorado; DORN, W. J. BRYAN, Democrat, South Carolina; DOWDY, JOHN, Democrat, of Texas.

EDMONDSON, ED, Democrat, of Oklahoma; ELLSWORTH, ROBERT F., Jr., Republican, Kansas; EVERETT, ROBERT A., Democrat, of Tennessee.

FALLON, GEORGE, Democrat, of Maryland; FINDLEY, PAUL, Republican, of Illinois; FISHER, O. C., Democrat, of Texas; FORRESTER, E. L., Democrat, of Georgia; FOUNTAIN, L. H., Democrat, of North Carolina; FRELINGHUYSEN, PETER, Jr., Republican, of New Jersey; FRAZIER, JAMES B., Jr., Democrat, of Tennessee; FRIEDEL, SAMUEL N., Democrat, of Maryland; FULTON, JAMES G., Republican, of Pennsylvania.

GARMATZ, EDWARD A., Democrat, of Maryland; GARY, J. VAUGHAN, Democrat, of Virginia; GATHINGS, E. C., Democrat, of Arkansas; GOODLING, GEORGE A., Republican, of Pennsylvania; GRANT, GEORGE, Democrat, of Alabama; GROSS, H. R., Republican, of Iowa.

HALL, DURWARD G., Republican, of Missouri; HARRIS, OREN, Democrat, of Arkansas; HARRISON, BURR P., Democrat, of Virginia; HARVEY JAMES, Republican, of Michigan; HAYS, WAYNE L., Democrat, of Ohio; HÉBERT, F. EDWARD, Democrat, of Louisiana; HENDERSON, DAVID N., Democrat, of North Carolina; HIESTAND, EDGAR W., Republican, of California; HOEVEN, CHARLES B., Republican, of Iowa; HORAN, WALT, Republican, of Washington; HUDDLESTON, GEORGE, Democrat, of Alabama.

ICHORD, RICHARD, Democrat, of Missouri; IKARD, FRANK, Democrat, of Texas.

JARMAN, JOHN, Democrat, of Oklahoma; JENSEN, BEN F., Republican, of Iowa; JOHANSEN, AUGUST, Republican, of Michigan; JOHNSON, HAROLD T., Democrat, of California; JOHNSON, THOMAS F., Democrat, of Maryland; JONAS, CHARLES R., Republican, of North Carolina; JUDD, WALTER H., Republican, of Minnesota.

KARSTEN, FRANK M., Democrat, of Maryland; KITCHIN, A. PAUL, Democrat, of North Carolina; KNOX, VICTOR A., Republican, of Michigan; KEOGH, EUGENE J., Democrat, of New York; KILDAY, PAUL J., Democrat, of Texas; KILGORE, JOE M., Democrat, of Texas; KING, CECIL R., Democrat, of California; KORNEGAY, HORACE, Democrat, of North Carolina; KYL, JOHN, Republican, of Iowa.

LANDRUM, PHIL M., Democrat, of Georgia; LANGEN, ODIN, Republican, of Minnesota; LANKFORD, RICHARD, Democrat, of Maryland; LATTA, DELBERT L., Republican, of Ohio; LIBONATI, ROLAND V., Democrat, of Illinois; LENNON, ALTON, Democrat, of North Carolina; LIPSCOMB, GLENARD P., Republican, of California; LOSER, J. CARLTON, Democrat, of Tennessee.

MAHON, GEORGE H., Democrat, of Texas; MARTIN, DAVID T., Republican, of Nebraska; MASON, NOAH M., Republican, of Illinois; MATHIAS, CHARLES McC., Republican, of Maryland; MAY, CATHERINE, Republican, of Washington.

McCULLOCH, WM. M., Republican, of Ohio; McVEY, WALTER L., Republican, of Kansas.

MILLER, GEORGE P., Democrat, of California; MINSHALL, WILLIAM E., Republican, of Ohio.

McFALL, JOHN, Republican, of California.

MacGREGOR, CLARK, Republican, of Minnesota.

MOELLER, WALTER H., Democrat, of Ohio; MONTOYA, JOSEPH M., Democrat, of New Mexico; MOOREHEAD, TOM V., Republican, of Ohio; MORRIS, T. G., Democrat, of New Mexico; MORRISON, JAMES H., Democrat, of Louisiana; MURRAY, TOM, Democrat, of Tennessee.

NATCHER, WILLIAM H., Democrat, of Kentucky; NELSEN, ANCHER, Republican, of Minnesota; NORRELL, CATHERINE D., Democrat, of Arkansas.

O'BRIEN, LEO W., Democrat, of New York.

PASSMAN, OTTO E., Democrat, of Louisiana; PATMAN, WRIGHT, Democrat, of Texas; PERKINS, CARL D., Democrat, of Kentucky; PIRNIE, ALEXANDER, Republican, of New York; POAGE, W. R., Democrat, of Texas; POFF, RICHARD H., Republican, of Virginia.

QUIE, ALBERT H., Republican, of Minnesota.

RHODES, GEORGE M., Democrat, of Pennsylvania; RIEHLMAN, WALTER, Republican, of New York; RILEY, JOHN, Democrat, of South Carolina; RIVERS, MENDEL, Democrat, of South Carolina; ROBERTS, KEN, Democrat, of Alabama; ROGERS, BYRON G., Democrat, of Colorado; ROGERS, WALTER, Democrat, of Texas; ROUDEBUSH, RICHARD L., Republican, of Indiana; ROOSEVELT, JAMES, Democrat, of California; ROUSSELOT, JOHN H., Republican, of California; RUTHERFORD, J. T., Democrat, of Texas.

SAUND, D. S., Democrat, of California; SAYLOR, JOHN P., Republican, of Pennsylvania; SCHNEEBELI, HERMAN, Republican, of Pennsylvania; SCHWENGEL, FRED, Republican, of Iowa; SCOTT, RALPH, Democrat, of North Carolina; SHEPPARD, HARRY R., Democrat, of California; SMITH, FRANK, of Mississippi; SMITH, H. ALLEN, Republican, of California; SMITH, NEAL, Democrat, of Iowa; STEED, TOM, Democrat, of Oklahoma; ST. GEORGE, KATHARINE, Republican, of New York; SULLIVAN, LEONOR K., Democrat, of Missouri.

TAYLOR, ROY A., Democrat, of North Carolina; TEAGUE, CHARLES M., Republican, of California; TEAGUE, OLIN EARL, Democrat, of Texas; THOMAS, ALBERT, Democrat, of Texas; THOMPSON, CLARK W., Democrat, of Texas; THORNBERRY, HOMER, Democrat, of Texas; TRIMBLE, JAMES W., Democrat, of Arkansas.

UTT, JAMES, Republican, of California.

VAN ZANDT, JAMES E., Republican, of Pennsylvania; VINSON, CARL, Democrat, of Georgia.

WATTS, JOHN C., Democrat, of Kentucky; WEAVER, PHIL, Republican, of Nebraska; WHALLEY, J. IRVING, Republican, of Pennsylvania; WHARTON, J. ERNEST, Republican, of New York; WHITENER, BASIL L., Democrat, of North Carolina; WICKERSHAM, VICTOR, Democrat, of Oklahoma; WILLIS, E. E., Democrat, of Louisiana; WINSTEAD, ARTHUR, Democrat, of Mississippi; WRIGHT, JIM C., Democrat, of Texas; WILLIAMS, JOHN B., Democrat, of Mississippi.

YOUNG, JOHN, Democrat, of Texas.

Mr. KORNEGAY. Mr. Speaker, I would like to congratulate the distinguished gentleman from Texas for the excellent job he has done in connection with this bill and also to congratulate the great Committee on Ways and Means on reporting it out. It is needless to say that I join with the gentleman from Texas in support of this important measure which is intended to clarify a confusing situation and to rectify an unfairness and bring justice and equity into our tax laws that relate to the depreciation on clay and shale.

I urge my colleagues to support this measure which will eliminate an unjustified hardship on many clay miners and prevent the retroactive application of the Treasury interpretation of the Cannelton case on those who placed full faith and credit in the long line of court decisions and on the Technical Information Release No. 62 of the Internal Revenue Service.

Mr. WICKERSHAM. Mr. Speaker, will the gentleman yield?

Mr. IKARD of Texas. I yield to the gentleman from Oklahoma.

Mr. WICKERSHAM. Mr. Speaker, I wish to compliment the gentleman from Texas. I was at the various meetings conducted by the gentleman from Ohio [Mr. Bow], and the gentleman from Texas [Mr. IKARD], as well as a number of other Members, and I think this is worthwhile legislation.

Mr. BAKER. Mr. Speaker, will the gentleman yield?

Mr. IKARD of Texas. I yield to the gentleman from Tennessee.

Mr. BAKER. Mr. Speaker, I want to say that I thoroughly agree with the gentleman from Texas [Mr. IKARD]. He has made a full, complete and fair statement, and I strongly urge the adoption of the legislation.

Mr. CHELF. Mr. Speaker, will the gentleman yield?

Mr. IKARD of Texas. I yield to the gentleman from Kentucky.

Mr. CHELF. What the gentleman has said makes a great deal of sense, and I want to compliment the gentleman and the Committee on Ways and Means for bringing out this legislation.

I assure the gentleman that I support it with great heart.

Mr. BURLESON. Mr. Speaker, will the gentleman yield?

Mr. IKARD of Texas. I yield to the gentleman from Texas.

Mr. BURLESON. Mr. Speaker, this measure represents simple justice. It seems to me to go beyond equity and proper treatment of a great industry. It seems to me to represent the very integrity of government.

This measure rectifies and confirms a policy on which the clay and brick industry has depended and on which assurances had been given by responsible representatives of the U.S. Government.

This has been fully explained by my able colleague, the gentleman from Texas [Mr. IKARD]. Those of us who have had an interest in this matter and have devoted some efforts toward correcting an unwarranted action appreciate the leadership furnished by the gentleman from Texas [Mr. IKARD] by reason of his position on the Ways and Means Committee, in producing and bringing before this body this bill which gives us an opportunity to do something in support of the meritorious position by the people in the industry. By supporting it, we should be able to feel a very

great satisfaction. By the remarks of many of you, I feel there is no doubt that on the vote to soon occur, this House will overwhelmingly, and I hope unanimously, support this measure.

Mr. BYRNES of Wisconsin. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, the legislation now before the House deals with the question of the cutoff point or depletion base at which the depletion allowance percentage is to be applied in the case of various clays and shale. At the outset it is to be noted that this legislation is retroactive in its effect, and it is proper that it should be retroactive because, indeed, if the Congress ever had any unfinished business, it is in regard to the development of proper legislation in this area.

Without legislation on this subject, important segments of our taxpayers would find themselves and their jobs the victims of unbelievable tax confusion. The administrators of our tax laws have held varying views on what is the proper cutoff point for the clays and the shale covered by the bill. The courts seemed to be pointing the way in one direction until the Supreme Court in the Cannelton Sewer Pipe case rendered a decision on June 27, 1960, which very significantly reversed the trend of the prior decisions.

Mr. Speaker, the committee report on this legislation describes the background and purpose of the legislation. I commend its reading to my colleagues in the House.

Because of the confusion in the application of the depletion allowance to various clays and shales, particularly for the years 1951 through 1959, legislative action is essential if we are to avoid serious inequities to many taxpayers. This bill is intended to clear up the confusion and to provide a consistent rule for the application of the allowance for these years.

Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. BETTS].

Mr. BETTS. Mr. Speaker, the gentleman from Texas [Mr. IKARD] deserves a great deal of credit for introducing and sponsoring this bill—H.R. 7057. Because the brick and tile industry is an important part of the economy of Ohio, I introduced an identical bill—H.R. 7150—and cooperated with the gentleman in securing favorable consideration of his bill.

Also at this time I want to pay my respects to the gentleman from Ohio [Mr. Bow] who has cooperated with all of us in securing favorable consideration of this bill.

I have never seen a measure which received such spontaneous support from so many Members as this has. The reason for this support is that in this issue equity is overwhelmingly in favor of the brick and clay industry made up as it is mostly of small businesses. The unfortunate tax situation which prompts this legislation stems from a decision of a U.S. court of appeals, known as the Merry Brothers case, which held that depletion allowance on brick and tile should be computed on the end product. As a result of this decision, the Internal Revenue Service issued a statement in 1957 referred to as "Tax Information Release No. 62" which announced that the Service would follow this case in settling all claims and pending litigation. The industry accepted this statement at its face value and conducted business accordingly. Brick and tile companies expanded and incurred other expenses in reliance upon it as a way of doing business.

In December 1959 the Supreme Court granted certiorari in the so-called Cannelton case and its decision handed down in 1960 held that in certain clay industries the basis of computing depletion allowance was not the finished product but the raw material. The Treasury Department ruled that this applied to brick and tile. Subsequently, assessments for deficiencies were made against companies under the Cannelton case whereas the companies had filed their returns and paid taxes under the rule in the Merry Brothers case.

On these facts it can be seen that this legislation is concerned with a change in depletion allowance only as it follows a ruling of the Treasury Department. It simply says that the Government must keep its word with these small companies and collect taxes as it said it would. The merits of the case are clearly in favor of the passage of this bill.

Mr. BROWN. Mr. Speaker, will the gentleman yield?

Mr. BETTS. I am glad to yield to my distinguished colleague from Ohio.

Mr. BROWN. Mr. Speaker, I want to take this opportunity to say that the people of Ohio generally, and especially the great clay products industry of our State, are very grateful to the Committee on Ways and Means for bringing this legislation to the House today to correct a very evident injustice, and to correct also what I believe to be a serious mistake made by the Commissioner of Internal Revenue in rendering certain decisions and issuing certain regulations.

Also at this time I want to pay my debt of gratitude to the gentleman from Ohio [Mr. Bow] who has helped to organize and bring to the attention of the Committee on Ways and Means the evidence in support of the enactment of this very important legislation. I also wish to pay tribute to Ohio's member of the Ways and Means Committee, Mr. Betts, for his able leadership in connection with the consideration of this bill.

Mr. BETTS. Mr. Speaker, I thank the gentleman.

Mr. HARVEY of Indiana. Mr. Speaker, will the gentlemen yield?

Mr. BETTS. I yield to the gentleman.

Mr. HARVEY of Indiana. Mr. Speaker, I would like very much to associate myself with the effort of the gentleman from Ohio [Mr. BETTS] and the Committee on Ways and Means as a whole in correcting an inequity so far as this specific tax matter is concerned. Had not this been done very serious damage I am sure would have been done to the entire clay industry. This corrective measure is very much needed and very desirable.

I thank the gentleman.

Mr. SCHENCK. Mr. Speaker, will the gentleman yield?

Mr. BETTS. I am glad to yield to my colleague.

Mr. SCHENCK. Mr. Speaker, I should like to express my deep appreciation and very high commendation to the very able and distinguished gentleman from Ohio [Mr. BETTS] for introducing a companion bill to H.R. 7057 and for all his efforts as a member of the Committee on Ways and Means in behalf, not only of the citizens of Ohio but of the entire Nation in developing equitable, proper, sound and good tax legislation.

Mr. BETTS. I thank the gentleman from Ohio.

Mr. BYRNES of Wisconsin. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. Bow].

Mr. WEAVER. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Nebraska.

Mr. WEAVER. I want to congratulate the gentleman from Ohio on his part in bringing about the consideration of this bill, and also commend the gentleman from Texas [Mr. IKARD] who has long supported this legislation. I trust that this bill will pass by a good margin.

Mr. Speaker, this bill, H.R. 7057, is one of the most meritorious pieces of legislation to come before the House this year. It is, in effect, an attempt on the part of the Congress to rectify a wrong done to a very large group of industrious, hard-working men who have developed the brick, tile, and clay pipe industry of this country.

Back in 1951 the Congress recognized the difficult situation in which the industry found itself and so included clay as one of the minerals to which the depletion allowance would apply. By an amendment to the Internal Revenue Code passed in 1957, this depletion was reduced from 15 percent to 5 percent. The law, however, still clearly stated that it applied to the earliest commercial or marketable product.

Between 1951 and 1960 the Internal Revenue Service fought vigorously to apply the depletion allowance to the raw product, which is clearly not a commercially marketable product at all. Raw clay in itself has no market value except to the brick or clay products industry itself. It is a historical and traditional fact that clay products manufacturers, almost without exception, locate their plants at or very near the source of supply of their raw products. Therefore, the raw clay cannot in any manner go on the open market.

However, Internal Revenue people were determined in their efforts and they kept up litigation over a long period. In fact, there were over 50 cases, all of which Internal Revenue lost. Finally, in 1957, the Supreme Court refused to review the cases and the tax collectors appeared to give up. Internal Revenue issued Tax Information Release No. 62 which, in effect, sustained the viewpoint of the industry and the courts.

Based on these 50 cases, the Supreme Court ruling and, finally the Internal Revenue Service's own ruling, the clay products people began a period of expansion. I know of companies which opened up new clay pits, made jobs for additional men and began to play a much more effective role in the economic life of the community. They were using the depletion allowance for the expansion purposes.

Also, I might point out that this depletion allowance has kept down the cost of clay products used in building. Since 1951, steel has gone up some 77 percent in price and cement has gone up 45 percent. Clay bricks have gone up by about 27 percent in contrast to these other vital construction materials.

Well, Internal Revenue Service suddenly gave the industry a jarring blow in September 1960. Basing their action on a single case which the Supreme Court had decided in their favor, the tax collectors announced a policy of retroactive tax collections, in some cases all the way back to 1951, in most cases back to 1957. This action was a complete reversal of its own policy and moreover went far beyond the scope of the Supreme Court decision.

With this history of legislation, litigation and administrative action in mind, the clay products people have come to the Congress for relief against this sudden action by IRS. The bill, H.R. 7057, would merely set a cutoff date beyond which the Internal Revenue people could not go for the collection of taxes. It does not change the Court decision, nor, fundamentally, does it change the Internal Revenue action, except to give the industry relief from retroactive claims.

Mr. Speaker, in a real sense of the word we are sitting here as a court of last resort for this industry. If we fail to act, an injustice will be perpetrated. I know that all of us want to see fairplay and see justice done. I ask for strong support for this bill.

Mrs. MAY. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentlewoman from Washington.

Mrs. MAY. I should like to commend the gentleman from Ohio and the gentleman from Texas for their outstanding leadership in bringing this bill to the floor today.

Mr. Speaker, the brick and tile industry is an important element in national prosperity, in thousands of areas like my own in Yakima, Wash. This is a situation where, at the very time that America is searching for every way possible to create more jobs through stimulation of the economy, the Government has taken an action that will cripple the clay and tile industry and result in job losses. The clay products industry typifies small businesses which have plants scattered through 49 States on the outskirts of various towns and cities. A great many of them are operated by families or small groups of individuals. As such, it must have seemed to them that they have had very little effective voice in combating a governmental action which dealt them a crippling economic blow. We in Congress can restore their faith by taking favorable action on the legislation before us today and, at the same time, we can show American citizens everywhere that Congress is aware that a moral principle has been involved in this issue. That principle, referred to by previous speakers, is that private industry and private citizens alike have a right to expect court decisions to be upheld to the letter of intention and law. Just as importantly, by taking affirmative action on this bill which will correct as unjust tax situation, we will help a segment of business which is vital to our economy and encourage them not only to continue their operations but to expand them.

Again I commend the committee and its members for the able leadership they have offered this body in reporting legislation so urgently needed to correct this situation.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Iowa.

Mr. GROSS. I, too, want to commend the gentleman from Ohio for the splendid work he has done on this bill. I support it and trust it will be passed.

Mr. BERRY. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman from South Dakota.

Mr. BERRY. Mr. Speaker, I want to commend the gentleman from Ohio, the gentlemen from Texas and all who have done yeoman service in bringing this bill to the House for consideration. I trust it will have the approval of all Members of the House.

As has been explained, the clay products industry has been thrown into economic chaos and is threatened with insolvency by virtue of the Internal Revenue Service's recent decision to disallow depletion deductions.

In 1951 the Congress included brick and tile clay and fire clay among those minerals for which a tax depletion allowance should be given—this on the basis that clay is a valuable mineral for which a proper allowance should be provided. By an amendment to section 613 of the Internal Revenue Code of 1954, the so-called Gore amendment, which passed in 1960, tended to reduce the depletion allowance for clay to practically nothing, but retains a considerable allowance for the cement industry.

A number of the clay products companies went into court. The Supreme Court refused to review the Government's argument that clay products were not entitled to a depletion allowance. As a result of the Court's action, the Internal Revenue Service in 1957 issued its Order No. 62 which stated that the Government would—

> dispose of pending litigation and claims involving "brick and tile clay" as required under these decisions, and to conform Treasury regulations and outstanding rulings accordingly. This should permit the expeditious disposition of the great majority of such cases.

The result was that the Government did what it had promised until September 23, 1960, when it abruptly revoked its rulings based on the Supreme Court decision, and now threatens to collect back taxes on the basis of a 5 percent depletion allowance for new clay. This administrative ruling was reinforced by another ruling issued January 16, 1961.

The action of the Internal Revenue Service was made more serious by the fact that it now threatens to collect back taxes on open tax years of brick and tile manufacturers which, in some instances, go back as far as 1951.

I am sure that Members of this House will appreciate the fact that this ruling would spell financial ruin to a large number of businesses throughout the United States. This legislation is "must" legislation, and passage of this bill immediately is absolutely essential in order to not only save these industries, the jobs of these employees, and the communities depending upon these industries, but also to prevent the Internal Revenue Service from reneging, not only on previous laws, but on previous ruling.

Mr. McDONOUGH. Mr. Speaker will the gentleman yield?

Mr. BOW. I yield to the gentleman from California.

Mr. McDONOUGH. I want to compliment the gentleman from Ohio and the gentleman from Texas for the fine job they are doing in bringing this to our attention. We have heard from the clay industry in California who would be sorely tried with heavy taxation if this bill is not passed. I urge the passage of this bill.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Iowa.

Mr. HOEVEN. Mr. Speaker, H.R. 7057 is a bill which will do equity to the clay, brick, and tile industry. I attended all meetings of the informal committee of House and Senate Members who were interested in affording some redress to the industry, before the legislation in question was reported out of the Ways and Means Committee. I am heartily in accord with the provisions of the bill and will vote accordingly.

Mr. CHENOWETH. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Colorado.

Mr. CHENOWETH. I commend the gentleman from Ohio for the splendid work he has done in behalf of this legislation, and for his persistent efforts to bring this bill to the floor of the House. I wish to join hands with the gentleman from Ohio in supporting this bill, which is necessary in order to correct an injustice to the brick and tile industry. The passage of this bill will prevent retroactive tax claims against this industry, which would work great hardship upon many of those engaged in producing brick and tile products.

Mr. Speaker, I also wish to thank the Ways and Means Committee for reporting this bill to the House. This is a meritorious bill and should be passed by unanimous vote.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. I wish to compliment the gentleman from Ohio [Mr. Bow] on his handling of this bill. The intent of this bill is vital to the clay product industry and its future. It could mean a lot of employment in many areas where the production of clay products represents the backbone of the areas' economy.

Mr. BOW. Mr. Speaker, I would like to say I very much appreciate the kind things that have been said by my colleagues. The gentleman from Texas [Mr. IKARD] certainly deserves accolades for his fine efforts on this bill, but I think the bill comes to the floor today not because of the work of one or two or three Representatives of the House but by the cooperation of hundreds of Members.

As I have said, this is the cooperative work of hundreds of Members of the House who felt their Government should keep its word to small businesses throughout the Nation, and see to it that the rules are not changed in the middle of the game. That is the exact situation. The gentleman from Texas [Mr. IKARD] has given us a splendid explanation of the bill, and I would like at this point to ask the gentleman from Texas [Mr. IKARD] a question so that we may have a complete record of the legislative intent with reference to this legislation so that there can be no question in the future as to its interpretation.

Mr. IKARD, the merit of H.R. 7057 is clear. However, several points concern me. In my district, there are several plants that manufacture burnt clay products out of fire clay, and they are faced with bankruptcy if the Internal Revenue Service is permitted to apply the Cannelton decision retroactively. What relief does this bill provide the taxpayers in my district?

Mr. IKARD of Texas. Mr. Speaker, the intent of this bill, as the gentleman from Ohio knows, is to provide relief for taxpayers who mine clay and make it into brick, tile, sewer pipe, and kindred products. Under the Cherokee and Merry Brothers cases, the processes they apply to their clay to make these products are ordinary treatment processes normally applied to obtain commercially marketable products. This bill does not distinguish between taxpayers, seeking, as it does, equity among all taxpayers affected by this situation.

Prior to the Cannelton decision, the Internal Revenue Service settled with some fire clay miners by allowing them depletion on their burnt clay products at the statutory rate provided for brick and tile clay. Several Federal courts applied the Cherokee and Merry Brothers cases to allow other fire clay miners to base their depletion on the selling price of their burnt clay products at the statutory rate established for refractory and fire clay. It is not the intent of this bill to establish rates but simply to provide equitable relief for all affected taxpayers by allowing them to compute their depletion allowances on their burnt clay products at not less than the minimum statutory rate for clay.

Mr. BOW. Let me ask the gentleman from Texas this further question so that we may have the record made completely clear on this point. I am glad to hear that the intent of this bill is to provide relief for all affected taxpayers. However, does the bill in any way change the rate of the years prior to the Cannelton case or, for that matter, any other time?

Mr. IKARD of Texas. It does not.

Mr. BOW. I thank the gentleman from Texas.

Let me say in closing, Mr. Speaker, that I represent in my congressional district more clay workers than any other Member sitting in this body. There are many of these clay workers whose jobs are threatened unless this legislation is passed. Unless we have this relief from this taxation, many of these businesses will be bankrupt throughout the country. In my one area, where these plants are located, there is unemployment today ranging from 8 to 12 percent. Unless this bill is passed and unless we get this relief, these clay workers will be out of their jobs. It is important that we pass this legislation so that these workers can continue in their jobs.

Mr. RIVERS of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. BOW. I yield to the gentleman from South Carolina.

Mr. RIVERS of South Carolina. I congratulate the gentleman from Ohio for his alertness and those who have helped him in this work because, without this action, a great industry would be destroyed. The gentleman and his colleagues should be congratulated because you are saving a great industry.

Mr. BOW. I thank the gentleman.

Mr. Speaker, before closing, I would like to pay tribute to the gentleman from Arkansas [Mr. HARRIS] who has done such a magnificent and outstanding job in handling the steering committee and in working out this legislation. Without his services and those of the gentleman from Texas [Mr. IKARD] and members of the Committee on Ways and Means, we could not get this protection for this great industry.

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, I am in favor of the passage of H.R. 7057 because I believe that the Government should respect its own rules and regulations. Since the passage of the bill which gave percentage depletion to clay products miners, there have been over 50 court cases decided in favor of the taxpayers' interpretation that he was entitled to compute the proper value of his material at the end product stage of his processes.

In October of 1957, the Supreme Court refused certiorari and 4 days later the Internal Revenue Service issued TIR 62, which stated that they were going to conform their regulations to the Court cases. Despite the fact that the Supreme Court denied certiorari, the Treasury Department continued to contest the matter and on December 14, 1959, the Supreme Court agreed to hear the case of the Cannelton Sewer Pipe Co. which, too, had won its case in the district and appellate court. Up until that time any reasonable and conservative management would have based their decision relative to modernization and increasing the capacity of their plants on these court cases and the rules and regulations issued by the Internal Revenue Service.

These same managements are now faced with the avowed attempt of the Internal Revenue Service to assess taxes and interest on their open years. They have already spent their assets on the basis of a decision that their interpretation of the law was correct. The retroactive application of the Cannelton decision will cause a great deal of hardship and bankruptcy among the clay products manufacturers, most of whom are of a small business nature. Equity is overwhelmingly in favor of the enactment of this bill. No advantage is being sought by this industry, and I urge its adoption by the House of Representatives.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks in the body of the RECORD prior to the vote on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas [Mr. AVERY].

Mr. AVERY. Mr. Speaker, I rise in support of the bill. I would like to make this further observation. I hope the language in this bill is sufficiently clear today that the intent and purpose of Congress can be spelled out beyond any possibility of any misunderstanding. This is the third year that I recall this matter has been before the Congress, and it seems to me that there is a determination in some department that the will of the Congress is going to be circumvented. I think the display of support here on the floor today for this bill will make it crystal clear to the Internal Revenue Service what is the intent of the Congress, and I hope this bill will pass.

As it has been brought out in the debate the intent of this legislation is to grant to the clay industry relief from unfair income tax assessments for the years prior to 1961. In my opinion, the industry was reasonable and prudent in its reliance of the Internal Revenue Service Technical Information Bulletin with respect to the interpretation of the depletion allowance statute. In addition, there were over 50 court decisions sustaining the position of the industry. One could logically assume that the prior court decisions were controlling and thereby chart their financial policies accordingly. Now, the Federal Government reverses its position and takes what one could call an "ex post facto law position." Certainly, the IRS position is inequitable and places an undue financial hardship on the taxpayers who relied on the technical information bulletin. The

following is an excerpt from a letter I received from an executive of a brick and tile company in Kansas which very graphically offers compelling reasons why this bill should be passed:

Some 6 years ago I promoted the building of this plant, Kansas Brick & Tile Co., Inc., here in Barton County. For years we had been trying to develop industry in this area to help balance the economy, as we were completely dependent on wheat crops throughout this western area. Some 250 citizens of Barton County pooled their resources in the construction of this plant and I am safe in saying that 70 percent of those who invested their money did so with only one thought in mind, that of creating jobs for this area. Very few of them had any knowledge of what a brick plant actually was and what its possibilities could be other than what I presented to them in my prospectus. We raised $450,000 to construct this plant, it being necessary to use secondhand equipment due to our limited finance.

I used the State geologist in determining the quality and amount of clay available at our site, and was given, no doubt, the best information that he was able to secure with the facilities he had to work with. The plant was completed and the manufacturing of brick began January 1, 1955. We had not been in business long until we discovered that in order to compete with the larger and better built plants we would require new and more modern equipment. For 6 years we have taken all of our earnings, including depletion allowances, and invested in this new equipment, in fact doubling our original investment of $450,000 to $900,000. During this period we were under the impression that the depletion allowed was correct and that we were complying with the laws as enacted by Congress. Then came the order rescinding their previous stand and reducing our clay depletion to a point where it becomes practically no depletion whatever. This action I understand was based on the assumption that there is a market for mined clay. This is absolutely a false impression as there is no market for mined clay whatsoever.

The burden which this decision by the Internal Revenue Division, will throw on this plant, is very likely to put us out of business.

Mr. BYRNES of Wisconsin. Mr. Speaker, I yield such time as he may desire to the gentleman from Kansas [Mr. DOLE].

Mr. DOLE. Mr. Speaker, I, too, would like to join in support of this legislation. I have been extremely interested in what has been designated as "fairplay for clay" and H.R. 7057, if enacted, will correct a very grave inequity.

As an attorney I have studied the many arguments for and against this legislation carefully and to attempt to apply the Treasury Departments interpretation of the case, *United States* v. *Cannelton Sewer Pipe Company* (364 U.S. 76), would be highly inequitable because of the very large number of cases which the Treasury Department has in the past already settled upon the principles of other cases which have been before our Supreme Court. This bill simply prohibits retroactive application of the Treasury's interpretation of the Cannelton case. Certainly those who relied on the interpretation of the Treasury Department should not now be subject to a tax they were originally informed would not be imposed.

The brick and tile industry as well as many other independent businesses should be able to rely on decisions of governmental agencies without fear of reversal. In my opinion, equity demands the enactment of this legislation.

Mr. BYRNES of Wisconsin. Mr. Speaker, I yield such time as he may desire to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Speaker, I am in favor of the bill, and I congratulate the members of the committee for bringing it out, and I hope it will pass.

Mr. BYRNES of Wisconsin. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana [Mr. BRAY].

Mr. BRAY. Mr. Speaker, I have a number of clay plants in my district and am quite interested in the passage of this bill. This bill, if it becomes law, will remedy a great wrong to the clay industry. I have been informed that prior to December 14, 1959, certain Treasury regulations and Revenue Rulings defined brick and tile clay. Section 39.23(m)–5 of Treasury Regulation 118 prescribed an end-use test for determining whether clay is brick and tile clay entitled to a 5 percent depletion rate as distinct from fire or refractory clay which is entitled to a 15 percent rate. It defined brick and tile clay as "clay used or sold for use in the manufacture of common brick, drain and roofing tile, sewer pipe, flower pots, and kindred products (other than clays specifically identified as a clay for which a 15 percent rate of percentage allowance is provided)."

The Treasury Department's position prior to December 14, 1959, with respect to certain clays which are capable of being placed in more than one percentage depletion category, was reflected in Revenue Ruling 56–59, Cumulative Bulletin 1956–1, 626, which provides in pertinent part as follows:

A number of minerals accorded percentage depletion, for example, brick and tile clay, * * *, are capable of being placed in more than one percentage depletion classification for the reason that they have no precise mineralogical description to distinguish them from certain other minerals in a higher or lower percentage depletion classification. Therefore, in order to distinguish and classify such minerals for the purpose of percentage depletion it is necessary to employ the end-use test.

In the case of clay, it has been found that in some parts of the United States the clay ordinarily used for the manufacture of common bricks and tile has a cone equivalent in excess of 15.

In view of the above, it follows that in determining the percentage depletion applicable to clay the end-use test must be employed. For example, clay used or sold for use in the manufacture of common bricks is entitled to 5 percent depletion, while clay used or sold for use as refractory clay is entitled to 15 percent depletion.

Accordingly, a clay will be considered a "refractory and fire clay" only if it is used or sold for use for a recognized refractory purpose.

During certain litigation involving clay depletion claims, the Government attorneys sought to ignore the foregoing regulations and Revenue ruling which clearly defined brick and tile clay. Furthermore, although the law for many years referred to "brick and tile clay," and although the committee report on H.R. 7057 uses the same term, the present 1954 code was amended effective January 1 of this year—to use a slightly different terminology. It is my understanding that the term "brick and tile clay" as used in H.R. 7057 has the same meaning as the term is defined in section 39.23(m)–5 of Treasury Regulation 118 and Revenue Ruling 56–59, C.B. 1956–1, 625.

Mr. ADAIR. Mr. Speaker, will the gentleman yield?

Mr. BRAY. I yield to the gentleman from Indiana.

Mr. ADAIR. I would like to associate myself with the remarks of the gentleman from Indiana. Furthermore, I should like to add my commendation to the Committee on Ways and Means for bringing this much-needed legislation before us today. Its passage will be simple justice and it ought to be passed by this House without a dissenting vote.

Mr. BYRNES of Wisconsin. Mr. Speaker, I yield such time as he may desire to the gentleman from Maryland [Mr. MATHIAS].

Mr. MATHIAS. Mr. Speaker, when administrative officials make decisions which obviously fly in the face of the economic facts of life, they must be reversed and corrected by the Congress. I rise in support of this legislation and I hope that it will pass overwhelmingly.

Mr. BYRNES of Wisconsin. Mr. Speaker, I yield such time as he may desire to the gentleman from Indiana [Mr. WILSON].

Mr. WILSON of Indiana. Mr. Speaker, I am very much in favor of this bill, H.R. 7057. I am going to vote for it and I hope that it becomes law during this session of Congress. Its passage is long overdue.

In canvassing the membership of the House I find little or no opposition, though the administration is on record as opposing its passage. I hope Members of the other body will cooperate, and make way for its immediate passage, thereby placing it in the hands of the President to be signed into law.

The administration is on record as opposing this bill as it opposed my original minerals depletion bill a few years ago. After having the bill vetoed twice, I arranged to have it hand engrossed after passage in the House, carried it to the Senate, and attached to a general tax bill which, of course, the President could not veto.

Should this bill be vetoed, I plan to use the same tactics to insure its passage come the second session of this Congress. I regret to have to resort to this means to bring about equity for our clay and tile processors.

Mr. IKARD of Texas. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina [Mr. TAYLOR].

Mr. TAYLOR. Mr. Speaker, I would like to express my interest in this legislation and commend Congressman IKARD of Texas and the committee for bringing it before the House. It is very important to my State of North Carolina because North Carolina is the largest producer of clay tile products. To all intents and purposes the law was

changed by a court decision and an effort was made to make the change retroactive. This is unjust. The tile producers were justified in placing full faith and credit on the long line of cases upholding depletion on the finished product. They set up the books, determined the expenses and selling prices accordingly.

The clay and tile producers are traditionally small industries, small businessmen and I know that they need and believe that they deserve this consideration.

Mr. IKARD of Texas. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Speaker, I am in favor of this bill, H.R. 7057. This legislation will correct a situation which has arisen in our tax laws relating to depletion allowances heretofore given to clay products manufacturers. For many years these companies operated under a formula of tax payments, which were allowed by the Internal Revenue Department. As the result of a court decision in the Cannelton Sewer Pipe case in 1959, these manufacturers found themselves subject to a less favorable interpretation of the depletion factor. As far as I know these businessmen are willing and have been willing since that date to live and operate under the new formula. But their objection is to the fact that the new formula has been used to assess additional taxes for many years prior to 1959. The ex post facto assessment of taxes causes unusual and punitive financial burdens on many of these clay products manufacturers. The present legislation will relieve them from the assessment of taxes prior to the court decision and the initiation by the Internal Revenue Department of the new interpretation on depletion allowances. Many of the smaller manufacturers do not have the cash reserves to pay these retroactive assessments and would be forced into bankruptcy if H.R. 7057 is not passed. I strongly urge the passage of this legislation.

Mr. BYRNES of Wisconsin. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. HIESTAND].

Mr. HIESTAND. Mr. Speaker, I rise in support of this bill. The issue, in my judgment, is the matter of fairness. There are a great many industries all over the United States affected by the ruling of the Treasury which, as I understand it, inflicts upon them a very great unfairness. This bill should correct that. I heartily support the bill and urge that it pass.

Mr. IKARD of Texas. Mr. Speaker, I yield to the gentleman from Maryland [Mr. FRIEDEL].

Mr. FRIEDEL. Mr. Speaker, I rise in support of H.R. 7057. The Internal Revenue Service is now seeking to collect taxes over a period of years based on their agents' interpretations regarding the clay depletion allowances. Such action by the Internal Revenue Service would cause extreme hardship and uncertainty as well as threaten bankruptcy for many small businesses. We have at least 10 clay brick plants in the great State of Maryland and I know that a gross inequity is about to be imposed on this industry unless they obtain relief by the passage of this bill. Therefore, I sincerely hope that H.R. 7057 will be passed by an overwhelming majority because it will resolve this issue and provide the relief that is so sorely needed.

Mr. LATTA. Mr. Speaker, I wish to urge the Members of the House to vote in favor of H.R. 7057 to bring equity to the small businessmen all over America engaged in the clay industry who would suffer irreparably if this Court decision is permitted to stand. I commend the authors for bringing this matter to the attention of the House.

Mr. SCHNEEBELI. Mr. Speaker, I rise today in support of H.R. 7057, just as I have supported this legislation during its consideration by the House Committee on Ways and Means. This bill would prevent the occurrence of a gross injustice to the clay products industry by prohibiting the Internal Revenue Service from imposing and collecting taxes retroactively. Aside from the grave inequity threatened by any retroactive enforcement, the attempt by the Internal Revenue Service to collect taxes over the past several years is a serious threat to the clay products industry's many small businessmen and their employees who would thereby risk bankruptcy. I therefore urge the House to adopt H.R. 7057 to eliminate the danger of hardship and injustice which threatens the clay products industry.

Mr. SHORT. Mr. Speaker, I wish to express my appreciation to the members of the Ways and Means Committee and other Members of the House who have expressed support of H.R. 7057. This bill is of great importance to many small clay products enterprises across the country, including those in North Dakota. As has been pointed out this piece of legislation only provides equitable tax treatment through clarification of percentage depletion in the case of various clays and shale for the period before the Supreme Court granted certiorari in the Cannelton sewer pipe case.

It is gratifying that there seems to be practically unanimous approval of this legislation and I am pleased to join with my colleagues in support of H.R. 7057.

Mr. Speaker, I ask unanimous consent to extend my remarks.

Mr. LANGEN. Mr. Speaker, I sincerely recommend to the House, H.R 7057. This legislation is most essential in two specific instances. First the clay pipe industry would be greatly handicapped if this consideration is not given, and a great number of business enterprises and jobs would be in jeopardy. Second, the principle of making a regulation retroactive is a threat to every taxpayer in the Nation. I urge the passage of this legislation.

Mr. HALL. Mr. Speaker, under the general permission granted by unanimous consent to extend my remarks, at this point I arise in support of H.R. 7057.

I would like to associate myself with the favorable remarks of my colleagues on both sides of the aisle and particularly Chairman IKARD of Texas, OREN HARRIS, and FRANK BOW, of Ohio. I was privileged to sit on the special committee of the Honorable OREN HARRIS, at an early date, because of the interest of our Missouri producers.

The question before us is one of equity and justice not only as to the retroaction of the Internal Revenue Service in the Cannelton case, but as to so-called big government versus small business, and finally and even more basically, the question of when a natural resource becomes a product.

I strongly urge passage and enactment of H.R. 7057 and commend the Ways and Means Committee for bringing it to this floor.

Mr. LOSER. Mr. Speaker, I should like to commend the gentleman from Texas [Mr. IKARD] and the great Committee on Ways and Means for having brought to the floor of the House this meaningful legislation, H.R. 7057. The directive of the Internal Revenue Service, in changing the method of computing taxes on the brick and clay tile industry subsequent to a Court decree, visited upon these taxpayers a gross inequity, particularly in view of the fact that the directive was issued after these businesses had paid dividends on earnings for several years, as well as having invested earnings in capital improvements based on a ruling prior to the referred to Court decree.

Mr. Speaker, I am extremely hopeful that the Committee on Ways and Means will, during the next session of Congress, examine into the whole question of taxes of this great industry, and report a bill that will be equitable and fair to the United States and the brick and clay tile industry.

Mr. POFF. Mr. Speaker, H.R. 7057 concerns a very complicated set of laws, regulations, and circumstances. With the hope that I will not be guilty of oversimplification, I will try to make a brief, concise résumé of the essential facts involved.

Prior to the Gore amendment of 1960, the Internal Revenue Code of 1954 authorized a 5-percent depletion allowance on the "first commercially marketable product."

The exact meaning of that phrase has been a matter of litigation since that time. The industry contends that this phrase describes the brick or tile product in its finished state, because prior to that point in the production process, the clay is unmarketable. The Internal Revenue Service has contended that the phrase describes the ground clay at some intermediary point in the production process.

In a series of 51 Federal court cases, the courts upheld the industry's viewpoint. In 1957, the Internal Revenue Service appealed the Merry Brothers case, but the Supreme Court denied certiorari. Accordingly, in Technical Information Release No. 62, dated October 18, 1957, the Internal Revenue Service upheld the industry's viewpoint and the industry calculated its tax liability for succeeding years in accordance with Technical Information Release No. 62.

Thereafter, the Supreme Court in the Cannelton case decided that fire clay was marketable in a raw state. Even though

the opinion clearly stated that the decision was not apposite to the decisions in the other 51 cases—and therefore not relevant or controlling in the sense that these 51 decisions were reversed—the Internal Revenue Service issued another technical information release dated September 23, 1960, revoking its former ruling and threatening to collect taxes retroactively as though the 1957 technical information release had not been issued. H.R. 7057 would have the effect of revoking the 1957 technical information release and a similar administrative ruling issued January 16, 1961. However, the legislation would have no effect prospectively.

This is a matter of naked equity which should in the most forceful fashion appeal to the conscience of the Congress.

Mr. LAIRD. Mr. Speaker, this is an important piece of legislation—many of the clay products producers in the United States are holding in abeyance their decisions, to either go ahead or retrench, because of the uncertainty they face concerning their past tax liabilities.

There are many clay products plants who are open on a very curtailed basis because of the possibility that they must pay the Government very substantial sums of money for back taxes and interest, in some cases back to 1951. Therefore, they do not dare risk production of any material for which they do not have an immediate day-to-day sale.

Mr. GOODLING. Mr. Speaker, on very rare occasions do we find such unanimity of opinion. This should serve as eloquent testimony to those who have the responsibility of carrying out the wishes of the Congress. It should mean further that the Congress does not wish its mandated desires distorted by some bureaucrat.

This bill is definitely in the interest of small business. The remarks of those who preceded me show the wide geographical interest in this legislation.

Mr. ELLSWORTH. Mr. Speaker, I rise in support of this bill. It is a fair and equitable measure and, if enacted into law, it will help prevent damage to industry in my district. At the same time, the bill is clearly in the national interest, and I urge its passage and immediate enactment.

Mr. KING of Utah. Mr. Speaker, a distinguished constituent, Mr. Donald B. Holbrook, who represents the Interstate Brick Co. of Utah has indicated to me that a number of small brick companies in Utah would be put out of business by the recent ruling of the Treasury Department which is considered in the bill being considered here today. He has outlined the situation as follows:

> For many years the percentage depletion allowance on brick and tile clay was 5 percent on the first commercially marketable product. The Commissioner of Internal Revenue for the taxable years commencing about 1950 took the position that the burned brick was not the first commercially marketable product and that the depletion allowance should be calculated on the value of the clay at some intermediate point in the brick manufacturing process. The brick companies contested the Commissioner's position, and in about 50 decisions of the Federal courts, it was held, contrary to the contention of the Commissioner, that the 5 percent allowance was to be on the sales price of the burned brick, because there was no commercially marketable product other than the finished brick. The decision in our 10th circuit to this effect is *Salpulpa Brick and Tile Co.* v. *U.S.* (239 F. 2d 694). Following this decision and other decisions of the circuit courts, the Treasury Department issued Technical Information Bulletin No. 62 which allowed depletion at 5 percent of the sales price of the finished product.
>
> Last year Congress, at the request of the Commissioner, changed the law to provide for the depletion allowance of 5 percent on the value of the clay at the pugmill. This is the point in the process of manufacturing where the clay is forced into the molds preceding the drying and burning process.
>
> In the meantime, the Commissioner of Internal Revenue found a case to take to the Supreme Court, arising in a locality, either Illinois or Indiana, where there was a market for raw clay, and the Supreme Court, *U.S.* v. *Cannelton Sewer Pipe Co.* (364 U.S. 76), decided that because there was a market for raw clay, under the facts of that case, the 5-percent depletion allowance should be on the value of the clay at the mine.
>
> Following that decision, the Commissioner has taken the position that for the open years prior to the time when the law was changed, the depletion allowance for all brick companies on brick and tile clay is 5 percent on the value of the clay at the mine.
>
> Contrary to the technical bulletin promulgated by the Commissioner and notwithstanding reliance thereon by the Interstate Brick Co. in connection with the establishment of its business policies, the Commissioner is now attempting to assess deficiencies based on the disallowance of all depletion taken in excess of the 5 percent of the value of the raw clay at the mine. The position of the Commissioner will result in great hardship on the brick industry in the State of Utah. The brick industry in Utah is composed of small businesses and they have geared their expenditures for plant improvements to the 5-percent depletion allowance on the finished product. If the Commissioner is successful in his program of enforcing these deficiencies it will result in breaking many of the brick companies. In the case of Interstate Brick Co., for instance, the deficiency would amount to a payment of as much as $200,000.

I agree wholeheartedly with the distinguished members of the committee when they say:

> To attempt to apply the Treasury Department's interpretation of the Cannelton case to past open years of taxpayers who are miners of clay and shale would be highly inequitable because of the very large number of cases which the Treasury Department has in the past already settled upon the principles of the Cherokee and Merry Brothers cases. Moreover, retroactive application of the Treasury interpretation of the Cannelton case would work hardships on many clay miners.

Let me state in conclusion that we have been generally unsympathetic in this country to anything that smacks of ex post facto applications of law from a very early part of our national history. Justice and equity demand that this bill be passed by this Congress.

Mr. AYRES. Mr. Speaker, I wish to point out to House Members that the issues raised in H.R. 7057 are not limited to usurpation of unreasonable governmental authority or abstract matters of equity and inequity among taxpayers. There is another issue here in this bill which is quite tangible and immediate. It is a matter of bankruptcy.

During the 2 years which elapsed between the issuance of TIR 62 and the Internal Revenue Service's decision to change retroactively its basis for tax depletion allowances for brick and tile clay, the Nation's clay miners were fully justified in computing their taxes on the basis of TIR 62.

Relying as they did on the word of the Internal Revenue Service as to their tax allowances, these businessmen made typical business decisions on the use of funds which had until then been held in escrow for settlement of the tax depletion dispute. Many took steps to find and acquire additional clay deposits, to improve and enlarge their plant facilities, to expand their payrolls, to distribute accumulated earnings in the form of dividends to shareholders, and to keep the selling price of burned brick and tile at a level to meet the competition of other materials. Evidence that this was done is seen in the fact that, since 1951, the price of steel has increased by 66 percent and the price of cement has increased by 45 percent—but the price of brick and tile has increased by only 27 percent.

If the Internal Revenue Service is now permitted to renege on its own ruling of TIR 62 and disallow depletion allowances previously granted to these businessmen in open tax years, economic chaos will be the result and many of these taxpayers will be bankrupted.

Mr. MARTIN of Nebraska. Mr. Speaker, I wish to compliment the Ways and Means Committee for its unanimous action on H.R. 7057. Passage of this bill will set right a grievous wrong which has been done to the Nation's brick and tile miners by the executive department of the Federal Government. Equally important at this time, it will serve notice to the executive department, and particularly to the Internal Revenue Service, that the Congress will not sit idly by when the power reposed in Government is abused.

This principle was never more eloquently stated than in the opinion of Mr. Justice Holmes in Olmstead against United States. On that occasion, Mr. Justice Holmes stated correctly that "it is less an evil that some criminals should escape than that the Government should play an ignoble part." Consider the vastly additional force which is given this statement when those who are victims of this ignoble part played by Government are not criminals, but responsible law-abiding businessmen. In this case, these law-abiding businessmen are threatened not only with inequitable tax treatment but with extreme financial hardship.

And why is this? It is merely because they acted in good faith on a solemn pronouncement of the Government itself. The pronouncement I speak of is the Treasury Department's Technical Information Release No. 62, issued on October 18, 1957, which served notice that brick and tile clay miners in Nebraska were entitled to the tax depletion allowances which had been granted by more

than 50 Federal court cases that had been tried throughout the land up to that time. To follow TIR 62 in practice for 2 years, thus encouraging the reinvestment and other use of money which had been held in escrow, and then to state abruptly that higher taxes would be collected retroactively on the basis of another court ruling, is an arrogant and improper use of Federal power. For these reasons, I wholeheartedly support H.R. 7057.

Mr. JOHNSON of California. Mr. Speaker, I want to congratulate our distinguished colleague from Texas [Mr. IKARD] and the fine members of the committee for bringing to the House of Representatives this bill which would correct a gross inequity being suffered by our clay products industry. I also believe that the committee which has held a series of meetings on this serious problem should be commended at this point.

It is my belief, from the experience that I have had with the clay industries of the second Congressional District of California, which includes much of the mining areas of our great State, that the Cannelton decision if permitted to let stand would drive many clay miners into insolvency. This would multiply the problems which are being experienced in an already seriously depleted mineral industry.

The clay industry of the United States, composed of small business, has relied upon decisions of the U.S. courts and Technical Information Bulletin No. 62, Internal Revenue Service, in the determination of depletion allowances. However, in the Cannelton decision, the Supreme Court established a new basis for depletion taxation; therefore, the Internal Revenue Service now is seeking to collect taxes retroactively on the new formula, which causes extreme hardship and threatens bankruptcy of certain companies. Efforts to resolve these tax claims administratively have failed and further multiplicity of suits is threatened. I believe that the only equitable answer to this problem which is so important to our clay industry is enactment of H.R. 7057.

Mr. SHRIVER. Mr. Speaker, I rise in support of H.R. 7057 which has been reported to the House by the Committee on Ways and Means. I want to commend the able members of this committee who have brought the matter of percentage depletion rates relating to the brick and clay tile industry to the House for consideration.

In this bill we provide very clearly how the terms "gross income from mining" and "ordinary treatment processes normally applied by mineowners or operators in order to obtain the commercially marketable product or products" are to be interpreted in their application to the terms "clay" and "shale" as used in the percentage depletion provisions, but only for taxable years beginning before December 14, 1959.

I believe this affords the members of this important industry with equitable tax treatment. Certainly, retroactive application of the Treasury interpretation of the Cannelton case would work hardships on many clay miners. Such retroactive taxation would be especially serious in the brick and tile industry. We must recognize that it is an industry of many small independent businesses which do not have large financial resources to fall back on if there is to be a redetermination of their tax liability.

Mr. MACGREGOR. Mr. Speaker, I wish to express my support of this measure which will correct a tax injustice which has been done to one of our country's most valuable industries. The clay products industry is a key element in our prosperity.

In 1951, Congress included brick and tile clay and fire clay among those minerals for which tax depletion allowances are given. A 1960 amendment to section 613 of the Internal Revenue Code of 1954 effectively reduces the depletion allowance for clay to practically zero but retains a considerable allowance for the cement industry. And by administrative action the Internal Revenue Service has threatened to renege on its own ruling of 4 years ago and collect back taxes, in some cases dating back to 1951.

A subsequent ruling by the Supreme Court has clouded the picture sufficiently so that action on this bill today is vital to the health of this industry and to the employment of thousands of skilled workers.

Mr. MATHIAS. Mr. Speaker, I am pleased to support H.R. 7057 because of the gross discrimination which the Internal Revenue Service has created among highly competitive taxpayers in my district. This is not to say that I do not endorse all of the many arguments which have been so well stated for passage of this bill. I wish only to single out this one point which, to me, would be valid reason for passage in itself.

I have been reliably informed that the structural brick and tile industry comprises some 653 plants which are owned by 511 taxpayer companies and situated in 49 of the 50 States. This is in truth a venerable and highly important industry whose service to the Nation has increased, rather than diminished, over the years. It is also in the best tradition of American business—locally based, locally supported, responsible in and to its community, a direct employer of labor and a stimulant to other employment within the range of its market distribution.

These small, independent businessmen compete with each other under highly competitive conditions, much to the advantage of the consumer and taxpayer, since the result is a low margin of profit which creates low prices. It is much to our advantage to do everything within our power to maintain this vigorous spirit of free enterprise and to ward off interference by Government which would destroy that pattern of competition.

Such destruction of competition is implicit in the position of the Internal Revenue Service and it is this situation which will be remedied by passage of H.R. 7057. Figures supplied by the Structural Clay Products Institute show that, among 373 members surveyed, some 20 percent have taxable years open prior to 1957 and approximately 10 percent have open years all the way back to 1951. This means, of course, that the effort by the Internal Revenue Service to collect retroactive taxes from these brick and tile miners according to its new interpretation of the tax depletion laws would severely penalize these miners. It also means, most significantly, that the Government could not now assess deficiencies on the approximately 80 percent of the miners on more than 2 or 3 open tax years. This is gross inequity in fact and gross discrimination in intent. I urge passage of H.R. 7057 to remedy both conditions.

Mr. ROUSH. Mr. Speaker, I rise in support of H.R. 7057. I believe it would be unfair to allow the Government to collect taxes on depletion allowances claimed in good faith by members of the clay manufacturing interests.

These firms operating in this field are, I understand, all small business firms. It would create substantial economic hardship jeopardizing their very financial existence if the claims for taxes were allowed to be retroactive from the time of the decision rendered in the 1959 tax case.

Indiana has a flourishing clay industry in my own district and in neighboring districts. I am, therefore, asking for relief for my constituents and constituents of other Indiana districts in supporting this bill.

I do not want to belabor the facts of the case because they have been clearly defined in the unanimous committee report. I merely wish to ask support of the bill in the name of fairness and in the name of justice to one of America's important small business industries.

Mrs. NORRELL. Mr. Speaker, this bill, H.R. 7057, is of substantial importance to the clay industry in my district and State. I believe that the relief proposed by the measure is justifiable and is essential to avoid a gross inequity being imposed upon the industry. I am in agreement with the purposes of this measure as reported by the committee, and recommend that the bill do pass.

Mr. MOELLER. Mr. Speaker, I am happy to join with my colleague from Ohio, Mr. FRANK BOW, as well as my good friend, the gentleman from Texas, Congressman FRANK IKARD, in support of H.R. 7057 for the relief of the clay products industry. I have long maintained that this legislation is required, in justice and in equity, to prevent the financial collapse of the clay products industry in my State. In fact, in my own district, the 10th of Ohio, there are several clay industry firms facing virtual bankruptcy due to the unfair and unjust tax treatment being accorded them by the Internal Revenue Service. In addition to the retroactive application of the principle of the Supreme Court's Cannelton case, threatened by IRS, the so-called Gore amendment to section 613 of the Internal Revenue Code of 1954, passed last year, effectively reduces the depletion allowance for clay to practically zero while retaining a generous allowance for the cement industry.

My district contains seven counties now classified by the Labor Department as economically depressed. One of the chief industries on which the people of my district rely is the clay products industry. It is vital to our economy. If the policies of the Gore amendment are continued and the Internal Revenue Service is allowed to apply the Cannelton ruling retroactively, my district stands to lose this vital industry.

For these reasons, and in the urgent interest of the hundreds of clay workers and their families who rely on the clay industry for their livelihood, I enthusiastically support this relief legislation and urge my colleagues in both Houses to enact it into law so that this important national industry may continue to provide the jobs and contribute to the national economy as it has done in the past.

Mr. IKARD of Texas. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill H.R. 7057, as amended?

The question was taken, and the Chair announced that two-thirds had voted in favor thereof.

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present and object to the vote on the ground that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. Two hundred fifty-four Members are present, a quorum.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

PROHIBITING TRANSMISSION OF BETS

Mr. CELLER. Mr. Speaker, I move to suspend the rules and pass the bill (S. 1656) to amend chapter 50 of title 18, United States Code, with respect to the transmission of bets, wagers and related information, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1081 of title 18 of the United States Code is amended by adding the following paragraph:

"The term 'wire communication facility' means any and all instrumentalities, personnel, and services (among other things, the receipt, forwarding, or delivery of communications) used or useful in the transmission of writings, signs, pictures, and sounds of all kinds by aid of wire, cable, or other like connection between the points of origin and reception of such transmission."

SEC. 2. Chapter 50 of such title is amended by adding thereto a new section 1084 as follows:

"§ 1084. Transmission of wagering information; penalties

"(a) Whoever being engaged in the business of betting or wagering knowingly uses a wire communication facility for the transmission in interstate or foreign commerce of bets or wagers or information assisting in the placing of bets or wagers on any sporting event or contest, or for the transmission of a wire communication which entitles the recipient to receive money or credit as a result of bets or wagers, or for information assisting in the placing of bets or wagers, shall be fined not more than $10,000 or imprisoned not more than two years, or both.

"(b) Nothing in this section shall be construed to prevent the transmission in interstate or foreign commerce of information for use in news reporting of sporting events or contests, or for the transmission of information assisting in the placing of bets or wagers on a sporting event or contest from a State where betting on that sporting event or contest is legal into a State in which such betting is legal.

"(c) Nothing contained in this section shall create immunity from criminal prosecution under any laws of any State, Commonwealth of Puerto Rico, territory, possession, or the District of Columbia.

"(d) When any common carrier subject to the jurisdiction of the Federal Communications Commission, is notified in writing by a Federal, State, or local law enforcement agency, acting within its jurisdiction, that any facility furnished by it is being used or will be used for the purpose of transmitting or receiving gambling information in interstate or foreign commerce in violation of Federal, State or local law, it shall discontinue or refuse, the leasing, furnishing, or maintaining of such facility, after reasonable notice to the subscriber, but no damages, penalty or forfeiture, civil or criminal, shall be found against any common carrier for any act done in compliance with any notice received from a law enforcement agency. Nothing in this section shall be deemed to prejudice the right of any person affected thereby to secure an appropriate determination, as otherwise provided by law, in a Federal court or in a State or local tribunal or agency, that such facility should not be discontinued or removed, or should be restored."

SEC. 3. The analysis preceding section 1081 of such title is amended by adding the following item:

"SEC. 1084. Transmission of wagering information; penalties."

The SPEAKER pro tempore. Is a second demanded?

Mr. McCULLOCH. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York [Mr. CELLER] will be recognized for 20 minutes and the gentleman from Ohio [Mr. McCULLOCH] for 20 minutes.

Mr. CELLER. Mr. Speaker, this bill amends title 18 of the United States Code with respect to the transmission of bets, wagers, and related information. It is one of a series of bills that the Department of Justice has earnestly requested to combat wholesale syndicated crime in this country.

This particular bill involves the transmission of wagers or bets and layoffs on horseracing and other sporting events. There was testimony to the effect that some 70,000 evildoers are engaged in illegal gambling and these racketeers and gangsters have built up a huge business as the result. We have been told that the ill-gotten gains, their so-called income, involve $7 billion a year.

This is a weapon that the Attorney General covets so as to reduce, if not suppress, this gambling. It would assist the States to stamp out this organized wholesale gambling, like bookmaking, by preventing the use of telephones and wires in the transmission of professional bets, wagers, and gambling information and payoffs.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Iowa.

Mr. GROSS. Did I understand the gentleman right, and I think he made the statement twice, that there is wholesale syndicated crime in this country?

Mr. CELLER. The gentleman asks whether there is wholesale syndicated crime in this country?

Mr. GROSS. Was that not the statement of the gentleman?

Mr. CELLER. That is the statement I made.

Mr. GROSS. So we are spending billions of dollars all over the world to transmit to them our form of life?

Mr. CELLER. I do not think the observation of the gentleman is pertinent to this argument.

Mr. GROSS. Why is it not pertinent?

Mr. CELLER. Well, the gentleman probably knows better why it is not relevant. As we would say, it is incompetent, irrelevant, and immaterial.

Modern bookmaking and gambling, we know, depends on rapid communications of betting odds and layoffs. This communication enables the gambler in far distant parts to know in split seconds the results, for example, of a horserace, before he actually takes the bet from an innocent player. They also lay off the bets, so he reaps rich rewards because of his advance information which he does not impart to the innocent bettor.

Mr. Speaker, we have provided certain safeguards in the bill; for example, the transmission of betting information from a State where gambling on a race or contest is legal into a State where gambling on that particular race or sporting contest is also legal is exempted from the operation of the statute. For example, in New York State we have parimutuel betting at our racetracks. This information, information concerning those parimutuel races, could be sent into Nevada, where all kinds of gambling is legal, and they would not come within the scope of this statute. Bona fide news reporting of sporting events is exempt and is not interfered with. Radio and TV are not included, because it was felt by the Federal Communications Commission and the Department of Justice that if they violated the letter of the law, they could have invoked against them sanctions by the Federal Communications Commission.

Mr. Speaker, there is a provision to the effect that the Federal Government will not preempt the field. State laws can be enforced by State authorities and there will be no overriding by the Federal authority of State laws.

There is a provision to the effect that if the telephone company is informed in writing by Federal, State or local law enforcement that its facility is being or will be used for gambling purposes, and

the telephone company then gives reasonable notice to the subscriber that service will be refused or discontinued. The subscriber can then have his day in court to establish that the facility should either be furnished him or not removed. The telephone company is saved harmless from any penalties or damages by a subscriber if they take such action.

Mr. Speaker, this bill has the approval of the Department of Justice, the American Bar Association, and the National Association of Attorneys General. This bill only gets after the bookmaker, the gambler who makes it his business to take bets or to lay off bets. It does not get after the casual gambler who bets $2 on a race. That type of transaction is not within the purview of the statute. The objective is to strike a stunning blow, a deadly blow against the syndicated rackets which enable these gamblers to reap rich harvests because of their use of the telephone, the Western Union, in getting betting information. That is an evil that must be stamped out, and this bill will go the correct way toward stamping it out.

Mr. Speaker, penalties are imposed which involve fines of upward of $10,000, and upward of 2 years, or both.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I will yield to the gentleman from Arkansas.

Mr. HARRIS. As I understand it, after listening to the gentleman's explanation of the bill—and I want to compliment the gentleman and his committee for the consideration they have given and the action the gentleman is urging on this legislation and some other bills which I understand are to be considered immediately after this bill—as I understand this bill, it deals primarily with the question of "bookmaking" where there is a violation of the law of a particular State insofar as a business is concerned, and as a continuing operation.

Mr. CELLER. As a business.

Mr. HARRIS. Yes, that is true, but what is commonly referred to in horseracing parlance as just ordinary "booking"?

Mr. CELLER. As bookmaking; that is correct.

Mr. HARRIS. Which operation is run by certain people, and you have in mind, as I understand it, syndicated operations. But even if it were not syndicated it would still be a violation of the law to use communication by wire, and so forth, for such business.

Mr. CELLER. If the person involved is in the business of gambling; it does not involve a casual bet or betting. It simply says anybody who is engaged in the business of betting or wagering, knowingly uses a wire communication facility for the transmission in interstate or foreign commerce of bets or wagers or information assisting in the placing of bets or wagers on any sporting event or contest, or for the transmission of a wire communication which entitles the recipient to receive money or credit as a result of bets or wagers, or for information assisting in the placing of bets or wagers.

Mr. HARRIS. This is very clear that whoever carries on such business, as is very well defined here, would be in violation of the bill, but then I wanted to try to clear up, if I could, the question with reference to the people who operate the wire services.

If they permit the wire services to be used as defined in the bill as "wire communication facilities," then they would be equally liable as the man who is engaged in the business; is that true?

Mr. CELLER. Yes, they would be liable. But there is a distinction with reference to a common carrier. If the gentleman will read page 3 he will see that if the common carrier allows the facilities to be used for the transmission of this information and the State authorities or the Federal authorities give them written notice that their facilities are thus being used, then that common carrier must stop the transmission of that type of information after giving reasonable notice to the subscriber.

Mr. HARRIS. And in case there is a violation, what is the penalty on the common carrier?

Mr. CELLER. There is no penalty against the common carrier. We felt that it was sufficient to allow the Federal Communications Commission to invoke whatever sanctions they deemed fit and proper against the common carrier if they persisted in this violation after written notice.

Mr. HARRIS. That is the point I wanted to develop. What is the procedure?

CALL OF THE HOUSE

Mr. TEAGUE of California. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 159]

Alford	Granahan	Passman
Alger	Griffin	Pilcher
Andersen, Minn.	Hardy	Pillion
	Harrison, Va.	Powell
Blatnik	Harsha	Quie
Boggs	Hébert	Rabaut
Brooks, La.	Jennings	Reece
Buckley	Karth, Minn.	Shipley
Burke, Ky.	Kearns	Sibal
Chamberlain	Kee	Slack
Curtis, Mo.	Kilburn	Spence
Davis, Tenn.	Kitchin	Steed
Diggs	Landrum	Westland
Dominick	Lesinski	Whalley
Fino	McMillan	Widnall
Ford	O'Neill	Wilson, Calif.
Forrester	Osmers	

The SPEAKER pro tempore. On this rollcall, 387 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

PROHIBITING TRANSMISSION OF BETS

The SPEAKER pro tempore. The gentleman from New York [Mr. CELLER] is recognized.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. We were discussing the effect this legislation would have with reference to common carrier service. The gentleman's bill, which I think is recognized as needed and will strengthen present laws, deals with booking as a gambling business, and would prevent the use of the wire services to carry on such business, or would prevent those engaging in such business to use the wire service, I think would be a more appropriate way to put it. A person engaged in the gambling business would use the wire services in connection with the operation of his business, but with the modern techniques that have been developed a person can pick up his phone in one city and dial someone in another city and State and obviously the common carrier would know nothing about what the conversation was and therefore would be in no position to know what is taking place. Under such circumstances would the common carrier be liable?

Mr. CELLER. The common carrier would not be liable under those circumstances.

Mr. HARRIS. Unless the common carrier itself knows what is taking place in such circumstances they would not be liable.

Mr. CELLER. No; and even then the common carrier must be notified in writing by Federal, State or local law enforcement agencies that the communication system is being used for gambling purposes.

Mr. HARRIS. Then they in turn would advise the users that it was being used illegally.

I do appreciate the gentleman's going into this matter and discussing it with us. I think we should get the record very clear on just what is intended by the bill in this area of operation.

As I understand, to repeat what the gentleman said a moment ago, broadcasting, that is, radio, is not included in this legislation unless they use common carrier wire services.

Mr. CELLER. The gentleman is correct.

Mr. HARRIS. I thank the gentleman very much.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. FASCELL. I rise to ask the chairman a question, because we have laws in Florida dealing with this same subject and I want to be sure there is no conflict created between State and Federal law.

Mr. CELLER. This law does not preempt the field, and prosecutions could be had under State statutes.

Mr. FASCELL. There is no preemption, so there could be prosecution under either Federal law or State law.

Mr. CELLER. The gentleman is correct.

Mr. McCULLOCH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to support S. 1656 which will make unlawful the use of wire communication facilities to transmit in

interstate commerce information relating to bets and wagers. S. 1656 is another one of the series of bills aimed at organized crime which had the approval of the prior administration as well as the present administration.

This bill is directly aimed at bigtime bookies and gamblers, who must use the facilities of the telephone company to carry on illegal enterprises which amount to millions of dollars each year. The bill has a special exemption for news reporting and will in no way interfere with the regular reporting of sporting events. The bill also permits the telephone company, after receiving notice from a law-enforcement official, to discontinue the service of any subscriber who is using wire facilities in violation of Federal, State, or local law. The telephone company, under present law, may discontinue such services but does so at the risk of being subject to a damage suit. The bill relieves the telephone company of liability for damages but makes explicit the right of the subscriber, after receiving prior notice, to petition for an appropriate determination including injunctive relief. In this manner the bill accords due process to the person accused of using the facilities for illegal purposes. The bill provides a practical solution to the dilemma in which the telephone company has heretofore been placed after receiving notice that its facilities were being used to transmit gambling information.

I urge that the House suspend the rules and pass the bill.

I ask unanimous consent to revise and extend my remarks.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from Arkansas.

Mr. HARRIS. Is it not true that there were a series of bills that the gentleman referred to submitted by the Attorney General in order to reach the problems he feels is necessary in these fields?

Mr. McCULLOCH. That is right.

Mr. HARRIS. How many bills were submitted?

Mr. McCULLOCH. There were at least five, if not six bills. There are three which will be submitted to the House today. We hope there will be another submitted on tomorrow, and there are two or more that remain in the committee for further hearing.

Mr. HARRIS. I asked the question because one of the series has been referred to the Committee on Interstate and Foreign Commerce. Our attention has been called to these series of bills within the last few days; consequently, because of the schedule of the committee it appears we will be unable to get to it until early in the next session.

I wanted the record to show this, and also to put everyone on notice, it will be our purpose to take up the bill early in the next session, that is, the one which has been referred to us as a part of this series to strengthen the arm, so to speak, of the enforcing officials.

Mr. McCULLOCH. We are glad that it will have the prompt attention of the able gentleman and his committee.

Mr. CRAMER. Mr. Speaker, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from Florida.

Mr. CRAMER. For the information of the House, the Attorney General did submit a number of such recommendations. Two of those recommendations have gone to other committees, one going to the Committee on Ways and Means involving the Internal Revenue Code under a construction by the Supreme Court.

The second that went to the Interstate and Foreign Commerce Committee deals with the transportation of gambling devices. I think both of those should be considered on the same basis as these, that is, in fighting this $22 billion racket known as syndicated gambling.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Referring to what the gentleman from Arkansas [Mr. HARRIS] said, who is the chairman of the Committee on Interstate and Foreign Commerce, some of us are not interested so much as to where these bills come from as what they do. We are not particular about which committee sends them out. Some of us would like to see some effective legislation.

Mr. McCULLOCH. Mr. Speaker, I should like to say that this series of bills which is being heard today and which will be heard in the future, as they are scheduled, come from individual Members of Congress. They came from the Attorneys General of the previous administration and they come from the Attorney General of this administration. Of all of the bills that have been before the Judiciary Committee at this session of Congress, I think none have had better sponsorship than these bills have had.

Mr. MEADER. Mr. Speaker, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from Michigan.

Mr. MEADER. Mr. Speaker, I would like to observe that our colleague on the committee, the gentleman from Florida [Mr. CRAMER], has an omnibus antiracketeering bill which is pending before the Judiciary Committee, H.R. 6909.

During the hearings of our subcommittee on the various interstate crime bills, three of which are before the House this afternoon, the gentleman from Florida [Mr. CRAMER], sat with the committee and from time to time referred to his bill, H.R. 6909, which would have handled all of these problems together.

I am somewhat dismayed that the committee did not see fit to report out one bill which dealt with all these problems at the same time, aimed at getting at interstate syndicated crime and racketeering.

Mr. McCULLOCH. Mr. Speaker, the observations of the gentleman from Michigan [Mr. MEADER] are most logical, as his observations always are.

Mr. Speaker, I now yield to the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Speaker, these are three important bills that we are now considering, and I support them. However, I wish to point out to my colleagues in the House that when we consider bills of this kind—and there will be others in the future—it is extremely important to bear in mind some of the restrictions on civil liberties that we may run into. For example, the bill under consideration gives the Federal Government the power to close up any communications facility which will be used for the purpose of transmitting gambling information, and so on. This is pretty drastic stuff. Were it not for the proviso that follows which says "nothing contained in this section shall be deemed to prejudice the right of any person affected thereby to secure an appropriate determination, as otherwise provided by law," and so on, allowing any such person to go to court to get a determination as to the lawfulness of any such invasion, I would not support this bill.

Mr. Speaker, the Judiciary Committee killed one measure that had been asked by the administration having to do with interference of investigations which in my judgment was one of the most dangerous anticivil libertarian bills that we have considered for quite a while in the Judiciary Committee. It was a very bad piece of legislation, loosely drawn, which would have prejudiced the rights of every American. That bill, fortunately, was stopped in the Judiciary Committee. These bills that we are now talking about are good bills, and I think the present bill is a sound bill. However, I do wish to point out that there are some dangers. The course of events is such that this body should be equally as concerned about preserving civil liberties in this country as it is about enacting bills in order to give the Federal Government additional tools with which to combat crime.

Mr. WHITENER. Mr. Speaker, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman.

Mr. WHITENER. The gentleman is concerned about the language "will be used." It seems to me that in the last Congress when another Attorney General sent up a bill referring to "patterns and practices," the same gentleman was defending that language.

Mr. LINDSAY. The gentleman is now stepping into an argument on a very different matter which I would be delighted to talk about. If the gentleman wants to talk about civil rights legislation, let us go ahead. I would like to ask the gentleman why we have not had any civil rights legislation?

The SPEAKER pro tempore. The time of the gentleman from New York [Mr. LINDSAY] has expired.

Mr. McCULLOCH. Mr. Speaker, I yield such time as he may need to the gentleman from New Jersey [Mr. CAHILL].

Mr. CAHILL. Mr. Speaker, I rise in support of this very necessary legislation and compliment the chairman of the committee on the expeditious manner in which he has brought it to the House.

Mr. Speaker, I rise in support of S. 1656, a bill to prohibit the transmission of bets and betting information by wire communications. The Judiciary Committee of which I am a member has been for some time making every effort to provide the Attorney General of the United States with legislation sufficient in strength to combat organized crime in this country. Those of us who have had anything to do with law enforcement whether on a municipal, county, State, or Federal level know that organized crime depends in a large measure on the financing it receives through gambling activities. This multibillion-dollar industry can only continue so long as it can transmit information on betting through wire communications.

This bill, therefore, is a step forward in the right direction in giving the Attorney General the necessary implements with which to combat existing organized crime in this country.

I am happy to support this legislation and urge the Members of the House to vote to suspend the rules and to unanimously approve the bill.

It is my hope, Mr. Speaker, that this Congress will give the Attorney General all of the legal tools he needs to utilize the law enforcement agencies of this country in his laudable effort to fight the organized syndicate and eliminate this blight on our national reputation as a law abiding people.

Mr. McCULLOCH. Mr. Speaker, I yield 10 minutes to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Speaker, I appreciate very much the complimentary comments made by the gentleman from Michigan.

My objective is to try and assist in providing adequate tools to stamp out the $22 billion illicit take of organized crime, together with the criminal activities involved in protecting that illicit gold mine, such as extortion and bribery, blackmail, racketeering, narcotics, liquor, prostitution, gambling, or the commission of murder or other acts of violence, together with other gangster-type criminal activities; to stamp out the morally degenerating effect of such activities on our country.

I believe, ever since I have been a Member of Congress, that this is one of our fundamental responsibilities in an area of great need and because of that, and having had some close-to-home experience with regard to the problem, in that there have been committed in my own district in the last 30-some years some 23 unsolved gangland-style murders, without a suspect—without a suspect, I repeat, murders that have been described as gangland-style murders, without a suspect—that shows the necessity for some Federal assistance in this field; because, even the local law enforcement officers involved, when they made a request to the Attorney General some 6 years ago that the FBI and the Department of Justive give them some help. "We need help," they said, "because we are convinced that these gangland-style murderers are shipped in and shipped out and our hands are tied; we do not have adequate jurisdiction." Surely there are such crimes as murder locally, but when the perpetrators are shipped in and shipped out, whether it is the maffia or "murder, incorporated," or whatever it may be that is involved, the State law enforcement officials are without any effective tools to combat such activities. And do not think that the organized, syndicated gangsters and criminals do not know what are the limits of the local jurisdiction. And do not think that they do not know how to take advantage of it, because they certainly do, as evidenced by what has happened in so many areas where gangland murders have occurred.

It has been my objective, since becoming a Member of this, the greatest legislative body in the world, to try to help evolve sound legislation to assist; and I am as much a States righter as anyone else in this House, I believe, and I think I have proved it on the record, to assist local enforcement officials particularly in areas where they have asked for such assistance in fighting organized and syndicated crime throughout this country.

In view of the fact that I introduced and sought to have passed a number of legislative recommendations during the last session—I took the floor of the House time and time again; it will appear in the RECORD—and asked that something be done to carry out the recommendations of the then Attorney General and the then President, that something be done in this field. Two or three of the recommendations that are here before us today were recommended in the 86th Congress and embodied in legislation I then had the privilege of introducing.

There was no hue and cry when there was introduced a civil rights bill as an omnibus bill. Congress included in it everything but the kitchen sink. We were not concerned about committee jurisdiction when it came to enacting a package for civil rights. But when it comes to fighting syndicated gangsterism, when it comes to fighting the $22 billions of illicit take in the country, whose business expenses are even legalized by the Supreme Court, when it comes to encompass that, Congress is timid, Congress is fearful to go forward with an omnibus bill similar to this H.R. 6909 which I introduced and which contains 11 titles and puts some real teeth into the fight against syndicated crime.

We are talking about this communications bill right now. The Attorney General of this administration has recommended a general wiretapping bill. Yet did anyone come forward as I did with a limited wiretapping bill under court supervision, giving the Department of Justice the authority really to carry out effectively these procedures? How else is control of communications against gambling use to be carried out realistically unless wiretapping is provided? It is not going to be done. This is a step in the right direction, but not a step far enough in regard to this.

I also suggested in that bill, H.R. 6909, that there be created a new unit under the jurisdiction of the Attorney General, controlled by him, and properly so, an Office on Syndicated Crime. Do you know how difficult it is for anyone, any local official, sheriff, constable, law enforcement people at the local level, to get any information on, say, Mr. X, who is believed to be a syndicate criminal and who is known to the Departments in Washington? He can write to the FBI, but he can only get information relative to the FBI's limited jurisdiction. Then he can write to Narcotics, or some other division. In the RECORD, on page 7680, I listed a number of agencies that had enforcement authority, some 42 in number, but any law enforcement official who wants to find out about the syndicate nature of a gangster has to write to each of those agencies. Many of those authorities do not have the authority to evaluate. Even J. Edgar Hoover and the FBI admitted before a subcommittee on appropriations just recently that they did not have the authority to correlate and evaluate factual information they have before them. This is where the loophole, this is where the gap is. This is where the local law enforcement officer who desires to do his job, who wants to carry out the law, is unable to do so because the Federal Government does not even set up an Office on Syndicated Crime or an office to put together information on this important matter of the syndicated gangster or gambler, so that the local officials can have available to them, and as well the Federal officials can find out about this and whether he has been in trouble with any of the other agencies as well. I included that in my bill, but the committee even failed to give consideration to it.

Mr. MEADER. Mr. Speaker, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Michigan.

Mr. MEADER. If the gentleman's proposal aiming at interstate crime by aiming at syndicated crime had been adopted by the committee, does the gentleman believe we would have been able to get out on the floor a bill relating to obstructing investigation?

Mr. CRAMER. I thank the gentleman for his contribution. The Department of Justice recommendation on obstruction of justice failed in the committee, and I do not say wrongfully so, because it was a broad, scatter-shell approach, it was not limited to syndicated criminal activities, to organized crime, as my bill H.R. 6909 largely was. If that is the problem, let us get at it and do everything possible to do the job as I propose in H.R. 8814 instead of scatter shooting and hitting all the departments. Let us do all we can do in order to hit gangsterism and syndicated crime.

The bill as proposed has as its objective making applicable these obstruction of justice statutes which are presently only applicable in a very limited sense—that is, when a case is in litigation, to make it applicable to investigations, to syndicated crime and on this very limited basis, limited to syndicated criminal activities meaning "substantial concerted activities involving gambling, liquor, narcotics, extortion, bribery committed in violation of laws of a State or of the United States," as I provide in the bill I

introduced today, H.R. 8814. That is where the problem is. That is where we ought to be working to do something about this.

I hope before this session of the Congress adjourns that we will also take up the immunity-of-witnesses statute which I introduced. It has been very interesting to me to see the objections that have been raised to some of these proposed legislative enactments, particularly when the opponents do not even see fit to appear before the committee that had these matters under consideration, but instead, importuned some of the Members of this body privately, apparently, and were able to get knocked out of the bill, which we will be considering in a few minutes, the transportation bill, any effect whatsoever that it might have on extortion because of the Hobbs Act and possible application to labor as such. The same problem is involved now with regard to the immunity-of-witnesses statute which the present Attorney General and the previous Attorney General said that we must have, if we are going to control the fight against organized crime. Now we find the leaders of the labor unions, objecting to that.

The labor unions have the right to object, if they feel their rights are involved, but I say their objections alone should not be overriding and should not be permitted to kill this needed anticrime bill.

I am hopeful that before this matter is closed, we will be able to provide adequate and sufficient legislation to really stamp out organized gambling and syndicated crime and racketeering and not be trying to do this on the half-loaf, piecemeal basis which is what we have before us today.

This is not the total and final answer to the problem. I had hoped that the House would establish a Special Crime Investigating Committee to really dig into this matter—to supplement the McClellan committee investigations in the other body. I still have not given up on this. To legislate adequately we need to know the total problem—and such a thorough investigation would show the need or the facts.

Mr. CELLER. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Speaker, as a cosponsor of this legislation, I rise in support of the bill now pending before the House to prohibit the use of wire communication facilities which are or will be used for the transmission of bets or wagers and gambling information in interstate and foreign commerce.

As a member of the Florida Legislature, I urged and supported enactment of State laws to curb and outlaw the transmission of gambling information by wire communication facility. I am particularly pleased to see a small H.R. 3 written into the provisions of the bill pending before us which preserves for the States the right to prosecute for a violation of its own law on this same subject. The State of Florida has statutes dealing with all phases of this subject, and I am glad that there is no Federal preemption in this bill.

Mr. CELLER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. WALTER). The question is: Will the House suspend the rules and pass the bill S. 1656, as amended.

The question was taken.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask for the yeas and nays. I would like to be recorded.

The yeas and nays were refused.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

PROHIBITING THE INTERSTATE TRANSPORTATION OF WAGERING PARAPHERNALIA

Mr. CELLER. Mr. Speaker, I move to suspend the rules and pass the bill (S. 1657) to provide means for the Federal Government to combat interstate crime and to assist the States in the enforcement of their criminal laws by prohibiting the interstate transportation of wagering paraphernalia, with amendments.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 95 of title 18, United States Code, is amended by adding the following new section at the end thereof:

"§ 1953. Interstate transportation of wagering paraphernalia

"(a) Whoever, except a common carrier in the usual course of its business, knowingly carries or sends in interstate or foreign commerce any record, paraphernalia, ticket, certificate, bills, slip, token, paper, writing, or other device used, or to be used, or adapted, devised, or designed for use in (a) bookmaking; or (b) wagering pools with respect to a sporting event; or (c) in a numbers, policy, bolita, or similar game shall be fined not more than $10,000 or imprisoned for not more than five years or both.

"(b) This section shall not apply to (1) parimutuel betting equipment, parimutuel tickets where legally acquired, or parimutuel materials used or designed for use at racetracks or other sporting events in connection with which betting is legal under applicable State law, or (2) the transportation of betting materials to be used in the placing of bets or wagers on a sporting event into a State in which such betting is legal under the statutes of that State, or (3) the carriage or transportation in interstate or foreign commerce of any newspaper or similar publication.

"(c) Nothing contained in this section shall create immunity from criminal prosecution under any laws of any State, Commonwealth of Puerto Rico, territory, possession, or the District of Columbia."

and by adding the following item to the analysis of the chapter:

"SEC. 1953. Interstate transportation of wagering paraphernalia."

SEC. 2. Section 1302 of title 18, United States Code, is amended by deleting the dash at the end of the fifth paragraph and inserting in lieu thereof a semicolon and adding a new sixth paragraph as follows:

"Any article described in section 1953 of this title—".

The SPEAKER pro tempore. Is a second demanded?

Mr. McCULLOCH. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. CELLER. Mr. Speaker, this is a second bill to combat wholesale criminal activities to aid the Attorney General and the various States to fight organized crime, that is, syndicated crime which like an octopus holds the Nation in its toils. The bill provides the means for the Federal Government to combat interstate crime and to assist the States in the enforcement of their criminal laws by prohibiting the interstate transportation of wagering paraphernalia. The bill prevents the transportation in interstate commerce except by common carriers in the ordinary course of their business of any records, slip, token, certificate or paraphernalia or device that may be used, first, in bookmaking; second, in wagering pools; third, in a numbers racket, policy rackets bolita, or similar games. Penalities are imposed of fines upward of $10,000 and upward of 5 years' imprisonment or both.

The primary purpose is to prevent the transportation in interstate commerce of wagering material. The purpose actually is to cutoff and shutoff gambling supplies, in reality to prevent these lotteries and kindred illegal diversions.

Now, it is interesting to note that since 1895 we have had antilottery statutes; they were broad gage statutes, but over the period of years, as the result of various court interpretations of those old statutes, the efficacy of those statutes has been greatly weakened. They have been chipped away; they have been eroded. This bill plus the hole or the holes that have been made in these old antilottery statutes and prevents, as I said before, the transportation of this various paraphernalia that aids and abets gambling and other activities of that nature.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to my distinguished friend from Colorado.

Mr. ROGERS of Colorado. The gentleman made reference to material transported in interstate commerce as it deals with lotteries and other gambling paraphernalia. In the report on page 2, the last sentence, I note these words:

> The game known as bingo does not come within the scope of this bill, however.

Do I understand that bingo as such, where there are cards used in connection therewith, when transported in interstate commerce, does not come within the terms of the proposed legislation?

Mr. CELLER. The gentleman is correct.

Mr. ROGERS of Colorado. Furthermore, that the Assistant Attorney General in charge of criminal prosecutions in the Department of Justice testified, I understand, in the Senate to the same effect.

Mr. CELLER. Now, in addition to the exemption of the game that the gentleman just mentioned, the transportation of parimutuel equipment is likewise exempted. A number of States have

legalized parimutuel betting, and the bill is not aimed at the transportation of parimutuel equipment to those race tracks in States where parimutuel betting is permitted.

The bill has no application to newspapers or publications that are sent from one State to another carrying information concerning gambling, and it does not refer to the transfer of this wagering paraphernalia into a State where such gambling is legal. For example, in Nevada betting is legal; betting of all kinds. So, if wagering material is shipped into Nevada where the betting is legal, then the shipment is exempt from the provision of this bill.

Mr. WHITENER. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from North Carolina.

Mr. WHITENER. I thank the distinguished chairman of our committee for his statement. I think it was intended, as we discussed this in the committee, that where parimutuel equipment was moving into a State where its use was legal, that there was another requirement that it must be legally acquired before moving it in interstate commerce.

Mr. CELLER. That is correct.

Mr. WHITENER. I wish to ask the chairman another question: Is it not contemplated that the committee amendment will incorporate in this bill the same provision we had in the bill just passed with reference to preemption of State authority in this particular area of criminal law?

Mr. CELLER. Subdivision (c), page 2, clearly indicates there is no Federal preemption of State statutes. The bill was unanimously reported, has bipartisan support, because the bill has the support of my very distinguished colleague and very, very delightful friend, the gentleman from Ohio [Mr. McCULLOCH], and it has my support also. So we joined hands in this bill. It was reported unanimously by the committee.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. As I understand, this is the second bill we have here today dealing with gambling and there are two more to follow?

Mr. CELLER. One today.

Mr. HOFFMAN of Michigan. And a couple more tomorrow?

Mr. CELLER. Probably tomorrow or the next day; yes.

Mr. HOFFMAN of Michigan. Did I correctly understand the gentleman to say on the first bill that we had wholesale syndicated crime? Am I right?

Mr. CELLER. I said that, sir.

Mr. HOFFMAN of Michigan. A great deal of it?

Mr. CELLER. A great deal of it.

Mr. HOFFMAN of Michigan. I understand that ever since Truman paroled those Capone gangsters it has been on the increase. Then I understood the gentleman from Iowa [Mr. GROSS] to ask the gentleman if when we had this foreign giveaway measure up and passed it, if the gentleman thought that was the kind of example we ought to set for other folks, and I understood the gentleman from New York to say that the statement by the gentleman from Iowa [Mr. GROSS] was irrelevant, immaterial—I do not remember as to whether he said it was incompetent and all the rest of the Perry Mason statements about irrelevancy and immateriality.

Mr. CELLER. I said, following the admonition by the judge in court, that the observation was incompetent, irrelevant, and immaterial.

Mr. HOFFMAN of Michigan. How could it be incompetent? Will the gentleman tell me? If we have that kind of picture in this country why spend billions to go out and broadcast it to the world?

Mr. CELLER. I think the gentleman can answer his own question better than I.

Mr. HOFFMAN of Michigan. No, I cannot; if I could I would not be asking the gentleman. I try to do things for myself.

Mr. CELLER. Mr. Speaker, I yield to the gentleman from Missouri [Mr. RANDALL].

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count.

Two hundred and twenty-one Members are present, a quorum.

Mr. RANDALL. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Missouri.

Mr. RANDALL. I want to commend the gentleman for bringing this matter to the attention of the House. I want to be sure, as reported at the bottom of page 2 of the report, that this proposal includes the language as indicated there and that the game known as bingo does not come within the scope of this bill.

Mr. CELLER. The gentleman is correct.

Mr. RANDALL. Conducted by veterans' organizations, and so forth.

Mr. McCULLOCH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 1657 is another one of a series of bills, aimed at organized crime, which has the support of this administration and which had the support of the past administration.

S. 1657 will make it unlawful to transport in interstate commerce the paraphernalia and material which is used by professional bookmakers and numbers men. There is a special exemption for parimutuel betting equipment and betting material transported into States in which the use of such material is legal.

The coverage of this bill is directed at the shipment in interstate commerce of material which will be used to violate State and local law. The need for this bill is graphically illustrated by the limitation with which local law enforcement officials are faced in being unable to cope with criminal enterprise which transcends the boundaries of a particular State. This bill, by making the transportation of wagering material in interstate commerce a Federal offense, will enable the Federal officials to take the effective action which is needed to prevent this type of activity.

I urge the House to suspend the rules and pass the bill.

Mr. McCULLOCH. Mr. Speaker, I yield such time as he may use to the gentleman from New Jersey [Mr. CAHILL].

Mr. CAHILL. Mr. Speaker, I rise in support of S. 1657, a bill to prohibit the interstate transportation of wagering paraphernalia. This is a companion bill to the bill previously passed today by the House and again has as its objective a further aid to the Attorney General in the war on crime in this country.

Once again, it should be pointed out to the House that gambling supplies the wherewithal to finance the majority of the octopuslike activities of the commercialized racketeers in this country. The manufacturers of wagering paraphernalia must in order to continue in business transport this equipment through interstate commerce. This bill, therefore, would choke off at the source such gambling equipment and would permit the Federal Government to enter into the fight against organized crime at the early stage, that is, the time when the equipment is being transported into the various States of the Union.

There are sufficient exemptions in the bill, I think, to permit those activities which are legal in the States and protection has been extended to those activities which are not designed to aid in the nefarious activities of the racketeers of the country.

This bill was, of course, urged by the Attorney General in his continuing fight against the organized syndicates of the country. His predecessor and, indeed, almost every Attorney General regardless of political party has been urging the Congress to enact Federal laws which will permit the successful attack upon these national syndicates.

This bill is another step in the right direction and I urge the House to suspend the rules and vote unanimously to adopt this bill.

Mr. McCULLOCH. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Speaker, I take this time to direct the attention of the House to the amendment inserted by the committee on page 2 of the bill, line 17, reading as follows:

> Nothing contained in this section shall create immunity from criminal prosecution under any laws of any State, Commonwealth of Puerto Rico, territory, possession, or the District of Columbia.

As the gentleman from Florida [Mr. FASCELL], pointed out with respect to the bill which the House passed, S. 1656, the language in the bill before the House now is identical with the language which was contained in the other bill.

Mr. Speaker, it is well that the Committee on the Judiciary in passing criminal laws on the basis of Federal jurisdiction over interstate and foreign commerce should recognize the necessity for preventing any interpretation by the Supreme Court that we have preempted

this particular field of racketeering or syndicated crime.

In fact, Mr. Speaker, I believe the time has arrived that the Congress take permanent action interpreting the statutes passed by the Congress so as not to preempt or strike down State laws.

I have introduced a bill, H.R. 7146, now pending before the Committee on the Judiciary which, unfortunately, has not had any action. I think we cannot be sure every bill we consider here in the House that the court might not interpret it as striking down State laws, and we ought to pass general blanket legislation saying that unless the Congress expressly says so it does not intend to interfere with State criminal laws.

Mr. Speaker, as a part of my remarks, I include H.R. 7146, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That no Act of Congress shall be construed as indicating an intent on the part of Congress to occupy the field in which such Act operates, to the exclusion of all State laws on the same subject matter, unless such Act contains an express provision to that effect. No provision of an Act of Congress shall be construed as invalidating a provision of State law which would be valid in the absence of such Act, except to the extent that there is a direct and positive conflict between such provisions so that the two cannot be reconciled or consistently stand together.

Mr. MEADER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include the text of a bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. McCULLOCH. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. CURTIS].

Mr. CURTIS of Massachusetts. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CURTIS of Massachusetts. Mr. Speaker, I rise to protest a newspaper story which impugns the motives and the honor of a member of the Committee on Foreign Affairs with whom I have the honor to serve on that committee.

I quote from an article that was spread over the papers in New York, Boston, and, I understand, in Minneapolis, and I do not know how many other places. The headline reads: "For Want of a Veterans' Hospital the Foreign-Aid Fight Was Lost."

The article goes on to say that the amendment of the gentleman from California [Mr. SAUND] was inspired by a grudge because he had not received a veterans' hospital in his district. I should like to quote a few lines from the article. Referring to the gentleman from California, it says:

He spiced these appeals, if usually reliable word may be believed, with unmistakable notice of intent to attack the heart of the Kennedy foreign-aid bill if he did not get the hospital.

When he didn't, he followed through with his amendment to destroy the 5-year economic-aid plan * * *.

Mr. Speaker, I have served on the committee with this gentleman for several years. I have found him always entirely sincere. I heard him several weeks ago make the same argument to the Committee on Foreign Affairs that he made on the floor when he offered the Saund amendment.

I think it is beneath contempt for proponents to try to undermine the sincere opposition to certain plans that were offered to this House by planting such stories as that around. I protest in the strongest terms, and I hope that this accusation will receive from the House the contempt which it deserves.

Let me add that I did not vote for the Saund amendment, and in fact offered an amendment which would have changed the 1-year program, as provided in the Saund amendment, to a multiyear program.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Massachusetts. I yield to the gentleman from Minnesota.

Mr. JUDD. Mr. Speaker, I should like to associate myself with what the gentleman from Massachusetts has said. I do not know that we should jump on the newspapers, but we should the unnamed persons who put out the unworthy insinuations against our colleague, Judge SAUND, which the newspapers reported. I can testify that the gentleman from California [Mr. SAUND] has made proposals in the Committee on Foreign Affairs, along the same lines as his amendment, long before there could have been any hospital issue in his district. The gentleman from California [Mr. SAUND] and I have not always been in agreement and I did not vote for his amendment last week. But he and I, perhaps because of our experience in Asia, have tried again and again to get the administrators of the foreign aid program out of the clouds and down to the grassroots and we have urged less emphasis on big grandiose projects and more on those that help the people of countries on a simpler basis. For anyone to imply that the motivation the gentleman from California [Mr. SAUND] had in this was some grudge or slight, is a grave injustice to him in terms of what I know has all along been his basic feeling with respect to the foreign aid program. He has said again and again that it must be kept under congressional control, otherwise those in charge of such large sums of money will spend them overwhelming on spectacular, expensive projects, rather than on helping the common people build a sounder economy out of which will come greater purchasing power, better living standards, and fundamental economic development.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Massachusetts. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Speaker, I would like to say that whoever wrote that article is giving the gentleman in question far too much discredit because, as I recall, it took several votes to do what was done. I cannot see why a Member of Congress cannot express an opinion any way he sees fit without being subjected to this kind of newspaper article. I commend the gentleman from Massachusetts for bringing it to the attention of the House.

Mr. MATTHEWS. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Massachusetts. I yield to the gentleman from Florida.

Mr. MATTHEWS. Mr. Speaker, I want to thank the gentleman for giving several Members this opportunity to make statements which I think should be made. The gentleman from California [Mr. SAUND] was activated by the same patriotic motives that activated each one of us when we cast our vote on the mutual security program. I personally, as a friend of his, resent the attempt on the part of anybody to label him with the wrong kind of motive for the vote he cast.

Mr. ROGERS of Colorado. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Massachusetts. I yield to the gentleman.

Mr. ROGERS of Colorado. Mr. Speaker, does the gentleman from Massachusetts have any evidence of who wrote this story and what may have motivated him?

Mr. CURTIS of Massachusetts. I have no evidence of motivation.

Mr. ROGERS of Colorado. The gentleman has no evidence of who wrote it or who put it out?

Mr. CURTIS of Massachusetts. I have no evidence of motivation.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, I, too concur with the statement made by the gentleman from Massachusetts [Mr. CURTIS]. I have known Judge SAUND since I came here to the Congress. In all of my experiences with him I have always found him to be forthright and honest. He has been a patriotic American, and I am sure that his amendment was offered out of a sincere conviction and he had no ulterior motive.

Mr. CURTIS of Massachusetts. I thank the gentleman. In closing, Mr. Speaker, I will say, sir, that I think the tactic of trying to undermine opposition by insinuating that it is dishonest, is an unfair and improper tactic.

Mr. McCULLOCH. Mr. Speaker, I yield 5 minutes to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Speaker, I ask unanimous consent to speak out of order, and to revise and extend my remarks, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mrs. ST. GEORGE. Mr. Speaker, some of us have been very much disturbed lately over the question of trade

licenses granted to shippers to Iron Curtain countries. Some of us have even tried to find out how far this had gone and what the true story was.

Mr. Speaker, I have been told by the executive branch that the whole thing was grossly exaggerated and that there was very little truth in the story. But I pick up my newspapers this morning and see first of all a headline in the New York Daily News which says: "Government Blushes: U.S. Goods for Reds Up 800 Percent."

The article, which I shall put in the RECORD at this point, follows:

GOVERNMENT BLUSHES: U.S. GOODS FOR REDS UP 800 PERCENT

WASHINGTON, August 20.—The volume of American goods licensed for shipment to Communist countries increased by more than 800 percent in the 3 weeks following President Kennedy's address to the Nation on Berlin.

This has been a cause of both concern and embarrassment to high administration officials aware of the statistics, which have received scant public attention.

Steps already have been taken to reverse the upward trend, although there has been no formal change in export control regulations.

RISE TO $6.2 MILLION

Daily export licensing reports showed that in the 3 weeks preceding Kennedy's July 25 TV-radio address, the Commerce Department authorized the shipment of $750,196 in American goods to the Soviet Union and her European satellites.

In the 3 succeeding weeks, the licensing total soared to $6,278,566.

Included in the exports were rail equipment, synthetic rubber, industrial instruments, coal tar products, carbon black, industrial and specialty chemicals, and pipe valves.

The Department ruled that none of these proposed shipments would endanger national security.

BUCK PUBLIC OPINION

The licensing officials apparently continued to take a business-as-usual attitude after Kennedy's talk, thus running counter to public opinion as assessed by their boss, Secretary of Commerce Luther H. Hodges.

As a result of several recent meetings between Hodges and Secretary of State Rusk, and also with a group of House Members who favor new trade curbs because of the Berlin crisis, licensing officials have been told to take a harder look at proposed exports to Iron Curtain countries.

Bearing this out, this morning at the same time I opened the Wall Street Journal, which says:

U.S. goods licensed for shipment to Communist countries increased by more than 800 percent in the 3 weeks after Kennedy's address to the Nation on Berlin from the preceding 3 weeks. The figures are $6,278,566, and, for the previous 3 weeks, $750,196.

The question, it seems to me, Mr. Speaker, is not so much whether this is good or bad, but why is it that Members of the Congress of the United States in addressing themselves to the proper agencies of Government cannot find out the true inwardness of these stories. We are occasionally fed certain figures and told that they are very hush-hush, only to find them in the newspaper, usually the day before we get them.

Mr. CELLER. Mr. Speaker, I yield such time as he may desire to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. I rise in support of the bill now under consideration, which I was pleased to cosponsor, prohibiting the interstate transportation of paraphernalia, tickets, bills, or other devices used in bookmaking or wagering pools or numbers games. This bill properly exempts from its provisions parimutuel betting equipment where legally acquired or parimutuel materials designed for use at racetracks in States where such betting is legal. I am pleased to note the care which has been exercised to recognize and preserve the validity of State laws covering legal parimutuel operations.

As a member of the Florida Legislature, I vigorously supported all measures brought before that body to curb illegal betting or gambling. I am pleased to support this bill which will strengthen Federal law on the subject and will enable the Federal Government to more effectively thwart interstate gambling activities.

Mr. CELLER. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Speaker, I would like to commend the chairman of the Committee on the Judiciary and Members on both sides of the aisle for bringing to the House this series of bills designed to deal with the problems of organized crime and of racketeering across the Nation. I think this is something that goes directly to the heart of our country's character and of our efforts to build and strengthen our citizenship. I also want to commend the Attorney General, the Honorable Robert Kennedy, for his leadership and courage in connection with this fight on organized crime. I trust all three of these bills will be passed overwhelmingly by the House.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill S. 1657, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

PROHIBITING TRAVEL OR TRANSPORTATION IN AID OF RACKETEERING ENTERPRISES

Mr. CELLER. Mr. Speaker, I move to suspend the rules and pass the bill (S. 1653) to amend title 18, United States Code, to prohibit travel or transportation in commerce in aid of racketeering enterprises, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 95 of title 18, United States Code, is amended (a) by adding the following new section at the end thereof:

"§ 1952. Interstate and foreign travel or transportation in aid of racketeering enterprises

"(a) Whoever travels in interstate or foreign commerce or uses any facility in interstate or foreign commerce, including the mail, with intent to—

"(1) distribute the proceeds of any unlawful activity; or

"(2) commit any crime of violence to further any unlawful activity; or

"(3) otherwise promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on, of any unlawful activity

and thereafter performs or attempts to perform any of the acts specified in subparagraphs (1), (2), and (3), shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

"(b) As used in this section 'unlawful activity' means any business enterprise involving gambling, liquor, narcotics, or prostitution offenses or extortion or bribery in connection with such offenses in violation of the laws of the State in which they are committed or of the United States.

"(c) Investigations of violations under this section involving liquor or narcotics shall be conducted under the supervision of the Secretary of the Treasury."

and (b) by adding the following item to the analysis of the chapter:

"Sec. 1952. Interstate and foreign travel or transportation in aid of racketeering enterprises."

The SPEAKER pro tempore. Is a second demanded?

Mr. McCULLOCH. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. CELLER. Mr. Speaker, this is the third bill to aid the Federal Government in trying to pursue and bring to book hoodlums like those who were assembled at Apalachin, N.Y. In that case the State of New York and the Federal Government were actually helpless. That is a rather sad commentary on the status of our criminal laws. Whatever lack there exists must be filled. These bills today will materially arm the States and the Federal Government with weapons effective enough to curb and indict and incarcerate these "plug-uglies."

This particular bill, S. 1653, provides one of those weapons in the arsenal of the Department of Justice, which undertakes to fight wholesale crime, especially syndicated crimes involving gambling, narcotics, prostitution, and liquor. Those categories are spelled out specifically in the bill. It is also intended to drag down and indict those guilty of bribery and extortion in connection with gambling, narcotics, prostitution, and liquor.

The bill in effect prohibits travel from one State with intent—there must be intent—first, to distribute the proceeds of any unlawful activity; or second, commit any crime of violence to further any

unlawful activities; or, third, otherwise promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on, of any unlawful activity.

Therefore, if an individual travels into a second State and commits a crime or attempts to commit a crime, that is specified as an unlawful act, involving gambling, narcotics, prostitution, or liquor, he must suffer the penalties, and we impose penalties of not more than $10,000 or imprisonment of not more than 5 years, or both.

These unlawful acts are carefully defined in precise language as a business enterprise involving gambling, liquors, prostitution, and narcotics in violation of the laws of a State or Federal Government.

The Attorney General testified before the committee on May 17 in support of the bill. In his testimony, he cited numerous instances of the use of the facilities of interstate commerce by racketeers and hoodlums to promote the illegal enterprises and to distribute the proceeds among the syndicate members of the illegal gambling, liquor, narcotics, and prostitution business, and the use of such facilities of interstate commerce in the commission of crimes of violence and in furtherance of such unlawful activities. He spoke of racketeers living in one State and actually controlling a racket and reaping the profits from those rackets located in another State. Hence, the racketeer would be beyond the control of the police of the State of operation and, probably living as a so-called respected citizen in the State of his abode. The State is limited by its jurisdiction and the Federal Government is limited because it has no authority. We want to give the Federal Government the authority to aid the States in tracking down these nefarious characters whose business it is to deal in gambling, prostitution, liquor, and narcotics.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Iowa.

Mr. GROSS. Did I hear the gentleman say at the beginning of his remarks that you were having particular trouble with crime in New York?

Mr. CELLER. I said there was a group that met at Apalachin, N.Y.—hoodlums and "plug-uglies," and they, undoubtedly, had gathered together to conspire and very likely to divide territories with reference to their illegal businesses and to divide the ill-gotten gains and to do all and sundry in furtherance of their illegal syndicated operations which extend, as I used the phrase before, like an octopus grabbing almost all the States in its toils.

Mr. GROSS. Mr. Speaker, will the gentleman yield further?

Mr. CELLER. I would be glad to yield further to my colleague.

Mr. GROSS. Your Governor of the State of New York seems to have all the time in the world to tell Republican Members of the Congress how to vote. I wonder if he would take the time to straighten out some of this crime in New York and leave us alone down here.

Mr. CELLER. I would suggest that the gentleman address that question to the Governor of the State of New York.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Arkansas.

Mr. HARRIS. Mr. Speaker, I compliment the gentleman from New York and the Committee on the Judiciary of the House of Representatives for its consideration of this legislation which, I understand, has for its purpose dealings with certain syndicated crime which, apparently, is prolific throughout the country. I think the committee is to be complimented for implementing our present laws in this regard. However, there are some things that I would like to inquire about in view of the broad terms of the bill with reference to interstate commerce, and having to do with promotion, facilitating, and so forth.

The gentleman from New York is familiar with discussions that some of us have had with the Department of Justice with regard to whether or not this would be applicable to certain legitimate activities. Now, I understand it is not to go beyond matters of syndicated crime which the bill is intended to deal with. Would it in any way apply to a legitimate operation in any given area even though it might be later determined that some illegal operation might be going on in that particular area?

Mr. CELLER. The gentleman is correct.

Mr. HARRIS. For example, Would it interfere in any way with entertainment, so far as transportation in interstate commerce is concerned, for legitimate purposes within a given area?

Mr. CELLER. It would not.

Mr. HARRIS. Would it interfere with advertising across State lines with respect to such entertainment in a given area, which is not in any way involved with the purpose of the legislation even though there may be found some unlawful operation in the same building?

Mr. CELLER. It would not.

Mr. HARRIS. There has also been some concern with reference to supper clubs which would be legitimate operations in a particular business where it might be determined later on that some illegal operation might be going on within that area. And, as I understand, it is not intended to reach the legitimate activity.

Mr. CELLER. The gentleman is correct. I would suggest at that point that a letter addressed to the distinguished gentleman from the Attorney General be placed in the RECORD.

Mr. HARRIS. Yes, I intend to ask permission to do that. But, I wanted to inquire also if the cashing of checks by banks or anyone else in the community, where it appears that it is legitimate, would in any way be included.

Mr. CELLER. It would not.

Mr. HARRIS. The gentleman is familiar with the letter which the senior Senator from my State and I directed to the Attorney General and the reply we have received which he has just referred to. Would the gentleman agree with the intention as stated by the Attorney General and fully explained in his letter?

Mr. CELLER. I certainly would.

Mr. HARRIS. I think this should certainly eliminate any doubt and, Mr. Speaker, I ask unanimous consent that the two letters referred to be included at this point in the RECORD in order that there should be no question as to what is intended by this legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The letters are as follows:

AUGUST 18, 1961.

Hon. ROBERT F. KENNEDY,
Attorney General of the United States, Department of Justice, Washington, D.C.

MY DEAR MR. ATTORNEY GENERAL: Questions have arisen regarding the scope of S. 1653, which passed the Senate and was ordered reported to the House of Representatives on August 8 by its Committee on the Judiciary.

This is the measure "that would prohibit travel or transportation in commerce in aid of racketeering enterprises." We understand from your testimony before the Senate and House Judiciary Committees that the primary purpose of this bill is to provide a Federal law "to take effective action against the racketeer who conducts an unlawful business but lives far from the scene in comfort and safety, immune from the local officials."

The questions that have arisen concern those business enterprises all of whose owners are bona fide residents of the State in which the business is located and which business provides legitimate dining facilities, shows, dancing, and other entertainment, and also offers or permits in connection therewith gambling in violation of State laws. Specifically, if S. 1653 is finally enacted, will it prohibit and make unlawful the activities of such business enterprises as follows:

(a) Presenting entertainment and transporting in interstate commerce property of any kind to be used in such entertainment or contracting for or paying fees, purchase price, rental or other expenses, and liabilities incurred in arranging for or presenting such entertainment.

(b) Advertising across State lines the legitimate activities such as shows, dining, dancing, and other entertainment if such advertising does not specifically mention or refer to the gambling opportunities or activities.

(c) Ordering, purchasing, leasing, renting, otherwise acquiring, delivery or accepting delivery of any food, beverages, supplies, materials, equipment, furniture, furnishings, and other property in interstate commerce, to be used in the operation of legitimate activities, such as shows, dining, dancing, and other entertainment, but not to be used directly in the operation of gambling activities.

(d) Cashing checks, drafts, or money orders of customers or patrons of the business enterprise, depositing such checks, and/or making collection or causing collection to be made of such checks, drafts, or money orders, or making collection of accounts of customers or patrons of such business enterprise, by use of the mail or otherwise in interstate commerce.

It is our understanding that it is not the intention of the sponsors of S. 1653 to have

it cover and apply to the foregoing. If it is so intended and does apply, we should like to be so advised.

Sincerely yours,

JOHN L. MCCLELLAN.
OREN HARRIS.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., August 21, 1961.

Hon. OREN HARRIS,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: This is in response to your letter of August 18, 1961, requesting my views as to the scope of S. 1653 a bill "to prohibit travel or transportation in commerce in aid of racketeering enterprises."

Before answering your specific questions it may be helpful to discuss the use of the words "any business enterprise" in subsection (b) of S. 1653 insofar as the intention of the drafter was concerned. During the formulation of the proposal we were aware that to prohibit travel in furtherance of any unlawful activity would be a very broad and vague proscription which might not reach the type of activity in which we were interested. The term "unlawful activity" was therefore defined to limit its application to those crimes which historically have been the forte of organized crime. Those crimes include gambling, liquor, narcotics and prostitution offenses and extortion or bribery. However, since casual gambling, such as a poker game in a private home, might violate the gambling statutes of some States a further restriction upon the operation of the statute was considered to be necessary.

The type of offenses which pose such a great threat to this country due to the involvement of organized crime are those offenses which are committed regularly and as a continuous course of conduct. The term "business enterprise involving" those offenses was used in the definition of "unlawful activity" to connote a continuous course of conduct in gambling, etc. It was not the intent to include within the reach of the statute legitimate business enterprises which may touch upon offenses such as gambling.

Thus, a legitimate pharmaceutical manufacturer would not be included within the reach of the statute if one of his employees is involved in a narcotics offense. The employee may himself violate the statute by engaging in a continued course of conduct in violation of the narcotics statutes but the legitimate business would not be affected by this bill.

An example of the type of activity which we consider to be within the purview of the statute would be travel to promote a continuous course of conduct involving gambling. Thus a gambling house would be within the definition of unlawful activity in the bill and any travel on the part of any person with the intent to establish a gambling house and a further act subsequent to the travel to promote that activity would be a violation of the section. Travel, to promote a legitimate business which may thrive because a gambling house is in the area, would not, in my opinion, violate the section. In summary it was intended to prohibit the travel to promote the gambling house, directly, and not to prohibit the travel to promote a hotel or supper club or any other legitimate business.

In view of the foregoing, it is my opinion that making arrangements for entertainment in business establishments such as supper clubs, hotels, or motels which businesses are legitimate in the community or the advertising of those legitimate businesses or the purchasing of food or beverages or the collection of checks by legitimate banking houses through the medium of interstate commerce would not come within the intended prohibitions of the section.

I thank you for your interest and cooperation in this matter and hope that the foregoing satisfactorily answers your inquiry.

Sincerely,

ROBERT F. KENNEDY,
Attorney General.

Mr. HARRIS. I thank the gentleman and again want to compliment him for this legislation.

Mr. CELLER. I thank the gentleman.

Mr. WHITENER. Mr. Speaker, will the gentleman yield?

Mr. CELLER. Gladly.

Mr. WHITENER. I appreciate the chairman of the Committee on the Judiciary yielding to me. In connection with S. 1653, the Committee on the Judiciary did not include the language which is contained in the other bill with reference to preemption, but in our report we did, on page 3, make the statement that "nothing in this bill is to be construed as immunizing any violator of State law from State prosecution." My purpose in asking our chairman to yield was to undertake to make it abundantly clear that there is no intention at all on the part of the committee to preempt the field of law enforcement by the various States in any of these activities which are referred to in the bill; is that correct?

Mr. CELLER. That is absolutely correct. And, to nail it down further, reading from the report on page 3 we have the following:

> Those violations of State law involving narcotics, gambling, liquor, and prostitution, as well as the crimes of extortion or bribery when they occur in connection with the four categories of crime, will be subject to State and local prosecution by State and local authorities.

Mr. WHITENER. So, if any court at any time in the future should hold otherwise than as set forth in the paragraph which the gentleman has just read, it would be completely contrary to the intent of the author of the bill and the Committee on the Judiciary.

Mr. CELLER. That is correct.

Mr. MEADER. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Michigan.

Mr. MEADER. If I recall correctly, the committee did not include a section such as occurred in the two previous bills considered this afternoon in the statute itself, because this bill is designed to implement and help the enforcement of State laws, and therefore the committee did not feel it appropriate to include the phraseology of the statute itself but did make it clear beyond any peradventure of a doubt in the matter which has just been the subject of colloquy between the gentleman from New York and the gentleman from North Carolina that there is practically no possibility of immunizing anyone from prosecution under State law.

Mr. CELLER. I wish to thank the gentleman for his observation. That makes it crystal clear.

Mr. McCULLOCH. Mr. Speaker, I yield myself such time as I may require.

I rise to support S. 1653, as amended by the Judiciary Committee, to prohibit travel or transportation in aid of racketeering enterprise.

This is one of the series of bills against organized crime which the present Attorney General recommended earlier this year. Together with several other bills, which originated during the last Congress and which had the strong support of the prior administration, and now have the support of the present administration, S. 1653 will supply a valuable and much needed weapon for Federal law enforcement officials in the fight against organized crime.

S. 1653 will be particularly helpful. It makes both travel in interstate commerce, and transportation in interstate commerce, for the purpose of furthering an unlawful business enterprise, involving gambling, liquor, narcotics, or prostitution, a Federal offense. The bill is wisely limited to those unlawful business enterprises, which experience has demonstrated, have been used by the underworld elements of organized crime. In many instances these individuals have conducted their unlawful enterprise with apparent immunity, because although the offenses are in violation of State law, travel, or transportation in interstate commerce in connection with these offenses have not been in violation of Federal law. The bill also covers extortion or bribery in connection with the offenses specified.

I might add for the benefit of those who are concerned with the scope of the activity covered by the bill, that both a specific intent and the commission of an overt act is required before there is a violation. Thus, law enforcement officers will not be able to use the bill in an unrestricted fashion.

This is a much needed bill to curb the operations of the underworld which are not limited to the jurisdictional boundaries of the States.

I urge the House to suspend the rules and pass the bill.

Mr. McCULLOCH. Mr. Speaker, I now yield to the gentleman from Florida [Mr. CRAMER] 3 minutes.

Mr. CRAMER. Mr. Speaker, I just want to point out that this bill will help meet the problem I mentioned earlier, which is best exemplified by the fact that in 1954 there was a murder committed in my district by a man—and a number since then of a similar nature with a sawed-off shotgun—named Jimmie Lumia, connected with racketeering, connected with the numbers racket. Request was made by the then sheriff, who is still sheriff; the then attorney general of the State of Florida, who is still the attorney general; the then Governor, who is deceased; all of them importuning the Attorney General of the United States to give them help in solving this gangland killing on the basis that they were convinced that the killer was involved in organized racketeering on an interstate basis, they were convinced that he had been hired to do the job. They had reason to believe that he was shipped in and shipped out. They appealed to the Attorney General of the United States for help. They were turned down. The reason for turning them down was the same, perhaps, as

that which applied to the Anastasia murder in New York, where the man was shot in the barber's chair. Numerous other gangland murders have occurred in other places. Local law enforcement officials need this help, but Federal law enforcement officials cannot step in for lack of Federal jurisdiction.

I would like to ask the distinguished chairman of the committee: Is it not true that this bill will help plug that loophole and help these local law enforcement officers receive Federal investigative and prosecution assistance in such situations as murder or other acts of violence in that it specifically includes under subsection (a) subparagraph (2):

Whoever travels in interstate or foreign commerce and commits any crime of violence to further any unlawful activity involving gambling, liquor, narcotics, or prostitution——

Mr. CELLER. The gentleman runs the gamut, those four things.

Mr. CRAMER. And gambling as well.

Just one further observation about whether this involves States rights or the injection of the Federal Government into fields of purely State enforcement, I wish to say that it does not, but merely allows the Federal authorities to step in when interstate commerce is involved and certainly at least when requested by State officials.

Mr. CELLER. The gentleman is eminently sound in his argument.

Mr. Speaker, I yield to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Speaker, I am pleased to cosponsor and support the passage of the bill under consideration today to prohibit travel in interstate or foreign commerce or the use of the facilities of commerce—including the mail—to aid racketeering enterprises.

As a member of the Florida Legislature, I was extremely active in the consideration of State laws to inhibit and eradicate racketeering enterprises connected with gambling, liquor, narcotics, and prostitution. I strongly believe we need similar protection on a Federal level; at the same time, I am pleased to note that the bill preserves for the States the authority and jurisdiction to prosecute violations of State statutes in this field.

I urge all Members of the House to support this measure which is part of the Attorney General's program to combat organized crime and racketeering in this country.

Mr. CURTIN. Mr. Speaker, I wish to commend the Committee on the Judiciary for bringing these three bills, S. 1656, S. 1657, and S. 1653, before the House.

The legislation encompassed in these bills are further forward steps in seeking to curb syndicated crime. The Federal law enforcement agencies are badly in need of these additional weapons in the arsenal of law enforcement.

We must be ever vigilant in our responsibilities in this never-ending battle against crime, and the crimes mentioned in these bills rank high in reprehensible offenses.

However, the fight against obscene literature must not be overlooked in this fight. I sincerely hope that legislation tightening the curbs on transportation and distribution of this type of highly objectionable material will also soon be brought to this body for a vote.

Mr. CAHILL. Mr. Speaker, I rise in support of S. 1653, a bill to prohibit travel or transportation in aid of racketeering enterprises.

All of us are aware of the meeting at Apalachin, N.Y., where representatives of the leading crime syndicates in the country met for the obvious purpose of making decisions affecting crime on a national scale in the United States. This bill would prohibit the interstate and foreign travel or transportation in aid of these racketeering enterprises and would provide penalties for those who travel in interstate commerce or who use any facility in interstate or foreign commerce including the mail with the intent to distribute the proceeds of an unlawful activity, to commit any crime of violence or to otherwise promote, manage, or carry on any unlawful activity.

This again is a tool required for the efficient law enforcement on the part of the Federal agencies and I urge the House to suspend the rules and unanimously adopt this legislation.

It is my hope Mr. Speaker, that this Congress regardless of political party will enact the needed legislation requested by the Attorney General and recommended by the Committee on the Judiciary.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill, S. 1653, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. CELLER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislatives days in which to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 1290. An act for the relief of Ernest Morris;

H.R. 1612. An act for the relief of Mr. Ernest Hay, Wamego, Kans.;

H.R. 2656. An act for the relief of Capt. Leon B. Ketchum;

H.R. 3227. An act to amend section 1732(b) of title 28, United States Code, to permit the photographic reproduction of business records held in a custodial or fiduciary capacity and the introduction of the same in evidence;

H.R. 4030. An act for the relief of Robert A. St. Onge;

H.R. 4640. An act for the relief of the estate of Charles H. Biederman;

H.R. 4659. An act to establish a National Armed Forces Museum Advisory Board of the Smithsonian Institution, to authorize expansion of the Smithsonian Institution's facilities for portraying the contributions of the Armed Forces of the United States, and for other purposes.

H.R. 4660. An act to authorize modification of the project Mississippi River between Missouri River and Minneapolis, Minn., damage to levee and drainage districts, with particular reference to the Kings Lake Drainage District, Missouri;

H.R. 6835. An act to simplify the payment of certain miscellaneous judgments and the payment of certain compromise settlements;

H.R. 7038. An act to eliminate the right of appeal from the Supreme Court of Puerto Rico to the Court of Appeals for the First Circuit;

H.R. 7610. An act for the relief of Joe Kawakami;

H.R. 7724. An act to provide for advances of pay to members of the armed services in cases of emergency evacuation of military dependents from oversea areas and for other purposes; and

H.R. 7864. An act to dissolve Federal Facilities Corporation, and for other purposes.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1983) entitled "An act to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic development and internal and external security, and for other purposes"; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FULBRIGHT, Mr. SPARKMAN, Mr. HUMPHREY, Mr. MANSFIELD, Mr. MORSE, Mr. HICKENLOOPER, Mr. AIKEN, and Mr. CARLSON to be the conferees on the part of the Senate.

CRIMES ABOARD AIRCRAFT IN AIR COMMERCE

Mr. HARRIS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8384) to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce, as amended.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 902 of the Federal Aviation Act of 1958 (49 U.S.C. 1472) is amended by adding at the end thereof the following new subsections:

"AIRCRAFT PIRACY

"(1) (1) Whoever commits or attempts to commit aircraft piracy, as herein defined, shall be punished—

"(A) by death if the verdict of the jury shall so recommend, or, in the case of a plea of guilty, or a plea of not guilty where the defendant has waived a trial by jury, if the court in its discretion shall so order; or

"(B) by imprisonment for not less than twenty years, if the death penalty is not imposed.

"(2) As used in this subsection, the term 'aircraft piracy' means any seizure or exercise of control, by force or violence or threat

of force or violence and with wrongful intent, of an aircraft in flight in air commerce.

"INTERFERENCE WITH FLIGHT CREW MEMBERS OR FLIGHT ATTENDANTS

"(j) Whoever, while aboard an aircraft in flight in air commerce, assaults, intimidates, or threatens any flight crew member or flight attendant (including any steward or stewardess) of such aircraft, so as to interfere with the performance by such member or attendant of his duties or lessen the ability of such member or attendant to perform his duties, shall be fined not more than $10,000 or imprisoned not more than twenty years, or both. Whoever in the commission of any such act uses a deadly or dangerous weapon shall be imprisoned for any term of years or for life.

"CERTAIN CRIMES ABOARD AIRCRAFT IN FLIGHT

"(k)(1) Whoever, while aboard an aircraft in flight in air commerce, commits an act which, if committed within the special maritime and territorial jurisdiction of the United States, as defined in section 7 of title 18, United States Code, would be in violation of section 113, 114, 661, 662, 1111, 1112, 1113, 2031, 2032, or 2111 of such title 18 shall be punished as provided therein.

"(2) Whoever, while aboard an aircraft in flight in air commerce, commits an act, which, if committed in the District of Columbia would be in violation of section 9 of the Act entitled 'An Act for the preservation of the public peace and the protection of property within the District of Columbia', approved July 29, 1892, as amended (D.C. Code, sec. 22–1112), shall be punished as provided therein.

"CARRYING WEAPONS ABOARD AIRCRAFT

"(l) Except for law enforcement officers of any municipal or State government, or the Federal Government, who are authorized or required to carry arms, and except for such other persons as may be so authorized under regulations issued by the Administrator, whoever, while aboard an aircraft being operated by an air carrier in air transportation, has on or about his person a concealed deadly or dangerous weapon, or whoever attempts to board such an aircraft while having on or about his person a concealed deadly or dangerous weapon, shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"FALSE INFORMATION

"(m)(1) Whoever imparts or conveys or causes to be imparted or conveyed false information, knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a crime prohibited by subsection (i), (j), (k), or (l) of this section, shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"(2) Whoever willfully and maliciously, or with reckless disregard for the safety of human life, imparts or conveys or causes to be imparted or conveyed false information, knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a crime prohibited by subsection (i), (j), (k), or (l) of this section, shall be fined not more than $5,000 or imprisoned not more than five years, or both.

"INVESTIGATIONS BY FEDERAL BUREAU OF INVESTIGATION

"(n) Violations of subsections (i) through (m), inclusive, of this section shall be investigated by the Federal Bureau of Investigation of the Department of Justice."

SEC. 2. Subsection (a) of section 903 of the Federal Aviation Act of 1958 (49 U.S.C. 1473(a)) is amended to read as follows:

"VENUE

"SEC. 903. (a) The trial of any offense under this Act shall be in the district in which such offense is committed; or, if the offense is committed out of the jurisdiction of any particular State or district, the trial shall be in the district where the offender, or any one of two or more joint offenders, is arrested or is first brought. If such offender or offenders are not so arrested or brought into any district, an indictment or information may be filed in the district of the last known residence of the offender or of any one of two or more joint offenders, or if no such residence is known the indictment or information may be filed in the District of Columbia. Whenever the offense is begun in one jurisdiction and completed in another, or committed in more than one jurisdiction, it may be dealt with, inquired of, tried, determined, and punished in any jurisdiction in which such offense was begun, continued, or completed, in the same manner as if the offense had been actually and wholly committed therein."

SEC. 3. Paragraph (4) of section 101 of the Federal Aviation Act of 1958 (49 U.S.C. 1301(4)) is amended by striking out "operation or navigation or aircraft within" and inserting in lieu thereof the following: "operation or navigation of aircraft within".

SEC. 4. Title XI of the Federal Aviation Act of 1958 is amended by adding at the end thereof the following new section:

"AUTHORITY TO REFUSE TRANSPORTATION

"SEC. 1111. Subject to reasonable rules and regulations prescribed by the Administrator, any air carrier is authorized to refuse transportation to a passenger or to refuse to transport property when, in the opinion of the air carrier, such transportation would or might be inimical to safety of flight."

SEC. 5. (a) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the heading "Sec. 902. Criminal penalties." is amended by adding at the end thereof the following:

"(i) Aircraft piracy.

"(j) Interference with flight crew members or flight attendants.

"(k) Certain crimes aboard aircraft in flight.

"(l) Carrying weapons aboard aircraft.

"(m) False information.

"(n) Investigations by Federal Bureau of Investigation."

(b) That portion of such table of contents which appears under the heading "TITLE XI—MISCELLANEOUS" is amended by adding at the end thereof the following:

"Sec. 1111. Authority to refuse transportation."

Amend the title so as to read: "A bill to amend the Federal Aviation Act of 1958 to provide penalties for aircraft piracy, to apply certain Federal criminal laws to acts committed aboard aircraft in flight in air commerce, and for other purposes."

The SPEAKER pro tempore. Is a second demanded?

Mr. HALLECK. Mr. Speaker, on behalf of the gentleman from Illinois [Mr. SPRINGER], I demand a second.

The SPEAKER pro tempore. Without objection a second will be considered as ordered.

There was no objection.

Mr. HARRIS. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, there has developed in this country a situation that is intolerable and cannot in our society be permitted or tolerated. Perhaps one of the most atrocious crimes that can be committed is to endanger or take the lives of people who are traveling in air commerce.

By this legislation we are serving notice on any future aircraft hijacker that he faces the death penalty.

He faces the death penalty whether he succeeds or not. Merely trying will put his life in jeopardy. The death penalty is not mandatory but discretionary with the jury, or, on a plea of guilty, with the judge.

This bill also will deter criminal acts committed on board aircraft in flight other than aircraft hijacking by plugging certain loopholes in existing law.

We are doing this by extending Federal criminal law to murder, assault, robbery, and other crimes committed on board aircraft in flight in air commerce.

At the outset, I want to discuss aircraft piracy, which is the most serious offense covered by this bill. It is a crime we must deal with drastically and immediately.

Since the very beginning of modern civilization, piracy has been considered one of the most heinous and atrocious of crimes.

As horrifying as this crime was on the high seas, with the slaughter of helpless victims, its seriousness is magnified manifold when committed on a speeding jet airliner.

At sea, crewmen and passengers had a chance. They could fight back. A passing vessel might come to their rescue.

But in the air, the armed pirate has a much greater advantage. The pilot's first consideration must be the safety of his passengers and crew. He cannot fight back. He cannot take a chance. Flying at 600 miles an hour, 4 or 5 miles above the earth, where one false move might mean disaster, he can only obey.

Congress must deal with this crime which has horrified the entire Nation. And deal with it we do in this bill by making these pirates subject to the death penalty.

Legislation, of course, is not going to prevent aircraft piracy but the stringent penalties provided in this legislation will make all but the hopelessly unbalanced stop and think before they commit a crime which might well bring them to the electric chair.

The bill we bring to the House today is not a hodgepodge of suggestions to meet this wave of aircraft piracy.

The Subcommittee on Transportation and Aeronautics held extensive hearings and spent many hours in executive sessions working out a bill. Suggestions were received and considered from many Members and experts on aviation and criminal law in the executive branch.

We think we have a good bill and one that will meet the needs of this situation.

The need for additional Federal criminal law to protect passengers and property in air commerce has been apparent for some time and has been under study but the need for quick and drastic action became apparent only as the result of the recent midair hijackings, when armed desparadoes commandeered aircraft at gunpoint, jeopardizing the lives of passengers and crewmembers.

The first such incident took place on May 1 when a passenger on a National

Airlines plane bound from Miami to Key West slipped into the cockpit and placed a knife at the throat of the pilot. The pilot was forced to take the plane to Havana. Anxiety over this incident was tempered by the fact that Cuban authorities permitted the plane and passengers, less the holdup man, to return to Miami.

But this was an evil portent. It was followed by a series of even more spectacular and hazardous events.

On July 25, a Castro supporter walked into the cockpit of an Eastern Air Line jet plane in flight over the State of Florida, pulled a gun on the pilot and ordered him to fly to Havana, which he did. The plane's 33 passengers and 5 crewmembers were allowed to return to Miami, but Cuba seized and kept the plane until last week, and then it was returned only after long negotiations.

On August 3, a Continental Airlines jet flying from Phoenix to Houston was held up by two men armed with pistols, one pointed at the head of the captain and the other at a stewardess. The hijackers said they wanted to fly to Cuba but the pilot, on the grounds that he needed fuel, put down at El Paso, where the crew and some of the terrified passengers were held prisoners for several hours until the bandits were overpowered.

On August 9, an unbalanced French-Algerian with a cocked pistol forced a Pan American jet flying over Mexico to fly to Havana with 81 on board. Cuba kept the holdup man but allowed the plane and other passengers to go to Miami.

A knife assault by a passenger on an airline captain during a nonstop flight from Chicago to Los Angeles on July 8 pointed up the need for Federal legislation to cover crimes other than hijacking. This crime occurred high over Nevada and successful prosecution was virtually impossible because of problems of jurisdiction.

As a result of this incident, Senator ENGLE introduced a bill to cover certain crimes committed aboad aircraft in flight in air commerce. Congressman WILLIAMS, chairman of the subcommittee on Transportation and Aeronautics of the Committee on Interstate and Foreign Commerce, introduced the same bill in the House. It is that bill, amended, which we have here today.

In working out this legislation, we encountered two very involved and difficult problems.

We have the problem of defining aircraft piracy to take care of situations arising in jet-age operations. We have the problem of jurisdiction.

The original bill introduced by Mr. WILLIAMS did not deal with aircraft piracy, as such, although it did deal with robbery and other crimes.

After the rash of hijackings which received a great deal of publicity and set off a wave of national alarm, indignation, and bewilderment, the Federal Aviation Agency, in a letter to Mr. MCCORMACK, which will be found in the committee report, suggested an amendment to the Williams bill (H.R. 8384) to cover aircraft piracy. This language relied on the definition of piracy found in the title 18 of the United States Code, which refers to "the crime of piracy as defined by the law of nations."

A little research revealed that it is impossible to determine the precise meaning of "piracy as defined by the law of nations."

There just is no exact definition of piracy in the law of nations. Further uncertainty exists because the concept of piracy on the high seas is now in the process of codification and change through international agreement. A "Convention on the High Seas" written in 1958 has been ratified by the United States but not been ratified by the requisite number of nations to become effective.

Therefore, the committee decided that the only thing we could do was to write our own definition of piracy into this legislation, which we have done.

We feel that this language will get the job done and will stand up.

The problem of jurisdiction also has difficulties.

The very need for this legislation revolves around the question of jurisdiction, especially with respect to crimes committed in the airspace over the United States.

Although State criminal statutes generally cover crimes committed on board aircraft in flight over the State, the advent of high-speed, high-altitude jet flights had complicated the problem of establishing venue for the purposes of prosecution.

It was this problem which led Congress in 1956 to enact legislation regarding the bombing of aircraft.

We are not trying to take over any jurisdiction from the States. This legislation would not take the place of any State laws but would, where both Federal and State law provide punishment for the same act, be in addition to the State criminal law.

The reported bill, except for the provision relating to concealed weapons, covers only offenses committed while an aircraft is in flight, which means while its wheels are off the ground.

We are giving the Federal Government wide jurisdiction. The principal sections of this bill apply to crimes committed aboard aircraft in flight in air commerce. The term "air commerce" was used designedly because of its broad scope. The term is defined in existing law to include not only interstate, overseas, and foreign air commerce and the transportation of mail by aircraft, but also any operation or navigation of aircraft in a Federal airway or any such operation or navigation which directly affects, or may endanger safety in air commerce. Thus, thousands of business and private aircraft, as well as air carrier aircraft, are covered.

In view of the broad definition of "air commerce" in the Federal Aviation Act, certain provisions of the reported bill will be applicable not only to acts committed on American-flag aircraft in flight in air commerce over foreign countries but on foreign aircraft in flight in air commerce over foreign countries, if the flights originate at or are destined to points within the United States. Many such flights carry large numbers of American citizens. The committee feels that it is necessary and appropriate for the legislation to have this broad coverage if it is to operate as an effective deterrent to crime in air commerce.

While the legislation is intended to be as broad in its coverage as its plain meaning indicates, it is not intended, and could not, of course, extend beyond the limits set by the Constitution. Neither is it intended that it shall operate or be applied in any manner to conflict with the law of nations and treaties to which the United States is a party.

Nothing in this legislation is to be taken to indicate that the United States is surrendering any part of its sovereignty over the airspace above its territory.

On the question of jurisdiction, the committee considered the suggestions made by the Department of State in a letter to the chairman of the Senate Committee on Commerce, which will be found in the committee report.

It was our decision not to limit this legislation to "the territorial airspace of the United States," or to "civil aircraft of the United States," as suggested by the Department of State.

To limit this legislation to the territorial airspace of the United States and rely on the "special maritime and territorial jurisdiction of the United States," as defined in title 18 of the United States Code, might leave a serious loophole whereby a crime against an American citizen over foreign territory could go unpunished.

A major objective of this legislation is to provide far-reaching protection to American aircraft and American citizens moving in air commerce.

This was discussed extensively in the hearings and in committee sessions. In that connection, the committee was impressed with the following statement in the hearings by Mr. Daggett Howard, General Counsel of the Federal Aviation Agency, who said:

> Most flights of foreign air carriers originating or destined at points in the United States carry a tremendous number of American citizens as we all know. In addition, on the matter of conflict of jurisdiction which was mentioned earlier, it is not a remarkable or unusual thing in international law for two countries to have concurrent jurisdiction as in our own domestic law the Federal Government and State governments can have concurrent jurisdiction.
>
> The only real question that exists is how they arrange to exercise their jurisdiction and they enter into agreements often on this matter deciding who is to take primary jurisdiction or who is to have explicit jurisdiction and by international agreement arranging this matter.
>
> In the absence of international agreement, however, both jurisdictions are free to act and normally one will act first and the other will not act or forbear, even though they can act. This does not present any—in my view, a serious problem and certainly does not present as serious a problem as opening up to the potential criminal a place for him to commit his crime with impunity. This, to me, is a much greater danger.

Inasmuch as the proposed amendments are to the Federal Aviation Act, the committee found it necessary to amend the venue section of that act to take care of special problems which might arise. A detailed explanation of those provisions and the need for the changes will be found in the report.

The committee urges favorable action on this legislation to protect persons and property in air commerce.

I ask this House, not only by a two-thirds majority but by unanimous vote, to approve this legislation.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Iowa.

Mr. GROSS. I am not opposed to this legislation, but suppose I wanted to go duck hunting in Florida or Alabama and wanted to take a shotgun aboard a plane. Am I permitted to do so under this legislation?

Mr. HARRIS. Yes. The gentleman would not be interfered with at all if he is going duck hunting in Florida and carries his gun for that purpose.

Mr. GROSS. Would that apply to any other citizen?

Mr. HARRIS. The gentleman would not be singled out.

Mr. GROSS. That is what I want to know. What provision is there in the bill to the exception for firearms used for hunting, or is the exception already in the law?

Mr. HARRIS. The provision in the bill does not make the exception, but the provision of the bill is clear as to what is intended. It does not intend to reach legitimate traveling, as the gentleman inquires about.

Mr. GROSS. The bill prohibits the carrying of deadly, or dangerous weapons.

Mr. HARRIS. There will be additional discussion of it, and a full and complete explanation.

Mr. Speaker, I yield 10 minutes to the gentleman from Mississippi [Mr. WILLIAMS] chairman of the subcommittee which has done such a splendid, wonderful, and fine piece of work on this legislation.

Mr. WILLIAMS. Mr. Speaker, several weeks ago a series of aircraft piratings suddenly shocked this country into the realization that Congress had to do something in order to protect the passengers and property aboard our air carriers.

Members of this House will recall there was a parade of speakers in this well demanding that action be taken immediately.

At that time, as chairman of the Subcommittee on Transportation and Aeronautics, I made the promise that our subcommittee would get busy as soon as possible and report legislation to the House for consideration.

We realize that we very well could have acted in that atmosphere of hysteria. We could have reported legislation very easily which would have passed this House but which would perhaps not have met the needs of the situation. Therefore, our committee gave serious and deliberate consideration to every phase of the problem that was called to our attention. Numerous bills were considered by the committee and every single suggestion made in every one of these bills was given serious consideration. Numerous Members of Congress appeared before our committee to testify and to make suggestions as to how we could cope with this problem. We took testimony from the Federal Aviation Agency, the Justice Department, and from every segment of the aviation industry. After much work and study, the committee has reported the legislation which is before the House at this time.

The first section of the bill provides for a new category of crime, the crime of aircraft piracy. The committee found that in the amendment that was sent from the Federal Aviation Agency, the definition of piracy was to be the same definition that was carried in the Criminal Code. When we went to the code to find the definition of piracy, title 18 defined piracy by reference as it is defined in the law of nations. We attempted to find some statutory definition of piracy, but we found that there was no such definition of piracy. Therefore, we felt that it would be appropriate in this legislation for us to attempt to define this crime of aircraft piracy so as to clarify its meaning beyond question.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Arkansas.

Mr. HARRIS. Is it not true that the hearings revealed, when we questioned the witnesses regarding the application of the statute referred to, that the Senate had ratified an agreement known as the Convention on the High Seas defining piracy?

Mr. WILLIAMS. That was known as the Convention on the High Seas which the Senate ratified in 1960.

Mr. HARRIS. But the fact remains that sufficient nations have not ratified that convention to make it effective, and therefore there is no specific law which takes care of that section of the recommendations of the agency?

Mr. WILLIAMS. That is correct.

Mr. Speaker, the bill the Committee on Interstate and Foreign Commerce brings to the House today on aircraft hijacking and other crimes committed on board aircraft in air commerce has been very carefully drafted to meet a very serious and difficult situation which has developed in the last few weeks.

This bill represents a lot of work on the part of the Subcommittee on Transportation and Aeronautics and the entire Committee on Interstate and Foreign Commerce. We have given this legislation very exhaustive study. We are convinced it will get the job done.

The legislation would make such acts as aircraft piracy, murder, manslaughter, assault, maiming, and robbery Federal crimes and give the Federal Bureau of Investigation authority to bring offenders to justice.

Briefly, the reported bill:

First. Defines aircraft piracy as any seizure or exercise of control, by force or violence, or threats, with wrongful intent, of a civil aircraft in flight, and provides a penalty of death or not less than 20 years in prison.

Second. Makes interference with a crew member by assault, intimidation, or threats, a crime punishable by a fine of $10,000 or imprisonment of not more than 20 years, or both. If a deadly or dangerous weapon is used, imprisonment for any term of years to life is provided.

Third. Makes various acts such as assault, murder, and robbery defined as crimes in title 18 of the United States Code criminal offenses when committed aboard an aircraft in flight in air commerce. A detailed list of the offenses covered will be found in the committee report.

Fourth. Makes the unlawful carrying of concealed deadly or dangerous weapons aboard air carrier aircraft being operated in air transportation a crime punishable by a fine of $1,000 or not more than 1 year in prison, or both.

Fifth. Provides penalties for false reports of attempts to commit crimes prohibited by this legislation.

Sixth. Gives the Federal Bureau of Investigation jurisdiction over the investigation of violations of this legislation.

As is well known, the Federal Government does not provide a general criminal code for all crimes committed in the United States. None of us, of course, see any need for such action, which would be far beyond even the most extreme theories regarding the powers and duties of the Federal Government. The primary responsibility for preserving the peace and protecting property rests with the States. However, criminal codes of the States are at times supplemented by Federal law in fields where the Federal Government has responsibilities, in theory, at least, to meet situations which would burden the States unnecessarily or which are beyond the effective reach of the States.

For some time the question of what, if any, additional Federal legislation is needed to protect air commerce has been under study. It will be recalled that in 1956, Congress enacted Federal legislation to cover aircraft bombings. In 1957, the Air Line Pilots Association Safety Committee undertook an investigation of the need for additional Federal legislation.

Naturally, there is a reluctance to extend Federal jurisdiction in these matters. There is no desire to invade State jurisdiction.

But quite frankly, in this jet age we are faced with the problem of establishing jurisdiction for purposes of prosecution when a crime takes place aboard an aircraft in the skies above a State, especially if that aircraft is flying at 10 miles a minute at 30,000 feet, with the ground obscured by a cloud cover.

When an unruly drunk drew a knife on an airline captain during a flight from Chicago to Los Angeles last July 8, and it was discovered on landing in Los Angeles that he could not be prosecuted on an assault charge because of the difficulty of establishing jurisdiction, it

was apparent that Federal criminal law would have to be extended. True, the unruly passenger was jailed for being drunk and disorderly on the Los Angeles airport, but the sentence he received was hardly adequate in view of the fact that he had jeopardized the safety of an airliner in flight.

In this bill, we are giving the Federal Government, through the FBI, authority to step in and take a hand in such cases.

Following this incident Senator ENGLE introduced S. 2268, to extend Federal criminal law to certain rather serious crimes on aircraft in flight.

After discussing the problem with Administrator Halaby of the Federal Aviation Agency, I introduced H.R. 8384, which was identical with the bill introduced by Senator ENGLE. At the time I was not convinced that the language proposed by the FAA was adequate to meet the situation but it did give us something to work on and the bill did provide a way of bringing the problem to the attention of the Committee on Interstate and Foreign Commerce, which has legislative responsibility in the field of interstate commerce.

NEED TO COVER HIJACKINGS

Following the hijacking of an Eastern Air Line plane, which was flown to Cuba, the Federal Aviation Agency suggested amendments to the proposed legislation to cover hijacking, piracy, attacks on crewmembers, and the carrying of concealed weapons on board an aircraft.

Several of our colleagues introduced bills on hijacking and crimes in air commerce. On August 7 and 8 the Subcommittee on Transportation and Aeronautics held hearings. We heard statements from several of our colleagues, from officials of the Federal Aviation Agency, and the Department of Justice, and from the industry.

After extensive study of the problem in executive sessions, the subcommittee drafted a new bill which, in the interest of expedited procedure, we are offering as a substitute for H.R. 8384.

It is true that generally speaking the acts we deal with in this legislation could be prosecuted under State laws if jurisdiction could be established. However, as has been pointed out, establishing jurisdiction in cases of crimes which occur in the airspace over a State pose peculiar and extremely troublesome problems which are not present when these crimes occur on the ground.

When a criminal act occurs in an aircraft in flight, practical and physical difficulties may make arrest and prosecution of the offender extremely difficult, if not impossible, where the offense is one against the law of a State rather than against a Federal statute.

It should be pointed out again that we are not trying to take any jurisdiction from the States. In providing this protection to persons and property in air commerce, we are really helping the States. Apprehending a criminal who commits a crime in an aircraft in flight might prove very costly for a State, especially where the airline lands at a distant city and the witnesses disperse over a wide area.

In order to point up the fact that we do not seek to invade State jurisdiction but only to supplement State laws we are, with one exception, making this legislation applicable only to aircraft in flight in air commerce. In flight means after the wheels leave the ground on takeoff until the wheels again touch the ground on landing.

We have limited the section relating to concealed weapons to air carrier aircraft being operated in air transportation so as not to present any problems to operators of private aircraft, including business aircraft.

In order to make clear to the House just what we propose to do in this legislation, permit me to go into a more detailed discussion of the major provisions of the reported bill.

PROVISION REGARDING AIRCRAFT PIRACY

Let us take first the section regarding aircraft piracy. The language suggested by the FAA:

> Whoever while on board an aircraft in flight in air commerce commits an act which if committed aboard a vessel on the high seas would constitute piracy as defined by section 1651 of title 18, United States Code, shall be imprisoned as provided therein.

Section 1651 reads as follows:

> Whoever, on the high seas, commits the crime of piracy as defined by the law of nations, and is afterwards brought into or found in the United States, shall be imprisoned for life.

We had difficulty with that, first with the reference to "the high seas" and second, with the fact that nowhere in "the law of nations" is there a concrete and exact definition of piracy.

Therefore, the subcommittee wrote a new subsection which defines the offense of "aircraft piracy." Also, we provided a more flexible penalty of from death to any prison term of from life to 20 years.

We defined "aircraft piracy" as any seizure or exercise of control of an aircraft in flight in air commerce, with wrongful intent, which is accomplished by means of force or violence or by means of any threat of force or violence.

The death penalty may be imposed only if the verdict of the jury affirmatively recommends such penalty. In the case of a plea of guilty, or a plea of not guilty where the accused has waived a jury trial, the court may impose the death penalty in its discretion. The provisions with respect to the death penalty follow closely the provisions of section 34 of chapter 2 of title 18, United States Code, relating to the imposition of such penalty in cases where death results from the commission of any offense punishable under such chapter 2, which was enacted in 1956 after the destruction of an aircraft flying over the State of Colorado by a bomb in the fall of 1955. That chapter deals with destruction of aircraft and motor vehicles and related facilities.

If the death penalty is not imposed, the punishment imposed by the court shall be imprisonment for not less than 20 years.

In view of the discretion vested in the Federal courts in connection with the sentencing of individuals convicted of Federal crimes, under the various provisions of law relating to parole, probation, and young adult offenders, the committee is of the opinion that there is ample discretion vested in the courts to make the punishment fit the seriousness of the crime.

INTERFERENCE WITH CREW PERSONNEL

We consider the subsection with reference to interference with aircraft personnel very important. Certainly, interfering with crew members and flight personnel while an aircraft is in flight is a serious hazard to safety. The committee broadened the language of the amendment recommended by the FAA to include, in addition to flight crew members, flight attendants, including stewards and stewardesses, as requested by representatives of employee organizations.

The amendment, which is subsection (j) of the reported bill, provides:

> Whoever, while aboard an aircraft in flight in air commerce, assaults, intimidates, or threatens any flight crew member or flight attendant (including any steward or stewardess) of such aircraft so as to interfere with the performance by such member or attendant of his duties or lessen the ability of such member or attendant to perform his duties, shall be fined not more than $10,000 or imprisoned not more than 20 years, or both.

The subsection further provides that whoever, in the commission of any such act, uses a deadly or dangerous weapon "shall be imprisoned for any term of years or for life."

While other provisions of this legislation provide punishment for various acts which, in some instances, may impair the ability of aircraft personnel to perform their duties, it is believed that this subsection relating specifically to this subject is desirable and necessary. On an aircraft in flight the ability of its personnel to function efficiently is vitally important to the operation of the aircraft and the safety of those on board the aircraft.

The heavier penalty provided for in cases where the unlawful act is committed with the use of a deadly or dangerous weapon is appropriate because of the special conditions which exist on such an aircraft in flight. The use of deadly or dangerous weapons on such an aircraft, in connection with the commission of acts of the character referred to in the section, has great potentialities for injury not only to aircraft personnel involved but also to passengers and to the aircraft itself.

Consideration was given to attempting to define the term "deadly or dangerous weapon." However, this is not practicable. These terms have been used without definition in other provisions of title 18, United States Code, and in many State criminal laws. The courts will determine in each case, as it arises, whether the weapon in question was deadly or dangerous.

CRIMES ON AIRCRAFT IN FLIGHT

The proposed new subsection (k) provides penalties for assault, maiming, embezzlement or theft, receiving stolen

property, murder, manslaughter, attempts to commit murder or manslaughter, rape, carnal knowledge, robbery and burglary, and indecent exposure, when committed aboard an aircraft in flight in air commerce.

CARRYING WEAPONS ABOARD AIRCRAFT

Subsection (l) would make it unlawful, with certain exceptions, for any person, while aboard an aircraft being operated by an air carrier in air transportation, to have on or about his person a concealed deadly or dangerous weapon. The penalty provided for any such violation is a fine of not more than $1,000 or imprisonment for not more than 1 year, or both.

This subsection will not apply, however, to law enforcement officers of any municipal or State government, or the Federal Government, who are authorized or required to carry arms, nor will it apply to such other persons as are authorized to carry arms under regulations issued by the Administrator of the Federal Aviation Agency.

It is to be noted that this section applies in the case of an aircraft being operated "by an air carrier in air transportation" in contrast to other subsections being added to section 902 by this legislation, which apply in the case of "aircraft in flight in air commerce." Thus, this subsection would be limited to aircraft being used in air carrier commercial operations, whereas these other subsections would apply also in the case of private aircraft. On the other hand, while these other subsections will apply only while the aircraft is "in flight," subsection (l) will apply to an aircraft if it is "in operation in air transportation," even though the aircraft is not "in flight."

For reasons already mentioned in the discussion of subsection (k), it was not considered feasible or necessary to define the term "deadly or dangerous weapon" as used in this subsection.

It is intended that a person shall be considered to have a weapon "about his person" if the weapon is in a bag or other container which he is holding or which will be readily accessible to him while he is on the aircraft. However, if the weapon is in a piece of luggage stored at a place on the aircraft so located that he will not have access to it during the flight, it is not to be deemed to be "about his person."

FALSE INFORMATION

The Deputy Administrator of the Federal Aviation Agency, when testifying before the subcommittee on this legislation, requested that there be included a provision to make it unlawful to make false reports with respect to alleged hijackings of aircraft. He told the committee that recently, probably because of the great amount of publicity involving the hijacking of aircraft, many such false reports had been received.

This provision is included in subsection (m), which is patterned after a bill which recently passed the House, H.R. 6834, 87th Congress, proposing to amend section 35 of title 18.

INVESTIGATION OF OFFENSES

The proposed new subsection (n) would provide that the investigation of any offense committed in violation of this legislation shall be conducted by the Federal Bureau of Investigation.

There are two points to be emphasized in connection with this amendment. First, it would place investigatory authority in the hands of a Federal agency which has personnel especially trained in the detection of crime and the apprehension of criminals. Second, it would not deprive the Administrator of the Federal Aviation Agency or the Civil Aeronautics Board of the investigatory authority already vested in them by existing law.

It was pointed out in the hearings that, since the legislation would amend the Federal Aviation Act of 1958, the FBI could only enter the investigation of crimes under this legislation by direction of the President, unless appropriate authority is granted in the legislation.

AMENDMENTS TO VENUE SECTION

On subsection of this bill would rewrite the venue provision of the Federal Aviation Act to facilitate prosecutions of acts made Federal crimes under this legislation.

Section 903(a) of the Federal Aviation Act of 1958 is the venue provision governing the place of trial for any offense under that act. The present language of this venue provision provides in effect, that the trial of any offense under the act shall be in the Federal judicial district in which such offense is committed, or, if committed on the high seas or out of the jurisdiction of any particular State or Federal judicial district, the trial shall be in the Federal judicial district where the offender is found or into which he is first brought. With respect to any offense "begun in one jurisdiction and completed in another," such section 903(a) presently provides for trial in "either jurisdiction."

The specific amendment proposed by the reported bill would amend this venue provision to accomplish three major purposes, as follows:

First. To permit the indictment and trial of an offender or joint offenders who commit offenses abroad, in the Federal judicial district where the offender, or any one of two or more joint offenders, is arrested or is first brought.

Under the present language of the act's venue provision where joint offenders commit an offense abroad they must be tried in the judicial district in which they are found or into which they are first brought. In most cases, the term "found" means "arrested," and the term "arrested" is used in the proposed amendment in lieu of the term "found." If two or more joint offenders are arrested in, or first brought into, separate judicial districts they must be tried separately. This could mean separate trials for two or more joint offenders. One purpose of the amendment proposed by this section is to provide for one trial in one judicial district for two or more joint offenders who commit an offense outside the United States, and the one judicial district may be where any one or more of such joint offenders is arrested or is first brought into the United States.

Second. To permit the United States to file an indictment or information in the last known residence in the United States of any offender, or of any one of two or more joint offenders, or in the District of Columbia if no such residence is known, in order to prevent the running of the statute of limitations applicable to the offense committed outside the United States.

This part of the proposed amendment is designed to reach the case of an offender who commits an offense outside the United States and remains abroad so as to make it impossible for the United States to institute criminal proceedings. This is true under the present venue provision because venue is not established until the offender is either brought into the United States or found in the United States. Unless the United States could prove that such offender was a fugitive, that is, a person fleeing from justice, the applicable statute of limitations may run before criminal proceedings could be instituted. There are technical difficulties involved in proving whether an offender is, in fact, a person fleeing from justice. If the offender is not a fugitive, the applicable statute of limitations will continue to run. This amendment would correct this situation by making it possible, in the case of such an offender, to file an indictment or information in the district of his last known residence in the United States, or in the District of Columbia if no such residence is known, and prevent the running of any statute of limitations.

Third. To permit the trial of an offense committed in the United States in the judicial district where the offense was continued, in addition to the judicial districts where such offense was begun or completed.

Even with the enactment of this legislation, there still will be a venue problem in connection with the prosecution of some crimes committed aboard aircraft in flight. But in many of these instances, it is going to be a lot easier for the Federal Government to prosecute than the State. One reason is that there are not as many Federal judicial districts as counties in a particular State.

The committee urges enactment of the reported bill. We believe the enactment of a Federal law providing stiff penalties for crimes in air commerce is needed in the public interest.

The committee has added an amendment to the bill to add a new section to title XI of the Federal Aviation Act of 1958 to give the Administrator of the Federal Aviation Agency authority to make reasonable rules and regulations authorizing any air carrier to refuse to transport persons or property when in the opinion of such air carrier, such transportation might prove inimical to safety in flight. The committee feels that the language of the amendment gives the Administrator sufficient authority to protect the public against abuse of this authority by any air carrier. A similar provision was contained in the bill passed by the Senate.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Speaker, I want to compliment the gentleman from Mississippi [Mr. WILLIAMS], the chairman of this subcommittee, on the prompt action which his subcommittee and the full committee have taken on this matter. Their study lets us know for the first time that we have a loophole in our law which this legislation is intended to close. As the distinguished and able gentleman from Mississippi has so properly pointed out, the Congress cannot let this situation remain which could disrupt the entire aviation industry of the United States. I commend the gentleman for his prompt response to the call for action.

Mr. WILLIAMS. I thank the gentleman from Florida for his kindness and his contribution.

Mr. FASCELL. Mr. Speaker, will the gentleman yield further?

Mr. WILLIAMS. I yield to the gentleman from Florida.

Mr. FASCELL. Am I correct in assuming that we do not cover piracy on the ground in this legislation because State laws are considered to be sufficient and adequate to cover that situation?

Mr. WILLIAMS. That was the general consensus of the subcommittee and the full committee when it was presented to us, that we have adequate laws to deal with this subject when these crimes occur on the ground, but not when they occur in flight.

Mr. O'BRIEN of New York. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. O'BRIEN of New York. I should like to compliment the gentleman on his explanation, and more than that I should like to compliment the gentleman and the committee on this bill. I think it is one of the finest examples of lawmaking I have seen since I came to Congress. This bill was written when Members of Congress and the public were angry, in a white hot stage of anger. It would have been easy to use a shotgun approach. It was largely through the gentleman's efforts that we will now have a law which will get rid of the rats without burning down the barn.

Mr. WILLIAMS. The gentleman is entirely too kind to me, but I appreciate his remarks. As a member of our committee, he was very active and helpful in working out the final product which is before the House today.

Mr. WICKERSHAM. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Oklahoma.

Mr. WICKERSHAM. I, too, would like to compliment the gentleman and the committee. This bill shows it has had very careful consideration by the committee. It is fine legislation.

Mr. SPRINGER. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I know from conversation with many Members of the House that you were in some difficulty as to why we should now come forward with this legislation in view of the fact we did have the bombings in flight in 1956, the most serious being the one that took off from Denver in that year. From all of the legislation proposed at that time by the Civil Aviation Authority, now the Federal Aviation Agency, we thought we had all the loopholes closed. We found that here was something not covered by that legislation. We believe now that with this legislation we do have the loopholes closed that might possibly occur in the future.

When the Federal Aviation Administrator was before the committee for testimony I asked him positively, had they anticipated all the things that might happen. He said they believed they had, insofar as this legislation is concerned. I believe we do have the problem of crime in flight covered where a crime or misdemeanor occurs.

There are only one or two things I want to call to the attention of my colleagues. There is a very important section which has to do with interference with flight crew members or with attendants, which was not covered previously and now carries a fine of not more than $10,000 or imprisonment for not more than 20 years, or both. If he uses a deadly weapon in that act, he may be imprisoned for a term of years or life. That was to cover situations where people interfere with crewmembers in flight, even though not armed with deadly weapons.

One of the most difficult things that occur is in relation to those people who call in and give false information intentionally with the thought of providing a hoax. The airlines felt this is one thing that ought to be covered. In view of all the testimony, we felt it ought to be covered too because it had caused a great deal of inconvenience to the traveling public because of the many hoaxes that had been practiced on the airlines and the general public. That is provided for by a $1,000 fine or imprisonment for not more than 1 year. You recall when the plane was hijacked out of Houston, subsequently, there were some six hoaxes practiced on the airlines. Calls were made to airlines within the next 2 or 3 days giving what turned out to be false information, and the FBI or the local officials were successful in solving three of those cases, but three of the cases still remain unsolved.

There is another matter covered here which has been troublesome to courts of law, and that is the question of venue, as to where the act took place, or more immediately where the person who commits the act may be tried. I believe section 903 on this question of venue completely covers any contingency that may arise regardless of where the act is committed, and there will be a place where an offender can be tried.

Mr. Speaker, on the whole, I feel the consideration that has been given to this bill was very thorough. There was a great deal of discussion, especially on the whole question of policy. But, I do believe the subcommittee and the committee gave adequate consideration to the bill. I believe this is a good bill and ought to be passed.

Mr. BATTIN. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Montana.

Mr. BATTIN. A moment ago, a statement was made or a question was asked relative to giving the FAA authority to allow airlines to refuse passengers.

Mr. SPRINGER. Yes; that section is included as an amendment.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Arkansas [Mr. HARRIS] so that he can explain that more fully.

Mr. HARRIS. Mr. Speaker, of course, the bill was called up under suspension of the rules together with the amendment that has been referred to. The bill, as amended, therefore, is pending, with the amendment as the committee has reported it. In determining the major difference between the Senate-passed bill as to what we thought would be complete legislation on the subject, and the bill, as it was developed by the subcommittee and reported by the committee.

Secondly, it is felt that should an airline have information in advance as to what might happen and they have sufficient information to justify them to take such action that they can deny admittance. We did not want to go overboard giving the airline complete authority to make arbitrary decisions as to who would be permitted to use commercial transportation, and consequently we provided, as is the pattern under the general authority of section 601 of the Federal Aviation Act, that in order to promote flight safety, the Administrator would be empowered and is directed to issue reasonable rules and regulations under which the airline would have authority to take this action should it have information as to what might happen.

Mr. BATTIN. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Montana.

Mr. BATTIN. For the purposes of clarification, let us assume a set of circumstances. Where an airline is informed that somebody who is about ready to board an aircraft is potentially dangerous as far as the safe passage of the craft is concerned, and the airline refuses or fails to act in preventing this passenger from boarding and taking a flight and something does happen; does this, in your opinion, place upon the airline any liability for a failure to act under this provision and to refuse passage?

Mr. SPRINGER. No; I do not think so at all.

Mr. BATTIN. I thank the gentleman.

Mr. HALPERN. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from New York.

Mr. HALPERN. Mr. Speaker, I rise in support of this bill. I commend the gentleman from Mississippi for his superb leadership in developing this legislation. It is needed. It is meaningful, and I think it will be most effective. I was privileged to appear before the committee, having sponsored some legislation, and, Mr. Speaker, I was much impressed by the hearings and the fine role played by the gentleman in resolving these questions. I really believe this solves this problem. All the kinks

have been taken out of it, I believe, much to the credit of the chairman. And, again, I want to compliment the chairman and the other members of the committee on both sides of the aisle for providing this sorely needed and long overdue legislation.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. Of course, I appreciate very much the reference that has been made about my work in connection with this bill. But I would like to inform the Members that this bill is the product of subcommittee action. Every member of the subcommittee worked hard and long in bringing about this fine result. It is not the result of any one man's work but the result of the work of all of the members of the subcommittee.

Mr. SPRINGER. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. COLLIER].

Mr. COLLIER. Mr. Speaker, I, too, want to commend our subcommittee chairman, Mr. WILLIAMS, not only for the very prompt action he took on this bill but in the very meticulous manner in which the legislation was formulated. And, I might say that I think this certainly fills a vacuum in the jurisdiction, enforcement, and punishment of those crimes aboard aircraft that is highly essential, and might also have a definite retarding effect, so to speak, on the number of so-called crackpot cases of this nature that always spring up just as they did in the epidemic of aircraft bombings a couple of years ago.

With that, Mr. Speaker, I would like to yield to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY of Indiana. Mr. Speaker, I want to likewise commend the committee for their prompt attention to this very troublesome problem and the legislative consideration they have given to it. I would like to direct this question to the chairman of the committee, and that has to do with that section of the bill on page 3 where the crime of carrying weapons aboard aircraft is mentioned; whether a person who might be taking some of his hunting equipment on a trip or something of that sort might be charged with having been guilty by reason of the fact that he had some guns with him aboard the plane.

Mr. WILLIAMS. The committee, of course, gave very serious consideration to that point. We provided certain exceptions. If the gentleman will read the language contained on page 3, he will find:

> Except for law-enforcement officers of any municipal or State government or the Federal Government, who are authorized or required to carry arms—

And here is the language that takes care of it—

> and except for such other persons who may be so authorized under regulations issued by the administrator

Shall be exempt from that provision.

Now, we assume, of course, that the administrator would issue reasonable regulations to cover this problem. The committee gave considerable consideration to the question of whether or not this applied to a person who might have a gun in his suitcase which was checked on the aircraft in the baggage compartment. The language of the bill provides that he must have it on or about his person and must be concealed. Now, "on or about his person," as we interpret that language and as we intend to apply it, would cover a person who had a weapon either on his immediate person or in a carry-on bag or briefcase.

Mr. HARVEY of Indiana. I assumed that this contingency had been foreseen by the committee, but I have also had some experience in seeing how what we thought was a very properly worded provision, can be perverted; and I thought it was a good idea to bring it out in this colloquy to make sure there is no mistake about it in connection with this bill.

Mr. WILLIAMS. I am very happy the gentleman brought the point out.

Mr. SAYLOR. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. DEVINE].

Mr. DEVINE. Mr. Speaker, in the matter of carrying arms on airplanes, many people wonder sometimes what a hunter may do, or perhaps a man who shoots in contests, but so long as the arms are not concealed on his person or in his carry-on luggage where he has easy access to them, they can be shipped.

The Constitution guarantees the citizen the right to bear arms. This is recognized in various States, but they must not be concealed. For instance, in my particular jurisdiction a man may drive a car with a gun on the seat beside him and be within the law, but if he hides it under the seat, puts it in the glove compartment, or in his pocket, he is guilty of a violation of the Concealed Weapons Act.

He could not carry a concealed weapon aboard a plane and be within the law, but if it was checked in the baggage compartment so he did not have access to it the law would not apply.

Mr. Speaker, I yield back the balance of my time.

GENERAL LEAVE TO EXTEND

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their own remarks on this bill at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, I yield such time as he may require to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and also to extend my remarks before the vote on the bills H.R. 8152 and H.R. 1222.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, the legislation now before the House is an excellent example of the Congress meeting immediate circumstances with immediate action. This legislation, with the purpose of applying the criminal code to acts committed aboard aircraft, is impressive because it is timely.

On July 8 of this year, an airline captain aboard a nonstop flight from Chicago to Los Angeles was assaulted. Jurisdiction is difficult to affix aboard a modern jet aircraft traveling at 600 miles per hour 30,000 feet in the air, and the Federal Government had laws which applied only generally to criminal acts in air commerce. The assault of an airline captain was only the beginning. Shortly after this event, the lives of U.S. citizens, their property, and the dignity of this Nation were greatly threatened when a rash of aircraft piracy occurred.

The action got progressively worse. Unbalanced persons gained access to the flight cabin of aircraft carrying 70 to 100 passengers, brandished loaded pistols, and threatened the lives of those in control. These acts took even more serious note when U.S. aircraft ended up in the hands of the hostile Government of Cuba.

The Congress is acting, and the committee on which I have the privilege of serving now reports to the House a bill which would amend the Federal Aviation Act to define piracy and the several criminal acts, in order to make them applicable to air commerce. Here is the law prescribing specific penalties for specific violations, which is as the law should be.

The committee is to be commended for its work on this matter. I support its work, and urge the House to do likewise in order that the enactment of this measure will serve as a strong deterrent for any future aircraft piracy.

Mr. HARRIS. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. RYAN].

Mr. RYAN. Mr. Speaker, recent events have made us all aware of the urgent need for legislation to govern crimes committed aboard aircraft. Let our actions, however, not be a response to emotion but a reasoned approach. A time of emotion is not the time to legislate.

This bill has a twofold purpose: to provide uniform legislation to deal with crimes committed in flight and, as the committee report states, to use "criminal sanctions as a deterrent to the commission of criminal acts"—House Report No. 958, page 3.

It is my conviction that the purpose of the bill, as stated, can be accomplished without the death penalty being provided for aircraft piracy. I urge the House to study carefully the implications of this penalty.

As the New York Times pointed out August 11, 1961:

> This crime is a contagion of madness that needs a number of remedies and time to work itself out.

The question is, What will be an effective deterrent? Without debating the value of capital punishment as a deterrent under any circumstances, I question its efficacy here. It is evident that any individual who attempts to hijack a commercial airliner must be either mentally deranged or exceedingly des-

perate and ruthless. Will the threat of the death penalty deter either of these types? The committee report at page 4 says:

> It is to be hoped that the enactment of laws providing stiff penalties for various crimes in air commerce will deter all except the hopelessly unbalanced from risking life and liberty in such undertakings.

It is probable that any sane individual who attempts such a venture realizes that he takes his life in his hands from the start. It is the "hopelessly unbalanced" person we must fear.

If a hijacker believes that his actions will result in the death penalty, if at any point he becomes convinced that his life is already forfeited, then he will stop at nothing to secure his escape. The knowledge that the death penalty faces him may impel him to endanger the lives of passengers and crew with little concern. Would this be in the best interests of air safety?

If a person hijacks a commercial flight and death results from his actions, he may be prosecuted for murder or manslaughter under other provisions of this bill or State law. A severe sentence for aircraft piracy—life if need be—would meet the objective of those who argue that many otherwise minor offenses committed in a high-speed aircraft during flight have the potential of jeopardizing lives.

I am aware that the dangers involved in hijacking an airplane while in flight are much greater than those involved in hijacking a ship at sea. This does not necessarily require more stringent penalties. On the other hand, it requires a more cautious approach to the problem, with particular study devoted to the reaction of the criminal of deranged mentality. In this light, the death penalty may spur brutal action rather than deter such behavior.

I repeat, if there is a homicide, a hijacker would be punishable by death under H.R. 8384 in any event. Are we to start a precedent now of treating aerial hijacking as a capital offense regardless of whether or not death or injury results?

Because of the precedent it sets and the questionableness of its value as a deterrent, I oppose the death penalty for aircraft piracy as defined in H.R. 8384.

I have received a telegram on this matter from a distinguished New York attorney, Frank E. Karelsen, which I should like to read because it sums up the case against the death penalty in this bill:

> Urge death penalty should not be included in hijack bills. Result would be that criminals and insane criminals, after taking first step knowing that their lives are forfeited, would disregard lives of others on plane.

Let us remember the old maxim, "hard cases make bad law."

I regret that this bill has been brought up under a suspension of the rules, so that there will be no opportunity to offer an amendment. If there were a parliamentary way to accomplish it, I would urge that the dealth penalty be stricken from subsection (i)(1)(A).

Mr. HARRIS. Mr. Speaker, I yield such time as he may require to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Speaker, I strongly favor enactment of this measure and believe it will meet a very pressing need in air commerce. I have introduced a similar bill in the belief that such a law will operate to discourage the piracy of American airliners and strengthen the hand of Federal law enforcement in dealing with airline hijackers.

The Committee on Interstate and Foreign Commerce and the able chairman and subcommittee chairman have performed a great public service by their expeditious action in bringing this measure to the House.

I hope and trust the bill will be overwhelmingly approved.

Mr. LIBONATI. Mr. Speaker, I have the highest respect for the opinions of the sponsor of this legislation, together with my fellow Members who are sincere in their belief as to the necessity for this legislation. I fully agree with the purposes of the bill, but I do not feel that the penalty invoked will accomplish the purpose of preventing the nefarious act of taking a plane. It should be generally conceded that persons who would participate in such an undertaking are either insane or otherwise mentally disturbed. In view of the fact that the plane in flight is under pressurized control and that the culprits who endeavor to interfere with the operation of the plane are armed, if such a person realizes that his opportunities of escape are nil, there would be a probability that in the use of firearms the walls of the plane could be pierced by bullets and, thus, jeopardize the lives of all the passengers and crew.

My primary concern is not with the criminal or the lunatic who hijacks a plane. The main consideration to bear in mind is the welfare and safety of the crew and passengers who may number as many as 100 people in today's modern planes. The lives of too many innocent people are involved in this kind of situation. The solution to the problem of saving the lives of the many passengers and crew is not in the punishment of the crime, after it has been committed, but in preventing the crime, if at all possible. This kind of crime is completely unpredictable.

If assault and battery against individual citizens on the city streets were punishable by death, would there be many of the victims to survive to identify the criminals? Remember, too, that the usual case of assault and robbery involves one individual or perhaps several. But think of today's large planes carrying a great number of people.

In view of this situation, it would be best that the death penalty should not be invoked because the malefactor has nothing to lose either way.

Mr. Speaker, throughout my legislative career of 22 years in the Illinois Assembly and throughout my long experience as a practicing attorney before Illinois State bar, handling many, many criminal cases, I have been against the death penalty as a deterrent to crime. During my many years of experience, I have noticed that the only sufferers are the families and friends of the convicted felon. I am in agreement with those of my colleagues who are opposed to this bill, because I believe that in this case the death penalty will not prove an effective deterrent to the perpetration of such acts.

Mr. CURTIN. Mr. Speaker, the distinguished chairman of the Committee on Interstate and Foreign Commerce as well as Mr. WILLIAMS, the distinguished chairman of the subcommittee who handled H.R. 8384, are to be commended for the most prompt and effective manner in which this very necessary legislation has been brought before the House.

We have been plagued during these past few weeks by these several acts of piracy in our airlanes. A traveler on a commercial aircraft is entitled to believe that passage thereon will be free of such danger.

Piracy on the high seas was stamped out by prompt measures as soon as international communication measures became effective and today passengers on the seas can travel in reasonable safety from piracy. The same safety and assurances must be afforded to those using the airlanes.

I am sure that this bill will go a long way toward making piracy in the skies a thing of the past. I heartily support this legislation.

Mr. SIKES. Mr. Speaker, I welcome the opportunity to vote for this bill. I am confident that it will help to stop a vicious practice which has grown up in recent months, the hijacking of American planes. While this is to considerable extent the work of Communist sympathizers, it also has been seized upon by crackpots as a means of flaunting the recognized standards of conduct. Regardless of the motive it is a highly objectionable procedure which seriously jeopardizes the lives of many innocent people, to say nothing of loss of property and personal discomfiture of those affected.

This is not a cure for the Cuban problem, but it is in part an answer to one of the byproducts of the Cuban problem. The Cuban problem itself must be solved—and solved soon. It is fantastic to conceive of a Communist-dominated government almost at our door. It is equally fantastic that the Government of the United States would allow this to come about. There is still a Monroe Doctrine. It reads just as it did nearly 150 years ago. It should be just as applicable today.

The American people are vitally concerned that this matter be corrected. Their patience is worn thin. I know that the problem of Cuba is not being ignored by the administration, but I urge that the timetable for action be expedited. It already is late in the day.

Mr. FLYNT. Mr. Speaker, I support H.R. 8384, as amended by the committee, and urge its passage by the House.

The need for this legislation is well known. Recently, a series of aircraft seizures while the aircraft was in interstate or foreign air transportation pointed out that the existing law is inadequate to cover these and certain other violations.

The present law relating to crimes aboard aircraft in flight follows the normal rule, which is that the offense is dealt with under the law of the State where the offense occurs.

One difficulty here is that the State above which the crime may have been committed is often not the State in which the aircraft lands. The second State has no jurisdiction, and cannot even arrest the criminal. If the State over whose territory the crime occurred is disposed to act, it first must collect the evidence necessary to establish that a crime has been committed within its jurisdiction. This evidence, however, is hard to gather when the witnesses on board the aircraft disperse after landing. Assuming that an indictment is returned in the first State, there is still the question of extradition and not all crimes are extraditable.

In contrast, if the crime also involved violation of a Federal law, the offender could be taken into custody by Federal law enforcement agents when the aircraft lands and criminal prosecution instituted.

This, we want to make clear, does not preempt any State jurisdiction but would only supplement it. To emphasize that, it should be pointed out that the reported bill, except for the provision relating to concealed deadly or dangerous weapons, covers only offenses committed while an aircraft is in flight. In flight means from that point on the runway at the end of the takeoff roll where the aircraft leaves the ground to that point on the landing runway where the aircraft touches down, and does not apply to acts committed on an aircraft on the ground.

Although State criminal statutes generally cover crimes committed on board aircraft in flight over the State, the advent of high-speed, high-altitude flights of modern jet aircraft has complicated the problem of establishing venue for the purposes of prosecution. In some recent instances, serious offenses have gone unpunished because it was impossible to establish to any reasonable degree of accuracy the State over which the crime was committed.

These conditions may have had some effect in influencing some individuals to believe that they could carry out, without fear of successful prosecution, such criminal acts as piracy of aircraft in flight.

Broad, stringent legislation such as is proposed here cannot, of course, prevent piracy of aircraft, but it is to be hoped that the enactment of laws providing stiff penalties for various crimes in air commerce will deter all except the hopelessly unbalanced from risking life and liberty in such undertakings.

The need for additional Federal legislation covering crimes committed aboard aircraft in flight has long been recognized by those familiar with the problems resulting from the rapid technological developments in the field of aviation.

This is not to say that there is a complete absence of applicable law, but in many instances inadequacies exist with regard to prosecutions for violation of existing laws. Few of our present laws were designed specifically to meet the unique problems involving unlawful acts committed aboard aircraft in flight. Laws which may apply are frequently inadequate to cover fully the magnitude of the crime, and, often, do not impose a penalty in keeping with the seriousness of the offense. That is true especially of certain offenses which, if committed on the ground, might be minor, but when committed in a high-speed aircraft in flight jeopardizes the lives of a great many people.

As is well known, the Federal Government does not provide a general criminal code for all crimes committed in the United States. That is the province of the various States. However, criminal codes of the States are at times supplemented by Federal law in fields where the Federal Government has responsibilities.

We wish to emphasize that it is not our intent to divest the States of any jurisdiction they now have. This legislation merely seeks to give the Federal Government concurrent jurisdiction with the States in certain areas where it is felt that concurrent jurisdiction will contribute to the administration of justice and protect air commerce.

Federal criminal laws are applicable in many areas, such as those with respect to crimes committed on the high seas, and crimes involving interstate commerce, Federal reservations, crimes affecting Federal officers, and so on. The States also have laws in some of these areas, and frequently the same acts will constitute a crime under both Federal and State law. In other areas, where the States have no jurisdiction such as crimes committed on the high seas, the Federal law applies.

The act as amended by the committee and reported to the House contains both amendments to provisions of existing law and the addition of new law not covered by any existing statute.

The first section of the committee amendment amends section 902 of the Federal Aviation Act of 1958 (49 U.S.C. 1472) by defining the crime of aircraft piracy and prescribing punishment for this crime.

The definition of aircraft piracy contained in the committee amendment means any seizure or exercise of control, by force or violence or threat of force or violence and with wrongful intent, of an aircraft in flight in air commerce. The punishment provided is death or imprisonment for not less than 20 years as the jury or the court shall determine.

In addition to defining and prescribing the punishment for aircraft piracy, the act provides for making criminal and punishing certain acts of interference with flight crew members or flight attendants, and for certain other crimes committed aboard aircraft in flight which are referred to by reference to certain sections of section 7 of title 18, United States Code, and a new provision which incorporates the language of section 22–112 of the Code of the District of Columbia.

Provision is made for possession and transportation of concealed weapons aboard aircraft, for giving false information during a lawful investigation. Provision is further made establishing jurisdiction in the Federal Bureau of Investigation for crimes covered by this act.

Section 2 of the act defines and clarifies a question of venue for the trial of crimes arising subsequent to the enactment of this law.

Mr. Speaker, I congratulate the chairman of the committee, Mr. HARRIS, and the chairman of the subcommittee, Mr. WILLIAMS, for the thorough manner in which the hearings were conducted and the language of the bill perfected. This is a needed addition to the statute law and I urge its passage by the House.

Mr. MULTER. Mr. Speaker, there is no doubt but that this bill is necessary legislation. It is unfortunate, however, that it comes before the House under procedure which permits of no amendments.

If it came before the House under procedure permitting amendments I am certain that an amendment would be offered and in all likelihood would prevail, striking out, or at least modifying, that part of the bill which provides for capital punishment, that is, the imposition of the death penalty upon conviction.

I have long been opposed to capital punishment. I have introduced bills to abolish capital punishment both in the District of Columbia and in all Federal courts except courts-martial.

I could and would vote for this bill if it did not carry the provision for capital punishment. It is my sincere belief that the imposition of capital punishment in cases such as covered by this bill will not prove a deterrent to the commission of the crimes proscribed. As a matter of fact, it may prove an incentive to the criminal to carry to their deaths with him all of the crew and passengers aboard a hijacked aircraft.

I regret, therefore, that I must be recorded in opposition to this otherwise good bill.

Mr. ROSTENKOWSKI. Mr. Speaker, I rise in support of H.R. 8384, to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events on board aircraft in air commerce—in particular, such acts as hijacking, murder, manslaughter, assault, maiming, carrying concealed deadly weapons, and stealing personal property. The need for this legislation is quite apparent.

Recent events that have occurred during scheduled commercial airline flights indicate that a vacuum exists in present statutes, whereby criminals can avoid arrest and prosecution or gain an acquittal for crimes they commit while aboard an aircraft in flight. At present State statutes cannot adequately punish these criminals. There is evidence that must be collected to definitely establish that a crime has been committed within a State's jurisdiction. And then more often than not, the State above which the crime was committed is not the State in which the aircraft lands. The second State has no jurisdiction, and cannot

arrest the criminal. Assuming that an indictment is returned in the first State, there is still a question of extradition and not all crimes are extraditable. This condition seems actually to be encouraging the commission of such crimes.

In the history of our Nation, we have gone through periods of crime waves which showed us the need for adopting laws at the Federal level to discourage criminals in their inhumane actions. Federal laws have been the deterrent in the spread of kidnaping, bank robbery, train robbery, white slavery, illegal manufacture of intoxicants, the transportation of stolen goods across State lines, and many others. For a criminal will hesitate before committing a crime if he knows that the Federal Government can arrest and prosecute him. It leaves him with no haven in fleeing to different parts of our country.

In the legislation before us we have provided maximum penalties for the violators. Maximum penalties are needed for the lives of many innocent people are endangered when a crime is committed in the skies. In the case of a kidnaper, usually only one victim is involved, and yet, when we consider that the maximum penalty is death in these cases, then we are justified in accepting this same provision here today.

The offenses punishable under this legislation would not replace any State jurisdiction but would, where both Federal and State law provided for punishment for the same act, be in addition to the State criminal law. Furthermore it is not intended that it shall operate or be applied in such manner as to conflict with the law of nations, including international agreements.

This legislation will act as an effective deterrent to crime and promote safety in air commerce. We need it and should not hesitate in effecting its passage.

Mr. FASCELL. Mr. Speaker, I am happy to cosponsor and vigorously support the bill called up in the House today to provide for the application of Federal criminal law to any crimes committed aboard an aircraft, such as "hijacking," murder, manslaughter, assault, maiming, carrying concealed deadly or dangerous weapons, or the theft of personal property.

All Americans were enraged at the recent outburst of airplane "hijackings" we have witnessed. Loopholes in existing law have provided a haven from prosecution for certain persons whose irrational acts of aircraft piracy have threatened the lives and property of many persons; in addition, regrettably, others have been maimed for life.

My colleagues will recall a discussion which I led in the House on August 3, during which I called for legislative and investigative action in this field. While a bill which I introduced at that time providing the death penalty for confining or transporting in an aircraft any person against his will, is now pending before another committee of the House, I assure my colleagues I am gratified at the effective action taken in this legislative field by the distinguished chairman of the Subcommittee on Transportation and Aeronautics of the Interstate and Foreign Commerce Committee, Mr. JOHN BELL WILLIAMS. His committee lost no time in undertaking hearings on this legislation and in recommending to the House this sound measure before us today. I trust it will be a sufficient deterrent, together with administrative actions already taken, to any repetition of these criminal acts which have threatened the lives of our people.

During that discussion, Mr. Speaker I pointed out the need for strong definitive action against Communist inroads in this hemisphere. From my first day as a Congressman I have cried out warnings on the need for the United States and Latin America to strengthen and preserve the Western Hemisphere as a bulwark of the free world.

The Communists have never given up trying to outflank the United States by weakening and taking over its nearest neighbors. Cuba is one example and one of the reasons for this law is to make it possible to severely punish any person, American, Castro agent, Communist or whatnot who would endanger lives and property of Americans. But another example is about to be born in the Western Hemisphere.

Mr. Speaker, an election is taking place in one country in the world today where the results are pretty accurately estimated even before the votes are in; along with this estimate of the outcome, men of the free world experience a feeling of apprehension and concern.

It would be a surprising upset if the news reports tomorrow covering the elections in British Guiana did not reflect a healthy margin of victory for Dr. Cheddi Jagan, leader of the People's Progressive Party of that country. Political analysts of every nation have described Dr. Jagan as Communist, Socialist, or far to the left politically; as a political leader in his country, he has had close ties with Cuban Premier Fidel Castro and has expressed warm praise for him and his boss, Khrushchev, while speaking harshly of the United States and Britain.

This is a sobering experience for all of us in the free world. I think it serves well to point out the difficulty the United States faces in all of Latin America. The magnitude and nature of the problems of Latin America require long-range planning and programing. The recent conference of Western Hemisphere nations in Punta del Este sought and, we hope, succeeded, in formulating the basic requirements for an effective program of long-range assistance in the development of the Latin American nations. The election fear in British Guiana, however, forcibly brings home the absolute need and the outright necessity for a short-range program designed to effectively attack the inroads being made in Latin America by the Communists and to stop their advances completely and immediately.

This country must use every tool at its command. One of our most effective tools in this ideological and psychological battle we have on our hands, is our U.S. Information Agency—this operation must be strengthened and reinforced to our maximum ability. We must take every action which a belief in God and a true dedication to the dignity and freedom of man dictates to roll back the tide of communism which is threatening to engulf our Latin American neighbors and friends.

We have put strong confidence in the long-range agreements for economic assistance to the Latin American nations of this hemisphere. The situation as it will be reflected by tomorrow's news reports covering the elections in British Guiana has long demanded that we undertake a short range, crash program to meet the problem of Communist nonmilitary penetration headon. This will be to a large measure determine the success and effectiveness of the long-range program to which all Latin American nations with the exception of the Cuban Government, have committed themselves.

I take this opportunity to call to the attention of my colleagues an excellent newspaper analysis of the imminent Communist beachhead being established in this hemisphere today. This article is from today's issue of the Wall Street Journal:

BRITISH GUIANA VOTE MAY SET UP FIRST RED REGIME IN SOUTH AMERICA—LEFTIST DR. JAGAN IS FAVORITE IN ELECTION TODAY—SOME SEE CLOSER TIES WITH CASTRO

(By James N. Wallace)

GEORGETOWN, BRITISH GUIANA.—This sweltering tropical colony on the northeast shoulder of South America today takes a long stride toward independence—and perhaps an equally long sidestep to the left.

A bitterly contested election is picking a legislative assembly for the British colony that will run its internal affairs immediately and take over its foreign affairs as well when complete independence is achieved a year or so from now. But the real interest, particularly in other cold-war-conscious capitals, is in the political future of Dr. Cheddi Jagan, a Marxist-minded 42-year-old East Indian dentist who heads the Peoples Progressive Party (PPP). Dr. Jagan has frequently expressed warm praise for Fidel Castro and Nikita Khrushchev while speaking harshly of the United States and Britain.

There seems little doubt Dr. Jagan will come out on top in today's election. Foreign observers here believe his party will win at least 18 of the 35 assembly seats. Under the British parliamentary system this will make PPP Leader Jagan the country's first Prime Minister.

"A COMMUNIST ADVENTURER"

Forbes Burnham, top man of the People's National Congress (PNC), a Negro-oriented party and the only serious opposition group, openly labels Dr. Jagan "a Communist adventurer." Connecticut's conservative Senator THOMAS J. DODD also recently warned that there is "serious danger that a Communist regime will be set up here if Dr. Jagan wins."

Dr. Jagan has a stock answer for these charges: He declares that all anticolonialists from Nehru and Nkrumah to Sukarno and Lumumba, have been called Communists, and "if they are, I take my place beside them gladly." Born on a sugar estate, he makes no secret of his hatred of the plantation system.

Some people here rate Dr. Jagan as a thoroughgoing Socialist reformer and neutralist but nothing more. They believe he would seek aid from both East and West, meanwhile talking a strong anti-Western line, but wouldn't take this country nearly as far along the road to the Kremlin as Premier Castro has taken Cuba.

Apart from ideology, today's election may hinge on the increasingly bitter racial division in the colony. The population breakdown is about 270,000 East Indians (descendants of imported laborers brought here to relieve the manpower shortage after Britain abolished slavery in its colonies early in the last century), 190,000 Africans, 13,000 whites and a scattering of other races, including Chinese. "Race is the key element here," says one local observer. "People are going to vote race and there are more Indians than Africans so Jagan has the edge."

There were at least two clashes between police and Guianan crowds yesterday, United Press International reported. Near one of Dr. Jagan's village headquarters, sixteen people were arrested after a crowd of 300 stoned a mobile police patrol and wounded three constables. Another crowd, in a sugar area, injured three more policemen with stones.

SUGAR AND BAUXITE

Guiana's economy is oriented mainly to sugar, bauxite, and rice. Canada gets about 70 percent of the bauxite it uses in making aluminum from Guiana. Aluminium Ltd., a Canadian concern with many U.S. stockholders, has $70 million invested in mines and processing facilities here. Reynolds Metals Co. also gets small quantities of bauxite here and is building up its operations.

Most of the country, which covers 83,000 square miles and is about the size of Minnesota, is undeveloped. Nearly all of the colony's 560,000 people live on 5 percent of the land along the Atlantic coast. "They don't really know what resources they have in the interior," says one businessman here.

Regardless of how large a majority Dr. Jagan piles up in today's election, it is doubtful that he will attempt any drastic revision in Government policies immediately. Britain retains at least a theoretical veto over extremist actions and could stall off independence if leftist developments became too pronounced. This happened once before, in 1953, when Dr. Jagan won a similar election. The British acted speedily, suspending the constitution, "to prevent Communist subversion of the Government and a dangerous crisis both in public order and in economic affairs." Dr. Jagan was forced out of office and later he and his plump American-born wife, Janet, were thrown into jail for several months.

The British then set up a Guianan Government in which locally elected officials play a part but in which the British-appointed Governor General had the controlling power. Dr. Jagan's PPP won the majority of seats in the nation's legislative council in elections in 1957 and the irrepressible political leader then became Minister of Trade and Industry.

Now Britain apparently is determined not to interfere with the completion of the transition to independence and the formation of a Jagan government unless it goes to the wildest extremes. For one thing, sending British warships into Georgetown's palm-rimmed harbor would be a vastly different matter than it was 8 years ago. The world has become more fervently anticolonialist since then, and Britain has enough troubles without borrowing more for the sake of an unprofitable dependency in the Western Hemisphere.

Moreover, there is considerable feeling in London, based partly on what are regarded as American miscues in Cuba, that opposition or interference here without the most serious provocation would be the surest way to push Dr. Jagan into partnership with Castro and the Kremlin.

Political analysts here say they've been unable to detect any Castro effort to interfere in the election—but that could be because the Fidelistas figure things are going satisfactorily for them anyway.

Some of Dr. Jagan's foes profess to see an ominous portent of closer future ties to Havana in the recent deal he negotiated with the Castro government to sell $2.4 million worth of lumber, railroad ties, and powerline poles to Cuba. Total Guianan timber exports to all countries last year amounted to $2.1 million. There's also a considerable rice trade between this colony and Cuba. About 30,000 tons is scheduled to be delivered to Cuba this year, plus 36,000 tons in each of the next 5 years. However, it's hard to read too much political significance in this trade; surplus rice is bursting local warehouses and so far the Cubans are proving worthwhile customers, meeting their payments on the dot.

Physically this country wouldn't make too important a Castro stronghold on the South American mainland. Though Guiana borders both Brazil and Venezuela, its links with these countries are barred in most places by jungle and wasteland. Rough roadways dwindle into jungle paths; some rivers cut across the borders but they're almost impassable and even Georgetown is relatively isolated. "It's far easier to ship guns from Havana to any place in Latin America than it would be from here," says a local businessman.

But a Castroite or Communist advance onto the mainland would make useful Red propaganda elsewhere in the world. Also Communist advances here would open more communication channels to the English-speaking islands of the Caribbean than Cuba now provides. The U.S. concern about what happens here is much more closely oriented to these political imponderables than to any possible increase in opportunities for outright Red infiltration and subversion.

Dr. Jagan, as the campaigning has progressed, has been taking a stronger anti-American line, flaying the United States for meddling in the Guianan election. "The United States has joined the battle against us," he says. "Events in Russia and Cuba have made the (American) fear of communism almost psychopathic."

However, he has carefully avoided any reference to nationalizing business or industry. And his wife Janet, who some consider the party's master planner, says, "We admire Fidel Castro but his programs do not necessarily apply to British Guiana."

The principal opposition party, Mr. Burnham's People's National Congress, calls itself Socialist but strictly anti-Communist. A third party, the United Force, is headed by a wealthy white brewer and businessman, Peter D'Aguiar. He's also stanchly anti-Communist, but the United Force is not expected to win more than a small handful of legislative seats.

Mr. CORMAN. Mr. Speaker, I join the others who have complimented the committee chairman and the committee who have brought to the House H.R. 8384. Certainly, each of us is gravely concerned with the problem of aircraft piracy.

Unfortunately, this is the type of crime which gets wide publicity and thereby is increased the possibility of a rash of such evil offenses.

Because of the fact that aircraft is relatively new in international travel, the old laws of piracy on the high seas fail to fit the needs of our modern society. The committee has brought us an excellent bill to provide for swift prosecution in this field of criminal law. However, because of one aspect of H.R. 8384, I vote for it most reluctantly. This is the matter of the death penalty provision. Firstly, a good case can be made against the death penalty on moral grounds. This broad issue, however, must be debated and considered another day.

My concern with the death penalty provision in this bill is that it goes beyond anything with which I am familiar, either in Federal law, or in California State law in that it provides for the death penalty when there is no death nor injury to a victim (this field of crime is distinguishable from treason where the death penalty is imposed without a show of immediate harm or death to a victim).

The sole justification for the death penalty is its deterrent effect. Considering the probable circumstances of the commission of aircraft piracy, it would seem to me most advisable to provide that the death penalty could not be imposed if there were no death or bodily harm to a victim. It would seem justified to anticipate that the crime of aircraft piracy would be one which would last over a considerable period of time in its commission and further that there would be opportunity for discussion between some of the victims, particularly the aircraft pilot and the criminal.

It is at this point that the criminal may be, and should be, aware of the fact that if he conducts himself so as to avoid any harm to his victims he will thus avoid the death penalty regardless of what else may happen to him.

No one desires to "negotiate" with a criminal, but the primary concern of this bill is the preservation of life and avoidance of harm to victims. I believe that a sane criminal will be easily persuaded to avoid harm to the victim if that harm will result in his probable death. It is to be noted that the insane criminal will not be executed under any circumstances. Under our penal system we do not execute the insane.

This reasoning was followed in the drafting of the Federal kidnaping statute. I respectfully suggest that the same approach should be used in aircraft piracy.

Mr. HARRIS. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill H.R. 8384, as amended?

The question was taken and the Chair announced that in the opinion of the Chair two-thirds had voted in favor of the bill.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 374, nays 5, not voting 58, as follows:

[Roll No. 160]

YEAS—374

Abbitt	Albert	Anfuso
Abernethy	Alexander	Arends
Adair	Alger	Ashbrook
Addabbo	Anderson, Ill.	Ashley
Addonizio	Andrews	Ashmore

Aspinall	Frazier	May
Avery	Frelinghuysen	Meader
Ayres	Friedel	Merrow
Bailey	Fulton	Michel
Baldwin	Gallagher	Miller, Clem
Baring	Garland	Miller, George P.
Barrett	Gary	Miller, N.Y.
Barry	Gathings	Mills
Bass, N.H.	Gavin	Minshall
Bass, Tenn.	Giaimo	Moeller
Bates	Gilbert	Monagan
Battin	Goodell	Montoya
Becker	Goodling	Moore
Beckworth	Grant	Moorehead, Ohio
Beermann	Gray	Moorhead, Pa.
Belcher	Green, Oreg.	Morgan
Bennett, Fla.	Green, Pa.	Morris
Bennett, Mich.	Griffiths	Morrison
Berry	Gross	Morse
Betts	Gubser	Mosher
Blitch	Hagan, Ga.	Moss
Boggs	Hagen, Calif.	Moulder
Boland	Haley	Murphy
Bolling	Hall	Murray
Bolton	Halleck	Natcher
Bonner	Halpern	Nelsen
Bow	Hansen	Nix
Boykin	Harding	Norblad
Brademas	Hardy	Norrell
Bray	Harris	Nygaard
Breeding	Harrison, Wyo.	O'Brien, Ill.
Brewster	Harvey, Ind.	O'Brien, N.Y.
Bromwell	Harvey, Mich.	O'Hara, Ill.
Brooks, Tex.	Hays	O'Hara, Mich.
Broomfield	Healey	O'Konski
Brown	Hébert	Olsen
Broyhill	Hechler	Ostertag
Bruce	Hemphill	Passman
Burke, Mass.	Henderson	Patman
Burleson	Herlong	Pelly
Byrne, Pa.	Hiestand	Perkins
Byrnes, Wis.	Hoeven	Peterson
Cahill	Hoffman, Ill.	Pfost
Cannon	Holifield	Pike
Carey	Holland	Pirnie
Casey	Holtzman	Poage
Cederberg	Horan	Poff
Chelf	Hosmer	Powell
Chenoweth	Huddleston	Price
Chiperfield	Hull	Pucinski
Church	Ichord, Mo.	Rains
Clancy	Ikard, Tex.	Randall
Clark	Inouye	Ray
Coad	Jarman	Reifel
Cohelan	Jensen	Rhodes, Ariz.
Collier	Joelson	Rhodes, Pa.
Colmer	Johansen	Riehlman
Conte	Johnson, Calif.	Riley
Cook	Johnson, Md.	Rivers, Alaska
Cooley	Johnson, Wis.	Rivers, S.C.
Corbett	Jonas	Roberts
Corman	Jones, Ala.	Robison
Cramer	Jones, Mo.	Rodino
Cunningham	Judd	Rogers, Colo.
Curtin	Karsten	Rogers, Fla.
Curtis, Mass.	Kearns	Rogers, Tex.
Daddario	Keith	Roosevelt
Dague	Keogh	Rostenkowski
Daniels	Kilday	Roudebush
Davis, James C.	Kilgore	Roush
Davis, John W.	King, Calif.	Rousselot
Dawson	King, N.Y.	Rutherford
Delaney	King, Utah	St. George
Dent	Kirwan	St. Germain
Denton	Knox	Santangelo
Derounian	Kornegay	Saund
Derwinski	Kowalski	Saylor
Devine	Kunkel	Schadeberg
Dingell	Kyl	Schenck
Dole	Laird	Scherer
Dooley	Lane	Schneebeli
Dorn	Langen	Schweiker
Dowdy	Lankford	Schwengel
Downing	Latta	Scott
Doyle	Lennon	Scranton
Dulski	Lindsay	Seely-Brown
Durno	Lipscomb	Selden
Dwyer	Loser	Shelley
Edmondson	McCormack	Sheppard
Elliott	McCulloch	Short
Ellsworth	McFall	Shriver
Everett	McIntire	Sikes
Evins	McSween	Sisk
Fallon	McVey	Smith, Calif.
Farbstein	Macdonald	Smith, Iowa
Fascell	Mack	Smith, Miss.
Feighan	Madden	Smith, Va.
Fenton	Magnuson	Spence
Findley	Mahon	Springer
Finnegan	Mailliard	Stafford
Fisher	Marshall	Staggers
Flood	Martin, Mass.	Stephens
Flynt	Martin, Nebr.	Stratton
Fogarty	Mason	Stubblefield
Fountain	Mathias	Sullivan
	Matthews	Taber
		Taylor
		Teague, Calif.
		Teague, Tex.
		Thomas
		Thompson, La.
		Thompson, N.J.
		Thompson, Tex.
		Thomson, Wis.
		Thornberry
		Toll
		Tollefson
		Trimble
		Tuck
		Tupper
		Udall, Morris K.
		Ullman
		Utt
		Vanik
		Van Pelt
		Van Zandt
		Vinson
		Wallhauser
		Walter
		Watts
		Weaver
		Weis
		Wharton
		Whitener
		Whitten
		Wickersham
		Williams
		Willis
		Wilson, Ind.
		Winstead
		Wright
		Yates
		Young
		Younger
		Zablocki
		Zelenko

NAYS—5

Diggs	Libonati	Ryan
Kastenmeier	Reuss	

NOT VOTING—58

Alford	Glenn	Milliken
Andersen, Minn.	Granahan	Multer
Auchincloss	Griffin	O'Neill
Baker	Harrison, Va.	Osmers
Bell	Harsha	Philbin
Blatnik	Hoffman, Mich.	Pilcher
Brooks, La.	Jennings	Pillion
Buckley	Karth	Quie
Burke, Ky.	Kee	Rabaut
Celler	Kelly	Reece
Chamberlain	Kilburn	Shipley
Curtis, Mo.	Kitchin	Sibal
Davis, Tenn.	Kluczynski	Slack
Dominick	Landrum	Steed
Donohue	Lesinski	Westland
Fino	McDonough	Whalley
Ford	McDowell	Widnall
Forrester	McMillan	Wilson, Calif.
Garmatz	MacGregor	
	Machrowicz	

So (two-thirds having voted in the affirmative) the bill, as amended, was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Buckley and Mr. Garmatz for, with Mr. Multer against.

Until further notice:

Mr. Shipley with Mr. Andersen of Minnesota.

Mr. Brooks of Louisiana with Mr. Griffin.

Mr. Blatnik with Mr. MacGregor.

Mr. Alford with Mr. Pillion.

Mr. Jennings with Mr. Whalley.

Mr. Harrison of Virginia with Mr. Wilson of California.

Mrs. Granahan with Mr. Fino.

Mr. Rabaut with Mr. Chamberlain.

Mr. Pilcher with Mr. Baker.

Mr. O'Neill with Mr. Kilburn.

Mr. Donohue with Mr. Harsha.

Mr. Philbin with Mr. Glenn.

Mr. Watts with Mr. Bell.

Mrs. Kelly with Mr. Curtis of Missouri.

Mr. Celler with Mr. Ford.

Mrs. Kee with Mr. Hoffman of Michigan.

Mr. Burke of Kentucky with Mr. McDonough.

Mr. McMillan with Mr. Quie.

Mr. McDowell with Mr. Reece.

Mr. Kluczynski with Mr. Auchincloss.

Mr. Kitchin with Mr. Dominick.

Mr. Slack with Mr. Milliken.

Mr. Forrester with Mr. Westland.

Mr. Machrowicz with Mr. Sibal.

Mr. Lesinski with Mr. Osmers.

Mr. Landrum with Mr. Widnall.

The result of the vote was announced as above recorded.

The doors were opened.

The title was amended so as to read: "A bill to amend the Federal Aviation Act of 1958 to provide penalties for aircraft piracy, to apply certain Federal criminal laws to acts committed aboard aircraft in flight in air commerce, and for other purposes."

A motion to reconsider was laid on the table.

EXPANDING THE SALINE WATER CONVERSION PROGRAM

Mr. ROGERS of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7916) to expand and extend the saline water conversion program being conducted by the Secretary of the Interior.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of July 3, 1952 (66 Stat. 328), as amended (42 U.S.C. 1951–1958), is further amended to read as follows:

"SECTION 1. In view of the increasing shortage of usable surface and ground water in many parts of the Nation and the importance of finding new sources of supply to meet its present and future water needs, it is the policy of the Congress to provide for the development of practicable low-cost means for the large-scale production of water of a quality suitable for municipal, industrial, agricultural, and other beneficial consumptive uses from saline water, and for studies and research related thereto.

"SEC. 2. In order to accomplish the purposes of this Act, the Secretary of the Interior shall—

"(a) conduct, encourage, and promote fundamental scientific research and basic studies to develop the best and most economical processes and methods for converting saline water into water suitable for beneficial consumptive purposes;

"(b) conduct engineering research and technical development work to determine, by laboratory and pilot plant testing, the results of the research and studies aforesaid in order to develop processes and plant designs to the point where they can be demonstrated on a large and practical scale;

"(c) recommend to the Congress from time to time authorization for construction and operation, or for participation in the construction and operation, of a demonstration plant for any process which he determines, on the basis of subsections (a) and (b) above, has great promise of accomplishing the purposes of this Act, such recommendation to be accompanied by a report on the size, location, and cost of the proposed plant and the engineering and economic details with respect thereto;

"(d) study methods for the recovery and marketing of commercially valuable by-products resulting from the conversion of saline water; and

"(e) undertake economic studies and surveys to determine present and prospective costs of producing water for beneficial consumptive purposes in various parts of the United States by the leading saline water processes as compared with other standard methods.

"SEC. 3. In carrying out his functions under section 2 of this Act, the Secretary may—

"(a) acquire the services of chemists, physicists, engineers, and other personnel by contract or otherwise;

"(b) enter into contracts with educational institutions, scientific organizations, and industrial and engineering firms;

"(c) make research and training grants;

"(d) utilize the facilities of Federal scientific laboratories;

"(e) establish and operate necessary facilities and test sites at which to carry on the continuous research, testing, development, and programing necessary to effectuate the purposes of this Act;

"(f) acquire secret processes, technical data, inventions, patent applications, patents, licenses, land and interests in land (including water rights), plants and facilities, and other property or rights by purchase, license, lease, or donation;

"(g) assemble and maintain pertinent and current scientific literature, both domestic and foreign, and issue bibliographical data with respect thereto;

"(h) cause on-site inspections to be made of promising projects, domestic and foreign, and, in the case of projects located in the United States, cooperate and participate in their development in instances in which the purposes of this Act will be served thereby;

"(i) foster and participate in regional, national, and international conferences relating to saline water conversion;

"(j) coordinate, correlate, and publish information with a view to advancing the development of low-cost saline water conversion projects; and

"(k) cooperate with other Federal departments and agencies, with State and local departments, agencies, and instrumentalities, and with interested persons, firms, institutions, and organizations.

"SEC. 4. Research and development activities undertaken by the Secretary shall be coordinated or conducted jointly with the Department of Defense to the end that developments under this Act which are primarily of a civil nature will contribute to the defense of the Nation and that developments which are primarily of a military nature will, to the greatest practicable extent compatible with military and security requirements, be available to advance the purposes of this Act and to strengthen the civil economy of the Nation. The fullest cooperation by and with Atomic Energy Commission, the Department of Health, Education, and Welfare, the Department of State, and other concerned agencies shall also be carried out in the interest of achieving the objectives of this Act.

"SEC. 5. (a) The Secretary may dispose of water and byproducts resulting from his operations under this Act. All moneys received from dispositions under this section shall be paid into the Treasury as miscellaneous receipts.

"(b) Nothing in this Act shall be construed to alter existing law with respect to the ownership and control of water.

"SEC. 6. (a) The Secretary shall make reports to the President and the Congress at the beginning of each regular session of the action taken or instituted by him under the provisions of this Act and of prospective action during the ensuing year.

"(b) The Secretary may issue rules and regulations to effectuate the purposes of this Act.

"SEC. 7. As used in this Act, the term 'saline water' includes sea water, brackish water, and other mineralized or chemically charged water, and the term 'United States' extends to and includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

"SEC. 8. There are authorized to be appropriated such sums, to remain available until expended, as may be necessary, but not more than $50,000,000 in all, (a) to carry out the provisions of this Act during the fiscal years 1963–1967, inclusive; (b) to finance, for not more than two years beyond the end of said period, such grants, contracts, cooperative agreements, and studies as may theretofore have been undertaken pursuant to this Act; and (c) to finance, for not more than three years beyond the end of said period, such activities as are required to correlate, coordinate, and round out the results of studies and research undertaken pursuant to this Act: *Provided*, That funds available in any one year for research and development may, subject to the approval of the Secretary of State to assure that such activities are consistent with the foreign policy objectives of the United States, be expended in cooperation with public or private agencies in foreign countries in the development of processes useful to the program in the United States: *Provided further*, That contracts or agreements made in pursuance of the foregoing proviso shall provide that the results or information developed in connection therewith shall be available, without cost, to the program in the United States herein authorized."

SEC. 2. Section 4 of the joint resolution of September 2, 1958 (72 Stat. 1707; 42 U.S.C. 1958d), is hereby amended by striking out the words "seven" and "seven-year" and by inserting in lieu thereof the words "twelve" and "twelve-year", respectively.

The SPEAKER pro tempore. Is a second demanded?

Mr. SAYLOR. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ROGERS of Texas. Mr. Speaker, I yield such time as he may consume to the gentleman from Colorado [Mr. ASPINALL].

SALINE WATER RESEARCH AND DEVELOPMENT PROGRAM—PROGRESS AND NEED

Mr. ASPINALL. Mr. Speaker, if the economy of the United States is to continue to grow and prosper, there must be adequate supplies of water available for our population, our industry, and our agriculture. In the last decade the diminishing water supplies in this country in relation to the increasing needs have become a matter of national concern. The sources of water upon which we normally rely are gradually being exhausted or contaminated by our exploding population and the rapid expansion of our industry and agriculture. Even now, water is beginning to be a limiting factor in the economic growth in many areas of the Nation. Of course, the first need is to conserve and make better use of our natural sources of water, but our water experts tell us that even after a maximum effort in water conservation and efficient use, we will have to look to new sources of water in the not-too-distant future.

In the United States today, exclusive of Alaska and Hawaii, we are using about 3 billion gallons of water per day, which is 8 times the amount we used in 1900 and about half the amount that is readily available from natural sources by modern techniques. The U.S. Geological Survey has predicted that our demands for fresh water will be more than doubled by 1980, and that consumption will continue to rise rapidly in the years following. With these indicated water demands facing us, it is apparent that there is an urgent need for finding new and additional fresh water sources. It was the recognition of this need a decade ago, although the urgency then was not so apparent as it is today, that brought the Federal Government into the field of saline water conversion.

Mr. Speaker, I have followed the progress of the saline water research and development program since it was approved by the Interior and Insular Affairs Committee and initiated by the Congress in 1952. At that time we approved a $2 million, 5-year program of research with the objective of developing economically feasible processes for converting sea water and other saline water into fresh water of a quality suitable for municipal, industrial, agricultural and other beneficial purposes. At that time we did not really know what the problems would be but we did have a pretty good idea of what the conversion cost would have to be in order for this to be a practical and feasible source of large quantities of water. We have spent the last 9 years finding out how difficult of attainment our objectives were.

After the enactment of the Saline Water Act of 1952, the Office of Saline Water was established in the Department of the Interior to administer the research and development program. From the very beginning the work has been carried on primarily by means of contracts with educational institutions and industry.

After the initial program had been in effect for about 3 years, it became apparent that a 5-year program was not long enough to accomplish the important research that was needed and that the funds authorized to be appropriated were not adequate. Also, there was a need for authority to use existing Government facilities to carry on certain research activities. These needs led to the enactment of amendatory legislation in 1955. The subcommittee of which I was chairman developed the 1955 legislation which extended the period of research for 10 years and increased the amount authorized to be appropriated from $2 million to $10 million. The legislation also provided for use of Federal facilities and for full cooperation with the Federal departments and agencies. The authority under the 1955 act runs through fiscal year 1963. However, the funds authorized to be appropriated have just about been exhausted.

In March of 1957, the committee held hearings to study and review progress under the program and to determine if further legislation was needed. These hearings developed the fact that progress was slow and that the prospect for an early breakthrough with respect to reducing the cost of conversion was not too good. It was the information developed by these hearings that led to the view that large-scale testing on a limited scale was justified in order to determine the range of cost reduction that might be attained through large-scale water production and improvement of known processes.

In 1958 we considered, in my subcommittee, legislation to authorize several demonstration plants for the more promising processes. This legislation was enacted providing for three sea water conversion plants to be located respectively on the east coast, gulf coast, and west coast, with two of the three plants to have a capacity of at least 1 million gallons a day. The legislation provided, in addition, two brackish water plants to be located in the northern Great Plains area and the arid area of the Southwest, with one of the plants designed to produce at least 250,000 gallons per day.

We have made progress under this program. The program has produced useful results and new knowledge has

been developed which has led to new or improved methods of conversion. Over the last 9 years, the cost of converting water has been reduced from around $5 per 1,000 gallons to about $1 per 1,000 gallons for sea water. However, this reduction has been primarily due to improvement in known processes, and further appreciable reductions for these specific processes will be extremely difficult. New processes must be developed if sizable cost reductions are to be attained.

The saline water conversion processes presently under study fall into these groups: First, distillation with the use of fuels; second, solar heat distillation; third, membrane processes; fourth, separation by freezing; and fifth, other chemical, electrical, or physical conversion methods. There are a number of different processes in each of these major groups. The distillation processes are the furtherest advanced today. Of course, distillation processes were being used commercially long before the Federal Government got into this field. Solar distillation seems to be eliminated as a means of large-scale conversion in most areas unless the space problem, that is, the extensive area required for solar units, can be solved. Membrane processes continue to show promise as a future important means of converting saline water, particularly for brackish water and other waters of lower salinity. In the last few years a lot of effort has been concentrated on the freezing process and the data obtained so far indicate that fresh water obtained from freezing processes may be lower in cost than from distillation processes and that the freezing processes have other advantages. There has been a great deal of commercial interest in freezing processes and this is the method used in the new large-scale plant in Israel.

The first of the demonstration plants has been completed in Freeport, Tex. This is a long-tube vertical evaporator, producing about 1 million gallons per day at an estimated cost of between $1 and $1.25 per 1,000 gallons. Two other demonstration plants are expected to be completed this year. One is a 1-million-gallon-per-day multistage flash distillation plant at San Diego, Calif., and the other is a 250,000-gallon-per-day plant which will use the electrodialysis process to desalt the brackish well water of Webster, S. Dak. Construction of the other two plants is expected to be started this year. One is a 1-million-gallon-per-day vapor-compression plant at Roswell, N. Mex., to convert brackish water and the other is a 250,000-gallon-per-day freezing process plant at Wrightsville Beach, N.C., for converting sea water.

I believe that the interest in low-cost desalination that has been stimulated due to Federal activities in this field and the non-Federal effort that is being directed to resolving this problem will be as important in determining how successful we are in attaining our goals as the Federal program itself. The problem is attracting attention of more and more of our major industrial and research organizations and this is truly becoming a nationwide effort.

The growth in demands for fresh water is not alone a U.S. problem; it is an international problem of great proportions. Compared with other countries of the world, our country is one of the water richer countries. For instance, at least 60 of the 100 underdeveloped countries associated with the United Nations face water shortages which in time can only be met from brackish or sea water sources. It is therefore apparent that our success in this field of endeavor goes beyond the shores of this Nation and will contribute greatly to the peaceful progress of mankind.

In summary, Mr. Speaker, a continued ample supply of good quality water is necessary to the welfare of this Nation. It is therefore essential that we make every effort to search for low-cost processes for converting sea and brackish water into fresh water to meet our future needs. Considerable progress has been made to date but we still have a long way to go in attaining truly low-cost desalination. The time for an all-out effort to accomplish this is now, before our water needs really become critical. If we are not successful in achieving low-cost desalination we will have costly desalination because the time is not too far off when we must, of necessity, depend upon sea and brackish water as a source of supply.

Mr. SAYLOR. Mr. Speaker, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. Mr. Speaker, as I understand, the committee has completely rewritten the act which was submitted by the administration. May I ask the chairman of the House Committee on Interior and Insular Affairs this question: Will he tell the Members of the House what his position will be if the House passes this bill and we go to conference with the Senate?

Mr. ASPINALL. I will be glad to answer the gentleman from Pennsylvania. As far as my position is concerned, I intend to keep control of this program in the Congress of the United States. I refer very definitely to the desires of the people downtown to build large demonstration plants.

I am not objecting to the building of large demonstration plants when it is shown that they are scientifically necessary in the interest of applied science, and when there are questions of economics that cannot be answered satisfactorily otherwise. I, for one, as the gentleman from Pennsylvania knows, do not desire to give to the Department of the Interior or any other department the authority to go ahead and build these without coming back and justifying them before our committee and we bring them before the House of Representatives.

Mr. SAYLOR. I am happy to have the gentleman's statement in the RECORD; and for the record I want to say I heartily agree with action of the chairman of our full committee.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ASPINALL. I yield.

Mr. GROSS. As I understand, this provides for the expenditure of $50 million for a period of how many years?

Mr. ASPINALL. Over a period of 5, 7, and 8 years.

Mr. GROSS. And the purpose of the expenditure is the further construction of plants and the operation of plants that exist?

Mr. ASPINALL. I tried to make that plain. The expenditure of these moneys will be for basic science primarily and for certain applied scientific procedures, such as pilot plants—and they will be small plants wherever they are necessary—but there will be no money spent as far as this authorization is concerned on large installations—and that was the question just propounded to me by the gentleman from Pennsylvania—there will be no more money spent for demonstration plants unless the project is brought before our committee, and we bring it before the House of Representatives.

Mr. GROSS. I wonder if the gentleman can answer the question whether we have under construction a commercial operation in the island of Aruba.

Mr. ASPINALL. No, we do not.

Mr. GROSS. Is our work being correlated with their work? They are producing fresh water at the lowest rate anywhere in the world. Is not that correct?

Mr. ASPINALL. I do not know that that is correct. I think the gentleman will find that the plant at Freeport is one of the better plants. That is a demonstration plant. But we are correlating our activities with those of private individuals and with other operations wherever possible.

Mr. GROSS. If the gentleman will yield further, the report I have is that they are producing a great quantity of fresh water on the island of Aruba at $1.75 a thousand gallons.

Mr. ASPINALL. The gentleman is correct as to processing water in Aruba, but the city of Freeport, Tex., where we have a pilot plant, is getting potable water from the plant at $1.25 per thousand gallons. The reason for the larger production on Aruba is that they have need of water down there, they have no other water supply so at $1.75 a thousand gallons it is cheap for them, but it would not be cheap for most places in the United States.

Mr. GROSS. If the gentleman will yield further, there is some financial arrangement, I take it, between the Federal Government in the operation of the plant at Freeport, Tex., and the municipality that is taking the water.

Mr. ASPINALL. The gentleman is correct.

Mr. GROSS. Do they pay the full cost of the water?

Mr. ASPINALL. They are paying a part of the cost of this water. They are using it and they are taking the most of the water produced. They are not paying $1.25 per thousand gallons because it is not worth that much to them. We are not asking them to pay for the cost of scientific research and development, but they are paying about what other water is costing them. We do not in this program engage in commercial water

production. We do not do that in any part of the United States with this program.

Mr. GROSS. Is it true that the brackish water plants are also selling water?

Mr. ASPINALL. No, that is not true. It will be true when those plants are built. The brackish water plant in Webster, S. Dak., has just been started. It will not be in operation for some time; and the plant in Roswell, N. Mex., has been authorized but has not yet been started.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. ASPINALL. I yield.

Mr. HOLIFIELD. I want to say I think this project to develop fresh water out of saline and brackish water is one of the most important projects we have in the United States today.

If we solve this problem we can bring a blessing to the arid parts of the world. I am not thinking only of States like California, Texas, Arizona, and Nevada; I am talking about all arid areas that are lacking in fresh water. I am heartily in support of this program.

I want to ask the gentleman this question: There will be a great deal of money spent on research and development, most of it in the basic science, some of which involves research and development, together with the development of machinery and hardware of different kinds.

Is it the intent of the gentleman and his committee that where the moneys are spent for these types of hardware, machinery, and different types of things which will be developed under this program, this will be made available to the people of the United States without placing upon them patent royalties and things like that?

Mr. ASPINALL. As far as the particular bill is concerned now under consideration, that was not taken up, but the gentleman from California knows how I feel about that. I am wholeheartedly in support of that program. We have protected the public wherever public money is spent, and it will be our purpose to do so here.

Mr. HOLIFIELD. I hope the gentleman will follow along that philosophy, because under the traditional patent rights of the people of the United States, he who has research and development is entitled to the patent involved. In this instance if the Government of the United States pays for it the people of the United States should have it without regard to having to pay patent royalties to individuals who may be fortunate enough to get a Government contract.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from California.

Mr. ROOSEVELT. Mr. Speaker, I want to join my colleague from California [Mr. HOLIFIELD] in his congratulations of the committee on this bill. I have just two questions. This is of great importance to the district that I represent in southern California.

My first question would be to ask the gentleman whether he is satisfied that developments in other arid countries, and I have in mind the developments going on in Israel in this field, are being watched carefully and taken advantage of by our Government in keeping itself informed.

Mr. ASPINALL. Yes, we do. We had the representative of Fairbanks-Whitney before our committee, the ones that are building that plant over there. We are advised that the people downtown are keeping in constant touch with those operations.

Mr. ROOSEVELT. The second question I would like to ask is whether or not the gentleman would feel that the results of present work would entitle the general public to feel that in the next decade or within the next 10 years there is any real possibility that water usable for commercial purposes can be produced at a cost which would make it possible to use it in commercial undertakings?

Mr. ASPINALL. People are willing to pay for water what they have to pay. There are places in the world today, and in the United States, as my friend knows, for instance in Coalinga, Calif., where water would be cheap at the price we are processing water down at Freeport. It is my feeling that we will, by fabrication and hardware alone, be able to reduce the cost of water to someplace below the 80 cents or 90 cents cost per thousand gallons. As far as a breakthrough, beyond the solar process, the distillation process, the freezing process and the ionic process, more money has to be spent. That is the reason why this committee has directed in its investigation that the money be spent for research.

Mr. ROOSEVELT. I thank the gentleman.

Mr. BERRY. Mr. Speaker, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from South Dakota.

Mr. BERRY. Mr. Speaker, I want to commend Chairman ASPINALL and the committee for their careful work in connection with this program.

I should like to comment briefly on this bill which extends the saline water program in the United States. There are very few research programs that have the potential value this program has and which is being accomplished with relatively little cost to the American taxpayer.

The purpose, as you know, is to produce fresh, usable water from either brackish or salt or sea water, and to be able to accomplish this at a reasonable price. Great progress has been made in the past few years. The cost of converting a thousand gallons of sea water to fresh water has been reduced from over $4 to about $1. If this were strictly for domestic use, $1 per thousand might not be too bad, but you also know there is no market for irrigation water at $326 per acre-foot.

Congress passed the Saline Water Act back in 1952 for the purpose of providing research and developing a practical method of producing fresh water from saline and/or salt water. The act of 1952 authorized $2 million for a 5-year program. In 1955 the act was amended by increasing the authorization to $10 million and extending the life of the program through fiscal 1963. From fiscal 1953 to fiscal 1962 inclusive, Congress has appropriated a total of $9,297,960, which amounts to an average annual appropriation of less than $1 million.

In other experimental fields—in the space program, for instance, we are talking about spending not millions, but billions, of dollars and are now appropriating billions of dollars annually. We are talking about spending some $20 billion to place a man on the moon, and yet, I wonder what good it will be to have a man on the moon if his family and relatives back on earth have no water to drink.

In 1958 Congress provided an authorization to construct five saline water demonstration plants throughout the Nation. One of these—the electrodialysis process plant—has been located in my home State of South Dakota at Webster; the long-tube vertical multiple-effect distillation process was located at Freeport, Tex.; the multistage flash distillation plant is located at San Diego, Calif.; the forced circulation vapor compression process is located at Roswell, N. Mex.; and the freezing process plant is located at Wrightsville Beach, N.C.

These various processes range from simple freezing to distilling the water and removing the steam, so to speak, to the electrodialysis plant at Webster where saline water or brackish water is demineralized by being carried between plates or permeable membranes electrically charged, which attracts the mineral to the membrane plate permitting the fresh water to pass through between the plates.

Mr. Speaker, the four plants which are established to produce fresh water from sea water will be able to accomplish their purpose at a cost of probably $1 to $1.25 per thousand gallons. The plant at Webster, S. Dak., will be producing water at a much lower cost because of the fact that there is less salinity in the water to be demineralized.

Strides have been made in the past 9 years in this most important of all research and development programs. I trust this bill will be passed today to carry on this very important work.

Mr. SAYLOR. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, I rise in support of H.R. 7916, as it was approved by the Interior and Insular Affairs Committee.

I have followed the saline water research program closely since it was first initiated by the Congress in 1952. Although there has been some progress I have been disappointed that the cost of conversion has not been reduced to the goals we set in 1952. Even with the expanded program and authority provided by the Congress in 1955 we still have a long way to go. One thing our 9 years of research has shown is how difficult of attainment our goals are. I believe that this important research program must be continued and the big increase in funds provided for in this legislation should greatly enhance our chances of success in accomplishing low-cost desalination.

This legislation gives the administration everything asked for in the way of

research and development but requires that large-scale demonstration plants, as well as financial assistance and grants in connection with the construction of such plants, be individually approved by the Congress upon justification and report thereon. This procedure will permit continuing congressional review and surveillance of the program. I believe this procedure is desirable. We want to be sure that this is not turned in a federally subsidized water program.

Mr. Speaker, I feel, as I believe most people do who have really studied this matter, that our immediate need is for an all-out research effort. We must develop new processes. We cannot have truly low-cost desalination by improvement of known processes. There is no question but that at some time in the future many areas of the United States will have to depend upon converted saline water as a source of supply regardless of the cost. Our efforts now should be to reduce the conversion cost before our water situation really becomes critical.

I have been interested in the treatment of water which is contaminated by mining operations and it seemed to me that this problem should be studied along with the problems of converting sea water and brackish water. I introduced legislation to so provide and the provisions of that legislation are incorporated in H.R. 7916. I want to point out to my colleagues that, as defined in this legislation, the term "saline water" includes mineralized or chemically charged water, which includes the water contaminated from mining operations. I have been assured that this problem will be studied in connection with the program.

Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland [Mr. MATHIAS].

Mr. MATHIAS. Mr. Speaker, I rise in support of this legislation.

Although those of us in the East may not now feel the same degree of pressure of need for water as some other parts of the country do, we may in the near future. I believe that this is the sort of forward-looking legislation that the entire country may be thankful for too, in time. Perhaps, even the greater metropolitan area of Washington may someday have to be supplied with water provided by means available as a result of legislation of this sort.

Mr. Speaker, I heartily endorse this legislation.

Mr. SAYLOR. Mr. Speaker, I have no further requests for time.

Mr. ROGERS of Texas. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, as our distinguished chairman has pointed out, I think this legislation is certainly not in the controversial area. I do think it important to point out to the Members of the House several items as to what it does and what is intended by it before we vote on it. I want the House to be fully cognizant of what this legislation is intended to do.

Mr. Speaker, the recommendation that came to the Congress suggested legislation containing five titles. We worked long and exhaustive hours on the measure and finally reduced it to one title. We cut out the last four titles and reduced it to one title. We, in effect, extended the Saline Water Act of 1952, and put in substitute language.

Mr. Speaker, what we actually were seeking to do was to get a true research and development program worked out in the saline water area. We felt that until we do make a breakthrough in this particular undertaking it would be useless to spend money undertaking to subsidize municipalities or private corporations or individuals, as far as that is concerned. What we ended up with was a research and development program for basic research and applied research.

Mr. Speaker, the bill that originally came up for consideration contained a proviso with respect to the expansion of demonstration plants. It was an open-ended bill. We closed up the open ends insofar as appropriations were concerned on these measures and limited the possible expenditure to $50 million over a period of 5 years. I think it is especially important for us to know that there is no back-door spending in this bill. The authorization for the $50 million was arrived at by virtue of recommendations made by the Office of Saline Water in the Department of the Interior as to the amount of money that we needed to move forward in a number of facets of a program pending at the present time. I think there are about 18 different facets in which they can move forward very quickly.

Mr. Speaker, as was pointed out by those who discussed the matter with the gentleman from Colorado [Mr. ASPINALL], when he was speaking, there is nothing in my opinion more important at the present time than the solution to the problem of separating salt from water in order to have fresh water for people all over the world. We feel that until we do make a breakthrough in working out this problem, that this situation of simply making funds available for different groups to use is useless and ought not to be done. We ought not to make a giant subsidy program out of this. This bill was designed to prevent just that thing. We have provided for annual reports to be made to the Congress by the Secretary of the Department of the Interior so that we will know exactly what is happening to the money, how the program is being conducted, and what is being done.

With regard to the demonstration plants we simply provide that if the Department of the Interior wanted to build demonstration plants that they make their recommendations, and come back to the Congress and justify the erection of that demonstration plant. Then the Congress would tell them whether or not they could build the plant.

I feel that by following the method that we arrived at in the subcommittee and concluded in the full committee we can move forward with this program and that in a few years we may see a successful solution to the problem.

In 1958 we set up a demonstration plant program for 5 years and it quickly became evident that we were not going to be able to get the full benefit of that program if we continued to limit it to the 5 years, because of the leadtime needed in building these demonstration plants. All of them have been worked out at the present time although they have not been completed. It will be, I think, late in 1963 before they finish the final one. So, as we move along, we felt that adding 2 more years to the program would be to the benefit of the overall program and at the same time in the long run we would get the full benefit of what we started out to do.

Mr. Speaker, the distinguished chairman of the Interior and Insular Affairs Committee has given a brief history of the present saline water research and development program and the necessity for continuing it. I shall discuss the legislation which the committee approved and brings to the floor today. The purpose of this legislation is to expand and extend the saline water research and development program presently being conducted by the Secretary of the Interior. Section 1 of H.R. 7916 amends the Saline Water Act of 1952, as amended, by setting out substitute language. The new language is substantially the same as existing law except in connection with the authorization of appropriations, the life of the program, and the inclusion of a provision covering demonstration plant proposals. Section 2 amends the demonstration plant act of 1958 by extending its life. Those of us on the committee who have studied this matter believe that the enactment of H.R. 7916 will provide the Department of the Interior with the authorization needed to assure the most vigorous and effective research and development program possible in this field. We believe this legislation will greatly enhance the attainment of low-cost desalination.

There is naturally a great deal of interest in this important program, and a number of bills were introduced. The committee considered 10 bills of various forms on this subject, in addition to the administration's legislative proposal. The legislation which we bring before you today has been given extensive study and consideration. In addition to hearing the Department of the Interior and the Office of Saline Water, testimony was received from scientists, representatives of industry, States, cities, and public agencies. Five days were devoted by the committee to hearings and 2 days to executive consideration and markup of the bill.

After reviewing the progress that has been made, thoroughly studying the problems involved and listening to the testimony, the committee is convinced that what is urgently needed at this time to make real progress on low-cost desalination is a program of broad basic research to supply the ideas and basic data for new developments which are necessary if we are to achieve our goal. Next in importance is a program of applied research for translating the ideas, basic data, and the results of laboratory experiments into working units or pilot plants. H.R. 7916 provides these two immediate program needs.

Fifty million dollars is authorized to be appropriated during fiscal years 1963 through 1967 for basic and applied research, with expenditures for each expected to be about equal. We believe that this amount will provide the Department the means for an all-out attack on the problem of accomplishing low-cost desalination. While the expenditure of dollars does not necessarily guarantee success, the amounts provided here, if spent wisely, should certainly greatly enhance the possibility of success. The Department of the Interior and the Office of Saline Water testified that expenditures totaling $50 million can be effectively and efficiently used during the 5-year period. The Department of the Interior furnished the committee a projected 5-year program calling for extensive fundamental research in at least 15 problem areas. The Department believes that sufficient top-flight scientists can be made available to sustain the fundamental research effort contemplated under this legislation. This legislation carries with it instructions to the Department to take full advantage of existing Federal laboratories and available Government scientists under other Federal agencies in attacking this problem. We understand an effort is being made to work out an arrangement whereby the talents and efforts of a group of AEC scientists can be brought to bear on this problem.

In the field of applied research there is a backlog of development work due to present fund limitations which can be undertaken immediately. The Department listed 18 projects which they believe justify pilot plant construction or additional applied research. Another need which has been obvious for several years but for which no funds have been available is a central laboratory and test site. Under this legislation the Department can go forward with its plans for such an installation.

In addition to an expanded research program, the administration requested authority to enlarge the demonstration plant program, enter into contracts involving financial assistance and grants to public agencies and utility organizations, and assist other departments in the construction of plants. As the research and development work goes forward under the expanded program provided by this legislation there will, of course, be a need for demonstration plants, cooperative arrangements, financial assistance, and so forth. However, the committee took the position that proposals such as these, requiring sizable expenditures of funds, should be authorized individually by the Congress upon a determination of justification by the Secretary of the Interior and a report to the Congress. It seemed to us that this procedure would provide Congress the opportunity for continued surveillance of this program. This procedure seemed especially appropriate since the Department is not in position at this time to justify definite proposals of this nature. The committee wants to be sure that proposals along this line are fully justified on the basis of serving to advance the science and technology in the field of saline water conversion and contributing to low-cost desalination so that this does not become a federally subsidized water supply program.

One other need which the legislation provides is a 5-year extension in the operating time for the presently authorized demonstration plants. This additional time is necessary in order to obtain the needed information and data from the operation of these plants. Under the 1958 act, the time expires in September 1965. Only one of these plants is in operation now and it will probably be 2 years or more before all five plants are in operation. At least 5 years operating experience is necessary in order to obtain dependable data on such questions as reliability of equipment, operating costs, maintenance costs, corrosion rates, and so forth.

In summary, Mr. Speaker, the Committee on Interior and Insular Affairs brings to the floor today legislation which we believe will meet the critical need for a vigorous and effective research and development program in an all-out effort to attain low-cost desalination. We ask for approval of H.R. 7916 by the House and for its enactment in order that there will be no delay in this important program.

Mr. DADDARIO. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Texas. I yield.

Mr. DADDARIO. Mr. Speaker, I rise in support of this legislation and of the purposes set out not only in the gentleman's remarks and remarks of other members of the committee, but as also included in the report. I do have a question. On page 5 of your report you refer to construction contracts for two plants. The second is to a 250,000-gallon-per-day plant which will use the electrodialysis process.

I would like to know, what is the intention of the committee with regard to the situation in which we find ourselves in this particular contract where we have in competition a small American corporation from Massachusetts, Ionics, Inc., which competed with Asahi Chemical Industries of Japan, a very large company, for the Webster, S. Dak., contract. Ionics had dealt earlier with the Government in previous contracts involving saline water, and, as a result, found itself in a very unusual position.

The SPEAKER pro tempore. The time of the gentleman from Texas [Mr. ROGERS] has expired.

Mr. SAYLOR. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. DADDARIO. Mr. Speaker, involved in this whole program, because they had participated in an earlier contract, were Ionic's patents and inventions and know-how which were made available to the foreign company, Asahi Chemical Industries of Japan when it received the Webster contract. So, is it the intention of the committee that we will place American companies, small companies even, in competition with foreign companies of large size and make available to those companies the patents and inventions which American companies have in the first instance built with their own research funds and then have those patents and inventions used by foreign companies competing for U.S. Government contracts with the U.S. companies which originally conceive the inventions?

Mr. ROGERS of Texas. Let me say this to the gentleman. I think it is necessary that there must be some flexibility so far as the Secretary of the Interior is concerned in working on a research and development program such as this. But certainly I personally—and I cannot speak for the committee—would not subscribe to the proposition outlined by the gentleman with regard to the letting of that contract.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. ROGERS of Texas. I yield.

Mr. ASPINALL. The committee, the chairman of the committee, the staff of the committee, paid very close attention to this particular matter when we were advised that the great amount of the materials, I think 90 percent of all the materials, was going to be furnished by firms in the United States and there was no favoritism shown to the contractee as such. We just did not have any more to do with it.

Mr. DADDARIO. I appreciate that and I call this to the attention of the House so that we may understand how this program may work in the future, so that this may be watched very closely; because as a result of this particular contract Ionics, Inc., has not only had this problem, but it has had to fight in the Japanese courts against the infringement of these particular patents and inventions. I do think this is an important problem to look into and one which greatly affects the United States and its free enterprise system.

Mr. SAYLOR. Mr. Speaker, I yield such time as he may desire to the gentleman from South Dakota [Mr. REIFEL].

Mr. REIFEL. Mr. Speaker, I want to compliment the gentleman from Texas [Mr. ROGERS], the gentleman from Pennsylvania [Mr. SAYLOR], and the distinguished chairman of the House Committee on Interior and Insular Affairs and his committee for their effective work in analyzing the various proposals for continuing saline water research, the progress made to date and the direction such research should take in the future.

The program laid before us today properly extends the life of the five Government plants demonstrating various processes for utilizing for beneficial consumptive purposes salt or brackish waters.

We in South Dakota are proud that one of these plants, demonstrating an electrodialysis method of converting brackish water, has been located in our State and is now under construction. We are proud, too, that a South Dakotan, Senator FRANCIS CASE, has been one of the forefathers of this program and one of those principally responsible for focusing on this program the attention of the Congress and the country and for bringing about the great progress that has been made to date.

My interest in this program arises out of Senator CASE's great leadership and the fact that my district has one of the

greatest brackish water problems in the country. Early in this session, Senator CASE and I introduced companion bills to expand the saline water research program. The compromise legislation before us carries out many of the objectives we had in mind.

Unlike so many of the domestic programs constantly being presented to us for the benefit of this group or that group, here is a program of critical importance to the entire Nation and the world. Investment in this program already has shown that the dividends in assuring water supplies for future generations far outweigh the costs.

I am happy that the committee has placed greatest emphasis on continuing basic research but also has recognized the desirability of encouraging applied research where it is feasible and beneficial to the program as a whole.

It is proper, too, that foreign nations may share in this research when such research overseas would be of value to the program at home and in keeping with our foreign policy objectives. Discovery of truly effective, low-cost methods of converting saline water to fresh will give us a formidable weapon for use in the cold war, particularly in relation to the parched nations of the Middle East, as well as an important instrument for uplifting these nations and alleviating human suffering.

Mr. SAYLOR. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Speaker, I rise in support of this bill. Certainly water is our foremost natural resource in the Nation. It should be. It is most important that we be able to get water not only to our populated areas but to other places where there is a lack of water. The forward thinking that is going on in this important field might eventually be responsible for the relief of starvation in other nations of the world where water is a primary asset much needed for the soil. We can do nothing better than to help take this forward step in this progress.

Mr. SAYLOR. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. GUBSER].

Mr. GUBSER. Mr. Speaker, my congressional district encompasses a good part of the Pacific coastline. It is also a heavy-producing agricultural district with a tremendous investment in orchards and other high-cost crops. This district is a tremendous water shortage area at the present time, and the shortage of water has become a crisis in my congressional district. So we are very grateful to the Committee on Interior and Insular Affairs for bringing this legislation forward. I hope that the information gathered from this program will be of future use to our district.

Mr. SAYLOR. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. HOSMER].

Mr. HOSMER. Mr. Speaker, I rise in support of this legislation and also to congratulate the gentleman from Colorado [Mr. ASPINALL], the gentleman from Pennsylvania [Mr. SAYLOR], and the gentleman from Texas [Mr. ROGERS] for their excellent leadership in this field.

I also should like to ask for the purpose of clearing the record a question of the chairman of the Committee on Interior and Insular Affairs. The question is, Would there be any consideration given in locating key plants that might be authorized by this bill so that there would be an argument made for the Government installation of either power interties between regions or power transmission lines from Government power projects such as the upper Colorado project?

Mr. ASPINALL. I do not know exactly that we got into this particular problem as such. There is language in the new act that provides for correlation between the different agencies of the Government. But as far as the processing of water is concerned, I have difficulty following the question of the gentleman.

Mr. HOSMER. Since the processing of water does require power, I did not see any indication of an attempt to locate these plants at any particular place so as to provide an argument for Government transmission lines or interties. I wanted to make the record clear on this floor that there is no such intention.

Mr. ASPINALL. This is the first time that this matter has been brought to my attention. One of the reasons why the committee has taken the procedure that it has to bring these authorizations for demonstration plants back to Congress is to keep out all such matters as this, if they happen to be in the program.

Mr. SAYLOR. Mr. Speaker, I yield such time as he may desire to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Speaker, I rise in complete support of H.R. 7916 which the Committee on Interior and Insular Affairs has wisely included in its agenda this year for approval by the House. I have cosponsored legislation both during the last Congress and again this year, to expand our research and development program in the field of saline water conversion.

I have an interest not only in the overall program, the challenge it holds from an international and national standpoint, but I have a vital local interest because one of my communities has a real need for an additional source of water supply. I refer to Key West, Fla., the southernmost tip of the United States which is separated from the mainland by a distance of 160 miles. Key West houses one of the largest naval installations in the country. For the 23,000 Navy personnel population, the 32,000 permanent civilian population, and the 200,000 annual tourist population, there is one source of water supply—a pipeline which begins on the mainland and stretches down through the Keys over both land and water, to Key West, a distance of over 100 miles.

There is little argument as to the need for this legislation. Hurricane Donna, of the fall of 1960, also proved beyond question that the vital U.S. naval establishment and this area should have an additional source of water supply.

During this storm, the one pipeline in existence was broken at several points. There is very limited storage down in Key West both for civilian and military personnel, so water rationing was imposed and antiepidemic shots administered to all. It took weeks for the Navy to complete the necessary repairs to the pipeline. During this entire period, the lack of water was a major contributing factor to the sustained havoc wrought in the Keys area and the difficulty in restoring order and normalcy to the life of the community.

Key West is a very short plane ride from Communist-controlled Cuba. From a defense standpoint, the Key West Naval Base is in a very strategic position and in the event of any outbreak of hostility, could well be a prime target for offense by enemy forces or a prime area of defense by our own naval force. In such an event, the large Navy installation at Key West could be seriously crippled without an adequate supply of water.

Realizing all of this, every conceivable effort was initiated by me over the past 3 years to make Key West eligible for selection as one of the sites for a saline water conversion plant. The Governor and the cabinet of Florida set aside funds and joined into a cooperative agreement with the Federal Government; the Florida Keys Aqueduct Commission agreed to provide the land and a site and city and county commissioners cooperated enthusiastically. But we were counted out on the point system—we were counted out because we had three-tenth of 1 percent too little out of a total of 1,896 points of one kind or another that were used.

All of these facts, therefore, have generated my longstanding interest in the expansion of our research and development program in the field of saline water conversion. Key West still wants and needs a conversion plant, and we have the confidence that, under an extension of the present program as contemplated in the committee's bill now under consideration, it will well qualify for selection.

I commend Committee Chairman ASPINALL and Subcommittee Chairman WALTER ROGERS for the painstaking effort they devoted to a complete review of what has been accomplished thus far, as well as their thoughtful analysis of where we must concentrate our efforts at this time.

The committee bill is soundly drawn, and I am proud to cosponsor and support it. I am confident that, with the expanded research and process development program called for in the bill, we will soon have the opportunity to review for approval, soundly planned and fully justified demonstration plants in areas of need around the Nation.

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks in the RECORD on the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SAYLOR. Mr. Speaker, I yield such time as he may require to the gentleman from Utah [Mr. KING].

Mr. KING of Utah. Mr. Speaker, I rise in enthusiastic support of this bill for the extension of our desalination of water program. I have had in my own mind some question as to whether or not this program might present the problem of competition between the Government and private industry. This is a problem that concerned me, but after looking into it in great detail, I satisfied myself that that question was not presented here in any way. There is no possibility of a conflict between the Federal Government and private industry. On the contrary, the Federal Government under this bill continues its program of basic research, and the benefits of that research are turned over to private industry, as has been the pattern in so many other areas of scientific activity. It is not the intention in this program in any way to get the Government into the business of desalinizing water. I feel the program is completely sound and that it should have our support.

The SPEAKER pro tempore. The question is: Will the House suspend the rules and pass the bill H.R. 7916 as amended?

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

PARLIAMENTARY INQUIRY

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. GROSS. Does the Speaker have any information as to how much later the House is going to continue to conduct business?

The SPEAKER pro tempore. That is not a parliamentary inquiry.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] A quorum is not present.

Mr. KILDAY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 161]

Alford	Chiperfield	Hoffman, Mich.
Alger	Curtis, Mo.	Jennings
Andersen, Minn.	Davis, Tenn.	Karth
	Dominick	Kee
Auchincloss	Donohue	Kelly
Baker	Fallon	Kilburn
Bass, Tenn.	Fino	Kirwan
Bell	Ford	Kitchin
Blatnik	Garmatz	Kluczynski
Boland	Glenn	Landrum
Brooks, La.	Granahan	Lesinski
Buckley	Griffin	McMillan
Burke, Ky.	Harrison, Va.	MacGregor
Celler	Harsha	Machrowicz
Chamberlain	Hébert	Mason
Milliken	Reece	Thompson, Tex.
Morrison	Shipley	Tollefson
O'Neill	Sibal	Vinson
Osmers	Sisk	Westland
Philbin	Slack	Whalley
Pilcher	Spence	Whitten
Powell	Steed	Widnall
Quie	Thompson, La.	Wilson, Calif.
Rabaut	Thompson, N.J.	Winstead

The SPEAKER pro tempore (Mr. ALBERT). On this rollcall 366 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AUTHORIZING THE SPEAKER TO ENTERTAIN MOTIONS TO SUSPEND THE RULES ON AUGUST 22

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it be in order at any time on Tuesday, August 22, 1961, for the Speaker to entertain motions to suspend the rules.

In making this unanimous-consent request I might say that Nos. 17 and 19 on today's program will not be subject to that unanimous-consent request.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

Mr. HALLECK. Mr. Speaker, reserving the right to object, this matter was discussed with me as we have gone along this afternoon. It had been hoped that many of these bills that are not controversial could have been disposed of today. I have consulted with the members of the committees involved in the various bills that remain on the list with the two exceptions, which the gentleman has just mentioned. As far as our people on the committees are concerned, while there may be individual opposition to some of these measures, there is no objection so far as our committee people are concerned to considering the bills under suspension tomorrow. So I do hope that this arrangement which simply will convenience a great many people as far as this evening is concerned and avoid the necessity of going on until much later tonight to consider these measures will meet with no objection. After all, as I say, the House could be kept in session tonight and these matters could all be disposed of since under the rules of the House suspensions are in order at the discretion of the Speaker. All of these bills have been put on this list. I knew about some of them, but it did not involve any agreement on my part.

As far as considering them tomorrow is concerned, that does indicate that there should be a consultation between the majority and minority sides, which consultation has been had.

So, as I say, I sincerely hope that this unanimous-consent request will be adopted. I am sure every one of us here realizes that some of these matters must be disposed of before we can adjourn. On tomorrow there is a conference report and there are two or three bills from the Committee on Ways and Means that I understand can be disposed of very quickly. I do not know how much there will be for the rest of the week. But it did seem to me that these matters could be taken care of tomorrow.

So, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object, it was my understanding when the Committee on Rules was expanded that legislation would come to this session of Congress in the normal course under a rule with the opportunity given to individual Members to amend such legislation and to deal with it in the normal procedure. Now we find 25 bills listed under suspension. No Member can offer an amendment. The bills must be voted up or down. Mr. Speaker, I do not like the procedure, and I object.

The SPEAKER pro tempore. Objection is heard.

Mr. McCORMACK. Mr. Speaker, I move to suspend the rules and agree to House Resolution 422.

The Clerk read the resolution, as follows:

Resolved, That it shall be in order for the Speaker at any time on Tuesday, August 22, 1961, to entertain motions to suspend the rules.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and agree to the resolution?

Is a second demanded?

Mr. GROSS. Mr. Speaker, I make the point of order that the resolution does not conform to the rules. It has not laid over, it has not been brought to the attention of the House, it is not in order.

The SPEAKER pro tempore. There is no rule of the House that requires that these motions lie over.

Mr. HALLECK. Mr. Speaker, I demand a second.

Mr. GROSS. Mr. Speaker, I am opposed to the motion, and I demand a second.

The SPEAKER pro tempore. Is the gentleman from Indiana opposed to the motion?

Mr. HALLECK. No, Mr. Speaker, I am for the motion.

The SPEAKER pro tempore. The gentleman from Iowa demands a second.

Without objection, a second will be considered as ordered.

There was no objection.

Mr. McCORMACK. Mr. Speaker, the purpose of the resolution, of course, is to enable the remaining bills on the program to be completed tomorrow under suspension of the rules. This is with the exception of the bills programed as Nos. 17 and 19. I want the Members of the House to understand that.

Mr. HALLECK. I am glad the gentleman has made reference to the two bills, to which there was much opposition on our side. They are not to be included in the list of bills on which the Speaker tomorrow would entertain motions to suspend the rules, although they were included in the list that was published in the whip notice and in the CONGRESSIONAL RECORD.

Mr. McCORMACK. That is correct.

Mr. HALLECK. It might be worthy of notice also that under the general rules of the House the next suspension day would be Labor Day, September 4.

Mr. McCORMACK. Exactly. The chances are that between now and then arrangements will be made so that, recognizing that that is Labor Day and keeping in mind the exigencies of the Members, an attempt will be made for a later suspension day.

Mr. HALLECK. I certainly hoped we might at least hope to adjourn sine die before Labor Day. I do not know whether or not that is a forlorn hope, but, if we can move in that direction, I think I can probably say to the gentleman from Massachusetts that on our side we would cooperate in that effort. Later, if there are matters that would have to be handled under suspension of the rules, we would try on this occasion as we have in the past to work out arrangements that would be generally satisfactory on both sides.

Mr. McCORMACK. You notice I applauded the remark made by the distinguished minority leader. In all frankness, again, I had better make a statement that I wish I did not have to make. My best information is that the mutual assistance appropriation bill will not be available before September 5. So I simply make that observation. Every Member can make his own appraisal based on that statement alone. I hope we will be able to get through by the middle of September at the latest.

Mr. FOGARTY. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. Can the gentleman give us any information as to why the bill H.R. 8028, the Juvenile Delinquency and Youth Offenses Control Act of 1961, is not on the list for consideration tomorrow? I was under the impression that there had been only one vote in the committee against this bill. It was reported out of the subcommittee by a unanimous vote, with only one vote against it in the committee.

Mr. McCORMACK. We are faced with the fact that in order to get through today we would probably run pretty well toward midnight. The minority leader has been very considerate, I want that understood, in presenting the difficulty from his angle. He has his problems as I have my problems at times. As a result of a discussion between the gentleman from Indiana and myself, the Speaker concurring, in view of the situation, and particularly with the concurrence of my friend from Indiana in the fact that we were getting suspensions tomorrow, which would be helpful in the consideration of the remaining bills on the list and welcome to the Members interested, it was decided to delete the bills listed as No. 17 and No. 19.

Personally, I would like to have them scheduled. But, my suggestion is that the gentleman apply for a rule from the Committee on Rules for those bills, or wait for the next suspension day.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I am glad to yield to my colleague.

Mr. HALLECK. Certainly, in the action in which I am participating at this time, I am not undertaking to say anything as to my own personal views about any of these matters. The whole matter has come up rather quickly, and I have done the best I could to find out from people on the committee, and I am informed, I might say to the gentleman from Rhode Island, that on the particular bill he mentioned, there was no rollcall vote in the committee.

Now, as to what will happen to it ultimately, I do not know, but I am quite sure that the way things look, there is no reason why it cannot be considered in due time.

Mr. McCORMACK. Mr. Speaker, I repeat that our colleague, the gentleman from Indiana, the distinguished minority leader, has been most cooperative in connection with the situation which exists, and while I strongly support the legislation to which my friend Mr. FOGARTY refers, my suggestion is that he try to get a rule on it and I will program it as quickly as possible thereafter; or, on the next suspension day with the permission of the Speaker.

Mr. FOGARTY. If there was not any rollcall vote on the bill, could it not be assumed that it was passed by unanimous vote?

Mr. McCORMACK. Well, we are faced with a condition here.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, the gentleman from Rhode Island [Mr. FOGARTY] raised the question that I raised before. The suggestion to him is to go to the Committee on Rules and get a rule. My suggestion is that most of these bills, or practically all of these bills, ought to have gone to the Committee on Rules and been brought to the floor of the House in the ordinary way so that the Members could work their will on these bills. My opposition to the motion now made by the distinguished majority leader is that if you set this precedent of giving the Speaker the authority to call up bills under suspension on nonsuspension days, you have kicked the door open pretty wide to the handling of legislation under suspension, under what amounts to a gag rule.

Mr. Speaker, I am opposed to the proposition offered by the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I want to make just one observation for the record. The gentleman from Iowa did not quote me fully because when I suggested to the gentleman from Rhode Island that he go to the Committee on Rules, I also added—or wait for the next suspension day. Either way these bills are being brought up under the regular rules of the House. We are, therefore, proceeding in accordance with the rules of the House, and I want the record to show that I did not confine myself merely with the gentleman from Rhode Island [Mr. FOGARTY] going to the Committee on Rules, but I also said, "or wait until the next suspension day."

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Kansas.

Mr. AVERY. The procedure that the gentleman is suggesting would not preclude business that was originally scheduled on the whip notice for tomorrow?

Mr. McCORMACK. On tomorrow, there is a conference report scheduled and three unanimous-consent requests. It is up to the Speaker to decide tomorrow what the procedure will be—whether we go on with the suspensions. Of course, the Private Calendar will be called tomorrow. Then the only other bill we have is the fugitive felon bill; of course, that can come later.

Mr. AVERY. I thank the gentleman.

The SPEAKER pro tempore (Mr. ALBERT). The question is on the motion of the gentleman from Massachusetts [Mr. McCORMACK] to suspend the rules and pass the resolution, House Resolution 422.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the resolution was passed.

A motion to reconsider was laid on the table.

OAS ECONOMIC CONFERENCE IN URUGUAY

Mr. JOHANSEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to request of the gentleman from Michigan?

There was no objection.

Mr. JOHANSEN. Mr. Speaker, Treasury Secretary Dillon is back from the Organization of American States economic conference in Uruguay.

He has received a presidential "well done" for his unauthorized and unconstitutional commitment of the United States to the $20 billion "Alliance for Progress" program.

The President, by his fulsome praise of this program and commitment, has himself subscribed to this unconstitutional action.

Incidentally, the President thereby completely undercut the claims made on the floor of this House last week that no such commitment had in fact been made by Mr. Dillon at the OAS economic conference.

In these same words of welcome and commendation of Mr. Dillon, the President also served notice upon the Congress, and on the conferees on the foreign aid bill, that he expects congressional approval of this commitment and that he further expects congressional authorization of "a fully funded program of aid"—his own exact words.

Clearly, then, the Congress has its orders.

It remains to be seen whether Congress will knuckle under to this brazen attempt at Executive usurpation and dictation.

It remains to be seen whether the House conferees on the foreign aid bill will repudiate or fatally compromise the firm stand which the House took last

week, against such Executive usurpation, by its adoption of the Saund amendment.

I respectfully suggest that all other issues—however important they may be—are subordinate to this basic constitutional issue.

Nevertheless, I venture to call attention to some other crucial questions at stake in this matter—even though they are secondary to the President's unprecedented challenge to the constitutional role and responsibility of the Congress with respect to legislation and appropriation.

When, I ask, are we going to face up to the fact that, in the life-and-death struggle against international communism, money is no match for guts?

When are we going to recognize that profligacy is no substitute for sound foreign policy—the kind of policy which insists upon a genuine choosing up sides between friends and true allies, on the one hand, and enemies and opportunist neutrals, on the other hand?

When are we going to acknowledge that mere cash without reciprocal commitments by the recipients—even when the cash is measured in billions of dollars—constitutes a false, futile, and frustrating illusion of genuine mutual security and is, indeed, a dangerous and tragic snare and delusion?

After the Dillon commitment to the $20 billion "Alliance for Progress" program has been made, we learn that President Quadros, of Brazil, had already complained to Khrushchev of inadequate assistance from Western sources and was making a direct bid and play for Soviet economic aid.

After adjournment of the Uruguayan conference, this same Quadros received and decorated Cuba's delegate to the conference, and commended this Communist Guevara for his efforts "in tightening commercial as well as cultural relations" between the nations of the Western Hemisphere.

Furthermore, press reports of this gesture of approval of Castro's agent also disclosed that a Brazilian mission is presently in Havana, negotiating a special trade agreement with Cuba.

What sort of hypocritical, twofaced, treacherous doubledealing are we willing to tolerate—and even sponsor and finance?

Meanwhile, it is reported that anti-Communist, pro-United States elements in Argentina are voicing indignation over the fact that President Frondizi of that country has also received Guevara in a secret conference in Buenos Aires.

Meanwhile, press reports further reveal that hopes of the United States that the economic conference in Uruguay will be followed by a political conference at which collective sanctions would be voted against Cuba, have now been quashed. I suggest to my colleagues that this is an all too obvious OAS answer to the sense of Congress resolution on this matter voted in this House, all but unanimously, last May.

Meanwhile, too, the people of the United States learn that in return for the Dillon multibillion-dollar commitment to the cause of freedom and progress in Latin America, the Uruguayan conference voted down a Peruvian resolution supporting the principle of free and periodic elections.

Meanwhile, as another one of the earlier dividends on our projected massive investment in hemispheric aid, we are privileged to read the boastful comment of the Havana Communist newspaper, "Hoy," as follows:

> The North American thesis of isolating, excluding and attacking Cuba is not accepted in any of the fields where it is tried. This tendency to reject anything that means Cuban exclusion has been emphasized in the telephone message of President Quadros of Brazil, instructing his delegation to oppose any form of action against Cuba.

And, as a final, sorry reflection of the lack of elemental judgment and good sense on the part of our leadership, comes the disclosure that a prospective key figure in the administration of the "Alliance for Progress" funds in Colombia is Lauchlin Currie, a former administrative assistant for foreign affairs under Franklin Roosevelt; an identified supplier of documents to a Soviet spy ring while serving in his high position of trust; and a man who forfeited his naturalized American citizenship by remaining outside the United States for more than 5 years.

How much more folly are we prepared to tolerate—and underwrite with billions?

In a New York Times magazine article of August 6, our chief delegate to the United Nations, Ambassador Adlai Stevenson, urged American support of the "Alliance for Progress" program "with no strings attached."

The bitter, suicidal, catastrophic fruits of this softheaded and insane policy are already amply manifest.

Fortunately these bitter fruits are in evidence in time for Congress to take the radical, corrective steps so desperately needed.

There can be no possible excuse for ignoring or disregarding this shocking evidence—or for failing to take the indicated corrective action.

I am sure that there will be no tolerance or forgiveness by an aroused and outraged American public for those in the Congress who wilfully and knowingly ignore the clear warnings this evidence conveys.

YOUTH EMPLOYMENT OPPORTUNITIES

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. PERKINS. Mr. Speaker, youth unemployment has reached alarming proportions. Today there are almost a million youngsters who have dropped out of school and who have no jobs, no skills to obtain jobs and are lacking in the educational requirements being demanded by employers. During hearings conducted by the General Labor Subcommittee, we heard startling testimony concerning the numbers of out of school and unemployed youths we can expect to have in the labor force in the next few years. The high birth rate following the war will pour, into the labor force in the sixties, 7½ million young people who have left school before graduating from high school.

The critics of H.R. 8354, the Youth Employment Opportunities Act, have chosen an extraordinary excuse for opposing any effort to do anything about this problem. They say they oppose it because of the necessity of concentrating our resources and energies on national defense preparedness. Of course it should be obvious that our efforts in that direction will be far more successful if we can utilize the maximum potential of our young people in filling the skilled and trained position needs of that effort. Idle youth is expensive. It is expensive in terms of relief payments, in terms of the increased welfare program costs, in terms of the costs of dealing with juvenile crime, but most of all in terms of the waste of our most precious human resources.

Fortunately Mr. Speaker, those who are in the best position to judge the value of programs related to our defense preparedness efforts do not share this dim view of the Youth Employment Opportunities Act.

I include the letter of August 17, 1961, from Assistant Secretary of Defense, Stephen S. Jackson to me, presenting the Secretary's views on H.R. 8354 as a part of the RECORD:

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., August 17, 1961.

HON. CARL D. PERKINS,
Chairman, General Subcommittee on Labor, House of Representatives.

DEAR MR. PERKINS: Secretary McNamara has requested me to reply to your letter of August 10 requesting his views concerning the contribution H.R. 8354 would make to conditioning youth for defense preparedness efforts.

The three training programs—on-the-job training, public service training, and Youth Conservation Corps—which are provided by the act would undoubtedly assist in increasing and improving our national manpower resources. They would provide specific training and employment, based on professional counsel and guidance, for unemployed and out-of-school youth. The immediate effects of these programs would be to assist new entries in the labor market in acquiring necessary skills, to reduce unemployment and to prepare participants to make positive contributions to the U.S. economy and society. Further, participation in these programs would, in all probability, lay the groundwork and provide the incentive for many young people to continue their education and training beyond the period covered by the programs themselves. The combined effect of these benefits would be to create a valuable additional resource of trained manpower to meet the requirements of the Armed Forces, defense supporting activities, and the essential civil economy.

It is generally agreed that in a possible future mobilization, shortages of manpower may well be a limiting factor in the successful prosecution of the U.S. effort. Therefore, it would be shortsighted on our part not to develop the potential inherent in the group of youth for which the various programs included in H.R. 8354 are designed.

Sincerely yours,

STEPHEN S. JACKSON,
Deputy Assistant Secretary.

THE SECOND ANNIVERSARY OF HAWAIIAN STATEHOOD

Mr. INOUYE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. INOUYE. Mr. Speaker, on this second anniversary of Hawaiian statehood, I wish to extend my warm appreciation to my fellow Members for the courtesies shown me in the past 2 years. It has been a great honor to sit with you in the House of Representatives.

I would like to report to you at this time the progress Hawaii has made since that memorable day, August 21, 1959, when Hawaii officially became a State.

Statehood has stimulated greater political activity in Hawaii. We now elect our own Governor and Lieutenant Governor instead of having them appointed. The election of these State executives along with two Senators and one Congressman to represent the people of Hawaii in Congress has made the democratic process a meaningful one. We are proud of this right to self-government and shall always cherish these privileges.

The intense interest in State and national affairs can be seen by the active participation by the electorate. The 1960 elections brought 93.1 percent of the registered voters in Hawaii to the polls.

In 1959 the State government was reorganized. Eighty-two territorial departments, boards, and commissions were reduced to 18 departments.

Hawaii served its apprenticeship for statehood as a U.S. territory for nearly 60 years. Yesterday it was a plantation society dependent on the mainland for almost every manufactured item. Today it is an industrial community with a great variety of products that can be stamped "Made in Hawaii."

Year 1960 was the greatest boom year in Hawaii's history. It was even more spectacular if the decline of business activity on the mainland is considered. In 1960 two cement plants were built. These produce all the concrete the islands can use. A huge Standard Oil refinery was set up to produce many low grade petroleum products needed in Hawaii which were formerly imported in finished form. A steel mill which opened in 1950 is today producing steel made from old cars and military scrap.

While Hawaii's phenomenal growth has been outside agricultural fields, the production of sugar and pineapple has not decreased. Hawaii is still the world's largest producer of canned pineapple. Thirty-four million cases were produced in 1959–60.

Sugar production is expected to climb back to normal—to an output of more than a million tons of raw sugar. Hawaii produces a fifth of the total sugar produced in the United States. It remains the greatest producer of cane sugar in the Union.

Hawaii is the only State in the Union that produces coffee. Last year coffee production rose due to higher yields per acre.

Tourism brought into the islands $125 million in 1960 or 22.5 percent more than in 1959. This was in part due to mainlanders visiting their new sister State.

Total personal income rose 10 percent in 1960 to $1.4 billion. Employment reached a record breaking level that year. The unemployment rate averaged 3.2 percent—lower than the mainland average of 5.5 percent.

A good measure of the economic growth in the islands is Hawaii's trade with the mainland and other areas. Exports and imports reached close to a billion dollars in 1960. Tourism and Federal Government expenditures in Hawaii brought in an additional $50 million last year over the 1959 figure. At the same time Hawaii's expenditures, due largely to the construction boom, increased. In 1950–55, $92 million was spent on construction as compared to $270 million in 1960.

Hawaii's public school system, rated among the Nation's top four in educational progress, adopted new pilot programs in mathematics and languages. Over 4,000 elementary school students are studying Chinese Mandarin, Japanese, Hindi—national languages of one-half the world's population. Others are learning French and Spanish.

Almost two-thirds of the high school graduates go on for university and other advance training—a number much higher than the national average.

The Center for Cultural and Technical Interchange between East and West, which was established in the last session of Congress, has shown significant progress. Programs and activities have been outlined and some activity launched. A chancellor—a first-rate academician—has been chosen and a partial staff recruited. Construction has begun on the first new buildings. Almost 100 students from Asia and America are now studying at the University of Hawaii under center scholarships and about 150 more are expected this fall.

Hawaii is moving ahead in all fields of culture. The Honolulu Academy of Arts which has one of the most important collections of Asian art outside of Asia has just completed a new three-story educational wing.

The Bishop Museum, one of Hawaii's oldest educational and research institutions, completed a new exhibition on the physical geography and biology of the Pacific islands. Construction began on a planetarium-observatory. Two field research projects were undertaken: First, an archeological program to Tahiti to determine the ancient relations of Hawaii to Tahiti; second, an entomology program on insect vectors of disease.

The Honolulu Symphony Orchestra has played to audiences totaling 120,000 persons during their 9-month season last year; 65,000 of these were young people attending the music-for-youth series.

Research has always played a key role in the development of the sugar and pineapple industries in Hawaii. These studies have included: efficient use of the land, improvements in agricultural practices, and the uses of byproducts of sugar and pine.

Today, research in Hawaii embraces a wide variety of fields: Tiros meteorological satellite, typhoons, tidal waves, volcanic eruptions, the reactions of sharks and the result of bauxite strippings as well as psychology, sociology, economics and mathematics.

No anniversary of Hawaiian statehood would be complete without bestowing thanks to men like former delegates, the late Joseph R. Farrington and the late Samuel Wilder King who paved the way for its eventual enactment.

I believe on this day Members of Congress will join me in special praise to the last Delegate from Hawaii, John Anthony Burns, who worked selflessly for Hawaiian Statehood and who saw it become a reality.

Finally, a mahalo—thank you—to Mr. George H. Lehleitner, of New Orleans, and to the thousands of men and women who worked tirelessly over the years for Hawaii's cause. Aloha.

NATIONAL DEFENSE EDUCATION ACT

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, in the radio reports you have heard describing another Russian first in the exploration of space, there was little explanation as to how a nation that was backward in 1914, has managed to excel the vaunted industrial and scientific superiority of the United States in opening up the age of space exploration.

The Russians saw the importance of this new frontier, and made the maximum effort necessary to reach it. And chief among these was the encouragement and help they gave to the development of education.

Forty-seven years ago, many people in Russia could neither read nor write. Illiteracy has been eliminated. Almost every large city has a university and several technical institutes. The Bolsheviks concentrated on making the great leap forward no matter what the cost. Higher institutions of learning has increased from 105 to 766, and their students from 127,000 to 2,179,000. The number of research institutes increased from 289 to 3,197 and the number of scientific workers expanded from 10,000 to 284,000.

We in the United States are slowly awakening to the need for placing a greater emphasis on education, and of providing educational opportunities for all young people who have demonstrated the necessary ability.

The broad program of Federal aid to education proposed by President Kennedy has been caught in an unfortunate crossfire of conflicting opinions that threatens to delay action on it until next year.

Meanwhile, we do have a smaller but farsighted program in effect, that deserves to be extended and strengthened.

The National Defense Education Act was enacted in 1958, following the launching of the first Russian sputnik, as an emergency measure to assist and encourage improved education and training in science, mathematics, and modern foreign languages. The 1958 act is due to expire in June 1962, but critical needs still exist. There is a continuing shortage of teachers; additional funds for college student loans are needed; and the importance of scientific and technological advances is increasing as we become more aware of the direct relationship between our national security and educational excellence.

The House Education and Labor Committee has reported out a bill to extend the act and to broaden its scope with expenditures totaling more than $1¾ billion over the next few years.

Under its student loan program, it will encourage talented but needy high school students to enter college by providing funds to colleges on a matching basis for low-interest student loan fund. A student may borrow up to $1,000 a year at 3 percent interest, repayable within 10 years after graduation.

To strengthen instruction in science, mathematics, and modern foreign language in elementary and secondary schools it provides: one, matching grants to States and loans for periods up to 40 years to private, nonprofit schools for equipment and minor remodeling to aid instruction in these subjects; two, grants to States for supervisory services.

Through its graduate fellowship program, it seeks to increase the supply of highly trained college and university teachers, by authorizing the award of 5,000 3-year fellowships each year through 1966. The cost-of-education allowance paid to a school with a new or expanded program will be set at $2,500, in remaining categories, $2,000.

Other provisions of the act will expand the program to improve testing, guidance and counseling in secondary schools; provide grants for research and experimentation in the more effective use of television, radio, motion pictures and related media for educational purposes; and grants to assist the States in training individuals for employment as highly skilled technicians or as skilled workers.

To strengthen modern foreign language instruction at all levels, it will provide grants to teachers that will enable them to obtain advanced training in the country where the language is spoken.

The National Defense Education Act is one step toward the full development of our greatest resource—the abilities and skills of deserving young people for their own fulfillment, and for the security and progress of the free society in which they live.

GASTONIA, N.C., VFW TEENER TEAM

Mr. WHITENER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a table.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WHITENER. Mr. Speaker, an unprecedented athletic record was established last week in Hershey, Pa., in VFW Teener baseball. The Gastonia, N.C., VFW Teener team won the national baseball championship for the second consecutive time. This is an accomplishment which I feel merits the attention of the people of our Nation.

The team was sponsored by VFW Post 9337, of which I am proud to be a member. It was coached by Russ Bergmann, with the assistance of Berry Cauble, two of the outstanding baseball coaches in our country. Coach Bergmann coached the team to the national championship in 1960, as well as this year, and his prowess as a coach is demonstrated by the record of the team in going through two seasons without a defeat.

I salute this baseball team of boys under the age of 16 years for the honor that they have brought to the State of North Carolina and the Nation. They not only are outstanding young athletes but are possessed of the type of character and conduct which reflects great credit upon their families and their State and Nation. As a part of my remarks I desire to incorporate the team roster and identification information which was supplied to me by Commander Fred Deal of the Gastonia VFW post.

Post 9337, VFW, Gastonia, N.C., team roster and identification—Gastonia All-Stars

Player's name	Address	Date of birth	Height	Weight	Bats right or left handed	Throws right or left handed	Position
1. Charles Millsaps	Spencer Mountain Rd., Gastonia.	Oct. 8, 1945	5 feet 9 inches	145	Left	Right	Outfielder.
2. Carl Bruce Bolick	Route 1, Mount Holly, N.C.	June 1, 1946	5 feet 7 inches	145	Right	do	Infielder.
3. Lyle Roddey Edwards II	1020 Temple Ct., Gastonia	Nov. 13, 1945	6 feet	147	do	do	Infielder, pitcher.
4. Paul Dennis Ratchford	79 Main St., McAdenville, N.C.	Dec. 19, 1945	5 feet 5 inches	135	Left	do	Infielder.
5. Ronald Douglas Grigg	803 Walnut St., Gastonia, N.C.	Nov. 29, 1945	5 feet 10 inches	137	do	do	Pitcher.
6. Johnny Maurice Lawing	907 Lay St., Belmont, N.C.	Jan. 18, 1946	6 feet	155	do	Left	Outfielder, pitcher.
7. Fred Dillard McMurry, Jr.	Stanley, N.C.	Nov. 17, 1945	5 feet 7 inches	145	do	Right	Outfielder.
8. Johnny Blair Pate	do	Sept. 12, 1945	5 feet 10 inches	153	Right	do	Pitcher.
9. Walter Ray Pike	do	Feb. 2, 1946	6 feet	176	do	do	Catcher.
10. Charles Floyd Hill	Cramerton, N.C.	Nov. 5, 1945	5 feet 7 inches	125	Left	do	Outfielder.
11. Forest Reid Dover	Bessemer City, N.C.	Nov. 19, 1945	5 feet 9 inches	150	Right	do	Outfielder, pitcher.
12. Candler Hayes Bumgarner	Gastonia, N.C.	Sept. 17, 1945	do	140	do	do	Infielder, pitcher.
13. Ronald Vause	do	Aug. 29, 1945	5 feet 8 inches	135	do	do	Catcher.
14. Samuel Ervin Hill	do	Nov. 25, 1946	5 feet 6 inches	135	do	do	Infielder.
15. John Roscoe Paysour, Jr.	do	Jan. 15, 1946	do	125	do	do	Do.

FIRST BATTLE GROUP, THE THIRD INFANTRY

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. SCHWENGEL], may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, last Thursday night it was my privilege to attend the program sponsored by the 1st Battle Group, the 3d Infantry (the Old Guard), at the Sylvan Theater.

The program "Torchlight Tattoo," was an outstanding presentation of music, pageantry in telling the story of the American flag and a day in the life of a Revolutionary soldier, and the U.S. Army Drill Team from Honor Guard Company.

Here is another bit of evidence that our U.S. Army has varied, interesting and worthwhile talents that are necessary during critical times and uplifting, inspiring, and educational in peacetime.

I have never witnessed a program of this type by anyone that served as a better reminder to all that were it not for the citizen-soldier of today, like those of their kind at Valley Forge, Yorktown, and Brandywine, the first real American Army to fight on this soil and who fought for and achieved liberty and freedom for us and for posterity, there would be no America to represent and fight for today.

It was this Army that made it possible to translate the spirit and essence of the Mayflower Compact and the Declaration of Independence into a system and way of life we call the American system. Fortified as it is now with a most wonderful work, the Constitution of the United States, it behooves us in this critical time to realize the importance of "eternal vigilance."

Ever since then the U.S. Army has been the principal arm of defense for the ideals found in our heritage and our history. The valor and sacrifice so evident in the critical times of our Nation's history is almost past words to describe. These actions speak loudly from the memory of 1776, 1812, 1846, 1861 to 1865, and from World Wars I and II. They are your heritage and our pride. From this heritage we find the seed that brings forth the harvest for today and tomorrow.

It should be noted that the commanding officer for the 1st Battle Group, 3d Infantry (the Old Guard) is Col. Richard M. Lee. Working with and under him on this program was Lt. Col. Hugh Curry, Capt. Frank Belock, and Capt. Gilbert H. Mitchell, Jr., conducting the band.

In order that Congress may have a more detailed knowledge of the program, I insert at this point a copy of the program which will indicate in some detail the story and description of the activities.

Mr. Speaker, I am happy to report that here is a very fine, inspiring and worthwhile organization—a group that is not only to be commended but a group that should be encouraged—and I suggest that the Members of the Congress alert themselves to the possibilities of using these talents in the States and areas they represent when and if they are available:

THE 1ST BATTLE GROUP, 3D INFANTRY (THE OLD GUARD) OF THE U.S. ARMY, PRESENTS "TORCHLIGHT TATTOO"

The 3d Infantry is the Army's oldest Infantry unit, having been established by the Continental Congress in 1784. Participating in all of America's military campaigns except two, the 3d has been known as the Old Guard since its heroic action in the Mexican War. Today the Old Guard is stationed at Fort Myer, Va., and is the Army's ceremonial unit in the Washington, D.C., area.

The U.S. Army Band, the representative musical organization of the U.S. Army, was created by an order of Gen. John J. Pershing in 1922. Composed of more than 120 musicians, the band has marched in the inaugural parades of many Presidents and has represented the Army with distinction the world over. The Heraldic Trumpets, an integral part of the U.S. Army Band, has lent an air of dignity to many ceremonies since its inception in 1959.

Eight-thirty p.m., August 17, 1961, Sylvan Theater, Washington Monument, Washington, D.C.

Narration by PFC William Hennessey.

SEQUENCE OF EVENTS

CONCERT—THE U.S. ARMY BAND

Capt. Gilbert H. Mitchell, Jr., conducting (1) "Revolutionary Fantasy," (2) "Over There Fantasy," (3) "American Patrol," (4) "Rifle Regiment"—(This march, when written by John Phillip Sousa, was dedicated to the officers and men of the 3d Infantry.)

"TORCHLIGHT TATTOO"

"The Army Goes Rolling Along"—The U.S. Army Band with the heraldic trumpets.

A day in the life of a revolutionary soldier—The Old Guard Fife and Drum Corps, Sp4c Dan Jacobs, drum major.

The U.S. Army Drill Team—Honor Guard Company, M. Sgt. Eldon Johnston, drillmaster.

"American Soldier"—The U.S. Army Band.

The story of our Nation's flag—C Company, Capt. James Spires, commanding.

"It's a Grand Old Flag"—The U.S. Army Band.

The national anthem.

Pass in review.

"The U.S. Army March"—The U.S. Army Band.

ADMINISTRATION FAILS TO JUSTIFY NEED FOR TREASURY BORROWING

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. RIEHLMAN], may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, in voting last week to require annual congressional approval of foreign aid expenditures, the House of Representatives made a sound decision. The focal point of this entire controversy has been the professed inability of the executive branch to engage in long-term planning of foreign aid programs, yet the administration was never able to effectively justify its position that single-year appropriations were incompatible with sound administration, with long-range planning, and with the making of long-range commitments.

What more effective argument could there be against the administration's position than the Alliance for Progress agreement brought back from Uruguay by Secretary Dillon? The key section of that agreement reads:

To this end, the United States will provide a major part of the minimum of $20 billion, principally in public funds, which Latin America will require over the next 10 years from all external sources in order to supplement its own resources.

This agreement was arrived at, not only without the benefit of the Treasury borrowing authority which the administration has been trying to get, but also without any authorization from the Congress.

In addition, I quote from the President's remarks concerning the Uruguay agreement made at the ceremony marking the return of Secretary Dillon:

We stand strongly behind the commitments we made there. They stretch out over 10 years. I am sure this administration and other administrations will devote their efforts to carry out plans to help achieve a better life for the people of the Americas. This can be done by agreeing to legislation to make long-range commitments.

That statement was taken from the Associated Press article which appeared in the Washington Star on Sunday. Unless our President was misquoted he has said in one sentence that we stand strongly behind the 10-year commitments made in Uruguay and two sentences later he has said that he needs legislation from Congress to permit him to make long-range commitments. I respectfully submit that the two statements are mutually contradictory. How can he argue one day that he needs the legislative authority to make long-range commitments, when on the previous day he has committed us for 10 years?

The administration has discredited its own arguments in most effective fashion.

Mr. Speaker, I am insistent that the administration be required to justify its foreign aid spending annually before the Congress rather than being permitted to go directly to the Treasury for its funds. I am equally insistent, and I think events of recent days certainly bear this out, that such a procedure does not interfere with the long-range planning which everyone agrees is essential to an effective foreign-aid program.

I would like to include at this point in the RECORD an excellent editorial entitled "The 5-Year Planners", written by Executive Editor Alexander F. "Casey" Jones for the August 18 Syracuse (N.Y.) Herald-Journal.

THE 5-YEAR PLANNERS

(By Alexander F. Jones)

President Kennedy is having trouble with his 5-year, $8 billion foreign aid proposals as both Houses of Congress have taken to sticking pins in it.

Congress does not care much, and never has, for any infringement on its appropriation powers and hesitates to give the President the authority to extend his right to borrow from the Treasury for foreign aid purposes over a 5-year period.

The idea of a longtime guarantee of foreign aid is not a new one. President Eisenhower had much the same idea. And Congress gave him pretty much what he asked for always but it did it on an annual basis.

In fact, Congress has always voted approximately the sums for foreign aid that Presidents have asked since the aid plan was initiated.

There has always been political jockeying in consideration of the foreign aid bills.

The Senate will cut the appropriation requested and the headlines will say the President has suffered a serious defeat.

The next action will come from the House, opposing the longtime planning aspects of the bill.

But, in the end, and usually in the last days of a session, a conference committee restores the cuts and turns thumbs down on the longtime provisions.

There never has been a case of Congress seriously interfering with annual appropriations for foreign aid that I remember.

The advocates of long-range planning on foreign aid always claim that it is impossible to lay out a 5- or 10-year proposition to help underprivileged nations without authority to act by the executive department.

The record does not substantiate this contention.

The United States has never failed to go through with commitments for lack of funds.

There have been changes in plans due to military coups or political upheavals in various countries but never because Uncle Sam was broke.

The thing the proponents of giving the President carte blanche on foreign aid never emphasize is that most of this so-called aid goes for military purposes.

At the start of our foreign aid policy the ratio of military aid to economic help was a solid 4 to 1.

As nations like Great Britain, France, Italy, West Germany, Greece, and Turkey recovered, military aid was either curtailed or discontinued completely.

So the ratio of economic aid has increased as the original Marshall plan has been expanded to underprivileged nations around the globe.

No one could lay out a 5-year plan for military needs of any country.

We maintain the army of South Korea, the fifth biggest in the world. Two Seoul Governments have fallen in the last year and a coterie of army generals runs the country right now. Are they friends or potential foes? Who knows?

We also support the armies of Vietnam and Nationalist China. Both are serious question marks. There could not be 5-year plans for military purposes for any of these cited cases.

But how about a big dam for India that would require a 5-year plan, it is asked.

India is building big dams and so are other countries and most of them are on loans by the World Bank and other underwriters.

The purpose of real foreign aid for underprivileged nations is to furnish facilities for a better agriculture, better health conditions, better education to eliminate illiteracy, better employment opportunities to fit the needs of the people in a particular region.

A Philippine tenant farmer does not need a U.S. wheat combine and chance to send his boy to Harvard. He needs about 3 acres of riceland of his own, a machete to build a bamboo house and, to be real ritzy, a water buffalo. His district should have a school and a little health center equipped with a doctor, a nurse, a midwife, and a supply of serum for a jeep-touring district nurse.

These are first steps up for people who, too often, have never known the slightest relief from want and hardship.

Right now at Punta del Este, Uruguay, South American diplomats are slicing up a promised billion dollars a year in U.S. aid for a 10-year period to carry out the Kennedy "alliance for progress."

We went down there determined to insist on reforming South American tax structures, boosting national per capita incomes 2.5 percent, exacting promises for expanded educational opportunities, instituting land reform measures, etc.

The South American countries insisted they will run their own programs without any strings attached.

All they have agreed to is to do some intensive planning.

And that is what C. Douglas Dillon is coming back with—promises to plan progress.

Planning programs can be parlayed into decades of procrastination as the happy South American leaders continue to milk the U.S. Treasury year after year.

One out of 10 "planners" are "doers."

That is why it is our best protection against having our pockets picked to have ornery old Congress holding the key to the Treasury and only slowly liquidating its contents.

"QUIET DIPLOMACY"

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LINDSAY. Mr. Speaker, on July 27 I sent Secretary of State Rusk the following letter which I think speaks for itself:

The Honorable DEAN RUSK,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: First, I should like to congratulate you for the splendid off-the-record presentation that you gave to the Senate-House foreign policy group at luncheon last week. As I wrote you when you first took office, I was delighted with your appointment and I have no cause for regret over my vote of confidence. I increasingly like your brand of "quiet diplomacy."

Therefore, I was all the more disturbed when I read yesterday, in a column by Joseph Alsop, of a meeting, apparently supported by the President, between the Attorney General, unaccompanied by anyone else, and the Soviet Ambassador to the United States, Mr. Menshikov. According to the Alsop report, Berlin and related matters of the greatest sensitivity, possibly affecting the safety of the entire world, were discussed, the Attorney General reportedly authorized to speak for the President.

If the report is correct, I am deeply disturbed about this turn of events.

First, it bypassed your Office and your Department, and in so doing runs great risks.

Second, it appears to be part of a growing pattern—namely, the conduct of foreign relations in a casual or loose-reigned ad hoc manner, too often involving personalities untrained in foreign policy and the art of diplomacy.

Third, it makes it difficult for those of us, who have a responsibility to our constituents and to the country to make sound evaluations which should lead toward bipartisan support on foreign policy.

I should be pleased if you would advise me whether the meeting occurred as reported. If so, I would like to know the circumstances surrounding it and your frank opinion as to whether this is a proper way in which to conduct foreign policy in general or to negotiate on the explosive question of Berlin.

Respectfully yours,
JOHN V. LINDSAY,
Member of Congress.

Under date of August 11, Secretary Rusk was kind enough to send me a reply which is set forth in full as follows:

DEAR MR. LINDSAY: I want to thank you for your letter of July 27 and, in particular, for your generous words about my appearance before the Senate-House foreign policy group luncheon. I am sorry that I did not have a chance to see and reply to your letter prior to my departure for Europe, but I am sure you can appreciate my intense preoccupation with preparations for a foreign ministers meeting such as I have just attended. I understand that Assistant Secretary Hays' office was in touch with you to explain that a reply would reach you promptly upon my return.

It is, as you know, a general practice for high officials of government to meet with ambassadors of foreign governments. This is a time-honored and traditional practice and is a matter to which we ourselves attach the greatest importance as our own Ambassadors abroad carry out their heavy responsibilities. In Washington it is not at all unusual for foreign ambassadors to call upon Members of the Senate and of the House of Representatives, even though ambassadors are officially accredited to the President. Both here and abroad, such contacts are expected to be governed by canons of judgment and good taste.

In the particular instance to which you referred in your letter, the Attorney General and I discussed this request for an appointment before it was granted to the Soviet Ambassador and discussed the topics which might be expected to come up. Subsequently, the Attorney General and I discussed what had been said. There could not be any objection, therefore, on the grounds that there was any lack of coordination with those primarily responsible for the conduct of our foreign relations.

As a matter of practice, all members of the Cabinet, as well as other high officials of the Government, keep the State Department fully informed with regard to matters of significance that may arise in their talks with foreign diplomats. In many cases we ourselves arrange the appointments and provide interpreters or other assistance.

Sincerely yours,
DEAN RUSK.

I have the highest regard and respect for Secretary of State Rusk. I do not believe, however, that his reply to me answers the chief questions that I raised. I can understand why. The Secretary confirms that a meeting between the Attorney General of the United States and the Soviet Ambassador to the United States took place. He does not refute the report, as published in the press, that subjects of extreme sensitivity, and specifically Berlin, were discussed, that no one else in a representative capacity was present, and that the Attorney General was authorized to speak for the President. He does not answer my question as to whether this was a proper or wise method by which to discuss or negotiate the explosive question of Berlin, or any other highly explosive and sensitive matter that keeps the world teetering on the edge of all-out war. The Secretary states that it is common practice for Ambassadors from the countries to discuss matters with Cabinet Officers and with Members of the Senate and House of Representatives. No one disputes that. But it is quite another thing for meetings or negotiations on matters which threaten war to be undertaken by persons with neither training nor responsibility for foreign policy. Here, if any place, is the area where quiet diplomacy, day to day contact and knowledgeability in foreign affairs, and proper chain of command ought to take hold—and not let go.

COMMISSION ON CIVIL RIGHTS

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LINDSAY. Mr. Speaker, the House Committee on the Judiciary, of which I am a member, reported a bill last Friday to extend the Commission on Civil Rights another 2 years. I hope that we will have an opportunity to consider this legislation as soon as possible. At that time we should give serious consideration to amending the bill to make the Commission a permanent agency. I offered such an amendment in the committee and it was most disappointing to me that the majority refused to adopt such an amendment.

The need to make the Civil Rights Commission a permanent agency has been established beyond any doubt. On a short-term basis the Commission cannot conduct long-range studies; it cannot recruit and retain top caliber people; it will be seriously hampered in its arduous, time-consuming task of detailing for the knowledge of the Congress the extent of civil rights denials wherever they may exist. Limited life for the Commission plays directly into the hands of those who would slow its work, pursue delaying tactics, and discourage recruitment of top grade staff.

Perhaps the greatest disappointment we have had in this Congress is the deliberate failure of the administration to submit to the Congress a civil rights program. I need not remind the House that this is entirely contrary to the campaign and platform pledges of the Democratic Party. During the campaign, then-Senator Kennedy pledged that civil rights legislation would be "* * * among the

first orders of business when a new Congress meets in January." At this point it appears that we may not have any civil rights legislation—even among the last orders of business.

Current editorial comment, samples of which I ask unanimous consent to include at this point, indicates public support for a permanent Commission.

[From the Milwaukee Journal, Aug. 11, 1961]

GOOD JOB BY RIGHTS GROUP

The administration apparently still intends not to push any additional civil rights legislation in this session of Congress. But Congress does have a duty to extend the life of the Civil Rights Commission, due to go out of existence this fall.

The Commission, in spite of a rocky start, has been useful in calling the Nation's attention to instances of gross discrimination and in getting something done about.

Commission action has resulted in two valuable pieces of legislation in the field of voting discrimination. Under one, Federal courts can name referees to help Negroes win the right to vote. Under another, voting records must be preserved to permit their use as evidence in voting cases. The Commission has called public attention to discrimination in voting, housing, and education, both north and south. It has studied discrimination against American Indians and Americans of Mexican and Japanese extraction as well as against Negroes.

The Democratic Party platform supported the Commission and proposed that it be made permanent. It should. There is no justification for the time-wasting fight it must wage every 2 years to preserve itself.

[From the St. Louis Post-Dispatch, Aug. 8, 1961]

RIGHTS ISSUE AHEAD

Though President Kennedy has decided to postpone civil rights issues in this congressional session, in the interest of getting other legislation passed, there is one rights issue that the administration cannot avoid. The Civil Rights Commission will expire November 8 unless Congress extends its term. The Democratic platform proposed to make the Commission a permanent agency with broadened powers, and while the administration is not now ready to advocate that, it cannot let the agency expire. This is especially so since two recent Presidential appointments promise to give the Commission even stronger initiative. Some southerners can be expected to denounce the Commission, but the agency can stand on its 4-year record. The administration will have to stand on its obligations.

[From the Washington Post, June 23, 1961]

GUARDIAN OF RIGHTS

Not even the most optimistic libertarian could suppose that the work of the Commission on Civil Rights has been completed. It has been an extremely useful investigator of restraints on citizenship, and there is urgent need for its continuance beyond this fall when its present charter expires.

The continuance ought to be for an indefinite rather than for a limited period. The 2-year extension which has been suggested would be clearly insufficient. It would create nearly insuperable administrative problems, most obvious among them being the difficulty of recruiting personnel for such brief tenure.

We agree with Deputy Attorney General White that the area of the Commission's operations is extremely important. Congress ought to act to give it the means of conducting its operations with maximum effectiveness. This calls for prompt confirmation of the able men who have been nominated as new commissioners and it calls for an extension long enough to give them a chance to do the vital work entrusted to them.

SUBCOMMITTEE ON THE LIBRARY AND MEMORIALS

Mr. SANTANGELO. Mr. Speaker, I ask unanimous consent that the Subcommittee on the Library and Memorials of the Committee on House Administration may be permitted to sit tomorrow during general debate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

COMMITTEE ON BANKING AND CURRENCY

Mr. SANTANGELO. Mr. Speaker, I ask unanimous consent that Subcommittee No. 2 of the Committee on Banking and Currency may sit tomorrow during general debate. This is made at the request of Mr. PATMAN.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

REDEVELOPMENT AREAS

Mr. SANTANGELO. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama [Mr. RAINS] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RAINS. Mr. Speaker, the recent action by the Secretary of Commerce and the Area Redevelopment Administrator in designation 468 counties across the Nation as redevelopment areas is the first step along the road which America must travel if we are to help stimulate permanent employment opportunities in those areas which repeatedly have been left in the backwash of our economic recovery.

These areas have now been designated as localities that will be eligible for financial assistance under the new Area Redevelopment Act. The combination of local initiative and the resources of the State and Federal Governments, if properly applied, will not only benefit the individual redevelopment areas, but because we are one Nation and one market, will benefit all of the people of the United States.

The designation of these 468 counties is a major milestone for the Nation's rural areas—for it marks their first inclusion under this program, and it offers to them their first chance to develop programs addressed to their problems of underemployment.

Some of these rural areas are, of course, ones which have been blighted by poverty and plagued by hopelessness, primarily because of underemployment, not unemployment. Their inclusion under the Area Redevelopment Act will not automatically end the scourge of povetry, but with the proper hard work at the community level, supplemented by State and Federal assistance, we can begin to lift the curtain of despair and give them hope for the future.

But other counties which have been recently designated as redevelopment areas are in better circumstances. They were included in the program because the Congress felt it was wise to lend additional Federal support to those communities which already have launched programs for self-help with the aid of the Department of Agriculture.

In other words, the Area Redevelopment Administration has sought not only to aid the blighted regions but to give recognition to those which already have begun to help themselves.

I have been making some calculations and I would like to call to the attention of my southern colleagues the fact that 70 percent of all of the rural counties thus far designated by the Secretary of Commerce and the Area Redevelopment Administrator, with the advice of the Secretary of Agriculture, are in the Southern States.

The addition of rural counties to the area redevelopment program, which started originally with 225 counties in 114 urban industrial areas, brings to nearly 700 the total eligible for Federal assistance. This is approximately 25 percent of the total number of counties in the United States. Thus, these new designations become a measure of the broad scope of the problem which we face in creating new employment opportunities in those areas which have the resources—both human and physical—but which presently lack the needed investment to begin to grow again.

It is obvious, of course, that the counties designated thus far do not describe the limits of the problem. Other counties—many other counties, in fact—also are in need of programs to stimulate new economic growth that can be translated into new job opportunities for people willing and eager to work.

It might be well to point out to those counties which have not been designated, but which are in need of programs, that in the long run, areas of underemployment will benefit, not so much from Federal assistance as from local initiative. In addition to area redevelopment, there are many other Federal programs to help them—as the handbook of Federal aids will testify.

Although far more than the present 700 counties might have been included in the area redevelopment program by broadening the criteria, it is important to bear in mind that the Federal aid could not be spread too thin across the country. By keeping the number of eligible counties to a reasonable level, we have some assurance that the Federal aid that is available will be concentrated in the counties thus far selected. Thus, Federal assistance will be meaningful.

It is equally obvious that the present list of redevelopment counties is not the final one. In many cases, determinations had to be made on the basis of statistics which are inadequate for measuring the extent of the problem of economic blight. This is particularly true when one considers the peculiar

underemployment problem of the rural areas—a problem which is, as yet, still imperfectly understood. Undoubtedly the Area Redevelopment Administration will take another close look at the situation when better statistics—drawn from the voluminous 1960 Census Bureau data—become available this fall.

As it is, even given the inadequacy of some of the statistics, the Area Redevelopment Administration has moved forward with vigor in its first 3 months of operations. Acting under the directive of the Congress, and working in cooperation with the Secretary of Agriculture, the Secretary of the Interior and the Secretary of Labor, it has drawn up detailed standards covering rural communities, Indian reservations, secondary labor markets, and areas where the economy is linked to development of natural resources. The designation of the 468 new counties as areas eligible for participation in the program was based on these new standards.

I consider these criteria to be highly laudatory, for they will permit a county to join in this exciting new redevelopment undertaking under one or more of the following conditions:

First. If the average annual family income in the county is less than one-third of the national average—$1,700.

Second. If the average annual income of farm families in the county is less than 25 percent of the national average, excluding large metropolitan cities—$1,400.

Third. If the county already was designated, prior to May 1, 1961, as a rural development county under the rural areas development program of the Department of Commerce.

Fourth. If there are 60 percent or more of class VI commercial farms, as defined by the Bureau of the Census, among all of the commercial farms in the county.

Fifth. For the very small industrial or mining areas—those with a labor force of less than 15,000 eligibility will depend upon a combination of factors. First of all, on the basis of the best available data, the current unemployment rate must be 6 percent or more. In addition, the approximate annual average rate of joblessness, on the basis of the best available data, must have been substantially above the national average for the greater part of the preceding 4 years; or 75 percent above the average for 2 of the preceding 3 years; or 100 percent above the average for 1 of the preceding 2 years.

The establishment of these standards for secondary labor markets follows the thrust of the criteria which the Congress, itself, determined was best for the large urban, industrial labor markets. There is, however, a difference in the two sets of standards—a difference which addresses itself to the fact that employment-unemployment data for the secondary labor markets is not available in the same depth or for the same long periods as the data for the larger markets. The criteria for the smaller markets appear to gather the correct sense of the Congress—that there must not be discrimination against the smaller markets solely because adequate statistics are unavailable.

Sixth. For Indian reservations, there are a variety of routes by which redevelopment area determination can be made:

(a) If there is substantial unemployment or underemployment, discounting seasonal or temporary factors;

(b) If there are inadequate resources in terms of population;

(c) If individual and family incomes are substantially below those of the non-Indian rural population in the surrounding area, and if it is below the level necessary to achieve a reasonable living standard or;

(d) If a high proportion of the Indian population is dependent wholly or partially on public and general assistance welfare programs.

The Area Redevelopment Administration has wisely determined, in the case of Indian reservations, that each reservation will be designated as a separate redevelopment area, even though it might lie within a county which has been, or later is, designated as a redevelopment area. This is in keeping with our continuing determination to safeguard the integrity of each of the Indian nations.

In setting criteria for the Nation as a whole, it is inevitable that peculiar local situations will occur to make it obvious that what seems to be a good plan for the country will prove wrong in a particular area of the Nation. Obviously, the Area Redevelopment Administration will have to reexamine its criteria constantly, so that the standards can be adjusted, as needed, to make the program work with greater efficiency.

The standards set by the Area Redevelopment Administration, on advice of the Secretaries of Agriculture, Interior, and Labor, are most welcome for, as I have said, they give recognition to the peculiar problem of underemployment which plagues the rural areas of this Nation. It is a tribute to the Area Redevelopment Administration that it has moved forward with such vigor in setting these standards—and in applying them to the 468 counties now made eligible for participation in the area redevelopment program.

The designation of these counties is the important first step—but only the first step—toward making available to these economically stricken communities the resources that are at the command of the Federal Government.

Now that these areas have been identified, considerable responsibility falls to the local communities involved. They must first draw up an overall program for economic redevelopment—a grassroots profile of the scope of the problem, of the local resources which are available and, most importantly, of the step-by-step plan that should be followed to help restore enonomic vigor to the area by providing permanent employment opportunities.

In drawing up these plans, redevelopment areas will, I hope, keep in mind the fact that there is no real advantage to the Nation as a whole in enticing gypsy plants into their localities—for America cannot benefit if the economy in one area grows only at the expense of the economy in another section.

The area redevelopment program was enacted by the Congress and signed into law by the President in the belief that we have the ability to help create economic opportunity. We remain convinced that the national economy, as a whole, will continue to grow—and at an even faster pace than in the past decade. Our goal is to channel a modest part of that growth into areas that need it most—the areas that still provide room for expansion, where the largest numbers of unemployed or underemployed workers are located.

Furthermore, it is important that there be no misunderstanding as to the attitude Congress and the administration holds in relation to so-called runaway plants. The act specifically forbids industrial piracy, and I am sure the Congress looks to the Area Redevelopment Administration to follow both the letter and the spirit of the act, so that Federal funds will not be used either to support or encourage a move of plants from one area to another.

In addition, I would hope that redevelopment areas will bear in mind the fact that their future does not lie solely in branch plants of an industrial colossus. Instead, they should recognize that there is a vast, untapped potential for true economic growth—in generating local industries, in tourist development, in resources development, in a broad exploration of all of the ways in which they can put to work the resources of their particular area. Several States have already done outstanding jobs in developing their home-grown industries, utilizing local capital, labor, management and raw materials in "do-it-yourself" projects of developing small industries to create more jobs and expand their economies.

We have received assurances from the Area Redevelopment Administration that it stands ready to provide technical assistance to help the States and their redevelopment areas in inaugurating such programs and in drawing up plans for permanent improvement of depressed economic conditions.

But there is far more to the program than merely the aid available from the Area Redevelopment Administration, itself. In fact, one of the great strengths of this new venture is the fact that it enlists the resources of many sectors of the Federal Government—the Departments of Commerce, Agriculture, Interior, Labor, and Health, Education, and Welfare; the Housing and Home Finance Agency, and the Small Business Administration—and focuses them on the problems of unemployment and underemployment.

The Secretary of Commerce is to be commended for having delegated major responsibility under the act to these Departments and agencies of the Federal Government so that there would be no duplication of efforts that would dilute the effectiveness of this important program. The Area Redevelopment Administration has a difficult task, in

bringing together these various segments of the Federal Government. It has demonstrated great initiative thus far in working out with these agencies the criteria for the rural areas of underemployment and in establishing procedures for technical and financial assistance involving these agencies.

All of the Federal Government's attention now will be on the locally conceived projects—projects, incidentally, which will do more than merely make the areas eligible for Federal aid. These programs, irrespective of outside assistance, will channel the self-help efforts of these communities in the right direction—toward growth, and job opportunities, and a restoration of dignity and hope.

We stand now on the threshold of a challenge and an opportunity—to prove that a free society, interested in the welfare of all of its people, can work together at all levels of government to bring the dream of full employment nearer to reality.

Under the Area Redevelopment Act we are mobilizing the combined resources of our communities, our counties, our States and the Federal Government in a massive assault on the cancer of economic blight. Out of such a joint endeavor, I am convinced, will come the creation of permanent employment opportunities for millions of our fellow citizens—in rural and urban areas, alike—who so earnestly seek the dignity and the security of full-time employment.

A MINORITY VIEW ON THE DEATH PENALTY FOR HIJACKING

Mr. SANTANGELO. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. KASTENMEIER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KASTENMEIER. Mr. Speaker, the House has today concurred in the Senate's judgment that individuals should be subject to the penalty of death for stealing airplanes in flight. As one of a few who disagree with this judgment, I want to suggest to the House why I frankly and fervently disagree with its all-but-unanimous view.

To me the issue is not only the specific question of threats in flights, theft of airplanes, and the temporary inconveniencing and endangering of passengers. I fully agree that we do not now have adequate laws to deal with the specific question of hijacking. I believe that study and prudence can and shall devise effective methods of prevention and punishment to insure that few passengers suffer the ignominy of landing unexpectedly in Castro's Havana. It is possible that after study I might have agreed that life imprisonment would be a suitable punishment for those who hijacked planes in flight. But I am not satisfied that the question we voted on today reflected the House's traditional standards of cautious study and of proven necessity. We voted that a man who steals an airplane should pay with his life for the theft, if a jury so decides.

In an age where mass media can make a lynch mob of the most respectable citizens this is a dangerous action. It moves far beyond the question of the admitted inadequacies of our present law. It strikes hard at the question of the powers of the state and the rights of the individual. Because it is rooted in such a basic question it not only requires, but demands, more care and honest questioning than we have given it.

Have all the implications of this act—this vote to take human life—been examined? I would suggest that far too few have raised this question. The speed of the action suggests to me the House approved the Senate action with more respect for the existing transient inflamed passions of much of the American public, than for its own standards of the conscientious examination of problems. We ought to be cautious when tempted to yield to the call for legislation in the very minute of hot and unclear news. No man can think clearly without all the facts and none is free from the prejudices derived from excited reporting. Only with long and careful thought should we open the door to the taking of human life.

The President, for one, did not accept a view of urgent haste. He is to be commended for his recognition of the importance of thoughtfulness and care. I believe he was correct, in referring to hasty calls to action in response to hijacking, when he said that it is—

> important for us to act with the prudence which is worthy of a great power which bears responsibilities for the defense of freedom all around the globe and not to make determinations of policy until our information is more complete.

Though the stress in this statement is upon the word "prudence" perhaps its keynote is the idea that we cannot at the same time protect liberty throughout the world and threaten it here at home by precipitous actions which do not weigh all of the factors which put the individual and his freedom in such jeopardy when faced with the power of the state. A quick vote for capital punishment is a vote against the prudent respect for the rights of the individual. Only caution can guard men's freedom in the world of the all-powerful state.

Perhaps it is indicative of the carelessness with which this problem was approached that we have not considered that two of the hijackers who took planes to Cuba were obviously and clearly mentally ill. Moreover, as the Capital Times of Madison, Wis., pointed out, it is apparent that Castro is not much interested in hijacking; anytime he wants to steal an American plane he need only send his police to the airport and pick up one of the regularly scheduled Pan American flights still operating.

Instead of realizing that we are dealing with a problem which has been presented to the Congress by a few madmen and adventurers, we have dealt with it as if it were a major challenge to our country. Only this last year hearings before the House Judiciary Committee on the elimination of capital punishment at the Federal level seemed to indicate a new progress in the understanding of crime and freedom in modern society. Many of us represent States like Wisconsin which have long ago concluded that the taking of human life is no answer to crime and a danger to freedom. But today we have moved backward many years in our understanding and in our legislation. Not only have we taken action with little study, but we have taken action which has little justification in morality, in modern criminology, or in a realistic awareness of how freedom can be endangered in the democratic world.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. ANDERSEN of Minnesota (at the request of Mr. JUDD), for 1 week, on account of death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. SIKES, for 15 minutes, on August 24.

EXTENSION OF REMARKS

By unanimous consent, permission to extended remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. KILDAY and to include extraneous matter.

Mr. SAYLOR and to include extraneous matter.

Mr. BAILEY.

(The following Members (at the request of Mr. SANTANGELO) and to include extraneous matter:)

Mr. INOUYE.

Mrs. SULLIVAN.

(The following Members (at the request of Mr. LINDSAY) and to include extraneous matter:)

Mr. SHRIVER.

Mr. HOEVEN.

Mr. DEROUNIAN.

Mr. ALGER.

Mr. FINO.

Mr. HOSMER in four instances.

ADJOURNMENT

Mr. SANTANGELO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 58 minutes p.m.) the House adjourned until tomorrow, Tuesday, August 22, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1243. A letter from the Director, Bureau of the Budget, Executive Office of the President, relative to reporting that the appropriation to the Department of Agriculture for "Marketing research and service," Agricultural

Marketing Service, for the fiscal year 1962, has been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation, pursuant to (31 U.S.C. 665); to the Committee on Appropriations.

1244. A letter from the President of the Board of Commissioners of the District of Columbia, transmitting a draft of a proposed bill entitled "A bill to authorize the Commissioners of the District of Columbia to utilize volunteers for active police duty"; to the Committee on the District of Columbia.

1245. A letter from the Assistant Comptroller of the United States, transmitting a report on the review of selected activities of the Federal-aid highway program of the Bureau of Public Roads, Department of Commerce, in the States of Michigan and Wisconsin; to the Committee on Government Operations.

1246. A letter from the Administrator, St. Lawrence Seaway Development Corporation, transmitting a report of the claims settled by the St. Lawrence Seaway Development Corporation during the fiscal year 1961, pursuant to the Federal Tort Claims Act; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MOULDER: Committee on Interstate and Foreign Commerce. H.R. 132. A bill to amend the Communications Act of 1934 to establish a program of Federal matching grants for the construction of television facilities to be used for educational purposes; with amendment (Rept. No. 999). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 8236. A bill to authorize the use of funds arising from judgments in favor of any of the Confederated Tribes of the Colville Reservation; without amendment (Rept. No. 1000). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 200. An act to amend the act entitled "An act relative to employment for certain adult Indians on or near Indian reservations," approved August 3, 1956; with amendment (Rept. No. 1001). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 322. An act to make certain funds available to the Nez Perce Tribe of Idaho; without amendment (Rept. No. 1002). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 344. An act to amend the Seneca Leasing Act of August 14, 1950 (64 Stat. 442); without amendment (Rept. No. 1003). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 1518. An act providing for the disposition of judgment funds of the Omaha Tribe of Indians; without amendment (Rept. No. 1004). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 1768. An act to provide for the restoration to Indian tribes of unclaimed per capita and other individual payments of tribal trust funds; with amendment (Rept. No. 1005). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CRAMER:

H.R. 8813. A bill to amend chapter 73 of title 18, United States Code, with respect to obstruction of investigations and inquiries involving syndicated criminal activities; to the Committee on the Judiciary.

By Mr. EDMONDSON:

H.R. 8814. A bill to amend the Federal Aviation Act of 1958 to provide penalties for aircraft piracy, to apply certain Federal criminal laws to acts committed aboard aircraft in flight in air commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 8815. A bill to amend title 18, United States Code, to prohibit travel or transportation in commerce in aid of racketeering enterprises; to the Committee on the Judiciary.

By Mr. FASCELL:

H.R. 8816. A bill to expand and extend the saline water conversion program being conducted by the Secretary of the Interior; to the Committee on Interior and Insular Affairs.

H.R. 8817. A bill to amend the Federal Aviation Act of 1958 to provide penalties for aircraft piracy, to apply certain Federal criminal laws to acts committed aboard aircraft in flight in air commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 8818. A bill to provide means for the Federal Government to combat interstate crime and to assist the States in the enforcement of their criminal laws by prohibiting the interstate transportation of wagering paraphernalia; to the Committee on the Judiciary.

H.R. 8819. A bill to amend chapter 50 of title 18, United States Code, with respect to the transmission of bets, wagers, and related information; to the Committee on the Judiciary.

H.R. 8820. A bill to amend title 18, United States Code, to prohibit travel or transportation in commerce in aid of racketeering enterprises; to the Committee on the Judiciary.

By Mr. HAGEN of California:

H.R. 8821. A bill to amend the Federal Aviation Act of 1958 to provide penalties for aircraft piracy, to apply certain Federal criminal laws to acts committed aboard aircraft in flight in air commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 8822. A bill to amend section 1073 of title 18, United States Code, the Fugitive Felon Act; to the Committee on the Judiciary.

H.R. 8823. A bill to provide Federal assistance for projects which will evaluate and demonstrate techniques and practices leading to a solution of the Nation's problems relating to the prevention and control of juvenile delinquency and youth offenses and to provide training of personnel for work in these fields, and for other purposes; to the the Committee on Education and Labor.

By Mr. KEOGH:

H.R. 8824. A bill to modify the application of the personal holding company tax in the case of consumer finance companies; to the Committee on Ways and Means.

By Mr. HARRISON of Virginia:

H.R. 8825. A bill to modify the application of the personal holding company tax in the case of consumer finance companies; to the Committee on Ways and Means.

By Mr. MORRISON:

H.R. 8826. A bill proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. ROBERTS:

H.R. 8827. A bill to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WILLIAMS:

H.R. 8828. A bill to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By. Mr. KING of Utah:

H.R. 8829. A bill to provide for a bridge across Lake Powell in the State of Utah as part of the Glen Canyon unit of the Colorado River storage project; to the Committee on Interior and Insular Affairs.

By. Mr. STEED:

H.R. 8830. A bill to amend the Federal Trade Commission Act to provide for the issuance of temporary cease-and-desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Committee on Interstate and Foreign Commerce.

By Mr. PATMAN:

H.R. 8831. A bill to amend the Federal Trade Commission Act to provide for the issuance of temporary cease-and-desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Committee on Interstate and Foreign Commerce.

By Mr. PETERSON:

H.R. 8832. A bill to provide for a bridge across Lake Powell in the State of Utah as part of the Glen Canyon unit of the Colorado River storage project; to the Committee on Interior and Insular Affairs.

By Mr. BENNETT of Florida:

H.R. 8833. A bill to increase the opportunities for training of physicians, dentists, and professional public health personnel, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 8834. A bill to create an additional judicial district for the State of Florida, to be known as the middle district of Florida; to the Committee on the Judiciary.

By Mrs. HANSEN:

H.R. 8835. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. SANTANGELO:

H.R. 8836. A bill to assist in the promotion of economic stabilization by requiring the disclosure of finance charges in connection with extensions of credit; to the Committee on Banking and Currency.

By Mr. WILLIAMS:

H. Con. Res. 378. Concurrent resolution declaring the sense of the Congress that no further reductions in tariffs be made during the life of the present Reciprocal Trade Agreements Act; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. BOLTON:

H.R. 8837. A bill for the relief of Ewald Johan Consen; to the Committee on the Judiciary.

By Mr. COLLIER:

H.R. 8838. A bill for the relief of Lidia Magdalena Wroblewska Piecyk; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 8839. A bill for the relief of Thelma E. Gow; to the Committee on the Judiciary.

By Mr. O'NEILL:

H. Res. 423. Resolution providing for sending the bill (H.R. 8585) for the relief of Jefferson Construction Co., together with accompanying papers, to the Court of Claims; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, August 21, 1961

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of August 19, 1961:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District, Texas)

Foreign aid occupied both the House and the Senate this week. Hottest debate revolved around the President's demand for 5-year authority to borrow directly from the Treasury (back-door spending, bypassing Congress constitutional responsibility), and continuing aid to Communist countries. I took the floor on 3 days to (1) object to the entire bill, (2) object especially to giving aid to Communist and Socialist countries, as well as neutral countries.

In opposition to the entire mutual security bill, I stated on Wednesday (CONGRESSIONAL RECORD, p. 16037) "In my opinion it is absolutely essential that we take a long hard look at the whole foreign aid program so that it may be revised to meet United States self-interest rather than to continue as a gigantic worldwide welfare scheme paid for by American taxpayers and which is not achieving the goal of stopping the spread of communism." Reasons for opposition to the bill: (1) Poor administration. The bill will not provide improved administration, better recruitment in the personnel, the result being increased ineffectiveness, greater and more widespread scandals. (2) Back-door financing is wrong. The 5-year loan authority totaling $7.3 billion represents a loss of congressional control and a loss of congressional scrutiny of the programs annually. (3) What is really needed is a complete review and revision of foreign aid legislation based on a self-interest statement of the United States. (4) Dollar diplomacy (throwing money at problems in an attempt to solve them) creates more problems in attempting to force our culture and our standard of living and social reforms on people and governments who take our money but do not want a different way of life than they now have. (5) The bill is not fiscally responsible. The bill and the report show no one knows the total cost; $30 billion over the next 5 years in the report, $36.6 billion according to Senator BYRD. (6) No terms or conditions on loans totaling $7.3 billion in the next 5 years. It will be possible for the Executive to make low or no interest bearing loans as long as 50 years with no principal payments in the first 10 years. According to Senator BYRD (CONGRESSIONAL RECORD, p. 15545) "interest on Federal debt, as it would be created by this bill (Senator BYRD figures the loan cost will be $8.8 billion in the next 5 years) for the loan program alone, computed at 3 percent, compounded annually for 50 years would total $29.7 billion. This would be nearly three and a half times the principal. That is to say that inasmuch as all of the money, which would not be appropriated in the regular course must be borrowed at about 3 percent interest, if no interest is received from the countries to whom the loans are granted, the compounded interest on the loans made by our Government will be $29.7 billion." (7) Danger in tremendous increase in Executive power and control of spending. I oppose Congress delegating its authority as a violation of the oath we take to support the Constitution. (8) Too many ambiguities of the provisions within the bill which make it a legislative monstrosity. (9) Foreign aid is failing to achieve its objective—witness the growth of communism during our huge outpouring of money. It is self-defeating, causing us to lose, not win, the struggle with communism. (10) We are wrong in committing future Congresses to appropriations, a violation of congressional procedures and could be unconstitutional. (11) It further increases the pressure on our balance of payments. We continue to give away dollars which can be redeemed in gold when foreign nations already hold approximately the same dollar volume as we have gold. Any "run on the bank" would deplete our gold supply. (12) The foreign aid program is being sold as a subsidy for U.S. industry. This philosophy is wrong and endangers our economy. It will return to haunt us.

On Thursday and Friday I spoke against giving aid to our enemies. When we give aid to Communist Tito, to Poland, and other Communists, indeed, to Socialists like Nehru and those of India, we are giving aid to our enemies. When we give money to the Communist and Socialist governments, we are aiding the philosophies and governments that are determined to destroy us. We will either win the fight or we will lose the fight. There will not be peaceful coexistence, which is a Communist line.

I stand with the American taxpayer who is footing the bill in saying we are sick of pouring out money to a dedicated enemy. Let us gird ourselves and not give a penny to any government that does not guarantee its people certain freedoms, freedom of election, freedom of press, freedom of speech, freedom of religion. We must make this agonizing reappraisal—to stop subsidizing an alien philosophy. Let us say that we will aid only dedicated friends, not our enemies, not the neutrals.

A bitter disappointment was the defeat of an amendment by Congressman JOHN BELL WILLIAMS of Mississippi which would have prohibited aid to any country which voted in the United Nations to seat Red China. (The vote 212 to 102.)

The mutual security bill passed the House late Friday evening, 287 to 140. It is an unfortunate truth that the few conservative victories limiting the bill (including reducing the 5-year authority of the President to yearly scrutiny by Congress) will be deleted in the conference with the Senate version and thus probably will not be in the final bill.

Thirty-nine Tons of Congressmen, Kilotons of Boards, and Megatons of Need

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 21, 1961

Mr. HOSMER. Mr. Speaker, weighing in at an average of 180 pounds, much less, of course, for our lady colleagues, we have about 39 tons of Congressmen here in the House. Over in the other body, and assuming the same body weight, there are about 9 tons of Senators.

On this basis it takes a little over 19½ tons of Congressmen and a little over 4½ tons of Senators to get a law passed, 24 tons, plus, in all, of legislative weight.

Likewise, in our 39-ton body, a little over 19½ tons of us can get a bill out of committee via the discharge petition route and passed over to the 9-ton body where an affirmative 4½ tons, plus, can send it on down to the President's desk. I do not know how much his desk weighs and Dr. Travell has not held a press conference to supply what, obviously, would be the next vital statistic.

Now, a weighty question bothering kilotons of school boards in over 300 congressional districts, is whether the impacted school area statutes are going to be extended before Washington becomes 48 tons lighter by the adjournment exodus of Congressmen and Senators, which will occur in less than 1 month. If 19½ tons of us, plus 180 pounds more, will sign the petition to discharge H.R. 5349 extending these impaction statutes, then the kilotons of school boards will be relieved of the pressing weight of impending financial chaos and the scales will tip in favor of financing needed education for the megatons of American public schoolchildren residing in impacted school areas.

Card-Carrying Attorney General

EXTENSION OF REMARKS
OF
HON. STEVEN B. DEROUNIAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, August 21, 1961

Mr. DEROUNIAN. Mr. Speaker, in yesterday's New York Herald Tribune, in the column "Offbeat Europe," by the Herald Tribune foreign staff, the following item was printed. It concerns the foray of our Attorney General, Robert F. Kennedy, to Africa, recently, on some foreign policy mission.

OFFBEAT EUROPE

On his way back from the Ivory Coast where he represented the President at Independence Day celebrations, Attorney General Robert F. Kennedy fell into conversation with a newsman in Paris. The name of Ghana President Kwame Nkrumah came up.

"We're against him," said Kennedy flatly.

"No, Bob, we're not," said the newsman. "Why your brother had him on a state visit in Washington."

"Well I think we're against him, but I'll check," said the Attorney General. He went to his hotel room, came back about 10 minutes later and said:

"Yeah, you're right. I looked him up on the cards and we're for him."

First. If what is reported is true, the American people should have great misgivings as to this administration's understanding of a knowledgeable foreign policy. I do not think it very sensible to

send a Cabinet member who is unacquainted with foreign policy to a foreign land, just because he happens to be a relative of the President. He should stay home and tend to his homework as Attorney General and leave the very fascinating trips overseas to those who know more about the subject.

Second. Already here at home we see Government by credit card—charging to our children and grandchildren our profligacy today. Now we see foreign policy by a card-carrying Attorney General.

Third. I say it is time this administration started putting its real cards on the table—abroad, as well as at home.

Do They Want To Liquidate Congress?

EXTENSION OF REMARKS
OF
HON. CHARLES B. HOEVEN
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 21, 1961

Mr. HOEVEN. Mr. Speaker, a certain article in the Washington Post of Sunday, August 20, 1961, is entitled "Kennedy Aids Frustrated by Ill-Informed Congress." The article was written by a staff reporter, one Julius Ducha, who quite obviously should have done some "homework" before writing this article.

Mr. Ducha says that the lack of information on the part of Members of Congress is frustrating eager Kennedy administration officials. Eager for what, may I ask? I assume Mr. Ducha means that these officials are eager to put over the Kennedy legislative program exactly as it comes down from the White House and that they resent any and all attempts on the part of Congress to revise or amend such legislation. Or does Mr. Ducha mean to convey the idea that these administration officials are eager to make the Congress ineffective and impotent so as to put it entirely out of business?

Mr. Ducha says:

> Cabinet members and other top administration officials have come out from their baptism of hearings with the conviction that there must be a better way.

What does Mr. Ducha mean by a better way? He gives no constructive suggestions as to what he means by a "better way." Does he mean that such a better way is to do away with committee hearings entirely? If he had suggested that Members of Congress should be provided with a special legislative assistant, he would have, at least, offered something constructive.

Mr. Ducha says that Secretary of Agriculture Freeman spent hours before the Agriculture Committee talking about the intricacies of such programs as honey and tung oil for the edification of Members of Congress with a special interest in, but little knowledge of, such minor farm programs. I attended all of the hearings of the House Committee on Agriculture on the administration omnibus farm bill and heard every word spoken by Secretary Freeman. To my knowledge the Secretary did not even mention honey or tung oil, and if he did, he most certainly did not spend hours discussing such minor agricultural commodities. Press statements such as these only serve to belittle and ridicule Members of Congress. They serve no useful purpose whatsoever unless they are a part of an overall scheme to make the Congress look ridiculous in the eyes of the public.

It is becoming more apparent each day that a concerted movement is on foot to make the Congress of the United States impotent and ineffective. The original administration omnibus farm bill, for instance, sought to deprive the Congress of its constitutional right to legislate in farm matters. Fortunately, such requested authority, which would have permitted the Secretary of Agriculture to usurp the right of the Congress to legislate, was entirely eliminated from the omnibus farm bill recently enacted into law. More recently, the administration tried to deny the Congress its constitutional right to make annual appropriations in the field of foreign aid. These two glaring examples indicate that gradually but surely every effort is being made to restrict the Congress in performing its constitutional duties. Unless this trend is stopped, the net result will be a bigger and stronger centralized Federal Government with the Congress of the United States relegated to the background. Perhaps this is what is meant by a better way. If this is brought about, administration officials need no longer be frustrated when they appear at hearings before congressional committees.

The National Lottery of Honduras

EXTENSION OF REMARKS
OF
HON. PAUL A. FINO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, August 21, 1961

Mr. FINO. Mr. Speaker, I would like to tell the Members of this House about the national lottery of Honduras. This small Latin American nation, like all of our southern neighbors, realizes considerable benefits from its national lottery.

In 1960, the gross receipts of the national lottery came to over $15 million. The net income in that year amounted to close to $2 million. The Government does not receive the income produced by the lottery, for the profits are controlled and distributed by the Council for Infant Charity. Most of the money was spent for public health and hospital facilities.

Honduras is a small nation, yet its lottery is quite productive. If the United States had a lottery that accounted for a similar percentage of the national income, such a lottery would be tremendous indeed. The profit to the Government would be exceedingly valuable in the relief it might offer to our hard-pressed taxpayers.

Coal Vital to National Security

EXTENSION OF REMARKS
OF
HON. CLEVELAND M. BAILEY
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES

Mr. BAILEY. Mr. Speaker, there can be little doubt in anyone's mind that the coal industry would be called on to greatly expand its production in a time of national emergency. This was the case during World War I, and World War II, when annual production had to be stepped up more than 200 million tons a year by the 4th year of hostilities.

In the event of a third world war, even greater increases in production would be called for.

The only real question, Mr. Speaker, is whether the coal industry is, and will be, in a position to meet these demands, whether it would be in a position to supply all of the fuel needed to keep our factories and businesses going.

The answer, Mr. Speaker, is that the coal industry is dangerously close to the point where it could not meet these demands. Production in 1960 amounted only to 413 million tons, the bare minimum at which it can operate profitably, and the figures so far this year indicate that production will fall to a 23-year low of 385 million tons. Actually, total production for the first 6 months of this year was only 155 million tons, a 27 million ton drop from a year ago.

When production falls off mines must be closed and, once they are closed, it is difficult, in many cases impossible, to reopen them. They are subject to flooding, contamination by gas, cave-ins, and other dangers and it is more practical and economical to open new mines.

But I would like to point out, Mr. Speaker, that the opening of a new mine is in itself a time-consuming and costly operation. It has been estimated that the initial investment to open a new mine is approximately $20 for every ton of annual production capacity, and this estimate is probably low when you consider the tremendous cost of the equipment needed to operate today's highly mechanized mines.

If cost were the only problem, it could, of course, be overcome if the need were great enough. But there are also the elements of time and of skilled manpower to operate the mines.

Today's miner is a highly skilled technician, and needs a great deal of training before he can perform his job. At the present level of employment in the mines, more and more of the trained, highly skilled miners are seeking employment in other industries, many in areas far removed from the coal fields, and they would not be readily available when the need arises.

Mr. Speaker, the mines of West Virginia are the most productive in the world, and a great percentage of our production goes to the east coast where so much of our industrial might is concentrated. It is in this very area, whose needs we have served so long, that coal

is losing out to the imports of foreign residual oil. If that supply of oil should be cut off, as it surely would be in time of emergency, we would be sorely pressed to meet the immediate demands that would be made upon us.

The only logical answer, Mr. Speaker, is to keep imports of residual oil at a practical level, a level which will permit the coal industry to maintain production at a rate which will let us expand when the demand is made upon us.

Pennsylvania's 22d District Offers Outstanding Opportunities for Industrial Development

EXTENSION OF REMARKS
OF
HON. JOHN P. SAYLOR
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 21, 1961

Mr. SAYLOR. Mr. Speaker, an important meeting took place in Johnstown, Pa., on July 27. At the instance of the Greater Johnstown Chamber of Commerce, a group of business and civic leaders heard Dr. Myles E. Robinson, director of the National Coal Association's Department of Economics and Transportation, present a pilot study on Cambria County's advantages as the locale for certain types of industrial endeavor.

Because Pennsylvania's 22d Congressional District offers excellent opportunities that need to be brought to the attention of all businessmen planning new or expanded industrial activity, I invite my colleagues to take especial note of the analysis and appraisal submitted by Dr. Robinson. He said that his study of the county demonstrated economic availability of substantial supplies of coal and other natural resources, including clay, iron ore, limestone, sandstone, and surface water of standard chemical purity. He also pointed out that blast furnace and byproduct coke operations provide aluminum sulphate, blast furnace gas, coke, coke oven gas, light oils, tar, and other byproduct materials.

Mr. Speaker, we are in the midst of an era of a sharp rise in population and dramatic industrial development. This is the age of power. It is reflected conclusively in the growth of the electric utility industry, where installed capacity increased by more than 120 percent in the past decade and will more than double again in the coming 10 years.

Every business entrepreneur should carefully consider fuel costs and fuel availability before making a decision on where to locate a new plant or factory. The chambers of commerce and industrial development groups of our district invite inquiries from businessmen seeking the most advantageous areas for their industries. As Dr. Robinson's study has portrayed, we have enough mineable coal reserves to last far into the future. We have the manpower—willing and able men whose forebears helped to forge America's mighty industrial framework. We have adequate water and other natural resources. Our railroads will carry finished products into every market center.

The National Coal Association is to be congratulated for its thorough study and analytical report. It has been approximately 1 year since Stephen F. Dunn, NCA president, announced that his organization would undertake to work with coal State leaders in attracting new industry to mining regions. I have followed the program closely and am convinced that continued close cooperation between National Coal executives and interested coal area groups will result in better industrial opportunities. When Dr. William J. Hargreaves, president of the Cambria County Chamber of Commerce, introduced Dr. Robinson and Victor V. Lehtoranto, NCA staff economist, at the Johnstown meeting, he made this comment:

> In the long run, the survey will be of more value in seeking new industry than anything we have done to date since we had our development fund drive.

I should like to notify my colleagues that information developed by this study can be obtained through Dr. Hargreaves or at my office.

Needed: World Pressure Against War Over West Berlin

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Monday, August 21, 1961

Mr. WILEY. Mr. President, day by day the East and West positions in Berlin are becoming more crystallized and hardened.

The United States has reassured West Berliners by reinforcing our garrison there, as well as by the firm statements by Vice President JOHNSON, that we fully live up to our commitments.

In all probability, we will now experience tactics of harassment—rather than massive attack. Recognizing that the heightening of tensions—already at a high level—increases the possibility of war, I believe that it is incumbent upon the Soviet Union and the United States to try to seek workable alternatives. At the same time, nations around the globe—who also have a great stake in prevention of a nuclear war—have an interest and responsibility in this crisis.

Having commented on this in a recent address over radio station WGN in Chicago, I ask unanimous consent to have excerpts printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

The Soviet-created crisis in Berlin represents, in my judgment, one of the gravest post-World War II threats to peace.

As things stand now, the East and West are deadlocked, with no visible solution on the horizon. Dangerously, the battlelines are forming—troops are mobilized, guns are cocked, targets are zeroed in.

Day by day tensions are heightening. Slamming down the Iron Curtain between the East West Zones in Berlin, for example, is a direct violation of post-World War II agreements.

The Communist aim, of course, is to snuff out the light of freedom in West Berlin. Why? Because the free zone has been a great embarrassment to the Kremlin:

As a showcase of Western progress—far outstripping the Eastern Zone; and

As a mecca of freedom for millions of individuals fleeing communism.

While stirring up trouble, Khrushchev at the same time (1) extends the hand of negotiation to the West (without, however, any real constructive proposals); (2) attempts to blame the West for the Soviet-created crisis; and (3) menacingly brandishes rockets and missiles in a coercive effort at power politics.

Now, what can be done? At this stage the West has a threefold responsibility. Fundamentally this involves: creation of alternatives to a military showdown on Berlin; maintaining an adequate defense force to protect Western rights and obligations; and conduct a diplomatic offensive, to prevent the situation from being determined by Khrushchev alone; but rather to present the Western case to the court of world opinion.

In this respect, I believe the nations not directly involved in the crisis also have an obligation. How? The stakes in Berlin are higher than just the freedom or enslavement of the West Berliners, or the triumph or defeat of the Western Alliance or the Soviet Union. Rather, the alternatives in this dangerous tempest are nuclear-missile war or nonwar. If a war occurred, the whole world would suffer grave consequences.

For this reason I believe that prior to a showdown—prior to the end-of-year deadline set by the Soviet Union for signing a separate treaty with East Germany—the noninvolved nations should carefully consider taking the following actions:

1. A majority of the nations could endorse U.N. intervention and settlement of the issues in accordance with the principles of the U.N. Charter, including the right for self-determination for the German people;

2. Creation of other ideas or alternatives for solving the crisis; and

3. Obtaining an endorsement by a majority of nations against war—or provocative acts that could lead to war—thus creating a psychological barrier to further threats of war.

If these things were done, I believe they would have a positive influence on the situation. Also, they would help to block the Communists to doggedly pursue their aggressive tactics, irrespective of their effects on the people of Berlin and Germany, or on world peace.

Impacted School Areas: Now is the Time To Help

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 21, 1961

Mr. HOSMER. Mr. Speaker, a discharge petition is at the Clerk's desk on H.R. 5349, a simple extension of the

impacted school areas statutes. If this session adjourns without extending these statutes, school districts in over 300 congressional districts will suffer moderate to catastrophic financial crises. Signatures on this petition will speed necessary legislation. It must be speeded to be enacted during the next 3 to 4 weeks, before Congress adjourns. Now is the time to help.

Representative Carl Vinson Urges Larger Active Duty Fighting Force

EXTENSION OF REMARKS
OF
HON. PAUL J. KILDAY
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, August 21, 1961

Mr. KILDAY. Mr. Speaker, the gentleman from Georgia [Mr. VINSON] is the best informed member on all matters with reference to the Military Establishment and national defense. I am sure all will be interested in an interview he recently granted to the Army-Navy-Air Force Register as it appears in the issue of August 26, 1961. I include the same as follows:

URGES LARGER ACTIVE DUTY FIGHTING FORCE

The United States has launched a stepped-up program to counter the Soviet threat to peace. One of the men who, over the years, has played a major role in shaping legislation governing the Armed Forces has been Representative CARL VINSON, Democrat, of Georgia, chairman of the House Armed Services Committee. The Register's Associate Editor Bill Immen interviewed the chairman to obtain his views on the build-up. In addition, VINSON outlined his views on the conflict-of-interest problem, the $10,000 limitation on salaries of retired officers, the contributory retirement plan, and the B–70 program.

Question. Mr. Chairman, the President has made the decision to beef-up our Armed Forces by calling up reservists. Do you believe that the planned strength jump of 250,000 is adequate to accomplish the job at hand?

Answer. The objective of the current increase in military manpower is to bring our current active duty force up to full combat strength. Certainly this is a step in the right direction, but future events will determine whether or not this limited strength increase is sufficient.

Question. If the tension in Berlin eases, will the plan to strengthen our forces remain in effect? In other words, is this simply a stopgap program, or will these increased forces be held on active duty even if the Berlin threat ends?

Answer. I have consistently urged that we should have a larger active duty force and that we should adopt a stable-force concept. It is certainly my hope that once we attain full combat strength we will maintain it, even if the Berlin threat subsides.

Berlin is only the most obvious evidence of the greater Communist threat which is worldwide. We must be militarily ready and nationally willing to meet this Communist threat wherever it may appear. Unless we are willing to maintain this posture for an indeterminate period of time, the current increase will be rather meaningless.

Question. Will the action of increasing our armed strength mean more expenditures for military hardware—ships, planes, guns? To what extent?

Answer. Increasing our armed strength will require greater expenditure for military hardware. As a matter of fact, it has already produced a request for an increased appropriation of $1.8 billion. Of this amount, an authorization of $958 million was necessary. The authorization has already been approved by both the House and the Senate and I have no doubt that the full appropriation will be approved by both bodies in the immediate future. I would anticipate that the fiscal 1963 budget will reflect increased expenditures to accommodate the increase in strength, as well as the modernization of weapons already in the hands of the current active duty force.

Question. Are you satisfied that our allies are doing their fair part in meeting the Communist threat?

Answer. It is obvious that our allies have their own problems. Since I do not have all the details as to the gravity of those problems, I would be most reluctant to criticize. On the other hand, the fight against communism is a problem common to all of us. By the same token, our efforts must be both mutual and substantial.

Question. Secretary McNamara has testified that he hopes, in part, to fulfill strength requirements by encouraging voluntray reenlistments and voluntary extensions of enlistments. Do you feel that this approach will work? Or will the draft be the chief means of obtaining additional manpower?

Answer. Historically, any substantial increase in draft calls has produced a concurrent increase in voluntary enlistments and voluntary extension of enlistments. One service has already reported a 30 percent increase in the rate of voluntary enlistments. Since the draft is to be not only doubled but tripled we will undoubtedly experience a very substantial increase in enlistments and voluntary extension of enlistments. In the current situation, only the Army will rely upon the draft for additional manpower. But even the Army can expect a very substantial part of this manpower requirement to be met on a voluntary basis.

Question. Will men called to active duty be assured that they will have the same job reemployment rights as those who served during World War II and the Korean war?

Answer. Current law insures the protection of job reemployment rights for those ordered to active duty.

Question. In recent days on the Hill there has been a renewed move to limit retired officers from holding jobs with organizations doing business with the Government. Do you feel that retired officers should be restricted in this way?

Answer. I have the continuing feeling that it is proper to restrict retired officers who obtain employment with defense contractors, insofar as their contacts with Government in a selling capacity are concerned.

The greater difficulty lies in defining the word "selling." On the other hand, many retired officers have acquired substantial skills in military weapons and I do not feel that the Nation should be denied these talents by barring the employment of retired officers in defense industries. It is simply a question of finding the proper dividing line between improper influence, as a result of a former service connection, and a desirable technical ability.

Question. Do you believe that there should be a $10,000 limitation on the salaries of retired officers as is now enforced under the dual compensation law?

Answer. For many years the total salary limitation under the Dual Compensation Act was $3,000. As the cost of living index increased over the years, it became obvious that the $3,000 limitation was wholly unrealistic. As a consequence, the Congress increased the minimum to $10,000. It may be true that a further upward revision would now be appropriate, but that is a subject which is not within the primary jurisdiction of the Committee on Armed Services.

Question. There has been considerable concern lately over the rising cost of military retirements. It has been suggested by some that a possible solution might be a contributory retirement system. Would you favor this as a solution?

Answer. The cost of military retirement is simply another phase of the total cost of defense. While some have urged a contributory retirement system, I have consistently supported the current system. It is interesting to note that the recent study conducted by the Senate Committee on Armed Services, by contract with the Univeristy of Michigan, has reached the same conclusion.

Question. Some aviation spokesmen have called for additional funds for production of the B–70 bomber. Do you go along with this, or do you feel that we should continue with our limited program?

Answer. I originally supported the development of the B–70 as a weapons system, not as a flying prototype. During this session of the Congress, it was the position of Secretary McNamara that the B–70 program should be restricted to the development of a flying prototype, without accompanying weapons systems. I reluctantly supported the Secretary in that decision.

However, it is my conviction that my original judgment was correct. As a consequence, and notwithstanding the position of Secretary McNamara, I fully support the prompt development of the B–70 as a weapons system. I publicly stated that position during the debate on the floor of the House on August 2, 1961, when I endorsed the action of the Senate in adding additional funds for this purpose. I am not only impressed with the added capability and flexibility which the B–70 would give us, but the great problems which it will create for our potential enemies.

Impacted School Areas: Move To Get Extension Off Dead Center

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 21, 1961

Mr. HOSMER. Mr. Speaker, school boards of thousands of the Nation's school districts in over 300 congressional districts are facing crises in financing the education of America's young. This is because the impacted school area statutes have not been extended during this session of Congress. This session is scheduled to adjourn in less than 1 month. Yet extension of these statutes is still on dead center. Members of this body may help move it ahead by signing the petition now at the Clerk's desk to discharge H.R. 5349, a simple extension of these statutes.

Meeting the Educational Challenge of the "Exceptional" Child—Testimony by Congresswoman Sullivan on H.R. 15—Exceptional Children Educational Assistance Bill

---

EXTENSION OF REMARKS
OF

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, August 21, 1961

Mrs. SULLIVAN. Mr. Speaker, 4 years ago this month, in the final hours of the 1st session of the 85th Congress, after almost a year of study and consultations with education experts, and after a comprehensive research project done for me by the Legislative Reference Service of the Library of Congress, I introduced the exceptional children educational assistance bill. Its purpose was, and is, to establish a 7-year program of Federal fellowships and scholarships, along with grants to colleges and universities, to encourage and expand the training of teachers for gifted children and also for physically handicapped children—children who need in either case the help of specially trained teachers in order to achieve their full educational potential.

DO NOT ALWAYS NEED SPECIAL CLASSES BUT DO NEED SPECIALIZED TEACHING

Running through all of the research material I have seen on the problem of meeting the educational challenge of the Nation's estimated 6 million exceptional children of school age is the theme that while these children do not in all cases need special classes or separate classrooms, they do require special teaching techniques. My bill is intended to encourage experienced classroom teachers to go back to college for graduate work in this field, and thus qualify either to teach exceptional children or to train or supervise other classroom teachers in this important and long-neglected field.

In the 2d session of the 85th Congress, I was urged by some of the parent groups and professional groups vitally interested in my bill to defer seeking action on it until a bill then pending directed at establishing a fellowship program for teachers of retarded children, could be enacted. It was feared that hearings on a bill covering all exceptional children might delay or interfere with final congressional action on the retarded children bill, which had already passed the Senate. And so I did defer to that position, and consequently we did pass the retarded children bill in 1958.

In the 86th Congress, the Committee on Education and Labor was so tied up in so many bitter legislative controversies that I could not obtain a hearing on the exceptional children bill. I am extremely pleased that today, thanks to Congresswoman EDITH GREEN, I was finally able to have my first opportunity to present testimony before an appropriate legislative subcommittee on my 4-year-old bill—H.R. 15—in this Congress. The hearing was conducted this morning before Mrs. GREEN's Subcommittee on Special Education.

Because of widespread interest among Members of Congress, among educators, parents, and the various groups interested in the particular problems of exceptional children, I am submitting for inclusion in the CONGRESSIONAL RECORD my testimony this morning before Mrs. GREEN's subcommittee, as follows:

TESTIMONY BY CONGRESSWOMAN LEONOR K. SULLIVAN, DEMOCRAT, OF ST. LOUIS, BEFORE SUBCOMMITTEE ON SPECIAL EDUCATION, HOUSE COMMITTEE ON EDUCATION AND LABOR, ON H.R. 15, A BILL BY MRS. SULLIVAN, "THE EXCEPTIONAL CHILDREN EDUCATIONAL ASSISTANCE ACT," TUESDAY MORNING, AUGUST 22, 1961

I am grateful for this opportunity to testify on H.R. 15, the Exceptional Children Educational Assistance bill, to establish a 7-year program of Federal fellowships and scholarships to train more teachers for America's 6 million exceptional children—those with specialized learning needs and problems.

Because of the extraordinarily heavy schedule of controversial legislation on the calendar of the Committee on Education and Labor I was not able to arrange hearings on this bill in either the 85th or 86th Congress, so I am particularly grateful to Congresswoman GREEN, the chairman of this subcommittee, for calling up the bill for hearings this week.

During the 4 years since I originally introduced the legislation, we have made a few piecemeal approaches to the educational problems of exceptional children—chiefly the mentally retarded—but little or nothing has been done for the others. Consequently, it was not surprising to me this past weekend when Secretary Ribicoff reported that an estimated 4½ million handicapped children of school age are not attending school at all. A major reason for that is that most of our school systems lack the specially trained teachers needed to make school a meaningful experience for these youngsters.

The Federal Government, of course, cannot be and should not be expected to finance the training of all of the classroom teachers we need, and the college faculty people we need, in this field of educating exceptional children. The most a Federal program should be expected to do is to provide a starting motor—a mechanism to initiate action in a neglected but vitally important area of education.

As long as we recognize it as only a starter—as long as we are aware that the biggest effort here is going to have to be by the States and localities, as it should be—then H.R. 15 represents one of the best investments the people of the United States could make, as Federal taxpayers, in the development of human resources, which constitute the greatest of all of our national resources.

THE PROBLEM FACED BY THE EXCEPTIONAL CHILD IN SCHOOL

While all of us are endowed with individual qualities and characteristics which distinguish us from each other most of us are blessed with a kind of normal averageness, if that is the word, of physical appearance and mental capacity which enables us from childhood on to submerge comfortably in the group—in the crowd—if we so desire and travel life's road at a comparatively easy pace. Most of the institutions with which we come in contact, the tools we must use, the clothes we wear, the homes in which we live, the specifications for most jobs, and the schools in which we learn, particularly the schools, are geared or tailored pretty much to the norm. I said we are blessed with the averageness because certainly as children we shrink at the idea of being visibly or demonstrably different.

But while most children seem to fit a comfortable pattern, others, a very select few, are touched by God with such great gifts of mind and perception, as to stand out for their brilliance; and still others, millions of others, are chosen for reasons known only to God for the special testing and trial of another form of differentness, that is, in having to shoulder physical, mental, or emotional handicaps or disabilities.

To romanticize this situation, it is easy to think that the gifted child has everything in his favor with the world as his oyster and the handicapped child inevitably has some inner fire and drive to enable him to overcome his physical limitations and achieve the greatness which has come to so many in similar circumstances; great poets, musicians, teachers, physicians, and so on, who were handicapped and who nevertheless achieved great things in spite of, if not because of, those physical handicaps.

But let us not forget that children do not suck knowledge out of their thumbs. They must be taught and often it is a painstakingly difficult—incredibly difficult—and skilled task to teach some unfortunate children anything, to teach others the minimum of those things they must learn and know in order to live useful lives, and to teach still others all they can learn profitably.

WASTAGE OF HUMAN RESOURCES

In this respect, the greatly gifted child and the handicapped child share some common and often serious problems in the educational process and thus are placed together by educators under the heading of exceptional. For the procedures set up to teach the so-called normal or average child do not begin to reach the educational needs of the difficult child—the exceptional one. As a consequence, the exceptional child—gifted or handicapped—is robbed of some of his educational birthright.

Some millions of children of school age are not in any school at all because of the existence of this problem. Some of these receive some help from the school system, but the problem is enormous, and the needs generally are not being met.

In addition, many others attend schools but find it often a frustrating experience, a place of confusion and torment, because they are just not geared for the classroom routine. They need classroom work specially planned for their abilities or handicaps. A capable youngster with a serious speech or hearing or visual defect can be made to feel dumb; an emotionally disturbed youngster can be a distracting influence on an entire class; a gifted youngster can sit and vegetate in pure boredom in a class which he tends to find a prison for his imagination or feel out of it in a class of older children who are nearer his mental capacity.

This is the problem faced by the exceptional child, and by his parents, and by all of us. Because the specialized equipment or the special techniques—or, most important, the specially trained teachers—are not available, the exceptional child suffers from unrealized educational opportunities, and his family is often caught in an agonizing situation. I think all of us know of such families and the problems they face. And lastly, we as a nation suffer in terms of a tragic wastage of human resources, of skills and abilities we cannot afford to waste.

I am not going to put this in terms of cold war or West versus East or the fact that the

Soviet Union is outstripping us in the education of scientists and engineers and technicians. True, a gifted child whose talents are wasted because he is not stimulated to learn to his full capacity might otherwise become a great inventor or scientist whose discoveries could bolster our defenses, but that is not the point I wish to make. I should like to present this problem not in terms of national defense but in terms of what is right and fair to American children and to our society, which could be enriched by the contributions of all of these exceptional children if given the opportunity to learn and contribute to their full capabilities.

INCIDENCE OF EXCEPTIONAL CHILDREN

Who are these children? And how many are there?

H.R. 15 defines the term "exceptional children" to include those who are unusually intelligent or gifted; the mentally retarded; the deaf or hard of hearing; the blind or those with serious visual impairments; children who have serious health problems due to heart disease, epilepsy, or other debilitating conditions; children with speech impediments; and those who are crippled, including those who have cerebral palsy; and, finally, children who are maladjusted emotionally and socially, including the institutionalized delinquent.

There is no exact count available on the number of children in each category. However, spot studies made in 1952 showed that except for the category of blind children or those with serious visual impairments, numbering at that time less than 100,000, each of the other seven categories was estimated to number at least—or substantially more than—500,000.

In 1954, the Office of Education held a conference on qualification and preparation of teachers of exceptional children, and in the course of the conference a proposed creed for exceptional children was presented by Leonard Mayo, director of the Association for the Aid of Crippled Children, and was accepted by the conference and by the Office of Education, which has since published it. I would like to quote a few passages from it.

This document states:

We believe in the American promise of equality of opportunity, regardless of nationality, cultural background, race, or religion.

"We believe in the American promise of every child within the borders of our country no matter what his gifts, his capacity, or his handicaps.

"We believe that the Nation as a whole, every State and county, every city and hamlet, and every citizen has an obligation to help in bringing to fruition in this generation the ideal of a full and useful life for every exceptional child in accordance with his capacity: the child who is handicapped by defects of speech, of sight, or of hearing, the child whose life may be adversely influenced by a crippling disease or condition, the child whose adjustment to society is made difficult by emotional or mental disorders, and the child who is endowed with special gifts of mind and spirit."

TRAINED MIND AND WARM HEART

The final paragraph of this document states:

"Above all, we believe in the exceptional child himself; in his capacity for development so frequently retarded by the limits of present knowledge; in his right to a full life too often denied him through lack of imagination and ingenuity on the part of his elders; in his passion for freedom and independence that can be his only when those who guide and teach him have learned the lessons of humility, and in which there resides an effective confluence of the trained mind and the warm heart."

I have quoted only portions of the document, the creed for exceptional children. I prize a framed copy of it in my office, and I will readily acknowledge that I have borrowed very heavily from it, deliberately, for the language of the preamble of my bill.

I think those few passages I quoted sum up a philosophy with which we must agree wholeheartedly if we truly mean to see to it that each child in this great country shares equally in the opportunity to learn. We know that each cannot learn at the same speed or to the same degree. But for those who can absorb knowledge and skills, we must make sure the opportunity exists for the child to benefit to the full extent possible.

We do that now for adults, and for children reaching maturity, in connection with vocational training and vocational rehabilitation. We provide the means by which men and women and young men and young women, with physical handicaps, can be helped and taught to qualify for skilled employment. Wonders are being performed under this program.

But why must we wait until the handicapped child is almost grown and ready for employment to begin thinking of his need in this respect? If we can perform wonders now in the rehabilitation process—and we can—then think how much more we could accomplish with that same individual if we began his specialized education as a youngster and geared it to his capabilities just as we later gear the vocational rehabilitation program to the physical capabilities of the individual.

SPECIALIZED TEACHING TECHNIQUES

Special educational techniques for the exceptional child would eliminate a tremendous amount of emotional stress for many of these children in the growing-up stage and thus help make better citizens of them and better communities for all of us.

Special education does not always and invariably involve special classes, but it does involve specialized teaching. In this connection, I think one of the best statements of the problem which I have seen was made in the annual report of the Ames, Iowa, public schools for 1954–55, in which Walter L. Hetzel stated:

"It must always be remembered that the education of exceptional children has basic concepts and goals in common with the education of all children. The same principles of child development prevail. A deaf child is a child with a hearing handicap. As a child, he has all the needs, desires, and physical energy of children in general. Basically, the only way in which he differs from an average child is his inability to hear; and because of this hearing handicap, he is unable to speak.

"This difference makes it necessary to plan his education with special consideration for his disabilities. The mentally retarded child, the child with visual impairment, the crippled child, and every other exceptional child has fundamental motives and drives common to children in general; but along with those common characteristics, there is in each case a specific handicap or exceptional condition that requires an adjustment or special service in his educational program.

"That program should be designed with full recognition of (a) his likeness to normal children, and (b) his special needs. This, in brief, constitutes the modern approach to the education of exceptional children."

EDUCATORS AWARE OF AND DISTURBED BY PROBLEM

Every family which has an exceptional child knows of the existence of this problem. So does every teacher who struggles with the task of trying to accommodate such a child in a group of 35 or 40 or more other youngsters, when there is insufficient space and not enough teaching hours in the day to cope with such tremendous classes. Our school administrators know of the problem, and so does the Office of Education, which has published much on it.

Many schools and many school systems are trying determinedly to meet the challenge which this problem presents. I was amazed at the number of Catholic schools, for example, set up specifically to meet the needs of exceptional children. I was also deeply impressed by the tremendous amount of literature on this problem.

TEACHER SHORTAGE AS BASIC FACTOR

One theme runs through all of this material, and is voiced again and again by Federal officials, State and local school administrators, and all of the experts in this field. It is this:

The problem is serious not because there is a lack of techniques or knowledge for helping these children, but because of a lack of trained teachers specially qualified to use these techniques and skills.

According to the research material prepared for me by the Library of Congress, there were in 1957 perhaps 25,000 specially trained schoolteachers equipped or certified to provide the specialized teaching required for various types of exceptional children. Some of the States have gone into the leadership on this in setting up certification standards for teaching exceptional children and many have established on a mandatory basis classes for certain physically handicapped and mentally retarded children.

Furthermore, at least 125 colleges and universities were then presenting sequences of courses leading to degrees for teachers or supervisors or researchers in various areas of exceptionality, and the increase in interest in this work on the part of the colleges and universities in recent years has been extremely gratifying.

Nevertheless, the number of teachers specially trained in these fields is so small compared with the magnitude of the need that any program to help in the education of exceptional children must start—and must concentrate on—assuring the training of many more teachers, and men and women to teach such teachers.

I am informed that a conservative guess on the number of elementary and secondary schoolteachers needed in this field would be 100,000—4 times the 25,000 teachers reported to have these specialized skills. And even that number, I am told, would not assure a desirable or practical ratio of teachers to students needing this specialized help.

PURPOSE OF PROPOSED BILL

The purpose of my bill is not to have the Federal Government proceed to do the job, but just lead the way, to provide a limited number of scholarships and fellowships to teachers and prospective teachers to encourage them to go into this field where they are so desperately needed; to provide some assistance to the colleges and universities pioneering in this work to enlarge facilities or obtain specialized equipment; and, above all, to stimulate the States and the localities not only to recognize their obligations—most of them do now—but rather to see the way to setting up the specialized classes or programs which are so necessary, knowing that under this bill more and more qualified teachers will be coming out of the advanced training courses prepared to take over such programs and build their effectiveness.

The Sullivan bill would work in this fashion:

AWARDS TO INDIVIDUALS

Beginning in this present fiscal year, and extending over 7 years, the Office of Educa-

tion could award a total of $18,500,000 to teachers and prospective teachers for specialized training, primarily at the graduate level, in the field of education of exceptional children. The appropriations authorized for this purpose would be limited to $500,000 for the current fiscal year ending next June 30, increasing each fiscal year thereafter by $1 million until a maximum of $3,500,000 a year was reached in the fiscal year ending June 30, 1965. This amount would continue each year, then, until the end of the fiscal year 1968. These grants would carry such stipends as the Commissioner of Education would determine, but the basic idea is that, by providing for living expenses as well as tuition or other expenses, they particularly enable men and women already engaged in the teaching profession to feel that they can afford to go back to school for this specialized advanced training.

UNDERGRADUATES COULD BE INCLUDED

The money would be allocated on a strict ratio among the States, based on the school populations of the respective States. If there were not enough successful applicants from any State to use up the State's full allocation in any one year, the remaining amount would revert to the Treasury. It could not be reallocated among other States.

Although the program is intended primarily to attract teachers with degrees for advanced training at the graduate level, there is a special provision in the bill to permit the Commissioner, when he deems it advisable, to make awards also for study at the undergraduate level. Thus, if there should be a limited number of graduate teachers in a particular State who were interested in going into this field, there would still be opportunity for the Commissioner to make awards to teachers who have not yet earned degrees or to residents of the State who have never taught professionally but who want to enter this field of teaching the exceptional child. But the primary emphasis of the bill, as I said, is on work at the graduate level.

The awards of scholarships and fellowships would be made directly to the individual recipient, not to the colleges or universities offering specialized courses. Since more institutions of higher learning are entering this field year by year, the recipient would thus have a free choice of institutions, providing, of course, that the recipient attended an accredited institution which offered appropriate courses in this field.

AWARDS TO INSTITUTIONS

An additional total amount of $2,500,000 would be authorized for appropriation during the 7-year program for grants to colleges and universities, primarily for installation of specialized equipment or facilities for training teachers in the fields of exceptional children. This particular item is not allocated on a State-by-State basis, nor is there a limitation of how much of the $2,500,000 could be appropriated in any one fiscal year. The basic idea in connection with this phase of the bill is to give the Commissioner of Education an opportunity to help schools actively engaged in teacher-training work to expand facilities, to put in necessary laboratories, and so on.

The Commissioner would be free to use some of this money in order to help an institution of higher education expand its faculty to establish courses in teacher training in the exceptionality categories. But I repeat, the emphasis intended on the use of this money is for things, rather than personnel. The amount of money involved is really so small that it could be used up quickly and to little overall effect if much of it were to go to schools to hire personnel, but I would not want to tie the Commissioner's hands too tightly if it should be determined by those best in a position to know the facts, that substantial portions of the awards to institutions should be made for that purpose.

Conceivably the best use to which this $2,500,000 might be put could even be for the purpose of setting up summer workshops or institutes at a number of centrally located colleges and universities. I just throw that out as a possibility, knowing that the summer institute idea has been used with very great success in the National Science Foundation and NDEA programs for high school teachers of science and mathematics.

ADVISORY COMMITTEES

Rather than try to spell out in every detail how these funds would have to be used to achieve the greatest effectiveness, I have provided in the bill for the creation of an advisory committee to assist the Commissioner in determining the areas and priorities of need in the award of grants to individuals and institutions, and in setting the standards for making the awards.

The advisory committee would be composed of people conversant with the overall educational needs of exceptional children, which is broad enough in phraseology, I hope, so that it could include outstanding lay people and other professionals, not just professional educators. To assure full participation by the professional educators now engaged in this work, I suggest in the bill the establishment of advisory panels of specialists in special education for each of the various categories of exceptional children, who could advise the Commissioner on particular problems and needs in their respective fields.

COOPERATION WITH THE STATES

There is one other provision of the bill which I believe warrants mention at this time, a provision calling for close and continuing and affirmative cooperation with the various State educational agencies to keep them fully informed of all developments under this program.

In this connection, the Commissioner of Education is instructed to notify the appropriate State officials of the names and home addresses of each resident of their State who is studying under a scholarship or fellowship grant under this program, and the field of study each is pursuing, so that the States can then bring up whatever ammunition they can to attract these teachers to positions back in their home States.

Of course, no teacher receiving a grant would or could be required to promise to teach in a particular State as a condition to receiving the award; so they will be free agents in that respect. But the States should be encouraged to try to get these people to come back to the home State so that the schools there can benefit, and the children can benefit, from the skills which these teachers will have acquired with Federal help.

The theory behind this section on cooperation with the States is that if the State agencies are keyed into the program, and are kept fully informed of all developments under it, and are consulted on the needs for specialized teachers in their States, they in turn will develop a greater awareness of those needs and the potentials of educating their exceptional children more effectively. They will thus also be encouraged, I believe, to develop more statewide programs and stimulate the local communities to set up special classes in these areas of specialized need.

PARTIAL SOLUTIONS FOR A MUCH BROADER PROBLEM

At the national level, Congress has not by any means been insensitive to this problem. Thanks to Congressman FOGARTY, we have appropriated substantial sums for research into the problems of teaching mentally retarded children and in 1958—a year after what is now H.R. 15 was originally introduced—we passed the bill to authorize a $1-million-a-year program to finance some fellowships for specialized work in teaching the mentally retarded. I was glad to support that bill, but as I said at the time it was passed, it was only a partial solution to a much broader problem.

Now the Senate has this year suggested a further partial solution by passing S. 336, which would provide grants for the training of teachers of the deaf, and for the training of speech pathologists and audiologists.

But is there any legitimate reason why we have to approach this problem in piecemeal fashion, enacting something for the mentally retarded children in 1958, something for the children with speech and hearing defects in 1961 or 1962, something for the crippled and cerebral-palsied in, say, 1963 or 1964, leaving out the emotionally and socially maladjusted or the children with debilitating conditions unless and until their parents can form a big enough lobby and become articulate enough to command equal attention from the Congress?

I have heard it said by some legislative strategists that it is always so hard to get through any broad type of Federal aid to education, that it is simpler just to handle all of these problems in piecemeal fashion, solving one problem one year in the name of national defense, then tackling the mentally retarded problem separately because no one can conscientiously oppose aid for mentally retarded children, and so on. Of course your experience on education issues in the Congress might bear that out. But I think, if we are doing anything significant and substantial in the field of training teachers for one group of exceptional children fairness dictates that we include them all in the same program and that it be the most effective type of program we can devise.

In connection with the needs of gifted children, your committee provided a good start in 1958 by including in the National Defense Education Act funds for testing and surveys to uncover the incidence of such youngsters in our schools. Presumably, then, we are singling them out for particular emphasis in the national defense-related subjects such as languages, mathematics, and the sciences. In the same act you set up a fellowship program for teachers in these specialized fields of knowledge. The National Science Foundation also devotes substantial funds for seminars and institutes for teachers in the secondary schools. So this problem is not entirely ignored. But we also need teachers in the elementary schools and in high school, too, who are able to work with the unusually intelligent child, not only in the teaching of a particular subject related to the national defense but in helping the child to achieve his full educational potential in all the fields of learning.

DOLLAR AUTHORIZATIONS PROBABLY TOO LOW

The $21 million which would be authorized over a 7-year period by H.R. 15—$18,500,000 in grants to individuals and $2,500,000 in grants to institutions—is an extremely modest amount compared to the need and the challenge. It is a figure based on recommendations made 4 years ago, and is probably too low in relation to today's costs, prices and needs. I would be delighted—and I invite you to do it—to see the subcommittee double or triple that amount. I was groping somewhat in the dark in trying to arrive at a reasonable figure. As some of you may know, and as the material I intend to submit for your record will show, I originally invited the Commissioner of Education in 1957—Dr. Derthick—to recommend to me the kind of legislation which would best help meet the need for teachers of exceptional children as he himself had described the need in testimony before the House Appropriations Subcommittee. His office declined to make any official policy

recommendations and, I would say, appeared quite lukewarm about the whole matter. I will let our exchange of correspondence at that time speak for itself.

I have not discussed the bill with the new Commissioner of Education because, frankly, I know he's had his hands full, since taking office, with issues and controversies with which all of you are quite familiar. But I hope this subcommittee, if it seriously plans to go ahead with H.R. 15, will discuss with the Commissioner and recognized experts in this field the proper dollar amount which should be authorized overall. I leave that to your good judgment.

CONCLUSION

Madam Chairman, there are two technical amendments which must be made in H.R. 15. On page 3, line 7, the word "Hawaii" should be deleted since Hawaii is now, of course, a State by right and by law and not merely by convenient definition in this measure.

On page 4, section 4, beginning at line 17, the $500,000 which would be authorized for the fiscal year ending June 30, 1961, is no longer appropriate. I would suggest, therefore, that each of the fiscal year authorizations be moved back 1 year, so that the program would continue through fiscal year 1968 rather than 1967.

I am submitting for your record the background material which I prepared at the time this bill was originally introduced. I hope you will include it in the printed transcript. It gives the origin of what is now H.R. 15. It details the actual development of the various provisions of the bill. It shows the factors which were taken into consideration. It lists the people who had a hand in developing the provisions. Most importantly, it gives what I believe is an outstanding research report from the Legislative Reference Service on this whole program. And this research material, in turn, explains the bases on which I had to make the final decisions from among various alternatives for what was, and still is, a pioneering legislative effort to help extend the American promise of equality of opportunity, as the preamble of the bill states, "to every child within our country, no matter what his gifts, his capacity or his handicaps, whether he is handicapped by defects of speech, of sight or of hearing, or crippling disease or condition, whether his adjustment to society is made difficult by emotional or mental disorders, or whether, on the other hand, he is endowed with outstandingly brilliant gifts of mind and of spirit."

Mrs. SULLIVAN. Mr. Speaker, the statement above lists the distinctive features of H.R. 15. I think it would help in an understanding of those features if the text of H.R. 15 were printed at this point in the RECORD in full, as follows:

H.R. 15

[87th Congress, 1st session, In the House of Representatives, January 3, 1961]

Mrs. SULLIVAN introduced the following bill; which was referred to the Committee on Education and Labor:

"A bill to provide for the establishment of a special $18,500,000 seven-year program of Federal scholarship and fellowship grants to individuals, and a $2,500,000 program of grants to public and nonprofit institutions of higher education, to encourage and expand the training of teachers for the education of exceptional children

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

"SHORT TITLE

"This Act may be cited as the 'Exceptional Children Educational Assistance Act'.

"FINDINGS AND PURPOSE OF ACT

"SEC. 2. The Congress believes that the American promise of equality of opportunity extends to every child within our country, no matter what his gifts, his capacity or his handicaps, whether he is handicapped by defects of speech, of sight or of hearing, or crippling disease or condition, whether his adjustment to society is made difficult by emotional or mental disorders, or whether, on the other hand, he is endowed with outstandingly brilliant gifts of mind and of spirit. All such exceptional children require special educational guidance for development of their total educational potential.

"The Congress finds that the educational problems presented by such exceptional children are of national concern, and that there is an acute national shortage of, and urgent national need for, individuals professionally qualified to teach such children, to supervise the teachers of such children, to train such teachers and supervisors, and to conduct research into the problems relating to the education of exceptional children.

"While the Congress recognizes that the primary responsibility for meeting these problems lies with the States and local communities, national interest in the training of self-reliant and useful citizens demands that the Federal Government assist and encourage and stimulate the initiation of adequate programs in the States to meet these problems.

"Therefore, this Act provides, on a temporary, seven-year basis, a program to further the training of teachers, supervisors of teachers, and researchers in special education for exceptional children, and to encourage and assist public and nonprofit institutions of higher education to expand their training work in these fields.

"DEFINITIONS

"SEC. 3. As used in this Act—

"(1) The term 'State' means a State, Hawaii, the District of Columbia, and the Commonwealth of Puerto Rico;

"(2) The term 'Commissioner' means the United States Commissioner of Education;

"(3) The term 'school-age population' means that part of the population which is between the ages of five and seventeen, both inclusive, determined by the Commissioner on the basis of the population between such ages for the most recent year for which satisfactory data are available from the Department of Commerce;

"(4) The term 'State educational agency' means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools in a State, or, if there is no such agency or officer, an agency or officer designated by the Governor or by State law;

"(5) The term 'nonprofit institution' means an institution owned and operated by one or more corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual; and

"(6) The term 'exceptional children' means those children determined in accordance with regulations issued by the Commissioner to present special educational problems, such as (a) children who are unusually intelligent or gifted; (b) children who are mentally retarded; (c) children who are deaf or hard of hearing; (d) children who are blind or have serious visual impairments; (e) children who have serious health problems due to heart disease, epilepsy, or other debilitating conditions; (f) children who suffer from speech impediments; (g) children who are crippled (including those who have cerebral palsy); and (h) children who are maladjusted emotionally and socially, including the institutionalized delinquent.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 4. (a) There are hereby authorized to be appropriated $500,000 for the fiscal year ending June 30, 1961; $1,500,000 for the fiscal year ending June 30, 1962; $2,500,000 for the fiscal year ending June 30, 1963; $3,500,000 for the fiscal year ending June 30, 1964; $3,500,000 for the fiscal year ending June 30, 1965; $3,500,000 for the fiscal year ending June 30, 1966; and $3,500,000 for the fiscal year ending June 30, 1967; for grants to individuals for scholarships and fellowships in accordance with the provisions of section 5(a) of this Act.

"(b) There is also authorized the sum of $2,500,000 to be expended during the existence of this program in the form of grants to public and nonprofit institutions in accordance with the provisions of section 5(b) of this Act.

"GRANTS BY THE COMMISSIONER

"SEC. 5. (a) The Commissioner is authorized to award scholarships and fellowships, with such stipends as he may determine, to individuals for the purpose of taking advanced training, at institutions selected by the recipients, for stated periods of time, in order to engage in employment as teachers of exceptional children, or to train or supervise teachers in this field, or engage in research in the teaching of exceptional children: *Provided*, That, in his discretion, the Commissioner, in order to accomplish the objectives of this Act, may also make these awards for study at the undergraduate level.

"(b) The Commissioner is also authorized to make grants to public and nonprofit institutions of higher education to construct, install, improve, or expand specialized facilities and equipment in connection with courses of instruction for persons preparing to engage in employment as teachers of exceptional children, or to train such teachers, or to supervise such teachers, or to engage in research in special education for exceptional children: *Provided*, That the Commissioner, in his discretion, may also make grants to establish specialized courses in this field in such institutions.

"(c) The amount of scholarships and fellowship grants made in any fiscal year to residents of a State under section 5(a) shall not exceed, in the aggregate, an amount which bears the same ratio to the total funds appropriated under authority of section 4(a) for such fiscal year as the school age population of such State bears to the total school age population of all the States.

"(d) Payments of grants pursuant to this Act may be made by the Commissioner from time to time, on such conditions as the Commissioner may determine, including conditions requiring public and other nonprofit institutions to make such reports, in such form, and containing such information as the Commissioner may from time to time reasonably require to carry out his functions under this Act, and conditions requiring compliance with such provisions as the Commissioner may from time to time find necessary to assure the correctness and verification of such reports.

"(e) The Commissioner shall consult with an advisory committee as described in section 6(a) which shall assist him in determining the areas and priorities of need in the award of these grants, and in setting the standards for the granting of such fellowships, scholarships, and grants.

"ADVISORY COMMITTEE AND ADVISORY PANELS

"SEC. 6. (a) The Commission shall appoint an advisory committee of not more than eight persons who shall be conversant with the overall educational needs of exceptional children and who shall assist the Commissioner in developing general policies under this Act. The Commissioner shall be ex officio a member of this committee and shall act as chairman thereof.

"(b) The Commissioner is also authorized from time to time to establish advisory panels of specialists in special education for any of the categories of exceptional children enumerated in this Act. Each such panel shall consist of not less than five persons, who shall meet at the call of the Commissioner.

"DELEGATIONS OF FUNCTIONS

"SEC. 7. The Commissioner may delegate to any officer or employee of the Office of Education any of his functions under this Act except the making of regulations.

"PUBLICIZING AVAILABILITY OF GRANTS

"SEC. 8. The Commissioner shall take such steps as are practicable to publicize to the fullest extent possible the availability of fellowships, scholarships, and grants under this Act among teachers and prospective teachers, and among all colleges and universities offering accredited courses of study leading to advanced degrees in nursery, kindergarten, elementary, or secondary education.

"COOPERATION WITH STATES

"SEC. 9. In the administration of this Act, the Commissioner shall consult and advise with the various State educational agencies to determine the extent of need for teachers of exceptional children in the respective States and to keep the State educational agencies fully informed of all developments under this program in order to encourage them to establish special programs or special classes for exceptional children. In this connection, the Commissioner shall advise the State educational agencies of the names and home addresses of all individuals from their respective States who have received fellowships, scholarships, or grants for training in the field of education of exceptional children, and the particular field of study each is pursuing, so that the respective State educational agencies can then take appropriate steps to seek to attract such persons to positions in their home States in order to utilize the advanced education and skills which they have acquired under this program: *Provided*, That no individual receiving a scholarship, fellowship, or grant for advanced study under this Act shall be required, as a condition of such scholarship or fellowship or grant, to promise to take employment subsequently in any State."

The National Tropical Botanic Garden

EXTENSION OF REMARKS
OF
HON. DANIEL K. INOUYE
OF HAWAII
IN THE HOUSE OF REPRESENTATIVES
Monday, August 21, 1961

Mr. INOUYE. Mr. Speaker, on March 15, 1961, I introduced H.R. 5628 to authorize the President of the United States to order a complete study and investigation of the desirability and feasibility of establishing and maintaining a National Tropical Botanic Garden in the State of Hawaii. The National Tropical Botanic Garden would be established for the purposes of research and education concerning tropical flora. The bill would authorize an appropriation of $5,000 to conduct this feasibility study. A similar bill was passed by the Senate in the last session of Congress, but due to lack of time, it was not considered by the House.

A National Tropical Botanic Garden is of paramount interest not only to the people of Hawaii but to people everywhere interested in plants. The idea of a living museum of tropical plants for basic and applied research in tropical botany is not new. For many years a group of Hawaiian citizens has worked steadily for a tropical botanic garden in Hawaii. Recently hundreds of interested people have organized to form the Hawaiian Botanical Gardens Foundation. State and city planning officials have zoned a 5,000-acre valley for such purposes.

It is not the intent of the bill to have the Federal Government subsidize the National Tropical Botanic Garden. It is hoped that such a garden can be privately endowed. However, at the present time, because of limited facilities and, more important, because such a study can be made with relative ease by experts in existing Government agencies, the bill asks the President to designate the proper agency to conduct the study.

Tropical plants are woven into some of history's most colorful tales. In 1793, Captain Bligh successfully transplanted breadfruit trees from the South Pacific to the West Indies—after being interrupted by a mutiny on the *Bounty*. The British West Indies plantation owners wanted breadfruit trees to produce abundant, starchy, highly nutritious and yet extremely cheap food for their slaves.

Quinine, once the exclusive and profitable trade commodity of Peru and Ecuador is more readily available in all parts of the world due to the cunning of the British and the Dutch. When they were refused permission to transplant quinine seedlings to their colonies, the British and the Dutch resorted to smuggling in 1850. Today Java is the principal source for quinine. During the war when that source was cutoff, the Federal Government gardens in Beltsville devoted its energies to the production of quinine seedlings which were airshipped to South America where they were cultivated. This made the Western Hemisphere independent of other areas of the world for the source of quinine.

The establishment of a National Tropical Botanic Garden in Hawaii would benefit the entire Nation and would further international understanding. Scientists from mainland universities as well as the rest of the world would conduct research on any botanical problem of interest concerning tropical plants.

The Hawaiian climate during all seasons of the year allows for continuous growth and gives many generations of annuals each year for research in plant genetics. The mean annual temperature is 74° and the average temperature during the coldest month differs only 6° from the average temperature during the hottest month.

More than 90 percent of the flowering plants in Hawaii are found nowhere else in the world. Many of them lack close relatives. Hawaii is so unusually gifted in its flora that it has 30 species of palm, and no specie is found on more than one island. Oahu alone has nine species, each one found in a separate valley in single or multiple groves. The number of plants unique to Hawaii is due to its prolonged isolation by vast spans of ocean, its mountains, and to the age of its land.

Within the Hawaiian Archipelago, there is a vast difference in the age of the islands. Kauai, the westernmost island is oftentimes called the Garden Isle. It is the oldest and the most abundant in flora. The wettest spot on earth is located on this island. The rainfall measures over 400 inches a year.

The island of Hawaii, the southernmost tip of the United States lies to the east and is still in the process of formation as is graphically seen by the present volcano eruptions there. It has desert areas and rain forests. The rainfall on this island varies from 145 inches a year in Hilo to a few inches in Kawaihae.

In many ways, Hawaii is a botanical garden in itself. The purpose of establishing a National Tropical Botanic Garden is first, to preserve the plants which are fast being destroyed everywhere in the tropics; second, to provide a living herbarium for taxonomists; third, to educate the present and future generations in the appreciation of the beauties of nature; and, fourth, to establish a research institute in connection with this living museum of tropical plants which would be open to scientists of all countries to carry on their studies.

Not just the whole South Pacific area but the whole southern half of the globe would profit directly from such an arboretum.

Impacted School Areas: Crises Can Be Avoided by Discharge Petition

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, August 21, 1961

Mr. HOSMER. Mr. Speaker, the education of millions of America's public schoolchildren will be impaired, in some cases very seriously, unless the impacted school area statutes are extended before Congress adjourns in less than 1 month. The signatures of Members of this body on a petition now at the Clerk's desk to discharge H.R. 5349 extending these statutes will help avoid the crises. I invite Members who have not already done so to add their signatures to this petition.

Wichita Youth Wins Soap Box Derby

EXTENSION OF REMARKS
OF
HON. GARNER E. SHRIVER
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Monday, August 21, 1961

Mr. SHRIVER. Mr. Speaker, I believe it is most appropriate and timely during this debate on legislation which would assist in preventing and controlling juvenile delinquency to inform the House of an achievement yesterday of a 13-year-old Wichita, Kans., boy which has been acclaimed by the citizens of my district, the State, and Nation.

It is with considerable pride that I note the victory of Richard T. Dawson, of Wichita, in the finals of the 24th All-American Soap Box Derby held at Akron, Ohio, on Sunday. Dick is the son of Mr. and Mrs. Richard W. Dawson and he represented the Wichita Eagle and Beacon in the national competition.

Dick Dawson is representative of 50,000 young American boys in our Nation who each year devote their time and energies to building soap box racers and compete for the right to race in the national classic at Akron.

Dick had spent a year working on the planning and building of his winning racer. He had the valuable counsel and assistance of his father. Yesterday's national championship won by him over 153 other local champions represented the successful culmination of three years of Soap Box Derby competition. Dick had tried twice before in the Wichita contest but was unable to qualify for the Akron race.

I want to commend the sponsors of the Soap Box Derbies across the land along with the many newspapers who assist young boys to compete in the local and national classics. Parents are to be congratulated, too, for their vital role of lending encouragement and advice to their sons in this program.

I believe that this is one of the many constructive programs promoted by private firms and industries which is an important force in providing American communities with valuable young citizens. Such youth programs also help stem the rise of juvenile delinquency.

HOUSE OF REPRESENTATIVES

TUESDAY, AUGUST 22, 1961

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

From the Book of Daniel 11: 32: *The people that know God shall be strong and do exploits.*

Eternal God, Thy divine love, wisdom, and power are the inspiration and the support of the God-fearing, the heroic, and the faithful in every generation.

Grant us the guiding light of Thy holy spirit as we strive with diligence and devotion to lift the heart of humanity to the lofty heights of amity and peace.

We humbly beseech Thee that we may never forfeit our right to Thy favor and benediction by our failure to be obedient to Thy will.

May we be honest and sincere for there are those who trust us; may we be strong for there are heavy burdens to carry; may we be courageous for there is much to do and dare.

Hear us in the name of the Captain of our salvation. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 1022. An act to amend the Agricultural Adjustment Act of 1938 to provide for lease and transfer of tobacco acreage allotments;

H.R. 5179. An act for the relief of the U.S. Display Corp.;

H.R. 5255. An act to clarify the status of circuit and district judges retired from regular active service;

H.R. 6244. An act for the relief of certain members of the uniformed services erroneously in receipt of family separation allowances;

H.R. 6453. An act for the relief of Earl Gupton; and

H.R. 7934. An act to authorize the Secretaries of the military departments to make emergency payments to persons who are injured or whose property is damaged as a result of aircraft or missile accidents, and for other purposes.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 233. An act for the relief of Sonja Dolata;

S. 547. An act for the relief of Young Jei Oh and Soon Nee Lee;

S. 631. An act for the relief of Elwood Brunken;

S. 651. An act for the relief of Howard B. Schmutz;

S. 1234. An act for the relief of Max Haleck;

S. 1355. An act for the relief of Helen Haroian;

S. 1486. An act to authorize the Comptroller of the Currency to establish reasonable maximum service charges which may be levied on dormant accounts by national banks;

S. 1742. An act to authorize Federal assistance to Guam, American Samoa, and the Trust Territory of the Pacific Islands in major disasters;

S. 1771. An act to improve the usefulness of national bank branches in foreign countries;

S. 1787. An act for the relief of Giovanna Vitiello;

S. 1880. An act for the relief of Johann Czernopolsky;

S. 1906. An act for the relief of Fares Salem Salman Hamarneh;

S. 1908. An act to provide for a national hog cholera eradication program;

S. 1927. An act to amend further the Federal Farm Loan Act and the Farm Credit Act of 1933, as amended, and for other purposes;

S. 2130. An act to repeal certain obsolete provisions of law relating to the mints and assay offices, and for other purposes;

S. 2295. An act to amend the act entitled "An act for the organization, improvement, and maintenance of the National Zoological Park," approved April 30, 1890; and

S.J. Res. 108. Joint resolution to authorize the presentation of the Distinguished Flying Cross to Maj. Gen. Benjamin D. Foulois, retired.

COMMITTEE MEETING DURING HOUSE SESSION TODAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Subcommittee on the Impact of Imports and Exports on American Employment of the Committee on Education and Labor may be permitted to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

VOTE NEARS ON LEAD-ZINC SMALL PRODUCERS' BILL

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, the House Committee on Rules has just granted a rule on H.R. 84, a bill to stabilize the mining of lead and zinc by small domestic producers.

There now appears to be a very good chance that this bill may be scheduled for House consideration later this week, possibly on Thursday.

Thus this body once again approaches a vote on a measure which may well be the last chance for survival of hundreds of small American lead and zinc mines, located in more than 20 States of the Union.

I earnestly hope, Mr. Speaker, that Members who supported a similar measure under the title of H.R. 8860 in the 86th Congress will continue to lend their support, and that newcomers to this House will be on hand for the full committee discussion of the bill when it reaches the floor of the House.

H.R. 84 is literally a life-or-death matter for thousands of American miners and their families. I hope and trust it will be overwhelmingly approved by the 87th Congress.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 162]

Alford	Frazier	Minshall
Andersen, Minn.	Gray	O'Brien, Ill.
	Green, Pa.	O'Hara, Mich.
Bailey	Harding	O'Konski
Bell	Harrison, Va.	Philbin
Betts	Harsha	Pilcher
Blatnik	Hébert	Pillion
Boggs	Herlong	Powell
Brooks, La.	Ikard, Tex.	Rabaut
Buckley	Jennings	Rains
Burke, Ky.	Karsten	Reece
Burke, Mass.	Kearns	Shelley
Celler	Kee	Sheppard
Coad	Keogh	Shipley
Curtis, Mo.	Kilburn	Slack
Derwinski	King, Calif.	Ullman
Dominick	Landrum	Watts
Donohue	McMillan	Westland
Doyle	Machrowicz	Wilson, Calif.
Fogarty	Milliken	
Ford	Mills	

The SPEAKER. On this rollcall, 383 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

Mr. DOYLE. Mr. Speaker, when I missed being personally present on the floor of this House in time to answer to the quorum call just concluded, it was because I was necessarily in attendance on official business before a U.S. Senate Subcommittee on Government Operations, which subcommittee was presided over by the distinguished Senators MUSKIE, of Maine, and JAVITS, of New York.

The subject of the Senate subcommittee hearing, at which I was personally present at shortly before 10 a.m. until adjournment of the subcommittee which was just a few minutes too late for me to be able to walk from the New Senate Office Building, where the hearing was being held, in time to answer the quorum call, was the highly important matter of the hearing on S. 1497 by the distinguished Senator from California [Mr. KUCHEL] relating to the disposition by the General Services Administration of the exceedingly valuable property, all of which is in the great 23d Congressional District which I represent: to wit, the Cheli Air Force Depot, which has been declared surplus to the Defense Department's further needs. It was my pleasant duty at that hearing to introduce to the two distinguished Senators constituting the subcommittee two councilmen of the city of Bell wherein the former Cheli Air Force property is located within the municipal limits of the city of Bell. The two councilmen from the city of Bell being Messrs. Brown and Yerian, together with the city attorney of that city, Mr. C. Casjens, who were all witnesses before the subcommittee in the interest of the city of Bell. And likewise it was my pleasure and responsibility to present to said subcommittee the honorable mayor of the city of Commerce which is also in the great 23d District, Los Angeles County: to wit, Hon. Mayor Quigley, and also the city administrator, Mr. Lawrence O'Rourke.

Mr. Speaker, a further reason that I am making this explanation of my absence to you and the other Members of this great legislative body, this being my 15th year of membership herein, is that this absence from being personally present at said quorum call is my first absence from a quorum call, or any rollcall, since the inception of this first half of this 87th Congress. Therefore, excepting this one absence, I believe my record of personal presence at yea-and-nay rollcalls, and all other quorum calls excepting this one which closed just a few minutes before I arrived here from the Senate, is 100 percent.

STATUS OF APPROPRIATIONS—REGULAR AND BACK-DOOR, 1ST SESSION, 87TH CONGRESS

Mr. CANNON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include certain tables.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, for the information of the House and the country, I include up-to-date comparative tabulations of the regular appropriation bills and identified legislative bills carrying back-door appropriation provisions. These are up-dated versions of the tables in the RECORD of last Wednesday, August 16.

With the passage in both bodies of the foreign-aid authorizations, tentative totals of the back-door provisions are now indicated. The total determinable request in the 11 identified bills is $28,670 million.

In the 10 bills cleared by the Senate, the determinable back-door total is $26,821 million.

The determinable total of the 11 bills passed by the House is $19,561 million.

The difference lies substantially in the foreign-aid bill now in conference.

The back-door spending practice is indefensible before every rule of reason and commonsense. But it is especially regrettable that the House, which since the establishment of the Republic has vigorously and successfully resisted efforts of the other body to trespass on its prerogative to originate the money bills, now almost blithely accepts the intrusions.

It is a situation which should have immediate attention.

New authority to obligate the Government carried in identified legislative bills—1st sess., 87th Cong. (public debt borrowing, contract authority, use of receipts, and authority to use existing authority)

[Please note that for some bills no amounts are shown; thus the grand totals understate the situation]

Bill and subject	Executive requests		Senate	House	Enacted	Enacted compared with executive requests—	
	Full basis	Basis comparable to enacted				Full basis	Comparable basis
1. Veteran's direct loans, multiyear (H.R. 5723; Public Law 87-84) (public debt)	[1]	[1]	$1,050,000,000	$1,050,000,000	$1,050,000,000	+$1,050,000,000	+$1,050,000,000
2. Area redevelopment, multiyear (S. 1; Public Law 87-27) (public debt)	[2] ($300,000,000)	[2] ($300,000,000)	[3] 300,000,000	[3] (300,000,000)	[3] 300,000,000	+300,000,000	+300,000,000
3. Agricultural commodities, sales for foreign currencies, for calendar year 1961 (S. 1027; Public Law 87-28) (contract authority involving subsequent reimbursement of CCC)	[4] 2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	----------	----------
4. Special milk program for fiscal year 1962 (S. 146; Public Law 87-67) (contract authority involving subsequent reimbursement of CCC)	[5] 105,000,000	[5] 105,000,000	105,000,000	105,000,000	105,000,000	----------	----------
5. Special feed grain program for 1961 (H.R. 4510; Public Law 87-5) (contract authority involving subsequent reimbursement of CCC)	[6]	[6]	[6]	[6]	[6]		
6. Housing Act of 1961, multiyear (S. 1922; Public Law 87-70) (Public debt and contract authority):							
(a) FNMA, special assistance (public debt)	750,000,000	750,000,000	750,000,000	[7] 1,550,000,000	[7] 1,550,000,000	+800,000,000	+800,000,000
(b) College housing loans (public debt)	1,350,000,000	1,000,000,000	1,350,000,000	1,200,000,000	[8] 1,200,000,000	−150,000,000	+200,000,000
(c) Public facility loans (public debt)	50,000,000	50,000,000	50,000,000	500,000,000	450,000,000	+400,000,000	+400,000,000
(1) Mass transportation loans (public debt)			100,000,000		50,000,000	+50,000,000	+50,000,000
(d) Urban renewal grants (contract authority)	[9] 2,500,000,000	[9] 2,500,000,000	[9] 2,500,000,000	[9] 2,000,000,000	[9] 2,000,000,000	−500,000,000	−500,000,000
(e) Public housing (contract authority):							
(1) Annual contributions	[10] 3,146,000,000	[10] 3,146,000,000	[10] 3,146,000,000	[10] 3,146,000,000	[10] 3,146,000,000	----------	----------
(2) Demonstration grants	[11] (10,000,000)	[11] (10,000,000)	[11] (10,000,000)	----------	[11] 5,000,000	+5,000,000	+5,000,000
(f) Open space land grants (contract authority)	[12] (100,000,000)	[12] (100,000,000)	----------	[12] (100,000,000)	[12] 50,000,000	+50,000,000	+50,000,000
(g) Mass transportation demonstration grants (contract authority)	[13] (10,000,000)	[13] (10,000,000)	[13] (50,000,000)	----------	[13] (25,000,000)	(+15,000,000)	(+15,000,000)
(h) Farm housing loans (public debt)	[14] 207,000,000	[14] 207,000,000	[14] 207,000,000	[14] 407,000,000	[14] 407,000,000	+200,000,000	+200,000,000
Total, housing bill	8,003,000,000	7,653,000,000	[15] 8,103,000,000	8,803,000,000	8,858,000,000	+855,000,000	+1,205,000,000
Loans	(2,357,000,000)	(2,007,000,000)	(2,457,000,000)	(3,657,000,000)	(3,657,000,000)	(+1,300,000,000)	(+1,650,000,000)
Grants	(5,646,000,000)	(5,646,000,000)	(5,646,000,000)	(5,146,000,000)	(5,201,000,000)	(−445,000,000)	(−445,000,000)

See footnotes at end of table.

New authority to obligate the Government carried in identified legislative bills—1st sess., 87th Cong. (public debt borrowing, contract authority, use of receipts, and authority to use existing authority)—Continued

[Please note that for some bills no amounts are shown; thus the grand totals understate the situation]

Bill and subject	Executive requests		Senate	House	Enacted	Enacted compared with executive requests—	
	Full basis	Basis comparable to enacted				Full basis	Comparable basis
7. Cape Cod National Seashore Park (S. 857; H.R. 5786; Public Law 87-126) (contract authority)	[16] ($16,000,000)	[16] ($16,000,000)	$16,000,000	[16] ($16,000,000)	[16] ($16,000,000)		
8. Federal aid to airports, 5 years (H.R. 6580; S. 1703; H.R. 8102) (contract authority)	375,000,000			[16] (375,000,000)			
9. Mutual security loans, 5 years (H.R. 8400; S. 1983) (public debt borrowing, use of certain repayments, and contract authority):							
(a) Public debt borrowing for development loans	7,300,000,000		7,987,000,000	([22])			
(b) Use of receipts from old loans for development loans	[17] 1,487,000,000						
(c) Drawdown on Defense stocks and services for military assistance purposes (Defense can incur obligations in anticipation of reimbursement) (sec. 510)	400,000,000		200,000,000	400,000,000			
(d) Use of foreign currencies (House, sec. 611; Senate, sec. 612)	([18])		([18])	([18])			
Total, mutual security	9,187,000,000		8,187,000,000	400,000,000			
10. Highway Act of 1961 (H.R. 6713; Public Law 87-61) (diversion of general fund revenues to "trust" fund; contract authority):							
(a) Diversion of ½ of 10 percent tax on trucks, buses, and trailers [19]			1,660,000,000	1,803,000,000	1,660,000,000	+$1,660,000,000	+$1,660,000,000
11. Agricultural Act of 1961 (H.R. 6400; H.R. 8230; S. 1983; Public Law 87-128):							
(a) 1962 wheat program (use of CCC funds involving subsequent reimbursement of CCC)			([6])	([6])	([6])		
(b) 1962 feed grain program (contract authority and use of CCC funds involving subsequent reimbursement of CCC)			([6])	([6])	([6])		
(c) Agricultural commodities, sales for foreign currencies (contract authority involving subsequent reimbursement of CCC)	[20] 7,500,000,000	[20] 4,500,000,000	[20] 4,500,000,000	[20] 4,500,000,000	[20] 4,500,000,000	−3,000,000,000	
(d) Famine relief (contract authority involving subsequent reimbursement of CCC)	[21] 1,500,000,000	[21] 900,000,000	[21] 900,000,000	[21] 900,000,000	[21] 900,000,000	−600,000,000	
Total, Agricultural Act	9,000,000,000	5,400,000,000	5,400,000,000	5,400,000,000	5,400,000,000	−3,600,000,000	
Grand total (as to amounts listed)	28,670,000,000		26,821,000,000	19,561,000,000			

[1] Department endorsed need for some legislation, but no specific request was submitted by the administration. Bill extends over 6 years.
[2] Recommended usual-type authorization of appropriation to 3 revolving funds plus use of receipts derived from operations. House concurred.
[3] For 3 revolving funds plus use of receipts derived from operations.
[4] For calendar year 1961 only (to a total of $3.5 billion).
[5] Originally submitted as part of the general farm bill, to be financed in this manner for fiscal 1962 and thereafter through the more usual annual advance appropriation.
[6] Amounts not precisely determinable.
[7] Basis for this figure is set out on pp. 54–55, H. Rept. 447.
[8] For 4-year period; full executive request and Senate bill were for 5-year period.
[9] For 4-year period.
[10] Represents estimated maximum cost of annual contributions for 100,000 units of public housing to be paid out over period 40 to 45 years. See pp. 55–46, H. Rept. 447.
[11] Regular authorization for appropriation in executive request and Senate bill. House bill made no provision. Bill changed at conference stage to contract authority.
[12] Regular authorization for appropriation. Senate bill made no provision. Bill changed at conference stage to contract authority.
[13] Part of, and included in, item 6(d), urban renewal grant authority.
[14] Executive request and Senate bill proposed a 5-year extension of availability of the uncommitted balance of previous authority otherwise due to expire on June 30, 1961. (Amount variously estimated at $207,000,000 to $235,000,000; actually turned out to be $227,612,000.) House bill and final version extend such balance and add $200,000,000 additional—limited, however, to a 4-year period. See pp. 57–58, H. Rept. 447.
[15] Excludes $1,200,000,000 carried in Senate bill for veterans direct loans inasmuch as the program is also accounted for in the first bill listed in tabulation.
[16] Regular authorization for appropriation.
[17] Officially estimated at $287,000,000 for 1962 and $300,000,000 for each succeeding year.
[18] Precise amounts not identified.
[19] While technically this is not "New authority to obligate the Government," it has the same effect insofar as general budget totals and results are concerned in that it is, in final effect, the same as an expenditure from the general fund. Amounts shown taken from p. 12, S. Rept. 367. "New authority to obligate the Government" carried in the law, and requested, is $11,560,000,000 for the Interstate program over the period through 1972; but it is against the highway "trust" fund, not the general fund. Not shown here are the executive proposals (1) to increase new obligating authority for the A–B–C program; (2) to shift financing of forest and public land highways from the general fund to the "trust" fund; and (3) to redivert aviation gas tax revenues from the "trust" fund to the general fund. They are not shown because action was postponed to a later time.
[20] Enacted and Senate bills for 3 calendar years 1962–64. Full executive request was 5 years 1962–66. House was for 3 years 1962–64 with no limit, but in order to avoid gross distortion of totals and comparisons, $4,500,000,000 is arbitrarily inserted.
[21] Full executive request was for 5 calendar years 1962–66. Senate, House, and enacted are for 3 calendar years 1962–64.
[22] Usual form of appropriation authorization—$1,200,000,000 for fiscal 1962 only.

Table of appropriation bills, 87th Cong., 1st sess., as of Aug. 22, 1961

[Does not include any back-door appropriation bills]

Title	Budget estimates to House	Amount as passed House	House compared with Budget estimates	Budget estimates to Senate	Amount as passed Senate	Senate action compared with—		Final conference action	Final action compared to budget estimates to date
						Budget estimates	House action		
1961 SUPPLEMENTALS									
3d supplemental, 1961	$1,235,482,769	$803,506,119	−$431,976,650	$5,275,213,127	$4,637,419,970	−$637,793,157	+$3,833,913,851	$1,694,055,637	[1]−$3,581,157,490
Inter-American program	600,000,000	600,000,000		600,000,000	600,000,000			600,000,000	
4th supplemental, 1961	88,024,000	47,214,000	−40,810,000	88,024,000	47,214,000	−40,810,000		47,214,000	−40,810,000
Total, 1961 supplementals	1,923,506,769	1,450,720,119	−472,786,650	5,963,237,127	5,284,633,970	−678,603,157	+3,833,913,851	2,341,269,637	−3,621,967,490

See footnotes at end of table.

Table of appropriation bills, 87th Cong., 1st sess., as of Aug. 22, 1961—Continued

[Does not include any back-door appropriation bills]

Title	Budget estimates to House	Amount as passed House	House compared with Budget estimates	Budget estimates to Senate	Amount as passed Senate	Senate action compared with—		Final conference action	Final action compared to budget estimates to date
						Budget estimates	House action		
1962 APPROPRIATIONS									
Treasury-Post Office	$5,371,801,000	$5,281,865,000	−$89,936,000	$5,371,801,000	$5,327,631,000	−$44,170,000	+$45,766,000	$5,298,765,000	−$73,036,000
Interior [1]	782,387,000	753,319,000	−29,068,000	782,387,000	813,399,850	+31,012,850	+60,080,850	779,158,650	−3,228,350
Labor-HEW	4,282,148,081	4,327,457,000	+45,308,919	5,004,131,081	5,161,380,000	+157,248,919	+833,923,000		
Legislative	105,647,577	104,353,335	−1,294,242	136,082,802	135,432,065	−650,737	+31,078,730	135,432,065	−650,737
State, Justice, Judiciary	805,584,202	751,300,050	−54,284,152	805,584,202					
Agriculture	6,089,244,000	5,948,466,000	−140,778,000	6,089,244,000	5,967,457,500	−121,786,500	+18,991,500	5,967,494,500	−121,749,500
Loan authorizations	(612,000,000)	(629,900,000)	(+17,900,000)	(612,000,000)	(725,500,000)	(+113,500,000)	(+95,600,000)	(725,500,000)	(+113,500,000)
Independent offices	8,625,561,000	8,404,098,000	−221,463,000	9,174,561,000	9,098,769,500	−75,791,500	+694,671,500	8,966,285,000	−208,276,000
General Government-Commerce	666,278,000	626,958,000	−39,320,000	666,278,000	650,438,200	−15,839,800	+23,480,200	641,135,800	−25,142,200
Defense	42,942,345,000	42,711,105,000	−231,240,000	46,396,945,000	46,848,292,000	+451,347,000	+4,137,187,000	46,662,556,000	+265,611,000
District of Columbia	(292,438,188)	(268,122,400)	(−24,315,788)						
Loan authorization	(24,600,000)	(29,000,000)	(+4,400,000)						
Federal payment	39,753,000	32,753,000	−7,000,000						
Military construction	1,035,568,000	883,359,000	−152,209,000	1,047,568,000	1,020,146,750	−27,421,250	+136,787,750		
Public works									
Mutual security									
Supplemental									
Total, 1962 appropriations	70,746,316,860	69,825,033,385	−921,283,475	75,474,582,085	75,022,946,865	+353,948,982	+5,981,966,530	68,450,827,015	−166,471,787
Total, all appropriations	72,669,823,629	71,275,753,504	−1,394,070,125	81,437,819,212	80,307,580,835	−324,654,175	+9,815,880,381	70,792,096,652	[1]−3,788,439,277
Total, loan authorizations	(636,600,000)	(658,900,000)	(+22,300,000)	(612,000,000)	(725,500,000)	(+113,500,000)	(+95,600,000)	(725,500,000)	(+113,500,000)

[1] Major reductions include two items submitted directly to Senate (S. Doc. 19): (1) $2,969,525,000 to restore funds of Commodity Credit Corporation. Entire estimate disallowed in conference; $1,951,915,000 resubmitted for 1962 in budget estimates for Agriculture (H. Doc. 155); (2) $490,000,000 for "Payment to the Federal extended compensation account." Reduction made by Senate. Resubmitted to Senate for 1962 in Labor-HEW bill (S. Doc. 30).

[2] Includes borrowing authority as follows: Budget estimate, $15,000,000; House reported and passed, $10,000,000; Senate reported and passed, $10,000,000.

NOTE.—Indefinite appropriations are included in this table.

SUBCOMMITTEE ON LABOR OF COMMITTEE ON EDUCATION AND LABOR

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Labor of the Committee on Education and Labor may sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

FACILITATING THE BUSINESS OF THE FEDERAL COMMUNICATIONS COMMISSION

Mr. HARRIS. Mr. Speaker, I call up the conference report on the bill (S. 2034) to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 996)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2034) to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That subsection (c) of section 5 of the Communications Act of 1934, as amended, relating to a 'review staff', is hereby repealed.

"SEC. 2. Subsection (d) of section 5 of the Communications Act of 1934, as amended, is amended to read as follows:

"'(d)(1) When necessary to the proper functioning of the Commission and the prompt and orderly conduct of its business, the Commission may, by published rule or by order, delegate any of its functions (except functions granted to the Commission by this paragraph and by paragraphs (4), (5), and (6) of this subsection) to a panel of commissioners, an individual commissioner, an employee board, or an individual employee, including functions with respect to hearing, determining, ordering, certifying, reporting, or otherwise acting as to any work, business, or matter; except that in delegating review functions to employees in cases of adjudication (as defined in the Administrative Procedure Act), the delegation in any such case may be made only to an employee board consisting of three or more employees referred to in paragraph (8). Any such rule or order may be adopted, amended, or rescinded only by a vote of a majority of the members of the Commission then holding office. Nothing in this paragraph shall authorize the Commission to provide for the conduct, by any person or persons other than persons referred to in clauses (2) and (3) of section 7(a) of the Administrative Procedure Act, of any hearing to which such section 7(a) applies.

"'(2) As used in this subsection (d) the term "order, decision, report, or action" does not include an initial, tentative, or recommended decision to which exceptions may be filed as provided in section 409(b).

"'(3) Any order, decision, report, or action made or taken pursuant to any such delegation, unless reviewed as provided in paragraph (4), shall have the same force and effect, and shall be made, evidenced, and enforced in the same manner, as orders, decisions, reports, or other actions of the Commission.

"'(4) Any person aggrieved by any such order, decision, report or action may file an application for review by the Commission within such time and in such manner as the Commission shall prescribe, and every such application shall be passed upon by the Commission. The Commission, on its own initiative, may review in whole or in part, at such time and in such manner as it shall determine any order, decision, report, or action made or taken pursuant to any delegation under paragraph (1).

"'(5) In passing upon applications for review, the Commission may grant in whole or in part, or deny such applications without specifying any reasons therefor. No such application for review shall rely on questions of fact or law upon which the panel of commissioners, individual commissioner, employee board, or individual employee has been afforded no opportunity to pass.

"'(6) If the Commission grants the application for review, it may affirm, modify, or set aside the order, decision, report, or action, or it may order a rehearing upon such order, decision, report, or action in accordance with section 405.

"'(7) The filing of an application for review under this subsection shall be a condition precedent to judicial review of any order, decision, report, or action made or taken pursuant to a delegation under paragraph (1). The time within which a petition for review must be filed in a proceeding to which section 402(a) applies, or within which an appeal must be taken under section 402(b), shall be computed from the date upon which public notice is given of

orders disposing of all applications for review filed in any case.

"'(8) The employees to whom the Commission may delegate review functions in any case of adjudication (as defined in the Administrative Procedure Act) shall be qualified, by reason of their training, experience, and competence, to perform such review functions, and shall perform no duties inconsistent with such review functions. Such employees shall be in a grade classification or salary level commensurate with their important duties, and in no event less than the grade classification or salary level of the employee or employees whose actions are to be reviewed. In the performance of such review functions such employees shall be assigned to cases in rotation so far as practicable and shall not be responsible to or subject to the supervision or direction of any officer, employee, or agent engaged in the performance of investigative or prosecuting functions for any agency.

"'(9) The secretary and seal of the Commission shall be the secretary and seal of each panel of the Commission, each individual commissioner, and each employee board or individual employee exercising functions delegated pursuant to paragraph (1) of this subsection.'

"SEC. 3. Section 405 of the Communications Act of 1934, as amended, is hereby amended to read as follows:

"'REHEARINGS

"'SEC. 405. After an order, decision, report, or action has been made or taken in any proceeding by the Commission, or by any designated authority within the Commission pursuant to a delegation under section 5(d)(1), any party thereto, or any other person aggrieved or whose interests are adversely affected thereby, may petition for rehearing only to the authority making or taking the order, decision, report, or action; and it shall be lawful for such authority, whether it be the Commission or other authority designated under section 5(d)(1), in its discretion, to grant such a rehearing if sufficient reason therefor be made to appear. A petition for rehearing must be filed within thirty days from the date upon which public notice is given of the order, decision, report, or action complained of. No such application shall excuse any person from complying with or obeying any order, decision, report, or action of the Commission, or operate in any manner to stay or postpone the enforcement thereof, without the special order of the Commission. The filing of a petition for rehearing shall not be a condition precedent to judicial review of any such order, decision, report, or action, except where the party seeking such review (1) was not a party to the proceedings resulting in such order, decision, report, or action, or (2) relies on questions of fact or law upon which the Commission, or designated authority within the Commission, has been afforded no opportunity to pass. The Commission, or designated authority within the Commission, shall enter an order, with a concise statement of the reasons therefor, denying a petition for rehearing or granting such petition, in whole or in part, and ordering such further proceedings as may be appropriate: *Provided*, That in any case where such petition relates to an instrument of authorization granted without a hearing, the Commission, or designated authority within the Commission, shall take such action within ninety days of the filing of such petition. Rehearings shall be governed by such general rules as the Commission may establish, except that no evidence other than newly discovered evidence, evidence which has become available only since the original taking of evidence, or evidence which the Commission or designated authority within the Commission believes should have been taken in the original proceeding shall be taken on any rehearing. The time within which a petition for review must be filed in a proceeding to which section 402(a) applies, or within which an appeal must be taken under section 402(b) in any case, shall be computed from the date upon which public notice is given of orders disposing of all petitions for rehearing filed with the Commission in such proceeding or case, but any order, decision, report, or action made or taken after such rehearing reversing, changing, or modifying the original order shall be subject to the same provisions with respect to rehearing as an original order.'

"SEC. 4. Section 409 (a), (b), (c), and (d) of the Communications Act of 1934, as amended, are amended to read as follows:

"'(a) In every case of adjudication (as defined in the Administrative Procedure Act) which has been designated by the Commission for hearing, the person or persons conducting the hearing shall prepare and file an initial, tentative, or recommended decision, except where such person or persons become unavailable to the Commission or where the Commission finds upon the record that due and timely execution of its functions imperatively and unavoidably require that the record be certified to the Commission for initial or final decision.

"'(b) In every case of adjudication (as defined in the Administrative Procedure Act) which has been designated by the Commission for hearing, any party to the proceeding shall be permitted to file exceptions and memoranda in support thereof to the initial, tentative, or recommended decision, which shall be passed upon by the Commission or by the authority within the Commission, if any, to whom the function of passing upon the exceptions is delegated under section 5(d)(1): *Provided, however*, That such authority shall not be the same authority which made the decision to which the exception is taken.

"'(c)(1) In any case of adjudication (as defined in the Administrative Procedure Act) which has been designated by the Commission for a hearing, no person who has participated in the presentation or preparation for presentation of such case at the hearing or upon review shall (except to the extent required for the disposition of ex parte matters as authorized by law) directly or indirectly make any additional presentation respecting such case to the hearing officer or officers or to the Commission, or to any authority within the Commission to whom, in such case, review functions have been delegated by the Commission under section 5(d)(1), unless upon notice and opportunity for all parties to participate.

"'(2) The provision in subsection (c) of section 5 of the Administrative Procedure Act which states that such subsection shall not apply in determining applications for initial licenses, shall not be applicable hereafter in the case of applications for initial licenses before the Federal Communications Commission.

"'(d) To the extent that the foregoing provisions of this section and section 5(d) are in conflict with the provisions of the Administrative Procedure Act, such provisions of this section and section 5(d) shall be held to supersede and modify the provisions of that Act.'

"SEC. 5. Notwithstanding the foregoing provisions of this Act, the second sentence of subsection (b) of section 409 of the Communications Act of 1934 (which relates to the filing of exceptions and the presentation of oral argument), as in force at the time of the enactment of this Act, shall continue to be applicable with respect to any case of adjudication (as defined in the Administrative Procedure Act) designated by the Federal Communications Commission for hearing by a notice of hearing issued prior to the date of the enactment of this Act."

And the House agree to the same.

OREN HARRIS
WALTER ROGERS
JOHN J. FLYNT, Jr.
JOHN E. MOSS
PAUL G. ROGERS
JOHN B. BENNETT
W. L. SPRINGER
J. ARTHUR YOUNGER
VERNON W. THOMSON

Managers on the Part of the House

JOHN O. PASTORE
STROM THURMOND
GALE W. McGEE
CLIFFORD P. CASE
NORRIS COTTON

Managers on the Part of the Senate

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2034) to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

This legislation deals exclusively with amendments to the Communications Act of 1934, referred to herein as "the Act".

Insofar as the substitute agreed to in conference differs from the House amendment in substance, the differences are explained below. Otherwise, except for clerical, conforming, and minor technical changes, the substitute agreed to in conference is the same as the House amendment.

DISPOSITION OF APPLICATIONS FOR REVIEW BY THE COMMISSION

The proposed paragraph (4) of subsection (d) of section 5 of the act, as contained in this legislation, provides that where a person is aggrieved by an order, decision, report, or action taken by any authority (that is, a panel of commissioners, an individual commissioner, or an employee board) in the exercise of review functions delegated to it by the FCC, such aggrieved person may file an application for review by the full Commission. Paragraph (4) provides that every such application shall be passed upon by the full Commission. The function of passing upon such applications is a function which under this legislation the Commission will not be authorized to delegate to anyone else.

In the House amendment, paragraph (4) contained a proviso authorizing the Commission by published rule or by order to limit the right to file such applications for review by the full Commission, in cases of adjudication (as defined in the Administrative Procedure Act), to proceedings involving issues of general communications importance.

The bill as passed by the Senate contained no such provision.

This provision is not retained in the conference substitute. The Senate members of the committee of conference did not favor it. Furthermore, some of the House members of the committee of conference did not favor the provision.

Those who favored retaining the provision felt that it would aid the members of the Commission to relieve themselves of the necessity of passing on applications for review in many cases which are relatively unimportant and of a routine nature, thereby enabling them to devote more time to the

consideration of questions of relatively major importance. However, those opposed to the provision made the point that since a party could always raise the issue of "general communications importance" and argue that his case fell in that category, the time which might be consumed by the Commission in considering and ruling on this issue might very well offset any saving of time which might otherwise be achieved by exercising the authority granted by the proviso. Furthermore, it was pointed out that the burden of passing upon applications for review is not necessarily a heavy one, since the Commission will not be required, under the legislation, to specify any reasons for its action when it grants or denies an application for review.

INDIVIDUALS SERVING ON EMPLOYEE BOARDS

Under this legislation the Commission would be authorized to delegate review functions in cases of adjudication (as defined in the Administrative Procedure Act) to boards of employees.

Both the bill as passed by the Senate and the House amendment contained special provisions with respect to the employees to whom such delegations may be made.

The Senate provision provided that such functions could be delegated to employees "who by reason of their training, experience, competence, and character are especially qualified to perform such review functions." It also provided that insofar as practicable such functions should be delegated only to employees who are "in a grade classification or salary level equal to or higher than the employee or employees whose actions are to be reviewed."

The House provision provided that such employees shall be "well qualified, by reason of their training, experience, and competence, to perform such review functions." The House provision also provided that such employees should be given no other duties than the duty of exercising such review functions. As to compensation, it provided that such employees should be paid "compensation at rates commensurate with the difficulty and importance of their duties." It contained another provision to the effect that such employees "shall not be responsible to, or subject to the supervision or direction of, any person engaged in the performance of investigative or prosecuting functions for the Commission or any other agency of the Government."

In the substitute agreed to in conference the provision on this subject, designated as paragraph (8), is similar to the provision in the House amendment but there are some differences.

Instead of providing that such employees shall perform no other duties than those concerned with the exercise of such review functions, the conference substitute provides that such employees shall "perform no duties inconsistent with such review functions".

The FCC has submitted the following examples of additional duties which, in its opinion, would not be inconsistent with the review function and which therefore could be assigned to employees serving on employee boards:

1. Drafting or analyzing legislation.
2. Studying procedures of the FCC with a view to expediting cases.
3. Assignment to Administrative Conference of the United States and performance of duties in connection with the work of such Conference.
4. Assisting Commissioners in the drafting of opinions.

The substitute provides that such employees be "in a grade classification or salary level commensurate with their important duties, and in no event less than the grade classification or salary level of the employee or employees whose actions are to be reviewed". It also contains a provision which was not in the House amendment, that in the performance of such review functions such employees shall be assigned to cases in rotation so far as practicable.

AUTHORITY TO PASS UPON EXCEPTIONS

There was another difference between the Senate bill and the House amendment—a difference more of language than of substance. In the Senate bill, in the provision (subsec. (b) of sec. 409) authorizing parties to file exceptions to initial, tentative, or recommended decisions, a proviso was included stating in effect that the authority to which the Commission delegates the function of passing on the exceptions to such a decision shall not be the same authority which made the decision. Although the House amendment contained no similar provision, it is believed that the same result would have been reached under the House amendment, reading it as a whole. Certainly there was no intention that the maker of the decision could be given authority to review its own decision. The Senate proviso is retained in the conference substitute in order that this will be abundantly clear.

OREN HARRIS,
WALTER ROGERS,
JOHN J. FLYNT, Jr.,
JOHN E. MOSS,
PAUL G. ROGERS,
JOHN B. BENNETT,
WILLIAM L. SPRINGER,
J. ARTHUR YOUNGER,
VERNON W. THOMSON,
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

PRIVATE CALENDAR

The SPEAKER pro tempore (Mr. ALBERT). This is Private Calendar Day. The Clerk will call the first individual bill on the calendar.

MIN-SUN CHEN

The Clerk called the bill (S. 316) for the relief of Min-Sun Chen.

Mr. ROBERTS. Mr. Speaker, at the request of the gentleman from Pennsylvania [Mr. WALTER] I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

C. W. JONES

The Clerk called the bill (H.R. 6649) for the relief of C. W. Jones.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to C. W. Jones, Bishop, California, the sum of $41,010.35. The payment of such sum shall be in full settlement of all claims of the said C. W. Jones against the United States for reimbursement of losses incurred by him on certain sales of tungsten concentrates to the General Services Administration, during 1954, 1955, and 1956, because of the action of said Administration in rejecting portions of such tungsten concentrates as being of foreign origin: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$41,010.35" and insert "$39,810.25".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ISEI SAKIOKA

The Clerk called the bill (H.R. 1569) for the relief of Isei Sakioka.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provision of section 212 (a) (19) of the Immigration and Nationality Act, Isei Sakioka may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

With the following committee amendment:

Page 1, line 5, after the word "be" insert "issued a visa and".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAND CONVEYANCE—RIVERSIDE COUNTY, CALIF.

The Clerk called the bill (H.R. 1375) to provide for the conveyance of certain real property of the United States to the former owner thereof.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Agriculture shall convey, without consideration therefor, to Richard V. Evans and his wife Lennie E. Evans, Elsinore, California, all right, title, and interest of the United States in and to the real property, consisting of one and twenty-seven thousandths acres, more or less, originally donated to the United States by the said Richard V. Evans and his wife, Lennie E. Evans, and more particularly described in the deed dated October 7, 1946, entered into between the said Richard V. Evans, and his wife, Lennie E. Evans, and the United States of America, which deed is recorded in book numbered 797 of official records, page 149 of Seq. Records of Riverside County, California.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SANG MAN HAN

The Clerk called the bill (S. 1100) for the relief of Sang Man Han.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Sang Man Han, shall be held and considered to be the natural-born alien child of Arthur E. Schneider, a citizen of the United States: *Provided*, That the natural mother of the said Sang Man Han shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELATING TO CERTAIN ALIENS

The Clerk called the concurrent resolution (S. Con. Res. 31) relating to certain aliens.

There being no objection, the Clerk read the concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation pursuant to the provisions of section 244(a)(5) of the Immigration and Nationality Act (66 Stat. 214; 8 U.S.C. 1254(c)):

A-2151799, Arcobasso, Joseph,
A-5649963, Echevarria, Juan Domingo,
A-2079893, Kopi, George,
A-2753728, Lopez-Aldama, Marcelino,
A-4866820, Wong, Yuen Bo,
A-1956110, Ramirez-Cordova, Pedro,
A-11598412, Foon, Moy Wah,
A-4108177, Lial, Anastasio Leon,
A-4162490, Hlistowski, John,
A-4010788, Sisto, Anthony Vito,
A-5616068, Bruno, Vito,
A-9096677, Bustamante, Jose,
A-4864576, Nemeth, Paul,
A-4579619, Stewart, James,
A-2539330, Mikkelsen, Hans Christian Gunnar,
A-1893042, Seingesser, Benjamin,
A-5275541, Hedge, Alick Smith,
A-8957696, Salas-Araiza, Felipe,
A-10381924, Filippazzo, Salvatore,
A-11589558, Cantor, Louis,
A-4603964, DeNigris, Joseph,
A-11163875, Hay, Toy Wing,
A-4445005, Malicourtis, Vrasidas,
A-4310666, Mata-Molina, Socorro,
A-3699153, Miller, Jacob,
A-1969762, Sciacca, Antoniette,
A-11890548, Thing, Moy Nom,
A-5542123, Pagani, Aldo,
A-4028658, Newton, Harold,
A-3112318, Houy, Yee,
A-8196763, Parisi, Gioacchino.

SEC. 2. That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than six months:

A-10265245, Chan, Wan,
A-9167100, Chung, Young,
A-7463525, Katz, Manfred,
A-9777398, Key, Mok,
A-1990570, Kuo, Irene Hsing-Nee.
A-10401833, Wing, Chu,
A-9528675, Wong, Chan,
A-7651542, Yu, Bei Wun Tun,
A-9653774, Lin, Toh Jung,
A-6587841, Chung, Yin Own,
A-5966273, Loy, Jow.
A-6703136, Lydakis, George John,
A-6703135, Lydakis, Penelope George,
A-10258021, Shek, Tsang,
A-9678206, Nam, Chi,
A-6794998, Namkung, Helen Mineko,
A-9632204, Pavesic, Stojan.
A-9526171, Sam, Mak,
A-9752413, Kiviranta, Eino, Aulis,
A-6943747, Partheniades, Nicholas.

With the following committee amendments:

On page 2, strike out line 10.
On page 2, strike out line 12.
On page 3, strike out line 9.
On page 3, strike out line 19.
On page 4, strike out line 3.

On page 4, at the end of the concurrent resolution, add two new sections to read as follows:

"SEC. 3. The Congress approves the granting of the status of permanent residence in the case of each alien hereinafter named, in which case the Attorney General has determined that such alien is qualified under the provisions of section 6 of the Refugee Relief Act of 1953, as amended (67 Stat. 403; 68 Stat. 1044):

"A-7957556, Allen Shih-Chun Hsiao,
"A-9948078, Piccinich, Matteo Milio,
"A-10135721, Scrivanich, Nicolo Martino,
"A-10255933, Hroncich, Martino,
"A-7828472, Bohlman, Jerzy (also known as Michael George Bohlman),
"A-6920592, Kapka, Alice Mary,
"A-6920587, Kapka, Edith Majer,
"A-6920588, Kapka, Edith Rosemary,
"A-6920633, Kapka, Janos or John,
"A-6920591, Kapka, Janos or John Mary,
"A-7469190, Kapka, Mary Valery,
"A-10136154, Morin, Giovanni (also known as John Morin),
"A-9798837, Sotirion, Georgios,
"A-6667573, Wasiel, Bogdan.

"SEC. 4. The Congress favors the granting of the status of permanent residence in the case of each alien hereinafter named, in which case the Attorney General has determined that such alien is qualified under the provisions of section 4 of the Displaced Persons Act of 1948, as amended (62 Stat. 1011; 64 Stat. 219; 40 App. U.S.C. 1953):

"A-9660331, Zurek, Edward,
"A-9776592, Nyczkalo, Piotr or Petro Nyczkalo or Peter Nickalo,
"A-8015435, Szubert, Marijan."

The committee amendments were agreed to.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

EDDIS G. ELLZEY

The Clerk called the bill (H.R. 1313) for the relief of Eddis G. Ellzey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Eddis G. Ellzey shall be held and considered to have been lawfully admitted to the United States for permanent residence as of April 13, 1956, upon payment of the required visa fee.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSTANTINOS A. GRIGORAS (GREGORAS)

The Clerk called the bill (H.R. 3408) for the relief of Constantinos A. Grigoras (Gregoras).

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of section 4 of the Act of September 22, 1959 (73 Stat. 644), section 42.22(d) of title 22 of the Code of Federal Regulations shall not be applicable in the case of Constantinos A. Grigoras (Gregoras) duly registered as an immigrant on August 11, 1953.

With the following committee amendment.

On page 1, line 4, strike out "section 42.22(d)" and substitute in lieu thereof "section 42.66(a)(7)".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RELIEF OF CERTAIN ALIENS

The Clerk called the bill (H.R. 4797) for the relief of certain aliens.

Mr. AVERY. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. AVERY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. AVERY. Mr. Speaker, I recognize the objectives of H.R. 4797 are meritorious and I regret I find it necessary to request it be passed over today. The beneficiaries of this bill, the Basques, have been the subject of unusual provisions of other legislation previously passed by the Congress. Therefore they find themselves in the peculiar position of enjoying the privilege of continued residence in this country but not in the status of the usual permanent resident. The principle difference being that they may not apply for citizenship as they might have done under the usual procedure of admittance under private legislation. They would be eligible to apply for citizenship if this bill passes.

It is not only the 13 beneficiaries named in this bill that are involved. Their spouses and minor children, some not even living in this country will acquire automatic citizenship if the beneficiaries obtain that status. I am asking this bill to be passed over in order that

the chairman of the Judiciary Committee may further assure the House by a statement in the RECORD that we are not in any way establishing a precedent for any persons admitted subsequently under general law for similar reasons. Such admittance now comes under section 101(a)(15)(H) of the McCarran-Walter Immigration Act.

Such persons should not be admitted under the illusion they may later become permanent residents and thereby apply for citizenship for themselves and for their spouses and minor children.

MRS. HELENA SULLIVAN

The Clerk called the bill (H.R. 5334) for the relief of Mrs. Helena Sullivan.

There being no objection the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of section 101(a)(27)(B) of the Immigration and Nationality Act, Mrs. Helena Sullivan shall be deemed to be a returning resident alien.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADOLF M. BAILER

The Clerk called the bill (H.R. 1347) for the relief of Adolf M. Bailer.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Adolf M. Bailer shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee.

With the following committee amendment:

On page 1, line 6, after the words "of this Act" change the comma to a period and strike out the remainder of the bill.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WASHINGTON GEORGE BRODBER BRYAN

The Clerk called the bill (H.R. 2334) for the relief of Washington George Brodber Bryan.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Washington George Brodber Bryan, shall be held and considered to be the natural-born alien child of Clifford Randal Bryan, a citizen of the United States: *Provided,* That the natural mother of Washington George Brodber Bryan shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

On page 1, line 7, after the words "of the United States", change the colon to a period and strike out the remainder of the bill.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADELINA ROSASCO

The Clerk called the bill (H.R. 2666) for the relief of Adelina Rosasco.

There being no objection the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Adelina Rosasco shall be deemed to be a nonquota immigrant, and may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, for the purposes of section 101(a)(27)(B) of the Immigration and Nationality Act, Adelina Benedict (nee Rosasco) shall be deemed to be a returning resident alien."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time and was read the third time.

The title of the bill was amended to read: "A bill for the relief of Adeline Benedict (nee Rosasco)."

A motion to reconsider was laid on the table.

LENNON MAY

The Clerk called the bill (H.R. 4028) for the relief of Lennon May.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Lennon May, shall be held and considered to be the natural-born alien child of Maxwell May, a citizen of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY DAWN POLSON (EMMY LOU KIM) AND JOSEPH KING POLSON (SUNG SANG MOON)

The Clerk called the bill (S. 242) for the relief of Mary Dawn Polson (Emmy Lou Kim) and Joseph King Polson (Sung Sang Moon).

There being no objection the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Mary Dawn Polson (Emmy Lou Kim) and Joseph King Polson (Sung Sang Moon) shall be held and considered to be the natural-born alien children of Vernon and Dawn Polson, citizens of the United States: *Provided,* That the natural parents of the beneficiaries shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. JELIZA PRENDIC MILENOVIC

The Clerk called the bill (S. 270) for the relief of Mrs. Jeliza Prendic Milenovic.

There being no objection, the Clerk read the bill, as follows:

Be in enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mrs. Jeliza Prendic Milenovic shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Mrs. Jeliza Prendic Milenovic. From and after the date of the enactment of this Act, the said Mrs. Jeliza Prendic Milenovic shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GODOFREDO M. HERZOG

The Clerk called the bill (S. 333) for the relief of Godofredo M. Herzog.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Godofredo M. Herzog shall be held and considered to have been lawfully admitted to the United States for permanent residence as of January 29, 1950.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARDIROS BUDAK AND ARMENUHI MARYAM BUDAK

The Clerk called the bill (S. 427) for the relief of Mardiros Budak and Armenuhi Maryam Budak.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mardiros Budak and Armenuhi Maryam Budak shall be held and construed to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the cases of Mardiros Budak and Armenuhi Maryam Budak. From and after the date of the enactment of this Act, the said persons shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FERNANDO MANNI

The Clerk called the bill (H.R. 5613) for the relief of Fernando Manni.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 203(a)(2) and 205 of the Immigration and Nationality Act, Fernando Manni shall be held and considered to be the parent of Renzo Grossi, a citizen of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. CHEW SHEUNG TAI

The Clerk called the bill (H.R. 5729) for the relief of Mrs. Chew Sheung Tai.

There being no objection the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 101(a)(27)(B) of the Immigration and Nationality Act, Mrs. Chew Sheung Tai shall be deemed to be a returning resident alien.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES F. TJADEN

The Clerk called the bill (S. 731) for the relief of Charles F. Tjaden.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraph (9) of section 212(a) of the Immigration and Nationality Act, Charles F. Tjaden may be issued an immigrant visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such Act: *Provided,* That this Act shall apply only to grounds for exclusion under such paragraph know to the Secretary of State or the Attorney General prior to the date of the enactment of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HUAN-PIN TSO

The Clerk called the bill (S. 1054) for the relief of Huan-pin Tso.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child Huan-pin Tso shall be held and considered to be the natural-born alien child of Mr. and Mrs. Ting Hsien Wang, citizens of the United States: *Provided,* That the natural parents of the said Huan-pin Tso shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALICJA ZAKREZEWSKA GAWKOWSKI

The Clerk called the bill (S. 1179) for the relief of Alicja Zakrezewska Gawkowski.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Alicja Zakrezewska Gawkowski, shall be held and considered to be the natural-born alien child of Mr. and Mrs. John Gawkowski, citizens of the United States: *Provided,* That the natural father and the stepmother of the said Alicja Zakrezewska Gawkowski shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROGER CHONG YEUN DUNNE

The Clerk called the bill (S. 1205) for the relief of Roger Chong Yeun Dunne.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Roger Chong Yeun Dunne shall be held and considered to have been lawfully admitted to the United States for permanent residence as of January 10, 1950, upon payment of the required visa fee and head tax. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

W. B. J. MARTIN

The Clerk called the bill (S. 1335) for the relief of W. B. J. Martin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 201 of the Act of January 27, 1948, as amended (62 Stat. 6; 66 Stat. 276; 70 Stat. 241), shall not be applicable in the case of W. B. J. Martin.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGIA ELLEN THOMASON

The Clerk called the bill (S. 1347) for the relief of Georgia Ellen Thomason.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Georgia Ellen Thomason, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Raymond Thomason, citizens of the United States: *Provided,* That no natural parent of Georgia Ellen Thomason, by virtue of such parentage, shall be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SHIM DONG NYU (KIM CHRISTINE MAY)

The Clerk called the bill (S. 1450) for the relief of Shim Dong Nyu (Kim Christine May).

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Shim Dong Nyu (Kim Christine May), shall be held and considered to be the natural-born alien child of Mr. and Mrs. Alvin L. May, citizens of the United States: *Provided,* That the natural parents of the said Shim Dong Nyu (Kim Christine May) shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES D. JALILI

The Clerk called the bill (S. 1527) for the relief of James D. Jalili.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, James D. Jalili shall be held and considered to have been lawfully admitted to the United States for permanent residence as of December 10, 1955, upon payment of the required visa fee.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GREIF BROS. COOPERAGE CORP.

The Clerk called the bill (S. 1012) to direct the Secretary of the Interior to adjudicate a claim of the Greif Bros. Cooperage Corp. to certain land in Marengo County, Ala.

Mr. AVERY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

PURVIS C. VICKERS ET AL.

The Clerk called the bill (H.R. 3596) to direct the Secretary of the Interior to convey certain lands to Purvis C. Vickers, Robert I. Vickers, and Joseph M. Vickers, a copartnership doing business as Vickers Bros.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized and directed to convey all the right, title, and interest of the United States in and to a tract of land situate about 2½ miles south of town of Lake City bounded and described as follows, to wit: Beginning at corner numbered 1 situate at a point about 1,000 feet west of Lake Fork of Gunnison River, thence nearly south 4,000 feet to corner numbered 2, situate at a point about 1,000 feet distant from and nearly due west of Belle of West Bridge crossing Lake Fork of Gunnison River, thence nearly east 1,200 feet to corner numbered 3, thence early north 4,000 feet to corner numbered 4, situate at or near westerly end line of Sulperet lode mining claim patent survey numbered 589, thence nearly west 1,200 feet to corner numbered 1, place of beginning, embracing 110⅛ acres of land, more or less, in Hinsdale County, Colorado, to Purvis C. Vickers, Robert I. Vickers, and Joseph M. Vickers, a copartnership, doing business as Vickers Brothers, upon the payment of a sum equal to the costs of appraisal, costs of any necessary surveys, and the fair market value of the land conveyed, exclusive of any value added by improvements to the lands made by said Vickers Brothers, as determined by the Secretary of the Interior by contract appraisal or otherwise.

SEC. 2. Any conveyance made pursuant to section 1 of this Act shall contain the provisions, reservations, conditions, and limitations of section 24, Federal Power Act, June 10, 1920 (41 Stat. 1075) as amended by the Act of August 26, 1935 (49 Stat. 846; 16 U.S.C. 18).

SEC. 3. The execution of the conveyance directed by section 1 of this Act shall not relieve any occupants of those lands of any liability, existing on the date of that conveyance, to the United States for unauthorized use of the conveyed lands.

With the following committee amendments:

Page 1, line 3, through page 2, line 16, strike out all of section 1, and insert in lieu thereof the following language:

"That the Secretary of the Interior is hereby authorized and directed to convey to Purvis C. Vickers, Robert I. Vickers, and Joseph M. Vickers, a co-partnership doing business as Vickers Brothers, all the right, title and interest of the United States in and to a tract of land south of the town of Lake City known as tract 42 in Township 43 North, Range 4 West of the New Mexico Principal Meridian, Colorado, containing 157.07 acres of land as more specifically shown and described on a plant on file in the Office of the Director, Bureau of Land Management, Department of the Interior, Washington, D.C. entitled "Metes and bounds survey of tract 42 of land containing 157.07 acres of land prepared to describe a tract containing the improvements of Vickers Brothers, being the area involved in S. 724, 87th Congress, and H.R. 3596, 87th Congress, Bureau of Land Management, Washington, D.C., August 4, 1961," and certified by C. E. Remington, Chief, Division of Engineering, on behalf of the Director of the Bureau of Land Management, subject, however, to reservations for public use of the bed and a ten foot strip of upland along the banks of the Lake Fork of the Gunnison River extending from the south boundary of this tract of land to the line crossing the River at the westerly extension of the southeasterly boundary of the Sulphuret lode, mineral survey number 589; Reserving further the following rights of way for public access, a strip of land ten feet on either side of the section line between sections 9 and 10 extending from State Highway No. 149 to the River and a strip of land 20 feet in width adjoining the line between angle points 9 and 10 and extending from State Highway No. 149 to the River."

Page 2, after line 16, add a new section to read as follows:

"SEC. 2. The conveyance authorized by this Act shall be made upon payment of a sum equal to the costs of appraisal, the cost of survey based upon which the plat referred to in section 1 was prepared, and the fair market value of the land, exclusive of any value added by improvements to the lands made by the Vickers Brothers or their predecessors in interest as determined by the Secretary of the Interior by contract appraisal, or otherwise, after taking into consideration reservations, conditions, and limitations contained in the conveyance."

Page 2, line 17, renumber "SEC. 2." as "SEC. 3."

Page 3, line 1, renumber "SEC. 3." as "SEC. 4."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO QUIET TITLE AND POSSESSION TO AN UNCONFIRMED AND LOCATED PRIVATE LAND CLAIM IN THE STATE OF LOUISIANA

The Clerk called the bill (H.R. 4380) to quiet title and possession to an unconfirmed and located private land claim in the State of Louisiana.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of February 10, 1897 (29 Stat. 517), is hereby amended by extending, as of February 10, 1897, its provisions to the private land claim of Robert Sibley, numbered 320 in the list of actual settlers submitted by Commissioners Cosby and Skipwith and reported on page 440 of volume 3 of the American State Papers, Gales and Seaton edition, embracing section 43, township 5 south, range 3 east, Saint Helena meridian, Louisiana, and containing six hundred forty-three and thirty-four one-hundredths acres.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NORMAN T. BURGETT ET AL.

The Clerk called the bill (S. 705) for the relief of Norman T. Burgett, Lawrence S. Foote, Richard E. Forsgren, James R. Hart, Ordeen A. Jallen, James M. Lane, David E. Smith, Jack K. Warren, and Anne W. Welsh.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to (1) Norman T. Burgett, the sum of $623.75; (2) Lawrence S. Foote, the sum of $295.38; (3) Richard E. Forsgren, the sum of $673.58; (4) James R. Hart, the sum of $63.33; (5) Ordeen A. Jallen, the sum of $413.85; (6) James M. Lane, the sum of $172.88; (7) David E. Smith, the sum of $25.52; (8) Jack K. Warren, the sum of $296.78; and (9) Anne W. Welsh, the sum of $394.75; all of Galena, Alaska. The payment of such sums shall be in full satisfaction of all their claims against the United States for compensation for personal property damages sustained by them as a result of a fire occurring on January 3, 1960, in building UM–1, Federal Aviation Agency Station, Galena, Alaska, such building having been available to them as personnel of the Federal Aviation Agency for the storage of such personal property: *Provided,* That no part of the amounts appropriated in this Act shall be paid or delivered to or received by any agent or attorney

on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. TYRA FENNER TYNES

The Clerk called the bill (S. 1443) for the relief of Mrs. Tyra Fenner Tynes.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 15 to 20, inclusive, of the Federal Employees' Compensation Act are hereby waived in favor of Mrs. Tyra Fenner Tynes, New Orleans, Louisiana, and her claim for compensation for the death of her husband, Tyra Fenner Tynes, a former civilian employee of the Corps of Engineers, United States Army, who died in the Canal Zone on September 23, 1942, shall be acted upon under the remaining provisions of such Act if she files such claim with the Bureau of Employees' Compensation, Department of Labor, within six months after the date of enactment of this Act. No benefits shall accrue by reason of the enactment of this Act for any period prior to the date of enactment.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES M. NORMAN

The Clerk called the bill (H.R. 1361) for the relief of James M. Norman.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That James M. Norman, of Memphis, Texas, is hereby relieved of all obligation to refund to the Federal Crop Insurance Corporation the sum of $2,001.48, representing the sum he has been determined to owe by reason of erroneous payments made by such Corporation.

With the following committee amendment:

Page 1, line 7, after the word "Corporation" change the period to a colon and insert the following: *"Provided,* That the Secretary of the Treasury is authorized and directed to reimburse the Federal Crop Insurance Corporation, out of any money in the Treasury not otherwise appropriated, the sum of $2,001.48 representing the overpayment."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WADE H. ASHLEY, JR.

The Clerk called the bill (H.R. 1434) for the relief of Wade H. Ashley, Jr.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the limitations of time contained in section 351 of title 38, United States Code, are hereby waived in favor of Wade H. Ashley, Junior (Veterans Administration claim numbered C–15759298), and his claim for benefits (including hospitalization and outpatient care) based upon such section 351 by reason of an injury or aggravation of an injury, as the result of hospitalization at Martinsburg, West Virginia, by the Veterans Administration for treatment of a disability arising out of a jeep accident occurring in Japan in 1950, is authorized and directed to be acted upon under the remaining provisions of such section 351 if he files a claim for benefits under such section 351 within the six-month period which begins on the date of enactment of this Act. This claim is not cognizable under the tort claims procedure prescribed in title 28, United States Code.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. JOSEPHINE DUBINS

The Clerk called the bill (H.R. 1527) for the relief of Mrs. Josephine Dubins.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $500 to Mrs. Josephine Dubins of 7031½ North Sheridan Road, Chicago, Illinois, the widow of Sheldon Dubins, deceased, in full settlement of her claim against the United States for refund of the amount of a departure bond deposited by her deceased husband, Sheldon Dubins, on behalf of the alien, Edith Herse. Such bond was declared breached, and the amount thereof forfeited, because of the failure of alien Edith Herse to depart from the United States in accordance with the conditions of the bond: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HAROLD A. SALY

The Clerk called the bill (H.R. 5859) for the relief of Harold A. Saly.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Harold A. Saly, 1861 Whitley Street, Hollywood 28, California, the sum of $3,154.15. The payment of such sum shall be in full settlement of all claims of the said Harold A. Saly against the United States arising out of the destruction of his personal property while it was stored at West Coast Van and Storage Company, Vacaville, California, as a result of a fire, while he was serving with the United States Navy: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EILEEN L. BROE

The Clerk called the bill (H.R. 6080) for the relief of Eileen L. Broe.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Eileen L. Broe of San Antonio, Texas, is hereby relieved of liability to the United States in the amount of $335.17. Such sum represents the amount due the United States as an indebtedness for cost of shipment of household goods in excess of costs allowable under subsection (a) of the first section of the Administrative Expenses Act of 1946 (5 U.S.C. 73–b), in connection with shipping her personal and household effects from San Antonio, Texas, to Rio de Janeiro, Brazil, during 1960, incident to official changes of duty stations.

With the following committee amendment:

On line 9, strike out "73–b" and insert "73b–1".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THEODORE T. REILMANN

The Clerk called the bill (H.R. 6216) for the relief of Theodore T. Reilmann.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of the War Claims Fund, to Theodore T. Reilmann, Cincinnati 38, Ohio, the amount certified to him under section 2 of this Act. The payment of such sum shall be in full settlement of all claims of Theodore T. Reilmann against the United States for detention benefits under section 5(a) through 5(e) of the War Claims Act of 1948, as amended by the War Claims Amendments of 1954: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be

deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

SEC. 2. The Foreign Claims Settlement Commission shall promptly determine and certify to the Secretary of the Treasury the amount which would have been payable to Theodore T. Reilmann as detention benefits under section 5(a) through 5(e) of the War Claims Act of 1948, as amended by the War Claims Act Amendments of 1954, if Theodore T. Reilmann had filed a claim therefor within the period prescribed by law.

With the following committee amendments:

The amendments are as follows:

"Page 2, line 1: Strike out 'in excess of 10 per centum thereof'.

"Page 2, line 14: Before the word 'if' insert 'as'.

"Page 2, line 16: At the end thereof, strike out the period and add, 'provided his claim shall be filed within 6 months from date of enactment of this bill'."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

M. C. PITTS

The Clerk called the bill (H.R. 7264) for the relief of M. C. Pitts.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of sections 15 to 20, inclusive, of the Federal Employees' Compensation Act, as amended (5 U.S.C. 765–770), the Secretary of Labor is authorized and directed (1) to consider any claim filed within one year after the enactment of this Act by M. C. Pitts, of Okeechobee, Florida, for compensation for disability resulting from an injury incurred by him on September 20, 1950, while performing services as postmaster at Okeechobee, Florida, and (2) to award to the said M. C. Pitts any compensation to which he would have been entitled had such claim been filed within the time and in the manner provided by such sections.

With the following committee amendments:

Page 1, line 9, after the word "injury" insert "alleged to have been"; strike out "20" and insert "16".

Page 2, at the end thereof change the period to a colon and add "*Provided,* That no benefits shall accrue by reason of the enactment of this Act for any period prior to its enactment, except in case of such medical or hospitalization expenditures as may be deemed reimbursable."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALBERT R. SERPA

The Clerk called the bill (H.R. 7473) for the relief of Albert R. Serpa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Albert R. Serpa, of New Bedford, Massachusetts, the sum of $1,485.80. Such sum represents reimbursement to the said Albert R. Serpa for paying out of his own funds judgments rendered against him, and costs, in the United States District Court, District of Massachusetts, as the result of an accident occurring when said Albert R. Serpa was operating a Government motor vehicle in the course of his duties as an employee of the United States Post Office Department: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DENNIS H. O'GRADY

The Clerk called the bill (H.R. 8625) for the relief of Dennis H. O'Grady.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dennis H. O'Grady of 2 Stones Houses, Blaina, Monmouthshire, Great Britain, the sum of $18,500 in full satisfaction of all claims against the United States arising out of a vehicular accident involving a United States Army truck which occurred on August 18, 1956, near Camp Todendorf, Germany: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILFRID M. CHESHIRE

The Clerk called the bill (H.R. 8626) for the relief of Wilfrid M. Cheshire.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Wilfrid M. Cheshire of 53B, Farnham Road, Guildford, Surrey, England, the sum of $10,000 in full satisfaction of all claims against the United States for injuries suffered by the said Wilfrid M. Cheshire on September 29, 1955, while he was a patient at a United States Army Evacuation Hospital at Inchon, Korea: *Provided,* That no part of of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NICHOLAS E. VILLAREAL

The Clerk called the bill (H.R. 1377) for the relief of Nicholas E. Villareal.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Nicholas E. Villareal, 342 West Beechwood, Pinedale, California, is hereby relieved of all liability to repay to the United States the sum of $322 representing the total of allotment payments made to his mother, Mrs. Carmen T. Estrella, in the period from January 1, 1948, to April 30, 1949, inclusive, which have been ruled to have been overpayments because no deductions were made from his Army pay in accordance with the authorizations he executed directing that the proper deductions be made from his pay in order that a class Q allotment would be paid to his mother.

With the following committee amendments:

Line 5, after the word "States" insert "all interest and costs on".

Line 12, strike out "Q" and insert "F".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ANN W. EDWARDS

The Clerk called the bill (H.R. 4194) for the relief of Mrs. Ann W. Edwards.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Mrs. Ann W. Edwards, Glenallen, Virginia, is relieved of liability to pay to the United States the sum of $426.15, representing the aggregate amount of overtime compensation which, due to administrative error and contrary to law, was paid to her as an employee of the United States Post Office Department at Glenallen, Virginia. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for the amount for which liability is relieved by this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY C. ATKINSON

The Clerk called the bill (H.R. 4876) for the relief of Mary C. Atkinson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Mary C. Atkinson of Shawsville, Virginia, is hereby relieved of all liability to refund to the United States the sum of $400.58 representing overpayments of compensation for services she performed as an employ of the Post Office Department, which overpayments, through an administrative error, resulted from the fact that she was given credit for longevity compensation from the time that she was appointed to the position of assistant postmaster at the Shawsville, Virginia, post office on August 8, 1934, rather than from the time that she was appointed a temporary substitute clerk on February 16, 1945, at that post office.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

E. LA REE SMOOT CARPENTER

The Clerk called the bill (H.R. 7326) for the relief of E. La Ree Smoot Carpenter.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $7,000 to E. La Ree Smoot Carpenter, of Burney, California, in full settlement of all claims against the United States for permanent disfigurement of the face and hands sustained as the result of injuries on November 13, 1943, while employed as a junior clerk-stenographer, post engineers, Army Air Base, Madras, Oregon: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That sections 15 to 20, inclusive of the Act entitled 'An Act to provide for employees of the United States suffering injuries while in the performance of their duties, and for other purposes,' approved September 7, 1916, as amended (5 U.S.C. 765–770), are hereby waived in favor of E. La Ree Smoot Carpenter, of Burney, California, and her claim for compensation for disabilities including permanent disfigurement of the face and hands allegedly resulting from injuries incident to her employment as a junior clerk-stenographer post engineers, Army Airbase, Madras, Oregon, which she sustained on or about November 13, 1943, is authorized and directed to be considered and acted upon under the remaining provisions of such Act, as amended, if she files such claim with the Department of Labor (Bureau of Employees' Compensation) not later than six months after the date of enactment of this Act: *Provided,* That no benefits except hospital and medical expenses actually incurred shall accrue for any period of time prior to the date of enactment of this Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSE FUENTES

The Clerk called the bill (H.R. 8662) for the relief of Jose Fuentes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Jose Fuentes of Santurce, Puerto Rico, be relieved of all liability to the United States for the return of salary and other payments made to him covering the period November 3, 1955, through March 3, 1961, said liability having been incurred as a result of an administrative error in the determination of his eligibility for appointment to a civilian position with the Housing and Home Finance Agency. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for any amount for which liability is relieved by this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RALPH E. SWIFT AND HIS WIFE, SALLY SWIFT

The Clerk called the bill (H.R. 5559) for the relief of Ralph E. Swift and his wife, Sally Swift.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any statute of limitations or lapse of time, jurisdiction is hereby conferred upon the United States District Court for the Northern District of Illinois to hear, determine, and render judgment upon any claims of Ralph E. Swift, and his wife, Sally Swift, both of Melrose Park, Illinois, against the United States arising out of an accident which occurred when a United States Air Force plane crashed into a house owned by said Ralph E. Swift and Sally Swift on July 28, 1953.

SEC. 2. Suit upon any such claims may be instituted at any time within one year after the date of the enactment of this Act. Proceedings for the determination of such claims and review thereof, and payment of any judgment thereon, shall be in accordance with the provisions of law applicable to cases over which the court has jurisdiction under section 1346(b) of title 28 of the United States Code. Nothing in this Act shall be construed as an inference of liability on the part of the United States.

With the following committee amendment:

Page 1, line 10, strike out "into" and insert "in a vacant lot adjacent to".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WOLFGANG STRESEMANN

The Clerk called the bill (H.R. 5054) for the relief of Wolfgang Stresemann.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, section 352(a)(1) shall be held not applicable in the case of Wolfgang Stresemann: *Provided,* That he returns to the United States prior to October 20, 1964.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That, in the administration of section 352(a)(1) of the Immigration and Nationality Act, Wolfgang Stresemann shall be held to have established residence in the country of his birth on March 2, 1961."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANDREW TELESFOR KOSTANECKI

The Clerk called the bill (H.R. 7707) for the relief of Andrew Telesfor Kostanecki.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Andrew Telesfor Kostanecki be held to be and to have been a United States citizen at birth.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That Andrew Telesfor Kostanecki shall be deemed to have been within the purview of the act of May 24, 1934 (48 Stat. 797), at the time of his birth."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. This ends the call of the Private Calendar.

TO ESTABLISH LINCOLN BOYHOOD MEMORIAL, IND.

Mr. ASPINALL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2470) to provide for the establishment of the Lincoln Boyhood National Memorial in the State of Indiana, and for other purposes, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to preserve the site in the State of Indiana associated with the boyhood and family of Abraham Lincoln, the Secretary of the Interior shall designate the original Tom Lincoln farm, the nearby gravesite of Nancy Hanks Lincoln, and such adjoining lands as he deems necessary for establishment as the Lincoln Boyhood National Memorial. However, the area designated for es-

tablishment shall not exceed two hundred acres.

SEC. 2. The Secretary is authorized to acquire by donation or purchase with donated or appropriated funds, land and interest in land within the designated area. When land has been acquired in sufficient quantity to afford an initially administrable unit of the national park system, he shall establish the Lincoln Boyhood National Memorial by publication of notice thereof in the Federal Register.

SEC. 3. The Lincoln Boyhood National Memorial shall be administered by the Secretary of the Interior as a part of the national park system in accordance with provisions of the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (39 Stat. 535), as amended and supplemented.

SEC. 4. There are hereby authorized to be appropriated such sums, but not more than $75,000, as are necessary to acquire lands and interests in lands pursuant to this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. SAYLOR. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ASPINALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill comes before the House as a recommendation from the National Park Service of the Department of the Interior, with a favorable recommendation from the Advisory Board on National Parks, Historic Sites, Buildings, and Monuments which Board works with the Department of Interior on recommending to Congress certain areas of the United States to fill out the National Park Service complex. The bill has been thoroughly studied by the committee. The committee took care of certain objections that were voiced during the committee meetings.

The amount authorized for purchase of land areas has been reduced to what we think is a satisfactory amount.

Mr. Speaker, at this time I yield such time as he may desire to the very able and efficient chairman of the Subcommittee on National Parks, the subcommittee which handled this particular legislation, the gentleman from Texas [Mr. RUTHERFORD.]

Mr. RUTHERFORD. Mr. Speaker, I think that there is hardly an American who would not be proud to own some little memento of Abraham Lincoln—an autograph, a Matthew Brady photograph, a campaign button, a letter, a piece of furniture, or what have you. The urge to collect such items as these that so many of our fellow citizens have—the urge to save every scrap of material associated with the man who became our 16th President—is not something that we look down on or are indifferent to. It is something that we appreciate and admire and encourage.

In a very real sense this bill that we are now considering, Congressman DENTON's H.R. 2470, has the same attraction for the Nation as a whole that the possibility of acquiring a Lincoln autograph has for the individual citizen. The 80-acre farm on which Lincoln grew up is, and ought to be treated as, a collector's item. It is not just a piece of land that we should leave for buying and selling and subdivision and trading as we do other pieces of land. It is a place where a great American lived during his formative years, from the time he was 7 until he was 21, and where his mother, Nancy Hanks, died and was buried. And since the Lincoln of the years from 1816 to 1830 was growing up in typically American country near the edge of the frontier, it also represents an environment familiar to tens of thousands of other Americans of his day—an environment in which they and their paren'3 and their children grew up. We thus have a double opportunity today, an opportunity to collect for the Nation an important piece of Lincolnia and an opportunity, by this means, to preserve an important piece of Americana.

Mr. Speaker, the Committee on Interior and Insular Affairs recommends that the Lincoln boyhood farm be added to the other places from his life which are already in our national collection—his birthplace, his study in the White House, Ford's Theater, and the house where he died—and that they all be carefully preserved for our own inspiration and for the inspiration of posterity.

I would like to leave the subject without saying more, Mr. Speaker, but I am aware that there are some in the House who, properly enough, will want to know what the price tag is. The answer is: Small enough so that it is well within our means. Most of the land involved in the bill, which calls for the acquisition of not more than 200 acres in all, will be donated by the State of Indiana. The State plans, too, to donate the Nancy Hanks Lincoln Museum, which it owns, to the United States. The estimates for the other 57 acres have varied considerably and the best that our committee could come up with, after consulting with the author of the bill, is about $75,000. If this were still open country, the price would of course be much lower. But most of this 57-acre area was unfortunately broken into small tracts occupied by houses many years ago and this raises the acquisition cost considerably. I hope the land can be acquired for less than the amount specified in the committee amendment but, if it can't be, I shall not complain. I am also dutybound to point out that there will be restoration and development costs of around $1 million before we are through.

I am sure that Congressman DENTON and others from Indiana will want to tell the House more about the Lincoln farm and the surrounding country than I have been able to. I conclude, therefore, by saying that the Subcommittee on National Parks and the full Committee on Interior and Insular Affairs recommend to the House that H.R. 2470 be passed. None of us will regret its enactment and future generations will say that the price we paid was a small one.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. RUTHERFORD. I yield to the gentleman from Iowa.

Mr. GROSS. It is my understanding that the 57 acres, and perhaps more, that the Federal Government is to buy has an assessed valuation of slightly more than $16,000, but the Park Service wants to spend $75,000 of Federal funds for this 57 acres. That makes it cost about $1,300 an acre.

Mr. RUTHERFORD. That is correct. It is my understanding that in the State of Indiana by law it is assessed on one-third or less of the market value. This is by State law. So the market value is not commensurate in this instance, and I might say in any instance, with the tax evaluation placed by the local tax authorities.

Mr. GROSS. This proposal is going to cost the taxpayers of this country $1,125,000 before they get through with it, according to the committee report.

Mr. RUTHERFORD. Yes, before it gets through. The amount of the authorization is $75,000.

Mr. GROSS. Then it is going to take $60,000 annually and in perpetuity to maintain this project. Is that correct?

Mr. RUTHERFORD. This is dependent upon further authorization for development of the area.

Mr. HALEY. Mr. Speaker, will the gentleman yield?

Mr. RUTHERFORD. I yield to the gentleman from Florida.

Mr. HALEY. I commend the distinguished gentleman from Texas for bringing this bill before the Congress. I think for too long we have neglected some of the great historical monuments which should be established for great Americans. I, too, hope that more money will not be expended, but certainly even though it amounts to $1 million, $1,500,000, or $2 million, I think this money would be well spent, especially to Americans coming to visit the former home of a great American. I hope the bill passes.

Mr. RUTHERFORD. I thank the gentleman for his observation. If this property is not acquired, the possibility of setting up this memorial would be destroyed, and any number of millions of dollars could not restore this historic place.

Mr. SAYLOR. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. SCHWENGEL].

Mr. SCHWENGEL. Mr. Speaker, I rise to announce that I am in favor of this bill and to assure the membership of the House that the Lincoln Fellowship locally and Lincoln Fellowships all over America support this bill enthusiastically.

I should like to remind my colleagues of what an important American said recently when he was speaking about the importance of history. This man happens to be the only private citizen who has ever addressed a joint session of Congress in our history. He said once that when a man or a nation forgets its hard beginnings it is beginning to decay.

I suggest that no people will look forward to prosperity who do not look back on their ancestry. In my opinion, there is no place in our ancestry to which we can look that will give us more assurance and reason for faith in our system

and reason to believe that right makes might, than to the life and work of Lincoln.

This bill properly will remind us once again of the importance of our mothers in our lives. In this case it will remind us of Lincoln's mother. She was a wonderful woman and her memory needs to be cherished.

Mr. Speaker, Rosemary Benet has written a poem, it seems almost as I read and think about it, especially for this occasion. It is titled "Nancy Hanks." I hope the membership of the House will listen. These lines are in my opinion one of the great pieces of American literature inspired by that love of Lincoln that those who can write and are associated with his life and work has inspired.

Mr. Speaker, these are the lines:

NANCY HANKS

If Nancy Hanks came back as a ghost,
Seeking news of what she loved most.
She'd ask first, "Where's my son?"
"What's happened to Abe? What's he done?"
Poor little Abe, left all alone
Except for Tom who's a rolling stone.
He was only 9 the year I died.
How hard he cried. I hear him still.
Scraping alone in a little shack.
With hardly a shirt to cover his back.
And a prairie wind to blow him down
Or pinching dimes if he went to town.
You wouldn't know about my son?
Did he grow tall, Did he have fun?
Did he learn to read, Did he go to town?
Do you know his name?
Did he get on?

Mr. Speaker, I hope this bill passes.

Mr. SAYLOR. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana [Mr. BRAY].

Mr. BRAY. Mr. Speaker, I am strongly in favor of this legislation. It is not that the State of Indiana is trying to "pass the buck" to the Federal Government about doing something in this matter. We have and have had for some years a Lincoln Park at the location of the planned national monument. The State of Indiana is going to turn over all of this property to the Federal Government, if this bill is passed. I expect that Indiana has as good a system of State parks as any State in the country, and we are not asking the Federal Government to build national parks to preserve the scenic beauty and resources of Indiana; we prefer to do that ourselves. But, this is a different matter because Lincoln belongs not only to Indiana, but he belongs to the Nation and to the ages.

Three of our States—Indiana, Kentucky, and Illinois shared the honor of, at different times, being the home State of Lincoln. For that reason, I think it entirely fitting and proper that the Lincoln area in Indiana be made a national monument. In Indiana as I stated earlier we have already set aside all of the land necessary except for 57 acres. Since this is not exclusively a State matter, but a national matter, I see no reason why the Federal Government should not make this a national monument to show the world our belief in the greatness of Lincoln because today, unquestionably, Lincoln is considered the greatest mortal man that ever lived. I am happy that this legislation was introduced and that the committee saw fit to bring it before us.

I assure you, if the Federal Government follows the philosophy of the State of Indiana, there will not be a great amount of money spent here, and no money will be wasted. I think that if this legislation becomes law that this monument should be kept simple and beautiful for that would better personify the life of Lincoln than would the lush and extravagant spending of money.

The SPEAKER pro tempore. The time of the gentleman from Indiana has expired.

Mr. ASPINALL. Mr. Speaker, I yield 1 minute to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Speaker, the State of West Virginia is honored for being the birthplace of Nancy Hanks. This legislation is to honor and to preserve the memory of a great President. It is also for the purpose of honoring a great mother, Nancy Hanks, the mother of President Lincoln. I am sure the entire delegation of the State of West Virginia will agree with me that West Virginia should support this legislation.

Mr. Speaker, I sincerely hope that this legislation will be approved.

Mr. SAYLOR. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I am sure that everyone would like to erect a monument to those they hold in high esteem. I would like to erect a monument to the Federal taxpayers who pay all the bills.

Now let us get this in proper perspective; it is going to cost $1,125,000. There is no assurance in this bill that the State of Indiana is going to contribute 200 acres. Read the report. It says:

> While no commitments have been made, we understand that the State-owned portion may be donated.

Notice "may be donated." The trouble with bringing up legislation under suspension of the rules is that it forecloses any amendment to this or any other bill. This bill ought to at least carry an amendment to withhold the appropriation of any Federal funds until there is a firm commitment on the part of the State of Indiana to donate these lands. There is no such flat commitment. The report says very qualifiedly that the State of Indiana may donate 200 acres of land. If the Federal Government should have to go out and buy 200 acres of land at a cost of $1,300 an acre—and that is what it is proposed to pay for the 57 acres to put into this tract—you are going to run into a huge bill of expense for this monument.

Mr. RUTHERFORD. Mr. Speaker, if the gentleman will yield, may I advise the gentleman that the legislature of Indiana has already passed an act donating this land to the Federal Government.

Mr. GROSS. Then, why do you carry in the report the qualified statement that the State may donate the land?

Mr. RUTHERFORD. The act was passed subsequent to the report, sir. That is why I wanted to advise you and also to place in the legislative record the fact that the State of Indiana has passed enabling legislation granting this land to the Federal Government.

Mr. GROSS. That is what I tried to get at awhile ago and got no such statement from the gentleman.

Let me ask where it is proposed to get the money to build all of these monuments? Indiana, if I read the signs right, is going to ask for a big national park in the sand dunes country. I think Congress ought to delay the building of further monuments until we can see some real signs of balanced budgets instead of huge deficits ahead of us. The time has come to tighten our belts rather than to be undertaking expenditures of this kind. Oh, sure, they are all fine. Again, I quarrel with the spending of $75,000 for 57 acres of southern Indiana land. That is at the rate of $1,300 an acre. I do not understand why the Federal Government has to pay $1,300 an acre for land that carries an assessed valuation of slightly more than $16,000 for purposes of taxation.

Mr. Speaker, I am opposed to the bill. I urge that this project be delayed until a time when the financial situation in this country is other than an increasing Federal debt.

Mr. SAYLOR. Mr. Speaker, under suspension of the rules, the time is divided equally between the opponents and the proponents. Due to the fact that I yielded 5 minutes to the gentleman from Iowa [Mr. GROSS], I now yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, if for no other reason than to show that the members of our Economy and Efficiency Party wear no man's collar I must temporarily part with my colleague from Iowa [Mr. GROSS], on this bill, although I know he always—not just now and then—adheres to the principles of Lincoln.

True, by this bill, we are spending some more money, but I call the gentleman's attention to the fact that we are spending it here in Indiana. May I have the attention of the gentleman from Iowa? You were looking on the other side; you cannot get any inspiration over there.

Mr. GROSS. I will be as attentive as possible.

Mr. HOFFMAN of Michigan. Yes, I thank the gentleman. You were talking about this money being spent in Indiana; I am sure the gentleman realizes that what we spend in Indiana we cannot spend in India; and for that reason alone I think that the gentleman will support this bill.

And there is another reason. I note that we took over a couple of blocks just east of the Capitol, two blocks, running those people who live there all out, sending them to hunt homes and places of business elsewhere. On those two blocks of homes and businesses we are to spend $39 million to put up a monument to Madison.

There is such a contrast between what Lincoln said and believed, and the way he exemplified his principles, carried them out, and what we are doing here in Congress that we should think a little of the change. You will recall that the one thing Lincoln wanted to do, insisted upon doing, was to preserve the Union and constitutional government. There is such a contrast between that teaching and doing and what we are doing here in Congress that it is well that we go back to Lincoln—Honest Abe—and do a little thinking. We condone waste and worse in the executive departments, malfeasance, misfeasance, diversion of public funds, and remember what we did the other day in this foreign aid bill. We tax our people, give the money to other people. The gentleman from Virginia [Mr. HARDY] disclosed in those reports of hearings he held over the years ever since 1952, where the executive department was wasting money and worse, and yet we authorized additional billions for them to continue to spend and to waste.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Can the gentleman tell me why the State of Indiana, already holding all the land, cannot establish its own monument?

Mr. HOFFMAN of Michigan. Yes. Lincoln, I heard someone say once, belongs to the ages as well as to the Nation. The State of Indiana is the one State—now, do not forget, my good friend, please—Indiana is right south of Michigan and we have a neighborly feeling for Indianians. I am sure the gentleman recalls that the Indiana Legislature went on record as opposing the expenditure of any Federal money in Indiana; I do. They said they would paddle their own canoe.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. As long as the gentleman—and I know he does—goes along with this feeling and wants to follow Lincoln's teaching, why not erect a monument, to a man who insisted we preserve the Union and the Constitution. We disregard the Constitution. And, incidentally, let me say this, there is one power we have reserved to ourselves. We have reserved the very special duty of imposing taxes. Is that a pleasure? That is the only power I know of guaranteed by the Constitution that we have retained. It is very nice of us, is it not, to levy all these taxes against our constituents and then let the executive department, Republican or Democratic, let it distribute it?

The fault I have to find with the Ike administration is that it was in power here almost 8 years, and it was only the last 6 months or so that the Eisenhower administration ever discovered it was a Republican administration. Now the Kennedys come in with a well-greased political machine. Look at the many bills on this calendar yesterday and today and the overall purposes.

We continue day after day to pass legislation the effect of which is to increase our national debt which is around $290 billion.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. ASPINALL. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. DENTON].

Mr. DOYLE. Mr. Speaker, will the gentleman yield?

Mr. DENTON. I yield to the gentleman from California.

Mr. DOYLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the body of the RECORD immediately after the printing of the list of those who were absent at the quorum call. I was over on the Senate side and was unable to be present.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DENTON. Mr. Speaker, this bill provides for the making of Lincoln's boyhood home a national shrine. We have a memorial for Lincoln at his place of birth in Kentucky, one at Springfield where he practiced law, and two or three in Washington. But there is a hiatus there. We do not have a national shrine in Indiana where Lincoln spent a very important period in his life. On Lincoln's birthday we will tell the children the things that Lincoln did. And most of this occurred or took place during the time he lived in Indiana.

It was there that Lincoln learned to read and write. He went to school only 2 years, and when you think of the man who only went to school 2 years and who could write the Gettysburg Address and the Second Inaugural Address, as Lincoln did, you will appreciate how great a man he was.

He used to lie by the fireside there and write on a shovel.

He walked miles to borrow books there. One of these borrowed books was destroyed by rain, and he worked days and days to pay for that particular book.

It was there that he split rails, it was there where he got his first job in a store, it was there he operated a ferry across the Anderson River. It was from there he made his famous trip on a flat boat to New Orleans. It was there that his mother died, it is there where his sister is buried. He lived there himself from the time he was 7 until he was 21, a very formative period of his life.

This memorial will embrace 200 acres. There are 160 acres in the old Lincoln farm, and another 40 acres on which the State of Indiana has erected a memorial and where Lincoln's mother, Nancy Hanks, is buried. The State of Indiana has passed legislation authorizing the turning over to the Government of this property as a memorial. There is erected on this property which the State will turn over, a memorial, a Lincoln Library and an assembly hall. About 57 more acres must be purchased and the bill limits the cost of this to $75,000. There is a town on part of this property. There are a good many little houses there, and that is the reason for this cost. The State of Indiana has passed legislation authorizing the turning over to the Government all the land but 57 acres. There is some talk about the cost over a period of years, but that would involve moving a road and it would also involve moving a railroad. There is no prospect of moving the railroad now because I do not think there is any necessity for it, but if that should happen you would have to come back to the Congress and get the money.

The State of Indiana has been very cooperative in this matter. In Indiana we are a proud people. We are proud Lincoln lived in Indiana, but we think he belongs to the Nation, and we think it is proper this should be a national shrine.

Mr. Speaker, this legislation has been recommended by the Advisory Council on Parks and National Memorials, it has been recommended by the Department of the Interior; and, after all, Indiana does not have a single national park or a single national memorial. We think in the case of this great man a memorial should be established by the Government in commemoration of his boyhood home in Indiana where he spent the formative period of his life.

Mr. Speaker, I hope this bill passes.

Mr. ROUSH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ROUSH. Mr. Speaker, Abraham Lincoln is acknowledged as America's greatest social philosopher. His great wisdom, his humanitarian spirit, and his great love for his fellow men are one of America's treasures now, as President Lincoln is revered throughout the world.

The source of these great attributes was his imaginative mind, a mind which in its boyhood was exposed to the stark human realities of his day. In Spencer County, Ind., young Abe became acquainted with the conflicting social and political philosophies of his day. Here in southern Indiana, the abolitionist northerners discussed the burning issue of slavery with the slaveholders of the South. Here, the civilizations of the French and British settlers met that of the Indian nation. The frontiersmen from over the mountains moved into the area to add their own brand of Americanism to this melting pot. Here, trade flourished as the young nation began to carve the natural richness of its land into productive value.

It was in this atmosphere that Abraham Lincoln matured and grew to manhood. He was in constant contact with men of the dominant and conflicting ideologies of his day. Here he learned to understand the people of this great Nation. It was this knowledge, and the manner in which he later harnessed this knowledge to lead the country, from which his personal greatness flowed and from which his great contributions to our Nation and our civilization stemmed. But most important, it was here that he cultivated those virtues, such as honesty, sincerity, and integrity, which were to project through all phases of his adult

life and mark him as a truly extraordinary citizen.

It is only fitting, then, that this site of Lincoln's boyhood should be preserved and honored as a part of our Nation's heritage. In these few acres in southern Indiana there is the source of one of our greatest national treasures. This site justly deserves to be a part of our national park service, as a monument to the formative youth of Abraham Lincoln, a time which still sheds its benefits on this great Nation. I urge that you support the bill offered by the gentleman from Indiana [Mr. DENTON].

The SPEAKER pro tempore. The question is on suspending the rules and passing the bill, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

FORT SMITH NATIONAL HISTORIC SITE, ARK.

Mr. RUTHERFORD. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 32) authorizing the establishment of the Fort Smith National Historic Site, in the State of Arkansas, and for other purposes.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to designate for preservation as the Fort Smith National Historic Site the site of the original Fort Smith established in 1817 on LaBelle Point at the confluence of the Arkansas and Poteau Rivers, together with such adjoining property as the Secretary may deem necessary to accomplish the purposes of this Act. The area so designated shall include also the commissary building and the barracks building in which Judge Isaac Parker's courtroom has been restored, both of such buildings having been a part of the fort built during the latter part of the 1830's.

SEC. 2. Within the area designated pursuant to section 1 hereof, the Secretary of the Interior is authorized to procure by purchase, donation, with donated funds, or otherwise, land and interests in lands: *Provided,* That the Secretary shall purchase no property under this Act until the city of Fort Smith, Arkansas, conveys to the United States, without expense thereto, all right, title, and interest of such city in and to the property designated by the Secretary as necessary for the establishment of the Fort Smith National Historic Site. When the historically significant lands and structures comprising the designated area have been acquired as herein provided, the Fort Smith National Historic Site shall be established and notice thereof shall be published in the Federal Register.

SEC. 3. The Fort Smith National Historic Site, as constituted under this Act, shall be administered by the Secretary of the Interior as a part of the National Park System pursuant to the provisions of the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916 (39 Stat. 535), as amended and supplemented.

SEC. 4. There are hereby authorized to be appropriated such sums, not in excess of $319,000, as are necessary to acquire the real property necessary to carry out the purposes of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. SAYLOR. Mr. Speaker, I demand a second.

Mr. RUTHERFORD. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RUTHERFORD. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this bill by our colleague, the gentleman from Arkansas [Mr. TRIMBLE], proposes to establish a 15-acre national historic site in Fort Smith, Ark. The project is highly recommended by the Advisory Board on National Parks, Historic Sites, Buildings and Monuments which was created by the act of August 21, 1935. It is also highly recommended by the Department of Interior and National Park Service. The creation of a national historic site at Fort Smith will, in the judgment of the Committee on Interior and Insular Affairs, admirably help to carry out the policy of Congress, as declared in the 1953 act—"to preserve for public use historic sites, buildings, and other objects of national significance for the inspiration and benefit of the people of the United States."

Fort Smith dates back to 1817, only 14 years after the Louisiana Purchase had been consummated and 2 years before Arkansas became a territory. Here, at the junction of the Arkansas and Poteau Rivers, was a little point of land—Belle Point, it was then called—that was suited to carry out the orders that Gen. Andrew Jackson received from the War Department in August of that year. These orders directed that he establish a garrison on the Arkansas River near the Osage line. The reason for the establishment of such a post was the continual friction that existed between the Osage Indians, natives of the area, and both white settlers in the area and Cherokees who had been removed there by the Federal Government.

The first Fort Smith was, in its time, the westernmost fort in the country. It served its purpose as well as could have been expected in this wild and troubled part of the Nation from 1817 to 1824.

A second and stronger Fort Smith was erected in the years beginning in 1835 a little to the east of the first Fort Smith. Unlike the first fort, which was a blockhouse, plans for the second called for construction of stone and brick, and a substantial part of it was so constructed. It served from 1838 to 1871 and was not only an influential factor in Cherokee-Osage and Indian-white relations during its earlier years but was also, during the War Between the States, the site of Union, Confederate, and Union troops in succession.

Two of the buildings of the second Fort Smith remain intact. One is the former commissary, now occupied by a local historical museum. The other is a former barrack which is occupied now by units of the city government. The popularity of the site, even without the development work which the National Park Service contemplates, is evident from the fact that the museum attracted more than 25,000 visitors last year.

The site of Fort Smith is of interest to the American public not only because of its antiquity and the role it played in Indian-white relations on the frontier but because it was the location of the courtroom of the famous Isaac Parker, known to history as the "hanging judge." To him more than to any other one man the frontier owes the development of respect for law and order. The room which served as his courtroom from 1875 to 1889 was in the barrack building. It has been completely restored.

The city of Fort Smith owns 10 of the 15 acres that are within the projected historical site. These lands are valued at $259,000 and the city has announced that it is ready to turn them over to the United States free of charge. The other 5 acres are valued at about $319,000. We of the committee recognize that this is expensive land. The cost will not be as high as originally estimated because we feel there will possibly be some donations. However, as to the expense, the cost must be considered. These 5 acres are adjacent to a railroad line and are occupied by industrial buildings which will have to be torn down. Local officials, however, have assured us that they are willing to see this land, valuable though it is, taken off the tax rolls, by all the political subdivisions in Arkansas.

I am sure that when the gentleman from Arkansas, JIM TRIMBLE, speaks on this bill, as he will in a few moments, he will be able to tell the House much more fully and much more eloquently than I can what it means to the people of his area. I content myself with saying that our committee has carefully examined the proposal and that we have no hesitancy in recommending it from the national point of view.

Mr. SAYLOR. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, in an effort to assure not only the people who are living in our country at the present time but those who will follow us, that there will be evidence of great landmarks, things that made this country possible, the Committee on National Historic Sites have selected Fort Smith, Ark., as one of those worthy of preservation.

This committee examined many of the sites of forts throughout the Southwestern part of the United States. They picked this site and Fort Davis as the two that should be preserved. A short time ago Congress passed the Fort Davis bill and we now have the Fort Smith bill before us.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I am glad to yield to the chairman.

Mr. ASPINALL. During the last Congress we passed an authorization act for Old Fort Bent, which is located on the Arkansas River. This helps firm up the national parks complex of this particular operation which memorializes activities in the life of the Nation a century ago.

Mr. SAYLOR. That is correct. I certainly hope that the House will accept

the decision of the Committee on National Historic Sites and the judgment of the Committee on Interior and Insular Affairs which went into this matter very carefully and recommended that the bill do pass.

Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I want to go back for a moment to the bill just passed and ask the gentleman from Texas [Mr. RUTHERFORD], when the Indiana Legislature took the action that it did.

Mr. RUTHERFORD. I am not advised as to the exact date on that. My advice came from the members of the Indiana delegation.

Mr. GROSS. Would it have been a few days ago or a few months ago?

Mr. RUTHERFORD. I am not advised, sir. We have not had official notice by proclamation from the State of Indiana. I passed on only the information given to me by members of the Indiana delegation which I felt was valid and submitted that information to the House.

Mr. GROSS. The report accompanying this bill carries the date of August 10, 1961. I do not like to be misled by information such as is contained here, which states that the State of Indiana may contribute 200 acres of land. Now the gentleman indicates the legislature had already adopted legislation to provide 200 acres. The date of the report, as I say, is August 10, 1961. That information ought to have been in it if that action was taken more than a few days ago.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Of course, I yield.

Mr. ASPINALL. I think the report is not misleading. I can understand how the gentleman may have read it in that manner, but it says that the State of Indiana may, and thus it is presumed that the Department of Interior will accept. It is permissive.

The State of Indiana has done everything on its part. We have known during the hearings that the State was going to cooperate and contribute in this respect to the undertaking.

Mr. GROSS. Let me again read this statement to be found in the report accompanying the bill:

> While no commitments have been made to the Department, we understand that the State-owned portion may be donated.

What am I expected to believe in reading that language from the report?

Mr. ASPINALL. When the gentleman was answered by the gentleman from Texas [Mr. RUTHERFORD] that the State had passed the legislation and that they had accepted the responsibility, and the gentleman from Indiana himself [Mr. DENTON] had made the statement, I think that should have taken care of my friend's fears in this matter.

Mr. GROSS. But when I read a report as recent as August 10 of this year, I would think the report would be up to date.

Mr. RUTHERFORD. The gentleman is quoting from the report of the Department of April 27, 1961. However, the report that is submitted with this bill states this:

> H.R. 2470 authorizes the acquisition of as much as 200 acres of land for the memorial. All of this land except 57 acres is owned by the State of Indiana which, by act of its legislature, has indicated its willingness to donate it and the Nancy Hanks Lincoln Memorial to the United States for the purposes of this bill.

This is a part of the report.

Mr. GROSS. I, too, quoted from the report submitted with this bill.

This project is going to cost $786,000, is that not correct?

Mr. RUTHERFORD. What bill is the gentleman referring to?

Mr. GROSS. The bill presently before the House.

Mr. RUTHERFORD. $319,000.

Mr. GROSS. Under the heading "Cost" it says that the estimated cost of property acquisition is $319,000. That is for 5 acres, or at the rate of $63,800 per acre. Then the report goes on to say:

> Development costs, which will be spread over several years, will probably amount to $467,000.

That is a total, is it not, of $786,000 that this project is going to cost?

Mr. RUTHERFORD. The purpose of this act is the acquisition of the land, for $319,000.

Mr. GROSS. That is for 5 acres only, $319,000.

Mr. RUTHERFORD. $319,000 only is going to be provided.

Mr. GROSS. This also is going to cost $62,000 a year in maintenance and administrative costs and that will be for all time.

Mr. RUTHERFORD. The gentleman is entitled to his own estimates.

Mr. TRIMBLE. Mr. Speaker, on behalf of the people of Fort Smith and the people of Arkansas, I wish to express to the Committee on Interior and Insular Affairs our grateful thanks. This site is indeed a fine historic place. It will be a jewel in the park system. The people of Fort Smith have invested more than $500,000 in this project.

Mr. ASPINALL, Mr. RUTHERFORD, and Mr. SAYLOR have covered the bill completely.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill, H.R. 32, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PAYMENT FOR UNUSED COMPENSATORY TIME OWING TO DECEASED POSTAL EMPLOYEES

Mr. MURRAY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7061) to amend title 39 of the United States Code to provide for payment for unused compensatory time owing to deceased postal employees, and for other purposes, as amended.

The Clerk read as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 3573 of title 39, United States Code, is amended by adding at the end thereof a new paragraph (5), as follows:
>
> "(5) If an employee is entitled under this section to unused compensatory time at the time of his death, the Postmaster General shall pay at the rate prescribed in this section, but not less than a sum equal to the employee's hourly basic compensation, for each hour of such unused compensatory time to the person or persons surviving at the date of such employee's death. Such payment shall be made in the order of precedence prescribed in the first section of the Act of August 3, 1950 (5 U.S.C. 61f), and shall be a bar to recovery by any other person of amounts so paid.".

The SPEAKER pro tempore. Is a second demanded?

Mr. CORBETT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. MURRAY. Mr. Speaker, this legislation was reported out unanimously by the Committee on Post Office and Civil Service. This legislation carries out the official recommendation of the Post Office Department and it provides for the payment of unused compensatory time earned by deceased postal employees. This bill will correct an inequity in existing law. The law as it stands today is discriminatory and unfair to the heirs and estates of certain postal employees. I call to the attention of the House that other Government employees, coming under the provisions of the classification act, have already been provided for by legislation which corrected the inequities in their case. This adjustment should surely be made for the families of deceased postal employees.

Mr. Speaker, I now yield such time as he may require to the gentleman from Georgia [Mr. HAGAN].

Mr. HAGAN of Georgia. Mr. Speaker, I was chairman of the subcommittee which considered H.R. 7061. We held open hearings at which representatives of the Post Office Department and the various postal employee organizations wholeheartedly endorsed the objectives of the measure. No witnesses appeared in opposition. The bill was unanimously reported, both from the subcommittee and from our full committee.

The legislation, itself, is the result of an official recommendation of the Post Office Department. By providing for the payment of unused compensatory time earned by deceased postal employees, it would correct an inequity in existing

law which the Department and the committee fully agree is discriminatory and unfair to the families and estates of these employees.

Postal operations are such that on a great number of occasions postal employees are required to work overtime. However, there are only three situations in which these employees may be paid for such work, and even then only employees in salary levels PFS–7 and lower are authorized payment. These situations are Saturdays and Sundays in December, work in excess of 8 hours in 1 day, and holidays. On all other occasions, and for all postal employees in salary levels PFS–8 and above, any excess time that is worked must be taken off in the form of compensatory time.

In 1959, at the request of the Post Office Department, the Comptroller General reviewed the question of payment to the estate of a deceased postal employee for unused compensatory time. He ruled that payment could be made in the situation where the law permitted the alternative of pay or compensatory time. Where the law did not provide such an alternative, accumulated unused compensatory time had to be forfeited.

This situation is most inequitable for two reasons: First, there is unfairness as between employees in levels PFS–7 and below, and employees above these levels in those few situations where the lower levels have the alternative of payment. Second, there is unfairness as between postal employees and employees in the major portion of the Federal service—employees whose positions are subject to the Classification Act of 1949, that is, the GS schedule positions.

Positions in the general schedule of the Classification Act are paid under the provisions of the Federal Employees Pay Act of 1945. While that act provides for compensatory time off to be applied to certain situations where employees work excess time, the act also provides that payment may be made in lieu of compensatory time off to employees up to and including GS–15. Payment may thus be made for unused compensatory time to the estate of deceased employees under the general schedule.

Mr. Speaker, I would like to emphasize that this bill does not make any changes in the present system of payments for overtime or for the granting of compensatory time. It simply permits payments to be made to any employee's survivors in the event he dies without using all of his compensatory time. The cost to the Government would be negligible, according to the Post Office Department.

I sincerely urge the enactment of this legislation.

Mr. CORBETT. Mr. Speaker, I just want to say that this is excellent legislation. We have been remiss in not passing it long ago.

Mr. Speaker, I now yield 5 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Speaker, I rise in support of H.R. 7061 and wish to associate myself with the remarks made by the gentleman from Georgia [Mr. HAGAN]. He has already given you a very clear explanation of this bill. It is a simple bill. It is noncontroversial. It was reported out of the subcommittee and the full committee by a unanimous vote and it has the complete support and the endorsement of the executive branch of the Government.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Inasmuch as you live in the adjoining district across the river, over which we have built so many bridges for the Federal employees to come down here to their work, including, of course, postal workers, do you not think we should have a quorum present so that more Members may hear the way you get support or are entitled to support, for example?

Mr. BROYHILL. I do not think that is necessary. In fact, the bill was on the Consent Calendar and should have been passed when it was on the Consent Calendar.

Mr. HOFFMAN of Michigan. My point is: Do you not think we ought to have a quorum?

Mr. BROYHILL. No; I do not. If the gentleman thinks so, he can exercise his prerogative.

Mr. HOFFMAN of Michigan. I want to be helpful. Apparently we do not have a quorum now and have not had one since the first few minutes of the session. I noticed the other day, several times after the roll was called and a quorum was present, the Clerk no more than got to the end of the call when the quorum had disappeared. So, it seems futile to make the point.

Mr. BROYHILL. I wish the gentleman would withhold his point of no quorum.

Mr. HOFFMAN of Michigan. Well, because of my great affection and regard for the gentleman, I certainly will.

Mr. BROYHILL. I appreciate that.

Mr. Speaker, as pointed out by the gentleman from Georgia [Mr. HAGAN] the cost of this bill is negligible. It is practically nil. Whatever costs are involved can be included in the current budget of the Post Office Department. However, the principle involved is of major importance. It is an important principle regardless of what the cost may be. It is to correct a discrimination against certain groups of Federal employees. They should have been allowed to participate in this program long ago. The defect must have occurred through an oversight, because it could not have been the intent of the Congress. At the present time all other employees, with the exception of Post Office employees, can receive credit or their estates can receive credit for any unused compensatory time which has been accumulated prior to their death. What do we mean by compensatory time? Compensatory time is a benefit in lieu of compensation for the performance of work under circumstances regarded as undesirable. If the employees who have performed such work live, they receive the benefit in the form of time off with pay, and without charge to leave, for days on which they would otherwise be required to work.

Mr. KUNKEL. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. I would like to ask the gentleman if there is any likelihood that the bill equalizing longevity pay for postal employees with that of other Federal employees will come out in the near future?

Mr. BROYHILL. That bill is pending before the committee now. We discussed it in executive session this morning. The chairman has asked the staff and demanded action on a request that the committee has made for a report from the Post Office Department be made available.

Mr. KUNKEL. While you are correcting this present situation, which I thoroughly favor, it seems to me there is a glaring inequity existing in respect to longevity for postal employees that should be corrected quickly, preferably at this session of the Congress.

Mr. BROYHILL. That is correct. The chairman has assured us that action will be taken in that regard.

Now, I was explaining what compensatory time was. All of the Federal employees with the exception of the Post Office employees can have this time credited to their estate or their account in the event of their death. I will give you an example of how this inequity works.

In our hearings on this measure we had our attention called to the case of the two post office investigative aids who, on March 14, 1960, during the course of their assignment to the inspection service, were murdered when they attempted to apprehend three men for stealing mail packages.

At the time of their deaths, one employee had 83 hours of compensatory time to his credit, the other had 52 hours. These men died in the service and received benefits under the various laws such as that pertaining to death in line of duty, insurance under the Federal group insurance law, and pay for all unused annual leave. But their families were denied payment for their unused compensatory time. Had these men worked for an agency subject to the Federal Employees' Pay Act, such as the Veterans' Administration, Department of Defense, Department of Interior, and so forth, they would have received payment for such time.

But because they were members of the postal field service of the Post Office Department, their estates could not receive credit for that compensatory time.

I am certain that no Member of this body would want the Government to benefit as a result of any employee's dying before he had used this compensatory time to which he was entitled. The only thing this legislation does is to correct that inequity so that the estate of the employee can receive the credit and the Government itself not be the beneficiary insofar as money is concerned as a result of this employee's death.

Mr. BATTIN. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield.

Mr. BATTIN. Is this retroactive? Will it take care of the situation to which the gentleman referred where these two men were murdered? Will it take care of their families?

Mr. BROYHILL. It is not retroactive.

I hope the House will support this legislation.

The SPEAKER pro tempore (Mr. ALBERT). The question is, Will the House suspend the rules and pass the bill, H.R. 7061, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

MINIMUM INCREASES ON PROMOTIONS UNDER THE CLASSIFICATION ACT OF 1949

Mr. MURRAY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1010) to amend the Classification Act of 1949, as amended, to provide a formula for guaranteeing a minimum increase when an employee is promoted from one grade to another.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 802(b) of the Classification Act of 1949, as amended (5 U.S.C. 1132(b)), is amended to read as follows:

"(b) Any officer or employee who is promoted or transferred to a position in a higher grade shall receive basic compensation at the lowest scheduled or longevity rate of such higher grade which exceeds his rate of basic compensation in effect immediately prior to such promotion or transfer by not less than two step-increases of the grade from which he is promoted or transferred. If, in the case of any officer or employee so promoted or transferred who is receiving basic compensation at a rate in excess of the maximum longevity rate for his grade, or in excess of the maximum scheduled rate of his grade if there is no longevity rate for his grade, under section 604, section 1105(b), or any other provision of law, there is no scheduled or longevity rate in such higher grade which is at least two step-increases above his rate of basic compensation in effect immediately prior to such promotion or transfer, he shall receive (1) the maximum longevity rate of such higher grade or the maximum scheduled rate of such higher grade if there is no longevity rate for such grade, or (2) his rate of basic compensation in effect immediately prior to such promotion or transfer, if such rate is higher."

SEC. 2. The amendment made by the first section of this Act shall become effective on the first day of the first pay period following the date of enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. CORBETT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Tennessee will be recognized for 20 minutes and the gentleman from Pennsylvania for 20 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Speaker, I was on my feet trying to address the Chair to demand a second and say that I was opposed to the bill.

The SPEAKER pro tempore. The Chair regrets that the Chair did not see the gentleman.

Is the gentleman from Pennsylvania opposed to the bill?

Mr. CORBETT. Mr. Speaker, I am willing to yield time to the gentleman from Michigan. I have been recognized, but I suppose the Chair is so used to seeing the gentleman on his feet making demands that he just failed to notice.

Mr. HOFFMAN of Michigan. I accept the gratuitous insult, but the gentleman has been demanding seconds right along whether he was opposed to the bill or not and I want to call his attention to the rule.

The SPEAKER pro tempore. Is the gentleman from Pennsylvania opposed to the bill?

Mr. CORBETT. The gentleman from Pennsylvania is not opposed to the bill.

The SPEAKER pro tempore. Is the gentleman from Michigan opposed to the bill?

Mr. HOFFMAN of Michigan. Yes, I am.

The SPEAKER pro tempore. The gentleman from Michigan qualifies as a second.

Without objection a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Tennessee [Mr. MURRAY] will be recognized for 20 minutes, and the gentleman from Michigan [Mr. HOFFMAN] for 20 minutes.

The gentleman from Tennessee is recognized.

Mr. MURRAY. Mr. Speaker, I yield myself 2 minutes. This legislation is based on an official recommendation of the U.S. Civil Service Commission and has the approval of the Post Office and Civil Service Committee.

H.R. 1010 provides an equitable and uniform formula to assure that a classified employee who is promoted from one grade to another will receive a salary increase commensurate with the increased responsibilities he undertakes. The minimum salary increase will be not less than two automatic salary step increases of the grade from which he is promoted.

The effect will be to provide needed incentives for employees who are qualified for more responsible positions, and whose services in such positions will benefit the Government, to accept promotions and advance themselves in the career civil service. Under present law it often happens that an employee who is in the higher salary steps of his position is confronted, when offered a promotion to a higher grade, with the necessity to undertake greater responsibilities with little or no increase in salary. The question naturally arises in such an employee's mind as to the practical desirability of his undertaking greater responsibilities without some reasonable increase in his salary.

This legislation will provide fair and reasonable minimum salary increases in the event of such a promotional opportunity. I believe it is in the best interests of greater efficiency in the Government service as well as equitable treatment of employees.

Mr. HOFFMAN of Michigan. Mr. Speaker, does the gentleman from Iowa [Mr. GROSS] desire time?

Mr. GROSS. No.

Mr. HOFFMAN of Michigan. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. WALLHAUSER].

Mr. WALLHAUSER. Mr. Speaker, I rise in support of this legislation, which has been reported favorably by our committee, as was a similar bill in the 86th Congress. The chairman of the committee has explained this bill very well. Briefly, it gives an incentive to those who desire encouragement; in other words, it makes promotions of classified employees from one grade to another more meaningful in terms of increased compensation.

The classified employees exclude a certain number of other employees of the Government, including about 700,000 of the so-called blue-collar workers, over 500,000 postal field workers, Foreign Service employees, Atomic Energy Commission, TVA, and so forth. These employees are not considered under this bill.

Section 802(b) of the Classification Act of 1949 provides that the rate of pay an employee shall receive upon promotion to the next higher grade will be that which exceeds his existing rate of basic compensation by not less than one step increase of the grade from which he is promoted or transferred.

H.R. 1010 will require the employee to be placed in the step of the higher grade which will assure him an increase in compensation amounting to not less than the amount of a two-step increase in the grade from which promoted.

Mr. Speaker, I agree with my colleagues that this legislation is long overdue as a needed improvement in Federal personnel management. While the one-step increase promotion policy adopted by the Congress under the Classification Act of 1949 may have been a good policy at the time of its adoption, it is now outdated and outmoded. It is time we change and provide a more meaningful increase in pay for employees who are promoted and who are required to assume higher responsibilities.

Mr. Speaker, I ask that the Members of the House look with favor upon this legislation as it is, and has been, long needed.

I urge favorable consideration of the bill H.R. 1010.

Mr. HOFFMAN of Michigan. Mr. Speaker, I yield such time as he may desire to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Speaker, I rise in support of H.R. 1010 and would like to associate myself with remarks that have been made by my colleagues.

The purpose of H.R. 1010 is to make a promotion of a classified employee something to be sought after and to reward the employee to an extent commensurate with the added difficulty and responsibility assumed by the employee in a higher grade.

Considerable progress has been achieved since the classification system was first established in 1923. The original law did not require that promotions had to result in a salary increase. The first substantial progress came with the introduction of the within-grade salary increase planned in the classification system in 1941. It then became possible for employees to advance with regularity through the range of pay rates within a grade. Even then a promotion from one grade to another did not necessarily result in a salary increase and when there was an increase, it was as small as $25 a year. It was was not until the revision of the classification law of 1949 that a grade promotion required that an increase in compensation must equal not less than the amount of the step increase of the grade from which the employee was promoted. This is the status of the law today. That one-step increase today amounts to $105 a year for employees in the lower grades—GS–1 to GS–4—and only to $165 a year to employees in the middle grades—GS–5 to GS–10. The increase in the upper grades is $260.

I support this legislation and feel that the time has now come to improve this promotion increase formula so as to provide an incentive for employees to accept promotions that are more commensurate and more realistic in today's labor market.

H.R. 1010 will provide a minimum guaranteed promotion pay increase equal to a two-step increase. This will double the amounts I have just referred to—that is, $105 in the lower grades to $210; $165 in the middle grades to $330; $260 in the upper grades to $520. In addition, H.R. 1010 will permit the employee to be placed in any of the three longevity rates, if necessary, in order for the employee to receive the minimum guarantee.

Mr. Speaker, I urge that this law be considered favorably by this body today so that promotions actually will give practical recognition to qualified and competent employees when they are promoted and placed in positions of greater responsibility.

Mr. HOFFMAN of Michigan. Mr. Speaker, again I want to ask the gentleman from Iowa if he requests time.

Mr. GROSS. Mr. Speaker, I request time just to say I am for this bill.

Mr. HOFFMAN of Michigan. So am I. After listening to the chairman of the committee, the gentleman from Tennessee [Mr. MURRAY], it seems to me the only objection to the bill is the spending. But sometimes that is necessary.

Mr. Speaker, I have no further requests for time.

Mr. MURRAY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. DULSKI].

Mr. DULSKI. Mr. Speaker, I was chairman of the subcommittee of the House Post Office and Civil Service Committee which held open hearings on H.R. 1010. This bill was sponsored by our distinguished colleague, the gentleman from Michigan [Mr. LESINSKI]. He also sponsored a similar bill during the 86th Congress, H.R. 543, which was acted upon favorably by our committee but was not reached for consideration by the House before adjournment.

The administration favored enactment of this legislation last year and representatives of the Civil Service Commission testified in open hearings this year as being in favor of enactment of H.R. 1010. Also, I invite the attention of my colleagues to the letter from the Bureau of the Budget which appears on page 3 of House Report No. 859 recommending favorable consideration on H.R. 1010.

I believe the gentleman from Michigan [Mr. LESINSKI] is to be congratulated on sponsoring this legislation again this session.

Mr. Speaker, very briefly, it is the purpose of H.R. 1010 to provide an employee covered by the Classification Act of 1949, who is promoted or transferred to a position in a higher grade, an increase in compensation that is more realistic with the increased responsibilities he is expected to assume upon promotion.

H.R. 1010 provides that when a classified employee is promoted, or transferred to a position in a higher grade, he will receive basic compensation at the lowest scheduled or longevity rate of the higher grade, which exceeds his existing rate of basic compensation, by not less than two step increases of the grade from which he is promoted or transferred.

Existing law requires that such a promotion or transfer be accompanied by a minimum of a one-step increase but permits the formula to be applied only to the scheduled rates of the grade to which promoted and not to any of the three higher longevity rates of the grade.

H.R. 1010 will change the promotion increase formula in two respects. First, the amount of the minimum increase upon promotion will be changed from the equivalent of a one-step increase to the equivalent of a two-step increase. At the present time, a one-step increase in grades GS–1 through GS–4 is $105; in grades GS–5 through GS–10, the one-step increase is $165; and in grade GS–11 and above, the one-step increase is $260.

Under the formula proposed by this legislation, the minimum amount to be received by an employee upon promotion would be doubled—that is, the minimum promotion increase for grades GS–1 through GS–4 would be $210; the minimum increase for grades GS–5 through GS–10 would be $330; and for grade GS–11 and above, $520.

Second, this legislation will remove the present maximum scheduled rate limitation and will permit employees who are affected by the promotion increase formula to be placed in any of the three higher longevity rates, if necessary, in order to receive the full benefit of the guaranteed minimum increase. Under existing law, employees who are in the top longevity steps of some of the grades receive no increase upon promotion to higher grades, because the rates for the maximum scheduled steps of some of the grades is the same or lower than the rates for the longevity rates of the next lower grades. For example, the top longevity rate for grade GS–1 is $4,130 and the maximum scheduled rate of GS–2 also is $4,130. Consequently, under existing law an employee who is receiving $4,130 per annum in the top longevity rate of GS–1, would receive no increase in compensation upon promotion to a position in GS–2 but would continue to receive his existing rate of compensation, $4,130.

Under H.R. 1010, the employee would receive an increase equivalent to the two-step increase, $210, and be placed in the second longevity step of grade GS–2, at the rate of $4,340 per year.

Mr. LESINSKI, in testifying in open hearings before our subcommittee in justification of his proposal, furnished the subcommittee several other examples which clearly demonstrate the need for this legislation. These examples may be found on page 4 of the printed hearings.

Mr. Speaker, it is hard for me to believe that our Federal Government has a personnel promotion policy that permits an employee to be promoted to a higher grade and impose upon him increased responsibilities without providing a means for a commensurate increase in compensation. To expect an employee to take on heavier responsibilities and more difficult duties without a reasonably comparable increase in pay certainly would lessen the incentive of the most devoted of us to accept those greater responsibilities. It certainly is not a policy conducive to an efficient or economical Federal service. I believe it is time we change that policy.

The two-step increase provided by H.R. 1010 will result in an appropriate monetary reward in connection with the promotions under the Classification Act. It will offer a materially greater incentive for the employee to accept the higher responsibilities that go with his promotion.

The Civil Service Commission furnished a table which may be found on page 9 of the printed hearings on H.R. 1010, which shows that the Commission has estimated that there are approximately 170,000 promotions annually that will be affected by this legislation. This, of course, does not include promotions from the lower steps of the grades, because the amount of increase an employee receives upon promotion from a lower step of a grade to a higher grade generally will be in excess of the minimum guaranteed under either existing law or under this legislation. On the basis of an estimated 170,000 promotions annually to be affected by this legislation, the subcommittee believes that the annual cost of this legislation will not exceed $25 million, and undoubtedly will be less.

Mr. Speaker, I am sure my colleagues all will agree that an employee is entitled to a meaningful increase in compensation when he is promoted to a higher grade and asked to assume higher responsibilities. Both the Civil Service Commission and the Bureau of the Budget agree, as did our committee, that this additional cost is amply justified in order to overcome the outmoded and completely unrealistic promotion policy now existing under the Classification Act. There is no doubt in my mind that this legislation is in the best interests of

the Federal service and of the employees.

Mr. Speaker, I urge that favorable consideration be given to H.R. 1010.

Mr. MURRAY. Mr. Speaker, I yield such time as he may require to the gentleman from Michigan [Mr. LESINSKI].

Mr. LESINSKI. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LESINSKI. Mr. Speaker, I would like to express my deep appreciation to the Honorable TOM MURRAY, chairman of the House Committee on Post Office and Civil Service, and to the members of the subcommittee for their diligence in scheduling my bill, H.R. 1010, for consideration during this 1st session of the 87th Congress and the efforts they took in obtaining consideration of the bill on the floor of the House today.

H.R. 1010 is identical to my bill of the last Congress, H.R. 543, as it was amended and reported favorably from the House Post Office and Civil Service Committee. The action last year came late in the session and the House had no time to act on the measure before adjournment.

The Civil Service Commission recommended favorable consideration last year. The present measure, H.R. 1010, has the full support of the Commission and the Bureau of the Budget. The employee organizations have been urging for quite some time for a much greater increase upon promotion than the increase provided under H.R. 1010. I believe that the more liberal increase provided in the legislation I originally sponsored 2 years ago is amply justified. But I also believe that the more conservative increase now provided under my bill, H.R. 1010, is an acceptable compromise. The employee organizations now favor enactment of H.R. 1010.

Under present law a classified employee who is promoted or transferred to a higher grade receives an increase in compensation equal to a one-step increase in the grade from which promoted, except where there is no rate in the higher grade which is equivalent to a one-step increase above the employee's existing rate of compensation, in which case the employee would continue to receive his existing rate of compensation or the maximum scheduled rate of the higher grade, whichever is higher. In a great many instances this formula results in a very small increase, or no increase at all, for many employees who were promoted to a position in a higher grade and required to assume greater responsibilities.

My bill, H.R. 1010, will provide for a minimum guaranteed promotion pay increase equal to a two-step increase. In addition, it will permit the employee to be placed in any of the three longevity rates, if necessary, in order for the employee to receive the minimum guarantee and will remove the present maximum scheduled rate limitation.

The simple objective of H.R. 1010 is to make more realistic and more meaningful promotions of classified employees from one grade to another. Promotions give practical recognition to qualified and competent employees and place the employees in positions of increasing responsibility. It appears only reasonable that an adequate salary increase should accompany such a promotion. An appropriate monetary reward upon promotion is necessary to offer a materially greater incentive for a promotion.

Mr. Speaker, there is a great need for this legislation, both from the standpoint of the employee and in the interest of an efficient functioning of our Government. This need has been recognized now for several years by administrations of both parties. They agree that the need to have a realistic increase in compensation accompany a promotion amply justifies the $25 million cost.

Mr. Speaker, I sincerely urge the House to take favorable action on H.R. 1010.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill H.R. 1010?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

AMEND CIVIL SERVICE RETIREMENT ACT

Mr. MURRAY. Mr. Speaker, I move to suspend the rules and pass the bill (S. 739) to amend the Civil Service Retirement Act, as amended, with respect to the method of computing interest earnings of special Treasury issues held by the civil service retirement and disability fund, with amendments.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (d) of section 17 of the Civil Service Retirement Act, as amended (70 Stat. 759; 5 U.S.C. 2267(d)), is amended to read as follows:

"(d) The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of public-debt obligations for purchase by the fund. Such obligations issued for purchase by the fund shall have maturities fixed with due regard for the needs of the fund and bear interest at a rate equal to the average market yield computed as of the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the public debt that are not due or callable until after the expiration of four years from the end of such calendar month, except that where such average market yield is not a multiple of one-eighth of 1 per centum, the rate of interest on such obligations shall be the multiple of one-eighth of 1 per centum nearest such average market yield. The Secretary of the Treasury may purchase other interest-bearing obligations of the United States, or obligations guaranteed as to both principal and interest by the United States, on original issue or at the market price only if he determines that such purchases are in the public interest."

(b) All special issues in which the civil service retirement and disability fund is invested in accordance with section 17(d) of the Civil Service Retirement Act as in effect prior to the enactment of this Act shall be redeemed and the moneys reinvested by the Secretary of the Treasury on or before January 1, 1962, in accordance with such section 17(d), as amended by subsection (a) of this section.

SEC. 2. (a) Paragraphs (2) and (3) of section 2(h) of the Civil Service Retirement Act, as amended (74 Stat. 302; 5 U.S.C. 2252 (h) (2) and (3)), are amended to read as follows:

"(2) The Commission is authorized and directed to accept the certification of the Secretary of Agriculture or his designee with respect to service, for purposes of this Act, of the type rendered by employees described in paragraph (3) of this subsection.

"(3) Subject to the provisions of sections 4(c) and 9(f) of this Act, service rendered prior to July 10, 1960, as an employee of a county committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) or of a committee or an association of producers described in section 10(b) of the Agricultural Adjustment Act of May 12, 1933 (48 Stat. 37), shall be included in computing length of creditable service for the purposes of this Act."

(b) The amendment made by subsection (a) of this section shall become effective as of July 1, 1961.

SEC. 3. Section 11(h) of the Civil Service Retirement Act, as amended (74 Stat. 409; 5 U.S.C. 2261(h)), is amended—

(1) by inserting "(1)" immediately following "(h)"; and

(2) by adding at the end thereof the following:

"(2) Any employee—

"(A) who is separated from the service prior to July 12, 1960; and

"(B) who continues in the service after July 12, 1960, without break in service of one workday or more,

shall be granted the benefits of paragraph (1) of this subsection as if he were separated after July 12, 1960.".

SEC. 4. (a) Section 7(d) and 7(e) of the Civil Service Retirement Act, as amended (70 Stat. 750, 751; 5 U.S.C. 2257 (d) and (e)), are amended to read as follows:

"(d) If such annuitant, before reaching age sixty, recovers from his disability, payment of the annuity shall cease upon reemployment by the Government or one year from the date of the medical examination showing such recovery, whichever is earlier. If such annuitant, before reaching age sixty, is restored to an earning capacity fairly comparable to the current rate of compensation of the position occupied at the time of retirement, payment of the annuity shall cease upon reemployment by the Government or one year from the end of the calendar year in which earning capacity is so restored, whichever is earlier. Earning capacity shall be deemed restored if, in each of two succeeding calendar years, the income of the annuitant from wages or self-employment, or both, shall equal at least 80 per centum of the current rate of compensation of the position occupied immediately prior to retirement.

"(e) If such annuitant whose annuity is discontinued under subsection (d) is not reemployed in any position included in the provisions of this Act, he shall be considered except for service credit, as having been involuntarily separated from the service for the purposes of this Act as of the date of discontinuance of the disability annuity and shall, after such discontinuance, be entitled to annuity in accordance with the applicable provision of this Act. In the case of an annuitant whose annuity is heretofore or hereafter discontinued because of

an earning capacity provision of this or any prior law and such annuitant is not reemployed in any position included in the provisions of this Act, annuity at the same rate shall be restored effective the first of the year following any calendar year in which his income from wages or self-employment, or both, is less than 80 per centum of the current rate of compensation of the position occupied immediately prior to retirement, if he has not recovered from the disability for which he was retired. In the case of an annuitant whose annuity is heretofore or hereafter discontinued because of a medical finding that the annuitant has recovered from disability and such annuitant is not reemployed in any position included in the provisions of this Act, annuity at the same rate shall be restored effective from the date of medical examination showing a recurrence of such disability. Neither the second nor third sentence of this subsection shall be applicable in the case of any person receiving or eligible to receive annuity under the first sentence hereof and who has reached the age of 62 years.".

(b) No annuity payment shall be made, as a result of the amendment made by subsection (a) of this section, for any period prior to January 1 of the year following the year in which this Act is enacted.

SEC. 5. Section 13(b) of the Civil Service Retirement Act, as amended (5 U.S.C. 2263 (b)), is amended by adding at the end thereof the following new sentence: "A similar right to redetermination after deposit shall be applicable to an annuitant (1) whose annuity is based on an involuntary separation from the service, and (2) who is separated, on or after the date of enactment of this sentence, after a period of reemployment on a full-time basis which began before October 1, 1956.".

SEC. 6. The third sentence of section 6(f) of the Civil Service Retirement Act, as amended (5 U.S.C. 2256(f)), is amended to read as follows: "Any Member who completes twenty years of service, or who attains the age of fifty years and shall have served in nine Congresses, or who attains the age of fifty-five years and completes fifteen years of service (at least ten years of which is service as a Member), shall, upon separation from the service (other than by resignation or expulsion), be paid a reduced annuity computed as provided in section 9.".

SEC. 7. Section 6(d) of the Civil Service Retirement Act, as amended (5 U.S.C. 2256 (d)), is amended—

(1) by inserting "(1)" immediately following "(d)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) Any congressional employee who completes twenty years of service shall, upon involuntary separation from service as a congressional employee not by removal for cause on charges of misconduct or delinquency, be paid a reduced annuity computed as provided in section 9.".

SEC. 8. (a) The first sentence of section 9(b) of the Civil Service Retirement Act, as amended (5 U.S.C. 2259(b)), is amended by inserting ", or former congressional employee," immediately following the words "congressional employee" where first appearing in such sentence.

(b) The second sentence of such section 9(b) is amended—

(1) by inserting ", or former congressional employee," immediately following the words "congressional employee" where first appearing in such sentence;

(2) by inserting the word "and" immediately following "service," at the end of clause (1) thereof; and

(3) by striking out ", and (3) has served as a congressional employee during the last eleven months of his civilian service".

SEC. 9. Notwithstanding any other provision of law, annuity benefits under the Civil Service Retirement Act, as amended, resulting from the operation of this Act shall be paid from the civil service retirement and disability fund.

Amend the title so as to read: "An Act to amend the Civil Service Retirement Act with respect to interest earnings on special Treasury issues held by the civil service retirement and disability fund, with respect to employees of agricultural stabilization and conservation county committees, and with respect to certain other categories of persons subject to such Act, and for other purposes."

The SPEAKER pro tempore. Is a second demanded?

Mr. CORBETT. Mr. Speaker, I am not opposed to the bill, but I ask unanimous consent that a second be considered as ordered, for the purpose of some clarifying discussion.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania [Mr. CORBETT]?

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object—and I do not intend to object—I do demand the regular procedure.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, I understood the Speaker to say there would be no demand for a second.

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. CORBETT] asked unanimous consent that a second be considered as ordered; and there was no objection.

CALL OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I had reserved the right to object, but I shall withdraw that.

Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 163]

Alford	Harrison, Va.	Pillion
Andersen, Minn.	Harsha	Powell
	Hébert	Quie
Ashley	Kearns	Rabaut
Bass, Tenn.	Kee	Reece
Bell	Kilburn	Rogers, Tex.
Blatnik	Landrum	Shipley
Brooks, La.	McMillan	Slack
Buckley	Machrowicz	Smith, Miss.
Coad	Milliken	Spence
Curtis, Mo.	Minshall	Steed
Diggs	Moulder	Thompson, La.
Dominick	Pelly	Walter
Donohue	Philbin	Westland
Ford	Pilcher	Wilson, Calif.

The SPEAKER pro tempore. On this rollcall 391 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

AMENDING CIVIL SERVICE RETIREMENT ACT

Mr. MURRAY. Mr. Speaker, I yield 8 minutes to the gentleman from Montana [Mr. OLSEN].

Mr. OLSEN. Mr. Speaker, the purpose of the first section of S. 739 is to strengthen the financing of the civil service retirement and disability fund by providing for a new and improved method of determining the interest rates on special Treasury issues held by the fund. The new method will provide a rate of interest more nearly equivalent to the rate of interest being received by people who buy Government obligations in the open market.

There is over $10 billion in the civil service retirement and disability fund, and it has been invested with the Treasurer of the United States. Over a period of history, for a long period of time, from 1920 to 1954, this fund was paid a 4 percent interest rate by the Treasurer. After that it was reduced to 3 percent interest. Then a method was adopted whereby the interest rate was determined by the coupon rate, thereby the interest rate to the disability fund was so reduced that now it is below the market rate that the U.S. Government pays to other people who invest in U.S. Government securities.

I was chairman of the subcommittee of the House Post Office and Civil Service Committee which held hearings on this subject matter, and I will confine my remarks to the first section of the bill. Other provisions of the bill will be discussed by my colleagues on the committee.

Subsection (b) of the first section represents an amendment added by our committee to require that all special issues in which the fund is now invested will be reinvested on or before January 1, 1962, at the new interest rate determined pursuant to S. 739. The administration proposed to apply the new formula only as the existing issues matured extending over the period of the next 15 years.

In summary, the effect of the first section of S. 739 is to require the Secretary of the Treasury to invest new moneys and, by January 1, 1962, to reinvest special Treasury issues now held by the fund at a rate of interest equal to the current average market yield borne by all marketable interest-bearing obligations of the United States not due or callable until after the expiration of 4 years from the date of the special Treasury issue.

The Retirement Act now provides for investment of the fund in special issues at a rate of interest based on the average rate borne by all outstanding Treasury marketable interest-bearing obligations not due or callable until 5 years or more from the date of original issue of the marketable obligation. This formula, based on coupon rates, presently gives the fund an interest rate 1 percent lower than the rate paid by the Treasury on current borrowings for equivalent periods from other sources.

The first section of S. 739, as reported by the House Post Office and Civil Service Committee, will change the basis for determining the interest earnings on special Treasury issues held by the retirement fund in two respects: first, the market yield, rather than the present coupon rate, would be used;

second, the average would be computed on those outstanding marketable interest-bearing public debt obligations that are not due or callable until after expiration of 4 years from the end of the calendar month next preceding the date of the special issue to the fund, instead of 5 years from the date of original issue of the public debt obligations.

The market yield formula proposed by S. 739 currently will provide an interest rate of 3⅞ percent and the coupon rate under existing law currently provides a rate of 2⅞ percent—1 whole percent below the going market interest rate.

There now is over $10.381 billion of the retirement fund in special Treasury issues. The interest rate now being paid on nearly one-fourth of this amount is only 2½ percent and is 2⅝ percent on over 60 percent of the investment. The increase of 1 percent in the interest rate on $10.381 billion thus will result in over $103.81 million additional income annually for the retirement fund.

The condition of below the market interest rates on investments of the fund started in 1956 upon enactment of Public Law 854 of the 84th Congress and has continued ever since. In effect, it amounts to the civil service retirement and disability fund subsidizing interest payments on the public debt.

Under the new formula proposed by S. 739 the retirement fund would be neither subsidized nor penalized and the U.S. Treasury would neither be given a bargain nor forced to pay a premium.

The total normal cost of the current benefit provisions of the Civil Service Retirement Act is 13.83 percent of payroll. Of this total, employees now pay 6½ percent by payroll deductions and the employing agencies pay a like percent from their appropriations. Thus, the fund now receives contributions totaling 13 percent of the annual payroll. The remaining benefit cost of 0.83 percent of payroll—amounting to over $92 million in 1959—is not contributed and continues to increase the actuarial deficiency in the fund, now estimated to be in excess of $32 billion. It is estimated that a long-term interest factor of 3¼ percent would reduce the normal cost for current benefits from 13.83 percent of payroll to 13 percent. Thus, the new interest rate of 3⅞ percent currently expected under the new formula will more than offset the normal cost deficiency of 0.83 percent. We must recognize that in addition to the normal cost of 13.83 percent, there is an additional annual deficiency cost of 7.66 percent of payroll—$850 million—necessary to meet the accruing interest at 3 percent on the estimated deficiencies as of June 30, 1959.

Mr. Speaker, this brief but rather complicated summary of the civil service retirement and disability fund reveals that the normal costs of the current benefits of the employees' retirement system continue to increase the deficiency of the fund each year, while at the same time the fund is subsidizing interest payments on the public debt by over $100 million each year. It is the view of the House Post Office and Civil Service Committee that this policy should be terminated immediately. We believe that the fund should be receiving a market yield interest rate not only on investments hereafter made, but also on the moneys now invested in the special Treasury issues.

Mr. Speaker, S. 739 will provide new interest rate computations for the civil service retirement and disability fund on the same basis as was adopted by law last year for the Federal old-age and survivors insurance trust fund.

I urge that favorable consideration be given to this matter immediately.

Mr. CORBETT. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Speaker, I rise in support of the bill S. 739. As pointed out by the gentleman from Montana [Mr. OLSEN], there are several sections to this bill. Each section will be explained in detail by various members of the Committee on Post Office and Civil Service. However, Mr. Speaker, I feel that the main section of the bill is the one just explained by the gentleman from Montana [Mr. OLSEN].

What it does, in effect, is merely to change the method of computing interest on the money in the retirement fund used by the Treasury Department. As was stated there is approximately $10.3 billion in the civil service retirement fund which is used by the Treasury Department. Until 1956 the Secretary of the Treasury could arbitrarily set the rate of interest to be paid for the use of those funds. Then in 1956 by act of Congress we established the rate of interest to be the coupon rate which at that time was 2.5 percent and since then has averaged about 2.61 percent.

What we are doing in the first section of this bill is to require that the interest rate which is paid for the use of that money be the average yield on all Treasury bonds or those that have more than 4½ years to run. That average yield is about 3⅞ percent. It makes a more realistic rate for the use of the money that is in the retirement fund.

At the present time it costs about 13.83 percent of the payroll to keep the retirement fund on an actuarially sound current basis. The employee pays 6½ percent of his payroll into the fund, and the Federal Government pays 6½ percent of the payroll into the fund, making a total of 13 percent. So, on the current basis we are 0.83 percent of the payroll short of keeping the fund actuarially sound. By requiring these interest rates paid by the Treasury to be more competitive with those paid to the general public we will make up that 0.83 percent deficit and will, from the bookkeeping standpoint, keep this retirement fund on a much sounder fiscal basis. We have a $32 billion deficit in the fund now that has been allowed to accumulate over a period of years. We certainly want to keep it from going any further in the red than it is now. So that is a very important section of the bill, and I am certain that the overwhelming majority of the Members will support it.

The other sections are rather minor. They are noncontroversial. There is not a great deal of cost involved in the rest of the bill. In fact, there is only one section that has any appreciable cost and that is about $150,000 to $700,000 where, under the present law each employee if he retires on disability and receives more than 80 percent of his income prior to retirement, then goes off disability and cannot get back on it in the future if he is working in private employment. This bill merely provides that in the event an employee goes off disability retirement because he has become more able but later on becomes disabled again, he can go back on disability retirement. It merely helps to streamline the law and make it more fair and equitable. That is the only section of the bill that involves cost to any appreciable degree.

This first section, while on the face of it looks as though it involves cost, is merely a bookkeeping transaction. It raises cost to the Treasury Department and credits the cost as additional income to the retirement fund where it rightfully belongs. I hope the Members of the House will support this legislation as reported by the committee.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield.

Mr. CUNNINGHAM. What is the administration's position on the bill?

Mr. BROYHILL. The administration supports the bill, and certainly this first section.

Mr. CUNNINGHAM. The administration supports the whole bill?

Mr. BROYHILL. There are several sections of the bill, but I know that they do support this first section.

Mr. OLSEN. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield.

Mr. OLSEN. This particular section was wholeheartedly supported by the Civil Service Commission with the House amendment. The Bureau of the Budget also recommended this entire system in the first section of the bill. However, the Bureau of the Budget did not concur in the House amendment, but they have not voiced any strong opposition to the House amendment.

Mr. MURRAY. Mr. Speaker, I yield such time as he may desire to the gentleman from North Carolina [Mr. HENDERSON].

Mr. HENDERSON. Mr. Speaker, as the distinguished chairman of the Post Office and Civil Service Committee, Mr. MURRAY, has indicated, it was my privilege to serve as chairman of the subcommittee which considered H.R. 3059, a bill to correct an inequity in retirement provisions for Agricultural Stabilization and Conservation county committee employees—known nationwide as ASC employees. The provisions of H.R. 3059 now are in section 2 of S. 739.

The Civil Service Retirement Act provisions relating to ASC employees contain an extraordinary restriction on these employees that appears nowhere else in the act for Federal employees generally. In fact, this restriction is diametrically opposed to the historic policy laid down by the Congress throughout the years with respect to the crediting of employees' service for retirement purposes.

Always in the past, as groups of employees have been made subject to the Civil Service Retirement Act, prior service has been credited if the employees paid in their contributions for such prior service at any time before they retire. But when ASC employees became subject to the Retirement Act a provision was inserted in the law requiring that, in order to obtain credit for prior service, they must pay in the entire amount of the contributions due for prior service within 2 years.

There is no justification for such discrimination against this fine and efficient group of employees who for more than two decades have rendered such outstanding service in carrying out important Federal agricultural programs on a cooperative basis with State and local agricultural authorities. They should—and will, by virtue of section 2 of S. 739—be allowed to pay in their contributions for prior services rendered in their programs at any time until they retire, just as Federal employees generally can.

Elimination of this harsh inequity by section 2 of S. 739 should not cause any additional cost to the retirement fund. With the removal of the existing 2-year limitation on their right to make contributions, they will also have the option of accepting reduced annuities when they retire in lieu of paying in such contributions. This same provision applies to Federal employees generally. Undoubtedly the pattern of past experience will be repeated in this instance—that is, many of the employees will be unable to pay in all contributions due for past service and, instead, will elect to receive reduced annuities, thus effecting savings for the retirement fund.

Mr. Speaker, this legislation is necessary to maintain, in the Civil Service Retirement Act, the fundamental principle of equal treatment under the law. I strongly urge approval of S. 739.

Mr. MURRAY. Mr. Speaker, I yield such time as he may desire to the gentlemany from New York [Mr. ADDABBO].

Mr. ADDABBO. Mr. Speaker, as the chairman of the Post Office and Civil Service Committee has indicated, I served as chairman of the subcommittee which considered H.R. 6261 and the provisions of that bill are now section 4(a) of S. 739.

Section 4(a) corrects an inequity in the Civil Service Retirement Act that in a number of cases has deprived disabled annuitants of their annuities. As the act now stands, a Federal employee who retires on disability and then either recovers from the disability or regains earning capacity equal to 80 percent of the current salary of his former Federal position loses his disability annuity. The annuity can never be restored, even though the disability recurs or he loses the earning capacity upon which discontinuance of his annuity was based.

Section 4(a) will correct this situation by authorizing disability annuities to be restored, after they have been discontinued, if the disability recurs or the earning capacity is lost. This will not apply to disability annuitants who are reemployed in positions subject to the Civil Service Retirement Act, since in such cases new annuity rights will accrue on the basis of the reemployed Federal service.

This provision is based on an official recommendation of the U.S. Civil Service Commission, and has the unanimous approval of the Post Office and Civil Service Committee.

Our subcommittee also approved the amendment contained in section 5 of S. 739, which the Civil Service Commission reports is necessary to correct an inadvertent oversight in section 13(b) of the Civil Service Retirement Act relating to reemployed annuitants.

The Retirement Act as now written discriminates against employees who are retired involuntarily, through no fault of their own, with immediate annuities and then are reemployed, for 5 years or more, as compared to employees who retire voluntarily with immediate annuities and then are reemployed for 5 years or more.

Such a voluntary retiree has the option, when he finally retires from his reemployed service, to combine his entire service—that is, both service before his first retirement and reemployed service—as a single service credit for final computation of his annuity under the law in effect when he finally retires.

But that is not so for the employee whose first retirement was involuntary. His annuity rights for his earlier service are fixed completely at that point, and then when he retires after a period of reemployment he receives a separate annuity based only on the reemployed service.

Section 5 of S. 739 will remove the discrimination, which was not intended and was not noted when the retirement act was written in 1956, and will place both of these classes of retirees on the same basis as to crediting of service.

I strongly recommend that S. 739 be approved by the House.

Mr. CORBETT. Mr. Speaker, I yield such time as he may desire to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, as the member of the subcommittee who offered the amendment to refinance on January 1, 1962, the outstanding obligations at a higher rate of interest and thus put the retirement system on a sounder basis, I wholeheartedly support that provision of the bill.

Mr. Speaker, I strongly concur in the remarks by the chairman of the Post Office and Civil Service Committee, Mr. MURRAY, and by the gentleman from Montana [Mr. OLSEN], with respect to the improved financing for the civil service retirement system provided by the first section of S. 739.

The tremendous deficit of over $32 billion in the civil service retirement fund has resulted, in major part, from failure of the Government to pay into the retirement fund amounts which it should have paid in during the 40 years since the retirement system was created. In no year during this period has the Government contributed the amount which it should have. This failure and the adverse effect on the retirement fund have been compounded by the fact that the Treasury has been saving millions of dollars in recent years by borrowing billions of dollars from the retirement fund at interest rates well below the rates the Treasury must pay on its other marketable obligations.

The interest rates on the special Treasury issues held in the fund are now computed under a formula which went into effect in 1956. At that time the formula resulted in a rate of 2½ percent. At the present time there is over $10.381 billion of the fund invested in special Treasury issues. As of April 30, 1961, the average interest rate on this amount of money was 2.61 percent, more than 1 percent below the going interest rate of 3⅞ percent which is now being paid the public on comparable public debt issues. It is easy to see that this results in a subsidy by the fund of the public debt interest obligations amounting to over $100 million each year.

The subcommittee which held hearings on this bill, of which I was a member, felt that it was time that the retirement fund was given a better deal on the interest payments on their money. As a result the subcommittee added subsection (b) to the first section of S. 739. This section will require that the interest rate payable on all special Treasury issues held by the fund be converted to the new formula on or before January 1, 1962. This new formula will result in additional interest income to the retirement fund of more than $100 million in 1962 and each year thereafter as long as the current favorable interest rate and the amount of money in the fund continues.

Mr. Speaker, I also served as ranking minority member of the subcommittee that considered H.R. 3059, now contained in section 2 of S. 739. This section corrects a highly discriminatory retirement provision that is creating real hardship for many agricultural stabilization and conservation county committee employees—known as ASC employees.

Legislative history which preceded congressional action making ASC employees subject to the Civil Service Retirement Act discloses no good reason for this discriminatory situation.

The Retirement Act provisions for ASC employees should be the same for Federal employees generally, and they are with two important exceptions. ASC employees are required, within 2 years after they became subject to the Retirement Act, to pay in the entire amount of contributions due for past service in order to be credited with such past service. Federal employees generally may pay in such contributions until time of retirement. Moreover, ASC employees who are unable to pay in contributions for past service do not even have the right to receive reduced annuities; they just lose all credit for the past service if they do not pay. Federal employees generally, who do not pay their contributions for any periods of service, may elect reduced annuities when they retire but still are credited with the periods of service for which they have not made contributions. The reductions in their annuities are equal to 10 percent of the amount due which they have not paid in.

Section 2 of S. 739 would place the Retirement Act provisions for ASC employees on a par with the provisions for Federal employees generally with respect to the crediting of past period of service. According to testimony of civil service representatives, there would be no additional costs to the civil service retirement and disability fund.

Mr. CORBETT. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Speaker, I rise in support of this bill. This is a bookkeeping transaction. It is meritorious. It will strengthen the retirement fund. If there was ever a time when we should be looking forward it is today, because at some point in time the $32 billion of obligations under the retirement fund will become due. The step we are taking today is sound financially and it is in the long-term interest of stable government.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill S. 739, as amended?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The title was amended to read: "An Act to amend the Civil Service Retirement Act with respect to interest earnings on special Treasury issues held by the civil service retirement and disability fund, with respect to employees of agricultural stabilization and conservation county committees, and with respect to certain other categories of persons subject to such Act, and for other purposes."

A motion to reconsider was laid on the table.

AMENDING THE ATOMIC ENERGY ACT OF 1954

Mr. ASPINALL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8599) to amend various sections of the Atomic Energy Act of 1954, as amended, and the Euratom Cooperation Act of 1958, and for other purposes, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby retroceded to the State of California the exclusive jurisdiction heretofore acquired from the State of California by the United States of America over the following land of the United States Atomic Energy Commission located in Alameda County, State of California, and within the boundaries of the Commission's Livermore site:

Beginning at a post marked L.P. XII, in the exterior boundary line of the Rancho Las Positas, set at the southeast corner of subdivision numbered 6 of plot J, of said rancho, as said plot is described in the decree of partition of said rancho rendered June 18, 1873, in case 2798, Aurrecoechea against Mahhoney, certified copy of which decree was recorded December 13, 1873, in book 95 of deeds at page 206, Alameda County Records, and as said subdivision is shown on the map hereinafter referred to; and running thence west along the southern boundary line of said plot J 79.28 chains to a post marked L.P. XI, set at the southwest corner of subdivision numbered 5 of said plot J, as said subdivision numbered 5 is shown on said map; and thence north along the western boundary line of said subdivision numbered 5 and along the western boundary line of subdivision numbered 8, as said subdivision numbered 8 is shown on said map, 79.46 chains to a post set at the northwest corner of said subdivision numbered 8; thence east along the northern boundary line of said subdivision numbered 8 and subdivision numbered 7 as shown on said map, 79 chains to a post marked L.P. XIII; and thence south along the eastern boundary line of subdivision numbered 7, as said subdivision numbered 7 is shown on said map, and along the eastern boundary line of said subdivision numbered 6 of said plot J to the point of beginning.

Being a portion of said plot J of said rancho, as shown upon a certain map of a portion of the Rancho Las Positas surveyed for J. Aurrecoechea, August 1876, by Luis Castro, county surveyor, and also known as subdivisions 5, 6, 7, and 8 in the official map of the county of Alameda, State of California, made by George L. Nusbaumer and W. F. Boardman, adopted by the supervisors of said county, September 24, 1888, and issued May 1, 1889.

Beginning at the northeast corner of the northwest quarter of section 13, township 3 south, range 2 east, Mount Diablo base and meridian, being also the northeast corner of the 160 acre tract owned by Louis Madsen, thence south 2,640 feet, more or less, along the east line of said quarter section and along the east boundary fence of said 160 acre tract to the southeast corner of said northwest quarter of said section 13, being the southeast corner of said 160 acre tract and the northeast corner of a 30.66 acre tract owned by John and Dora Bargman; thence south 506 feet, more or less, to the southeast corner of said 30.66 acre tract; thence south 965 feet, more or less, along the east fence of a 129.34 acre tract owned by Charles M. and Sue I. G. Nissen to a fence running east and west through said 129.34 acre parcel; thence west 500 feet along said fence through said 129.34 acre tract; thence north, parallel to the east line of the northwest quarter of said section 13, 4,111 feet, more or less, to north boundary of said section 13; thence east 500 feet to the point of beginning, containing 47.175 acres, more or less.

Beginning at a point 30 feet east of the northeast corner of the northwest quarter of said section 13; thence due south, 4,111 feet, more or less, to a point 30 feet due east of the end of a fence across the 129.34 acre tract owned by Charles M. and Sue I. G. Nissen; thence west 30 feet; thence north 4,111 feet, more or less, to the northeast corner of the northwest quarter of said section 13; thence due east 30 feet to the point of beginning, containing 2.83 acres, more or less.

This retrocession of jurisdiction shall take effect upon acceptance by the State of California.

SEC. 2. Subsection 11 b. of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"b. The term 'agreement for cooperation' means any agreement with another nation or regional defense organization authorized or permitted by sections 54, 57, 64, 82, 91c, 103, 104, or 144, and made pursuant to section 123."

SEC. 3. Subsection 11 u. of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"u. The term 'public liability' means any legal liability arising out of or resulting from a nuclear incident, except: (i) claims under State or Federal workmen's compensation acts of employees of persons indemnified who are employed at the site of and in connection with the activity where the nuclear incident occurs; (ii) claims arising out of an act of war; and (iii) whenever used in subsections 170 a., c., and k., claims for loss of, or damage to, or loss of use of property which is located at the site of and used in connection with the licensed activity where the nuclear incident occurs. 'Public liability' also includes damage to property of persons indemnified: *Provided,* That such property is covered under the terms of the financial protection required, except property which is located at the site of and used in connection with the activity where the nuclear incident occurs."

SEC. 4. Section 54 of the Atomic Energy Act of 1954, as amended, is amended by inserting after the words "five thousand kilograms of contained uranium 235" the following: "five hundred grams of uranium 233 and three kilograms of plutonium".

SEC. 5. Section 143 of the Atomic Energy Act of 1954, as amended, is amended by striking out "subsection 145b." and adding in lieu thereof "subsections 145b. and 145c."

SEC. 6. Section 145 of the Atomic Energy Act of 1954, as amended, is amended by deleting subsections d., e., and f., redesignating subsection "c." as subsection "d." and subsection "g." as subsection "h." and adding the following subsections:

"c. In lieu of the investigation and report to be made by the Civil Service Commission pursuant to subsection b. of this section, the Commission may accept an investigation and report on the character, associations, and loyalty of an individual made by another Government agency which conducts personnel security investigations, provided that a security clearance has been granted to such individual by another Government agency based on such investigation and report.

"e. If the President deems it to be in the national interest he may from time to time determine that investigations of any group or class which are required by subsections a., b., and c. of this section be made by the Federal Bureau of Investigation.

"f. Notwithstanding the provisions of subsections a, b, and c of this section, a majority of the members of the Commission shall certify those specific positions which are of a high degree of importance or sensitivity, and upon such certification, the investigation, and reports required by such provisions shall be made by the Federal Bureau of Investigation.

"g. The Commission shall establish standards and specifications in writing as to the scope and extent of investigations, the reports of which will be utilized by the Commission in making the determination, pursuant to subsections a, b, and c of this section, permitting a person access to restricted data will not endanger the common defense and security. Such standards and specifications shall be based on the location and class or kind of work to be done, and shall, among other considerations, take into account the degree of importance to the common defense and security of the restricted data to which access will be permitted."

SEC. 7. Section 151 of the Atomic Energy Act of 1954, as amended, is amended by deleting in the descriptive title the words "MILITARY UTILIZATION," and inserting in lieu thereof "INVENTIONS RELATING TO ATOMIC WEAPONS, AND FILING OF REPORTS."

SEC. 8. Subsection c of section 151 of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"c. Any person who has made or hereafter makes any invention or discovery useful in the production or utilization of special nuclear material or atomic energy, shall file with the Commission a report containing a complete description thereof unless such invention or discovery is described in an application for a patent filed with the Commissioner of Patents by such person within the time required for the filing of such

report. The report covering any such invention or discovery shall be filed on or before the one hundred and eightieth day after such person first discovers or first has reason to believe that such invention or discovery is useful in such production or utilization."

SEC. 9. Section 151 of the Atomic Energy Act of 1954, as amended, is amended by adding at the end thereof the following new subsection:

"e. Reports filed pursuant to subsection c of this section, and applications to which access is provided under subsection d of this section, shall be kept in confidence by the Commission, and no information concerning the same given without authority of the inventor or owner unless necessary to carry out the provisions of any Act of Congress or in such special circumstances as may be determined by the Commission."

SEC. 10. Section 152 of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"SEC. 152. INVENTIONS MADE OR CONCEIVED DURING COMMISSION CONTRACTS.—Any invention or discovery, useful in the production or utilization of special nuclear material or atomic energy, made or conceived in the course of or under any contract, subcontract, or arrangement entered into with or for the benefit of the Commission, regardless of whether the contract, subcontract, or arrangement involved the expenditure of funds by the Commission, shall be vested in, and be the property of, the Commission, except that the Commission may waive its claim to any such invention or discovery under such circumstances as the Commission may deem appropriate, consistent with the policy of this section. No patent for any invention or discovery, useful in the production or utilization of special nuclear material or atomic energy, shall be issued unless the applicant files with the application, or within thirty days after request therefor by the Commissioner of Patents (unless the Commission advises the Commissioner of Patents that its rights have been determined and that accordingly no statement is necessary) a statement under oath setting forth the full facts surrounding the making or conception of the invention or discovery described in the application and whether the invention or discovery was made or conceived in the course of or under any contract, subcontract, or arrangement entered into with or for the benefit of the Commission, regardless of whether the contract, subcontract, or arrangement involved the expenditure of funds by the Commission. The Commissioner of Patents shall as soon as the application is otherwise in condition for allowances forward copies of the application and the statement to the Commission.

"The Commissioner of Patents may proceed with the application and issue the patent to the applicant (if the invention or discovery is otherwise patentable) unless the Commission, within 90 days after receipt of copies of the application and statement, directs the Commissioner of Patents to issue the patent to the Commission (if the invention or discovery is otherwise patentable) to be held by the Commission as the agent of and on behalf of the United States.

"If the Commission files such a direction with the Commissioner of Patents, and if the applicant's statement claims, and the applicant still believes, that the invention or discovery was not made or conceived in the course of or under any contract, subcontract or arrangement entered into with or for the benefit of the Commission entitling the Commission to the title to the application or the patent the applicant may, within 30 days after notification of the filing of such a direction, request a hearing before a Board of Patent Interferences. The Board shall have the power to hear and determine whether the Commission was entitled to the direction filed with the Commissioner of Patents. The Board shall follow the rules and procedures established for interference cases and an appeal may be taken by either the applicant or the Commission from the final order of the Board to the Court of Customs and Patent Appeals in accordance with the procedures governing the appeals from the Board of Patent Interferences.

"If the statement filed by the applicant should thereafter be found to contain false material statements any notification by the Commission that it has no objections to the issuance of a patent to the applicant shall not be deemed in any respect to constitute a waiver of the provisions of this section or of any applicable civil or criminal statute, and the Commission may have the title to the patent transferred to the Commission on the records of the Commissioner of Patents in accordance with the provisions of this section. A determination of rights by the Commission pursuant to a contractual provision or other arrangement prior to the request of the Commissioner of Patents for the statement, shall be final in the absence of false material statements or nondisclosure of material facts by the applicant."

SEC. 11. Section 157 of the Atomic Energy Act of 1954, as amended, is amended by adding at the end thereof the following new subsection:

"d. PERIOD OF LIMITATIONS.—Every application under this section shall be barred unless filed within six years after the date on which first accrues the right to such reasonable royalty fee, just compensation, or award for which such application is filed."

SEC. 12. The second sentence of section 158 of the Atomic Energy Act of 1954, as amended, is amended to read as follows: "If the court, at its discretion, deems that such licensee shall pay a reasonable royalty to the owner of the patent, the reasonable royalty shall be determined in accordance with section 157."

SEC. 13. Subsections 161 t, u, and v of the Atomic Energy Act of 1954, as amended, are hereby redesignated respectively as subsections 161 s, t, and u.

SEC. 14. Section 167 of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"SEC. 167. CLAIMS SETTLEMENTS.—The Commission, acting on behalf of the United States, is authorized to consider, ascertain, adjust, determine, settle, and pay, any claim for money damage of $5,000 or less against the United States for bodily injury, death, or damage to or loss of real or personal property resulting from any detonation, explosion, or radiation produced in the conduct of any program undertaken by the Commission involving the detonation of an explosive device, where such claim is presented to the Commission in writing within one year after the accident or incident out of which the claim arises: *Provided, however,* That the damage to or loss of property, or bodily injury or death, shall not have been caused in whole or in part by any negligence or wrongful act on the part of the claimant, his agents, or employees. Any such settlement under the authority of this section shall be final and conclusive for all purposes, notwithstanding any other provision of law to the contrary. If the Commission considers that a claim in excess of $5,000 is meritorious and would otherwise be covered by this section, the Commission may report the facts and circumstances thereof to the Congress for its consideration."

SEC. 15. Subsection d of section 170 of the Atomic Energy Act of 1954, as amended, is amended by adding at the end thereof the following new sentence: "A contractor with whom an agreement of indemnification has been executed and who is engaged in activities connected with the underground detonation of a nuclear explosive device shall be liable, to the extent so indemnified under this section, for injuries or damage sustained as a result of such detonation in the same manner and to the same extent as would a private person acting as principal, and no immunity or defense founded in the Federal, State, or municipal character of the contractor or of the work to be performed under the contract shall be effective to bar such liability."

SEC. 16. The Atomic Energy Act of 1954, as amended, is amended by adding thereto the following new section:

"SEC. 190. LICENSEE INCIDENT REPORTS.—No report by any licensee of any incident arising out of or in connection with a licensed activity made pursuant to any requirement of the Commission shall be admitted as evidence in any suit or action for damages growing out of any matter mentioned in such report."

SEC. 17. The second sentence of section 202 of the Atomic Energy Act of 1954, as amended, is amended by striking out the word "sixty" and adding in lieu thereof the word "ninety".

SEC. 18. Section 4(c) of the Euratom Cooperation Act of 1958 is amended to read as follows:

"SEC. 4. (c) The Commission shall establish and publish criteria for computing the maximum fuel element charge and minimum fuel element life to be guaranteed by the manufacturer as a basis for inviting and evaluating proposals."

SEC. 19. Section 5 of the Euratom Cooperation Act of 1958 is amended in the following particulars:

(a) by deleting the words "One kilogram" and substituting the words "Nine kilograms" immediately following "Thirty thousand kilograms of contained uranium 235",

(b) by adding the words "Thirty kilograms of uranium 233" as an additional item immediately following "Nine kilograms of plutonium", and

(c) by adding the words "or agreements" immediately following the words "an agreement".

SEC. 20. Section 7 of the Euratom Cooperation Act of 1958 is amended by deleting the period after the word "amended" and inserting thereafter the following: *"And provided further,* That nothing in this section shall apply to arrangements made by the Commission under a research and development program authorized in section 3."

The SPEAKER pro tempore. Is a second demanded?

Mr. GROSS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ASPINALL. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, the bill before us now, H.R. 8599, is the AEC omnibus bill for 1961. The Joint Committee believes that it is a desirable practice for the AEC to submit and the committee to consider, each year any proposed amendments to the Atomic Energy Act of 1954 and related atomic energy legislation. It is our belief that this method will provide the best possible framework for our atomic energy program and in addition will help us to keep pace with emerging developments in atomic energy.

I believe that the amendments proposed in this bill are in keeping with these objectives and accordingly I urge enactment of this bill, H.R. 8599, in the form reported by the committee. Each

provision in the bill has been the subject of extensive hearings and has received the careful consideration of the Joint Committee on Atomic Energy.

The bill as recommended by the committee makes miscellaneous amendments to existing atomic energy legislation.

Section 1 of the bill retrocedes jurisdiction on the AEC's Livermore site to the State of California.

Sections 2 through 17 of the bill amend the Atomic Energy Act of 1954, as amended, in various respects.

Sections 18 through 20 amend the Euratom Cooperation Act of 1958.

The one amendment adopted by the Joint Committee is a technical amendment which provides for inserting the word "the" after the word "at" on page 3, line 8.

At this point I would like to insert in the RECORD a section-by-section analysis of the bill.

Mr. Speaker, I urge enactment of this bill, H.R. 8599.

SECTION-BY-SECTION ANALYSIS

Section 1 of the bill provides for the retrocession to the State of California of the exclusive jurisdiction which the United States presently holds over certain portions of the AEC's Livermore site. The amendment would place the Livermore site in the identical jurisdictional status occupied by the majority of the Commission's other sites, including those at, or adjacent to, Los Alamos, Hanford, Oak Ridge, and Idaho Falls. The purpose of this retrocession is to facilitate the handling of local disturbances at the Livermore site. At present, contractor guards have no authority to make arrests except in the status of private citizens. After acceptance of the retrocession by the State of California, it will be possible for appropriate guards to make arrests as peace officers of the State of California. In addition, the retrocession of jurisdiction will enable the trial of offenders at the Livermore site to be held before local justice courts rather than U.S. commissioners. This retrocession will become effective upon acceptance in accordance with the laws of the State of California.

Section 2 of the bill eliminates a technical inconsistency between section 11b and 91c of the Atomic Energy Act of 1954, as amended. Section 91c of the Atomic Energy Act authorizes "the Commission or the Department of Defense with the assistance of the other" to enter into bilateral agreements "with another nation." However, section 11b defines "agreement for cooperation" as "any agreement with another nation or regional defense organization, authorized or permitted by sections 54, 57, 64, 82, 103, 104, or 144 and made pursuant to section 123." This definition does not mention section 91c although section 123 does include cooperative agreements made pursuant to section 91. The proposed amendment eliminates this technical inconsistency by adding section 91c to the sections enumerated in section 11b.

Section 3 of the bill excludes from Atomic Energy Commission indemnity coverage under section 170, any liability for damaged property which is at the site of and used in connection with a licensed activity. Under the Commission's interpretation of section 11 u, indemnity coverage has been extended to onsite property used in connection with a licensed activity on the ground that no exception for onsite property is contained in the first sentence of that section. The language is sufficiently unclear to warrant a clarifying amendment. Accordingly, section 11u will now make it clear that indemnity coverage under section 170 of the Atomic Energy Act will not extend to liability for damage to property of a licensee, located at the site of and used in connection with the licensed activity where the nuclear incident occurs.

Section 4 of the bill amends section 54 of the Atomic Energy Act of 1954, as amended, to authorize the transfer of 3 kilograms of plutonium and 500 grams of uranium 233 to the IAEA. The plutonium is expected to be used primarily in the form of plutonium-beryllium neutron sources, while the uranium 233 is expected to be used principally for research in basic physics and chemistry. Under the terms of section 54 of the Atomic Energy Act of 1954, as amended, uranium 233 and plutonium, falling within the category of "special nuclear material" can be made available to the IAEA only if furnished on a matching basis or pursuant to a specific authorization by the Congress. Since no other nation has contributed uranium 233 or plutonium, the AEC cannot furnish such material on a matching basis. In order to assist IAEA's development as a distribution center for special nuclear material, the AEC has sought, and the committee has recommended this specific authorization for the distribution of the material in question.

Section 5 of the bill amends section 143 of the Atomic Energy Act of 1954, as amended, to permit individuals who are granted security clearance under the provisions of new subsection 145c (sec. 6 of this bill) to exchange restricted data with Department of Defense personnel under the provisions of section 143.

Section 6 of the bill amends section 145 by adding a new subsection c to permit the Commission to grant access to restricted data to any individual who possesses or has possessed a security clearance granted by another Government agency provided that—

1. The security clearance is or was based on an investigation and report furnished to the Commission on the character, associations and loyalty of such individual and made by a Government agency which conducts personnel security investigations, and

2. The Commission shall have determined that permitting the individual to have access to restricted data will not endanger the common defense and security.

By the addition of new subsection c, the present subsection c and those that follow are redesignated and certain minor amendments are made in the redesignated subsections to carry out the purposes of the new subsection c.

Section 7 of the bill amends section 151 of the Atomic Energy Act of 1954 by changing the title of that section from "Military Utilization" to "Inventions Relating to Atomic Weapons, and Filing of Reports." The new title is more accurate and descriptive of the contents of section 151.

Section 8 of the bill amends section 151 c of the Atomic Energy Act of 1954, as amended, by eliminating certain superfluous language and extending the period for filing reports. This amendment alters subsection c. of section 151 in three respects:

1. Clauses (2) and (3) are deleted since they would appear not to embrace any subject not covered by undeleted clause (1).

2. The period within which to file reports of inventions is extended from 90 to 180 days which the committee believes is a more reasonable period.

3. The existing clause "whichever of the following is later either the * * * day after completion of such invention or discovery, or the ninetieth" would be deleted since this clause would appear not to embrace any circumstances not covered by the undeleted clause which remains: "after such persons first discovers or has reason to believe that such invention or discovery is useful in such production or utilization."

Section 9 of the bill amends section 151 of the act by adding a new subsection e. It is the purpose of this amendment to give express statutory sanction to the Commission's existing practice of treating reports of inventions as "business confidential." Under the terms of the amendment, the Commission would not release publicly the information contained in the report without the consent of the inventor unless such a release were necessary to carry out the provisions of an act of the Congress or under such special circumstances as the Commission might determine.

Section 10 amends section 152 of the Atomic Energy Act of 1954, as amended, to substitute certain clarifying phrases for existing language. The amendment has the effect of sharpening the coverage of section 152 by eliminating certain obscure references such as "other relationships" and "in connection with." The purpose of the foregoing changes is to more clearly define the applicability of section 152.

Section 10 also makes two minor changes designed to facilitate the handling of patent applications as follows:

(1) Section 152 now requires a statement from the applicant for a patent giving the full background of the conception or making of the invention or discovery. At the Commission's request, the committee has inserted the following parenthetical phrase: "(unless the Commission advises the Commissioner of Patents that its rights have been determined and that accordingly no statement is necessary)."

This parenthetical phrase will eliminate this requirement where the Commission advises the Commissioner of Patents that its rights have already been determined by contractual arrangement or otherwise.

(2) Section 152 now requires that the Commissioner of Patents will "forthwith" forward copies of the patent application and statement of the Commission. This amendment will substitute the phrase "as soon as the application is otherwise in condition for allowance") in lieu of the word "forthwith." The purpose of this change is to eliminate the necessity for the AEC to examine patent applications prior to an indication by the Commissioner of Patents that the application contains allowable subject matter.

Other minor amendments have been made to section 152 in order to clarify or remove existing superfluous language.

The provisions of section 152 gives the Commission the authority to waive its claim to patent rights. In the belief that some standard applicable to the exercise of the Commission's authority was required, the committee added the words "consistent with the policy of this section." Thus, the language of this bill reads: "* * * except that the Commission may waive its claim to any such invention or discovery under which circumstances as the Commission may deem appropriate, consistent with the policy of this section."

Section 11 of the bill amends section 157 of the Atomic Energy Act of 1954, as amended, by adding a new subsection d. The effect of this amendment is to place a 6-year statute of limitations on suits or applications for patent royalties, patent compensation, and awards instituted under section 157 of the Atomic Energy Act of 1954, as amended.

This amendment codifies the 6-year statute of limitations which the Commission has, in fact, been following under the authority of section 157c(1)(B) and section 157c(2) of the Atomic Energy Act, as amended.

Section 12 of the bill amends section 158 of the Atomic Energy Act of 1954, as amended, to make it discretionary rather than mandatory for a court to require the payment of royalties by a licensee to the owner of a patent who is found guilty of using that patent in violation of the antitrust laws.

Section 13 of the bill is a technical amendment to reletter certain subsections of section 161.

Section 14 amends section 167 of the Atomic Energy Act of 1954, as amended. Under the existing terms of section 167, the Commission is authorized to settle claims up to $5,000 for damages resulting from "any detonation explosion or radiation produced in the conduct of the Commission's program for testing atomic weapons." This amendment will broaden the Commission's authority so as to permit the Commission to settle claims up to $5,000 arising out of the conduct of such programs as the seismic improvement and plowshare programs, whether the resulting damage be caused by a nuclear or nonnuclear explosive device. In addition, the Commission is given new authority to recommend to the Congress meritorious claims in excess of $5,000.

Section 15 of the bill amends subsection d. of section 170 of the Atomic Energy Act of 1954, as amended, by adding a new sentence which has the effect of removing certain defenses based upon the relationship between the Commission and the contractor or sovereign immunity, which may otherwise be available to a contractor engaged in activities connected with the underground detonation of a nuclear explosive device. To the extent that such a contractor is indemnified under the provisions of an agreement of indemnification entered into pursuant to the provisions of section 170d he will be liable in the same manner as a private person acting as principal. Such a contractor, therefore, to the extent so indemnified will not be able to bar liability with defenses grounded upon his agency relationship with the U.S. Government, his sovereign immunity, or the Federal, State, or municipal character of the work performed under the contract. This amendment will not reduce in any way the indemnity protection provided a contractor by the indemnity provisions in his contract whether those provisions are based on section 170d or other authority.

Section 16 of the bill adds a new section 190 to the Atomic Energy Act of 1954, as amended. Under the terms of this new section, no report by a license of any incident arising out of or in connection with a licensed activity, which is made pursuant to any Commission requirement, shall be admitted as evidence in a suit of action for damages growing out of any matter mentioned in such report. The purpose of this amendment is to encourage the free and uninhibited disclosure of the facts surrounding accidents at licensed facilities. Such report may not be used to prove the truth of the facts asserted in the report, but may be used for other purposes in a civil action.

Section 17 of the bill amends section 202 of the Atomic Energy Act of 1954, as amended, by extending the period for holding annual hearings on the "Development, Growth, and State of the Atomic Energy Industry" (202 hearings) from 60 days to 90 days following the beginning of each session of Congress.

Section 18 of the bill amends section 4(c) of the Euratom Cooperation Act of 1958 by eliminating language relating to the establishment of minimum levels of fuel element cost and life in order to remove any statutory implication that the AEC is obliged to publish specific numerical values for fuel element performance and fabrication costs. This amendment is intended to make clear that the Commission need only publish criteria for indicating maximum fuel element charge and minimum fuel element life in connection with the fuel cycle guarantee program under the Euratom Act.

Section 19 of the bill amends section 5 of the Euratom Cooperation Act to authorize the transfer of 8 additional kilograms of plutonium and 30 kilograms of uranium 233 to Euratom. The amendment would further make it clear that this material, as well as all other materials furnished to Euratom, could be supplied under the U.S.-Euratom additional agreement, as well as the joint program. The plutonium in question will be used for research purposes, while the uranium 233 will be used in connection with the startup of an experimental plant for reprocessing irradiated uranium-thorium fuel elements. This experimental plant is a project of the Italian National Committee for Nuclear Research.

Section 20 of the bill amends section 7 of the Euratom Cooperative Act to exempt U.S. research and development contracts from the requirement of disclaimer or indemnity arrangements in favor of the U.S. Government. In the domestic research and development program, if there are indemnity arrangements, they run in favor of the contractor. No reason is perceived to treat these contractors differently on the basis that their work product will be used in connection with Euratom. This amendment is therefore designed to bring research and development contracts under the Euratom cooperation program in line with such contracts in the domestic atomic energy program.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include a section-by-section analysis of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. GROSS. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I have a question or two. I am not clear on this matter of retroceding to the State of California. Will the gentleman from Colorado explain?

Mr. ASPINALL. As I understand it, the State of California gave or granted certain authority over the land at Livermore. Now that the operation has been carried on as far as it has, we are retroceding certain jurisdiction over that area so that the State of California can better cooperate in its relations with the Atomic Energy Commission.

Mr. GROSS. Not being a lawyer, I am not clear as to what "retroceding" means in this case.

Mr. ASPINALL. It means going away from or granting back.

Mr. GROSS. Did the State of California give this land to the Federal Government or did the Government buy the land? What is the situation with reference to that?

Mr. ASPINALL. The gentleman from Pennsylvania [Mr. VAN ZANDT] just arrived on the floor. He has been with this operation ever since its beginning, and, no doubt, he will be more successful in answering the gentleman.

Mr. GROSS. Can the gentleman tell us whether there was any serious change made or whether any change has been made at all with reference to security checks through the Civil Service Commission? Has the Civil Service Commission been eliminated so far as security checks are concerned?

Mr. HOLIFIELD. Will the gentleman yield so that I may answer him?

Mr. GROSS. Yes; I will be happy to yield to the gentleman. Was any change made in the matter of security checks being carried out by the Civil Service Commission?

Mr. HOLIFIELD. The answer is "No." The Atomic Energy Commission had its own set of criteria for security clearances. This bill will make in order the acceptance of investigative reports by agencies other than the Civil Service Commission or the FBI where they do not deviate from the requirements in the Atomic Energy Act, since the Atomic Energy Commission requirements are stricter, in some instances, for certain specific reasons.

Mr. GROSS. Let us see if we can get this clear. The security checks will run through the Civil Service Commission in whole or in part?

Mr. HOLIFIELD. That is right.

Mr. GROSS. Which is it—in whole or in part? Are all security checks now run through the Civil Service Commission?

Mr. HOLIFIELD. Some are run through the FBI. The routine checks where you have people who are in a lower security classification are run through the Civil Service Commission whereas in the situation where there is very sensitive information involved, the FBI is called in for a special check.

Mr. GROSS. Now then, if I may go back to this question of retroceding, was that land donated by the State of California to the Government?

Mr. HOLIFIELD. The Livermore site was originally acquired by the Navy for a naval air station. Then, it was declared inactive and transferred to the Atomic Energy Commission. So it was a matter of one Government agency transferring it to another.

Mr. GROSS. Now what is happening? Is this land going back to the State of California?

Mr. HOLIFIELD. I am informed by counsel that the only change is that we are only retroceding criminal jurisdiction over activities on the land.

Mr. GROSS. I see. So that it is not actually a change of title to land?

Mr. HOLIFIELD. No; it is not.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. I would like to address this question to the chairman of the committee. Is it not true that all we are doing here is giving local police power to contractor guards in the area occupied by the Livermore facilities?

Mr. HOLIFIELD. That is exactly right. It is only to allow the local AEC contractor guards to be authorized by local police to make arrests rather than the present method of operation under Federal authority.

Mr. GROSS. One other question, if I may ask the gentleman from California [Mr. HOLIFIELD]: Are we selling plutonium and uranium abroad; selling it to foreign countries?

Mr. HOLIFIELD. We have made available to the IAEA a certain amount of this material in small quantities for the purpose of research and development in laboratories, and in those instances they use this material under contract with the United States, and any type of scientific knowledge that is acquired as the result of this research and development immediately becomes available to us.

Mr. GROSS. Do we get any money for this material?

Mr. HOLIFIELD. Well, they pay for it in the form of lease or sale money.

Mr. GROSS. I see.

Mr. VAN ZANDT. Mr. Speaker, if the gentleman will yield further, I might say to the gentleman that written into the contract is a prohibition against any of this material being used for weapon purposes. It is confined to research and development laboratory work.

Mr. GROSS. I thank the gentleman.

Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Colorado [Mr. ASPINALL] that the House suspend the rules and pass the bill H.R. 8599.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

AMEND ATOMIC ENERGY COMMUNITY ACT OF 1955

Mr. ASPINALL. Mr. Speaker, I move to suspend the rules and pass the bill (S. 1622) to amend the Atomic Energy Community Act of 1955, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Atomic Energy Community Act of 1955 is amended in the following respect: Amend section 53c by striking therefrom the words "one year" and substituting in place thereof the words "ninety days".

The SPEAKER pro tempore. Is a second demanded?

Mr. VAN ZANDT. I demand a second, Mr. Speaker.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. ASPINALL. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Speaker, this is a unanimously reported bill. There is no controversy involved in it.

After receiving testimony on the need for this legislation from the Atomic Energy Commission and other witnesses, the committee concluded that the present law, which requires a 1-year waiting period before any of these properties can be sold, was a burdensome law and that it hampered the Commission in disposing of property at these atomic energy communities.

It has long been the purpose of the Government, wherever possible, to sell these homes and the facilities to private individuals where we could get a fair price for them. I understand that the remaining property has already been out on a 1-year advertisement. Now, by reducing the waiting period to 90 days instead of a year, it is hoped that the property sales will be accelerated. More and more of these properties are going off the Government rolls and onto private tax rolls, and thus it is stimulating the economic growth of these communities, and it will also reduce the amount of local assistance which the Federal Government is required to make under certain provisions of the Atomic Energy Act of 1955.

This bill has the endorsement of the Atomic Energy Commission and the Housing and Home Finance Administration. It is my hope that this bill will receive the favorable consideration of the House this afternoon.

I might say that one of these communities is located in the district of the gentlewoman from Washington [Mrs. MAY], the Richmond community. Others are located also at Oak Ridge, Tenn., and Los Alamos, N. Mex. This is a further assistance to the Atomic Energy Commission in carrying out the intent of Congress which was expressed in the 1955 act, and it reduces, roughly, the waiting period in which these properties can be sold after announcement of sale from 1 year to 90 days.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. VAN ZANDT. Is it not true that several years ago the Joint Committee recommended to Congress that we dispose of these facilities in Richmond, Oak Ridge, Los Alamos, and Hanford?

Mr. HOLIFIELD. That is right.

Mr. VAN ZANDT. We are now in the final stages of disposition. By reducing the waiting period from 1 year to 90 days it is hoped we can get this matter finally disposed of in short order.

Mr. HOLIFIELD. That is the intent of the committee and the purpose of the legislation.

Mr. VAN ZANDT. Mr. Speaker, the gentlewoman from Washington [Mrs. MAY] is sponsor of a similar bill, H.R. 6204. I yield to Mrs. MAY such time as she may desire.

Mrs. MAY. Mr. Speaker, I would just say that the people of Richland, in my district, are very much interested in the passage of this legislation and are very grateful to the members of the committee for having brought it to the floor.

I would like to point out that the citizens of Richland believe that the disposal of the remaining commercial property in that area will permit the development of this property and addition of the land to the tax rolls, and that this will result in adding to the revenues of the city and will make possible also a corresponding reduction in the amount of assistance required of the Federal Government.

Mr. VAN ZANDT. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill S. 1622?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

PROVIDING FOR THE CONSTRUCTION OF A SHELLFISHERIES RESEARCH CENTER AT MILFORD, CONN.

Mr. DINGELL. Mr. Speaker, I move to suspend the rules and pass the bill (S. 606) to provide for the construction of a shellfisheries research center at Milford, Conn.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior, acting through the United States Fish and Wildlife Service, is authorized and directed to construct at Milford, Connecticut, a research center for shellfisheries production and for such purpose acquire such real property as may be necessary. Such research center shall consist of research facilities, a pilot hatchery including rearing tanks and ponds, and a training school, and shall be used for the conduct of basic research on the physiology and ecology of commercial shellfish, the development of hatchery methods for cultivation of mollusks, including the development of principles that can be applied to the utilization of artificial and natural salt water ponds for shellfish culture, and to train persons in the most advanced methods of shellfish culture.

SEC. 2. There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, not to exceed $1,325,000 to carry out this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. GROSS. In order to insure debate I demand a second.

The SPEAKER pro tempore. Without objection a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. DINGELL] will be recognized for 20 minutes and the gentleman from Iowa [Mr. GROSS] for 20 minutes.

The gentleman from Michigan is recognized.

Mr. DINGELL. Mr. Speaker, I am happy my good friend from Iowa demanded a second, for I think this is a good bill and fairly easy to explain. My good friend and colleague, the gentleman from Connecticut [Mr. GIAIMO], sponsored this legislation in the House.

This bill provides $1,325,000 for the establishment of a shellfisheries research center at Milford, Conn. This will be accomplished by the expansion of an existing facility in the area presently owned by the Federal Government on land which was originally donated to the Federal Government by the State of Connecticut.

The facility as it has so far operated, Mr. Speaker, has for the first time in this country established a method, a pattern, and a technique for the artificial propagation of shellfish which are indigenous to the area and also which are found in other parts of the country.

The amount authorized for additional acquisition of land is approximately $75,000. The balance of the funds authorized will go into the construction of additional facilities which are represented by laboratory buildings, rearing ponds for the holding of large numbers of bivalves which are utilized for study and propagation. The bill will also permit intensive study of the various characteristics of these aquatic animals.

The bill, I think, is made very necessary, Mr. Speaker, by the fact that in recent years pollution, and industrial utilization of waters in which oysters and bivalves spawn, has resulted in a

very reduced level of production in many areas.

The pests and animals which prey on these shellfish have become a great problem by reason of the pollution and other adverse effects. The facility will devote time and energy effectively to the control of starfish and other oyster and clam predators. Weather has adversely affected oysters and clams. The industry not only in this area but in other parts of the country has been in a very depressed state. The testimony of all of the departments was favorable in recommending passage of this bill, and the committee hopes it will result in improved fishing opportunities for those who utilize this resource and will make available to our people additional amounts of a highly valuable and nutritious protein food.

The committee was almost unanimously, if not unanimously, in favor of this legislation. I feel, Mr. Speaker, that this is good legislation and the bill should pass.

Mr. Speaker, at this time I yield such time as he may desire to the coauthor of this bill, the gentleman from Connecticut [Mr. GIAIMO].

Mr. GIAIMO. Mr. Speaker, we are talking here of a present facility which now exists in Milford, Conn. This facility has made great steps in the controlled propagation and development of shellfish. The shellfish industry is valued at $26 million in New England alone and considerably greater throughout the country.

The laboratory which presently exists in Milford, Conn., is the only one of its type in the country doing this kind of work. It has done great work in this field, and it will be of a great service to the entire industry.

The bill under consideration has the support of the New England Council, it has the support of the Oyster Institute of North America, it has the support of the National Academy of Sciences, 1960 report on oceanography, which included the functions of this laboratory in its report. It recommended that this be expanded in the fashion proposed in the bill under consideration.

Mr. Speaker, I strongly urge adoption of this measure.

Mr. GROSS. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, I trust the few Members who are on the floor—all day there has been less than 100 average on the floor—will observe the way I get my time extended from 2 to 5 minutes just by appealing to the good nature and friendliness of my friend from Iowa [Mr. GROSS].

Mr. GROSS. Generosity and charity also.

Mr. HOFFMAN of Michigan. Deserved generosity and charity. That is the way foreign aid—or mutual security, or the foreign giveaway program went through—liberal with the other fellow's money.

Seriously now, I would like to ask the gentleman in charge of this bill: This is to study the shell industry, or what?

Mr. DINGELL. This bill is to establish a shellfish research laboratory.

Mr. HOFFMAN of Michigan. Shellfish?

Mr. DINGELL. Yes, to study and investigate not only the living habits of the oysters and clams that exist in that part of the country and other parts of the country, but to study a method by which we may utilize and expand our knowledge of the artificial propagation of these animals.

Mr. HOFFMAN of Michigan. Animals? Michigan's Supreme Court said a turkey was an animal. But forget that. Does the gentleman mean some sort of a governmental birth control over them?

Mr. DINGELL. Oh, no.

Mr. HOFFMAN of Michigan. Or the opposite. I am rather slow on understanding just what the scientists or the bureaucrats are trying to do. Does the gentleman mean how to get more little clams or oysters, for example? And without the consent of the papa or mama oyster or clam?

Mr. DINGELL. Yes.

Mr. HOFFMAN of Michigan. And more little oysters and clams?

Mr. DINGELL. Yes.

Mr. HOFFMAN of Michigan. And all shellfish?

Mr. DINGELL. Principally oysters and clams.

Mr. HOFFMAN of Michigan. The gentleman stated shellfish. I recall when we had an organization which studied the love life of the frogs and I do not know how many insects—of course a frog is not an insect, at least I so assume. Is this something of that kind? I concede it may be necessary as long as we continue to overfish, to commercially destroy the source of supply.

Mr. DINGELL. Let me explain to the gentleman that there are places in the world, principally in Japan and on the west coast of the United States at the present time, where we are having to artificially propagate oysters and clams at this time.

Mr. HOFFMAN of Michigan. You mean the oysters I buy are not nature's oysters?

Mr. DINGELL. They may or may not be natural. The simple fact of the matter is that female oysters through their living habits cast out large amounts of seed, and the male oyster casts out large amounts of fertilization.

Mr. HOFFMAN of Michigan. Just like spawning fish? But wait a minute. I do not want to go into that. There are many teenagers who read the RECORD.

Mr. DINGELL. The device is to make the union.

Mr. HOFFMAN of Michigan. Mr. Speaker, I do not yield any further. This is getting beyond me. Mr. Speaker, I go along with the objective; that is to say, anything we can do to increase our supply of shellfish, or fish with tails or fins or something that will give us better animals, vegetables, fruits, berries, or even flowers—bred for a specific objective. I go along with that. When I bred poultry for show I tried to follow Mendel's law. If it is to be applied to people then surely we are no longer individuals free or independent—just parts of a machine.

I know our scientists bring about miracles. I know without the suggestions they have made in the past, we would not now have many of the enjoyable things which all appreciate, but if we are to follow through on this idea of artificial propagation and apply it to the human race, it is just possible our scientists may accept Hitler's idea of a superior race; see to it that the parents of future children are selected by the scientists and that ultimately we will have a race of humans so physically and mentally superior, we will no longer permit marrying for love or any other natural desire or motive, direct the scientists with needle, test tube, whatever other device or procedure they may deem necessary, determine who shall be or not be the parents of future generations.

If that is to be the procedure, then all this civil rights legislation, which today so deeply concerns us, should carry a provision determining the standards or guidelines to be followed by the scientists. Or it may be that it will be necessary to limit or direct the scientists' efforts as to crossbreeding.

The Canadians now have hatcheries where they crossbreed the brook and lake trout, thus, it is said, producing a new species which has all the beauty, tastiness and deliciousness of the brook trout, the bulk and weight of the lake trout.

Am aware we have selective breeding of cattle, horses, poultry—hens which produce more than 300 eggs a year—and if we are ready to concede that man or scientists can do a better job than did the Lord, when he converted Adam's rib into Eve, we are now approaching the day of superior achievement.

If this comes about, presumably the culls, the misfits, will be either sterilized or destroyed and we need no longer think of either duty or affection of parents for children, or concern of the children for the father or mother.

However, is there anything in this bill that will look toward the curtailment or restriction or take by the commercial fishermen? To me the excessive take is a very serious restriction on the scarcity.

Mr. DINGELL. Mr. Speaker, there is nothing in this bill that would curtail the take.

Mr. HOFFMAN of Michigan. If not in this bill it should be in some other bill. I think we should look after that. I note down here almost every season that there are tons of rockfish caught that go to waste. In my local papers I saw where trucks were hauling away tons of carp to be buried or used for fertilizer. While I do not like carp, still they are food fish and some people do. Should we not do something along the line of restricting the take of spawning fish oysters and clams?

Mr. DINGELL. I am certainly sympathetic to doing something along that line.

Mr. HOFFMAN of Michigan. I think if we leave the oysters and clams alone

a little more and let them have a chance to propagate themselves—was that the expression?

Mr. DINGELL. The problem we face with this is that on the one hand today we are speaking to the problems of oysters and oyster culture, and clams and clam culture; whereas, the problem the gentleman points out is one that traditionally the Federal Government has left to the States, and that is the management of our game and fisheries resources.

Mr. HOFFMAN of Michigan. But always the Federal Government is engaged in trying to remedy our problems. Mr. Speaker, I think the objective is good. The gentleman from Michigan [Mr. DINGELL] is quite sure—and I rely on the gentleman a great deal as I did on his father who served here with such distinction for many years—there is no shell game about this?

Mr. DINGELL. Quite sure.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman.

Mr. GROSS. I am delighted to note the biological knowledge which the gentleman from Michigan [Mr. HOFFMAN] has displayed.

Mr. HOFFMAN of Michigan. Well, now, the gentleman has reached the age where he should not be interested in that.

Mr. GROSS. I would hope that the gentleman would impart some of that to me.

Mr. HOFFMAN of Michigan. The gentleman needs no help. His knowledge is far superior. He reads the hearings when I cannot.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Michigan [Mr. DINGELL], that the House suspend the rules and pass the bill S. 606.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

U.S. PARTICIPATION IN NEW YORK WORLD'S FAIR

Mr. FASCELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7763) to provide for planning the participation of the United States in the New York World's Fair, to be held at New York City in 1964 and 1965, and for other purposes.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized, through such agency or agencies as he may designate, to investigate and make plans and other necessary preliminary determinations and arrangements, including development of theme, proposed exhibit structures and content, for United States participation in the New York World's Fair, to be held in 1964 and 1965.

SEC. 2. The President shall report to the Congress as soon as practicable, but not later than January 15, 1962, his recommendations for such United States participation. No commitments shall be made regarding the scope or nature of such participation except as thereafter authorized by the Congress.

SEC. 3. There shall be within a designated agency the United States Commissioner for the New York World's Fair, whom the President shall appoint, by and with the advice and consent of the Senate, and who shall be compensated at the rate applicable to an Assistant Secretary. The head of the designated agency shall prescribe the duties of the Commissioner and may delegate to him such powers and duties as are deemed advisable in carrying out the preliminary work authorized by this Act and such actual participation as may finally be determined upon and authorized by the Congress.

SEC. 4. The functions authorized hereunder may be performed without regard to such provisions of law or other limitations of authority as the President may specify relating to the employment and compensation of personnel, procurement of goods and services, by contract, and acceptance of voluntary services and other contributions.

SEC. 5. There is hereby authorized to be appropriated not to exceed $300,000 to carry out the provisions of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. MERROW. Mr. Speaker, I demand a second.

Mr. GROSS. Mr. Speaker, is the gentleman from New Hampshire [Mr. MERROW] opposed to the bill?

The SPEAKER pro tempore. Is the gentleman from New Hampshire opposed to the bill?

Mr. MERROW. Mr. Speaker, I am not opposed to the bill as it is now.

Mr. GROSS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Is the gentleman from Iowa [Mr. GROSS] opposed to the bill?

Mr. GROSS. Yes, I am opposed to it.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. FASCELL. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this bill has one simple purpose—to authorize the Federal Government to make the necessary preliminary studies to determine the nature and extent of its participation in the New York World's Fair in 1964 and 1965. Based upon such studies, the President will send his recommendations to the Congress by January 15, 1962. It will then be up to the Congress to decide whether the United States will participate and to pass the necessary legislation.

The Subcommittee on International Organizations and Movements, of which I am chairman, has examined this matter carefully. We had a representative of the fair appear before us. Briefly, the fair is under the jurisdiction of the New York World's Fair 1964–65 Corp., a nonprofit educational corporation organized under the laws of New York State.

The occasion for the fair is the tercentenary celebration of New York City. But the fair is not an historical or commercial exhibit. It has an educational theme—man's achievements in an expanding universe. To that end there will be exhibition of the best work and products of all nations and a performing arts program jointly sponsored by the fair and the Lincoln Center for the Performing Arts. The site will be the 646-acre tract on Long Island where the 1939 fair was held.

Already more than 50 foreign governments and entities have signified their intention to participate. Twenty States and the Commonwealth of Puerto Rico have arranged for space. Many American corporations and companies covering a wide range of enterprises have signed leases for their exhibits.

Although the opening date is more than 2 years away, it is not too early for the Federal Government to make its plans for participation, subject, of course, to congressional approval. This bill has the unanimous support of the committee. It is recommended by the Department of State and the Department of Commerce. I urge that the House act favorably on this measure.

Mr. GROSS. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I would like to ask the gentleman from Florida [Mr. FASCELL] how he arrived at the figure of $300,000 for this purpose for a period of—it is now almost September 1 and the report must be filed by January 15. How is the figure $300,000 arrived at for this purpose?

Mr. FASCELL. By following very carefully the estimate of the Secretary of Commerce as laid out in the report.

Mr. GROSS. How is the money to be spent?

Mr. FASCELL. As detailed in the hearings, page 15, according to the estimate of the Secretary.

Mr. GROSS. Can the gentleman give the Members of the House who have not had the opportunity to read the hearings at least some indication how the money is to be spent?

Mr. FASCELL. I will be very happy to read in detail.

Estimated expenditures or preliminary plans, U.S. participation in New York World's Fair.

Operating personnel, approximately 9 months: Commissioner, $15,000.

Mr. GROSS. Right at that point, how can it be for 9 months when according to the bill the report on participation in the fair must be filed by January 15, 1962. How do you figure 9 months out of that?

Mr. FASCELL. The answer is obvious; if you do not expend the money under the appropriation, if it is approved after the authorization is granted, then it is not spent. But this is just an estimate in anticipation of subsequent congressional approval.

Mr. GROSS. We have every reason to believe if they get $300,000 from Congress that they will spend $300,000.

Mr. FASCELL. That is not necessarily so. The gentleman can assume anything he likes. This is the best estimate we can get from the Department.

Mr. GROSS. Is that not the historic process around here; if $300,000 is appropriated it is spent?

Mr. FASCELL. No, sir.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Yes.

Mr. HOFFMAN of Michigan. Then they usually come in and ask for a supplemental appropriation.

Mr. GROSS. The gentleman from Florida is saying that they are not going to spend the $300,000.

Mr. HOFFMAN of Michigan. Oh, the gentleman knows better than that.

Mr. FASCELL. I say they may not. But the committee has authorized a ceiling based upon the best estimate the Department can give us at this time. It will be up to the Committee on Appropriations to decide how much specifically and in detail.

Mr. GROSS. If the Members of the House have any real indication of what this is going to be spent for they have more knowledge of this proposition than I have, that is for sure. I still have not learned all the specifics of how this money is to be spent.

Mr. FASCELL. I just got to the first item. I will be glad to read the rest of it.

Estimated expenditures for preliminary plans, U.S. participation in New York World's Fair

1. Operating personnel (9 months):	
Commissioner	$15,000
3 GS–15, assistants to Commissioner (theme development, design coordinator, executive assistant to Commissioner)	30,891
1 GS–9 (clerical)	4,825
2 GS–7 (stenographic)	8,030
1 GS–4 (messenger)	3,030
Total	61,776
Retirement, etc. (7½ percent)	4,409
Subtotal	66,409
2. Design fees and related costs, including necessary architectural and design drawings, art presentations, films, photographic reproductions, models, etc.:	
Exhibition structure	60,000
Exhibit components	100,000
Subtotal	160,000
3. Technical and subject specialists consultant fees	50,000
4. Procurement and related costs, including office equipment, publications, etc	5,000
5. Miscellaneous supplies and services, including office rentals, utilities, etc	11,091
6. Travel	7,500
Total	300,000

Mr. GROSS. So the big items in this bill are for the hiring of consultants and other personnel?

Mr. FASCELL. Scientists and technicians. I think it would be particularly important for this purpose.

Mr. GROSS. There you are. In addition to the $300,000 to be appropriated here—and I do not see how in the world they can reasonably and prudently spend more than $100,000 for planning in 5 months—I call your attention to section 4 of the bill which provides:

The functions authorized hereunder may be performed without regard to such provisions of law or other limitations of authority as the President may specify.

The Foreign Affairs Committee of the House of Representatives, I am sorry to say, has gone berserk in writing provisions into bills delegating untrammeled power to the President. There is hardly a page in the foreign-aid bill that just passed the House that does not provide a delegation of power to the President to set aside laws. This is the road to dictatorship.

Mr. FASCELL. Did the gentleman from Iowa vote for the Seattle exposition bill last session?

Mr. GROSS. The gentleman knows the answer without asking me. I did not vote for that one and I did not vote for Squaw Valley.

Mr. FASCELL. I was not trying to trap the gentleman, I wanted to find out if he voted for the bill, the point of inquiry being that the provisions of law are standard provisions in this type of legislation, having been acted on by the House. It is not an unusual precedent.

Mr. GROSS. As for that and the foreign aid bill, I do not care how many times previously the mistake has been made or it has been slipped through the House of Representatives, it is wrong. If we are going to continue this business of writing into bills of delegated authority to the President, any President, to set aside existing laws at his pleasure, then let us get rubber stamps and simply come to the House floor and rubber stamp these bills. Better still, let us sit over in our offices. Why come to the House floor? Let the distinguished majority leader and minority leader convene the House of Representatives and let us stay in our offices and work our hand stamps on the bills the pages deliver to us. This bill ought to be on the floor under a rule so it could be amended to take this delegation of power and authority out of the bill. Mr. Speaker, I scarcely need to say that I am opposed to this measure.

Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, this bill was on the Consent Calendar. On the Consent Calendar we could have offered amendments. I understand the gentleman from Iowa [Mr. GROSS] had an amendment to strike the last section. I had one to strike section 4.

Mr. GROSS. How did it get off the Consent Calendar?

Mr. HOFFMAN of Michigan. My understanding is the gentleman from Massachusetts [Mr. MCCORMACK] pushed it off. You did not have anything to do with that for you had an amendment. It was put here where you could not offer an amendment.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. Will you yield me a couple of additional minutes?

I notice the gentleman took his seat. That is the way I thought it would be. You want something for nothing.

Mr. FASCELL. You did not yield any time on your side.

Mr. HOFFMAN of Michigan. You just made the offer very loudly. You have hurt my feelings. I will be flooded down here in the well because of the tears I am shedding.

Mr. FASCELL. Mr. Speaker, I yield 2 minutes additional to the gentleman.

Mr. HOFFMAN of Michigan. May we have order, Mr. Speaker—what is that? That was only at the intercession of the leadership, the gentleman from Massachusetts.

Mr. MCCORMACK. I hope my colleague will leave me out of this.

Mr. HOFFMAN of Michigan. I saw you talking there. I know of your "minimum of high regard" for me as you have expressed it. I thank you, but I do not really need it. We have plenty of time over here so I will just decline, if I may, but I thank you nevertheless.

Mr. MCCORMACK. Mr. Speaker, if the gentleman will yield.

Mr. HOFFMAN of Michigan. Does this come out of my time?

Mr. MCCORMACK. The gentleman from Michigan will not decline to accept the time. Take the 2 minutes even if you do not use it.

Mr. HOFFMAN of Michigan. Don't decline it?

Mr. MCCORMACK. No, do not decline the time.

Mr. HOFFMAN of Michigan. Well, recalling again the gentleman's "minimum of regard" for me, or whatever it was, I will go along.

What I was trying to say was that the coming of the gentleman from Iowa to the Congress and his presence here is one of the most refreshing and encouraging things that has happened since I have been here. It has been and is refreshing and encouraging to become acquainted with him and to listen to him and to be convinced by the gentleman from Iowa [Mr. GROSS] that there are those who believe in our people, in our Government, and who have the courage as he has to speak out and to vote for the principles in which he believes. Coming as he does from the fields—what is it—of corn and wheat and waving grasses and breezes which gather fragrance from blowing over the clover blossoms, I feel encouraged to continue to believe that in the end right will prevail. The gentleman from Iowa is so innocent, he is so inexperienced in political wiles and practices for partisan maneuvers—he is so patriotic, he is so devoted to our form of government, to his people and to the welfare of our country and its security—that he is most amazing in his present surroundings.

I say it is very, very refreshing to me. It gives me encouragement in my declining years. You do not know how happy I am to be privileged to be a Member of the Congress while the gentleman from Iowa has been here. He says he does not quite understand about section 4. That is, it may be due to his innocence of practical politics. Undoubtedly, I am too suspicious, but it occurs to me that with this interparty contest in New York City between the two Democratic factions, that if the power given to the President in this bill, and you heard section 4 read, to give away these jobs and distribute this money in New York, it may

enable the President to have some influence with one Democratic faction or the other and, perhaps, bring harmony to Democratic warring factions in New York, thus again establishing the President's power over the New York electoral vote. As a Republican, I cannot wish the President well in that effort, but nevertheless since they are going to get the money, I hope that now and then a few competent individuals will get in on the execution of the project. It occurs to me that is the only reason—to give a little more money and a few more jobs to the Kennedy political machine for section 4. That practice of oiling and polishing the Kennedy machine is a daily procedure here and, strange as it may seem, the Republican leaders make no open protest. The only reason for section 4 is to give a little more money and a few more jobs to the administration.

Once more I say to the majority leader, the gentleman from Massachusetts [Mr. McCORMACK] I regret very, very much that we have not had as efficient and as effective a political machine over the last few years. I recall my leader, the other day, saying that he had gone along with foreign aid all these years, in the years just gone by. That was just a couple of days ago on last Thursday I think when he said that when he was the leader on our side—the majority leader on our side—he had supported foreign aid. Do you recall that? I know the gentleman from Massachusetts [Mr. McCORMACK] does—it only happens once in a long, long time so he could not forget it. Do you recall that? I remembered then, but I did not want to remember—but the memory came to me in spite of all I could do to resist it—the memory came to me that while he was majority leader here for that short time, it was in the very next election that we lost control of the House. Foreign aid helped defeat us as did a lack of adherence to principle. That is not the only reason why I do not go along with this foreign aid program. We have tried it. We have spent all this money over all these years, and those who have been the foremost advocates of this foreign aid program, like the gentleman from Minnesota [Mr. JUDD], and on your side a number—no need to name them—have said that we have tried it and that it has been a waste of money. They have said—in substance—we are worse off today than ever before. We are in greater danger than ever before. And then by their votes decide they want more of it. I cannot figure it out—so I say to my good friend, I, too, am confused. I only wish I was as innocent and as hopeful of the future as is the gentleman from Iowa [Mr. GROSS]—I do, honestly. When a plan—a practice—by its advocates has admittedly failed—yes, made a bad situation worse, why insist on more of the same?

Mr. GROSS. Mr. Speaker, I yield 3 minutes to the gentleman from New Hampshire [Mr. MERROW].

Mr. MERROW. I thank the gentleman for yielding to me.

Mr. Speaker, I cannot quite understand the connection between this piece of legislation and foreign aid. I am sure the money is going to be spent in the United States. This is the usual procedure as far as a world's fair is concerned.

Mr. Speaker, H.R. 7763 authorizes an appropriation of $300,000 to be spent in planning Federal participation in the New York World's Fair to be held in 1964 and 1965.

The city of New York has already voted $24 million to finance its contribution to the fair, which is to be held at Flushing Meadows on the site of the 1939 World's Fair.

This bill authorizes funds for planning purposes only. The recommendations as to the nature and extent of Federal participation in the New York World's Fair will be submitted to the Congress after the planning and estimates to be financed under the authority of this bill have been completed.

The Department of Commerce already has in existence a staff of specialists in the conduct of trade fairs and international expositions, and it is understood that the work connected with planning U.S. participation in the New York Fair will be handled in the Department of Commerce.

The bill authorizes the appointment of a Commissioner, to receive a salary of $20,000, who will be subject to Senate confirmation. The Commissioner will cooperate in the planning activities carried on by the Department of Commerce and will then take over responsibility for U.S. participation in the fair following congressional action authorizing such participation and making funds available.

The plans for the fair are well underway and a considerable sum is being spent in preparing the grounds which are to become a permanent park after the fair is over. It is essential that U.S. participation be carefully worked out in advance.

The bill requires that the President report to the Congress not later than January 15, 1962, his recommendations for U.S. participation. In view of this deadline, it is essential that this bill receive prompt consideration by the Congress.

Mr. FASCELL. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, this bill is in line with our foreign policy. The President has so stated.

Fairs are usually held to quicken trade; to enhance commerce. That is the purpose of the New York World's Fair. The World's Fair would give the essential fillip to our international trade, friendship and good will, and enhance our exports which, at this time, are desperately needed to prevent the outflow of gold.

New York is the commercial capital of the United States, if not the world. There is unmatched domestic and foreign air service at New York. No city is better suited for a world's fair. We have great hotels, plenty of rooms for visitors, art galleries, theaters, opera, concert halls, and many places of amusement. Transportation to and from the fair grounds at Flushing Meadows in Queens County is excellent and ample.

The cost involved is but $300,000; a small price, indeed, to pay for the future advantages to the Nation, advantages which will be incalculable.

We New Yorkers have supported bills for aid to all parts of the country. We have supported farm bills, dairy bills, metal bills, cotton bills, bills to aid even the States of Iowa and Michigan. You can run the gamut of bills that the New Yorkers have supported in this very chamber. Now we ask for some modicum of support for the great city of New York. I wish to indicate that already some 20 States and the Commonwealth of Puerto Rico have agreed to supply exhibits to the fair, and for all I know the great States of Iowa and Michigan have likewise agreed to have exhibits at the fair. As of July 1961, 50 nations have agreed to participate. More nations will join. It will be a most comprehensive exposition. The recent Governors' conference approved the bill. The Department of State, the Department of Commerce, the White House have all expressed a desire that we pass this bill.

There is precedent for the bill. You have passed numerous bills like the instant one calling for preliminary studies of proposed plans and exhibits of various countries. I hope, indeed, the bill will overwhelmingly pass this House.

Mr. FASCELL. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Speaker, I want to add to the remarks made by the distinguished gentleman from New York and say that the first profits made from the New York World's Fair are going to be used in building Flushing Meadows Park in Queens County, Long Island.

Anything additional and beyond that will go to the general education fund of the city of New York, which, as you know, is in rather grim and dire circumstances these days. The need in New York for education is beyond what most of us here realize, and by supporting the World's Fair you will lay the groundwork for an estimated $26 million of profit that could go into the New York school system at the termination of 2 years' operation of the World's Fair.

I would now like to address my remarks to the amount of money in the authorization. It so happens that I am the chairman of a committee on behalf of the YMCA's to build an international youth center at the New York World's Fair. Our great problem is getting the seed money for the design, the preliminary engineering work, such as is intended to be financed by this legislation; and I can say that the figures represented here are not exorbitant for the size of the building contemplated by the Federal Government.

In explanation I would like to say that former participation by the Federal Government in world's fairs of recent date include $13,500,000 at the Brussels' World's Fair of 1958.

Mr. Speaker, I ask unanimous consent to include a table of figures in this regard at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

(The matter referred to follows:)

Federal appropriations, fairs and exhibits

New York World Fair (1939–40)	$3,275,000
Golden Gate International Exposition (1939–40)	8,655,660
U.S. Pavilion, Brussels World Fair (180 days) (1958)	13,500,000
Atoms for Peace, Geneva (13 days) (1958)	5,000,000
U.S. Exhibit, Moscow (42 days) (1959) (as of Aug. 25, 1959)	3,600,529
Proposed Century 21 appropriation (18 months) (1961–62, Seattle)	9,000,000
Texas Centennial (1935–36)	3,001,500
Chicago Century of Progress (1933–34)	1,175,000
Panama-Pacific Exposition (1915)	1,374,000
Louisiana Purchase Exposition, St. Louis (1904)	11,068,904
Chicago World Fair (1893)	5,359,219

Mr. BARRY. I urge passage of this legislation.

Mr. GROSS. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, let there be no misunderstanding about this bill. The gentleman from New York [Mr. CELLER] talks about the State of Iowa being represented at the World's Fair. I do not know whether the State will be represented or not, but I do know that if it is represented it will pay its own way. Is that not correct?

There will not be anything free for nothing.

I am not opposed to the New York World's Fair; I am not opposed to Federal participation; but this bill provides for the expenditure of $300,000 when I say you ought not to be in here asking for more than $100,000 for planning on the extent of Federal participation. That is all we are concerned with today. I am unalterably opposed to this other provision, section 4:

> SEC. 4. The functions authorized hereunder may be performed without regard to such provisions of law or other limitations of authority as the President may specify relating to the employment and compensation of personnel, procurement of goods and services, by contract, and acceptance of voluntary services and other contributions.

This bill ought to be defeated, and the sponsors ought to come back to the House with a reasonable request for Federal participation.

Mr. HALPERN. Mr. Speaker, in acting favorably on H.R. 7762 we are taking a long step forward in planning for Federal participation in the New York World's Fair to be held in New York during 1964–65. This bill calls for a full-scale study to be made by the President and report back to Congress on or before January 15, 1962, as to the nature and extent of such Federal participation.

I was pleased to have joined the distinguished gentleman from New York [Mr. DELANEY] and several other colleagues in the introduction of identical bills to this effect on June 20, 1961. I want to commend the Committee on Foreign Affairs and the House for their prompt and considered attention on the legislation.

The New York World's Fair is well on its way to being one of the most significant events of the century. Already 52 foreign countries and international organizations have signified their intention to exhibit, together with 21 of the United States. Over 35 major corporations and associations have signed leases or have been allocated space. This will be a huge enterprise involving directly or indirectly almost $1 billion in expenditures, and it is well deserving of Federal support.

In these times of international tensions, the staging of such a fair, devoted as it is to the theme, "Peace Through Understanding"—that education of the peoples of the world as to the interdependence of nations will insure a lasting peace—is of enormous significance in the constant struggle for the preservation of the way of life to which we all aspire and are devoted.

Again, I commend the committee and our colleagues on both sides of the aisle for their vision and foresight and trust that the Members of the other body will give this measure equally speedy and favorable action.

Mr. DOOLEY. Mr. Speaker, this legislation which will provide for the preliminary planning by the Federal Government for participation in the New York World's Fair, has my complete and enthusiastic support because of several cogent reasons.

First, New York, being the focal center of world commerce, and possessed of all the requisite means of transportation, entertainment facilities, points of historical interest, and so forth, is ideally suited to the purposes surrounding an international undertaking of this kind.

Second, the executive direction of this great fair is in the hands of experienced and competent men, such as Robert Moses, Thomas Deegan, and others who have contributed much to the well-being of the people of New York. Under their skillful guidance, the event is certain to be conducted in a manner which will enhance our international trade relations, and our reputation for hospitality.

The $300,000 which this bill would authorize will be expended for personnel assistance and for the development of a suitable theme for the fair.

I strongly urge my colleagues to lend this measure their support.

Mr. ADDABBO. Mr. Speaker, I rise in support of H.R. 7763. We must begin preparations for the participation of the United States in the New York World's Fair to be held at New York City in 1964–65.

Here we will have one of our greatest opportunities for advancing our philosophy of government by a free people. We will have the opportunity to display to the world our technology and accomplishments under the free-enterprise system. Effective participation by the United States can have an untold effect upon our future world trade. You will note that I have used the phrase "effective participation"—for our "participation" to be "effective," we must make plans, and preparations take study and time.

I commend the Committee on Foreign Affairs for its foresight in reporting this bill to the House and urge the support of my colleagues.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill H.R. 7763?

The question was taken; and the Speaker pro tempore announced that in the opinion of the Chair two-thirds had voted in favor thereof.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 353, nays 42, not voting 42, as follows:

[Roll No. 164]

YEAS—353

Abernethy	Corbett	Halpern
Adair	Corman	Hansen
Addabbo	Cramer	Harding
Addonizio	Curtin	Hardy
Albert	Curtis, Mass.	Harris
Alexander	Daddario	Harvey, Ind.
Andrews	Dague	Harvey, Mich.
Anfuso	Daniels	Hays
Arends	Davis, John W.	Healey
Ashley	Davis, Tenn.	Hébert
Ashmore	Dawson	Hemphill
Aspinall	Delaney	Henderson
Auchincloss	Dent	Herlong
Avery	Denton	Hiestand
Ayres	Derounian	Holifield
Bailey	Derwinski	Holland
Baker	Diggs	Holtzman
Baldwin	Dingell	Horan
Baring	Dole	Hosmer
Barrett	Dooley	Huddleston
Barry	Downing	Ichord, Mo.
Bass, N.H.	Doyle	Ikard, Tex.
Bass, Tenn.	Dulski	Inouye
Bates	Durno	Jarman
Battin	Dwyer	Jennings
Becker	Edmondson	Joelson
Beckworth	Elliott	Johansen
Belcher	Ellsworth	Johnson, Calif.
Bennett, Fla.	Everett	Johnson, Md.
Bennett, Mich.	Evins	Johnson, Wis.
Betts	Fallon	Jones, Ala.
Blitch	Farbstein	Jones, Mo.
Boggs	Fascell	Judd
Boland	Feighan	Karsten
Bolling	Fenton	Karth
Bolton	Finnegan	Kastenmeier
Bonner	Fino	Kearns
Bow	Fisher	Keith
Boykin	Flood	Kelly
Brademas	Flynt	Keogh
Bray	Fogarty	Kilday
Breeding	Forrester	Kilgore
Brewster	Fountain	King, Calif.
Brooks, Tex.	Frazier	King, N.Y.
Broomfield	Frelinghuysen	King, Utah
Brown	Friedel	Kirwan
Broyhill	Fulton	Kitchin
Burke, Ky.	Gallagher	Kluczynski
Burke, Mass.	Garland	Knox
Burleson	Garmatz	Kornegay
Byrne, Pa.	Gary	Kowalski
Byrnes, Wis.	Gathings	Kunkel
Cahill	Gavin	Laird
Cannon	Giaimo	Lane
Carey	Gilbert	Lankford
Casey	Glenn	Latta
Cederberg	Goodell	Lennon
Celler	Goodling	Lesinski
Chamberlain	Granahan	Libonati
Chelf	Grant	Lindsay
Chenoweth	Gray	Lipscomb
Church	Green, Oreg.	Loser
Clancy	Green, Pa.	McCormack
Clark	Griffin	McCulloch
Coad	Griffiths	McDonough
Cohelan	Gubser	McDowell
Collier	Hagan, Ga.	McFall
Conte	Hagen, Calif.	McIntire
Cook	Haley	McSween
Cooley	Halleck	McVey

Macdonald	Peterson	Sikes
Machrowicz	Pfost	Siler
Mack	Pike	Sisk
Madden	Pirnie	Smith, Calif.
Magnuson	Poage	Smith, Iowa
Mahon	Poff	Smith, Miss.
Mailliard	Price	Spence
Marshall	Pucinski	Stafford
Martin, Mass.	Rains	Staggers
Martin, Nebr.	Randall	Steed
Mason	Ray	Stephens
Mathias	Reuss	Stratton
Matthews	Rhodes, Ariz.	Stubblefield
May	Rhodes, Pa.	Sullivan
Meader	Riehlman	Taber
Merrow	Riley	Teague, Calif.
Michel	Rivers, Alaska	Teague, Tex.
Miller, Clem	Rivers, S.C.	Thomas
Miller, George P.	Roberts	Thompson, La.
Mills	Robison	Thompson, N.J.
Moeller	Rodino	Thompson, Tex.
Monagan	Rogers, Colo.	Thornberry
Montoya	Rogers, Fla.	Toll
Moore	Rogers, Tex.	Tollefson
Moorehead, Ohio	Rooney	Trimble
Moorhead, Pa.	Roosevelt	Tuck
Morgan	Rostenkowski	Tupper
Morris	Roush	Vanik
Morse	Rutherford	Van Pelt
Mosher	Ryan	Van Zandt
Moss	St. George	Vinson
Moulder	St. Germain	Wallhauser
Multer	Santangelo	Watts
Murphy	Saund	Weis
Murray	Saylor	Whalley
Natcher	Schadeberg	Wharton
Nix	Schenck	Whitener
Norrell	Scherer	Whitten
O'Brien, Ill.	Schneebeli	Wickersham
O'Brien, N.Y.	Schweiker	Williams
O'Hara, Ill.	Schwengel	Willis
O'Hara, Mich.	Scott	Winstead
Olsen	Scranton	Wright
Osmers	Seely-Brown	Yates
Ostertag	Selden	Young
Patman	Shelley	Zablocki
Perkins	Sheppard	Zelenko
	Shriver	
	Sibal	

NAYS—42

Abbittt	Findley	Nygaard
Alger	Gross	O'Konski
Anderson, Ill.	Hall	Passman
Ashbrook	Harrison, Wyo.	Quie
Beermann	Hechler	Reifel
Berry	Hoeven	Roudebush
Bromwell	Hoffman, Ill.	Rousselot
Bruce	Hoffman, Mich.	Short
Colmer	Jensen	Thomson, Wis.
Cunningham	Jonas	Utt
Davis, James C.	Kyl	Weaver
	Langen	Wilson, Ind.
Devine	MacGregor	Younger
Dorn	Nelsen	
Dowdy	Norblad	

NOT VOTING—42

Alford	Hull	Powell
Andersen, Minn.	Kee	Rabaut
	Kilburn	Reece
Bell	Landrum	Shipley
Blatnik	McMillan	Slack
Brooks, La.	Miller, N.Y.	Smith, Va.
Buckley	Milliken	Springer
Chiperfield	Minshall	Taylor
Curtis, Mo.	Morrison	Udall, Morris K.
Dominick	O'Neill	Ullman
Donohue	Pelly	Walter
Ford	Philbin	Westland
Harrison, Va.	Pilcher	Widnall
Harsha	Pillion	Wilson, Calif.

So (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. Shipley with Mr. Kilburn.
Mr. McMillan with Mr. Andersen of Minnesota.
Mr. Morrison with Mr. Chiperfield.
Mr. Buckley with Mr. Pillion.
Mr. Blatnik with Mr. Milliken.
Mr. Hull with Mr. Springer.
Mr. O'Neill with Mr. Dominick.
Mr. Philbin with Mr. Bell.
Mr. Donohue with Mr. Harsha.
Mr. Powell with Mr. Miller of New York.
Mr. Rabaut with Mr. Westland.
Mr. Ullman with Mr. Curtis of Missouri.
Mr. Walter with Mr. Minshall.
Mr. Taylor with Mr. Ford.
Mr. Pilcher with Mr. Widnall.
Mr. Brooks of Louisiana with Mr. Pelly.
Mrs. Kee with Mrs. Reece.
Mr. Slack with Mr. Wilson of California.

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all members may have 5 legislative days in which to extend their remarks prior to the roll-call vote on the bill just passed.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

DEPOSITORY LIBRARIES

Mr. HAYS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8141) to revise the laws relating to depository libraries.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be known as the "Depository Library Act of 1961".

The term "Government publication" as used in this Act and the amendments made by it means informational matter which is published as an individual document at Government expense, or as required by law.

Government publications, except those determined by their issuing components to be required for official use only or those required for strictly administrative or operational purposes which have no public interest or educational value and publications classified for reasons of national security, shall be made available to depository libraries through the facilities of the Superintendent of Documents for public information. Each component of the Government shall furnish the Superintendent of Documents a list of publications, except those required for official use only or those required for strictly administrative or operational purposes which have no public interest or educational value and publications classified for reasons of national security, which it issued during the previous month that were obtained from sources other than the Government Printing Office.

SEC. 2. That section 501 of the Revised Statutes, as amended (March 1, 1907, ch. 2284, sec. 4, 34 Stat. 1014; 44 U.S.C. 82), is hereby amended to read as follows:

"SEC. 501. The Government publications, which may be selected from lists prepared by the Superintendent of Documents and when requested from him, shall be distributed to depository libraries specifically designated by law and to such libraries as may have been designated by each of the Senators from the several States, respectively, and as have been or shall be designated by the Representatives in Congress from each congressional district and at large, and by the Delegate from each Territory, or the Resident Commissioner from Puerto Rico: *Provided,* That additional libraries within areas served by Representatives or the Resident Commissioner from Puerto Rico may be designated by them to receive Government publications to the extent that a total of not more than two such libraries, other than those specifically designated by law, which are qualified to fulfill minimum requirement as provided by law for depository libraries, may be designated within each area; however, before any additional library within a congressional district or the Commonwealth of Puerto Rico shall be designated as a depository for Government publications, the head of that library shall furnish his Representative or the Resident Commissioner from Puerto Rico, as the case may be, with justification of the necessity for the additional designation. This justification, which shall also include a certification as to the need for the additional depository library designation, shall be signed by the head of every existing depository library within the congressional district or the Commonwealth of Puerto Rico or by the head of the library authority of the State or the Commonwealth of Puerto Rico, within which the additional depository library is to be located. The justification for additional depository library designation shall be transmitted to the Superintendent of Documents by the Representative or the Resident Commissioner from Puerto Rico, as the case may be."

SEC. 3. That section 502 of the Revised Statutes, as amended (January 12, 1895, ch. 23, secs. 53 and 61, 28 Stat. 608 and 610; 44 U.S.C. 83), is hereby amended to read as follows:

"SEC. 502. The Superintendent of Documents shall currently issue a classified list of Government publications in suitable form, containing annotations of contents and listed by item identification numbers in such manner as to facilitate the selection of only those publications which may be needed by designated depository libraries. The selected publications shall be distributed to depository libraries in accordance with regulations issued by the Superintendent of Documents, so long as they fulfill the conditions provided by law."

SEC. 4. That section 5 of the Act of June 23, 1913 (38 Stat. 75, ch. 3; 44 U.S.C. 84) is hereby amended to read as follows:

"SEC. 5. The designation of a library to replace any one of not more than two depository libraries, other than those specifically designated by law, within a congressional district or the Commonwealth of Puerto Rico may be made only when the library to be replaced shall cease to exist, when the library voluntarily relinquishes its depository status, or when the Superintendent of Documents determines that it no longer fulfills the conditions provided by law for depository libraries."

SEC. 5. That section 4 of the Act of March 1, 1907, as amended (34 Stat. 1014, ch. 2284, and 52 Stat. 1206, ch. 708; 44 U.S.C. 85), is hereby amended to read as follows:

"SEC. 4. Upon request of the Superintendent of Documents, the components of the Government which order the printing of publications shall either increase or decrease the number of copies of publications furnished for distribution to designated depository libraries and State libraries so that the number of copies delivered to the Superintendent of Documents shall be equal to the number of libraries on the list: *Provided,* That the number thus delivered shall at no time exceed the number authorized under existing statute: *Provided further,* That such copies of publications which are furnished the Superintendent of Documents for distribution to designated depository libraries shall include the journals of the Senate and House of Representatives; all publications, not confidential in character, printed upon the requisition of any congressional committee; all Senate and House public bills and resolutions; and all reports on private bills, concurrent or simple resolutions; but shall not include so-called cooperative publications which must necessarily be sold in order to be self-sustaining.

"The Superintendent of Documents shall currently inform the components of the Government which order the printing of publications as to the number of copies of their publications required for distribution

to depository libraries. The cost of printing and binding those publications which are distributed to depository libraries, when obtained elsewhere than from the Government Printing Office, shall be borne by components of the Government responsible for their issuance; those requisitioned from the Government Printing Office shall be charged to appropriations provided the Superintendent of Documents for that purpose.

"All land-grant colleges shall be constituted as depositories to receive Government publications subject to the provisions and limitations of the depository laws."

SEC. 6. That section 70 of the Act of January 12, 1895 (28 Stat. 612, ch. 23; 44 U.S.C. 86), is hereby amended to read as follows:

"SEC. 70. Each library which may hereafter be designated by Representatives or the Resident Commissioner from Puerto Rico as a depository of Government publications shall be able to provide custody and service for depository materials and be located in an area where it can best serve the public need, and shall be located within an area not already adequately served by existing depository libraries. The Superintendent of Documents shall receive reports from designated depository libraries at least every two years concerning the condition of each and shall make firsthand investigation of conditions for which need is indicated; the results of such investigations shall be included in his annual report. Whenever he shall ascertain that the number of books in any such library is below ten thousand, other than Government publications, or it has ceased to be maintained so as to be accessible to the public, or that the Government publications which have been furnished the library have not been properly maintained, he shall delete the library from the list of depository libraries if the library fails to correct the unsatisfactory conditions within six months. The Representative or the Resident Commissioner from Puerto Rico in whose area the library is located shall be notified and shall then be authorized to designate another library within the area served by him, which shall meet the conditions herein required, but which shall not be in excess of the number of depository libraries authorized by law within each district or the Commonwealth of Puerto Rico."

SEC. 7. That section 98 of the Act of January 12, 1895 (28 Stat. 624, ch. 23; 44 U.S.C. 87), is hereby amended to read as follows:

"SEC. 98. The libraries of the executive departments, of the United States Military Academy, of the United States Naval Academy, and of the United States Air Force Academy are constituted designated depositories of Government publication. A depository library within each independent agency may be designated upon certification of need by the head of the independent agency to the Superintendent of Documents. Additional depository libraries within executive departments and independent agencies may be designated to receive Government publications to the extent that the number so designated shall not exceed the number of major bureaus or divisions of such departments and independent agencies. These designations shall be made only after certification by the head of each executive department or independent agency to the Superintendent of Documents as to the justifiable need for additional depository libraries. Depository libraries within executive departments and independent agencies are authorized to dispose of unwanted Government publications after first offering them to the Library of Congress and the National Archives."

SEC. 8. That section 74 of the Act of January 12, 1895, as amended (28 Stat. 620, ch. 23; and sec. 11, 49 Stat. 1552, ch. 630; 44 U.S.C. 92), is hereby amended to read as follows:

"SEC. 74. All Government publications of a permanent nature which are furnished by authority of law to officers (except Members of Congress) of the United States Government, for their official use, shall be stamped 'Property of the United States Government', and shall be preserved by such officers and by them delivered to their successors in office as a part of the property appertaining to the office. Government publications which are furnished to depository libraries shall be made available for the free use of the general public, and may be disposed of by depository libraries after retention for a minimum period of five years, and in accordance with the provisions of section 9 of the Depository Library Act of 1961, if the depository library is served by a regional depository library. When the depository libraries are not served by a regional depository library, or if they are regional depository libraries themselves, the Government publications, except superseded publications or those issued later in bound form which may be discarded as authorized by the Superintendent of Documents, shall be retained permanently in either printed form or in microfacsimile form."

SEC. 9. Not to exceed two depository libraries in each State and the Commonwealth of Puerto may be designated as herein provided to be regional depositories, and as such shall receive from the Superintendent of Documents copies of all new and revised Government publications authorized for distribution to depository libraries; and in addition shall be entitled to receive a microfacsimile copy of these Government publications which the Superintendent of Documents determines to be suitable for such form of reproduction and which can be furnished by him within the limit of available appropriations. Designation of regional depository libraries may be made by a Senator or the Resident Commissioner from Puerto Rico within the areas served by them, after approval by the head of the library authority of the State or the Commonwealth of Puerto Rico, as the case may be, who shall first ascertain from the head of the library to be so designated that the library will, in addition to fulfilling the requirements for depository libraries, retain at least one copy of all Government publications, either in printed or microfacsimile form (except those authorized to be discarded by the Superintendent of Documents); and within the region served will provide interlibrary loan, reference service, and assistance for depository libraries in the disposal of unwanted Government publications as herein provided. The agreement to function as a regional depository library shall be transmitted to the Superintendent of Documents by the Senator or the Resident Commissioner from Puerto Rico when designation is made.

The libraries designated as regional depositories shall be authorized to permit depository libraries, within the areas served by them, to dispose of Government publications which they have retained for at least five years after first offering them to other depository libraries within their area, then to other libraries, and then if not wanted to discard.

The SPEAKER pro tempore. Is a second demanded?

Mr. SCHENCK. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. HAYS. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, this bill has passed the House on two occasions previously, in the 85th and 86th Congress. The bill was never acted upon in the other body. I might say to you, I would not be bothering the House with it this afternoon except that I have had some indication from the other body that there is a considerable amount of interest in seeing that it is acted on.

Mr. Speaker, briefly, what this legislation does is to revise the laws relating to depository libraries. The first law with reference to depository libraries was passed in 1895. There are two principal features of the act which I think are important. The first is that it allows, under certain conditions, Members of Congress to designate an additional depository library in their district.

Secondly, it allows present and future depository libraries after 5 years to dispose of documents which they no longer consider essential.

Of course, Mr. Speaker, this is going to cost some money, but, on the other hand, by allowing these libraries which are presently designated to get rid of these excess documents and to clear their shelves, it is going to save money. When I headed the Committee on Nonessential Government Printing which was a select committee, we made a thorough study of this matter. We think the additional cost will possibly almost be balanced off by the savings, not to the Federal Government directly but to the depository libraries, many of which are in State universities and other institutions aided by the Federal Government.

This is a revision of a law which has been on the books for some 66 years, and I might just take the time of the House to explain one situation. I say to you that the gentleman from Ohio who is now addressing you has no libraries in his district that wish to be designated. It does not affect my district. But, I can cite you one instance in which a college was designated some 60 years ago which today has 800 students. A later university in that district, which is the State university, has grown up in the intervening years with a total student population of 10,000, yet that university with 10,000 students cannot be designated under existing law.

Mr. GROSS, Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Iowa.

Mr. GROSS. I had this bill put over on the consent calendar for the reason that it contained no reports from any of the agencies of Government. Has the gentleman now received reports from other agencies of the Government?

Mr. HAYS. I will say this to the gentleman, that the bill first presented was identical except for some technical amendments. In 1958 we wrote to 42 heads of agencies, and at the time we had the hearings we had received reports back from about 30-odd of them and there were no objections except in one instance, and that was in the language providing that the depositary libraries should be furnished with microfilms and the Superintendent of Documents had some question about that which now, I believe, has been resolved to his satisfaction. We did not print all this over again. We contacted these agencies by telephone and they told us that their views on the matter were not changed, and we saved some 15 to 20 pages of printing. But, we did get a letter from the Comptroller, and he had no

objections except for a couple of technical amendments.

Mr. GROSS. Mr. Speaker, if the gentleman will yield further, then there are no objections from any of the agencies or departments of Government?

Mr. HAYS. Not to my knowledge, I will say.

Mr. GROSS. I thank the gentleman.

Mr. HAYS. Mr. Speaker, I now yield such time as he may desire to the gentleman from California [Mr. COHELAN].

Mr. COHELAN. Mr. Speaker, I rise in support of H.R. 8141 which would make several badly needed and fully deserving revisions in the law governing Federal depository libraries.

While the report of the Committee on House Administration has clearly spelled out the major provisions of this bill, there is one section which I would like to emphasize in particular. At the present time, each congressional district is limited to one depository library. Many districts, however, and mine is certainly one, have a much greater demand for accessible public documents than can be met by such a limited source.

For example, in my own district the Oakland Public Library received depository status many years ago. While this library continues to make important Federal documents available to a large segment of the community, new libraries, such as the Earl Warren Legal Center at the University of California, have since been established; libraries which have a great need for the materials made available to depositories.

I am convinced, after studying this and other cases, that we should have greater flexibility in our law, and I believe that the Committee on House Administration has recognized this need in a wise and correct manner by providing for a limited expansion of depository libraries within each district.

Mr. Speaker, these revisions in the law governing depository libraries have been thoroughly reviewed by the committee and, in fact, were passed by the House in both the 85th and 86th Congresses. I urge the House to act favorably on this measure again today so that it will be possible to obtain the necessary Senate approval before the close of this session.

Mr. SCHENCK. Mr. Speaker, our committee has fully considered this legislation as my colleague, the gentleman from Ohio, has stated, on a number of occasions. It has been well justified as being a worthy piece of legislation and should be approved.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Ohio [Mr. HAYS], that the House suspend the rules and pass the bill H.R. 8141.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

IDENTICAL BIDS TO PUBLIC AGENCIES

Mr. FASCELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8603) to amend the Federal Property and Administrative Services Act of 1949 to provide for public information and publicity concerning instances where competitors submit identical bids to public agencies for the sale or purchase of supplies, equipment, or services, and for other purposes.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the purpose of this Act to provide for reports of State, local, and Federal procurement officers to the Attorney General in instances where identical bids are made by competing bidders on contracts for purchases or sales by public agencies, in order to provide public information and publicity concerning such bids, and to make more effective the enforcement of the antitrust laws.

SEC. 2. Section 302 of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 252) is amended by striking out subsections (d) and (e) thereof and inserting in lieu thereof the following:

"(d) If, in the opinion of the agency head, bids received after advertising evidence any violation of the antitrust laws, he shall refer such bids to the Attorney General for appropriate action. In any case in which a referral of bids is required by this subsection and a report of the bid proceedings is required by subsection (e), the referral shall be made in addition to and separately from the report.

"(e) (1) Whenever, in connection with a procurement of property or services exceeding $10,000 in total amount and made pursuant to an advertisement for bids, the head of any executive agency shall receive two or more bids—

"(A) which are identical as to unit price or total amount, or

"(B) which, after giving effect to discounts and all other relevant factors, he shall consider to be identical as to unit price or total amount,

then he shall make a report of the bid proceedings to the Attorney General not later than twenty days following the award. Whenever two or more bids of the nature described in clauses (A) and (B) hereof are received in bid proceedings which result for any reason in the rejection of all bids and the total value of the property or services bid upon is estimated by the head of the agency to be in excess of $10,000, he shall make a report of such proceedings to the Attorney General not later than twenty days following the rejection. Notwithstanding the preceding provisions of this paragraph, a report shall not be made of bid proceedings in which only foreign sources have participated and in connection with which delivery and performance is to take place outside the United States.

"(2) The reports required by paragraph (1) shall be in a form prescribed by the Attorney General and shall include the following information and such other information as he may prescribe:

"(A) The name and location of the particular component of the agency which advertised for the bids;

"(B) The amount and a description of the property or services for which bids were solicited, and the proposed date of delivery or performance;

"(C) The date of opening of the bids; and

"(D) The names and addresses of all bidders and as to the bid of each—

"(i) the unit price and terms of discount, if any, together with a notation of origin specified by the bidder and a statement whether freight and any other costs of transportation to the point of delivery are included or excluded;

"(ii) in the case of an accepted bid identical, or considered to be identical, as to unit price or total amount with another, the method by which selected; and

"(iii) if bids were rejected whether—

"(aa) an invitation for new bids was issued; or

"(bb) a purchase of, and contract to purchase, the items, commodities, or services in question was made by negotiation; or

"(cc) the proposal to purchase the items, commodities, or services in question was abandoned;

"(E) The proposed delivery date of the item, commodity, or service specified in the invitation to bid, or, if more than one date is involved, the beginning date and the completion date.

"(f) Each bid made in connection with a purchase of or contract for property or services must be accompanied by an affidavit certifying that—

"(1) the bid has been arrived at by the bidder independently and has been submitted without collusion with, and without any agreement, understanding, or planned common course of action with, any other vendor of materials, supplies, equipment, or services described in the invitation to bid, designed to limit independent bidding or competition, and

"(2) the contents of the bid have not been communicated by the bidder or its employees or agents to any person not an employee or agent of the bidder or its surety on any bond furnished with the bid, and will not be communicated to any such person prior to the official opening of the bid.

"Such affidavit shall be signed by the bidder if he is an individual, by a partner if the bidder is a partnership, or by an officer or employee of the corporation having power to sign on its behalf if the bidder is a corporation and shall state that the person signing the affidavit has fully informed himself regarding the accuracy of the statements made therein.

"As used in this subsection, the term 'bid' shall include any price or price quotation made, offered, or given by a vendor or seller of materials, supplies, equipment, or services whether made, offered, or given in response to an invitation to bid; as a result of negotiation with the purchaser thereof, or otherwise, and the term 'bidder' shall include any vendor or seller of materials, supplies, equipment, or services who makes, offers, or gives to the purchaser thereof any bid, price, or price quotation.

"(g) This section shall not be construed to (A) authorize the erection, repair, or furnishing of any public building or public improvement, but such authorization shall be required in the same manner as heretofore, or (B) permit any contract for the construction or repair of buildings, roads, sidewalks, sewers, mains, or similar items to be negotiated without advertising as required by section 303, unless such contract is to be performed outside the continental United States or unless negotiation of such contract is authorized by paragraph (1), (2), (3), (10), (11), (12, or (14) of subsection (c) of this section."

SEC. 3. Subsection (e) of section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(e)) is amended by adding at the end thereof the following new paragraph:

"(8) Whenever, in connection with a disposal or contract for disposal of surplus property for more than $10,000 in total amount pursuant to an advertisement for bids under paragraph (1) of this subsection, the head of an executive agency shall receive two or more bids—

"(A) which are identical as to unit price or total amount, or

"(B) which, after giving effect to all relevant factors, he shall consider to be identical as to unit price or total amount,

then he shall make a report of the bid proceeding to the Attorney General not later than twenty days following the award to the purchaser. Whenever two or more bids of the nature described in clauses (A) and (B) hereof are received in bid proceedings which result for any reason in the rejection of all bids and the total sales value of the offered property is estimated by the head of the agency to be in excess of $10,000, he shall make a report of such proceedings to the Attorney General not later than twenty days following the rejection. The reports required by this paragraph shall be in a form prescribed by the Attorney General and shall contain information required by section 302(e)(2) of this Act. Notwithstanding the preceding provisions of this paragraph, a report shall not be made of bid proceedings in which only foreign sources have participated and in connection with which delivery and performance is to take place outside the United States."

SEC. 4. Section 2304 of title 10 of the United States Code is amended by adding a new subsection (g) to read as follows:

"(g) Each bid made in connection with a purchase of or contract for property or services must be accompanied by an affidavit certifying that—

"(1) the bid had been arrived at by the bidder independently and has been submitted without collusion with, and without any agreement, understanding, or planned common course of action with, any other vendor of materials, supplies, equipment or services described in the invitation to bid, designed to limit independent bidding or competition, and

"(2) the contents of the bid have not been communicated by the bidder or its employees or agents to any person not an employee or agent of the bidder or its surety on any bond furnished with the bid, and will not be communicated to any such person prior to the official opening of the bid.

"Such affidavit shall be signed by the bidder if he is an individual, by a partner if the bidder is a partnership, or by an officer or employee of the corporation having power to sign on its behalf if the bidder is a corporation and shall state that the person signing the affidavit has fully informed himself regarding the accuracy of the statements made therein.

"As used in this subsection, the term 'bid' shall include any price or price quotation made, offered, or given by a vendor or seller of materials, supplies, equipment or services whether made, offered or given in response to an invitation to bid; as a result of negotiation with the purchaser thereof, or otherwise, and the term 'bidder' shall include any vendor or seller of materials, supplies, equipment or services who makes, offers or gives to the purchaser thereof any bid, price or price quotation."

SEC. 5. Section 2305 of title 10 of the United States Code is amended by striking out subsection (d) thereof and inserting in lieu thereof the following new subsections:

"(d) If the head of the agency considers that any bid received after formal advertising evidences a violation of the antitrust laws, he shall refer the bid to the Attorney General for appropriate action. In any case in which a referral of a bid is required by this subsection and a report of the bid proceedings is required by subsection (f), the referral shall be made in addition to, and separately from, the report.

"(e) Whenever, in connection with a purchase of, or contract for, property or services exceeding $10,000 in total amount made by formal advertising, the head of an agency shall receive two or more bids—

"(1) which are identical as to unit price or amount, or

"(2) which, after giving effect to discounts and all other relevant factors, he shall consider to be identical as to unit price or total amount.

then he shall make a report of the bid proceedings to the Attorney General not later than twenty days following the award. Whenever two or more bids of the nature described in clauses (1) and (2) hereof are received in bid proceedings which result for any reason in the rejection of all bids and the total value of the property or services bid upon is estimated by the head of the agency to be in excess of $10,000, he shall make a report of such proceedings to the Attorney General not later than twenty days following the rejection. The reports required by this subsection shall be in a form prescribed by the Attorney General and shall contain the information required by section 302(e)(2) of the Federal Property and Administrative Services Act of 1949 and such other information as he may prescribe. Notwithstanding the preceding provisions of this subsection, a report shall not be made of bid proceedings in which only foreign sources have participated and in connection with which delivery and performance are to take place outside the United States."

SEC. 6. In the case where two or more bids are received after advertising by the head of any executive agency and such bids are identical as to price, and are not subject to the reporting requirements of section 203(e)(8) or of section 302(e) of the Federal Property and Administrative Services Act of 1949 or the reporting requirements of section 2305(f) of title 10 of the United States Code, then the head of such agency shall make a report to the Attorney General with respect to such bids which shall contain all the information required in the case of a report filed under section 302(e) of the Federal Property and Administrative Services Act of 1949.

SEC. 7. The Attorney General shall invite State and local governments to transmit to him reports of advertised bid proceedings in which such governments have received bids, which if they were submitted to an agency of the Federal Government would be required to be reported under section 203(e)(8) or section 302(e) of the Federal Property and Administrative Services Act of 1949 or under section 2305(f) of title 10 of the United States Code, or under section 6 of this Act. The Attorney General shall prescribe uniform procedures for the purpose of carrying out this section.

SEC. 8. Whenever the Attorney General receives any information reported to him under section 203(e)(8) or section 302(e) of the Federal Property and Administrative Services Act of 1949 or under section 2305(f) of title 10 of the United States Code, or under section 6 of this Act, he may make all such information available to the Federal Trade Commission irrespective of whether the information has been assembled in report form.

SEC. 9. The Attorney General shall make a report each calendar quarter to the President of the Senate and to the Speaker of the House of Representatives consolidating the information he has received under the provisions of sections 203(e)(8) and 302(e) of the Federal Property and Administrative Services Act of 1949, section 2305(f) of title 10, United States Code, and section 6 of this Act. After deletions of (a) such information submitted by the head of a department or agency of the Federal Government which is classified pursuant to law for reasons of national security and (b) such information submitted by a State or local government which the State or local government has requested to be withheld from publication for any reason, each report of the Attorney General under this section shall be printed as a House document.

The SPEAKER pro tempore. Is a second demanded?

Mr. ANDERSON of Illinois. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. FASCELL. Mr. Speaker, I yield myself 5 minutes.

H.R. 8603 is a clean bill introduced by the gentleman from Texas, Congressman PATMAN, as a substitute for his bill H.R. 4570 which was reported by the Subcommittee on Executive and Legislative Reorganization. The clean bill reflects the action of the subcommittee. The approval of the bill was unanimous.

The bill is designed to expose and attack the widespread practice of submitting identical bids to Government agencies in response to invitations to bid on contracts for the sale or purchase of goods or services. This practice can make a mockery of the whole procedure of contract bidding, permit the rigging of contracts by those in collusion and raise the cost of governmental purchasing to infinite heights.

The problem has agitated Members and committees of both Houses of Congress and with the recent electrical industry cases has become the focus of widespread public attention.

On April 24 of this year, President Kennedy issued Executive Order No. 10936 which required identical bids to Federal agencies to be reported to the Attorney General. The order has certain of the objectives of the bill but does not go as far.

Witnesses appearing were primarily Government officials and Members of Congress, all of whom were unanimous that something should be done. The Department of Justice Antitrust Division offered to cooperate as did the General Services Administration, Department of Defense, and the Federal Trade Commission in recommending improvements in the bill. They worked with our staff on revisions and the final product is before you.

Aside from the hearings we have received a large number of letters from Governors, mayors, and State and local procurement officials endorsing the legislation and offering to cooperate in seeking to expose the practice of identical bidding. Their letters have been published as an appendix to the hearings.

The theory behind this legislation is that exposure of identical bidding by individuals and corporations will have such an impact that it will tend to reduce, if not completely eliminate, the practice and, in the end, reduce the costs of Government contracting. The exposure feature of the bill provides no penalties. The provisions in the bill that could result in penalties are those requiring the noncollusion affidavit. This would be the existing penalty for making a false statement.

PURPOSES

First. To provide publicity and public information on identical bidding by reports of Federal, State, and local procurement officers to the Attorney General of the United States when identical

bids are made by competing bidders on contracts for purchases or sales by public agencies.

Second. To make more effective the enforcement of the antitrust laws through such publicity and by the submission of noncollusion affidavits.

SUMMARY

H.R. 8603 would amend the Federal Property and Administrative Services Act and the Armed Services Procurement Act to require the making of reports by Federal procurement officers to the Attorney General where identical bids exceeding $10,000 are made in response to an advertisement to bid. The reports must be made within 20 days following the award of the contract or the rejection of all bids. The form of the reports will be prescribed by the Attorney General and will include certain detailed information specified in the bill. Similar reports are required in connection with the disposal of surplus property.

No report will be made in cases where only foreign sources have participated and in connection with which delivery and performance is to take place outside the United States.

The bill also requires an affidavit to accompany each bid certifying that there has been no collusion with the vendors and that the contents of the bid have not been communicated to others. The affidavit must accompany both advertised and negotiated bids.

The bill directs the Attorney General to invite State and local governments to submit similar reports on identical bids.

The Attorney General shall make available the information in the reports upon request of the Federal Trade Commission.

He shall make a consolidated report each quarter to the Congress which shall be printed as a House document except that information which the President determines shall be withheld from publication for security reasons.

PENALTY

In 18 United States Code, 1001, fraud and false statements, up to $10,000 or 5 years in prison, or both.

In 31 United States Code, 231, liability for making false claims against the United States, a $2,000 payment and double damages to the United States.

I know of no objection to this legislation.

Mr. Speaker, I yield back the balance of my time.

PROGRAM FOR BALANCE OF WEEK

Mr. AVERY. Mr. Speaker, I yield myself 1 minute and ask unanimous consent to proceed out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. AVERY. Mr. Speaker, I take this time in order to inquire of the majority leader what he can tell us about the program for the balance of the week, for next week, and in respect to an early adjournment.

Mr. McCORMACK. That is quite a question. Is the gentleman asking about the program for the remainder of this week?

Mr. AVERY. That was my initial request followed by two other related requests.

Mr. McCORMACK. Will the gentleman bypass the two latter requests?

Mr. AVERY. At the moment and under the circumstances, certainly.

Mr. McCORMACK. Tomorrow there will be H.R. 468, the fugitive felon bill, which is on the program, and there are three unanimous-consent requests to be called up by the Committee on Ways and Means, as follows:

H.R. 641, tariff, beta ray spectrometer, free entry;

H.R. 6145, taxes, reduced credit provisions, postponement; and

H.R. 6371, retirement income credit.

The order in which they will be presented I do not know.

That will be followed by House Resolution 420, a resolution reported out by the Rules Committee.

On Thursday we will take up H.R. 84, a bill to stabilize the mining of lead and zinc by small domestic producers on public, Indian, or other lands. If we do not dispose of House Resolution 420 tomorrow that will be the continuing order of business on Thursday, to be followed by House Joint Resolution 438, authorizing certain investigations by the Securities and Exchange Commission.

That is the program for the remainder of the week.

Mr. AVERY. Mr. Speaker, I wonder if the majority leader could give us the subject matter of House Resolution 420.

Mr. McCORMACK. That is a resolution providing that the Committee on Interstate and Foreign Commerce, acting as a whole or by subcommittee, is authorized and directed to conduct a full and complete investigation and study of the problems involved in an effort to minimize and eliminate aircraft noise and nuisances and hazards to persons and property on the ground.

Mr. AVERY. I thank the gentleman and I hope he will work toward an early adjournment of the Congress.

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, for the benefit of Members on this side of the aisle, I should state this matter did come out of the subcommittee and the full committee without objection. Two days of hearings were held in which we listened to representatives of the General Services Administration, the Department of Defense, the Department of Justice, and other agencies of Government that might be called upon to administer this act.

It has been explained very fairly and fully by my colleague on the subcommittee, the gentleman from Florida. Certainly no one can quarrel with the objectives and the purposes of this act, which will give publicity and public information on identical bidding.

Mr. Speaker, it should be pointed out that this is not basically a new idea. In addition to the Executive order that was referred to, which was issued on the 24th or 25th of April this year, there was in the Procurement Act of 1948, and other acts dealing with procurement by the Armed Forces and Government agencies, a provision that dealt with this in the case of bids that appeared to be collusive, which were referred to the Attorney General for attention.

I do not know that this is going to solve the entire problem, but to the extent it will give information of this nature to the Attorney General for possible action, I think it is a good bill. We on this side support it.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, the House Government Operations Committee has reported favorably on H.R. 8603, which is a bill to provide for public information and publicity on the submission of identical bids in connection with Government contracts. H.R. 8603 is a clean bill introduced as a substitute for the original H.R. 4570, which I introduced February 20, 1961.

This is a nonpartisan bill—one that will be embraced by all Members of both the Republican and Democratic Parties concerned with a free and unfettered competitive economy and equally concerned that Government expenditures not be bloated by the payment of monopolistic prices. The House Government Operations Committee has given unanimous approval to this bill—clear testimony to the bipartisan support it has received.

As all Members well know, abhorrence of bid-rigging and price-fixing cuts across party lines. The Antitrust Division under Republican leadership initiated and brought to a head the infamous electrical equipment cases which shocked the conscience of the country. When the present administration took office this year, there was no letdown—indeed, the program of ferreting out and striking down price-fixing and bid-rigging conspiracies has been stepped up sharply under Attorney General Robert Kennedy.

Successful prosecution of the antitrust laws, however, does not, and should not obscure the need—indeed the necessity—for implementing and supplementing those laws when such is found to be essential.

It was because of the need for putting the glare of publicity on identical bidding that I offered my bill to provide for regular reporting of identical bids to the Attorney General and periodic reports to be made by the Attorney General and submitted to Congress concerning this matter. With a view to bringing about immediate action on this front, President John F. Kennedy, on April 24 of this year, issued Executive Order No. 10936 directing the heads of Federal Departments and Agencies to report identical bids to the Attorney General.

The gentleman from North Carolina, Chairman FOUNTAIN, of the Intergovernmental Relations Subcommittee

testified that the bill is necessary "to establish clearly that this is a permanent national policy, rather than just the position of one administration." Members of Congress and representatives of the Antitrust Division of the Department of Justice, the Department of Defense, the General Services Administration, and the Federal Trade Commission testified on this bill and were in agreement that action should be taken. Recommendations submitted by these various witnesses have been taken into consideration and their suggested improvements have been incorporated in the clean bill, H.R. 8603.

WHY IT IS NECESSARY TO MAKE IDENTICAL BID REPORTING A MATTER OF PERMANENT LAW

The gentleman from North Carolina [Mr. FOUNTAIN] as I mentioned, has stated that this bill is necessary to make identical bid reporting a matter of permanent national policy. We cannot leave such a serious matter to the whims of changing administrations.

Flagrant identical bidding is not a new practice—but this effort to bring to public attention the widespread extent of identical bidding is new.

Back in the days of the Temporary National Economic Committee, and earlier, considerable attention was given to this practice. But nothing was done in the direction of bringing together full and complete information regarding identical bidding practices so that they would be subject to constant public attention and a continuing reminder to the Antitrust enforcement officers that they must be on their toes to eliminate collusive practices in connection with Government procurement activities.

The President's Executive order has started the grandiose bureaucratic machine operating. The Federal agencies are educating their procurement officers and developing systems of reporting identical bids. This has never been done before in any organized way.

NEW IDENTICAL BID REPORT TO BE ISSUED

At my request Assistant Attorney General Lee Loevinger, in charge of the Antitrust Division, recently made a sample survey of identical bid reports received by the Antitrust Division during the 6-year period 1955–60. This report will be issued as a public document in the very near future. I do not wish at this time to go into detail as to what this report reveals, except to note that under existing statutes a pitifully small number of identical bids has been submitted to the Attorney General for consideration. During the 6-year period, a sample of every fifth abstract presently in the Antitrust Division files produced a total of only 95 abstracts—suggesting that only some 500 abstracts have been processed by the Antitrust Division over the past 6 years.

The number of identical bid reports submitted to the Attorney General has clearly not represented anywhere near full reporting by the various procurement agencies. There are two reasons for this. First, the regulations gave the procurement agencies a loophole. They were only required to submit identical bids when, in the opinion of the procurement agency head they suggested possible collusion among bidders.

I need not remind Members—many of whom are lawyers—that lawyers tend to disagree as to what constitutes evidence of possible collusion. All that was necessary was for the agency head to decide that, in his opinion, identical bids did not suggest collusion, and then he might completely neglect the duty of reporting identical bids to the Attorney General.

The second reason for failure of the various heads of procurement agencies to report identical bids to the Attorney General is simple bureaucratic lethargy. Most procurement officers are not concerned with possible collusion or bid rigging. They want to get their job done—acquire the products or services called for and sign the contracts. Reporting of identical bids to the Attorney General represents an added chore for them, which they would happily avoid.

One indication of the serious under-reporting by the procurement agencies is revealed by the fact that less than one-third of the abstracts contained in the sample survey submitted by the Antitrust Division came from the Defense agencies. Obviously, the Department of Defense accounts for an overwhelming proportion of Government procurement—yet the Defense agencies, as I said, accounted for only one-third of the identical bids submitted to the Attorney General during the past 6 years.

We can be sure that this situation will be changed and that under H.R. 8603 there will be no slacking in the efforts of all procurement and disposal agencies of the Federal Government to report identical bids to the Attorney General.

REPORTS TO CONGRESS ANTICIPATED

This is a moderate bill. It merely provides for honest public disclosure of identical bidding on Government procurement contracts or in the sale of surplus Government property. The Executive order implementing the purposes of this bill provides that the Attorney General will make periodic reports to the Congress on identical bidding.

H.R. 8603 is quite specific on this question, calling for reports to be made by the Attorney General each quarter to the Congress. The report shall be printed as a House document.

IDENTICAL BIDS SUBMITTED TO STATE AND LOCAL GOVERNMENTS ALSO TO BE INCLUDED

This bill is a "shot in the arm" to State and local governments which have been paying exhorbitant prices because of noncompetitive bidding on various State and local projects. Local governments are almost powerless to handle problems of conspiracy leading to identical bids. As Mr. Ralph S. Locker, Cleveland director of law, pointed out in the December 1960 issue of the Journal of the Cleveland Bar Association:

> Collusive bidding practices are a real and ever-present problem facing local, State, and Federal governments.

And Mr. Locker concludes that:

> Local governmental subdivisions usually lack the necessary investigative staff to make them aware of collusion among bidders.

The objectives of this legislation have been endorsed by Governors and mayors throughout the country. This bill will provide a twofold advantage to such State and local governments. First, they will be encouraged to voluntarily submit identical bids to the Attorney General, so that his attention may be called to any possible conspiracies in submission of bids. This will give the State and local governments a direct contact with the Attorney General and a basis for knowing whether full antitrust enforcement is being brought to bear on identical bids.

Second, the State and local governments will be in a position to recover damages where identical bids are found by the Attorney General to have stemmed from collusion or conspiracy. At the same time, the State and local officials can work hand-in-glove with the Attorney General in ferreting out and eliminating identical bidding in Government contracts.

HOW H.R. 8603 WILL DISCOURAGE IDENTICAL BIDDING AND AID IN ANTITRUST ENFORCEMENT

Mr. Speaker, when I testified before the subcommittee in behalf of this bill, I was asked how we would deal with the problem of bid rigging, once identical bidding is eliminated.

Of course, the objective of this bill is to drive out identical bidding. Obviously, a variety of bids is likely to reflect real competition among bidders, but there is always the possibility that the bids might be rigged. Bidders could agree to rotate the business among themselves—one submitting the low bid the first time, another the second time, and so forth.

This occurs. It occurred in the famous electrical equipment cases. But the point is that in those cases the Antitrust Division was able to get the evidence of conspiracy. When conspirators are discouraged—by publicity—from agreeing to bid identically, they must devise some more complicated scheme of bid rotation. This involves meetings, negotiation, perhaps correspondence. Then the Antitrust Division can move in with the hope of picking up the evidence of conspiracy. Thus, by discouraging identical bidding, we implement antitrust enforcement procedure.

SHOULD IDENTICAL BIDDING BE MADE PRIMA FACIE EVIDENCE OF CONSPIRACY?

I was also asked whether we should not pass a law saying identical bids shall raise a prima facie case of conspiracy.

I have pointed out that many prominent lawyers and economists agree that identical bids rarely, if ever, reflect a competitive situation; and many also agree that identical bids almost always suggest a presumption of conspiracy.

My answer to the question is: Before we take such a step—to make identical bids prima facie evidence of conspiracy—let us have some experience with the "spotlight of publicity" approach. Let us enact this bill into law and gather some experience with public opinion.

I have faith in the fundamental honesty of our businessmen. I believe they will do the right thing.

As I pointed out last February 20 when I introduced this bill, it is a fundamental

premise of a competitive economy that business units make pricing decisions independently of one another. To tolerate collective action and collusion is to encourage the cartelization of American industry. I am sure that few Americans want such an economy.

This bill is a new charter for an American competitive free enterprise system—one that can be held aloft for all our friends throughout the world to see—and one for our enemies to disregard at their peril.

Mr. VANIK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Speaker, I want to take this opportunity to commend the Committee on Government Operations and the gentleman from Texas, the Honorable WRIGHT PATMAN, on submitting H.R. 8603 to provide publicity on evidence of identical bidding by Federal and State and local procurement officers when identical bids are made by bidders on contracts for purchase or sale by public agencies.

In the city of Cleveland, we have had several situations where identical bids were submitted to the city procurement officers by large suppliers of public utility equipment. The most recent case in the city of Cleveland involved identical bids for utility meters.

The instances of identical bidding are widespread and have included many items essential to the conduct of city affairs. Identical bids on any items of purchase are possible but highly improbable in circumstances where the rules of ordinary competition prevail. The inference of collusion among bidders is difficult to dispel in situations where several bidders providing identical goods from different producing areas arrive at the same price.

The report to the Attorney General required by this bill will serve to stimulate free competition among bidders. It will also serve as a deterrent against collusive price fixing. This legislation should result in savings of millions of dollars to local and State governments as well as the Federal Government in bringing about a condition of order and fairplay at the marketplace in which public purchasing plays a vital part.

The SPEAKER pro tempore. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. SMITH] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SMITH of Iowa. Mr. Speaker, I am glad to see this bill come before the House, and commend its author for the work he has done on this legislation. Although another committee member and I also have identical bills, Mr. PATMAN has done great work on the subject matter.

Effective competition is essential in our economic system, and it is absolutely essential that it be preserved and fostered. Recent revelations of price rigging by big companies doing business with the Federal Government and price rigging cases in local and State government jurisdictions indicate that there has been a lack of effective competition in too many cases.

As long ago as 1956, the Government Operations Committee found the existence of identical pricing of polio vaccine and drugs and hospital supplies. Information forwarded to that committee, upon which I am privileged to serve, indicates that State and local officials are interested in being able to forward information on a voluntary basis where price fixing in bidding for local and State business is suspected.

Although there has been a provision of law since 1940 that an agency head should forward information indicating violation of the antitrust laws, Federal agencies did not very often report identical bids or evidently consider that as evidence of violation of antitrust laws. President Kennedy recently directed by Executive order that such bids be forwarded to the Attorney General; however, the bill is still needed in the event the Executive order is canceled by some future President. The bill also requires anticollusion affidavits that have not previously been required on all bidding offers and should help deter price fixing.

I think additional legislation not included with this bill is needed to help assure greater competition and I am sponsoring such legislation. I introduced such legislation late in the 86th Congress and am now improving it some more. My legislation also is designed to encourage more bidding.

Expenditures by Federal, State, and local government agencies now total about $100 billion per year and about $50 billion of that represents Federal procurement. Price fixing on this portion of our national production can cause inflationary pressure and have a sort of rippling effect. This is legislation that should help toward deterring price-fixing arrangements and I urge its adoption.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file privileged reports.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

METAL AND NONMETALLIC MINES STUDY ACT OF 1961

Mr. ZELENKO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8341) to authorize the Secretary of the Interior to conduct a study covering the causes and prevention of injuries, health hazards, and other health and safety conditions in metal and nonmetallic mines—excluding coal and lignite mines.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized and directed to make or cause to be made a study covering—

(1) the causes of injuries and health hazards in metal and nonmetallic mines (excluding coal and lignite mines);

(2) the relative effectiveness of voluntary versus mandatory reporting of accident statistics;

(3) the relative contribution to safety of inspection programs embodying—

(A) right-of-entry only and

(B) right-of-entry plus enforcement authority;

(4) the effectiveness of health and safety education and training;

(5) the magnitude of effort and costs of each of these possible phases of an effective safety program for metal and nonmetallic mines (excluding coal and lignite mines); and

(6) the scope and adequacy of State mine-safety laws applicable to such mines and the enforcement of such laws.

SEC. 2. (a) The Secretary of the Interior or any duly authorized representative shall be entitled to admission to, and to require reports from the operator of, any metal or nonmetallic mine which is in a State (excluding any coal or lignite mine), the products of which regularly enter commerce or the operations of which substantially affect commerce, for the purpose of gathering data and information necessary for the study authorized in the first section of this Act.

(b) As used in this section—

(1) the term "State" includes the Commonwealth of Puerto Rico and any possession of the United States; and

(2) the term "commerce" means commerce between any State and any place outside thereof, or between points within the same State but through any place outside thereof.

SEC. 3. The Secretary of the Interior shall submit a report of his findings, together with recommendations for an effective safety program for metal and nonmetallic mines (excluding coal and lignite mines) based upon such findings, to the Congress not more than two years after the date of enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. HIESTAND. Mr. Speaker, I demand a second.

Mr. ZELENKO. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ZELENKO. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. POWELL] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. POWELL. Mr. Speaker, the Committee on Education and Labor now brings before this body H.R. 8341, a measure designed to authorize the Secretary of Interior to conduct a study covering the causes and prevention of injuries, health hazards, and other

health and safety conditions in metal and nonmetallic mines—excluding coal and lignite mines.

In the 86th Congress, when I was chairman of a subcommittee of the Committee on Interior and Insular Affairs, safety standards were reviewed by my subcommittee. I was deeply impressed with the pressing need for information and facts concerning safety and the causes of injuries and health hazards. At the present time information and statistics available on this vital subject are spotty, irregular, and exceedingly difficult to assemble. The sole purpose of the bill now before you is to permit the Secretary to assemble this data in a form which lends itself to comprehensive evaluation.

In 1956 and 1957 this committee held hearings in Washington and in several mining areas on the subject of "Safety Standards in Metallic and Nonmetallic Mines." Much evidence was submitted indicating a need for Federal inspection. Accidents and industrial diseases in these mines persist at an abnormally high rate, despite advances made in understanding the causes thereof and in engineering methods of control.

This bill does not propose the imposition of Federal standards in these mines nor does it establish a system of Federal inspection in this area. It does authorize a study conducted in the field and a means for the Federal Government to secure the data the Department believes is necessary.

The witnesses who appeared before our Select Subcommittee on Labor, under the very able chairmanship of the gentleman from New York [Mr. ZELENKO], emphasized that if we can secure the necessary information, then we may very well discover the techniques required to combat the high disease and injury rate that persists in metallic and nonmetallic mines.

We seek knowledge and not control in this measure.

This committee does have another safety measure before the Rules Committee. That bill deals with coal mine safety, and in a very moderate fashion seeks to protect the small miner from the same hazards we protect the employee who goes underground for a large mine operator. We still hope that we may bring this much-needed legislation before this body in this session.

Our committee will continue to devote itself to the upgrading and modernizing of industrial safety standards in this country. In some instances Federal regulation may be necessary. In others, such as with this bill, H.R. 8341, the means of securing additional knowledge may bring about the desired results. Greatest productivity with greatest safety is our goal.

Let us give the Department of the Interior the means of securing the information needed for accident prevention and to wipe out industrial diseases in these metallic and nonmetallic mines. I am sure when this information is evaluated and disseminated, the mine operators will utilize this knowledge so effectively that further Federal regulation will not be required.

Mr. ZELENKO. Mr. Speaker, I yield such time as he may require to the gentleman from Michigan [Mr. O'HARA].

Mr. O'HARA of Michigan. Mr. Speaker, in 1941 this Congress enacted a bill providing for Federal inspection of coal and lignite mines. In 1952 the Congress amended that act by providing safety regulation of coal and lignite mines.

Mr. Speaker, despite the fact that many of the same conditions that led to the enactment of the Coal Mine Safety Act are present in metallic and nonmetallic mines this Congress has never enacted any legislation having to do with safety in such mines.

Mr. Speaker, in the 84th, 85th, and 87th Congresses, bills similar to title I of the Coal Mine Safety Act, providing for Federal inspection of metal and nonmetallic mines, were introduced and hearings were held on those bills in all three Congresses. The hearings demonstrated, Mr. Speaker, that there was a serious injury and health hazard condition in these noncoal and nonlignite mines.

The National Safety Council states that underground mining—other than coal—is the second most hazardous industry in the United States.

The hearings further indicated an alarming development with regard to health hazards in the relatively new uranium mining industry. In 1959 the concentration of alpha-emitting particles, radon and radon-daughters, in samples taken in uranium mines by the Bureau of Mines, indicated, Mr. Speaker, that 22 percent of all such air samples were in excess of 10 times the maximum recommended working level. They indicated that 23 percent were from 3 to 10 times the maximum permissible exposure level and that only 1 out of every 3 samples came within recommended working levels.

Now, the significance of this, Mr. Speaker, is that these radioactive products, radon and radon-daughters, are inhaled into the lungs where they expose the tissue to radiation damage, and lung cancer may result. It is expected that a 15- to 20-year exposure to such radioactivity is required before the disease becomes manifest. The uranium industry is a young industry. The data has been collected only since 1950. The peak incidence of lung cancer that could be expected from such exposure has not yet been reached. However, we have already seen, Mr. Speaker, a death rate from lung cancer of 5 to 10 times the expected rate among these uranium miners.

Mr. Speaker, I believe that there is ample evidence to justify a system of inspection by the Federal Bureau of Mines, if not a system of thorough and tight safety regulation.

However, Mr. Speaker, I must confess that our hearings also demonstrated that the data with regard to this matter was not complete; that there was some dispute with regard to the factual information and with regard to the causes of these health hazards, and the need for inspections. For that reason, Mr. Speaker, the subcommittee in its deliberations, in an action accepted by the full committee, amended the bill which I introduced calling for a system of Federal inspection of this type of mining, and substituted H.R. 8341, a clean bill, which provides for a study to be conducted by the Secretary of the Interior.

The study is designed to determine the causes of injuries and health hazards in these mines; the relative effectiveness of voluntary versus mandatory reporting of accident statistics; the relative contribution to safety of inspection programs embodying right-of-entry only and right-of-entry plus enforcement authority; the effectiveness of health and safety education and training; the magnitude of effort and cost of each of these possible phases of an effective safety program for metal and nonmetallic mines; and the scope and adequacy of State mine-safety laws applicable to such mines, and the enforcement of such laws.

I urge the adoption of H.R. 8341.

Mr. KEARNS. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Michigan. I gladly yield to my colleague from Pennsylvania, the ranking minority member of the committee.

Mr. KEARNS. Mr. Speaker, we were very proud to report this bill out of committee for the gentleman from Michigan [Mr. O'HARA]. There was nothing stipulated there as to the amount of money to go to the Department of Interior; is that correct?

Mr. O'HARA of Michigan. I now have those figures and I should be happy to give them to the gentleman.

Mr. KEARNS. This is purely a study program, is that right?

Mr. O'HARA of Michigan. That is correct.

Mr. KEARNS. I thank the gentleman.

Mr. HIESTAND. Mr. Speaker, this is quite unlike the bill originally introduced. It has the complete approval of the Department of the Interior. It has had thorough hearings. We have had minority members present at all hearings and, so far as I can determine, there is no opposition to the bill on this side.

Mr. ZELENKO. Mr. Speaker, I yield 3 minutes to the gentleman from Montana [Mr. OLSEN].

Mr. OLSEN. Mr. Speaker, I wish to associate myself with the remarks of the author of the bill, the gentleman from Michigan [Mr. O'HARA]. I wish to compliment him on this legislation. There are health hazards in the mines of the country. There are miners who are suffering from health hazards, that come upon them during their honest employment, such as silicosis and other dust diseases. Therefore there is real merit to a study whereby industry and the States and the Federal Government can and should attack this health problem together.

I sincerely hope that the House will adopt this legislation.

The SPEAKER pro tempore. The question is, Will the House suspend the rules and pass the bill H.R. 8341.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

WHEAT MARKETING QUOTA LAWS AND REGULATIONS

Mr. BREEDING. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. BREEDING. Mr. Speaker, the recently enacted Agricultural Act of 1961 provides, among other things, an emergency 1-year wheat program for the 1962 crop year. The language in this act unintentionally creates a situation which is unfair to a great many of our commercial wheatgrowers.

In a large part of the high-risk area, where crop losses are frequent, it has been customary, in accordance with the provisions of the wheat marketing quota laws and regulations, for some producers to overseed their allotment in some years to build up a reserve which would be available to sell in case of crop failure. In past years the Congress has recognized this practice, and repeatedly has provided specific language in the law to allow this practice.

This stored wheat could be sold into the market without penalty only in case the production from the allotted acres was less than normal. Thus, a farmer was assured an income even in case of crop failure, and our mills were assured an adequate supply of wheat.

When the recent act was passed, it was the intention of our committee, and I am sure of the entire Congress to continue this practice unchanged. Unfortunately, in drafting the bill, the language which was used results in a serious inequity for these producers.

It was our intention to prevent the acres for which payment is made to be considered as diverted acreage for purposes of releasing stored excess. This is fair, and as it should be. Inadvertently, however, we went further than we intended, with the result that the production from the allotted acres must be reduced by twice the normal yield on the first 10 percent of the acres diverted. This is in effect a double penalty on these producers.

This comes about because of the technical method by which the amount of underproduction is determined. The law provides that the amount of stored excess which may be withdrawn and sold into the market is the amount by which the actual production or the allotted acres is less than the normal production on the allotted acres. In order to prevent the retired acres from being used in determining the normal production for the farm, a provision was included which specifies that in determining the actual production for the farm, the normal yield of the diverted acres shall be deemed to be the actual production.

This provision is equitable when applied to the voluntary 30-percent reduction authorized in the bill. It is not equitable, however, when applied to the first 10-percent reduction, because the allotment on which the normal production of the farm is based has already been reduced by this 10 percent.

The bill which I have introduced will correct this inequity, and permit a wheat producer to withdraw from his stored excess the amount by which he fails to make his normal production on the reduced allotment, less the acres voluntarily retired below the allotment, as we originally intended.

WILLIAM V. SHANNON'S RETIREMENT

Mr. RYAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include a newspaper column.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN. Mr. Speaker, I ask unanimous consent to insert in the RECORD the following column by William V. Shannon, which appeared in the New York Post on Sunday August 6. In Mr. Shannon's retirement—happily only temporary—the readers of the Post will be deprived of an extraordinary powerful and convincing summary of day by day events as they occur here in the Nation's Capital. Since the first issue of his reports in April 1951, first as correspondent, later as columnist, the lucidity of his style, the breadth and range of his reporting, the vividness with which he describes the swiftly moving times constitute a liberal education, and one to which I, among many other admirers, am glad to have been exposed. Mr. Shannon recalls that on the evening of the second day after he went to work for the Post here, President Truman removed General MacArthur, and from then on in the decade which followed he covered and commented on one historic event after another.

In this column titled "Au Revoir," Mr. Shannon tells us of the activities to which he will devote himself during the coming year. I am sure that my colleagues in the House will join with me and his readers everywhere in bidding him "Godspeed," holding him at the same time to his promise that it is to be merely "au revoir" and not "goodby":

AU REVOIR

(By William V. Shannon)

WASHINGTON.—This is the last column I shall write for more than a year. About the time this edition of the Post hits the streets in New York, I shall be getting married here in Washington. After a wedding trip to the West Indies, I shall take a year's leave of absence to join the Center for the Study of Democratic Institutions in Santa Barbara, Calif., where I shall be a consultant on the American character project.

I shall forbear from inflicting upon you any of my reflections on the institution of marriage, to which, in the view of most of my friends, I am a most tardy recruit. But some comments on the job I am temporarily leaving and the one to which I am going do not seem out of order.

I have been on the Post 10½ years, the first 6 as a reporter and the past 4 as a columnist. I went to work in April 1951, on a Monday. That Tuesday night President Truman fired General MacArthur. Covering the MacArthur hearings does not exactly qualify me as the successor to Richard Harding Davis, but I think I can lay claim to as exciting a debut as any political writer could desire. The Truman-MacArthur controversy was politics in its best sense: the antagonists were men of stature and interest, the issues urgent and fundamental, and the ramifications wide and deep. That profound quarrel over foreign policy methods and objectives ranked in importance with the debates on the League of Nations in 1919–20 and on neutrality and intervention in 1930–40. I shall always be grateful I had a front row seat when this history was being made.

The most enjoyable story I covered was the 1952 presidential campaign. I traveled with Adlai Stevenson without a break from the day he was nominated in July to the day he was defeated in November. That first Stevenson campaign had a moral unity and an esthetic integrity that few human experiences of any kind have. Stevenson throughout those 3½ months was never untrue to himself, never said a mean or vindictive word, and tried to make each speech a civilizing, educating, uplifting act. When one thinks of most political campaigns, with their mechanical ranting, tedious, make-believe differences of opinion, and intellectual disorder, Stevenson's performance 9 years ago remains a shining memory.

Stevenson's campaign ended in defeat, but the mere fact of victory or defeat is not always and at all times the most important fact, in politics or in anything else. If our two-party system is to work, the parties must take turns in power. No party in a healthy democracy can or should win every election. What matters is not whether a candidate wins or loses but whether he contributes anything to the dialogue by which our people gradually amass their common wisdom and, hopefully, go forward. Adlai Stevenson in defeat did more to contribute to our understanding of ourselves and the world in which we live than have many victors. That is justification enough.

What was the most deeply moving emotional experience in these 10 years of writing and reporting? The answer is easy. It was covering the young Negro students as they staged their sit-ins across the South in the spring of 1960. The gallantry and idealism of these students made me proud to be an American. The race problem is not a national burden; it is a deep human challenge and a source of moral inspiration. Without the Negroes and their struggle for equality with whites, our common life would be a much poorer thing.

I am proud to have played at least a small part in these past 10 years in blocking the respective careers of Joseph McCarthy and Richard Nixon. These may seem like negative accomplishments, and so they are. I would like to think that much that I have written has also affirmed positive values, helped clarify some complex issues, and occasionally contributed the relief of humor. But, basically, one has to cope with the situation in which one finds oneself and, for most of the past decade, it has been an age of suspicion, a time of retreat from civil liberties, a negative period of political reaction, moral torpor and gross materialism.

As for the work on which I shall spend the coming year, I can best describe it by quoting Dr. Robert Hutchins, president of the Fund for the Republic. In announcing the American character project a few months ago, he said:

"There are signs that the moral character of American society is changing. Why have

we placed reliance for our national safety on weapons of mass destruction?

"Why do we have television scandals and startling exposés about police force corruption? Should we be alarmed by the difference between the behavior of Airman Powers in Moscow and Nathan Hale?

"What is needed is an examination of the intellectual commitments out of which many moral attitudes arise. * * * We want to start a dialog between spokesmen of various viewpoints on what the good life should be in modern America."

I shall be working on the political aspects of this problem, that is, ethical problems in politics and power.

I cannot say even this temporary farewell in this space without expressing my gratitude to my readers, to Joe Rabinovich and others on the desk who have edited my copy, and to Dorothy Schiff, the publisher, and James Wechsler, the editor, of the Post, who have not only printed this column even when they occasionally disagreed with it but have actually encouraged controversy and dissent.

MINIMAL LEGISLATION NECESSARY TO HALT DESTRUCTION OF SMALL BUSINESSES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, I requested this special order today to discuss two bills—H.R. 127 and H.R. 1817—which were introduced by me at this session for the purpose of slowing down or stopping, if possible, the constantly accelerated trend toward monopoly and the destruction of small business and small communities. Identical bills have been introduced by many of our colleagues.

For many years, the monopolistic giants of this country have been growing stronger by fattening themselves upon the carcasses of the little, independent businessmen who were their competitors and stood in the path of their economic oligarchy. As the small businesses are destroyed, the small communities of America are bound to disappear with them, resulting not only in the elimination of competition, but also in a complete change in the picture of America as we know it. The concentration of absentee ownership in the big cities and the disappearance of small towns and rural life in our country will inevitably cause changes in every phase of the lives of all Americans.

Mr. Khrushchev has said that the greatest obstacle to the spread of communism in America is the ownership of its businesses by so many independent little people. While I certainly cannot agree with many things that Mr. Khrushchev says, I believe that he is entirely right on this score. To preserve the incentive and the ambition toward success which have created this Nation, as well as the independence for which we have fought on so many occasions, it is absolutely necessary that the small business community be protected and assisted in every possible way. Present State laws are inadequate to accomplish this purpose and only Federal legislation can now protect the little man from extinction. In my opinion, the two bills mentioned above constitute the irreducible minimum of legislative assistance which is desperately required by small business today.

I testified this morning before the Interstate and Foreign Commerce Committee in support of the proposed legislation and would like to read and will read at this point the statement which I made before that committee:

STATEMENT OF REPRESENTATIVE WRIGHT PATMAN BEFORE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, U.S. HOUSE OF REPRESENTATIVES, IN SUPPORT OF H.R. 127 AND H.R. 1817

INTRODUCTION

Mr. Chairman, I appreciate this opportunity to appear before this committee in behalf of H.R. 127, H.R. 1817, and companion bills which have been introduced by other Members of the House.

I introduced H.R. 127 on January 3, 1961, and H.R. 1817 on January 4, 1961. A number of our colleagues have introduced bills which are identical to these. Other colleagues have introduced quite similar bills.

H.R. 127 provides for the amendment of the Federal Trade Commission Act, and therefore was referred to the Committee on Interstate and Foreign Commerce for consideration. A more comprehensive bill, H.R. 10235, which contained a similiar provision, was introduced by me in the 86th Congress. This committee held hearings on that bill on June 16 and 17, 1960.

H.R. 127

OBJECTIVES OF THE BILL

The objectives of the bill are to prohibit, by Federal law, certain discriminations in price, which also involve sales at unreasonably low prices, including those at levels below cost. These objectives would be accomplished by adding a section to the Federal Trade Commission Act.

LEGISLATIVE PROPOSAL IS BACKED BY RECOMMENDATIONS

The House Small Business Committee, in its final report to the 86th Congress, House Report No. 2235, at page 167, made a strong recommendation that the Federal Trade Commission Act be amended to provide that sales at unreasonable low prices be declared an unfair act or practice.

The U.S. Department of Justice quite recently recognized need for action in curbing predatory pricing practices, which destroy small business firms. Its recommendation and the action it took were in the general public interest and in the interest of small business particularly. For example, on May 22, 1961, the Department filed consent decrees in several cases arising out of the now famous criminal actions, in which certain big electrical firms were convicted of violating our Federal antitrust laws. In filing these consent decrees in the several cases, the Department of Justice insisted upon the inclusion of a provision which would prohibit sales "at reasonably low prices, with the purpose or intent, or where the effect is, or where there is a reasonable probability that the effect will be, substantially to injure, suppress or stifle competition or tend to create a monopoly."

Many House Members have expressed interest in legislative proposals to prevent sales at prices below cost. They have done that because small business firms are continuing to complain to us about this practice of making sales at prices below cost.

REASONS FOR BILL

On June 13, 1961, we received a vigorous complaint about sales below cost from a very responsible business firm. In conclusion, the head of that firm stated:

I believe reasonable selling at retail has gone by the boards. Either an item is given away or the charge is very excessive.

The practice of making sales at prices below cost was dramatically brought to light during the course of the hearings before the Special Subcommittee on Small Business Problems in the Dairy Industry, under the chairmanship of the Honorable TOM STEED, and in hearings before Subcommittee No. 5 on Small Business Problems in the Food Industry, under the chairmanship of the Honorable JAMES ROOSEVELT. It will be recalled that, during these hearings, one witness after another, as officials of big business firms, admitted using the great resources of their companies in making sales at prices below cost to the detriment of small business.

The practice continues unabated with devastating effects. Subsequent to the conclusion of the hearings before the House Small Business Committee's Special Subcommittee on Dairy Problems, we received information that the large firms are continuing to make sales at prices below cost to eliminate small business firms. On May 14, 1960, a representative of small business complained to Members of the House that the National Dairy Products Corp.—Sealtest—was selling dairy products in Kentucky at unreasonably low prices, and in that connection stated:

The unreasonably low price at which these products are being sold would seem to be for the sole purpose of destroying competition, especially independent dairies such as ourselves. This can be very easily done by a large national concern such as Sealtest which operates in many different geographical localities and is able to finance and subsidize a price war against small dairies that sell in competition.

By using these unfair competitive practices, they would, in effect, force us out of business within 30 to 60 days. Therefore, the urgency for action is of the utmost importance. We ask that you help us eliminate these unfair practices as quickly as possible by contacting Senator LYNDON JOHNSON, of Texas, and asking him to supply this information to Congressman WRIGHT PATMAN.

These charges by representatives of small firms are similar to complaints received from representatives of other small concerns doing business in other parts of the country. In some of the areas where the nationwide distributors have gained monopoly control of prices, the public is, of course, paying higher prices than those which prevailed before competition was eliminated. Therefore, it should be emphasized that the proposals we are making for legislation have as their principal objective the maintenance of competition and reasonable

prices. Only through preservation of competition can the public be assured of low prices. Prices representing sales made at levels below cost necessarily provide the public only with temporary advantages. These, in turn, are paid for by other members of the public in other areas at the same time or by the same members of the public at other times. It is for that and other reasons that we favor legislation which would prohibit sales at prices below cost.

We are against that monopolistic practice because it leads to monopoly-controlled prices at high levels. In other words, by fighting for legislation which would prohibit sales at prices below cost, we are fighting against the high prices which are the inevitable result of monopoly control.

BUSINESS PETITIONS FOR ACTION

On July 18, 1961, representatives of several hundred thousand persons and of many thousands of small business firms, conferred with the President of the United States at the White House and petitioned for early favorable consideration of legislation designed to help small business.

Specifically, the President was urged to support legislative proposals which would curb predatory pricing practices destructive of small business, and other legislation which would empower the Federal Trade Commission to issue temporary cease and desist orders pending completion of litigation, when required to protect public interest.

In introducing these parties to the President, I expressed to him my view that these representatives of small business firms have a just cause and that the problems they wished to discuss call for serious consideration. I pointed out that this Nation is experiencing an economic crisis. Small towns, including the family-sized farms and small businesses, representing the backbone of our country, are being crushed. This situation is graphically illustrated by the sharp population drop in small towns and rural areas.

Local business is being threatened with destruction in many lines of activity carried on in the traditionally private enterprise way by local people. Local ownership is being replaced by absentee-owned businesses. The great American dream to own and operate independent businesses is evaporating. We are becoming more and more a Nation of employees of the giant corporations remotely controlled.

Because of the decrease in small businesses, opportunities for people past 35 or 40 years of age to obtain jobs are less favorable and, in some areas, absolutely impossible. New small business opportunities for local people are no longer available as in the past. Decisions affecting local business are made in distant cities. Net profits made by absentee-owned businesses are taken out of the local communities, seriously hampering civic development. At the same time, local banks are not the depositories of locally produced profits, which would provide reserves for expansion of many times the amount in credit which could be provided to local citizens for developing new businesses. This is causing community life and community spirit to deteriorate, particularly in smaller cities and towns. As people are forced to go to the large cities, they place a tremendous burden on community services, such as hospitalization and education, with the consequence that greater and greater public assistance is required.

Looking into the foreseeable future, it is not in the interest of this Nation for the small towns, small businesses—including small banks—and small farmers to be destroyed. The big cities cannot carry the burdens and responsibilities that will be imposed by such concentrated populations. Many of them will be forced into a bankrupt position. The young men and women of the future are entitled to better opportunities.

America's greatest bulwark against communism has always been the strength of its small businesses and small towns. The Communists recognize this. They are aware that they cannot get even a small foothold in our country so long as so many of our people operate and own businesses in the private enterprise way, and own their own homes and farms. Small business is one of the greatest bastions of strength against communism.

Our New Frontier does not lie in the development of bigger and bigger cities and the concentration of more wealth into the hands of fewer and fewer giant businesses. To succeed, and to save the America we know, our New Frontier must encourage and promote privately owned businesses, locally owned business, and moneymaking opportunities for people locally, ownership of farms by small farmers, and the protection of the small towns and rural life of America.

The great insight of the President into these serious economic problems is widely recognized by all Americans, and his continuing efforts and cooperation in bettering the situation of small business are deeply appreciated by all of us who know what has made America the greatest of all nations.

PRESENT LAW IS INADEQUATE

The Supreme Court of the United States, on January 20, 1958, by a 5-to-4 decision, held that section 3 of the Robinson-Patman Act is not a part of the Federal antitrust laws and therefore is not available for proceedings by persons injured as a result of actions forbidden by the antitrust laws. The Court so held in the cases of *Nashville Milk Company* v. *Carnation Company* and *Safeway Stores, Inc.* v. *Vance* (355 U.S. 373 and 389). The ruling by the Court in these cases means that, under existing law, small and independent business concerns are not permitted to use section 3 of the Robinson-Patman Act in proceedings against unlawful selling at unreasonably low prices—even though those practices result in the creation of monopoly.

Section 3 of the Robinson-Patman Act, as approved June 19, 1936, was authored by Senators Borah and Van Nuys. It became an amendment to the bills introduced by me and Senator Robinson. I did not discuss with Senators Borah and Van Nuys whether it was their intention to have their amendment apply as an amendment to the Federal antitrust laws. However, I have made it clear on more than one occasion that the definition of antitrust laws, as set forth in section 1 of the Clayton Act, should be amended so that there would be no question about section 3 of the Robinson-Patman Act being considered as a part of the antitrust laws. Indeed, on January 23, 1958, 3 days following the 5-to-4 decision by the Supreme Court in the cases to which I have referred, I introduced H.R. 10243, 85th Congress, to accomplish that objective. On the same day, Senator SPARKMAN, chairman, Select Committee on Small Business, U.S. Senate, introduced a companion bill. These bills were referred to the Committees on the Judiciary, as are all proposed amendments to the antitrust laws, but no action was taken. Therefore, at the opening of the 86th Congress we reintroduced bills for the same purpose. In the House, my bill was H.R. 212. The Judiciary Committee did not consider it. At the opening of the 87th Congress I introduced H.R. 125. It likewise was referred to the Judiciary Committee, but no action has been taken on it.

At the Federal level, what can be expected under existing provisions of other laws to help protect small business firms from the ravages and the devastation visited upon them as a result of these predatory pricing practices of large, multiple-market operators in selecting first one area and then another in which to sell at prices below cost until all competition in each of such areas is eliminated? At one time there was hope that section 5 of the Federal Trade Commission Act could be relied upon for help in that respect. However, largely, because a Federal court in 1919, in the case of *Sears, Roebuck & Co.* v. *Federal Trade Commission* (258 Fed. 307), held that section 5 of the Federal Trade Commission Act was not applicable to sales at prices below cost, the Federal Trade Commission has since been reluctant to attack the practice unless it was shown to be coupled with an intent to destroy competition. In other words, the Commission now considers that the application of that law to predatory pricing practices would require a standard of proof equivalent to a showing of criminal intent to destroy competition. The Commission and the Department of Justice do not consider that, under the existing law, they are empowered to proceed against the practice of selling at prices below cost simply upon a showing that the effects and results are substantial lessening of competition and tendency to create monopoly.

The States have tried to deal with this problem; many of the States have enacted legislation to combat this practice of selling at prices below cost. The courts have upheld the State laws, but, due to the fact that the law of any State does not reach beyond the State line, it can have no application to transactions in interstate commerce. The need for Federal legislation on the subject to fill this void is most obvious.

This does not mean that a majority of our States have not tried to do their best to meet this problem. More than

30 of the States have laws on this subject. In only two or three States have the statutes been found to contain defects sufficient for the courts to hold them invalid. Those in the other States which have been upheld have been applied in a number of intrastate instances. State officials understand the need for effective action to meet this problem. For example, in 1958, the Legislature of the State of Louisiana, in the preamble of a statute against sales at prices below cost, stated:

Whereas it is the intent of the legislature to prevent the economic destruction of many dairy farmers, dairy plants, ice cream dealers, and resale merchants as a result of discriminatory trade practices by certain business organizations financially strong enough to sell below their own costs for an extended period of time, which presents a situation detrimental to the health, welfare, and economy of the people of this State.

The Legislature of Oklahoma, in passing a similar statute, included the following statement:

Legislative intent: The practice being conducted by many dairy processing, wholesaling, and distributing plants in Oklahoma, in the subsidization of retail dealers, through secret discounts, and the furnishing of equipment, is forcing numerous dairy plants out of business, and is a practice which adversely affects the stable economy of Oklahoma. Such practice tends to reduce the price paid to the dairy producers, increase the price paid by the consumer, and is detrimental to welfare of the State.

Early this year, the Supreme Court of the State of Colorado rejected the contention that the Colorado law prohibiting sales at prices below cost was unconstitutional. It held that the terms "cost" and "cost of doing business," are not so indefinite and uncertain, within the meaning of the appropriate rule, as to provide no basis for the adjudication of rights.

On April 14, 1960, in a release from the office of Gov. Foster Furcolo, Statehouse, Boston, Mass., with reference to a decision made at that time by the Supreme Judicial Court of Massachusetts, questioning and invalidating the powers of the Massachusetts Milk Control Commission to absolutely "fix" the prices at which dairy products are to be sold, made the following statement:

The question of the milk control commission's powers has been somewhat clarified, but we cannot sit by and see ruinous price wars destroy the milk dealers, if such price wars are caused by unethical sales below cost. Such price wars inevitably result in monopolies and exorbitant prices to consumers. This has been well established by the Congressional Small Business Subcommittee. We have always maintained that the proper way to end price wars is by proper law enforcement.

Wisconsin's State attorney general, John W. Reynolds, in referring to criminal actions brought by his State, under its own law, against three large multiunit dairy processors, commented as follows:

There are many who feel that unless the illegal practices of some multiunit dairies can be stopped, most, if not all, of the independent dairies in Wisconsin will eventually be forced to sell out.

Communities which lose their independent dairies end up paying higher prices for milk. Jobs are lost, taxes are lost and the right and power to make decisions which affect the welfare of that community are transferred to the distant centers where the capital of that industry is controlled.

Thus, we are informed by responsible officials who are members of legislatures, the chief legal officers, and high executives of our State governments, that legislation against the practice of selling at prices below cost is in the public interest. They point out that legislation preventing sales at prices below cost can serve producers, small business firms, and consumers through the preservation of our private competitive enterprise system.

H.R. 1617

THE BILL TO EMPOWER THE FTC TO ENTER TEMPORARY CEASE AND DESIST ORDERS

This bill would amend the Federal Trade Commission Act and empower the Commission to enter temporary cease and desist orders in cases in which it would be in the public interest to do so. Quite a number of our colleagues have introduced identical bills, including the Honorable TOM STEED, who introduced H.R. 1233. Others who introduced identical bills include Mr. EVINS, Mr. ROOSEVELT, and Mr. MULTER, all members of the Small Business Committee. Similar bills have been introduced by the gentleman from Colorado [Mr. ROGERS], and a number of other Members of the House. These bills have strong bipartisan support in both the Congress and the executive branch of the Government.

THE NEED FOR THE LEGISLATION

Much has been said and written about the backlogs and delays which have occurred in the work of our Federal regulatory agencies and commissions. The President of the United States received a report on that subject on December 15, 1960, in which it was stated:

Inordinate delay characterizes the disposition of adjudicatory proceedings before substantially all of our regulatory agencies.

The Federal Trade Commission was singled out as an agency where the problem was particularly acute and efforts to expeditiously dispose of work were frustrated. On March 21, 1961, a report was made to me by the Federal Trade Commission which disclosed how serious this problem had become at that agency. I placed that statement in the RECORD on March 22, at pages 4611–4612. That report showed that a large number of the cases in which small business was vitally interested had been pending, without decision, at the Federal Trade Commission for periods ranging from 6 to 10 years. Many of these complaints were directed against practices which were obviously destroying small business concerns.

The respondents, who were engaging in the alleged unfair trade practices, with batteries of highly skilled lawyers and seemingly unlimited resources, have, heretofore, been able to employ numerous technical dilatory tactics to prolong the proceedings instituted by the Commission, all the while the little man is being strangled, without relief. In addition to the ability of large offenders to delay final action in such cases, the Federal Trade Commission has always been hampered by a lack of personnel adequate to cope with the many thousands of complaints which are filed with it. In other words, although the Commission has probably endeavored to expedite proceedings, within the framework of its statutory powers, it has never been able to provide small business complainants with the immediate relief which is necessary to stop the practices which are destroying them while the litigation is pending, rather than after the questions involved have long since become moot because of the annihilation of the little fellow or the consummation of proposed objectionable mergers and other plans. It is my carefully considered and positive opinion that the only action which would provide adequate and practical relief for a small businessman being strangled by unfair practices within the jurisdiction of the Commission would be the issuance of temporary cease and desist orders, upon a proper showing, at the outset of the litigation. The Congress has already seen fit to give the Commission the power to issue permanent injunctions against objectionable practices; and it is my firm belief that, if it can be trusted to issue final orders of restraint, it is certainly equally qualified to order temporary injunctions in instances in which prima facie cases of violations are shown.

CONCLUSION

We on the Small Business Committee are constantly receiving very distressing appeals from representatives of all types of small business firms, pleading for the enactment of this remedial legislation. In most instances, these pleas describe the pitiful plight of small business concerns struggling to survive against the predatory practices which cannot now be enjoined by the Federal Trade Commission, so as to preserve the little man pending decisions on the merits of the complaints. With your permission, I would like to include in the record at this point a number of communications received by me relating to this problem, with the same effect as if I had read them to you during my appearance here today:

EDWARDSVILLE CREAMERY CO.,
Edwardsville, Ill., July 31, 1961.

Hon. WRIGHT PATMAN,
Chairman, Select Committee on Small Business, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN PATMAN: The National Independent Dairies Association executive vice president, D.C. Daniel, has requested that the following information be furnished to you:

1. In our immediate sales area the following independent dairies are no longer in business:

(a) Community Dairy, Alton, Ill., sold out about 5 years ago at Prairie Farms Creamery, Carlinville, Ill., a farmer-owned cooperative.

(b) Walnut Grove Dairy, Alton, Ill., sold out in 1960 to Prairie Farms Creamery, Carlinville, Ill.

(c) Granite City Dairy, Granite City, Ill., sold out to Massey Dairy, Inc., Granite City, Ill., about 1959.

(d) Massey Dairy, Inc., Granite City, Ill., quit business in 1961.

Six years ago there were ten operating dairies in this area. Now there are only six.

2. I don't know the number of independent dairies presently in business in Illinois but

in my judgment at least 35 percent of those in business 10 years ago have been forced out of business.

3. The unfair trade practices which have been chiefly responsible for the liquidation of these businesses are predatory pricing arrangements at lower prices in Illinois than they have in Missouri by St. Louis-based dairies.

4. Our own business has been hurt through loss of profits by these predatory pricing practices. Our sales volume has not been reduced in number of units sold but our dollar sales amount is lower than it should be because in many cases we have had to reduce our prices to meet those of our out-of-State competitors.

At the present time the major St. Louis dairies sell one-half gallons of milk in St. Louis for 37 cents delivered to retail stores while just across the Mississippi River in East St. Louis and Belleville, Ill., these same dairies have set a price of 32¾ cents for the same product which they have continuously maintained. This amounts to 11½ percent below their St. Louis price.

5. We hope to continue in business with the help of our nonfluid milk operations. I don't believe that a dairy business could continue to operate in this area with only the processing of fluid milk products.

It is my sincere hope that your committee can help all independent business. We do not ask for special privileges but we do ask for elimination of unfair trade practices by the large dairy companies and by the small ones, too.

Yours very truly,

CLYDE W. FRUIT.

PASCHAL'S DAIRY,
Enterprise, Ala., August 1, 1961.

Hon. WRIGHT PATMAN,
Chairman, Select Committee on Small Business, U.S. House of Representatives, Washington, D.C.

DEAR MR. PATMAN: As to the information requested by Mr. D. C. Daniel about unfair trade practices in the milk industry, I am listing a few of the things that confront us from day to day. Since Foremost is our keenest competition I will confine my accusations toward them.

1. Buying accounts with refrigeration.

2. Giving rebates.

3. Bribing accounts: One instance—purchasing two pair of trousers for a customer, stating that it was in appreciation of the business from his store.

4. Buying space in cooler: In one chainstore we were the only one putting milk in. Foremost came along and promised to pay rental on space.

5. On school accounts they offer a percentage back to the lunchrooms. In this way, the lunchrooms can save enough to buy a big piece of equipment in a year. (One lunchroom in my area bought a deep freeze.)

V. W. PASCHAL.

CREAM CREST,
Greenville, Mich., August 8, 1961.

Hon. WRIGHT PATMAN,
Chairman, Select Committee on Small Business, U.S. House of Representatives, Washington, D.C.

DEAR MR. PATMAN: At the request of "Scotty" Daniels, NIDA, I am writing to you to show how unfair competitive trade practices have resulted in the plight of the small independent dairies in Michigan during the last 10 years.

There are only four independent dairies left within a radius of 25 miles of Greenville. The following dairies have gone out of business:

1. Dunsmore Dairy, Ionia, Pete Collins sold out to Joppes' Dairy, Grand Rapids, Pete Joppes about 1948.

2. Yeoman Dairy, Ionia, John Peterson, sold out to Ed Tupper, distributor of Joppe products, about 1957.

3. Johnson Dairy, Belding, Ira Johnson, sold out to George Babcock, distributor for Sealtest, about 1952.

4. Bird Dairy, Belding, William Bird, sold out to Blanding Milk Co., Emory Blanding, in 1958.

5. Blanding Dairy, Stanton, Milton Blanding to Blanding Milk Co., Emory Blanding, about 1955.

6. Blanding Milk Co., Greenville, Emory Blanding sold out to me, Cream Crest Dairy in 1960.

7. Hough Dairy, Cedar Springs, discontinued operation to handle Sealtest products about 1952.

8. Zimmerman Dairy, Cedar Springs, discontinued operation in 1955 to handle Borden's products.

9. Rush Dairy, Sheridan, Ed Rush, discontinued operation.

In almost all cases these dairies have been forced out of business for the following reasons:

1. Territorial price discrimination—chain dairies operating over a wide area selling below costs in certain areas.

2. Supermarkets using milk and ice cream as "loss leaders."

The only thing that will make it possible for the local independent dairy to cope with these inequities is adequate enforcement of the Robinson-Patman Act on the State level (such as the recent Wisconsin law), as well as on the national level.

In the Upper Peninsula of Michigan, there are only a handful of independent dairies left. Fairmont Food's territorial price discrimination in 1958 has eliminated most of the dairies in the Escanaba area (p. 55 of the report on the "Small Business Problems in the Dairy Industry," dated Dec. 22, 1960).

The same thing is happening in our area:

1. Sealtest plant in Lansing selling to its distributor in our area at as much as 6 cents a half gallon below cost.

2. Borden furnishing the Kroger store in Greenville for 30 cents a half gallon, while selling at the normal price in the Detroit area. (See Brooks Robertson's report.)

During the last 8 months we have been continuously faced with stores selling one-half gallon for 33 cents. (See enclosed clippings.) In trying to meet this competition we have suffered fantastic losses. (See enclosed statement.) Our volume has been reduced by 33⅓ percent. We have no hope of survival if these unfair trade practices continue.

Sincerely,

ROBERT M. HOOK.

AUGUST 1, 1961.

Hon. WRIGHT PATMAN,
Chairman, Select Committee on Small Business, U.S. House of Representatives, Washington, D.C.

DEAR MR. PATMAN: Our firm, Harmony Farms, Inc., was consolidated 8 years ago and is made up of four local privately owned dairies. This consolidation was formed in an effort to stay independent and combat certain market conditions.

In the past years, Hamilton Milk Co., Moores & Ross, and the Furnace Co. sold to Borden Co. Less than 5 years ago the Richer Dairy and Fairmont Creamery sold to the Bowman Co. The McClish Dairy sold to Pestel. Young's Dairy and Derrilick Dairy sold out to Westerville Creamery some 5 years ago—then Pestel Milk Co. also sold to Westerville 3 years ago. Now as of July 1, 1961, the Westerville Creamery Co. sold to Beatrice Foods.

These final transactions were sellouts to national dairies, leaving the marketing area with four local independent-owned dairies representing approximately 22 percent of the volume. Two of these four dairies represent 18 percent of this total.

Approximately 78 percent of the fluid milk in Franklin County, Columbus, Ohio, is sold by Borden's, Bowman, and Beatrice Foods. Approximately 90 percent of all ice cream is sold by the National Dairies. In addition, Kroger and the Lawson Co. (Consolidated Goods) process their own dairy products in this area.

Our firm has been active in supporting State legislation to curb certain unfair trade practices. The use of the "fat billfold" for unsecured financial loans (many as high as $20,000, $30,000, or $45,000 to a single account) is the greatest single factor which eliminates our firm from competing for new business and often causes us to lose our present accounts. In 1958, 1959, and 1960 the Borden and Bowman Cos. made over 300 loans to grocers and restaurant operators totaling more than $1,012,000 in Franklin County, Columbus, Ohio. (All of these are registered at Franklin County Courthouse.)

New processing and packaging techniques demand increased volume. However it is very difficult to obtain new volume when our competitors have the advantage of loaning unsecured money and many other uses of their financial strength. It is difficult to determine the exact volume of business lost due to the unfair trade practices, but the loan figures listed above indicates part of our problem.

During March 1961, the Federal Trade Commission investigated and recorded the loan figures listed above.

It seems inevitable that action from a Federal standpoint must be taken to eliminate selling below cost and the use of financial strength without the proper security.

Our firm sells approximately $3.5 million worth of dairy products a year. We still cannot make mass cash, unsecured loans nor can we survive extended profitless periods of operation.

Sincerely yours,

HARMONY FARMS ALL STAR DAIRY,
R. L. BAYNTON, *Secretary.*

BANQUET ICE CREAM & MILK CO.,
Indianapolis, Ind., August 2, 1961.

Subject: Milk industry in Indianapolis and Indiana.

Hon. WRIGHT PATMAN,
Chairman, Select Committee on Small Business, U.S. House of Representatives, Washington, D.C.

DEAR SIR: The State of Indiana, 10 years ago, had 359 licensed milk plants or processors and now 157 with no chain processors lost during this period of time. This information can be substantiated through Purdue University at Lafayette, Ind., who license all dealers in the State. The failures with the processors no doubt are made up of the following: Unable to meet the mighty competition; some inefficient operation; and other causes that can be obtained from the Dairy Division Economist, Purdue University.

In Indianapolis during the past 10 years, 8 milk processors have sold, 4 to independent and 4 to chain processors, leaving a total of 10 processors, with 2 large chains, Borden and Kroger, and 8 independents who are struggling along on account of the low, low prices with the supermarket food store chains and the financial aid and the assistance from the large chain milk processors. All of this keeps the dairy industry in a turmoil and certainly confuses the ultimate consumer, the public. In addition to the Indianapolis processors, we have Beatrice, National Dairies, Dean Milk Co., and Dairymen's Co-op, coming to this city.

We firmly believe that with some of the ridiculous prices, even giving dairy products away, published in our local papers and mailers sent direct to the home, that the main purpose of all of this is to drive the independents entirely out of business. Now we do not want to leave the impression that the independents do not try to meet some

of the unfair trade practices, but unfortunately they cannot last long on account of their limited financial position in comparison to the mighty chain milk processors and chain food stores.

Several years ago we anticipated the future growth of the population in Indianapolis and the metropolitan area and started to modernize, gearing our dairy plant for anticipated growth of the community which would naturally mean an increase in sales of all dairy products. This area has had a 30-percent consumer growth in the past 10 years and a goodly number of the 30 percent are great milk drinkers—the children. Instead of increasing with the population after our modernization plan dating back to at least 1956, we have had a loss in sales due entirely to the football practices of selling milk and ice cream below cost, giving merchandise away, special discounts and most any kind of sales practices that disrupt ethical marketing, appearing to be the forerunner of a great monopoly in the dairy business by the mighty chain dairies and chain food stores. We independents cannot survive with conditions existing as they are today for any great length of time. The public as a whole is so price conscious and confused with the low, low prices of milk and other dairy products in reading the advertisements in the daily papers and the mailers they receive at home, that they think the legitimate dealer is taking undue advantage of them which we are not. Therefore, with the constant hammering of low, low prices, the per capita consumption has been greatly reduced. The final answer will be reduced consumption of farm dairy products, independent processors or small business gone by the wayside and the mighty chains will have full control with lower farm prices and higher consumer prices.

We cannot exist indefinitely under conditions as they are today.

Our purchases of milk are under Federal milk market order. We have had the Federal Trade examine our Indianapolis situation in addition to an informal hearing held by a representative from the Select Committee on Small Business. We are enclosing recent publications and be assured each week we get a new surprise in low, low dairy products prices, however, some do not advertise in the papers but sell close to our raw milk product cost.

We need some kind of rules for the game that everyone in the dairy industry can understand. We hope your good Committee on Small Business can obtain the necessary legislation to preserve the dairy industry, both large and small, be they interstate or intrastate. If the Government can regulate the price we pay to the farmer and bring us in under a Federal order which we do not object to, certainly there can be some ethical practices legislated to preserve the business that we have been trying to operate on a sound basis over a period of many years.

Sincerely yours,

H. T. PERRY,
Vice President.

Enclosures:

July 26, 27, 28, and 29, 1961: Haboush Super Market—Borden's milk, three half gallons for 99 cents.

July 15, 1961: Borden's milk given away at Standard Food Stores with a $10 purchase at the Southern Plaza only. They have many stores in Indianapolis.

July 26, 1961: Borden's milk given away with a $10 purchase at the Eagledale Shopping Center.

July 10 through 16, 1961: Borden's fresh milk 49 cents a gallon with a $5 purchase. This was mailed and takes in five of their stores, also note ice cream 59 cents a gallon with $5 purchase.

July 27, 1961: The Big Ten Markets—milk 69 cents per gallon.

July 27, 1961: Walt's Super Markets—Borden's sherberts 29 cents for a quart.

July 27, 1961: 7–11 Markets—Frazier's milk 59 cents per gallon.

July 27, 1961: Joe Guidone Arlington Super Markets—Maplehurst fresh milk—three half gallons for 99 cents.

July 27, 1961: Goodwin and Westfall Food Giant—Polk's milk—29 cents per half gallon with $5 purchase.

Kroger Co., Stop & Shop, Marsh Foodliners, and several other chains were quiet this past week, but come Thursday, August 3, 1961, there will be retaliation and at this time only the papers know the price.

AKRON, OHIO, *August 9, 1961.*

Hon. WRIGHT PATMAN,
Congressional Office Building,
Washington, D.C.

DEAR CONGRESSMAN: It gives me great pleasure to have you on our side of the fence in the struggle to try to keep the independent dairyman in this country in business.

I am enclosing a list of Ohio dairies that have gone out of business in the last 10 years, and I am sure that a considerable number of them have gone down the drain through the activities of the giants of the business in the price wars, sales below cost, large loans of money, free equipment, manipulations of buying the raw products, or even in union activities.

If you will trace the history of most milk companies, you will find that originally they had their beginning as a farmer who began bottling his own milk and distributing it into the cities, or as an ambitious young man who was engaged in selling milk for another company, starting out on his own with a horse and wagon or a single truck, and bottling his own milk which he bought from one or two farmers.

Today with Government regulations (Federal orders), big unions, health department regulations, and the small spread (profits) in a quart of milk, it would be impossible to start in the milk business.

I presume some people would argue that this is a good thing, but looking back over the years, this country has grown to its present position in the world by the ambition of the individual and not through regimentation or regulations that kept the individual from starting out to fulfill the ambition that he had.

Twenty-five years ago, we had 23 milk dealers in the city of Akron. Today we have seven and only three of those would be considered independent dairies. All the rest have been bought up or quit due to financial troubles and are no longer in business.

Incidentally, the disappearance of the independent dairies in Ohio is still going on and will probably continue to go on numerically, at a lower pace, but when you consider the great number that have already disappeared, the ones that are going out or are being bought out now are much larger and of more consequence as witness the recent acquisition by Beatrice Foods, of Westerville Creamery, Westerville, Ohio, which involved a $4 million deal.

In my estimation, there are three things now that will continue to take its toll of independent operators in the dairy business and they are sales below cost, the loaning of money, and the giving away or long-term financing deals of equipment to large buyers of dairy products.

I believe sincerely that if these three activities could be eliminated or when they appear, be brought to light through the FTC, and cease-and-desist orders be made immediately applicable to such activities, it would go a long way to stop the trend of the disappearance of the independent dairymen.

As a box score on the game of disappearances of independents: 724 independents 10 year ago, 389 independents in 1960, 18 have gone out so far in 1961.

(Figures from Agricultural Department, State of Ohio.)

I hope the above information will be of value to you in your efforts to correct a dismal outlook for the small businessmen.

Very truly yours,

REITER & BARTER, INC.,
HAROLD F. REITER.

OHIO DAIRIES THAT HAVE GONE OUT OF BUSINESS, 1950 TO 1961, INCLUSIVE

IN 1950

East End Dairy, Loveland.
Total for 1950: One.

IN 1951

East State Dairy, Alliance.
Jim Edmiston's Dairy, Findlay.
Elmhill Dairy, Inc., Dayton.
Gray & White Co., Defiance.
Hoover Creamery, Ada.
Total for 1951: Five.

IN 1952

Avon Dairy, Barberton.
Block Dairy Farms, Hamilton.
Brunner's Dairy, Alliance.
Dairy Service Co., Oberlin.
Meade Farnham & Sons, Edgerton.
Globe Dairy, Canton.
Griffey's Dairy, Conneaut.
Huntington Interstate Producers Association, Racine receiving plant, Gallipolis.
Ideal Dairy Co., Cleveland.
Davie Keller Dairy, Massillon.
Lake Shore Creamery, Geneva.
Long Stow Dairy, Stow.
Mayflower Dairy Co., Cleveland.
Meadowbrook Dairy, Cleveland.
Mechanicsburg Creamery, Mechanicsburg.
Nordick Dairies, Inc., Lima.
Orchard Grove Farm Dairy, Canton.
Page Dairy, Whitehouse.
Powell's Dairy, Steubenville.
Priest Dairy, Centerburg.
Purity Farm Dairy, North Olmstead.
Quality Dairy, Ashtabula.
Reed's Quality Dairy, Barnesville.
Russell Reight Dairy, Wellsville.
Ringold Dairy, Circleville.
Shelly's Dairy, Wooster.
George Sisco & Sons Dairy Farm, Niles.
Sunnyhill Dairy, Augusta.
Telling Ice Cream Co., Carrollton.[1]
Tower View Dairy, Mason.
Union Dairy Co., Steubenville.
White House Dairy Co., Cleveland.
Wiroma Goat Dairy, Massillon.
Wyler Bros., Inc., Northeast Canton.
Zeyer's Jersey Farm, Mount Pleasant.
Zink Bros. Dairy, Inc., Massillon.
Total for 1952: 36.

IN 1953

Steve Antonoff and Sons, Poland.
Frank Brog, Dillionvale.
F. W. Byers, Petersburg.
City Dairy, Montpelier.
Floyd Cook, Paulding.
Daniel's Dairy, Pandora.
Loyd Dearing, Jackson.
Glenn Evans, Stockport.
Albert J. Feldhaus, Reading.
J. H. Fielman Dairy Co., Cincinnati.
Gillespie Milk Products Corp., Cincinnati.
Gilpin Dairy, Sciotoville.
Grafton's Dairy, Steubenville.
Griffith Dairy, Hillsboro.
G. B. Grove & Sons, North Jackson.
Jones Dairy, Youngstown.
Lawrence B. Kelsey, Swanton.
Madara Creamery, Elyria.
Millcreek Dairy, Poland.
Model Dairy, Hicksville.
North Park Dairy, Newark.
C. E. Obrock, Cleveland.
Parker Dairy, East Palestine.

---

[1] National Dairy Co.

Pine Tree Dairy, Delta.
Quaker City Co-op. Creamery Co., Quaker City.
River Knoll Farms, Lafayette. PD.[2]
Rosenberger Dairy Products Co., Wellsville.
Walter Schumaker, Woodsville.
Shadyside Dairy Co., Parma.
Sunnydale Dairy, Bloomingdale.
Timmer Creamery Products, Inc., Tipp City.
Timmons Dairy, West Jefferson.
Tip Top Dairy, Cleveland.
Tisher's Dairy, East Liverpool.
Tri-County Dairy, Morrow.
Vale Edge—Kainrad Dairies, Inc., Ravenna.
Walker's Dairy, Shelby.
Witmerink Dairies, Cleveland.
Total for 1953: 38.

IN 1954

Avalon Dairy, Middletown.
Bay's Jersey Dairy, Cumberland.
Bennett Dairy Products, Inc., Lancaster.
Borden's, Columbus Grove.[1]
Borden's Cheese Co., Antwerp.[1]
Borden's Dairy Co., New Philadelphia.[1]
J. R. Brant, Columbus.
George Buxton, Warsaw.
Circle B Dairy, Jeromesville.
Frank L. Clever and Sons, Mount Pleasant.
Cloverleaf Dairy, Orrville.
Coopers' Dairy, Toronto.
Delaware Milk Co., Delaware.
Dorset Milk Co. (Co-op.), Dorset.
Falls Dairy, Cuyahoga Falls.
L. A. Gasford, Antwerp.
Guernsey Dairy, Circleville.
Harter Ice Cream Co., Inc., Barberton.
J. W. Hooper Dairy, Coshocton.
Frank Kapuscinski, Lansing.
Lakewood Dairy, Lakewood.
Leber Farm Dairy, Bellevue.
Miami Bell Dairy, Germantown.
Milk Producers Federation of Cleveland, Cleveland.
Ralph and Kathryn Miller, Dunkirk. PD.[2]
Moore's Dairy, Burghill.
Niehhof Dairy, Cincinnati.
Portsmouth Pure Milk Co., Portsmouth.
Russell Dairy, Newcomerstown.
Russell Dairy, Sidney.
Smith's Dairy Co., Garfield Heights.
George Sonoff Dairy, Barberton.
Spriegel Bros. Dairy, Northrup.
Pine Rest Farm, N. Jackson.
Freddie Walker Dairy, Cleveland.
Wayne Co-op Milk Producers, Inc., Columbus Grove.
Total for 1954: 36.

IN 1955

Bantam Ridge Dairy, Steubenville.
Beachwood Dairy, Cambridge.
Bennett Co., Athens.
Better Dairy, Barnesville.
Caldwell Produce Co., Caldwell.
W. E. Clements, Junction City. PD.[2]
Crystal Springs Dairy, Elyria.
DeGraff Creamery, DeGraff.
Dunmyer Dairy, Lindsey.
John Divrak, Lansing.
E. Greenville Dairy, N. Lawrence.
Fairview Dairy, New Philadelphia.
Grocers' Co-op Dairy, Dayton.
Hill Crest Dairy, Belle Valley.
Indian Trails Farm Dairy, Piqua.
Instantwhip, Akron.
Instantwhip, Columbus.
Kroger Grocery, Toledo.
Maple Lawn Dairy, Greenwich.
Mary Bell Farm, Lowellville. PD.
Mills Farm Dairy, Hudson. PD.
Mount Vernon Foods Co., Mount Vernon.
Opekasit Farms Dairy, Hamilton.
J. S. Purdy Dairy, Gambier.
Rawlings Dairy, Cleveland.
Donald Rose Dairy, Waynesburg.
Russell Dairy, Wellsville.
Tiffin Dairy, Findlay.
Schaffer's Dairy, Van Wert.
Smith's Creamery, Salem.
Joseph C. Spencer, Newark.
Pete Stemkowski, Shadyside.
Sunnydale Farms, Lima.
Supreme Dairy, Baltimore.
Thompson's Farm Dairy, Amherst.
Town Line Dairy, Chardon.
Valley View Dairy, Sugarcreek.
Vernon Dale Farms, East Liverpool.
Washington Produce Co., Washington Court House.
Fred Westall, New Lexington.
Willow Spring Dairy, Ashtabula.
Youngs Dairy, Columbus.
Zimmerman Dairy, Amherst.
Ralph Yoder, Delphos.
Total for 1955: 44.

IN 1956

Andalusia Dairy Co., Salem.
Baesel Dairy Co., Berea.
Belmont Farms Dairy, Perrysburg.
Biery's Dairy, Warren.
Brown's Dairy, Wapakoneta.
Carnation Co., Loudonville.[1]
Cappeldale Farms Dairy, Dover.
Champion Cheese Co., Sugar Creek.
Chick's Dairy, Lorain.
City Dairy, Kenton.
Creamline Dairy, Wapakoneta.
Dean Hill Farm, Canfield.
Foremost International Dairies, Portsmouth.
Fostoria Union Dairy Co., Fostoria.
Friends' Dairy, Canal Winchester.
Groveport Creamery, Groveport.
Theodore O. Heyden, Columbus.
Homan Dairy Co., Lisbon.
Home Dairy, Chillicothe.
Hookie's Dairy, Strasburg.
Hubach's Products Co., Tiffin.
John Huffman & Son, Bloomingdale, PD.[2]
Lincoln Highway Dairy, Delphos.
Logan Home Dairy, Logan.
London Creamery Co., London.
Theodore G. Manley Dairy, Montpelier. PD.[2]
Middlefield Dairy, Middlefield.
Mitchell's Dairy, Wapakoneta.
Ohio Evaporated Milk Co., East Rochester.
Ohio Evaporated Milk Co., Farm Dale.
Otto Milk Co., Prospect.
Oyster's Dairy, Alliance.
Page Dairy, Kingsville.
Parker's Dairy, Barberton.
William Peirce Dairy, Carey.
Pleasant View Dairy, Carrollton.
Ringer & Son Dairy, Xenia.
Ryan Roller, Columbiana.
Russell & Marcia Bush, McConnellsville, PD.[2]
Schneider-Bruce Dairy Co., Rocky River.
Spring Run Dairy, Williamsfield.
Spring Valley Farm, Reynoldsburg.
Swift & Co., Defiance.[1]
Swift & Co., Lima.[1]
Telling Belle Vernon Milk Co., Ashtabula.[1]
Telling Belle Vernon Milk Co., Cleveland.[1]
Telling Belle Vernon Milk Co., Shelby.[1]
Uhrichsville Ice Cream Co., Uhrichsville.
Valley View Farm, Lebanon.
Warsaw Cheese Co., Warsaw.
Winters Guernsey Dairy, Loudonville.
Total for 1956: 51.

IN 1957

Azdell's Dairy, East Liverpool.
Bakersville Cheese Co., Bakersville.
Burger Dairy, Canton.
Chillicothe Pure Milk Co., Chillicothe.
Citizens Dairy Co., Springfield.
Clover Dairy, Cleveland.
Cloverleaf Dairy, Bridgeport.
Dairy Made Products Co., Louisville.
Dairy Dale Farm, Wadsworth.
Mary Dibble, Celina. PD.[2]
Gill's Dairy, Conneaut.
Guernsey Dairy, Greenfield.
Hookin Dairy, Oak Harbor.
Hy-Grade Milk Co., Ironton.
Kaesemeyer & Sons Co., Norwood.
Maple Drive Dairy, West Liberty.
Miller's Goldseal Dairy, Inc., East Liberty.
Molen Dairy Farms, Dayton.
Ohio Cloverleaf Dairy Co., Toledo.
Orchard Hill Farm Dairy, North Canton.
Page Dairy, Findlay.
Parkview Dairy, Lancaster.
Pleasantview Dairy, Steubenville.
John Riddle, West Union. PD.[2]
Risher's Dairy, Inc., Warren.
Spring Hill Dairy Co., Gallipolis.
Tapor Ideal Dairy Co., Inc., Cleveland.
Telling Belle Vernon Milk Co., Findlay.[1]
Truesdell's Dairy, Ashtabula.
Upper Sandusky Dairy, Upper Sandusky.
Vinton Hills Dairy, McArthur.
Total for 1957: 31.

IN 1958

George Aug & Son, Cincinnati.
Baetz & Barber Dairy Co., Lorain.
Barrett Creamery Co., Rocky River.
Beatrice Foods Co., Cincinnati.[1]
Brookfield Dairy, Massillon.
Burkey Dairy, Sugar Creek.
Butterbridge Cheese Factory, Canal Fulton.
Child's Dairy, Cleveland.
Cloverdale Dairy, Leavittsburg.
George Coy, Toledo. PD.[2]
Allie Davis, Bellefontaine. PD.[2]
Degner Dairy, Toledo.
Dorset Milk Co. (Co-op), Dorset.
Frasure & Brown Dairy, Logan.
Glen Valley Farms, Cleveland.
Glenville Dairy, Cleveland.
H. & H. Dairy, Wadsworth.
Hills Dairy Farms, Richmond.
Hyde Park Dairy Co., Norwood.
Ideal Dairy Co., Marion.
Knepper's Dairy, East Liverpool.
Koppenhoffer Bros., Deshler.
McCausland City Dairy, Carrollton.
McDannel Dairy, East Canton.
John C. Mandanery & Son, Cincinnati.
Merilla's Dairy, Ashtabula.
Mount's Goat Dairy, Mansfield.
Harry J. Narzinger, Archbold.
Plain View Dairy, Columbus Grove.
Pure Milk Corp., Steubenville.
A. S. Reed, Ashtabula. PD.[2]
Renko Bros., Elm View Diary, Ashtabula.
Stonybrook Dairies, Inc., Cleveland.
Sunshine Dairy, Cleveland.
Tisher's Dairy, Hannibal.
Treon Sunshine Dairy, Painesville.
Ullery Dairy Co., Greenfield.
Willow Brook Dairy, Ashtabula.
Total for 1958: 38.

IN 1959

Harry Boundy, Paulding. PD.[2]
Brammer Dairy, Rock Camp.
J. Howard Eby, Trotwood. PD.[2]
Eldorado Creamery, Camden.
Fairmont Foods Co., Columbus.[1]
Globe Dairy, Van Wert.
Gulick's Dairy, Conneaut.
Home Producer Milk Co., Columbus.
Honey Dale Dairy, Cleveland.
Huber Dairy, Galion.
H. O. Janson, Inc., Canton.
Jewell Ice Cream and Milk Co., Mount Vernon.
Kolter-Buckeye Dairy Co., Lima.
Kysilka Dairy, Cleveland.
Lumby's Dairy, Edgerton.
Merchants Creamery, Cincinnati.
Don Murphy Dairy, Antwerp.
Parrish Creamery Co., Coshocton.
Roe Jersey Farm Dairy, Chillicothe. PD.[2]
South Vernon Milk Co., Mount Vernon.
Sterling Dairy Co., Canton.

[1] National Dairy Co.
[2] PD: Possible producer-distributor. Status not certain.

[1] National Dairy Co.
[2] PD: Possible producer-distributor. Status not certain.

[1] National Dairy Co.
[2] PD: Possible producer-distributor. Status not certain.

Urbana Creamery, Urbana.
Vale Edge, Ravenna.
Wayne Co-op Milk Producers, Inc., Antwerp.
Arnold Wilson Dairy, Wilmington.
Total for 1959: 25.

IN 1960

Alpha Dairy, Xenia.
Black's Dairy, Piqua.
Boellner Bros. Goat Dairy, Maumee.
Borden's Dairy, Middletown.[1]
Cordray Bros., McConnellsville.
Dilg Dairy, Hamilton.
Farmfresh Dairy, Massillon.
Fox Dairy, Fostoria.
Frecker's Ice Cream Co., Columbus.
Furrow Dairy, Piqua.
Gable and Sons Dairy Farm, Columbus.
Gedert's Dairy, Toledo.
Hamilton Farms Dairy, Jefferson.
Jersey Knoll Farm, Mount Gilead.
C. M. Kearn Dairy, Bellevue.
Morrow Creamery, Mount Gilead.
L. Myers Dairy, Cincinnati.
Sealtest N.D.P.C., Ashtabula.[1]
Pestel Milk Co., Columbus.
Pet Milk Co., Delta.[1]
Pet Milk Co., Fremont.[1]
Rumbaugh Goat Dairy, Ashland.
Sanders Dairy, Piqua.
Sealtest Central Division, N.D.P.C., Hamilton.[1]
Service Creamery, Lorain.
Smith's Dairy, Canton.
Smooth-Kool Dairy Co., Bucyrus.
Sunrise Dairy, Cleveland.
Union Avenue Dairy, Pomeroy. PD.[2]
Wooster Farm Dairies Co., Wooster.
Total for 1960: 30.

1961

George Bosse Dairy, Cincinnati.
Deerlick Dairy, Delaware.
Lowell Eby, Brookville. PD.[2]
Elm Dairy, Marysville.
Fitz Bros., Sandusky.
Gem City Ice Cream Co., Dayton.
Ideal Dairies Co., Painesville.
Keller Dairy, Galion.
Miceli Dairy Products, Cleveland.
Sealtest N.D.P.C., Attica.[1]
Sealtest N.D.P.C., Mount Vernon.[1]
Parrish Dairy, Caldwell.
Po-An-Go Goat Dairy, Greentown.
George H. Russell, Fostoria.
L. E. Valley Farms, Springfield.
Wapa Farm, Wapakoneta.
White Clover Dairy Farms, Inc., Dayton.
Woodsfield Ice and Creamery Co., Woodsfield.
Total to date for 1961: 18.

Total of Ohio dairies that have gone out of business, 1950 to 1961, inclusive: 353. (This list compiled August 2, 1961.)

AUGUST 9, 1961.

Hon. WRIGHT PATMAN,
Chairman, Select Committee on Small Business, U.S. House of Representatives, Washington, D.C.

DEAR MR. PATMAN: It was indeed a great pleasure to meet with you at the recent convention of the National Independent Dairy Association. I certainly appreciated the fact that you took time from your busy schedule to meet with us. I recently received a questionnaire from Scott Daniel requesting that I send you the following information.

In 1952 there were 986 dairies in Pennsylvania; in 1961 there are 626. This indicates that there are 360 dairies less at the present time in Pennsylvania than were in operation in 1952. This figure includes all the dairy operations in the State of Pennsylvania, which are retail and wholesale milk dealers, manufacturing plants, and subdealers. Pennsylvania is primarily a fluid market, therefore, there are very few, and mostly small, manufacturing plants. The reduction of 160 milk dealers is mainly fluid milk businesses. In Pennsylvania, we have only five large chain operations, therefore, most of the businesses are independents. The milk dealers who went out of business were practically all, if not all, independents. I reviewed the questionnaire with the Pennsylvania Milk Control Commission and they stated that since 1952, they knew of no dairies that went bankrupt. Most of these dairies were small dealers who sold out to larger dairies. They sold out for one or more of the following reasons:

1. Buildings and/or equipment became old and obsolete. When this equipment had to be replaced, either they did not have the money to remodel, or did not wish to invest the money to remodel.

2. There is a ready market to sell a small business. Therefore, the small dealer feels it is to his advantage to sell while he still has a running business.

3. Many of these small businesses were individually owned. The owner is now at or near the retirement age and has found that his son, or sons, are not interested in a small milk business and therefore, makes the decision to dispose of his operation.

4. Some of these businesses are so small that under present operating costs, they do not receive a large enough return to continue.

In Pennsylvania we have a very interesting story due to our milk control commission. It is the oldest and, I believe, the best operated commission in the country. In 1933 in the midst of the depression, farmers and milk dealers were going out of business in Pennsylvania, due to bankruptcy, at about the same rate. The rate was alarming. Our Governor realized that something had to be done or there would not be enough milk produced or distributed in the State to maintain the health of the people of Pennsylvania. Therefore, he inaugurated a milk control commission as a health measure. The State legislature set up the rules and regulations for the milk control commission. It was given three charges:

1. To return to the farmer the cost of producing the milk, plus a reasonable profit.

2. To set the price of milk, home delivered, at a price high enough so that the milk dealer receives the most of operation, plus a reasonable profit.

3. To always bear in mind that the milk sold to the consumer must be set at a level so that the consumer can afford to buy an adequate amount of milk to maintain the health of her family.

Our milk control commission has been set on a sound basis and as a result has operated continuously since it was inaugurated in 1934. As a result, the farmers are producing more than enough milk to meet the requirements of the State. The milk dealers have received cost of production plus, and the retail price of milk has been at a level so that the consumer can afford to buy it. If the price of milk is set to return a fair profit to the average, normally efficient milk dealer; it will not return a sufficient profit to an inefficient milk dealer or to a dealer who is too small to operate under today's mechanized system. Therefore, this dealer cannot, and probably should not, continue in business. The dealers in our State, under the regulations of the Pennsylvania Milk Control Commission, may operate differently than dealers who operate without a milk control commission, or with a milk control commission that has only a partial and not complete operation.

If you have any additional questions, feel free to contact me.

Sincerely,

MARTIN CENTURY FARMS, INC.,
C. H. GODSHALL, *Secretary.*

AUGUST 4, 1961.

Hon. WRIGHT PATMAN,
Chairman, Select Committee on Small Business, U.S. House of Representatives, Washington, D.C.

DEAR MR. PATMAN: In response to an inquiry from Mr. D. C. Daniel, executive vice president of National Independent Dairies Association, I am attempting to answer the six questions he posed:

Question 1. Number of independent dairymen in Missouri who have failed or sold out to a competitor in the last 10 years: about 50.

Question 2. Names and locations of those listed in question 1.

Atteberry Dairy, Charleston, Mo.; distributor for Sealtest.

Crenshaw Dairy, Charleston, Mo.; quit.

Lawson Dairy, Caruthersville, Mo.; distributor for Sealtest.

Oldfield Dairy, Cape Girardeau, Mo.; distributor for Sealtest.

O'Laughlin Dairy, Jackson, Mo.; distributor for Sealtest.

Murphy Dairy, Arcadia-Ironton, Mo.; distributor for Sealtest.

Vaughn Dairy, De Soto, Mo.; distributor for Sealtest.

Creole Dairy, Ste. Genevieve, Mo.; sold to Dairy Brand.

Purity Dairy, Bonne Terre, Mo.; sold to Tucker Dairy.

Schonhoff Dairy, Cape Girardeau, Mo.; quit.

Woods Dairy, Sikeston, Mo.; distributor for Edwardsville Creamery, Edwardsville, Ill.

Central Dairy, Columbia, Mo.; sold to Beatrice.

Casey Dairy, Potosi, Mo.; quit.

Merchants Dairy, Desloge, Mo.; sold to Foremost.

Producers Dairy, Poplar Bluff; sold to Foremost.

Producers Dairy, Lutesville, Mo.; quit.

Country Club Dairy, Kansas City, Mo.; sold to Fairmont.

Quality Dairy, Hannibal, Mo.; sold to Beatrice.

Watson-Weber Dairy, Malden, Mo.; quit.

Weber Dairy, Hannibal, Mo.; sold to Quality Dairy, Hannibal.

Cloverleaf Dairy, Springfield, Mo.; sold to Adams Dairy Co.

Beverly Farms Dairy, Lee Summit, Mo.; now a distributor.

Audrain County Dairy, Mexico, Mo.; Sealtest distributor.

Cole Dairy, West Plains, Mo.; Sealtest distributor.

Question 3. Independents who aren't in business now who were in business 10 years ago: about 30.

Question 4. Unfair trade practices at present:

1. Below cost selling.
2. Discriminatory pricing.
3. Unlawful discounts.
4. Free merchandise, equipment, and facilities.

Question 5. How have unfair practices affected our growth? We have had no growth for 5 years. Profits have decreased about 40 percent. Our volume has decreased about 10 percent.

Question 6. Chances of survival. Present trends are such that our only hope for survival is better law enforcement and "below cost" legislation.

It is difficult for one person to be acquainted with all areas of the State of Missouri. There is no longer any independent dairy in Kansas City, and in the entire area of Missouri, north of the Missouri River, there are only three independently owned dairies. Southeast Missouri, where we are located, has 5 dairies, where about 20 dairies operated in the area 10 years ago.

We have experienced about every conceivable gimmick by our competition—how we have managed to survive amazes me. We

---

[1] National Dairy Co.

[2] PD: Possible producer-distributor. Status not certain.

have seen chainstores and a favored dairy apparently conspire to take over the dairy business in Missouri, and they have almost got the job done. When these practices are prevalent in an area, the other dairy giants jump on the bandwagon and pick up what is left. As you will note, many small dairies have become distributors for national dairy concerns—I believe there are about 50 distributors for Sealtest in Missouri—and are so limited in the territories that they can make a living but never become a big problem for Sealtest. A lot of these fellows used to be the ones we competed against, yet the competition was not illegal or unfair. In many cases, they were our friends and neighbors. If the present trend continues as it has, in another 10 years the milk business of our country will be operated from New York or Chicago.

We operate in a modern dairy plant. None of our equipment is over 12 years old. Our plant, delivery and office costs are below average. Yet we made a profit on sales in 1960 of less than 3 percent. That margin of profit gives us little opportunity to keep our plant and methods modern. Even now we feel that we can compete with any dairy serving this area—and make a profit—if they will sell their products at cost or above cost. We have cost accounting and we have a pretty good idea what costs are.

Very truly yours,

L. M. STANDLEY,
President.

AUGUST 10, 1961.

Hon. WRIGHT PATMAN,
Chairman, Select Committee on Small Business, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN PATMAN: During the past 10 years, five independent dairies in Honolulu were sold out to national chain dairy companies; and as a result, there are only two independently owned dairies left in our city.

The independent dairies which were sold out to big companies are Compos Dairy, Moanalua Dairy, Rico Ice Cream Co., Service Cold Storage Co., and Mon's Ice Cream Co.

The national dairies that are doing business in Honolulu are Beatrice Co., Foremost Dairies, and Arden Farms.

Before the national dairies entered the Honolulu market, the local independent dairy operators were able to earn their share of profit. However, when the national companies started to increase their business by offering new and larger ice cream cabinets to retail stores, the independent dairies lost their good accounts to big firms. It is also understood that one of the companies is financing the purchase of cabinets and other fixtures to the supermarkets in order to get their dairy business.

If this sort of unfair practice continues, chances of survival of independent dairies are very small.

It is hoped that some sort of legislation is adopted to protect the independent dairies from being forced out of business.

Sincerely yours,

MELLO-GOLD, LTD.,
SADATO MORIFUJI, *President.*

AUGUST 9, 1961.

Hon. WRIGHT PATMAN,
Chairman, Select Committee on Small Business, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN: In a letter received from Scott Daniel, of National Independent Dairies Association, on July 25, 1961, requesting urgent information, the following is our reply:

"In 1950 there were 372 milk plants holding pasteurization certificates in the State. Thirty-two out-of-State plants held such certificates. In 1960 there were 219 milk pasteurization certificates issued, with 51 issued to plants outside of the State.

"So far as ice cream is concerned, as near as I can figure, about 75 ice cream manufacturing plants have been closed over the 10-year period.

"As to reasons why, No. 1 is that in several instances the larger manufacturers have ceased operating their local plants and concentrated their efforts in manufacturing in one location. This has not only been true of the larger companies but of a number of the smaller ones as well. Several companies have joined with others in about their own status throughout the State in their manufacturing of ice cream and processing of milk.

"By far, the greater number have gone out because of mergers, sellouts, or just plain ceasing to operate. Probably the most important reason has been that of economic pressure. Prices in both ice cream and milk have been most unfavorable in most localities in the State over the past several years. This has made it necessary for the small man to discontinue his operations.

"The following are recent unfair trade practices of several of our national competitors:

"1. A[illegible] unusual sum of money, $100,000, was loaned on a note only with no collateral and a very small interest rate by Sealtest to the Mayflower Super Foods at 3748 Elston Avenue, Chicago, Ill. An independent manufacturer is put in an untenable position when deals such as this is made by a national company such as National Dairy Products.

"2. In another instance Sealtest yielded to their unfair practices by giving an account with a yearly gallonage of 5,000 gallons of ice cream, prices below the current market prices and in addition to the above, an advertising allowance of $35 a week in goods. This account was Harold Helms and Otto Barone at 4022 North Lincoln Avenue, Chicago, Ill.

"3. In a third instance they gave $240 per year in goods as an advertising allowance to an account doing 1,000 gallons of ice cream per year, plus prices below the current market prices. This account is Sam Catalano at 3657 North Broadway, Chicago, Ill.

"These are just a few of the unfair practices being plied by Sealtest in the Chicago marketing area that we have at our fingertips.

"Swift & Co. is another of the national concerns to use unfair practices. In one instance, Concordia Teachers College, 7400 Augusta Street, River Forest, Ill., the subject company loaned equipment in excess to their needs; in addition gave a 30 cents per gallon rebate in order to make it untenable for us to keep the account. This is below their published list.

"In reply to question No. 5 of basic letter: 'Unfair competitive trade practices have affected our volume in excess of 90,000 gallons of ice cream.'"

Very truly yours,

BRESLER ICE CREAM CO.,
WILLIAM J. BRESLER.

OWEN'S DAIRY,
Englewood, Colo., August 1, 1961.

Hon. WRIGHT PATMAN,
Chairman, Select Committee on Small Business, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN PATMAN: Concerning the request of Mr. D. C. Daniel regarding the number of independent dairies in our State, here is the information to the best of my ability.

In 1956 there were approximately 144 independent dairies in Colorado. We now have approximately 81 independent dairies, or a decrease of 63 companies. Approximately 19 of the 63 companies in question were sold to national chain dairies. Of this group an additional six have become distributors for the large concerns. Of the remaining number, 13 have merged with other independents, the rest have gone out of business for reasons unknown to me.

Undoubtedly, some of the business failures were due to mismanagement; however, I am confident that some failures were due to the unfair trade practices constantly in use by the chains.

The national companies involved in this State are as follows: Beatrice Foods, Borden's, Fairmont, Carnation, and Sealtest.

If these giants are allowed to continue their immoral and illegal methods of doing business, it is questionable how long our company, as well as many other independents, will remain in the marketplace. Were it not for men such as yourself, we would have given up the ship 2 years ago.

I trust this information will be of some value to you in your fight against monopoly. If I can be of further service, please feel free to call upon me.

Sincerely,

PAUL R. MILLER.

GARDINER DAIRY & ICE CREAM CO.,
August 12, 1961.

Hon. WRIGHT PATMAN,
Chairman, Select Committee on Small Business, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN PATMAN: We operate in 25 counties in southwest Kansas, which I realize is 25 percent of the territory in Kansas, but it is in the sparsely settled area and it only represents 5 percent of the population. Since 1954, 11 independent dairy plants in this area have gone out of business, leaving only 6, and one of them is a major plant of the Fairmont Food Co. located in Dodge City, Kans. It is my estimate that they have 65 percent of the business in the entire territory. So the rest of the five independents have only 35 percent of the business. In this area the other majors, namely, National Dairy Products, Borden Co., Carnation Co., Beatrice Foods Co., all have plants outside this trade area but do have a good deal of the business.

The reason we, and the other independents, have trouble staying in business is that these major companies are furnishing equipment, financing the businesses, supplying large signs, renting the sides of the buildings for the placement of large billboards, issuing secret rebates or using tie-in sales and running specials at prices below cost. Some of the major grocery organizations have sponsored agreements to price with their competitors to price our products higher than other brands and running specials for the weekend on their private label below cost. This has caused us to lose in some towns where we were strong 80 percent of our business in the past 20 months. We operate 12 wholesale routes and one of these routes is off 40 percent, another 24 percent, another 19 percent, and another 14 percent during this past 20 months when the strive is on apparently to put us independents out of business. It has caused the sales to drop 11 percent in this area which means the production from 500 cows. If something isn't done to correct these unfair trade practices, there will not be many of the five independents left at the end of 3 years. The way the majors are operating now, they can move in on us further any time and have us broke in 90 days' time.

No doubt you are familiar with the price of ice cream in Wichita, Kans., today which is far below cost. It is my understanding the Small Business Committee and the Federal Trade Commission are moving in to conduct an investigation in that area and those same prices are being put into effect in this area this weekend. If we do not meet the prices we lose the business, and if we do meet the prices we lose money.

Either way we go our chances of survival are very slim.

Please do what you can to help us at the earliest possible moment.

Sincerely,

RALPH P. GARDINER.

GOLDEN GUERNSEY FARMS, INC.,
August 4, 1961.

Hon. WRIGHT PATMAN,
Chairman, Select Committee on Small Business, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN PATMAN: First, we wish to say a sincere thanks for your continuing concern in the matters effecting small business. Your leadership is truly valued.

In support of the need for proposed legislation now being considered, the record of our market in Indiana is briefly described. According to records available, of the 343 licensed handlers of milk in Indiana in 1951, only 155 remain active today—1961. The others have been driven to economic sacrifice by selling out or to economic ruin if they were unable to find a buyer. Most has been caused by the devastating piracy acts of the chain dairies and chain food merchants.

Great economic pressure is applied by the chainstores, frequently causing dairies to accept terms that lead to insolvency. This the independent dairy cannot endure. In this area, Marsh Food Stores and Kroger Food Stores operate their own dairies. While the Great Atlantic & Pacific Tea Co. and the National Tea Co. and other chains buy from the chain dairies. These same forces have fought with every weapon at their command to prevent the enactment of State legislation which would outlaw the unfair trade practices. While all of this is going on, the retail delivery of milk to the homes is being undermined and destroyed. Published studies report the importance of retail delivery to the attainment of the highest milk utilization.

The chainstores give milk away with other purchases and since their supply is obtained from the chain dairy, the independent is considered a decadent culprit for asking a price for his milk products. The just value of such a beneficial product is distorted, and during the past 36 months of chaotic conditions, the per capita consumption of milk has shown a substantial decline.

The present practices of asking secret discounts and special rebates, together with the excessive extension of credit—6 months on purchases and substantial unsecured loans at low interest rates by the financially powerful may eventually cause our demise. The situation in Indiana is so bad, with the chain merchants and chain dairies presently operating in the State depressing the dairy industry, that the market value of existing independent dairies has been destroyed.

Other chain dairy operators are known to have refused to buy any buisness in Indiana because of the lack of profit potential under existing conditions. The success of your work is our only hope.

Very sincerely yours,

G. L. MCFARLAND.

It has been my opinion and contention over the past many years that, if the constantly accelerated trend toward monopoly and the destruction of small businesses and small communities continues to its logical conclusion, without adequate hindrance from the Federal Government, the entire picture of America as we know it and the concepts upon which this country was founded and achieved its present eminence in the world, will disappear forever. America will become a Nation of employees, servants of unseen and unknown monopolistic giants, with the concomitant destruction of the incentive and ambition which built this Nation and enabled it to survive all of its many tests. If that happens, I sincerely believe that the form of Government under which we have prospered for so long will also have to change. To me, it seems inevitable that, if our economic power is ultimately concentrated under the control of a comparatively few mammoth combinations, then either those few giants will be able to dictate the policies of our Government, or the Federal Government will be forced to control and regulate all private enterprises, with the result that we would become a socialistic instead of a democratic country. Therefore, I firmly believe that the problems which we are considering at this hearing are logically and irrevocably a vital part of our economic and governmental future. If the Congress does not enact the proposed legislation and other similar bills to curb the headlong race toward monopoly, the America of the future will not remotely resemble the great Nation we know and love today.

CRIMES ABOARD AIRCRAFT IN AIR COMMERCE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2268) to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

Mr. GROSS. Reserving the right to object, Mr. Speaker, what is this bill?

Mr. HARRIS. This is the same bill that passed the House yesterday, H.R. 8384, on the hijacking of airplanes. We are merely substituting the Senate bill.

Mr. HOFFMAN of Michigan. I object, Mr. Speaker.

SALINE WATER CONVERSION PROGRAM

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent that the gentleman from Oregon [Mr. DURNO] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DURNO. Mr. Speaker, I rise to compliment the Committee on the Interior for the careful, meticulous, yet comprehensive, work that they have done in bringing to the floor of this House H.R. 7916, which would expand and extend the saline water conversion program. The hearings on this bill, and the conclusions derived therefrom, were the result of efforts by all members of the committee. I believe that the subcommittee chairman, the gentleman from Texas [Mr. ROGERS], the chairman of the full committee, the gentleman from Colorado [Mr. ASPINALL], and the minority ranking member of the committee, the gentleman from Pennsylvania [Mr. SAYLOR], should be particularly commended for the carefulness and fairness with which these hearings were held.

I believe that this bill is one of the most important that the Congress has passed in this session. The future of this country and of the world will depend in future generations to a great extent on the abundance of pure, fresh water. This program has been kept under the careful scrutiny of the Congress and will be funded by direct appropriations made by the Congress. For this I am deeply grateful. The very fact that this bill was brought up under a suspension of the rules and was so carefully and precisely explained by the ranking members that it did not receive one audible negative vote is in itself a great tribute. I desire to associate myself and these remarks with the ranking members of my committee. I would ask that they be inserted following the debate on the bill.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. PELLY, for today, on account of attendance at a family funeral.

Mr. MILLIKEN (at the request of Mr. FENTON), for an indefinite period, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. ROUSH, for 15 minutes, on Wednesday, August 23, 1961.

Mr. KEITH (at the request of Mr. LINDSAY), on Tuesday, August 29, 1961, for 60 minutes.

Mr. MAGNUSON (at the request of Mr. SANTANGELO], on Thursday, August 24, 1961, for 60 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

(The following Members (at the request of Mr. LINDSAY) and to include extraneous matter:)

Mr. CURTIS of Missouri.

Mr. FINO.

(The following Members (at the request of Mr. SANTANGELO) and to include extraneous matter:)

Mr. STRATTON.

Mr. MULTER.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 233. An act for the relief of Sonja Dolata; to the Committee on the Judiciary.

S. 547. An act for the relief of Young Jei Oh and Soon Nee Lee; to the Committee on the Judiciary.

S. 631. An act for the relief of Elwood Brunken; to the Committee on the Judiciary.

S. 651. An act for the relief of Howard B. Schmutz; to the Committee on the Judiciary.

S. 1234. An act for the relief of Max Haleck; to the Committee on the Judiciary.

S. 1355. An act for the relief of Helen Haroian; to the Committee on the Judiciary.

S. 1486. An act to authorize the Comptroller of the Currency to establish reasonable maximum service charges which may be levied on dormant accounts by national banks; to the Committee on Banking and Currency.

S. 1742. An act to authorize Federal assistance to Guam, American Samoa, and the Trust Territory of the Pacific Islands in major disasters; to the Committee on Public Works.

S. 1771. An act to improve the usefulness of national bank branches in foreign countries; to the Committee on Banking and Currency.

S. 1787. An act for the relief of Giovanna Vitiello; to the Committee on the Judiciary.

S. 1880. An act for the relief of Johann Czernopolsky; to the Committee on the Judiciary.

S. 1906. An act for the relief of Fares Salem Salman Hamarneh; to the Committee on the Judiciary.

S. 1927. An act to amend further the Federal Farm Loan Act and the Farm Credit Act of 1933, as amended, and for other purposes; to the Committee on Agriculture.

S. 2130. An act to repeal certain obsolete provisions of law relating to the mints and assay offices, and for other purposes; to the Committee on Banking and Currency.

S.J. Res. 108. Joint resolution to authorize the presentation of the Distinguished Flying Cross to Maj. Gen. Benjamin D. Foulois, retired; to the Committee on Armed Services.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1290. An act for the relief of Ernest Morris;

H.R. 1612. An act for the relief of Mr. Ernest Hay, Damego, Kans.;

H.R. 2656. An act for the relief of Capt. Leon B. Ketchum;

H.R. 3227. An act to amend section 1732(b) of title 28, United States Code, to permit the photographic reproduction of business records held in a custodial or fiduciary capacity and the introduction of the same in evidence;

H.R. 4030. An act for the relief of Robert A. St. Onge;

H.R. 4640. An act for the relief of the estate of Charles H. Biederman;

H.R. 4659, An act to establish a National Armed Forces Museum Advisory Board of the Smithsonian Institution, to authorize expansion of the Smithsonian Institution's facilities for portraying the contributions of the Armed Forces of the United States and for other purposes;

H.R. 4660. An act to authorize modification of the project Mississippi River between Missouri River and Minneapolis, Minn., damage to levee and drainage districts, with particular reference to the Kings Lake Drainage District, Missouri;

H.R. 6835. An act to simplify the payment of certain miscellaneous judgments and the payment of certain compromise settlements;

H.R. 7038. An act to eliminate the right of appeal from the Supreme Court of Puerto Rico to the Court of Appeals for the First Circuit;

H.R. 7610. An act for the relief of Joe Kawakami;

H.R. 7724. An act to provide for advances of pay to members of the armed services in cases of emergency evacuation of military dependents from oversea areas and for other purposes; and

H.R. 7864. An act to dissolve Federal Facilities Corporation, and for other purposes;

ADJOURNMENT

Mr. SANTANGELO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 28 minutes p.m.) the House adjourned until tomorrow, Wednesday, August 23, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1247. A communication from the President of the United States, transmitting a proposed supplemental appropriation in the amount of $1,200,000 for the Treasury Department, and proposed language provisions for the Treasury Department and the Department of Commerce for the fiscal year 1962 (H. Doc. No. 228); to the Committee on Appropriations and ordered to be printed.

1248. A letter from the National President, Blue Star Mothers of America, Inc., transmitting the 1960 audit report and the 1960 National Convention report of the Blue Star Mothers of America, Inc., pursuant to Public Law 86–653; to the Committee on the District of Columbia.

1249. A letter from the Secretary of State, transmitting the eighth report of the Department of State on its activities under the Federal Property and Administrative Services Act of 1949 for the calendar year 1960, pursuant to Public Law 152, 81st Congress, as amended; to the Committee on Government Operations.

1250. A letter from the Assistant Comptroller General of the United States, transmitting the report on our examination of the economic and technical assistance program for Thailand as administered by the International Cooperation Administration (ICA), Department of State, under the mutual security program for fiscal years 1955 through 1960; to the Committee on Government Operations.

1251. A letter from the Secretary of the Army, transmitting a draft of a proposed bill entitled "A bill for the relief of Pepito Guaro Dignadice"; to the Committee on the Judiciary.

1252. A letter from the Secretary of the Air Force, transmitting a report of claims paid by the Department of the Air Force for fiscal year 1961, pursuant to section 2732(f) of title 10, United States Code; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TOLL: Committee on the Judiciary. H.R. 7037. A bill to amend section 3238 of title 18, United States Code; without amendment (Rept. No. 1006). Referred to the House Calendar.

Mr. RIVERS of South Carolina: Committee on Armed Services. H.R. 8773. A bill to amend section 265 of the Armed Forces Reserve Act of 1952, as amended (50 U.S.C. 1016), relating to lump-sum readjustment payments for members of the Reserve components who are involuntarily released from active duty, and for other purposes; without amendment (Rept. No. 1007). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. H.R. 1777. A bill to amend title 18 of the United States Code to prohibit the counterfeiting of State obligations in certain cases, and for other purposes; with amendment (Rept. No. 1008). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 420. Resolution to authorize the Committee on Interstate and Foreign Commerce to conduct an investigation and study of the effect of aircraft noise on persons and property on the ground; without amendment (Rept. No. 1009). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 424. Resolution for consideration of H.R. 84, a bill to stabilize the mining of lead and zinc by small domestic producers on public, Indian, and other lands, and for other purposes; without amendment (Rept. No. 1010). Referred to the House Calendar.

Mr. TRIMBLE: Committee on Rules. House Resolution 425. Resolution for consideration of H.R. 6360, a bill to authorize an additional Assistant Secretary of Commerce; without amendment (Rept. No. 1011). Referred to the House Calendar.

Mr. SISK: Committee on Rules. House Resolution 426. Resolution for consideration of House Joint Resolution 438, joint resolution to amend the Securities Exchange Act of 1934 so as to authorize and direct the Securities and Exchange Commission to conduct a study and investigation of the adequacy, for the protection of investors, of the rules of national securities exchanges and national securities associations; without amendment (Rept. No. 1012). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AVERY:

H.R. 8840. A bill to amend the Packers and Stockyards Act, 1921, to permit all packers to engage in retail operations; to the Committee on Agriculture.

By Mr. BENNETT of Florida:

H.R. 8841. A bill to establish a U.S. Peace Agency for World Disarmament and Security; to the Committee on Foreign Affairs.

By Mr. BREEDING:

H.R. 8842. A bill to amend subsection (h) of section 124 of the Agricultural Enabling Amendments Act of 1961; to the Committee on Agriculture.

By Mr. BOLAND:

H.R. 8843. A bill to amend the Railroad Retirement Act of 1937 to provide reduced annuities to male employees who have attained age 62, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CEDERBERG:

H.R. 8844. A bill to help maintain the financial solvency of the Federal Government by reducing nonessential expenditures through reduction in personnel in various agencies of the Federal Government by attrition, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CELLER:

H.R. 8845. A bill to amend chapter 73 of title 18, United States Code, with respect to

obstruction of investigations and inquiries; to the Committee on the Judiciary.

By Mr. BOGGS:

H.R. 8846. A bill to amend the Internal Revenue Code of 1954 with respect to the taxation of distributions of stock and dispositions of property made pursuant to orders enforcing the antitrust laws; to the Committee on Ways and Means.

H.R. 8847. A bill to amend the Internal Revenue Code of 1954 so as to provide that certain distributions of stock made pursuant to orders enforcing the antitrust laws shall not be treated as dividend distributions but shall be treated as a return of basis and result in gain only to the extent basis of the underlying stock is exceeded; to the Committee on Ways and Means.

By Mr. DEVINE:

H.R. 8848. A bill to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. McVEY:

H.R. 8849. A bill to prohibit the wearing of shorts in the Capitol Building, and for other purposes; to the Committee on Public Works.

By Mr. MONAGAN:

H.R. 8850. A bill to protect the domestic economy, promote the national defense and regulate the foreign commerce of the United States by adjusting conditions of competition between domestic industries and foreign industries, and for other purposes; to the Committee on Ways and Means.

By Mr. MORRISON:

H.R. 8851. A bill to authorize the continuation of certain inspection activities of the Secretary of the Interior; to the Committee on Merchant Marine and Fisheries.

By Mr. SCHWEIKER:

H.R. 8852. A bill to establish a U.S. Disarmament Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. TUPPER:

H.R. 8853. A bill to amend title II of the Social Security Act to include Maine among the States which may obtain social security coverage, under State agreement, for State and local policemen and firemen; to the Committee on Ways and Means.

By Mr. COOK:

H.R. 8854. A bill to amend the Merchant Marine Act, 1936, to permit operating and construction differential subsidies to be paid with respect to vessels operating in the domestic commerce of the United States on the Great Lakes; to the Committee on Merchant Marine and Fisheries.

By Mr. BOYKIN:

H. Con. Res. 379. Concurrent resolution declaring the sense of the Congress that no further reductions in tariffs be made during the life of the present Reciprocal Trade Agreement Act; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FOGARTY:

H.R. 8855. A bill for the relief of Marie Silva Arruda; to the Committee on the Judiciary.

By Mr. MATHIAS:

H.R. 8856. A bill for the relief of Vassiliki Constantine Poulou; to the Committee on the Judiciary.

By Mr. O'BRIEN of Illinois:

H.R. 8857. A bill for the relief of Dimitrios Delis; to the Committee on the Judiciary.

H.R. 8858. A bill for the relief of Nikolaos Christos Manesiotis; to the Committee on the Judiciary.

H.R. 8859. A bill for the relief of Efthemios Skiftos; to the Committee on the Judiciary.

By Mr. ROBERTS:

H.R. 8860. A bill for the relief of Cordie Martin; to the Committee on the Judiciary.

By Mr. SCHWENGEL:

H.R. 8861. A bill for the relief of Wilfred N. McKenzie, his wife, Eunice McKenzie, and their minor children, Peter McKenzie and Derek McKenzie; to the Committee on the Judiciary.

By Mr. WALTER:

H.R. 8862. A bill for the relief of Miss Eleanore Redi; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

207. The SPEAKER presented a petition of Philip Lowenthal, New York, N.Y., relative to a suggestion relating to the retired Federal employees health benefit plan, which was referred to the Committee on Post Office and Civil Service.

SENATE

TUESDAY, AUGUST 22, 1961

(Legislative day of Monday, August 21, 1961)

The Senate met at 10:30 o'clock a.m., on the expiration of the recess, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Father of mankind, to whom all souls are dear, at this altar of Thy restoring grace we bow knowing that in Thy revealing light alone can the bewildering confusions that perplex us be seen in their true perspective.

We come this day grateful for the safe return of the trusted President of this body from a vital sector of the farflung battleline of freedom, as gazing upon the walls and guns of tyranny the gavel in his hand here became the hammer of justice and truth there, where in the name of this free land he sounded forth a trumpet that shall never know retreat.

We rejoice that his words of assurance have set men on their feet as to those who have not Thee in awe and who would coerce the bodies and minds of men he has declared, as did Thy prophet in the long ago:

"Your covenant with death shall be annulled,
Your agreement with hell shall not stand,
Your refuge of lies shall be swept away—
The mouth of the Lord hath spoken it."

We lift our prayer in the name of that Holy One who warned those who degraded human dignity: "I came not to bring peace but a sword." Amen.

THE JOURNAL

On request of Mr. HUMPHREY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, August 21, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on August 21, 1961, the President had approved and signed the following acts:

S. 231. An act for the relief of Helga G. F. Koehler; and

S. 700. An act for the relief of Fung Wan (Mrs. Jung Gum Goon).

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry postmaster nominations, which were referred to the Committee on Post Office and Civil Service.

(For nominations this day received, see the end of Senate proceedings.)

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. HUMPHREY. Mr. President, I ask unanimous consent that there be the usual morning hour, and that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

Upon request of Mr. HUMPHREY, and by unanimous consent, the Committee on Interior and Insular Affairs was authorized to meet during the session of the Senate today.

On request of Mr. HUMPHREY, and by unanimous consent, the Subcommittee on Housing of the Special Committee on the Aging was authorized to meet during the session of the Senate today.

On request of Mr. HUMPHREY, and by unanimous consent, the Flood Control, Rivers, and Harbors Subcommittee of the Committee on Public Works and the Business and Commerce Subcommittee of the Committee on the District of Columbia were authorized to meet during the session of the Senate today.

On request of Mr. HUMPHREY, and by unanimous consent, the Judiciary Subcommittee of the Committee on the District of Columbia was authorized to meet during the session of the Senate today.

On request of Mr. HUMPHREY, and by unanimous consent, the Committee on Government Operations was authorized to meet during the session of the Senate tomorrow.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

DECLARATION AND CHARTER OF PUNTA DEL ESTE

A letter from the Secretary of the Treasury, transmitting, for the information of the Senate, copies of the Declaration and Charter of Punta del Este, signed at the recent Inter-American Economic and Social Council meeting in Uruguay (with accompanying papers); to the Committee on Foreign Relations.

REPORT ON EXAMINATION OF ECONOMIC AND TECHNICAL ASSISTANCE PROGRAM FOR THAILAND

A letter from the Assistant Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of economic and technical assistance program for Thailand, International Cooperation Administration, Department of State, fiscal years 1955–60 (with an accompanying report); to the Committee on Government Operations.

REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF THE AIR FORCE

A letter from the Secretary of the Air Force, transmitting, pursuant to law, a report on tort claims paid by that Department during the fiscal year 1961 (with an accompanying report); to the Committee on the Judiciary.

REPORT ON CLAIMS PAID UNDER MILITARY PERSONNEL CLAIMS ACT

A letter from the Secretary of the Air Force, transmitting, pursuant to law, a report on claims paid under the Military Personnel Claims Act for the fiscal year 1961 (with an accompanying report); to the Committee on the Judiciary.

HARRY A. SEBERT

A letter from the Deputy Administrator, National Aeronautics and Space Administration, Washington, D.C., transmitting a draft of proposed legislation for the relief of Harry A. Sebert (with an accompanying paper); to the Committee on the Judiciary.

PEPITO GUARO DIGNADICE

A letter from the Secretary of the Army, transmitting a draft of proposed legislation for the relief of Pepito Guaro Dignadice (with an accompanying paper); to the Committee on the Judiciary.

PETITION

The VICE PRESIDENT laid before the Senate a resolution adopted by the Board of Governors of the Chamber of Commerce of Winter Haven, Fla., favoring an investigation of the Department of State, which was referred to the Committee on Foreign Relations.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of nominations was submitted:

By Mr. KERR, from the Committee on Public Works:

Paul M. Butler, of Indiana, Thomas P. McMahon, of New York, and Dr. N. R. Danielian, of Maryland, to be members of the Advisory Board of the Saint Lawrence Seaway Development Corporation.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DIRKSEN:

S. 2449. A bill for the relief of Hongsik Anh; to the Committee on the Judiciary.

By Mr. BUTLER:

S. 2450. A bill for the relief of Maj. C. Todd, Jr., and the estate of Ira T. Todd, Sr.; and

S. 2451. A bill for the relief of G. W. Todd and the estate of Lloyd Parks; to the Committee on the Judiciary.

By Mr. BENNETT:

S. 2452. A bill to restore certain past administrative practices in computing gross income from mining for percentage depletion purposes; to the Committee on Finance.

(See the remarks of Mr. BENNETT when he introduced the above bill, which appear under a separate heading.)

By Mr. CURTIS (for himself, Mr. MCCLELLAN, and Mr. MUNDT):

S. 2453. A bill to amend the National Labor Relations Act so as to provide that the discharge of employees who engage in a strike not authorized by the collective bargaining representative shall not be considered an unfair labor practice; to the Committee on Labor and Public Welfare.

By Mr. METCALF (for himself, Mr. CLARK, Mr. WILLIAMS of New Jersey, and Mr. MANSFIELD):

S. 2454. A bill to amend the Housing Amendments of 1955 to make Indian tribes eligible for Federal loans to finance public works or facilities, and for other purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. METCALF when he introduced the above bill, which appear under a separate heading.)

By Mr. ENGLE (for himself and Mr. KUCHEL):

S.J. Res. 126. Joint resolution extending recognition to the International Exposition for Southern California in the year 1966 and authorizing the President to issue a proclamation calling upon the several States of the Union and foreign countries to take part in the exposition; to the Committee on Foreign Relations.

AMENDMENT OF THE INTERNAL REVENUE CODE TO RESTORE TREASURY'S HISTORICAL INTERPRETATION OF "GROSS INCOME FROM MINING" FOR DEPLETION PURPOSES

Mr. BENNETT. Mr. President, I introduce for appropriate reference, a bill to restore certain past administrative practices in computing gross income from mining for percentage depletion purposes. I think this bill would solve problems that involve considerations of fairness and equity which I believe should be called to the attention of my colleagues.

A few years after the 16th amendment to the Constitution was adopted and the income tax law was instituted, Congress recognized that the production of minerals involved special problems which required special treatment if the national interest and public welfare were to be protected. Because these natural resources are irreplaceable, their production and sale is in the nature of selling a capital asset—they cannot be replaced on the open market. In addition, the peculiarly heavy risks of searching for and investing in the production of minerals requires incentive tax treatment if the Nation is to have available a plentiful supply of the minerals which are essential to the maintenance of a high standard of living.

Because of these considerations, Congress first established an allowance which could exceed the actual tax basis of the minerals involved, and this allowance was termed "discovery depletion." Because of the great difficulties in the application of this allowance, it was replaced by a similar allowance, based on percentages of income and termed "percentage depletion." Effective in 1926, percentage depletion replaced discovery depletion for oil and gas, and in 1932 percentage depletion replaced discovery depletion for coal and metal mines, and for sulfur. Gradually over the years Congress has established percentage depletion for other minerals, with a substantial number of nonmetallic minerals being added in 1951.

When Congress first replaced discovery depletion with percentage depletion, in 1932, there was no statutory definition of "gross income from mining." This phrase was important because it was the basis of the depletion computation, with the percentages set forth by Congress. The Treasury issued regulations which, in substance, declared that "gross income from mining" would be computed on the value of the mineral after the application of the processes which were normally regarded as "mining" processes—processes normally applied by mine owners and operators.

Over the years the mining industry and the Treasury were in substantial agreement as to the Treasury's interpretation and administration of the law. Eventually, however, there developed an area of controversy when Treasury amended its regulations and practices with respect to a few of the processes involved. This area of controversy was eventually settled by Congress, which spelled out in the statute a definition of "mining" which corresponded largely to the Treasury's original interpretation of the word. In doing this, Congress used language to the effect that "mining" would include the named mining processes and would include the processes "normally applied by mineowners or operators in order to obtain the commercially marketable mineral product or products."

This 1943 definition pretty well settled the matter for the time being. The Treasury regarded it as instructions not to cut back on its original determination—that "mining" included processes normally applied by miners, but did not include manufacturing. The industry was in substantial agreement with this interpretation.

However, when in 1951 a large number of nonmetallic minerals were added to the law, there was no corresponding change to up-date the definition of "mining." This resulted in an ambiguous law, which contained nonmetallic minerals without containing a definition of "mining" which clearly governed each of the minerals involved. The Treasury Department, quite naturally, continued to interpret and administer the law as meaning that "mining" included those processes normally applied by miners, and excluded those processes normally regarded as manufacturing. However, faced with this ambiguous statute, the courts decided that in the case of some minerals—primarily brick and tile clay and cement rock—the Treasury's interpretation was wrong. This line of court decisions, beginning about 1954, held that producers of these minerals were entitled to include within "mining"

all processes necessary to make the product sold by the taxpayer, even if such processes were normally regarded as "manufacturing."

In 1957 the Supreme Court of the United States denied certiorari in Merry Bros. Brick and Tile Co. and Dragon Cement Co., Inc., and shortly thereafter, in Technical Information Release No. 62, the Internal Revenue Service announced that it would dispose of brick and tile clay claims, and "cement rock" claims, in accord with those decisions. The Service stated it was studying the application of those decisions to other minerals.

With respect to minerals other than brick and tile clay, the Service continued to interpret and administer the law in the historical manner—that "mining" processes were allowed but "manufacturing" processes were not, without regard to "marketability." It also continued to contest, in court, contrary interpretations with respect to any mineral except brick and tile clay.

On December 14, 1959, the Supreme Court granted certiorari in United States against Cannelton Sewer Pipe Co., involving the depletion on fire clay used to make sewer pipe. Unfortunately, the Government did not present to the Court its traditional "mining versus manufacturing" test—apparently because it felt precluded from basing its case on this test in view of the fact that in its petition for certiorari it used other arguments to differentiate the case from Merry Bros. in which certiorari had previously been denied. Quite naturally, the taxpayer in Cannelton did not argue the case on the basis of the traditional "mining versus manufacturing" test, because to do so would have greatly decreased his chances of success.

The result, then, was that the Supreme Court was forced to hand down a decision in this complex field without hearing any arguments from either side on the validity of the traditional interpretation of the law. Instead, it was forced to deal with a "marketability" test which had never been regarded as having any real meaning prior to the line of cases which began in 1954.

In deciding the Cannelton case, the Court stated that fire clay is "marketable" in its raw form and therefore depletion must be computed on the value of raw clay. The Court apparently was not even aware of the middle ground between raw clay and finished sewer pipe—the middle ground being crushed and ground clay, which Treasury had always previously regarded as the proper cutoff point for fire clay.

In the course of its Cannelton decision, the Court made some very broad and sweeping statements about the marketability test—without realizing that this test had no application under the traditional administration of the law prior to 1954. As a result, the Court's decision is open to interpretations which could eliminate the allowability of processes always regarded by Treasury as "mining"—an interpretation which has already been adopted by some of the lower courts.

Almost simultaneously with the Supreme Court's Cannelton decision, Congress in June of 1960 enacted the Gore amendment. This amendment started as a Senate amendment to the Public Debt and Tax Rate Extension Act of 1960—there was no comparable House provision. However, the amendment as adopted by the Senate was identical to a proposal which the Treasury presented to Congress early in 1959, and on which the Ways and Means Committee held hearings in March of 1959. In the form proposed by Treasury, and first adopted by the Senate "crushing" and "grinding" were allowed to all minerals, consistent with historical Treasury administration of the law.

However, in conference, certain changes were made in the bill—under circumstances that can best be described as "last minute" because the conferees were under pressure to report a bill without delay. One of the results of these changes was that "crushing" and "grinding," while being allowed to all other minerals, were not listed as allowable for minerals "customarily sold in the form of a crude mineral product." For almost 30 years there has been no necessity to define the term "customarily," because the Treasury allowed "mining" processes to all minerals, but there are indications now that the term may be regarded by some persons in Treasury as meaning substantially less than 51 percent. The result of this situation is as follows:

First. Minerals which are "customarily" sold in the form of a crude mineral product will not be allowed "crushing" and "grinding" in 1961 and future years—even though Treasury always previously regarded these processes as allowable. To emphasize, it may well turn out that a relatively small amount of sales by other producers will put a taxpayer's minerals in this category.

Second. "Mining" processes—such as crushing and grinding, and even processes, such as concentrating, leaching and precipitation—are being threatened for pre-1961 years, on the ground that a possible market existed without such processes, even though Treasury always previously recognized mining processes as allowable without regard to "marketability." Under the Gore amendment, processes named as "mining" cannot be threatened on the ground of possible marketability, since the Gore amendment contains no reference to marketability as a test.

Most of the changes which were made in the conference on the Gore amendment were made at the instance of the Treasury Department, and the record does not indicate whether or not Treasury intended to accomplish the disallowance of "crushing" and "grinding" which resulted from the action of the conferees. The record does indicate, however, that Congress believed, when it enacted the conference version of the Gore amendment, that it was restoring the allowability of "mining" processes and the disallowance of "manufacturing" processes that Treasury applied in its historical interpretation and administration of the law over the years. The record further shows that Treasury, for the period beginning with 1932 and continuing at least until the Supreme Court granted certiorari in Cannelton in December of 1959, regarded "crushing" and "grinding" as "mining" processes for depletion purposes, for all minerals.

Crushing and grinding were treated as allowable processes in administrative practice and in various rulings and regulations. The public record of the Treasury Department's attitude toward "crushing" and "grinding"—for the 27 years preceding certiorari in Cannelton—is summed up by the testimony of Jay Glasmann, Assistant General Counsel of the Treasury Department, in his testimony before the Committee on Ways and Means on March 5, 1959, in the hearings on the Treasury's proposal which eventually became the Gore amendment, when he stated—see pages 7 and 9—as follows:

> The draft bill on mining is intended to restore the rules for computing gross income from mining which were applied prior to the recent court decisions. No attempt has been made to roll back those processes which are treated as mining under express provisions of the statute or by administrative practice.
>
> Crushing, grinding, and loading for shipment * * * are recognized as mining processes when applied to a crude material.

The failure to allow crushing and grinding for certain minerals, in the Gore amendment, as revised in conference, must have been an unintended oversight, unless Treasury changed its traditional concept of "mining" between March 5, 1959, and June 1960, when the Gore amendment was adopted. In either event, I am confident that Congress in passing the Gore amendment did not knowingly intend to disallow processes which the Treasury had traditionally regarded—before the Cannelton case went to the Supreme Court—as allowable "mining" processes. This situation should, in equity, be corrected.

In addition to restoring the allowability of crushing and grinding, the bill which I have introduced would allow taxpayers—except cement producers, who were granted a similar election in 1960—to apply the Gore amendment to all pre-1961 years which are still open for controversy. This provision would not result in refunds to taxpayers—it would merely permit taxpayers to defend themselves against increased tax collections arising out of the retroactive change in the concept of "income from mining." They would be allowed to do this by adopting the Treasury's own historical interpretation of the law as spelled out in the Gore amendment. This provision would apply to taxpayers generally—not only the stone and refractory clay producers who are being threatened with the disallowance of crushing and grinding, but also any other taxpayer who is being threatened, on the grounds of possible "marketability," with the disallowance of any other process which Congress has specifically named as "mining."

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2452) to restore certain past administrative practices in computing gross income from mining for percentage depletion purposes, introduced by Mr. BENNETT, was received, read twice by its title, and referred to the Committee on Finance.

WORK STOPPAGES IN MISSILE PROGRAM

Mr. CURTIS. Mr. President, on behalf of myself, the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from South Dakota [Mr. MUNDT], I introduce a bill for appropriate reference.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2453) to amend the National Labor Relations Act so as to provide that the discharge of employees who engage in a strike not authorized by the collective bargaining representative shall not be considered an unfair labor practice, introduced by Mr. CURTIS (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. CURTIS. This measure would deal with work stoppages in our missile program.

For weeks the McClellan committee heard evidence of the walkouts and slowdowns, strikes, and other work stoppages. It was not unusual to have a witness testify that a sign would be put up near the gates at Cape Canaveral stating that the pipefitters or some other union were not working that day. When such a sign was displayed, no one came to work. No strike would be officially called. The union officials would deny any responsibility for the walkout.

The bill I am introducing today is brief. It provides that it shall not be an unfair labor practice for an employer to discharge any employee who engages or participates in a strike, slowdown or other concerted stoppage of work, or in concerted absenteeism unless the employer has received written notice that the union has legally authorized such strike or slowdown or absenteeism.

Mr. President, I am satisfied that there are red-blooded, patriotic Americans in the country who are willing to do this defense work. Those who refuse to do it, and who wittingly or unwittingly aid the enemy, should be fired.

In the August 1961 Reader's Digest, Mr. Kenneth O. Gilmore, in writing on the scandal of our missile programs, says:

No Communist effort could have undermined our missile and space effort as effectively as opportunistic labor unions have done at the launching pads and ICBM bases.

Mr. Gilmore goes on to say:

One of the sorriest chapters of self-serving in American history has been unfolding in the last half decade. It is the shameful undermining of our $3-billion-a-year missile and space effort by reckless union leaders and their too willing followers. Even worse is the way our arthritic Federal bureaucracy timidly allowed this hijacking of our Government through harassments and blackmail to continue. In 5 years the ballistic-missile bases and test sites have been beset by 330 strikes and walkouts, with a loss of 163,000 priceless man-days—all this at a time when Soviet ability to fire long-range nuclear missiles has launched us on an incredibly expensive crash program to make our ICBM weapons ready for operation, and even as Russians have orbited into space ahead of us.

Mr. Gilmore's article is a good summary of the testimony taken by our committee. He quotes Chairman MCCLELLAN from the official hearings as follows:

Wildcat strikes, work stoppages, slowdowns, featherbedding and a deliberate policy of low productivity on the part of some unions and workers may well be responsible to a substantial degree for whatever lagging behind exists in our space and missile programs. This concerns every man, woman and child in the country who loves freedom. If greed, graft and extortion are to dominate our way of life and our economy, especially in a program vital to our survival, it is time for Americans to wake up.

Mr. President, I ask unanimous consent to have printed the Reader's Digest article at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SCANDAL OF OUR MISSILE PROGRAM

(By Kenneth O. Gilmore)

One of the sorriest chapters of self-serving in American history has been unfolding in the last half decade. It is the shameful undermining of our $3-billion-a-year missile and space effort by reckless union leaders and their too willing followers. Even worse is the way our arthritic Federal bureaucracy timidly allowed this hijacking of our Government through harassments and blackmail to continue. In 5 years the ballistic-missile bases and test sites have been beset by 330 strikes and walkouts, with a loss of 163,000 priceless man-days—all this at a time when Soviet ability to fire long-range nuclear missiles has launched us on an incredibly expensive crash program to make our ICBM weapons ready for operation, and even as Russians have orbited a man into space ahead of us.

"Wildcat strikes, work stoppages, slowdowns, featherbedding, and a deliberate policy of low productivity on the part of some unions and workers may well be responsible to a substantial degree for whatever lagging behind exists in our space and missile programs. This concerns every man, woman, and child in the country who loves freedom. If greed, graft, and extortion are to dominate our way of life and our economy, especially in a program vital to our survival, it is time for Americans to wake up."

These were the words of Senator JOHN L. MCCLELLAN after testimony was presented at the recent hearings conducted by the Senate Permanent Investigations Subcommittee, of which he is chairman. For 5 months the subcommittee's investigators dug into records and fanned out across the land to question hundreds of persons at union and contract offices, missile-assembly plants, and ICBM launching centers. Some 40 witnesses from labor, industry, and Government were brought to the Capitol to testify under oath. Senator MCCLELLAN claimed that the appalling disclosures were "as shocking as anything that has been revealed" in nearly 5 years of labor investigations.

As a reporter I listened to the testimony before that congressional subcommittee. Then, to measure fully the damage done by the strikes and boycotts, I traveled 7,000 miles from Washington to the flatlands of the West, on to the Pacific coast, then back across to the marshes of Cape Canaveral, Fla. At missile sites, on launching pads, deep inside subterranean silos, in blockhouses, and construction trailers, I talked with the men shouldering the day-and-night rush assignment of tooling up our space weapons.

One stop was at the missile complex near Lowry Air Force Base at Denver, Colo., where, as it had been explained before the McClellan subcommittee, 350 craft-union workers put down their tools last April at shelters being built for Titan intercontinental ballistic missiles. A month and a half earlier, construction-union chieftains had issued a stirring pledge not to strike our missile bases until they had exhausted every means for a peaceful settlement. Yet since that pledge, there have been a half dozen craft walkouts on missile bases, with 34 more strikes by other unions.

The Lowry incident began when building-trades workers of all types remained away from the missile complex 3 days. Why? To press a ridiculous demand that a handful of craft workers be allowed to maintain and operate an intricate subterranean powerhouse where the work had been turned over to employees of the Martin Co., who were represented by another union. Only when it appeared that the National Labor Relations Board was about to seek a court injunction against them did the strikers return to their jobs. It was a blatantly illegal walkout.

Less than 2 weeks later another walkout occurred at the missile sites. The reason was much the same. This time the walkout spread like a disease to 4,000 strikers. Construction on 11 ballistic-missile locations was paralyzed, not only at Lowry but at Atlas pads scattered through northern Colorado. When the union men finally went back to work after 5 days, our race to offset Russia's awesome missile striking power had been retarded by 64,000 priceless man-hours.

Yet none of these workers was ever penalized or disciplined. On the contrary, they were rewarded. Upon returning to work, many collected generous overtime pay checks because the construction had to go ahead around the clock so as not to fall further behind.

Consider some of the outrageous excuses craft-union members have given for delaying the missile program. Pipefitters, electricians, and asbestos workers in Colorado wanted to make their own coffee—so they walked out. Cement finishers in Florida said painters must not fill small holes with the same tool the finishers use, a trowel—so the finishers walked out. Electricians protested elimination of overtime, while ironworkers contended they were too tired to work—so they all walked out. Some Cape Canaveral tilesetters who went home to Birmingham, Ala., for a Fourth of July holiday became so imbued with their own brand of Americanism that they stayed there 4 extra days in sympathy with a hometown strike by their union.

Why has all this labor sandbagging of our missile effort been tolerated through the years—until the McClellan subcommittee began laying the evidence on the record?

The answer lies in our Government's ponderous redtape and in officials cowering before the whim of union demands. It has been their naive hope that if they bowed to the demands, the problem would disappear. Labor Department bureaucrats have refused to take the decisive action that long ago could have nipped this trouble in the bud. As a consequence, strikes have been so prevalent that in one recent 8-month period a work stoppage occurred every 2 days at 21 missile bases. Thomas J. O'Malley, the man who will fire the first American into orbit, believes that labor difficulties delayed our space program by several precious months.

Nor is management entirely blameless. With taxpayers picking up the bills, some companies have permitted featherbedding, loafing, and molasses-like production so as to curry the favor of union bosses and avoid walkouts. Testimony before MCCLELLAN revealed how buying of labor peace reached a ridiculous point when company technicians at Cape Canaveral, performing a necessary job, unhooked 1,000 wires in a blockhouse. The next day craft-union electricians claimed it was their work and demanded that these same wires be reattached. Once this was done, the craft workers unfastened the wires a second time, at $3.75 an hour.

Step with me into the small blueprint-spattered quarters of a major in charge of three ICBM silo projects at sprawling Vandenberg Air Force Base northwest of Los Angeles. Just yards away sit subterranean launching pads burrowed into the hills overlooking the Pacific. Here, on strict orders from the Pentagon, nothing is officially to be said about the strikes and walkouts which in just 1 year at Vandenberg alone caused a stoppage 1 out of every 10 days. Yet when the doors close, the conversation voluntarily moves to the labor problem.

"What's happening to our loyalty?" the major asked me. "I don't see any evidence of patriotism here. All the workers are looking for is big money. If I tried to reduce overtime pay by putting these guys on 8-hour shifts, there'd be nobody around in a matter of minutes."

At Vandenberg electricians have averaged $510 a week—$145 more than the combined pay and allowances of the base's missile commander, Maj. Gen. David Wade, a 25-year veteran. Elevator operators have collected as much as $363 a week, truckdrivers $324, warehouse clerks $262—all in excess of the pay of the major I had talked to, who must ready million-dollar missiles to be fired on 15-minute notice.

There is reason to worry about the effect this gravy train has on promising young officers who have seen ditchdiggers making more than the total pay and allowances of our astronauts, not to mention the pay scale of their foreman, which exceeds that of the Secretary of the Air Force. "Too often the officers can't stomach it," I was told, "and they quit when their obligated service runs out."

Hand in hand with the absurd pay is shameful featherbedding. When certain factory-made missile assemblies arrived at Vandenberg, union pipefitters insisted that they be allowed to tear this surgically manufactured equipment apart and reassemble it themselves. Rather than permit this damaging process, the Air Force let the pipefitters conduct a "blessing," a bizarre ritual whereby the workers merely watched the equipment for as long as it would have taken them to do the job—the while drawing $4.13 an hour.

Cried Senator MCCLELLAN after hearing of this: "If that is not gouging, if that is not blackmail, if it is not the most sordid kind of extortion at a time when the only one on earth who would benefit from it is the enemy who is determined to destroy us, then I simply do not know what those terms mean."

The taxpayers have taken a licking in endless ways. The McClellan hearings brought out that local union electricians working at Malmstrom Air Force Base near Great Falls, Mont., rigged their contract last March so that they could receive up to $8.40 a day extra in "hardship" travel pay. They did it by transferring their membership to another local union 100 miles away in Helena, to classify themselves as working in an "isolated area" at Malmstrom.

For unmitigated undermining of our defense effort, however, nothing matches the record of unions at Cape Canaveral, our missile test center. In 5 years the cape has been staggered by 110 strikes, but it's not only the strikes that have undercut missile progress. E. G. MacNabb, operations manager for the Atlas testing program at Canaveral, says, "The productivity of trade unions at the cape is lower than I have seen anywhere in my 25 years of experience in industry."

"Every time we turn around, it seems as if men are walking off or threatening to leave," an Air Force officer told me as we stood at the edge of a concrete-lined 80-foot hole put down into the scrub-covered sand at Canaveral to test the ICBM solid-fuel Minuteman, which in the next 3 years is supposed to be implanted in more than 700 silos across the Nation. The responsibilities of running tests on a missile system such as this, costing the taxpayers at least a million dollars a day, are awesome. Mistakes and delays can be devastating when the Corps of Engineers is already supervising the pouring of millions of tons of concrete for Minuteman silos.

One of the major stoppages at Cape Canaveral was touched off by Jimmy Hoffa's Teamsters. As the McClellan testimony revealed, Hoffa's organizer, Joseph W. Morgan, tried to force Canaveral truckdrivers into the union, refusing to let the issue be decided by a workers' election. Morgan threw up picket lines and virtually all construction and installation work at the cape halted. Finally, a court injunction ordered the picketing stopped, ruling it an unfair labor practice. But the damage had been done. The strike had drained away time that could never be regained.

In Washington, Morgan was asked by Senator MCCLELLAN: "When you shut down that operation for 4 weeks, were you serving your country or a foreign country that wants to bury us?" The teamster ducked behind the fifth amendment.

The acknowledged kingpin of labor chieftains at Cape Canaveral, according to witnesses at the congressional hearing, is Robert Palmer, business manager of local 756 of the International Brotherhood of Electrical Workers. Records kept by Palmer himself, which were cited at the hearing, show that during 4½ years his electricians caused 19 work stoppages, not to mention participation in the walkouts of others. Yet Palmer stays clear of the law by hiding behind the supposedly uncontrollable actions of his men who pull wildcat strikes. "I have never called them out on strike," he says piously.

Perhaps the most outrageous of Palmer's feats was his battle with the National Aeronautics and Space Administration. Last August a team of its highly trained technicians at the cape attempted to proceed with high-priority installation of ground-support equipment for the Saturn space rocket. This urgent project now represents America's greatest immediate hope of matching Russia's space achievements. With 1,500,000 pounds of thrust from a cluster of 8 improved Jupiter engines, it will be four times more powerful than an Atlas ICBM. Already at the cape an awesome 30-story service tower has been built for it, the biggest structure on wheels in the free world.

But when the NASA technicians arrived at pad No. 34 to install the equipment in the blockhouse, Palmer's men staged a protest walkout along with the pipefitters. Immediately, NASA meekly pulled its specialists off the complex, and for more than 3 months they did not dare go back to the blockhouse except to try to slip in twice for important assignments. Even then the union men threatened to walk out, so the NASA experts left.

Finally, to prevent Saturn's schedule from falling badly behind, NASA had to send its experts back in, last November. Within hours Palmer's electricians again walked out—along with pipefitters, carpenters and laborers, 728 altogether.

Dr. Wernher von Braun and other NASA officials were forced to interrupt their work in order to plead with union representatives behind closed doors in Washington. Only after 2 weeks could these craft unionists be prevailed upon to return to their jobs, and then only on the promise that a special committee, headed by a Labor Department official, would look into the dispute.

This official committee, instead of giving Dr. von Braun and his team a full go-ahead, would do no better in its report than offer weak-kneed palliatives such as "continuing reexamination" and an appeal to the unions "to make every effort to work out disputed problems without recourse to work stoppages." This despite the fact that NASA pleaded "it was very necessary" for its experts "to be intimately involved" with certain construction activities so they could "achieve the reliability which is vital to firing success." To do otherwise, NASA warned, "would go to the very heart of its mission and may even render the Saturn project a failure."

To the men who are straining to rush our missile and space programs to completion, union callousness and indifference are more than disheartening. The demoralization in our defense buildup is so serious that in the wake of Senator MCCLELLAN'S hearings the Kennedy administration hastily promised to prevent stoppages by setting up a Presidential Commission designed to head off and mediate disputes. Yet this Commission was given no real authority to enforce its decisions or immediately halt hit-and-run strikes that gnaw away on missile progress. Worse, the President and his Labor Secretary are promoting legislation that would make it legal for union construction bosses to persuade their followers to strike in sympathy with other unions. Throwing open the door to such secondary boycotting, already a cause of scores of missile stoppages, only encourages union bosses to set up picket lines wherever they please to influence other crafts to join in.

The time is long past when lip service to the antistrike cause will suffice. Here is what must be done:

1. The criminal-conspiracy laws that so recently put businessmen in jail should be equally applied to strike-happy workers who conspire to foment walkouts for their own enrichment.

2. Congress must ban strikes at our missile bases, with fair appeal procedures but with severe penalties against those strikers who would endanger the national security. Employers found guilty of certain labor-law violations are blacklisted from all Federal contracts for 3 years. Shouldn't a similar penalty be applied to workers who strike illegally?

A new law must be passed that will put a stop to the practices that are undermining our defense prospects. Says the ranking Republican on MCCLELLAN'S subcommittee, Senator KARL MUNDT: "The oldest panacea in Washington is a White House commission. What should have come from the President was a forthright call for legislation to end this nonsense."

And on the floor of the Senate, after summing up the appalling disclosures, Senator MCCLELLAN declared: "I do not care what Executive order is issued and what no-strike pledge is given, we shall not do right by the country or by the people if we permit such a situation to occur again without its being a violation of the law of the land. Conditions such as those that have prevailed in this program challenge the very efficacy of government itself."

3. As a final significant step, the President must inspire a revival of real patriotism, not just as a noble sentiment but as an everyday necessity for survival in the cold war.

Recently Senator McCLELLAN received an anguished question from a high school student who had heard about the labor scandals. "Is Americanism dead?" she asked. "Why don't more people care about our Government's success or failure in affairs so important that they could destroy our whole way of life?"

It's a question that makes you wonder. For since then another 15 men have walked out at Cape Canaveral in protest against NASA technicians trying to do their duty for the country.

AMENDMENT OF HOUSING AMENDMENTS OF 1955, TO MAKE INDIAN TRIBES ELIGIBLE FOR CERTAIN FEDERAL LOANS

Mr. METCALF. Mr. President, on behalf of my colleague, the senior Senator from Montana [Mr. MANSFIELD], the senior Senator from Pennsylvania [Mr. CLARK], the junior Senator from New Jersey [Mr. WILLIAMS], and myself, I introduce, for appropriate reference, a bill to amend the Housing Amendments of 1955 to make Indian tribes eligible for Federal loans to finance public works or facilities and for other purposes.

The need for this amendment arises from the fact that the law as currently written is applicable only to "States and their political subdivisions." The language we propose would merely add the phrase "and Indian tribes" where appropriate.

Participation in the community facilities program would be of immense benefit to many Indian communities. One tribe, for instance, is anxious to establish an orphanage for abandoned and disturbed children. Community facilities loans would also be helpful in encouraging economic development on Indian reservations by making funds available for tribally built and operated factory buildings, tourist facilities, and the like.

Finally, community facilities funds could be used to alleviate the serious juvenile delinquency problem on Indian reservations through the construction of playgrounds, gymnasiums, and other recreational facilities.

The exclusion of Indian tribes from the communities facilities program is inconsistent with our other housing programs. The Public Housing Act, for example, is available to "any State, county, municipality, or governmental entity or public body." The public housing agency has recently ruled that Indian tribes qualify under this provision. Similarly, the housing for the elderly program is open to "any public body."

I believe the exclusion of Indian tribes from the communities facilities program is an inadvertence that should be corrected at the earliest opportunity. I am most appreciative of the interest in this matter expressed by members of the Banking and Currency Committee, and hope that it will be possible for the committee to consider this bill at an early date.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2454) to amend the Housing Amendments of 1955 to make Indian tribes eligible for Federal loans to finance public works or facilities, and for other purposes, introduced by Mr. METCALF (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Banking and Currency.

PROMOTION OF FOREIGN COMMERCE—AMENDMENTS

Mr. ROBERTSON (for himself, Mr. CAPEHART, Mr. SPARKMAN, Mr. BUSH, Mr. CLARK, and Mr. JAVITS) submitted amendments, intended to be proposed by them, jointly, to the bill (S. 1729) to promote the foreign commerce of the United States, and for related purposes, which were ordered to lie on the table and to be printed.

ESTABLISHMENT OF PEACE CORPS—AMENDMENT

Mr. CURTIS submitted an amendment, intended to be proposed by him, to the bill (S. 2000) to provide for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower, which was ordered to lie on the table and to be printed.

DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1962—AMENDMENTS

Mr. JAVITS submitted amendments, intended to be proposed by him, to the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1962, and for other purposes, which were ordered to lie on the table and to be printed.

FEASIBILITY OF A PARKWAY TO BE KNOWN AS THE ABRAHAM LINCOLN MEMORIAL PARKWAY—ADDITIONAL COSPONSORS OF BILL

Mr. HARTKE. Mr. President, on April 13, 1961, I introduced S. 1579, a bill to provide for a study of the feasibility of establishing a national parkway to be known as the Abraham Lincoln Memorial Parkway. My colleague, the senior Senator from Indiana [Mr. CAPEHART], and the Senators from Illinois [Messrs. DOUGLAS and DIRKSEN] have requested the opportunity of cosponsoring this bill, and I ask unanimous consent that their names be listed as such.

The VICE PRESIDENT. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 685. An act to amend the Coast and Geodetic Survey Commissioned Officers Act of 1948, as amended, and for other purposes;

S. 1317. An act to change the designation of that portion of the Hawaii National Park on the island of Hawaii, in the State of Hawaii, to the Hawaii Volcanoes National Park, and for other purposes; and

S. 1653. An act to amend title 18, United States Code, to prohibit travel or transportation in commerce in aid of racketeering enterprises.

The message also announced that the House had passed the following bills of the Senate, severally with amendments, in which it requested the concurrence of the Senate:

S. 880. An act to amend section 216 of the Merchant Marine Act, 1936, as amended, to authorize the Secretary of Commerce to accept gifts and bequests of personal property for the U.S. Merchant Marine Academy;

S. 1656. An act to amend chapter 50 of title 18, United States Code, with respect to the transmission of bets, wagers, and related information; and

S. 1657. An act to provide means for the Federal Government to combat interstate crime and to assist the States in the enforcement of their criminal laws by prohibiting the interstate transportation of wagering paraphernalia.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 206. An act to facilitate administration of the fishery loan fund established by section 4 of the Fish and Wildlife Act of 1956, and for other purposes;

H.R. 1098. An act to amend section 901 of title 38, United States Code, to provide that a flag shall be furnished to drape the casket of each deceased veteran of Mexican border service;

H.R. 2587. An act to extend the postage rates on library materials to films under 16 millimeters in size and film catalogs thereof;

H.R. 3296. An act to authorize the Secretary of Interior to nominate citizens of the Trust Territory of the Pacific Islands to be cadets at the U.S. Merchant Marine Academy;

H.R. 3788. An act to provide for the transfer of the U.S. vessel *Alaska* to the State of California for the use and benefit of the department of fish and game of such State;

H.R. 3920. An act to authorize an exchange of land at the Agricultural Research Center;

H.R. 4131. An act to authorize the waiver of collection of certain erroneous payments made by the Federal Government to certain civilian and military personnel;

H.R. 4682. An act to authorize the Secretary of Agriculture to sell and convey certain lands in the State of Iowa;

H.R. 4975. An act to permit the entry and mailing of second-class mail of publications of elementary and secondary institutions of learning, and for other purposes;

H.R. 6193. An act to authorize the Secretary of Agriculture to convey certain lands in the State of Wyoming to the county of Fremont, Wyo.;

H.R. 6309. An act to amend title VI of the Merchant Marine Act, 1936, as amended, in order to increase certain limitations in payments on account of operating-differential subsidy under such title;

H.R. 6374. An act to clarify the application of the Government Employees Training Act with respect to payment of expenses of attendance of Government employees at certain meetings, and for other purposes;

H.R. 6667. An act to amend the Act of August 16, 1957, relating to microfilming of papers of Presidents of the United States, to remove certain liabilities of the United States with respect to such activities;

H.R. 6969. An act to amend title 38, United States Code, to increase dependency and indemnity compensation in certain cases;

H.R. 7021. An act to authorize Government agencies to provide quarters, household furniture and equipment, utilities, subsistence, and laundry service to civilian officers and employees of the United States, and for other purposes;

H.R. 7057. An act relating to the application of the terms "gross income from mining" and "ordinary treatment processes normally applied by mine owners or operators in order to obtain the commercially marketable mineral product or products" to certain clays and shale for taxable years beginning before December 14, 1959;

H.R. 7416. An act to authorize the Bureau of the Census to make appropriate reimbursements between the respective appropriations available to the Bureau, and for other purposes;

H.R. 7490. An act for the protection of marine mammals on the high seas, and for other purposes;

H.R. 7532. An act to amend title 39 of the United States Code relating to funds received by the Post Office Department from payments for damage to personal property, and for other purposes;

H.R. 7559. An act to amend title 39 of the United States Code to provide for additional writing or printing on third- and fourth-class mail;

H.R. 8045. An act to change the name of the Hydrographic Office to United States Naval Oceanographic Office;

H.R. 8383. An act to further amend section 201(1) of the Federal Civil Defense Act of 1950, as amended, and for other purposes;

H.R. 8406. An act to further amend Reorganization Plan No. 1 of 1958, as amended, in order to change the name of the office established under such plan, and for other purposes;

H.R. 8414. An act to amend section 5011 of title 38, United States Code, to clarify the authority of the Veterans' Administration to use its revolving supply fund for the repair and reclamation of personal property; and

H.R. 8570. An act to amend title 10, United States Code, to permit disbursing officers of an armed force to entrust funds to other officers of an armed force.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H.R. 1290. An act for the relief of Ernest Morris;

H.R. 1612. An act for the relief of Mr. Ernest Hay, Wamego, Kans.;

H.R. 2656. An act for the relief of Capt. Leon B. Ketchum;

H.R. 3227. An act to amend section 1732(b) of title 28, United States Code, to permit the photographic reproduction of business records held in a custodial or fiduciary capacity and the introduction of the same in evidence;

H.R. 4030. An act for the relief of Robert A. St. Onge;

H.R. 4640. An act for the relief of the estate of Charles H. Biederman;

H.R. 4659. An act to establish a National Armed Forces Museum Advisory Board of the Smithsonian Institution, to authorize expansion of the Smithsonian Institution's facilities for portraying the contributions of the Armed Forces of the United States and for other purposes;

H.R. 4660. An act to authorize modification of the project Mississippi River between Missouri River and Minneapolis, Minn., damage to levee and drainage districts, with particular reference to the Kings Lake Drainage District, Missouri;

H.R. 6835. An act to simplify the payment of certain miscellaneous judgments and the payment of certain compromise settlements;

H.R. 7038. An act to eliminate the right of appeal from the Supreme Court of Puerto Rico to the court of appeals for the first circuit;

H.R. 7610. An act for the relief of Joe Kawakami;

H.R. 7724. An act to provide for advances of pay to members of the armed services in cases of emergency evacuation of military dependents from oversea areas and for other purposes; and

H.R. 7864. An act to dissolve Federal Facilities Corporation, and for other purposes.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred, or placed on the calendar, as indicated:

H.R. 206. An act to facilitate administration of the fishery loan fund established by section 4 of the Fish and Wildlife Act of 1956, and for other purposes;

H.R. 3296. An act to authorize the Secretary of Interior to nominate citizens of the Trust Territory of the Pacific Islands to be cadets at the U.S. Merchant Marine Academy.

H.R. 3788. An act to provide for the transfer of the U.S. vessel *Alaska* to the State of California for the use and benefit of the department of fish and game of such State; and

H.R. 7490. An act for the protection of marine mammals on the high seas, and for other purposes; to the Committee on Commerce.

H.R. 1098. An act to amend section 901 of title 38, United States Code, to provide that a flag shall be furnished to drape the casket of each deceased veteran of Mexican border service;

H.R. 6969. An act to amend title 38, United States Code, to increase dependency and indemnity compensation in certain cases;

H.R. 7057. An act relating to the application of the terms "gross income from mining" and "ordinary treatment processes normally applied by mine owners or operators in order to obtain the commercially marketable mineral product or products" to certain clays and shale for taxable years beginning before December 14, 1959; and

H.R. 8414. An act to amend section 5011 of title 38, United States Code, to clarify the authority of the Veterans' Administration to use its revolving supply fund for the repair and reclamation of personal property; to the Committee on Finance.

H.R. 2587. An act to extend the postage rates on library materials to films under 16 millimeters in size and film catalogs thereof;

H.R. 4975. An act to permit the entry and mailing as second-class mail of publications of elementary and secondary institutions of learning, and for other purposes;

H.R. 6374. An act to clarify the application of the Government Employees Training Act with respect to payment of expenses of attendance of Government employees at certain meetings, and for other purposes;

H.R. 7416. An act to authorize the Bureau of the Census to make appropriate reimbursements between the respective appropriations available to the Bureau, and for other purposes;

H.R. 7532. An act to amend title 39 of the United States Code relating to funds received by the Post Office Department from payments for damage to personal property, and for other purposes; and

H.R. 7559. An act to amend title 39 of the United States Code to provide for additional writing or printing on third- and fourth-class mail; to the Committee on Post Office and Civil Service.

H.R. 3920. An act to authorize an exchange of land at the Agricultural Research Center;

H.R. 4682. An act to authorize the Secretary of Agriculture to sell and convey certain lands in the State of Iowa; and

H.R. 6193. An act to authorize the Secretary of Agriculture to convey certain lands in the State of Wyoming to the county of Fremont, Wyo.; to the Commitee on Agriculture and Forestry.

H.R. 4131. An act to authorize the waiver of collection of certain erroneous payments made by the Federal Government to certain civilian and military personnel; to the Committee on the Judiciary.

H.R. 6309. An act to amend title VI of the Merchant Marine Act, 1936, as amended, in order to increase certain limitations in payments on account of operating-differential subsidy under such title; placed on the calendar.

H.R. 6667. An act to amend the act of August 16, 1957, relating to microfilming of papers of Presidents of the United States, to remove certain liabilities of the United States with respect to such activities; to the Committee on Rules and Administration.

H.R. 7021. An act to authorize Government agencies to provide quarters, household furniture and equipment, utilities, subsistence, and laundry service to civilian officers and employees of the United States, and for other purposes; to the Committee on Government Operations.

H.R. 8045. An act to change the name of the Hydrographic Office to United States Naval Oceanographic Office;

H.R. 8383. An act to further amend section 201(1) of the Federal Civil Defense Act of 1950, as amended, and for other purposes;

H.R. 8406. An act to further amend Reorganization Plan No. 1 of 1958, as amended, in order to change the name of the office established under such plan, and for other purposes; and

H.R. 8570. An act to amend title 10, United States Code, to permit disbursing officers of an armed force to entrust funds to other officers of an armed force; to the Committee on Armed Services.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Excerpts from address prepared for delivery by himself over Wisconsin radio stations on the weekend of August 20, 1961.

CONVERSION OF WASHINGTON, D.C. RESIDENCES INTO CHANCERIES

Mr. DODD. Mr. President, on Sunday, August 13, the Washington Sunday Star carried a feature article about what it calls the "chancery explosion" in Washington.

It pointed out the problem faced by local residents in many of our residential areas when a home is sold to a foreign government for a chancery, which is the office building for the ambassador and his staff.

Suddenly a quiet, residential street becomes, in effect, a commercial zone with curbs marked for exclusive use of the chancery personnel, double parking in the streets, and all the other accompaniments of a commercial enclave set in the middle of a quiet, residential area.

This, of course, is the Capital of the Nation and in many respects the Capital of the free world, and the people who

live here must make many accommodations to that fact of life. However, I believe that this "chancery explosion" can be handled in a way that will respect the rights and property holdings of many of our citizens who have lived here for a very long time.

I suppose the first step toward such a solution is to bring this matter out in the open, and, to that end, I ask unanimous consent to have printed at this point in the RECORD the article by William Grigg which appeared in the Washington Sunday Star of August 13, 1961.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHANCERY EXPLOSION IS DISTRICT OF COLUMBIA'S NEW BLIGHT

(By William Grigg)

A new kind of blight has struck Washington neighborhoods and turned quiet streets into vehicular battlegrounds.

The blight is called the chancery explosion. It has well-to-do matrons muttering under their breath and retired admirals and generals up in arms.

One month a fine old couple live in the house next door. Next month it is sold to a foreign government for a chancery—the office building for the ambassador and his staff.

The curbs are marked for the exclusive use of the staff. When the spaces are full, diplomatic cars may park double in the streets, immune from the law.

A few years ago there was little trouble. Embassy staffs were small. They occupied a few rooms in the embassies. And there were fewer embassies.

Now, as Washington grows in importance, embassy staffs explode from their old offices. At the same time, a host of colonies suddenly become independent nations and set out to buy embassies and chanceries.

And while United States Steel or IBM wouldn't stand a chance of getting a fine Northwest home zoned for office use, foreign countries have been most successful.

Neighbors enter the battle before the District Board of Zoning Adjustment to no avail, in most cases.

Before 1958, zoning officials point out, residents could not even do that. Foreign countries could buy buildings and do what they wanted with them. Regulations adopted in 1958 changed that slightly.

Since 1958, a total of 20 applications have been made to the board for exceptions to permit the construction of chanceries or the use of homes for chanceries in areas zoned residential.

The Board has denied two. Two others were withdrawn by the applicants.

Residents have attempted to fight the board's ruling in courts but in each case have failed.

Economics, the psychology of status seeking and the desires of the State Department conspire against the citizens' groups.

A real estate agent explained, "The economics are overpowering. The seller gets a better price than from purchasers who would use the building as homes.

"The foreign country gets a building for a price lower than prices for comparable space in a commercially zoned area. The country also gets the prestige of a fine home at a good address.

"That impresses visitors who come to the offices or to parties."

POSITION OF UNITED STATES

The State Department explained its position in the case of Brazil's application to use 4510 42d Street NW., site of the Washington Home for Foundlings, for its chancery:

"The District of Columbia was originally created not as a residential area but as the seat of the U.S. Government, with the thought in mind that foreign countries would send their diplomatic representatives here."

The late James E. Schwab cast the sole vote against Brazil in the five-man board. "Unless the board applies to this appeal the same test it would apply to similar use by a nonprofit organization, the board will," he said, "as a result of the precedent established, lose actual control over the location of chanceries in residential areas."

Mr. Schwab's prediction has been proved wrong twice.

BOARD BALKS

The board balked recently when asked to permit Ghana a chancery at 2907 Ellicott Terrace NW. An earlier application for the use of the same address by West Germany had been withdrawn before the hearing. The board found the Ghana chancery not compatible with the terrace's homes.

Vigorous neighborhood action also fought an attempt to establish a chancery for Gabon at 2129 Bancroft Place NW. this year. The board ruled that, with no offstreet parking provided for chancery workers and visitors, the application should be denied.

The plucky Bancroft residents' success against Gabon came just after a battle against the Cameroun Republic.

The Republic wanted to use 2128 Bancroft as a chancery. That address and 2130 had been used as offices of the Government of Chile, but neighbors said the buildings had reverted to residential status when Chile moved out.

INJUNCTION DISSOLVED

The neighbors obtained an injunction, saw it dissolved a few days later. Like many recent cases, residents got a geography lesson, little more.

Neighbors fought the Netherlands Government when it wanted to build a $3 million chancery at 4200 Linnean Avenue, near Upton Street NW., and failed. Waverly Taylor, Inc., then managed to get a district court restraining order but it was dissolved.

The Czech chancery at 1612 Tilden Street NW. stirred neighbors who claimed the board failed to protect the integrity of the area. One resident said the Czechs were likely to use the building for nondiplomatic activities customarily carried on under diplomatic guise. He meant spying.

But district court found the Board acted reasonably.

Thus, the blight advances. Often it advances outside the control of the Board. Foreign governments with property established before 1958 can do pretty much what they want to with their buildings.

IMMUNITY GIVEN

Governments with property bought since then still retain a great measure of immunity. Fire laws, for instance, can't be enforced.

Kalorama citizens are now fighting with their backs to the wall. They list 62 chanceries and 20 embassies in their small triangle bounded by Rock Creek Park, Connecticut and Massachusetts Avenues NW.

Some, of course, fight, fail, and flee.

Mrs. Maryland McCormick, widow of Robert R. McCormick, publisher of the Chicago Tribune, strongly protested the granting of a request for the establishment of a chancery for Mali at 2130 R Street NW.

FIGHTS GO ON

A few months after her protest failed, she negotiated with Cyprus for the sale of her home in the same block. The sale went through when the Board agreed it could be used as embassy and chancery.

Others are still fighting.

David M. Key, a retired Foreign Service officer and general manager of the American Foreign Service Association, appealed in person a month ago to the Chief of Protocol, Angier Biddle Duke. He also wrote Secretary of State Rusk.

Mr. Key said he and a local lawyer told them there was no proper objection to embassies, of whatever nationality, because they are residences. But the office of the ambassador and other officials, he said, ought to be treated like any other business office.

Mr. Key does not feel he achieved anything.

Gover M. Koockogey, president of the Kalorama Citizens' Association, this past week tried a new offensive. He got the North Washington Council of Citizens' Associations to approve a request to the Zoning Board, the District Commissioners, and the Senate and House District Committees.

A BASIC REQUEST

The request is simple: Enforce the zoning laws, giving applications for chanceries the same breaks, but no more, than applications for other offices.

Mr. Key says that if the council's request is granted, there would be no logical cause for upsetting international relations.

Having served in several foreign capitals, he says that these cities may enforce local zoning laws and that the United States, to his knowledge, does not "and should not" try to ride over these laws.

In the capitals he has served in, the United States chanceries are in areas used for office buildings. The United States, he says, did not insist that the chanceries be next to or near to its embassies.

THREE HEARINGS SCHEDULED

On Wednesday, hearings on three more chanceries will be held before the Board of Zoning Adjustment.

The owner of 3421 Massachusetts Avenue NW., will appeal on behalf of the Republic of Sudan to establish a chancery there. The owner of 7119 16th Street NW., will make a similar appeal for the Republic of Upper Volta.

The Republic of Panama will ask permission to establish its chancery at Woodland Drive and 29th Street NW.

Judge Russell E. Train of the U.S. Tax Court here got his first notice of the hearing in a news report Tuesday in the Star.

THE JUDGE'S STATEMENT

Next day he wrote the Board: "I fail to understand why neither I nor any other neighbors insofar as I have been able to determine have been served with an official notice of the hearings as required by law.

"There are five (embassies) within one block of my own house. * * * All of this has been accepted in good grace by myself and my neighbors but always with the firm understanding that only embassy residences are involved and never chanceries. * * *

"Should the application be granted, the existing difficulties reportedly encountered by the State Department in assisting foreign governments to find suitable embassy residences will be immeasurably aggravated. It will become clear that assurances to the effect that only embassy residences are involved are meaningless.

"I will state now in all frankness that my own attitude and, I feel sure, that of my neighbors, will change from one of friendly acceptance to one of hostility."

FOREIGN AID

Mr. DODD. Mr. President, I invite the attention of Senators to the fact that the House of Representatives passed an amendment to the foreign-aid bill last Thursday barring aid to Communist regimes which was similar to an amendment defeated in the Senate. The House amendment, sponsored by Representative CASEY, from Texas, enumerates a list of Communist countries to which no

assistance can be given under the foreign-aid bill.

This amendment was in my judgment a stronger, clearer, and therefore better amendment than that adopted by the Senate and therefore one which I hope will emerge from conference.

Unfortunately, the Casey amendment has one of the weaknesses contained in the Senate bill in that it permits the President to waive the amendment and furnish up to $300 million in aid to Iron Curtain countries.

Whichever version is finally retained in conference, I hope that the fight we made in the Senate and the House will indicate to the administrators of this program the opposition of the Congress to aid to Communist regimes.

I am sure there are many besides myself who will carefully study the operation of the act and note well any use of Presidential waivers for the purpose of assisting Red regimes.

It may be that the administrators of the Act may be so prudent as to merit the confidence which the Congress reposed in them by granting discretionary powers; but if this does not prove to be the case, I am hopeful that at its next opportunity Congress will move to close the loopholes in the present law.

VISIT OF OWEN LATTIMORE TO OUTER MONGOLIA

Mr. DODD. Mr. President, I do not think it is an accident that, at the very moment when there was a big drive on to persuade the State Department to grant recognition to Outer Mongolia, Owen Lattimore should have arrived in the so-called Mongolian Peoples' Republic as a V.I.P. visitor.

The Department of State has assured me, in response to specific queries submitted to it, that Lattimore is not acting in its behalf, has not been asked to report to it, and is visiting Outer Mongolia in a purely private capacity. It took the stand that there was no legal way in which it could have intervened to prevent his visit.

Human memory is weak, and the facts about the Institute of Pacific Relations and about Owen Lattimore's central role in the Institute of Pacific Relations are now faded or forgotten. Indeed, from a number of editorials that have appeared in recent months, I have the impression that there is an organized campaign underway to obliterate the record of the past and rewrite the history of the Institute of Pacific Relations in a manner acceptable to all fellow travelers and to all those who believed or still believe that the Chinese Communists are "agrarian reformers."

The inquiry into the Institute of Pacific Relations, which was conducted by the Senate Subcommittee on Internal Security between July 1951 and June 1952, was one of the most painstaking and the most exhaustive investigations ever conducted by a committee of Congress. The printed record of the hearings totaled 16 volumes and over 5,000 pages. The evidence presented before the committee was so overwhelming that there was exceedingly little editorial criticism, even from those newspapers that are habitually disposed to challenge every investigation into Communist operations.

After holding these extensive hearings, the Subcommittee on Internal Security unanimously concluded that the Institute of Pacific Relations had not maintained the character of an objective, scholarly and research organization. On the contrary, it found that "the Institute of Pacific Relations has been considered by the American Communist Party and by Soviet officials as an instrument of Communist policy, propaganda and military intelligence."

About Owen Lattimore, who had been the dominant personality in the Institute of Pacific Relations, the subcommittee found that he had been "from some time beginning in the 1932's, a conscious articulate instrument of the Soviet conspiracy." It also found that he had "testified falsely before the subcommittee with reference to at least five separate matters that were relevant to the inquiry and substantial in import." It also found that "Owen Lattimore and John Carter Vincent were influential in bringing about a change in U.S. policy in 1945 favorable to the Chinese Communists."

After the hearings, Owen Lattimore wrote a book in his own defense, "Ordeal by Slander." In reply to this a journalist, Irving Kristol, who was at that time an editor of the Liberated Periodical Commentary, wrote an article for a British magazine, captioned "Ordeal by Mendacity." I make the point to the Senate that there was no suit for libel, even though libel laws in Britain, as everyone knows, are exceedingly stringent.

Owen Lattimore, in addition to being an apologist for the Chinese Communists and one of the original proponents of the agrarian-reformer thesis, also pretends to expertness on Outer Mongolia. The Outer Mongolian Government, according to monitored radio reports, has taken Lattimore to its bosom during the course of his present visit, and Lattimore has reciprocated by embracing the Outer Mongolian Government.

Lattimore told an Outer Mongolian audience that it is high time that their country was admitted to the United Nations. He also apologized abjectly for some incorrect statements he had made about Outer Mongolia in articles written years ago.

I find it difficult to escape the conclusion that some serious significance attaches to Owen Lattimore's presence in Outer Mongolia. I consider it essential to establish all of the facts about his visit and to this end I intend to propose that on his return he be called before the Senate Subcommittee on Internal Security and asked for a statement of the facts.

By way of refreshing the memory of the Senators, I ask unanimous consent to have printed in the RECORD at this point, first, the conclusions of the report of the Senate Subcommittee on Internal Security on the Institute of Pacific Relations, and second, an article entitled "Ordeal by Mendacity," published by the British magazine, "The Twentieth Century." Finally, I ask permission to insert into the RECORD the text of a monitored radio broadcast from Outer Mongolia dealing with Owen Lattimore's visit to that country.

There being no objection, the various texts were ordered to be printed in the RECORD, as follows:

CONCLUSIONS

The Institute of Pacific Relations has not maintained the character of an objective, scholarly, and research organization.

The Institute of Pacific Relations has been considered by the American Communist Party and by Soviet officials as an instrument of Communist policy, propaganda, and military intelligence.

The Institute of Pacific Relations disseminated and sought to popularize false information including information originating from Soviet and Communist sources.

A small core of officials and staff members carried the main burden of Institute of Pacific Relations activities and directed its administration and policies.

Members of the small core of officials and staff members who controlled Institute of Pacific Relations were either Communist or pro-Communist.

There is no evidence that the large majorities of its members supported the Institute of Pacific Relations for any reason except to advance the professed research and scholarly purposes of the organization.

Most members of the Institute of Pacific Relations, and most members of its board of trustees, were inactive and obviously without any influence over the policies of the organization and the conduct of its affairs.

Institute of Pacific Relations activities were made possible largely through the financial support of American industrialists, corporations, and foundations, the majority of whom were not familiar with the inner workings of the organization.

The effective leadership of the Institute of Pacific Relations often sought to deceive Institute of Pacific Relations contributors and supporters as to the true character and activities of the organization.

Neither the Institute of Pacific Relations nor any substantial body of those associated with it as executive officers, trustees or major financial contributors, has ever made any serious and objective investigation of the charges that the Institute of Pacific Relations was infiltrated by Communists and was used for pro-Communist and pro-Soviet purposes.

The names of eminent individuals were by design used as a respectable and impressive screen for the activities of the Institute of Pacific Relations inner core, and as a defense when such activities came under scrutiny.

Owen Lattimore was, "from some time beginning in the 1930's, a conscious articulate instrument of the Soviet conspiracy."

Effective leadership of the Institute of Pacific Relations had by the end of 1934 established and implemented an official connection with G. N. Voitinski, chief of the Far Eastern division of the Communist International.

After the establishment of the Soviet Council of Institute of Pacific Relations, leaders of the American Institute of Pacific Relations sought and maintained working relationships with Soviet diplomats and officials.

The American staff of Institute of Pacific Relations, though fully apprised that the Soviet Council of Institute of Pacific Relations was in fact an arm of the Soviet Foreign Office, was simultaneously and secretly instructed to preserve the fiction that the Soviet council was independent.

Institute of Pacific Relations officials testified falsely before the Senate Internal Secu-

rity Subcommittee concerning the relationships between Institute of Pacific Relations and the Soviet Union.

Owen Lattimore "testified falsely before the subcommittee with reference to at least five separate matters that were relevant to the inquiry and substantial in import."

John Paton Davies, Jr., testified falsely before the subcommittee in denying that he recommended the Central Intelligence Agency employ, utilize and rely upon certain individuals having Communist associations and connections. This matter was relevant to the inquiry and substantial in import.

The effective leadership of Institute of Pacific Relations worked consistently to set up actively cooperative and confidential relationships with persons in Government involved in the determination of foreign policy.

Over a period of years, John Carter Vincent was the principal fulcrum of Institute of Pacific Relations pressures and influence in the State Department.

It was the continued practice of Institute of Pacific Relations to seek to place in Government posts both persons associated with Institute of Pacific Relations and other persons selected by the effective leadership of Institute of Pacific Relations.

The Institute of Pacific Relations possessed close organic relations with the State Department through interchange of personnel, attendance of State Department officials at Institute of Pacific Relations conferences, constant exchange of information and social contacts.

The effective leadership of the Institute of Pacific Relations used Institute of Pacific Relations prestige to promote the interests of the Soviet Union in the United States.

A group of persons operating within and about the Institute of Pacific Relations exerted a substantial influence on U.S. Far Eastern policy.

The Institute of Pacific Relations was a vehicle used by the Communists to orientate American Far Eastern policies toward Communist objectives.

A group of persons associated with the Institute of Pacific Relations attempted, between 1941 and 1945, to change U.S. policy so as to accommodate Communist ends and to set the stage for a major U.S. policy change, favorable to Soviet interests, in 1945.

Owen Lattimore and John Carter Vincent were influential in bringing about a change in U.S. policy in 1945 favorable to the Chinese Communists.

During the period 1945–49, persons associated with the Institute of Pacific Relations were instrumental in keeping U.S. policy on a course favorable to Communist objectives in China.

Persons associated with the Institute of Pacific Relations were influential in 1949 in giving U.S. Far Eastern policy a direction that furthered Communist purposes.

A chief function of the Institute of Pacific Relations has been to influence U.S. public opinion.

Many of the persons active in and around the Institute of Pacific Relations, and in particular though not exclusively Owen Lattimore, Edward C. Carter, Frederick V. Field, T. A. Bisson, Lawrence K. Rosinger, and Maxwell Stewart, knowingly and deliberately used the language of books and articles which they wrote or edited in an attempt to influence the American public by means of pro-Communist or pro-Soviet content of such writings.

The net effect of Institute of Pacific Relations activities on U.S. public opinion has been such as to serve international Communist interests and to affect adversely the interests of the United States.

ORDEAL BY MENDACITY

(By Irving Kristol)

By an appropriate irony, the British edition of Owen Lattimore's "Ordeal by Slander" has been published almost simultaneously with the two volumes of the McCarran committee's hearings on the Institute of Pacific Relations which contain Mr. Lattimore's testimony. The cordial and sympathetic reviews of Mr. Lattimore's book in the Economist, Spectator, Listener, New Statesman and Nation and other reputable periodicals provide a strange counterpoint to the hostile and acerbic probings of the American Senators. It is no more strange, however, than the counterpoint provided by Mr. Lattimore as an indignant author and Mr. Lattimore as a witness under oath. "Ordeal by Slander" is a passionate and eloquent denial of the accusation that Mr. Lattimore and the Institute of Pacific Relations had been guided over the years by Stalinist sympathies. In contrast, his evasive, disingenuous and ultimately self-incriminating testimony before the McCarran committee offers ample warrant for believing that such was exactly the case.

In the chapter of "Ordeal" written by Mrs. Lattimore, she describes how, with the assistance of several friends, she looked through her husband's writings for quotations that would show him to be an anti-Communist. As she found out, this was a difficult job, and her explanation of the difficulty was two-fold: (1) her husband was a loyal American who simply expected his readers to take it for granted that he was against communism, and (2) he was a scholar who didn't intrude his own bias into his work. It is safe to say that no other non-Stalinist alive who had written 11 books, over 80 magazine articles, dozens of book reviews, and hundreds of newspaper articles on current Far Eastern affairs (what was scholarly about them?) would have found himself in such straits. In the end, Mrs. Lattimore was reduced to quoting irrelevant platitudes ("No Chinese government can be genuinely independent if it is subject to manipulation by Russia") or wrenching sentences more or less forcibly out of context (e.g. "Those of us who have never been Marxists have many straightforward disagreements with the Marxists"—what Mrs. Lattimore forgets to mention is that this statement turns up in an unfavorable review of an anti-Communist book written by an ex-Communist.).

Nor was Owen Lattimore himself able to improve upon his wife's evidence when he appeared before the Tydings committee; he was constrained to use such arguments as: "In these years (1935–36) the Communists, of course, hoped that the Japanese assault upon China would strengthen the Chinese Communists. I, on the other hand, kept demanding a tougher American policy toward Japan and kept warning people that Japanese aggression was building up Communism." That phrase is precious indeed, in view of the fact that the Communists, along with just about everyone else, were insisting that the United States intervene to prevent Japan from gobbling up China.

It is too bad that the Lattimores did not have the task of finding pro-Stalinist quotations; they would have had a much easier time of it, as the McCarran committee showed. Immediately at hand there were his solemn and approving reviews of a host of obscure Stalinist brochures, the tenor of which is summed up in his comment on Anna Louise Strong's "This Soviet World": "Her book as a whole is a good confrontation of the Soviet ideas of democracy, originality and individuality, and the foreign idea of regimentation." With some little extra effort, they could have dug up this verdict on the Moscow trials:

"The real point, of course, for those who live in democratic countries is whether the discovery of the conspiracies was a triumph for democracy or not. I think that this can easily be determined. The accounts of the most widely read Moscow correspondents all emphasize that since the close scrutiny of every person in a responsible position, following the trials, a great many abuses have been discovered or rectified. A lot depends on whether you emphasize the discovery of the abuse or the rectification of it; but habitual rectification can hardly do anything but give the ordinary citizen more courage to protest, loudly, whenever in the future he finds himself being victimized by someone in the party or someone in the government. That sounds like democracy to me."

And with some real diligence, they might have traced Mr. Lattimore's line of thought prior to the Stalin-Hitler Pact, when he was all for collective security; during the pact, when he saw the war as "one between the established master races and the claimant master races;" and after the pact, when Allied troops couldn't set up a second front too quickly to suit him.

But, one inevitably feels, why bother? What if Mr. Lattimore has been rather less than frank about the history of his opinions? Is that not his private affair? It would be easy to reply to this by pointing out that Mr. Lattimore did, after all, write a book which many trusting people took at face value. But that is a minor matter which could have been left to the informed reviewer to deal with, and which certainly did not merit a congressional investigation. The really important thing about Mr. Lattimore's private opinions is that they played a part in the affairs of the Nation which make them very much a subject for legitimate public concern.

They are, for instance, a subject for concern on the part of the foundations that generously subsidized, and the individuals who read, Pacific Affairs—the very influential quarterly which Mr. Lattimore edited for the international council of the Institute of Pacific Relations during the years 1934–41, and which passed in universities and Government bureaus for an authoritative, objective, and scholarly journal. In "Ordeal by Slander," Mr. Lattimore insists that it was in fact what it passed for, and he presents statistics which purport to show that at least as many non-Communists and anti-Communists contributed to it as did pro-Communists. The McCarran committee, for its part, has collected its own statistics which are more accurate, more detailed, and more convincing than Mr. Lattimore's, and which reveal that the overwhelming bulk of the pages which had any relation to politics whatever were written by Stalinists or pro-Stalinists; it also came up with documentary proof that anti-Stalinist articles were unwanted, that they were printed only under duress, and that the editor took pains to see to it that an answer was found in the same issue. However, the statistical quarrel is superfluous. Any person with his political wits about him who leafs through Pacific Affairs will see immediately that Mr. Lattimore was editing a Stalinoid magazine. Naturally there were many articles which did not have a political bearing; these were the husks that served to protect the tendentious core. But as to Mr. Lattimore's intentions, there can be no doubt. To settle this question once and for all, it is worth while—as well as intrinsically interesting—to relate the tempestuous career of an article by the British economist, Mr. L. E. Hubbard.

Mr. Hubbard is one of the writers for Pacific Affairs to whom Mr. Lattimore points as proof of his lack of bias. This contrasts oddly with his reactions upon first seeing Mr. Hubbard's article. Here is what he wrote to Edward C. Carter, secretary general of the Institute of Pacific Relations, on December 13, 1937:

"Of the material awaiting me here the most interesting was the Hubbard article on the Soviet 5-year plans, which Holland and I have read with, probably, curious expressions on our faces. While waiting for whatever reaction it may detonate in Motylev

(head of the Soviet Council of the Institute of Pacific Relations), I may as well review several considerations that are likely to turn out to be pertinent.

"In the first place, it is a calamity that in spite of our combined and persistent urging, the Soviet Council has never contributed adequately to Pacific Affairs. As a result, this very skillful attack threatens to make an impression on readers who have not had the prior advantage of reading constructive presentations of problems of major Soviet interest, by Soviet authors.

"In the second place, Hubbard cannot lightly be refused a hearing. He has an important influence and standing among people who count in England; otherwise he would not be retained as an expert by the Bank of England.

"In the third place, this article comes to us, though we did not ourselves request it, through Chatham House, one of the major organs of the Institute of Pacific Relations. As editor, I necessarily recall that I forced through an article by Asiaticus (the pen name of Heinz Moeller, a Comintern agent in China) on British capitalist financial policy in China, against the protests of Chatham House. This would make it difficult for me to refuse the Hubbard article on the ground that it is impolitic."

Motylev, having seen the manuscript, detonated much as he had been expected to, and on February 8, 1938, we find Mr. Lattimore writing him as follows:

"In regard to L. N. Hubbard's article, I have carefully noted your criticisms. I am sorry that I seem to have expressed myself clumsily in regard to the question of anti-Soviet articles in Pacific Affairs. The real difficulty is this: the membership of the Institute of Pacific Relations is predominantly of the democratic nations. These nations continue to set great store by the principle of free speech. Many individual members of the Institute of Pacific Relations appeal to this principle for the purpose of criticising the U.S.S.R. If I, as editor of Pacific Affairs, prevent them from doing so, they will criticize Pacific Affairs as an organ of Soviet propaganda and largely destroy its usefulness.

"Realization of the urgent necessity for promoting all that is really democratic in the public life of the democratic nations, and resisting the forces that favor imperialist aggression and facism, is only gradually spreading. In the circumstances the only wise and constructive thing for me to do is to favor publication of positive and constructive articles, while not preventing entirely the expression of negative and defeatist views. This means that whenever we find it impossible to prevent publication of such an article as this one by Hubbard we should at least make sure that in the same number there shall appear an article which deals with the true values of the same questions, and deals with them constructively.

"In the circumstances, I am taking the following course of action:

"1. I am deleting from the article one of its most objectionable paragraphs. A copy of this article, thus revised, is attached to this letter.

"2. I am writing to G. E. Hubbard (brother to L. E. Hubbard), of Chatham House, asking him to withdraw the article altogether, on behalf of Chatham House. If, however, he officially insists on publication of the article, I shall have to publish it, in our June number.

"3. Finally, I urge you to write, immediately, a reply to the article, to be published in the same number. This must be received in New York not later than the last week of March. It will be used only in case Chatham House insists on publication of the original article.

"In concluding this letter I wish to concur with you in the sentiment that at this time of extreme crisis in the Far East, 'Pacific Affairs,' ought to find more suitable subjects for publication than anti-Soviet articles. To the best of my ability, within the limits imposed on me by the different national bodies which have a voice in the conduct of 'Pacific Affairs,' I shall publish only material which emphasizes the true issues which the world is facing. In this, the U.S.S.R. Council of the Institute of Pacific Relations can come to my aid with indispensable assistance."

The Hubbard article appeared in the June issue. The title given it by Mr. Lattimore was "A Capitalist Appraisal of the Soviet Union," and he took the liberty of inserting some footnotes correcting Mr. Hubbard's statistics on the basis of pro-Soviet sources. In the same issue of "Pacific Affairs" there appeared an article by one A. W. Caniff which presented a very favorable picture of Soviet economic development. The McCarran committee discovered that this name covered the two persons of Harriet Moore and Andrew Gradjanev, both on the staff of the American-Russian Institute which was affiliated with the Soviet cultural organization, VOKS.[1]

Mr. Lattimore's private opinions are significant, too, because they happened to be the opinions that directed and dominated the Institute of Pacific Relations. It would be hard to overemphasize the role that this organization played over the last two decades in setting the tone for discussing Far Eastern problems. It was not one organization among many; it was the organization—as near a perfect illustration of monopoly as any antitrust act could envisage. To it the various foundations and philanthropic businessmen gave their grants; from it young scholars in the field received their fellowships, printing the findings of their researchers in its periodicals; from it, too, the Government recruited its Far Eastern experts, while the schools, the Armed Forces, and the civilian agencies of the Government distributed its pamphlets by the hundreds of thousands. Is not a congressional investigation justified if it comes back with the information that 46 people intimately connected with the Institute of Pacific Relations have been cited under oath as members of the Communist Party? That 11 of these, plus 8 others active in Institute of Pacific Relations affairs, were shown to be collaborators with agents, the Soviet intelligence apparatus? That, according to a former Soviet Foreign Office official, the requests for scholarly data which came from the Soviet Council—and which were fulfilled with alacrity by the American Council—originated in fact with Soviet naval intelligence? And that there is every reason to believe that the leading staff members of the American council knew this? That the Institute of Pacific Relations staff member who became John Carter Vincent's assistant when the latter was chief of the China Division—and then of the Office of Far Eastern Affairs—of the State Department was identified by several witnesses as a member of the Communist Party? That another Institute of Pacific Relations staff member, similarly identified, was deputy to Presidential Assistant Lauchlin Currie?

That the highest official of the American Institute of Pacific Relations for many years wrote a pseudonymous column for the Daily Worker and reported regularly to the Communist Party's Politbureau? That the wartime director of the Washington office of the Institute of Pacific Relations now edits a paper in Communist China? That the leaders of the Japanese section of the Institute of Pacific Relations were members of the Sorge espionage ring, and that at least two prominent Institute of Pacific Relations authors acted as couriers for it? That Vice President Henry Wallace's pamphlet, "Our Job in the Pacific," was written by Eleanor Lattimore, while his book, "Soviet Asia Mission," was written by a contributor to the Daily Worker? That at a 3-day meeting of Far Eastern experts in October, 1949, called by the State Department for advice with regard to the crisis in China, 17 of the 25 people invited were active in the Institute of Pacific Relations? And that the point of view which was there most popular, among the experts and State Department officials alike, was expressed by a secret member of the Communist Party?

These were some of the things that the McCarran committee discovered from the Institute of Pacific Relations files it confiscated, and from the witnesses it so tenaciously cross-examined. It is not, by far, the whole story—no member of the Communist caucus in the Institute of Pacific Relations has yet told us the inner history of its operations, though in requesting legislation that would empower a congressional committee to give immunity to a friendly witness the McCarran committee hints that we shall not have long to wait. But that there is a story, with a sordid plot—of that there can be no question.

In this story, Owen Lattimore is an essential character. The country's No. 1 Far Eastern expert, director of the Walter Hines Page School of International Relations at Johns Hopkins University, and, at one time or another, editor of Pacific Affairs, Roosevelt's personal envoy to Chiang Kai-shek, Deputy Director of Pacific Operations for the Office of War Information, member of the Pauley Reparations Commission to Japan and author of its report, outstanding "theoretician" and publicist of the Institute of Pacific Relations—he was the merchant of Stalinist ideology and the salesman of Stalinist policy to the non-Stalinst world. It was his task to explain to the American people and the State Department, in a language which could affect them, that Soviet Russia's intentions were really pacific, that the Chinese Communists were the representatives in Asia of the inexorable revolution of our time which it would be futile and wicked to oppose, and that a progressive program for the Far East meant the abjuration of any such reactionary policy as fighting communism with arms—for communism is an idea which, presumably unlike certain other ideas such as fascism, ought only to be combated (so to speak) in the hearts of men, etc., etc. He was successful to an extent that even he must have thought phenomenal. By 1945, vulgar anti-Communists such as Grew, Hornbeck, and Ballantine were pushed out of the State Department and their places taken by sophisticated progressives led by Mr. Lattimore's old and valued friend, John Carter Vincent. These new men did not, as has been charged, sell China down the river. They merely borrowed from Mr. Lattimore a policy—of denying aid to Chiang until he had formed a coalition with the Communists—which had this as an inevitable consequence, and which they smugly and foolishly thought to be the only constructive

[1] In another letter to Motylev in 1937, Mr. Lattimore wrote: "If I am to convert 'Pacific Affairs' from a loose and unorganized collection of articles into a journal which has a recognizable position and general point of view, I must rely very considerably on you. The Soviet Council of the Institute of Pacific Relations is more interested in this question of coherence than any of the others, all of which by their composition and form of organization are more or less incoherent. If I could have from you an article in each number, and if these articles were planned to succeed each other in such a manner as to create a recognizable line of thought, it would be much easier to get other contributors to converge on this line."

program suitable for their advanced political sensibilities.

Just how deeply enmeshed Mr. Lattimore was in the Stalinist apparatus that worked through the Institute of Pacific Relations, it is at this moment hard to say. There has been testimony by former Soviet officials that his work was followed with a friendly interest, and his name uttered with a knowing air, by the ruling circles in Moscow. More specifically, Louis Budenz, a former editor of the New York Daily Worker, has asserted that at a meeting of the American Communist Party's Politburo in 1943, Frederick Vanderbilt Field reported that he had received word from Lattimore of a change in line from supporting Chiang Kai-shek to openly opposing him; moreover, according to Budenz, Mr. Lattimore was frequently referred to in an intimate way in secret party documents. And there are several intriguing episodes, touching upon Mr. Lattimore's relations with Soviet officials in America, whose meaning is as yet obscure. However, it seems clear that Owen Lattimore was no spy in the sense that Alger Hiss was one, and that Senator McCarthy's description of him as "the top Soviet espionage agent" in the United States was irresponsible and wide of the mark. A spy would not have walked into the American Embassy in Moscow in 1936 and demanded that Ambassador Bullitt cable Washington to recognize Outer Mongolia as an independent republic—at a time when it was formally a part of China and actually, as Mr. Lattimore well knew, a Soviet protectorate. And a spy would not have recommended Frederick Vanderbilt Field, widely known to be a Communist, for a commission in Army Intelligence during the last war. Such brazenness is the mark of a man transported by the conviction of his own infinite innocence and righteousness. It was an innocence and righteousness bestowed upon him by history, as a reward for his having recognized her as the living Goddess. This recognition he summed up in a single formula: "To be progressive in politics is to be on the side of that which is going up and against that which is going down." What was going up, of course, was the Kingdom of Freedom, represented somewhat crudely in our day by communism and the Soviet Union; what was going down was the Kingdom of Necessity, represented by capitalism and the status quo.

Lattimore's relations with the Marxist myth were essential flirtatious, if intense; he was incapable of the final self-surrender that would have made him a true Bolshevik. What stood in his way was, apparently, pride; eager to ride the wave of the future, he was unwilling to merge himself with it. One aspect of this pride was displayed in his delicate avoidance of Marxist jargon. His own style, he felt, had a distinctive contribution to make—he could translate the new dogmas into something resembling the ancient rhetoric of the academy. According to Prof. Karl Wittfogel, Lattimore once boasted to him that he had never read Marx for fear of losing his own accent; and Lattimore's private correspondence to other members of the Institute of Pacific Relations family (i.e. the inner circle that controlled the organization) is full of references to his own special rhetorical abilities and of criticism of the more stereotyped diction of others. Even conspiracies, it would seem, have their snobs; and even snobs have their uses. As Budenz put it: "It was particularly stressed in the Political Bureau that his great value lay in the fact that he could bring the emphasis in support of Soviet policy in language which was non-Soviet."

In view of the stress placed by Lattimore and others on his capabilities in this field, it is depressing to note that his artfulness was of the crudest sort. He avoided the cliché "agrarian reformers" when speaking of the Chinese Communists, substituting in its stead the more pompous "dynamic popular government in North China." He would demonstrate his openmindedness about communism with such utterances as: "No propaganda can hide the fact that there is good and bad in Russia." His favorite technique has been described as ventriloquism; this involved putting his opinions into other people's mouths under the guise of scholarly objectivity. Thus, criticizing an article by Harold Isaacs, he would say: "Mr. Isaacs, referring to China, writes of the cold embrace of Communist totalitarianism; but it appears from other accounts that it is in these areas that there is really a beacon of hope." Sometimes, he would take it upon himself to express the sentiments of Uzbeks and Mongols, secure in the knowledge that they were not likely to write a protesting letter to the Times.

"To all these peoples (neighbors of Russia in Inner Asia) the Russians and the Soviet Union have a great power of attraction.

"In their eyes—rather doubtfully in the eyes of the older generation, more and more clearly in the eyes of the younger generation—the Soviet Union stands for strategic security, economic prosperity, technological progress, miraculous medicine, free education, equality of opportunity, and democracy: a powerful combination.

"The fact that the Soviet Union also stands for democracy is not to be overlooked. It stands for democracy because it stands for all the other things."

It is incredible that these shoddy and transparent dodges should have been successful. But they were, in such a measure that Mr. Lattimore was able to make himself the spokesman for practically the entire body of respectable opinion—conservative as well as liberal—on the Far East. His non sequiturs became the logic of senatorial speeches and Government memorandums. His insinuations became the facts of college textbooks. His ingratiating pseudo-Marxist platitudes became the stock-in-trade of all the experts, and laid the groundwork for a moral and intellectual trahison des clercs that, for the sheer simplicity and magnitude of it, is perhaps without parallel in history.

The magic of his ineffable presence dies slowly. There are still many who rally to his defense as one insulted and injured; and in certain academic circles it is considered good form to speak of the inquisition he has suffered, just as it is considered bad form to be caught browsing through the 5,000 pages of the hearings before the McCarran committee. Nevertheless, there are signs of an awakening to sanity. The New Republic, which had proudly published long excerpts from Mr. Lattimore's defiant statement before the McCarran committee, found itself admitting on July 14:

"The [McCarran] report will, we believe, substantiate these charges: that a Communist Party caucus infiltrated the staff and council of the American Institute of Pacific Relations before the last war; that Institute of Pacific Relations officials knew of this infiltration and tolerated it; and that the Institute of Pacific Relations gave up its objective research function and adopted the role of advocate in China policy. The record will further indicate that Owen Lattimore knowingly accepted these trends and that he erred in professing naivete or ignorance before the committee."

A very modest statement; but at least a beginning.

LATTIMORE FAVORS U.N. MEMBERSHIP

(Moscow Tass in English to Europe, August 1961.):

"ULAN BATOR.—Owen Lattimore, the well-known American scholar and expert on Mongolia, said it is high time to admit the Mongolian People's Republic to the United Nations, MONTSAME reports. This statement was made by Lattimore at a meeting with members in the Mongolian Academy of Sciences. Emphasizing that he was overwhelmed by the great progress Mongolia achieved in such a short period, Lattimore remarked that the Mongolian People's Republic is a country with a great future. The American scholar said that in his books he tries to give the American people a correct idea of Mongolia. "I admit," he said, "that I earlier made incorrect comments on some questions concerning your country, and I am now apologizing."

BRITISH GUIANA

Mr. DODD. Mr. President, the morning radio has once again brought us ominous news.

Dr. Cheddi Jagan and his Communist-dominated People's Progressive Party have apparently won a cloudy victory at the polls in British Guiana. Under the Constitution that now goes into effect, Jagan becomes the first Prime Minister, with complete power over all internal matters. Although, theoretically, the British Crown reserves the right to intervene in an emergency, I am informed on the very best authority that the British Government intends to do absolutely nothing if Jagan proceeds to Castroize British Guiana. The British have no major interest in Latin America and they are not prepared to fight or to incur any unpleasantness to prevent the establishment of any kind of government in Guiana.

The seriousness of this development cannot be overstated. What it means is that international communism has succeeded in establishing its first beachhead on the South American Continent. Potentially this represents a far more serious threat to the stability of the hemisphere than does Fidel Castro. Once British Guiana is firmly under its control, I predict that the Kremlin will organize and arm guerrilla movements in Brazil, in Dutch Guiana, in Venezuela, in Colombia, and in all the surrounding countries.

Mr. President, in mid-July I called attention to the dangerous situation in British Guiana in a speech on the floor of the Senate. At the same time, I addressed detailed memorandums to the State Department and to other branches of the executive, setting forth the facts, and urging that certain measures be taken to assist the opposition and to prevent a Communist takeover.

But we did nothing. We sat on our hands. We sat by and allowed a government which, I predict, will be worse than the Castro regime to take over.

I do not believe there is any situation in which there is no alternative to doing nothing. We have a multibillion-dollar intelligence and information program in operation all around the globe. There were many means available to us to awaken people of British Guiana to the danger that they have now fallen into. We used none of them.

Let me suggest only one of the things we might have done. Jagan was receiving the all-out support of Radio Moscow, Radio Peiping, and the Castro radio. But British Broadcasting Corporation and the Voice of America did absolutely nothing to help the opposition and nothing to expose to the people of British

Guiana the Communist nature of the Jagan movement.

In this crime of omission, we were repeating a crime of which we were guilty in the case of Cuba.

The people of Cuba hailed the victory of Castro because they did not know he was Communist, because they believed that he was committed to a course of reform and democracy. They believed this because, despite the mass of evidence that the Castro movement was Communist dominated, we did nothing to inform the people of Cuba or to warn them.

The people of British Guiana, in voting for Jagan, did not vote for communism. Had Jagan come before them on a straight Communist program, I am certain he would have been overwhelmingly defeated. But he came before his people on a program of lies. And his people believed him, because we did nothing, despite the great facilities at our disposal, to expose the true nature of the Jagan movement to them.

Worse than this, in the weeks preceding the election we gave our assent to a $2 million loan by the World Bank to the previous Jagan regime.

Two million dollars may not sound like much, but it is a very considerable sum to a little country of 600,000 people. Most of this, of course, was our money. And Jagan was able to use this loan to bolster his political reputation.

I consider this nothing short of a scandal. I believe that Congress is entitled to know how it came about that Jagan got this loan at so critical a juncture.

Mr. President, this is not a situation that was inherited from a previous administration. There was ample time for this administration to take some action. But it did nothing. It did nothing, apart from consulting with our British allies who are, in turn, prepared to do nothing.

For this inaction, I believe we will stand indicted by the unhappy events which will unfold in our hemisphere within the coming months and years.

The pattern may be a little different from the Castro pattern. But it will be different only in form. Like Castro, for a while Jagan will move slowly but surely to impose a Communist dictatorship in British Guiana and a Communist beachhead on the mainland of South America.

This is a sad day for freedom and a tragic day for the Western Hemisphere. We have lost another great opportunity to preserve human freedom. We have lost again to communism.

The list of defeats and losses is lengthening. The shadow grows darker and longer. It would appear that a darkness deeper than that of the Dark Ages looms ahead, unless Almighty God rekindles in our minds and hearts the light of freedom and the will to follow that light wherever it leads.

FOREIGN AID THROUGH COOPERATIVES

Mr. HUMPHREY. Mr. President, as my colleagues in the Senate are aware, I have for some time now been advocating greater reliance on private investment and the encouragement and development of cooperatives, savings and loan institutions, and credit unions as a necessary and vital part of our efforts to aid our friends in Latin America. You will recall that I am the sponsor of an amendment to the foreign aid bill which states that objective.

As I have frequently stated in the past, I feel it is through democratic financial institutions such as these that we can get the impact of our assistance to the common people—those who need it most—something which we have not been entirely successful in accomplishing heretofore.

Today I wish to invite the attention of my colleagues and recommend to their serious study an article entitled "Cooperatives: A Force for Social Change." This article by Mr. Fernando Chaves appeared in the August 1961 issue of Americas magazine, the monthly magazine of the Pan American Union.

This article sets forth in a most authoritative fashion the status of cooperative development in Latin America, how much has been accomplished in this area in the past, and what fertile fields lie ahead for further cooperative development.

Its author, Mr. Chaves, is a Costa Rican and has been with the Pan American Union since 1945. He is a specialist on cooperatives in the Department of Economic and Social Affairs. He has traveled extensively in Europe and Latin America attending conferences, and he adapted this article from a paper he presented to the Third Scientific Congress on Cooperation at the University of Marburg in West Germany last year.

Mr. President, I ask unanimous consent that Mr. Chaves' article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COOPERATIVES: A FORCE FOR SOCIAL CHANGE

(By Fernando Chaves)

Some 5 million Latin Americans belong to cooperatives—more than twice as many as did 20 years ago. Fully half the cooperatives are in Argentina and Brazil, but they are succeeding in smaller countries, too. Nearly all Honduran cotton is exported by an agricultural cooperative, and one out of every four families in Montevideo, Uruguay, shops for food and dry goods at consumer cooperatives. Cooperatives have a great potential, not fully realized, as instruments of social change and of economic development.

Initially, cooperatives in South America were organized by the people themselves without help from the governments. Immigrants from Europe who had had practical experience in cooperatives were the first organizers. They brought with them the ideas that had been put into practice by the pioneers of Rochdale, England, in 1844 in their consumers' society: free admission and withdrawal of members; democratic control (one vote per person); sales for cash; charging the customary market prices and crediting each member personally with his share of the surplus in precise proportion to his purchases at the society's store; liberal depreciation; limited interest on capital (5 percent); and encouragement of education by grants made from profits.

In the first decade of this century, refugees from the Franco-Prussian War established an agricultural insurance cooperative in Argentina, and a few years later German immigrants in southern Brazil organized Raiffeisen Credit Cooperatives—with the provision of limited financial responsibility for the members—under the inspiration of the German priest, Father Theodore Amstadt. These were mainly for farmers. In the 1920's, the first laws in Latin America embodying the classical principles of cooperatives were passed, and governments began to support cooperatives and set up special departments to register and deal with them, so that they no longer had to operate under the laws for private business corporations.

By 1960 there were 14,780 cooperatives. More than 6,000 were agricultural cooperatives, about 4,000 were consumer associations, and more than 1,000 were credit associations. (For a detailed summary of cooperatives and membership see the accompanying table.)

AGRICULTURAL COOPERATIVES

One main trend in agricultural cooperatives is typified by those found in Argentina and Brazil that were originally organized by European immigrants and are now well integrated into rather powerful federations. In Argentina, for example, the agricultural cooperatives started by meeting the farmers' most urgent needs. First, they marketed their products. Gradually they evolved into multipurpose organizations, providing the farmers with fertilizers, insecticides, tools, and machinery. Finally, they gave credit to farmers, not through loans, but through the establishment of credit accounts under which the members were allowed to pay after the harvest for seed, fertilizer, and other supplies they needed at planting time.

A second trend is typified by the cooperatives organized and given financial help by the governments. Some have been established in an attempt to solve specific economic problems of a particular sector of farmers, as has been the case with the sugar cane and coffee cooperatives in Costa Rica or the Honduran cotton cooperative. Other governments have established cooperatives for supplying farmers' needs and marketing their products, as tools of agrarian reform: Mexico, Bolivia, Colombia, Chile, and Cuba.

Whatever the origin of agricultural cooperatives in Latin America, they have played, and are playing, a vital role in the economic development of the area. For example, the development of the dairy industry in Santa Fe and Córdoba Provinces in Argentina was due in large part to the dairy cooperatives, which today are the second most important group within the Argentine cooperative movement. They produce almost 100 percent of the casein exported by Argentina. In São Paulo State, Brazil, four Japanese immigrants founded the Cooperativa Cotia 30 years ago. Today its 7,000 members, representing 33 nationalities, market more than 200 agricultural products. The cooperative owns nearly 1,500 tractors, has agricultural experiment stations, and sponsors intraining service programs for the sons of its members.

Agricultural cooperatives can be helpful in organizing local, regional, and national markets. They can be important sources for the introduction of new techniques. They can be effective in the improvement and standardization, as well as the marketing, of agricultural products. And they should not be viewed as societies that are helping only their members, but should be considered as tools of social change and institutions for community development. Unfortunately, this objective has not been attained by most of the agricultural and other kinds of cooperatives, partially because of a lack of well-trained leadership.

CONSUMER COOPERATIVES

Consumer cooperatives which deal in food and dry goods, can be classified into four main types according to their organization.

Some are organized by the people themselves, some by mutual aid societies, some by trade unions, and some by the Government.

Outstanding examples of those organized by the people are found in Argentina and Brazil. The Hogar Obrero consumer cooperative in Argentina maintains a large department store and has made possible the construction of several apartment buildings in Buenos Aires for its members. The Railroad Employees Cooperatives in Santa Maria in the southern Brazilian State of Rio Grande do Sul is probably the largest consumer cooperative in the country. It supports an industrial school, several medical clinics and pharmacies, more than 100 primary schools, and several restaurants.

In Argentina, Chile, and Uruguay cooperatives formed under the sponsorship of mutual aid societies have been especially successful. People experienced in group action for economic purposes were well suited for participation in consumer cooperatives. But these cooperatives have been maintained as closed associations, and this may hinder dynamic progress and modernization. Most of these cooperatives are located in the national capitals and are primarily composed of middle-class people. This fact could, in part, explain the success they have had. In Uruguay, 8 of the 14 consumer cooperatives in the capital have memberships of between 1,200 and 8,681. In Chile, the Sociedad Cooperativa de Consumo de Empleados Particulares Ltda. had 379 members in 1943 and 21,039 in 1959.

One might expect that trade unions would be very much interested in promoting consumer cooperatives in Latin America. However, they have been preoccupied mainly with obtaining better wages and better working conditions, as well as lobbying for the passage of labor laws and the establishment of social security systems. In Mexico, trade unions have formed consumer cooperatives in a very unorthodox way: The boards of directors of the trade unions are the boards of directors of the consumer cooperatives that they have organized.

Most of the consumer cooperatives in the fourth category—those organized and supported by the government—are small and some have been tied to public housing schemes, as in Costa Rica. A novel proposal has been made there that a central consumer cooperative be established in a public housing project in the capital and set up branches in other housing projects in nearby cities and towns. It has been suggested that this sort of large-scale operation would substantially reduce overhead costs.

The spread of consumer cooperatives in Latin America has been slow. They have had to compete with more experienced private retailers who have already secured choice locations. Consumer cooperatives, as well as their federations, buy from private wholesalers. In most cases they have faced difficulties in importing directly, because of governmental restrictions on foreign exchange.

Consumer cooperatives have usually not been able to follow the Rochdale principle of selling only for cash. They must compete with private retailers who give credit to very low-income customers, who are hard hit by rapid inflation in most countries. The 1959 cost-of-living index (with the 1953 level taken as 100) was 469 in Argentina, 2,990 in Bolivia, and 1,040 in Chile. In some countries, such as Colombia, Chile, Venezeula, and Costa Rica, the orthodox principle of cash trade has been harmonized with the habit of buying on credit. According to the cooperative laws of those countries, credit sales made to members are considered cash sales if the members have expressly given written authorization for their employer to deduct from their salaries or wages the amounts they owe to their cooperatives. In Costa Rica, for example, a maximum period of 30 days can be given to pay the amount owned to the cooperative, and credit cannot be extended for any amount higher than 50 percent of the member's monthly salary.

HOUSING COOPERATIVES

The development of housing cooperatives in Latin America has been very slow. The most important growth has taken place in Argentina, Colombia, and Chile. The membership of these cooperatives is largely made up of middle-class people who have been able to accumulate some savings to help finance them. Further development has been hampered by the lack of needed financial and technical assistance from governments. Housing cooperatives need long-term loans, at moderate rates of interest. At the present time sources for such loans do not exist in Latin America.

Chile has made the most significant progress of any country in the region in housing cooperatives (see Américas, August 1958). The program there, initiated in 1954 by groups of energetic and intelligent lawyers, economists, engineers, and architects, now boasts a national federation and a wholesale organization that sells building materials to the housing cooperatives. Under a new Chilean savings plan designed to stimulate house construction, people's savings earn 3 percent interest annually. Once a person or legal entity has accumulated 50 savings quotas in an amount previously agreed upon, the Government will grant a loan for building a house, or, in the case of a cooperative, a group of houses. The bigger the savings quotas and the longer the period of saving, the larger are the loans and the longer the period of amortization allowed. Under this plan the amortization period may be between 7 and 21½ years.

CREDIT COOPERATIVES

It might seem improbable that credit cooperatives could be organized in Latin America, where the habit of saving is so little developed, and particularly in countries, plagued by rampant inflation. People have little access to the banking system because by and large they do not have the collateral required for loans, but they urgently need a source of adequate credit to meet emergencies, or for productive purposes. So people, especially skilled and white-collar workers, have pooled their small financial resources in credit cooperatives and found a source of loans that are easier not only in terms of amortization, but also in terms of interest rates. In Peru, for instance, credit cooperatives charge only 1 per cent per month on the unpaid balance. This is much lower than the rate charged on the whole amount of the loan, along with other hidden charges, by usurious individual private lenders. In these circumstances, credit cooperatives can be effective tools to combat usury, to which rural and industrial workers, as well as white-collar employees are easy prey. The Department of World Extension of the Credit Union National Association of the United States has assisted in the organization of cooperatives in Latin America through effective training programs and a field service. The Organization of American States worked with this group on training programs and in preparation of a manual on credit unions. The Roman Catholic clergy has also done much to foster credit cooperatives, especially in Chile, Mexico, the Dominican Republic, and Peru. Priests have vigorously, and successfully, carried on modern educational campaigns, making use of audiovisual techniques and discussion groups. Training and educational materials are urgently needed for the encouragement of the other types of cooperatives as well.

OTHER COOPERATIVES

Many other kinds of cooperatives are found in Latin America, such as those for industrial cement production, fishing, and newspaper publishing in Mexico; the schoolchildren's cooperatives to train the students both in cooperation and in business arithmetic, as in Mexico, El Salvador, Argentina, and Puerto Rico; and the electrical power cooperatives in Argentina and Chile. In Argentina, these power cooperatives were started by the people themselves in 1927. In 1960 there were 387, with 354,812 members. Located primarily in small cities and towns, they are federated today and form an important part of that country's cooperative movement. But their growth has been hampered by a lack of large-scale financial help from their Government, which itself has been faced with a lack of funds to meet the increasing demands for economic and social development. In Chile, on the other hand, the electrical cooperatives have been organized by the Government since 1943 and are a modified version of the kind financed by the Rural Electrification Administration, which have brought electricity to farmers throughout the United States. The Chilean Government gives these cooperatives generous technical assistance, but the scarcity of savings has forced a policy of granting loans for 75 percent of the distribution system, repayable in 3 years. This short amortization period explains the rather slow development of rural electricity cooperatives in Chile. In 1960 there were 13, with 2,461 members. In Mexico at the same time there were 45 with 3,812 members.

GOVERNMENTAL RELATIONS WITH COOPERATIVES

Latin American governments, with a sincere desire to raise the standard of living of the people, have consistently promoted and aided cooperatives. Unfortunately, legal aspects of cooperatives were overemphasized at the beginning and most of the laws on the subject were born before the cooperatives themselves. A noteworthy exception is the excellent cooperative law of Argentina, passed in 1926 after substantial experience in the field had been accumulated.

There has been a gradual trend toward adoption of a single law for cooperatives, because it was found that a variety of laws regulating different types of cooperatives resulted in the creation of several governmental departments and constituted a waste of human and financial resources. However, in the countries where there is a single agency, it is usually a bureaucratic one, poorly equipped, and preoccupied more with legal matters than with the technical problems of the cooperatives. Puerto Rico, where the Administration of Cooperative Development has the rank of a Ministry, is an exception, for its efforts have been strong, with the help of the Bank for Cooperatives and the Institute for Cooperatives at the University of Puerto Rico.

Rather than the extensive cooperative laws that include secondary regulatory principles, I would favor cooperative laws that contain only basic principles, so that they may be easily understood and studied by leaders and members of the cooperative societies. The detailed regulations should be entirely separate.

Some of the cooperative laws deviate from Rochdale principles or from sound administrative practices for economic matters. Laws in El Salvador and Nicaragua allow cooperatives to be organized as corporations, ignoring the fact that fundamentally they are societies of persons, and not of capital brought together for a profit motive. In Cuba and Venezuela, Government intervention in the internal administration of cooperatives is permitted. In Cuba all managers are appointed by the Institute of Agrarian Reform, and in Venezuela Government agencies may appoint some of the directors of cooperatives that have received financial support from the Government.

Reflecting the general lack of capital in Latin America, governments have not given

to the cooperatives loans in proportion to their growing needs. Indirect financial assistance theoretically accrues to them from exemptions and privileges such as reductions in business taxes, reduced freight rates on Government-owned railroads, reduced import duties, and so on. But because most of these prerogatives were incorporated in the cooperative law without relation to fiscal and monetary policies of the governments, they have generally been ineffective.

Costa Rica's cooperative program is one that illustrates direct financial assistance on the part of the Government. The National Bank's Department of Cooperatives has its own capital, and loans to cooperatives are approved by the bank's directors. Loans are granted for periods ranging from 2 to 15½ years, depending on the type and objective. The bank also supervises the activities of the rural credit boards, which are democratically administered by the small farmers. Farmers may obtain loans from these boards, including loans to buy shares in an agricultural cooperative.

The countries of the Americas have worked together, through the Pan American Union, to train leaders of the cooperative movement, and their governments have shown a keen awareness of its value. At the meeting of the special committee on economic cooperation in Bogotá, Colombia, last year, they hailed the cooperative movement as "one of the most appropriate elements, because of its genuinely democratic roots and practices, for promoting economic development and social welfare." They passed a resolution calling for an enlarged PAU program in this field, especially to promote rural cooperatives to handle credit, marketing, consumption, housing, and multiple purposes—this last covering such things as the schoolchildren's cooperatives. In the U.S. Congress, Senator HUBERT HUMPHREY has expressed the administration's enthusiasm for encouraging cooperatives in Latin America, as a way to make the gains of economic development reach down to the people themselves. Surely cooperatives can make a very useful contribution to an alliance for social and economic progress.

Cooperative societies in Latin America, 1960

Countries	Consumers'		Agricultural		Savings and credit		Housing		Others [1]		Total	
	Cooperatives	Members	Cooperatives	Members	Cooperatives	Members	Cooperatives	Members	Cooperatives	Members	Cooperatives	Members
Argentina	314	374,809	1,748	482,944	182	195,319	75	20,590	729	1,049,729	3,048	2,123,441
Bolivia	2	339	22	1,390					11	1,538	35	3,267
Brazil	1,282	666,633	1,555	389,949	513	439,291			1,003	98,511	4,353	1,594,384
Chile	178	193,792	160	12,300	114	33,929	223	30,346	13	2,461	688	272,828
Colombia	409	233,817									409	233,817
Costa Rica	9	2,387	8	2,498	8	1,320	4	553	7	[2] 126	36	6,884
Cuba			1,392								1,392	
Dominican Republic	15	973	2	61	62	6,905					79	7,939
Ecuador	128	8,546	216	7,887			14	1,009	79	1,756	437	19,198
El Salvador	11	3,660	13	988	129	25,017			138	23,655	291	53,320
Guatemala	2		12	934	5				2		21	934
Haiti			5		26	8,989			2	152	33	9,141
Honduras	10	433	15	718	21	1,771	2	151	18	[2] 486	66	3,559
Mexico	1,420	246,137	1,040	67,131			3	1,261	830	119,723	3,293	434,252
Nicaragua												
Panama			4		32	3,200					36	3,200
Paraguay												
Peru	27	19,804	11	1,316	23	5,814	15	2,949	13	1,804	89	31,687
Puerto Rico	98	13,985	31	41,967	185	65,354	16	1,879	32	2,427	362	125,612
Uruguay	14	43,394	98	13,000							112	56,394
Venezuela												
Total	3,919	1,808,709	6,332	1,023,133	1,300	786,909	352	58,738	2,877	1,302,368	14,780	4,979,857

[1] Includes 447 electric power cooperatives, with 361,149 members, and 1,010 schoolchildren's cooperatives, with 122,002 members.

[2] Number of members not indicated in some categories.

COMMUNICATIONS SATELLITE

Mr. HUMPHREY. Mr. President, I call to the attention of the Senate a statement made by Congressman RYAN before the Select Committee on Small Business on August 10.

The committee held 6 days of hearings concerning the economics of a communication satellite system and the possible modes of ownership of such a system.

Congressman RYAN's statement brings out a point that I have been concerned with for some time. I quote from his statement:

First, the system holds great promise for the future. That promise is extended not only to Americans but to the world. Its impact will be global; its benefits will be universal. I quite agree with Dr. Dallas Smythe when he suggested that increasing the opportunity for world communication increases man's opportunity for world peace.

If we are to achieve a global system, it will require unprecedented international cooperation. The United Nations should be invited to participate; and the possibility of operating the system under United Nations auspices for the benefit of all nations should be considered.

Congressman RYAN has performed a public service by informing himself on this complicated subject. He is to be commended for his foresight in coming before the committee and raising important questions of public policy.

I also call attention to a comprehensive article on this same subject by John W. Finney which appeared in the New York Times of August 11. Mr. Finney has in his usual thorough manner reviewed the salient facts and issues involved in this article carefully as it is the most expedient way of becoming informed on this issue.

The implications of this system are so vast that each member of the Senate should have some understanding of the subject. The hearings of Senator LONG'S Subcommittee on Monopoly have been described as among the most thorough and comprehensive ever held by the Committee on Small Business.

During the course of the hearings it became apparent that traditional and legal concepts of ownership do not fit space. The economic problems have importance because the economies of all foreign countries will be affected. In this field of technology, cooperation of the highest degree will be necessary. It would seem that international ownership and operation of this system is a possible and workable alternative.

I understand that Senator LONG of Louisiana will have more to say in this connection within a few days.

These hearings would not have been possible without a great deal of effort on the part of many people. I especially wish to thank Dr. Walter Adams of Michigan State University for the contribution of his research assistant, Mr. Manley R. Irwin, to work on this project.

I ask unanimous consent that Congressman RYAN's statement and the article by John Finney be printed in the RECORD at this point in my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF REPRESENTATIVE WILLIAM FITTS RYAN, 20TH CONGRESSIONAL DISTRICT, NEW YORK, BEFORE MONOPOLY SUBCOMMITTEE OF THE SENATE SELECT COMMITTEE ON SMALL BUSINESS, AUGUST 10, 1961

Mr. Chairman, I appreciate the opportunity to appear before you today.

I should like to commend the Monopoly Subcommittee of the Senate Select Committee on Small Business, on the comprehensive nature of its hearings and for having explored the complex questions of economics, technology, and international relations involved in the development of a space satellite communications system.

Early development of an operational space satellite communications system is a national objective which promises to revolutionize international communications and offers unique opportunities for greater understanding among nations.

As a member of the House Committee on Science and Astronautics, my interest in a satellite communications system is associated with the activities and hearings of that committee. I appear today to share with you my concern over the question of ultimate ownership and control of a communication satellite system.

As the President has said, "The present status of the communications satellite programs, both civil and military, is that of research and development. To date, no arrangements between the Government and private industry contain any commitments as to an operational system." I believe that immediate commitments of any kind as to the control of the system may impede development and prejudice vital questions of public policy.

I believe that, in considering ownership and control of the communications satellite system, we must bear two things in mind:

First, the system holds great promise for the future. That promise is extended not only to Americans but to the world. Its impact will be global; its benefits will be universal. I quite agree with Dr. Dallas Smythe when he suggested that increasing the opportunity for world communication increases man's opportunity for world peace.

If we are to achieve a global system, it will require unprecedented international cooperation. The United Nations should be invited to participate; and the possibility of operating the system under United Nations auspices for the benefit of all nations should be considered.

The second fact that I think we should keep in mind is the nature of the public investment in space technology. Any ownership decision cannot neglect the fact that "space" in the broad sense is a public resource. It is incumbent upon Members of Congress to protect and enhance that resource. Before any decision of private ownership can be made, it must be made perfectly clear that private ownership will be consonant with the public interest.

Mr. Chairman, I would like to share with you my own activities in this field that parallel your own.

The first incident that prompted my attention was the NASA–A.T. & T. launching contract. NASA has testified before our committee that it seeks only to advance the art of space technology. The policy decision of ownership, according to NASA, rests with the FCC. However, the NASA–A.T. & T. launching contract held within it the threat that an experimental contract would in effect be a policy determination before Congress had had the opportunity to consider the matter. This situation prompted me to write on July 14 to James Webb, Administrator of the National Aeronautics and Space Administration, in which I noted that, "the A.T. & T. contract should be held in abeyance until we are certain as to its ultimate consequences."

Second, in a letter to the FCC on July 13 I expressed my concern over the premature establishment of a policy on satellite communications. I foresaw the possibility of domination by one company to the detriment of the public interest.

Third, on August 4, I circulated a letter to my colleagues in which I attempted to raise questions about the nature and implications of the NASA and FCC decisions.

You will observe a common thread running through these activities; namely, Congress needs time in which to study and consider fully the implications of private ownership. I frankly feel that neither enough time, thought, study nor analysis has been given to this critical issue.

It is in this regard that I have introduced House Concurrent Resolution 360. The resolution provides for Government ownership of a satellite system for an interim period of 2 years. During this period Congress will be afforded the opportunity to consider all the ramifications of ownership, whether it be international or domestic, private or public, competitive or regulated. I believe you will agree, Mr. Chairman, that the reason we have insufficient answers to the ownership issue is largely because we have raised insufficient questions. My bill would give us time to thoroughly examine the nature of ownership and its broadest aspects.

May I add one final point about time.

I view the time in which a communications satellite system would become operable as a matter of urgent priority. I do not view the time in which a system becomes privately owned as of crucial import. Ownership is secondary to the issue of the rapid development of an operable system. The debate over ownership would be separated from the question of development during the interim 2-year period.

I want to commend, once again, the committee on its foresight in and its analysis of the issue of ownership, and I want to express my thanks for permitting me to share my activities and thoughts.

[From the New York Times, Aug. 11, 1961]

UNITED STATES MAPS PHONE-SATELLITE TEST OF FIXED-POSITION SYSTEM IN 1962—PLANS A 50-POUND VEHICLE TRAVELING AT SPEED EARTH ROTATES AS TRIAL OF GLOBAL COMMUNICATIONS NETWORK

(By John W. Finney)

WASHINGTON, August 11.—The space agency announcer announced today that it would launch late next year an experimental communications satellite that would remain fixed over the same longitude on earth.

The small satellite would be the experimental forerunner of what is viewed as the ultimate space communication system. In the final system three satellites would be able to handle much of the international communications traffic of the world.

This so-called synchronous system involves placing satellites into an equatorial orbit some 22,300 miles above the earth. At this altitude the satellites would travel at the same speed as the rotation of the earth. Thus they would remain over the same spot on earth.

Three such satellites equally spaced around the equator would be able to relay communications, including television to telegraph, to almost all the inhabited parts of the earth.

NEGOTIATING CONTRACT

The National Aeronautics and Space Administration announced it was negotiating a contract for about $4 million with the Hughes Aircraft Corp. of Culver City, Calif. This provides for building at least three of the experimental synchronous communications satellites.

The 50-pound satellite would be launched by a three-stage Thor Delta rocket and finally guided into a 22,300-mile orbit by a small solid rocket. The launching, the agency said, is scheduled for late in 1962.

The satellite will not go into a true stationary orbit because its trajectory will not be around the equator. Rather it will be declined 33 degrees to the equator. As a result, the satellite will remain roughly over the same latitude off the east coast of the United States. However, it will appear to follow an elongated figure-eight pattern between latitude 33 degrees north and south.

Although not truly a stationary satellite, the project, the space agency noted, will provide "early experience" on operating satellites at high altitudes, at these heights destructive radiation is encountered from the Van Allen radiation belts. The project has been given the code name of Syncom, as an abbreviation for the ultimate synchronous communications satellite system.

Up until now, the agency has concentrated on a low-altitude, random-orbit system of communications satellites. In this system, as many as 40 satellites are put into orbit several thousand miles high. As one satellite passes out of range, the relay duties are picked up by another satellite coming up over the horizon.

TV RELAYS EXCLUDED

The experimental Syncom satellite will not have the same communications capacity as the low-altitude satellite because it will operate on a far narrower frequency band. Thus the satellite will be able to handle only voice and telegraph transmissions and not international television broadcasts.

The Army is developing a synchronous communications satellite for the military known as Advent. It will cooperate in the space agency's experiment by making available ground stations at Camp Roberts, Calif., and Fort Dix, N.J., for transcontinental transmissions.

Meanwhile, the Federal Communications Commission assured Congress that the American Telephone & Telegraph Co. would not be permitted to gain dominant control over any space communications system.

Newton M. Minow, the Commission Chairman, gave this assurance to a Senate Small Business Subcommittee.

He said that his agency would reject any industrial plan giving a predominant share of ownership in the communications network to the telephone company.

Mr. Minow also emphasized that the Commission was not committed to its proposal to turn over ownership of the satellite system to a joint venture of U.S. companies engaged in international communications. He also opened the door to Government ownership of the system, if Congress should order such a step.

FIRM COMMITMENT DENIED

Further testimony that the Government was not firmly committed to ownership of the system by the communications companies came from Dr. Edward C. Welsh, executive secretary of the National Aeronautics and Space Council.

Dr. Welsh noted that the satellite system was still very much in the research and development stage both from a technical and ownership standpoint. No Government commitments have been made about ownership or the type of satellite system, he said.

Dr. Welsh was instrumental in drafting a recent Presidential policy statement favoring private ownership of the communication networks.

Under questioning today, he said there was nothing in the statement prohibiting Government ownership of the satellites. The statement, he said, gives priority to private ownership under certain specific safeguards protecting the public interest.

If these safeguards cannot be met by private ownership, he said, some other form of ownership and operation will have to be considered.

The 2 weeks of hearings by the Senate Small Business Subcommittee on Monopoly concluded today. As they ended, it was apparent that they had served to bring out into the open for debate the possibility of Government ownership, at least on an interim basis, of the satellite system.

OBJECTIONS RAISED BY LONG

Throughout the hearings, Senator RUSSELL B. LONG, of Louisiana, subcommittee chairman, has been hammering away at the argument that the Commission's proposal for ownership by a joint venture of international communications companies would have the effect, as he put it today, of "putting this thing into the hands of the biggest and most powerful monopoly in America."

In his questioning, Mr. LONG of Louisiana, a Democrat, has suggested alternative approaches. He has proposed throwing open the ownership to domestic communications companies, equipment manufacturers, and

the general public to a program of Government ownership and private use of the satellites.

Mr. Minow, along with his fellow Commissioner, T. A. M. Craven, defended the Commission's present approach.

In so doing they contended, among other points, that international common carriers were the most experienced and, therefore, best qualified to bring a satellite system into operation at the earliest possible time. They also said that private ownership was in accordance with the traditional Government policy that communications should be a private enterprise.

At the same time, in the opinion of Government and congressional observers, there seemed to be a modification in the position of the Communications Commission. Its report in May, favoring the joint-venture approach was described today not as a firm policy position but more as a basis for discussion and negotiations among the communications companies.

PUBLIC INTEREST STRESSED

Furthermore, Mr. Minow repeatedly emphasized that approval would not be given to the joint venture unless the plan met certain public-interest safeguards laid down by the Commission. At the invitation of the Commission, 10 communications companies are discussing a joint-venture plan. But it was understood they had not been able to agree on an agenda for their negotiations.

One of the conditions laid down by the Commission was that any joint venture should be so arranged to prevent any single participating carrier from being in a position to dominate or control the satellite system.

Mr. Minow declined to give any black-and-white percentage of ownership that would represent domination. But he clearly indicated that the Commission would not approve the A.T. & T. proposal that ownership be based on usage. Such an arrangement would mean that the telephone company would own between 80 and 90 percent of the U.S. portion of the system.

Mr. Minow said that if the communications companies could not work out a joint venture meeting Government conditions, the Commission would have to try some other approach. It might then come to Congress for guidance, he said.

Mr. Minow said that Government ownership could be done perfectly sensibly. But he noted that this would represent a fundamental departure from the philosophy of the communication law of 1934, which called for private operation of communications system. "Unless Congress changes the law," he said, "the Commission feels bound to favor private ownership and operation."

JUDGE LEARNED HAND

Mr. RUSSELL. Mr. President, I desire to state very briefly for the RECORD my profound regret on the passing of Judge Learned Hand.

It was never my privilege to know Judge Hand personally, but I did have an opportunity in the pursuit of the practice of law, as well as a Member of the Senate, to read his great decisions.

His life illustrates better than any other single fact of which I have any knowledge the sad commentary of following the practice of political appointment of Justices of the Supreme Court of the United States. Here was a man who was generally recognized by the bar, not only of every State, but also of every community in the States of the Nation, as being the outstanding Federal judge in the district and circuit courts. Yet he never received what should have rightfully been his, appointment to the Supreme Court of the United States.

It leads one to wonder whether the fact that Judge Hand's noble ideas, and the fact that he would have been unapproachable under any circumstances pertaining to how he might rule after he was placed on the bench, might not have been responsible for the fact that he was never appointed to the Supreme Court of the United States.

In my opinion the two greatest judges that I have seen in the Federal judiciary were Judge Learned Hand and Judge John J. Parker. Both of them have now gone to their reward. Be it said to the credit of President Hoover that he did undertake to appoint the late Judge Parker to the Supreme Court. His appointment was rejected by the Senate. I know of my own knowledge of Senators who went to their graves deeply regretting the fact that they cast votes against the confirmation of the nomination of Judge John J. Parker.

I can only hope and pray that in the days that lie ahead, in considering the filling of vacancies which might occur in the future, those in position of authority who make nominations will approach that solemn duty in the concept of the Founding Fathers, who laughed at suggestions in the Constitutional Convention that politics might enter into appointments to the Supreme Court of the United States.

Unfortunately, though those men were prophets beyond the ken of average man, they could not look down the years and see the many instances when appointments to our Highest Court would be made on the basis of political reward rather than upon the legal ability of the appointee.

I shall never cease to regret that Judge Hand passed on into eternity without having had an opportunity to serve on the Supreme Court of the United States.

CIVIL RIGHTS LEGISLATION

Mr. JAVITS. Mr. President, as the floor may be occupied today by some of our colleagues in the Senate who feel very deeply in opposition to various civil rights bills, I take this opportunity to say a word upon the subject, which I wish to say today.

The question that troubles me, and which I believe troubles many other people, judging by an editorial I have read in this morning's Times, is the question: Has the administration a civil rights program, or is it suffering from next-session-itis?

That is the question which arises as we hear civil rights discussed again on the Senate floor. Based upon the pledges of the Democratic Party platform of 1960, it was our general understanding that the bills drafted by Senator CLARK and my colleague from New York, Representative CELLER, represented the administration's civil rights package. Yet they have been gathering dust in committee pigeonholes, just as did the bills introduced by Senator KEATING, Senator SCOTT, Senator CASE of New Jersey, myself, and others which we understood carried out pledges in our Republican 1960 platform.

The only thing the administration is asking for is the very minimum—a 2-year extension of the life of the Federal Civil Rights Commission, and that requires a two-thirds vote; while yet to come is an effort to amend the Senate's so-called filibuster rule.

Granting the splendid work done by the Department of Justice, which I hasten to affirm, and the important litigation which it has filed under Attorney General Robert Kennedy, continuing a fine tradition established by Attorney General Rogers, there is yet so urgent a need for civil rights legislation vital to our position at home and abroad as to make it impossible to understand how the Congress can be bypassed in this process.

Granted also that civil rights legislation is troublesome, in that it invariably produces a keen and protracted struggle in this body, yet the critical significance of the issue to us in this country and to our position throughout the world—and admittedly we face issues of survival today—demands that we deal with the problem just the same.

So elementary a matter as the poll tax remain uninvalidated and the law in five States, yet this is directly connected with the freedom to vote, and certainly the overwhelming sentiment in Congress is in favor of full voting rights without discrimination on the grounds of race or color.

Many of us feel very deeply that in education and jobs we are similarly missing the boat on essential reforms to eliminate discrimination and segregation, intolerable to our society under present conditions. The administration seemingly however, in civil rights as in medical care for the aged and in Federal aid to all levels of education, says wait until next session. But 1962 is a national election year with even greater political pressures operating than now. Also that means 6 months of delay in a world of danger and uncertainty.

Indeed, in civil rights the administration has not yet even stated what is its legislative program and whether there is any assurance that it will be brought up even next year. Under the circumstances, I think the summary judgment that whatever may be the political expediency of the administration's policy on asking the Congress for civil rights legislation, it is certainly not a brave and courageous New Frontier facing up to a major and critical issue of our Nation.

Mr. President, I ask unanimous consent to have the New York Times editorial printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CIVIL RIGHTS IN CONGRESS

While a 2-year extension of the life of the Civil Rights Commission has aroused little controversy in Congress, two far more ambitious civil rights programs have been in committee until the dust has gathered

on them. One was introduced by Democrats, Senator CLARK, of Pennsylvania, and Representative CELLER, of Brooklyn. Another bears the names of New York Republicans, Senators JAVITS and KEATING.

President Kennedy can hardly be expected to throw his influence behind a set of Republican bills, but neither is he sitting up nights calling people on the telephone about the Clark-Celler proposals.

The Kennedy theory and practice about integration and civil rights are clear. The President and his brother, Attorney General Robert Kennedy, believe that much can be done by faithfully enforcing existing laws. The Justice Department has shown zeal in supporting the school integration decisions of the Supreme Court, in sustaining the Negro's right to vote, and in demanding equal employment opportunities in jobs over which the Federal Government has jurisdiction.

A good deal can be done in this way. If the Negro can vote as freely and as safely as a white man, his rights are likely to be respected by elected officials. Dr. Martin Luther King, Jr., has already announced a drive to double in number the 1,300,000 southern Negroes who are now registered. The Kennedy administration will doubtless be pleased to see this happen.

What Mr. Kennedy will not do is to risk other parts of his legislative program in order to put through civil rights bills that white southerners do not like and will not willingly take. These measures seem to be relegated to another session. The policy may be politically expedient, but those who worked it out have earned no medals for valor.

Mr. KEATING. Mr. President, I wish to add to the remarks of my distinguished colleague from New York with respect to the cynicism which we often hear expressed concerning party platforms.

To date, the performance of Congress in the field of civil rights has done very little to remove this cynicism. Never have the American people been promised so much at campaign time and been given so little after the votes were in. Not a single piece of proposed civil rights legislation has been considered by Congress. The pattern was set at the beginning of the session, when the leadership discarded the best opportunity the Senate will have until the 88th Congress to amend the filibuster rule. Now the Senate is forced to consider a Civil Rights Commission extension bill under the worst possible conditions.

Mr. President, I do not know why an effort is being made to preclude the Senate from expressing its will on civil rights in a reasonable manner, but I do know the American people will find it very hard to understand why a subject which usually is given such high priority during a campaign has been given less than no priority in the post-campaign session of Congress. The very least that should be done is to make an effective change in the life of the Civil Rights Commission, so as to make its term either for an indefinite period or for 4 years.

In that connection, through inadvertence, in offering my amendment to provide for an extension of the life of the Commission indefinitely, and my second amendment to provide for an extension of the life of the Commission for 4 years, the names of the senior Senator from New York [Mr. JAVITS] and the senior Senator from New Jersey [Mr. CASE] were not included. I ask unanimous consent that their names be included as cosponsors of the amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

VISIT TO WEST BERLIN BY VICE PRESIDENT JOHNSON

Mr. HUMPHREY. Mr. President, I feel that the Nation is indebted to the Vice President for his historic visit to Berlin. He carried out his mission at the instructions of the President of the United States. He conducted himself with honor, with courage, and with ability. The visit by the Vice President had an electrifying effect, in terms of morale, upon the people of Western Europe, particularly the people of West Berlin and West Germany. The Vice President made no statement which was not within the confines of U.S. policy. What he said was what our President has said. The assurances the Vice President gave to the people of Berlin were the assurances which have come from the Chief Executive of this Nation and from the other responsible officials in the areas of foreign policy and defense.

The Vice President had an excellent visit with the Chancellor of the West German Republic, Konrad Adenauer. I believe that that visit alone was worth the trip the Vice President made to Germany. He helped to clarify any misunderstanding which might have existed, and I am confident that he gave considerable weight and added impetus to our policy in Western Europe.

The visit of the Vice President with Mayor Willy Brandt, of West Berlin, was of crucial importance. That brave and courageous man, the mayor of a great city, has had good reason to be deeply concerned over the future of his city and the people he so bravely and honorably represents. The Vice President of the United States made it crystal clear that the policy of our Nation was one of fulfillment of our responsibilities to the people of West Berlin and of free people everywhere.

It was most reassuring, I believe, for everyone to see the photographs, as we saw them in the United States, of our Vice President alongside the mayor of Berlin. It was more than reassuring to the people of West Berlin to hear the words of the Vice President and to see, and to hear the words of, Gen. Lucius Clay, the former commandant of the U.S. garrison in Berlin.

It must have been reassuring, also, to the people of West Berlin when 1,500 combat-trained troops of the U.S. Army entered West Berlin at the time the Vice President was in that great city.

Mr. President, this visit was not provocative. It was designed for one purpose; namely, to remind the world and, indeed, to remind those in the Kremlin that the United States is prepared to fulfill its responsibilities and is willing and equally prepared to fulfill its responsibility for a just and enduring peace through the fulfillment of its obligations and its willingness to conduct honorable negotiations.

I commend the Vice President. I assure him that his colleagues in the Senate, so far as I have been able to ascertain, are very happy with his work. We know that this was a singularly difficult trip for him to make; but, as on other occasions, he has fulfilled his responsibilities well and has earned the respect and continued confidence of his countrymen.

Mr. KEATING. Mr. President, I desire to join with the distinguished Senator from Minnesota [Mr. HUMPHREY] in his tributes to the Vice President.

The very successful—in fact, inspiring—visit of the Vice President to Berlin has reaffirmed the conviction of Berliners and of Americans, too, that the United States with its NATO allies will stand fast in defense of this city and of the rights of its inhabitants to freedom and self-determination.

The Vice President's presence and his address have, I sincerely hope, dispelled the gloomy specter of 1938, when the British Prime Minister, umbrella in hand, made his pilgrimage to Munich and sold Czechoslovakia down the river to the Nazis. The free world has learned its lesson from the tragic events of the 1930's. Appeasement of dictators does not work, whether they be Fascist dictators or Communist ones, whether they be powerful dictators like Khrushchev or puny ones like Castro. The slightest sign of conciliation is always taken as a sign of weakness and an excuse for more not less pressure.

The great mistake of the 1930's was the belief that concessions could be made here and there—in Manchuria, in Abyssinia, in Czechoslovakia—without endangering the overall state of peace. Today we understand better the totalitarian menace. Today we realize that peace is indivisible, for if the Communists succeed in one corner of the globe, they will only turn with increased appetite and confidence to another. We will defend West Berlin, not because it is Berlin, but because it is a part of the free world, and no part of the free world can be surrendered to communism without increasing the dangers for every other part of the free world.

Therefore, I rejoice very greatly in the steps in which the administration, with our allies are now taking to stiffen our position vis-a-vis the Soviets. Plans for direct New York-to-Moscow flights are being discontinued, I am very glad to say, for even apart from the Berlin issue, these flights would only have paved the way for Soviet spies and smugglers to get back and forth between the United States and Moscow more easily. The strengthening of British troops along the line between West Berlin and East Germany is another good sign of our ally's determination to resist new encroachments on West Berlin.

Finally, I believe we must not lose sight of the psychological factors which are deeply involved in the Berlin issue. The Vice President's visit, although it created no new commitments, was a real shot in the arm. The two countermoves

announced today will have the same effect. We are not as yet involved in a hot war, and, like most Americans, I pray that we will not be. But one of our most important weapons in the present cold war is the psychological strength of all freedom-loving people, whether they live in Berlin or Havana, and the enduring trust that freedom will triumph. It is this spirit of liberty which the Communists cannot eradicate that provides the real vigor and determination of the West, and in our policy we must insure that it is encouraged and supported around the globe. In reaffirming this vital fact—our real ace in the hole against communism—the Vice President was doing a valuable service to the cause of freedom everywhere.

NEW YORK RESOLUTIONS ON WORK RELIEF

Mr. KEATING. Mr. President, a great deal of attention has been focused lately upon our Nation's welfare programs. The townsmen of the city of Newburgh have touched a responsive chord.

One of the 13 points in the Newburgh program is the requirement that able-bodied persons on relief must work for the city, to qualify for welfare payments. Many communities in New York State and throughout the Nation have work relief programs.

Although most of the points in the Newburgh program do not presently involve the Federal Government, the work-relief issue does. Under the recently enacted Federal program of temporary public assistance for the children of unemployed parents, the Federal Government has become involved in the administration of local work-relief programs, because the Federal Government specifically prohibits the use of Federal public assistance funds as wages or compensation. A controversy has arisen in several communities in New York State as to whether State contributions for aid to the dependent children of unemployed parents can be included in payments for work relief.

This unfortunate juxtaposition of the Federal Government in an area which traditionally has involved localities alone has disturbed a great many people. It demonstrates the importance of having welfare programs planned and administered at the local level by officials and community leaders who are familiar with the actual circumstances in a given locality.

Mr. President, I recently received four resolutions from county boards of supervisors in New York State, calling for less Federal intervention in the administration of welfare programs. I ask unanimous consent that these resolutions from the Boards of Supervisors of Essex County, Genesee County, Herkimer County, and Rockland County be printed at the conclusion of my remarks.

Mr. President, I want to make one further comment about work relief. The reason that this controversy has arisen is that the new Federal program of aid to the children of unemployed parents for the first time provides public assistance to an employable category of persons. If the Government is going to assist people who are able-bodied and who can work, I firmly believe we need some clarification in the law as to whether work relief is or is not permitted, so far as the Federal Government is concerned.

The sentiments of the boards of supervisors of Genesee, Essex, Herkimer, and Rockland Counties are indicative of the feelings of a great many people throughout New York State. I just received a very similar letter from Mr. William J. Harley, supervisor of the town of North Elba, N.Y. The North Elba Town Board is greatly concerned about the need for more emphasis on local control in our major welfare programs. The officials of Onondaga County, Madison County, Cortland County, the city of Auburn, and many other New York State communities have also been in close touch with me on this issue.

Relief has always been essentially a local and State responsibility. If there is to be a permanent change in this policy, the Congress must conduct a full-scale and careful reevaluation of the principles underlying our relief programs and of the purposes which these programs have been designed to accomplish.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION 71 OF GENESEE COUNTY, N.Y.

Resolution in opposition to present system of welfare administration

Whereas the members of this board sincerely believe that, in the administration of welfare, there should be more flexibility, more authority, and more discretion at the local level and that public assistance for the care of needy persons more logically should be a local decision; and

Whereas overstandardization, maximum control, and ever-present threat of loss of reimbursement are believed to be harmful to the initiative, morals, and well-being of the individual, and an unnecessary burden on the taxpayer: Therefore be it

Resolved, That this board of supervisors go on record in urging that the State of New York exert all influence possible to encourage the Federal Government to change, alter, and amend those Federal laws, rules, and regulations adversely affecting the reasonable administration of welfare; and be it further

Resolved, That a certified copy of this resolution be forwarded to the Honorable Abraham Ribicoff, Secretary of Health, Education, and Welfare for the United States; Hon. Nelson A. Rockefeller, Governor of the State of New York; Hon. Raymond W. Houston, commissioner of social welfare for the State of New York; Senator Jacob Javits; Senator Kenneth B. Keating; Congressman Harold C. Ostertag; Senator Austin W. Erwin, and Assemblyman John E. Johnson.

MARJORIE L. MULLEN,
Clerk of the Board.

RESOLUTION 110 OF ESSEX COUNTY, N.Y., BOARD OF SUPERVISORS

Resolution opposing temporary aid to dependent children welfare bills

Upon the recommendation of the county commissioner of public welfare and the welfare committee of this body, and following due discussion and consideration; Be it

Resolved, That the Essex County, N.Y., Board of Supervisors expresses its disapproval of and opposition to the recent amendment by Congress of the Social Security Act, on a temporary basis, to include children of certain unemployed parents in the aid to dependent children (ADC) welfare program, and the subsequent amendment of the Social Welfare Law by the New York State Legislature to enable the State to qualify under the expanded aid to dependent children program, such legislation being commonly known as "temporary aid to dependent children of unemployed parents (T.A.D.C.)"; and

Whereas the need or advisability of the above-mentioned legislation appears highly questionable, especially in view of the provisions thereof exempting the recipient parents from certain of the requirements of the Work for Relief Provisions of the prior law; and

Whereas the said new legislation will necessarily result in an extensive increase of personnel and expense required in the proper administration and enforcement of such laws, thereby adding to an already overburdensome relief and tax obligation; and

Whereas said T.A.D.C. legislation and program result in additional overstandardization and control of the local administration of relief and welfare in the Federal Government, and its agencies concerned: Now, therefore, be it

Resolved, That this body shall and hereby does record and express its strong disapproval of and opposition to such new welfare legislation; and be it further

Resolved, That this body respectfully urges that the State of New York, and all subdivisions thereof concerned, exert all possible influence to persuade the Federal and State Governments to either repeal or amend the above-mentioned and similar legislation, as unnecessary in such form and content, and as contrary to both the public interest and the reasonable administration of public welfare; and be it further

Resolved, That certified copies of this resolution be forwarded to the Hon. Abraham Ribicoff, Secretary of Health, Education, and Welfare for the United States; Hon. Nelson A. Rockefeller, Governor of the State of New York; Hon. Raymond W. Houston, Commissioner of Social Welfare for the State of New York; U.S. Senator Jacob Javits; U.S. Senator Kenneth P. Keating; State Senator George E. Paine; Congressman Carlton J. King and Assemblyman Grant W. Johnson, with this expression of appreciation for their kind consideration of and assistance in the above-stated matters.

ZELMA A. COOK,
Clerk of the Board of Supervisors of Essex County.

RESOLUTION 92 OF HERKIMER COUNTY BOARD OF SUPERVISORS, HERKIMER, N.Y.

Whereas the members of this board sincerely believe that in the administration of charity, there should be more flexibility, more authority, and more discretion at the local level and that public assistance for the care of needy persons more logically should be a local decision; and

Whereas overstandardization, maximum control, and the ever-present threat of loss of reimbursement are believed to be harmful to the initiative, morals, and well-being of the individual and an unnecessary burden on the taxpayer: Therefore be it

Resolved, That this board of supervisors go on record in urging that the State of New York exert all influence possible to encourage the Federal Government to change, alter, and amend those Federal laws, rules and regulations adversely affecting the reasonable administration of charity, and be it further

Resolved, That a certified copy of this resolution be sent to the Honorable Abraham Ribicoff, Secretary of Health, Education, and Welfare for the United States; Hon. Nelson A. Rockefeller, Governor of the State of New

York; Hon. Raymond W. Houston, commissioner of social welfare for the State of New York; Senator Jacob Javits; Senator Kenneth Keating; Congressman Alexander Pirnie, and to all boards of supervisors of the counties of New York State.

ROBERT EVANS,
HOWARD COMSTOCK,
JOHN GALLINGER,
HARVEY PRINDLE,
Charities Committee.

Dated July 31, 1961.

DOUGLAS H. BELL,
Clerk.

RESOLUTION 350 OF ROCKLAND COUNTY, N.Y., BOARD OF SUPERVISORS

Resolution requesting amendment of welfare laws and providing for more local authority in administration-certified copies

Whereas the members of the board of supervisors of the county of Rockland are concerned with the increasing costs of public welfare and the lack of authority for decisions on a local level because of the ever-present threat of withdrawal of State and Federal aid; and

Whereas local administrators should have more latitude in the administration of welfare because of their familiarity with the client and his problem on the local level: Therefore be it

Resolved, That this board of supervisors go on record in urging that responsible officials in the State of New York exert all their influence to have the Federal authorities change, alter, and amend the Federal laws and administrative rules and regulations adversly affecting reasonable administration of welfare on the local level; and be it further

Resolved, That certified copies of this resolution be sent to the Honorable Abraham Ribicoff, Secretary of Health, Education, and Welfare for the United States; the Honorable Nelson A. Rockefeller, Governor of the State of New York; the Honorable Raymond W. Houston, commissioner of social welfare for the State of New York; Senator Jacob K. Javits; Senator Kenneth B. Keating; Congresswoman Katharine B. St. George; Senator Clinton Dominick, and Assemblyman Joseph F. X. Nowicki.

REPORT FROM WASHINGTON BY THE EDITOR OF THE ROME SENTINEL

Mr. KEATING. Mr. President, last week many veteran newsmen came to Washington for high-level briefings by the President of the United States, as well as by State Department and Defense Department officials. These sessions contributed greatly to the whole country's understanding and appreciation of the issues involved in the Berlin crisis. Although in part confidential, and directed particularly toward our Nation's alert and capable newsmen, these briefings have enabled the press to present valuable, substantive contributions to the nationwide discussion of the Berlin problem.

Mr. President, one such report, clear, succinct and penetrating, appeared in the Rome Daily Sentinel, of Rome, N.Y. It was the work of the editor and general manager of that newspaper, Fritz S. Updike, who has performed many services for his community, not only through his commentaries on international events, but also through his continued interest in and support of a variety of very pressing local problems.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Rome (N.Y.) Daily Sentinel, Aug. 18, 1961]

BERLIN FIRST OF MANY CRISES

(By Fritz S. Updike)

The East German refugee problem and the sealing of East Berlin by the Communists have great emotional impact upon peoples devoted to freedom.

Our admittedly quiet approach to this Russian action is disturbing not only our own people but particularly the West Germans.

But these are sideshows to the main issue of peace or war.

This editor attended a 2-day State Department briefing in Washington earlier this week. The highest officials in the management of foreign policy and defense spoke with candor. So did the President of the United States.

What the President said cannot be reported in any manner.

The statements of the other officials can be disclosed without revealing the specific source.

Here is part of what they said on the Berlin situation:

"Berlin, to which we are firmly committed and over which we will fight, if necessary, is but the first of a long series of anticipated crises. Some may be more serious than Berlin.

"Even if the Berlin situation is solved or suspended without military action, this world is in a hazardous and dangerous era. The future for peace is dubious.

The sealing off of East Berlin is a display of stark military power. It also is a confession of weakness by the Russians. They have the military strength, and the advantage of geography, to take this action but they show they cannot control their conquered people without using force. This has an impact on world opinion although it is becoming doubtful if Khrushchev has much regard for world opinion.

We cannot and will not contest it militarily. We cannot help the East Berliners because of their location deep within East Germany. We are trying to keep the West Germans under control. We do not want a military issue to arise over the sealing of East Berlin.

American officials are relieved that the border sealing has not created a flareup in Berlin. This is no time for an explosion. A collision of East-West forces in Berlin or an uprising in East Germany would put the West at a major disadvantage. The 20 Soviet divisions in East Germany are about equal to the troop strength of NATO in the area in and around Germany. Our policy for settlement of the German question being self-determination—a vote by the people of both Germanys—we would like to see the anti-Communist East Germans remain in East Germany. We would need their vote if a referendum, which is most unlikely, is ever held. Had the East German exodus continued unchecked the population of East Germany might have been so depleted that Russia would have colonized East Germany with other races.

The sealing of East Berlin, while in violation of agreements, has not affected our rights in West Berlin. It has not halted our access to West Berlin. It is over these rights—our presence in West Berlin—that a showdown will come.

Conditions are not hopeful for negotiations on the Berlin question. The shocking aspect of Khrushchev's tough Berlin line is that, counter to accepted diplomatic practice, he is not leaving himself an out.

He is painting himself into a corner from which he cannot withdraw without great loss of prestige and leadership. This worries the Western Alliance. The Western leaders fear Khrushchev may be tempted to desperate action to make good his words. His failure to leave himself a fallback position is seen as highly dangerous.

Khrushchev's boldness over Berlin is not alone a question of location in which the West is at a grave disadvantage.

It also is a reflection to a growing Soviet self-confidence in its military and economic power. Even if we are able to settle Berlin we can look forward to no easy time. There will be continued Russian challenges.

Our position on West Berlin is that we will fight to retain our presence in that city. While there are degrees of military conflict and a small encounter might not lead to major war, we will use all the weapons at our disposal if necessary, particularly if we are losing.

Khrushchev has said that any military action over Berlin would lead to nuclear war.

Khrushchev is trying to persuade the West he will go to war over Berlin. The United States is trying to persuade Khrushchev it will go to war over Berlin. The grave danger in this kind of situation is that it easily could get out of hand.

However, Khrushchev's real intentions are unclear at present to the West. The main Communist objective is to take over West Berlin but Khrushchev realizes that to do this by military force, which he has available, means world war III. Only war will dislodge the West from Berlin.

He proposes to accomplish his purpose in stages, but how we do not know. Our position is that the Western Alliance must be flexible enough to meet any move the Russians make.

Meanwhile, Khrushchev is trying to divide the Western Alliance which is standing united despite some differences of opinion on counteraction. He is trying to terrorize our European allies. He is telling them that in a war both the United States and Russia would be badly hurt but would survive while the European countries would be destroyed.

It is the opinion of Washington officials there will be negotiations before the Berlin crisis comes to a boiling point. No responsible official says war over Berlin is inevitable. They fear, however, a mishap and regard Berlin as the most dangerous situation since Korea—emphasizing over and over that once Berlin is past there will be continuing, perhaps worse, crises in the world struggle.

Khrushchev obviously is saying that West Berlin, which lies 110 miles in East Germany, is a part of Communist-dominated East Germany and that there can be no German reunification.

American officials see in a divided Germany the seeds of future war. They fear the time will come when a German leader will arise and, at whatever cost, lead the German people in an effort to reunify the country. That would bring war.

Officials in Washington, while in a grim mood, say there are many things yet to be done about Berlin, that both sides will look upon military action as a last step.

The American position is that we will protect our vital interests—West Berlin being a symbol upon which depends the American world position—even at the most serious risk.

They declare we must stand firm on Berlin, that we must take a strong military position and be prepared for the worst. They insist we have the capability to defend Western Europe on a conventional basis.

Berlin, in their opinion, may be the test of the 20th century. If not, there is a whole

series of such tests in the highly uncertain future.

The Berlin situation is acute because it is a head-on confrontation between two nuclear powers who have taken strong positions from which they cannot easily retreat.

There is a double danger to the United States. One is war through mishap. The other is the possibility we will emerge from Berlin with a great loss of prestige around the world.

This was the second State Department conference of this type. The first, in late April, was thick with gloom over the Cuban invasion fiasco some 10 days before. This time Cuba was hardly mentioned, it being accepted that it is minor compared to Berlin.

There was little gloom in this week's sessions. The atmosphere, while grim, was one of realism and determination to face facts as they exist.

While there was talk of possible war, there was no feeling that the situation is hopeless. No one can believe that Khrushchev intentionally will bring on nuclear war. But no one discounts the possibility that he may push events to the point where events take over control in a crescendo of fatal steps that cannot be managed.

MIGRATORY LABOR LEGISLATION

Mr. BURDICK. Mr. President, five migratory farm bills, of which I am proud to be a cosponsor, will soon be brought before the Senate for consideration and decision. Prompt congressional action on these bills after years of indifference will mark the beginning of assumption of national responsibility in response to this problem—a landmark in the field of farm-labor legislation.

The progress made in this area is largely attributable to the Subcommittee on Migratory Labor under the leadership of its most able chairman, the Honorable HARRISON A. WILLIAMS, Senator from New Jersey.

His efforts have indeed been praiseworthy and were thus appropriately described in an informative and perceptive editorial entitled, "Help for Migrants," which appeared in the Washington Post and Times Herald on August 12, 1961.

The five bills, soon to be considered by the Senate, concern the prohibition of agricultural child labor, improved educational opportunities for migratory farm children and adults, Federal registration of crew leaders, improved health services for migratory farm families, and the establishment of a National Advisory Council on Migratory Labor.

The editorial points out that—

> The prospects are good that an affluent country will extend some meaningful help to these forgotten stepchildren.

Because the editorial recognizes the need for and encourages Federal action to improve the living and working conditions of domestic migratory farmworkers and their families, I ask unanimous consent that the editorial appear in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald, Aug. 12, 1961]

HELP FOR MIGRANTS

Although the plight of migratory farmworkers has been a source of national shame since "The Grapes of Wrath" was published a generation ago, Congress has by and large looked the other way. Powerful agricultural interests succeeded in blocking all but two bills aimed at protecting farmworkers, and these measures were minor palliatives. One concerned the safe trucking of farm laborers and the other set up a social security arrangement which has proved unworkable for migrants.

The tide seems ready to turn. The Senate Committee on Labor and Public Welfare has reported out five bills which deal directly and realistically with the abuses of migratory labor. In essence, the measures would regulate the use of child labor, provide help for educating migrants and their children, require registration of interstate farm labor contractors, authorize Federal grants for health services, and create a National Advisory Council on Migratory Labor.

After the years of indifference, these bills seem a minimum token of congressional concern. Sen. HARRISON WILLIAMS, the chairman of the Subcommittee on Migratory Labor, has done a praiseworthy job of enlisting support for the reform proposals. Even the entrenched opponents have abated their thunder. The prospects are good that an affluent country will extend some meaningful help to these forgotten stepchildren.

The supporters of the legislation are wisely leading with the least controversial measures. The question of a minimum wage for migrants, in particular, is bound to encounter sterner resistance. But the important point is to make a start in assuming more national responsibility for what is clearly a national problem. For the first time, the Departments of Labor and Agriculture are agreed on the need for a remedy. It would be fitting if this miracle were followed by prompt congressional action.

ADMINISTRATION SUPPORT OF MIGRATORY FARM-LABOR LEGISLATION

Mr. SMITH of Massachusetts. Mr. President, five migratory farmworker bills, introduced by Senator HARRISON A. WILLIAMS, JR., of New Jersey, chairman of the Subcommittee on Migratory Labor, will soon come before the Senate for consideration with the full support of the Kennedy administration. Senator WILLIAMS has done an admirable job in this area, and it has been with a great deal of interest as a member of the Subcommittee on Migratory Labor that I have watched and participated in the development of this legislation. Three of these bills, which I am pleased to cosponsor, concern improved educational opportunities for migratory farm children and adults, Federal registration of crew leaders, and improved health services for migratory farm families. The other two bills provide for the establishment of a National Advisory Council on Migratory Labor and prohibitions of agricultural child labor.

The most recent indication of the high priority of these bills among the objectives of the administration is eloquently expressed in a noteworthy letter written by Secretary of Labor Arthur J. Goldberg. Secretary Goldberg's letter appears in the August 17 Washington Post in response to an editorial entitled "Help for Migrants," which appeared in the Post on August 12.

The Secretary points out in his letter that—

> The American people are becoming increasingly and insistently aware of this problem, for all that it is so easily kept out of sight. The time for change has come and * * * there is no dispute within the administration as to which direction this change should take.

Secretary Goldberg concludes his letter reaffirming the administration's support of Senator Williams' migratory labor legislation with this statement:

> I wholeheartedly join with the Washington Post in expressing the hope that his five bills will shortly be approved by the Congress.

Secretary Goldberg's letter is clearly indicative of the administration's continued interest in migratory farmworker problems and of its active support of these bills which deal directly and realistically with those problems involved. I therefore ask unanimous consent that the Secretary's letter appear in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 17, 1961]

HELP FOR MIGRANTS

It is a mark of a great newspaper that it does not hesitate to speak for those who are without a voice in the affairs of the Nation. Your editorial of August 12 on the progress of Senator HARRISON WILLIAMS' migratory labor proposals is but the most recent occasion on which you called attention to the plight of the almost 1 million Americans, workers and their families, who eke a poor and often bitter living harvesting other people's crops.

For too many years public policy has been content with, has even encouraged, the perpetuation of the present system. The relative condition of the migratory workers has grown steadily worse. There must and will, I feel, be an end to this. The American people are becoming increasingly and insistently aware of this problem, for all that it is so easily kept out of sight. The time for change has come and you are entirely correct that there is no dispute within the administration as to which direction this change should take.

Our goal is to achieve in agriculture what we already have in most other sectors of the economy: a dignified and respected work force based on fair wages, decent working and living conditions, and steady employment.

Senator WILLIAMS has begun the movement of public policy in that direction. I wholeheartedly join with the Washington Post in expressing the hope that his five bills will shortly be approved by the Congress.

ARTHUR J. GOLDBERG,
Secretary of Labor.

WASHINGTON.

LEGISLATIVE PROGRAM

Mr. HUMPHREY. Mr. President, I do not believe there is further morning business.

Let me inquire about the parliamentary situation: Am I correct in understanding that following the morning hour the Senator from Mississippi [Mr. EASTLAND] was to have occupied the floor?

The PRESIDING OFFICER (Mr. DODD in the chair). That is correct.

Mr. HUMPHREY. I understand that he is not well today, and that therefore the junior Senator from Mississippi [Mr. STENNIS] will have the privilege of the floor.

The PRESIDING OFFICER. The Chair assumes that the junior Senator from Mississippi will request unanimous consent for that purpose.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that that be permitted.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RUSSELL. Mr. President, before the morning hour is concluded, I desire to suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, under the unanimous-consent agreement of yesterday, my colleague, Senator EASTLAND, was to be recognized immediately following the morning hour today. Senator EASTLAND is somewhat indisposed today, with a cold and fever, and did not believe he should be here. Therefore, I ask unanimous consent that in his stead I be permitted to proceed at this time, to read Senator EASTLAND'S speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I also ask unanimous consent that, as a convenience to him, I may yield now for 12 minutes to the Senator from Ohio [Mr. YOUNG] who wishes to make a brief speech; and I ask unanimous consent that I may do so without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

CIVIL DEFENSE OPPORTUNISTS SWARMING IN DROVES TOWARD TREASURY

Mr. YOUNG of Ohio. Mr. President, the protection of American citizens in event of war is a major factor in the defense of our country. Having maintained all along that the leaders of our Armed Forces should be charged with this responsibility, as has been done in Canada and England, I was pleased when President Kennedy transferred major civil defense functions from the boondoggling Office of Civil and Defense Mobilization to the Department of Defense.

Though the functions are now where they rightfully belong, it is my belief that all civil defense appropriations must still be carefully scrutinized. Although I have complete faith in the judgment and ability of Secretary of Defense McNamara, we should not abdicate our responsibility regarding use of taxpayers' money.

I opposed the $207,600,000 item for fallout shelters in the Department of Defense appropriation bill. This was appropriated in addition to $85 million appropriated for civil defense in the independent offices appropriation bill. My amendment which would have deleted this $207 million request was defeated by majority vote of my colleagues, as was the amendment of my distinguished colleague from Ohio [Mr. LAUSCHE] which would have reduced the appropriation to $100 million.

Mr. President, I seriously question whether this money would have been so readily appropriated had it not been for the fact that it was made a part of the total Defense Department appropriation request. Although our military leaders are most qualified to handle civil defense functions, they are not infallible. I urge that in the future we give closer study to their requests regarding money for civil defense purposes.

It is interesting to note that Washington lobbyists for the National Association of County Officials, in their special report on civil defense dated July 24, stated that civil defense functions were transferred to the Department of Defense because "knowledge that vastly increased shelter expenditures can politically only be obtained in the defense budget." It appears that this is the only part of their report in which these lobbyists were correct.

I regret that apparently we are proceeding with an expensive fallout shelter program, which if carried to the extent of its most extreme advocates, will cost taxpayers from $50 billion to $200 billion. In my opinion, such a program is impractical and will offer no protection worth mentioning. It is also dangerous in that it fosters the delusion that there is some measure of security in a nuclear attack.

The truth is that people far enough away from the blast area might be able to protect themselves from the first 48 hours of intense radiation—perhaps even for the first 2 weeks. After that, the chances are indeed slim for their survival. It has been estimated that the radioactive cloud from a single relatively small nuclear bomb may be expected to cover an area downwind for 200 miles. No one knows how many bombs of what megaton capacity would be dropped in a nuclear holocaust or what the weather conditions would be at that time.

Like poison gas, which was available to Hitler and the allies in World War II, the strength of the Soviet Union and the United States to wage atomic offensives is so tremendous that neither nation will resort to an all-out nuclear war.

Mr. President, earlier in this session of Congress, Representative WILLIAM MINSHALL, from my State of Ohio, introduced a bill which would grant homeowners and business organizations income tax deductions for the cost of building basement bomb shelters. It is my hope that this legislation will never emerge from committee, and if it does, be defeated in the House of Representatives.

Let us not be duped by such a scheme. In this grim period, compelled as we are to pay more than $46 billion for national defense and to strengthen our offensive power of immediate and effective retaliation, it is ill-timed indeed for a Congressman to recommend that another tax loophole be opened.

Furthermore, in the district represented by this gentleman, there are many thousands of men, women, and children living in apartments. There are many living in rented homes. His legislative proposal would give a preference and a special privilege to property owners. They would have available to them a tax credit and a financial advantage not available to the less fortunate who rent dwellings or live in apartments. This should not be tolerated.

Those property owners who take advantage of the tax gimmick available, were this Representative's legislation to be considered seriously and enacted into law, would be able to have recreation rooms, barrooms, and rumpus rooms—whatever they are, in fact—erected in their basements, and the Government would permit them a tax credit simply on their obtaining a certificate from a bureaucrat in the boondoggling civil defense agency, stating that this room would be a facility providing protection in event of nuclear attack. For businessmen it might mean the installation of underground parking facilities—labeled "Bomb shelters"—at taxpayer's expense.

In supporting his proposal giving a special privilege to many constituents, and at the same time depriving others of a similar tax advantage, Mr. MINSHALL referred to the effectiveness of the shelters at Yucca Flats, at the time when nuclear testing was still taking place.

Let no one be deceived.

Shallow fallout shelters for the basement of a private home can only be contrasted with, but not compared to, the huge test shelters at Yucca Flats. Each one of these shelters cost hundreds of thousands of dollars. A shelter at Yucca Flats is a 48-foot combination concrete and steel pipe underground structure.

Is the Congressman seeking to deceive people talking about fallout shelters in basements and at the same time telling of the effectiveness of tests at Yucca Flats?

The dome fallout shelter at Yucca Flats had three levels. It had a diameter of 110 feet and was capable of holding 2,000 people. It cost $250,000.

Another dome blast shelter at Yucca Flats, with a floor area of 350 square feet, cost approximately $328,000. It could hold 2,000 people.

These test shelters were erected at huge cost, not to illustrate the effectiveness of fallout shelters, but to develop and test large shelters for groups of people.

One of the shelters constructed by the Air Force had a shell 7¾ inches in thickness. It was a concrete type with a reinforced-concrete double-ramp entrance and had 10- or 12-gage corrugated-steel double entrances.

Of course, the shelters recommended for homeowners who are desirous of rumpus rooms would have been virtually pulverized in the tests at Yucca Flats, as this gentleman knew or should have known.

A 1959 report of the Joint Committee on Atomic Energy pointed out that all structures within a 7-mile radius of ground zero for a 10-megaton weapon would be destroyed. A well-constructed wood-frame house completely collapses within 9 miles from a 10-megaton surface burst. There is every reason to believe that a potential enemy would not be so merciful, but would use weapons far in excess of 10 megatons.

In a nuclear attack on my home city of Cleveland, Ohio, these shelters or rumpus rooms in homes in Congressman MINSHALL's district—and I live in that district, so I should know—would be of no use whatsoever. The same report states that an 18-megaton explosion would kill or seriously injure over two-thirds of the people in the Cleveland metropolitan area, including the Congressman's district, and it is likely that the destructive power of an attack would be far in excess of 18 megatons.

Mr. President, Shaker Heights is one of the largest communities in Representative MINSHALL's district.

I have lived there for many years. It is to the east and south of the city of Cleveland, between Cleveland and Akron. It would be in the target area where an enemy might wish to destroy the rubber capital of the world and at the same time wreak destruction upon the steel plants to the south of Cleveland. The mayor of this fine community, Wilson G. Stapleton, recently participated in a ribbon-cutting ceremony for a bomb shelter, paid for by taxpayers' money, in a private home. This shelter, 13 by 10 feet in size, cost nearly $1,500. Contractors informed the mayor this was excessive; that the cost should not have exceeded $600.

It was evident from what the mayor said at the ribbon-cutting ceremony that he was not enthusiastic over the part he played in it. Mayor Stapleton, by the way, is a leading citizen not only of Shaker Heights, where he is mayor, but also a leading member in the State of Ohio of that Grand Old Party of which I am not a member.

In his address at the ribbon-cutting ceremony Mayor Stapleton said: "I am not going to build a shelter in my home and I don't think the shelter will do any good if a bomb hits in this vicinity." Mayor Stapleton is as concerned for the welfare of the citizens of the community as their district Representative in Congress. However, he is realistic and knows that these shelters in basements and backyards will be of no use whatever in an atomic attack.

This proposed tax deduction for shelters is only one of what promises to be many raids on the Treasury in the name of civil defense. Citizens are advised to stock their shelters with food and emergency supplies. The only good result will be that contractors who build the shelters and grocers who stock them will receive money and place it in circulation.

Members of Congress from wheat-growing States where surpluses are tremendous are now importuning department heads to use our wheat surplus to stock these shelters for 14 days. Next will come the corngrowers, the dairymen, and so on ad infinitum. The enticing scent of honey has the civil defense opportunists swarming in droves toward the Treasury.

Mr. President, unless we are prepared to embark on a $50 billion civilian shelter building gamble, we should face the facts and eliminate the completely ineffective program currently undertaken. Over a billion dollars has already been wasted on civil defense. Let us not open the door to tax subterfuge and loopholes for the benefit of a few and cause further waste of taxpayers' money.

Mr. President, I thank the distinguished junior Senator from Mississippi for yielding to me, and I suggest the absence of a quorum.

The PRESIDING OFFICER. (Mr. TALMADGE in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. (Mr. YOUNG of Ohio in the chair). Without objection, it is so ordered.

THE FOREIGN AID BILL—APPOINTMENT OF CONFEREE

Mr. MANSFIELD. Mr. President, through an inadvertence, the conferees named yesterday on the foreign aid bill (S. 1983) were not properly named. I ask unanimous consent, therefore, that the Senator from Indiana [Mr. CAPEHART] be named in the place of the Senator from Kansas [Mr. CARLSON] as a conferee on the bill (S. 1983).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Mississippi yield for that purpose?

Mr. STENNIS. Yes, I have yielded to the Senator from Montana.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

MILITARY CONSTRUCTION APPROPRIATIONS, 1962

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator from Mississippi yield to me, without losing his right to the floor?

Mr. STENNIS. I am happy to yield to the Senator from Montana.

Mr. MANSFIELD. In view of the fact that we have so many amendments, totaling 21, to the bill which we have tried to lay before the Senate, and which I understand has not as yet been laid before the Senate, I am about to make a motion which I hope will meet with the approval of the Senate. With the greatest reluctance I am compelled to ask that the Senate proceed to the consideration of the military construction appropriation bill. Last Friday the distinguished minority leader and I served notice that we would ask the Senate to suspend the rules whereby we could offer an amendment extending the Civil Rights Commission for 2 years. It was our purpose to offer an amendment granting the same appropriations for the Civil Rights Commission that they had last year. Since we made our original proposal there have been filed at the desk 21 amendments, which have no relationship to the Civil Rights Commission, with the exception of the amendment of the Senator from Pennsylvania [Mr. CLARK]. I will not take the time of the Senate to list the amendments although I have them here at my desk.

Mr. KEATING. Mr. President, will the Senator yield before he makes his motion?

Mr. MANSFIELD. I yield.

Mr. KEATING. The Senator may wish to correct his last statement, since two of the amendments which I filed have to do with the Civil Rights Commission. One would extend its life indefinitely and the other would extend its life for 4 years in place of 2 years.

Mr. MANSFIELD. The Senator is correct.

Mr. President, I move that the Senate proceed to the consideration of Calendar No. 708, H.R. 8302, and that the bill be laid before the Senate and made the pending business.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

Mr. JAVITS. Mr. President, I shall not oppose the motion, of course. The Senator from Montana is entitled to run the affairs of the Senate.

Mr. MANSFIELD. Mr. President, the action is taken in conjunction with the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN], because it is not one man who runs the Senate, but the two of us who try to work with the cooperation of Senators on both sides of the aisle. We are the servants of the Senate.

Mr. JAVITS. The Senator has given me an opportunity to say that in my experience in the House and Senate we have rarely had a majority leader who speaks with the real humility that characterizes the Senator from Montana, and I know he feels it. It is a very refreshing and heartwarming experience. Other leaders may have had other talents, but the leader who is now in office on the part of the majority has a very great heart and a real spirit of humility in its finest sense. I accept, of course, the amendment the Senator has made to my remark.

But what I wish to state is, of course, that the leadership should and can run the Senate in the way that it desires to

do so. I think it is pertinent at this point, however, to make a brief allusion to the question of why all the amendments and why all these motions, because an effort was made here in discussion yesterday to make it appear that those who made the motions or made the proposals for amendment were somehow or other holding up the business of the Senate. The Senator from Montana did not make that statement. On the contrary, he said exactly the contrary. But others did.

Mr. President, let it be clear that I think that many Senators suffer from a real sense of having been suppressed during this session, when, somehow or other, whether by design or otherwise—and I think it was by design—the administration has produced no program for the Congress upon this very burning issue. Yet, as my colleague from New York [Mr. KEATING] and I both emphasized this morning, the situation exists notwithstanding the solemn pledges of the platform on the Democratic side, which was the successful platform, and which were contained in our platform as well. Not only that, but even in all the discussions about the program next year, in terms of medical aid to the aged, Federal aid to education, and other bills which are being laid over, we have yet to hear a word about the administration's intention on this burning civil rights issue. The administration has not only brought no civil rights measure before the Senate this year, but also they have not even said they would bring up any such measure next year. Hence the moment the door was put slightly ajar—and I will admit that it was only slightly ajar—naturally all of us who are deeply interested in doing something in this very trying situation marched on through.

There are many courses of action which are open to the leadership to deal with this situation. The one which apparently is the chosen instrument—to table every undesired measure—in my opinion, is very unfair to the issue. I do not think the instrument itself is unfair. Certainly, the majority leader has a right to move to table in order to clear the decks so that he can do other business. But I think it is very unfair to the issue, and I think the responsibility is not his. I think the responsibility is that of the President and the administration on the civil rights issue, which it has not faced up to in terms of the Congress.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MANSFIELD. On a number of occasions in the past I have moved to table certain proposals. I have done so reluctantly, because I do not like the idea of tabling, which shuts off all debate. However, I have felt, in the interest of good procedure, that that should be done, and I have thought on occasion it was necessary that that be done, but only to expedite the business, to the end that we may accomplish what we can in the way of a program this year.

Mr. JAVITS. On the question of tabling, although there are 21 motions before the Senate, and even though I have no inside information about anyone's attitude with respect to them—and Senators, as everyone knows, are lords to themselves, and I believe the country has learned to believe that this is the best way in which we can operate—I have little doubt that once the Senate manifests its will in terms of a fair sampling of what is being attempted here, many of those motions—again I cannot divine what is in other people's minds—might not be pressed, and therefore the heavy traffic which the Senator anticipates might not in the final analysis come to pass.

I wish to conclude my remarks quickly, because I know the Senator's purpose in making his motion. I merely emphasize that nothing has come from the administration to Congress as to what it wills Congress to do on this issue except two very rudimentary things, one the extension, a very modest extension, as my colleague from New York has so correctly stated, of the Civil Rights Commission.

Second, as we know, because everyone relies completely on the leadership, the opportunity to bring up a proposed change in rule XXII.

That, too, is the result of a discussion we had earlier in the session, when, as some of us predicted and as we say again now, that was a far more suitable time to consider the question that we will face now. I voted for it, as others did also, including my colleague from New York, but we were overruled. I believe those who caused us to be overruled did not pursue a course best calculated to get any action on rule XXII.

Be that as it may, the need of the moment is for the administration and the President to express themselves as to what is their program, as far as Congress is concerned, on civil rights and when we will see it. I believe that is the real issue which is before us.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The question is on agreeing to the motion of the Senator from Montana. The question is debatable, the Senate having recessed on yesterday.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. MANSFIELD. I will yield, if I may.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

Mr. MANSFIELD. I ask unanimous consent that I may yield.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEATING. The distinguished majority leader, with his customary courtesy, of which we are all the beneficiaries, notified those of us who feel deeply about the pending amendments that he desired to lay the pending business aside.

Civil rights is certainly an important issue. I yield to no one in my zeal for that cause. It is the purpose of the majority leader, I understand, to lay the pending business aside temporarily for the purpose of taking up the military construction bill. Certainly it would seem to me to be the mark of irresponsibility to do anything which would stand in the way of acting on the Nation's defense. I will support the majority leader in his motion.

Mr. MANSFIELD. I may say to both Senators from New York that I am deeply appreciative of the understanding they have shown in this matter and the recognition which they have given of the fact that we do have a heavy schedule and we do have much work to do before we adjourn.

Mr. DIRKSEN. Mr. President, the Senate concurred in the action of the entire Congress in 1957 in creating the Civil Rights Commission. It was renewed in 1959. It is an agency in being.

Whether or not one agrees with the findings of the Commission, there is no doubt that the finest type of personnel was brought from all sections of the country to serve as Commissioners. They have done their work well. Sixty days after they file their final report, I understand, the Commission will not be in being. Hence it is necessary to extend the life of the Commission. In conjunction with the majority leader we had selected the pending bill for a number of reasons for an amendment to extend the Commission's life.

The first point is that an appropriation bill is a must bill; it must be disposed of before the session concludes, and we must take action on the bill. The bill had already passed the House. Therefore, if this very simple extension of the Commission, until September 1963, could have been successfully added to the State-Justice appropriation bill, it would then go to conference, and I presume our difficulties would be very much at an end.

I fully concur in the action taken by the majority leader. I must say, however, it is a little distressing to discuss the extension of the Commission under circumstances which confront us now. I have examined some of the amendments which are before us. I do not quarrel about that fact; nor do I quarrel with the right of any Member of the Senate to file notice of intention to suspend the rules to offer legislative proposals to an appropriation bill. That is precisely what the majority leader and I have done. Among the amendments to the bill is an amendment dealing with the qualifications of Justices of the Supreme Court. Then there is our old friend the preemption bill, in which I am vitally interested. That is one of the amendments. There is also a proposal to bring a labor union under the provisions of the Sherman Act. There are a great many others also. To say the least, this is a perplexing situation. Under the circumstances, I presume if we are going to make some progress, and get at everything else we must consider, we must set the pending bill aside and go on with other matters.

However, the residual fact remains that the bill is still here and it contains appropriations for the State Department and Justice Department. So, argue as

we will, this bill must be disposed of. We must get back to it, no matter what temporary action we may take now.

Mr. RUSSELL. Mr. President, I merely wish to comment on what the distinguished senior Senator from New York has said. If he believes that this matter will be expedited any way, he is laboring under some kind of illusion, of which he will be disabused, when and if amendments which are proposed come before the Senate.

I am well aware of the zeal of the senior Senator from New York in pursuing legislation of this kind. Every time anyone mentions civil rights the distinguished senior Senator from New York rises and rebukes the Senate for having defeated proposals which had been made heretofore and for not having changed the rules of the Senate.

Of course, every Senator is entitled to laments and wails of distress over any legislation supported by him which has been defeated. I might say that the motions to suspend the rules, or at least some of them, I am sure, are made in good faith. I am rather surprised to hear the distinguished Senator from Illinois, who, I understand, has been taking the position that these matters are pertinent and germane, say that any right that might belong to a laboring man who happens not to be a member of a labor union is not a civil right, and therefore is not entitled to the same consideration as some of the other proposed amendments.

Mr. DIRKSEN. I am sure that I made no such statement.

Mr. RUSSELL. By inference the Senator certainly made it; not directly, but by inference.

Mr. DIRKSEN. I do not believe that I even made the inference. I was merely reciting a chronology of various types of amendments which have been proposed. I had no comment on any amendment. I recognize the right of a Member of the Senate to file a notice of suspension of the rules and to offer anything he wishes to offer. I made no comment at all on any amendment.

I simply say that here was a simple endeavor on the part of the majority leader and me to have the Civil Rights Commission, which is now in being, extended for 2 years. Evidently that effort, at the moment at least, does not appear to be successful.

Mr. KEATING. Mr. President, will the Senator yield for a suggestion?

Mr. DIRKSEN. I yield.

Mr. KEATING. I hope that while the military construction appropriation bill, which is an important measure, is being discussed, it might be possible for the majority leader and other Senators in positions of authority to negotiate with the chairman and other members of the Committee on the Judiciary with respect to bringing before the Senate in the normal way a bill which I had the honor to author, which has been reported to the full committee by a divided vote, but reported, nevertheless, by the Subcommittee on Constitutional Rights of the Committee on the Judiciary. It is ready to be placed on the agenda and reported out of the full committee at any time. That, after all, is the orderly way to bring this question before the Senate.

My bill has been amended in the subcommittee to provide for a 2-year extension. I shall certainly not interpose any objection to bringing the bill before the Senate in that way, with the clear indication that an amendment will be offered to restore the original language to the bill. After all, the best way to legislate in this field is in the proper, orderly manner, rather than by offering riders to an appropriation bill. We are simply caught in a situation which I hope the distinguished majority leader and other Senators may be able to resolve.

Mr. MANSFIELD. Mr. President, the minority leader and I would be most happy to take up the request of the Senator from New York with the chairman of the Committee on the Judiciary and do what we can to have the bill reported in the orderly procedure. But my guess is that we would end with a rider to the State, Justice, and Judiciary Appropriation bill at a later date.

Mr. President, has the motion been acted on?

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 8302) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, today is August 22. Five appropriation bills are still to be completed. As I understand the situation, at least three of those bills will not come over from the House until well into the first week of next month. Many important bills are now on the calendar. It was announced yesterday by the leadership that the Senate would meet every Saturday from now on and that we would meet on Labor Day, as well. It is the hope of the leadership not to have late meetings, but to have the Senate convene at an early hour in the morning and adjourn or recess at a reasonable time each evening.

As majority leader, I hope we may refrain from futile debates which produce no legislation. The minority leader and I are the servants of the Senate. If Senators wish to adjourn sine die by mid-September—which I think is doubtful at best—we must proceed with the consideration of many bills on the calendar and act expeditiously.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, when the Senate concludes its action on the military construction appropriation bill, which is now the pending business, it is the intention of the leadership to have the Senate consider Calendar No. 626, S. 1991, relating to the occupational training, development, and use of the manpower resources of the Nation, and for other purposes;

Calendar No. 682, S. 2000, to provide for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower; and

Calendar No. 664, S. 1969, to amend the Federal Aviation Act of 1958, as amended, to provide for a class of supplemental air carriers, and for other purposes.

The bills will not necessarily be taken up in that order, but very likely in that order.

MILITARY CONSTRUCTION APPROPRIATIONS, 1962

The Senate resumed the consideration of the bill (H.R. 8302) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes.

Mr. STENNIS. Mr. President, I shall make a brief statement of explanation concerning the appropriations for military construction. As I understand, some amendments may be offered from the floor. They will be considered in turn. My explanatory statement will take not more than 15 or 20 minutes.

Mr. President, the Committee on Appropriations recommends to the Senate for fiscal year 1962 a total appropriation of $1,020,146,750. This is an amount of $136,787,750 over the $883,359,000 provided by the House, and $27,421,250 under the revised budget estimate.

For the Department of Defense, the committee recommends an appropriation of $27 million. This is for space and missiles as authorized under title V of Public Law 87–57. In addition, the committee has recommended an appropriation of $10 million for loran stations.

For construction for the Active Forces of the Department of the Army, the committee has recommended the amount of $176,512,000. This is an increase of $29,062,000 over the $147,450,000 approved by the House and a decrease of $18,465,000 from the budget estimate.

For the Department of the Navy, the committee has recommended an appropriation of $201,259,000. This is an increase of $19,872,000 over the $181,387,000 allowed by the House and a decrease of $3,952,000 from the budget estimate.

The Department of the Air Force has received committee approval for an amount totaling $539,243,000. This is an

increase of $59,721,000 over the $479,522,000 allowed by the House and a decrease of $21,137,000 from the budget estimate of $560,380,000.

The Reserve Forces, Navy, has received a committee recommendation of $7 million. This is the budget estimate and the same amount allowed by the House.

The committee has taken steps to substantially increase the Army National Guard appropriation to an amount totaling $21,868,750, $9,868,750 over the $12 million contained in the budget and in the House recommendation.

The Air National Guard has also received a considerable increase in its appropriation. The amount recommended by the committee is $18,275,000, $4,275,000 over the budget estimate of $14 million, the amount recommended by the House.

SUBCOMMITTEE REVIEW

Mr. President, before I go into detail in explaining the various actions of the Senate Appropriations Committee, I should like to discuss the subcommittee review of various 1,400 line items contained in this bill. The subcommittee held hearings for 10 days, in both morning and afternoon sessions; and 665 pages of testimony were taken in open session; and 250 pages were taken in executive session. In addition, numerous documents and memorandums were filed by the Department of Defense, the Army, the Navy, and the Air Force. During the hearings, each project was reviewed line by line with departmental witnesses, and discussions were held. The professional staff conducted special studies on hospitals, maintenance facilities, aircraft corrosion control projects, housing, Army aviation facilities, civil engineering and maintenance facilities, trailer courts, academic buildings, and other fields of military construction.

The committee did not wholly agree with the House in regard to a number of projects. As previously mentioned in the money tabulation of this bill, the committee saw cause to place a number of projects back into the bill; and in the same sense, we did agree with the House in its deletion of some projects. This is not to imply that the House was not justified in the decisions it made in the deletion of some of the projects from this bill; however, as I stated before, the subcommittee made its decisions on the basis of information made available by the Department of Defense and the various services. Your subcommittee meticulously studied the testimony as presented by the Department of Defense and the services, and made its decisions accordingly on the various line items.

Before I go into a detailed discussion of the appropriations for the various Departments, I should like to mention a number of large problems that faced the committee in recommending appropriations for this bill.

MISSILES AND SPACE FUNCTIONS

For the Department of Defense, the committee restored the sum of $12 million reduced by the House. This was part of a fund of $27 million requested by the Secretary of Defense that will be applied against projects for missiles and space facilities. A portion of these funds will be supplied to support the facilities for research and development for Samos, Midas, and Nike-Zeus projects at various locations. The committee felt that the Secretary of Defense should have the flexibility provided by these funds, in the event that there was a scientific breakthrough or that there was a program acceleration which would require the expenditures of additional funds in our space programs. Especially, I should like to mention that the sum of $12 million of the $27 million will be applied as a first increment against the requirement of facilities for the development of large solid propellant boosters, as recommended by the President in a budget amendment to the Congress, as contained in the House Document 179.

UNOBLIGATED BALANCES

The House made a general reduction of $27 million for the three services, and provided that the $27 million could be obtained by the services from unobligated balances now outstanding in their construction accounts. The services contend that the unobligated balances that now exist are presently committed against the projects which are now under contract or which will soon be placed under contract. It was the consensus of the committee that if the $27 million reduction was allowed to stand, the services would be seriously hampered in carrying out the construction program carried over from the fiscal year 1961. The committee is satisfied that any significant reduction in the unobligated balance might force the military departments to drop line items from their current programs, for lack of funds, although these line items were presented to the Congress and approved.

AIR FORCE HOSPITAL PROGRAM

The committee restored to the bill a reduction of $9,115,000 for four Air Force hospitals. Two years ago, the Senate Appropriations Committee investigated completely the hospital facilities for all three services. Based upon its findings, the committee established funding criteria for the Department of Defense to apply against future construction of service hospitals. Testimony received by the committee indicates that the Department of Defense has applied these criteria to the requested force hospitals. Information received also indicates that the Department of Defense applies identical design, cost, and scope criteria to all service hospitals. I know there has been some criticism that service hospitals have been built larger than was necessary in order to meet the immediate need of the existing military personnel on a specific base; but I wish to point out that dependents and retired personnel must be taken into account in building service hospitals, for under law, these people are entitled to military medical care.

MEDICARE PROGRAM

Mr. President, I am sure that the Members of the Senate will remember that 3 years ago this body, upon the recommendation of the Senate Appropriations Committee, placed a ceiling on the amount of money that the services could expend for the medicare program. By way of explanation, the medicare program is an arrangement whereby civilian dependents can get medical care in civilian hospitals and with civilian doctors. Three years ago, the Appropriations Committee was firmly convinced that the privilege of civilian medical care was being abused by the services; and we did force the services, wherever possible, to take care of dependents and retired personnel within existing service hospitals. Thus, I think it is incumbent upon the Congress, as required under the law, to take care of our service dependents and retired personnel.

TRAILER COURT FACILITIES

This is the first year that one of the services has gone into a rather extensive program to build trailer court facilities for the use of military personnel. I am referring to military personnel in the lower enlisted grades. The Air Force presented to the committee a program calling for $1,318,000 for trailer courts at nine Air Force installations. The average cost of these trailer courts would amount to approximately $2,000 per trailer pad—that is, the building of a concrete slab with attached utilities upon which a trailer could be parked. Testimony given to the committee indicated that the current charge for trailer court parking within the services is $6 a month. The committee was of the feeling that this would take far too long to amortize. Information received indicated that it would take approximately 20 years to amortize a trailer court with this charge. The committee reduced the overall figure requested to a total of $977,000, and instructed the Department of Defense to construct the trailer pads at an average cost of $1,500 a trailer pad, and to provide a plan that would amortize this cost over a 15-year period. It has been indicated in the report that the committee will watch very closely the trailer court construction program, to see how this arrangement works out in future years.

The committee thinks that perhaps use can be made of proper trailers supplied by the servicemen themselves; and the services would provide proper places for the parking of the trailers. The committee believes that a modest rental per month be charged, but enough to amortize the cost. The committee thinks that perhaps it will meet a substantial part of the need for a housing program for the enlisted men in the lower ranks. It is something that is popular with these young men and their families. A modern trailer itself has many more conveniences than trailers had some years ago, and such trailers serve in splendid fashion to answer some housing needs. We hope this program can be started on a modest basis, and experimented with, and that it will lead to solution of part of the housing problem, particularly for those of the rank that I have mentioned.

AIRCRAFT CORROSION CONTROL FACILITIES

A request was made of the committee for the construction of aircraft corrosion control facilities in the amount of $2,403,000 at six air bases. Approval was given for an expenditure of the $1,923,000 for these facilities, which amounted to roughly a reduction of 20 percent. The committee is firmly convinced that these corrosion control facilities are needed. However, there was some question as to whether the facilities should be as elaborate as now planned by the Air Force. The committee is convinced that corrosion is becoming one of the problems in maintenance of advanced weapon systems. The expanded use of dissimilar and new materials has compounded deterioration of aircraft surfaces occasioned by environmental and atmospheric conditions. The amount of salt, dirt, akaline, acids, and other agents in the atmosphere certainly cannot be controlled. The extent of corrosion damages as a result of these conditions, however, can be minimized if adequate cleaning and washing of the aircraft surfaces are provided. The committee received conclusive proof that the Air Force is incurring high maintenance cost, due to corrosion acting upon the surfaces of high-speed aircraft.

OTHER COMMITTEE ACTIONS

The committee has approved $2,167,000 for civil engineering and maintenance facilities at 16 locations throughout the Air Force. The Air Force testified to an increased requirement for civil engineering and maintenance facilities, due primarily to a need generated by increased missions and the deterioration of existing World War II facilities, which have now become uneconomical to repair. We thought some of them were without adequate facilities, and to this extent we felt the request should be approved. In particular, the committee was impressed by the need for maintenance facilities at our northern line of bases, where the missions have been expanded because of the SAC dispersal plan; and we now find that small bases which were built to handle fighter operations are supporting strategic air command tanker missions and are serving as bases for the bombers of our strategic air command.

The committee also took special notice of maintenance facilities at radar sites in Canada and the continental United States, where expensive maintenance equipment has to be left out in the open, because of lack of housing.

Approval of $19,930,000 was given for access roads for all the services. This is an increase of $1,500,000 over the budget. Public Law 87–61, approved June 29 of this year, and subsequent to the submission of this budget, sets forth that the Department of Defense must, under section 105 of this act, make available funds for the cost of repairing damage to highways caused by vehicular traffic and equipment traveling on public roads to and from classified military installations and ballistic missile bases.

The committee feels that under this law, the services will be required to repair a number of roads that hitherto have been maintained by the respective States or counties. To be more specific on this point, let me say there are many county roads or many county district roads which are public roads; but the heavy added use, due to these military installations, has torn up and has virtually destroyed the roads. That situation poses a heavy responsibility and too large a cost on the local units, in order to restore the roads. Under the bill as passed this year, providing that that damage would be taken care of by appropriated funds, we included this additional amount in order to help meet the demands of this new law.

I may say, in passing, that Senator FULBRIGHT is the author of this legislation, and it was introduced because heretofore, in the construction of large military projects, the construction vehicles have contributed appreciably to the deterioration of public roads around military bases.

The committee approved $34,600,000 for housing at 11 service bases throughout the United States. This is a result of recent action by the Congress in declaring that this is the last year in which the Capehart housing law will be in effect; and hereafter we shall have dwelling house programs for the families of the men in the services, by means of appropriated funds, or, if that should prove inadequate in the years to come, a newly enacted plan or law. This full sum has been appropriated by the House and is recommended by the Senate committee, thus carrying out the understanding which was had earlier in the session. Therefore, that item will not be in controversy in any way. I am sure that Members of this body remember the debate on the Capehart housing program on this floor and the reasons for the discontinuance of this law. I shall not go into a discussion of Capehart housing at this time; but certainly this $34,600,000 is an implementation of the congressional policy for appropriated fund housing.

DEPARTMENT OF THE ARMY

The $176,512,000 provided in this bill for construction support of Active Army Forces will provide for another increment in the program of modernization of Army installations. Installations must keep pace with new developments and improved weapon systems resulting from technological advances and our programs for modernization of equipment. Approximately $114 million, or 65 percent, of the funds in this bill are for construction within the United States.

About $50 million will provide operational training and logistical support facilities at installations of the six continental Armies. Among the major projects included for these installations is a new academic building for the Infantry School at Fort Benning, Ga., and two major health centers—one at Fort Sill, Okla., and the other one at Fort Leonard Wood, Mo.

For the technical services of the Army, the committee has provided approximately $39 million for urgent construction required in support of research and development activities and logistics management. More notworthy among items for these technical service installations are a supertoxic laboratory for the Army Chemical Center, Md.; a command headquarters building for the Ordnance Tank Automotive Command at Detroit Arsenal, Mich; a consolidated research and development facility at Redstone Arsenal, Ala.; a complex of facilities for the Quartermaster Research and Engineering Center, Natick, Mass., and the third and last increment of the Signal Corps Research and Development Laboratory at Fort Monmouth, N.J.

Other items of special interest include a new cadet library at the U.S. Military Academy, West Point, N.Y.; communication facilities at Sandia Beach, N. Mex., required for the vital missions of the Defense Atomic Support Agency; and approximately $9 million for improvements to the Nike-Hercules Air Defense System at sites throughout the United States, including Alaska and Hawaii.

For support of Army forces overseas the committe has approved construction slightly in excess of $4 million. Included in this amount is approximately $1,500,000 for facilities to be constructed on Kwajalein Island, in the Pacific missile range, for support of the development and test program on Nike-Zeus. Additional requirements in support of this program have been provided for as part of the $27 million approved for the Department of Defense for missile and space construction as authorized under title V, Public Law 87–57.

Major items for the Pacific area include facilities to improve an Army Security Agency installation in Japan, a hospital addition and high school to meet increasing requirements on Okinawa, and $10 million for projects in Korea, urgently required to improve our logistic posture and enhance our combat capability in that area.

For installations in Europe, the committee approved approximately $13 million, the bulk of which is for construction in Germany. This construction will provide for improved training, while effecting certain economies in ammunition and transportation costs; it provides for improvements to the Nike-Hercules and Hawk air defense systems deployed in support of our ground forces in that area; and it provides for improved security and more reliable communications through the construction of tropospheric scatter facilities, all of which are a part of a coordinated Department of Defense worldwide communication system.

DEPARTMENT OF THE NAVY

The committee has approved $208,259,000 for Navy construction programs. Funds have been provided for the support of the essential fleet ballistic submarines and other nuclear submarines. A large part of the money contained in the bill for fleet base facilities is to provide shore training facilities for the Polaris submarines. In fact, a large part of the appropriations made for shipyard facilities and fleet base facilities has been in support of our ever-expanding fleet of Polaris submarines.

Frequently Senators and others ask me why we have continuing costs, running around $1 billion a year, for the construction of military installations. I can give some illustration of why this large figure continues to come up every year.

In the pending bill there is a provision of $285 million for the Air Force, which is over one-fourth of the total, to go into missile base construction. It is an item that was unheard of not many years ago. There are other sums provided for in the bill for Navy construction to take care of the Polaris submarines. Special facilities must be built for them, such as special graving docks, I believe is the proper name, and various servicing docks and facilities must be constructed to take care of this special type of underwater naval vessel. Such items run into large sums of money.

A rather large sum is provided in the bill for Marine Corps facilities. Certainly, it is one of the oldest activities we have, but it is an activity that has been neglected. I do not have any hesitancy in saying here or elsewhere that it seems to me construction money for the Marine Corps goes further, and they are able to get more out of a dollar when it comes to men ready to go into battle, than any of the other services. That has been my observation. Still, while they do not have any frills connected with their installations, some of the programs have been deferred and neglected in years past. I am very glad to see that they are getting better facilities, and facilities which are needed, for recruit training as well as specialized programs.

Fine and excellent as the Polaris submarine program is—and it is ahead of schedule—it has nevertheless cost a great deal of money and has resulted in other naval facilities and programs, to a degree, having to be deferred. Almost all the major items this time for the Navy had been included in the bill and recommended for passage.

I should like to make another general remark along this line. In spite of the $1 billion figure that the bill totals, we did find that a very severe pruning knife had been applied in all the services, and that the program, when it came to the Congress, was already greatly reduced somewhat to the point that we thought was essential.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield to the Senator from Kansas.

Mr. SCHOEPPEL. I do not know whether the Senator has completed the appropriation phase for the Navy or not, but I wanted to ask the Senator a question. I note, with reference to the naval air station at Glynco, in the State of the distinguished Senator from Georgia [Mr. RUSSELL], there is a $600,000 item. Could the distinguished chairman of the subcommittee give me some indication as to exactly what the $600,000 is for? In other words, is that for a part of the rehabilitation or new installations that would take the place of installations that are available and already in existence and could be used at Olathe, Kans.?

Mr. STENNIS. The Senator is correct that certain training has been carried on in the State of Kansas at Olathe. That activity is being transferred to an existing naval station in Georgia. An expenditure of $600,000 is required for new facilities, or for the repair and restoration of existing facilities in this bill for Glynco, Ga.

The committee went into that question rather thoroughly, I can say to the Senator from Kansas, because such a change would have to be fully justified. A strong case was made for a saving of money in the annual operations. Six hundred thousand dollars is a relatively small sum in comparison with getting ready for this change.

Mr. SCHOEPPEL. If the distinguished Senator from Mississippi will indulge me further——

Mr. STENNIS. I am glad to yield to the Senator from Kansas.

Mr. SCHOEPPEL. It has been pointed out to the Senator from Kansas by military authorities on the naval side that the facilities were available at the Olathe, Kans., Naval Air Base and that the transfer of some of these training units would involve additional housing and additional rehabilitation or building of new, duplicating type of equipment in the station at Georgia, when those facilities presently exist in the State of Kansas. I have confidence in the judgment and wisdom of the committee and men of the Navy who have responsible decisions to make, but I did want to put before the Senator the view, in which I know my colleague from Kansas [Mr. CARLSON] joins me, that we are hopeful, in view of the present world situation, that the installations at Olathe, Kans., can be maintained, because those facilities are available.

If the Senator will indulge me a moment further, it was our information that housing facilities, which at the Olathe, Kans., base are excellent, and of which there is a surplus, are not available at the Georgia station, which prompts the query whether it is necessary to build additional housing at the station in Georgia in order to take care of the situation.

Mr. STENNIS. I think the questions of the Senator from Kansas are very timely and important. I know of the Senator's interest in this subject, as it has been expressed to the committee, and that of his colleague from Kansas [Mr. CARLSON].

We took another look at the problem, and put the burden of proof squarely on the Navy to justify the move from the viewpoint of dollars and cents as well as from other viewpoints. They very stoutly maintained they needed to make the move, that it would save money and not cost money; $600,000 exactly was requested to rehabilitate an old building already at the naval installation in Georgia, in which they were to carry on this work. The Navy insisted it would not require any substantial increase beyond that.

Mr. SCHOEPPEL. I appreciate the manner in which the Senator has approached the problem. I know the members of the committee have discussed these problems before. We did feel, from the information we had, we should present this to the members of the committee and, as is now done, before the Senate. I appreciate very much the fine courtesy extended by the distinguished Senator from Mississippi.

Mr. STENNIS. We appreciate the interest of the Senator and the very fine way in which he has brought this to an issue and has presented the side representing the status quo. There is a very good set of facts all the way around. There was nothing the matter with Kansas or the installation there. I thank the Senator very much.

Mr. President, resuming my address with reference to appropriations recommended for the Air Force, a total sum of $539,243,000 is provided. About 55 percent of this sum is for the strategic forces and related activity.

Approximately 14 percent of the Air Force construction program is to support the defense forces directly. These forces relate primarily to radar techniques in detecting the advances of enemy air force planes and missiles.

One of the large items in the Air Force appropriation is $12 million for the construction of the North American Air Defense Command Headquarters adjacent to the city of Colorado Springs, Colo. This installation will provide a combat operations center to direct the defense forces of the Nation.

The research, test, and development appropriations for this year are not as large as they have been in previous years. Approximately 5.4 percent of the Air Force budget this year will be devoted to construction of research, test, and development facilities.

As I mentioned before, the Reserve forces received our special attention. Speaking for myself, Mr. President, I think the only opportunity we have for the future to hold down the cost of the ever-increasing military program, which costs more every year per unit, in addition to the necessity for extending operations, is to put an increased emphasis on the Reserve forces in all of the services, including the National Guard and the Air National Guard, so that we may utilize the trained talent already available. The personnel can continue to live in the communities where they reside and still be a part of the civilian life. Their children can go to school in the regular schools. They can own their own homes, pay local taxes, and pay State and National taxes as well.

I do not think there is any doubt that we shall be driven to the adoption of a larger Reserve program. I think the sooner we do so the better it will be.

Mr. FONG. Mr. President, will the Senator yield to me?

Mr. STENNIS. I yield to the Senator from Hawaii.

Mr. FONG. I thank the Senator from Mississippi for yielding to me. In the item of military construction for the Air Force, I notice the committee has left

out an item of $1,299,000 for the Hickam Air Force Base high-speed taxiway. In the report of the committee it is stated:

The committee has deferred $1,299,000 for construction of a taxiway until such time as the government of the State of Hawaii and the Federal Aviation Agency finalize plans for a new runway at Honolulu International Airport.

The Governor of the State of Hawaii and the Federal Aviation Agency are in agreement that the amount of $1,299,000 should be included in the military construction appropriation for the Air Force. Plans have been finalized. I have received a letter from the Governor of Hawaii stating that by spring of 1962 the new Honolulu Airport will be finished. At the present time there is a very hazardous situation, in that to get to the taxiway an airplane must cross the runway twice. This condition will be further complicated by the use of the new airport. The Federal Aviation Agency is in agreement on the item of $1,299,000. The Air Force is very anxious to see this construction proceed.

I ask the Senator from Mississippi whether he is willing to include the sum of $1,299,000 in the request for appropriations, to be added to the $539,243,000, to make a total of $540,542,000, so that the construction may proceed this year? I understand the project has been authorized and that if we do not receive the appropriation this year the appropriation will lapse. It is an item which was included by the House committee.

Mr. STENNIS. The Senator from Hawaii is correct. The item of $1,299,000 was approved by the House. It is, therefore, in the House bill and will be in the conference when the bill goes to conference with the House.

Additional information has been made available. I should be glad to have the Senator put the letter from the Governor of Hawaii in the RECORD.

Mr. FONG. Yes. I do not have it with me, but I shall supply it for the RECORD.

Mr. STENNIS. There is also an additional map which has been made available. Since our hearings closed it seems that considerable progress has been made in getting the whole situation clarified. Information has come to us through the Senator from Hawaii [Mr. FONG] and through the other Senator from Hawaii [Mr. LONG] which makes it appear that agreements will be consummated and construction can start earlier than we thought would be possible.

We shall certainly reconsider this, and it will be in the conference. It would help us, on the basis of new information, to further consider it, rather than to agree that the item be included now as a finality. We have not really finished reconsideration of the problem. We can assure the Senator that it will have the utmost consideration, most probably favorable, in the conference.

Mr. FONG. I thank the Senator.

Mr. STENNIS. I am very glad to have the Senator's suggestions and his fine presentation.

Mr. FONG. When I present the letter written by the Governor of Hawaii, I should like also to present a sketch of the runway as it now exists, showing the hazardous situation which exists.

Mr. STENNIS. The Senator from Mississippi does not know how the RECORD would handle the sketch, but I do ask unanimous consent that the Governor's letter and a statement explaining anything thought pertinent may be printed in the RECORD at this point.

Mr. FONG. I thank the Senator.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

STATE OF HAWAII,
EXECUTIVE CHAMBERS,
Honolulu, Hawaii, April 3, 1961.

Hon. HIRAM L. FONG,
U.S. Senate,
New Senate Office Building,
Washington, D.C.

DEAR HIRAM: This is in response to the telephone call from your office of March 23, 1961, regarding the proposed high speed taxiway at Honolulu International Airport. I referred this matter to the department of transportation and have been advised as follows:

The prevailing winds at Honolulu International Airport dictate that takeoffs and landings of military and civil jet aircraft are made on runway 8 approximately 90 percent of the time. Runway 8 is the only runway capable of handling jets and must be kept open and available for use at all times.

Under the present setup, a military aircraft on landing must either taxi back up the runway to Hickam Field or taxi on the north ramp and cross runway 8 to use the Makai taxiway, closing runway 8 in either case.

The opening of the new passenger terminal at Honolulu International Airport in the spring of 1962 will complicate this traffic flow further. Every aircraft departing from the terminal will have to cross runway 8 to get to the Makai taxiway to gain access to the Hickam Field end of runway 8 for takeoff, thus closing the runway and causing delays and a dangerous safety condition.

The State will call for bids in the very near future for its portion of the high speed Makai taxiway and we feel, with the Federal Aviation Agency concurring, that the Air Force portion shown in yellow on the attached master plan, is urgently needed to make the Honolulu International Airport and Hickam Air Force Base a safe functional facility for the ever increasing jet aircraft traffic.

Enclosed are reproductions of the two sheets of the master plan showing existing traffic conditions and the planned high speed taxiway.

The State department of defense was also requested to comment on this matter. Enclosed is a copy of their report urging prompt action to construct this high speed taxiway. If I can be of further assistance on this matter, please let me know.

Sincerely,

WILLIAM F. QUINN,
Governor of Hawaii.

STATEMENT

The committee on page 27 of the report deferred $1,299,000 for construction of a taxiway, stating that the deferral will be until such time as the government of the State of Hawaii and the Federal Aviation Agency finalize plans for a new runway at Honolulu International Airport.

These funds were requested by the Defense Department for construction of the Hickam portion of the high-speed taxiway at the Honolulu International Hickam Air Force Base complex. It was approved by the House. This item for the taxiway is entirely separate and distinct from the jet runway which has not been requested by the Air Force.

If this item is not allowed by Congress, the authorization will lapse or expire this year. It is therefore most necessary that the funds be obtained in the present military construction appropriation bill.

The Federal Aviation Agency is for the project; it is badly needed, and it is part of the overall master plan for the Honolulu Airport.

The Air Force Department is very anxious to proceed with the construction of its portion of the taxiway. It feels that there is a need for the taxiway.

The State of Hawaii is constructing a new passenger terminal at Honolulu Airport. Governor Quinn, in a letter dated April 3, 1961, states:

"The new passenger terminal at Honolulu International Airport in the spring of 1962 will complicate this traffic flow further. Every aircraft departing from the terminal will have to cross runway 8 to get to the Makai taxiway to gain access to the Hickam Field end of the runway 8 for takeoff, thus closing the runway and causing delays and a dangerous condition."

Mr. FONG. I thank the Senator from Mississippi for assuring the State of Hawaii that this will be given very fair consideration.

Mr. STENNIS. It will have our full consideration. We are glad to have these additional facts about it.

Mr. President, I believe this substantially covers the highlights with reference to the bill. The Senator from Mississippi and other Senators will be glad to answer questions.

The Senator from Massachusetts [Mr. SALTONSTALL], doing his usual good work, attended nearly all of the hearings on the bill. I should like for the Senator to express himself as to the bill. The Senator from Oklahoma [Mr. MONRONEY] also was quite diligent.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield.

Mr. SALTONSTALL. The Subcommittee on Military Construction, headed by the distinguished Senator from Mississippi, and particularly due to his conscientious, hard work and patient listening to many witnesses in the hearings, has brought to the Senate a bill which, in my judgment, is a fair bill. The committee did not give the services all they wanted, but we gave them what we believe are the essentials in order to carry forward our national security program for the coming year. Some projects were on the margin line. It might be said that they were in the gray area when determination had to be made as to whether they could best be left out or put in. Many of those projects in the so-called gray area were left out, because there were so many "musts" that we felt we should go forward with.

One innovation, which I know the Senator from Mississippi has mentioned, is trailer camps. Trailer camps represent an experiment on our part to help housing in areas where there is not sufficient housing, and the nearest town where service people could rent houses or apartments is a long distance away. I understand that the purpose of the trailer camp is to make it possible for service people to live in an area of a military activity. It is easy to move the trailers. The expense of a trailer house

is sufficiently small so that its cost can be depreciated in a period of 5 or 6 years.

I mentioned trailers as one experiment. We went forward with the maintenance facilities desired by the Air Force for airplanes, and we provided what we believe is a proper amount for Navy construction and Army construction.

I think a great deal of credit should go to the Senator from Mississippi for his hard work and understanding, and to Mr. Reproad, the clerk of the Committee on Appropriations, who dug up many facts and gave them to our committee as we asked for them.

I hope the bill will be passed as it was reported by the committee.

Mr. STENNIS. I thank the Senator very much. I appreciate his very close attention and help during the hearings on the bill.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. MONRONEY. I join the distinguished Senator from Massachusetts [Mr. SALTONSTALL], who is a fellow member of the subcommittee, in expressing appreciation to the subcommittee chairman, the Senator from Mississippi [Mr. STENNIS], for the very careful, detailed, and constructive work he has done on the military construction bill. The bill is not an easy measure to consider, because of the hundreds of line items that are contained in it. Each item must be carefully examined through oral testimony in an effort to report a bill from which, as it is sometimes said, the "fat" has been squeezed out—the less essential items that would yield minimum amounts of return to our national security—and to leave untouched, or to increase those parts of the military construction bill that would give a maximum yield to our present defense.

In that spirit the chairman of the subcommittee conducted the hearings, always searching for the immediate yield to our military strength and to the efficiency and effectiveness of our Military Establishment. The bill is shorn of most of the luxury items that we could detect. A few were left in for isolated posts at which the morale of the troops required such facilities. But I was amazed at the sharpness of the Senator's scalpel in removing the unnecessary items that had been brought in, and trimming down projects that were considered nonessential. Perhaps many millions of dollars were saved during the consideration of the bill that otherwise would have been spent for items wanted by the military, but items which would have very little effect on our defense posture.

I take this opportunity to say that I, as one member of the subcommittee, would sound a warning to the men who are in charge of the military construction budget to survey more carefully the urgently needed facilities of high importance on existing bases, and to be sure that they are included in the authorization bill and the budget requests for military construction. Too often I have found that many items with respect to which normal screening of their essentiality would have resulted in their being left out of the request for authorization or budget approval were included in this year's bill when it came to the committee. Those items are not included in the report or in the final bill. But greater attention has been given to "putting the grease on the squeaking wheel"—authorizing in the bill the runway construction that is necessary at major bases, the necessary experimental and research facilities, but leaving off the fluff and the fancy needlework that so often accompanies some of the requests.

I am sure, judging from the manner in which he has operated in connection with this bill, that the distinguished Senator from Mississippi has shown the generals and engineers at the posts that the committee will have little patience with requests to appropriate sums of money for projects that are not highly essential when so much money is needed for the actual cutting edge of our fighting forces.

(At this point Mr. CANNON took the chair as Presiding Officer.)

Mr. STENNIS. I thank the Senator from Oklahoma for his very fine remarks. I especially thank him for his most constructive and consistent help during the hearings and the putting together of this long, many-itemed bill. The Senator from Oklahoma is a new member of our subcommittee on appropriations, and a very valuable one, indeed. His knowledge of the airways, runways, taxiways, and everything else that goes with air travel and installations of a military and civilian nature concerning air travel is amazing and highly valuable. He has made many very constructive suggestions, and solved problems not only on that subject, but in connection with many others.

We heartily welcome the Senator from Oklahoma to membership on our subcommittee and look forward to his services next year and in future years. His knowledge is not only confined to the air matters but he has excellent knowledge of other military operations.

Every year we observe that the House subcommittee which handles the bill, including its chairman, Representative HARRY SHEPPARD, of California, and the other members of the committee, do long, laborious, and constructive work on the bill during the entire year. They hold hearings, visit installations, and make a very fine contribution toward sound legislation and the saving of money. It is not the amount of money that goes into this type of appropriation bill that tells the whole story. The proposed facilities cost large sums of money to maintain and to operate. They create a need for expanded utilities, powerplants, heating plants, and all other similar facilities that go with them. In that area is the heart of the military program, especially with reference to the continuing costs thereof.

I believe what I have said about covers the high points of the bill.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield to the Senator from South Dakota.

Mr. CASE of South Dakota. I wish to express a word of appreciation for the work of the Subcommittee on Appropriations on the bill as a whole, especially for the constructive leadership of the Senator from Mississippi.

In particular I wish to comment on the resolution of the housing problem. The military construction authorization bill, as reported by the Senate Committee on Armed Services, proposed that a certain limitation be placed upon the so-called Capehart housing. The bill provided some funds for direct military housing. The Senator from Mississippi, very properly, in my judgment, called attention to the difficulties that had arisen in the execution of the Capehart housing program over the past year or so.

The conference on the military construction authorization bill achieved a reasonable solution by proposing the authorization for some additional Capehart housing, leaving it to the Defense Department to say where that housing should be built.

I note that the bill, as indicated by the table on page 9 of the report, allocates the Capehart housing; and I assume that that is strictly on the recommendation of the Defense Department. Is that correct?

Mr. STENNIS. The Senator is correct. The Senator will remember, because he was a valued member of the conference committee on the authorization bill, that one or perhaps two installations were named in the final authorization bill, and the remainder were left to the discretion of the services. The Appropriations Committee followed absolutely the recommendation of the Defense Department with reference to military housing. Incidentally, the $34,600,000 in the bill is the exact amount called for by the housing that had been agreed to in the conference bill.

Mr. CASE of South Dakota. So there is a full funding here for the program contemplated by the authorization bill.

Mr. STENNIS. The Senator is correct.

Mr. CASE of South Dakota. I thank the Senator.

Mr. STENNIS. The Senator from South Dakota is a longtime and very active and very valued member of the Committee on Armed Services subcommittee which handles military construction, and now, under the rules of the Senate, is an ex officio member of the Subcommittee on Military Construction of the Committee on Appropriations, which handles the military construction appropriation bill. I thank him for his interest and his attention to these matters, in which he is so well versed.

Mr. President, without anyone who may wish to offer an amendment being adversely affected, I wish to propose a unanimous-consent request with reference to amendments, without prejudicing any amendment which may be offered from the floor.

Mr. President, I ask unanimous consent that the committee amendments be

agreed to en bloc and that the bill as thus amended be considered as original text for the purpose of further amendments, and that any point of order against the committee amendments be reserved.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, line 6, after the word "transferred", to strike out "$15,000,000" and insert "$27,000,000".

On page 2, line 19, after the word "expended", to strike out "$147,450,000" and insert "$176,512,000".

On page 3, line 3, after the word "expended", to strike out "$181,387,000" and insert "$201,259,000".

On page 3, line 13, after the word "expended", to strike out "$479,522,000" and insert "$539,243,000".

On page 3, line 22, after the word "expended", to strike out "$13,000,000" and insert "$14,381,000".

On page 4, line 15, after the word "expended", to strike out "$4,000,000" and insert "$4,608,000".

On page 4, line 24, after the word "expended", to strike out "$12,000,000" and insert "$21,868,750".

On page 5, line 9, after the word "expended", to strike out "$14,000,000" and insert "$18,275,000".

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the distinguished Senator from Florida.

Mr. HOLLAND. I heartly compliment the distinguished chairman of the subcommittee, as well as all members of the subcommittee and the full committee, on the very fine bill which has been reported.

Mr. STENNIS. I thank the Senator.

Mr. HOLLAND. I believe he and his subcommittee are particularly entitled to credit on one point, and that is the substantial attention which the chairman of the subcommittee has given to the civilian components of all branches of the armed services. In my State, which has been growing quite rapidly, the civilian components have been increasing rapidly in number, as the Senator knows. I particularly note the careful attention which has been given to the need for armories for the Army Reserve, the Navy Reserve, the Air Reserve, for the National Guard, and for other activities affecting civilian components.

The committee is entitled to particular credit in this regard because in these days of critical need for first line Reserves, trained and ready, it is indeed fine attention which the committee has given to that branch of the problem of our Armed Forces. It is worthy of special note, and I wish to thank the chairman and the members of his subcommittee for their attention to the civilian components of our armed services, which at some times in the past have felt that they were not being given sufficient consideration. Certainly they are being given major consideration in the bill now before the Senate. I regard it as an excellent bill.

Mr. STENNIS. I appreciate the Senator's remark. I point out to the Senator from Florida and other Members of the Senate that for several years we have been trying to emphasize, both in authorizations and appropriations, the very items the Senator has referred to. To that extent, even though it did not involve large sums of money at all, we went over the budget estimates during the last 2 years and for this year, in the building of armories, providing essential facilities for the local Reserve units, and for which, so far as the National Guard armories are concerned, the local people help to pay for.

Before the Senator made his remarks the Senator from Mississippi said, a while ago, that in this fast growing and increasingly costly military program it is the only real help, as the Senator from Mississippi sees it, in holding down the cost of this program for future years.

Furthermore, it is the logical way to utilize the talents we already have for enabling us to have trained pilots and sergeants and soldiers and sailors in an effective Reserve, stationed in their own communities, with their children attending schools, and for these people to be paying local taxes and taking part in community enterprises, and in solving their local problems. This is an excellent way in which to build up our military strength. I have said frankly and I repeat now that the regular military services have been slow in giving their push, their backing, their planning to such a program. I believe the leadership will have to come largely or in part, at least, from the legislative branch of the Government.

Mr. HOLLAND. I again thank the Senator. He and his committee members are performing a very real service. I felt impelled to call particular attention to the fine emphasis they are giving to the civilian part of the program.

Mr. STENNIS. I thank the Senator. I hope to make some extended remarks on this subject before the session ends. I had originally planned to make them today, but will defer making them under the circumstances which exist today.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. DOUGLAS. First I wish to join my colleagues in the Senate in praising the Senator from Mississippi, chairman of the subcommittee which brought in the bill. We all value the Senator from Mississippi very highly, and we appreciate his desire for economy. I wish to commend him generally on his work. I am sorry to say, however, that in one instance his foot did slip, and he made a very grievous mistake, in that he proposes to transfer the Food and Container Institute from Chicago to Natick, Mass., and to provide for this purpose an expenditure of $3,812,000.

I intend to offer an amendment which will enable the Senator from Mississippi to come before the Senate with the full flush of virtue, complete and perfect in every respect, which will eliminate this blot upon his otherwise excellent record.

I offer the amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 19, it is proposed to strike out "$176,512,000" and insert in lieu thereof "$172,700,000."

Mr. DOUGLAS. Mr. President, the amendment is designed to save $3,812,000 which the Senator from Mississippi and his colleagues mistakenly placed in the bill to provide for the transfer of the Food and Container Institute from Chicago to Natick, Mass.

Far be it from me to make any derogatory remarks about Natick or the surrounding countryside, because I was born a few miles from there. I have the highest opinion of Massachusetts and its people. I have not had the privilege of inspecting the establishment at Natick, but descriptions indicate that it has about 2,000 acres of woodland, three-quarters of which is swamp, and that it has as one of its priceless possessions 50 igloos equipped for arctic life. As to just what the value of those igloos may be, we are left somewhat in ignorance; whether it is intended to put New Englanders in cold storage or to put food and clothing into cold storage. In any event, this seems to me to be a great addition to the cost of taking proper care of food.

The Food and Research Institute in Chicago has been long and well established. It is located in the center of the food industry of the country. I have never thought of New England as being even near the center of the food industries of the country, with the possible exception of the codfish cakes and baked beans industries.

The largest amount of food production of the country is found in the Middle West. It is there that wheat is produced in the area bounded, on the north, by the State whence comes the present Presiding Officer, the distinguished junior Senator from North Dakota [Mr. BURDICK], and then southward through the great belt of wheat States to Oklahoma.

Chicago is in the center of the corn belt and the livestock production of the country. As a matter of fact, Chicago is also the center of the food container industry of the country. It is also the center of the candy industry of the Nation. So, on the face of it, it would be somewhat ridiculous to transfer a food research and container research institute from the area where the production of food is centered and where the food processing plants are located to the extreme northeastern portion of the country.

If by any chance the highly cultured officers of the Quartermaster Corps desire to get the cultural advantages of Boston, which are very real, we in Chicago will be glad to furnish them with tickets to the Lyric Opera and the Chicago Symphony Orchestra, and we will arrange outings on Lake Michigan to rival those on the Atlantic Ocean. Those of more mundane tastes can get outdoor pleasure by seeing the Chicago Bears play football and our White Sox and Cubs play baseball.

Mr. President, the proposal in the bill is not only absurd on its face; it is directly against the recommendation of the staff of the House Committee on Armed Services, which last year issued the following opinion:

The staff is of the opinion the Army planning in reaching its decision to deactivate the CAC has been inadequate. The

Army's claim that the closing of CAC is dependent upon the relocation of A.M.F. & C.I. to Natick does not appear sound. Quartermaster Food and Container Institute occupies only 10 percent of the total space at this facility and is but one of a number of military and civilian tenants. It is felt that the Army has not realistically computed the overall costs involved in relocating all the tenants of the CAC. The staff believes the Army should reevaluate this entire proposal and that any decision to move the Quartermaster Food and Container Institute from Chicago should be predicated upon locating that facility where it can best perform its mission.

In Chicago there is located a distinguished engineering university, the Illinois Institute of Technology. That institute has made an offer to house the Food and Container Institute on its grounds. Ever since the move was proposed they have been asking the Quartermaster Corps to show them the plans and tell them what the requirements are, so that they may submit a bid. The Quartermaster Corps has repeatedly refused to give them the plans, and it has been impossible for the Institute of Technology to get details to enable it to make a bid.

When the authorization for this move was considered by the House early this year, it struck out the authorization—on a rollcall vote—and ordered that there be a thorough hearing and investigation. After only a week's notice, the Advisory Board on Quartermaster Research of the National Security Council, on orders of the Quartermaster Corps, held a 1-day hearing in Chicago. I tried to place the text of that hearing in the RECORD, but I was prevented from doing so by a refusal to give unanimous consent. That record condemns the action of the Quartermaster Corps on its face. It makes obvious the fact that the corps was not trying to make any investigation whatsoever, but was merely seeking to put through something which the inner circle of the Quartermaster Corps and the Committee on Armed Services had agreed upon.

I should like to emphasize a number of points.

First, this proposal certainly should be held up until the Illinois Institute of Technology has had a chance to bid and until it can prepare facts and figures which we believe will show real economies for the Chicago location as compared with Natick.

Also, it should be taken into account that it is proposed to move this facility out of the food-producing areas of the country into an area which, however worthy in food consumption, has certainly never been noted for food production.

Finally, I think some account should be taken of the fact that the House of Representatives has twice considered this proposal and turned it down.

The House Committee on Armed Services, in each case, following the recommendation of the Quartermaster Corps, has recommended that the facility go to Natick. This action has been twice upset on the floor of the House, the first time by a vote of 280 to 140; the second time by a vote, I believe, of approximately 241 to 170. It is a rare occasion when a legislative body reverses the decision of one of its committees in a case such as this. While the Senate is an independent body and should not accept a decision of the House as controlling, nevertheless such a decision is, at least, persuasive.

I well recognize what we are up against. We are opposed by a determined Quartermaster Corps. We know that the Senators from Massachusetts have a natural feeling of local pride and wish to defend the interests of their State. We know that the beloved senior Senator from Massachusetts [Mr. SALTONSTALL] is the senior minority member of the Committee on Armed Services and is the second ranking minority member of the Committee on Appropriations. Naturally, he and his colleagues wish to work for the benefit of their State. However, I urge the Senate not to take a parochial interest in this question, but to assume a national point of view and consider what is best for the Nation. As I have said before on the Senate floor, I believe the national interest in this matter requires that all interested parties be allowed to bid on supplying the needed facilities—but I also believe that if a fair hearing is allowed, all the evidence will show that Chicago is the best and most economical location.

I submit that it would be just as logical to place the Institute for Research in Tropical Diseases in Alaska as it is to propose that the Food and Container Institute be moved out of the Middle West to Massachusetts. In fact, if my amendment is not agreed to, I think I shall move, in all logic, to transfer the Institute for Research in Tropical Diseases to Nome, Alaska.

Mr. STENNIS. Mr. President, I thank the Senator from Illinois, both for his remarks, which are so complimentary——

Mr. DOUGLAS. I hope to make the Senator from Mississippi deserve even more complimentary remarks.

Mr. STENNIS. And also for presenting this issue from his viewpoint on the merits as he conceives it. I have heard him make very fine presentations of this subject matter before.

He states that we should not take a parochial view of the matter. That is exactly what the committee seeks to avoid doing. The committee seeks to take a national view of the matter, for it does not relate primarily to either Illinois or Massachusetts. It relates to a most important activity—the Research and Container Center and Institute, which does some of the most important and highly urgent work done by the three services in the area of food research and packaging of food. It deals with food problems which our men encounter at posts located around the globe, as they carry out the missions assigned by our Government.

Mr. President, this proposal is to move the Food and Container Institute of the Quartermaster Research and Engineering Center from Chicago to a relatively small town in Massachusetts—Natick.

Mr. DOUGLAS. Located in a swamp.

Mr. STENNIS. This matter has been before the Congress for at least 3 years, and has been debated extensively. Extensive hearings have been held by the House authorization committee, the House Appropriations Committee, the Senate Armed Services Committee, and the Senate Appropriations Committee. This item has been placed in the bill. In previous years it was disagreed to in conference, and was lost. It has been voted both on the floor of the Senate and on the floor of the House.

Mr. President, I have before me a report from the House committee. The Senator from Illinois has referred to a staff study. This is a complicated matter; but it has been cleared up, and there is almost unanimity of view in regard to it, with an exception which I shall mention later.

I hold in my hand a formal, printed report by the House committee, dated May 24, 1960. Certainly there is nothing parochial about it. Representative CLYDE DOYLE, of California, was chairman of the subcommittee. Representative JAMES E. VAN ZANDT, of Pennsylvania—a State on the other side of the continent from California—was a member of the subcommittee. They filed a written report; and in the conference I heard the statement made by Representative VAN ZANDT. Without going into the details, let me state that they reviewed the entire matter and presented their findings. They considered all phases of the matter. Here is their recommendation:

> In view of the foregoing, it is the subcommittee's recommendation that the Quartermaster Food and Container Institute be moved from its present quarters in the Chicago Administration Center to the Quartermaster Research and Engineering Center at Natick, Mass.
>
> CLYDE DOYLE,
> *Chairman.*
> JAMES E. VAN ZANDT,
> *Member.*

Mr. President, we also have here official reports, including one by the Secretary of the Army. It is a study of the location of the Quartermaster Food and Container Institute for the Armed Services and was prepared in connection with the fiscal year 1962 military construction bill. In other words, we ordered a special study to be made; and the report I have just now mentioned recommends that the transfer to Natick be made.

I also hold in my hand a special report on the same subject, prepared by a task group of the Advisory Board on Quartermaster Research Development, filed by the National Academy of Sciences, National Research Council, at Washington, in April 1961. It recommends that this activity be transferred to Natick.

Mr. DOUGLAS. Mr. President, will the Senator from Mississippi yield for a question?

The PRESIDING OFFICER (Mr. BURDICK in the chair). Does the Senator from Mississippi yield to the Senator from Illinois?

Mr. STENNIS. I am glad to yield.

Mr. DOUGLAS. Was not that based on the so-called hearing of March 31, 1961, at the Palmer House? I hold in my hand the text of that hearing. It

is one of the most ridiculous hearings ever held. No evidence was taken. Obviously those who attended went there with their minds made up in advance, and they never permitted the Illinois Institute to see the plans or to bid. This fact in itself convicts those who held the hearing of unfairness. It is a fact that the Illinois Institute has never had a chance to bid on plans and has never been told what were to be the requirements which were supposed to be fulfilled.

The committee also neglects to consider the fact that about one-third of the experienced staff will be lost if the transition is made, and that will be a handicap.

Why disrupt something that has been going on very well, in order to move to a swamp in Massachusetts, surrounded by 50 igloos?

Mr. STENNIS. Mr. President, I was not at the hearing. But I do know the atmosphere in the conferences and in the subcommittees and in the committees which have considered this matter for 3 years. I know that on each occasion when a group representing the House or Senate has gone fully into the matter and has obtained the facts, the group has recommended that the institute be moved to Natick, Mass.

I hold in my hand a very brief special statement prepared by the staff and by the subcommittee, and I think it is worth while, both for the RECORD and for the benefit of Senators now present, for me to read the statement at this time:

FOOD AND CONTAINER INSTITUTE, QUARTERMASTER RESEARCH AND ENGINEERING CENTER, NATICK, MASS.

REASONS THAT THE LABORATORY HAS BEEN MOVED TO NATICK

The Food and Container Institute now uses a floor area of approximately 188,000 square feet spread over five floors of a 42-year-old warehouse building in the Chicago Administration Center (formerly Chicago Quartermaster Depot). Since establishment of the activity in 1936, the existing facilities have evolved through successive stages of expansion to meet increasing requirements. Additional space was provided on a "where available" basis; consequently the present layout is excessively compartmentalized with makeshift arrangements and is not functionally integrated. Inactivation of the Chicago Quartermaster Depot in 1955 changed the Food and Container Institute from a minor activity at a supply depot to a major Quartermaster Corps tenant of the Chicago Administration Center, which was established on the old depot reservation.

Savings would be achieved in the following areas through the relocation: Administrative support services are currently operative at Natick, and with some augmentation could satisfy the requirements of the relocated elements of the Institute; it would be necessary to maintain similar administrative support services at both Chicago and Natick. Likewise, technical support elements, currently being maintained at both Chicago and Natick, would be combined; e.g., the entire Food and Container Institute Technical Services offices, including its editorial branch, library, and photographic laboratory would be integrated with its counterparts at Natick. Scientific administration costs would be reduced, and definite operational benefits could be achieved in project activities.

The following specialized equipment at Natick would provide research techniques now not available at the Institute, except by rental or contract:

Vander Graaff accelerator.
Solar furnace.
Large hot and cold climatic chambers.
Mass and infrared spectrographs.
Vapor phase chromatographs.
Radiation facility (currently being built).
Electron microscope.
X-ray diffraction equipment.
Psychophysiological equipment.
Biophysical equipment.
Cartographic facilities F.
Food extraction plant.

The economies and scientific gains that will result from the move are recognized in the report (No. 70) of Special Subcommittee of the House Armed Services Committee dated May 24, 1960, which states:

"On the basis of its study, the subcommittee recommends that the Food and Container Institute be moved from its present location in the Chicago Administration Center to the Quartermaster Research and Engineering Center, Natick, Mass.

"This conclusion is based on two fundamental beliefs. The first of these is that there will be economies by reason of the move, and, second, that even were there no actual savings to be realized by the move, it should still be made for the reason that an important element of our military activity would thereby be improved.

"It is stated above that the move would be recommended even were the costs in Chicago and in Natick identical. In arriving at this conclusion, the subcommittee has placed considerable emphasis on a fiscal imponderable; that is, the advantages of a scientific atmosphere which, while existent to some extent in the present location of the Food and Container Institute, is truly pervasive at the facility in Natick.

"The subcommittee feels that in addition to the mere convenience of contact with scientific personnel in closely allied or complementary fields, there is the definite advantage of mutual stimulus which is naturally engendered by direct communication with scientific personnel housed under the same roof. The subcommittee feels that moving the Food and Container Institute from Chicago to Natick is in a real sense a uniting of child with parent.

"The subcommittee, after studying the matter, recommended the item remain in the bill.

"The Senate receded on this item on the assurances of the House conferees that they had confidence in the recommendations of the subcommittee that the move would result in greater efficiency and economy. It is the further understanding of the conferees that the Department of Defense will be expected to submit the item for consideration in the military construction bill of next year."

That, I think, is a fair summary of the hearings, studies, and conclusions, which have been almost unanimous. This year, in the conference on the authorization bill, which included the same subject matter, perhaps there was only one dissent, but after rediscussing the entire matter, with the possible exception of one person and I am not sure as to whether he might have agreed at the end there was a very strong feeling that this institute should not only be reconstructed at the place designated, but it should be settled, so work could proceed.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. DOUGLAS. First, let me admit that in Chicago we do not have 1,000 acres of swampland which is set out in the argument as an attraction for the location at Natick. Neither have we 50 "earth-covered concrete igloos," which Natick has. But every other facility which the Senator mentioned could be provided, not only at the Army installations at Chicago, but at the Illinois Institute of Technology itself.

The chairman of the subcommittee has now forced me to ask a series of questions which I had hoped I would not be compelled to ask, but which I am now compelled to propound.

I should like to ask the Senator if former Assistant Secretary Morse, who is now no longer in office, did not appoint the science group?

Mr. STENNIS. The Senator from Mississippi is not informed as to that.

Mr. DOUGLAS. I think that is correct. I think the Senator will find it accurate.

Is it not true that former Assistant Secretary Morse, who is now a civilian, was the organizer and first president of the Minute Maid Corp., and was president of the National Research Corp., which has its offices near Natick?

Mr. STENNIS. The Senator from Mississippi is not advised as to that statement.

Mr. DOUGLAS. I think that is a fact.

I will not only say I think it is correct, but it is correct that there is a distinct advantage to Minute Maid and the NRC in having this research food institute in Natick, close by. This may be a use to which they are going to put those igloos, for the storage of frozen food.

I think this matter has been prejudged by the armed services. I was skeptical about the original authorization in 1952, because they were taking some clothing research away from Philadelphia, they were taking away some activities from New Jeffersonville, Ind., and so forth. Now they are attempting to complete the process by removing the food and container research activity from the area where this work has been conducted, to the northeastern part of the country, where there has been very little of it.

I would not object to having research into baked beans and codfish carried on in Massachusetts, but I think we should have research into flour, bread, meat, candy, corn products, and all the other products which come from the teeming prairies of the Midwest, conducted in that area of the country.

Mr. STENNIS. I do not know just who ordered the investigation, but I have in my hand, for the information of the Senate, a copy of the report which was prepared by the task group of the Advisory Board on Quartermaster Research and Development, Division of Engineering and Industrial Research. It lists the following names:

Dr. Allen Abrams, industrial consultant, from Wausau, Wis., who served as chairman of the task force.

Mr. William O. Baker, vice president, research, Bell Telephone Laboratories, Murray Hill, N.J.

Mr. Malcolm Campbell, dean, Textile School, North Carolina State College, Raleigh, N.C.

Herman E. Hilleboe, commissioner of health, State Health Department, Albany, N.Y.

Wilbur A. Lazier, vice president and technical director, Sprague Electric Co., North Adams, Mass.

Emil M. Mrak, chancellor, University of California, Davis, Calif.

Harold K. Work, associate dean and director of research division, College of Engineering, New York University, N.Y.

W. George Parks, executive director, University of Rhode Island, Kingston, R.I.

Frank R. Fisher, executive secretary, National Academy of Sciences, Washington, D.C.

I should like to quote from the House committee covering this matter. For emphasis, let me restate what they said. This facility was carried on at the old Chicago depot, which has long since been moved out. The program we are discussing, research and food, is just one tenant, more or less, that is left there. It is a matter of taking it out and putting it with the rest of kindred work of this kind. This construction program involves just a little over $2 million. I do not think I have given that figure previously. This is what the House committee said as to the money part of it:

> Suffice it to say that it appears that there will be an annual savings by reason of the move something in the order of $900,000 each year, which is a figure over 25 percent below that claimed by the Army. In arriving at this figure, the subcommittee has deliberately minimized the savings claimed to what it considers to be a realistic level.

That is a deliberate judgment which is entitled to much weight. These men were on the spot. They went to Chicago and investigated the whole problem.

Mr. DOUGLAS. The House committee perhaps did go, but the science committee held a hearing of only a few hours, at the Palmer House. The only ones present were Dr. Abrams, Dr. Work, Dr. Baker, and Dr. Parks. The rest did not appear at all, and simply signed on the dotted line.

Mr. STENNIS. They had before them a huge amount of material on the pertinent facts. I can hardly believe that men of this stature would carefully sign something in which they did not believe. The report from which I was reading was the one signed by Representatives CLYDE DOYLE and JAMES E. VAN ZANDT.

Mr. SMITH of Massachussetts. Mr. President, on May 9, just 3 months ago, the Senate decided this matter. We decided to authorize the transfer of this facility to Natick. We did so on the recommendation of the Department of Defense, the Army, our committee, and 11 studies that had been made, all of which showed this would promote efficiency and save the taxpayers money. A million dollars a year.

We decided this matter, and I do not see why we have to go through this again. I hope Senators will support the committee on this issue.

Mr. DIRKSEN. Mr. President, I think the real nub of the controversy is over the treatment which was accorded in the first instance with respect to the investigation. When the House by a 2-to-1 vote adopted the amendment to provide for the investigations, it was fair to assume that the investigation would be of such moment and of such duration as to be able to be called a real investigation in every sense. As my colleague has pointed out, that was not the case. I am advised that the chairman of the task force which was to conduct the investigation, at least privately, told a very distinguished Member of the House it would take at least 30 days to make an investigation of this kind. The group addressed to it perhaps less than a week. The meeting at the Palmer House, as pointed out, was a very short meeting indeed. That, in my judgment, does not constitute an investigation, notwithstanding the other reports which have been made.

The allegation is that it was not quite fair and it was not quite in accord with the intent of the House when the item was stricken in the first instance. Now it has been stricken again. I think that vote came on the 25th of July. It was a very substantial vote, and it came notwithstanding the action which had been taken on the authorization bill.

The only request here for the city of Chicago, for the people of Illinois, for the families who are involved, is for a determination of whether this was fair, whether it was a properly conducted investigation, whether it was conducted in sufficient detail so that when a report was made it could be said that in every case it was objective, it was equitable, and it did justice to all parties to the controversy.

That is the only point about which I quarrel. Insofar as I have had an opportunity to read many of the exhibits which have already been incorporated in the RECORD, I would say a better job could have been done. I sometimes think the judgment was rendered long before the last meeting was held. At least it appeared so to me.

I intend fully to support the amendment offered by my colleague, and I think the case ought to be reopened again, notwithstanding the desire of the Army, and understandably of the subcommittee and of the full Committee on Appropriations, to get this settled once and for all. I understand that, but I believe every aggrieved party should have his proper day in court. That is the only request made. For that reason, I believe the amount involved ought to be reduced by substantially $3.8 million, that the case ought to be opened once more, and that when it is investigated there be in every sense a real investigation, with some elements to be used for contrast and for comparison; namely, what can be offered in Illinois as against what has to be done at Natick.

There has not been a substantial pressing down on the possible economies, although constantly there is an allegation to the fact that even if there were no economies involved there would still be the benefit of the scientific atmosphere in the great and good State of Massachusetts and in the community of Natick. I do not know how far Natick is from Harvard. I should have to ask my distinguished friend from Boston how far Natick is from Harvard.

Mr. SALTONSTALL. Natick is approximately 16 miles from Harvard; to be accurate, from 16 to 18 miles. It is 16 to 18 miles from the Massachusetts Institute of Technology.

Mr. DIRKSEN. That accounts for the phrase, then, that one would get the benefit of a scientific atmosphere. It is the scientific atmosphere of Harvard and of other schools which somehow, like a gentle breeze, engulfs the whole area, and evidently is conducive to better "brainsmanship," if I may coin a term.

We shall not be demeaned in that respect, because there are many institutions in Illinois and in Chicago; the University of Chicago, Northwestern University, the Illinois Institute of Technology, and a great many others. If there is required a scientific atmosphere, we can offer it and can offer a great many other things to boot. All we ask is a fair, full, impartial, objective investigation. If that takes place, and if there is a conclusion that this facility ought to go to the scientific atmosphere of Natick, then I shall have nothing more to say.

I hope the amendment offered by my colleague from Illinois will be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KUCHEL. Mr. President, I should like to ask the very able chairman of the subcommittee in charge of the proposed legislation to direct his attention to the item for the enlisted men's dormitory in the Presidio of Monterey. I am intensely interested in the extension of language studies.

Mr. STENNIS. I am glad the Senator from California has brought up that matter. I know of his interest, and how he has sponsored that project.

That project was left out, Mr. President, only with a view of achieving more unification, with reference to the several services having a proper language school. The Army asked for $958,000 for a dormitory at the Presidio of Monterey, Calif., for the purpose of supporting the language school. We urged the Department of Defense heretofore, including last year, to come forth with a concrete plan, something along the line of unifying the language schools for the three services, so that we could do more with less money.

The Department has not come forward with such a program.

We did not deny this facility, but merely deferred it, consistent with our policy of insisting on a modern plan of unification, so far as possible.

This is a very important subject and something which the committee thinks should be emphasized. We hope the services will all expand their programs of teaching languages.

This is another case in which it is indeed possible for the services to unify and to concentrate their efforts to provide better facilities for better teaching by a combining of efforts.

If the Senator will allow us time, we think we shall have a fine program in this respect. Perhaps it will be located in Monterey on an even larger scale than is now proposed.

Mr. KUCHEL. I thank the Senator. I join with him in urging the Department of Defense to respond to the requests which he has made and which I have made, and which I think, properly answered, would permit the Presidio at Monterey to serve an extremely useful and expanded function in the defense effort.

Mr. STENNIS. I thank the Senator for his efforts. I appreciate the Senator's support in getting the decision and a unified plan.

Mr. KUCHEL. If we have the cooperation of the Defense Department, may I ask the able Senator from Mississippi whether he and the members of his committee would look with favor upon the type of development of a language school proposed, whether it be in this area or in some other?

Mr. STENNIS. Absolutely. That is our policy. We are interested in getting more of a program in motion on that subject.

Mr. KUCHEL. I thank the Senator.

Mr. STENNIS. I thank the Senator from California.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 8302) was read the third time.

Mr. STENNIS. Mr. President, I wish especially to commend and thank Mr. Mike Rexroad and Mrs. Gloria Butland for their long and faithful work in preparing and investigating the 1,400 line items in this bill. Their work has been highly valuable and effective and I gladly express my deep appreciation and that of the full subcommittee.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 8302) was passed.

Mr. STENNIS. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. BURDICK in the chair) appointed Mr. STENNIS, Mr. RUSSELL, Mr. MONRONEY, Mr. SALTONSTALL, Mr. BRIDGES, and Mr. BYRD of Virginia conferees on the part of the Senate.

BERLIN

Mr. PELL. Mr. President, we are presently faced with a situation in Berlin which the Soviets have deliberately sought to aggravate in order to achieve a settlement more favorable to them than was the status quo. The knowledge that, until the Iron Curtain was clanged down in Berlin a few days ago, more than a thousand East Germans a day were voting with their feet to escape Communist rule is a fact particularly galling to the Communist rulers. At the same time, the West must stand firm on the fact that the freedom of the West Berliners, themselves, is not negotiable in any way whatsoever.

In this context, the most important step and, in fact, only solution of the Berlin problem is to lift our controversy up from the consideration of Berlin, alone, onto a higher and wider all-German plane of discussion. This discussion could either be conducted at the Security Council, at a specially called peace conference, or at a meeting of the four occupying nations at either the foreign minister or summit level. While our choice of locale might be in this order, we could offer these alternatives to the Soviets, thus making it more difficult for them to decline. We would hope that out of such a meeting a statute of Berlin resulted that could be signed by all the participants and by both Germanys.

Another cooling-off proposal would be the transfer to Berlin of various United Nations specialized agencies or other multinational organizations, such as the headquarters of UNESCO at Paris, or the United Nations European Headquarters at Geneva. To increase this international cooling-off effect, the West Germans should be asked to transfer their de jure capital from West Berlin to Bonn, if the East Germans would likewise transfer theirs from East Berlin to Leipzig.

At the same time, a further, substantial strengthening of all our conventional military forces, particularly our ground forces in Germany and West Berlin, from their present below-level strength would help along our diplomatic moves.

Why this course of action? Because in the context of Berlin alone, there is no solution. We cannot retreat because of our commitments there. Nor can Khrushchev by the same token, because of the pressures of world Communist opinion.

This situation is compounded from our viewpoint in that the balance of military power favorable to us has declined from the time when the Berlin blockade was brought to a successful conclusion. Moreover, the preservation of the status quo in Berlin for a prolonged period means for us the continuation of a strategic situation where the initiative is left to the Communists and where we can only respond, or react, to Communist moves.

Also, we do not know whether Khrushchev is engaged in a test of will with us, or is genuinely interested in a real improvement of the Soviet position in Germany. Our course of action must be suited to either contingency.

In seeking a solution to the Berlin problem, too, I believe, we must not primarily look for mutual concessions. But as should always be the case in positive diplomacy, we should seek out those factors which mean more to one side than the other, and negotiate with those pieces. Successful diplomacy is when each side can give what it considers a pawn and the other considers a knight. Fortunately, if we can once get the Berlin problem discussed in the larger context of Germany as a whole, there are such areas.

For instance, the issue that means the most to us is the guarantee of ground access to and from West Berlin. This is more important to us than to the Soviets, and is, apparently, acceptable to them. So in the total picture of any general negotiations, such a guaranteed ground access might well be written into a Soviet-East German peace treaty. We would then have scored a very real gain, since we do not now enjoy such definitive legal rights.

The other area that is of major importance to us is the preservation of the freedom of the West Berliners. This is more of a problem since it is almost as objectionable from the Soviet viewpoint as it is a necessity from ours. If we only consider Berlin, this particular problem appears insoluble. But, if we consider the larger picture, we might well secure some sort of acceptance of the unified Berlin proposal Secretary Herter advanced in 1959, or that suggested by Senator MANSFIELD a few weeks ago. If we could not secure that, it would definitely appear that we could get some sort of guarantee of the freedom of West Berlin, provided we accepted some Soviet views in other parts of Germany.

There are three alternative Soviet viewpoints, any one of which we could accept. First, we could accept the Oder-Neisse boundary. This already has been accepted by General de Gaulle and the French. Two and a half million baby Poles have been born in this region. The average German is not losing sleep over it. Acceptance of this line would do a lot to increase the peace and stability of central Europe.

Or, second, we could accept a temporary recognition of East Germany as long as there were built-in safeguards vis-a-vis Berlin. The Adenauer-Acheson line, in my view, opposes this far more than does the average German. And Europe as a whole has vivid memories of three aggressive wars started by Germany within the last 90 years. The thought of two Germanys does not worry most Europeans.

Or, third, there would be a commitment on our part never to furnish nuclear weapons to West Germany provided the Soviets made the same promise vis-a-vis East Germany. From the propaganda viewpoint, this may sound like a sacrifice on our part. In fact, because of West German technological progress, the West Germans will, if they wish, soon be able to produce their own nuclear weapons.

This proposal would also give great relief to Europe and bring about the detente that is so necessary for peace and development and victory of our way of life. Why? Because where reasonable economic and educational advancement

exists, the democratic system has and always will triumph over communism in any equal competition.

The beauty of this general course of action is that it could lead to a mutual withdrawal of troops from Germany. Here we must bear in mind that it will not be U.S. ground forces that will be the deciding factor in any combat struggle on German territory. It will be a combination of the NATO ground forces and our Air Forces. But, if in return for our troops withdrawing from West Germany, the Soviets withdraw from East Germany, the Soviets are left with a real Pandora's box, since the East Germans are most restive and unhappy. Then, too, there would be no excuse to maintain Soviet troops in Poland to protect Soviet lines of supply, thus giving greater freedom to the Poles.

This course of action would mean that we would be acting, not reacting. And it would result in a Soviet defeat on either the diplomatic—if Khrushchev refused to play—or strategic front. It would also mean that, by taking the initiative, we would be taking the propaganda lead from Khrushchev. And it would get us away from our present position where, in accordance with the recent NATO decision, we are awaiting Khrushchev to come to us with his proposals and explain his position to us.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. PELL. I yield with great pleasure to the Senator from Pennsylvania.

Mr. CLARK. I congratulate the junior Senator from Rhode Island for a very real contribution to the debate, which has been going on in the Senate, with respect to our policy regarding Berlin. The junior Senator from Rhode Island has made a very careful analysis of the situation and has studied it. As his colleagues in the Senate know, he was for many years a member of the Foreign Service of the United States and of the State Department. He recently traveled to Germany, and has made an intensive personal study of the subject.

I commend him on what he has had to say, and invite the attention of all our colleagues to his thoughtful and provocative analysis of a very difficult subject.

Mr. PELL. I thank the Senator from Pennsylvania.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. PELL. I am glad to yield to the Senator from Montana.

Mr. MANSFIELD. In my opinion there is no one in the Senate or, for that matter, in the entire Congress, who is better versed in the field of foreign policy, based on experience and knowledge, than is the distinguished junior Senator from Rhode Island.

I am delighted that he has taken this occasion to keep alive the debate on the question of Berlin and Germany, because in doing so he has once again called to the attention of the Senate and of the country the fact that the future of West Berlin and of Germany, for that matter, is the most immediate and most pressing problem of our time.

That does not mean that Berlin is the only problem. We have problems scattered all over the globe. In fact, we have them in the Far East, in northeast Asia, in the Midle East, in southeast Asia, in Africa, in Latin America, and in Cuba, specifically. As a matter of fact, the area where we do not have problems is the rare exception to the rule at the present time.

Therefore I hope that we can keep aware of the fact that there are other problems besides the problem of Berlin and Germany, and that these problems confront the President of the United States who, in the final analysis, must make the decision as to what we do or do not do concerning them.

I am especially appreciative and grateful to the Senator from Rhode Island for bringing home to the Senate and to the American people his knowledge of the Berlin situation. He visited there not so long ago. He is a man of great integrity. He has a splendid background. Therefore we can benefit from what he has to say. He has done a great service to the country.

Mr. PELL. I thank the Senator from Montana.

Mr. PASTORE. Mr. President, will my colleague yield to me?

Mr. PELL. I yield.

Mr. PASTORE. I should like to add my voice to those of other Senators in praise of the distinguished junior Senator from Rhode Island. I join with them in associating myself with his remarks. I remind the Members of the Senate that we have in CLAIBORNE PELL a well-informed citizen and Member of the Senate who has not only an academic knowledge but also very personal, intimate, and first-hand knowledge of the problems of Europe and their impact on our land and our lives. I congratulate him for the excellent statement he has made today. I know that it will be of interest to the Members of the Senate. I hope they will read and study his able and earnest message to the people of our country.

Mr. PELL. I thank the Senator.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. PELL. I yield.

Mr. MORSE. I have not had an opportunity to read the speech of the Senator from Rhode Island, but I read the memorandum which the Senator from Rhode Island submitted to me some time ago, which I assume was pretty well covered in his speech today. Is that correct?

Mr. PELL. The Senator is correct in his assumption.

Mr. MORSE. If the speech of the Senator from Rhode Island covered the points that he submitted to me on Berlin some days ago, I want the RECORD to show that I associate myself with the observations of the Senator from Rhode Island, because I believe what he has said to the American people through that memorandum and what he has said to the leaders of our Government through the memorandum should be very carefully heeded in this very critical hour.

Mr. PELL. I thank the Senator very much.

Mr. GORE. Mr. President, will the Senator yield?

Mr. PELL. I yield.

Mr. GORE. The Senator from Rhode Island has delivered a very interesting and provocative treatise on a very important and complicated and delicate subject. In doing so, however, he has applied the benefit of his experience, his firsthand knowledge, his broad understanding. I commend his speech to the attention of the Senate. I congratulate him.

Mr. PELL. I thank the Senator very much.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 242. An act for the relief of Mary Dawn Polson (Emmy Lou Kim) and Joseph King Polson (Sung Sang Moon);

S. 333. An act for the relief of Godofredo M. Herzog;

S. 606. An act to provide for the construction of a shellfisheries research center at Milford, Conn.;

S. 705. An act for the relief of Norman T. Burgett, Lawrence S. Foote, Richard E. Forsgren, James R. Hart, Ordeen A. Jallen, James M. Lane, David E. Smith, Jack K. Warren, and Anne W. Welsh;

S. 731. An act for the relief of Charles F. Tjaden;

S. 1054. An act for the relief of Huan-pin Tso;

S. 1100. An act for the relief of Sang Man Han;

S. 1179. An act for the relief of Alicja Zakrezewska Gawkowski;

S. 1205. An act for the relief of Roger Chong Yeun Dunne;

S. 1335. An act for the relief of W. B. J. Martin;

S. 1347. An act for the relief of Georgia Ellen Thomason;

S. 1443. An act for the relief of Mrs. Tyra Fenner Tynes;

S. 1450. An act for the relief of Shim Dong Nyu (Kim Christine May);

S. 1527. An act for the relief of James D. Jalili; and

S. 1622. An act to amend the Atomic Energy Community Act of 1955.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2034) to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H.R. 29. An act to amend section 216(b) of the Merchant Marine Act, 1936, as amended, to permit the appointment of U.S. nationals to the Merchant Marine Academy;

H.R. 2308. An act to amend the Ship Mortgage Act, 1920, with respect to its applicability to certain vessels;

H.R. 3156. An act to make the Panama Canal Company immune from attachment or garnishment of salaries owed to its employees;

H.R. 3879. An act to authorize and direct the Secretary of Agriculture to convey to the State of Wyoming for agricultural purposes certain real property in Sweetwater County, Wyo.;

H.R. 5939. An act to amend chapter 35 of title 38, United States Code, to provide that after the expiration of the Korean conflict veterans' education and training program, approval of courses under the war orphan's educational assistance program shall be by State approving agencies;

H.R. 6732. An act to amend the Merchant Marine Act, 1936, as amended, to encourage the construction and maintenance of American-flag vessels built in American shipyards;

H.R. 6974. An act to amend section 607 (b) of the Merchant Marine Act, 1936, as amended;

H.R. 7916. An act to expand and extend the saline water conversion program being conducted by the Secretary of the Interior; and

H.J. Res. 499. Joint resolution authorizing a celebration of the American patent system.

HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON THE CALENDAR

The following bills and joint resolution were severally read twice by their titles, and referred, or placed on the calendar, as indicated:

H.R. 29. An act to amend section 216(b) of the Merchant Marine Act, 1936, as amended, to permit the appointment of U.S. nationals to the Merchant Marine Academy;

H.R. 2308. An act to amend the Ship Mortgage Act, 1920, with respect to its applicability to certain vessels;

H.R. 3156. An act to make the Panama Canal Company immune from attachment or garnishment of salaries owed to its employees; and

H.R. 6974. An act to amend section 607(b) of the Merchant Marine Act, 1936, as amended; to the Committee on Commerce.

H.R. 7916. An act to expand and extend the saline water conversion program being conducted by the Secretary of the Interior; to the Committee on Interior and Insular Affairs.

H.R. 3879. An act to authorize and direct the Secretary of Agriculture to convey to the State of Wyoming for agricultural purposes certain real property in Sweetwater County, Wyo.; to the Committee on Agriculture and Forestry.

H.R. 5939. An act to amend chapter 35 of title 38, United States Code, to provide that after the expiration of the Korean conflict veterans' education and training program, approval of courses under the war orphan's educational assistance program shall be by State approving agencies; to the Committee on Labor and Public Welfare.

H.R. 6732. An act to amend the Merchant Marine Act, 1936, as amended, to encourage the construction and maintenance of American-flag vessels built in American shipyards; placed on the calendar.

H.J. Res. 499. Joint resolution authorizing a celebration of the American patent system; to the Committee on the Judiciary.

MANPOWER DEVELOPMENT AND TRAINING ACT OF 1961

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar 626, S. 1991.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1991) relating to the occupational training, development, and use of the manpower resources of the Nation, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare, with an amendment, to strike out all after the enacting clause and insert:

That this Act may be cited as the "Manpower Development and Training Act of 1961".

TITLE I—MANPOWER REQUIREMENTS, DEVELOPMENT, AND UTILIZATION

Statement of Findings and Purpose

SEC. 102. The Congress finds that there is critical need for more and better trained personnel in many vital occupational categories, including professional, scientific, technical, and apprenticeable categories; that even in periods of high unemployment, many employment opportunities remain unfilled because of the shortages of qualified personnel; and that it is in the national interest that current and prospective manpower shortages be identified and that persons who can be qualified for these positions through education and training be sought out and trained, in order that the Nation may meet the staffing requirement of the struggle for freedom. The Congress further finds that the skills of many persons have been rendered obsolete by dislocations in the economy arising from automation or other technological developments, foreign competition, relocation of industry, shifts in market demands, and other changes in the structure of the economy; that Government leadership is necessary to insure that the benefits of automation do not become burdens of widespread unemployment; that the problem of assuring sufficient employment opportunities will be compounded by the extraordinarily rapid growth of the labor force in the next decade, particularly by the entrance of young people into the labor force, that improved planning and expanded efforts will be required to assure that men, women, and young people will be trained and available to meet shifting employment needs; that many persons now unemployed or underemployed, in order to become qualified for reemployment or full employment must be provided with skills which are or will be in demand in the labor market; that the skills of many persons now employed are inadequate to enable them to make their maximum contribution to the Nation's economy; and that it is in the national interest that the opportunity to acquire new skills be afforded to these people in order to alleviate the hardships of unemployment, reduce the costs of unemployment compensation and public assistance, and to increase the Nation's productivity and its capacity to meet the requirements of the space age. It is therefore the purpose of this Act to require the Federal Government to appraise the manpower requirements and resources of the Nation, develop and apply the information and methods needed to deal with the problems of unemployment resulting from automation and technological changes and other types of persistent unemployment.

Evaluation, Information, and Research

SEC. 103. To assist the Nation in accomplishing the objectives of technological progress while avoiding or minimizing individual hardship and widespread unemployment, the Secretary of Labor shall—

(1) evaluate the impact of, and benefits and problems created by automation, technological progress, and other changes in the structure of production and demand on the use of the Nation's human resources; establish techniques and methods for detecting in advance the potential impact of such developments; develop solutions to these problems, and publish findings pertaining thereto;

(2) establish a program of factual studies of practices of employers and unions which tend to affect mobility of workers, including but not limited to early retirement and vesting provisions and practices under private compensation plans; the extension of health, welfare, and insurance benefits to laid-off workers; the operation of severance plans; and the use of extended leave plans for education and training purposes;

(3) appraise the adequacy of the Nation's manpower development efforts to meet foreseeable manpower needs and recommend needed adjustments, including methods for promoting the most effective occupational utilization of and providing useful work experience and training opportunities for untrained and inexperienced youth;

(4) promote, encourage, or directly engage in programs of information and communication concerning manpower requirements, development, and utilization, including prevention and amelioration of undesirable manpower effects from automation and other technological developments and improvement of the mobility of workers; and

(5) arrange for the conduct of such research and investigations as give promise of furthering the objectives of this Act.

Skill and Training Requirements

SEC. 105. The Secretary of Labor shall develop, compile, and make available information regarding skill requirements, occupational outlook, job opportunities, labor supply in various skills, training activities, and employment trends on a national, State, or area of other appropriate basis which shall be used in determining the educational, training, counseling, and placement activities performed under this Act.

Manpower Report

SEC. 106. The Secretary of Labor shall make such reports and recommendations to the President as he deems appropriate pertaining to manpower requirements, resources, use, and training; and the President shall transmit to the Congress within sixty days after the beginning of each regular session (commencing with the year 1962) a report pertaining to manpower requirements, resources, utilization, and training.

TITLE II—TRAINING AND SKILL DEVELOPMENT PROGRAMS

Part A—Duties of the Secretary of Labor

General Responsibility

SEC. 201. In carrying out the purposes of this Act, the Secretary of Labor shall determine the skill requirements of the economy, develop policies for the adequate occupational development and maximum utilization of the skills of the Nation's workers, promote and encourage the development of broad and diversified training and retraining programs, including on-the-job training designed to qualify for employment the many persons who cannot reasonably be expected to secure full-time employment without such training, and to equip the Nation's workers with the new and improved skills that are or will be required.

Selection of Trainees

SEC. 202. (a) The Secretary of Labor shall provide a program for testing, counseling, and selecting for occupational training those unemployed or underemployed persons who cannot reasonably be expected to secure ap-

propriate full-time employment without training. Whenever appropriate the Secretary shall provide a special program for the testing, counseling, and selection of youths, sixteen years or older, for occupational training and further schooling. Workers in farm families with less than $1,200 annual net family income shall be considered unemployed for the purpose of this Act.

(b) Although priority in referral for training shall be extended to unemployed persons, the Secretary of Labor shall also refer other persons qualified for training or retraining programs which will enable them to acquire needed skills. Priority in referral for training shall also be extended to persons to be trained for skills needed within the State of their residence.

(c) The Secretary of Labor shall determine the occupational training or retraining needs of referred persons, provide for their orderly selection and referral for training under this Act, and provide placement services to persons who have completed their training, as well as followup studies to determine whether the programs provided meet the occupational training needs of the persons referred.

Weekly Training Allowances

SEC. 203. (a) The Secretary of Labor may, on behalf of the United States, enter into agreements with States under which the Secretary of Labor shall make payments to such States either in advance or by way of reimbursement for the purpose of enabling such States to make payment of weekly Federal training allowances to individuals selected for training pursuant to the provisions of section 202 and undergoing such training. Such payments shall be made for a period not exceeding fifty-two weeks, and the amount of any such payment in any week for individuals undergoing training, including uncompensated employer-provided training, shall not exceed the amount of the average weekly unemployment compensation payment (including allowances for dependents) for a week of total unemployment in the State making such payments during the most recent quarter for which such data are available.

For individuals undergoing on-the-job training the amount of any payment by the Secretary of Labor under this section shall be reduced by a proportion equal to the ratio that the number of compensated hours per week bears to forty hours.

(b) Such weekly training allowances may be supplemented by such sums as may be determined by the Secretary of Labor to be necessary to defray transportation and subsistence expenses for separate maintenance of individuals engaged in training under this title including compensated full-time on-the-job training, when such training is provided in facilities which are not within commuting distance of their regular place of residence: *Provided,* That the Secretary in defraying such subsistence expenses shall not afford any individual an allowance exceeding the rate of $35 per week; nor shall the Secretary authorize any transportation expenditure exceeding the rate of 10 cents per mile: *And provided further,* That where due to the unusual circumstances the maximum per diem allowance would be more than the amount required to meet the actual and necessary expenses the Secretary may prescribe conditions under which reimbursement for such expenses may be authorized on an actual expense basis.

(c) Except where the Secretary of Labor finds such training allowances are necessary to provide occupational training for youths over sixteen but under twenty-two years of age, such training allowances shall be limited to unemployed persons who have had not less than three years of experience in gainful employment and who are heads of families or heads of household as defined in the Internal Revenue Code.

(d) After June 30, 1963, any amount paid to a State for training allowances under this section shall be paid on condition that such State shall bear 50 per centum of the amount of such allowances.

(e) No training allowance shall be made to any person otherwise eligible who, with respect to the week for which such payment would be made, has received or is seeking unemployment compensation under title XV of the Social Security Act or any other Federal or State unemployment compensation law, but if the appropriate State or Federal agency finally determines that a person denied training allowances for any week because of this subsection was not entitled to unemployment compensation under title XV of the Social Security Act or such Federal or State law with respect to such week, this subsection shall not apply with respect to such week.

(f) A person who refuses, without good cause, to accept training under this Act shall not, for six months thereafter, be entitled to training allowances.

(g) Any agreement under this section, may contain such provisions (including, as far as may be appropriate, provisions authorized or made applicable with respect to agreements concluded by the Secretary of Labor pursuant to title XV of the Social Security Act) as will promote effective administration, protect the United States against loss and insure the proper application of payments made to the State under such agreement. Except as may be provided in such agreements, or in regulations hereinafter authorized, determinations by any duly designated officer or agency as to the eligibility of individuals for weekly Federal training allowances under this section shall be final and conclusive for any purposes and not subject to review by any court or any other officer.

On-the-job Training

SEC. 204. (a) The Secretary of Labor shall develop, and shall secure the adoption of programs for on-the-job training needed to equip individuals selected for training with the appropriate skills, including wherever appropriate special program for youths over sixteen years of age. The Secretary shall, to the maximum extent possible, secure the adoption of programs by private and public agencies, employers, trade associations, labor organizations and other industrial and community groups which he determines are qualified to conduct effective on-the-job training programs.

(b) The Secretary of Labor shall cooperate with the Secretary of Health, Education, and Welfare in coordinating on-the-job training programs with vocational educational programs conducted pursuant to the provisions of this title.

(c) In adopting or approving any training program under this part, and as a condition to the expenditure of funds for any such program, the Secretary shall make such arrangements as he deems necessary to insure adherence to appropriate training standards, including assurances—

(1) that wages paid to trainees are not less than those customarily paid in the training establishment and in the community to learners on the same job; and

(2) that adequate and safe facilities, personnel, and records of attendance and progress are provided.

(d) Where on-the-job training programs under this part require supplementary classroom instruction, appropriate arrangements for such instruction shall be agreed to by the Secretary of Health, Education, and Welfare and the Secretary of Labor.

National Advisory Committee

SEC. 205. The Secretary shall appoint a National Advisory Committee which shall consist of ten members and shall be composed of representatives of labor, management, agriculture, education, and training, and the public in general. From the members appointed to such Committee the Secretary shall designate a Chairman. Such Committee, or any duly established subcommittee thereof, shall from time to time make recommendations to the Secretary relative to the carrying out of his duties under this Act. Such Committee shall hold not less than two meetings during each calendar year.

Reports on Operation of Training Programs

SEC. 206. The Secretary shall develop, compile and make available information concerning—

(1) the number and types of training and retraining activities conducted under this Act;

(2) the number of unemployed persons who have secured full-time employment in fields related to such training or retraining; and

(3) the nature of such employment.

State Agreements

SEC. 207. (a) The Secretary of Labor is authorized to enter into an agreement with a State, or with the appropriate agency of the State, pursuant to which the Secretary of Labor may, for the purpose of carrying out his functions and duties under this title, utilize the services of the appropriate State agency and, notwithstanding any other provision of law, may reimburse such State or appropriate agency for services rendered for such purposes.

(b) Any agreement under this section may contain such provisions as will promote effective administration, protect the United States against loss and insure that the functions and duties to be carried out by the appropriate State agency are performed in a satisfactory manner.

Rules and Regulations

SEC. 208. The Secretary of Labor shall prescribe such rules and regulations as he may deem necessary and appropriate to carry out the provisions of this part.

Part B—Duties of the Secretary of Health, Education, and Welfare

General Responsibility

SEC. 231. The Secretary of Health, Education, and Welfare shall, pursuant to the provisions of this title, enter into agreements with States under which the appropriate State vocational education agencies will undertake to provide training or retraining needed to equip individuals referred to the Secretary of Health, Education, and Welfare by the Secretary of Labor pursuant to section 202, for the occupations specified in the referrals. Such State agencies shall provide for such training or retraining through public education agencies or institutions or, if facilities or services of such agencies or institutions are not adequate for the purpose, through arrangements with private educational or training institutions. Any such agreement shall provide for payment to such State agency of 100 per centum of the cost to the State of carrying out the agreement with respect to unemployed individuals, and 50 per centum of the cost with respect to other individuals referred under this Act, and shall contain such other provisions as will promote effective administration (including provision for reports on the attendance and performance of trainees and provision for continuous supervision of the training programs conducted under the agreement to insure the quality and adequacy of the training provided), protect the United States against loss, and assure that the functions and duties to be carried out by such State agency are performed in such fashion as will carry out the purposes of this title: *Provided,* That after June 30, 1963, any amount paid

to a State to carry out an agreement authorized by this part shall be paid on condition that such State shall bear 50 per centum of such cost. In the case of any State which does not enter into an agreement under this section, and in the case of any training which the State agency does not provide under such an agreement, the Secretary of Health, Education, and Welfare may provide the needed training by agreement or contract with public or private educational or training institutions.

Rules and Regulations

SEC. 232. The Secretary of Health, Education, and Welfare may prescribe such rules and regulations as he may deem necessary and appropriate to carry out the provisions of this title.

TITLE III—MISCELLANEOUS

Apportionment of Benefits

SEC. 301. For the purpose of effecting an equitable apportionment of Federal expenditures among the States in carrying out the programs authorized under title II of this Act, the Secretary of Labor and the Secretary of Health, Education, and Welfare shall make such apportionment in accordance with uniform standards and in arriving at such standards shall consider only the following factors: (1) the proportion which the labor force of a State bears to the total labor force of the United States, (2) the proportion which the unemployed in a State during the preceding calendar year bears to the total number of unemployed in the United States in the preceding calendar year, (3) the amount of underemployment in the State, (4) the proportion which the insured unemployed within a State bears to the total number of insured employed within such State. For this purpose, the word "State" shall be defined to include the District of Columbia, Puerto Rico, and the Virgin Islands.

Maintenance of State Effort

SEC. 302. No training or retraining program which is financed in whole or in part by the Federal Government under this Act shall be approved unless the Secretary of Labor, if the program is authorized under part A of title II, or the Secretary of Health, Education, and Welfare, if the program is authorized under part B of title II, satisfies himself that the State and/or the locality in which the training is carried out is not reducing its own level of expenditures for vocational education and training, including program operation under provisions of the Smith-Hughes Vocational Education Act and titles I, II, and III of the Vocational Education Act of 1946, except for reductions unrelated to the provisions or purposes of this Act.

Other Agencies and Departments

SEC. 303. In the performance of his functions under this Act, the Secretary of Labor, in order to avoid unnecessary expense and duplication of functions among Government agencies, shall use the available services or facilities of other agencies and instrumentalities of the Federal Government, under conditions specified in section 306(a). Each department, agency, or establishment of the United States is authorized and directed to cooperate with the Secretary of Labor and, to the extent permitted by law, to provide such services and facilities as he may request for his assistance in the performance of his functions under this Act.

Appropriations

SEC. 304. (a) There are authorized to be appropriated to the Secretary of Labor and the Secretary of Health, Education, and Welfare, respectively, such sums as are necessary and appropriate to carry out the provisions of this Act. The total of such sums shall not exceed $90,000,000 for the fiscal year 1962, $165,000,000 for the fiscal year 1963, and $200,000,000 for each of the two succeeding fiscal years.

(b) Funds appropriated under the authorization of this Act may be transferred, with the approval of the Director of the Bureau of the Budget, between departments and agencies of the Government, if such funds are used for the purposes for which they are specifically authorized and appropriated.

(c) Any equipment and teaching aids purchased by a State or local vocational educational agency with funds appropriated to carry out the provisions of part B shall become the property of the State.

(d) No portion of the funds to be used under part B of this Act shall be appropriated directly or indirectly to the purchase, erection, or repair of any building except for minor remodeling of a public building necessary to make it suitable for use in training under part B.

(e) Funds appropriated under this Act shall remain available for one fiscal year beyond that in which appropriated.

Additional Positions

SEC. 305. Subject to the standards and procedures prescribed by section 505 of the Classification Act of 1949, as amended, the head of any agency, for the performance of functions under this Act, including functions delegated pursuant to section 303, may place positions in grades 16, 17, and 18 of the general schedule established by such Act, and such positions shall be in addition to the number of such positions authorized by section 505 of the Classification Act of 1949, as amended, to be placed in such grades: *Provided*, That not to exceed a total of ten such positions may be placed in such grades under this subsection, to be apportioned among the agencies by the Director of the Bureau of the Budget.

Authority to Contract

SEC. 306 (a) The Secretary of Labor and the Secretary of Health, Education, and Welfare may make such contracts or agreements, establish such procedures, and make such payments, either in advance or by way of reimbursement, as may be necessary to carry out the provisions of this Act.

(b) The Secretary of Labor and the Secretary of Health, Education, and Welfare shall not use any authority conferred by this Act to assist establishments in relocating from one area to another. The limitation set forth in this subsection shall not be construed to prohibit assistance to a business entity in the establishment of a new branch, affiliate, or subsidiary of such entity if the Secretary of Labor finds that the assistance in the establishment of such branch, affiliate, or subsidiary will not result in an increase in unemployment in the area of original location or in any other area where such entity conducts business operations, unless he has reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business entity in the area of its original location or in any other area where it conducts such operations.

Termination of Authority

SEC. 307(a) All authority conferred under title II of this Act shall terminate at the close of June 30, 1965.

(b) Notwithstanding the foregoing, the termination of title II shall not affect the disbursement of funds under, or the carrying out of, any contract, commitment or other obligation entered into prior to the date of such termination: *Provided*, That no disbursement of funds shall be made pursuant to the authority conferred under title II of this Act after December 30, 1965.

DESALINIZATION OF WATER LEGISLATION AND WEATHER MODIFICATION

Mr. CASE of South Dakota. Mr. President, this morning the Committee on Interior and Insular Affairs conducted hearings on S. 2156, S. 22, and other bills relating to desalinization of water, a very important field in the development and use of water resources.

There is another field in which I am equally interested. That is the possibility of cloud modification and the increase in rainfall. Recently three or four counties in western South Dakota and counties in Wyoming have engaged in cloud-seeding operations.

Among the fliers working with aircraft directly in and below the clouds was Mr. Harold "Shag" Shelden, Jr. I have been privileged to get a log of his seeding operations. It is, so far as I know, one of the most carefully prepared records yet compiled in the field of cloud conditions, with respect to what was done and what happened. I believe the log of his several flights will be of great interest in this area of research.

I ask unanimous consent, therefore, to insert in the RECORD at this point this remarkable documentary by a World War II pilot, "Shag" Shelden, who is now a rancher in southeastern Montana.

There being no objection, the log was ordered to be printed in the RECORD, as follows:

AIR LOG OF HAROLD "SHAG" SHELDEN, JR., DURING CLOUD-SEEDING OPERATIONS

April 22 (5–6:15 p.m.)—Alzada area (first seeding flight): 12,000-foot seeding altitude, 3,500-foot terrain, −5° C. temperature at seeding level.

Cloud was of thunderhead appearance with unusually wide extension of base roll at around 7,000 feet; considerable lightning was in evidence and moderate turbulence was encountered.

Seeding: Entry into and breakthrough base roll was effected while on climbout to seeding area—in the clear at 10,000 feet above base roll. General buildup was in vicinity of Alzada and entry was at 11,000 feet with one burner on. Turbulence seemed to increase and lightning bolts were sharp. Twenty-minute seeding in cloud was accomplished; heavy amounts of rain and ice crystals were encountered. Cloud was moving northeast. Broke into clear at a point in line with Albion, Mont., and Belle Fourche at 6,000 feet which was about 15 miles northeast of point where initial seeding started.

Results: Heaviest amount reported was 1.57 inches in capital vicinity downwind from initial seeding area.

Crew member and observer: Verle Pierce, rancher, Alzada.

April 23 (10 to 11:30 a.m.), Hammond, Mont.: 12,000-foot seeding level, 3,500-foot terrain, −7° C. seeding temperature.

Cloud: Entire area covered by cloud layer, the ceiling being about 6,000 feet and tops at 10,000 feet. Only one buildup could be seen after breaking into clear on top, estimated to be just east of Hammond, Mont.

Seeding: Entry at 12,000 feet with one burner, air was very smooth and considered to be below minimums of stability rate required for effective seeding. Considerable ice crystals were visible with moderate frostlike accumulation on aircraft occurring. Twenty minutes circular seeding pattern was accomplished.

Results: Rancher reported hearing aircraft circling high overhead and approximately 20

minutes later slushy snow and rain started falling. H. Shelden, Sr., was in area and was 3 hours getting to surfaced highway because of a slick and muddy country road.

Crewmember and observer: Verle Pierce, rancher, Alzada.

April 25 (2 to 3:30 p.m.) Alzada area: 13,000-foot seeding level, 3,500-foot terrain, —7° C. seeding temperature.

Cloud: Entire area from Belle Fourche to seeding area was covered by overcast, base of which was 7,000 feet, tops unknown. Moderate to light ice crystals in cloud were smooth. Weather Bureau forecasted upper winds 30 knots at 300°.

Seeding: A box pattern was flown consisting of 20-minute runs from north to south, 3-minute run to the east and a 6-minute run to the north. Light accumulation of frost-like moisture visible on aircraft.

Results: Rancher on 7 Mile Drainage Creek to the Little Missouri River reported hearing aircraft approximately 15 minutes prior to beginning of precipitation. This same rancher reported an accumulation of three-fourths inch of light rain.

April 30 (8 to 10 p.m.) Alzada area: 13,000-foot seeding level, 3,500-foot terrain, —10° C. seeding temperature.

Cloud: Entire area coverage with bases at 6,000 feet, tops unknown.

Seeding: Pattern flown was changed according to suggestions by Mr. Jim Wells, climatologist for Montana Forest Service at Missoula, consisting of 10-minute legs perpendicular to the forecasted winds, with each 180° turn into the wind. Five such runs were made. Heavy amounts of ice crystals and snow crystals were visible from lights of aircraft. Moderate to heavy accumulation of ice on aircraft. Turbulence at seeding level was light.

Results: Rancher under seeded area reported hearing aircraft and reported moisture amounts of from three-fourths to 1 inch. Some water ran. On aerial check the following day with aircraft, it was found that a strip approximately 10 miles wide and 30 miles long received good measurable amounts of moisture. This area moved from south to north and indicated that the forecasted winds were in error 90°.

May 4 (2 to 4 p.m.) Belle Fourche area: 15,000-foot seeding level, 3,000-foot terrain, —10° C. seeding level temperature.

Cloud: 4,000-foot base, tops unknown, light to moderate moisture encountered throughout flight while in cloud.

Seeding: Run was made from north to south with each turn being made to the east for a total of five runs. Forecasted winds showed light winds out of the northwest, but because of the movement of the cloud cover and densities noted therein, it was believed that slight movements of upper air was from the southeast, therefore the above seeding pattern.

Results: Immediately after returning to Belle Fourche, heavy and large snowflakes mixed with light rain started to fall. Precipitation area extended from Belle Fourche to the west side of Alzada target area, in amounts ranging from one-half to three-fourths of an inch during the ensuing evening.

Crew member and observer: Verle Pierce, rancher, Alzada.

May 11 (8 to 10 p.m.) Alzada area: 14,000-foot seeding level, 3,500-foot terrain, —10° C. seeding level temperature.

Cloud: A thunderstorm type buildup with moderate sheet lightning visible from a distance. Base of cloud was at 13,000 feet, penetration was at 14,000 feet with seeding runs from north to south.

Seeding: Two passes were made. On the first run moderate turbulence was encountered with one extremely sharp lightning bolt visible. On second run turbulence was modified and no lightning was in evidence. Cloud was moving southeast.

Results: No moisture results were reported.

May 17 (7 to 8:30 p.m.) Alzada area: 15,000-foot seeding level, 3,500-foot terrain, —10° C. seeding temperature.

Clouds: Several small cumulus type buildups in area with 75 percent or more cloud coverage at base of buildups. One fair vertical build encountered but small in area.

Seeding: Three seeding runs made penetrating from north to south on this build. Turbulence light, moisture at seeding level light.

Results: Rancher in area reported sharp demarcation of precipitation area with estimated one-quarter inch of rapid accumulation.

May 30 (3 to 4:30 p.m.) Alzada area: 12,000-foot seeding level, 3,500-foot terrain, —10° C. seeding temperature.

Cloud: General overcast with bases at 8,000 feet.

Seeding: Penetration was made in line with darker part of cloud which was visible from the ground. Light turbulence was encountered, light ice crystals were visible, moderate accumulation of ice on aircraft noted—20-minute seeding run was accomplished.

Results: Alzada radio station reported cloud to appear to darken immediately upon entry of aircraft, and that its easterly movement appeared to shift and move southeasterly. Precipitation area followed relatively close behind the darkened area of cloud. One-half to three-quarters inch of moisture reported in the Bear Lodge area around Alva and Aladdin. Forecasted winds appeared reliable up until the time of seeding.

June 4 (1 to 2:35 p.m.) from 5 miles south to 20 minutes southwest Sundance: 16,000-foot seeding level, 3,500-foot to 5,000-foot terrain level, —10° C. seeding level temperature.

Cloud: 9,000-foot base with several good vertical builds in immediate front, grayish-white color in front and sides with increasing darkness toward rear. Good sized cloud. Light moisture was falling from center of cloud.

Seeding condition: Attempted run with both burners on in updraft at front of cloud; drafts were light and considered marginal; hail began to be noticeable on ground. Immediately began climb which was unusually fast due to thermal help inside of cloud. Lost one burner shortly after cloud entry. Moderate to heavy ice crystals noted with moderate formation on aircraft, moderate turbulence encountered. Perpendicular runs to cloud movements were made, penetrating from side to side and extending approximately 15 miles toward rear. Runs were less turbulent toward rear of cloud.

Evaluation (during seeding): Good.

Cloud was large, had good amount of moisture and good activity.

Results: Outside appearance of cloud after seeding undetermined. Little or no lightning noted or reported. Pilot noted heavy runoff in area directly point of breakout from cloud. Ground reports indicated 1 to 1½ inches of rain with from 2 to 3 inches of hail, the very first of which was hard but very shortly after beginning the ensuing stones were soft and considered nondestructive. Some damage to vegetable gardens reported.

Area of precipitation: Approximately 15 mile radius of Upton, Wyo., from east through north to west.

June 6 (12 noon, 1 and 20) Sundance and Warren Peak, Wyo., area: 16,000-foot, seeding level, 3,000-foot, to 6,700-foot, terrain, —10° C. seeding temperature.

Cloud: 11,000 feet, mean-sea-level base, not particularly dark, normal vertical build, several individual short cumulus in area and around base. Very light rain directly under base, not reaching ground. No lightning.

Seeding conditions: Light ice crystals visible, some heavy; light formation on aircraft; light turbulence; some strong updrafts (3,000 feet per minute); perpendicular runs with 45° banks and 180° turns upwind with full coverage of cloud from front to rear.

Evaluation (during seeding run): Fair. Cloud considered small.

Results: Other small clouds at base seemed to generate and join. Three quarters of an inch of rain reported with some soft hail 15 miles downwind. No lightning visible or reported. Area covered by precipitation undetermined.

June 6 (4:30 p.m., 1 and 20) Sundance to 20 miles S., Wyoming area: 17,000-foot mean-sea-level seeding level, 3,000-foot to 5,000-foot terrain, —11° C. temperature.

Cloud: 10,000-foot base with horizontal extension to vertical build, light updraft at this point and not considered adequate; therefore, climbed to 17,000 feet for inside seeding runs. Cloud became darker toward rear and covered much larger area with a high and dark overhang above 20,000 feet.

Seeding conditions: Moderate turbulence at front and lighter toward rear (2,000 feet per minute updrafts near front in cloud). Light and fine ice crystals visible, occasional areas of larger and heavier snow and frost-like crystals. Moderate frost-like formation on aircraft (windshield solid). No lightning noted. Continuous perpendicular passes through cloud with 45° bank and 180° turns into wind from front toward rear for approximately 20 miles, back side never reached. One burner.

Evaluation (during seeding run): Good.

Results: Cloud reaction unknown; no lightning reported; pilot estimated 1 inch plus in area under rear of cloud with good runoff noted. Thirty-one hundredths of an inch reported at Sundance 20 miles toward the front.

June 8 (4:30 a.m., 1 hour and 35 minutes). Baroid, Wyo., area: 17,000 feet seeding level, 3,000 to 3,500 feet terrain, 10° C. temperature.

Cloud: Base 10,000 feet, mean sea level, good dark color, no lightning. No thermal appearance, very light rain funnels under base.

Seeding conditions: Moderate clear ice for med; very small and light ice crystals apparent; light turbulence, one strong updraft encountered; five perpendicular passes with 45° bank and 180° turns upwind; with one burner.

Evaluation (during seeding): Poor; low moisture content; however, inside appraisal looked better than outside appearance of cloud (resembled a strato condition).

Results: Strong vertical build; sharp lightning reported; precipitation: one-quarter to one-half inch (pilot estimation) started 5 miles downwind from cloud entry. Area covered undetermined.

June 10 (3 to 4:45 p.m.) Sundance, east of Warren Peak and extending northeast 10 miles: 9,000 feet seeding level, 3,000 to 4,000 feet terrain level, 5° to 10° C. seeding level temperature.

Cloud: Relatively small cloud, though good vertical build and dark color. Cloud moving northeast along face of Bear Lodge Mountains.

Seeding condition: Fair updraft encountered just under roll of vertical build, averaging 500 to 1,000 feet per minute. Seeded for 30 minutes with one burner. Fairly successful in holding updraft during this period.

Evaluation: Cloud considered a little small, however, updraft remained constant during seeding and darker condition in and under cloud started to result almost immediately. Moderate precipitation was expected.

Results: Sundance reported 0.67 inch; one rancher reported 1 inch 5 miles north and west. Extent of area in precipitation undetermined.

June 10 (6:35 to 8 p.m.) Aladdin and Hulett area, Wyoming: 10,000 feet seeding level, 3,000 to 4,000 feet terrain, +10° C. seeding level temperature.

Cloud: Several relatively small cells in area with very light precipitation showing underneath some. Updrafts erratic and weak. Unable to hold any particular draft long during seeding operation. Clouds indicated some activity during operation but not considered to be strong.

Evaluation: Poor.

Results: Spotted reports of one-quarter to one-half inch reported in area.

June 10 (9 to 10 p.m.) Alzada, Mont., area: 10,000 feet base of cloud, 3,000 feet terrain level.

Cloud: Showed considerable electricity and considerable turbulence was encountered near cloud base. No active updraft could be found that remained reliable enough for seeding.

No seeding attempted; cloud believed to be dissipating rather than building—could have been edge of previously seeded system.

June 12 (6 to 7 p.m.) 5 miles south of Alzada to Albion, Mont., area: 12,000 feet seeding level, 11,000 feet base of cloud, +5° C. at seeding level.

Cloud: Entire sky in west by obscured by a dark, high cover; buildup was not apparent over 15 miles away. Good vertical build and quite dark, no apparent lightning; light moisture falling behind frontal roll.

Seeding: Run started with both burners just under frontal roll and above main base of cloud. Relatively large "updraft area" which was strong and constant (1,000 feet per minute). After 10 minutes of seeding "updraft area" became smaller and much stronger—(wheels down, full flaps, and no power were needed to offset strength of vertical currents) for a period of 3 minutes; from this point on a strength of updraft continued to fade until none existed about 15 minutes later. Cloud moving northeast (same as winds aloft reports).

Evaluation: Excellent, based on color and size of cloud and strength of updraft.

Results: Onground reports indicated unusually strong winds prior to precipitation, the degree of wind strength seemed to correspond in area directly under varying intensities of updrafts encountered at seeding level. Air very stable in center of updraft, becoming quite turbulent on fringe area.

Precipitation: One-half inch measured 5 miles downwind from point seeding run started; 10 miles downwind from point seeding started received heaviest amount (estimated 2 inches) which corresponded to area over which strongest updrafts were encountered; from this point on (about 15 miles) precipitation amounts diminished.

Area: 25 miles long, 2 miles wide at beginning of precipitation area and 15 miles wide at end of precipitation area.

June 13 (6 to 7 p.m.) Bear Lodge-Sand Creek area: 8,000 feet seeding level, 4,000 feet terrain level, +12° C. seeding level, 75 percent humidity or better.

Cloud: At beginning consisted of several "buildups" with no definite system in evidence—several other minor "builds" in area; some showed light moisture falling.

Seeding: Updrafts during seeding run were indefinite, erratic and light to moderate. Seeding run was about 10 miles long. Cloud developed into a strong system at point 15 miles downwind from starting point.

Results: Precipitation measured 1 inch at Spearfish (15 miles from start of seeding run), 2 inches at Whitewood (35 miles from starting point).

June 25 (5 to 6:30) Alzada, Mont., to Orman Dam: 12,000 feet seeding level, 3,500 feet terrain level, +5° C. temperature, 10,000 feet cloud base. Humidity unknown.

Cloud: Good vertical build with heavy overhang; however, did not extend to ground on back side. Light moisture was falling from center of cloud. Not considered to be exceptional during climb and approach.

Seeding run: Good steady updraft was immediately encountered just above base and under frontal roll. Almost immediately after initiating seeding run, strength of updraft started increasing, frontal area widened, and cloud became very dark in center area. At point of strongest updrafts wheels down, full flaps, and no power was not sufficient aircraft-drag configuration to offset vertical velocities of updraft. Strong winds were noted on ground during seeding runs. Area seeded was about 10 miles wide and 30 miles long.

Evaluation: Very good, based on strength and the degree of development of system during seeding operation.

Results: 2 inches of moisture reported on Morgan Ranch 7 miles down area from start of seeding run; varying amounts from 1 to 2 inches for the next 30 miles were reported.

Footnote: Arnold Kolb picked up cloud in South Dakota and continued seeding operations at higher altitudes. Over 5 inches was reported in Arpan district some 40 miles from starting point.

Crew member and observer: Fred Cobb.

July 1 (12 midnight to 2 a.m.) Baroid, Wyo., to Newell, S. Dak.: 10,000-foot seeding level, 8,000-foot base of cloud, 3,000-foot terrain level, 10° C. seeding level. Humidity: Unknown. Weather Bureau forecast reported no chance of precipitation.

Cloud: Outward appearance of cloud as evident from lightning flashes did not show particularly large vertical build. Lightness between ground and base of cloud indicated the cloud was not particularly of dense formation.

Seeding run: Upon approaching cloud considerable difficulty was encountered in locating suitable updraft, and for approximately 15 minutes after seeding started, updraft was light and unreliable. However, from that point on and for the next hour the updraft continued to increase both in strength and in depth as well as across the face of the cloud. At point of maximum updraft strength, aircraft configuration required wheels down, full flaps and no power to offset vertical strength of updraft, in order to hold proper speed and altitude. At point that seeding run was terminated, the updraft had diminished to a point where it was considered inadequate for further seeding.

Evaluation: Considered good due to the increasing strength of updraft, the growth and build of cloud both in width and vertical height.

Results: The precipitation area at beginning of seeding run was approximately 3 miles wide which increased to a widening of approximately 20 miles at end of seeding run.

Rain measurements: Baroid, 0.50; Clarence Davis, 1.50; 20 miles downwind from original starting point of seeding run—at that point several reports of over an inch were turned in; Arpan, 1.75 (5 miles further downwind); Newell, 0.30 (approximately end of precipitation area).

Summary: 1.50 inches in precipitation area.

July 1 (4 to 5:30 a.m.) Belle Fourche area: 7,000-foot seeding level, 3,000-foot terrain level, +10° C. seeding level. Humidity: Unknown.

Cloud: Numerous small vertical thunder cells in area with nearly all bases joined by a base cover. No particularly large thunder cell activity was in evidence.

Seeding run: No constant or dependable updraft was encountered. However, several individual cells in the area were seeded for a period during which an updraft could be held.

Evaluation: Even though cloud cover indicated good moisture questionable results were anticipated due to lack of satisfactory updrafts which could be found or held for any length of time.

Results: Scattered points of precipitation area reported one-fourth inch to one-half inch. No general system in evidence nor was there any general precipitation area.

Footnote: The pilot was not aware of the above existing conditions early enough to allow for the aircraft to get to seeding position in time to properly work entire area. It is felt that if time had allowed, better results could have been obtained in target area prior to dissipation and movement of clouds out of area.

Summary: 300 square miles precipitation in target area; 400 square miles precipitation area; 0.50 inch average in precipitation area.

July 5 (11 a.m. to 2 p.m.) Ridge, Mont. to Sturgis, S. Dak. (Seeding run 100 miles long and an average of 20 miles wide; 2,000 square miles approximately seeding area.)

Seeding level varied from 12,000 feet to 6,000 feet lower level at end of run.

Terrain level averaged 4,000 feet.

Temperatures ranged from +12° C. to +5° C.

Humidity at freezing level which was 14,000 feet given by Weather Bureau as 89 percent.

Cloud: Upon approaching cloud it was of small makeup in area coverage. However, vertical build was good, as well as color and density. Cloud was moving northeasterly and was on the northwest tip of target area and considered to be moving out of area.

Seeding run: All seeding passes were made on the southeast corner of the cloud with hopes of building cloud in a southeasterly direction for the purpose of pulling it into the target area. It was realized after first few seeding passes that the cloud was building in that direction and the length of each seeding run thereafter was increased until it was realized that further widening of seeding runs would be unwise due to the potential color of cloud; very evident hail was in prospect. After 30 minutes of seeding second burner was lit in conjunction with first, mainly for purpose of holding down anticipated hail conditions. Both burners were used for approximtaely 20 minutes at which time one failed. At this time, due to vicious aspect of cloud, efforts were made to secure a second plane for assistance. These efforts failed, and operation of the one plane continued until the original burner failed due to exhaustion of fuel supply. At this time, 1 hour and 30 minutes of seeding had been accomplished and the cloud had grown to a width of 15 miles on the frontal side and had extended southeasterly for a distance of 35 miles. At this point seeding airplane proceeded to base for refueling. Upon arriving back to cloud, the frontal system had moved an additional 15 miles. Continued seeding under frontal roll of leading edge of cloud with no efforts toward widening cloud for fear of extending beyond possible control as far as hail suppression was concerned. This procedure continued for the next 70 miles southeasterly direction and solely in front of the cloud movement. Strong updrafts was in evidence along entire frontal width of cloud with steady and reliable conditions prevalent. Cloud in appearance was very dark, boiling with extreme dark visual conditions and hail possibilities were believed to be extreme. Back under base of cloud, several ground reports indicated funnel formations dropping out of base

of cloud. However, no ground damage was reported.

Evaluation: Good precipitation was anticipated throughout seeding area with fear of some hail damage.

Results: The entire area seeded resulted in measurements of from 1 inch to 2 inches in precipitation. No hail or wind damage was reported.

Footnote: It is believed that under this particular condition, and similar ones, that the cloud could be seeded on any side and that immediate build and precipitation of said cloud would thereby result. It is felt that this area could have been increased further had additional aircraft been available. The last half of this seeding run was primarily for the purpose of suppressing destructive hail conditions that were visually apparent. Precipitation area consisted of approximately 3,000 square miles. As previously stated, no damage was reported under seeded area. However, some hail and wind damage was reported to the southeast and approximately 15 miles beyond seeded area. Updraft and cloud condition still strong at termination of seeding run.

Official rain measurements after seeding operation:

Belle Fourche	1.12
Newell	.41
Sundance	.31
Alzada	.30
Orman Dam	.62
Spearfish	.32

Unofficial:

Tristate milling	1.20
Frankie Pearson (9 mi. NW. Aladdin)	1.40
Bob Stumpf (4 mi. NE. Belle F.)	1.60
Art Wennberg (5 mi. NE. Belle F.)	1.20
Joe Jones (Owl Creek)	.80
Jack McClure (25 mi. NW. Belle F.)	.20
Fritts Store (Whitewood)	1.20
Cheyenne Crossing (in 15 min.)	.60
Mrs. Bob Davis (10 mi. N. Belle)	1.30
Ted Helmer (7 mi. E. Belle)	1.50
Foot of Redwater Mill on 85 S.	1.20
George Kiplinger (Indian Creek)	1.20
Bondurant (Fruitdale)	1.30
Galena	1.20
Custer Peak	1.31
Black Hills Airport	.80
Kling Drive-In (5 miles east Belle Fourche)	1.50
Minnesela	1.25
Clarence Davis	1.20
Jesse Jones (1 mile north Nisland)	1.80
Ed Dick (1½ miles east Nisland)	1.40
Loren Harper	.30
Hejde (Aladdin)	.70
Gordon Mowry (17 miles northwest Belle—in 22 minutes)	1.30
Rawl Robinson (between Colony and Alzada)	.90
Bus Field Airport	1.35
Hydro I	.58
Hydro II	.26
Hannah Pumping	.42
Vyrl Norman (2 miles southeast Belle Fourche)	1.35
Ernest Gutche (7 miles east Vale) (Since June 10 has had 6.30)	.70
Fred Norman (Nisland)	1.50
Harry Scoggins (Seely, Wyo.)	1.50–2.00
5 miles northwest Beulah	.50
Aladdin	.50
Mrs. Roy Foster (10 miles southwest Alzada)	.75

Damage reported:

Trace of hail at Fritts Store in Whitewood.

Hail reported at one place at north end of Bear Lodge north of Aladdin.

Hail reported at Aztec Hill (west of Lead on 85). It was reported later that some wind and hail damage occurred on Dick Ackerman ranch; this would appear to correspond both in time and area of the approximate time of aircraft refueling.

Additional crew member and observer: Alan Herbert, news director and analyst, KBFS radio station, Belle Fourche, S. Dak.

Summary: 2,000 square miles seeded, 3,000 precipitation area, 1,500 square miles precipitation in target area, 1.50 inches average coverage.

July 6 (8:05 to 10:15 p.m.) Hulett to 10 miles west of Frank Cochran two individual systems:

Cloud had considerable lightning and generally good updrafts; however, first system was small and updrafts proved to be unreliable. Second system has long frontal area with light updrafts. The night was unusually dark and therefore visual valuation of cloud could be made only during lightning flashes and therefore was difficult and inconclusive.

Seeding run: First system was seeded for about 45 minutes and second system for about 20 minutes at which time burner failed due to lack of fuel. Second burner was inoperative.

Evaluation: Moisture reports did not measure up to anticipated results—during seeding runs conditions seemed to be better than actual results indicated.

Results: 0.25 Harry Scoggin and south on Belle Fourche River, good rain but no measured amounts reported at Cochrans and to the northeast.

July 7 (12 noon to 2 p.m.) Warren Peak—Sundance—to 5 miles southeast: 7,000-foot to 8,000-foot seeding level, 4,000-foot to 5,000-foot terrain level, —10° C. temperature at seeding level, 14,000-foot freezing level with 80-percent humidity.

Cloud: Several cells visible on line from Warren Peak to Inyankara Mountain to Crow Peak; generally speaking, all cells joined at base. Some cells much stronger with more vertical build than others.

Seeding run: One burner was used throughout operation, starting at Warren Peak and moving northeasterly. Worked each individual cell in an attempt to locate a major updraft for entire system. Never located any condition in which updraft was of such strength as to indicate it fed any major system. However, from all appearances, it was believed that such a system did exist. Base of cloud shifted in position several times but at no time did it indicate any general movement. There appeared to be a shear-effect on the tops of the clouds above 25,000 feet to northeast.

Evaluation: Good results were expected because of density and obvious moisture content of clouds; however, it was felt that good, effective seeding had not been accomplished due to pilot's inability to locate a strong, reliable updraft for entire system.

Note: It was later learned that Arnold Kolb of Spearfish was working the same system at approximately the same time at 19,000 feet both around and through the vertical builds, using two burners.

Results: Official rain measurements after seeding operation (Government approved measuring stations:)

Sundance	0.55
Warren Peak	1.37

Unofficial rain measurements:

G. W. Plato (12 miles southeast Sundance)	1.75
3 miles south Plato	3.
Harry Reynolds (southeast Sundance)	3.10
Cement Ridge (near Plato)	.40
Straiter Clark:	
At house	.50
At end of field	3.

Summary: 375 square miles of precipitation in target area; 2 inches average coverage.

July 8 (1 to 3 p.m.) Warren Peak: Seeding level, 10,000 to 15,000 feet; terrain level, 6,000 feet; temperature at seeding level, 0–12° C.; freezing level, 13,500 feet with 80-percent humidity.

Cloud: Appearance of cloud during climb and approach thereto were exceptionally good; all conditions such as low base, good vertical build, average density and frontal roll all seemed to be present. Cloud covered Warren Peak as well as most of Bear Lodge Mountains.

Seeding run: At no time was an updraft encountered which was adequate to effect any degree of seeding from any position outside of the cloud; even though the entire area beneath cloud was covered as well as the area around the cloud at 12,000 feet, 14,000 feet, and 15,000 feet. Penetration of cloud was not considered feasible and was not attempted. Cloud area moved very little if any during flight periods.

Evaluation: No seeding accomplished, therefore no results expected.

Results: None reported.

July 9 (7:15 to 8:45 p.m.) from Harry Scoggins Ranch on a 10-mile width for an easterly course of 30 miles.

Cloud: Difficult to evaluate cloud or determine logical up-air area due to darkness; however, lightning flashes indicated several cells along frontal line which appeared to be close enough together for development of a major system.

Seeding: After about 45 minutes of seeding several small and unreliable updrafts under various cells a general up-air area was located and seeding continued in an easterly direction for about 45 minutes at which point burner failed due to exhaustion of fuel. Second burner was inoperative. Updraft was strong, reliable and extended across entire front of cloud. Cloud was carried approximately 5 miles to the east out of target area before burner failed.

Evaluation: Good results anticipated based on strength and size of updraft area, as well as growth thereof after seeding began.

Results: 0.80 Frank Arbuckle, 0.50 George Kiplinger, 0.30 Redwater and Highway 85, 0.40 Otto Erickson, 0.73 center of Nation, 1.20 5 miles north of Newell, 1.25 George Stetter, 0.17 rain and 1½-inch hailstones at Arpan (25 miles downwind from termination of seeding run), 0.70 and hail, Dave Widdoss (10 miles northeast of point seeding run was terminated).

Summary: 0.50 inches average precipitation in target area, 1-inch average precipitation east and out of target area, 400 square-mile target area, 1,000-square-mile total precipitation area.

July 10 (2:20 to 4:45 p.m.) from Harry Scoggins Ranch across northern tip of Bear Lodge to Baroid to Sturgis, S. Dak.: 11,000-foot seeding level, 3,500-foot average terrain level, 5° to 8° C. seeding level temperature, humidity: unknown.

Cloud: Several cells throughout area some of which showed light moisture falling; all cells had a thin flattening-out layer at base, which in some cases joined other such cell bases. Due to the partial base coverage at cloud level it was difficult to locate the area of major buildup. Clouds were believed to be moving east by southeast.

Seeding: Several cells with one burner were worked in order and area as above mentioned with no particularly strong up-air area encountered. At a point 5 miles northwest of Baroid and approximately 3 miles back under the leading edge of cloud cover a dome-shaped imprint of the cloud base was noticed; this area was about 3 miles in diameter. Such a condition in cloud base indicated an up-air area even though the location was considered unusually far back from lip of cloud. Upon penetrating this area immediate up-air was encountered, the

vertical strength of which, despite the fact that all power was out, wheels and full flaps were dropped, the plane was pulled into the cloud. An immediate heading for leading edge of system was picked up and breakout was effected within 3 minutes. From this point on frontal seeding in an unusually strong up-air area was effected for the next 40 miles.

Unusually strong winds were noted under leading edge of cloud rolls; reported above 50 miles per hour at Bus Field Airport. Two funnels were reported, one noted by seeding aircraft, one by Alzada Garage, no damage resulted other than some shingles that were pulled off the garage and some trees shredded on the river.

Alzada is 15 miles northwest of the up-air area and out of precipitation area—precipitation started at Colony about 3 to 5 miles to the east from point of main up-air encounter.

Evaluation: Good precipitation was anticipated under seeded area with feeling that strong hail conditions existed; and because of this factor, continued seeding beyond target area for approximately 35 miles was effected.

Results: 0.45 Frank Arbuckle, 1.50 Albion (official), 2 Earl Gaver, 1 Alvin Walker (with 1 inch of hail reported, north and west of Albion and 15 miles north of starting point of seeding run), 0.50 George Kiplinger, 0.90 1 mile west of Arpan, 0.10 Redwater and Highway 85, 0.30 center of Nation, 1.15 compressor station, South Dakota, 0.60 5 miles north of Newell, 1.50 George Stetter.

Summary: 900 square miles seeded, 1,200 square miles precipitation area, 500 square miles precipitation in target area, 1 inch average for area.

July 11 (5:30 to 6:30 p.m.) Sundance area; Loren Harper Ranch to southeast for 15 miles to Moskee: 8,500-foot seeding level, 4,000 to 6,000-foot terrain, 10° C. temperature at seeding level. Humidity: unknown.

Cloud: Small in area but it had good dark color at base with good vertical build; however, density and color lightened considerably from middle to top of build. Some rain was falling at rear.

Seeding: System was believed to be moving southerly and climbout was toward south side of cloud. Upon reaching front edge of cloud a steady and reliable area of up-air was encountered, although it was considered light (about 500 feet per minute). This area proved to be existing in a 5-mile width across cloud front.

A 20-minute seeding run was accomplished in the up-air area just above the base roll for a distance of 15 miles.

Evaluation: Darkness of cloud increased rapidly after start of seeding run whereas the vertical strength of up-air area increased only slightly; because of this and the relatively smallness of cloud a one-half inch of moisture would have been considered good.

Results: 0.50 Loren Harper, 0.75 Hubert Matthews, 0.32 Hydro No. 1, 0.23 Hydro No. 2, 0.08 Savoy, 0.10 Spearfish, 0.04 Sundance.

Summary: 0.50 inch average precipitation under seeded area.

DR. FRANK N. D. BUCHMAN

Mr. CASE of South Dakota. Mr. President, on Friday of last week, at Allentown, Pa., funeral services were held for Dr. Frank N. D. Buchman, who had passed away in Germany last week.

Dr. Frank Buchman was a man who had true faith in God. He believed that what is right is more important than who is right. He believed that faith and ideals are the ultimate force in human conduct. His message seemed utterly impractical to realists, but in practice it solved labor disputes in several countries and caused many Communists to change to policies of good will.

I shall never cease to admire the change which his disciples wrought in the coal miners of the Ruhr or in the restless youth of Japan.

Few men of our generation have done so much to moderate tension and promote good will as Frank Buchman.

Mr. President, I ask unanimous consent that an article may be printed at this point in the RECORD and that it be regarded as a part of the tribute to the life and work of Dr. Buchman.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE RED THREAT IN BRAZIL AND THE COUNTER-THRUST OF MORAL REARMAMENT

(By Al Kuettner)

World communism has a highly organized plan for Brazil. It is to win control of northeast Brazil with the eventual goal of dividing north from south and turning the country into a huge Korea of the Western Hemisphere.

The ideological battle is spreading from Recife to the Amazon.

Communists already hold a number of key public offices and control many student groups. They effectively use widespread poverty, hopelessness, and moral corruption to win masses of peasants.

The total strength of the Communists in the northeast is difficult to estimate because the party operates illegally. But all responsible leaders acknowledge it is large and on the increase.

A member of the Recife City Council estimates there are 20,000 militant Communists in the Recife area alone.

Thousands of them regard Cuba's Fidel Castro as a hero. And a university-trained lawyer named Francisco Juliao, the leader of Brazil's peasant leagues, is looked upon as a "Robin Hood of the north" by masses of sugarcane workers.

Recife is a paradox city of glitter and squalor. University students led by Communist elements recently rioted there when their rector refused to permit the mother of Cuba's Ernest Guevara to make an address.

The Federal Government rushed tanks, troops, and a cruiser to Recife to put down the demonstration. The extreme show of force was planned to discourage a linkup between students and Juliao's peasant leagues which are heavily infiltrated by Communists.

At Vasco da Gama, a poor Recife suburb of many people, the parish priest says Communists have a big foothold. He attributes this hold to what he called the tremendous hatred and bitterness of the people.

The priest says, "The good people quit and do nothing. It doesn't take many Communists to win in a situation like that."

The Government has special security forces in the northeast, operating much along the lines of the U.S. Federal Bureau of Investigation. The forces check on trouble spots and agitators.

There are reports of guerrilla bands being trained in the hills and of arms being shipped in through one of the northern States flanking the Caribbean.

Juliao is a member of the state legislature and has his eye on a federal parliamentary post. He has at least 25 leagues militantly organized. And he recently wrote an article in a Communist-front publication that blasted Brazilian lawmakers and urged peasants to strike and to march on the cities.

Juliao was a special guest of Castro in May. He has been invited to return to Cuba with 100 Brazilians for the anniversary of the July 26 movement which propelled the Cuban dictator into power.

One of Brazil's top internal security officers described Juliao's magnetism. He said, "Juliao appears to promise everything. He tells the peasants, 'The land is yours.' "

MORAL RE-ARMAMENT EFFECTIVE

That was the situation when the Moral Re-armament force came to the northeast and set up advance headquarters in Recife.

On the night of July 1, I arrived in Recife as an American reporter planning to travel with the MRA force to see what was happening. I went immediately to the Recife football stadium where Japanese students, whose rioting prevented General Eisenhower from visiting Tokyo in 1960, were presenting their play, "The Tiger." The stage drama tells how they found an ideology superior to communism when they met Moral Re-armament.

A portable platform had been constructed in midfield at the 50-yard line. A navy band was playing martial airs, a huge crowd was packed on the field and into the stands behind.

I asked the president of the stadium to estimate the size of the crowd. He looked around, calculated for a moment, and said, "About 45,000." The chief of security forces who was with him added, "There has never been a demonstration like this in Recife."

I learned later that students who had been involved in the recent rioting were sitting peacefully in the stands with soldiers who had been sent to Recife to quell their demonstration.

In the following days this force fanned out through northeast Brazil. Appeals poured in for teams to bring films and plays into the interior and up the coast. Governors, the Recife City Council, priests, and sisters in charge of convents were among those making pilgrimages to ask for ideological aid.

One of the many whose appeal was answered was Father Severino, whose parish is the incredibly destitute Recife suburb of Vasco da Gama. A crowd of 6,500 men, women, and children stood for 3 hours to watch the Rio dockers' film, "Men of Brazil." Just before the film showing some of the MRA force were being introduced from a platform when all the lights went out.

The visitors were reassured by Father Severino. He explained that 82 families in the community had decided to give the light from their own homes so that there would be sufficient illumination on the stage. Standing on the muddy hillside of Vasco da Gama, I saw other lights winking out in the distance and soon there was enough fresh power for the stage lights to come on again.

On another night the force went with "The Tiger" to Jaboatao, another Recife suburb, known as "Little Moscow." By curtain time the auditorium was packed to the walls and people were outside hanging on to the window grills.

Two blocks away in the town square more than a thousand who could not get near the auditorium were shown "Men of Brazil." They stood in a drenching tropical downpour that burst during the showing.

AN IDEA TO LIVE BY BIGGER THAN COMMUNISM

You saw there in northeast Brazil in town after town a great hunger in the people for an idea to live by. You also saw a hunger, even among the Communists, for an idea to live by that was bigger than communism, and you saw that the ideology brought to them by Moral Re-Armament was instantly appealing and challenging.

It also came crystal clear to me as an American that economic aid, while desperately needed in areas like northeast Brazil, will be completely ineffective without an ideological thrust of the boldness and dedication being demonstrated there by the advance of Moral Re-Armament.

This fact was brought home vividly to the American consul in Recife who told me, "I have seen this work of Moral Re-Armament in other parts of the world, but never with such effectiveness as here. It is without doubt the most politically significant thing that has happened in northeast Brazil in a long, long time."

On the weekend of July 8 the main MRA force boarded two Brazilian Navy corvettes and sailed for visits to coastal towns between Recife and Belem, on the mouth of the Amazon.

General Bethlem and others had an audience with President and Madame Quadros in Brasília just before flying in Air Force planes to join the force at Joapasoa, the port of embarkation.

"It is a tremendous job you are doing—an extraordinary work," the President told General Bethlem.

PRICE STABILITY AND THE ECONOMY

Mr. GORE. Mr. President, during much of the post-World War II period our economy and our people have been plagued by persistent inflation of sizable proportions. The elderly have seen their retirement annuities decrease in value. Those who have accumulated savings in the form of life insurance policies, Government savings bonds, and bank deposits have been forced to stand by helplessly as these savings year by year represented less and less in goods and services which they could purchase. Not only have individuals suffered, but the regular savings streams have been diverted to other channels, and interest rates have been pushed up by monetary authorities with the consequence that the small enterprise has had great difficulty in obtaining funds necessary for growth.

The story is all too familiar and perhaps a recital of these facts will serve no particularly useful purpose at this time except to manifest our awareness of the fact and fear of inflation.

Of course, during a part of the postwar period there have been unusual stresses and strains on the economy. At the conclusion of World War II, the economy was highly liquid and pent-up demand was strong. The unwise, doctrinaire, and overly hasty removal of wartime controls in the face of this demand and liquidity led directly to the first big inflationary jump.

The Korean conflict and the economic dislocations associated with it posed a second rather unusual threat to price stability. Here we got our second big round of inflation.

The cold war has, of course, been very much with us since the conclusion of the Korean conflict. But it would appear that the price structure has finally pretty well adjusted to this situation, demanding, as it does, large and indefinite expenditures for defense and foreign aid, although the relative price stability we are now enjoying has been accompanied by high unemployment.

Certainly, for the last 3 years we have had relative price stability. The wholesale price index for all commodities in 1958 stood at 119.2 and in June 1961, it stood at 118.2. The consumer price index has advanced only 4 percentage points in 3 years for an average of about 1 percent per year, which is certainly not unmanageable. This is in part attributed to the fact that many commodity prices have fallen during the past 3 years, which, in turn, has put our farmers in an economic squeeze. But this latter is a subject in itself with which I will deal at another time.

This stability should be a matter for self-congratulation on the part of all of us, on the whole, although many of us are displeased over the accompanying high unemployment and high interest rates. It may seem somewhat odd, then, to some, that I and many others in Congress should now be concerned over price inflation and be here today to express our fears of a renewal of general price increases. There are, however, already, a few tremors in the various indexes and there are now coming into play certain very specific threats to continued price stability. It appears to me that the time to act to prevent these incipient forces taking hold is now. Should the U.S. Government choose to sit idly by in the face of this clear and present danger, we may find ourselves, by the early months of next year, caught up once more in the stifling coils of yet another inflationary spiral.

As I see it, there are three specific conditions which now exist and, which, acting in concert, could well begin again to push up prices sharply.

The first of these three conditions is the deficit at which the Federal Government is now operating and at which it will continue to operate through the current fiscal year. Berlin and other foreign crises may indeed push the 1962 deficit even higher than now predicted. When the Federal Government pumps more money into the economy than it takes out, particularly if these extra funds are in turn quickly respent by the companies and workers receiving them, prices are likely to be nudged upward. This upward swing will not necessarily occur, particularly during a recession when overall demand is already low, but it would appear that our recent recession is well on the way out. Of course, under current conditions of high unemployment and underutilization of productive capacity, a deficit of currently predicted magnitude, in itself, is not inflationary.

The second condition which appears now to exist, and which generally poses a threat to price stability, in a rapid recovery from recession. Most of the indicators show that the business recovery which began in the spring is continuing strongly. This recovery, together with the deficit, may well operate to increase overall demand sufficiently to push some prices up and provide the stimulus or excuse for prices which might be arbitrarily pushed up.

The third condition, which fortunately has not as yet been realized, but which could become powerful overnight, is an anticipatory or scare-buying psychology, such as was much in evidence in the early days of the Korean action. Should such a psychology become activated, demand could be erratically, drastically, and unpredictably heightened.

It now seems certain that the first two conditions I have mentioned are beginning to be felt. We may well measure their full force on the price index scales by December. Should the fact of inflation become apparent, the fear of that self-nourishing giant may bring the third condition into play, regardless of foreign developments.

There are several views of inflation, none of which are necessarily contradictory, and some of which may apply in part to the problem at hand.

Some view inflation from the standpoint of monetary policy. Certainly, there have been periods of ruinous inflation, when so-called printing press money was much in evidence. In all such cases, however, there were other factors which led to a breakdown of the economic system and usually the political system. At this time we face no problem which could remotely be attributed to an excess of money or money substitutes in circulation.

Our money supply in recent years has been allowed to increase much more slowly than it should have in order to keep pace with, and facilitate, a growing economy. In fact, this is one of our serious growth and employment problems; but this is a different subject, which I shall not pursue at this time. Suffice it to say that our money supply has been increased only about $1 billion since 1958, while the gross national product has grown by some $70 billion.

Second, there is the classical view of inflation characterized by excess demand. This is often expressed by the phrase, "Too many dollars chasing too few goods." This type of inflation may be viewed as demand-pull. As I have pointed out, conditions which now exist point toward a rise in demand to as yet unpredictable levels.

A third view of inflation, and one which has been much discussed during this postwar period, is cost-push. There are very real grounds for considering cost-push inflation the villain of the postwar price drama. More and more industries appear to have fallen under the domination of big threes, on the one hand, and powerful labor bargaining organizations, on the other. Under such conditions, costs and prices can be pushed up almost at will. In the artificially administered price area characterized by steel, aluminum, and cement, for example, prices have repeatedly been raised.

Regardless of the view which one may take of inflation, and regardless of one's feelings as to the morality, legality, or propriety of price fixing, it is not possible to minimize the effect on our economy as a whole of increases in basic commodity prices, particularly steel prices.

The influence of steel prices on all other price indexes has been demonstrated many times; but in no instance, perhaps, has this influence been more clearly demonstrated and documented than in the report on "Employment, Growth and Price Levels," prepared in

1959 for the Joint Economic Committee, under the staff direction of Dr. Otto Eckstein of Harvard. This study proved beyond reasonable doubt that administered prices played the key role in the inflation of recent years. A few nights ago it was my pleasure to have Dr. Eckstein as a guest, together with some 20 or more of my Democratic colleagues in the Senate, for a roundtable discussion of the threat of inflation posed by the conditions to which I have already referred. I think all present considered it a most rewarding evening of discussion.

Competent studies have shown that during the period 1947–58, 40 percent of the rise in the wholesale price index was due to the fact that steel prices were pushed up faster and farther than the average of all other commodity prices.

The importance of steel in our price structure can hardly be overestimated. Not only is steel a truly basic commodity upon which most of our industrial capability depends, but steel prices also have an enormous psychological effect. The price of steel is traditionally one of the bellwethers of our economy. The raising or lowering of steel prices in itself not only triggers percentage price markups all the way to the retail outlets, but it creates a psychological climate which is carried over into the price-making process in other industries.

Steel wages are a bellwether, too, and should not bound above proper and reasonable comparable levels. By refraining from raising prices of steel in October, the steel companies would improve their bargaining position when wage negotiations are again undertaken in 1962. This type of hold-the-line attitude will also be felt in other industry wage negotiations, particularly those pertaining to the automobile-manufacturing industry.

Not only is steel important to our whole domestic economic structure, but it also has played a significant part in our balance-of-payments difficulties. From 1953 to 1958, U.S. iron and steel export prices rose 20 percent more than the rise in the export prices of our foreign competitors. During the same period, our share of world exports of steel fell from 18 to 12 percent.

Perhaps no one would quarrel with the emphasis I have laid on the importance of steel and steel prices in our domestic and international economy, but some may wonder at the concern which I and others now feel and express over a threatened increase in steel prices. These prices have been steady, as I have said, for about 3 years, the last increase having occurred in August 1958.

My concern at this time stems from the fact that on October 1 of this year, an increase in steel workers' wages is scheduled to become effective. Though the size of this incremental raise may not justify a price increase, we stand warned by the fact that in the past, when steel companies have granted a wage increase, prices have more often than not been raised to a level which far more than compensated for the increased cost of production brought about by such a wage increase.

Mr. MOSS. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. MOSS. I have been following the interesting remarks the Senator is making on the problem or threat of inflation with which we are faced, and particularly his remarks concerning the price of steel.

The trade publications in the steel industry have made it rather clear, it seems to me, that there will probably be an increase in the price of steel by $4 or $5 a ton shortly after the first of October, when the wage increase goes into effect.

It might not appear that a $5 increase should be a matter for deep concern. The price of a piece of equipment or machinery which has only a few pounds of steel in it should not be materially affected by such an increase in the cost of the steel going into it. This point has been repeatedly argued by spokesmen for the steel industry.

Mr. Roger Blough, testifying before the Kefauver committee in 1957, stated that the effect of an increase in the price of steel on the general price level was slight. He stated, for example, that the cost of a farm tractor would be increased by only $5.20 as a result of the $6 per ton increase in the price of steel which had just gone into effect.

As a matter of fact, this is not the case at all. There is a snowballing effect which pushes the price of finished products far above the few dollars which might be indicated by the weight of the steel going into such products.

A very interesting article in the Wall Street Journal covered this point very well when the effect of the 1958 steel price hike was being discussed in the press.

According to this article, a manufacturer of tractors explained how a steel price increase affected one model in his line. Immediately after the steel hike, prices of stampings from a supplier went up 4 percent, too. Forging shops raised prices. Machine shops passed along the increase. Components such as wheels, hydraulic systems, and axles arrived with higher price tags. Where costs of that tractor totaled $1,800 on July 1, several months later they were $1,875. Of course, it is customary to add a markup on machinery at the dealer level.

Mr. GORE. Percentage markup.

Mr. MOSS. That is correct; percentage markup.

Taking this into account, the customer who would have paid $2,338 for this farm tractor before the steel price increase would have to pay $2,435 for it shortly thereafter.

This illustrates how a chain reaction is set off by a price increase in steel. By raising the price of steel only $6 per ton, the price the farmer had to pay for his tractor was pushed up by $97. This is not inconsequential. It is not unimportant to the overall price structure.

Mrs. NEUBERGER. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mrs. NEUBERGER. How much steel would the Senator estimate there would be in a tractor? A ton?

Mr. MOSS. Something less than a ton of steel.

Mrs. NEUBERGER. So let us estimate half a ton, which would mean an increase of only $3. Therefore, is it not a fact that for a $3 increase in the cost of steel, the farmer pays $97?

Mr. MOSS. The point is well made. It has the snowballing effect I was referring to, because steel goes into all fabricated parts. The price of each goes up. Then the price of the dealer or the salesman increases, which results in the increase of $97 to which I have referred, on a relatively small amount of steel.

Although, as I have said, steel company officials have often claimed that the price of steel had little to do with the ultimate price to the consumer of finished goods, the Wall Street Journal concluded, after making a survey of metal-using companies, that few steel users agree with the inconsequential effects of price rises for the metal.

Former Secretary of the Treasury George M. Humphrey, in testifying before the Senate Finance Committee in 1957, referred to an increase which had just occurred in the price of steel. He went on to say, "I think that that will contribute to costs pretty well over a rather large area of the economy, to an increasing cost." I would certainly agree with Mr. Humphrey on that point.

It seems to me that it would be most unfortunate if another cost-push price spiral were started at this time by a nudging upward of the price of steel.

Mr. GORE. I thank the Senator for his able observations. I own an interest in a small rural hardware store. It happened that I was by the store shortly after the last increase in the price of steel was announced. My partner, who runs the business, showed me quotations, some of them by wire, immediately after the increase in the price of steel had been announced by the steel companies. There were increased quotations on metal lawn chairs, barbed wire, nails, hammers, saws—every metal item in that store would immediately cost more to replace. As the Senator said, the price has been pyramided by the various percentage markups which are compounded. Does not the Senator think there is also a psychological effect involved; each man tends to mark up the price a little more, to keep himself whole?

Mr. MOSS. Yes. I think experience will show that when there is a break in the line, as it were—and steel is the bellwether of most of our fabricated products—as soon as the price moves up, every other fabricator and supplier takes action to move his price up, and he moves the price at a little higher level than the price below necessitated, because he sees an opportunity to expand his income a little. After all, we operate under the capitalistic system, and each manufacturer is trying to supply goods and make a profit, and he wants to make as much profit as he can within the competitive market. They all tend to move up, one pyramiding on the other, and it is the consumer, the fellow on the other end, who is confronted with a tremendous increase in price. That, as the Sen-

ator is so well expounding, is the basis of a great deal of our inflation.

Mr. GORE. I am most grateful to the distinguished Senator for his observations.

A careful review of the past shows that steel company executives have established something of a ritual when the time for administered price increases is upon them.

Repeatedly, steel company executives have begun, months in advance, to prepare the public for a price rise. As if by habit—never collusive understanding, of course—steel company executives utilize their trade publications, particularly the magazines, Iron Age, and Steel, as a medium of communications in their mock sparring to determine which company will take the lead and how far it is safe to push up the price. It almost reminds one of the mating season dances of the Gooney birds.

Consider the situation, for instance, in 1958. The buildup at that time, preliminary to the price increase which was to come in August of that year, was something to see. Moreover, it bears many disturbing resemblances to what has been going on this year.

In May of 1958, various steel company officials were interviewed by the press while attending the annual meeting of the American Iron and Steel Institute. Mr. R. L. Gray, president of Armco, said that his company would "have to raise prices when wages go up, regardless of what others do." Mr. Charles M. White, chairman of Republic Steel, said that prices should go up.

Following the annual meeting, various officials began the signaling ritual on the twin tom-toms of Iron Age and Steel. In June of 1958, the trade press speculated on a price increase. From Iron Age for June 26, 1958, we note:

> From a practical standpoint, no other major steel company can replace the United State Steel as a price leader. No other steel firm will announce a price increase July 1 if United States Steel does not.

Interestingly enough, one rather small company, Alan Wood Steel Co., tried to jump the gun. Mr. Wood announced a price increase to become effective July 7, 1958, but stated:

> We realize that our company is too small to maintain a price level different from that of our large competitors. In the event the other steel producers do not change their prices by July 7 * * * we have no alternative other than to be competitive with their prices.

It so happened that United States Steel was not ready and Alan Wood was forced to cancel its announced price increase. Steel quoted A. L. Adams, president of Jones & Laughlin, as stating that it would be "commercial suicide" to increase prices without a comparable increase by United States Steel.

Mr. Hood, president of United States Steel, then issued a statement which was interpreted by steel "as a plea that some other company should take the pricing initiative."

Just a week later, steel passed the word up or down as the case may have been, that if United States Steel did not increase prices by mid-September, one of the other big companies would. On July 29, Armco did. On July 31, United States Steel and the others announced that they would move up prices to match the increased prices that had been announced by Armco. The dance was over. Time for the customers to pay, and to pay identical prices to every steel manufacturer.

What has happened now in 1961? Events and actions have closely paralleled those of 1958.

In May of 1961, at the annual meeting of the American Iron and Steel Institute, we find somewhat the same pattern of discussion as occurred in 1958. Referring to the wage increase scheduled for October, Mr. Arthur B. Homer, chairman of Bethlehem Steel, said, "That will be the time when things will come to a head." Mr. Thomas F. Patton, president of Republic Steel, Avery C. Adams, chairman of Jones & Laughlin, and Alwin F. Franz, president of Colorado Fuel & Iron, according to the New York Times, spoke of the need for price increases.

Again, in 1961, statements subsequent to the meeting followed the 1958 pattern.

Iron Age for June 8, 1961, spoke of "outright statements and persistent rumors from industry sources that rising costs require a price hike." Steel, in its July 10, 1961 issue, warned steel buyers to be on the lookout this fall for "a probable increase averaging $4 to $5 a ton in base prices of selected forms around October 1."

The Wall Street Journal on August 7 stated that "steel men recently have been implying they are determined to try some price increases this fall."

The pattern of 1958 is thus being repeated in 1961. It is often said that history does not repeat itself, but the weight of the evidence makes it all too clear to me that the steel companies will push up their prices by about $5 per ton shortly after the first of October unless something is done to restrain such action.

Such a price push would, as I have stated, coming at a time of increased overall demand, sizable deficits and world tension, have a most undesirable effect on our whole price structure.

One question which often arises, and which might logically arise at this point in this discussion, concerns the equity involved in steel pricing. Do the companies now require an increase in price to earn a fair rate of return? Is a price increase justified from the viewpoint of the stockholders of the steel companies?

Of course, as soon as anyone asks the above questions, he perforce admits that steel prices are, in fact, not set by competitive forces of the market, but by arbitrary arrangements made among the managers of the large companies. Adam Smith's unseen hand does not guarantee a fair return on investment, or even an equitable price.

But what are the facts? Given the existing situation which does, indeed, allow the steel company managers to set prices, do existing and projected circumstances require or warrant a price increase?

The most obvious place to begin is with the wage increase. Will the October 1 wage increase mean that the companies will make less money during the fourth quarter than they are now or have been making during the past two quarters?

According to information which has been furnished me by the Council of Economic Advisers, at my request, the rate of return for the steel industry during the fourth quarter of 1961 will likely be equal to the average of the last 14 years, which is 10.5 percent, after taxes. This figure is projected on the basis of the scheduled wage increase but with no price increase at all.

An examination of all the facts up to this point convinces me that there is a plan afoot for the steel companies, acting in concert, as they have acted in concert many times in the past, to raise the price of steel by an appreciable amount sometime this fall. Furthermore, it would appear that market forces will not bring about, nor will they justify, this increase. The steel companies are already getting a good rate of return on low levels of production. They neither need nor deserve higher prices and greater rates of return.

This leads directly to the conclusion that a price rise should be prevented. The public welfare demands its prevention. The real question is how to prevent such a rise within the framework of our free enterprise system.

The Government of the United States is not helpless, by any means. There are several possible courses of action which ought to be, and can be, pursued.

First, the President of the United States is possessed of great powers, both legal and moral, if he will but use them. Much can be done by a President who is determined to protect the public interest. Backed by the majority of the Congress, as President Kennedy is, much can be accomplished by moral persuasion alone. Few leaders of industry or labor will defy a determined and positive President. Should the President, speaking for the national interest, meet recalcitrance, he may pursue several courses of action, including bringing to bear the vast weight of public opinion.

Second, the Federal Trade Commission, with a vigorous new Chairman, could move to police the steel industry according to the mandate laid down for it by the Congress. There is now in effect an order handed down by the FTC in 1951 which, it seems to me, would be violated by a uniform price increase, and which has been, in fact, violated repeatedly in the past. I say this order is in effect, and should be in effect. This order has been promulgated, and it should be enforced. No specific Presidential action should be necessary to activate the Commission, but Presidential direction would help.

Third, the Antitrust Division of the Department of Justice can get busy, or be activated by Presidential direction. During the past several years, the Division has not been overly active in the steel area, although its conduct has been praiseworthy in some other respects. It has been claimed that Justice needs additional powers to require companies to

produce certain records. If so, let the administration request it. The Congress can grant such authority, and I believe it can do so quickly. It may well be that the large steel companies can and should be broken up into smaller units so that true competition, including price competition, may be restored. Such action may well prove necessary to restore the existence of free enterprise in the steel industry.

Lastly, if all else fails, steel prices can be brought under utility-type regulations much as various Government agencies now regulate prices in other fields characterized by monopoly control such as railroad, air, truck, and bus transportation, pipelines, and many other fields. Few would want to do this, but it may be necessary. The public and Government must not stand idly by and be victimized by either big business or big labor, or both.

A stable price structure is essential to our strength and progress. This stability cannot be maintained if the price of basic metals is pushed up.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. DOUGLAS. I congratulate the Senator from Tennessee for his very able speech, in which he has pointed to perhaps the greatest economic danger in the months which lie ahead.

I have had prepared two charts based on the studies of the Temporary National Economic Committee prior to World War II, and also the hearings before the Kefauver investigating committee, which in turn are based upon figures drawn from the reports of the Federal Trade Commission, Moody's Industrials, Financial Reports, and a publication of the United States Steel Corp. itself. I think the results are quite interesting. If Senators will consider the United States Steel Corp., which is indicated in the first chart, the lower line indicates the relationship between the rate of return on investment after taxes and the percent of capacity which is operated. That line shows in general that so far as United States Steel is concerned, its break-even point prior to 1950 was somewhere around 38 or 40 percent of capacity. That is, if it produced up to 38 or 40 percent of capacity, it did not lose money, and thereafter, of course, its profits increased as the operating rate increased. If it was operating at 70 percent of capacity, the rate of return was approximately 6½ to 7 percent. If it was operating at 80 percent of capacity, the return was approximately 9 percent, and if at 90 percent of capacity, about 11 percent.

Since the Korean war there has been a very great increase in the efficiency of United States Steel, which is shown by the second line, covering the years 1955 through 1960, because at the same rate of utilization the profit rate tends to be 3¾ percent higher. For example, at 60 percent of capacity, the profit rate prior to the war was less than 5 percent—around 4½ percent—but if Senators will note, after the Korean war, profit was over 8 percent at 60 percent of capacity. At 70 percent capacity, the rate of profit, instead of being 7 percent as before the war, was over 10 percent in the recent period. At 80 percent capacity, instead of there being a 9-percent rate of profit, it would be over 12 percent, and so on.

So there is no dispute that United States Steel has been much more efficient during the past 10 years than it was prior to the war. Prior to the war perhaps it was not the most efficient company in the steel industry, but certainly now it is much more efficient than the average.

I invite the attention of Senators to the second half of the year 1959. That was the year of the great steel strike.

The company was almost completely shut down for a period. Yet during the second half the company broke even. If Senators will take the average for the last half-year as a whole, it will be seen that the company was operating at only 30 percent of capacity, and at zero capacity for the last months in the year. The average for the 6 months as a whole was only 30 percent of capacity. Yet the company did not lose money, which indicates that the break-even point, which was around 38 to 40 percent prior to the war, has probably shifted back to 30 percent or even less. In fact, the 1955–60 experience would indicate a break-even point below 28 or 30 percent of capacity.

Senators will note also from the chart the relatively high profits during the postwar period. For example, in 1955, after taxes, operating at 90 percent capacity, the profit rate for United States Steel was between 14 and 15 percent on invested capital. Not only was there more invested capital, but the rate of return was higher.

In 1957 the profit rate after taxes was over 14 percent, with approximately 85 percent utilization. So there is every indication that big steel or United States Steel has been doing extremely well, even though there has not been full use of its capacity.

If Senators will turn to the second chart, which deals with the steel industry as a whole, they will notice that on that chart, as well as on the chart previously referred to, the horizontal axis measures the percentage of capacity and the vertical axis covers the percentage rate of return on the invested capital, and that that rate of return is computed after taxes. Senators will notice on that chart that the probable break-even point before the war was around 40 percent—which is very similar to the experience of United States Steel—and that when the plants were at 70 percent of capacity, the rate of profit was around 7 percent; at an operating rate of 80 percent of capacity profits after taxes were a little over 9 percent. But notice that after the Korean war there was an increase, though not as great an increase as in the case of United States Steel. At 60 percent capacity prior to the war, as I have said, the profit rate was a little less than 5 percent, but after the war it has been around 7 percent.

In other words, at the same percentage of capacity, the profit rate moved 2 percentage points up on the scale, indicating that the steel industry as a whole and not merely United States Steel has advanced.

My own conclusion from these charts—and incidentally I am indebted to the staff of Senator KEFAUVER's committee for their work in preparing these charts—is that the steel industry has been doing extremely well in the last 10 years and its profit rates after taxes have been quite high. If they wish to get more profit, I would suggest to them that they might cut prices and get a greater degree of plant utilization. However, this they do not seem to want to do.

United States Steel has been the price leader in this industry. It will lead off, and the others will follow, under the basing point system that exists all over the country.

While they got Armco to lead off in 1958, no one was fooled as a result. Armco knew that if they led off, the steel industry would follow. So that was really a disguise intended to conceal the real initiative.

The Senator from Tennessee has performed a real public function by bringing these matters to the attention of the country. My only regret is that the charts cannot be reproduced in the CONGRESSIONAL RECORD. I hope what the Senator has said may be given wide circulation.

Mr. GORE. I thank the Senator for his able interpretation of the charts, which, as he has said, have been prepared by the staff of the subcommittee headed by my distinguished colleague, the senior Senator from Tennessee [Mr. KEFAUVER]. These charts indicate that with the increased demand anticipated for the last quarter of this year and next year, increased plant utilization is inevitable. I ask the distinguished Senator whether that would not indicate, at least to the owners of the steel mills, a most desirable situation.

Mr. DOUGLAS. That is quite true. It seems to me to be true that a 10 percentage points increase in utilization will raise the rate of return by about 2 percent. So that if their earnings have been 8 percent, a 10 percentage points increase in the utilization of their capacity would raise the profits to 10 percent, and a further 10 percentage points increase in utilization would raise the profits to 12 percent.

Mr. GORE. I thank the Senator.

Mr. CLARK. I wish to congratulate the distinguished Senator from Tennessee and the Senator from Illinois for the clear exposition they have given of the importance to our economy of steel prices and production. The relative prosperity of the steel industry and recent production trends throw doubt on the justification for any increase in steel prices this fall.

We are all aware that of the administered price industries, steel is the most important and most significant. It is also the most powerful.

We are all aware of the importance of price stability as laid down in the Employment Act of 1946. We are all aware of the great importance of not getting into another wage-price spiral, which

could undermine the recovery that we are now enjoying, and send us off on another inflationary binge.

The two Senators have made a great contribution to clarifying the thinking on this subject, not only in this body but also throughout the country in general.

There are a few points which I would like to add to the argument, though I would be happy to yield to the Senator from Missouri if he cares to have me do so. I ask unanimous consent that I may yield to the Senator from Missouri so that he may propound an inquiry to the Senator from Tennessee, without my losing my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

Mr. SYMINGTON. I would have been glad to ask the same questions of the Senator from Pennsylvania.

Mr. CLARK. I probably could not answer them as well.

Mr. SYMINGTON. I wish to congratulate the Senator from Tennessee for the able way he has brought this subject to the floor of the Senate and in that way to the attention of the American people.

As I understand, cost which is fundamentally what we are talking about consists of labor, material, overhead, and profit, and sometimes a royalty. To the best of my knowledge that is what costs consist of; and with rare exceptions, theoretical cost is figured on the basis of overhead, variable overhead combined with fixed overhead, being a percentage of direct labor.

In general, fixed overhead remains the same regardless of volume—but variable overhead naturally changes per ton of steel produced—I have produced many tons of steel in my life. The more the production, the more units are available over which to spread the actual dollars of fixed overhead—and therefore, the lower the actual cost as against estimate.

That being true, a manufacturer often can make just as much money by overabsorbing his estimated overhead as he can by raising his prices. Is that not correct?

Mr. GORE. I dare not undertake to express views on large successful business operations, as may my distinguished colleague from Missouri, who, before disposing of his investments in private industry, was a marked success.

Mr. SYMINGTON. The Senator is very kind, as well as able. I understand he has not done so badly.

My point is that, inasmuch as we know we are entering a recovery and we know, therefore, that any theoretical estimate of fixed overhead per unit of production, as volume increases, will be reduced; therefore, an amount of the estimated overhead will actually turn into profit.

I am sure that my distinguished and experienced friend from Illinois would agree, with his vast knowledge of the subject of economics.

The point I want to make is that, whereas there might be some justification, if business were sliding off in any serious fashion, for raising prices, there is no justification to raise prices when there is assurance of at least as much, if not more, future volume.

Mr. GORE. May I put it another way?

Mr. SYMINGTON. I wish the Senator would. I am impressed by his presentation.

Mr. GORE. If a manufacturer is operating at a low rate of utilization of his plant and facility, he may find it desirable, in a monopoly controlled situation such as steel, to increase the price, rather than lose money. However, when there is in prospect a greatly increased demand, as there is in the next quarter and in the next year, then there is no justification for increasing the price in order to avoid a loss. Indeed, increasing the price on top of an increase in production multiplies the profit.

Mr. SYMINGTON. No question about it.

Mr. DOUGLAS. It seems to me to be true for the industry as a whole and for United States Steel that if their percentage of capacity utilized increases by 10 percent, the rate of profit, after taxes, upon invested capital, rises by 2 percent from approximately 8 to 10 percent to 10 to 12 percent. This seems to be, roughly, the quantitative law.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a table entitled "Steel: Relationship Between Operating Rate and Rate of Return on Net Worth After Taxes."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Steel: Relationship between operating rate and rate of return on net worth after taxes

Year	Steel industry		United States Steel	
	Operating rate	Rate of return	Operating rate	Rate of return
1920	76.7	12.1	86.2	11.5
1921	34.9	2.2	48.3	4.3
1922	61.7	3.8	70.9	4.6
1923	77.3	9.4	89.1	10.9
1924	64.6	6.5	72.2	8.4
1925	75.4	7.6	81.7	8.6
1926	84.1	9.3	89.1	10.1
1927	75.4	6.6	79.8	7.4
1928	84.6	8.4	84.6	9.0
1929	88.7	12.1	90.4	12.6
1930	62.8	5.1	67.2	5.8
1931	38.0	−.3	37.5	0.7
1932	19.7	−4.5	17.7	−4.1
1933	33.5	−2.2	29.4	−2.2
1934	37.4	−.7	31.7	−1.3
1935	48.7	1.4	40.7	.1
1936	68.4	4.8	63.4	3.8
1937	72.5	7.2	71.9	7.0
1938	39.6	.3	36.4	−.6
1939	64.5	4.2	61.0	3.1
1940	82.1	8.2	82.5	7.5
1947	93.0	11.8	96.7	10.0
1948	94.1	14.4	93.8	10.6
1949	81.1	11.8	82.5	9.6
1950	96.9	15.3	98.2	12.3
1953	94.9	11.2	98.4	9.9
1954	71.0	9.4	73.2	8.3
1955	93.0	14.7	90.8	14.8
1956	89.8	13.2	85.2	12.8
1957	84.5	12.4	85.2	14.3
1958	60.6	8.1	59.2	9.7
1959	63.3	8.1	58.3	8.0
1959, 2d half	(1)	(1)	30.0	0
1960	66.8	7.8	65.1	9.2

[1] Not available.

Sources: Joint Committee on the Economic Report, "Basic Data Relating to Steel Prices," 81st Cong., 2d sess., 1950; AISI, Annual Statistical Reports; Federal Trade Commission; United States Steel, "Basic Facts" (pamphlet); Moody's Industrials.

Mr. SYMINGTON. Mr. President, the comments and the figures of the able Senator from Illinois are most interesting. Some 2 years ago, I suggested to the head of United States Steel that he state the industry did not intend to raise prices, and that at the same time he ask there be no wage increase. He said he did not feel that could be done, because to do so, in effect, would be price fixing. I could not follow his reasoning at that time; now today, if there is to be general agreement on increasing prices, it seems to me there would be as much danger of a violation as would an agreement not to raise prices, because an agreement is an agreement. That is another reason why I am particularly pleased the able Senator from Tennessee has raised this question.

Everyone knows the core of the American economy, the greatest industrial complex in world history, is the steel industry. If prices of steel are raised, prices of automobiles, that industry which comprises the largest production in dollars, must go up; and the prices of just about everything else will go up. The junior Senator from Tennessee today has performed a public service.

Mr. GORE. I thank the Senator from Missouri. I may say that before he entered the Chamber, I had called attention to a study which showed that 40 percent of the general price increase in the 1955–58 period was attributable to the fact that the price of steel increased at a greater rate than the price of all commodities. We have that study and those statistics and facts to go by. Also, as the distinguished Senator from Utah [Mr. Moss] has pointed out, a study showed that a $5 increase in the cost of a ton of steel resulted in a $97 increase in the cost of a tractor which used, perhaps, half a ton of steel.

Mr. SYMINGTON. I look forward to reading that part of the colloquy.

Nothing is more influential than the record. In Philadelphia in June of 1959, I presented the dangers incident to raising the price of steel in a period of what might be called good business. I believe the figures will show that despite the fact that there was no strike in the steel industry in 1958, but a strike of some 109 days in that industry in 1959, the profits of the group of leading steel corporation in 1959, even though they were struck for more than a quarter of a year, were greater than the profits of the same companies in 1958.

I thank the able Senator from Pennsylvania for yielding.

Mr. CLARK. Mr. President, I ask unanimous consent that I may yield to the Senator from Wyoming [Mr. MCGEE] and then to the Senator from Minnesota [Mr. MCCARTHY], in order that they propound questions to the Senator from Tennessee, without losing my right to the floor.

Mr. SYMINGTON. Mr. President, I noticed yesterday that the able Senator from Pennsylvania is quite capable of preserving his right to the floor. Again my thanks.

Mr. CLARK. Mr. President, may my unanimous-consent request be acted on?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGEE. Mr. President, I suggest at this point in the very able discussion which has transpired on a sometimes highly technical question that my only real connection with the steel industry in a direct way is that I drive one of its products around on four wheels. Therefore, my understanding of the steel industry is not as deep as that of the Senator from Tennessee, the Senator from Missouri, or the Senator from Pennsylvania.

However, it seems to me that the point which ought to be stressed above all others in this discussion is the warning light that is being flashed to a major segment of private industry in the public interest. This is being done on behalf of the consumer, the fellow who does not really understand the intricacies of the problem, the financial intertwinings of the system, or its other ramifications, but who does experience each new inflationary impulse which is set loose by a seemingly small, reputedly harmless price increase in a major industry; in this case the steel industry.

For that reason, I believe that what has transpired here this afternoon comes as good news to the average individual as a consumer, even though some of its detail may remain beyond the total comprehension to those of us who have not been involved in the interplay of these forces.

I commend the Senator from Tennessee for initiating this whole operation. I think it ought to serve as another kind of warning, too. The history of Government has not been the history of the people who withdraw to a room and in isolation think up a new bureau. Rather it is the irresponsibility of selfish groups who try to take advantage of others, which has forced intercession on the part of the Government, representing all the people, to try to protect the broader public interest.

I hope that restraint and responsibility will become the major guidelines for big steel in the months ahead, rather than an attempt to take advantage of a new and glowing market possibility.

What the ultimate solution might be will depend, I believe, on the responsibility that private industry shows. If there is an inclination to take advantage, to exploit, and to gouge, I think this will inevitably produce greater and greater demands for stringent Government regulation, of the type that we do not like, but which sometimes has to be resorted to in the public interest.

Therefore, the Senator's presentation serves as good news to the consumer. A warning has been raised. It gives an opportunity to industry to meet its responsibility at this time.

Again, I commend the Senator from Tennessee.

Mr. GORE. I thank the Senator from Wyoming for his generous, fine statement.

Mr. McCARTHY. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. McCARTHY. I should like to comment on the remark which was made by the distinguished Senator from Missouri that really implicit in the whole discussion is the acceptance of the fact that if prices are to go up, they will go up by a kind of common consent among the steel companies; and if they stay down, they will stay down by common agreement among the steel companies.

That would indicate that this particular industry leads a kind of autonomous economic life. It has reached the point where it defies the laws of economic gravity. It can make a profit while operating at 30 percent of capacity, at 40 percent of capacity, at 50 percent of capacity, at 85 percent of capacity, or at 100 percent of capacity. This points up the fact that the steel industry has a very special kind of responsibility, because it is making decisions, to a large extent, independent of any kind of economic pressure.

What we are calling upon the steel industry to do in this discussion is to exercise a very special kind of responsibility which grows out of the fact of its power in our economy, and of the very special kind of control which it exercises over the economic life of the Nation and the economic activities of its own industry.

Mr. GORE. The Senator from Minnesota has stated the case very well.

Mr. CLARK. Mr. President, I resume my discussion of the dangers of recent and projected trends in steel prices and production, to fill in further the picture which has been painted so effectively by the Senator from Tennessee and other Senators who have participated in the colloquy.

It is important for us to appreciate how great is the dependence of our economy on the future production of steel and on future employment in the steel industry. We know that production has not reached satisfactory levels in the immediate past. We know that employment in the steel industry has decreased drastically, and that it shows few signs of improving.

In my State, thousands upon thousands of steelworkers have been laid off during the last 2 years, and will never—I repeat, never—get their jobs back. This is due in large part to the progress of automation in the steel industry.

We cannot quarrel with automation; we must welcome the development of new techniques which make it possible to produce goods more cheaply by reason of the introduction of new machinery. But I am seriously concerned with the implications of decreasing employment in the steel industry, and it really shocks me to think that at a time when men are being laid off and have been laid off, as I have stated, by the thousands, we are faced with the possibility of a further increase in the price of steel, despite the labor-saving and cost-saving factors which automation is constantly creating in the steel industry.

Let us understand clearly how important the steel industry is. It is our basic materials industry. Steel ranks second among all manufacturing industries in terms of employment, and ranks third in terms of the value added by manufacturing.

Mr. President, the figures I have just cited come from the census of manufacturers.

In 1959 the United States Steel Corp. had total assets of $4,700 million and total sales of $3,600 million. That made that company the third largest manufacturing corporation in the United States, in terms of assets and invested capital, and also in terms of employment. These figures come from the directory published by Fortune magazine.

Senators may be interested to know that the largest company in the United States is General Motors, and the second largest is the Standard Oil Co. of New Jersey.

In the Commonwealth of Pennsylvania steel is an even more important factor in the economy than it is throughout the country as a whole. Pennsylvania ranks first in terms of steel production. The steel plants in Pennsylvania have 39 million tons of ingot capacity, and that is 26 percent of the national total. These figures come from the American Iron & Steel Institute.

These 3 million tons of ingot capacity are distributed among 46 plants scattered throughout the State, and they are widely scattered, Mr. President. Norristown, Johnstown, Pittsburgh, Bethlehem, Allentown, and a score of other Pennsylvania communities depend to a very great extent for the jobs of their citizens on steel production within their city and county limits.

The steel industry accounts for 13 percent of the entire value added by manufacturing in all plants in Pennsylvania. This statistic also comes from the census of manufacturers.

Mr. President, it is not for me to say to what extent labor and management are responsible for the price increases in the steel industry. I do not attempt to make any analysis of that most controversial matter. But one fact is quite clear, and it is that there has been an extraordinary increase in steel prices, as compared with the prices of other manufactured products. Between 1947 and 1960 the price of steel more than doubled. Actually, in those 13 years it increased 105½ percent. During this same period, the all-commodity price index rose by only 24 percent. So when we compare the 105½-percent increase in the price of steel with the 24-percent increase in the prices of all commodities, we get a fair understanding of how far steel prices were out of line with the prices of other commodities during the years between 1947 and 1960. If we were to confine the comparison to the figures for manufactured goods, the differential would not be so great, but it would still be very substantial indeed.

Mr. President, while this increase in the price of steel was occurring during the postwar years, it was accompanied by declines in steel production. For the last 3½ years, for example, the operating rate, in terms of steel production as a percentage of capacity, has averaged less than 70 percent. This is clearly unusual, because our traditional concept of a free market in a free economy is that when production declines, prices decline as well, in order to induce businessmen to order; and when an industry is operating close to or at its capacity and demand is strong, one would expect, through the normal operation of the law of supply and demand, that prices would rise, because in that situation too

few goods would be chased by many more orders than could be cared for by the industry's normal production capacity.

However, that has not been the case as regards steel; and this situation lends a great deal of validity to the thought that administered prices in the steel industry, rather than the law of supply and demand, are a significant factor in governing the economy in that industry. By that, I mean to say that a small number of companies can set prices in the interest of what they think is the maximum profit they can make.

Mr. President, this is a long, long way from what we like to consider the normal operation of our free economy.

Mr. MONRONEY. Mr. President, will the Senator from Pennsylvania yield?

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator from Pennsylvania yield to the Senator from Oklahoma?

Mr. CLARK. I yield.

Mr. MONRONEY. I appreciate very much what the distinguished Senator from Pennsylvania is saying. Does not the action of the giant steel industry very closely resemble, is it not almost identical to, the action of the cartel system which for so long laid a blighting hand on the major industries of Europe?

Mr. CLARK. Yes. In fact, it is very difficult for me to see any distinction, although I do not pretend to be an expert in this field.

Mr. MONRONEY. Except that the existence of the cartel system was well advertised, and had governmental blessing, despite the fact that it tended to gnaw away at the vitals of the competitive free enterprise system, because the attitude under it was "all for one, and one for all; and why should we bother to compete, when we can do very well under the cartel system?"

The administered price system, which has been so ably described by the distinguished Senator from Tennessee, is not the competitive free enterprise system in which the American people take such pride—because they tend to leave out of that definition the essential element of the American philosophy, that is that it be a competitive system. Without the competitive part, the free enterprise system can become as obsolete, disastrous, and rigged as was the old cartel system, which today our own giant steel industry seems to be trying to resemble.

Mr. CLARK. I thank the Senator from Oklahoma for his helpful interjection in the debate. I would point out to him what I am sure he knows, that the cartel system was legal in the countries where it existed. It was supported by the governments of those countries.

I see the distinguished senior Senator from Tennessee [Mr. KEFAUVER] on the floor. He is an expert in this body on this subject. I ask him whether the periodic action of a small group of large companies in raising prices, in apparent disregard of production trends, followed almost immediately by like action on the part of all other producers in the industry, does not raise a grave question as to whether the antitrust laws are being violated.

I yield to the Senator from Tennessee.

Mr. KEFAUVER. I thank the Senator from Pennsylvania for his generous reference to me, even though they may be undeserved. If the prices are agreed upon, of course, by the various companies, that is prima facie evidence of violation of the antitrust laws and the Sherman Act.

Mr. CLARK. That agreement could be implicit as well as explicit; could it not?

Mr. KEFAUVER. If there is an identity of prices, it may be substantial evidence that there may be a conspiracy in connection with price fixing.

Mr. CLARK. I know that the distinguished Senator, who is chairman of the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary, will keep his eagle eye on any proposed increase in prices in the steel industry, and will work closely with the Department of Justice, and will do what can be done under the law to protect the interests of the consumers against unjustified price increases this fall.

Mr. KEFAUVER. Members of our committee and our excellent staff have been keeping quite current on what has been going on in connection with the steel industry and the proposals for possible increases in prices at a later time. Later, after other Senators speak, I shall have something to say about this subject.

Mr. CLARK. I shall not detain the Senate much longer, other than to point out a series of five charts, illustrating the point I have attempted to make, which have been erected at the rear of the Chamber.

Each one of these 5 charts refers to 2 of 10 major products of the steel industry. Each one of the charts shows production of a major steel product over the period 1947–61. Each of the charts also shows the level of prices of that product during those years. Most but not all, of the charts show an extraordinary fact, and that is, as I said earlier, that, generally speaking, prices have gone up as production rates have fallen off. This again, I would think, is pretty clear evidence that the traditional law of demand and supply is not operating in the steel industry.

Senators will note, with respect to cold-rolled sheets, that the statement I have made does not apply. Prices and production, although production has fluctuated very much throughout the years, begin and end in reasonable relation to each other.

However, in relation to cold-rolled strip, there has been a substantial increase in price while production has decreased somewhat. The same comment applies in the case of pipe and tube.

Prices of rails have almost doubled, while production has fallen off to one-third or less of prior output.

In the case of hot-rolled sheets, structural shapes and plates, and hot-rolled bars, production has gone down or remained stable while prices have gone up.

To complete the picture it should be pointed out that in the case of reinforcing hot-rolled bars, and tinplate, and terneplate, my comment does not apply, because, although there were violent fluctuations in production and a constant and steady increase in price, nevertheless, in the end production and prices tended to rise together.

Mr. President, I ask unanimous consent that a series of statistics indicating the relative price and production trends in each of the 10 major steel products in the steel industry—constituting almost 80 percent of all steel output—and figures showing the principal industrial consumers of each of the steel products may appear in the RECORD at this point in my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TEN MAJOR STEEL PRODUCTS

TRENDS OF PRICE AND PRODUCTION, 1947–61

(Index number, 1947–49=100)

(Month at end of quarter)

Cold-rolled sheets

Year and month	Price index [1]	Production (thousand short tons) [2]	Production index (average, 616.4)
1947—March	88.2	659.4	107.0
June	88.2	633.6	102.8
September	96.5	633.1	102.7
December	96.5	698.5	113.4
1948—March	96.5	622.7	101.0
June	94.1	575.0	93.3
September	107.3	600.6	97.4
December	107.3	651.8	105.7
1949—March	107.3	727.3	118.0
June	107.3	630.8	102.3
September	107.3	697.0	113.1
December	110.8	701.2	113.8
1950—March	114.4	862.[illegible]	139.9
June	114.4	870.[illegible]	141.2
September	114.4	851.6	138.2
December	120.4	924.8	150.0
1951—March	120.4	949.3	154.[illegible]
June	120.4	852.3	138.3
September	120.4	758.7	123.1
December	120.4	779.3	126.4
1952—March	120.4	797.7	129.4
June	120.4	Strike	Strike
September	125.7	812.6	131.8
December	125.7	913.8	148.2
1953—March	125.7	989.0	160.4
June	130.2	978.0	158.7
September	134.6	947.0	153.6
December	134.6	871.0	141.3
1954—March	130.1	771.0	125.1
June	129.9	860.0	139.5
September	133.9	661.0	107.2
December	133.9	1,124.0	183.3
1955—March	133.7	1,292.0	209.6
June	133.7	1,312.0	212.8
September	142.3	1,262.0	204.7
December	141.7	1,395.0	226.3
1956—March	141.7	1,327.0	215.3
June	141.7	1,277.0	207.2
September	151.4	1,046.0	169.7
December	151.4	1,130.0	183.3
1957—March	154.8	[3] 1,026.0	166.5
June	154.8	984.0	159.6
September	161.6	979.0	158.8
December	161.6	911.0	147.8
1958—March	161.6	710.0	115.2
June	161.3	852.0	138.2
September	166.4	905.0	146.6
December	166.4	1,253.0	203.3
1959—March	166.4	1,559.0	252.9
June	166.4	1,607.0	260.7
September	166.4	Strike	Strike
December	166.4	1,599.0	259.4
1960—March	166.4	1,608.0	260.9
June	166.4	1,319.0	214.0
September	166.4	1,026.0	166.4
December	166.4	866.0	140.4
1961—March	166.4	847.0	137.4
June	166.4	1,079.0	175.0

[1] Bureau of Labor Statistics wholesale price series, "Finished Steel Products," (Code 10-14-47).

[2] From Department of Commerce, Business Statistics, 1951, 1953, and 1955 and Survey of Current Business. Data for 1947–52, inclusive, represent estimates based on yearly division of shipments of all sheets as between hot-rolled and cold-rolled sheets—taken from annual statistics, American Iron and Steel Institute, 1950 and 1956 editions. Index of shipments is based on average monthly shipments for the 36-month 1947–49 base period (1947–49 average noted at column head).

[3] Enameling sheets omitted.

Cold-rolled strip

Year and month	Price index [1]	Production (thousand short tons) [2]	Production index (average, 13.5) [3]
1947—March	86.6	132.0	97.8
June	86.6	138.0	102.2
September	96.1	136.0	100.7
December	96.1	134.0	99.3
1948—March	96.1	158.0	117.0
June	93.4	152.0	112.6
September	108.3	150.0	111.1
December	108.3	155.0	114.8
1949—March	108.3	170.0	126.0
June	108.3	121.0	89.7
September	108.3	122.0	90.4
December	110.3	137.0	101.5
1950—March	112.4	151.0	111.9
June	112.4	157.0	116.3
September	112.4	159.0	117.8
December	125.9	178.0	131.9
1951—March	125.9	189.0	140.0
June	125.9	180.0	133.4
September	125.9	162.0	120.4
December	125.9	154.0	114.1
1952—March	125.9	156.0	115.6
June	125.9	62.0	45.9
September	138.1	156.0	115.6
December	138.1	179.0	132.6
1953—March	138.1	205.0	151.9
June	147.0	190.0	140.7
September	152.7	191.0	141.5
December	150.1	140.0	103.7
1954—March	150.1	112.0	83.0
June	149.8	107.0	79.3
September	155.6	110.0	81.5
December	155.6	128.0	94.8
1955—March	155.3	153.0	113.3
June	155.3	152.0	112.6
September	165.6	148.0	109.6
December	167.7	163.0	120.7
1956—March	170.8	*156.0	115.6
June	170.8	*149.6	110.8
September	183.2	*126.2	93.9
December	183.2	*135.8	100.6
1957—March	183.2	*123.4	91.4
June	183.2	*120.3	89.1
September	191.5	[4] 103.6	76.7
December	191.5	[4] 93.6	69.3
1958—March	191.5	[4] 72.0	53.3
June	190.9	[4] 83.9	62.1
September	196.6	[4] 100.4	74.4
December	196.6	[4] 100.5	74.4
1959—March	196.6	[4] 134.1	99.3
June	196.6	[4] 179.6	133.0
September	196.6	Strike	Strike
December	196.6	[4] 152.9	113.3
1960—March	196.6	[4] 156.4	115.9
June	196.6	[4] 91.0	67.4
September	196.6	[4] 99.6	73.8
December	196.6	[4] 79.4	58.8
1961—March	196.6	[4] 93.1	69.0
June	191.0	[4] 116.2	86.1

[1] BLS wholesale price series, "Cold-Rolled Strip, Carson" (code 10-14-51), prior to July 1948 on basing point basis and thereafter on f.o.b. mill or shipping point basis.

[2] Department of Commerce, Business Statistics, 1951, 1953, 1955, and Survey of Current Business. *Indicates estimates necessitated by a revision of grouping of tonnage data in survey. A 1955 relationship between cold-rolled strip and "sheet and strip" was used to compute these figures (cold-rolled strip was an average 5.362 percent of sheet and strip during the 1955 overlap period).

[3] Computed from shipment tonnage data using average for 36-month 1947-49 period, noted in column head, as the base.

[4] A15-10 (American Iron and Steel Institute), when compared with estimate calculated as noted in footnote 2, these figures agreed within 5,000 tons.

Pipe and tube

Year and month	Price index [1]	Production (thousand short tons) [2]	Production index (average, 553.66) [3]
1947—March	83.1	502.0	90.6
June	83.1	527.0	95.2
September	93.1	497.0	89.8
December	93.1	558.0	100.8
1948—March	100.1	613.0	110.7
June	98.0	565.0	102.0
September	108.1	583.0	105.3
December	110.1	637.0	115.0
1949—March	110.1	721.0	130.2
June	110.1	623.0	112.5
September	110.1	655.0	118.3
December	112.5	653.0	117.9
1950—March	115.1	658.0	118.8
June	115.1	807.0	145.7
September	115.1	770.0	139.0
December	122.9	717.0	129.5
1951—March	122.9	824.0	148.8
June	122.9	770.0	139.0
September	122.9	719.0	129.9
December	122.9	777.0	140.3

Footnotes at end of table.

Pipe and tube—Continued

Year and month	Price index [1]	Production (thousand short tons) [2]	Production index (average, 553.66) [3]
1952—March	122.9	872.6	157.4
June	122.9	182.0	32.9
September	129.9	797.0	144.0
December	129.9	857.0	154.8
1953—March	129.9	902.0	162.9
June	133.5	847.0	153.0
September	138.8	833.0	150.5
December	138.8	714.0	129.0
1954—March	138.8	748.0	135.1
June	138.8	786.0	142.0
September	144.0	694.0	125.3
December	144.0	497.0	89.8
1955—March	144.0	795.0	143.6
June	144.0	967.0	174.7
September	157.1	873.0	157.7
December	158.4	885.0	159.8
1956—March	163.2	952.0	171.9
June	163.2	1,000.0	180.6
September	176.5	831.0	150.1
December	176.5	915.0	165.3
1957—March	181.4	1,034.0	186.8
June	181.4	989.0	178.6
September	190.3	860.0	155.3
December	190.3	653.0	117.9
1958—March	190.3	454.0	82.0
June	190.3	740.1	133.7
September	196.9	561.0	101.3
December	190.9	527.0	95.2
1959—March	190.9	930.0	168.0
June	190.9	1,261.0	227.8
September	190.9	Strike	Strike
December	190.9	859.0	155.1
1960—March	190.9	698.0	126.1
June	190.9	576.0	104.1
September	187.0	543.0	98.1
December	187.0	407.0	73.5
1961—March	187.0	544.0	98.3
June	187.0	739.0	133.4

[1] Bureau of Labor Statistics' wholesale price series, "Pipe, Standard, Carbon," (code 10-14-56) on basing point prior to 1948 and f.o.b. mill or shipping point thereafter.

[2] Department of Commerce, Business Statistics, 1951, 1953, 1955, and Survey of Current Business.

[3] Computed from tonnage data; based on monthly average (noted at column head) for 36-month 1947-49 period.

Rails

Year and month	Price index [1]	Production (thousand short tons) [2]	Production index (average, 180.66) [3]
1947—March	85.7	181.0	100.2
June	85.7	205.0	113.5
September	94.3	182.0	100.7
December	94.3	211.0	116.8
1948—March	94.3	206.0	114.0
June	92.6	189.0	104.6
September	109.7	184.0	101.9
December	109.7	190.0	105.2
1949—March	109.7	207.0	114.6
June	109.7	211.0	116.9
September	109.7	162.0	89.7
December	113.2	141.0	78.0
1950—March	116.6	125.0	69.2
June	116.6	186.0	103.0
September	116.6	154.0	85.2
December	123.5	140.0	77.5
1951—March	123.5	160.0	88.6
June	123.5	161.0	89.1
September	123.5	139.0	76.9
December	123.5	146.0	80.8
1952—March	123.5	162.0	89.7
June	123.5	11.0	6.1
September	129.5	148.0	81.9
December	129.5	153.0	84.7
1953—March	129.5	168.0	93.0
June	140.2	162.0	89.7
September	148.9	162.0	89.7
December	148.9	185.0	102.4
1954—March	148.9	166.0	91.9
June	148.9	108.0	59.8
September	153.2	63.0	34.9
December	153.2	40.0	22.1
1955—March	153.2	122.0	67.5
June	153.2	127.0	70.3
September	162.5	95.0	52.6
December	162.5	98.0	45.2
1956—March	162.5	*137.6	76.2
June	162.5	*107.4	59.5
September	174.3	*112.0	62.0
December	174.3	*113.8	63.0
1957—March	181.1	*124.1	68.7
June	181.1	*130.7	72.3
September	189.5	[4] 90.4	50.0
December	189.5	[4] 54.0	29.9

Footnotes at end of table.

Rails—Continued

Year and month	Price index [1]	Production (thousand short tons) [2]	Production index (average, 180.66) [3]
1958—March	189.5	[4] 53.9	30.9
June	189.5	67.6	37.4
September	197.2	27.4	15.2
December	197.2	42.7	23.6
1959—March	197.2	101.3	56.1
June	197.2	103.7	57.4
September	197.2	Strike	Strike
December	197.2	59.1	32.7
1960—March	197.2	89.3	49.4
June	197.2	74.8	41.4
September	197.2	19.8	11.0
December	197.2	22.6	12.5
1961—March	197.2	54.1	29.9
June	197.2	57.7	31.9

[1] BLS wholesale price series, "Rails, Std." (code 10-14-01).

[2] Department of Commerce, Business Statistics, 1951, 1953, and 1955, and Survey of Current Business. [4] Indicates estimates necessitated by a revision of data grouping in the survey which resulted in "Accessories" being added to "Rails" to form the aggregate "Rails and accessories." Using an overlap of 1955 it was found that "Rails" represented, on the average, 57.833 percent of "Rails and accessories" and this percentage was applied to the aggregates given in 1956 and 1957 to get the above figures.

[3] Computed from shipments data in short tons by using the monthly average (noted at column head) for the 36-month 1947-49 period as a base.

[4] AIS-10 (American Iron & Steel Institute), when compared with estimates calculated as noted in footnote 2, these figures agreed within 5,000 tons.

Hot-rolled sheets

Year and month	Price index [1]	Production (thousand short tons) [2]	Production index (average, 574.2) [3]
1947—March	85.3	----------	110.9
June	85.3	----------	106.6
September	94.6	----------	106.5
December	94.6	----------	117.7
1948—March	94.6	----------	96.0
June	93.1	----------	88.6
September	108.6	----------	92.6
December	117.7	----------	100.5
1949—March	117.7	----------	110.9
June	108.6	----------	96.2
September	108.6	----------	106.3
December	117.7	----------	107.0
1950—March	114.8	----------	117.3
June	114.8	----------	118.4
September	114.8	----------	115.8
December	122.5	----------	125.8
1951—March	122.5	----------	136.2
June	122.5	----------	122.3
September	122.5	----------	108.9
December	122.5	----------	111.8
1952—March	122.5	----------	104.2
June	122.5	----------	7.8
September	128.0	----------	106.1
December	128.0	----------	119.4
1953—March	128.0	687.0	119.6
June	133.5	660.0	119.4
September	137.8	631.0	109.9
December	137.8	557.0	97.0
1954—March	137.8	475.0	82.7
June	137.5	534.0	93.0
September	141.1	429.0	74.7
December	141.1	652.0	113.5
1955—March	140.9	829.0	144.3
June	140.9	773.0	134.6
September	148.8	768.0	133.7
December	148.8	887.0	154.4
1956—March	154.6	853.0	148.5
June	154.6	816.0	142.1
September	164.7	705.0	122.8
December	164.7	826.0	143.8
1957—March	172.0	753.0	131.1
June	172.0	716.0	124.7
September	179.2	579.0	100.8
December	179.2	521.0	90.7
1958—March	179.2	416.0	72.4
June	178.7	574.4	100.0
September	183.8	617.0	107.4
December	183.8	694.0	120.9
1959—March	183.8	928.0	161.6
June	183.8	1,154.0	201.0
September	183.8	Strike	Strike
December	183.8	956.0	166.4
1960—March	183.8	942.0	164.1
June	183.8	579.0	100.8
September	183.8	585.0	101.9
December	183.8	450.0	78.4

Footnotes at end of table.

Hot-rolled sheets—Continued

Year and month	Price index [1]	Production (thousand short tons) [2]	Production index (average, 574.2) [3]
1961—March	183.8	491.0	5.85
June	183.8	650.0	113.2

[1] BLS wholesale price series, "Sheets, Hot-Rolled, Carbon Steel" (Code 10-14-46).
[2] From Department of Commerce, Business Statistics, 1951, 1953, and 1955 editions and Survey of Current Business. Data for 1947 to 1952, inclusive, represent estimates based on percent of shipments of all sheet for year represented by hot-rolled sheets—the percent figure for each year taken from American Iron and Steel Institute, Annual Statistical Report, 1950 and 1956 editions. The index of shipments is based on average monthly shipments for the 36-month 1947-49 base period (1947-49 average monthly shipment in tons noted at column head).
[3] Computed from shipments data in short tons using monthly average for 36 months, 1947-49, noted in column head as a base.

Tinplate and terneplate

Year and month	Price index [1]	Production (thousand short tons) [2]	Production index (average, 315.33) [3]
1947—March	85.1	293.0	92.9
June	85.1	308.0	97.7
September	85.1	304.0	96.4
December	85.1	370.0	117.4
1948—March	100.6	393.0	124.6
June	90.1	334.0	105.9
September	100.6	334.0	105.9
December	100.6	400.0	126.9
1949—March	114.7	333.0	105.6
June	114.7	387.0	122.7
September	114.7	394.0	124.9
December	114.7	326.0	103.4
1950—March	111.0	363.0	115.1
June	111.0	438.0	138.9
September	111.0	424.0	134.5
December	111.0	401.0	127.2
1951—March	128.7	397.0	125.9
June	128.7	425.0	134.8
September	128.7	358.0	113.5
December	128.8	352.0	111.6
1952—March	128.8	478.0	151.6
June	128.8	104.0	33.0
September	132.5	412.0	130.7
December	132.5	373.0	118.3
1953—March	132.5	448.0	142.1
June	132.5	441.0	139.9
September	132.5	340.0	107.8
December	132.5	266.0	84.4
1954—March	132.5	475.0	150.6
June	132.5	690.0	218.8
September	132.5	580.0	183.9
December	134.0	270.0	85.6
1955—March	134.0	514.0	163.0
June	134.0	651.0	206.5
September	134.0	588.0	186.5
December	140.3	328.0	104.0
1956—March	140.3	*618.6	196.2
June	146.6	*547.2	173.5
September	146.6	*471.9	149.7
December	148.2	*355.1	112.7
1957—March	148.2	*273.2	86.6
June	148.2	*342.3	108.6
September	153.7	[4] 375.0	118.9
December	153.7	[4] 235.8	74.8
1958—March	153.7	[4] 455.9	144.6
June	153.7	472.6	149.9
September	153.7	568.9	180.4
December	158.7	166.8	52.9
1959—March	158.7	644.1	204.3
June	158.7	736.8	233.7
September	158.7	Strike	Strike
December	158.7	495.6	157.2
1960—March	158.7	576.3	182.8
June	158.7	600.0	190.3
September	158.7	384.6	122.0
December	158.7	256.4	81.3
1961—March	158.7	482.2	152.9
June	158.7	558.7	177.2

[1] BLS wholesale price series, "Tinplate" (code 10-14-66).
[2] Department of Commerce, Business Statistics, 1951, 1953, and 1955 and Survey of Current Business. * Indicates estimates necessitated by a revision of data grouping in the survey which resulted in tinplate and terneplate being put in an aggregate called "Tin mill products." Using an overlap covering 1955 it was found that tinplate and terneplate accounted for an average of 87.55 percent of tin mill products and this percentage was applied to 1956 and 1957 data to get the above figures.
[3] Computed from shipments data in short tons using monthly average for 36 months, 1947-49, noted in column head, as a base.
[4] AIS-10 (American Iron & Steel Institute), when compared with estimates calculated as noted in footnote 2, these figures agreed within 5,000 tons.

Structural shapes

Year and month	Price index [1]	Production (thousand short tons) [2]	Production index (average, 343.66) [3]
1947—March	80.3	390.0	113.5
June	80.3	364.0	105.9
September	89.9	360.0	104.7
December	89.9	380.0	110.5
1948—March	97.9	382.0	111.0
June	96.3	372.0	108.2
September	112.4	334.0	97.2
December	112.4	394.0	114.6
1949—March	112.4	394.0	114.6
June	112.4	327.0	95.1
September	112.4	309.0	89.8
December	116.4	341.0	99.2
1950—March	120.4	331.0	96.3
June	120.4	361.0	105.0
September	120.4	355.0	103.2
December	128.4	365.0	106.2
1951—March	128.4	452.0	131.5
June	128.4	409.0	119.0
September	128.4	386.0	112.3
December	128.4	409.0	119.0
1952—March	128.4	431.0	125.6
June	128.4	36.0	10.5
September	134.9	386.0	112.3
December	134.9	422.0	122.8
1953—March	134.9	416.0	121.0
June	133.8	397.0	115.5
September	141.9	393.0	114.4
December	141.9	481.0	140.0
1954—March	141.3	437.0	127.2
June	141.3	373.0	108.5
September	146.2	346.0	100.7
December	146.2	347.0	101.0
1955—March	146.2	407.0	118.4
June	146.2	378.0	110.0
September	157.5	426.0	124.0
December	157.5	449.0	130.7
1956—March	157.5	*484.9	141.1
June	157.5	*496.8	144.6
September	170.5	*501.5	145.9
December	170.5	*520.9	151.6
1957—March	183.4	*606.9	176.6
June	183.4	*581.8	169.3
September	192.3	[4] 555.4	161.6
December	192.3	[4] 509.9	148.4
1958—March	192.3	[4] 284.5	82.8
June	192.3	387.7	112.8
September	199.6	314.8	91.6
December	199.6	352.0	102.4
1959—March	199.6	519.2	151.1
June	199.6	596.4	173.5
September	199.6	Strike	Strike
December	199.6	525.9	153.0
1960—March	199.6	536.2	156.0
June	199.6	402.2	117.0
September	199.6	293.6	85.4
December	199.6	298.5	86.9
1961—March	199.6	361.9	105.3
June	199.6	386.3	112.4

[1] BLS wholesale price series, "Structural Shapes" (code 10-14-31).
[2] Department of Commerce, Business Statistics, 1951, 1953, 1955, and Survey of Current Business. * Indicates estimates necessitated by a revision of data grouping in the survey which resulted in "Steel piling" being included in with structural shapes. Using overlap covering 1955, it was found that structural shapes accounted for an average of 92.357 percent of the combined "structural shapes and piling" and this percentage was applied to 1956 and 1957 data to get the above figures.
[3] Computed from data on short tons shipped by using as a base the monthly average for the 36-month 1947-49 period rated at column head.
[4] AIS Form 10 (American Iron and Steel Institute), when compared with estimates calculated as noted in footnote 2, these figures agreed within 5,000 tons.

Plates

Year and month	Price index [1]	Production (thousand short tons) [2]	Production index (average, 530.66) [3]
1947—March	[4] 86.8	527.0	99.3
June	85.6	563.0	106.1
September	94.9	495.0	93.3
December	94.9	591.0	111.4
1948—March	94.9	630.0	118.7
June	93.4	592.0	111.6
September	109.0	572.0	107.8
December	109.0	658.0	124.0
1949—March	109.0	684.0	128.9
June	109.0	517.0	97.4
September	109.0	467.0	88.0
December	112.8	519.0	97.8
1950—March	116.7	441.0	83.1
June	116.7	447.0	84.2
September	116.7	482.0	90.8
December	123.6	551.0	103.8

Footnotes at end of table.

Plates—Continued

Year and month	Price index [1]	Production (thousand short tons) [2]	Production index (average, 530.66) [3]
1951—March	123.0	681.0	128.3
June	123.0	685.0	129.0
September	123.0	657.0	123.8
December	123.0	708.0	133.4
1952—March	123.0	784.0	147.7
June	123.0	110.0	20.7
September	129.2	649.0	122.3
December	129.2	720.0	135.7
1953—March	129.2	707.0	133.2
June	133.8	614.0	115.7
September	139.9	586.0	110.4
December	139.9	633.0	119.3
1954—March	139.9	544.0	102.5
June	139.9	421.0	79.3
September	143.8	379.0	71.4
December	143.8	421.0	79.3
1955—March	143.8	543.0	102.3
June	143.8	600.0	113.1
September	152.2	619.0	116.7
December	152.2	678.0	127.8
1956—March	159.9	707.0	133.2
June	159.9	754.0	142.1
September	170.7	747.0	140.8
December	170.7	607.0	114.4
1957—March	181.4	881.0	166.0
June	181.4	870.0	164.0
September	189.1	778.0	146.6
December	189.1	636.0	119.9
1958—March	189.1	471.0	88.7
June	189.1	501.7	94.5
September	195.3	394.0	74.2
December	195.3	500.0	94.2
1959—March	195.3	651.0	122.7
June	195.3	788.0	148.4
September	195.3	Strike	Strike
December	195.3	754.0	142.1
1960—March	195.3	755.0	142.3
June	195.3	484.0	91.2
September	195.3	373.0	70.3
December	195.3	378.0	71.2
1961—March	195.3	478.0	90.1
June	195.3	489.0	92.1

[1] BLS wholesale price series, "Plates, Carbon" (code 10-14-26), prior to July 1948 on basing point basis and thereafter on f.o.b. mill or shipping point basis.
[2] Department of Commerce, Business Statistics, 1951, 1953, and 1955, and Survey of Current Business.
[3] Computed from tonnage shipments data using monthly average for 36-month period 1947-49 noted at column head as the base.
[4] New series.

Hot-rolled bars, carbon

Year and month	Price index [1]	Production (thousand short tons) [2]	Production index (average, 625.66) [3]
1947—March	85.8	720.0	115.1
June	85.8	658.0	105.2
September	96.1	621.0	99.3
December	96.1	664.0	106.1
1948—March	96.1	733.0	117.2
June	98.6	679.0	108.5
September	109.2	689.0	110.1
December	109.2	745.0	119.1
1949—March	109.2	757.0	121.0
June	109.2	564.0	90.1
September	109.2	524.0	83.8
December	110.7	606.0	96.9
1950—March	112.3	652.0	104.2
June	112.3	693.0	110.8
September	112.3	689.0	110.1
December	120.1	733.0	117.0
1951—March	120.1	792.0	126.6
June	120.1	734.0	117.3
September	120.1	712.0	113.8
December	120.1	748.0	119.6
1952—March	120.1	801.0	128.0
June	120.1	123.0	19.7
September	127.9	787.0	125.8
December	127.9	865.0	138.3
1953—March	127.9	894.0	142.9
June	136.7	843.0	134.7
September	142.6	72370	115.6
December	143.2	586.0	93.7
1954—March	143.2	546.0	87.3
June	143.2	532.0	85.0
September	147.7	471.0	75.3
December	147.0	619.0	98.9
1955—March	147.0	764.0	122.1
June	147.0	770.0	123.1
September	157.3	739.0	118.1
December	157.3	824.0	132.3
1956—March	161.7	877.0	140.2
June	161.7	826.0	132.0
September	174.2	756.0	120.8
December	174.2	788.0	125.9
1957—March	178.6	768.0	122.8
June	178.6	689.0	110.1
September	188.9	545.0	87.1
December	188.9	455.0	72.7

Footnotes at end of table.

Hot-rolled bars, carbon—Continued

Year and month	Price index [1]	Production (thousand short tons) [2]	Production index (average, 625.66) [3]
1958—March	188.9	399.0	63.8
June	188.9	541.9	86.6
September	196.2	518.0	82.8
December	196.2	579.0	92.5
1959—March	196.2	825.0	131.9
June	196.2	969.0	154.9
September	196.2	Strike	Strike
December	196.2	901.0	144.0
1960—March	196.2	883.0	141.1
June	196.2	479.0	76.6
September	196.2	465.0	74.3
December	196.2	392.0	62.7
1961—March	196.2	471.0	75.3
June	196.2	576.0	92.1

[1] BLS wholesale price series "Hot-Rolled Bars, Carbon" (code 10-14-39).

[2] Department of Commerce, Business Statistics, 1951, 1953, 1955, and Survey of Current Business.

[3] Production index is based on the average monthly shipments in short tons for the 36-month 1947-49 period—which is noted at the column head.

Reinforcing hot-rolled bars

Year and month	Price index [1]	Production (thousand short tons) [2]	Production index (average, 126.66) [3]
1947—March	84.3	114.0	90.0
June	82.7	123.0	97.1
September	92.5	124.0	97.9
December	92.5	128.0	84.5
1948—March	92.5	138.0	109.0
June	90.8	127.0	100.3
September	111.9	129.0	101.8
December	111.9	136.0	107.3
1949—March	111.9	150.0	118.4
June	111.9	141.0	111.3
September	111.9	162.0	127.9
December	113.6	138.0	109.0
1950—March	115.2	116.0	91.6
June	115.2	138.0	109.0
September	115.2	151.0	119.2
December	123.3	152.0	120.0
1951—March	123.3	161.0	127.1
June	123.3	152.0	120.1
September	123.3	160.0	126.3
December	123.3	162.0	127.9
1952—March	123.3	193.0	152.3
June	123.3	28.0	22.1
September	131.4	181.0	142.9
December	131.4	211.0	166.6
1953—March	131.4	173.0	136.6
June	140.7	157.0	124.0
September	147.6	163.0	128.7
December	146.9	125.0	98.7
1954—March	151.5	125.0	98.7
June	151.5	211.0	166.6
September	156.4	151.0	119.2
December	156.1	123.0	97.1
1955—March	153.4	161.0	127.1
June	153.4	209.0	165.0
September	164.3	186.0	146.8
December	164.3	194.0	153.2
1956—March	164.3	217.0	171.3
June	164.3	275.0	217.1
September	177.4	234.0	184.7
December	177.4	240.0	189.5
1957—March	178.9	240.0	189.5
June	178.9	233.0	184.0
September	189.6	182.0	143.7
December	189.6	100.0	79.0
1958—March	187.3	141.0	111.3
June	187.3	273.5	215.9
September	195.0	193.0	152.4
December	195.0	143.0	112.9
1959—March	195.0	217.0	171.3
June	195.0	346.0	273.2
September	195.0	Strike	Strike
December	195.0	213.0	168.2
1960—March	195.0	145.0	114.4
June	195.0	210.0	165.8
September	193.4	208.0	164.2
December	193.4	148.0	116.8
1961—March	193.4	189.0	149.2
June	190.4	238.0	187.9

[1] BLS wholesale price series, "Bars, Hot-Rolled, Reinforcing," (code 10-14-41).

[2] Department of Commerce, Business Statistics, 1951, 1953, and 1955, and Survey of Current Business.

[3] Computed from shipments data in short tons by using the monthly average for 36-month (1947-49) period noted in column head as a base.

Relative importance of, and largest consuming industries for, 10 major steel products

COLD-ROLLED SHEETS

Percentage of total finished steel		Percentage consumed by major industries	
	Percent		*Percent*
Total	20	Autos	46
		Appliances	8
		Domestic and commercial equipment	7
		Contractors' products	6
		Containers	4
		Warehouses	13
		Total	84

COLD-ROLLED STRIP

Total	2	Autos	24
		Containers	9
		Domestic and commercial equipment	9
		Contractors' products	8
		Appliances	7
		Warehouses	8
		Total	65

PIPE AND TUBE

Total	8	Construction	34
		Machinery	5
		Warehouses	40
		Total	79

RAILS

Total	1	Rail transportation	73
		Construction	10
		Warehouses	2
		Total	85

HOT-ROLLED SHEETS

Total	11	Autos	40
		Contractors' products	9
		Containers	5
		Construction	5
		Warehouses	15
		Total	74

TINPLATE AND TERNEPLATE

Total	8	Containers	86
		Warehouses	2
		Total	88

STRUCTURAL SHAPES

Total	7	Construction	60
		Rail transportation	7
		Warehouses	20
		Total	87

PLATES

Total	9	Construction	29
		Machinery	18
		Rail transportation	11
		Warehouses	14
		Total	72

HOT-ROLLED BARS

Total	10	Autos	29
		Machinery	11
		Construction	9
		Warehouses	14
		Total	63

Relative importance of, and largest consuming industries for, 10 major steel products—Continued

REINFORCING HOT-ROLLED BARS

Percentage of total finished steel		Percentage consumed by major industries	
	Percent		*Percent*
Total	3	Construction	46
		Wareshouses	20
		Total	66

Mr. CLARK. Mr. President, I shall yield the floor, but before doing so, I wish to thank the members of the staff of the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary, of which the Senator from Tennessee [Mr. KEFAUVER] is chairman, for the very great assistance they rendered in preparing these charts and figures.

Again, I should like to congratulate the junior Senator from Tennessee [Mr. GORE] for the leadership he has shown in raising this question with a number of his colleagues, in bringing to Washington experts in this area who helped educate us in this field—impartial experts, I may say—and generally in taking the leadership in bringing this matter to the attention of the Congress.

Mr. MONRONEY. Mr. President, will the Senator yield so I may ask a question of the distinguished Senator from Tennessee?

Mr. CLARK. I would like to yield the floor, if I may.

Mr. McCARTHY rose.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. CLARK. I shall be happy to yield to the Senator from Connecticut [Mr. BUSH], although I understand the Senator from Minnesota has the floor.

Mr. McCARTHY. Mr. President, I yield to the Senator from Connecticut with the understanding that I do not lose the floor.

Mr. BUSH. Mr. President, the Senator from Pennsylvania and I were cooped up all morning. I did not have an opportunity to put something in the RECORD by way of morning business, if the Senator will indulge me.

EXHIBITION IN FOREIGN COUNTRIES OF AMERICAN PRODUCTIONS

Mr. BUSH. Mr. President, a few weeks ago I brought up on the floor of the Senate the question of the export by private interests in the United States of filthy exhibitions on the stage, through moving pictures, and otherwise, in countries of the world; and I specifically regretted the fact that there had been in Connecticut, just previously, an exhibition which was objected to very widely by the people in my State and in the neighborhood in which I live.

I was joined by other Senators in this protest against the uncontrolled, unapproved export of this type of entertainment, which injures us so much abroad, at the same time we are trying our best,

through USIA and other ambassadors of good will, to win the minds and the hearts of people in the free world.

The sponsors of the particular plays which were mentioned at that time took grave exception to the "attack," as they called it, which I made upon their productions.

In justification of my position, and in further protest against the uncontrolled export of so-called entertainment which alienate affections of our people by foreign people, I shall ask unanimous consent that I may place in the RECORD following these remarks a news clipping from the New York Times of August 21, which is headlined, "U.S. Stage Troupe Is Blasted in Rio—New York Repertory Unit Ends Unsuccessful Week."

The article says, in part:

The New York Repertory Co. or Actors Studio, as it is variously billed, today ended a financially and culturally unfortunate week in Rio de Janeiro.

This is the same group. The article further says:

Criticisms of their performances here—

In Rio de Janeiro—

ranged from savagery through scorn to only some of the usual kindness shown to persons and things foreign.

The article also says:

Henrigue Oscar, critic for Diario de Noticias, expressed disgust over the Williams plays in general and with the "abnormality" in particular.

In part, Mr. Oscar is quoted as saying:

It is sad to think that Williams represents a country which is Western and Christian, whose style of life they want to convince us should be defended against the Communist threat.

I shall not read further, Mr. President. I have already overstayed my time.

Mr. President, I ask unanimous consent that the article may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. STAGE TROUPE IS BLASTED IN RIO—NEW YORK REPERTORY UNIT ENDS UNSUCCESSFUL WEEK

RIO DE JANEIRO, August 20.—The New York Repertory Co. or Actors Studio, as it is variously billed, today ended a financially and culturally unfortunate week in Rio de Janeiro.

The group directed by Tad Danielewski and including Betty Field, Rita Gam, Viveca Lindfors, Ben Piazza among its performers decided to change its routine in the coming week in São Paulo stand with "I Am a Camera" instead of Tennessee Williams' "Sweet Bird of Youth" and "Suddenly Last Summer." They started with the Williams plays and wound up with the happier "Camera" here. Criticisms of their performances here ranged from savagery through scorn to only some of the usual kindness shown to persons and things foreign. The public filled the municipal theater for the openings of the productions, but stayed away from succeeding performances.

Henrigue Oscar, critic for Diario de Noticias, expressed disgust over the Williams plays in general and with the abnormality in particular.

"People bearing vices can be presented provided they suffer from them," he said. "Their suffering may redeem them and arouse our understanding if not sympathy. The morbid world of Tennessee Williams has nothing of this. With him aberration is presented complacently, with all the author's tenderness, as if it were the best thing in the world.

"It is sad to think that Williams represents a country which is Western and 'Christian,' whose style of life they want to convince us should be defended against the Communist threat. Positively this rotted world does not seem worthy of defending and, on the contrary, needs to be reformed or extinguished so that something many survive to preserve man's intrinsic dignity."

After criticizing the performances heavily, Senor Oscar added that the worst was the scenery. He said the group was a disappointment.

Barbara Heliodora, writing in the Jornal de Brasin, said that "Sweet Bird" and "Suddenly Last Summer" were the worse things the American repertory could present. "All theatrical forms and currents find the author who best represents them. In the case of decadent theater there is no doubt that Tennessee Williams deserves a title role—to the point of becoming only decadent and no longer theater."

Paulo Francis wrote in Ultima Hora that the plays amount to gratuitous excursions in such themes as castration, cannibalism and bad English.

He added that the colored-paper scenery is trampish, like that of a cheap company in interior Brazil.

The company will open its São Paulo performances on Tuesday.

Mr. JAVITS. Mr. President, I have heard the remarks of my distinguished colleague from Connecticut. Of course, I have seen reviews which blasted plays in New York, in Chicago, in Los Angeles, in Paris, in London, in Tokyo, and in about every other place in the world. It is the privilege of play critics to blast plays.

It so happens that the Actors Studio, to which the Senator referred—the studio of Lee Strasburg, if I remember correctly—has produced some of the greatest talent of our time.

While I agree that many of the Williams' plays are decadent and that I do not like them—I am sure the people in Rio who saw them did not like them, either—Mr. Williams also has written some of the greatest plays of our time.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. BUSH. I do not object to the export of great plays. I object to the export of plays which are filthy, immoral, and misrepresent life in the United States.

Mr. JAVITS. I am coming to that point. I should like to know who is going to be the judge of whether the plays are filthy, immoral, and depict wrongly the life in the United States.

Mr. BUSH. I shall tell the Senator.

Mr. JAVITS. If the Senator will permit me to finish, who will decide what the people wish to see? I have no desire to "tangle with" my friend from Connecticut, whom I love and respect, on this subject.

The Senator is a man of excellent taste. Despite that, I should not wish to have the Senator, or anybody else, be the arbiter of what represents the best in American art.

My purpose in getting the floor, if the Senator will bear with me, was not to take issue with the Senator at all. I respect the Senator's desire to keep us apprised of what is thought of our artistic output in the other countries of the world.

I invite the attention of the Senator to the fact that we are unique in the world in having no authority, in terms of the Federal Government, which deals with our oversea cultural program except the most informal kind of arrangement, under what is called the President's Emergency Fund, which goes through a private organization, though it is a nonprofit organization, called the American National Theater Academy, ANTA, in New York.

I point out to my colleague that what we ought to be doing—whether one would agree with his point is not material to this presentation, though I have the greatest of respect for his point of view—is to be working on some way of developing an agency analogous to the agencies of the United Kingdom and in Canada, which have arts councils, or in many other civilized countries, which would really give us at the very top level an authoritative look as to what goes out of this country.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. BUSH. I agree with the Senator that that is what we need.

I assure the Senator that I am at the present time working on exactly that idea. I intend to show my work to my colleague.

Mr. JAVITS. I thank the Senator.

Mr. BUSH. If the Senator from New York likes it and wishes to join me in sponsorship, I shall be highly honored. I appreciate the Senator's kind remarks.

Mr. JAVITS. For many years I have been backing the idea of a U.S. Arts Foundation, in various forms.

Mr. BUSH. I have heard the Senator do that eloquently on this floor.

Mr. JAVITS. I hope we shall be able to collaborate on this subject. I thank the Senator from Connecticut.

ADDRESS BY W. THEODORE PIERSON ON RESPONSIBILITY IN BROADCASTING

Mr. MILLER. Mr. President, on August 3 and 4, 1961, there was a national symposium on freedom and responsibility in broadcasting at Northwestern University School of Law, Chicago, Ill. At that national symposium a very excellent paper was delivered by Mr. W. Theodore Pierson, a recognized authority in commission law. I ask unanimous consent that his comments be printed in the RECORD.

There being no objection, the comments were ordered to be printed in the RECORD, as follows:

COMMENTS OF W. THEODORE PIERSON, MEMBER OF THE LAW FIRM OF PIERSON, BALL & DOWD, WASHINGTON, D.C., NATIONAL SYMPOSIUM ON FREEDOM AND RESPONSIBILITY IN BROADCASTING, NORTHWESTERN UNIVERSITY SCHOOL OF LAW, CHICAGO, ILL., AUGUST 3–4, 1961

I commend Dean Barrow on the very excellent paper he has just presented. It capsules the current criticism of television programing, the alleged causes and the postulated cures. I will not cavil over the criticisms and causes, not only because I believe them to be substantially correct, but because my principal disagreement is with the cures he postulated. Indeed, I believe that the greatest threat to television's achievement of its proper role in our free society is the restrictions and restraints that the censors and controllers have placed and would place upon the medium, most of whom appear to have the complete support of Dean Barrow.

Perhaps my disagreement with Dean Barrow is really a threshold one, i.e., the role that mass media can properly play in a free society, which in turn may stem from lack of agreement on the principles upon which our society was built. To avoid needless capering in the leaves and branches of the controversy, perhaps I should state my understanding of the roots and trunk of the matter.

The principle of freedom upon which our society was built, as I understand it, starts with the premise that man is imperfect, whatever his station in life, and holds that he will become a more perfect moral and social creature through liberty, and that attempts to coerce cultural or political perfection through governmental or other concentrated power merely conforms the subject to the imperfections of the central power.

Such conformity destroys new ideas at gestation, prevents reexamination of the standards and rules by which we live, perpetuates the mistakes of those in power, reduces political intelligence and degrades human dignity. Media of communication, being manned by imperfect beings, are bound to be imperfect, but in a free society the value of their service is proportional to the degree to which they can resist conformity to centralized control.

Contrast this to the Marxist-Leninist ideology with which we are now locked in a deadly and terminal combat. Our antagonist starts as we do with the premise that man is imperfect but, contrary to our beliefs, holds that he cannot be allowed freedom until he has been recast, remolded, and reconditioned by the Communist apparatus, which is presumed to be perfect, to the end that the individual has no will to do anything other than what the state requires. Under Marxism-Leninism, media of communication are presumed to be perfect because they are dictated by a perfect authority. New ideas, reexamination of standards, correction of mistakes, political intelligence, and the dignity allowable to individuals can originate only at the top of this monolithic society. Under this ideological concept, mass media are valued in proportion to their conformity to centralized control.

If this layman's analysis of one important part of the ideological conflict between ourselves and the Communist world is substantially wrong, in Dean Barrow's view, then argumentation between us on the efficacy of the various proposals to improve television would avail little, since we are headed in opposite directions. But I will assume substantial agreement by him, if for no other reason than to serve my exhibitionist impulse to say more. It is your misfortune that a lawyer rarely stops talking when he is given time to say more.

Dean Barrow's paper, in summary, pointed out what's wrong and why and what to do about it. He emphasized throughout the great capacity of television for good or evil, with which I agree.

He alleged that television, as now practiced, is an imperfect instrument for the political, cultural, and educational improvement of our American society. With this, also, I agree. I will go further than he. It will always be unless we develop a perfect machine that requires no imperfect human being to perform tasks or make judgments. The pall of imperfection that is cast on commercial television shrouds all human activity, including above all, governmental action. We are constantly deluged with exposures by our intellectual elite of imperfections in education, politics, economics, government, the arts, and the sciences.

Where Dean Barrow and I disagree is that he seems to believe that we will come nearer to perfection if we centralize program control in a rather closely knit combination of seven members of the FCC, the Board of Directors of NAB, and a small select advisory group of outstanding citizens. He heads toward more centralization of control over programing. I would go the other way. He seeks conformity of television program schedules to centralized ideas of balance. I would seek balance in the total output of the industry through maximizing the diversified imbalance of individual licensees. I believe that a balanced fare from the industry as a whole can ultimately be accomplished, without the censorship or centralized control that Dean Barrow postulates, by the proliferation of television stations under conditions that permit any station to unbalance the types of programs they broadcast at will and with abandon. The sum of such specialized program formats would result in overall balance in the industry output.

I cannot disagree with the Barrow assignment of the principal cause for the present caliber of television fare. Since, except for the noncommercial or educational stations, we have a free enterprise television system, which by definition is motivated by profit, it ought to, and does, follow that considerations of profit will substantially influence the programs broadcast. To expect otherwise is to ignore the natural and inevitable consequences of our choice of a system.

Every medium of communication that operates under a free enterprise system is influenced in overwhelming degree by the profit motive. That the objective of profit substantially influences its product can be demonstrated conclusively with respect to any commercial medium one desires to name—newspapers, magazines, books, motion pictures, or theater. And they have their Comstocks, too—Comstocks who are every bit as critical as any that television has.

Wherever free enterprise operates, its product or service is substantially influenced by the profit motive. The styling of clothes, automobiles, and household appliances are thus governed. The architecture and construction of homes, factories, and office buildings feel the ever-present influence of the profit motive. Indeed, it is not unusual for the eggheads and intellectuals to seek opportunity to conform their output to the necessities of the profit potential. If the profit motive is evil, it is a virulent and contagious one, because it infects many of its loudest and most snobbish critics.

While I appreciate that, in Washington, to investigate is the thing, I really do not think we needed the costly Barrow investigation to establish that the profit motive influences television programing. This was and is one of the most open and notorious facts within my knowledge.

The investigation went further than this, however. It sought to determine where the control of programing lay. It found no single or concentrated repository. Rather, as Dean Barrow has just pointed out, it found that control was dispersed among many advertisers and their agents, three competing networks and their hundreds of competing affiliates and a few talent agencies. Compared to centralized control in the Commission, the NAB and an elite advisory council, as Dean Barrow postulates, this is a tremendous fragmentation of control.

But it does not seem to be a principal Barrow complaint that too few private enterprisers were in the act. It is that they are all possessed by the same motives—to earn a profit. And that all too frequently the profit goal is better served by catering to mass audiences. It is this parallelism among enterprisers that seems to gall him most. Could he have been surprised to learn that a mass medium supported by the suppliers of mass consumption seeks a mass audience a great deal of the time?

What did he postulate as means of curtailing this appeal to mass tastes? First, greater self-regulation through the NAB, which he did not believe would suffice because, being an industry organization, in spite of the enlightened leadership of Governor Collins, it might be quite contaminated with the profit motive.

Second, more extensive and intensive program policing by the Commission, which solution he seems to adore most.

Third, an advisory committee "composed of eminent Americans" to advise the Commission in its police work. This would nationalize in a truly effective fashion the methods used by Comstocks in any communities to employ the police power to restrain books, periodicals, and motion pictures in unabashed cultural censorship.

Whatever success these measures might have in reforming television to meet the tastes of Dean Barrow, Chairman Minow, Governor Collins and their admirers, I care not to argue. I would pray they would fail, because it is a complete formula for centralized cultural censorship and control.

Dean Barrow said that it was not his purpose to discuss the censorship issue raised by his paper. He professed no real concern with the problem. Well, I do have concern and I am constrained to discuss it.

In the past Commission efforts at program control and censorship have been quite submerged and, while always lurking in the deep, they have been hard to surface and catch. To change the metaphor, Chairman Minow's program of action, announced first before the NAB and publicly many times since, offers a rare opportunity to grapple with more than a ghost. To demonstrate the nature of Dean Barrow's proposals, I wish to turn to the program of Chairman Minow.

Chairman Minow in his NAB speech bluntly told the broadcasting licensees that he had no confidence in their product. This, of course, after observing the amenities expected of a guest by telling them that they were nice chaps. He was very specific about the types of programs that he thought should not be broadcast or should be broadcast less frequently. He said, "The old complacent unbalanced fare of action-adventure and situation-comedies is simply not good enough." He further observed that next season will be little better because "of 73½ hours of prime evening time, the networks have tentatively scheduled 59 hours to categories of action-adventure, situation-comedy, variety, quiz and movies."

He also was specific in certain areas as to the types of programs that should be broadcast. He declared quite specifically the for-

mat and purpose of children's shows and implied the time that they should be broadcast. He named his favorite shows by specific title. Mr. Minow exhibited impatience with the imperfect tastes of the masses and the broadcaster's imperfect response to public tastes.

Mr. Minow's description of what he approves and disapproves was sufficiently explicit to enable any normally intelligent broadcaster to choose and select programs that will satisfy Mr. Minow's standards. The message was loud and clear. The broadcaster can throw out some programs completely, change the formats of others and get some new ones that fit the Minow specifications. No problem.

Thus far, on the basis of my summation, Mr. Minow's NAB speech could be characterized as just an example of clarity in the exercise of freedom of speech, albeit somewhat less restrained than normal for regulatory officials. It, after all, is nothing more than has been said by many television columnists, critics, and viewers.

But Chairman Minow went further. He said:

1. That the broadcaster owes to the public the type of programing that he, Minow, specified.

2. That he intends in his official capacity to see that the broadcaster pays the debts he, Minow, stated.

3. And that he intends to accomplish this through the licensing power of the Commission.

Here he is not playing the role of citizen Minow, but the dispenser of the privilege to live or die as a broadcaster.

Now it seems to me that, considering these vigorous words, the Chairman simply said to the broadcaster, "Unless you broadcast or propose to broadcast what I favor and have specified, you will not be permitted by our Commission to broadcast anything." This, in my opinion, is a prior restraint upon broadcast communications, it is censorship and it violates the first amendment.

In the same speech that he said the things I have just described, he disavowed censorship in these words: "I am unalterably opposed to governmental censorship. There will be no suppression of programing which does not meet with bureaucratic tastes. Censorship strikes at the taproots of our free society." He has been reported as having repeated this disclaimer many times since.

But, in the speech, what did he say he would do but suppress programing which does not meet with bureaucratic tastes? If you are a bureaucrat and you tell a broadcaster that he may operate if he broadcasts what you favor and may not operate unless he suppresses what you disfavor, what are you doing but requiring broadcasters to conform to your taste?

Did Chairman Minow mean that refusing to permit applicants to broadcast is not a suppression of what they propose to broadcast? Did he mean that in his few months as Chairmar he has been able to discern what no one else has ever known or been able to define—public interest in programing? Or is this some kind of exotic philosophy that reconciles logical irreconcilables by the mere assertion that they are reconcilable?

Perhaps it could be said that the Chairman did not intend to cause broadcasters to conform to his taste. But his speech had no professed or discernible purpose but to reform television programing after his pattern. I understand he has received several thousand letters commending him on his efforts in this regard, i.e., the use of his powers as a Government dispenser of licenses to suppress some programs that he and his correspondents dislike and to engender others that he and they like. The widespread changes in television programing that will result from his efforts must surely have been intended by him. His perspicacity is demonstrably too great to conclude otherwise.

I am proceeding, therefore, not only on the basis that he intended to use governmental power to change television programing, but that he will—the other members of the Commission and the courts willing—be eminently successful in obtaining widespread conformity with his expressed ideas on programing. The trade press, since the Minow polemic, has depicted frantic activity among producers, networks, syndicators and station licensees to conform as quickly as possible to Minow's program format. Make no mistake about it—if you tell any businessman that you can and will put him out of business unless he conforms his product to your standards, few will commit business suicide—most will conform.

I submit that, if the Commission pursues the Minow plan for program reform, it will be the direct cause of the suppression of many programs and the release of many others that would not otherwise have reached your television screen, all tending to be stereotyped after the Minow pattern. Whether each of us would like the Minow format better than what we now have is a matter of personal taste for each individual. I personally would like it better than present fare. But what price do I pay for receiving the Minow format for the period that he holds sway?

It seems to me that the price is my concession that the Chairman and his fellow members at any time have the right and the power to set and enforce the format and structure of television program schedules—what they do to please me today can be undone tomorrow. They can prohibit violence today and editorials tomorrow—as they have prohibited editorials in the past.

More bluntly, the price I pay is acceptance of a high degree of centralized governmental control of television fare. Still more bluntly, it is censorship.

Constitutionally it must violate the first amendment; otherwise, that supposed protection against control over speech and press by Government is inapplicable to the most effective means of communication yet devised by man.

It would mean that free speech and press are only for the less efficient and most ineffective modes—books, newspapers, magazines, handbills, and movies. It would mean admitting that technological advance inevitably and progressively takes its price in loss of liberty.

Would it not be better to prohibit radio and television absolutely than to embrace it at the cost of liberty? If not, should we not be more honest with ourselves and cast off the facade of freedom and accept the governmental control of communications that has been so effectively and efficiently used by the ideology we despise but the power and success of which we cannot gainsay?

I say, Mr. Minow cannot have it both ways—brilliant, articulate, and sincere person that he is—he cannot free us from our own imperfect tastes by binding us to his imperfect tastes without denying the principle of freedom upon which our society was built; that is, diversity and liberty instead of conformity and restraint.

Any real and impending danger that lies in present television programing, much as I personally dislike much of it, is, in my opinion, of insufficient magnitude to justify Mr. Minow's substituting his imperfect personal tastes through governmental coercion for the imperfect tastes of the public or the imperfect responses of the broadcaster. The success of his endeavors would bring governmentally induced conformity, not the diversity which is the intended goal of liberty and competitive enterprise. There are glaring imperfections in our present efforts, but to substitute governmentally induced conformity (to borrow a phrase from Mr. Justice Frankfurter) "is to burn the house to roast the pig." Hence, I believe the course upon which he has embarked is illegal, unconstitutional, and violates basic principles upon which our American society has been built.

I wish to be very precise about the area in which I believe Chairman Minow's proposed course of conduct offends against liberty of speech and press because, in many other areas, I not only agree with the Chairman, but have nothing but admiration for his intelligent and vigorous approach.

I believe freedom is abridged whenever a licensee broadcasts a program or a series of programs, or fails to broadcast a program or a series of programs, not because in his judgment his public is thus served, but because unless he does so, the Commission can and will put him out of business.

Congress took great care to lodge program control in the only place it can be lodged in a really free society—outside of Government. Control was to be dispersed among the large number of licensees competing for public patronage. The natural forces of the marketplace, not Government, were to determine the program fare, just as in every other medium of communication.

Congress could not have hoped that its efforts would uniformly yield a perfect product any more than freedom and competition had done so in the other media. No perfect human institution or system exists, but the free system was chosen as the best of the alternatives.

Congress sought to insure service to the public by limiting licenses to those who the Commission found qualified and of good character. The Commission can deny licenses when the licensee lacks the qualifications of a public trustee, and a determination of those qualifications does not require the Commission to review or restrict his judgment as to programs. It can require the trustee to be financed, equipped, organized and disposed to make an informed judgment of the public's needs and desires. I have no quarrel with the Commission refusing a license where the licensee does not demonstrate that he will make reasonable efforts to inform himself on the needs and tastes of his public, in order that his judgment is an informed one.

But I do quarrel with the Commission's attempt to substitute its judgment for that of the licensee. It was the wide variety of judgments by competing licensees, not stereotyped formats from Government, that was to determine program fare. It is precisely because Mr. Minow seeks to impose his judgment as to program structure upon the licensees that I doubt the legality of his course—however, subtly this is done and no matter how many times he denies that he is doing it.

There have been numerous justifications and excuses offered for Commission intrusions into broadcast programing. They range from denials that what the Commission does constitutes program interference to implied admissions that it does interfere, but that the interference necessarily results from the Commission's performance of its statutory functions. Mr. Minow did not invent these contentions; most of them are old and hackneyed. But he has resurrected and repeated most all of them at one time or another during the short period that he has been Chairman. In spite of the added endorsement of Mr. Minow, I am still convinced that they are nothing more than euphemisms for censorship.

It is contended that the Commission in its program investigations and review does not censor because it only examines and weighs "overall programing." This is one of those phrases, the utterance of which seems to invoke some mystical power that changes restraint to liberty. An official accused of censoring needs only to utter these words and the evil spirit of censorship is supposedly exorcised. An otherwise impure act by this incantation becomes pure and holy.

But mysticism to one side, how in logic can one consider total programing without considering its parts? This is an esoteric rite that I have always wanted to witness but never have been so privileged.

Mr. Minow's talk before the NAB was no revelation of the secret. He dealt with specific types of programs of which he approved and disapproved. With his speech as a guide, one could examine the whole program spectrum and easily classify the favored and unfavored—which I believe was his intention. For him to have classified all programs by title would have been redundant and wholly unnecessary to his purpose of reforming television programing.

Moreover, I defy anyone to find one meaningful discussion of "overall programing" in any Commission decision that did not deal with specific programs or specific categories of programs.

If the Commission restrains or requires a whole category, is that acceptable, whereas to condemn or approve only one in a category is unacceptable? I cannot understand why it is censorship to require a station to broadcast a single educational program, for example, but it is not censorship to require several. Or why it would be censorship to interdict one program of violence but not censorship to silence many.

Nor, in weighing a station's "overall programing," have I ever understood how small are the parts into which it can be broken before it ceases to be mere consideration of "overall programing" and becomes consideration of particular programing. What is the location and size of the barrier erected by section 326 and the first amendment? I cannot believe that the barrier against infringement of speech and press is a small corral for a single program that disappears as if by witchcraft when it is joined with one or several others. I refuse to believe that our sacred rights to liberty can be destroyed by such sorcery.

I submit that the area of Commission consideration of overall programing is but a vast wasteland of withered liberties that should not be preferred over the "vast wasteland" Mr. Minow found in one long boring day and night before his television screen.

Closely associated with the "overall programing" alibi for Commission interference with programing is the term "balanced programing." Balance would seem, on the surface, to refer to some proper mixture of program types—entertainment, religious, educational, agriculture, public affairs, discussion, live, etc.

In actual practice it has been used to coerce licensees into carrying types of programs the Commission favors at the expense of programs that it disfavors or favors less. For example, I have never heard of a station being challenged for having too much educational, public affairs or discussion programs and too little entertainment, even though its performance of the favored shows exceeded its promise. If the mixture is the thing—then imbalance in one category should be as bad as any other. A performance of 10 percent educational against a promise of 5 percent would seem as much a broken promise as a similar variance in entertainment.

The fact is that the balanced programing concept, where it has been applied, has generally been used to coerce stations into carrying relatively unpopular programs at the expense of the relatively popular ones. It has been used to protect so-called minority tastes—never majority tastes.

Now I am willing to concede that broadcasting fails as an effective democratic instrument if it serves only majority tastes. The question is: Can a wide variety of program types be obtained only by the Commission requiring conformity to its stereotyped formats? If so, perhaps it is better that television remain ineffectual than make this concession to censorship and conformity. Moreover, if station formats are going to be stereotyped through conformance to Commission formulas, why do we need a great multiplicity of stations to merely repeat the same formulated fare on a variety of channels. Frequencies are too scarce for this waste.

There is a way established and intended by the act that tends to diversity rather than conformity and does so without endangering our liberties. With a multiplicity of stations competing with each other, each must constantly search out unsatisfied wants. The more stations there are, the more assiduously each must search. With a relatively few stations competing, the majority tastes constitute a large and rewarding market that tends to satisfy the few competitors. As stations increase, the majority audience must be shared by more stations and the point is ultimately reached where a station's small share of a majority audience can be less rewarding than a large share of a minority audience. Hence, some competitors forsake mass tastes and specialize in some unrequited minority desire. As more stations specialize, more special tastes are satisfied. This is not mere theory—it is demonstrated by a glance at the radio fare in many of our markets—which has resulted wholly from the proliferation of radio stations in the last decade and a half.

I submit that the balanced programing guideline is but an instrument of conformity and censorship; freedom to specialize as competition in the market dictates is the opposite. The choice is between conformity through censorship and diversity through liberty.

Of course, we have not as yet in most television markets reached the point in television growth where stations are forced by economic imperatives to look far beyond the majority tastes. But television is further advanced on this road now than radio was at the same age. We will arrive at this goal of diversity and total accommodation of tastes if the Commission and the industry work together to increase the economic support, the program sources and the available channels for television. However tough some of these problems may be, the hope of success is not so dismal that we should accept censorship and conformity as a substitute.

Perhaps the most false and yet high-sounding excuse that the Commission has given for interference in programing has been that it is only seeking to require the licensee to perform what he has promised. The supporting contention that makes this sound so fair and proper to the uninitiated is that, if a licensee voluntarily promises something to get his license, he ought not to complain when the Commission exacts performance. There are two things wrong with this contention: First, the applicant has not made and cannot make a promise; second, his program representations were not in any real sense voluntary.

The form that requests him to submit a breakdown of his expected programing as to type and source states as follows: "It is not expected that licensee will or can adhere inflexibly in day-to-day operation to the representation here made." It goes on to state that it should "reflect accurately applicant's responsible judgment of his proposed program policy." Program representations under this caveat simply do not rise to the dignity of a promise to specifically perform as represented.

And the caveat was not just softheartedness on the part of the Commission; it was rather a recognition of the reality that it is beyond human prescience to predict program performance 3 years in advance without casting the licensee in an inflexible mold that itself would prevent him from serving his public.

The type of programs one broadcasts results from a judgment of the public needs and tastes at the moment and an attempt to implement that judgment from the programs available at that moment. The only predictable certainty about public needs and tastes is that they are eternally and constantly changing. Program sources, likewise, are constantly opening and closing.

A commitment over 3 years to an inflexible mixture of types and sources of programs is not only a commitment that would be impossible to perform, but, if possible, would commit the licensee to ignoring the changing needs and tastes of his public. Thus, the promise-versus-performance dictum places the licensee in the hopeless dilemma of embracing inflexibility which, per se, should disqualify him as a licensee.

Nor, in view of Mr. Minow's threats to deny applications where the program structures do not conform to his specifications, can it be said that the program representations in an application are uncoerced and voluntary. A quixotic few might propose program structures that Mr. Minow has said he will suppress by denying the license, but most will take the expedient and practical approach and conform to his format. Thus, the Commission coerces a promise and then demands performance of the promise it has coerced. This mode of getting the programing the Commission wants is not sufficiently devious, under analysis, to conceal its true nature—it is an instrument of censorship.

I do not wish to imply that under all circumstances it would be improper for the Commission to weigh program representations versus performance. Where the Commission seeks to determine whether the licensee willfully and fraudulently misrepresented his intentions and therefore has character defects, I believe the Commission can properly consider his performance as evidence of an intent not to perform what he represented at the time he filed the application. This has nothing to do with whether his programs were good or bad or what programs he proposes for the future; the only question is whether he intentionally deceived the Commission.

If the evidence establishes that he did, then the Commission must weigh this along with other evidence on character, to determine whether he is a qualified licensee. In considering the character issue, it is irrelevant that he is now willing to make a new representation or to "upgrade" his programs. If his character is found to be bad, what good are new "promises"? If his character is found to be good, in spite of the misrepresentation to the Commission, that ends the inquiry, for it adds nothing to his character for him to make a new "promise" or to say that he will "upgrade" his programs.

But the Commission has not used the promise-versus-performance standard as a mere test of character; it has been used principally to force a licensee to change his program proposals. The recent *KORD* case (KORD, Inc., docket 14003, July 12, 1961) is an example.

In 1960 KORD filed an application for renewal of license and proposed a program

structure that contained no educational, discussion, talk or local live programs. The application disclosed that this was essentially its past performance.

The Commission wrote a so-called McFarland letter indicating that a hearing would be required because a 1957 application had proposed a program structure that included programs in the categories that were not carried. KORD amended its application to propose programs in the favored categories and reduce its entertainment and recorded programs. The Commission designated the application for hearing, but upon petition for reconsideration, granted the application without a hearing.

The decision contains no real discussion of the character issue and relies heavily upon KORD's new "promises" to "upgrade" its programs by adding the favored categories. That the Commission is directly responsible for many programs that KORD will broadcast in the next 3 years and for the absence of others that, but for the Commission restraint, it would have broadcast cannot be in doubt. KORD is merely an example; many similar cases can be found. In fact, in the KORD decision the Commission boasted that it had been doing this since 1946.

Other justifications for Commission interference with programing are that it must interfere because broadcasters use the public domain and operate pursuant to a license. These justifications stand up under neither analysis nor analogy.

I had always understood that one of the primary purposes of public facilities was to promote commerce and communication among our people. I have never understood that our liberties depended upon our avoiding use of the public domain.

If use of public domain deprives a communication medium of its right to be free from Government censorship, then what medium today has the right to be free? All use the publicly owned postal system; many besides broadcasting use radiofrequencies; all to a greater or lesser degree use public highways, streets, and airways; all do this under Government regulation and many pursuant to licenses.

With the explosion of electronic and space satellite developments, it is not too farfetched to suggest that in a few years no substantial communications medium will be able to function without using the public's radiofrequencies to a substantial degree.

I never have understood that, where government uses the licensing mode as its instrument of regulation, its power in areas circumscribed by the Constitution is increased. The printed media operates in large measure pursuant to a permit to use second-class mails. City streets, parks, and halls in many cities cannot be used for meetings or speeches without licenses from the city authorities. In a number of States and cities, motion pictures cannot be exhibited except pursuant to government license.

Under no precedent that I can find has the fact that they were licensed been used as a justification to whittle away their rights under the first amendment. As a matter of fact, in nearly all of the cases, the very fact that the licensing mode of regulation was used, which by definition is a prior restraint, has caused the courts to be extraordinarily diligent in making certain that the instrument was not used to abridge liberty of press, speech, or religion. If communication media cannot use the public domain pursuant to a license and still maintain their freedom from government dictation of the things they communicate, then, we have to say that the first amendment died at the beginning of the radio and space age; that these liberties were intended only for the days when communication was infrequent, difficult, and relatively ineffective; that such liberties cannot be indulged in this modern world of technology. If we believe these things to be true, it seems to me that we have accepted a major element of the philosophy of Marx and Lenin.

The foregoing reasons for Commission interference in programing have been legally justified by the contention that the Commission has judicial approval for what it has done and is doing. I have to concede that it has the better of it in the precedents. The Federal Radio Commission's power to deny renewals of licenses because it disapproved of past program performance was approved by the court of appeals in two cases, now 30 years old.[1]

In one case Dr. Brinkley used his radio as a business adjunct and to prescribe for his patients. In the other case a Reverend Shuler used the facilities to obstruct justice and make defamatory attacks. Mr. Shuler had a newspaper counterpart, by the name of Near, who had been doing about the same thing at about the same time in Minnesota, but through a newspaper instead of a radio station. A year before the Shuler case was decided by the court of appeals, the Supreme Court denied, as unconstitutional, an injunction against Near's continued publication of the newspaper[2] and this decision was cited in the Shuler briefs and cited in the Court's decision. What Minnesota did was held, by the Supreme Court, to be a prior restraint, but what the Commission did was held by the court of appeals not to be a prior restraint.

I cannot reconcile Near and Shuler except on the grounds that the first amendment applied to newspapers but not to broadcasting. At that time this belief was quite generally held. Not until 1948 did the Supreme Court unequivocally state that broadcasting was within the protection of the first amendment.[3]

Both of the applications, Brinkley and Shuler, could have been denied on grounds that would have raised no question of censorship.

In other court of appeals cases, the court has upheld the Commission's right to use its evaluation of programing proposed in comparative applications as one of the deciding factors.[4] But the questions have never been squarely presented to the Supreme Court, although there is dictum to support my contention and other court expressions which can be interpreted contrary to my position.

I do not believe that, in the light of the first amendment cases decided in the last score of years, the precedents upon which my opponents rely are trustworthy. That is to say that, if broadcasting is protected by the first amendment, as the Supreme Court says it is, then by analogy to cases in other media, the Commission cannot use its licensing power to previously restrain broadcast communications in the manner that the Commission has been doing and proposes to do. I believe the court would so hold in a case squarely presenting the issue upon a complete record.

Moreover, I believe that attempts to achieve standardization of public tastes and broadcaster's response through centralized control by the NAB is only somewhat better than censorship by the Commission. Each seeks the concentration of control over programing and the standardization of tastes that is an anathema to diversity and liberty. NAB is more acceptable because it lacks the coercive power of government, and there is always the probability that there will be some nonconformists in the industry.

It should be apparent to all at this point that I am not speaking for the industry. Indeed, many in the industry probably find censorship and control a more comfortable way of life than being constantly confronted with competitors who just do not conform to the standard pattern.

These are only my opinions—ill-qualified ones at that, compared to the qualifications of some of those who hold contrary views. But, at a time when we are locked in a life-and-death struggle with the Communist world, when that external threat is going to require many sacrifices, including the loss of many of our peacetime liberties, should we concede that the enemy's creed of cultural censorship and control must at long last replace our historic and yet to be perfected liberties of speech and press? If these American liberties are thus to be blithely discarded, what is there left to fight for except narrow, selfish, materialistic and nationalist ambitions?

[1] *KFB Broadcasting Assn.* v. *F.R.C.* (47 F. 2d 670 (1931)); *Trinity Methodist Church South* v. *F.R.C.* (62 F. 2d 850 (1932)).

[2] *Near* v. *State of Minnesota* (283 U.S. 697 (1931)).

[3] *U.S.* v. *Paramount Pictures, Inc.* (68 S. Ct. 915, 933 (1948)).

[4] *Johnston Broadcasting Co.* v. *F.C.C.* (175 F. 2d 351 (1949)).

FACILITATION OF CONDUCT OF BUSINESS OF FEDERAL COMMUNICATIONS COMMISSION—CONFERENCE REPORT

Mr. PASTORE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2034) to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of Aug. 18, 1961, pp. 16585–16587, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. PASTORE. Mr. President, in my judgment, this legislation will serve to increase the efficiency of the FCC as well as permit the utilization of new procedures that may serve as a guideline for other administrative agencies.

In view of the procedures developed in this legislation, I intend to obtain an early report from the FCC as to its effects.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

AMENDMENT OF WATERSHED PROTECTION AND FLOOD PREVENTION ACT

Mr. ELLENDER. Mr. President, I ask the Presiding Officer to lay before the Senate the House amendment to S. 650.

Mr. CLARK. Mr. President, reserving the right to object—and I shall not object—does the Senator desire to set aside the pending bill for a conference report?

Mr. ELLENDER. I simply wish to request that the Senate concur in a House amendment.

Mr. CLARK. I have no objection.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 650) to amend the Watershed Protection and Flood Prevention Act to permit certain new organizations to sponsor works of improvement thereunder, which was, to strike out all after the enacting clause and insert:

That the last paragraph of section 2 of the Watershed Protection and Flood Prevention Act is amended by inserting immediately before the period at the end thereof the following: "; or any irrigation or reservoir company, water users' association, or similar organization having such authority and not being operated for profit that may be approved by the Secretary".

Mr. ELLENDER. Mr. President, on June 12 the Senate passed the bill to amend the Watershed Protection and Flood Prevention Act to permit certain organizations to sponsor works of improvement thereunder. The House substituted for our bill an amendment. The associations we included were the irrigation or reservoir companies, the water users' associations, or similar organizations, and the House added the words "and not being operated for profit."

The new organizations would be permitted to promote and foster these works, provided they were not being operated for profit.

I have taken this up with the distinguished ranking minority member of the Committee on Agriculture and Forestry.

Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to.

FARM CREDIT

Mr. McCARTHY. Mr. President, among the provisions of S. 1927, passed by the Senate, is an amendment to section 22(a) of the Farm Credit Act of 1933. It requires production credit associations to set aside from annual earnings an amount equal to one-half percent of their outstanding loans for a bad debt reserve, until this reserve reaches 3½ percent of outstanding loans. After this percentage is reached, increases in the reserve are permitted but not required.

This amendment applies only to PCA's, the cooperative credit institutions organized under Federal statute. I believe the RECORD should show, however, that there are other farm credit institutions which also perform a valuable service in extending credit to farmers and ranchers.

These OFI's, as they are called, deal almost exclusively with farm credit. They are generally organized under State laws, but they are entitled to rediscount with and to borrow from the Federal intermediate credit banks in the same manner as PCA's. For practical purposes they operate much like the PCA's and their need for a reasonable bad debt reserve is similar.

At the beginning of this year 92 of these agricultural credit associations were rediscounting loans at the Federal intermediate credit banks.

I am hopeful that whatever action may be necessary will be taken to provide similar treatment for these other financial institutions in their effort to serve the credit needs of the farmers of the United States.

THE STEEL INDUSTRY

Mr. McCARTHY. Mr. President, since at least July of this year, the press has been speculating concerning a possible steel price increase, which it is anticipated, or at least proposed, will average between $4 and $5 a ton. The explanation advanced by the steel industry, for whatever increase is contemplated, is generally the fact that wage rates will rise approximately 14 cents an hour on October 1. An increase in the price of steel, if it is to be justified, can be justified on the basis of four or five considerations. One of these would be the fact, if it could be determined, that wages are outrunning productivity.

The second justification might be that other costs which go into the production of steel had risen in some significant way, and that such increased costs had to be included in an increase in the price of the finished steel.

A third reason might be that the profits that were paid to those who had invested in the industry—those who had bought stocks—had not represented an adequate return on their investment, and so a price increase would be needed in order to increase profits.

An additional consideration would be an increase in the cost of capital if the facts showed that the steel industry was borrowing a great deal of money or was having to pay higher interest rates on its own borrowings. It might say, "For these reasons, we must increase the price of the finished steel."

It might also be argued that management in the industry had not been properly rewarded, and if that fact could be established, the industry might say that in order to reward management properly, it should increase the price of steel.

Let us look to each of those arguments, so far as we can, to determine whether there is any significance or substance to any one of them. Consider first the question of whether or not wages are outrunning productivity. This is the argument which is given most attention within the steel industry itself, and one which would be most deserving of consideration if it could be established.

Under the existing contract, the October 1 wage increase, previously negotiated, represents a basic rise of slightly over 8 cents per hour. Because of fringe benefits, actual payments will exceed this amount. The union's estimate of the total cost effect per man-hour is 10.5 cents. The newspaper accounts of the industry estimates are only slightly higher. A roughly similar increase went into effect last year, making a total for the 2 years of around 20 cents. A conservative estimate of the average increase in productivity in the steel industry is 3 percent a year. Average hourly earnings run slightly more than $3 an hour. The increase in productivity thus amounts to slightly more than 9 cents a year—18 cents for 2 years. This is only fractionally more than the cost of the wage advance at a productivity rise of 3 percent which may well prove to be an underestimate.

So if we were to use such an argument, an examination of the record—accepting the view that those arguments are true—would indicate that the increase in productivity over those 2 years would be roughly proportionate to the increase in wages to be paid under the existing contract.

I ask unanimous consent to have printed in the RECORD at this point further discussions and some excerpts from the hearings on administered prices. These items relate to the question of the increase of productivity in the steel industry, and the bearing of that increase upon the question which we are now considering as to whether or not price increases of finished steel are necessary or justifiable.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

HEARINGS, ADMINISTERED PRICES, PART 3, PAGE 1132

In the steel report of the subcommittee, Mr. Cooper's estimate was analyzed: "Since United States Steel itself has taken the position that 1956 is not a representative year for this type of estimate, it is desirable to eliminate that year in calculating the growth in productivity. On the basis of Mr. Cooper's figures (exhibit III of his statement), it appears that output per thousand man-hours rose at an average rate, compounded annually, of 3.5 percent a year, from 1950 through 1955." (S. Rept. 1387, 85th Cong., 2d sess., "Administered Prices: Steel," p. 41.)

Dr. Gardiner C. Means, an independent economist, estimated from BLS data that the productivity increase from 1953 to 1955 in the steel industry was around 4.3 percent high production in the industry. (Hearings, Administered Prices, pt. 9, pp. 4764–4765.) 1955. (Hearings, Administered Prices, pt. 2, p. 446.)

Mr. Otis Brubaker, research director, United Steelworkers of America, estimated that the productivity rise averaged about 3.1 to 3.2 percent a year over the period 1939 to 1955. (Hearings, Administered Prices, pt. 2, p. 446.)

The Bureau of Labor Statistics, using hours paid (including time for paid vacations, holidays, etc.), has published its series (as corrected May 6, 1959) for index of output per production worker man-hour. The subcommittee staff, using the same production index as the BLS, but using the American Iron and Steel Institute data on hours worked, constructed an index of output per

man-hour worked. Both of these are shown below, together with the operating rate for the industry.

The Council of Economic Advisers estimates that productivity in the steel industry advances at about 3 percent per year.

Steel productivity indexes

[1947=100]

Year	BLS (hours paid)	Subcommittee (hours worked)	Operating rate
1947	100.0	100.0	93
1948	100.4	100.9	94
1949	102.8	103.0	81
1950	111.9	112.9	97
1951	113.0	110.8	101
1952	117.6	113.9	86
1953	118.8	116.1	95
1954	115.9	115.8	71
1955	129.4	129.4	93
1956	130.4	131.9	90
1957	128.9	132.1	85
1958	126.6	132.0	61
1959	141.8	146.9	63

Mr. McCARTHY. The second consideration deserving attention is whether or not other costs which enter into the price of steel have somehow increased, which would be a basis for increasing the price of steel. Have the costs of materials that go into steelmaking increased significantly within recent years? So far as I can determine, they have not to the extent that any increase in the cost of steel would be justified. It is not justifiable on the record which is available with reference to the cost of materials. Most of the materials consumed in the making of steel are produced by the steel companies themselves. Most of the mines, for example, are captive mines.

An increase in labor costs resulting from higher wages paid to workers engaged in the production of iron ore, if treated as an increase in the cost of steel, would not be regarded as also an increase in the cost of materials. To count them so would be to count them twice.

The steel companies have failed to demonstrate that there have been any significant increases recently in the cost of producing their own steelmaking materials. Moreover, since 1956, there has taken place a sharp decline in the cost of one important steelmaking material, which is the purchase of scrap.

I ask unanimous consent to have printed at this point in the RECORD a statement from the publication "Administered Prices," pages 42 to 44, from Senate Report 1387 of the 85th Congress, which deals with changes in the price, the declining price, and the declining cost of steel scrap.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The principal materials used in steelworks and rolling mill operations are pig iron ($2.1 billion worth in 1954) and scrap ($551 million worth of purchased scrap was used in 1954). The next largest items shown in the 1954 census were ferromanganese, valued at $146 million, and iron ore, $94 million. The cost of other materials used was small in comparison to these items. United States steel secures its pig iron and ferromanganese from its own blast furnaces, and mines its own ore. Thus for both blast furnace and steel-making operations, the major element of purchased materials appears to be iron and steel scrap.

The price of scrap to United States Steel and Bethlehem was estimated to be about $34 a ton in September 1957. This figure was determined by applying the percentage decline in open market scrap prices from the 1956 average to September 1957 to the average price paid by United States Steel in 1956. On this basis, the cost of scrap per ton of finished steel in September was $8.69, in comparison to an average cost per ton of $12.56 in 1956. In other words, the estimated reduction in the cost of purchased scrap ($3.87 per ton of finished steel) from 1956 to September 1957 has been more than enough to offset even a generous estimate of the increased labor costs incurred through the July 1 wage adjustments. Subcommittee on Antitrust and Monopoly, S. Rept. 1387, 85th Cong., 2d sess., "Administered Prices: Steel," pp. 42 and 44.)

Mr. McCARTHY. It may be contended that there has been an increase in the cost of iron ore. Such contention is extremely difficult to establish. It would be of great value to us if we could discover what the steel industry actually pays for the iron ore which is produced in Minnesota, Michigan, Wisconsin, and other parts of the United States, and also what it costs the steel industry of this country for ore that it obtains from Canada, Venezuela, and Brazil. The facts with reference to this question are not readily available, and there is no indication on the part of the industry that it wants to tell us, or to declare very clearly and positively that these prices have increased.

The third consideration which might justify an increase in the cost of finished steel would be that profit rates have been too low. An examination of the record of the steel industry would indicate that such is not the case. In analyzing any change in profit rates, it is necessary to recognize the existence of a close historical relationship in the steel industry between profit rates and operating rates. Production is a percentage of capacity. Since 1955 the rate of return on net worth has risen above the historical relationship which has existed since 1920. For the industry as a whole the profit rate now runs about 2 percentage points above the historical relationship between operating rates and its profit rates. For United States Steel it runs 3¾ percentage points above the historical relationship.

If there is any basic reason why this historical relationship is not an adequate return upon which to form a judgment, it seems to me the burden of proof is upon the steel industry. Or if there is any reason why profits and the rate of return on investments in the steel industry should be much higher than they are in other industries, the burden of proving this necessity also rests on the steel industry before it makes an argument for price increases.

I ask unanimous consent to have printed at this point in the RECORD a table showing the relationship between the operating rate and the rate of return on net worth after taxes in the steel industry.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Steel: Relationship between operating rate and rate of return on net worth after taxes

Year	Steel industry		United States Steel	
	Operating rate	Rate of return	Operating rate	Rate of return
1920	76.7	12.1	86.2	11.5
1921	34.9	2.2	48.3	4.3
1922	61.7	3.8	70.9	4.6
1923	77.3	9.4	89.1	10.9
1924	64.6	6.5	72.2	8.4
1925	75.4	7.6	81.7	8.6
1926	84.1	9.3	89.1	10.1
1927	75.4	6.6	79.8	7.4
1928	84.6	8.4	84.6	9.0
1929	88.7	12.1	90.4	12.6
1930	62.8	5.1	67.2	5.8
1931	38.0	−.3	37.5	9.7
1932	19.7	−4.5	17.7	−4.1
1933	33.5	−2.2	29.4	−2.2
1934	37.4	−.7	31.7	−1.3
1935	48.7	1.4	40.7	.1
1936	68.4	4.8	63.4	3.8
1937	72.5	7.2	71.9	7.0
1938	39.6	.3	36.4	−.6
1939	64.5	4.2	61.0	3.1
1940	82.1	8.2	82.5	7.5
1947	93.0	11.8	96.7	10.0
1948	94.1	14.4	93.8	10.6
1949	81.1	11.8	82.5	9.6
1950	96.9	15.3	98.2	12.3
1953	94.9	11.2	98.4	9.9
1954	71.0	9.4	73.2	8.3
1955	93.0	14.7	90.8	14.8
1956	89.8	13.2	85.2	12.8
1957	84.5	12.4	85.2	14.3
1958	60.6	8.1	59.2	9.7
1959	63.3	8.1	58.3	8.0
1959, 2d half	(1)	(1)	30.0	0
1960	66.8	7.8	65.1	9.2

[1] Not available.

Sources: Joint Committee on the Economic Report, "Basic Data Relating to Steel Prices," 81st Cong., 2d sess., 1950; AISI, Annual Statistical Reports; Federal Trade Commission; United States Steel, "Basic Facts" (pamphlet); Moody's Industrials.

Mr. McCARTHY. The fourth consideration deserving of attention is the question of whether or not the cost of capital has increased for the steel industry. Does it have to borrow more money, or does it have to pay more for what it borrows now than it did in the past? On this point the record shows quite clearly that the steel companies have obtained most of their financing requirements from retained earnings. For the most part, they have not had to go into the open market and have not been affected significantly by increases in interest rates or, on the other hand, by a decline in interest rates. In 1959 a prominent investment house issued the following statement:

Since the beginning of 1946, United States Steel has spent $4 billion on facilities for property improvement, replacement, and modernization—or the equivalent of nearly $75 per share of the 53.8 million common shares. For the period of 1946 to 1958 $3.9 billion of cash throwoff (i.e., cash retained from operations) has come from retained earnings, depreciation, and amortization and this has been almost sufficient to finance this major capital expenditure program. ("Investment Comment on United States Steel," Goldman, Sachs & Co., June 1959.)

For the steel industry as a whole there have been several bond issues since 1958, but these are not convertible to stock. The proceeds of six publicly

offered security issues of steel companies, according to the SEC, totaled $689 million.

Consolidated industry financial statements, as compiled by the American Iron and Steel Institute, showed that retained earnings increased $834 million in these 3 years.

This evidence shows that the industry has not had to go to the open market and has not had to pay increased interest rates in order to secure capital for expansion.

There is one further fact which might receive consideration, and that is the question as to whether the management of steel industry is underpaid, and consequently price increases might be necessary to bring them up somewhere near the average.

I believe that most Members of the Senate know that steel management is not underpaid. However, in order to make the RECORD complete and to answer this question, I ask unanimous consent to include in the RECORD at this point table 12 from the report on administered prices, which lists 18 of the highest paid officers in U.S. industry today. The report shows that of the 18, 11 or 12 come from one steel company; not from the entire industry, but from one company. I may say that this is the Bethlehem Steel Co. Perhaps they should be commended for paying their executives wages and salaries which are subject to income taxes. The common practice in some of the other large steel companies is to pay salaries relatively much lower than those paid by Bethlehem, and to make up for the deficiency, if it can be called that, with stock options and other special considerations.

I ask unanimous consent that excerpts from the report dealing with stock options also be included in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TABLE XII.—*18 highest paid men in U.S. industry*

1. Eugene G. Grace, chairman, Bethlehem	$809,011
2. Harlow H. Curtice, president, General Motors	695,100
3. Arthur B. Homer, president, Bethlehem	669,176
4. Crawford H. Greenewalt, president, Du Pont	600,886
5. Frederic G. Donner, executive vice president, General Motors	577,625
6. Stewart J. Cort, vice president, Bethlehem	529,340
7. Louis C. Goad, executive vice president, General Motors	521,000
8. Robert E. McMath, vice president-secretary, Bethlehem	514,340
9. Norborne Berkeley, vice president, Bethlehem	499,340
10. Joseph M. Larkin, vice president, Bethlehem	499,340
11. Daniel D. Strohmeir, vice president, Bethlehem	444,424
12. Arthur F. Peterson, vice president, Bethlehem	434,424
13. J. W. Schwab, president, United Merchants & Manufacturers	386,588
14. Harry C. Crawford, vice president, Bethlehem	374,507
15. Paul S. Killian, vice president, Bethlehem	$374,507
16. Ernest R. Breech, chairman, Ford Motor	370,000
17. Henry Ford II, president, Ford Motor	370,000
18. Jesse V. Honeycutt, vice president, Bethlehem	364,589

Source: American Institute of Management, Corporate Director, August 1957, p. 4.

United States Steel has earmarked 5 percent of its outstanding common stock for stock options, Bethlehem, 5.5 percent, and National, it is believed, a similar amount.

United States Steel's stock-option plan, adopted in 1951, limits the offering of stock options to 30,000 shares to any one participant. A total of 722,250 shares has been purchased under this plan. The potential profit to be made through stock options can be seen in that in 1951 options on 768,000 shares were granted at an effective price of $20.50 a share. Options were exercised for the purchase of 722,250 shares in subsequent years while the market price for such shares has ranged as high as $73.75 per share. In 1953 the option price for 787,400 shares was set at $18.50, and in 1955, an option price of $48 was set on 286,200 shares.[3]

Since 1951, United States Steel has granted stock options at a face value of $48,960,000. The market value of these shares on August 8, 1957, the day Mr. Blough testified before this subcommittee, was $133,232,100.

National Steel has granted stock options to its officers and directors at various times in recent years. In 1951, 17,800 share options were granted at a price of $42 per share. When these options were exercised the market price was as high as $69.25. In 1954, 7,400 shares were optioned at $40.50, and in 1955, 34,500 shares at $62.50, and prices upon exercise were as high as $75.25. The bulk of options granted in 1955 have not been exercised as the market price in 1957 has declined to below the option price. This raises the question as to whether, if incentive is desired rather than nontaxable income, a stock bonus plan would not be preferable.

Bethlehem's stock option plan offers stock at 95 percent of the market value of the stock on the option date. No maximum number of options is included in the Bethlehem plan other than that no more than 10,000 shares can be issued to any one participant in any one year.

The Bethlehem stock option plan, approved September 17, 1957, is clearly the result of a long look at the tax laws. Bethlehem has reduced the fund from which bonus payments are made by one-third in favor of stock options. The provisions of the stock option plan are in brief:

(a) All directors and selected persons chosen by a stock option plan committee are included;

(b) Each director can purchase a number of shares having an aggregate option price equal to his current aggregate compensation;

(c) The period during which the option may be exercised is 10 years;

(d) The option price is 95 percent of the market value at the time the option is granted.

Because of the difference in taxation rates upon regular income and capital gains, the one-third less in incentive bonus can be compensated for by a much smaller increase in the capital value of the stock.

[3] United States Steel Corp., stock option rights granted and exercised, ibid., appendix, pp. 989–990.

Mr. McCARTHY. Other Members of the Senate have spoken about the significance of steel prices in the operation of our economy. They have spoken about the importance of the increase in steel prices with reference to possible inflation and other factors in our national economy.

I wish to speak about the probable effect of such increase on our foreign trade position and on the balance-of-payments situation.

For the past 2 or 3 years the United States has been faced with a difficult balance-of-payments situation, one which resulted in a serious gold drain from 1958 through the early part of this year. At the moment the pressure tending to weaken the dollar in international exchange and to cause a gold outflow has been relieved, but the present balance is exceedingly delicate. It could be easily upset, to our great disadvantage, by any rise in steel prices.

The problem has two phases, as I see it. In the first place, steel exports will fall below what they would be without a price rise, and this will reduce our favorable merchandise balance of trade. In the second place, it may be safely predicted that a steel price advance will trigger price increases in a number of steel-using industries, a development which would have much more serious effects on our international trade position than the decline in steel exports alone.

The record with reference to steel exports and imports has a significant bearing at this point.

One effect of the steady increase in steel prices has been to curtail steel exports and spur imports. Indeed, the American steel industry appears to be in the process of pricing itself out of the world markets and inviting expansion of imports. In sharp contrast to our historical pattern of steel exports substantially exceeding imports, steel import tonnage this year, as in the past 2 years, is again running ahead of exports. Imports of certain fabricated goods made largely of steel, such as automobiles, have also surpassed exports in recent years.

I ask unanimous consent to have printed in the RECORD at this point a table showing the change in the exports and imports of steel in the years since 1952. This table was prepared by the U.S. Department of Commerce. I also ask unanimous consent to insert in the RECORD at this point a comment on the table.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Year	Exports	Imports
1952	4,171	1,614
1953	3,082	2,335
1954	2,869	1,167
1955	4,228	1,352
1956	4,640	1,795
1957	6,336	1,499
1958	3,026	1,998
1959	1,808	5,323
1960	3,199	3,907
1961 (5 months)	952	1,108

Source: U.S. Department of Commerce, Office of Business Economics.

Mr. McCARTHY. Reporting on steel mill products alone for June 1961, the Wall Street Journal of August 18, 1961, pointed out that imports were at a 14-month high and that June exports were lower than in any previous June back into the 1930's:

The Commerce Department said the U.S. export decline stemmed partly from slower demand abroad and partly from expanded foreign producing capacity. Shipments to Canada, this Nation's biggest steel customer, have declined because of "the large expansion of steelmaking capacity in Canada in recent years, and competition from Western Europe and Japan," the agency said. U.S. sales of steel to Britain are being hurt by lower auto production there "and increased local availability" of steel, the report added.

The report also listed the major foreign sources of steel bought by U.S. customers. In the first 5 months of 1961, the Department said, combined shipments from Belgium and Luxembourg accounted for 34 percent of total U.S. imports. The main products shipped from these countries were concrete-reinforcing bars, structural steel, pipe and tubing, barbed wire, and wire nails.

Mr. President, in 1959, for the first time in more than half a century, imports of steel mill products into the United States exceeded our exports; imports reached an all-time high of 4.4 million tons, while exports were 1.7 million tons. The long steel strike of that year provides a very convenient rationalization for this. Of course, 1959 steel shipments were much higher than those of 1958, and there was no indication of any general steel shortage, despite the strike. Nevertheless, it seems to make some sense that exports would fall and imports rise in a major strike year.

There was no steel strike in 1960. The average operating rate of the industry was 67 percent of capacity. Indeed, if we leave out the first 3 months of the year when inventories were being rebuilt after the strike, we find that the average operating rate for the remaining 9 months was only 56 percent of capacity. Foreign markets were good, and most foreign mills operated at full capacity with mounting backlogs. Under the circumstances we would expect that all of our domestic requirements could have been met with plenty of steel left over for export. But in 1960, for the second consecutive year in more than half a century, imports of steel mill products into the United States exceeded exports. It is true that exports were above those of 1959, while imports were somewhat below the 1959 figure; but the fact remains that in a year with no strikes and with plenty of idle capacity we were a net importer of the products of one of our most basic industries.

I find nothing very heartening in the figures so far available for 1961. In the first five months of this year, the industry utilized less than 60 percent of its available capacity. Despite this, imports of steel mill products are still running far ahead of exports.

Mr. GORE. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. GORE. Does not the Senator believe that a further increase in the price of U.S. steel would aggravate the Export-Import balance-of-payments problem?

Mr. McCARTHY. There is no doubt that it would aggravate the problem and make it more difficult to maintain a balance of payments.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. McCARTHY. I yield.

Mr. GORE. Professor Eckstein, at our forum and study group, stated that statistics show that within the past 6 or 7 years the export price of German-made steel has increased 9 percent, that the export price of Belgian steel has decreased 3 percent, while the export price of U.S. made steel had increased 36 percent.

Mr. McCARTHY. The Senator is correct.

Mr. GORE. If the trend continues, how will the United States play in this international economic league?

Mr. McCARTHY. The result can only be a further decline of the U.S. position in the steel markets of the world. This decline has been in progress for several years.

In 1954 steel accounted for 19 percent of the total value of exports from the United States and from Western allied nations, including Japan.

The result of these developments has been a marked decline of the U.S. position in the steel markets of the free world. In 1954, this country accounted for 19 percent of the total value of exports from the United States, the United Kingdom, West Germany, and other OEEC countries, and Japan. Between 1954 and 1957, there was a sharp rise in the world demand for steel, and exports from the countries mentioned nearly doubled. The United States more than held its own in this expansion; our share in the total rose to 23 percent. But in 1958 and 1959, the market receded from the earlier peak. In this period, exports from the United States declined far more than exports from Western Europe and Japan.

These are the same years in which an unfavorable balance of trade began to plague us, and our market shares were 15 percent in 1958 and only 10 percent in 1959.

I am certain that the principal factor which explains the changes in our market shares from 1954 to 1959 is price. During the 1954–57 expansion in the world demand for steel, we would have expected steel prices to rise everywhere, and they did. If anything, the relative increase in U.S. steel export prices was somewhat less than that in British, German, other European, or Japanese export prices. This effectively gave U.S. producers an advantage which enabled them to increase their share of the world market.

In the period when we maintained our position and improved it, we had a price advantage. In the years since then, with the slackening of the market in 1958 and 1959, we might have expected that competition for business would bring steel prices down.

This expectation proved perfectly correct in the case of British, Western European, and Japanese export prices. By 1959, the export prices of each of these areas had fallen back to or even substantially below the 1953 level. In the case of the U.S. steel industry, however, as Senators have pointed out, our expectation as to the logical behavior of producers in the face of falling demand would have betrayed us. Contrary to what we should have expected, contrary to what are supposed to be the laws of economics, the falling demand did not result in a reduction in the price of U.S. steel in the world market. Despite the severe decline in both domestic and foreign demand for steel, the American industry continued to raise its prices. By 1959, the U.S. steel manufacturers were no longer competitive in much of the world market. Someone has described it as falling free in space. The laws of economic gravity did not affect the U.S. steel industry. It could move upward, downward, or sideways without being influenced in the world market.

I am aware that the steel strike may raise some questions about any 1959 comparison of steel exports. Unfortunately, the United Nations data on which market share statistics are based will not be available for 1960 until late September. I am confident that the 1960 figures will show some improvement in our market position over 1959, but I am afraid that even with this improvement, our market share in 1960 will turn out to be lower than in any recent year except 1959.

To the extent that our position did improve in 1960, the importance of price is underscored. The foreign market for steel revived and, as order backlogs for European mills rose, foreign steel prices began to move back up. Meanwhile, for the first time in years, the upward trend of U.S. steel prices was halted; indeed, to the extent that average unit values are a guide, there appear to have been significant export price reductions in some of the important product categories which contributed most of the tonnage increase, a clear indication that the price of steel is a significant factor in the amount of steel exported. The slowdown or the stopping of the increase, even though our position, relatively speaking, was one of higher prices than those of our foreign competitors, had the effect of improving our position in the world market, without any reduction in the prices which U.S. companies were charging for that steel.

In short, there is nothing inevitable about the loss of export markets to the American steel industry. But to avoid this loss, American companies must be willing to meet the prices of foreign steel producers who believe in active competition on the basis of price, rather than in the sanctity of an 8-percent return on investment, after taxes, at 60 percent of capacity.

What of the future? Can we count on a sufficient rise in the world demand for steel to keep American prices competitive by pulling up foreign prices? I think not. According to Steel magazine (July 21, 1961), the world's steel production outside the United States and Canada in 1960 amounted to 276 million tons, with most foreign mills operating at full capacity. Projects

under construction or in final planning will raise foreign capacity to more than 400 million tons by 1965. This suggests very strongly that world steel markets will become more, rather than less, competitive in the next few years.

For this reason I believe that the projected rise in U.S. steel prices will be suicidal so far as our foreign trade is concerned. And this appears to be a particularly irrational form of economic suicide, with heavy unemployment in the steel industry and with company executives talking hopefully about their chances of getting production all the way back up to 70 percent of capacity.

It may be argued that what happens to steel prices and to steel exports is not very important. Steel mill products contributed only about 3 percent of the total value of our merchandise exports in 1960, and a change of a few hundred million dollars, one way or the other, will have no great effect on our balance-of-payments problem. I cannot agree with this argument. A decline in steel exports would not be very serious if our market position were improving in most other export categories. But if some of these other categories behave in the same way as steel mill products, our balance-of-payments situation will become critical.

There is good evidence that this is what has been happening. As examples, let me show you the declines which took place from 1954 to 1959 in the U.S. share of total exports from the United States, Western Europe, and Japan in several product classes which, together with steel, add up to a serious deterioration in this country's foreign trade position.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table entitled "U.S. Share of Total Exports From United States, Western Europe, and Japan."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

U.S. share of total exports from United States, Western Europe, and Japan (percent)

	1954	1959
Agricultural machinery	51.4	44.4
Tractors	58.9	51.8
Electric machinery and appliances	28.7	24.3
Industrial machinery	39.2	36.1
Motor vehicles	41.2	29.7

Mr. McCARTHY. Mr. President, similar patterns can be observed with other commodities, such as metalworking machinery, power-generating equipment, office equipment, and railway equipment. All of these categories of exports have one factor in common: they use substantial quantities of steel.

The world market for these products, which we like to think can be produced better in the United States than anywhere else, is growing. Why, then, do we find it so difficult to maintain our share in this growth?

The question can be answered on the basis of reports from a number of foreign countries. Several factors are suggested as affecting our competitive position, among them refusal to extend credit, poor salesmanship in terms of local customs and language that slow deliveries, and other minor objections. But the dominant reason given is price. For many products in the groups mentioned above, we are no longer competitive pricewise. By being competitive, I do not mean that we have to sell as cheaply as foreign firms. American quality is widely accepted as the world standard. For this quality, foreign customers are willing to pay premiums of 10 percent, 15 percent, or 20 percent more than they would have to pay for goods of adequate, if not comparable, quality from foreign suppliers. However, they are unwilling, and in most cases cannot afford to pay premiums of 30 percent, 40 percent, 50 percent, or more for American quality alone.

It is in this context that I find a possible resumption of the upward trend of steel prices most disturbing. As a basic raw material in many industries in which our foreign trade position is most rapidly deteriorating, a steel price increase can have an important effect on costs, prices, and exports. Several years ago the Subcommittee on Antitrust and Monopoly found that the 1957 increase of $6 a ton would directly raise the costs of steel users by $540 million. It was recognized at the time that, considering indirect costs and the pyramiding of markups at various stages of production and distribution, price increases in finished products made of steel could ultimately cost buyers several times that amount.

This points up one of the characteristics of administered price industries which has become all too familiar to the members of the Antitrust Subcommittee. One of the problems faced by price leaders in concentrated industries is to devise justifications for their policies.

Because they have autonomy, because they have a power over which there is no effective competitive control, they have a very special obligation to conduct their business in the pubic interest.

In other years, steel price increases have provided a wonderful excuse for price increases in the steel-using industries. With the past as a guide, I expect that any increase in steel prices will not only directly raise costs and prices in steel-using industries, but will also serve as excuses for these industries to raise their prices by amounts which far exceed any cost increases. The inevitable result will be a further loss of export markets to the United States, a rise in imports, and a resumption of the decline in our favorable merchandise balance of trade position.

Mr. KEFAUVER. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield.

Mr. KEFAUVER. I think the Senator from Minnesota has brought out a very important point, namely, that the increases in the prices of pots, pans, automobiles, and other articles made of steel are not actually due in their entirety to the increase in the price of the amount of steel which is used in the manufacture of those products. Instead, by the time those products reach the market, the increase in the price of steel has been pyramided several times, so that the total increase in the prices of those products becomes very, very substantial, even though the amount of steel used in their manufacture is not very great. I think that is a matter which the public, the steel companies, and all who have responsibility in connection with this matter should keep in mind.

Mr. McCARTHY. I thank the Senator from Tennessee for his comment.

Mr. LONG of Louisiana. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield.

Mr. LONG of Louisiana. Let me congratulate the Senator on his magnificently prepared speech. He has provided us with information which many of us have needed very badly in order to be able to judge whether the proposed increase in the price of steel is really justified.

Did I correctly understand the Senator to say that an increase of a certain amount in the price of steel would amount to an increase of approximately $500 million in the price of steel as it left the mills ?

Mr. McCARTHY. Approximately so; yes, in terms of the costs of steel users.

Mr. LONG of Louisiana. Will the Senator from Minnesota repeat the exact figures he gave?

Mr. McCARTHY. I stated that it was found that the 1957 increase of $6 a ton would directly raise the costs of steel users by $540 million; and it was recognized at the time that, considering indirect costs and the pyramiding of markups at various stages of production and distribution, price increases in finished products made of steel could ultimately cost buyers several times that amount.

Mr. LONG of Louisiana. Did I also understand the Senator from Minnesota to say that the increase in the prices of such commodities to the ultimate consumers will amount to several times the increase in the price of steel itself?

Mr. McCARTHY. Yes, in the case of the increase in the prices to the ultimate consumers of products which are composed in part of steel. This is shown by what happened to the economy after the last substantial increase in the price of steel. There was then an increase not only in the prices of products which used substantial amounts of steel, but also in the prices of commodities which used very little steel. In short, the increase in the price of steel served as a kind of alarm bell which resulted in a pattern of price increases.

Mr. LONG of Louisiana. So we can correctly state, can we not, that an increase in the price of steel tends to work in this way: As a direct result of the increase in the price of steel, manufacturers who use considerable amounts of steel decide, when they are faced with the necessity of increasing the prices of their products in order to cover the increase in the price of steel, that that situation gives them a chance to increase the prices of their products even more than the steel price increase requires, and thus increase their profits?

Mr. McCARTHY. Yes.

As the Senator from Louisiana knows, in the past when the increases in the prices of various commodities were said

to be justified on the basis of the increase in the price of steel, the increases in the prices of the ultimate products were far greater than the increases required by the increase in the price of steel.

Mr. LONG of Louisiana. So because of that psychological situation, the various manufacturing companies decided to increase the prices of their products at that time because, as a result of the increase in the price of steel, everyone seemed to be expecting a price increase; and that psychology also applies to other businesses, which thus feel that that situation gives them a wonderful opportunity to increase the prices they charge, and thus to increase their profits. Is that correct?

Mr. McCARTHY. The Senator from Louisiana has stated the matter exactly correctly.

Mr. LONG of Louisiana. In that event, such a price increase results in an increase of billions of dollars in prices, insofar as the ultimate consumers are concerned, does it?

Mr. McCARTHY. Yes, I believe one would have to estimate the total in terms of billions of dollars.

Mr. LONG of Louisiana. I thank the Senator from Minnesota.

He has also pointed out that in addition to the price increases brought about by the manufacturers of products which require substantial quantities of steel, steel price increases also tend to make all manufacturers price-increase conscious, and to believe that that is the time for them to increase the prices they charge for the goods they manufacture. So, in a way, that situation sets off a spiral of price increases, with the result that all manufacturers will begin to increase the prices of their products.

Mr. McCARTHY. Yes. In the case of companies which are competitive I can understand that there would be some excuse for that situation.

But when an industry has such complete control of the market as does the steel industry, there is much less excuse for such price increases. Their situation is not the same as competitive companies which have to move quickly if they are to survive.

Mr. LONG of Louisiana. Then when the major administered-price industry, or the largest of these—which I believe steel is—increases the price of its product, that tends to make producers in other industries which are limited to a relatively small number of producers, such as aluminum, think, that that is a good time for them, as well, to increase the prices they charge?

Mr. McCARTHY. Yes, that is the general relationship.

Mr. LONG of Louisiana. So they say, "If the price of steel is going to be raised, and is not going to cause any great complaint, we can pretty easily raise the prices we charge, without having too much protest made."

Mr. McCARTHY. Yes, that is true.

Mr. LONG of Louisiana. Is not the price of steel a large factor in the price of oil?

Mr. McCARTHY. That is correct.

Mr. LONG of Louisiana. So when the price of steel rises, do not the oil producers feel that the situation gives them some justification for increasing the prices they charge?

Mr. McCARTHY. Yes, because of the effect of the price of steel on the cost of drilling for oil and producing oil.

Mr. LONG of Louisiana. And also because of the effect of a steel price increase on the cost of transportation, which is one of the major items in connection with the delivery of oil to the market and to the processing points?

Mr. McCARTHY. That is correct.

Mr. LONG of Louisiana. So not only at the producing end, but also at the processing end, an increase in the price of steel tends to set in motion price increases in the petroleum industry, and in the coal industry?

Mr. McCARTHY. Yes; in fact, in almost every industry which provides a source of power or a source of fuel.

Mr. LONG of Louisiana. Once again, when that process begins to work and when those who use steel in their industries see an increase in the price of steel coming, they view that as an opportunity for them to increase the prices they charge; but they increase prices much more than the amount justified by the increase in the price of steel?

Mr. McCARTHY. There seems to be very clear evidence of that.

Mr. LONG of Louisiana. I thank the Senator from Minnesota.

Mr. McCARTHY. Mr. President, let me point out some of the very serious implications of any further weakening of our merchandise trade balance. Fifteen years ago, 10 years ago, or even 5 years ago, we were principally worried about the apparent "chronic dollar shortage" in the world. Our ability to compete in foreign markets was limited only by the scarcity of dollar exchange with which other countries could buy our goods. For the past few years, however, our concern has been a growing dollar surplus condition, caused primarily by a failure of our exports to grow sufficiently to absorb the dollar exchange created by rising imports, a heavy outflow of private capital, and our continuing program of foreign economic aid. Two possible consequences follow: either we sell gold, or foreigners accept U.S. demand deposits and short-term assets in lieu of gold.

Since the end of 1957, we have seen both results of our balance-of-payments deficit. Throughout 1958, 1959, and early 1960, there was a net reduction of more than $5 billion in the Treasury gold stock. In addition, U.S. liabilities to foreign governments, central banks, and nonofficial creditors rose to $17 billion. These liabilities, which are directly or indirectly convertible into gold, are very nearly equal to the remaining Treasury gold stock.

There has been improvement in our balance of payments position and a halt in our gold drain since the first quarter of 1960. The fear has been expressed that this improvement may be only temporary, caused by nonrecurring shipments of aircraft and cotton and some other commodities.

I hope that this is not the case and that we are on the way to solving the problems of the past 2 or 3 years.

Two proposals which have been offered as so-called solutions to our balance of payments and gold problems are, I feel, completely unacceptable from the standpoint of this country's best interests. The first is an increase in tariff barriers to reduce our imports. Since the United States is the most prosperous market in the free world, we must continue to encourage imports. If we do not, the only alternative for our foreign suppliers is to increase their trade with nations behind the Iron Curtain, the other great market of the world, or to retaliate against us with higher tariffs and trade barriers. Such a course of action can only weaken our own position and strengthen our cold war enemies. And since foreign tariff retaliation will follow any such move by the United States, the resulting drop in our exports would leave us no better off economically than before.

The second proposal, advanced from some very persuasive quarters, is that our foreign aid programs must be cut back or eliminated on the ground that we can no longer afford commitments on the scale of the past.

I submit that a reduction in foreign aid is one thing which we cannot afford at this critical period in our history. So long as there are nations which need our help, we cannot refuse it, for again, the alternative to U.S. aid and friendship is Soviet aid and domination.

In my mind there is a third solution which is consistent with both the economic and the political welfare of our country. This is a growth in U.S. exports which matches the growth in world markets. Such an export growth is entirely possible, particularly now that our major foreign customers have eliminated most of their restrictions against U.S. imports—such as quotas, nonconvertibility of currency, and so forth—designed to ration scarce dollar exchange. But a growth in exports can hardly be expected if companies in our concentrated industries keep on raising prices in order to hit predetermined profit targets while operating substantially below their full capacities.

The challenge we face has been described as a total challenge, and I believe we can respond to the challenge only with a total response, and that this response can be successful only if everybody participates—not only those in Government positions but those in the financial and industrial structure of our Nation.

I believe the proposed increase in steel prices, which certainly appears unwarranted in view of the industry's present low operating rate, would further reduce our share in the world's steel market. More than this, it would lead to a series of price increases in products made from steel and this could only lead to a deterioration of our export position in the whole area of steel products. Unless our export position improves, it is likely that we shall very soon again be facing the problems of balance of payment deficits, a weakening of the dollar in international exchange, a resumption of the gold drain from the United States, further arguments in favor of establishing tariff walls, and along with that, continued attacks upon our necessary foreign aid program. In this sense the question of

the proposed increase in steel prices has significance in terms of our foreign policy as well as upon our national economy.

Mrs. NEUBERGER. Mr. President, I was interested in the colloquy between the Senator from Louisiana [Mr. LONG] and the Senator from Minnesota [Mr. MCCARTHY] because they made a point which I would like to make; namely, that any increase in the price of steel is borne by the consumer. Regardless of whether he is buying a tractor, an automobile, or a toaster, he feels the effect of this increase.

I should like to point out that the consumer was adversely affected by the rapid rise in the price of steel during the 1953–58 period. On the other hand, all of us have been benefited by the stability in the price of steel during the past 3 years. The consumers' price index for durable commodities has remained approximately unchanged during the past 3 years, and this is of interest to all consumers, especially the housewife.

I think this is a good time to reiterate some words of the Senator from Tennessee [Mr. KEFAUVER], who, back in June of 1958, made some pertinent remarks to this body, in which he said:

> Steel is a raw material—the most important raw material. As such, it enters directly or indirectly into the cost of nearly every commodity or service in the land. Consumers do not buy steel as such. But in one way or another the price of steel affects nearly everything that the consumer has to buy. The importance of steel to the increase in living costs is now being discounted in some quarters * * *. But steel is an important cost item at each stage of the process of production and distribution of food, for example. When the price of steel rises, so also do the prices of farm machinery, fencing, nails, roofing, and other farm supplies. Higher prices for steel mean higher prices for machinery and equipment used in processing, freezing, canning, preserving, and storing. A price increase for steel, in itself, forms a justification for higher transportation charges, which of course represents an important element in the final price of food. Higher prices for steel mean higher prices for tin cans—

And I do use the word "tin" advisedly there, in a way, because many cans contain more steel than tin—

> and it is a fact that for a number of imported canned vegetables the cost of the can is as much as, or even greater than, the cost of its contents. The stainless steel in the supermarket, the steel in the wire baskets of the carts that housewives push in the supermarkets, the steel in the delivery trucks—all these and many other items affecting the cost of food go up when the price of steel is raised.

I well remember that when I was running my brother's dairy farm during the war, when he was away in Okinawa, I became very much aware of the cost of things. I especially remember one day when we received news that there was an increase in the price of steel. On that day we were putting up wire fencing to keep in some recalcitrant cows. It was necessary for me to go to town to buy several pounds of staples. I had bought staples a few days before. By the time I got in town, the very same staples that I had bought a few days before had gone up several cents a pound because merchants had received news that the price of steel had gone up.

The point I want to mention is that to the housewife it is more of an indirect than a direct cost. Its effects on a manufacturer's costs are must greater than what he might estimate if he considered only what he himself bought from the steel companies. The machinery needed to produce our electrical appliances, which, incidentally, have to be replaced or repaired all too often, as well as all the materials and parts that make them up, goes up in price because steel is more expensive.

So follows the chain of events which I shall attempt to show to Senators, as I have worked it out.

If the appliance company has to borrow money to buy its new machinery, interest costs will be higher, because more must be borrowed in order to purchase the more expensive machinery. Then, owing to the rise in machinery prices, the appliance manufacturer may decide that the money put aside for the eventual replacement of all his existing machinery will be insufficient. The tax laws do not allow him to increase his depreciation charges, so he will raise his profits, most probably through price increases to the consumer, to get the necessary additional funds.

Other manufacturers will do the same thing, to keep pace with higher machinery prices, and so the appliance company will find that the prices of wire, of insulation, and so forth go up.

There has been a lot of talk around this Chamber recently about schools, and especially schools which need to be built. These schools have become more expensive to build, and that is one of the reasons we see a need for some Federal help in some school districts. In part, the schools are more expensive to build because of the higher cost of structural steel and construction machinery. If the cost of steel rises, as we anticipate it may rise, the school buildings will cost even more to build. Then the local taxes will have to be increased to pay for the increased cost of building the schools. That will mean that the taxes paid by the appliance company may rise.

Automobiles cost more for the same reasons that appliances do, and therefore the expense of the appliance salesman will go up. Printing presses will be more expensive, so more will have to be paid for advertising.

As Senators know, we could multiply these examples of indirect effects almost indefinitely. None of them is very large, but together they amount to a considerable sum.

The point that I am making, of course, is that the consumer is the person who ultimately must pay for the increase in the price of steel.

Mr. GORE. Mr. President, will the Senator yield?

Mrs. NEUBERGER. I am glad to yield.

Mr. GORE. The distinguished Senator has made the point that the increase may be small as to individual items, but the Senator has established by her illustrations that practically no one could escape.

Mrs. NEUBERGER. The Senator is correct.

The point is that each of the industries which must buy steel from the big steel manufacturer is in a way, in itself, a sort of quasi-monopolistic unit. It can pass the increased cost of steel on to the consumer.

I thought it was an interesting statistic that the value of finished steel shipments since the last half of 1955 is $62½ billion. The same shipments, if valued at the average price in the second quarter of 1955, would have had a value of almost $52 billion. In 6 years there has been a cost rise of $10 billion in steel. Somebody has paid for it. I contend that the consumer has paid for it.

Mr. President, I shall give one more example before I close. Studies have shown that such things as radios and television sets are affected by a rise in the price of steel even though we think of these as electronic gadgets removed from automobiles and heavy machinery. A television set which cost $200 in 1953 went up in price to $220 by 1958. Of course, prices of all commodities were going up during that time, but the price of steel was going up faster than that of most of the other commodities, and so about $4 or one-fifth of the increase in price of the television set, would have been saved by the consumer if steel prices had gone up no faster than the prices of other commodities.

Mr. President, I close with an example which was given earlier by the Senator from Utah and also mentioned by the Senator from Minnesota; that when the farmer buys a tractor after the price of steel has gone up $6 a ton the cost of the tractor has gone up $97, although there is not even a ton of steel used in the tractor. Let us assume, as was stated earlier, that a half ton of steel is used. A $3 increase in the cost of the steel will result in a $97 increase to the farmer in the cost of the tractor.

Mr. GRUENING. Mr. President, will the Senator yield?

Mrs. NEUBERGER. I yield.

Mr. GRUENING. I wish to concur with the Senator from Oregon on the fine, logical, and eloquent presentation of the facts she has made on this very important issue.

Mrs. NEUBERGER. I thank the Senator.

Mr. KEFAUVER. Mr. President, I am certain we all join in congratulating the Senator from Oregon [Mrs. NEUBERGER] upon expressing the interests of the consumer, who is so often forgotten in the handling of the Nation's business and who so often is forgotten in connection with price increases. The Senator from Oregon has pointed out the devastating effect a price increase in steel will have upon every citizen, because every citizen in the United States is a consumer. I join in congratulating her.

Mr. President, I think we owe a great debt of gratitude to my colleague from Tennessee [Mr. GORE], who so ably led off the discussion and gave the factual background of what would happen to our economy and what would happen to us in the foreign field as well in the event there should be another increase in the

price of steel this fall. I congratulate my colleague from Tennessee [Mr. GORE] upon his very fine presentation.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Utah [Mr. MOSS] the Senator from Pennsylvania [Mr. CLARK], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Oregon [Mrs. NEUBERGER], and the many others who have spoken on this subject have performed distinguished service.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KEFAUVER. I am glad to yield to my colleague.

Mr. GORE. I thank my distinguished colleague for his generous comments. As the distinguished Senator knows, I have been deeply concerned about what appears to me to be a threat of another inflationary spiral in prices, which will mean an increase in the cost of living and greater hardship for untold millions of people.

I have talked to a number of my colleagues about this, and have sponsored roundtable discussions with leading scholars and authorities. I must say the debate and the presentations this afternoon—some of which has been most carefully prepared and some of which has been impromptu—have exceeded my fondest expectations in quality and in interest, in the discussion of this subject.

I thank the distinguished Senator for making available the services of the staff of his committee. I appreciate the assistance of the staff of the Joint Economic Committee. My own staff, led by Mr. Jack Lynch, along with the administrative assistants of several of my colleagues, has done excellent work. This working staff group has, in my opinion, performed a public service of a high order.

It is my earnest hope that, as a result of the presentation on this subject, the steel companies will think long and hard, a second and a third time, before triggering another inflationary spiral. It is my hope that President Kennedy will become active and increasingly interested in this subject.

However, I rose to thank my friend and to express appreciation to Senators and staff members of my colleagues for their fine work, among whom is Mr. John Blair, who sits at the right of the Senator from Tennessee [Mr. KEFAUVER], and who has contributed splendidly to this study.

Mr. KEFAUVER. I wish to thank my colleague, and to say that in connection with increases in the price of steel in years past, which have been inflationary, and which have contributed greatly to the increase in the price level, it has been important that the essential facts have been brought to light so that there could be an understanding of the basic issues by the public, by officials of Government who must deal with the problem, by heads of labor unions, and, of course, by leaders of industry.

The speeches and discussion that I have heard this afternoon have been excellent. They have contained a great deal of information and will be widely studied. They will, I am sure, bring about much wider public understanding of the entire problem. So I again wish to congratulate my colleague for leading this discussion, other Senators who engaged in it, and the members of the staff. I know that Jack Lynch has done a great deal of work on this subject, as has Dr. Blair, Dr. Wayles Browne, Dr. Walter Measday, Mr. Winslow Turner, Mr. Bernard Fensterwald, who are members of the staff of the Antitrust and Monopoly Subcommittee.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. HUMPHREY. I shall be very brief in my comment, because I wish to speak in my own right on this very issue.

First, I commend the distinguished junior Senator from Tennessee [Mr. GORE] on his leadership on this subject. I wish to commend indeed his colleague, the senior Senator from Tennessee [Mr. KEFAUVER] for his persistent and continuing leadership in exploring the administered price structure of some parts of American industry. I feel that my own colleague from Minnesota [Mr. MCCARTHY] has made a distinct contribution to the discussion. It was a very well documented, detailed, and scholarly discussion of the impact of a price increase upon our foreign trade, upon the balance of payments and foreign relations. I believe the record will demonstrate that the public interest has been well served by opening up a full discussion of the economics of the steel industry.

The Senator from Oregon [Mrs. NEUBERGER] has surely brought to our attention what we might call the grass roots aspect of the price rise in steel by its effect upon the little consumer, the homeowner, the housewife, the small merchant, the farmer, and others who ultimately bear the cost of price increases.

I should like to add, as a Senator who comes from a State which produces, or at least has the potential for the production of vast quantities of iron ore and what we also call taconite, that we in the State of Minnesota are keenly interested in this discussion. All the pertinent facts have been brought to the forefront.

Senators may recall that my colleague said we were having difficulty obtaining information as to the cost of iron ore. What are the factors that go into determining the price of iron ore? We have not even been able to find out the holdings of the steel companies, so that we would have some way of knowing what company owns what parcel of land in our own State of Minnesota. I say without rancor, and yet I say with great sincerity, that one of the most difficult assignments that I have had as a public official is to gain full information on the economics of the steel industry, and yet iron ore production in the State of Minnesota is vital to our entire economy. We have been suffering very seriously because of some of the depression in the steel industry. We have suffered, we feel, because of the willingness of the steel industry to go outside the boundaries of the United States for vast quantities of ore, and to stockpile it, when there was the possibility of domestic development in domestic mining. We are suffering today because of the unwillingness of the United States Steel Corp. to make appropriate investments for the development of taconite ore through what we call direct reduction of iron ore, which is the most modern processes.

We want that investment. We have a favorable climate for taconite investment. But we have had little or no cooperation.

I wish to say to Senators who have participated in the discussion today that in my memory this is one of the most illuminating, informative, and educational discussions that we have had on a complex issue in the Senate. We are indebted to the staff, which made it possible in terms of research, and the Senators themselves, who have discussed the subject with such knowledge of the subject, and particularly to the Senator from Tennessee [Mr. GORE], who set up one of the first study sessions on this problem, and brought into the study sessions experts who could discuss the complex economics of the steel industry in a manner that would be understandable and that we could interpret to Congress.

When the Senator has completed his address, I hope to make some more comments with reference to the situation.

Mr. YOUNG of Ohio. Mr. President, will the Senator yield?

Mr. KEFAUVER. I am delighted to yield to the Senator from Ohio.

Mr. YOUNG of Ohio. I wish to commend the distinguished senior Senator from Tennessee [Mr. KEFAUVER] for the statement he is making and for the position which he has taken. I extend my congratulations not only to him but to the others who have spoken today. I am also grateful to the distinguished junior Senator from Tennessee [Mr. GORE], who organized the seminar that has been referred to, and who invited me to attend. I attended and profited by my attendance at the sessions.

I have known the senior Senator from Tennessee over the years, having served with him in the other body years ago. I have followed his career in behalf of the people of this country. Today, in his characteristic manner, he has rendered a real and needed public service to the people of this Nation, which include the nearly 10 million people of my State of Ohio. Ohio is a great steel-producing State in which consumers would be vitally injured if the heads of the United States Steel Corp. and others should have their wishes prevail and do what it is feared they propose to do. On the basis of testimony reported today by those of my colleagues who have spoken, surely an increase in steel prices at this time would be an unconscionable action on the part of officials of the big steel companies.

The distinguished senior Senator from Tennessee has the confidence of the country above most public servants because throughout his career in the other body and in the Senate of the United States he has always laid the facts on the table and informed the people of them, as he is doing today. I am delighted to serve with him in the Senate. I am very happy for the sake of the citizens of the State of Ohio, whom I am

trying to represent, that I have heard today in the Chamber important statements such as the Senator from Tennessee [Mr. KEFAUVER] is now making. Their effect will be of great benefit to unemployed men and women, the consuming public, and the steelworkers of this Nation.

Mr. KEFAUVER. I thank my colleague from Ohio, with whom I have been associated for so many years in such a pleasant capacity, both in the Senate and in the House. He is very generous in his remarks.

I wish to call attention to the fact that while I have long been concerned with trying to prevent inflation, a subject on which the Antitrust Subcommittee has held a number of hearings, this particular effort and presentation has been led off by my colleague from Tennessee. It is he and other Senators, including the able Senator from Ohio, who deserve a large part of the credit for putting into the record important facts about the steel industry and the ruinous effects of any further increase in steel price. I am grateful to the Senator.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. SPARKMAN. I wish to say to my esteemed friend and neighbor that I shall not be able to stay and listen to the speech he is about to make. I know the purpose of it, and I rather suspect what the content of the speech will be. I have read in the newspapers and I have heard comments about the drive, if I may call it that, which is being made to try to head off an increase in the price of steel this fall.

I commend the Senator from Tennessee for his efforts in this matter. He and his colleague, Senator GORE, have both spoken out on it in no uncertain terms. Of course we all know that steel is one of the basic industries. It is basic not only as an industry giving employment to people, but also as setting guidelines for commodity prices in this country. Often in the past I have felt that steel prices have been set higher than was justified under the circumstances. I say that based upon hearings which have been held on several occasions over the last 15 years by the Joint Economic Committee, of which I have been a member ever since it was established. I remember back under the chairmanship of Senator Taft of Ohio and under the chairmanship of Senator O'Mahoney of Wyoming and under the chairmanship if I remember correctly, of Senator DOUGLAS, of Illinois, and also under the chairmanship, I believe, of Representative WRIGHT PATMAN—I am not sure whether Representative Walcott was at one time chairman of that committee—and under the chairmanship of practically every man who served in that capacity we held hearings and studied the steel price increases.

I remember some which certainly convinced me that the price increases were completely out of line.

Then I have seen the hurtful effects of these price increases on the prices of other commodities and on the cost of living generally.

Of course, following that here come spirals of all kinds. It is perhaps the greatest incentive to inflation of any one increase that could be made in this country.

I have not seen the figures, and I do not know what the facts are. I do not know whether a price increase of any kind can be justified. My contention is not necessarily against a price increase when the facts justify it. I believe, however, that a price increase, whenever it is necessary under the circumstances, ought to be held to just what is necessary in order to make it a profitable operation. I have felt that that has not always been true in the past.

I wish to commend the Senator for the time and attention and study he has given to this subject and for his presentation.

Mr. KEFAUVER. I am very grateful to my colleague from Alabama. There is no Member of the Senate who is in any better position, by virtue of the fact that he is chairman of the Small Business Committee of the Senate, to know the adverse effect upon all segments of small business from inflation or from an increase in the price of steel.

Mr. SPARKMAN. Anything that throws the economy awry has an adverse effect on small business. Small business is the first of any business to be hit.

Mr. KEFAUVER. Mr. President, the Subcommittee on Antitrust and Monopoly, of which I have the honor to be the chairman, has held a number of hearings on and issued a report on the steel industry. During the hearings, the subcommittee secured facts from the steel industry and also from the United Steelworkers Union.

In June 1959, a strike was authorized, which we all hoped would not occur. On June 17, 1959, President Eisenhower stated that in trying to talk with representatives of both management and labor in his efforts to avert the proposed strike, more facts about the steel industry were needed—facts about profits, prices, productivity, and related matters. So at that time—in June 1959—I instructed the staff of the Subcommittee on Antitrust and Monopoly to prepare a fact sheet on steel. This work was done under the direction of the chief of our Economics Division, the very able Dr. John Blair. The information was placed in the CONGRESSIONAL RECORD, volume 105, part 9, page 12264. It deals with many aspects of the steel industry, including profits, foreign business, productivity, the effect on exports, and related subjects.

With the trade journals now predicting a $4 to $6 a ton increase in steel prices and with Senators expressing concern over the prospect, I again asked the economics staff of the Subcommittee on Antitrust and Monopoly to bring the fact sheet up to date.

This has been done and it has been supplied to interested Senators. A number of the items with which the fact sheet deals have been discussed by other Senators in their very able presentations today.

The first subject I wish to discuss concerns unit labor cost and prices.

Trends in unit labor cost and price of steel: Between 1947 and 1959 average hourly earnings in the steel industry, as reported by the Bureau of Labor Statistics, rose 113 percent. The increase in man-hour productivity, according to the Bureau of Labor Statistics, based on hours paid was 42 percent. Deflating the increase in hourly earnings by the rise in productivity yields an increase in unit labor costs between 1947 and 1959 of slightly more than 50 percent. The latest year for which Bureau of Labor Statistics productivity figures are available is 1959.

In connection with this subject, a table has been prepared showing the wholesale price index of steel. With 1947 as the base year the price of steel had risen 109.7 percent by 1959. The unit labor cost index had risen during this period by 50.8 percent. There has been a 109.7 percent increase in the price of steel, and a 50-percent increase in the unit labor cost, which is, of course, the average hourly earnings adjusted by the increase in productivity.

Mr. President, I ask unanimous consent that this table and other tables which will follow may be printed at the appropriate places in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table entitled "Steel (1947=100)" is, as follows:

Steel

[1947=100]

	Wholesale price index	Unit labor cost	Productivity (hours paid)	Average hourly earnings
1947	100.0	100.0	100.0	100.0
1948	113.7	109.3	100.4	109.7
1949	123.1	111.4	102.8	114.6
1950	129.3	104.0	111.9	117.4
1951	139.7	116.1	113.0	131.2
1952	142.8	117.5	117.6	138.2
1953	153.6	126.3	118.8	150.0
1954	160.3	131.8	115.9	152.8
1955	167.8	127.2	129.4	164.6
1956	181.9	134.2	130.4	175.0
1957	199.2	144.4	128.9	186.1
1958	206.2	158.0	126.6	200.0
1959	209.7	150.8	141.8	213.9

Source: BLS; unit labor cost derived from productivity and average hourly earnings.

Mr. KEFAUVER. Mr. President, for the purpose of comparing the trend of unit labor costs with that of prices, some allowance must be made for those specific fringe benefits—pensions, insurance, and supplemental unemployment benefits—a part of which are conceptually a cost of labor borne by the employer but which are not statistically quantified by the BLS. If these costs were quantified and incorporated in the index, however, the rise in unit labor costs would still be well below—perhaps slightly more than half—the 110 percent increase in finished steel prices which has taken place between 1947 and 1960.

The cost of wage increase called for under the contract: The October 1 wage increase, previously negotiated, represents a basic rise of slightly over 8 cents per hour. Because of fringe benefits actual payments will exceed this amount. The union's estimate of the total cost effect per man-hour is 10.5

cents. The newspaper accounts of the industry estimates are only slightly higher. A roughly similar increase went into effect last year, making a total for the 2 years of around 20 cents. A conservative estimate of the average increase in productivity in the steel industry is 3 percent a year. Average hourly earnings run slightly more than $3 an hour. The increase in productivity thus amounts to slightly more than 9 cents a year—18 cents for 2 years. This is only fractionally more than the cost of the wage advance at a productivity rise of 3 percent which may well prove to be an underestimate.

That a productivity increase of 3 percent a year is nearly equal to the cost of the wage increase called for under the present contract is also indicated by a report issued by former Secretary of Labor Mitchell entitled, "Collective Bargaining in the Basic Steel Industry," which says:

> The settlement represented a 3.7 percent annual increase in total employment costs (p. 307).

The annual increase in productivity: The average annual rate of increase in man-hour productivity in the steel industry appears to lie in a range of from 3 to 4 percent. In recent years the rate of increase appears to have been somewhat greater for the United States Steel Corp. than for the remainder of the industry.

Various estimates of productivity in the steel industry may be found. These vary with the data and concepts used. The principal estimates are as follows:

Mr. R. Conrad Cooper, vice president of United States Steel, said in a prepared statement for the 1957 hearing that output per man-hour—which he carefully does not call productivity—in the corporation showed:

> From 1950 through 1956, a progressive increase of 2.9 percent annually. (Hearings, "Administered Prices," pt. 3, p. 1132.)

In the Steel Report of the subcommittee, Mr. Cooper's estimate was analyzed:

> Since United States Steel itself has taken the position that 1956 is not a representative year for this type of estimate, it is desirable to eliminate that year in calculating the growth in productivity. On the basis of Mr. Cooper's figures (exhibit III of his statement), it appears that output per thousand man-hours rose at an average rate, compounded annually, of 3.5 percent a year, from 1950 through 1955. (S. Rept. 1387, 85th Cong., 2d sess., "Administered Prices: Steel," p. 41.)

Dr. Gardiner C. Means, an independent economist, estimated from BLS data that the productivity increase from 1953 to 1955 in the steel industry was around 4.3 percent a year. These were both years of relatively high production in the industry—hearings, "Administered Prices," part 9, pages 4764–4765.

Mr. Otis Brubaker, research director, United Steelworkers of America, estimated that the productivity rise averaged about 3.1 to 3.2 percent a year over the period 1939–55—hearings, "Administered Prices," part 2, page 446.

The Bureau of Labor Statistics, using hours paid—including time for paid vacations, holidays, and so forth—has published its series—as corrected May 6, 1959—for index of output per production worker man-hour.

The subcommittee staff, using the same production index as the BLS, but using the American Iron and Steel Institute date on hours worked, constructed an index of output per man-hour worked. Both of these are shown below, together with the operating rate for the industry.

The Council of Economic Advisers estimates that productivity in the steel industry advances at about 3 percent per year:

Steel productivity indexes

[1947=100]

	BLS (hours paid)	Subcommittee (hours worked)	Operating rate
1947	100.0	100.0	93
1948	100.4	100.9	94
1949	102.8	103.0	81
1950	111.9	112.9	97
1951	113.0	110.8	101
1952	117.6	113.9	86
1953	118.8	116.1	95
1954	115.9	115.8	71
1955	129.4	129.4	93
1956	130.4	131.9	90
1957	128.9	132.1	85
1958	126.6	132.0	61
1959	141.8	146.9	63

Because productivity varies directly with the rate of production, the most significant comparisons are for years of roughly comparable operating rates. With the same operating rate—93 percent of capacity—productivity in 1955 can be compared directly with that in 1947. A rise of 29.4 percent in 8 years represents a compound annual rate of 3¼ percent in both series. In the BLS figures the apparent decline from 1956 to 1958 reflects the effect of the sharp reduction in operating rate, as well as the increase in paid holidays and vacations. The latter are included in the hours paid series but excluded from the hours worked index. Unfortunately, no BLS figure is available for 1960. Using the hours-worked index, the rise from 1954 to 1958, when operating rates were roughly comparable—although still showing a significant decline—represents an annual rate of increase of 3.3 percent. It should be noted that the 1959 productivity figures register an unusually sharp increase. This may reflect the scramble for steel both before and immediately after the strike, which would have made it possible for the mills to schedule the most efficient rollings.

Changes in materials costs: To the extent that it has exceeded the increase in labor costs, the increase in steel prices does not appear to be due, except in small part, to increases in materials costs. Most of the materials consumed in the making of steel are produced by the steel companies themselves. Increases in labor cost resulting from higher wages paid workers engaged in production of iron ore and other steelmaking materials, if treated as an increase in the steel industry's labor costs, cannot also be regarded as an increase in its materials costs. Apart from the increase in labor costs, the steel companies have failed to demonstrate any significant recent increases in the costs of producing their own steelmaking materials. Moreover, there has taken place since 1956 a sharp decline in the cost of one important steelmaking materials—purchased scrap:

> The principal materials used in steel works and rolling mills operations are pig iron ($2.1 billion worth in 1954) and scrap ($551 million worth of purchased scrap was used in 1954). The next largest items shown in the 1954 census were ferromanganese, valued at $146 million, and iron ore, $94 million. The cost of other materials used was small in comparison to these items. United States Steel secures its pig iron and ferromanganese from its own blast furnaces and mines its own ore. Thus for both blast furnace and steelmaking operations, the major element of purchased materials appears to be iron and steel scrap.
>
> * * * * *
>
> The price of scrap to United States Steel and Bethlehem was estimated to be about $34 a ton in September 1957. This figure was determined by applying the percentage decline in open market scrap prices from the 1956 average to September 1957 to the average price paid by United States Steel in 1956. On this basis, the cost of scrap per ton of finished steel in September was $8.69, in comparison to an average cost per ton of $12.56 in 1956. In other words, the estimated reduction in the cost of purchased scrap ($3.87 per ton of finished steel) from 1956 to September 1957 has been more than enough to offset even a generous estimate of the increased labor costs incurred through the July 1 wage adjustments. (Subcommittee on Antitrust and Monopoly, S. Rept. 1387, 85th Cong., 2d sess., "Administered Prices: Steel," pp. 42 and 44.)

It will be noted that the above calculations were based upon the decrease in the price of steel scrap between 1956 and October 1957. The average price of scrap in 1960 and 1961 remained at even lower levels than those which prevailed in October 1957. Thus, there seems to be little or no basis for the industry's often-repeated assertion that an increase in employment costs is accompanied by an equal increase in nonemployment costs.

Mr. President, most of the charts which are displayed in the rear of the Chamber have already been explained; but I wish to direct attention to the chart displayed on the far right. The upper part shows the level of steel production from 1947 to 1961, the middle part shows the wholesale price of pig iron, which, of course, is one of the most important of steelmaking materials. It will be seen that when the price of pig iron rises, it remains at an even level for varying lengths of time, and then rises again. The line looks like a staircase. When steel production fell off, the price of pig iron either remained unchanged, as in 1954, or actually increased, as in 1958. This is the behavior of an administered-price product. The price is set, not by the law of supply and demand, but by the dictation and prescription of the corporate managers, and there maintained, regardless of market forces.

The bottom part of the chart shows the price behavior of steel scrap, also an important steelmaking material. However, it is a competitive product, subject to the law of supply and demand. When

demand falls off, the price declines. People often ask, "What is an administered price?" The contrast between the price behavior of these two products, both of which are used for the same purpose, is the best quick answer I can think of.

In terms of the cost of steel scrap—which is most important in connection with the cost of production of steel—in August 1957, the price of steel scrap was $55 a ton. Yesterday steel scrap was selling for $36 a ton. So the price of one of the chief components of steel has fallen from $55 a ton to $36 a ton since August 1957, the price of steel scrap consideration to bear in mind when we consider the question of whether today there is need for an increase in the price of steel.

Mr. President, the increase in profit rates has been very adequately dealt with by several Senators, particularly the Senator from Minnesota [Mr. McCarthy] and the Senator from Illinois [Mr. Douglas].

The pace-setting nature of the steel price rise: The price advance in steel has been substantially greater than that of the rest of the economy. Steel has not merely participated in the general price rise; it has been easily the front-runner. This is shown by a comparison of the increases to 1960 of finished steel prices with the advances in the other BLS commodity groups from various base years. The price increase was greater in finished steel than in any of the BLS wholesale commodity groups from 1947 to 1960, from 1953 to 1960, and again from 1956 to 1960. The increase in the price of finished steel was more than four times the increase in the all-commodity index from 1947 to 1960, as well as from 1953 to 1960, and more than three times as great from 1956 to 1960. From 1958 to 1960 the steel price index rose only 2.2 percent, which, however, was still greater than the rise in the all-commodity index, which moved upward by only 0.3 percent.

I ask unanimous consent that the following table be printed at this point in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

Major commodity groups and finished steel: Percent changes in wholesale prices to 1960

Groups	Percent increase to 1960 from—				
	1929	1947	1953	1956	1958
Finished steel	+170.6	+105.5	+37.1	+15.7	+2.2
All commodities	+93.2	+24.1	+8.6	+4.6	+.3
Farm products	+51.5	−11.2	−8.5	+.4	−6.4
Processed foods	+84.1	+9.7	+3.0	+5.9	−2.9
All commodities other than farm and foods	+95.9	+34.6	+12.5	+5.0	+1.8
Textile products and apparel	+49.7	−4.0	−1.2	+.8	+2.8
Hides, skins, leather, and leather products	+86.0	+9.2	+12.0	−1.1	+9.6
Fuel, power, and lighting materials	+62.1	+25.2	+3.9	+2.3	+1.0
Chemicals and allied products		+8.7	+4.3	+2.8	−.2
Rubber and rubber products	+73.3	+46.2	+15.8	−.8	−.2
Lumber and wood products	+280.3	+29.4	+.9	−3.3	+3.1
Pulp, paper, and allied products		+35.1	+14.7	+4.7	+1.7
Metals and metal products	+129.6	+68.4	+21.2	+3.6	+2.3
Machinery and motive products		+65.8	+24.7	+11.3	+2.4
Furniture and other household durables	+77.6	+28.8	+7.8	+3.4	−.1
Nonmetallic minerals, structural	+90.1	+47.0	+16.8	+6.4	+1.4
Tobacco manufacturers and bottled beverages	+52.2	+35.6	+13.9	+7.8	+2.8
Miscellaneous products		−8.6	−5.8	+1.2	−2.2

Source: Finished Steel: Joint Economic Committee, "Productivity, Prices and Incomes," materials prepared for the Joint Economic Committee by the committee staff, 85th Cong., 1st sess., 1957, p. 222; Iron Age, Jan. 5, 1961. Other groups: Bureau of Labor Statistics.

Mr. KEFAUVER. Mr. President, against the background of the economic facts which I have been discussing, I wish to raise an important legal question.

ARE STEEL PRICE INCREASES IN VIOLATION OF THE FEDERAL TRADE COMMISSION ACT?

In recent months trade and financial journals have reported that the steel industry plans to increase its prices once again this fall. The consensus seems to be that the increase will take place sometime shortly after October 1, on which date wage and fringe benefit increases estimated at around 14 cents an hour are scheduled to go into effect. For example, the Wall Street Journal of August 7 reports:

Steel men recently have been implying they are determined to try some price increases this fall though the general view is that the increases will not come all at once, will be selective, and will be confined to big-tonnage lines, rather than spreading across-the-board to all products, as pre-1958 price boosts usually did.

But if a price increase is made, it will be in the face of substantial excess capacity. According to the same article:

The steel industry, which only a few weeks ago was looking for a sharp and early rebound from its summer sag, appears headed for disappointment. * * * Only 3 weeks ago, many steel companies also were forecasting that August would be the industry's best production month so far this year, with output rising to around 70 percent of capacity. * * * Now many steel men are saying August production may average as low as 65 percent of capacity, and probably no higher in any week than 68 percent. * * * The failure of August business to rebound as quickly as originally hoped is beginning to cast some doubts on the entire third quarter.

The proposition which I wish to advance is that if the steel companies do raise their prices in a manner similar to their advances of recent years, and if there exists at the time a substantial volume of unused capacity, such action under the circumstances which I shall describe would raise the serious question of whether there had been a violation of the consent order entered into in 1951 by the steel industry under section 5 of the Federal Trade Commission Act.

It is well established that the requirements as to evidence are less under the Federal Trade Commission Act than under the Sherman Act and are less in establishing a violation of an existing order than in proving an initial violation. And it is a fact that in 1951 the steel industry entered into a consent order with the Federal Trade Commission, under which its members were ordered to cease and desist from entering into any "planned common course of action, understanding or agreement" to adopt, establish, fix, or maintain prices. My position is that the evidence which I shall describe is sufficient to present a serious question as to whether that order had been violated.

It should be stressed that the evidence which I shall present concerns price increases, and does not relate to other types of identical price actions. When one firm lowers its prices, it is often necessary for its competitors to lower theirs, in order to meet competition. With a fine disregard for logic, the same rationale is used for price increases; prices must be raised, it is contended, in order to meet competition—a type of action referred to by former Senator O'Mahoney as "upside-down competition."

Mr. GORE. Mr. President, will my colleague yield?

The PRESIDING OFFICER (Mr. Pell in the chair). Does the Senator from Tennessee yield to his colleague?

Mr. KEFAUVER. I yield.

Mr. GORE. If the distinguished senior Senator from Oregon were in the market to purchase a thousand tons of steel, and if he got quotations from the Bethlehem Steel Co. and from the United States Steel Corp., and if it turned out that the quotation from the United States Steel Corp. was $10 a ton higher than the quotation from the Bethlehem Steel Co., by this logic the only way that Bethlehem Steel Co. could then compete for the Senator's business would be by raising its quotation $10 a ton?

Mr. KEFAUVER. Yes; and that is what in effect Mr. Homer, the head of Bethlehem Steel Co. testified in 1957. It is indeed "upside-down competition."

Also what is not involved here is the forbearance by large producers or "oligopolists" from reducing their prices because of their anticipation that any price reduction which they made would be immediately matched by their rivals, thus giving them the same share of the market but at a lower price. Indeed, this line of argument should operate against the making of price increases since each producer would be concerned lest his rivals might not raise their prices at all or at least by lesser amounts. In other words the rationale for noncollusive price matching which theories of imperfect competition have set forth does not explain identity of action when that action is in the nature of a price increase.

AFFIRMATIVE EVIDENCE

I base my argument on a number of different types of affirmative evidence which in a speech I can only briefly summarize, but which are documented in considerable detail in four volumes of hearings and the report of the Subcommittee on Antitrust and Monopoly. After describing the evidence, I shall discuss the principal arguments in opposition to my position.

1. UNUSED CAPACITY

When demand is in excess of supply, it is of course anticipated under competitive conditions that prices will rise. Moreover, if there exists a price leader in the industry, a plausible argument can be made that the other producers will not charge more than the leader, and, since they can sell all of their output at the higher price, none will charge less. But this rationale ceases to have validity when there exists a substantial volume of excess capacity. During a buyer's market, producers in an industry such as steel would have a strong incentive to try to get additional orders, thereby increasing their volume of production, and thus their profit rate. Nonetheless, the price of steel has been increased during each of the three postwar recession years—1948, 1954, and 1958.[1]

2. THE UNIFORMITY OF THE INCREASES

In both good times and bad the increases made by the steel companies have been by the same amount and to the same level. Exceptions usually turn out to be more apparent than real. For example, while Inland Steel followed United States Steel's lead in July 1957, on most products, it announced an increase of only 60 cents a ton for structural shapes—a negligible amount compared to United States Steel's increase of $5.50 a ton. Inland, however, had already raised its prices for structural shapes by $5 a ton. Such instances, plus a few additional cases of the narrowing of premiums, account for the few exceptions to the uniformity of the increases in both 1956 and 1957.[2]

3. UNIFORMITY OF INCREASES BY MORE EFFICIENT COMPANIES

The steel industry is not one in which the leader possesses such outstanding efficiency that all other producers must avoid incurring his displeasure, since in the event of a price war he could drive them out of business because of his lower costs. Whether he could drive them out of business based not on superior efficiency but on monopoly power is a separate issue which would raise questions possibly involving section 2 of the Sherman Act. Although United State Steel's efficiency has been markedly improved in recent years, out of 12 major producers, 8 enjoyed profit rates on stockholders' investments in 1959 either above or less than 1 percentage point below that of United States Steel. Several of these companies consistently enjoy higher profit rates than United States Steel. Moreover, these more efficient firms are substantial enterprises and should experience no difficulty in securing their capital requirements. The question obviously arises as to why firms whose efficiency is on a par with or exceeds that of United States Steel invariably feel it necessary to go along with the leader's increases.

4. PRODUCTS WITH THE GREATEST CAPACITY HELD BY LESSER PRODUCERS

There are a considerable number of steel products in which United States Steel is not the largest producer. For example, in 1957 there were six steel products, including such important items as heavy structural shapes, universal plates and concrete reinforcing bars, in which Bethlehem held greater capacity than United States Steel; yet on these, as well as all other products, Bethlehem has invariably followed the leader. The predominance of lesser companies is even more pronounced in the individual regional areas which to a considerable extent comprise separate markets for steel products.[3] The question is, why do companies which in particular products in particular markets are the dominant producers invariably fail to exhibit any independence of price behavior.

Another case in point is cold-rolled sheets, which in 1957 represented 17 percent of all shipments of carbon steel. Here, National, which since World War II has followed United States Steel's price changes, outranks United States in terms of capacity. Yet, National has not always played the role of price follower. According to one of the leading studies of the steel industry, National during the NRA period cut prices and refused to conform to the increases initiated by the other steel companies:

> At least in the pricing of the products studied, National Steel Corp. appears to have played an independent role in the code period, a part which, after all the initial price increase in 1933 (in which it cooperated with other important integrated firms), was contrary to the pricing policies of other important firms. It became an exponent of lower steel prices in a most effective way, for it initiated price declines and refused to conform to price increases initiated by others at the most important basing points.[4]

5. THE RELATIONSHIP BETWEEN OPERATING RATE AND PROFIT RATE

The failure of any major producer on any occasion to raise its price by less than the uniform amount to less than the uniform level becomes particularly inexplicable in view of the close relationship existing between the profit rate and the operating rate—production as a percent of capacity. This close relationship has been demonstrated for United States Steel and for the steel industry as a whole. Under the price-cost relationships of 1955–60, an operating rate of 50 percent for the industry is associated with a profit rate on net worth after taxes of around 6 percent; an operating rate of 70 percent with a profit rate of around 10 percent; and an operating rate of 90 percent with a profit rate of around 14 percent. By simply not participating in a general price advance any major steel producer would, in a very short time, secure a sufficient volume of orders to significantly raise its operating rate and thus its profit rate. Yet in the recession year of 1958, when all of the leading firms were operating below 60 percent of capacity, none availed themselves of this opportunity—not even Republic with an operating rate of only 44 percent and Youngstown with 49 percent.

6. THE ABSENCE OF WORKABLE COMPETITION

In view of the above considerations, including particularly the close relationship between operating rate and profit rate, the absence of independent pricing suggests the nonexistence of even the workable competition which the Attorney General's National Committee To Study the Antitrust Laws was content to accept.

Rejecting the traditional and more stringent concepts of "pure" or "perfect" competition as no "basis for antitrust policy,"[5] that conservative group urged as a substitute what it referred to as "workable" or "effective" competition, the presence of which would be determined by whether the industry met certain recommended standards. Thus where "workable" competition is present, there should be some exploration of the possible gains of not participating in a general price advance. Any firm following such an independent policy should for a time reap a commensurate reward:

> In general, and outside of such specialized markets as organized exchanges and others of similar character, effective competition may hinge on the condition that the initiator of a competitive action can expect a gain in volume of business at least for a time.

To the argument that the other producers would then rescind their increase, the committee notes that this may not occur with sufficient rapidity to prevent the independent from gaining a substantial increase in business:

> One circumstance that favors a time interval for gain through innovation or price reductions or other competitive moves is the fact that the initiator of a competitive move may gain business at the expense of all his competitors, thus gaining more than any one of them loses, so that they do not have the same decisive need to retaliate.[6]

Where evidence of such independent behavior is lacking, the committee would view the industry with suspicion:

> But a rigid uniformity over periods of changing supply and demand, or a persistent failure by firms to increase or decrease prices when their independent self-interest would seem to dictate such a move, is not usually compatible with workable competition.[7]

---

[1] Cf. 85th Cong., 2d sess., hearings before the Senate Subcommittee on Antitrust and Monopoly, Committee on the Judiciary, "Administered Prices; 1958 Steel Price Increase," pt. 8, pp. 4389–4402.

[2] Report of the Senate Subcommittee on Antitrust and Monopoly, Committee on the Judiciary, "Administered Prices: Steel," S. Rept. 1387, 1958, pp. 14–15.

[3] S. Rept. 1387, op. cit., pp. 90–92.

[4] S. Rept. 1387, op. cit., p. 93.

[5] Report of the Attorney General's National Committee To Study the Antitrust Laws, 1955, p. 316.

[6] Ibid., pp. 329–330.

[7] Ibid., p. 332.

It would be difficult to summarize more aptly the behavior of the steel industry since World War II.

There are many—and I include myself among them—who feel that the Attorney General's Committee went too far in easing the standards of acceptable competitive behavior. Certainly any industry which fails to meet these relaxed standards falls far short of meeting the traditional norms which have long served as benchmarks for antitrust policy and enforcement.

ARGUMENTS IN REFUTATION

Mr. President, I realize that there are arguments in opposition to the position which I have taken. It is now my purpose to recognize, and I hope, satisfactorily dispose of these arguments. This is not the first occasion in which I have raised this question of whether the steel industry's price behavior is the result of a conspiracy in violation of the antitrust laws.

A few days after the price increase in August 1958 was announced, the Assistant Attorney General in charge of the Antitrust Division—Judge Victor R. Hansen—and the Chairman of the Federal Trade Commission—Judge John W. Gwynne—appeared before the Senate Subcommittee on Antitrust and Monopoly. I outlined the purpose of the hearings in these terms:

In view of the fact that there have been identical raises in steel prices in 1957, and again now, and various other times, by all of the companies following a leader—giving notice of what action they would take if somebody else took certain action, which has been particularly true in the latest increase—where they have different costs of production, even though they might be operating at about the same rate of capacity, where they have different rates of return on their investment, where the rate of production in the plants is down somewhere between 55 to 60 percent of capacity—where under those circumstances there is a violation of the Sherman Act, the Federal Trade Commission Act, particularly section 5, or of the order of the Federal Trade Commission of 1951.[8]

Contending that the price increases were not evidence of unlawful behavior, the heads of the antitrust agencies advanced in effect two arguments, which I should like to refer to as the "cost" defense and the "proof of agreement" defense. Since any future failure of the antitrust agencies to act against a steel price increase may well be based upon the same arguments, I should like to examine them in some detail. A third defense consists of two limiting provisos to be found in the FTC consent order, which I also propose to discuss.

THE COST DEFENSE

The essence of the cost defense is that the different steel companies could all be expected to make the same increase in price because they had all been subjected to the same increase in wage costs. To Judge Hansen, the price increase appeared as a natural, inevitable consequence of the wage increase:

The trade press has asserted publicly that the increase in wages required a price increase of at least $5 per ton, and that accordingly the present average increase of $4.50 does not even cover the recent direct increase in labor cost.[9]

Dr. Simon Whitney, then Chief Economist of the FTC, was of the same opinion:

I believe the price increase was in this case about equal to the wage increase—perhaps more, perhaps less, but not very much. And it was so clearly a response that it did not surprise me. Therefore, I saw no prima facie reason to believe there was a conspiracy when the costs of all of the companies are increased July 1 about the same percentage. There is a union contract with all of them.[10]

The same reasoning is to be found in a memorandum to the Commission from its Assistant General Counsel for Compliance, dated December 9, 1955. In this memorandum the Assistant General Counsel, Mr. Moorehouse, was examining into the question of whether the Commission's consent order with the steel industry of 1951 may have been violated. In finding no evidence of collusion he wrote:

The parallel increase in prices might suggest collusion, but the increase can be explained without any agreement among the respondents. Almost the entire steel industry agreed to a wage settlement on about the same terms as United States Steel. United States Steel announced its expected average price increase on June 30. On July 2, it issued its list of prices. The other companies were faced with comparable increase in cost. United States Steel was absorbing about $1 per ton of the increase in cost, roughly estimated. To increase prices more than United States Steel in a year of weak demand would mean that a company could not sell its steel. To absorb more of the increased cost was not desirable due to the sinking margins of profits in the steel industry in 1954.[11]

Apart from the dubious undocumented assertions concerning the "absorption" of the cost increase and the "sinking" margins in steel, the fallacy in this argument is that while it may explain the uniformity of the increases, it does not explain the identity of price levels after the increases. Even if the wage increases were the same for each company, the costs bases to which they were applied were not, and are not, uniform. Far from explaining identical price levels, the addition of a constant increment to varying costs only serves to maintain the variations, but at a higher level.

The fact that there is a wide variation in costs among the major steel producers has been established by statistical data and conceded by industry spokesmen. In 1960, for example, the profit rates for the major companies varied from highs of 10.8 percent for Armco and 10 percent for Inland to lows of 5.2 percent for Youngstown and 3.9 percent for Wheeling. In hearings before the subcommittee, Mr. Roger M. Blough, chairman of the United States Steel Corp., acknowledged that—

Each producer has a different efficiency * * * I have already told you that the costs of no single company in the steel industry are going to be identical. The data you are asking for will simply establish that the costs are not identical. Now, let us concede that.[12]

THE PROOF OF AGREEMENT DEFENSE

Enforcement of the antitrust laws is always simplified if evidence is turned up indicating a meeting or express agreement to fix prices. It is the type of evidence which makes unnecessary the inferring of conspiracy from a careful analysis of its operations and effects. It is also extremely difficult to come by.

Chairman Gwynne acknowledged that he could recall in his 5 years of experience at the Commission only "one case, where the Commission, and the staff, was ever able to prove an absolute agreement to fix prices, and that was a fairly recent case where, believe it or not, these people in a written contract agreed to fix prices, allocate the business, and made a complete case." He went on to say:

In other words, it is true as you all know that conspiracy is a crime of darkness. It is usually now, a case not proved by any definite agreement but inferred from facts which lead logically and naturally to the conclusion that they did have an agreement.[13]

Seeking to define the issue as precisely as possible, I stated:

All companies acted at the same time, all to the same extent, all with different operating costs, all with different plant capacities; certainly in the last year and a half the use of plant capacity has been going down and it is different in various companies.[14]

I then asked, "What other precise type of evidence do you think is required to show violation of the 1951 order?"

Mr. Earl Kintner, then General Counsel, replied:

Well, the most helpful type of evidence, of course, is an exchange of correspondence or minutes or, as in so many of these cases, when a price rise followed, a uniform price rise followed a meeting which we are able to document, the existence of the meeting just before the prices were raised. That is the most helpful type of evidence.

Indeed, it would be helpful.

It would establish a per se violation of the Sherman Act, to say nothing of an order under the FTC Act. It is also the very type of evidence which the Chairman of the Commission had conceded is rarely to be found. Neither Mr. Kintner nor any other representative of the Commission suggested any other type of evidence which would also be helpful and more likely to be found.

Judge Hansen, of the Antitrust Division, also acknowledged the difficulty in establishing proof of agreement, but offered the interesting suggestion that the steel companies might be communicating with each other as to a change in steel prices through the newspapers and trade journals. This suggestion, however, has never been followed up by an action.

The thought that it is necessary to have express proof of agreement in order to establish a violation of section 1 of the Sherman Act, to say nothing of section 5 of the Federal Trade Commission Act, flies in the fact of a long series of

[8] Hearings, "Administered Prices: 1958 Steel Price Increase," pt. 8, 1959, p. 4455.

[9] Hearings, pt. 8, op. cit., p. 4388.

[10] Ibid., p. 4450.

[11] Ibid., pp. 4569–4570.

[12] Administered Prices: Hearings, pt. 2, pp. 299–301.

[13] Hearings, pt. 8, p. 4426.

[14] Ibid., p. 4430.

holdings [15] by the Supreme Court which I need not recite here. For example, in the well-known Interstate Circuit case the Supreme Court held:

> Acceptance by competitors, without previous agreement, of an invitation to participate in a plan, the necessary consequences of which, if carried out, is restraint of interstate commerce, is sufficient to establish an unlawful conspiracy under the Sherman Act (59 Sup. Ct. 467, at 474).

The doctrine was reiterated in American Tobacco Co. against United States, in which, without direct evidence of meetings or agreements, the Court found a conspiracy from the parallel business behavior of three major cigarette manufacturers:

> No formal agreement is necessary to constitute an unlawful conspiracy. Often crimes are a matter of inference deduced from the acts of the person accused and done in pursuance of a criminal purpose. * * * The essential combination or conspiracy in violation of the Sherman Act may be found in a course of dealings or other circumstances as well as in any exchange of words. * * * Where the circumstances are such as to warrant a jury in finding that the conspirators had a unity of purpose or a common design and understanding, or a meeting of minds in an unlawful arrangement, the conclusion that a conspiracy is established is justified (66 Sup. Ct. 1125, at 1139).

It has been held by some that in a more recent decision, Theatre Enterprises, the Supreme Court has reversed its long-sustained line of thought on this issue. In that case, which was a triple-damage action, the Court in a decision by Justice Clark held:

> But this Court has never held that proof of paralleled business behavior conclusively establishes agreement, or, phrased differently, that such behavior itself constitutes a Sherman Act offense. Circumstantial evidence of consciously parallel behavior may have made heavy inroads into the traditional judicial attitude toward conspiracy, but conscious parallelism has not yet read conspiracy out of the Sherman Act entirely (74 Sup. Ct. 257, at 258–260).

This decision, however, is not a reversal of the Court's historical position on the evidentiary requirements of conspiracy cases. What was at issue was not whether conspiracy can be inferred by indirect evidence stopping short of proof of meetings and agreements, but whether the complainant had made an adequate showing in terms of such evidence. Moreover, "conscious parallelism," as those of us who participated in the "basing point" controversy well remember, is a term originally and usually applied to actions brought under the Federal Trade Commission Act, including most specifically count II of the Rigid Steel Conduit case. Count I charged conspiracy, but under count II parallel behavior by each member of the industry, done "with the knowledge that each did likewise with the result that price competition between and among them was unreasonably restrained," [16] was held to constitute an unfair method of competition in violation of section 5 of the Federal Trade Commission Act. Hence, in stating that "conscious parallelism" has not yet read conspiracy out of the Sherman Act entirely, the Court was merely saying that rulings under the FTC Act and Sherman Act have not read out of the Sherman Act the responsibility of establishing conspiracy, and conspiracy can continue to be proved by the types of evidence employed in the past. According to Dean Eugene V. Rostow, of the Yale Law School, Theatre Enterprises does not change the rule of law:

> The emphasis given to the limited decision of the Supreme Court in the *Theatre Enterprises* case should not be misinterpreted. It in no way weakens the authority of Interstate Circuit, Cement Institute, Paramount Pictures, or American Tobacco.[17]

In any event, however, Theater Enterprises is not relevant to my argument. What I am contending is that the circumstances of the steel price increases constitute a substantial body of evidence indicating a "planned common course of action, understanding, or agreement" in violation of a specific consent order issued under section 5 of the Federal Trade Commission Act. In its Cement decision the Court held:

> Individual conduct, or concerted conduct, which falls short of being a Sherman Act violation may as a matter of law constitute "an unfair method of competition" prohibited by the Trade Commission Act. A major purpose of the act, as we have frequently said, was to enable the Commission to restrain practices as "unfair" which, although not yet having grown into Sherman Act dimensions would, most likely, do so if left unrestrained (*FTC* v. *Cement Institute* (333 U.S. 683, 708)).

THE PROVISOS IN THE FTC ORDER

In 1948 the FTC issued a complaint alleging price fixing against virtually all members of the steel industry, resting entirely upon the use of indirect or economic evidence. The Government's presentation consisted of 1,237 exhibits and a transcript of testimony numbering 5,458 pages. The principal points in the argument were summarized by the Commission's trial counsel in charge of the action, Mr. Lynn Paulson, as follows:

> There are three basic allegations in the complaint, each with several subparagraphs. The three basic allegations are:
>
> (1) They have collusively composed, established and announced prices;
>
> (2) They have directly and indirectly through the offices and organization of respondent Institute, and otherwise, collectively furthered their designs and plans to restrain, suppress, frustrate and lessen competition in the sale of steel products;
>
> (3) They have collusively acted to present deviations from their collusively announced prices.
>
> In the particulars under the first allegation, the complaint described the maintenance and use of basing point practices, the collective compilation of pricing factors, and collective action toward pricing of extras.
>
> In the particulars set forth under the second allegation, it is alleged that respondents have attempted to reach a meeting of minds to forestall increases in steel production facilities, have collaborated on the making of quotations to railroads, have acted together to promote resale price maintenance through jobbers and otherwise, and have taken collective action to establish and maintain uniform terms and conditions of sale.
>
> Under allegation three, it is stated that respondents have attempted to prevent diversion of shipments in transit, to forestall and prevent reductions in railroad freight rates, to curtail fabrication in transit, to curtail price quotations on an f.o.b. mill basis, and, the joint action charge as to extras set forth in allegation one is repeated here. [18]

As is evident from these allegations, the case was primarily concerned with the operation of the basing point delivered price system. The theory was that the members of the industry had carried out certain activities the result of which was the elimination of differences in delivered prices at any given point of destination. To achieve this objective, the producers commonly recognized certain geographical centers as the locations at which base prices were established, jointly used the same base price at each basing point, commonly employed the same freight rate factors—which were not always the same as actual freight charges—in arriving at delivered prices, refused to quote or to sell f.o.b. mill to any buyer who wished to make delivery himself, and so forth.

But neither the complaint, the evidence, nor the order itself was limited solely to the delivered price aspects. This is most important, since the order unfortunately contains two provisos, both of which have been interpreted as seriously weakening its force and effect.

In order to avoid prolonged litigation, the Commission, upon motion of the steel companies, accepted on June 15, 1951, a consent order. Most of the provisions of the order are directed against certain specific practices which, when jointly carried out, result in identical delivered prices at any given destination. But in addition to its prohibitions relating to the basing point aspects, the order contained a general prohibition under which the steel companies are prohibited from jointly "adopting, establishing, fixing or maintaining prices, or any element thereof at which steel products shall be quoted or sold, including but not limited to base prices." The significance of this general prohibition is that it is not affected by the weakening provisos, which read as follows:

> (1) The Federal Trade Commission is not considering evidence of uniformity of prices or any element thereof of two or more sellers at any destination or destinations alone and without more as showing a violation of law.
>
> * * * * * *
>
> (3) The Federal Trade Commission is not acting to prohibit or interfere with delivered pricing or freight absorption as such when innocently and independently pursued, regularly or otherwise, with the result of promoting competition.

The first proviso, it will be seen, is irrelevant to the question of base prices because it relates to uniformity at any destination or destinations, in other

---

[15] Early cases include *American Column and Lumber Co.* v. *U.S.*, 257 U.S. 377, 42 Sup. Ct. 144, 66 L. Ed. 284 (1921), and *U.S.* v. *American Linseed Oil Co.*, 262 U.S. 371, 43 Sup. Ct. 607, 67 L. Ed. 1035 (1923).

[16] 168 F. 2d, 175, 176.

[17] Report of the Attorney General's National Committee To Study the Antitrust Laws. Op. cit., p. 40.

[18] Memorandum for the Commission: Recommendation of counsel in support of the complaint in docket 5508, American Iron and Steel Institute, et al., in regard to respondents' offer to waive defense and accept cease and desist order.

words, delivered prices. Likewise, the second proviso is limited to delivered pricing or freight absorption, neither of which is involved in the establishment of base prices. When the steel industry raises its prices, the change almost invariably takes the form of an increase in the base prices. Since changes in base prices are not touched by the provisos, they are subject without qualification to the order's prohibition against any planned common course of action, understanding or agreement. It is my position that the evidence presented earlier indicates that the steel price increases can be explained only as a result of such prohibited conduct.

SUMMARY

Mr. President, once again I raise the question of what types of evidence the Federal Trade Commission regards as necessary to establish a violation of its orders against price fixing. Certainly, while express proof of agreement would be more than helpful, it was not to rule on such simple points of law that Congress established the Commission as a "body of experts" and equipped it with a trained staff and broad investigatory powers. Evidence indicating intent to monopolize or the use of predatory practices is not necessary in a price-fixing case. Identical bids usually reflect the operation of some form of delivered price system which may or may not be a handy instrument of a price-fixing conspiracy. While identical bids have not been absent from the record of the steel industry in recent years.[19] I realize that in the steel industry this type of behavior might be regarded as sanctioned by the Commission's order. If, as I think it should, the Commission regards evidence of meetings and direct evidence of agreements, predatory practices and intent to monopolize as unnecessary to prove an unlawful conspiracy, but at the same time feels that something more is needed in addition to the types of evidence outlined earlier, the Commission has a responsibility to determine on the public record what that something more is. Either we face up to this problem of evidentiary requirements or the law against conspiracy will become a nullity, no longer able to adapt itself to the changing conditions of the times. We will be back to the days of the turn of the century when the value of a new invention known as the telephone was being extolled as a means of evading the antitrust laws. In 1901 the report of the Industrial Commission on Transportation contained a discussion on the simultaneous increase in the price of coal. Mr. Conger, of the Commission, was questioning Mr. Saward, editor of the Coal Trade Journal:

Mr. CONGER. Is it or is it not a fact that on a certain day all of these producers raise their prices to the wholesalers and to the jobbers? How can you explain this uniform action. Is there no agreement?

Mr. SAWARD. Oh, I don't know. It is the advance in civilization, I guess. Possibly it is the hypnotism that prevails—the unity of minds; all think alike. I do not know but there is a telephone that might be used by somebody to ask, "What are you going to ask for coal? I have my circulars all at the printer's, and I am ready to send them out. I am going to ask so-and-so." "All right," might be the response; "I will ask the same."

Mr. CONGER. This communication by telephone or wireless telegraphy, whatever you might call it, answers the same purpose as the combination would, does it not?

Mr. SAWARD. It seems to be a wonderful invention; it beats writing on a piece of paper and putting a signature to it.

Mr. CONGER. In what way does it beat it?

Mr. SAWARD. No record kept.

Mr. CONGER. In other words, if there were a record kept, would it be an illegal combination, conspiracy, or something of that kind?

Mr. SAWARD. So construed by a good many lawyers in Congress, you know.

Mr. CONGER. It might be conspiracy in restraint of trade?

Mr. SAWARD. It might be.

Mr. CONGER. But if it is done by telephone or wireless telegraphy, it is not? That is the advantage, I suppose.

(No reply by the witness.)[20]

[19] Cf. hearings, "Administered Prices: Steel," pt. 3, op. cit., pp. 964–965.

[20] Cited in hearings, "Administered Prices," pt. 8, pp. 4413–4414.

ORDER FOR ADJOURNMENT UNTIL 10:30 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns tonight, it adjourn to meet at 10:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the information of the Senate, there will be no rollcall votes tonight. It is my understanding that there are to be several speeches; that the Senator from Pennsylvania [Mr. CLARK], who is handling the retraining bill, will make opening remarks; that the Senator from New York [Mr. JAVITS] will have comments to make, and perhaps an amendment to offer, on which there will be no votes tonight. There will be no rollcalls tonight, and we shall take up the bill at the conclusion of the morning hour tomorrow.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. CLARK. The Senator mentioned that there would be no yea and nay votes tonight on the retraining bill. That is of course true, but the Senator from New York will propose an amendment which is satisfactory to the committee, which will not require a yea and nay vote. I take it the brief statement made by the majority leader did not mean there could not be a voice vote.

Mr. MANSFIELD. The Senator is correct. If any yea and nay votes are suggested, I hope the Senator will see that they go over until tomorrow.

Mr. CLARK. I shall be happy to do so.

Mr. MANSFIELD. Mr. President, for the benefit of the Senate I make the announcement that at the conclusion of consideration of the retraining bill it is the intention of the leadership to have the Senate consider the proposed Peace Corps legislation.

TRIBUTES TO VICE PRESIDENT LYNDON B. JOHNSON

Mr. MANSFIELD. Mr. President, in today's papers there appear several editorials and articles dealing with the recent mission of the Vice President, LYNDON B. JOHNSON. The editorials and articles are uniformly glowing in their tribute to the effectiveness and the constructive contribution of the Vice President's visit to Bonn and Berlin.

These tributes, Mr. President, are well deserved. It was a most delicate and difficult mission that President Kennedy asked the Vice President to undertake. The Vice President discharged the responsibility as he was assigned with a high sense of dedication to the Nation, with great tact and diplomacy, and with a deep perception of the complexities of the situation into which he was sent. The Vice President boosted the morale of the Berliners and at the same time strengthened the base of our foreign policy respecting the Berlin situation. In the apt words of the President, it was a "remarkably successful" achievement in every way.

Mr. President, this is the third time in recent months that President Kennedy has seen fit to entrust major international responsibilities to Vice President JOHNSON. In every instance, the Vice President has responded to these challenges in a fashion which reflects great credit on the Nation. He has added to our stature as a responsible power striving for peace, freedom, and friendship and, in so doing, he has added to his already great standing as one of the outstanding leaders of this Nation.

Mr. President, I ask unanimous consent that the articles and editorials previously referred to be included at this point in the RECORD.

There being no objection, the editorials and articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 22, 1961]

REPORT ON BERLIN

Vice President JOHNSON and General Clay appear to have served the purpose of their quick trip to Berlin and West Germany admirably. If reassurance was needed to emphasize the undiluted determination of the West to preserve the freedom of West Berlin, Mr. JOHNSON's statements should have given it in ample measure.

The arrival of 1,500 additional American troops underscores the point. Mr. Khrushchev is likely to understand the purpose of this gesture. Soviet propaganda notwithstanding, this move cannot be considered provocative; the total Allied garrison in Berlin now amounts to only a little more than 10,000 men.

These men are symbols of the Western will to fight if necessary. But the basic objective is not to fight; rather it is to guarantee Western rights and freedoms without a clash. In the wake of these symbolic moves, is not now the appropriate time for the West to call for actual negotiations with the Soviet Union?

The vacuum seal that Mr. Khrushchev has constructed around East Germany may appear in one sense to be a sign of strength. To the extent that it is enforced by Communist soldiers that may be the case. But, military backing apart, politically the closing of the border is a sign of weakness. Messrs. Khrushchev and Ulbricht have confessed to the world that barbed wire and machineguns are necessary to keep East Germans from fleeing. This is an acknowledgment which must have been difficult to make.

Thus there is a major weakness on the Communist side. There also is a weakness on the Western side. The status of Berlin, deriving from a four-power occupation agreement, is by no means ideal. Mr. Khrushchev is perhaps more uncomfortable than the West under this arrangement and has deliberately stirred up trouble. But the West also has something to gain from a more satisfactory definition of legal rights, including specific guarantees of access.

This is what makes the prospect of negotiations at the proper time meaningful. The West can grant some things that Mr. Khrushchev and his colleagues want: formal confirmation of the Oder-Neisse line as the eastern border of Germany, and some sort of de facto recognition of East Germany. Mr. Khrushchev can grant some things that the West wants: treaty confirmation of the status of West Berlin, including rights of access.

Obviously the Soviet free city proposal would not meet this criterion. But if the position of West Berlin and Allied rights could be safeguarded beyond question, it is possible that the Soviet peace treaty with East Germany would not be an insurmountable obstacle. At least the elements are present for a mutually beneficial negotiation.

Understandably Secretary Rusk and the administration do not wish to disclose details of the Western position in advance. But as a sequel to the moves and countermoves of the past 2 weeks, now may be the psychological moment for Allied initiative.

[From the Washington Evening Star, Aug. 22, 1961]

HAS JOB, WILL TRAVEL

Mr. Kennedy's tribute to LYNDON JOHNSON's "remarkably successful and important trip" to West Germany and West Berlin was fully deserved.

The success of the trip, of course, was not due primarily to anything Mr. JOHNSON did or said in Germany. It is attributable, rather to the fact that his presence there, at the President's direction, plus the modest reinforcement of our small Berlin garrison, was properly interpreted by the Germans as a manifestation of American resolve not to be pushed out of the beleaguered city. Mr. Kennedy underscored this when he said we are going to pass through difficult weeks and months in maintaining the freedom of West Berlin, but "maintain it we will."

This is not the first trip the Vice President has made to assert the American "presence" in troubled areas of the world. Nor is it likely to be the last. But he can be depended upon to do what needs to be done. We do not imagine that LYNDON JOHNSON has found it easy to assume the role of presidential emissary. As majority leader of the Senate, he had been accustomed to lead, not to follow. And his willingness to play ball as a team member has been something of a surprise to many. When he accepted the vice presidential nomination after his bid for the first prize had failed, however, he made up his mind to take the assignments that came his way and to make the most of his opportunities. The "remarkably successful" trip to Germany is but one chapter in that story.

[From the Washington Evening Star, Aug. 22, 1961]

JOHNSON DOES MASTERFUL JOB

(By Gould Lincoln)

Vice President LYNDON JOHNSON did the job he was sent to do in West Berlin—and he did it well. His mission was the most important ever assigned to a Vice President of the United States, in view of the tension which had built up over the Berlin situation. It was touch and go whether the effort of the Kremlin leaders to convince the West Berliners, the countries of the free world and the so-called neutralist nations that the United States was indeed, a "paper tiger" would succeed. The Vice President's visit to reassure the West Berliners this country was prepared to stand firm in their defense, plus the immediate strengthening of the American military forces in West Berlin, has been of great value. In the first place, it has restored the morale of the West Berliners, which had been sadly strained by the slow approach to the situation caused by the Communist East German blockage of the border between East and West Berlin. In the second place it has, or should have, convinced the Kremlin that President Kennedy was not speaking idly when he told the American people and the peoples of the world that this country would not be forced or bullied out of its rights in West Berlin. And third, it has placed the cause of the present crisis right where it should be placed—in the lap of the Communists, for all the world to see and understand.

The reaction of the Kremlin and its satellites and Red China has been just what would have been expected. They have attempted to picture the Johnson visit, the Vice President's firm statements, and the assignment of added military forces to the area as attempts of this country to increase tension between the East and the West almost to the brink of war. The fact is that the tension already had been increased by the Russians and their puppet government in East Germany. This should not be difficult for the allied free nations and the neutralists to grasp.

CONFERENCES EXPECTED

The Johnson visit has been salutary, but it still leaves the Berlin problem where it was before, and has been for the last 16 years. Unless the Reds intend to force us to military action, the next step seems to be diplomatic conferences. Secretary of State Dean Rusk said Sunday in a televised broadcast ("Meet the Press") that he did not believe the Soviet Government wished war over Berlin. He also said he believed the Berlin issue would be discussed by the interested powers, though he did not undertake in any way to be specific as to time, place, or character of the expected conference. Russian Premier Khrushchev, meanwhile, has not backed away at all from his declared purpose to sign a peace treaty with his puppet East German government. Also he has now suggested that whatever rights the United States, Britain, and France claim they have as a result of agreements at the time of the cessation of hostilities—the end of World War II—are no longer existent.

REDS BLOCK SOLUTION

The West has made frequent suggestions to the Soviet Government for a solution of the Berlin and the divided Germany problems. In every case they have been rejected. What is clear is that the Kremlin has been stalling any adjustment, believing that in the end they will be able to take over all Berlin. They have been putting the pressure on now and again, while building up their military strength. They have believed that finally they could scare the United States and its allies into making concessions which could lead to the engulfment of the 2.5 million West Berliners in the Communist state of East Berlin. It will be interesting to see what further lines of pressure the Kremlin exerts before they go to the conference table.

Vice President JOHNSON, who was accompanied to West Berlin by Gen. Lucius Clay, the commander of U.S. forces in that area in 1948 when the Communists attempted a blockade of West Berlin and failed because of our successful airlift, has reported to President Kennedy what he found in Berlin, as well as the result of his talk with West German Chancellor Adenauer.

The Kennedy administration has been engaged in conferences with the British, French, and the West German Governments and NATO regarding the course to be followed over Soviet attempts to take over the West Berliners. So far, there has been solidarity of purpose on the part of the Western allies. The Reds have tried and will try again to break this solidarity. They are clever maneuverers. They will do what they can to obtain their goals without war. There remains the question whether they will use armed force finally. That is the problem the Kennedy administration faces, and will continue to face, unless the Kremlin has a change of heart.

Vice President JOHNSON said, indeed, no more than President Kennedy himself had said earlier—that we would never give up on West Berlin. His appearance on the scene of the crisis at this particular time, however, was more effective. He brought with him a promise of action that changed the atmosphere.

[From the Washington Daily News, Aug. 22, 1961]

REMEMBER MR. THROTTLEBOTTOM

A Vice President can be only as useful as the President will permit him to be, and only as effective as his own talents, experience and judgment guide his actions.

LYNDON JOHNSON'S mission to Berlin, within the limits of what it was expected to accomplish, was an unqualified success. Mr. JOHNSON did the right things, uttered the right words, conveyed to the German people the firm determination of the United States to stand with them in their crisis, lifted their morale and their confidence. He did it without involving either himself or our country in the spirited election contest between his two hosts, Chancellor Adenauer and Berlin's Mayor Brandt.

It was better than if the President himself had undertaken the mission. It accomplished the same purpose, because the Germans and the world knew Mr. JOHNSON carried Mr. Kennedy's credentials to speak and act. Meanwhile, Mr. Kennedy could stay at the White House in charge of our whole Government operation, where his presence was of more importance.

The problems of divided Berlin remain the same—the concrete and barbed wire barricades still sunder the city—but the resolute posture of the free world in the face of this outrage has been dramatized for all to see.

Mr. JOHNSON's performance, under Mr. Kennedy's direction and delegation, points up what has happened to the role of the Vice Presidency since George S. Kaufman's play, "Of Thee I Sing," in which the Vice President, a Mr. Throttlebottom, out of frustration and loneliness and with nothing else to do, wandered around Washington's parks trying to strike up a conversation with the pigeons.

The Vice Presidency has become important only in recent memory.

Mr. Coolidge's Vice President Dawes is remembered primarily as the man who didn't wake up from a nap in time to break a tie in an important Senate rollcall.

Mr. Hoover's Vice President Curtis is remembered only because his hostess sister, Dolly Gann, quarreled with Speaker Longworth's wife over who sat higher at the table above the salt.

Mr. Roosevelt called on Vice President Garner to help only when he wanted to get a controversial measure through Congress, and sometimes Cactus Jack didn't help. Mr. Roosevelt gave Vice President Wallace a chore or two to do in the executive department, but often wished he hadn't. Mr. Roosevelt didn't even brief Vice President Truman on the conduct of the war, which was a terrible mistake because Mr. Truman had to take over and finish it.

Mr. Truman was very considerate in taking his old pal, Vice President Barkley, into high state councils, but never gave him steady work.

Mr. Eisenhower was the first President who really made his Vice President, Mr. Nixon, a functioning member of the high command, giving him the experience and training to take over in an emergency. But even there the relationship was not close, and, perhaps because of the towering Eisenhower personality, Mr. Nixon did not always seem to carry the Eisenhower credentials.

The Kennedy-Johnson relationship appears more sympatico, with the President elevating the Vice President to the actual role of second in command. Perhaps that has been made possible by their years together in the Senate when Mr. JOHNSON was Mr. Kennedy's leader, and because they understand each other and know how to work as one. Anyhow, it seems a healthy relationship, and good for the conduct of our Government.

[From the New York Herald Tribune, Aug. 22, 1961]

THE EDUCATION OF A VICE PRESIDENT

(By Rowland Evans, Jr.)

WASHINGTON.—In Vice President JOHNSON'S office are five photographs, conspicuously displayed on or near the marble mantle. Each of them is inscribed to LYNDON JOHNSON, and the signatures belong to Sukarno, of Indonesia; Adenauer, of West Germany; Chiang Kai-shek, of National China; Prasad, of India; and John F. Kennedy, of 1600 Pennsylvania Avenue.

The photographs tell the dramatic story of the metamorphosis of an American politician into a skilled Presidential envoy charged with conducting diplomacy at just below the highest level anywhere on the globe. The photographs will multiply in the months ahead. In 7 months Mr. JOHNSON has been dispatched to Sierra Leone, Geneva, the Philippines, Formosa, Japan, Thailand, Vietnam, India, Pakistan, and now Berlin.

It is becoming almost commonplace for the American Vice President to pack up at a moment's notice and fly off to distant parts of the world. At last a Vice Presidential responsibility of real significance seems to be developing. Mr. Eisenhower sent Vice President Nixon around the world on fact-finding and diplomatic-political journeys. Nothing so much as these highly publicized trips kept Mr. Nixon in the headlines, and without headlines a politician cannot survive. And nothing thus far in the new administration has given Mr. JOHNSON the weight and authority now building up his political stature at home as have his flying trips abroad.

The Vice President, any Vice President, has one advantage over all other Presidential envoys. This, of course, is the simple fact that he is the constitutional heir apparent, and the heir apparent is a personage second only to the President himself. Foreign countries aren't familiar with the subtleties of our constitutional system. They aren't aware that the Vice Presidency is an uncommonly useless constitutional office. They wouldn't understand what Vice President John Adams meant when he said that as Vice President he was "nothing." But they would know the meaning of his words that followed—"* * * but tomorrow I may be everything."

As a personage abroad, then, the Vice President has no equal and only one superior. Add to that the fact that the present and past Vice Presidents happen also to be strong personalities, colorful, chesty and ambitious to do well, and it is no wonder that Eisenhower and Kennedy have used them for difficult diplomatic chores.

Representing the President abroad is no job for a novice. Mr. Nixon was almost killed in Latin America. In Moscow he jumped into a debate with Premier Khrushchev, who has one of the fastest verbal draws in the world. One serious misstep could have ended his political career.

When Vice President JOHNSON went to the Far East, his highest object was to convince the skeptics that the United States was not preoccupied with Europe and would play no favorites as between Europe and Asia, Berlin and Laos. And then, just as he stepped off his plane in India, the dramatic news of President Kennedy's trip to Paris, Vienna and London was announced. It took some explaining.

But with the occupational hazards comes political glory to the Vice President who knows what he is about. Mr. Nixon took the offensive in his highly touted debate with Khrushchev and became a sort of national hero overnight. In Berlin last weekend, the eyes of the world were on Mr. JOHNSON. He came to West Berlin, as someone remarked, in the role of a sheriff on the American frontier. He played his part to the hilt—the symbol of law and order, the people's guardian.

The possibilities now open to Mr. JOHNSON as President Kennedy's superplenipotentiary are quite breathtaking. Whether he will be able to make good on them depends both on the President's inclination and on the Vice President's performance.

After these first 7 months, Mr. Kennedy has shown the inclination and Mr. JOHNSON has shown the performance. He has studied punctiliously for long hours. He was somewhat concerned about his trip to Asia because, as he said privately, he didn't know much about that area and had no precise knowledge about the politicians and leaders there. Nevertheless, those who went with him gave him high marks.

Sudden immersion in foreign policy is the one strikingly new aspect in the life and times of LYNDON JOHNSON, and it has smoothed the harsh transition from top political leader in Congress to the relative obscurity of the Vice Presidency. Mr. JOHNSON'S talk in private these days is an odd mixture of contentment and excitement about his new job, not resignation. The furnace of his energies still burns fiercely and he drives himself unsparingly. His relationship with the President and the Kennedy policymakers is cordial and to the point. He has always known how to listen and he listens much today in the inner councils of the administration. As Vice President, this extraordinary man is coming of age quickly and with an almost prescient adaptability.

[From the New York Mirror, Aug. 22, 1961]

ACT OF COURAGE

President Kennedy has proved himself courageous in the handling of the Berlin situation. He challenged Khrushchev by sending 1,500 men in 250 trucks into Berlin to reinforce our troops there. These American soldiers rode 110 miles through East German territory where the people could see the Americans challenge the might of Soviet Russia.

It was an exhibition of power, of might, of daring, of courage.

If Khrushchev wanted to fight that was his chance.

He has been boasting of all the things he will do to us. Well, he had a chance and he did not do anything. He yapped but he dared not act.

The world is becoming accustomed to his yapping and may no longer take him too seriously. He has suffered a major defeat.

This march through to Berlin was a brilliantly conceived maneuver. The President made no threats; he did what had to be done, quietly, effectively.

Every man who was in one of those trucks was a hero, because every one of them knew that his life could be in danger every inch of that 110 miles.

If the Russians doubt that our men have courage, they now know exactly what stuff our people are made of.

It took the Kaiser and Hitler longer to find out than it has taken Khrushchev.

Sending LYNDON JOHNSON to greet the American troops was a stroke of genius. The people of all the Iron Curtain countries realize now that the United States is pledged to defend Berlin from Russian aggression and that nothing can stop us. Poland and Czechoslovakia, Hungary and Yugoslavia realize today that there is no more monkey business in dealing with the United States.

Vice President JOHNSON exhibited himself in every possible way, so that he could be heard and seen by all the people, not only in Berlin, but wherever there was doubt that the United States would act if need be.

The United States has acted valiantly.

Soviet Russia has issued an ultimatum which comes due in October.

Before the end of this year, Soviet Russia plans to sign a separate treaty with East Germany.

Should Soviet Russia sign such a treaty, it could be that East Germany would try to prevent us from moving into West Berlin. We might have to fight our way in and out.

The Russians are taking advantage of the good nature of Roosevelt at Yalta and Truman at Potsdam where the partition of Germany was decided upon and where we failed to arrange for corridors of access for our troops.

We trusted the Russians and that was a mistake. Well, we trust them no more and we proved by one expedition that we shall do what we want to do and what we need to do, come what may.

We are no longer in a mood for long and meaningless conferences.

Mr. DIRKSEN. Mr. President, when the mission of the Vice President was first suggested I gave it my unequivocal blessing, when my opinion was asked. I thought we had reached a point where cold print and words on paper lacked the necessary dramatic quality to do the job in Berlin at a time when so much fever and excitement were in the air. I thought nothing short of a living, human symbol, clothed with the authority of this country and the blessing of the President, could bring a degree of composure and serenity to that country and restore a degree of confidence, raising the morale of the people, an attribute so necessary to a people who are in a beleaguered city.

I am delighted that the Vice President went. I thought he performed superbly and did a great job for the President and for his country.

Mr. MANSFIELD. Mr. President, the distinguished minority leader is always kind, always understanding, and always forthright.

STEEL PRICES

Mr. HUMPHREY. Mr. President, in the next few moments I wish to join in

the discussion of the economics of steel, and particularly of the threatened price increase in the steel industry.

Earlier today I commented upon the outstanding work done by the Senator from Tennessee [Mr. GORE] and his illustrious colleague [Mr. KEFAUVER], as well as by my own able and scholarly colleague [Mr. MCCARTHY], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Illinois [Mr. DOUGLAS], the Senator from Pennsylvania [Mr. CLARK], and other Senators who participated in the discussion.

I wish to add some words of support for the message which has been given today by those Senators, to indicate my deep concern over the threatened price increase in the steel industry. I hope that the leaders of the steel industry, the management executives, will read the RECORD very carefully and understand that the comments and statements have been made in a spirit of understanding and of public interest, not in a spirit of unfair criticism or acrimony.

The Senator from Tennessee [Mr. GORE] in his address in three concise and succinct paragraphs stated the basic issue before us. He said:

> The importance of steel in our price structure can hardly be overestimated. Not only is steel a truly basic commodity upon which most of our industrial capability depends, but steel prices also have an enormous psychological effect. The price of steel is traditionally one of the bellwethers of our economy. The raising or lowering of steel prices in itself not only triggers percentage price markups all the way to the retail outlets, but it creates a psychological climate which is carried over into the price-making process in other industries.
>
> Steel wages are a bellwether, too, and should not bound above proper and reasonable comparable levels. By refraining from raising prices of steel in October, the steel companies would improve their bargaining position when wage negotiations are again undertaken in 1962. This type of hold-the-line attitude will also be felt in other industry wage negotiations, particularly those pertaining to the automobile manufacturing industry.

Finally, the Senator from Tennessee said:

> Not only is steel important to our whole domestic economic structure, but it also has played a significant part in our balance-of-payments difficulties.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am happy to yield.

Mr. DIRKSEN. I wish to interpose at this point in the steel discussion to say that, as a member of the Subcommittee on Antitrust and Monopoly, I sat through all of the steel hearings. I believe I heard nearly all of the testimony. I believe it is important that both sides be presented. I discovered, in the course of the hearings, that by bringing out salient facts one can get a complete and objective story.

I am glad this question has arisen. Probably within the next few days, or early next week, we shall also wish to address ourselves to this question, to make sure that we do not leave it in an ex parte status and that all the story will be told.

Mr. HUMPHREY. I thank the Senator. I wish to have the whole story told and to have a discussion of both points of view.

One of the points I hope to raise in my discussion is the importance of a full inquiry, giving management, the workers, the consumers, and the Government—all interested parties—an opportunity to state their respective points of view and to assert the economic facts as they relate to the economics of the steel industry.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CARROLL. I am also a member of the Subcommittee on Antitrust and Monopoly. I sat through the steel hearings. I spent many days and many weeks in the hearings.

For the record I wish to say, if it has not already been said, that prior to the last steel strike the able Senator from Tennessee [Mr. GORE] invited the leaders of the great steel industry in to speak to a group of Senators in the Old Supreme Court Chamber.

Mr. HUMPHREY. I well recall that.

Mr. CARROLL. After that, some of the leaders of the Steelworkers of America were invited to come in to express their views. We were at that time trying to reach some accord, to see if we could get the opposing sides together. I think the Senator from Tennessee has once again rendered a signal service, not only to the Senate but also to the people of the country, by bringing to consult with some of us this year, a distinguished economist, who discussed with us the prospective wage increase in October in the steel industry, which subsequently may be followed by another in July.

The question we were most concerned about, in our meeting with the junior Senator from Tennessee [Mr. GORE], was whether there will be an additional price increase by the industry. If a steel price increase comes in October and another in July, we shall again be on the inflationary spiral.

This is a vitally important industry. If a price spiral begins in October, with another price increase in July, using the words of Roger Blough himself, this will create economic ripples which will travel clear through our entire economy.

For that reason the able Senator from Minnesota [Mr. HUMPHREY], the Senators from Tennessee [Mr. KEFAUVER and Mr. GORE], the Senator from Pennsylvania [Mr. CLARK], and others have spoken on the issue. What we are trying to do here today is alert the American people, the steel industry, and the steel unions to the dangers that lie ahead. We were told the other evening at the conference called by the junior Senator from Tennessee [Mr. GORE] that there is relative stability in the heavy industries. However, we were told that there is generally an inflationary trend in the soft industries, transportation, and medicine. If we can hold the line on steel in October and next July, in view of the fact that we have passed a defense budget of almost $48 billion, and with other Government expenditures continuing, we will certainly be helping the country. This is the time for all of us to ring the gong of alarm with respect to the inflation dangers that lie ahead, and I intend in the near future to speak at some length on this matter of wage-price spiraling increases. I agree with the able Senator from Illinois [Mr. DIRKSEN]. We want to hear all sides of the issue. It is vital to the Nation and our economy in this very difficult period which we will go through in the near future. I thank the Senator from Minnesota and other Senators who have made contributions to this very important discussion.

Mr. HUMPHREY. I thank the Senator from Colorado for his remarks and observations on this problem.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. JAVITS. It has always been my belief that we could best serve our country, the public interest, and business if we flag our economy as a consumers' economy. Unfortunately, during the day I have had only episodic bits of the presentation, but I shall read the RECORD with the deepest interest. I am delighted that the minority leader, the Senator from Illinois [Mr. DIRKSEN], has seen fit to say that we on this side of the aisle, after examination—even critical examination—will have our say on this subject for the following reason. The thrust of the argument appears to be that if industrial price makers will hold fast, such action by them is called for both by public interest and by the dynamics of their own economic situation in terms of the reasonableness of what they have any right to expect as to a profit. There may be other things which must be done by other segments of the economy in order to make good upon this concept which has been discussed today so eloquently. I feel that if we can make some contribution to that discussion in a constructive, positive and affirmative way, so much the better.

So I only wish to state that I am grateful to the Senator for yielding, and I really think that those who complain about Senate debate and the fruits of our labor here will have reason to rejoice if we can develop this question together from all points of view. Surely, we are the party of business, and we ought to be proud of it. We should make our contribution to business in the public interest. I hope very much that we shall have the privilege of doing so in the course of the discussion.

Mr. HUMPHREY. I thank the Senator from New York. I am confident that any contribution he makes to the discussion will be worth while, and not only well intentioned, but well documented.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. GORE. I have not sought to speak from the standpoint of either the steelworkers or the steel-mill owners. I have sought to speak from the standpoint of the public interest. I welcome the contributions which we can anticipate, because this subject should have no partisan connotation. An increase in the cost of living affects the housewife in Brooklyn, the housewife in Boston, and the housewife in Memphis, Tenn.

I suggest one additional fact that I do not think has yet gone into the RECORD. I have sought information from a number of sources, including the Council of Economic Advisers. They supplied to me, at my request, profit estimates for various levels of operation. Assuming no change in steel prices, but taking into account the wage increase already scheduled to take effect on October 1, the profit picture in the steel industry appears to be as follows: A rate of capacity utilization of 70 percent would be expected to yield, in the fourth quarter of 1961, a profit of 7 percent to 9 percent of equity after taxes.

An 80-percent capacity utilization is estimated to yield from 10 to 12 percent profit, after taxes.

A 90-percent utilization is estimated to yield from 13 to 15 percent profit, after taxes.

I am bringing out these facts because debate in the U.S. Senate can deal with no more important domestic issue than the cost of living for the American people.

Mr. KEATING. Mr. President, will the Senator yield for the purpose of my proposing a question to the Senator from Tennessee?

Mr. HUMPHREY. I yield to the Senator from New York.

Mr. KEATING. The Senator from Tennessee, in stating his figures, started with 70 percent. Does he have the figures with respect to a 60-percent and a 50-percent utilization?

Mr. GORE. Yes. I believe the Senator from Minnesota has those figures.

Mr. HUMPHREY. Will the Senator bear with me for a moment?

Mr. KEATING. My understanding is that a good number of steel plants are now working at a rate of about 50 to 60 percent.

Mr. GORE. I think the rate of production is now about 66 percent of capacity, with a considerable increase in demand in the last quarter anticipated. For example, automobile changeovers have caused some slack in demand recently, but new model production of automobiles will call for an increase in steel production.

Mr. HUMPHREY. At an operating rate for the entire industry of 65 percent, the rate of return on net worth after taxes would be 8 percent.

Mr. KEATING. I was asking the figure based on 60 percent and 50 percent utilization.

Mr. HUMPHREY. We had the figures down to 60 percent. I do not have available figures on a 50-percent utilization, because in no year since World War II has the operating rate fallen below 60 percent. I believe that the question of the Senator is one to which there should be a response, and I shall ask the staff that has been working with other Senators to prepare an estimate for us.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CLARK. While those figures are not available in extenso, it is nonetheless the fact—and I ask members of the staff to advise me privately and I will correct the statement if it is not correct—that United States Steel Corp. can now operate at some profit at 40 percent capacity or even less, and, this capability is due in part to the fact that within the past few years the United States Steel Corp. has put into operation the most modern steel mill in the world at Morrisville, Pa., where operations can be conducted on a vast scale and at a very much more economical rate than in other presently unused plants of the United States Steel Corp., which are high cost, and to some extent obsolete.

While it is true, generally speaking, in the case of many companies that as the rate of operation goes up and overhead is spread more widely, profit rises, this is not entirely true with respect to the steel corporation and several of its competitors, because they include in productive capacity some capacity which is high cost because of obsolescence.

Mr. HUMPHREY. The question of the Senator from New York will be specifically answered. I know he is asking for information, and I am also very much interested in getting the information. However, as I have stated, fortunately, steel capacity throughout the Nation has not gone below 60 percent as an average. The rate of steel capacity in some companies fell below 60 percent. However, the operating rate of 60.6 percent of capacity existed in 1958, and that was the low point since 1938. I ask unanimous consent to have a table on profit rates and operating rates printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Steel: Relationship between operating rate and rate of return on net worth after taxes

Year	Steel industry		United States Steel	
	Operating rate	Rate of return	Operating rate	Rate of return
1920	76.7	12.1	86.2	11.5
1921	34.9	2.2	48.3	4.3
1922	61.7	3.8	70.9	4.6
1923	77.3	9.4	89.1	10.9
1924	64.6	6.5	72.2	8.4
1925	75.4	7.6	81.7	8.6
1926	84.1	9.3	89.1	10.1
1927	75.4	6.6	79.8	7.4
1928	84.6	8.4	84.6	9.0
1929	88.7	12.1	90.4	12.6
1930	62.8	5.1	67.2	5.8
1931	38.0	−.3	37.5	0.7
1932	19.7	−4.5	17.7	−4.1
1933	33.5	−2.2	29.4	−2.2
1934	37.4	−.7	31.7	−1.3
1935	48.7	1.4	40.7	.1
1936	68.4	4.8	63.4	3.8
1937	72.5	7.2	71.9	7.0
1938	39.6	.3	36.4	−.6
1939	64.5	4.2	61.0	3.1
1940	82.1	8.2	82.5	7.5
1947	93.0	11.8	96.7	10.0
1948	94.1	14.4	93.8	10.6
1949	81.1	11.8	82.5	9.6
1950	96.9	15.3	98.2	12.3
1953	94.9	11.2	98.4	9.9
1954	71.0	9.4	73.2	8.3
1955	93.0	14.7	90.8	14.8
1956	89.8	13.2	85.2	12.8
1957	84.5	12.4	85.2	14.3
1958	60.6	8.1	59.2	9.7
1959	63.3	8.1	58.3	8.0
1959 (2d half)	(1)	(1)	30.0	0
1960	66.8	7.8	65.1	9.2

[1] Not available.

Sources: Joint Committee on the Economic Report, "Basic Data Relating to Steel Prices," 81st Cong., 2d sess., 1950; AISI, "Annual Statistical Reports"; Federal Trade Commission; United States Steel, "Basic Facts" (pamphlet); Moody's Industrials.

Mr. KEATING. Will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KEATING. Last fall I heard some figures given to the effect that the steel industry was operating at only 50 percent of capacity. That has stuck in my mind since then. Sometimes, of course, there are slight inaccuracies with respect to such figures in September or October in an election year.

Mr. HUMPHREY. The Senator is correct in that the steel industry has operated at certain times at 50 percent of capacity, or even lower, but the average for an entire year has not been below 60 percent since World War II.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CLARK. I should like to amplify what I stated before as a result of the information furnished me by the staff. With respect to the statement I made a moment ago, the actual break-even point for United States Steel is 30 percent of capacity, as of now. At 40 percent the corporation would make a small profit. At 60 percent it would make an 8 percent return on its invested capital.

Mr. HUMPHREY. I believe that the current exchange of views increases the value of Senate debate, as the Senator from Tennessee has said. We really look more like a senatorial body when we have this frank and, I trust, informed discussion, and when we are not attempting merely to express a biased or partisan view, but rather to engage in a solid economic discussion.

Out of all this we can draw different conclusions. That is why men come to different points of view from the same facts. However, I think it is important to have this kind of discussion. I wish it could take place with respect to other issues also. I compliment Senators who have engaged in the debate today.

My purpose in speaking today is really to provide a summary statement. I have commented upon the succinct, concise, and comprehensive manner in which Senator GORE discussed the situation in his able address. I have quoted three paragraphs from his speech. I believe those three paragraphs bear upon the basic economics of the steel industry, as well as upon the public welfare.

I am sure the Senator from Tennessee feels as I feel: that as representatives of a political party we should speak for the public interest and discuss what is in the public good, as we see it.

The rise in steel prices of $4 or $5 a ton—and these are the figures that have been used—predicted in the trade journals for October, will, if it materializes, be a very bitter pill for our economy to swallow.

Steel is by far the most widely used commodity in industrial use, and price rises will be touched off in all the major steel-using industries if there is a rise of $4 or $5 a ton, as is threatened for October.

Our balance-of-payments situation, now in fair shape, will deteriorate as our competitive position in machinery and other steel-using commodities is injured or as it deteriorates.

The Senator from Minnesota [Mr. McCarthy] spent some time today on the issue of the balance of payments and the competitive situation in respect to foreign commerce.

As so often in the past, steel fabricating industries can be expected, following a price rise in steel, to raise their own prices in order to maintain and perhaps increase their own margins. An open season for inflation will have been unmistakably signaled. If the past is any guide, the rise in the price level will lead to the imposition of tighter monetary and credit conditions, which will act as a brake on our still incomplete achievement of full recovery.

In other words, a rise in steel prices sets off a chain reaction that can be as destructive or as costly to the American economy as a nuclear explosion itself.

We would like to have confidence that the steel companies, when they make their price decision, will feel a responsibility to the public interest. Indeed, if our free economic system is to survive and work successfully, the exercise of the discretionary power held by big industry must be tempered by a sense of the public interest.

The only substitute for public regulation is a sense of public duty and public interest. If the private sector of our economy will constantly keep in mind and use as its yardstick of measurement and as a guideline the public interest, it will obviate the necessity for public regulation.

There is at this time an opportunity for the steel companies to promote the general welfare, an opportunity which is unique, because it can be seized without substantial detriment to their economic interests.

The costs of forgoing a price increase at this time are far smaller than the steel industry seems to think. In the first place, as recovery proceeds—and it is proceeding rapidly, thank goodness—the profits of steel companies, even in the absence of any price increase, will be substantial.

This is documented by the facts which have been presented in this debate. The facts clearly demonstrate that as the percentage of operating capacity increases the percentage of profit on net worth after taxes increases. For the steel industry as a whole, if the operating rate is 90 percent, as it was in 1955, the rate of return after taxes, is about 14 percent. In 1957, when the operating rate was 84.5 percent, the net return after taxes was 12.4 percent. In 1960, when the operating rate was 66.8 the rate of return was 7.8 percent. What these figures demonstrate is that with prosperity in the economy, with a greater demand for steel, with a fuller utilization of plant capacity, the rate of return on net worth after taxes substantially increases.

Therefore a price increase, even if there is a modest wage increase, would not be necessitated primarily because the rate of return upon the volume of production continues to go up as we increase the use of plant facilities.

So, as I have said, in the first place, as recovery proceeds, the profits of the steel companies, even in the absence of any price increase, will be substantial. In the second place, the very high profits which would result next year from price rises would encourage demands for a parallel wage increase next year, and so would not remain for long in the hands of the companies. An out-of-line rise in steel wages would in turn set an example for wage negotiations everywhere and so intensify the weakening of the dollar. Let me elaborate.

The profits of the steel companies at any time depend on the wages and prices they must pay and on the level of operations which they sustain. This has been clearly documented throughout the discussions of today. After allowing for the wage increases which will take place on October 1, the steel companies will earn a rate of return on equity, after taxes, at from 10 to 12 percent, if they operate at 80 percent of capacity. That is a very good percentage of profit. If retailers and wholesalers in this country could make that rate of profit, they would consider themselves very fortunate.

Of course, higher levels of operation would result in even higher rates of return. A rise in the price of steel of the amount mentioned in the trade journals, a rise of $5 to $6 a ton, would fatten profit margins at any level of operation —perhaps by June 1962, or even earlier. At 80 percent of capacity, they would then be earning no less than 12½ to 14½ percent on equity. Further, as the recovery progresses, steel operations may well reach 90 percent of capacity, perhaps by June 1962—and again we hope earlier.

At thos. levels, the profit rate after taxes should reach 13 to 15 percent with no increase in prices at all. In other words, if steel were operating at 90 percent of capacity, the profit after taxes should reach 13 to 15 percent of net worth.

If there is a $5 or $6 a ton price rise—a figure which has been bandied around, a figure predicted or, as some persons say, threatened—the profit rate will rise to 15½ to 17½ percent of equity. And I wish to emphasize that these profit rates are often taken.

When we ask the steel companies for restraint, we are merely asking that these fatter margins be foregone, not that substantial cost increases be absorbed, because all the cost increases which would come from the projected wage increase called for under the present formula would be more than absorbed. The industry, in estimating its cost increases, seems to rely very heavily on the invalid rules of thumb. For example, Steel magazine of July 10, 1961, gives the following account of the industry's thinking: They note that between the last price increase in 1958 and October 1 of this year, wages will have gone up about 40 cents an hour. The industry assumes, according to Steel magazine, that for every 1 cent in wage increases, other costs go up 1½ cents. Thus the 40 cents an hour for wage increases has 60 cents an hour added onto it, making, in all, a $1 an hour increase in costs.

This is according to the steel industry, as expressed in the magazine, Steel. Since about 12 man-hours are required to produce a ton of finished steel, the cost increases are on the order of $12 a ton since the last price increase. Again, this is an expression on the part of the industry in the magazine, Steel.

If this were the true state of the matter, a mere $4 to $5 increase in the price of a ton of steel could itself be described as highly sacrificial behavior on the part of the steel companies. But this analysis does not stand up under objective research. First of all, an increase in wages does not necessarily mean an increase in labor costs per ton of steel produced. Basic productivity increases, since the 1958 price rise, have already been sufficient to absorb not only the first-round wage increase at the end of 1960, but also all or nearly all of the wage rise coming in October 1961.

I shall not burden the Record any further with statistics, because the Senator from Tennessee [Mr. Kefauver] placed in the Record the important data relating to productivity and labor costs. I believe that was found in the staff analysis which was prepared for the Senator from Tennessee; and according to my information, the material has already been placed in the Record. Briefly it showed that since 1947 while hourly earnings in the steel industry have outstripped productivity increases, with the result that unit labor costs have risen, the increase in labor costs has been far less than the increase in steel prices. As a result profit margins have become much larger.

As far as the present contract is concerned, the increases in wage costs called for last year and this year appear to be only slightly, if at all, greater than the increase in productivity.

Certainly we would wish to take into consideration, as the Senator from Illinois [Mr. Dirksen] has said, the factors of wage costs and other prices of items before we came to any conclusive judgment as to the necessity of any increase in the price of steel. Nonetheless the evidence seems to be rather strong that the increase in labor costs per ton of steel produced in 1961 will have been about zeroed out because of productivity increases.

As to the costs of other goods and services purchased by the steel industry, it is far from true that they rise automatically when wage rates rise in the steel industry. In point of fact, the costs of purchased materials and services per ton were running in 1960 about on a par with costs in 1957 and were actually down somewhat from costs in 1958. Certainly the depreciation which must currently be taken per ton has not the slightest relationship to changes in the wage rate for steel workers. Thus, the $12 a ton increase in cost quoted by Steel magazine evaporates on closer examination. We would hope that the account given of costs by Steel magazine is not representative of industry thinking in these matters. But if the executives of the industry, through its trade press, are

going to engage in specious reasoning of this sort, the hope for reason, restraint, and good behavior in the question of wages and prices is a rather forlorn one.

Here we find a conflict of information. On the one hand, Senators today, with the assistance of competent staffs and the cooperation of executive agencies, such as the Council of Economic Advisers, have presented statistical information and economic data which is in contradiction to that presented by the steel industry through its trade journal or magazine, Steel.

From the evidence which has been presented here, it seems clear that the purpose of a price increase this October would be, not to meet an increase in costs, but to increase profits beyond the already adequate level which can be foreseen as the recovery progresses.

If the steel companies do not show restraint, can we expect that the Steelworkers' Union will show restraint at the bargaining table next year? That is the critical year, as it is next year when the negotiations for a new contract will be opened. Let us assume that the union is inclined to respond to President Kennedy's pleas for noninflationary conduct. If the steel companies do increase their prices, then as we have seen by the time of the 1962 wage negotiations, the steel companies will enter with their pockets bulging. This will make it extremely difficult for the union to answer a call for restraint on their part. They will think it unfair that, since the managers of the business have not restrained themselves from extracting additional cash out of the general public, the workers should be called upon to restrain themselves from asking for a share of this extra cash. Even if the leadership of the union were so disposed, it would be unlikely that the membership would put up with such complacency on the part of their leaders.

If steel prices rise in October it would be naive of the steel companies to believe that the advance in profit margins which result will last much longer than the end of the next series of labor-management negotiations in mid-1962.

In the meantime, the public will be taken for an expensive ride. Between now and next October—1962—the Government of the United States, representing the people of this country, will be spending billions of dollars for steel products for the defense of the Nation.

During this particular period of time every effort should be made to hold the line, so as to stabilize the price structure. We must arrest the inflationary forces not only because of their effect on the private sector of our economy, but also because of their impact in the defense bill. All Senators know that even though Congress appropriates more money, the result is not necessarily increased defense if the prices of defense items move upward. Without price stability, there will be an unnecessary, additional cost to the billions of dollars the taxpayers are asked to provide for the security of the country.

I think the record shows quite clearly that if in June 1962—which would be some months before the October 1962 negotiations on wages—the steel industry were operating at 90 percent of capacity, with no price increase, profits on net worth after taxes would range around 14 percent. I do not think anyone would starve at that level of profit, nor do I think the stockholders would find that their dividends had been curtailed.

Of course, the companies should make profits and must make profits; profit-making is the motive under our free-enterprise competitive system. But if the steel industry can break even when operating at 30 percent of capacity and if when it is operating at 60 percent of capacity it has profit rates of from 7 to 8 percent, one can wonder what has happened to the competition which is supposed to protect the public interest.

Mr. President, in concluding my remarks I wish to observe that if a price increase is justified this October, then another one will inevitably be justified next October, because next October will reveal unbelievably increased profits as a result of price increases this October. Therefore, let the Nation be on the alert. Let the warning go out that if price increases take place in the steel industry in the coming month of October, then, just as surely as we are here in the Senate Chamber tonight, U.S. consumers will be exploited in the coming months, the steel industry will have fattened profit margins, the prices of goods processed from steel will rise, the amount of defense obtained for our defense dollars will be diminished, our balance-of-payments situation will grow worse, our exports will continue to dwindle, and in October 1962, there will be another round of price increases, wages increases, and inflation which could spell real economic danger to the United States.

Mr. GORE. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. GORE. I apologize for entering the debate again.

Mr. HUMPHREY. The Senator from Tennessee need not apologize at all. He is the most informed of the participants in this debate, and we welcome his participation.

Mr. GORE. I thank the Senator from Minnesota, but I do not think I am entitled to that compliment.

The Senator from Minnesota has said that in this last contract the increase in productivity had about equated the increase in wage costs.

Mr. HUMPHREY. That is correct.

Mr. GORE. I wish to cite a study prepared by the former Secretary of Labor, Mr. James P. Mitchell, "Collective Bargaining in the Basic Steel Industry." In it, the recent wage increase of 1959 is referred to. I now read from that study:

> The settlement represented a 3.7 percent annual increase in total employment costs, as compared with an 8 percent annual increase under the 1956 agreement, and only about 1 percent higher than the offer the industry made before the Board of Inquiry.

Earlier in the debate, several references were made to the fact that the annual increase in productivity is about 3 percent. So we see there is less than 1 percent—seven-tenths of 1 percent—difference between the annual increase in productivity and increased employment costs as a result of the last wage increase.

Considering productivity increases, costs rose only seven-tenths of 1 percent; and when we measure that alongside the anticipated increase in demand and, thus, the greater utilization of capacity, in the last quarter of this year and in all the quarters of next year, we see a very bright picture, indeed. I daresay the drugstore which is operated by the family of the distinguished senior Senator from Minnesota would be delighted to have the percentage of profit which the steel industry is likely to earn—even without increasing prices—in the next quarter and in the next year.

Mr. HUMPHREY. In fact, I think almost any businessman would be quite pleased with that.

I have just now examined again the analysis presented by the Senator's colleague [Mr. KEFAUVER]. He directed the staff of the Antitrust and Monopoly Subcommittee to compile a fact sheet in steel, and which was made available to all Senators who are interested in this problem. That material has been placed in the RECORD. Those of us who make any conclusive statements or try to draw conclusions for the purpose of this debate should of course back them up with the statistical data and the economic information that are required in order to lend validity to our comments. I believe we have done so thus far; but I wish to say that if there is any doubt about the matter, additional facts should be compiled.

Mr. GORE. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. GORE. I know the Senator from Minnesota has traveled over his State and has had experiences similar to those I have had when I have traveled through Tennessee. People point to nails imported from Belgium, barbed wire imported from some other country, and various other steel products which have been imported.

Mr. HUMPHREY. Indeed they do.

Mr. GORE. Earlier in the debate, when the Senator was temporarily out of the Chamber, I stated the statistics which Professor Eckstein gave us. Incidentally, he has not only made a study of the steel industry in the United States, but he has also made a study of the steel industry in Europe. Those statistics were to the effect that although the export prices of Belgian steel had decreased 3 percent since 1953, the export prices of U.S. steel had increased 36 percent during the same period.

I ask the Senator, since he referred just a few moments ago to our balance-of-payments difficulties and our export-import trade problems, How does he think we can continue to play the role of economic leader in the free world if we continue up this ladder, as has happened in the past 12 or 13 years?

Mr. HUMPHREY. We cannot continue. I might add that it seems to me

what is really needed is a spirit of competition, a spirit of international trade, of getting out and selling, and trying to utilize the amazing plant capacity that has been built in this country—and much of it under very favorable tax laws, accelerated depreciation, and other means of encouraging industry—at least to 90 percent of capacity. That would provide an opportunity for competitive prices, because then profit margins could be reduced, and our industry could compete a little better—not necessarily pricewise. Our industry does not compete solely on price. Quality and design are very vital. I believe I heard one of our colleagues say here today that one of the factors in our favor has been the high quality of steel products manufactured in American plants; but if we get high quality and unusually high prices, we price ourselves out of the market.

Mr. GORE. The classic, and I think worthy, motive and purpose of our free enterprise system are large volume at low unit prices.

Mr. HUMPHREY. That has been the theory.

Mr. GORE. That does not seem to prevail in the steel industry.

Mr. HUMPHREY. It is like Sunday religion. It is used to lend an image of economic piety, without all the character that is required. I would say one of the great accomplishments of the Senator from Tennessee [Mr. KEFAUVER] in the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary has been his exploration of what we call administered prices. That inquiry has done no injury to competitive business. It champions free enterprise. It fortifies the competitive system. The greatest enemies of the competitive system are those who engage in administered prices and monopolistic practices, who combine in a manner that does no justice to our economic philosophy, our total economy, and our Nation. They lend aid and comfort to our enemies, so to speak.

Mr. GORE. If the drugstore operated by the family of the distinguished Senator from Minnesota found itself competing with a drugstore in the next block, which had higher prices, by this theory the Humphrey Drugstore could not compete unless it increased prices, too. That is hardly the competition the family of the Senator faces; is it?

Mr. HUMPHREY. No. The Senator has given a hypothetical instance which has no relationship to reality or fact, but at least for the moment the Senator encouraged me. I assure the Senator that the circumstances he alluded to do not exist; but I get the point very well. What we have seen happen is not genuine competition in terms of profit reduction, but a kind of follow-the-leader policy in price increases, and the result has been anything but beneficial to the American economy.

As I said a moment ago, if a price increase takes place this October, as is indicated by the trade journals, then another one will take place next October. Under those circumstances, the outlook for price stability would be dismal, indeed.

The example of not one but two major increases in steel prices in less than a year would be taken by all as an earnest of further inflation. Other businesses would rush to raise their prices to secure profits in anticipation of cost rises.

If, on the other hand, the price line is held by the steel industry, a very powerful example of good behavior will have been given to other managements and to unions throughout our economy. The steel industry now has a chance to exercise great influence for the good. It can exhibit what is often talked about—industrial statesmanship, great industrial responsibility. An affirmation at this point that steel prices would not rise in October would be taken throughout the country as a hopeful sign of a new era, an era of less danger for the dollar, an era of less economic hardship for people living on fixed incomes, and, most importantly, an era in which American industry and labor recognize their social responsibility to contribute to the maintenance of price stability.

I add this thought for those who worry about the safety and value of the dollar. The managers of our big steel companies can contribute greatly to the safety of the dollar. Here is their chance to match words with action.

I thank the Senators for their patience, and I again commend the Senator from Tennessee for his leadership in this discussion of industrial economics.

PRESIDENT KENNEDY'S COMMENTS ON THE CLARK BILL TO AUTHORIZE FEDERAL AID FOR STATE AND LOCAL PUBLIC WORKS

Mr. CLARK. Mr. President, on February 20 I introduced two bills to deal with the serious unemployment problem in the Nation. One was a bill for a vocational retraining program; the second was a bill to authorize an emergency program of State and local public works. Both were referred to the Subcommittee on Employment and Manpower of the Senate Labor and Public Welfare Committee, and I subsequently held hearings on these and other measures designed to cope with our unemployment problem.

As Senators know, the administration has given its support to the vocational retraining program, and S. 1991 is now before the Senate. The majority leader has already presented it for Senate consideration, and I am hopeful that the Senate will pass it shortly. It is important and much-needed legislation.

S. 986, however, which would authorize $500 million in Federal grants to State and local governments to cover 45 percent of the cost of capital improvements of all kinds, and which was supported during the hearings by the AFL–CIO, a panel of economists and representative spokesmen for the States, counties, and cities of America, has not been given equal priority by the administration. President Kennedy has written me a letter endorsing the "principle of the Clark bill"—S. 986—and asking me to carry on the work which the subcommittee has done on this subject.

The President has written—

> Barring unforeseeable national security developments which might force a deferral of this action, I intend to embody the principle of standby authority for capital improvements projects in my legislative program for 1962, along with such other measures as would be needed to protect our economy against unacceptably high levels of unemployment.

Mr. President, in view of the continuing unemployment in the country, despite the general economic pickup, I regret that President Kennedy has decided against asking for S. 986 now; but I am happy to have his support for such legislation in January 1962, and I will certainly continue the work of the subcommittee with a view to working out a bill with the administration which we can pass early in the next session. I point out that, according to the Labor Department's monthly report on the labor force issued August 1961, "the unemployment rate has been at a standstill for 8 months—from December 1960 to July 1961"—and that long-term unemployment "tends to lag even more than total unemployment during the recovery phase of the business cycle." The total number of people without jobs for more than 6 months actually rose by 100,000 in July to a peak for the year of 1 million. This is the same pattern of previous postwar recessions, and the picture is getting darker each time.

I am in complete agreement with President Kennedy when he says:

> I have no intention of "learning to live with" prolonged and severe unemployment, with all that means in human misery and economic waste. I will certainly not be satisfied by a recovery which fails to restore the American economy to prosperity and full employment.

The Employment Act of 1946, as my colleagues know, requires us to make genuine full employment a national goal. While I had hoped that the administration would agree with me that the time to pass this emergency employment acceleration bill was this year, I have suggested to my colleagues on the subcommittee that studies go forward at the staff level during the fall in order to make changes in S. 986 as seem desirable to bring it more closely in accord with the President's letter. In this way, we should be able to hold formal hearings in January shortly after the Presidential messages to the Congress dealing with the subject matter of the bill, and thus get the revised bill on the calendar for passage early next year. Needless to say, if, in the remaining weeks of this session, the President decides that we should pass S. 986 before we adjourn I will be more than happy to lend all my support to that effort. As the President himself has said, the bill—

> would add to our arsenal of automatic stabilizers a new and desirable element of discretionary flexibility and speed. It is sound economics to use periods of economic slack to build and rebuild badly needed community facilities, and to assist hard-pressed States and localities at a time when the pressure on their financial resources strains their capacity to tax and to borrow.

Mr. President, I ask unanimous consent that the complete text of the letter

from President Kennedy to me be printed in the RECORD.

There being no objections, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, August 7, 1961.

DEAR SENATOR CLARK: As you know, I am not satisfied with the unemployment situation in the United States. The latest figures show that as of mid-July, employment was at record levels but unemployment was still excessive. There were over 5 million persons unemployed. For the eighth straight month, the seasonally adjusted rate of unemployment—6.9 percent in July—has remained near 7 percent.

I have no intention of "learning to live with" prolonged and severe unemployment, with all that it means in human misery and economic waste. This is a matter of the deepest personal concern on my part. I will certainly not be satisfied by a recovery which fails to restore the American economy to prosperity and full employment. I am convinced that our free enterprise economy has the dynamism and basic strength to provide employment for those willing and able to work. Basically, the private sector of the economy must provide the stimulus for economic growth. Government must, however, be prepared to assist. The dedication of the Federal Government to high levels of employment has been demonstrated repeatedly by the Congress, and is specifically recognized in the Employment Act of 1946.

In recent months, we have taken many steps that will directly or indirectly stimulate economic growth and relieve the burden of unemployment. Among these are: the Temporary Extended Unemployment Compensation Act of 1961; the Temporary Extended Railroad Unemployment Insurance Benefits Act of 1961; the Area Redevelopment Act; amendment of the Social Security Act to provide aid to dependent children of unemployed parents; the Social Security Amendments of 1961, increasing minimum benefits and aged widows' benefits and providing reduced retirement age for men; the Omnibus Housing Act of 1961; Fair Labor Standards Amendments of 1961, extending coverage and increasing benefits; the acceleration of the Federal-aid highway program; advance payment of veterans' life insurance dividends; acceleration of farm price support payments; reduction in the interest rate on FHA-insured loans and on new loans by the Community Facilities Administration; the speedup by HHFA in the initiation of already approved projects; the action by the Federal Home Loan Bank Board to loosen housing credit; and the speedup in Farmers Home Administration farm housing loans.

As part of the new Housing Act, large additional sums will be available for loans for the construction of community facilities. The projects helped by this measure will be very similar to those envisaged by your proposals in this field.

In addition, I have recommended to the Congress other actions which it is now considering, including the Manpower Development and Training Act of 1961; the Youth Employment Opportunities Act of 1961; the Employment Security Amendments of 1961, establishing a permanent program of additional unemployment compensation; extension of the National Defense Education Act; aid to education; programs in the health area; and proposals for tax revisions.

These and other actions, both executive and congressional, have resulted in substantial additions to purchasing power. I expect further stimulation to come from our proposed acceleration of the space program. In addition, in response to the Soviet threat to Berlin and to the free world I have asked Congress to authorize a further $3.5 billion of defense expenditures, involving an addition of $2.7 billion to the fiscal year 1962 budget. These expenditures, which are necessary as a matter of national survival, will have a further expansionary effect on our economy and will speed our approach to full employment. All this has taken place in the context of an urgent and promising effort to protect our balance-of-payments position, and a commitment to submit a balanced Federal budget for the fiscal year 1963.

The economic impact of these measures on a rising economy in the second half of the year should be helpful in improving the unemployment situation. But if they were to prove inadequate, further measures would be necessary.

The Clark bill, S. 986, provides one important approach to this problem. The principle of the Clark bill is excellent. It would add to our arsenal of automatic stabilizers a new and desirable element of discretionary flexibility and speed. It is sound economics to use periods of economic slack to build and rebuild badly needed community facilities, and to assist hard-pressed States and localities at a time when the pressure on their financial resources strains their capacity to tax and to borrow. It also seems most desirable to expand the scope of the bill to cover a more general capital improvements program, including direct Federal outlays for resource conservation, civil public works, and other programs of high priority which can start or expand quickly and be completed or cut back on short notice. The principle of the Clark bill offers a way of limiting or ending the paradox of idleness coexisting with unfilled national needs. (I have been gratified to note that the recent report of the Commission on Money and Credit makes a similar recommendation, under which there would be executive flexibility in the timing of certain expenditure programs.) I very much favor legislation embodying this principle.

But, as I am sure you realize, we are faced with difficult problems. In my message of May 25, I asked Congress to refrain from adding unnecessary expenditures or new programs to the budget. The budget deficit for fiscal year 1961 was nearly $4 billion, largely as a result of the recession-induced reduction in revenues, but partly as a result of programs to stimulate purchasing power and employment. These factors, and the recent expansion of our military efforts, foreshadow a further substantial deficit in fiscal year 1962. In addition, the leap to a $515 billion gross national product in the second quarter reflects both the strength of the regenerative forces in our economy and the impact of our present programs. It also suggests that the pace of recovery—and the rate of absorption of the unemployed—may exceed earlier expectations. For all these reasons, I have come to the conclusion that I should not recommend legislation along the lines of the Clark bill at this session of Congress.

But, barring unforeseeable national security developments which might force a deferral of this action, I intend to embody the principle of standby authority for capital improvements projects in my legislative program for 1962, along with such other measures as would be needed to protect our economy against unacceptably high levels of unemployment. If such authority is granted, I would use it resolutely against unemployment and economic recession. The Clark bill principle can make a permanent and powerful contribution to the stability and prosperity of a free economy.

I would like to ask that you carry on the excellent work which your subcommittee has done on this subject. It would be most helpful if your subcommittee would continue to review the problem as well as to develop proposals for dealing with it. This is a responsibility of both branches of the Government. I am determined that working together we will meet this responsibility, and I am most conscious of the degree to which our success will depend on your continued advice and cooperation.

Sincerely,

JOHN F. KENNEDY.

FEDERAL AID TO EDUCATION

Mr. MORSE. Mr. President, I announce that I shall be glad to answer questions when I conclude my remarks, but I intend to make this speech without interruption.

Under date of today, Tuesday, August 22, the Very Reverend Monsignor Timothy J. Flynn, of the Archdiocese of New York, Bureau of Information, issued a press release. The title of the press release reads as follows:

STATEMENT OF HIS EMINENCE, FRANCIS CARDINAL SPELLMAN, REGARDING FEDERAL AID TO EDUCATION IN REPLY TO SENATOR WAYNE MORSE'S COMMENTS DELIVERED IN PHILADELPHIA ON AUGUST 14 AT THE 45TH ANNUAL CONVENTION OF THE AMERICAN FEDERATION OF TEACHERS

Mr. President, the press release of Cardinal Spellman reads as follows:

I was distressed to read Senator MORSE's recent attack on the stand of Catholic leaders regarding Federal school aid. In the past Senator MORSE had done much to protect and promote the embattled rights of Catholic Americans. It is disappointing that now an old friend has turned against us. Reluctantly I reply to his charges because he singled me out by name among the Catholic leaders whose position he attacked.

Senator MORSE said that we are opposed to the public school system. This is not true. With gratitude I recall my own early training in public grade and high schools.

We do not, as he alleges, look upon them as "competitors," but as partners in the great work of educating America's children. We recognize their essential place in American life. But we are also deeply concerned for the protection of our Catholic schools. We do not believe that the best interests of this Nation can be served by making public school education a monopoly. Yet that would be the eventual outcome if Federal aid is granted solely to the public schools, for the weight of triple taxation on Catholics would become impossible to bear.

It is our conviction that the administration's proposal, put into legislative form by Senator MORSE, is actually if not intentionally discriminatory, unwittingly anti-Catholic, and indirectly subversive of all private education. We have no choice but to oppose it, and we have been heartened in our opposition by the vast numbers of Catholic and non-Catholic citizens who appreciate this position as eminently fair and completely American.

Any impartial person who has studied this controversy must be disturbed by the pressures that have been exerted against Catholics to obtain their approval of the administration's bill. One of the most unfair pressures was Senator MORSE's ill-conceived and ill-timed warning that continued opposition will cause a flare-up of bigotry. Are Catholics no longer free, then, to speak their minds? Are they to be persecuted for exercising their American citizenship? Are they to be penalized for asserting their constitutionally protected right to educate their children in schools which teach religion as part of the curriculum?

In the last war courageous Catholics fought side by side with their fellow Americans. They placed a costly sacrifice on the altar of freedom. Shall they now be denied

their own precious freedom—the right to choose religious schools for their children without incurring an insupportable financial burden?

If Senator MORSE feels that the economic needs of our schools call for a program of Federal aid, let him propose legislation which will solve our educational problems in conformity with constitutional principles and provide equal justice for all America's children. If, however, the Senator's convictions or sense of political expediency will not permit him to do this, then we beseech him at least to refrain from fanning the embers of religious discord, for now is the hour of crisis when all Americans should stand together and safeguard our free and beloved Nation.

Mr. President, I do not propose to let His Eminence put words in my mouth, and I do not propose to let His Eminence escape consideration of what I said at Philadelphia. Although the speech has been placed in the RECORD before, I ask consent to make it a part of this speech tonight, because it is the document which brought forth the press release of His Eminence this morning. I therefore ask unanimous consent that my speech in Philadelpha on August 14, delivered before the American Federation of Teachers, AFL–CIO, annual convention, be printed in the RECORD as a part of my remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH OF SENATOR WAYNE MORSE BEFORE THE AMERICAN FEDERATION OF TEACHERS, AFL–CIO, ANNUAL CONVENTION, PHILADELPHIA, PA., AUGUST 14, 1961

President Megel, Reverend Gunther, Mayor Dilworth, Miss Pincus, Miss Claffey, Mr. Burke, Mr. Obermayer, and fellow teachers and guests, you have paid me a great honor by inviting me to address this convention of the American Federation of Teachers. It is a particular honor to stand on this hallowed, historic ground which symbolizes the birth of American liberty and democratic self-government for the American people.

As we lawyers say in addressing a court, "May it please the court," so I am moved to say, "May whatever comments I make on this occasion about strengthening education in the United States please our Founding Fathers who have trod before us these historical precincts."

It is also a great honor to appear on the same platform with the distinguished mayor of Philadelphia, Richardson Dilworth. He well knows that serving as an elected representative of a free people calls for the exercising of an honest independence of judgment in accordance with the facts as a public servant finds them.

I also deeply appreciate being here on the platform with Carl Megel, the president of the American Federation of Teachers, who has just given me a most gracious introduction. I want Carl Megel's constituents to know that the president of the American Federation of Teachers has never failed to give to the Subcommittee on Education of the Senate, of which committee I am privileged to serve as chairman, wonderful cooperation and very important assistance in helping us find and present the facts in respect to the educational needs of America as they relate to legislation on schools.

Also, I want to express my public thanks to Miss Celia Pincus, president of the Philadelphia Federation of Teachers. Her testimony before my committee this year proved to be of great help to the committee, and parts of it were quoted in debates both in committee consideration of S. 1021, the major Federal aid to education bill, and also in the debate in the Senate.

Likewise, your very able legislative representative in Washington, Miss Selma Borchardt, is always present whenever a committee hearing is held on any legislative proposal that affects the welfare of American schools or teachers. My committee is greatly indebted to Miss Borchardt for her tireless and able service which she always renders in behalf of the American Federation of Teachers.

Permit me also to tell you how much I appreciate the reception committee which met me at the airport this morning, headed by Miss Phyllis Hutchinson and Mr. Dale Henderson from Portland, Oreg. The assistance which I have always received from the Oregon members of the American Federation of Teachers has been a source of encouragement and strength to me in the performance of my duties in the Senate.

As a member of the Foreign Relations Committee of the Senate, I wish to join you in welcoming the large number of foreign students who are guests at this meeting this morning. We welcome all of you. Particularly, I would like to express a word of special greeting to those who come to us from many of the new independent countries of Africa. Last fall, for 3 months, I was one of the delegates in the U.S. delegation at the United Nations. I came to know very well many of the delegates from the new African nations. In reporting my experience to my colleagues in the Senate, I have made clear on many occasions that my associations with the delegates from the new African nations convince me that the cause of human liberty and human rights will be vigorously supported and defended and fostered by the leaders and the people of the new nations of Africa. I am convinced that their desire to further the welfare of their people will assure the free nations of the world that they can be counted upon to give to their people a governmental system based upon precious principles of self-government similar to those guarantees of the Bill of Rights which this hallowed ground in American history on which we assemble today so clearly symbolizes for all mankind.

To our foreign student guests, I would call attention to the fact that there is located in Philadelphia an international house serving foreign students which is one of the most outstanding international houses in the United States. In all probability, most of the foreign student guests at this meeting have already visited Philadelphia's wonderful international house. Under the direction of one of the outstanding members of the Philadelphia bar, Mr. Frederick Rarig, and all the other dedicated members of the board of directors of the Philadelphia International House, this institution is setting a wonderful example in the international house movement throughout the United States. For many years, I have been very much interested in the good work of international houses. They have done much to present the United States and its better life to hundreds of foreign students who visit the United States each year. The international house movement has made a very worthwhile contribution to U.S. foreign relations. I cannot recommend it too highly, and therefore, I hope that all teachers in the United States will take advantage of every opportunity to be of assistance to the international house movement. I consider international houses to be part and parcel of our system of American education in respect to helping our foreign exchange students and visitors from foreign universities come to know and understand the United States during their sojourn among us in a way that they might never understand us if it were not for the help and assistance that they receive from the international house program, such as the one located here in Philadelphia.

Your program committee asked me to discuss in my address this morning some of the problems that confront Federal aid to education legislation in the Congress. I have reduced some of my views to manuscript which I will read shortly, although undoubtedly as is my custom, I shall digress from the manuscript from time to time.

There are two major tenets that I wish to lay down at the very outset upon which all of my remarks will be based. You are all familiar with the famous quotation from Thomas Jefferson, "A democracy can be no stronger than the enlightenment of its people." That quotation presents the first basic tenet of my remarks. When all is said and done, it is that tenet which raises the crying need for Federal aid to education. The enlightenment of our people can be no stronger than the educational facilities and opportunities presented by the American school system.

The second tenet I will stress is that we must stop wasting the most valuable resources this Nation has, namely, its human resources. It is bad enough when we waste God's gift of natural resources which we are doing at a plundering rate in our forests, mountains, streams, fast eroding lands, and falling water tables in many parts of our country. However, the waste of human resources in the United States today is nothing short of tragic.

Part of the waste is to be found in the underdeveloped intellectual potential of thousands upon thousands of American children in the elementary and secondary schools and in the tens of thousands of young men and women who the American taxpayers are cheating out of a college education because they are requiring so many thousands of boys and girls to go to elementary and secondary schools so low in their standards that the students can never qualify for admission to college.

This waste of human resources is the most serious threat to the security of our Nation. We should recognize that we cannot keep ahead of Russia in manpower, but we must do everything we can to see to it that we keep ahead of Russia in brainpower. Unfortunately, our failure to give adequate support to the schools of America makes us guilty of failing to keep our national security strong.

If you will keep these two basic tenets in mind throughout my discussion of the Federal aid to education problem, then I am sure you will have a better understanding as to why I have no intention of compromising the principles of Federal aid to eduction with any pressure group, political group, or private school group in America, who seek to take Federal aid to education legislation into the political trading mart.

I need not, to an audience such as this, elaborate upon the importance of teaching, nor the dignity and worth of the teaching profession. Each man and woman here today, is here because of a dedication to an ideal of service to city, State, and Nation that is characteristic of a great profession. Rather today I would like to talk with you about some three or four main points involved in the great national debate over Federal participation in the educational process.

Let me recall to you the words of Thomas Jefferson, when in 1818 he wrote to Joseph C. Cabell: "A system of general instruction, which shall reach every description of our citizens from the richest to the poorest, as it was the earliest, so will it be the latest of all of the public concerns in which I shall permit myself to take an interest. Nor am I tenacious of the form in which it shall be introduced. Be that what it may, our descendants will be as wise as we are, and will

know how to amend and amend it, until it shall suit their circumstances. Give it to us then in any shape, and receive for the inestimable boon the thanks of the young and the blessings of the old."

Jefferson speaks to us today as strongly and as lucidly as he did 143 years ago to Cabell. The legislation which this Congress took up—Federal aid to public elementary and secondary schools, the National Defense Education Act amendments, and the higher education scholarship and construction bills—represents an attempt to turn Jefferson's vision of a "system of general instruction" available to all into an actuality. These programs should receive support because they are right, because they are practical, and because the alternatives to enactment mean a deterioration of our educational system corrosive to the basic democratic political principles which buttress and sustain our society.

We, and our children, are citizens of the United States as well as citizens of our respective States. Federal assistance to the States for educational purposes is, not only a legitimate activity of the Government under the general welfare clause of our Constitution, but to my mind the evidence is overwhelming that such assistance is necessary.

That proposals to provide this assistance have become embroiled in controversy over the details, the amounts, the degree to which it is politically expedient to provide this financial aid, in the long run, is beside the point. As a nation, if we are to survive, we must find the means to assure every boy and girl an opportunity, through education, to develop to the maximum his or her talents, abilities, and skills.

As a nation we cannot afford the waste inherent in an undereducation of our children before their potentialities are realized. We dare not console ourselves with the thin hope that all will work out for the best. We must husband our human resources, we must nurture them and provide education to them to the degree that they are capable of being educated. Money spent for this purpose is an investment far more important than that we make in missiles or dams or highways. These latter serve the purposes of men. Education forms the purposes of men and provides the tools with which to realize these purposes. In Proverbs 8:17–20 we are told of wisdom that:

"I love them that love me and those that seek me early shall find me.

"Riches and honor are wtih me, yea, durable riches and righteousness.

"My fruit is better than gold, yea, than fine gold; and my revenue than choice silver.

"I lead in the way of righteousness, in the midst of the paths of judgment:

"That I may cause those that love me to inherit substance; and I will fill their treasures.

"The Lord possessed me in the beginning of His way, before His works of old."

Your job, the inculcation of wisdom through education, is a sanctified work. When those of us in the Congress through legislation try to equip you with the necessary environment, we feel we, too, are working in the vineyard of the Lord.

As members of a great labor union, a vital part of the proud tradition of the American labor movement, you have natural and proper concern to see that all teachers receive decent wages, earned through working under safe, sanitary, and appropriate working conditions for reasonable periods of time.

Permit me to express my appreciation again, as chairman of the Senate Subcommittee on Education, for the good work that this great labor union has done and is doing for the improvement of educational standards in the United States and for the improvement of working conditions for the teachers of America. There isn't a teacher in the school system, public or private, who isn't a beneficiary, directly or indirectly, of the dedicated work performed for the teachers and the school children of America by the American Federation of Teachers. I have no hesitance in saying that I think the membership of this union should be increased by many thousands of teachers who, I suspect, have never really taken the time to carefully consider and evaluate the contributions which this great union has made to American education and particularly to American teachers.

I am particularly appreciative of the great help that the Senate Subcommittee on Education received from this union through its support of S. 1021. This bill, known as the Morse-Thompson bill for public aid to public schools, has passed the Senate. The Senate recognized the need for Federal aid to schools and specified that the purposes of the aid were for improvement of teachers' salaries, construction funds, and operation and maintenance costs. It was designed to permit the States to allocate their resources to meet areas of greatest need and thus to equalize educational opportunities for all children. It was a general aid bill, free, by design, from any element of curriculum control or Federal direction as to operation at the local level.

The National Defense Education Act amendments of 1961 were specific in application and designed to strengthen those areas of education in the fields of science, mathematics, English, and modern foreign languages which the Congress felt to be particularly identified with the national defense interests of our Nation. S. 2345 contains much that is immediately helpful, but of the two pieces of legislation over the long haul, the public school aid bill is the more crucially important.

Why was and is this controversial legislation? In all frankness I feel that we should face up to the fact, in all of its implications, that there are those in this country who do not believe in our system of free secular education.

In some there is a distrust of the wisdom of the ordinary citizen and his capacity to judge wisely, when informed, about public issues. Fortunately, there are not too many in this group.

Another group, and I would hope it, too, is a small one, does not see the value of education to the Nation and the community. The members of it fear that a broadening of educational opportunities would deprive them of a tractable and plentiful labor force. To them money spent on public education is doubly wasted; first because of its effect on their wish to exploit labor, and, secondly, because it is financed from taxation upon their income and properties. I certainly exempt from this category most enlightened employers, because I know that the intelligent manager appreciates the savings to him of publicly financed education of semiskilled and skilled workmen.

A third category of opponents of Federal aid is, unfortunately, a much larger one. These people, and they include highly influential churchmen such as Cardinal Spellman, look upon the public schools as competitors. They feel that pressures for improvement in teachers salaries and reduction in pupil-teacher load in the public schools will result in a draining away of their own lay teachers. They are feeling the impact of a high birth rate upon limited school facilities, and they fear that the children of their parishioners will be given a secular rather than a religious education.

This group has been articulate and able in presenting its point of view. I appreciate the magnitude of the problem with which they are faced, but I say, in all sincerity, that the adamant opposition of the higher Catholic clergy to an improvement to our public educational system, except upon their own terms, will lead to most unfortunate results. If they succeed temporarily in blocking the legitimate aims of a majority of our people through pressure tactics, they are sowing a wind of discord which will result in a whirlwind of resentment when the people of this country learn the facts.

In all earnestness I say again to the Catholic bishops, do not insist adamantly in this matter upon an all-or-nothing-at-all policy, for if you do, the latent religious quarrels of past history will be brought to life again, and the fabric of our civil society will be stretched once more to the breaking point. This, not one of us, nor in fairness to the bishops, I must say, do they, wish to have happen. I believe, however, that they have misjudged the temper of the people, and I plead with them to modify their course.

I have a right to speak on this subject of private school opposition to Federal aid to public schools, because I conducted the hearings of the Senate committee on S. 1021. I was deeply disappointed when spokesmen for the Catholic bishops took the position that they would have to oppose Federal aid to public schools unless the same or very similar Federal aid to private schools was included in S. 1021.

The record is clear that I insisted that aid to public schools should be kept separate and distinct from any consideration of the educational problems that confront the private schools. As you know, we succeeded in limiting S. 1021 to a Federal aid to public schools bill. I have not changed my mind as to the soundness of that approach to the Federal aid to education problem, and I have no intention of compromising the principles involved.

I say I have the right to speak on this matter, because on the record, I am a proven friend of the needs of private schools. In 1959, I offered the Morse proposal in the Senate which would have provided nonsubsidy interest-bearing loans to private schools as an aid to helping them meet some of the serious educational problems that confront their schools, too. It is not good politics, at least for me to follow that course, but the obligation I owe the people of my State and country is to follow where the facts lead, and if the politics are not going in the same direction on some issue, I still have the duty, as I think every Member of Congress has the clear duty, to continue to follow where the facts lead, irrespective of the direction in which the politics may be leading.

This year, I am one of the coauthors of the Clark-Morse Federal aid bill, by way of nonsubsidy interest-paying loans to private schools. I am also the author of a section of the National Defense Education amendments bill which provides for nonsubsidy interest-bearing loans to private schools to help them provide the facilities and services in those fields of the curriculum in which it is so important that we train to educate students and train teachers to help the Nation meet some of its critical defense and security needs.

However, I take the position that the private school advocates have no moral right to use whatever political power they may have in an attempt to block the passage of a public school aid bill, such as S. 1021, unless and until the Congress passes a Federal aid bill for private schools to their liking. This is an issue and a tactic they never should have raised, and if they persist in it, then it must be met in accordance with the democratic processes that form our system of self-government. I say that as one who stands ready to be of assistance to the meeting of the legitimate rights and needs of the private schools of America.

I well know, as you do, the great contribution that the private schools make every day

of the school year to all the taxpayers of the United States. In my debates on this subject matter in the Senate, I frequently point out to my colleagues that if on a given day all the private schools of America were automatically closed and the next day all their students appeared at the doors of the public schools for admission, then the taxpayers would have a very clear understanding as to the great contribution that the private schools make to our educational system, both in dollars and in service, every day of the school year.

However, there is no escaping certain constitutional limitations that confront the private school administrators of the country. The first amendment isn't repealed simply because private school administrators would like to wish it away. I think we all know very well that the first amendment isn't going to be repealed. As for me, let me make clear that as an old constitutional law teacher, I agree that it should not be repealed. Neither should it be circumvented or ignored. However, the first amendment, with its separation of church and state doctrine, was never intended to prevent governmental assistance to legitimate public services of private schools.

I do not intend to walk out on my understanding and teachings of constitutional law just because I walked into politics. I am satisfied that the Federal Government can be of assistance to nonreligious activities of private schools within the framework of our recognized constitutional limitations if all groups in our society will face up to the constitutional realities involved and substitute their obligations of citizen-statesmanship for personal feeling, selfish interests and religious bias.

To that end, I shall continue to work for a program of sound Federal aid to education legislation, such as is encompassed in S. 1021, S. 2345, and S. 1726. But once again, I wish to make clear that I am not going to trade off the rights of the school boys and girls in the public schools of America and the taxpayers who support those schools for any political demand in respect to taking action first or concurrently on legislation affecting private schools.

I point with great pride to the educational statesmanship of a group of great Catholic Senators in the U.S. Senate. It is my advice and recommendation that advocates of private school education follow the leadership and statesmanship in this field of Federal aid to education so clearly charted by such Catholic Senators as MANSFIELD, of Montana; MUSKIE, of Maine; MCCARTHY, of Minnesota; MCNAMARA and HART, of Michigan; SMITH, of Massachusetts; PASTORE, of Rhode Island, and CHAVEZ, of New Mexico. They all supported the public school Federal aid to education bill, S. 1021, and let me say that their objectivity and statesmanlike assistance to my committee has not only been helpful, but I think presages well for ultimate success in the passage of a Federal aid to education program in this or the next session of Congress that will encompass sound legislation for public schools in a separate bill, sound legislation for a national defense education program in a separate bill, sound legislation for higher education in a separate bill, and sound legislation for private schools in a separate bill.

It is for such an education program that I shall continue to work in the Senate, refusing to be diverted from the course of trying to meet the needs of the schoolchildren and taxpayers of America, irrespective of the proposals for compromise of principles for political expedience and political surrender that may be dangled as legislative bait before our eyes. I shall continue on the course that I have chartered, because I am convinced that the facts support me, sound constitutional principles support me, the best public interest supports me, and further, the best way to stop the shocking waste of the intellectual potential of thousands of American boys and girls demands the enactment of such an educational program.

Further, let me make clear that the program which I have outlined to you is the program which this administration has clearly outlined and promised to the American people. I have every confidence that eventually the administration will be sustained as it deserves to be sustained by the passage of legislation that will implement the program. Strengthening of the public schools does not weaken the private religiously oriented schools; on the contrary, it provides a standard by which the contribution of the private schools to our plural society can be measured and properly evaluated. It may mean a careful rethinking on the part of many parents as to when and for what period children should be placed in the religiously oriented schools, but it cannot mean the demise of the private school for the reason that a great many parents are devoted to the private school values and are willing to make the financial sacrifices necessary to preserve these values.

But because these religious values are peculiar to each denomination, it is most inappropriate, and in my judgment, unconstitutional for the State to subsidize, through grants, any church related educational institution.

Loans to special interest groups which do not involve an element of subsidy, I would make freely available, but if and only if, such loans are repaid with interest. I support these loans on the same basis as I support farm credit loans, or rural electrification loans, for worthwhile production purposes. But as long as the first amendment stands, as now interpreted, grants from the public funds should not be given by the Congress.

As you know, the Senate Committee on Labor and Public Welfare has reported the National Defense Education Act Amendments of 1961 to the Senate.

Significant modifications and extensions of the NDEA programs have been recommended in an effort to achieve the purposes of the Act. Among these changes are several which may be of particular interest to many of you, since they bear upon the tools you use in the classroom.

The committee, for example, was impressed by the need to add the subject of English to the existing science, mathematics, and modern foreign language purposes of the act.

The effect of this will be to permit English teachers to buy for use in the classroom equipment and teaching aids which are not now, in many instances, available because of budgetary considerations. In addition, such teachers may attend short summer institutes to improve their skills and in so doing, they are eligible to receive stipends of $75 a week plus $15 per week for each dependent.

Again, a new title, added to the act, should mean a significant start can be made to increase the library services of our elementary and secondary public schools. You share with the committee, I am sure, the belief that good school libraries are an essential ingredient of any teaching program. It is a sad commentary upon our national support for public education that over 10 million elementary students and 600,000 high school students are enrolled in schools with no school libraries at all. Costs of library materials have increased rapidly making it evident that support from public funds for this purpose is urgently needed. The $30 million a year, 4-year program of S. 2345, it is our hope, will provide a substantial impetus to this program.

Many of you may be interested in the title II provision, governing the student loan program. The committee has broadened the scope of the program to permit teachers to borrow money to attend summer schools and to participate in the loan forgiveness feature of the act now applicable to full-time students only. It is our belief that by extending this financial aid and incentive to teachers, you will be encouraged in your programs of professional development. Many other areas of NDEA operation were strengthened by the committee including the guidance and testing section, the audio-visual training programs, its authorization for the purchase of test-grading equipment as well as areas of particular interest to institutions of higher education.

In my judgment you will find S. 2345 worthy of your support. It is my hope that you will communicate your support for it and for the public school bill to your Congressmen, impressing upon them the value of these bills to your own schools and school districts.

Do not forget that the opponents of our school systems are vigorous, articulate, and well financed. They seek through the press and through letterwriting campaigns to create an atmosphere inimical to this legislation. You as teachers, individually and through your organizations can do much to counter the attack by speaking and acting to convince and persuade in your home towns and cities the great bulk of our citizens who are in favor of these programs but who have not voiced their beliefs to the Congress.

It has been said that America is a melting pot, an open society, and an exponent of plural values. This is, in part, the strength of our political, social, and economic system. We do, however, place primary value upon the general agreement we share which lies beneath our surface differences.

It is a commitment to the belief that ideas and ideals are important; that every man and woman has the God-given right to speak the truth as he sees the truth; and, that as a result of this public discussion, agreement upon common public policy can be achieved. As community leaders, as men and women devoted to the values of Western European civilization, your duty, responsibility, and personal inclination to achieve the goals of your profession all serve to fit you to accomplish great things in educating the children entrusted to you and in the process of working with the parents of those children, rekindling their interest in building the best and soundest public school system the world has ever known.

In closing, I wish to thank you from the bottom of my heart for the great honor you have bestowed upon me today by awarding me your Merit Award.

However, I have no right to accept it in my own behalf. Whatever I have accomplished in the field of education legislation in the Senate is because of the wonderful cooperation I have received from all members of my subcommittee, including the dedicated help at all times rendered to the committee by my close and good friend and colleague, Senator CLARK, of Pennsylvania. Likewise, the members of the full Labor Committee of the Senate, whose chairman is the incomparable Senator from Alabama [LISTER HILL], deserve great credit for whatever we have been able to do over the years in the field of education and health legislation.

Not only they, but the leadership of the Senate, including our very able majority leader, Senator MIKE MANSFIELD, of Montana, deserves to share this honor with me today.

Also, all those in the Senate who have given support to S. 1021 and other legislation that seeks to have the Federal Government fulfill its share of responsibility to the educational needs of the country should be included in my acceptance of this honor. Therefore, in their behalf and in mine, I accept this award from the bottom of our hearts, and I shall cherish it very much.

Mr. MORSE. Mr. President, I wish to make clear that I speak with the greatest of respect when I express sincere differences with His Eminence the cardinal. We are dealing now with a temporal subject. I say, most respectfully, as I would if I were disagreeing with a Protestant clergyman, that when a wearer of the cloth enters the field of temporal issues he should be treated on the same footing with all others.

I do not think the cardinal could be more mistaken than he was when earlier this year he made his original statements in opposition to President Kennedy's Federal aid-to-education program. I do not think he could be more wrong than he was this morning when he issued his press release. I say, most respectfully, it is a press release honeycombed with non sequiturs.

He says, for example:

> In the last war courageous Catholics fought side by side with their fellow Americans. They placed a costly sacrifice on the altar of freedom. Shall they now be denied their own precious freedom; the right to choose religious schools for their children without incurring an insupportable financial burden?

I say most respectfully that it is a remarkable appeal to emotion, but it has nothing to do with the legislative issue before the Senate.

All Americans bow in deep appreciation to every veteran—Catholic, Protestant, Jew, or of any other religious faith, and to nonbelievers—for the great sacrifices made to save this Republic during the war, but that has nothing to do with the Federal aid to education issue, and I do not propose to let the cardinal participate unchallenged in that non sequitur reasoning, or lack of it, to becloud this issue.

In this speech I propose to hold the cardinal to his own record, because it was his own record about which I was speaking in Philadelphia. It was his own record of "all or nothing" in connection with the Federal aid to education controversy in the Congress to which I took exception at the very beginning of this historic debate this year.

The speech in Philadelphia on August 14 was not the first time the senior Senator from Oregon expressed his disagreement publicly with Cardinal Spellman for the position he had taken early in this controversy. My colleagues on the Senate Committee on Labor and Public Welfare know that even when church spokesmen presented very ably their logical arguments in support of their position, the senior Senator from Oregon expressed his disagreement with the policy of the bishops announced on March 2, 1961, in which they came out against President Kennedy's Federal aid to education program. They made it very clear that their position was to be "all or nothing."

I said from my position as chairman of the Subcommittee on Education, that I thought this was an unwise course of action to follow, and I pleaded with the spokesman to change that course of action, because it was as clear to me then, as it has become proven now, that such a position on the part of the Catholic hierarchy in this country was bound to give rise to a type of controversy which should never arise in this country.

I said then and say now, from the standpoint of the public interest and the welfare of the millions of little boys and girls in both public and private schools, that the Catholic leadership of this country should have taken a firm position in support of the President's Federal aid to education program, and taken a firm position in support of a separate private school bill.

May I say for the benefit of Cardinal Spellman, if he does not know it—but I am satisfied that he does, but one would not know it from his press release of this morning—that the senior Senator from Oregon continues to hold firm to the proposition that there should be a Federal aid to education bill for public schools, and there should be a separate bill for Federal aid to private schools within the limits of the constitutional restrictions of this Government. That is my position in a nutshell. It is not a new position for the senior Senator from Oregon.

I wish to say to His Eminence that he could not be more wrong when he said:

> It is disappointing that now an old friend has turned against us.

To the cardinal I say that I still stand on the same platform on this issue that I have always stood upon. I am still as ardent a supporter of Federal aid to private schools through nonsubsidy interest bearing loans as I have always been. I have not left the cardinal on this issue, he has left me. It is the Catholic spokesmen who have come forward since 1949 with a change of position. So the Senator from Oregon is very pleased to set the record straight as to who left whom.

I take the Senate back to February 4, 1960. I shall ask to have printed in the RECORD a series of excerpts, without taking time to read them, which deal with the position that I took in February 4, 1960. On that date, I offered an amendment to a bill pending before the Senate. The following is printed in the CONGRESSIONAL RECORD, volume 106, part 2, page 2050:

On page 8, line 24, strike the period and insert in lieu thereof a comma and the following: "and to authorize a two-year program of loans for the construction of private nonprofit elementary and secondary school facilities.".

On page 17, line 3, after "Act" insert a comma and "or a private school which receives a loan under the provisions of section 11,".

On page 17, between lines 15 and 16, insert the following:

"LOANS TO PRIVATE NONPROFIT ELEMENTARY AND SECONDARY SCHOOLS

"SEC. 11. There is authorized to be appropriated for the fiscal year beginning July 1, 1959, and the succeeding fiscal year, such sum, not to exceed $75,000,000 in any fiscal year, as is equal to 15 per centum of such sums as may be appropriated in such year pursuant to the authorization in section 4, for making loans to private nonprofit elementary and secondary schools in the States for constructing school facilities. Such loans are hereby authorized to be made by the Commissioner, and the total amount of such loans which shall be allocated to qualifying schools in each State for each such year shall be in an amount which bears the same ratio to the total amount appropriated in such year pursuant to the authorization in this section as the private nonprofit elementary and secondary school population in such State bears to the total such population for all the States. Any such loan—

"(1) shall be made upon application containing such information as may be deemed necessary by the Commissioner;

"(2) shall be subject to such conditions as may be necessary to protect the financial interest of the United States;

"(3) may be in an amount not exceeding the total construction cost of the facilities for which made, as determined by the Commissioner, and shall bear interest at a rate determined by the Commissioner, which shall be not more than the higher of (A) 2¾ per centum per annum, or (B) the total of one-quarter of 1 per centum per annum added to the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the date on which the contract for the loan is made and adjusted to the nearest one-eighth of 1 per centum; and

"(4) shall mature and be repayable on such date as may be agreed to by the Commissioner and the borrower, but such date shall not be more than forty years after the date on which such loan was made.

If any part of the total funds allocated to schools within a State under the provisions of this section remain unused at the end of the first fiscal year in which funds are made available under this section, it shall be reallocated at the discretion of the Commissioner for loans under the provisions of this section to schools in other States. Such reallocated sums shall be over and above the sum authorized to be appropriated in the succeeding fiscal year under the provisions of this section."

On page 17, line 17, strike out "SEC. 11." and insert in lieu thereof "SEC. 12."

On page 18, line 24, before the semicolon insert a comma and "or for the purposes of section 11 which is provided by a private nonprofit elementary or secondary school".

On page 19, after line 11, insert the following:

"(g) The term 'nonprofit' as applied to a school means a school owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual."

Strike out the amendment to the title and insert in lieu thereof the following: "A bill to authorize a two-year program of Federal assistance for elementary and secondary school construction."

As will be seen, the amendment provides for loans for private schools. It provides for a low interest rate, but an interest rate sufficient to cover the cost of the use of the money. This was done so that the American taxpayer would not be subsidizing by a single cent a Catholic, Protestant or other private school. This was the burden of my argument then, and has been ever since, and I have repeated it time after time this year, both in committee, during public hearings, in committee in executive session, and here on the floor of the Senate in our debate on Federal aid to education.

There follows in the CONGRESSIONAL RECORD for February 4, 1960, my discussion and the discussion of other Senators on the amendment, including the statements by some Senators in support of my amendment. Senators will find in

the CONGRESSIONAL RECORD, volume 106, part 2, beginning on page 2053 the major legal argument that I made in support of my belief that the amendment is constitutional. I presented in great detail the legal precedents that, in my judgment, support my amendment. I discussed the public policy issue which will be found in the CONGRESSIONAL RECORD, volume 106, part 2, page 2077. My amendment was rejected by a vote of 37 to 49. I ask unanimous consent that excerpts from the CONGRESSIONAL RECORD of February 4, setting forth the position taken by the senior Senator from Oregon, as he presented to the Senate and argued for his amendment to provide loans to private schools at low but cost-of-the-use-of-the-money interest rates, be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Mr. MORSE. Mr. President, I am very proud and honored to have as cosponsors of the amendment the Senator from Alaska [Mr. BARTLETT], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senators from Connecticut [Mr. BUSH and Mr. DODD], the Senators from Montana [Mr. MANSFIELD and Mr. MURRAY], the Senator from Iowa [Mr. MARTIN], and the Senator from Illinois [Mr. DOUGLAS].

This amendment seeks to provide loans, with interest, to private schools.

I want my colleagues to know that in view of the adoption of the Clark-Monroney amendment, it was necessary, before I offered this amendment this afternoon, to modify its language on page 2, beginning in line 6, by changing the date "1959" to "1960"; and, in line 8, striking out "as is equal to 15 percentum of such sums as may be appropriated in such year pursuant to the authorization in section 4."

And by adding, in lieu of that language, "as is necessary."

As thus modified, section 11 will read as follows:

"There is authorized to be appropriated for the fiscal year beginning July 1, 1960, and the succeeeding fiscal year, such sum, not to exceed $75,000,000 in any fiscal year, as is necessary for making loans to private nonprofit elementary and secondary schools in the States for constructing school facilities."

I perfected the amendment with that language before I called it up, as is my parliamentary right, so that after the yeas and nays had been ordered, I would not find myself in a parliamentary position of being unable to perfect the amendment in the absence of unanimous consent.

I should like to have the attention of the cosponsors of the amendment for a moment: Later this afternoon, I shall offer an amendment to this amendment. I shall discuss it later; but I thought the cosponsors of this amendment should have notice that in my own capacity I shall offer an amendment which will read as follows:

On page 4, in line 4, after the period, insert a new sentence, as follows:

"In making loans within any State under the provisions of this section, the Commissioner shall give priority to applicants proposing to construct school facilities in areas where the public schools are in operation."

Later, I shall set forth my reasons for that amendment. I shall submit it only for myself because it raises a point separate from the basic purpose of our amendment.

Since other Senators have joined in sponsoring it, I did not feel that it would be at all fair, according to my code of operation with my colleagues in the Senate, after they had joined in sponsoring my amendment, to ask them to join in a change which brings in a somewhat new phase of the problem.

Mr. BUSH. Mr. President, will the Senator from Oregon yield for a question?

Mr. MORSE. I yield.

Mr. BUSH. I did not quite understand the import of the modification the Senator from Oregon mentioned on page 2. Will he clarify it?

Mr. MORSE. Yes.

The Senate has now adopted the Clark-Monroney amendment. Thereafter, counsel discussed with me the necessity of modifying our amendment in line with what the Senate did in regard to the Clark-Monroney amendment, because my amendment seeks only money for construction, and for construction only. We are seeking a maximum of not more than $75 million, and because now, under the Clark-Monroney amendment much more is provided for public schools, there will be some changes in the formula involved.

I want to make perfectly clear that we stand by our original proposal for a maximum of $75 million, if the officials who administer the law believe they have meritorious applications amounting to as much as $75 million.

So the language of my amendment now reads as follows, on page 2, beginning in line 5:

"SEC. 11. There is authorized to be appropriated for the fiscal year beginning July 1, 1960"—

Instead of 1959—

"and the succeeding fiscal year, such sum, not to exceed $75,000,000 in any fiscal year, as is necessary for making loans to private nonprofit elementary and secondary schools in the States for constructing school facilities."

* * * * *

Mr. MORSE. Mr. President, I will now proceed to a discussion of the amendment.

PRIVATE SCHOOLS ARE PART OF EDUCATION SYSTEM

The Federal aid to education bill, S. 8, is one that I believe to be most important for our country. There can be no doubt that education in America stands in need of financial assistance from the Federal Government. There can be no doubt that the Federal Government stands in need of a sound education system in America. The measure proposed by the Senator from Michigan [Mr. MCNAMARA] would give such aid to the public schools.

However, I feel that I must express a very deep concern over the failure of the bill to consider the needs of all of American education. As presently constituted, S. 8 neglects the 15 percent of our Nation's youth who are receiving their education in nonpublic schools. That is where this 15-percent figure originated, Mr. President. We took the 15-percent figure in the first place because 15 percent of our boys and girls in the United States are going to private schools.

May I emphasize that they are receiving their education in nonpublic schools because they and their parents are exercising their rights wihin our democracy in choosing the kind of education they desire. This right is one that has been determined by decision of the Supreme Court.

I should like to recall to the Senate this decision, the so-called Oregon case decided in 1925, *Pierce* v. *Society of Sisters*. In it the U.S. Supreme Court found an Oregon State law requiring compulsory public education of children between the ages of 8 and 16 to be an invasion of the liberty guaranteed by the 14th amendment. This great decision is the charter of education freedom in America. Since that time, traditionally and juridically, every private school, attendence at which satisfies compulsory education laws of the States, is an integral part of the American educational endeavor.

Let me read a short excerpt from this great decision of the Supreme Court of the United States, which was a unanimous decision. The Justice writing for the majority was Justice McReynolds.

A 1922 Oregon statute required attendance at public schools of children between the age of 8 and 16. The Society of Sisters, one of the groups which brought the action, was a Roman Catholic institution. The name "Pierce" in the decision is the name of a great Governor of our State at the time, later a Representative in Congress, the Honorable Walter Pierce.

The Supreme Court said:

"Under the doctrine of *Meyer* v. *Nebraska* (262 U.S. 390), we think it entirely plain that the act of 1922 unreasonably interferes with the liberty of parents and guardians to direct the upbringing and education of children under their control.

"As often heretofore pointed out, rights guaranteed by the Constitution may not be abridged by legislation which has no reasonable relation to some purpose within the competency of the State. The fundamental theory of liberty upon which all governments in this Union repose excludes any general power of the State to standardize its children by forcing them to accept instruction from public teachers only.

"The child is not the mere creature of the State; those who nurture him and direct his destiny have the right, coupled with the high duty, to recognize and prepare him for additional obligations."

Mr. President, it was that language and the other part of the decision in the famous Pierce case of 1925 which established the principle that when a State seeks to compel children to go to a public school it acts unconstitutionally, and that legislation which would so provide is in violation of the 14th amendment.

So, Mr. President, we have no single track system of education in this country; the States, fortunately, have not preempted the field of education. The right of parents to send their children to schools of their choice has consistently been protected. The development of the American system of education has been in the direction of diversity, and it has been good for our Nation, exactly as diversity in our political and social life has been good for us. In 1930, the Court upheld the right of Louisiana to spend public funds for textbooks for private schoolchildren (*Cochran* v. *Louisiana State Board of Education*, 281 U. S. 370).

This tradition is one which should be preserved. We know that the public schools have serious problems, and because I recognize that fact I am a supporter of S. 8 and of the Clark amendment to expand the public school grants to include aid for teachers' salaries.

But the private schools are in serious financial straits, too, and we must not forget that fact when we deal with proposed legislation to raise and improve education standards in America.

The problems of the private schools affect the democratic rights of our citizens. For example, as the burden of taxation is increased, the ability of parents to finance the kind of education they wish for their children could be destroyed. In fact, the very existence of nonpublic schools could be destroyed.

The legislation we enact to aid education, then, should not be punitive nor should it place an intolerable burden upon any group. The legislation we enact should be designed with the needs of all of the schools in mind, public and nonpublic, if we are really to improve our education system.

The fact is that the nonpublic schools perform a remarkable service to the Nation in the share of the cost of education they bear. Today, 15 percent of all the children enrolled in elementary and secondary schools are in private schools.

I have been heard many times to draw the illustration of what we could expect if by some wave of the hand all the private elementary and secondary schools now in operation could be caused to disappear, so that all the youngsters attending them today were compelled to show up tomorrow morning at the public schools to continue their education.

More than 5 million children would appear. The figures being discussed in connection with the need of help for the public schools show that there are some 1,800,000 children enrolled in excess of the capacity of the schools to handle them. To add 5 million more would put an additional burden upon the States, school districts, and the Federal Government that is staggering to the imagination.

These private schools provide more than 170,000 classrooms. Using the average expenditure per child at $237 in the public schools and applying it to these 5 million children, the private schools and those who support them are saving the taxpayers some $1.185 million a year because that is how much more would have to come out of public funds if these children suddenly sought a public school education.

I pause a minute on that figure, Mr. President. That is a lot of money, $1,185 million is being contributed in my judgment, to the public by the private schools today, and we are asking under this proposal for authority to lend with interest a mere $75 million, to be of assistance to these private schools in constructing the schoolrooms they need to meet their registration demands.

Is there a public interest involved? Mr. President, the whole burden of my argument in support of the amendment—and I rest my argument on this major premise—is that the taxpayers of the country will be greatly benefited by approval of my amendment. It is an economy amendment. It is an amendment which will save the taxpayers of America great sums of money. It is an amendment which will cost the taxpayers of the country not one red cent. It is an amendment which will return to the Treasury of the United States interest on the money loaned.

It provides for no grant to any private school in America. I want to get that fact firmly established in the debate, Mr. President. The Senator from Oregon, as I shall show later in the argument, does not favor grants, but he does take the position that these private schools ought to be helped because of the public service they render to the American people in the field of education, with interest-bearing loans for school construction, and school construction only, in the amendment.

TIGHT MONEY HURTING CONSTRUCTION OF BOTH PUBLIC AND PRIVATE SCHOOLS

The fact is that the rising interest rates upon funds the private schools have been borrowing to finance their construction is making borrowing more difficult all the time. It is just as difficult for the private schools to borrow in this high interest rate market as it is for the public schools. Construction is not keeping pace with enrollments.

Is it any solution to allow private school construction to be curtailed when the children who would expect to attend them are simply going to have to attend public schools and thereby increase the pressure upon the public schools?

I call attention to that point because it bears again upon my point that this amendment is an economy amendment, for the benefit of all the taxpayers of the country. If the private schools are not able to borrow money to build the classrooms to meet their enrollment demands, those youngsters will have to appear at the doors of the public schools, although their parents may desire to have them go to a private school, which the U.S. Supreme Court in the famous Pierce case of 1925, made perfectly clear was the very definite right of parents in our country.

We cannot abridge it by passing compulsory legislation requiring children to go to public schools; that would be unconstitutional, for it would be in violation of the 14th amendment. We should not try to accomplish the same end by indirection in the case of a single child or a group of children, or in the case of the many hundreds with respect to which we would be accomplishing it if we did not have lending facilities available to private schools so that they could borrow money to take any students who ask for admission to private schools.

Let me state that argument another way, in order that it may be clear for the record. I try to follow through on the principles of the Supreme Court decision by applying those principles to other operative facts when new circumstances arise. In the Pierce case, the Court made it very clear that if a State passed a State statute which sought to require all children between the ages of 6 and 16 to go to a public school, that would be unconstitutional. One of the reasons it would be unconstitutional would be that in fact it would abridge a very precious natural right of a parent to determine the school to which his child should go.

If, in view of the educational crisis which faces our country, if in view of the financial problems which exist in our country, including high interest rates, private schools find themselves in a position where they cannot borrow the money in order to add to a school building the classrooms necessary to admit students who wish to enter the private school, are we not, in fact, indirectly following a policy which says to the parents, "You must send your children to the public school after all"?

As to those little boys and girls who are involved in that particular hypothetical situation, there is no denying the fact that they are required to go to a public school because no private school facility is open to them.

Mr. President, I think we must make sure, in this Federal-aid-to-education measure, that the private schools are able to maintain their share of the educational burden. Further, I believe that the loan program set up in my amendment is the sound way to accomplish that purpose. We should not follow a legislative course of action that would justify anyone in saying that we are acting in a discriminatory fashion against the private schools, or to the disadvantage of the private schools. We owe the private schools so much for the great public contribution which they make each year to the educational system of our country. As I said a few moments ago, it would cost the public some $1,185 million a year to educate them.

CONGRESSIONAL PRECEDENTS

My next argument is that there are ample precedents in Federal legislation in support of the principle of my amendment. I wish to make my argument on that premise, although I am not one to say that merely because something has been done before it is all right to do it again.

On the contrary, we have many bad precedents, not only in the law, but in our governmental procedure, which should be overruled and discarded. But because the argument is made against me by those who have not done the necessary bookwork which, I respectfully say, ought to be done on this problem before they make this argument, that there is no precedent at all for the amendment I am proposing on the floor of the Senate this afternoon, I believe I owe it to my friends, supporters, and cosponsors to present the result of the research we have done on this particular point.

Mr. BUSH. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield.

Mr. BUSH. Did the Senator say he had no precedents?

Mr. MORSE. No. I said there were many precedents for the course of action I am proposing, but the argument has been made that there is no precedent.

Mr. BUSH. I thought the Senator said there was no precedent.

Mr. MORSE. I said that argument is made against me.

Mr. BUSH. I apologize. I am sorry. I misunderstood.

Mr. MORSE. That argument is made against the amendment, and I am about to show that there are a great many precedents in support of it.

Before going into the judicial aspects of Federal assistance, let us look at what Congress has already done in this area. For almost 15 years now we have kept in mind the needs of children in the private, nonprofit schools with reference to the school lunch program. Not only has the Department of Agriculture distributed food to them, but it has also administered a very small grant program to enable schools to construct the kitchen and cafeteria space and facilities needed to feed the children in private schools as well as public schools.

For 10 years, the college housing program has gone forward successfully, and I know something about that, because I was a member of the Senate Committee on Banking and Currency when that program was established. It applies to church colleges and universities of many denominations. I know of no instance where a question has been raised as to the constitutionality of including private—and church—colleges in the loan program for dormitories. Apparently it is all right to provide a place for them to sleep, but not a place for them to learn.

Two years ago, we applied the same principle to the National Defense Education Act. Where grants were authorized to the public schools for science facilities and minor remodeling to accommodate them, loans were authorized to private schools. Again, I know of no challenge to the constitutionality of that program, and scarcely any objection even to its advisability.

Another program related to this question is the Hill-Burton Hospital Construction Act. It will be remembered that in the 2d session of the 85th Congress, we considered and passed an amendment to the Hill-Burton Act making it possible for hospitals operated by churches to borrow funds for hospital construction, if they preferred to do that rather than accept the grants. This change was made at the request principally of the Baptist hospitals.

Before reviewing the official position taken by the Baptists, I wish to stress for the RECORD the fact that under the Hill-Burton Act we grant huge sums of money in total to denominational hospitals—Catholic and Presbyterian and of other denominations. The history of this subject is a very fascinating and interesting one.

The Baptists took the position that they could not accept grant money. Therefore, I now take the Senate through a very interesting bit of history as to what has happened in the administration of the Hill-Burton Act.

LOAN ACCEPTABLE AS SUBSTITUTE FOR GRANTS

In presenting their point of view to the House Committee on Interstate and Foreign Commerce, several Members of Congress who declared their affiliation with the Baptist

Church, advocated this change on the ground that accepting grants for Baptist hospitals conflicted with their traditions, but that a loan program would not.

In addition, Dr. John H. Buchanan, who testified on behalf of the Baptist hospitals, gave the following statement on May 7, 1958:

"It so happens, as has been intimated by both Congressman HAYS and Congressman HARRIS, that during these 12 years of its existence our Baptist people have not felt free to accept a grant because of a peculiar tradition we have on the separation of church and state. We have gone ahead in constructing hospitals and financing them with great difficulty from private sources and from benevolent funds."

I digress to say that this refers to the 12 years of the existence and operation of the Hill-Burton Act.

"This amendment offered by Congressman HARRIS, H.R. 6833, if approved, would make available to the Baptists—and there are some other groups across the Nation which have taken the same position, who have never accepted grants—long-term loans for the help of these groups in making their added contribution to the health of the Nation.

"It would make available to us these funds simply as loans, long-term loans, enabling us to expand our facilities and add to the total health program of the Nation.

"So I come this morning simply to bring that plea, thus you give consideration to those of us who have never availed ourselves of the use of these funds, because of this principle which some of our brethren hold. But this will make it possible for us to expand our facilities, pay back to the Government what we borrow, and meet increasingly a tremendous need across our Nation."

It is interesting to note here that no question was raised as to the constitutionality of extending or accepting a grant for hospital construction on the part of a church organization.

But those groups which had their own objections to the grants, came before Congress asking for a loan program so as to remove their objection to accepting grants.

Let me say, Mr. President, that neither has any question of constitutionality with respect to the loan program been raised in connection with hospitals. Now let us get this premise of my argument clearly understood. There is no difference as a matter of law whether we lend money for use by hospitals or lend it for use by schools. Not a bit.

If the argument is that somehow or in someway the amendment violates the first amendment to the Constitution with respect to the separation of church and state, I will discuss those cases in a moment, but at this point I wish to say that Congress, in connection with the school lunch program, has been granting food to private schools; in connection with dormitory programs for sectarian colleges we have been lending money; and now, under the Hill-Burton Act, we have provided extended grants to sectarian hospitals—hospitals run by Catholic and other religious groups—and then, when we ran into objection by Baptist church officials, who said that practice conflicted with their tradition, we have provided that they could borrow money, although we were perfectly willing to grant it to them.

So I think that at least I have sustained my burden of proof of showing that there is ample legislative precedent for this program and that there has been no successful constitutional contest throwing out this loan program of the Hill-Burton Act or any of the other programs I have enumerated.

What Congress did in connection with the Hill-Burton program for meeting the health needs of the American people now needs to be done in regard to our education needs. That is what we are asking for in S. 8 and in my private school loan amendment.

COURT RULINGS ON SEPARATION OF CHURCH AND STATE

But beyond the fact that Congress has again and again included private and even church schools and hospitals in Federal programs of assistance to the general welfare, what have the Federal courts, and the U.S. Supreme Court in particular had to say on this subject?

There is no specific Federal judicial precedent on the exact point of Federal grant or loan programs. But there are precedents on other points. I have already mentioned the 1925 and 1930 cases, the latter upholding the expenditure of public funds by a State for textbooks for private schools.

In 1946, the Supreme Court again had occasion to pass upon a State statute extending another form of assistance to its children. This was the New Jersey law furnishing school-bus transportation, upheld by the High Court in 1946.

At that time, in *Everson* v. *Board of Education* (330 U.S. 1), the entire Court concurred in the following general interpretation of the first amendment ban upon the establishment of a religion:

"Neither a State nor the Federal Government * * * can pass laws which aid one religion, aid all religions, or prefer one religion over another."

The dissenting judges concurred in that conclusion, drawing their difference over what constitutes "aid." It was the decision of the majority that the granting of "aid" could not be construed so narrowly as to cut off welfare services for children attending the private schools, even if they are church-affiliated schools.

Shortly thereafter came the McCollum case, which has been cited to me as rendering my amendment unconstitutional. There are those who have called upon me during the last few days, and insisted that my amendment cannot be reconciled with the McCollum case. I told them that I completely disagreed with their interpretation of the McCollum case, and suggested that they hear me through my argument when I make it on the floor of the Senate. I do not believe that their construction of the McCollum case holds water.

In the 1948 case of *McCollum* v. *Board of Education* (333 U.S. 203), issue was made over a released time program in Champaign, Ill., where the children were released from class during the schoolday to receive religious instruction on school premises, provided the parents consented to the release. Other children continued their academic work.

Although the Illinois Supreme Court upheld this practice, the U.S. Supreme Court did not. Opponents of the released time program contended it was an "aid to all religions" and hence, unconstitutional. This view prevailed with the Supreme Court. Its majority declared:

"Here not only are the State's tax-supported public school buildings used for the dissemination of religious doctrines. The State also affords sectarian groups an invaluable aid in that it helps to provide pupils for their religious classes through the use of the State's compulsory public school machinery. This is not separation of church and state."

But this was not the last of the Court's statements on the subject, nor do the facts conform with the loan program under consideration in my amendment. In fact, the facts of the McCollum case have nothing whatsoever to do with any loan program.

The next released time case brought before the U.S. Supreme Court was from New York and was decided in the case of Zorach against Clauson in 1952. In this instance, the released time for religious instruction also required the consent of the parents, and occurred during the schoolday, but the religious instruction did not take place on school premises.

The Supreme Court found this entirely constitutional. Justice Douglas delivered the opinion of the Court, and declared:

"No one is forced to go to the religious classroom. * * * A student need not take religious instruction. He is left to his own desires as to the manner or time of his religious devotions, if any.

"There is a suggestion that the system involves the use of coercion to get public school students into religious classrooms. * * * The present record indeed tells us that the school authorities are neutral in this regard and do no more than release students whose parents so request."

In emphasizing the historic development of this Nation, Justice Douglas went on to say in the Zorach case of 1952:

"There cannot be the slightest doubt that the first amendment reflects the philosophy that church and state should be separated. And so far as interference with the free exercise of religion and an establishment of religion are concerned, the separation must be complete and unequivocal. The first amendment within the scope of its coverage permits no exception; the prohibition is absolute. The first amendment, however, does not say that in every and all respects there shall be a separation of church and state. Rather, it studiously defines the manner, the specific ways, in which there shall be no concert or union or dependency one on the other. That is the commonsense of the matter. Otherwise the state and religion would be aliens to each other—hostile, suspicious, and even unfriendly. Churches could not be required to pay even property taxes. Municipalities would not be permitted to render police or fire protection to religious groups. Policemen who helped parishioners into their places of worship would violate the Constitution. Prayers in our legislative halls; the appeals to the Almighty in the messages of the Chief Executive; the proclamations making Thanksgiving Day a holiday; 'so help me God' in our courtroom oaths—these and all other references to the Almighty that run through our laws, our public rituals, our ceremonies would be flouting the first amendment. A fastidious atheist or agnostic could even object to the supplication with which the Court opens each session: 'God save the United States and this honorable Court.'

"We are a religious people whose institutions presuppose a Supreme Being. We guarantee the freedom to worship as one chooses. We make room for as wide a variety of beliefs and creeds as the spiritual needs of man deem necessary. We sponsor an attitude on the part of Government that shows no partiality to any one group and that lets each flourish according to the zeal of its adherents and the appeal of its dogma. When the State encourages religious instruction or cooperates with religious authorities by adjusting the schedule of public events to sectarian needs, it follows the best of our traditions. For it then respects the religious nature of our people and accommodates the public service to their spiritual needs. To hold that it may not would be to find in the Constitution a requirement that the Government show a callous indifference to religious groups. That would be preferring those who believe in no religion over those who do believe."

In declaring what Government may not do, Justice Douglas continued:

"Government may not finance religious groups nor undertake religious instruction nor blend secular and sectarian education nor use secular institutions to force one or some religion on any person. But we find

no constitutional requirement which makes it necessary for Government to be hostile to religion and to throw its weight against efforts to widen the effective scope of religious influence."

This philosophy of the U.S. Supreme Court has been implemented by Congress in the Hill-Burton Hospital Construction Act, in the GI bill of rights which financed the education of our veterans even in seminaries and theological schools, in the college housing loans, and the National Defense Education Act, to mention but a few laws.

I do not doubt for a moment that the key to what may be done and what may not be done lies at the point where the difference between providing for the general welfare becomes aiding religion. Note should be taken here of the fact that the present Oregon textbook law is again being taken through the courts.

Assurances have been given on both sides that it will be taken up to the Supreme Court of the United States for another ruling on whether a State may expend State funds on textbooks for boys and girls in private schools, including church schools.

That is all right with me. I welcome judicial rulings on the questions of where the boundary which separates church and state in America is placed. Neither Congress nor the courts mean to discourage, curtail, or in any way hamper, in my opinion, the right of American parents to educate their children in schools of their own choosing.

I further believe that in this education bill sound public policy calls for the inclusion of an encouragement to private institutions in providing services which are aided directly by the Federal Government in their public aspects.

HISTORY OF FIRST AMENDMENT

Mr. President, when one talks about the first amendment, I think it important that he keep in mind what the first amendment provides, and that he then relate what it provides to the history of the first amendment. So I take a moment to read it:

"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."

Let us get this point clear: The whole question of separation of church and state stems from these words in the first amendment:

"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof."

But, we need to keep in mind the facts which existed in our country, the controversy which was waged in our country, that caused the adoption of the first amendment. That is why it is so important that we get back to the views of our Constitutional Fathers. We need to remember that at the time the Constitution was adopted there were, if my recollection is correct, nine States which had state churches.

In other words, the first amendment was really the result of a controversy which was waged in this land at the time of the birth of the Republic, when there was strong opposition to the establishment by law of a state church.

That is not surprising, because all of us know that a great religious controversy had been waged for a long time in many parts of the world, and that some of our forefathers left Great Britain because of the so-called state-church issue. They were in revolt against state religious authoritarianism.

So it is not surprising that in the colonial days there was great controversy over the issue of whether the Federal Government should sanction—as some States already had done—a national church. Therefore, the Founding Fathers wrote this provision into the Constitution. I believe it is about as clear a provision as could be written, in bearing on this controversy:

"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof."

When I read various articles which quote Madison, Jefferson, and others of that day, I am always at a loss to understand why the articles do not include a discussion of this very controversy, which was waged over the establishment of state churches. As we read the great language of Justice Douglas in the decisions to which I have just now referred, I believe it most important that we realize that he had clearly in mind the historic basis for the first amendment.

GENERAL WELFARE AT ISSUE

To provide for the general welfare is one of the principal duties of the Federal Government. That does not mean that in promoting the general welfare of the people, we may deal only with public agencies in Federal, State, or local governments. On the contrary, as we already have done time and time and time again, we as a Congress have the obligation to deal with private agency ways, means, and methods which will promote the general welfare within the framework of our constitutional guarantees. Congress did that in the Hill-Burton Act and in many other acts which were of some assistance to the church or private agencies; and I propose that the same principle now be extended by way of the granting of loans to private schools, to provide classrooms for the boys and girls who attend those schools.

As I have said many times, as we pass judgment on these legislative proposals, I shall never take my eyes off the boys and girls. We should constantly ask whether the purpose of the particular bill is to help the boys and girls, and whether the money proposed to be provided is to be used for the benefit of the boys and girls. On that basis we justify the science facility program, the school-lunch program, the health program, the textbook program, the schoolbus program, the dormitory program, and all the other programs I have cited this afternoon as precedents in support of the principle of my amendment.

Encouragement to the private schools of the Nation in their role of educating approximately 15 percent of our young people should be a part of the general aid-to-education bill. Under my amendment, no grant or subsidy will go to them; but the "high and impregnable wall of separation between church and state," as it has been called by Justice Black, does not preclude the Government from cooperating with church-sponsored activities which are in furtherance of the general welfare.

My loan proposal stays clear of the statement by Justice Douglas in the Zorach case—namely, that "government may not finance religious groups" nor prefer one religious group to another.

In providing for the education of our servicemen after World War II and the Korean war, the Federal Government paid their tuition, so the Nation's colleges and universities, public, private, and sectarian, could do that job. That was not a matter of supporting or financing religions; it was a matter of educating the young people.

The need for that is the same as the need dealt with in the amendment which I have offered this afternoon. It is the same as the need which in my amendment we seek to meet.

Because I recognize the existence of strong feelings on the part of some groups of Americans in regard to this matter—feelings in opposition to the conviction I personally hold in regard to it—I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, a letter which I have received from certain members of the Unitarian Fellowship for Social Justice. I believe it would be most unfair of me to make the argument which I make here this afternoon and not make clear, for the RECORD, that this group of very sincere and dedicated people who do not share my point of view in regard to this matter is opposed to my amendment. Therefore, I ask unanimous consent that the letter and the accompanying resolution be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the letter and the resolution were ordered to be printed in the RECORD, as follows:

UNITARIAN FELLOWSHIP
FOR SOCIAL JUSTICE,
Washington, D.C., February 3, 1960.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORSE: At the meeting of the legislative committee of the Unitarian Fellowship for Social Justice held his morning, the following resolution was passed:

"The Morse amendment to the school construction bill violates the spirit of the Constitution because it would use the Government's financial facilities to aid religious schools, at the level of compulsory school attendance. The Government has never before gone so far in the direction of aid to parochial schools, and we believe that this creates a dangerous precedent. Loans can easily lead to grants, and soon the taxpayers may be asked to pay all the expenses of sectarian schools.

"More than 90 percent of the pupils attending such schools in America are in Catholic parochial schools. Since the Catholic bishops want full public support for such schools, any move in that direction should be resisted by citizens who believe in the American tradition of church-state separation.

"We also believe that this amendment is dangerous because it may provide an opening wedge for segregationists to obtain public money for private, segregated schools in the South. If Southern States abolish their public school systems, they might secure some Federal loans for private schools through this amendment.

"Coming at this moment his raises a divisive church-state issue and a divisive race issue. We hope that you and your associates will be persuaded to withdraw it in the name of civil rights and the separation of church and state."

We are spending copies of this letter to your fellow Senators who joined you in this amendment, and to the press.

Sincerely,
MURIEL A. DAVIES,
Mrs. A. Powell Davies, *President.*
ERNEST O. SOMMERFELD,
Rev. Ernest O. Sommerfeld,
Chairman, Legislative Committee.

Mr. MORSE. Mr. President, of course as we read the letter and the resolution, in light of the argument I have already made, it is clear that I do not share their opinion that loans to be repaid to the American taxpayers with interest, and with no subsidy, for the construction of private, nonprofit elementary and secondary schools do not constitute "aid to religious schools" which falls under the proscription of the Supreme Court of the United States. If I believed it was unconstitutional, my colleagues may be sure that I would not be offering or supporting this amendment.

TERMS OF AMENDMENT

In conclusion, I point out that the definition of school facilities for which loans may be made under my amendment is the same as the definition which is applied to the public school grants in Senate bill 8;

namely, the term "school facilities" means classrooms and related facilities, including furniture, instructional materials other than textbooks, equipment, machinery, and facilities necessary and appropriate for school purposes for education. It specifically excludes "athletic stadiums, or structures or facilities intended primarily for events such as athletic exhibitions, contests, or games, for which admission is to be charged to the general public."

In other words, the educational facilities for which private school loans are authorized are the same as the ones for which grants are provided to the public schools.

I also point out that the assurances that construction will take place under the conditions provided in the Davis-Bacon Act are required for these loans, as in the case of grants for public schools.

Mr. President, in support of the legal argument I have made this afternoon in regard to the McCollum case, I should like to call attention to an article which appeared in the University of Pittsburgh Law Review, volume XII, page 154. The article was written by my very able administrative assist, Mr. Berg, of whom I am very proud. The article was writteen in 1950, at the time when Mr. Berg was professor of law at the University of Colorado Law School. The article contains a very interesting analysis of the McCollum case.

So I ask unanimous consent—without taking time to read excerpts from the article—that certain excerpts from Mr. Berg's article be printed at this point in the RECORD, as part of my remarks, because they very effectively and in very scholarly fashion buttress the legal argument I have made this afternoon.

There being no objection, the excerpts from the article were ordered to be printed in the RECORD, as follows:

"[From the University of Pittsburgh Law Review]

"BOOK REVIEW: 'RELIGION AND EDUCATION UNDER THE CONSTITUTION,' BY J. M. O'NEILL

"The Constitution of the United States does not command the separation of church and state. Nevertheless, Mr. Justice Black, speaking for a majority of the U.S. Supreme Court in the much-discussed McCollum[1] case, announced that 'the first amendment has erected a wall between church and state which must be kept high and impregnable.'[2] In the same case, Mr. Justice Frankfurter referred to a 'constitutional principle requiring separation of church and state.'[3] In his recent book, O'Neill challenges these broad pronouncements, disagrees with the reasoning of the Court in the McCollum case and substantiates his position by a thorough documentation.

"The facts of the McCollum case are relatively simple. Members of the Jewish, Protestant, and Roman Catholic faiths formed the Champaign Council on Religious Education. The council, with the consent of school authorities, conducted classes in religious education for public school children of Champaign, Ill., on released time in public school rooms. These classes were not compulsory. Attendance was permitted only upon written consent of the parents. Mrs. McCollum, a parent of a child attending one of the public elementary schools of Champaign, attacked this program in the State courts. She failed at that level, but the Supreme Court of the United States, with only one dissent, found the plan unconstitutional.[4] A majority of the Court, relying upon dicta in a decision handed down 2 years earlier,[5] in effect decided that the released time plan amounted to a State law 'respecting an establishment of religion' in violation of the first amendment, the prohibitions of which the Court found applicable to the States under the 14th amendment.[6]

"The constitutional prohibition against a law respecting an establishment of religion has been construed by the Supreme Court to mean: 'Neither a State nor the Federal Government can set up a church. Neither can pass laws which aid one religion, aid all religions, or prefer one religion over another,' and that 'in the words of Jefferson, the clause was intended to erect "a wall of separation between church and state." '[7] O'Neill demonstrates that a majority of the Supreme Court, in defining the establishment clause in such sweeping terms and in making it applicable to the facts of the McCollum case, apparently did not understand the nature of the evils that the clause sought to eliminate.

"One who studies the materials collected by O'Neill will find ample support for the proposition that the establishment clause of the first amendment was designed to make doubly certain that the Federal Government should never establish a national church. As O'Neill says: 'My thesis is that the words "establishment of religion" meant to Madison, Jefferson, the members of the First Congress, the historians, the legal scholars, and substantially all Americans who were at all familiar with the Constitution until very recent years, a formal, legal union of a single church or religion with government, giving the one church or religion an exclusive position of power and favor over all other churches or denominations.'[8]

"Recently the U.S. Supreme Court gave a fairly good indication of the canons of construction it would follow in determining the meaning of 'an establishment of religion.' In the Everson[9] case the Court, speaking through Mr. Justice Black, observed that it has long construed that clause 'in light of its history and the evils it was designed forever to suppress.'[10] Shortly thereafter, in the Adamson case, Mr. Justice Frankfurter stated that '* * * an amendment to the Constitution should be read in a "sense most obvious to the common understanding at the time of its adoption." * * *'[11] In view of these pronouncements, Mr. Justice Black could hardly have applied a different rule of construction in interpreting a constitutional provision in the McCollum case. It is true that the Court has often construed 'expanding' concepts, such as those of interstate commerce and general welfare, in light of modern conditions. But it is highly improbable that the Court would state specifically that a stable concept, such as the constitutional prohibition against a law respecting an establishment of religion, should have a present-day meaning different from that which prevailed when the first amendment was adopted.

"O'Neill's book makes it quite evident that the Supreme Court, in spite of the rules of construction quoted above, attributed to the establishment clause a meaning vastly different from that which it was intended to have 'in light of its history and the evils it was designed forever to suppress.' After reading this book one is tempted to agree with Mr. Justice Jackson's frank suggestion that the Court decided the McCollum case upon the basis of its prepossessions.[12]

"O'Neill lists many of the evils attendant upon an establishment of religion.[13] For example, it was not uncommon to find that important civil rights, such as those of holding public office, participating in jury service, and giving testimony in court, were reserved to members in good standing in the established church. There were nine established churches—all Protestant—in the Original Colonies, and not until 1833 was the last of these disestablished.[14] In view of the extent of establishment in this county at the time of the first amendment and the seriousness of its infringement of human liberties, it is obvious that the facts of history support O'Neill's conclusion that the object of the establishment clause was the prevention of this intolerable situation at the Federal level.

"The Supreme Court has relied heavily upon the writings of Jefferson and Madison in construing the establishment clause.[15] Those who insist that the Supreme Court correctly interpreted Jefferson's and Madison's points of view in this respect will find little comfort in what O'Neill has to say. In two chapters devoted to a study of the attitudes, actions, and writings of these two great statesmen on the subject of religion, O'Neill finds that neither advocated complete separation of church and state as that concept was defined in the McCollum case.[16] Of course, if one wishes to single out a sentence or paragraph written by either of these men, he may claim that he has found support for the Supreme Court's broad interpretation of the establishment clause. However, any such isolated statements of Jefferson or Madison become insignificant when compared with the entirety of their works and actions.

"O'Neill shows that the much-quoted metaphor, 'a wall of separation between church and state,' found in Jefferson's letter to the Baptists of Danbury, reflected disapproval of any 'formal legal union between one religion and the Government.'[17] The author also collects for us convincing evidence that neither Jefferson, the citizen, nor Jefferson, the President, was an exponent of the idea of complete separation of church and state.[18]

---

[1] *Illinois ex rel. McCollum* v. *Borad of Education* (333 U.S. 203 (1948)).

[2] Id. at 212.

[3] Ibid.

[4] Reed, J., dissenting.

[5] *Everson* v. *Board of Education* (330 U.S. 1 (1947)).

[6] *Illinois ex rel. McCollum* v. *Board of Education* (333 U.S. 203, 210 (1948)).

[7] Id. at 210, 211.

[8] P. 56.

[9] *Everson* v. *Board of Education* (330 U.S. 1 (1947)).

[10] Id. at 14.

[11] *Adamson* v. *California* (332 U.S. 46, 63 (1947)).

[12] Illinois *ex rel McCollum* v. *Board of Education* (333 U.S. 203, 238 (1948)). It should be observed that Justice Reed, dissenting said: "The phrase 'an establishment of religion' may have been intended by Congress to be aimed only at a state church. * * * Passing years, however, have brought about acceptance of a broader meaning." Id. at 244.

[13] Pp. 24–25, 192–194. Mr. Justice Black's opinion in the Everson case also lists many of the evils of an establishment of religion. *Everson* v. *Board of Education* (330 U.S. 1, 9 (1947)).

[14] P. 25.

[15] See *Everson* v. *Board of Education* (330 U.S. 1, 11–13 (1947)); Id. at 31–41 (Rutledge, J., dissenting); *Illinois ex rel. McCollum* v. *Board of Education* (333 U.S. 203, 214 (1948)) (Frankfurter, J., concurring).

[16] Chs. 5 and 6.

[17] At the time this letter was written (1802) the Baptists were experiencing an establishment of the Congregational Church in Connecticut (p. 83).

[18] Pp. 76–86. Among other items, O'Neill brings out these important facts:

(1) Jefferson advocated the use of public funds in Virginia for a school of theology (p. 76).

(2) Jefferson recommended that a room at the University of Virginia be used for religious worship (p. 206).

(3) The four key provisions of Jefferson's bill for establishment of religious freedom in

"The chapter on Madison brings into clear light significant public manifestations of that great American upon the subject of religion.[19] From these it is evident that Madison, too, feared and fought the establishment of a religion by government, but that in his public life he did not espouse the cause of absolute separation of church and state.

"Other useful guides for ascertaining the meaning of the establishment clause are discussed by O'Neill. For example, he mentions many acts of Congress which inferentially involve Congress interpretation of that clause. These substantiate his theory that an 'establishment of religion' means and has always meant to Congress 'only a single, formal, monopolistic union of one religion with the Federal Government.'[20]

"Another important guide to the meaning of the establishment clause is the interpretation placed upon it by recognized constitutional law authorities. His quotations from eminent writers in this field show that the Supreme Court has deviated far from the time-honored interpretation of the establishment clause.[21]

"Chapter 10 has a discussion of the 14th amendment and its application to the facts of the McCollum case. O'Neill says that the view adopted by a minority of the Supreme Court in the Adamson case[22]—that the 14th amendment makes the Bill of Rights applicable in toto to the States—'is an essential part of any possible theory of the constitutional validity' of the McCollum decision.[23] I do not think this conclusion necessarily follows. In the McCollum case the Court merely decided that the provision of the first amendment which prohibits any law respecting an establishment of religion is applied to the States via the 14th amendment.[24]

"I agree with O'Neill's conclusion that the Supreme Court erroneously enlarged the meaning of the establishment clause so as to make its prohibition cover the facts of the McCollum case." [25]

NO SUBTERFUGE INTENDED

Mr. MORSE. Mr. President, I will turn now to my amendment to the amendment, which I want to discuss briefly. It deals with a problem that I do not think we should ignore. That is the question as to whether or not my amendment, if it should become the law, could be used as a form of subterfuge for undercutting the Supreme Court decisions in regard to nonsegregation in public schools.

Mr. President, I have a very brief argument to make in support of my amendment, but I am going to read the amendment and then send it to the desk. On page 4, line 4, after the period, I propose to insert a new sentence, as follows:

"In making loans within any State under the provisions of this section, the Commissioner shall give priority to applicants proposing to construct school facilities in areas where the public schools are in operation."

I want to make my argument on the amendment before I offer it.

Mr. DODD. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DODD. I do not want to interrupt the Senator's very cogent and persuasive argument, but I wish to say I am very happy to join with the Senator in support of his proposal.

Mr. MORSE. I am very proud to have the Senator from Connecticut join me.

Mr. DODD. I think the Senator from Oregon is making a very important and scholarly speech on this problem. I said this earlier today concerning the Monroney-Clark substitute, and it seems important to point it out again: Neither the committee bill nor the Monroney-Clark amendment makes any provision for private schools, which are educating 15 percent of all the schoolchildren in America.

I am sure the Senator will agree with me that there is another factor we should make note of here, and that is the expense which the parents of those children carry. They not only pay their share in taxes to support the public schools, which is proper and right, but they also pay the expenses of their own children in private schools.

The third point on which I commend the Senator is his having brought up and made clear to all the fact that the private schools are not seeking any grants. They seek only interest-bearing loans. I think this amendment offers a great opportunity for an investment in education in the United States, an investment that will reap not only a return of interest and the money loaned, but, more importantly, great and continuing dividends in the talents and aptitudes of the young people who are coming along in this country, and who will continue to come along. It is really an investment in the future of our Nation.

Finally, I should like to say I am very proud to be associated with the distinguished Senator from Oregon in offering this amendment; and I express, I am sure, the attitude of a great many people when I say we have reason to be grateful to the Senator from Oregon for his scholarly exposition this afternoon and for his fairness, his courage, his sense of justice, and his ability to see the issue clearly as one of national interest.

Mr. MORSE. Mr. President, I appreciate very much the statement of the Senator from Connecticut, who is a great lawyer, with a brilliant legal record. I particularly appreciate his evaluation of the argument I have sought to make.

I am convinced that the law is clearly on my side so far as the constitutionality of my proposal is concerned, or I would not be offering it. I am satisfied that the public interest is on my side, because the boys and girls who go to private schools are entitled, it seems to me, to the kind of facilities that are necessary in order to make it possible for them to get a good education. Our amendment seeks to provide for them, on a loan basis, the same adequate facilities we seek to get for public school students on a grant basis.

The Senator from Connecticut is so right when he points out the great contribution that the parents of private school students really make to the public school interests. I have used the figure in my argument this afternoon, but it needs to be used over and over again, because it is a telling one.

They contribute, really, $1,185 million to the taxpayers of the country, because if these boys and girls were not in private schools, that amount of money would have to be spent in public schools for them. In fact, that is the minimum amount. It might be higher than that, because of the resulting problems of congestion and administrative difficulties that would be created in the public school system if all these boys and girls all at once walked into the front doors of our public schools, including the great increase in teachers' salaries which would be required because of the additional number of teachers that would have to be hired. I think the amount would be much more than $1,185 million.

That amount of money would have to come out of the public coffers to meet the educational needs that would be created by the admission into public schools of all the students now in private schools.

May I say also I think there would be another costly result. Because of all the difficulty that would be created by the additional number in public schools un-

---

Virginia were aimed at the evils of an established state religion (pp. 275–277). These four provisions are now found in Va. Code Ann., sec. 34 (1942).

(4) As President, Jefferson used public funds for chaplains in the Army and Navy and signed an Indian treaty requiring payment of public funds for the salary of a Catholic missionary priest (pp. 77, 116–117).

[19] Pp. 87–107, O'Neill mentions such facts as these concerning Madison's position:

(1) Madison was a member of the congressional joint committee that instituted the chaplain system in Congress (pp. 99–100).

(2) Throughout Madison's term as President public funds were used to provide chaplains for the Army and Navy (p. 102).

(3) During Madison's administration, public funds were used for religious purposes on the Indian reservations (p. 102).

(4) Madison's original draft of the portion of the proposed first amendment dealing with an establishment of religion read: "Nor shall any national religion be established" (p. 103).

(5) The Memorial and Remonstrance was a protest against making the Christian religion the established religion of Virginia (pp. 88–89).

[20] P. 109, illustrative are these:

(1) Congress has elected House and Senate chaplains as salaried officers since 1790 (pp. 110–111).

(2) Since the First Congress, provision has been made for Army and Navy chaplains (p. 111).

(3) Under the GI bill of rights, public funds are paid to religious schools and colleges (p. 120).

(4) Federal funds are paid to religious schools for the care of Indian children (p. 120).

(5) Shortly after the McCollum decision was handed down, Congress appropriated $500,000 to erect a chapel for religious worship at the U.S. Merchant Marine Academy (p. 120).

[21] Pp. 62–65. The author cites these works: "Story's Commentaries," secs. 1873, 1874, 1877 (5th ed. 1891); Cooley, Constitutional Limitations," 584 (4th ed. 1878); Corwin, "The Constitution—What It Means Today," 154 (9th ed. 1947).

Not listed by O'Neill, but also important are Cooley, "Constitutional Law," 259 (4th ed. 1931); Black, "Constitutional Law," 518 (4th ed. 1927); Willoughby, "Constitutional Law," sec. 723 (2d ed. 1929).

[22] *Adamson* v. *California* (332 U.S. 46 (1947)). In this case a majority of the Court, speaking through Mr. Justice Reed, followed the view that only the provisions of the Bill of Rights that are "implicit in the concept of ordered liberty" are secure from State interference under the due process clause of the 14th amendment. A minority of the Court agreed with Justice Black. In his dissenting opinion he took the position that the 14th amendment made the Bill of Rights applicable to the States.

[23] P. 161.

[24] However, a dictum in the Court's opinion indicates that the 1st amendment is made applicable to the States by the 14th.

[25] "In all of the discussion in Congress apparently no one had in mind a change that would have any effect at all on any question of religion or religious education. This is not surprising when one considers that in the first century after the adoption of the Bill of Rights we find no evidence either in public discussion or legislative debate that anyone thought 'an establishment of religion' meant anything other than what it had meant to Jefferson, Madison, and the men who wrote, adopted, and ratified the first amendment" (p. 160). See also pp. 163–168, 185–186.

equipped to meet their educational needs, there would be a great educational loss to America. There would be many a brain that would not be developed to its maximum potential.

Mr. President, if you want to be perfectly economically selfish about this question, you and I lose, in terms of national wealth, every time the potential brainpower of an American boy or girl is not developed to its maximum extent. So, Mr. President, I do not care how you look at this problem. I do not see how you can escape the force of the argument that we have an obligation to make money available, on a loan basis, to give these boys and girls a fair opportunity for an adequate education.

MORAL ISSUE AS WELL AS EDUCATIONAL ISSUE

Nothing has been said, but I will mention it in passing, because to me it is the controlling argument, about our moral obligation. We are a great people. We talk about our dedication to moral values. Mr. President, do you know of anything more valuable than the potential of a little grade school boy or girl in America? Do you know of anything more precious or priceless?

If you just look at the question from the moral standpoint, our duty, as people who believe in moral values, is to be unselfish, willing to sacrifice, if necessary, certainly willing to make some loan money available to give boys and girls an educational opportunity that they would not enjoy to their fullest potential if we did not follow such a course of action as I propose this afternoon.

Whether met on the legal argument, on the economic argument, or on the moral argument, I am satisfied that our amendment is correct.

Mr. President, many Senators wanted me not to offer the amendment. I am offering it because I think it is in the interest of my country, and I think we ought to agree to it this afternoon.

Mr. President, I turn now to a very brief discussion of the amendment to the amendment which I am about to offer. I offer it on my own responsibility.

On page 4, line 4, after the period insert the following new sentence:

"In making loans within any State under the provisions of this section, the Commissioner shall give priority to applicants proposing to construct school facilities in areas where the public schools are in operation."

My argument for the amendment is very brief, as follows:

Some issue has been made, and it is one I have thought about a great deal before offering this amendment, of the question of Federal support of some kind going to private schools which are racially segregated.

CONGRESS HAS IGNORED SEGREGATION QUESTION

Of course, that whole matter is ignored in the pending bill. Under S. 8, funds for construction would be assigned to State public schools which continue to be segregated, in spite of Supreme Court rulings to the contrary.

The sad fact is that the Congress of the United States has not come to grips with this situation in any of its Federal programs. We have Public Laws 815 and 874 extending grants of Federal aid to racially segregated public schools; the same is true of the grants of the National Science Foundation; the college housing loan program applies to both public and private segregated schools; so does the school lunch program. The Department of Defense carries on its reserve officer training programs in racially segregated institutions, both public and private.

It is my opinion that Congress should deal with this matter in general terms. It is not enough that we let the Supreme Court hold the bag, so to speak, on racial discrimination. The Congress, too, has an equal responsibility to uphold the Constitution, and the Supreme Court has made very clear that under it segregated public facilities are not permissible.

However, the courts have also laid down a rule of reason regarding the adjustment necessary in many States. For that reason, many Members of Congress take the view that no legislative directive is called for in a program like the one authorized in S. 8.

In the case of a loan to a private school, the position of the courts is less clear. So far as I have been able to determine, there has been no ruling on any of the grant or loan programs I have mentioned as they apply to institutions which are both private and segregated.

NEED BASIS JUSTIFIES AMENDMENT

Nonetheless, the purposes of S. 8 and my amendment are to expand the educational facilities of the American school system. It makes no sense to lend money for construction of private schools when the public schools nearby stand idle and empty.

Therefore, on the basis of the need alone, I believe that in making loans under my amendment the Commissioner of Education should give priority to those applications coming from areas where the public schools are also in operation.

To say that no Federal loan for this one level of private school construction shall go to a racially segregated school is to strain at a gnat after swallowing the camel, since there is no such restriction on any other Federal loan or grant program to either private or public institutions. At the same time, the purpose of the bill we are considering is to help meet the demand for classrooms caused by our rising student population.

I believe that the purpose of this entire measure will best be served if the Commissioner of Education can take into account the fact that public schools are closed and available classrooms are unused in some areas in determining who shall be entitled to the limited loan funds under my amendment.

I wish to discuss this proposal very frankly, for the purpose of legislative history, Mr. President, in terms of two hypotheticals.

Let us suppose that my amendment becomes the law. Let us suppose that State X abolishes some of its public schools because it seeks to evade the application of the U.S. Supreme Court decisions in the school cases, and that private schools which the State seeks to adopt or which the State seeks to sponsor come before the Commissioner to ask for a loan.

Under my amendment, the Commissioner would be required to give priority to loans to private schools where the public schools continued in operation. Therefore, he would be in a position to deny a loan to a private school which was being set up as the result of State action which sought to subvert the great principle laid down by the U.S. Supreme Court, that under the 14th amendment segregation in public schools is unconstitutional.

Mr. President, I think that is a very fair and reasonable position for me to take, in view of my known dedication to the civil rights cause, a dedication in complete support of the Supreme Court decision, which caused me in 1957 to be the only northern Democrat who voted against the 1957 civil rights bill. In my judgment, when title 3 was stricken from that bill we in effect walked out on the U.S. Supreme Court by failing to include in the bill any enforcement procedure which would make it possible to give effective meaning to the Court decision.

It should be said, so that my colleagues will know, I have refused to propose an amendment which certain civil rights groups strongly—and strongly is a mild term—urged me to add to my amendment. Those groups wanted me to add an amendment which would provide for a complete denial of any loan to any private school in which segregation may now exist.

Mr. President, I take the point of view that we ought to pass a general civil rights bill, and that we should not try to add a little segment of civil rights to each piece of proposed legislation that comes before us, which would almost guarantee in advance that the proposed legislation would be defeated.

I took that position, Senators will remember, in 1949 when I opposed on the floor of the Senate and voted against an amendment which was offered to a public housing bill.

The amendment which was offered to the public housing bill, in my judgment, was offered by some, at least, who were motivated by a desire to "scuttle" the bill. It was a public housing bill which sought to make available to municipalities funds to be used for slum clearance and other public housing uses. I would not vote for an amendment to the bill which sought to embody in the bill a nonsegregation provision, because I felt that it was an attempt to prevent the passage of any bill at all, which would have resulted, in my judgment, had the amendment been added to the bill. I said then, as I say here on the floor of the Senate today, "Count me in when you want to bring to the floor of the Senate a thoroughgoing civil rights bill which backs up the decisions of the U.S. Supreme Court in respect to the meaning of the 14th and 15th amendments."

But I am not going to destroy any chance of having my amendment passed on the floor of the Senate in the year 1960 by offering an amendment which is not contained in the public school section of Senate bill 8, which is not contained in the Hill-Burton Act, and which is not contained in a single one of the legislative precedents which I cited earlier in my argument this afternoon.

At the same time, my amendment should not be used as a subterfuge in a controversy which might develop in States X and Y in regard to a proposal to close public schools.

AMENDMENT ESTABLISHES PRIORITY

So all my amendment provides is that the Commissioner of Education must give priority to requests for loans from applicants proposing to construct school facilities in areas where the public schools are in operation.

Thus we have the kind of hypothetical to which I have referred, namely, a situation in which a State abolishes its public schools and then seeks to use the Morse amendment as a way of getting money for a segregated school which it seeks to establish in order to evade the decision of the U.S. Supreme Court. My amendment would become applicable and the private school would not get the funds, because obviously priority would be given to others, and the requests would be so great that there would not be any funds available for a private school which was only a subterfuge.

That is my amendment. I think it is a very fair solution of what we all must admit is a very delicate problem. We all must admit that unless we rise above blind partisanship and prejudice in connection with this issue we may jeopardize all good legislation in this field. I think this is a very workable compromise. I send my amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Oregon will be stated.

The LEGISLATIVE CLERK. On page 4, line 4, after the period, it is proposed to insert:

"In making loans within any State under the provisions of this section, the Commissioner shall give priority to applicants proposing to construct school facilities in areas where the public schools are in operation."

* * * * *

The legislative clerk proceeded to call the roll.

Mr. MORSE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE] to his own amendment on page 4, line 4. [Putting the question.]

The PRESIDING OFFICER. The "ayes" appear to have it.

Mr. MORSE. Mr. President, I ask for a division.

The PRESIDING OFFICER. As many as favor the amendment will rise and stand until counted. [After a pause.] Those who oppose the amendment will rise and stand until counted.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Oregon to his own amendment on page 4, line 4.

Mr. DIRKSEN. Mr. President, have the yeas and nays been ordered on this amendment?

The PRESIDING OFFICER. They have not.

The question is on agreeing to the amendment of the Senator from Oregon [Mr. MORSE] to his own amendment on page 4, line 4. [Putting the question.]

Mr. MORSE. Mr. President, I ask for a division.

On a division, the amendment to the amendment was rejected.

Mr. MORSE. Mr. President, I ask unanimous consent that the Senator may yield to me without losing his right to the floor.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

Mr. MORSE. Mr. President, the Senator from Illinois [Mr. DIRKSEN] has a perfecting amendment which he suggests be adopted in regard to my amendment. I am in perfect agreement with the proposal. However, since the yeas and nays have been ordered, on my amendment, it will be necessary to ask unanimous consent for me to accept the Senator's proposed amendment. I am sure the Senate will oblige us in that regard.

Mr. DIRKSEN. Mr. President, I trust consent will be granted.

I suggest to the Senator that on page 2, in line 10 of his amendment, where the amendment refers to loans, there should be inserted the words "State certified and approved."

The line would then read "for making loans to State certified and approved private nonprofit elementary and secondary schools."

I believe that language is carried in other acts. It would meet one of the specifications of the Department of Health, Education, and Welfare.

Mr. MORSE. Mr. President, I think this is a very sound amendment. I say in defense of the amendment as it was written that it contemplated, of course, that the Commissioner of Education would require this be done anyway, because he has the authority to pass on each individual request.

What the Senator from Illinois has in mind—and it is a very laudable objective—is to see to it that we shall not incur the danger of running into the kind of scandalous situation which developed in connection with the GI education bill, when we had schools mushroom into existence overnight, only to take advantage of the GI's to their detriment.

This is a sound amendment, Mr. President, and I ask unanimous consent that the Senate permit me to accept it as a modification of my amendment, in view of the fact that the yeas and nays have been ordered already on my amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon that he be permitted to modify his amendment as suggested? The Chair hears none, and the modification is permitted.

Mr. MORSE. I thank the Senator from Illinois, and I thank the Senator from South Carolina.

* * * * *

Mr. MANSFIELD. Mr. President, I understand the Senator from Oregon wishes to propound a few inquiries to the minority leader. I hope that when that colloquy is concluded we may, with the approval of the Senate, have another quorum call, with the stipulation that the the end of the quorum call—it would not be a live quorum call—the Senate will proceed to a vote on the amendment.

Mr. MORSE. Mr. President, I desire the attention of the minority leader.

An hour or so ago, the Senator from Illinois offered a perfecting amendment to my amendment, on page 2, line 10, after the word "to" to insert "State certified and approved," so as to make the phrase read: "to State certified and approved, private nonprofit elementary and secondary schools in the States for constructing school facilities."

I accepted the amendment because I am sure the Senator from Illinois and I are of one mind as to the purpose of the amendment.

As I said in the earlier debate, we seek to prevent the misuse of this amendment, as occurred in some instances under the GI bill in the providing of funds for GI's to go to private schools. There was a mushrooming overnight of so-called private schools which were anything but real educational institutions.

Since we agreed upon the amendment of the Senator from Illinois awhile ago, it has been suggested to me that a problem may be raised which we ought to try to clarify on the floor of the Senate by way of legislative history, because I accepted the amendment with the purpose I have just stated, namely, to make certain that legitimate private schools may receive loans under this proposal.

However, I have been advised that many States do not have formal procedures for certifying or approving private schools. What they have are State statutes which authorize the graduates of such schools to go on to high school or on to college. So I should like to ask this question of the Senator from Illinois:

I assume it is the intent and purpose of the Senator's clarifying amendment that loans will be made available only to those schools where the attendance by pupils satisfies the compulsory school attendance statutes.

Mr. DIRKSEN. That might be one of the factors; there could be others, of course. I do not have all the relevant provisions of the different statutes in mind. But certainly the Department of Health, Education, and Welfare and very particularly its general counsel, would be mindful of exactly the situation which the Senator from Oregon has in mind.

When this matter first came to my attention, I thought I ought to make some inquiry as to whether this provision would offer a completely unregulated loan possibility to any kind of school, with no respect to the statutes of the given States at all. It was on the basis of observations made by the general counsel of the Department of Health, Education, and Welfare, who would manifestly speak for the Commissioner of Education also, that this language was suggested.

Mr. MORSE. May I tarry a moment longer? I think the Senator from Illinois and I are of one mind.

So that the legislative history may be perfectly clear, does the Senator from Illinois agree that when the Commissioner of Education finds that under the State statutes of any State a private school meets the standards necessary to qualify its students under State law to transfer back and forth from a private school to a public school, and to advance from a private school to a higher school, such a school would fall within the purview of this amendment and would be eligible for a loan under it?

Mr. DIRKSEN. Mr. President, that would be very definitely my understanding of the language here involved.

Mr. MORSE. I thank the Senator very much.

Mr. MANSFIELD. Mr. President, with the approval of the Senator, I should like to make a unanimous-consent request: I wish to suggest the absence of a quorum, with the proviso that at the conclusion of the call—and it would not be a live quorum—the Senate immediately proceed to vote on the Morse amendment.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Is there objection?

Mr. DIRKSEN. Mr. President, will the Senator from Montana withhold his request for a moment, please?

Mr. MANSFIELD. Certainly.

Mr. DIRKSEN. Mr. President, this will be the best opportunity to say a word or two about this amendment.

Frankly, I am grateful to the Senator from Oregon for having accepted the perfecting language; but I still have some difficulty with this amendment. I do not press my opposition upon other Senators; but I make this statement, rather, to provide the legislative history.

The interest rate provided in this amendment is the higher of two; one is 2¾ percent, as I understand; and the other would be the average rate on all interest-bearing obligations which are a part of the public debt, plus one-eighth of 1 percent. So if the average at the present time is 2⅝ percent, and if one-eighth of 1 percent is added, that would be 2¾ percent. So in either event, as of this moment, the highest rate of interest which could be charged on the loans would be 2¾ percent.

Mr. MORSE. I am not so advised by the experts who helped draft this amendment. What we have here is the same provisions which is to be found in the College Housing Act.

Mr. DIRKSEN. That is quite correct; to that, I agree.

Mr. MORSE. It is the same as the provision in that act; and I understand it is also the same as the provision in two or three other acts.

Mr. DIRKSEN. Exactly.

Mr. MORSE. I understand that we can forget about 2¾ percent per annum, now, because of the general increase in interest rates; and I am advised that the rate would be in excess of 2¾ percent, because the amendment provides: "Not more than the higher of (A) 2¾ per centum per annum, or (B) the total of one-quarter of 1 per centum per annum," and so forth. I am advised that at the present time it would be in excess of 2¾ percent, but it would be flexible from year to year as the money situation in the country would change.

Mr. DIRKSEN. Mr. President, my understanding—as of perhaps a good hour ago—is that the best information I could get is that the average interest rate is about 2⅝ percent. If we add one-eighth of 1 percent, we

would have 2¾ percent. The other alternative of the bill is 2¾ percent; so the rate would be somewhere in the range of 2¾ percent, and conceivably it might be 3 percent.

The point I make is that the last two issues financed by the Treasury were at 4⅞ percent. So even if we got up to 2⅞ percent, under either alternative of this amendment, the Treasury would still be losing 2 percent on every dollar which was loaned under the $75 million herein authorized.

The reason I make the point is simply that today we have the REA loans which are made at 2 percent, no matter what the Treasury has to pay in order to get the money; and whatever the difference is, it is very definitely a loss to the Federal Treasury.

The question is, how long can we continue to finance at that rate, if we undertake to do this in a great many fields? If we are going to borrow at 4⅞ percent and if we are going to loan at 2¾ percent, obviously the more we loan, the more we lose.

The situation is a little like that of a fellow I knew in Bridge Square in Minneapolis, when I went to school there. He had in front of his store a sign, "Clothing Below Cost." I asked him, "How do you sell it below cost and still stay in business?"

He replied, "The reason is that we sell so many suits." [Laughter.]

So, Mr. President, you will realize that if many suits are sold, and if a loss is taken on each suit sold, something is going to happen. But he said that was the way he stayed in business.

Perhaps I can best describe the situation by referring to an old wheeze that Dr. Eaton used to tell, years ago, in the House of Representatives. He was a very gracious and distinguished minister who became a Member of the House. I remember chortling, one day when I was sitting in one of the front seats, when he unfolded this tale:

He said that a teacher once told her pupils to get out their pencils and their slates and figure the answer to the following: Suppose a cat fell into a well 100 feet deep, and suppose the cat tried to climb out of the well; but suppose that every time the cat climbed up 1 foot, the cat fell back 2 feet. The question, then: How long would it take the cat to get out of the well?

Dr. Eaton said that the children went to work with their pencils and their slates; and finally one boy raised his hand. The teacher said, "Johnny, can I be of any help?"

The boy replied, "Teacher, if I can have a couple of more slate pencils and another 45 minutes, I'm pretty sure I can land that cat in hell." [Laughter.]

So here we are proposing to have the Government lend at 2⅞ percent and borrow at 4⅞ percent. I should like any Senator to tell me how long any business enterprise could exist under those circumstances.

So I feel that the legislative history of the interest provision must be made, notwithstanding the fact that the distinguished Senator from Oregon is exactly right on the college housing loans and those in other fields.

But I resisted and fought them on the floor, on the ground that the interest rate was a subsidized interest rate. And I must also lift up my voice and object to this one, on the ground that even though it is for the benefit of loans to nonprofit private schools, it is still a subsidized interest rate; and if we sudsidize enough of them, I do not know what the solvency of our Federal Treasury and of our budget will finally be.

So, Mr. President, having made the legislative history, I am content to leave it at that point.

Mr. MORSE. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. MORSE. I have asked the Senator from Illinois to yield, so that I can make what I now say a part of his presentation, rather than mine.

I am glad the Senator from Illinois is making the legislative history, because I know he realizes that I want all the facts brought out clearly here before Senators vote on this provision.

I wish to point out clearly what the provision is, beginning with the "(B)" portion of paragraph (3), on page 3:

"(B) the total of one-quarter of 1 per centum per annum added to the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the date on which the contract for the loan is made and adjusted to the nearest one-eighth of 1 per centum."

That means that we take all of the Government's interest-bearing obligations—not the lowest or the highest, but the average of all of them—and add to that rate one-fourth of 1 percent above the average; and that is what we say we shall make available by way of interest charges to these private schools—just as we do to private colleges now, in connection with the housing program for them and in connection with the Government's supplying them in some instances with the construction of laboratories and the equipment of laboratories; and they are sectarian colleges as well as private colleges.

The burden of my argument this afternoon was that I think the same equities should flow to the secondary schools and to the elementary schools, in view of the figures which I presented; namely, that at the present time they make a contribution of $1,185 million a year, minimum, to the taxpayers of the United States, from the standpoint of the educational services they render the children who now are attending those private schools.

This afternoon I said, and I now repeat, that in my judgment—and I would not be a party to the amendment if I thought it to the slightest degree violated this—this amendment is completely clear of any successful challenge on the ground of violation of the principle of the separation of church and state. This amendment is in line with all the list of legislative precedents which I set forth this afternoon—such as the Hill-Burton Act, the National Defense Education Act, the College Housing Act, and others. I think it is an equitable and fair and deserving amendment; and I offer it on its merits.

Mr. DIRKSEN. Mr. President, I can only say, in response to the Senator from Oregon, that I have made no contention on any score with respect to the amendment, except to point what the interest rate is.

At 6 o'clock, I inquired of the Treasury, "What is the average annual interest rate on the obligations which are a part of the public debt?"

The reply was, "As of now, it would be about 2⅝ percent."

If we add one-fourth of 1 percent, we have 2⅞ percent. The other alternative is 2¾ percent.

So one can take his choice; but the difference between what the Treasury will receive and what the Treasury will have to pay on its borrowings will still be 2 percent. So, as of now—and of course it could change, I must admit; but as of now—as this money becomes available, if it does become available, on every dollar of the $75 million that is loaned, the Federal Government will lose a clear 2 percent; and, in consequence, I fortify the conclusion I stated, namely, that one cannot stay in business a long, long time on such a basis, because it is just like the basis used by the man who was selling suits at a loss, for when I asked him, "How do you stay in business?" he replied, "It is because I sell so many suits."

If this is good business, of course we should do it across the board; and then the more the Government would lose, the sounder and the more solvent the Government would become.

Mr. KEATING. Mr. President, will the minority leader yield, so that I may propound an inquiry of the author of the amendment?

Mr. DIRKSEN. I yield.

Mr. KEATING. On page 2, in lines 13 and 14, following the provision to the effect that the loans are authorized to be made by the Commissioner, the amendment then provides "and the total amount of such loans which shall be allocated to qualifying schools in each State."

Would the distinguished author of the amendment point out to me what is intended by the word "qualifying?"

Mr. MORSE. I want to call the attention of the Senator from New York to the fact that on line 10——

Mr. KEATING. I may say to the Senator that I am familiar with the amendment which was accepted by the author of the amendment, the one suggested by the Senator from Illinois. I wondered whether this word went further. In other words, specifically, is it the opinion of the author of the amendment that if a pattern of schools in a State did not comply with the Constitution of the United States as interpreted by the Supreme Court, they would be qualifying schools?

Mr. MORSE. As the Senator knows, I offered an amendment this afternoon, which was defeated, that bore directly on that point. In that amendment I sought to provide that priority would be given to private schools that sought loans only in the areas where public school facilities were in operation.

Mr. KEATING. Even without the Senator's amendment, does he not feel that such a school would not qualify under the terms of the law?

Mr. MORSE. That is going to be determined by State statute. What I had in mind was what I said to the Senator from Illinois earlier, namely, the schools that qualify under State statute, that transfer students from private schools to public schools, or advance students graduating from grade school to high school or from high school to college. That is what is intended by the term "qualifying schools" on line 14 of page 2 of the amendment. Such private schools must be private schools that qualify under State statute by meeting compulsory school-attendance requirements of the State, for example.

Mr. KEATING. But if those schools qualified under a State statute, but the State statute was invalid under the Constitution, then they would not be qualifying schools?

Mr. MORSE. I will come to that point in a moment. This particular language is intended by the author to apply only to the statutes of any State, in which there are private schools qualified to transfer their students or to promote their students to public schools.

But now to the question the Senator directly asked: There is no intention on the part of the author of the amendment to have the language "qualifying schools" used as a gimmick whereby a question can be raised on the whole segregation matter.

I tried to meet that problem earlier, openly, by the amendment I offered, on which I did not get sufficient support to have it adopted. I said in the debate this afternoon that, in my judgment, Congress should enact civil rights statutes and give to the Supreme Court the backing I think it ought to have in order to assure successful enforcement of its decisions. But this language has nothing whatever to do with that issue.

Mr. MANSFIELD. Mr. President, I renew my request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Oregon [Mr. MORSE], as modified. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. MCGEE], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

The Senator from Mississippi [Mr. EASTLAND] and the Senator from Oregon [Mr. NEUBERGER] are absent because of illness.

The Senator from Florida [Mr. SMATHERS] is absent on official business attending the Latin American Trade Study Mission as chairman of the Latin American Trade Subcommittee of Senate Interstate and Foreign Commerce Committee.

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Arkansas [Mr. FULBRIGHT]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Arkansas would vote "nay."

The Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from Wyoming [Mr. O'MAHONEY]. If present and voting, the Senator from Mississippi would vote "nay," and the Senator from Wyoming would vote "yea."

The Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from Wyoming [Mr. MCGEE]. If present and voting, the Senator from Massachusetts would vote "nay," and the Senator from Wyoming would vote "yea."

The Senator from Montana [Mr. MURRAY] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Montana would vote "yea," and the Senator from Colorado would vote "nay."

I further announce that if present and voting the Senator from Oregon [Mr. NEUBERGER] would vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent on official business.

The Senator from Indiana [Mr. CAPEHART] is necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is necessarily absent.

The Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from Colorado would vote "nay," and the Senator from Montana would vote "yea."

The result was announced—yeas 37, nays 49, as follows:

Yeas, 37: Aiken, Bartlett, Bridges, Bush, Carroll, Case of New Jersey, Clark, Cotton, Dodd, Douglas, Engle, Fong, Hart, Hartke, Hennings, Humphrey, Jackson, Keating, Kefauver, Kuchel, Lausche, Long of Louisiana, McCarthy, McNamara, Magnuson, Mansfield, Martin, Morse, Muskie, Pastore, Prouty, Proxmire, Saltonstall, Smith, Williams of New Jersey, Young of North Dakota, Young of Ohio.

Nays, 49: Beall, Bennett, Bible, Brunsdale, Butler, Byrd of Virginia, Byrd of West Virginia, Cannon, Carlson, Case of South Dakota, Church, Cooper, Curtis, Dirksen, Dworshak, Ellender, Ervin, Frear, Goldwater, Gore, Green, Gruening, Hayden, Hickenlooper, Hill, Holland, Hruska, Javits, Johnson of Texas, Johnston of South Carolina, Jordan, Kerr, Long of Hawaii, McClellan, Monroney, Morton, Moss, Mundt, Randolph, Robertson, Russell, Schoeppel, Scott, Sparkman, Stennis, Talmadge, Thurmond, Williams of Delaware, Yarborough.

Not voting, 14: Allott, Anderson, Capehart, Chavez, Eastland, Fulbright, Kennedy, McGee, Murray, Neuberger, O'Mahoney, Smathers, Symington, Wiley.

So Mr. MORSE's amendment, as modified, was rejected.

Mr. MORSE. Mr. President, I particularly call to the attention of the Cardinal the position I took on February 4, 1960, and I challenge him to find the slightest deviation in the record of the senior Senator from Oregon in respect to his continued support of a loan bill for private schools.

President Kennedy, through his administration and under the leadership of one of the most dedicated public servants I know, the Secretary of Health, Education, and Welfare, Mr. Ribicoff, presented to Congress early this year the administration's Federal aid to education proposals. The record is perfectly clear that the President did not include in his proposal any loans to private, secondary and elementary schools.

The record is perfectly clear that on February 4, 1960, the President of the United States, then a Senator from Massachusetts, was paired against the amendment of the senior Senator from Oregon. I do not speak for the President when I make these remarks, and I speak only for the record, but the record is perfectly clear that the President of the United States has followed a consistent course of action on this highly volatile subject. He has taken the position that he questioned the constitutionality of loans to elementary and secondary schools under any blanket uniform application of the loans to private schools.

The record is clear that at various times this year in statements he has released to the public and in his press conferences the President of the United States has taken the position that he thinks there is a difference between a loan program for private elementary and secondary schools and a loan program, or in some instances grants, to institutions of higher learning which are also private educational institutions. The President and I have not been in complete agreement on the legal distinctions which his advisers have given to him in regard to this matter.

As my colleague from Pennsylvania [Mr. CLARK], who is in the Chamber, knows, being a very able member of my subcommittee, when this question was under discussion during the hearings, I filed, on several occasions, a caveat in regard to the position of the President both as to his recommendations concerning loans to private elementary and secondary schools and his statement of approval of loans to private schools of higher education for specific purposes.

It is well known in the Senate that after the administration's Federal aid to education bill was offered, the Catholic bishops assembled in Washington, D.C., on March 2, and issued a statement which I shall read in a moment. That statement was interpreted—and I think rightly so—as taking a position on their part that if there was to be Federal aid to public schools, there would also have to be Federal aid to private schools, if their support was to be obtained.

We are all familiar with the newspaper comment at the time. Many articles were written to the effect that the Catholic bishops and hierarchy had laid down a mandate. That resulted in a division of opinion.

I said at the hearings that I thought their strategy was ill advised and I hoped they would change it. I still think so. It is not too late. However that action gave rise in Congress—and let us be frank about it—to various proposals for combining in one bill aid to public schools and aid to private schools. These proposals were not consistent with the President's program.

It was my responsibility—and I did not ask for it, but it resulted from my position on the Committee on Labor and Public Welfare—to be the administration's leader both in committee for Federal aid to education legislation, and also in the Senate.

It is no secret, but a matter of common knowledge, that a series of policy conferences took place, as the Senator from Pennsylvania and the Presiding Officer of the Senate [Mr. PELL] are well aware, as to what the legislative program should be. Members of the Committee on Labor and Public Welfare met from time to time with representatives of the administration, including representatives from the White House and including the Secretary of Health, Education, and Welfare together with his policy advisers and legal assistants.

There is no question about the fact that the position taken by the Catholic spokesmen in their pronouncement of March 2 received careful consideration within Congress on the part of those of us who had the responsibility to seek to carry through Congress the President's program on Federal aid to education.

It is no secret that in those conferences—and I will speak only for myself. I took the position of keeping aid for public schools separated as an issue from aid for private schools. I think it will be agreed by all my colleagues, because of my position as chairman of the subcommittee I shared, at least, the responsibility for keeping the issues separated. I opposed adding to the administration bill any amendments calling for aid to private schools. I took the position—and I am as firmly convinced tonight of its correctness as when I took it—that we had two distinct legislative jobs confronting us in this field. One was to pass a Federal aid bill for public schools, and the other was to pass for private schools, within the constitutional framework of this Government a separate Federal aid bill.

Silence on these very delicate problems is not going to solve them. The American people know whereof I speak. Catholics, Protestants, Jews, and others by an overwhelming majority cannot escape the conclusion that I now state. It is that no good could have been accomplished by intermingling in a bill for Federal aid to public schools provisions

for aid to private schools. If there are any doubters among us, let them read the public record of the hearings before the Subcommittee on Education. The hearings leave no room for doubt as to the soundness of the conclusion I have just stated. Testimony was taken from witnesses representing all denominations. It was sincere and honest testimony which convinced me that if we try to intermingle these two types of aid, we will raise in this country a religious issue of serious proportions. In my judgment such an issue is not good for this Republic. It does not need to be raised in order to settle this matter which can be settled right and in accordance with the legitimate interests of both the public and the private schools.

I said so at the time, and I say so now. I said it when witnesses for the Catholic point of view appeared before our committee. I demonstrated my good faith to them. Of course I could not give any pledge or assurance nor could any Senator that if we kept the two subject matters, aid to public schools and aid to private schools, separate, that it would be possible to pass both bills in this session of Congress.

I also said, and I am completely convinced that I am right, that if an attempt were made to commingle the two, there would be no chance to pass either of them; that to do so would kill legislation for Federal aid to education.

I say most respectfully, that I do not believe the position taken by the cardinal in the past several months and today has been at all helpful in advancing the cause either of a separate bill for Federal aid to public schools or a separate bill for Federal aid to private schools. So far as I am concerned, the cardinal will have to take his share of the responsibility for the twin facts that Congress has neither passed a bill for Federal aid to education for the benefit of public schools, nor has it proceeded, as I think it would have by now, toward the passage of a proper, fair, reasonable, and constitutional Federal aid bill for private schools.

I do not intend to let His Eminence shift this burden to my back merely because I stood up at Philadelphia, in compliance with the responsibilities which I owe to the voters of Oregon and the Nation, to set forth the facts as I see them about what has happened in the Federal aid to education controversy during this session of Congress.

Mr. President, I have referred to the statement of the Catholic spokesman issued on March 2, 1961. Now I shall read it into the RECORD.

CATHOLIC STATEMENT

Following is the text of a March 2 statement on Federal aid to education issued by Archbishop Karl J. Alter, of Cincinnati, chairman of the administrative board of the National Catholic Welfare Conference, following a March 1 meeting of the board.

Board members attending the meeting included Cardinals Francis Spellman, of New York, James Francis McIntyre, of Los Angeles, Richard Cushing, of Boston, Albert Meyer, of Chicago, and Joseph Ritter, of St. Louis; Archbishops Alter, William E. Cousins, of Milwaukee, and John F. Dearden, of Detroit; and Bishops Albert E. Zuroweste, of Belleville, Ill., Joseph M. Gilmore of Helena, Mont., Lawrence T. Shehan, of Bridgeport, Conn., Allen J. Babcock, of Grand Rapids, Mich., and Emmett M. Walsh, of Youngstown, Ohio.

"Yesterday the administrative board met and considered in addition to the routine questions the particular problem of Federal aid to education. In the absence of the official minutes I think I can summarize the discussion fairly and briefly as follows:

"1. The question of whether or not there ought to be Federal aid is a judgment to be based on objective economic facts connected with the schools of the country and consequently Catholics are free to take a position in accordance with the facts.

"2. In the event that there is Federal aid to education we are deeply convinced that in justice Catholic school children should be given the right to participate.

"3. Respecting the form of participation, we hold it to be strictly within the framework of the Constitution that long-term, low-interest loans to private institutions could be part of the Federal aid program. It is proposed, therefore, that an effort be made to have an amendment to this effect attached to the bill.

"4. In the event that a Federal aid program is enacted which exclude children in private schools these children will be the victims of discriminatory legislation. There will be no alternative but to oppose such discrimination."

Mr. President, that statement, as we all know, brought forth a controversy in the press. Statements and counterstatements were made by Catholic spokesmen and non-Catholic spokesmen. It was from that controversy that this all-or-nothing charge arose. There is no question that there were those in the House who left no room for doubt in their public statements that they were presenting what was referred to as the Catholic point of view. It was simply, that unless the bill was a joint bill and included aid for the private schools, there would be no bill.

The record is perfectly clear that many took the position that the bill should include not only loans, but also grants. There were those in the House, who, in making public statements about the private schools aid issue, who referred to various briefs on the constitutional question in support of grants, and contended that Catholic schools and other private parochial schools were as much entitled to grants as were public schools.

That controversy left no room for doubt in my mind that it was necessary to keep these two issues separate. I had been convinced before, but, if I had never studied the matter, I would not have needed any further evidence than the statements which were then being made by both Catholic and non-Catholic spokesmen following the release of March 2. I said then, and I repeat tonight, that the statement of the Catholic bishops was ill advised.

However, I will not assume responsibility for the mistakes of Cardinal Spellman and his associates when it comes to this legislative record. I have fought hard, and I intend to continue to fight hard, to do justice to millions of boys and girls in the secondary and elementary schools of the country who are attending private schools. Senators have heard me make the argument many times, because this is an old issue with me. I came to the Senate in 1945, having been elected in 1944. I have participated in every Federal-aid-to-education debate in this body for 17 years. I have been either the author or the cosponsor of practically every Federal-aid-to-education bill that has ever been introduced in the Senate. I was one of the cosponsors of the Taft bill of 1947 and of the Thomas bill of 1949, and was the author of my own bills introduced from time to time since 1949.

I say most respectfully to His Eminence, the cardinal, that I should like to have him produce a record of any Member of Congress in the past 17 years which is more consistent and more vigorous in its defense of support for Federal aid within the limitation of the Constitution of the United States, including its first amendment to little boys and girls in the public and private elementary and secondary schools of this country.

Mr. President, the cardinal cannot repeal the first amendment by seeming to ignore it. It is there; and until the Supreme Court of the United States hands down a decision on all fours, as we lawyers say, it will remain. We need a Court ruling that grants to private schools, elementary and secondary, are constitutional—yes, or a ruling that loans to private elementary and secondary schools, at a cost for the use of the money interest rate, are constitutional. Until such a ruling is received, the cardinal cannot justify leaving an impression which, I respectfully say, his release leaves, irrespective of whether it was designed to leave it or not, that some freedom of the Catholics of the United States is being denied to them by those of us who take the position that a Federal-aid-to-education bill for public schools in this country should be passed.

Mr. President, I have no desire to discriminate against Catholic parents. On the contrary, my desire is to see to it that Catholic parents are given every possible right they have under the Constitution. They should have the full benefit of any Federal education aid the Constitution can make available to them. But as a lawyer I am satisfied that the cardinal is wrong, as a matter of constitutional law, if he seeks to give to the American people the impression that we have discriminated against his religious constituents because we have introduced and passed in the Senate a public school bill which does not provide, in any section, aid for private schools.

In fact, he could not be more wrong, so far as I am concerned, because very early in this controversy this year, on March 29, 1961, a great friend of education, in the Senate—and I engage in understatement when I refer to him as one of the great leaders in this body in connection with all legislative matters involving school problems—the Senator from Pennsylvania [Mr. CLARK] with me, introduced Senate bill 1482. This was a bill to authorize loans to private, nonprofit schools for the construction of elementary and secondary school facilities. Mr. President, I take judicial notice that the cardinal is well aware of that bill. In fact, I go further, and take judicial notice that the cardinal must know, and

knew before he issued his release this morning, that I stand squarely behind Senate bill 1482. I should like to have the cardinal's support of that bill. The press release he really should have issued would have been one in support of Senate bill 1482.

But there is a very interesting factor in this situation: The Senator from Pennsylvania and I introduced this bill, and we began to urge that hearings be held on it. Now I speak only for myself when I say for the record, tonight, that legislative representatives of the Catholic spokesmen urged me not to press for hearings on Senate bill 1482. Why? Well, they gave some interesting reasons; but there was no doubt in my mind that one of the reasons was that the bill contained section 6. In my judgment—and my colleagues have heard me say this before, but I shall repeat it now—the very emotional, volatile issue in this country in regard to application of the first amendment of the Constitution to Federal aid to education legislation for private schools will not be settled until there is a final Supreme Court decision on the subject matter.

The sooner we get it, the better; and again, tonight I make a plea to both the private school advocates and the public school advocates that they get behind a bill such as the Clark-Morse bill, S. 1482, to get it passed, and get it to the Court, for judicial review.

One of our legal difficulties in regard to a matter such as this is to work out, for inclusion in such a bill, a provision which will give the best assurance that lawyers can give that the bill will go through the legal processes and the judical processes to the Supreme Court. To do this we wrote the following language into the bill:

JUDICIAL REVIEW

SEC. 6. (a) Any school whose application for a loan has been denied by the Commissioner under the provisions of subsection (a) of section 4 of this Act may bring a civil action to obtain a review of the final decision of the Commissioner.

(b) Any citizen of the United States upon whose taxable income there was imposed an income tax under section 1 of the Internal Revenue Code of 1954 for the last preceding calendar or taxable year and who has paid any part of such income tax, may bring a civil action against the Commissioner to restrain or enjoin him from taking any action under this Act which the plaintiff challenges as invalid under the first amendment to the Constitution. No additional showing of direct or indirect financial or other injury, actual or prospective, on the part of the plaintiff shall be required for the maintenance of any such action.

(c) Any school which is denied a loan or which has had the amount of the loan it receives reduced because of the lack of funds available in a particular year, may bring a civil action to obtain a review of the decisions of the Commissioner extending loans to other schools insofar as the other loans are claimed to be invalid under the first amendment to the Constitution.

(d) Any action brought under the preceding subsections of this section must be commenced within sixty days after the final decision of the Commissioner. Such action shall be brought in the district court of the United States for the District of Columbia. Upon the commencement of such action the Commissioner shall file in the court the record of the proceedings upon which the findings or decision complained of are based. The district court of the United States for the District of Columbia shall have jurisdiction to hear and determine any such action, and the court shall have power to enter, upon the pleadings and record of proceedings a judgment affirming, modifying, or reversing the decision of the Commissioner. The findings of the Commissioner as to any fact, if supported by substantial evidence, shall be conclusive, but all rulings of law, conclusions of law, and mixed conclusions of fact and law made under subsection (a) of section 4, shall be subject to unlimited judicial review. Any party to such action aggrieved by a final order entered therein by the district court relating to clause 7 of subsection (a) of section 4 shall be entitled to a review thereof by the Supreme Court through the filing in that court, within sixty days after the entry of that order, of an appeal therefrom. Any party to such action aggrieved by a final order entered by the district court on any other ground shall be subject to review in the same manner as a judgment in other civil actions. Any such action pending before any court for hearing, determination, or review shall be heard, determined, or reviewed at the earliest practicable time, and shall be expedited in every practicable manner. Any action instituted in accordance with this Act shall survive notwithstanding any change in the person occupying the office of Commissioner or any vacancy in such office.

That section is a vital part of the bill. I was surprised when Catholic legislative spokesmen said to me that they were somewhat disturbed about that section; that they preferred a bill calling for aid to private schools, without a judicial review section in it.

To have complied with that request would only postpone a final determination of what somehow has to be determined in this country. We must determine the extent to which the first amendment of the Constitution is applicable to any bill providing aid to private schools. But, Mr. President, I am prefectly willing to let the record speak for itself as to whether or not the senior Senator from Oregon has turned against the interests of private schools in the light of this bill.

Mr. President, I ask unanimous consent that the full text of S. 1482 be printed at this point in my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1482—87TH CONGRESS, 1ST SESSION

(In the Senate of the United States, March 29, 1961: Mr. CLARK (for himself and Mr. MORSE) introduced a bill; which was read twice and referred to the Committee on Labor and Public Welfare)

A bill to authorize loans to private nonprofit schools for the construction of elementary and secondary school facilities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Private School Construction Loan Act of 1961".

DEFINITIONS

SEC. 2. For the purpose of this Act—

(1) The term "Commissioner" means the United States Commissioner of Education.

(2) The term "State" includes the District of Columbia, Puerto Rico, Guam, and the Virgin Islands.

(3) The term "elementary school" means a school which provides elementary education, as determined under State law.

(4) the term "secondary school" means a school which provides secondary education, as determined under State law.

(5) The term "facilities" means classrooms and related facilities (including furniture, instructional materials other than textbooks, equipment, machinery, and utilities necessary or appropriate for school purposes) for elementary and secondary schools, and interests in land (including site, grading, and improvement) on which such facilities are constructed. Such term does not include athletic stadiums, or structures, or facilities intended primarily for events, such as athletic exhibitions, contests, or games, for which admission is to be charged to the general public. Furthermore, such term does not include classrooms or other facilities used exclusively or primarily for education beyond grade 12.

(6) The terms "constructing" and "construction" include the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extendng school facilities; and the inspection and supervision of the construction of school facilities.

LOAN AUTHORIZATION

SEC. 3. The Commissioner is authorized and directed to make loans, from funds provided pursuant to section 11 of this Act, to private nonprofit schools in the States for constructing elementary and secondary school facilities, upon determining that such schools meet the criteria provided in subsection (a) of section 4. The total amount of such loans which shall be allocated to such schools in each State for each year for which funds are provided pursuant to section 11 shall be an amount which bears the same ratio to the total amount provided in such year pursuant to such section 11 as the private nonprofit elementary and secondary school population in such State bears to the total such population for all the States. For the purpose of this section the Commissioner shall use populations for the most recent year for which satisfactory data are available to him. Such loans—

(1) shall be made upon application containing such information as may be deemed necessary by the Commissioner to satisfy himself that the applicant meets the criteria stated in section 4 of this Act;

(2) shall be subject to such conditions as may be necessary to protect the financial interest of the United States;

(3) may be in an amount not exceeding the total construction cost of the facilities for which made, as determined by the Commissioner, and shall bear interest at a rate determined by the Commissioner, which shall be not less than the total of one-quarter of 1 per centum per annum added to the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the date on which the contract for the loan is made and adjusted to the nearest one-eighth of 1 per centum; and

(4) shall be subject to recall upon a final court ruling that the loans in question have been made in violation of the first amendment to the Constitution; and

(5) shall mature and be repayable on such date as may be agreed to by the Commissioner and the borrower, but such date shall not be more than forty years after the date on which such loan was made.

If any part of the total funds allocated to schools within a State under the provisions of this Act remains unused at the end of either of the first two fiscal years in which funds are made available under this Act, it shall be reallocated at the discretion of the Commissioner for loans under the provisions

of this Act to schools in other States. Such reallocated sums shall be over and above the sums provided in the succeeding fiscal year under section 11 of this Act.

CRITERIA FOR LOANS

SEC. 4. (a) The Commissioner is directed to make a loan as long as funds are available as provided in section 11 of this Act, subject to the provisions of section 3, whenever he finds the following criteria are met:

(1) the school applying for the loan normally maintains, or will maintain upon completion of planned construction projects, a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance where the school's educational activities are regularly carried on;

(2) the school applying for the loan is owned and operated by an organization entitled to exemption under the provisions of section 501(a) of the Internal Revenue Code of 1954;

(3) the school applying for the loan provides elementary or secondary education as determined by State law;

(4) the school applying for the loan does not in fact practice discrimination in its entrance requirements on the basis of race or color;

(5) the loan will be used for constructing facilities as defined in section 2 of this Act;

(6) the school supplies assurances satisfactory to the Commissioner of its ability to repay the loan with interest; and

(7) the making of the loan will not violate the first amendment to the Constitution.

(b) If a loan satisfies the criteria of subsection (a) of this section and there are funds available, the Commissioner is directed to make the loan in the amount applied for (subject to the provisions of section 3 of this Act), unless he finds that this amount is excessive in relation to the number of students in attendance or likely to attend the applicant school or in relation to applications by other schools in the same State.

ADMINISTRATIVE PROCEDURES

SEC. 5. The Commissioner shall not finally deny an application for a loan under this Act except after reasonable notice and opportunity for a hearing to the applicant. If the loan is denied, the Commissioner is directed to make separate findings on each of the criteria provided in subsection (a) of section 4 of this Act, to state specifically the criterion or criteria which the loan application failed to satisfy, and, if he deems it practicable, to state the amount of the loan which he would deem proper under subsection (b) of section 4 if the criteria of subsection (a) of section 4 were satisfied.

JUDICIAL REVIEW

SEC. 6. (a) Any school whose application for a loan has been denied by the Commissioner under the provisions of subsection (a) of section 4 of this Act may bring a civil action to obtain a review of the final decision of the Commissioner.

(b) Any citizen of the United States upon whose taxable income there was imposed an income tax under section 1 of the Internal Revenue Code of 1954 for the last preceding calendar or taxable year and who has paid any part of such income tax, may bring a civil action against the Commissioner to restrain or enjoin him from taking any action under this Act which the plaintiff challenges as invalid under the first amendment to the Constitution. No additional showing of direct or indirect financial or other injury, actual or prospective, on the part of the plaintiff shall be required for the maintenance of any such action.

(c) Any school which is denied a loan or which has had the amount of the loan it receives reduced because of the lack of funds available in a particular year, may bring a civil action to obtain a review of the decisions of the Commissioner extending loans to other schools insofar as the other loans are claimed to be invalid under the first amendment to the Constitution.

(d) Any action brought under the preceding subsections of this section must be commenced within sixty days after the final decision of the Commissioner. Such action shall be brought in the district court of the United States for the District of Columbia. Upon the commencement of such action the Commissioner shall file in the court the record of the proceedings upon which the findings or decision complained of are based. the district court of the United States for the District of Columbia shall have jurisdiction to hear and determine any such action, and the court shall have power to enter, upon the pleadings and record of proceedings a judgment affirming, modifying, or reversing the decision of the Commissioner. The findings of the Commissioner as to any fact, if supported by substantial evidence, shall be conclusive, but all rulings of law, conclusions of law, and mixed conclusions of fact and law made under subsection (a) of section 4, shall be subject to unlimited judicial review. Any party to such action aggrieved by a final order entered therein by the district court relating to clause 7 of subsection (a) of section 4 shall be entitled to a review thereof by the Supreme Court through the filing in that court, within sixty days after the entry of that order, of an appeal therefrom. Any party to such action aggrieved by a final order entered by the district court on any other ground shall be subject to review in the same manner as a judgment in other civil actions. Any such action pending before any court for hearing, determination, or review shall be heard, determined, or reviewed at the earliest practicable time, and shall be expedited in every practicable manner. Any action instituted in accordance with this Act shall survive notwithstanding any change in the person occupying the office of Commissioner or any vacancy in such office.

LABOR STANDARDS

SEC. 7. All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality to be determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276c–5) for construction projects financed under this Act, and every such employee shall receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any workday or forty hours in the workweek, as the case may be; but the Commissioner may waive the application of this section in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of the project, voluntarily donate their services for the purpose of lowering the costs of construction and the Commissioner determines that any amounts saved thereby are fully credited to the school undertaking the construction. The Secretary of Labor shall have with respect to the labor standards specified in this provision the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z–15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

ADMINISTRATIVE PROVISIONS

SEC. 8. (a) The Commissioner may delegate any of his functions under this Act, except the making of regulations, to any officer or employee of the Office of Education.

(b) In administering the provisions of this Act, the Commissioner is authorized to utilize the services and facilities of any agency of the Federal Government and of any other public or other nonprofit agency or institution in accordance with appropriate agreements, and to pay for such services either in advance or by way of reimbursement, as may be agreed upon.

GENERAL PROVISIONS

SEC. 9. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this Act the Commissioner, notwithstanding the provisions of any other law, shall—

(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended; and

(2) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That such financial transactions of the Commissioner as the making of loans and vouchers approved by the Commissioner in connection with such financial transactions shall be final and conclusive upon all officers of the Government.

(b)(1) Funds made available to the Commissioner pursuant to the provisions of this Act shall be deposited in a checking account or accounts with the Treasurer of the United States. Receipts and assets obtained or held by the Commissioner in connection with the performance of his functions under this Act, and all funds available for carrying out the functions of the Commissioner under this Act (including appropriations therefor, which are hereby authorized), shall be available, in such amounts as may from year to year be authorized by the Congress, for the administrative expenses of the Commissioner in connection with the performance of such functions.

(2) The Commissioner is authorized (A) to prescribe a schedule of fees which, in his judgment, would be adequate in the aggregate to cover necessary expenses of making inspections (including audits) and providing representatives at the site of projects in connection with loans under this Act, and (B) to condition the making of such loans on agreement by the applicant to pay such fees; and, if such fees are prescribed, the Commissioner's expenses for such purposes shall be considered nonadministrative. For the purpose of providing such services, the Commissioner may, as authorized by section 8(b), utilize any agency, and such agency may accept reimbursement or payment for such services from such applicant or from the Commissioner, and shall, if a Federal agency, credit such amounts to the appropriation or fund against which expenditures by such agency for such services have been charged.

(c) In the performance of, and with respect to, the functions, powers, and duties vested in him by this Act, the Commissioner, notwithstanding the provisions of any other law may—

(1) prescribe such rules and regulations as may be necessary to carry out the purposes of this Act;

(2) sue and be sued in any court of record of a State having general jurisdiction or in any district court of the United States, and such district courts shall have jurisdiction of civil actions arising under this Act without regard to the amount in controversy; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Commissioner or property under his control, and nothing herein shall be construed to except litigation arising out of activities under this Act from the application of sections 507(b) and 2679 of title 28 of the United States Code and of section 367 of the Revised Statutes (5 U.S.C. 316);

(3) foreclose on any property or commence any action to protect or enforce any right

conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any property in connection with which he has made a loan pursuant to this Act; and, in the event of any such acquisition (and notwithstanding any other provisions of law relating to the acquisition, handling, or disposal of real property by the United States), complete, administer, remodel and convert, dispose of, lease, and otherwise deal with, such property: *Provided*, That any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

(4) enter into agreements to pay annual sums in lieu of taxes to any State or local taxing authority with respect to any real property so acquired or owned;

(5) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

(6) obtain insurance against loss in connection with property and other assets held;

(7) subject to the specific limitations in this Act, consent to the modification, with respect to the rate of interest, time of payment of any installment of principal or interest, security, or any term of any contract or agreement to which he is a party or which has been transferred to him pursuant to this section; and

(8) include in any contract or instrument made pursuant to this section such other covenants, conditions, or provisions as he may deem necessary to assure that the purposes of this Act will be achieved.

PROHIBITION AGAINST FEDERAL CONTROL

SEC. 10. Nothing contained in this Act shall be construed as authorizing a department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over, or impose any requirements or condition with respect to, the personnel, curriculum, methods of instruction, or administration of any educational institution.

FINANCING

SEC. 11. (a) In order to obtain funds for loans under this Act, the Commissioner may, on or after July 1, 1961, from time to time issue notes and obligations for purchase by the Secretary of the Treasury. The maximum aggregate principal amount of such notes and obligations outstanding at any one time shall not exceed (1) the sum of $105,000,000 until June 30, 1962, inclusive; (2) the sum of $222,000,000 from July 1, 1962, until June 30, 1963; inclusive; and (3) the sum of $351,000,000 from July 1, 1963, and thereafter.

(b) Notes or other obligations issued by the Commissioner under this Act shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Commissioner, with the approval of the Secretary of the Treasury, and shall bear interest at a rate determined by the Secertary of the Treasury which shall be not less than the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the issuance by the Commissioner and adjusted to the nearest one-eighth of 1 per centum. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Commissioner issued under this Act and for such purpose is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public-debt transactions of the United States.

(c) There are hereby authorized to be appropriated to the Commissioner such sums as may be necessary, together with loan principal and interest payments made under this Act, for payments on notes or other obligations issued by the Commissioner under this section.

SEPARABILITY

SEC. 12. If any provision of this Act is held invalid, the remainder of the Act shall not be affected thereby.

Mr. MORSE. Mr. President, to the Catholic leaders of this country, I say that I am ready to go to hearings on this bill at any time I can get support for hearings on it. Sooner or later, in my judgment, such a bill as this is going to have to be the legislative format for Federal aid to private schools, if we are going to have any blanket aid by way of a loan program to elementary and secondary schools in this country.

We all know what happened after the Clark-Morse bill was introduced and after it became perfectly clear that the administration was going to hold firm in the presentation of S. 1021, which was the general public school Federal aid bill that passed the Senate.

We know that during the debate on S. 1021 an amendment was offered on the floor of the Senate seeking to provide loans to private schools. The RECORD will show that the senior Senator from Oregon was asked to explain why he was not supporting the amendment in 1961 when the principle was the same as it was when he offered his amendment on February 4, 1960.

The RECORD will show that I said—and I paraphrase—that among many reasons there were two important differences: First, that the administration, which I had the responsibility of serving as chairman of the Subcommittee on Education, wanted to keep the public school issue separate and distinct from the private school issue. Second, I had given further consideration to this matter since 1960, and I had come to the conclusion that I agree with the administration's position; I had not changed my position in regard to the desirability of Federal loans to private schools, but I was of the opinion that President Kennedy was right when he took the position that the two issues, so far as elementary and secondary school aid were concerned, should be kept separate. That is my position tonight.

Mr. President, does the record that I have thus far disclosed indicate that I am actually, if not intentionally, discriminatory, unwittingly anti-Catholic, and indirectly subversive of all private education?

I say, most respectfully, that the cardinal must have suffered a lapse of memory this morning when he released that statement. Let me give His Eminence assurance that there is not the slightest bit of anti-Catholicism in me. And let the record speak of my defense at all times of religious freedom in this country, and my opposition at all times to the ugly head of bigotry and intolerance that rears itself from time to time on the religious issue in this country.

I am a forgiving soul, Mr. President, and I forgive the Cardinal for that unfortunate remark in his press release, which subtly gives the impression that the senior Senator from Oregon unwittingly is anti-Catholic.

The cardinal says in his press release:

> Any impartial person who has studied this controversy must be disturbed by the pressures that have been exerted against Catholics to obtain their approval of the administration's bill.

I think, in all fairness, the cardinal ought to have frankly pointed out that there have been tremendous pressures on the part of Catholic lobbyists against the administration's bill unless it included the demands of the legislative representatives of the Catholics.

I think the time has come when the kind of an attack contained in the cardinal's statement ought to be parked at the doors of any forum in which this subject matter is to be debated. We ought to debate this subject matter on the basis of the merits of the issue. It should be debated on the basis of the merits of the question as to whether or not we can best serve the needs of millions of little boys and girls in the elementary and secondary schools of this country, both public and private, by insisting upon a legislative vehicle which combines aid to public schools and private schools. To insist upon combining the two is certain to stir up heated controversy in this country and, in my judgment, to do so will prevent the passage of any legislation until leaders on both sides of the controversy are able to say, "We are willing to go ahead and handle a public school bill, and then handle a private school bill."

I have always taken that position. I say it is the position we ought to take now, it is not too late to do so. We ought to stay in session all of October, if necessary, in order to put this highly volatile issue behind us.

In my judgment, we, as a Congress, do not serve the best interests of our Republic by letting this issue go on unanswered and unattended. I think we have a solemn trust to get legislation on this subject matter passed this fall which contains provisions for final judicial review, similar to section 6 of the Clark-Morse bill, to permit the constitutional issue to be settled.

Why did the Senator from Pennsylvania and the Senator from Oregon write in S. 1482 the language in section 6? We did it in order to provide a means which would permit the courts to pass upon the issue which the Supreme Court said it could not pass upon, under the procedure which was followed in the famous Massachusetts case. Why? Because the taxpayer who brought the issue was seeking, in effect, to bring an action against the Government, and the Court found he was not in a position to show any real out-of-pocket interest in regard to the controversy. Therefore, in our judicial review section, section 6 of our bill, we have

sought by the proposed legislation to authorize the bringing of the case.

Mr. President, the Senator from Pennsylvania and the Senator from Oregon did not write that language. We had much to say about the language, after careful study, but we had the advice of the U.S. Department of Justice, of the Offices of the Attorney General, and the Solicitor General. I am not saying they passed any final opinion on the language, but I should like to have the RECORD show the care with which the Senator from Pennsylvania and the Senator from Oregon proceeded in order to get section 6 in a written form which we as lawyers think will stand the test of court litigation and will result in the legislation, if passed, finally being subjected to judicial review by the Supreme Court.

Mr. President, the Cardinal says in his press release:

> If Senator MORSE feels that the economic needs of our schools call for a program of Federal aid, let him propose legislation which will solve our educational problems in conformity with constitutional principles and provide equal justice for all America's children.

That is exactly what I have done, Mr. President. If what the cardinal means is that I ought to provide for legislation which will give grants for private schools, as S. 1021 provides grants for public schools, my reply to him is, "The first amendment stands in the way."

If what the Cardinal is asking me to do is to propose legislation which I am satisfied is unconstitutional, my answer to him is, "I cannot oblige and accommodate."

What I shall continue to do, Mr. President—and I am sure the Cardinal knows it, on the basis of my record—is to offer legislation such as I have already offered along with the Senator from Pennsylvania in S. 1482, which provides what I consider to be the maximum help we can provide to private schools by way of loans with a nonsubsidy, interest-bearing rate, until the courts pass final judgment on the issue.

Mr. President, in his press release, after the Cardinal makes the comment I have just quoted, he goes on to say:

> If, however, the Senator's convictions or sense of political expediency will not permit him to do this, then we beseech him at least to refrain from fanning the embers of religious discord, for now is the hour of crisis when all Americans should stand together and safeguard our free and beloved Nation.

I say, Mr. President, in all good nature, I am sorry the Cardinal saw fit to use subtle language which might be interpreted by many to carry with it an implied charge against the Senator from Oregon that the position he has taken on this issue involves a sense of political expediency.

I am sure I need not tell the Cardinal that the position I am taking is anything but politic. I wish the Cardinal could have heard some of the gratuitous but well-intentioned advice I received from colleagues in the Senate this afternoon, who heard I was going to reply to the Cardinal's press release. They urged me not to, and their urgings can be summarized by saying their advice was, "You have everything to lose politically by replying to the Cardinal."

Mr. President, I never have failed—and I do not intend to start with this press release—to make a statement on the floor of the Senate in answer to a position which I think is a wrong position and against the public interest taken by anyone in this country, I care not what his station, profession, or walk of life may be.

I should like for the Cardinal to know that there is no motivation of political expediency on my part, because if I were to act in a politically expedient manner in regard to this I would engage in complete silence. I do not intend on this issue to trim my sails of responsibility and trust, which I owe to the people of my State, simply because it brings me in conflict with powerful political forces, economic or religious, in my country.

I believe that the Cardinal is dead wrong in the policy he has followed on this question, and I shall publicly say so. That is all I did in Philadelphia, and in essence that is what I am doing tonight in the Senate.

I repeat the Cardinal's statement:

> If, however, the Senator's conviction or sense of political expediency will not permit him to do this, then we beseech him at least to refrain from fanning the embers of religious discord, for now is the hour of crisis when all Americans should stand together and safeguard our free and beloved Nation.

I say most respectfully that it is not the Senator from Oregon who is fanning the embers of religious discord. It is not the Senator from Oregon who is taking a position which can split this Republic on this issue. If the Catholic hierarchy had backed up the great President of this country early this year and given him what I think was due to him—their undivided support for his program for Federal aid to public schools—and if at that time they had taken the position, which I think is an absolutely sound one, that they believed there is also aid which can constitutionally be given to private schools, and had urged upon this administration the support of such legislation also, they would have, in my judgment, engaged in both educational and political statesmanship of high order.

I made that statement to them at the time. I say it to them again tonight.

But the argument of the Cardinal is interesting. It is an interesting sociological and psychological phenomenon that I have observed from time to time in regard to minority groups. I can understand a sensitivity in the face of opposition, a temptation to make a quick assumption, that opposition to what the minority group stands for springs from an intolerant attitude toward the group.

I am well aware of the fact that there is much intolerance in this country on religious grounds. One could not go through the historic campaign of 1960 without knowing that. I was in that campaign. I campaigned for the President of the United States in that campaign. I know whereof I speak when I say that, at meeting after meeting, I ran into shocking evidence and demonstration of religious bigotry and intolerance. I answered it in speech after speech. I remember, I answered it in one very highly explosive situation in one speech in which I was challenged, because I was supporting a great candidate of my party for the Presidency who was a Catholic. I was confronted with all the arguments that we in the Senate know that intolerant, highly prejudiced, and bigoted people expressed in that campaign. In speech after speech I met the bigotry head on. That is why I think it at least was inconsiderate, if not unkind, for the Cardinal, by implication, to issue a press release which might cause many in our country to assume falsely that the Senator from Oregon is anti-Catholic and is fanning the embers of religious discord.

On the contrary, I merely disagree with the Cardinal and his associates in regard to a temporal legislative issue on the subject of Federal aid to education. I disagree with the Cardinal and his associates as to the legislative form in which that issue should be handled in Congress. I disagree with the Cardinal and his associates that we can go as far as they think we can go under the Constitution in regard to grants to private schools. That is the issue. It has nothing to do with matters of religion.

If the Cardinal does not know it, I tell him now that I will yield to no one in the Senate, including my Catholic colleagues in the Senate, in standing up and fighting with all the vigor at my command any attempt in this country to kindle the fires of religious intolerance against Catholics, Jews, Quakers, Presbyterians, or Congregationalists. The Congregational Church happens to be my own church, and we have a very interesting history in the early days of this Republic in regard to intolerance shown against us, too.

But I say most respectfully that these implications in the Cardinal's press release are merely non sequiturs. They have nothing to do with the present legislative issue. The issue is how can we best, and in what legislative form is it most proper to come to the financial assistance of great numbers of both public and private school children in this country who are not being given an opportunity for maximum development of their intellectual potential.

The Cardinal has referred in his press release to triple taxation. I say most respectfully that this is an appeal to emotion and not to fact. The cost of the public school construction will be the same whether the payment for it comes from Federal, State, or local governments, or from any combination of those tax sources. The Cardinal knows that. But I say most respectfully that he is overlooking a great benefit of some relief from future local tax increases which would accrue to Catholic real property taxpayers as well as to Protestant, Jewish, and other taxpayers if S. 1021 or a similar bill were passed.

Why do I make that statement? It was brought out over and over again at our hearings that in school district after school district, in State after State in this country, real property taxes have reached such a point as to constitute an

unfair and unjust burden on the real property taxpayers.

Senators have heard me argue—and I refer to it again—that we need to follow a tax program for the support of our schools which is based upon what we call progressive taxation, not regressive taxation, as a real property tax is.

If we pass S. 1021 in both Houses of Congress—and there is no question about its being signed by President Kennedy—it will bring some relief in many a school district from future tax increases, to the advantage of real property taxpayers, Protestant and Catholic alike, along with Jewish taxpayers, and those of other denominations.

I am at a loss to understand what the Catholic spokesmen seem constantly to be overlooking, and that is, that when I am fighting, and my colleagues on the committee are fighting, for S. 1021, we are fighting for future tax relief for Catholic taxpayers as well as for relief of other taxpayers.

I know the Cardinal can say, "We still have to pay out of our own pockets to send our children to private schools." They certainly have a right to do it, and I will fight to protect them in the right. However, this is a very interesting argument that is presented to us. They have the right to send their children to private schools if they want to do so, for many constitutional reasons, not the least of which is the precious right of religious freedom in this country.

That right does not carry with it, however, an obligation on the part of the Federal Government to contribute to them as Catholic or Baptist or Presbyterian or any other denomination tax dollars to pay for the cost of educating their children in a private school.

In this argument we get to a point where we must draw a clear line of constitutional distinction. I hold to the point of view—and I have studied the cases and I have studied the briefs, including the briefs presented by the spokesmen for the Catholic leaders—and I can reach no other conclusion than that to make grants to elementary and secondary Catholic and other private schools in this country would be unconstitutional. I judge that the Cardinal not only finds himself in disagreement with me on that point of view, but does not like it because I take that point of view. I want to assure him that that conclusion is a legal conclusion, and is not colored or seasoned or influenced in any way by any prejudice against private schools.

Without taking the time to read it, I ask unanimous consent to insert in the RECORD an article published in the Wall Street Journal of May 16, 1961, commenting upon the Supreme Court's relatively recent decision in the Vermont school case. It was a case in which the Court refused to take certiorari. I respectfully say to the Cardinal this case is the latest clear evidence of the wisdom of the Senator from Pennsylvania and the Senator from Oregon in seeking to have passed a bill which would include language similar to that of section 6, the judicial review section, of S. 1482.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, May 16, 1961]

HIGH COURT LETS STAND A DECISION BARRING PUBLIC FUNDS TO AID PAROCHIAL STUDENTS

WASHINGTON.—The Supreme Court sidestepped a politically charged controversy over public aid to parochial schools.

The Court, in an unsigned order, refused to review a lower court decision that declared it unconstitutional for a Vermont school system to pay the tuition of high school students attending Roman Catholic schools.

By denying review, the Court does not set precedent; it could decide to hear a similar issue at some later time. But its action leaves the lower court decision standing, and this is likely to be interpreted by opponents of public aid to parochial schools as a vindication of their position.

President Kennedy has included himself among those opposing Federal aid to private and parochial schools. He injected into congressional debate on the administration's aid-to-education bill a detailed legal opinion interpreting past Supreme Court decisions as holding such aid unconstitutional. The debate continues with Senate leadership giving consideration to tacking onto the measure an amendment providing loans or grants to private and parochial schools for construction of classrooms used in the teaching of defense-related science and mathematics courses.

POLITICAL IMPORTANCE UNDERSCORED

The political significance of the Vermont case was underscored by Paul M. Butler, former chairman of the Democratic National Committee and one of the attorneys who filed the appeal with the Supreme Court. The case, the petition said, "furnishes an opportunity which may never come again to enlighten the President, the Congress, the States, the bench, the bar, the school authorities, the private educators, and the country as a whole, as to when the first amendment permits or prohibits, in the form of direct financial payments, public funds to sectarian schools or to their pupils."

The dispute centers about a 1915 Vermont law which permits a town that has no high school to pay the tuition of its pupils attending other public or private schools. The school district of South Burlington, Vt., made such payments for local students attending nearby schools, including three Catholic high schools.

A taxpayer, C. Raymond Swart, sued to enjoin the use of public funds for church-school tuition. The State supreme court of Vermont held that tuition payments to the parochial schools violated the Constitution's requirement that church and State remain separate.

PARENTS' POSITION

In appealing that decision, a number of parents of children attending the parochial schools argued that the Supreme Court has never ruled against the use of public money for general welfare legislation which happens, incidentally, to aid private schools.

They noted that Congress has passed laws which include financial grants to sectarian hospitals under the Hospital Construction Act, tuition payments to denominational colleges (including divinity schools) under the GI bill, disbursements to nonprofit, private schools under the Federal school lunch program and tuition payments directly to private and parochial schools attended by pages of the Supreme Court and Congress.

They noted, too, that of 42,429 public school systems in the United States, about 21,646 do not have their own high schools. A "substantial number" employ tuition-payment systems similar to that used in South Burlington, they contended.

The parents also called attention to the political debate going on in Congress on the administration's aid to education bill and the President's stand in that debate. They commented:

"It would seem manifest in these circumstances that a decision by this court not to review the (lower court) decision would be taken by the President and, perhaps, by a majority of Congress, as a reliable indication that the Vermont Supreme Court has construed the (Constitution) correctly and in a manner which the President believes the (U.S. Supreme Court) has already done."

Mr. MORSE. For the benefit of the Cardinal and his associates I wish to make clear that my position involves no denial of the right to educate privately. However, that right does not confer automatically a right to a grant of Federal funds for the support of private schools.

It is so easy, I say respectfully, to confuse the layman, who is not familiar with the highly technical constitutional law points, to leave the impression as the Cardinal does, that my position is discriminating against Catholics, and the implication that therefore I seek to be unfair to Catholics. There is not the slightest basis for any such implication so far as my motivation is concerned. I wish to say most respectfully that the Cardinal ought to join with me and be of as much assistance as he can be in trying to get this constitutional issue behind us. The best way he could help would be to throw his great influence and powerful prestige behind our private school bill, S. 1482, with whatever modifications hearings could show are necessary.

I am not married to that bill, let the record be clear. I am perfectly willing to accept any amendments which will make it a better bill. However, I am insisting that we ought to keep the private school issue separate from the public school issue. Mr. President, I am advised that a reference work in the Library of Congress, entitled "Facts on File," contains, on page 255 for the week of July 31 through August 6, 1949, the following information:

A dispute between Cardinal Spellman and Mrs. Eleanor Roosevelt ended August 4 when the Cardinal telephoned Mrs. Roosevelt and asked her to "go over" a statement in which he apparently modified church demands for Federal aid to education. His statement and one by Mrs. Roosevelt were released by the Cardinal's office August 5.

The Cardinal said that "We are not asking for general public support of religious schools" but only for "auxiliary services" such as transportation, nonreligious textbooks, and health aids. He denied seeking "public funds to pay for the construction of parochial school buildings or for the support of teachers, or for other maintenance costs."

I assume that is an accurate statement of the Cardinal's position in 1949. It corresponds not only with my recollection, but also with the check that I asked research assistants to make this afternoon. It is clear that the Cardinal has changed his position since 1949, as he certainly has a right to do.

But I say goodnaturedly that I am not the first person with whom the Cardinal has publicly disagreed on the subject of Federal aid to education. Of course, I am in most distinguished company when

I am in the company of, in my judgment, the first lady of the world, Mrs. Eleanor Roosevelt. She, too, did not receive the accolade of the good Cardinal; and I think he was just as wrong in his dispute with Mrs. Roosevelt as I consider him to be wrong in his dispute with me.

Mr. President, for the benefit of the Cardinal, I should like to make available to him the text of a radio broadcast I made on August 20, 1961, on the school issue. Without taking the time to read it, I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the text of the broadcast was ordered to be printed in the RECORD, as follows:

RADIO BROADCAST TO OREGON BY SENATOR WAYNE MORSE, AUGUST 20, 1961

FELLOW OREGONIANS: Many of you have undoubtedly read newspaper accounts of the difficulty in the Rules Committee of the House of Representatives which has prevented the House from acting on the series of education bills which have been approved by the House Education Committee. Two of these three bills have also been approved by the Senate Committee on Labor and Public Welfare. One of them, the bill extending for 3 years the program of grants to school districts affected by Federal activities and providing grants to the States for construction and teachers' salaries generally, has also been passed by the Senate. This was the general school aid bill, of which I was the author in the Senate.

Unfortunately, the House Rules Committee has gotten itself into an impasse over Federal aid to education. Some committee members refuse to allow a public school bill to go before the House unless a measure providing loan assistance for private schools is also sent to the House. Other members who are equally opposed to loan aid for private schools are refusing to let the loan bill go to the House. Neither of these groups can muster a majority of the committee without help from the other group.

As a result, the two public laws which have been on the books for 10 years and which extend grants for both classroom construction and teachers' salaries in areas of Federal activity, have expired. They expired June 30.

In order to keep this program alive until the House of Representatives can act on the Senate-passed bill, I have now introduced a resolution extending these Federal impact area laws for 1 year. That will enable the many school districts in Oregon presently receiving Federal funds, to continue to receive them and to plan their school budgets accordingly for next year.

However, I am very much opposed to an effort now being made to make this stopgap extension the basis for a token education program that will be a substitute for the measures approved by the Senate committee. It is being said that the religious issue has licked aid to education, and that Congress can do nothing now but pass the noncontroversial education bills.

I do not think that this analysis is sound, because no all-out effort to get these measures before the House of Representatives has yet been made. Having seen what can be done for the foreign aid bill by a determined effort to win support for it, I am convinced that the same results can be produced for education, if the same backing and determination are present in the House of Representatives.

What a great irony it would be for America and for Christianity, if the dispute between the Christian faiths over education were to make it impossible for the United States to provide the financial support for education which is essential in the contest we are in with the Communist world. Yet that is the very contention Congress is being asked to accept as a fact.

I do not believe it. I believe that both the public and private sectors of our education system must be helped financially, and that this can be done entirely within the dictates of separation of church and state. That is why I am continuing to fight for loans to private schools for instruction in defense-related subjects including science, mathematics, foreign languages, and physical education. It is also why I am continuing to fight for aid to public schools that will include support of teachers' salaries, if that is what is needed in any State or school district.

Today, the combined population of Communist Russia and Communist China is more than four and one-half times our own. Forty years from now it will be almost seven times our own. A high level of education of every boy and girl in America is going to be our only salvation in this contest. So I am not going to accept the notion that the religious issue makes it impossible for America to do right by education, and right by the little boys and girls going to the elementary and secondary schools of our country.

I am going to continue working for a program of assistance to all sectors of American education. It is needed by our boys and girls, and it is needed by our country.

I want your support for a fair Federal aid to education bill that will avoid any threat to the defense of our country.

This is WAYNE MORSE reporting from Washington, D.C.

Mr. MORSE. Mr. President, I turn now to what the record of the hearings shows as to the position taken by the senior Senator from Oregon. On March 14, the very distinguished Rt. Rev. Msgr. Frederick G. Hochwalt, director of the Department of Education of the National Catholic Welfare Conference, accompanied by Mr. William R. Considine, counsel, testified before the subcommittee. I had the privilege and pleasure of presiding at that hearing. Monsignor Hochwalt, presented the Catholic point of view, as represented by the National Catholic Welfare Conference, which is recognized in the Senate as the legislative representative—or clearinghouse, shall I say?—for the major Catholic spokesmen. As I indicated at the hearing, and as I say for the record, I do not see how anyone could have been a more competent, able witness than Monsignor Hochwalt. In fact, in complete fairness to him and to the cardinal, his entire statement, made to us on that day, including the colloquy that I had with him and that the Senator from West Virginia [Mr. RANDOLPH] had with him, should go into the RECORD. I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

STATEMENT OF THE RIGHT REVEREND MONSIGNOR FREDERICK G. HOCHWALT, DIRECTOR, DEPARTMENT OF EDUCATION, NATIONAL CATHOLIC WELFARE CONFERENCE; ACCOMPANIED BY WILLIAM R. CONSIDINE, COUNSEL

Monsignor HOCHWALT. With your kind indulgence, may I be joined by William R. Considine, counsel?

Senator MORSE. You may be joined by anyone you wish to have with you.

Monsignor HOCHWALT. Thank you.

I am the director of the Department of Education of the National Catholic Welfare Conference. It is the function of my department to coordinate the national interests of the parochial school system in the 50 States.

This school system includes 10,300 elementary schools and approximately 2,400 high schools. These schools are staffed by more than 102,000 teachers, 40,000 of whom are laymen. The parochial, elementary, and secondary schools together enroll more than 5 million students.

These schools are established, operated, and maintained by Catholic citizens, by people of the same income group as those living about the neighboring public schools. Catholic schools, like public schools, aim for a proper balance of character building, scholarship, and bodily development, and are founded on the conviction that moral training is an essential part of education.

These schools are no alien growth, but a sturdy native plant. They were first in the field of education in this country and are intimately a part of its development, deeply interwined with its traditions and tied closely with the aspirations of our people.

They are integrally a part of what is basically a dual system. Public and private schools form a necessary partnership for the fruitful service of this country. We are one people and it is in our national interest that both systems make their full contribution in the service of our children. Any other attitude would be extremely shortsighted and self-defeating.

Although the parochial schools are not governmentally sponsored and operated, they perform a public function, supplying large numbers of children with an education accepted by the State as fulfilling its requirements of compulsory education and meeting its specific standards.

In meeting these standards the parochial schools teach that true patriotism cannot exist in theory alone. It must be put into practice in the performance of the duties of citizenship. These duties include not only the virtues of obedience, sacrifice, and brotherly love, but those particular duties which arise from the responsibilities of democratic self-government.

Catholic parents and Catholic school administrators have for the past 30 years or more followed with interest the proposals of involving the Federal Government in the support of America's schools. Some of our Catholic citizens have feared the coming of Federal aid as a prelude to Federal control.

The question of whether or not there ought to be Federal aid is a judgment to be based on objective, economic facts connected with the schools of the country, and, consequently, Catholic citizens should take a position in accordance with the facts.

As on many questions, there is a division of Catholic conviction in this area. A great many parents of parochial school children would welcome Federal aid as a necessary help to them in a time of financial strain. They do feel the double burden of supporting two school systems, and are apt to inquire much more pointedly now than heretofore why the proponents of Federal aid do not take into consideration their needs. They point out that the classroom shortage exists as demonstrably in the private shool system as it does in the public school system.

Recently my department made a spot check of 10 dioceses across the country from coast to coast, and the story in all of them was the same. Next fall, when the schools open, a shortage of parochial school classrooms in the thousands will be reported. Those children will be turned away from parochial schools to seek elsewhere for their education.

Earlier I stated that individuals must decide for themselves about the necessity for Federal aid to education. To make that judgment one can look at the record. The Federal aid to education which has come from the Government in the past seems in the main part to have been a reasonable

form of Government assistance. The original and the later amended land-grant allocations, the provision for college housing, the school-lunch program, the GI bill and the National Defense Education Act are good examples of how a government can interest itself in the welfare of its people.

This body of legislators now has before it an impressive list of proposed measures to strengthen American education by Federal assistance, and a great deal of emphasis is placed in these proposals on schoolhouse construction.

I am particularly interested in S. 1021, the administration's educational bill. With reference to it may I emphasize that the decision to have Federal funds for schoolhouse construction is one for the American people and the American legislators to make on the basis of sound evidence. If that evidence is sound and if the voice of the people is heard in a request for Federal aid, then surely it will come about. But if it does, should not the American people be concerned about all of the schools of this great Nation? If an intellectual and scientific breakthrough is to be realized, if excellence is to be achieved, who can tell whence will come the leadership for the Nation, from the public schools or from their partners in education, the private schools.

What can be done for the private school and in particular the parochial school?

We have the courageous example of Government aid to our colleges without discrimination. My petition today points up the need to grant similar assistance to the elementary and secondary schools by way of long-term, low-interest rate loans, with the interest rate computed on an annual basis. To grant Federal assistance to only part of the American educational effort is to deny to the other parts the chance to grow. In fact, it hinders parents in that free choice of education which is essentially theirs.

The Federal Government ought not to take any steps which would force the private schools out of business or, in effect, to deny to parents the right to choose their kind of schools.

We regard ourselves as an enlightened democracy giving leadership to Western civilization, and yet other lands, guided by democratic principles, have solved this problem of educational assistance and have not been confused by elements extraneous to the main issue of human rights.

Systems of education under the auspices of church groups, subsidized in whole or in great part by the government, are operated with success in England, Ireland, Scotland, Belgium, Holland, several provinces of Canada, and elsewhere. After all, the manner in which the Government offers assistance can be so arranged that the possibility of any educational chaos or irresponsible endangering of the State system or of private systems can be avoided.

I am here today to ask the legislators to think in balanced terms of the problems before us, for if Federal aid is necessary, if it is to come and if it is to be granted to the States and to public school systems, then, in the interest of all of our citizens, I would urgently plead for a consideration of the present plight and the future needs of our private schools, especially our parochial schools. In the name of educational freedom they must be continued. Under the concept of a pluralistic society they must be treasured and appreciated, and in the name of the common good and the common welfare they must be given all of the assistance which is constitutionally acceptable.

It is unthinkable that this great Nation would embark for the first time on a massive program of Federal encouragement to education by leaving out of consideration that dedicated group of parents and educators who have contributed to much to the welfare of this Nation. We are proud of the products of the parochial school system. They are first-class citizens and their children and their children's children ought to be treated as such.

Senator MORSE. Monsignor, I want to extend to you my high commendation for the objectivity of that statement and for the obviously inherent fairness throughout. I will be discussing this matter at some length later. I only want to say at this time that this committee must face up to this problem. We must decide what is in the best interests of Federal aid to education, whether we should proceed with the administration bill in its present form.

As you know, I have stated my support of that form. I believe we should then consider this problem of private school education in a separate bill. There are sincere and honest differences among us as to the proper procedure to follow. I am sure you are aware of my point of view in regard to the public service which the private schools render.

Monsignor HOCHWALT. We have been very grateful to you, Senator, for your comments in the past. Thank you.

Senator MORSE. Our point of view is that we have got to keep our eyes on the boy and girl. I want to do what is necessary to make available to all boys and girls the maximum development of their intellectual potential, irrespective of the happenstance of birth geographically or from the standpoint of the religious faith of the family into which they are born.

I think that all of us, regardless of our spiritual point of view, have a great stake in every boy and girl of no matter what religious faith. I want you to know that as chairman of this subcommittee I will see to it that this matter receives fair and full consideration by the subcommittee, and that the final recommendations will be based upon the majority vote of the subcommittee.

I have a suggestion that I am going to make to some of my colleagues in the Senate, not only to those on the subcommittee but also to others. My suggestion is that we seek to turn over, very quickly, to what I shall call a task force composed of Senators and Representatives of both parties with the appropriate staff assistance, this whole problem of what course of action might be best followed by interested groups in both the Senate and House in regard to the final bill or bills that should be submitted for a vote in this session.

I think that such a task force should have the responsibility of determining how best to provide Federal loan funds, the amount desirable to authorize, what the interest rate should be, and how private schools should be defined.

I think that this task force can very well bring to the committees of both the Senate and the House their suggestions, and proposals. They can at least give us the recommendation as to whether or not separate legislation should be submitted in handling this matter. If such a task force were in being during the consideration of S. 1021 it could serve as proof of the very sincere intention of those of us, who in the past, have made it clear that we do not think there is anything unconstitutional about loans to private schools. I say it would make very clear our sincere intention to proceed with a consideration of a separate bill on this subject matter in this session of Congress to the end of bringing it to a vote in this session of Congress.

Monsignor HOCHWALT. May I comment?

Senator MORSE. Yes. That is why I made this statement while you were still on the witness stand, because I happen to be one of the Senators who does not believe in senatorial immunity. I do not believe we should sit up here and protect ourselves from being cross-examined when we have witnesses before us who wish to direct our consideration to some of our own problems. That is why I made this statement, Monsignor, while you were still on the stand.

Monsignor HOCHWALT. I am very grateful, and I would like to add a historical footnote as to Miss Borchardt and her group who just preceded us. They and I have had a long history, as you well know, in dealing with these questions as far back as the Mead-Aiken bill which was extremely fair-minded about the whole question, and we had, both of us, the opportunity at that time to attach the auxiliary services which were germane to the Mead-Aiken bill, but they were to be put in a second title. There we demurred very much at that with the thought that perhaps the first title might succeed but the second title might be eliminated.

Of course, you can plainly see, Senator, I have the same reservations today when you would put our needs in a separate measure. I have a feeling that one measure would pass in this Congress, the Federal aid as such. I have a feeling that a second measure, which would provide for our schools, wouldn't have much of a chance. So I am being very frank with you.

Therefore, it seems to us that our welfare should be considered in tandem with the administration bill in some fashion so that that can be done.

Senator MORSE. Monsignor, I perfectly understand your view on that matter and your position. I think I would be less than honest if I didn't say, if I were sitting in your position, I would be rather inclined to hold tenaciously to the point of view you just expressed.

Monsignor HOCHWALT. I am encouraged.

Senator MORSE. We just have some differences in responsibilities. That is all. I have the responsibility of doing what I can to further the President's program. I am his private in the ranks, so to speak, on this matter. He is at least my lieutenant, but I look upon him as a general in this matter. I do want you to know seriously—having spoken half facetiously for a second, I do want to say, Monsignor, that I respectfully offer this difference with you.

We may not, within this year, although I think we have a good chance, win a fair loan bill. But I think it is so important that we get behind us this constitutional question.

Monsignor HOCHWALT. I agree.

Senator MORSE. I really think the best vehicle for presenting this constitutional question to the Supreme Court is in a separate, independent bill based upon the clear issue as to whether or not such loans would be constitutional. I think they would be constitutional. In a democracy such as this, I think it is best to handle these matters separately. All groups will have to trust to the honesty of their representatives. There is a check on your representatives if you feel these representatives are playing possum with you, so to speak, or that they are being cagey about it or that they are engaging in political trickery. The place to take care of them, of course, is at the polls and is in keeping with our democratic processes.

It is my best judgment at the present time as chairman of this subcommittee that I best serve my President, I best serve the educational cause of this country so far as Federal aid is concerned by doing my level best to get a public school Federal aid bill to education passed first, and then to give all my support to a loan bill as I did last year.

I am in a little different position this year than I was last year, both from the standpoint of my responsibilities on this subcommittee and from the standpoint of my President. This year I have a President who is strongly for a Federal aid to education bill, who has unequivocally stated that he wants a public school education bill. I cannot speak for him in regard to a loan bill, but he is a great student, and I am an old

teacher. I firmly believe in the educational process, and I am perfectly willing to take my chances with this President on a separate bill on the basis of loans to private schools.

Monsignor HOCHWALT. Could I just add one footnote?

Senator MORSE. I am going to give you the last word. I am through.

Monsignor HOCHWALT. You are very kind. I would have to reflect, I suppose, the mail from my constituency just as you do. The parents of the parochial school children demur on the separation of interest between public and private, and my mail reads as follows. This is a monumental time in educational history when it seems as if we are on the verge of passing a massive Federal aid bill. To not have the parochial school children included in that bill seems to the parents and to me on occasion, I must confess, to limit us to rather a second-class stature apart from the political considerations of getting a Federal aid bill through.

We would like to be part of that major history as it happens, and simultaneously, sir, not one-two, but one.

I think I will conclude my comments on that note.

Senator MORSE. Senator Randolph?

Senator RANDOLPH. Mr. Chairman, only for the record, I had many happy years in the field of teaching at the college level. I say that only because our very distinguished chairman has made reference to his own background of, I am sure, qualified instruction which he was able to give to those who were privileged to study through him.

I wish to be very careful in my inquiry which I shall now make to you.

Those parents who enroll and maintain their children in parochial and church and private schools do so with the understanding and the knowledge that are available to them as parents the facilities of public school instruction. However, for their own personal reasons their children go to the kinds of institutions that I have mentioned.

Do you feel strongly that this matter of choice which carries with it the responsibility of the parents realizing that they have these two courses to follow, that that carries with it a responsibility of the Federal Government to include any funds for education to the parochial, church, and private schools as we anticipate in this legislation will be done for our public school system?

Monsignor HOCHWALT. Reflecting again the philosophy of education that is becoming a clear conviction in the minds of our parents, I would have to answer it this way:

They believe under the U.N. Charter of human rights and under our own Constitution that as parents they do have this free right to choose the kind of education they wish, that they believe it is not a naked choice; it is a clothed choice in the sense——

Senator RANDOLPH. What type choice?

Monsignor HOCHWALT. By that I mean it is not a choice that stands in isolation.

With the right to choose should go the duty of the Government to help them make their choice. In other words, that is called the clothed rather than the naked choice. It isn't made in the abstract. If the duty is there on the part of the parents, if the right is there on the part of the parents, the duty conversely is there on the part of the State to help those parents make their choice. Therefore, parents are saying we should be assisted with our tax funds in order to make that choice freely, financially as well as philosophically.

Senator RANDOLPH. Mr. Chairman and Monsignor, it is in this area, of course, philosophy, that there is this difference, and in many instances a deep difference, and I say, with genuine respect for the position taken by the monsignor, that it would be difficult for some Members of the Senate and of the Congress to understand and appreciate the point which you make. It will certainly merit consultation and counsel and searching.

Monsignor HOCHWALT. Right. Thank you, Senator.

Senator MORSE. Thank you very much, Monsignor.

I would like to announce that we will meet tomorrow morning in room 4221. That is across the corridor, the Foreign Relations hearing room. We will meet at 9 a.m. to hear the witnesses previously announced.

Thank you very much.

Monsignor HOCHWALT. Thank you, Senator.

Mr. MORSE. Mr. President, a part of Monsignor Hochwalt's testimony is as follows. This is the monsignor speaking:

The question of whether or not there ought to be Federal aid is a judgment to be based on objective, economic facts connected with the schools of the country, and, consequently, Catholic citizens should take a position in accordance with the facts.

As on many questions, there is a division of Catholic conviction in this area. A great many parents of parochial school children would welcome Federal aid as a necessary help to them in a time of financial strain. They do feel the double burden of supporting two school systems, and are apt to inquire much more pointedly now than heretofore why the proponents of Federal aid do not take into consideration their needs. They point out that the classroom shortage exists as demonstrably in the private school system as it does in the public school system.

Then Monsignor Hochwalt presents evidence to demonstrate that classroom shortage. Later in his statement he said:

I am here today to ask the legislators to think in balanced terms of the problems before us, for if Federal aid is necessary, if it is to come and if it is to be granted to the States and to public school systems, then, in the interest of all of our citizens, I would urgently plead for a consideration of the present plight and the future needs of our private schools, especially our parochial schools. In the name of educational freedom they must be continued. Under the concept of a pluralistic society they must be treasured and appreciated, and in the name of the common good and the common welfare they must be given all of the assistance which is constitutionally acceptable.

In my judgment, that is an unanswerably sound statement. It is exactly the position of the senior Senator from Oregon. I recommend it to the cardinal. I think that is the position he ought to be supporting.

Monsignor Hochwalt continued:

It is unthinkable that this great Nation would embark for the first time on a massive program of Federal encouragement to education by leaving out of consideration that dedicated group of parents and educators who have contributed so much to the welfare of this Nation. We are proud of the products of the parochial school system. They are first-class citizens and their children and their children's children ought to be treated as such.

I agree; in fact, it was at that point that I interrupted the monsignor in the hearing to say this:

Senator MORSE. Monsignor, I want to extend to you my high commendation for the objectivity of that statement and for the obviously inherent fairness throughout. I will be discussing this matter at some length later. I only want to say at this time that this committee must face up to this problem. We must decide what is in the best interests of Federal aid to education, whether we should proceed with the administration bill in its present form.

As you know, I have stated my support of that form. I believe we should then consider this problem of private school education in a separate bill. There are sincere and honest differences among us as to the proper procedure to follow. I am sure you are aware of my point of view in regard to the public service which the private schools render.

Monsignor HOCHWALT. We have been very grateful to you, Senator, for your comments in the past. Thank you.

Senator MORSE. Our point of view is that we have got to keep our eyes on the boy and girl. I want to do what is necessary to make available to all boys and girls the maximum development of their intellectual potential, irrespective of the happenstance of birth geographically or from the standpoint of the religious faith of the family into which they are born.

I think that all of us, regardless of our spiritual point of view, have a great stake in every boy and girl of no matter what religious faith. I want you to know that as chairman of this subcommittee I will see to it that this matter receives fair and full consideration by the subcommittee, and that the final recommendations will be based upon the majority vote of the subcommittee.

I have a suggestion that I am going to make to some of my colleagues in the Senate, not only to those on the subcommittee but also to others. My suggestion is that we seek to turn over, very quickly, to what I shall call a task force composed of Senators and Representatives of both parties with the appropriate staff assistance, this whole problem of what course of action might be best followed by interested groups in both the Senate and House in regard to the final bill or bills that should be submitted for a vote in this session.

I think that such a task force should have the responsibility of determining how best to provide Federal loan funds, the amount desirable to authorize, what the interest rate should be, and how private schools should be defined.

I think that this task force can very well bring to the committees of both the Senate and the House their suggestions, and proposals. They can at least give us the recommendation as to whether or not separate legislation should be submitted in handling this matter. If such a task force were in being during the consideration of S. 1021 it could serve as proof of the very sincere intention of those of us, who in the past, have made it clear that we do not think there is anything unconstitutional about loans to private schools. I say it would make very clear our sincere intention to proceed with a consideration of a separate bill on this subject matter in this session of Congress to the end of bringing it to a vote in this session of Congress.

Mr. President, the rest of the colloquy has been placed in the RECORD. A reading of it will show that the senior Senator from Oregon in his colloquy with Monsignor Hochwalt made it perfectly clear that he would do what he could to provide loans for private schools, but also made it perfectly clear that he intended to follow the President. I say tonight that I shall follow the President, not the cardinal, in regard to the legislative program of how aid for public and private schools should be considered by Congress. That is the issue. I think it is an unhappy circumstance that when one has such a record on this issue, the implication should be given that he is—I wish to be very careful; I will quote the cardinal exactly:

Fanning the embers of religious discord.

I return to the argument I made a short time ago. It is not the senior

Senator from Oregon who is fanning any embers of religious discord.

I think the responsibility for any religious discord that may be stirred up on this issue will have to be placed on the shoulders of those who take the position of all or nothing as regards any Federal aid to education measure to be passed at this session of Congress. That has not been my position; and it is not my position; and I did not raise that issue. In my judgment, that issue was raised on January 18, 1961, by the cardinal himself, for now I refer to an article written by John Wicklein, and published in the New York Times on that date. It reads in part as follows:

Cardinal Spellman assailed in the strongest terms last night a proposal by President-elect John F. Kennedy's task force on education that Congress enact a $5,840 million program of Federal aid to public schools.

No Roman Catholic schools or schools of other religious denominations were included in the proposal, the cardinal pointed out.

"It is unthinkable," he declared, "that any American child be denied the Federal funds allotted to other children which are necessary for his mental development because his parents choose for him a God-centered education."

Mr. President, as I said earlier in this speech, such a statement by the cardinal does not repeal the first amendment to the Constitution. Therefore, we have to find out how far we can go under the Constitution in aiding students in private schools. Let me make perfectly clear again to the cardinal and to all the people of America that I will go just as far as the Supreme Court will permit us to go so long as the first amendment is part of the Constitution. That is how far I will go. But, Mr. President, the fact that as a lawyer I refuse to join with the cardinal in his apparent assumption that the Congress can allot to the children in private schools the same funds and amounts of aid that Congress may allot to the children in public schools, does not justify the interpretation that therefore I must be anti-Catholic.

I believe we can go much further than groups organized under various titles relating to separation of church and state seem to think we can go. That is why I am somewhat surprised that the cardinal should issue a press release implying that I can possibly be motivated by any political expediency. As I have said good naturedly for many months, both in my State and elsewhere, the consistent position I have taken in support of aid to private schools and my refusal to agree with some spokesman for private schools that funds should be allotted to private schools on the same basis that funds would be allotted to public schools, puts me in a very interesting position. It means that I end up by being criticized by Protestants, Catholics, Jews, and all other religious groups in the country because all I am saying is, "Let us find out what the constitutional limits are; and once we know that, then let us recognize that we have a clear duty to come to the assistance, to the limits of our constitutional power, of every boy or girl in this country who attends either public or private schools."

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the entire article from the New York Times to which I have referred.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 18, 1961]

SPELLMAN SCORES AID PLAN GIVEN KENNEDY ON SCHOOLS

(By John Wicklein)

Cardinal Spellman assailed in the strongest terms last night a proposal by President-elect John F. Kennedy's task force on education that Congress enact a $5,840 million program of Federal aid to public schools.

No Roman Catholic schools or schools of other religious denominations were included in the proposal, the cardinal pointed out.

"It is unthinkable," he declared, "that any American child be denied the Federal funds allotted to other children which are necessary for his mental development because his parents choose for him a God-centered education."

REPORTS ON FUND

Cardinal Spellman expressed his views in a statement read at the final report meeting of his campaign for a $25 million fund for the construction of educational facilities in the archdiocese of New York. He reported that the fund had been oversubscribed by more than $15 million.

The cardinal, addressing a rally in Cardinal Hayes High School, the Bronx, said the task force's proposal, presented to the President-elect on January 6, meant for many millions of Americans taxation for which they would receive no return.

"They will be taxed more than ever before for the education of their children," he said, "but they cannot expect any return from their taxes unless they are willing to transfer their children to a public grade or high school."

PART OF A $9 BILLION PLAN

The proposal to aid public schools was part of an overall plan for the Federal Government to provide $9,390 million for education over the next 4½ years.

The 6-man task force, headed by Dr. Frederick L. Hovde, president of Purdue University, suggested that the elementary and secondary school portion of the fund be in the form of grants to the States. The funds would be used for school construction, raising teachers' salaries, reducing bonded indebtedness or "other purposes related to the improvement of education."

A flat grant of $30 annually would be made for each pupil, based on average daily attendance. Poorer States and cities with a population of more than 300,000 that face special educational problems would receive $20 additional for each pupil.

President-elect Kennedy has repeatedly put himself on record against Federal aid to either parochial schools or private schools. He has said:

"Federal aid should only go to public schools. The principle of church-State separation precludes aid to parochial schools, and private schools enjoy the abundant resources of private enterprise."

President-elect Kennedy was reported to feel that there was "great value" in the task force report. Last year, for the first time, both the Senate and the House of Representatives voted legislation providing for Federal aid to education. The House Rules Committee, however, did not let its bill get to a Senate-House conference committee.

DIFFICULTIES PREDICTED

An official of the incoming administration remarked that the new proposals, much broader than those acted on at the last session, were bound to face some difficulties in Congress.

Cardinal Spellman, who rarely has taken so strong a stand on a legislative proposal, expressed confidence that this one would not be enacted.

"As an American whose loyalties have been challenged only by the Communists," he said, "I cannot believe that Congress would accept the proposals of the task force and use economic compulsion to force parents to relinquish their rights to have religion taught to their children. I cannot believe that Congress would discriminate against Lutheran, Baptist, Catholic or Jewish parents—Americans all—in the allocation of educational funds."

Any program of Federal aid, he went on, should grant children "equal educational privileges regardless of the schools they attend."

DISCRIMINATION SEEN

"By denying this measure of equality to church-related school children and their parents," the cardinal declared, "the task force proposals are blatantly discriminating against them, depriving them of freedom of mind and freedom of religion guaranteed by our country's Constitution, whose First Amendment was adopted to protect the individual person from Government repression, the very danger implicit in the proposed program of the task force."

The plan is unfair to the Nation's 6,800,000 parochial and private school children, the cardinal said. If Congress adopts the proposal, he said, it will be engaging in "thought control," because it would be compelling a child "to attend a state school as a condition for sharing in education funds."

The remainder of the fund proposed by the task force would be used for grants to colleges to expand academic and housing facilities.

Mr. MORSE. Mr. President, I also ask unanimous consent to have printed in the RECORD an article from the New York Times of March 2, 1961.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 2, 1961]

CATHOLIC PRELATES WEIGH FIGHT AGAINST KENNEDY SCHOOL-AID BILL

(By John D. Morris)

WASHINGTON, March 1.—The highest U.S. prelates of the Roman Catholic Church met here today to plan what is expected to be a vigorous fight against President Kennedy's school-aid program.

The churchmen sat as the administrative board of the National Catholic Welfare Conference. The board consists of the 5 U.S. cardinals and 10 bishops and archbishops who head departments of the conference.

The unpublicized 1-day session coincided with a new statement by President Kennedy opposing Federal aid to parochial or other sectarian schools at the elementary and secondary levels.

"There isn't any room for debate on that subject," the President said at his news conference. "It is prohibited by the Constitution and the Supreme Court has made that very clear. Therefore, there would be no possibility of our recommending it." [Question 23, p. 14.]

MEETING A MONTH EARLIER

Officials of the Catholic conference declined to discuss any aspect of the board's meeting. A spokesman would not even confirm reports that the cardinals, bishops, and archbishops had convened.

From other sources, it was learned that the regular annual session usually held at Easter, had been moved ahead a month because of the pressing nature of the school-aid question.

Indications were that the prelates had drafted a Catholic position on the issue,

which would be set forth in church publications, sermons, speeches, and testimony at congressional hearings.

Outlines of the position had already become clear on the basis of previous statements by Cardinal Spellman of New York and other Catholic spokesmen.

Last January the cardinal said:

"It is unthinkable that any American child be denied the Federal funds allotted to other children which are necessary for his mental development because his parents choose for him a God-centered education."

He was commenting on recommendations of a Kennedy task force for an aid program limited to public schools. The administration bill for $2,298,000,000 in Federal grants for elementary and secondary schools, now pending in Congress, also bars aid to sectarian or private schools.

The indicated intention of the Catholic hierarchy is to fight any school-aid legislation that does not help meet the educational expenses of Catholics with children in parochial schools.

Catholic spokesmen previously had not insisted in direct grants to parochial schools, presumably because of the constitutional question.

Last year, for example, the Catholic conference pressed for Federal loans to nonpublic schools. When the Senate and House refused to add such provisions church leaders opposed bills calling for grants to public schools. The bills died when Congress adjourned.

In 1949 the hierarchy's condition for supporting Federal aid to education was the inclusion of provisions making funds available for transportation, textbooks, and health aids for parochial pupils.

A major question at today's meeting presumably was what form of aid for Catholics should be demanded this year as the price for supporting a general school assistance bill.

It appeared that Federal loans for private and parochial schools might again be sought.

Mr. MORSE. Mr. President, I also ask unanimous consent to have printed in the RECORD an article published in the New York Times of March 3, 1961.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Mar. 3, 1961]

CATHOLIC PRELATES DEMAND UNITED STATES AID PRIVATE SCHOOLS—RESOLVE TO OPPOSE KENNEDY'S EDUCATION BILL IF APPEAL FOR LOANS IS DENIED—PROTESTANT HAILS PROGRAM

(By John D. Morris)

WASHINGTON, March 2.—The hierarchy of the Roman Catholic Church in the United States has decided to oppose any school-aid legislation that fails to help children attending private schools.

The cardinals, archbishops, and bishops disclosed today that they would press for an amendment to the Kennedy administration's bill to add provisions for long-term Federal loans to private schools.

They took the position that unless some such provisions were included they would fight passage of the measure.

The hierarchy's stand was outlined in a statement by Archbishop Karl J. Alter of Cincinnati, chairman of the administrative board of the National Catholic Welfare Conference.

The board consists of the 5 U.S. cardinals and 10 archbishops and bishops who head departments of the conference. It met here in closed session yesterday to consider the school-aid issue.

While the meeting was under way, President Kennedy repeated his opposition to any Federal assistance to nonpublic schools. He said at his news conference that such aid was clearly unconstitutional.

The Catholic prelates contended, however, that loans to parochial and other private schools would be "strictly within the framework of the Constitution."

The administration bill, now pending in Congress, calls for $2,298 million in Federal grants for public elementary and secondary schools. The grants would be allotted to States over a 3-year period on the basis of public school attendance.

The Catholic hierarchy has opposed similar legislation in the past after failing to win congressional approval of amendments extending some form of aid to parochial school children.

President Kennedy, himself a Catholic, was praised for his stand today by Glenn L. Archer, executive director of Protestants and Others United for Separation of Church and State.

"Mr. Kennedy's fidelity to his campaign pledges on this issue will be appreciated and applauded by all who support our American tradition," Mr. Archer said.

He expressed hope that "the American people will support President Kennedy against the bishops of his church."

The five cardinals and all except two of the other members were present at yesterday's meeting of the administrative board. The cardinals are Francis Spellman of New York, James Francis McIntyre of Los Angeles, Richard Cushing of Boston, Albert Meyer of Chicago, and Joseph Ritter of St. Louis.

Other members are Archbishops Alter of Cincinnati, William E. Cousins of Milwaukee, William O. Brady of St. Paul, and John F. Dearden of Detroit and Bishops Joseph T. McGucken of Sacramento, Albert E. Zuroweste of Belleville, Ill., Joseph M. Gilmore of Helena, Mont., Lawrence T. Shehan of Bridgeport, Conn., Allen J. Babcock of Grand Rapids, Mich., and Emmett M. Walsh of Youngstown, Ohio.

Archbishop Brady and Bishop McGucken were absent.

The text of Archbishop Alter's statement follows:

"Yesterday the administrative board met and considered in addition to the routine questions the particular problem of Federal aid to education. In the absence of the official minutes I think I can summarize the discussion fairly and briefly as follows:

"1. The question of whether or not there ought to be Federal aid is a judgment to be based on objective economic facts connected with the schools of the country and consequently Catholics are free to take a position in accordance with the facts.

"2. In the event that there is Federal aid to education we are deeply convinced that in justice Catholic schoolchildren should be given the right to participate.

"3. Respecting the form of participation, we hold it to be strictly within the framework of the Constitution that long-term, low-interest loans to private institutions could be part of the Federal-aid program. It is proposed, therefore, that an effort be made to have an amendment to this effect attached to the bill.

"4. In the event that a Federal-aid program is enacted which excludes children in private schools these children will be the victims of discriminatory legislation. There will be no alternative but to oppose such discrimination."

The Jesuit magazine America accused President Kennedy yesterday of taking a "dogmatic" stand against Federal aid to parochial schools. It said his statement on the issue was "erroneous, inopportune, and unnecessary."

In an article in the issue of March 11, disclosed a day before the magazine came off the presses, a writer for the Catholic publication asserted that the President's reasons for refusing to support aid to church schools were political.

The Jesuit author, Rev. Charles M. Whelan, a member of the bar, did not specify the "political reasons" involved.

Other Catholic sources, however, have suggested that the President's firm stand is based on a desire to assure Protestants that he intends to put into practice his campaign pledge of strict separation of church and state.

Mr. MORSE. Mr. President, I also ask unanimous consent to have printed in the RECORD an article, from today's New York Times, published under the title "Spellman Scores Morse Appeal to Catholics on School Issue."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 22, 1961]

SPELLMAN SCORES MORSE APPEAL TO CATHOLICS ON SCHOOL ISSUE

Cardinal Spellman yesterday urged Senator WAYNE MORSE "to refrain from fanning the embers of religious discord" in comments about the Roman Catholic clergy's position on Federal aid to public schools.

On August 14 the Oregon Democrat urged the Catholic hierarchy to modify its stand on the school issue. He accused it of seeking to block the "legitimate aims of a majority of our people through pressure tactics."

In his remarks in Philadelphia at the annual convention of the American Federation of Teachers, Senator MORSE asserted that such action would bring about a "whirlwind of resentment" and that "latent religious quarrels of past history will be brought to life again."

In a statement of reply, Cardinal Spellman termed Senator MORSE "an old friend who has turned against us."

PRESSURES ASSAILED

Any impartial person, he said, must be disturbed by the pressures exerted against Catholics to obtain their approval of the administration's school proposals.

"One of the most unfair pressures," he continued, "was Senator MORSE's ill-conceived and ill-timed warning that continued opposition will cause a flareup of bigotry."

"It is our conviction," Cardinal Spellman said, "that the administration's proposal, put into legislative form by Senator MORSE, is actually if not intentionally discriminatory, unwittingly anti-Catholic, and indirectly subversive of all private education"

Senator MORSE was cosponsor of a bill calling for funds for public school construction and teachers salaries. It passed the Senate.

A similar bill is bogged down in the House Rules Committee. Supporters of the House measure attributed its defeat to some Catholics, who oppose aid to public schools unless loans are provided for parochial and other private schools.

Cardinal Spellman asserted that Catholic leaders did not believe that the best interests of the Nation could be served by "making public school education a monopoly."

"Yet that," he said, "would be the eventual outcome if Federal aid is granted solely to the public schools, for the weight of triple taxation on Catholics would become impossible to bear."

In the last war, the cardinal continued, Catholics fought side by side with their fellow Americans and "placed a costly sacrifice on the altar of freedom."

"Shall they now," he asked, "be denied their own precious freedom—the right to choose religious schools for their children without incurring an insupportable financial burden?"

Mr. MORSE. I also ask unanimous consent to have printed in the RECORD

an article published today in the Washington Star under the title "Spellman Denies Charge by MORSE on Schools."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star, Aug. 22, 1961]

SPELLMAN DENIES CHARGE BY MORSE ON SCHOOLS

NEW YORK, August 22.—Francis Cardinal Spellman says there was no truth in a charge by Senator WAYNE MORSE, Democrat, of Oregon, that top ranking Catholic clergy are opposed to improving public schools.

The cardinal, Roman Catholic archbishop of New York, said Senator MORSE made the statement in a speech August 14.

In a reply yesterday, Cardinal Spellman said:

"We do not, as he alleges, look upon them [public schools] as 'competitors,' but as partners in the great work of educating America's children. We recognize their essential place in American life.

"But we are also deeply concerned for the protection of our Catholic schools. We do not believe that the best interest of this Nation can best be served by making public school education a monopoly."

The cardinal said public school education would eventually become a monopoly under the Kennedy administration proposal, backed by Senator MORSE, to aid only public schools with Federal funds.

That proposal "is actually if not intentionally discriminatory, unwittingly anti-Catholic, and indirectly subversive of all private education," he said.

Senator MORSE, in his speech in Philadelphia at the annual convention of the American Federation of Teachers, accused the Catholic hierarchy of seeking to block the legislative aims of a majority of our people through pressure tactics.

In his statement, the cardinal replied: "One of the most unfair pressures was Senator MORSE's ill-conceived and ill-timed warning that continued opposition will cause a flareup of religious bigotry."

Cardinal Spellman described Senator MORSE as an old friend [who] has turned against us.

Mr. MORSE. I also ask unanimous consent to have printed in the RECORD an article on the same subject matter, published today in the Washington Post.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 22, 1961]

SPELLMAN RAPS MORSE SCHOOL IDEAS

NEW YORK, August 21.—Francis Cardinal Spellman said today that Catholics consider public schools essential, but that providing Federal aid only to them would undermine all private education.

The cardinal, archbishop of New York, made his comments in replying to a speech August 14 by Senator WAYNE MORSE, Democrat, of Oregon, who accused top-ranking Catholic clergy of "adamant opposition" to improving the public schools.

"This is not true," the cardinal said. "With gratitude I recall my own early training in public grade and high schools.

"We do not, as he alleges, look upon them as 'competitors,' but as partners in the great work of educating America's children. We recognize their essential place in American life.

"But we are also deeply concerned for the protection of our Catholic schools. We do not believe that the best interests of this Nation can best be served by making public school education a monopoly."

That, the cardinal said, would be the eventual result of the Kennedy administration's proposal, backed by MORSE, to aid only public schools.

In Washington, meanwhile, the American Civil Liberties Union said it sees no constitutional bar to Federal building loans and grants to church-related colleges and universities that concentrate on higher education rather than religious doctrine.

However, the organization drew a line between church-related institutions of higher learning which meet specified educational criteria and church-controlled elementary and secondary schools.

The ACLU said loans or grants to the latter schools would violate the principle of separation of church and state.

Mr. MORSE. Mr. President, I am about to close. But I wish the RECORD to show how serious I consider this issue and how important I believe it is that we get it behind us. As I said at the hearings, weeks ago, I simply do not think it is good for the country to have this religious controversy over Federal aid to education go unsettled. I do not see how anyone can dispute the fact that if we can obtain from the Supreme Court a decision on the matter of loans to private schools—as Senator Clark and I seek to do by means of our bill, S. 1482—the controversy will subside. Some may say there will be no assurance that it will; but let me say that I have seen many controversies stir communities and States, and even the entire country, almost to the point of what we call the pitch of white heat, and then a basis for a judicial determination of the differences involved in the controversy is found, and, in keeping with our procedure under Anglo-Saxon justice, the matter finally goes to the highest tribunal for determination. In fact, sometimes it does not have to go that far in order to achieve the result to which I now refer. But once the Court speaks, what is the attitude of the overwhelming majority of the American people? Their attitude is, "If that is the law, that settles the matter."

It is true that there are a few nonconformists who will not even accept the law; but they are de minimis in their number and in their influence.

That is why I said earlier this year that we should get this issue behind us. Therefore, I believe that before this session ends the Congress should act on Senate bill 1021; the national defense education amendments bill, which is on the Senate Calendar, and which came out of my committee; the higher education bill, which I predict tonight will come out of our Committee on Labor and Public Welfare within a short time; and S. 2393, the impacted areas bill.

They all ought to be brought to a vote. A decision should be made, and the issue should be taken back to the people. In keeping with this precious foundation of our whole form of government, when we say we are a government by law, that is the way to settle it.

I want to say to the cardinal, and all his associates, and all good peoples of every other religious faith, many of whom disagree with the senior Senator from Oregon in his position on this matter, that I am going to hold firm to the position I have consistently taken for loans to private schools. I am satisfied that they are within the Constitution, and I am satisfied that the legislative vehicle proposed by the Senator from Pennsylvania [Mr. CLARK] and myself, with the help of the Department of Justice on the section 6 part of it, will clear the atmosphere and we will get this issue, which periodically splits this country, settled once and for all.

Mr. President, I want to make special reference to the bill of the Senator from Alabama [Mr. HILL] and myself, under which we propose to extend Public Laws 815 and 874 for another year.

The cardinal, and others who may be interested in the point of view I express tonight, ought to have a quick reference to the point I now make. The RECORD ought to show that since 1950 the Federal Government has spent, in round numbers, $2 billion in Federal aid to school districts in this country which serve about one-third of the school population. I know there are Senators who have argued on the floor of the Senate that this is not really Federal aid. I become lost in their arithmetic. I get lost in their argument, because of their failure to point out where the money comes from. If this is not Federal aid money, I do not know what kind of coin is being used to pay the school bills. It is money from the Federal Treasury, and the money goes to the school districts, and the money is spent by the school districts to meet the school needs of that district.

Do Senators know what it goes for? Under Public Law 815 it goes for school construction. Under Public Law 874 it goes for teachers' salaries; it goes to pay janitors; it goes to buy chalk; it goes for any school cost that a school board has to pay in order to operate a school; and it goes in varying amounts.

I mention these facts because I become a little lost in the argument of some of my congressional colleagues who are so adamant in their opposition to any Federal aid for teachers' salaries. They have been providing millions of dollars in aid toward teachers' salaries since 1950. What do they think happens to Federal aid that has been given for decades to land grant colleges in this country, to help pay the running expenses of those colleges? Do they think the money is not going, directly or indirectly, to teachers' salaries, as well as other costs?

I think the history of the Morrill Act is one of the most fascinating ones in the whole field of education. Buchanan, in 1857, I think it was, vetoed the original Morrill Act; but Abraham Lincoln signed it in 1863. When Buchanan vetoed it, one of the arguments given in his veto message, it will be found, was the old bugbear, the old bromide, the old argument, that it would lead to Federal control of education. But Abraham Lincoln did not think so. For years I have been waiting for the first scintilla of evidence which would substantiate the charge of those who scare people with the argument, "You must not support Federal aid to education, because the Federal Government will take over control of the schools."

As I have said before, that is pure nonsense, if the checks are written into the law, and they are in Public Laws 821, 815, and 874. They assure local control. That is all that needs to be done.

I have been heard to say before that Bob Taft, who was the author of the Taft bill in 1947, and coauthor of the Taft-Thomas bill of 1949, used to become a little emphatic in debate on the floor of the Senate when that argument was made. He used to ask Members of this body to give him any language that would give greater assurance of local control of education than was written in the Taft bill. After he made the challenge, he would say, "Of course, you cannot do it. You cannot improve on the language of the Taft proposal."

It has always been true of any proposal I have made on Federal aid to education that the money must be commingled with State or local funds, and spent by State or local authorities in accordance with State or local policies for the broad purposes of the legislation.

I simply would have the cardinal take note that this is the record of the Senator from Oregon, who, for some reason, he seems to think, according to the press release, has turned against the Catholic group.

I am convinced, as some Catholic colleagues were candid enough to tell me this afternoon, that my record in support of aid to private schools does not have to take second place to that of any other Member of the Congress.

I did not know, when I made my speech on August 14 in Philadelphia, that there had appeared on July 20, 1961, an editorial in the Medford Mail Tribune in my home State. This paper is an independent Republican paper, a Pulitzer Prize-winning paper. The newspaper has one of the finest journalistic standings in the whole West. Wherever I have gone in the United States and talked to newspaper editors and journalists, for many years, I have frequently heard them pay very high compliment to the Medford Mail Tribune. For many years its editor was Robert Ruehl, a Pulitzer Prize winner, a fearless journalist, one of the great opponents of the Ku Klux Klan at a time when the Ku Klux Klan shook my State from stem to stern.

It is not very well known, I find, that in my State crosses were once burned on the mountain peaks, on the lawns of Catholic churches, and on the lawns of citizens who had the courage to stand up against bigotry. The Klan was a tremendous political power in my State. The Ku Klux Klan greatly influenced the elections in my State. The best proof I can give of their political power is that at one time a nefarious Oregon law which outlawed Catholic schools was passed. The parochial schools were declared illegal. It was sought to close them. The legislature passed the bill, and the Governor signed it. That was in the early 1920's. Fortunately, the Klan has been dead in Oregon for 30 years, and no State is now more free from religious intolerance. It is a State with a fine record of religious accord.

But I say to the cardinal I know something about intolerance of Catholics. I should like for every Catholic in the country to know that the senior Senator from Oregon will always speak out against it and fight it. But it does not follow, when I am convinced that Cardinal Spellman is completely wrong in the position he takes on a temporal issue, that I should not oppose him when I think he is following a legislative course of action which is not in the best interests of the boys and girls in the public and private schools. That is the only difference I have with the cardinal.

Mr. President, as Senators know, the Supreme Court in the famous Oregon school case by a unanimous decision found the Oregon statute to be unconstitutional. That is one of the great landmark cases in this whole field of private school education problems and their relation to the Constitution of the United States. That Supreme Court decision, I think, did much to decrease the influence of the Klan in my State.

The Medford Mail Tribune newspaper wrote a glorious record of opposition to the bigotry of the Klan. I shall not take the time of the Senate tonight to relate what is history in my State as to the acts of intolerance which were committed against the editor of this newspaper, and the program of vilification and slander heaped upon the paper by the Kluxers. It is said by some who have studied the history of the Klan in this country that its activities and the manifestations of its intolerance in my State in those days 30 years or more ago were not equaled anywhere in the country save and except it never took the form of manifestations of racial bias which led to lynchings.

When I read this editorial from this great newspaper in my State, I wish to have it known it is not a "Morse" newspaper in the sense of being a great supporter, since I became a Democrat, of the senior Senator from Oregon, but it is certainly entitled to its point of view.

This is an interesting editorial. It comes from a very responsible newspaper. It will be typical, in my judgment, of similar comment by other newspapers. Although I did not know it had been written when I spoke in Philadelphia, I say to Cardinal Spellman that what I was warning against in my speech in Philadelphia is exactly the reaction the editorial portrays. It is so pertinent and so completely in support of the warning which I issued on August 14, that I shall read it. The editorial was written under the title "They Are Separate Issues."

It is as follows:

THEY ARE SEPARATE ISSUES

The one-vote defeat in the House Rules Committee of all proposals for Federal aid to schools was a sad thing for America.

We place the blame directly on the hierarchy of the Roman Catholic Church, who, by choosing to take a dog-in-the-manger, all-or-nothing approach, so thoroughly injected the issue of church and state separation that the whole package of school aid bills died.

This defeat will come back to haunt the cardinals and bishops, we believe, for it is manifest that the schools need Federal help, the majority of the people know it, and the finger of outrage will point directly at the stubborn prelates.

We are not, at this time, going to argue the merits of aid (in the form of long-term, low-interest loans) to parochial schools—although we have strong feelings on that issue, too.

The fact is that this matter could have been—should have been—argued separately. But the hierarchy said no; that they had no objection to Federal school aid as such; but that if parochial schools were not included, no one should get it.

And they made it stick, too, to the embarrassment and chagrin of Roman Catholic John F. Kennedy who fought a valiant battle against anti-Catholic prejudice last fall, and won, only to be slapped hard by the spiritual leaders of his own church.

The arrogance of the bishops in this matter is reminiscent of the arrogance of the Puerto Rican bishops last fall, who attempted (without success, happily) to influence the outcome of the Commonwealth's gubernatorial election, by using their spiritual authority in the field of government—where it has no business being.

There is a slight chance that the principal measure, a 3-year program of grants to the States to be used for public school construction for teachers' salaries could be revived. But it would take a massive outburst of protest to Members of Congress to make it happen.

By the same token, a 5-year program of loans, grants, and scholarships in higher education was killed and could be revived, but only by a similar upsurge of constituent demand.

If they were placed before the House, they could be voted on on their merits. Then the third measure, an extension of the National Defense Education Act, which has been amended to provide loans for parochial schools, could also be debated, and the church-state issue threshed out separately—as it should be.

But no, it was all or nothing for the church leaders. And the result, apparently, will be no major addition this year to existing programs of Federal aid to schools and colleges.

Sharing the blame with the hierarchy are the National Association of Manufacturers and the U.S. Chamber of Commerce, whose anti-school-aid propaganda has ignored or misrepresented the need for such aid, and made a phony issue of the Federal school aid principle itself—an issue which was settled generations ago.

School districts, despite giant strides in school construction and improvements in recent years, are right up to the absolute limits of their bonding and taxing capacity. Yet the tide of youngsters continues to inundate them.

There is a limit to the amount that local property taxation, and the overburdened States, can carry. The only solution for this is to use the Federal taxing mechanisms to provide needed moneys, and to see that educational opportunities throughout the 50 States are, to a certain extent, equalized.

The need is there, and we are convinced that if the Congress were faced with it alone, on its merits, the necessary aid would be extended to the public schools.

But the religious aspect this year has killed this whole package of education measures, just as the segregation issue has done in previous years.

America's future will suffer thereby.

Public education, religious education, and segregation are all vital issues, but they should be kept separate so that informed intelligent decisions can be made on each, on its merits.

Because of its petulant and selfish refusal to let this come about this year, the Catholic hierarchy has done a disservice to this Nation.

Mr. President, another editorial from another newspaper in my State, the World, published at Coos Bay, Oreg., issue of March 22, 1961, bears upon this subject. I made a brief comment about this editorial earlier in the year, and I think once again it is particularly apropos to the discussion. I ask unanimous consent that it be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RELIGIOUS ISSUE IN SCHOOL AID

If ever there were two positions from which there seemed no possibility of compromise, the positions on public support for church-operated schools qualify.

Communicants of religions which maintain their own secondary and primary school systems—chiefly Catholics—are right in saying it is a hardship for them to maintain their own schools and at the same time pay taxes to support public schools. Institution of Federal aid to education in public schools, excluding parochial schools, compounds the hardship. This, they feel, is simply not right; it is unfair, undemocratic, unreasonable. They will sabotage aid to public schools rather than have the fiscal unfairness increased.

The "separation of state and church" people assert grants or loans to church schools is equivalent to paying tax money for the support of religion. This is unconstitutional; if it were constitutional it would, in the light of history, be dangerous. The horrors of history where church and state become one are cited.

How is it possible for advocates on either side to compromise? The issue furthermore touches on religion—an area in which "unfirm" convictions are indeed rare.

President Kennedy and Senator MORSE—the key U.S. Senate figure on this subject—suggest that the administration's bill go through, and that the issue of Federal aid to parochial schools be fought out in separate legislation. The suggestion is opposed by Catholic leaders. From a tactical position the Catholic logic in this is unassailable. Once Federal aid to public schools is out of the way the opposition to Federal aid to parochial schools will be overwhelming. If Federal aid to religious schools is ever to be implemented it must ride through on the coattails of the legislation now pending.

The issue is going to be fought out here: on the President's Federal-aid-to-public-schools bill. This is as it should be. The strategy of putting parochial-school aid in another legislative category is begging the issue.

What is the issue?

First, schools in many parts of this land are deteriorating due to underfinancing. This is in part caused by an over-abundance of pupils in relation to the ability of local and State taxes to provide support. In part it is due to a reluctance to provide support by some local governments and people. This is not the case in Oregon, where the people as a rule have shown a willingness to give the public schools virtually everything requested and local and State resources are generally at a level permitting support.

But the problem is a national problem. The evidence of the need for Federal aid to education is sufficient to prove the case in the opinion of most observers.

But is the need great enough to "buy" Federal aid at the price of providing Federal aid to private schools, and more particularly to church-operated schools? And is there a price and what is it?

The issue of separation of church and state is not merely academic. Truly, the history of man has been blighted and bloodied again and again by injustice where religion and government have been made one. This is not alone a manifestation of Catholic nations, although radical Protestants seem to believe it is. It has occurred from the dawn of civilization: where the state makes propagation of faith its objective, and uses its political power to support the church, and the church uses its spiritual power to support the politics of the state, the lot of the people has generally become unbearable.

There are exceptions. Great Britain, for instance, has an established church. The head of state of the United Kingdom is also head of the church. Despite the rule on separation of church and state, there is religious and political tolerance in the United Kingdom generally greater than in separated states. It was not always thus. The growth of democracy there may have been the moderating factor.

This raises the question of whether a union of church and state—especially to the small extent of public contribution to church schools—would be ultimately harmful to democracy and tolerance here. The United States certainly would not become a Spain. But do we want to take the risk of becoming anything other than a nation where a religion can do nothing officially, and must wield its power without benefit of state enforcement?

The constitutionalists take the position that we must not take the risk. With them this newspaper must agree, although it is painful to turn the back on arguments of economic hardship from religious-school families who support both church and public schools.

This country has been committed to the policies of public education and of emphatic separation of church and state almost from its inception. It has not done badly, either from the standpoint of economic and spiritual growth, or from the standpoint of freedom.

No compromise? We don't know.

We do know that there can be no safe compromising of freedom from official religions when the case gets down to fundamentals.

Mr. MORSE. Mr. President, I ask that excerpts from the CONGRESSIONAL RECORD and certain newspaper stories and articles be printed in the RECORD at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MORSE. I now close my speech by saying to the Cardinal that I do not think it is helpful to the best interest of Federal aid to education, public and private, that we follow the course of action legislatively which he has recommended. I want him to know that, in my judgment, he does not have a better friend, as proven by the record, for aid to private schools within the constitutional limits which bind him, the senior Senator from Oregon, and all others in the country. I sincerely hope and pray that in some way, somehow, there will be brought to bear upon this subject a reconsideration of policies proposed up until now by the spokesmen for the private schools. I hope that we can get together on a legislative program which will draw the clear lines of distinction between public aid and private school aid.

What is important is not the differences in point of view that presently seem to exist between those of us who are fighting for S. 1021 and for the principles of S. 1482 and those who represent the private schools urging an "all or nothing" approach to the problem, but what is important happens to be the educational needs of every boy and girl in this country. These children at the present time are being denied an opportunity which they should have—an opportunity to achieve maximum development of their intellectual potential.

I do not intend to lose sight of that underlying issue. I recognize that we cannot have a difference of opinion, such as has developed between the senior Senator from Oregon and the spokesmen for the private schools, and have it result in a political lovefest. But I shall never concern myself about the politics of the situation. I am perfectly willing to let the people of my State weigh the evidence that I shall take to them on this issue, confident that once they have the facts, the majority of them will share my point of view that we ought to have Federal aid for both public and private schools but of different types. I shall continue to work for that end. I invite the cardinal to join me in that great crusade for the boys and girls of America.

EXHIBIT 1

[From the New York Times, July 24, 1961]

PUBLIC EDUCATION IS SEEN MENACED—DR. DURGIN ASSERTS CATHOLIC ATTITUDE PROMPTS WARNING

(By George Dugan)

The Reverend Dr. Lawrence L. Durgin, minister of the Broadway Congregational Church charged yesterday that "activity of the Roman Catholic heirarchy has resulted in a cynical conspiracy to frustrate support for public education."

The charge was in a prepared statement read from the pulpit before his sermon in the church at Broadway and Fifty-sixth Street.

His reference was to the action of the House Rules Committee Tuesday in tabling by a vote of 8 to 7 all proposals for Federal aid to education. The key vote in the committee was cast by Representative JAMES J. DELANEY, Democrat, of Queens, and advocate of Federal aid to parochial schools. Mr. DELANEY is a Roman Catholic.

FINDS QUESTION RAISED

Dr. Durgin noted that the tabling of the Federal aid proposals "was done finally at the level of parliamentary maneuver" and declared:

"Until now the claim has been that, as a large and responsible part of the body politic, Roman Catholics have every right to press a sectarian position. With this I heartily agree. However, now that the pressing of a private claim has resulted in what may prove to be a national calamity a serious question must be raised.

"Is the real purpose of Roman Catholic activity to scuttle the whole system of public education? It is difficult to account otherwise for a seeming willingness to allow a parochial consideration to stalemate a great nation in its attempt to come to grips with a critical need."

Dr. Durgin asked for a "clarification of the Roman Catholic position in the bluntest terms."

"I do not fear the religious discussion which would result," he said. "I think that interreligious animosity would be limited largely to the older generation."

SEES CALM DISCUSSION

"Tensions have eased sufficiently, especially since the presidential election last fall, so that at least younger and middle-aged citizens—Protestant, Catholic and Jewish—can discuss even this issue with an irenic spirit.

"There is a new generation, not so hobbled by paranoia, which can engage responsibly in a discussion of the merits of religious issues. I am confident that division on these issues would not coincide with the religious categories of our society.

"What we need, it seems to me, is an up-to-date report from Roman Catholics on the Roman Catholic self-understanding of relationship to the dynamics of the pluralistic society in which we live and will continue to live for an indefinite future."

[From the New York Times, Apr. 30, 1961]

SPELLMAN SEES COMMON GROUND FOR SETTLING SCHOOL-AID DISPUTE—CARDINAL SAYS ADMINISTRATION HAS MADE THREE SUBSTANTIAL CONCESSIONS—URGES CONGRESS TO DO SOCIAL JUSTICE

(By George Dugan)

Cardinal Spellman declared yesterday that common ground might exist on which it would be possible to resolve the controversy over Federal aid to church-related schools.

The prelate said he had been advised by legal counsel that a memorandum prepared by the Department of Health, Education, and Welfare "makes three substantial concessions" to the position taken by proponents of aid to parochial schools.

He said in his statement, however, that the Government's document arrived at other "incorrect or doubtful" conclusions "which I choose not to mention at this time."

The cardinal received his legal advice from Lawrence X. Cusack, counsel for the Roman Catholic Archdiocese of New York. On April 5 Mr. Cusack submitted a statement on behalf of the archdiocese to the House Committee on Education and Labor. In it he asked that Congress consider four plans to provide aid to church-related schools.

CONCESSIONS NOTED

The cardinal said yesterday the Government's brief admitted that it might be constitutionally permissible for the Federal Government to provide church-related schools with equipment or facilities designed for special purposes not connected with their religious functions.

The document also concedes, he said, that loans to church-related schools might be extended where a distinction has been made between the aspects of schools that are involved with religious teaching and those that may not be. In this connection, the cardinal observed that Federal funds might be lent to church-related schools to finance the construction of nonreligious facilities.

The memorandum also concedes that there is no constitutional barrier to providing children at church-related schools with certain collateral educational services, secular textbooks and nonreligious equipment, he said.

APPEALS TO CONGRESS

"Since these areas of common ground exist, there now seems to be no justification for the exclusion of church-related schools and their students from a program of Federal aid, if the Congress decides on political and economic grounds that there should be such a program," the cardinal said.

"For that reason I again ask that Congress do social justice to the millions of American children in church-related schools by adopting one or more of the foregoing constitutionally acceptable approaches which would alone or in combination achieve equality. The lawyers for the Federal administration have conceded that such approaches may not be prohibited under the Constitution.

"There is, therefore, no longer any just reason to deny our American children in church-related schools equal treatment under any legislation that Congress might enact to attain President Kennedy's announced objective of achieving 'the maximum development of every young American's capacity' and thereby to promote the 'general welfare of our Nation.' "

[From the New York Times, Mar. 14, 1961]

SPELLMAN PUSHES EFFORT TO WIDEN SCHOOL MEASURE—CALLS KENNEDY'S BILL UNFAIR—CITES WAYS OF INCLUDING NONPUBLIC INSTITUTIONS

Cardinal Spellman repeated yesterday his opposition to any program of Federal aid to education that excluded private and parochial schools on the elementary and secondary levels.

In a statement issued through the chancery office of the Roman Catholic Archdiocese of New York, the cardinal praised President Kennedy's program of assistance to higher education as "fair and equitable to all students, all colleges, and all universities."

But he declared: "I am still opposed to any program of Federal aid that would penalize a multitude of America's children because their parents choose to exercise their constitutional right to educate them in accordance with their beliefs."

THREE-SIDED PROGRAM

The President's aid program has three facets: grants to States for public elementary and secondary education, loans to colleges for construction, and grants for college scholarships. Mr. Kennedy has excluded private and parochial schools from the first category on constitutional grounds.

Cardinal Spellman called the administration's proposal for elementary and secondary education "not fair and equitable."

"It would limit Federal aid to public schools and thereby withhold benefits from millions of children attending private and church-related schools," he said.

"It is not for me to say whether there should be any Federal aid to education. That is a political and economic matter to be decided by the Congress in compliance with the will of the American people.

ASKS EQUAL TREATMENT

"However, if the Congress decides there should be Federal aid, then certainly any legislation should conform to principles of social justice, equal treatment and non-discrimination."

An aid program providing equivalent benefits to children attending private and church-related schools without violating the Constitution would seem to be an "attainable objective," the cardinal said.

If this is not feasible, he observed, Congress should weigh other means.

These might include, he said, long-term, low-interest loans, tax benefits to parents, tuition subsidies and "other forms of help" such as assistance for the nonreligious aspects of church-related schools.

Last Jan. 17, the cardinal assailed a Kennedy task force proposal that Congress enact a multibillion-dollar program of Federal aid to public schools.

He said then it was "unthinkable that any American child be denied the Federal funds allotted to other children which are necessary for his mental development because his parents choose for him a God-centered education."

RIBICOFF BACKS PRESIDENT

WASHINGTON, March 13.—Secretary of Welfare Abraham A. Ribicoff said today he absolutely opposed including nonpublic school aid in the administration's $2,300 million bill.

To consider public and parochial school aid together would be most tragic, he told a House Education Subcommittee, and would jeopardize the program.

At the same time he refused to commit the administration in advance on any separate legislation to aid private schools.

"A serious constitutional question is involved," which would require detailed study of such legislation," he said.

Representative CLEVELAND M. BAILEY, chairman of the subcommittee, said at the outset that his group would not be concerned with theological differences or historical arguments over the church-state question.

It is concerned only with that matter as it may violate the Constitution and in consideration of the main purpose of the legislation, the West Virginia Democrat stressed.

Senator WAYNE MORSE, Democrat, of Oregon, and chairman of the Senate Education Subcommittee, urged Catholic leaders to refrain from pressing for a parochial school amendment. The Senate unit is also holding hearings on the legislation.

[From the New York Times, Mar. 14, 1961]

THE CARDINAL'S STATEMENT

In January of this year I made a public statement on Federal aid to education. Many people in the archdiocese of New York and around the country have inquired whether I desire to modify or clarify my views in the light of recent developments. Under the circumstances, I feel I have an obligation to restate my position as archbishop of the Roman Catholic archdiocese of New York.

I am still opposed to any program of Federal aid that would penalize a multitude of America's children because their parents choose to exercise their constitutional right to educate them in accordance with their beliefs. This was the central theme of the statement issued in Washington on March 2 after the recent meeting of the administrative board of the National Catholic Welfare Conference.

It is not for me to say whether there should be any Federal aid to education. That is a political and economic matter to be decided by the Congress in compliance with the will of the American people. However, if the Congress decides there should be Federal aid, then certainly any legislation should conform to principles of social justice, equal treatment and nondiscrimination.

President Kennedy is to be commended for his interest in education and for proposing a program of Federal aid in the field of higher education that is fair and equitable to all students, all colleges, and all universities. But the administration's proposal in the field of elementary and secondary schools is not fair and equitable. It would limit Federal aid to public schools and thereby withhold benefits from millions of children attending private and church-related schools.

As an American citizen interested in the welfare of all the youth of the Nation, I feel that the failure to do justice and to avoid discrimination in the field of elementary and secondary schools is contrary to the best interests of our country. Any such legislation would fall far short of meeting President Kennedy's announced objective of "the maximum development of every young American's capacity."

The welfare of our Nation depends upon the strength of our public schools and the educational excellence of the children attending them. This I know personally and gratefully as a graduate myself of public elementary and secondary schools.

But the welfare of America also depends on the strength of our private and church-related schools and the educational excellence of the more than 6 million children attending them. Not only would it be unfair and discriminatory to deny that full equality of treatment, but to bypass them would discriminate also against the good of the Nation.

From all of our children, not just the graduates of our public schools, we should expect what President Kennedy referred to as "rich dividends in the years ahead—in increased economic growth, in enlightened citizens, in national excellence." To all of our children, not just the graduates of our public schools, we must look for our future

leaders, our scientists, our soldiers, our statesmen, our educators.

There are many constitutional questions involving Federal aid to education that the Supreme Court has not yet answered. Some eminent constitutional authorities have, however, stated that children in church-related schools are entitled to all the considerations given by the Federal Government to children in public schools. Prof. A. E. Sutherland of Harvard Law School is quoted as having recently said that there is no clear constitutional prohibition against Federal aid to parochial schools.

A program of Federal aid that would accord equivalent benefits to children attending private and church-related schools and yet not violate the Constitution would seem to be an attainable objective. The specifics are matters for the discretion of Congress.

If, for constitutional reasons, children attending church-related schools cannot be given equal benefits by the same methods proposed for children attending public schools, then Congress should weigh alternative means, or a combination of means, to provide that equality. Suggestions made, in addition to long-term, low-interest-rate loans, include tax benefits to parents, tuition subsidies and other forms of help, such as assistance for the nonreligious aspects of those schools.

Since equitable alternatives are available, the enactment of a program of Federal aid for the children of our Nation that would exclude those attending private and church-related schools would be a great injustice. As a matter of fact, to deprive some American children on religious grounds of the right to benefit from such a program along with their fellow citizens might well be unconstitutional.

[From the Washington Post, Mar. 14, 1961]

SCHOOL BILL RIDERS HIT BY RIBICOFF—SAYS SEGREGATION AND CHURCH ISSUE IMPERIL PASSAGE

(By Erwin Knoll)

The administration yesterday carried to the House its fight for an aid-to-education bill free of antisegregation and parochial school amendments.

Secretary of Health, Education, and Welfare Abraham Ribicoff told the first session of House Education Subcommittee hearings that it would be "most tragic" to jeopardize chances of passing President Kennedy's $2.3 billion school-aid program by adding provisions for low-interest construction loans for private and parochial schools.

Ribicoff said a controversy over withholding Federal funds from segregated school systems would also endanger the legislation.

MAJOR STUMBLING BLOCKS

Both issues are regarded as major stumbling blocks confronting the President's education proposals in the House.

They also dominated the Senate Education Subcommittee's discussions yesterday as it continued to hear testimony on the legislation.

Agnes E. Meyer, author and lecturer on education, told the Senators that Catholic leaders who have called for Federal assistance to parochial schools are disregarding the "clear and unanswerable fact" that the Constitution forbids it.

NO DENIAL OF BENEFITS

"There is no denial of participation to Catholic children in the benefits of the bill," Mrs. Meyer said. "At least half of the country's Catholic children go to public schools, and the others could do so if they wished to.

"The denial of Federal aid is thus not to Catholic children but to parochial schools where religious instruction is part of the curriculum. The parents of Catholic parochial schoolchildren would also benefit by Federal aid to our public schools. Any measure that helps the community to provide better public education without raising local taxes is an indirect benefit to such Catholic parents.

"Some Catholics object to paying any taxes for public school," Mrs. Meyer continued, "since they are obliged to send their children to parochial schools."

"If we, American citizens, are allowed to escape any legal tax because we prefer to do something else with the money, it would soon become difficult to collect any taxes. There cannot be a tax-escape clause for Catholic taxpayers and none for other citizens."

Mrs. Meyer said she would like to see school desegregation make greater progress, but warned against telling the South, desegregate or else, by tying an antisegregation rider to the school bill.

LIBERALS WARNED

"The adherents of desegregation, and liberals who wish to force the issue, should remember that when it comes to Southern States, you cannot desegregate schools that are nonexistent," she said.

Mrs. Meyer expressed strong support for President Kennedy's proposals and said she could not believe that the opposition of the U.S. Chamber of Commerce represents the opinion of enlightened businessmen.

Federal assistance for parochial schools was defended by the Rev. F. William O'Brien, S.J., assistant professor of government and constitutional law at Georgetown University, who said there appears to be no clause in the Constitution or in any court decision proscribing it.

Father O'Brien said he was not certain what form such aid should take, or even whether there was any necessity for the Federal Government to provide school funds.

"But if education be a matter of concern for the Federal Government this concern should be comprehensive," he said, adding:

"Approximately 15 percent of primary and secondary students are in nonpublic institutions. Since 1940 the enrollment in these schools has increased 147 percent while enrollment in the public schools has grown 42 percent."

ONCE OPPOSED SUCH AID

"If three levels of government tax the heads of families and use the money raised for the public schools alone, it in effect compels parents to send their children to these schools," he said.

Under questioning by Senator BARRY GOLDWATER, Republican, of Arizona, Father O'Brien conceded that in 1959 he wrote an article opposing all forms of Federal aid. He said that is still his basic position, though exceptions may be warranted in urgent circumstances.

GOLDWATER, who opposes the school aid program as unnecessary and unsound, said he did not see how the Government could morally take money from certain groups of taxpayers and then not share it with them.

He urged the subcommittee to consider his own proposal to give Federal income tax credits of up to $100 for local real estate taxes paid for school purposes.

Minority Leader EVERETT M. DIRKSEN, Republican, of Illinois, said he could not "see for the life of me how we can permit construction of classrooms or payment of teachers" to school districts violating the Supreme Court's desegregation decision.

MIND NOT MADE UP

But DIRKSEN later told reporters that he had not made up his mind whether or not to support an antisegregation amendment to the school bill.

Senator LEE METCALF, Democrat, of Montana, said an effort to destroy the school bill would be the only reason for such an amendment. On the question of aid to nonpublic schools, METCALF declared that "the first thing we would have to do is put some Federal controls on these private schools."

Subcommittee Chairman WAYNE MORSE, Democrat, of Oregon, said the Catholic hierarchy "has a great opportunity in its testimony to say to the American people, 'We're in no way changing our convictions or desires in this matter, but we are going to yield to the great need in this country.'"

MORSE has said he would support a loan program for parochial and private schools as a bill separate from public school aid.

The pace of the Senate hearings indicated that no floor action is likely before the Easter recess.

[From the Washington Post, Mar. 3, 1961]

CATHOLIC HEADS OPEN FIGHT TO PUT CHURCH-SCHOOL AID IN U.S. PLAN

(By Erwin Knoll)

The highest leaders of American Catholicism declared yesterday that the church will oppose President Kennedy's education program as discriminatory unless it is amended to provide assistance for private and parochial schools.

The church position on Federal aid to education was worked out at a meeting here Wednesday of the National Catholic Welfare Conference's administrative board, which includes the five American cardinals and the bishops and archbishops who head NCWC departments.

In a statement on "Catholics and Federal Aid," which he said "fairly and briefly" summarized the board's discussions, the Most Reverend Karl J. Alter, archbishop of Cincinnati, said:

"In the event that a Federal aid program is enacted which excludes children in private schools, these children will be the victims of discriminatory legislation. There will be no alternative but to oppose such discrimination."

AT ODDS WITH KENNEDY

The statement put the church hierarchy at direct odds with President Kennedy, a Catholic.

At his press conference Wednesday, the President said that "the Constitution clearly prohibits aid" to parochial schools, and added:

"There isn't any room for debate on that subject."

White House press secretary Pierre Salinger last night said the President would stand on the position he took at the news conference.

Archbishop Alter said long-term, low-interest Federal loans for construction of parochial school facilities would be "strictly within the framework of the Constitution."

He said the overall question whether there ought to be Federal aid to education "is a judgment to be based on objective; economic facts connected with the schools of the country, and consequently Catholics are free to take a position in accordance with the facts.

CONVICTION STRESSED

"In the event that there is Federal aid to education," Archbishop Alter added, "we are deeply convinced that in justice Catholic schoolchildren should be given the right to participate."

The Catholic position was drafted at a meeting attended by all five American Cardinals—Francis Cardinal Spellman of New York, Albert Gregory Cardinal Meyer of Chicago, James Francis Cardinal McIntyre of Los Angeles, Richard Cardinal Cushing of Boston, and Joseph Cardinal Ritter of St. Louis.

Other participants included Archbishop Alter, chairman of the NCWC administrative board; the Most Reverend William E. Cousins, archbishop of Milwaukee and vice chairman of the board; the Most Reverend Lawrence J. Shehan, bishop of Bridgeport, Conn.; the Most Reverend Joseph M. Gilmore, bishop of Helena, Mont.; the Most Reverend Allen J. Babcock, bishop of Grand Rapids, Mich.; the Most Reverend Albert R. Zurow-

este, bishop of Belleville, Ill.; the Most Reverend John F. Dearden, archbishop of Detroit; and the Most Reverend Emmet M. Walsh, bishop of Youngstown, Ohio.

When Senate committee hearings on the President's education program opens next week, the Catholic position is expected to be submitted through testimony of the Right Reverend Frederick G. Hochwalt, executive secretary of the National Catholic Educational Association.

Chairman WAYNE MORSE, Democrat, of Oregon, of the Senate Education Subcommittee, has indicated that he will move to amend the legislation to provide low-interest Federal loans for private and parochial school construction.

Morse offered a similar amendment to a school-aid bill last year, but it was defeated, 49 to 37. In the House, an attempt to amend last year's school construction bill to provide aid for nonpublic schools was ruled out of order as not germane to the legislation.

CALLS FOR $2.3 BILLION

President Kennedy's school-aid program calls for Federal grants totaling $2.3 billion in three years for public school construction and teachers' salaries.

In submitting it, Mr. Kennedy told Congress:

"In accordance with the clear prohibition of the Constitution, no elementary or secondary school funds are allocated for constructing church schools or paying church school teachers' salaries. * * *"

The President's position was hailed yesterday by Protestants and Other Americans United for Separation of Church and State. In a statement issued by Glenn L. Archer, executive director, the organization expressed the hope "that the American people will support President Kennedy against the bishops of his church."

[From the Washington Post, Mar. 2, 1961]

U.S. AID TO PAROCHIAL SCHOOLS BARRED BY CONSTITUTION, KENNEDY DECLARES

(By Edward T. Folliard)

President Kennedy said yesterday that the Constitution clearly prohibits Federal aid for parochial schools—that "there isn't any room for debate on that subject."

Some of his fellow Roman Catholics, including Francis Cardinal Spellman of New York, disagree with him. They have sharply criticized his program for Federal grants to build public schools and raise teachers' salaries because it does not include church schools.

Cardinal Spellman said on January 17 that it was "unthinkable" that any American child be denied Federal help given to other children because his parents "choose for him a God-centered education." He said it was also unthinkable that Congress would approve such a denial.

At yesterday's Presidential news conference, a reporter called Mr. Kennedy's attention to the criticism of his aid-to-education program, and asked him to elaborate on why he had not recommended Federal help for private and parochial elementary and secondary schools.

"Well," said the Chief Executive, "the Constitution clearly prohibits aid to the * * * parochial school. There is no doubt about that. The Everson case, which is probably the most celebrated case, provided only by a 5-to-4 decision (that it) was possible for a local community to provide bus rides for non-public-school children."

He said that running through both the majority and minority opinions in the Everson case was a very clear prohibition of direct aid to the parochial school, and added:

"The Supreme Court made its decision in the Everson case by determining that the aid was to the child, not to the school. Aid to the school—there isn't any room for debate on that subject. It is prohibited by the Constitution, and the Supreme Court has made that very clear. Therefore, there would be no possibility of our recommending it."

He was reminded by a newsman that he felt free to recommend Federal aid for private and church-controlled colleges and universities.

"The aid that we have recommended to colleges is in a different form," Mr. Kennedy said. "We are aiding the student in the same way that the GI bill of rights aided the student.

"The scholarships are given to the students who have particular talents and they can go to the college they want. In that case it is aid to the student, not to the school or college, and, therefore, not to a particular religious group.

"That is the distinction between them, except in the case of aid to medical schools, and that has been done for a number of years because that is a particular kind of technical assistance. The constitutional question has not arisen on that matter."

The Everson case, to which the President referred to at his news conference, involved Ewing Township, a community of a little more than 10,000 near Trenton, N.J. The board of Ewing Township ordered that pupils of both public and Catholic schools use the regular bus lines, and that the cost of their fares be paid back to the parents. The payments came to about $40 a year for a pupil.

Arch R. Everson, a taxpayer, attacked the Ewing Township order, and carried the case all the way to the U.S. Supreme Court.

As the President said, the Court divided 5 to 4 on the case. In the majority were Chief Justice Fred Vinson and Associate Justices Stanley F. Reed, William O. Douglas, Frank Murphy, and Hugo L. Black. In the minority were Associate Justices Wiley Rutledge, Robert Jackson, Felix Frankfurter, and Harold H. Burton.

Justice Black, who spoke for the majority, upheld the right of Ewing Township to provide free bus rides for children attending Catholic schools. He said it was no more of a breach of the wall between church and state than was the detailing of policemen to protect children from traffic hazards on their way to and from school.

But having said this, Justice Black said something else that President Kennedy must have had in mind yesterday when he told reporters that running through both majority and minority opinions in the Everson case was a very clear prohibition against direct aid to parochial schools.

Justice Black, after referring to the first amendment and its command that a State "shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof," said that it meant at least this:

"Neither a State nor the Federal Government can set up a church. Neither can pass laws which aid one religion, aid all religions, or prefer one religion over another.

"Neither can force nor influence a person to go or remain from church against his will or force him to profess a belief or disbelief in any religion. No person can be punished for entertaining or professing religious beliefs or disbeliefs, for church attendance or nonattendance.

"No tax in any amount, large or small, can be levied to support any religious activities or institutions, whatever they may be called, or whatever form they may adopt to teach or practice a religion.

"Neither a State nor the Federal Government can, openly or secretly, participate in the affairs of any religious organizations or groups and vice versa. In the words of Jefferson, the clause against the establishment of religion by law was intended to erect 'a wall of separation between church and state.' "

Some Catholic theologians have contended that Jefferson did not use the "wall of separation" phrase in the sense that Justice Black used it, and as others have used it.

[From the CONGRESSIONAL RECORD, Feb. 28, 1961]

THE CATHOLIC SCHOOL-AID CASE

(Extension of remarks of Hon. EDWIN B. DOOLEY, of New York, in the House of Representatives, Tuesday, February 28, 1961)

Mr. DOOLEY. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include the intelligent, provocative, and fairminded statement by Bishop John J. Navagh of Ogdensburg, N.Y., a shepherd of some 161,000 Catholics of our north country, concerning the inequities present in the proposed Federal aid to education bill.

To my mind, the discrimination against parochial school children, all of whom are 100 percent Americans, is most regrettable. Their parents pay taxes for the support of public schools, but they are overlooked or neglected when the Federal Government is helping to pay the costs of education.

It seems incongruous that the so-called barrier of separation between church and state is thought to be fragmented by the use of Federal funds for parochial school buildings or for salaries for lay teachers.

As one who is not enthusiastic about Federal aid to schools, but is not opposed to it categorically, I feel the unfairness of the administration's education bill should be called to the attention of the Congress.

The bishop's statement follows:

BISHOP NAVAGH STATES CATHOLIC SCHOOL AID CASE IN RADIO TALK

"My dear fellow Catholics of the north country, I speak this morning as the Bishop of Ogdensburg and the spiritual leader of the 161,000 Catholics of the north country. The events of the past week have made it advisable for me to speak to you this morning on the subject 'What Do We Catholics Want?'

"First of all, let us consider what we do not want.

"1. We do not want any special privileges or any advantages which are not available to every other citizen of these United States.

"2. We do not want support for our churches or for the teaching of religion. We have taken good care of that in the past. We shall continue to take good care of that in the years ahead.

"3. We do not want a union of the Catholic Church or of any other church with the Government of the United States. I am sick and tired of reading in some of our newspapers of the danger of a union of the church and state in this country.

"Who wants it? I know personally every cardinal and archbishop and bishop in the United States and I know they do not want it. I have attended meetings of the bishops of the United States for the past 9 years and I can honestly say that it has never been mentioned publicly or in private discussion.

"I think it is time for some of our fellow citizens to stop trying to read our minds and to read and listen to what we have to say.

"The bishops of the United States are honorable men and patriotic citizens. They have never hesitated to speak out frankly on any subject of interest and utility and they never will. They have spoken on this subject as I am doing today.

"I know a number of non-Catholic clergymen and I have not the slightest suspicion that any of them plan a union of their churches with that of the American Government.

"I do not know of any sane group of laymen who are interested in a union of church and state. The so-called danger of the union of the church and state is a 'strawman,' a 'bugaboo,' invented by the secularists of the

United States as a weapon to drive every religious influence from its legitimate place in American public life.

"Now let us consider what we do want, what we Catholics of the north country do want here in the United States.

"1. We want to unite in civic and patriotic endeavor with every other American of every race and creed and condition of life to promote the good of our country and the good of every one of our fellow citizens.

"2. We want complete equality in every respect for every Catholic as well as for every other American. We Catholics have not always enjoyed this equality. We intend to enjoy it.

"When I was a boy my father brought home the daily newspapers with advertisements for employment with the last line of the advertisement running, 'No Roman Catholic need apply.'

"I can recall in public high school the civics teacher who told us ad nauseam during many discussions of the American Constitution that there were also unwritten laws in the United States and one of them was 'No Roman Catholic may ever be President.'

"I can recall Boy Scout camps which we Catholic boys could not attend because meat was served on Friday, transportation to mass was refused on Sunday and all campers were ushered into a Protestant service.

"In those days, and even now sometimes, our Catholic students struggled with the public college professor who allowed them no freedom of thought, who belittled their faith, and who gave low marks and failing marks to students who manfully refused to incorporate the teacher's own prejudices into their book reports and examination papers.

"We want that full equality for ourselves and for everybody else that the Constitution guarantees, so that, living our faith to its fullest in our pluralistic society, we may make our contribution to the good of our great country.

"3. We want for our Catholic children every privilege which the Constitution of the United States sanctions and which is enjoyed by other American boys and girls. The law makes a distinction between service to the church and service to the child. We recognize this and we accept it.

"We expect for our children, including those attending our Catholic schools, every service, every help, every privilege that is enjoyed by any other American boy or girl. This includes bus transportation, school lunches, health service, and everything else which the Constitutions of the United States and the State of New York allow.

"The Governor of New York State among other aids to higher education has proposed a measure to assist financially every student attending a private college in the State of New York. The Governor says this is a constitutional measure, and he is an honorable gentleman.

"We want that aid for every student no matter what college he attends. The Government of the United States is apparently about to launch a massive Federal aid program to benefit education in the United States. This can be set up so it benefits every American boy and girl, both those in public schools and private schools.

"Since this aid is to be given out of taxes all Americans, ourselves included, will pay, we want it for Catholic children, and every child no matter what schools they attend.

"Whether or not the State program and the national program are needed is a matter for the members of the government to determine. But if aid is given, it belongs to every American boy and girl and not one of them may be justly handicapped because his parents exercised their God-given right, recognized by the Constitution of the United States, to educate them in a private rather than a public school. We pay the same taxes as everybody else. We want the same benefits everyone else will receive.

"4. We want private schools, including parochial schools, recognized and accepted for what they are, as American institutions, partners with the State schools in the field of education, private in operation, but doing a tremendous public service in educating vast numbers of good Americans.

"The free private schools are useful and necessary to maintain freedom in our country. They prevent the intellectual stagnation which would inevitably follow from a state monopoly. They give a parent the free choice in education which is part of the American way of life. They promote a healthy and friendly rivalry which encourages intellectual progress.

"The Supreme Court of the United States in 1925 ruled unanimously that: 'The fundamental theory of liberty upon which all governments in this Union repose excludes any general power of the state to standardize its children by forcing them to accept instruction from public teachers only. The child is not the mere creature of the state; those who nurture him and direct his destiny have the right, coupled with the high duty, to recognize and prepare him for additional obligations.'

"Private schools antedated state schools. Private education is here to stay. Catholic schools are here to stay as long as the United States of America remains in the United States of America.

"Increasing numbers of young Americans will be educated in private schools which are perfectly American and in perfect conformity with the requirements of the Constitution. We resent the un-American sniping at these institutions, the unconstitutional attempts to handicap the boys and girls who attend them, the insinuation that they are any less American than the public school. They are a partner of the public school in the education of young Americans and they will continue to be so.

"We resent the attempt to deprive us of rights and helps which are just and constitutional on the pretext that, if we are treated justly and according to the Constitution, we will at a later date, ask for things that are unjust and unconstitutional. To those who so plead we reply, 'Stop fighting shadows, and take us at our word. The argument from prophecy is the weakest of all arguments.'

"5. We want fair treatment from and the sympathetic cooperation of the public school authorities, with every parent who wants his children to receive religious instruction through the released time program.

"Justice William O. Douglas speaking for the majority of the U.S. Supreme Court in 1952 in the Zorach case stated, 'The first amendment * * * does not say that in every and all respects there shall be a separation of church and state.

" 'Rather it studiously defines the main, the specific, ways in which there shall be no concert or union or dependency one on the other. * * * This is the commonsense of the matter.'

"He goes on to say, 'We are a religious people whose institutions presuppose a Supreme Being. We guarantee the freedom to worship as one chooses. We make room for as wide a variety of beliefs and creeds as the spiritual needs of man deem necessary. We sponsor an attitude on the part of government that shows no partiality to any one group and that lets each flourish according to the zeal of its adherents and the appeal of its dogma.

" 'When the state encourages religious instruction or cooperates with religious authorities by adjusting the schedule of public events to sectarian needs, it follows the best of our traditions. For then it respects the religious nature of our people and accommodates the public service to their spiritual needs.

" 'To hold that it may not, would be to find in the Constitution a requirement that the Government show a callous indifference to religious groups. That would be preferring those who believe in no religion over those who do believe.

" 'Government may not finance religious groups nor undertake religious instruction nor blend secular and sectarian education or use secular institutions to force one or some religion on any person. But we find no constitutional requirement which makes it necessary for Government to be hostile to religion and to throw its weight against efforts to widen the effective scope of religious influence.'

"While most of the public school authorities are most cooperative, these are those few who schedule necessary and essential school instruction or clubs and social activity which are attractive to children at the very hour of released-time instruction, who through arbitrary school regulations make the presence of children at religious instruction difficult, who cut down the time permitted by the law of the State and this in the case of children whose parents pay the taxes which build their schools and pay their salaries.

"In summing up what we Catholic Americans want let us put it this way. Negatively, we do not intend to be ignored, to be treated unfairly, to be passed over or to accept less than is justly ours.

"Positively, we intend to take our part and do our full share in the building up of our country. We are a large segment of the people in this Nation. We love our country as much as do any other group of Americans. And we think that our record of loyalty in the past underlines and emphasizes this.

"We want our full rights and we intend to use every legitimate way to insure that we get them. We Catholics are, and always intend to be, along with our institutions, a part of the American scene. We want everything that the Constitution permits and which is enjoyed by other Americans. We want no more. We will accept no less."

[From the New York Times, Feb. 21, 1961]

A CATHOLIC BISHOP HITS SCHOOL PLAN—EDUCATOR URGES CONGRESS TO BROADEN BILL—PROTESTANTS BACK KENNEDY MEASURE

WASHINGTON, February 21.—A Roman Catholic bishop expressed keen disappointment today that President Kennedy had excluded private and parochial schools from his multibillion-dollar program to improve education.

The program, sent to Congress yesterday, drew praise from a predominantly Protestant group that commended the President for maintaining the principle of church-state separation.

Catholics indicated even before the plan was announced that they believed it would be unfair to omit aid to nonpublic schools. Their first official stand came today from the Most Reverend Lawrence J. Shehan, bishop of Bridgeport, Conn., and chairman of the Department of Education of the National Catholic Welfare Conference.

He said that the Kennedy program denies even the least bit of help to 5 million children in nonpublic elementary and secondary schools.

"They are excluded," he added, "simply because their parents exercise their constitutional right by choosing for them education other than the State."

The bishop said he hoped that Congress would find a way to rectify this.

The bill has already run into trouble in Congress on two other questions: Whether to withhold aid from schools that defy the Supreme Court's integration ruling and whether to let States use part of the money for teachers' salaries.

The bill would provide $5,600 million in Federal funds to build public schools, provide better opportunities for college educa-

tions and increase teachers' salaries. In presenting it to Congress Mr. Kennedy made a special point of saying that parochial and private elementary and secondary schools would be excluded.

He said that this was in accordance with "the clear prohibition of the Constitution."

HAILED BY PROTESTANTS

Praise for this stand came from Protestants and Other Americans United for Separation of Church and State. The group said, "We congratulate the President for declaring that direct Federal aid to church schools at the elementary and secondary levels is unconstitutional."

Bishop Shehan said that the President's message had contained "no recognition of the contribution of private elementary and secondary schools to the critical needs of the country."

He said, "Admittedly there are certain constitutional problems in working out a formula for aiding all children." But he asked:

"Is there not ingenuity enough in the Federal Government to devise an acceptable course that would safeguard the Constitution and meet, at least to some extent, the needs of all children?

"It is our hope that Congress will seek out within the framework of the Constitution every means to assist the parents and to spur the maximum intellectual development of every American," the bishop said.

ADDRESS BY CARDINAL SPELLMAN

(Mr. LANE asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. LANE. Mr. Speaker, within the near future the 87th Congress will again be faced with the very important and most interesting subject matter on the program of Federal aid to education and especially the question of whether or not Federal aid to education should be provided to private schools and schools of various religious denominations.

Much has been written and said on the Federal aid to these private educational institutions and I have had the pleasure of reading an excerpt from an address by His Eminence Francis Cardinal Spellman of New York. So that the Members of the House may have an opportunity to read his remarks, I include his statement:

"EXCERPT FROM ADDRESS BY HIS EMINENCE FRANCIS CARDINAL SPELLMAN

"In the lead editorial in the Chicago Catholic New World of January 14 it is stated: 'One of President-elect Kennedy's task forces—pointedly described by some as a tax force—has proposed a $9,300 million program of Federal aid to education.' Of the total amount, $5,800 million would be allotted to public elementary and high schools.

"No Catholic schools or schools of other religious denominations are included in the task force proposal. For many millions of American parents, this means that they will be taxed more than ever before for the education of their children but that they cannot expect any return from their taxes, unless they are willing to transfer their children to a public grade or high school.

"The Task Force Committee consists of six of our country's distinguished educators, which outlined a general program of financial assistance for all public schools as follows:

"'1. To provide $30 per annum a pupil, based on average attendance in public schools. The boards of education should be authorized to use the funds for construction, salaries or other purposes related to the improvement of education.

"'2. To provide $20 per child for States with personal income per student in average daily attendance in public schools that is below 70 percent of the national average.

"'3. To provide an amount equivalent to $20 per child in average daily attendance in the public schools of the great cities (over 300,000 population) which are facing unique and grave educational problems.'

"I believe and I state that these recommendations are unfair to most parents of the Nation's 6,800,000 parochial and private school children. Such legislation would discriminate against a multitude of America's children because their parents choose to exercise their constitutional right to educate them in accordance with their religious beliefs. Under these proposals parents would be compelled to surrender both freedom of mind and freedom of religion in the education of their children as a condition for sharing in Federal education funds, which is in direct violation of the liberties guaranteed by the first amendment to the U.S. Constitution.

"In this day when, according to communism's chief salesman Nikita Khrushchev, the Soviet Union is fighting to enslave the world by conquering men's minds, it is imperative that our Nation provide every child with the teachings necessary to develop his moral and intellectual abilities to their highest potential. The requirements of the national defense as well as the general welfare of our country demand that, in educational opportunities, no child be treated as a second-class citizen. Hence, it is unthinkable that any American child be denied the Federal funds allotted to other children which are necessary for his mental development because his parents choose for him a God-centered education.

"To me it is also unthinkable that Congress would deny a child funds to study mathematics, science, and languages simply because his parents supply additional funds for the study of religion. This would be penalizing both the child and his parents because of their religious beliefs.

"As an American whose loyalties have been challenged only by Communists, I cannot believe that Congress would accept the proposals of the task force and use economic compulsion to force parents to relinquish their rights to have religion taught to their children. I cannot believe that Congress would discriminate against Lutheran, Baptist, Catholic, or Jewish parents—Americans all—in the allocation of educational funds.

"I cannot believe that Congress would enact a program of financial assistance to elementary and secondary education unless all children were granted equal educational privileges, regardless of the school they attend. This procedure would insure the civil rights of independent school children and of their parents, and would then incorporate in the task force programs, the first amendment principles of religious and academic freedom in the pursuit of truth.

"Our Constitution not only demands that all children be treated alike regardless of their exercise of religion in the choice of school, but Congress has established many precedents of this equal treatment. To quote just a few:

"In the Veterans' Readjustment Act of 1952 Congress provided for direct grants to veterans to enable them to pay tuition in the school of their choice. Many GI's used these funds to pay tuition in the Nation's 474 Protestant, 265 Catholic, and 5 Jewish institutions of higher education.

"In the War Orphan's Educational Assistance Act of 1956 Congress provided for direct grants to students whose father died as a result of the Second World War or the Korean conflict. Many of America's orphaned students are using these grants to pay tuition in church-related colleges. And, in the National Defense Education Act of 1958 Congress provided for direct grants to graduate fellows many of whom are pursuing their studies in universities under religious auspices.

"A number of States have also adopted the method of direct grants to students in extensive scholarship programs which give the award winners freedom of choice in education.

"It is a matter of record that programs of direct grants to students and children attending church-related schools do not breech the wall of separation of church and state. Discussing the GI bill, the President's Committee on Education Beyond the High School observed that it 'does not believe that this assistance to veterans was designed to help, even indirectly, the institutions.' This means that Congress can subsidize children and students without subsidizing the schools.

"The task force Committee on Education calls for a flat grant of $30 annually for each public school child for all States. By denying this measure of equality to church-related schoolchildren and their parents, the task force proposals are blatantly discriminating against them, depriving them of freedom of mind and freedom of religion guaranteed by our country's Constitution whose first amendment was adopted to protect the individual person from government repression, the very danger implicit in the proposed program of the task force.

"If Congress were to comply with the task force proposals as outlined by its committee (and once again I express my faith that Congress would not do so), and compel a child to attend a State school as a condition for sharing in education funds, it would be engaging in thought control, which, as Justice Jackson remarked, 'is a copyright of totalitarianism, and we have no claim to it.'

"Therefore, dear friends, in the hazardous present and the increasingly perilous future that we face, I beg your prayers that Americans may forever be free to worship God as conscience directs; prayers for our beloved country, her leaders and her people; prayers that, as we go forward to the great tasks ahead, we may rededicate ourselves to God with a single will for peace and righteousness for all."

[From the New York Times, Jan. 19, 1961]

SPELLMAN SCORED ON SCHOOLS STAND—BAPTIST DEPLORES HIS ATTACK ON AID PLAN AS A BLOW AT KENNEDY'S POSITION

(By Jon Wicklein)

A leading Baptist spokesman said yesterday it was "most unfortunate" that, at the outset of the new administration, Cardinal Spellman had attacked a basic position on education taken by President-elect John F. Kennedy.

In a statement issued here, the Reverend W. Hubert Porter, associate general secretary of the American Baptist Convention, said:

"It is most unfortunate that a leading cardinal of the Roman Catholic Church would attack a position to which President-elect Kennedy pledged himself repeatedly before the nationwide audiences during his successful campaign for the Presidency: not to use public funds for parochial schools."

At an archdiocesan meeting Tuesday night, Cardinal Spellman assailed a plan by the President-elect's task force on education to give $5,840,000 to public elementary and high schools over 4½ years. No such aid should be given, the Cardinal said, unless it goes to private and parochial schools on an equal basis with public schools.

PROTESTANT DISAGREES

Mr. Porter disagreed strongly. He said: "I believe that the use of the Public Treasury for the support of any sectarian purpose is a violation of a basic liberty which is essential to our American heritage, for it employs the power of government in coercing many citizens to support religious objectives of which they cannot conscientiously approve."

He was joined in this view by a number of other Protestant leaders.

The cardinal referred in his statement to parochial schools run by Protestant and Jewish groups, as well as Catholic.

"I cannot believe," he said, "that Congress would discriminate against Lutheran, Baptist, Catholic, or Jewish parents—Americans all—in the allocation of educational funds."

The Reverend Dr. Oswald C. J. Hoffman, public relations director of the Lutheran Church, Missouri Synod, commented:

"Let Cardinal Spellman speak for himself. He does not speak for us Lutherans."

The Missouri Synod, with 149,201 pupils in 1,293 elementary schools, has the largest system of Protestant parochial schools in the country.

"As Americans who accept the traditional American policy of church-state separation," Dr. Hoffman said, "we Lutherans would not feel discriminated against if Federal funds were appropriated for public schools only. In fact, we feel that Federal assistance, if there has to be such assistance, should be restricted to public schools."

Cardinal Spellman was told of Dr. Hoffman's comment.

Mr. KEATING. Mr. President, I have listened with interest to the presentation by the distinguished Senator from Oregon. I am gratified that, with perhaps the exception of the reading of excerpts from the editorials, he has been very restrained in his comments. I know of his view. I listened in the Senate with great care to his dissertation on the subject of the constitutionality of nonsubsidized loans to private schools. The Senator is a distinguished lawyer. His argument was very convincing.

I made an independent investigation of my own on that subject. I reached the same conclusion which he did. I spoke at some length on this subject this year. I voted for the amendment of the Senator from Oregon when he presented it to provide for nonsubsidized loans to private schools.

The Senator, as he has explained, felt he was in a different position this year, as the one responsible for the President's program; and, as he has said, this year he did not support in the public school bill the amendment to provide these loans to aid these schools.

In the light of that, an argument has developed as to who has left whom.

I am familiar with the bill which he and the Senator from Pennsylvania have sponsored. I believe, however, that Cardinal Spellman is to be excused if he reached the same misunderstanding, which I must confess I was advised is the case with other Members of the Senate, concerning the fact that the distinguished Senator from Oregon had changed his views with regard to loans to private schools, having been the author of the amendment before and now having been opposed to the same amendment when it was brought before us in the last bill.

I am aware of the reason which he has given. I agree—and I know that he agrees, too—that these issues should be debated on their merits. The whole question of Federal aid to education appeals to deep convictions and arouses considerable controversy. Throughout the whole country, I believe, there is a great awareness of the difficulties that Federal aid to education could create—political difficulties, racial difficulties, religious difficulties and, of course, the overall problem of Federal control.

Because the people of this Nation are divided in their attitudes toward Federal aid to education, it is very important that all segments of the population discuss and consider the issue and express opinions on it.

Cardinal Spellman is a man of deep personal conviction and unquestioned integrity. He is a great patriot who has demonstrated his love of his country and his great compassion for his fellow men in many ways, notably in the trips he has taken year after year—when he is no longer a young man—to visit our servicemen overseas.

I am sure that in voicing his objections both to the Senator's bill and to the Senator's comments in the address he made in Philadelphia, the Cardinal is conscientiously following the course which appears to him right and proper. Cardinal Spellman, like every other American, is entitled to make his position clear on any issue upon which he feels strongly.

Cardinal Spellman and many other people believe that the administration's proposal, as revised by the Senate Committee on Labor and Public Welfare, did not provide for an equitable or effective method of meeting our Nation's educational needs.

I myself was dissatisfied with many of the provisions in this bill. Cardinal Spellman is certainly entitled to express his concern over the measure. I know from my mail and from statements made to me by many people that the Cardinal has wide support for his position.

It is most important in dealing with matters which are as controversial as Federal aid to education that we avoid on all sides needless recriminations and personal attacks against those whose opinions differ from our own. I am happy to hear the Senator from Oregon voice the same sentiment. I am sure that it is a sentiment with which Cardinal Spellman would be in agreement. I am sure that the Senator from Oregon would agree that the essence of democracy is to present a forum for many different points of view, so that final action can be taken in accordance with the will of the majority.

That is why we are gathered here in Congress representing different points of view and expressing them freely and fully. We can fulfill our responsibilities best by listening to the dissenting voices that we hear throughout the country, and by doing nothing to silence or discredit those views merely because they do not happen to coincide with our own.

When I was informed that the distinguished Senator from Oregon was going to reply to the statements made by Cardinal Spellman, I was told that the Senator would "attack" the Cardinal on the floor. That was not anything coming from the Senator but from those who entertain as high a regard for Cardinal Spellman as I do.

I am proud to speak as the Cardinal's friend in making these remarks. I do not interpret the remarks of the Senator from Oregon as an "attack" upon him.

I would like to be the one to bring the Cardinal and the Senator from Oregon together for a discussion. I am sure each one would profit from the other, because they each have many points which, if not in common, are points which are enjoyable and which would make for a good meeting.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. MORSE. I am sorry if anyone was under the false impression that I would attack the Cardinal. I did not give any reason for anyone to assume that. I thought I made very clear that I was going to express my difference of opinion with the Cardinal on the merits of the issue. I tried to make that clear.

The record will speak for itself, and the Senator from New York has been very kind in evaluating my speech. He has evaluated it in accordance with my intentions and motivations. I certainly have no desire to attack the Cardinal. I wished rather to express clearly the difference in our positions and to clarify the record. If the press release had gone unanswered, unintended harm to me might have resulted, which I am sure was not the intent of the release.

I have a desire to find myself on a common meeting ground with the Cardinal where we can both go forward in support of Federal aid to education which will benefit, as I said in my closing remarks, the schoolchildren of this country in both public and private schools within the limitations the Constitution imposes upon us as legislators.

Mr. KEATING. I appreciate the comment of the distinguished Senator from Oregon. I say to him in all frankness and in the best of humor that I had another engagement this evening which I canceled, for fear that this was going to develop into an "attack." When I have a friend who is "attacked," I want to be there. It did not develop into an "attack." I am sure I profited from listening to the Senator's presentation more than I would have from the engagement which I canceled to listen to the Senator from Oregon.

THE NEW YORK WORLD'S FAIR

Mr. KEATING. Mr. President, a battle has been waged and won in the other body. By a vote of 373 to 42, a bill was passed this afternoon to provide for an official study as to the nature and scope of Federal participation in the 1964–65 New York World's Fair.

We now must take up the cudgels in the Senate. With time running out on the 1st session of the 87th Congress, I am extremely anxious that this measure be acted upon. The distinguished majority leader has already been "revving up" his political engine for adjournment. We will meet on Saturdays. We will meet on Labor Day, and we will be here in the evenings. This makes it even more necessary, in my mind, that speedy consideration in the Senate Committee on Foreign Relations be given to legislation on the New York World's Fair.

I am hopeful that the distinguished Senator from Arkansas [Mr. FULBRIGHT], chairman of the Committee on Foreign Relations, will schedule the bill for committee action very shortly. My colleague, the distinguished Senator from

New York [Mr. JAVITS], and I intend to work with as many Senators as we can to have the proposed legislation enacted. Already, more than 20 States have announced their participation in the New York World's Fair. So we hope to have plenty of friends in passing the proposed legislation.

The World's Fair is 3 years away. That is a very long time for track stars and race car drivers, but it is not very long for the men who will plan and organize what I am confident will be the greatest World's Fair ever.

I am delighted that the other body has acted on the proposed legislation so overwhelmingly. I hope the Senate will quickly follow suit.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

PEACE CORPS ACT—AMENDMENTS

Mr. HICKENLOOPER submitted amendments, intended to be proposed by him, to the bill (S. 2000) to provide for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower, which were ordered to lie on the table and to be printed.

ADJOURNMENT TO 10:30 A.M. TOMORROW

Mr. MORSE. Mr. President, in accordance with the previous order, I move that the Senate adjourn until 10:30 o'clock tomorrow morning.

The motion was agreed to; and (at 8 o'clock and 51 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Wednesday, August 23, 1961, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate August 22 (legislative day of August 21), 1961:

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

James T. Yerby, Berry, Ala., in place of T. M. Karrh, retired.

Julia G. Oliver, Panola, Ala., in place of A. G. Schmitz, retired.

ALASKA

Lillian E. Ingrim, Dillingham, Alaska, in place of M. E. Olsen, retired.

Thomas L. Jackson, Sr., Kake, Alaska, in place of R. R. Martin, resigned.

ARKANSAS

Gerald Sale, Piggott, Ark., in place of H. M. Jinks, resigned.

CALIFORNIA

Michael J. FitzGerald, Benicia, Calif., in place of A. B. Pometta, retired.

Merle G. Andrew, Calimesa, Calif., in place of Pansy Lockett, resigned.

Dudley B. Dismuke, Encinitas, Calif., in place of J. L. Hewes, retired.

Alfonso S. Mendichi, Feather Falls, Calif., in place of J. G. Land, retired.

Rudolph J. Banuelos, Greenfield, Calif., in place of Guido Berti, resigned.

Virginia M. Benedict, La Honda, Calif., in place of E. J. Willett, resigned.

Janet L. Ollar, McArthur, Calif., in place of L. H. Heaton, retired.

Marie C. Mize, Mountain Center, Calif., in place of E. M. Beach, resigned.

James D. A. Vance, Pacific Palisades, Calif., in place of Gertrude Ford, retired.

Dallas P. Murphy, Shingle Springs, Calif., in place of L. E. Heinz, resigned.

Barney L. Bryan, Suisun City, Calif., in place of M. R. Wolfskill, retired.

Barry D. Duncan, Summerland, Calif., in place of Opal Lambert, resigned.

Gaddis D. Maddox, West Covina, Calif., office established September 6, 1958.

COLORADO

Otto A. Walter, Allenspark, Colo., in place of J. A. Jensen, retired.

Frances A. Walters, Sugar City, Colo., in place of Edward Termer, transferred.

FLORIDA

Ralph B. Miller, Edgewater, Fla., in place of B. K. Smith, retired.

Sweet B. Powell, Eglin Air Force Base, Fla., office established January 1, 1958.

David L. Hilldale, Oak Hill, Fla., in place of J. H. Hilldale, deceased.

Edna R. Myers, Odessa, Fla., in place of A. L. Jackson, retired.

Richard F. Weinmann, Sorrento, Fla., in place of Florie Torbert, retired.

GEORGIA

Ulysses E. Sampson, Young Harris, Ga., in place of J. C. Twiggs, Sr., retired.

IDAHO

H. Kay Thatcher, Carey, Idaho, in place of A. A. York, deceased.

Vern Chandler, Salmon, Idaho, in place of F. W. Hammer, retired.

ILLINOIS

Rudolph E. Beranek, Berwyn, Ill., in place of J. J. A. Borkovec, retired.

Mabel J. Atkins, Dawson, Ill., in place of C. B. Stanton, deceased.

Dorothy E. Maier, Thomasboro, Ill., in place of A. J. Ulrich, retired.

James T. Shinnebarger, Williamsville, Ill., in place of G. T. Hobkirk, retired.

INDIANA

Dale E. Blackford, Tippecanoe, Ind., in place of A. B. Rhodes, retired.

IOWA

Gilbert G. Cory, Ankeny, Iowa, in place of O. W. Swartfager, retired.

Thomas E. Higby, Lehigh, Iowa, in place of R. E. Whipple, deceased.

Chester B. Judd, Lineville, Iowa, in place of H. L. Casey, retired.

Orval A. Kennedy, Milo, Iowa, in place of D. B. Kimzey, retired.

KENTUCKY

Florabelle H. Wells, Bloomfield, Ky., in place of L. H. Muir, retired.

Bernell D. Gifford, Eubank, Ky., in place of Walter McKenzie, retired.

Sister Rose Emma Monaghan, Maple Mount, Ky., in place of Sister M. C. McCue, resigned.

James E. Thomas, Wilmore, Ky., in place of C. W. Mitchell, retired.

MAINE

Mary L. Webb, Sargentville, Maine, in place of M. F. Gray, deceased.

MARYLAND

Kate C. Grimes, Riva, Md., in place of T. W. Billings, deceased.

MASSACHUSETTS

Rita C. Nygard, Jefferson, Mass., in place of E. M. Harrington, retired.

MICHIGAN

Kenneth G. Jones, Charlotte, Mich., in place of H. E. C. Rogers, retired.

Kenneth Van Heukelum, Hudsonville, Mich., in place E. E. Hubbard, retired.

Ervigal A. Peacock, Onaway, Mich., in place of E. W. Kenrick, retired.

MINNESOTA

William G. Murry, Delavan, Minn., in place of A. B. Perrizo, retired.

Harold O. Turbenson, Silver Bay, Minn., in place of F. V. Erickson, resigned.

MISSISSIPPI

Roy H. Courtney, Bassfield, Miss., in place of N. R. Evans, retired.

James P. Allen, Fayette, Miss., in place of E. M. Huttenlocher, retired.

Fracus G. Wiygul, Fulton, Miss., in place of W. C. Bourland, retired.

William C. Sharbrough, Jr., Holly Bluff, Miss., in place of W. C. Sharbrough, retired.

Floy P. Humphreys, Lorman, Miss., in place of E. Y. Alsworth, retired.

William A. Smith, Saucier, Miss., in place of R. M. Summers, retired.

McHaven Clanton, Slate Spring, Miss., in place of M. L. Odom, retired.

MISSOURI

William F. E. Strothmann, Berger, Mo., in place of H. C. W. Strothmann, deceased.

Robert E. Audsley, Chilhowee, Mo., in place of L. H. Inglish, retired.

J. Wayne Atterbury, Madison, Mo., in place of W. W. Eubank, retired.

John W. Hunt, Monett, Mo., in place of G. C. Fulton, retired.

Clarence G. Brown, Spickard, Mo., in place of Ross Alexander, Jr., resigned.

Kenneth E. Fry, Wyaconda, Mo., in place of E. W. Kurtz, retired.

MONTANA

Ralph E. Parpart, Medicine Lake, Mont., in place of N. P. Miller, retired.

NEBRASKA

Donald K. Rowe, Ralston, Nebr., in place of E. R. Henkel, transferred.

James L. Chiles, Sterling, Nebr., in place of T. G. Roberts, retired.

NEW HAMPSHIRE

Ada E. Widman, East Hampstead, N.H., in place of L. M. Tait, retired.

NEW JERSEY

James E. Posten, Atlantic Highlands, N.J., in place of H. W. Posten, retired.

Samuel H. Rifkin, Dutch Neck, N.J., in place of H. R. Tindall, resigned.

Herman E. Gallaher, Sayreville, N.J., in place of A. F. Schmitt, retired.

NEW YORK

John J. Biondolillo, Avon, N.Y., in place of J. L. Light, deceased.

Edward K. Sutryk, Bradford, N.Y., in place of F. R. Schuh, retired.

James D. Curcio, Chappaqua, N.Y., in place of J. J. Harrigan, deceased.

Walter A. Glynn, Craryville, N.Y., in place of F. A. Glynn, retired.

Donald J. Fitzpatrick, Dannemora, N.Y., in place of Jacob Tolosky, retired.

William E. Vaughn, Greenville, N.Y., in place of W. P. Stevens, retired.

Steven M. Douglass, Hammondsport, N.Y., in place of J. F. Richards, retired.

Raymond O. Barker, Hudson Falls, N.Y., in place of L. P. Howland, retired.

Carl J. Barry, Kent, N.Y., in place of R. K. Fishbaugh, deceased.

Alton E. Briscoe, Laurens, N.Y., in place of M. D. Taylor, deceased.

Donald E. Van Vliet, Niverville, N.Y., in place of G. L. Crausway, retired.

Grant D. Morrison, Northville, N.Y., in place of P. H. Griffing, retired.

Audrey L. Manzo, Ocean Beach, N.Y., in place of E. C. Nolin, resigned.

Joseph J. Farrell, Paul Smiths, N.Y., in place of R. J. Longtin, retired.

Michael L. Odak, Red Hook, N.Y., in place of J. S. Hobbs, deceased.

Walter F. Schiener, Sardinia, N.Y., in place of M. C. Cudoba, deceased.

Merle C. Leonard, Savona, N.Y., in place of E. E. Mulliken, deceased.
Helen H. Kirker, Seneca Castle, N.Y., in place of M. P. Leadley, deceased.
Dorothy L. Varley, Thomson, N.Y., in place of G. E. Varley, retired.
Clarence M. Pulling, West Lebanon, N.Y., in place of R. E. Watkins, resigned.

NORTH CAROLINA

Ralph L. Beshears, Boone, N.C., in place of J. E. Brown, Jr., removed.
Harveleigh M. White, Method, N.C., in place of A. T. White, deceased.

NORTH DAKOTA

Michael A. Sperle, Kintyre, N. Dak., in place of E. M. Ellingson, deceased.

OHIO

Charles H. Davis, Bethesda, Ohio, in place of A. H. Bolon, retired.
Alfred H. Fankhauser, Clarington, Ohio, in place of S. B. Maury, deceased.
Joseph M. Brumby, Kipton, Ohio, in place of B. R. Waite, deceased.

OKLAHOMA

Leo A. Koetter, Elgin, Okla., in place of R. W. Swiercinsky, deceased.
Willie O. Dodson, Hammon, Okla., in place of W. C. Lister, resigned.
Julian R. Conn, Poteau, Okla., in place of Monroe Burton, retired.
Emory J. Davidson, Vinson, Okla., in place of J. R. Chitwood, retired.

OREGON

Norman W. Whitlatch, Veneta, Oreg., in place of W. E. Elliott, retired.

PENNSYLVANIA

Frank J. Dougherty, Bala-Cynwyd, Pa., in place of M. K. Kerns, retired.
George M. Brunner, Cranesville, Pa., in place of M. H. Thrasher, retired.
Leonard W. Gray, Dayton, Pa., in place of R. B. Jewart, transferred.
Harold Dickison, Dingmans Ferry, Pa., in place of L. S. Seymour, deceased.
Jay C. Miller, Manheim, Pa., in place of R. E. Mackley, retired.
Robert A. Feinour, New Tripoli, Pa., in place of F. D. Weiss, retired.
Anthony I. Lambert, Philadelphia, Pa., in place of R. A. Thomas, retired.
Edward G. Coll, Pittsburgh, Pa., in place of J. C. Smith, deceased.
Robert H. Becker, Rheems, Pa., in place of J. B. Henry, retired.
Elwood T. Conrad, Sassamansville, Pa., in place of E. R. Richard, retired.
Joe S. Klapach, Strabane, Pa., in place of Louise Felin, retired.

PUERTO RICO

Herminio L. Cabello, Cidra, P.R., in place of Luis Lugo, retired.
Benjamin Acosta Ponce, Fajardo, P.R., in place of Adela Delpin, retired.
Jose Manso Pizarro, Loiza, P.R., in place of H. F. Matos, retired.

RHODE ISLAND

Walter I. Burroughs, North Kingstown, R.I., in place of Ralph Campbell, retired.

SOUTH CAROLINA

Geraldine J. Spiers, Bonneau, S.C., in place of I. B. Feagin, transferred.
Roland F. Wooten, Jr., Charleston, S.C., in place of E. P. Grice, Jr., retired.
Mary K. Robertson, Enoree, S.C., in place of L. O. Thornton, retired.
Jack C. Lee, Hamer, S.C., in place of W. F. McLellan, deceased.
Richard B. Burnett, Spartanburg, S.C., in place of J. W. Hughston, retired.

SOUTH DAKOTA

Clyde M. Ross, Artesian, S. Dak., in place of J. C. Heinricks, retired.
Vernon J. Connell, Cresbard, S. Dak., in place of M. A. Jones, retired.
Duane E. Neumann, Groton, S. Dak., in place of C. L. Gibbs, transferred.

TENNESSEE

Earl W. Ogle, Gatlinburg, Tenn., in place of E. M. Ogle, deceased.
John W. Jones, Prospect, Tenn., in place of C. E. Reed, retired.

TEXAS

Douglas Luck, Andrews, Tex., in place of M. M. Burkett, retired.
Anna S. Cutshall, Azle, Tex., in place of E. G. Parker, retired.
Erma B. Helwig, Fulshear, Tex., in place of L. B. Ferguson, resigned.
William E. Smith, George West, Tex., in place of Ella Bartlett, retired.
Evans D. Vineyard, Hermleigh, Tex., in place of W. C. Fargason, retired.
Willie Coker, Marquez, Tex., in place of A. D. Woods, Jr., transferred.
Clyde Wright, Van Horn, Tex., in place of C. M. Bean, retired.
Clyde D. Gamble, Wolfforth, Tex., in place of W. M. Johnston, removed.

UTAH

Kenneth J. Hoyt, Levan, Utah, in place of C. S. Wood, retired.

VERMONT

Esther L. Sweatt, Craftsbury Common, Vt., in place of B. W. Farrar, retired.
Theodore R. Kimball, North Ferrisburg, Vt., in place of S. M. Hicks, deceased.
Lyndell C. Wood, South Royalton, Vt., in place of G. M. Goodrich, retired.
William J. Harrington, Windsor, Vt., in place of T. J. Murphy, retired.

VIRGINIA

John H. Glass, DeWitt, Va., in place of L. R. Bolte, retired.

WASHINGTON

Robert N. Prante, Satsop, Wash., in place of R. H. Hughes, retired.
John P. McMonagle, Tacoma, Wash., in place of G. P. Fishburne, retired.
Robert E. Clemans, Tieton, Wash., in place of A. R. Schooler, retired.

WEST VIRGINIA

Mary H. Puskar, Gary, W. Va., in place of W. M. Boardman, retired.
Glenn W. Evans, Moorefield, W. Va., in place of W. J. Teets, retired.
Macie L. Hardy, Squire, W. Va., in place of L. E. Hardy, deceased.

WISCONSIN

Glenn M. Mattison, Amberg, Wis., in place of A. S. Port, retired.
Eugene B. Hopkins, Cumberland, Wis., in place of M. G. Dunham, retired.
Robert M. Tabat, Dousman, Wis., in place of L. P. Mundschau, retired.

EXTENSIONS OF REMARKS

A Brilliant and Promising Experiment in Improving the Quality of Our Education: Carpeting Eliminates Noise and Distraction in Amsterdam Junior and Senior High Schools

EXTENSION OF REMARKS

OF

HON. SAMUEL S. STRATTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 22, 1961

Mr. STRATTON. Mr. Speaker, I have long urged the emphasis on carpets as the ideal type of floor covering in our hectic and often overwrought civilization. Not too long ago, in fact, I urged serious consideration of the proposal that the floors of more of our public buildings in Washington be carpeted so as to ease the strains on the millions of weary tourists who walk through them each year. By dimming the noise and easing the pressure underfoot, carpets can do much to restore the kind of calm and sober equanimity this Nation needs to confront and to surmount the manifold obstacles that lie ahead of us in the world struggle against communism.

Only the other day, Mr. Chairman, I had the rare privilege of conferring with the President of the United States in his White House office. One of the things that impressed me most as a result of that conference was the calm, confident, quiet, and self-assured air of our great President, Mr. Kennedy, on a day when he had on his heart and mind the difficult decision relating to Berlin. Mr. Speaker, I could not help wondering, as I came away from that meeting with President Kennedy, whether something of the quiet and calm air of assurance which has characterized his handling of the delicate world situation may not have been imparted as a result of the similarly calm and quiet atmosphere of his beautiful office, carpeted of course in the modern manner, wall to wall.

Mr. Speaker, if carpeting can help to create an atmosphere here in Washington where the great decisions of the day can be met with deliberateness and sober reason, then surely it can also be of value in our educational institutions as well, and serve to cut down the clatter and clamor that no doubt play such a major part in impairing the effectiveness of classroom instruction or study hall meditation.

And so I am delighted, Mr. Speaker, to be able to report to this House that back in my district in Amsterdam, N.Y., home of one of the great leaders in our American carpet industry, Mohasco Industries, Inc., the officials of this great concern have now undertaken to underwrite the expenses of an experiment designed to demonstrate what carpeting can do by way of improving the educational environment of our secondary schools.

Mr. Speaker, I am confident the experiment will succeed. I congratulate the officers of Mohasco Industries for their leadership in this field. Indeed if this Congress should in the remaining days that lie ahead get around to enacting, as some have suggested, a compromise classroom construction bill, I do hope that these new classrooms, building on the results of this new educational experiment now going on in Amsterdam, will have their floors covered with carpeting manufactured in American plants by American working men and women.

Upon leave to extend my remarks, I include an editorial which sets forth in more detail the scope of the Amsterdam experiment which appeared in the Amsterdam Evening Recorder for August 18, 1961.

The editorial follows:

COMMUNITY EXPERIMENT

Prior to the opening of school in September, areas of the Lynch High and Woodrow Wilson Schools will receive a new look in floor coverings. This could mean a great deal not only to our educational system but to the future economy of Amsterdam.

Carpeting is being contributed by Mohasco Industries, Inc., as part of an experimental program designed to illustrate the benefits deriving from this type of floor covering in educational institutions.

If findings in an earlier experiment prove true here, local schools will benefit through lower maintenance costs, better classroom performance due to elimination of distracting noise, and more comfortable and visually pleasing rooms and offices.

Local industry also stands to benefit through increased sales to representatives of the educational field, a relatively new area of operation for the American carpet industry. Increased production would mean more jobs in Amsterdam.

What the current industrial experiment illustrates, perhaps best of all, is the spirit of cooperation which in recent years has swept like a refreshing breeze over the local scene. This has meant a great deal to all of us and it will mean even more in the years to come.

The manner in which Mohasco Industries, Inc., and the local school system have worked together in this project provides another example of how progress through cooperation at all levels can become a community's most important product.

Address by Senator Wiley Over Wisconsin Radio Stations

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Tuesday, August 22, 1961

Mr. WILEY. Mr. President, in a strife-torn world we as a nation face the dual task: that of safeguarding our security against dangers from without and of further strengthening the Nation domestically.

Last weekend I was privileged to comment on aspects of the dual responsibility in an address over Wisconsin radio stations. I ask unanimous consent to have excerpts from the address printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS OF ADDRESS PREPARED FOR DELIVERY BY SENATOR ALEXANDER WILEY, REPUBLICAN, OF WISCONSIN, OVER WISCONSIN RADIO STATIONS, WEEKEND OF AUGUST 20, 1961

Today the Nation—despite facing great, far-reaching challenges around the globe—must also keep its domestic house in order.

Among other things, this includes assuring economic health for major, in fact all, segments of the economy.

At this time, I would like to discuss with you one significant field—agriculture.

How important to the economy is farming?

According to the U.S. Department of Agriculture, the farming industry employs about 7.1 million workers and creates jobs for 16 million more in nonfarm industries. The total investment in American agriculture is nearly $200 billion—equal to three-quarters of the value of current assets of all corporations in the country.

In Wisconsin, of course, dairying is of special significance. The annual income for Wisconsin farmers amounts to $600 million.

In recent years, unfortunately, the dairy industry has been handicapped by a supply-demand imbalance of milk. As a result, the farmer has suffered from too low prices.

Now, what can be done?

Over the years, a wide variety of programs have been inaugurated to improve the economic outlook. Of some help, these have not yet, however, provided the ultimate solution.

Consequently, we must continue to explore for new ways and means for brightening the economic future of the American farmer.

As a further effort to help solve the supply-demand imbalance surplus problem in dairy products, I introduced in the Senate this week a bill to establish a Dairy Research Center at Madison, Wis.

The purpose would be to find new ways to utilize dairy products for commercial-industrial uses.

In dairying, as in other fields, creative research is the key to progress.

Over the years, the dairy industry, State and Federal departments of agriculture, colleges and universities, and other institutions have discovered a wide variety of ways to utilize dairy products for human consumption, including milk, cheese, butter, ice cream, powdered milk, and other foods.

In this exploratory age, however, we need new Columbus-type researchers to seek out and find industrial and commercial uses for our milk, cheese, butter, and other dairy items.

Out of such research could well come uses that could revolutionize the dairy industry and further benefit our people.

For 1961, the annual national milk production is estimated to exceed 124 billion pounds, including 18 billion pounds produced in my home State of Wisconsin—the No. 1 producer.

The present supply exceeds the demand. As a result, Wisconsin producers get only one-half the price for their milk that producers in eastern markets get for their milk.

The utilization of the surplus for industrial purposes would be of tremendous benefit, not only to the dairy industry, but also to the whole economy.

BERLIN CRISIS

Now, let's look briefly at the global scene:

Today, the world is teetering dangerously on the brink of war.

In Berlin, particularly, the Soviet-created crisis threatens to result in a showdown of force between the Western Alliance and the Communist world.

In the minds of millions of people, the question is now being asked: Can a nuclear-missile war be avoided?

For reasonable people—concerned with peace rather than power seeking—the answer is obvious: Yes; we must avoid a war.

However, it is difficult to predict tactics or strategy of Communist thinking.

Because of the grave risk of a third world war, even the Communist leaders—we hope and pray—will realize it would be suicidal.

Although adhering to a "tough" policy, Khrushchev has indicated that he is willing to further confer on the issues of Berlin and Germany. OK, let's talk to him. But let's not go emptyhanded to a conference.

What should be the foundation of Western policy? Among other things, the following:

1. Mobilization of adequate military forces to demonstrate to Khrushchev that the West intends to protect its rights, live up to its obligations and commitments, and not make any one-sided concessions;

2. Educate world opinion—a growing influence in determining disputes—to the real factors behind the Communist guilt for the Berlin crisis; not allow judgments to be formed on distortions by Communist propaganda;

3. Propose alternatives to a showdown of force over Berlin, including: (a) U.N. participation in a settlement of the issues, (b) a voice by the German people—by secret ballot—in determining their future, or (c) agreement to accept the nonwar status quo until progress can be made toward resolving the differences between East and West in both the cases of Berlin and Germany itself.

As for Communist policy, Khrushchev continues to threaten to sign a separate treaty with East Germany. What would be the significance of such a treaty?

Realistically this would be a mock gesture. The East German Government continues to be a puppet—with Moscow pulling the strings. The omnipresence of 450,000 Soviet troops in East Germany assures that this puppet doesn't act by itself. Presumably the signing of a separate treaty then could only have one real objective: Provide a false-front effort to shift blame for troublemaking over Berlin from Moscow to the Red overlords of East Germany.

Because of the Communist-created crises—in Berlin and elsewhere around the world—we and our allies need to put more muscle into our defense.

For this reason, Congress has increased the total defense budget for 1962 to about $47 billion.

The budget will enable us to strengthen our free-world guard.

According to the Defense Department, this will be done in the following ways:

First. Reinforce our forces in Europe by bringing 7th Army and other U.S. units committed to NATO to full strength.

Second. Add combat, combat support, and logistical units to meet the requirements of the U.S. Army in Europe for a fully combat-ready posture.

Third. Double the number of combat-ready divisions in our strategic Reserve, giving us six divisions in the United States instead of the present three, and providing the additional nondivisional units necessary for a balanced force capable of immediate deployment.

Fourth. Add to the training and logistics base to support the larger Army and provide substantial reinforcements and replacements, if needed, in the event of hostilities. If the latter are not needed for this purpose, our plans for their utilization will be announced in due time.

Fifth. More than double the size of the special forces, which as you know are specially trained for counterguerrilla and other forms of sublimited warfare.

Because of the high cost of defense, however, it will be absolutely necessary for Congress to adopt watchdog practices on other types of spending. With the burden extremely heavy on the American taxpayer, it is important (a) that we don't waste money and (b) that we establish a realistic priority for the programs necessary to maintain a good pace of domestic progress in the country.

These steps are not merely crash measures designed to meet the Berlin crisis, but are a part of the buildup in our military strength to meet the worldwide threat.

Let's face it: The Reds greatly outnumber us if we include in strategic estimates the Soviet-controlled bloc and Red Chinese forces. In battle, the Communists—inconsiderate of human life—do not hesitate to sacrifice manpower as cannon fodder. This is abhorrent to our system, where the dignity of man is supreme.

For an effective balance, then, we will need to continue and, as necessary, expand efforts to increase the firepower of our weapons to offset the weightiness of manpower of the enemy.

To accomplish this, we must maintain and further improve a strong and up-to-date defense force, the manpower, the intelligence and knowledge, the weapons, the supporting industrial and agricultural strength, and the spirit of patriotic people to preserve and perpetuate liberty.

Overall, the cold war covers military, economic, ideological, social, and cultural fronts.

To win, we need to buy the time, by having a strong military shield to prevent attack—in which freedom can prove its superiority over the Communist system.

For this reason, we must assure that our Armed Forces have the necessary money, manpower, equipment to do the job.

This, then, is a brief review of some of the major problems confronting us.

Once again, I want to say thanks very much for listening.

Now, this is your senior Senator, ALEC WILEY, signing off.

Congressman John Lindsay Reports on Millions Who Are Still Refugees

EXTENSION OF REMARKS
OF

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 22, 1961

Mr. CURTIS of Missouri. Mr. Speaker, some months ago, the gentleman from New York [Mr. LINDSAY] undertook a trip around the world, during the course of which he made a first-hand inspection of the refugee situation facing the nations and peoples of the world. In the light of this experience, Mr. LINDSAY continued his research into the refugee problem and prepared and introduced the Lindsay immigration bill. In order to report on his experiences and to stimulate discussion on the important refugee problem, Congressman LINDSAY has written an interesting and constructive article entitled "Still Millions of Refugees," which appears in the New York Times Sunday magazine of August 13. This report, guided toward finding a constructive solution for the refugee problem, merits the serious consideration of Mr. LINDSAY's colleagues and discussion by all Americans. I should like to place Congressman LINDSAY's article, "Still Millions of Refugees," in the RECORD:

STILL MILLIONS OF REFUGEES—WHEREVER AN UNSOLVED REFUGEE PROBLEM EXISTS, THERE IS POLITICAL DANGER TO MATCH THE MISERY

(By JOHN V. LINDSAY)

WASHINGTON.—Refugees are living history. I have often been reminded of the mammoth chessboards of old, on which kings and emperors used living people to play the game. Wherever there is an unsolved refugee problem a deadly chess match is underway. Its terms are human misery; its consequences, festering tensions, and political or military conflict.

According to the most reliable statistics available, there are now some 10 to 15 million unsettled refugees outside the Iron Curtain. The bulk of these are in the Middle East, Africa, and Asia. (In Europe, where vast migrations of populations took place in the wake of World War II, only about 100,000 unsettled refugees remain, not including the very different refugee problem of a divided Germany. There the refugees who have been fleeing from East to West are, by and large, accepted as citizens and quickly integrated into the society of the Federal Republic.)

Not long ago I studied the living history of three significant concentrations of refugees: The Arab refugees in the lands around Israel, the Tibetans in India, and the Chinese in Hong Kong.

The greatest problem is that of the 1 million Palestinian Arabs surviving in bitterness and deprivation, mostly in wretched camps, in Jordan, Lebanon, Syria, and Egypt. Here I saw thousands of children and adults living without hope, without the barest material comforts and, above all, without the conditions of human dignity that we Americans have come to accept as our birthright.

It is the children who suffer most. Try to look at a ration card belonging to a wide-eyed, 10-year-old girl waiting in line for her "supplemental" feeding in a refugee camp in the Jordan Valley. She has learned to accept the loss of her home (the hut in which her family lived was washed away in a flood); she still clings to the doll she carefully pieced together with rags and bits of cloth, but she can survive the loss of this, too. But reach for that grimy, half-torn ration card, and the panic-stricken expression that spreads over her pinched but lovely dark face is one that you will not soon forget.

The prevailing view among American officials and those of other interested countries is that no settlement of the Arab refugee problem can be achieved without a final political settlement between Israel and her Arab neighbors. The interrelatedness of the political and the human aspects is thus cited as the basis for a policy—or non-policy—of resigned inaction.

My own view is that positive measures should be taken in both of these areas. A political settlement, it is true, is the key to final solution of the problem. But it is also true that any measures that alleviate the suffering of the refugees will significantly ease political unrest and help to create an atmosphere congenial to serious negotiations.

The main international agency that is directly concerned with the Arab problem is the United Nations Relief and Works Agency (UNRWA). Within its financial limitations UNRWA ably performs its assigned tasks of providing food, shelter, health and welfare services, education and vocational training. In addition, while it necessarily and wisely avoids any involvement in the politics of the refugee issue, it makes an extremely useful, but indirect, political contribution. It does this by maintaining the U.N. "presence" in an explosive area and, through its relief operations, by sustaining a barely tolerable status quo.

The most troublesome single problem that has plagued the operations of this agency in recent years is that of falsification of ration cards. The refugees have consistently concealed the occurrence of deaths, thereby gaining extra rations for survivors. It is not uncommon for a family to receive the food and kerosene allotment for a relative who has been dead for 3 years.

Under pressures generated by American Congressmen who inspected the refugee camps, Henry R. Labouisse, formerly the director of UNRWA and currently the director of the International Cooperation Administration, undertook to control the situation by freezing it. That is, to compensate for the deceased who remained on the ration rolls, Labouisse decreed that no new ration cards would be issued for new births until an accurate census or other information could be obtained for purposes of "rectification of the rolls."

The freeze, admittedly inequitable, was necessitated by an uncontrollable situation. In fact, the refugees have undoubtedly lost far more than they have gained, for the birth rate is substantially in excess of the death rate.

In the camps, "rectification" has now become as explosive a word as "resettlement." Arab politicians have played on the refugees' fear that rations would be lost and there have been many threats of revolt. Thus, although it is estimated that as many as 20 percent of the ration cards now held are fraudulent, it is very questionable whether an enforced revision of the rolls would be worth the turbulence it might very well set off. Indeed, the very system of ration cards in isolated camp areas is of dubious value.

While present efforts have been more or less successful in keeping the lid on a boiling cauldron, the seeds of long-range catastrophe have been planted and are flourishing in these teeming camps. The Arabs, who are great legend builders, have glorified their memories of their former homes in Palestine into an idyllic dream of paradise lost. About 50 percent of the refugees are youngsters of 16 and under and the ratio of young to old is constantly mounting. It is these embittered youths who pose the greatest danger for the future.

In every camp that I visited in company with UNRWA personnel, we met with the Arab elders to listen to their complaints and suggestions. In Lebanon my companion was John Reddaway, an Englishman with vast knowledge and experience in refugee work, who is deputy director of the agency. On each occasion when we received the Arab spokesmen, we were belabored with impassioned criticisms of our countries for having brought the refugees to their present plight by fostering the establishment of Israel.

And we were admonished not to believe that the passing of the present generation of displaced Arabs would cause the problem to disappear. "Tell your Governments," they would say, "that we are teaching our children that the injustice is permanent and that their right to Palestine is the only legacy which their fathers will leave them."

The key state in the Arab refugee complex is the economically nonviable Kingdom of Jordan, where over half of the refugees have taken asylum. They constitute more than one-third of the total population and have become a powerful force in Jordanian politics. An internal convulsion in Jordan would very possibly invite intervention by the United Arab Republic, which, in turn, would almost certainly trigger an Israeli military move to occupy Palestine to the west bank of the Jordan River.

For the short-range future, therefore, our policy toward the Arab refugee problem should focus on sustaining and expanding the work of UNRWA and on maintaining and strengthening Jordan's Government.

There are three possible solutions to any refugee problem: repatriation in the country of origin, integration in the country of asylum, or resettlement elsewhere. The solution to the Arab problem would seem to lie in some combination of integration, resettlement, and a measure of repatriation in Israel. Such a program should be mounted principally through the United Nations but also through unilateral and cooperative action by the free nations, with the United States playing a leading role.

In Syria, Iraq, and the Sinai Peninsula, the possibilities for establishing new homes and jobs for the refugees are reasonably good. The plan should include the exploration of possibilities for immigration in such underpopulated areas as Canada, Australia, and certain countries of Latin America. It should also include a loan program to help the resettling countries pay the cost, as was originally suggested by the late Secretary of State John Foster Dulles.

The United States and other Western nations can scarcely press such a program without offering to accept some of the refugees themselves. I do not suggest that we must open our doors to massive immigration. But I do maintain that we are under an obligation, in advancing an overall resettlement plan, to offer homes within our own country to at least a reasonable number of refugees.

Of course, permanent solution will come only when the Arab States accept the fact of Israel as a nation, when Israel makes serious efforts to conciliate her neighbors, and when both sides cease to use the refugees as pawns of power politics. In the meantime, it is the duty of the entire world community to do what it can to assuage the misery and hopelessness that blights a million lives.

My journey took me from the Middle East to India. In the remote village of Darmshala, in the Himalayan foothills of northeastern India, I was received with cordiality and graciousness by His Holiness, the Dalai Lama, god-king in exile of the Tibetan people. I found him an intelligent and engaging young man of 25 who is deeply concerned with the welfare of his people both within and outside Tibet. He is especially preoccupied with the future of the Tibetan refugees in India and Nepal, of whom, he says, there are some 57,000. He is doing all in his power to maintain close contact with his exiled countrymen, who he fears will be broken up and dispersed with a resulting dissipation of Tibetan culture. While he entertains little hope of returning to Tibet in the foreseeable future, he is profoundly anxious to preserve his people's culture and traditions.

The Tibetan refugees are divided into three groups—approximately one-third are agricultural, one-third are potentially able to move into skilled occupations, and one-third are monastics. The Dalai Lama hopes to move the agricultural segment into suitable areas where they can work the soil, and to employ the monastics in conducting an educational program designed to preserve the integrity of Tibetan culture. He proposes to keep the youngsters below the age of 16 under the tutelage of monks who would supplement their secular education with training in Tibetan and Buddhist customs and values. He hopes that many of those over 16 will be sent to educational institutions in various free countries around the world.

His Holiness asked if the United States would be willing to accept additional young Tibetans for training in our country. A commendable start in this direction has been undertaken by the Rockefeller Foundation, which has recently arranged to place a group of Tibetans in universities in the United States and other countries. The numbers involved are very small, however, and our Government, as well as private foundations, should undertake a greatly augmented program of assistance.

The Tibetan refugee problem, like that of the Arabs, involves both tragic human hardship and a difficult situation for the asylum state, for it greatly exacerbates the already tense relations between India and Communist China. Here, as in all refugee situations, the problem must be regarded as one in which the United Nations as a world organ, and the free nations in particular, must lend all possible aid.

On my way home from India, I visited the British Crown Colony of Hong Kong, where approximately a million refugees from Communist China have found asylum. The British Government's Hong Kong refugee program is conducted with virtually no help from outside national or international bodies.

One such organization that makes some contribution, however, is the Intergovernmental Committee on European Migration (ICEM), an international transportation agency that has done excellent work with European migration problems. This agency has undertaken to transport about 500 European refugees from China to other countries. But in terms of the total problem this action has been negligible.

The problem of the Chinese refugees is vastly greater in scope and in dangerous political potential than that of the handful of Europeans, and it may well be asked whether international assistance could not be provided on a large scale. It would be both feasible and advisable to broaden the ICEM effort to include a substantial number of the Chinese refugees who have made Hong Kong one of the most densely populated areas on earth. As it is, the international community has taken little more than token cognizance of this immense problem.

Remarkable work has also been done by various voluntary agencies, which have been responsible for the effective distribution of over $21 million worth of food and supplies in Hong Kong between 1955 and 1960. And the British Crown Colony Government has undertaken an impressive, large-scale housing program.

The facts remain, however, that available land and resources in the tiny colony have reached the saturation point and, by one means or another, refugees continue to enter. Unless we are prepared to see these people turned back into Communist China, the United States and other countries will have to lend substantial assistance in the future.

Whenever refugees take flight across an international frontier, the issue immediately becomes an international problem. This is true for two reasons. First, the human plight is one to which the civilized international community cannot in conscience turn its back. And no country of asylum can, in justice, be expected to bear the burden by itself. Secondly, because a refugee situation is usually the product and, in turn, the source of international tensions or conflict, the world community is bound to concern itself with the political issues involved.

The United Nations took a significant step toward full acknowledgment of refugee problems as a matter of international responsibility on December 5, 1958. On that date, the General Assembly adopted a resolution proclaiming a World Refugee Year for purposes of advancing a "worldwide effort to help resolve the world refugee problem." The stated aims of the World Refugee Year, which began in June 1959, were to encourage financial contributions and opportunities for repatriation, resettlement and integration.

The principle thus adopted is admirable. But, having acceded to this worthy declaration of purpose, the member nations paid little heed to the conditions to which it referred. Although the United States contributed an extra $5 million for special projects, its efforts and those of other nations were small in relation to worldwide needs.

We can and must act now to alleviate the world refugee problem through two broad lines of action. First, we should take the leadership in encouraging a worldwide coordinated program of relief and rehabilitation under the auspices of the United Nations. Such a plan might be modeled, in part, on the surplus-food-distribution program of the United States, under which an estimated 3,500,000 refugees in various parts of the world were among the 50 million persons who received American food in 1960.

Specifically, I would recommend that the machinery and resources of the ICEM and of the UNRWA effort in the Middle East be brought within the scope of, or coordinated closely with, the Office of the U.N. High Commissioner for Refugees. The Office of the High Commissioner is ostensibly an organ of worldwide responsibility. However, under its mandate it is largely confined to European refugee problems, as is the ICEM. Thus, I would also recommend the expansion of the mandate of the Office of the High Commissioner to encompass all world refugee problems and not merely the waning refugee problems of Europe. By the same token, the ICEM should be given worldwide responsibility.

But, while important, these measures of reorganization will be of little value unless accompanied by a far more intensive and costly program than is now operated or contemplated by the U.N.

The second broad line of necessary action is in the area of national immigration policies. Here, substantial measures of liberalization should be adopted by free nations, especially the underpopulated countries which now maintain policies of rigorous exclusion.

Our own refugee laws as they now stand are restrictive. The Refugee Relief Act, which expired at the end of 1957, has been replaced only by the very limited U.S. escapee program, enacted in 1960. This program is confined almost entirely to Europe and to Europeans, excluding the Middle and Far East from any direct participation. Under it, about 5,000 persons, most of them from asylum in Austria and Germany, have been accepted for admittance to the United States. (Of these, 407 had arrived by the end of 1960.) But only a very few more can be accepted under the restrictive provisions of the 1960 act.

To meet the pressing need for a liberal and nondiscriminatory policy toward refugee resettlement, I have introduced legislation in the House of Representatives that takes an approach entirely different from the piecemeal and ad hoc approaches of the past. My bill would grant broad, new authority to the President for an indefinite period. Under it, he could admit up to 10,000 refugees a year, or, in the event of an overriding emergency, an unlimited number. There would be no restrictions as to geographic or ethnic origin. In addition, to meet specific unfulfilled goals of the World Refugee Year, a special number of 20,000 would be admitted in the first 2 years.

The President would thus be given flexible authority to accept refugees, year by year, from the areas of most pressing need. For purposes of maintaining ultimate legislative authority, the bill would allow the Congress, by joint resolution, to veto the admission of any individual or group proposed by the President.

Such a program would represent a significant effort by the United States to accept its fair share of responsibility for the world refugee problem. Legislation of this nature, moreover, would provide a sincere and concrete example that would make it possible for this Nation to exercise persuasive influence on other free nations to accept a share of the responsibility.

In each of the two broad lines of action—the enhancement of efforts by the United Nations and the liberalization of national immigration policies—it is incumbent on the United States to take the lead. We are the leader of the community of free nations. In the problem of refugees, as in all world problems, it is our responsibility, by example and by persuasion, to point the way toward workable solutions.

Neither individuals nor nations are disposed to act on problems, however critical, that do not present themselves with tangible and dramatic urgency. It is all too easy to dismiss the millions of unseen and muted refugees around the world as a distant and vague abstraction. For my own part, I need only recall the frightened little Arab girl, clutching desperately at her ration card, to see the plight of the world's refugees for what it is: an urgent problem of human suffering in which the seeds of political tension and conflict find fertile soil.

Seen in this way, the need for prompt and effective action appeals most urgently to our wisdom and our consciences.

Support for Additional Juvenile Court Judges in Washington, D.C.

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 22, 1961

Mr. MULTER. Mr. Speaker, I commend to the attention of our colleagues the following exchange of correspondence which took place between the Honorable W. W. Woolfolk, judge of the juvenile court of Fulton County, Ga., and myself.

Judge Woolfolk is a distinguished jurist and his views on the value of an independent juvenile court should be of great interest to all of those interested in preserving the juvenile court in the District of Columbia.

The correspondence follows:

JUNE 20, 1961.

Hon. W. W. WOOLFOLK,
Juvenile Court,
District Court Building,
Atlanta, Ga.

DEAR JUDGE: Last week it was my extreme pleasure to meet with Mayor and Mrs. Stephens of East Point, Ga. They told me of the fine work you are doing in your court.

You may know that in the District of Columbia a controversy has arisen as to whether or not our juvenile court should be abolished and its jurisdiction transferred to the criminal court. An additional proposal is that the age limit be reduced from 18 to 16 so as to preclude those over 16 years of age being treated as juveniles and requiring that they be treated as criminals as a matter of law.

If time permits, I would appreciate your views on both of these topics and would like to have your permission to use your comments both before congressional committees and on the floor of the House.

Thanking you for any cooperation you may be able to extend to me, I am,

Sincerely yours,

ABRAHAM J. MULTER.

FULTON COUNTY JUVENILE COURT,
Atlanta Ga., July 31, 1961.

Hon. ABRAHAM J. MULTER,
House of Representatives,
Washington, D.C.

DEAR MR. MULTER: Please pardon my delay in responding to your letter of June 20 relative to the juvenile court of the District of Columbia. I was attending the National Council of Juvenile Court Judges in San Francisco, June 26–30, and found your letter here upon my return, after an extensive tour of the West.

During the meeting in San Francisco, I had an opportunity to discuss the matter with Judge Ketcham and informed him at that time that I had written Congressman DAVIS in support of the juvenile court movement and suggested that he modify his stand in the matter with reference to a reorganization bill placing the juvenile court in a municipal court setup.

The juvenile court movement is based upon the theory of individualized justice, with emphasis on what society can do for a child, rather than what to do against them for their misdeeds. A part of the social approach to this problem is the proper diagnosis as to why a child has come in conflict with the law and what are the factors to be dealt with in bringing about his, or her, rehabilitation. These techniques are peculiarly a part of the modern juvenile court philosophy and procedure and are not found in the adversary procedure as administered in criminal courts.

There was a strong resolution passed by the National Council of Juvenile Court Judges condemning the reorganization bill and supporting the continuance of a straight tie, well staffed juvenile court in the District of Columbia. A separate juvenile court would not only serve to rehabilitate the emotionally and socially maladjusted child who comes before the court but also would serve as a shining example both national and international, as the American method of handling the problems of children who come in conflict with the laws of society.

The juvenile court, when properly staffed and administered, is the greatest protection society can have against the rising tide of crime and it is both shortsighted and costly to destroy the juvenile court in the District of Columbia and put in its place a miniature criminal court procedure to handle children who are emotionally and socially maladjusted.

I hope that you are successful in helping to maintain the juvenile court system in the District of Columbia and can give Judge Ketcham enough assistance to do the job well.

Sincerely yours,

W. W. WOOLFOLK, *Judge.*

National Lottery of Bolivia

EXTENSION OF REMARKS
OF
HON. PAUL A. FINO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, August 22, 1961

Mr. FINO. Mr. Speaker, I would like to tell the Members of this House about the national lottery of Bolivia. This lottery is operated solely for the benefit of health and welfare agencies in the country.

In 1960, the gross receipts of the Bolivian lottery came to about $1 million. The profits in that year amounted to some $400,000. This income was not retained by the Government but was distributed to several welfare and charitable organizations. Half of the money went to the Bolivian Red Cross.

Bolivia is not a rich country by any means, and a national lottery offers needed revenues. These moneys are well used. America, with all its affluence, could derive tremendous financial benefits from a lottery. Why are we holding back?

SENATE

WEDNESDAY, AUGUST 23, 1961

The Senate met at 10:30 o'clock a.m., and was called to order by Hon. MAURINE NEUBERGER, a Senator from the State of Oregon.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, in this still moment when all earth's strident noises are hushed and our own voices silenced, we would lift our little lives so that they may touch Thine that we may toil in these fields of time in the sense of the eternal.

With all mankind standing in the valley of decision, with humanity facing the blessing or the curse, make us crusaders of a golden tomorrow for Thy children under all skies when the shared plenty of the good earth shall wash the aching misery of the earth's blighting slums into watered gardens of life abundant. We ask it in the hallowed name of Him for whose kingdom's coming we pray. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 23, 1961.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. MAURINE B. NEUBERGER, a Senator from the State of Oregon, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mrs. NEUBERGER thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, August 22, 1961, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Madam President, under the rule, there will be the usual morning hour. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. PROXMIRE, and by unanimous consent, the Subcommittee on Rivers and Harbors of the Committee on Public Works was authorized to sit during the session of the Senate today.

COMMITTEE MEETING DURING SENATE SESSION TOMORROW

On request of Mr. MANSFIELD, and by unanimous consent, the Committee on

Government Operations was authorized to meet during the session of the Senate tomorrow.

EXECUTIVE SESSION

Mr. MANSFIELD. Madam President, I move that the Senate go into executive session, to consider the nominations on the Executive Calendar under new reports.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. BYRD of Virginia, from the Committee on Finance:

H. Singleton Garrett, of Virginia, to be collector of customs for customs collection district No. 14, with headquarters at Norfolk, Va.; and

Daniel W. McKinnis, Jr., of Tennessee, to be collector of customs for customs collection district No. 43, with headquarters at Memphis, Tenn.

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Joseph F. Donelan, Jr., and sundry other persons, for appointment and promotion in the foreign service.

By Mr. BIBLE, from the Committee on the District of Columbia:

Donald C. Hyde, of Ohio, Thomas L. Farmer, of the District of Columbia, G. Franklin Edwards, of the District of Columbia, and Frederick Gutheim, of Maryland, to be members of the Advisory Board of the National Capital Transportation Agency.

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The Chief Clerk proceeded to read sundry nominations for members of the St. Lawrence Seaway Development Corporation.

Mr. MANSFIELD. Madam President, I ask unanimous consent that these nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. AIKEN subsequently said: Madam President, earlier today the Senate approved the nomination of Dr. N. R. Danielian to be a member of the Advisory Board of the St. Lawrence Seaway Development Corporation.

Dr. Danielian was one of the earlier earnest proponents of the St. Lawrence Seaway, and for 20 years he devoted the major part of his time toward promoting this great development between the United States and Canada. During that time he not only developed much of the technical information which was necessary in connection with promoting the seaway but also he traveled extensively throughout the country explaining the seaway to groups in various parts of the United States. In some places he would tell of the commercial advantages to be derived from the development, and in other places he had to allay the fears of those who were worried that such a development might affect their business adversely.

Eventually, however, his efforts were crowned with success. The seaway is now an accomplished fact. It is in full operation.

Madam President, the appointment of Dr. Danielian to the Advisory Committee is a well deserved, if belated, recognition of his efforts on behalf of this great international project.

Mr. MANSFIELD. Madam President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Madam President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, a report on the Reconstruction Finance Corporation Liquidation Fund, covering the quarterly period ended June 30, 1961 (with an accompanying report); to the Committee on Banking and Currency.

REPORT ON REVIEW OF UTILIZATION OF ENGINES ON STORED AIRCRAFT IN DEPARTMENT OF THE NAVY

A letter from the Assistant Comptroller General of the United States, transmitting, pursuant to law, a report on the review of the utilization of engines on stored aircraft in the Department of the Navy, dated August 1961 (with an accompanying report); to the Committee on Government Operations.

PROPOSED CONCESSION CONTRACT AT ECHO BAY, NEV.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed concession contract at the Echo Bay site within Lake Mead National Recreation Area, Nev. (with accompanying papers); to the Committee on Interior and Insular Affairs.

JOINT RESOLUTION OF WISCONSIN LEGISLATURE

Mr. PROXMIRE. Madam President, I ask unanimous consent that a joint resolution passed by both houses of the Legislature of Wisconsin be printed in the RECORD at this point, and appropriately referred.

There being no objection, the joint resolution was referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

JOINT RESOLUTION 93

Joint resolution urging the congressional conference committee on H.R. 4130 to adopt the provisions of the House bill

Whereas the U.S. Congress has under consideration H.R. 4130, which provides for a loan fund for Menominee Enterprises, Inc., to assist the Menominee people in developing and diversifying industry in Menominee county; and

Where the House bill contains further provisions for $540,000 in aid for health, education and welfare programs in Menominee County for the first year, and to continue such aids on a declining basis over the ensuing 5 years; and

Whereas the present tax base in Menominee County is inadequate to properly finance the basic and essential health, education, and welfare programs; and

Whereas the U.S. Senate has not concurred in the allowances made in H.R. 4130 for health, education, and welfare aids; and

Whereas the bill is now in joint conference committee: Now, therefore, be it

Resolved by the Senate (the assembly concurring), That the congressional conference committee be urged to adopt the provisions in the House bill; and be it further

Resolved, That copies of this resolution be sent to the members of the conference committee and the members of the Wisconsin delegation in Congress.

W. P. KNOWLES,
President of the Senate.
LAWRENCE R. LARSEN,
Chief Clerk of the Senate.
D. J. BLANCHARD,
Speaker of the Assembly.
ROBERT G. MAROTZ,
Chief Clerk of the Assembly.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Rules and Administration, without amendment:

S. Res. 198. Resolution authorizing additional expenditures by the Committee on Interior and Insular Affairs (Rept. No. 764).

By Mr. CANNON, from the Committee on Rules and Administration, with an amendment:

S. Res. 192. Resolution to print as a Senate document, with additional copies, a hearing before the Judiciary Internal Security Subcommittee entitled "Analysis of the Khrushchev Speech of January 6, 1961" (Rept. No. 765); and

S. Res. 193. Resolution to print as a Senate document, with additional copies, the hearings before the Judiciary Internal Security Subcommittee entitled "Communist and Workers' Parties Manifesto," and so forth (Rept. No. 766).

PRINTING OF 3,000 COPIES OF COMPILATION OF HEARINGS, REPORTS, AND COMMITTEE PRINTS OF SUBCOMMITTEE ON NATIONAL POLICY MACHINERY—REPORT OF A COMMITTEE

Mr. JACKSON, from the Committee on Government Operations, reported an original concurrent resolution (S. Con. Res. 39) to print 3,000 copies of a compilation of the hearings, reports, and committee prints of the Subcommittee on National Policy Machinery, which was referred to the Committee on Rules and Administration, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be

printed for the use of the Senate Committee on Government Operations three thousand copies each of volumes 1, 2, and 3 of a compilation of the hearings, reports, and committee prints of its Subcommittee on National Policy Machinery issued during the Eighty-sixth and Eighty-seventh Congresses.

EVERETT J. COLYAR AND DELLAMAE I. COLYAR—REPORT OF A COMMITTEE

Mr. CANNON, from the Committee on Rules and Administration, reported an original resolution (S. Res. 199) to pay a gratuity to Everett J. Colyar and Dellamae I. Colyar, which was placed on the calendar, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Everett J. Colyar, brother, and Dellamae I. Colyar, sister of Glen W. Colyar, an employee of the Senate at the time of his death, a sum to each equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SCOTT:

S. 2455. A bill for the relief of Mrs. Elizabeth Lovic; to the Committee on the Judiciary.

By Mr. BYRD of Virginia (for himself and Mr. ROBERTSON):

S. 2456. A bill to provide for the conveyance of a portion of the Henry G. Shirley Memorial Highway and other highways on the Pentagon road network to the Commonwealth of Virginia, and for other purposes; to the Committee on Public Works.

By Mr. RUSSELL (by request):

S. 2457. A bill to amend and clarify the reemployment provisions of the Universal Military Training and Service Act, and for other purposes; to the Committee on Armed Services.

(See the remarks of Mr. RUSSELL when he introduced the above bill, which appear under a separate heading.)

By Mr. HAYDEN:

S. 2458. A bill to provide that certain real property of the United States and of the State of Arizona shall be made a part of Saguaro National Monument; to the Committee on Interior and Insular Affairs.

By Mr. HUMPHREY:

S. 2459. A bill to provide for redistricting of any of the several States by the Director of the Bureau of the Census for the election of Representatives in Congress in certain cases in which the State fails to redistrict in the manner provided by the law thereof, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

CONCURRENT RESOLUTION

PRINTING OF 3,000 COPIES OF COMPILATION OF HEARINGS, REPORTS, AND COMMITTEE PRINTS OF SUBCOMMITTEE ON NATIONAL POLICY MACHINERY

Mr. JACKSON, from the Committee on Government Operations, reported an original concurrent resolution (S. Con. Res. 39) to print 3,000 copies of a compilation of the hearings, reports, and committee prints of the Subcommittee on National Policy Machinery, which was referred to the Committee on Rules and Administration.

(See the above concurrent resolution printed in full when reported by Mr. JACKSON, which appears under the heading "Reports of Committees.")

RESOLUTION

EVERETT J. COLYAR AND DELLAMAE I. COLYAR

Mr. CANNON, from the Committee on Rules and Administration, reported an original resolution (S. Res. 199) to pay a gratuity to Everett J. Colyer and Dellamae I. Colyar, which was placed on the calendar.

(See the above resolution printed in full when reported by Mr. CANNON, which appears under the heading "Reports of Committees.")

CLARIFICATION OF REEMPLOYMENT PROVISIONS OF THE UNIVERSAL MILITARY TRAINING AND SERVICE ACT

Mr. RUSSELL. Madam President, by request, I introduce, for appropriate reference, a bill to amend and clarify the reemployment provisions of the Universal Military Training and Service Act, and for other purposes. This bill is requested by the Department of Labor, and is accompanied by a letter of transmittal explaining the purpose of the bill. I ask unanimous consent that the letter of transmittal be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 2457) to amend and clarify the reemployment provisions of the Universal Military Training and Service Act, and for other purposes, introduced by Mr. Russell, by request, was received, read twice by its title, and referred to the Committee on Armed Services.

The letter presented by Mr. RUSSELL is as follows:

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C., August 15, 1961.

Hon. LYNDON JOHNSON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I am enclosing copies of a draft bill, "to amend and clarify the reemployment provisions of the Universal Military Training and Services Act," and a summary statement describing the proposed legislation. The joint resolution effective August 1, 1961, authorized the President to order up to 250,000 members of the Ready Reserve to active duty for up to 12 months, and authorized extensions of enlistments or other periods of military service for up to 12 months.

Many of the persons who may be called into service under this authority have already served most or all of the 4 years permitted under present law for reemployment rights, and unless this limitation is revised, these persons will be without the right to return to their civilian employment when their military service is ended. The purpose of the amendments to section 9(g)(1) and 9(g)(2) is to permit further military service after August 1, 1961, the effective date of the joint resolution, even though the serviceman had already served the maximum of 4 years permitted under existing law. Such service after August 1, 1961, is also limited to a maximum of 4 years, and the 4-year limit is retained for the period between June 24, 1948, and August 1, 1961.

Section 9(g)(4) is amended, and a new section 9(g)(5) is added, to eliminate the requirement that those reporting for induction or entry into the Armed Forces, or for taking a physical examination in connection therewith, must request a leave of absence for this purpose. The request for leave is not required if the person is accepted for military service, and he may not know in advance whether he will be accepted or not, so that it is somewhat inconsistent to require him to request leave to protect his rights if he is rejected. Absences for these purposes are not usually repetitive and so impose no particular burden of adjustment on the employer. Moreover, the requirement of a request for leave presents difficult problems of administration; indeed, as to those who seek to enlist, there is no effective channel through which they can be informed that a request for leave is necessary to protect them if they are rejected.

A clarifying clause has been added in the new section 9(g)(5) to assure those who are accepted for military service that they are entitled to retain their jobs pending their actual entry into service. This period sometimes is as long as several months, during which the employee should be protected.

These proposals are part of the legislative program of the Department of Labor, and the Bureau of the Budget advised on August 14, 1961, that these amendments would be in accord with the program of the President.

Enactment of these proposals is not expected to require an increase in funds for administration and enforcement.

Sincerely yours,

ARTHUR J. GOLDBERG,
Secretary of Labor.

EXPLANATORY STATEMENT TO PROPOSED AMENDMENTS TO THE UNIVERSAL MILITARY TRAINING AND SERVICE ACT

A joint resolution effective August 1, 1961 (S.J. Res. 120), provides authority until June 1, 1962, for the President to order not more than 250,000 members of the Ready Reserve to active duty for not more than 12 months. It would also authorize until July 1, 1962, the extension, for not more than 12 months, of enlistments, appointments, and other periods of obligated service which would otherwise expire before July 1, 1962. The service performed thus may occur almost 2 years beyond the effective date of the joint resolution.

At the present time, the Universal Military Training and Service Act does not extend reemployment rights to any ex-serviceman whose period of military service exceeds a 4-year limitation specified in sections 9(g)(1) and 9(g)(2).

Many reservists and national guardsmen, during the Korean conflict and later, have already served all or a major part of the 4 years permitted under present law for reemployment rights purposes. If the additional service they now perform under the expanded defense program results in an aggregate of more than 4 years, they will have no reemployment rights. The purpose of the amendments to sections 9(g)(1) and 9(g)(2), therefore, is to permit an additional 4-year period for service after the effective date of the joint resolution. The amendments, however, retain the 4-year limit for the period it was in effect up to such date.

Section 9(g)(4) of the present act requires a request for leave by trainees and those reporting for entrance into military service who are rejected. The proposed amendments would remove the request for leave requirement with respect to rejectees, but retain it insofar as persons taking short periods of training duty are concerned, where the repetitive nature of the absence to perform the military obligation makes it desirable that the employer be informed concerning the schedule of absences. The reason for removing this requirement insofar as it pertains to rejectees is that the rejectee may have no knowledge that he will be rejected at the time he leaves his position to enter the service. If he is accepted, the request for leave provision does not apply, and it is somewhat anomalous to impose the requirement in the event of rejection. The absence is not of the repetitive character which might require a continuing adjustment by the employer. Furthermore, such a requirement in these cases presents difficult problems of proof and administration; and no effective channel exists by which a person seeking to enlist can be informed that if he is rejected, he should have requested a leave of absence to protect his reemployment rights.

Clarifying language has been added to assure that those who are called for preinduction examination and are accepted are entitled to remain in their employment pending their induction. The period between this examination and induction is sometimes several months, during which the employee should be protected against loss of his job.

CONGRESSIONAL REDISTRICTING

Mr. HUMPHREY. Madam President, I introduce, for appropriate reference, a bill which would authorize the Director of the Bureau of the Census to redistrict the States which lose seats in the House of Representatives when the State legislatures fail to act on redistricting.

As my colleagues know, present Federal law provides that when there is a decrease in the number of Representatives and the State legislature fails to redistrict the Representatives shall be elected from the State at large—2 U.S.C. 2a(c). Under the terms of the bill which I am offering today, this provision would be deleted, and instead of the Representatives being elected at large—in cases where the State legislatures have failed to redistrict—the Director of the Bureau of the Census would be authorized and directed to redistrict so as to provide a number of districts equal to the number of Representatives to which the State is entitled.

The bill specifically provides that in such redistricting by the Director of the Bureau of the Census the following standards shall apply:

(A) The districts shall vary no more than 15 percent in population from the average population (as determined by the Director of the Bureau of the Census) for congressional districts in such States.
(B) The districts shall be contiguous.
(C) The districts shall be compact.
(D) Existing districts shall be retained.

I want to emphasize, Madam President, that this bill would in no way usurp the right of the States to redistrict. It would simply provide that when the States fail to redistrict on or before January 1 of the year in which an election occurs, that the Director of the Bureau of the Census will redistrict.

As a result of the 1960 census there are a total of 25 States whose representation in the House of Representatives has been altered. Of these 25 States, 16 have lost one or more seats. As of this time, there are four States in which the entire House delegation may be forced to run at large next year due to the failure of their State legislatures to agree on redistricting plans. These States are Illinois, Massachusetts, Pennsylvania, and my own State of Minnesota. These four States have a total representation of 71 in the House of Representatives under the 1960 census. This means that unless the State legislatures of these four States act to redistrict, or unless the bill which I introduce today is enacted by the Congress, that approximately 16 percent of the House of Representatives will not be chosen on a district-by-district basis, but rather on a statewide basis.

May I make it clear, Madam President, that I do not offer this legislation in any partisan political fashion. It would be difficult to make an intelligent prediction on what the results might be if candidates for the House of Representatives were forced to run at large. It might turn out that in such statewide elections that my own party might gain an advantage. The opposite might well prove to be the case. But this is not what concerns me. This is not why I offer this legislation today. I offer it because I believe that the voters are entitled to be represented in the House by a person chosen specifically to represent their own particular area—a Representative who is aware of the problems of the area and who can concentrate his attention on the particular constituency which he represents. A Representative elected at large quite understandably will not be in a position to render the same kind of service as he would be if elected on a district basis.

Madam President, I hope that serious consideration will be given to this proposal. Companion measures have been offered in the House of Representatives. It is my understanding that hearings will begin soon in the House on this proposal. It deserves our careful study and I am hopeful that it will be favorably acted upon.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 2459) to provide for redistricting of any of the several States by the Director of the Bureau of the Census for the election of Representatives in Congress in certain cases in which the State fails to redistrict in the manner provided by the law thereof, and for other purposes, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on the Judiciary.

CHANGES OF REFERENCES

Mr. SALTONSTALL. Madam President, I ask unanimous consent that the Committee on Armed Services be discharged from further consideration of S. 2365, a bill for the relief of James W. Boyer, Jr., and that this bill be referred to the Committee on the Judiciary. I also ask unanimous consent that the Committee on Armed Services be discharged from further consideration of S. 2378, a bill to provide for the conveyance of certain real property of the United States to the State of Maryland, and that this bill be referred to the Committee on Government Operations.

S. 2365 is in the nature of a private relief measure, and as such appears to be within the purview of the Committee on the Judiciary. S. 2378 provides for the conveyance of certain real property that has been reported as excess to the General Services Administration by the Department of Defense. Since the conveying agency would be the General Services Administration, it appears that the subject of this bill is one for the Committee on Government Operations instead of the Committee on Armed Services.

Mr. HUMPHREY. Let me ask whether this is the wish of the full committee?

Mr. SALTONSTALL. Yes, this is the wish of the full committee, and I am making this request at the request of the chairman of the Committee on Government Operations.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Massachusetts? Without objection, it is so ordered, and the bills will be rereferred.

WILDLIFE AND GAME REFUGES—AMENDMENT

Mr. MOSS. Madam President, S. 174 has been reported to the Senate by the Committee on Interior and Insular Affairs. This is the wilderness bill, one section of which provides that additional lands may be taken at a later time. In order to bring this section, which deals with wildlife refuges and game refuges, into conformity with other types of public lands which are covered by the bill, I send to the desk an amendment which I ask to have printed and lie on the table.

The ACTING PRESIDENT pro tempore. The amendment will be received and printed, and will lie on the table.

PEACE CORPS ACT—AMENDMENT

Mr. HICKENLOOPER submitted an amendment, intended to be proposed by him, to the bill (S. 2000) to provide for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower, which was ordered to lie on the table and to be printed.

DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1962—AMENDMENT

Mr. HUMPHREY (for himself and Mr. CLARK) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 7371) making appropriations for the Departments of State and Justice, the judiciary, and related agencies for the fiscal year ending June

30, 1962, and for other purposes, which was ordered to lie on the table and to be printed.

FEDERAL ASSISTANCE TO SCHOOLS IN FEDERALLY IMPACTED AREAS—ADDITIONAL COSPONSORS OF AMENDMENTS

Under authority of the order of the Senate of August 17, 1961, the names of Senators BRIDGES, DIRKSEN, HOLLAND, MILLER, TOWER, SCHOEPPEL, BUSH, BEALL, MUNDT, KUCHEL, YOUNG of North Dakota, and SCOTT were added as additional cosponsors of the amendments submitted on August 17, 1961, by Mr. GOLDWATER (for himself and other Senators), intended to be proposed by them, jointly, to the bill (S. 2393) to extend for 1 year the temporary provisions of Public Laws 815 and 874 relating to Federal assistance in the construction and operation of schools in federally impacted areas, and to provide for the application of such laws to American Samoa.

NOTICE OF RECEIPT OF NOMINATION BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Madam President, as chairman of the Committee on Foreign Relations, I desire to announce that today the Senate received the nomination of Mr. Charles F. Darlington, of New York, to be Ambassador to the Republic of Gabon.

In accordance with the committee rule, this pending nomination may not be considered prior to the expiration of 6 days of its receipt in the Senate.

NOTICE OF HEARING ON SENATE BILL 1477, TO AMEND SECTION 144 OF TITLE 28 OF THE UNITED STATES CODE

Mr. COTTON. Madam President, on behalf of the Senator from Connecticut [Mr. DODD], and on behalf of a subcommittee of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, August 30, 1961, at 9 a.m., in room 2228, New Senate Office Building, on S. 1477, a bill to amend section 144 of title 28 of the United States Code.

At the indicated time and place persons interested in the legislation may make such representations as may be pertinent.

The subcommittee consists of the Senator from Connecticut [Mr. DODD], as chairman, and myself.

NOTICE OF HEARINGS ON NOMINATIONS OF EDWARD S. NORTHROP TO BE U.S. DISTRICT JUDGE, DISTRICT OF MARYLAND, AND FRANK J. BATTISTI TO BE U.S. DISTRICT JUDGE, NORTHERN DISTRICT OF OHIO, NEW POSITIONS

Mr. EASTLAND. Madam President, on behalf of the Committee on the Judiciary, I desire to give notice that public hearings have been scheduled for Thursday, August 31, 1961, at 10:30 a.m., in room 2228, New Senate Office Building, on the following nominations:

Edward S. Northrop, of Maryland, to be U.S. district judge, district of Maryland, a new position.

Frank J. Battisti, of Ohio, to be U.S. district judge, northern district of Ohio, a new position.

At the indicated time and place persons interested in the hearings may make such representations as may be pertinent.

The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

NOTICE CONCERNING NOMINATION BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Madam President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Victor L. Wogan, Jr., of Louisiana, to be U.S. marshal, eastern district of Louisiana, term of 4 years, vice Edward T. Pettibon.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Wednesday, August 30, 1961, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARINGS ON CONSTITUTIONAL AMENDMENTS CONCERNING POLL TAX

Mr. KEFAUVER. Madam President, the Subcommittee on Constitutional Amendments will hold hearings on Friday, August 25, on Senate Joint Resolution 58 and Senate Joint Resolution 81, both of which propose amendments to the Constitution which would abolish the poll tax as a prerequisite for voting in Federal elections. These resolutions were the subject of previous hearings held by the subcommittee in the general field of our Federal elections system, but it has been decided to set aside one additional day for the purpose of these resolutions only.

The hearings will begin at 10 a.m. in room 457 of the Old Senate Office Building. Persons wishing to appear as witnesses should contact the subcommittee counsel, Mr. James C. Kirby, Jr., at extension 5581, or room 141 of the Old Senate Office Building.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 270. An act for the relief of Mrs. Jeliza Prendic Milenovic; and

S. 427. An act for the relief of Mardiros Budak and Armenuhi Maryam Budak.

The message also announced that the House had passed the bill (S. 739) to amend the Civil Service Retirement Act, as amended, with respect to the method of computing interest earnings of special Treasury issues held by the civil service retirement and disability fund, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the concurrent resolution (S. Con. Res. 31) relating to certain aliens, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 32. An act authorizing the establishment of the Fort Smith National Historic Site, in the State of Arkansas, and for other purposes;

H.R. 1010. An act to amend the Classification Act of 1949, as amended, to provide a formula for guaranteeing a minimum increase when an employee is promoted from one grade to another;

H.R. 1313. An act for the relief of Eddis G. Ellzey;

H.R. 1347. An act for the relief of Adolf M. Bailer;

H.R. 1361. An act for the relief of James M. Norman;

H.R. 1375. An act to provide for the conveyance of certain real property of the United States to the former owner thereof;

H.R. 1377. An act for the relief of Nicholas E. Villareal;

H.R. 1434. An act for the relief of Wade H. Ashley, Jr.;

H.R. 1527. An act for the relief of Mrs. Josephine Dubins;

H.R. 1569. An act for the relief of Isei Sakioka;

H.R. 2334. An act for the relief of Washington George Brodber Bryan;

H.R. 2470. An act to provide for the establishment of the Lincoln Boyhood National Memorial in the State of Indiana, and for other purposes;

H.R. 2666. An act for the relief of Adelina Benedict (nee Rosasco);

H.R. 3408. An act for the relief of Constantinos A. Grigoras (Gregoras);

H.R. 3596. An act to direct to Secretary of the Interior to convey certain lands to Purvis C. Vickers, Robert I. Vickers, and Joseph M. Vickers, a copartnership doing business as Vickers Bros.;

H.R. 4028. An act for the relief of Lennon May;

H.R. 4194. An act for the relief of Mrs. Ann W. Edwards;

H.R. 4876. An act for the relief of Mary C. Atkinson;

H.R. 5054. An act for the relief of Wolfgang Stresemann;

H.R. 5334. An act for the relief of Mrs. Helena Sullivan;

H.R. 5559. An act for the relief of Ralph E. Swift and his wife, Sally Swift;

H.R. 5613. An act for the relief of Fernando Manni;

H.R. 5729. An act for the relief of Mrs. Chew Sheung Tai;

H.R. 5859. An act for the relief of Harold A. Saly;

H.R. 6080. An act for the relief of Eileen L. Broe;

H.R. 6126. An act for the relief of Theodore T. Reilmann;

H.R. 6649. An act for the relief of C. W. Jones;

H.R. 7061. An act to amend title 39 of the United States Code to provide for payment for unused compensatory time owing to deceased postal employees, and for other purposes;

H.R. 7264. An act for the relief of M. C. Pitts;

H.R. 7326. An act for the relief of E. La Ree Smoot Carpenter;

H.R. 7473. An act for the relief of Albert R. Serpa;

H.R. 7707. An act for the relief of Andrew Telesfor Kostanecki;

H.R. 7763. An act to provide for planning the participation of the United States in the New York World's Fair, to be held at New York City in 1964 and 1965, and for other purposes;

H.R. 8141. An act to revise the laws relating to depository libraries;

H.R. 8341. An act to authorize the Secretary of the Interior to conduct a study covering the causes and prevention of injuries, health hazards, and other health and safety conditions in metal and nonmetallic mines (excluding coal and lignite mines);

H.R. 8599. An act to amend various sections of the Atomic Energy Act of 1954, as amended, and the Euratom Cooperation Act of 1958, and for other purposes;

H.R. 8603. An act to amend the Federal Property and Administrative Services Act of 1949 to provide for public information and publicity concerning instances where competitors submit identical bids to public agencies for the sale or purchase of supplies, equipment, or services, and for other purposes;

H.R. 8625. An act for the relief of Dennis H. O'Grady; and

H.R. 8626. An act for the relief of Wilfrid M. Cheshire.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Acting President pro tempore:

S. 98. An act to authorize the Secretary of the Interior to provide water and sewage-disposal facilities to the Medora area adjoining the Theodore Roosevelt National Memorial Park, N. Dak., and for other purposes;

S. 242. An act for the relief of Mary Dawn Polson (Emmy Lou Kim) and Joseph King Polson (Sung Sang Moon);

S. 333. An act for the relief of Godofredo M. Herzog;

S. 606. An act to provide for the construction of a shellfisheries research center at Milford, Conn.;

S. 650. An act to amend the Watershed Protection and Flood Prevention Act to permit certain new organizations to sponsor works of improvement thereunder;

S. 702. An act to authorize the Secretary of Agriculture to exchange certain lands in the State of Wyoming with the town of Afton, Wyo.;

S. 705. An act for the relief of Norman T. Burgett, Lawrence S. Foote, Richard E. Forsgren, James R. Hart, Ordeen A. Jallen, James M. Lane, David E. Smith, Jack K. Warren, and Anne W. Welsh;

S. 731. An act for the relief of Charles F. Tjaden;

S. 841. An act to amend the Defense Department Overseas Teachers Pay and Personnel Practices Act, and for other purposes;

S. 848. An act to authorize the Secretary of Agriculture to convey a certain parcel of land to the town of Tellico Plains, Tenn.;

S. 883. An act to extend the application of the Federal Boating Act of 1958 to the Commonwealth of Puerto Rico, the Virgin Islands, and Guam;

S. 1054. An act for the relief of Huan-pin Tso;

S. 1100. An act for the relief of Sang Man Han;

S. 1179. An act for the relief of Alicja Zakrezewska Gawkowski;

S. 1205. An act for the relief of Roger Chong Yeun Dunne;

S. 1222. An act relating to documentation and inspection of vessels of the United States;

S. 1289. An act to amend sections 337 and 4200 of the Revised Statutes of the United States so as to eliminate the oath requirement with respect to certain export manifests;

S. 1335. An act for the relief of W. P. J. Martin;

S. 1347. An act for the relief of Georgia Ellen Thomason;

S. 1443. An act for the relief of Mrs. Tyra Fenner Tynes;

S. 1450. An act for the relief of Shim Dong Nyu (Kim Christine May);

S. 1492. An act to amend the act of March 24, 1948, which establishes special requirements governing the selection of superintendents of national cemeteries;

S. 1527. An act for the relief of James D. Jalili;

S. 1622. An act to amend the Atomic Energy Community Act of 1955;

S. 1697. An act to approve the amendatory repayment contract negotiated with the Huntley Project Irrigation District, Montana, to authorize its execution, and for other purposes;

S. 1873. An act to amend the act entitled "An act to authorize the Commodity Credit Corporation to donate dairy products and other agricultural commodities for use in home economics courses," approved September 13, 1960 (74 Stat. 899), in order to permit the use of donated foods under certain circumstances for training college students;

S. 2034. An act to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions;

S. 2079. An act to retrocede to North Carolina jurisdiction over the southern eastbound lanes of North Carolina Highway 24, and the eastern northbound lanes of U.S. Highway 17, as these highways traverse and parallel Camp Lejeune, N.C.;

S. 2187. An act to implement the provisions of the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954;

S. 2245. An act to amend the act granting the consent of Congress to the negotiation of certain compacts by the States of Nebraska, Wyoming, and South Dakota in order to extend the time for such negotiation; and

S.J. Res. 76. Joint resolution authorizing the Secretary of the Interior during the calendar year 1962 to continue to deliver water to lands in certain irrigation districts in the State of Washington.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred, or placed on the calendar, as indicated:

H.R. 32. An act authorizing the establishment of the Fort Smith National Historic Site, in the State of Arkansas, and for other purposes; and

H.R. 2470. An act to provide for the establishment of the Lincoln Boyhood National Memorial in the State of Indiana, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 1010. An act to amend the Classification Act of 1949, as amended, to provide a formula for guaranteeing a minimum increase when an employee is promoted from one grade to another; and

H.R. 7061. An act to amend title 39 of the United States Code to provide for payment for unused compensatory time owing to deceased postal employees, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 1313. An act for the relief of Eddis G. Ellzey;

H.R. 1347. An act for the relief of Adolph M. Bailer;

H.R. 1361. An act for the relief of James M. Norman;

H.R. 1377. An act for the relief of Nicholas E. Villareal;

H.R. 1434. An act for the relief of Wade H. Ashley, Jr.;

H.R. 1527. An act for the relief of Mrs. Josephine Dubins;

H.R. 1569. An act for the relief of Isei Sakioka;

H.R. 2334. An act for the relief of Washington George Brodber Bryan;

H.R. 2666. An act for the relief of Adelina Benedict (nee Rosasco);

H.R. 3408. An act for the relief of Constantinos A. Grigoras (Gregoras);

H.R. 4028. An act for the relief of Lennon May;

H.R. 4194. An act for the relief of Mrs. Ann W. Edwards;

H.R. 4876. An act for the relief of Mary C. Atkinson;

H.R. 5054. An act for the relief of Wolfgang Stresemann;

H.R. 5334. An act for the relief of Mrs. Helena Sullivan;

H.R. 5559. An act for the relief of Ralph E. Swift and his wife, Sally Swift;

H.R. 5613. An act for the relief of Fernando Manni;

H.R. 5729. An act for the relief of Mrs. Chew Sheung Tai;

H.R. 5859. An act for the relief of Harold A. Saly;

H.R. 6080. An act for the relief of Eileen L. Broe;

H.R. 6216. An act for the relief of Theodore T. Reilmann;

H.R. 6649. An act for the relief of C. W. Jones;

H.R. 7264. An act for the relief of M. C. Pitts;

H.R. 7326. An act for the relief of E. La Ree Smoot Carpenter;

H.R. 7473. An act for the relief of Albert R. Serpa;

H.R. 7707. An act for the relief of Andrew Telesfor Kostanecki;

H.R. 8625. An act for the relief of Dennis H. O'Grady; and

H.R. 8626. An act for the relief of Wilfrid M. Cheshire; to the Committee on the Judiciary.

H.R. 1375. An act to provide for the conveyance of certain real property of the United States to the former owner thereof; to the Committee on Agriculture and Forestry.

H.R. 3596. An act to direct the Secretary of the Interior to convey certain lands to Purvis C. Vickers, Robert I. Vickers, and Joseph M. Vickers, a copartnership doing business as Vickers Bros.; and

H.R. 8599. An act to amend various sections of the Atomic Energy Act of 1954, as amended, and the Euratom Cooperation Act of 1958, and for other purposes; placed on the calendar.

H.R. 7763. An act to provide for planning the participation of the United States in the New York World's Fair, to be held at New York City in 1964 and 1965, and for other purposes; to the Committee on Foreign Relations.

H.R. 8141. An act to revise the laws relating to depository libraries; to the Committee on Rules and Administration.

H.R. 8341. An act to authorize the Secretary of the Interior to conduct a study covering the causes and prevention of injuries,

health hazards, and other health and safety conditions in metal and nonmetallic mines (excluding coal and lignite mines); to the Committee on Labor and Public Welfare.

H.R. 8603. An act to amend the Federal Property and Administrative Services Act of 1949 to provide for public information and publicity concerning instances where competitors submit identical bids to public agencies for the sale or purchase of supplies, equipment, or services, and for other purposes; to the Committee on Government Operations.

HELEN HIETT WALLER

Mr. MANSFIELD. Madam President, in this morning's issue of the New York Herald Tribune is a notice to the effect that an old friend of many years, Mrs. Helen Hiett Waller, director of the New York Herald Tribune Forum, has passed on to her reward. It was my privilege to know Mrs. Waller for many years. She was a woman of great ability, outstanding intelligence, and sterling integrity. Those of us who had the opportunity to know her will miss her because of the many contributions which she made to the welfare of our country.

I ask unanimous consent that a news story published in the New York Herald Tribune be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MRS. HELEN HIETT WALLER, DIRECTOR OF FORUM, DIES—HERALD TRIBUNE AID, 47, WAS HURT WHILE CLIMBING IN THE FRENCH ALPS

CHAMONIX, FRANCE, August 22.—Mrs. Helen Hiett Waller, 47, director of the New York Herald Tribune Forum, died today of an embolism at the Chamonix Mount Blanc Hospital here in the French Alps. She had suffered internal injuries while mountain climbing in late July.

She and her husband, Theodore Waller, vice president of Groller, Inc., New York, and president of its subsidiary Teaching Material Corp., were climbing on Mount Perseverance, near Chamonix, when she was struck by a falling rock which caused internal injuries. She was operated on a few days later and was thought to be well on the way to recovery.

LIVED IN EUROPE 7 YEARS

Mrs. Waller, a native of Pekin, Ill., and a 1934 graduate of the University of Chicago, had an extensive foreign background for her work as Herald Tribune Forum director. She toured the world arranging the annual visits of hundreds of national leaders and high school students to the forum in New York.

A resident of Europe from 1934 to 1941, she worked first with the League of Nations, editing a monthly review of international affairs. To study the Nazi method of indoctrinating youth, she lived for a time in 1937 in a German girls' labor camp.

When World War II began, she was in London, working for her Ph. D. at the London School of Economics and Political Science. Immediately, she joined the Paris staff on the National Broadcasting Co., reporting from Paris until France fell, then from Madrid. Later, for her exclusive radio reporting of the 1940 bombing of Gibraltar, she became the first woman to win a National Headliners' Award.

Eased out of Spain by the Franco government, she returned to the United States in 1941. For a year and a half she gave lectures and broadcast a daily 15-minute news program over NBC. Then she returned to Europe as a war correspondent and finished out the war there.

Upon joining the Herald Tribune's forum department in 1945, Mrs. Waller was initially concerned with directing the annual forum, founded in 1930 and discontinued in 1955, which brought to New York each autumn leaders in government and other fields from many parts of the world.

SPOKE FIVE LANGUAGES

Fluent in French, Italian, Spanish, and German, she arranged the forum visits and frequently took part in introductions and questionings at the sessions held at the Waldorf-Astoria.

Beginning in 1946, she also directed the Herald Tribune forum for high schools which has brought 444 students from 74 countries to the United States for forum participation and 3 months' residence in the homes of American students in the metropolitan area.

In 1955, after the forum program presented by students in the United Nations General Assembly Hall, she took the group on a world tour, appearing before student audiences in London, Paris, Cairo, Beirut, Karachi, and New Delhi.

Beginning in 1953 she was moderator of the annual television forum series, "The World We Want," which was distributed nationwide, and for the last 3 years moderated the CBS–TV forum-based "Young Worlds" program. She received a number of awards and was author of "No Matter Where," 1944, based on her European experience. She contributed to "Deadline Delayed," 1947, written by members of the Overseas Press Club.

Surviving, in addition to her husband, who also is vice president and director of the library and educational division for Americana Corp., are two sons, Jonathan and Mark Waller; a daughter, Miss Margaret Ann Waller; her mother, Mrs. Stella Hiett, and a sister, Mrs. Margaret Whiteside.

Mr. GRUENING. Madam President, I should like to associate myself with the tribute paid by our majority leader to Helen Hiett Waller. I, too, knew her and greatly admired her. She was in charge of the New York Herald Tribune Forum some 14 years ago when Mrs. Rogers, the publisher of the Herald Tribune invited a discussion of the merits of statehood for Alaska and Hawaii. I presented the case for Alaska. The beloved Delegate, from Hawaii, Joe Farrington, presented the case for Hawaii. The forum was a great help to our then struggling causes. During that period Helen Hiett, who subsequently became Mrs. Waller, was a great help to us. We shall all miss her. She was a woman of fine and sterling character.

Mr. DIRKSEN. Madam President, the announcement of the passing of Helen Hiett Waller has a rather deep personal significance for me. In days when there were not schoolbuses and we had to go to school a rather considerable distance on shoe leather, I used to peddle the milk from four cows that I milked and then proceed to school. On those occasions, in the mornings, I would encounter a girl in pigtails who was also en route to school—a very open-faced, charming girl with expansive blue eyes. I expect from that moment on we became the closest of personal friends. She was born and lived for a time in my hometown before she went to larger pastures, where her talents were fully appreciated.

That was Helen Hiett, who later became Helen Hiett Waller. Over the years I managed to keep in touch with her. She did a great deal of work abroad and at home, and was a truly talented person who constantly sought to make an objective contribution to human values and human welfare. So I feel a deep sense of personal loss at her passing.

LOBBYING

Mr. GRUENING. Madam President, our distinguished colleague, the junior Senator from Ohio [Mr. YOUNG] has often illuminated Senate debates with his pertinent and perspicacious comments, and regaled his colleagues with his wit and humor. He is no less adept with the pen, no less skilled with the written than with the spoken word.

An extremely timely article, now that Congress is nearing—we trust—the end of a session, with much legislation still to be acted upon, is an article by the Senator from Ohio entitled, "Lobbying Is Here To Stay," published in the Cleveland Plain Dealer.

I ask unanimous consent that this article be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LET'S FACE IT—LOBBYING IS HERE TO STAY

(By Senator STEPHEN M. YOUNG)

More than a century ago, a hard-nosed Missourian furnished a solution for the lobbying problem, which for simplicity and effectiveness will never be surpassed.

Several lobbyists were pressuring the influential Senator Thomas Hart Benton to help them nail down a profitable ship subsidy. To their surprise, Benton quickly agreed. But he threw in one condition, that "when the vessels are finished they will be used to take all such damned rascals as you out of the country."

Today, Senator Benton's inspired remedy might be impossible. Thanks to the activities of the "new lobby" such a solution would mean a big population loss. The new lobbyists—propagandists for thousands of pressure groups—try to make lobbyists out of the general public. They stir up citizens to do the job for them through letter-writing campaigns and other home State pressures on Congressmen.

Pressure mail, which regularly floods my office is easy to spot. In May, I received thousands of letters from various cities in Ohio, each envelope being addressed—"STEPHEN A. YOUNG." The lobbyist directing this campaign was careless about my middle initial, which happens to be "M." These requested that I oppose Senate bills 1089 and 1197, which the writer stated should be defeated if the Nation's railroads are to survive as a basic transportation industry.

Numbering Senate or House bills indicates to a Member of the Congress that the letter is probably written at the urging of the employer or the Washington lobbyist of the industry. Most Senators do not know bills by numbers.

Frankly, 20,000 letters obviously written in response to pressure from chamber of commerce officials, employers or labor union officials, are less effective than a few hundred letters apparently written personally, expressing the view and belief of the writer.

I know that my senatorial colleagues, like myself, pay great attention to individual letters and telegrams.

Frequently a letter writer unintentionally causes some hilarity among members of a Senator's staff. An example following my vote on a controversial proposal, was a post card: "You sure have long furry ears." This was appreciated as a very polite way of a constituent calling his Senator a jackass.

Many citizens call, frequently in groups, to present their demands. A Senator is glad to give as much time as he can spare to meeting these constituents. Sometimes he profits by the arguments made. If, however, he is in complete disagreement, he feels it is his duty to listen to their arguments. After all, they have come a long way.

The "old lobby"—men who work mainly through personal contact with legislators—are still around. We welcome useful, reliable information from the modern-day lobbyists who are experts in their field. Most of them conduct themselves honestly and aboveboard. Those who don't are punishable by law.

The Federal Lobbying Act of 1946 requires lobbyists to register and file reports of their activities and expenses. A 1954 Supreme Court decision held a lobbyist is someone having direct communication with legislators. This bars Congress from policing the indirect communications of the new lobby.

But the abuses in political pressure today are precisely in this area where control cannot be exercised without abridging the constitutionally guaranteed right of Americans to advocate and promote what they believe is in their interest and to oppose what isn't. They are in the realm of the spare-no-expense, no-holds-barred publicity and public relations campaigns which excite voters to turn the heat on legislators. They are the abuses of distortion, exaggeration, and oversimplification.

One of the biggest fights came in the late summer of 1959 when Congress was considering alternative bills to curb certain abuses in labor unions. I can think of no better example of the agonies the new lobby can visit on a legislator than to describe the experience during this time of a young first-term Congressman from an industrial district in a southern State.

As soon as the Landrum-Griffin bill was introduced in the House, the Congressman's office phone began to ring without letup.

The first caller, demanding that he vote for the bill, warned, "Don't make it difficult for us to support you next time. Campaigns are expensive, you know."

For as many as 14 hours a day, the Congressman was welded to his telephone trying to explain his position to irate employers. He told constituents he was supporting a more moderate reform bill which had the blessing of House Speaker SAM RAYBURN. With a Democratic majority in both Houses he thought this bill had the best chance.

But this explanation didn't satisfy his callers. Prodded by the State chamber of commerce and manufacturers associations, the home district businessman and industrialists squeezed relentlessly. They even badgered the Congressman's father, then recovering from two heart attacks, with a steady drumfire of calls to his house.

The palms of the Congressman's hands broke out in motties. He suffered stabbing pains in the arms, shoulders, and chest. The cause was diagnosed as extreme tension. He said the pressure was worse than he had experienced as a combat fighter pilot during World War II.

Convinced his position was right, he held out and was the only Congressman from his State to vote against the bill.

He is no longer a Member of the House.

The propagandists of the American Medical Association make even the business lobbyists look like amateurs. In fighting medical care for the aged through social security the AMA is bucking popular sentiment, the Kennedy administration and the National Conference on Aging (called by and addressed by President Eisenhower). The AMA has a record as one of America's outstanding "againsters." It was against the social security program in the first place.

When I was Ohio Congressman at Large in 1949, I was alarmed by the extent and effectiveness of the AMA campaign against President Truman's national health insurance program. It used $4,678,157.35 to torpedo that proposal. Its paid propagandists made the words "socialized medicine" political poison. Americans were warned not only their health, but their liberties, were at stake if they failed to do battle against "big government" for their sacred right to pay through the nose. Doctors' offices were mobilized into propaganda outlets and it was a rare practitioner who didn't grasp the opportunity to lecture on the sins of "socialized medicine" while the captive patient was saying "ah."

The organization is even carrying out a vigilante-type operation against its own membership. During a debate at the AMA midwinter meeting, one doctor was labeled a "renegade" and asked to resign from a committee because he testified for the Forand bill.

Excesses like these led to one doctor's saying, "I wish we could all be Americans first and physicians second." The Washington Post commented: "Isn't there a psychiatrist in the house? Isn't there at least someone who can administer a sedative or tranquilizer to some of the more excitable members of the American Medical Association?"

Some medical societies still urge doctors to press their political opinions on susceptible patients. But one sociologist advises against this because, "The doctor's indispensable professional mystique might be permanently reduced in the eyes of that patient."

With shrill untruths and all the techniques of political pressure, the small group of political doctors that directs the AMA is going all out in its opposition. But no matter how much it misuses the privilege, I concede the AMA is as entitled to the right of petition and free speech as any other organization.

The paid mercenaries don't always win. The powerful American Meat Institute, which coordinated opposition to the humane slaughter bill of 1958, was shellacked by the Humane Society of the United States, which employed no paid lobbyists. The society's 3-year campaign resulted in one of the heaviest storms of mail in congressional history and succeeded in passing the bill over the combined opposition of meatpackers, livestock and wool growers, the White House, the Departments of Agriculture and Interior, and the Budget Bureau.

In addition to the letter campaign more than 1,000 news stories, feature articles and editorials were placed in the Nation's press in a single year. More than 4 million pieces of literature were distributed by volunteers. Americans were informed of the needlessly cruel treatment of animals in slaughterhouses and packing plants: struggling, screaming hogs pulled by moving cables through the shackling pen, then aloft to the killing floor; dumb cattle stunned by the brutal pole-ax before the death blow. The Humane Society and its supporters simply urged use of electrical stunning methods and anesthetization.

Financing came through small contributions from thousands of Americans who wanted to help. Certainly there was no slush fund comparable to that with which the American Meat Institute entered the fray. The AMI used a big crew of full-time lobbyists and public relations men. It rented a suite of entertainment rooms at a leading Washington hotel to soften up Congressmen with good food and ample drink. (This is known as the "social lobby" or the "indigestion circuit." Its premise is that the way to a Congressman's vote is through his stomach.)

The blandishments of smooth-working professionals, obviously motivated by self-interest, collapsed under the attack of thousands of Americans whose common cause was simple, humane concern and whose sincere demands impressed Congress. House Members passed the humane slaughter bill by an overwhelming voice vote. The Senate quickly registered its approval 72 to 9.

My examples of lobbying tactics have been drawn from current history. Lobbying actually began even before we had our own government in this country. Wealthy merchants entertained New England Representatives on their way to the First Continental Congress and urged them to oppose "any dangerous ideas of independence."

At present the individual Senator or Representative is far from powerless when he feels pressure groups threaten legitimate necessary legislation. As a U.S. Senator, I have access to one of the best forums in the Nation, the floor of the Senate. Without abusing the right, I can rise to my feet at any time during a Senate session and bring pressure of my own on a pressure group. I can question the honesty of its propaganda, the sincerity of its intentions. I can wonder if a pressure group truly represents in its propaganda statements, the sentiments of its membership—I am convinced some of them don't.

I regularly issue a newsletter, as do most other Senators and Representatives. A Congressman also has a "lobby" of his own in supporters and friendly newspaper editors back home.

These may appear to be feeble weapons to combat the costly, nationwide drives of major pressure groups. But good news space in a paper draws more readers than a propaganda advertisement.

For years, legislators have bewailed the existence of pressure groups—an exercise in futility, for they are as inevitable as daybreak, and are beyond the discipline of control.

Whether we like it or not, political pressure by organized interests is a reality in mid-20th century America; indeed, these groups are now an integral part of our political process. Large, rich ones are as entitled to air their views as poor, small ones. Though we may regret the discrepancy, we cannot muffle the one without gagging the other.

Pressure group chicanery will remain a problem until the offenders themselves develop greater responsibility and restraint. So let's face it, we're stuck with it. There is no discount on democracy, and unfortunately, democracy comes at a price. Occasional cynical advantage of constitutional rights by organizations driven by self-interest is part of that price.

RESOURCE DEVELOPMENT AT HOME IS NOW MORE THAN EVER IMPERATIVE

Mr. GRUENING. Madam President, now that the two Houses of Congress have, with somewhat different versions, passed a multibillion-dollar foreign-aid program, it behooves us to consider, at least as sympathetically, our domestic needs, and I deeply hope, with no less, and even more, solicitude and concern. Indeed, if we are going to support this mammoth assistance program to over 100 foreign countries, as well as the additional defense needs caused by the international crisis, the development of our own resources is not merely desirable but imperative.

Recently, the Senate Interior Committee held hearings on S. 2246, the Water Resources Planning Act of 1961. It aims at orderly, planned development of our great national water resources to the utmost degree: to utilize our rivers and lakes for irrigation and hydroelectric

development; to guard the regions through which our rivers flow from wasteful soil erosion and from destructive floods; in short, to utilize and conserve, as it has not been in the past, this portion of our God-given heritage.

One of the most eloquent presentations in behalf of this vital legislation was made by our distinguished colleague, the senior Senator from Wyoming [Mr. McGEE].

Our ability to meet the twofold challenge of communism and revolution, which are not to be assumed to be identical in every case—

The Senator from Wyoming pointed out—

depends upon the adequacy of our economy to provide the necessary tax dollars.

The wisdom of such a policy cannot be overemphasized. Regrettably there are those who, because of our vast, new, and growing commitments for defense and foreign aid, urge retrenchment of domestic programs. They are, in the judgment of the Senator from Wyoming and in mine, sadly in error.

Resource development, in all of its aspects, development of human and material resources—at home—is absolutely essential to the carrying out of our responsibilities as a nation, indeed, to our survival as a free people.

I ask unanimous consent that the Senator's dynamic presentation be printed at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR GALE W. McGEE ON S. 2246, WATER RESOURCES PLANNING ACT OF 1961, BEFORE A HEARING OF THE SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, AUGUST 16, 1961

The purpose of this statement is to support S. 2246, the Water Resources Planning Act of 1961, which you, Mr. Chairman, have introduced in furtherance of the proposal in President Kennedy's letter of July 13, 1961, to the President of the Senate.

The President's letter and the legislative proposal which he has offered, are striking and timely recognition of the seriousness of the need for an immediate start on the program of water resource development which was outlined in the report of the Senate Select Committee on "National Water Resources." The President has recognized not only that the task of water resource development must be done, but also that it makes a critical difference how the task is done.

Certainly the first step toward insuring that the progress which we need is forthcoming is the preparation of the sound, basic, comprehensive water resource plans, which this bill will encourage and help to make possible.

The President quite correctly states in his letter, "Maximum beneficial use of water rests upon comprehensive and coordinated planning by both Federal agencies and States. This draft legislation will encourage and make possible such planning."

I have often urged before, and I should like to urge once again on this occasion, that the ability of America to face up to the twofold challenge of communism and of revolution—and these challenges should not be assumed to be identical in every case—depends upon the adequacy of our economy to provide the tax dollars to support the vast public programs in foreign aid, in defense, and in the building of our own society which alone will do the job. The ability of our economy to support these programs is based squarely upon the extent to which we conserve and develop our natural resources, and the most indispensable of these resources is water.

If the results of the Water Committee study could be stated in one sentence, it would be this: Unless we do this job of water resource planning, development, and construction, we will have placed a limit upon our own capacity to grow, which is many times more suffocating and restricting than any limit which could be imposed by the forces of communism and revolution.

I have stressed and restressed since my first address to the Senate early in 1959, that the understanding of this vital relationship constitutes the real key to the future toward which the American people and free peoples everywhere are striving.

We have heard much talk in the last few weeks which seems to indicate that the only way to make an adequate defense effort in response to the Berlin crisis was to abandon just such domestic programs as resource development, so that we could concentrate on the production of arms and the training of armies. I submit that the question is not essentially whether we can produce enough weapons, it is whether the economic and political institutions which we have created, can find within themselves the vitality and the resurgent strength which will give us, as Americans, the confidence to meet the challenge which our own economic development contains in a time of destructive external peril. This is a challenge which requires judgment, will, and, perhaps more than anything else, nerve. I have illustrated the nature of this relationship before by citing the testimony before the Water Resources Committee of the county assessor of Carbon County in my own State of Wyoming.

This testimony shows the dramatic effect which individual water resource development projects can have in enabling the economy of Carbon County to support more people at an adequate standard of living, and thus to increase its own tax rolls so that the public goals of its people can be met. This example multiplied throughout the Nation, will also make it possible for the United States to achieve its national goals.

The legislation before us is also wise because it provides for the joining of national and local interest. The proposed Water Resources Council, which supply the overall national perspective, while the river basin commissions will assure the close identification of the program with local concern and experience. It is particularly significant that this bill would make available funds to the States to help finance programs of water resources planning to be undertaken and administered, in coordination with the Federal and State agencies having responsibilities in this field, by the States themselves through their own administrative agencies.

This is the type of program which, because it provides both for the recognition of the States traditional role in the development of their water resources and of the urgent necessity that the States act, will work. As a matter of fact, in recent weeks representatives of the Wyoming Natural Resources Board have visited my office in order to obtain my assistance in making effective contact with the Department of Interior so that Wyoming could begin as soon as possible to develop comprehensive programs of water resource development planning.

We who live in the Western States have been conditioned by our history to understand the important role which water resource development must play in the efforts of society to reach common economic goals. This interest on the part of the State of Wyoming demonstrates this understanding, but even more it demonstrates our understanding of the fact that because of the West's vast untapped reserves—both of minerals and space—the West will be called upon to contribute more proportionally to the achievement of America's goals than will the other sections of the country. The West is ready to undertake this responsibility.

The Bureau of Reclamation reported to the Water Resources Committee that "the amount of physically feasible water resource development remaining in the 17 reclamation States is enormous." According to that report, there are more than 1,000 reclamation projects, both public and private upon which construction has not yet been undertaken, but which can be put into operation before the end of the century.

It is still a fact that three-fourths of the water in our western rivers flows unappropriated into the ocean. It is natural then that with the enormity of the task before us, and with the West's natural perception of the role which it must and can play in future water resource development, there is a profound sense of urgency on the part of the citizens of our Western States to get on with the job. It is not significant that this sense of urgency was repeated time and time again in the hearings which our Water Committee held throughout the Western States. Perhaps even more significant than this fact, however, is that this same intense appeal was echoed in every State we visited in whatever section of the country it happened to be.

The enactment of this legislation will be a major step forward, but it in no sense diminishes the desirability of its early enactment to remind the committee that there is another measure pending before it which is especially essential. I refer to S. 239, the proposed Resources and Conservation Act. President Kennedy's proposed Water Resources Planning Act is an important step forward in one large area of natural resource development. Such a step forward in the field of water resources, both confirms and underscores the necessity for a comparable advance with respect to all of our other resources.

A sound, vigorous and productive national economy depends on the availability of enough water of acceptable quality, but it also depends on and is inextricably intertwined also with the development of forest, mineral, recreational, soil, and other natural resources. It is my conviction that until we are moving forward across the entire natural resources front, we will be leaving a large part of the task undone, and we will be limiting the effectiveness of what we do with respect to water resources.

In conclusion then, in urging that S. 2246 be enacted, I am also urging that S. 239 be enacted, because I believe this is the way to equip the Nation for action on the truly comprehensive resources development programs which constitute the irreducible minimum of national effort necessary to our survival and to the survival of the ideals to which we are dedicated in this perilous and contending era.

PLIGHT OF WISCONSIN'S DAIRY FARMERS

Mr. PROXMIRE. Madam President, I have recently received a letter from a Wisconsin dairy farmer from Stoughton, Wis., which expresses, I think, very vividly and dramatically the plight of the dairy farmer. I ask unanimous consent that the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STOUGHTON, WIS.,
August 4, 1961.

DEAR SENATOR PROXMIRE: I am writing to let you know something of the plight of a young farm family.

We purchased a 120-acre farm this past spring. We milk about 25 cows and raise 4½ acres tobacco. With farm conditions what they are we have worked just about every Sunday and nights until 9:30 or 10 o'clock. My husband's day begins at 5 a.m. There just isn't the money to hire any help. Even with doing most all the work ourselves we can't begin to keep up with our bills.

We have three children and are unable to give them more than the mere essentials. And, incidentally, our standard of living is fairly simple.

The way things look now either I or my husband will have to find off-the-farm employment. What I'm wondering is how the economy can ever absorb all the farmers who are seeking city employment. It seems that the majority of farmers in this locality are faced with the same problem. Entire families have to pitch in and still just manage to hang on.

Doesn't it seem that if the farmers were given a fair return that it would bolster the entire economy? With the huge investment the farmer has, together with the weather gamble, etc., I just can't understand how a factory worker or common laborer can make $3 and $4 an hour. It seems that things are getting pretty much out of perspective.

We realize that this farm problem is not simple, but sometimes it seems the only ones really concerned are the farmers. We participated in the feed-grain program and feel it was a step in the right direction.

Sincerely,

———— ————.

JOBLESS BENEFITS

Mr. PROXMIRE. Madam President, recently the Governor of my State, Gov. Gaylord Nelson, issued a release in celebration of the first jobless benefit check ever issued in the country from the State unemployment compensation fund. Wisconsin has a long and distinguished record on the subject of unemployment compensation. The release from the Governor's office, which is quite concise, states that record, I think, very vividly. I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

PROCLAMATION OF GOVERNOR NELSON, OF WISCONSIN

Whereas, 25 years ago, on August 17, 1936, Wisconsin paid the first jobless benefit check ever issued in this country from a State unemployment compensation fund; and

Whereas the benefit program thus launched has helped hundreds of thousands of Wisconsin workers during the past quarter century, has sustained their buying power during layoffs, and has thereby strengthened the entire economy of this State; and

Whereas Wisconsin was the first State to pass an unemployment compensation law, and to build reserves and pay benefits thereunder; and

Whereas Wisconsin's pioneer law and those active in its development helped to secure, under the 1935 Social Security Act, a nationwide system of State unemployment compensation laws, which now protect many millions of American workers; and

Whereas Wisconsin, with the full cooperation of its labor and management groups, has continued to lead in this field and to strengthen its jobless benefit system:

Now, therefore, I, Gaylord A. Nelson, Governor of the State of Wisconsin, do hereby proclaim the silver anniversary date of America's first jobless benefit check; namely, August 17, 1961, as "Unemployment Compensation Day," to be observed by such ceremonies, discussions, and publications as will further public understanding of this program, will recognize the part played by various individuals and organizations in its development, will consider present and future problems, and promote further improvements in the general public interest.

FIRST AMERICAN JOBLESS CHECK PAID 25 YEARS AGO

Twenty-five years ago, on August 17, 1936, Wisconsin paid the first unemployment benefit check ever issued in this country under a State law.

That check No. 1 anniversary was celebrated in Madison today, during a meeting of the law's labor-management advisory committee.

The ceremony was attended by a group of 25-year employees, former employees, State officials, and various labor-management and public representatives.

It featured four individuals who were present 25 years ago: Paul Raushenbush, longtime administrator; Arthur Wegner, the law's first treasurer, who signed check No. 1; J. F. Friedrick, a labor representative on the law's advisory committee ever since 1932; and Harold W. Story, a management spokesman.

Since 25 years ago, Wisconsin workers have drawn over 16.8 million checks for weeks of partial or total unemployment. Those checks, issued by the State industrial commission under Wisconsin's unemployment compensation law, have totaled over $436 million.

In addition to the benefit checks paid to jobless workers under Wisconsin's law, the industrial commission has during the past 17 years issued, at Federal expense under various Federal programs, over 2.7 million jobless benefit checks—amounting to over $64 million.

Nationwide, during the past 25 years, jobless benefits have totaled over $28 billion under State laws.

Mr. PROXMIRE. Madam President, I ask unanimous consent that the statements of those who participated in the conference on August 17, 1936, together with a table showing the top basic benefit per week in each of the 50 States, the top normal duration in weeks in each of the States, and the maximum basic benefits, be printed at this point in the RECORD, because I am proud of the fine record that my State has.

There being no objection, the statements and table were ordered to be printed in the RECORD, as follows:

[Excerpts from news story—25 years ago, Aug. 17, 1936]

WISCONSIN PAYS FIRST JOBLESS BENEFIT CHECK—$15 CHECK IS FIRST BENEFIT PAID IN AMERICA

Wisconsin paid today the first unemployment benefit check ever drawn on a State unemployment fund under any American unemployment compensation law.

Wisconsin was the first State to pass such a law, and to collect contributions. It was the first State to have its law approved under the Federal social security program. Now Wisconsin has also issued the first check for unemployment benefits.

The check was for $15, paid for 1 week of total unemployment. Benefits are now being paid in Wisconsin about 18 months before payments are scheduled to start in any other State.

* * * * *

Wisconsin officials recognized as an historic occasion the signing of the first check under any American unemployment compensation law. At the ceremony all three members of the Wisconsin Industrial Commission added their signatures while Paul Raushenbush, director of the commission's unemployment compensation department, acted as master of ceremonies.

Representatives of organized employers and of organized labor were also present to witness the signing of America's unemployment benefit check No. 1.

There were three other interested spectators at the check-signing ceremony. One of these was Prof. John R. Commons, who started urging such legislation in Wisconsin more than 15 years ago. Another was E. E. Witte, who served for a short time as acting director of unemployment compensation in the summer of 1934, before he was called to Washington to work on the Federal social security program. The third was H. W. Story, consultant to the commission.

Here are some of the statements made by those who participated in the ceremony on August 17, 1936:

Prof. John R. Commons: "It is more than 15 years ago since I urged the 1921 Wisconsin Legislature to pass a law which would pay benefits to unemployed workers, and would also encourage more regular employment by employers. I am glad that Wisconsin now has such a law in full operation. I look forward to the day when every State in this country will give its workers similar protection against unemployment."

Voyta Wrabetz, chairman of the industrial commission: "This first unemployment benefit check marks an important forward step in the direction of greater economic security and social justice for all the people in America. We are proud of Wisconsin's leadership in this field."

Henry Ohl, president of the Wisconsin State Federation of Labor: "This is an important day in American history, because this first benefit check stands for a principle which is vital to workers and the entire community. This principle is that employers must accept responsibility for giving their men steady work and an adequate annual wage; or else pay benefits to these workers during slack period, when they are laid off and cannot find other work."

George Kull, secretary of Wisconsin Manufacturers' Association: "Wisconsin employers can rightly take credit for the cooperation they have given the administration of this law. Most employers believe that the Wisconsin law is sounder in principle and more consistent with American traditions than any other type of unemployment compensation law."

H. W. Story, consultant to the commission: "The most striking feature of our Wisconsin law is that each individual employer's contribution rate will rise or fall in accordance with his own unemployment benefit experience. This should encourage every employer to give the steadiest employment he can, which should make for steadier workers, buyers, and citizens, and save the employer money besides."

E. E. Witte, formerly acting director: "Unemployment benefit laws cannot work miracles; but they can and will provide workers a first line of defense during short periods of unemployment. Such benefit payments should help to maintain purchasing power during slack periods."

Paul Raushenbush, administrator: "We have started to pay unemployment benefits

in Wisconsin. That is fine, and mighty important; but let's not forget that steady work and wages will always be better than unemployment benefits. One of our most vital economic problems is to provide more regular employment, and thereby higher annual wages. Our Wisconsin law encourages each employer to do what he can toward solving that problem."

Maximum "basic" normal benefits under State unemployment compensation laws as of Aug. 1, 1961 (excluding dependents allowances, if any) (excluding "extended" durations)

State	A Top basic benefit per week	B Top normal duration in weeks	C Maximum basic benefits (A×B)
Alabama	$28.00	20	$560.00
Alaska	[1] 45.00	26	1,170.00
Arizona	35.00	26	910.00
Arkansas	30.00	26	780.00
California	55.00	[2] 26	1,430.00
Colorado	[3 4] 45.00	32½	1,462.50
Connecticut	[1] 45.00	[2] 26	1,170.00
Delaware	40.00	26	1,040.00
District of Columbia	[1] 30.00	26	780.00
Florida	33.00	26	858.00
Georgia	35.00	26	910.00
Hawaii	55.00	[5] 26	1,430.00
Idaho	43.00	[2] 26	1,118.00
Illinois	[1] 38.00	[2] 26	988.00
Indiana	36.00	26	936.00
Iowa	[1] 30.00	26	780.00
Kansas	[3] 42.00	26	1,092.00
Kentucky	37.00	26	962.00
Louisiana	35.00	28	980.00
Maine	34.00	[5] 26	884.00
Maryland	[1] 35.00	[5] 26	910.00
Massachusetts	[1] 40.00	30	1,200.00
Michigan	[1] 30.00	26	780.00
Minnesota	38.00	26	988.00
Mississippi	30.00	26	780.00
Missouri	40.00	26	1,040.00
Montana	34.00	26	884.00
Nebraska	34.00	26	884.00
Nevada	[1] 37.50	26	975.00
New Hampshire	40.00	[5] 26	1,040.00
New Jersey	50.00	26	1,300.00
New Mexico	36.00	30	1,080.00
New York	50.00	[5] 26	1,300.00
North Carolina	35.00	[3 5] 26	910.00
North Dakota	36.00	[5] 24	864.00
Ohio	[1] 42.00	26	1,092.00
Oklahoma	32.00	39	1,248.00
Oregon	40.00	26	1,040.00
Pennsylvania	40.00	[5] 30	1,200.00
Rhode Island	[1] 36.00	26	936.00
South Carolina	[3] 34.00	22	748.00
South Dakota	33.00	24	792.00
Tennessee	32.00	[5] 22	704.00
Texas ($37, soon)	28.00	24	672.00
Utah	[3] 43.00	36	1,548.00
Vermont	[3] 40.00	[2] 26	1,040.00
Virginia	32.00	20	640.00
Washington	42.00	30	1,260.00
West Virginia	32.00	[5] 26	832.00
Wisconsin	[3] 50.00	34	1,700.00
Wyoming	[1 3] 49.00	26	1,274.00

[1] Higher weekly top applies with dependents allowances (except in District of Columbia).
[2] "Extended" durations will apply, when triggered by unemployment level.
[3] Top adjusted by escalator, annually or semiannually, based on wage levels.
[4] Colorado $57, if 5 years without benefits.
[5] Flat uniform duration applies.

Mr. PROXMIRE. Wisconsin is certainly one of the outstanding States in the country in this regard. I believe it is the top State in almost every category.

PANCAKED GAS RATE INCREASES FLATTEN CONSUMER

Mr. PROXMIRE. Madam President, one of the most alarming features of the interstate natural gas market is the pancaking of rate increases. If the Federal Power Commission does not act upon a proposed rate schedule within 5 months after filing, the new schedule goes into effect. Should the Commission at a later time order a refund, all moneys collected by the pipeline company over the approved rate must be turned back to the distributing utilities and eventually to their customers. The interest paid with such refunds is generally between 6 and 7 percent. But it is a rare event for all such funds to be subject to refund. It has become the practice for pipeline companies to apply for numbers of rate increases, so that one increase is pancaked on top of another.

There are three bills presently before the Commerce Committee which deal with this shocking situation. S. 666 is a multipurpose bill introduced by Senator MAGNUSON at the request of the Federal Power Commission. S. 1664, introduced by Senator GORE, prohibits any rate increase from becoming effective before a pending rate increase has been finally determined. S. 1946, introduced by Senator CARROLL and others, does away with the 5-month limitation and permits FPC to suspend a new rate increase for as long as is reasonably necessary for the completion of the hearings and decision. All of these worthy bills deserve the most serious study. By way of background material for their consideration I ask unanimous consent that an article by William Beecher in the Wall Street Journal for July 7, 1961, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FPC'S SHIFT—KENNEDY'S TEAM AIMS TO BOOST PUBLIC POWER, HOLD DOWN GAS PRICES—AGENCY WILL TRY TO BREAK RATE CASE LOGJAM, CURB "PANCAKING" BY PIPELINES—HOW COMMISSION LINES UP

(By William Beecher)

WASHINGTON.—Big changes are afoot in a little Government agency, the Federal Power Commission. The impact on the huge industries which produce and move natural gas and electricity may soon be measured in many millions of dollars.

By Washington's manning standards, FPC is insignificant. Its 900 employees don't even have a building of their own; they're crowded into spare space of the General Accounting Office, with 60 statisticians spilling over into rented commercial quarters.

They've been falling farther and farther behind in their work; Presidential Adviser James Landis has called this agency "the most dismal failure in our time in the administrative process." But a new Kennedy team is moving into control, with high resolve not only to act with dispatch but to do consumers many favors. And they are likely to bestow some boons, as well, upon public power groups.

THE TEAM'S INTENTIONS

Here are some of the intentions which can now be discerned:

To achieve stern price control over producers of natural gas, a task assigned by the Supreme Court back in 1954 but never fully implemented. A logjam of thousands of individual rate cases may be broken, partly by spurring staff work and partly by surging ahead with an existing scheme for regional ceilings—with a new emphasis on keeping them low.

To crack down on gas pipeline companies deemed guilty of the misdeed known as pancaking. It's claimed some have been tapping consumers for money used in capital expansion, by plopping one temporary rate hike on top of another and using the revenue until the FPC requires a refund, often 2 or more years later.

To inquire deeply into the efficiency of major corporations applying for rate increases—casting a coldly critical eye on management practices and financial structures before accepting figures on the cost of doing business. This could involve substantial Government intervention into private administration.

To initiate crucial probes, with critical attention to gas price levels, rather than waiting for rate applications to come along.

To increase the advantage which the law gives public groups competing against private utilities for the right to build new hydroelectric projects. The trick could be done by letting public power outfits submit "either-or" construction applications—permitting them to apply not only for dam sites of their own choosing but also for rival sites blueprinted by private concerns.

All these ideas are held by men now moving onto the Commission; the speed and extent to which they may become national policy will emerge over coming months.

NEW FRONTIER'S VIEW

As viewed from the New Frontier, FPC has appeared in need of radical reform. Far from rushing into price control of gas producers, the agency long contended it lacked jurisdiction, and much of the 7 years since the Supreme Court ruled otherwise was spent in a vain attempt to win the congressional reversal. Justly or not, the Commission of the Eisenhower era has been depicted as industry-minded; congressional probes of the past year have portrayed industry representatives wandering through the agency's corridors and popping into offices for conversations which never appeared on its public records.

Admittedly, the agency could not keep up with its workload. Last year, for example, it disposed of more than three times as many gas producer rate-hike cases as in the previous year, yet it entered 1961 with 3,605 such proposals pending—an increase of more than 500. At last count, at the end of May, the backlog of these cases had climbed to 3,871. Presidential Adviser Landis complained the Commission sat on its hands while new contract prices for natural gas production more than doubled in 5 years. Delay in both gas and electricity rate regulation has "cost the public millions of dollars," said he, demanding that "qualified and dedicated (Commission) members with the consumer interest at heart must be called into service."

Mr. Kennedy has been issuing the calls, and—despite some hitches—it appears likely there may soon be only one Eisenhower holdover left on the five-man Commission.

Two devoutly consumer-minded Commissions, Joseph C. Swidler and Howard Morgan, have just begun warming their seats. A third more moderate Democrat, Lawrence J. O'Connor, Jr., is awaiting Senate confirmation. The FPC's present Chairman, Jerome K. Kuykendall, who insisted he had the right to retain that post, has finally agreed to yield agency leadership to Mr. Swidler on September 1—peacefully, without a threatened fight in the courts. He may give up his seat on the Commission, too, before his term expires next June, thus leaving another spot open for Mr. Kennedy to fill—not with a Democrat but with an independent or Republican of acceptable philosophy.

MR. SWIDLER'S BACKGROUND

Tall, dark, sharp-featured Joe Swidler, at age 54, has spent practically all of his adult years advancing the cause of public power. He joined the New Deal in 1933, during Roosevelt's first 100 days, as an assistant solicitor in the Interior Department. While in that post, he burned the midnight electricity drafting power contracts to help out an old friend, David E. Lilienthal, who had become Tennessee Valley Authority Chair-

man. Soon, Mr. Swidler shifted to TVA's legal department, rising to the post of General Counsel in 1945. He left the agency in 1957 to enter a private legal practice in Nashville, but one which found him representing public power clients. Men who know him declare he is a shrewd lawyer and a solid administrator.

Howard Morgan, tall, brown-haired and boyish looking at 47, is an Oregon rancher by trade but a tough utility regulator and Democratic politician at heart. He was a member of the Oregon Legislature from 1949 to 1951, operated as Democratic State party chairman from 1952 to 1956 when the Democrats made inroads in traditional GOP State power, and sat as Oregon's one-man public utility boss from 1957 to 1959. In this last job he acquired considerable regulatory experience, mostly over electric and telephone rates. Although hardly the hair-shirt radical some of his detractors make him out to be, Mr. Morgan could easily prove to be the most militantly proconsumer of the new FPC Commissioners.

If the FPC is to have a swing man, he is likely to be the round-faced, 46-year-old Lawrence O'Connor, a Texan with long associations in the petroleum business who has been running the Interior Department's oil import administration. At least until the next vacancy occurs on the Commission, he will be in a position to cast the deciding vote on policy issues which may divide the rest of the Commission rather sharply. On the conservative side, along with Mr. Kuykendall, there lingers only Frederick Stueck, a St. Louis lawyer whose Eisenhower appointment extends to 1964.

AN OPEN MIND

Mr. O'Connor, named by the President only last Friday, insists he is not familiar with FPC and will face each issue with an open mind. Obviously the new appointee is reluctant to take stands which might jeopardize his chances for Senate confirmation. But, beyond that, his performance over the last couple of years in the politically ticklish role as Administrator the Nation's fledgling program to restrict oil imports—in which he had to balance the interests of big oil versus little oil, importer versus inland refiner, producer versus consumer—gained him a reputation as an impartial and effective regulator.

One measure of Mr. O'Connor's nonpartisan success: Named originally by Republican Interior Secretary Fred Seaton, he was reappointed by Democratic Secretary Stewart Udall. By training, Mr. O'Connor is a certified public accountant; he was an official of Goldston Oil Corp., a Houston-based oil producer, for several years before entering Government service. Some liberals consider him suspect because of his gas-country background, but generally he is expected to vote with his more liberal Democratic colleagues on major policy, thus giving the administration majority control over the five-man Commission.

Public versus private power fights over the right to build giant hydroelectric facilities on the relatively few good remaining river sites is expected to keep the Power Commission up to its ears in controversy over the next several years.

One such conflict is before the agency now. The Pacific Northwest Power Co., representing four private utilities, wants to build a $178 million multipurpose dam at High Mountain Sheep, on the Snake River about half a mile upstream from its confluence with the Salmon River on the Oregon-Idaho border. A conflicting application comes from the Washington Public Power Supply System, a group of 13 Washington State public utility districts, to build a $297 million dam at Nez Perce, about three miles downstream.

HEARINGS HAVE CONTINUED

Hearings on the applications began last November and have continued intermittently. A couple of months ago the public group sought to amend its application to provide that if the Commission should select the High Mountain Sheep site as better, it would gladly build at that location. The Federal Power Act states that all other things being equal, the nod should go to the public group. If FPC had approved all elements of the Washington public power group's request other than its site, therefore, it would have pretty well assured that group's selection no matter which site is determined superior. The FPC examiner—supported by the Commission as then constituted—rejected this "either-or" proposal, saying that it had come too late in the proceedings. But this is not the end of the matter.

The public utility group has filed a motion for reconsideration; thus, the new Commission will have another crack at the question. Commissioner Morgan, while insisting that he is not prejudging this particular case, says that he can see nothing wrong in any public power group seeking to advance an "either-or" proviso. "What some seem to forget," he said, "is that the public in each case owns the river."

"I don't believe the law imposes a time limit on any effort by a public body to take advantage of the built-in preference in the law," he says. If Mr. Morgan's view is embraced by at least two other Commissioners it could greatly increase chances that future public-private disputes over who shall build a major non-Federal dam will be resolved in favor of the public builder.

The FPC also has power to set the price of electric power when it is transmitted for resale across State boundaries, and so has jurisdiction over such utilities as New England Power Co., Pacific Gas & Electric, Georgia Power Co., and Philadelphia Electric Co. But electricity prices have been stable in recent years, hence FPC concern for consumers is likely to be focused on rising gas prices. "Price levels," says Mr. Swidler, are the "key problem confronting the Commission."

When the Natural Gas Act was passed in 1938, the major oil companies considered the product a nuisance—in many instances it was flared off as waste in order to get at the more profitable petroleum in the same well. When the first pipelines were constructed to major fields, producers were glad to write 20-year contracts at whatever price the pipeline company would offer, frequently just a few cents per thousand cubic feet of gas. Since the pipeline companies could pretty much dictate price, the major stress in legislation and in FPC's approach was to regulate them alone.

But demand for the cheap, clean, efficient fuel blossomed and in but two decades new pipelines sprouted until today there are more than twice as many miles of gas pipeline, interstate and intrastate, as miles of railroad track. Recent contract prices for gas at the wellhead have been bid up as high as 20 cents per thousand cubic feet of gas in Texas; 24.6 cents in Louisiana; 30.5 cents in West Virginia; 33 cents in Pennsylvania.

So the philosophy now is toward increasingly firm regulation of both the 120 interstate pipeline firms and the thousands of gas producers (of which 270 are rated major suppliers). The FPC was trying to head in this direction even before the new team began moving in. In March, for example, it outlawed several types of price escalation. Sample: The so-called "favored nation" clause in contracts between producers and pipeline firms; it automatically bestowed upon the producer any higher price granted by any pipeline to another producer in the same gasfield. The Commission did not ban escalation completely, but limited price renegotiation of long-term contracts to once every 5 years.

"The way wellhead prices were arrived at certainly was not sound; it was irrational, chaotic," Mr. Swidler declares. "That doesn't mean necessarily that all levels reached are wrong levels; but it does mean that the prices are suspect." What will the Commission do if it decides some of these levels are too high? "We'll reduce them," Mr. Swidler says without hesitation. He is joined in this determination by Mr. Morgan, and both would be equally willing to apply the same rule to pipelines' delivered prices to distributor companies.

RATE INVESTIGATIONS

Section 5(A) of the Gas Act gives the Commission explicit authority to initiate rate investigations and to reduce—but not increase—rates it believes are out of line. This FPC initiative has been infrequently used in recent years.

Actually it's still easier for FPC to rake over prices when companies come in seeking rate increases, since then they must shoulder the burden of proving hikes are necessary. In a 5(A) case the Commission must prove rates are too high, and prepare to uphold its position against a court challenge.

Commissioner Morgan looks at the time a firm comes forward for a rate increase as affording an ideal opportunity to study the firm's "financial structure, trade practices and everything else about the company." The Commission, he says, should not "limit itself to statistics put forward by the company."

"The Government agency must make sure that company costs—for capital acquisition, construction, special services—are as low as is consistent with good service. The agency must also make certain that practices and procedures are as efficient as it would expect of a well-run company competing for the consumers' patronage."

With over 100 pipeline rate increases pending, not to mention the thousands of producer cases, he will have plenty of opportunities for examination.

PROBLEM OF "PANCAKING"

A particular problem is so-called pancaking. Under present procedures a gas company must file 30 days' notice of an intention to raise rates during which time the agency may suspend the hike for up to 5 months. Congress originally thought FPC would be able to dispose of rate cases in that time; but it has not. After the suspense date is passed the company may put the increase into effect—subject to the requirement that it refund customers any amount FPC finally determines is excessive. Interest of 6 percent or 7 percent must accompany the refund. There is nothing to prevent a company from piling on additional rate increases before the first is disposed of. Critics have charged that pipelines, especially, have abused this procedure to amass great amounts of expansion capital at the expense of consumers. Even Chairman Kuykendall, no enemy of the industry, has estimated that rate increase applications generally average about 40 percent higher than the Commission finally determines is proper.

By borrowing from banks or by selling new bonds, most big pipeline companies could obtain money at interest costs somewhat below the 6 percent or 7 percent they must pay customers on refunds. But money raised by new rate increases may have advantages. At the worst, it will have to be refunded and the companies will have paid slightly higher interest costs. At the best, the rate increases may be approved in full and the companies will have no interest cost at all. In addition, the money obtained from higher rates shows up on the companies' balance sheets only as contingent liabilities, if it shows up at all. If the companies instead borrow from banks or sell bonds, these facts are reflected

directly on their balance sheets and may perhaps limit their ability to borrow more funds or sell additional bonds at a later date.

Refunds in recent months have been sizable. Tennessee Gas Transmission Co. in February handed back more than $7.5 million to customers; Cities Service Gas Co. in January refunded about $10.7 million; Atlantic Seaboard Corp. in April refunded more than $5.7 million; in April the Commission ordered Panhandle Eastern Pipe Line Co. to refund to its customers an amount, still to be calculated officially, which by some estimates could be anywhere from $20 million to $40 million. Massachusetts Congressman TORBERT H. MACDONALD recently protested that El Paso Natural Gas Co. is collecting $87.5 million in rate increases annually whose reasonableness has not been passed on yet by FPC.

Bills have been introduced in Congress to force the companies to put such increases into nontouchable escrow accounts or to forbid gas companies from pancaking their increases. Commissioner Morgan has what he calls a simpler solution: If the Commission finds the system has been abused, he says, why not just increase the interest on money ordered refunded to 10 percent, or even 15 percent?

Though some producers are large—among them Phillips Petroleum, Pan American Petroleum, Humble Oil, Texaco, and Shell—there are such swarms of small ones that FPC despairs of regulating their prices by the approach used for pipelines: Painstaking determination of cost plus a specified rate of profit.

Late last year the Commission enunciated a new approach: Establishing maximum prices for each of 23 producing regions. A producer seeking any price up to the FPC-fixed ceiling would receive automatic approval; those wishing to justify higher prices would have the burden of proving their need at exhaustive hearings. The new Commission will have to decide if this area-pricing course will in fact be followed, and the price level for each of the regions if it does so. The expectation is that they will, with the ceilings low enough to evoke some howls.

THE CONSUMER AND THE FEDERAL POWER COMMISSION

Mr. PROXMIRE. Madam President, I ask unanimous consent to have printed in the RECORD at this point an editorial entitled "Who Protects the Consumer on Federal Power Commission?" It discusses my recent battle against the confirmation of the nomination of Lawrence J. O'Connor to be a member of the Federal Power Commission.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHO PROTECTS THE CONSUMER ON FEDERAL POWER COMMISSION?

President Kennedy's nomination of Lawrence J. O'Connor, Jr., to the Federal Power Commission and his confirmation by the Senate have been unexplained so far by the administration.

The controversial appointment was highlighted by the marathon, overnight speech of Senator WILLIAM PROXMIRE, Democrat, of Wisconsin, protesting the appointment of an "oil and gas man" to the FPC.

It is not for us to cast aspersions on Mr. O'Connor, whose attitude about oil and gas and the consumer we are not familiar with.

But the FPC is something else. It is a Commission which has been shot full of holes in the past months, by, among others, Mr. Kennedy himself, before and after he became President.

Most recently, on April 13, President Kennedy sent to the Congress a special message asking legislative and administrative steps to enable the Federal regulatory agencies "to fulfill more effectively their roles of promoting and protecting the national interest." Is Mr. O'Connor going to do this? So far the White House has been silent.

Of all the agencies in Washington, probably none needs more propping up, unless it be the Central Intelligence Agency or the Federal Communications Commission.

The President himself has pointed to the "incredible backlog" of 4,000 pending rate increase cases. It is fantastic, but some of them involve rate increases upon rate increases.

Kennedy's message said: "This administrative logjam was directly responsible for excluding millions of dollars from the economy and was potentially responsible for an inordinate rise in the price of natural gas."

It would seem that the President is more than casually interested in getting the FPC on its feet. Even before he became President, he had special aid James M. Landis study Washington's regulatory agencies, and last December 26, Landis came up with this opinion about the FPC: "The most dismal failure in our time of the administrative process."

A major criticism is that the big gas and oil lobbies have an almost direct influence on the FPC at the actual time of hearings. You may recall the meetings a little more than a year ago by the Special House Subcommittee on Legislative Oversight, arising out of the disclosure that FPC Chairman Jerome K. Kuykendall conferred privately with Thomas Gardiner (Tommy the Cork) Corcoran, Washington attorney for a large Houston gas company.

The testimony of the hearing is too lengthy to report here, but it led to several conclusions, one of which would reduce by law the number of persons intervening in FPC cases. This was after the subcommittee leveled charges of inefficiency, of laxity toward the public welfare and of alleged misconduct by personnel in the FPC.

It does seem strange, then, that President Kennedy has endorsed apparently unequivocally, Mr. O'Connor as an FPC member. Mr. O'Connor comes from an oil family, worked for the Golston Oil Corp. from 1945 to 1958, rising to vice president and treasurer. For the past 3 years he has been administrator of the U.S. Interior Department's oil import program.

Senator PROXMIRE, who was armed with stacks of documents in his floor fight against O'Connor, said his appointment would be "stacking the deck, loading the dice against the householder whose gas bills are rising steadily year after year."

In the sense that the consumer is getting left out more and more in dealings of the regulatory agencies, Senator PROXMIRE's words deserve heeding. The agencies were created to protect the national interest. We will be watching and waiting to see if Mr. O'Connor does just that.

THE CASE FOR EXEMPTION OF SMALL GAS PRODUCERS FROM REGULATION

Mr. PROXMIRE. Madam President, the purpose of my remarks on the Federal Power Commission over the past few weeks has been to show that the 27 million families who use natural gas are threatened with exorbitant price increases.

At the same time, as Senator LONG of Louisiana made so clear in his colloquy with me at this time on the O'Connor nomination, we should not overlook the plight of the small producer of natural gas.

I recently received a detailed letter from the president of a Texas natural-gas-producing company. I cannot agree with all of the points which its writer seeks to make. The letter bears testimony to the fact that the natural gas producer suffers as much from Federal Power Commission delays as does the consumer. Both consumers and producers suffer from the FPC's failure to adopt considered and effective policies for restoring conditions of balance and justice to the natural gas market.

The other side of this story deserves to be told and few tell it as well as Mr. William D. Morris, of Fort Worth, Tex. I ask unanimous consent that a letter from him and a statement of his company's position be entered in the RECORD at the conclusion of these remarks.

I would prefer to cut FPC delay by exempting companies that sell less than 2 billion cubic feet of natural gas annually in interstate commerce, rather than by exempting a certain volume of sales each year as the writer suggests. I support President Kennedy's proposal that small producers be exempted. The same legislation was introduced by Senator DOUGLAS and by Senator KEFAUVER in recent sessions, and by Representatives MACDONALD of Massachusetts, and Moss, of California, in the present session.

Despite my disagreements with some of the positions outlined in this letter and the attached memorandum, I salute the Whaley Co. and its president, Mr. William D. Morris, and am glad to take this opportunity to add their views to the public record.

I ask unanimous consent to have the letter from the Whaley Co. and a statement of position and memorandum of the Whaley Co. printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WHALEY CO., INC.,
Fort Worth, Tex., August 17, 1961.

Hon. WILLIAM PROXMIRE,
Senator from Wisconsin,
New Senate Office Building,
Washington, D.C.

DEAR SIR: We have read with much interest your interest in the affairs of the Federal Power Commission and the persons selected for membership on the Federal Power Commission. We agree with you that presently the situation is 100 percent fouled up, and that the consuming public, the gas producers, especially the independent gas producers such as ourselves, and the economy of our country is being hurt by a bad situation, regardless of the cause.

We have studied the matter with much interest due to the fact that we have had shut-in gas wells for a number of years awaiting action of the Federal Power Commission in granting certificates of public convenience and necessity, but have had no luck getting action from them or finding out from them what information they want in order to evaluate the contracts we are asking them to approve.

Recently, after we had attended the prehearing conference on the Permian Basin, we filed a statement with the Commission in Washington. We are pleased to enclose you herewith a copy of it. We also visited with the Honorable James M. Landis and left with him a copy of the enclosed statement. We found Mr. Landis most sincere and anxious

to work out the many problems confronting the natural gas industry, but apparently not getting too much help from any source.

We are still believers of the law of supply and demand, and believe that the only way natural gas can become cheap is to become abundant. We believe a removal of many of the restrictions now facing the industry, especially the smaller independent producers, would contribute much to this end. Our own suggestion is that the first production by any producer under 5 billion cubic feet per year be left entirely unregulated and exempt from Federal Power Commission controls. Actually this amount of gas will have but little effect on the market price of gas, but will be large enough to justify exploration for new supplies, and when discoveries are made, it will also be large enough to justify pipeline companies coming in and picking up the gas.

Knowing your sincerity and interest in working out these problems to the interest of all the people, we will deem it a great favor if you will read the attached statement we have prepared as an independent producer, and if you have any suggestions or comments to make, we would be most happy to have them.

Most respectfully,

WILLIAM D. MORRIS.

STATEMENT OF POSITION AND MEMORANDUM OF WHALEY CO., INC., CONTINENTAL LIFE BUILDING, FORT WORTH, TEX.

Whaley Co., Inc., as an independent producer of natural gas is vitally, financially and otherwise, interested in the successful solution of the many problems confronting the explorers for, the developers of, and producers of, natural gas. This applies especially in the area of its principal interest in the Permian basin of west Texas and New Mexico, which is the subject of the prehearing conference and its continuation above mentioned.

We doubt that with the best intentions in the world on the part of (a) the Federal Power Commission and its staff; (b) the long lines gatherers and transporters of natural gas; (c) the distributor groups; (d) the ultimate consumers; (e) the producers of natural gas; and last, but not least, (f) the public service commissions and public utility commissions of the several States and their attorneys, advisers, and technical experts the problem of price at the wellhead can be worked out to the mutual advantage of the producers, gatherers, transporters, distributors, and last and most important, the actual consumers of natural gas. As to consumers of natural gas, we place the use of it for domestic heating, cooking, and other uses first, and its use as heat energy and fuel for industry second. We do not believe that a so-called end use of natural gas is feasible for the reason that the extreme cost of transporting gas over long distances requires a very large volume on a rather stable basis to justify the investment required.

We believe that all producers of natural gas (not owning pipelines) should be treated alike, as provided under the Constitution of the United States of America, and all valid laws made thereunder. We think this should apply to the very largest producers and the very smallest producers under similar circumstances.

We believe that natural gas is a commodity and should be so treated along with all other energy and heating fuels, including corn cobs, coal, and stove wood. We think its value in the marketplace will be best determined in competition with all other heat and energy fuels simply by the laws of supply and demand. We do not believe the price of natural gas can for long be either greatly increased or for long be held to a value below its intrinsic worth, as compared to other sources of heat and energy, by any outside force or law.

These are the basic positions and views held by Whaley Co., Inc. Under the present laws, court decisions, and public policy, we are quite satisfied that the law of supply and demand, and other natural factors, are not going to be allowed their proper influence.

We reluctantly conclude that at least for the foreseeable future the price of natural gas at the producer level is going to be regulated in some manner by Government agencies.

Despite all of the criticism heaped upon the Federal Power Commission, actually, with all their shortcomings, we think they have done and are doing a fine job with the tools they have to work with presently.

After reluctantly assuming that our company, as a producer of natural gas, is to be regulated, we review the information brought out especially at the first two sessions of the prehearing conference above mentioned called by the Federal Power Commission.

The first matter to be considered by the conference is the matter of questionnaires, both those prepared by the Federal Power Commission or its staff, and those proposed by certain segments of the natural gas producing industry. As we understand it, the first proposed questionnaire has been largely withdrawn from consideration by the Federal Power Commission, and it will not be further mentioned herein except to say that we believe the decision of the Federal Power Commission to at least temporarily withdraw the questionnaire is fully justified in view of the cost involved in answering it by the industry, and the highly theoretical results which might develop therefrom.

The next questionnaire considered is the so-called questionnaires I and II on statistics pertaining to domestic explorers and net working interests, development and producing operations by those engaged in the development and production of natural gas. As we understand it this data is being assembled, covering a broad base of the natural gas producing industry, by Mr. Stanley P. Porter, of Arthur Young & Co., certified public accountants, Tulsa, Okla. We feel that, at least from the independent producers' standpoint, this questionnaire has many faults and, when fully completed, will be of doubtful value in solving the matter of price of gas to be paid in the Permian basin of west Texas and New Mexico. We believe that in answering the above questionnaire so many problems of prorating costs and other factors between the production of gas and oil, allocation of overhead, allocation of dry holes, acreage acquisition, and other items will be involved that the final result will be highly theoretical and in many instances of no great value.

Allowing the questionnaire the full benefit of all doubts, we think that when it is assembled it should be used as a base or yardstick only, and that when equity requires, the variations must and should be made from this yardstick, either in favor of or against any segment of the industry, from the producer to the ultimate consumer.

SUGGESTIONS FOR POSSIBLE SOLUTION OF SOME OF THE DIFFICULTIES CONFRONTING THE PRODUCERS OF NATURAL GAS

We have already stated that we give full faith and credit to all members of the Federal Power Commission and to their staff for an honest and strenuous effort to work out these problems in the public interest. We believe that the Natural Gas Act has been changed and distorted by numerous decisions of the Federal court to the extent that some changes and modifications in the act of Congress creating the Federal Power Commission should and must be made. Actually, we doubt that the original act, as passed by Congress, was, as far as could be seen then, of any great fault. We believe that the various court decisions interpreting the act have placed upon the Federal Power Commission and its staff an almost impossible burden.

We urge that the Federal Power Commission Act be amended to delineate more clearly the powers and duties of the Federal Power Commission. We also believe that its membership should be increased by at least two members. We are further of the opinion (and we mean no disrespect to the legal profession) that these new members should be familiar with the actual production and other phases of the natural gas industry, especially as it has been developed in the Permian basin of west Texas and New Mexico. We further urge and suggest that within reasonable limits, certain groups of Commissioners be allowed to handle and settle certain questions, rather than refer them to the entire Commission, with the condition, however, that any party at interest have the right to appeal to the full Commission under certain conditions.

To reduce some of the multiplicity of cases coming before the Federal Power Commission, we suggest some kind of blanket exemption for the producers of gas sold in interstate commerce for each producer. We have heard the suggestion of 2 billion cubic feet per calendar year. We believe this to be too little, and that the exemption should be 5 billion cubic feet per year. We believe that this exemption should apply to each and every producer of natural gas under suitable rules and regulations, and should mean that production of natural gas up to a total of 5 billion cubic feet of gas per year when sold on contracts made on an "at arm's length" basis should be regulated only by the laws of supply and demand.

Among the benefits we anticipate for this exemption will be the stimulation of the search for additional gas reserves and the ultimate great increase in the visible supplies to serve the needs of the ultimate consumers, whether they be industrial or domestic. We think this exemption will be large enough to justify many independent producers to search for additional reserves and that it will be small enough that it will have no great effect on the market price of gas. We further suggest the exemption of 5 billion cubic feet as being approximately the minimum for which a gatherer and distributor would be justified in building facilities to market the gas in many areas. We believe that ultimately the only way the price of gas can be stabilized, held down, or possibly reduced is to increase greatly the supply.

We further urge that some method be devised for promptly hearing applications for certificates of public convenience necessary to build all types of facilities and to approve prices on long-term contracts not falling within the suggested exemption.

Last, while our company, the Whaley Co., Inc., has been engaged in the production of oil and gas in Texas and New Mexico for more than 40 years, and we believe we are as familiar as any producer, large or small, with the risks and problems involved, and we have talked to many other producers, both large and small, and have ascertained their views to be, in many instances, similar to those held by us, this statement is presented only as representing the views of the management of Whaley Co., Inc., only. It is being filed with the Federal Power Commission sometime during the prehearing conference beginning in Washington on April 27, 1961, and copies will be widely distributed by the company to all segments of the industry. In making this distribution, not only producers, but also gatherers, transporters, and city utilities systems will be furnished copies of it. We respectfully urge that each person or company receiving a copy of this statement send us any suggestions they have with reference to the views expressed above or offering other views

and other possible solutions of the numerous problems confronting the natural gas producing industry, from producers to consumers.

This statement is respectfully presented by and on behalf of Whaley Co., Inc.

APPENDIX

The Whaley Co., Inc., is one of the oldest independent producers of oil and gas in Texas. It was organized in 1918 with a paid-in capital stock of $500,000. Premiums on stock amounted to $1,181. Its stock was sold to the officers and employees of approximately 25 Texas and southwestern business concerns with no promotion of any kind. Its original organization title was Whaley Mineral & Realty Trust, and had approximately 150 stockholders. It originally operated under a declaration of trust and conducted business only in Texas.

In 1930 its name was changed to Whaley Co., Inc., and it was incorporated under the laws of Texas. In 1932 it secured a permit to do business in the State of New Mexico. Presently it operates only in Texas and New Mexico and its principal properties are located in the Permian basin of Texas and New Mexico. It owns producing oil and gas leases covering approximately 3,750 acres. It owns approximately 2,125 net acres of producing minerals.

It owns approximately 4,000 mineral acres of nonproducing minerals, and approximately 100,000 of nonproducing oil and gas leases. These lesses vary from proven to semiproven to completely wildcat.

No complete engineering and geological studies have been made on the oil and gas reserves of the company, but as rough estimates only it is estimated that the company has oil reserves of between 2,500,000 and 3,500,000 barrels of oil, and that it has gas reserves amounting to between 25 billion and 50 billion cubic feet, either fully developed or proven.

It has a considerable quantity of fully developed gas in the Fusselman, Devonian and Ellenburger of Winkler County, Tex., which is presently shut in awaiting efforts to obtain certificates of public convenience and necessity approving contracts for the sale of said gas to Transwestern Pipeline Co., of Houston, Tex. The docket numbers are G–18551 and G–18552. These dockets have been pending for something over 2 years and, up to now, the Federal Power Commission has refused to grant certificates of public convenience and necessity for the sale of this gas on account of the contract price involved. The company has rejected offers of temporary certificates of convenience and necessity to sell this gas at reduced prices, and the matter now awaits a final hearing on applications for permanent certificates of convenience and necessity to approve the sale of this gas to Transwestern Pipeline Co. The Whaley Co., Inc., intends to make all reasonable efforts to sustain the price and terms of the Transwestern Pipeline Co. contracts at the hearing; or if required, by judicial action.

STANDARDS IN SELECTION OF FEDERAL POWER COMMISSIONERS

Mr. PROXMIRE. Madam President, one of my main hopes in undertaking my recent speech on the nomination of Lawrence J. O'Connor, Jr., to the Federal Power Commission was that a summary of the needs of regulatory bodies might point the way to future standards of appointment.

There is presently a vacancy on that Commission. Questions about the best type of background for regulatory commissioners are most relevant at this time. I have nothing to say with respect to personalities, either here or in private, about that appointment.

I have been very much impressed by a recent article by Lincoln Smith, associate professor of political science at New York University, who has undertaken a very lengthy study of the backgrounds of very many regulatory commissioners. He writes in the August 3, 1961, issue of Public Utilities Fortnightly about "The Academic Man As Regulatory Commissioner." It is a long time since the American people have turned to the universities for a Federal Power Commissioner. Such a move would today go a long way toward reassuring those students of our economy and Government who have lost faith in that Commission. I think Dr. Smith's views deserve the most careful attention. I commend them to my colleagues and ask that this article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Public Utilities Fortnightly, Aug. 3, 1961]

THE ACADEMIC MAN AS REGULATORY COMMISSIONER

(By Lincoln Smith)

Greater use of university scholars in public administration is advocated in this article as one antidote for much of the criticism of independent regulatory commissioners. The nomination of Prof. William L. Cary of the law faculty at Columbia University last February as Chairman of the Securities and Exchange Commission again brings into focus the expediency of recruiting more university men for Government posts.

Recent congressional investigations of agencies were critical of top personnel and recruitment policies. President Kennedy and his advisers have shown grave concern over remedies. There is agreement on the need for men of character and profound knowledge to head the commissions.[1] The Landis report concurs, deploring in the selection of commissioners, "consideration of what political obligations could be repaid through appointments."[2] A major indictment is that some top administrators are men of modest attainments who lack incisive concern for the public interest. The prime qualifications of some national and State commissioners are political; they are dilettantes in the substance of regulation. In the words of Dean Landis: "Top administrative positions appear to have been sought frequently as steppingstones to further political preference or to positions of importance within the industries subject to regulation."[3]

This is the final article in a series of several years on occupational qualifications of commissioners. The central theme is that thorough knowledge of subject matter is more imperative than political availability. Previous scholia on lawyers, accountants, engineers, businessmen, professional administrators, staff assistants, and laymen concluded that talented representatives of these professions and vocations tended to see regulatory problems through the astigmatism of limited horizons.[4] Commissioners were more successful when they possessed qualities beyond those of their specific backgrounds.

NEED OF KNOWLEDGE

Inasmuch as regulatory administration is emerging as a distinct profession, the need for professional expertise in top command can be supplied presently from two sources: (1) promotion of staff experts to commissionerships; and (2) recruitment of men who have devoted their careers to regulation. The major objection of staff experts as commissioners is that they also are prone to view top posts through lens of specialists. In the second category, nearly all utility executives are precluded for consideration because of protracted identification with corporate interests. Elevation of State commissioners to Federal posts falls within this classification. The Eisenhower administrations made good use of this source; but its potentials remain for greater utilization. A large residium of career men consists of university professors whose lifework is dedicated to teaching and research in regulatory administration.

Several notes of caution are in order. The subject is presented in perspective—there is no contention that university men monopolize the qualifications for commissionerships. Moreover, it is not argued that nonprofessors with appropriate erudition and personal characteristics will not be as good or better commissioners. The conclusion presented is merely that numerous university professors possess outstanding prerequisites for commissionerships. It is likewise recognized that many professors may be replete with certain occupational hazards which would make the wrong choices patently unsuitable for public service.

A narrow group of professors is under consideration. Not only do they have trained and disciplined minds, but also they possess liberal education and are steeped in the substance of public regulation. They have earned the Ph. D. degree or its equivalent in some such area as economics, law, or political science, and they most likely are teaching segments of these fields and public utilities at the university level. Exceptions are noted for men with advanced degree but who accepted employment outside. However, they probably maintain cherished ties with university life and academic methods; many of them could obtain faculty positions. Some do pinch-hit occasionally for professors on leave.

THE TYPICAL PROFESSOR

These men have acquired a common cultural core. Typical is one who has a basic grasp of public utilities, economics, public law and administration, personnel and labor relations, politics, government, and rights and duties of both government and business. Except as analyst or rate expert, he could not qualify for a job as staff specialist; but that is advantageous in that his knowledge is not narrowed to a particular segment. He is not a specialist in accounting, but he has studied it and knows its place in the configuration. And there is no hiatus when an accountant briefs him on a situation. Although he is

[1] "Investigation of Regulatory Commissions and Agencies." Interim report of the Committee on Interstate and Foreign Commerce. Subcommittee on Legislative Oversight. Feb. 9, 1960.

[2] "Report on Regulatory Agencies to the President-elect." Submitted by the chairman of the Subcommittee on Administrative Practice and Procedure to the Committee on the Judiciary of the U.S. Senate. December 1960, p. 11.

[3] Ibid., p. 12.

[4] Here are citations for previous articles: "Lawyers as Regulatory Commissioners," George Washington Law Review, March, 1955; "Accountants as Regulatory Commissioners," Public Utilities Fortnightly, Jan. 17, 1957; "Engineers as Regulatory Commissioners," ibid., pt. I, Nov. 7, 1957; pt. II, Nov. 21, 1957; "Laymen as Regulatory Commissioners," ibid., pt. I, May 7, 1959; pt. II, May 21, 1959; "Professional Administrators as Regulatory Commissioners," ibid., Aug. 13, 1959; "Businessmen as Regulatory Commissioners," The Journal of Business, summer, 1958.

not a lawyer, he has studied it and knows utility law better than the average attorney, and administrative law better than many of them.

His vulnerability is apt to be in engineering, but even this may not be a blank spot in his mind. He probably took a science course as a requirement in liberal arts. He and his colleagues on the engineering faculty are bound together by affinities of professional interest. In some of the largest universities they cooperate in interdepartmental graduate courses. He has students of engineering in his courses, and close contacts with them at the graduate level. Many undergraduate courses in government and economics are geared to needs of engineers. He qualifies as a specialist in regulatory administration, because his life is devoted to it.

Selection of these men as commissioners would avoid evils of a taxonomic approach furnished by lawyers, accountants, or engineers whose knowledge is compartmentalized. Professors of regulation offer a rare combination which can wield the components into an intellectual osmosis. The promise is for a macroscopic rather than a microscopic view. Academic men are preponderantly superior to laymen or generalists, because they are able to direct and grapple with staff work. Commissioners unfamiliar with the field, on the other hand, risk the danger that complete reliance on staff expertise makes them prisoners of their staff experts.

There are certain elements the term excludes. Ordinarily it does not pertain to the professor in small colleges who becomes a sort of jack-of-all-trades and master of none; one who may have utility regulation thrown at him to teach every second or third year, along with other courses. To some of these men public regulation may be an avocation or hobby. But if they qualified as experts they would be employed at a university or large college. The classification usually does not refer to the strictly research professor who rarely teaches. These men tend to be theorists in ivory towers, eggheads, and subject to the limitations of unfamiliarity with realities.[5]

The ideal subject has a good balance between profundity and the pragmatism of teaching and participating in the university milieu. As a teacher he is a judge of character, ability, and attainments, and the experience in reappraisal and evaluation of projects, programs, and alternatives. Although he is capable of expressing suspended judgment, he must make decisions and assume responsibility for them, frequently in quasi-judicial capacities. The university man coordinates and supervises research assistants, comparable to staff employees on a commission. He gives them direction and maintains them as a working team. He delegates authority but not responsibility to trusted ones. He also superintends masters' theses and guides doctoral dissertations. In return for a relatively light teaching load in the large university, he must produce constructive scholarship in the area of his professional competence. Not only does he know how to improvise, but he does so with "empirical shrewdness."[5]

As a contributor to scholarly journals many professors have demonstrated an uncanny knack of clarity and facility in oral and written expression. Years ago that endowment gave scholars an advantage in developing and writing commission decrees. But it is of doubtful probative force in this era when ghostwriters and proteges of less learned commissioners sometimes are assigned the literary functions.

The university professor is not entirely a novice in the aura of politics; neither is he a social recluse. In fact, he probably is quite adept in both circles. University life is replete with factional struggles, sometimes minor and sometimes serious.[6] Strife may be over professional rivalries, interdepartmental, intradepartmental, and even interschool conflicts. Occasionally only personalities are involved.

A man who knows his way around a large university has demonstrated some adaptability in the political arena. He may not like a political tussle, but he seldom fears one. In addition, he has advantages of being a substantial citizen in his community. As a voter, civic leader, consultant in his professional area he may have made many positive and continuing contributions to public welfare. He is recognized as a man of honor, achievements, and stature. And, perhaps, more important for this case, he is one of the definitive authorities in public regulation in his vicinity; maybe in his State. Leaders in public and private walks of life know him professionally and are thoroughly aware of his views, strengths, weaknesses, and idiosyncrasies. And university men usually have lofty codes of ethics to transplant wherever they go. There is an ample base on which to evaluate his worthiness for a public agency. His political availability is latent if not actual.

THE RELATIONSHIP

University men as commissioners presumes a conceptual relationship between the commission and centers of learning, because American education has obligations to public service. In the absence of a great national university to influence the agencies in Washington, fruition of the idea has implementation in some of the States. The point was elaborated by Frederick Jackson Turner as a frontier development.[7] The relationship between the University of Wisconsin and the Wisconsin Public Service Commission as part of "The Wisconsin Idea" is an example.[8] Many others can be cited. Dartmouth College has made a great imprint on the New Hampshire commission.

Previously, Bowdoin College and the University of Maine were close to the Maine commission. Wesleyan University and Yale University have influenced the Connecticut commission. Both New York University and Columbia University at times have had close contacts with the New York and New Jersey commissions. Much the same is true of the University of Pennsylvania and the Pennsylvania agency. And the University of Texas and the Texas Railroad Commission have cooperated in many ways. Often informal arrangements prompt such liaison. But in Ohio, for example, it is mandatory by legislative enactment.[9]

Every large university has three or four of these men, although the writer knows only five relatively recent cases wherein these readymade commissioners accepted appointments. All qualified as American scholars or bases of training, experience, publications, temperament, and personal and professional rectitude.

Dr. Clyde Olin Fisher, of Wesleyan University, was appointed to the Connecticut Public Utilities Commission in 1941, and was chairman at the time of his retirement in 1947. But the professor did not sever his university connections. He taught part time while contributing to public service in nearby Hartford, and returned to the university full time following retirement from the commission.[10]

Dr. Nelson Lee Smith, of Dartmouth College, was offered a commissionership on the struggling New Hampshire Public Service Commission in 1933. When he hesitated to accept because of fondness for an academic career, the college gave him leave of absence which was extended for 4 consecutive years. At that time he decided to forgo a professional career for one in regulatory administration, and resigned a full professorship. Later he went on the Federal Power Commission and served as its Chairman.

Dean James M. Landis took time from the Harvard Law School to serve on the Federal Trade Commission, Securities and Exchange Commission, and Civil Aeronautics Board (Chairman of two), and later became a member of the New York Public Service Commission. Possessor of several advanced degrees, author, scholar, and administrator, Dr. Landis also held important staff posts in National, State, and local government.

Dr. Martin G. Glaeser, professor of economics and commerce of the University of Wisconsin, became a commissioner on the public service commission of that State in 1959. His appointment came a few months before his retirement from the university faculty.[11]

The final example is that of Professor Cary, who is on leave from Columbia University for service on the Securities and Exchange Commission. He holds degrees in law and business administration, and previously taught at the Harvard Graduate School of Business Administration and at Northwestern University School of Law. For nearly 2 years he was a member of the legal staff of the Securities and Exchange Commission, and later was special assistant to the Attorney General.

RETAIN AFFILIATIONS

These appointments had several affinities. Each man was the author of one or more important treatises on regulation; each had previously ventured into Government service as professional consultant and thus was well-known in respective jurisdictions; and each displayed reluctance to make a complete break with the university while a teaching career was open. The appointments were considered fortunate ones, and lent high degrees of prestige to the administrations of Governors responsible for making them.

Additional evidence more remote and peripheral is cited for concreteness. Paul J. Raver left Northwestern University in 1933 to join the Illinois Commerce Commission. University teaching was not always the primary occupation of other men elevated to commissionerships. In his diversified career, Albert A. Carretta taught economics, finance, accounting, and corporation law at college and university levels and Howard G. Freas taught land and air transportation at Stanford University before becoming Commissioners on the Interstate Commerce Commission. Charles D. Mahaffie taught jurisprudence at Princeton University, Henry DeW. Smyth was professor of physics at Princeton, and Eugene M. Zuckert taught

[5] The term, not its application here, is from "Administrative Vitality," by Marshall E. Dimock (New York, 1959), p. 121.

[6] "The Academic Marketplace" by Theodore Caplow and Reece J. McGee (New York, 1958).

[7] "The Frontier in American History," by Frederick Jackson Turner (New York, 1920), p. 285.

[8] "The Wisconsin Idea," by Charles McCarthy (New York, 1912).

[9] Ohio Revised Code, sec. 4901.21.

[10] Data on appointments of Drs. Fisher and Smith were supplied by them in personal interviews several years ago. On Dean Landis, see "Who's Who in America" (1960–61), vol. 31 (Chicago), p. 1660.

[11] Material is taken from the Capital Times, Madison, Wis., Feb. 3, 5, 26, and Mar. 4, 1959; also, daily CONGRESSIONAL RECORD, vol. 105, No. 21, 86th Cong., 1st sess., Feb. 6, 1959, pp. A907–A908. The press release on Commissioner Cary is from the Securities and Exchange Commission, Mar. 27, 1961.

government and business at Harvard University previous to their commissionerships on the Atomic Energy Commission.[12]

Some of the usual stereotypes of the university professor tend to militate not only against his appointment to commissions but also to register as debits on his desirability thereon. There is the typical American political hostility to intellectualism, and the syllogism against turning government agencies over to academic theorists. These platitudes lack logical bases, but furnish shrill psychological ammunition for election campaigns. A recent appointment, for example, drew the charge that one party was "in the process of turning the Government over to professors at the university."[13]

In a penetrating article on regulation, Prof. Francis X. Welch recently raised this incisive question: "What price the expertise of a Ph. D. in engineering or a career on a regulatory commission if a Federal judge, whose background has been confined to legal practice in other fields or in judicial chambers, is set over them in the role of supervisor?"[14] The dilemma involves the whole ambit of judicial review of administrative tribunals. His conclusion is that commissions, as arms of Congress in expert capacities, should be responsible for value judgments under the law; judicial self-restraint should be invoked in refraining from substituting judicial for commission conclusions on substantive matters.

Certain professors plainly would be undesirable as commissioners. They are mature men with ideas, convictions, and self-assurance. A grave danger is that some would go on commissions in order to inject their personal and professional predilections into the making of public policy at the administrative level. Such a contingency is deplorable when a quasi-judicial tribunal is made up of one or more members who are protagonists for particular causes. The rejoinder is that a scholarly professor is endowed with judicious temperament despite some of his own professional convictions.

Another disadvantage is that an academic mind shows a proclivity to be hypercautious, become lost in analytical haze, be unduly sedate, and antediluvian. Such personages are known in almost any faculty. When limited to university circles, however, the generalization is offered that the professor has earned his position and status because he has demonstrated dynamic qualities in the classroom, in productive research, and in his quest for ascertaining new ways of doing things. Such attributes are fundamental to the scholar. When he becomes senile in these respects, he is valuable neither to the university nor to the public service.

SALARY PROBLEMS

Another trenchant question is why outstanding professors are not interested in commissionerships. The answer waives usual arguments of low salaries, political uncertainties, redtape, subjection to publicity, limited prestige, and political accountability. Some university men forego public jobs because a good commissioner must display an affirmative force and drive quite antithetical to campus atmosphere. Departments in some universities fit the job to the man, particularly when the professor is an authority in his field. This principle of ergonomics, which may be a fad in industrial relations, has only remote application to personnel.[15] Some professors, however, receive preferred and sequestered treatment which carries down to junior members who rate with the inner circle. Commissioners, on the other hand, need tough skins. Not many faculty prima donnas would cherish the political sparring required under public accountability.

A true scholar cannot compromise fundamental beliefs and principles. In this sense he is a nonconformist. Although he qualifies extraordinarily for substantive phases of regulation, he cannot and would not be able to act with a clear conscience with regard to political elements. In the latter category, it might be difficult, if not impossible, to maintain his personal and academic integrity. A panel of three or more commissioners often must compromise with what an individual thinks best, in light of political expediencies. In addition, they are subject to political pressures of various sorts—from legislators, chief executives, political leaders at home who groomed them for the positions, as well as industrial executives, consumers' groups, and others. While a scholar does not want to compromise and accept second or third preferences, part of the stock in trade of an adept politician is to work out agreements acceptable to many interests even though they are not ideal solutions the true scholar demands.

One professor expressed it to the writer this way: "Many able men who want to go on commissions are imbued with Potomac fever—an ardent desire to get down there, and get along as well as possible. Such aspirations fit in well with professors and other qualified men whose ideas, attitudes, and emotions fit into the political picture at a particular time, because numerous national and State agencies seem, at times, motivated by utilitarian ends. The man sought and recruited may have to be one with a determination to please. The professor with the courage of his convictions and with a mission in life seldom can accede to regulatory decisions which are based, even in part, on adaptation to political implications of what the traffic will bear. A cold-blooded economist from the academic world, for example, cannot feel at home in the pragmatic administrative frame of reference in which independent regulatory commissions are compelled to operate.

Because politics in the United States is a great leveler, the commissioner with superior knowledge and ability at times must condescend to compromise with intellectual inferiors. In the classroom, the professor's word is law. His field is his own prerogative, not even colleagues will interfere lest it be construed as infringement on academic freedom. Many mature ones have built fences around their areas of specialization, which are preempted from colleagues.

On a commission, however, the professor is 1 of 3, 5, or even 11 men. He must work with his associates as a composite group. He must contribute to teamwork and even endure political upstarts and novices in regulation. It might be just as obnoxious for the learned professor to team up with colleagues on a commission as it would be for him to collaborate with a student in grading the latter's final examination. Many university men can spot shallow minds; they despise all forms of superficiality. In the university they ordinarily work with trained minds, and are able to shun undesirables. But the political authorities who nominate and confirm commissioners only rarely recruit them on bases similar to the selection of university faculty.

The author's considered opinion is that university professors (with appropriate personal characteristics) constitute one of the better sources to tap for regulatory commissioners. This conclusion emerged after several hypotheses were explored and found somewhat defective. There are relatively few precedents to sustain it; and political leaders will dislike academic inroads on their prerogatives. Nevertheless, this article has analyzed intrinsic and extrinsic factors involved, provided insight, and presented the rationale for its synthesis for the series of studies.

PROFESSORS AS COMMISSIONERS

The range of relevance is confined to perhaps 100 or 200 professors as possibilities for commissionerships in the United States. Not many can be tempted from faculty status; but some might be cajoled into acceptance of public posts on proper inducement. Since prescription should follow diagnosis one task ahead is to make regulatory positions more attractive.[16] Then another is to insist upon more lofty professional standards in the nomination and confirmation of commissioners. If regulatory administration is to survive, the agencies need more than they are getting currently—men of integrity and good intentions, and men of promise. Commissioners are required whose erudition coincides with functions of the agency. Certain university men are preeminently qualified. But it is always a matter of making the right choices.

INDIVIDUAL JUDGMENTS

Responsible personnel at the administrative policymaking level of Government today often must make decisions beyond their own professional competence. This is a vital essence of public regulation. Yet no syllogism is available to indicate that one vocational background is better than another. The average laymen has breadth, but probably lacks depth and a trained mind. The lawyer, accountant, and engineer have profundity and disciplined minds, but are apt to lack versatility. The academic man is quite likely to offer a combination of the three—perspective, keen concentrative abilities, and intensive learning in a large sector of the regulatory ambit.

Analysis of vocational experience for commissioners helps to provide understanding of multifarious needs of agencies at top and staff levels. But that is merely a prelude, or screening process, for wise selection. This series has endeavored to show a necessity of avoiding encysted professional or vocational appointments. It remains for a complementary study to penetrate further into political factors in the appointment or election of commissioners.

A commission, for example, would assume quite a different economic complexion if loaded with lawyers, engineers, and accountants from utilities, or from the Bureau of Reclamation, TVA, or the staff of the California agency. So, a more incisive question is not academic environment so much as economic background in society of a prospective commissioner.

After all, many functions of commissions are comparable with those of juries. Members often must work out of context on both—in a sense the jobs make the men. Members bring their thinking to the public spectrum, but good choices contribute more than backgrounds. The conclusion is offered, however, that university men are equipped to bring to agencies a better combination of perspective and depth than people from other walks of life.

---

[12] For amplification, see "Professional Qualifications of Federal Regulatory Commissioners," Public Utilities Fortnightly, pt. I, Nov. 25, 1954; pt. II, Dec. 9, 1954.

[13] The Capital Times, op. cit., Feb. 5, 1959.

[14] "The Effectiveness of Commission Regulation of Public Utility Enterprise," by Francis X. Welch, the Georgetown Law Journal, summer 1961, vol. 49, No. 4, pp. 639–672, at p. 659.

[15] The term means "the customs, habits, or laws of work." It was popularized in warwork, but not much in administrative spheres. See: "What Is Ergonomics?" by A. T. Welford, Personnel Management, September 1958, pp. 157–161.

[16] Dean Landis wrote that the challenge inherent in the job is more important than salary. Tenure is another important consideration. He continued: "Our universities have known and, indeed, traded on these facts." Landis report, op. cit., p. 66.

POSITION DESCRIPTION FOR AN AMERICAN CITIZEN

Mr. FONG. Madam President, I would like to call the attention of my colleagues to a document entitled "Position Description for an American Citizen," drafted by 70 Hawaii business executives at a seminar conducted by the International Career Management Institute.

The complete text of this code of ethics, as drafted earlier this year at Kona, Hawaii, was printed in the Honolulu Advertiser of August 6. I believe this code warrants note by all Americans as it purports "to provide the basic foundation upon which an individual can work to build the life of a good American citizen."

At this same time I would like to point out the merits of the International Management Institute with headquarters in Honolulu and Detroit, Mich. The institute conducts seminars throughout the mainland United States which has attracted thousands. The management programs have been held in Canada, Australia, and South Africa and others are scheduled for Japan and Australia within the next year.

In my State of Hawaii, more than a thousand business executives have participated in seminars since the institute was established there in 1956. From these institute seminars have developed codes of conduct for businessmen as responsible citizens.

Madam President, since the "Position Description for an American Citizen" is one for all Americans to fill, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

[From the Sunday Advertiser, Aug. 6, 1961]

POSITION DESCRIPTION FOR AN AMERICAN CITIZEN

"All the world is a stage and every man must play his part." Here is how we think the part should be played by the American citizen.

I. PURPOSE

The purpose of this position description is to provide the basic foundation upon which an individual can work to build the life of a good American citizen. ("I will pass this way but once, let me do some good.")

II. SCOPE

The scope of the American citizen's position encompasses responsibility to himself, to his family, to his community, to his fellowmen, to his Nation, to the world, and to his God. ("I will leave this world better than when I came.")

III. DUTIES AND RESPONSIBILITIES

On his own initiative the American citizen will think through and do the following tasks:

(a) Economic: To continuously strive to manage his personal finances wisely, and to help develop and maintain an atmosphere which will make possible useful jobs and regular employment.

(b) Physical: To continuously strive to develop and maintain a sound body to house a sound mind, and to keep his physical, emotional health in balance.

(c) Social: To continuously strive to improve his social relationships with his family and his fellowmen—to keep the family as the center of American society—to use intelligent discipline in the rearing of his children—to use his physical, mental, and moral resources to contribute to the building of an ever better society.

(d) Civic and political: To continuously strive to keep well informed on civic, community, and governmental problems as a background for intelligent participation in political issues and government—to use his physical, mental, and moral resources to defend and perpetuate the American way of life.

(e) Educational: To continuously strive to improve his mind, develop his useful skills, and increase his store of useful knowledge, and to use his physical, mental, and moral resources to support educational projects and programs which are good for himself, his family, and his fellow men.

(f) Cultural: To continuously strive to improve his appreciation for culture and the fine arts, to develop his cultural skills and talents, and to use his physical, mental, and moral resources in contributing to a cultural background for his community and his country.

(g) Religious: To continuously strive to strengthen his relationship with his God, to develop his religious faculties and his sensitivity to Higher Powers, to sustain and defend the religious principles upon which America was founded, and to use his physical, mental, and moral resources to assist others to attune themselves to the nobler purposes in life. ("The Architect of the Universe didn't build a stairway leading to nowhere.")

IV. RELATIONSHIPS

The American citizen has the following relationships:

(a) To himself: To know himself, to be honest with himself, continuously try to improve and develop himself, and to make the best possible use of his time, talent, money, and energy. "Know thyself" * * * "This above all, to thine own self be true.")

(b) To his family: To give of himself unselfishly in love, guidance, and intelligent discipline to assure their development and the building of their lives into responsible citizens of the future.

(c) To his fellow men and community: To give of himself unselfishly, to recognize the needs of his fellow men, and to dedicate his physical, mental, and moral resources to projects and programs which will fulfill man's obligation to man.

(d) To his Nation: To give of himself unselfishly in service to his Nation, and to wholeheartedly support the basic democratic, economic, and religious principles upon which America was founded. To ever guard against deterrents to these principles.

(e) To the world: To give of himself unselfishly in working for a better understanding and cooperation among all nations and peoples of the world, to the end that all men may live in freedom, in dignity, and in an environment where they can develop their human and natural resources to the maximum.

(f) To his God: To give of himself unselfishly so that he may walk closer with his God, in the knowledge that this higher power will sustain him in all his efforts to fulfill these complex citizenship responsibilities.

V. STANDARDS OF PERFORMANCE

The performance standards by which the American citizen will be measured in achieving the above duties and responsibilities are the degrees to which the citizen maximizes the use of his individual time, energy, capabilities, and talents to improve and develop standards of excellence for himself, and his ability to unselfishly give of himself to his family, his fellow men, his community, his Nation, the world, and his God.

VI. PERFORMANCE EVALUATION

Evaluation of his performance will be made by himself, by his family, by his fellow men, and by his God. Compensation for achievements will be measured by the feeling of satisfaction derived from the progress, contributions, and services rendered by the citizen in achieving the tasks specified in this position description.

VII. REVIEW AND IMPROVEMENT

He will discuss and review progress against these assigned duties and responsibilities with those for whom he works * * * himself, his family, his fellow men, and his God. With their help he will identify areas of strength and weakness, and he will plan to achieve specific objectives in the areas needing improvement. This will assure continuous self-development and competence while performing the duties and living the life of an American citizen.

THE PATENT SYSTEM AND THE DRUG INDUSTRY

Mr. WILEY. Madam President, one of the important questions before the Senate Antitrust and Monopoly Subcommittee during its investigations of the drug industry was whether patent rights are improperly used in order to keep the prices of drugs unreasonably high. In my individual views accompanying the recent report of the subcommittee I said:

It is true that new drugs are controlled by the companies responsible for their invention, development, and production. Yet, this is part of the American philosophy which recognizes that the inventor is entitled to the fruits of his invention. This is the philosophy incorporated in our patent and trademark system.

It is appropriate, therefore, that we remember that by undertaking to do away with trademarks and patents—we would be interfering with the very foundations of our economic system. Trademarks are, indeed, major tools in the promotion of quality, and of competitive economic enterprise.

It is clear that there will be no motivation for the drug companies to expend large amounts of money on research and development unless the industry is guaranteed patent and trademark protection in order to recoup its investments.

Earlier this week the press reported that three leading drug companies were indicted for their practices relating to the patenting of new drugs. Naturally, the issues involved in this indictment will not come out until the full case is presented by the Justice Department. Yet, even at this time, I feel it incumbent upon myself to warn against any attacks on the patent system which may result in adverse effects on the public interest. An editorial which appears today in the Wall Street Journal makes this point very well. This editorial poses the question most directly:

Whether it be in electronics or in drugs, modern research requires enormous sums of money spent with considerable boldness; there are more research efforts that fail than succeed. Good public policy is that which most encourages men to search for new things from which all society will profit.

And before we wreck the patent system, we might ask whether it is better that somebody have a "monopoly" on tomorrow's miracle drug than that the miracle lie undiscovered.

Let us remember that one of the major aims of our economy is to encourage success, to promise success to those who enrich society by new discoveries, by improved methods of production and by

the use of their genius. Let us not be in too much of a hurry to sacrifice this time-tested economic philosophy. Quite often, in our hurry to correct immediate and present ills we are too ready to sacrifice some of our basic philosophies. Many of the previous congressional investigations have illustrated this danger. Much too often both the public and its representatives unwittingly undertake to accomplish a desired immediate result through the sacrifice of some longstanding principles of government and economics—such principles as government of law and the belief in economic freedom. Yet, we must remember that it was not through price controls and planned economy that this country achieved an economy of plenty and a position of world leadership.

Bearing in mind the dangers of undue interference with our economic system, I do not mean to relieve the drug industry of its responsibilities in this area. So long as thousands of old, indigent, and sick people remain unable to pay the high price of drugs, it is the drug industry's moral responsibility—and indeed, the moral responsibility of all others connected with the health and welfare of the Nation—to continue in their efforts to make medical care and attention available to all those that desire them—regardless of wealth and position.

I ask unanimous consent that the editorial in the Wall Street Journal, dated August 23, 1961, be printed at this point of my remarks in the CONGRESSIONAL RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Aug. 23, 1961]

ATTACKING THE PATENT SYSTEM

In any indictment as sweeping as the antitrust action just brought against three leading drug companies, there are bound to be many things too fuzzy for judgment until the Justice Department presents its evidence in court.

But there is one aspect of this case that isn't obscure. Running through the whole probe of the drug industry, from the Kefauver committee investigations to the present court action, is the implication that it would be good public policy to force the companies to put all their new drug discoveries in the public domain so that anybody can make them.

American Cyanamid, for example, holds the patent on Aureomycin, the first of the broad-spectrum antibiotics, and it hasn't licensed anybody else to make and sell it. The Charles Pfizer company has its own antibiotic, Terramycin, which it manufactures and sells exclusively itself.

Pfizer also holds a patent on an another antibiotic, Tetracycline, which it does license to two other manufacturing companies. American Cyanamid and Bristol-Myers, and which it also allows Squib and Upjohn to sell. But besides these no other drug companies can make or sell Tetracycline.

Two attacks are made on this situation by the Government. The first is that Cyanamid, Pfizer and Bristol-Myers "conspired" to make the prices of all these drugs noncompetitive. This is an allegation the truth of which must await the evidence in court, although it is worth noting that the only apparent basis for it now is that the prices were "substantially identical," a fact which might just as well prove tough competition as noncompetition.

But a good part of the Justice Department's statement is devoted to a broader question. The charge is that up to 1955, when Tetracycline was patented, Cyanamid's Aueromycin and Pfizer's Terramycin "dominated" broad-spectrum antibiotic sales, accounting for 92 percent of all sales in 1953. In short, the charge here is not of conspiracy but of the "monopoly" situation.

That there was for a time a monopoly situation seems rather indisputable; indeed for 1 year (1949–50) Cyanamid held an absolute monopoly since it briefly had the only patent on a broad-spectrum antibiotic. But this was a monopoly created by the patent system itself.

The patent system, which is imbedded in the Constitution, provides that the holder of a patent on a new thing shall have the exclusive rights to that invention for a period of years. It was adopted not to give "privileges of profit" to a few but for the very practical reason that it thus encouraged men to spend much time, money and effort in inventing new things, and it prevented others from getting a free ride on the successful efforts of the inventors.

Of late this system has been under widespread attack. In other industries, too, there have been antitrust cases the object of which is to have "compulsory licensing" of new inventions. Technically the inventor keeps his patent but in the guise of preventing a monopoly (which is precisely what the patent law intended) he is required to allow all comers to use it. Senator Kefauver's attack on the present system is even less disguised; he would cut the life of any patent to 2 years.

In the case of the drug industry the attack on the patent system has a particularly emotion-packed argument. Why, so we are told, should a company discovering a new miracle drug be allowed to profit from a monopoly? Once an Aureomycin or a Terramycin is discovered, would it not be better public policy to let all the drug companies make it, increasing competition and lowering the price faster? Why should one, or two, companies get rich on human misery?

This is an argument not without its appeal. But before either the courts or the public accepts it, we think a little reflection is in order.

We don't know how much money Cyanamid spent to develop Aureomycin, or how much Pfizer spent to develop Terramycin to compete with it. But would Cyanamid have spent any, if it knew in advance that it would have to let every other company, which spent nothing, get a free ride on Cyanamid's research efforts? Or if Pfizer from the beginning could have made and sold Aureomycin, would it have spent time and money to develop a different broad spectrum antibiotic to compete with Aureomycin?

These questions are not trivial. Whether it be in electronics or in drugs, modern research requires enormous sums of money spent with considerable boldness; there are more research efforts that fail than succeed. Good public policy is that which most encourages men to search for new things from which all society will profit.

And before we wreck the patent system, we might ask whether it is better that somebody have a monopoly on tomorrow's miracle drug than that the miracle lie undiscovered.

THE MORMON CHURCH'S OPPOSITION TO COMMUNISM

Mr. BENNETT. Madam President, although the abolition of private property is often thought of as the cornerstone of communism, the abolition of traditional religious values and concepts is equally important in the Marxist dogma. The leaders of communism see religion as the greatest deterrent to the spread of their doctrine, and for this reason they are waging relentless war against all of the established churches of the world.

It is the duty of every church to fight communism with every means at its command. The churches are locked in a life-and-death struggle with this menace, just as are the governments which believe in individual freedom.

One of the most militant churches in the battle against Communism is the Church of Jesus Christ of Latter-day Saints, commonly known as the Mormon Church. As an illustration of the efforts of the church to educate its 1,700,000 members concerning communism, the ward teachers, who visit the home of each family in the church every month, carried a message in July designed to show how impossible it is for anyone with religious convictions to accept communism.

I ask unanimous consent to have this message reprinted in the RECORD.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

COMMUNISM OPPOSES ALL RELIGIONS

Because of the influence of communism in the world today, every Latter-day Saint should know something about its philosophies, aims, and objectives. It is erroneously referred to sometimes as a religion, but it is the direct antitheses of any form of belief in divine power. It is diametrically opposed to all religions and is an avowed enemy of Christianity. Communism is Godless. It teaches its adherents that there is no Supreme Power and it would make man completely irresponsible. The leaders of communism have dedicated themselves to destroying all religions and Christianity is first on the list.

Karl Marx one of the founders of communism when asked what his objectives were in life replied, "To dethrone God and destroy capitalism." The depth of his antireligious feelings were expressed in his words—"I hate all gods." He had an insatiable desire to liquidate Christianity. He maintained that the story of Jesus was a myth. To him the Saviour of the world was a figure of fiction, thus making Christianity a fraud.

Seventy-five years after the passing of Karl Marx there is no change in the beliefs of his modern disciples. If anything, Communist leaders today are more arrogant than ever before. They are completely unmoral. To them there is no such thing as innate right and wrong. An example of how they operate is manifested in their signing of 53 treaties in recent years and then promptly violating 51 of them. To them this is not deception, but a form of strategy. This type of thinking if adhered to, would take us back to the law of the jungle. According to the Communist theory, the weak deserve to be conquered and the strong to rule.

If man is led to believe he is nothing more than an animal with superior intelligence, it means the end of conscience for those who embrace this school of thought. What then are some of the changes we could expect should the world come under the complete domination of communism? God would be ruled out as controlling the universe. Man would be considered the highest form of intelligence. Unbelief would take the place of faith. Criminal attitudes would replace moral responsibility. Hate instead of love would be the ruling force. Sensual appetites and passions would replace spirituality. Treachery would supplant loyalty. Slavery would take the place of freedom.

Enmity and hostility would succeed friendship. Fear and distrust would eliminate confidence and the belief of complete annihilation at death would take over man's hope of immortality. It is the duty of freedom loving people to oppose and resist this evil with all the strength God has given us. If we do not, we stand to lose all we and our forebears have gained through the centuries. Communism is one of Satan's schemes to take us captive forever. If we are to preserve liberty we must never be deceived by those who advocate the principles of communism.

WASTE IN GOVERNMENT SHIPYARDS

Mr. BUTLER. Madam President, no one apparently wants to accept responsibility for a recent recommendation, attributed to the Department of Defense, calling for the gradual phasing out of the high-cost, Government-owned, Government-operated naval shipyards at San Francisco, Boston, and Philadelphia. Following an announcement by White House Press Secretary Pierre Salinger that the President had vetoed such a recommendation, the press has begun to speculate as to what actually happened.

Like the child's game of "Button, Button, Who's Got the Button," no one will even admit that such a recommendation, from any source, was ever presented, though Mr. Salinger's statement of the President's rejection of such a proposal has been given wide circulation. An odd situation, indeed.

Against the background of President Kennedy's noble words in his inaugural address 7 months ago, this development does not make sense. The evidences of high-cost operations in the overcapacitated naval shipyards have been pyramiding, and for some time, it has been expected in many quarters that the Kennedy administration would recognize the wisdom of placing greater reliance on low-cost, privately owned shipyards for naval ship procurements as a means of getting more for every defense dollar appropriated for these purposes. The present posture of things leads one to believe that the noble words of the President, and the noble objectives of the Secretary of Defense, have been wantonly cast aside. It does not make sense.

So that my colleagues will have the full flavor of this situation, I ask, Madam President, that an editorial from the Washington Daily News on August 22, 1961, entitled "Don't Give Up the Shipyard," be printed in the body of the RECORD at this point, and that it be followed by another editorial from the August 1961, issue of Marine News magazine, entitled "It Doesn't Make Sense," detailing some aspects of how the operations of Government-owned naval shipyards are unduly draining the Federal Treasury.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Daily News, Aug. 22, 1961]

DON'T GIVE UP THE SHIPYARD

United Press International carried a dispatch the other day which tells much of the story of waste in the Military Establishment.

Defense Secretary McNamara had decided to "phase out," as they say here in Washington, the Government-run shipyards in Boston, Philadelphia, and San Francisco.

This was in line with President Kennedy's March call for hard decisions on eliminating unneeded facilities.

Now, UPI reports, Mr. McNamara's hard decision has been overturned and chiefly by J.F.K. himself. By dropping the right word in the right place, he stirred up a volume of protests from Boston, Philadelphia, and San Francisco. And Mr. McNamara's hard decision went limp.

This is an old story when the Defense Department tries to economize. The people directly affected squawk and the Department gets word to forget it.

In his special defense message to Congress March 28, the President said, knowingly:

"It is understandable that every critic of the defense budget will have a strong preference for economy on some expenditure other than those that affect his branch of the service, or his plant, or his community."

How true, how true.

[From the Marine News magazine, August 1961]

IT DOESN'T MAKE SENSE

In round figures the World War II U.S. Navy Fleet was comprised of 10,000 fighting ships. To support that fleet there were 11 naval shipyards. Now, 16 years after the end of the war, the fleet has shrunk to 817 ships, but the same 11 naval shipyards remain active and are employing steady labor. In the last 10 years more than 20 private shipyards have gone out of business for lack of work. This situation does not make sense.

We are not unmindful of the Navy's long range requirements for maintaining the fleet in readiness to meet any emergency. Nor of its need for constantly activated shipbuilding and ship repair facilities especially in the light of world conditions today. The problems confronting the Department of the Navy and the Bureau of Ships are of such enormity that any criticism short of positive, constructive suggestion would constitute a disservice to national security.

In that spirit we point to the progressive shrinkage of private shipbuilding facilities while the Navy is admittedly trying to get "more mileage out of its appropriated dollars" for construction, repair, alteration, and conversion of naval vessels. The Navy is quoted as having stated that more than $40 million can be saved through construction of one aircraft carrier in a private shipyard instead of in a Navy yard. Furthermore, top Navy officials have conceded in recent hearings before the House Defense Appropriations Subcommittee, headed by Congressman GEORGE H. MAHON, of Texas, that, "we could, in today's market, buy ships cheaper privately than we can in naval shipyards"—also at the same time they revealed that costs of shipwork done by Navy yards are 8 percent to 15 percent higher than in private yards.

Navy ship work (80 percent of all repairs, alterations and conversions) is allocated to naval yards on the basis of maintaining steady employment in these tax-exempt, high-cost facilities while thousands of skilled workers in private shipyards face unemployment and the future of U.S. shipbuilding and ship repairing industries is in jeopardy. This Federal competition is a constant drain on the Public Treasury and it is a glaring contradiction of the philosophy of free enterprise, costing taxpayers millions of extra defense dollars.

Against such a background there is the ever-present threat of an emergency. And when the worst happens, suddenly the Government turns to private industry for the necessities that are vital to national survival. Thanks to the loyal, fighting patriotism of the industrial community as a whole they have always delivered the goods when the chips were down. For example, during World War II the base facilities of private shipyards were expanded 1,300 percent to meet the Navy's requirements in excess of its capacity which, by the way was increased only 300 percent above the normal base during the same period. At the close of hostilities, the Navy, as is its custom, just as suddenly, again became self-sufficient and through its shortsighted and self-serving policy of holding naval shipyard facilities at normal level, regardless of the cost, has materially contributed to the present plight of private shipyards.

It is neither necessary nor wise to accept the waste of preparedness and war as an unmitigated verity. This is an area in which both peacetime and wartime waste can be meliorated by spreading the work load more economically in peaceful years. Such a policy would keep the ship construction and repair yards at a level of prosperity and readiness from which they could spring into full production faster and at far less cost to taxpayers.

President Kennedy has said that we are living in an age of change in which the American people must put forth their best efforts in meeting present challenges. Also in that and every other sense the private shipbuilding and ship repairing industries pledge their best efforts to the Government to insure that the U.S. Navy will always be the best in the world. Is the Navy aware of that pledge?

Twenty defunct shipyards will have great difficulty in fulfilling the pledge that their industry is reputed to have made and many yards now struggling to stay in business would welcome some patronage by the Navy.

The Secretary of Defense has appointed a special committee to review operations at many military establishments, including naval shipyards, to determine those which could properly and economically be reduced without hindrance to national security. This is a step in the right direction. The findings and recommendations of the committee will be awaited with great interest in many quarters.

The Shipbuilders Council of America has launched a program under the direction of the council's vice president, Edwin M. Hood, designed to bring all of these problems into sharp focus and to promote closer cooperation between the Navy and private shipyards. "When all of the facts are gathered and evaluated," said Mr. Hood, "we have no fears that our defense officials will recognize the wisdom of placing greater reliance on the tax-producing, low-cost private shipyards throughout the country."

To that we say "Amen."

WILBER W. YOUNG.

PEACEFUL COEXISTENCE

Mr. BUTLER. Madam President, more and more Americans are beginning to realize that "peaceful coexistence" is a tranquilizer which this Nation can no longer dare take. "Peaceful coexistence" is soothing, calming, insidious. It is a drug which dulls the senses, and which if continued, would make any nation, even the United States, a ripe plum for the plucking by the Soviets.

But day-by-day intelligent, courageous citizens are throwing peaceful coexistence into the wastepaper basket where it belongs. For example, a prominent Baltimore businessman and personal friend of mine, Mr. John J. Iago, has called to my attention an editorial in the July issue of Wood and Wood Products.

The article reports that two west coast manufacturers "flatly refused to

aid and abet the Russians in building the largest and most highly automated sawmill in the world." This hurt these manufacturers where it really hurts—in the pocket. But they did not hesitate because they understand that we are at war, a cold war, perhaps, but a war nevertheless.

The editorial concluded with the announcement by the editor that he was canceling all subscriptions of Wood and Wood Products to the Soviet Union and Soviet-bloc countries. The editor explained:

Therefore, we can no longer consciously make it so easy for practical information to be picked up from our pages and used to make an important enemy more formidable. So, henceforth as those 118 Iron Curtain country subscriptions come due we shall cancel them and shall refuse new subscription offers from Russia and her satellites.

Furthermore, in the August 26 edition of National Review, the outstanding conservative magazine in America, there appears an excellent column by William Schulz, entitled "Trading With the Enemy."

Mr. Schulz, who at 22 is an amazingly perceptive and knowledgeable reporter, discusses the deliberate attempts of the administration to increase trade with the enemy. He points out: "The administration seemingly refuses to recognize that the Soviet Union has long used trade as a major weapon in its cold war arsenal."

Madam President, I ask unanimous consent to have the editorial, "Why Hand the Reds Our Hard-Won Know-How?" from Wood and Wood Products, and the column, "Trading With the Enemy," from National Review, printed in the RECORD following my remarks.

There being no objection, the editorial and column were ordered to be printed in the RECORD, as follows:

WHY HAND THE REDS OUR HARD-WON KNOW-HOW?

A great deal is being said these days for and against unlimited trade with the Soviet Union and its Iron Curtain satellites. On the one hand, many American businessmen readily echo President Kennedy's expressed hope for a growth in "nonstrategic trade" with the Communist bloc. Then there are those who frankly refuse to deal with "an enemy that has vowed to conquer us."

Normally, we don't indulge in political issues on this page. But this very moot question hit close to home last month when two west coast manufacturers flatly refused to aid and abet the Russians in building the largest and most highly automated sawmill in the world.

We daresay many companies in our field will soon be wrestling with this question—whether to place long-term national interest ahead of short-term financial gain. Perhaps others have already made the choice. It's an individual decision, and a tough one. But you can't help cheering when someone refuses to turn over a hard-won leadership in production know-how to interests who admit their technical savvy is 20 years behind ours.

Reviewing the situation briefly, Republic Electric & Development Co. and Puget Sound Fabricators, Inc., both of Seattle, were invited to collaborate in supplying six complete lumber sorting systems with memory controls for installation in a 1½ million board feet per day mill to be built in Canada, then disassembled for shipment and erection in Russia.

In declining the invitation, M. E. Hillman, president of Republic, cited the Russian purchasing committee's admission that they could not train enough technical people in the next 20 years to build such a mill and were therefore purchasing American know-how to close the gap to 2 years. "We will have no part," he said, "in handing this advantage to our sworn enemy." Gordon B. Anderson, president of the sorter company, commented that "we must be willing to be counted as thinking of our own country's welfare before the dollar."

Neither of the American firms believed their decision would permanently obstruct realization of the Russians' supermill plans—but refuse the tempting offers they did. For which you can't help admiring their guts—and hoping that sooner or later their sacrifice will be made up to them here and in other friendly countries.

We have seen no signs in President Kennedy's report to the Nation on his recent "confrontation" with the Soviet leader that the Reds have even slightly altered their avowed purpose of ultimately "burying" us. So who is there to say that the Seattle manufacturers are not charting a proper course for all Americans to follow? The sawmill equipment in question may not have been restricted by our State Department, but from an economic if not a military standpoint anyone would have a right to question the wisdom of putting in the Reds' hands the means of building a chain of 1,500,000 board feet per day mills to flood world markets with cheap lumber.

We've checked our subscription lists and found that a total of 118 copies of Wood & Wood Products have been going into six Iron Curtain countries every month—61 to the U.S.S.R. alone. If we could be sure of lasting peace, we might rest easy. But there are no signs of such assurance on the horizon.

Therefore, we can no longer consciously make it so easy for practical information to be picked up from our pages and used to make an important enemy more formidable. So, henceforth as those 118 Iron Curtain country subscriptions come due we shall cancel them and shall refuse new subscription offers from Russia and her satellites.

It's the least we can do, and we hope other publishers will see the wisdom of doing likewise.

TRADING WITH THE ENEMY

(By William Schulz)

On several occasions during his campaign, John Kennedy promised to revise what he considered the sterile, negative concepts that governed free world trade with the Communist bloc; and he has kept his word.

Within 6 months, Mr. Kennedy has drastically altered American policies on trade with the enemy so quietly that few realize the magnitude of his actions. He has created "an entirely new atmosphere" (as one State Department minion puts it) in which commerce between East and West is actively promoted to ease world tensions.

The President has successfully pushed through the Senate several radical amendments to the Battle Act facilitating trade with the Soviet Union and its satellite empire; the Defense Department has been persuaded to overturn an earlier ruling that precision machine tools could not be exported to the U.S.S.R.; the Treasury Department has lifted its ban on the importation of Russian crabmeat; and a legal reinterpretation by Commerce Secretary Luther Hodges has opened the door for sale of below-cost surplus farm commodities to Iron Curtain nations.

LICENSES APPROVED

The atmosphere at Commerce is remarkably changed. Under the regimes of Lewis Strauss and Frederick Mueller, American manufacturers found it difficult to get licenses for export to the Soviet Union and its satellite empire. In 2 days recently, however, the Department approved 41 licenses for the sale of goods to Red bloc nations: 13 granted permission for export to the Soviet Union; 11 to Czechoslovakia; 9 to Yugoslavia; 4 to Rumania; 2 to Hungary, and 1 each to Poland and Bulgaria.

Ruled nonstrategic in nature, and therefore approved for export, were all ball bearings, machine tools, power transmission systems, aircraft and automotive spare parts, electrical machinery, geophysical instruments, and other industrial products and chemicals.

American firms are now being urged to import from the Red bloc, a matter of some concern to several old allies. It is known, for instance, that the Russians wish to export to this country asbestos, furs, lumber, pulp and paper, ferrous metals and alloys. Worried Canadians point out that the list reads almost like a rundown of Canada's main exports to the United States.

COLD WAR WEAPON

The administration seemingly refuses to recognize that the Soviet Union has long used trade as a major weapon in its cold war arsenal. During the early thirties, for instance, when Soviet trade reached an all-time peak, Russian imports from Estonia (then a free nation) almost overnight shrank to 4.12 percent of the previous average. This unexpected cessation of almost all Soviet purchases was meant to crush Estonia's national economy. It was due only to the exemplary discipline of the Estonian people that the Kremlin did not succeed in its aggressive plans at that time.

In 1947, famine raged in a great many sections of Russia, but the Soviets sent shiploads of grain to Italy and to France to bolster Communist revolutionary activities in those countries. And several years ago the Soviet Union sent tens of millions of dollars worth of war materiel, clothing, and medicine to Egypt for no other reason than to create disturbances in the Middle East and to disrupt the flow of oil and general trade through the Suez Canal. And in 1953, when Pakistan appeared ready to sign a military treaty with this country, Communist China put on the screws by cutting its purchases of Pakistani cotton from $84 to $7 million in 1 year.

It was more than a realization that commerce as used by the Kremlin is a weapon, however, that led the Eisenhower administration to reject regularly Soviet trade overtures. There was the hard fact that much that the Russians want is strategically valuable. In June of 1958, for instance, Premier Khrushchev wrote President Eisenhower asking for $100 million in credits to buy American chemical equipment and processes of a nature so secret that many American firms were unable to obtain them. Among them were processes for making polyurethanes, used in insulation for missile controls, and acrylonitrile, which is basic to plastics, synthetic fibers and manmade rubber. Many of the chemicals had direct uses in radar, missiles, and nuclear submarines.

U.S. industry had devoted 10,000 man-hours to just 5 of the 16 processes the Russians were after. The offer was turned down on the grounds that there was no gain for the United States in any such deal, that Russia could copy all that she bought, then flood world markets with chemicals produced with Western knowledge. Further, there could be no guarantee that the Reds would keep their promise to pay. Deputy Premier Mikoyan told State Department officials 2 years ago that his country had no intention of paying its World War II lend-lease debt.

The Communists have by no means distinguished themselves as traders. In recent years Czechoslovakia, for instance, has swung a number of deals to export machine tools

and other machinery. Customers are now complaining that delivery dates for the tools are lengthening. Some small tools can be supplied from stocks, but for medium tools there is a delay of 5 to 8 months, and for heavy tools about 18 months; for special tools the delay can be up to 3 years.

But to the bright young men who surround the President there are no two ways about trade with the Communist bloc. "What you can't realize," commented one recently, "is the effect these policies have on world tensions. It was time for us to take the initiative and we have. You can see the results yourself." And so you can.

The ACTING PRESIDENT pro tempore. Is there further morning business?

If not, morning business is closed.

MANPOWER DEVELOPMENT AND TRAINING ACT OF 1961

The ACTING PRESIDENT pro tempore. Without objection, the Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1991) relating to the occupational training, development, and use of the manpower resources of the Nation, and for other purposes.

The ACTING PRESIDENT pro tempore. The committee amendment, being in the nature of a substitute, is open to amendment.

THE ALLIANCE FOR PROGRESS

Mr. TOWER. Madam President, in reference to the "Declaration to the Peoples of America" which was agreed to at the Alliance for Progress Conference in Uruguay, a Wall Street Journal editorial of August 12 perceptively asks:

> Can a declaration in favor of progress—a decision to move against the weight of accumulated neglect and indifference—really make progress a fact?

This editorial has hit upon a major obstacle in the way of economic development, not only in Latin America, but wherever it exists. That is the lack of modern, equitable, enforceable and enforced tax and land reform laws. These are essential to economic development. The editorial writer, in this instance, doubts that this obstacle will be overcome as a result of our present policies. If he is correct, the $20 billion alliance for progress is doomed to failure.

I ask unanimous consent to have this editorial printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BILLIONS FOR PROMISES

The administration has pronounced the beginning of its multibillion-dollar Latin American aid program a success. But it should be clear the Alliance for Progress Conference in Uruguay made a beginning only, and may well have produced the last easy success.

The task of the delegates was to describe what they hope to achieve in the next decade. Outlined in the "Declaration to the Peoples of America" are goals on which everyone can agree: "A substantial and steady increase in average income as quickly as possible." "Decent homes for the American peoples." "An equitable system of property." "Primary education [for] all Latin Americans." "Fair wages and satisfactory working conditions." In a word, a better life for a whole region embracing upward of 200 million people in all stages of development, ruled well, badly, and indifferently.

The delegates also were bound to state their choice of means to this desired end. For its part, the United States firmly promises "a major part of the $20 billion * * * which Latin America will require in the next 10 years." For their part, the Latin American countries "agree to devote a rapidly increasing share of their resources to economic and social development, and to make the reforms necessary to assure that all share fully in the fruits of the alliance." They plan to do so by adopting comprehensive and well-conceived national programs.

Among the aims of these programs are tax reform, abandonment of outmoded systems of land tenure, and adoption of fiscal and monetary policies which, while avoiding the intoxication of inflation or the mire of depression, will protect the purchasing power of the many, guarantee where possible price stability, and form an adequate basis for economic development.

But the ease of stating goals that have proved so elusive should not intoxicate anyone. All that has happened so far, really, is that the United States has exchanged a pledge of billions of dollars for the commitment of Latin Americans to spend our money and as much of their own as they can scrape up. If there is to be any success for the alliance, it all depends on the future will and wisdom of the partners.

And on that score, some skepticism is in order. For example, a parallel is often drawn between aiding Latin America and the postwar Marshall plan in Western Europe. True, the alliance is loosely modeled after the latter plan, but there are huge differences—Latin America's widespread illiteracy, its historic economic and political instability, its lack of experience with industrialization and the disciplines of modern society.

Moreover, much remains undefined. For Castro and others in Latin America, land reform means land grabbing. And who shall decide the equity of property, and on what basis?

Then, too, those comprehensive and well-conceived development plans of Latin American countries are yet to be drawn up. They could easily turn out to be misconceived and unrealistic. The United States could also find itself encouraging stagnant, planned socialist economies, incapable of growth.

Clearly, the background against which the alliance begins is unpromising, to say the least. Almost all the reforms to which the Latin Americans now agree have been within their grasp for years, and have been left undone. Modern tax and land reform laws are already on the books of some countries, but go unenforced. Can a declaration in favor of progress—a decision to move against the weight of accumulated neglect and indifference—really make progress a fact?

The security of the United States more than good neighborliness justifies our interest in the possibility of building a free, prosperous Latin America. But billions alone, in whatever amount, won't buy it. Nor will promises by the recipients. And right now that's all the Alliance for Progress is—U.S. billions for uncertain promises.

THE CIVIL RIGHTS COMMISSION

Mr. KEATING. Madam President, it seems quite evident now that further steps must be pursued to save the Civil Rights Commission from premature death. Under present law the Commission's life will expire 60 days after it submits its final report on September 9. It is very important from their point of view that they know in advance of September 9 where they are going and whether their life is to be extended; and, if so, for how long.

I supported with reluctance the abortive attempt to add a civil rights extension amendment to the State, Justice appropriations bill. In my opinion, this tactic presented the issue in its most difficult posture, since it required a two-thirds vote for consideration, and because it made action on nongermane civil rights amendments very difficult. It has now been abandoned, but we are not informed for how long.

I would much prefer to deal with the subject in an orderly manner in accordance with the procedures of the Senate. But deal with it we must if we are to keep faith with the campaign commitments of both parties and fulfill the reasonable expectations of an overwhelming majority of the American people.

It will be necessary to pursue several alternative courses in an effort to bring the issue before the Senate, and to do so at the earliest possible time.

First, the orderly way is, of course, to have my bill, S. 483, reported to the Senate. It was favorably reported by a divided vote by the Subcommittee on Constitutional Rights. It is now before the Judiciary Committee. I intend at the next meeting of the committee to make a last-ditch effort to have the bill favorably reported to the Senate. The majority leader, during a colloquy the other day, promised to give his powerful assistance to such a move.

Lest I be misunderstood, my bill, as does Senator HUMPHREY'S bill, provides for an indefinite extension. It was amended by the subcommittee to provide for a 2-year extension.

I am confident that a majority of the members of the full committee would vote for an extension of either 2 years or for an indefinite extension if the matter were allowed to come to a vote. I would, of course, support reporting out a bill for 2-year extension, if that is the best we could get from the committee, because it is always open to amendment on the floor. It is to be hoped that those who are truly concerned with orderly procedures will permit a majority of the Committee on the Judiciary to express its will on the issue.

Second, Madam President, if the Committee on the Judiciary is prevented from acting, then I intend to invoke the procedures of rule XIV of the Senate rules to have placed directly on the Senate calendar any House bill on extension of the Civil Rights Commission which comes to the Senate. The House Committee on the Judiciary favorably reported to the House last Friday an extension bill, H.R. 6496. A rule on that bill is now being sought from the House Rules Committee. I am informed that there is a good chance of action on this bill in the other body in the near future. It will then come to the Senate. At this stage, after a second reading, objection can be made to referring the House bill to the Senate Committee on the Judiciary, and it will go directly to the Senate Calendar. It could then be motioned

up at any time by majority vote. This is the identical procedure employed in 1957 to obtain Senate consideration of the House passed civil rights bill. It worked then and resulted eventually in the enactment of the first civil rights measure in 90 years. There is no reason this same procedure, which is wholly in accord with the rules of the Senate, cannot be employed at this session.

Third, if both these courses fail, it will be necessary to offer the extension bill as an amendment to other general legislation pending on the Senate Calendar. This is a course I do not favor. I do not want to complicate unnecessarily the consideration of other legislation and I share the interest of other members of the Senate in orderly procedures. But if there is no other choice, certainly it must be pursued.

I have not yet finally determined which other proposed legislation would be most appropriate for such amendment. The Peace Corps bill, which I favor, may be the best available measure. It is scheduled for early action. It has wide support. Furthermore, its purposes would be abetted by any complementary civil rights actions we took at home to give a better image of America abroad.

Another bill which might possibly be considered for amendment is H.R. 1021, Calendar No. 725, to extend for 2 years the definition of "peanuts," which is now in effect under the Agricultural Adjustment Act of 1938.

S. 483, my Civil Rights Commission extension bill, has been in committee since January 17. It has been endorsed by President Kennedy in principle and by the Department of Justice explicitly. I am convinced that it has the support of a majority of the committee's members and an overwhelming majority of the Senate.

It is evident that the Senate can act on this bill before the Commission expires if it is determined to act. None of the available alternatives is without its drawbacks, but they are available under the rules of the Senate to combat any attempt to kill the Commission by delay and inaction. I feel strongly that this Commission must be continued, and I shall do whatever can possibly be done to give this issue a proper hearing on the Senate floor.

Madam President, I wish to speak on some other subjects, but I had yielded to the majority leader in order that he might lay the morning business before the Senate. I shall require approximately another 10 minutes. Therefore, I shall be happy to yield, without losing the floor, to the distinguished Senator from Utah.

PUBLIC VERSUS PRIVATE POWER DEVELOPMENT

Mr. MOSS. Madam President, I thank the distinguished Senator from New York for his courtesy.

In my State of Utah, and in other States of the Upper Colorado River Basin as well, one of the pressing questions at this time is whether the tie lines between the great dams now being built on the Colorado River should be built by the Bureau of Reclamation or should be built, in part, by private utilities, as has been proposed. The question has received much discussion.

Recently the Washington Post published two items which presented this subject very clearly. I think they should be placed before the Senate, because the matter is now in the House Committee on Appropriations and will shortly come before the Senate.

The first item is an editorial entitled "Hot Gridiron," which was published in the Washington Post on August 19, 1961; the other is a letter written by Assistant Secretary of the Interior Kenneth Holum to the editor of the Washington Post and was published in the Washington Post of today, August 23, 1961, under the title "Who Should Own the Grid?"

I ask unanimous consent that the editorial and letter be printed at this point in the RECORD.

There being no objection, the editorial and letter were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Aug. 19, 1961]

HOT GRIDIRON

Will Congress toss a stillson wrench into an electrical development plan which is as intricately worked out as a Swiss watch? This could be the effect of a decision to turn over construction of a basic power grid in five Western States to private concerns. It would be doubly unfortunate, after the Hanford atomic power debacle, if a second major power issue were also decided against the public interest.

At issue is the future of the Colorado River storage project approved by Congress in 1956. This project encompasses irrigation and flood control as well as power production from three large Federal dams. Every aspect of financing the overall program has been worked out in practical detail so that the construction and irrigation costs would be repaid to the Treasury.

But now that the dams are nearing completion, private power companies are seeking permission to construct two-thirds of the 3,000 miles of transmission lines. This would mean that after a tremendous Federal investment the Goverment would pay rental in perpetuity for transmission lines, and would lose the advantages of linking up the basic grid to other regional projects. The original plan would enable the Colorado project to tie in with other public facilities so that diversity of load and seasonal fluctuations could be evened out. This is not a simple private versus public power issue. Instead, it is a question of whether public policy should be reversed.

There is no objection to private companies tying in marketing lines for consumers in the area. But should private companies be allowed to cream off the chief advantage of a public investment by acquiring control of the basic power grid? The plan approved by Congress in 1956 certainly did not provide for such an arrangement; instead it followed the existing pattern of Federal construction.

Former Secretary of the Interior Fred Seaton, no creeping Socialist, was persuaded of the merits of Federal construction of the basic grid. Mr. Udall, his successor, is equally emphatic in his position. Issues of this kind are necessarily complex and it is too easy for those with special interests to confuse the question. We hope that the House will not bow to special pleading when the question comes up in the next few days.

[From the Washington Post, Aug. 23, 1961]

WHO SHOULD OWN THE GRID?

Julius Duscha's article of August 15 concerning the Colorado River storage project transmission line controversy was most interesting and very well done. It practically pointed up the public versus private power elements of the dispute.

However, there is another major facet of the controversy which should also be discussed because it is vital to success of the Colorado River storage project and is not well understood. That is the need of revenue from the sale of project power to finance the participating water use projects.

The Colorado River storage project and participating units were authorized by the Congress to enable the upper basin States of Colorado, New Mexico, Utah, and Wyoming to obtain their allocated share of Colorado River water. This is the end purpose of the total authorization.

The primary purpose of the storage project itself is control and storage to meet downstream commitments and, at the same time, to permit the upper basin States to put their allotted share of Colorado River water to beneficial use for irrigation and municipal and industrial water purposes.

All of these participating projects are expensive, so much so that water users cannot carry the entire repayment burden even though the total advantages to the local and national economy clearly show the worth of the individual units.

As elsewhere in the West, revenue from federally constructed and operated hydroelectric plants which are a part of multipurpose water projects, is to be used to help in the payout of these projects. In our studies of the all-Federal backbone transmission system as contrasted with the partial system and wheeling offer of the utilities for the remainder, we found an overwhelming financial advantage in the all-Federal system.

Since the findings, which were approved by the former Secretary of the Interior, Fred A. Seaton, and also the present Secretary, Stewart L. Udall, there has been a barrage of confusing figures and statements laid down to confuse the issue. The simple fact remains, however, that, just like buying a home, when the all-Federal transmission grid is paid for in 44 years with interest, revenue will be available to help pay out the participating water use projects whereas the rent paid under the proposal of the private utilities, while saving the Government a large initial investment, goes on in perpetuity.

One other point needs clarification—the interconnection with other Federal systems. The private utilities seek to obtain an overwhelming benefit from the public investment in the project by interconnection of their own systems with the Colorado River project system, but would deny the Federal Government the same advantage.

Actually the 1.3-million-kilowatt capacity of the Colorado River storage project hydropower system is small compared to other Federal systems. Grand Coulee Dam hydroplant, for example, has a capacity of 1,974,000 kilowatts and has produced as high as 2,200,000 kilowatts in a peaking operation.

By interconnection with the existing Missouri River Basin project and the Parker-Davis-Hoover project power systems, the value of the Colorado River storage project system to the service area could be enhanced tremendously. This will add flexibility which will mean much better utilization of the public investment in development of our water resources. But if we must interconnect only through private systems which collect a transmission toll every time the power moves either way from one system to another, the public system will carry an impossible burden.

At the same time, we expect that the public system will help, not hurt, public and private utilities in the area because the total needs are such that both steam- and hydrogeneration facilities must be fully utilized. The advantages of complete coordination and integration are so overwhelming to all

utilities, public and private alike that we anticipate that when the fussing and feuding are all over, we will sit down with the private utilities and work out exchange and integration agreements such as now exist between public and private systems and the Bonneville Power Administration in the famed Pacific Northwest power pool.

A backbone Federal system and interconnection with other public systems is essential to such an operation.

KENNETH HOLUM,
Assistant Secretary of the Interior.

CIVIL RIGHTS

Mr. KEATING. Madam President, on another phase of the civil rights front, the Committee on Rules and Administration has this morning reported, without recommendation, the so-called Anderson resolution, Senate Resolution 4, to revise rule XXII, in section 2 thereof, to change the requirement for cloture from two-thirds of the Senators present and voting to three-fifths of the Senators present and voting. This is an improvement over some of the proposals for a change in the cloture rule, in that it does not require three-fifths of the membership of the Senate, but three-fifths of the Senators present and voting.

The action was taken without recommendation because of the wide divergence of opinion in the committee concerning whether there should be a change at all; and second, what the change should be.

The distinguished majority leader and the distinguished minority leader made a commitment that they would bring the subject before the Senate, and they are keeping that commitment by this action. The Senate will have an opportunity to work its will on this question.

In the consideration of the resolution before the Committee on Rules and Administration, I proposed a complete substitute, which was rejected. That substitute would retain section 2 of the present rule XXII, providing for two-thirds cloture, and would add a section providing for majority cloture after 15 days, exclusive of Sundays, holidays, and other days when the Senate was not in session.

It would also change, in another respect, both the present two-thirds section and the newly proposed majority section. In place of providing that each Senator shall have 1 hour after cloture had been voted, which seems rather an anachronistic provision, since many Senators might not wish to consume an hour, and also because those in the minority on the issue might make the claim, and with some reason, that too much time was given to the majority on the issue, my language would provide a division of time, 50 hours to each side, to be controlled by the majority leader and the minority leader, and would direct that the leaders divide their time equally between those who favored and those who opposed the issue before the Senate. It seems to me that that adds an element of fairness for those who may be in the minority on a particular issue which is before the Senate.

Mr. RUSSELL. Madam President, will the Senator from New York yield?

Mr. KEATING. I yield.

Mr. RUSSELL. I should like to ask the Senator from New York just where he thinks the most interested majority would ever get into the picture. I refer to those whom some persons regard as the poor, benighted southern Democrats. They are under fire from both the majority leader and the minority leader in the matter of the proposed change in the rules, and I should like to know how the Senator feels that there would be any element of fairness in what is proposed, for he would completely gag the representatives here of some 9 or 10 States.

Mr. KEATING. I think perhaps the Senator from Georgia did not hear my complete explanation. I ask unanimous consent that the full text of the substitute be printed at the end of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. KEATING. The substitute would divide the 100 hours between the majority leader and the minority leader, but would direct that they give half of their time—on each side—to those who favor the proposal and those who oppose it. If there were only one Member in opposition he would be entitled to speak for 50 hours on the issue. That is similar to a procedure with which Members of the other body are well acquainted. Concededly, it is one which has not been used in this body, except informally, but it is for the very purpose of assuring that the minority, even though they may be only 10, 20, or even less in number, out of the entire membership of the Senate, shall have equal time to be heard on the issue at hand. I should think that particular phase of the change in the rule would be favored by the distinguished Senator from Georgia.

Mr. RUSSELL. That is much better than most of the gag propositions that have been advanced, I may say to the Senator from New York.

If he will indulge me, I should like to say that I can understand why a Senator from the State of New York would support any kind of rule which would restrict debate here in the Senate. The organization of the Senate was the most difficult problem with which the Founding Fathers had to grapple in writing the Constitution, and when the Senate was organized the matter of protecting the rights of the small States brought about the creation of the unique parliamentary body which we call the Senate of the United States. Of course, in the House of Representatives, the States which have the most numerous population have an unconscionable advantage. I believe New York has 46 Representatives there.

Mr. KEATING. Forty-three.

Mr. RUSSELL. Forty-three Representatives at the present time; and they are of both political parties, and therefore are free to range on both sides of the aisle and bring in the Members to vote for them.

One of the smaller States, with only 1 or 2 Representatives, usually members of the same political party, of course would not have the chance of the proverbial snowball in the hottest of the nether regions to defeat a State which had 43 Representatives.

But in the Senate all the States are equal. So I can see justification for the Senators from New York undertaking to restrict debate in the Senate and to decrease the stature of Senators, because if they were able to bring us into a position similar to that of Members of the House of Representatives, that would give them a tremendous advantage.

But the great puzzle to me has always been how on earth any Senator from a State with a small number of Representatives would succumb to the idea of gagging and muzzling Senators of the United States and giving all the authority to the States which have a large number of Members.

Mr. KEATING. Madam President, I think the Senator from Georgia is somewhat in error about the Representatives from the large States being better able to get together, as compared with those from small States with only one or two Representatives. The Representatives of the smaller States, to which the Senator from Georgia has referred, who usually are all members of the same party, work together very much more effectively than do the Members of the House of Representatives from larger States. That has been my experience.

Mr. RUSSELL. Of course, there is no difficulty for a State which has only one Member of the House of Representatives to have its Representative able to work together. Perhaps there are times when such a Member is perplexed and when the congressional delegation from such a State might be perplexed, even if the State has only one Member of the House of Representatives. For instance, on many occasions I find myself confused and perplexed. But certainly I will agree with the Senator from New York that the delegation from a State with only one Member of the House of Representatives would have less difficulty getting together than would the delegation from a State with 40 Members of the House of Representatives. I accept that premise of the Senator from New York.

Mr. KEATING. I thank the Senator from Georgia for his comments.

Mr. MANSFIELD. Madam President, will the Senator from New York yield to me?

Mr. KEATING. I yield.

Mr. MANSFIELD. I think the Senator from Georgia should know that the Senator from New York vigorously opposed the reporting of the Anderson resolution seeking to bring about a change in rule XXII by permitting three-fifths of the Senators present and voting to invoke cloture, instead of two-thirds of those present and voting, as is the present rule. What he wanted, I believe, was a simple majority—if I correctly recall the hearing this morning. However, he subordinated his particular position in connection with that matter, so that we could report a change in rule XXII without recommendation, thereby toward the end of this session giving the Senate a chance to express its will in regard to what should be done. So I think the RECORD should show clearly the position of the Senator from New York in the committee, and should show

that despite his opposition to the Anderson resolution, which he does not think goes far enough, he and others were willing to let the measure be reported.

By the same token, I may say that the Senator from North Carolina [Mr. JORDAN] was unalterably opposed to any kind of resolution; but he, likewise, subordinated his own personal position, in order to allow the resolution to be reported without prejudice, although he indicated quite strongly that he intended to fight the measure all the way on the floor, just as he endeavored to do this morning in the committee.

Mr. KEATING. I thank the Senator from Montana for his comments.

Mr. RUSSELL. Madam President, will the Senator from New York yield?

Mr. KEATING. I shall yield in a moment.

Of course I believe that the Anderson resolution, as now worded, namely, three-fifths of those present and voting, is an improvement—I say so frankly—over the present rule of two-thirds of those present and voting. Certainly I would not want to do anything to prevent the Senate from working its will on this proposed change in the rule, but we should have an opportunity also to consider majority cloture under the procedure outlined in my amendment.

I appreciate very much the action on the commitment made by the distinguished majority leader, the Senator from Montana [Mr. MANSFIELD], a man whom all of us recognize as one of high honor and high integrity. He had made that commitment to the Senate; and he has made good on it, as all of us knew he would.

Now I yield.

Mr. RUSSELL. Madam President, I merely wish to observe that this is a case in which I hope the Senate will follow the lead and adopt the example of the distinguished committee and will fail to come to any agreement on any of these proposals to reduce the stature of the Senate. I think the committee has set an excellent example by bringing out the measure without any recommendation; and I hope the Senate will follow that example, after each Senator has had an opportunity to express his views.

Mr. KEATING. Madam President, under the Senate rules, unless the Senate should choose to recommit the measure or do something of that sort, I know of no way, after full and free debate, that it would be possible to prevent the Senate from taking action on the measure. It may take some time, and it has been indicated that that might be the case; but there does come a time when some action must be taken. My chief difference with the Senator from Georgia is that I would have the time for action come a little sooner than he would—the time when I believe the Senate should be allowed to vote any proposal before it either up or down.

Mr. RUSSELL. Madam President, I may say to the distinguished Senator from New York that if he will examine the CONGRESSIONAL RECORD he will find there have been innumerable instances in which the Senate has been unable to agree on a recommendation for legislation or a change in the rules that has been before it. So it would not be a precedent if the Senate failed to do so this time.

Mr. KEATING. Madam President, I sincerely trust that will not happen this year. We have labored hard to try to bring about a change in the rule; and I hope and believe that the mood of the Senate is to make a change in the rule, and to do so at this session. I think it would have been easier to do it at the beginning of the year when we would not have been faced with what is euphemistically referred to as extended debate.

EXHIBIT 1

TEXT OF AMENDMENT

Amendment in the nature of a substitute intended to be proposed by Mr. KEATING to the resolution (S. Res. 4) to amend rule XXII of the Standing Rules of the Senate

Strike out all after the resolving clause and insert in lieu thereof the following:

"That the third paragraph of section 2 of rule XXII of the Standing Rules of the Senate is amended to read as follows:

" 'Thereafter debate upon the measure, motion, or other matter pending before the Senate, or the unfinished business, the amendments thereto, and motions with respect thereto, shall be limited in all to not more than one hundred hours, of which fifty hours will be controlled by the majority leader, and fifty hours will be controlled by the minority leader. The majority and minority leaders will divide equally the time allocated among those Senators favoring and those Senators opposing the measure, motion, or other matter pending before the Senate, or the unfinished business, the amendments thereto, and the motions affecting the same. It shall be the duty of the Presiding Officer to keep the time. Except by unanimous consent, no amendment shall be in order after the vote to bring the debate to a close, unless the same has been presented and read prior to that time. No dilatory motion, or dilatory amendment, or amendment not germane shall be in order. Points of order, including questions of relevancy, and appeals from the decision of the Presiding Officer, shall be decided without debate.'

"SEC. 2. Rule XXII of the Standing Rules of the Senate is amended by adding a new section 3 as follows:

" '3. If at any time, notwithstanding the provisions of rule III or rule VI or any other rule of the Senate, a motion, signed by sixteen Senators, to bring to a close the debate upon any measure, motion, or other matter pending before the Senate, or the unfinished business, is presented to the Senate pursuant to this section, the Presiding Officer shall at once state the motion to the Senate, and one hour after the Senate meets on the fifteenth calendar day thereafter (exclusive of Sundays, legal holidays, and non-session days) he shall lay the motion before the Senate and direct that the Secretary call the roll, and, upon the ascertainment that a quorum is present, the Presiding Officer shall, without further debate, submit to the Senate by a yea-and-nay vote the question: "Is it the sense of the Senate that the debate shall be brought to a close?"

" 'And if that question shall be decided in the affirmative by a majority vote of the Senators duly chosen and sworn, then said measure, motion, or other matter pending before the Senate, or the unfinished business, shall be the unfinished business to the exclusion of all other business until disposed of.

" 'Thereafter, debate upon the measure, motion, or other matter pending before the Senate, or the unfinished business, the amendments thereto, and motions with respect thereto, shall be limited in all to not more than one hundred hours, of which fifty hours will be controlled by the majority leader, and fifty hours will be controlled by the minority leader. The majority and minority leaders will divide equally the time allocated among those Senators favoring and those Senators opposing the measure, motion, or other matter pending before the Senate, or the unfinished business, the amendments thereto, and the motions affecting the same. It shall be the duty of the Presiding Officer to keep the time. Except by unanimous consent, no amendment shall be in order after the vote to bring the debate to a close, unless the same has been presented and read prior to that time. No dilatory motion, or dilatory amendment, or amendment not germane shall be in order. Points of order, including questions of relevancy, and appeals from the decision of the Presiding Officer shall be decided without debate.'

"SEC. 3. Redesignate section 3 of the Standing Rules of the Senate as section 4."

FARM BUREAU FEDERATION PROMOTES EXPORTS

Mr. KEATING. Madam President, I have said many times that I believe the best way to deal with our widely discussed balance of international payments situation is to promote exports in every way possible.

It was with this in mind that I was delighted to read this weekend that the American Farm Bureau Federation has initiated a special program to promote the sale of American agricultural products overseas. An affiliate of the American Farm Bureau Federation, the Farm Bureau Trade Development Corp., is the sponsor of these efforts. The corporation has offices in Chicago and Rotterdam, the Netherlands. It was set up 3 years ago, and is now taking orders for shipments of American agricultural goods to overseas, principally to Europe. The corporation provides valuable information on the commodities which are in short supply overseas and on the channels of trade into which these commodities can move.

With increasing living standards and the development of the supermarkets throughout Europe, there is a steadily expanding market for many types of farm products. The development of a freezing and frozen foods processing industry in Europe has been another important factor in stimulating this demand. Fruits and vegetables, onions, tobacco, poultry, and dairy products are in greater demand than ever before.

The Farm Bureau Trade Development Corp. actually works with food processors to encourage and promote their participation in oversea trade. The success of this program will mean expanded markets for farmers in many parts of the United States. Although this program does not involve our basic subsidized commodities, such as wheat, cotton, corn, tobacco, and soybeans, it represents an important step to many millions of American farmers who produce the commodities now in demand overseas.

I believe the officials and members of the Farm Bureau Federation have provided an important service that will tend to expand American markets overseas

and thereby help to improve our Nation's overall trade position. I commend them for their efforts in this area.

RAILROADS IN TROUBLE

Mr. YOUNG of Ohio. Madam President, our railroads are in trouble—big trouble. Congress has been urged by railroad presidents to rescue them from hardships largely of their own making.

Recently I discovered firsthand why prospective railway passengers stay away in droves when I took the 226-mile trip from New York to Washington. Four hours of traveling on a dirty, crowded, poorly ventilated coach gave convincing evidence that railroad officials regard passengers as necessary evils and make their money carrying freight. There was no dining car on the train, or even a snack bar. Every coach was a candidate for the junk heap. Railroad officials should blame themselves for their sad financial plight.

My trip was via the Pennsylvania Railroad from New York City to Washington; and it is the last one I hope to take, unless conditions change.

In contrast, in Italy it is a pleasure to ride on the Rapido, a bullet-shaped train making the long trip from Rome to Milan in 6 hours. This train is beautifully decorated, has new coaches with artistic panels, and passengers are offered Espresso coffee. The cost of making this 400-mile trip is less than air fare. It is a trifle more than passengers pay on slow trains.

One would think that under our free enterprise system railroad presidents would be ahead of officials of Government-operated Italian railroads. Yet, in efficiency and comfort, there is no comparison. We lag behind.

Perhaps railway officials and unions should ask our Government to invite Italy to send a reverse of the Peace Corps to the United States to teach our backward railroad operators to take proper care of passengers, and thereby earn money for dividends for their stockholders.

Why, in a country which sent a man into the outer atmosphere and returned him safely, have we failed to provide comfortable railroad trips from Cleveland to Cincinnati and from New York to Washington, to cite two examples?

Recently an outraged constituent sent me a copy of a letter he had written to the president of the New York Central Railroad protesting that railroad's request of the Ohio public utilities commission to reduce passenger service between Cleveland, Columbus, and Cincinnati. In his very articulate letter, this citizen set forth compelling arguments for denying this request.

I believe that this letter from Barry Pomerantz, of Shaker Heights, Ohio, to Alfred Perlman, president of the New York Central system, echoes the sentiments of millions of discouraged Americans who depend on rail transportation and who are victims of the mess and failures created in our railway passenger system. I commend it to my colleagues, and ask unanimous consent that it be printed at this point in the RECORD as part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SHAKER HEIGHTS, OHIO,
August 12, 1961.

Mr. ALFRED PERLMAN,
President, New York Central System,
New York, N.Y.

SIR: I have read in this morning's newspaper that your railroad, the New York Central, has asked that the Public Utilities Commission of Ohio grant it permission to reduce passenger service between Cleveland, Columbus, and Cincinnati. Passenger trains that would be discontinued are numbers 321, 322, and 323. The New York Central claims that these cuts in service are necessary due to a financial deficit incurred on overall operations during the first 6 months of 1961. Your railroad also claims that between 1956 and 1960 the number of passengers carried between Cleveland and Cincinnati declined 59.2 percent.

I, however, must protest your request that passenger service be cut, for I believe that less passenger service is what you and your railroad desire and are trying to meet this end by discouraging rail fare.

It is to be realized that part of the decline of rail passenger travel is due to increased automobile travel and better highway systems. This increase in automobile travel also has had some adverse effects on airplane and intercity bus travel. However, the airlines and buslines have not asked for permission to decrease their service between Cleveland and Cincinnati. On the contrary, they have met the competition head-on by increasing their service and by making their modes of transportation more attractive. Only the railroads have refused to face the competition. In fact, with the way the railroads are running their business now, it leaves little doubt but that they are trying to discourage rail fares.

To emphasize this point I will state several examples of the treatment your railroad passengers are given to discourage them from traveling by train.

On two trips during the past year between Cleveland and Cincinnati, trains that carried some relatives and me have been delayed for unreasonably long lengths of time for no apparent reason. On one such trip a train from Cincinnati traveling to Cleveland, usually a 6- to 7-hour journey, arrived in Cleveland 6 hours late. By doubling the regular travel time this trip was turned into a 12-hour torture. Another train that I had the misfortune of traveling on from Cleveland to Columbus stopped midway in its journey for a 3-hour delay. The train made a 4-hour trip in 7 hours. This same train, by the way, besides carrying the few stout-hearted travelers, also carried cockroaches. This in itself would make anyone not wish to travel by train. Added roadblocks thrown in the way of the railroad passenger include, as pointed out in the Cleveland Press, lack of red caps at the train stations. In Cleveland Union Terminal there are only two red caps on duty. In a major train depot in a major city, only two red caps are on duty. This makes it necessary, as the Press also pointed out, for older people and in fact most people to carry their own luggage. It has been suggested, sir, that an adequate punishment for the way in which your railroad is run would be to force you to ride the New York Central between Cleveland and Cincinnati for the rest of your life.

It is evident that your railroad is to blame for the decrease in rail passenger travel on your line. Your railroad, along with others, has tried to discourage rail-passenger travel by unethical means, so that you might, by showing to the Public Utilities Commission of Ohio a loss of revenue, be allowed to curtail your passenger service and thus concentrate on the more profitable freight service.

Generally I am not in favor of governmental interference in business or governmental ownership of business. In the case of the railroads, however, I must make an exception. Our economic system is based upon free enterprise. But it must have limits in order that the public be protected. When an individual abuses this free enterprise system by unethical practices, the Government must, for the protection of the public, intervene. If this intervention means governmental ownership, in order that the rights of the citizens be upheld, then, without a doubt, the Government should act as it sees fit. In the case of the railroads I believe that the Government should intervene and if necessary take them over. You, Mr. Perlman, by your practices are compelling the Government to take these steps. You are abusing the rights granted to you by this free country and its economic system. These practices you must stop, so that governmental control will not be needed.

Copies of this letter are being forwarded to the following: Senators FRANK J. LAUSCHE and STEPHEN M. YOUNG; Congressman WILLIAM B. MINSHALL; Public Utilities Commission of Ohio; and the Interstate Commerce Commission.

It is my hope that these influential persons and committees will join in protest against the New York Central system. I must protest the service curtailments that you propose.

Yours truly,

BARRY RICHARD POMERANTZ.

Mr. YOUNG of Ohio. Madam President, it has been said that the strength of a nation can be measured by its rail transportation system. This applies to both military strength and economic strength of a nation.

In our Nation with its population expanding by over a million people every year, our railroads should be expanding each year to serve the needs of this growing population instead of eliminating or diminishing their services. In other countries railroads are expanding to meet the needs of the people and to increase the flow of commerce, as well as being a basic unit of defense and preparedness. Defense, as well as a healthy economy, depends on an efficient transportation system.

With an adequate rail transportation system, a nation can well hope to survive and prosper in a nuclear age or in any age. National defense depends to some extent on an efficient transportation system capable of delivering people and freight from one destination to another with promptness and at reasonable cost.

In the state of Ohio, railroads employ nearly 55,000 men and women. Their annual payroll is $80 million. An important part of this industry's materials and supplies, totaling a billion and a half dollars annually, are manufactured in Ohio. Their contribution to the welfare and prosperity of the State is important. To Ohioans, and to all Americans, it is of the utmost importance that railroad problems be solved and that railroad officials respond to the demands of the times, offer good and fast service to people, attempt to accommodate prospective passengers, and go all out to keep travel on a reasonably accurate schedule. Officials must see to it that trains leave and arrive at the time scheduled.

Nowadays some railroad transportation officials seem to regard passengers

as a necessary evil. If the train leaves on schedule and arrives not more than an hour late, they consider they have done well.

Hundreds of my constituents have written to me complaining of poor service and deplorable conditions on many of our passenger trains. They have asked that the Federal Government begin to do something to correct this deplorable situation. Too often there have been too many dirty cars, dirty restrooms, and an attitude on the part of the railroad employees, undoubtedly influenced by the higher officials, that it is unimportant whether the train arrives on schedule.

It is noteworthy that trains which are kept in good condition, operate regularly on good schedules, and furnish good service are filled. When the trains are not in good condition and the service is poor, the number of passengers always drops accordingly.

Our highways become overcrowded as fast as we build them. Passenger train service is more and more becoming a greater necessity, especially in our large metropolitan areas. Unless railroad executives immediately begin taking action to improve and expand this service, we may soon find ourselves in a transportation crisis of great severity.

THORP FINANCE DECISION ENCOURAGES INDEPENDENT BUSINESS

Mr. PROXMIRE. Madam President, on May 31, 1961, an agreement in principle was reached for the merger of C.I.T. Financial Corp. and Thorp Finance Corp., according to a joint announcement by the two companies.

The proposal, which was accepted at that time by the management of C.I.T. and Thorp, was to be submitted for approval to the boards of directors and stockholders of both companies.

Thorp Finance Corp., with headquarters in Thorp, Wis., operates 80 local offices in Wisconsin and Minnesota and conducts a diversified sales finance, personal loan, industrial equipment financing business, and farm auction and industrial equipment auction business. Thorp also operates as wholly owned subsidiaries a life insurance company and an automobile physical damage insurance company. It was organized in 1925. At November 30, 1960, its net worth was $14,500,000 and its total business volume in the fiscal year ended on that date was $137,500,000. Total assets before deducting reserves exceeded $100 million. The company has over 4,000 common stockholders and its common and preferred stock are traded in the over-the-counter market.

C.I.T. Financial Corp. is a highly diversified organization, with subsidiaries engaged in consumer and industrial financing, factoring, automobile physical damage and life insurance, automotive and equipment leasing and radiological manufacturing. Its capital and surplus exceed $330 million and its securities have been traded on the New York Stock Exchange since 1924. Of course, it is one of the huge and dominant finance companies in America.

This prospective merger disturbed many of us in Wisconsin, because we were very proud of the Thorp Finance Corp. and its great record over a number of years, as a kind of Horatio Alger story. That is why I am proud and happy to say that on June 30 of this year the management of Thorp Finance Corp. and C.I.T. Financial Corp. agreed to terminate further discussions of a proposed merger of the two companies.

Francis J. Conway, president of Thorp Finance Corp., in discussing the decision to call off the merger said that after further study of contractual terms and conditions, it was agreed there would have been great difficulty in Thorp operating as an autonomous subsidiary of C.I.T. Mr. Conway said:

> Had the merger been completed, it would have meant displacement of many Thorp employees and their families. Some operations of the corporation would most certainly have left Wisconsin and Minnesota. It has been our primary responsibility throughout our company's history to best serve the States in which we operate. We feel that this service might have suffered had the merger been effected.

Thorp Finance Corp. will continue its expansion program to better serve the people of Wisconsin and Minnesota. In addition to the 67 Thorp Finance branch offices in Wisconsin and 10 in Minnesota under the Thorp Loan & Thrift Co. name, the corporation plans on opening several new offices in the near future.

Madam President, with the great increases in mergers in this country, with the difficulties of independent business surviving in our economy, with a record for bankruptcies only in the last few months, and with another record for voluntary discontinuances, it is mighty welcome that, in Wisconsin, Francis Conway and Thorp Finance have decided against merger and are determined to continue independent operation.

This great free enterprise success story, the Thorp Finance Corp., has made Wisconsin people very proud in the past. The declaration of independence, the decision to take the hard and rocky road of going it alone, makes us even prouder than ever of the Thorp Finance Corp. of Wisconsin, and more sure of its future in serving hundreds of thousands of Wisconsin people.

Mr. WILEY subsequently said: Madam President, I was happy this morning to hear the junior Senator from Wisconsin [Mr. PROXMIRE] paying a tribute to Francis J. Conway, whom I have known for many years, and who has made a brilliant success of the finance company with which he has been connected. We both feel that saying a good word about a good man is a good deed. I, for one, feel that one cannot praise Francis Conway and his fine family too highly.

PROPOSED NEW YORK WORLD'S FAIR

Mr. JAVITS. Madam President, I wish to invite attention to the progress of the New York World's Fair which is to be held in 1964. That is not a very long time away, considering the size and scope of such an endeavor.

I have the honor to state for the record in the Senate that H.R. 7763, the bill to enable the United States to participate in the fair, if the Congress decides it should do so, has now passed in the other body. I pay special tribute to Representative CELLER, the chairman of the Committee on the Judiciary; to Representative DELANEY, who represents all of us in New York on the executive committee of the board of directors of the World's Fair Corp.; to Representative DANTE FASCELL, of Florida, the floor manager of the bill; and to Representative EDNA KELLY, of New York, one of the principal sponsors, for bringing about this fine action. And, of course, the entire New York congressional delegation, Republican and Democratic Members alike, deserves thanks for its unremitting efforts on behalf of timely action on the legislation.

The bill is now pending in the Senate. It is my hope that there will be prompt action in the Senate now that H.R. 7763 has passed in the other body. It is very essential that this action be taken before Congress adjourns in this session, because otherwise the time limitations will seriously handicap effective and orderly planning for U.S. participation in the fair should the United States choose to do so. I have little doubt it will choose to do so, but, in any event, the United States will not be committed to participate by passage of this bill.

Madam President, the bill, S. 2103, sponsored by my distinguished colleague from New York [Mr. KEATING] and myself, and the companion legislation, H.R. 7763, provides only for U.S. planning and recommendations by January 15, 1962, as to what shall be the nature of participation by the United States in the fair, and provides for the appointment by the President of the U.S. Commissioner for the New York World's Fair.

The amount involved is very small, only $300,000 in the authorization, which is subject to action through appropriations.

More than 50 foreign governments have signified their intention to participate in the New York World's Fair, and so have 21 States and the Commonwealth of Puerto Rico. I respectfully submit to the Senators from the States which have already evidenced their intention to participate in the fair that they should—and I hope very much they will—take a very close interest in planning for U.S. participation.

The fair promises to be as much of a landmark in the history of our country as was the New York World's Fair of the late 1930's, about which many of us in the Senate know from personal experience and attendance, and equal to the other great fairs of our past, in Chicago, San Francisco, and other major centers. I hope very much we may put ourselves on the road to appropriate participation by the United States.

New York City is not only the financial center of our country, it is also an enormous center of culture, perhaps the

leading cultural center in the world today. Many people feel today, as I feel, that New York City is really a world capital, housing, as it does, under special circumstances provided by the Congress, the United Nations.

Madam President, I hope for the day when all of us in the Congress may feel, as many of us feel today, that New York is a source of pride and gratification to us all, as demonstrating the power, the dynamism, the scope and the majesty of our country. I believe by helping the New York World's Fair in the very modest way suggested by the bill we may forward this idea.

Madam President, the world is becoming a world of cities. New York City stands preeminent among those cities, as every traveler to New York attests. I look forward eagerly to the participation of the United States in New York's World's Fair—and to the national dignity and beneficial influence which such participation will bring.

So I think it would be a great pleasure for our fellow countrymen to know that the fair exists, to visit it whenever they choose to do so, and to enjoy the great opportunities which it would offer. They can make it a point of great national pride, as we feel in Washington, that New York City can have a magic for all the world and can be representative of so much which represents the power, the dignity, and importance of our society, and its demonstrated success.

SUPPORT FOR ESTABLISHMENT OF A PEACE CORPS

Mr. WILEY. Madam President, I wish to speak on the Peace Corps, which subject, I understand, will be threshed out in the Senate today. The establishment of the Peace Corps, as proposed in S. 2000, would provide the United States with a new instrument of foreign policy. By new instrument, I mean something different, which we have not yet tried. Fundamentally, it would serve two purposes. First, it would meet the human needs in less-developed nations, using ideas and know-how, rather than money, so the recipients can stand on their own feet; and, second, it would provide an indirect counterforce to communism.

As proposed, the bill would provide for assignment of about 3,000 qualified people at a cost of $40 million to serve the United States abroad. Specifically, these trained individuals would act as teachers—which, in a sense, is something that would be new, and would not involve merely throwing away money—agricultural experts, who would tell those in need how to utilize the land; industrial technicians, those who can tell the people something about the operation of industry; home economists, sanitation experts, civil service administrators, and experts in other fields of need in the recipient nations. The important word is "experts"—those who know, those who have been educated today in specific fields.

Such activity is quite different from what we have been doing. I do not think that the figures in dollars or personnel are sacrosanct. The proposal is an experiment. Nevertheless, I feel there is a need for an effort of adequate size to allow a reasonable opportunity for success.

By what kind of people would this activity be conducted? By educated people, those who want to aid others, those who wish to see the segment of humanity which lives in squalor or in filth have an opportunity to pick themselves up.

Importantly, the Peace Corps would not provide a new "gravy train." We must talk and think seriously of the problem when we vote on the bill. It is not an opportunity for adventure seekers to "join the Corps and see the world" at taxpayers' expense. That is not the picture. Rather, the bill would provide only minimum subsistence fees for dedicated individuals who offer their services. There will, of course, be difficulties in the program ahead. However, if properly administered, it may be effective. I have used another term upon which we must spend a little time—"properly administered." We have had a great deal of poor administration, which is natural when large sums of money are administered. But this time the program is different. Ideas are used. A famous Englishman once said, "The idea is the thing."

If properly administered, it will bring to the recipient nations a great benefit.

We will not be dishing out money. This is no "money-dishing" scheme. Rather, it is to get to the minds of the recipient people the know-how. It will provide educational, technical, and other types of know-how.

The program will supplement what we are doing in other directions. Again, the word is "supplement." It may be that in so doing we will be fulfilling, even more than in our aid program, our obligations of leadership of the free world. What constitutes leadership in situations such as we find in these nations?

I believe that when we give these nations the know-how, give them the ideas and aid them in constructing their economy, by giving them the know-how, it is the best example of leadership.

Of course, it should follow that we would be strengthening our ties, politically, economically, culturally, and socially with the recipient nations, and we would be providing, if the plan works out, an antidote to the ideas that are planted by the Communists.

We all know that the world is in ferment. In many places that ferment is political. In other places it is the result of the struggle between the haves and the have-nots.

By providing an answer to the ever-growing need for experts—technicians and educators—which this program has in mind, we will be providing a counterforce to the millions of Communists planted around the world, sowing the seed of communism.

A very fine article written on this subject entitled "Peace Corps—Two Way Street," appeared in the Christian Science Monitor several days ago. It was something I had not seen before. It deals with the training of Peace Corps members. The writer, James N. Goodsell, stated that what he saw was encouraging, that most of the members were good, solid examples of the best type of youth America has to offer. I ask unanimous consent that the article may be printed in the RECORD following my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. WILEY. Mr. Goodsell refers specifically to the group that is going to Colombia, South America, and he concludes with the thought that the South American villagers will be helped to a better life and, more than that, the Americans will be able to understand the wants and desires of people who have had less opportunity to share in the abundance that has characterized the growth of society in the United States.

I also ask unanimous consent that there may be printed in the RECORD following my remarks an article entitled "Peace Corps Job Will Be To Educate World's Peasants," from the Chippewa Falls (Wis.) Herald-Telegram, my own local newspaper.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 2.)

EXHIBIT 1

PEACE CORPS—TWO-WAY STREET

(By James Nelson Goodsell)

NEW BRUNSWICK, N.J.—One of the young men seated around the snackbar table spoke up:

"I don't really know the full reason I'm here—but in a way I guess it is a feeling that someone's got to try to bridge the gap between those of us who have had opportunities and those who haven't."

It was a young Peace Corps trainee talking—one of 81 young American men who are training here at Rutgers University for a project that will take 64 of them from the United States for 2 years while they live and work in the fertile, yet rugged highland valleys of central Colombia.

One of the older members of the group (who is 27) said he thought the Americans selected for the project would be able to make something of a contribution to "help Colombians overcome some of their problems," but he added quickly: "I suppose I'll get as much out of it as I put into the project."

Another of the trainees interjected: "I've been wondering a little if maybe we won't be getting more out of the 2 years than we are able to help."

Whoever gains from this experiment in binational living, one thing is certain: The problems which the Peace Corpsmen chosen from the Rutgers group are going to face in Colombia are immense and any contribution the group makes will be important.

The Colombian project is one in community development. Colombia, a nation whose independence came only 25 years after that of the United States, is a much-tortured Latin American land of 14 million persons, where the average annual income is under $300 a person. More than half of the population lives off the soil, many of them in tenancy conditions and most of them in below-standard arrangements. This is not an underdeveloped land, but rather maldeveloped. For there is great wealth, large and booming industrial cities, and one of the more stable democratic governments in Latin America. The sharp edge of poverty has been blunted in parts of the country by enlightened regional development schemes and the prosperity of industry in some of the cities.

But Colombia's problems are still immense. The Peace Corpsmen who will work in small communities far from the big cities and deep in the rugged interior of Colombia will need jack-of-all-trades resourcefulness, for they will be tackling problems of general poverty, low production, poor sanitation and health standards, land misuse, and a host of others. Together with more than 50 young Colombians—now undergoing similar training near Bogotá, Colombia's capital—the American volunteers will help build schools, roads, sanitation facilities; lay water and sewage pipelines; drill wells; organize youth clubs and community programs; work out more efficient farm production methods; and train others to do the work they are doing.

But perhaps most important of all these American volunteers will have opportunity to make friends and to share ideas with Colombians whose opportunities have not been so great, but whose willingness to work and grow and develop is just as great.

Much of the training I have witnessed here for several days is aimed at making the Peace Corps volunteer as prepared as possible for his 2-year stay in Colombia. But the individual American's own ingenuity will probably be most important in the long run.

Classes are being held in a wide variety of fields—taking up most of the waking day for the 81 trainees. Spanish is a key factor in this program. While many of the group had Spanish in high school or college, most of them require extensive work in language—so much so that some of the program officials want to extend the 8-week training period, which ends the last week in August, for another week.

Colombian history, culture, and government are being taught by two specialists in the Latin American field: Profs. J. Leon Helguera of North Carolina State College and Frederick B. Pike of the University of Notre Dame. In this connection, I came to Rutgers to assist them in presenting a brief look at 16th- and 17th-century Colombian history—and gave two formal lectures and then spent a number of hours talking informally to the trainees.

What I saw was encouraging. On the basis of a brief stay it seemed to me that the overwhelming majority of trainees were good, solid examples of the best that American youth has to offer. Courteous to the extreme, they seemed full of fun and good spirits. Most of those with whom I spoke said they were not sure of the reasons they signed up—although still feeling it was a right decision. But many said their parents were opposed to it.

Most of those in training had either completed university or were midway through the 4-year program. A few were high school graduates; several others had gone beyond the B.A. degree for graduate work.

The trainees represent 35 of the States; they come mostly from middle-income backgrounds, although a few are from wealthy homes; and probably the majority of them are from Republican homes—this latter an impression I received from talking with about half of the group. Unofficially, the group's religious orientation—which is not a test of their qualification for the Peace Corps—was an interesting average of this Nation's overall breakdown: 23 Roman Catholics, 3 Jewish, 2 Christian Scientists, and the rest (53) Protestant.

Administering this pilot Peace Corps project is the Cooperative for American Relief Everywhere, Inc., better known as CARE, which in collaboration with the Colombian Government and with the financial underwriting of the Federación Nacional de Cafeteros de Colombia (the National Federation of Coffee Growers of Colombia), recently embarked on a community development program for Colombia. The establishment of the Peace Corps and the sending of American volunteers to Colombia fit neatly into the CARE program.

The actual villages into which the trainees will go are being selected carefully. In these villages, the Peace Corpsmen will find illiteracy rampant—2 years of schooling is about the most that villagers can hope for—and they will encounter a way of life that has allowed for little amusement and sport. But the people the Peace Corpsmen will encounter, in the carefully selected areas, are by nature quite friendly and outgoing.

And it may well be that the really lasting effect of the Peace Corps experiment will be a two-way affair. These Colombian villagers will be helped to a better life; but, equally importantly, the American volunteers will be helped to better understand the wants and desires of people who have had less opportunity to share in the abundance that has characterized the growth of society in the United States.

"Perhaps," said one of the many special lecturers brought to Rutgers to talk to the trainees, "your most significant contribution will be what you can convey of the country and people of Colombia to your countrymen at home."

EXHIBIT 2

PEACE CORPS' JOB WILL BE TO EDUCATE THE WORLD'S PEASANTS

(By Frank N. Manitzas)

(EDITOR'S NOTE.—U.S. Peace Corps workers heading for Chile this fall will team up with a Chilean organization already busily at work among the nation's peasants. Because the organization is controversial there have been some misgivings, though few take issue with the aims of the Corps. Last of four articles on Peace Corps missions.)

SANTIAGO, CHILE.—Slowly but steadily, a young organization is literally building new hope among Chile's uneducated rural laborers and peasants.

It is the Institute of Rural Education (IER), whose self-help program made it a natural choice to be among the first to work with the U.S. Peace Corps.

Some 40 young U.S. men and women—average age 23—will arrive here in October. Their job will be to pass on knowledge of agriculture techniques, improved housekeeping and nursing practices, engineering skills, and health standards.

Generally, the Volunteers for Peace—as they are called in Chile—will help those with little, if any, formal schooling to learn to live better.

The Peace Corps will find some supporters and many doubters. They also will face additional obstacles, for the institute is controversial in Chile. Some U.S. officials at the Embassy gave expressed misgivings on that score.

No one publicly objects to the institute's goal: "To mold a new spirit, encourage progress, and educate people toward better living standards."

Nor does anyone protest at length about the function of the Peace Corps: "To make available a pool of trained manpower to help other countries meet urgent needs."

However, there are complaints. The major ones voiced here against each organization are: "They should mind their own business and quit trying to change everything. They do more harm than good by stirring up everyone."

The reform-minded IER does not find much verbal support from the Chilean Government, although by law it receives financial aid. Because of unknown political and tangible results of the Peace Corps projects, there were sighs of relief from President Gorge Alessandri's Government when the volunteers agreed to work on a private-contract basis.

Both Governments are legally on the outside looking in, as advisers on the 2-year pact signed by the IER and the 34 universities making up the Indiana Conference of Higher Education. Notre Dame is the controlling university.

Officially, the institute is nonsectarian and nongovernmental in operation. Besides receiving approximately 65 percent of its $500,000 annual budget from the Government, the IER said 20 percent more comes from Roman Catholic Church organizations. The International Cooperative Administration provides about 10 percent, and private contributions make up the rest.

The Roman Catholic Church does take an interest in the IER, but has no control, said Jaime Larrain, president of the institute. A wealthy landowner, Larrain draws criticism for his stanch views on the controversial subject of agrarian reform. He sold some property recently for a Government land redistribution project.

The Peace Corps' big job will be to help educate the peasants. This is a field in which the institute has achieved a notable record for 5 years.

Chile's literacy rate is one of the highest in Spanish-speaking countries. But 20 percent are unable to read and write, and another estimated 20 percent are classed as semi-illiterate, having completed less than 3 years formal schooling.

Approximately 400,000 children are not receiving the state-required minimum education this year because of insufficient teachers, school facilities, and family income.

To fill this gap, the institute steps forth with what it calls central camps, periodicals with self-teaching and self-construction ideas and a highly successful 15-minute daily educational radio program.

At Malloco, a town of 2,500 only 16 cents and 25 minutes by bus from Santiago, the IER has a leader's training course. There, Peace Corpsmen will receive final briefings.

Also at Malloco, and at 10 other camps throughout Chile, the IER conducts beginner's courses. With reading and writing—because many are illiterate—the students are exposed to handicrafts, Chilean history and moral and physical well-being.

Peace Corps volunteers working the central camps will find no courses in physics, chemistry, or biology. But there is carpentry, and instruction on proper uses of sprays and fertilizers, weeding and pruning, health care, sanitation, home nursing, and the like.

Almost half of Chile's 7,340,000 people are the target of the IER and the Peace Corps. These live in the rural areas, where many listen to the radio programs providing instruction for some 60,000 students.

Said Hernan Poblete, director of the radio school: "We wondered how effective our programs were, so we took a poll. Look at this from Choapa (a town in drought-stricken Coquimbo Province). A school with 159 students and only 1 book—the personal property of the teacher. And in the south near Valdivia, a teacher wrote: 'We have no books, no tools, no crafts, no land, but we have a radio and so we learn.'"

Of the 2,670 students to complete the institute, 125 have been made leaders.

"If it is to help people, we do it," said Santos Rojas, 25, leader of the Santiago district.

Rojas tours the countryside by bus, by horse, by foot. He and others helped create more than 400 youth clubs which specialize in various self-education programs. He has no expense account and lives on his $100 monthly salary.

Mr. MANSFIELD. Madam President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLARK. Madam President, I ask unanimous consent that the order for a quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MANPOWER DEVELOPMENT AND TRAINING ACT OF 1961

The Senate resumed the consideration of the bill (S. 1991) relating to the occupational training development, and use of the manpower resources of the Nation, and for other purposes.

PRIVILEGE OF THE FLOOR EXTENDED TO ADDITIONAL STAFF MEMBERS OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. CLARK. Madam President, I ask unanimous consent that during the consideration of S. 1991 additional staff members of the Committee on Labor and Public Welfare may be accorded the privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CLARK. Madam President, I ask that the Senate proceed to consider the committee amendment.

The ACTING PRESIDENT pro tempore. The committee amendment is in the nature of a substitute, and is now open to further amendment.

Mr. CLARK. Madam President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. CLARK. It is my understanding that all appropriate legislative procedures have been taken so that the committee amendment may now be considered as the bill before the Senate. Is that correct?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. CLARK. I thank the Chair. The bill, S. 1991, sponsored by the Kennedy administration and reported unanimously by the Committee on Labor and Public Welfare, is an effort to give further legislative authority to the policy directive contained in the Employment Act of 1946, from which I quote in part:

DECLARATION OF POLICY

SEC. 2. The Congress hereby declares that it is the continuing policy and responsibility of the Federal Government to use all practicable means consistent with its needs and obligations and other essential considerations of national policy, with the assistance and cooperation of industry, agriculture, labor, and State and local governments, to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power.

That retraining is an essential tool in the effort to find jobs for idle workers is, I think, admitted by all, and certainly is elaborately established in the extensive hearings before the Subcommittee on Employment and Manpower of the Committee on Public Welfare of which I have the honor to be the chairman.

The importance of retraining has also been stressed by the President of the United States in the message on this subject which he sent to Congress earlier this year.

Let me stress at the outset that the bill proposes no utopia. If the bill should be enacted, it will not solve the unemployment problem which continues to plague us. It will, I am confident, result in the retraining of many Americans in skills which will enable them to get jobs which are not available to them at present. But we shall have to do much more than to pass the bill in order to reduce unemployment in the United States to acceptable levels. The bill will, however, start a program to provide new skills for some of the unemployed, so that they can go back to work.

The President stated last fall, and it has been reiterated by many others since, that it will be necessary to find 25,000 new jobs each week for the foreseeable future, in order to bring unemployment down to acceptable levels. That is a gigantic task. The bill, if enacted, will help significantly.

The need for the new jobs arises from two major factors: The first is automation and technological developments, which displace the jobs of many workers; the second is the very substantial increase in the labor force due to the increase in births and the decrease in deaths which have occurred since the end of World War II. The bill would attack this problem in the following way:

First, the Secretary of Labor is directed to find out where job opportunities are. This is a most important part of the proposed legislation and is set forth in full in title I. We do not really know today what our manpower requirements are. We do not know really what skills are in short supply. We do not know what the requirements for everything from ditchdigger to nuclear physicist are likely to be in the years ahead. In short, we do not know how to staff freedom, man our economy to meet the worldwide challenges it faces. Title I of the bill directs the Secretary of Labor to find out how to staff freedom. Having found where job opportunities are likely to exist, the Secretary will then set to work to find people and to train them to meet those employment opportunities. Through tests, interviews, and guidance, he will develop a corps of workers whose skills can be upgraded. He will provide skills for those who do not have them at present. He will retrain unemployed and underemployed workers in skills where his studies have shown that job opportunities are available.

Having done that work, he will turn to his colleague, the Secretary of Health, Education, and Welfare, and to the State vocational training agencies, and will ask them to create training courses to give those people the skills they need in order to fill the job opportunities, either actual or potential, which he has discovered.

Having done that, priority for training under the bill goes to those who have lost their jobs and are seeking work. But under the bill others are eligible, including those who wish to upgrade their skills, so as to become more useful members of the labor force.

The bill also provides—although at a lower priority than the one for those who have lost their jobs and are seeking to find new ones—for the training of younger people. The testimony before the subcommittee indicated the critical nature of the category of our younger citizens who no longer are in school, but have not been able to find jobs. One of the most shocking bits of evidence in this regard was produced in the course of a speech made by Dr. James B. Conant, who has devoted many years of his life to the development of our educational system in the primary and the secondary schools. His statement was with respect to a number of special studies he had made in large metropolitan areas. The studies indicated that the lack of job opportunities was demoralizing to those in many sections of our large cities; juvenile delinquency was on the increase; and young men and young women were roaming the streets, seeking work which they could not find. I cannot stress too strongly the importance of this part of the bill, although I repeat that this is what may be called a secondary objective, the primary objective being to retrain and find job opportunities for older members of the labor force who either are chronically unemployed or underemployed.

Let me explain what I mean by "underemployed." Much of real underemployment is in rural areas where adults, and youths, too, are living and working on family farms where the total cash income annually is $1,200 or less. We must move these people into the labor force; there is no future for them where they are. So the bill provides that, for the purposes of this act, individuals living on farms or in rural areas in economic units with a total annual cash income of less than $1,200, shall for the purposes of this act be considered underemployed.

I turn now to the weekly retraining allowances called for by the bill. This was a sensitive subject to which the subcommittee and the full committee gave very careful consideration. The administration had recommended a wide, across-the-board provision for retraining allowances. The committee was more conservative; and the bill provides that—with one exception, about which I shall speak later—retraining allowances shall be confined to payments to adult workers who are the heads of families and have been members of the labor force for 3 years or more, such payments to be in the nature of retraining allowances substantially the equivalent of the average payment of unemployment compensation which the same workers would have received if they had been drawing unemployment compensation in the State in which they reside.

The exception to which I refer is that when the Secretary of Labor finds it necessary, and I stress the word "necessary," under the bill he has limited authority to make retraining payments to unemployed youths. I can say on the authority of the Secretary of Labor that he intends to use this privilege sparingly. It is not thought that the total expenditures in this connection would exceed 5 percent of the total authorized allowance appropriations called for by the bill. But, Madam President, it is important that the Secretary of Labor have this

flexibility; otherwise, the training opportunities for unemployed youth will, in the opinion of the committee, be unduly restricted.

Madam President, the bill provides a substantial program of on-the-job training to be developed by the Secretary of Labor. The Secretary is very hopeful that this will turn out to be one of the most important aspects of the bill. The Secretary will solicit the cooperation of employers across the country, in industries in which there are job opportunities for development. It is hoped this on-the-job training can be provided to many thousands of Americans, as a means of retraining them in employable skills.

The bill also provides that to the extent that on-the-job trainees receive compensation from their employers, their retraining allowances shall be proportionately decreased. So, in no event in such cases could they receive in excess of what would have been the unemployment compensation in their States if they had been drawing unemployment compensation.

The bill provides for a 4-year life; it would phase out of existence on June 30, 1965.

The cost of the bill would be met, during the first 2 years, entirely by the Federal Government. Although the administration originally recommended that the cost of the program be met throughout its life entirely by the Federal Government, the committee felt otherwise; and the committee bill provides that during the last 2 years there shall be matching funds from the States, on a 50–50 basis, which we hope will more than double the number of individuals who can be trained and retrained in the third and fourth years.

Madam President, I stress the importance of a 4-year program. I understand that later an effort will be made to cut the program to 2 years. I believe that would be unacceptable to a very large majority of the committee, and I hope it will be unacceptable to the Senate. My reasons for making that statement are that if the time for the expiration of the bill were changed from June 30, 1965, to June 30, 1963, the effect would be practically to kill the program just as it is getting off the ground. The effect would be to require our committee and our subcommittee to start at the next session of Congress with new hearings, in order to develop more testimony to establish the need to continue the program further, at a time when the evidence will be slim indeed as to how effective the program has been. So I would urge my colleagues not to support an amendment to curtail the life of the program.

Appropriations to be authorized by the bill will be $90 million the first year, $165 million the second year, and $200 million the third and fourth years.

I stress that these authorized appropriations have the approval of the administration, which I am confident has given adequate consideration to the possibility of a deficit in the budget resulting from this particular authorization.

The bill contains an antipirating clause, intended to prevent the training provisions under the bill from making it possible for industry to move from one area to another.

There is a clause providing for maintenance of State effort.

There are incentives to encourage trainees to take retraining, instead of continuing to draw unemployment compensation.

There are standards laid down by which the Secretary of Labor can determine how to distribute the funds available for retraining among the various States. These standards, briefly, include the percentage of the total labor force in each State, and the percentage of total unemployment in the country and in each State, as criteria which the Secretary shall use in determining how to distribute the funds, under the program, among the States.

In conclusion, I stress again that this bill promises no Utopia. Its enactment would not solve the unemployment problem. The bill is not going to result in the retraining of all the citizens of the United States of America. But the bill will result in training and retraining enough to make a really significant start.

I yield now to the Senator from New York.

Mr. JAVITS. Madam President, I did not mean to interrupt the Senator. I had to attend a television program, and I was wondering when the Senator would complete his remarks.

I should like to say I think this is one of the most constructive bills that has been reported out of our committee during this whole session of the Congress. I think the Senator from Pennsylvania is entitled to great credit for his leadership in bringing out the report, because I think it goes to so fundamental a problem of our times, which is the urgent need to materially increase our productivity, and the fact that we are counseled by the Commissioner on Labor Statistics and other experts in this field that we need 25 percent more highly technical people, as of yesterday, if we are really to do the job which needs to be done.

Also, the great problem which we face in the world, aside from the security problem, is the problem of productivity. The real challenge is, Can we or the Russians bring about material improvements in the standards of living, health, housing, and education of the peoples of the world?

Those who stand on the floor and say we just cannot do it, we just do not have the money, we just do not have the resources, are not really talking in terms of dollar bills or pieces of gold. They are talking about production.

Here is a bill designed to materially increase the productivity of the United States. I think, in all fairness, it should be put to the country, not as another proposal that merely spends money and contains a Federal program, which some people like and some do not like, but as a measure directly pointed at the ability of our democratic, free society, to deal with a matter which is a maxim in totalitarian societies, and that is the effective training of our operatives, our people, for the productivity job which must be done.

We are very much behind in this effort. Apprenticeship training has not managed to keep abreast of the problem. Vocational high schools and the whole complex of that kind of training activity in the country have not kept abreast of the problem. This is one of the real major lags in the whole industrial area of our economy.

Mr. CLARK. I thank the Senator for his kind remarks. I welcome his support. I should like to have the RECORD note that he was one of the most effective members of the committee in helping to bring this measure to the floor.

Mr. JAVITS. Madam President, I call up my amendment identified as "8–11–61—P." I ask the chairman of the subcommittee to note that I have made a very slight revision in the amendment to make subsection (c) more precise.

The ACTING PRESIDENT pro tempore. The amendment offered by the Senator from New York, as modified, will be stated.

The LEGISLATIVE CLERK. It is proposed:

On page 29, line 2, after "SEC. 205." to insert "(a)".

On page 29, after line 12, to insert the following:

(b) The National Advisory Committee shall encourage and assist in the organization on a plant, community, regional, or industry basis of labor-management-public committees and similar groups designed to further the purposes of this Act and may provide assistance to such groups, as well as existing groups organized for similar purposes, in effectuating such purposes.

(c) The National Advisory Committee may accept gifts or bequests, either for carrying out specific programs or for its general activities or for its responsibilities under subsection (b) of this section.

Mr. JAVITS. Madam President, I should like to point out, for the benefit of the chairman of the subcommittee, that in submitting the amendment to one of our colleagues, it was suggested that the right of the National Advisory Committee to accept gifts and bequests ought to be specific as to the groups which are referred to in subsection (b). That is the only change which has been made in the amendment.

Mr. CLARK. Madam President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. CLARK. Will the Senator make a brief statement as to the desirability of this amendment?

Mr. JAVITS. I shall be glad to. The point of this amendment is to bring down to the plant, community, regional, or industry levels the concepts of the bill itself to enhance the productivity of the United States. It would obtain in respect of the work of labor-management-public committees on this local level, which could deal not only with the problems of retraining, and be extremely helpful in advising, but could also deal with problems raised by automation, which so many people feel results in the displacement of labor, and the need for reorienting labor.

They may deal with other deficiencies in terms of capability of the employee, so as to bring about improvement in efficiency. They may deal with transportation problems to and from plants, which often have a great deal to do with productivity. They may deal with problems of absenteeism.

I point out that this is an opportunity to duplicate a remarkable experience which we had in World War II, when we had 5,000 committees exactly like those described in this amendment, and which functioned in precisely the same way, in an effort, on the local level, on a volunteer basis, through cooperation with labor-management and public committees, to enhance the efficiency and productivity of the American productive effort.

The bill of the Senator from Pennsylvania [Mr. CLARK] gives us an opportunity for the establishment of a National Advisory Committee as a framework within which we can try to duplicate some of this very constructive experience.

Obviously, not all of the 5,000 committees were successful. The best information we have been able to get—and we have researched the matter very thoroughly—indicates that at least one-third, or about 1,500 were really effective in terms of what they were able to accomplish.

The reason for including subsection (c) in my amendment is that I am confident these committees on the local level can be self-sustaining in terms of their own great interest, in trade unions, municipalities, and companies in industry, and have such a local setup to which they can look for help in these very critical fields with which the bill of the Senator from Pennsylvania is concerned. So the amendment can only help. It is not complicated. It is not expensive. It is under the jurisdiction of the advisory committee which is already provided by the bill.

I have consulted with my distinguished colleague from Pennsylvania, and with other colleagues, not so much for the purpose of winning them over to the amendment as to sound out its effectiveness and the likeliness of its being worthwhile. I am very gratified to report the amendment has received well nigh universal approbation.

Mr. CLARK. Madam President, I have discussed the Senator's amendment not only with him but also with the Secretary of Labor and with other members of the committee. I am prepared to accept the amendment as a useful addition to the bill.

Mr. JAVITS. I am very grateful to my colleague. I pledge to my colleague that I shall work with him closely in order to see that it is implemented and is truly a useful element in the bill.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New York.

Mr. DIRKSEN. Madam President, I address a question both to the distinguished Senator from Pennsylvania and to the distinguished Senator from New York.

I note the language calls for the designation of the chairman of the committee by the Secretary of Labor. Generally speaking, an advisory committee has always been permitted to select its own chairman. I wonder why there has been a departure from that tradition.

Mr. CLARK. I can best answer my friend from Illinois by saying that we put the language in the bill this way because the Secretary of Labor wanted it this way.

It occurs to me, as a former administrator myself, that I would wish to appoint the chairman of any committee I appointed, so that I could be sure to have somebody to follow my own wishes. Also, as a result of my own administrative experience, I think I know perfectly well that the committee would elect anybody the Secretary wished to have elected anyhow. Therefore, I do not see any particular point in making a change. I certainly am not adamant about it.

Mr. DIRKSEN. I did not think the advisory committee was being set up particularly to follow the wishes of the Secretary of Labor. If it is an advisory committee, it is to advise the Secretary, not particularly to accept advice. For that reason, when an advisory committee consists of people identified with labor, with management, with agriculture and with the public, it seems to me in the best American concept to get the members into a room and let them select a chairman of their own.

Mr. CLARK. Madam President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CLARK. If the Senator wishes to propose an amendment which will call for the advisory committee electing its own chairman, I would not have the slightest objection. I hope the Senator will not do that.

Mr. DIRKSEN. Madam President, I am not going to press the point. I simply wish to make it abundantly clear that when there is an advisory committee and when the functions are set out, the committee is not to take advice from the Secretary but is to advise the Secretary.

If I wished to control the committee I would simply keep the provision in the bill, and let the Secretary designate the chairman. Then he will have his hands on the committee. That is the easiest way to control that I know of.

If this whole business is going to be articulated for the public benefit, then I think that concept ought to be spelled out precisely, and the committee ought to select its own chairman. That is not shadowboxing. I think that has been the consistent procedure ever since I can remember.

I still think this is a good idea. I am simply making the history. I am sure the distinguished Senator from Pennsylvania would resist the suggestion, and I am not going to press it, but sometime, when the ghost arises in the future, I can be sure we can point back to some spot in the CONGRESSIONAL RECORD to say, "The issue was raised."

Mr. JAVITS. Madam President, the appointment of the chairman of the advisory committee of course is not contained in my amendment, but is contained in the original text of the bill.

I sympathize with the viewpoint expressed by my minority leader. I really feel also it should be looked at in the terms of the function of the advisory committee. Some advisory committees review programs. The one which comes to my mind immediately is the advisory committee to the USIA. When there is a programmatic review by an advisory committee, it is a very important committee.

I rather think that my colleague will find this advisory committee will be far more involved with the implementation of the bill, with the way it is implemented.

I say to the Senator from Illinois that if one wishes to have a freewheeling advisory committee, one which will be self-starting, as it were—and those are generally thought of more in terms of advisory committees on policy rather than advisory committees on implementation—the Senator is correct. The Senator's concept is of an advisory committee on policy, and on this particular type of bill we do not have that type of committee.

With respect to the point raised, the Senator certainly is correct that one emphasizes the point when one permits the committee to elect its own chairman.

Mr. DIRKSEN. Madam President, some $455 million is to be provided under the terms of the bill, if my arithmetic is correct, for a period of 4 years. Contracts will be made with the States under title 2. That is a definite public interest. The States have an interest in this.

Such a program should not necessarily be controlled from the top by having the Secretary of Labor designate the chairman of the advisory committee. I am sure some of the people in Illinois would like to have something to say about it. I am only making the record now, because if the advisory committee is under control obviously the whole committee will go along with whatever is suggested by the Secretary. I am not sure that is always in the public interest, when one stops to consider the various State interests and local interests involved.

Mr. JAVITS. Madam President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JAVITS. Perhaps the Senator in charge of the bill now on the floor, will give this a little consideration, and perhaps will even talk to the Secretary of Labor about it. I agree with the Senator that I do not think it is a major problem, but if the Senator feels strongly about it, as he does, perhaps the Senator would give consideration to it and talk again to the Secretary about it.

Mr. DIRKSEN. As I indicated, I shall not press the point, but I have seen advisory committees come and go. When a particular person is selected to be the chairman he will run the show.

That may not be to the liking of some of my people out home, who may be affected by how the program operates. They will be asked to help raise the taxes to pay for the program, and I think they

ought to have something to say about it. I shall leave it to the chairman of the subcommittee as to whether that is a desirable change and whether it ought to be made. I shall not offer an amendment. I shall leave it up to the Senator.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New York.

The amendment was agreed to.

Mr. RANDOLPH. Madam President, the effective senior Senator from Pennsylvania [Mr. CLARK], the chairman of the subcommittee having jurisdiction over the pending bill, merits commendation for the leadership he has provided in this vital field which has to do with manpower and employment problems.

He has devoted effort to this subject, conducting hearings in Washington and throughout the country, and engaging in deliberations within the subcommittee and the Committee on Labor and Public Welfare. I am appreciative that I have had the privilege to serve with him in these endeavors.

Mr. CLARK. Madam President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. CLARK. I wish to note for the record the very great contribution that the Senator from West Virginia has made in bringing the bill out of the subcommittee into the full committee and to the Senate. The Senator from West Virginia was diligent in his attendance at hearings, and was outspoken in our executive sessions. His ideas were intelligent and were received perceptively by Senators. His interest on this subject goes back many years before consideration of the bill. He introduced a bill in the last Congress very similar to this bill. I know of no Senator who has made a greater contribution than has the Senator from West Virginia in respect to the proposed legislation which is now before the Senate.

Mr. RANDOLPH. Madam President, I am grateful for the gracious words of the distinguished Senator from Pennsylvania [Mr. CLARK]. It is our belief that the end product—S. 1991, the manpower and training bill—is a worthy, and, more importantly, it is a workable measure. I subscribe to the facts and the logic which characterized the opening statement so capably and forthrightly presented by the Senator from Pennsylvania. I join in underscoring these pertinent views of our Committee on Labor and Public Welfare in its report on S. 1991:

> There is agreement among all who have studied the problem that a substantial portion of unemployment exists because idle workers cannot be matched with available jobs. This structural unemployment will persist even when recovery from a recession is complete. The more rapidly our economy advances, the more rapidly do skills become obsolete. It is clear that combined Federal, State, local and private effort falls far short of the total need. Without an intensive nationwide program to provide opportunities for retraining, tens of thousands of worthy men and women will never be able to obtain the skills which will enable them to be self-supporting and to make their maximum contributions to the Nation's productivity. S. 1991 establishes such a program.
>
> Although the number of unskilled jobs in the economy remains approximately constant, the demand for skilled and semiskilled workers is constantly rising.
>
> Training for the unemployed is not a panacea for the problem of unemployment nor a cure for the malfunction of our economy. Training does not of itself produce jobs, except in extraordinary cases. Training will, however, raise the productivity potential of the economy and thus raise the potential limitations upon economic growth.
>
> The manpower problems to which this bill is addressed are national problems. While significant accomplishments have been made by industry, labor, and local government in dealing with dislocations that have occurred in certain areas, the total problem is too great for local capacities alone. Moreover, the labor market is a national market and if its needs are to be met national leadership is required.
>
> The Federal responsibility for assisting States in providing training opportunities for the unemployed or underemployed is clear. It is inherent in the declaration of policy spelled out in the Full Employment Act of 1946. S. 1991 is one method by which the Federal Government can meet the obligations imposed upon it by the Full Employment Act of 1946.

Madam President, this bill represents a conscientious desire to cope with one of the most serious domestic problems which presently faces this country; namely, structural unemployment. We know it to be a virulent and persistent type of unemployment which condemns millions of Americans to joblessness and privation, even during periods of national prosperity.

It is true that this legislation is being considered at a time when our economy appears to be recovering from a period of recession. But despite significant increases in the tempo of business activity and in the volume of total production, millions of workers continue to be unable to find employment.

Data by the U.S. Department of Labor indicates that during the month of July approximately 5,140,000 persons were unemployed. In addition, 3,200,000 individuals, although employed, worked only part time through no choice of their own.

They had a desire to work full time. They were working part time because full-time jobs were not available to them. For the eighth consecutive month the seasonally adjusted rate of unemployment—6.9 percent in July—was not significantly changed.

Perhaps the most important, and yet the most discouraging of all known facts is that the number of persons jobless for more than half a year continues to rise. In June, approximately 928,000 individuals had been unemployed continuously for 6 months or longer; in July that number had increased to 1,026,000.

There seems to be general agreement among those experts who have studied the problem that a substantial proportion of unemployment exists because idle workers do not have the skills necessary to enable them to qualify for available jobs. It is a fact, too, that these individuals do not have the financial resources to pay for whatever training they may need to equip themselves for different jobs. And even if they did, it would appear to be wasteful of money and effort for these persons to make unguided decisions concerning fields of endeavor in which to seek training.

Of course we know that a substantial number of those in the ranks of the unemployed never possessed any skills.

Certainly we know that automation and technological changes have made obsolete the skills of literally hundreds of thousands of Americans who desire to work. The same difficult problem is basic in both instances. The workers do not have any skills which are salable in 1961 under the type of economy that we have developed.

Unless persons in these categories acquire new skills the vast majority of them will remain jobless. The future of these individuals is extremely bleak unless constructive plans and programs are developed by which they can obtain the training and work experiences needed to acquire skills which will enable them to qualify for the types of jobs that are and will be available in our highly industrialized and ever-changing economy.

The pending proposal is designed to provide broad and integrated plans to help workers obtain the qualifications which will enable them to be self-supporting.

Madam President, the cost of unemployment cannot be measured solely by calculating the production lost to the Nation's economy because a given number of persons cannot find work, nor by totaling payments to the unemployed and their families, although these costs are high. A strong and prosperous country such as ours can afford these financial outlays, perhaps, but to do so without making affirmative efforts to solve the problem is to foster a shameful waste. Our country can and must become even stronger economically. We must attempt to make our jobless employable in places which fit their talents and, wherever possible, seek to help our unemployed broaden their skills; we must endeavor to place the absolute maximum number of our citizens in places of gainful employment in the United States.

Can we afford to see large numbers of our citizens doomed to economic failure, unable to share in the Nation's prosperity because they have not the opportunity to acquire skills which will permit them to share fully in the Nation's growth and well being of our people in general?

In my judgment, it is morally wrong and economically indefensible to tolerate these conditions. If we enact S. 1991 I believe we will have started a program which when fully developed will give a successful answer to the unemployment problem of this country.

Mr. PROUTY. Madam President, first I should like to express my appreciation to the chairman of the subcommittee for the courtesies he has extended to me and for reporting a bill which I believe is much better than the one originally introduced. My purpose in speaking today is twofold. First I wish to point out the need for the program in the proposed legislation, and also to justify an amendment which I shall offer later to reduce the program to a 2-year period instead of the 4-year period provided in the bill at the present time.

Madam President, there are today 5.1 million unemployed Americans. The seasonally adjusted rate of unemployment—6.9 percent in July—remained practically unchanged for the eighth straight month.

Unemployment rates for married men remain at high levels. There were 1.5 million married men without jobs in July 1961—4.2 percent of all such men in the labor force, as compared with 3.3 percent a year ago and 2.3 percent in 1957. In July 1961, about two-fifths of the jobless married men had been out of work for 15 weeks or longer.

PROBLEM OF LONG-TERM UNEMPLOYMENT

Long-term unemployment or continuous joblessness for half a year or more is one of the gravest parts of our present economic situation.

Long-term unemployment—15 weeks and over—was 1.6 million in July, nearly one-third of the jobless total. Among the long-term unemployed were 1 million persons who have been seeking work for more than half a year. This total was 600,000 more than a year ago and about equal to the postwar high reached in August 1958.

GROUPS HARD HIT BY LONG-TERM UNEMPLOYMENT

Among those with very prolonged spells of unemployment—27 weeks or longer—several groups stand out. Five may be noted in particular:

First. Men 45 years and over represented 30 percent of those out of work more than 6 months as compared with 25 percent of the civilian labor force.

Second. Semiskilled operatives, and unskilled nonfarm laborers made up about half of the very long-term unemployed in contrast to one-quarter of the civilian labor force. On the other hand, although white-collar workers constitute 40 percent of the labor force they make up only 18 percent of the long-term unemployed.

Third. Workers last employed in durable goods manufacturing represent only 13 percent of the labor force and yet they constitute 27 percent of the very long-term unemployed. The proportion of steel and auto workers out of work for 27 weeks or more was nearly four times their proportion in the labor force—11 percent as compared with 3 percent. Construction workers also represent a serious unemployment problem.

Fourth. Nonwhite workers accounted for 25 percent of the very long-term unemployed but they make up only 11 percent of the labor force.

Fifth. Persons with no previous work experience were 7½ percent of the very long-term unemployed although they represent only about 1 percent of the labor force. These are chiefly young workers seeking their first job.

These figures are a cold statistical profile of the problem of hard core unemployment that continues through good times and bad because the occupation may be dying, the skill no longer needed, the industry no longer competitive.

AUTOMATION

The story of America is filled with revolutionary changes in our industrial and economic life. Big problems follow in the wake of new industrial changes. It is one of these problems—the challenge of training men for a new industrial age—with which we are concerned today.

One of the forms of technological advancement that portends both good and evil is automation.

What is automation?

John Diebold, who coined the word "automation," has this to say, "when machines do a man's work, that's mechanization. When they do his work and control their own operations as well, that's automation."

Placing emphasis on instrumentation, electronics, and other precision operations, automation seems destined to create many new technician positions.

The first half of the 20th century brought into our society mass production methods which reduced the need for unskilled manual labor and created a demand for semiskilled workers to feed or manipulate machines. Now electronic devices can perform such tasks with greater speed and greater accuracy.

AUTOMATION IN MANUFACTURING

Production workers in manufacturing industries have been the hardest hit by automation. From 1948 to 1959 manufacturing production showed an increase of 53 percent. Yet, during the same 11 years, factory production workers decreased from 12.7 to 12.2 million.

It should be noted that in the last few years the threat of employee displacement from automation or technological change has been the focal point of disagreement in most major labor disputes—including those in the meatpacking, steel, longshore, and railroad industries.

Although I have spoken here principally of industry, I do not disregard the effect of automation upon agriculture. The development of synthetic fertilizers and growth regulators and the mechanization of farms have resulted in nearly a doubling of production per man-hour in agriculture in the last 10 years. More and more food and fiber are being produced by fewer and fewer people each year.

As we make the shift from manual and semiskilled employment to highly skilled work we must take every precaution to do so without undue hardships.

Nothing would contribute more to the morale of workers than their being freed of necessary but monotonous repetitive operations.

As Dr. Vannevar Bush once said:

> We should hold as a great social gain industrial changes that abolish inherently dangerous, burdensome, or monotonous jobs and replace them with jobs having variety and judgment.

NEED FOR AN EFFECTIVE DEPARTMENT OF LABOR AND U.S. EMPLOYMENT SERVICE

Madam President, an Office of Automation and Manpower has been set up within the Department of Labor to examine unemployment by area, occupation, and industry and to keep track of present and anticipated technological changes. It will consider and develop:

> Education and guidance programs to allow workers who may be displaced by automation to find new employment, without suffering a long period of unemployment. It will develop proposals for both training and retraining, for both placement and replacement of workers coming into the new economy, and of those who must change their places within it.

Of course, the U.S. Employment Service has the major responsibility for matching the jobless man and the manless job. An effective service would hold a great deal of potential for the economy.

It is said that we can, by filling four million jobs 10 days faster on the average than they would otherwise be filled, contribute the equivalent of 160,000 additional full-time jobs to the economy, which means the indirect contribution of still another 250,000 jobs. The Department of Labor contends that it would take $2 billion of capital investment to have a comparable effect in terms of direct jobs alone.

A simple way of stating this situation would be to say that if we get a job to a man or a man to a job 1 day earlier than would normally be the case, we make the same contribution to our economic system as we would in investing $50 in a new plant.

We must have an effective U.S. Employment Service. When the Service fails, when workers and employers lose confidence in it, the job and the man are not matched, and unemployment and hardship result.

A study conducted for the Senate Special Committee on Unemployment Problems a little more than a year ago revealed that skilled people generally shun the Employment Service. The highly skilled professional and white collar fields generally look upon the Employment Service as a "last resort." As a result, only a mere dent has been made in placement of professional, technical, and higher skilled trades.

In its report on the employment and manpower training bill now before us, the Senate Committee on Labor and Public Welfare acknowledges the weaknesses of the State employment offices and, in effect, concedes that if these weaknesses are not corrected the large-scale program envisioned by the training bill will be unsuccessful.

I believe a part of our difficulty today stems from the fact that we need a better understanding of the character of hard-core unemployment.

During the course of Senate hearings, I asked Secretary of Labor Goldberg:

> Do we really know how many structurally unemployed there are? How specifically can we locate them geographically?

Secretary Goldberg replied, in part:

> We have no precise measure of the number and geographic location of the structurally unemployed.

Pointing to the jobless problem among Negroes, I asked the Secretary of Labor:

> Do we know what percentage of the structurally unemployed are Negroes? How specifically can we locate them geographically?

Secretary Goldberg responded:

> Detailed information on the distribution geographically of unemployed nonwhites is not available.

If the Federal Government is to set up programs to train the unemployed, we

should at the very least be able to identify these people in terms of age, sex, race, education, training skills, and geographical location.

S. 1991: AN EXPERIMENT

Today funds are allotted to the States under the Federal Vocational Education Acts and the Smith-Hughes and George-Barden Acts. Few States use these funds for the training of unemployed. By and large, the Federal money is used by schools with long established programs of vocational education for young people. It is for this reason that the Committee on Labor and Public Welfare reported a bill designed principally to provide the types of training needed by older workers who seek jobs.

During the 86th Congress, as a member of the Special Committee on Unemployment Problems, I recommended that a new program for the training and retraining of workers be established. I voted to report the pending proposed legislation, and I do not shrink from the conviction I held a year ago that a new training program is desirable at this time.

Madam President, I digress to say that I believe this is the first time since I became a member of the Committee on Labor and Public Welfare that the committee has reported a bill of this kind unanimously.

S. 1991, the manpower development and training bill, authorizes a 4-year program of training terminating on June 30, 1965. Ninety million dollars is authorized for fiscal 1962, $165 million for 1963, and $200 million for each of the 2 succeeding fiscal years.

Because of the lack of knowledge the Department of Labor possesses with respect to the characteristics of the unemployed and because we are instituting under the bill's provisions an entirely new training program for the structurally unemployed, I question the wisdom of setting up the program on a 4-year basis.

We are beginning an experiment; and as a Member of the Senate, I want to know whether it is going to succeed before we make it a long-term program.

During the course of committee consideration, I offered, and the committee accepted, an amendment which specifically requires the Secretary of Labor to develop information concerning:

First. The number and types of training and retraining activities conducted under the act;

Second. The number of unemployed persons who secure full-time employment in fields related to such training or retraining; and

Third. The nature of such employment.

When the Secretary of Labor furnishes to Congress a year from now the information required by this provision, we will know what contribution the manpower and training bill has made to the unemployment and skilled shortage problems.

The Senate should have no part of any endeavor which builds up false hopes only later to dash them to the ground.

All training programs have not been successful. One of the most publicized was the program set up by the union and management at Armour & Co. after the closing of a meatpacking plant in Oklahoma City.

Armour's automation committee, consisting of company and union representatives, offered to finance the major part of training expenses for workers who could show an aptitude for a new job and who could demonstrate a reasonable chance of getting a new job if retrained. The Oklahoma Employment Service was called in to give aptitude tests and to furnish a group of personnel experts.

According to Sylvia Porter, these are the results of the experiment:

Of the 400 laid off at the Oklahoma City plant only 170 accepted the offer to be tested for retraining. Most of these had no jobs and no apparent prospects of jobs.

Of the remaining 230, some had obtained new jobs but the majority simply didn't care about going to school to learn new skills.

Of the 170 tested, the Oklahoma Employment Service found only 60 who showed the necessary aptitudes.

Of the balance—a majority of 65 percent—most just didn't have the basic intelligence or education to benefit from training and their best chance for employment, the Oklahoma Employment Service told them, was as common laborers.

Of the 60 who were found likely to benefit from retraining, 58 took advantage of the retraining offer and enrolled in a wide variety of courses ranging from typing to welding to real-estate procedures.

Miss Porter pointed out that while a few of the employees who were retrained obtained jobs in the fields of their choice, the overall results were far from satisfactory. She brought sharply to focus the plight of others who had gone through the training program:

Many, though, haven't been able to get work in the new fields and instead are working as janitors or in similar occupations at pay far below what they were receiving from Armour. Still others remain unemployed because there aren't enough jobs to go around in Oklahoma City.

The Armour experience is ample evidence of what can happen if we do not proceed with the utmost caution. The Armour committee tried to undertake the task of fitting a group of unemployed workers with skills for which there was little demand. James Wishart, research director of the Amalgamated Meatcutters, and a member of the Armour automation fund committee, spotlighted one of the key problems, saying:

Retraining for what? On a loose labor market you are just raising the educational level of the unemployed.

Samuel Lubell, nationally known political scientist and pollster, recently made a tour of nine cities in which he talked with unemployed workers about the bill to reduce hardcore unemployment by giving workers training. After his trip, Mr. Lubell concluded:

Some tough human and economic problems will have to be overcome if President Kennedy's proposal to retrain jobless workers is to succeed.

Mr. Lubell contends that most of the hard-core unemployed do not wish to be retrained. This is particularly true, he said, of those who have some seniority with their old companies. He quotes an older worker as saying:

If I went to work for a new company I'd always be the first one fired. This way, if I can hold on long enough, I'll get enough seniority to work steady.

Mr. Lubell cited examples of persons who wasted time and money retraining for jobs that did not exist. One 27-year-old worker told Mr. Lubell of the failure of his own retraining effort, in these words:

Last year I took $160 of my savings and enrolled in a night course in handling IBM cards. When I finished the course it turned out the tire companies were shifting from IBM cards to computers. Everything I was taught was worthless.

In a speech in the House of Representatives on July 10, Representative CURTIS, of Missouri, spoke about the Holland subcommittee hearings which he contends have brought out the inadequate performance of the Department of Labor and the Department of Health, Education, and Welfare in carrying out functions in the areas of training and retraining that have been their responsibility for years. I quote from his statement:

The two Departments have not been performing or coordinating their responsibilities—the one, for identifying, classifying, and providing word descriptions for the new skills that our dynamic economy is constantly creating, as well as the jobs that it is making obsolete; the other, for utilizing this data and assisting the vocational educational programs throughout our society to gear themselves to this rapid and ever-changing incident of progress.

No Member of Congress wishes to send to school a man with obsolete skills, simply to have him, at the expenditure of the taxpayers' money, acquire another set of obsolete skills.

It has been said that 25 percent of the long-term unemployed are on the edge of illiteracy. Mr. Lubell refers to these persons as misfits in a technological society.

In his testimony before the Employment and Manpower Subcommittee, Mr. J. T. Hammond, chairman of the Michigan Employment Security Commission, stated:

Unfortunately, while the employability of workers would undoubtedly be improved by retraining, there simply are not enough job opportunities to make an appreciable reduction in the number who would be reemployed after being retrained.

Mr. Hammond pointed out at the subcommittee hearing that retraining would do little for the more than 20,000 unemployed in Michigan who had not completed grade school, or for the 33,000 more who had not had any education beyond grade school, or for the 51,000 others who had started, but not completed, high school.

We are undertaking a large-scale program which I hope will enable many Americans to find remunerative and useful employment. The dollar investment we shall be making will not be small, by any means; and we have to face the cold, hard facts I have attempted to bring to light.

Madam President, it may well turn out that the problem of upgrading the skills of the labor force is going to bring much more of a challenge as a result of the new technology than will the problem of displacement and unemployment. The new technology for defense and industry is going to require a higher order of skills than workmen have ever known.

I am very pleased that the Senate is addressing itself to the national manpower problem; but in view of the many uncertainties I have cited, I urge that we build slowly, but surely, a sound training and retraining program for the future.

I shall, therefore, offer an amendment which will make the training and retraining activities a 2-year program, rather than a 4-year program.

The situation we are in at this moment calls to mind a story which Under Secretary of Labor Willard Wirtz tells of three stonemasons of Chartres who were asked by a passerby what they were doing. The first answered that he was cutting stones; and the second that he was making a living; but the third replied, with a smile of quiet satisfaction: "I am building a temple."

I do not advocate that we take the nearsighted view; but I do suggest that before we contemplate building a cathedral, we must have a solid foundation.

The people who will enter the working population in the sixties have already been born, but many of the jobs they will obtain have not yet been created. Indeed, many of the skills of 10, 8, or even 2 years hence are not even known today. Let us have a 2-year program. Let us study the results and be prepared to accept whatever adjustments in our thinking later facts may require.

We are on the threshold of a new and different industrial age. By 1970 the labor force will increase from 73.6 million to 87.1 million. This jump in the number of workers will be by far the largest for any 10-year period in our history.

As we face the new age and the new challenges, we must recognize that research, engineering, and—yes—craft skills will be essential, not only to our prosperity, but also to our survival.

I urge the adoption of the pending measure with the amendment I have suggested and one or two others which I shall submit at a later time.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. RANDOLPH in the chair). Does the Senator yield?

Mr. PROUTY. I am glad to yield.

Mr. AIKEN. I wish to compliment my colleague on his very informative address in relation to the manpower training bill which is now before the Senate. For a long time I have been very well aware of his great interest in manpower training and his recognition of the necessity for it. I am also well aware of the work which he has done as a member of the Committee on Labor and Public Welfare in securing certain provisions in this bill which are of particular interest to the less populated States of the Union.

I have been over the amendments which he intends to offer. I believe they will greatly improve the bill, and I hope the Senator in charge of the bill on the floor will see fit to accept them.

Mr. PROUTY. I thank the Senator for his kind remarks. I know he has been equally interested in this problem and will do his utmost to find a solution for what at times seems to be an insoluble situation.

Mr. President, I yield the floor.

Mr. McNAMARA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McNAMARA. Mr. President, I send to the desk an amendment, which I offer and ask to have read.

The PRESIDING OFFICER. The amendment offered by the Senator from Michigan will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 25, line 8, to strike out the period, and insert a colon and the following:

Provided, however, That in any week an individual who, but for his training, would be entitled to unemployment compensation in excess of such allowance, shall receive an allowance increased by the amount of such excess.

Mr. McNAMARA. Mr. President, the purpose of the amendment is to correct what appears to be an inequity, or perhaps an oversight, in the presentation of the bill dealing with unemployment compensation for trainees. It provides, in some instances at least, that trainees would receive less for participating in the program than they would on unemployment relief. Therefore, I hope the amendment will be adopted. I hope it will be satisfactory to the chairman of the subcommittee who is handling the bill on the floor.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. CLARK. The Senator from Michigan is correct. It is an oversight. I am happy that he has offered the amendment. He is a member of the subcommittee, and also the full committee, and is fully cognizant of our problems.

As he has said, the bill as presently drawn, through an oversight, might result in a person being penalized by taking training, because he would receive less while in training than he would if he stayed on unemployment compensation payments. Since we want to provide an incentive for workers to take training under the program, rather than a discouragement, I think the amendment is in order, and I am happy to accept it in behalf of the committee.

The PRESIDING OFFICER (Mr. BURDICK in the chair). The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CLARK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROUTY. Mr. President, I send an amendment to the desk, which I offer and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Vermont will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 27, in line 5, to strike out the words "six months" and insert in lieu thereof the words "one year".

Mr. PROUTY. Mr. President, this amendment would prohibit an individual who refuses to accept retraining from receiving training allowances for 1 year after such refusal.

The language of the bill contains a loophole which would be closed by the adoption of my amendment.

Under the present language of the bill, a person refusing retraining could not receive training allowances for a period of 6 months following such refusal. However, in most circumstances, a person refusing training would be drawing unemployment compensation and the 6-month limitation could be satisfied while the individual was receiving unemployment compensation benefits. Thus, in most cases, the penalty for refusing training would be meaningless.

By substituting "one year" for "six months", my amendment would prohibit for 1 year training allowances being paid to an individual who had refused training following such refusal, so as not to allow the period during which unemployment compensation benefits are received to completely satisfy the prohibition on receiving training allowances.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. CLARK. While I am satisfied that the 6 months' penalty period as presently contained in the bill is really adequate for all practical purposes, nonetheless I concede that the Senator from Vermont is making a point, and I am happy, on behalf of the committee, to accept the amendment.

Mr. PROUTY. I am very grateful to the Senator from Pennsylvania.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont.

The amendment was agreed to.

Mr. PROUTY. Mr. President, I have another amendment, which I offer and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Vermont will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 25, line 13, to strike out the period and insert in lieu thereof the following:

Provided, That in no event shall the payment to such an individual, when added to

the amount received from the employer, bring the total to more than the average weekly unemployment compensation payment referred to above.

Mr. PROUTY. Mr. President, this amendment would add a proviso to section 203(a), with respect to individuals undergoing on-the-job training.

The purpose of this amendment is to limit the training allowance paid to an individual undergoing on-the-job training to an amount, which, when added to the payment from the employer, will not exceed the average weekly unemployment compensation payment.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. CLARK. A few moments ago, while the Senator was temporarily out of the Chamber, the Senator from Michigan [Mr. McNAMARA] pointed out that the bill as presently written, on page 25, refers to payments which shall be measured by the average weekly unemployment compensation payment in the State. The phrase "average weekly unemployment compensation" is on lines 4 and 5. The Senator from Michigan pointed out that this might do an injustice to workers seeking retraining whose unemployment compensation payments were higher than the average, and might thus act as a deterrent rather than an incentive for taking training courses. Accordingly, an amendment was adopted which provides that in any week an individual who, but for his training, would be entitled to unemployment compensation in excess of such allowance, shall receive an allowance increased by the amount of such excess.

The same phrase "average weekly unemployment compensation payment" appears in the proviso which the Senator has proposed as an amendment. I have no objection to his proposal, which I think is entirely in order. I am willing to accept it, but I ask the Senator to agree with me that staff representatives may confer to be sure that the use of that phrase in the Senator's amendment will not destroy the amendment previously adopted, sponsored by the Senator from Michigan.

Mr. PROUTY. I shall be happy to accede to the Senator's wish. I certainly do not desire to upset what has been done.

Mr. CLARK. Under those circumstances, I am happy to accept the amendment of the Senator from Vermont.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. PROUTY. Mr. President, some time very soon I shall offer an amendment which would cut the program back to 2 years instead of the 4 years contemplated by the bill. I should like to have a yea-and-nay vote on that question. I think that if it is agreeable to the distinguished chairman of the subcommittee, we should have a live quorum. I understand some Senators are away.

Mr. CLARK. Mr. President, will the Senator yield for a suggestion?

Mr. PROUTY. I yield.

Mr. CLARK. I suggest that the Senator call up his amendment; that thereafter we have a quorum call and have the yeas and nays ordered; and that then the Senator speak to the amendment. Of course, if the Senator would like to have a live quorum, I shall have no objection, but I suggest perhaps it is not necessary.

Mr. PROUTY. I would prefer to have a live quorum. I shall speak very briefly on the amendment, and I would like a number of Senators present so that we will have an opportunity to evaluate the proposal I am advancing.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CLARK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG of Hawaii. Mr. President, I should like to ask the chairman of the subcommittee a question, and then offer an amendment.

Page 33, line 2, of the bill extends the provisions to the District of Columbia, to Puerto Rico, and to the Virgin Islands. I wish to know whether there was any reason why Guam was omitted. Guam has a far greater economy and a larger population than the Virgin Islands.

Mr. CLARK. Mr. President, without attempting to discriminate between two splendid appendages to the United States, the Virgin Islands and Guam, I admit the exclusion of Guam was a pure oversight. We have conferred with the Secretary of Labor, and I shall be happy to accept an amendment, if the Senator from Hawaii wishes to offer one, which would include Guam at the appropriate place.

Mr. LONG of Hawaii. Mr. President, I ask unanimous consent that the bill be amended on page 33, line 2, by changing the period after "Virgin Islands" to a comma, and adding the words "and Guam."

Mr. CLARK. Would the Senator mind if I rephrased the amendment?

Mr. LONG of Hawaii. Not at all.

Mr. CLARK. Mr. President, I shall be happy to accept an amendment by the Senator from Hawaii which would be, in line 2, on page 33, to strike the word "and" and to strike the period after the word "Islands", and to insert thereafter "and Guam."

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 33, line 2, it is proposed to strike the word "and", to also strike the period after the word "Islands", and to insert a comma and the words "and Guam."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Hawaii.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open for further amendment.

Mr. McCARTHY. Mr. President, the retraining bill offers a realistic approach to the problem of training and retraining workers for occupations which will be needed by our growing economy. As Senators know, in the past there has been considerable criticism of training programs because they were inflexible and not related to current or future employment opportunities. Educators and others concerned with training programs have been criticized because they were unable to justify their training programs in relation to occupational changes occurring in the world of work.

A basic aspect of this bill is found in the directive to the Secretary of Labor to develop, compile, and make available information regarding skill requirements, occupational outlook, job opportunities, labor supply in various skills, and employment trends on a National, State, or area, or other appropriate basis which shall be used in the educational, training, counseling, and placement activities performed under this act.

One of the basic provisions of this bill is that it directs the Secretary of Labor to appraise the manpower and skill requirements of the Nation. The Secretary is directed to determine the number of workers that must be trained annually to meet future needs. In order to do this, it will be necessary to find out how many workers there are now in each key occupation, the growth potential of these occupations as affected by automation and other technological changes, the different rates of growth expected among industries employing workers in these occupations, and replacement needs in individual occupations, as well as other aspects of the problem.

For a long time there has been a serious gap in our knowledge about our working population. One can open the Statistical Abstract of the United States and learn, for example, that on January 1, 1961, there were 28,688,000 stock sheep and 55,305,000 hogs in this country; yet, we do not know with the same exactitude how many tool and die makers, electricians, or physicists we have.

Too few people realize that the only comprehensive detailed occupational statistics in this country are those collected every 10 years in the decennial census of population. The data from the decennial census, even when first available, are about 2 or 3 years old and are about 12 or 13 years old before the next set of data is published.

As a part of the responsibility of the Secretary of Labor under the proposed act, he will also be expected to appraise the adequacy of the Nation's manpower training efforts. With the detailed occupational information developed from national manpower appraisals we shall be able to gear training and retraining programs to the requirements of the economy as well as to individual needs, and we shall be able to do a better job of matching manpower with the new re-

quirements of our dynamic economy. Training and retraining programs which are based on appraisals of national skill needs cannot be criticized as wasteful or futile. They will, of necessity, be flexible because they will be geared to changing national manpower requirements. With some information on supply and demand for labor, we can avoid the tragic mistake of training workers for nonexistent jobs.

Again, I stress that this bill offers a practical approach to the difficult problem of utilizing our workers—both the employed and the unemployed—to their fullest productive capacity. It is for this reason that I urge my colleagues to join me in supporting this necessary and worthwhile legislation which is being considered by the Senate.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CARROLL. Mr. President, the bill before us today, S. 1991, the Manpower and Training Act of 1961, is of great importance to our economy and to our Nation.

For if our economy is to grow and produce at the peak of efficiency—and in today's struggle for freedom we can do no less—it is vital that our manpower resources be properly trained and that our skills be fully utilized.

We have seen in recent years a growth in the number of the permanently unemployed. These are workers who—because of automation, shifts in consumer demand or industrial location—are unable to find employment. Their skills have become obsolete or unneeded.

Mr. President, my own State of Colorado, with an overall rate of unemployment at 3.9 percent for June of this year has, within its economy, areas of persistent unemployment.

The coal mining area of Trinidad and Walsenburg has declined steadily since the end of the second war. With the shift in power demands from coal to petroleum products, most coal mines have closed and men who have spent their lives in the mining industry have lost their jobs. Increasingly automated operations in the few remaining mines mean even more miners must look elsewhere for employment.

The need for vocational retraining and placement in such cases as this should be clear. In fact, members of the Trinidad community have banded together in an attempt to create employment opportunities for examiners in the poultry industry. This story of this project is outlined in the following paragraph, taken from a recent letter of the Reverend George T. Andrews, S.J.:

> I want to thank you for the fine work you did on the area redevelopment bill, and especially for your successful efforts to have Las Animas County numbered among the chosen few. God knows we need it. But it's a long road from the enactment of enabling legislation to its practical application. In anticipation of favorable action of Senate bill No. 1, I was instrumental in organizing the Sangre De Cristo Enterprises to get employment for the people of this area. I am at Segundo where the Frederick Mine is located. Four hundred and fifty miners are out of the mines for good, and they hate to leave their homes to seek employment in Denver or Colorado Springs. But that's all they can think of except the possibility of the development of the Sangre De Cristo Enterprises. If you read the progress reports of the Sangre De Cristo Enterprises, you will see that we have the foundation of an industry here. It would be a good industry for Colorado as 85 percent of the eggs Coloradans consume are brought in from out of State. We have a good climate, good water, and an abundance of abandoned buildings that would make good henhouses on a commercial scale. The only thing we need is a retraining program for the miners and some Government financing for the henhouses.

I should like to emphasize to Senators the last sentence of this paragraph:

> The only thing we need is a retraining program for the miners and some Government financing for the henhouses.

With retraining and placement, men can, once again become productive contributing members of their community.

The problems experienced by the coal mining cities of Trinidad and Walsenburg are not unique. The metal mining industry has suffered a similar decline and such cities as Leadville have a significant percentage of workers who are permanently unemployed. These workers have skills, they are willing to work; but there is no work for them.

It was only yesterday that I talked on the long-distance telephone with one of the officials of the United Mine Workers of America. He said that in the State of Colorado about 6,450 men whose life work had been mining were out of work, and that the average age of those miners was about 49.

I am informed that there is a policy on the part of some industries in our State not to hire new employees who are over 45 years of age.

We in the Congress have appropriated almost $10 million for excavation of Colorado's Cheyenne Mountain in order to make the combat operations center of the North American Air Defense Command a "hardened" site. This will require the drilling out of the center of a huge mountain in order to place within it the great nerve center which will give us, we hope, security against surprise missile attack. This project will require a great deal of dynamiting and blasting. I asked the UMW official whether or not some of these hard-rock miners would find employment in that undertaking. He said they cannot be employed, because the people who are in charge of employing workers will not take men over the age of 45.

Obviously those miners need help in finding employment.

This is not only true in Colorado, but is also true all over the West. Many of the lead and zinc mines of the West are closed or are closing. In Colorado, within the last 4 or 5 years, 54 or 56 lead and zinc mines have been closed. There may come a time of national emergency when we will need these miners, and we will not have available the technically trained skill of the miners that we have today.

The other day we had before the Committee on Interior and Insular Affairs Mr. Philleo Nash, who has been nominated for the office of Indian Commissioner. I asked Mr. Nash, "What is your most important goal?" He said, "I want to do all I can to make the Indian community and the Indian himself an integral part of the American society." I asked him, "How do you expect to achieve this goal?" He said, "With a vocational training program." Therefore we must not only have a program for our unemployed, but also for other men who lack skills, and in whom we would try to create needed skills.

Why is this important? Over 5 million people are unemployed today, and many of them are unskilled laborers or are skilled in areas for which there is no longer a demand.

The first men to be knocked off the payroll in a time of depression or in the face of automation are the unskilled workers. This is why I am so strongly in favor of a retraining program. We must do our level best to have an intelligent retraining program not only for the benefit of the individual American citizen, but also to strengthen our national economic life.

I have indicated that the mining industry has suffered a decline similar to that in other industries.

There are skilled men who cannot find work because their particular skills cannot be utilized at this time. Therefore we must retrain them in different vocations.

Recently an important canning factory closed down in Mesa County. That is over in the area where uranium was first discovered. Also, a major sugar-processing plant in Delta is stopping operations. Delta is the adjacent county in Colorado.

Such shifts in industrial production mean that there are many workers in these areas who are left with skills for which there is no longer a demand.

The continuance of such extended hard-core unemployment is an economic luxury our Nation can no longer afford. The cost in terms of productive effort lost and of human hardship and misery gained cannot be exaggerated.

The President, in order to meet this problem, has recommended a new manpower development and training program. I use the President's own words: "to train or retrain several hundred thousand workers, particularly in those areas where we have seen critical unemployment as a result of technological factors, in new occupational skills over a 4-year period, in order to replace those skills made obsolete by automation and industrial change with the new skills which new processes demand."

This concept of vocational retraining, Mr. President, has received the approval of representatives of management and labor, and of both parties.

This program in itself will not solve the problems of structural unemployment. It is but part of the answer. Increased tax incentives for capital investment—a concept long receiving the support of myself and other Senators, and a part of the President's tax program—plus the recently approved Area Redevelopment Act of 1961 will give further assistance towards the goal of full utilization of our manpower resources.

Mr. President, recently I asked representative members of Colorado commerce and labor to prepare for me their

thoughtful comments on the bill before us today, S. 1991, introduced by Senator CLARK, the Manpower and Training Act of 1961.

These comments are well worth the attention of the Senate.

Mr. Dean T. Echols, general chairman of the Order of Railroad Telegraphers, system division No. 49, points out in his letter the importance of this measure. I quote an excerpt from his letter:

This bill, if passed, would be a blessing to many of our people who are out of work now and for those who will be out of work in the future, by providing them with the opportunity to receive training so they may once again become self-supporting by learning new skills and thus new employment.

The railroad telegrapher is a skilled worker. Unfortunately with the advent of automation unemployment is now developing among these railroad telegraphers. Mr. Echols says the telegraphers wish to learn new skills. Why? So that they can obtain new employment.

Another letter I have received is from Mr. Walter Olesky, chairman of the Colorado State legislative and educational board of the Brotherhood of Locomotive Firemen and Enginemen. He emphasizes that the need for training is felt not only by older workers. He says:

The Manpower and Training Act of 1961 is a long-overdue program, and should be put into effect as soon as possible. The apprentice training portion of this bill would greatly help in the younger group of our boys and girls to help them get skilled jobs which in the future will be the only way a person will be able to secure skilled work.

Mr. Richard E. Rhodes, secretary-treasurer of the Bakery Drivers and Salesmen's Union, No. 219, warns of the dangers of overtraining in certain skills:

Also, it seems to me that the first consideration should be not to overpopulate certain skills. This could be helped by a strong State agency where qualified personnel are testing and determining where people are qualified and what their capabilities can produce, with full approval of the national agency in all cases.

And Howard N. Yates, executive vice president of the Colorado State Chamber of Commerce, wisely reminds us of the importance of working with management on such a program:

I am certain that management is not unaware of its obligations as well as its concern for its own future and that a great deal is already being done by many companies on their own initiative.

Mr. President, I ask unanimous consent that the full text of these very thoughtful letters be made a part of the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE ORDER OF
RAILROAD TELEGRAPHERS,
Denver, Colo., August 7, 1961.

The Honorable JOHN A. CARROLL,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CARROLL: Responding to your letter of August 5, 1961, concerning the Manpower Development and Training Act of 1961.

Your letter was addressed to Mr. W. M. Epstein but I will take the liberty to answer as Mr. Epstein retired in March 1960, and I was elected as general chairman at that time.

Referring to the enclosed bill, S. 1991, I am very much in favor of its passage.

More than 200,000 railway workers were on the unemployment rolls in the later months of 1958. Of 308,000 who received unemployment compensation in the benefit year 1957–58, 147,000 were over 40 years of age. Many railway workers are employed in small towns, where there is no other employment, but where railway service has required skilled workers. In such towns, homes are often not for rent, and many railway employees have had to buy or build their own. When railroad reshuffling moves a service or a facility from such a town, the employees must move, transporting their families and household goods, and selling their homes at whatever price they will bring in a collapsing real estate market.

Our organization lost 2,400 members in 1960, largely due to automation and the closing of railroad stations. Many of these people are still out of work.

This bill, if passed, would be a blessing to many of our people who are out of work now and for those who will be out of work in the future, by providing them with the opportunity to receive training so they may once again become self-supporting by learning new skills and thus new employment.

Yours very truly,

D. T. ECHOLS.

BROTHERHOOD OF LOCOMOTIVE
FIREMEN AND ENGINEMEN, AFL–CIO,
Denver, Colo., August 12, 1961.

Senator JOHN A. CARROLL,
Senate Office Building,
Washington, D.C.

DEAR JOHN: The Manpower and Training Act of 1961 is a long overdue program, and should be put into effect as soon as possible. The apprentice training portion of this bill would greatly help in the younger group of our boys and girls to help them get skilled jobs which in the future will be the only way a person will be able to secure skilled work.

Unemployment in the railroad industry alone is a sad and distressing situation. Faithful employees who have devoted the best years of their life suddenly found themselves out of work, and insufficient age to enable them to retire.

The American Association of Railroads proudly boasts that within the next 10 years the number of employees in the transportation industry will be reduced to less than 300,000, which in 1946 was over 1,800,000.

Whatever you can do to urge passage of this bill providing for an extensive training program will be a big boost in the morale of the workingman in the various industries.

Thank you for your cooperation in this most important legislation.

Sincerely yours,

WALTER J. OLESKY.

BAKERY DRIVERS AND SALESMEN
UNION NO. 219,
Denver, Colo., August 15, 1961.

Hon. JOHN A. CARROLL,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CARROLL: Thank you for your letter of August 5, 1961, in which you requested my comments on Senate Report No. 651 to accompany Senate bill No. 1991. I appreciate your thinking of me and feel honored that you ask my opinion.

This problem I have studied before trying to give you my comments, thus the delay in the answer.

I have read the report through several times and find the aims as most beneficial to gain employment for those displaced by automation and those whose basic skills are so limited that their future is at stake.

It is my impression that a very strong committee must be appointed with the indictment to see that the Federal Government gets what it is paying for with a very close followup on the program after once established.

Also, Your Honor, that a close study be made so as not to train in a field that in itself will very soon become an automated classification whereby it will again be required to train over again in a short space of time.

Also, it seems to me that the first consideration should be not to overpopulate certain skills. This could be helped by a strong State agency where qualified personnel are testing and determining where people are qualified and what their capabilities can produce, with full approval of the national agency in all cases.

It seems to me a close scrutiny should be kept on any training program undertaken, where it could be on the job training to see that the Federal agency isn't subsidizing the payroll of an employer where it might become expedient to do one of two things: (1) replace the older worker who already has a hard time finding employment or (2) creating a glut on the labor market of a certain skill or skills. It is also most important to police an on the job training program to see that all requirements needed are being given to the trainee.

I recall as I am sure that the Senator does that when we were both discharged from the service we saw people training under the GI bill that weren't getting a full training program at all, but a subsidized payroll for the employer, and then the trainee ended up with no skill or trade of any kind. It is going to require a far better interviewing officer on the State level than we provided at this time—someone who is dedicated and not just holding down a job.

There were many abuses of the training programs after World War II, but this can be avoided by strong measures in the new program. I have in mind something like the Pipe Industry Committee of the plumbing trade where a very close cooperation is maintained with labor, management, and the apprentice training agency.

It is my impression that there might be some resistance on the part of management to this program on the basis they want to train people to their own methods. We have found this to be true where we offered to hold classes to try and improve the caliber and quality of the employees and members whom we represent.

I have gone into some detail which might lead the Senator to believe that I am opposed to such a program. Far from the truth, I wholeheartedly endorse it, but have pointed out a few areas which I think you could be most helpful in protecting not only the money involved but also those who are earnestly trying to improve their position and again become employable.

Realizing this program cannot be delayed for a long period of time, but is of eminent importance there will be flaws that will have to be met when they arise.

It is my sincere hope that this is of some help to you in your deliberations and again thank you for allowing me to be of some service to you.

As an afterthought, it seems that some safeguard be made whereby an individual could not train from one field to another, shopping around so to speak.

If I might be so unkind as to take more of the Senator's time, I would like to ask for your thinking on the subject of consignment selling in the baking industry? In today's Denver Post there is a leading story quoting Secretary of Agriculture, Orville L. Freeman, on the wheat situation in case of an emergency.

It seems senseless to me that we waste hundreds of thousands of pounds of baking products every day because of consignment selling. It appears this would be a real good time to stop this senseless waste.

There are tons of bread and bakery products being hauled to the hog farms in our city every week, yet we talk about people in this world going hungry. This is only caused by the competitive instability of the people in the industry.

Thanking you for your time and wishing you and Mrs. Carroll the very best of health that you may carry on in the fine manner in which you are representing we people in Colorado.

Sincerely yours,

R. E. RHODES,
Secretary-Treasurer.

NATIONAL FEDERATION OF
POST OFFICE CLERKS,
Washington, D.C., August 13, 1961.

Hon. JOHN A. CARROLL,
U.S. Senate Office Building,
Washington, D.C.

DEAR JOHN: This will acknowledge receipt of your letter of August 5, in reference to S. 1991. I am in full accord with S. 1991. It is quite a handicap to the employees with 15, 20, 25, and 30 years of service in a certain industry that their trade is specialized and they have to start from scratch again to learn a new trade on their own. I feel that some provision should be provided for these older employees to learn a new trade to develop their skills.

In the postal service we have automation, but it seems that the automation that we have is very unsuccessful in the degree that it has not caused any unemployment in the postal service. Instead they have increased the employment of employees cause the automation that is experienced in the postal service in the United States today was discontinued from the postal service in Sweden identical machinery in 1937 and also in Canada in 1954. For example, with the automation of machinery in Canada, they went in the red for five (3) years since the automation of machinery of trying to distribute mail by machines in which the misthrows of mail ran up to 33 percent or one-third of the mail volume had to be worked over again by the clerks on the distribution cases. Without automation of machinery to distribute mail as in the previous years prior to General Summerfield, the misthrows by clerical force was less than 1 percent of the total mail sorted per day. That is why I feel that automation in the postal service will never be perfected by machines to distribute the mails.

As per private industry, I heard of the case of Allis-Chalmers where over 5,000 employees were laid off work due to automation and also in the big meatpacking plants such as Swift and Armour and others. Automation has caused a tremendous amount of unemployment and we must have some means to help these people learn a new trade to develop their skills as it can't continue this way. As Walter Reuther said if automation continues in big industry and no work is found for these people, it will mean by 1964 we will have 10 million people unemployed in the United States and this is no good for our economy. If we are going to build our economy, we must have full employment and S. 1991 is a step in the right direction.

If I can be of any further help on this bill, please feel free to call upon me, and I would like to be kept informed on the progress of this legislation.

With warm and kindest personal regards, I remain,

Most respectfully yours,

MICHAEL ARDEN.

COLORADO STATE
CHAMBER OF COMMERCE.
Denver, Colo., August 15, 1961.

Hon. JOHN A. CARROLL,
Senate Office Building,
Washington, D.C.

DEAR JOHN: I have read completely the Report No. 651 from the Committee on Labor and Public Welfare concerning S. 1991.

What observations I now make are purely personal and not the official position of the State chamber as I've had no opportunity to present it to any of our committees. I shall, however, present it to George Weber of Sundstrand, vice chairman for national affairs of our legislative council.

Federal participation in vocational training has long been an existing pattern in such items as the Smith-Hughes and the George-Barden Acts. Insofar as this pattern could be followed, acting through local school authorities, it would, I believe, be best for the Nation.

Keeping as much activity as possible tied to State employment agencies would seem a wise course. I think there ought to be State advisory committees in every State that confer, study and advise the State directors of employment security in order to keep the program in harmony with local conditions and local labor-management understanding and cooperative endeavors. The State committees should be well balanced in representation, forgetting politics.

The matter of subsistence payment during training could open a Pandora's box of abuses if not properly surrounded with safeguards, plus stated penalties for fraud. The same concerning travel allowances.

Naturally, it would be wise to assure that full use be made of existing educational facilities such as after regular school hours and during school vacation periods.

I am certain that management is not unaware of its obligations as well as its concern for its own future and that a great deal is already being done by many companies on their own initiative.

Unquestionably, there are many unemployed but in the figures there is undoubtedly padding of the number of unemployable as well as those not really seeking work.

If the administration sincerely wished to create jobs, it should consider some of the simple tax adjustments that would materially bring out more investment capital that would be the basis for creating jobs.

So much for my personal thoughts on the subject.

Let's face it, JOHN, Government is striving to do everything for the people and, if you and your colleagues think that is good, then this Nation is in trouble.

Let's keep the responsibility of such a program as S. 1991 as close to the homefront as possible.

Yours sincerely,

HOWARD N. YATES,
Executive Vice President.

Mr. CARROLL. Mr. President, I wish to reemphasize my strong and vigorous support for this intelligent piece of proposed legislation. I hope it will receive the overwhelming approval of the Senate. Especially do I commend the distinguished senior Senator from Pennsylvania [Mr. CLARK], who is the leader of the endeavor to have this very effective bill passed.

Mr. CLARK. Mr. President, I thank the distinguished Senator from Colorado for his contribution to the debate and for his kind words.

DEPRESSED AREAS

Mr. DIRKSEN. Mr. President, in the course of the debate on the depressed areas bill, I observed that communities which probably would be designated as depressed areas would never know they were considered to be distressed.

I have noted an editorial entitled "Is Utah County Depressed?" published in the Deseret News, of Salt Lake City, on August 19, 1961, which comments upon the observation I made. I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IS UTAH COUNTY DEPRESSED?

Last year, when the Senate was debating the 1960 version of the depressed areas bill, Senator DIRKSEN charged that the legislation would provide Federal money "for communities that never knew they were distressed."

That criticism, plus others just as cogent, persuaded President Eisenhower to veto the bill that year. But this year there's a new President, who very early in this session of Congress signed a bill enacting a program not very different than the one Senator DIRKSEN criticized.

And, sure enough, Senator DIRKSEN's prediction could be fulfilled right here in Utah.

What resident of the Provo-Orem area considers that he is living in a depressed area? What Utahan considers that region of fine farms, neat homes, solid industries, general prosperity, and bustling activity to be a depressed area?

No one, as far as our survey of Utah County has been able to determine. Yet, Congressman DAVID S. KING, in whose legislative district Utah County lies, is scheduling talks this fall to determine whether the Provo-Orem area can qualify for Federal aid under the depressed areas redevelopment program.

There are, it seems to us, several reasons why bringing Utah County into this program would be unneeded, unwise, and uncalled for.

First, the depressed areas program is not intended in any way to cope with seasonal unemployment, which has been Utah County's chief problem.

Second, to qualify for Federal help under the depressed area program, a community must have a regular unemployment rate of 6 percent or more, and unemployment 50 percent above the national average in 3 of the preceding 4 years, 75 percent above the national average in 2 of the previous 3 years, or 100 percent above the average in 1 of the previous 2 years. According to Department of Employment Security figures, Utah County average unemployment has not come close to 50 percent above the national average in any of the past 3 years.

Third, under the act the local community is supposed to initiate any plan for redevelopment, submit it to the State organization, and then on to the Federal Government. No program has been submitted by the Provo-Orem area. Congressman KING's proposal to call a meeting of seven different Federal agencies, with others, to discuss the situation seems a backward—but, unfortunately, far too common—way to go about it.

Fourth, fundamentally, the depressed area program is intended to rehabilitate areas that have lost their basic industry or other economic base. Certainly that has not happened to Utah County.

In view of these facts, one doesn't suppose Utah County will seek the Federal help available under the depressed areas program of up to 65 percent of the cost of loans for redevelopment. Its people and industries themselves are doing a good job of building and maintaining a sound, stable economy.

But the money is there, to be used by any area that is able to persuade itself and Washington that it is "distressed." Which is one of the reasons the taxpayer is being squeezed so hard.

Mr. DIRKSEN. Mr. President, I ask unanimous consent also to have printed an article entitled "Jobless in Provo Area Seen Relatively Low," published in the Deseret News of August 16, 1961.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOBLESS IN PROVO AREA SEEN RELATIVELY LOW

The Utah Department of Employment Security said Wednesday that unemployment in the Provo-Orem area was at the relatively low level of 3.1 percent for the week ending August 5.

Unemployment in the area became a factor this week when Representative DAVID S. KING (Democrat of Utah), announced an October meeting to discuss economic development and the substantial unemployment of the two-city region.

The Provo-Orem area was declared an area of substantial unemployment by the U.S. Department of Labor last November. At that time, seasonal unemployment in the area was very high.

Should the Labor Department find the area still has high unemployment this November, it could be designated as eligible for aid under the depressed area redevelopment program.

This is partly the reason for the October meeting, called by Representative KING, at which seven different federal agencies will take part in a discussion of employment posibilities.

UNEMPLOYMENT SEASONAL

Officials of the Utah department pointed out that the Provo area, as well as most of Utah County, shows an unemployment ratio of as much as 15 percent at some times of the year. This is due mostly to the seasonal nature of some of the workers in construction trades, many of whom are idle in winter months.

The area's largest employer is United States Steel Corporation, which operates two plants in the Provo-Orem section. Employment in the steel industry is tied to production, which at present is well above the level of last November, when the substantial unemployment tag was hung on the area.

ABOVE U.S. AVERAGE

However, for the past 3 years, the average of unemployment in Utah County has been above the U.S. average and the Utah average, according to Department of Employment Security figures.

In 1958, the U.S. average was 6.8 percent, the Utah average 5.2 percent and the Utah County level 8.7 percent. The 1959 averages were 5.5 for national, 4.4 for Utah and 6.8 for Utah County.

In 1960, Utah County had a 7.2 percent figure, compared to 4.6 for the State and 5.6 for the Nation.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 2268) to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 8302) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SHEPPARD, Mr. SIKES, Mr. CANNON, Mr. JONES, and Mr. TABER were appointed managers on the part of the House at the conference.

MANPOWER DEVELOPMENT AND TRAINING ACT OF 1961

The Senate resumed the consideration of the bill (S. 1991) relating to the occupational training, development, and use of the manpower resources of the Nation, and for other purposes.

Mr. PELL. Mr. President, as a member of the Subcommittee on Employment and Manpower, I wish to associate myself with those who have risen to speak in support of the Manpower Development and Training Act.

Although proposed by the President in a message to the Congress, this bill is truly a bipartisan measure. Our Committee on Labor and Public Welfare acted unanimously in reporting the measure and Republicans, as well as Democrats, have urged the wisdom of the programs that would be authorized by the bill.

The bill is designed to cope with structural unemployment by providing workers who have been displaced by automation or other technological change the opportunity to acquire new skills. The retraining program contained in this bill would be particularly helpful to my own State of Rhode Island. We have had a very acute problem of structural unemployment. In fact, over one-half of the jobs in the textile industry—the State's major industry—have been lost since 1950.

Under the bill, the Secretary of Labor is directed to determine the manpower needs of the economy and identify occupational shortages and training requirements. Based upon the information developed as to training needs, programs of training would be developed by the State and local vocational education authorities under the general supervision of the Secretary of Health, Education, and Welfare. The Secretary of Labor would also expand his current activities in encouraging on-the-job training.

As training programs are established, individuals would be selected and referred for training by the State employment services. Priority would be given to unemployed persons, although others would be eligible for training which would upgrade their skills. Weekly allowances would be paid to unemployed persons enrolled in training courses if they were heads of families with at least 3 years experience in gainful employment. Allowances would be authorized for periods up to 1 year, and would be in an amount equal to the level of unemployment compensation paid in each State.

A 4-year program is authorized and beginning with the third year, half the costs of the program would be borne by the States.

Editorials approving the programs authorized by this bill have appeared in an unusually large number of leading newspapers and other periodicals throughout the country. A recent public opinion poll disclosed that of all the proposals specified by the President in his second state of the Union message the proposal to train the unemployed was cited by 67 percent of those replying as one for which they were willing to make sacrifices. This was more than twice the degree of support given to any other item listed.

Mr. President, the need of the long-term unemployed for the training that could be provided by the programs authorized in this bill is real and urgent. We have seen that despite significant increases in the tempo of business activity, the number of people who have been continuously unemployed for more than half a year is increasing, and in July exceeded 1 million in number. Many of these people are the innocent victims of automation and technological advancements which have strengthened and benefited the Nation as a whole. We must avoid having the benefits of automation and technological improvement become burdens of unemployment, financial distress, and loss of dignity for those workers whose immediate jobs are affected and whose skills are made obsolete. It is our plain duty to provide the means whereby these people can again become self-supporting, productive, respected members of their communities. I believe this bill offers a great opportunity to these people. I support it and I ask my colleagues to also support it.

Mr. CLARK. Mr. President, I thank the Senator from Rhode Island for the excellent contribution he has made to the debate, and also for his assiduous work during the deliberations of both the subcommittee and the full committee. The Senator from Rhode Island, a member of the committee, was most useful in the preparation of the proposed legislation.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROUTY. Mr. President, I submit an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Vermont will be stated.

The LEGISLATIVE CLERK. On page 26, in lines 14 through 17, it is proposed to

strike out all of subsection "(d)" and redesignate subsections "(e)", "(f)" and "(g)" accordingly.

On page 31, beginning with the colon on line 18, strike out all before the period on line 21.

On page 34, line 11, insert "and" after "1962,".

On page 34, beginning with the comma on line 12, strike out all before the period on line 13.

On page 36, line 20, strike out "1965" and insert in lieu thereof "1963".

On page 37, line 2, strike out "1965" and insert in lieu thereof "1963".

Mr. DIRKSEN. Mr. President, on the question of agreeing to the amendment of the Senator from Vermont, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. PROUTY. Mr. President, I shall speak very briefly on the amendment. It requires no elaboration on my part to enable Senators to understand what I propose.

Under the bill as it now stands, authorizations of $655 million are called for, over a 4-year period. My amendment will reduce the program to a 2-year period, and will involve authorizations totaling $255 million.

I believe that all of us on the committee who have given serious thought to this problem—and it is a very great problem—believe that some steps should be taken to see whether remedial, or corrective action can be taken to restore to gainful employment millions of men and women in the country who, because of lack of skill or lack of proper training, are unable to obtain work at this time. It is unmistakably clear that the problem will become more and more severe as time passes unless prompt action is taken.

Nevertheless we must recognize that the program which S. 1991 will establish is a new one, at least at the national level. We hope it will be successful, but we cannot be certain of that. So I believe it would be most unwise for us to forge ahead on a long-range basis spending hundreds of millions of dollars until we have some degree of certainty that the new program will achieve what we hope it will achieve.

The committee report concedes that if weaknesses in the U.S. Employment Service are not properly corrected, the large-scale program called for by this training bill will be unsuccessful. During the hearings, the Secretary of Labor admitted that the Department of Labor has no precise measure of the number and the geographical location of the structurally unemployed.

Part of our difficulty today stems from the fact that we need to be able to identify the long-term unemployed, in terms of their age, sex, race, education, training skills, and geographical location. The House Committee on Education and Labor is aware of this difficulty, and has recommended a 2-year program, such as I am advocating by means of this amendment.

Mr. President, my amendment calls for the authorization of $90 million for the present fiscal year and the authorization of $165 million for the fiscal year 1963. I am certain that all the money proposed to be authorized for this fiscal year will not be spent this year. A great deal of time, thought, and planning must go into the program before it can really get far from the dock.

We shall be sailing in uncharted waters, and we had better be rather certain that we exercise caution. At the end of a year we shall be in a position to state whether the program is going along smoothly. If it is successful, I assure the Members of the Senate that I shall then be among the first to vote in favor of providing whatever funds may be necessary in order to continue it beyond the fiscal year 1963.

Mr. President, that is all I wish to say at this time.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. PROUTY. I am happy to yield.

Mr. CLARK. As I understand the Senator's amendment, which necessarily is technical in wording and does not on its face reveal its intention, the purpose of the amendment is to convert the program from a 4-year to a 2-year program. Is that correct?

Mr. PROUTY. The Senator is correct.

Mr. CLARK. That is the sole purpose?

Mr. PROUTY. It is the sole purpose.

Mr. CLARK. Mr. President, I rise to oppose the amendment of the Senator from Vermont. In all the hearings before the subcommittee, and in the deliberations in executive session, it was the view of a majority of the committee that this should be no pilot program; that this retraining effort had substantial precedent in the Smith-Hughes and the George-Barden vocational training bills; that on-the-job training was a well recognized technique in American industry; that it was clear beyond doubt that existing training facilities are overloaded and understaffed and not available to many adults; and that there were plenty of potential jobs in which the unemployed could be placed in the event they were properly retrained.

Accordingly, it was felt there should be a 4-year program, divided into two parts. The first part would be entirely a Federal program, and the first 2 years would be devoted toward getting the program off the ground. It would mean substantial promotional work in connection with on-the-job training, promotional work that would carry employees of the Department of Labor far afield, and into each of the 50 States, in an endeavor to convince employers to cooperate by starting on-the-job training courses to help train unemployed workers for the skills which were needed in occupations where the retraining was taking place.

If this bill is adopted at this session of the Congress, it will take several months, perhaps a good many months, to get the whole program underway. In the meanwhile, at the other end of the program, the Secretary of Labor must engage in skill surveys in order to ascertain where the job opportunities are. He has then to engage in guidance and testing programs, to locate the unemployed workers who have the skills which will enable them to absorb the retraining. This, of course, will be a long process, and it cannot be done overnight.

I predict it will take at least 6 months before we get this program really in high gear. Thereafter will come the part of getting the program ready for the second half in the third and fourth years. The second half is when we hope and believe the States will pick up their share of this effort and will be prepared to make the actual grants necessary which will enable us to do a better job in retraining and pretty well double the number of individuals who will be available for retraining.

Our staff has worked out with the Secretary of Labor's personnel—since the hearings closed, I may say to the Senator from Vermont, and largely in anticipation of his offering the amendment—as good an approximation of the number of individuals who could be trained under the program as it is presently feasible to determine.

Those figures work out as follows: The total number we hope can be trained in the first 12 months will be 160,000. In the second year, 285,000. In the third and fourth years, 630,000, each year.

There are 5,100,000 unemployed in the country today. The hard core of those who have been unemployed for a very substantial period of time is in excess of 1 million.

It will be the third year before we get to the point where more than half a million can be retrained in a year.

So I hope the program will be kept on the 4-year basis which the Secretary of Labor and the President desire and which the committee reported. If the program is cut back 2 years, Congress will be in a difficult situation in connection with this work—and he will correct me if I am wrong, but I think I am right—would have to be phased out by the end of June 30, 1963. This means, for all practical purposes, that nobody whose training period took more than a few months could be accepted for training after January 1, 1963.

Mr. PROUTY. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. PROUTY. Any unexpended funds which were authorized would be carried over into the next fiscal year. The Senator has said, and I agree, that it is going to take a little time before the program gets underway. But it is not going to be a long time before we have an idea as to how it is working. It is for that reason that we would be most unwise in establishing a 4-year program, involving $655 million, without having progress reports in hand. We embark on an experiment, and an experiment which is justifiable, and I am willing to spend a reasonable amount for the first 2 years. After that period we will have the facts, figures, and experience to determine whether we have a good, workable program. Prudence warrants a watch-and-wait policy.

Mr. CLARK. I appreciate the strongly held views of the Senator from Vermont whose suggestions for up-to-date reports for the program were included in

the bill. I regretfully have to state I am in disagreement with him. I reiterate the point that, in all likelihood, if the Senator's amendment were to succeed, we would have to start phasing out the program at no later than January 1, 1963. It is true that, if there were some unexpended funds left, they could be used, but not only would the retraining programs have to be phased out, but the training and selecting personnel would have to be given notice they could no longer be held on the payrolls after June 30, 1963.

A substantial number of months before June 30, 1963, these activities would have to come to a halt. If the amendment of the Senator from Vermont were to prevail, we would be in a situation where the Congress, our subcommittee, and the full committee, would have to hold hearings and complete legislative action during the next session of Congress, in order that legislation continuing the program could be adopted and approved.

Mr. PROUTY. It has been suggested by competent authorities that during the first year of the program not more than half the money authorized will be spent.

Mr. CLARK. I conclude by saying that, regretfully, I cannot agree with the Senator from Vermont. We are talking about a program in terms of time, not money; and in terms of time, I urge the Senate to reject the amendment of the Senator from Vermont, in order that we may keep this program "on the road" the way the President of the United States, the Secretary of Labor, and the Committee on Labor and Public Welfare, which brings it to the floor, desire.

Mr. DIRKSEN. Mr. President, I believe the Prouty amendment merits the support of the Senate. I think there are a number of reasons for that support. I have examined the bill rather carefully. The first title is devoted entirely to evaluation, research, studies, reports, findings, and to development of the necessary data and information on which a program can be predicated.

There can be no effective program until the data has been assembled. Quite aside from whatever work may have been done thus far by the Department of Labor and by the Department of Health, Education, and Welfare, I think it is a safe presumption to make that there is still a good deal of work to be done before the foundation is fully laid.

Title II deals with the selection of the trainees, their instruction, the funds to be made available, and the amounts to be apportioned to put them either in job-training programs or in other programs. This is a speculative program. It is a new program. The "bugs" will have to be ironed out.

In the bill as it came from the committee there is a commitment of $655 million for a period of 4 years. There is $90 million for the first year. The first quarter of the first year has already gone by, so to speak. There is $165 million for the next year, and $200 million is to be provided in each of the succeeding years. Finally, the program will go on a matching basis.

A program which is brand new, of such magnitude, in my judgment, should not be projected for a period of 4 years until we can see more clearly where we are.

I think one of the most effective things cited by the distinguished Senator from Vermont was the illustration of the experience of the Armour Packing Co. in Oklahoma City. In that city 400 people were laid off. Everybody got together to set up a training program. Of the 400 laid off, only 170 decided to come in for new training, and the remaining 230 did not care about going to school to learn any new skills. Of the 170 who decided to take the training, only 60 were found by the Oklahoma Employment Service to have the necessary aptitudes. I think that indicates pretty well how speculative the program is, and the fact that there ought to be some time to evaluate the experiences under the act before we project it into a 4-year period.

I believe, for that reason, the Senator from Vermont is on absolutely good ground, and that 2 years will be enough to test the program, to see where we are. If the program works, there will be no difficulty with the Senate and the House. If the program does not work, then it will require a hard scrutiny, and perhaps even the canceling out of the program, if it appears that we are spending a lot of money and not getting the necessary results, not getting for the taxpayer a commensurate value for every dollar of expenditure.

More and more it seems to me that we have to look a little at these long-range programs, because these become the built-in expenditures for future years. It is very easy for someone to rise on the floor to say, "Well, the Appropriations Committee has to look at this, and Senators know very well the flinty hearts of members of the committee, who will cut it down."

I did not serve on that committee for nearly 20 years for nothing. I know the pressures on a member of the committee. When hearings are held everybody comes in to din at the committee, "You must not cut the amount below the authorization." In some cases they hope the committee will exceed the authorization.

Let us not be misguided by a snare and a delusion that the Appropriations Committee can be relied upon to hold down the program, because the committee will be under real pressure when the time comes to vote for the money. Now is the time for a little scrutiny. Now is the time to keep the program at a moderate level.

If the program works out according to the hopes and aspirations and expectations of its fondest friends—I am prepared to vote for a moderate bill—it can be extended.

Let us support the Prouty amendment, to hold the program within a 2-year frame, which would provide $90 million the first year and $165 million the second year. Then we can carefully evaluate the results to see if we have received our money's worth.

I hope the Prouty amendment will be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont.

Mr. PROUTY. Mr. President, before I conclude I wish to thank the distinguished minority leader for his very lucid explanation of what I am trying to accomplish by offering the amendment. I also express my appreciation to Sam Merrick and Ray Hurley of the committee staff for the yeoman service they rendered to me and to the other members of the committee in getting the bill into what I think is a better shape.

I hope the amendment will be agreed to. Mr. President, I announce for the information of Senators, that I have another amendment, as to which I shall probably ask for the yeas and nays. I shall require only a few minutes to explain this amendment. It will be offered immediately after the vote on the pending proposal.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. PROUTY]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Colorado [Mr. CARROLL], the Senator from Connecticut [Mr. DODD], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Florida [Mr. SMATHERS], the Senator from Massachusetts [Mr. SMITH], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

On this vote the Senator from Minnesota [Mr. MCCARTHY] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting the Senator from Minnesota would vote "nay," and the Senator from Arizona would vote "yea."

On this vote the Senator from Florida [Mr. SMATHERS] is paired with the Senator from New Mexico [Mr. ANDERSON]. If present and voting the Senator from Florida would vote "yea," and the Senator from New Mexico would vote "nay."

I further announce that, if present and voting, the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. LONG], the Senator from Massachusetts [Mr. SMITH], and the Senator from Ohio [Mr. YOUNG] would all vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kansas [Mr. CARLSON] are absent because of illness.

The Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from Minnesota would vote "nay."

The result was announced—yeas 43, nays 44, as follows:

[No. 162]

YEAS—43

Aiken	Eastland	Prouty
Allott	Ellender	Robertson
Beall	Ervin	Russell
Bennett	Fong	Saltonstall
Boggs	Hickenlooper	Schoeppel
Bush	Holland	Smith, Maine
Butler	Hruska	Stennis
Byrd, Va.	Jordan	Talmadge
Capehart	Keating	Thurmond
Case, S. Dak.	Kuchel	Tower
Cooper	Lausche	Wiley
Cotton	McClellan	Williams, Del.
Curtis	Miller	Young, N. Dak.
Dirksen	Morton	
Dworshak	Mundt	

NAYS—44

Bartlett	Hickey	Monroney
Bible	Hill	Morse
Burdick	Humphrey	Moss
Byrd, W. Va.	Jackson	Muskie
Cannon	Javits	Neuberger
Case, N.J.	Johnston	Pastore
Church	Kefauver	Pell
Clark	Kerr	Proxmire
Douglas	Long, Hawaii	Randolph
Engle	Long, La.	Scott
Fulbright	Magnuson	Sparkman
Gore	Mansfield	Symington
Gruening	McGee	Williams, N.J.
Hart	McNamara	Yarborough
Hayden	Metcalf	

NOT VOTING—13

Anderson	Dodd	Smathers
Bridges	Goldwater	Smith, Mass.
Carlson	Hartke	Young, Ohio
Carroll	Long, Mo.	
Chavez	McCarthy	

So Mr. PROUTY's amendment was rejected.

Mr. CLARK. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. MORSE. Mr. President, I move to lay that motion on the table.

Mr. DIRKSEN. Mr. President, on that question I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BUSH. Mr. President, will the Chair state the pending question?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon [Mr. MORSE] to lay on the table the motion to reconsider of the Senator from Pennsylvania [Mr. CLARK].

Mr. RUSSELL. Mr. President, what is the proposal before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the motion to table the motion to reconsider.

Mr. CLARK. A vote of "yea" is a vote to table. A vote of "nay" is a vote against tabling.

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. BARTLETT], the Senator from Connecticut [Mr. DODD], the Senator from Arizona [Mr. HAYDEN], the Senator from North Carolina [Mr. JORDAN], the Senator from Missouri [Mr. LONG], and the Senator from Massachusetts [Mr. SMITH] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

On this vote, the Senator from Alaska [Mr. BARTLETT] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from Alaska would vote "yea," and the Senator from Arizona would vote "nay."

On this vote the Senator from Arizona [Mr. HAYDEN] is paired with the Senator from Kentucky [Mr. COOPER]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from Kentucky would vote "nay."

On this vote the Senator from Massachusetts [Mr. SMITH] is paired with the Senator from South Dakota [Mr. MUNDT]. If present and voting, the Senator from Massachusetts would vote "yea," and the Senator from South Dakota would vote "nay."

On this vote the Senator from North Carolina [Mr. JORDAN] is paired with the Senator from Connecticut [Mr. DODD]. If present and voting, the Senator from North Carolina would vote "nay," and the Senator from Connecticut would vote "yea."

I further announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. LONG], and the Senator from New Mexico [Mr. ANDERSON] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kansas [Mr. CARLSON] are absent because of illness.

The Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

The Senator from Kentucky [Mr. COOPER] and the Senator from South Dakota [Mr. MUNDT] are detained on official business.

On this vote, the Senator from Kentucky [Mr. COOPER] is paired with the Senator from Arizona [Mr. HAYDEN]. If present and voting, the Senator from Kentucky would vote "nay," and the Senator from Arizona would vote "yea."

On this vote, the Senator from South Dakota [Mr. MUNDT] is paired with the Senator from Massachusetts [Mr. SMITH]. If present and voting, the Senator from South Dakota would vote "nay," and the Senator from Massachusetts would vote "yea."

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Alaska [Mr. BARTLETT]. If present and voting, the Senator from Arizona would vote "nay," and the Senator from Alaska would vote "yea."

The result was announced—yeas 47, nays 40.

[No. 163]

YEAS—47

Bible	Hill	Morse
Burdick	Humphrey	Moss
Byrd, W. Va.	Jackson	Muskie
Cannon	Javits	Neuberger
Carroll	Johnston	Pastore
Case, N.J.	Kefauver	Pell
Church	Kerr	Proxmire
Clark	Long, Hawaii	Randolph
Douglas	Long, La.	Scott
Engle	Magnuson	Smathers
Fulbright	Mansfield	Sparkman
Gore	McCarthy	Symington
Gruening	McGee	Williams, N.J.
Hart	McNamara	Yarborough
Hartke	Metcalf	Young, Ohio
Hickey	Monroney	

NAYS—40

Aiken	Byrd, Va.	Eastland
Allott	Capehart	Ellender
Beall	Case, S. Dak.	Ervin
Bennett	Cotton	Fong
Boggs	Curtis	Hickenlooper
Bush	Dirksen	Holland
Butler	Dworshak	Hruska
Keating	Robertson	Thurmond
Kuchel	Russell	Tower
Lausche	Saltonstall	Wiley
McClellan	Schoeppel	Williams, Del.
Miller	Smith, Maine	Young, N. Dak.
Morton	Stennis	
Prouty	Talmadge	

NOT VOTING—13

Anderson	Cooper	Long, Mo.
Bartlett	Dodd	Mundt
Bridges	Goldwater	Smith, Mass.
Carlson	Hayden	
Chavez	Jordan	

So the motion to lay on the table was agreed to.

NOMINATION OF MAJ. GENE HAL WILLIAMS TO BE BRIGADIER GENERAL

Mrs. SMITH of Maine. Mr. President, yesterday all of the Reserve generals in the U.S. Senate made a most impressive statement on the Gene Hal Williams nomination. I ask unanimous consent that their statement be placed in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF RESERVE GENERALS IN THE U.S. SENATE

The undersigned, who constitute the Reserve general officers in the U.S. Senate, urge your serious consideration and study of Executive Report No. 8 which expresses the minority views of seven members of the Committee on Armed Services in opposition to the nomination of Maj. Gene Hal Williams for the rank of brigadier general in the U.S. Army Reserve.

We do not believe that this young man, a 33-year-old major with only a year and a half of commissioned active duty service, with no combat service, no oversea service and no decorations (only the Parachute Badge Award), possesses the necessary qualifications for general officer rank in the U.S. Army Reserve.

We fully recognize, and acquiesce in, the right of the Governor of West Virginia to bestow whatever State rank he wishes to on this nominee or any other person. That is clearly a State right and his prerogative. But we do not recognize that right as being binding so as to require that automatically the same rank must be given in Federal status in the U.S. Army Reserve, particularly when a nominee such as Major Williams is so obviously lacking in qualifications for the rank of brigadier general.

We believe that Major Williams should be required to meet the same qualifications as other members of the U.S. Army Reserve for promotion.

Under a policy of long standing, in order to be eligible for promotion to brigadier general, an Army Reservist (a) must have been a full colonel for at least 2 years (b) must have served in a general officer authorized position for at least a year and (c) must have earned credit for completion of the Command and General Staff College. Major Williams has none of these qualifications.

Under the present policy applied to Reserve officers in the U.S. Army Reserve, Major Williams would not be eligible for consideration for promotion to brigadier general before 1969. We see no reason why he should be given special treatment and exemption from the requirement of 8 more years service before even being eligible to be made a brigadier general.

This, in addition to his other obvious lack of qualifications, would make such special short-cut treatment for him grossly unfair to the thousands of loyally participating reservists and would seriously impair the morale of the Reserve Forces generally.

We hope all Senators will be present for the debate on August 24, 1961, to hear the pertinent and disturbing facts in this case presented before the vote is taken on this nomination.

STROM THURMOND,
Major General,
U.S. Army Reserve.
KENNETH B. KEATING,
Brigadier General,
U.S. Army Reserve.
BARRY GOLDWATER,
Brigadier General,
U.S. Air Force Reserve.
HOWARD W. CANNON,
Brigadier General,
U.S. Air Force Reserve.

Mrs. SMITH of Maine. Senator THURMOND is a major general in the U.S. Army Reserve. In World War II he served both in the European and the Asiatic-Pacific theaters of war, was awarded 5 battle stars and 16 decorations, medals, and awards, including the Legion of Merit, the Bronze Star Medal for combat, the Purple Heart for being wounded in combat, the Army Commendation Ribbon, the Presidential Distinguished Unit Citation, the Belgian Order of the Crown, and the French Croix de Guerre.

Senator KEATING is a brigadier general in the U.S. Army Reserve. He served in both World War I and World War II and both in the European and Asiatic-Pacific theaters of war. He was awarded three battle stars, the Legion of Merit twice, and the Order of the British Empire.

Senator BARRY GOLDWATER is a brigadier general and a command pilot in the U.S. Air Force Reserve. He served in World War II in the Asiatic-Pacific theater of war and was awarded the Air Medal and the Commendation Medal.

Senator HOWARD W. CANNON is a brigadier general and a command pilot in the U.S. Air Force Reserve. He served in World War II in the European theater of war. His decorations and awards include the Distinguished Flying Cross, the Air Medal awarded to him three times, the Purple Heart for being wounded in combat, seven battle stars, and the French Croix de Guerre with silver star. He was shot down while on a flying combat mission over Holland and evaded capture for 42 days before reaching Allied lines.

Mr. President, it is with considerable gratification that I have received notice from the ranking naval reservist in the U.S. Senate, Capt. HUGH SCOTT, of the U.S. Naval Reserve, presently the distinguished junior Senator from Pennsylvania, that he is supporting my opposition to the Gene Hal Williams nomination and that he will speak against the nomination when it is brought up for debate and voting.

Captain SCOTT has a distinguished naval service record which includes oversea service both in World War II and the Korean war, specifically Atlantic convoy, the North Atlantic patrol, and the occupation of Iceland in World War II, as well as service in the Pacific, including occupation of Japan with the 3d Amphibious Force. He served during the Korean war aboard the carrier *Valley Forge*. Among his decorations and awards are the Navy Commendation Ribbon and Philippine Liberation Ribbon.

Mr. President, I also ask unanimous consent that a news report with respect to this statement by the four Reserve generals which I have had included in my remarks be printed in the body of the RECORD, and I call particular attention of the Members of the Senate to the last paragraph of the article.

There being no objection, the news report was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, Aug. 23, 1961]

THIRTY-THREE MONTH GUARDSMAN A GENERAL?—DOESN'T RATE IT, SAY FOUR SENATE GENERALS

(By Victor Wilson)

WASHINGTON, August 22.—Should the 33-year-old adjutant general of West Virginia's National Guard, with 33 months' Army service as a draftee, be given the star of brigadier general in the Army Reserve?

The Senate today scheduled debate for Thursday on this subject, with the outcome anyone's guess.

But the Senate's answer should be an emphatic "No" according to the only four of its Members who hold general status in the Reserve forces.

These four Senators took the unusual step today of circulating a letter to their colleagues urging them to be present for Thursday's debate "to hear the pertinent and disturbing facts in this case. * * *"

KEATING ONE OF THEM

They are Senators STROM THURMOND, Democrat, of South Carolina, an Army Reserve major general; KENNETH B. KEATING, Republican, of New York, an Army Reserve brigadier general; and Senators BARRY GOLDWATER, Republican, of Arizona, and HOWARD W. CANNON, Democrat, of Nevada, both Air Force Reserve brigadier generals.

Standing behind this Reserve senatorial brass is Senator MARGARET CHASE SMITH, Republican, of Maine, an inveterate foe of Armed Forces' promotion except on demonstrated merit.

The cause of the hassle is Gene Hal Williams, West Virginia's adjutant general. He was drafted in 1951, trained with the 101st Airborne Division, attended officer-candidate school, emerged a second lieutenant, rose to first lieutenant, was discharged in 1953, entered the Army Reserve, and was commissioned a Reserve major last June.

But last January, William W. Barron, a Democrat, and West Virginia's former attorney general, entered the Charleston State House as Governor. He immediately named Mr. Williams, one of his former assistants, as adjutant general of the State's National Guard.

That job pays $8,000 yearly. General Williams also became the State's director of selective service at an additional $6,100 yearly, paid by the Federal Government.

NAME FORWARDED

Since most States adjutants general rate a brigadier's star in the Army Reserve, Governor Barron forwarded Williams' name to President Kennedy. The latter routinely forwarded the nomination to the Senate, which routinely routed it to the Armed Services Committee. All officers, Regular or Reserve, aspiring to general officers' commissions, must be approved by the Senate.

Senator SMITH, a member of the committee, and others dug into the Williams' service record. They figured that he wouldn't rate a brigadier's star until 1969 under Regular Army promotion rules, and protested the action.

But the full Armed Services Committee, by a 10-to-7 vote, approved the nomination. Today's letter by the Senate's four Reserve general officers asking their colleagues to vote against, was the next blocking step decided upon. A full Senate vote will decide after debate.

"We do not believe that this young man * * * with only a year and one-half of commissioned active duty service, with no combat service, no oversea service, and no decorations (only the parachute badge award) possesses the necessary qualifications for general officer rank in the U.S. Army Reserve.

"We see no reason why he should be given special treatment and exemption from the requirement of 8 more years of service before even being eligible to be made a brigadier general.

"This, in addition to his other obvious lack of qualifications, would make such specially shortcut treatment for him grossly unfair to the thousands of loyally participating reservists, and would seriously impair the morale of the Reserve Forces generally."

A senatorial spokesman pointed out that if Williams' nomination is passed, he will receive an additional $2,000 yearly in Federal funds for 15 days of summer camp duty, plus showup at four National Guard drill services monthly.

The spokesman also pointed out that win or lose in Thursday's scheduled vote, General Williams will be the last man, under a new Defense Department directive, to be eligible for a Reserve brigadier general's star until he has attained at least colonel's rank in the National Guard or Reserve.

Deputy Defense Secretary Roswell L. Gilpatric decreed this July 18 under the prodding of Senator SMITH and other Senators.

A spokesman for General Williams at Charleston told the Herald Tribune the latter thought he was being discriminated against because of what he termed Mr. Gilpatric's "retroactive rule." The spokesman quoted him further as saying:

"I'm not capable of leading a division into combat. I know that as well as anyone. If today's [international] situation had existed when I was offered the adjutant generalship, I would not have accepted it.

MANPOWER DEVELOPMENT AND TRAINING ACT OF 1961

The Senate resumed the consideration of the bill (S. 1991) relating to the occupational training, development, and use of the manpower resources of the Nation, and for other purposes.

Mr. PROUTY. Mr. President, I call up my amendment which is at the desk and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 26, line 6, beginning with "Except," it is proposed to strike out everything through the word "such" on line 9, and to insert in lieu thereof the words "Such weekly".

Mr. PROUTY. Mr. President, on the question of agreeing to this amendment, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. METCALF in the chair). Is there a sufficient second?

The yeas and nays were ordered.

Mr. PROUTY. Mr. President, for the benefit of Senators who now are on the floor, let me say I shall speak very, very briefly on this amendment.

Under the provisions of the bill as it now stands, the Secretary of Labor could use the entire $655 million for the

payment of the equivalent of unemployment compensation to youths between ages 16 and 22 who, perhaps in many cases, never have worked a day in their lives. This is possible even though the bill is ostensibly directed to affording this quasi-unemployment compensation to the heads of families who have been in the labor market or have been part of the labor force for 3 years. But as I have said, the Secretary of Labor could, because of a loophole, spend—if he saw fit to do so—the entire amount on the youth programs. These young people will be entitled, under the provisions of the bill, to vocational training and other types of training. This is all right. But I do not believe they are entitled to receive unemployment compensation while they are taking such training courses. I feel very strongly that this unwise grant of authority should be eliminated.

It should be noted that the committee has already reported a bill relative to the Youth Conservation Corps, which contemplates an expenditure of $4,000 a year per man; and the committee has included provisions for another training program which will equip young persons to be game wardens, janitors, and so forth, for public agencies. These young people will receive their training at considerable expense to the taxpayers.

How many more youth training programs do we need at the present time?

Under my amendment, people between 16 and 22 years of age will be entitled to receive vocational education and on the job training, but they will not be entitled to receive compensation for taking the training.

That, in brief, is the essence of my amendment; and I hope very much that it will be adopted.

Mr. CLARK. Mr. President, I should like to read to the Senate a letter in connection with this matter, directed to me by the Secretary of Labor, and received by me late yesterday afternoon. The letter is dated August 22, and reads as follows:

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C., August 22, 1961.

Hon. JOSEPH S. CLARK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CLARK: In response to your request, I am happy to explain my intentions with respect to exercise of the authority vested in me by section 203(c) of S. 1991, to provide training allowances for youths.

As you know, this authorization is limited to instances in which the "Secretary of Labor finds such training allowances are necessary to provide occupational training for youths". Otherwise the allowances are "limited to unemployed persons who have had not less than 3 years of experience in gainful employment and who are heads of families."

It is my firm conviction that priority and emphasis must be accorded the experienced unemployed heads of families. Their needs demand our attention and are the underlying reason for this legislation. It is in their own and the national interest that they be assisted to acquire new or improved skills which will enable them to obtain gainful employment.

However, some youths also need and deserve our assistance in acquiring skills which will permit them to take their rightful places in our labor force. It is for their special needs that the authority to provide training allowances where necessary, is contained in the bill.

I do not anticipate the need to expend much of the authorized funds for training allowances for youths. Careful review of the needs and the resources leads me to conclude that less than 5 percent of the total funds authorized for carrying out the purposes of this bill would be required for training allowances for youths. In administering the bill, I would not expend more than this sum for this purpose.

I hope that this information will be helpful to you in considering this legislation.

Cordially,

ARTHUR J. GOLDBERG.

I should like to ask the Senator from Vermont a question: In view of that letter from the Secretary of Labor, will the Senator from Vermont be willing to withdraw his amendment, and to rely on the legislative history we are now making, to the effect that it is the intention of the Senate that the Secretary of Labor be closely held to the letter which I have now read into the RECORD, and that it is the feeling of the Senator in charge of the bill on the floor and is also the feeling of the Senator from Vermont [Mr. PROUTY], a member of the subcommittee and a member of the full committee, who is proposing this amendment, that we wish these payments to youths to be held down, and in no event to be more than 5 percent of the total amount appropriated?

I hope the Senator from Vermont will be willing to accept the assurance from the Secretary of Labor and from the Senator from Pennsylvania—namely, that we do not intend to have a large part of the money to be made available go for training allowances for youths.

Mr. PROUTY. Mr. President, I should like very much to go along with the suggestion of the Senator from Pennsylvania. But it seems to me that to do so would be to establish a very dangerous precedent—if we began to pay unemployment compensation, which is what it really would be, to persons who have never worked and are not entitled to receive unemployment compensation.

My amendment will do nothing to prevent occupational training of these young people. I want them to have it, and I think they should have it.

But I do not think they should be treated in the same way as the head of a family who has been a member of the labor force, and is entitled to receive compensation, while he upgrades his skill. I regard the proposal in that part of the bill as very dangerous. So I do not think I can accept the suggestion of the Senator from Pennsylvania.

Mr. CLARK. Let me say that, as the Senator from Vermont knows, the testimony showed in ample detail the desperate plight of thousands of young men and young women who have dropped out of school, and do not have employable skills. They have no place to which to turn, and they cannot obtain employment, and they are on the streets, and all too frequently some of them are participating in acts of juvenile delinquency.

Surely the Senator from Vermont will agree that many of these young people must, if they are to be trained in adequate skills, leave their home communities, because of the fact that in or near their home communities there is no means of giving them such training. The Senator from Vermont will recall that in the testimony in regard to Pennsylvania there was reference to the training school at Williamsport, Pa. It is a very good school, as I am sure all will agree. That facility is in central Pennsylvania, and it is an important school in Pennsylvania for training in skills which many young persons, and also many older persons, would like to have made available to them. Therefore, those in Pennsylvania who wished to receive such training would have to go to Williamsport. It seems to me that, at the very least, the Secretary should have discretion—if such persons have no way to get to Williamsport, or have no way to support themselves, once they get there—to provide a modest training allowance.

Mr. PROUTY. Mr. President, I think the Senator from Pennsylvania is exaggerating the situation. I think in most of the places where these young people are located, there are high schools or other facilities which would be available for the training of these young people.

I feel very strongly about this particular feature of the bill, and I certainly could not go along with the Senator's thinking on it.

Mr. CLARK. I wonder if the Senator would be willing to accept a substitute to the amendment which would restrict the funds to no more than 5 percent of the amounts appropriated, which is a relatively small amount, in view of the total amount provided, so the Secretary of Labor would have some flexibility in dealing with this serious problem?

Mr. PROUTY. No; I do not think I could agree to that. If it were 1 or 2 percent, I might.

Mr. CLARK. Mr. President, I offer a substitute to the amendment proposed by the Senator from Vermont, which, starting as does his amendment, on page 26, line 6, would substitute for the Senator's amendment the following words: "(c) Except where the Secretary of Labor finds such training allowances are necessary to provide occupational training for youths over sixteen but under twenty-two years of age, and only to the extent of 5 percent of the total allowances under this section"—and then proceeding as in the bill at the present time.

The PRESIDING OFFICER. The amendment offered by the Senator from Pennsylvania as a substitute for the amendment of the Senator from Vermont will be stated.

The LEGISLATIVE CLERK. It is proposed, beginning on page 26, line 6, to insert the following language:

Except where the Secretary of Labor finds such training allowances are necessary to provide occupational training for youths over sixteen but under twenty-two years of age, and only to the extent of 5 percent of the total allowances under this section, such

weekly training allowances shall be limited to unemployed persons who have had not less than three years of experience in gainful employment and who are heads of families or heads of households as defined in the Internal Revenue Code.

Mr. CLARK. Mr. President, I should like to say a word in support of my substitute amendment, and then I shall be ready for a vote. It goes as far as the Secretary of Labor is willing to go, and puts into statutory form his assurance, as contained in his letter, that he does not expect to spend substantial sums of money in this regard, and is willing to limit it to 5 percent of the total authorization. I think it is a substantial solution to the problem raised by the Senator from Vermont. I respect him for raising it. I think large sums of money should not be used for this purpose. I think we should support the Secretary of Labor. I urge the adoption of my substitute for the Prouty amendment.

I ask for the yeas and nays on my substitute to the Prouty amendment.

The yeas and nays were ordered.

Mr. PROUTY. Mr. President, I think a real concession has been made, and I am happy we have accomplished at least that much, but I think we should go still further. I think the provision should be stricken from the bill entirely.

We must remember that the so-called Youth Conservation Corps program may go into effect next year, not with my support, but a majority of the Congress may see fit to approve it. That bill involves a good many thousands of young people. Also, many young people undoubtedly will be called into the Armed Forces as a result of the buildup in our military strength.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. PROUTY. I am happy to yield.

Mr. HOLLAND. Those of us who are not on the committee have been wondering if the training program under the Area Redevelopment Act does not cover a large number of the same persons who would be covered under this program.

Mr. PROUTY. It does to a large degree.

Mr. HOLLAND. Is the Senator able to advise the Senate what is the number or what is the proportion of the total number that are covered under the area redevelopment program out of the total number in the Nation?

Mr. PROUTY. I think perhaps the Senator from Pennsylvania has those figures at hand.

Mr. HOLLAND. Will the Senator from Pennsylvania yield for that question?

Mr. CLARK. The Senator from Vermont has the floor.

Mr. PROUTY. I have yielded to the Senator.

Mr. HOLLAND. I should like to address this question to the Senator from Pennsylvania: What is the proportion of the total number of young people who are involved in the training program under this bill who are to be covered also by the area redevelopment program, and therefore covered by the instructional part of that program?

Mr. CLARK. I cannot give the Senator an exact answer, but I can give him a pretty good idea. There are presently, in the age group from 16 through 21, roughly 1,500,000 young people who are seeking work and would like to find jobs. Of these, I would make what would be no more than a guess, that less than 25 percent of them are in areas of persistent and chronic unemployment. I say that for two reasons. The testimony before the subcommittee indicated that a large proportion of the young people whom we hope to retrain by this program are located in the great metropolitan areas of our country, in the large cities of New York, Chicago, Philadelphia, Detroit, Cleveland, and so forth. With only one or two exceptions, those large cities are not areas of chronic and consistent unemployment to be covered by the area redevelopment bill. The areas covered by the area redevelopment bill are the coal towns of West Virginia, the railroad towns of Pennsylvania, the shutdown textile towns of Massachusetts. So there is no particular connection between the young people we hope to help under the pending bill and the individuals whom it is hoped to help by the retraining provisions of the area redevelopment program.

It has been the constant experience that in areas of chronic and consistent unemployment young people leave. When there are no jobs for them there, they get out. I can give the Senator a good example. In Uniontown, Pa., in Fayette County, where I think there is the highest level of unemployment of any community which keeps statistics, with the possible exception of one or two areas in West Virginia, between 60 and 70 percent of the graduates of the local high schools leave because they cannot get jobs. That has been going on for years. These areas have been depopulated of their young people. They will not be around to get training under the area redevelopment program.

So while I cannot give the Senator from Florida definite statistics to answer his question, I can give him my assurance that what I have said is substantially correct.

Mr. HOLLAND. I thank the Senator.

Mr. PROUTY. I merely wish to say that I hope the substitute offered by the Senator from Pennsylvania will be defeated, and that my amendment will be adopted after we vote on the Clark substitute.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. PROUTY. I yield.

Mr. LAUSCHE. If the amendment of the Senator from Vermont is adopted, will that limit the granting of aid to persons who are chronically unemployed and who have been previously engaged for a definite period in a particular occupation which is becoming obsolete?

Mr. PROUTY. That is correct. The proposal explicitly gives priority to heads of families who have been members of the labor force for a period of 3 years; but I should like to point out to the Senator that my amendment would not preclude training programs for young people. They simply would not be paid while they were going to school.

Mr. LAUSCHE. Under the present provisions of the bill, without the amendment of the Senator from Pennsylvania, if a 17-year-old boy were out of employment and wanted to be trained, would the provisions of the bill authorize payments to him on a weekly basis in the same way as would be granted to adults?

Mr. PROUTY. As the bill is presently written, yes.

Mr. LAUSCHE. That is, as the bill now stands.

Mr. PROUTY. That is correct. My amendment would change that, and the Clark amendment would limit the allowances to 5 percent of the amounts which are authorized for all allowances.

Mr. LAUSCHE. Is the Senator from Vermont able to tell what motivated the inclusion in the bill of the provisions which would make payable to 17-year-old and 18-year-old young men full compensation, such as would be given to adults?

Mr. PROUTY. I am unable to justify it in my own mind.

Mr. CLARK. Will the Senator yield to me, to permit me to answer that question?

Mr. PROUTY. I yield.

Mr. CLARK. The testimony showed that particularly in the great metropolitan areas—Cleveland, Cincinnati, Youngstown, Pittsburgh, Philadelphia, and the like—there is a serious problem in connection with out-of-school dropouts.

These young people many times have not finished school, or have lost interest, though some have graduated from school and found no jobs available because they did not possess the necessary skills. They are contributing to juvenile delinquency. They are roaming the streets in gangs. There is literally nothing for them to do.

The purpose of the bill is to permit the Secretary of Labor, within his discretion, after he takes care of the first priority of the retraining payments for members of the labor force, heads of families in the labor force who have been in it for 3 years, to pay some training allowance to these young people.

The amount is not specified in the bill. It is under the Secretary's discretion.

One could rest assured, in my judgment, that the expenditures would never be as high as the average unemployment compensation payment to the older workers. The provision simply would allow some discretion.

For example, if the Secretary found that a group of young people in Cleveland could be trained in some skill in the electronics area, as to which in Cleveland there is presently no facility available to train those people, he could send them elsewhere, to Ohio or to Pennsylvania, and while they were getting the training under the program, enrolled in a regular vocational training school, they could be paid the regular subsistence allowance so that they could survive while they were being trained.

Mr. LAUSCHE. May I ask whether the amendment of the Senator from Pennsylvania contemplates limiting the expenditure to 5 percent of the total amount authorized?

Mr. CLARK. The Senator is correct, the total authorized for allowances. I

offer the amendment because I wish to make it crystal clear, as does the Secretary of Labor, that the Secretary does not propose any great boondoggle. He is not interested in providing young people with allowances so that, once having dropped out of school, they will be paid for doing nothing.

The Secretary wishes to spend 95 percent of the sum authorized to be appropriated for training allowances for the older workers, for the permanent members of the labor force who have lost their jobs, but he would like to have a little leeway, only 5 percent, to enable him to make some payments to the young people.

Mr. LAUSCHE. Is there a discussion in the RECORD at all as to what has happened to the technical schools, which train people in various occupations and skills?

Mr. CLARK. Yes.

Mr. LAUSCHE. Why are not the normal schools being used? How are those treated?

Mr. CLARK. They are being used to capacity at the present time. Those schools will be used to an even greater extent under the program.

This provision relates to a group of young people who have dropped out of school. I agree with my friend in his approach. I know the great emphasis the Senator places upon personal character and individual initiative. I share his concern. I suppose that, in a stern and just world, one might say, "Never mind about these people. They are no good. They are the riffraff of the community. Do not train them. Let them go onto the streets."

This is an effort to try to redeem some few of these young people, by training them and giving them skill. The restriction is a very tight one, of only 5 percent of the total amount appropriated.

Mr. PASTORE. Mr. President, will the Senator yield at that point?

Mr. CLARK. I do not have the floor.

Mr. PROUTY. I yield to the Senator from Rhode Island.

Mr. PASTORE. If the real purpose—with which I would agree—is to give a subsistence allowance to those trainees who have to be sent away from home, why not confine the language to that purpose? If the payments are for those who have dropped out, who are living at home with their families, who are given an opportunity in the community to obtain the training, I do not believe the provision would be quite as necessary. The families could provide subsistence for those at home, as contrasted to the situation in which the training facilities are not available and it is necessary to send the youths away to some other place. If sent away, they would have no money to buy food while they were being trained. Where would they get their meals?

If we confine the provision to the situation in which these young people are sent to different localities to get training, I would be willing to see even the 5 percent ceiling raised, to provide more money. When the youths are to be taken away from their home environment, the situation would be quite different as to subsistence.

Mr. CLARK. I have great sympathy with the point of view expressed by the Senator from Rhode Island. Perhaps it is due to a lack of preparation that the substitute amendment is not more closely defined and refined.

We had an extensive discussion in the committee on this point, and the committee voted unanimously to report the bill to the Senate without considering a change in the language now under consideration, because we all felt we could safely trust the Secretary of Labor in this respect and that it was not necessary to write in a statutory restriction.

In addition—and I know the Senator from Rhode Island is aware of this, because the city of Providence, Rhode Island, is a city in which this is of considerable importance—there is the problem of the family itself. I am sure the Senator knows that there are thousands of families in Providence and in Pawtucket which are broken families, which have no wage earner in the family, with no support, and the people on relief. The wife, the husband having gone, cannot get a job.

These are the young people to whom we wish to give a little bit of help in connection with this retraining program.

I would urge the Senator not to insist that these young people have to move away from their homes. Three-fourths of them would be in that category, but let us give to the Secretary of Labor a small amount of flexibility, only 5 percent.

Mr. HOLLAND. Mr. President, will the Senator from Vermont yield to me, so that I may address a series of questions to the Senator from Pennsylvania?

Mr. PROUTY. I yield to the Senator from Florida.

Mr. HOLLAND. First, what is the period of time contemplated under the pending bill during which the unemployment compensation payments or subsistence payments might be made?

Mr. CLARK. The maximum time would be 1 year. It is contemplated that in most instances it would be substantially less. It depends on the length of the training to be given.

The reason we provided for up to a year is that there are some highly technical skills as to which the course would have to run that long.

Mr. HOLLAND. I have before me the committee report for the Area Redevelopment Act. I have not been able to get a copy of the act in its final form, but I assume that the report covers the act substantially in the form in which it was passed.

I note from the report, and I understand from an interpretation thereof given to me by the Senator from Pennsylvania, that $4.5 million was authorized for the retraining program under the Area Redevelopment Act.

Mr. CLARK. The Senator is correct. The Senator has the text, but it is my understanding—and I ask the Senator to check to see if I am correct—that the $4.5 million was intended for individuals who lived and who would work within the area of chronic and persistent unemployment, in order to help them to obtain skill which they might have to go outside the area to acquire but which, in all likelihood, they could acquire within the area.

Mr. HOLLAND. I understand this is for selection and training, and I understand that the subsistence payments which are allowed are covered by the next paragraph of the report. It is provided that the payments will be made only for the period a trainee is receiving occupational training or retraining, but that no trainee shall receive such payment for more than 16 weeks.

Mr. CLARK. The Senator is correct.

Mr. HOLLAND. It is further provided that an annual appropriation of $10 million is authorized for retraining subsistence payments.

Mr. CLARK. The Senator is correct.

Mr. HOLLAND. It seems to me that in view of the size of the proposed appropriation, the conditions of the pending bill vary much too widely from the conditions in the area redevelopment bill. For example, in the bill there is a limitation on subsistence payments of 16 weeks. I agree with the Senator from Pennsylvania that we should make allowable some subsistence payments tc youths who may not have been employed before, but the only reason is that they have not been able to find a job. I see no reason, however, for establishing a much more liberal or more costly program per youth in that case than what we established under the Area Redevelopment Act for the training of persons generally who were out of employment. I wonder how the Senator feels we could justify the setting up of subsistence payments for not to exceed 1 year in this case, whereas we would limit them to 16 weeks during the period of training in the other case.

Mr. CLARK. I am sure the Senator from Florida will agree that it would be desirable to confine our present discussion to the amendment now pending, which has to do only with retraining allowances and not with the kind of subsistence payments to which my friend was referring in the second part of the report on the area redevelopment bill to which he had reference.

Mr. HOLLAND. That dealt solely with subsistence payments during the time of retraining.

Mr. CLARK. I think my friend also referred to the $4,500,000 appropriation, which was for training as well as retraining allowances, which comes first.

Mr. HOLLAND. Not for subsistence?

Mr. CLARK. In the amendment we are talking about retraining allowances not about subsistence.

Mr. HOLLAND. Am I to understand that the Senator is inclined to agree with the Senator from Florida that the disparity between the maximum of 1 year of subsistence provided in the bill and the 16 weeks in the other bill should be corrected?

Mr. CLARK. No, I do not agree with my friend, for this reason: In the area redevelopment bill we were dealing with a specific situation in which, when we came to the retraining and subsistence payments provision, we were thinking about adult workers, such as coal miners,

for example, who, it was hoped, could be retrained in some employable skill. It was the thought then—and that was before the Secretary of Labor had given us the benefit of his more mature thinking—that the kind of retraining job we would get for a coal miner probably could not last during a training period for more than 16 weeks. But when we talk about young people who are still in their adolescent and early adult years, we are thinking of the kind of jobs for which they could be trained. We would get into the kind of vocational and technical training which would have to continue for substantially more than 16 weeks. I have a list of them here. I do not believe it would be of any particular use to encumber the RECORD with the list at this point.

Mr. HOLLAND. Mr. President, I can see some soundness in what the Senator has said. I call his attention to the fact that young people of exactly the same description as the ones he is talking about as covered by the provisions of this bill were included by many thousands under the area redevelopment bill, and the training of young people under that bill was provided for. The provisions that I have referred to, namely, the authorization and appropriation of $10 million for retraining subsistence payments, with the condition that no trainee shall receive more than 16 weeks at the rate of unemployment compensation prevailing, was certainly a provision of the Area Redevelopment Act.

Mr. CLARK. It certainly was.

Mr. HOLLAND. And is at the present time.

Mr. CLARK. It certainly is.

Mr. HOLLAND. And it applies to many young people of exactly the same description—except as to the areas they come from—as those mentioned in the pending bill.

Mr. CLARK. The question is, How many is "many"? In my response to the Senator from Ohio, I attempted to point out that there really were not very many.

Mr. HOLLAND. If the Senator will allow me to make one further comment, I am quite agreeable to the idea of subsistence payments and of limiting them as suggested by the amendment to 5 percent of the total amount, which I understand to be $3 million, or thereabouts, for the first year. Is that correct?

Mr. CLARK. It would be $4,100,000 the first year.

Mr. HOLLAND. The first year. The total would be a $90 million appropriation?

Mr. CLARK. Yes, $4,100,000 the first year.

Mr. HOLLAND. For the first year, $4,100,000 which I do not think is excessive at all. But I find objectionable the great differentiation in the total period of payment of subsistence, which is unemployment compensation—or is based upon unemployment compensation—in the case of the area redevelopment trainee, many of whom are exactly like the people who are referred to in the provisions of the bill.

I thank the Senator from Vermont and the Senator from Pennsylvania.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. LAUSCHE. I wish to ask a question of both the Senator from Vermont [Mr. PROUTY] and the Senator from Pennsylvania [Mr. CLARK]. With respect to the eligibility of a person between the ages of 16 years and 22 years, who would differentiate between the one having the necessary means to buy his own education and training, and another person who is in poverty and does not have the necessary means?

Mr. CLARK. Mr. President, may I answer that question?

Mr. LAUSCHE. Yes.

Mr. CLARK. The bill provides for what to me seems to be a pretty careful screening process. In the first place, the Secretary of Labor must make a survey to determine where potential job opportunities exist. Having done so, he must then, in cooperation with State employment agencies and with the vocational and technical training and educational institutions of each State, conduct a series of tests to determine the aptitude of particular individuals to acquire the training which it is proposed to give them.

Having then, at least to some extent, one would hope, screened the capable from the incapable, the Secretary must make the next decision as to whether the capable need a retraining allowance; and if they do not need such an allowance, he will not give it to them, because the bill provides that only in cases in which the Secretary of Labor finds it necessary to make such payment will payment be made.

Mr. LAUSCHE. The payments would be made on the basis of need.

Mr. CLARK. The Senator is correct.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. PASTORE. Do I correctly understand, then, that the payments would not be made on a bloc basis, but would be made on an individual basis?

Mr. CLARK. The Senator is correct.

Mr. PASTORE. So in the same classroom there might be a boy who is 17 years old and who is receiving training without subsistence, and next to him might be one receiving subsistence because he needs it.

Mr. CLARK. I am sure what the Senator has described will happen in many instances. It is the committee's intention.

Mr. PASTORE. I feel there will be such cases.

Mr. CLARK. I am prepared to trust the Secretary of Labor.

Mr. PROUTY. Mr. President, may I point out that if the substitute offered by the distinguished Senator from Pennsylvania prevails, a 16-year-old boy could receive an average of $32 a week for 52 weeks while he was going to school, perhaps in his own community, where most of the applicants would be taken care of.

I think we should also recognize that this program will not be subject to review for another year, at least, on any important feature, and we might as well postpone grandiose plans until we find out where we are going. I think if the Clark substitute is rejected and if my amendment is agreed to, it will not adversely affect the program.

During the course of a 2-year period we can examine the question of subsistence and then make judgments. I think the judgments should be those of Congress rather than the Secretary of Labor, because I think a great many unfortunate things could creep into an arrangement of that nature. I hope the Clark substitute will be rejected and that my amendment will prevail.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania [Mr. CLARK] to the amendment offered by the Senator from Vermont [Mr. PROUTY]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Connecticut [Mr. DODD], the Senator from Missouri [Mr. LONG], and the Senator from Oklahoma [Mr. MONRONEY] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

On this vote the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Kentucky [Mr. COOPER]. If present and voting the Senator from New Mexico would vote "yea" and the Senator from Kentucky would vote "nay."

On this vote the Senator from Missouri [Mr. LONG] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting the Senator from Missouri would vote "yea," and the Senator from Arizona would vote "nay."

I further announce that if present and voting the Senator from Connecticut [Mr. DODD], and the Senator from Oklahoma [Mr. MONRONEY] would vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kansas [Mr. CARLSON] are absent because of illness.

The Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

The Senator from Kentucky [Mr. COOPER] is detained on official business.

On this vote, the Senator from Kentucky [Mr. COOPER] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Kentucky would vote "nay," and the Senator from New Mexico would vote "yea."

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Missouri [Mr. LONG]. If present and voting, the Senator from Arizona would vote "nay," and the Senator from Missouri would vote "yea."

The result was announced—yeas 53, nays 39, as follows:

[No. 164]

YEAS—53

Anderson	Cannon	Eastland
Bartlett	Carroll	Engle
Beall	Case, N.J.	Fulbright
Bible	Church	Gore
Burdick	Clark	Gruening
Byrd, W. Va.	Douglas	Hart

Hartke	Long, La.	Pell
Hayden	Magnuson	Proxmire
Hickey	Mansfield	Randolph
Hill	McCarthy	Smathers
Holland	McGee	Smith, Mass.
Humphrey	McNamara	Sparkman
Jackson	Metcalf	Stennis
Javits	Morse	Symington
Johnston	Moss	Williams, N.J.
Kefauver	Muskie	Yarborough
Kerr	Neuberger	Young, Ohio
Long, Hawaii	Pastore	

NAYS—39

Aiken	Ellender	Prouty
Allott	Ervin	Robertson
Bennett	Fong	Russell
Boggs	Hickenlooper	Saltonstall
Bush	Hruska	Schoeppel
Butler	Jordan	Scott
Byrd, Va.	Keating	Smith, Maine
Capehart	Kuchel	Talmadge
Case, S. Dak.	Lausche	Thurmond
Cotton	McClellan	Tower
Curtis	Miller	Wiley
Dirksen	Morton	Williams, Del.
Dworshak	Mundt	Young, N. Dak.

NOT VOTING—8

Bridges	Cooper	Long, Mo.
Carlson	Dodd	Monroney
Chavez	Goldwater	

So Mr. CLARK's amendment to Mr. PROUTY's amendment in the nature of a substitute was agreed to.

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from Vermont as amended by the amendment of the Senator from Pennsylvania.

Mr. PROUTY. Madam President, I ask unanimous consent to withdraw my request for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROUTY. Madam President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from Vermont, as amended by the amendment of the Senator from Pennsylvania.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. CLARK. Madam President, I ask unanimous consent to have printed at this point in the RECORD a tabulation giving the estimated costs of the bill, as submitted by the Department of Labor.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Manpower Training and Development Act of 1961—Estimates of cost revised per subcommittee print S. 1991, June 28, 1961

[In thousands of dollars]

	1962	1963	1964	1965
TITLE I				
Occupational training and manpower:				
Sec. 103.1 To provide for evaluation of the impact of automation on the utilization of the Nation's labor force, establishment of research in problems of automation, and publication of findings by the Secretary of Labor. Approximately 100 percent increase of present BLS entire productivity program	600	600	500	500
Sec. 103.2 To provide for factual studies by the Secretary of Labor of practices of employer and unions which impede mobility of workers and for encouragement of improved mobility practices for the Secretary of Labor estimated to about ½ of the automation job in size	300	200	200	200
Sec. 104.0 Development, compilation, and dissemination of information regarding skill requirements, occupational outlook, job opportunities, and employment trends. For printing based on previous experience	520	520	520	520
Sec. 105.0 For overall direction of programs under this act. About double present proposal for the Office of Automation—allows $50,000 for 1st year consultants and a base of about 10 professional and 5 clerical positions	150	150	150	150
Total, title I	1,570	1,470	1,370	1,370
TITLE II				
PART A				
Training and skill development programs:				
Sec. 202.0 For counseling testing and placement services for long-term unemployed and underemployed. 600,000 1st, 2d and 400,000 for the 3d and 4th year	3,000	3,000	2,000	2,000
Sec. 203.0 Retraining allowances for long-term unemployed. 60,000 1st year; 110,000 2d year; 200,000 3d year; 200,000 4th year.[1]				
Average of $32 week for 26 weeks or about $832 per person	49,840	90,520	83,000	83,000
Retraining allowances for on-the-job training (20,000 1st year and 40,000 2d and 100,000 the 3d and 4th year); 50 percent allowances or $416 per person	8,300	16,640	20,400	20,400
Youth training[1] 10,000 1st year; 20,000 2d year, and 50,000 3d and 4th[1]	4,160	8,320	10,400	10,400
On-the-job and related training:				
Sec. 204.0:				
(a) Encourage, develop and secure adoption of on-the-job programs 20 percent increase current program 1st year and 100 percent or more increase thereafter	1,000	3,000	3,000	3,000
(b) Supplementary classroom instruction with HEW	1,000	1,000	1,000	1,000
(c) Securing adherence to standards	500	500	500	500
Sec. 205.0 National Advisory Committee	30	30	30	30
Sec. 206.0 Report on operation of training programs	500	500	500	500
Total, title II, part A	68,330	123,510	120,830	120,830
PART B				
Vocational training:				
Sec. 401.0 Provision of vocational training. For unemployed 80,000 1st year; 120,000 2d year; 380,000 3d year; 380,000 4th year. For underemployed 30,000 and 40,000 for 2d year; 50,000 3d and 4th year thereafter; $300 per person; 100 percent Federal for unemployed and 50 percent for underemployed; 50 percent State matching 3d and 4th year	28,500	42,000	60,250	60,250
TITLE III				
(And sec. 207)				
Miscellaneous:				
For general administration and coordination (BES and grants)	1,600	2,750	2,750	2,750
Total Training and Manpower Act 1961—NOA expenditures	100,000	169,730	185,200	185,200
Expenditures	90,000	163,000	182,000	185,200
Liquidation costs in 1966 based on 3 months' activities				70,000

[1] 50 percent State matching 3d and 4th year.

Mr. CLARK. Madam President, I ask unanimous consent that the Secretary of the Senate in the enrollment of this bill be authorized to make any corrections of a technical or typographical nature.

The ACTING PRESIDENT pro tempore (Mrs. NEUBERGER in the chair.) Without objection, it is so ordered.

Mr. LAUSCHE. Madam President, I contemplate voting against the bill. It contains provisions which will duplicate what we are already doing in one form or another. The bill is only another example of spending, and I cannot subscribe to it.

I voted for the area redevelopment bill, which contemplated in a measure taking care of these problems; but I cannot go along with the unlimited spending programs which more and more are precipitating our country into great difficulties.

The ACTING PRESIDENT pro tempore. The bill has been read the third time. The question now is, Shall the bill pass?

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Connecticut [Mr. DODD], the Senator from Missouri [Mr. LONG], and the Senator from Oklahoma [Mr. MONRONEY] are absent on official business.

I also announce that the Senator from New Mexico [Mr. CHAVEZ] is absent because of illness.

I announce that the Senator from Alaska [Mr. GRUENING], and the Senator from Nevada [Mr. CANNON] were absent due to the failure of the bells to ring in their office.

On this vote the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting the Senator from Alaska would vote "yea," and the Senator from Arizona would vote "nay."

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Missouri [Mr. LONG], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Nevada [Mr. CANNON] would vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Kansas [Mr. CARLSON] are absent because of illness.

The Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Arizona would vote "nay," and the Senator from Alaska would vote "yea."

The result was announced—yeas 60, nays 31, as follows:

[No. 165]

YEAS—60

Aiken	Hartke	Morse
Anderson	Hayden	Morton
Bartlett	Hickey	Moss
Beall	Hill	Muskie
Bible	Humphrey	Neuberger
Boggs	Jackson	Pastore
Burdick	Javits	Pell
Bush	Johnston	Prouty
Byrd, W. Va.	Keating	Proxmire
Capehart	Kefauver	Randolph
Carroll	Kerr	Scott
Case, N.J.	Kuchel	Smith, Mass.
Church	Long, Hawaii	Smith, Maine
Clark	Long, La.	Sparkman
Cooper	Magnuson	Symington
Douglas	Mansfield	Talmadge
Engle	McCarthy	Wiley
Fong	McGee	Williams, N.J.
Gore	McNamara	Yarborough
Hart	Metcalf	Young, Ohio

NAYS—31

Allott	Ervin	Russell
Bennett	Fulbright	Saltonstall
Butler	Hickenlooper	Schoeppel
Byrd, Va.	Holland	Smathers
Case, S. Dak.	Hruska	Stennis
Cotton	Jordan	Thurmond
Curtis	Lausche	Tower
Dirksen	McClellan	Williams, Del.
Dworshak	Miller	Young, N. Dak.
Eastland	Mundt	
Ellender	Robertson	

NOT VOTING—9

Bridges	Chavez	Gruening
Cannon	Dodd	Long, Mo.
Carlson	Goldwater	Monroney

So the bill (S. 1991) was passed.

The title was amended, so as to read: "A bill relating to manpower requirements, resources, development, and utilization, and for other purposes."

Mr. MANSFIELD. Madam President, I move to reconsider the vote by which the bill was passed.

Mr. CLARK. Madam President, will the Senator withhold his request so that the vote may be announced?

Mr. MANSFIELD. I thought the vote was announced.

The ACTING PRESIDENT pro tempore. The vote was announced.

Mr. CLARK. I move to lay the motion of the Senator from Montana on the table.

Mr. GRUENING. Madam President, I rise to a point of personal privilege. The bells did not ring, and I ask that I be recorded on the vote.

The ACTING PRESIDENT pro tempore. The request is not in order under the rules of the Senate. The vote has already been announced.

The question is on agreeing to the motion of the Senator from Pennsylvania to lay on the table the motion of the Senator from Montana to reconsider the vote by which the bill was passed.

The motion to lay on the table was agreed to.

Mr. MANSFIELD subsequently said. Mr. President, I think the record should be made clear that the distinguished Senator from Alaska [Mr. GRUENING], who arrived in the Chamber just as the Chair was announcing the result of the vote on Senate bill 1991, relating to the occupational training, development, and use of the manpower resources of the Nation, and for other purposes, was unable to arrive earlier because the bells did not ring; and therefore his position should be made clear at this time.

The Chair will recall that just as the result of the vote was being announced, the Senator from Alaska entered the Chamber, and asked to be recognized; but because of the fact that the vote was in the process of being announced, it was impossible for the Chair to recognize him at that time.

But the Senator from Alaska was very much in favor of this particular bill, and he would have voted in favor of it if he had been given an opportunity to do so. But he was not given the opportunity to vote for the bill, because of the failure of the bells, which are supposed to be in order to call all of us here.

So I ask unanimous consent that the Senator from Alaska [Mr. GRUENING] be recorded as in favor of Senate bill 1991.

Mr. KUCHEL. Mr. President, reserving the right to object, I merely wish to ask whether the distinguished majority leader has discussed this question with the minority leader.

Mr. MANSFIELD. No, I did not, because the Senator from Alaska was here at the time, and the minority leader was aware of it. But I am quite certain in my own mind that the Senator from Illinois, the minority leader, would go along with my suggestion, because what happened to the Senator from Alaska could happen to any Senator, and I am sure the minority leader would want to accord him this courtesy.

Mr. KUCHEL. I understand that; but in the absence of the minority leader——

Mr. MANSFIELD. I have no doubt that the minority leader would agree to what I am going to ask, if it can be granted.

The PRESIDING OFFICER (Mr. METCALF in the chair). Let the Chair rule on this matter. The Chair calls attention to rule XII, which reads in part, as follows:

> No motion to suspend this rule shall be in order, nor shall the Presiding Officer entertain any request to suspend it by unanimous consent.

Rule XII provides for voting, and provides that it is not in order for unanimous consent to be requested in order to permit a Senator to vote after the result of a vote has been announced.

Mr. MANSFIELD. Of course, Mr. President, I accept the ruling of the Chair; it is what I anticipated it would be. But I wanted to state clearly, for the RECORD, that an attempt was made by the Senator from Alaska to be present and to vote, but that he was prevented from voting through no fault of his own, and that therefore this explanation should be made.

AMENDMENT TO FEDERAL RESERVE ACT

Mr. MANSFIELD. Madam President, I ask unanimous consent that the pending business be laid aside temporarily, and that the Senate proceed to the consideration of Calendar No. 713, Senate bill 1005.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1005) to amend section 10 and section 3 of the Federal Reserve Act, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

Mr. CARROLL. Madam President, on August 15 the Senate Banking and Currency Committee met in executive session and discussed Senate bill 1005, which amends a portion of the Federal Reserve Act.

The bill confers on the Board of Governors of the Reserve the power of authorizing construction of new branch bank buildings and additions to old buildings.

At this meeting the committee studied at length a problem I had presented to the chairman, the distinguished junior Senator from Virginia [Mr. ROBERTSON].

I had raised the question with the chairman and several other committee members, of the wisdom of permitting the Federal Reserve to move its branch bank in Denver rather than expand the bank at its present site.

Such a move, I pointed out, was contemplated by the Reserve.

The bank is presently located at 17th and Arapahoe in Denver and provides what Denver civic groups call an anchor against deterioration of downtown Denver.

This is a factor that should be of legitimate concern to the Federal Govern-

ment, which is already involved deeply in urban renewal projects in several Denver areas, one relatively close to the present bank.

It is as much in the public interest to prevent conditions that lead to urban decay as it is to make restoration once the decay has occurred.

And it is more economical.

Madam President, so that the Senate may know how important it is for the Federal Government to help stop urban deterioration before it has to pour millions into renewal of urban areas, I want to offer some statistics on urban renewal projects in Denver.

There are five urban renewal projects now in various stages of progress in Denver.

They are: First, Avondale area; second, Blake Street area; third, Whittier School area; fourth, Jerome Park area; and fifth, West Colfax area.

The Federal Government share in these projects will come to about $8 million. The city of Denver's share will be $3.3 million.

Two months ago Mr. Bruce Rockwell, chairman of the Denver Urban Renewal Authority, described the long-range urban renewal plans of the city of Denver as costing $36 million, $24 million of which will be from the Federal Government.

Madam President, $12 million of the $36 million will be spent in restoring downtown Denver, not far from the present location of the Federal Reserve bank; $8 million of the $12 million will be Federal funds.

It is readily obvious why, in terms of potential Federal investment in the area, it is important that the Federal Reserve not contribute to deterioration of any other downtown areas.

Madam President, I ask unanimous consent that there be printed at this point in the RECORD an article from the June 30, 1961, Rocky Mountain News describing Denver's urban renewal plans.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Rocky Mountain News (Colo.), June 30, 1961]

THIRTY-SIX MILLION DOLLARS COST SET ON URBAN PLAN

(By Del Harding)

A 6-year, $36 million urban renewal program was presented to the Denver Urban Renewal Authority Thursday.

Bruce Rockwell, authority board chairman, said the program was submitted to the Capital Improvements Committee for use as a guide in planning long-range urban renewal needs.

But he stressed the program, which calls for $11.8 million in local funds with the rest coming from Federal grants, is only a tentative list of proposals for use as a guide for possible future needs.

DISCUSS PROGRAM

Authority board members discussed the program at their meeting Thursday but took no formal action.

Rockwell said the program assumes the proposed metropolitan sales tax will be approved this fall by the voters. If not, the program will have to be altered.

Robert Cameron, authority secretary, was told to examine the $5.6 billion housing bill passed Wednesday by Congress to determine how it will affect Denver's urban renewal program.

The 6-year program calls for spending $1.9 million ($400,000 in local funds) in 1962 on expanding the Whittier School neighborhood project and $495,000 ($165,000 local funds) in setting up the Jerome Park project.

Proposed for 1963 is a $1.6 million ($530,000 local funds) project on West Colfax Avenue and a $1.5 million ($500,000 local funds) project in the St. Luke's Hospital area.

LATER YEARS

Proposed in later years:

1964: $3 million ($1 million local funds) for project in city-county building area; $2.2 million ($750,000 local) for project in Whittier School-Blake Street area.

1965: $6 million (half local funds) for project in Colorado University extension center area and $3 million ($1 million local) for an east Denver project.

1966: $6 million ($2 million local) for a lower downtown project; $1.5 million ($500,000 local) for another east Denver project.

1967: $6 million ($2 million local) for another lower downtown project; $3 million ($1 million local) for another St. Luke's area project.

LANGUAGE IN COMMITTEE REPORT

Mr. CARROLL. Madam President, the Banking and Currency Committee saw fit, in connection with the Denver problem to add at my request some general language to the report on S. 1005.

This language, which is on page three of Senate Report No. 737, I think puts the Reserve Board on notice that the Congress does not look with favor on capricious new construction merely to provide a more luxurious atmosphere.

When the Senate and House required additional space we expanded at our present locations. We did not search out property on upper Massachusetts Avenue to construct brandnew headquarters—though no doubt life is more genteel in Spring Valley.

The language in the report which I consider to be adequate notice to the Reserve to halt its present plans is as follows:

The committee expects that the Board of Governors will exercise sound judgment and prudent economy in acting under this amendment. The committee expects that the Board will only approve proposed new construction or additions under the amendment where such expenditures are shown to be demonstrably necessary, and then only to the extent necessary. The committee expects that the Board of Governors in the exercise of good judgment and sound discretion will act only after fully obtaining the views of local persons and organizations, and only after giving full weight to local needs and practices, so that the location of branch bank buildings will be as convenient and as advantageous as possible. The committee expects that the Board of Governors will not approve extravagant or unnecessary construction.

Madam President, you will notice in the report language that the committee "expects" the Board will act "only" after having given "full weight" to local needs.

I hope that in fulfilling that mandate the Reserve will commence to hold a public hearing in Denver, at which time the mayor and his executive department heads, civic associations, and interested businessmen, property owners, and other citizens will have ample opportunity to express their opinions pro and con on the proposed move of the bank.

Following the August 15 action of the Banking and Currency Committee, Madam President, both daily newspapers took editorial positions against moving the bank.

I ask unanimous consent that at this point an editorial from the Denver Post dated August 21 and an editorial from the Rocky Mountain News dated August 16 be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Denver Post, Aug. 21, 1961]

BANK RELOCATION SHOULD BE BLOCKED

The move to block plans of the Federal Reserve bank to relocate from its site at 17th and Arapahoe Streets is a sound move.

Having outgrown its present building, the bank should expand onto the adjacent property, which it acquired in 1953, rather than purchase additional land at a different location and erect an entirely new structure for a cost estimated at $2 million.

We support the position of Senator JOHN CARROLL against improvident and unnecessary construction of new and costly buildings, in part because reasons so far advanced for the proposed relocation are not urgent reasons.

Results of such a move, for another thing, might well be, in the Colorado Senator's words, "a disaster to downtown development."

The Federal Reserve, having watched the increasing deterioration of the lower downtown area and its abandonment by large commercial operations, including other banks, has cited "sound business practice" as its main reason for considering the uptown move.

Although the bank has no direct dealing with the public, but instead handles Federal securities and lends money to other banks, its spokesmen see a more efficient business operation in new and modern quarters.

An officer in the 10th Federal Reserve District office in Kansas City, Mo., of which the Denver bank is a branch, said for it to remain at its 17th Street location would be "to gamble on changes in the general downtown composition during the next 15 years."

We suggest that the gamble is a good one, with the odds heavily in favor of an aggressive program of improvement, which is finally off to a promising start.

We also suggest that the Federal Reserve bank, as an important member of the business community, should take a leading role in this program and remain as an anchor in the lower downtown area.

Senator CARROLL has set forth other good arguments against the proposed relocation, which also is opposed by the Denver Downtown Improvement Association and Mayor Batterton.

It would be difficult to dispose of the present building without a tremendous loss.

The adjacent property, acquired when expansion needs already were being recognized, were purchased nevertheless at a period of high property costs and could not be sold except at a loss.

The present location is three blocks from the complex of Federal buildings with which it maintains constant business traffic. This group eventually will include the new Federal office building and courthouse.

These strike us as hard business facts which serve to bolster the less tangible but equally important argument of sound support to the program of revitalizing Denver's downtown.

Pulling out might well wreck a promising civic effort. Standing firm would be an immeasurable boost for the downtown program and might even save it.

[From the Rocky Mountain News, Aug. 16, 1961]

BUT WHY MOVE?

We have seen no compelling reasons advanced for moving the Federal Reserve bank from its present location at 17th and Arapahoe Streets.

The bank has served this region well from this location and we see no reason why it cannot continue to do so.

If it were to be moved, it strikes us that it probably should be located over here in our neighborhood, near the U.S. Mint with which it has close and frequent business relations.

But the bank now has a fine building, which it has outgrown. But it also has acquired for $400,000 adjacent property with a view to expansion of the present building.

This leads us to agree with U.S. Senator JOHN CARROLL in his proposal to roadblock any plans to move the bank to a new site and with downtown Denver supporters who have begun mobilization to keep the Federal Reserve bank in its present location.

The bank—which deals mainly with other banks and with the mint—has been growing right along with this booming region.

It was only last month when John R. Farrell, director of bank operations for the Federal Reserve Board, testified for a Senate committee that the Denver bank urgently needs a new building.

Officials of the bank have seen the expansion needs coming for a long time. And that is why the additional lots were acquired when they were available.

Federal Reserve banks in seven other cities are also in line for possible moves, it appears.

Senator CARROLL'S effort to block moving plans here would have no bearing, it is understood, on what might be done in any other city.

Mr. CARROLL. Madam President, I presented to the Banking and Currency Committee three arguments for expanding the bank at its present site. They are:

First. The present structure, with its underground vaults and special design, would be difficult to dispose of without taking a substantial loss.

Second. A loss would be suffered on sale of the additional six lots bought at the high price of $400,000.

Third. The present structure is conveniently located only three blocks from the complex of Denver Federal buildings—including a new $17 million office building just funded by the Congress and about to be constructed by the GSA.

I have been assured that sufficient property to expand the bank can be optioned adjacent to the present bank structure at reasonable figures. This, of course, would be something the Reserve would have to judge. But I am confident that the downtown businessmen, civic leaders, and property owners will extend themselves to any reasonable length to accommodate the Reserve to keep the bank at its present location.

Madam President, I ask unanimous consent that at this point there be printed in the RECORD my letter of August 14 to Chairman ROBERTSON. I think it more fully described my own feelings and the sentiments of downtown Denver civic leaders on this issue.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
August 14, 1961.

Hon. A. WILLIS ROBERTSON,
Chairman, Committee on Banking and Currency, U.S. Senate, Washington, D.C.

DEAR WILLIS: I understand that your committee will consider on Tuesday S. 1005, which confers on the Federal Reserve Board of Governors the power of authorizing construction of new buildings for the Reserve's branch banks.

The Reserve, in the person of Mr. John R. Farrell, director of bank operations, has, I understand, testified in favor of this amendment of the Federal Reserve Act. In his testimony he described as one of the Federal Reserve needs "a new building in Denver."

This is a highly controversial issue.

However, it is only one of eight new construction projects cited as needed by the Reserve (two described as "new" buildings and six described as "additions").

I would be reluctant to oppose committee action on S. 1005 merely because of controversy over one of the eight projects.

It may be possible for you, however, to stipulate in your committee report some language which might restrain the Federal Reserve Board from improvident and unnecessary construction of new and costly buildings.

I fear this is what may happen in Denver if we do not warn the Reserve to act with prudence.

The mayor of Denver does not favor a change in location of the Federal Reserve bank in Denver.

He has written me on this matter and I enclose a copy of his letter.

There is a long history behind the proposed new Reserve bank structure in Denver.

On March 2, 1953, the Reserve bought for $400,000 six lots adjoining the present bank. It planned at that time to expand its existing facilities from 34,000 square feet to 68,000 square feet. However, when it was learned that the costs would run to $2.2 million ($600,00 more than anticipated) the project was dropped.

The bank still owns those 6 lots.

In October of 1958 the question of expansion was revived and the bank acquired options on an additional 13 lots, averaging about $30,000 per lot.

In January 1959 the Reserve dropped all options and began exploring once again the concept of a brandnew building in another part of the downtown area.

The Downtown Improvement Association strongly opposes the shift of the Reserve location, as does the Mayor's Downtown Master Plan Committee. These two civic groups have pointed out that the Reserve bank in its present location "acts as an anchor for business in the lower downtown area." Movement of the bank would be, in their terms, "a disaster to downtown development."

Other arguments that have been given to me for expanding the bank in its present location are:

1. The present structure, with its underground vaults and special design, would be difficult to dispose of without taking a substantial loss.

2. Equally, a loss would be suffered on sale of the additional six lots, bought at the high price of $400,000.

3. The present structure is conveniently located only 3 blocks from the complex of Denver Federal buildings (including a new $17 million office building just funded by the Congress and about to be constructed by the GSA).

It would seem to me, WILLIS, that it would be in order for the Senate, in its report on S. 1005, to caution the Reserve against reckless construction of new buildings merely to locate in a newer part of town, when economy and local public sentiment dictate that expansion at present location is the sensible course of procedure.

With warmest personal regards.

Sincerely,

JOHN A. CARROLL.

Mr. CARROLL. Madam President, I also ask unanimous consent that at this point in the RECORD there be printed a letter to me from the mayor of Denver, Richard Batterton, opposing a shift of the bank.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DENVER, COLO., *August 8, 1961.*

Hon. JOHN A. CARROLL,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR JOHN: Recent reports that the Denver branch of the Federal Reserve bank may be moved from its present location have been very disturbing to businessmen in the lower downtown area.

While I realize that there may be overriding considerations, such a move would deal a serious blow to plans for rehabilitating that area.

I will appreciate your watching the situation and doing anything you can to prevent any hasty decision.

Best regards.

Sincerely,

DICK BATTERTON,
Mayor.

Mr. CARROLL. Madam President, I do not object to the passage of S. 1005. However, I did think that prior to its passage a legislative history should be made in the RECORD, explaining the background of the language in Banking and Currency Committee Report No. 737.

I hope that the Governors of the Federal Reserve Board heed the recommendations of the committee and call a public hearing in Denver, giving opportunity to be heard all the citizens who have feelings pro and con on the movement of the Denver branch bank.

I think the Board will then agree that the preponderance of sentiment and logic will be to expand the bank in its present location.

The ACTING PRESIDENT pro tempore. The bill is open to amendment.

If there be no amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill (S. 1005) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 10 of the Federal Reserve Act, as amended, is hereby further amended by striking paragraph nine thereof (U.S.C., title 12, sec. 522).

SEC. 2. Section 3 of the Federal Reserve Act, as amended (U.S.C., title 12, sec. 521), is hereby further amended by adding at the end thereof the following paragraph:

"No Federal Reserve Bank shall have authority hereafter to enter into any contract or contracts for the erection of any branch bank building of any kind or character or

to authorize the erection of any such building, except with the approval of the Board of Governors of the Federal Reserve System."

AMENDMENT OF TITLE 18, UNITED STATES CODE, RELATING TO PROHIBITION OF CERTAIN TRAVEL

Mr. MANSFIELD. Mr. President, I ask the Presiding Officer to lay before the Senate the message from the House of Representatives amending S. 1653, to amend title 18, United States Code, to prohibit travel or transportation in commerce in aid of racketeering enterprises.

The PRESIDING OFFICER (Mr. METCALF in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 1653) to amend title 18, United States Code, to prohibit travel or transportation in commerce in aid of racketeering enterprises, which was, to strike out all after the enacting clause and insert:

That chapter 95 of title 18, United States Code, is amended (a) by adding the following new section at the end thereof:

"§ 1952. Interstate and foreign travel or transportation in aid of racketeering enterprises

"(a) Whoever travels in interstate or foreign commerce or uses any facility in interstate or foreign commerce, including the mail, with intent to—

"(1) distribute the proceeds of any unlawful activity; or

"(2) commit any crime of violence to further any unlawful activity; or

"(3) otherwise promote, manage, establish, carry on, or facilitate the promotion, management, establishment, or carrying on, of any unlawful activity

and thereafter performs or attempts to perform any of the acts specified in subparagraphs (1), (2), and (3), shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

"(b) As used in this section 'unlawful activity' means any business enterprise involving gambling, liquor, narcotics, or prostitution offenses or extortion or bribery in connection with such offenses in violation of the laws of the State in which they are committed or of the United States.

"(c) Investigations of violations under this section involving liquor or narcotics shall be conducted under the supervision of the Secretary of the Treasury."

and (b) by adding the following item to the analysis of the chapter:

"Sec. 1952. Interstate and foreign travel or transportation in aid of racketeering enterprises."

Mr. MANSFIELD. Mr. President, in amending S. 1653, the committee struck the text of the language which was agreed to by the Senate on July 28, 1961, and inserted in lieu thereof substitute language.

Mr. President, I move that the Senate disagree to the amendment by the House of Representatives, request a conference, and that the Presiding Officer appoint conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Presiding Officer appointed Mr. EASTLAND, Mr. KEFAUVER, Mr. JOHNSTON, Mr. DIRKSEN, and Mr. HRUSKA conferees on the part of the Senate.

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns today, it adjourn to meet at 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANNOUNCEMENT OF CONSIDERATION ON TOMORROW OF NOMINATION OF MAJ. GENE HAL WILLIAMS

Mr. MANSFIELD. Mr. President, for the information of the Senate, it is anticipated that at about the hour of 3 o'clock tomorrow afternoon deliberations will begin on the nomination of the adjutant general for the State of West Virginia.

PEACE CORPS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 682, Senate bill 2000.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2000) to provide for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2000) to provide for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower, which had been reported from the Committee on Foreign Relations, with amendments, on page 2, line 2, after the word "Corps", to strike out "which shall make available to interested countries and areas and to international organizations men and women of the United States qualified for service abroad and willing to serve under conditions of hardship to help the peoples of such countries and areas in meeting their needs for manpower; to provide broader opportunities for men and women of the United States and United States private organizations, through service abroad, to contribute actively to their country's efforts in the cause of world peace and friendship; and through the service abroad of the men and women participating in Peace Corps programs," and insert "and"; after line 22, to strike out:

(c) Unexpended balances of funds made available pursuant to chapter III of the Mutual Security Act of 1954, as amended, and allocated to the Peace Corps agency established within the Department of State pursuant to Executive Order Numbered 10924, dated March 1, 1961, are hereby authorized to be continued available for the general purposes for which appropriated, and may be consolidated with the appropriation authorized by subsection (b) of this section.

At the top of page 4, to insert:

(c)(1) Nothing contained in this Act shall be construed to infringe upon the powers or functions of the Secretary of State.

(2) The President shall prescribe appropriate procedures to assure coordination of Peace Corps activities with other activities of the United States Government in each country, under the leadership of the chief of the United States diplomatic mission.

(3) Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of the programs authorized by this Act, to the end that such programs are effectively integrated both at home and abroad and the foreign policy of the United States is best served thereby.

(d) Except with the approval of the Secretary of State, the Peace Corps shall not be assigned to perform services which could readily be performed by other available agencies of the United States Government in the country concerned.

On page 5, line 4, after the word "employment", to strike out "of" and insert "of, or holding office under"; at the beginning of line 14, to strike out "required examinations or"; in line 18, after the word "at", to strike out "rates fixed by the President based upon the number of months" and insert "a rate not to exceed $75 for each month"; on page 7, line 6, after the word "appropriate", to strike out "Under such regulations" and insert "Subject to such conditions"; in line 13, after "(f)", to strike out "(1)"; at the beginning of line 17, to strike out "(A)" and insert "(1)"; at the beginning of line 23, to strike out "(B)" and insert "(2)"; on page 8, line 9, after the word "appointment", to strike out "Under such conditions as the President may determine, examinations or other prerequisites to employment established by any law administered by the Civil Service Commission may be waived for persons who have completed training under section 8(a) of this Act and have served abroad as volunteers."; after line 15, to strike out:

(2) For the purposes of paragraph (1)(A) of this subsection, volunteers and volunteer leaders shall be deemed to be receiving compensation during their service at the rates mentioned in subsection (d)(1) of this section.

On page 9, line 14, after the word "leaders", to insert "The ratio of the total number of volunteer leaders to the total number of volunteers in service at any one time shall not exceed one to twenty-five."; after line 20, to strike out:

(1) members of families of volunteer leaders may receive such living, travel, and leave allowances, and such housing, transportation (including transportation for personnel and household effects), subsistence, and clothing as the President may determine;

And, in lieu thereof, to insert:

(1) volunteer leaders shall be entitled to receive termination payments at a rate not to exceed $100 for each month of satisfactory service as determined by the President;

(2) spouses and minor children of volunteer leaders may receive such living, travel, and leave allowances, and such housing, transportation (including transportation of not to exceed three hundred pounds per person of unaccompanied necessary personal

and household effects), subsistence, and essential special items of clothing, as the President may determine, but the authority contained in this paragraph shall be exercised only under exceptional circumstances;

On page 10, at the beginning of line 17, to strike out "(2) members of the families" and insert "(3) spouses and minor children"; in line 22, after the word "such", to strike out "regulations" and insert "conditions"; on page 11, at the beginning of line 1, to strike out "(3) members of the families" and insert "(4) spouses and minor children"; at the beginning of line 4, to insert "necessary to accomplish the purposes of this Act"; on page 12, line 20, after the word "persons", to strike out the comma and "except that policymaking officials shall not be subject to that part of section 1005 which prohibits political tests"; on page 14, after line 2, to strike out:

(c) The President may maintain special missions or staffs abroad in such countries and for such periods of time as may be necessary to carry out the purposes of this Act. Each such special mission or staff shall be under the direction of a chief, who shall be appointed by the President and may, notwithstanding any other law, be removed by the President at his discretion. The chief shall be entitled to receive (1) in cases approved by the President, the same compensation and allowances as a chief of mission, class 3, or a chief of mission, class 4, within the meaning of the Foreign Service Act of 1946, as amended, or (2) compensation, allowances, and benefits applicable to persons employed or assigned in accordance with subsection (c) of this section, as the President shall determine to be appropriate.

And, in lieu thereof, to insert:

(c) In each country or area in which volunteers serve abroad, the President may appoint an employee or a volunteer as a Peace Corps representative to have direction of other employees of the Peace Corps abroad and to oversee the activities carried on under this Act in such country or area. Unless a representative is a volunteer, the compensation, allowances and benefits and other terms and conditions of service of each such representative shall be the same as those of a person appointed or assigned pursuant to either of the paragraphs of subsection (c) of this section, except that any such representative may, notwithstanding any provision of law, be removed by the President in his discretion.

On page 15, line 17, after the word "for", where it appears the second time, to strike out "persons," and insert "citizens of the United States,"; on page 16, line 6, after the word "for", to strike out "participation of" and insert "assistance by"; in line 20, after the word "States", to strike out "for training under section 8(b)" and insert "under contract pursuant to section 10(a)(4)"; in line 24, after "U.S.C.", to strike out "101(a)(15)" and insert "1101(a)(15)"; on page 17, at the beginning of line 3, to insert "The fifth and sixth sentences of section 201 (a) of the United States Information and Educational Exchange Act of 1948 (or corresponding provisions of any successor Act) shall be applicable with respect to persons so admitted."; in line 13, after the word "thereof", to strike out "international organizations and agencies,"; after line 17, to insert:

(2) assign volunteers in special cases to temporary duty with international organizations and agencies when the Secretary of State determines that such assignment would serve the purposes of this Act;

At the beginning of line 22, to strike out "(2)" and insert "(3)"; on page 18, at the beginning of line 5, to strike out "(3)" and insert "(4)"; in line 14, after the word "President", to insert "under such regulations as he may prescribe"; in line 16, after the word "States", to strike out the comma and "or against any United States private organization or firm to which a volunteer has been detailed or assigned,"; in line 23, after the word "employee", to insert "while in the performance of his duties"; in line 25, after the word "of", to strike out "such" and insert "any", and in the same line, after the word "volunteer", to insert "while in the performance of his duties"; on page 19, line 1, after the word "within", to strike out "two years" and insert "one year"; after line 12, to strike out:

(d) Whenever the President determines it to be in furtherance of the purposes of this Act—

(1) the President may exercise, in carrying out functions authorized by this Act, any authority relating to administrative or personnel functions available by law to the agency primarily responsible for administering nonmilitary assistance programs under the Mutual Security Act of 1954, as amended, or any Act which substantially repeals that Act; and

(2) functions authorized by this Act may be performed without regard to such provisions of law (other than the Renegotiation Act of 1951, as amended) regulating the making, performance, amendment, or modification of contracts and the expenditure of Government funds as the President may specify.

And, in lieu thereof, to insert:

(d) Whenever the President determines it to be in furtherance of the purposes of this Act, functions authorized by this Act may be performed without regard to such provisions of law (other than the Renegotiation Act of 1951, as amended) regulating the making, performance, amendment, or modification of contracts and the expenditure of Government funds as the President may specify.

On page 20, after line 9, to strike out:

(e) The President may allocate or transfer to any agency of the United States Government all or any part of any funds available for carrying out the purposes of this Act, including any advance received by the United States from any country or international organization under authority of this Act. Such funds shall be available for obligation and expenditure for the purposes of this Act in accordance with authority granted in this Act or under authority governing the activities of the agencies of the United States Government to which such funds are allocated or transferred.

At the beginning of line 20, to strike out "(f)" and insert "(e)"; on page 21, at the beginning of line 4, to strike out "(g)" and insert "(f)"; on page 22, in the heading in line 1, after the word "Council" to strike out "And Career Planning Board"; in line 5, after the word "Council", to insert "twenty-five", and in the same line, after the word "are", to strike out "broadly"; after line 11, to strike out:

(b) The President may appoint to membership in a board to be known as the Career Planning Board persons especially qualified to advise and consult with the President with regard to the development of policies and programs designed to assist the future careers of volunteers after conclusion of their service.

At the beginning of line 18, to strike out "(c)" and insert "(b)", and in the same line, after the word "the", to strike out "boards" and insert "board"; in line 24, after the word "each", to strike out "day" and insert "day, not to exceed twenty days in any fiscal year in the case of any such member"; on page 23, line 22, after the word "of", where it appears the second time, to strike out "either of the boards" and insert "the board"; on page 29, line 7, after the word "properties", to strike out the comma and "without regard to the limitation contained in section 322 of Public Law 72–212, as amended (40 U.S.C. 278a)"; after line 15, to strike out:

(3) purchase, maintenance, operation, and hire of aircraft: *Provided*, That aircraft for administrative purposes may be purchased only as specifically provided for in an appropriation or other Act;

And, in lieu thereof, to insert:

(3) rental and hire of aircraft;

In line 22, after the word *"Provided"*, to strike out "That, except as may otherwise be provided in an appropriation or other Act, passenger motor vehicles for administrative purposes abroad may be purchased for replacement only, and such vehicles may be exchanged or sold and replaced by an equal number of such vehicles, and the cost, including exchange allowance, of each such replacement shall not exceed $3,500 in the case of an automobile for the chief of any special mission or staff abroad established under section 7(e): *Provided further*, That passenger motor vehicles may be purchased for use in the United States only as may be specifically provided in an appropriation or other Act" and insert "That passenger motor vehicles for administrative purposes may be purchased for use or replacement only as may be provided in an appropriation or other Act, and the cost, including exchange allowance, of each such motor vehicle shall not exceed $2,500 in the case of an automobile for any Peace Corps country representative appointed under section 7(e)"; on page 30, after line 22, to strike out:

(7) expenditures (not to exceed $5,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act) of a confidential character other than entertainment: *Provided*, That a certificate of the amount of each such expenditure, the nature of which it is considered inadvisable to specify, shall be made by the Director of the Peace Corps or such person as he may designate, and every such certificate shall be deemed a sufficient voucher for the amount herein specified;

And, in lieu thereof, to insert:

(7) expenditures (not to exceed $5,000 in any fiscal year except as may be otherwise provided in an appropriation or other Act)

not otherwise authorized by law to meet unforeseen emergencies or contingencies arising in the Peace Corps: *Provided*, That a certificate of the amount only of each such expenditure and that such expenditure was necessary to meet an unforeseen emergency or contingency, made by the Director of the Peace Corps or his designee, shall be deemed a sufficient voucher for the amount therein specified;

On page 31, line 18, after the word "vehicles", to strike out "or aircraft"; in line 20, after the word "exceed", to strike out "ten" and insert "three"; on page 33, line 1, after the word "of", to strike out "final selection for service abroad" and insert "commencement of training"; after line 8, to strike out:

(b) Persons serving as members of the National Advisory Council and the Career Planning Board of the agency referred to in subsection (a) of this section shall be members of the National Advisory Council and the Career Planning Board, respectively, established under section 12 of this Act without appointment thereunder.

And, in lieu thereof, to insert:

(b) Any person who was appointed by and with the advice and consent of the Senate to be Director of the Peace Corps prior to the enactment of this Act may be appointed by the President to be Director of the Peace Corps under section 4(a) of this Act without further action by the Senate.

At the top of page 34, to strike out:

APPLICABILITY OF MUTUAL DEFENSE ASSISTANCE CONTROL ACT

SEC. 18. The Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.) shall not apply with respect to functions carried out under this Act.

In line 7, to change the section number from "19" to "18"; in line 11, to change the section number from "20" to "19"; in line 16, after "(iii)", to insert "not in excess of three years"; in line 19, after the word "shall", to insert "not"; at the beginning of line 21, to strike out "only" and insert "except"; in line 25, after the word "exceed", to strike out "in the aggregate"; on page 35, line 1, after the word "canceled", to strike out "(A)"; in line 3, after the word "State", to insert "or as a full-time teacher in a public elementary or secondary school in a foreign country or area as a Peace Corps volunteer"; in line 9, after the word "service", to strike out the semicolon and "and (B) for service as a volunteer under the Peace Corps Act, at the rate of 10 per centum of the amount of such loan plus interest thereon, which was unpaid on the first day of such service, for each completed eight months of such service" and insert a colon and "*Provided*, That this paragraph (3) shall not apply with respect to service as a volunteer in the case of a loan outstanding on the effective date of the Peace Corps Act except with the consent of the then obligee institution;" "; after line 17, to strike out:

TAXATION OF ALLOWANCES

SEC. 21. The Internal Revenue Code of 1954, as amended, is amended in the following respects:

(1) Section 912 of such Code relating to exemption for certain allowances is amended by adding the following new paragraph (3):

"(3) PEACE CORPS ALLOWANCE.—In the case of volunteers within the meaning of the Peace Corps Act and members of families of such volunteers, amounts received as allowances under sections 5 or 6 of the Peace Corps Act (other than termination payments under section 5(c) of said Act)."

(2) Section 1303(b) of such Code relating to income from back pay is amended by adding the following new paragraph (4):

"(4) Termination payments authorized by the provisions of section 5(c) of the Peace Corps Act and received or accrued by an individual during the taxable year on account of any period of service as a volunteer under the Peace Corps Act occurring prior to the taxable year."

On page 36, after line 13, to strike out:

SOCIAL SECURITY COVERAGE

SEC. 22. During any period of service as a volunteer under this Act, an individual shall, notwithstanding the provisions of section 210 of the Social Security Act and section 3121 of the Internal Revenue Code of 1954, be deemed to be performing service constituting employment for purposes of title II of such Act and chapter 21 of such Code; and, subject to the provisions of section 209(a) of such Act and section 3121(a)(1) of such Code, any such individual shall be deemed to have received wages for such service at the rate determined under section 5(c) with respect to termination payments.

On page 37, line 2, to change the section number from "23" to "20"; after line 4, to strike out:

MILITARY SERVICE AFTER DECEMBER 1956 AND PEACE CORPS VOLUNTEER SERVICE

On page 38, after line 10, to strike out:

REEMPLOYMENT AND VOTING RIGHTS

SEC. 24. (a) Any person in the employ of the United States Government, its territories or possessions, any political subdivision or agency thereof, or the District of Columbia, or in the employ of any private employer, shall upon request be granted a leave of absence from such employment for the purpose of undertaking any required training under section 8(a) of this Act. Upon termination of such training (or upon discharge from hospitalization incident to such training) such person shall be entitled to return to his position with such seniority, status, pay and vacation rights as he would be entitled to had he not been absent for such purpose, if, but only if, he shall report for work not more than ten days following termination of such training (or following discharge from such hospitalization). If such person is not qualified to perform the duties of his position by reason of disability incident to such training but is qualified to perform the duties of any other position in the employ of the employer or his successor in interest, he shall be restored by that employer or such successor to such other position the duties of which he is qualified to perform as will provide him like seniority, status, and pay or the nearest approximation thereof consistent with the circumstances of his case.

(b) Any volunteer who, prior to his first day of service under this Act, has been for more than six months in the employ of the United States Government, its territories or possessions, any political subdivision or agency thereof, or the District of Columbia, or in the employ of any private employer, and who has completed any period of satisfactory service abroad as a volunteer, shall, upon termination of such service, be entitled to return to his position or to a position of like seniority, status, and pay with the employer or his successor in interest, if, but only if, he shall make application for reemployment to such employer or successor within sixty days after termination of his service (or after discharge from hospitalization incident to such service continuing for not more than one year after such termination). If such person is not qualified to perform the duties of such position by reason of disability sustained during service under this Act but is qualified to perform the duties of any other position in the employ of such employer or successor, he shall be restored to such other position the duties of which he is qualified to perform as will accord him like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances of his case. Any person reemployed under this subsection shall be considered as having been on furlough or leave of absence and shall be restored to employment without loss of seniority, shall be entitled to participate in insurance or other benefits offered by the employer pursuant to any established rules and practices relating to employees on furlough or leave of absence, and shall not be discharged from the position to which restored without cause within one year after such restoration. This subsection shall not apply with respect to employment in any temporary position.

(c) In case any private employer shall fail or refuse to comply with the provisions of this section or shall deny any rights accorded hereunder, he may be specifically required to comply with the provisions hereof, to grant such rights, and in addition, to compensate the person injured thereby for any loss of wages or other benefits occasioned thereby, in an appropriate action or proceeding against the employer in any court of competent jurisdiction.

(d) The President may render such aid as he deems appropriate to assist former volunteers in the securing of their reemployment rights in private employment under this section, and shall make appropriate arrangements to effectuate such rights in Government employment.

(e) Any person in service as a volunteer under this Act shall be permitted to vote in person or by absentee ballot in any general, special or primary election occurring in the State of which he is a resident, whether he is within or without such State at the time of such election, if under the law of such State he is otherwise entitled so to vote in such election; but nothing in this subsection shall be construed to require granting to such person a leave of absence of more than one day to permit him so to vote.

On page 41, after line 12, to insert:

SEC. 21. All persons employed or assigned to duties under this Act shall be investigated to insure that the employment or assignment is consistent with the national interest in accordance with standards and procedures established by the President. If an investigation made pursuant to this section develops any data reflecting that the person who is the subject of the investigation is of questionable loyalty or is a questionable security risk, the investigating agency shall refer the matter to the Federal Bureau of Investigation for the conduct of a full field investigation. The results of that full field investigation shall be furnished to the initial investigating agency, and to the agency by which the subject person is employed, for information and appropriate action. Volunteers shall be deemed employees of the United States Government for the purpose of this section.

On page 42, after line 3, to strike out:

SEC. 25. (a) The term "abroad" means any area outside the continental United States, Alaska, and Hawaii.

And, in lieu thereof, to insert:

SEC. 22. (a) The term "abroad" means any area outside the United States.

(b) The term "United States" means the several States and territories and the District of Columbia.

At the beginning of line 10, to strike out "(b)" and insert "(c)"; at the beginning of line 13 to strike out "(c)" and insert "d"; in line 15, after the word "services", to strike out "such as travel and escorts"; at the beginning of line 17, to strike out "(d)" and insert "(c)"; on page 43, at the beginning of line 1, to strike out "(e)" and insert "(f)"; in line 6, to change the section number from "26" to "23"; and in line 12, to change the section number from "27" to "24"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Peace Corps Act".

DECLARATION OF PURPOSE

SEC. 2. The Congress of the United States declares that it is the policy of the United States and the purpose of this Act to promote world peace and friendship through a Peace Corps, and to promote a better understanding of other peoples on the part of the American people and a better understanding of the American people on the part of the peoples served.

AUTHORIZATION

SEC. 3. (a) The President is authorized to carry out programs in furtherance of the purposes of this Act, on such terms and conditions as he may determine.

(b) There is hereby authorized to be appropriated to the President for the fiscal year 1962 not to exceed $40,000,000 to carry out the purposes of this Act.

DIRECTOR OF THE PEACE CORPS AND DELEGATION OF FUNCTIONS

SEC. 4. (a) The President may appoint, by and with the advice and consent of the Senate, a Director of the Peace Corps, whose compensation shall be fixed by the President at a rate not in excess of $20,000 per annum, and a Deputy Director of the Peace Corps, whose compensation shall be fixed by the President at a rate not in excess of $19,500 per annum.

(b) The President may exercise any functions vested in him by this Act through such agency or officer of the United States Government as he shall direct. The head of any such agency or any such officer may promulgate such rules and regulations as he may deem necessary or appropriate to carry out such functions, and may delegate to any of his subordinates authority to perform any of such functions, including, if he shall so specify, the authority successively to redelegate any of such functions.

(c) (1) Nothing contained in this Act shall be construed to infringe upon the powers or functions of the Secretary of State.

(2) The President shall prescribe appropriate procedures to assure coordination of Peace Corps activities with other activities of the United States Government in each country, under the leadership of the chief of the United States diplomatic mission.

(3) Under the direction of the President, the Secretary of State shall be responsible for the continuous supervision and general direction of the programs authorized by this Act, to the end that such programs are effectively integrated both at home and abroad and the foreign policy of the United States is best served thereby.

(d) Except with the approval of the Secretary of State, the Peace Corps shall not be assigned to perform services which could readily be performed by other available agencies of the United States Government in the country concerned.

PEACE CORPS VOLUNTEERS

SEC. 5. (a) The President may enroll in the Peace Corps for service abroad qualified citizens and nationals of the United States (referred to in this Act as "volunteers"). The terms and conditions of the enrollment, training, compensation, hours of work, benefits, leave, termination, and all other terms and conditions of the service of volunteers shall be exclusively those set forth in this Act and those consistent therewith which the President may prescribe; and, except as provided in this Act, volunteers shall not be deemed officers or employees or otherwise in the service or employment of, or holding office under, the United States for any purpose.

(b) Volunteers shall be provided with such living, travel, and leave allowances, and such housing, transportation, supplies, equipment, subsistence, and clothing as the President may determine to be necessary for their maintenance and to insure their health and their capacity to serve effectively. Transportation and travel allowances may also be provided, in such circumstances as the President may determine, for applicants for enrollment to or from places of training and places of enrollment and for former volunteers from places of termination to their homes in the United States.

(c) Volunteers shall be entitled to receive termination payments at a rate not to exceed $75 for each month of satisfactory service as determined by the President. The termination payment of each volunteer shall be payable at the termination of his service, or may be paid during the course of his service to the volunteer, to members of his family or to others, under such circumstances as the President may determine. In the event of the volunteer's death during the period of his service, the amount of any unpaid termination payment shall be paid in accordance with the provisions of section 61f of title 5 of the United States Code.

(d) Volunteers shall be deemed to be employees of the United States Government for the purposes of the Federal Employees' Compensation Act (39 Stat. 742), as amended: *Provided, however,* That entitlement to disability compensation payments under that Act shall commence on the day after the date of termination of service. For the purposes of that Act—

(1) volunteers shall be deemed to be receiving monthly pay at the lowest rate provided for grade 7 of the general schedule established by the Classification Act of 1949, as amended, and volunteer leaders (referred to in section 6 of this Act) shall be deemed to be receiving monthly pay at the lowest rate provided for grade 11 of such general schedule; and

(2) any injury suffered by a volunteer during any time when he is located abroad shall be deemed to have been sustained while in the performance of his duty and any disease contracted during such time shall be deemed to have been proximately caused by his employment, unless such injury or disease is caused by willful misconduct of the volunteer or by the volunteer's intention to bring about the injury or death of himself or of another, or unless intoxication of the injured volunteer is the proximate cause of the injury or death.

(e) Volunteers shall receive such health care during their service, and such health examinations and immunization preparatory to their service, as the President may deem necessary or appropriate. Subject to such conditions as the President may prescribe, such health care, examinations, and immunization may be provided for volunteers in any facility of any agency of the United States Government, and in such cases the appropriation for maintaining and operating such facility shall be reimbursed from appropriations available under this Act.

(f) Any period of satisfactory service of a volunteer under this Act shall be credited in connection with subsequent employment in the same manner as a like period of civilian employment by the United States Government—

(1) for the purposes of the Civil Service Retirement Act, as amended (5 U.S.C. 2251, et seq.), section 852(a)(1) of the Foreign Service Act, as amended (22 U.S.C. 1092(a)(1)), and every other Act establishing a retirement system for civilian employees of any United States Government Agency; and

(2) except as otherwise determined by the President, for the purposes of determining seniority, reduction in force, and layoff rights, leave entitlement, and other rights and privileges based upon length of service under the laws administered by the Civil Service Commission, the Foreign Service Act, and every other Act establishing or governing terms and conditions of service of civilian employees of the United States Government: *Provided,* That service of a volunteer shall not be credited toward completion of any probationary or trial period or completion of any service requirement for career appointment.

(g) The President may detail or assign volunteers or otherwise make them available to any entity referred to in paragraph (1) of section 10(a) on such terms and conditions as he may determine: *Provided, however,* That any volunteer so detailed or assigned shall continue to be entitled to the allowances, benefits and privileges of volunteers authorized under or pursuant to this Act.

(h) Volunteers shall be deemed employees of the United States Government for the purposes of the Federal Tort Claims Act and any other Federal tort liability statute.

(i) The service of a volunteer may be terminated at any time at the pleasure of the President.

PEACE CORPS VOLUNTEER LEADERS

SEC. 6. The President may enroll in the Peace Corps qualified citizens or nationals of the United States whose services are required for supervisory or other special duties or responsibilities in connection with programs under this Act (referred to in this Act as "volunteer leaders"). The ratio of the total number of volunteer leaders to the total number of volunteers in service at any one time shall not exceed one to twenty-five. Except as otherwise provided in this Act, all of the provisions of this Act applicable to volunteers shall be applicable to volunteer leaders, and the term "volunteers" shall include "volunteer leaders": *Provided, however,* That—

(1) volunteer leaders shall be entitled to receive termination payments at a rate not to exceed $100 for each month of satisfactory service as determined by the President;

(2) spouses and minor children of volunteer leaders may receive such living, travel, and leave allowances, and such housing, transportation (including transportation of not to exceed three hundred pounds per person of unaccompanied necessary personal and household effects), subsistence, and essential special items of clothing, as the President may determine, but the authority contained in this paragraph shall be exercised only under exceptional circumstances;

(3) spouses and minor children of volunteer leaders accompanying them may receive such health care as the President may determine and upon such terms as he may determine, including health care in any facility referred to in section 5(e) of this Act, subject to such conditions as the President may prescribe and subject to reimbursement of appropriations as provided in section 5(e); and

(4) spouses and minor children of volunteer leaders accompanying them may receive such orientation, language, and other training necessary to accomplish the purposes of this Act as the President may determine.

PEACE CORPS EMPLOYEES

SEC. 7. (a) The President may employ such persons, other than volunteers, as the President deems necessary to carry out the provisions and purposes of this Act. Except as otherwise provided in this Act, such persons (hereinafter sometimes referred to as "employees") shall be employed in accordance with and shall be subject to the laws applicable to personnel employed by the United States Government.

(b) Of the persons so employed in the United States in activities authorized by this Act, not to exceed forty may be compensated without regard to the provisions of the Classification Act of 1949, as amended, of whom not to exceed thirty may be compensated at rates higher than those provided for grade fifteen of the general schedule established by the Classification Act of 1949, as amended, and of these not to exceed two may be compensated at a rate in excess of the highest rate provided for grades of such general schedule but not in excess of $19,000 per year. Such positions shall be in addition to those authorized by section 4(a) of this Act to be filled by Presidential appointment, and in addition to the number authorized by section 505 of the Classification Act of 1949, as amended.

(c) For the purpose of performing functions under this Act outside the United States, the President may—

(1) employ or assign persons, or authorize the employment or assignment of officers or employees of agencies of the United States Government, who shall receive compensation at any of the rates provided for persons appointed to the Foreign Service Reserve and Staff under the Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.), together with allowances and benefits thereunder; and persons so employed or assigned shall be entitled, except to the extent that the President may specify otherwise in cases in which the period of the employment or assignment exceeds thirty months, to the same benefits as are provided by section 528 of that Act for persons appointed to the Foreign Service Reserve, and the provisions of section 1005 of that Act shall apply in the case of such persons; and

(2) utilize such authority, including authority to appoint and assign persons for the duration of operations under this Act, contained in the Foreign Service Act of 1946, as amended, as the President deems necessary to carry out functions under this Act. Such provisions of the Foreign Service Act as the President deems appropriate shall apply to persons appointed or assigned under this paragraph, including in all cases, the provisions of section 528 of that Act: *Provided, however,* That the President may by regulation make exceptions to the application of section 528 in cases in which the period of the appointment or assignment exceeds thirty months: *Provided further,* That Foreign Service Reserve officers appointed or assigned pursuant to this paragraph shall receive within-class salary increases in accordance with such regulations as the President may prescribe: *Provided further,* That under this paragraph the President may initially assign persons for duty within the United States for periods not to exceed four years prior to assignment for duty abroad.

(d) The President is authorized to prescribe by regulation standards or other criteria for maintaining adequate performance levels for persons appointed or assigned pursuant to subsection (c)(2) of this section and section 527(c)(2) of the Mutual Security Act of 1954, as amended, and may, notwithstanding any other law, separate persons who fail to meet such standards or other criteria, and also may grant such persons severance benefits of one month's salary for each year of service, but not to exceed one year's salary at the then current salary rate of such persons.

(e) In each country or area in which volunteers serve abroad, the President may appoint an employee or a volunteer as a Peace Corps representative to have direction of other employees of the Peace Corps abroad and to oversee the activities carried on under this Act in such country or area. Unless a representative is a volunteer, the compensation, allowances and benefits and other terms and conditions of service of each such representative shall be the same as those of a person appointed or assigned pursuant to either of the paragraphs of subsection (c) of this section, except that any such representative may, notwithstanding any provision of law, be removed by the President in his discretion.

VOLUNTEER TRAINING

SEC. 8. (a) The President shall make provision for such training as he deems appropriate for each applicant for enrollment as a volunteer and each enrolled volunteer. All of the provisions of this Act applicable respectively to volunteers and volunteer leaders shall be applicable to applicants for enrollment as such during any period of training occurring prior to enrollment, and the respective terms "volunteers" and "volunteer leaders" shall include such applicants during any such period of training.

(b) The President may also make provision, on the basis of advances of funds or reimbursement to the United States, for training for citizens of the United States, other than those referred to in subsection (a) of this section, who have been selected for service abroad in programs not carried out under authority of this Act which are similar to those authorized by this Act. The provisions of section 9 of this Act shall apply, on a similar advance of funds or a reimbursement basis, with respect to persons while within the United States for training under authority of this subsection. Advances or reimbursements received under this subsection may be credited to the current applicable appropriation, fund, or account and shall be available for the purposes for which such appropriation, fund, or account is authorized to be used.

PARTICIPATION OF FOREIGN NATIONALS

SEC. 9. In order to provide for assistance by foreign nationals in the training of volunteers, and to permit effective implementation of Peace Corps projects with due regard for the desirability of cost-sharing arrangements, where appropriate, the President may make provision for transportation, housing, subsistence, or per diem in lieu thereof, and health care or health and accident insurance for foreign nationals engaged in activities authorized by this Act while they are away from their homes, without regard to the provisions of any other law: *Provided, however,* That per diem in lieu of subsistence furnished to such persons shall not be at rates higher than those prescribed by the Secretary of State pursuant to section 12 of Public Law 84-885 (70 Stat. 890). Such persons, and persons coming to the United States under contract pursuant to section 10(a)(4), may be admitted to the United States, if otherwise qualified, as nonimmigrants under section 101(a)(15) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)) for such time and under such conditions as may be prescribed by regulations promulgated by the Secretary of State and the Attorney General. The fifth and sixth sentences of section 201(a) of the United States Information and Educational Exchange Act of 1948 (or corresponding provisions of any successor Act) shall be applicable with respect to persons so admitted.

GENERAL POWERS AND AUTHORITIES

SEC. 10. (a) In furtherance of the purposes of this Act, the President may—

(1) enter into, perform, and modify contracts and agreements and otherwise cooperate with any agency of the United States Government or of any State or any subdivision thereof, other governments and departments and agencies thereof, and educational institutions, voluntary agencies, farm organizations, labor unions, and other organizations, individuals, and firms;

(2) assign volunteers in special cases to temporary duty with international organizations and agencies when the Secretary of State determines that such assignment would serve the purposes of this Act;

(3) accept in the name of the Peace Corps and employ in furtherance of the purposes of this Act (A) voluntary services notwithstanding the provisions of 31 U.S.C. 665(b), and (B) any money or property (real, personal or mixed, tangible or intangible) received by gift, devise, bequest, or otherwise; and

(4) contract with individuals for personal services abroad, and with aliens (abroad or within the United States) for personal services within the United States: *Provided,* That no such person shall be deemed an officer or employee or otherwise in the service or employment of the United States Government for any purpose.

(b) Notwithstanding any other provision of law, whenever the President determines that it will further the purposes of this Act, the President under such regulations as he may prescribe may settle and pay, in an amount not exceeding $15,000, any claim against the United States, for loss of or damage to real or personal property (including loss of occupancy or use thereof) belonging to, or for personal injury or death of, any person not a citizen or resident of the United States, where such claim arises abroad out of the act or omission of any Peace Corps employee while in the performance of his duties, or out of the act or omission of any volunteer while in the performance of his duties, but only if such claim is presented in writing within one year after it accrues. Any amount paid in settlement of any claim under this subsection shall be accepted by the claimant in full satisfaction thereof and shall bar any further action or proceeding hereon.

(c) Subject to any future action of the Congress, a contract or agreement which entails commitments for the expenditure of funds available for the purposes of this Act, including commitments for the purpose of paying or providing for allowances and other benefits of volunteers authorized by sections 5 and 6 of this Act, may extend at any time for not more than thirty-six months.

(d) Whenever the President determines it to be in furtherance of the purposes of this Act, functions authorized by this Act may be performed without regard to such provisions of law (other than the Renegotiation Act of 1951, as amended) regulating the making, performance, amendment, or modification of contracts and the expenditure of Government funds as the President may specify.

(e) Any officer of the United States Government carrying out functions under this Act may utilize the services and facilities of, or procure commodities from, any agency of the United States Government as the President shall direct, or with the consent of the head of such agency, and funds allocated pursuant to this subsection to any such agency may be established in separate appropriation accounts on the books of the Treasury.

(f) In the case of any commodity, service, or facility procured from any agency of the United States Government under this Act,

reimbursement or payment shall be made to such agency from funds available under this Act. Such reimbursement or payment shall be at replacement cost, or, if required by law, at actual cost, or at any other price authorized by law and agreed to by the owning or disposing agency. The amount of any such reimbursement or payment shall be credited to current applicable appropriations, funds, or accounts from which there may be procured replacements of similar commodities, services, or facilities, except that where such appropriations, funds, or accounts are not reimbursable except by reason of this subsection, and when the owning or disposing agency determines that such replacement is not necessary, any funds received in payment therefor shall be covered into the Treasury as miscellaneous receipts.

REPORTS

SEC. 11. The President shall transmit to the Congress, at least once in each fiscal year, a report on operations under this Act.

NATIONAL ADVISORY COUNCIL

SEC. 12. (a) The President may appoint to membership in a board to be known as the National Advisory Council twenty-five persons who are representative of educational institutions, voluntary agencies, farm organizations, and labor unions, and other public and private organizations and groups as well as individuals interested in the programs and objectives of the Peace Corps, to advise and consult with the President with regard to policies and programs designed to further the purposes of this Act.

(b) Members of the board referred to in this section shall serve at the pleasure of the President and meet at his call. They shall receive no compensation for their services, but members who are not officers or employees of the United States Government may each receive out of funds made available for the purposes of this Act a per diem allowance of $50 for each day, not to exceed twenty days in any fiscal year in the case of any such member, spent away from his home or regular place of business for the purpose of attendance at meetings or conferences and in necessary travel, and while so engaged may be paid actual travel expenses and per diem in lieu of subsistence and other expenses, at the applicable rate prescribed by the Standardized Government Travel Regulations, as amended from time to time.

EXPERTS AND CONSULTANTS

SEC. 13. (a) Experts and consultants or organizations thereof may, as authorized by section 15 of the Act of August 2, 1946, as amended (5 U.S.C. 55a), be employed by any agency of the United States Government for the performance of functions under this Act, and individuals so employed may be compensated at rates not in excess of $75 per diem, and while away from their homes or regular places of business, they may be paid actual travel expenses and per diem in lieu of subsistence and other expenses at the applicable rate prescribed in the Standardized Government Travel Regulations, as amended from time to time, while so employed: *Provided*, That contracts for such employment may be renewed annually.

(b) Service of an individual as a member of the board authorized to be established by section 12 of this Act or as an expert or consultant under subsection (a) of this section shall not be considered as service or employment bringing such individual within the provisions of sections 281, 283, or 284 of title 18 of the United States Code, or of section 190 of the Revised Statutes (5 U.S.C. 99), or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of service, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States Government, except insofar as such provisions of law may prohibit any such individual from receiving compensation in respect of any particular matter in which such individual was directly involved in the performance of such service; nor shall such service be considered as employment or holding of office or position bringing such individual within the provisions of section 13 of the Civil Service Retirement Act, as amended (5 U.S.C. 2263), section 212 of the Act of June 30, 1932, as amended (5 U.S.C. 59a), section 872 of the Foreign Service Act of 1946, as amended, or any other law limiting the reemployment of retired officers or employees or governing the simultaneous receipt of compensation and retired pay or annuities.

DETAIL OF PERSONNEL TO FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANIZATIONS

SEC. 14. (a) In furtherance of the purposes of this Act, the head of any agency of the United States Government is authorized to detail, assign, or otherwise make available any officer or employee of his agency (i) to serve with, or as a member of, the international staff of any international organization, or (ii) to any office or position to which no compensation is attached with any foreign government or agency thereof: *Provided*, That such acceptance of such office or position shall in no case involve the taking of an oath of allegiance to another government.

(b) Any such officer or employee, while so detailed or assigned, shall be considered, for the purpose of preserving his allowances, privileges, rights, seniority, and other benefits as such, an officer or employee of the United States Government and of the agency of the United States Government from which detailed or assigned, and he shall continue to receive compensation, allowances, and benefits from funds authorized by this Act. He may also receive, under such regulations as the President may prescribe, representation allowances similar to those allowed under section 901 of the Foreign Service Act of 1946 (22 U.S.C. 1131). The authorization of such allowances and other benefits, and the payment thereof out of any appropriations available therefor, shall be considered as meeting all of the requirements of section 1765 of the Revised Statutes (5 U.S.C. 70).

(c) Details or assignments may be made under this section—

(1) without reimbursement to the United States Government by the international organization or foreign government;

(2) upon agreement by the international organization or foreign government to reimburse the United States Government for compensation, travel expenses, and allowances, or any part thereof, payable to such officer or employee during the period of assignment or detail in accordance with subsection (b) of this section; and such reimbursement shall be credited to the appropriation, fund, or account utilized for paying such compensation, travel expenses, or allowances, or to the appropriation, fund, or account currently available for such purpose; or

(3) upon an advance of funds, property or services to the United States Government accepted with the approval of the President for specified uses in furtherance of the purposes of this Act; and funds so advanced may be established as a separate fund in the Treasury of the United States Government, to be available for the specified uses, and to be used for reimbursement of appropriations or direct expenditure subject to the provisions of this Act, any unexpended balance of such account to be returned to the foreign government or international organization.

UTILIZATION OF FUNDS

SEC. 15. (a) Funds made available for the purposes of this Act may be used for compensation, allowances and travel of employees, including Foreign Service personnel whose services are utilized primarily for the purposes of this Act, for printing and binding without regard to the provisions of any other law, and for expenditures outside the United States for the procurement of supplies and services and for other administrative and operating purposes (other than compensation of employees) without regard to such laws and regulations governing the obligation and expenditure of Government funds as may be necessary to accomplish the purposes of this Act.

(b) Funds made available for the purposes of this Act may be used to pay expenses in connection with travel abroad of employees and, to the extent otherwise authorized by this Act, of volunteers, including travel expenses of dependents (including expenses during necessary stopovers while engaged in such travel), and transportation of personal effects, household goods, and automobiles when any part of such travel or transportation begins in one fiscal year pursuant to travel orders issued in that fiscal year, notwithstanding the fact that such travel or transportation may not be completed during the same fiscal year, and cost of transporting to and from a place of storage, and the cost of storing automobiles of employees when it is in the public interest or more economical to authorize storage.

(c) Funds available under this Act may be used to pay costs of training employees employed or assigned pursuant to section 7 (c)(2) of this Act (through interchange or otherwise) at any State or local unit of government, public or private nonprofit institution, trade, labor, agricultural, or scientific association or organization, or commercial firm; and the provisions of Public Law 84-918 (7 U.S.C. 1881 et seq.) may be used to carry out the foregoing authority notwithstanding that interchange of personnel may not be involved or that the training may not take place at the institutions specified in that Act. Such training shall not be considered employment or holding of office under section 2 of the Act of July 31, 1894, as amended (5 U.S.C. 62), and any payments or contributions in connection therewith may, as deemed appropriate by the head of the agency of the United States Government authorizing such training, be made by private or public sources and be accepted by any trainee, or may be accepted by and credited to the current applicable appropriation of such agency: *Provided, however*, That any such payments to an employee in the nature of compensation shall be in lieu, or in reduction, of compensation received from the United States Government.

(d) Funds available for the purposes of this Act shall be available for—

(1) rent of buildings and space in buildings in the United States, and for repair, alteration, and improvement of such leased properties;

(2) expenses of attendance at meetings concerned with the purposes of this Act, including (notwithstanding the provisions of section 9 of Public Law 60-328 (31 U.S.C. 673)) expenses in connection with meetings of persons whose employment is authorized by section 13(a) of this Act;

(3) rental and hire of aircraft;

(4) purchase and hire of passenger motor vehicles: *Provided*, That passenger motor vehicles for administrative purposes may be purchased for use or replacement only as may be provided in an appropriation or other Act, and the cost, including exchange allowance, of each such motor vehicle shall not exceed $2,500 in the case of an automobile for any Peace Corps country representative appointed under section 7(e);

(5) entertainment (not to exceed $5,000 in any fiscal year except as may otherwise be provided in an appropriation or other Act);

(6) exchange of funds without regard to section 3561 of the Revised Statutes (31 U.S.C. 543) and loss by exchange;

(7) expenditures (not to exceed $5,000 in any fiscal year except as may be otherwise provided in an appropriation or other Act) not otherwise authorized by law to meet unforeseen emergencies or contingencies arising in the Peace Corps: *Provided*, That a certificate of the amount only of each such expenditure and that such expenditure was necessary to meet an unforeseen emergency or contingency, made by the Director of the Peace Corps or his designee, shall be deemed a sufficient voucher for the amount therein specified;

(8) insurance of official motor vehicles acquired for use abroad;

(9) rent or lease abroad for not to exceed three years of offices, health facilities, buildings, grounds, and living quarters, and payments therefor in advance; maintenance, furnishings, necessary repairs, improvements, and alterations to properties owned or rented by the United States Government or made available for its use abroad; and costs of fuel, water, and utilities for such properties;

(10) expenses of preparing and transporting to their former homes, or, with respect to foreign participants engaged in activities under this Act, to their former homes or places of burial, and of care and disposition of, the remains of persons or members of the families of persons who may die while such persons are away from their homes participating in activities under this Act;

(11) use in accordance with authorities of the Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.), not otherwise provided for; and

(12) ice and drinking water for use abroad.

APPOINTMENT OF PERSONS SERVING UNDER PRIOR LAW

SEC. 16. (a) Under such terms and conditions as the President may prescribe, volunteer personnel who on the effective date of this Act have been engaged by contract by, or pursuant to agreement with, the Peace Corps agency established within the Department of State pursuant to Executive Order Numbered 10924, dated March 1, 1961, may be enrolled as volunteers or volunteer leaders under this Act. Such enrollment may be made effective, for any or all purposes, as of a date prior to the effective date of this Act but not earlier than the date of commencement of training of the person in question. All allowances and termination payments similar to those authorized by this Act received by any such person or by members of his family or payable with respect to any period between the effective date and the actual date of such enrollment shall be deemed for all purposes to have been received or to be payable under the appropriate provision of this Act.

(b) Any person who was appointed by and with the advice and consent of the Senate to be Director of the Peace Corps prior to the enactment of this Act may be appointed by the President to be Director of the Peace Corps under section 4(a) of this Act without further action by the Senate.

USE OF FOREIGN CURRENCIES

SEC. 17. Whenever possible, expenditures incurred in carrying out functions under this Act shall be paid for in such currency of the country or area where the expense is incurred as may be available to the United States.

SEAL

SEC. 18. The President may adopt, alter, and use an official seal or emblem of the Peace Corps of such design as he shall determine, which shall be judicially noticed.

MORATORIUM ON STUDENT LOANS

SEC. 19. Section 205 of the National Defense Education Act of 1958 (Public Law 85-864) (20 U.S.C. 425) is amended in the following respects—

(1) by deleting the word "or" immediately preceding section 205(b)(2)(A)(ii) and by adding immediately after that section the following: "or (iii) not in excess of three years, during which the borrower is in service as a volunteer under the Peace Corps Act: *Provided*, That this clause shall not apply to any loan outstanding on the effective date of the Peace Corps Act except with the consent of the then obligee institution,"; and

(2) by amending section 205(b)(3) to read as follows:

"(3) not to exceed 50 per centum of any such loan (plus interest) shall be canceled for service as a full-time teacher in a public elementary or secondary school in a State, or as a full-time teacher in a public elementary or secondary school in a foreign country or area as a Peace Corps volunteer, at the rate of 10 per centum of the amount of such loan plus interest thereon, which was unpaid on the first day of such service, for each complete academic year of such service: *Provided*, That this paragraph (3) shall not apply with respect to service as a volunteer in the case of a loan outstanding on the effective date of the Peace Corps Act except with the consent of the then obligee institution;".

AMENDMENT TO CIVIL SERVICE RETIREMENT ACT

SEC. 20. Subsection (j) of section 3 of the Civil Service Retirement Act, as amended (5 U.S.C. 2253), is amended to read as follows:

"(j) Notwithstanding any other provision of this section or section 5(f) of the Peace Corps Act, any military service (other than military service covered by military leave with pay from a civilian position) performed by an individual after December 1956 and any period of service by an individual as a volunteer under the Peace Corps Act, shall be excluded in determining the aggregate period of service upon which an annuity payable under this chapter to such individual or to his widow or child is to be based, if such individual or widow or child is entitled (or would upon proper application be entitled) at the time of such determination, to monthly old-age or survivors benefits under section 202 of the Social Security Act, as amended (42 U.S.C. 402), based on such individual's wages and self-employment income. If in the case of the individual or widow such military service or service under the Peace Corps Act is not excluded under the preceding sentence, but upon attaining retirement age (as defined in section 216(a) of the Social Security Act, as amended), he or she becomes entitled (or would upon proper application be entitled) to such benefits, the Commission shall redetermine the aggregate period of service upon which such annuity is based, effective as of the first day of the month in which he or she attains such age, so as to exclude such service. The Secretary of Health, Education, and Welfare shall, upon the request of the Commission, inform the Commission whether or not any such individual or widow or child is entitled at any specified time to such benefits."

SEC. 21. All persons employed or assigned to duties under this Act shall be investigated to insure that the employment or assignment is consistent with the national interest in accordance with standards and procedures established by the President. If an investigation made pursuant to this section develops any data reflecting that the person who is the subject of the investigation is of questionable loyalty or is a questionable security risk, the investigating agency shall refer the matter to the Federal Bureau of Investigation for the conduct of a full field investigation. The results of that full field investigation shall be furnished to the initial investigating agency, and to the agency by which the subject person is employed, for information and appropriate action. Volunteers shall be deemed employees of the United States Government for the purpose of this section.

DEFINITIONS

SEC. 22. (a) The term "abroad" means any area outside the United States.

(b) The term "United States" means the several States and territories and the District of Columbia.

(c) The term "function" includes any duty, obligation, right, power, authority, responsibility, privilege, discretion, activity, and program.

(d) The term "health care" includes all appropriate examinations, preventive, curative and restorative health and medical care, and supplementary services when necessary.

(e) For the purposes of this or any other Act, the period of any individual's service as a volunteer under this Act shall include—

(i) except for the purposes of section 5(f) of this Act, any period of training under section 8(a) prior to enrollment as a volunteer under this Act; and

(ii) the period between enrollment as a volunteer and the termination of service as such volunteer by the President or by death or resignation.

(f) The term "United States Government agency" includes any department, board, wholly or partly owned corporation, or instrumentality, commission, or establishment of the United States Government.

CONSTRUCTION

SEC. 23. If any provision of this Act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of this Act and the applicability of such provision to other circumstances or persons shall not be affected thereby.

EFFECTIVE DATE

SEC. 24. This Act shall take effect on the date of its enactment.

PRIVILEGE OF THE FLOOR

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that Mary Ann Sames, a member of the staff of the Senate Committee on Foreign Relations, be permitted on the Senate floor during the discussion of S. 2000, the Peace Corps bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

Mr. FULBRIGHT. Mr. President, the bill now before the Senate is a fresh approach in the relations of this Nation to the peoples of the underdeveloped areas of the world. It will give skilled American young men and women an opportunity to transfer their skills to people of newly independent nations.

As I envisage the Peace Corps, it is basically an effort to fit an existing supply to an existing need.

Yearly thousands of students are graduated with skills in engineering, agriculture, the law, medicine, mechanics of various kinds, and the manual arts. Many of these young people have a high motivation for service. Many of them are willing to suffer hardship and seek practical experience. This is the supply.

The need is found in Latin America, Asia, and Africa, where there are shortages of the very skills our young people have acquired and where conditions demand the resilience and hardiness of youth and the devotion of young men and women raised and educated in a free society.

I hope the blending of supply and need not only will help countries to which the members of the Peace Corps will be sent, but also will help the people of this Nation understand some of the realities with which our generation and succeeding generations must live.

Members of this body know that I have long advocated private and public efforts to encourage the exchange of persons. The Peace Corps offers opportunity to get to know the people of another nation as they live. And it will offer opportunity for the peoples of other nations to know young Americans.

Although the bill before the Senate does not limit enrollment in the Peace Corps to youth—indeed, older volunteers are needed—the bill and its philosophy are directed toward putting the shoulder of youth to the wheel of our relations with other nations.

Somehow it has always struck me as strange that governments give youth the dirtiest, most dangerous, and the hardest job of all—the waging of war. But governments never trust youth with the waging of peace. That has been reserved for the older heads—and I am not so sure we have done too well. Perhaps the time has come to take a modest step toward utilizing the vigor of our youth. Certainly the activities of young men and women in some of the countries we have been aiding suggest that they see the need of becoming masters of their own destiny. I think we should welcome the desire of our own young men and women to move into the realm of public service.

I should be delighted to see more of our youth training themselves for future service in the Government, instead of training themselves to be tax lawyers, hotel managers, television repairmen, advertising specialists, or designers of exotic packages for the sale of weight reducers.

Service in the Peace Corps should provide a pool of talent upon which the Nation can call in the long struggle to maintain individual freedom from its many threats.

Lest any of my colleagues believe that I have succumbed to an impractical starry-eyed idealism, let it be noted that I am not without misgivings about the program.

There will be mistakes, some of which will arise out of the nature of the operation. For example, it is clear that Peace Corps volunteers will receive their emoluments of office—small as they will be—from Government sources. Yet at the same time volunteers will not be subject to the discipline and control that characterizes the activities abroad of Foreign Service officers.

This is a distinction Americans will appreciate. But I am not sure that foreign governments and foreign press representatives will divorce the activities and expressions of Peace Corps representatives from the activities of official Americans abroad. There is a vast difference between Ambassadors and ranking Foreign Service officers who disagree publicly with the position of their Government, and Peace Corps volunteers who express personal views at variance with the position of their Government. Ambassadors by such indiscretions know they ask to be reprimanded or to be fired; but Peace Corps volunteers might merely be giving free rein to the right of American citizens to disagree with their Government. We must rely on the judgment of the volunteers themselves to impose their own self-restraints.

While I am hopeful the mistakes that will surely accompany a new program of this type will be small, we can anticipate—even with the best of administration—that they will occur.

It had been my hope that the program might have started on a bit more modest scale than has been the case, thus enabling the administrators of the Peace Corps to learn as the program grows. It seemed to me that the patterns of the point 4 program and the exchange program—both of which started modestly, were found successful, and then grew with experience—might have been usefully applied to the Peace Corps.

A majority of the Committee on Foreign Relations felt otherwise, however, believing that a $40 million budget for the first year was not unusually large. I hope the committee is right.

In any event, Mr. President, the committee has recommended that we establish the Peace Corps; and I hope a year from now, and 2 years from now, we will find that we have developed a new and influential instrument to help this Nation assist other nations to move toward strengthening their independence, toward economic growth, and toward development of their own instrumentalities of representative government.

Mr. President, I add that the men who have been employed in the development of the program—particularly the present director, Mr. Shriver, and his principal assistants—have shown a high degree of enthusiasm and I think ability in starting the program under the Executive order of the President. I have great hopes it will be a success.

The criticisms or suggestions I have made in the past were in no way intended to reflect upon the individuals who have thus been engaged, but only as counsel of an elder statesman, I may say, who has been through long years of trying to make the exchange program successful. The counsel is that the program should be started on a modest scale. I have every confidence that the concept of the program is a good one. I think it is well worth trying. The reservations I had did not go, and do not go, to that aspect at all. I only hope the administration—which will be difficult, I know—will be set up and can be carried through with a minimum of mistakes.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LAUSCHE. I observed in the Senator's statement the language:

> It had been my hope that the program might have started on a bit more modest scale than has been the case, thus enabling the administrators of the Peace Corps to learn as the program grows.

I take it from the statement that the Senator from Arkansas, though he subscribes to the general objective and expresses the view that the purpose is good, nevertheless feels and did feel that the program ought to begin on a more modest scale?

Mr. FULBRIGHT. As the Senator knows, in the committee I voted to that effect, but I do not profess to be infallible at all. The committee outvoted me on that. The committee brought the bill to the Senate in its present form. I expect to support the bill.

This was my judgment as to the sounder way to proceed, because I should like to look back on the program in 2 or 3 or 4 years to see a successful program. I know there are considerable dangers in any new program dealing with young people under the conditions which exist in the underdeveloped areas of the world, where they are likely to go, and that these dangers are very likely to cause great difficulties of administration and of adjustment for these people. This was merely my own private opinion, as the Senator knows. The Senator knows how I voted on this subject in the committee.

Mr. LAUSCHE. Mr. President, I commend the Senator from Arkansas for his complete objectivity and sincerity in the presentation of his views on this subject.

At this belated time I wish to express my commendation to the Senator from Arkansas for the devotion with which he presented the foreign aid bill. Of all the chairmen of the various committees of the Senate, he is the only one who does not occupy a position in which he can gain political favor through espousal of the causes that are most often presented to the committee. The Senator, who comes from the State of Arkansas, when he espouses the mutual aid program, can gain no political favor, but can only lose it. Yet he has diligently, sincerely, and honestly presented his cause. I regret that I did not have the opportunity to make that statement to him at the end of last week's debate, although there were items upon which he and I did not agree.

Mr. FULBRIGHT. Madam President, I wish to express my appreciation to the Senator from Ohio for his statement. I know that the Senator from Ohio has very diligently attended the meetings of the committee and has made a great contribution to it. I deeply appreciate what he has said.

Mr. LAUSCHE. Madam President, will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. LAUSCHE. I wish at this time to place before the Senate material which I believe corroborates the views expressed by the Senator from Arkansas that the program ought to be begun on a more modest scale. I direct the attention of Senators to page 104 of the testimony, in which I propounded to Mr. Shriver certain questions. I shall read the colloquy so that the information will appear in the RECORD tomorrow:

> Senator LAUSCHE. Now, to summarize. You are asking for a budget of $40 million,
> Mr. SHRIVER. Yes, sir.

Senator LAUSCHE. And how many workers do you contemplate having in the field by the end of fiscal year 1962?

Mr. SHRIVER. 2,700.

Senator LAUSCHE. And this is contemplated to be a sort of a pilot study the first year, and thereafter you will determine whether it should be expanded or whether it should be reduced.

Mr. SHRIVER. Not exactly, Senator. We have been working on a pilot experimental basis for 3½, almost 4 months. During that time we have tried to get answers to the basic problems—whether there is an adequate supply of manpower, the demand. That was the experimental phase. The President, when he established us on an experimental basis, said at the same time that he wanted to get congressional approval for this operation on a permanent basis, provided that during the experimental stage the justifications seem to be forthcoming. We think the justification has been forthcoming, and we are here now asking for the establishment of the Peace Corps on a permanent basis, not as an experiment.

I point out to Senators that it is claimed by Mr. Shriver that the experiment has been made, and he contends that the experiment has demonstrated the feasibility of the program, because it has been shown that there are available volunteers, and that foreign countries will use them. I submit that to have a proper pilot study and a proper experiment contemplates seeing what the product will be in the field. No such experiment has been made. No one is able to tell what the ultimate product will be. I therefore say that the program ought to be undertaken on a more modest scale. I agree with the chairman in the views which he has expressed. I am grateful to him for yielding.

Mr. McGEE. Madam President, will the Senator yield?

Mr. FULBRIGHT. I am ready to yield the floor.

Mr. McGEE. I should like to express myself on a point which the Senator from Arkansas has made, if he is willing to yield.

Mr. FULBRIGHT. I completed my statement, but I will yield to the Senator if he wishes me to do so.

Mr. HUMPHREY. Madam President, I should like to proceed with my presentation of the bill.

Mr. McGEE. The point I would like to make with regard to the remarks of the Senator from Arkansas, which bears on the question the Senator from Ohio has discussed with him, relates to the size of the Peace Corps at this stage. It seems to me that there are two factors that perhaps would make it reasonable for us to take a chance. We all understand and appreciate, I think, the reservations that the distinguished Senator from Arkansas has as to the size of the Peace Corps in view of the success of the program which he initiated in the exchange of students and scholars. But I think times have changed in two ways. In other words, the situation is much later now than it was then.

First, around the world a great many more countries are impatient and are now rising with new expectations toward which this kind of program is specifically addressed. Because of the number of those new nations—nearly a half hundred since the days when the original Fulbright program was inaugurated in the exchange field, and 20 or so of them in the past year—there is an element of urgency of a much broader sort than prevailed before.

The second factor of urgency, it seems to me, pertains to the state of mind among the people at which the bill strikes most directly here at home, that is the youth of the country. After 15 years of a series of crises, and in some cases frustrations in regard to dealing with those crises, I think there is an almost fever pitch of desire to feel that the youth have an opportunity to do something. This desire has not always been as intense as it is at the moment. For this reason I would encourage the endeavors that are sought in order to meet this psychological condition of our country now. At best it is a chance. But I think it is a chance that we must be prepared to take. In my judgment, these conditions certainly recommend the basis on which the initial program is being launched. I have satisfied myself, as I am sure most Senators have, that every effort is being made to undertake the program in a sound manner, in an atmosphere of austerity and in a spirit of dedication. I believe that these are the elements which give us the best chance to achieve success in this program.

THE TRANSYLVANIA SYMPHONY ORCHESTRA FROM BREVARD, N.C., AT THE WHITE HOUSE

Mr. ERVIN. Mr. President, yesterday a group of young musicians from North Carolina inaugurated at the White House a series of musical programs, concerts for young people by young people, planned by our Nation's First Lady, Mrs. Kennedy. These young people are members of the 85-piece Transylvania Symphony Orchestra from Brevard, N.C. They range from 12 to 18 years of age and come from all sections of our State. They are studying music for 6 weeks this summer at Brevard Music Center, Brevard, N.C.

I am delighted that the Transylvania Symphony Orchestra was selected to inaugurate the White House series of programs and I feel certain that it provided enjoyment and inspiration for the some 325 handicapped children from the Washington area who were the special guests at yesterday's concert.

An article appearing in the Washington Post of this date, entitled "J.F.K. Follows an Open-Door Policy on Music," describes the program in some detail. I ask unanimous consent that this article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHITE HOUSE CONCERT—J.F.K. FOLLOWS AN OPEN-DOOR POLICY ON MUSIC

(By Marie Smith)

President Kennedy couldn't stay away from his desk for the 75-minute young people's concert played on the White House lawn yesterday by the 85-piece Transylvania Symphony Orchestra from Brevard, N.C. But he left the doors to his office open so he could hear the music.

At 4 p.m. the President left the White House to welcome the young musicians, students from the ages of 12 to 18 who spend 6 weeks at the Brevard Music Center summer camp, and to greet the 325 crippled, cardiac, and blind children from the District area who were special guests at the concert.

It was the first in the series of "Concerts for Young People by Young People" to be sponsored by First Lady Jacqueline Kennedy at the White House. She was not present yesterday, however, to enjoy the music or watch the faces of the delighted audience.

She is vacationing at the Kennedy summer home in Hyannis Port, Mass., and in his welcoming remarks, the President said he was representing her.

As he approached the open bandstand, erected facing the south entrance to the Executive Mansion, the band struck up the "Star Spangled Banner" and followed it with "Hail to the Chief."

"I think they played "Hail to the Chief" better than the Marine Corps Band, and we are grateful to them," President Kennedy remarked after mounting the bandstand and shaking hands with Conductor James Christian Pfohl.

After paying tribute to the conductor and his white-clad youthful students, President Kennedy said, "As an American I have the greatest possible pride in the work that is being done in dozens of schools stretching across the United States—schools where devoted teachers are studying with interested young men and women and opening up the whole wide horizon of serious music."

He added "* * * I think that sometimes in this country we are not aware as we should be of the extraordinary work that is being done in this field."

Displaying his knowledge of music, the New England-born President remarked that "probably the best chamber music in the world is played in Vermont, by young Americans—and here in this school where they have produced extraordinary musicians and teachers, and their work is being duplicated all across the United States.

"This is a great national cultural asset, and therefore it is a great source of satisfaction to me, representing as I do today my wife, to welcome all of you here today at the White House."

As he left the bandstand to return to his office, the slender, suntanned Chief Executive paused along the way to shake hands with the members of the audience in wheelchairs forming the first row under the field tent set up for the guests.

He expressed surprise to learn that pretty, blonde Patricia Holbrook, 16, of Mount Rainier, had attended the Joseph P. Kennedy School for the Handicapped in Boston. "The nuns there do a wonderful work," the President commented. Patricia now attends the C. Melvin Sharpe Health School in the District.

Each of the children invited to the concert wore a nametag marked with a red, white, and blue ribbon. They enjoyed lemonade and cookies served before and during the concert by teenage sons and daughters of members of the White House staff.

Many of the music-loving members of the President's staff gathered around the tent listening and watching the rapt attention given by the young, seated audience. And it turned out to be more of a family affair than expected. Henry Hall Wilson, a student at the music camp 25 years ago and now on the President's staff as liaison representative with the House of Representatives, turned guest conductor for a Sousa march, the "Stars and Stripes Forever."

In introducing Wilson, who was instrumental in getting the Transylvania Orchestra for the first concert, Pfohl recalled that as a teenager Wilson played oboe in the orchestra.

After the "Rienzi" Overture by Wagner, the orchestra played three dances, each from a different country. Conductor Pfohl explained to the appreciative audience that "music is a universal language understood around the world," and introduced a gavotte, from the "Classical Symphony," Opus 25, by the Russian composer Prokofiev.

There followed a hoedown, from "Rodeo" by the American composer Copeland, and a Slavonic dance, No. 8, Opus 46, by the Bohemian composer Dvorak.

Biggest hit of the concert was mezzo soprano Beverly Wolff, a 30-year-old mother from Atlanta, Ga., who sang a Brahms lullaby and the traditional spiritual "Let Us Break Bread Together." The applause was so great she came back for another selection, "Climb Every Mountain," and was called back for a second bow after that.

The White House butlers who manned the lemonade stand were so charmed by her singing some of them sought her afterward and asked for her autograph.

The children, many of whose crutches lay in the grass during the concert, giggled with delight as the orchestra played an American Rhapsody, Opus 47, by the Hungarian refugee composer, Dohnanyi, which was based on American folk tunes.

Two English dances by Sir Malcolm Arnold were the last on the scheduled 45-minute program but the audience called for more and Conductor Pfohl delighted the children with a Children's March by Edmund Frankel Goldman composed of favorite nursery rhymes and songs such as "Merrily We Roll Along," "Farmer in the Dell," "Three Blind Mice," and "Pop Goes the Weasel."

The orchestra also played "The Do Re Me" song from "Sound of Music," stretching the program to 75 minutes long.

One tot, asked at the end of the concert, what she like best answered frankly "the dog." She was talking about Caroline Kennedy's dog, Pushinka, the fluffy white mutt sent by Soviet Premier Nikita Khrushchev. At first Pushinka was in a little pen near the concert area, but a White House gardener led her on a leash to the lemonade stand where he fed her cookies.

At the end of the concert, White House aids gave gay colored balloons which decorated the tent to the crippled, cardiac, and blind children. The children were selected from a list supplied by the District of Columbia Board of Education.

North Carolina Gov. Terry Sanford told the District boys and girls how happy he was that an orchestra from his State was selected to play the first concert in Mrs. Kennedy's series.

Before the concert, the student musicians, who came up from North Carolina by train, were given a special tour of the White House and were served a luncheon of spaghetti and meatballs, ice cream and cake on the White House lawn.

DEATH OF DR. FRANK N. D. BUCHMAN, INITIATOR OF THE MORAL RE-ARMAMENT MOVEMENT

Mr. ERVIN. Mr. President, there has been much comment in the press of late concerning the recent death of Dr. Frank N. D. Buchman, the initiator of the Moral Re-Armament movement. This noted American has been eulogized by a number of persons, including heads of state from Asia, Africa, and Europe. A fitting tribute was paid to Dr. Buchman and his work by Columnist George E. Sokolsky in the August 16, 1961, edition of the Washington Post. I ask unanimous consent that this article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FRANK BUCHMAN

(By George E. Sokolsky)

The death of Frank Buchman removed from the World a prophetic figure who adopted the idea that men change their personalities by free will. A clergyman, Frank Buchman recognized that young people were not accepting orthodox forms of religion, even if they belonged to formal religious groups. He sought a method of solving personal problems by voluntarily changing one's personality, by personally accepting God's guidance in response to silence and prayer.

His movement started very small and I can recall when some of his followers came to my house in Sandisfield, sat on the grass under ancient maples to talk of life and personality. Frank, as he chose to be called, was then holding his house parties in Stockbridge, a suitable village for such a purpose, for it was in Stockbridge and the neighboring villages that the thought and art of America found its strongest expression during the 19th century.

More than 20 years ago I was impressed by the sincerity and profundity of Buchman's followers. What they represented in the current history of ancient religious movements was the enthusiasm of the Essenes, of whom John the Baptist was one, who believed that one could change from wickedness to virtue by baptism, by washing away the sins. So Buchman answered man's willfulness by willing change. Not only was vice replaced by virtue, but futility by usefulness.

The young men and women who served in Moral Re-Armament do not sit about and pray or sing hymns. They go out into the world to battle against social and political wrongs. Whereas the Salvation Army has battled against personal viciousness, such as drunkenness and poverty, Moral Re-Armament moved toward the barricades where it fought communism as the evil of our day.

Buchman possessed no quality of bigotry. For him, there were many roads to God and each man had to choose his own. His movement had no priests or leaders; members united into groups of usefulness and spread themselves over the earth whenever they were most needed. They financed themselves as best they could and no great treasury was developed but those who wanted to help did and those who wanted to give, gave. And the teams went forth to preach the doctrine of peace and human brotherhood.

I knew Frank Buchman well and admired him for his utter selflessness. What he had to give to humanity were his beliefs in the essential goodness and usefulness of man, and those who joined him were not abject followers but comrades in arms fighting for the better life.

Buchman was 83 when he died in a West German village. His movement assembled each year in Switzerland to discuss problems and then went to Mackinac in Michigan for other sessions. The great and the small came and many found in these assemblages the opportunity to open their hearts and expose their souls.

Is Moral Re-Armament anarchic? The surprising characteristic of this movement is its orderliness. No one has ever been elected to be a president or a vice president, but somehow when a job had needed to be done, men and women fell into place and the team functioned with extraordinary efficiency. Will it continue in this spirit and manner now that Frank Buchman is gone?

PEACE CORPS

The Senate resumed the consideration of the bill (S. 2000) to provide for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower.

Mr. HUMPHREY. Mr. President, I am very pleased and honored to be able to speak on behalf of, and present in part for the Committee on Foreign Relations, the bill, S. 2000, as reported by the committee, to provide for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower. The purpose of the Peace Corps bill, as set forth in section 2, is to promote world peace and friendship through a Peace Corps and to promote a better understanding of other peoples on the part of the American people and a better understanding of the American people on the part of the peoples served.

To carry out these purposes in fiscal year 1962, the Senate committee recommends that $40 million be authorized for the first year of the Peace Corps.

Under section 4(a) the President would be authorized to appoint, with the advice and consent of the Senate, a Peace Corps Director who could be paid not more than $20,000 a year and a Peace Corps Deputy Director who could be paid not more than $19,500 per year.

Under section 4(b) the President would have the authority to exercise the functions conferred upon him by the act through such agency or office of the United States as he shall direct.

This is the customary language in a proposal such as this, vesting responsibility and authority for the program in the office of the President and permitting the President to delegate the exercise of certain functions to whatever agency or office he may select.

Section 4(c) and 4(d) of the bill provide for supervision of Peace Corps programs in that the Secretary of State shall be responsible for the continuous supervision and general direction of Peace Corps programs.

In other words, this program is to be a part of the total foreign policy of the United States, and is to work in harmony with the policy objectives of the Government of the United States as expressed by the Secretary of State.

The functions conferred upon the President by the bill would be delegated to the Secretary of State and by him redelegated to the Director of the Peace Corps. In this manner the supervision and coordination is clearly established and maintained.

The Peace Corps would be an agency within the Department of State, and the Director of the Peace Corps would report to the Secretary.

Section 5 of the bill would authorize the President to enroll qualified citizens for service abroad in the Peace Corps. Except as provided in the bill, volunteers would not be officers or employees of the U.S. Government.

The volunteers would be provided with the allowances and the transportation, housing, and supplies necessary for their maintenance and health, and would be entitled to receive termination payment

of not to exceed $75 for each month of satisfactory service as determined by the President.

To provide disability coverage, volunteers would be deemed to be employees of the United States for purposes of the Federal Employees Compensation Act.

I might note here that while volunteers are not classified as employees of the United States under all laws relating to Federal employees, there are specific instances in which a volunteer will be classified as an employee in order to have him receive the benefit of a particular law, which the committee and the administration felt desirable. In this instance, in order to provide disability coverage, volunteers would be deemed to be employees for the purposes of the Federal Employees Compensation Act.

Entitlement to disability compensation payment commences on the day after the date of a volunteer's services terminate. While enrolled in the Peace Corps the President would be authorized to furnish appropriate health care to the volunteers.

Section 6 of the bill would authorize the President to enroll citizens in the Peace Corps for supervisory or other special duties or responsibilities. Such persons would be called volunteer leaders. The number of volunteer leaders could not at any one time be greater than 1 to every 25 volunteers. Volunteer leaders will discharge counseling and supervisory functions. They will not be in each Peace Corps project. But an effort will be made to enroll them wherever the nature of a project is such that the good purpose would be served by having one or more volunteer leaders in it.

Volunteer leaders are expected to be older and more experienced persons. They would be entitled to receive termination payments at a rate not to exceed $100 for each month of satisfactory service. Under exceptional circumstances, provision could be made for them to be accompanied by their wives and minor children.

Section 7 of the bill authorizes the President to employ persons necessary to carry out the act. Of these 30 could be compensated at rates higher than those provided for grade 15 of the general schedule established by the Classification Act. The committee report states, on page 8—

> To be successful, the Peace Corps must be staffed, from top to bottom, with first-rate personnel. The committee, therefore, strongly recommends to the Senate that it authorize the full number of high-level positions the Peace Corps requests.

The President will also be authorized under section 7 to employ persons under Foreign Service Act authorities to perform functions abroad.

Section 7(e) of the bill would authorize the President to appoint an employee or volunteer as a Peace Corps representative abroad to have direction of the other employees of the Peace Corps abroad and to oversee the Peace Corps' activities in the particular country.

I note this particular section, because in the discussion by the distinguished chairman of the Committee on Foreign Relations [Mr. FULBRIGHT] he indicated that the Peace Corps volunteers would not be subject to discipline abroad except their own self-discipline. This is not the fact under the bill. We have, in fact, provided in the bill that there will be Peace Corps representatives in each country where the Peace Corps is at work. These will be, as I said under section 7(e), older and more experienced personnel, who will have as their function the counseling and guidance and supervision and, if need be, the disciplining of volunteers in the Peace Corps.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. GORE. I understood the distinguished chairman of the Committee on Foreign Relations to say that they would not be subject to the kind of discipline that Foreign Service personnel abroad are subject to.

Mr. HUMPHREY. I may have misunderstood the reference. However, I wanted to make it clear that there is supervision, that there is guidance, that there is disciplinary personnel and powers.

Mr. GORE. I did not understand the Senator from Arkansas to express the view that they would be entirely free agents, but rather that they would not be subject to Government policy decisions and directions to the extent that the professional Foreign Service personnel are.

Mr. HUMPHREY. At least they would not be subject to the requirements of what we call Foreign Service personnel under the Foreign Service Act. I thank the Senator for exploring this point with me. I wanted to make it quite clear, as the Senator knows from the hearings and the markup of the bill, that it is imperative to have Peace Corps representatives in each country for the purpose of guidance and supervision.

Mr. GORE. As I understand, in any country where the Peace Corps volunteers are engaged, there will be country-stationed supervisory personnel.

Mr. HUMPHREY. That is correct.

Under section 8 of the bill the President would be authorized to make provision for appropriate training for each applicant for enrollment as a volunteer.

That is underway right now in certain areas of the United States in some of our universities, under the pilot program which the President authorized under existing legislation under mutual security authority.

Under section 12 of the bill the President could appoint 25 persons to a National Advisory Council which would advise and consult with the President with regard to the Peace Corps. Members of the board would receive no compensation for their services, but would be entitled to a per diem allowance and travel expenses for not to exceed 20 days in any fiscal year.

Section 17 of the bill would provide that wherever possible expenditures incurred in carrying out the act are to be paid for in local currency available to the United States.

Mr. JORDAN. Mr. President, will the Senator from Minnesota repeat what he said about local currency?

Mr. HUMPHREY. I said that section 17 of the bill would provide that, wherever possible, expenditures incurred in carrying out the act or functions under the act ought to be paid for in local currency available to the United States.

Mr. JORDAN. Public Law 480 money?

Mr. HUMPHREY. Soft currency, counterpart money, Public Law 480 funds. Of course, they would have to be appropriated under the act.

Mr. JORDAN. Did the Senator say $40 million would be involved?

Mr. HUMPHREY. Yes. This is a very modest program. I realize, considering the fantastic amounts of expenditures we have been concerned with recently for defense and foreign aid, it is easy to make the mistake of believing that the amount involved for the Peace Corps is $40 billion, when it is actually $40 million.

Section 21 of the bill provides for an investigation of persons employed or assigned to duties to insure that such actions are consistent with the national interest.

This includes a full field investigation by the Federal Bureau of Investigation. All possible controls on personnel have been provided for.

The remaining sections of the bill contain operating, administrative, and personnel authorities similar, if not identical, to certain of the authorities available to the foreign aid agency or to other oversea operations of the United States. They include authority to make contracts, to pay claims arising abroad, to procure commodities or services from other Government agencies, and so forth.

As I have indicated, the bill would authorize $40 million for this entire program. With these funds approximately 2,700 Americans will be abroad or in training by June 30, 1962. Considering that to date more than 12,000 Americans have volunteered for service and many thousands more undoubtedly will volunteer before next June, once the bill has become law, this is a very modest program.

Mr. President, permit me to read the conclusions and recommendations of the Foreign Relations Committee on page 18 of the bill:

> The committee believes the bill it has reported is a good bill, and that it merits the approval of the Senate.
>
> The committee strongly recommends the full $40 million authorization. It is of the opinion that the request is justified and that the Peace Corps should be permitted enough flexibility to try the methods of approach it envisages. Only in that way can it be known whether the program offers opportunity to assist in the development of nations seeking assistance.
>
> The success of the Peace Corps will depend largely on the type of employees it has and the type of volunteers who will be sent abroad. On the basis of the experience thus far, the committee thinks those American are entitled, working together in a common cause, to a real chance to prove that the Peace Corps, from the standpoint of the United States, is a sound and wise investment—in money and in people—and that it will justify the faith of those countries which are asking for volunteers.
>
> The Peace Corps is a new venture for the American people. It will open new opportunities for them to assist others and to broaden their own experiences. The committee has been impressed with the response

this program has had from individual Americans, young and old, who are eager and willing to perform dedicated service in an effort to promote world peace and friendship.

The committee believes the Peace Corps has promise and that it has potential, and, therefore, urges the Senate to give S. 2000 full support.

As one of the sponsors of this proposed legislation, I urge the Senate to lend its full support to this effort in the cause of peace. Today, we are spending, and with reason, billions for defense and preparedness. This makes it all the more important that we spend $40 million in the pursuit of peace.

Mr. President, I have waited a long time for the opportunity to speak again in behalf of this important bill. But, Mr. President, in a sense no one can really speak for the bill in its entirety. The Peace Corps speaks for itself. It already has spoken to the heart of a young Nation in which 45 percent of the people are under 25 years of age.

The Peace Corps has spoken to thousands of Americans, who have written to say—and now I quote from a letter which has been received:

I want to serve my country. Tell me what to do.

It has spoken to thousands of Americans— young and old—who want their skills and their idealism harnessed in some constructive way.

A college student from California wrote to the Director of the Peace Corps:

I will go wherever I can help. I'll do whatever I can.

A student in Philadelphia sent this message:

I don't care about a salary. This is something I want to do for my country.

I feel it is my duty as an American citizen—

Another person wrote—

to enlist, if possible, in the Peace Corps. I am a college graduate in forestry, age 28, and have traveled and lived in Europe, Asia Minor, Canada, Mexico, and the Bahama Islands. I have also served 2 years in Europe in the Army, 15 months as an instructor. I am married, but my wife is willing to withstand the hardships of travel. We both feel the cause is worth our relatively small inconvenience.

Mr. President, these testimonials from young Americans demonstrate, I believe, the real spirit of our country. I only wish this spirit of America were recognized generally throughout the world; I only wish this message were the one the people of the world received, and that it was the basis of their understanding about America. The messages I am reading are the voice of America, the voice of American young people who are willing to give their services in the Peace Corps.

From Beaumont, Tex., has come a letter—and, Mr. President, by the way, let me say that the files in the Peace Corps office are filled with this thrilling, moving correspondence. In the course of the preparation of these remarks, I had an opportunity to see some of the letters; and I selected certain excerpts because they are representative of the mail which has been received.

As I started to say a moment ago, from Beaumont, Tex., has come the following letter:

I am an American citizen, 55 years old, in good physical condition, and free to travel. I feel that I am qualified to help in the following ways: water-well drilling and completion, surveying, and map-making, instruction in the use of transit and sewer and road planning. I believe that through the Peace Corps, I can help restore some of the prestige and respect which we seem to have lost in some parts of the world.

Mr. President, let us not think that the Peace Corps is only for young people. But it is for people who are young at heart and who have the real spirit of youth.

And from Mississippi:

Please send the information necessary for my wife's and my applications for the Peace Corps. We want to work as a team, preferably in Latin America.

Here is a quotation from one letter the Peace Corps received from Boulder, Colo.:

I have a master's degree in geology. I am 28, unmarried, and served 2 years in the Army. I have an excellent scholastic record and experience with a major oil company. I would like to be of service in making geologic maps and developing ground water and oil resources.

These are men who are on the job, who are undoubtedly being paid thousands of dollars a year, who are willing to give all that up and get a maximum payment, on termination, of $75.

From California, this letter:

I am a graduate in mechanical engineering and speak Spanish fluently. While traveling extensively in Mexico, I have seen at first-hand how badly needed are dedicated American citizens who can fulfill the aims of an organization such as the Peace Corps. I should be grateful for the chance to devote myself to these aims.

These letters are typical, Mr. President, of the enthusiasm, the devotion, the willingness to work hard under difficult circumstances of the American people who want to participate in the Peace Corps.

It is gratifying and encouraging, at a time when Khrushchev has claimed that America is "going soft," at a time when the stamina and fortitude and determination of the American people have been questioned by critics both at home and abroad, to learn that Americans still have what it takes to undertake an experiment in the difficult.

The Peace Corps is a strong test of the fiber of American life—and for that reason it is difficult for me to believe that there could be opposition in the Congress to the Peace Corps.

The response from abroad has been gratifying, too, Mr. President. The Director of the Peace Corps, Mr. R. Sargent Shriver, has estimated that the Peace Corps has received requests for approximately 10,000 volunteers, about 10 times as many positions as they can fill this year.

Projects have already been announced for Tanganyika, the Philippines, Malaya, Colombia, Chile, the West Indies Federation, Pakistan, India, Nigeria, and Ghana.

I should like to read briefly from a letter that our Ambassador in India, John Kenneth Galbraith, wrote to Mr. Shriver:

The reaction in India has been exceedingly favorable as a welcome affirmation of American idealism. It is particularly important in rubbing out the impression that we are excessively prone to military solutions.

In the last 3 weeks I have been traveling extensively here, and the Peace Corps has been one of the most prominent questions in all of my press conferences, usually with the query as to whether any volunteers are contemplated for that particular area of India.

I have spoken, Mr. President, about the response at home and abroad to the Peace Corps. I should now like to discuss briefly what some of the Peace Corps volunteers will do.

Let me use as an example the training program which began on August 21 for East Pakistan in Putney, Vt. The project calls for 30 specialized men and women in the fields of irrigation, farm production, town planning, medicine, sanitation, engineering, carpentry, bricklaying, youth work, university teaching, library administration, and communication. Another training program will begin shortly at Colorado State University for West Pakistan.

The East Pakistan program will be administered, both in training and in the field, by the Experiment in International Living, a nonprofit, educational-travel institution devoted to fostering mutual respect and understanding among the peoples of the world, with special emphasis on the home and family. The Experiment in International Living has had 29 years of experience in 33 countries, and, I, for one, am happy that the Peace Corps will channel a significant portion of its volunteers, of its services, through our universities and private voluntary organizations, like the Experiment. Unlike the Soviet Union, Mr. President, the United States is not just government. America speaks with many voices, and I think that my colleagues in the Senate will join me in congratulating the Peace Corps in contributing to the already valuable work done by our private voluntary agencies and universities overseas.

The volunteers will receive in Putney intensive training in area and language study, including teaching on the customs, religion, politics, and economics of Pakistan; instruction in American Government and international relations; work in health protective measures; physical conditioning; and training in cross-cultural communication of their particular skills.

Following the 8-week course, those selected to go to Pakistan will first live for 3 weeks with Pakistani families. Then, they will receive additional instruction in the Bengali language at the Pakistan Academy for Village Development in Commilla.

The volunteers will begin work in December in five different communities.

Another recently announced project involves India: An initial group of 25 volunteers will go to the Punjab region to work primarily in the field of agriculture. They will assist in agricultural ex-

tension, demonstrating techniques of cultivation, irrigation, the use of fertilizers, and modern implements and equipment. Ohio State University will conduct the training program for these volunteers.

More than half of the requests coming from abroad are in the field of teaching. The volunteers going to Nigeria, Ghana, and the Philippines will be instructors in the secondary or primary schools in those countries.

I predict that the teaching requests will continue to increase, because the problem of illiteracy is a problem this Nation must come to grips with if it is to do a job in foreign assistance. I think America can gain a page in history if we aid the illiterate, if we aid those who have a yearning and a thirst for knowledge. What a fine thing it is for this country to have people volunteering for the Peace Corps to become teachers. The teachers' program will do more to build a sound foreign policy and good relations between ourselves and our neighbors in other parts of the world than any other program. If we did nothing else in the Peace Corps except teach, it would be worth while, because in those areas, violence and frustration are the order of the day, and in those areas of illiteracy there is a contest taking place between the Communists and those who believe in the free way of life. The Peace Corps will put soldiers of learning, so to speak, at work, fighting the problems of ignorance and illiteracy.

Those who have had the opportunity to visit some of the training camps, including some of my colleagues in Congress, have been most favorably impressed.

I was sorry I did not have the opportunity to go to Putney, Vt., to see the training program there, but I understand some of our congressional colleagues did go. They have seen volunteers who were competent, mature, personable, and in fine physical condition.

In short, we are sending persons who have been thoroughly screened and intensively trained. When they have finished their training, have had full investigations, and have gone through the number of tests required—and it is a vast program—we shall have available for the Peace Corps the finest of our young men and women.

When they return, they will enrich the fabric of the American society. The Peace Corps volunteers will form a fine reservoir of persons with knowledge of the newly emerging areas and of esoteric languages from which our Foreign Service, AID program, USIA, and other departments of Government can draw. Further, having had oversea experience, former volunteers will make even more valuable contributions in the fields of teaching, medicine and health, engineering, labor, business, and agriculture.

I think it needs to be emphasized how important this program is in preparing America for the role of world leadership we now hold in the world, and which has come upon us so quickly. This is almost a graduate course in international understanding for the American people. Not only will we be helping those people, but the young men and women who go to other lands and return here will be better able to interpret to our people in the United States what is going on in far-off places.

This leads me to my next point, Mr. President, a point that has been relatively neglected in discussions of the Peace Corps. Up until now, most of the talk has been about what the Peace Corps can do for the newly developing countries. I wish to emphasize for a moment what the Peace Corps can do for the United States.

For even if the Peace Corps did no positive good abroad—and I am more optimistic than that, I think it will do great good—it would be worthwhile from the standpoint of what it would do for America.

Let me make it quite clear that the Peace Corps is a two-way street. Not only will we help in the development of the emerging countries, but also we will learn more about vast new areas that we are frankly too ignorant about. Mr. President, in America we do not know enough about Nigeria. We do not know enough about Tanganyika. We do not know enough about India.

We do not know enough about our neighbors to the south, in Latin America. We do not know enough about a country like Chile. We have an abysmal ignorance about a host of countries that are as important to America now as the corner drugstore is important to the housewife, or a neighbor living on the block.

We need Americans of all walks of life to become more personally involved and better informed about the world around us.

Possibly then we shall not have people seeking easy answers to difficult problems. Possibly then we shall have a more mature American mind, which will realize the nature of the contest in which we find ourselves today. Possibly we shall have a body of people in this country who recognize how difficult is our struggle and how long it may take for us to find ways and means of assuring success. I am confident that the Peace Corps will make a significant contribution to this goal of mature understanding on the part of America in the world in which we are so much a part.

Peace Corps volunteers will live in modest circumstances. Many will live in the more remote areas where, in some instances, Americans have never been before or been seen before. They will speak with the people in their own language. They will participate in the local community. They will work hard and demonstrate that there is dignity and honor in labor.

What a great opportunity to get a true picture of America where it needs to be understood.

They will not go overseas to be propagandists, but, in the best sense of the word, they will be living propaganda.

At this point, I shall read an excerpt that a Pakistani wrote to a friend on the Peace Corps staff. These are eloquent words, Mr. President:

> The success of your Peace Corps will depend not primarily on the link between the U.S. Government and my Government, but between your people and our people, a link created by a surer understanding of the beliefs, languages, temperament, and, as a whole, the individual national aims. One cannot understand or know his neighbor unless he visits him in his home, shares his views, understands his wants or desires, and allows a friendship to grow through mutual respect and regard, irrespective of caste, color, or creed.

In closing, Mr. President, I repeat two questions that were posed to Mr. Shriver when he was recently in Asia. One came from a lady named Ashadevi, a remarkable woman and former associate of the late Mahatma Gandhi, who traveled 3 days and nights on a train to come to New Delhi to talk to Mr. Shriver. She said:

> Yours was the first revolution. Do you think young Americans possess the spiritual values they must have to bring the spirit of that revolution to our country? There is a great valuelessness spreading around the world and in India, too. Your Peace Corps volunteers must bring more than science and technology. They must touch the idealism of America and bring that to us too. Can they do it?

The second question came from Mr. U Nu, the present Prime Minister of Burma, one of the great leaders of Asia. He asked Mr. Shriver:

> Do you really think that a Peace Corps volunteer can match the steely dedication of an indoctrinated Chinese Communist?

Mr. President, I think that the answer to both of these questions is, undoubtedly and completely "Yes."

We do have idealism. Indeed, we can match the steely dedication of an indoctrinated Chinese Communist. Our young people are bubbling over with idealism. The problem is offering them an opportunity to put that idealism to work.

The Peace Corps volunteers will actively and creatively demonstrate the dedication, idealism, and skills of Americans. I think that they will become one of America's most valuable items of export.

I ask that we in the Congress give them the chance to answer these two questions in the affirmative by authorizing, through our action in the Senate and through action in the other body, the U.S. Peace Corps.

Mr. President, the latest Gallup poll relating to the Peace Corps shows a remarkable interest on the part of the American people. It shows that 71 percent of the people support the Peace Corps. It shows that 66 percent of them would like to have their sons and daughters participate in it.

This, to me, is a very significant statistical fact. I recall that a few years ago, when a similar poll was taken about politics, the poll showed that 80 percent of the mothers and fathers did not desire to have their sons and daughters go into politics in America. Now 66 percent of them would like to see their sons and daughters go into the Peace Corps.

If the 80 percent had encouraged their sons and daughters to take a little more interest in politics, the Peace Corps would have been a living reality long ago. One of the real problems in America is the failure of the adult citizenry to have

an appropriate interest in matters of public policy.

I am hopeful that the Senate will proceed forthwith to pass the proposed legislation.

The Peace Corps is under the able direction of Mr. Shriver, who is a remarkable man and who has brought to him some of the most remarkable and talented people in management and administration I have ever met. I believe this is the general opinion held by Members of Congress who have met with Peace Corps representatives in the Washington office.

I asked the research personnel in Mr. Shriver's office to prepare for Members of the Senate and for the entire Congress an analysis relating to the Peace Corps on all subjects of interest.

What is the need for it? Why is the Peace Corps to be a separate agency under the general supervision and coordination of the State Department? How did the original pilot program get under way? Why was there the establishment of the Peace Corps by Executive order?

I asked for an outline as to how the Peace Corps would be coordinated with the AID program.

The material which has been presented is to the point. It shows how the Peace Corps operation in each country will be coordinated by the country administrator of the AID program.

I asked that the Peace Corps give a complete breakdown of all facets of administration. I asked why there was a request for some supergrades for personnel, above grade 15. I asked for additional information on staffing of the proposed agency. I asked what was to be done by Peace Corps representatives abroad. I asked about the relationships between the Peace Corps and private voluntary agencies. I asked about the relationships between the Peace Corps and the international agencies.

I am sure our colleagues will be interested in the cost per Peace Corps volunteer.

What kind of medical care and other care will be provided for volunteers? What oath will the Peace Corps members take? What can be said of the loyalty of Peace Corps volunteers?

It will be of interest to my colleagues to note that each volunteer will be given the most extensive and exhaustive screening and testing.

There will be such a type of investigation and timing that we shall have full consideration as to the most economical way to achieve the desired end. In consultation with the FBI and the Civil Service Commission, the Peace Corps has adopted procedures which will enable the Peace Corps to determine the fitness of each applicant for service overseas. In addition to the FBI investigation, the Peace Corps will carefully screen candidates at every step along the way to be sure they are suitable and desirable for the job selected. Evaluations will be received from at least six references, including medical and psychiatric interviewers, faculty members concerned with their training, and from a panel which will have each candidate's complete dossier before he is finally selected.

The Peace Corps will be at the top of the list in the Government of the United States in its recruitment, training, and selection program—far better than any other office or agency in the Federal structure, State or local government.

I also asked the Peace Corps to give us material showing what they mean by their national advisory council, its functions, and a full and complete description of the selection process and the training program. I ask unanimous consent that the document to which I have referred in describing these many parts of the Peace Corps proposal be printed at this point in my remarks.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

PEACE CORPS

THE NEED FOR THE PEACE CORPS

The Peace Corps is nothing less than a bold new dimension in American mutual assistance programs. Other programs provide military aid, high-level technical assistance, or capital to other nations. The Peace Corps makes available a pool of trained manpower to help other countries meet urgent needs.

Providing manpower to countries which are traditionally faced with a surplus of labor and a shortage of capital sounds at first blush like the proverbial carrying of coals to Newcastle. But the key word in the description of the Peace Corps activities is trained manpower. Only an appallingly small proportion of the population of most underdeveloped countries has any training at all in the jobs which they are performing. The people farm, or build their homes, or care for their health in the same manner in which their ancestors have done these same jobs for centuries. There is a desperate shortage of people with enough training to teach in the schools or to build roads or to construct sanitary facilities.

The United States and other countries, through bilateral technical assistance programs or through the United Nations, have for many years been providing highly skilled experts to advise the less developed nations on matters affecting their development. There is no doubt that these experts are performing a much-needed task and are making a significant contribution to the standards of living in the countries in which they serve. But only a small number of people in these countries can hope to reach the level of expertise which technical assistance advisers and consultants are sent to provide.

The missing link in the underdeveloped two-thirds of the world is middle manpower—workers trained at a level somewhere between that of the highly skilled experts and the totally untrained majority. Without this middle level, there can be no one to carry out the advice of the experts and no realistic level of aspiration for the rest of the population. It is this need which the Peace Corps will supply. Peace Corps volunteers will serve as teachers, electricians, home economists, government clerks, nurses and nurses' aides, farmers, water and sanitation technicians, medical technicians, construction workers, and so on. Rather than to advise and counsel the local people on how to accomplish these jobs, they will help do the work and in the process will teach the local people to do it themselves. There can be no question of the fact that the Peace Corps is needed abroad.

But what is more, America needs the Peace Corps. Today, isolationism has become an impossibility. We cannot deny our obligations to remain aware of the needs and the desires of the emergent nations and to let the people of those nations know that we are aware, but we cannot communicate with them across a great gulf. The more American citizens who have had first-hand experience abroad, working at the people-to-people level and learning the aims and aspirations of the people by living and working with them for a relatively long time, the better able will America be to understand and address herself to their needs. It is American citizens with just such experience that the Peace Corps will produce. When they return from their service abroad, they will be able to serve their country further by acting on their experience, and they will multiply the benefits to this country by acquainting still other Americans with the fruits of that experience. They will be assurance that this country does not act in a vacuum.

There is still another reason why America needs the Peace Corps. There is no better way to counteract anti-American propaganda than by providing contact between Americans and citizens of other countries. Such propaganda is inevitably most effective among people who have never had an opportunity to get to know, or even to meet, Americans. The bright, young, dedicated Americans who will constitute the Peace Corps are the finest fruits of our way of life and the best ambassadors this country can produce. Simply by living and working abroad, unostentatiously but not in abject poverty, they can do more to serve the image of this country abroad than all the counter-propaganda that money can buy.

Thus, the need for the Peace Corps is not restricted to one country or to a group of countries. It is not restricted to arguments of economic development or of personal diplomacy. The need is an almost universal one, in terms of countries concerned and in terms of the ends which the new agency will serve. America can hardly afford not to have the Peace Corps.

THE PEACE CORPS AS A SEPARATE AGENCY

In view of all of the convincing talk we have heard lately about the unification of the foreign aid program, there has been some question of the administration's decision to keep the Peace Corps a separate agency. The reasons for this decision are quite simple: The Peace Corps is different. The Peace Corps is new. Its success depends to a large extent on its separateness.

The fundamental differences between the job being done by the Peace Corps and that which has been done by ICA or which will be done by the new AID are quite clear. For one thing, the Peace Corps is a voluntary program. People who enter the Peace Corps will all know that neither their wages nor their living standards will be as high as what they could expect either in the United States or in other overseas Government programs.

For another thing, Peace Corps volunteers will provide international communication on a person-to-person level, whereas other foreign assistance programs operate on a high level, offering advice and guidance to the governments of the countries where they serve. Peace Corps volunteers will not be qualified to give, and they will not give, expert advice. Instead, they will undertake operational tasks side by side with, and often subordinate to, the people of the host countries.

Still another fundamental difference exists in the fact that the Peace Corps will provide a product that is not offered from other sources—middle manpower. Unskilled manpower is usually plentiful in the less developed countries, and expert advisers and capital funds are available through the AID program. But a gap exists in the middle level of manpower and it will exist for at least another generation—a critical shortage of people with college or professional training, people with teaching, craft, farming, organizational and leadership skills—and it is this gap that the Peace Corps, unlike ICA or DLF or AID, is designed to help fill.

Because the Peace Corps is so unquestionably different, there is simply no organizational reason why it should be part of the new foreign aid agency. The mere fact that it operates abroad is almost all that it has in common with ICA or with its successor organization.

However, because the Peace Corps is new, there are real reasons why it should not be a part of the larger agency. It is undertaking tasks which have not previously been performed by the Government. The large-scale recruitment of civilians for service abroad on a voluntary basis is new. The rigorous training in skills, languages, area studies, and physical conditioning of people drawn from all walks of life is new. The working closely with large numbers of universities and private agencies is new. In short, there is no blueprint or precedent within the foreign-aid program—or elsewhere in the Government—to guide the Peace Corps in the tasks before it. For this reason, it was felt that a new and separate organization should be set up to tackle these tasks and to learn how best to do them. The Peace Corps cannot afford to be absorbed by a much larger organization with established programs and practices.

In addition, it is vitally important that the Peace Corps, particularly in its initial stages, be able to move quickly to consider and respond to requests for volunteers from abroad. The Peace Corps program is small as compared with the foreign-aid program, involving only $40 million as opposed to the AID request for $2.59 billion. As a component of the foreign-aid agency, the ultimate administration of the Peace Corps would be in the hands of officials who would very probably assign only secondary priority to the relatively small Peace Corps projects. The delay which this would entail in getting the new agency well underway would cost much of the enthusiasm which has been generated both at home and abroad and thus would seriously threaten the success of the Peace Corps.

The Peace Corps must be a separate agency to tap the overwhelming response which greeted its announcement. In terms of the supply of volunteers, the Peace Corps relies upon people who are motivated by a sense of service and anxious to do something for their country—not upon career employees. Government service is nothing new, and yet Government service has never generated the kind of active enthusiasm on the part of the American people that the Peace Corps has. It is vital that the Peace Corps establish and maintain a unique identity, displaying the newness and distinctive appeal—the volunteer spirit—which has so successfully attracted the right kind of people.

In terms of the demand for volunteers by foreign governments, too, the uniqueness of the Peace Corps is largely responsible for its striking success to date. Many countries which are traditionally cool to American assistance programs have responded with remarkable enthusiasm to the Peace Corps, because they believe that volunteers will be workers come to do a job, not executors of official American policy or propaganda agents. To make the Peace Corps a small part of the established program would destroy that belief, and with it much of the promise of the new agency.

Finally, as a separate agency, with a separate budget and separate legislation, the Peace Corps will report directly to Congress and will be able to work directly with the legislative branch in a way which will help it to reflect the will of Congress more directly.

The establishment of the Peace Corps as a separate agency should not for a moment suggest that it is not closely related to and coordinated with the foreign aid program. For the Peace Corps to fail in this respect would be at least as dangerous to its success as for it to be swallowed up in that program. But as long as its duties with regard to coordination are fulfilled—as they have been so far and as they will continue to be as long as the Peace Corps is responsible to the Secretary of State—there can be little doubt that the effectiveness, if not the very existence, of the Peace Corps depends upon its maintaining a separate identity.

THE ESTABLISHMENT OF THE PEACE CORPS BY EXECUTIVE ORDER

The announcement of the Peace Corps by Senator Kennedy during his campaign for the Presidency led to an almost unprecedented response on the part of the American people. More mail poured into his campaign headquarters and the White House on the proposed Peace Corps than on any other single subject. It was abundantly clear that many thousands of citizens wanted to serve their country, and for the first time they were presented with a suitable avenue for their services.

Similarly, the response from abroad was almost startlingly enthusiastic. Representatives of foreign countries supported the concept before the Peace Corps was officially established; they even, in some cases, requested Peace Corps participation before they were certain that the Peace Corps would be established.

America could not afford to leave this response untapped—to delay until the people who had offered their services upon graduation had found other employment or until the countries which had asked for assistance found it elsewhere. The Congress had already indicated its interest by authorizing a study of the point 4 Youth Corps. President Kennedy took what was in effect the only course when he decided to use his authority to establish the Peace Corps by Executive order. The development of the Peace Corps has more than justified his decision.

In addition, the decision proved to have been useful to the Congress. Today, we are discussing not a hypothetical organization, but a real and going concern. We are not asked to authorize a theory, but to decide whether the facts justify the continued existence of the Peace Corps. The Peace Corps Director, Sargent Shriver, has done a really remarkable job of getting the agency underway and assembling those facts for our consideration.

This situation we are in today is certainly preferable to one in which we were debating the merits of an untried concept.

No matter what we decide here with regard to the Peace Corps which President Kennedy established by Executive order, there can be little doubt that it was to our benefit and to the benefit of the country that he did so.

COORDINATION OF THE PEACE CORPS WITH AID

There is certainly no lack of communication and coordination between the Peace Corps and ICA, the State Department, and other agencies with related interest. As each Peace Corps project is being developed, it is coordinated with the appropriate country and regional desks at the State Department, ICA, and USIA. Whenever it is indicated, the project is also coordinated with the Bureau of Educational and Cultural Affairs and with the Bureau of International Organization Affairs in the State Department as well. In addition to all of this, each project is coordinated in the field—with the AID mission, the diplomatic mission, and the appropriate attaché such as the agricultural or the cultural attaché, in the embassy. Thus, for example, a teaching project in the Philippines would be coordinated with all sorts of people outside of the Peace Corps—three Philippine desk officers, three Far East regional directors, the Bureau of Educational Affairs, the cultural attaché and the Ambassador at our Embassy in the Philippines, and our foreign aid team there.

But all this is only the beginning. Once a project has been developed and approved by the Director of the Peace Corps, it must receive formal clearance from the Under Secretary of State for Economic Affairs, the Regional Assistant Secretary concerned, and the Director of ICA. In addition, carbon copies of the clearance memorandum go to the Assistant Secretary of State for Educational and Cultural Affairs and the Director of USIA.

Finally, clearance to negotiate with the host country and the allocation of funds must be provided by the Deputy Coordinator for Foreign Assistance on behalf of the Under Secretary of State for Economic Affairs.

Once the project is underway, the Peace Corps representative in the country, like the head of the AID mission, is subject to the coordination of the Ambassador.

In view of all this, it is hard to see how anyone could think that each and every phase of the Peace Corps activities is not more than adequately coordinated with all of our other foreign operations.

PEACE CORPS REQUEST FOR $40 MILLION

The response to the Peace Corps, both in this country and abroad, has been enthusiastically positive and deeply encouraging.

More than 12,000 American men and women have applied to serve in the Peace Corps, and applications are still arriving at a rate of more than 300 a week. The proposed Peace Corps program for fiscal year 1962 will permit only 2,700 of those who desire to serve to do so. That is, three out of every four applicants must be disappointed this year, and this ratio can only increase as applications continue to come in. The program has been developed this conservatively in the knowledge that the Peace Corps is a new concept in the foreign field; it is not going too far or too fast. If the authorized expenses of that agency are cut any further, it follows inevitably that many more Americans who have responded to the President's call to serve their country through the Peace Corps will be denied the opportunity which they seek. Every $9,000 that is cut from the Peace Corps appropriation means that one less American can participate.

In addition to the response in this country, the need and desire for Peace Corps volunteers abroad have been clearly expressed. The grassroots reaction, as reflected in the press, has been extremely favorable. Heads of state, such as Balewa, Ayub, Garcia, Nehru, Lleras, and Nkrumah, among others, have warmly endorsed the Peace Corps, its purpose and its potential in assisting to meet the problems of development. For the Peace Corps to be unable to respond to the high expectations which surround it would seriously weaken American prestige abroad.

The program for the first year of the Peace Corps operation has already been deliberately scaled down, in anticipation of the will of Congress with regard to such a new concept, to the minimum which seems reasonable in terms of the demand for and the supply of volunteers. To cut the proposed fiscal year 1962 program of the Peace Corps still further would call into question the promise of the new concept, would seriously reduce the momentum gained both at home and abroad, and would represent a serious failure on the part of the Government to meet its responsibility to those who have turned to it from abroad and to the thousands of American citizens who have responded so enthusiastically to its call.

THE ADMINISTRATION OF THE PEACE CORPS

The Peace Corps has estimated that 2,700 volunteers will be in training or in service by the end of this fiscal year, and that 369 staff members will be required for administration and program support. In dollar terms, they have estimated that almost $8.8 million of a $40 million budget will be spent on administration and program support expenses. Although these administrative figures may sound high, a closer look will correct that impression.

The estimate of 369 staff members supporting 2,700 volunteers gives a ratio of 1 staff member for every 7 oversea personnel. The comparable ratio for both ICA and USIA is one staff member for every three oversea personnel. These figures are fairly typical for oversea operations. The fact of the matter is that the Peace Corps estimates are extremely low. They may even have to be revised upward.

In addition to the fact that administrative backstopping in the Peace Corps is relatively slight, as these ratios indicate, the number of staff members will not continue in direct ratio to the number of volunteers. Arrangements for the selection, training, assignment, and supervision of 2,700 volunteers can expand to take care of several times that number without a corresponding increase in administrative personnel. Furthermore, any additional staff required to take care of an enlarged volunteer corps will be largely in the lower echelons of the Peace Corps staff.

Comparison with private organizations engaging in oversea operations cannot be made in the strict sense because they do not provide staff support on the same basis as does the Peace Corps. For example, the American field service and the international 4–H Club have relatively small paid headquarters staffs, but these are supplemented by very large volunteer staffs. Another difference is that some agencies, such as the Experiment in International Living and the American Field Service, send people overseas only for the summer months. CARE has a large headquarters staff in relation to oversea personnel, but they are responsible for distributing food and farm implements rather than supplying human resources, and so their oversea personnel are relatively few in number. International Voluntary Services' ratio of staff to oversea personnel is similar to that of the Peace Corps, but with only 50 people overseas; that agency is too small to be really comparable.

Comparison with the foreign aid program, too, is not simple. Although the Peace Corps has more than twice as many oversea personnel for every staff member as does ICA, its estimated administrative and program support expenses are 21.9 percent of its total appropriation request while those of ICA were approximately 6.1 percent of its budget in fiscal year 1960. This difference, although striking at first glance, is explained by the fact that the majority of the funds expended by ICA are for nonproject assistance—that is, the export of agricultural and industrial commodities, cash grants, and the like. The administration of this type of activity requires substantially fewer personnel and support costs in relation to the total dollar program volume than does the administration of project assistance.

While no cost standards are available, it is probable that the great majority of ICA's administrative expenses and program support costs are necessitated by project assistance. Thus, it is very likely that ICA's related administrative costs are approximately the same proportion of its project assistance as are the Peace Corps', if allowance is made for the additional expenses normally incurred in the initiation of any program. That is, when a program is initiated the administration and support costs are the first expenditures incurred, and consequently, the ratio of these costs to total program dollar value is normally unfavorable during the first 2 or 3 years.

These comparisons indicate that the staffing needs of the Peace Corps, in order to support adequately the volunteers serving oversea, are far from certain. The Peace Corps has asked for freedom from a financial limitation on its administrative expenses on the grounds that the agency is in the process of evolution. At this time it would be premature and all but impossible to specify precisely the resources which may be required for administrative expenses. Without operational experience by a full staff, the application of a limitation, no matter how reasonable it might appear at the time it was imposed, could spell the difference between a Peace Corps operating in a very low gear, with only preliminary work undertaken, or a Peace Corps well launched, in a careful, businesslike manner.

THE PEACE CORPS REQUEST FOR 30 SUPERGRADES

The Peace Corps program is new. There is no blueprint or precedent within the Government for what the Peace Corps will do. In the first place, it is based on a whole new set of nongovernmental relationships; the Government's working with and through private agencies and universities on such a large scale is unique. Secondly, the mass recruitment of civilians for service abroad on a volunteer basis has no counterpart. As a result, selection factors involve considerations—in terms of physical, emotional, and intellectual capacity—not previously faced. And in addition, the Peace Corps' relationships with other countries from the planning stage through project completion, is complex, delicate, and unusual.

As Peace Corps Director Sargent Shriver pointed out in his statement before the House Post Office and Civil Service Committee, one of the most important factors in the success of any Government agency, as in private business, is good management. It is clear that high-quality people are needed from the beginning in order to launch such a new and different program successfully. In its key positions, the Peace Corps must have people who possess not only experience and leadership qualities, but an unusual degree of imagination, flexibility and entrepreneurial spirit. In many cases, such as the selection of volunteers and their training, entirely new processes, without precedent in or out of the Government, must be developed. The senior staff members of the Peace Corps must have the flexibility to deal on their own ground with members of the academic community, with international civil servants, with representatives of foreign governments, and with the volunteers themselves. It is essential for these purposes to attract the best available talent.

The Peace Corps cannot afford to fail in any of the difficult and novel tasks which are set for it, for failure in any one of them will harm not only the agency itself, but the standing of this country abroad. To insure success in each of these tasks there can be no substitute for high caliber in the people performing them. Every job for which a supergrade is requested—and a detailed list of these jobs has been provided by the Peace Corps—is a key job which has a direct bearing upon the success or failure of the Peace Corps and therefore upon American prestige abroad.

It should also be pointed out that in any new organization, the top positions must be filled in the early stages. Then, as the organization grows, it grows mostly at subordinate levels. Regardless of the size of the Peace Corps, it will obviously require only one Regional Director for each region, only one Director of Recruitment or of Training, and only one General Counsel. A Corps of volunteers substantially larger than is contemplated for this year can be provided without any increase in the number of supergrades above the level requested in the bill.

The Peace Corps must have topflight people to plan its program. Mediocre planning begets mediocre programs, which is something neither the Peace Corps nor the United States can afford.

PEACE CORPS STAFFING

One of the most vital factors in the success of the Peace Corps in its early stages is flexibility. The need for flexibility arises from the fact that the Peace Corps is a new concept in Government and cannot proceed according to any blueprint.

Although estimates of Peace Corps staffing needs are available, these are little more than estimates. The Peace Corps must feel free to hire an extra person to do a needed job, and it must feel free to determine that it can more efficiently use the services of another agency if they are available. Establishing a maximum number of employees would, in effect, remove both of these freedoms. Because the first volunteers have not yet gone out into the field, it is impossible to tell yet with any precision just how much administrative and supervisory backstopping will be necessary to assure that these volunteers reflect credit upon themselves and upon their country. It would be nothing less than a tragic waste for the U.S. Government to have gone to the trouble and expense of developing programs, selecting and training volunteers, and sending them abroad, only to have the program fail because the Peace Corps supervisory and administrative staff was too large or too small to handle the program adequately.

In addition, it is all but impossible for the Peace Corps at this stage to determine how many employees it will need in the field to supervise and provide for the needs of the volunteers. The size of the Peace Corps staff in any country depends upon the number of volunteers serving there and upon the extent of their concentration or dispersion throughout the country. In addition, it depends upon the administrative facilities available to it from other agencies such as the embassy, the AID mission, and the Public Health Service. In a country where a great many volunteers are spread out in small groups across many miles, more supervisory staff will obviously be needed than in a country where a relatively small number of volunteers are all serving in one school or village. Similarly, the more administrative services which can be provided from other sources, the smaller the admnistrative staff needed by the Peace Corps.

Because the size, composition, and location of all of its programs are not yet determined, the oversea staffing needs of the Peace Corps cannot be determined. To fix a ceiling on the staff is to impose a rigidity which is not, at this early point, in the best interests of the Peace Corps or of the American men and women serving in it.

PEACE CORPS REPRESENTATIVES

Although the Peace Corps plans to send a representative to each country in which it has a program, none of these representatives will in any sense be chiefs of large Peace Corps missions. In order to allay any fears which might have arisen in this regard, the executive branch submitted new language for the Peace Corps bill, which would change the mutual security term "mission chief" to "country representative." It is generally felt that this language reflects more accurately the simple and small-scale representation which the Peace Corps desires.

The Peace Corps country representative will be the official representative of the Peace Corps in the host country. He will oversee and be responsible for the well-being and conduct of the American citizens serving as Peace Corps volunteers in the country to which he is assigned. Under the direction of the American Ambassador, the Peace Corps representative will be responsible for relations between the host country and the Peace Corps, for the development and implementation of new Peace Corps projects in that country or area, and for all other matters arising as a result of Peace Corps activities in the country in which he is serving. In addition, the Peace Corps representative will furnish any information desired about the Peace Corps to the host country, and he will furnish information

about Peace Corps operations in that country and an evaluation of those operations to Peace Corps headquarters.

Because the duties and responsibilities of the Peace Corps country representative are similar to those of a mission chief, he might even be called a mission chief without a mission. It is the stated policy of the Peace Corps to use the services and facilities of existing U.S. missions and staffs abroad wherever this is feasible and not to establish its own missions. In almost all cases, administrative support will be obtained primarily from the Embassy or the foreign aid team.

It is apparent from the nature and scope and delicacy of the tasks which must be performed by the Peace Corps representatives that these are responsible jobs—important both to American prestige abroad and to the well-being of the volunteers themselves—which must be done by responsible people. It is most important that the Peace Corps be authorized to send its own representatives abroad to devote their full time to these tasks. In addition, many of our Ambassadors overseas have pointed out that it is crucial to the success of the Peace Corps that it create and maintain an identity for itself which is separate from that of American political, economic, and military activities abroad. The Secretary of State himself has said that if the Peace Corps appears as an arm of American foreign policy, it cannot make its maximum contribution to our national interest.

THE PEACE CORPS AND PRIVATE VOLUNTARY AGENCIES

The Peace Corps is a new idea in people-to-people assistance across international boundaries only in that it is the first time the Government has participated on such a scale in this type of service. Individual Americans, on their own or under the auspices of nongovernmental organizations, have been working closely with the people of less developed countries for over a century. Since World War II, the number of private agencies undertaking programs of educational and technical assistance overseas has grown to more than 50.

In that time, these agencies have acquired a great deal of experience in the field of foreign assistance and many of them have earned a considerable measure of good will in the countries in which they have served. The Peace Corps hopes to benefit from that experience and good will, and to avoid making at public expense any mistakes from which the private agencies have learned. Private voluntary agencies represent a reservoir which the Peace Corps would be most unwise to bypass, and it does not intend to if this can be avoided.

No one should be misled into thinking that the Peace Corps plans to be indiscriminate in its choice of private agencies with which it will cooperate. Not all of them are suitable partners for the U.S. Government in an undertaking of this sort. All agencies which indicate an interest in cooperation are closely evaluated by the Peace Corps office set up expressly for this purpose in terms of their goals and objectives, their methods of operation, the applicability of their experience to Peace Corps activities, and their records of success. Those agencies which are satisfactory on all of these counts will be of immeasurable benefit to the Government in its first venture in this type of assistance to the developing nations.

THE PEACE CORPS AND INTERNATIONAL AGENCIES

Among the most valuable efforts in the field of technical assistance to the less developed nations are those which are being undertaken through international organizations such as the United Nations. The specialized agencies of the U.N., like U.S. Government agencies which provide top-level assistance, have indicated their interest in broadening and deepening the impact of their programs through the participation at the people-to-people level of Peace Corps volunteers. In view of the excellence of these programs and the eminent suitability of many of them for Peace Corps participation, the failure of the Peace Corps to supply volunteers to such activities could cast serious doubts upon the motives of the new agency.

A second benefit to be derived from Peace Corps cooperation with international agencies lies in the fact that it would provide expanded opportunities for Americans to serve abroad, and to do so in countries in which they might not otherwise be welcome. There are, unfortunately, countries in which any activity which lies purely within the auspices of the U.S. Government is the object of grave suspicion and in which the effectiveness of any Peace Corps activity would thus be sharply reduced. Peace Corps participation within a clearly international framework, on the other hand, would not be subject to undermining by Communist propaganda and might, indeed, gain access for American men and women in countries where they would otherwise be unable to serve. It is essential that the Peace Corps include administration of projects through international agencies among its methods of operation in order to demonstrate to skeptical people throughout the world that American assistance is just what it purports to be—no more, no less.

Finally, with the establishment of the Peace Corps—a striking innovation in the field of Government assistance—the United States established a type of leadership which it should make every effort to maintain. By taking the lead in various international agencies and encouraging other advanced nations to contribute to this type of assistance, the United States, through the Peace Corps, can do a tremendous service both to itself and to the two-thirds of the world which is in dire need.

Planning for this aspect of Peace Corps operations is still in a preliminary stage. At first, only a limited number of volunteers will be assigned to projects administered by international agencies, and these will serve in countries in which the Peace Corps has bilateral programs so as to minimize training and logistic support costs. Peace Corps funds will be used only to defray the direct costs of the volunteers; the United Nations and related organizations will bear all administrative and similar costs. No Peace Corps funds will be made available to the United Nations for administrative or other general purposes.

By participating in the development activities of international agencies, the Peace Corps can further the hope expressed by President Kennedy in his special message to Congress on the Peace Corps that "other nations will mobilize the spirit and energies and skill of their people in some form of Peace Corps—making our own effort only one step in a major international effort to increase the welfare of all men and improve understanding among nations."

ACCOUNTING FOR PEACE CORPS FUNDS ALLOTTED TO PRIVATE INSTITUTIONS

A large portion of the Peace Corps activities involve nongovernmental organization. The Peace Corps executes contracts with private voluntary agencies for the administration of projects and with colleges and universities for the administration of projects or simply for the training of volunteers. The Peace Corps maintains a more than adequate degree of control over the money allocated to nongovernmental institutions at every stage—from the negotiation of the project through its implementation and at its conclusion. Looking at a typical contract throughout its history should serve as ample illustration of this point.

Each contract with a private agency or university clearly defines the project as to the number of volunteers to be funded, the geographical location of the project, the types of volunteer skills required, the length and composition of the training program, the logistic and medical support required, and the administrative responsibility of the university or voluntary agency, and any other relevant information.

An estimated cost for implementing the project or training program is negotiated in detail between the Peace Corps and the organization involved. The question of what are allowable and nonallowable items of cost is clearly answered in a document called "Peace Corps Cost Principles for Cost Reimbursement Contracts With Educational and Other Nonprofit Institutions."

In addition, the Peace Corps reserves to itself the right of approval, including cost approval, of any subcontract arrangements made by the university or voluntary agency. It also approves all vouchers before payment is made.

No action which would increase the original negotiated budget estimates can be taken by the university or voluntary agency without prior Peace Corps approval.

Finally, there is no fee or profit factor in contract agreements with non-Government organizations. All contracts are subject to Government audit during performance and at the conclusion of performance.

There can be little question that the Peace Corps conducts its affairs with nongovernmental organizations on a business-like basis, and that the interest of the American taxpayer is well protected.

COST PER PEACE CORPS VOLUNTEER

The Peace Corps has estimated that the average annual cost per volunteer will be approximately $9,000. That this can only be an estimate is clear when one realizes that not a single volunteer in this new program has yet gone overseas, although the first group will leave for Ghana at the end of this month.

Of the estimated total, indirect overhead costs, including both administrative and program support costs in Washington and in the field, average about $2,900 per volunteer. The annual direct cost of training each volunteer, transporting him and maintaining him in the field is estimated to be $6,280.

The direct cost per volunteer is the minimum amount consistent with giving him the thorough training he needs to do the job to which he is assigned, enabling him to maintain his health and effectiveness while on the job, and providing him with a small allowance to assist him in his transition back to life in this country after 2 years of service abroad. This readjustment allowance, as it is called, is $75 a month. It is the only money the volunteer ever receives which is not required for his current living expenses, and he does not receive it while he is on the job, but only after he returns to this country.

These figures were arrived at on the basis of the best possible estimates as to the needs of the dedicated men and women who will be serving abroad. They were not based upon the cost of other people in oversea programs—whether as missionaries, voluntary agency workers, or members of other U.S. Government programs. In many cases, the cost per participant in these other programs is calculated differently from the cost per Peace Corps volunteer, or it is broken down differently, or it does not include some of the costs included in the Peace Corps estimate. As a result, anything more than the roughest comparisons carry with them a specious and totally false accuracy.

It is possible, however, to summarize these rough comparisons. The cost of a Peace Corps volunteer is less than half that of a participant in other U.S. Government programs abroad. It is more nearly the same as that of a participant in a private agency

or missionary program, but these show such wide disparities among themselves that any single comparison is impossible. In looking at these figures, it is important to remember that in most cases the costs are really not comparable, because many of the private agencies and missionary groups operate on an entirely different basis from the Peace Corps. Some organizations engage in oversea activities for only part of each year; some have almost all of their administrative services offered on a voluntary basis; some operate only in a very limited number of countries or on a very small scale.

To place too much emphasis on comparisons is to forget that basic differences exist among types of oversea operations and to rob them all of their uniqueness by forcing them into the same mold. What is important about the Peace Corps estimated cost is that it is the minimum needed to maintain adequate standards of health and effectiveness for the young American being sent abroad, and for the Peace Corps to meet its responsibilities to the Congress and to the American people.

MEDICAL CARE FOR PEACE CORPS VOLUNTEERS

Peace Corps volunteers will often be serving in areas in which the hazards to their health are considerable. A thorough and comprehensive medical program has been established to insure that these hazards are avoided as completely as possible, and to insure that they are dealt with rapidly and effectively if they have not been avoided.

Probably the most important part of this program is the medical orientation which is provided in the training course of every volunteer. For if the individual is not made aware of the health hazards which he faces and how to avoid them, all the doctors in the world cannot keep him from getting ill. During the U.S. training period, the volunteer is acquainted with the general health problems of the region—such as medical care in the tropics. He is given instruction—and in some cases experience in the emergency ward of a nearby hospital—in emergency first-aid care. He is taught the basic preventive measures which he must take—such as the boiling of water, the wearing of proper footwear, the adequate cooking of certain foods, and the use of mosquito netting. And he is given all of the immunization available for the area in which he will serve.

Equipped with this basic general knowledge, the volunteer receives more specific health instruction during the in-country training period. He is acquainted with the specific dangers in the area in which he will serve and how to meet them. He is provided with a medical kit, containing all that he will need in his area, and taught how to use all of its contents. And he is informed as to the medical facilities in the vicinity and throughout the country, how to get in touch with them and how to reach them. Throughout the training period, he is taught all the danger signs and what to do if one of them should appear.

Even though the volunteer himself is thus very well equipped to meet almost any medical hazard, he is not left on his own. Long before he is sent abroad, a medical survey is made of the country by Public Health Service or State Department doctors. Where this survey determines that a State Department medical staff is not available or is not large enough to provide for the number of volunteers who will be arriving, arrangements are made for enlarging it or for detailing medical officers from the Public Health Service. The Peace Corps is making every effort to avoid duplication of the State Department's medical support arrangements; instead, it is trying to work within them as closely as possible.

The medical officers in the field will supply mainly medical supervision. They will visit each of the volunteers periodically to provide physical examinations and immunizations, to replenish the volunteer's medical kit, and to provide simple medical care where this is required. More comprehensive medical care will be provided primarily by facilities in the host country, whether government or private. It is in these host-country hospitals and medical stations that the health officers will work when they are not traveling in the field, so that their services will be generally available when they are not needed by the volunteers.

Finally, for every Peace Corps project, an evacuation site is established in the event of cases for which host-country facilities are not adequate. This evacuation site is the nearest large, well-equipped and well-staffed hospital, whether it is a U.S. military hospital in a neighboring country, or medical facilities in Europe or the United States.

It is clear that the Peace Corps is taking every possible precaution to safeguard the health of the people who will serve abroad. It is equally clear that if the volunteers themselves follow the steps outlined for them, any health problems which they might face can be avoided or dealt with before they become severe.

THE LOYALTY OF PEACE CORPS VOLUNTEERS

Although Peace Corps volunteers will not have access to classified materials and will not participate in policymaking, it is generally recognized that they will be serving, particularly during the early stages of the program, in conspicuous positions. If any volunteer were to prove unworthy of his job, he could do great mischief to the Peace Corps and a disservice to this country. It is vitally important that candidates be carefully screened to insure that no volunteer is sent abroad who seeks to serve any subversive ideology or to promote the interests of any foreign power as against those of the United States.

Accordingly, in consultation with both the FBI and the Civil Service Commission, the Peace Corps has adopted procedures enabling the Peace Corps to determine the fitness of each applicant for service overseas. These procedures now include a full field investigation by the FBI, conducted during the U.S. training period.

The type of investigation and the timing of it are the result of full consideration as to the most economical way to achieve the desired end. At this critical stage in the Peace Corps existence, any less thorough investigation might prove inadequate. Similarly, although there is a certain financial risk involved in training a candidate who might prove unsuitable as a result of the field investigation, the expense is negligible compared to the cost of conducting a full investigation of all applicants whether or not they were to be selected for training.

In addition to the FBI investigation, the Peace Corps itself is carefully screening candidates at every step along the way to assure that they are suitable in every respect for the job for which they may be selected. Evaluations are received from at least six references, from medical and psychiatric interviewers, from the faculty members concerned with their training, and from a panel which reviews each candidate's complete dossier before he is finally selected.

In short, the Peace Corps is doing both an adequate and an economical job in avoiding any of the numerous embarrassments which could arise as a result of the insufficient screening of volunteers. In view of the wisdom of the decisions made so far and the need for flexibility in evolving the best possible screening process, it is generally believed that the interests of this country can best be served by retaining the element of judgment which the Peace Corps has exercised so well, rather than by making any such process statutory.

PEACE CORPS OATH OF OFFICE

Every Peace Corps volunteer, no matter where he serves, will be looked upon as a private ambassador of the United States. Any of his views or activities may be viewed as belonging to the country which he represents.

As a result, every Peace Corps volunteer will be required to take the same oath of office required of all persons elected or appointed to public office in the United States, other than the President, but including both Senators and Congressmen. This oath is found in section 16, title 5 of the United States Code, and it reads as follows:

"I, ----------, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose or evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God."

Any well-selected Peace Corps volunteer, like any other public servant, who is aware of the meaning of these words and who utters them sincerely, can be trusted to be a credit to his country.

HOST COUNTRY NEED AND DESIRE FOR PEACE CORPS PARTICIPATION

One of the most fundamental aspects of Peace Corps policy, and one that is most frequently heard, is that the Peace Corps will not serve in any country where it is not both needed and wanted. It is obvious that, valuable as Peace Corps service might otherwise be in any country, its benefits both to the host country and to the United States would be negated if Peace Corps volunteers had been forced upon an unwilling host.

Indications as to countries and types of work in which volunteers might usefully serve can come to the Peace Corps from one or more of a number of sources: The American Embassy or AID mission in the proposed host country may suggest a project, or such a suggestion may come from a private source, such as a university or private agency. Project proposals may also result from personal contacts between representatives of potential host governments and Peace Corps officials who visit an area to explain the aims and activities of the new agency. Or requests for Peace Corps volunteers may come, without previous contact, from the country itself, either through the American country team or directly to the Peace Corps.

Once these proposals have been judged by the Peace Corps staff as to the feasibility of Peace Corps participation, they can be readily evaluated as to the genuine need of the country concerned by ICA and its AID mission in the country and by the State Department and the appropriate American Embassy. All Peace Corps projects must be approved by these agencies before they can be undertaken.

If the preliminary evaluation of a suggested project is favorable, the Peace Corps seeks a clear indication of interest and desire on the part of the proposed host country. Only after such indications have been obtained is a detailed exploration undertaken. And finally, the approval of every project is based upon a formal exchange of notes with the host country government, in which that government expresses, at the highest official levels, its willingness and desire to have Peace Corps volunteers serving there.

As you can see, then, the Peace Corps claim that it goes only where it is wanted and needed is much more than a hollow boast. Although the initiative need not come from the host country government in every case, the wholehearted approval of that government is always obtained long before

any project is undertaken. The Peace Corps clearly recognizes that such a precaution is more than a mere formality; it is essential to the effectiveness of the Peace Corps and to the position of the United States abroad.

CONTRIBUTIONS TO THE PEACE CORPS BY HOST COUNTRIES AND PARTICIPATING ORGANIZATIONS

Although the Peace Corps does not require any contributions to a project by the host country or by participating organizations, it has stated that it welcomes contributions from either source. The fact that both of these groups are making many contributions to the projects with which they are concerned is just one more indication of the eagerness of both American agencies and foreign governments to work more closely with the Peace Corps.

For example, the Government of Nigeria is providing, without cost to the Peace Corps, that portion of volunteeer housing needs which is already in existence and available. It is also providing facilities and staff for much of the in-country training period. The Government of the Philippines is providing in-country training, too, and has offered transportation on government-controlled facilities at reduced rates.

In the case of the Peace Corps project in Ghana, the host country is providing housing for the volunteers and a subsistence allawance of about $150 a month. The Government of Ghana is also providing local official transportation and a local orientation program upon the arrival of the volunteers and during their vacation periods.

Similarly, the Government of Tanganyika is contributing to the roadbuilding project in that country by providing local travel, most of the volunteers' housing, and almost all medical care once they are in the field.

The non-Government organizations with which the Peace Corps is cooperating have a similar record of voluntary contribution to the implementation of projects which they are administering. Thus, for example, Heifer Project, Inc., is contributing registered pigs and 50,000 baby chicks to the project on the island of St. Lucia, in the West Indies Federation. The total cost of these animals amounts to approximately 17 percent of the total cost of the program. Approximately 13 percent of the cost of the Colombia program is being borne by CARE in the form of equipment and vehicles, and the Government of Colombia is providing trained counterpart workers and a portion of local travel costs.

These examples can be multiplied, because they exist in almost every Peace Corps project developed so far. A mere itemization of contributions, however, loses sight of the basic and meaningful point—that neither foreign governments nor American organizations see the Peace Corps simply as another Government program from which they will take what they can get. On the contrary, it has proved itself to be a very rare creation—an American Government agency to which both foreign governments and American organizations make voluntary contributions.

THE PEACE CORPS NATIONAL ADVISORY COUNCIL

Because the Peace Corps involves a whole range of new activities never before undertaken on such a large scale by the Government, the experience and advice of a great many types of people is essential to its success. To gather together in occasional meetings the men and women most qualified on the basis of their experience to give the best advice, President Kennedy established a National Advisory Council for the Peace Corps. The 35 people selected so far represent a wide range of experience, all of which is closely relevant to the Peace Corps activities. The President did not establish an arbitrary number of members for this Advisory Council; rather, he left it up to the Peace Corps to invite those American citizens who were able to make a real contribution.

The members of the National Advisory Council provide the Peace Corps with an essential degree of contact with the members of the American people with whom the Peace Corps works closely. They represent colleges and universities, industry and business, city and State government, trade unions, radio and the press, and voluntary agencies. Many of them have had Government experience, under both Democratic and Republican administrations, and all of them are leaders in their respective fields.

Although the Peace Corps National Advisory Council meets only rarely, its members are in frequent touch with the Peace Corps staff, and the Council itself benefits the Peace Corps out of all proportion to the number of hours it spends on official business. It has made, in fact, a vitally important contribution to the success of the Peace Corps through its activities so far.

THE PEACE CORPS SELECTION PROCESS

The Peace Corps selection process is a long and detailed one, designed to insure that the best possible people are selected for the important job that every volunteer will perform abroad. The process begins when the potential applicant first looks at the volunteer questionnaire and continues through the training process. Even after candidates have been selected and assigned overseas, checks are made to be sure that the selection process made no mistakes.

Modern test scoring and electronic tabulating and computing equipment are used to make the selection operation as efficient as possible. They do not, however, have a controlling influence on the selection of volunteers. Every effort is made to keep the selection process personal as well as objective.

To be selected for Peace Corps service a candidate must meet several minimum requirements. He must be intelligent enough to meet the job demands of a particular project and to cope with the many challenges of Peace Corps work. He must know enough of the social and political institutions of the United States to profit from Peace Corps training and to be prepared to answer intelligently any questions he is asked while serving abroad. He must be in good health and have sufficient physical stamina to withstand the stresses of Peace Corps service. He must be emotionally stable, and he must have the personal qualities required for establishing effective relationships with his fellow workers overseas.

In addition, every candidate must be competent in the task for which he is being considered, and he must show an aptitude for languages when he is under consideration for a project in an area which requires the knowledge of a foreign language.

There are also many "plus factors" taken into consideration in the selection process. For example, a successful experience of living abroad or knowledge of the area in which he will serve will count in the candidates' favor. So will experience in the type of work which he will be performing overseas. Another "plus factor" is successful experience in group activities, particularly those involving relationships with people of diverse backgrounds.

It is interesting to look at the Peace Corps selection process step by step. When the candidate first looks at the application form, he may decide that he is not interested or qualified on the basis of the information requested. In that case, he will already have selected himself out. Otherwise, he completes and submits the form and supplies the names of 5 to 10 personal references who will provide a candid evaluation of him in terms of the qualities desired by the Peace Corps.

He then takes the Peace Corps entrance test. This test is a long one, designed to test the applicant in most of the requirements for Peace Corps service. It was developed by the Peace Corps in association with the educational testing service, which is the organization responsible for the college entrance board examination, the graduate record examination, the Foreign Service officer examination, and the examination for the military academies.

If he is selected for training on the basis of all this information, the candidate takes a physical examination. When he reports for training, he receives a psychiatric interview and many other assessments of his personal qualifications for Peace Corps service. Ratings by the faculty and other members of the project staff are provided throughout the training process. In order to assure that only the most highly qualified candidates are selected for service, more candidates are put into training than will finally be required for the project. An unsuitable candidate can be dropped at any stage along the way.

Finally, the volunteer is evaluated during the oversea training period and on the job to be sure that he will be a credit to the Peace Corps and to his country.

Although it is conceivable that a "bad apple" could slip through any one of the preliminary stages of selection, it is difficult to believe, on the basis of this rigorous selection process, that the Peace Corps will be in any significant danger of sending an unsuitable or unqualified volunteer overseas to represent the United States.

THE PEACE CORPS TRAINING PROGRAM

Peace Corps training programs are designed not only to familiarize candidates with the things they must know in order to serve effectively in the jobs to which they are assigned, but also to provide a final opportunity to determine the suitability of every candidate to represent his country abroad as a member of the Peace Corps.

Every training program is composed of a number of components. For one thing, all volunteer candidates are given instructions in American studies, including U.S. history, institutions, and foreign policy. They are also encouraged through discussions to think through their own feelings on current affairs in order to answer the questions on controversial issues with which they will almost inevitably be faced.

All candidates also study the host country and its regional setting. They are taught its history and cultural patterns, and are well informed as to the issues which are important in the area.

A third aspect of the training program is physical conditioning. All candidates in training must develop at least the degree of stamina and physical skill which is required in their job situations. They take long hikes and other exercise, which indicates to them—in case they were not fully aware of it before—just how rigorous Peace Corps service will be.

Then, too, the training program includes health instruction. Candidates are instructed in the health hazards in the area in which they will be serving and how to avoid them. They are familiarized with preventive techniques, such as the boiling of water, the use of mosquito netting, the wearing of proper footgear, and the proper preparation of local foods. They are also given instruction in emergency first aid, and in some cases they are given experience in the emergency ward of a hospital near the training site.

Most important, every candidate is given a refresher course in the skill he will be using, and he will be taught how to apply it in the job situation. In other words, for example, it is not enough that he knows how to use surveying equipment; he must know how to use it under the geographical and

climatic conditions of Tanganyika. He must also know how to teach his skill to his counterpart workers in the host country, and this knowledge, too, will be acquired during the Peace Corps training period.

Finally, all candidates receive an intensive course in the language of the host country. Although they will not need to be fluent in it before they arrive abroad, they will at least know how to exchange pleasant greetings and to obtain their basic needs in the foreign language. With this background, it is hoped that working in close contact with people of the host country will rapidly increase their facility in the language.

Candidates who enter Peace Corps training must have a very busy schedule in order to learn all this in the relatively short time provided. They spend over 60 hours a week, with only Sundays off, in a concentrated course of reading, athletics, practice in their skills, lectures, and studies. A portion of the training program is provided in the host country, so that they can practice the language, use their skills in the actual job situation, and complete the area studies program before actually undertaking their assignments.

This is clearly not a course which the fainthearted will complete. The American people can rest assured that any candidate who finishes the training program, who receives favorable reports from all the people who have observed him in this situation of stress, and who is finally selected for assignment abroad as a Peace Corps volunteer, is a person who is well able, well suited, and well-equipped to do his job and to be a credit to his country.

Mr. HUMPHREY. Finally, I urge that the Congress exercise its own mature judgment and understanding when it considers the proposed legislation by recognizing that it is a new venture, and that, as a new venture, it needs more flexibility. There are stern guidelines in the proposed legislation, but it needs at least the assignment of sufficient "go-ahead" amounts of money so that we can get the program underway. If we should reduce the amounts we would merely cut back the number of volunteers. If we limit the program, we will be hurting only ourselves and our foreign policy. The program would provide some of the very best foreign aid that could possibly be provided. A careful examination of the administrative establishment that is responsible for the program will reveal that it is competent, dedicated, able, experienced, and on the job all the time checking and rechecking to make sure that things go well.

The Senator from West Virginia [Mr. RANDOLPH] had asked me earlier that he might comment on the program. I should like to yield to him at this time.

Mr. RANDOLPH. Mr. President, I am grateful for the very significant speech which has been delivered by the Senator from Minnesota. It is with genuine hope for this experiment in practical idealism that I speak in support of S. 2000, to establish a Peace Corps.

It is relevant to quote from the work of William James, who, in 1910, in his essay on "The Moral Equivalent of War," first initiated the idea of a peace army of American youth which would call forth the martial virtues and the nascent idealism of our young people. Writing at a time when militarism still had its outspoken advocates in this country and throughout the so-called civilized world, James sought to incorporate the strength of this appeal to the sterner virtues in his own idea of a peace army. James wrote:

> I do not believe that peace * * * will be permanent on this globe, unless the states pacifically organized preserve some of the old elements of army discipline. A permanently successful peace economy cannot be a simple pleasure economy. * * * We must make new energies and hardihoods continue the manliness to which the military mind so faithfully clings. Martial virtues must be the enduring cement; intrepidity, contempt of softness, surrender of private interest, obedience to command, must still remain the rock upon which states are built—unless, indeed, we wish for dangerous reactions against commonwealths fit only for contempt, and liable to invite attack whenever a center of crystallization for military-minded enterprise gets formed anywhere in their neighborhood.

Professor James showed prophetic insight, though writing at a time when most Americans held to an unquestioning confidence in the ultimate supremacy of our system of economy and 7 years before the Bolshevik revolution in Russia. Today, Mr. President, we are witness to the need for the "new energies and hardihoods to continue the manliness" of which James wrote.

The pending measure offers a significant opportunity to release such new energies, and it would unquestionably offer new hardihoods to the members of the Peace Corps. And equally important, it would present the opportunity to restore throughout many of the underdeveloped sections of the world, the vision of America as a nation committed to the improvement of life and the enhancement of opportunities for all peoples.

The response to the President's call for Peace Corps volunteers has been heartening, according to administration officials identified with the proposed project. And the interest shown by the prospective host countries has been more than lively. I therefore concur most emphatically with the recommendation of the Senate Foreign Relations Committee that the employees and volunteers of the Peace Corps "are entitled, working together in a common cause, to a real chance to prove that the Peace Corps, from the standpoint of the United States, is a sound and wise investment—in money and in people—and that it will justify the faith of those countries which are asking for volunteers."

Though the pending measure represents a new departure in this field for our Federal Government itself, the idea is not a completely untested one. For, as I have previously remarked before this body, there are already a number of voluntary organizations functioning in the field of international service—among them the British organization of Voluntary Service Overseas; the International Voluntary Services, Inc.; Operation Crossroads Africa, Inc.; and the National 4-H Club Foundation of America, which for many years has been sending American farm youths to live with farm families in other countries. According to UNESCO, there are more than 300,000 young volunteers from 41 countries now participating in some form of work camp activity.

Thus, Mr. President, there is ample precedent for construing the pending measure as a realistic and feasible program of extending American assistance to the less developed countries and, in the process, of achieving cross-cultural communication with other peoples at a fundamental and important level.

However, Mr. President, we would be less than realistic were we not to anticipate some mistakes in administration and perhaps some instances of misplaced enthusiasm. The pending proposal would launch a new governmental approach to the problems of peaceful and democratic development of other countries. And in this regard, I believe the Congress and the American people must allow the proposed agency sufficient latitude and flexibility in operation to follow new and perhaps unconventional avenues of thought.

It is not, therefore, irrelevant to comment at this point on an incident regarding one of the volunteers of the Peace Corps and its relation to the larger question of screening standards in the Peace Corps and to the basic American values of fairplay and freedom of speech.

In this respect, I would first observe, Mr. President, that the Senate Foreign Relations Committee has expressed no dissatisfaction with the screening or selection procedures thus far applied by officials of the Peace Corps. My own personal conversations with Director R. Sargent Shriver have confirmed my impression that volunteers have been and will continue to be subjected to close and careful scrutiny regarding their qualifications in every respect. Nothing to date has occurred to abuse my confidence in Mr. Shriver in this respect.

Nor do I except from this general observation the case recently reported in the national press—and most currently, in the Washington Post of August 22—of one Charles Kamen, who was ejected from a luncheon gathering of the Miami Rotary Club for uttering comments and acting in a manner discourteous to the members of that organization. It appears that the most serious charge that can be leveled against the young man is that he abused the privileges of a guest at a private gathering and that he acted in a discourteous, imprudent, and indecorous manner. Such a charge is hardly sufficient to justify the apparent clamor for his summary dismissal from the Peace Corps and the consequent damage this would have upon the integrity of that organization and the morale of its personnel.

Let it not be inferred that I condone the actions which have been attributed to Charles Kamen in this instance. I do not. For I do not believe that such disrespectful behavior is ever to be excused or condoned. But I would observe that men who are many years his senior, and without the youthful enthusiasm which might explain but not justify such behavior, have also on occasion acted and spoken imprudently. And even members of legislative bodies are not invariably and always immune to the

tendency. Nor even are all Rotarians so immunized, and I speak as one who holds the service principles of that organization and its members in high esteem. In fact I am an honorary member of the Rotary Club in my home city.

Mr. President, I am not overly concerned about the personal fortunes of Charles Kamen in the Peace Corps or elsewhere. However, considering some of the sources which are reported as seeking his dismissal, I think it at least an open question whether his views on desegregation and atomic testing are not as much at issue as his behavior at the Rotary luncheon. And all of these issues are equally irrelevant to the problem of determining his fitness as a volunteer under the pending measure.

I do, however, have a very deep regard for the right of the Peace Corps, under proper congressional supervision, to impose responsible standards for the selection of its personnel, and that these standards will not be distorted by irrelevant attacks upon intellectual and political nonconformity.

Mr. President, this program is not designed to appeal to those who seek only the safe, the secure, and the conventional abode in life. Nor should we seek to impose such standards. In exercising restraint in this respect, we might well heed the statement of the late Judge Learned Hand, quoted in a recent editorial in the Washington Post, that—

> Our dangers * * * are not from the outrageous but from the conforming; not from those who rarely and under the lurid glare of obloquy upset our moral complaisance, or shock us with unaccustomed conduct, but from those, the mass of us, who take their virtues and their tastes, like their shirts and their furniture, from the limited patterns which the market offers.

Mr. President, I do not choose to overemphasize the importance of a single case; I stress the present incident only because it is symptomatic of certain conditions which are peculiar to the Peace Corps and which we must acknowledge in our current deliberations and in future appraisals of the performance and personnel of the proposed agency.

As noted in the report of the Foreign Relations Committee, there are currently more than 420 volunteers undergoing training for assignment to 7 countries under programs involving road construction, community development activities and teaching. Only one individual among these hundreds has drawn unfavorable notice, and he has indicated sincere regret for his actions.

This may be the only incident of this exact nature to occur in the Peace Corps. But it is not unreasonable to assume that other problems of a related nature may arise in the future. The Peace Corps would be an imaginative and experimental approach on the part of our Government. Due to the hardships it would impose upon volunteers and the physical and intellectual demands it would place upon them, it will quite naturally appeal to young men and women who, in many respects, do not share conventional or average standards and expectancies about life. It has already been demonstrated, I believe, that the Peace Corps appeals to many young people of high intellectual and moral capacities. It will be, in large measure, the responsibility of Congress to help maintain this appeal without dampening the enthusiasm of our young people by demands to cover this agency with a blanket of mediocrity and conformity.

For this reason, my support of S. 2000 will be attended by the hope that this body will now and in the future help maintain the integrity of this agency in its effort to establish and uphold relevant and responsible standards of performance among its personnel.

Mr. PELL. Mr. President, it is with very real pleasure indeed that I support S. 2000, a bill creating the Peace Corps, of which, I am proud to be a cosponsor.

To me this concept is particularly important for several reasons. First, while we in America know that we are a peace-loving, peace-seeking nation, this concept is not shared by many of the nations beyond our borders. We must once again seize the initiative in this direction and be thought of as the leading exponent of peace in the world today.

As I look overhead, I see the American eagle bearing in one of its talons the arrows of war, and in its other, the olive branch of peace. They are of an equal size. Yet, while we ask for $40 billion for defense and for war, we ask for only $40 million, one-thousandth of that amount, for the cause of peace through the Peace Corps.

One of the most effective ways we can do this is to send abroad young people dedicated to this concept.

Second, as former vice president of the International Rescue Committee which originally sponsored Medico, I have a certain amount of first-hand knowledge of the actual effect of person-to-person contacts. I can recall that in Laos we sent in Dr. Dooley, and for a total cost of $50,000 a year, maintained a village hospital unit, and we are all aware of the wonderful work he did there.

I have also seen in the course of my own Foreign Service work behind the Iron Curtain, the importance of having actual live young Americans walking around and being in contact with the local population. Their presence alone pricks the bubble of many of the myths that are being circulated about us.

In the world today there is a great deal of talking and all too little doing on the part of individuals. We, a nation in the forefront of the world when it comes to commercial and industrial initiative, lag behind when it comes to political action. I note with regret that all too few young people today are willing to take a chance. Many are fortunate enough to have a high school or college education, but too often their major objective appears to be security in a large corporation or Government job, rather than starting out on their own in a small independent business or with a small private public service agency.

I believe that the concept of the Peace Corps will be of help to our youngsters by rekindling and recreating the desire for action and willingness for adventure on the part of young Americans. I have already noticed their spirit of dedication, in which they sacrifice their own plans and pleasures to fulfill their Peace Corps responsibilities.

Anyone connected with the Peace Corps will undoubtedly gain a great deal of personal satisfaction from their work. In addition to the satisfaction of helping people to help themselves these individuals will return home with invaluable experience in the developing areas. Our Peace Corps volunteers will gain a rare insight into the minds and hearts of the people with whom they work.

To be really effective in our relationships with other countries it is precisely this insight, this ability to strike a rapport which will make ex-Peace Corps volunteers exceptionally well qualified candidates for our Foreign Service, USIA, AID and private firms which do business in the developing areas.

Finally, when these Americans return home, they will add to the general knowledge of our country as to the problems, aspirations, and needs of the newly-emergent nations of the world; and then, too, they will have the satisfaction of knowing that they have done their part to make the world more solid for democracy and for our ways of living. Why? Because I have noticed through the years that communism—and here I am not talking about the leaders, but the viewpoint of a number of followers—only succeeds in areas where bellies and minds are empty. As they become full, they become more immune to extremist ideologies, and in these years atheistic communism is obviously the extremist ideology that is the greatest threat to the peace of mankind.

For all these reasons, Mr. President, I urge the prompt passage of S. 2000, which can do so much to demonstrate to the world our genuine concern with peace and a better life with dignity for those in the underdeveloped areas.

SECRETARY OF THE INTERIOR UDALL IS ALERT TO THE SOVIET OIL THREAT DESPITE ACCUSATIONS

Mr. RANDOLPH. Mr. President, in its issue of August 21, 1961, Newsweek magazine published an article by its commentator, Raymond Moley, in which Secretary of the Interior Stewart L. Udall is charged with an almost unbelievable indifference toward the Soviet Union's tremendous drive to subvert a large part of its rapidly growing oil production.

I have real respect for Newsweek magazine, and although I have not always agreed with the positions of Ray Moley, I have maintained a high regard for him as an individual. I am compelled by the facts as I have been able to ascertain them in this instance, however, to say with candor that Mr. Moley's "Perspective" article in the August 21 issue of Newsweek, headed: "Our Not Too Alert Front," is not the responsible type of journalistic presentation we should expect on a subject so vital. In my judgment it is an article entirely out of keeping with its source—and with the times.

Mr. Moley has accused Secretary Udall of authorizing the publication of a report—the so-called Frendzel Report—on Soviet oil which was prepared and published by the Bureau of Mines. If Mr. Moley had checked as carefully as he should have done before writing in denunciation of Secretary Udall, I feel sure he would not have accused this Cabinet officer of having plunged "himself into foreign policy with a report that is nothing more or less than a posture of indifference, not to say appeasement."

Mr. President, my inquiry into and study of this matter brings me to the conclusion that Mr. Moley was in error in his "facts."

The report which Mr. Moley makes the basis of his attack on Secretary Udall is Information Circular 8023, entitled, "The Soviet 7-Year Plan for Oil," and is listed as one of a series of technical reports issued by the Bureau of Mines.

Far from being an expression, as Mr. Moley contends, of "high international policy," it apparently was considered to be entirely routine in nature by the prior administration during the tenure of which it was prepared. The best information available to me indicates that this pamphlet was considered so routine that it was never presented personally to either former Secretary of the Interior Seaton or the incumbent, Secretary Udall.

But I cite an even more significant fact, and it is this: The document was given final clearance by the Bureau of Mines for publication on January 12, 1961—8 days before Mr. Udall began his tenure as Secretary of the Interior. And, I am informed, prior to receiving this Bureau of Mines approval, the manuscript was cleared by the Department of State under the prior administration. The fact is that it was returned January 9, 1961, by the State Department to the Interior Department, without suggestions for revision of the portion of the report which Mr. Moley now finds so significant.

I repeat and emphasize, Mr. President, that I have every reason to believe neither Secretary Udall, during whose tenure the document was printed and released, nor Secretary Seaton, who was the responsible head of the Department of the Interior on the day when the manuscript of the report received final approval, was aware of its existence. I have the assurance of Secretary Udall that he knew nothing of the report until after it had been published and given wide circulation.

It was my privilege to introduce Secretary Udall at a recent meeting of the eastern division of the American Petroleum Institute, held at White Sulphur Springs, W. Va. I assure my colleagues that on that July 27, 1961, occasion, Secretary Udall made abundantly clear his attitude and that of the Department of the Interior concerning the emergence of the Soviet Union as a major oil exporter. He sounded a cogent and forthright warning to nations contemplating purchase of what he described as being "the bargain counter" offerings of oil by the Soviets, having pointed out that "Russian oil is cheap oil only when it is in the interests of the Soviet Government to have it so." And he added with emphasis that "each nation involved must search its national conscience and attempt to achieve a balance between immediate advantages and long-term risks" when dealing with Soviet oil interests.

Mr. President, I deplore the unwarranted comment by Mr. Moley against Secretary of the Interior Udall in his Newsweek "Perspective" column of August 21, 1961. I request unanimous consent that it be printed at this point in the RECORD, so that the nature of his ill-advised attack on Secretary Udall may be observed.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Newsweek magazine, Aug. 21, 1961]

PERSPECTIVE: OUR NOT TOO ALERT FRONT

(By Raymond Moley)

The President's July call for readiness and sacrifice in meeting the Soviet threat seems to have little application to Interior Secretary Udall's attitudes toward two of our most vital industries. The one is the plan to create a Government monopoly in the production and distribution of electric power. The other is an almost unbelievable indifference toward the Soviet Union's tremendous drive to subvert large areas of the world by dumping a large part of its rapidly growing oil production.

This oil offensive is one of the most dramatic weapons forged by the Soviet in the cold war. The Kremlin has been stepping up its production of oil by drilling to greater depths in the rich Baku region and by bringing into production a recently opened oil field in the Volga-Baku region. Two years ago a Soviet Seven Year Plan for Oil called for doubling production by 1965 and for doubling exports of oil by 1970. New pipelines will stretch out to the Eastern European satellites, to the Baltic, Black, and Caspian Seas, and to the east along the borders of Siberia, as far as Mongolia and China. To carry oil on the seven seas, Soviet tankers are on the ways in satellite and free world yards.

But there will continue to be drastic denials of oil for Soviet home consumption and for the satellites. Also, the prices charged the satellites for oil are far above those which are levied for countries in which the Soviet hopes to create economic dependence and subsequent upheaval. This is shown by a barter deal with Italy in which needed pipeline material and machinery are paid for by crude oil at $1 a barrel, while the average price to satellites is $3.02. The free world market price is $2.25.

THE FRENDZEL REPORT

The Soviet oil offensive is underway in southeast Asia, South America, Africa—wherever there is unrest—marketing petroleum, helping in the construction of refineries, and even prospecting for more oil in certain backward countries.

The nature and potentialities of this threat have been well known for a considerable time to the American and British oil companies, to the Middle Eastern countries, and to various congressional committees. An informative study was prepared for the Senate Subcommittee on Internal Security by the Library of Congress. But an employee of the Interior Department, Donald J. Frendzel, prepared an information circular on the subject which reaches some astonishing conclusions. This report was finished in 1960 but was not released by Secretary Seaton. After Udall came into office, however, it was published for wide distribution.

In June, Senator DIRKSEN wrote to Secretary Udall protesting the publication of the Frendzel report. In the reply, which was signed by Acting Secretary Carr, the report was defended. It has since been given additional distribution. On July 28, Senator DIRKSEN made this correspondence public and called attention to the injury that the conclusions of the report might cause among our allies and elsewhere.

UDALL'S FOREIGN POLICY

In the Frendzel report, after a comprehensive delineation of the facts, there are added the conclusions which are called "positive aspects" of the Soviet offensive that "the availability of Soviet oil will allow some consumers to become less dependent upon Middle Eastern oil," that this availability will increase "competition," and that the "realization of a rich oil base at home may cause the Soviets to exert less pressure in their desire to eventually control the oil wealth of the Middle East." On the Italian barter agreement there is the conclusion that "this type of economic interdependence will tend toward political stability."

This is an expression of high, international policy which affects not only our attitude toward the Soviet drive for economic supremacy but which affects all our allies. It is issued under the name and imprimatur of the U.S. Secretary of the Interior.

The fact that the Frendzel conclusions are simply not true is incidental. The real issue is that Udall has plunged himself into foreign policy with a report which is nothing more or less than a posture of indifference, not to say appeasement.

Mr. RANDOLPH. Mr. President, I also ask unanimous consent that pertinent excerpts from the remarks by Secretary of the Interior Udall on the occasion of the July 27, 1961, meeting of the Eastern Division of the American Petroleum Institute, at White Sulphur Springs, W. Va., be printed at this point in the RECORD. They indicate clearly that Secretary Udall positively does not possess or manifest "an almost unbelievable indifference toward the Soviet Union's tremendous drive to subvert a large part of its rapidly growing oil production," as alleged by Mr. Moley in the Newsweek magazine article. I request that Senators read carefully Secretary Udall's clear and timely remarks.

There being no objection, the excerpts from the statement were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM REMARKS BY SECRETARY OF THE INTERIOR STEWART L. UDALL AT MEETING OF EASTERN DIVISION, AMERICAN PETROLEUM INSTITUTE, WHITE SULPHUR SPRINGS, W. VA., JULY 27, 1961

The Department of the Interior might well be called the Department of the future because our primary concern is with long-term problems or resource management, that will affect the lives and welfare not only of this, but succeeding generations.

By and large, our responsibilities are tied to the broad sweep of conservation problems and the sound use of natural resources. One aspect of the work of the Department, however, confronts us with policy decisions that relate to the cold war, deeply involving the Department in political, economic, and strategic problems of major importance to the United States and the free world. I refer, of course, to the Department's mission as a principal petroleum agency of the Federal Government. We tend sometimes to consider raw materials as no more than grist for the mills of our industrial society. From the broader perspective—and I have acquired that broader perspective the last few

months—we find that in man's long history commodity-related problems have frequently arisen to dominate mankind's development for long periods of time. And certainly energy—the energy society is able to muster to drive its machines and to provide it with the necessary power that is needed—is a vital factor. Those societies which have been able to do the best job energy-wise are the strong entities in the world today. The invasions and migrations of the ancients in their search for tin and copper; the recurrent struggles in emerging Europe for iron ore, coal, and other resources have been examples of history and its workings. Many of the more fascinating phases of the history of the Americas can be written also in terms of the search and struggle for mineral wealth.

Great blocks of the tradition of our Western States and of Alaska stem from the events following upon Sutter's discovery of gold in 1849.

The eras when tobacco and then cotton dominated the economic and political scene in the United States bear out the contention that from time to time there emerge commodity problems that influence and sometimes control the course of entire civilizations. And so it has been in recent times with the petroleum industry.

Beginning just a few years after the turn of the century, the industrial nations of the world began to appreciate the significance of obtaining an assured supply of petroleum to meet their industrial requirements and to provide the fuel for their military efforts. Then, too, the second decade of this century provided an immense impetus for the movement. Much of the energy of this and other governments became predicated, in large measure, upon discovery and wise use of petroleum resources. The history of petroleum for the first half of the present century was largely that of the struggle for control over sources of petroleum supply—a contest that quickly reached into the marketplaces of the whole world.

Participation in the international oil game, which had been limited to a handful of firms operating in only a few countries, was vastly expanded. The drive for augmented supplies of petroleum and the demonstrated folly of placing too much reliance upon any single source attracted and encouraged investment by those willing to take the high risks entailed. And those bold entrepreneurs soon ventured into exploration on all of the continents of the world and in most of the countries.

Beginning somewhere around midcentury, a major change in emphasis of petroleum-related activities could be discerned. The unceasing search for new reserves continued and must continue, but greater attention to outlets and greater preoccupation with building and holding the machinery needed to move vast supplies of oil became a major preoccupation of the petroleum industry. It had come to be recognized that, on a worldwide basis, exploration was outstripping the growth of consumption and industry was forced to devote a larger portion of its efforts to finding stable markets for its oil and to a development to enlarged uses of petroleum. In this respect, I say parenthetically that the petrochemical industry which this country has pioneered stands as a monument to the foresightedness and venturesome spirit of the domestic petroleum industry.

A statistical note is appropriate at this point: At the close of World War II, world consumption and world ability to produce were evenly balanced at approximately 7 million barrels per day. By 1960 world consumption has risen to 19 million barrels per day while the ability to produce had skyrocketed to 24 million barrels per day.

In short, the 1950–60 decade witnessed the conversion of world oil, taking the total picture from a long period of balance broken only intermittently by short-term oversupply or actual shortages, to a state of comfortable surplus with all indications pointing to a surplus period—a surplus condition in the period ahead. Indeed this is one of the major problems which confronts your industry. The time has not yet come when we can measure all of the implications of this fundamental change. One of the most important, certainly, has been the transition from emphasis on sources of supply to emphasis on marketing and distribution.

The transition of the past 10 years from a seller's to a buyer's market brings with it a number of basic political and strategic considerations. It may well be that the strategic importance of a number of geographical areas, considerations respecting which have shaped many aspects of foreign policy in the past, will be reduced as changes foreshadowed now on the horizon become reality.

We have seen many countries in recent years bend extraordinary efforts to develop local petroleum supplies in an effort to conserve foreign exchange. Some of these efforts have been successful. A notable example is that of France, especially in the Sahara. Some European nations have been engaged in massive drives to develop petroleum resources more accessible and perhaps more reliable than were their traditional sources of oil. Some of these recent efforts, again, have met with success.

But as a nation we must be alert to the full implications of all of these shifting patterns of supply as they effect the total world picture.

I am not for a moment suggesting the development in many countries of indigenous supplies. Discovery of supplies in their own areas will reduce the importance of petroleum as a commodity or as a factor controlling the movement of much of human affairs. I am, however, suggesting that policies and attitudes respecting petroleum have to be constantly reshaped and appraised so that we recognize the significance of these shifts.

It was, therefore, a critical moment in petroleum history, and a time when the long-term balance between supply and demand was in a process of conversion to a longer period of easy supply, that the U.S.S.R. began a relatively short time ago to make itself felt in world petroleum markets. From a relatively modest beginning in the early fifties, Soviet exports to countries outside the Soviet bloc have assumed major proportions in the past 2 years. These exports currently exceed one-half million barrels per day. There are some limiting factors affecting Soviet expansion. Policies of some potential importing countries are being designed to minimize oil imports from the Soviet. A shortage of transportation facilities has been a limiting factor on the growth of oil consumption in the U.S.S.R. It is significant that a major share of the increases in energy consumption in the Soviet Union is going to oil, thus reducing availability for export.

The weight of opinion, however, is that the Soviet export effort will be expanded. New oilfields are being developed; new transportation facilities are also being developed. A pipeline network that can significantly expand exports, we are informed, is now under construction by the Soviets.

The nucleus of an expanded tanker fleet is being assembled. All of these factors take into account, I would unhesitatingly predict, a doubling of Soviet exports over the next 4 to 5 years if conditions remain normal.

From this standpoint of sheer volume the quantities of oil now being exported are not of major significance. Because of the ability of the U.S.S.R. to exercise a degree of price flexibility, however, and because of its ability to concentrate exports into selected markets, the present levels of exports are already having an effect disproportionate to U.S.S.R. quantity.

In this connection I think it well to bear in mind that Russian oil held an important position in Europe prior to World War II. And there is every indication that the Soviets are intent on a program designed to regain this share, and more, of the European market.

It is apparent from the experience of the past 3 or 4 years that their flexibility, in terms of price, makes it most difficult to resist bargain counter offers of the Soviets. Further, there is a fundamental difference between Soviet marketing tactics and tactical alternatives available to private companies and to some other governments. It seems reasonable, however, to assume that the governments involved will not lose sight of the underlying reality of Soviet economics and will view long-term commitments with a healthy skepticism.

Soviet oil has its greatest competitive advantage in the situation where a particular country has a surplus capacity for production of capital goods or of a raw material basic to its export economy. These two factors raise some fundamental questions. In the first place it seems plain that means should be found to increase the stability of prices and markets for those raw materials which are vital to the economies of underdeveloped nations. Broader use could be made of commodity arrangements to accomplish this purpose, and certainly the industrial nations of the free world should develop a more complete and sympathetic understanding of the position and problems of raw materials exporting nations.

A second major temptation, the gains stemming from exchanging a surplus of fabricated goods for U.S.S.R. oil, poses a somewhat less complex problem. The desire of industrialized nations to exchange their surpluses for this oil on advantageous terms is readily understandable. It seems to me, however, that the next stage in these arrangements, namely, the construction of capital facilities to service the Russian trade, carries with it a reliance on a market which will be uncertain at best. Obviously, Russian oil is cheap oil only when it is in the interests of the Soviet Government to have it so.

The terms of trade can shift rapidly and arbitrarily and before any nation predicates even a portion of its industrial growth on a continuation of this trade, it should consider most carefully the implications of the resulting dependence.

The ability of the Soviet Government rapidly to amend its terms of trade brings to focus another questionable element involved in reliance by some countries on the Soviet Union as a basic source of petroleum.

We are informed that the processing of Soviet oil requires some capital changes and many processing facilities because of contaminants present in the oil. Major capital expenditures, either in processing or burning equipment, based on the current availability in price relationships, could prove to be extremely wasteful of vital resources.

Finally, importers and potential importers of such oil must consider the implications of dependence on this source in the event of military emergencies of any kind. It is in this area where the stakes are high and the risks are great that Soviet oil raises the most compelling questions. It is here that each nation involved must search its national conscience and attempt to achieve a balance between immediate advantages and long-term risks.

Soviet oil, while an important and pressing issue, is only one of many problems that arise almost daily in my Department's dealings with petroleum.

The complexity of the issues involved, it seems to me, requires even closer cooperation than now exists between the domestic industry and the Federal Government.

As you are aware, some of the principal channels of communication between industry and Government, particularly in the field of mobilization planning, have become clogged in recent years. It is the joint responsibility of the Government and of the industry to reestablish the necessary contact to permit the Department to carry out its assigned responsibilities for mobilization planning. This becomes all the more significant in light of the President's message to the Nation Tuesday night—a very sobering message, I am sure we all agree.

Discussions are now taking place within the executive branch to develop procedures which will permit a more complete utilization of the immense knowledge of the personnel of your industry in this critical field. The Department and the domestic petroleum industry have a long history of close and fruitful cooperation in the development of solutions to national interest resource-related problems.

I call upon you to help build upon that history in the future that we face.

A NEW WESTERN FRESH FRUIT BEVERAGE

During the delivery of Mr. HUMPHREY's speech:

Mr. MORSE. Mr. President, will the distinguished Senator from Minnesota yield? I make my request with the understanding that my interruption will appear elsewhere in the RECORD. It will be very brief. It deals with light refreshments, and I feel certain that the interlude will be appreciated by the majority whip.

Mr. President, I ask unanimous consent that the Senator from Minnesota may yield, without losing his right to the floor, so that I may make a very important announcement in behalf of a new industry in my State, and then return to the conference on the foreign-aid bill.

Mr. HUMPHREY. Mr. President, the distinguished Senator from Oregon is so persuasive that the senatorial charm he now exercises has overwhelmed me. I am also somewhat inquisitive as to what the new industry is.

Mr. JORDAN. And, perhaps, whose State it was taken from.

Mr. HUMPHREY. The Senator from North Carolina adds a comment which I will let him make to the Senator from Oregon privately.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MORSE. Mr. President, several days ago it was my pleasure to confer in my office with two Oregon businessmen, Mr. Woody S. Johnston and Mr. Joe Gebhardt, of Ashland, Oreg., concerning a very important development which offers a great deal of promise to fruitgrowers of Oregon, Washington, and California. These gentlemen supplied my office staff and me with delicious samples of a new and most palatable fresh fruit and ice cream drink, made of pure, unadulterated fruits grown in Oregon, Washington, and California. I enjoyed immensely several varieties of this new beverage, including those containing the juices of fresh pears, peaches, oranges, and grapes. The important and very desirable aspect of this new beverage is that it contains absolutely no artificial flavoring or coloring. This adds to its true fruit flavor and makes it particularly appealing to all who enjoy the flavor of fresh fruit and ice cream or sherbet.

The new product is a fruit-dairy beverage in which the fruit is intimately combined with ice cream mix by a high-speed blending device, before canning. The result is a homogeneous, palatable, and refreshing drink which requires no artificial flavoring or coloring.

The American public is becoming increasingly aware of the fact—and, I should add, increasingly alarmed over the fact—that so many foods and beverages today contain artificial components, flavorings and preservatives. Fortunately, most of these artificial ingredients are not harmful to human beings but in too many cases, we discover to our dismay, that some of the food we eat and some of the beverages we drink, contain harmful artificial coloring or preservatives, or contaminated ingredients. The fruit and ice cream mix that I am discussing today is not only prepared under the most rigid sanitary conditions, but it is absolutely free from elements that might be harmful to human beings.

The two Oregon businessmen, Woody Johnston and Joe Gebhardt, have produced a beverage which is not only filled with good fruits produced by our Western States, but has such an appealing taste that it is hard to believe that it is really good for you.

Not only the consuming public, but the fruitgrowers of our Western States, should be greatly interested in this new product. If a sizable demand for this product develops—and I feel that it will—our fruitgrowers should find that their problems of excess production are well on the way to solution. In addition, the substantial percentage of dairy ingredients incorporated in the beverage should prove to be a boon to our dairymen.

The idea of making a drink that tastes as good as this fresh fruit beverage which contains healthful dairy and fruit products, appears to be sufficiently novel to warrant the U.S. Patent Office giving serious consideration to the granting of a patent on this product.

Mr. YARBOROUGH. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. YARBOROUGH. The question has been raised whether some of this beverage might be within the precincts.

Mr. MORSE. The Senator from Texas is just a little ahead of me.

Mr. HUMPHREY. Well, hurry up.

Mr. MORSE. For those mothers who have trouble in getting their children to drink sufficient quantities of milk and fruit juices and who are dismayed over their eagerness to drink less nutritious beverages containing principally sugar, coloring, and carbonated water, this truly nutritious and appetizing western beverage will be most appealing.

Mr. President, if I may have the attention of the Senator from Texas [Mr. YARBOROUGH], within the next few days I shall arrange to have complimentary servings at the tables in the Senate dining rooms, so that Senators and their guests may enjoy this very appetizing, healthful drink. After Senators have tasted this delicious fresh fruit beverage, I feel certain they will join with me in giving their enthusiastic praise to this new product.

I may say to the distinguished Senator from Florida [Mr. HOLLAND], who comes from a great fruitgrowing State, that although I have mentioned Washington, Oregon, and California as States where this fruit can be produced, it can also be produced, as the Senator well knows, in Florida and in Texas. I have no doubt that the announcement I am making today is a historic one, from the standpoint of improving the fruit-drink service to the people of the country.

I shall look forward to having all Senators as my guests some time next week in the Senate dining room, as we carry out the suggestion of the Senator from Texas [Mr. YARBOROUGH]. After all, tasting will be testing in this instance; and I am ready to make the test.

Mr. McGEE. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. McGEE. I think it was appropriate that the Senator from Florida [Mr. HOLLAND] should come into the Chamber at this moment, because we know of his interest in the same kind of enterprise. It is an extremely commendable enterprise. We shall look forward to the samples which the Senator from Oregon will have served in the Senate dining room.

I hasten to add, however, that, most thoughtfully, the Senator from Florida, when he has persuaded us with the real sweetness and meat of Florida grapefruit, occasionally sends us enough grapefruit so that our families may enjoy it themselves. I suppose that is the real test, because their tongues are more expertly attuned to this sort of judgment than are those of the Members of this body. I am wondering whether Oregon can equal the example of Florida.

Mr. MORSE. Oregon will not be outdone by Florida. Christmas is coming. At Christmastime, I shall try to work my way into the hearts of the families of the Senate by seeing to it that the fruitgrowers of Oregon provide every Senator with a generous sample of Oregon fruit along with the wonderful samples which the two Senators from Florida always make available to Senators at Christmastime.

Mr. HOLLAND. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I am delighted to yield.

Mr. HOLLAND. I came into the Chamber while the Senator from Oregon was speaking, so I am wondering what delicious, tempting elixir he is referring to.

Mr. MORSE. I am referring to a new fruit drink which combines the juices of fruits—oranges, pears, apples, grapes—with dairy products, including ice cream. It is a boon not only to the fruit industry but to the dairy industry, as well.

Mr. HUMPHREY. I was wondering if the Senator from Oregon would get around to Minnesota.

Mr. HOLLAND. The Senator from Oregon has us all fairly drooling. We

look forward to the day when we may enjoy the experience which he has so temptingly presented to us.

I thank him for his reference to Florida. I hope some of Florida's fruits will be in the beverage to which he has referred. But whether they are or not, I shall be pleased to share with him what I know will be an enjoyable experience. I assure the Senator from Oregon that he is still on the Christmas list.

Mr. MORSE. Mr. President, I enjoy my colleagues in the Senate and I always enjoy having them as guests. I am looking forward to a luncheon next week.

I thank the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, before the Senator from Oregon leaves, although I do not want him to think for a moment that I lack any confidence in his word—because his word is his bond—yet, just in case in his busy life he should forget about Christmas, why does not he send mine now? [Laughter.]

Mr. MORSE. Mr. President, the Senator from Minnesota is a good farmer, and he knows that we cannot send the fruit until it is harvested. But we will get it to him.

Mr. HUMPHREY. I thank the Senator from Oregon.

CHANGE OF RULE XXII

Mr. JAVITS. Mr. President, I wish to state very briefly for the RECORD my objection to and opposition to the rule change which I understand was ordered reported today by the Committee on Rules and Administration with respect to rule XXII, the rule relating to debate in the Senate.

As I understand, the committee has sent to us without recommendation a proposal that 60 percent of Senators present and voting may impose cloture.

In my view, that is not a meaningful change. In the case of 23 votes on cloture which have occurred ever since we have had an opportunity to impose cloture, that is, during the past almost 40 years, it would have made a difference in only one vote, notwithstanding the fact that in a number of other cases majorities of the Senate, after very extended debate, sufficient for everyone's exploration and understanding of the subject, have sought to impose cloture, but have been unsuccessful in obtaining the necessary number of votes.

I feel very deeply that the plan of the Senator from Illinois [Mr. DOUGLAS] for 51 out of 100 votes is the only plan that gives us any assurance or confidence in attempts by the House and the Senate to reach decisions, in the critical times in which we live, in terms of civil rights legislation, that promise any solution or any reasonable opportunity for getting anything done.

Even if there were a rule providing that 51 out of 100 Senators might impose cloture, or a constitutional majority, we still would have succeeded in imposing cloture in only one-half of the cases in the 23 times in which votes were taken on the question. Such a plan certainly would not be proceeding improvidently.

Under the Douglas plan, when one considers all the time provided for debate, before and after imposition of cloture, there would, at the very least, be 30 days of debate, and probably 6 weeks.

When we come to debate this question, I hope, either by myself, or, more hopefully, joined by a bipartisan coalition on civil rights which alone has been able to do anything in this field, to make an attempt to bring about a meaningful change of rule XXII.

I wished to state these views today, because this is the day when the occurrence to which I have referred has taken place. Other Members of the Senate have addressed themselves to the question. I wished to make my views clear, as I was a member of the two-man committee, with the Senator from Georgia [Mr. TALMADGE] which held extended hearings, when I was a member of the committee, 2 years ago. Those hearings still remain the basis for whatever decision we may take on this critical matter, which I feel to be of first importance to our country.

QUESTIONS IN CONNECTION WITH FOREIGN AID

Mr. MILLER. Mr. President, considerable publicity has been given recently to the Alliance for Progress conference in Uruguay. Unfortunately, the declaration of goals for the peoples of Latin America did not include free elections or the development of private enterprise, although the other goals outlined are praiseworthy. However, the American people should be advised that Secretary of the Treasury Dillon assured the delegates that the United States would be putting up the major portion of the $20 billion which the program envisages for the next 10 years—although he was not authorized by Congress to make such a commitment. No one questions the desirability of assisting the economic development of Latin American countries; but what I question, Mr. President, is the failure of this administration to designate priorities in our foreign-aid programs. Such failure naturally prompts the question of whether this new program is to be superimposed on the existing foreign-aid program, or whether the existing program is to be cut back, to make way for the Alliance for Progress program. With the $4 billion deficit for the fiscal year just ended on June 30, and an expected deficit for the current fiscal year running from $7 to $10 billion, it would seem prudent to form an Alliance for Progress of the American taxpayer and to begin at once to make some hard decisions on priorities. In the Wall Street Journal of August 21, the lead editorial points out some serious questions which are going to have to be answered with respect to the Alliance for Progress; and I ask unanimous consent that the editorial be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Aug. 21, 1961]

BILLIONS FOR PROMISES

The administration has pronounced the beginning of its multibillion-dollar Latin American aid program a success. But it should be clear the Alliance for Progress Conference in Uruguay made a beginning only, and may well have produced the last easy success.

The task of the delegates was to describe what they hope to achieve in the next decade. Outlined in the declaration to the peoples of America are goals on which everyone can agree: "A substantial and steady increase in average income as quickly as possible." "Decent homes for the American peoples." "An equitable system of property." "Primary education (for) all Latin Americans." "Fair wages and satisfactory working conditions"—in a word, a better life for a whole region embracing upwards of 200 million people in all stages of development, ruled well, badly, and indifferently.

The delegates also were bound to state their choice of means to this desired end. For its part, the United States firmly promises "a major part of the $20 billion * * * which Latin America will require in the next 10 years." For their part, the Latin American countries "agree to devote a rapidly increasing share of their resources to economic and social development, and to make the reforms necessary to assure that all share fully in the fruits of the alliance." They plan to do so by adopting "comprehensive and well-conceived national programs."

Among the aims of these programs are tax reform, abandonment of outmoded systems of land tenure, and adoption of fiscal and monetary policies which, "while avoiding the intoxication of inflation or the mire of depression, will protect the purchasing power of the many, guarantee where possible price stability, and form an adequate basis for economic development."

But the ease of stating goals that have proved so elusive would not intoxicate anyone. All that has happened so far, really, is that the United States has exchanged a pledge of billions of dollars for the commitment of Latin Americans to spend our money and as much of their own as they can scrape up. If there is to be any success for the alliance, it all depends on the future will and wisdom of the partners.

And on that score, some skepticism is in order. For example, a parallel is often drawn between aiding Latin America and the postwar Marshall plan in Western Europe. True, the alliance is loosely modeled after the latter plan, but there are huge differences—Latin America's widespread illiteracy, its historic economic and political instability, its lack of experience with industrialization and the disciplines of modern society.

Moreover, much remains undefined. For Castro and others in Latin America, "land reform" means landgrabbing. And who shall decide the "equity" of property, and on what basis?

Then, too, those "comprehensive and well-conceived" development plans of Latin American countries are yet to be drawn up. They could easily turn out to be misconceived and unrealistic. The United States could also find itself encouraging stagnant, "planned" Socialist economies, incapable of growth.

Clearly, the background against which the alliance begins is unpromising, to say the least. Almost all the reforms to which the Latin Americans now agree have been within their grasp for years, and have been left undone. Modern tax and land reform laws are already on the books of some countries, but go unenforced. Can a declaration in favor of progress—a decision to move against the weight of accumulated neglect and indifference—really make progress a fact?

The security of the United States, more than good neighborliness, justifies our interest in the possibility of building a free, prosperous Latin America. But billions alone, in whatever amount, won't buy it. Nor will promises by the recipients. And right now

that's all the Alliance for Progress is—U.S. billions for uncertain promises.

Mr. MILLER. Mr. President, one of the questions that is going to have to be answered before the American taxpayer is tapped for more money to support the Alliance for Progress program is whether the country concerned is genuinely interested in developing along lines that will insure the freedom of its people. The attitude of its leaders toward Soviet Russia and toward Castro, for example, should be a fairly fair indication of how deep this interest really runs. In this connection, I ask unanimous consent to have printed in the RECORD an Associated Press article, appearing in the May 11 issue of the Christian Science Monitor, revealing that the Foreign Minister of Brazil thinks there is no evidence of Soviet meddling in Cuba.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, May 11, 1961]

BRAZIL REFUSES TO OPPOSE CASTRO

RIO DE JANEIRO.—The Brazilian Government, pressed by the United States to take a stand against the Fidel Castro regime, says it will oppose any meddling by foreign nations in Cuba.

Foreign Minister Afonso Arinos, Wednesday, said Brazil is against "any kind of foreign interference, directly or indirectly, [taken] in order to impose on Cuba any form of government."

This was the answer of President Quadros to a U.S. appeal for joint action against the Castro government by nations of the Western Hemisphere.

And it was obviously a rejection of the U.S. contention that Senor Castro has installed a Soviet-type government in Cuba.

Senor Arinos told newsmen earlier this week that Brazil would revise its friendly relations with Cuba if Senor Castro swung the Caribbean island into the Communist orbit. But at the same time he said his Government has found no evidence that Senor Castro had turned Communist.

OUR MILITARY EFFORTS AND "BUSINESS AS USUAL"

Mr. MILLER. Mr. President, I have been repeating a warning that we cannot expect to make any impression on Premier Khrushchev if our military efforts are merely accompanied by business as usual on other fronts. In yesterday's Wall Street Journal appeared a story reporting that the United States has abruptly canceled plans to enter into a commercial air agreement with Russia. The reason given was "in view of the international situation." I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Aug. 22, 1961]

U.S. DECLINES TO SIGN NEW YORK-MOSCOW AIR PACT, CITES "INTERNATIONAL SITUATION"

WASHINGTON.—The United States abruptly canceled plans to sign a commercial air agreement with Russia "in view of the international situation."

The decision not to go through with the pact comes after a month of negotiations between the two countries had worked out most of the details. As recently as last week, a source close to the negotiations said the agreement was "all wrapped up" and ready for the signing ceremony.

Under the proposed pact, Pan American World Airways beginning in May would have flown the New York-to-Moscow route for the United States and Aeroflot, Russia's state-owned passenger airline, would have flown the same route for the U.S.S.R. Each line would have been given the right to fly two flights weekly.

But the State Department last night announced that "in view of the international situation, for which the U.S. Government is not responsible [the United States] has decided that this is not an appropriate time to sign the civil air transport agreement which has been negotiated with the Soviet Union."

Instead, United States and Russian representatives merely initialed the proposed agreement, the State Department said, "to record the conclusions reached between the two delegations."

U.S. officials said the initialing procedure means that if the international situation improves, the two Governments may, if they wish, actually sign the document and the flights can get underway.

Pan American had no official comment on the State Department announcement.

Washington officials said the Soviet Union had been notified at the end of last week that the United States had decided not to sign the pact. Asked if the U.S. decision was in retaliation for the closing of the East Berlin border by the Russians, one official said, "Our decision was taken in the light of the overall international situation."

Negotiations on a United States-U.S.S.R. commercial air agreement have been an on-and-off affair for the past year, depending on the cold war situation. Last summer negotiating sessions were set and then called off by the United States after the Russians shot down a U.S. RB-47 reconnaissance plane in the Arctic. President Eisenhower, in calling off the talks, said the United States would not negotiate until Russia released the RB-47 flyers it had captured. The flyers were released shortly after President Kennedy took office and this administration soon thereafter agreed to make a new try on an air pact. Negotiations began anew in Washington on July 18.

Early this month the State Department said the new negotiations had resulted in agreement on a "basic" pact, and the announcement of a signing had been expected. But then the Russians closed off the East Berlin border, and the United States replied by sending additional troops to strengthen the Western garrison in Berlin.

Mr. MILLER. Mr. President, this action is entirely consistent with a recognition that we may be forced to fight over Berlin as a result of Russian activity. However, only the day before, also in the Wall Street Journal, appeared an article pointing out that goods United States licensed for Red bloc export rose 800 percent since President Kennedy made his speech on Berlin, in which he, in effect, asked to have this country put in a state of semimobilization. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOODS U.S. LICENSED FOR RED BLOC EXPORT ROSE 800 PERCENT SINCE KENNEDY SPEECH ON BERLIN

WASHINGTON.—The dollar volume of American goods licensed for shipment to Communist countries increased by more than 800 percent in the 3 weeks after President Kennedy's address to the Nation on Berlin from the three preceding weeks.

This has been a cause of concern and embarrassment to high administration officials aware of the statistics, which have received scant public attention.

Steps have been taken to reverse the upward trend, although no formal change in export control regulations has been made.

An Associated Press tabulation of daily export licensing reports, made available by the Commerce Department, showed that:

In the three weeks preceding Mr. Kennedy's July 25 television-radio address on the Berlin crisis the department authorized the shipment of $750,196 in American goods to the Soviet Union and its European satellites.

In the three succeeding weeks the licensing total soared to $6,278,566.

RAIL EQUIPMENT, RUBBER INCLUDED

Included in the later period were $2,500,000 of rail equipment for Bulgaria; $1,700,000 of synthetic rubber for Russia, Poland, Hungary and Czechoslovakia; $95,000 of coal tar products for Hungary and Czechoslovakia; $38,000 of carbon black for Czechoslovakia; $35,000 of industrial and specialty chemicals for Czechoslovakia, Hungary and East Germany; and $23,000 of pipe valves for Russia and Poland.

The Department ruled that none of these proposed shipments would endanger national security. Export regulations prohibit shipments to Iron Curtain countries of goods calculated to increase their warmaking potential.

The licensing officials apparently continued to take a business-as-usual attitude after Mr. Kennedy's talk, thus running counter to public opinion as assessed by their chief, Commerce Secretary Hodges. The Secretary told a news conference August 8:

"I think the whole tempo and temper of our people in the last 6 or 8 weeks has changed toward the question of any kind of trade with Russia."

Mr. Hodges said new restrictions on such trade were possible but suggested that newsmen treat the subject with care.

HARDER LOOK SOUGHT

"We must keep flexible the whole question of relationships," he said. The Commerce Secretary has met several times this month with Secretary of State Rusk to discuss trade with the Communist bloc. The two Cabinet members also met last week with a group of House Members who favor new trade curbs because of the Berlin crisis.

As a result of these meetings, licensing officials have been told to take a harder look at proposed exports to Iron Curtain countries. The effect can already be seen in the daily trend of licensing.

August 9, $1,600,000; August 10, $98,859; August 11, $73,185; August 14 (a weekend intervened), $53; August 15, $10; August 16, $5,317; and August 17, none.

Some Congress Members favor legislation to put a crimp in East-West trade. Mr. Rusk and Mr. Hodges believe the same objective can be achieved through administrative discretion, thus avoiding a statement of national policy that might make Berlin negotiations more difficult.

Since July 1, the Department has licensed shipments totaling $9,603,511. Included was $2,574,749 of Mexican-grown cotton, which required licensing because it passed through an American port en route to Eastern Europe.

The granting of a license does not mean that goods will be shipped. "Historically," Mr. Hodges says, "there is a heavy attrition between licensing and actual exports."

U.S. TROOPS' DEPENDENTS ABROAD

Mr. MILLER. Mr. President, our firmness over Berlin has been further

eroded by the unfortunate and inconsistent plan of the Defense Department not only to leave the dependents of our military personnel in West Berlin and West Germany, but also actually to ship more dependents over there, along with our anticipated troop buildup in that area. In this connection, I ask unanimous consent to have included in the RECORD at this point in my remarks an editorial entitled, "Bring Back GI's Families," appearing in the Chicago American for August 16.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BRING BACK GI'S FAMILIES

Senator JACK MILLER, Republican of Iowa, has pointed out a sensible step that the United States should take in Berlin: Bringing back dependents of servicemen stationed in Western Europe, and canceling plans to let dependents go along with additional troops to be sent there.

Such a move would strengthen the West's position in Berlin, and serve unmistakable notice on the Soviet Union that it's going to stay strong. As MILLER observed in a Senate speech, letting dependents accompany troops now would be regarded by Khrushchev as evidence that the United States doesn't really intend to get tough in Berlin, and is making no provision for an emergency situation. For Khrushchev, that would almost constitute an invitation to get tough himself.

The great danger in Berlin is Russian miscalculation. If the Russians are convinced that the West is bluffing on its determination to stay in Berlin, they may be inclined to call the bluff, with disastrous results. Merely as insurance against such a miscalculation, calling back the servicemen's dependents would be a wise move.

An even more concrete reason is that, if a military emergency really arose in Germany, American forces there would be severely hampered by the presence of their wives and children. Their first thought, naturally, would be to protect their families. Instead of a morale booster, the dependents would be a morale destroyer, and a serious drawback to quick military action.

Calling back the dependents would make it quite clear to both the Russians and the Germans, without bluster or saber rattling, that the United States is not going to be bluffed in Berlin.

Mr. MILLER. Also, Mr. President, in the Milwaukee Journal of August 15 there appeared an excellent article, by Mr. Harry S. Pease, pointing out the fact that there are 200,000 dependents of our 336,000 military men in Europe, and that this siutation would be a major burden on our outnumbered fighting force in event of a war. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE MILITARY, MISSILES AND YOU, III—IT'S DIFFICULT TO IMAGINE COURSE OF NEW WAR—CONVENTIONAL FORCES IN EUROPE ARE READY BUT ALL STRATEGY IS GOVERNED BY ATOMIC WEAPONS; ATTACKS ON RUSSIA WOULD AFFECT OUTCOME OF NATO'S STRUGGLE

(By Harry S. Pease)

After 6 weeks of talking to our military leaders in Europe I doubt that anybody in or outside the Armed Forces can visualize very clearly the form a war there would take. Our generals have planned the disposition of their troops. Commanders of units as small as companies know what to do if an alert should be sounded. Most of their men and equipment could be on the battleline within a few hours.

But the awesome authority of nuclear weapons subjects all such preparations to doubt. A single atomic bomb or missile can tear a gaping hole in any defense or convert a powerful armored spearhead into a shambles.

Gen. Lauris Norstad, the American Air Force officer who serves as supreme allied commander in Europe, says the threshold at which nuclear weapons are introduced into battle should be a high one, that the first engagement should be joined with tanks, artillery and other conventional arms. He also says the decision to use atomic bombs or missiles should be made by some authority higher than the combat unit commander. Only the President is supposed to order nuclear arms into action, if he can be reached.

Carrying out such a policy may present difficulties.

MIGHT HIT COMMUNICATIONS

If the war does begin with atomic weapons, our communications might be so disrupted that an order to reply in kind could not get through. The field commander would have to use his own judgment.

A particularly difficult choice might face the commander of a Nike-Hercules antiaircraft missile battery.

Confronted by an incoming force of bombers too large to be handled by missiles with ordinary explosive in their warheads, he would be tempted to fire atomic ones. The bombers might carry nuclear bombs, and he could not be certain until too late.

We are sworn not to start the war. The enemy will make the first move, and in the satellite nations having common borders with free Europe there are 26 Russian divisions and 60 divisions of Poles, Czechs, East Germans, and other Communist allies. NATO has a total of 21, including 5 American.

RAPID ADVANCE EXPECTED

The Communists must be expected to advance rapidly in the opening hours of conventional warfare. The farther they advance, the more friendly civilians we will menace if we finally decide that nuclear force is called for.

Most of the commanders I talked to seemed to feel that the policy never will be tested. Their attitude was that if the Russians commit aggression at all they will go all the way, attacking North America when they move in Europe.

Much of the calm I encountered in Berlin was rooted in the same idea.

"If we are going to have world war III, the Allies in Berlin are not going to be the target," said Brig. Gen. Charles E. Johnson, then our commander in the former German capital.

NATO FORCES ARE THIN

NATO forces in Europe are spread thin. An early study made by the alliance indicated that 90 divisions would be required to hold the line at the Rhine River. Yet we are trying to make secure thousands of square miles east of the Rhine.

The generals say they could take the first shock of conventional attack. They are not worried about stalling a Communist advance, but rather about keeping it stalled.

Our tactical fighter bombers are staying ready; so are the armored cavalry, the artillery.

MISSILES ARE READY

Behind them stand the batteries of Honest John, Corporal, and Redstone missiles which can fire regular high explosive but which are intended to deliver atomic fire on enemy concentrations if the need arises.

Our tactical aircraft in Europe number about 500, to which can be added more than 100 Mace and Matador pilotless bombers.

The American Mediterranean Fleet, the 6th, constitutes another potent asset in any land combat which might develop. The enemy knows where our airfields are on shore. Missiles probably are ready to fly against them.

But the carrier, always on the move, must be found and attacked at the last minute. It can be sunk as carriers were in World War II, but that takes time. Its life expectancy probably is longer than that of a runway in West Germany.

RUSSIA WOULD BE HIT

If one accepts the idea that any war would be intercontinental, the blows our Strategic Air Command could deliver on the Russian homeland would vastly affect the front line fight.

Because this report deals with American defense, mention of our allies has been held to a minimum. They include stout forces and devoted ones. Some are well armed, some not so well. Our commanders credit them with ability to give a good account of themselves.

It should always be remembered that a combat against communism is not an American fight in which other nations would aid. Rather, it would be an effort of the NATO alliance to which we contribute something like 25 percent of the total.

TWO HUNDRED THOUSAND ARE DEPENDENTS

So far as the layman can judge, the American fighting man appears to be trained and alert. In only one phase of his preparation could I see cause for questioning.

Our 336,000 military men in Europe are accompanied by more than 200,000 dependents. Since the lowest five pay grades cannot take their families overseas at Government expense, it follows that a preponderance of officers and higher noncoms have their wives and children along.

It would seem inevitable that, if war came, so many dependents would be a major burden to our outnumbered fighting force.

Wives are briefed to put the children in the family car and start out for a seaport where they could catch ships for home, and are told that they can expect no help. Whether they would really be abandoned, and whether worry over them might affect their husbands' fighting, remain doubtful in my mind.

DOES ANYBODY WIN?

There could be only one greater tragedy than conquest of the free world by communism.

For at least two generations thoughtful men have been saying that nobody wins a war, that there are only greater and lesser losers. Nobody could see the things I have seen and heard the statements I have heard without being convinced that the platitude is truer in 1961 than ever before in the history of the world.

More than that, though, nobody could help being proud that his nation is willing to run the risk of suffering for its principles, and thankful that other nations are willing to join in the hazard.

Moral force may prove decisive. Peace with principle may continue. But to assure survival we must keep our powder dry—and acquire some more.

FOREIGN AID AND DOMESTIC PROGRAMS

Mr. MILLER. Mr. President, President Kennedy and this administration have done a great deal of talking about sacrifice; but when suggestions are made that we tighten our domestic belt, in order to provide for additional national-defense expenditures, we are answered

that we cannot afford to tighten our belt—that we must have both an expanded military program and an expanded domestic program. The result, of course, will be more deficits, inflation, and higher taxes; and this will lead to a weaker—not a stronger—America. In the Wall Street Journal of July 25, the lead editorial well pointed out the fallacy of trying to have our cake of more national defense and at the same time eat it, too, with more butter of Federal domestic spending. I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

COLD WAR ILLUSION

By accident or design, the administration's response to Berlin is building an impression of bristling military preparedness, what with talk of calling up Reserves, expanding the draft, and adding billions to the already beefed up defense budget.

All this emphasis on additional military spending may leave some people perplexed. Defense, after all, has claimed some $400 billion in the past decade. What, one may wonder, could possibly be overlooked with that sort of budgeting?

But if enormous new outlays are essential to national security, one would expect corresponding cutbacks in nonessential civilian spending. That order of priority seems plain. Instead, the administration is pushing as hard as ever the argument that practically every dollar the Government spends at home is also a response to the cold war challenge.

Take education, for example. In less perilous times, Government subsidy of schools and scholars would be called a handout, pure and simple, and an unnecessary one to boot. But ever since sputnik streaked across the political horizon, Uncle Sam's involvement in education has been urged as waging the cold war. One result is the National Defense Education Act which, among other things, hurls doctors of folklore and expert glassblowers into the front lines of the East-West conflict.

Cold-war rhetoric also puts the farmer up front. In calmer days, the fantastic glut of unsalable foodstuffs piled up at a cost of billions would be proof that Federal subsidy of agriculture had failed. Nowadays, surpluses are extolled as a great asset—ammunition for the food-for-peace giveaway.

It's hard to find any civilian spending that isn't dressed up with a touch of patriotic olive drab. Highways, surely, are useful to the military. All the more excuse then for pulling out the stops on a budget-breaking Interstate Highway System. Even cities and suburbs are said to play a role in the cold war. "Bright and orderly urban development," said Mr. Kennedy earlier this year, enhances the U.S. image abroad. Hence Congress could discover a patriotic as well as political motive for passing the administration's $5.6 billion housing program.

Thinking in terms of a U.S. "image," there's no limit to the pleasing ways we can "wage" the cold war. Indeed, every Government program, for anything at all, supposedly, polishes the image by showing the response of democratic government to people's "needs." And every Federal dollar swells the gross national product which, as everyone knows, is the way we show the Soviets we can "grow" faster than they do.

Certainly, the U.S. economy must grow vigorously to strengthen the Nation and provide a firm base for diplomatic and military policy over the long pull of the cold war. But that is precisely the point: Domestic welfare spending and political handouts, contrary to the claims of the spenders, actually weaken the economy and retard real growth.

With a $3.9 billion Federal deficit just behind us and at least $5 billion of red ink immediately ahead, the administration is blithely piling up nonmilitary commitments that must eventually be bled from the economy. Instead of easing the oppressive tax burden and forestalling another round of self-destructive inflation, the administration talks of higher taxes and lays the groundwork for inflation.

That is surely putting luxury before necessity. For if there must be more guns, it is hardly justified to spread so thickly the butter of Federal handouts. In fact, austerity might be more in keeping with our tougher military stance. And the first luxury to be sacrificed ought to be the illusion that the more Government spends, the stronger we become.

BUDGET DEFICITS

Mr. MILLER. Mr. President, lest there be any doubt about the seriousness of this deficit situation, I invite attention to the fact that errors in estimates on budget deficits for this administration have all been on the low side, thus far. Back in March, an official estimate of the deficit for the fiscal year ended June 30, 1961, was $2.2 billion. This finally came out at $3.9 billion. Back in May, President Kennedy estimated the deficit for the current fiscal year at $3.7 billion, or $4.4 billion, depending on whether certain postal rate increases are enacted. Earlier, he had forecast a deficit of only $2.8 billion. Now it appears that the current fiscal year's deficit will be from $7 billion to $10 billion. I ask unanimous consent that an article, from the July 21 issue of the Washington Post, entitled "$3.9 Billion Deficit Exceeds All Forecasts" and an article, from the May 20 issue of the Washington Post, entitled "J.F.K. Underestimates Deficit, Staats Says," be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

DEFICIT EXCEEDS ALL FORECASTS: $3.9 BILLION

(By Frank Cormier)

Professing surprise, the Kennedy administration yesterday announced that the budget deficit for the past 12 months exceeded all forecasts and totaled $3.9 billion.

Just 10 days before the 1961 fiscal year ended on June 30, Secretary of the Treasury Douglas Dillon said the deficit would be under $3 billion. An official estimate in March predicted a deficit of $2.2 billion.

In reporting the actual total, Dillon and Budget Director David E. Bell said the deficit was "higher than expected" and stemmed partly from an antirecession spending speed-up which was more rapid than was anticipated.

The actual figures for fiscal 1961 were: spending, $81.5 billion; revenues, $77.6 billion, and deficit, $3.9 billion.

Officials declined to speculate on what implications these figures hold for the current fiscal year.

Senator HARRY F. BYRD, Democrat, of Virginia, chairman of the Senate Finance Committee, predicted the current year's deficit will mount to $5 to $7 billion.

President Kennedy and Dillon estimated last May that the fiscal 1962 deficit would be $3.7 billion, or $4.4 billion if Congress does not increase postal rates.

With Kennedy due to send Congress new proposals soon for added military and civil defense outlays, the May estimate will be revised upward.

Dillon and Bell, in a joint statement, blamed last year's increased deficit on the business slump, which they said had effects "greater than anticipated."

The detailed figures they issued showed that income tax revenues had been overestimated by $1.2 billion while defense spending was underestimated by $651 million. Agricultural outlays outran expectations by $147 million.

When former President Dwight D. Eisenhower first sent Congress the fiscal 1961 budget in January 1960, he forecast a surplus of $4.2 billion. In January 1961, Eisenhower still foresaw a surplus, but only of $79 million.

BYRD, in a statement commenting on the $3.9 billion deficit announced today, said: "This was a deterioration of $8.1 billion in 18 months from the original budget estimate of a $4.2 billion surplus."

He added that it was "$1.7 billion greater than the (Kennedy) administration estimated 2 months before the end of the fiscal year."

J.F.K. UNDERESTIMATES DEFICIT, STAATS SAYS

Elmer B. Staats, Deputy Director of the Budget, said yesterday that President Kennedy's estimate of a $2.8 billion Federal 1961–62 deficit is "obviously too low."

He said that the Government's red ink operations in the next fiscal year probably would be twice this amount, or about $5.6 billion.

But, Staats emphasized that this was his own judgment and that much will depend on action taken by Congress on pending appropriation bills.

The budget official made his estimate at the closing session of the annual meeting of the National Industrial Conference Board.

Earlier, Frank A. Southard, Jr., U.S. Director of the International Monetary Fund, said the Nation's balance-of-payments position is expected to show "substantial improvement in the first quarter," but warned that the problem is far from solved.

He said that much of the strengthened position results from the fact that near-boom conditions in Europe and recession in this country have tended to maintain our exports and cut back imports.

Harold H. Helm, chairman of Chemical Bank New York Trust Co., was elected chairman of the NICB.

Other business highlights:

New York Stock Exchange and Federal Reserve Board figures showed loans to buy non-Governmental securities rose sharply last month to more than $5 billion, a billion above a year ago and the highest total in at least 30 years.

R. P. Laughna, vice president in charge of marketing, has resigned from Chrysler. It was the second vice president to resign from Chrysler in a week and both had been named in a stockholder suit charging mismanagement and conflicts of interest.

Senator William A. Blakley, Democrat, of Texas, said he and the Blakley-Braniff Foundation are selling their interest in Braniff International Airways to four Dallas businessmen for $13.2 million. Blakely, interim Senator running for a full term, said he could best represent Texans by divesting himself of both his Braniff stock and the responsibilities it entails.

Eastern Air Lines, Inc., directors voted to omit the usual quarterly 25-cent dividend on common stock.

The Norfolk & Western and the Chesapeake & Ohio Railroads have filed application with the ICC for joint purchase of Island Creek Fuel & Transportation Co., a bargeline hauling coal on the Ohio River.

The Chicago Tribune reported that a three-way merger of the Illinois Central, Missouri Pacific, and Union Pacific Railroads is under active consideration.

Sears, Roebuck & Co. is entering the travel field. It will offer travel information, accident insurance, bail bonds, and emergency vehicle repair service in more than 40 States through the Allstate Motor Club. It also plans to set up world tours at a special price through an arrangement with American Express Co.

FOREIGN-AID FALLACIES

Mr. MILLER. Mr. President, with respect to the pending foreign aid bill, much of the controversy has centered around the request of the President to permit Treasury borrowing rather than regular congressional appropriations for a 5-year development loan program. I have previously pointed out that the excuse given for Treasury borrowing—namely: to permit long-range program planning—is specious, because long-range program planning can well be carried out under a 5-year authorization coupled with annual congressional appropriations; also that long-range planning has already long been carried out under our present foreign aid programs.

In the August 28 issue of Newsweek, there is a timely article by Henry Hazlitt, entitled "Foreign-Aid Fallacies," which points out how the Treasury borrowing feature violates sound democratic and constitutional procedures and reflects a lack of confidence by Congress in its ability to properly evaluate requests for appropriations to continue foreign aid projects. This article also points out some serious problems which our present foreign aid program is causing, not to mention those that the President's proposal would aggravate. This is not to say that a foreign aid program is not needed or desirable, Mr. President; but it is well for our efforts in this area to be carried out in a manner which will diminish and not increase problems of an unbalanced Federal budget, more inflation and taxes, softening of our dollar, and the deficit in our balance of gold payments.

I ask unanimous consent that this article be printed in the RECORD, along with a recent editorial from the Washington Daily News entitled "Back Door in the Dark," and the lead editorial in the July 29 issue of the Saturday Evening Post, both of which advocate that Congress should keep control over foreign-aid spending

There being no objection, the article and editorials were ordered to be printed in the RECORD, as follows:

[From Newsweek, Aug. 28, 1961]

FOREIGN-AID FALLACIES

(By Henry Hazlitt)

The administration's foreign aid program disregards nearly every sound principle of constitutional balance, foreign policy, or economics.

Even if we were to grant that a foreign aid program of the present dimensions is economically necessary or desirable, the request of the President for authority to borrow $8.8 billion from the Treasury over the next 5 years to finance long-term development loans violates sound democratic and constitutional procedure. Congress is asked to give up, to that extent, its essential annual control of Federal expenditures. It is asked, in other words, to vote a lack of confidence in its future self. It is asked to prevent itself from reconsidering the program next year on its merits, and deciding the question in accordance with its judgment of the situation as it exists at that time.

It is also asked, in effect, to limit the freedom of action of the next Congress. If the voters were to return a conservative or a Republican House to power in November 1962, for example, and the new Members felt that part of their mandate was to cut down or halt foreign aid, they would be prevented from doing so by an unwarranted "moral commitment" made by the present Congress. This is a denial of democratic principle.

FIVE-YEAR PLANS

The President's request rests, in addition, on unsound economic assumptions. The Rusk-Dillon plea declared: "It will be necessary to free our development lending program from the difficulties of working under the uncertainties inherent in annual requests for funds." Why can't foreign governments operate under the same uncertainties as our own Government departments do? The administration's argument apparently assumes that the key to prosperity and economic growth is not free enterprise, but Government planning, as typified by the 5-year plans that India and other nations have aped from Russia.

President Kennedy and Secretary Dillon have promised huge sums to Latin American countries in our Alliance for Progress on condition that they institute "reforms." These reforms are not in the direction of encouraging free enterprise, removing vexatious controls, safeguarding private property, reducing onerous taxation and government extravagance, balancing their budgets, and halting inflation. The money has been offered, on the contrary, on the condition that the Latin American countries will undertake "national (i.e., governmental) planning," "land reform," and socialized housing—in brief, if they will move still further toward socialism and the welfare state. So-called "land reform" abroad has usually meant a grave infringement of private property rights. It has more often resulted in a reduction rather than an increase of agricultural output.

WHAT PRICE COFFEE?

Secretary Dillon has promised the Latin American countries "at least $20 billion" in return for such socialistic measures. In addition, he has promised help in pushing up the price of coffee and tin, for example, against American consumers. He has not only endorsed export quotas of these products from Latin American producers, but recommended policing imports into the United States. He ignores the collapse of all the old Brazilian coffee valorization plans and similar "stabilization" schemes, and the expensive fiasco of our own crop-support programs.

In brief, the administration does not trust or understand the function of free prices and free markets in adjusting production to consumption and supply to demand. The whole folly of Government price control and production control is to be launched on a new and international scale.

The result can only be to encourage and prolong all the unsound economic policies of South American governments, and to slow down rather than accelerate sound and continuous South American economic growth.

All this is apart from the economic harm that the foreign-aid program is now doing to the United States itself, in unbalancing our budget, threatening greater inflation and a still greater increase in the tax burden on productive enterprise, increasing the deficit in our balance of payments, and undermining the dollar just when it is most essential for our own stability and world stability to strengthen it.

[From the Washington (D.C.) Daily News]

BACK DOOR IN THE DARK

Department officials have made a special plea to Congress to give them a 5-year license to draw $8.8 billion through the "back door" of the Treasury for foreign aid lending.

Their main argument is that this will not, as opponents say, dodge an annual "review" of the spending by Congress. But the whole idea is to minimize, or escape, control by Congress—and if this isn't the purpose there isn't much excuse for the proposal.

Under the back-door system—already in use by some 20 agencies of the Government—Congress doesn't appropriate the money. It writes a blank check enabling the administration to draw on the Treasury at will. The only way the Treasury can get the money is to borrow it.

The net result is an increase in the Federal debt—with all the problems that produces—and no accounting in the Federal budget. What is spent by this method is outside the budget, and hence avoids an accurate picture of what the Government is doing.

The so-called annual review by Congress becomes almost meaningless. Certainly, any Congress can repeal whatever another Congress has done. But once a commitment has been made by the administration, any retreat is like trying to catch the hog after he has rooted under the fence.

In the Constitution of the United States is a plain mandate to Congress on how the taxpayers' money may be spent:

"No money shall be drawn from the Treasury but in consequence of appropriations made by law."

In recent years, Congress frequently has reneged on this constitutional rule. But if Congress cannot abide by the Constitution, as its oath requires, how can it expect others to abide by the laws it passes? No one can control his bank balance by giving blank checks to all his friends.

[From the Saturday Evening Post, July 29, 1961]

CONGRESS SHOULD KEEP CONTROL OVER FOREIGN-AID SPENDING

People can argue ad infinitum about the number of billions which the American taxpayer should be willing to contribute to the "economic development of less-developed countries and areas, with emphasis upon assisting the development of human resources." Doubtless there are humanitarian reasons for many of these activities, although their relation to American interest and security seems difficult to establish.

The Act for International Development (Senate bill 1983) sets no overall price tag on "foreign aid" beyond the $8,800 million in loans over 5 years, plus some $1,700 million in grants to be made available in fiscal year 1962. However, the bill gives the President such wide authority to tap other programs and resources, including military and strategic stockpiles, that the total could be far greater. An estimated total outlay of $10,529 million over the next 5 years, not including $1,885 million in military aid plus "such sums as may be necessary" to implement the act, is probably close to reality.

Whatever the total, it is an amount which caused Arthur Krock of the New York Times to report widespread fear that "without new and more painful price inflation the economy cannot furnish $7,300 million more for foreign aid and also finance the welfare measures urged by the President." Furthermore, it is curious that such a measure should be urged by the same administration that wants to impose new taxes on corporations that set up plants in other countries—genuine "foreign aid" as opposed to giveaways.

However, the central objection to this bill is the method designed to get the money without troubling Congress to appropriate it in the traditional way. This foreign-aid bill contemplates "back-door spending" on an unprecedented scale, a practice which Representative CLARENCE CANNON, Missouri Democrat, has described as "reprehensible." The annual appropriation system, which has taken care of vastly expanding Government activities, including two major wars, an expensive police action and billions in foreign aid, is not considered adequate to finance the social development of Africans, Asians, and Polynesians. So Congress is asked to authorize the President to make loans for projects in unspecified areas of up to $900 million in 1962 and $1,600 million for each of 4 years thereafter and to get the money for this purpose by borrowing from the Treasury—in other words putting the whole thing on the cuff and outside the regular appropriation process. The bill grabs $300 million a year from repayments to the Treasury, which would in normal circumstances go to reduce the national debt or even to relieve the taxpayer.

In attempting to defend back-door spending, the State Department points to other programs which have been financed by this inflationary method and adds that it is necessary in "helping the aid agency to administer a long-range develop program." This is not an impressive argument. The U.S. Congress constantly appropriates money for domestic long-term projects, and the military departments receive their money through the usual appropriation process. Why should the bureaucrats in charge of a speculative foreign-aid program be an exception to this prudent practice?

In addition to the loans, which are to be handed out through the back door, and the grants for which Congress is graciously permitted to appropriate the money, the administrators of this act have access to an undetermined amount by tapping other agencies and resources. About $6,100 million remains unexpended from previous assistance programs, including $2,400 million for military aid.

The bill is also questionable because of many grants of power to the President seemingly out of proportion to the objects of the bill. For example, the Administrator is required to make all facts and figures available to the General Accounting Office—unless deterred by a certification by the President that he has forbidden the furnishing thereof pursuant to such request and his reason therefor. Thus it would seem that there need be no accounting to Congress of the way vast sums are spent if the President is willing to state why the information should be withheld. However, similar clauses have appeared in earlier foreign aid bills.

It is hard to believe that any Congress worth its weight in Federal judgeships would surrender the power of the purse, carefully reserved to Congress in the Constitution. To do so for no more critical emergency than the doling out of funds to less-developed countries, however promising, could set a precedent for more bypassing of Congress for all kinds of projects.

WITHHOLDING OF TAXES ON INTEREST AND DIVIDENDS

Mr. MILLER. Mr. President, with respect to the proposal by President Kennedy to withhold taxes on interest and dividends, there are some practical problems of tax administration which were apparently not thought of at all. I ask unanimous consent that a letter to the editor appearing in the July 27 issue of the Des Moines Register, written by Mr. Omer A. Kearney, of Cedar Rapids, Iowa, be printed in the RECORD. This letter points out some problems which the President and his tax advisers should have thought about before advancing their proposal.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WITHHOLDING ON INTEREST, DIVIDENDS?

TO THE EDITOR:

I noticed the July 20 editorial in which you indicate that the withholding of tax on interest and dividends will not be too complicated. I wonder where I have gone astray in my grasp of the problem.

The news report is that the withholding covers not only dividends but all interest payments from banks and savings and loan associations. To begin with, the withholding on dividends alone will result in a tremendous number of new accounts in Washington. The number of stockholders in A.T. & T. alone is nearly 2 million and add to this General Motors and General Electric and there would be considerably more than 3 million.

And that is only the beginning. Does this look simple to you? As to savings accounts, I just stopped at my bank. They have 23,000 accounts on which they would have to report to Washington. That is just one bank. Add to this the other banks and savings associations and it could easily approach 80,000 accounts in just our city.

Can you figure the number of new employees it would take to handle the accounts pouring in from all over the country? It makes my head reel. I can imagine the extra labor costs would soon far outrun the possible tax collection.

Add to this the hundreds of small stockholders who have been living on their incomes and making honest returns, who, when they are required to, make refund claims and go to the extra trouble in connection with their annual reports and you have a national headache that does not look simple to me.

I am in favor of everyone paying his or her honest taxes on income from dividends and interest, but I do not think withholding is a reasonable solution.

OMER A. KEARNEY.

CEDAR RAPIDS, IOWA.

SOCIAL WELFARE

Mr. MILLER. Mr. President, in the August 20 issue of the Des Moines Register is an informative article by Mr. Fletcher Knebel of the Washington staff of the Register revealing the shocking abuses which have been occurring in our Nation's Capital in the area of social welfare. I ask unanimous consent that Mr. Knebel's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IN OUR CAPITAL, ADC IS NEW WAY OF LIFE

(By Fletcher Knebel)

WASHINGTON, D.C.—National concern over rising relief costs has sparked an inquiry in the Nation's Capital, where welfare costs have tripled in a decade.

Senator ROBERT C. BYRD, Democrat, of West Virginia, 43-year-old chairman of the Senate Appropriations District of Columbia Subcommittee, ordered Gerald M. Shea, city welfare director, to take a second look at a request for $21.8 million in welfare funds for this fiscal year.

Calling the increase in aid to dependent children and general public assistance programs alarming, BYRD said the time for an agonizing scrutiny of welfare spending in Washington had arrived.

The Public Welfare Advisory Council of the District Commissioners promised an inquiry into the aid-to-dependent-children (ADC) program. Its chairman J. E. Bindeman, said "unquestionably there are some persons receiving aid who don't deserve it."

SUSPECT CHEATING

Congress and District of Columbia officials have become sensitive to the possibility of welfare cheating since the explosion over the Newburgh, N.Y., relief program and a Gallup poll showing an overwhelming number of Americans favor tighter relief rules.

Washington's welfare budget has vaulted from $7 million in 1952 to $21.8 million for this fiscal year, despite growing prosperity in the Capital.

Expenditures for direct relief have been rising year by year and stand at $7,685,000 this year.

Relief cases have grown from 8,230 in 1956 to 12,416 last year, with even more expected this year. Biggest jumps came in the aid-to-dependent-children program, which went from 2,081 to 5,031 cases in the 5 years, and in general public assistance, which climbed from 573 cases to 1,471.

The city has been changing from white to Negro. The population is now more than 50 percent Negro, and the public school population is two-thirds Negro.

GIVE EXAMPLES

The Capital's problem was sketched by the Register by three city social workers. Two declared that relief programs were loaded with ineligibles and the undeserving. All three expressed an opinion that the relief programs were failing to solve the problem.

"The pendulum has swung too far," said a caseworker with 24 years' experience "We're raising a second generation of ADC children on relief. It's too easy. People are human. They'll take advantage."

"Something must be done," said a young social worker with 3 years on the job. "We're now raising children on ADC whose mothers were also raised on relief. They know nothing else. We must weed out the hangers-on and close the loopholes."

LOOSE FAMILY TIES

Here are several cases in the Capital as offered by one worker from her caseload of 160 cases:

1. A woman, 29, has six children, all by different fathers, none of whom can be found. She loves babies, but loses interest in the children after several years. The family of seven was placed in a four-bedroom suite in a low-cost housing development with all modern conveniences.

The family received an ADC check of $189 every month, of which $64 was to go for rent. Instead the mother spent the money on toys, which the children promptly smashed. She was evicted recently for failing to pay rent for 3 months.

A 9-year-old son is illiterate, although his IQ shows fair intelligence. A teacher, trying to help him, said he should learn because some day he would have "to earn a living." The social worker reports he replied: "What's that?"

2. A mother and father with nine children draw a total of $410 a month in relief payments. He quits one job after another, contending all are beneath his talents.

A private charity wants to place the children in foster homes, but mother and father and the city welfare service think the family should remain together. The relief goes on.

3. A 45-year-old woman lives with three daughters, one son, and two grandchildren, all illegitimate. The family of seven receives $221 a month in ADC funds, including $64 rent in a low-cost housing unit. One

15-year-old daughter's illegitimate child is 3 years old. The 14-year-old daughter's illegitimate child is almost 2.

"The girls take their pregnancies as a matter of course," says the social worker. "The home is like Grand Central Station. Members vanish and stay away for 5 days at a time. All the girls should have been put in homes away from their mother, but there is no place to put them. It's a vicious circle."

SOME PROPOSALS

This social worker was more critical of relief methods than some of the orators who know nothing about it. She advanced two concrete suggestions.

First, she said, the practice of giving relief checks direct to the recipient should be ended. Instead the relief agency should pay the rent and pay for adequate food and clothing. Otherwise, she said, many relieferers waste the money.

Second, she recommended that the majority of ADC children be taken from mothers and placed in cottage-type rehabilitation homes where a trained "house mother" could look after 10 or 12 children and try to wean them from relief to a normal way of life.

Senator BYRD is weighing the possibility of a broadscale relief investigation which would center more on the individual cases and less on overall costs. The Nation's restless mood on relief programs has reached into the District of Columbia.

LAND REFORM

Mr. MILLER. Mr. President, in the August 11 issue of the Washington Evening Star is an article by Mary McGrory entitled "Freeman Finds Few Know His Problems." In this article, Miss McGrory points out that "land reform" is fervently discussed around the Department of Agriculture today. This apparently is due to some thinking of the Secretary which is beginning to prompt some concern over what this means. In this connection there is a timely editorial in the July–August issue of the Nation's Agriculture by Mr. Charles B. Shuman, president of the American Farm Bureau Federation, and I ask unanimous consent that this editorial be printed in the RECORD, along with the Evening Star article previously referred to.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the Evening Star, Aug. 11, 1961]

AFTER 6 MONTHS FREEMAN FINDS FEW KNOW HIS PROBLEMS

(By Mary McGrory)

Few people in Washington think they could handle the problems of Agriculture Secretary Orville L. Freeman better than he. As a matter of fact, they are not even sure what they are.

"I find that most people don't know what I'm talking about," says the black-haired young former Governor of Minnesota.

President Kennedy, a city man, is conspicuously not preoccupied with what is going on down on the farm these days. The White House staff is recruited largely from Harvard, a university whose reputation does not rest on its agronomy courses.

PUBLIC TAKES DIM VIEW

The public at large nurses an obscure grievance against the farmer, and it is exacerbated occasionally by pictures of Cadillacs in the corn. The image of the horny-handed son of the soil has been replaced by that of the "pampered tyrant," who spends more time in the counting-house letting the subsidies run through his fingers than on the back forty.

Secretary Freeman's predecessor, Ezra T. Benson, spent a good deal of time telling the farmer to stop whining.

"There is no question but that the well has been poisoned," says Mr. Freeman, who in 6 months in office has established himself as the farmer's friend and regards education as part of his job.

ASK UNDERSTANDING

"The farmer is a rugged individualist," he admits, and he speaks sharply, sometimes roughly. "He has been categorized as a complainer, but people forget that he has always sold in a buyers' market and brought in a sellers' market."

Mr. Freeman made a trip to New York last week to meet with the executives of the press and broadcasting companies to plead for more understanding of our country cousins.

He pointed out to them that the average farmer earns 81 cents an hour which is "shockingly below the national average," and that he should be paid for not growing certain commodities at Government request because, "if he can't use the land to produce he should be paid for it."

Among those who confronted him was John Fischer, the editor of Harper's magazine, who during the Benson regime wrote a famous diatribe entitled "The Country Slickers Take Us Again." Mr. Fischer when last seen was studying the supporting documents Mr. Freeman took with him.

Mr. Freeman showed his friendship even more compellingly through a farm bill which was signed by President Kennedy on Tuesday and which demonstrated the difference between the "laissez-faire" approach of Mr. Eisenhower and the tighter control-higher subsidy policy of the New Frontier. It raises the payment on wheat from $1.79 to $2 a bushel.

Already the good effects of such legislation are being felt on the land, according to Mr. Freeman, who once a week goes back to the land for farmers' or grange meetings.

"There's more good feeling in the rural communities and the main streets of America than for the past 10 years," says Mr. Freeman.

FOREIGN POLICY FACTOR

An equally significant change is that Mr. Freeman, unlike Mr. Benson, regards agriculture as an arm of foreign policy. He broods constantly over the ridiculous situation of the huge surpluses of food and fiber piling up in this country while millions in underdeveloped countries go hungry and unclothed. He speaks eloquently of "food for peace," of planning our crops with an eye to the needs of others.

"This is a moral imperative." he says. "Waste is the greatest sin. We must not dump something to get rid of it. No wonder countries getting these surpluses complain it disrupts their market. We must harness our capacity; we must produce what can be used."

"CRUSADERS" PREFERRED WORD

In meetings with selected groups of the Department's 90,000 employes, Mr. Freeman did not hestiate to use the word "crusaders" to describe their mission.

"Land reform," a subject Mr. Benson found distasteful, is fervently discussed around the Department now.

Perhaps the greatest interim change around the Department since Mr. Freeman took over is the introduction of informal Midwestern friendliness unknown in Mr. Benson's day.

The Secretary goes through the halls stopping people at random saying, "My name is Orville Freeman. What's yours?"

[From the Nation's Agriculture, July–August 1961]

LAND REFORM

(By Charles B. Shuman)

"We are selling land reform to other countries while drifting into trouble here in our own country"—quotation from Secretary of Agriculture Freeman. Is this a broad hint that "land reform" is to be the next campaign on the New Frontier? What is land reform?

In Finland, the Government bought all land above a maximum of 120 acres per farm and parceled it out in small tracts on easy credit terms.

In Russia, land reform meant confiscation of all privately owned farm land and the formation of government owned and operated communal units.

In Cuba, it means land seizure by Castro—the division of some units into very small tracts to be distributed as political rewards and the transfer of large acreages to state cooperatives.

In the United States, land reform proposals usually have taken the form of a graduated land tax with confiscatory levies on larger acreages. In any case it means government limitation of opportunity and peasantry for farmers.

Why would anyone advocate land reform for American agriculture? To check the so-called danger of corporation farming? What are the facts? Ninety seven percent of U.S. farms are family operated units. There has been no appreciable increase in corporation farming during the last half century. To increase farm ownership? In 1930 the proportion of farms operated by tenants was 42 percent, today the number is down to 20 percent. Share cropping is down from 776,000 in the thirties to 121,000 in 1959.

The number of farms selling products worth $5,000 or more annually has shown a substantial gain during the last five years—from 1,290,000 to 1,447,000. It is quite evident that here in the United States we already have the world's best example of land reform without government intervention or planning.

But, we want to do better. Capital requirements for mechanized farming are increasing at an alarming rate thus making it difficult for young people to establish a profitable farm business. What are the true reforms that would help increase farm ownership—improve opportunity?

First, and most important, check inflation. Increased costs of purchased supplies have been a major factor contributing to lower farm income, and this price inflation is due largely to the big deficit spending policies of the Federal Government. Inflation not only cuts farm family income but it also destroys the value of savings set aside to purchase a farm.

Another prerequisite for continued progress towards farm family ownership of the land is freedom for the farmer to manage his own business and to change his production plans in response to market needs—rather than politically determined government directives. Legislation that prevents change by increasing government controls is a serious handicap to those farm families who wish to become farm owners.

A third barrier to family owner-operators is the unfair and excessive burden of local taxation that falls on farm property. Tax reform is long overdue. In many rural communities farm property carries two thirds of the tax load while less than one-third of the citizens are farmers.

The only land reform American farmers need is greater opportunity—not more restrictions. In other parts of the world where land ownership is under monopoly control, the cause will usually prove to be the misuse of excessive power—Government power.

EX-PRESIDENT HERBERT HOOVER

Mr. MILLER. Mr. President, in the August 20 issue of the Omaha World-Herald appeared a fine article on one of our great ex-Presidents. I refer to former President Herbert Hoover. The article is written by Saul Pett, and is the first of a series of articles treating of three of the living ex-Presidents of the United States. I ask unanimous consent that the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MR. EX-PRESIDENT NO. 1: HERBERT HOOVER—OBSCURITY WASN'T FOR HIM

(By Saul Pett)

In 1957, when he was 83 years old, Herbert Hoover went to Independence, Mo., to help dedicate the Harry Truman Library on a hot July day.

For an eternity he sat in 91° heat and a flow of oratory. It is difficult to know which he minded more, although his views on verbosity are sharp and clear.

After the ceremony, the thirtieth President of the United States was invited to the home of his friend, the 32d President of the United States, for refreshment.

A local matron, gushing with curiosity, fluttered up to Mr. Hoover and asked what ex-Presidents do with all their time.

"Madam," said Herbert Clark Hoover, "we spend our time taking pills and dedicating libraries."

Like all Hoover humor, which is considerable, the joke was delivered dead-pan from a square, apple-red face. The words were bitten off, as if broken from a fresh stalk of celery. The lines at the edges of his mouth remained turned down.

Under the wispy brows, a faint twinkle lurked behind the misty blue eyes—the look of a man who could no longer be surprised, shocked or hurt by the frailties of man.

None of the Nation's three ex-Presidents spends much time on pills or ceremonial functions. All remain busy men. Of the three, the oldest appears the busiest.

ONCE THOUGHT FINISHED

At 87, the longest-lived President since John Adams, Mr. Hoover still puts in more than 10 hours of work a day at his desk in his Waldorf Towers apartment, writing books, writing and rewriting speeches and letters, helping to raise money for various charitable and educational institutions.

Such activity would be remarkable for any man of 87. It is even more remarkable for this man who was supposed to have been finished 28 years ago when history slammed a door in his face and snapped the bolt.

Herbert Hoover left the White House in 1933 during the long dark agony of the depression, in which a majority of Americans were persuaded he was the chief villian. He left at a time of deep bitterness.

Shantytowns were called Hoovervilles; cars drawn by mules, Hoover wagons; jack rabbits, Hoover hogs; newspapers wrapped around the body of a man sleeping on a park bench, Hoover blankets.

He left the White House, it appeared, a bitter and broken man. His critics were certain he would never be heard from again in public and even Republicans were convinced he was a sone-dead political liability.

Since then, he has handled, with great praise, four major assignments at the behest of Democratic and Republican administrations, made hundreds of widely attended speeches, including four moving farewells to GOP national conventions, and written 12 books, including the well received study of "The Ordeal of Woodrow Wilson."

KEEPS BOX SCORE

He is a remarkable practitioner of intense concentration in work or play.

Two friends who recently entered the Hoover living-workroom were not even noticed as they walked in and stood for a moment or two before his desk. Mr. Hoover had a sentence to finish. Only then did he look up.

At a baseball game, he keeps his own box score. He frowns on diversionary conversation there as he does during an evening of canasta with friends.

"Work-play vacations," the traditional phrase for relaxing Presidents, still applies to Herbert Hoover. On a bone fishing trip off the Florida Keys, he usually has a couple of secretaries with him on his rented houseboat.

He has never used a ghostwriter as a private citizen or in his long years of Government service as Food Administrator in the First World War, Secretary of Commerce in the Harding and Coolidge administrations, President from 1929 to 1933, Famine Relief Coordinator after the Second World War, chairman of the two monumentally comprehensive Hoover Study Commissions on Organization of the Executive Branch, under Presidents Truman and Eisenhower.

He still gets up to work in the middle of the night when the spirit or idea moves him. Out of deference to his age, Mr. Hoover no longer rises at 6 a.m. Now he gets up at 7.

His schedule is full. People with appointments for lunch at 12:30 or martinis (he has two weak ones) at 6 p.m., are not expected to arrive at 12:34 or 6:06.

BUSY 85TH YEAR

Herbert Hoover has much to do and cherishes his time. It is planned and worked with all the precision of a pilot determined to get all he can out of his aircraft before, as a simple fact of engineering, it must be grounded. In the words of a friend, Mr. Hoover is an "old man in a hurry."

On a recent birthday he held a rare news conference, in which it was disclosed that in his 85th year he had: attended 35 public functions, made 20 speeches, answered 21,195 letters, received 23 awards, traveled 14,000 miles, made TV appearances, laid assorted cornerstones, worked on his books and raised $1,500,000 for the Boys Clubs of America, of which he is chairman.

He still receives many letters from school children around the country asking a variety of direct questions in laboriously printed block letters on lined pages.

To all, Mr. Hoover pencils his replies, to be typed by a secretary. Examples:

"DEAR SHIRLEY: You ask 'What does Christmas mean to you?'

"1. We have gone through another year without war.

"2. We still have enough left after taxes to buy a Christmas tree and trim it properly.

"3. Some of my children, grandchildren, and great-grandchildren will come to see me and the tree.

"4. There will be too much to eat.

"5. And I wish for all of you in your training class, a Merry Christmas and a good New Year."

To a schoolboy who asked, "How the sixth grade made your life successful," Mr. Hoover replied: "The sixth grade made my life successful by preparing me for the seventh grade."

TAKES LOYALTY OATH

Herbert Hoover is not the sort of person who lectures any one, young or old. But his ideas of public service are rigid, without compromise. To all who ask about a career as a "politician," he gently suggests they replace the word with "public servant."

When he returned to Washington in 1947 for the first Hoover Commission, he was told he would have to take a loyalty oath and be fingerprinted.

A secretary was outraged; she insisted a former President should not have to be subjected to this. Said Mr. Hoover, with a rare display of impatience:

"At no time do I have any objection to taking an oath of loyalty to my country. At no time do I object to having my fingerprints taken."

His passion for brevity is legendary. The reason he does all his writing in pencil, he says, is because tape recorders, dictating machines, smooth-flowing ballpoint pens are all stimulants of verbosity.

He rewrites his speeches with the hunger of a perfectionist. Thirteen years ago, when he was 74, he was still rewriting his speech to the Republican convention at midnight before delivery.

Ten years ago, when he was 77, he wrote 29 separate drafts of 1 speech before he was satisfied. Always, he looks to eliminate the extra word, with the passion of an engineer striking a useless girder or bolt from his specifications.

HIDES INNER MAN

Brevity is also the mark of his informal conversation. After the Second World War he was in Cairo on a famine relief mission for President Truman. He put in a call at the American Embassy to Mr. Truman in Washington.

The President and ex-President of the United States exchanged pleasantries and settled their business. Several minutes after the call, Mr. Hoover was summoned to the phone again.

He was heard to say, "No, that's all right. We finished." To an aid, he remarked, "That was the overseas operator. She said we hadn't used up our 3 minutes."

While he has formed many warm friendships and savors good conversation, Herbert Hoover rarely talks about himself.

"He has a great sense of discipline," said a friend. "He was an orphan. He is a Quaker. He is not accustomed to weeping on any one's shoulder."

When Mrs. Hoover died in 1944, it was clear the ex-President felt the loss profoundly. But he said little to any one.

Some of Mr. Hoover's friends say he has been changed, been mellowed by the altered public image of him since 1933.

Others put it another way. They say the human warmth was always there, that it retreated into a shell during the bitter depression criticism and emerged only as a result of new public affection.

In any case, the public attitude has changed.

Several years ago Mr. Hoover was being driven by commercial chauffeur to a dinner engagement near New York City. Being late, he urged the driver to make time. A motorcycle cop stopped them, bawled out the driver and was about to write out a ticket when Mr. Hoover interceded and took the blame.

Whereupon the cop put away his book, smiled broadly and said, "Why, Mr. Hoover, I've been wanting to shake your hand for 20 years."

RETURNS FEDERAL PAY

Such an incident is not remarkable in the life of any public figure, least of all a former President of the United States. But to Herbert Hoover, who for a long time was pictured as the heartless, hapless ogre of the depression, it earned a priority in his memory book.

It probably ranked higher than the cries of "No! No! No!" which followed his first farewell to the Republican National Convention in 1952, when he noted, "From the inexorable course of nature, this is likely to be the last time I shall attend your conventions."

In 47 years of intermittent Government service, Herbert Hoover has turned all his Federal salary checks over to charity, including his $25,000-a-year Presidential pension.

He made his fortune as a mining engineer early in his career. He gave away all his governmental income, he once explained to acknowledge a "great debt" to his country.

While he has mellowed in many ways and was, some years ago talked out of wearing stiff high collars, Mr. Hoover still clings to one hallmark. He still wears a business suit, shirt, and tie even when fishing or vacationing among the California redwoods.

He is still lyrical on the subject of fishing. Fishing, he says, "is a chance to wash one's soul with pure air, with the ripple of the stream and the shimmer of the sun on the blue waters."

Of retirement and age, he says there is no joy to be had from either without "some kind of productive work. Otherwise you will degenerate into talking to everybody about your pains and pills and income tax."

"Any oldster who keeps at even part-time work has something worth talking about," he adds. "He has a zest for the morning paper and his three meals a day. The point of all this is not to retire from work or you will shrivel up into a nuisance to all mankind."

PRINCIPLES OF THE LATE EARL C. SMITH

Mr. MILLER. Mr. President, one of our most able farm editors in Iowa is Mr. Rex Conn, of the Cedar Rapids Gazette. In the August 8 issue of the Gazette Mr. Conn has an article in which he sets forth the principles of the late Earl C. Smith, long-time Illinois Farm Bureau president and vice president of the American Farm Bureau Federation—principles for preserving America as a nation of free men.

I ask unanimous consent that this article by Mr. Conn be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SMITH'S PRINCIPLES ARE STILL PERTINENT

(By Rex Conn)

When the late Earl C. Smith, long-time Illinois Farm Bureau president and vice president of the American Farm Bureau Federation, retired in 1945 he listed these "basic essentials for preserving America as a Nation of freemen."

"You cannot bring about prosperity by discouraging thrift.

"You cannot strengthen the weak by weakening the strong.

"You cannot help small men by tearing down big men.

"You cannot help the poor by destroying the rich.

"You cannot lift the wage earner up by pulling the wage payer down.

"You cannot keep out of trouble by spending more than your income.

"You cannot further the brotherhood of man by inciting class hatred.

"You cannot establish sound security on borrowed money.

"You cannot build character and courage by taking away a man's initiative and independence.

"And you cannot help men permanently by doing for them what they can and should do for themselves."

Earl Smith's "basic essentials" are still sound principles upon which to evaluate proposals today.

THE BERLIN CRISIS

Mr. MILLER. Mr. President, there are many persons who realize that the Berlin crisis is serious, but they do not quite understand what it is all about. They do not have the background which is required for a proper evaluation of the crisis.

In the Monday, August 14, and the Tuesday, August 15, issues of the Wall Street Journal are two articles relating to the background of the Berlin crisis. I ask unanimous consent that these two articles be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Aug. 14, 1961]

BERLIN: BACKGROUND FOR CRISIS—HOW WORLD WAR II ATMOSPHERE, HORSEBACK AGREEMENT MOLDED EVENTS

(By John F. Bridge)

The origins of such great political crises as Berlin are often obscure. One reason is that the original facts behind them are often trivialities of history. It is only at some later date, under some different circumstances, that those original facts come to take on far more meaning than ever envisioned.

Thus, it was longstanding but obscure facets of the Croatian question in Austrian politics that in 1914 led to the assassination of an Austrian archduke and the beginning of World War I. The rather minor decision at the end of that war to give a recreated Poland a corridor through former German territory to the sea was the eventual excuse Hitler used to start World War II.

Berlin is little different. Leaf through encyclopedias, reference books, and the volumes of memoirs written by and about the great leaders of World War II who set the face of present-day Berlin, and there is little concrete information as to how it all came about. A reader cannot escape the impression that the actual division of Berlin into zones, and the division of Germany into areas of occupation, were almost incidental developments at the time they took shape. None of the great Allies—Britain, the Soviet Union, the United States—paid very much attention to Berlin at the great wartime conferences. But of them all, the United States paid the least attention.

To understand how this could be—considering the situation of August 1961—the psychology of the World War II era must be remembered. It was totally different from what now prevails, and is perhaps worth recollection in some detail.

In all the Allied capitals Hitler and the German—"the unspeakable Nazi" in Churchill's famous phrase—were villains nonpareil. The Soviets at that time, and since, may indeed have committed far greater genocides; but somehow Hitler's crimes against Jews, Dutchmen, Czechs and dissenting Germans, among others, had inflamed all the world, and the Soviet crimes were overlooked and hushed up. The fervor was reminiscent of the religious wars of 17th-century Europe, or of the Crusades.

RUSSIA'S VICTORIES

In addition, the Soviets had won the admiration of all the West for their stand against the German invaders. The first Russian victories against Hitler, coming after months of defeats for the Allies, were really the first land successes anyone had been able to score against the German war machine. The victories, and the tenacious Russian resistance in defeat, were all the more dramatic because so little resistance had been expected from the Soviet Army. Only a few years before, the tiny Finnish Army had inflicted disastrous rout after rout on the Russians before Stalin had reorganized his forces to barely defeat the Finns. Against the background of the Finnish debacle, it was expected that the Germans would go through the Russians, as it was so often said at the time, "like a hot knife through butter."

So in both Washington and London there was both extreme concentration on Germany as the foe and admiration of the stand the Russians were making. Too, it was an era when sweeping phrases and grand pronouncements were apt to be accepted at face value. Both President Roosevelt in Washington and Prime Minister Churchill in London were expert phrasemakers. It was the era of the grand cliche: Total victory; unconditional surrender; everlasting peace; global amity; democratic unity (which equated the Soviet slave laborer with the American worker) were typical phrases, and, most importantly, they were phrases which were believed.

To be sure, grand phrases, and a certain amount of belief in them, are typical of all wars. But these had a particularly empty sound in the postwar world which was to follow, for they had been so believed by the men who uttered them that the United States and Britain were led into moves which were all but disastrous to the West.

These phrases were particularly believed in Washington, and because the United States was the most powerful in the Anglo-American alliance, the protests of the English went unheeded. Indeed, Prime Minister Churchill was often looked on with suspicion as an "old Tory" in Washington, when he occasionally endeavored to raise some caution signals about Moscow.

There were other reasons why Washington was so warm toward Moscow besides Russian arms success and the common cause against Hitler. It must be remembered that World War II followed closely on the heels of the depression and the economic experiment days of the New Deal. In those days, "capitalist" was almost as bad a word in Washington as in Moscow; class consciousness had been deliberately fostered and the Soviet workingman was often held up as more the partner of the American worker than his employer. The Soviet anthem "Meadowland"—indeed many aspects of Red culture—were much admired by U.S. intellectuals. And any intellectual who dissented or who raised questions about the Soviets was apt to be summarily read out of the club.

And the same psychology prevailed in the Washington bureaucracy. While there was some direct Communist penetration, it was this psychology which was to prove so damaging. If one authentic chronicle of the times and feeling, "Roosevelt and Hopkins," by Robert Sherwood, sheds little light on the making of the present Berlin crisis itself, it sheds interminable light on this now-forgotten mood which made the crisis possible. As this book illustrates with its praisesome account of the activities of the Iowa welfare worker who became Roosevelt's plenipotentiary to Stalin and alter ego, the summum bonum was "getting along" with the Russians. The whole spirit was the one that is summed up in the once-popular but now ludicrous idea that giving Stalin his way with Eastern Europe was a diplomatic success "because it proves we can get along with the Russians."

If all this makes strange reading in August 1961, it is no less germane to how Berlin came to be what it is—half Red, half free, deep within Communist Europe. This atmosphere made possible the desultory, haphazard policymaking which brought things to their present pass.

Just how haphazard Berlin policymaking was is underscored by a review of the main events in its history.

HUMBLE BEGINNINGS

It all started in 1943. Neither the Russians nor the Americans, seemingly, had done much thinking about the shape of the postwar settlement besides the ringing cries for total defeat of Germany. Hitler dominated Europe and much of European Russia. Americans had yet to set foot on the Continent.

At this time the British, more experienced than either the Russians or Americans with foreign affairs, began to consider what would be done with Germany once it was defeated. But as Winston Churchill points out in "Triumph and Tragedy," the concluding volume of his memoirs, the underlying belief in Washington and London was that the Russians would have to be enticed into a joint occupation.

As strange as this may sound now, it was perhaps plausible at the time. The Russians had entered into the abortive nonaggression pact with Nazi Germany. This was excused in the West as a device for protecting Russia, which was considered a very unaggressive country, perhaps because Karl Marx had said Communists, per se, were incapable of aggression. It followed from this that the Russians would be reluctant to pursue the war once their own territory had been rid of the Germans. The Americans and British, and particularly the latter, anxious to have the benefit of the Russian might in crushing Germany, therefore were to bend considerable energy to keep the Russians in the fighting until all Germany was in ruins.

So Prime Minister Churchill set up the Cabinet Committee in the summer of 1943 to study the occupation of Germany, under Clement Attlee, a Socialist. It "recommended that the whole country should be occupied if Germany was to be effectively disarmed, and that our forces should be disposed in three main zones of roughly equal size, the British in the northwest, the Americans in the south and southwest, and the Russians in an eastern zone." The approximately arithmetical division of Germany into three parts left Berlin well within the Russian zone. So the committee recommended "Berlin should be a separate joint zone, occupied by each of the three major allies."

These British recommendations were forwarded to the joint United States-British-Soviet group which had been set up to handle political questions, the European Advisory Council. "At the time," Mr. Churchill recalls, "the subject seemed to be purely theoretical." It "did not bulk in our thoughts, nor was it raised by any of the leaders at Teheran" in November 1943.

DIFFERING VIEWS

That is Mr. Churchill's view, anyway. Mr. Sherwood, in "Roosevelt and Hopkins," takes a different one, and reports at least three conferences between Roosevelt, Churchill, and Stalin on what was to be done with Germany.

None went very far nor concerned the British Cabinet study proposal. Roosevelt ventured a rather grandiose piece of map redrawing under which five separate German states would be created. Stalin advanced this thesis: "He felt that to leave the principle of unconditional surrender unclarified merely served to unite the German people, whereas to draw up specific terms, no matter how harsh, and tell the German people that this was what they would have to accept, would, in his opinion, hasten the day of German capitulation."

Mr. Churchill formally brought up the Cabinet proposal at the Quebec conference in September 1944—and the outcome was to prove fateful in the whole story of Berlin. Only Roosevelt and Churchill of the Big Three were present. The Cabinet proposal was part of a long report covering a multitude of matters. The President assented, the Berlin part of the report drawing, in Mr. Churchill's words, "little or no discussion." The report was remanded to the Combined Chiefs of Staff. So, the study begun by a group of British bureaucrats as a theoretical subject had now been adopted by the Americans with no discussion and, as events would develop, would be considered a firm policy guide by the military in the coming conquest of Europe.

It was Gen. Dwight D. Eisenhower, supreme commander Allied forces, whose lot it became to make the moves that have brought much of the controversy in the West over Berlin policy. As noted, complete military victory over the Germans was the Allied goal. General Eisenhower felt called on to pursue this victory without much regard to other matters.

The whole question of Germany and Berlin did not intrude into Eisenhower's plans until after France had been liberated and the Ruhr reduced. True, General Montgomery had pleaded to be allowed to make a dash for Berlin at this point but his request had been refused; there simply were not enough forces, and the main objective in the coming conquest of Germany was to be the destruction of the German armies.

Eisenhower's plan for this final stage was to be a three-pronged attack. The British were to attack in the north; the strongest, American force was to drive in the center, with a third force of Americans and French in the south. Montgomery, backed by Churchill, again asked to be permitted to go for Berlin. But this would have required the transfer of forces from the center to the north and Eisenhower demurred.

He writes in "Crusade in Europe": "I already knew of the allied political agreements that divided Germany into posthostilities occupational zones. This future division of Germany did not influence our military plans for the final conquest of the country. Military plans, I believed, should be devised with the single aim of speeding victory. A natural objective beyond the Ruhr was Berlin. It was politically and psychologically important as the symbol or remaining German power. I decided, however, that it was not the logical or the most desirable objective for the forces of the Western Allies." The Russians meanwhile were only 30 miles from Berlin and Eisenhower decided to stop his armies at the Elbe River, well within the occupation-zone-to-be of the Russians, but far short of Berlin. Stalin, receiving a copy of Eisenhower's pronouncement about Berlin, agreed readily: "Berlin has lost its former strategic importance."

Before the defeat of the German armies could be carried out, however, the Yalta conference took place and the rosy aura of a perfect United States-Soviet-British postwar world began to crumble. Berlin was not much of an issue—it was only briefly discussed. Stalin agreed to the old British Cabinet plan, and it was decided that Berlin would be occupied by whoever got there first. But the Russian insistence that Poland be handed over to its mercies convinced all but the most optimistic that trouble portended. Mr. Churchill was particularly perturbed.

THE PRESIDENT DIES

And as the Allied armies crashed ahead in the west, and the Russians attacked in the east, and Germany crumbled, President Roosevelt died. President Truman took power, completely in the dark as to what arrangements had been made in secret conferences. In May the Americans were on the Elbe, 200 miles inside the Soviet sector, the Russians were in Berlin and Hitler was dead.

Mr. Churchill now began to have serious second thoughts about the whole German arrangement, spurred along in his worry by the Russian takeover of much of Austria. On June 4 he messaged President Truman concerning the scheduled pullback of U.S. forces to their own zone: "I view with profound misgivings the retreat of the American Army to our line of occupation in the central sector, thus bringing Soviet power into the heart of Europe and the descent of an iron curtain between us and everything to the eastward. I hoped that this retreat, if it has to be made, would be accompanied by the settlement of many great things which would be the true foundation of world peace."

Then, as Mr. Churchill writes: "On June 12, the President replied: He said that the tripartite agreement about the occupation of Germany, approved by President Roosevelt after 'long consideration and detailed discussion' with me, makes it impossible to delay the withdrawal of American troops from the Soviet Zone in order to press settlement of other problems."

Mr. Churchill quickly replied, "we are obliged to conform to your decision" but added: "It is not correct to state that the tripartite agreement about zones of occupation in Germany was a subject of 'long consideration and detailed discussion' between me and President Roosevelt. References made to them at Quebec were brief, and concerned only the Anglo-American arrangements which the President did not wish to raise by correspondence beforehand."

It was to fall to President Truman, new as he was on the scene, to bring some order out of the chaos, in effect to trade the U.S.-held territory in the Soviet zone for the Russian permission to allow the Americans and British to assume their zones in Russian-conquered Berlin. It also fell to Mr. Truman to arrange that some Western access to Berlin be guaranteed, a matter not theretofore considered.

Mr. Truman was to make his mistakes, but he made them under most difficult circumstances not of his own doing. Commenting on the Quebec conference and the impact on Germany and Berlin in his "Year of Decision," he said something many of today's statesmen would do well to ponder:

"This shows conclusively that heads of state should be very careful about horseback agreements, because there is no way of foretelling the final result."

[From the Wall Street Journal, Aug. 15, 1961]

BERLIN: THE GREAT EAST-WEST LABORATORY—HOW CITY BECAME SYMBOL OF FREEDOM FOR WEST

(By John F. Bridge)

"Berlin, we were convinced, was an experimental laboratory for international accord. * * * If we could learn at the conference tables to conduct our business as friends, we could eventually live together as friends and ultimately work together in world partnership. A modus vivendi between East and West was our first objective."

So wrote Gen. Dwight D. Eisenhower in "Crusade in Europe" of his philosophy during the early days of Allied-Soviet control of Berlin. The philosophy was widespread in the United States, and the basis of such policy as there was. Though Churchill was already having serious reservations about its practicability, as the result of Russia's gobbling up East Europe despite the Yalta agreements, Britain was also going along with the idea.

In the years since 1945 Berlin has indeed become a laboratory but hardly one of international accord. Even before the experiment could be set up, there were rumblings of trouble. Germany was to be governed by an Allied Control Council, consisting of the military commanders of each of the four major victorious powers. But General Eisenhower, while he found the first meeting on June 5, 1945, in Berlin cordial enough, discovered Marshal Zhukov hemmed in by all kinds of advisers, including Andrei Vishinsky; the marshall had to take these into consideration in everything he did. But beyond this initial signal of trouble to come, the

haphazard policies that had grown up for the occupation of Germany left the new President Truman with some most difficult problems to work out.

Since at the war's end the Russians occupied all of Berlin, while both the American and British forces had advanced well within the agreed-upon Russian zone of Germany, some method had to be worked out to get everyone within the proper zones. Behind the diplomatic verbiage, the unspoken situation was one of "who's going to give up territory first." Only the Americans seemed to have faith that everyone would act properly, and bit by bit even this was tarnished.

MR. TRUMAN ACTS

Mr. Truman finally broke the logjam, after a visit by Harry Hopkins to Stalin, by messaging the Russian dictator and Mr. Churchill in early June, 1945: "As to Germany, I am ready to have instructions issued to all American troops to begin withdrawal into their own zone on 21 June in accordance with arrangements between the respective commanders, including in these arrangements simultaneous movement of the national garrisons into Greater Berlin and provision of free access by air, road and rail from Frankfurt and Bremen for U.S. forces."

The free access matter was crucial. The years of preliminary negotiations setting up a divided Berlin, going back to 1943, had not provided any method or guarantee for supply of Allied forces in the German capital. As Mr. Truman noted in his memoirs, "Year of Decisions," the arrangements "would be silly" if they led to "an isolated Berlin * * * to which we would have no access." He advised the military to press ahead for such agreements along the lines of his message to Stalin, and Marshal Zhukov and Gen. Lucius Clay sat down to work out the details late in June 1945.

Mr. Truman wrote: 'The Soviet agreed to provide unrestricted use by the Allies of the standard-gauge railroad from Goslar to Berlin via Magdeburg. The Allies were also given the use of the Hanau-Magdeburg-Berlin autobahn, but were refused free use of the Berlin-Frankfurt autobahn. The Allies were to have an air lane some 20 miles wide from Berlin to Magdeburg and two lanes from Magdeburg to Frankfurt."

These agreements were not formalized in any treaty. They were merely a verbal agreement between the two military commanders. There were still widespread hopes, at that time, that trusting the Russians would lead them into friendly relations with the West. Too, Marshal Zhukov was particularly liked by Western leaders and he reciprocated—probably to his own detriment, for as relations eventually worsened he disappeared to a remote command. General Clay in time came to express regret for the verbal character of the agreement. But as Mr. Truman noted in his memoirs, if the Russians didn't intend to honor the agreements, putting them on paper wouldn't have helped.

The Berlin meetings of the Allies rapidly became anything but a showcase of international accord. Russian intransigence became a constant concomitant to the meetings. The most minor decisions, in the Western view, had to be referred back to Moscow and the answers were often weeks in coming.

GLOBAL TROUBLES

The big blowup over Berlin—the blockade of 1948–49—was still several years away. And while relations between the West and Soviets within the city were often difficult, the main troubles were elsewhere; the hopes of cooperation in the postwar world were rapidly being dissipated at the United Nations, in Greece, Turkey, and Iran, where West and East came into conflict. One Western reaction was the Marshall plan, which further enraged the Russians.

As for Germany, it was becoming evident that East and West had different basic ideas. The West, led by Mr. Truman, continued to push for a unified Germany with a Central Government in Berlin. The East, it became increasingly evident, was set on a divided Germany, communizing its own sector and hoping eventually to pull the Western sector behind the Iron Curtain. The rosy aura of World War II days had given away to cold war by 1948, though the Russians were not yet aware of the depth of the Western determination that was suddenly and triumphantly dramatized in the Berlin crisis of 1948–49.

The background, briefly, was economic as well as political. Ever since World War II the Russians had been able to flood Berlin and West Germany with paper currency because they had been given plates duplicate to those used to print the Western currency. They had used this to depreciate the currency, aggravating inflation and the difficulties of economic reconstruction. Since the Russians were looting their own zone, rather than reconstructing it, they were already suffering a propaganda disadvantage in the eyes of the Germans.

The West decided on a currency reform, issuing new paper in its occupation areas, which were being economically united in a "bi-zonal" plan. Partly as a result of these moves, the Russian representative walked out on the Allied Control Council on March 20, 1948. And a few days later the Russians said that on April 1 they would start checking all U.S. personnel and freight passing through their zone.

Wrote Mr. Truman: "Our military government authorities rejected these conditions. They pointed out that we had been assured free access to Berlin at the time our troops withdrew from Saxony and Thuringia into their own zones. The Russians claimed no such agreement had been made. They declared they had the full right to control all traffic in their zone. They began to stop our trains at the zonal border and turn them back when the train commanders, under orders, refused to submit to inspection. Between April 1 and July 1 Russian orders sealed off all highways, rail and river traffic into and out of Berlin. 'Technical difficulties' was given as the reason by the Russians."

He added: "What was at stake in Berlin was not a contest over legal rights, although our position was entirely sound in international law, but a struggle over Germany and, in a larger sense, over Europe. In the face of our launching of the Marshall plan, the Kremlin tried to mislead the people of Europe into believing that our interest and support would not extend beyond economic matters and that we would back away from any military risks."

THE BERLIN AIRLIFT

The U.S. reaction was dramatic—and unexpected by the Russians.

On June 26 Mr. Truman discussed the crisis with his cabinet and directed that an airlift of emergency supplies, already under way, be put on a full-scale basis and every plane available be pressed into service.

Month by month the number of planes involved and the tonnage flown into Berlin airports was increased. Always the question was whether the Russians would go to war to stop the airlift. But Western determination paid off. Talks with the Russians were undertaken to get the blockade lifted, but while there always seemed bright possibilities at the highest levels of negotiation, the plans invariably were blocked at the working level. The battle of diplomacy spread to the United Nations but also bogged down there too.

Meanwhile the machinery of the Kommandatura, the four-power governing agency for Berlin itself, also broke down because of Russian obstacle-making. And as part of its intrigues the Soviets tried to boost the power of the German Communists on the Berlin city council. As a result of these two moves the government and Berlin itself were from that time split into Allied and Russian regions and governments, ending for all practical purposes the original idea that Berlin was to be treated as a single unit, the capital of a nation which was to be reunited.

The longer the airlift went on, the more efficient it became: At the peak 8,000 tons of food, coal, and other supplies were crossing the "airbridge" daily. Finally, in late January 1949, Stalin gave a hint he might back down. On May 12, 1949, 14 months after it had started, the blockade was dropped. Mostly as a face-saving measure, it was agreed by the West that the Council of Foreign Ministers should convene to discuss "matters arising out of the situation in Berlin, and matters affecting Germany as a whole."

SYMBOL OF DEDICATION

Coming on top of the Red coup in Czechoslovakia, the whole incident had galvanized Western Europe. Both there and in the United States and Britain the last defenders of giving the Russians their way in the hope they would then "be good" were in retreat. All the West began to see clearly the need to arm against the Soviet menace. Discussions soon got underway which culminated in the North Atlantic Treaty Organization. U.S. behavior in this crisis was probably a main reason for the support it won in the Korean crisis which was to hit in June 1950. "Berlin," in Mr. Truman's view, "had become a symbol of America's—and the West's—dedication to the cause of freedom."

The "experimental laboratory" for East-West cooperation thus wound up as the laboratory for American and Western determination to stand against the Russians.

Once more, in November 1958, the Russians were to try to squeeze the West out. Mr. Khrushchev at that time delivered an ultimatum saying that he would, in 6 months, sign a peace treaty with East Germany. The effect, presumably, would be to enable the East Germans to ease the West out. When the West—now headed by President Eisenhower—gave no sign of giving in, the ultimatum was allowed to expire with the Foreign Ministers convening once more to discuss German problems.

The mechanics of that squeeze were much the same as those now being applied. The laboratory is the same. There is little to indicate that, if determination be maintained, the outcome won't be the same.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, August 23, 1961, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 98. An act to authorize the Secretary of the Interior to provide water and sewage disposal facilities to the Medora area adjoining the Theodore Roosevelt National Memorial Park, N. Dak., and for other purposes;

S. 242. An act for the relief of Mary Dawn Polson (Emmy Lou Kim) and Joseph King Polson (Sung Sang Moon);

S. 333. An act for the relief of Godofredo M. Herzog;

S. 606. An act to provide for the construction of a shellfisheries research center at Milford, Conn.;

S. 650. An act to amend the Watershed Protection and Flood Prevention Act to permit certain new organizations to sponsor works of improvement thereunder;

S. 702. An act to authorize the Secretary of Agriculture to exchange certain lands in the State of Wyoming with the town of Afton, Wyo.;

S. 705. An act for the relief of Norman T. Burgett, Lawrence S. Foote, Richard E. Forsgren, James R. Hart, Ordeen A. Jallen, James M. Lane, David E. Smith, Jack K. Warren, and Anne W. Welsh;

S. 731. An act for the relief of Charles F. Tjaden;

S. 841. An act to amend the Defense Department Overseas Teachers Pay and Personnel Practices Act, and for other purposes;

S. 848. An act to authorize the Secretary of Agriculture to convey a certain parcel of land to the town of Tellico Plains, Tenn.;

S. 883. An act to extend the application of the Federal Boating Act of 1958 to the Commonwealth of Puerto Rico, the Virgin Islands, and Guam;

S. 1054. An act for the relief of Huan-pin Tso;

S. 1100. An act for the relief of Sang Man Han;

S. 1179. An act for the relief of Alicja Zakrezewska Gawkowski;

S. 1205. An act for the relief of Roger Chong Yeun Dunne;

S. 1222. An act relating to documentation and inspection of vessels of the United States;

S. 1289. An act to amend sections 337 and 4200 of the Revised Statutes of the United States so as to eliminate the oath requirement with respect to certain export manifests;

S. 1335. An act for the relief of W. B. J. Martin;

S. 1347. An act for the relief of Georgia Ellen Thomason;

S. 1443. An act for the relief of Mrs. Tyra Fenner Tynes;

S. 1450. An act for the relief of Shim Dong Nyu (Kim Christine May);

S. 1492. An act to amend the act of March 24, 1948, which established special requirements governing the selection of superintendents of national cemeteries;

S. 1527. An act for the relief of James D. Jalili;

S. 1622. An act to amend the Atomic Energy Community Act of 1955;

S. 1697. An act to approve the amendatory repayment contract negotiated with the Huntley Project Irrigation District, Montana, to authorize its execution, and for other purposes;

S. 1873. An act to amend the act entitled "An act to authorize the Commodity Credit Corporation to donate dairy products and other agricultural commodities for use in home economics courses," approved September 13, 1960 (74 Stat. 899), in order to permit the use of donated foods under certain circumstances for training college students;

S. 2034. An act to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions;

S. 2079. An act to retrocede to North Carolina jurisdiction over the southern eastbound lanes of North Carolina Highway 24, and the eastern, northbound lanes of U.S. Highway 17, as these highways traverse and parallel Camp Lejeune, N.C.;

S. 2187. An act to implement the provisions of the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954;

S. 2245. An act to amend the act granting the consent of Congress to the negotiation of certain compacts by the States of Nebraska, Wyoming, and South Dakota in order to extend the time for such negotiation; and

S.J. Res. 76. Joint resolution authorizing the Secretary of the Interior during the calendar year of 1962 to continue to deliver water to lands in certain irrigation districts in the State of Washington.

ADJOURNMENT

Mr. HUMPHREY. Mr. President, I believe there is no other business. I move that the Senate stand in adjournment, pursuant to the previous order, until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 19 minutes p.m.) the Senate adjourned, pursuant to the order previously entered, until tomorrow, Thursday, August 24, 1961, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate August 23, 1961:

U.S. DISTRICT JUDGES

Frank J. Battisti, of Ohio, to be U.S. district judge for the northern district of Ohio, vice a new position.

Edward S. Northrop, of Maryland, to be U.S. district judge for the district of Maryland, vice a new position.

U.S. MARSHAL

Victor L. Wogan, Jr., of Louisiana, to be U.S. marshal for the eastern district of Louisiana for the term of 4 years, vice Edward T. Petitbon.

U.S. ATTORNEY

Merle M. McCurdy, of Ohio, to be U.S. attorney for the northern district of Ohio for the term of 4 years, vice Russell E. Ake.

DIPLOMATIC AND FOREIGN SERVICE

Charles F. Darlington, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Gabon.

IN THE MARINE CORPS

Having designated, in accordance with the provisions of title 10, United States Code, section 5232, Maj. Gen. Robert B. Luckey, U.S. Marine Corps, for commands and other duties determined by the President to be within the contemplation of said section, I nominate him for appointment to the grade of lieutenant general while so serving.

IN THE COAST GUARD

The following-named persons to be commanders in the U.S. Coast Guard:

David H. Douglas
David Oliver

The following-named person to be lieutenant commander in the U.S. Coast Guard:

Paul S. Hofmeister

The following-named persons to be lieutenants in the U.S. Coast Guard:

William E. West, Jr.
Eugene G. Verrett
Carlton D. Leonard

The following-named persons to be lieutenants (junior grade) in the U.S. Coast Guard:

James G. Glasgow	Leonard W. Garrett
Robert A. Kuehnl	Thomas S. Mills
Robert P. Knauff	William P. Hewel
Joseph M. McKenna	Alan B. Smith

The following-named persons to be chief warrant officers, W-4, in the U.S. Coast Guard:

Ernest E. Fuller	Philip S. Lincoln
Lawrence O. Hamilton	Charles A. McQuaid
Talmadge H. Sivils	Lee W. Bothell
Ludwig K. Rubinsky	

The following-named person to be chief warrant officer, W-3, in the U.S. Coast Guard:

Raymond R. Thiele

The following-named persons to be chief warrant officers, W-2, in the U.S. Coast Guard:

Johnnie P. Gilbert	William C. Bart
John E. Dunn	John E. Tucker

CONFIRMATIONS

Executive nominations confirmed by the Senate August 23, 1961:

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Paul M. Butler, of Indiana, to be a member of the Advisory Board of the St. Lawrence Seaway Development Corporation.

Thomas P. McMahon, of New York, to be a member of the Advisory Board of the St. Lawrence Seaway Development Corporation.

Dr. N. R. Danielian, of Maryland, to be a member of the Advisory Board of the St. Lawrence Seaway Development Corporation.

HOUSE OF REPRESENTATIVES

WEDNESDAY, AUGUST 23, 1961

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Isaiah 43: 5: *Fear not; for I am with thee.*

Almighty God, in whose keeping and control are the events of each new day and the destiny of all men, may we be more eager to avail ourselves of Thy divine wisdom and guidance.

Incline our minds and hearts to be humble and docile, teachable and trustful, for we are conscious of many limitations and shortcomings and are frequently confused and confounded.

Grant that our faith in Thee and in the power of righteousness may remain resolute and unshaken, no matter how disquieting and disturbing the happenings of these times may be.

May all who hold positions of leadership and influence in our Republic be wise in diplomacy, in moral and spiritual strategy, and in the art of persuasive reasoning as they endeavor to establish peace among the nations.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 8302. An act making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of

the two Houses thereon, and appoints Mr. STENNIS, Mr. RUSSELL, Mr. MONRONEY, Mr. SALTONSTALL, Mr. BRIDGES, and Mr. BYRD of Virginia to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 650. An act to amend the Watershed Protection and Flood Prevention Act to permit certain new organizations to sponsor works of improvement thereunder.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2034) entitled "An act to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions."

The message also announced that the Senator from Indiana had been appointed a conferee on the bill S. 1983, entitled "An act to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic development and internal and external security, and for other purposes," in place of the Senator from Kansas [Mr. CARLSON], excused.

COMMITTEE SESSION DURING GENERAL DEBATE

Mr. THORNBERRY. Mr. Speaker, on behalf of the gentleman from California [Mr. ROOSEVELT] and the gentleman from Pennsylvania [Mr. DENT], I ask unanimous consent that the Special Subcommittee on Labor and the Subcommittee on the Impact of Imports and Exports on American Employment of the Committee on Education and Labor may be permitted to sit today during general debate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

APPROPRIATIONS FOR MILITARY CONSTRUCTION FOR DEPARTMENT OF DEFENSE, 1962

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8302) making appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1962, and for other purposes, with amendments of the Senate thereto, disagree to the amendments and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California? The Chair hears none, and appoints the following conferees: Messrs. SHEPPARD, SIKES, CANNON, JONAS, and TABER.

LIMITATION ON RETIREMENT INCOME CREDIT

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 6371) to amend section 37 of the Internal Revenue Code of 1954 with respect to the limitation on retirement income.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. MASON. Mr. Speaker, reserving the right to object, I ask for an explanation of the bill.

Mr. MILLS. Mr. Speaker, the bill, H.R. 6371, which, with amendments, was unanimously approved by the Committee on Ways and Means, would liberalize the present limitation on retirement income with respect to which a tax credit may be claimed for Federal income tax purposes. An identical bill, H.R. 6372, was sponsored by the ranking minority member of the Committee on Ways and Means, the Honorable NOAH M. MASON of Illinois.

As Members of the House will recall, the retirement income credit was brought into the law by the Internal Revenue Code of 1954 and was designed to provide tax benefits for the recipients of taxable pensions, annuities, and other retirement income, that were comparable to the benefits received by the recipients of tax-exempt social security and similar payments. This was done by, in effect, exempting from the first bracket tax an amount of otherwise taxable retirement income up to a maximum of $1,200. In 1954, this $1,200 figure approximated the maximum amount of tax-exempt social security benefits that an individual could receive under the law at that time. To preclude the allowance of a double benefit, this retirement income available for the tax credit must be reduced by the amount of any social security or other tax-exempt benefits received.

Since 1954, Mr. Speaker, the Congress has approved increases in social security benefits so that at the present time the maximum primary benefit payable under the social security program is $1,524 a year. The bill, H.R. 6371, updates the retirement income credit by providing a comparable increase in the retirement income subject to the tax credit. Thus, the amount of retirement income which may be taken into account is increased from the present $1,200 to $1,524.

Mr. Speaker, another liberalization that would be made by this bill would increase the amount of income that a recipient of retirement income may earn without suffering a reduction in the amount of such income eligible for the tax credit. This increase is analogous to the increase in the earned income that Congress has permitted the recipients of tax-exempt social security benefits to receive without reducing the amount of such benefits.

The Members of the House will recall that in 1954 a social security benefit was reduced for earnings in excess of $1,200. A similar earnings test was made applicable to the retirement income credit. However, since 1954, Congress has increased the amount of earned income a social security beneficiary may receive without reducing his benefits so that at the present time social security benefits are reduced as follows: There is no reduction for earned income received up to $1,200. Earned income between $1,200 and $1,700 reduces a social security benefit by $1 for every $2 of such earnings. Earnings in excess of $1,700 reduces such benefits on a dollar-for-dollar basis. Under the bill, H.R. 3671, a similar reduction will be made in the retirement income which will be available for the tax credit.

Mr. Speaker, this bill also provides that the liberalized earnings tests just described shall apply to taxpayers who receive pensions and annuities under public, or governmental, retirement systems upon their attainment of age 62. Under present law, if these taxpayers are under the age of 65, their retirement income which is available for the tax credit must be reduced on a dollar-for-dollar basis for all earnings in excess of $900. Your committee concluded that in line with the social security liberalizations voted by the Congress which permit early retirement at age 62 and the application of the new earnings test rules at that age, that similar earnings test rules should apply at age 62 in computing the retirement income credit available to retired public employees who, in general, are not receiving benefits under the social security program. However, the bill would not change the present earnings test limitation of $900 in the case of retired public employees who are under the age of 62.

In my opinion, the passage of this bill will restore the tax equality that the enactment of the retirement income credit was designed to provide between the recipients of taxable pensions, annuities, and other retirement income, and, the recipients of social security, railroad retirement, and similar tax-exempt benefits.

Mr. MASON. Mr. Speaker, due to the fact that my name is on the bill and I am for the bill, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 37(d) of the Internal Revenue Code of 1954 (relating to limitation on retirement income) is amended to read as follows:

"(d) LIMITATION ON RETIREMENT INCOME.—For purposes of subsection (a), the amount of retirement income shall not exceed $1,524 less—

"(1) in the case of any individual, any amount received by the individual as a pension or annuity—

"(A) under title II of the Social Security Act,

"(B) under the Railroad Retirement Acts of 1935 or 1937, or

"(C) otherwise excluded from gross income, and

"(2) in the case of any individual who has not attained age 72 before the close of the taxable year—

"(A) if such individual is a man and has not attained age 65 before the close of the taxable year, or is a woman and has not attained age 62 before the close of the taxable year, any amount of earned income (as defined in subsection (g)) in excess of $900 received by such individual in the taxable year, or

"(B) if such individual is a man and has attained age 65 before the close of the taxable year, or is a woman and has attained age 62 before the close of the taxable year, the sum of (i) one-half the amount of earned income received by such individual in the taxable year in excess of $1,200 but not in excess of $1,500, and (ii) the amount of earned income so received in excess of $1,500."

SEC. 2. The amendment made by the first section of this Act shall apply only to taxable years ending after the date of the enactment of this Act.

With the following committee amendments:

Page 2, beginning in line 8, strike out "is a man and has not attained age 65 before the close of the taxable year, or is a woman and".

Page 2, beginning in line 15, strike out "is a man and has attained age 65 before the close of the taxable year, or is a woman and".

Page 2, line 21, strike out "$1,500," and insert "$1,700,".

Page 2, line 22, strike out "$1,500" and insert "$1,700."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. MASON] and I may be permitted to extend our remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, the bill, H.R. 6371, which, with amendments, was unanimously approved by the Committee on Ways and Means, would liberalize the present limitation on retirement income with respect to which a tax credit may be claimed for Federal income tax purposes.

As Members of the House will recall, the retirement income credit was brought into the law by the Internal Revenue Code of 1954 and was designed to provide tax benefits for the recipients of taxable pensions, annuities, and other retirement income, that were comparable to the benefits received by the recipients of tax-exempt social security and similar payments. This was done by, in effect, exempting from the first bracket tax an amount of otherwise taxable retirement income up to a maximum of $1,200. In 1954, this $1,200 figure approximated the maximum amount of tax-exempt social security benefits that an individual could receive under the law at that time. To preclude the allowance of a double benefit, this retirement income available for the tax credit must be reduced by the amount of any social security or other tax-exempt benefits received.

Since 1954, Mr. Speaker, the Congress has approved increases in social security benefits so that at the present time the maximum primary benefit payable under the social security program is $1,524 a year. The bill, H.R. 6371, updates the retirement income credit by providing a comparable increase in the retirement income subject to the tax credit. Thus, the amount of retirement income which may be taken into account is increased from the present $1,200 to $1,524.

Mr. Speaker, another liberalization that would be made by this bill would increase the amount of income that a recipient of retirement income may earn without suffering a reduction in the amount of such income eligible for the tax credit. This increase is analogous to the increase in the earned income that Congress has permitted the recipients of tax-exempt social security benefits to receive without reducing the amount of such benefits.

The Members of the House will recall that in 1954 a social security benefit was reduced for earnings in excess of $1,200. A similar earnings test was made applicable to the retirement income credit. However, since 1954, Congress has increased the amount of earned income a social security beneficiary may receive without reducing his benefits so that at the present time social security benefits are reduced as follows: There is no reduction for earned income received up to $1,200. Earned income between $1,200 and $1,700 reduces a social security benefit by $1 for every $2 of such earnings. Earnings in excess of $1,700 reduce such benefits on a dollar-for-dollar basis. Under the bill, H.R. 6371, a similar reduction will be made in the retirement income which will be available for the tax credit.

Mr. Speaker, this bill also provides that the liberalized earnings tests just described shall apply to taxpayers who receive pensions and annuities under public, or governmental, retirement systems upon their attainment of age 62. Under present law, if these taxpayers are under the age of 65, their retirement income which is available for the tax credit must be reduced on a dollar-for-dollar basis for all earnings in excess of $900. Your committee concluded that in line with the social security liberalizations voted by the Congress which permit early retirement at age 62 and the application of the new earnings test rules at that age, that similar earnings test rules should apply at age 62 in computing the retirement income credit available to retired public employees who, in general, are not receiving benefits under the social security program. However, the bill would not change the present earnings test limitation of $900 in the case of retired public employees who are under the age of 62.

In my opinion, the passage of this bill will restore the tax equality that the enactment of the retirement income credit was designed to provide between the recipients of taxable pensions, annuities, and other retirement income, and, the recipients of social security, railroad retirement, and similar tax-exempt benefits.

Mr. Speaker, the ranking minority member of the Committee on Ways and Means, the Honorable NOAH M. MASON, of Illinois, joined with me in sponsoring this legislation.

Mr. MASON. Mr. Speaker, when the retirement income credit, section 37, of the 1954 Code, was originally adopted, there was an approximate relationship between the terms of that credit and certain aspects of the social security program. However, subsequent changes have been made in the Social Security Act without appropriate adjustments being made in the case of the retirement income credit provision of our Federal tax law. The purpose of this legislation that has just passed the House is to bring the tax credit provision into conformity with the Social Security Act in a number of respects as follows: First, the maximum amount of retirement income which may be taken into account in computing the tax credit is increased from $1,200 to $1,524; second, the reduction in the retirement credit because of earned income is conformed with the social security retirement test so that there will be a $500 band between $1,200 to $1,700 within which the retirement income credit will be reduced in the amount of $1 for every $2 of earnings, and earnings above $1,700 would provide a dollar for dollar reduction in the credit; and third, the bill provides for those retiring under public retirement programs that the new reduction for earned income will be applicable to those age 62 or over rather than age 65 or over, as is provided under present law. For those persons who are below age 62 and under a public retirement program, the present $900 floor for a reduction arising from earned income will continue to apply.

The Committee on Ways and Means was unanimous in reporting this legislation favorably. It was my privilege to join with the chairman of the committee in cosponsoring this legislation.

BETA-RAY SPECTROMETER FOR TULANE UNIVERSITY

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 641) to provide for the free entry of an electron microscope and an L.K.B. intermediate image spectrometer for the use of Tulane University, New Orleans, La.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. MASON. Mr. Speaker, reserving the right to object, I ask for an explanation of the bill.

Mr. MILLS. Mr. Speaker, this bill would provide for the duty-free entry of one intermediate lens beta-ray spectrometer for the use of Tulane University at New Orleans, La. The spectrometer covered by this bill is a high precision instrument which is needed in important research to be conducted at Tulane University. The committee has

been advised that this instrument is not made in the United States, and therefore this matter does not involve a conflict with domestic production.

Mr. MASON. I withdraw my reservation of objection, Mr. Speaker.

Mr. GROSS. Mr. Speaker, further reserving the right to object, there was a bill on June 19 of this year out of the gentleman's committee which the gentleman from Texas [Mr. IKARD] called before the House, dealing with the importation of an electronic miscroscope.

Mr. MILLS. Electron microscopes.

Mr. GROSS. At the time I asked the gentleman if this type of microscope was manufactured in this country, and the answer of the gentleman from Texas [Mr. IKARD] was that it was not manufactured in this country. It likewise called for duty-free importation. Now I understand that such a microscope is manufactured in this country.

Mr. MILLS. There is a difference of opinion, and there was at that time, among some people as to whether or not that particular type of microscope, an electron microscope of that nature, was made in the United States.

At the time I gave the gentleman the answer I did it was the opinion of the committee that such type was not, and I do not know that the committee has yet received information that it is manufactured here, because that would change the situation.

Mr. GROSS. It was not the gentleman who answered my question, but the gentleman from Texas [Mr. IKARD].

Mr. MILLS. That is true. The gentleman from Texas had information that caused him to give the gentleman that answer.

Mr. CAHILL. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. CAHILL. I would like to say to the Chairman that I was on the floor at the time the question was asked by the gentleman from Iowa [Mr. GROSS] and answered by the gentleman from Texas [Mr. IKARD] and I did some research in this matter. I found that the Radio Corporation of America—RCA—does actually manufacture an electron microscope such as was provided for in that bill.

Mr. MILLS. I learned of that fact after the bill had passed the House, after it passed the Senate, and after it was up at the White House awaiting the President's signature.

Mr. CAHILL. I suppose the legislation introduced by the gentleman from Texas [Mr. IKARD] was for a very worthy purpose and I think the statements made by Mr. IKARD were made unknowingly and without full information. I think, however, the RECORD should show that RCA has been manufacturing this electron microscope for 32 years. I believe it is for the best interest of the institutions of the United States that this electron microscope be manufactured in this country and that personnel be trained in its use. Therefore we should encourage the industry now manufacturing them. The gentleman from Texas [Mr. IKARD] has joined me in introducing a bill to negate the effect of the bill which was referred to by the gentleman from Iowa, because we agree, Mr. Chairman, that the United States should perfect our own industries and train our own personnel to operate these election microscopes. We should not be dependent upon European manufacture or European-trained personnel.

Mr. MILLS. It is known to the committee that electron microscopes are manufactured in the United States, but it has also come to the attention of the committee that there are diverse types of electron microscopes. We were talking about a specific type of such instrument when we had the bill before the House. It was the opinion of the committee at that time that that particular type of electron microscope was not produced in the United States. The matter of domestic production of electron microscopes was only called to my attention, I must say, after the bill had passed the House and passed the Senate, and there was nothing we could do about it.

Mr. CAHILL. I understand. Will the gentleman from Iowa yield further?

Mr. GROSS. I yield.

Mr. CAHILL. I would like to say I understand through representatives of the manufacturer that the agencies of the Government now have been fully informed of the type of microscopes they manufacture and that the committee has been informed likewise.

Mr. MILLS. That is true.

Mr. CAHILL. And it would be my hope that in this session, or certainly early in the next session, legislation can be enacted which would negate the effect of the bill which was passed.

Mr. MILLS. At any rate we understand we do not have that problem with respect to this type of beta ray spectrometer. The Department of Commerce has made a very diligent inquiry of American industry and has come up with information it has submitted to the Ways and Means Committee that this type of instrument is not produced in the United States. We have received no information to date from any source that this particular instrument is produced here in the United States.

Mr. IKARD of Texas. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Texas.

Mr. IKARD of Texas. I was just going to observe that we are all desirous of supporting American industry and development, but this particular type of research and a very highly specialized field requires laboratory equipment of a very specialized nature. Without belaboring the point here, I will read an excerpt from a letter with regard to a foreign electron microscope from the Marine Laboratory at Woods Hole, Mass., in which they say:

> We think it would be a waste of money for our purposes to purchase any other presently available electronic microscope.

They point out that they already have a domestic electron microscope but they need the foreign microscope to engage in research which they say they cannot do with the domestic article.

So you are getting into an area of basic scientific research where it is felt one particular instrument can do a better job than any of the rest. I think we should do everything possible to aid them in continuing with their research into vital matters of health and national security.

I am not knowledgeable enough to argue with them, and I do not think anyone in this House is, and to say to them they have to have a particular type of instrument to do basic research. We started out in the previous bill to take the same approach that is taken here and to bring in duty free a particular instrument for a particular institution. It was only at the suggestion of the administration that we broadened that, and we might have made a mistake.

Mr. GROSS. Does the gentleman not agree that if there is a product made in this country that is acceptable, that is efficient, we should not eliminate the tariff?

Mr. IKARD of Texas. I agree with the gentleman, assuming the scientists involved will come to that judgment. I think they are the ones who have to make the determination that it will do the same job.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill as follows:

> *Be it enacted by the Senate and House of Repesentatives of the United States of America in Congress assembled,* That the Secretary of the Treasury is authorized and directed to admit free of duty one electron microscope and one L.K.B. intermediate image spectrometer imported for the use of Tulane University, New Orleans, Louisiana.

With the following committee amendment:

> Strike out all after the enacting clause and insert in lieu thereof the following: "That the Secretary of the Treasury is authorized and directed to admit free of duty one intermediate lens beta-ray spectrometer imported for the use of Tulane University, New Orleans, La."

The committee amendment was agreed to:

The bill was ordered to be engrossed and read a third time, was read a third time, and passed.

The title was amended to read as follows: "A bill to provide for the free entry of an intermediate lens beta-ray spectrometer for the use of Tulane University, New Orleans, La."

A motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection?

Mr. MILLS. Mr. Speaker, the purpose of H.R. 641, which was introduced by our colleague from Louisiana [Mr. BOGGS], and unanimously reported, with amendments, by the Committee on Ways and Means, is to permit the duty-free entry of one intermediate lens beta-ray spectrometer for the use of Tulane University of New Orleans, La.

The spectrometer covered by this bill is a highly precise instrument which is needed in important research being conducted at Tulane University. The Committee on Ways and Means was advised that it is the understanding of the Department of Commerce that this type of instrument is not produced in the United States. We have received no information to the contrary.

In these circumstances, your committee feels that Tulane University should not have to pay substantial import duties on such a highly specialized instrument, which is not available in the United States and which is utilized in important scientific projects.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. MASON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection?

Mr. MASON. Mr. Speaker, H.R. 641, as amended by the Committee on Ways and Means, authorizes the duty-free entry of a spectrometer by Tulane University in New Orleans, La.

The membership of the Committee on Ways and Means during its deliberations on this legislation was advised that the instrument is to be used to make precision measurements of the yields and energies of beta particles in connection with experimental nuclear physics. The Committee on Ways and Means was also informed that this particular type of spectrometer is not available in the United States.

The committee was unanimous in reporting this legislation favorably to the House.

ANNOUNCEMENT

Mr. MILLS. Mr. Speaker, it had been previously announced that I would ask unanimous consent for the consideration of the bill H.R. 6145. I am not going to do that today because the gentleman from Wisconsin [Mr. BYRNES], has notified me if it should be called up he would nave to object at this time.

AMENDMENT TO FEDERAL AVIATION ACT OF 1958 PROVIDING FOR APPLICATION OF FEDERAL CRIMINAL LAW TO CERTAIN EVENTS OCCURRING ON BOARD AIRCRAFT IN AIR COMMERCE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2268) to amend the Federal Aviation Act of 1958 to provide for the application of Federal criminal law to certain events occurring on board aircraft in air commerce.

I may say this is the bill commonly referred to as the airlines hijacking bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. HARRIS]?

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 902 of the Federal Aviation Act of 1958 is amended by adding at the end thereof the following new subsections:

"CRIMES ABOARD AIRCRAFT IN FLIGHT

"(i) (1) Whoever, while on board an aircraft in flight in air commerce, commits an act which, if committed within the special maritime and territorial jurisdiction of the United States, would be in violation of sections 113, 114, 1111, 1112, 1113, 1363, or 2111 of title 18, United States Code, shall be punished as provided therein.

"(2) Whoever, while on board an aircraft in flight in air commerce (A) attempts to obtain or obtains control of the aircraft by unlawful force or violence or the threat of force or violence; or (B) assaults, intimidates, or threatens so as to interfere with any flight crew member of such aircraft while engaged in the performance of his duties or lessen the ability of such flight crew member to perform his duties, shall be fined not more than $10,000 or imprisoned not more than twenty years, or both. Whoever in the commission of any such acts uses a firearm or other deadly or dangerous weapon shall be punished by imprisonment for life, or for a term of years not less than twenty, or punished by death if the jury shall so direct.

"(3) Whoever, while on board an aircraft in flight in air commerce, commits an act which if committed aboard a vessel on the high seas would constitute piracy as defined by section 1651 of title 18, United States Code, shall be punished by imprisonment for life, or for a term of years not less than twenty, or punished by death if the jury shall so direct.

"(4) Whoever willfully imparts or conveys or causes to be imparted or conveyed false information, knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would constitute a violation of paragraphs (2) and (3) of this subsection shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"(5) Violation of this subsection shall be investigated by the Federal Bureau of Investigation.

"CARRYING WEAPONS ABOARD AIRCRAFT

"(j) Except for law enforcement officers of any municipal, county, or State government, or the Federal Government, who are authorized or required to carry arms, and except for such other persons as may be so authorized under regulations issued by the Administrator, whoever, while a passenger aboard an aircraft being operated by an air carrier in air transportation, carries on or about his person a concealed deadly or dangerous weapon or attempts to board such an aircraft carrying such a weapon shall be fined not more than $5,000 or imprisoned not more than five years, or both. Violations of this subsection shall be investigated by the Federal Bureau of Investigation."

SEC. 2. Title XI of the Federal Aviation Act is amended by adding at the end thereof a new section as follows:

"AUTHORITY TO REFUSE TRANSPORTATION

"SEC. 1111. Any air carrier is authorized under regulations prescribed by the Administrator to refuse transportation to a passenger or to refuse to transport property when, in the opinion of the air carrier, such transportation would or might be inimical to safety of flight."

Mr. HARRIS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARRIS: Strike out all after the enacting clause and insert the following: "That section 902 of the Federal Aviation Act of 1958 (49 U.S.C. 1472) is amended by adding at the end thereof the following new subsections:

"'AIRCRAFT PIRACY

"'(i) (1) Whoever commits or attempts to commit aircraft piracy, as herein defined, shall be punished—

"'(A) by death if the verdict of the jury shall so recommend, or, in the case of a plea of guilty, or a plea of not guilty where the defendant has waived a trial by jury, if the court in its discretion shall so order; or

"'(B) by imprisonment for not less than twenty years, if the death penalty is not imposed.

"'(2) As used in this subsection, the term "aircraft piracy" means any seizure or exercise of control, by force or violence or threat of force or violence and with wrongful intent, of an aircraft in flight in air commerce.

"'INTERFERENCE WITH FLIGHT CREW MEMBERS OR FLIGHT ATTENDANTS

"'(j) Whoever, while aboard an aircraft in flight in air commerce, assaults, intimidates, or threatens any flight crew member or flight attendant (including any steward or stewardess) of such aircraft, so as to interfere with the performance by such member or attendant of his duties or lessen the ability of such member or attendant to perform his duties, shall be fined not more than $10,000 or imprisoned not more than twenty years, or both. Whoever in the commission of any such act uses a deadly or dangerous weapon shall be imprisoned for any term of years or for life.

"'CERTAIN CRIMES ABOARD AIRCRAFT IN FLIGHT

"'(k) (1) Whoever, while aboard an aircraft in flight in air commerce, commits an act which, if committed within the special maritime and territorial jurisdiction of the United States, as defined in section 7 of title 18, United States Code, would be in violation of section 113, 114, 661, 662, 1111, 1112, 1113, 2031, 2032, or 2111 of such title 18 shall be punished as provided therein.

"'(2) Whoever, while aboard an aircraft in flight in air commerce, commits an act, which, if committed in the District of Columbia would be in violation of section 9 of the Act entitled "An Act for the preservation of the public peace and the protection of property within the District of Columbia", approved July 29, 1892, as amended (D.C. Code, sec. 22–1112), shall be punished as provided therein.

"'CARRYING WEAPONS ABOARD AIRCRAFT

"'(l) Except for law enforcement officers of any municipal or State government, or the Federal Government, who are authorized or required to carry arms, and except for such other persons as may be so authorized under regulations issued by the Administrator, whoever, while aboard an aircraft being operated by an air carrier in air transportation, has on or about his person a concealed deadly or dangerous weapon, or whoever attempts to board such an aircraft while having on or about his person a concealed deadly or dangerous weapon, shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"'FALSE INFORMATION

"'(m) (1) Whoever imparts or conveys or causes to be imparted or conveyed false information, knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a crime prohibited by subsection (i), (j), (k), or (l) of this section, shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"'(2) Whoever willfully and maliciously, or with reckless disregard for the safety of human life, imparts or conveys or causes to be imparted or conveyed false information, knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a crime prohibited by subsection (i), (j), (k), or (l) of this section, shall be fined not more than $5,000 or imprisoned not more than five years, or both.

"'INVESTIGATIONS BY FEDERAL BUREAU OF INVESTIGATION

"'(n) Violations of subsections (i) through (m), inclusive, of this section shall be investigated by the Federal Bureau of Investigation of the Department of Justice.'

"SEC. 2. Subsection (a) of section 903 of the Federal Aviation Act of 1958 (49 U.S.C. 1473(a)) is amended to read as follows:

"'VENUE

"'SEC. 903. (a) The trial of any offense under this Act shall be in the district in which such offense is committed; or, if the offense is committed out of the jurisdiction of any particular State or district, the trial shall be in the district where the offender, or any one of two or more joint offenders, is arrested or is first brought. If such offender or offenders are not so arrested or brought into any district, an indictment or information may be filed in the district of the last known residence of the offender or of any one of two or more joint offenders, or if no such residence is known the indictment or information may be filed in the District of Columbia. Whenever the offense is begun in one jurisdiction and completed in another, or committed in more than one jurisdiction, it may be dealt with, inquired of, tried, determined, and punished in any jurisdiction in which such offense was begun, continued, or completed, in the same manner as if the offense had been actually and wholly committed therein.'

"SEC. 3. Paragraph (4) of section 101 of the Federal Aviation Act of 1958 (49 U.S.C. 1301(4)) is amended by striking out 'operation or navigation or aircraft within' and inserting in lieu thereof the following: 'operation or navigation of aircraft within'.

"SEC. 4. Title XI of the Federal Aviation Act of 1958 is amended by adding at the end thereof the following new section:

"'AUTHORITY TO REFUSE TRANSPORTATION

"'SEC. 1111. Subject to reasonable rules and regulations prescribed by the Administrator, any air carrier is authorized to refuse transportation to a passenger or to refuse to transport property when, in the opinion of the air carrier, such transportation would or might be inimical to safety of flight.'

"SEC. 5. (a) That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the heading 'Sec. 902. Criminal penalties.' is amended by adding at the end thereof the following:

"'(i) Aircraft piracy.

"'(j) Interference with flight crew members or flight attendants.

"'(k) Certain crimes aboard aircraft in flight.

"'(l) Carrying weapons aboard aircraft.

"'(m) False information.

"'(n) Investigations by Federal Bureau of Investigation.'

"(b) That portion of such table of contents which appears under the heading 'TITLE XI—MISCELLANEOUS' is amended by adding at the end thereof the following:

"'Sec. 1111. Authority to refuse transportation.'"

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

By unanimous consent, the proceedings by which H.R. 8384 was passed by the House were vacated, and that bill laid on the table.

A motion to reconsider was laid on the table.

VICE PRESIDENT JOHNSON'S RECENT VISIT TO BERLIN

Mr. AUCHINCLOSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. AUCHINCLOSS. Mr. Speaker, I feel that every citizen in the United States should be grateful for the representation given them by Vice President JOHNSON in his recent visit to Berlin. From all reports, he not only strengthened the morale of those freedom-loving people in West Berlin and renewed their determination to resist slavery but, at the same time, he carried high the banner of our country and made it plain to the world that we are not afraid but determined to fulfill our promises and to preserve the sanctity of the given word and agreements between nations.

I commend him highly for the work he has done and I am grateful to him for upholding the high standards of our country and strengthening our own determination to do that which is right and honest.

CALL OF THE HOUSE

Mr. TEAGUE of California. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 165]

Andersen, Minn.	Keith	Philbin
Baring	Kilburn	Pilcher
Barrett	Landrum	Pillion
Bell	Loser	Rabaut
Brooks, La.	McMillan	Riley
Buckley	Machrowicz	St. Germain
Curtis, Mo.	May	Santangelo
Diggs	Miller, N.Y.	Shelley
Harrison, Va.	Milliken	Shipley
Healey	Minshall	Slack
Hébert	Nix	Tupper
Henderson	Norrell	Westland
Kearns	O'Brien, N.Y.	Whitten
Kee	Passman	Widnall
	Peterson	Wilson, Ind.

The SPEAKER pro tempore. On this rollcall, 393 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. THORNBERRY. Mr. Speaker, on behalf of the gentleman from South Carolina [Mr. MCMILLAN], I ask unanimous consent that the Committee on the District of Columbia may have until midnight Saturday night to file sundry reports.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

FUGITIVE FELON ACT

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 409 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 468) to amend section 1073 of title 18, United States Code, the Fugitive Felon Act. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, House Resolution 409 provides for the consideration of H.R. 468, a bill to amend section 1073 of title 18, United States Code, the Fugitive Felon Act. The resolution provides for an open rule with 2 hours of general debate.

The purpose of H.R. 468 is to amend the Fugitive Felon Act so as to broaden the scope of existing law in order that a number of serious crimes not presently included within the statute will be included in order to assist local law enforcement agencies in the apprehension of fugitives through the services of the Federal Government.

It is not my purpose to cover the details of the bill at this time since they will be fully discussed by members of the Judiciary Committee when the bill is considered.

Mr. Speaker, I urge the adoption of House Resolution 409 so that H.R. 468 may be acted upon by the House.

I know of no opposition to the rule.

Mr. Speaker, I reserve the balance of my time and yield 30 minutes to the gentleman from California [Mr. SMITH].

Mr. SMITH of California. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, the reason I am taking this particular time this afternoon is because I find myself wearing two hats, one as a member of the Rules Committee to present the rule, and the other as a former law enforcement officer of the FBI.

The resolution before us makes in order the consideration of the so-called Fugitive Felon Act. I believe there is no opposition to the adoption of the rule, but I think there will be some opposition to the bill and some amendments will be offered. I understand the bill is controversial. Some of the gentlemen on the Judiciary Committee, gentlemen for

whom I have the highest respect, having served with them on the Judiciary Committee and having argued this particular bill in committee last year, have different opinions. I consider them to be very able attorneys and very fine Members and I respect their opinions.

This rule will provide 2 hours of general debate for the consideration of the bill H.R. 468. This is one of the most vitally important items of legislation pending before this House, in my opinion. This bill—designed to amend the Fugitive Felon Act—would plug a dangerous hole in the Nation's protective armor against crime by extending the Fugitive Felon Act to enable the Federal Bureau of Investigation to actively enter the search for escaped convicts and other underworld elements who have fled across State lines to avoid prosecution, custody, confinement, or giving testimony in connection with crimes which are punishable by more than 1 year's imprisonment.

The United States critically needs this legislation. Today, we are confronted by the worst wave of lawlessness in the Nation's history. The esteemed Director of the FBI, Mr. J. Edgar Hoover, has recently reported a 98-percent increase in serious crimes across the country since 1950. Every 3 minutes, one of our citizens becomes the victim of murder or vicious assault. There is a robbery every 6 minutes; an automobile theft, every 2 minutes; a burglary, every 39 seconds.

The Federal Government cannot shirk its responsibility to help fight this surging tide of criminality. We must move—and move quickly—not by usurping the jurisdiction of State and local authorities, but by giving them further cooperative assistance.

That is why H.R. 468 is so vitally important. It will enable the FBI to render further assistance to local police in tracking down fast-moving public enemies who commit crimes in one section of the country and then flee into hiding hundreds of miles away.

The Fugitive Felon Act, as presently constituted, covers only a limited number of vicious crimes. Yet, it has been of invaluable aid to the entire law-enforcement profession. During the past fiscal year, I am advised, more than 1,400 fugitives—including sadistic killers, armed robbers, and other menaces to society—were located under this statute and made available to the State and local authorities from whose jurisdictions they had fled.

Since its original enactment in 1934, this statute has become one of America's most potent weapons in the fight against crime. Mr. Hoover's agents have enforced it with typical efficiency, tact, and restraint.

First, it has been the established policy of the Justice Department that a local warrant must be outstanding against the fugitive in the State from which he has fled.

Mr. FORRESTER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman from Georgia.

Mr. FORRESTER. The gentleman has put his finger on the criticisms that he well knows I have had regarding this legislation. As a matter of fact, I find no fault in the administration of this law in the past practices of the Department of Justice, but I believe the gentleman will concede that the law itself is quite different from the practice that has been pursued. Is that not correct?

Mr. SMITH of California. I would not concede that to the gentleman. I have had a lot of experience under this law myself, and I think it has been efficiently handled. I would not want to make a statement to go as far as that.

Mr. FORRESTER. There is nothing in the law which provides that the State will have to make any request, but, as a practical matter, the State does make the request?

Mr. SMITH of California. I agree, the State has to make the request.

Mr. FORRESTER. That is very important. As I understand it, the gentleman agrees the State should make the request?

Mr. SMITH of California. Yes.

Mr. FORRESTER. The gentleman will support an amendment which will be offered by the gentleman from Iowa [Mr. BROMWELL], which will have that effect?

Mr. SMITH of California. That is correct. I will support him. If I may finish several more paragraphs, I shall be glad to yield.

Second, State or local authorities must make an official request for the FBI to help locate the fleeing felon. Third, a Federal warrant cannot be issued for the fugitive's arrest without the express approval of a U.S. attorney or other prosecutive official of the Department of Justice.

There is no danger that this extension of the Fugitive Felon Act will lead to abuses of individual rights. To the contrary, it will provide greater security and protection to law-abiding citizens throughout the land.

Mr. FORRESTER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman from Georgia.

Mr. FORRESTER. I want to ask the gentleman if he will recommend and endorse the amendment which will be offered by the gentleman from Iowa [Mr. BROMWELL] that will take care of the serious objection I have.

Mr. SMITH of California. The amendment which the gentleman from Iowa [Mr. BROMWELL] showed me is acceptable. Of course I am only presenting the rule at this time, but I will urge Members on my side of the aisle, as well as the gentleman from New York [Mr. CELLER] to accept the amendment.

Mr. FORRESTER. I thank the gentleman.

Mr. CRAMER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman from Florida.

Mr. CRAMER. Because of the gentleman's experience in this field, I would like to ask this question, and also because of his obvious ability as an attorney and as a former member of the FBI: Is it not true in practices in the past the Federal Government has used this as an implement to assist local law enforcement authorities and has, as a matter of practice rather than instituting a Federal case, generally assisted local authorities in any State by prosecuting for the basic crime as defined?

Mr. SMITH of California. The answer definitely is "Yes."

Mr. Speaker, by way of background, back in 1934 when individuals would commit a robbery—and this covers eight crimes, as you know, at the present time, it starts out with murder, extortion, mayhem, burglary, robbery, assault with a dangerous weapon, rape, and kidnaping. I see my colleague, the gentleman from Ohio [Mr. DEVINE], a former agent, is present, and we used to remember the crimes as "MEMBRARK." Each letter refers to one of the eight crimes.

Local law enforcement agents would say, "We have been looking for this fellow. We know he fled the State and went to Detroit. We wrote a letter to Detroit and they think he is in Louisville, Ky." Then there was a letter sent back to the office there, and they had to write to Louisville. Time went on, during which this criminal could continue to commit serious acts, with the difficulty of the local law enforcement officials catching these serious criminals.

On the other hand, they simply called the local agent of the FBI, and they would call the Detroit office. In a little time we would have them furnished with a description of the individual and the process would be outstanding in the office where the crime had been committed. He would be picked up and arrested and returned home for prosecution in practically all instances by local authorities.

Mr. Speaker, local authorities will say to you "That is fine, Mr. SMITH," as I went around the country, "but what about the grand theft individual? What about the person that forges checks and goes up and down the State and passes all of these forged checks? You do not include those. Those represent a great number of crimes that we have. Why do you not help us catch those?" Repeatedly, law enforcement officials over the Nation have insisted and requested that the FBI join in helping them catch other individuals. This language was changed to make it possible, where the punishment is for more than 1 year, to handle those cases. The language is difficult, I will admit that. There are a number of States where a misdemeanor carries a sentence of more than 1 year. There is some feeling that this new change in the language might be used for small misdemeanors. Then there was the thought to make this apply to felonies. Every State does not define crimes as felonies and misdemeanors. In California, for example, certain things are offenses, and there is a punishment provided for them. In a number of crimes at the time of the sentencing, if he is given a county jail sentence or suspended sentence, it is then determined to be a misdemeanor. The purpose is with reference to the juvenile and the teenage person to not have a felony against his record. So, if he goes along for a year or so on good behavior, he can then wipe it off.

Mr. CRAMER. Mr. Speaker, will the gentleman yield further?

Mr. SMITH of California. I yield to the gentleman from Florida.

Mr. CRAMER. I appreciate the gentleman's observations because I think they are valuable in this record. Is it not true further that it is necessary—which, of course, prevents the Federal Government from becoming a national police force—for there to be a known suspect before the act will come into play, and then a specific individual involved or suspected by the local authorities of having committed the crimes involved. You would have them come into play for the local authorities to make the request of the FBI. Is not that a matter of record?

Mr. SMITH of California. I want to say to the gentleman from Florida that it goes further than that. Local law enforcement officials might have 20 suspects; they might be working on a grand theft case or forgery over a period of months, and finally somebody identifies the suspect through a photograph or fingerprinting. It has to be not only a suspect, but an individual who they believe has committed a crime, and they file a process against him. The FBI does not use this law to go about picking up suspects. It has to be a known perpetrator of one of these eight offenses.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman from Ohio.

Mr. VANIK. I want to commend the gentleman for his splendid statement in support of this bill, and I join him. However, I thought the amendment left undisturbed the second section of section 1073 relating to the site of crimes.

I wonder if this could not be strengthened if the place of apprehension could be included with the Federal district in which the person is apprehended; that is, could be included as a place where the person might be tried.

Mr. SMITH of California. I will have to say to the gentleman that I rather doubt it, but I have not gone into that particular question and would prefer to leave that to the chairman of the Committee on the Judiciary when we get into committee.

Mr. VANIK. I thank the gentleman. I shall pursue that question when we go into committee.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Speaker, I should like to commend the gentleman for a very fine statement. I think he has stated very succinctly the arguments in support of this legislation. It occurs to me, in the case of our own State, that we have a number of very serious crimes on which it is not possible to get the assistance of the Federal officers to go after the perpetrators of the crime. I think immediately of crimes like embezzlement, grand larceny, aggravated assault where a dangerous weapon is not used but where very serious harm is done to the individual; some grievous crimes involving mistreatment of children, contributing to the delinquency of minors, for example. These are instances of crime in which the Federal power could be invoked if the law were so expanded.

I certainly hope the rule will be adopted and the bill passed.

Mr. SMITH of California. I thank the gentleman.

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. SMITH of California. I yield to the gentleman.

Mr. DEVINE. Mr. Speaker, I, too, would like to commend my colleague for his excellent presentation of the rule on this important legislation. Also I would like to bring to the attention of the Members of the House that the Member in the well, the gentleman from California, spent many years with the FBI and had a very outstanding record not only as an agent, but in a supervisory capacity. I also know, from firsthand knowledge, that he still enjoys the highest respect of the Director of the Bureau and other persons in an administrative capacity in that Bureau.

Specifically with relation to the legislation before us, I would ask the gentleman if, during his long experience as an FBI agent and a member of the Department of Justice, there was any case in which the FBI entered into a case such as we are bringing up today without a specific request from a local law-enforcement agency or a prosecuting attorney's office?

Mr. SMITH of California. From my experience for years I can say that I know of no such case. The FBI is not going to send an agent out to pick up somebody unless there is process outstanding. You know, sometimes you get shot; and you would like to have a warrant before you go around on these matters.

Mr. DEVINE. That is correct. I am sure the gentleman will agree with me, again drawing on his long and excellent experience in the Bureau, that the FBI has plenty of work to do without going around looking for the opportunity to solve local problems, without specific request from those local agencies.

Mr. SMITH of California. That is correct. But they do want to help law enforcement; and law enforcement wants them to.

Mr. DEVINE. I believe the overall objective of this bill is cooperation with local law-enforcement agencies.

Mr. SMITH of California. I understand that is correct.

Mr. DEVINE. I might say to the gentleman from California that during my experience as a prosecuting attorney—and I think it is true of district attorneys' offices and State attorneys' offices and prosecuting attorneys' offices across the country—that they would not make a request of the FBI in an unlawful-flight case, such as is the subject of this legislation, unless they were financially in a position to bring back the person apprehended, wherever he might be located by the FBI, anyplace in continental United States; is not that correct?

Mr. SMITH of California. That has been my experience.

Mr. DEVINE. Which also acts as a deterrent in cases in which there might be otherwise no prosecution.

Mr. SMITH of California. I thank the gentleman.

Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

Mr. THORNBERRY. Mr. Speaker, I yield 5 minutes to the gentleman from Louisiana [Mr. WILLIS].

Mr. WILLIS. Mr. Speaker, first, I want to commend the gentleman from California [Mr. SMITH] who just preceded me and who is a former valuable member of the House Committee on the Judiciary on his splendid presentation. In general I associate myself with his position.

The purpose of the bill before us, H.R. 468, to broaden the scope of existing law in order that a number of serious crimes not presently included can come within the scope of the Fugitive Felon Act. As the gentleman from California stated, the present law provides that anyone who moves in interstate commerce in order to avoid prosecution, and so forth, commits a Federal offense. The present law spells out the crimes to which the act applies. Those crimes are mayhem, rape, assault with a dangerous weapon, murder, kidnaping, and so on. In other words, the present Fugitive Felon Act makes it unlawful to avoid prosecution by running away only with regard to these specified crimes. Of course there are other serious crimes where it is equally offensive for a person having committed a crime to run across a State line and to be immune from Federal prosecution. As drafted, the bill would not enumerate the crimes but it would make it unlawful for a person to run away to avoid prosecution, in terms of the bill as drafted, "for a crime, or an attempt to commit a crime, punishable by death or imprisonment for a term exceeding 1 year under the laws of the place from which the fugitive flees."

I participated in the discussion of this bill before the full Committee on the Judiciary. When we talked in terms of 1 year and a day we had in mind our notions of what constitutes a felony under Federal law, because that is the point of departure from a misdemeanor to a felony. That is a crime which involves a possible punishment of 1 year or more. However, this bill is related to State crimes and could conceivably apply to offenses which under State law are not felonies.

Serious objections were raised along that line. It is my understanding that the gentleman from North Carolina or someone else will offer an amendment which will make this bill applicable to crimes which are felonies under State law.

I will say this in connection with the proposed amendment: Our experience over the years has been that the Department of Justice has not invoked this act except in very horrible cases. I would doubt that even under the language of this bill they would have anything in mind except to go after criminals involved in connection with offenses which under State law are felonies. Therefore,

from my own point of view I would embrace the amendment if that amendment is offered.

I wish finally to point out that under the policy and the administration of this law as written, the Federal Government has never come into the picture except in cases where it has been asked to do so by the State officials. In other words, it has come to the assistance of State authorities when that assistance has been requested. I see no reason why they are not going to follow that policy. As a matter of fact, of all the apprehensions made under present law very few have ripened into prosecutions under the Federal statute.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from New York.

Mr. CELLER. With reference to the amendment of which the gentleman has spoken, which will be offered by the distinguished gentleman from North Carolina [Mr. WHITENER], I wish to state that the Department of Justice has accepted that amendment and I have accepted it, and the gentleman from Ohio [Mr. MCCULLOCH], the ranking minority member of the committee, has likewise accepted it.

Mr. WILLIS. I am delighted to know that. This means that the bill should have little opposition. We passed this bill last year, and it has the approval of all the agencies downtown at this time.

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the adoption of the resolution.

The resolution was agreed to.

Mr. CELLER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 468) to amend section 1073 of title 18, United States Code, the Fugitive Felon Act.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 468, with Mr. THOMPSON of Texas in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from New York [Mr. CELLER] will be recognized for 1 hour and the gentleman from Ohio [Mr. MCCULLOCH] will be recognized for 1 hour.

The Chair recognizes the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, this bill is offered as the result of an executive communication received from the Department of Justice. I wish to state likewise we passed a similar bill in the 86th Congress. This bill amends the Fugitive Felon Act. The Fugitive Felon Act has been on the books for a number of years. That act by its terms provides that anyone who moves in interstate or foreign commerce with intent to avoid prosecution or custody or confinement after conviction under the laws of the place from which he flees for certain specified crimes is upon conviction subject to a fine of not more than $5,000 or imprisonment for not more than 5 years, or both.

The Attorney General stated before the judiciary as follows:

> The purpose of this proposal is to expand the coverage of the Fugitive Felon Act (18 U.S.C. 1073) which now makes it a Federal offense to flee a State jurisdiction in order to avoid prosecution or confinement for certain crimes of violence. These crimes include murder, kidnaping, burglary, robbery, mayhem, rape, assault with a dangerous weapon, arson punishable as a felony, extortion accompanied by threats of violence or attempts to commit those offenses.
>
> Although the law only applies to fugitives, who have committed these crimes, this section has been extremely useful in strengthening local law enforcement. It has enabled the FBI to arrest fugitives fleeing a State jurisdiction and turn them over to the State in which they are arrested to await extradition by the demanding State. In 1960, the FBI apprehended 1,361 fugitives under the provisions of this law. Only two were tried in Federal courts. The rest were turned over to local authorities.
>
> We can understand the limited scope of the section if we go back to the time of its enactment in 1934. Local law enforcement officials were troubled then, as they are today, with the ease with which fugitives could escape their jurisdiction by crossing a State line. The local officials could not follow, find, and return the criminals. It became apparent that the Federal Government had to assist those officials by apprehending fugitives in other jurisdictions and returning them for prosecution.
>
> The nature of the publicized crime of that era was, however, different than it is today. At that time, the Congress and the public were greatly disturbed by widespread crimes of violence. Names like Capone, "Dutch" Shultz, "Mad-dog" Coll, Dillinger and Karpis were on the front pages of the newspapers of the country.
>
> Today, as in 1934, the major responsibility for combating crime and the prosecution of offenders rests with the States. Today, however, the face of organized crime has changed. While there still are crimes of violence, the modern criminal has become somewhat more sophisticated in the planning and perpetration of his activities in gambling, prostitution, narcotics, bribery, fraud and larceny. He has moved into legimate businesses and labor unions where he embezzles the funds and loots the treasury. He has much more rapid means of escape from the jurisdiction of the local law enforcement. Unless his offenses also are Federal offenses, the Federal Government may not through the means of this section enhance the power of the State officials to apprehend racketeers and hoodlums.
>
> If the Fugitive Felon Act is expanded, as proposed by this bill, the FBI will be able to put into operation the first of the necessary steps leading to the return to the proper jurisdiction of any person who has committed a crime punishable by death or imprisonment for more than 1 year. In such an expanded scope, we in the Federal Government can be of the greatest aid and assistance to the States.

The crimes, however, specified in the act that now prevails are murder, kidnaping, burglary, robbery, mayhem, rape, assault with a dangerous weapon, arson punishable as a felony, or extortion accompanied by threats of violence, as well as an attempt to commit any of the enumerated offenses.

Now, we propose to widen the scope of the bill to include crimes that are determined to be felonies under the law of the State from which the fugitive flees.

The effect of the proposed amendments embodied in our bill will permit local law enforcement agencies to seek Federal assistance in locating offenders who have fled in interstate or foreign commerce to avoid prosecution, custody, or confinement.

Then, in addition, I will state that this bill will not place any undue burden on the Federal Bureau of Investigation. The Department of Justice has previously stated:

> It would appear, therefore, that despite the broadening of the jurisdiction under the proposed bill, the Federal Bureau of Investigation will not be unduly burdened with unwarranted investigations.

In other words, the practice of the FBI will not be changed under the bill. Also, Federal intervention is now generally limited to those cases where the State has indicated a clear intention to secure the return of the fugitive for bringing him to trial before a State court. Such intent is usually evinced by a State request or an indictment or other indication to prosecute the individual felon. Thus, the effect is to limit the coverage of the act to criminal cases where the State demonstrates sufficient interest in obtaining the return of the fugitive to warrant incurring the necessary expense incident to extradition.

Now, experience has clearly shown that States are unwilling to undertake such expense attendant upon extradition unless the fugitive is wanted for a serious crime or a person's presence is necessary for the successful prosecution of a serious crime.

The bill will help States procure the return of felons to the States from which they flee to avoid prosecution.

This bill is aimed primarily to assist the States in locating the offenders, to have them brought back for trial. The FBI would only be used—and this is very important—would only be used if the State makes the request.

Mr. FORRESTER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Georgia.

Mr. FORRESTER. Now, the gentleman has made the statement that this law would only be used if the State requested it; is that correct?

Mr. CELLER. That is correct.

Mr. FORRESTER. Now, the gentleman will agree with me that the law as it stands now does not so stipulate.

Mr. CELLER. No, it does not state that in the act itself, but that has been the practice.

Mr. FORRESTER. It is only a practice and could be done away with tomorrow, could it not?

Mr. CELLER. I would like to read a letter which I received in that regard from the U.S. Department of Justice.

Mr. FORRESTER. Very well.

Mr. CELLER. The letter is dated August 23:

This is in answer to your request for information concerning the procedure utilized by the Department in cases involving the Fugitive Felon Act. The policy of the Department is set out in the U.S. attorneys' manual as follows:

"The Fugitive Felon Act does not supersede nor is it intended to provide an alternative for State extradition proceedings. Its primary purpose is to permit the Federal Government to assist in the location and apprehension of fugitives from State jurisdiction."

The Department of Justice goes on further to state:

The manual further requires the approval of an appropriate Assistant Attorney General before an indictment or a Federal removal proceeding may be instituted. Thus under present procedures when a complaint is issued by the U.S. attorney in the State in which the State offense has been committed, the Federal Bureau of Investigation is requested to conduct an investigation. Upon the arrest of the fugitive, he is turned over to State authorities in the State of asylum and is returned to the State from which he has fled through normal State rendition proceedings. It is, therefore, very seldom that an Assistant Attorney General authorizes the prosecution in the Federal courts under this statute. As an example, there have been 48 prosecutive applications of the present statute in 9,098 possible instances over a 10-year period.

This procedure, which has operated so effectively in the past in giving aid to the States, will be continued in the event that the fugitive felon statute is amended as we have requested.

I hope that the foregoing satisfactorily answers your inquiry.

Sincerely,

BYRON R. WHITE,
Deputy Attorney General.

Mr. FORRESTER. Mr. Chairman, will the gentleman yield further?

Mr. CELLER. I yield.

Mr. FORRESTER. I have no quarrel whatsoever with the statement on the part of the Justice Department as to what its practice has been. The quarrel that I have is with our Committee on the Judiciary. I am quarreling by saying that we ought to have spelled out and we should have set out the practices and put those practices into the statute that they say they have been carrying on. Now, will not the gentleman admit to me that not one of those practices—and I certainly say they are sound practices—but not one of those practices is spelled out in the bill?

Mr. CELLER. This act has been in effect quite a long time and there has been no complaint about its administration whatsoever.

Mr. FORRESTER. I did not ask that.

Mr. CELLER. There is nothing spelled out

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Congress can certainly keep track of the Department of Justice and particularly the FBI in the appropriations, the sums of money to carry out the enforcement of this act. If the experience of the past few years in the enforcement of this law has not resulted in any abuses why should we now contemplate that there will be abuses in the future? Hence I am sure the gentleman from Georgia will agree that the FBI and the Federal enforcement agencies are no more anxious to jump in and try to run the business of the States than we want them to, and we have the tool if they do commit any abuses by which we can stop them in the Congress of the United States.

Mr. FORRESTER. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. FORRESTER. I am not quarreling with the FBI; I am quarreling with the committee; I am quarreling with those charged with the responsibility of writing this legislation. I say to you that the actions of the Department of Justice and their practices are just as different from this legislation as the day is from the night, and that they have no authority whatsoever. As a matter of fact, if they do what they say they are doing they are actually violating the law, and I say we ought to have it spelled out.

Mr. CELLER. As was indicated very succinctly by the gentleman from Colorado, we have had no complaints whatsoever as to the operation of this statute, the administration of this Fugitive Felon Act, and I do not see why we should conjure up any idea now that they are going to abuse it in the future. They have not in the past and I have no reason to believe they will in the future.

Mr. FORRESTER. Mr. Chairman, will the gentleman yield further?

Mr. CELLER. I yield.

Mr. FORRESTER. The gentleman is a great lawyer, the gentleman is a fine chairman of our committee, and I know that the gentleman does not ordinarily legislate like that; the gentleman tries to anticipate things, not that they might occur, but things that could occur. Will not the gentleman admit to me here that under this law the State has no rights whatsoever to make any requests for any kind of investigation that the Department of Justice can move of its own volition?

Mr. CELLER. No; the State must make the request of the Department of Justice and seek the return of the criminal. The State makes the determination and when the determination is passed on to the Department of Justice they make a cursory investigation. When they find a proper case has been made out by the State they then help the State to locate the criminal, apprehend him, and help the State to have him returned.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. ROGERS of Colorado. I point out to the gentleman from Georgia that the act we are now considering makes it a felony under Federal law to flee across State lines to avoid prosecution or the giving of testimony. The gentleman says that we in the Judiciary Committee are derelict in our duty in not spelling out something different. Does the gentleman know of any method whereby you can spell out crime any more clearly than it was spelled out in a previous Congress? This act has been in force and effect for a number of years and we are now merely reenacting it and extending it to those criminal acts which constitute a felony when heretofore it has been limited to a certain type of crime. Hence we have no reason to anticipate anything other than orderly process in the Federal enforcement of this law along that line.

Mr. FORRESTER. Yes, I know the gentleman says that. An amendment will be offered by the gentleman from Iowa [Mr. BROMWELL], which will be acceptable to me because then you are spelling it out and not leaving it to the imagination of the Department of Justice.

Mr. CELLER. May I say to the gentleman from Georgia that there are some very serious doubts about the amendment to which he just referred. It would tear down the bill, it would kill the potency and the efficacy of the bill altogether.

Mr. FORRESTER. Will the gentleman yield to me there?

Mr. CELLER. I yield.

Mr. FORRESTER. If we want to write in the law what is the practice of the Department of Justice, we would also destroy the bill?

Mr. CELLER. I doubt that very much.

Mr. FORRESTER. The gentleman does?

Mr. CELLER. I do not think so. I do not think we would want to fill this bill with details to that degree. I do not think it is necessary. I think we must put some trust and faith in our executive branch. If we do not we might as well have no representative government anymore. If they are derelict in their duty we have a remedy. We can cut off appropriations. The Judiciary Committee has the power to impeach; we can criticize very severely, and if necessary abrasively, we can incite public opinion against the Department. We can do many things that would force them to stop the abuses. I do not believe we have to go to the extreme the gentleman indicates. You would hurt this bill, not help it. We would not further justice, and we might bring about some injustice we would render the States.

Mr. FORRESTER. Does the gentleman mean to tell me it would be unreasonable to put in a bill and to legislate into law a practice which the Department of Justice says it has been adhering to?

Mr. CELLER. It all depends on the form of the amendment. If the amendment has certain language in it which would vitiate the bill, I would have to in good conscience oppose it. If it is harmless language, I will accept it. It all depends on what the semantics are. I do not know exactly what the amendment is that is to be offered. I have not seen the final wording of it. I did have a cursory view of it, however. I said that I wanted to study it. I have not had a chance to maturely and objectively view it. At first glance it might appear to be all right, but I want to be very

careful about it. I want to correlate it with the number of cases which have been determined.

Mr. JOELSON. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from New Jersey.

Mr. JOELSON. I would like to ask the gentleman this question. Under this bill where a person engages in flight, the penalty is greater than the penalty he would receive in the first instance for the crime. For instance, a man could be sentenced to 5 years in prison for fleeing an offense for which he would get only a 2-year term in the State.

Mr. CELLER. That is correct.

Mr. JOELSON. How does the gentleman justify that?

Mr. CELLER. Those penalties are in the Fugitive Felon Act at the present time. We do not change the penalties.

Mr. JOELSON. The penalty for an offense in a State is, we will say, is less than 5 years. But here you are sending a man to jail for 5 years for fleeing from prosecution for a crime for which he could be punished by only 2 years in prison.

Mr. CELLER. It is up to 5 years. It may be only for a day. It depends on the gravity of the offense, the nature of the offense, the surrounding circumstances; and, also, the judge has discretionary power in that respect.

Mr. JOELSON. The judge could penalize a man to a greater extent than the man would suffer from the offense originally?

Mr. CELLER. That is possible. We have to leave that to the discretion and good sense and wisdom of the judge.

Mr. JOELSON. I thank the gentleman.

Mr. McCULLOCH. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, at the very outset I want to say that I am of the opinion that our colleague, the gentleman from California [Mr. SMITH], of the Rules Committee, did an unusually able job in explaining the provisions of the bill in question. Of course, all of us know that he was a devoted and able and respected member of the FBI. If there be any Member of the House who may speak with authority, it certainly would be our colleague, the gentleman from California [Mr. SMITH]. The same statement goes for my very able colleague, the gentleman from Ohio [Mr. DEVINE].

Mr. FORRESTER. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman for the purpose of a question.

Mr. FORRESTER. Would the gentleman let me concur with him in his estimate of the gentleman from California [Mr. SMITH], who was a longtime member of the Judiciary Committee, a great American, an outstanding lawyer, and a man in whom I have every confidence? If the gentleman will permit—and I am not buttering it up too much—I have the same affection for the gentleman who just yielded to me, the gentleman from Ohio.

Mr. McCULLOCH. I would be less than grateful if I did not say, "Thank you so much."

Mr. FORRESTER. If the gentleman will yield further, let me ask the gentleman this question.

Mr. McCULLOCH. I would be glad to yield to the gentleman from Georgia.

Mr. FORRESTER. Does the gentleman follow the gentleman from California [Mr. SMITH] throughout, including the recommendation that he would approve the amendment which will be offered by the gentleman from Iowa [Mr. BROMWELL]?

Mr. McCULLOCH. Well, I am not in a position to say that I will approve the amendment offered by my very able colleague, the gentleman from Iowa [Mr. BROMWELL], until I see it. I would not like to accept any amendment to this bill that would materially weaken it or partially destroy its effectiveness.

Mr. Chairman, after I have made the briefest of statements, I will be glad to yield to my colleagues, both on the committee and off the committee.

Mr. Chairman, at the beginning of this session of Congress I introduced several bills to carry forward the unfinished work of the Judiciary Committee of the 86th Congress. One of the most important bills in this category is H.R. 468, to amend the present Fugitive Felon Act, title 18, United States Code, section 1073. I also introduced a similar bill in the 86th Congress, H.R. 11897, which passed the House on August 23, 1960; but evidently it was too late in the session for the other body to take action, and, therefore, the measure did not become law.

The present Fugitive Felon Act applies only to specified State offenses. In those instances in which a fugitive flees from a State to avoid either prosecution for the offense or giving testimony about the offense, he can be apprehended and arrested by Federal authorities. The offenses covered by the present act are murder, kidnaping, burglary, robbery, mayhem, rape, assault with a dangerous weapon, arson, and extortion. The bill will amend the act by making it applicable to all State offenses punishable by death or imprisonment for a term exceeding 1 year.

I want to emphasize and stress the fact that the bill we are considering is primarily a fugitive bill. In other words, it is operative only after the fugitive has fled the jurisdiction of the State in which the offense was committed. The State officials of the State involved are therefore powerless. They cannot go outside the jurisdiction of the State. They have to rely upon Federal officials for assistance in locating the whereabouts of the fugitive and in apprehending and arresting him.

Of necessity, then, the authority by which the Federal officials act must be broad enough to cover the variety of occasions when their assistance will be requested. Also, this authority must be exercised, as it has been in the past, in accordance with a well thought out and established plan of operation. As a matter of fact the method by which the U.S. attorneys proceed in a variety of situations is controlled by the procedure prescribed in the U.S. attorneys' manual.

The instructions under the Fugitive Felon Act begin by stating:

> The Fugitive Felon Act does not supersede nor is it intended to provide an alternative for State extradition proceedings. Its primary purpose is to permit the Federal Government to assist in the location and apprehension of fugitives from State justice.

The instructions require further that no complaint under the act be issued unless there is sufficient evidence to establish a prima facie case under the act. The complaint is issued by the U.S. attorney in the State in which the offense occurred. The Federal Bureau of Investigation is then requested to conduct an investigation. The decision as to whether an indictment is to be returned, however, or removal proceedings be instituted can be made only by the Attorney General. Thus, if a man commits an offense in one State and the U.S. attorney in that State issues a complaint or warrant for his arrest, and he is found in a second State, the U.S. attorney in the second State may not commence removal proceedings without first bringing the matter to the attention of the Department of Justice and obtaining authorization. This removal is clearly spelled out in the U.S. attorneys' manual which reads:

> Under no circumstances should an indictment under the act be sought nor should removal proceedings under rule 40 be instituted without the approval of the Department.

Thus, while a U.S. attorney in the State in which a crime is committed may commence proceedings by complaint or warrant, the U.S. attorney in the State of apprehension may not institute removal proceedings without departmental approval.

The history of the administration of the act for the offenses presently specified has been very successful. In 1960, the FBI apprehended 1,361 fugitives. Only two were tried in Federal courts. The rest were turned over to local authorities. However, the Federal authorities, in particular the FBI, have found that the coverage of the act is not broad enough to permit apprehension and arrest of those fugitives who commit a large number of serious State offenses which are not specifically enumerated. In testifying on the need for the bill the present Attorney General stated:

> The face of organized crime has changed. While there still are crimes of violence, the modern criminal has become somewhat more sophisticated in the planning and perpetration of his activities in gambling, prostitution, narcotics, bribery, fraud, and larceny. He has moved into legitimate businesses and labor unions where he embezzles the funds and loots the treasury. He has much more rapid means of escape from the jurisdiction of the local law enforcement. Unless his offenses also are Federal offenses, the Federal Government may not through the means of this section enhance the power of the State officials to apprehend racketeers and hoodlums.

Thus, even though State officials need and request the assistance of the Federal authorities in these cases, the Federal authorities have no jurisdictional basis upon which to intervene and make their facilities available. This bill would cure this very serious jurisdictional defect.

This bill had the specific endorsement of the prior administration.

In addition, the present Attorney General has urged its prompt enactment and considers that it is an essential weapon in the attack on the criminal elements in our society.

I urge every Member of the House to support the bill.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the chairman of the committee.

Mr. CELLER. Is it not true that this measure had bipartisan support in the Committee on the Judiciary; that it was the gentleman himself who now has the floor who in his wisdom and after careful consideration authored the bill, and it was I who filed the report on the bill, to indicate to the House the practical unanimity of action on this bill in the Committee on the Judiciary?

Mr. McCULLOCH. The chairman's question calls for a positive answer. There was well-nigh unanimous support for this bill; and after we shall have considered at least two amendments, which I am willing to accept, I think that there will be well-nigh unanimous agreement in the House.

Commenting upon a statement or two or a question or two of my able colleague, the gentleman from Georgia [Mr. FORRESTER], addressed to the chairman, I would like to say that in 1960 the FBI was requested to investigate and to help locate offenders in well over 1,300 cases; and in all these investigations they were primarily if not entirely responsible for the apprehension of 1,300-odd offenders against State laws. In only two instances did the Federal courts try the offender. The Department of Justice has no desire to get into the trial of these cases where there have been offenses under the State law. They prefer to leave the trial of these cases to State officials.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from Florida.

Mr. CRAMER. I thank the gentleman. I want to join in congratulating the gentleman for his sponsorship of this legislation not only this session, but last. I had the privilege of joining with him in such sponsorship having this session sponsored H.R. 3023 which has the same objective. I ask the gentleman this question: Is it not true that the previous administration as well recommended the broadened proposal contained in the gentleman's bill, recommended it in the last session of Congress as part of the anticrime package, three bills of which we passed in the House yesterday?

Mr. McCULLOCH. I am glad to say to the gentleman from Florida that the former Attorney General did recommend such legislation. I introduced it, among other reasons, by reason of that recommendation. We moved promptly in the Judiciary Committee to report it favorably and, as I have already said, it passed the House as I recall without opposition.

Mr. CRAMER. Mr. Chairman, will the gentleman yield further?

Mr. McCULLOCH. I yield.

Mr. CRAMER. Is it not true that the present Attorney General submitted it as a part of the anticrime package, as had the previous Attorney General, feeling that it is an essential weapon in fighting organized, syndicated crime and gangsterism in America?

Mr. McCULLOCH. The answer to that question is again "Yes." The present Attorney General is very anxious to have this weapon in his arsenal in the fight against organized crime which becomes a more serious menace each year.

Mr. DOWDY. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from Texas.

Mr. DOWDY. Mr. Chairman, I appreciate the gentleman's statement and would like to say that the main objection to the bill is being taken care of in limiting it to felony cases. I think that should have been done and I am glad it is being done. My question concerns the witnesses. It was not discussed in our committee and it occurred to me that this would apply to defense witnesses as well as prosecution witnesses.

Mr. McCULLOCH. That would be my opinion.

Mr. DOWDY. I would like the chairman of the committee to give his views on that question, because I think it is important.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. The ques- of fleeing to avoid giving testimony has been taken care of in the law since the Fugitive Felon Act was enacted. This proposed legislation does not change that paragraph in any manner whatsoever. Any so-called legislative interpretation probably would not be of any assistance for the simple reason that that provision has already been enacted.

Regardless of whether this bill becomes law, it is still on the statute books. What we may interpret now is mere surplusage, so to speak.

Mr. DOWDY. We are reenacting the law, and we think our views on what the law means will have a bearing on the interpretation of the law we are just passing.

Mr. McCULLOCH. I thank the gentleman for his observation. I should like to comment further concerning the word "felony" which our colleague from Texas used, and the difficulty which we encountered and with which we struggled so long. The difficulty with the word "felony" arises by reason of the fact that certain offenses may be felonies in Ohio or New York and not necessarily be felonies in South Carolina. So for the reasons indicated we have been happy to compromise some of the differences and difficulties by reason of the difference in meaning of the word "felony" in the several States.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from Ohio.

Mr. VANIK. I want to commend the gentleman on this bill and the great work the committee has done on this matter. May I inquire, Would the interpretation of the word "felony" here include such statutory instances in which the offense may be either a misdemeanor or a felony as determined by whatever way the prosecuting attorney decided to proceed?

Mr. McCULLOCH. I think perhaps that question should better be answered when we are discussing the amendments that will be offered. If one were to take the bill as now written, I think the question would necessarily be answered by saying that if the offense is a felony then that offense would be subject to this law.

Mr. VANIK. Would the gentleman concur with me in believing it would be considered a felony if the prosecutor elected to proceed on the basis of a felony and the person were tried and found guilty of a felony?

Mr. ROGERS of Colorado. If the gentleman will yield, the answer to the question is, Was it a felony under State law at the time that he fled? That is the test. If it was a felony and he fled across a State line, then he would violate this proposal.

Mr. VANIK. We have certain offenses in which the prosecutor may decide to proceed against the person either as a felony or as a misdemeanor. He has a discretion under the law. It could be on either basis. In this instance if the prosecutor decides to proceed against the person as a felony, my question is assuming he would proceed as a felony.

Mr. ROGERS of Colorado. Let us get this straight. It is not what the prosecutor elects to do. He may elect not to enforce the law at all.

Mr. VANIK. Correct.

Mr. ROGERS of Colorado. But if the act that has been committed constitutes a felony under the State law and he thereafter flees, then he has committed a Federal offense and is subject to the penalties provided in this law.

Mr. VANIK. The gentleman has not quite answered my question, because we have certain statutes that provide that an act may be either a felony or a misdemeanor.

Mr. ROGERS of Colorado. The gentleman is saying that it may be a felony or it may be a misdemeanor. The question is, What act did he commit? If the act that he committed constituted a felony and he thereafter fled, he has violated this law. Certainly the question of degree may be brought forward in all criminal prosecutions.

Mr. VANIK. Mr. Chairman, will the gentleman yield further so that I may read this section of the statute?

Mr. McCULLOCH. I yield to the gentleman from Ohio.

Mr. VANIK. The statute reads to the effect that whoever violates a certain section of the code shall be imprisoned in jail or a workhouse for not more than 1 year of imprisonment or in a penitentiary for not less than 1 or more than 3 years. So under the law, it would be a felony even if it was a penitentiary offense. Am I correct in believing that this would constitute the basis for a felony?

Mr. ROGERS of Colorado. If the act committed would result or could result in a felony prosecution, then he has

committed a Federal offense when he goes over the State line.

Mr. VANIK. I thank the gentleman.

Mr. McCULLOCH. Mr. Chairman, I agree with the answer given by the gentleman from Colorado to that question. Obviously, the law would not await the decision of the prosecuting attorney as to the charge for which he was going to try the person before the act would become effective. Again, I think this is a forward step, long needed in our fight against organized crime. I see no danger to anyone in the operation of this law. I hope it has the unanimous support of the Members of the House.

Mr. CHAMBERLAIN. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentle man from Michigan.

Mr. CHAMBERLAIN. Mr. Chairman, I commend the members of the Committee on the Judiciary for bringing out this legislation and to say I feel it is needed. I would like to take a minute or two of time to relate an instance of which I have personal knowledge where this bill would be effective.

Before I became a Member of the House of Representatives, and I have been a Member for the last 5 years, I served as prosecuting attorney for Ingham County in the State of Michigan. One of the cases I prosecuted was for bribing the State board of optometry. The defendant was Benjamin D. Ritholtz of Chicago, Ill. He was convicted and sentenced to 2 to 4 years. He appealed his case to the Michigan Supreme Court. He appealed his case to the U.S. Supreme Court, and he has not served a day of his sentence yet because he has employed every technique that it has been possible for him to employ to avoid serving his sentence. He has forfeited his bond. Just recently, extradiction was denied to the officials of the State of Michigan who were down there because of a technicality in some extradition papers. It is my understanding that the Michigan State officials are going to make further attempts to get this man back in Michigan to serve his sentence. This happened over 5 years ago. A man was sentenced to from 2 to 4 years for bribery and he has not served a day. If this law had been on the books at that time, justice would have been done.

Mr. McCULLOCH. Mr. Chairman, I thank the gentleman for his contribution.

Mr. CELLER. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. WHITENER].

Mr. WHITENER. Mr. Chairman, this legislation, as reported out of the Committee on the Judiciary, had bipartisan support. But I might just as accurately say that it had bipartisan opposition because some of us on both sides of the aisle felt it was very bad legislation. I am delighted that it now appears we can make this legislation acceptable through amendments which will be offered, and, if I understand correctly, which will be accepted. It may not yet attain the degree of perfection which some of us would hope for. At least I would hope that these amendments, which I shall offer and which the gentleman from Illinois shall offer, and which will be accepted by the committee will make the bill more palatable. I understand the gentleman from Iowa [Mr. BROMWELL] will offer an amendment which will further improve the bill. I do not know whether the committee leadership agrees with that or not.

But, this bill which we are amending is entitled "Fugitive Felon Act." If we were to do what this bill, as it is now written, would do, we would change the effect of the act from a fugitive felon act to a fugitive misdemeanant act.

As the gentleman from New Jersey, [Mr. JOELSON], brought out awhile ago, this bill not only applies to those who flee to avoid prosecution, it also applies to persons who flee to avoid testifying. So, the result which the gentleman from New Jersey apprehended could occur is a very probable one, in that a person who was a prospective witness in a misdemeanor case, if he left the jurisdiction of that State, could be guilty of a Federal felony under this act.

Mr. Chairman, I have written minority views which appear on pages 10 through 12 of the committee report, which set forth some of the views which I have about this legislation.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield at that point?

Mr. WHITENER. I will be happy to yield briefly.

Mr. ROGERS of Colorado. Under the present law, the fugitive felon law, the crimes specified there are: murder, kidnaping, burglary, robbery, mayhem, rape, assault with a dangerous weapon, arson punishable as a felony.

Mr. WHITENER. There is no question about that.

Mr. ROGERS of Colorado. All right. In many States the crime of mayhem is a misdemeanor, and so are some of the other crimes enumerated. So, you are not changing the situation in that regard in any degree.

Mr. WHITENER. Well, I thank the gentleman. I am sure that he must be correct in what he says about some States providing that mayhem is a misdemeanor, but I am not familiar with any of those States. Certainly, the State which I represent does not so treat mayhem.

But, the gentleman has mentioned something which I think is rather important, and that is that the present law is limited to certain named felonies. Under the legislation as it came out of our committee, it would apply to any list of unnamed felonies and misdemeanors that may exist in any State of the Union where the punishment exceeds 1 year.

Now, in the State of North Carolina there are many petty misdemeanors which are punishable by more than 1 year in prison. I have illustrated a few of those in the minority views set forth in the report.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield at that point?

Mr. WHITENER. I will be happy to yield to the gentleman, if he will get me some more time.

Mr. McCULLOCH. Well, I will be generous to a point of fault, I assure my distinguished colleague. Does the gentleman believe that the Federal Government, the Justice Department, would bring into play this type of legislation, even if it were not amended, to apprehend a fugitive by reason of hazing, or aiding and abetting hazing, by a college student or from the tragedy of willfully breaking up a case of Coca-Cola bottles?

Mr. WHITENER. Well, the gentleman has asked a question, I am sure, in all earnestness. I will certainly answer it in all earnestness and as forthrightly as I am capable of doing.

I would say to the gentleman that I would not hazard a guess as to what departure the Federal authorities might take in the future on any sort of offense; in fact, some of the things which we have observed in the past in which they become terribly interested constitute very petty matters within the confines of some of the States.

Mr. FORRESTER. Mr. Chairman, will the gentleman yield at that point?

Mr. WHITENER. I will be happy to yield to the gentleman from Georgia.

Mr. FORRESTER. The gentleman is a former distinguished prosecuting attorney in North Carolina; he had a fine record.

Now I want to ask the gentleman this question in all seriousness.

Would you recognize the practice of the Department of Justice from the bill that we have before us today?

Mr. WHITENER. I might say to the gentleman that in the 11 years I was privileged to be a district prosecutor, it became necessary to apply to the Federal Department of Justice on numerous occasions for assistance under the Fugitive Felon Act. It was very helpful to law enforcement. But I do not believe that the Justice Department believed that any State law-enforcement officer would recommend, seriously, that we extend this act to include every type of petty misdemeanor. I may go further; I will say I am convinced that in writing the letter to the committee the Justice Department clearly indicated that they did not intend to bring about the result which this bill would bring about. In the Department's letter, on page 3 of the report, you will note that the Attorney General said:

> The proposed amendment will permit Federal law enforcement officers to assist State and local officers in locating persons sought for all serious offenses, that is, offenses which would under Federal law constitute felonies.

So I think from the outset there has been some confusion in the minds of people down at the Department of Justice as to just what they were doing. We all know that the test for felony under the Federal law is imprisonment in excess of 1 year. That test is not the test in several States of the Union.

This bill recognizes the right of the States to determine what constitutes a felony and then says that if those States have decided that a certain type of conduct is a felony that the Federal statute, the Fugitive Felon Act, shall then come into play to assist in apprehending those

who flee prosecution or to avoid testifying.

To go a little further, I say to my friend from New Jersey that the second subsection of this act is entirely unnecessary. From the little research I was able to do it appears that 44 States, Puerto Rico, and the District of Columbia have adopted the uniform act to compel the attendance of witnesses in criminal cases; so if there is a witness outside the State, in 44 States, the District of Columbia, and Puerto Rico, there is now a uniform statute by which those witnesses can be returned to the States. If those other six States of the Union do not desire to come under the uniform act, then I do not see why we should be so concerned about bringing witnesses back to those States.

Let me say this to the Members of the House, that we have prepared amendments, which the chairman of our committee and the ranking minority Member have agreed to.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. McCULLOCH. Mr. Chairman, I yield the promised 2 minutes to the gentleman from North Carolina.

The CHAIRMAN. The gentleman from North Carolina is recognized for 2 additional minutes.

Mr. WHITENER. The first amendment I will offer will be offered as a substitute for the committee amendment. It will provide that the section of the bill relating to flight to avoid testifying will apply to felonies only. The gentleman from Illinois [Mr. LIBONATI] will then offer an amendment which he will explain later. I will then offer a third amendment which will amend the first subsection of the act again limiting its application to crimes which constitute felonies under the laws of the States where the alleged offense was committed.

Mr. Chairman, let me as I conclude say that I am familiar with the policy and the practice followed by the Justice Department in the past. I realize that they have not as a practice injected themselves into State prosecutions or laws to invoke the provisions of the Fugitive Felon Act unless requested by State authority. I think, however, the language of the act is such that the Federal authorities could do that if they should elect to do so. That is the danger of this act, even if we amend in the manner mentioned. It seems to me that the recommendation being made—I understand it may be boiled down into the form of an amendment—to require that there be a request by the States before the Federal authority comes into play, would be a desirable amendment.

None of us wants to see any person take the specific language of the law and use it in a way which the Congress has not intended. If we do not intend for that to happen, then the language of the act should be abundantly clear. If we do intend that it happen, then we should not be concerned about language, but, rather, rely upon the good faith of those who might hereafter hold the position of Attorney General.

Mr. McCULLOCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. NORBLAD].

Mr. NORBLAD. Mr. Chairman, I am opposed to this bill in its present form.

Mr. McCULLOCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, I rise in support of the pending legislation. This bill is similar in purpose to three bills which the House adopted on Monday last, one dealing with wire communications and gambling enterprises, the second dealing with the transportation of wagering paraphernalia, and the third with travel in aid of racketeering.

I point out we have two other bills of a similar nature, one of which I believe is ready for hearing by a judiciary subcommittee, granting immunity to witnesses; and a second bill, which was defeated in the full Judiciary Committee, relating to the obstruction of investigations.

I said in debate on Monday on the other bills that I believed the approach of the gentleman from Florida [Mr. CRAMER], in his omnibus bill, H.R. 6909, would have been far preferable; first, because it dealt with many of these proposals all at once in one omnibus bill; and, second because the omnibus bill H.R. 6909 is clearly and definitely aimed at interstate racketeering.

I point out that the bill we are considering today is contained on page 19 of H.R. 6909, under title VII, an extension of the Fugitive Felon Act. I think it would have been better procedure, and it would have made the legislation more acceptable to the House and to the American public, if it had been geared to interstate racketeering all the way along.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. By the gentleman's statement I assume he is in favor of setting up in the Department of Justice a separate and distinct division provided in the legislation the gentleman has just said that the gentleman from Florida recommends.

Mr. MEADER. It is true H.R. 6909 provides in the Department of Justice for an Office on Syndicated Crime, interstate racketeering.

Mr. ROGERS of Colorado. A separate division, is it not?

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Florida.

Mr. CRAMER. I am glad the gentleman asks that question, because it relates to some of the things I mentioned yesterday. Title I of my bill H.R. 6909 sets up an Office on Syndicated Crime within the Department, not a division but an Office, headed by a Director who shall act as special assistant to the Attorney General.

What is the purpose? The purpose is to assemble, correlate, and evaluate intelligence procured by other agencies, both Federal and State, relating to the operation of syndicated crime, and "syndicated crime" is properly defined. In carrying out the subsection, it shall include in the activities of the organization operation individuals connected with syndicated crime. It shall permit that Office to make available to State law enforcement authorities this information after it has been correlated and evaluated, because as of today any local law enforcement official who wants to get such information in the first place cannot get it evaluated or correlated by any Federal agency when it cuts across the jurisdiction of some 42 agencies of the Federal Government that has investigative jurisdiction.

There is today no available source of information correlated, evaluated, and properly formulated in a given place anywhere in the United States of America under the jurisdiction of the Federal Government made available to the States even though millions and millions of dollars are being spent annually to investigate crimes involving these syndicated crime people. Yet, the advantage of that expenditure is not made available to the local law-enforcement people in fighting crime, to make this information available, correlate it, to local authorities under proper supervision of the Attorney General. That is the interesting thing to me, I say to the gentleman: that the Attorney General now and the President not too long ago were saying they wanted a Federal Crime Commission which would go much, much further than the proposal suggested in establishing an Office on Syndicated Crime under the jurisdiction of the Attorney General. But I am unable to get the Attorney General interested now that he is Attorney General, even interested in establishing an Office on Syndicated Crime, which does not go nearly so far as the proposal previously made by the present Attorney General for a Crime Commission. Frankly, Mr. Chairman, I cannot understand it, especially in view of the fact that the Milton Wessel group on syndicated crime filed a report, a copy of which is in our hearings, and made its report to the previous Attorney General available to the present Attorney General, and made the finding that this is one of the key necessities in fighting crime in America. I thank the gentleman.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield further?

Mr. MEADER. I will yield for a question. I do not want to get diverted into this other question which is not immediately relevant to the point I was trying to make.

Mr. ROGERS of Colorado. I think the gentleman from Florida [Mr. CRAMER] will admit that it creates a new division in the Department of Justice?

Mr. CRAMER. A new office.

Mr. MEADER. Mr. Chairman, I want to point out that the bill before us would expand existing law regarding fugitive felons.

I also want to draw the attention of the House to the fact that a year ago, in the Civil Rights Act of 1960, we adopted an expansion of the Fugitive Felon Act, which is title II of the Civil Rights Act

of 1960; it is section 1074 of the United States Code, chapter 49, title 18.

That extension of the Fugitive Felon Act dealt with flight to avoid prosecution for damaging or destroying any building or other real or personal property.

I believe that when we adopt the bill before us, we will have included not only the existing section 1073, which is amended by this bill, but we will in addition have included all of the coverage of section 1074 which, as I say, was title II of the Civil Rights Act of 1960.

Mr. Chairman, I would like to have the attention of the gentleman from New York, the chairman of the Judiciary Committee, Mr. CELLER, for the purpose of propounding an inquiry to him and for the purpose of making some legislative history.

I call the gentleman's attention to the colloquy between himself and me on Monday, August 21, 1961, which appears on page 16542 of the CONGRESSIONAL RECORD of that day, in which the gentleman and I agreed that since the legislation under consideration at that time was in aid of enforcement of State laws, there was no danger that any court would interpret the Federal law as preempting or striking down the State law.

I wonder if those comments which the gentleman made would not be equally applicable to this expansion of the Fugitive Felon Act, and there could be no possibility of impairing the validity or vitality of any State criminal laws as the result of the adoption of this legislation?

Mr. CELLER. The gentleman is absolutely right.

Mr. MEADER. I thank the gentleman.

Mr. CELLER. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. FORRESTER].

Mr. FORRESTER. Mr. Chairman, I am an old prosecuting attorney. I served for 27 years and it is an unusual experience for me to be appearing in the well in behalf of the defendant. But the defendant has got to have some representation here today. I have no personal ax to grind, but this is a bad bill. It is not just a reasonably bad bill, it is an extremely bad bill. Now I am going to make this statement to you and I am going to do it without fear of any successful contradiction. If you do not think after the passage of this bill that you have turned the Attorney General and the Federal Bureau of Investigation into every State offense involving a felony of any kind or description, even if it is only selling cigarettes to minors, then you are just simply wrong. It does that very thing.

There is another thing I cannot understand, certainly not as a member of the Judiciary Committee. I cannot conceive why we are not willing to reduce to writing what we say will be the practice under this legislation. It simply does not make sense.

The mere fact that you have had most of this law on the books for years does not mean anything. Do you mean to tell me you are not going to give consideration to trying to cure a mistake if a mistake has been made? I tell you positively and without any fear of contradiction whatsoever that this law in its incipiency, from the very beginning, has been so bad that the Justice Department has not followed it. The Justice Department, instead of observing this law, observed a practice; and, if you will pardon my saying so, neither the Attorney General nor the Justice Department has authority or any right to set up a practice. Each and every one of the officeholders in this country is bound by the law and should enforce the law; not what you think the law ought to be, but what the law is. And I will tell you this further: that if you will read the law you will see what you are doing, and I do not believe you will then pass this kind of legislation.

In the first place the law that you already have covers murder, burglary, robbery, mayhem, rape, and other offenses and the attempts to commit those offenses. So, actually, if you want to deal with major offenses, you already have the law

Now what you are trying to do is this: You are bringing the entire field of policing State criminal law into the hands of the Federal Government. So far as the record shows, the present law is ample.

The report contains only a statement that the Department of Justice wants to help the States administer their laws, but the record does not show that the States have asked for it, have asked the Department to assist them in the enforcement of these laws by passing further legislation. So far as I know, no Governor, no State prosecuting attorney has recommended the action sought today. Whatever the reason is—and I will have to confess to you I do not know the reason; I have tried to find out the reason, and if there is any reason it has been hidden from the Judiciary Committee and from the Rules Committee—but if this bill should be amended requiring offenses to be felonies under the law, the amendment to be offered by the gentleman from North Carolina [Mr. WHITENER], that will not make any concession, because the truth is that that is exactly what the Attorney General in his letter says he wants to do. They just failed to realize that some States have different laws concerning felonies. It just happens that the punishment is for 1 year or more, but that does not convey accurately or identify what are felonies in the various States. So, if that amendment is accepted, it will not cure the infirmities in this bill.

The report says that the Attorney General or Justice Department would act only at the request of a State. See the last paragraph on page 2 of the report. It says that this action is one of practice; in other words, it is a self-imposed restraint. You did not impose it on them. I am asking you to put on self-restraint, for the Department of Justice did it because you did not do it. The Department realizes that the law as written violates virtually every concept of our known criminal jurisprudence. Do you hear me? It absolutely violates every fundamental concept of your criminal jurisprudence. If you adopt the practice today you can break that practice tomorrow. Maybe it will be. If it is broken, no one can criticize that action because the practice is unlawful to start with and to cease that practice and to enforce the law according to its terms would be only the duty of the Attorney General, who is entrusted with the enforcement of the law. It would be a sad day for this country if the practice is accepted that a prosecuting attorney can limit or qualify the laws passed by the people. To me, this practice of self-restraint by the Justice Department makes it impossible for me to support a law giving it such terrific and unjustified powers. As a matter of fact, the present law reads so differently from the present practice of the Justice Department that actually the Justice Department has made its own law. There is nothing in the present law to limit the FBI to cases in which a State has demonstrated sufficient interest in obtaining the return of the fugitive and in incurring the expense necessary to extradition. The Federal Government under this law can proceed even against the will of the State, and I challenge anybody to deny that. Can anybody tell me you are bound to operate under the request of the State? They will not agree to put it in there. I say to you that you ought not to pass any such legislation until it is spelled out there and it says what they are going to do with it. As a matter of fact, any State prosecuting attorney charged with administering the law can be forced by mandamus to prosecute according to the terms of the law. Whether the U.S. Attorney General can be required to do his duty is a matter that I cannot pass on, but he ought to be.

I think I would give favorable reception to proposed legislation along the lines of the stated practice of the Justice Department, but I will not agree, and God knows I hope you will not agree, to pass a law completely foreign to such practices and acquiesce in the Department's setting up its own rules.

You could take the story of "Little Red Ridinghood" and hold it before you and put it over there in the Department of Justice, and the Department of Justice can set out its own rules, the same rules just as easily as under this bill that is before you, because this bill and what the Department of Justice is doing are just as different as the day is from the night.

I do not think this Congress wants to pass a law that whoever travels in foreign commerce or interstate commerce with intent to avoid prosecution is guilty of a Federal offense. They will tell you that they are just going to prosecute them in the State, but tomorrow they may try them in the Federal court. They have done this. Look at the U.S. Annotated Code and you will see. You would not have those decisions if they had not tried the defendants. You cannot only be tried by the Federal Government but you can be given a fine of $5,000 or 10 years in prison.

The bill says nothing about turning the defendant over to State authorities. Listen to me, now. I challenge you. Just show me any authority for turning the defendant over to State authority. It is not in this law. It is a good prac-

tice. I am for it. I approve of it. But it is practice and not law, and it can be stopped tomorrow.

Also, there is no requirement that prosecution be a bona fide prosecution.

It covers a malicious prosecution just as effectively as it does a bona fide prosecution. There is no requirement that the prosecution be initiated by indictment or by criminal information. The prosecution could be started by swearing out a warrant before a justice of the peace who has no knowledge whatsoever of the law.

Anyone can easily conceive of a person removing to another State who could be charged with fleeing to avoid prosecution although the change of residence was without intent to avoid prosecution. I am going to lay down this rule, and I challenge anybody to deny it. I point out to you that in a prosecution under this bill the prosecutor will offer in evidence an indictment or warrant or whatever the foundation for the prosecution is, and evidence that the defendant fled the State, and then if the defendant tries to prove that it was a malicious prosecution, the court would have to hold it was irrelevant and immaterial, as the motive for the prosecution was immaterial.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. FORRESTER. Mr. Chairman, will the gentleman yield me more time?

Mr. McCULLOCH. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia.

Mr. FORRESTER. As I was saying, the court would have to hold that such evidence was irrelevant and immaterial because the gravamen of the offense is simply to flee to avoid any kind of prosecution. Certainly, this legislation creates an independent offense, a Federal offense, and you have, certainly, a degree of multiple prosecution. You can prosecute him in a State court, you can prosecute the defendant in a Federal court. The legislation makes the offense of fleeing to avoid giving testimony in criminal proceedings.

My friends, do you want to do that? Seriously, do you want to do that?

Mr. Chairman, at the risk now of this being considered farfetched, I want to make this point. You ought to consider things that are farfetched when you pass legislation. I remind you, you are making laws to bind human beings. I say this to you—any tourist traveling in another State and who witnesses in that State the commission of a felony—and not one of any earth-shaking importance—but just a felony, because the State says it is a felony, that tourist could be confronted with a charge to remain in that locality as a witness, paying his own expenses, until the trial, and having to pay for his food and lodging and so forth. There is no provision whatsoever for him to reimbursement by the State. It subjects him to punishment for fleeing the State to avoid testifying. I do not intend to be a party to any such legislation. I deem it the duty of the Congress to pass responsible legislation. I do not think it is either within the province of the Attorney General or of the Department of Justice to say what part of the law they will enforce and what part of the law they will ignore. This legislation is too powerful and too oppressive to be granted to any prosecuting official.

Mr. Chairman, I sympathize with the motives of this legislation. I am for the principle, but under no circumstances whatsoever am I willing to put my endorsement upon legislation as oppressive and as far reaching as this.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McCULLOCH. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. BROMWELL].

Mr. BROMWELL. Mr. Chairman, I rise in opposition to this bill with some reluctance because I so strongly approved of the legislation that was adopted on Monday in this House to which this legislation is related. Moreover, I am well aware that the members of the committee and, particularly, the gentleman from Ohio who introduced this bill, have been put to a great deal of labor. That this bill is controversial is self-evident. At the risk of laboring the obvious, I should like to point out the particular feature of this bill which is most objectionable to me.

We are all familiar with the manner in which prosecutions are commenced under State law. They are commenced by a true bill of indictment being returned by a grand jury, or if the statutes permit, by the filing of a prosecutor's information; or in some jurisdictions by filing of a preliminary information upon a citizen's complaint—in some cases, the police. In each of these instances, someone must by official act upon oath take the responsibility of accusing one of his fellow citizens of having committed a crime, and in the event that he acts maliciously, he subjects himself to civil liability for inducing malicious prosecution. This is a responsibility which has been placed upon the enforcement officials to safeguard the rights and liberties of American citizens. We are all familiar, in addition, with the processes of extradition. If a man is charged with serious crime in the State in which it is committed, and flees to another jurisdiction, at the present time the process of extradition is followed.

Now, this is a very carefully thought out, time hallowed process in which the requirements are placed upon those seeking to return the criminal for trial of showing that a charge has been filed against this man; that some responsible official has accused him of crime upon his oath or affirmation or otherwise, according to statutory law, and in addition, that the man held in the distant State, the asylum State, is, in fact, the man who has been accused in the State in which the crime was committed. Without these minimum requirements there is no extradition at the present time.

Now, the bill before us provides nothing in the way of a requirement of prosecution in the original jurisdiction. It does not require any proof of a formal averment of crime against the person charged under this Federal law which we are being asked to pass. Indeed, it does not require that any crime shall have been committed at all. It requires no prosecution, no statement by State officials. It requires no intent to prosecute.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield at that point?

Mr. BROMWELL. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. The bill, H.R. 468, on line 5, says "Whoever moves or travels in interstate or foreign commerce with intent either (1) to avoid prosecution, or custody or confinement after conviction."

Mr. BROMWELL. Yes.

Mr. ROGERS of Colorado. Well, now, do you not believe that before the U.S. attorney would file an information against anybody who has fled, that he would have some evidence that he fled to avoid prosecution?

Mr. BROMWELL. Well, yes, but let me say to the gentleman from Colorado that this act is not going to be enforced by what I believe. This act is going to be enforced upon the specific language included in this bill.

Let me hasten to add that I firmly believe that the present practices of the Federal Bureau of Investigation and the Department of Justice would require some showing, and I am speaking now of the express language in this bill which makes no such requirement.

Mr. ROGERS of Colorado. I think where you missed my point is that we are talking about spelling out a Federal crime.

Mr. BROMWELL. Precisely.

Mr. ROGERS of Colorado. Now, the Federal crime we are spelling out is he who travels in interstate commerce to avoid prosecution.

Mr. BROMWELL. Correct.

Mr. ROGERS of Colorado. And, if he does so, then he is subject to a penalty. Now, the U.S. attorney usually is the one who prosecutes. Now, before he files or presents it to the grand jury, as he must, does he not have to have evidence of his fleeing to avoid prosecution?

Mr. BROMWELL. I certainly hope so. Let me say to the gentleman from Colorado that I certainly hope he must have such evidence, and it is also my sincere hope that the requirements will be written into this statute that there be prosecution in the State from which the man has fled.

Mr. ROGERS of Colorado. But, it is written into the statute, if he flees to avoid prosecution.

Mr. BROMWELL. You are implying into the word "prosecution" formal acts which are not required by this bill.

Mr. ROGERS of Colorado. But, suppose he committed a murder tonight and nobody knew who he was and he fled over the State line; he fled to avoid prosecution for the murder that he committed.

Mr. BROMWELL. Yes.

Mr. ROGERS of Colorado. Well, now, would you amend this bill to say that there had to be a formal complaint filed before he violated this law?

Mr. BROMWELL. I would say that before he was subject to prosecution under this law there should be someone

stand up and say: This man, John Doe, or whatever his name was, did commit a crime. And, I will stake my reputation on that.

Mr. ROGERS of Colorado. That is the duty and the responsibility of the prosecutor which files the charge against him as now provided by law. In other words, you are spelling out a Federal crime.

Mr. BROMWELL. Yes.

Mr. ROGERS of Colorado. And the Federal crime is he who flees to avoid prosecution. The fact that the justice of the peace or the State or county attorney or the attorney general of the State has not had an opportunity to go out to the courthouse to file a complaint against him before he goes across the State line should not be a test of whether he has committed a crime.

Mr. BROMWELL. I say that before we send a man to the penitentiary for 5 years somebody better have time to get to the courthouse in the State in which the murder is committed.

Mr. ROGERS of Colorado. But the Federal crime here and the duty and responsibility of proof is on the Federal Government, and if they cannot show that he fled the State for the purpose of avoiding prosecution then they have not proved their case.

Mr. FORRESTER. Mr. Chairman, will the gentleman yield?

Mr. BROMWELL. I yield.

Mr. FORRESTER. Of course the gentleman knows that the observation made by the gentleman from Colorado is just theoretical. There does not have to be any prosecution commenced at all, and the Justice Department can move in under their own volition under the terms of this bill, and if they would just accept the amendment the gentleman is going to offer it would cure that very defect. I cannot understand why they will not accept it, for they contend that that was the effect of this law.

Mr. BROMWELL. I agree with the gentleman.

Mr. Chairman, I yield back the balance of my time.

Mr. CELLER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I want to say to the membership we cannot accept the so-called Bromwell amendment in the terms it has now been presented. This amendment is not only prospective, but also retroactive, since it would affect the old statute. For example, if this amendment were adopted and a person committed a crime of rape, arson, robbery, kidnaping, all despicable crimes, and flees to another State it would take considerable time to institute a complaint of these heinous offenses, or an indictment, or any kind of formal process. That interval of time aids the criminal to continue his flight possibly from one State to another, and the apprehension might be thwarted because of the enforced delay. He could seek out an absolutely safe haven secure from detection. Thus justice would be thwarted and there could be no prosecution whatsoever.

The amendment would slow down beyond peradventure of doubt the whole process of apprehending a felon to such a degree as to assist the fugitive in making an actually safe getaway, and thus hamper prosecution and frustrate justice.

What the gentleman seeks to do is to incorporate into the definition of a crime that which is purely procedural. That is dangerous. In numerous cases it would be impossible for the State from which the felon flees for various reasons to bring any complaint or indictment, or information against the fugitive under the proposed amendment. It accents this formal proceeding. There can be no invocation of a statute without formal procedure, and the fugitive goes on his merry way.

There have been a number of important cases decided which should be decisive of this proposition. This question of a pending formal process was raised before as a defense against a Federal prosecution for violation of the Fugitive Felon Act. A leading case is United States against Bando. This was the case in which Victor Riesel was blinded. The perpetrator of the crime which was mayhem in New York was one Abe Telvi. He also received facial burns from the acid spattered on him as he threw it. Being a marked man the conspirators in the crime moved Telvi to Youngstown, Ohio. He subsequently returned to New York and shortly afterwards was shot and killed. No proceeding for the crime of mayhem in New York was pending, since the State did not have sufficient evidence, nor could a proceeding ever be brought since the defendant was dead.

Thus, under the Bromwell proposition, these men who aided Telvi could not have been prosecuted.

The appellate court, mark you well, ruled that under the existing statute it is not necessary that flight follow the filing of a formal charge or indictment of one of the specified crimes. The court pointed out that the statute does not say "a pending" prosecution. It merely suggests that the fleeing felon is subject to prosecution; but the court continued to point out that if the statute was construed as the defendant argued, demanding a formal charge, that is, the statute had that in it, as the gentleman from Iowa [Mr. BROMWELL] wants it in now, it would serve in great measure to frustrate Federal law enforcement agents by preventing them from going into action promptly, and it would set a premium on a quick getaway across State lines by criminals who had committed one of the crimes of violence listed in the statute.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Chairman, I yield myself 5 additional minutes.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Louisiana.

Mr. WILLIS. Under the present statute, which has been on the books since 1934, the requirement sought to be imposed by this amendment is not in there, is that correct?

Mr. CELLER. That is correct.

Mr. WILLIS. We had no hearings on this proposal. It may well be, as the court said, it would not only result in frustration but would result in something we cannot conceive of until we have had hearings on this matter.

Mr. CELLER. That is a sound argument.

Mr. WILLIS. It has never been thought through.

It seems to me that the Department of Justice should have an opportunity to express itself on this broadsided amendment before we properly consider it on the floor.

Mr. CELLER. I agree with the gentleman.

I want to point out another case, Lupino against United States. The defendants were charged with violating the Fugitive Felon Act. In this case the defendants kidnaped and killed a man in Minnesota and fled to California. No prosecution was ever held in Minnesota because of lack of sufficient evidence. These men were convicted, and the conviction affirmed on appeal. The defense was that a State prosecution—that is the language used in the Bromwell amendment—was an essential prerequisite prior to flight.

The court refused the defendant's argument. The court said:

> Such flight by perpetrators of crime against the States are a common means of hindering State justice, as is well known, and if it is the Federal Government which accords freedom of movement throughout the country, that makes flight possible, it is plainly within the province of the Government to regulate this abuse of it. The abuse is against the peace and dignity of the United States and also of the States.

In the light of modern convenience of transportation, the Bromwell amendment would make the statute an ineffective aid in the capture or prosecution of fleeing felons because of the time which would necessarily be required to institute some formal process. It is an innate instinct of a person who has committed a crime to immediately flee the scene. Thus, the modern means of transportation makes it only a matter of hours, or even less, to reach a State border and move in interstate commerce. Normally, on the other hand, it would take at least a day, or maybe several, for a complaint or information or other formal process to be filed. To summon, for example, a grand jury and render an indictment would take much longer.

To summon, for example, a grand jury and render an indictment, would taken even much longer. Thus, under the proposed amendment, the law would be made an ineffective instrument of justice.

Mr. Chairman, it should also be pointed out that under existing law defendants cannot be convicted unless the jury finds beyond a reasonable doubt that they committed the crime for which they fled for which they feared they would be prosecuted, and that they fled with the intent to avoid prosecution. The apprehension on the part of the defendant must also be a reasonable one, and not a mere figment of the imagination.

Mr. Chairman, another aspect of the Bromwell amendment is this: the Fugitive Felon Act is primarily designed to

assist the States in locating and apprehending, through the FBI, fugitives from State justice. It plugs a loophole in the States' uniform and reciprocal extradition laws. It does so in this manner: If a State has a defendant under indictment, that indictment is of no force and effect unless the State knows where the defendant is located so that it can make a demand upon the State of asylum. Its law enforcement officers are limited by the territorial boundaries of the State. However, if the demanding State does not know the whereabouts of the defendant and its law enforcement is so limited, it is only the agency of the Federal Government which can perform the task of locating and apprehending the missing indicted defendant. This also applies in the case of missing witnesses under the Reciprocal Witness Act.

Mr. Chairman, for these reasons I hope that the amendment will not be adopted, when offered by the distinguished gentleman from Iowa [Mr. BROMWELL].

Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. LIBONATI].

Mr. LIBONATI. Mr. Chairman, I think we should weigh this legislation as realists. I do not think any constitutional lawyer of any training whatsoever or prestige could defend the original enactment of the Felony Act in Flight on this national basis. It is lese majesty piece of legislation that has for its specific purpose a quick taking and a lightening delivery back to the demanding State from the asylum State.

Mr. Chairman, we all know as lawyers in the practical sense that the man is brought before the Federal commissioner, and that is his hearing. He is immediately ordered back to the demanding State. Under the 44-State system of uniform extradition there is a difference. Through the writ of habeas corpus there is testimony taken and testimony can be given which is a complete defense to the sending of this person from the asylum State to the demanding State. So, in reality if this is legislation because of necessitous circumstances that confront the States between themselves, a lack of time, or for the emergency of the moment, the individual is returned to the demanding State.

Mr. Chairman, under this bill there is no protection in any sense, constitutionally and otherwise, on the part of any person whom the Government seeks to send back to the demanding State. But by amendments we have in some way rectified certain areas in the bill or certain provisions in the bill that were too broad and too loosely drawn. I would rather have seen the crimes enumerated that the Attorney General spoke of instead of the entire classification of felonies in the respective States. I would rather have the bill list individual crimes instead of an amendment inclusive of all felonies.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. LIBONATI. I yield to the gentleman.

Mr. WHITENER. Mr. Chairman, I appreciate my friend from Illinois yielding to me; and I would like to say to him that those of us who have been privileged to serve with him on the Judiciary Committee have been most appreciative of his splendid mind and the application of that splendid mind to some of these problems which so regularly present themselves to the members of our committee. And I appreciate so much the wonderful work the gentleman has done in connection with this particular bill in trying to make it a less objectionable piece of legislation than it was when we started with it.

Mr. Chairman, I would like to ask the gentleman if he will agree with me on this proposition. We are told by the Department of Justice that their sole purpose is to assist the State agencies or the local law-enforcement people in returning criminals who have fled, returning them to the place where the crime was committed for trial. They say, "We have no desire to prosecute people under this language even though we are asking you to give it to us." Now I want to ask the gentleman, is there anything in the law of this land which would prevent the Federal Bureau of Investigation from giving assistance to local authorities in the location of fleeing felons any more than there is some provision against the local law-enforcement agencies, such as the police department of Chicago, cooperating with the police department of my city?

Mr. LIBONATI. There is nothing; the gentleman is absolutely right.

Mr. WHITENER. Certainly the local law-enforcement people have no legal interest in a crime committed in another State or another jurisdiction; but at the same time throughout this country of ours we have a network of law enforcement as a result of the reciprocal attitude of these local law-enforcement officers. Now, without the Fugitive Felon Act does the gentleman know of anything that would prevent the FBI from showing a reciprocal interest in the apprehension of criminals when a local agency requests it?

Mr. LIBONATI. No. As a matter of fact, it is the practice. I would say further that that was the purpose of the original bill, purely for the apprehension of felons who have flown from a jurisdiction and it is the desire of the demanding State authorities to return him. That is the only function that they measure up to in this bill except where the Attorney General in such case may determine, as by the amendment that I propose, to prosecute under the Federal law of flight—he or members of his staff, and no one else. It is limited to him and to his staff. Under those circumstances I say as realists, that the Members of the Congress at the incipiency of this legislation, realized when they were passing it that it was purely for that purpose and no other purpose.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. LIBONATI. I yield to the gentleman.

Mr. ROGERS of Colorado. Do I understand the gentleman contends if Congress had not passed the Fugitive Felon Act and if we do not now enact H.R. 468 that the FBI has authority to ferret out a man who may have committed a murder in Chicago and went to Florida?

Mr. LIBONATI. Yes. And they lodge them in the city jail for investigation, and the local police take over, informing the police of the demanding authority.

Mr. ROGERS of Colorado. Could the gentleman cite any statute that would give authority to the Federal Bureau of Investigation to walk in and arrest a man in Florida for a murder committed in Chicago?

Mr. LIBONATI. Yes. They take him in custody and hold him on the pretext that they are turning him over to the custody of the local police authority for continuing investigation. Then the local police authority informs the proper authorities in the demanding State. That is the way it was done before this act.

Mr. WHITENER. As a matter of reciprocity.

Mr. LIBONATI. That is true.

Mr. WHITENER. Is it not the knowledge of the gentleman from Illinois as well as the knowledge of the gentleman from Colorado, who served as attorney general of his State, that never a day passes that police authorities do not assist the Federal Bureau of Investigation in locating Federal criminals?

Mr. LIBONATI. As a matter of fact, police officers are assigned to various agencies of the Government, including the Narcotics Bureau and the FBI, at the local levels.

Mr. ROGERS of Colorado. Suppose the local officials refuse to cooperate with the Government?

Mr. LIBONATI. They do not owe a duty to the Government to cooperate with the Government, but they have certain instructions from their own disciplinary officials who in case of a refusal would take cognizance of it. But the gentleman was the attorney general of Colorado. Maybe they refused to cooperate because your demands were excessive and would subject them to lawsuits for false arrest.

Mr. WHITENER. I will say to the gentleman from Colorado in answer to his question that if the local authorities refuse to cooperate when the Federal authorities request them to do so the same thing happens when the Federal authorities refuse, as they have in many instances, when we have requested their support and their assistance. You just do not have the cooperation. That is exactly what happens.

Mr. LIBONATI. I appreciate that, but you will find the persons who are heads of these departments want them to cooperate.

Mr. ROGERS of Colorado. Does not the gentleman recognize that every process in the executive branch is based on some statute or authority given by Congress?

Mr. LIBONATI. That is an overstatement that I have heard many times but that you cannot prove.

Mr. ROGERS of Colorado. Does the gentleman know of any action taken by the agencies that is not backed up by some statute, by Executive order, or that has been authorized by Congress?

Mr. LIBONATI. The gentleman is asking me to determine whether or not an agency has been disciplined. The

books are filled with them. The Congress is always investigating, ready to investigate any Government agency that does not act in conformity with the rules or areas of their responsibility.

I hope that in expanding the jurisdiction over all felonies the Government works out a way whereby these men who are picked up by the Government will be given an adequate hearing and an opportunity to defend their position, especially in view of the fact that you are permitted under this law and it has been permissible under the old law to take persons in custody in the light of what testimony they could give toward some proceeding that started after they had left the jurisdiction.

I say to you that the time is coming when there must be adequate legal representation at the Federal level, such as defense counsel appointed by the courts to represent these prisoners held in custody; especially as to the testimony that they may be presumed to know about and are held without due process or under court proceedings, complaint, information, or indictment, or under any subpena. Otherwise, detaining such persons against their will without due process of law is unlawful and in violation of their civil rights. The bill as amended in its present form although not entirely satisfactory, now corrects the more important criticisms leveled against its enactment.

Mr. McCULLOCH. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first paragraph of section 1073 of title 18 of the United States Code is amended to read as follows:

"Whoever moves or travels in interstate or foreign commerce with intent either (1) to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which he flees, for a crime, or an attempt to commit a crime, punishable by death or imprisonment for a term exceeding one year under the laws of the place from which the fugitive flees, or (2) to avoid giving testimony in any criminal proceedings in such place in which the commission of an offense punishable by imprisonment in a penitentiary is charged, shall be fined not more than $5,000 or imprisoned not more than five years, or both."

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

On page 2, line 2, strike "imprisonment in a penitentiary" and insert in lieu thereof: "death or imprisonment for a term exceeding one year".

Mr. WHITENER. Mr. Chairman, I offer an amendment, as a substitute for the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITENER as a substitute for the committee amendment: On page 2, line 2, strike: "imprisonment in a penitentiary" and insert in lieu thereof the following: "death, or which is a felony under the laws of such place, or which in the case of New Jersey, is a high misdemeanor under the laws of said State,".

Mr. WHITENER. Mr. Chairman, the intent and the purpose which will be served, if this amendment is adopted, is to make this act applicable only as to felonies. It comes as a substitute to the committee amendment, which follows the section of the bill relating to unlawful flight to avoid giving testimony. This substitute for the committee amendment would have the effect of saying that a witness who fled a jurisdiction to avoid testifying could not be brought under the penalties of the Fugitive Felon Act unless the case involved in the local jurisdiction was a felony. There is some additional language here which is designed to meet the special situation which we are told by counsel to our committee and by the Department of Justice exists with reference to the law of the State of New Jersey. It seems in that State, they do not denominate the offense as a felony, but term it a high misdemeanor which is synonymous, I am told, with the term felony as it applies in the average jurisdiction. This amendment would have a very wholesome effect in that it would limit the application of the unlawful flight to avoid the testifying portion of the Fugitive Felon Act to cases where a felony was charged or a high misdemeanor in the State of New Jersey or in the State where the alleged offense has been committed.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. WHITENER. I yield to the gentleman from New York.

Mr. CELLER. The gentleman's amendment is eminently acceptable to the committee.

Mr. McCULLOCH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we are happy to accept the amendment offered by our colleague on the Committee on the Judiciary, Mr. WHITENER. As indicated earlier today, the word "felony" does not have uniform meaning in all States, and while we, in Ohio, were entirely satisfied with the meaning of this legislation, we found that certain misdemeanors, as described in the State of Ohio, may be subject to imprisonment in the State penitentiary for as much as 2 years in some of the other States. For that reason, in order to get at one of the things which is objectionable to some Members, and which has been so ably described by our colleague from North Carolina, we are pleased to accept this amendment.

Mr. FORRESTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to point out to the Committee of the Whole that actually they are making no concessions whatever when they accept this amendment. As a matter of fact, if you will turn to page 3 of the report, you will find that the Attorney General in his letter to the chairman of our committee set out the language I now quote:

The proposed amendment will permit Federal law enforcement officers to assist State and local officers in locating persons sought for all serious offenses, that is, offenses which would under Federal law constitute felonies.

Now, that is just exactly what he said he wanted in the law. Now, when the bill came before the committee that is just exactly what it did not do. That is one of the many points that we raised in connection with the infirmities in this bill. Of course, when it clearly appeared before the committee over there and when the gentleman from North Carolina [Mr. WHITENER], vigorously protested both there and in the Committee on Rules, that there was opposition, it was just a few minutes ago before they would even accept that particular amendment.

I will say this to you, though, when you take it and when you get this, you have got every sort of felony that any State has decided that they want to make an offense so characterized; in some States even selling cigarettes to minors or things of that kind. And, as a matter of fact, I would predict that almost more than half of the criminal laws of every State of the Union are covered under this bill, and I think you ought to know that.

Now, Mr. Chairman, if no one else wants to comment, I want to raise a point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and five Members are present, a quorum.

The question is on the substitute amendment offered by the gentleman from North Carolina [Mr. WHITENER].

The substitute amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment as amended by the substitute.

The committee amendment as amended was agreed to.

Mr. LIBONATI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LIBONATI: Page 1, line 3, strike out the phrase "the first paragraph of".

Page 2, line 5, add the following paragraph:

"Violations of this section may be prosecuted only in the Federal Judicial District in which the original crime was alleged to have been committed, or in which the person was held in custody or confinement, and only upon formal approval, in writing, by the Attorney General or the Assistant Attorney General of the United States, which function of approving prosecutions may not be delegated by them".

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. LIBONATI. I yield.

Mr. CELLER. The amendment suggested by the gentleman from Illinois is acceptable to the committee.

The CHAIRMAN. Without objection the amendment is agreed to.

There was no objection.

Mr. WHITENER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITENER: On page 1, line 9, after the word "death" strike the following: "or imprisonment for a term exceeding one year under the laws of the place from which the fugitive flees," and insert in lieu thereof the following: "or which is a felony under the laws of the place from which the fugitive flees, or which, in the case of New Jersey, is a high misdemeanor under the laws of said State."

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. WHITENER. I yield.

Mr. CELLER. This amendment like the other amendment offered by the gentleman from North Carolina is acceptable to the committee.

Mr. WHITENER. I thank the gentleman.

Mr. CORMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. WHITENER. I yield.

Mr. CORMAN. I only want to ask how this amendment would affect California law. I read the definition of a felony:

> A felony is a crime which is punishable with death or by imprisonment in the State prison.
>
> Every other crime is a misdemeanor. When a crime, punishable by imprisonment in the State prison, is also punishable by fine or imprisonment in a county jail, in the discretion of the court, it shall be deemed a misdemeanor for all purposes after a judgment other than imprisonment in the State prison.

And so forth. I would inquire whether the reference to felonies in this law would cover any crime in California punishable as a felony, and I take it that it would.

Mr. WHITENER. That is the language of the amendment. It would certainly not do any violence to California law; and the definition the gentleman read from the statute is something which has been enacted in the wisdom of the legislators of the gentleman's State. I think it would be very improper for any of us to undertake here to dictate what should be the law of California.

Mr. CORMAN. Mr. Chairman, if the gentleman will yield for a question, I do not quarrel with his amendment. I would like to know whether, in California, after a judgment has been imposed that is less than 1 year and thus the crime reduced from a felony to a misdemeanor, the ability of the Federal prosecutors to prosecute under this amendment, would be affected. At the time of flight the alleged crime was a felony. Subsequently the penalty imposed reduced it to the status of a misdemeanor. Would the necessary elements of an offense under this amendment still exist?

Mr. WHITENER. I would say to the gentleman that while I know nothing about California statutes, I would assume that when the court makes a decision to put a defendant in the local lockup instead of the State prison that the defendant is already in court and would not be involved in a fugitive proceeding anyway.

Mr. CELLER. I would say to the gentleman from California that if that crime is punishable as a felony or like a felony at the time then it would be subject to this statute.

Mr. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. WHITENER. I yield.

Mr. HOLTZMAN. I would like to say to the gentleman that under the California law which the gentleman read if it has been reduced to a misdemeanor it when then take it out of the purview of this section.

Mr. CORMAN. It seems to me that under this amendment the question could arise as to whether or not it is a felony and even though the indictment may have been for a felony if the sentence reduced it to a misdemeanor then the Federal authorities might not be able to intervene whether they wanted to or not. There might not be any possibility of prosecution. I am still in doubt.

Mr. WHITENER. I am sure the gentleman would agree that if the presiding judge sought to temper justice with mercy by reducing the charge to a misdemeanor the defendant should not complain.

Mr. CORMAN. I only wanted the RECORD to indicate what the House intends as to this amendment when the felony portion of the Federal statute is being interpreted under the California law.

The CHAIRMAN. Without objection the amendment offered by the gentleman from North Carolina will be agreed to.

There was no objection.

Mr. BROMWELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. BROMWELL: On page 1, line 6 of the bill, after the word "prosecution" strike the comma and insert the following: "commenced or to be commenced by appropriate official act,".

Mr. BROMWELL. Mr. Chairman, the purpose of this amendment is a simple purpose. It is to guarantee two things; first, that State action shall trigger the operation of this statute; and, second, that someone within the State will take the responsibility for undertaking the prosecution upon which the operation of this statute is based.

We have considered here a derivative crime. The crime that is contemplated here in this bill derives from a crime previously committeed in one of the 50 States of the Union. In order that intent, which is spoken of in this statute, shall have some criterion in this act upon which a judgment can be based, I offer the amendment.

One of the criteria of the intent of the person charged under this act shall be a prosecution in fact, not in contemplation, not suggested, not possible, not thought about, not simply discussed, but a prosecution in fact in the State in which the crime was committed. If there is such a prosecution in fact, either at the time of the flight or after the flight, then the prosecution under this act can be commenced. Without prosecution in fact this act would not become operative.

What do I mean by official act? I mean the filing of a sworn complaint, of a prosecutor's information, the return of a true bill, some basis upon which a warrant could issue, something which would give evidence of a serious attempt on the part of the State in which the crime was committed to prosecute for that crime.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. BROMWELL. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I would like to suggest to the gentleman several situations in which the imposition of his requirement could raise some very serious problems in connection with this. I will state several of them that occur to me. Perhaps the gentleman has an answer to them. If he does, I would be interested.

Suppose you had a situation such as the chairman pointed out, a murder was committed and the murderer later was helped to flee across a State line, then subsequently was killed himself. What about proceeding against the persons who fled with him, who have been conspirators to the crime, yet who were not subject to action under the State prosecution situation?

Another one I would like to mention would be a situation in which your prosecuting attorney was a brother or close relative of the person who committed the crime; or, for example, a situation in which you had a corrupt local prosecuting attorney who refused to proceed and get a process. What would happen in situations such as those?

Mr. BROMWELL. Let me take the first case, one in which a murder is committed and the man flees, later dies on the other side of the State line, what do you do with his accomplices? That is an extremely rare circumstance. In the second place, there are State statutes under which the accomplices may be prosecuted for such as criminal conspiracy. They are not entirely beyond the reach of the State law. Some prosecution can be had.

What was the next one?

Mr. EDMONDSON. The second case was where the prosecutor's own brother or wife commits a crime and he refuses to issue a process.

Mr. BROMWELL. That may be reduced to absurdity by the statement that if you had a Federal prosecuting attorney or a Federal investigative agent who was related to the people committing the crime, he would not act. I do not think that is material to the operation of this statute at all.

Mr. EDMONDSON. How about a corrupt local prosecutor who refuses to proceed, who was obligated in some way to the person who is guilty of the crime, and flees across a State line. The gentleman would not say that was an unheard of circumstance, would he?

Mr. BROMWELL. I hope that it is rare enough so that it will not interfere with the operation of this statute as a general rule throughout the United States. Moreover, this Congress cannot cure all cases of State corruption.

Mr. BRAY. Mr. Chairman, will the gentleman yield?

Mr. BROMWELL. I yield to the gentleman from Indiana.

Mr. BRAY. In the case mentioned, where the prosecutor for certain reasons is friendly to the criminal, there is in every State of the Union methods of bringing about prosecution in cases of that kind, by the Attorney General or grand jury. In fact, I am certain you could not find a situation where there is no method of bringing the prosecution simply because of one corrupt official. You might find in the whole situation one case where you might contemplate that, but of course you could not prosecute them anyway.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. ROGERS of Colorado. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think that we should first examine exactly what we are doing here. We are spelling out the definition of a crime. Congress a long time ago spelled out what acts were necessary to constitute a crime.

Mr. Chairman, the present law is that if one commits murder, kidnaping, burglary, robbery, mayhem, rape, assault with a dangerous weapon, arson punishable as a felony, or extortion accompanied by threats of violence, as well as an attempt to commit any of the enumerated offenses, and these are on crimes under the State statutes, and thereafter flee in interstate to avoid prosecution then, he has committed a Federal crime.

Mr. Chairman, the gentleman's amendment, as I construe it, is going to require more in order to constitute a crime—more acts to be done before a man has committed a felony under this law.

Mr. Chairman, as I interpret the gentleman's amendment, if a murder is committed in my State of Colorado, as an example, and the accused leaves instantly for the State of Utah before the murder is discovered, and flees to avoid prosecution, the gentleman's amendment would require that before he could be guilty of a felony under this act there must be commenced, or about to be commenced, proceedings by an appropriate official act. In other words, there will be two things necessary to constitute the crime: One is that he must flee to avoid prosecution after an official action has been taken by someone before he would be in violation of this law. Therefore, I suggest that we should not adopt this amendment. The adoption of it creates a burden and creates a hazard. As was pointed out by the chairman of the Judiciary Committee, Mr. CELLER, that in order for the present law to be in effect he must flee to avoid prosecution. However, the proposed amendment would add additional language to the effect that the local authorities are required to do something else before he is guilty of the crime.

Mr. BROMWELL. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from Iowa.

Mr. BROMWELL. In order to clarify the statements of the gentleman from Colorado [Mr. ROGERS] I might state that the purpose of this amendment is not to require the filing of process or the bringing of a criminal action prior to the flight. It is to require as a matter of fact in the State in which the crime was committed the filing of an information or its equivalent before prosecution can be commenced.

Mr. ROGERS of Colorado. There is where you get confused, should I say, because first of all you have to define the crime. The criminal law requires that in order for a man to be prosecuted there must be a definite and certain spelling out of what constitutes the crime that he himself can understand.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from Florida.

Mr. CRAMER. As proposed, the amendment is that the prosecution shall have been commenced, or to be commenced?

Mr. ROGERS of Colorado. Yes.

Mr. CRAMER. By "appropriate official action." How can one ever have any certainty as to whether a crime has been committed by writing into the substantive criminal statute a procedural aspect that is not certain in itself, being whether it is, or about to be commenced? Who knows whether a prosecution is going to be commenced? There is no certainty to it at all.

Mr. ROGERS of Colorado. Not only that, but under the language proposed by the gentleman from Iowa [Mr. BROMWELL], I am sure that any court would declare it unconstitutional, as being too vague and indefinite in the interpretation of what constitutes a crime.

Mr. McCULLOCH. Mr. Chairman, I regret that I feel it necessary to rise in opposition to this amendment because, Mr. BROMWELL our colleague on the Committee on the Judiciary has worked so ably and so well on this important legislation. However, if his amendment be adopted it will not only harm the bill that is before us today but it will have disastrous effects on the legislation that has been on the statute books since 1934. As a matter of fact, when the original Fugitive Felon Act was passed by the Congress in 1934 we were confronted by the fears expressed by my able colleague from Iowa [Mr. BROMWELL] and in all that time, although the serious offenses therein covered were murder, rape, burglary, arson and the others that were listed, there has not been an abuse of the authority by the Department of Justice that has been called to my attention or that has been mentioned by anyone in the committee today, or before the Committee on the Judiciary of the House.

Furthermore, as so often happens when amendments are offered on the floor to technical proposals we do not have time to consider the effect of the amendments. The very language offered by our good friends is this: "commenced or to be commenced," which has been ably commented upon by the gentleman from Florida [Mr. CRAMER] and by the gentleman from Colorado [Mr. ROGERS]. The rest of the language is this: "by appropriate official action."

That is a phrase that has not been defined by judicial decision and we are opening up a field here where it will be difficult, if not impossible, to have any definite and certain understanding of its effect. For that reason, and with reluctance, I urge the Committee to reject the amendment.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from Florida.

Mr. CRAMER. Would the gentleman say, from the language of the amendment, that the writing of a letter could be interpreted as an appropriate official act?

Mr. McCULLOCH. It might be so interpreted.

Mr. CRAMER. I, too, hesitate to oppose the amendment of the distinguished gentleman, because I have a great deal of confidence in him and his ability; but is it not true that according to his discussion of the amendment it is apparently his intention for it to come into play only if there has been some official act in the form of prosecution instituted; but the wording does not accomplish that and is not that the problem?

Mr. McCULLOCH. I think that is the intention of the author of the amendment. You have correctly stated the problem. Mr. Chairman, I would like to give the following facts again, because some of the Members were not present when they were first given. I give them to allay the fears of probable abuse of the bill which is before us. These statistics come from the Attorney General of the United States.

In 1960 the FBI arrested 1,361 fugitives and the Federal Government prosecuted only 2 of that number. In 1956, 902 were arrested and 11 prosecuted. In 1957, 947 arrests were made, 6 convictions. In 1958, 1,021 arrests and 2 convictions. So it is apparent that the Justice Department of the U.S. Government is not interested in getting into the trial for these violations.

Mr. KITCHIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in my comment concerning the amendment that is before us today I go along with the purpose for which the amendment is offered, but I do see some language here that is open to many interpretations.

In anticipation that this amendment would come up, I have been in conference with the Assistant Attorney General, who has authorized me to state that the policy of the Department of Justice and the Federal Bureau of Investigation in the enforcement of this act will remain on the same basis it has before. That is to say this, that in each instance where there is an assumed jurisdiction under this particular act there must be a request from the local authority before the Federal Government would get into the matter, and that upon that request the U.S. attorney in the district in which the crime has been committed will be consulted and he will authorize the issuance of a Federal complaint before the investigation is undertaken.

I see a querulous look on the face of the chairman, so I will explain that statement. That means that the authorization can be obtained by telephone. It does not mean that the complaint must be signed by a committing magistrate or the U.S. commissioner, but at least the onus of the responsibility of this particular proceeding, or you can call it an investigation or prosecution, must be borne by the U.S. attorney himself and not in collaboration with the chief of police or an agent of the FBI.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. KITCHIN. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I was present during the discussion and my understanding of the policy to be followed is identical with that of the gentleman who is in the well of the House. I am further informed the gentleman is supposed to receive a letter to that effect, which, when we get back into the House he will ask unanimous consent to place in the RECORD at this point. Is that correct?

Mr. KITCHIN. That is absolutely correct. As a matter of fact, I requested when I was informed about this by the Assistant Attorney General that he confirm it by letter, and when we get back into the House I will ask unanimous consent to insert that into the RECORD as part of the legislative history of this matter.

Mr. FORRESTER. Mr. Chairman, will the gentleman yield?

Mr. KITCHIN. I yield to the gentleman from Georgia.

Mr. FORRESTER. There is not one scintilla or one word in the language of this bill that would compel that that practice or agreement be carried out?

Mr. KITCHIN. Absolutely not, and that has been a matter of discussion for the last couple of hours among those of us who have served in the FBI. For a portion of 13 years during the existence of the original Fugitive Felon Act I was in the enforcement of it. That is the practice we followed in all cases during the investigation of violations of the original act.

Mr. FORRESTER. In the 27 years I was prosecuting attorney my experience with the FBI was wonderful indeed, but during that 27 years the FBI made some mistakes. To make mistakes is human. But I just want to ask the gentleman, Is it sane legislation to deliberately pass a bill which is entirely different from the practice that the Department of Justice is going to follow on that particular legislation? Why can we not spell it out?

Mr. KITCHIN. If the gentleman will allow me to say so, for the last hour we have been trying to work out language that can be inserted in this bill. In the first place, we talk about the description of a crime and the delineation of jurisdiction. In the same bill, we get into the matter of enforcement. It has been hard for me, and for those of us who have been collaborating to know what part of the bill should be inserted as the administrative provisions and procedures.

Mr. FORRESTER. As the gentleman points out, we have had an hour on this problem here but the Department of Justice has had considerable time to work this out; is this not true?

Mr. KITCHIN. I am afraid the gentleman is correct.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield ?

Mr. KITCHIN. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. The gentleman recognizes that the amendment offered by the gentleman from Iowa requires act or contemplated act of some State official to constitute a crime, hence, if it is adopted, it will result in chaos and it will result, probably, in the destruction of the Fugitive Felon Act.

Mr. KITCHIN. I will not go as far as that with the gentleman, but I will say it does involve the matter of interpretation.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think the assurance just indicated from the Department of Justice should put an end to any argument in favor of the amendment offered by the gentleman from Iowa. Let me tell you of something that happened in New York City. Not so long ago in Queens County, in the State of New York, a policeman was murdered. Investigations showed that a certain man had actually committed the murder, but after committing the murder, he took a train heading south. The FBI was notified by the New York authorities. When the man arrived at Atlanta, they arrested him as he stepped off the train. He was brought to trial in New York and he was convicted. If there had been the Bromwell amendment on the statute books, as the gentleman from Iowa [Mr. BROMWELL] stated, in the interpretation of whatever is meant by some sort of prosecution pending or to be pending; if there had been, as he said, the possibility of the grand jury being impaneled, and in Queens, remember, they would have had to impanel a grand jury—remember, that takes time. If then evidence had to be presented before the grand jury, that too takes time. If a true bill had to be returned against the defendant, that also takes time. Thus, if these procedures would have had to be followed, this culprit never would have been arrested in Atlanta. He probably would have gone beyond Atlanta to Florida, and then maybe to Cuba or Mexico or Europe or South America. Then, he would never have been located. He would have escaped. That is what would happen in many cases, if this amendment is adopted. But, beyond that, gentlemen, I beg of you to consider that this amendment changes a statute that has been on the books since 1934. Not only does this change the statute, but it would change the entire case law that has developed on the basis of the statute. The statute and the case law would be nullified. Many cases that have been interpreted under the Fugitive Felon Act would become obsolete and be nullified. That is dangerous—a highly dangerous thing. This amendment would give aid and comfort to those who might be guilty of kidnaping, arson, burglary, rape, and all these other heinous offenses. To file a complaint—to bring forth a true bill—to bring out an indictment—that all takes time and meanwhile the kidnaper, the arsonist or the rapist has a wonderful opportunity to escape from justice. Time is of the essence in these matters, and if you are going to dillydally and wait until some prosecution develops, then you may as well do away with the Fugitive Felon Act.

I urge you not to adopt this amendment.

Mr. CAHILL. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from New Jersey.

Mr. CAHILL. In this day and age of fast moving transportation, suppose there was a homicidal maniac who committed a crime in one of the States like New Jersey, he could very easily flee into the State of New York, Pennsylvania, Delaware, or any of the other bordering States. If this amendment were passed, would it not be impossible for the Federal authorities to assist in such a case?

Mr. CELLER. I am quite sure it would be impossible; create difficulties, at least.

I again quote from the decision in the *United States* v. *Brando* (244 Federal, 2d, 833) where the court said, in reference to possible situations like that involved in the Bromwell amendment:

> It would serve in great measure to frustrate the Federal law enforcement agents by preventing them from going into action promptly, and it would set a premium on a quick getaway across State lines by criminals who had committed one of the crimes of violence listed in section 1073.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MEADER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I reluctantly oppose the amendment offered by my colleague, the gentleman from Iowa [Mr. BROMWELL]. But, I wish to call the attention of the committee to certain basic problems that his amendment would raise.

Words are imperfect instruments at best. All lawyers who find difficulty in expressing thoughts and purposes in contracts or wills know the difficulty of finding exactly the right phraseology. We here, as legislators, in laying down the laws know that we have difficulty in finding perfect phraseology to express our purposes.

Now, this is a criminal law, and all lawyers are familiar with the rule of construction of criminal laws that they are strictly construed.

The amendment offered by the gentleman from Iowa offers at least four new concepts for construction by courts.

The law as it now reads and as it has read and been interpreted since 1934 simply applies to flight to avoid prosecution. We passed upon this problem just a year ago in the Civil Rights Act when we adopted title II, flight to avoid prosecution for damaging or destroying property.

Now, these are the elements that the gentleman's amendment introduces which will require construction by a court and raise questions which will possibly permit defendants to escape punishment for offenses.

First is the word "commenced." Now, what does he mean by "commenced"? It might be various things that might commence a prosecution.

Then the second concept "is to be commenced." Now, who knows what may be commenced in the future? Is that not a nebulous and ambiguous concept that ought not to be introduced in a criminal statute which must be strictly construed?

Then the third concept is "official act." What is the meaning of "official act"? Is it an act of a magistrate, a prosecuting attorney, or the act of a policeman? What does he mean by "official act"?

But then there is this other even vaguer word "appropriate." Who is going to decide what is appropriate?

The gentleman from Iowa, who is attempting to do something desirable, it seems to me, is introducing all kinds of vagueness and ambiguity into a criminal statute which has been on the books and will affect not only those crimes which are added to the Fugitive Felon Act beyond those that have been in the law for many years, but it will even affect those serious crimes concerning which the law has been on the books for 27 years.

Mr. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from New York.

Mr. HOLTZMAN. I want to compliment the gentleman on the fine explanation he has just made. In essence what the gentleman is saying is not only would we be doing an exercise of frustration if we pass the amendment, but we would be doing violence to the fugitive law as it exists at the present time.

Mr. MEADER. That is my judgment.

Mr. BROMWELL. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Iowa.

Mr. BROMWELL. Let me ask the gentleman this question: Is it not true that the phrase "Commencement of prosecution" is well known to every lawyer? Can there be any real doubt about the "commencement" of the prosecution? And can there be any real doubt about "official act"?

Mr. MEADER. I heard the gentleman refer to an indictment by the grand jury or the filing of an information by the prosecuting attorney.

Mr. BROMWELL. Are these not commencement of prosecution?

Mr. MEADER. My interpretation of commencement of prosecution would be long before that time. It could have been "commenced" with the filing of a complaint; it could have been commenced by the authorization or issuance of a warrant for arrest, by examination before a magistrate and several other steps along the line, at least in Michigan.

Mr. BROMWELL. Is this concept not clear?

Mr. MEADER. The burden of proof beyond a reasonable doubt is on the prosecution to establish each element of a criminal offense and the gentleman has introduced four new elements which I think are ambiguous. I believe it would be very harmful to the effective enforcement of this law.

Mr. FORRESTER. Mr. Chairman, I move to strike out the last word.

Mr. CELLER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. FORRESTER. Mr. Chairman, I object.

Mr. CELLER. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from New York.

The motion was agreed to.

The CHAIRMAN. The gentleman from Georgia is recognized.

Mr. FORRESTER. Mr. Chairman, do I understand there will be but 5 minutes of discussion?

The CHAIRMAN. That is correct.

Mr. FORRESTER. Then I will take no time as far as I am concerned, because I know there are other amendments to be offered.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

Mr. BATTIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BATTIN: On page 2, line 5, after the word "both" strike out the period and quotation marks and insert a comma and the following: *"Provided, however,* That there shall be no prosecution under the provision of this section unless a request has been made of the Department of Justice, or a representative thereof, from a State authority, asking that a fugitive from such State be apprehended."

Mr. CELLER. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Montana is recognized for 2½ minutes in support of his amendment.

Mr. BATTIN. Mr. Chairman, this does not affect the basic law as I see it as it was written by our committee. However, it does I think take care of some of the fears and apprehensions that have been expressed on the floor relative to whether or not there would be any relinquishing of authority by the Federal Government and again placing it back in the position of allowing the State government to require, or be the initiating force.

This does not have anything to do with anything except the prosecution. It does not change the crime, but it does require that someone in authority, the police department, or whoever it might be, request the Department of Justice, the FBI, or the appropriate person be asked to help. This could be done merely by picking up the telephone and calling the Federal Bureau of Investigation and notifying them that a crime had been committed and asking them to help.

Mr. FORRESTER. Mr. Chairman, will the gentleman yield?

Mr. BATTIN. I yield to the gentleman from Georgia.

Mr. FORRESTER. This does just exactly what they say they want the State to do, to make the request. Is not that true?

Mr. BATTIN. That is my interpretation of it.

I am sure no Member of the House, myself included, would be interested in seeing that we do harm to the present act, but only put into effect what everyone agrees it would do anyway.

Mr. CELLER. The Federal Government would be unable to prosecute unless the State government does approve?

Mr. BATTIN. I do not think so.

Mr. CELLER. That is exactly what the gentleman's amendment says.

Mr. BATTIN. No. First of all, we are talking about violation of State law in the initiating instance. All this requires is that somebody in the State, the police department, prosecutor, or someone notify the Bureau of Investigation that a crime has been committed and ask that the criminal be apprehended.

Mr. CELLER. This is Federal crime that is embodied in this bill.

Mr. BATTIN. Yes.

Mr. CELLER. The gentleman is making the prosecution of a Federal crime subject to what some State official may or may not do.

Mr. CORMAN. Mr. Chairman, I rise in opposition to the amendment proposed by the gentleman from Montana.

As I understand the original Fugitive Felon Act and this amendment, it is contemplated that when the elements of flight from one State to another, with the intent to avoid prosecution or other specified consequences, exist, a Federal crime has been committed. I cannot follow the logic of those who contend that prohibiting such action in interstate movement constitutes an infringement of States rights.

The right of a law-abiding individual to move about freely among the various States is unquestioned. This very fact gives rise to situations in which local authority would not have the practical ability and probably the constitutional ability to cope with such fugitive felons. As to the State from which flight was accomplished, there would normally be the right of extradition if out-of-State apprehension were accomplished, but what of the right of a State to keep violators from entering to avoid felony prosecution in the State of their origin? This State cannot prosecute because no crime has been committed within its borders. Thus, to protect itself it must rely on Federal action. If all of the elements required in this bill exist, the citizens of this State should have relief through the Federal courts with or without action on the part of the State of origin.

It appears from the committee report and the letter of the Department that the Fugitive Felon Act is used primarily as an expeditious means of apprehending fleeing criminals to be returned to the scene of their alleged crime for prosecution. It further seems apparent that in those instances when this mission is accomplished and State authorities do prosecute that the Federal Government refrains from prosecution. I see no violence to justice under such procedure. It has not been our custom to try offenders in both Federal and State courts even though many crimes constitute a violation of both laws and there is no constitutional question of double jeopardy. Although there is the additional element of flight under the Fugitive Felon Act, such does not seem to dictate dual prosecution and punishment. However, the original act and the act as proposed to be amended by the committee goes beyond the above circumstances, and rightly so. The protection it affords goes both to returning felons to the scene of their crime and to

keeping them out of the jurisdiction into which they have flown.

When one crosses a State line in the conduct of his mischievous act, the rights for protection against him go beyond the rights of each State. These rights are best protected by Federal action. In many instances this is the only protection. Such is the situation with which we are dealing here.

I have today discussed the committee's proposed amendment with three law enforcement officers whom I greatly respect and who have all won national acclaim in their field: William B. McKesson, district attorney of Los Angeles County; Peter J. Pitchess, sheriff of Los Angeles County; and William Parker, police chief of the city of Los Angeles. Each of them endorses and vigorously supports the committee's proposals.

I urge defeat of the amendment offered by the gentleman from Montana and the adoption of the committee's recommendations.

Mr. ROGERS of Colorado. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, remember that we are still defining a crime. It is not certain whether a crime would ever be spelled out. It would depend on the whims or decisions of some prosecutor at a later date. This amendment should be rejected, as it now stands the question of spelling out what constitutes a crime is that he must commit the crime and flee in interstate commerce. If you add what the gentleman from Montana has offered, you are going to say that after he has committed the crime and has fled across a State line, if the prosecutor then decides not to prosecute, you are going to determine that no Federal crime has been committed. I am sure even the most ardent of States' Righters would not want to have that right reserved to them. The Federal Government has the right to define its own crimes.

As the gentleman from California has pointed out, they may want to keep those people from fleeing into their States.

Mr. BATTIN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield to the gentleman from Montana.

Mr. BATTIN. All afternoon we have been talking about what the States are going to do. It is what are the States going to do? Now we hear, keep the States out of it, let Uncle Sam get into it. If you will read my amendment, it will not have that interpretation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana [Mr. BATTIN].

The question was taken; and on a division (demanded by Mr. FORRESTER) there were—ayes 36, noes 71.

So the amendment was rejected.

Mr. CELLER. Mr. Chairman, I ask unanimous consent to correct a misspelling of the word "fugitive" on page 1, line 11 of the bill. It is misspelled.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. WALKER] having resumed the chair, Mr. THOMPSON of Texas, Chairman of the Committee of the Whole House on the State of the Union, reported that committee having had under consideration the bill (H.R. 468) to amend section 1073 of title 18, United States Code, the Fugitive Felon Act, pursuant to House Resolution 409, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. CELLER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain resolutions.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

INVESTIGATION AND STUDY OF THE EFFECT OF AIRCRAFT NOISE ON PERSONS AND PROPERTY ON THE GROUND

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 420 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That the Committee on Interstate and Foreign Commerce, acting as a whole or by subcommittee, is authorized and directed to conduct a full and complete investigation and study of the problems involved in, and measures to minimize or eliminate, aircraft noise nuisances and hazards to persons and property on the ground. In the conduct of such investigation and study, the committee, among other things, shall give attention to—

(1) the noise created by the operation of aircraft, in the air and on the ground, and the effect of noise on persons and property on the ground;

(2) research and development in aircraft and aircraft engine design;

(3) research and development in design, application, and use of noise-suppression devices;

(4) the design, construction, and operation of airports;

(5) the cost of measures to minimize or eliminate aircraft noise nuisances and hazards to persons and property on the ground;

(6) air traffic rules governing the operation of aircraft at and near airports; and

(7) the extent of authority vested in Federal and local regulatory agencies and airport operators to prescribe safety regulations applicable to any airport operation or development, including authority to impose controls on the operation of aircraft so as to minimize the noise and other hazards created by the operation of aircraft, and the manner in which such authority has been exercised.

For the purposes of such investigation and study the committee, or any subcommittee thereof, may sit and act during the present Congress at such times and places within or outside the United States, whether the House has recessed, or has adjourned, to hold such hearings, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

The committee may report to the House at any time during the present Congress the results of any investigation or study made under authority of this resolution, together with such recommendations as it deems appropriate. Any such report which is made when the House is not in session shall be filed with the Clerk of the House.

Mr. DELANEY. Mr. Speaker, I yield myself such time as I may consume, following which I yield 30 minutes to the gentlewoman from New York [Mrs. ST. GEORGE].

Mr. Speaker, this resolution merely directs the Committee on Interstate and Foreign Commerce to hold a full and complete investigation on airport noises and safety devices. The number of subjects which they may take into consideration has been enumerated in the bill. It is felt that this study will help in large degree to alleviate the unbearable conditions suffered by people who reside in the vicinity of airports, particularly those in the large metropolitan centers.

The gentleman from New York [Mr. ADDABBO] represents the district where Idlewild Airport is situated and he will give us firsthand information on the problem. He has made a study of this and is vitally interested in the resolution. There are other Members from like areas who are also vitally interested. I, myself, live in the vicinity of Idlewild and La Guardia Airports and have heard the noises from these planes. I get letters day in and day out from constituents complaining of the noise which not only keeps them awake, but which has split parts of their houses, knocked dishes off walls, broken windows, and so forth. I urge the adoption of this resolution.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield.

Mr. GROSS. Mr. Speaker, I am pleased to see that there is no provision for the expenditure of money on the part of the committee; no money will be appropriated as a result of this resolution, so I assume that the investigation will be carried on with the very liberal funds we have already voted the Committee on Interstate and Foreign Commerce.

Mr. DELANEY. That is correct.

Mr. GROSS. I thank the gentleman for his reply.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield.

Mr. HARRIS. In view of what has been stated here in response to the question from the gentleman from Iowa [Mr. GROSS]—and I would like to get the attention of the gentleman from Iowa——

Mr. GROSS. I am listening.

Mr. HARRIS. I want to say very frankly to the gentleman that, in the first place, if there is going to be an investigation conducted and our committee is going to have the responsibility of doing it, I want to know and my committee wants to know something about the kind of investigation you want. We want to know what the House is directing the committee to do. If you are just going to tell the committee to go out and conduct an investigation and hold a few hearings, as we have been doing, that will not accomplish anything.

Mr. DELANEY. That is absolutely correct. That is not the intention of this resolution. There were many resolutions offered before the Committee on Rules.

Mr. HARRIS. I am fully aware of that, but let us get down to what this investigation is going to be. If we are going to conduct an investigation and really get into the situation behind all of these complaints, it is going to take some money to make this investigation; and I will say to my friend from Iowa that I do not agree with him that the House has been so liberal with the funds that it has made available to our committee for its work. I would say to the gentleman from New York [Mr. DELANEY] in view of the fact that he has responded affirmatively to the question of the gentleman from Iowa [Mr. GROSS] that we do not have funds that have already been made available by the House for the purpose of conducting such an investigation as this would take.

Mr. DELANEY. No, there are no funds called for in this particular resolution. It was my understanding the Committee on Interstate and Foreign Commerce had such funds.

Mr. HARRIS. No, I would say that the budget that the committee submitted to the Committee on House Administration, and on which the House has approved funds, did not include funds for that purpose.

Mr. DELANEY. Then the committee can make application to the Committee on House Administration.

Mr. HARRIS. What I would like to know is, Does the Committee on Rules have in mind for our committee to go to the Committee on House Administration and request funds necessary for this study and investigation, and if so, to what extent?

Mr. DELANEY. We did not go into that, but I would say as a member of the committee that if funds are necessary you should be empowered to have those funds.

Mr. HARRIS. I want to put the House on notice that if you expect us to do it and go out and get experts in this field——

Mr. DELANEY. Then there would be funds needed.

Mr. HARRIS. It is going to take probably $200,000 or $300,000 at the minimum to do this job if we are going to have the authority, as I discussed with the gentleman's committee, to go beyond any industry interest or proposal that they might have had, or even an agency of Government, and get an independent study from a professional society, for example, or somebody like that. If we are, we are going to have to have an understanding. We have to know whether or not the House wants us to do that job.

Mr. HOLTZMAN. If the gentleman will yield, I live in the La Guardia area. That is within the confines of my district. I can assure the gentleman that it would be impossible to make a real investigation here, the kind of investigation that might have some substance to it, without additional funds. I am sure the gentleman would get plenty of help from all the Members here were he to make a real, full investigation.

Mr. DELANEY. May I say this is not limited to any one area. We find that every day most communities are making the same complaint. There are more airplanes in use and more airports. Every vicinity that did not have the trouble before is now confronted with the trouble we have in the impacted area, particularly in the use of jet airplanes.

Mr. HARRIS. I did want to get a thorough understanding. First, our committee is perfectly willing to undertake any responsibility that the House directs, and we do not mind that at all. We have held hearings in New York, we have held hearings in Los Angeles and other places. It accomplishes very little to go into a community just for the purpose of holding a public hearing and let the people come up there, and most of them are ready, as I have seen personally, to testify about this problem. Whoever is there doing that has to expect all that and satisfy them, but we cannot satisfy them by just holding a hearing and letting them come in and express themselves vehemently on the subject. We have to go into the technicalities of all these things with the industry, the manufacturers, and the experts in the field of noise and what is noise.

Mr. DELANEY. I think it is clearly spelled out in the resolution. The committee is authorized and directed to conduct a full and complete investigation and study of the problems involved in, and measures to minimize or eliminate, aircraft noise nuisances and hazards to persons and property on the ground; and then they elaborate.

Mr. HARRIS. I know that, because I am very thoroughly familiar with the resolution and its preparation. I was quite certain it did include sufficient authority to reach the technicalities involved. What I do want the Committee on Rules to understand, and I want to get a thorough understanding on this, is, Do you expect us to try to do a thorough job even if it takes $200,000 or $300,000 to do it, or do you just expect us to go out and hold a few hearings some place?

Mr. DELANEY. We want a complete investigation. Whatever funds are necessary I believe will be forthcoming.

Mr. HARRIS. One other question. One of the biggest complaints we have had in connection with the noise problem goes beyond commercial planes. Of course, the jets are operating in a lot of places. But the military has these fast jets, that frequently break the sound barrier. Wherever the sound barrier is broken, it creates a terrific impact. If we get into that problem, of course, we are going to have to find out from the military about its policies and procedures. Did the Committee on Rules have in mind that we would go into this problem insofar as the military is concerned?

Mr. DELANEY. If that is a hazard to the health and welfare of those who live in and near the airports, I should think you would go into that.

Mr. HARRIS. It would affect not only those living in and near airports, but those who live out where there are no airports. When you break the sound barrier, whoever lives out there has a terrific impact, too.

Mr. DELANEY. It is my belief there should be a minimum point where they break the sound barrier.

Mr. HARRIS. We have that now. I want to be certain, and our committee wants to be certain, as to just what the Committee on Rules has in mind and what the House of Representatives has in mind for us to do, if this resolution is adopted.

Mr. DELANEY. This resolution provides for a complete and full investigation of all phases of noise and hazards to persons and so forth in regard to airplanes.

Mr. HARRIS. Notwithstanding the fact that it may cost a good deal of money.

Mr. DELANEY. Notwithstanding that fact, although it does not so provide in the resolution.

Mr. FRIEDEL. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from Maryland.

Mr. FRIEDEL. I was a member of the subcommittee that visited the airport at Idlewild making an investigation of the noise problem there. The people there had some pretty strong complaints about the noise almost taking the roofs off their houses. That has been the situation there for the last 3 or 4 years. I think a very good solution to this problem, which would not cost a penny, would be to have all the planes that land at Idlewild to land instead at Friendship Airport. That would save a great deal of money and eliminate the noise up in New York.

Mr. RODINO. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from New Jersey.

Mr. RODINO. I assure our colleague, the gentleman from Arkansas, chairman of the Committee on Interstate and Foreign Commerce, that insofar as we from New Jersey are concerned, particularly those of us who represent the area in and around Newark, that we are quite concerned about the problem of noise. We are rather anxious, we assure you, that we would support the committee if it requested further sums of money in order to conduct this investigation. I believe it is absolutely necessary to look into this matter as it is a problem that has been plaguing us for some time. I, myself, am in an area where planes pass right overhead and have had many calls from people in the area as well as people calling others of my colleagues. I think this resolution is an important one, and that funds necessary to conduct the investigation should be furnished to the committee and would be justified.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from Ohio.

Mr. HAYS. I am a member of the subcommittee that will have to decide as to the funds for this investigation. I am a little curious in view of the fact that here we are talking about $200,000 or $300,000. Once this study is made—then what?

Mr. DELANEY. Then it would seem to me that the Committee on Interstate and Foreign Commerce could report out legislation to correct some of the evils that exist.

Mr. HAYS. I am sympathetic to those who have this problem and I am sympathetic to the people who live in these areas. But, right here in Washington, there is a proposition to allow jets to land at National Airport. There is some objection to it, and most of the objection is coming from apartment house owners who have built houses within the limits, or within the noise limits, I should say, of the landing and takeoff areas of National Airport within the last 4 or 5 years. The question that bothers me is—Are we going to allow real estate operators to drive airports away from our cities so that we cannot use planes?

Mr. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from New York.

Mr. HOLTZMAN. I should like to say to my friend, the gentleman from Ohio, that this is a very perplexing problem. It is a very bad problem right now and it is getting worse. We are going to have to meet this problem now or in the very near future. We might just as well spend the money now with a view to seeing what, if anything, can be done before the condition gets worse. I am not interested in any real estate operators, but I am interested in the health and safety of people in and about airports wherever they may be.

Mr. HAYS. The gentleman from Ohio certainly did not mean to imply that any Member of the House was interested in real estate operators. I am merely citing to you a fact. You can look across the river and see these apartment houses that were not there 4 or 5 years ago. I am interested in the safety of the people. But, if you move into an apartment house—and I lived in one of them, I might say to you, across the river in a penthouse over there, and the noise was intolerable so I moved out. But I moved in there, knowing that the noise condition existed before I moved in. The people who built the apartment houses knew that that condition existed. I just do not think I would want to vote money for the purpose of making a finding that if an apartment house owner wants to build adjacent to an airport, then we have got to shut down the airport.

Mr. CAREY. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from New York.

Mr. CAREY. Mr. Speaker, I think we are all here ready to recognize that the airplane is here to stay. The question is, How do we get it to stay in the air and off the roofs of the houses where we live? Now, in my district, on July 16th last year, occurred probably one of the worst crashes in aviation history, when a DC–8 landed in a built-up area, narrowly missing a school that I attended as a child. There were 600 children in that school at the time. I am sure that that holocaust has materially sharpened the awareness of the peril that exists there. As has been indicated, this resolution has great merit. It is a regional and national problem and should be approached on a national basis as far as funds are concerned. I could point out to my colleagues that the investigation conducted by the Port of New York Authority in connection with a suitable site for jet airport cost $650,000. But, that was a desirable study and it ought to have great merit in negotiating for the suitability of such a site. I therefore feel we should not hamstring the committee in any way with its investigation by lack of funds. We should also be well aware that this is a most important regional and national problem, not only as it affects metropolitan areas but insofar as safety and the security of aviation passengers and the people on the ground are concerned. It is a timely resolution, and I am delighted that the gentleman yielded to me for this purpose.

Mrs. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. I want to say to the distinguished chairman of the Committee on Interstate and Foreign Commerce that this problem is certainly not regional; it is national. I know of few needs more important than that of trying to find some solution to the danger involved to human life, the inconvenience to family living, and the loss of property values. I know perfectly well that the gentleman's committee cannot legislate against noise, though that seems to be our indication today, but I would like to see relief given these communities with great airports, international airports, naval airports, Army Reserve airports. The danger lies not only to those who just moved into the area but upon those who have built homes, established large industrial enterprises, schools, churches in that area. I would like to say to the gentleman that I was one of those who introduced a similar resolution, House Resolution 415, not giving this committee whole authority but calling upon other committees as well. I am perfectly willing to trust the gentleman from Arkansas with this responsibility, and I will accept my part in voting sufficient funds to make the study.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from Arkansas.

Mr. HARRIS. Mr. Speaker, I would like to say that I appreciate very much the comments made by the gentlewoman from Illinois and would like to say to her and the gentleman from New York and others that the members of our committee appreciate the terrific problem here. As I already said, we want to cooperate and will with the entire membership of the House and the industry and the people, but I do want you to understand that there are many, many problems behind this that even affect our national security. As an example, a few years back, following an accident in California, an order to protect the public was issued that disrupted operations insofar as the military was concerned. It stopped everything in that area. Now, we cannot go to the extent of shutting down on them. National defense is involved, and we cannot go to the extent of shutting down on our transportation by air. But, we will do everything in the world we can to try to bring to you the best solution we can insofar as possible.

Mr. DELANEY. I thank the gentleman.

Mr. O'HARA of Michigan. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield for a question.

Mr. O'HARA of Michigan. Mr. Speaker, I would like to ask the gentleman from New York with respect to the question propounded by the gentleman from Arkansas, chairman of the Committee on Interstate and Foreign Commerce—I would hope that it is not the intention of the Committee on Rules as contained in the resolution to in any way limit this investigation to nonmilitary flights or nonmilitary airfields.

Mr. DELANEY. The scope would be just as wide as the chairman desires.

Mr. O'HARA of Michigan. If the gentleman will yield further, I think this is extremely important, because representing a district where we have a very large military airport, I think perhaps the problems at such bases at the present time are more severe than at civilian airports. I commend the gentleman for bringing this resolution before the House.

Mr. CLEM MILLER. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield to the gentleman from California for a question.

Mr. CLEM MILLER. Mr. Speaker, I have a question regarding the scope of

the investigation proposed by the resolution. I noticed in line 5 it says the purpose is "to minimize or eliminate aircraft noise nuisances and hazards to persons and property on the ground."

I also note further at the bottom of page 1 and extending to page 2, it gives certain objectives of the proposed investigation, but it is completely silent as to surrounding property. This matter was raised also by the gentleman from New York [Mr. HOLTZMAN]. I would hope that the scope of the investigation would include the problem of what to do about real estate surrounding airports, because this is one of the major problems arising in local communities.

Mr. DELANEY. I yielded to the gentleman for a question. I just do not have time to yield further.

We are here going into safety features. We know that airplanes are used very extensively and the use will be increased from time to time. What we are seeking here is to protect those living in the vicinity of airports as well as those who ride on the planes.

Mr. CLEM MILLER. Then the real property question is not to be covered.

Mr. DELANEY. Not real estate; that is not contained in here, the effect of airplanes on real estate values.

Mrs. ST. GEORGE. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, this resolution as is quite obvious from the colloquies we have heard only scratches the surface of a very grave and a very severe problem.

This is a new problem, it is something that demands attention. We all know it exists. We also know, those of us who live near an airport—and more and more of them are going up throughout the country—that the people in our districts are definitely worried about it. Airplanes cause a great deal of danger to life and limb, to property and buildings. For this reason I feel that this resolution is of great value, and I am very glad my colleague from New York has introduced it.

Living as I do in a district where another very large jet airport is contemplated, I have heard a great deal about every question involved. I am quite sure, Mr. Speaker, that when the time comes there will certainly be no difficulty in finding funds necessary for a thorough and complete investigation; and I know also that the committee and those charged will carry out the investigation thoroughly and completely. They may not find the answer; personally, I doubt it very much.

I am reliably informed that when the steam engine first came it was considered a horrible nuisance and also a great detriment to real estate; nevertheless, it is still with us. I am quite sure that the airplane will be with us too, will be more numerous, more powerful, and possibly even noisier than they are today; nevertheless we must try to meet the problem. This resolution is the first step in a program that has vast consequences to the Nation, to commerce, to industry, and to the world at large.

I sincerely hope, Mr. Speaker, that this resolution will pass.

Mr. DELANEY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. ADDABBO].

Mr. ADDABBO. Mr. Speaker, I rise in support of House Resolution 420. This is a day of great hope for the residents of my congressional district, neighbors of New York International Airport and all those residents throughout the Nation near commercial airports. A day we have been working for for years.

New York International—Idlewild—is located wholly in the Fifth Congessional District of New York. A few years ago the various communities surrounding this airport were areas of peace and tranquillity, a refuge from the hustle and noise of their job locations. The residents could look forward at the end of the day to returning to their homes and enjoying an evening with family and friends and then getting a good night's sleep in preparation for the next day's toil. This is not true today and has not been so since the advent of commercial jet aircraft.

The question of noise has been with us for years now and the situation does not improve. The teachers in their classrooms must stop everything as the large jets pass over—this is not something that happens once or twice a day, but it happens several times each hour—ministers must stop their Sunday sermons while jets pass over; children wake up screaming at night from the terrible din of these planes as the parents listen trying to determine whether or not this plane is coming through the house or just above it. Life for untold numbers of my constituents is one long nightmare.

Many communities in my district need new schools but they are being held in possible abeyance while a solution to the noise problem is sought.

In 1959 there was a glimmer of hope when the then Administrator of the Federal Aviation Agency, E. R. Quesada, announced that his Agency had authority to regulate noise under provisions of the Federal Aviation Act of 1958. This hope gradually faded as no effective steps to curtail noise were taken. The light of hope went out when the new Administrator, Hon. N. E. Halaby, announced this year that his Agency did not have sufficient authority to set noise criteria. The study under this bill will determine the rights and powers of the various authorities.

Admittedly, there is no easy solution to this problem. The Congress is charged with the regulation of interstate commerce, we can no longer shirk our duty to the millions of people who live in areas adjacent to the large airports across the Nation. One of the things you hear so often is that these people should not have bought homes so near the airport—what about those who lived in the area long before an airport was even dreamed about or imagined. Today, if they want to move away, they are faced with a terrific loss in the value of their property—there are no buyers. The Federal Housing Administration has recently announced a ruling against insuring a refinanced or new mortgage on real estate in areas where the noise of airplanes reaches an intensity of 100 decibels. I assure you, Mr. Speaker, this will take in a large portion of my district.

I call your attention to the picture taken by one of my constituents 2 years ago a jet coming in for a landing over his home—how would you like to buy this home? The Federal Aviation Agency recently congratulated the pilots of jets operating at Idlewild for the record of improvement in noise abatement procedures. I am sure you will agree with me that the family living in the home pictured here would not be able to join in these words of congratulations—this picture was taken between 7:30 and 7:50 p.m. on July 21, 1961.

Because of the complexities of this situation, we must get to work on the thorough study that is needed. I respectfully solicit the support of my colleagues on both sides of the aisle for House Resolution 420, which I pray through its various studies will find some solution. There is no politics involved here, just the humane consideration of the rights of all to the enjoyment of life.

Mr. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from New York.

Mr. HOLTZMAN. Mr. Speaker, I should like very much to associate myself with the gentleman's remarks. No one knows better than I how long and hard the gentleman from New York has worked on this problem. He has worked along with me, the gentleman from New York [Mr. DELANEY] and all members of the Long Island delegation in an effort to alleviate this problem.

May I say to the gentleman that he has rendered a great service in his presentation, not only to the Rules Committee but here on the floor of the House today.

Mr. ADDABBO. I thank the gentleman from New York.

Mrs. ST. GEORGE. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. SCHENCK].

Mr. SCHENCK. Mr. Speaker, I would like to sincerely commend the Committee on Rules for bringing out this resolution, House Resolution 420, and I urge its adoption. All of us who live near airports or who have airports, either commercial or military, in our area, realize that much needs to be done to study methods and develop measures to assist in the problems to minimize or eliminate aircraft noise nuisances and hazards to persons and property on the ground.

Mr. Speaker, the great Committee on Interstate and Foreign Commerce, of which I am very proud to be a member, I believe will conduct a completely objective study of this problem and will come up with some very helpful and workable answers.

Mr. Speaker, part of the answers to these problems are embodied in determining and defining the specific results desired so that the aeronautical engineers will be in a position to actually solve some of these noise level problems.

In my own community of Dayton, Ohio, a very fine local committee consist-

ing of civic leaders, real estate developers, and plan board executives, working with engineers, military officials, and commercial airport officials, have collaborated in a study which is now nearly completed. Our local committee in Dayton, Ohio, has offered to send the full results of its report to the Committee on Interstate and Foreign Commerce in the hope that the study of this report will be of assistance to the committee and other communities in developing a workable and helpful solution to these very important questions.

Mr. Speaker, again I want to commend the great Committee on Rules for bringing out this resolution, House Resolution 420, and I urge its unanimous adoption.

Mrs. ST. GEORGE. Mr. Speaker, I yield 5 minutes to the gentlewoman from New Jersey [Mrs. DWYER].

Mrs. DWYER. Mr. Speaker, the investigation of the effects of aircraft noise on persons and property on the ground which is called for by the pending resolution is a particularly timely and important one. I support the resolution and, assuming the House approves it, I hope the Committee on Interstate and Foreign Commerce will find it possible to undertake expeditiously the comprehensive study which the present confused situation requires.

As one who represents a congressional district which borders on one of the country's major airports, I know at first hand how devastating the impact of aircraft noise can be on the residents of areas close to airports. It is destructive of property. It interrupts quite violently at times the normal pattern of life in the home. It interferes with sleep, unsettles nerves, and is a constant source of harassment. It discourages the location and growth of business and industry in the affected area, and contributes significantly to the decline of such areas.

Too little attention, beyond occasional pious expressions of concern, has been paid to these and other harmful effects of intense noise on airport neighbors. It has been altogether too easy to dismiss them as being part of the inevitable price of progress. Even if we concede that some such price must be paid, however, we can still do a great deal more than has been done to minimize the harm and keep the price as low as possible. A first step in this direction would be the kind of systematic analysis of the hazards of noise which is envisioned in the pending resolution.

The problems associated with aircraft noise have seemed virtually insoluble even with conventional piston-type aircraft. Now, with the advent of a whole new family of jet aircraft, the situation as the Federal Aviation Agency has warned will become even more serious. It is essential that all available information be gathered together, that the problem be understood in all its aspects, and that the more promising possibilities of effective noise abatement be pursued vigorously.

One of the more complicating factors involved in this field is the fact that no one really knows either how noisy jet aircraft are or how seriously harmful to human beings high noise levels can be. It is impossible, therefore, to make completely reliable judgments when adequate scientific information is not yet available. Fortunately, the FAA and the National Aeronautics and Space Administration have jointly sponsored current studies of these two related questions, and the results of these studies should be extremely valuable in carrying on the investigation proposed by this resolution.

Mr. Speaker, we have no time to spare in obtaining more useful knowledge of aircraft noise and its impact on persons. In the absence of this knowledge and of the kind of noise standards which this knowledge would make possible, decisions are now being made about airport location, airport design, and the use of jet aircraft at airports in heavily populated areas. These decisions will, in effect, lock in the development of air transportation for the next generation. They should not be made in the dark, but rather in the full light of all the information our scientists and our aviation experts can give us.

This is why I welcome the prospect of a full and complete congressional investigation of this extremely important subject.

Mr. BONNER. Mr. Speaker, will the gentlewomen from New York yield to me for a question?

Mrs. ST. GEORGE. I yield to the gentleman from North Carolina.

Mr. BONNER. Mr. Speaker, I think the resolution is timely, of course; but in the study will there be any effort made to set up a plan of compensation to individuals' homes and business houses that are damaged by the breaking of the sound barrier by military planes in areas distant from airports?

Mrs. ST. GEORGE. I would say to the gentleman that that is not included in the resolution, but we certainly hope that when the report comes in they will pinpoint these things and show us what should be done. Certainly, as the gentleman probably well knows, our military aircraft in England and in various countries in Europe do have to pay for damage done.

Mr. BONNER. In my home town in Washington, N.C., there was a widow lady's home damaged. Neither of the adjacent homes was damaged, when this sound barrier shot was felt on this one building. The military agencies denied that there was any plane of their type in the area, so this person was unable to recover anything whatsoever.

Mrs. ST. GEORGE. I think that is the very thing that will be corrected if this resolution is passed, and if such an all-embracing study is made of these cases.

Mr. BONNER. And then I understand that this investigation will cover the breaking of the sound barrier and the destruction of property in areas not adjacent to airports?

Mrs. ST. GEORGE. I would certainly hope so.

Mr. BONNER. I do hope so, myself.

Mrs. ST. GEORGE. I think it could well be done.

Mr. DELANEY. Mr. Speaker, I yield 1 minute to the gentleman from Maryland [Mr. JOHNSON].

Mr. JOHNSON of Maryland. Mr. Speaker, I rise in support of House Resolution 420 which would authorize the investigation of the effect of aircraft noises on persons and property.

For a long period of time, my district has been subjected to sonic booms which have caused considerable damage to property and disturbed our people. Time and time again, in response to the innumerable complaints from my district, I have vigorously protested to the Department of Defense. After each vigorous protest, reports from the district indicated a marked lessening of sonic booms. Shortly thereafter, sonic booms would be resumed, accompanied by another rash of complaints of damage in my district.

Colleagues, I recognize that our Nation's defense posture requires that the men who man our jet aircraft be trained to the fullest extent. But it seems to me that the supersonic flights from a military installation adjacent to our area could be achieved just as readily over the Atlantic Ocean as over the Delmarva Peninsula.

Each and every constituent that has filed a claim for damage, and there have been many, has had difficulty adjudicating their claim. In an effort to end months of waiting to settle claims, many of my constituents have reluctantly settled for one-third the actual property damage.

I say an investigation into sonic booms damage is long overdue. In the interest of the people and property of the First Congressional District of Maryland I heartily endorse and support this resolution.

Mr. DELANEY. Mr. Speaker, I yield such time as he may require to the gentleman from New Jersey [Mr. ADDONIZIO].

Mr. ADDONIZIO. Mr. Speaker, I am pleased to support House Resolution 420 which deals with a subject of ever increasing importance to our major urban areas. Progress in any field brings with it many problems that must be overcome, and this is particularly true of advances in aviation. All of us are aware of the invaluable contribution of the aircraft industry to the economic strength and well being of the country, and all of us recognize the need for a healthy national system that will meet our national and local needs. It is incumbent upon us, however, to direct attention, as proposed by the resolution, to "the problems involved in, and measures to minimize or eliminate, aircraft noise nuisances and hazards to persons and property on the ground." The residents of our densely populated metropolitan areas are quite naturally concerned about aircraft noise and other hazards, and it is in the public interest that these questions be thoroughly explored as proposed in the pending resolution. In view of the programs designed to facilitate more orderly development of urban areas and to achieve socially desirable and economically stable communities, we need accurate and comprehensive data on the problems attendant to providing

adequate air service for those communities.

I know that the distinguished members of the Interstate and Foreign Commerce Committee will conduct a most useful and thorough study and investigation of this vitally important subject, and I urge the passage of House Resolution 420.

Mrs. ST. GEORGE. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. FRELINGHUYSEN].

Mr. FRELINGHUYSEN. Mr. Speaker, I too, rise in support of this resolution. In my opinion a congressional investigation will provide us with very valuable information in connection with two serious problems, namely: noise in connection with aircraft and the hazards to both persons and property as the result of the operation of aircraft.

As has been said by a number of others here today there are many problems involved in an investigation of this kind. I, myself, feel confident that the Committee on Interstate and Foreign Commerce will be ideally qualified to make a full and complete investigation, and I trust that adequate funds will be provided to do just that.

The gentleman from New York [Mr. ADDABBO] pointed out that the Port of New York Authority has already spent $650,000 with respect to a survey giving their conclusions and recommendations as to a suitable site for a fourth major airport in the New York-New Jersey metropolitan area. I am not sure how much this billion-dollar agency has spent, but they have been unsparing in their efforts to prove their point.

It so happens that their primary recommendation would result, if they could secure legislative approval in the construction of an airport in Morris County, my own congressional district. That they cannot secure such approval is evident from the fact that the New Jersey State Legislature has strongly rejected the suggestion of a Morris County site. Likewise the Governor must give his approval and both the Republican candidate, James Mitchell and his Democratic opponent have expressed their disapproval. None of this has deterred the port authority.

We have had a lot of discussion here today about the serious disadvantages which arise from the operation of existing airports, and particularly from the expansion of existing airports. These inconveniences and difficulties are nothing in compairson to the damaging effects on residents of an area which actually has had no such major air facility. Locating a wholly new major jet airport obviously requires the most careful consideration of such factors as noise and safety. I might point out that the site proposed by the Port of New York Authority has within a 7-mile radius approximately 200,000 persons whose interests would be very directly and adversely affected. There are not only many residential areas, but many fine educational institutions, research laboratories and the like.

As the gentlewoman from New York [Mrs. ST. GEORGE] has pointed out, an investigation of this kind, no matter how thorough and how complete, will only scratch the surface of a very serious problem. I, myself, feel as part of a program to reduce the hazards and to do something about the nuisances from the noise of such aircraft that we should consider the possibility of enacting some specific legislation in this area.

As an example, I feel, that we should investigate the possibility of increasing Federal responsibility in helping in the determination of suitable locations for airports of this character. In my opinion, the Port of New York Authority has proved beyond any doubt its inability to provide a suitable spot for the location of a fourth major airport, if indeed one is needed the New York-New Jersey metropolitan area. It seems to me that the Federal Government might have its hands strengthened in this area. At the very least we should know more than we now do about the real hazards of major air facilities and what we can do about them.

In any event, Mr. Speaker, I feel that a resolution of this character, authorizing a full-fledged investigation of the problems in connection with both existing and projected airports, would be invaluable. It can provide a basis for further legislation and for such appropriate action as other levels of government may take.

Mrs. ST. GEORGE. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Speaker, this problem is not new to many Members of the House who happen to have an international airport in their district. In our case, where we have the San Francisco International Airport, we have had this problem ever since we have had DC–6's. Since the jets we have had a noise abatement committee composed of the airport officials, the city officials from each of the towns surrounding the airport, also from the city of San Francisco, and the industry. They have been studying the problem, and their results will certainly be available to this committee. I think one of the results that might be achieved by this investigation is to focus attention on the various elements involved in this whole aviation problem. For instance, we have the airport aid bill. Now, are we going to put Federal airport aid into these new airports or are we going to say that we do not put aid into any airport where there is any surrounding territory occupied by people? That is a problem we are going to have to solve. If it is the will of the House that we should not put money into any airport where there is a slight chance of people occupying the surrounding territory, then we ought to have instructions on that point.

I am glad from our committee's standpoint to take the responsibility of an investigation which may clear the air. Our investigation especially in our own territory has resulted only in two things: First, that we have to have longer runways so that the planes can achieve a sufficient height so as not to disturb the inhabitants around the airport, and second, as long as we have jets we have to live with an increased amount of noise. As a member of the committee, I am perfectly willing to take the responsibility and see what we can do with the problem.

Mr. CLEM MILLER. Mr. Speaker, will the gentleman yield?

Mr. YOUNGER. I yield to the gentleman from California.

Mr. CLEM MILLER. I understand from the gentleman from New York, who introduced the resolution, that the real estate problem surrounding the airport was not within the scope of the resolution and would not be considered. Of course, it is my opinion that this is a matter which most desperately needs looking into, but he suggested this might appropriately be considered by another committee.

To that end, I intend to introduce such a resolution. Is it the understanding of the gentleman from California that this would be within the scope of the investigation of the present resolution?

Mr. YOUNGER. I think the noise and the effect on the surrounding territory would be a part of the investigation. I do not think it is within the province of the committee to say that the U.S. Government is going to be responsible for the purchase of all of the real estate around the airports that may claim some type of damage.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mrs. ST. GEORGE. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, when I read this resolution, I noted there was no money in it and my hopes went up. My hopes seemed to be confirmed for a minute by the gentleman from New York [Mr. DELANEY]. Then the gentleman from Arkansas [Mr. HARRIS] took the floor and the balloon really went up and the price tag, if I heard correctly, is about one-quarter of a million dollars. So I guess we will not get an investigation of this problem, and I am sure it is a serious problem—I guess we do not get an investigation of this without a very substantial additional appropriation.

I notice in lines 22 and 23 that the committee investigators can go outside the United States. The bill says "within or without the United States." I hope they do not have to investigate noise levels in Tokyo, Paris, London and so forth and so on. I hope they can hold this expenditure for this purpose to something less than one-quarter of a million dollars.

Mrs. ST. GEORGE. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. GEORGE P. MILLER].

Mr. GEORGE P. MILLER. Mr. Speaker, I thank my colleague, [Mrs. ST. GEORGE] the distinguished gentlewoman from New York, for yielding me this time. As one who has lived in a community, and not too large a community, in which is located one of the largest air stations in the United States, the matter of air noise is not new to me. I think it is fine to make this investigation, but I would like to point out both to the House and the Committee on Interstate and Foreign Commerce that a great deal of work has been done in this

field, first, by NACA, the old National Advisory Committee on Aeronautics, and its successor, NASA, the National Aeronautics and Space Aministration which is empowered to do this very thing. Now I do not know how you are going to get away from the noise of airplanes, and yet enjoy the comforts of fast air travel. You can get rid of the noise of airplanes and weaken our defenses. At the NAS at Alameda, three times a day the four P2V planes that have very powerful and noisy engines take off. They spell one another around the clock. They are part of the early warning system the security fence across the Pacific. When they rev up the motors of those planes they shake our town and rattle the windows of our homes. Generally around 4 o'clock in the morning and the noise awakens many. I have not received too many letters recently, but once my mail protesting this noise was very heavy, I used to answer writers by telling the people who complained about the noise that I sympathized with them because I had lived with this noise and I knew what it was, but I also told them every time the noise of those planes woke me up, I thanked God that brave men in those planes were sacrificing themselves and taking a chance to go out to protect us. I used to be on the Committee on Armed Services. I could name a dozen airfields where this problem exists. At Lowry Airfield near Denver, Colo., you have a lot of this. They put the airport way out in the country, and the people came out to where the airport was and built around the airport at its new location.

Then there is Moffett Field at Sunnyvale, Calif., which was built on what was formerly a swamp. It brought in lots of employees and it brought people there, and these people flocked in around the area. And, we had to build an expensive new field in the Lemoore area in the San Joaquin Valley to relieve the danger and the noise from this area. And, that is being built up. Now, along with all of these inconveniences, we have the convenience of fast, modern air travel of which we are all proud. I am happy to cross the continent and get home in 5 hours, and I am also glad to accept the inconveniences that go along with it. If you have ever lived in a mountain town where a railroad runs you hear the noise reverberating back and forth on the mountain walls as the freight trains go over steep grades, as they do in the Sierra, you will know what noise is; or live in a small town where the truck transportation, so essential to our economy, goes back and forth. You will find there are just as many of these inconveniences there, and as many dangers. We have to adjust our living to be able to take a little noise along with the conveniences of modern living. We cannot have our cake and eat it, too.

Mrs. ST. GEORGE. Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. DOMINICK].

Mr. DOMINICK. Mr. Speaker and fellow colleagues, I want to express my appreciation for the sentiments which the gentleman from California [Mr. MILLER] has just expressed in the well of the House. I am a fledgling member of the Committee on Interstate and Foreign Commerce, but I have some 27 years' knowledge and experience in aviation matters. And, I think from that I have some experience with the problems which are expressed in this resolution.

Now, if you look at the terms of the resolution itself, it says:

> To minimize or eliminate aircraft noise nuisances and hazards to persons and property on the ground.

Well, obviously we can do that by prohibiting any aircraft from flying. That is about the only way that it can be done at the present moment. And, I am sure there is not a Member of this House that wants to do that.

The question then is how to minimize it. We cannot now eliminate it, but how do we minimize it? Well, at the present moment there are at least five agencies which are conducting experiments on noise levels in connection with engines, including aircraft engines. The Federal Aviation Agency itself is conducting an extensive investigation into this subject at this time. The various manufacturers of aircraft are doing it because they are attempting to find a product that they can put on the market which will make less noise and which will create less expense in the prevention of noise. The NASA is doing it. The FAA has required installation of certain devices to reduce the noise level that occurs.

Now, there are other things which I think we ought to consider. If the Committee on Interstate and Foreign Commerce is given the power and the authority to go ahead under this resolution, it is obvious that they are going to need funds to conduct the investigation, and, in my opinion, it is going to be more expensive than the amount mentioned by the gentleman from Arkansas [Mr. HARRIS]. It is my guess if we are going to go into this thoroughly, we will have to go into various technical problems throughout the entire industry.

Mr. DELANEY. Mr. Speaker, will the gentleman yield?

Mr. DOMINICK. I yield to the gentleman from New York.

Mr. DELANEY. There are many ways that recommendations can be made: One is the load of the airplane. If the committee sees fit, they can reduce the load. Another one is the direction of the airlanes. Another one is the time.

I see that the gentleman from New York recommended that the airports be closed from midnight on to some extent. These jets can be timed to take off before the sleeping hours, maybe at 4, 5, or 6 o'clock in the afternoon when most people are not in bed. They can be timed to arrive not at midnight or 2 or 3 o'clock in the morning, but some time during the day. There are many many ways in which they can be helpful as far as the employment of these new sound-quenching devices are concerned; they can minimize the tremendous noise of the jets, they can use mufflers. These are matters the committee can go into. They should go into all phases of noisemaking and noise relief and then make their recommendations.

Mr. DOMINICK. I appreciate the contribution the gentleman has made in the resolution but the problems are not easy to solve. Mufflers have already been suggested as well as a number of devices, but for one reason or another they did not operate efficiently or they reduced power to the extent that it makes it unsafe to the people aboard the plane for the machine to land or take off. These are but two of the problems. Secondly, there have been two special committees at work, one specifically in connection with traffic rules in airports all over the country, methods of getting from one airport to another; and there has been another investigation specifically in connection with all kinds of radar control. There have been a number of studies done on these and other questions.

In my opinion the FAA, the aircraft manufacturers, the local airport control authorities and many interested civic groups have done and are doing an excellent job in trying to minimize noise levels in congested areas and in requiring necessary safety devices so that both military and commercial aircraft will be at least reasonably safe. But consider the difficulties with which they are faced. In the short space of 10 years speed of air travel has at least doubled and in some cases trebled. In order to get this speed there must be more power and up-to-date more power has involved more noise. Development of aircraft at the present moment involves still more speed and it is probable that this in turn will involve more noise level.

It strikes me that one phase of the investigation of the committee, if the resolution should pass, which would be extremely fruitful is the possible use of airports now proposed to be abandoned for both commercial and private aviation travel. This, of course, is particularly applicable to military fields which in many instances are already sufficiently large to accommodate jet operations and which in many instances have adequate facilities to take care of private aviation. It seems an incredible waste of money to be constantly building new airports while at the same time we are abandoning airports in the same general areas which might be extremely useful not only in the furtherance of aviation but in the furtherance of the economic activities in the areas involved.

In our metropolitan areas we find the greatest complaint about noise levels of aircraft and yet it is the metropolitan areas which demand from commercial carriers the greatest service, and therefore the largest number of aircraft. By virtue of rapid communications the economic level of these areas is increased, thereby creating a further increase in population and a further increase in air travel. In like manner, as metropolitan areas grow, there is a corresponding increase in the necessity of protecting them from enemy attack and this in turn requires extensive use of military aircraft.

In an effort to summarize the points I am making, there are now in existence many groups, both private and governmental, which are conducting active research on methods by which aircraft noise can be minimized. To the best of

my knowledge no one has propounded even a theory as to how it can be eliminated unless we revert to free balloons and gliders. As long as there is an aircraft in flight under the law of gravity it must sooner or later come down, and hence, there is always a hazard to persons and property on the ground. If we have aircraft we will have such hazards but the safety regulations imposed by reason of years of intensive study by hazard experts has minimized the dangers and further efforts are presently in process to take additional corrective action in order to relieve congestion near airports and thus further reduce potential danger. At the President's request two committees of aviation experts are now completing their reports on this very subject. It seems to me that if the Interstate Committee is given the responsibility to make a study of the kind contemplated by this resolution, it will comprise a compilation of existing studies or a takeover of a large portion of the responsibility previously delegated by this Congress to the FAA, NASA, CAB and other governmental agencies and will require a budget far in excess of any that is now contemplated or that has been mentioned on the floor of the House.

The SPEAKER pro tempore. The time of the gentleman from Colorado has expired.

Mrs. ST. GEORGE. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. BECKER].

Mr. BECKER. Mr. Speaker, I would like to say at this time that to the gentlemen from New York, Mr. DELANEY, Mr. DEROUNIAN, Mr. ADDABBO, and myself, this has continued through the years; this is not a 1-, 2-, or 3-year proposition, but it goes back 5 years. People in this great area of New York for years have been suffering the consequences of the noise of these airplanes taking off and landing. We know there have been studies made by groups regarding the use of mufflers, noise suppressors, and so forth, and even the suggestion to prohibit the operation of the airports from 11 o'clock at night to 7 in the morning. This may sound trifling or unique, but the fact remains that they had to do this at the London Airport and have done it for a long time because the noise was so great the people of the city could not sleep at night.

I challenge any Member of the House to come up to this area and see whether he can sleep at night. I have this problem in my own home on Long Island. I am quite aware of it just as are the other citizens of this area of Kings, Queens, and Nassau Counties.

They have been experimenting; they have planes taking off in different directions; they have increased the length of the runways and done other things, but the fact still remains that people cannot sleep in this area at night. It is so bad that even services in churches and synagogues are halted during certain hours of the morning and evening. They cannot conduct services; no one can speak during these hours, for they cannot be heard. When that happens in an area, Mr. Speaker, I submit that living is not worthwhile.

The statement has been made that the people have built around the airports. I am not so much concerned with people who have built homes and moved into homes adjacent to airports, but I am deeply concerned with situations where the airport has encroached upon established residential communities, such as was the case in Queens and Nassau Counties.

I congratulate the Rules Committee and my good friend from New York, JIM DELANEY, for having brought out this resolution. I hope something will be done and that it can be done expeditiously. Do it now. This is not something that should come in 1 or 2 years or wait for technical changes. The time to do something to give some relief to these people is now. We all like to enjoy our homes; we all realize, too, we must progress, that commercial aviation is here to stay.

ON HOUSE RESOLUTION 420

Mr. HALPERN. Mr. Speaker, I enthusiastically support this resolution. It hits the nail right on the head; it leaves no question that the House of Representatives means business in meeting the problems of aircraft noise and safety.

The gentleman from New York, my distinguished colleague from Queens, [Mr. DELANEY], is to be heartily commended for taking the bull by the horns and coming up with a resolution that not only covers every phase of the problem, but provides the most effective machinery to meet it. This is a resolution that all the Members of this House can accept; it provides the tools right within the framework of an existing committee; it gives the unquestioned authority to the Interstate and Foreign Commerce Committee it needs to proceed full speed ahead.

This is what we Long Islanders have been wanting for a long time. The Long Island congressional delegation has been working closely together—all with the same objective—to curb the nerve-shattering, earsplitting noise of roaring, earthshaking planes. We have all introduced bills or called for executive action in a determined, collective effort to reach a solution. I, for one, have offered proposals to establish Federal jurisdiction over noise of planes warming up, taking off, and landing; to provide tougher penalties for violations of FAA rules, and to establish criminal penalties for repeated violations, to close airports to jet traffic from 10 p.m. to 7 a.m., and to institute new noise abatement and safety measures at airports. Other colleagues have offered bills of their own, all commendable, and all with the same goals. We have called for conferences with all parties concerned to resolve this problem, but without effective outcome. We have demanded inquiries and full-scale probes.

Despite repeated assurance for years from the Federal Aviation Agency that every possible step is being undertaken to correct the noise menace, I am convinced more than ever that its promises and assurance are meaningless—that we will continue to get nothing but a lot of hot air. The only answer is action by Congress. Only the enactment of a resolution such as the one before us can bring about the kind of results which are needed to meet this problem.

The Rules Committee in its wisdom recognized this fact. Convinced the situation had to be met head on, the committee acted quickly and favorably on H.R. 420, the proposal of its able member from our great Borough of Queens.

With the overwhelming approval of this resolution by this House, I am certain the Interstate and Foreign Commerce Committee will sense a determined call for action and will fully evaluate all the proposals I mentioned earlier—my own, and those of all our colleagues on this and related subjects. I am confident that the committee will welcome all suggestions and recommendations from all sources. I am certain, too, that it will lose no time in carrying out the directives of the resolution and will leave no stones unturned in coming up with the right answers. The speed with which this resolution is being acted upon is a splendid beginning.

I fervently appeal to all our colleagues on both sides of the aisle to vote for this resolution, and, in so doing, take a long step forward toward resolving one of the major problems faced by millions of persons who live in "jitter" alleys—the name we in Queens call the areas suffering from this deafening uproar.

Mr. Speaker, this is a bipartisan issue. It is an acute one that affects all of us. I trust each Member of this House will vote a resounding "aye." Let us pass this resolution unanimously.

Mr. DELANEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. WALTER). The question is on the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

MINOW STILL MAKES A MOCKERY OF JUSTICE

Mr. MICHEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and include a speech.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHEL. Mr. Speaker, on July 27 I made a speech on the floor entitled "Minow Makes a Mockery of Justice." In that speech I stated:

> It, therefore, seems incredible to me that the Commission, after outlining definite standards and policies on June 28, 1961, in the Suburban case, would, on that very same day, propose to grant channel 8 to the Moline Television Corp., the only one of five applicants which made no effort to determine local programs needs.

The Commission's intentional neglect of the program criteria in the Moline case was the main point of my remarks. I felt there had to be an answer for the Commission's action, reversing the hearing examiner, and I felt it proper to

point up the political ties between Richard Stengel, one of the principals of the Moline TV Corp., and Mr. Minow and President Kennedy. In Mr. Minow's statement to the press regarding my speech, he admitted that he had "worked for" Stengel. But Mr. Minow also tried to create the impression in his press release that he was impartial because he did not vote.

In my speech of July 27, I did not say that Mr. Minow had voted. I do feel that if Mr. Minow had been sincere in wanting to remain impartial, he would have disqualified himself as did Commissioner T. A. M. Craven. Mr. Minow participated in the oral arguments while Craven got out from the very beginning because of a conflict of interest. Mr. Minow at one moment states that he did not influence or play favorites in the Moline case and then on August 3, 1961, in a speech at the Northwestern University School of Law states:

> But if Northwestern is interested in a television channel, or a stake in the world communications satellite, I wish you'd let me know.

Later on in that same speech Mr. Minow said:

> Some of you will recall first in its July 1960 programing statement, the commission stressed that licensees must make a good faith effort to find and fulfill the programing needs of their service areas. We mean just that.

Mr. Speaker, Mr. Minow goes right on emphasizing the importance of programing, but I guess this criteria holds true in every situation but the Moline case, and, therefore, it is no wonder that an examiner with 8 years of experience was overruled. It is my understanding that every case, in which an examiner has been reversed, has ended in either congressional or judicial review, so there certainly is precedent for my actions.

Moreover, at the National Symposium on Freedom and Responsibility in Broadcasting, which was the site of the Minow speech of August 3, it is understandable that W. Theodore Pierson, member of the law firm of Pierson, Ball & Dowd, Washington, D.C., would bitterly attack Mr. Minow particularly with respect to his actions in the programing area. Mr. Pierson is to be admired because he felt so strongly on these issues that he made his criticisms, knowing that one of his law partners, Mr. Dowd, was representing the Moline TV Corp. What is more interesting is that Mr. Dowd, yesterday, in a telephone conversation with a member of my staff, discussed Mr. Pierson's comments and indicated that he endorsed Pierson's speech 100 percent.

Mr. Speaker, under unanimous consent, I insert at this point in the body of the RECORD Mr. Pierson's speech, which very eloquently points out that Minow still makes a mockery of justice:

COMMENTS OF W. THEODORE PIERSON, NATIONAL SYMPOSIUM ON FREEDOM AND RESPONSIBILITY IN BROADCASTING, NORTHWESTERN UNIVERSITY SCHOOL OF LAW, CHICAGO, ILL., AUGUST 3–4, 1961

I commend Dean Barrow on the very excellent paper he has just presented. It capsules the current criticism of television programing, the alleged causes and the postulated cures. I will not cavil over the criticisms and causes, not only because I believe them to be substantially correct, but because my principal disagreement is with the cures he postulated. Indeed, I believe that the greatest threat to television's achievement of its proper role in our free society is the restrictions and restraints that the censors and controllers have placed and would place upon the medium, most of whom appear to have the complete support of Dean Barrow.

Perhaps my disagreement with Dean Barrow is really a threshold one, i.e., the role that mass media can properly play in a free society, which in turn may stem from lack of agreement on the principles upon which our society was built. To avoid needless capering in the leaves and branches of the controversy, perhaps I should state my understanding of the roots and trunk of the matter.

The principle of freedom upon which our society was built, as I understand it, starts with the premise that man is imperfect, whatever his station in life, and holds that he will become a more perfect moral and social creature through liberty, and that attempts to coerce cultural or political perfection through governmental or other concentrated power merely conforms the subject to the imperfections of the central power.

Such conformity destroys new ideas at gestation, prevents reexamination of the standards and rules by which we live, perpetuate the mistakes of those in power, reduces political intelligence and degrades human dignity. Media of communication, being manned by imperfect beings, are bound to be imperfect, but in a free society the value of their service is proportional to the degree to which they can resist conformity to centralized control.

Contrast this to the Marxist-Leninist ideology with which we are now locked in a deadly and terminal combat. Our antagonist starts as we do with the premise that man is imperfect but, contrary to our beliefs, holds that he cannot be allowed freedom until he has been recast, remolded and reconditioned by the Communist apparatus, which is presumed to be perfect, to the end that the individual has no will to do anything other than what the state requires. Under Marxism-Leninism, media of communication are presumed to be perfect because they are dictated by a perfect authority. New ideas, reexamination of standards, correction of mistakes, political intelligence and the dignity allowable to individuals can originate only at the top of this monolithic society. Under this ideological concept, mass media are valued in proportion to their conformity to centralized control.

If this layman's analysis of one important part of the ideological conflict between ourselves and the Communist world is substantially wrong, in Dean Barrow's view, then argumentation between us on the efficacy of the various proposals to improve television would avail little, since we are headed in opposite directions. But I will assume substantial agreement by him, if for no other reason than to serve my exhibitionist impulse to say more. It is your misfortune that a lawyer rarely stops talking when he is given time to say more.

Dean Barrow's paper, in summary, pointed out what's wrong and why and what to do about it. He emphasized throughout the great capacity of television for good or evil, with which I agree.

He alleged that television, as now practiced is an imperfect instrument for the political, cultural and educational improvement of our American society. With this, also, I agree. I will go further than he. It will always be unless we develop a perfect machine that requires no imperfect human being to perform tasks or make judgments. The pall of imperfection that is cast on commercial television shrouds all human activity, including above all, governmental action. We are constantly deluged with exposures by our intellectual elite of imperfections in education, politics, economics, government, the arts and the sciences.

Where Dean Barrow and I disagree is that he seems to believe that we will come nearer to perfection if we centralize program control in a rather closely knit combination of seven members of the FCC, the Board of Directors of NAB and a small select advisory group of outstanding citizens. He heads toward more centralization of control over programing. I would go the other way. He seeks conformity of television program schedules to centralized ideas of balance. I would seek balance in the total output of the industry through maximizing the diversified imbalance of individual licensees. I believe that a balanced fare from the industry as a whole can ultimately be accomplished, without the censorship or centralized control that Dean Barrow postulates, by the proliferation of television stations under conditions that permit any station to unbalance the types of programs they broadcast at will and with abandon. The sum of such specialized program formats would result in overall balance in the industry output.

I cannot disagree with the Barrow assignment of the principal cause for the present caliber of television fare. Since, except for the noncommercial or educational stations, we have a free enterprise television system, which by definition is motivated by profit, it ought to, and does, follow that considerations of profit will substantially influence the programs broadcast. To expect otherwise is to ignore the natural and inevitable consequences of our choice of a system.

Every medium of communication that operates under a free enterprise system is influenced in overwhelming degree by the profit motive. That the objective of profit substantially influences its product can be demonstrated conclusively with respect to any commercial medium one desires to name—newspapers, magazines, books, motion pictures or theater. And they have their Comstocks too—Comstocks who are every bit as critical as any that television has.

Wherever free enterprise operates, its product or service is substantially influenced by the profit motive. The styling of clothes, automobiles and household appliances are thus governed. The architecture and construction of homes, factories and office buildings feel the ever-present influence of the profit motive. Indeed, it is not unusual for the eggheads and intellectuals to seek opportunity to conform their output to the necessities of the profit potential. If the profit motive is evil, it is a virulent and contagious one, because it infects many of its loudest and most snobbish critics.

While I appreciate that, in Washington, to investigate is the thing, I really do not think we needed the costly Barrow investigation to establish that the profit motive influences television programing. This was and is one of the most open and notorious facts within my knowledge.

The investigation went farther than this, however. It sought to determine where the control of programing lay. It found no single or concentrated repository. Rather, as Dean Barrow has just pointed out, it found that control was dispersed among many advertisers and their agents, three competing networks and their hundreds of competing affiliates and a few talent agencies. Compared to centralized control in the Commission, the NAB and an elite advisory council, as Dean Barrow postulates, this is a tremendous fragmentation of control.

But it does not seem to be a principal Barrow complaint that too few private enterprisers were in the act. It is that they are all possessed by the same motives—to earn a profit. And that all too frequently the profit goal is better served by catering to mass audiences. It is this parallelism among enterprisers that seems to gall him most. Could he have been surprised to learn that a mass medium supported by the suppliers of mass consumption seeks a mass audience a great deal of the time?

What did he postulate as means of curtailing this appeal to mass tastes? First, greater self-regulation through the NAB, which he did not believe would suffice because, being an industry organization, in spite of the enlightened leadership of Governor Collins, it might be quite contaminated with the profit motive.

Second, more extensive and intensive program policing by the Commission, which solution he seems to adore most.

Third, an advisory committee "composed of eminent Americans" to advise the Commission in its police work. This would nationalize in a truly effective fashion the method used by Comstocks in many communities to employ the police power to restrain books, periodicals and motion pictures in unabashed cultural censorship.

Whatever success these measures might have in reforming television to meet the tastes of Dean Barrow, Chairman Minow, Governor Collins, and their admirers, I care not to argue. I would pray they would fail, because it is a complete formula for centralized cultural censorship and control.

Dean Barrow said that it was not his purpose to discuss the censorship issue raised by his paper. He professed no real concern with the problem. Well, I do have concern and I am constrained to discuss it.

In the past Commission efforts at program control and censorship have been quite submerged and, while always lurking in the deep, they have been hard to surface and catch. To change the metaphor, Chairman Minow's program of action, announced first before the NAB and publicly many times since, offers a rare opportunity to grapple with more than a ghost. To demonstrate the nature of Dean Barrow's proposals, I wish to turn to the program of Chairman Minow.

Chairman Minow in his NAB speech bluntly told the broadcasting licensees that he had no confidence in their product. This, of course, after observing the amenities expected of a guest by telling them that they were nice chaps. He was very specific about the types of programs that he thought should not be broadcast or should be broadcast less frequently. He said, "The old complacent, unbalanced fare of action-adventure, and situation-comedies is simply not good enough." He further observed that next season will be little better because "of 73½ hours of prime evening time, the networks have tentatively scheduled 59 hours to categories of action-adventure, situation-comedy, variety, quiz, and movies."

He also was specific in certain areas as to the types of programs that should be broadcast. He declared quite specifically the format and purpose of children's shows and implied the time that they should be broadcast. He named his favorite shows by specific title. Mr. Minow exhibited impatience with the imperfect tastes of the masses and the broadcaster's imperfect response to public tastes.

Mr. Minow's description of what he approves and disapproves was sufficiently explicit to enable any normally intelligent broadcaster to choose and select programs that will satisfy Mr. Minow's standards. The message was loud and clear. The broadcaster can throw out some programs completely, change the formats of others and get some new ones that fit the Minow specifications. No problem.

Thus far, on the basis of my summation, Mr. Minow's NAB speech could be characterized as just an example of clarity in the exercise of freedom of speech, albeit somewhat less restrained than normal for regulatory officials. It, after all, is nothing more than has been said by many television columnists, critics and viewers.

But Chairman Minow went further. He said:

1. That the broadcaster owes to the public the type of programing that he, Minow specified.

2. That he intends in his official capacity to see that the broadcaster pays the debts he, Minow, stated.

3. And that he intends to accomplish this through the licensing power of the Commission.

Here he is not playing the role of citizen Minow, but the dispenser of the privilege to live or die as a broadcaster.

Now it seems to me that, considering these vigorous words, the chairman simply said to the broadcaster, "Unless you broadcast or propose to broadcast what I favor and have specified, you will not be permitted by our Commission to broadcast anything." This, in my opinion, is a prior restraint upon broadcast communications, it is censorship and it violates the first amendment.

In the same speech that he said the things I have just described, he disavowed censorship in these words: "I am unalterably opposed to governmental censorship. There will be no suppression of programing which does not meet with bureaucratic tastes. Censorship strikes at the tap roots of our free society." He has been reported as having repeated this disclaimer many times since.

But, in the speech, what did he say he would do but suppress programing which does not meet with bureaucratic tastes? If you are a bureaucrat and you tell a broadcaster that he may operate if he broadcasts what you favor and may not operate unless he suppresses what you disfavor, what are you doing but requiring broadcasters to conform to your taste?

Did Chairman Minow mean that refusing to permit applicants to broadcast is not a suppression of what they propose to broadcast? Did he mean that in his few months as Chairman he had been able to discern what no one else has ever known or been able to define—public interest in programing? Or is this some kind of exotic philosophy that reconciles logical irreconcilables by the mere assertion that they are reconcilable?

Perhaps it could be said that the Chairman did not intend to cause broadcasters to conform to his taste. But his speech had no professed or discernible purpose but to reform television programing after his pattern. I understand he has received several thousand letters commending him on his efforts in this regard, i.e., the use of his powers as a Government dispenser of licenses to suppress some programs that he and his correspondents dislike and to engender others that he and they like. The widespread changes in television programing that will result from his efforts must surely have been intended by him. His perspicacity is demonstrably too great to conclude otherwise.

I am proceeding, therefore, not only on the basis that he intended to use governmental power to change television programing, but that he will—the other members of the Commission and the courts willing—be eminently successful in obtaining widespread conformity with his expressed ideas on programing. The trade press, since the Minow polemic, has depicted frantic activity among producers, networks, syndicators and station licensees to conform as quickly as possible to Minow's program format. Make no mistake about it—if you tell any businessman that you can and will put him out of business unless he conforms his product to your standards, few will commit business suicide—most will conform.

I submit that, if the Commission pursues the Minow plan for program reform, it will be the direct cause of the suppression of many programs and the release of many others that would not otherwise have reached your television screen, all tending to be stereotyped after the Minow pattern. Whether each of us would like the Minow format better than what we now have is a matter of personal taste for each individual. I personally would like it better than present fare. But what price do I pay for receiving the Minow format for the period that he holds sway?

It seems to me that the price is my concession that the Chairman and his fellow members at any time have the right and the power to set and enforce the format and structure of television program schedules—what they do to please me today can be undone tomorrow. They can prohibit violence today and editorials tomorrow—as they have prohibited editorials in the past.

More bluntly, the price I pay is acceptance of a high degree of centralized governmental control of television fare. Still more bluntly, it is censorship.

Constitutionally, it must violate the first amendment; otherwise, that supposed protection against control over speech and press by Government is inapplicable to the most effective means of communication yet devised by man.

It would mean that free speech and press are only for the less efficient and most ineffective modes—books, newspapers, magazines, handbills, and movies. It would mean admitting that technological advance inevitably and progressively takes its price in loss of liberty.

Would it not be better to prohibit radio and television absolutely than to embrace it at the cost of liberty? If not, should we not be more honest with ourselves and cast off the facade of freedom and accept the governmental control of communications that has been so effectively and efficiently used by the ideology we despise but the power and success of which we cannot gainsay?

I say, Mr. Minow cannot have it both ways—brilliant, articulate and sincere person that he is—he cannot free us from our own imperfect tastes by binding us to his imperfect tastes without denying the principle of freedom upon which our society was built, that is, diversity and liberty instead of conformity and restraint.

Any real and impending danger that lies in present television programing, much as I personally dislike much of it, is, in my opinion, of insufficient magnitude to justify Mr. Minow substituting his imperfect personal tastes through governmental coercion for the imperfect tastes of the public or the imperfect responses of the broadcaster. The success of his endeavors would bring governmentally induced conformity, not the diversity which is the intended goal of liberty and competitive enterprise. There are glaring imperfections in our present efforts, but to substitute governmentally induced conformity (to borrow a phrase from Mr. Justice Frankfurter) "is to burn the house to roast the pig." Hence, I believe the course upon which he has embarked is illegal, unconstitutional and violates basic principles upon which our American society has been built.

I wish to be very precise about the area in which I believe Chairman Minow's proposed course of conduct offends against liberty of speech and press because, in many other areas, I not only agree with the chairman, but have nothing but admiration for his intelligent and vigorous approach.

I believe freedom is abridged whenever a licensee broadcasts a program or a series of programs, or fails to broadcast a program or a series of programs, not because in his judgment his public is thus served, but because unless he does so, the Commission can and will put him out of business.

Congress took great care to lodge program control in the only place it can be lodged in a really free society—outside of Government. Control was to be dispersed among the large number of licensees competing for public patronage. The natural forces of the marketplace—not Government—were to determine the program fare, just as in every other medium of communication.

Congress could not have hoped that its efforts would uniformly yield a perfect product any more than freedom and competition had done so in the other media. No perfect human institution or system exists, but the free system was chosen as the best of the alternatives.

Congress sought to insure service to the public by limiting licenses to those who the Commission found qualified and of good character. The Commission can deny licensees when the licensee lacks the qualifications of a public trustee, and a determination of those qualifications does not require the Commission to review or restrict his judgment as to programs. It can require the trustee to be financed, equipped, organized, and disposed to make an informed judgment of the public's needs and desires. I have no quarrel with the Commission refusing a license where the licensee does not demonstrate that he will make reasonable efforts to inform himself on the needs and tastes of his public, in order that his judgment is an informed one.

But I do quarrel with the Commission's attempt to substitute its judgment for that of the licensee. It was the wide variety of judgments by competing licensees, not stereotyped formats from Government, that was to determine program fare. It is precisely because Mr. Minow seeks to impose his judgment as to program structure upon the licensees that I doubt the legality of his course—however subtly this is done and no matter how many times he denies that he is doing it.

There have been numerous justifications and excuses offered for Commission intrusions into broadcast programing. They range from denials that what the Commission does constitutes program interference to implied admissions that it does interfere, but that the interference necessarily results from the Commission's performance of its statutory functions. Mr. Minow did not invent these contentions; most of them are old and hackneyed. But he has resurrected and repeated most all of them at one time or another during the short period that he has been Chairman. In spite of the added endorsement of Mr. Minow, I am still convinced that they are nothing more than euphemisms for censorship.

It is contended that the Commission in its program investigations and review does not censor because it only examines and weighs "overall programing." This is one of those phrases, the utterance of which seems to invoke some mystical power that changes restraint to liberty. An official accused of censoring needs only to utter these words and the evil spirit of censorship is supposedly exorcised. An otherwise impure act by this incantation becomes pure and holy.

But mysticism to one side, how in logic can one consider total programing without considering its parts? This is an esoteric rite that I have always wanted to witness but never have been so privileged.

Mr. Minow's talk before the NAB was no revelation of the secret. He dealt with specific types of programs of which he approved and disapproved. With his speech as a guide, one could examine the whole program spectrum and easily classify the favored and unfavored—which I believe was his intention. For him to have classified all programs by title would have been redundant and wholly unnecessary to his purpose of reforming television programing.

Moreover, I defy anyone to find one meaningful discussion of "overall programing" in any Commission decision that did not deal with specific programs or specific categories of programs.

If the Commission restrains or requires a whole category, is that acceptable, whereas to condemn or approve only one in a category is unacceptable? I cannot understand why it is censorship to require a station to broadcast a single eductional program, for example, but it is not censorship to require several. Or why it would be censorship to interdict one program of violence but not censorship to silence many.

Nor, in weighing a station's overall programing, have I ever understood how small are the parts into which it can be broken before it ceases to be mere consideration of "overall programing" and becomes consideration of particular programing. What is the location and size of the barrier erected by section 326 and the first amendment? I cannot believe that the barrier against infringement of speech and press is a small corral for a single program that disappears as if by witchcraft when it is joined with one or several others. I refuse to believe that our sacred rights to liberty can be destroyed by such sorcery.

I submit that the area of Commission consideration of overall programing is but a vast wasteland of withered liberties that should not be preferred over the "vast wasteland" Mr. Minow found in one long boring day and night before his television screen.

Closely associated with the overall programing alibi for Commission interference with programing is the term "balanced programing." Balance would seem, on the surface, to refer to some proper mixture of program types—entertainment, religious, educational, agriculture, public affairs, discussion, live, etc.

In actual practice it has been used to coerce licensees into carrying types of programs the Commission favors at the expense of programs that it disfavors or favors less. For example, I have never heard of a station being challenged for having too much educational, public affairs or discussion programs and too little entertainment, even though its performance of the favored shows exceeded its promise. If the mixture is the thing—then imbalance in one category should be as bad as any other. A performance of 10 percent educational against a promise of 5 percent would seem as much a broken promise as a similar variance in entertainment.

The fact is that the balanced programing concept, where it has been applied, has generally been used to coerce stations into carrying relatively unpopular programs at the expense of the relatively popular ones. It has been used to protect so-called minority tastes—never majority tastes.

Now I am willing to concede that broadcasting fails as an effective democratic instrument if it serves only majority tastes. The question is: Can a wide variety of program types be obtained only by the Commission requiring conformity to its stereotyped formats? If so, perhaps it is better that television remain ineffectual than make this concession to censorship and conformity. Moreover, if station formats are going to be stereotyped through conformance to Commission formulas, why do we need a great multiplicity of stations to merely repeat the same formulated fare on a variety of channels? Frequencies are too scarce for this waste.

There is a way established and intended by the act that tends to diversity rather than conformity and does so without endangering our liberties. With a multiplicity of stations competing with each other, each must constantly search out unsatisfied wants. The more stations there are, the more assiduously each must search. With a relatively few stations competing, the majority tastes constitute a large and rewarding market that tends to satisfy the few competitors. As stations increase, the majority audience must be shared by more stations and the point is ultimately reached where a station's small share of a majority audience can be less rewarding than a large share of a minority audience. Hence, some competitors forsake mass tastes and specialize in some unrequited minority desire. As more stations specialize, more special tastes are satisfied. This is not mere theory—it is demonstrated by a glance at the radio fare in many of our markets—which has resulted wholly from the proliferation of radio stations in the last decade and a half.

I submit that the balanced programing guideline is but an instrument of conformity and censorship; freedom to specialize as competition in the market dictates is the opposite. The choice is between conformity through censorship and diversity through liberty.

Of course, we have not as yet in most television markets reached the point in television growth where stations are forced by economic imperatives to look far beyond the majority tastes. But television is further advanced on this road now than radio was at the same age. We will arrive at this goal of diversity and total accommodation of tastes if the Commission and the industry work together to increase the economic support, the program sources and the available channels for television. However tough some of these problems may be, the hope of success is not so dismal that we should accept censorship and conformity as a substitute.

Perhaps the most false and yet high-sounding excuse that the Commission has given for interference in programing has been that it is only seeking to require the licensee to perform what he has promised. The supporting contention that makes this sound so fair and proper to the uninitiated is that, if a licensee voluntarily promises something to get his license, he ought not to complain when the Commission exacts performance. There are two things wrong with this contention: first, the applicant has not made and cannot make a promise; second, his program representations were not in any real sense voluntary.

The form that requests him to submit a breakdown of his expected programing as to type and source states as follows: "It is not expected that licensee will or can adhere inflexibly in day-to-day operation to the representation here made." It goes on to state that it should "reflect accurately applicant's responsible judgment of his proposed program policy." Program representations under this caveat simply do not rise to the dignity of a promise to specifically perform as represented.

And the caveat was not just soft-heartedness on the part of the Commission; it was rather a recognition of the reality that it is beyond human prescience to predict program performance 3 years in advance without casting the licensee in an inflexible mold that itself would prevent him from serving his public.

The type of programs one broadcasts results from a judgment of the public needs and tastes at the moment and an attempt to implement that judgment from the programs available at that moment. The only predictable certainty about public needs and tastes is that they are eternally and constantly changing. Program sources, likewise, are constantly opening and closing.

A commitment over 3 years to an inflexible mixture of types and sources of programs is not only a commitment that would be impossible to perform, but, if possible, would commit the licensee to ignoring the changing needs and tastes of his public. Thus, the promise versus performance dictum places the licensee in the hopeless dilemma of embracing inflexibility which, per se, should disqualify him as a licensee.

Nor, in view of Mr. Minow's threats to deny applications where the program structures do not conform to his specifications, can it be said that the program representations in an application are uncoerced and voluntary. A quixotic few might propose program structures that Mr. Minow has said he will suppress by denying the license, but most will take the expedient and practical approach and conform to his format. Thus, the Commission coerces a promise and then demands performance of the promise it has coerced. This mode of getting the programing the Commission wants is not sufficiently devious, under analysis, to conceal its true nature—it is an instrument of censorship.

I do not wish to imply that under all circumstances it would be improper for the Commission to weigh program representations versus performance. Where the Commission seeks to determine whether the licensee willfully and fraudulently misrepresented his intentions and therefore has character defects, I believe the Commission can properly consider his performance as evidence of an intent not to perform what he represented at the time he filed the application. This has nothing to do with whether his programs were good or bad or what programs he proposes for the future; the only question is whether he intentionally deceived the Commission.

If the evidence establishes that he did, then the Commission must weigh this along with other evidence on character, to determine whether he is a qualified licensee. In considering the character issue, it is irrelevant that he is now willing to make a new representation or to upgrade his programs. If his character is found to be bad, what good are new promises? If his character is found to be good, in spite of the misrepresentation to the Commission, that ends the inquiry, for it adds nothing to his character for him to make a new promise or to say that he will upgrade his programs.

But the Commission has not used the promise-versus-performance standard as a mere test of character; it has been used principally to force a licensee to change his program proposals. The recent Kord case (*Kord, Inc.*, docket 140003, July 12, 1961) is an example.

In 1960 Kord filed an application for renewal of license and proposed a program structure that contained no educational, discussion, talk, or local live programs. The application disclosed that this was essentially its past performance.

The Commission wrote a so-called McFarland letter indicating that a hearing would be required because a 1957 application had proposed a program structure that included programs in the categories that were not carried. Kord amended its application to propose programs in the favored categories and reduce its entertainment and recorded programs. The Commission designated the application for hearing, but upon petition for reconsideration, granted the application without a hearing.

The decision contains no real discussion of the character issue and relies heavily upon Kord's new promises to upgrade its programs by adding the favored categories. That the Commission is directly responsible for many programs that Kord will broadcast in the next 3 years and for the absence of others that, but for the Commission restraint, it would have broadcast cannot be in doubt. Kord is merely an example; many similar cases can be found. In fact, in the Kord decision the Commission boasted that it had been doing this since 1946.

Other justifications for Commission interference with programing are that it must interfere because broadcasters use the public domain and operate pursuant to a license. These justifications stand up under neither analysis nor analogy.

I had always understood that one of the primary purposes of public facilities was to promote commerce and communication among our people. I have never understood that our liberties depended upon our avoiding use of the public domain.

If use of public domain deprives a communication medium of its right to be free from Government censorship, then what medium today has the right to be free? All use the publicly owned postal system; many besides broadcasting use radio frequencies; all to a greater or lesser degree use public highways, streets, and airways; all do this under Government regulation and many pursuant to licenses.

With the explosion of electronic and space satellite developments, it is not too far-fetched to suggest that in a few years no substantial communications medium will be able to function without using the public's radio frequencies to a substantial degree.

I never have understood that, where Government uses the licensing mode as its instrument of regulation, its power in areas circumscribed by the Constitution is increased. The printed media operates in large measure pursuant to a permit to use second-class mails. City streets, parks, and halls in many cities cannot be used for meetings or speeches without licenses from the city authorities. In a number of States and cities, motion pictures cannot be exhibited except pursuant to government license.

Under no precedent that I can find has the fact that they were licensed been used as a justification to whittle away their rights under the first amendment. As a matter of fact, in nearly all of the cases, the very fact that the licensing mode of regulation was used, which by definition is a prior restraint, has caused the courts to be extraordinarily diligent in making certain that the instrument was not used to abridge liberty of press, speech, or religion. If communication media cannot use the public domain pursuant to a license and still maintain their freedom from Government dictation of the things they communicate then, we have to say that the first amendment died at the beginning of the radio and space age; that these liberties were intended only for the days when communication was infrequent, difficult and relatively ineffective; that such liberties cannot be indulged in this modern world of technology. If we believe these things to be true, it seems to me that we have accepted a major element of the philosophy of Marx and Lenin.

The foregoing reasons for Commission interference in programing have been legally justified by the contention that the Commission has judicial approval for what it has done and is doing. I have to concede that it has the better of it in the precedents. The Federal Radio Commission's power to deny renewals of licenses because it disapproved of past program performance was approved by the court of appeals in two cases, now 30 years old.[1]

In one case Dr. Brinkley used his radio as a business adjunct and to prescribe for his patients. In the other case a Reverend Shuler used the facilities to obstruct justice and make defamatory attacks. Mr. Shuler had a newspaper counterpart, by the name of Near, who had been doing about the same thing at about the same time in Minnesota, but through a newspaper instead of a radio station. A year before the Shuler case was decided by the court of appeals, the Supreme Court denied, as unconstitutional, an injunction against Near's continued publication of the newspaper[2] and this decision was cited in the Shuler briefs and cited in the court's decision. What Minnesota did was held by the Supreme Court to be a prior restraint, but what the Commission did was held by the court of appeals not to be a prior restraint.

I cannot reconcile Near and Shuler except on the grounds that the first amendment applied to newspapers but not to broadcasting. At that time this belief was quite generally held. Not until 1948 did the Supreme Court unequivocally state that broadcasting was within the protection of the first amendment.[3]

Both of the applications, Brinkley and Shuler, could have been denied on grounds that would have raised no question of censorship.

In other court of appeals cases, the court has upheld the Commission's right to use its evaluation of programing proposed in comparative applications as one of the deciding factors.[4] But the questions have never been squarely presented to the Supreme Court, although there is dictum to support my contention and other Court expressions which can be interpreted contrary to my position.

I do not believe that, in the light of the first amendment cases decided in the last score of years, the precedents upon which my opponents rely are trustworthy. That is to say that, if broadcasting is protected by the first amendment, as the Supreme Court says it is, then by analogy to cases in other media, the Commission cannot use its licensing power to previously restrain broadcast communications in the manner that the Commission has been doing and proposes to do. I believe the Court would so hold in a case squarely presenting the issue upon a complete record.

Moreover, I believe that attempts to achieve standardization of public tastes and broadcaster's response through centralized control by the NAB is only somewhat better than censorship by the Commission. Each seeks the concentration of control over programing and the standardization of tastes that is an anathema to diversity and liberty. NAB is more acceptable because it lacks the coercive power of Government, and there is always the probability that there will be some nonconformists in the industry.

It should be apparent to all at this point that I am not speaking for the industry. Indeed, many in the industry probably find censorship and control a more comfortable way of life than being constantly confronted with competitors who just do not conform to the standard pattern.

These are only my opinions—ill-qualified ones at that, compared to the qualifications of some of those who hold contrary views. But, at a time when we are locked in a life-and-death struggle with the Communist world, when that external threat is going to require many sacrifices, including the loss of many of our peacetime liberties, should we concede that the enemy's creed of cultural censorship and control must at long last replace our historic and yet-to-be-perfected liberties of speech and press? If these American liberties are thus to be blithely discarded, what is there left to fight for except narrow, selfish, materialistic, and nationalistic ambitions?

---

[1] *KFKB Broadcasting Assn., Inc.* v. *F.R.C.* (47 F. 2d 670 (1931)); *Trinity Methodist Church South* v. *F.R.C.* (62 F. 2d 850 (1932)).

[2] *Near* v. *State of Minnesota* (283 U.S. 697 (1931)).

[3] *U.S.* v. *Paramount Pictures, Inc.* (68 S. Ct. 915, 933 (1948)).

[4] *Johnston Broadcasting Co.* v. *F.C.C.* (175 F. 2d 351 (1949)).

PERMITTING FARMERS TO PLANT BARLEY ON LAND TAKEN OUT OF WHEAT PRODUCTION

Mr. BREEDING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. BREEDING. Mr. Speaker, I am today introducing legislation which is urgently needed in areas such as I represent where considerable wheat acreage will be removed from production if farmers approve, as expected, the new program in a referendum on Thursday. In brief, the bill would permit farmers to plant barley on the land taken out of wheat production this fall, and to take a corresponding number of acres out of grain sorghum plantings next year.

Barley is one of the few crops which can be planted on the idled acres, most of which under the farming practices used in western Kansas have been in summer fallow. Yet, under the law farmers cannot plant barley on the land unless they have a barley acreage allotment.

Unless this summer fallow land is covered, preferably by a growing crop, it will be threatened by serious wind erosion. This land could be severely damaged.

To solve the problem, I have proposed that farmers be permitted to plant barley, whether they have an allotment or not, provided they take the same number of acres out of grain sorghum or feed grain production. This will maintain total acres in feed grains at the level provided under the feed grain program. It will permit farmers to follow sound conservation practices without any interruption to any program.

This particular provision was included in the omnibus farm bill passed by the House. Unfortunately, it was not included in the Senate bill, nor was it included in the conference report. Corrective measures cannot be taken by administrative action. Legislation is the only possible way of correcting what could be a very bad situation.

I hope the bill will receive early attention by the House Agriculture Committee. I do not believe it will be controversial.

For the information of Members interested in this problem, I am including the text of the bill in my remarks at this point:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (d) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended, is further amended by adding the following at the end of paragraph (1): "Notwithstanding any other provision of law, a producer shall be deemed to have participated in the feed grain program for corn, grain sorghum, and barley, if the sum of the acreages of corn, grain sorghum, and barley, excepting malting barley, on the farm in 1962 does not exceed 80 per centum of the average acreage devoted on the farm to these three crops, excepting malting barley, in the crop years 1959 and 1960."

DISTRICT OF COLUMBIA JUVENILE COURT BILL

Mr. COHELAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COHELAN. Mr. Speaker, I would like to call my colleague's attention to a very important bill which was reported out of the District of Columbia Committee today and which will come before the House on next District Day.

This bill, H.R. 6747, would make several major changes in the existing organization, jurisdiction, and procedures of the juvenile court for the District of Columbia. It would convert the juvenile court into a branch of the municipal court for the District of Columbia, with judges of the later court sitting regularly in juvenile cases. It would reduce the maximum age for juvenile offenders coming before the juvenile court from 18 to 16 and lower the minimum age from 16 to 15 for discretionary waiver of juvenile court jurisdiction.

Furthermore, H.R. 6747 would relax the present restrictions on publicizing records and proceedings in juvenile offender cases. It would transfer the final decision whether to institute juvenile court proceedings in a particular case from the juvenile court's director of social work to the corporation counsel. It would remove from juvenile court jurisdiction all cases involving the paternity and support of children born out of wedlock.

Mr. Speaker, the Attorney General's Office, in a letter to the distinguished chairman of the House Committee on the District of Columbia, and the Secretary of the Department of Health, Education, and Welfare, in a letter to me, have stated their strong objections to this bill. At the same time they enthusiastically support H.R. 5988, which would provide for the appointment of two additional judges for the juvenile court. Unfortunately, the committee has not seen fit to hold or schedule hearings on this bill.

The objections to H.R. 6747 by the Attorney General's Office and the Department of Health, Education, and Welfare cannot be taken lightly, for they are based on the firsthand knowledge of men and women who are intimately familiar with the workings of our juvenile courts. I believe that these objections must be recognized, and at the appropriate time I plan to introduce an appropriate substitute proposal for H.R. 6747.

Mr. Speaker, I urge my colleagues to give the following letters from the Deputy Attorney General and the Secretary of the Department of Health, Education, and Welfare their thoughtful attention as we prepare to act on this legislation:

MAY 24, 1961.

Hon. JOHN L. MCMILLAN,
Chairman, Committee on the District of Columbia, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request for the views of the Department of Justice concerning H.R. 5988, "To provide for the appointment of two additional judges for the juvenile court of the District of Columbia" and H.R. 6747, "To amend the Juvenile Court Act of the District of Columbia."

The Department strongly favors the central purpose of H.R. 5988 and supports the legislation, with minor changes. The bill supplies a deficiency that has long been a serious one in the District of Columbia and is more serious now—the numerical deficiency of judges of the juvenile court. The one judge now sitting on that court has been unable, by himself, to hear and dispose of the cases coming before that court. The backlog of cases to be heard was, on March 31 of this year, 2,256. This situation produces long delays in the disposition of juvenile complaints, often a lapse of weeks between a juvenile's arrest and his appearance in court. In some instances, juveniles remain at large in a community for as long as 6 or 8 months until their cases can be reached on the court calendar. Thus, those who should be committed without delays for institutional treatment are not treated in timely fashion. Moreover, juveniles awaiting adjudication not infrequently become involved in new and more serious delinquencies.

The principal feature of the bill that recommends itself is the provision for two additional judges. Additional judge-power was recommended as long ago as the Ellison committee's report, January 14, 1954. That committee stated in the strongest terms its criticism of a caseload as high as 5,000 per year per judge. In comparison, the judge of the juvenile court heard 7,512 cases in the fiscal year ending June 30, 1960. There is an urgent community need for the services of two additional judges, and the Department supports the early enactment of this legislation.

The Department favors omitting from the bill the new language amending section 19(b) of the Juvenile Court Act of 1938. The new section 19(b) spells out in some detail three conditions for eligibility for appointment to the juvenile court. The detail is considerably more elaborate than that now contained in title 11, section 920 of the District of Columbia Code. The Department believes that it would be more desirable for the precise qualifications of the juvenile court judges to be left to the appointing power, and that the three conditions stated in the bill are too pointed and too personalized to allow the appointive power the desirable freedom of selection. It is to be assumed that the President will select qualified persons for the juvenile court, and that the appointments will reflect the emphasis that the President places upon particular qualifications. The efficacy of the appointive power is much reduced if the field is narrowly restricted by legislation, and if the President is not free to appoint qualified persons in whom he has confidence.

H.R. 6747 would transfer the functions of the juvenile court of the District of Columbia to the municipal court as a separate juvenile court branch, and would lower the age limit of juveniles falling within the mandatory jurisdiction of that branch from present age 18 to age 16. The bill would also provide that the juvenile jurisdiction of the branch may be waived, and the juvenile charged as an adult in any misdemeanor or felony case involving a juvenile of from 15 to 16 years.

The Department believes that there are serious reasons why it should oppose the enactment of H.R. 6747. The reasons are set forth below:

1. Section 1 of the bill creates a juvenile court branch in the municipal court for the District of Columbia, and provides that the chief judge of the municipal court may assign judges of the juvenile court branch to serve elsewhere in the municipal court and

that he may assign judges from other branches of the court to serve in the juvenile court branch. The Department does not believe that juvenile court judges and judges serving in the municipal court hearing adult offenders should be treated as interchangeable in the court structure. The experience of many of the larger cities has indicated that juvenile court judges should have specialized training and qualifications in the problems of juvenile delinquency and methods of rehabilitation of juvenile offenders. Familiarity with these matters and with desirable hearing procedures for juvenile offenders is not normally a qualification of the judges of the municipal court. Nor is a juvenile court judge likely to be better qualified for the work of the municipal court than a judge of that court is for the work of a juvenile court judge.

For this reason the Department believes that the chief judge of the municipal court would rarely be able to make the findings called for in section 1(b) of the bill, that "the work in the juvenile court branch will not be adversely affected" by the assignment of a juvenile court judge to perform the duties of a municipal court judge or that "the work of the juvenile court branch requires * * * assignment" of a municipal court judge "to serve temporarily in the juvenile court branch." The Department is convinced that the juvenile court and the municipal court for adult offenders should be kept entirely separate in personnel and function.

2. Section 4 of the bill applies the jurisdiction of the proposed juvenile court branch of the municipal court to "any person under the age of 16 years * * *" who falls into the enumerated categories and defines the word "child" as a person under 16 and the word "adult" as a person 16 years or older. The present law brings within the jurisdiction of the juvenile court any person under the age of 18 years, leaving it to the juvenile court judge to waive his jurisdiction over persons in the range 16 to 18 years of age. The bill thus removes his jurisdiction in every case in which there is now discretion in the juvenile court judge. In addition, the bill would permit the judge of the juvenile court to waive jurisdiction of a child of 15 to 16 years. The Department doubts that a discriminating and careful effort toward rehabilitation of juvenile offenders in the 16- to 18-year category can be accomplished by throwing every such case into the adult criminal courts. Rather, it is believed that a more probable consequence would be to make hardened criminals of juvenile first offenders who, in some cases, might be rehabilitated if retained within the jurisdiction of the juvenile court.

As a consequence of section 4 of the bill, all juveniles of 16 years or more, involved in a felony offense, would fall within the criminal jurisdiction of the U.S. District Court for the District of Columbia. In fiscal 1960, 105 juveniles were waived to the U.S. district court by the judge of the juvenile court. Section 4 of the bill would raise this figure to approximately 575[1] cases per year. Chief Judge Pine of the U.S. district court advised the Judicial Conference of the District of Columbia Circuit, on May 11, 1961, that this transfer of criminal jurisdiction would require two additional district judges. It would also require an increase of at least two attorneys on the staff of the office of the U.S. attorney for the District of Columbia, whose office has the prospective jurisdiction in that court. In addition, section 4 of the bill would shift approximately 400 cases per year to the municipal court, with an attendant increase in the need for judges and prosecutors there. The Department is convinced that such a wholesale change of method and treatment of juvenile offenders is not in the best interests of the administration of justice or of successfully combating juvenile delinquency, and that a preferable course would be to increase the existing juvenile court by two additional judges and to permit the discretion of that court to govern the waiver of jurisdiction over any offender under 18 years of age, on a case-by-case basis.

Accordingly, the Department favors the enactment of H.R. 5988 subject to the comments made above with regard to the qualifications of the judges to be appointed.

The Bureau of the Budget has advised that there is no objection to the submission of this report from the standpoint of the administration's program.

Sincerely yours,

BYRON R. WHITE,
Deputy Attorney General.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
June 26, 1961.

Hon. JEFFERY COHELAN,
House of Representatives,
Washington, D.C.

DEAR MR. COHELAN: In response to your letter of June 14, we welcome the opportunity of expressing our views on H.R. 6747, now pending before the Committee on the District of Columbia.

This bill would, as you say, "drastically alter the existing organization, jurisdiction, and procedure of the juvenile court for the District of Columbia." Not only would these changes, if enacted, turn back the clock in this important field in the District of Columbia but, because they would be an act of Congress, they might have an influence on action throughout the country altogether disproportionate to its character as local legislation. Enactment of this bill could, moreover, be construed as a disavowal of certain standards developed and supported for many years by our Children's Bureau in cooperation with the National Probation and Parole Association, the National Council of Juvenile Court Judges, and others, and rather recently reiterated in the Standard Family Court Act enclosed herewith.

We associate ourselves fully with the excellent report of the Department of Justice of May 24 to the committee, in which that Department (a) recommends, with certain amendments, enactment of H.R. 5988, which would provide for the appointment of two additional judges for the juvenile court, and (b) strongly opposes the provisions of H.R. 6747 that would transfer the functions of the juvenile court to the municipal court as a separate juvenile court branch and would completely exclude children between 16 and 18 from the juvenile court branch's jurisdiction. Besides these provisions of H.R. 6747, there are other provisions mentioned in your letter, as well as some noticed by us in the bill, on which we should like to comment briefly. We shall not, however, comment here on those provisions of the present law that are in need of improvement but are carried intact into H.R. 6747.

1. INTERCHANGEABILITY OF JUDGES IN CHILDREN'S AND GENERAL ADULTS' CASES

H.R. 6747 would add 2 judges to the present 16 judges of the municipal court, transfer the functions of the present juvenile court of the District to a juvenile court branch established by the bill in the municipal court, require that two judges of the municipal court serve as judges of the juvenile court branch, "during their tenure of office" (one of them would be the present juvenile court judge during the remainder of his term), authorize the chief judge of the municipal court to assign additional judges of the court temporarily to the juvenile court branch as the work of the branch may require, and, on the other hand, authorize him to assign judges of the juvenile court branch temporarily to other judicial duties in the municipal court if he finds that the work of the juvenile court branch will not be adversely affected thereby. This would, in large measure, make judges in the juvenile court branch and other judges of the municipal court interchangeable in the court's work, with the consequent risk that both aspects of the court's work will suffer.

What is needed in view of the heavy caseload of the present judge of juvenile court is the appointment of additional judges for that court, who are especially qualified in that work. The present law (District of Columbia Code sec. 11–920) requires the judge of the juvenile court to "have a knowledge of social problems and procedure and an understanding of child psychology." While, even without this specification, additional appointments to that court, if authorized by law, could be expected to meet the essential qualifications for .dges of that court, the arrangement provided for in this bill would give no such assurance. As stated in the Justice Department's report:

"The experience of many of the larger cities has indicated that juvenile court judges should have specialized training and qualifications in the problems of juvenile delinquency and methods of rehabilitation of juvenile offenders. Familiarity with these matters and with desirable hearing procedures for juvenile offenders is not normally a qualification of the judges of the municipal court. Nor is a juvenile court judge likely to be better qualified for the work of the municipal court than a judge of that court is for the work of a juvenile court judge."

2. JURISDICTIONAL AGE LIMIT

The present law confers jurisdiction on the juvenile court of the District where the child is under 18 years of age, or where he is charged with having violated a law, or an ordinance or regulation of the District, prior to having become 18 and at the time of coming before the court is under 21. H.R. 6747, on the other hand, would define a 16-year-old person as an adult. It would give the juvenile court branch jurisdiction only where the individual is under 16, or where he is charged with having committed a violation of law, ordinance, or regulation prior to age 16 and is under 17 when he comes before the court.

Again, the present act permits the juvenile court to waive its jurisdiction and order a child held for criminal trial as an adult if the child is 16 years of age or older and is charged with an offense which would amount to a felony in the case of an adult (or is a child charged with a capital offense). H.R. 6747 would permit the court to waive jurisdiction if the child is 15 years of age and charged with an act which in the case of an adult would be either a misdemeanor or a felony (or is a child charged with a capital offense).

These provisions, if enacted, would reverse much of the progress made in the juvenile court field since the enactment of the first juvenile court law in 1899.

It is generally accepted today, and it is the underlying philosophy of the juvenile court approach, that a child—even an adolescent child—is different from an adult and should not be dealt with as such or marked as a criminal; that not being mature, a child who has gone wrong is often in need of care and is likely to be more responsive to treatment and rehabilitation than an adult, though even as to the latter rehabilitation should be attempted where possible; that if institutionalized, the child should not be housed with adult offenders; and that this specialized approach to the problems of children and juvenile delin-

[1] This figure is the number of felony offenses coming before the juvenile court in fiscal 1960.

quency must, in order to be successful, be administered by specialized courts administered by judges especially interested in and qualified for such work and assisted by trained professional staff. This approach can be fully coupled with the protection of society.

The real question is not as to the validity of these premises but, rather, as to where the age line is properly drawn between "child" and "adult" insofar as criminal responsibility is concerned. There is, of course, no scientific answer applicable to all individuals. There are those who are still not mature at 20, and those who mature, physically and socially, unusually early. Hence, the District Act and most juvenile court laws in the country, while fixing a mandatory maximum jurisdictional age limit, vest authority in the court to waive its jurisdiction in individual cases involving serious offenses in an age range in which there is a substantial problem in this regard. The District Act, following the prevailing pattern in the country, fixes the maximum age limit at 18, and permits the judge to waive the court's jurisdiction, after full investigation, in individual cases where the child is between 16 and 18 and is charged with an act that would be a felony in an adult. (The District Act also permits waiver at any age in capital cases.) Long experience and study on the part of the Children's Bureau and other experts in the field supports this choice as the most reasonable one. The age of 18, rather than 16, is also the age limit in the Federal Juvenile Delinquency Act, 18 U.S.C. 5031–5037.

In the light of the extensive studies of the Children's Bureau and our own observation, moreover, we do not believe that it is sound to treat a person who is between 16 and 18 years of age mandatorily as an adult, as H.R. 6747 would do. In general, these youths have not matured to a degree which makes them unamenable to the kind of treatment for which the juvenile court system is designed. As said by the Justice Department, a likely consequence of the enactment of this reduction in the juvenile court age "would be to make hardened criminals of juvenile first offenders who, in some cases, might be rehabilitated if retained within the jurisdiction of the juvenile court." In fact, we believe this would be true in most cases. Even more objectionable is the provision which would permit the court, in noncapital cases, in fact even in misdemeanor cases, to turn a child of 15 years of age over for trial to the regular criminal courts.

3. The proposed section 11 of the Juvenile Court Act in the bill would authorize the court, in its discretion, to admit the general public to the hearing in cases involving a child "charged with an offense which would amount to a felony in the case of an adult, if such child was 14 years of age or older at the time of commission of such offense."

We believe that it would be a serious mistake to make this kind of exception to the present rule of the Juvenile Court Act, which requires exclusion of the general public in all cases. As you know, the present act is already broader than most juvenile court laws in this respect, in that it permits the presence not only of persons having a direct interest in the case and their representatives, but also permits the judge, by rule of court or special order to admit such other persons as he deems to have a legitimate interest in the case and the work of the court. This is broad enough to permit the court to admit to such hearings persons having a genuine concern with the work of the court, such as students of the subject or even representatives of the press under proper safeguards, while excluding the merely curious. To admit the general public would destroy the informal, conference type of hearing that should be used in these cases and would give these cases the atmosphere of a criminal trial. This is not to deny the seriousness of a deliberate act committed by a 14-year-old child which would be a felony if committed by an adult, but the methods of hearing used in juvenile courts at this time for impressing upon the child the seriousness of the situation are fully adequate to the purpose.

4. An analogous provision in the bill is the proposed section 20(e), which has no counterpart in the present law and which provides that, notwithstanding any other provision of this section, all of the records of a case (including the social records) involving a child charged with an offense which would amount to a felony in the case of an adult, may in the court's discretion be opened to public inspection if the child was 14 years or older at the time of commission of the offense.

We can see no sound reason for permitting this exception to the imperative rule of confidentiality of juvenile court proceedings and records. The social records of the juvenile court may, under existing law, be made available by rule or special order to persons or agencies having a legitimate interest in the protection, welfare, treatment, and rehabilitation of the child and to any court before which any such child may appear.

5. The bill would further strengthen the control of the corporation counsel over the initiation of juvenile court proceedings by requiring him or his assistant to pass at the threshold on whether a petition "can be filed" on the basis of information submitted. It would, moreover, retain the present power of the corporation counsel or his assistant to authorize the filing of a petition despite the negative determination of the court's director of social work. It would seem that only the juvenile court judge should have such overriding power.

6. As your letter points out, the bill would remove from juvenile court jurisdiction, and vest in the municipal court (rather than the proposed juvenile court branch) jurisdiction over all cases involving the paternity and support of children born out of wedlock. It would seem, moreover, that other types of adult cases of which the juvenile court has jurisdiction would, under this bill be brought within the juridiction of the municipal court generally rather than the proposed juvenile court branch. We have not had time to explore sufficiently this aspect of the bill, but it may be said at this time that we believe that paternity cases and those involving the support of children born out of wedlock and other cases involving family relationships should come within the jurisdiction of a family court if not a juvenile court.

We appreciate the opportunity you have given us to state our views on this bill.

We are advised by the Bureau of the Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ABE RIBICOFF, *Secretary.*

NEW PRODUCTION REACTOR AT HANFORD, WASH.

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LESINSKI. Mr. Speaker, recently, the House of Representatives rejected the proposal to appropriate $95 million for the construction of an electric generator to use the heat generated from the new production reactor at Hanford, Wash.

I have had occasion to discuss that project with an engineer who lives in my congressional district and I should like to pass along his opinions because I feel he brings forth some points that are well worth contemplating.

His background qualifies him very well to comment on the subject. Ever since graduating from engineering college 13 years ago, he has worked in the field of energy production—first in the oil and natural gas industry, then in the electric power industry and now in the nuclear power field. In the nuclear power field, he has worked for 2 years at one of the national laboratories on advanced reactor technology and for the past 5 years he has been associated with the Enrico Fermi fast breeder reactor project located near Monroe, Mich. In addition to the research and design activities associated with the Fermi reactor project, he has engaged in research activities related to other advanced-type reactors and has done a great deal of work studying the economics of nuclear power.

He said that his principal objections to the Hanford project are its technical backwardness, its unfavorable economics, and its political undertones.

He claims that technically the project is a step backward because of its poor efficiency which is due to the relatively low operating temperature, that to convert the heat from the NPR to electricity will require the construction of inefficient turbogenerators that were antiquated 20 years ago in this country. He says that support of the project as expressed in the terms that it will contribute to the technology of large, low-efficiency machines would be equally appropriate if it had been directed to the construction of an aircraft carrier that used sails instead of modern powerplants.

Commenting on the argument that it would be a waste of a valuable resource to dump the new production reactor's heat into the Columbia River, my engineer constituent said that while the position of not wanting to waste a resource is a popular one, in this case it is grossly misleading to the majority of the people. He claims that the generating facilities would extract less than 25 percent of the energy from the NPR and the balance will go into the Columbia River. If the NPR continues to operate beyond the time when it ceases to be a dual purpose—that is, it operates for power only—a valuable national source of energy will be consumed in large quantities over a period of more than 30 years by fissioning uranium in a type of atomic reactor that is only 25 percent efficient. If the same quantity of uranium were to be utilized in the currently available boiling water reactors, pressurized water reactors, or sodium cooled reactors, the uranium consumed would produce from 25 to 50 percent more electric power than it will produce in the NPR. In the face of that, he says he is appalled at the prospect of our country expending an additional $90 million on a project that is both technically primitive and also wasteful of a natural resource.

The second major objection on the NPR project relates to its economics, which he claims are unsound. He stated that after a succession of unfavorable

economic reports made by various organizations under the direction of the Joint Committee on Atomic Energy, a set of ground rules finally was fabricated that resulted in a preconceived, favorable report; that in evaluating the economics of electric power production from the NPR, a long list of subsidies and advantages peculiar only to Government-sponsored projects was taken advantage of. These include the usual low cost of money due to either Government financing or backing; no franchise or property taxes because it is exempt from these by being a Government project; no research and development costs because these are buried in the budgets of national laboratories; no cost of planning and setting up the enterprise because these are being provided by established governmental agencies out of current budget authorizations. He called these unfair and unnecessary advantages bestowed upon Federal and other governmental projects and said they were painful and galling to many citizens who are being called upon by the President to make greater sacrifices for our country and who at the same time pay utility bills of which 20 to 25 percent of the gross is taxes imposed by governments.

He objected most strenuously to the exclusion from the economic studies the $25 million that was appropriated last year and is already committed to conversion of the NPR to electric power production. Justification for the exclusion on the grounds that the money is already spent and cannot be recovered he called economic gymnastics. He finds frustrating the fact that the economic studies for the NPR are cloaked in the secrecy of weapons materiel production and this is used as a convenient cover behind which true costs are hidden from open review and discussion.

His third major objection to the project relate to what he terms its political origins and its continued political overtones. Following is the manner in which he has expressed his concern:

> The merits of the project are being argued primarily by elected officials without technical background or experience. Very little advice or consultation has been solicited on the technical merits of the project. * * * From reports appearing in recent issues of the New York Times, the Atomic Industrial Forum Monthly; Nucleonomics Weekly; and in Nucleonomics magazine the project has become nothing more than a political football. The * * * amendment to the authorization bill that would authorize $5 million in nuclear studies on coal is a patent attempt to placate the Congressmen from the coal-producing States and the coal lobby. It has nothing to do with the best interests of the United States. Members of Congress have threatened to block the Stanford linear accelerator project unless the NPR authorization wins approval. This again is a bold-faced attempt to whip the scientific community into line, and it too has no relationship to the national good. There are threats to revive the old Gore bill for Government-built nuclear powerplants if the NPR bill is defeated. Apparently this is to bring the private utilities into line. This threat, too, is unrelated to objective, technical progress. There are reports of threats to Southern California Edison that efforts to obtain use of part of the Camp Pendleton site for a nuclear powerplant will be obstructed unless that company cooperates in with the Federal Government and the Bonneville Power Authority on certain transmission facilities. The stark reality of the power politics being used to push this NPR project through the Congress is frightening; and the statesmen in their efforts to gain approval lead me to ponder this Nation's future with increasing anxiety.

Mr. Speaker, I am directing the foregoing to the attention of my colleagues because I know that they, like myself, are interested in learning of the true grassroots feelings on matters of legislation, especially from constituents who are experienced and knowledgeable on the subject under discussion.

REVISION OF COMMITTEE RULES

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. WALTER], may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WALTER. Mr. Speaker, since the last printing of the Rules of Procedure of the Committee on Un-American Activities in July 1953, this committee has made a continuing study and appraisal of its Rules of Procedure. One must bear in mind that practices and refinements often adapted in the light of experience for particular situations are not always aptly reflected in formal and general rules. In the early part of this year, the committee gave thought to the desirability of undertaking a study to determine the necessity for any revision of the written rules so that upon reprinting they might be made available in revised form. For that purpose I appointed a subcommittee consisting of Mr. DOYLE, of California, as chairman, together with Mr. TUCK, of Virginia, and Mr. JOHANSEN, of Michigan.

The subcommittee has completed its work. The revised Rules of Procedure are now being distributed to Members of the House and are available to other interested persons. I want to commend the subcommittee for its effort. This has been no small task. The subcommittee has not only drawn upon its own vast experience in the work of this committee and in the Congress, but has invited suggestions from Members of the House. Indeed, it has been the practice of the committee to welcome constructive comment at all times from whatever source it may come.

However, we could not lose sight of the fact that the rules are rules for an investigative and legislative committee, and not for adversary or trial proceedings. These rules relate fundamentally and principally to the investigative function, which is a fact-gathering or informing process. While like the courts, we are constantly seeking to improve our practices and procedures as experience dictates, yet it must be remembered that we are not preparing rules for court, although some of our uninformed critics outside the House misconceive our purpose to the contrary. Also Communists diligently promote the notion that we are a court—the better to enmesh us in the web of judicial complexities. Just as at other times, to advance their program of committee abolition, they foster the idea that we are a prosecutive agency assuming the functions of the Federal Bureau of Investigation in the executive branch. For if the Government has an FBI, why then have the committee? In accordance with the basic constitutional doctrine of separation of powers, therefore, the revision submitted by the subcommittee reflects practices long adopted which might now aptly be incorporated into a written body of rules for a committee of Congress pursuing a legislative function and mandate.

As long ago as February 25, 1952, a subcommittee of the American Bar Association made a study of the proceedings of this committee, and in its report to the Association included this language:

> We are satisfied that the witnesses called to testify before the committee are being treated fairly and properly in all respects and we also feel satisfied that each witness is accorded full protection so far as his constitutional or other legal rights are involved; moreover, the confidential communications between attorneys and clients have been fully respected.

In fact, it may be interesting to note, that when the committee announced its purpose of considering a revision of its rules and Mr. DOYLE invited comments from Members of the House, we were pleased to receive several letters and expressions from Members and from the public generally who, rather than finding occasion for making specific suggestions, took the opportunity to express approval of the conduct of our work. One of the Members of the House wrote to Mr. DOYLE as follows:

> I have no criticism of the rules of the House Un-American Activities Committee. Indeed, I think the members are to be complimented on the manner in which they have taken the abuse that has been heaped upon them and the committee.

We have been greatly heartened by letters of support, and commendation.

We have even been flattered by the fact that the editorial staff of the Washington Post, despite its running attack upon this committee, has seen fit to offer no suggestion for procedural rules improvement. In their editorial for April 17, 1961, titled "Golden Rule," the editorial conceded, "procedure that would insure a fair trial would cripple the normal and proper investigating functions of the committee."

Of course, the Washington Post perhaps desires to settle the question of rules by abolishing the work of the entire committee—an aim shared in a parallel fashion with the Communist Party, U.S.A.—but did agree that they could think of no procedural rule that would be necessary to improve the investigative function. They mentioned only the Golden Rule. I have read that Satan frequently quotes scriptures for his own purposes. We will adhere to the Golden Rule, but I am sorry to state that we cannot accede—in these perilous days—to any suggestion of the Washington Post that such a rule re-

quires that we discontinue questioning Communists.

Although a general invitation was extended by Mr. DOYLE to all Members of the House, the committee received suggestions from Mr. COHELAN and Mr. ROOSEVELT, of California, only. None were received from other sources. Mr. COHELAN had the assistance of a group from the University of California Law School who submitted a proposed set of rules which the committee very carefully examined. I shall not describe them in detail except to say that several were already substantially incorporated in our previously printed rules or followed in prior practice. Several of Mr. ROOSEVELT's suggestions involved policy matters and, in one instance, a request that would involve statutory change. These suggestions were all seriously considered.

Curiously, although several witnesses identified as Communists in the course of our hearings have demanded—albeit hypocritically—the right of cross-examination and confrontation, we received no communication that there be a provision for such privileges in the rules of this committee. Nevertheless, we have again, on our own motion, reconsidered the applicability of these trial techniques to investigative procedures. Experience of all congressional committees has hitherto proved their inclusion as fixed rules to be impracticable. Although we again reject their inclusion as fixed rules, in actual practice we have reasonably preserved our investigative hearings from oppression of the person or contamination of the evidence—which indeed the common-law trial techniques of confrontation and cross-examination seek to assure in prosecutions. We have accomplished this by the depth of committee inquiries, actual confrontation in certain instances, cross-examination by committee members, the balance of executive against public hearings, and the discreet conduct of the investigative process by outstanding members experienced in the public business, several of whom are distinguished lawyers, and all having a keen respect for constitutional processes.

In the last analysis, if we are not seriously to impair or to frustrate the basic committee functions and its informing process, the problems involved in confrontation and cross-examination must be dealt with on an ad hoc basis rather than by fixed rule. This is an area, familiar to those versed in the general administration of law, where the discipline of men complements certain fixed rules and should be accepted practically as a reasonable guarantee for practices that conform to the spirit of our institutions and such as find expression in the concept of due process. The disturbance to the individual must yield to the broader interests of the informing and legislative function in aid of a vital national purpose. We are not unmindful of the libertarian concepts of our society. But, on the other hand, liberty is not license and, as the late Chief Justice Vinson pointed out in *Dennis* v. *United States*, 341 U.S. 494, at page 509, "if a society cannot protect its very structure from armed internal attack, it must follow that no subordinate interest can be protected."

We take pride in the committee rules hitherto promulgated and now revised, and note that this committee was the first to adopt written rules of procedure, the substance of which were in fact, some years ago, incorporated within rule XI of the House. Of course, it will be understood that no set of rules can cover every conceivable situation that might arise in the course of the many and varied investigations undertaken by this committee. The rules which we publish today in a sense form a constitutional framework within which we can effectively pursue our work. A disciplined judgment, applied within the framework of these rules, will be the safeguard for the rights and interests of those who may become involved in this necessary work. I want to express my appreciation to the subcommittee for the thorough and excellent results accomplished.

THE COMMUNISTS ARE ACTING WHILE WE WAIT FOR THE WEST GERMAN ELECTIONS

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. KOWALSKI], may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. KOWALSKI. Mr. Speaker, today's headlines are more ominous than ever.

Communist East Germany, by its latest act of restricting the movement of people from West to East Berlin to one crossing point, has now revealed its true intentions—relentless, step-by-step strangulation of West Berlin.

This move, along with the throwing up of barbed wire and concrete barriers along the dividing line between East and West in Berlin, has violated the four-power agreements providing for freedom of movement in that city.

Our Government has protested these moves and boosted West Berlin and West Germany by a psychological show of force.

Words and gestures, necessary as they are, are not enough. We must meet the challenge to our rights now with positive diplomatic and legal moves. We cannot wait, whatever the political implications in West Germany, for the elections there September 17. The East Germans are not waiting. They are taking advantage of our inaction to push us closer and closer to the brink where we will have no alternative but to fight or surrender over our rights in Berlin.

We do not have to wait to be pushed into a war. We have alternatives.

Our cause is just. The trouble is that there are others, and I mean in the neutralist camp, who are not convinced of this.

An Associated Press story today said that Nehru indicated he believes the Communists have the right to control movements between West Berlin and East Berlin and between West Germany and Berlin.

As the situation becomes more critical, the pressure for U.N. action on Berlin is going to become irresistible. At this point it is not certain that we could obtain solid backing in the U.N. for our position.

President Kennedy said on July 25 that if anyone doubts our right to be in Berlin, we are prepared to submit the question to international adjudication. On July 31, I introduced a resolution in the House urging that the President with all reasonable speed, submit to the International Court of Justice at The Hague the question of the legal rights of the United States and Soviet Union in Berlin, and the Soviet Union should be invited to join in this legal proceeding.

Action on this resolution now by the Congress would give the President the backing he needs to proceed boldly.

If the Soviet Union refuses to join in a legal proceeding before the Court, it will expose its contempt for the rule of law.

A judgment by the International Court of Justice would show that the Communists are in fact violating existing treaties.

We may have to fight in the end, but we will not be acting wisely as a peaceful nation if we do not take all possible diplomatic, legal, and economic measures first.

FILMS ABOUT COMMUNISM

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. HÉBERT], may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. HÉBERT. Mr. Speaker, for a long, long time I have had something on my chest that I wanted to get off and I am going to get it off now.

Let me make it crystal clear that what I have to say on this subject has absolutely nothing to do with the controversy raging in the Senate on the same subject between two distinguished Members of that body.

I started to worry about this situation long before this controversy flared out into the open in the other body. I tried to do something about it then. I asked the Secretary of the Navy to tell me why certain films about communism were taken off the "legitimate" list. I got back a most unsatisfactory reply which added up to a lot of words. I direct your attention to my letter and to the reply:

MARCH 21, 1961.

Hon. JOHN B. CONNALLY, Jr.,
Secretary of the Navy,
Department of the Navy,
Washington, D.C.

DEAR MR. SECRETARY: I hope that the information which has just come to my attention is not accurate, and I hasten to seek the truth from you.

I have been advised that senior naval officers stationed in the New Orleans area have been instructed by the Department of the Navy and the Department of Defense

that they are not to give any lectures or talks on the subject of communism.

I am further informed that letters have been written to various civic clubs in the New Orleans area to the effect that senior naval officers cannot speak on the subject of communism nor can any motion picture films, such as "Communism on the March," "Communism on the Map," and "Operation Abolition," be shown at naval establishments in the New Orleans area.

It is unbelieveable to me that the Navy Department should issue such an order. The Navy, particularly in New Orleans under the command of Admiral Schindler, now retired, pioneered the way and did an excellent job of spreading Americanism throughout his district by preaching anticommunism. The Navy League also has a special program on this subject.

My God, what have we come to?

I respectfully await your reply.

Sincerely yours,

F. EDWARD HÉBERT.

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, D.C., April 14, 1961.

Hon. F. EDWARD HÉBERT,
House of Representatives,
Washington, D.C.

MY DEAR MR. CONGRESSMAN: This is in reply to your letter of March 21 and April 11, 1961, concerning an alleged ban on anticommunism talks by naval officers. I deeply regret the delay in this reply.

Last September a new film went into production in the Department of Defense covering the tactics employed by Communists seeking to manipulate youth. This film is being produced within the framework of material set forth in the House Committee on Un-American Activities print entitled "Communism Target—Youth," a report by J. Edgar Hoover, Director of the Federal Bureau of Investigation. This film will more accurately present the Department's views on this subject than "Operation Abolition," and for that reason Defense has requested that activities retain "Operation Abolition" in their film libraries on an "on-call" basis for those requesting to view it, but not to prescribe it in the training of personnel, until the new one is issued. (Incidentally, there are already a good number of effective training aids for anti-Communist presentations available from normal defense information and education channels.)

"Communism on the Map," a filmstrip prepared by Harding College for the national education program, has been used in military anti-Communist presentations and has received a good deal of criticism, pro and con, from civilian audiences. When the strip was reviewed here in Washington, it was found that the film contains criticism of various actions of recent administrations and implications as to the degree of Communist infiltration into governments friendly to the United States and into political parties in allied nations. It was determined that these allegations should not be endorsed by the Armed Forces of the United States, and those holding this filmstrip have been asked not to show it pending further review by the Defense Department.

Aside from the directive regarding "Operation Abolition" and "Communism on the Map," and the well-publicized Department of Defense directive which forbids military personnel from speaking on foreign policy, there have been no directives regarding communism or anticommunism issued by the Department of Defense or the Department of the Navy.

I appreciate your concern in this vital matter, and hope the foregoing information will be of value.

Sincerely,

PAUL B. FAY, JR.,
Under Secretary of the Navy.

I submitted these letters to the Committee on Un-American Activities. I do not know of what action taken by that aggressive and effective group but I do know that lips are sealed tighter than ever in the Navy. Talking about communism and the common enemy is verboten. It is now heresy for an officer in the Navy to speak out against communism

My cup was filled when my attention was drawn to a directive issued by the Department of Defense July 10, 1961. That is why I am speaking these words today.

This directive is remarkable for two reasons: for what it said and for what it did not say. The directive is No. 5122.5 but I daresay it will go down in history as "The Gag Rule of A.D. 1961."

Among other things, the gag rule assigns to the Assistant Secretary of Defense the functions of providing, and I quote:

> Policy guidance to the Department of Defense on public affairs matters and approve public affairs aspects of actions which have national or international significance in the fields of public information and community relations.

Translated bluntly this means if you in the Armed Forces are going to talk publicly about communism, then we, the Department of Defense, will tell you what you may say and what you may not say; that is, if we allow you to say anything at all.

That is what it says. What it does not say I shall come to shortly.

The gag rule also defines another function: "Provide for review of official speeches, press releases, photographs, films, and other information" and so on. This means in part, the films "Operation Abolition" and "Communism on the Map" are out. Do not show them.

I shudder at the import of the gag rule directive. Of its impact, I will say that indignation is but the least of my reactions and of the reactions of millions of Americans who believe in their Nation and its heritage. Incredulity is another reaction. Is it possible, we ask, that we are gagging those in the best position to raise the alarm, to alert our Nation? It is unthinkable, but it happened.

Everyone knows who the enemy is. Even the children at play say, "We'll be the good guys and you be the Communists."

What in the world motivates the authors of such a directive. Do they not realize that since 1958 at the direction of the National Security Council an informational program by the armed services has been aimed at communism?

A glowing example was that enlightened program hammered home with vigor and intelligence in the 8th Naval District Headquarters in New Orleans. I considered it, and do consider it, a major contribution by dedicated men of the military to the preservation of the United States.

To think these dedicated men have been silenced is incredible. And the manner of gagging is still another cause for alarm. To be gagged by directive is one thing. But to be gagged by "the word" is something else.

Yes, "the word" is out. It has gone down to the officers in the field and they have been made to understand that they will not speak out against this ideology that would destroy us. What the directive did not say, "the word" did.

I refuse to speculate as to motivation. It is a nightmarish puzzle that leads nowhere. It is as unexplainable as it is shocking. In a moment of peril we have put the wraps on our biggest guns. History, no doubt, will one day provide the solution but future historians will wonder at the folly of a nation that failed to prosecute a war of survival with every means at its command.

THE ATTORNEY GENERAL'S RULING ON THE AMERICAN NAZI PARTY

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BECKER], may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BECKER. Mr. Speaker, since May 27, 1960, I have been in correspondence with the Attorney General of the United States for the purpose of having the American Nazi Party and George Lincoln Rockwell investigated and then recommended to be listed as a subversive organization. I further ask that the investigation disclose the source of finances of this organization.

I was assured last year that an investigation would be made, but up until the end of 1960 I was not assured of any results of such an investigation. I continued my correspondence with the present Attorney General, Robert F. Kennedy, receiving various letters from his Department. More recently, I received a letter from the Attorney General himself which is expressed in the editorial I am herewith inserting. This editorial was printed in the American Examiner which has served the American Jewish community in the United States for the past 82 years. This editorial entitled "The Attorney General's Ruling" expresses my feelings in a very forthright manner and it is difficult to understand how the Attorney General arrived at such a conclusion. I am certain anyone reading this editorial must agree with the position taken, in that an investigation should be completed and have this organization placed on the subversive organization list.

The editorial follows:

THE ATTORNEY GENERAL'S RULING

We must confess that Mr. Kennedy the Younger left us mired in perplexity with his statement last week that to brand Rockwell's gang as subversive is not desirable because it would give them "free publicity"—a public forum to spend their "obnoxious doctrines." If this "logic" were applied to other public enemies and malefactors our prisons would be the most comfortable resorts in the country.

One instant reaction to this "ruling" was a Rockwell picket line in front of the Department of Justice Building in the Capital, with the Nazi thugs foghorning their brazen slogan, "Clear us—don't smear us." The Rockwell pug-uglies have mastered, among

other techniques, the use of the "big chutzpah."

The Attorney General of the United States could learn a lesson in this matter from the Attorney General of New York State. "We dare not ignore these peddlers of Nazi filth," Mr. Lefkowitz told Mr. Kennedy in a statement forwarded to him last week. "They breed in the darkness of official complacency and inaction." On our part, we would remind Mr. Kennedy that his is not a public-relations department but a law-enforcement agency; we would remind him, too, that we are far more troubled by the publicity Rockwell currently snares than what he would get as a branded subversive; nor do we fear any "martyrdom" that might accrue to him. a "martyr" in jail is a jailbird; a subversive at large is an actively savage and destructive force.

And as a parting shot: How anything that calls itself by the accursed name American Nazi Party can be deemed anything but abrasively subversive is a harrowing puzzle that only a dubious type of mentality can explain.

ESTABLISHMENT OF A NATIONAL MONUMENT IN THE AREA OF THE INDIANA DUNES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Indiana [Mr. ROUSH] is recognized for 15 minutes.

Mr. ROUSH. Mr. Speaker, I introduced last week a bill to provide for the establishment of a national monument in the area of the Indiana Dunes.

The State of Indiana has a shoreline on Lake Michigan which is but 36 miles long. The western half of this shoreline is developed as a great industrial complex and contains the site of future industrial development. Just to the east of this area reserved for industrial expansion lie the Indiana Dunes.

The scenic beauty and the geological significance of the Indiana Dunes formations is immense. Interest in the area has grown as the scientific wonder of the geology of the dunes has become more appreciated and as the need for additional recreational facilities has developed.

The bill which I introduced would create a national preserve of up to 5,000 acres, incorporating the finest of the dunes formations and the most suitable area of the region for development as a park site. Included in the tract which is presented by the bill for the selection by the Secretary of the Interior is the 2,000-acre Indiana Dunes State Park, a fully developed recreation and conservation area. It would be available to the Government as a contribution from the State of Indiana to the further development of this area. Its inclusion would unquestionably add stature and beauty to the national monument.

The bill which I introduced is a statement of the position of the bipartisan leadership of Indiana. For years, the leaders of my State have taken the position that the industrial development of the Lake Michigan shoreline can be compatible to, and can coexist with the conservation of the natural beauty and the scientific wonderment of the Indiana Dunes.

This bill is a companion bill to one introduced recently by the distinguished junior Senator from Indiana, VANCE HARTKE. The position it offers regarding the park site and its location with reference to the proposed Indiana port is supported by the State of Indiana. It is a matter which has been discussed with the leadership of Indiana, its conservation authorities and its port development commission.

The Indiana Dunes are indeed a true national treasure. The dunes formations are not unique, of course. There is legislation passed or pending before this Congress to establish national preserves in the area of the beautiful Cape Cod seashore, the scenic area of Padre Island, the wonderful Oregon Dunes on the Pacific coast, and other significant areas of similar geological features.

The location of the Indiana Dunes is quite significant, however. They are situated in the very heartland of America, within easy access to millions of our citizens in the expanding Midwest. It offers the unusual advantages found usually only on the oceans' shores to those who live in the center of our great land mass.

This area of the dunes is not in my district. It lies some 90 miles to the northwest, in the Second Congressional District of Indiana, so ably represented here by the distinguished minority leader. My constituents will benefit from the development of this facility. They will benefit as will other millions of people in the great Midwest from the preservation of the scenic beauty and natural coastal dunes. Scientists would also benefit from the conservation of the geological features.

The Secretary of the Interior recently visited the Indiana dunes and he was greatly impressed by them and he was greatly enthused at the potential they offer as a prospective addition to our national park system. His impressions are, I know, not unusual ones. I am certain that if any of my colleagues were to visit the Indiana dunes they too would marvel at their beauty and they would seek to join me in asking that these wonders of our Nation be included in the national park system.

In my discussion with the Secretary of the Interior, we noted that, in that greatly developed exurban area from Cleveland to Milwaukee, there is no conveniently located national park of any consequence. The Indiana dunes offers the last remaining area for development of such a park site in the heavily populated Midwest. The Secretary is quite enthused about the potential of this area, and I feel confident that his Department will report favorably on the development of this area as a national park site.

As I said earlier, Indiana has a very short coastline. In their wisdom, the past leaders of my State have devoted a portion to conservation and preserved there the natural environment. Also they have dreamed of the development there of a public port site. With the construction of the St. Lawrence Seaway, this dream took on greater value since an Indiana port would connect the people of my State and its neighboring State with the great ports of the world.

Under the leadership of our dynamic Governor, Matthew Welsh, the State of Indiana has taken steps to turn this age-old dream into reality. An Indiana Port Commission has been created and it is actively engaged in the preliminary work of developing an ocean port in Indiana. I would like to insert, at this point, a letter from the chairman of the Indiana Port Commission, James Fleming, which describes the visionary planning which is going forward for the development of our port and the emphasis which the port authorities place on the compatible development of the park site:

AUGUST 10, 1961.

Hon. EDWARD ROUSH,
Congressman from Indiana,
House Office Building,
Washington, D.C.

DEAR MR. ROUSH: I understand that you contemplate introducing, within the next few days, a bill in Congress with provisions similar to the one recently introduced by Senator VANCE HARTKE in the Senate in relation to the creation of a national park along the shores of Lake Michigan in a location which will not interfere with the building of a seaport in the Burns Ditch area, which will provide one of the most modern and flexible public port facilities on the Great Lakes.

I appreciate very much your great interest and assistance in behalf of the promotion of a seaport for Indiana which will add greatly to the growth, progress and prosperity of our entire State.

The story of human progress has been a story of the sea. Nations with good harbors have prospered; those without them have withered, for water transportation, when available, is the cheapest form of transportation, and the States bordering upon the Great Lakes have well understood this, all, apparently, except Indiana which is the only State on the Great Lakes at present without an accessible public deepwater port.

For more than a quarter of a century both the Republican and Democratic Parties in Indiana have joined together in a bipartisan effort to bring to Indiana a public seaport. Now by the completion of the St. Lawrence Seaway, we have an opportunity to make the products and natural resources of Indiana accessible to the commerce of the world.

The location and practicability of such a port has been under study by the Army Corps of Engineers for the past several years, and they have selected the Burns Ditch location as the most practical and economical location to be found along the shores of Lake Michigan extending from the eastern line of the State of Illinois to the western line of the State of Michigan.

The last session of the Indiana Legislature created a Port of Indiana Commission with broad powers and also approved buying the necessary land in the Burns Ditch area and appropriated funds for this purpose. This land is now being rapidly procured and purchased by the port commission.

The following is the official estimate by the Indiana Department of Commerce and Industry as to what the building of this seaport will mean to the adjacent area around the seaport to say nothing of the tremendous value which it will be to the entire State of Indiana. The following is the official estimate: 7,000 3-year jobs for the building trade; 15,000 direct permanent jobs in industry; 25,000 jobs in the service, allied industries, in transportation and in miscellaneous occupations; also an estimated $2 billion worth in home and industry construction, all of which will bring additional important tax revenue for schools and other important public uses.

The building of this port will add billions of wealth to our tax base in Indiana, and instead of being a burden upon our taxpayers will add greatly in easing our burdens of taxation. Also by opening new markets for our products, this will add greatly to the prosperity of our farmers, our manufacturers, and all other types of business and industry throughout our entire State. At last this seaport is very close to reality, and through the completion of the St. Lawrence Seaway the seaports of the world have literally been brought to our doorstep.

It has been claimed that the land selected for the harbor location by the commission should be utilized for recreational purposes, but we say that a project that will provide more than 50,000 additional jobs in an area where many thousands are now unemployed should not be tossed aside. This is particularly true when more than seven miles and many thousands of acres of dunes area, now undeveloped, is awaiting development for use as recreational facilities.

The commission favors the creation and development of a great national park in the area east of the property of the Northern Indiana Public Service Co., which would provide more lake front and recreational space than is now being provided by the city of Chicago along its entire lake front.

The commission also feels very strongly that the property west of that owned by the Northern Indiana Public Service Co. to the Burns Ditch should be utilized for the building of the seaport and for general industrial use, and thus industry and the operation of the seaport would provide many thousands of needed jobs in this area, and the recreational facilities provided by the development of park facilities not only for the entire State of Indiana, but for Illinois and the city of Chicago and its environs as well.

The State of Indiana now owns and operates more than 2,000 acres of lake front land which is now being utilized as the Indiana Dunes State Park and comprises the most scenic portion of that entire area. With the cooperation of the State of Indiana, which it will freely give, recreational and park facilities could be provided in this area which would be most adequate and sufficient for that purpose for many years to come.

By doing this we could provide a great seaport for Indiana, a great industrial area around the seaport, a model city and large airport adjacent thereto, as well as a great National-State park of which the entire State of Indiana could be justly proud.

This great middle western area, in which the seaport would be located, is the heartland of America. It is now only beginning to develop. This port would be located outside the congested area of Chicago. In the next 25 years it will become one of the great seaports of the world and Indiana, and its citizens are most fortunate in having the opportunity to make this great contribution to the commercial activities, not only of Indiana, but of America and of the entire world.

The commission feels that in the introduction of this bill and in your active and enthusiastic support of the same that you would be performing a tremendous service not only for your own district but for the entire State of Indiana as well.

Again thanking you for your great interest in this project, and with kindest personal regards and best wishes, I am,

Most cordially,

JAMES R. FLEMING.

There is another plan offered for the development of the Indiana Dunes. It is offered by some members of the Illinois delegation. Their interest in the Indiana Dunes is understandable, since the park site, as defined in my bill, lies some 38 miles from the center of Chicago. The Indiana Dunes State Park has long provided a major site for recreation for the residents of the Greater Chicago land area.

We, of Indiana, welcome the interests of the legislators of Illinois, just as we have for years welcomed their constituents to the recreational facilities our State has maintained and subsidized.

The plan which they offer, however, is not acceptable to the leadership nor to the people of my State. Their plan has, inadvertently, I am certain, included lands which are vital to the future development of the area around the proposed public harbor as an industrial complex.

The area which they offer is contained in five separate and noncontiguous parcels of land. Development of an adequate park site would be greatly hampered by the already existing, developed industrial and residential areas between the proposed parcels. Instead of the preferred plan of one large, continuous park site, the plan submitted by the Illinois legislators is for five separate park sites joined only by a common name. My plan remedies this glaring error in the Illinois plan.

The Illinois plan would seriously impair the development of the industrial complex which is envisioned by the people of Indiana. Their plan would render unfeasible the development of the Indiana port.

As an indication of the determined support of the Indiana communities of the area in support of the port development, I would like to insert at this point in the RECORD a resolution of Northern Indiana Mayors Roundtable of June 21, 1961:

Whereas, on the 10th day of May 1961 the following mayors went on record approving the selection of the Burns Ditch area in Porter County, as the proper site of establishment of a deepwater port on Lake Michigan: Mayor Ernest Bixel, Plymouth, Ind.; Mayor Don Will, Valparaiso, Ind.; Mayor Francis Fedder, Michigan City, Ind.; Mayor Ray Myers, Rochester, Ind.; Mayor Frank Bruggner, South Bend, Ind.; Mayor Joseph M. Canfield, Mishawaka, Ind.; Mayor Frank Parmater, Elkhart, Ind.; Mayor J. M. Clouse, Nappanee, Ind.; Mayor Roy L. Eichstaedt, Knox, Ind.; Mayor Ray B. Messick, Goshen, Ind.; H. C. Clausen, town board president, North Judson, Ind.; and Mayor Everett A. Koomler, La Porte, Ind.; and

Whereas said Northern Indiana Mayors' Roundtable met again on the 21st day of June 1961 and the following mayors confirmed the prior action taken by said Northern Indiana Mayors' Roundtable: Mayor Ernest Bixel, Plymouth, Ind.; Mayor Don Will, Valparaiso, Ind.; Mayor Francis Fedder, Michigan City, Ind.; Mayor Ray Mers, Rochester, Ind.; Mayor Frank Bruggner, South Bend, Ind.; Mayor Joseph M. Canfield, Mishawaka, Ind.; Mayor Frank Parmater, Elkhart, Ind.; Mayor J. M. Clouse, Nappanee, Ind.; Mayor Roy L. Eichstaedt, Knox, Ind.; Mayor Ray B. Messick, Goshen, Ind.; H. C. Clausen, town board president, North Judson, Ind.; and Mayor Everett A. Koomler, La Porte, Ind.; and

Whereas the affirmation of their action of the 10th day of May 1961 was effected on said 21st day of June 1961 because of certain position taken by the mayors of Lake County, proposing another site; and

Whereas said mayors listed above believe that the site heretofore approved by the State of Indiana, and accepted by said Northern Indiana Mayors' Roundtable, is the best site for a deepwater port: Now, therefore, be it

Resolved, That the Burns Ditch area be selected as the deepwater port in the State of Indiana, for the following reasons:

(1) The Burns Ditch area has available an unlimited amount of unimproved and undeveloped land which will enable the Commission to plan and develop the port unhampered by existing developments and vested interests.

(2) The area is amply served by land transportation facilities for the receiving and discharging of all kinds of waterborne freight and cargo.

(3) That it is the natural center of a rapidly growing industrial and commercial development which will be able to adapt itself most favorably to the needs of a great port by the establishment of supplementing industries and services.

(4) Years of study by many agencies, including the Corps of Army Engineers, show the Burns Ditch area to be the most economically feasible area in Indiana for a port on Lake Michigan.

(5) That the citizens of Porter County, as well as the citizens of Valparaiso, agree to said site and accept the location, and that further, they have advocated said location of a port for more than thirty (30) years, that this position is most important in the proceeding to establish said port effectively and without remonstrance; be it further

Resolved, That a copy of this resolution be directed to Matthew E. Welsh, Governor of the State of Indiana, Indiana Port Commission, Vance Hartke and Homer Capehart, Senators of the State of Indiana, all Congressmen of the State of Indiana, and all mayors of the cities of the State of Indiana.

ROY L. EICHSTAEDT, *Chairman.*
ERNEST BIXEL, *Vice Chairman.*

Attest:

RAY B. MESSICK,
Secretary-Treasurer.

I am certain that the Illinois plan has been developed in good faith, but, not being natives of our State, nor in the confidence of its leadership, they have erred in their selection of a park site. I am certain that they are not using the "save the dunes" theme, which we Hoosiers use in a sincere conservation effort, as a protectionist measure to insure the future prosperity of the State interests which they represent. I am sure that they realize the Indiana port would be far superior to the one which has been developed in the Calumet area, but they are not envious of our superior facilities. I am sure that they realize that the industrial development of the area around the port will provide jobs and goods and taxes which they would like to see attracted to their State, but they are not envious of the superior potential of our shoreline for industrial expansion.

Their plan has been developed by people who are not as familiar with our Indiana plans. It has been developed by outsiders without consultation with the leadership of the area involved, so it is bound to have these shortsighted errors. I am certain that in the consideration of these plans, the committee will recognize this and will properly evaluate the plans in this light.

The Indiana Dunes are a treasure which the people of the State of Indiana sincerely wish to conserve, protect, and develop. The bill which I offer submits to the Congress my State's plan for its proper development in compatibility with other development in the area.

I ask prompt and favorable consideration of this bill.

PROTECTING RIGHTS, BENEFITS, ETC., FOR RECALLED RESERVISTS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New Jersey [Mr. GALLAGHER], is recognized for 30 minutes.

Mr. GALLAGHER. Mr. Speaker, in the coming months, as the United States strengthens its Armed Forces to more effectively counter the threats of communism, there will be called to active duty a large number of young men, and some not so young, who are members of the Reserve forces.

I am certain the country is heartened and grateful for the spirit in which those recruits who have been advised of possible recall have responded. Aware of the personal hardships that will be worked upon them, they have not sought to evade their duty.

In addition to those members of the Reserve forces who will be called the enlistments of many individuals on active duty will be extended as will the duty tours of many officers.

We should be mindful that many of the reservist will be coming to active duty for the second time in their lifetime and for some it will be the third tour of active duty, men who served in World War II and during the Korean war.

I need not remind the Congress of the hardships that were worked in so many thousands of cases in the hurried callup for Korea. The great financial stress that resulted in many cases. The thousands of men who had to abandon successful commercial ventures and good paying positions in business and industry.

I am mindful, still, of my own expenses over having to give up a budding law practice for my second call to active duty during the Korean conflict. I remind you of these instances, caused in large measure by the unpreparedness of the military departments for a partial mobilization, not because there is the least reluctance on the part of ready reservists to respond in this or any emergency, but to assure that the Congress and the appropriate agencies of the Federal Government will act promptly to see that hardships are held to a minimum in the current partial mobilization.

We recognize that a citizen who is in the Ready Reserve is there either because under the law he has a military obligation or because he desires to serve as a citizen-soldier, knowing full well that he is liable to orders for active duty in such emergencies as presently exist. Nonetheless, his country owes him the consideration to which he is so well entitled.

We should be mindful, also, that the sacrifice which the President calls for in this fight to secure our liberty is not intended, in spirit or in fact, to rest upon the shoulders of a few. It will, of course, rest heavier upon some, as is always the case, but it must rest in some measure upon us all.

While the numbers advised of possible orders for active duty is relatively small, it may well be necessary to increase these numbers, and I am not so certain that we should not already be doing so, before this crisis has been surmounted.

I have asked the appropriate committee chairman to call for a review of existing laws which are designed to protect veterans of active service and to benefit them for service rendered. I know that there have been introduced several new pieces of legislation and I am currently drafting bills to provide certain benefits and protection to which I feel reservists, especially those being called upon for the second or third time, are entitled.

I submit that the Congress should take steps now to provide for specific financial aid to be available to assist persons being called to active duty upon the completion of that duty. These should include business loans, similar to those available to veterans of the Korean war and new type guaranteed loans for reservists who, because of recall, will be required to liquidate a business. I would also extend to those reservists called up in this instance the same educational benefits granted World War II and Korean veterans.

Since many reservists, especially those with large families, will be forced to live during these tours of active duty in higher rental quarters than they would otherwise acquire and will during this period of service incur other than normal family living expenses, and will in all probability leave the service either with increased debts or with limited funds to tide them over in the period necessary to establish themselves and their families in civilian life, I urge that mustering out payments be made to ease the financial hardships.

Steps should be taken to extend job protection to these veterans who may have already served the 4 years of active duty by making job protection under the law applicable for a reasonable period following the termination of the latest period of active duty of a reservist.

Furthermore the Federal Government should do more to assure that these reservists have full knowledge of all benefits and protections available under the law.

I feel that these and other steps to protect the interests of those called are the least we can do for those dedicated Americans who are being asked to make a far greater sacrifice than are the vastly greater number of our citizens.

SUMMARY OF VARIOUS BENEFITS TO WHICH MEMBERS WHO ARE INVOLUNTARILY ORDERED TO ACTIVE DUTY WITH THE ARMED FORCES WILL BE ENTITLED

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, after the enactment of August 1, 1961, of Public Law 87–117, a request was made to the Department of Defense for a summary of the various benefits to which members who are involuntarily ordered to active duty with the Armed Forces under that act will be entitled.

The information in the following letter from Mr. Frank A. Bartimo, Assistant General Counsel of the Department of Defense, together with the summary of benefits, should prove interesting and informative in view of the thousands to be affected by Public Law 87–117.

The letter and summary follow:

DEPARTMENT OF DEFENSE,
OFFICE OF GENERAL COUNSEL,
Washington, D.C., August 17, 1961.

Hon. JAMES E. VAN ZANDT,
House of Representatives.

DEAR MR. VAN ZANDT: This is in reply to your request of August 12 for a summary of the various benefits to which members who are involuntarily ordered to active duty under the act of August 1, 1961, Public Law 87–117 (75 Stat. 242), will be entitled.

Members ordered to active duty under the act of August 1, 1961, will be entitled to the same benefits as other members serving on active duty. The benefits referred to here include basic pay, allowances, leave, commissary and post-exchange privileges, transportation for himself and his dependents and his household goods and effects, medical care, specialized training in various fields, career opportunities, promotion, extensive travel at Government expense both here in this country and abroad, the chance to meet far more individuals than normally encountered in civilian life, guarantee of premiums on commercial life insurance not exceeding $10,000 in any individual case and 6 months death gratuity.

In some instances, the extent of the benefit may depend on the period for which the member is ordered to active duty; for example, a member who is ordered to active duty for 30 days or less would not be entitled to medical care for his dependents. However, his dependents would be entitled to medical care if he is ordered to active duty for more than 30 days—10 U.S.C. 1076. Similarly, a member who is ordered to active duty for 30 days or less is entitled to physical disability benefits (severance pay or retirement, depending on the circumstances) if he incurs a disability resulting from an injury—10 U.S.C 1204, 1206. On the other hand, a member who is ordered to active duty for more than 30 days is entitled to physical disability benefits if he incurs a disability resulting from an injury or disease—10 U.S.C. 1201, 1203.

The Soldiers' and Sailors' Civil Relief Act of 1940, as amended (50 U.S.C. App. 501 et seq.), affords a different type of benefit in that it relieves members of the military service from worry over their inability to meet their civil obligations by temporarily suspending enforcement of certain of their civil liabilities if their ability to meet their obligations has been impaired by reason of their military service. The act does not free a serviceman from his obligations or impose any automatic moratorium thereon. It does, however, contain provisions designed to afford protection to those in military service with regard, among other things, to debts, leases, evictions, interest rates, income taxes, personal property taxes, real estate taxes, installment purchases, conditional sales, repossessions, foreclosures, mortgages, suits, judgments, attachments, executions, garnishments, penalties, and statutes of limitations. Protection is also provided under certain circumstances and in certain cases for dependents, sureties, endorsers, and persons jointly obligated with servicemen.

With respect to the extensive benefits to which a member may be entitled upon his

release from active duty, or as an incident of that release, I am enclosing a comprehensive chart, listing those benefits, that was prepared by the Military Affairs Division, Office of the Judge Advocate General of the Army. This chart will serve to identify the various benefits to which members may be entitled depending, of course, on the circumstances of their particular cases.

In summary, there are many and varying benefits, both present and prospective, for the young men who will soon enter the Armed Forces. But perhaps even more important than these practical considerations is the fact that military service can be a rich and rewarding experience generally for the individual who will make it such.

Sincerely yours,

FRANK A. BARTIMO,
Assistant General Counsel (Manpower).

Incidents of discharge

	Honorable	Genera.	Undesirable [1]	Discharge [2] (under other than honorable conditions)	Bad-conduct discharge		Dishonorable	Resignation for the good of the service, AR 635-89 (officers), homosexuality, in lieu of courts-martial	Authorization for benefit
Authority for discharge	AR 635-200 (e.m.), AR 635-5 (officers)	AR 635-200 (e.m.), AR 635-5 (officers)	AR 635-200 (e.m.)	AR 635-5 (officers)	Sentence of a special court-martial	Sentence of a general court-martial	Sentence of a general court-martial	AR 635-120 (officers), AR 635-5 (officers)	
Conditions under which issued.	Convenience of the Government; expiration of enlistment; minority; resignation; dependency or hardship; disability; revocation or termination of appointment; discharge to accept appointment	Convenience of the Government; disability, disloyal) or subversive; expiration of enlistment; minority; resignation, unsuitability; homosexuality	Misconduct; homosexuality; qualified resignation, unfitness; disloyal and subversive; a.w.o.l. or desertion	Conviction of felony by civil authorities; security violation			(Dismissal by sentence of general court-martial is equivalent to dishonorable discharge)	(The provisions of AR 635-5 apply to all officers of the Army; AR 140-175 provide that Reserve officers being separated will be furnished discharge certificates in accordance with AR 635-5)	
BENEFITS ADMINISTERED BY THE ARMY [3]									
Death gratuity	Eligible	Eligible	Eligible [4]	Eligible [4]	Eligible [4]	Not eligible.	Not eligible.	Not eligible.	10 U.S.C. 1475 et seq.
Headstone marker	do	do	Not eligible.	Not eligible.	Not eligible.	do	do	do	Sec. 1, act of July 1, 1948 (62 Stat. 1215), as amended (24 U.S.C. 279a).
Mustering-out payments	do	do	do	do	do	do	do	do	38 U.S.C. 2101 et seq.
Payment for accrued leave	do	do	do	do	do	do	do	do	Armed Forces Leave Act of 1946 (60 Stat. 963), as amended (37 U.S.C. 32 et seq.).
Retirement pay for non-Regular service.	do	do	Eligible	Eligible	Eligible	Eligible	Eligible	Eligible	10 U.S.C. 1331 et seq.
Transportation allowance for dependents and shipment of household goods.	do	do	Not eligible.	Not eligible.	Not eligible.	Not eligible.	Not eligible.	Not eligible.	Pars. 7011-5, 8009-4, Joint Travel Regulations.
Transportation in kind	do	do	Eligible	Eligible	Eligible	Eligible	Eligible	Eligible	Par. 5300 et seq., Joint Travel Regulations.
Burial in national cemetery	do	do	Not eligible.	Not eligible.	Not eligible.	Not eligible.	Not eligible.	Not eligible.	Sec. 1, act of May 14, 1948 (62 Stat. 234; 24 U.S.C. 281).
Use of wartime title; wear of uniform of wartime grade when authorized by Presidential regulations.	do	do	do	do	do	do	do	do	10 U.S.C. 772(e).
Admission to Soldiers' Home. [4]									
BENEFITS ADMINISTERED BY THE VETERANS' ADMINISTRATION [5]									
Dependency and indemnity compensation.	do	do	Eligible [4]	Eligible [4]	Eligible [4]	do	do	do	38 U.S.C. 410 et seq.
Pension for service-connected disability.	do	do	do. [4]	do. [4]	do. [4]	do	do	do	38 U.S.C. 301 et seq.
Pension for non-service-connected disability.	do	do	do. [4]	do. [4]	do. [4]	do	do	do	38 U.S.C. 501 et seq.
Vocational rehabilitation	do	do	do. [4]	do. [4]	do. [4]	do	do	do	38 U.S.C. 1501 et seq.
Education and training	do	do	do. [4]	do. [4]	do. [4]	do	do	do	38 U.S.C. 1601 et seq.
Loans	do	do	do. [4]	do. [4]	do. [4]	do	do	do	38 U.S.C. 1801 et seq.
Unemployment compensation.	do	do	do. [4]	do. [4]	do. [4]	do	do	do	38 U.S.C. 2001 et seq.
Special housing	do	do	do. [4]	do. [4]	do. [4]	do	do	do	38 U.S.C. 801 et seq.
Hospitalization	do	do	do. [4]	do. [4]	do. [4]	do	do	do	38 U.S.C. 601 et seq.
Domiciliary care	do	do	do. [4]	do. [4]	do. [4]	do	do	do	38 U.S.C. 601 et seq.
Outpatient medical treatment.	do	do	do. [4]	do. [4]	do. [4]	do	do	do	38 U.S.C. 601 et seq.
Outpatient dental treatment.	do	do	do. [4]	do. [4]	do. [4]	do	do	do	38 U.S.C. 601 et seq.
Prosthetic appliances	do	do	do. [4]	do. [4]	do. [4]	do	do	do	38 U.S.C. 613.
Seeing-eye dogs and mechanical electronic equipment.	(7)	(7)	(7)	(7)	(7)	do	do	do	38 U.S.C. 614.
Automobiles	(8)	(8)	(8)	(8)	(8)	do	do	do	38 U.S.C. 1901 et seq.
Compensation for service-connected death.	Eligible	Eligible	Eligible [4]	Eligible [4]	Eligible [4]	do	do	do	38 U.S.C. 1301 et seq.
Compensation for non-service-connected death.	do	do	do. [4]	do. [4]	do. [4]	do	do	do	38 U.S.C. 501 et seq.
Burial expenses	do	do	do. [4]	do. [4]	do. [4]	do	do	do	38 U.S.C. 902 et seq.
Burial flags	do	do	do. [4]	do. [4]	do. [4]	do	do	do	38 U.S.C. 901.

See footnotes at end of table.

Incidents of discharge—Continued

	Honorable	General	Undesirable [1]	Discharge [2] (under other than honorable conditions)	Bad-conduct discharge		Dishonorable	Resignation for the good of the service, AR 635-89 (officers), homosexuality, in lieu of courts-martial	Authorization for benefit
Authority for discharge	AR 635-200 (e.m.), AR 635-5 (officers)	AR 635-200 (e.m.), AR 635-5 (officers)	AR 635-200 (e.m.)	AR 635-5 (officers)	Sentence of a special court-martial	Sentence of a general court-martial	Sentence of a general court-martial (Dismissal by sentence of general court-martial is equivalent to dishonorable discharge)	AR 635-120 (officers), AR 635-5 (officers) (The provisions of AR 635-5 apply to all officers of the Army; AR 140-175 provide that Reserve officers being separated will be furnished discharge certificates in accordance with AR 635-5)	
Conditions under which issued.	Convenience of the Government; expiration of enlistment; minority; resignation; dependency or hardship; disability; revocation or termination of appointment; discharge to accept appointment	Convenience of the Government; disability, disloyal or subversive; expiration of enlistment; minority; resignation, unsuitability; homosexuality	Misconduct; homosexuality; qualified resignation, unfitness; disloyal and subversive; a.w.o.l. or desertion	Conviction of felony by civil authorities; security violation					
BENEFITS ADMINISTERED BY OTHER FEDERAL AGENCIES									
Farm loans and preference for such loans (Department of Agriculture).	Eligible	Eligible	Eligible	Eligible	Eligible	Eligible	Not eligible	Eligible	Bankhead-Jones Farm Tenant Act (50 Stat. 522), as amended (7 U.S.C. 1001 et seq.).
Preference for farm housing loans (Department of Agriculture).	do	do	do	do	do	do	do	do	Sec. 507, Housing Act of 1949 (63 Stat. 436), as amended (42 U.S.C. 1477).
Homestead preference (Department of Interior).	do	do	Not eligible	Not eligible	Not eligible	Not eligible	do	Not eligible	Sec. 1, act of Mar. 1, 1921 (41 Stat. 1202), as amended (43 U.S.C. 238); sec. 1, act of Sept. 27, 1944 (c. 421, 58 Stat. 747), as amended (43 U.S.C. 279).
Desert land preference (Department of Interior).	do	do	do	do	do	do	do	do	Sec. 1, act of Mar. 1, 1921 (41 Stat. 1202), as amended (43 U.S.C. 238); sec. 2, act of Dec. 15, 1921 (42 Stat. 348; 43 U.S.C. 331).
Civil service preference (Civil Service Commission).	do	do	do	do	do	do	do	do	Sec. 2, Veterans' Preference Act of 1944 (58 Stat. 387), as amended (5 U.S.C. 851).
Reemployment benefits, Federal or private (Civil Service Commission or Department of Labor).	do	do	do	do	do	do	do	do	Sec. 9, Universal Military Training and Service Act (62 Stat. 614), as amended (50 U.S.C. App. 459); pt. 35, Civil Service Commission Regulations.
Job counseling and employment placement (Department of Labor).	do	do	Eligible [4]	Eligible [4]	Eligible [4]	do	do	do	38 U.S.C. 2010 et seq.
Unemployment compensation, veterans of service after June 26, 1950 (Department of Labor).	do	do	do [4]	do [4]	do [4]	do	do	do	38 U.S.C. 2001 et seq.
Naturalization benefits (Department of Justice).	do	do	Not eligible	Not eligible	Not eligible	do	do	do	Sec. 329, Immigration and Nationality Act (66 Stat. 250), as amended (8 U.S.C. 1440).
Social security (Social Security Administration).	do	do	Eligible [4]	Eligible [4]	Eligible [4]	do	do	do	Sec. 217, Social Security Act, as added by sec. 105, Social Security Act Amendments of 1950 (64 Stat. 512) as amended (42 U.S.C. 417); title IV, act of Aug. 1, 1956 (Public Law 881, 84th Cong., 70 Stat. 869 et seq.).

[1] Title 10, United States Code, secs. 1161 and 6408, provides for the dropping from the rolls of an officer absent without leave more than 3 months or who has been convicted by civilian authorities and sentenced to confinement in a Federal or State penitentiary or correctional institution. This office has previously stated that such separation will usually be characterized as under other than honorable conditions.

[2] Resignations for the good of the service are normally accepted as under other than honorable conditions and a discharge (under other than honorable conditions) is issued. Subpar. 4d, Army Regulations 635-120, dated Nov. 25, 1955, provides, however, that if the Department of the Army determines that the resignation be accepted under honorable conditions, an honorable or general discharge may be be furnished. As a matter of policy if it is determined that the resignation is under honorable conditions it is no longer considered a resignation for the good of the service but as a resignation under honorable conditions.

[3] Paid by the Army; determination of conditions of discharge by the Veterans' Administration.

[4] Subject to a review of the facts surrounding the discharge by the agency administering the benefit except in the case of death gratuities by the Administrator of Veterans' Affairs.

[5] Sec. 4821, Revised Statutes (24 U.S.C. 49), provides that certain soldiers with service in the Army of the United States are eligible for admission to the Soldiers' Home. Sec. 4822, Revised Statutes (24 U.S.C. 50), provides "the benefits of the Soldiers' Home shall not be extended to any soldier in the Regular or volunteer service convicted of felony or other disgraceful or infamous crimes of a civil nature after his admission into the service of the United States; nor shall anyone who has been a deserter, mutineer, or habitual drunkard be received without such evidence of subsequent service, good conduct, and reformation of character as is satisfactory to the commissioners."

[6] 38 U.S.C. 3103 provides in substance that discharge or dismissal by reason of sentence of GCM and other discharges and dismissals specified shall bar all rights based upon the period of service from which discharged or dismissed, under any laws administered by the Veterans' Administration.

[7] Eligibility dependent upon entitlement to disability compensation.

[8] Eligibility dependent upon entitlement to disability compensation for 1 of specified disabilities.

NOTE.—State benefits: The States provide a varying number of veterans' benefits which include bonuses, burial rights, employment preferences, and tax benefits. No general rule can be stated as to eligibility requirements for such benefits. Some States require an honorable discharge; others require discharge under conditions other than dishonorable, service with honor, or satisfactory service.

Source: Prepared in the Military Affairs Division, Office of the Judge Advocate General of the Army (revised Oct. 1, 1960).

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. WIDNALL, for August 23, 1961, on account of death in family.

Mr. ELLSWORTH (at the request of Mr. ARENDS), for 2 days, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. GALLAGHER (at the request of Mr. ROBERTS), for 30 minutes, today to revise and extend his remarks and include extraneous matter.

Mr. VAN ZANDT (at the request of Mr. LINDSAY), for 30 minutes, on August 28.

Mr. BRAY (at the request of Mr. LINDSAY), for 30 minutes, on August 30.

Mr. ROGERS of Texas, for 1 hour, on August 29.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. FASCELL.

Mr. WHARTON.

(The following Members (at the request of Mr. EDMONDSON) and to include extraneous matter:)

Mr. FOGARTY.

Mr. MCDOWELL.

(The following Members (at the request of Mr. LINDSAY) and to include extraneous matter:)

Mr. VAN ZANDT.

Mr. FINO.

Mr. WIDNALL.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 98. An act to authorize the Secretary of the Interior to provide water and sewage disposal facilities to the Medora area adjoining the Theodore Roosevelt National Memorial Park, N. Dak., and for other purposes;

S. 242. An act for the relief of Mary Dawn Poison (Emmy Lou Kim) and Joseph King Poison (Sung Sang Moon);

S. 333. An act for the relief of Godofredo M. Herzog;

S. 606. An act to provide for the construction of a shellfisheries research center at Milford, Conn.;

S. 650. An act to amend the Watershed Protection and Flood Prevention Act to permit certain new organizations to sponsor works of improvement thereunder;

S. 702. An act to authorize the Secretary of Agriculture to exchange certain lands in the State of Wyoming with the town of Afton, Wyo.;

S. 705. An act for the relief of Norman T. Burgett, Lawrence S. Foote, Richard E. Forsgren, James R. Hart, Ordeen A. Jallen, James M. Lane, David E. Smith, Jack K. Warren, and Anne W. Welsh;

S. 731. An act for the relief of Charles F. Tjaden;

S. 841. An act to amend the Defense Department Overseas Teachers Pay and Personnel Practices Act, and for other purposes;

S. 848. An act to authorize the Secretary of Agriculture to convey a certain parcel of land to the town of Tellico Plains, Tenn.;

S. 883. An act to extend the application of the Federal Boating Act of 1958 to the Commonwealth of Puerto Rico, the Virgin Islands, and Guam;

S. 1054. An act for the relief of Huan-pin Tso;

S. 1100. An act for the relief of Sang Man Han;

S. 1179. An act for the relief of Alicja Zakrezewska Gawkowski;

S. 1205. An act for the relief of Roger Chong Yeun Dunne;

S. 1222. An act relating to documentation and inspection of vessels of the United States;

S. 1289. An act to amend sections 337 and 4200 of the Revised Statutes of the United States so as to eliminate the oath requirement with respect to certain export manifests;

S. 1335. An act for the relief of W. B. J. Martin;

S. 1347. An act for the relief of Georgia Ellen Thomason;

S. 1443. An act for the relief of Mrs. Tyra Fenner Tynes;

S. 1450. An act for the relief of Shim Dong Nyu (Kim Christine May);

S. 1492. An act to amend the act of March 24, 1948, which establishes special requirements governing the selection of superintendents of national cemeteries;

S. 1527. An act for the relief of James D. Jalili;

S. 1622. An act to amend the Atomic Energy Community Act of 1955;

S. 1697. An act to approve the amendatory repayment contract negotiated with the Huntley Project Irrigation District, Montana, to authorize its execution, and for other purposes;

S. 1873. An act to amend the act entitled "An act to authorize the Commodity Credit Corporation to donate dairy products and other agricultural commodities for use in home economics courses", approved September 13, 1960 (74 Stat. 899), in order to permit the use of donated foods under certain circumstances for training college students;

S. 2034. An act to amend the Communications Act of 1934, as amended, in order to expedite and improve the administrative process by authorizing the Federal Communications Commission to delegate functions in adjudicatory cases, repealing the review staff provisions, and revising related provisions;

S. 2079. An act to retrocede to North Carolina jurisdiction over the southern eastbound lanes of North Carolina Highway 24, and the eastern, northbound lanes of U.S. Highway 17, as these highways traverse and parallel Camp Lejeune, N.C.;

S. 2187. An act to implement the provisions of the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954;

S. 2245. An act to amend the act granting the consent of Congress to the negotiation of certain compacts by the States of Nebraska, Wyoming, and South Dakota in order to extend the time for such negotiation; and

S.J. Res. 76. Joint resolution authorizing the Secretary of the Interior during the calendar year 1962 to continue to deliver water to lands in certain irrigation districts in the State of Washington.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did, on August 22, 1961, present to the President, for his approval, bills of the House of the following titles:

H.R. 1290. An act for the relief of Ernest Morris;

H.R. 1612. An act for the relief of Mr. Ernest Hay, Wamego, Kans.;

H.R. 2656. An act for the relief of Capt. Leon B. Ketchum;

H.R. 3227. An act to amend section 1732 (b) of title 28, United States Code, to permit the photographic reproduction of business records held in a custodial or fiduciary capacity and the introduction of the same in evidence;

H.R. 4030. An act for the relief of Robert A. St. Onge;

H.R. 4640. An act for the relief of the estate of Charles H. Biederman;

H.R. 4659. An act to establish a National Armed Forces Museum Advisory Board of the Smithsonian Institution, to authorize expansion of the Smithsonian Institution's facilities for portraying the contributions of the Armed Forces of the United States, and for other purposes;

H.R. 4660. An act to authorize modification of the project Mississippi River between Missouri River and Minneapolis, Minn., damage to levee and drainage districts, with particular reference to the Kings Lake Drainage District, Missouri;

H.R. 6835. An act to simplify the payment of certain miscellaneous judgments and the payment of certain compromise settlements;

H.R. 7038. An act to eliminate the right of appeal from the Supreme Court of Puerto Rico to the Court of Appeals for the First Circuit;

H.R. 7610. An act for the relief of Joe Kawakami;

H.R. 7724. An act to provide for advances of pay to members of the armed services in cases of emergency evacuation of military dependents from oversea areas and for other purposes; and

H.R. 7864. An act to dissolve Federal Facilities Corporation, and for other purposes.

ADJOURNMENT

Mr. EDMONDSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p.m.), the House adjourned until tomorrow, Thursday, August 24, 1961, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1253. A letter from the Assistant Comptroller General of the United States, transmitting a report on review of management practices regarding utilization of engines on stored aircraft in the Department of the Navy to the Committee on Government Operations.

1254. A letter from the Chairman, U.S. Civil Service Commission, transmitting a draft of a proposed bill entitled "A bill to amend section 7 of the Administrative Expenses Act of 1946, as amended"; to the Committee on Government Operations.

1255. A letter from the Deputy Administrator, National Aeronautics and Space Administration, transmitting a draft of a proposed bill entitled "A bill for the relief of Harry A. Sebert"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. S. 935. An act for the relief of certain members of the Army National Guard of the United States and the Air National Guard of the United States; without amendment (Rept. No. 1013). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. H.R. 6535. A bill to validate the salary overpayments made to certain officers and employees incident to the salary adjustment provisions of the Federal Employees Salary Increase Act of 1955, and for other purpose with an amendment (Rept. No. 1014). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. House Report No. 1015. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 8490. A bill to amend the act of September 2, 1958, establishing a Commission and Advisory Commitee on International Rules of Judicial Procedure, as amended; without amendment (Rept. No. 1016). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. Senate Joint Resolution 98. Joint resolution to provide for the observance of the centennial of the enactment of the Homestead Act; without amendment (Rept. No. 1017). Referred to the House Calendar.

Mrs. KELLY: Committee on Foreign Affairs. H.R. 4441. A bill to authorize the appropriation of $3,063,500 as an ex gratia payment to the city of New York to assist in defraying the extraordinary and unprecedented expenses incurred during the 15th General Assembly of the United Nations; without amendment (Rept. No. 1020). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT of Florida: Committee on Armed Services. H.R. 7932. A bill to amend the act of July 2, 1948, so as to repeal portions thereof relating to residual rights in certain land on Santa Rosa Island, Fla.; with amendment (Rept. No. 1021). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. S. 561. An act to amend the act relating to the small claims and conciliation branch of the municipal court of the District of Columbia, and for other purposes; without amendment (Rept. No. 1023). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 8181. A bill to authorize the Secretary of the Interior to construct a National Fisheries Center and Aquarium in the District of Columbia; without amendment (Rept. No. 1024). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. S. 2239. An act to amend the act entitled "An act to incorporate the National Society of the Sons of the American Revolution," approved June 9, 1906 (34 Stat. 227), in order to remove the statutory limitation on the amount of property such society may receive, purchase, hold, sell, and convey at any one time; without amendment (Rept. No. 1025). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 403. Resolution creating a select committee to conduct an investigation and study of the administration, operation, and enforcement of the Export Control Act of 1949, and related acts, without amendment (Rept. No. 1027). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 428. Resolution for consideration of H.R. 6242, a bill to amend section 508 of title 28, United States Code, relating to attorneys' salaries; without amendment (Rept. No. 1028). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 513. An act to authorize and direct the Secretary of the Treasury to cause the vessel *Acadia*, owned by Robert J. Davis of Port Clyde, Maine, to be documented as a vessel of the United States with coastwise privileges; without amendment (Rept. No. 1018). Referred to the Committee of the Whole House.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 3840. A bill to provide for the conveyance of certain real property of the United States to the Carolina Power & Light Co.; with amendment (Rept. No. 1019). Referred to the Committee of the Whole House.

Mr. LIBONATI: Committee on the Judiciary. H.R. 4795. A bill for the relief of Walter J. Johnson; without amendment (Rept. No. 1022). Referred to the Committee of the Whole House.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 8466. A bill to authorize the construction of a railroad siding in the vicinity of Taylor Street NE., District of Columbia; without amendment (Rept. No. 1026). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOW:

H.R. 8863. A bill to help maintain the financial solvency of the Federal Government by reducing nonessential expenditures through reduction in personnel in various agencies of the Federal Government by attrition, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BREEDING:

H.R. 8864. A bill to amend subsection (d) of section 16 of the Soil Conservation and Domestic Allotment Act, as amended; to the Committee on Agriculture.

By Mr. CHENOWETH:

H.R. 8865. A bill to suspend the imposition of domestic sugar quotas and allotments during the calendar years 1961 and 1962; to the Committee on Agriculture.

By Mr. EDMONDSON:

H.R. 8866. A bill to prohibit the shipment in interstate or foreign commerce of articles imported into the United States from Cuba, to provide penalties for such shipment, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GARLAND:

H.R. 8867. A bill to amend section 304 of the Tariff Act of 1930 to strengthen the requirement that imported articles be marked with the names of their countries of origin, so as to make certain that the ultimate users of such articles will be informed as to their origin in all possible cases; to the Committee on Ways and Means.

By Mr. McDOWELL:

H.R. 8868. A bill to amend the Internal Revenue Code of 1954 to provide for the tax treatment of stock of the General Motors Corp. distributed pursuant to an antitrust divestiture decree arising from *United States* v. *E. I. duPont de Nemours and Company*; to the Committee on Ways and Means.

By Mr. MORSE:

H.R. 8869. A bill to establish a U.S. Agency for World Peace and Security; to the Committee on Foreign Affairs.

By Mr. PATMAN:

H.R. 8870. A bill to amend the Small Business Investment Act of 1958, and for other purposes; to the Committee on Banking and Currency.

By Mr. PERKINS:

H.R. 8871. A bill to amend the Federal Employees' Compensation Act of 1960; to the Committee on Education and Labor.

By Mr. RYAN:

H.R. 8872. A bill to amend the U.S. Housing Act of 1937 to permit occupants of dwelling units in low-rent public housing projects to purchase such units; to the Committee on Banking and Currency.

H.R. 8873. A bill to amend the U.S. Housing Act of 1937 to authorize the construction of the full 810,000 units of low-rent public housing authorized under the Housing Act of 1949; to the Committee on Banking and Currency.

By Mr. SPENCE:

H.R. 8874. A bill to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes; to the Committee on Banking and Currency.

By Mr. VAN ZANDT:

H.R. 8875. A bill to protect the domestic economy, promote the national defense, and regulate the foreign commerce of the United States by adjusting conditions of competition between domestic industries and foreign industries, and for other purposes; to the Committee on Ways and Means.

By Mr. MILLS:

H.R. 8876. A bill to amend the Internal Revenue Code of 1954 to permit the use of identifying numbers; to the Committee on Ways and Means.

By Mr. MASON:

H.R. 8877. A bill to amend the Internal Revenue Code of 1954 to permit the use of identifying numbers; to the Committee on Ways and Means.

By Mr. FULTON:

H.R. 8878. A bill to amend the Internal Revenue Code of 1954 so as to provide that certain distributions of stock made pursuant to orders enforcing the antitrust laws shall not be treated as dividend distributions but shall be treated as a return of basis and result in gain only to the extent basis of the underlying stock is exceeded; and to further provide that the amount of a dividend in kind received by a corporation shall be its fair market value; to the Committee on Ways and Means.

By Mr. RYAN:

H.R. 8879. A bill to amend the Fair Labor Standards Act of 1938 to extend the child labor provisions thereof to certain children employed in agriculture, and for other purposes; to the Committee on Education and Labor.

H.R. 8880. A bill to provide financial assistance to the States to improve educational opportunities for migrant agricultural employees and their children; to the Committee on Education and Labor.

H.R. 8881. A bill to provide for the registration of contractors of migrant agricultural workers, and for other purposes; to the Committee on Education and Labor.

H.R. 8882. A bill to amend title III of the Public Health Service Act to authorize grants

for family clinics for domestic agricultural migratory workers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 8883. A bill to provide for the establishment of a Council to be known as the "National Advisory Council on Migratory Labor"; to the Committee on Education and Labor.

By Mr. LINDSAY:

H.J. Res. 539. Joint resolution to establish the Theodore Roosevelt Birthplace and Sagamore Hill National Historic Sites, N.Y., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BARRY:

H.J. Res. 540. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. DOMINICK:

H.J. Res. 541. Joint resolution to provide protection for the golden eagle; to the Committee on Merchant Marine and Fisheries.

By Mr. HALPERN:

H. Res. 427. Resolution creating a select committee to conduct an investigation and study of the powers, functions, and jurisdiction of the existing regulatory agencies in the field of aviation; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII private bills and resolutions were introduced and severally referred as follows:

By Mr. DERWINSKI:

H.R. 8884. A bill for the relief of Helena Maria Zielinski (formerly Helena Maria Neumann); to the Committee on the Judiciary.

By Mr. FOGARTY:

H.R. 8885. A bill for the relief of Elisabete Maria Fonseca; to the Committee on the Judiciary.

By Mr. HERLONG:

H.R. 8886. A bill for the relief of Thelma E. McClench; to the Committee on the Judiciary.

By Mr. MILLS:

H.R. 8887. A bill for the relief of Mrs. Lucien Abraham; to the Committee on the Judiciary.

By Mr. SANTANGELO:

H.R. 8888. A bill for the relief of Mr. and Mrs. Michele Del Re; to the Committee on the Judiciary.

By Mr. WALTER:

H.J. Res. 542. Joint resolution relating to the admission of certain adopted children; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

National Lottery of Israel

EXTENSION OF REMARKS
OF

HON. PAUL A. FINO

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 23, 1961

Mr. FINO. Mr. Speaker, I should like to acquaint the Members of this House with the national lottery of Israel. The Israeli lottery operation is not particularly extensive, but it is nevertheless a quite significant achievement.

In 1960, the gross receipts of the Israeli national lottery came to some $14 million. The net income to the Government, earmarked solely for the construction of hospitals, policlinics and schools, exceeded $4 million.

The struggle to establish a national lottery in Israel was not easily won—the United States does not have a monopoly on hypocrites. We might perhaps learn a lesson from the words of the director of the Israeli lottery—from his comments on the fight for an Israeli lottery.

"The Israeli lottery exists somewhat less than 9 years. During the period between the two World Wars, it was the Jewish population in Europe which, due to its insecure economic position, was the major buyer of lottery tickets there. In spite of this fact, it took a few years after the declaration of the State of Israel, before the Government and public circles consented to the organization of a lottery in Israel. This reluctance was probably due to the fact that the British, who were the mandatory power in the country for 30 years, considered any lottery as being uneducational. Incidentally, it is worth remarking that even the British are now beginning to abandon these principles, this quite apart from horseracing and betting which have always been considered acceptable by the English. The latter institutions are certainly no more ethical than lotteries under government control, whether or not part of normal government activity."

With these words, spoken before the Third International Congress of National Lotteries held in Tel-Aviv in 1960, Israel's lottery director hit the nail on the head. Israel, like Britain and other nations, has overwhelmed the hypocrites, bluenoses and moralists. Is it not about time that we did the same—America needs a national lottery.

United States Against E. I. du Pont de Nemours & Co.

EXTENSION OF REMARKS
OF

HON. HARRIS B. McDOWELL, JR.

OF DELAWARE
IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 23, 1961

Mr. McDOWELL. Mr. Speaker, I wish to support my bill to amend the Internal Revenue Code of 1954 to provide for the tax treatment of stock of the General Motors Corp. to be distributed pursuant to an antitrust divestiture decree arising from United States against E. I. du Pont de Nemours & Co.

It is my deep and sincere conviction that my bill, H.R. 8868, will help resolve the problems facing the Du Pont stockholders who are immediately affected by a recent decision of the Supreme Court which requires that E. I. du Pont de Nemours & Co. dispose of all of its stock in the General Motors Corp.

Earlier this year, I introduced a bill, H.R. 7348, which was identical to a legislative measure on the Du Pont problem approved by the House Ways and Means Committee in 1959.

Upon the introduction of H.R. 7348, I said that:

> It is entirely possible that further action of the Ways and Means Committee, working with officials of the new Democratic administration in Washington, may be necessary to further perfect legislation dealing with the divestiture ordered by the Supreme Court.

I am convinced that it is neither necessary nor wise to try to solve all of the problems which may arise in all of the antitrust divestiture cases in the future before we provide a fair solution for those involved in the Du Pont case. It must not be allowed to drag on and on until everyone concerned loses hope of a just solution. This case must be concluded promptly and fairly. Substantial sums of money and a considerable segment of our population are involved so that I believe it would be in the public interest for Congress to devise the appropriate means of solution. Accordingly, my proposal will by its terms apply to the Du Pont decision and the particular Du Pont stockholders immediately and directly affected by the Supreme Court decision. In order to get the case disposed of promptly, my proposal will apply only if all of such divestiture is completed on or before January 1, 1964.

My proposal would provide for individual stockholders the same tax that would be paid under the bill, H.R. 8190, introduced by the gentleman from Illinois, Congressman MASON. In general, an addividual, for instance, who bought or inherited his Du Pont stock since 1949 would not pay any tax on the General Motors stock distributed to him because his basis in the Du Pont stock will be greater than the value of the General Motors stock he receives. Likewise, an individual who bought or inherited his Du Pont stock before 1949 would pay some tax at capital gains rates, the amount of the tax depending on how much the value of the General Motors stock exceeded the basis of his Du Pont stock.

Moreover, under H.R. 8868, the distribution of General Motors shares to individuals would reduce the basis of the Du Pont shares in an amount equal to the fair market value of the General Motors shares and any excess of the value of the General Motors shares over the basis of the Du Pont stock would be taxed at capital gains rates. Thus, assuming that the value of the General Motors shares distributed with respect to each share of Du Pont was $60, any shareholder with a basis of $60 or more in his Du Pont stock would receive the General Motors shares without paying any tax. The shareholder's basis in the Du Pont stock would be reduced $60. Any shareholder whose basis in his Du Pont stock was less than $60 would pay capital gains tax on the excess of the

$60 value of the General Motors shares distributed over his basis. His basis in the Du Pont stock would be zero and his basis in the General Motors stock would be its fair market value.

I have been disturbed by the application in the instant case of the provisions of existing law which permits a corporate shareholder receiving a distribution in property other than money to get the double benefit of the 85-percent dividends received deduction and permission to treat as gross income less than the fair market value of property received.

In the Mason bill, H.R. 8190, this problem is dealt with by introducing a change in permanent law embracing all dividends received in the form of property other than money by a corporation. This will have far-reaching implications. Using the instant situation to change long-standing rules of present law in unrelated situations can only result in slowing down legislative action on the immediate problem which is the relief of hundreds of thousands of innocent Du Pont and General Motors shareholders from an undeserved penalty.

My bill would provide relief to persons who receive General Motors stock from a corporation, such as Christiana Securities, for example, which holds Du Pont stock only if two conditions are met: First, the intermediate holding company must be required under the court decree to divest itself of such General Motors stock as it received from Du Pont; and second, the intermediate corporation must have elected to pay the higher tax under the special corporate provision which is similar in effect to section 2 of H.R. 8190.

The Mason bill changes the tax treatment of a corporation receiving as a dividend property other than cash in all cases whether or not there is any connection with an antitrust suit.

The McDowell bill says this treatment will apply only to a corporation affected by the Du Pont decision if the corporation elects this treatment in order that its own shareholders may qualify for the return of capital provided in this bill.

Under present law, General Motors stock that is distributed to Christiana Securities, for example, would be taxed at about 16 cents a share. And if the court requires them to distribute this to their own shareholders the value of such stock would be taxed like a dividend to the Christiana shareholders.

I include here the text of my bill, H.R. 8868, to provide for the tax treatment of stock of the General Motors Corp. distributed pursuant to an antitrust divestiture decree arising from United States against E. I. du Pont de Nemours & Co.:

H.R. 8868

To provide for the tax treatment of stock of the General Motors Corporation distributed pursuant to an antitrust divestiture decree arising from United States against E. I. du Pont de Nemours and Co.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any provisions of subtitle A of the Internal Revenue Code of 1954, if a shareholder receives a distribution, before January 1, 1964, from a corporation pursuant to an order entered by the United States district court under the mandate of the Supreme Court of the United States in United States against E. I. du Pont de Nemours and Company, (366 U.S. 316), and if—

(1) such distribution consists solely of stock (including rights to fractional shares) of General Motors Corporation,

(2) section 301 of the Internal Revenue Code of 1954 would (but for this Act) apply to such distribution, and

(3) such distribution is part of a divestiture of such holdings of the General Motors Corporation stock required to be divested pursuant to such order,

then for purposes of subtitle A of the Internal Revenue Code of 1954, such distribution shall be treated as provided in section 2.

SEC. 2. (a) INDIVIDUAL SHAREHOLDERS.—In the case of an individual shareholder—

(1) the fair market value of the distributed stock shall be applied against and reduce the adjusted basis of the Du Pont stock with respect to which the distribution is made. That portion, if any, of the fair market value of the distribution which exceeds such adjusted basis shall be treated as gain from the sale or exchange of property;

(2) the basis of the stock received shall, in the distributee's hands, be its fair market value at the time of the distribution;

(3) the basis of the Du Pont stock with respect to which such distribution was made shall be its adjusted basis immediately before such distribution, reduced (but not below zero) by such fair market value; and

(4) the earnings and profits of the E. I. du Pont de Nemours and Company shall not be reduced by reason of such distribution. An individual who receives stock described in the first section of this Act on the basis of his holding of stock in a corporation other than E. I. du Pont de Nemours and Company shall apply paragraphs (1), (2), and (3) as though his holding was in such company but only if the distributor has elected to have subsection (b) apply.

(b) CORPORATE SHAREHOLDERS.—In the case of a corporate shareholder electing to have this treatment apply, the distribution shall be treated as provided by section 301 of the Internal Revenue Code of 1954, except that—

(1) the amount of the distribution shall be the fair market value of the stock received,

(2) the basis of the stock received shall, in the hands of the distributee corporation, be the fair market value of the property distributed, minus the deduction for dividends received, as provided for in sections 243, 244, 245, and 246, attributable to the distribution as determined under regulations prescribed by the Secretary of the Treasury or his delegate.

Reader's Digest Supports Cuban Refugee Emergency Appeal of the International Rescue Committee

EXTENSION OF REMARKS

OF

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 23, 1961

Mr. FASCELL. Mr. Speaker, one of the earliest and major contributors to the Cuban refugee relief program has been the well-known International Rescue Committee, Inc., with headquarters in New York.

The committee instituted its Caribbean program on July 13, 1960. Since that time, it has helped 20,000 Cuban refugees, some 12,000 in the Miami area and about 8,000 elsewhere, primarily New York, New Jersey, and southern Connecticut. One thousand four hundred were resettled from Miami, and more than 3,000 job opportunities were secured for refugees who turned to the committee for help. New registrations in Miami and New York average 250 a week, or almost 600 people if family members are included. Facing a caseload of 30,000 Cuban refugees by the end of the year, the committee is facing a grave financial crisis.

After the revolution in Hungary in 1956, more than 38,000 Hungarians entered this country. For this gigantic relief program, the committee received a total of $3 million with which it aided in resettling these refugees from oppression.

I point out that by the end of this year, we expect to have received on our shores more than 150,000 refugees from Communist-infected Cuba—more than three times the number of Hungarians. The total program for the Cuban refugees relief program for the year 1960-61 was financed by the committee with $350,000 raised by June 30 of this year. In comparison to the $3 million donated for the Hungarians, this is a meager figure indeed for the existing program of relief and assistance. Not less than a million dollars is needed now for IRC's share of emergency assistance, a stepped-up resettlement program, and intensive retraining.

Of substantial help to the committee in its efforts has been an appeal made by the Reader's Digest Foundation, which solicited the financial support of its readers and contributed a check of $10,000 to initiate a nationwide appeal. During this past month, an information program has been conducted throughout the country in support of the Reader's Digest appeal.

The International Rescue Committee brings 28 years of experience in aiding escapees from dictatorship. I trust all Americans will take an equal interest in its program of assistance so that it may effectively focus that experience on the needs of the 30,000 Cuban exiles in our midst and all those who will continue to find a haven here in our country from oppression and tyranny.

Statistics of Questionnaire Sent to New Jersey Constituents

EXTENSION OF REMARKS

OF

HON. WILLIAM B. WIDNALL

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 23, 1961

Mr. WIDNALL. Mr. Speaker, recently I mailed a lengthy questionnaire to

60,000 constituents eliciting their views on important issues.

The response of over 12,000—over 20 percent—was remarkable, as it is well known that a 10-percent figure is a usual return.

On most questions asked, the views expressed were clear cut, the percentages weighing heavily in favor of or against a proposal. On a few the majorities in one column were less persuasive, but equally interesting.

The district which I have had the privilege of representing in the House of Representatives since 1950 offers a healthy cross section of American life, with rural, industrial, farm, and suburban areas, moderately large cities and tiny hamlets, regions of considerable wealth and low-income areas.

Because the Seventh District of New Jersey is so representative of the country as a whole in the backgrounds and occupations of its residents, I feel readers of the RECORD will find considerable interest in the statistics of this poll reproduced below:

	Percent		
	Yes	No	No opinion
1. Do you believe Communist China should be recognized by the United States?	20	76.25	3.75
2. Do you believe the competition of low cost Chinese made goods would provide jobs for Americans?	7.5	85	7.5
3. Do you approve direct Federal grants to States to assist school construction?	61.5	37.5	1
Should such aid be based on need? (Of those favoring aid for construction, 94 percent favor basing aid on need.)	57.5	15	27.5
4. Do you approve direct Federal grants to States for teachers' salaries?	25	73.5	1.5
5. Should there be Federal aid to parochial schools?	20.74	78.26	1
6. The hourly minimum wage is $1. Do you favor an increase, and if so, which do you favor?			
	Percent		
$1.15	25.0		
$1.25	42.5		
Other	15.0		
No increase	17.5		
7. Do you favor trading butter and other surplus products to the Soviet bloc for strategic materials?	50	46.25	3.75
8. Do you favor continuance of the House Un-American Activities Committee?	81.25	15	3.75
9. Do you favor an increase in 1st-class postage rates?	42.5	55.75	1.75
10. Do you favor an increase in 2d- and 3d-class postage rates?	70	28.25	1.75
11. Should we give the President the right to accept or veto specific items in appropriation bills so that he might disapprove specific appropriations? (Now he has to accept all or nothing.)	67.5	27.5	5
12. Do you favor a Federal program of medical aid for the elderly?	72.5	21.25	6.25
Through Federal aid to States, each State to administer the program on the basis of need?	50.5	49.5	------
Through social security?	62.5	37.5	------
13. Should the United States establish a West Point type academy for diplomats?	77.75	20	2.25
14. Do you favor enactment of a Federal so-called "fair trade" law permitting manufacturers to set minimum prices throughout the country?	25	72.5	2.5
15. Do you believe we should agree to further land concessions to the Communist Chinese in the Straits of Formosa (Quemoy, Matsu)?	7.5	87.5	5
16. Do you favor competitive development of atomic energy by private enterprise for commercial purposes?	86.25	10	3.75
17. Should we continue the mutual security program of military and economic assistance to friendly nations?	81.25	15	3.75
18. Do you favor retaining the Connally amendment of 1946 (U.S. right to determine which issues are rightly the province of this country to settle and not subject therefore to the jurisdictions of the International Court)?	70	12.5	17.5
19. Do you favor lowering the voting age to 18?	23.25	75	1.75
20. Do you favor a peacetime veterans educational benefits program, similar to the postwar GI bill of rights?	41.25	57.5	1.25
21. Do you favor elimination of crop restrictions to permit a farmer to grow sufficient foodstuffs on his own farm for consumption by livestock being raised on the same farm?	87.5	6	6.5
Should feed grain be subsidized?	12	75	13
22. Should there be a reduction of Federal Government competition with privately owned business and industry?	77.5	18.75	3.75
23. Should we abolish the affidavit of nonmembership in subversive organizations (loyalty oath) from the National Defense Education Act?	12.5	82.5	5
24. Do you favor Federal aid to depressed areas?	85	12.5	2.5
	Percent		
(a) By loans	67.5		15
By grants	17.5		
(b) To industrial areas?	73	10	17
(c) To rural areas?	71.25	10	18.75
25. Do you favor raising the $1,200 limit on earnings in order for one to be eligible for social security benefits?			
	Percent		
To $1,800	25		
To $2,400	35		
No change	13.75		
Unlimited	8.75		
Others	17.5		
26. Should the public housing program be continued and enlarged?	50	43.5	6.5
27. Do you believe in the proposed Peace Corps program?	55	37.5	7.5

The Impact of Imports and Exports on American Employment

EXTENSION OF REMARKS
OF
HON. J. ERNEST WHARTON
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 23, 1961

Mr. WHARTON. Mr. Speaker, under leave to extend my remarks, I should like to include a statement prepared for presentation to the Subcommittee on the Impact of Imports and Exports on American Employment on even date herewith:

Mr. Chairman, I am very pleased to have this opportunity to appear before the Subcommittee on the Impact of Imports and Exports on American Employment, and trust that I may thereby reflect the views of a substantial segment of my constituents. I think you have embarked upon a most commendable undertaking.

I have a peculiar habit of doing a part of the family shopping for the simple reason that I like to observe the fluctuations of the price index at first hand. I am not above seeking a bargain, but I draw the line on inferior imported merchandise and I do object to the 3 percent that is added on for trading stamps. They are like gambling, in that some people like to indulge and others don't, and I just do not want to be bothered with trading stamps—it's a personal matter. Now, imports, too, are deceptive and usually an inferior article and I have legislation pending to require that the manufacturer's name and address appear on all assembled merchandise, including the textiles. In the first place, a manufacturer is legally responsible for defects in his wares and the absence of a label suggests that somebody is ducking the issue and trying to hide his identity. More important even than that, and my first concern, is the American workman and I would like to see him employed full time. A normal person doesn't want to be unemployed and on a dole, and I for one only want to support him in that manner as a last resort. That is the problem that confronts us here today.

In my locality, textile and wearing apparel is a field of small operations where many family businesses and small plants of national firms predominate. As a result, the impact of low priced imports manufactured in countries with substandard wages and living conditions is widespread. During the past decade, there have been many instances reported where employment opportunities have dropped at an alarming rate. These people did not become unemployed as a result of automation, but because our markets, using words of those in the business, have been "glutted with imports" and merchandise of inferior quality.

Now, we already have the machinery to control imports—it is in the hands of the executive branch of the Government, and the time has arrived to use it. Today, we read that our automobile industry is in trouble and that is not difficult to understand when you look out in the street and observe the number of foreign cars on our highways. They are not superior to our cars, but they are cheap and buyers are demanding economy merchandise, not necessarily the lowest available price but the best buy for the long run.

In my opinion, this is a problem for the experts, and I have wired all of the responsible labor people of my own textile industry for an expression of their views. In closing, I should like to quote the reply of one of the outstanding union representatives in my district and submit that your committee extend serious consideration to the views expressed in the following telegram:

"Congressman J. ERNEST WHARTON,
"House of Representatives,
"Washington, D.C.:

"The impact of import on our industry, namely, men's shorts and suits, has had a

definite damaging effect. The union has proposed several remedies. We take exception to the fact that competitively it is impossible to compete with imports due to low wages and other subminimum conditions. Our manufacturers cannot even make the garments for what an imported garment sells for in this country. Unless definite steps are taken either to set quotas or raise the standard of living in these foreign countries, our workers will be without jobs. We must have reciprocal trade but we must see to it that our workers and manufacturers have competitively equal working conditions.

"Mrs. RITA BAKER,
"Business Agent, Local 186, Amalgamated Clothing Workers of America, AFL-CIO."

Address by Hon. John E. Fogarty of Rhode Island, to the Rhode Island Optometric Association

EXTENSION OF REMARKS
OF
HON. JOHN E. FOGARTY
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 23, 1961

Mr. FOGARTY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by me at the annual banquet of the Rhode Island Optometric Association:

REMARKS OF HON. JOHN E. FOGARTY, U.S. REPRESENTATIVE, SECOND CONGRESSIONAL DISTRICT OF RHODE ISLAND, AT ANNUAL BANQUET OF THE RHODE ISLAND OPTOMETRIC ASSOCIATION AT LINDSEY'S, LINCOLN, R.I., ON SATURDAY, JUNE 10, 1961

It is a great pleasure to be with you tonight and to have this opportunity to talk to you about eyes, aging, and our Nation's most important resource—healthy population.

I have long been impressed with the important supportive role played by the optometrist in the early detection of diseases of the eye. Into your offices come people with all kinds of visual defects, and you thus are key personnel in advising the patient when disease requires further treatment. This is a tremendous responsibility you have. There are only about 20,000 optometrists in the United States, and it has been estimated that almost 40 percent of the population has eye defects.

I am aware of your code of ethics which binds you to advise the patient whenever other professional care seems advisable, and of the fine work you have done through the "Optometry Annual," which for years has stimulated interest in the early detection of glaucoma by competent refraction of the eye. The discipline of optometry has earned the gratitude of all of us for its use of preventive and corrective measures to insure maximum vision and comfort for a considerable part of our population.

Spectacles have been in use since the 14th century, but the discipline of optometry is relatively new. Right here in New England, just 27 miles from Boston, Dr. Augustus Klein set up the Klein School of Optics, in 1896, where he delivered lectures in a pine grove on his estate. The following year the American Optometric Association was founded. While Dr. Klein was not one of its founders, clearly it is the pioneering work of men such as he that established the roots that have become the discipline of optometry.

Still, I am impressed by the small numbers of optometrists we have who have such an important role in dealing with eye conditions in our population, especially in that nearly 10 percent of our population age 65 or older.

You may be asking yourselves at this point—how do I qualify to speak to you on the subject of aging in the field of optometry, or aging in any field, for that matter? My answer is simply that in the course of my 20 years in Congress I have become deeply interested in and active on the Health Subcommittee on Appropriations. As chairman of that subcommittee for 9 years I have been privileged to take a leading part in the establishment of a broad forward-looking program of research in the medical and biological sciences. To keep abreast of developments it was necessary for me to learn as much as possible about these fields to qualify as a well-informed layman, while at the same time serving as your Representative, and, of course, as a citizen who has the same stake in medical progress as any other citizen.

Early this year the White House Conference on Aging was held in Washington. As some of you may be aware, I have a deep personal and official interest in the results of this, the first White House Conference on Aging. I am proud to have introduced H.R. 9822 calling on the President to hold such a conference. Officially, in my opinion, I performed no more important task while chairman of the Appropriations Committee of the House of Representatives.

The importance of your profession's contribution to this conference was recognized when Dr. Ralph Wick, chairman of the Committee on Vision Care of the American Optometric Association was named to its National Advisory Committee.

In addition to Dr. Wick, two other representatives from the association served as delegates as well as delegates from the American Optometric Foundation and the National Society for the Prevention of Blindness.

It was interesting to me to note in the Conference recommendations, the number of references to "optometry" and its significance in the total approach to meeting the challenge of aging.

I must share with you my deep concern about the results of the White House Conference. If you heard or read any of the many speeches I made preceding the Conference, and at the meeting itself, you know what stress I placed on action. The Conference was not intended to be the goal—but a beginning along the lines that 2,565 voting delegates decided in workshops and general sessions.

During the recent hearings on the appropriations of the Department of Health, Education, and Welfare, I was very critical of the report of the Conference because it was not the blueprint for action that had been promised. I ventured to add that this might well be the most expensive and least productive of the national conferences and could be a cruel hoax against our senior citizens who prayerfully waited patiently for positive action after the hundreds of gatherings that were held in preparation for the Washington meeting.

More than ever, I believe that favorable action should be taken on the bill I introduced in Congress on the opening day of the White House Conference. It calls for the creation of a Federal Commission on Aging that will provide the mechanism, prestige, and independence needed to keep the national program on aging vital and meaningful and not a leftover function or second best activity of any one department.

I have just heard of the formation of the Vision Institute of America and some of the plans for pilot projects in the field of aging. This is a most important development in the field of aging and its potential for the field of optometry is equally significant. We shall all be watching and encouraging you in this endeavor. It is almost the prophesy on the cover of "Vision of the Aging Patient" come true. It says: "Old age can well be the golden years of a human life. The optometric profession can help to make it that by the proper care of the most vital of the senses—vision."

It is my hope that Rhode Island will take a leadership role in this entire field of meeting the needs of the aging on all fronts. There are several unique factors affecting our State which are the basis for my expressing this objective.

At the present time, our older persons covered by medical insurance far exceed the national average.

Rhode Island welfare and medical programs are somewhat more liberal than in many other States. Only 8 percent of our population receives old-age assistance benefits, ranking 41st among the other States.

A State analysis shows 27 percent of the aged in Rhode Island to be handicapped by serious defects in vision, hearing, or mobility.

It is most enccuraging to have Brown University included among the distinguished universities undertaking a part of the national research program.

At Brown, initially, the socioeconomic factors associated with aging will be studied and the relationship between these factors and the medical and biological aspects of aging and old age will be assessed. Five of the departments of the university will contribute to the project and the Rhode Island Hospital and community facilities will be used for clinical research purposes.

Other aging studies at Brown University are being supported by the Atomic Energy Commission, the Public Health Service, and the Ford Foundation.

Arrangements are underway to hold the second of the nine regional conferences—sponsored by the U.S. Office of Education with seven other educational groups at the University of Rhode Island in August. Again our State will play host to leaders from all of the New England States to develop the place of education in meeting the needs and desires of our elderly for lifelong learning and meaningful retirement.

It is my hope that the University of Rhode Island may become one of the Nation's centers on aging and preliminary steps have been taken toward that goal.

This is my concept of action. It has meaning for each of us in the job we are performing in our chosen fields and as citizens of the State and Nation.

To you, as optometrists numbering approximately 20,000 nationally and 150 within Rhode Island, there is a tremendous opportunity.

A few figures tell us of the task before you. Approximately 70 million Americans have eye ailments and need glasses; about 1 million persons have glaucoma without knowing they have it; 350,000 persons are considered legally blind, half of these are individuals 65 years of age or older.

It costs the United States approximately $500 million annually for the special benefits for the blind. There is no way to measure the cost to the individual, his family, friends, or the community.

Of this I am sure, that with the devotion to your profession that has been reflected in your growth and achievements, there is a brighter tomorrow for our Nation and for our senior adults who have had cause to doubt the value of their added years.

Now they can look forward to useful, healthful years lived with dignity and independence.

Much of this will be realized because you have kept faith with your own optometry's pledge:

"Next to life itself, God's most gracious gift is sight, and to the service of this great gift of sight we optometrists sincerely and faithfully dedicate our ministry."

Memories of the Critical Fuel Oil Crisis in World War II Should Serve as a Grim Reminder That the Distressing Situation Is Certain To Be Repeated in the Event of Another National Emergency

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, August 23, 1961

Mr. VAN ZANDT. Mr. Speaker, I should like to insert the following paragraph from a newspaper story:

The Manufacturer's Building at 7 Beverly Street, which houses 30 small firms, many engaged in war work, will be closed today for lack of fuel oil, Miss Anna Bowman, superintendent, said yesterday.

For anyone who is not familiar with the critical fuel oil shortage that enveloped New England during World War II, I invite him to request the Library of Congress to provide copies of newspapers from Boston, Providence, New York, or other areas along the upper east coast for 1942 and/or the early months of 1943. He would find many items akin to that which I have just read from a February 1, 1943, edition. Here are just a few headlines:

"Lack of Oil Shuts Down Many Mills: War Work Halted as Thousands Lose Their Jobs," February 3, 1943.

"Hospital Is Ordered Closed by City To Save on Fuel Oil: Patients at Neponset Beach Institution for Children at Rockaway To Be Moved Today," January 4, 1943.

"End of Many Activities Held Imminent Under Cut in Oil: Churches, Schools, and Theaters Face Closing Unless Coal Users—Officials Expect No Early Relief," January 7, 1943.

"Bunker C Imports Into Rhode Island Short by 14,000 Barrels Daily," February 26, 1943.

"Exodus of Labor Threatens Mills in Fuel Oil Crisis," February 5, 1943.

Those are but a few of the headlines that you will see if you ask for the early 1943 issues. Go back a year, from the time that our tanker traffic from the Gulf of Mexico to the east coast first began to fall prey to enemy submarines and you will realize that the long fuel oil deficit was inevitable. You would not have to be many yards east of the beaches to read those headlines at night by the lights of the tragic fires that flamed into the skies as ship after ship exploded. Here is a May 27, 1942, headline:

"New England Told Not To Expect Oil: Ickes Says Worse Situation Is Coming and Asks Conversion to Using Coal."

June 5, 1942: "Hardship for Fuel Oil Users Protected by Fuel Industry Council."

Incidentally, the Council referred to was the Petroleum Industry War Council, and I dare say that anyone who advocates free access to American markets for foreign oil might do himself and his country a favor if he would review some of the Council's records for the World War II period. Better yet, place the front pages of this week's newspapers alongside those of 18 and 19 years ago, and then ask yourself this question: In view of the current crisis over Berlin, can a single American plant, factory, or generating station that would contribute in any way to a war effort be permitted to rely on a foreign source of energy?

The matter of the American coal industry's interest in restricting imports of residual oil has been in discussion for at least 12 years. I appealed to Congress as far back as 1950 to enact a quota restriction as a medium of protecting the jobs or our miners and railroaders. My friends from New England have made similar appeals on behalf of textile workers, fishermen, and miscellaneous other labor groups whose unemployment is directly attributable to excesses of imports.

It would be difficult for any human being to visit an area of chronic surplus labor and refrain from attacking the major causative of this condition. There is no question about why so many of our mines are closed, why so many of our railroad cars are idle on sidings. Many markets that once provided outlets for coal supply have simply turned their backs to our coal producers and opened the doors of their boilerrooms to tanker-borne fuel. The price differential is usually not pronounced, but it is always used as a lure. When a shipper of foreign oil agrees to sell his product at whatever level is necessary to get below the cost of coal, the consumer does not have to rely upon his calculating machine—whether it be Remington Rand, Olympia, or Olivetti—to determine which fuel is cheaper.

Eventually, of course, the company which chooses foreign oil is going to find that it has not taken the more economical course. When there are enough plants unable to convert back to coal, and when enough railroad tracks into others have been abandoned, the international oil crowd will be able to charge what it pleases. Historically, it is the practice of a monopoly to destroy competition and then boost prices at will.

These entreaties from the standpoint of the economy of coal regions have gone unanswered. Perhaps next year, when the Reciprocal Trade Agreement Act expires, some consideration will be demonstrated toward this problem, for it is evident that a growing number of industries and areas are suffering progressively more as a consequence of the Nation's illogical trade policy.

Of late my colleagues from Massachusetts have presented in the RECORD a large number of editorials on residual oil imports. It is my intention to attempt some measure of reciprocation by providing, from time to time, relevant material from earlier editions of newspapers from that section of the country. In deference to my friends who do not remember developments on the fuel front in the early war years, I shall request that complete news stories, rather than mere headlines such as I have inserted today, be included in the RECORD. Perhaps my friends from New England will wish to discuss further those dark days of 1942–43 as this material appears in the RECORD. I shall welcome their expressions.

Meanwhile the country must depend upon the mandatory oil import program for protecting domestic fuel industries from the destructive effects of unfair competition from foreign oil. The program is obviously far from satisfactory. Last year's record high volume of 230 million barrels of residual oil will easily be surpassed in 1961 unless the current crisis jolts the Department of Interior into reducing substantially the quota allocations. As of August 4, imports for this year were running at almost 6 million tons higher than for the equivalent period in 1960.

If the Secretary of Interior would take note of the headlines which I have presented here today, then check with the White House or Department of Defense on the world crisis, it is inconceivable that he will not order an immediate adjustment in allocations. Somewhere along the line communications between the Departments have apparently broken down. On the one hand the President soberly warns the Nation of the gravity of Khrushchev's threats. Congress is asked to provide astronomical increases in the defense budget. The draft pace is quickened. National Guardsmen are alerted. Civil defense alarms scream for shelters to guard civilians against fallout.

On the other hand, the Department of Interior goes blithely along its peaceful way, the Secretary so inspired with the beauty and magnificence of parks and monuments and rivers and dams and public power that he is unable to grasp the somber significance of barbed wire and armor that have encompassed Berlin and cast grim shadows over the entire world. Having arbitrarily increased residual oil imports by 100,000 barrels a day shortly after he took office, then in May having recklessly ordered an increase of another 44,000 barrels a day for the following 12 months, the Secretary has exhibited no signs of attempting to get in step with other Cabinet members who foresee the need for mobilization preparations.

I would suggest that the Secretary of Interior make a study of the problems that confronted his predecessor in 1942 and 1943. I would remind him that the tankers which now lie at the ocean floor off the beaches from Miami to Cape Hatteras to Atlantic City and points beyond were in coastwise traffic and not exposed to the added dangers to which ships from Venezuela and the Middle East would be subjected.

If we are ready to call the Kremlin's hand, it is folly to invite an energy gap by relying upon a foreign source of fuel for a war production effort. There can be no further delay in determining which industries necessary to the national defense now using foreign oil would be forced to terminate operations in the event that ocean traffic is disrupted. This information should be obtained as quickly as possible and oil import quotas be revised accordingly.